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Congressional Record

PROCEEDINGS AND DEBATES OF THE 99th CONGRESS, FIRST SESSION

HOUSE OF REPRESENTATIVES—*Thursday, May 9, 1985*

The House met at 11 a.m.

The Chaplain, Rev. James David Ford, D.D., offered the following prayer:

We pray, O God, that with the tumult and distractions of each day, You will grant inner peace which is Your gift to us. We pray for serenity of mind in spite of the tensions, we pray for quiet moments to hear Your spirit, even when noise seems to overwhelm. Speak to us, O God, in the depths of our hearts, heal and refresh us with Your peace that possesses all human understanding. Amen.

THE JOURNAL

The SPEAKER. The Chair has examined the Journal of the last day's proceedings and announces to the House his approval thereof.

Pursuant to clause 1, rule I, the Journal stands approved.

Mr. STRANG. Mr. Speaker, pursuant to clause 1, rule I, I demand a vote on agreeing to the Speaker's approval of the Journal.

The SPEAKER. The question is on the Chair's approval of the Journal.

The question was taken; and the Speaker announced that the ayes appeared to have it.

Mr. STRANG. Mr. Speaker, I object to the vote on the ground that a quorum is not present and make the point of order that a quorum is not present.

The SPEAKER. Evidently a quorum is not present.

The Sergeant at Arms will notify absent Members.

The vote was taken by electronic device, and there were—yeas 250, nays 162, answered "present" 2, not voting 20, as follows:

[Roll No. 102]

YEAS—250

Ackerman
Akaka
Alexander
Anderson
Andrews
Annunzio
Anthony
Archer
Aspin
Atkins
AuCoin
Barnard
Barnes
Bateman
Bates
Bedell
Beilenson
Bennett
Berman
Bevill
Biaggi
Boland
Boner (TN)
Bonior (MI)
Bonker
Borski
Bosco
Boucher
Boxer
Breaux
Brooks
Broomfield
Brown (CA)
Broyhill
Bruce
Bryant
Burton (CA)
Bustamante
Byron
Callahan
Carper
Carr
Chappell
Coelho
Coleman (TX)
Conyers
Cooper
Coyne
Crockett
Daniel
Darden
Daschle
de la Garza
Dellums
Dicks
Dingell
Dixon
Donnelly
Dorgan (ND)
Dowdy
Downey
Durbin
Dwyer
Dyson
Eckart (OH)
Edwards (CA)
English
Erdreich
Evans (IL)
Fascell
Fazio
Feighan
Flippo
Florio
Foglietta
Foley
Ford (TN)
Fowler
Frank
Frenzel
Frost
Fuqua
Garcia
Gaydos
Gejdenson
Gibbons
Glickman
Gonzalez
Gordon
Gray (PA)
Guarini
Hall (OH)
Hall, Ralph
Hall, Sam
Hamilton
Hatcher
Hayes
Hefner
Heftel
Hertel
Hopkins
Horton
Howard
Hoyer
Hubbard
Huckaby
Hughes
Hunter
Hutto
Jenkins
Johnson
Jones (NC)
Jones (OK)
Jones (TN)
Kanjorski
Kaptur
Kastenmeier
Kennelly
Kildee
Kleczka
Kolter
Kostmayer
LaFalce
Lantos
Leath (TX)
Lehman (CA)
Lehman (FL)
Leland
Levin (MI)
Levine (CA)
Lipinski
Lloyd
Long
Lowry (WA)
Luken
Lundine
MacKay
Manton
Markey
Martinez
Matsui
Mavroules
Mazzoli
McCloskey
McCurdy
McHugh
Mica
Mikulski
Miller (CA)
Mineta
Moakley
Mollohan
Montgomery
Moody
Moore
Moorhead
Morrison (CT)
Mrazek
Murphy
Murtha
Myers
Natcher
Nelson
Nichols
Nowak
O'Brien
Oakar
Oberstar
Obey
Olin
Ortiz
Owens
Panetta
Pease
Pepper
Perkins
Petri
Pickle
Price
Quillen
Rahall
Rangel
Ray
Regula
Reid
Richardson
Rinaldo
Robinson
Rodino
Roe
Rose
Rostenkowski
Roukema
Rowland (GA)
Rudd
Russo
Sabo
Savage
Scheuer
Schumer
Seiberling
Sharp
Shelby
Sisisky
Skelton
Slattery
Smith (FL)
Smith (IA)
Snyder
Solarz
Spratt
St Germain
Staggers
Stallings
Stark
Stokes
Stratton
Studds
Stump
Swift
Synar
Tallon
Tauzin
Thomas (GA)
Torres
Torricelli
Towns
Traficant
Traxler
Udall
Valentine
Vento
Visclosky
Volkmer
Watkins
Waxman
Weiss
Wheat
Whitley
Whitten
Williams
Wirth
Wise
Wolpe
Wright
Wyden
Wylie
Yates
Yatron
Young (MO)

NAYS—162

Armey
Badham
Bartlett
Barton
Bentley
Bereuter
Bilirakis
Bliley
Boehlert
Boulter
Brown (CO)
Burton (IN)
Campbell
Carney
Chandler
Chappie
Cheney
Clay
Clinger
Coats
Cobey
Coble
Coleman (MO)
Combest
Conte
Coughlin
Courter
Craig
Crane
Dannemeyer
Daub
Davis
Delay
Derrick
DeWine
Dickinson
DioGuardi
Dornan (CA)
Dreier
Duncan
Eckert (NY)
Edwards (OK)
Emerson
Evans (IA)
Fawell
Fiedler
Fields
Fish
Franklin
Gallo
Gekas
Gilman
Gingrich
Goodling
Gradison
Green
Gregg
Grotberg
Gunderson
Hammerschmidt
Hartnett
Hendon
Henry
Hiler
Hillis
Holt
Hyde
Ireland
Jacobs
Jeffords
Kasich
Kindness
Kolbe
Kramer
Lagomarsino
Latta
Leach (IA)
Lent
Lewis (CA)
Lewis (FL)
Lightfoot
Livingston
Loeffler
Lott
Lowery (CA)
Lujan
Lungren
Mack
Madigan
Marlenee
Martin (IL)
Martin (NY)
McCain
McCandless
McCollum
McDade
McEwen
McGrath
McKernan
McKinney
McMillan
Meyers
Miller (OH)
Miller (WA)
Molinari
Monson
Morrison (WA)
Nielson
Oxley
Packard
Parris
Pashayan
Penny
Porter
Pursell
Ritter
Roberts
Roemer
Rogers
Roth
Rowland (CT)
Saxton
Schaefer
Schneider
Schroeder
Schuette
Schulze
Sensenbrenner
Shaw
Shumway
Shuster
Sikorski
Siljander
Skeen
Slaughter
Smith (NE)
Smith (NH)
Smith (NJ)
Smith, Denny
Smith, Robert
Snowe
Solomon
Spence
Stangeland
Stenholm
Strang
Sundquist
Sweeney
Swindall
Tauke
Taylor
Thomas (CA)
Vucanovich
Walker
Weber
Whitehurst
Whittaker
Wolf
Wortley
Young (AK)
Young (FL)
Zschau

ANSWERED "PRESENT"—2

Dymally
Mitchell

NOT VOTING—20

Addabbo
Applegate
Boggs
Collins
Early
Edgar
Ford (MI)
Gephardt
Gray (IL)

☐ This symbol represents the time of day during the House proceedings, e.g., ☐ 1407 is 2:07 p.m.

● This "bullet" symbol identifies statements or insertions which are not spoken by the Member on the floor.

Hansen	Neal	Walgren
Hawkins	Ridge	Weaver
Kemp	Roybal	Wilson
Michel	Vander Jagt	

□ 1120

So the Journal was approved.

The result of the vote was announced as above recorded.

APPOINTMENT AS MEMBERS OF ADVISORY COMMISSION ON INTERGOVERNMENTAL RELATIONS

The SPEAKER. Pursuant to the provisions of section 3(a), Public Law 86-380, the Chair appoints as members of the Advisory Commission on Intergovernmental Relations the following members on the part of the House:

Mr. WEISS of New York;

Mr. LEVIN of Michigan; and

Mr. WALKER of Pennsylvania.

APPOINTMENT AS MEMBERS OF FRANKLIN DELANO ROOSEVELT MEMORIAL COMMISSION

The SPEAKER. Pursuant to the provisions of section 1, Public Law 94-371, as amended, the Chair appoints as Members of the Franklin Delano Roosevelt Memorial Commission the following Members on the part of the House:

Mr. PEPPER of Florida;

Mr. SCHEUER of New York;

Mr. FISH of New York; and

Mr. GREEN of New York.

PERMISSION FOR COMMITTEE ON THE JUDICIARY TO SIT TODAY DURING 5-MINUTE RULE

Mr. MORRISON of Connecticut. Mr. Speaker, I ask unanimous consent that the Committee on the Judiciary be permitted to sit while the House is reading for amendment under the 5-minute rule today, May 9, 1985.

The SPEAKER. Is there objection to the request of the gentleman from Connecticut?

Mr. PASHAYAN. Mr. Speaker, reserving the right to object, I should like an explanation, please, of what the request is all about.

Mr. MORRISON of Connecticut. Mr. Speaker, if the gentleman will yield, this is merely a request that the committee be permitted to sit during the 5-minute rule, and it has been cleared with the ranking member on your side, the gentleman from New York [Mr. FISH], who is on the floor.

Mr. PASHAYAN. What bills does the gentleman have in mind?

Mr. MORRISON of Connecticut. This is for the consideration of H.R. 2348, the Department of Justice authorization for appropriations act for 1986, and H.R. 1452, the Refugee Assistance Extension Act of 1985.

Mr. PASHAYAN. Mr. Speaker, I withdraw my reservation of objection.

The SPEAKER. Is there objection to the request of the gentleman from Connecticut?

There was no objection.

NATIONAL SCIENCE WEEK

Mr. GARCIA. Mr. Speaker, I ask unanimous consent that the Committee on Post Office and Civil Service be discharged from further consideration of the Senate joint resolution (S.J. Res. 59) to designate "National Science Week," and ask for its immediate consideration.

The Clerk read the title of the Senate joint resolution.

The SPEAKER. Is there objection to the request of the gentleman from New York?

Mr. PASHAYAN. Mr. Speaker, reserving the right to object, this side of the aisle has no objections. We support the measure.

Mr. FUQUA. Mr. Speaker, will the gentleman yield?

Mr. PASHAYAN. I yield to the gentleman from Florida.

Mr. FUQUA. Mr. Speaker, I would like to thank the gentleman. This is a very fine resolution, honoring science next week, and I urge its consideration. I appreciate the cooperation of the members of the committee.

Mr. TRAXLER. Mr. Speaker, will the gentleman yield?

Mr. PASHAYAN. I yield to the gentleman from Michigan.

Mr. TRAXLER. Mr. Speaker, I thank the gentleman for yielding to me, and I congratulate the committee for reporting this fine resolution.

Mr. PASHAYAN. Mr. Speaker, I withdraw my reservation of objection.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

The Clerk read the Senate joint resolution, as follows:

S.J. Res. 59

Whereas science and technology are currently major elements in the expansion of the economy and in the improvement of the quality of life in the United States;

Whereas the rate of scientific discovery and technological innovation continues to increase more rapidly than at any time in our history;

Whereas it is vital to build and maintain a highly dedicated and motivated work force with scientific and technological skills;

Whereas it is important that scientific research be made more interesting and accessible to youth as a potential career option;

Whereas it is in the national interest to increase the public's awareness and understanding of science and technology; and

Whereas schools, universities, museums, and professional, educational, and voluntary organizations, along with industry, labor, government, and private individuals, should be encouraged to work cooperatively to develop programs, events, and materials that will contribute to the public's education in science and technology: Now, therefore, be it

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That the week of May 12 through May 18, 1985, is designated as "National Science Week". The President is requested to issue a proclamation calling upon the people of the United States to observe such week with appropriate ceremonies and activities, including programs aimed at furthering the awareness of all Americans, and particularly the Nation's youth, of the importance of science and technology.

The Senate joint resolution was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

GENERAL LEAVE

Mr. GARCIA. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on Senate Joint Resolution 59, the Senate joint resolution just passed.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

CENTRAL AMERICA: A DOSE OF REALITY

(Mr. GONZALEZ asked and was given permission to address the House for 1 minute.)

Mr. GONZALEZ. Mr. Speaker, I wish to continue my discussion of the violations by the United States of the Treaty of the Organization of American States.

Some of us have learned through the ages that there is strength in numbers, and that by working together combining resources and negotiating viewpoints we may pursue a thoughtful and united policy. We forgot this lesson within our country when we tried to fight a war in Vietnam without the combined support of the Congress and the people of America as well as with the leadership of the President. And we are forgetting this lesson as well as we pursue a fragmented and undirected policy in Central America.

The administration has made commitments and taken action without the support of the Congress and the American people. Tragically, the administration has also failed to remember that there is strength in numbers not only within our country but within our world. The President has unilaterally intervened in the affairs of Central America without working together with countries who have pledged mutual support in peaceful endeavors. The Rio Treaty pledges mutual cooperation and mutual decisionmaking in security matters of the signatory countries.

The President is not working with the other countries; in truth, he is working against them, because his

intervention in Central America is not a peaceful intervention which the other member countries of the OAS can support. The Rio Treaty condemns war—it doesn't endorse war like the war our President is conducting. The signatory countries to the Rio Treaty agree not to attack each other with armed force, and yet that is exactly what this President is doing against the country of Nicaragua.

When is this President going to learn? If the United States does not work with the OAS countries, it works against them. If the United States does not seek the support of the other OAS countries in peaceful activities, then the United States has turned against these same countries in making war on any one of them, such as Nicaragua. And by making war on any one of the OAS countries, according to the Rio Treaty which the United States signed, the President is making war on all of the OAS countries. He has not learned the lesson of Vietnam; and he has forgotten the wisdom of the concept of mutual support and collective security, which was the whole purpose of the Rio Treaty, and the sole purpose for the existence of the OAS.

ADMINISTRATION'S ECONOMIC SANCTIONS POLICY AGAINST NICARAGUA BASED ON NATURAL SECURITY

(Mr. LAGOMARSINO asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. LAGOMARSINO. Mr. Speaker, in a hearing Tuesday, May 7, before the Joint Subcommittees on International Economic Policy and Trade and Western Hemisphere Affairs, critics of the administration decision to impose economic sanctions against Nicaragua complained that U.S. allies do not support that policy decision.

Administration officials rightly responded that the United States makes its policy choices based on what is in its national security interests and not on a popularity poll. And whether there are nations who speak out in opposition to our having imposed sanctions on Nicaragua or are those who privately support our actions, there are some nations who do have the courage of their convictions to stand up and express their support and back U.S. policy against Nicaragua.

One of the most important examples is Honduras, which is the country which faces one of the greatest threats from Nicaragua. Honduran foreign minister Edgardo Paz Barnica, in a press conference, said he welcomed the U.S. embargo against Nicaragua, but added that if it fails, the next step will have to include military measures. Foreign Minister Paz said that if diplomatic and economic pressures fail, then the only other alternative will be to use force.

CONGRESS SHOULD DECLARE WAR ON DRUG SMUGGLERS

(Mr. TRAFICANT asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. TRAFICANT. Mr. Speaker, in today's newspapers there were two headlines that might be interesting. The first one, "Two Tons of Cocaine Seized in Miami," the second one, "The Coast Guard, Florida Officers, Grab 3 Tons of Drugs."

When is Congress going to take the stand and declare war on these large drug smugglers?

My bill, introduced 6 weeks ago, H.R. 994, will do just that. First of all, it will eliminate bond for large drug smugglers who bring in excess of 1 kilogram of narcotics into this country.

Second of all, if convicted, they must serve 50 percent of that sentence.

Finally, what many Members are backing off of, a second offender of this type would be subject, with an option, to the death penalty.

I think, before long, Congress is going to have to make a decision, or we are going to have this type of problem every day in the newspaper, and more and more of our children and the lives of our children will be threatened by this problem.

Congress must declare war on drug smugglers.

I would appreciate it if the Members would look at H.R. 994.

WORKER RETRAINING

(Mr. CLINGER asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. CLINGER. Mr. Speaker, Preston Martin, the Vice Chairman of the Federal Reserve Board, was quoted as saying that America was on the verge of a "growth recession." In a growth recession, the economy grows, but not enough to prevent a rise in unemployment. This comes on the heels of news from the Commerce Department that our economy has become sluggish and our slower growth rate may prevent us from reaching the administration's goal of reducing unemployment.

Mr. Speaker, while we all hope that these predictions are wrong, let's not wait until the unemployment rate grows worse. Let's not ignore the changes which are occurring within our economy and the world's economy. It is time to retrain American workers to keep step with changes and address the new competitive challenges faced by U.S. business and industry.

It is in this spirit that I and a bipartisan group of 42 of our House colleagues have cosponsored the national Training Incentives Act of 1985. This bill would increase American competitiveness by encouraging additional training of our work force. It permits employers to take a 25-percent tax credit for training expenses over a 5-year historical average. It allows individuals with IRA's to withdraw their savings without penalty or taxation to pay for retraining. And it provides that the participation of unemployed workers in a training program will not disqualify them from unemployment compensation.

Mr. Speaker, it's time to take aggressive and appropriate steps to help American workers respond to global challenges. It's also time for Congress to be ahead of the curve of change, rather than behind it. I would invite my colleagues to cosponsor this important retraining proposal.

JTPA DOES MAKE A DIFFERENCE

(Mr. LEVIN of Michigan asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. LEVIN of Michigan. Mr. Speaker, I recently received two letters regarding the Job Training Partnership Act [JTPA] that I want to bring to my colleagues' attention. They both demonstrate the importance for this House to reject the administration's request for a 25-percent cut for JTPA next year.

The first letter was from the Wayne County Private Industry Council [PIC]. In an area with double digit unemployment, the Wayne PIC has put together a program to train dislocated and disadvantaged workers for 1,000 newly created jobs in the airline industry. In addition to putting people back to work, this program will help to diversify Wayne's economy away from its traditional dependence on the highly cyclical automobile industry. This program represents some of the best of what JTPA can accomplish—Government and business working together to the advantage of both.

The second letter was from Mr. John Ong, the chairman of the B.F. Goodrich Co. in his capacity as Chair of the National Alliance of Business [NAB]. In his letter, Mr. Ong notes "the powerful impact of the public/private partnership in job training for the disadvantaged which is embodied in the act." After stating that "Federal funding for job training has already been reduced substantially from almost $10 billion in 1981 to the current $3.6 billion," he urges the Congress to reject the administration's proposed recissions and to maintain the current funding levels for next year.

Mr. Speaker, I believe these endorsements of JTPA pointedly show that

the answer to joblessness is not to slash funding, but to support programs that are clearly putting people back to work.

FREEZE EVERYTHING

(Mr. PORTER asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. PORTER. Mr. Speaker, we in this Congress owe it to our children and grandchildren to find a bipartisan solution to this plaque of deficits.

The best first step is plain to see. A total freeze, on every budget category. A freeze on Republican priorities. A freeze on Democratic priorities. On defense. On Social Security COLA's. On everything else, too. Almost everyone will accept this for their program, if everyone else is treated the same.

I hear support for a freeze every day, from defenders, of all kinds of spending programs. Listen to what the American Medical Association recently said. The AMA wants to unfreeze and increase physicians' and hospitals' Medicare fees, unless—

The Congress legislates an across-the-board freeze of domestic and defense spending as part of a broad program to reduce the federal deficit and bring stability to the economy.

We have two choices, as I see it. We can debate priorities, end up in a stalemate, and watch the deficits mount. Or we can agree on a freeze.

SPINOFFS

(Mr. NELSON of Florida asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. NELSON of Florida. Mr. Speaker, each year NASA publishes its book on "Spinoffs" from space technology. Such items as robotic systems, high temperature lubricants, protective coatings, medical scanning equipment, tough new ceramic surfaces, even ingestible toothpaste are contributions from the space program to society.

There is a small Florida-based company that was founded in 1979—Microgravity Research Associates—which expects its first product to be crystals of gallium and arsenic made in space on the shuttle. Gallium-arsenide crystals, which conduct electron crystals 10 times faster than silicon, can be used in computer chips, lasers, switching devices in fiber-optic systems, high frequency antennas, solar power arrays, and other wonders necessary for the high tech world.

Because of the great market potential of these gallium-arsenide crystals in the next generation of computers and in solar-cell technology, other companies, such as the giant 3M Corp. are also joining in the research.

If we are to make progress on reducing the deficit through economic growth, we need real growth, the kind of growth that can be enabled by gallium-arsenide technology, which lets us do more with less.

This is another example of the kind of benefit that we get from our space program and demonstrates why we need to continue a vigorous civilian program.

WIC FUNDING

(Mr. KOLBE asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. KOLBE. Mr. Speaker, I am today introducing a resolution stating that it is the sense of Congress that the Office of Management and Budget release funds appropriated by Congress for the Women, Infants, and Children Program.

Fiscal year 1985 funding for the WIC Program was contained in a continuing resolution, that was passed at the end of the last session of Congress. It was clear that Congress intended that the total amount appropriated in Public Law 98-473 be spent. The continuing resolution stated that the total amount: "be appropriated to the States based on an annual appropriation level of $1.5 billion."

The OMB has chosen to interpret the language of Public Law 98-473 to mean that they need only maintain the WIC caseload that existed in September 1984. Consequently, they intend to spend only $169 million of the $245 million appropriated for August and September of this year. Because the State WIC programs were not, in some cases, officially notified of this decision until early April, and had previously operated under the assumption that the full funding would be available, approximately 237,000 women in at least 30 States must be cut from WIC roles in the fourth quarter of the fiscal year. My resolution restates the sense of Congress that the executive branch should release the remaining funds appropriated by Congress. Because of the urgency and the gravity of the situation, I urge my colleagues to join as cosponsors.

□ 1140

BORDER SHOOTING INCIDENT

(Mr. BATES asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. BATES. Mr. Speaker, on April 18, a tragic incident occurred. Humberto Carillo Estrada, a 12-year-old Mexican boy, was shot and wounded by a U.S. Border Patrol Agent. Humberto was standing on the Mexican side of the border and reportedly throwing rocks at agents who were trying to apprehend his 15 year-old brother. Humberto's brother was attempting to return to Mexico.

The U.S. attorney's office in San Diego determined that it had no statutory authority to review this case.

While only a full and accurate accounting of the situation can determine if the Border Patrol Agent's actions were justified or not, it would be a travesty if improper conduct did occur and no Federal action was taken.

This is clearly a Federal matter that should be handled by the Federal Government.

Mr. Speaker, I am introducing legislation today that would establish a Federal criminal statute that would ensure the prosecution of Federal law enforcement officers who committed an unjustified injury. I urge my colleagues to join me in this important endeavor.

CIVIL RIGHTS "YES", H.R. 700, "NO"

(Mr. ARMEY asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. ARMEY. Mr. Speaker, in Tuesday's Dallas Times Herald, James Kilpatrick, a respected columnist, wrote about H.R. 700. I want to share this wisdom with my colleagues.

I quote, "Very soon now, the House of Representatives will take up the most dangerous bill of the Year. The bill is marvelously named "Civil Rights Restoration Act of 1985."

If the principle of federalism still has meaning, if separation is to be maintained between the public and private sectors of American life, if the heavy hand of Federal regulation is not to be laid upon the whole of our society, members of Congress had better vote against this devious and deceptive little sleeper.

[The bill] is cosmetically disguised with fresh lipstick and an innocent wig. It wears this darling new title. . . . The many sponsors do not acknowledge—perhaps they do not even know—the drastic reach of the bill to which they have given their names.

The bill is not a bill to restore anybody's civil rights, for no civil rights were taken away by the Grove City case. It is a bill to expand Federal power into every aspect of our public and private life.

Mr. Speaker, civil rights "yes", H.R. 700 "No."

WHAT "MILITARY MIGHT" REALLY MEANS TO MR. GORBACHEV

(Mr. McMILLAN asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. McMILLAN. Mr. Speaker, on the news this morning, we watched a commentator report on the activities of the world's two most powerful leaders as they celebrated V-E Day.

President Reagan was traveling in Europe promoting peace. General Secretary Gorbachev was attending a Soviet parade in Red Square where hundreds of tanks and nuclear missiles were driven by.

President Reagan spoke of eliminating the nuclear arsenals of the world. Gorbachev saluted his country's war equipment.

I wonder what would happen around the world if we here in the United States held a ticker tape parade in New York City and displayed U.S. tanks and missiles? Would our citizens smile or frown? Our press would call it sabre-rattling. Of course, we will never know what the Soviet citizens really are thinking—or their press, for that matter.

The commentator noted that the Soviets said this event was not a show of military might. God forbid that we should ever find out what "military might" really means to Mr. Gorbachev.

HOUSE SHOULD RECONSIDER GIVING AID TO THE CONTRAS

(Mr. GROTBERG asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. GROTBERG. Mr. Speaker, I rise in the hope of persuading my colleagues to reverse the dreadful decision we made 2 weeks ago not to aid the Nicaraguan Contras.

Every Member of this body should be embarrassed that immediately after we voted down humanitarian aid to the Contras, Mr. Ortega visited his comrades in Moscow and the Sandinistas began a major offensive against the Contras. There can be no doubt that there is a direct correlation between our failure to act and Mr. Ortega's actions.

We must continue to put pressure on the Sandinistas to moderate their hardline Marxist-Leninist policies and to sit down and negotiate with the Contras. Peace will only come to Nicaragua when truly free elections have been held.

Mr. Speaker, we must act swiftly to reverse our fateful decision of 2 weeks ago. As Winston Churchill said, "The signals flash through the night in vain, for death is in charge of the clattering train." I believe that the actions of the Sandinistas over the last 2 weeks are signals that we must not ignore.

THE AMERICAN MERCHANT MARINE IS AN ENDANGERED INDUSTRY

(Mrs. BENTLEY asked and was given permission to address the House for 1 minute and to revise and extend her remarks.)

Mrs. BENTLEY. Mr. Speaker, the American merchant marine is an endangered industry today primarily at the hands of agricultural interests which represent the most heavily subsidized U.S.A. industry in the past half century.

The cargo preference law, which several of my colleagues would have repealed or severely reduced in scope, generated in 1983 approximately 37 percent of the total tonnage carried by the U.S. merchant marine and provided it with more than a half billion in revenues. This same law impacted in the AID and Public Law 480 Programs only 2.9 million tons of agricultural exports which were carried by the U.S. merchant marine. This tonnage represents less than 2 percent of the 145 million tons of U.S. agricultural commodities which were exported in 1983.

Yes; the merchant marine is clearly an endangered industry. There are few, if any, industries that could survive with an immediate loss of 37 percent of their revenue environment. Elimination or serious reduction of this law to the artificially generated exports, for which we the Congress have provided the funding, will be a death blow to this industry. Then, we will have only ourselves to thank for being held hostage by foreign nations' vessels.

THINGS HAVE NOT CHANGED A HECK OF A LOT, HAVE THEY?

(Mr. BURTON of Indiana asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. BURTON of Indiana. Mr. Speaker, yesterday House Republican Leader BOB MICHEL and the Republican leadership of this House introduced a series of House reform amendments, changes to the House rules. It brought to mind something that happened about 11 years ago in this body.

In the Bloomington, IN, press they reported a caucus that the Democrats had on May 9, 1974; exactly 11 years ago today. During that meeting, that Democrat caucus, there was a great deal of controversy over changes in the House rules. Some of the people thought the rules ought to be changed; they were outdated, archaic, and unfair, as we do today.

After the caucus took place, after the brutal fight subsided, the rules remained the same as they are today. Perhaps Speaker TIP O'NEILL of Massachusetts, who was majority leader at the time, best explained why the caucus voted the way that they did. He said, and I quote:

> The name of the game is power, and the boys don't want to give it up.

Things have not changed a heck of a lot, have they? But it is time they did, Mr. Speaker; it is time they did.

FEDERAL RESERVE SHOULD REGULATE GOVERNMENT SECURITIES DEALERS

(Mr. McCOLLUM asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. McCOLLUM. Mr. Speaker, the newspapers again today report another Government securities dealer in trouble—one of a long series of Government securities dealers who have problems that have been in the press with ESM and so forth over the past few weeks. There is no question we need to have regulation of Government securities dealers.

There is, at the present time, no statutory authority for any agency or any entity that is associated with the Federal Government to actually regulate Government securities dealers. A few weeks ago, I introduced H.R. 1896 which would give that authority to regulate Government securities dealers to the Federal Reserve Board, which I admit is the most logical agency to deal with this problem; to regulate the dealers.

The Government securities market is the largest capital market in the world. On some days they actually sell more than 80 billion dollars' worth of U.S. bills, bonds, and notes just to finance the debt of this country. If we are going to be able to keep the United States alive while we, in this Congress, get responsible about balancing our budget, we have got to be sure that whatever we do we do not disrupt this marketplace. We need to have confidence restored in it; we need to have liquidity in it; we need to have efficiency in it; we need to have all of the various dealers audited regularly, and we need to be sure that whoever does the regulation is the right agency.

The Federal Reserve Bank of New York sells all debt instruments and is the only Government-related agency which has an indepth experience with Government securities dealers and this market.

I submit it is long past time we regulated. The agency that ought to have the regulatory authority is the Federal Reserve Board, and I urge my colleagues to join with me and cosponsor H.R. 1896. Thank you.

□ 1150

RESOLUTION CONDEMNING SANDINISTA OPPRESSION

(Mr. LEWIS of California asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. LEWIS of California. Mr. Speaker, there are Members of this House who would suggest that Sandinista President Ortega's trip to the Soviet Union can be directly linked to our ex-

pression of support for the freedom fighters—otherwise known as Contras. These Members would say that we are pushing the Sandinistas into the arms of the Soviets. Others, however, argue that the opposite is, in fact, the case. America played an important part in the Organization of American States' role of forcing the Somoza government to step down. Just weeks later, the Sandinistas were playing footsie with the Soviets while we were flooding Nicaragua with millions and millions of U.S. tax dollars.

Before taking over, the Commandantes were devout Marxists. They promised a democratic government which would protect human rights, ensure freedoms such as elections, and a free press, on the public platform, while they went about establishing a regime more oppressive than Somoza's.

I oppose the practices of this Sandinista government and today am introducing a resolution condemning their oppression as well as condemning President Ortega's recent trip to Moscow.

DEPARTMENT OF STATE, U.S. INFORMATION AGENCY, AND BOARD FOR INTERNATIONAL BROADCASTING AUTHORIZATION ACT, FISCAL YEARS 1986 and 1987

The SPEAKER pro tempore. Pursuant to House Resolution 137 and rule XXIII, the Chair declares the House in the Committee of the Whole House on the State of the Union for the further consideration of the bill, H.R. 2068.

□ 1152

IN THE COMMITTEE OF THE WHOLE

Accordingly, the House resolved itself into the Committee of the Whole House on the State of the Union for the further consideration of the bill (H.R. 2068) to authorize appropriations for fiscal years 1986 and 1987 for the Department of State, the U.S. Information Agency, the Board of International Broadcasting, and for other purposes, with Mr. PEASE in the chair.

The Clerk read the title of the bill.

The CHAIRMAN. When the Committee of the Whole rose on Wednesday, May 8, 1985, title I was open for amendment at any point.

Are there further amendments to title I?

Mr. MICA. Mr. Chairman, I move to strike the last word.

Mr. Chairman, I take this opportunity to bring the Members up to date as to where we are on this legislation.

First, let me remind everyone that we are again considering the State Department authorization legislation, as we have been for some 3 weeks now.

We are in the midst of approximately 25 amendments that have been filed for committee consideration. We have accepted or dealt with about 15 of the 25. It is my understanding that we have all of the amendments before us, and that the order of business today will be to consider those key amendments and then have a final vote on this legislation.

I might say, just as an aside, that as chairman of the subcommittee, I am extremely pleased at the way this legislation has progressed and the professionalism that has characterized the debate. Each of the amendments has been discussed in a way that I think reflects very well on this House and on the committee, and we hope we can maintain this attitude for the balance of the debate.

AMENDMENTS OFFERED BY MR. MC COLLUM

Mr. McCOLLUM. Mr. Chairman, I offer two amendments, and I ask unanimous consent that they be considered en bloc.

The CHAIRMAN. Is there objection to the request of the gentleman from Florida?

There was no objection.

The CHAIRMAN. The Clerk will report the amendments.

The Clerk read as follows:

Amendments offered by Mr. MCCOLLUM: Page 28, after line 25, insert the following new section:

SEC. 128. AUDITS OF US FUNDS RECEIVED BY THE UNITED NATIONS HIGH COMMISSIONER FOR REFUGEES.

The Migration and Refugee Assistance Act of 1962 (22 U.S.C. 2601 et seq.) is amended by adding at the end thereof the following new section:

"SEC. 8. AUDITS OF US FUNDS RECEIVED BY THE UNITED NATIONS HIGH COMMISSIONER FOR REFUGEES.

"(a) Funds may not be made available to the United Nations High Commissioner for Refugees under this or any other Act unless the President of the General Assembly directs and the High Commissioner provides for—

"(1) the United Nations Joint Inspection Unit to conduct quarterly audits of the use of such funds, including audits of the use by private and voluntary organizations of such funds; and

"(2) such audits to be made available for inspection by the Comptroller General of the United States.

"(b) The Comptroller General of the United States shall inspect each such audit and submit a report of that inspection to the Congress.".

Page 28, after line 25, insert the following new section:

SEC. 128. USE OF REFUGEE FUNDS TO ACQUIRE UNITED STATES GOODS.

(a) STUDY.—The Comptroller General of the United States shall conduct a study to determine the origin of goods acquired with funds contributed by the United States to the United Nations High Commissioner for Refugees. In conducting such study, the Comptroller General shall determine—

(1) the criteria the High Commissioner uses in determining what goods to acquire and the origin of those goods;

(2) the percentage of goods of United States-origin which are acquired with funds contributed by the United States; and

(3) why more goods of United States-origin are not acquired with such funds.

(b) REPORT.—Not more than six months after the date of the enactment of this Act, the Comptroller General shall submit to the Congress a preliminary report on the study conducted under subsection (a). As soon as practical after two years after the date of the enactment of this Act, the Comptroller General shall submit a final report to the Congress on the study conducted under subsection (a).

Mr. McCOLLUM (during the reading). Mr. Chairman, I ask unanimous consent that the amendments be considered as read and printed in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from Florida?

There was no objection.

Mr. McCOLLUM. Mr. Chairman, the United Nations and the United States have one thing that we do that is very important and not discussed often in this body. There are thousands of refugees all around the world, in Pakistan, in Southeast Asia, in Africa, in Central America.

Those refugees are driven out of countries for various reasons of war, famine, hunger, whatever. They are then in other countries and are most often in refugee camps. Those camps are supervised by the U.N. High Commissioner on Refugees. The High Commissioner really supervises a lot of voluntary agencies who are granted money under his supervision to perform various necessary social services and to prepare the camps and make sure that they are healthy, and so on and so forth, while the various countries of the world decide, if they are to decide, what to do about those refugees—if they are to return home, or perhaps to be placed, as they are in some cases, in our country or settled in another country.

It is a very important humanitarian function. This bill embodies the authorization for moneys that the United States donates, contributes, gives from time to time to the U.N. High Commissioner on Refugees as our part of that assistance to take care of refugees in the world. In my role as a member of the House Immigration, Refugee, and International Law Subcommittee of the Committee on the Judiciary, I have spent a lot of time involved with the various camps around the world, and I am concerned that there is no easy audit trail of what happens to our moneys or how they are spent in the process.

So the amendments I have offered today are very simple. They simply call upon the U.N. General Assembly President and the High Commissioner to provide for regular quarterly audits of the funds and to provide such audits to the Comptroller General and he report to us about them, and to provide for a study by the Comptroller

General of how these funds are used, that is, the U.S. contribution to the funds.

Are American goods purchased with them? What percentage of all the goods purchased are American goods? Just where does the money go and how does it go, and what else is done in the proceedings of the U.N. High Commissioner in dealing with these funds?

I submit that we need this. It adds no additional cost to this bill, and it would help immensely in a better understanding of what is happening to our funds and how the U.N. High Commissioner conducts his business.

Mr. MICA. Mr. Chairman, will the gentleman yield?

Mr. McCOLLUM. I would be glad to yield to the chairman, the gentleman from Florida.

Mr. MICA. I thank the gentleman for yielding.

Mr. Chairman, I would just like to commend the gentleman for his initiative. I think the audit could provide information for us to make better judgments and evaluation on the use of funds, and the committee, on this side of the aisle, has no problem with the amendments and would accept them.

Mr. McCOLLUM. I thank the gentleman.

Ms. SNOWE. Mr. Chairman, will the gentleman yield?

Mr. McCOLLUM. I would be delighted to yield to the gentlewoman from Maine.

Ms. SNOWE. I thank the gentleman for yielding.

Mr. Chairman, I thank the gentleman for raising these issues and bringing them to our attention. I support the gentleman's amendment and hope that the investigations and the audits will produce the results that we hope for.

Mr. McCOLLUM. I thank the gentlewoman.

The CHAIRMAN. The question is on the amendments offered by the gentleman from Florida [Mr. McCOLLUM].

The amendments were agreed to.

AMENDMENT OFFERED BY MR. BONKER

Mr. BONKER. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. BONKER: Page 28, after line 25, insert the following new section:

SEC. 128. INTELSAT.

(a) POLICY.—The Congress declares that it is the policy of the United States—

(1) as a party to the International Telecommunications Satellite Organization (hereafter in this section referred to as "Intelsat"), to foster and support the global commercial communications satellite system owned and operated by Intelsat;

(2) to make available to consumers a variety of communications satellite services utilizing the space segment facilities of Intelsat and any additional such facilities which are found to be in the national interest and which—

(A) are technically compatible with the use of the radio frequency spectrum and orbital space by the existing or planned Intelsat space segment, and

(B) avoid significant economic harm to the global system of Intelsat; and

(3) to authorize use and operation of any additional space segment facilities only if the obligations of the United States under Article XIV(d) of the Intelsat Agreement have been met.

(b) PRECONDITIONS FOR INTELSAT CONSULTATION.—Before consulting with Intelsat for purposes of coordination of any separate international telecommunications satellite system under Article XIV(d) of the Intelsat Agreement, the Secretary of State shall—

(1) in coordination with the Secretary of Commerce, ensure that any proposed separate international satellite telecommunications system comply with the Executive Branch conditions established pursuant to the Presidential Determination No. 85-2; and

(2) ensure that one or more foreign authorities have authorized the use of such system consistent with such conditions.

(c) AMENDMENTS OF INTELSAT AGREEMENT.—(1) The Secretary of State shall consult with the United States signatory to Intelsat and the Secretary of Commerce regarding the appropriate scope and character of, a modification to Article V(d) of the Intelsat Agreement which would permit Intelsat to establish cost-based rates for individual traffic routes, as exceptional circumstances warrant, paying particular attention to the need for avoiding significant economic harm to the global system of Intelsat as well as United States foreign policy interests.

(2) Pursuant to the consultation under paragraph (1), the United States shall actively support an appropriate modification to Article V(d) of the Intelsat Agreement to accomplish the purpose described in paragraph (1).

(d) CONGRESSIONAL CONSULTATION.—In the event that, after United States consultation with Intelsat for the purposes of coordination under Article XIV(d) of the Intelsat Agreement for the establishment of a separate international telecommunications satellite system, the Assembly of Parties of Intelsat fails to recommend such a separate system, and the President determines to pursue the establishment of a separate system notwithstanding the Assembly's failure to approve such system, the Secretary of State, after consultation with the Secretary of Commerce, shall submit to the Congress a detailed report which shall set forth—

(1) the foreign policy reasons for the President's determination, and

(2) a plan for minimizing any negative effects of the President's action on Intelsat and on United States foreign policy interests.

(e) NOTIFICATION TO FEDERAL COMMUNICATIONS COMMISSION.—In the event the Secretary of State submits a report under subsection (d), the Secretary, 60 calendar days after the receipt by the Congress of such report, shall notify the Federal Communications Commission as to whether the United States obligations under Article XIV(d) of the Intelsat Agreement have been met.

(f) IMPLEMENTATION.—In implementing the provisions of this section, the Secretary of State shall act in accordance with Executive Order 12046.

(g) DEFINITION.—For the purposes of this section, the term "separate international telecommunications satellite system" or "separate system" means a system of one or more telecommunications satellites separate from the Intelsat space segment which is established to provide international telecommunications services between points within the United States and points outside the United States, except that such term shall not include any satellite or system of satellites established—

(1) primarily for domestic telecommunications purposes and which incidentally provides services on an ancillary basis to points outside the jurisdiction of the United States but within the western hemisphere, or

(2) solely for unique governmental purposes.

Mr. BONKER (during the reading). Mr. Chairman, I ask unanimous consent that the amendment be considered as read and printed in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from Washington?

Mr. BROYHILL. Mr. Chairman, reserving the right to object, I do so only for the purpose of asking the gentleman which amendment he is offering. I have two in my hand.

Mr. BONKER. If the gentleman will yield, I would respond by saying that the amendment is essentially the Broyhill amendment, with these two changes that will be explained in the course of my presentation.

Mr. BROYHILL. I thank the gentleman.

Mr. Chairman, I withdraw my reservation of objection.

The CHAIRMAN. Is there objection to the request of the gentleman from Washington?

There was no objection.

Mr. BONKER. Mr. Chairman, this amendment is intended simply to assure that any U.S. decision to authorize separate satellite communications systems is fully and properly coordinated with Intelsat, the international consortium of 109 nations which provides the international segment for public satellite communications around the globe. The amendment would also assure that certain key issues regarding Intelsat's authority to compete with separate private systems are confronted before those new systems are finally approved by the United States, and that the limitations on new systems set forth recently by the President are fully adhered to.

This amendment, Mr. Chairman, has been worked out in close consultation with the chairman of the Energy and Commerce Committee and others. It deals only with aspects of this complex process of international communications which are directly within the jurisdiction of the Committee on Foreign Affairs; namely, the steps to be taken by the Secretary of State in consulting and coordinating with the parties to the Intelsat Agreement, of which the United States is one.

In conjunction with the Subcommittee on International Operations

chaired by the gentleman from Florida [Mr. MICA], the Subcommittee on International Economic Policy and Trade which I chair, has held several hearings on the foreign policy implications of creating new satellite communications systems which would compete with Intelsat. Substantial concern was expressed at those hearings that the economic strength and viability of Intelsat be fully protected and assured. The United States was the guiding light behind the creation of Intelsat. The idea was to bind the whole world together—rich and poor nations alike—in a single global public telecommunications network.

That system has been an unqualified success. Intelsat's 15 telecommunications satellites today serve 173 countries, territories, and possessions. In contrast, the Soviet Union's competing Intersputnik system serves only a few countries outside the Soviet bloc itself.

This achievement would be in jeopardy, however, if new private satellite systems divert substantial Intelsat traffic from the most lucrative transatlantic routes.

Mr. Chairman, the President, the Secretary of State, and the Secretary of Commerce, in authorizing the Federal Communications Commission to consider applications for separate satellite systems, have already established two conditions that would help assure that such systems do not destroy Intelsat's economic viability. First, any separate system should provide only customized services—that is communications which are not interconnected with the public-switch network. Second, the United States and foreign governmental authorities which may authorize use of such a separate system should consult with Intelsat so as to ensure technical compatibility and prevent significant economic harm to Intelsat, which the United States is obligated to do.

My amendment, Mr. Chairman, endorses those conditions, and directs the Secretary of State to adhere strictly to them in international consultations prior to any final authorization by the United States of such a private satellite communications system.

In addition, however, my amendment would assure that the question of whether Intelsat has the ability to compete with separate satellite systems on a route-by-route basis be taken up by the Intelsat Assembly of Parties prior to any final U.S. action authorizing separate systems, and that the United States would actively support an effort to modify article 5(d) of the Intelsat Agreement to permit Intelsat to establish competitive, cost-based rates for individual traffic routes. That is a crucial condition because the economic impact of separate systems on Intelsat cannot be fully known until the question of route-by-route pricing flexibility is resolved. Prospective competitors deserve and need to know whether flexible route-by-route pricing is available to Intelsat before making the huge capital investments that separate systems involve. By the same token, Congress and the executive branch cannot fully judge the economic impact upon Intelsat of competitive systems without a clearer indication of Intelsat's ability and readiness to compete on a route-by-route basis.

Which brings me to a further feature of my amendment, Mr. Chairman. The amendment provides for a 60-day period after consultation is complete within Intelsat and prior to any final authorization of a competitive system for Congress to review the situation. The Secretary of State is required to report the results of the consultations to the Congress, and no final action can be taken by any executive agency or official until 60 days have elapsed. The importance of Intelsat to our foreign policy and national security is such that Congress should have a final opportunity to assess the situation. Particularly from a foreign policy point of view, the implications of going forward with separate systems cannot be fully understood until the required Intelsat consultation process is completed.

Mr. Chairman, this is a workable amendment. It does not preclude final approval of competitive systems. It does not significantly delay a final decision. The consultative process that is outlined in the amendment is one that we are already obligated to engage in as a signatory to the Intelsat Agreement. What the amendment does is make sure that those obligations are fulfilled, and that all factors bearing upon Intelsat's ability to compete, and therefore its economic viability, are resolved. We are committed to give priority to the continued economic viability of Intelsat, and this amendment simply assures that we fulfill that obligation.

Mr. Chairman, we have attempted to negotiate with other principals in order to reach agreement on this amendment. My amendment has Congress presupposing the need for a change in the Intelsat agreement to allow for flexible pricing on a route-by-route basis. Congress is not prejudging the outcome of the matter of Intelsat. That decision belongs to the assembly of parties.

I might conclude by saying that this amendment is needed for the reasons that Secretary of Commerce, Malcolm Baldrige, cogently stated in his October 30, 1984, letter to Secretary Shultz, and I quote:

Intelsat should have pricing flexibility when confronted by actual or potential competition as long as the prices it charges covers its costs.

Mr. Chairman, I ask for adoption of the amendment.

□ 1200

The CHAIRMAN. The time of the gentleman from Washington [Mr. BONKER] has expired.

(On request of Mr. NELSON of Florida, and by unanimous consent, Mr. BONKER was allowed to proceed for 5 additional minutes.)

Mr. NELSON of Florida. Mr. Chairman, will the gentleman yield?

Mr. BONKER. I yield to the distinguished gentleman from Florida.

Mr. NELSON of Florida. Mr. Chairman, I thank my friend for yielding.

As the Member having the privilege to Chair the Subcommittee on Space Science and Applications, I want to lend my support to the amendment offered by the gentleman from Washington [Mr. BONKER].

Our Nation has a longstanding commitment to Intelsat and support of a single global satellite system.

The industry framework which the Congress established 20 years ago to provide international communications has served the world well.

A duplication of Intelsat facilities may jeopardize U.S. relations with the 107 other member nations of Intelsat and U.S. relations with developing countries which rely on one of the most advanced communications network in history.

Consideration must be given to the ramifications of any alterations to our international communications policies. A change could have a negative impact on U.S. foreign relations as well as create complex problems in the delicate network of relationships that make up the international communications marketplace.

The Intelsat agreements require member nations to coordinate with Intelsat before building or using any system that could have an adverse economic or technical impact on the system.

This amendment calls for responsible review and coordination between the State Department and Intelsat of any U.S. decision to authorize independent telecommunications companies.

Mr. BONKER. Mr. Chairman, I thank my friend, the gentleman from Florida.

Mr. MICA. Mr. Chairman, will the gentleman yield?

Mr. BONKER. I yield to the distinguished chairman of the subcommittee.

Mr. MICA. Mr. Chairman, I would like to take a moment to speak in favor of the Bonker amendment. I also would like to ask the gentleman to correct me if my comments are inaccurate, because I have tried to look through the gentleman's amendment and see for myself what it does and does not do. If I have an incorrect assessment, please let me know.

The Bonker amendment, as I see it, does not alter the regulatory process in any way. The applicant is still required to meet the same conditions and go through the same process. It does not create any new delays. The Bonker amendment does not add any roadblocks in the processing of FCC applications.

The Bonker amendment does not alter the conditions—and I think this is important—of the Presidential determination No. 85-2 on this subject. In fact, the Bonker amendment reaffirms the Presidential determination. The Bonker amendment, as I understand it, in no way undermines U.S. sovereignty.

I might add that the Bonker amendment does reaffirm the U.S. commitment to Intelsat, as expressed in the administration's proposal.

I might just say at this point that, as we cochaired these hearings in our subcommittees, I said on numerous occasions that I support separate systems and would like to see competition take place, but also feel that we should protect Intelsat. This is what this effort is all about. In fact, for the first time, as I read the Bonker amendment, separate systems are legitimatized in legislation. These are just a few of the things that I think Members need to know.

Mr. Chairman, I do support the Bonker amendment. I must commend the gentleman for doing everything possible to try to work out an agreement, and I hope we can have an agreement on this amendment.

Mr. BONKER. Mr. Chairman, I thank the gentleman for his kind comments and his support, and I would note that he is one of the most knowledgeable members on this subject in our respective subcommittees, having conducted a series of hearings on this issue. In light of those hearings, I think the amendment is timely.

Ms. SNOWE. Mr. Chairman, will the gentleman yield?

Mr. BONKER. I am happy to yield to the gentlewoman from Maine, who is the ranking member of the subcommittee.

Ms. SNOWE. Mr. Chairman, I thank the gentleman for yielding, and I would like to congratulate the gentleman for offering this amendment here today and for bringing this issue to our attention.

I do believe this issue has far-reaching implications. Having joined the gentleman in a number of hearings concerning the ramifications of opening up separate systems to Intelsat, I think our efforts were worthwhile and are deserving of consideration here in the House of Representatives.

I would say to the gentleman that there is a fundamental question here today. It is not a question of opening up competition to Intelsat. The question is, do we intend to maintain our commitment?

The CHAIRMAN. The time of the gentleman from Washington [Mr. BONKER] has expired.

(On request of Ms. SNOWE, and by unanimous consent, Mr. BONKER was allowed to proceed for 5 additional minutes.)

Ms. SNOWE. Mr. Chairman, if the gentleman will yield further, the fundamental issue here today is whether or not we are willing to maintain that commitment and preserve the integrity and the economic soundness of Intelsat as a system. We as a country created Intelsat some 22 years ago as part of a consortium of 109 nations.

Are we now willing to reverse that commitment and that investment, as well as the foreign-policy position that we have, because Intelsat provides communications services to all parts of the world? And what obligation will there be to the new business interests, for example, the new competitors to Intelsat, to fulfill that obligation?

What we are saying is that we support competition, but we want to insure that the President's criteria are met before the competition is allowed to Intelsat.

□ 1210

I stress that, because it is the President's criteria. It is not the criteria of the gentleman from Washington. The President of the United States set this down and put it forth in a determination, so that is all we are recommending here today.

I would suggest that the burden of proof is on those who think that if the benefits are so great that it is worth presenting the risk that it does to Intelsat. The Intelsat system has worked well in the last 22 years. I consider it analogous to the divestiture of AT&T. Are we better off today than we were prior to that divestiture?

It is an analogous situation because many parts of the world are provided communications services because of Intelsat and if we allow unabated competition to the Intelsat system, I am afraid that it threatens the eventual existence of that system as exists today.

So I support the gentleman's amendment. I think this issue needed to be addressed here in the House of Representatives because of the applications that are now pending.

I support competition, but I think it ought to be competition that does not duplicate the services that are now provided by the Intelsat system. That is all we are asking for here today.

So I would hope the Members of the House would support this approach, because the gentleman offers a very reasonable approach and he is only setting into legislative form the criteria of the President of the United States.

So I thank the gentleman.

Mr. BONKER. Mr. Chairman, I think the gentlewoman has stated the case extremely well and I welcome the gentlewoman's support.

Mr. BROYHILL. Mr. Chairman, will the gentleman yield?

Mr. BONKER. I would be happy to yield to the distinguished ranking member of the Energy and Commerce Committee.

Mr. BROYHILL. Mr. Chairman, I thank the gentleman for yielding.

I understand that the gentleman's amendment follows to a great extent the language that I have submitted to the gentleman and I certainly appreciate the gentleman including that language in this amendment; however, I do understand that there may be one or two changes in the language that I had submitted to the gentleman. I wondered if the gentleman could point out those differences or those areas where there have been changes. I think I found two areas, but I want to make sure that there are not others. One is on page 2 in the gentleman's amendment, page 2, subsection (c). The gentleman has left out the words "need for." Is that correct?

Mr. BONKER. The gentleman is correct and it is not an oversight.

Mr. BROYHILL. Would the gentleman explain the reason that he would leave out the words "need for"? It would seem to me that the Secretary in consulting with the U.S. signatories to Comsat and also consulting with the Secretary of Commerce should have the flexibility to discuss the need for any modifications to the Intelsat agreement that would permit any changes in the rates. That it seems to me goes to the heart of the arguments that I have been making, that what we are doing here is tying the hands of our administration, of our Secretary of State and that we ought to give them some flexibility to deal with these issues and not tie their hands in legislative language of this kind.

Mr. BONKER. Well for the benefit of those who do not have the draft in front of them, I shall read just a few lines involved:

> The Secretary of State shall consult with the United States signatory to Intelsat—that is COMSAT—and the Secretary of Commerce regarding the appropriate scope and character of, a modification to article V(d).

The language of the gentleman from North Carolina [Mr. BROYHILL] included the words "need for," so it read: "the Secretary of Commerce regarding the need for."

That is a critical phrase.

My position presupposes that Congress wants to see a change in article V(d) to allow for price flexibility on a route-by-route basis. It makes the language consistent with the next para-

graph, which says, "The United States shall actively support" such a position.

I might add that the Secretary of Commerce in his letter dated November 30, 1984, to the Secretary of State has already asserted such a position on this question of flexible prices. In that letter, Secretary Baldrige said: "Intelsat should have pricing flexibility when confronted with actual or potential competition as long as the prices it charges cover its costs."

Mr. BROYHILL. Well, if the gentleman will continue to yield, and I appreciate his patience in this and also the fact that we have been able to negotiate it to this extent, that we are only debating over some few words, but they are critical words.

It seems to me that what the amendment of the gentleman would do with these changes would tie the hands of the administration.

The CHAIRMAN. The time of the gentleman from Washington has again expired.

(At the request of Mr. BROYHILL, and by unanimous consent, Mr. BONKER was allowed to proceed for an additional 5 minutes.)

Mr. BROYHILL. Mr. Chairman, if the gentleman will continue to yield, it is an issue that needs to be resolved and that is the changing of the rate structure in Intelsat, but it may be that in the future as events occur that there is no need to change the rate structure. It may be that there would be no loss of traffic. There would be no loss of communication traffic, and for the United States to jump in and to be forced by this legislation to support this amendment is going to do damage to our foreign policy interests.

As the gentleman from Florida so correctly said, and both gentlemen from Florida I think said that, we do need to be concerned about our foreign policy interests; but it could be that this may have the opposite effect that the gentleman intends here, that there may be no loss of traffic and there is no need for this, and yet we have tied the hands of our Secretary of State and thus by their actions they will be alienating many people who we should be trying to seek friendship with.

Would the gentleman respond to that argument?

Mr. BONKER. Well, the gentleman, I think, makes a valid point and as the gentleman knows, we have attempted to work out an accord on this matter, but my amendment by striking "need for" does not mandate the administration to propose to Intelsat that such a modification of article V(d) take place.

Indeed, I have made a major concession by dropping the next clause which would have mandated the administration to raise this issue. That is where we have accepted the gentleman's language on "actively supporting" such a position that may be raised by another member nation.

So what we are talking about in the earlier provision is a matter of the administration taking appropriate steps toward modification of article V(d), but we cannot unilaterally make that change. We have to go to Intelsat and vote like all the other member nations on any changes to their charter.

Mr. BROYHILL. Well, let us assume we have a situation that arises where one nation makes a proposal and then we are required to support that, but we have alienated everybody else and they are voting no. Our representative and our State Department is left in the position that they have no flexibility to negotiate this and to work with the other signatories in order to work out the problem. There could be other ways to accomplish the same results or it could be that if there is a competitive service that is being offered, for example, that has been approved, that it is not going to take away business from Intelsat, it is not going to take away traffic, and to require the United States to take this action is going to deprive these nations of income and then they are going to blame the United States for that action. It seems to me that is not what we want to accomplish here. We want to maintain some flexibility.

Mr. BONKER. Let me be clear so that we can put this matter to rest.

The amendment does not mandate any particular U.S. position on this question.

I think Congress ought to provide some direction to that position, but we are not getting into the specifics. We are only saying that the United States through the Secretary of State ought to take the appropriate steps to modify article V(d).

Now, whatever the member nations want to do, that is their collective decision.

Mr. BROYHILL. That is an important statement the gentleman made. I want to be sure of our understanding.

The gentleman is saying that the Secretary of State, our administration, will have some flexibility with regard to the position that it takes, that if they should find that there is no need for any change in the rate structure in Intelsat, would they then be able to say that we would not have to support an amendment——

The CHAIRMAN. The time of the gentleman from Washington has again expired.

(At the request of Mr. BROYHILL, and by unanimous consent, Mr. BONKER was allowed to proceed for an additional 5 minutes.)

Mr. BROYHILL. Mr. Chairman, I appreciate having this additional 5 minutes and I appreciate the patience of Members, because this is critical.

Mr. BONKER. I say to the gentleman from North Carolina, there is flexibility in this language, because we only provide that the Secretary in consultation with the other departments of our Government shall look at the appropriate scope and character of article V(d) for the purpose of modification.

□ 1220

So the administration has the flexibility to develop its position. But we ought to be moving in that direction.

Mr. BROYHILL. Well, what happens then if there is a decision and apparently it is supported by a majority of the signatories that there is no need to make a change and then do you say that then our country is forced to vote for a change?

Mr. BONKER. The United States cannot actively support "no position."

Mr. MICA. Will the gentleman yield?

Mr. BONKER. I yield to the chairman of the subcommittee.

Mr. MICA. I would just say that a reading of the language shows that the amendment addresses the gentleman's concern.

I must just add, too, the gentleman's committee is fully protected on this.

What we are talking about is not accepting whatever Intelsat or a member thereof proposes but rather supporting an appropriate modification. So as I understand the language, Intelsat could make a recommendation, we may not agree with it and offer some other appropriate recommendation. That would then give us the flexibility the gentleman is seeking.

Mr. BROYHILL. Will the gentleman yield further?

Mr. BONKER. I yield to the gentleman from North Carolina.

Mr. BROYHILL. Would the gentleman from Florida [Mr. MICA] agree with me that we could have a situation arise where we are forcing our Nation to support a position that may be untenable or may not have support and thus tie the hands of our representatives and not be able to negotiate this with the other signatories?

Mr. MICA. First, let me say I would share the gentleman's concern but I do not read the legislation as doing that.

I think we will always be in the position to offer a counterproposal and we will always be in a position to offer what we call in the legislation "an appropriate modification" which may not be—and the legislation does not say it has to be—the same as that which would be proposed. I think that does cover the gentleman's concern.

Mr. BROYHILL. If the gentleman would continue to yield, would the gentleman from Washington agree with what the gentleman from Florida has said? Because it is certainly an important interpretation.

I am not quite sure that the words say that and that is why I offered additional words. Perhaps if we had time, we could continue to negotiate and work this out. But apparently the legislative process is moving on and we do not have that flexibility ourselves.

With that understanding, I would like to continue working with the gentleman as the legislative process goes through to the other body to see if we could not have legislative language that would carry out the intent of what the gentleman have stated here.

If the gentleman would yield further, I have one other concern with respect to language that is found in subsection 2 of (b). My concern is that we are having foreign governments here, we are saying that they would have to be enforcing conditions that have been laid down by the President in Presidential Determination No. 85-2. I am not sure that we want to do that. I think we can certainly have the authority to enforce Presidential conditions but is it the intent here that you want the foreign authorities to be enforcing Presidential determinations?

Mr. BONKER. I do not think the legislation really speaks to this issue in a way that will breach our extraterritorial respect for foreign governments and their policies. I think the administration has responsibility, in consultations with other governments, to see that we are playing by the same rules. So I do not think this will have extraterritorial reach that will prove offensive.

Mr. BROYHILL. The reason I bring this up is a letter addressed to the chairman, signed by the Acting Secretary. Mr. Kenneth Dam raises this point as to whether or not the U.S. national interests would be served.

The CHAIRMAN. The time of the gentleman from Washington [Mr. BONKER] has again expired.

(On request of Mr. BROYHILL and by unanimous consent, Mr. BONKER was allowed to proceed for 5 additional minutes.)

Mr. BROYHILL. I assume the gentleman has seen this letter. If not, I will be glad to show it to him.

Mr. BONKER. I have not seen the letter. Maybe as others speak, I will have an opportunity to read the letter and respond.

Mr. BROYHILL. As I understand, at the end of that first paragraph, what he is saying is that the U.S. limitations on services is expressing concern that we are going to be imposing these kinds of limitations on foreign governments and that what we are doing we can do ourselves but we are in effect saying what other governments should do.

Mr. BONKER. It is not my intent through this amendment to dictate our policies to other countries, but I do think the Secretary ought to be consulting with them concerning changes to the Intelsat system.

Mr. BROYHILL. I thank the gentleman for his patience.

Mr. LAGOMARSINO. Will the gentleman yield to me?

Mr. BONKER. I am glad to yield to the gentleman from California.

Mr. LAGOMARSINO. With regard to the last question of the gentleman from North Carolina, the way I read the duty of the Secretary of State, it is merely to find whether something is a fact or not, has another country agreed, as is required under the Intelsat agreement. Is that not the gentleman's understanding?

Mr. BONKER. If you read the language, subsection b(2) of the amendment says that the Secretary shall "ensure that one or more foreign authorities have authorized the use of such system consistent with such conditions."

Mr. LAGOMARSINO. But it does not impose on him a duty to get another state to do that?

Mr. BONKER. No, it does not.

Mr. LAGOMARSINO. It merely is to find whether or not they actually have. You could say the Secretary of State shall find. I think you could perhaps use other words. But I do not know that it really makes any difference.

Mr. BROYHILL. Would the gentleman yield?

Mr. BONKER. I yield to the gentleman from North Carolina.

Mr. BROYHILL. Let me see if I can articulate my concern here. I think my concern is what this could be doing is giving the foreign government the power to interpret these U.S.-imposed conditions which are contained in that Presidential order or pronouncement or whatever you want to call it that the foreign government could interpret those in such a way that they could become a trade barrier.

In other words, it would make it difficult for a competitive satellite system to operate, depending upon the interpretation of the host government.

Mr. BONKER. I think you may be reading more into the provision than is actually there, but that is why this colloquy is useful. It is not my intent as sponsor of the amendment to dictate the Presidential conditions to other foreign governments. But I think that we ought to be working with foreign governments to see that compatible conditions are in place.

Mr. LAGOMARSINO. Will the gentleman yield again?

Mr. BONKER. I yield to the gentleman from California.

Mr. LAGOMARSINO. With regard to the first point the gentleman from North Carolina and the gentleman from Washington had a colloquy about with regard to the Secretary of State and Intelsat, if you read on in the language, it says the Secretary of State, regarding the appropriate scope and character of a modification to article V(d) of the Intelsat agreement, which would permit Intelsat to establish cost-based rates for individual traffic routes as exceptional circumstances warrant.

So there would have to be that and then it goes on to say paying particular attention to the need for avoiding significant economic harm to the global system of Intelsat, as well as the United States.

So I think that there is perhaps even more flexibility in the gentleman's amendment than the gentleman thinks there is and perhaps the deletion of the words "need for" and "above" do not have as much effect as perhaps the gentleman told us.

I think that even with that deletion, that there is appropriate discretion on the part of the Secretary of State and while perhaps it could be helpful if at some point along the line clarifying language could be added, I think the amendment makes sense. I support it.

I started out about one year ago strongly in opposition to the idea of the kind of competition we are talking about. Through a series of meetings and hearings that have been held in the gentleman's subcommittee, I have come to the conclusion that what is being proposed here is a pretty good way to do.

In other words, that competition is not going to be harmful as long as we keep in mind the basic parameters of the original agreement to set up the system in the first place. So I hope the gentleman's amendment is adopted.

□ 1230

But I do urge on the gentleman that he continue the dialog with the gentleman from North Carolina [Mr. BROYHILL] and others to see if we cannot get even closer agreement on this issue.

Mr. BONKER. I appreciate the comments of the gentleman and his support.

Mr. WIRTH. Mr. Chairman, I move to strike the last word.

Mr. Chairman, I will not oppose this amendment. I have discussed its contents with its sponsors, and they have agreed to a number of changes that I think will provide a better balance to the language that was originally going to come before us. I thank them for their willingness to accommodate my views.

Mr. Chairman, as we debate the issue of alternative satellite systems, and the role of the United States in Intelsat, I'd like to take a few moments and try to put these issues in perspective. We are not simply picking a winner between Intelsat and the applicants to provide alternative services. We are setting in place the infrastructure that will facilitate U.S. exports—

in this case, not telecommunications hardware, but the information and programming services which can make a significant dent in our trade deficit.

Until there was the threat of competition to Intelsat, it was impossible to obtain a 24-hour video channel linking the United States and Europe. Cable programming services, for instance, had no mechanism to export their product to cable systems in Europe.

But within the last few months, Intelsat's signatory—Comsat—has finally signed a contract to provide such a service to a U.S. programmer—CNN—and service will commence in September.

That's the good news.

The bad news is that Comsat's rates are double the rates for comparable service in the United States. And the service is preemptible.

Mr. Chairman, I do not mean to imply that Intelsat has not been good for the United States. From its conception in the early days of the Kennedy administration Intelsat has succeeded in creating a global satellite network that serves its members well.

Intelsat now has 109 member countries. It has brought instantaneous communication to virtually every country in the world, helping to make the world a smaller place. Its interconnected network has hastened the integration of member countries into the world economy, and has made international telecommunications almost as ubiquitous as the domestic system. Intelsat is a monument to the peaceful uses of outer space, and to cooperation among nations.

But it is important to understand just who Intelsat's owners are. They are primarily the postal, telephone and telegraph administrations of member countries. The satellite network they designed is suited to their needs—providing point-to-point telecommunications for switched voice and record services.

Thus, traffic destined for European distribution is collected at one of three Earth stations in the United States, uplinked to the satellite, and received in another country. At that point, the message transits the domestic network of the receiving country, and ultimately arrives at its destination.

The facilities of Intelsat have served this market well. Moreover, by virtue of satellite technology, thin routes and high density routes can be served over the same facility. Transmissions are virtually distance insensitive.

But there are other markets, distinct from the switched voice market, that lend themselves to satellite technology. We can identify some of these other markets—for example, the video market. And the video market provides a good example of the way changes in satellite policy can help to bring new products and services to the public. Let me explain.

Until 1972, the FCC regulated the ownership and construction of satellite Earth stations, even if the Earth station could only receive a signal. In 1972, however, the FCC adopted its so-called open-skies policy, which deregulated receive-only Earth stations. No one was quite sure what benefits would result from the new policy, but the FCC took a chance and let marketplace forces work.

And the marketplace did work. Programmers for cable systems quickly realized that satellites offered an inexpensive alternative to terrestrial transmission facilities. With a single uplink signal, a programmer could reach virtually every cable system in the country, at nominal costs.

The result was the inauguration of services like HBO. And with the advent of premium channels on cable systems, the cable industry has grown at a rapid pace.

Intelsat does not now serve the video marketplace in a meaningful fashion. The few video transponders that are available are preemptible, they must be reserved far in advance, and they are extremely expensive.

Moreover, the Intelsat tariffs include additional charges for additional receiving points, reflecting the fact that Intelsat was designed to meet the needs of its owners—the PTT administrations.

The applications currently under consideration by the FCC propose to serve the video market. They will make facilities available that will facilitate the export of U.S. programming.

In short, there is a market under construction, which the alternative satellite systems could enable U.S. programmers to fill.

What are the U.S. options? If we are to take advantage of the development of nontraditional applications of satellite technology. What is the appropriate course to pursue?

It seems to me that our options are threefold.

First, we could rely upon Intelsat, and try to encourage Intelsat to fulfill these new needs as well as its obligations to the public switched network.

Second, we could protect Intelsat's switched services from competition, but allow alternative systems for other applications.

Or third, we could pursue competition with ideological fervor, and permit alternative satellite systems to compete directly with Intelsat.

As Americans, I believe we have a predisposition toward competition. We know that competition encourages innovation, lower prices, and a greater level of responsiveness to the market. Moreover, we already have alternative systems providing international satellite services—most notably, the Inmarsat system—which connects ships at sea to the public switched networks of the world.

And asking Intelsat to be all things to all people is not fair—particularly to those from underdeveloped nations. The new applications for satellite transmissions—video, high speed data—will, in all likelihood, only be utilized by developed countries. Forcing Intelsat to meet the needs of a few of its members—while incurring costs for each member country—is unfair. The Third World should not be forced to underwrite the cost of video distribution between the United States and Europe. Thus, I do not believe that the first option is realistic for the United States.

The third option—of permitting unrestricted competition to Intelsat for all services—is equally unrealistic. To do so would constitute an abrogation of our obligations under the Intelsat agreements. Unrestricted competition would deny us the benefits of a globally interconnected system for switched services. And such a policy would offend our partners in Intelsat.

The second opinion of permitting competition for some services, while protecting Intelsat's switched traffic, is far more reasonable. It has the virtue of maintaining the good things that Intelsat has brought—cooperation, interconnectivity, and access to every corner of the world.

But this option will also permit the development of new applications of satellite technology, without imposing the costs of the new applications on those who do not use them. Reliance on market forces for the offering of nontraditional services is consistent with our own tradition of free enterprise, and will facilitate greater responsiveness to the marketplace.

We have already seen Intelsat respond to the threat of competition. Just 2 months ago, Ted Turner announced an agreement to export his Cable News Network to Europe, over Intelsat. Intelsat now offers a new data service—International Business Satellite Services. I would expect to see additional innovation on the part of Intelsat in the future, proving the maxim that competition brings users new services.

Protecting Intelsat's switched services, while permitting alternative systems for customized services, is sound telecommunications policy. But international telecommunications are, by their nature, joint undertaking. And Intelsat, in particular, represents both a telecommunications and a foreign policy success.

There are foreign policy ramifications to this issue, which I'd like to address as well. Those ramifications have both substantive and political dimensions, which must be separated.

On a substantive basis, there is legitimate concern that fragmenting In-

telsat's traffic will cause Intelsat economic harm. It seems to me that, by limiting alternative systems to customized services, and prohibiting them from offering switched service, Intelsat's primary mission will be safeguarded. We're not talking about cream skimming here, in which the most lucrative traffic is diverted from Intelsat.

Rather, we are opening up to competition a new market, currently unserved or underserved—and making sure that those who use the new services are the ones who pay for them.

The political dimension is, however, another story. For a variety of reasons, and by a variety of players, the members of Intelsat have been told that the decision to permit alternative systems represents a movement away from a single global system for the provision of switched service.

Nothing could be further from the truth.

Those member countries must be presented with a detailed explanation of U.S. policy, the safeguards that will be employed to Intelsat, and most importantly, the rationale behind the policy to permit alternative systems.

That job has not been done.

The absence of that explanation has created a situation in which a foreign policy problem can develop, if it hasn't already.

I do not believe that the proposed alternative systems pose substantive problems for the United States and its relationship with the other members of Intelsat. But the manner in which the United States has addressed the issue may well have created a political problem.

The State Department must undertake an aggressive effort to explain the policy to our partners in Intelsat. It must reassure them that the limited authorizations proposed by the President will not have an adverse economic impat on Intelsat, and do not represent a diminution of America's commitment to Intelsat.

One subsidiary question that has been raised in this debate is whether Intelsat ought to be allowed to compete with the alternative systems.

It seems to me a more competitive Intelsat could bring many advantages—to the United States and to the rest of the world.

However, as we address this question, it seems to me that there are two principles that ought to govern the resolution of the debate:

First, there should be no cross-subsidies. Intelsat should not be permitted to use its protected position in the switched market to underwrite the cost of entering the new markets.

Second, those who benefit from Intelsat's competing should be the ones to pay for it. Less developed countries [LDC's]—which will not be utilizing high speed data links, nor 24-hour video transponders—should not be forced to pay for their construction, launch, and operation.

The United States—together with its partners in Intelsat— should begin the process of defining the future role of Intelsat in these newly competitive markets. If there is a consensus that Intelsat should be permitted to compete, we should attempt to define the manner of that competition, consistent with the two principles I outlined earlier. This effort should help to reassure Intelsat and its member countries that the United States has a strong interest in seeing Intelsat prosper, and will continue to work to achieve that goal.

We are only at the beginning of this process. The detailed recommendations from the executive branch are less than a year old.

As we examine these issues, it is important to keep several things in mind:

First, the technology that has made Intelsat possible is not static. There have been tremendous advances over the past 20 years.

As the technologies involved have changed, so also should the policies of the United States. By permitting alternative systems to make facilities available for unserved, or underserved markets, those who depend on satellite transmission will be better off.

Second, unless we continue in the direction of alternative systems, there will be serious opportunity costs. New export markets will remain undeveloped. At a time when our balance of trade is approaching crisis proportions, those opportunity costs are significant and growing.

Finally, we should remember that Intelsat has been good for the United States, and good for the rest of the world. We should attempt to build on that base as we permit new applications of satellite technology, and make sure that our partners are kept well aware of our ongoing commitment to the Intelsat system.

Mr. Chairman, the amendment before us today will not impede this goal. I would like to thank the gentleman from Florida [Mr. MICA] and the gentleman from Washington [Mr. BONKER] for their willingness to work with us in crafting an amendment. Very importantly, I appreciate their willingness to assure that the amendment reflect my view that with respect to the issue of flexible pricing, the United States have complete flexibility in determining what position it will support. I look forward to working with them in the future, as the Committee on Energy and Commerce continues its work in international telecommunications issues.

I give back the balance of my time.

Mr. Chairman, I want to first of all compliment the gentleman from Washington [Mr. BONKER] and the gentleman from Florida [Mr. MICA] for making accommodations to the concerns that many of us on the Commerce Committee have about this important piece of legislation. The amendment offered by the gentleman from Washington [Mr. BONKER] is certainly a great deal better than the original language and I think we have practically accommodated our concerns.

I was especially pleased to hear the gentleman from Florida [Mr. MICA] point out that we were not going to in any way interfere with the FCC's process.

I point out there is some confusion, I think, about what is being accomplished here; there are three broad principles that I think we all agree with. The first, relating to competition in the international satellite area, is critically important and there is no intent here to interfere with such competition.

Second, contrary to some of the arguments that have been made against competition, there is no intent here to harm Third World countries in any way, shape, or form.

Third, there is no intent here that we would permit cross subsidies on the part of Intelsat.

The most vexing question is the question of price flexibility for Intelsat and it is my understanding, having talked to the gentleman from Washington and the gentleman from Florida, that under this amendment the United States will have full flexibility in developing a position on the issue of flexible pricing as put forward by any party to the Intelsat agreement.

That issue of price flexibility is there, the Congress is not determining one way or another; it is saying that that flexibility remains.

Mr. Chairman, I just want to confirm with the gentleman from Washington that it is his intent as the author of the amendment that the amendment does not in any way prejudge or predetermine the issue of flexible pricing with respect to the Intelsat agreement?

I offer that question to the gentleman from Washington.

Mr. BONKER. Mr. Chairman, will the gentleman yield?

Mr. WIRTH. I yield to the gentleman.

Mr. BONKER. I thank the gentleman for yielding.

As was discussed earlier, the administration has flexibility within Intelsat on flexible pricing. I think that is implied in the language that is in the amendment before the House.

Mr. WIRTH. I understand what the gentleman's intent is. I think we have arrived at that under this amendment and I think that this does not involve any kind of prejudging of the issue.

Mr. TAUKE. Mr. Chairman, will the gentleman yield on that point?

Mr. WIRTH. I would be happy to yield to the gentleman from Iowa.

Mr. TAUKE. I thank the gentleman for yielding.

If I may also have the attention of the gentleman from Washington, is he suggesting by that comment that the United States need not necessarily support the averaging of rates?

Mr. BONKER. Mr. Chairman, will the gentleman yield to me?

Mr. WIRTH. I yield to the gentleman from Washington [Mr. BONKER].

Mr. BONKER. I thank the gentleman for yielding.

There is nothing that specific in the amendment. But we do have a provision in there that says that the U.S. Government shall actively support a position to modify article 5(d).

Now, what the United States position is, developed through the Secretary of Commerce and Secretary of State and Comsat, remains to be seen.

My language requires the United States to address the question of route-by-route price flexibility and modification of article 5. While the amendment does not require that the United States support any particular proposed modification of article 5(d) of Intelsat's charter, it does require that the United States support some version of route pricing authority. I regret that I was not able to reach agreement with all Members on this particular point. But the language is clear that the United States support route-by-route pricing flexibility within Intelsat, and I am unable to agree to anything less than that.

Mr. TAUKE. But if we were to conclude that for some reason a position of deaveraging was not necessarily in the interest this amendment would not compel the U.S. Government to support something like that.

Mr. BONKER. The amendment does not compel the United States to support any specific position.

Mr. TAUKE. I thank the gentleman from Washington [Mr. BONKER].

Mr. Chairman, I thank the gentleman from Colorado [Mr. WIRTH].

Mr. WIRTH. I thank the gentleman from Washington.

Mr. DINGELL. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I rise to engage my colleague, Mr. MICA, in a colloquy concerning his amendment.

Am I correct that the Secretary of State is required to conduct the activities assigned to him by this amendment under the existing terms and procedures that govern the allocation of executive branch responsibilities for international communications policy?

Mr. MICA. Mr. Chairman, if the gentleman will yield, the gentleman is correct. The amendment does not assign to the Secretary of State an expanded role in the formulation of executive branch international communications policy. Subsection (f) of this section states that "In implementing the provisions of this section, the Secretary shall act in accordance with Executive Order 12046." Pursuant to this Executive order, a State-Commerce Arrangement on Responsibilities for International Communications and Information Policy was signed on August 31, 1983, by the Secretaries of State and Commerce. This arrangement will govern the activities of the Secretary of State under this section.

Mr. DINGELL. I thank the gentleman. Is it his understanding that this arrangement assigns to the Department of Commerce the responsibility "for the development and presentation of telecommunications and information policy for the executive branch."

Mr. MICA. That is correct. In addition, under this arrangement the State Department is responsible for incorporating the telecommunications policy area with other aspects of U.S. foreign policy. Effectively advancing U.S. interests requires close collaboration and cooperation between the Departments of State and Commerce.

I want to assure my colleague, the chairman of the Committee on Energy and Commerce, that nothing in this amendment alters the current allocation of international telecommunications responsibilities. The Secretary of Commerce retains his role as the President's principal adviser on telecommunications policy.

Mr. DINGELL. I thank the gentleman and urge my colleagues to support this amendment. It is a compromise that allows alternative international satellite systems to be established only under the terms recommended by the administration, while assuring that Intelsat has the flexibility to provide U.S. customers with high quality, reliable service at cost-based rates.

Mr. Chairman, I thank my colleague and express my great respect for him.

Mr. MICA. I thank the gentleman.

Mr. MACKAY. Mr. Chairman, I move to strike the requisite number of words.

I would like to read a statement and ask the gentleman from Florida [Mr. MICA] to listen to this and confirm that it represents his intention.

Ever since the breakup of AT&T, I have been concerned that, prior to authorizing major changes to existing telecommunications institutions, Congress must analyze the effects of proposed changes and ensure that the benefits to be gained outweigh the possible detriments.

I am likewise interested, however, in allowing innovation and new technologies to flourish and to bring benefits to all parts of the world. I am particularly interested in making sure that our procedures are not used to stymie developments in the lesser developed world.

I support the amendment because I have been assured that the intent here is to ensure that transatlantic competitors to Intelsat will not impair Intelsat's ability to continue to provide quality international services to all countries of the world.

The amendment is not intended to impede the development of domestic satellite services or transborder satellite services. For example, this amendment would not affect the Mexican satellite system from providing services to the United States on a transborder basis nor will it affect American companies from selling satellite capacity to Latin American nations for domestic and transborder purposes.

Mr. MICA. Mr. Chairman, if the gentleman will yield, first I would like to thank the gentleman for his concern. I think this will be a very helpful addition to the Record on this subject.

Mr. Chairman, the gentleman is absolutely correct.

Mr. MACKAY. I thank the gentleman.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Washington [Mr. BONKER].

The amendment was agreed to.

□ 1240

AMENDMENT OFFERED BY MR. PANETTA

Mr. PANETTA. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. PANETTA: Page 28, after line 25, insert the following new section:

SEC. 128. EMERGENCY TELEPHONE SERVICE AT U.S. CONSULAR OFFICES.

It is the sense of the Congress that the Secretary of State should ensure that all United States consular offices are equipped with 24-hour emergency telephone service through which United States citizens can contact a member of the staff of any such office. The Secretary should publicize the telephone number of each such service for the information of United States citizens. Not more than 90 days after the date of the enactment of this Act, the Secretary shall submit a report to the Congress on steps taken in accordance with this section.

Mr. PANETTA (during the reading). Mr. Chairman, I ask unanimous consent that the amendment be considered as read and printed in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from California?

There was no objection.

Mr. PANETTA. Mr. Chairman, I rise today to offer an amendment to the State Department authorization. I offer it, because I think it addresses a very real problem in the services provided by our consulates abroad.

I ask you today to amend the State Department authorization to include a new section, section 128, which would express the sense of Congress that the

Secretary of State ensure that all U.S. consular services worldwide are equipped with a 24-hour emergency telephone service through which U.S. citizens can contact a member of the consulate staff. This amendment would also direct the Secretary to publicize this phone number so that any U.S. citizen traveling abroad is aware of who to call in the event of an emergency.

Mr. Chairman, it was only last fall when two of my constituents were killed in a car accident in Tijuana, Mexico. Leslie and Mary Bugalski were visiting with friends in Mexico when the van they were riding in was struck. Four of the passengers in the van died as a result of the accident.

If the accident were not tragic enough, consider that it happened at a time when the U.S. consulate was closed. Friends of the victims, kept calling the consulate, attempting to find information relating to their friends—not knowing about the accident. Sadly, these friends learned of the accident and their friends' deaths not from the U.S. consul, but from a local newspaper the next day.

I will not relate here the horrible treatment to which two of the victims' father was subsequently subjected, but let me say that it was clear that our consular services were sorely lacking in Tijuana.

Unbelievable as it might sound, U.S. consulates worldwide are not required by law to provide for 24-hour-a-day contact with a member of the consulate staff, even in the event of dire emergency or death. In many consulates, callers to the U.S. consul after business hours reach a local answering service. Whether the U.S. consul ever gets the message, and whether the U.S. citizen in trouble gets the assistance he or she needs immediately, depends on the operability of the local system.

Mr. Chairman, I believe we owe our citizens more than that. I ask my colleagues to adopt this amendment to provide for 24-hour-a-day contact with a member of the U.S. consulate staff. Further, I ask that this emergency phone number be publicized so that all American travelers are aware of this service.

In the case of the Bugalski girls, the availability of this service might have avoided undue trauma and delay. Now that such services are provided at the U.S. consulate in Tijuana, I am confident that no American citizen in Tijuana will ever have to wait to receive the emergency assistance they need. But what guarantees do we have in other parts of Mexico, and other parts, indeed, of the world?

Mr. Chairman, I urge the passage of this amendment so that American citizens, wherever they may be, can rest easy knowing that emergency assistance from a U.S. consultate is available whenever they need it, and not just during normal working hours. Let us not abandon our own citizens during their times of greatest need.

Mr. Chairman, I yield to the chairman of the subcommittee.

Mr. MICA. The committee has reviewed this amendment and has no objections to it. I would like to add, however, that it has been our understanding that this type of service has been provided by the Department of State. There may be some holes in this network, and this amendment would indeed patch that up.

I think this amendment is needed. It is a helpful amendment, particularly since a report will be submitted in 90 days as to what actions have been taken to make sure that there is a worldwide comprehensive system, so this type of situation does not occur again.

Mr. PANETTA. I thank the gentleman.

Mr. Chairman, I yield to the gentlewoman from Maine [Ms. SNOWE].

Ms. SNOWE. Mr. Chairman, we have examined the amendment, and I, too, would be in absolute agreement with the gentleman from California.

In the meantime, I think we should explore the situation further, beyond this amendment, to make sure that this does not occur again. It was unfortunate circumstances that brings this issue to our attention.

I thank the gentleman for raising the issue, and I support the amendment.

Mr. PANETTA. Mr. Chairman, I thank the gentlewoman.

The CHAIRMAN. The question is on the amendment offered by the gentleman from California [Mr. PANETTA].

The amendment was agreed to.

AMENDMENT OFFERED BY MR. HUTTO

Mr. HUTTO. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. HUTTO of Florida: Page 28, strike out line 11 and all that follows through line 25, and insert in lieu thereof the following:

Assignment of members and advisers to the United States delegation to the Coordinating Committee on Export Controls shall be determined by the Secretary of State in consultation with the Secretary of Defense and the Secretary of Commerce.

Mr. HUTTO. Mr. Chairman, my amendment would delete the section 127, and replace it with language that would permit the Secretary of State, after consultation with the Secretaries of Defense and Commerce, to assign the members and advisers to the U.S. delegation to the Coordinating Committee on Export Controls, known as Cocom.

The present section 127 must be deleted from this bill for the following reasons:

Under section 127, as presently written, only State Department employees could be members of the U.S. delegation or assigned to Cocom as advisers to the U.S. delegation. Further, only State Department appropriations could be used to fund, repair, or maintain Cocom facilities.

Section 127 would serve to undermine the extensive, ongoing efforts to improve our Nation's ability to control defense-related goods and technology for national security reasons, and we do need to protect these critical technologies, because the Soviets have been getting a free ride on the military technology that the American taxpayers have been spending, over $20, nearly $30 billion a year, and this isn't right.

It would prevent the use of DOD funding already committed for Cocom modernization and enhancement. Two years ago, $2 million of defense funds were requested by the Under Secretary of State to enhance the Cocom secretariat; and the Congress approved this request, which was cleared through the House Armed Services Committee.

It would also deny the assignment of DOD and Commerce experts to provide timely advice to the U.S. Cocom representatives—even though, for a number of years, officials of the Departments of Defense and Commerce have been active participants in the Cocom negotiating process.

Furthermore, I understand this section was suggested during full committee consideration of the bill without hearings or testimony from responsible witnesses. Also, the section was not considered by the House Committee on Armed Services, which is responsible for all matters affecting the Department of Defense.

Cocom has been operating with minimum staff, with virtually no equipment and under poor working conditions, and members of our staff visited Cocom a year or so ago and found this to be a fact. As a result of the DOD funds, modern computer equipment is about to be installed to serve exporters more expeditiously.

My amendment would ensure that the already authorized and appropriated funds are permitted to be used to improve the Cocom operations, which is clearly in our best interests. In addition, the Secretary of State will have at his disposal the best of talents from both the Departments of Defense and Commerce to help his own department's personnel.

Section 127 is counterproductive, ill advised and has the dual effect of undermining national security and cheating the business community of the efficiency we are trying to create for them in Cocom.

Mr. Chairman, I know that Members have received letters from defense contractors, from the U.S. Chamber of Commerce, and surely, no, they want little or no restrictions, but we have a

responsibility to see that our critical technology does not go to the Soviet Union, the Warsaw Pact nations.

For that reason, we need to strike section 127 from this bill.

Mr. ZSCHAU. Will the gentleman yield to me?

Mr. HUTTO. I would be happy to yield to the gentleman.

Mr. ZSCHAU. I thank the gentleman for yielding to me. It is my understanding that currently there can be at Cocom advisers, consultants, temporary personnel from a variety of agencies to deal with some of the problems that the gentleman alludes to without their being there on a permanent basis.

It would seem to me that in those events where it is necessary to have those people, that under current law, even if this—your amendment would not pass, and the language in this bill were retained, that these resources could be used.

Is not that correct?

(On request of Mr. ZSCHAU and by unanimous consent, Mr. HUTTO was allowed to proceed for 3 additional minutes.)

Mr. HUTTO. The gentleman from California is exactly right, and what my amendment does is to maintain the status quo, and I cannot understand why the Committee on Foreign Affairs would not accept this amendment, because I put it under the Secretary of State, as you heard the amendment read.

And so, if section 127 is maintained, no, you would not be able to have the advisers; it explicitly states in section 127 as passed by the committee without a lot of hearings, then you would preclude those advisers.

Mr. ZSCHAU. If the gentleman will yield, does not section 127 refer to permanent personnel rather than people who are there on a temporary basis, or consulting basis, as is currently done?

Mr. HUTTO. Let me read section 127(a) for you:

Funds for Cocom Facilities.—No funds other than funds appropriated to the Department of State may be used to alter, repair, expand, or modernzie, or engage in any other additional construction of, the facilities of the Coordinating Committee on Export Controls.

Of course, you would deny the facilities that we used for Cocom, if you kept in 127.

Now, going to your point a little further in paragraph (b):

Assignment of Members and Advisers to United States Delegation.

It says:

No officer or employee of any department or agency other than the Department of State may—

(1) be assigned to be a member of the United States permanent delegation to the Coordinating Committee on Export Controls, or

(2) be permanently assigned to the Coordinating Committee as an adviser to the United States permanent delegation to the Coordinating Committee.

□ 1250

Mr. ZSCHAU. If the gentleman would yield further, I appreciate that clarification, and what it does clarify is that the permanent member and permanent adviser or member of the permanent delegation is what is being prohibited here. This language, 127, would not prevent temporary advisers, consultants, as are currently used at Cocom from a variety of departments.

Mr. HUTTO. If I may, let me ask the gentleman a question. What is the purpose, other than prohibiting the upgrading of the facilities which we very badly need, what is the purpose of that paragraph (b)?

Mr. MICA. Mr. Chairman, will the gentleman yield on that point?

Mr. HUTTO. I would be happy to yield to the chairman.

Mr. MICA. There is no problem with upgrading the facilities. In fact, the State Department was authorized $2 million for upgrading the Cocom facility last year, but these funds were not appropriated.

(On request of Mr. MICA and by unanimous consent, Mr. HUTTO was allowed to proceed for 5 additional minutes.)

Mr. MICA. If the gentleman will yield further, I have been wrestling with this situation because I share some of the concerns of the gentleman from Florida and can certainly give some support to the intent of his language. I have reviewed it. I understand the concern is that we wanted in some way to alter the status quo. In the gentleman's opening statement he said that the language in the legislation would prohibit other agencies from being involved in Cocom and that would somehow change the status quo. Currently the permanent delegation is led by the State Department. That is the status quo. This would allow this situation to continue. The Defense Department can send advisers. Commerce can send advisers. Anybody can send advisers. What would change—and this is where I was concerned because I wanted to help the gentleman—was not the status quo. It is the gentleman's amendment that would affect the status quo because for the first time you would have a situation where the State Department, which is now the lead agency, would have to compete with other departments at Cocom.

The gentleman from California just pointed out what the gentleman in the well just read, that the word "permanent" applies in both of these. So I would submit that there might be some misunderstanding. We are trying to preserve the status quo. We would like to see the facilities upgraded, but we do not want a situation where you have every agency in the Government potentially coming in and adding permanent people to Cocom.

Mr. HUTTO. Mr. Chairman, I understand your concern, and I know that you are concerned. But it is considerably changing the status quo if we maintain 127. If we want to maintain the status quo, I think that we would adopt my amendment, because it clearly puts it in the domain of the Secretary of State, and then he could name advisers or delegates or whomever, after consultation with the Departments of Defense and Commerce.

And also I would like to say, Mr. Chairman, that Secretary Baldrige of the Commerce Department called me today and he is very much in support of this amendment. It has to be a cooperative effort between the agencies of Government. You are trying to exclude Defense, and we need that expertise.

Mr. MICA. If the gentleman will continue to yield, there is no provision in section 127 that permanently excludes Defense or any other agency. With regard to the Commerce Department, the U.S. Chamber of Commerce totally opposes deletion of this section 127.

Mr. HUTTO. I understand that.

Mr. MICA. What I continue to say is that I think we have a misunderstanding or misinterpretation of the intent of the language that the gentleman just read. In effect we are preserving the current situation at Cocom. We would like to preserve what appears to be an attempt to station permanent individuals from other agencies at Cocom.

Mr. HUTTO. That is the chairman's interpretation.

Mr. LAGOMARSINO. Mr. Chairman, will the gentleman yield?

Mr. HUTTO. I yield to the gentleman from California.

(On request of Mr. LAGOMARSINO and by unanimous consent, Mr. HUTTO was allowed to proceed for 5 additional minutes.)

Mr. LAGOMARSINO. Mr. Chairman, I want to rise in strong support of the gentleman's amendment.

It seems to me that the Chamber of Commerce and others who oppose the gentleman's amendment and favor the Bonker amendment maybe are not really looking at what happens.

The complaint I get from people is that Cocom takes too long, that they do not know what is going to happen, and even when they find out, it is many months later and perhaps they have even lost their sale. And it seems to me that what we need to do is to carry out what the President stated to our allies; namely, we want to modernize and enhance Cocom, not go the other way.

The Under Secretary of State promised in the 1983 meeting of Cocom that the United States would fund a

$2 million effort to modernize and upgrade it, and subsequently he asked the DOD for funding, and that was done, it was programmed, as the gentleman knows, in 1984 from DOD funds. We have made formal commitments on this, and there has been no money authorized and appropriated in the State Department budget.

So I think the gentleman's amendment not only makes sense from the national security standpoint, and I think it is far different to have someone temporarily assigned who, if you are going to follow the law, would be temporarily assigned, not permanently. You can violate that, I suppose, but the same people would be objecting to that, as well they should, because it would be a violation of law.

One of the problems that we have in Government is that all too often the people who are in an assigned spot do not stay there long enough to find out what is going on.

The amendment that is in the bill is not going to lead to a correction of that, whereas the gentleman's amendment might. It might not, either, depending on how the assignments are made; but certainly it allows it to be done.

I think, from both the national security standpoint and from the standpoint of those who need to get answers from Cocom, that the gentleman's amendment makes sense. I hope the House will adopt it.

Mr. HUTTO. I thank the gentleman very much. I believe the gentleman, who is a member of the Foreign Affairs Committee, makes an excellent point, that what we want to do is upgrade Cocom, and thereby I think it would be beneficial to American industry, because our defense contractors and our computer producers I do not think want these things to get into the hands of the Soviets and the Warsaw Pact nations, and this amendment is entirely reasonable.

Mrs. BYRON. Mr. Chairman, will the gentleman yield?

Mr. HUTTO. I yield to the gentlewoman from Maryland.

Mrs. BYRON. I thank the gentleman for yielding, and I rise in strong support of the gentleman's amendment.

Mr. Chairman, I am a bit surprised that the opponents are so concerned over this amendment offered by the gentleman from Florida.

They were not so adamant when the Department of Defense came up with $2 million at the request of the State Department to meet its commitment to modernize the Cocom's headquarters. Mr. Chairman, DOD has spent money on the Cocom process to upgrade the facilities and the communication equipment at the request of the Department of State.

Nor were these same individuals arguing over the nearly 2½ years that was necessary to draft the Export Administration Act that the Department of Defense was to be excluded from the Cocom process. It was, seemingly, obvious during those years that an international organization designed to restrict the flow of military technology would have defense experts involved. What has changed in the few months that now calls for the elimination of military experts in the process has not been explained.

Yet, Mr. Chairman, the bill as presently written would preclude the Secretary of State from using Department of Defense military technology experts in the Cocom delegation. Mr. HUTTO's amendment would retain the authority of the Secretary of State to appoint the Cocom staff as necessary, which would include DOD military technology experts if in the Secretary's judgment it would improve the Cocom delegation.

It is also interesting that the opponents of this amendment are opposed to better management and efficiency in the Cocom delegation. In the past, the Department of Defense has rotated teams of experts into the Cocom process. In all probability, we could expect that a permanent expert that understands military technology would ensure a continuous, unbroken corporate memory that would better serve the negotiating process. If it is a consistent and rational export processes that is often claimed to be needed for American businessmen, then surely a stable and consistent Cocom delegation will go a long way toward that end.

Finally, Mr. Chairman, let us note one important point. The committee provision, that Mr. HUTTO is attempting to restore to existing practice, would preclude any Department of Defense military experts to be on staff at Cocom. The committee proposes that a State Department economics specialist be assigned in that space. Mr. Chairman, Cocom is supposed to restrict the flow of critical military technology to the Soviet Union and the Warsaw Pact. With all due respect, Mr. Chairman, it would be a sham to send a U.S. delegation to the Cocom process and not have a military technology expert out of the Department of Defense at the disposal of the negotiating team appointed and headed by the State Department.

Mr. Chairman, I urge my colleagues to support the Hutto amendment.

Mr. HUTTO. I thank the gentlewoman very much. Not only would if shut defense out of the process, more or less, but also Commerce, which is the lead organization, as I understand it, for screening the exports of our technology and critical materials to the Soviet Union.

Mr. ZSCHAU. Mr. Chairman, will the gentleman yield?

Mr. HUTTO. I yield to the gentleman from California.

Mr. ZSCHAU. Mr. Chairman, the gentlewoman from Maryland suggested that in our long deliberations on the Export Administration Act, which passed the House on April 16, that we did not raise any objection to the involvement of the Department of Defense in the licensing in Cocom or West-West trade.

□ 1300

The CHAIRMAN. The time of the gentleman from Florida [Mr. HUTTO] has expired.

(On request of Mr. ZSCHAU and by unanimous consent, Mr. HUTTO was allowed to proceed for 4 additional minutes.)

Mr. ZSCHAU. Mr. Chairman, will the gentleman yield?

Mr. HUTTO. I continue to yield to the gentleman.

Mr. ZSCHAU. I thank the gentleman.

Mr. Chairman, as the gentleman knows, because he was part of the conference with the other body, there was a lot of debate about this issue. The Export Administration conference finally concluded that no additional authority should be provided to the Department of Defense for review of West-West licensing. This is an issue that we discussed, and debate went along the following lines: The question was asked, "What would be the additional value of having Department of Defense involvement in the licensing process involving West-West trade; trade with our allies?"

The conclusion was that the license decisions would not be improved, but that there might be additional delays. I guess I would ask the gentleman what specific value or additional value in the Cocom decisions do you feel that having permanent members on the delegation of Cocom from Department of Defense, would have, versus the current system, which allows consultants and temporary advisors on issues of particular importance?

What would be the unique, additional value that would result from this amendment?

Mr. HUTTO. I appreciate very much the gentleman asking that because I think there is a very big misunderstanding on the part of a lot of Members.

My amendment does not mandate any permanent members to Cocom; not at all. In fact, I thought I made that clear in my opening statement, that this is strictly controlled by the Secretary of State. That is the reason. I fail to find a good reason for the Foreign Affairs Committee to disagree with that.

Mr. ZSCHAU. If the gentleman would yield further, is the gentleman suggesting that he would not antici-

pate any employees from the Department of Commerce or the Department of Defense to be assigned?

Mr. HUTTO. No.

Mr. ZSCHAU. Is there any reason why you would feel that they might be assigned?

Mr. HUTTO. No; I did not say that. It does not mandate any permanent delegates, but it does mandate that the Secretary of State would have control of this in consultation with Commerce and Defense. I believe the gentleman would want that. Commerce is the lead agency in this export business, and Defense certainly is having a key role in what goes to our adversaries.

Mr. ZSCHAU. If the gentleman would yield further, when the gentleman made his original presentation, he suggested that one of the problems today that we face is a leakage of technology and part of the cause may be that only State Department employees are there at Cocom. If those comments are true, I guess my question is: What additional activities would the Department of Defense employees, if they were assigned there on a permanent basis, be?

Mr. HUTTO. I did not mean to infer that it was the result of any State Department activity; certainly not. We live in a free and open society, and it is hard enough to guard our technologies because the KGB is ever present, even here in the United States. I did not mean to infer that at all.

But Defense and Commerce, as I understand it, they have been a part of this process, and essentially this section 127 would preclude them. What I am doing is just trying to maintain the status quo and let the Secretary of State handle the responsibility.

Ms. SNOWE. Mr. Chairman, will the gentleman yield?

Mr. HUTTO. I yield to the gentlewoman from Maine.

Ms. SNOWE. I thank the gentleman for yielding to me.

Mr. Chairman, I think the gentleman has answered a number of concerns that have been raised today with respect to the current provisions regarding Cocom that are in the bill before the House. I thank the gentleman for his amendment because I do believe that his amendment is far more flexible in allowing the military personnel to continue in the present advisory role.

As I understand what the gentleman has indicated here today, he is attempting to maintain the status quo in the relationship that exists between the Department of State and the Department of Defense. Am I correct in this understanding?

Mr. HUTTO. That is correct.

Ms. SNOWE. And will the Department of State continue with its primary responsibility for the negotiations and for the administration of Cocom?

Mr. HUTTO. Absolutely.

Ms. SNOWE. I also understand that the Department of State agreed to the reprogramming of funds by the Department of Defense to upgrade Cocom facilities because the Department of State did not request any additional authorizations or appropriations this year for the upgrading that is obviously necessary.

Mr. HUTTO. It is my understanding that the Department of State requested the DOD funding for the upgrading of the facility.

Ms. SNOWE. I thank the gentleman for his amendment. It is necessary to continue the presence of the Department of Defense in providing the technical expertise during the decisionmaking process as to which commodities will be exported, and which need to have security controls. The gentleman raises a legitimate point, as I am also concerned that the provisions in the legislation, as it is currently written, will prohibit the advisory participation of the Defense Department personnel.

So long as we have the understanding that it is the Department of State that will continue the lead role and that all participating agencies will be answerable to it I will support the gentleman's amendment.

Mr. MICA. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I would just like to say that I think we have an honest difference of opinion here. As I read this amendment, there is nothing, absolutely nothing in the amendment that precludes any agency from continuing to operate on the basis of the status quo.

The Defense Department can indeed, with this language, advise, and so can the Commerce Department. Any agency can be involved and can advise. I think, I truly believe we just have a misunderstanding here, and it is unfortunately that we were not able to work it out prior to the floor debate. There is nothing in this language that prevents the Department of Defense to do exactly what the gentleman from Florida [Mr. HUTTO] would like to see them do, and that is to advise and be involved.

It just simply maintains a situation so that new approaches are not developed that expand the role of what could be dozens of agencies to take a permanent role on what is essentially an informal agreement among our trading partners to work on the day-to-day licensing prospects for U.S. trade and U.S. business, and in a cooperative spirit.

I think that needs to be mentioned here. That has been the whole success of Cocom. It has been a cooperative effort. If we ever get into a situation where it becomes antagonistic, Cocom, in and of itself, would collapse.

Mr. HUTTO. Mr. Chairman, will the gentleman yield?

Mr. MICA. I yield to the gentleman from Florida.

Mr. HUTTO. I thank the gentleman.

If we pass this, it will not be too acrimonious, because at least two departments do not like this provision at all. I do not think the State Department is too enamored with it. But you automatically set them at odds if you pass this bill with this section in it as it is written.

Mr. MICA. I would just state again that I have no greater respect for any Member in this Chamber, but I think we, very respectfully, disagree with that assessment.

Mr. Chairman, I yield back the balance of my time.

Mr. SOLOMON. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I rise in strong support of the amendment offered by the gentleman from Florida. As presently written, section 129 in the bill would prohibit any official or employee of the Defense Department from being assigned as a member of the permanent U.S. delegation to Cocom. I believe this restriction to be very ill-advised. And the amendment now before us would modify this very damaging provision.

Frankly, I am baffled as to how it is that Congress will go to great lengths scrutinizing every aspect of the defense budget and be constantly sniping at the weapons systems that are necessary to protect the freedom and security of our country while at the same time Congress takes a casual, even cavalier, approach to the whole problem of how American technology is bought, copied, and stolen. Technology that the Soviets then use for their military buildup, requiring in turn a corresponding response from us.

Mr. Chairman, as presently written, section 129 wipes out 4 years of interagency efforts within our Government to develop stronger U.S. participation in Cocom. Our delegation at Cocom would ultimately have to send all substantive matters concerning national security back to Washington for review, because the Defense Department representatives at Cocom would be on a revolving door. How continuity and effectiveness can be achieved that way is beyond me.

I deeply regret the committee action that placed the responsibility for U.S. participation in Cocom exclusively in the hands of the State Department. A Defense Department representative would be prohibited from being permanently assigned even as an adviser to the U.S. delegation.

We have to get serious about the technology drain to the Soviets. Our

role in Cocom must be strengthened. And I urge support for Mr. HUTTO's amendments as a very important and necessary step in the right direction.

□ 1310

Mr. FRENZEL. Mr. Chairman, I move to strike the requisite number of words, and I rise in opposition to the amendment.

Mr. Chairman, it is with some trepidation that I rise to oppose an amendment which is supported by people whose positions I normally follow and whose rationale is often similar to my own.

In this case, however, it is, at least to me, quite clear that this Committee of the Whole would be best advised to follow the path set out for it by the subcommittee of the Committee on Foreign Affairs.

The situation at Cocom, I think, is well known. This House has just gone through a 2½-year period in which we have sweated, and negotiated, and worked very hard to develop an Export Administration Act. We have finally achieved an agreement with the other body. I understand the President concurs in that agreement. Soon we will have an extended Export Administration Act.

All of the work and all of the understandings that have gone into the Export Administration Act are not going to be overturned by the amendment offered by the gentleman from Florida [Mr. HUTTO]. But some of them are. The Hutto amendment is in conflict, in my personal judgment, with the agreements that we made with respect to the Export Administration Act.

My principal objection to the Hutto amendment is that it will create a series of secretariats at Cocom headquarters, rather than the single, focused, Cocom delegation now controlled by the Department of State. That is, we will have a State Department contingent, a Commerce Department contingent, and a Defense Department contingent, each operating with at least some autonomy. That will give industrial interests in the United States and patriotic interests among our Cocom allies three different shopping centers, depending on what kinds of decisions any of those interests are looking for.

As I understand the Cocom operation, its decisions are supervised by an interagency in the United States. The Cocom group responds to those decisions. Defense is included; Commerce is included; State is included in the interagency group. Any other agency which has a legitimate interest, and often there are many, can be included. However, it is important, I think, in the conduct of our international affairs that we have, as often as possible, a single voice speaking for America.

It seems to me what we are doing is creating the possibility that our work at Cocom in Europe, will be fractionalized, and that makes me very, very nervous. The other thing that makes me a little bit nervous is that the Department of Defense is already a major partner in the process in which it has a very important need to be a partner. It does not need an enhanced role. In fact, a new DOD delegation at Cocom may reduce the Department's effectiveness in maintaining a strong export administration law.

DOD is not the lead agency, and yet this amendment is asking it for money to rebuild the facilities of Cocom, and to fund what seems to me to be permanent Cocom positions in Paris. My guess is that no item in the U.S. budget is going to be under more severe pressure in this House than the Defense Department budget.

I believe that it is probably not a good thing for the Department of Defense to look as if it is willing to spray money around for operations in which it has an interest but in which it is not the lead agency. So I suggest that the DOD construction money is unwise policy, too.

Those of our industrial interests who worked with us on the Export Administration Act now think they understand how the system works. Many of them are very nervous about changing the system as the Hutto amendment would do. Who are they going to see now? Who do they work through? Is it one department? Is it four departments? Who is in charge, and where?

My great fear, and that fear stems from many exporting corporations talking to me about it, is that if we pass the amendment offered by the gentleman from Florida [Mr. HUTTO], we will put confusion in the game.

The CHAIRMAN. The time of the gentleman from Minnesota [Mr. FRENZEL] has expired.

(By unanimous consent, Mr. FRENZEL was allowed to proceed for 4 additional minutes.)

Mr. FRENZEL. My worry is that, when we have this enormous trade deficit, we want to be very sure we impose no confusion or inhibitions to trade. We want to give our people the best shot.

Our industrial corporations are anxious to cooperate with whatever kind of program we have. They are patriotic. We do not want any technology to escape. We grant that the Department of Defense should have, and has, a major role. We think it has the authority and the facilities to carry out that role effectively.

So my respectful suggestion to the House is that it follow the direction of the committee of jurisdiction here, the Committee on Foreign Affairs, and not put any more confusion into an already confused area. If we pass the Hutto amendment, the U.S. commercial interests abroad may be not well served and we may lose sales.

Mr. HUTTO. Mr. Chairman, will the gentleman yield?

Mr. FRENZEL. I yield to the distinguished gentleman from Florida, and I apologize for running on at such length.

Mr. HUTTO. I appreciate the distinguished gentleman from Minnesota yielding to me.

Mr. Chairman, I am a little bit perplexed at a couple of statements that the gentleman made, and for that reason I think there is some misunderstanding.

The gentleman indicated that my amendment would overturn some provisions of the Export Administration Act. Can my colleague elaborate on that a little bit?

Mr. FRENZEL. I did not say any of the conditions of the act. I said the understandings of the act, which, I believe, was that the State Department would continue to do the operations in Europe and that it would be assisted by the detailees and the people from the Department of Defense who normally make up the bulk of our people over there.

Mr. HUTTO. And that is in accordance with the Export Administration Act that you are talking about.

Mr. FRENZEL. That is in accordance with past practice. I simply want to be sure that we do not confuse the thing by putting more than one agency in charge.

Mr. HUTTO. We are not, and I think where there is a lot of misunderstanding. If the gentleman will read my amendment, it is fairly simple and I think reasonable. It leaves it in the hands of the Secretary of State, and we still speak with one voice in Cocom, but the Secretary of State would be in charge. He would consult with Commerce and Defense, as is now the case.

Mr. FRENZEL. I thank the gentleman for his description of the amendment. I must say that it has caused some unease, and I will be delighted to take another look at it at the gentleman's suggestion.

Mr. HUTTO. I would appreciate it if the gentleman would do that.

Mr. BONKER. Mr. Chairman, I move to strike the requisite number of words, and I rise in opposition to the amendment.

Mr. Chairman, I authored section 127 to deny money for the expansion of the Cocom facilities in Paris and to ensure that the State Department remains as the U.S. permanent representative in Paris.

The Export Administration Act, the law governing our export control program, very clearly states that the Secretary of Commerce is the principal department for administering and enforcing the program. It also states that the Secretary of State, in consul-

tation with the Secretaries of Defense and Commerce, will represent the United States at Cocom in Paris.

□ 1320

The amendment I offered and which was adopted in the committee, reaffirms this intention of Congress that the State Department represent the United States.

So what is happening? What is happening is that the dispute and the controversy that pervades our domestic export control policy, much of which we have attempted to deal with in the reauthorization of the Export Administration Act, is all going to spill over to the multilateral Cocom process. All of the divisions and the confusions, the uncertainty, the licensing delays and the disapprovals—all of the problems that plague our domestic licensing program are now going to be present at that Cocom office in Paris.

My amendment was intended to prevent this transfer of problems from happening. It merely states that the State Department will represent the United States at Cocom.

Now, there is a need from time to time for Commerce and Defense to have representation, and that is provided for in current law and protected by my amendment. Indeed, over the past year we have had delegations going on almost a monthly basis to the Cocom office in an advisory capacity. On July 9, we had 19 advisers going to Cocom, 11 of whom represented the Department of Defense.

DOD has considerable influence, not only in Washington, DC, in the development of our export control policy but at Cocom as well. But if we allow Defense and Commerce to set up their own offices there and to represent U.S. policy, we are going to confuse and dismay our allies in Cocom, and we are going to frustrate U.S. exporters who need to be more competitive.

Mr. Chairman, I would add that the money that is prohibited under my provision is money that was originally authorized by our committee to go to the State Department to upgrade those facilities. And I might add that we are talking primarily about cosmetic changes, physical expansion of the offices there, not equipment. But that money was denied by an Appropriations Committee of this House, and so Defense went around the block and over to the Armed Services Committee to have the money reprogrammed. So it is not State Department money, it is DOD money. But if this House determined, for whatever reason, that it was going to deny the $2 million to the State Department, it had good reason, and we should not have departments going around to committees to get exceptions, which is the case here.

Mr. HUTTO. Mr. Chairman, will the gentleman yield?

Mr. BONKER. I yield to the gentleman from Florida.

Mr. HUTTO. Mr. Chairman, I would like to ask the distinguished gentleman from Washington if he is knowledgeable of this fact: It is my understanding that the State Department wanted these funds. That is not something we would deny.

Mr. BONKER. The State Department indeed wants the funds, and our committee authorized the funds.

Mr. HUTTO. And at their request.

Mr. BONKER. But the Appropriations Committee denied the funds. It does not matter who wants them. If the Congress has spoken, the Congress has spoken.

Mr. HUTTO. I agree wholeheartedly. And tell me, by what provision would Defense and Commerce have the authority to set up an office at Cocom under my amendment? It is clearly left to the Secretary of State.

Mr. BONKER. My amendment would deny Commerce and DOD from sending personnel to the permanent delegation at Cocom.

Mr. HUTTO. If the Secretary of State wanted to do that.

Mr. BONKER. Your amendment merely restates the fact that the State Department will continue to represent the United States in consultation with Defense and Commerce, but it will permit these departments to have permanent staff assigned, and that is the whole point of the amendment.

Mr. HUTTO. No. How does the gentleman read that it would allow them to assign permanent staff?

Mr. BONKER. Well, if you state that your amendment merely maintains the status quo, that is the status quo at the moment.

The CHAIRMAN. The time of the gentleman from Washington [Mr. BONKER] has expired.

(On request of Mr. MICA, and by unanimous consent, Mr. BONKER was allowed to proceed for 1 additional minute.)

Mr. BONKER. Mr. Chairman, the Department of Defense is in the process of sending permanent representatives to Cocom. We heard in testimony before my subcommittee 2 weeks ago that the Department of Commerce was denied the request for representatives at Cocom by the State Department, and yet the Defense Department has been approved. So we are going to have the Defense Department with permanent personnel stationed at Cocom, and the Commerce Department, which is the principal authority for enforcing and implementing our export control laws, being denied.

Mr. HUTTO. Mr. Chairman, if the gentleman will yield further, that is one of the points I made, that the Department of Commerce is being excluded, and under your provision 127, Defense is being excluded.

Mr. BONKER. My purpose is to exclude both Commerce and Defense and allow the State Department to properly represent us. That is congressional intent. Not only that, but if we allow each of these departments, with equal authority in their own eyes——

Mr. HUTTO. It would not be equal authority.

Mr. BONKER. Well, let me tell you, in the licensing program, they all believe they have equal authority.

The CHAIRMAN. The time of the gentleman from Washington [Mr. BONKER] has again expired.

(On request of Mr. MICA, and by unanimous consent, Mr. BONKER was allowed to proceed for 30 additional seconds.)

Mr. MICA. Mr. Chairman, if the gentleman will yield, I would like to say that I support the position of the gentleman from Washington [Mr. BONKER]. I commend the gentleman and say that the committee urges a no vote on the Hutto amendment.

Mr. BONKER. Mr. Chairman, I thank the chairman of the subcommittee, and I will take a little time to conclude my statement.

The CHAIRMAN. The time of the gentleman from Washington [Mr. BONKER] has again expired.

(By unanimous consent, Mr. BONKER was allowed to proceed for 2 additional minutes.)

Mr. BONKER. Mr. Chairman, the U.S. State Department had a very distinguished public servant who served as director of the Office of East-West Trade for many years, and he has written a letter to me as the principal sponsor of section 127 in support of my efforts to ensure that the State Department maintains its exclusive representation of the United States at Cocom. I will quote briefly from the letter. I will first, Mr. Chairman, include the full text of the letter with my remarks, as follows:

KENSINGTON, MD, *May 9, 1985.*

Hon. DON BONKER,
Chairman, Subcommittee on International Economic Policy and Trade, Committee on Foreign Affairs, Washington, DC.

DEAR MR. CHAIRMAN: I believe you are on the right track in insisting on State financing of COCOM and on a U.S. Delegation to COCOM staffed by State personnel.

The need for more money for the international COCOM secretariat was (and is) minimal. Starting in 1981 and 1982, Defense pressed money on State for COCOM improvements, i.e., several years before any decision State might have made in 1985 concerning the assignment of DoD personnel to the U.S. Delegation. State was, naturally receptive to obtaining money. But there was no serious unfunded COCOM requirement.

The modernization of Secretariat equipment was proceeding without Defense funding. The justification for other improvements in Secretariat furnishings and space (which, as you know, were never in the basement) was largely cosmetic. New drapes will not speed processing of cases.

The Defense-funded communication link between Paris and Washington is a negative, rather than a positive, factor. Defense insisted on a separate channel between the offices of the U.S. Delegation and the Pentagon so that DoD members of Washington Teams in Paris could communicate directly with DoD officials in Washington. This parallels the official U.S. Government link between the Paris Embassy and Washington, which is substantially as fast for Defense purposes because there is electronic transmission from the Embassy to the Pentagon. The separate DoD link therefore increases the risk of uncoordinated instructions without improving transmission times for coordinated messages.

COCOM problems are a function of inadequacies in national delegations, not in the Secretariat. Difficulties are experienced in reaching agreements not only between these delegations but also within national governments, particularly within the U.S. Government.

Assigning Defense personnel to the U.S. Delegation in Paris will not help. This has been considered many times before but has, previously, been rejected on the grounds that decisions are made in Washington and there would be little, if anything, which a Defense person could do constructively in Paris. It is virtually certain that Defense would not permit such a person to speak for Defense on issues for which DoD in Washington had not already reached a clear position.

The State personnel assigned to the U.S. Delegation in Paris have conscientiously carried out instructions from Washington. Occasional DoD complaints about uncoordinated actions have arisen because of the content of instructions from the State Department in Washington, not because of free-wheeling by the U.S. Delegation in Paris.

Under these circumstances, it is difficult to see any purpose for the assignment of Defense personnel to the U.S. Delegation in Paris other than a desire by Defense to position itself to take over some of State's statutory responsibility to conduct negotiations with other countries regarding their cooperation in restricting exports for security reasons.

If you have any questions on these matters which I might be able to answer, please feel free to call me.

Sincerely yours,

WILLIAM A. ROOT.

Mr. Chairman, Mr. Root has made reference to the fact that the Defense Department has influenced policy decisions beyond what Congress intended, which is the reason why Mr. Root resigned in protest, in the first place.

Second, he said that the modernization of the program there is a justification for DOD to increase its impact on those policy decisions, and said that the improvements are merely cosmetic. He says, "New drapes will not speed processing of cases."

Indeed I would make that point that if you want to improve the turnaround time and expedite licensing at Cocom, you are not going to achieve that goal by setting up the DOD permanent staff there.

In conclusion, Mr. Root in his letter to me stated this:

Under these circumstances, it is difficult to see any purpose for the assignment of Defense personnel to the U.S. Delegation in Paris other than a desire by Defense to position itself to take over some of State's statutory responsibility to conduct negotiations with other countries regarding their cooperation in restricting exports for security reasons.

Mr. Chairman, if we are going to reduce our trade deficit, we have to allow our high-tech industries, which are competitive now in global economy, to compete equally with other countries, and I think we can help achieve that goal by defeating the Hutto amendment.

Mr. ZSCHAU. Mr. Chairman, I move to strike the requisite number of words. I rise in opposition to the amendment.

Mr. Chairman, this has been an excellent debate about the issue of who should represent the United States in Cocom. This debate is a continuation of the debate that we had over the past 2½ years, because the whole export licensing procedure was discussed in depth when the House and the other body considered the Export Administration Act.

As the gentleman from Minnesota has indicated, the Hutto amendment, even though it seems rather innocuous, is, by what it deletes from section 127, against and contrary to the spirit of the Export Administration Act that was passed here in the House on April 16 and which was so carefully crafted.

Mr. FRENZEL. Mr. Chairman, will the gentleman yield briefly?

Mr. ZSCHAU. I am happy to yield to the gentleman from Minnesota.

Mr. FRENZEL. Mr. Chairman, I would like to respond—because I could not in the presentation by the gentleman from Florida—by agreeing with the gentleman from California. I do not have objection to the language of the gentleman's amendment. I have strong objections to deleting the language it strikes from the committee bill.

Mr. HUTTO. Mr. Chairman, will the gentleman yield?

Mr. ZSCHAU. I yield to the gentleman from Florida.

Mr. HUTTO. Mr. Chairman, if I may, I would like to ask the gentleman from Minnesota, is it the first part or the second part of section 127 that I delete that the gentleman objects to?

Mr. FRENZEL. Well, I prefer the committee language as it stands in section 127, but as between (a) and (b), I do not have a particular preference.

Mr. HUTTO. (a) would be, of course, the upgrading of facilities there, and I think the gentleman would want that. The other part leaves it in the hands of the Secretary of State.

Mr. Chairman, I thank the gentleman for yielding.

Mr. ZSCHAU. Mr. Chairman, the Export Administration Act, after extensive negotiation, was written specifically to not provide increased authority for the Department of Defense in the licensing of West-West trade. However, shortly thereafter the Department of Defense announced that it would be sending its own representatives to Cocom.

Within the current authorized procedures, the Department of Defense and other agencies are involved in the licensing process, but that involvement occurs here in the United States. When decisions are made here, they are transmitted to Cocom. It is my feeling that we should speak with one voice, and one voice only, in international fora such as Cocom. Otherwise, the problem which the gentleman from Minnesota has suggested might occur—that is, shopping around for more favorable decisions would probably occur.

□ 1330

I believe we should speak with one voice at Cocom. However, that one voice in Paris needs to be assisted from time to time. Under the current system and under section 127, temporary advisers and consultants from a variety of departments could still be provided. If the Hutto amendment is defeated, this assistance and support from other departments could still be provided while the permanent delegation would be from the Department of State.

Exporters who have to deal with the export control procedures have been concerned about the impact of this amendment. The Private Sector Advisory Committee to the Department of Commerce has written to the Secretary of Commerce opposing this particular proposal. It would seem to me that at a time when we have enormous trade deficits that are impacting the industrial structure of this country, we should be very concerned about avoiding any actions that would make it more difficult by delays, more paperwork, or confusion for our exporters to export.

The author of the amendment has pointed out that it would permit the Department of Defense to spend $2 million in the upgrading of the U.S. facilities at Cocom. I support the upgrading of the facilities, but frankly it seems to me that it is the Department of State that has responsibility for this and should be doing the upgrading. It is only because the Department of Defense is able to get a lot more money than the other departments that they have the funds available to do this.

Mr. HUTTO. Mr. Chairman, would the gentleman yield on that point?

Mr. ZSCHAU. I would be happy to yield to the gentleman.

Mr. HUTTO. Mr. Chairman, does the gentleman know of any dispute between the Department of State and DOD about the funding, about the Congress funding the money?

Mr. ZSCHAU. No. As a matter of fact, the Department of State, since it was unable to get its own funds, would welcome additional funds.

Mr. HUTTO. In fact, they requested them.

Mr. ZSCHAU. But it seems to me that the Department of Defense, just because it has a lot of money, should not be permitted to buy its way into increased authority and responsibility throughout the rest of the Government.

The CHAIRMAN. The time of the gentleman from California has expired.

(By unanimous consent, Mr. ZSCHAU was allowed to proceed for 1 additional minute.)

Mr. ZSCHAU. In conclusion, Mr. Chairman, let me say that this amendment goes counter to the spirit of the Export Administration Act. It would blur the lines of responsibility. It could result in delays in the licensing process that could hurt exports. I frankly feel that even though the Department of Defense has funds to spend on a variety of projects, that those projects should be focused on defense responsibilities, rather than enabling the Department of Defense to buy its way into increased authority.

Mr. LAGOMARSINO. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I will not take the 5 minutes.

Mr. Chairman, I am advised that the municipal authorities in Paris have condemned the building in which Cocom operates, so they have to find a new one.

The statement has been made by some that the changes that would be made with the $2 million are cosmetic. I would like to read what the $2 million would be used for:

Equipment for Cocom Secretariat, two Wang work stations, one paper feeder.

Cocom building architectural study performed by State Department contract architects.

Purchase of minicomputer system for the Cocom Secretariat.

Development of custom software system for automation of Cocom case processing and less review management.

I would only repeat what I said earlier and that is that the complaints I get about Cocom are that people do not get answers right away. Let us speed up the process. It sounds to me like we are going in the right direction.

Mr. BONKER. Mr. Chairman, will the gentleman yield?

Mr. LAGOMARSINO. I yield to the gentleman from Washington.

Mr. BONKER. Mr. Chairman, if the municipality has condemned the building, I think this committee would be more than happy to provide funds to the State Department for upgrading. Meanwhile, DOD ought to use the money we give it to meet our defense needs.

Mr. LAGOMARSINO. Mr. Chairman, I am sorry, I did not hear what the gentleman said. What was the gentleman's last statement, to do what?

Mr. BONKER. The money this Congress grants to the Department of Defense ought to be used for weapons systems, for carrying out our defense needs. Cocom is properly a matter for the State Department and this authorizing committee.

Mr. LAGOMARSINO. Well, it just seems to me that it does not do much good to authorize defense systems and arms systems if we are going to be giving the Soviets the technology to counter the systems we have.

Mr. SOLOMON. Mr. Chairman, will the gentleman yield?

Mr. LAGOMARSINO. I yield to the gentleman from New York.

Mr. SOLOMON. Mr. Chairman, just standing here listening to the debate, I have already spoken in favor of the Hutto amendment and I urge everybody on both sides of the aisle to support it; but I have heard several speakers claim that the Defense Departmetn is trying to horn in on the Cocum jurisdiction and that is not so. It is Members of this House like me who want the Defense Department to have a say in how much high technology we allow to be sold, given away or stolen and since the State Department does not always have the expertise in these matters, we need to have the Defense Department input when it comes to the national security of the country.

Mr. AUCOIN. Mr. Chairman, I rise in opposition to the amendment which would allow the Defense Department to pay for improved Cocom facilities and have permanent Cocom representatives. The gentleman's amendment is ill-advised on two counts.

First, it would permit the Defense Department to go ahead with its plans to transfer $2 million of its own funds to expand the Cocom building without congressional consent.

Second, it would increase the Defense Department's influence over export control policy even when it doesn't make sense to do so. No other Cocom nation has military personnel assigned to its delegation. The Defense Department already has a heavy hand in export licensing both at Cocom and here at home. The committee bill does not change that.

This amendment must be defeated to block what amounts to an unauthorized attempt by the Defense Department to dominate the export control process. We must continue to speak with one voice and to our allies at Cocom and resist any moves that could muddle our message to the detriment of both U.S. exports and national security. I urge you to reject the Hutto amendment and support the committee bill.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Florida [Mr. HUTTO].

The question was taken; and the Chairman announced that the noes appeared to have it.

Mr. SOLOMON. Mr. Chairman, I demand a recorded vote, and pending that, I make the point of order that a quorum is not present.

The CHAIRMAN. Evidently a quorum is not present. Pursuant to the provisions of clause 2, rule XXIII, the Chair announces that he will reduce to a minimum of 5 minutes the period of time within which a vote by electronic device, if ordered, will be taken on the pending question following the quorum call. Members will record their presence by electronic device.

The call was taken by electronic device.

The following Members responded to their names:

[Roll No. 103]

ANSWERED "PRESENT"—409

Ackerman	Carney	Erdreich
Akaka	Carper	Evans (IA)
Alexander	Carr	Evans (IL)
Anderson	Chandler	Fascell
Andrews	Chappell	Fawell
Annunzio	Chappie	Fazio
Anthony	Cheney	Feighan
Applegate	Clay	Fiedler
Archer	Clinger	Fields
Armey	Coats	Fish
Aspin	Cobey	Flippo
Atkins	Coble	Florio
AuCoin	Coelho	Foglietta
Badham	Coleman (MO)	Foley
Barnard	Coleman (TX)	Ford (MI)
Barnes	Combest	Ford (TN)
Bartlett	Conte	Fowler
Barton	Conyers	Frank
Bateman	Cooper	Franklin
Bates	Coughlin	Frenzel
Bedell	Courter	Frost
Bellenson	Coyne	Fuqua
Bennett	Craig	Gallo
Bentley	Crane	Garcia
Bereuter	Crockett	Gaydos
Berman	Daniel	Gejdenson
Bevill	Dannemeyer	Gekas
Biaggi	Darden	Gephardt
Billirakis	Daschle	Gibbons
Bliley	Daub	Gilman
Boehlert	Davis	Gingrich
Boggs	de la Garza	Glickman
Boland	Delay	Gonzalez
Boner (TN)	Dellums	Gordon
Bonior (MI)	DeWine	Gradison
Bonker	Dickinson	Gray (IL)
Borski	Dicks	Green
Bosco	Dingell	Gregg
Boucher	DioGuardi	Grotberg
Boulter	Dixon	Guarini
Boxer	Donnelly	Gunderson
Breaux	Dorgan (ND)	Hall (OH)
Brooks	Dowdy	Hall, Ralph
Broomfield	Dreier	Hall, Sam
Brown (CA)	Duncan	Hamilton
Brown (CO)	Durbin	Hammerschmidt
Broyhill	Dwyer	Hansen
Bruce	Dymally	Hartnett
Bryant	Dyson	Hatcher
Burton (CA)	Eckart (OH)	Hawkins
Burton (IN)	Eckert (NY)	Hayes
Bustamante	Edgar	Hefner
Byron	Edwards (CA)	Heftel
Callahan	Emerson	Hendon
Campbell	English	Henry

Hertel
Hiler
Hillis
Holt
Hopkins
Horton
Howard
Hoyer
Hubbard
Huckaby
Hughes
Hunter
Hutto
Hyde
Ireland
Jacobs
Jeffords
Jenkins
Johnson
Jones (NC)
Jones (OK)
Kanjorski
Kaptur
Kasich
Kastenmeier
Kemp
Kennelly
Kildee
Kindness
Kleczka
Kolbe
Kolter
Kostmayer
LaFalce
Lagomarsino
Lantos
Latta
Leach (IA)
Leath (TX)
Lehman (CA)
Lehman (FL)
Lent
Levin (MI)
Levine (CA)
Lewis (CA)
Lewis (FL)
Lightfoot
Lipinski
Livingston
Lloyd
Loeffler
Long
Lott
Lowry (WA)
Lujan
Luken
Lundine
Lungren
Mack
MacKay
Madigan
Manton
Markey
Marlenee
Martin (IL)
Martin (NY)
Martinez
Matsui
Mavroules
Mazzoli
McCandless
McCloskey
McCollum
McCurdy
McDade
McEwen
McGrath
McHugh
McKernan
McKinney
McMillan
Meyers
Mica
Michel
Mikulski
Miller (CA)
Miller (OH)
Miller (WA)
Mineta
Mitchell
Moakley
Molinari
Mollohan
Monson
Montgomery
Moody
Moore
Moorhead
Morrison (CT)
Morrison (WA)
Mrazek
Murphy
Murtha
Myers
Natcher
Nelson
Nichols
Nielson
Nowak
O'Brien
Oakar
Oberstar
Obey
Olin
Ortiz
Owens
Oxley
Packard
Panetta
Parris
Pashayan
Pease
Penny
Pepper
Perkins
Petri
Pickle
Porter
Price
Pursell
Rahall
Rangel
Ray
Regula
Reid
Richardson
Ridge
Rinaldo
Ritter
Roberts
Robinson
Rodino
Roe
Roemer
Rogers
Rostenkowski
Roth
Roukema
Rowland (CT)
Rowland (GA)
Rudd
Russo
Sabo
Savage
Saxton
Schaefer
Scheuer
Schneider
Schroeder
Schuette
Schulze
Schumer
Seiberling
Sensenbrenner
Sharp
Shaw
Shelby
Shumway
Shuster
Sikorski
Siljander
Sisisky
Skelton
Slattery
Slaughter
Smith (FL)
Smith (IA)
Smith (NE)
Smith (NH)
Smith (NJ)
Smith, Denny
Smith, Robert
Snowe
Snyder
Solomon
Spence
Spratt
St Germain
Staggers
Stallings
Stangeland
Stenholm
Stokes
Strang
Stratton
Studds
Stump
Sundquist
Sweeney
Swindall
Synar
Tallon
Tauke
Tauzin
Taylor
Thomas (CA)
Thomas (GA)
Torres
Towns
Traficant
Traxler
Valentine
Vander Jagt
Vento
Visclosky
Volkmer
Vucanovich
Walgren
Walker
Watkins
Waxman
Weber
Weiss
Wheat
Whitehurst
Whitley
Whittaker
Whitten
Williams
Wirth
Wise
Wolf
Wolpe
Wortley
Wright
Wyden
Wylie
Yates
Yatron
Young (AK)
Young (FL)
Young (MO)
Zschau

□ 1350

The CHAIRMAN pro tempore (Mr. DURBIN). Four hundred nine Members have answered to their names, a quorum is present, and the Committee will resume its business.

RECORDED VOTE

The CHAIRMAN pro tempore. The pending business is the demand of the gentleman from New York [Mr. SOLOMON] for a recorded vote.

A recorded vote was ordered.

The vote was taken by electronic device, and there were—ayes 196, noes 222, not voting 16, as follows:

[Roll No. 104]

AYES—196

Anderson
Anthony
Applegate
Armey
Aspin
Badham
Barnard
Barton
Bateman
Bennett
Bentley
Bevill
Bilirakis
Bliley
Boulter
Breaux
Broomfield
Brown (CO)
Broyhill
Burton (IN)
Byron
Callahan
Campbell
Carney
Chappell
Chappie
Cheney
Coats
Cobey
Coble
Coleman (MO)
Combest
Conte
Coughlin
Courter
Craig
Crane
Daniel
Dannemeyer
Darden
Davis
de la Garza
Delay
Derrick
DeWine
Dickinson
DioGuardi
Donnelly
Dorgan (ND)
Dornan (CA)
Dowdy
Dreier
Duncan
Dyson
Eckert (NY)
Emerson
English
Erdreich
Fiedler
Fields
Flippo
Foglietta
Franklin
Gaydos
Gekas
Gilman
Gingrich
Goodling
Gregg
Grotberg
Hall, Ralph
Hall, Sam
Hammerschmidt
Hansen
Hartnett
Hatcher
Hefner
Heftel
Hendon
Henry
Hertel
Hiler
Hillis
Holt
Hopkins
Horton
Hubbard
Huckaby
Hughes
Hunter
Hutto
Hyde
Ireland
Jenkins
Jones (NC)
Kasich
Kemp
Kindness
Kolter
Lagomarsino
Latta
Leath (TX)
Lent
Lewis (CA)
Lewis (FL)
Livingston
Lloyd
Loeffler
Lott
Lujan
Lungren
Mack
Marlenee
Martin (IL)
Martin (NY)
McCain
McCandless
McCollum
McCurdy
McDade
McEwen
McGrath
McKernan
McMillan
Michel
Miller (OH)
Miller (WA)
Molinari
Mollohan
Monson
Montgomery
Moorhead
Murphy
Murtha
Myers
Nelson
Nichols
Ortiz
Oxley
Pickle
Price
Pursell
Ray
Regula
Rinaldo
Ritter
Robinson
Roemer
Rogers
Rowland (GA)
Rudd
Schaefer
Schroeder
Schuette
Schulze
Sensenbrenner
Shaw
Shelby
Shumway
Shuster
Siljander
Sisisky
Skelton
Slattery
Slaughter
Smith (NH)
Smith (NJ)
Smith, Denny
Snowe
Snyder
Solomon
Spence
Stangeland
Stenholm
Stratton
Stump
Sundquist
Sweeney
Swindall
Tallon
Tauzin
Taylor
Thomas (CA)
Thomas (GA)
Valentine
Volkmer
Vucanovich
Walker
Watkins
Whitehurst
Whitley
Whitten
Wortley
Yatron
Young (AK)
Young (FL)

NOES—222

Ackerman
Akaka
Alexander
Andrews
Annunzio
Archer
Atkins
AuCoin
Barnes
Bartlett
Bates
Bedell
Beilenson
Bereuter
Berman
Biaggi
Boehlert
Boggs
Boland
Boner (TN)
Bonior (MI)
Bonker
Borski
Bosco
Boucher
Boxer
Brooks
Brown (CA)
Bruce
Bryant
Burton (CA)
Bustamante
Carper
Carr
Chandler
Clay
Clinger
Coelho
Coleman (TX)
Conyers
Cooper
Coyne
Crockett
Daschle
Daub
Dellums
Dicks
Dingell
Dixon
Downey
Durbin
Dwyer
Dymally
Eckart (OH)
Edgar
Edwards (CA)
Evans (IA)
Evans (IL)
Fascell
Fawell
Fazio
Feighan
Fish
Florio
Foley
Ford (MI)
Ford (TN)
Fowler
Frank
Frenzel
Frost
Fuqua
Gallo
Garcia
Gejdenson
Gephardt
Gibbons
Glickman
Gonzalez
Gordon
Gradison
Gray (IL)
Green
Guarini
Gunderson
Hall (OH)
Hamilton
Hawkins
Hayes
Howard
Hoyer
Jacobs
Jeffords
Johnson
Jones (OK)
Kanjorski
Kaptur
Kastenmeier
Kennelly
Kildee
Kleczka
Kolbe
Kostmayer
LaFalce
Lantos
Leach (IA)
Lehman (CA)
Lehman (FL)
Levin (MI)
Levine (CA)
Lightfoot
Lipinski
Long
Lowry (WA)
Luken
Lundine
MacKay
Madigan
Manton
Markey
Martinez
Matsui
Mavroules
Mazzoli
McCloskey
McHugh
McKinney
Meyers
Mica
Mikulski
Miller (CA)
Mineta
Mitchell
Moakley
Moody
Moore
Morrison (CT)
Morrison (WA)
Mrazek
Natcher
Nielson
Nowak
O'Brien
Oakar
Oberstar
Obey
Olin
Owens
Packard
Panetta
Parris
Pashayan
Pease
Penny
Pepper
Perkins
Petri
Porter
Rahall
Rangel
Reid
Richardson
Ridge
Roberts
Rodino
Roe
Rose
Rostenkowski
Roth
Roukema
Russo
Sabo
Savage
Saxton
Scheuer
Schneider
Schumer
Seiberling
Sharp
Sikorski
Smith (FL)
Smith (IA)
Smith (NE)
Smith, Robert
Solarz
Spratt
St Germain
Staggers
Stallings
Stark
Stokes
Strang
Studds
Swift
Synar
Tauke
Torres
Torricelli
Towns
Traficant
Traxler
Udall
Vander Jagt
Vento
Visclosky
Walgren
Waxman
Weber
Weiss
Wheat
Whittaker
Williams
Wirth
Wise
Wolf
Wolpe
Wright
Wyden
Wylie
Yates
Young (MO)
Zschau

NOT VOTING—16

Addabbo
Collins
Early
Edwards (OK)
Gray (PA)
Jones (TN)
Kramer
Leland
Lowery (CA)
Neal
Quillen
Rowland (CT)
Roybal
Skeen
Weaver
Wilson

□ 1400

Messrs. PARRIS, LIGHTFOOT, ECKART of Ohio, and FISH changed their votes from "aye" to "no."

Mr. OXLEY changed his vote from "no" to "aye."

So the amendment was rejected.

The result of the vote was announced as above recorded.

AMENDMENT OFFERED BY MR. BROOMFIELD

Mr. BROOMFIELD. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. BROOMFIELD: On page 28, after line 25, add the following section:

SEC. . Sense of the Congress in response to the murder by the Soviet Union of Major Arthur D. Nicholson, Jr.

It is the sense of the Congress that the Soviet Union's chief of mission to the United States should be declared persona non grata beginning on June 1, 1985, until

the President certifies to the Congress that the Soviet Union has made a formal apology for the murder of Major Arthur D. Nicholson, Jr., unless the President certifies to the Congress that an apology has been made by the Soviet Union before June 1, 1985.

Mr. BROOMFIELD. Mr. Chairman, I offer this sense of Congress amendment calling for action against the Soviet Chief of Mission. It's time to get tough with the Kremlin over the tragic murder of Major Nicholson. Once again, the Soviets shot first and asked questions later. Let's send a clear signal to the Kremlin leaders showing our outrage over this tragic murder of an innocent man.

The Soviets murdered Maj. Arthur D. Nicholson, Jr., in cold blood. They refused to let his companion, an Army sergeant, administer first aid. The murder was a clear violation of the 1947 accords governing the treatment of Soviet and U.S. military personnel in East Germany.

The murder was also a clear violation of the rules of fair play. It undermined the spirit of confidence and trust which the United States and the Soviet Union are trying to foster.

While the Soviets agreed to reject the use of force in future incidents when they met with U.S. negotiators, they later refuted the U.S. claim that they would not resort to force against U.S. military personnel in future incidents. They have yet to apologize for their barbaric and senseless action.

How can our Nation ever trust a country which takes a human life with an almost cavalier attitude? How can we expect the Soviets to honor solemn arms control accords if they violate basic agreements regarding military personnel?

If the Soviet Union has not made a formal apology to the United States by June 1, 1985, this amendment calls for the Soviet Chief of Mission to be declared persona non grata and sent packing back to the Soviet Union.

This, my friends, is serious business. I believe that something must be done to show our country's outrage at the mindless murder of Major Nicholson. I call upon all of you to support this important effort.

Mr. WEISS. Mr. Chairman, will the gentleman yield?

Mr. BROOMFIELD. No.

Mr. WEISS. The gentleman will not yield?

The CHAIRMAN. The time of the gentleman from Michigan [Mr. BROOMFIELD] has expired.

Mr. WEISS. Mr. Chairman, I move to strike the last word.

The CHAIRMAN. The gentleman from New York [Mr. WEISS] is recognized for 5 minutes.

Mr. WEISS. Mr. Chairman, I had wanted the gentleman to yield so that I could ask him whether he had checked this matter out with either the White House or the Secretary of State, because what he is suggesting is an extremely serious matter.

As the ranking member of the House Foreign Affairs Committee, I would assume that he would not be offering a resolution wherein he asks the House of Representatives to go on record in favor, in essence, of almost breaking off diplomatic relations with the Soviet Union without at least having checked with the White House or the Secretary of State.

Pending that kind of explanation, I would hope that we would vote this amendment down. It is extremely important and destructive without that kind of information.

Mr. RUDD. Will the gentleman yield?

Mr. WEISS. I would be pleased to yield to my friend.

Mr. RUDD. I thank my friend for yielding to me. I only have a question that has come up two or three times during the course of this bill, as to the reason why the Congress should check with the State Department before placing amendments in on a bill. I do not know whether we are answerable to them or not.

Mr. WEISS. If I may, I have heard Members, especially on the gentleman's side of the aisle, repeatedly over the course of recent weeks and months, take matters of broad policy, not matters of executive branch privilege but matters of broad national policy, and suggest that the House ought to allow the administration, the executive branch of Government, to have a total free reign.

□ 1410

And I think that is wrong. But certainly in matters which are in the purview of the executive branch, for this House to be asked to take action, without even so much as asking the President or the Secretary of State as to what their position, is, whether they believe this would be helpful or damaging to the national security interest of the United States, I think is so terribly irresponsible that I would hope that the gentleman from Michigan would see the wisdom of not asking the House to do that at this point.

Mr. RUDD. I thank the gentleman for his explanation, and I can understand that we should certainly confer with the President of the United States, who was elected by the people to be our leader, but I do not understand about the State Department, which does not always agree with the leadership at all.

Mr. WEISS. Does the gentleman know if in fact the President was asked about this amendment?

Mr. RUDD. If the gentleman will yield, I really would like to thank the gentleman for his expanation, and I thank him for yielding.

Mr. GINGRICH. Mr. Chairman, will the gentleman yield?

Mr. WEISS. I yield to the gentleman from Georgia.

Mr. GINGRICH. I just want to ask the gentleman, because he went through this same cycle the other day when I offered an amendment, when the gentleman offered a resolution to impeach the President of the United States, the current President, the same one who appoints the State Department, did the gentleman clear it with the State Department?

Mr. WEISS. If I may take my time back at that point, the gentleman knows full well that the offering of a resolution of impeachment is in fact within the absolute purview of the House of Representatives. There is nothing in it to be left to the executive branch. This matter however is one which is in the purview of the executive branch of government. To move forward, even if it were not a President of your own party, but to move forward with a President of your own party in the White House, and to undertake an action which he may consider to be damaging to the national security of the United States is just beyond my comprehension. I cannot think of anything more irresponsible than such an action.

Mr. ARMEY. Mr. Chairman, will the gentleman yield?

Mr. WEISS. I yield to the gentleman from Texas.

Mr. ARMEY. I cannot quite understand the gentleman's argument, since indeed we would not by this resolution actually declare the gentleman from the Soviet Union personna non grata but express our congressional point of view that the President or the State Department ought to take that action. We are only extending our opinion, not asking for his.

Mr. WEISS. If the gentleman will permit me to take back my time, this House has already adopted a resolution by unanimous vote, in fact, expressing the outrage of the House at the action regarding Major Nicholson. Now, what this amendment seeks to do is to become involved in the execution of foreign policy, and I think that before you undertake such a step the very least you would want to do is to check with the President and with the Secretary of State.

Mr. SOLOMON. Mr. Chairman, will the gentleman yield?

Mr. WEISS. I would be pleased to yield to my friend, the gentleman from New York.

Mr. SOLOMON. The gentleman just spoke about my resolution which was unanimously adopted by this House, condemning the Soviet Union.

I am corrected to say that two Members voted "no." But besides that——

Mr. WEISS. OK, all but unanimous, with two Members voting "no."

Mr. SOLOMON. If the gentleman will continue to yield, I will not argue over who voted how.

Mr. WEISS. I would be pleased to yield to the gentleman.

Mr. SOLOMON. But the problem was that 2 weeks after——

The CHAIRMAN. The time of the gentleman from New York [Mr. WEISS] has expired.

Mr. SOLOMON. Mr. Chairman, I ask unanimous consent that the gentleman from New York [Mr. WEISS] be allowed to proceed for 2 additional minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from New York?

Mr. MICA. Mr. Chairman, reserving the right to object, the gentlewoman from Maine and the gentleman have discussed this continuing situation in which we are drawing out these discussions over more and more time. We have agreed that from this point forward, without any prejudice to the Members speaking, we would both encourage the Members try to move on with the business, and will object to further such requests.

I will make a comment about this particular resolution, but by agreement with the majority and the minority we are going to try to maintain the schedule that we have laid out to the leadership, both the majority and the minority, and we will be objecting from this point forward.

Mr. Chairman, I object.

The CHAIRMAN. Objection is heard.

Mr. MICA. Mr. Chairman, I rise in support of the amendment.

I say that with some regret.

This particular amendment, the language of which was not worked out with the ranking minority or majority member of the committee, but was presented to us without notice, creates some concerns. The amendment is a sense of Congress resolution. We still have an opportunity to go to conference to work on the language. It is, if you will, a recommendation from the minority party to their President. It is a recommendation only as a sense of Congress.

We had a recorded vote on the issue that all but two Members supported. I think it would be very difficult for Members to oppose it, but I do also understand some concerns with the wording.

I would yield to our ranking minority member to make whatever comments she might wish.

Ms. SNOWE. I thank the gentleman for yielding, and I rise in support of the resolution before us. On many occasions we do pass resolutions here expressing the sense of Congress on a number of issues, and in this case we are expressing our outrage with respect to the fact that the Soviet Union has failed to apologize for what was a reprehensible act.

Mr. FASCELL. Mr. Chairman, will the gentleman yield?

Mr. MICA. I yield to the distinguished chairman of the Committee on Foreign Affairs.

Mr. FASCELL. I thank the gentleman for yielding.

I understand the position of the gentleman from Florida [Mr. MICA] and the ranking minority member. We have to remember that in our anxiety to make a declaration that we seek to make in this resolution that we also have an ambassador in Moscow. This is a matter that we are going to have to seriously consider before the final outcome of this legislation, as to what our representation in the Soviet Union will be if we persist in this course of action. So, while I understand what the committee is trying to do, I think we need to take that part of the equation into very careful consideration.

Mr. MICA. We do understand that, and that is why we have made the point that this is simply a sense of the Congress resolution, a recomendation, not a requirement.

Mr. SOLOMON. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I know we all have to keep rational minds on this issue. But as I started to say before, this House did pass a unanimous resolution, or minus 2 votes, condemning the Soviet Union for the barbarous murder of Major Nicholson, and 2 weeks later the official Soviet newspaper, Tass, reported that the Soviet Politburo had no intention of apologizing to this country, no intention to apologize to the family of Major Nicholson, and certainly no intention to make any kind of monetary settlement for the family. And I think that is more of a outrage than just our condemnation of 2 weeks ago. I think that this House ought to pass this resolution. I do not think it ought to be a question of debate. I think it ought to be unanimously accepted and done so right now.

Mr. WALKER. Mr. Chairman, will the gentleman yield?

Mr. SOLOMON. I yield to the gentleman from Pennsylvania.

Mr. WALKER. I thank the gentleman for yielding.

Mr. Chairman, the statement was made here a few minutes ago that the action that is proposed in the sense of the Congress resolution is a very serious action. And indeed it is. Indeed it is. But I think that what we have got to understand here is, what the Soviet Union did against Major Nicholson was a very serious act, too. They murdered an American military soldier who was doing his duty in accordance with the agreements that we had with the Soviet Union. They murdered him in cold blood.

I cannot imagine there is a more serious kind of action that can be taken than that one. That is what took place. That is what we are complaining about. It does not seem to me that what we are proposing is anywhere near as serious as the action that the Soviet Union has already engaged in.

So I think the gentleman is absolutely right. I think the question in my mind is: How long do we go on in this Congress memorializing the Soviet Union to do certain things that they can laugh in our face about. Is it not about time that we pass something around here that has some teeth in it? And this particular action with regard to the Major Nicholson murder has a little bit of teeth in it, and no wonder we hear some people complaining. But it is about time, it seems to me, to pass that kind of resolution.

Mr. RUDD. Mr. Chairman, will the gentleman yield?

Mr. SOLOMON. I yield to the gentleman from Arizona.

Mr. RUDD. This is a very serious matter, and I am very concerned about it. I intend to support the resolution. But I think we ought to consider that there could be some problems attached to it from the standpoint of the chief of mission here from the Soviet Union, who has been here for 30 years, and it might be he might refuse to go home if he were called home. So I would like to just point that out, because it is a serious consideration which would cause an incident.

Mr. SOLOMON. The gentleman makes an excellent point.

Mr. GONZALEZ. Mr. Chairman, I move to strike the requisite number of words.

I know you are groaning, Mr. Chairman, but you should have heard my grown when you signified you were going to accept this rather derogatory amendment to the integrity of the House of Representatives. I think this whole procedure stinks, literally, and I want to rise in support of everything that the distinguished Member from New York, Mr. TED WEISS, has said.

Let me expain why.

□ 1420

If these gentlemen really want to send a message to Russia, as they say, then submit a resolution declaring war. Why do you not do that? That is really sending a message to Russia; that would really be a message.

What you are trying to do here is bring the ridicule of the knowledgeable world and every single parliamentary body in the world; that is all you are doing. Now, of course, it can be used as a test to show patriotism; great indignation; great hatred of communism; that is fine. But I think it is illusory; I think it is self-delusion.

I think, above all, it reflects on our capability as legislators. It reflects on our misunderstanding of the rightful constitutional prerogatives, with limi-

tations and all, that are placed on this first branch of the Government, the policymaking or the legislative.

Certainly Mr. WEISS was correct in asking the question where the House is making an incursion into that thicket of the second branch of Government, the executive branch, to at least inquire of the President and his Secretary of State, if the sense of Congress as expressed in the House's resolution, is in conformity with the over-arching policy of this administration.

Nobody doubts for a minute that President Reagan is anti-Russian and has spoken his unutterable indignation at the murder of the American soldier. But the real issue is deeper than that, my friends. Just like in the case of the downing of the Korean airliner, the headline the day before yesterday or rather the front page story was that the United States and Russia were once again trying to see how they could sanction international flights between the United States and Russia and vice versa, which the President, in the sense of an embargo, suspended, and which was the direct reason and the underlying cause for the knocking down of the Korean flight.

If you think that this tension that has been excited, particularly since the President has brought up a "psychosis of war" against Russia, wait until you see what is apt to happen over this narrow corridor and its approach in Berlin. There is your real issue. Tensions have mounted; the Russians are just as fearful as we would be if we were to be in a reverse situation.

I think that rather than approaching the focal problem with a focal solution; rather than pantomiming and parading and prancing to the ridicule of the world, our great indignation at this outrageous act on the part of Soviet soldiery. I certainly do not favor this; I am shocked that the chairman of the subcommittee would accept this sense of Congress resolution. I am really shocked.

I again say that instead of saying what Mr. WEISS said, that he hoped that it would not be considered, I say that I would appeal to the author and the ranking minority member of the committee to withdraw this resolution, and let us have a chance to soberly, calmly, dispassionately consider the issue.

Mr. MICA. Mr. Chairman, will the gentleman yield?

Mr. GONZALEZ. I yield to the gentleman.

Mr. MICA. I thank the gentleman.

I would just like to say that, as the manager of this bill, I made a judgment as to how a vote on this issue would turn out. It appears there will not be a vote. In the judgment of this chairman, the vote will be overwhelmingly in support of this amendment as worded.

The chairman had intended that we look at this language in conference and try to work this out with the ranking minority member.

Mr. CROCKETT. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I want to identify with the comments just made by my colleague from New York [Mr. WEISS] and my colleague from Texas [Mr. GONZALEZ].

I think we should face up to the fact that the only thing that distinguishes our present relations with the Soviet Union from an actual state of war is the fact that we are not actually shooting bullets at each other. Once we realize that, we can appreciate the fact that when a member of the Armed Forces of the United States is found trespassing upon restricted territory occupied by the armed forces of the Soviet Union, you can expect that person to be treated essentially as he or she would be treated during a state of war. Particularly when it appears that he or she is engaged in photographing objects that have been prohibited from being photographed by the forces of the Soviet Union. You can expect that extreme measures will be taken.

I voted against the resolution condemning the Soviet Union, not because I approve of the actual killing of a member of the American Armed Forces, but because I was not satisfied that this House had before it all of the facts connected with the case. The State Department, at the time we passed that resolution, was still engaged in discussions with the Soviet Union about that incident. I felt that it was undiplomatic, that it was an interference with the carrying on of foreign policy by the State Department for us to pass that resolution. That explains why I voted against it.

Mr. SOLOMON. Mr. Chairman, will the gentleman yield?

Mr. CROCKETT. I yield to the gentleman.

Mr. SOLOMON. I thank the gentleman.

You are entitled to your opinion, and I do respect your right to your opinion, even though I do not agree with it, but it has to be made perfectly clear that Major Nicholson was not trespassing; Major Nicholson was acting under the accords of the 1947 agreements in which we and they are allowed to take photographs in unrestricted areas and this was, by the Soviets' own admission, an unrestricted area.

Further, he was unarmed, as all of our men are, military personnel traveling under those accords. The Russians knew he was unarmed and after shooting him, they let him lay there for 1 hour. They prevented Sergeant Shatz from administering vital first aid to him to prevent him from dying, and they murdered him in cold blood. We ought to have that perfectly clear.

The gentleman is entitled to his opinion, but he is not entitled to stand here and say that Major Nicholson was trespassing and was doing something against the law in the Soviet Union, because even the Soviet Union says he was not.

Mr. CROCKETT. That is the gentleman's understanding of the facts. My understandings are to the contrary.

Thank you.

Mr. McHUGH. Mr. Chairman, I move to strike the last word.

Mr. Chairman, I had not intended to speak on this issue, and I know Members are anxious to bring it to a vote. But our friend from Florida, the manager of the bill, indicated, probably correctly, that we would have a record vote on this issue, and for that reason, I think it is important to state for the record that those of us who vote against this sense-of-Congress provision in no way intend to suggest that what the Soviet Union did is tolerable or in any way acceptable.

I voted for the resolution condemning the Soviet action because, in my judgment, based upon the facts that we have, there was no justification whatsoever for the shooting of Major Nicholson.

However, the issue before us is not whether or not that action was in any way justifiable or indeed, whether it is deplorable, which it is; the issue is whether, as a matter of policy, the executive branch of our Government should, in effect, terminate diplomatic relations or suggest the termination of diplomatic relations over the incident. In my judgment, that would be wholly disproportionate to the act which took place.

If anyone here votes against this resolution on that basis, it should not be interpreted as a vote in favor of the Soviet action or in any way an implication that what the Soviets did was acceptable or not a serious act. It was, but this policy, as reflected in the resolution offered here is wholly disproportionate to that act.

□ 1430

Mr. SEIBERLING. Mr. Chairman, will the gentleman yield?

Mr. McHUGH. I would be happy to yield to the gentleman from Ohio.

Mr. SEIBERLING. I thank the gentleman for yielding.

Mr. Chairman, I think the gentleman has made a very fine statement, and also the gentleman from Texas [Mr. GONZALEZ] and the gentleman from Michigan [Mr. CROCKETT].

Let me just say this: For 2 years now Members of the House and Senate, over 100 of them, have been attending a monthly series of discussions on U.S.-U.S.S.R. relations—bipartisan sponsorship, all points of view repre-

sented, expert speakers from the United States mainly, although occasionally a Soviet point of view presented by one of their officials.

If there is one thing we have learned from that, it is that the Soviets, above everything else, want respect as a great power, which indeed they are, whether we like all their policies or not, and of course we do not. To make a deliberate slap at the Soviet Union will be counterproductive to the efforts the President himself is trying to make to reach a modus vivendi on nuclear weapons and other important issues. Just yesterday he spoke at Strasbourg and advocated four important steps to try to avoid exacerbating the bad state of relations.

I tell the Members who think they are going to use this kind of amendment for political reasons and try to put Members on this side of the aisle who are acting responsibly in a hole by this kind of thing; they are playing with dangerous fire; they are undermining the foreign policy of the President of the United States; they are going to label themselves a war party at the rate they are going. I suggest to them and their colleagues that they better stop and think and work these things out on a sensible basis without going off the deep end, before they even have any idea of what the consequences are—and I have just outlined what I think they will be in this case.

Mr. McHUGH. I thank the gentleman for his comments.

Let me make clear once again that I do think it was appropriate for us to adopt the resolution condemning the act of the Soviet Union in the case of our serviceman who was shot, but I think it would be wholly irresponsible to suggest that as a result of that act, as serious as it was, we should terminate our diplomatic relations with the Soviet Union.

Mr. GINGRICH. We are not doing that.

Mr. McHUGH. Or take an act which will be interpreted in that way. We are two superpowers. We have enormously important issues to deal with which transcend this particular incident, as significant as it was in itself, and therefore I think it would be wrong to suggest that taking the step of withdrawing our Ambassador is proportionate to that event.

In any event, my purpose in speaking was simply to indicate that anyone who votes on the record against this particular resolution is in no way sanctioning what the Soviets have done.

Mr. GINGRICH. Mr. Chairman, will the gentleman yield?

Mr. McHUGH. I will be happy to yield to the gentleman from Georgia.

Mr. GINGRICH. I thank the gentleman for yielding.

Mr. Chairman, I just want to make the point that this resolution in no way terminates relations. It singles out the single most important ambassador the Soviet Union has, the person who is the most important single pawn they have on the planet outside the Soviet Union.

Mr. GINGRICH. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I want to continue my point to the distinguished gentleman from New York. The central problem the Western World has is in dealing with the Soviet system which, after shooting down an airliner, rewards and promotes the man who shot it down, which after killing an American major specifically refuses to take responsibility, and the reason, frankly, that many on this side of the aisle think this is a legitimate expression of concern is to say to the Soviet Union we can respond in a very narrow and precise way involving one personality, the personality you most value, the personality you have the highest level of investment in, the personality with the widest range of networking in the Western World, the personality who you will suffer the most if that person has to leave America.

If it is so important to the Soviet Union that they not accept the moral responsibility for killing an American major, if it is so important to the Soviet Union that they not under any circumstance admit that what they did in killing an American soldier was wrong, that they would accept that loss, then the world needs to understand the kind of system they have.

It is not just that they accidentally happened to kill an American officer. It is not just that they happened to accidentally shoot down a Korean airliner. It is the systematic decisions at the top of the Soviet system to reject any civilized behavior when a wrong of this nature has been done.

It is clear that in conference, as the distinguished gentleman from Florida said, this can be made more sophisticated, it can be made more appropriate, that ways are there to apply pressure, but I would say to everybody before they vote, the Soviet Union and its allies have learned to watch this Congress; that the gentleman who is the distinguished representative of the Soviet Union in this city, if he sees a decisive vote by this House saying, "If your government does not apologize, quite candidly, we are willing for you to leave," I suspect that he will this evening have a much deeper sense of the long-term willingness of our society to find new and relatively sophisticated methods of dealing with them.

I am not sure of the exact figures, and I do not know if the gentleman from Michigan has them, but my guess would be that between the United Nations mission, the consulate in San Francisco, the other members of the Soviet delegation here in Washington, there would be literally hundreds of Soviet representatives still in the United States, and I yield to the gentleman from Michigan for confirmation of that.

Mr. BROOMFIELD. It is several thousand in fact. The gentleman is very, very low in numbers. There are several thousand involved.

Mr. GINGRICH. In other words, the point I make to the body is that we would still have diplomatic relations, we would not have closed the consulate in San Francisco, as someone suggested, but we would have in a very narrow way focused attention on the most important asset the Soviet Union has in the United States.

Mr. KASICH. Mr. Chairman, will the gentleman yield?

Mr. GINGRICH. I yield to the gentleman from Ohio.

Mr. KASICH. I thank the gentleman for yielding.

Mr. Chairman, I would like to relate to the House that I had the good fortune of having Anatoly Shcharansky's wife fly from Israel to the United States to hold a press conference on the steps of this Capitol because she says it does make a difference what the U.S. House of Representatives says about Soviet action.

She pleaded with me to get as many Members of Congress as possible down there because it would send a strong signal, because the Soviets, in fact, do listen to the Congress of the United States. The gentleman from Georgia, Mr. GINGRICH, is only trying to say here today that this sends a clear signal to the Soviet Union about our feelings about the killings of that major and the concern about his family.

We should do it. We should not only do it because it is our judgment, but it is the judgment of a woman whose husband still sits in a Soviet prison who has the hope that this House will speak loud and clear to the Soviet Union and we ought to do it in this circumstance.

Mr. GINGRICH. Let me make one more point and then I will yield to the gentleman from New York.

Mr. Chairman, somebody over here got up and said, "Well, why do you not just declare war?" I would suggest to Members that this resolution, this proposal, this amendment, precisely lays out the question.

If the only choices America has are absolute impotence or war, then we are indeed in a terribly risky world. Instead, we are offering a very specific diplomatic action which they have several weeks to avoid having happen but which says to the Soviets that we in this body can learn to raise diplomatic stakes also.

Mr. WEISS. Mr. Chairman, will the gentleman yield?

Mr. GINGRICH. I yield to the gentleman from New York.

Mr. WEISS. I thank the gentleman for yielding to me.

Mr. Chairman, the gentleman is a very sophisticated practitioner of political science and he understands full well that if the Soviet Union's national legislative body were to adopt a resolution, that unless the United States apologized for a certain act which they considered to be insulting to them, they would have our Ambassador considered personna non grata, the gentleman would consider that kind of ultimatum to be unacceptable. Indeed every Member of this body would rightfully resent it. Why should we expect the Russians to react differently than we would?

The CHAIRMAN. The question is on the amendment offered by the gentleman from Michigan [Mr. BROOMFIELD].

The question was taken; and the Chairman announced that the ayes appeared to have it.

RECORDED VOTE

Mr. WEISS. Mr. Chairman, I demand a recorded vote.

A recorded vote was ordered.

The vote was taken by electronic device, and there were—ayes 322, noes 93, answered "present" 1, not voting 18, as follows:

[Roll No. 105]

AYES—322

Ackerman	Coble	Frost
Akaka	Coelho	Fuqua
Anderson	Coleman (MO)	Gallo
Andrews	Coleman (TX)	Gaydos
Annunzio	Combest	Gekas
Anthony	Cooper	Gilman
Applegate	Coughlin	Gingrich
Archer	Courter	Glickman
Armey	Craig	Goodling
Atkins	Crane	Gordon
AuCoin	Daniel	Gradison
Badham	Dannemeyer	Gray (IL)
Barnard	Darden	Green
Bartlett	Daschle	Gregg
Beilenson	Daub	Grotberg
Bennett	de la Garza	Gunderson
Bentley	Delay	Hall (OH)
Bereuter	Derrick	Hall, Ralph
Bevill	DeWine	Hall, Sam
Biaggi	Dickinson	Hammerschmidt
Bilirakis	DioGuardi	Hansen
Blliey	Dixon	Hartnett
Boehlert	Donnelly	Hatcher
Boggs	Dorgan (ND)	Hawkins
Boner (TN)	Dornan (CA)	Hefner
Borski	Dowdy	Heftel
Boucher	Dreier	Hendon
Boulter	Duncan	Henry
Breaux	Durbin	Hertel
Brooks	Dwyer	Hiler
Broomfield	Dyson	Hillis
Brown (CO)	Eckart (OH)	Holt
Broyhill	Eckert (NY)	Hopkins
Bruce	Edwards (OK)	Horton
Bryant	Emerson	Howard
Burton (IN)	English	Hubbard
Bustamante	Erdreich	Huckaby
Byron	Evans (IA)	Hughes
Callahan	Fawell	Hunter
Campbell	Feighan	Hutto
Carney	Fiedler	Hyde
Carper	Fields	Ireland
Carr	Fish	Jacobs
Chandler	Flippo	Jeffords
Chappell	Florio	Jenkins
Chappie	Foglietta	Johnson
Cheney	Ford (MI)	Jones (OK)
Clinger	Fowler	Kanjorski
Coats	Franklin	Kaptur
Cobey	Frenzel	Kasich
Kemp	Myers	Smith (NJ)
Kennelly	Natcher	Smith, Denny
Kindness	Nelson	Smith, Robert
Kolbe	Nichols	Snowe
Kolter	Nielson	Snyder
Lagomarsino	Nowak	Solomon
Lantos	O'Brien	Spence
Latta	Oakar	Spratt
Leath (TX)	Olin	St Germain
Lent	Ortiz	Staggers
Lewis (CA)	Oxley	Stallings
Lewis (FL)	Packard	Stangeland
Lightfoot	Parris	Stenholm
Lipinski	Pashayan	Strang
Livingston	Penny	Stratton
Lloyd	Pepper	Stump
Loeffler	Petri	Sundquist
Lott	Porter	Sweeney
Lujan	Price	Swindall
Luken	Pursell	Synar
Lungren	Ray	Tallon
Mack	Regula	Tauke
MacKay	Reid	Tauzin
Madigan	Richardson	Taylor
Manton	Ridge	Thomas (CA)
Marlenee	Rinaldo	Thomas (GA)
Martin (IL)	Ritter	Torres
Martin (NY)	Roberts	Torricelli
Martinez	Roe	Traficant
Mavroules	Roemer	Valentine
Mazzoli	Rogers	Vander Jagt
McCain	Rose	Volkmer
McCandless	Roth	Vucanovich
McCloskey	Roukema	Walgren
McCollum	Rowland (CT)	Walker
McCurdy	Rowland (GA)	Watkins
McDade	Rudd	Waxman
McEwen	Saxton	Weber
McGrath	Schaefer	Wheat
McKernan	Schneider	Whitehurst
McKinney	Schuette	Whitley
McMillan	Schulze	Whittaker
Meyers	Schumer	Whitten
Mica	Sensenbrenner	Williams
Michel	Sharp	Wirth
Mikulski	Shaw	Wise
Miller (OH)	Shelby	Wolf
Miller (WA)	Shumway	Wortley
Moakley	Shuster	Wright
Molinari	Sikorski	Wyden
Mollohan	Siljander	Wylie
Monson	Sisisky	Yatron
Montgomery	Skelton	Young (AK)
Moore	Slattery	Young (FL)
Moorhead	Slaughter	Young (MO)
Morrison (WA)	Smith (FL)	Zschau
Mrazek	Smith (NE)	
Murphy	Smith (NH)	

NOES—93

Alexander	Garcia	Murtha
Aspin	Gejdenson	Oberstar
Barnes	Gephardt	Obey
Bates	Gibbons	Owens
Bedell	Gonzalez	Panetta
Berman	Gray (PA)	Pease
Boland	Guarini	Perkins
Bonior (MI)	Hamilton	Pickle
Bonker	Hayes	Rahall
Bosco	Hoyer	Rangel
Boxer	Jones (NC)	Rodino
Brown (CA)	Kastenmeier	Rostenkowski
Burton (CA)	Kildee	Russo
Clay	Kleczka	Sabo
Conte	Kostmayer	Savage
Conyers	LaFalce	Scheuer
Coyne	Leach (IA)	Schroeder
Crockett	Lehman (CA)	Seiberling
Dellums	Lehman (FL)	Smith (IA)
Dicks	Levin (MI)	Solarz
Dingell	Levine (CA)	Stark
Downey	Lowry (WA)	Stokes
Dymally	Lundine	Studds
Edgar	Markey	Swift
Edwards (CA)	Matsui	Towns
Evans (IL)	McHugh	Udall
Fascell	Miller (CA)	Vento
Fazio	Mineta	Visclosky
Foley	Mitchell	Weiss
Ford (TN)	Moody	Wolpe
Frank	Morrison (CT)	Yates

ANSWERED "PRESENT"—1

Bateman

NOT VOTING—18

Addabbo	Kramer	Robinson
Barton	Leland	Roybal
Collins	Long	Skeen
Davis	Lowery (CA)	Traxler
Early	Neal	Weaver
Jones (TN)	Quillen	Wilson

□ 1450

Messrs. GARCIA, GRAY of Pennsylvania, WOLPE, BOLAND, CONTE, DELLUMS, DICKS, KLEZCKA, and BONKER changed their votes from "aye" to "no."

Mr. SCHUMER changed his vote from "no" to "aye."

So the amendment was agreed to.

The result of the vote was announced as above recorded.

□ 1500

(By unanimous consent Mr. MITCHELL was allowed to speak out of order.)

RUNS ON DEPOSITS ON BALTIMORE SAVINGS & LOAN

Mr. MITCHELL. Mr. Chairman, I thank my colleagues on both sides of the aisle for allowing me this privilege.

Today I understand that some people are lined up outside the doors of a savings and loan in my city of Baltimore requesting a return on their deposits. I also understand that there are so-called solid runs on several other State-chartered savings and loans in my State of Maryland.

The institutions on which these runs are taking place are State-chartered institutions and are insured by the Maryland State Insurance Fund.

I wish to state to you, Mr. Chairman, and Members of the House, and to my fellow citizens in Maryland that I, along with other members of the Maryland delegation, Congresswoman MIKULSKI, Congressman HOYER, and all of us have been in touch with all of the necessary Federal agencies to make sure they are aware of the situation and are prepared to offer whatever assistance they can, whatever assistance that is necessary and appropriate.

Several of these institutions have applied for Federal insurance through the Federal Savings and Loan Insurance Corporation. I want to make it very clear that is why I took this time.

The CHAIRMAN. The time of the gentleman from Maryland [Mr. MITCHELL] has expired.

(On request of Mr. HOYER, and by unanimous consent, Mr. MITCHELL was allowed to proceed for 1 additional minute.)

Mr. MITCHELL. I was saying that some of these institutions have applied for the Federal Savings and Loan Insurance Corporation. In order to obtain that Federal insurance they will have to comply with the necessary net worth standards and other criteria contained in the law and other regulations of the Home Loan Bank Board and its Federal corporation.

I know that there is a great deal of uncertainty with reference to some of our S&L's. I know there is a great deal of uncertainty on the part of some of the citizens. But speaking for the Maryland delegation I want to take this time to assure everyone that we will do all that we can, that is necessary, in order to protect the institutions and to protect the safety of the deposits.

We have touched base with all of the Federal agencies. We are in contact with the Banking Committees in both Houses, and whatever is necessary to be done to protect these deposits will be done.

I thank the gentleman from Florida [Mr. MICA] and the gentlewoman from Maine [Ms. SNOWE] for allowing me this time.

AMENDMENT OFFERED BY MR. BURTON OF INDIANA

Mr. BURTON of Indiana. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. BURTON of Indiana: Page 5, strike out lines 4 through 11 (section 106), and redesignate subsequent sections accordingly.

Mr. BURTON of Indiana. Mr. Chairman, section 106 of the State Department authorization bill provides $25,000 in 1986 and another $25,000 in 1987 for special religious sensitivity instruction for Foreign Service officers. Special religious sensitivity instruction! I would like to ask the gentleman from New York [Mr. WEISS] the author of this amendment—what is special religious sensitivity instruction and why we are paying taxpayers money for this purpose?

Now I understand that with this amendment, we will be sending Foreign Service officers for a 1-day trip to New York to the Appeal to Conscience Foundation. The Appeal to Conscience Foundation will provide our Foreign Service officers with instruction on Judaism, Hinduism, Buddhism, and other world religions.

I didn't realize that the gentleman from New York was such a strong supporter of combining state and church. That is of using taxpayers money to provide religious instruction to Government officials.

I am really amazed by the gentleman's amendment. We are facing a crisis in reducing the Federal budget. This is not the time to be adding new programs. And particularly not for special religious sensitivity instruction.

I assume that all of our Foreign Service officers went to college. In fact many of them are graduates of Georgetown's School of Foreign Service—a Jesuit school that requires instruction in world religions. I assume also that many Foreign Service officers practice a religion—and have learned about other religions through their church or synagogue. But even if a Foreign Service officer has never studied world religions, we do have libraries in this country. And I would assume that if a Foreign Service officer is being assigned to India, he might take the time to learn about their religious culture.

We do not need to spend taxpayer's money on this program and I hope that the House Appropriations Committee will take a good look at this expenditure for a new, unnecessary, and inappropriate program.

Mr. WEISS. Mr. Chairman, will the gentleman yield to me?

Mr. BURTON of Indiana. I am glad to yield to my colleague, the gentleman from New York.

Mr. WEISS. I thank the gentleman for yielding and I appreciate his asking the question as to what the program is about.

First let me say that the purpose of religious sensitivity training is to provide an opportunity for Foreign Service officials of the United States who are sent to those parts of the world, especially in Eastern Europe but also some parts of Asia where discrimination against various religious groups and members of those religious groups is rampant.

The U.S. State Department's Foreign Service Institute has for some time now been sending its people to get this training from the Appeal to Conscience Foundation. That foundation has been conducting this program without any cost to the taxpayers for a number of years.

It has now come to the point where the expenses of this organization, funded strictly by voluntary, philanthropic contributions, has become a burden to the organization and so after checking with the State Department they asked us to provide for reimbursement to them of up to $25,000 a year.

Now let me just say a word about the Appeal to Conscience Foundation.

Mr. BURTON of Indiana. I would like to interrupt for just a second.

As I understand it, we have been paying for the transportation costs for our Foreign Service officers to go up there already and now, to add to that $25,000 per year as a fee to this organization I think is wrong. It appears to me to be unconstitutional.

Mr. WEISS. If the gentleman will allow me to finish my statement, and if not I will get my own time and do it whatever way the gentleman prefers.

Mr. BURTON of Indiana. Sure.

Mr. WEISS. I appreciate that.

The Appeal to Conscience Foundation has an ecumenical board and a track record which we should all be proud of and be supportive of. These are people who have been working with the countries which we consider to be most discriminatory and oppressive as far as religious practices are concerned, and they have had a tremendous track record in helping individuals and families to exercise their rights.

Now let me indicate who comprises the board. On the board of directors——

Mr. BURTON of Indiana. I think I will let the gentleman finish with his time. I just want to summarize because I am limited to 5 minutes, and I know the gentleman from New York [Mr. WEISS] will be happy to get 5 minutes for his defense of his amendment.

Mr. WEISS. I thank the gentleman for yielding to me.

Mr. BURTON of Indiana. You are welcome.

This is a new program and the bottom line is that it is a new program and we are facing a fiscal chaos in this country.

We are trying to cut $50 billion out of the deficit and here is a new program that is going to add $25,000 this year and $25,000 next year.

Granted, it is a small sum. But, nevertheless, it is an additional expenditure and it should not be tolerated.

Mr. WEISS. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I do appreciate the gentleman having yielded some of his time to me. I simply want to continue naming some of the people who comprise the board of directors of the Appeal to Conscience Foundation.

On that board are the Vice President of the United States, Mr. George Bush; Mr. J. Peter Grace; the chairman of the New York County Republican Party, Mr. Roy Goodman; Mr. J.W. Marriott, Jr., the president of the Marriott Corp.; Mr. Walter Stoessel, Jr., a former Ambassador of the United States; and former Ambassador Angier Biddle Duke; Archbishop Ikavos of the Greek Orthodox Church; Rev. John M. Allin of Boston; Rev. James R. Crumley, Jr.; Rev. Theodore E. McCarrie of the Metuchen Archdiocese of the Roman Catholic Church; Richard L. Moore of the Grace Co.; Dr. Austin S. Murphy, East River Savings Bank; and Rev. Joseph A. O'Hare, S.J., president of the Fordham University, as well as a great number of other clergymen of all faiths, as well as laymen of all faiths and denominations.

Again, we are not asking for a specific sum. We are asking for an amount up to $25,000. The moneys would be expended upon the judgment of the Foreign Service Institute of the State Department. The program is administered by them. They would, in essence, retain so this group, which has had this tremendous experience behind the Iron Curtain of working to help people to exercise their religious rights, to continue their good work.

□ 1510

It seems to me, on the basis of some of the expressions that we have heard on behalf of human rights throughout this entire House, that this may be the most effective investment for the dollar that we can possibly make.

I offered this provision only after I was assured, and personally verified, that it had the full support of the State Department.

I hope that the amendment is not agreed to.

Mr. MICA. Mr. Chairman, will the gentleman from New York yield to me?

Mr. WEISS. I yield to the gentleman from Florida.

Mr. MICA. I thank the gentleman for yielding.

Mr. Chairman, I would like to point out to the Members that the very amendment to be introduced will be a freeze amendment that will bring this bill in far below the President's request and comparable to last year's level.

Mr. WEISS. Mr. Chairman, I yield back the balance of my time.

Mr. ROTH. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, this is an issue that I have some interest in. I did have a chance to talk to the gentleman from New York about it, and he was gracious enough to explain it to me and I told him I was not going to add an amendment. I do support the amendment that the gentleman from Indiana [Mr. BURTON] has introduced for these reasons: The gentleman from Florida [Mr. MICA], who is the manager of this particular bill, is doing a terrific job and I take my hat off to him and to the ranking minority Member [Ms. SNOWE] for the diligence and work that they have put into this legislation.

But, quite frankly, when we talk about a freeze it is not going to be touching this issue because this is a new issue, a new funding introduced into the bill. It is $25,000 this year and $25,000 next year and we know where it is all going to lead. Where is it all going to stop? It starts with an anthill and grows into a Mt. McKinley.

We also, I think, have to consider the issues involved as far as the constitutional question. I think there is a question here of some constitutional dimension.

Everybody in the State Department is going to be for this amendment. Why not? It is a day's vacation up to New York. If you were in the State Department you would probably also be for it.

But the question is: Who is paying for it? The American taxpayers. When we are proposing cutting back on Social Security, Amtrak, all of these other programs, including programs in every one of our districts, is it fair to start a new program? Yes; it is only $50,000 here, but I predict in 5 years it will be $1 million and from there on up.

That is why I think it is very important for us to look at these amendments when they come in as innocent programs that are started with a very few dollars. We all know how they can mushroom and go out of all proportion.

Mr. BURTON of Indiana. Mr. Chairman, will the gentleman yield to me?

Mr. ROTH. I yield to the gentleman from Indiana.

Mr. BURTON of Indiana. I would like to point out that the gentleman from New York [Mr. WEISS] indicated or stated a list of people who support this foundation, many of them multimillionaires. I am sure $50,000 is but a pittance to that august group of individuals.

One of them he mentioned I think was Mr. Grace of the Grace Commission, who is very concerned about the budget deficit and has recommended 2,477 areas that we can cut Federal spending in, trying to get the budget more in balance.

I feel confident that Mr. Grace and those other individuals could raise that $50,000 and not burden the Federal Government with an additional $50,000 in expenditures.

I think this is an improper use of Government funds, opening up a new door for spending, and I do not think we need it.

Mr. Chairman, I thank the gentleman for yielding.

Mr. ROTH. I thank the gentleman for his comments.

Our good friend from New York [Mr. WEISS] keeps asking the question, whenever an amendment comes up: "Did you ask the State Department? Are they in favor of this amendment?" I would like to ask the gentleman from New York sometime: "Did you ask the Members of this Board and are they in favor of this amendment?" And if Peter Grace is in favor of it, well——

Mr. WEISS. Mr. Chairman, will the gentleman yield?

Mr. ROTH. I yield to the gentleman from New York.

Mr. WEISS. I thank the gentleman for yielding.

Mr. Chairman, the president of the Appeal to Conscience Foundation made the request after consulting both his board and with the State Department.

Mr. ROTH. So Peter Grace is in favor of this amendment. Then I think it is only appropriate that the next time Mr. Grace comes to us and talks about cutting the budgets and make the tough decisions we are going to ask him about this particular proposal. If he is for more spending for his particular programs, then I think we are justified in asking Mr. Grace some questions about his purposes, and the like, also.

Mr. Chairman, I yield back the balance of my time.

Mr. GREEN. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I rise simply to say to the Members that the Appeal of Conscience Foundation is one that I know well, it is a group with a most distinguished leadership of clergy and laity.

The work it has done in this field I think is extremely well regarded and well needed.

I would urge my colleagues not to throw away a most valuable program in a fit of pique.

This is a program which is extremely useful in parts of the world where religious freedom is virtually known, in grave trouble, and it is an area where I think Foreign Service officers, however excellent their previous education may have been, can use some additional training. We might have avoided some pitfalls in the Mideast, for example, if some of the people in our Foreign Service had had somewhat more understanding of some of the religious cross-currents there involved.

So it seems to me that our recent history teaches us that in fact this kind of training is extremely useful.

It is, it seems to me, a very, very small price to pay to accomplish a very, very important goal in terms of America's world objectives.

Mr. Chairman, I would therefore urge my colleagues to support the committee's recommendation and to defeat the effort to delete these funds.

Mr. SMITH of Florida. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I will try to be brief, and I hope I can be the last speaker.

I understand the sensitivities of the gentleman who proposed the amendment and those who support him. Obviously, any time you talk about even a small amount of money in these times of trying to stem the red ink you are asking about something which I think has a raw nerve in it. But I think, by the same token, let us examine the record of this House. There is not a single person in this House on either side of the aisle who has not expressed deep concern about human rights. Human rights are the umbrella words, part of which include religious rights. There are countries behind the Iron Curtain, countries in the Middle East and the like where our diplomats on a daily basis have to deal with questions that arise about religious differences and differences between religious and oppressions of religions.

To talk in terms of $25,000 a year for training for some of our diplomats as being excessive or costly when it comes to their understanding the

question of religious rights in places like Czechoslovakia or the Soviet Union or Bulgaria or Roumania, is a little bit beyond the pale of how we ought to approach the problem of the deficit.

Yes, every dollar counts; but there are some places where even the application of a few dollars, even in times of red ink, can enhance greatly the prospects of the foreign policy of this country.

Every Member of this House, and I think it is 100 percent of the body who has not talked about human rights I believe understands the value of this program.

I understand the gentleman's concern. I share his concern. Let us talk about the programs where the money is wasted where the big bucks are. This is really not the place to attack the foreign policy of this country; it is de minimis and it is wrong.

I would urge everyone vote against this amendment, although we understand the spirit in which it is delivered.

□ 1520

The CHAIRMAN. The question is on the amendment offered by the gentleman from Indiana [Mr. BURTON].

The question was taken, and on a division (demanded by Mr. BURTON of Indiana) there were—ayes 26, noes 26.

RECORDED VOTE

Mr. BURTON of Indiana. Mr. Chairman, I demand a recorded vote.

A recorded vote was ordered.

The vote was taken by electronic device, and there were—ayes 224, noes 189, not voting 21, as follows:

[Roll No. 106]

AYES—224

Andrews	Courter	Gregg
Anthony	Craig	Grotberg
Applegate	Crane	Hall (OH)
Archer	Daniel	Hall, Ralph
Armey	Dannemeyer	Hall, Sam
AuCoin	Darden	Hamilton
Badham	Daschle	Hammerschmidt
Barnard	Daub	Hansen
Bateman	Davis	Hartnett
Beilenson	Delay	Hatcher
Bentley	Derrick	Hefner
Bereuter	DeWine	Hendon
Bilirakis	Dickinson	Henry
Bliley	Dingell	Hertel
Boggs	DioGuardi	Hiler
Boner (TN)	Dorgan (ND)	Hillis
Boulter	Dowdy	Hopkins
Breaux	Dreier	Hubbard
Broomfield	Duncan	Huckaby
Brown (CO)	Eckart (OH)	Hughes
Broyhill	Eckert (NY)	Hunter
Burton (IN)	Edwards (OK)	Hutto
Byron	Emerson	Hyde
Callahan	English	Ireland
Campbell	Erdreich	Jacobs
Carney	Fields	Jenkins
Carper	Flippo	Johnson
Carr	Fowler	Jones (OK)
Chandler	Franklin	Kanjorski
Chappie	Frenzel	Kasich
Cheney	Fuqua	Kemp
Coats	Gallo	Kindness
Cobey	Gaydos	Kolbe
Coble	Gekas	LaFalce
Coleman (TX)	Gingrich	Lagomarsino
Combest	Goodling	Leach (IA)
Coughlin	Gray (IL)	Leath (TX)
Lent	Nielson	Smith (NH)
Lewis (CA)	O'Brien	Smith (NJ)
Lewis (FL)	Olin	Smith, Denny
Lightfoot	Oxley	Smith, Robert
Livingston	Packard	Snyder
Lloyd	Parris	Solomon
Lott	Pashayan	Spence
Lujan	Pease	Stangeland
Lungren	Porter	Stenholm
Mack	Pursell	Strang
Madigan	Ray	Stump
Marlenee	Regula	Sundquist
Martin (IL)	Ritter	Sweeney
Martin (NY)	Roberts	Swindall
McCain	Roemer	Tallon
McCandless	Rogers	Tauzin
McCloskey	Roth	Thomas (CA)
McCollum	Rowland (CT)	Thomas (GA)
McCurdy	Rowland (GA)	Valentine
McEwen	Rudd	Vander Jagt
McGrath	Saxton	Visclosky
McKernan	Schaefer	Volkmer
McMillan	Schroeder	Vucanovich
Meyers	Schuette	Walker
Michel	Schulze	Watkins
Miller (OH)	Sensenbrenner	Weber
Mollohan	Sharp	Whitehurst
Monson	Shaw	Whitley
Montgomery	Shelby	Whittaker
Moore	Shumway	Wolf
Moorhead	Shuster	Wortley
Mrazek	Siljander	Wyden
Murphy	Sisisky	Wylie
Murtha	Skelton	Young (AK)
Myers	Slattery	Young (FL)
Natcher	Slaughter	Young (MO)
Nelson	Smith (IA)	Zschau
Nichols	Smith (NE)	

NOES—189

Ackerman	Fazio	Mazzoli
Akaka	Feighan	McDade
Alexander	Fiedler	McHugh
Anderson	Fish	McKinney
Annunzio	Florio	Mica
Aspin	Foglietta	Mikulski
Atkins	Foley	Miller (CA)
Barnes	Ford (MI)	Miller (WA)
Bartlett	Ford (TN)	Mineta
Bates	Frank	Mitchell
Bedell	Frost	Moakley
Bennett	Garcia	Molinari
Berman	Gejdenson	Moody
Bevill	Gephardt	Morrison (CT)
Biaggi	Gibbons	Morrison (WA)
Boehlert	Gilman	Nowak
Boland	Gonzalez	Oakar
Bonior (MI)	Gordon	Oberstar
Bonker	Gradison	Obey
Borski	Gray (PA)	Ortiz
Bosco	Green	Owens
Boucher	Guarini	Panetta
Boxer	Gunderson	Penny
Brooks	Hawkins	Pepper
Brown (CA)	Hayes	Perkins
Bruce	Heftel	Petri
Bryant	Holt	Pickle
Burton (CA)	Horton	Price
Bustamante	Howard	Rahall
Chappell	Hoyer	Rangel
Clay	Jeffords	Reid
Clinger	Jones (NC)	Richardson
Coelho	Kaptur	Ridge
Coleman (MO)	Kastenmeier	Rinaldo
Conte	Kennelly	Rodino
Conyers	Kildee	Roe
Cooper	Kleczka	Rose
Coyne	Kolter	Rostenkowski
Crockett	Kostmayer	Roukema
de la Garza	Lantos	Russo
Dellums	Lehman (CA)	Sabo
Dicks	Lehman (FL)	Savage
Dixon	Levin (MI)	Scheuer
Donnelly	Levine (CA)	Schumer
Dornan (CA)	Lipinski	Seiberling
Downey	Loeffler	Sikorski
Durbin	Lowry (WA)	Smith (FL)
Dwyer	Luken	Snowe
Dymally	Lundine	Solarz
Dyson	MacKay	Spratt
Edgar	Manton	St Germain
Edwards (CA)	Markey	Staggers
Evans (IA)	Martinez	Stallings
Fascell	Matsui	Stark
Fawell	Mavroules	Stokes
Stratton	Towns	Whitten
Studds	Traficant	Williams
Swift	Udall	Wirth
Synar	Vento	Wise
Tauke	Walgren	Wolpe
Taylor	Waxman	Wright
Torres	Weiss	Yates
Torricelli	Wheat	Yatron

NOT VOTING—21

Addabbo	Kramer	Robinson
Barton	Latta	Roybal
Collins	Leland	Schneider
Early	Long	Skeen
Evans (IL)	Lowery (CA)	Traxler
Glickman	Neal	Weaver
Jones (TN)	Quillen	Wilson

□ 1530

Messrs. SCHEUER, DIXON and GEJDENSON, Mrs. KENNELLY, Messrs. BARTLETT, OWENS, MILLER of California, BIAGGI, LOEFFLER, WALGREN, and DORNAN of California changed their votes from "aye" to "no."

Messrs. DASCHLE, DICKINSON, SAXTON, DINGELL, HERTEL of Michigan, and ROWLAND of Georgia changed their votes from "no" to "aye."

So the amendment was agreed to.

The result of the vote was announced as above recorded.

□ 1540

The CHAIRMAN. Are there further amendments to this title?

If not, the Clerk will designate title II. The text of title II reads as follows:

TITLE II—UNITED STATES INFORMATION AGENCY

SEC. 201. SHORT TITLE.

This title may be cited as the "United States Information Agency Authorization Act, Fiscal Years 1986 and 1987".

SEC. 202. AUTHORIZATION OF APPROPRIATIONS.

There are authorized to be appropriated for the United States Information Agency $949,639,000 for the fiscal year 1986 and $1,138,177,000 for the fiscal year 1987 to carry out international information, educational, cultural, and exchange programs under the United States Information and Educational Exchange Act of 1948, the Mutual Educational and Cultural Exchange Act of 1961, and Reorganization Plan Numbered 2 of 1977, and for other purposes authorized by law.

SEC. 203. MODERNIZATION OF VOICE OF AMERICA.

Of the authorizations of appropriations contained in section 202, authorizations of $151,947,000 for the fiscal year 1986 and $310,000,000 for the fiscal year 1987, which shall be available for essential modernization of the facilities and operations of the Voice of America, shall remain available until the appropriations are made and when those amounts are appropriated they are authorized to remain available until expended.

SEC. 204. INCREASED AMOUNTS FOR BOOK PROGRAM.

An amount not less than the amount requested by the United States Information Agency in its presentation to the Congress for increases in TV WORLDNET and facilities for each of the fiscal years 1986 and 1987 shall be used for increases in the world wide book program initiative and related support for the Educational and Cultural Exchange Bureau.

SEC. 205. NATIONAL ENDOWMENT AND DEMOCRACY.

(a) REQUIREMENTS RELATING TO THE ENDOWMENT AND ITS GRANTEES.—The National Endowment for Democracy Act (22 U.S.C. 4411 et seq.) is amended by adding at the end thereof the following new section:

"SEC. 505. REQUIREMENTS RELATING TO THE ENDOWMENT AND ITS GRANTEES.

"(a) CODIFICATION OF CERTAIN POLICIES OF THE ENDOWMENT.—The Endowment shall adhere to the following policies:

"(1) All proposals approved by the Board of Directors, grant agreements between the Endowment and its grantees, and any other official document of the Endowment shall be available to the public upon request.

"(2) Funds may not be expended, either by the Endowment or by any of its grantees, to finance the campaigns of candidates for public office.

"(3) No funds granted to the political party institutes by the Endowment may be used to finance activities of the Republican National Committee or the Democratic National Committee.

"(b) CONSULTATION WITH UNITED STATES DIPLOMATIC MISSIONS.—The Endowment shall require its grantees to consult with the United States Chief of Mission to a foreign country before funds provided by the Endowment are made available by the grantee for a project in that country.

"(c) JOINT PROJECTS BY POLITICAL PARTY INSTITUTES.—Amounts made available by the Endowment in the fiscal years 1986 and 1987 to the institutes established by the two major American political parties shall be used, to the maximum extent feasible, for projects jointly implemented by those institutes.".

(b) EARMARK FOR CERTAIN RECIPIENTS.—Section 503(e) of such Act (22 U.S.C. 4412(e)) is amended to read as follows:

"(e)(1) Subject to paragraph (2), of the amounts made available to the Endowment for each of the fiscal years 1986 and 1987 to carry out programs in furtherance of the purposes of this Act—

"(A) not less than $13,800,000 shall be for the Free Trade Union Institute; and

"(B) not less than $5,500,000 shall be for the Center for International Private Enterprise.

"(2) If the amount made available to the Endowment for either of the fiscal years 1986 or 1987 is less than $31,300,000, the Board of Directors of the Endowment may reduce the amounts provided pursuant to paragraph (1), except that in exercising this authority, the Board may not provide—

"(A) the Free Trade Union Institute with less than 40 percent, and

"(B) the Center for International Private Enterprise with less than 20 percent,

of the amount made available to the Endowment for that fiscal year.".

(c) AUDITS BY USIA.—Section 504 of such Act is amended—

(1) by redesignating subsections (g) and (h) as subsections (h) and (i), respectively, and

(2) by inserting after subsection (f) the following new subsection (g):

"(g) The financial transactions of the Endowment for each fiscal year may also be audited by the United States Information Agency under the conditions set forth in subsection (f)(1).".

(d) EFFECTIVE DATE.—The amendment made by subsection (b) shall take effect on October 1, 1985.

AMENDMENT OFFERED BY MR. MICA

Mr. MICA. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. MICA.

Page 29, line 9, strike out "$949,639,000" and insert in lieu thereof "$922,286,000"; and line 10, strike out "$1,138,177,000" and insert in lieu thereof "$962,866,000".

Page 29, line 19, strike out "$151,947,000" and insert in lieu thereof "$136,594,000"; and line 20, strike out "$310,000,000" and insert in lieu thereof "$142,604,000".

Page 33, line 15, strike out "$136,677,000" and insert in lieu thereof "$127,700,000"; and line 24, strike out "$30,000,000" and insert in lieu thereof "$21,030,000".

Page 32, after line 24, add the following:

(d) LIMITATION ON GRANTS TO THE ENDOWMENT.—Of the amounts authorized to be appropriated by section 202 for the United States Information Agency, not more than $19,300,000 for the fiscal year 1986 and not more than $20,100,000 for the fiscal year 1987 may be made available to the National Endowment for Democracy.

Page 33, line 1, strike out "(d)" and insert in lieu thereof "(e)".

Page 31, strike out line 19 and all that follows through line 14 on page 32 and insert in lieu thereof the following:

"(e) Of the amounts made available to the Endowment for each of the fiscal years 1986 and 1987 to carry out programs in furtherance of the purposes of this Act—

"(1) not less than 40 percent shall be for the Free Trade Union Institute; and

"(2) not less than 20 percent shall be for the Center for International Private Enterprise.".

Mr. MICA (during the reading). Mr. Chairman, I ask unanimous consent that the amendment be considered as read and printed in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from Florida?

There was no objection.

Mr. MICA. Mr. Chairman, the much heralded and long awaited freeze amendment is at hand. Knowing of the constraints on Members' time, the minority Member, Ms. SNOWE and myself have agreed to try to present this in a 5-minute period of time for a vote. We know of no single objection to this amendment.

Essentially, we have a budget freeze before us. Let me just relate what the committee has done. we came in $40 million less than the President's request. On top of that, we have crafted a freeze amendment that brings us in $27 million less, for a total reduction of $67 million this year.

Next year, the bill is $9 million less than the President's request. The freeze on top of that, adds up to $184 million less, for a total reduction of $193 million. We have heeded the actions of the House this year; we have heeded the urgings of my colleague, Mr. MORRISON from Connecticut and others that we should move ahead with a freeze amendment, and that is simply and precisely what we are doing. A 4.4-percent inflation factor is the only factor that was added in at this point

Ms. SNOWE. Mr. Chairman, will the gentleman yield?

Mr. MICA. I yield to the gentlewoman from Maine.

Ms. SNOWE. I thank the gentleman for yielding.

Mr. Chairman, I rise in support of the amendment that has been offered by the gentleman. I think this is certainly the direction that we should be moving in, and is part of an ongoing effort on the part of Members here in the House to offer amendments to authorizing legislation that would freeze the overall funding level to the 1985 appropriations level.

We did that by reducing programs in the Voice of America, by providing a reduction in the National Endowment for Democracy funds to the 1985 appropriations level. We think that these programs can absorb those reductions, and I would urge the Members to support this amendment.

Mr. MORRISON of Connecticut. Mr. Chairman, will the gentleman yield?

Mr. MICA. I yield to the gentleman from Connecticut.

Mr. MORRISON of Connecticut. I thank the gentleman for yielding.

Mr. Chairman, I rise in support of the amendment. I want to commend the committee, and, in particular, the chairman and the ranking Member for having brought us this freeze amendment which is in keeping with the overwhelming votes of the House in this direction.

I hope we will continue to move in that direction.

Mr. PURSELL. Mr. Chairman, will the gentleman yield.

Mr. MICA. I yield to the gentleman from Michigan.

Mr. PURSELL. I thank the gentleman for yielding to me.

Mr. Chairman, I want to congratulate the Committee leadership on both sides to move ahead on the freeze movement. Our group 92 has been in the forefront; this is the fourth budget battle today. The leadership here on the Committee has taken that initiative, rather than other Members outside the Committee, to offer amendments.

Therefore, I too, put my signature on behalf of our group, in support of this amendment. I am not sure we even need a recorded vote; I think we can expedite the matters of the House, because I think this will be a unanimous vote.

● Mr. RUDD. Mr. Chairman, I support the pending amendment to freeze the fiscal year 1986 State Department authorization at the anticipated 1985 appropriated level.

If we are ever to gain control over spending and make serious progress toward lower deficits, we must begin exercising restraint at every opportunity.

We've already had the courage to freeze authorizations for the National

Science Foundation, the National Bureau of Standards, and NASA.

A spending freeze alone will not make the deficits disappear, nor will it solve the problem of wasteful or unnecessary programs. However, a freeze is a step in the right direction.

I urge my colleagues to support the amendment.●

The CHAIRMAN. The question is on the amendment offered by the gentleman from Florida [Mr. MICA].

The question was taken; and the Chairman announced that the ayes appeared to have it.

RECORDED VOTE

Mr. MORRISON of Connecticut. Mr. Chairman, I demand a recorded vote.

A recorded vote was ordered.

The vote was taken by electronic device, and they were—ayes 398, noes 1, answered present-1, not voting 34, as follows

[Roll No. 107]

AYES—398

Ackerman	Coble	Fowler
Akaka	Coelho	Frank
Alexander	Coleman (MO)	Franklin
Anderson	Coleman (TX)	Frenzel
Andrews	Combest	Frost
Annunzio	Conte	Fuqua
Applegate	Conyers	Gallo
Archer	Cooper	Garcia
Armey	Coughlin	Gaydos
Aspin	Courter	Gejdenson
Atkins	Coyne	Gekas
AuCoin	Craig	Gephardt
Barnard	Crane	Gibbons
Barnes	Crockett	Gilman
Bartlett	Daniel	Gingrich
Bateman	Dannemeyer	Goodling
Bates	Darden	Gordon
Bedell	Daschle	Gradison
Beilenson	Daub	Gray (IL)
Bennett	Davis	Gray (PA)
Bentley	de la Garza	Green
Bereuter	Delay	Gregg
Berman	Dellums	Grotberg
Bevill	Derrick	Guarini
Biaggi	DeWine	Gunderson
Biliirakis	Dickinson	Hall (OH)
Bliley	Dicks	Hall, Ralph
Boehlert	Dingell	Hall, Sam
Boggs	DioGuardi	Hamilton
Boland	Donnelly	Hammerschmidt
Boner (TN)	Dorgan (ND)	Hansen
Bonior (MI)	Dornan (CA)	Hartnett
Bonker	Downey	Hatcher
Borski	Dreier	Hawkins
Bosco	Duncan	Hayes
Boucher	Durbin	Hefner
Boulter	Dwyer	Heftel
Boxer	Dymally	Hendon
Breaux	Dyson	Henry
Brooks	Eckart (OH)	Hertel
Broomfield	Eckert (NY)	Hiler
Brown (CO)	Edgar	Hillis
Broyhill	Edwards (CA)	Holt
Bruce	Edwards (OK)	Hopkins
Bryant	Emerson	Horton
Burton (CA)	English	Howard
Burton (IN)	Erdreich	Hoyer
Bustamante	Evans (IA)	Hubbard
Byron	Evans (IL)	Huckaby
Callahan	Fascell	Hughes
Campbell	Fawell	Hunter
Carper	Fazio	Hutto
Carr	Feighan	Hyde
Chandler	Fiedler	Ireland
Chappell	Fields	Jacobs
Chappie	Fish	Jeffords
Cheney	Florio	Jenkins
Clay	Foglietta	Johnson
Clinger	Foley	Jones (NC)
Coats	Ford (MI)	Jones (OK)
Cobey	Ford (TN)	Kanjorski
Kaptur	Morrison (CT)	Skelton
Kasich	Morrison (WA)	Slattery
Kastenmeier	Mrazek	Slaughter
Kemp	Murphy	Smith (FL)
Kennelly	Murtha	Smith (IA)
Kildee	Myers	Smith (NE)
Kindness	Natcher	Smith (NH)
Kleczka	Nelson	Smith (NJ)
Kolbe	Nichols	Smith, Denny
Kolter	Nielson	Smith, Robert
Kostmayer	Nowak	Snowe
LaFalce	O'Brien	Snyder
Lagomarsino	Oakar	Solarz
Lantos	Oberstar	Solomon
Leach (IA)	Obey	Spence
Leath (TX)	Olin	Spratt
Lehman (CA)	Ortiz	Staggers
Lehman (FL)	Owens	Stallings
Levin (MI)	Oxley	Stangeland
Levine (CA)	Packard	Stark
Lewis (CA)	Panetta	Stenholm
Lewis (FL)	Parris	Stokes
Lightfoot	Pashayan	Strang
Lipinski	Pease	Stratton
Livingston	Penny	Studds
Lloyd	Pepper	Stump
Loeffler	Perkins	Sundquist
Lott	Petri	Sweeney
Lowry (WA)	Pickle	Swift
Lujan	Porter	Swindall
Luken	Price	Synar
Lundine	Pursell	Tallon
Lungren	Rahall	Tauke
Mack	Rangel	Tauzin
MacKay	Ray	Taylor
Madigan	Regula	Thomas (CA)
Manton	Reid	Thomas (GA)
Markey	Richardson	Torres
Marlenee	Ridge	Torricelli
Martin (IL)	Rinaldo	Towns
Martin (NY)	Ritter	Traficant
Martinez	Roberts	Udall
Matsui	Rodino	Valentine
Mavroules	Roe	Vander Jagt
Mazzoli	Roemer	Vento
McCain	Rogers	Visclosky
McCandless	Rose	Volkmer
McCloskey	Rostenkowski	Vucanovich
McCollum	Roth	Walgren
McCurdy	Roukema	Walker
McDade	Rowland (CT)	Watkins
McEwen	Rowland (GA)	Weber
McHugh	Rudd	Weiss
McKernan	Russo	Wheat
McKinney	Sabo	Whitehurst
McMillan	Savage	Whitley
Meyers	Saxton	Whittaker
Mica	Schaefer	Whitten
Michel	Scheuer	Wirth
Mikulski	Schroeder	Wise
Miller (CA)	Schuette	Wolf
Miller (OH)	Schulze	Wolpe
Miller (WA)	Schumer	Wortley
Mineta	Seiberling	Wright
Moakley	Sensenbrenner	Wyden
Molinari	Sharp	Yates
Mollohan	Shaw	Yatron
Monson	Shelby	Young (AK)
Montgomery	Shuster	Young (FL)
Moody	Sikorski	Young (MO)
Moore	Siljander	Zschau
Moorhead	Sisisky	

NOES—1

Williams

ANSWERED "PRESENT"—1

Gonzalez

NOT VOTING—34

Addabbo	Jones (TN)	Roybal
Anthony	Kramer	Schneider
Badham	Latta	Shumway
Barton	Leland	Skeen
Brown (CA)	Lent	St Germain
Carney	Long	Traxler
Collins	Lowery (CA)	Waxman
Dixon	McGrath	Weaver
Dowdy	Mitchell	Wilson
Early	Neal	Wylie
Flippo	Quillen	
Glickman	Robinson	

□ 1600

So the amendment was agreed to.

The result of the vote was announced as above recorded.

AMENDMENT OFFERED BY MR. KOSTMAYER

Mr. KOSTMAYER. Mr. Chairman, I offer an amendment and I ask unanimous consent that the amendment be considered as read and printed in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman rom Pennsylvania?

There was no objection.

The text of the amendment is as follows:

Amendment offered by Mr. KOSTMAYER: Page 33, after line 2 add the following new section:

SEC. 206. DISTRIBUTION WITHIN THE UNITED STATES OF THE USIA FILM ENTITLED "HAL DAVID: EXPRESSING A FEELING".

Notwithstanding the second sentence of section 501 of the United States Information and Education Exchange Act of 1948 (22 U.S.C. 1461)—

(1) the Director of the United States Information Agency shall make available to the Archivist of the United States a master copy of the film entitled "Hal David: Expressing a Feeling"; and

(2) upon evidence that necessary United States rights and licenses have been secured and paid for by the person seeking domestic release of the film, the Archivist shall reimburse the Director for any expenses of the Agency in making that master copy available, shall deposit that film in the National Archives of the United States, and shall make copies of that film available for purchase and public viewing within the United States.

Any reimbursement to the Director pursuant to this section shall be credited to the applicable appropriation of the United States Information Agency.

The CHAIRMAN. The gentleman from Pennsylvania [Mr. KOSTMAYER] is recognized for 5 minutes in support of his amendment.

Mr. KOSTMAYER. Mr. Chairman, this will take less than 30 seconds.

There is currently in law a ban on the dissemination of films produced by the United States Information Agency for showing in this country. This amendment would waive that ban for a film called "Hal David: Expressing a Feeling."

Mr. Chairman, I ask for agreement on this amendment.

Mr. MICA. Mr. Chairman, will the gentleman yield?

Mr. KOSTMAYER. I yield to the gentleman from Florida.

Mr. MICA. Mr. Chairman, this will also take less than 30 seconds.

Not only this film but two other films, will be offered for release in this bill. An amendment will be offered on those in just a moment. The committee staff has reviewed them and recommended them, and there is no objection on either side.

Ms. SNOWE. Mr. Chairman, will the gentleman yield?

Mr. KOSTMAYER. I yield to the gentlewoman from Maine.

Ms. SNOWE. Mr. Chairman, we support the amendment as well. I understand the distribution of these films is often done by acts of Congress, so I support the amendment.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Pennsylvania [Mr. KOSTMAYER].

The amendment was agreed to.

AMENDMENT OFFERED BY MR. LAGOMARSINO

Mr. LAGOMARSINO. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. LAGOMARSINO: Page 33, after line 2, add the following new section:

SEC. 206. DISTRIBUTION WITHIN THE UNITED STATES TWO USIA FILMS RELATING TO AFGHANISTAN.

Notwithstanding the second sentence of section 501 of the United States Information and Education Exchange Act of 1948 (22 U.S.C. 1461)—

(1) the Director of the United States Information Agency shall make available to the Archivist of the United States a master copy of the films entitled "Afghanistan 1982: the Struggle for Freedom Continues" and "We Are Afghanistan"; and

(2) upon evidence that necessary United States rights and licenses have been secured and paid for by the person seeking domestic release of such a film, the Archivist shall reimburse the Director for any expenses of the Agency in making the master copy of such film available, shall deposit such film in the National Archives of the United States, and shall make copies of such film available for purchase and public viewing within the United States.

Any reimbursement to the Director pursuant to this section shall be credited to the applicable appropriation of the United States Information Agency.

Mr. LAGOMARSINO (during the reading). Mr. Chairman, I ask unanimous consent that the amendment be considered as read and printed in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from California?

There was no objection.

Mr. LAGOMARSINO. Mr. Chairman, my amendment is noncontroversial and quite simple. The U.S. Information Agency [USIA] has produced two outstanding films which document the tragic plight of the people of Afghanistan since the Soviet invasion in 1979. The amendment would allow USIA to take action to allow them to be seen by the U.S. public.

The first film, entitled "Afghanistan 1982: The Struggle for Freedom Continues," contains exclusive interviews with eyewitnesses, respected international journalists and other concerned individuals, combined with extensive footage of the actual 1979 invasion; Soviet troops, tanks, helicopters, and antipersonnel mines; scenes of recent destruction; refugees in camps in Pakistan and on the move inside Afghanistan; Afghan resistance fighters in the hills; and scenes from the 1980 and 1981 U.N. General Assembly votes condemning the Soviet invasion. Interviews include Soviet emigre and author Vladimir Bukovsky; a former official in the Afghan Government; an Afghan student leader; a recently evacuated "Mujahideen" or freedom fighter "double agent" from Kabul; U.N. General Assembly delegates; a representative of the International Federation for Human Rights in Paris; two Soviet prisoners of war held by the "Mujahideen"; two French volunteer doctors just back from the strategic Panshir Valley; and American, French, Italian, and other TV and print journalists. This 47-minute color film was produced in 1982, yet the information it conveys is still quite useful and instructive.

The second film, entitled "We are Afghanistan," was produced in 1984 for use in conjunction with United States and worldwide activities marking the fifth anniversary of the Soviet invasion of Afghanistan. It contains the latest available footage from inside Afghanistan, and through scenes of the refugee camps and extensive interviews with refugees, Western medical volunteers, and Western journalists, documents the plight of the 4 million-plus refugees driven from their homeland. Included are scenes of the aid and cooperation provided by neighboring Moslem and Western countries; scenes of the frontier refugee camps in Pakistan; discussion of the economic and social effects of the refugee influx on Pakistan; the plight of the 1 to 2 million refugees wandering within Afghanistan, homeless, in their attempt to escape the ravages of war; the role of French and American medical volunteers in Afghanistan and the refugee camps; and interviews with individual freedom fighters and London Sunday Times correspondent Barry Penrose after his return from Kabul on an unauthorized visit to that embattled and besieged capital city. The film appropriately closes with scenes that demonstrate the will of the Afghan people to fight until the Soviets are driven from their homeland.

Mr. Chairman, it is time the American people were given a glimpse of that brutal and destructive war. To date, the war has received from the Western news media only scant coverage. Many reporters refuse to go to Afghanistan for fear of their very survival—and who can blame them. The Soviets have specifically threatened Western reporters with death if they dare cover this bloody genocide. Obviously, an integral component of the Soviet strategy in the Afghan war is to limit opposition to their barbaric behavior in Afghanistan through preventing adequate media coverage. Simply stated, Soviet leaders are content with the slaughter underway in that country; they do wish, however, that opposition and condemnation of their vicious war would go away.

My amendment, Mr. Chairman, would help ensure that Americans do receive sufficient information about the Afghan war, and its disastrous effect on the people, culture, and terrain of that once unrulable land.

During the crisis in Poland in 1981, this House voted to release another marvelous USIA film entitled, "Let Poland Be Poland." That outstanding film documented the role of "Solidarnosc—Solidarity," the outlawed Polish trade union, in the Polish peoples' efforts to gain freedom from Communist tyranny and oppression. The release of that film was, I believe, viewed universally as a strong message of support for the Polish people in their time of struggle. By releasing these two USIA films on the war in Afghanistan, we can send an equally strong message to the Afghan people that we are aware of their plight and that we stand with them in their struggle to be free from foreign domination.

Mr. Chairman, legislation, Senate Concurrent Resolution 74, passed this body late last Congress, which plainly specified U.S. policy toward the Afghan war. In part, Senate Concurrent Resolution 74 stated:

It should be the policy of the United States: (1) To encourage and support the people of Afghanistan to continue thier struggle to be free of foreign domination; (2) to effectively support the Afghan people in their fight for freedom; and (3) to pursue a negotiated settlement to the conflict.

Mr. Chairman, my amendment would help to ensure that stated U.S. policy on the war in Afganistan is being implemented. If any people today are pursuing a just and legitimate struggle for national liberation, it is the Afghans. They have taken on the Soviet Union—and all its trappings, including its troops, helicopters, Mig jets, chemical weapons, booby trap toys, and so forth—and have emerged only more determined to rid their country of the foreign invaders. They deserve our support. And one way we can show our support is by approving my amendment.

Mr. MICA. Mr. Chairman, will the gentleman yield?

Mr. LAGOMARSINO. I yield to the chairman of the subcommittee.

Mr. MICA. Mr. Chairman, as was just indicated moments ago, we have reviewed this film, and we have no objection to it. In fact, we hope in the future to find a way to do this without congressional action.

Ms. SNOWE. Mr. Chairman, will the gentleman yield?

Mr. LAGOMARSINO. I yield to the gentlewoman from Maine.

Ms. SNOWE. Mr. Chairman, I support the gentleman's amendment.

I think it would be appropriate for the distribution of these films to further inform the American public about the brutal nature of the Soviet invasion of Afghanistan and the

Afghan people's opposition to the occupying forces. We need to continue to inform the American people and other countries as well as to the exact problems there now and into the future.

Mr. LAGOMARSINO. Mr. Chairman, I thank the gentlewoman, and I want to take this time to commend the chairman of the subcommittee and the ranking member for their fine work on this legislation.

The CHAIRMAN. The question is on the amendment offered by the gentleman from California [Mr. LAGOMARSINO].

The amendment was agreed to.

AMENDMENT OFFERED BY MR. SMITH OF FLORIDA

Mr. SMITH of Florida. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. SMITH of Florida: Page 33, after line 2, add the following new section:

SEC. 206. NOTIFICATION OF PROGRAM GRANTS.

(a) APPLICATION TO FISCAL YEARS 1986 AND 1987.—Section 705(b) of the United States Information and Educational Exchange Act of 1948 (22 U.S.C. 1477c(b)) is amended by striking out "1984 and 1985" and inserting in lieu thereof "1986 and 1987".

(b) EFFECTIVE DATE.—The amendment made by subsection (a) shall take effect on October 1, 1985.

Mr. SMITH of Florida (during the reading). Mr. Chairman, I ask unanimous consent that the amendment be considered as read and printed in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from Florida?

There was no objection.

Mr. SMITH of Florida. Mr. Chairman, this amendment really is mostly a technical amendment. What it does is basically increase the existing portions of the bill for the next 2 years, adding in 1986 and 1987, to make sure that the letter and spirit of the Fulbright-Hays Act and the U.S. Information Educational Exchange Act is effectively observed and partisan political considerations do not enter into the grant-making process with reference to the USIA, which makes grants to education and cultural exchange programs.

All the amendment does is for the next 2 years carry forward the policy that is already in the law this year and has been for previous years.

Mr. MICA. Mr. Chairman, will the gentleman yield?

Mr. SMITH of Florida. I am happy to yield to the gentleman from Florida.

□ 1610

Mr. MICA. Mr. Chairman, the committee has reviewed this amendment. This amendment is technical in nature. It simply continues existing law that is due to expire.

Ms. SNOWE. Mr. Chairman, will the gentleman yield?

Mr. SMITH of Florida. I would be pleased to yield to the gentlewoman from Maine.

Ms. SNOWE. Mr. Chairman, I would be pleased to accept this amendment as well. This has been a good provision in the past, which does not require much paperwork on the part of the USIA. It is a notification process which gives Congress an idea as to how and to whom these grants are issued; so I would be pleased to accept this amendment.

Mr. CHAIRMAN. The question is on the amendment offered by the gentleman from Florida [Mr. SMITH].

The amendment was agreed to.

AMENDMENT OFFERED BY MR. MC CAIN

Mr. McCAIN. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. McCAIN: Page 30, strike out lines 19 through 23; line 24, strike out "(2)" and insert in lieu thereof "(1)"; Page 31, line 1, strike out "(3)" and insert in lieu thereof "(2)"; line 15, strike out the quotation marks and the final period; and after line 15, add the following new subsection:

"(d) PUBLIC ACCESS TO INFORMATION.—

"(1) The Endowment shall make available to the public, upon request, any information regarding its organization, procedures, requirements, and activities, except that the Endowment is authorized to withhold information which is exempted from disclosure pursuant to subsection (b) of section 552 of title 5, United States Code (relating to freedom of information).

"(2) The Endowment, upon receipt of any request for information, shall (in accordance with section 552(a)(6) of such title) determine promptly whether to comply with such request and shall promptly notify the person making the request of such determination. In the event of an adverse determination, and if requested by the person requesting the information, such determination shall be reviewed by the General Counsel of the Endowment.".

Mr. McCAIN (during the reading). Mr. Chairman, I ask unanimous consent that the amendment be considered as read and printed in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from Arizona?

There was no objection.

Mr. McCAIN. Mr. Chairman, I will be as brief as possible, since I have secured the agreement of the chairman and the ranking minority member on this amendment. It basically is an improvement so that we can make it easier for those individuals or groups who have not been granted funds by the National Endowment for Democracy to ascertain the reasons why and for our taxpayers to be able to know better how the funding is being dispensed from the National Endowment for Democracy.

Mr. Chairman, the current language states that all proposals approved by the board of directors, grant agreements between the endowment and its grantees and any other official document shall be available to the public upon request. This amendment helps to assist those who were disapproved as well.

This amendment recognizes the valid concerns of those who feel that the National Endowment for Democracy is a private organization and should not be covered by the FOIA.

The language is very similar to that contained in the authorization for the Synfuels Corporation, another private group which receives funding from the Federal Government.

We will not be creating new regulations or setting new precedents by putting in this amendment.

The amendment refers to two sections of the Freedom of Information Act. The first allows the National Endowment for Democracy to withhold information if they determine that releasing such information would be dangerous or inappropriate. Current language provides no such protection to the NED.

The second reference is a timetable and procedure for the National Endowment for Democracy to follow when responding to a request for information. It provides them a framework from which to operate.

I believe the taxpayers have a right to know if a group of Americans is denied funding.

I also understand that complete use of this FOIA could harm or damage the activities and the role of the National Endowment for Democracy.

This is not an attempt to harm the apparatus nor work against the National Endowment for Democracy.

I believe the amendment is noncontroversial.

I would like to express my appreciation to the subcommittee chairman, the gentleman from Florida, and the ranking minority member, the gentlewoman from Maine, for their assistance in working out what at one time was a very difficult problem.

Mr. MICA. Mr. Chairman, will the gentleman yield?

Mr. McCAIN. I yield to the gentleman from Florida.

Mr. MICA. I thank the gentleman. Let me just take 10 seconds to say, first, that the committee tried to address the Members' concerns on access to information. The USIA now has specific authority to audit. We have codified extensive disclosure rules. This amendment adds to that already expansive disclosure requirement.

The committee is happy to accept the amendment.

Ms. SNOWE. Mr. Chairman, will the gentleman yield?

Mr. McCAIN. I am happy to yield to the gentlewoman from Maine.

Ms. SNOWE. Mr. Chairman, I certainly support the gentleman's amendment. It does expand upon what we have already done in the committee.

As the gentleman has explained, his amendment would modify the committee bill to specify the means by which we could secure public access to those documents held by the National Endowment for Democracy.

I think the gentleman has drafted his amendment very carefully, because it is modeled after the Synthetic Fuels Corporation, which is an entity similar to the structure of the National Endowment for Democracy.

I also support the gentleman's intent, which is to make these agencies even more accountable by opening up their files for public scrutiny. Although the National Endowment for Democracy is a nongovernmental entity, in a sense it is entirely supported by Government funds, and for that reason we should require as much access to their files as possible.

As I also understand, the gentleman's amendment would only provide exemption from disclosure similar to the exemptions provided for under the Freedom of Information Act.

So I support the gentleman's amendment.

Mr. McCAIN. Mr. Chairman, I thank the gentlewoman.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Arizona [Mr. McCAIN].

The amendment was agreed to.

The CHAIRMAN. Are there further amendments to title II? If not, the Clerk will designate title III.

The text of title III is as follows:

TITLE III—BOARD FOR INTERNATIONAL BROADCASTING

SEC. 301. SHORT TITLE.

This title may be cited as the "Board for International Broadcasting Authorization Act, Fiscal Years 1986 and 1987".

SEC. 302. AUTHORIZATION OF APPROPRIATIONS.

(a) FISCAL YEARS 1986 AND 1987.—Subparagraph (A) of section 8(a)(1) of the Board for International Broadcasting Act of 1973 (22 U.S.C. 2877(a)(1)(A)) is amended to read as follows:

"(A) $122,325,000 for the fiscal year 1986 and $136,677,000 for the fiscal year 1987; and".

(b) EFFECTIVE DATE.—The amendment made by subsection (a) shall take effect on October 1, 1985.

SEC. 303. IMPROVEMENT OF FACILITIES.

Section 8 of the Board for International Broadcasting Act of 1973 (22 U.S.C. 2877) is amended by adding at the end thereof the following new subsection:

"(c) Of the authorization of appropriations contained in subsection (a)(1)(A), authorizations of $20,000,000 for the fiscal year 1986 and $30,000,000 for the fiscal year 1987, which shall be available for radio modernization, shall remain available until the appropriations are made and when those amounts are appropriated they are authorized to remain available until expended.".

SEC. 304. MANAGEMENT OF RFE/RL, INCORPORATED.

(a) FINDINGS.—The Congress finds that—

(1) RFE/RL, Incorporated, is essential to the continued and effective furtherance of the open flow of information and ideas throughout Eastern Europe and the Soviet Union:

(2) effective communication of information and ideas can only be accomplished if the long-term credibility of RFE/RL, Incorporated, operating in accordance with the highest standards of professionalism, is maintained:

(3) the performance of RFE/RL, Incorporated, is dependent on proper management, an objective approach to news, quality programming, and effective oversight;

(4) The Board for International Broadcasting, in addition to making grants, is responsible for overseeing broadcast quality and effectiveness and for overseeing effective utilization of Federal funds;

(5) RFE/RL, Incorporated, is responsible for its own management and for daily broadcasts into Eastern Europe and the Soviet Union;

(6) the Board for International Broadcasting and RFL/RL, Incorporated, must remain very distinct and different institutions if they adhere to the Joint Explanatory Statement of the Committee on Conference relating to the Board of International Broadcasting Authorization Act, Fiscal Years 1982 and 1983;

(7) the absence of a procedure, and an individual (other than the President) charged with enforcing that procedure, for supervising the daily program content and quality of RFE/RL, Incorporated, may have undermined the management of the radios and their sensitivity to audience reaction to programming;

(8) the Board for International Broadcasting, in an effort to preserve or enhance its ability to properly oversee the operations of RFE/RL, Incorporated, must avoid even the appearance of involvement in daily operational decisions and management of RFE/RL, Incorporated; and

(9) the absence of satisfactory pre-broadcast review and the lack of sufficient records of actions taken to explain or remedy program problems identified through post-broadcast review, may endanger the long-term credibility of RFE/RL, Incorporated.

(b) ACTIONS TO BE TAKEN BY RFE/RL.—It is the sense of the Congress that RFE/RL, Incorporated, should—

(1) reestablish the procedure, and a position charged with enforcement of that procedure, the primary emphasis of which is the daily oversight and managment of RFE/RL, Incorporated, program content and quality;

(2) strengthen existing pre- and post-broadcast review and controls; and

(3) improve its personnel management system to include such things as better documentation of internal decisionmaking and communication, personnel review, and job description.

(c) ACTIONS TO BE TAKEN BY BIB.—It is the sense of the Congress that the Board for International Broadcasting should—

(1) periodically review and update the Program Policy Guidelines of RFE/RL, Incorporated, with the goal of maintaining their clarity and responsiveness; and

(2) ensure that the distinctions between the Board for International Broadcasting and RFE/RL, Incorporated, remain clear and that these two entities continue to operate within the framework established by law.

AMENDMENT OFFERED BY MR. HUNTER

Mr. HUNTER. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. HUNTER: At the end of the bill, add the following new section:

SEC. . The Congress commends our fine Ambassador to Mexico, John Gavin, for insuring a full and complete investigation and prosecution of the murderers of Enrique Camerena and for his continuing advocacy of a strong drug enforcement program.

Mr. MICA. Mr. Chairman, will the gentleman yield?

Mr. HUNTER. I would be happy to yield.

Mr. MICA. Mr. Chairman, we would be happy to accept this amendment. There is no objection from the majority side.

Mr. HUNTER. I appreciate the gentleman's cooperation.

Ms. SNOWE. Mr. Chairman, will the gentleman yield?

Mr. HUNTER. I yield to the gentlewoman.

Ms. SNOWE. Mr. Chairman, I rise in support of the gentleman's amendment. I congratulate the gentleman for raising the issue and congratulate the Ambassador for his outstanding work in handling a very difficult situation.

Mr. HUNTER. Mr. Chairman, I thank the gentlewoman.

The CHAIRMAN. The question is on the amendment offered by the gentleman from California [Mr. HUNTER].

The amendment was agreed to.

Mrs. SCHROEDER. Mr. Chairman, I move to strike the last word.

Mr. Chairman, I would like to engage the gentleman from Florida [Mr. MICA] in a colloquy concerning section 115 of the bill which authorizes, in exceptional circumstances, the Secretary of Commerce to make limited appointments in the United States and Foreign Commercial Service without regard to the 5-percent limit on noncareer appointments to the Senior Foreign Service. When we developed the Foreign Service Act of 1980, we placed a 5-percent limit on the number of noncareer members of the Senior Foreign Service systemwide to prevent a wholesale politicization of the Foreign Service and to insure that career paths are not blocked by political appointees. This second concern is of paramount importance if the Foreign Service is to work as up or out system. Yet, section 115 of this bill provides an exception to this 5-percent limit. Could the gentleman from Florida explain the reasoning behind this?

Mr. MICA. Mr. Chairman, will the gentlewoman yield?

Mrs. SCHROEDER. I yield the gentleman from Florida.

Mr. MICA. First, I would like to thank the gentlewoman from Colorado [Mrs. SCHROEDER] for her assistance in drafting this section. The 1980 act excepted the Department of Commerce from the 5-percent limitation on noncareer appointees to the Senior Foreign Service until September 30,

1985. When this transitional provision lapses, the Foreign Commercial Service can have only one noncareer appointee. Right now, the Service has six from the business community and another four who have reemployment rights in the Senior Executive Service. If the transitional provision lapsed, the Foreign Commercial Service would lose much of its ability to promote trade with the United States abroad.

So, section 115 provides for one noncareer appointee and authorizes the appointment of other individuals to limited appointments where two conditions are met. The first condition is that no career member of the Senior Foreign Service with the necessary qualifications is available to serve in the position. The second condition is that the individual appointed to the limited position has unique qualifications for the specific position. In this regard, the first sentence of the committee report concerning section 115 should read: "Section 115 allows the United States and Foreign Commercial Service to appoint individuals to limited appointments for specific positions abroad in the Senior Foreign Service where no career member is qualifed or available and where the appointed individuals have unique qualifications for the specific position."

Mrs. SCHROEDER. Thank you for the description. These special limited appointees, who could never serve more than 5 years in any case, would be appointed to a single position and would not be subject to reassignment. Is that right?

Mr. MICA. The gentlewoman is correct. Currently, they are appointed on 2-year contracts, which can be renewed up to a total of 5 years. I expect that the Department of Commerce would continue to limit the initial length of appointments of noncareer members of the Senior Foreign Service to 2 years. And, they are appointed to specific positions for which they are uniquely qualified.

Mrs. SCHROEDER. One condition in this section has to do with the lack of availability of career members of the Service. What does this mean?

Mr. MICA. Currrently, the Department has procedures for surveying career members of the Service when a vacancy occurs or is expected. I expect the Department to continue and strengthen these procedures so that only in extraordinary circumstances is the noncareer authority utilized. If a qualified career member of the Service can be found and made available, the career member should be assigned to the position.

Mrs. SCHROEDER. I have heard concerns raised about the open ended authority to name political appointees to FS-1 positions, just below the Senior Foreign Service. Could the United States and Foreign Commercial Service be larded with political appointees at the FS-1 level to circumvent the strict limits on the use of noncareer personnel in the Senior Foreign Service?

Mr. MICA. Let me say, first, that my experience with the United States and Foreign Commercial Service is that they have not abused their authorities to appoint noncareer staff by using these authorities for political appointees. I think the administration would be making a mistake if it believes that it can appoint all the political people it wants at the FS-1 level. Section 115 provides for the unrestricted appointment of only one noncareer person in the Senior Foreign Service. We will be watching the use of the authority contained in section 115 closely and the appointments to the United States and Foreign Commercial Service to make sure that FS-1 appointments are not used to circumvent the provisions of section 115.

Mrs. SCHROEDER. Do you expect the Department to report to your subcommittee each time an appointment is made under section 115?

Mr. MICA. As you know, this is not required by the bill. Yet, I have no doubt that the United States and Foreign Commercial Service would report each time such an appointment is made if we request them to do so and I intend to make such a request.

Mrs. SCHROEDER. One last question. What does the language "the individual appointed has unique qualifications for the specific position" mean?

Mr. MICA. What that means is that a person appointed in a specific country, for example Japan, should have specialized knowledge about trading with the Japanese. This knowledge would typically be demonstrated by an ability to speak the local language, by experience in dealing with companies and government officials in that country, and by experience with trade with that country. The new authority in section 115 is there so that the United States can hire the best to promote trade with the United States abroad. As I said, we will be monitoring this authority to ensure that only the best are hired.

Mrs. SCHROEDER. I thank the gentleman.

□ 1620

The CHAIRMAN. The time of the gentlewoman from Colorado [Mrs. SCHROEDER] has expired.

(By unanimous consent, Mrs. SCHROEDER was allowed to proceed for 1 additional minute.)

Mrs. SCHROEDER. Mr. Chairman, I would also like to commend the gentlewoman from Maine [Ms. SNOWE] for her work at the Foreign Affairs Committee to draw attention to the slow progress on preparations for the upcoming World Conference on Women. This U.N.-sponsored global event, set in motion 10 years ago, represents the culmination of the U.N. Decade for Women. It is a serious, international conference and one that demands significant preparation of our U.S. delegation. But with barely 2 months left before the world conference, it appears that preparations are way behind schedule.

Ms. SNOWE. Mr. Chairman, if the gentlewoman will yield, I want to thank the gentlewoman for raising this issue. I share her concern about the state of U.S. preparations for the conference. Our colleagues may not be aware that the Secretariat at the State Department, which is charged with these preparations, has undergone almost a complete change of staff since it was created only 8 weeks ago. The committee report on the State Department authorization contains, at my request, language urging the Department to provide adequate staff and resources to the conference Secretariat so that preparations can be completed at the earliest possible time.

Mrs. SCHROEDER. The massive preparation appears to be an enormous task to complete within a matter of weeks. A worldwide conference is clearly a major and serious political event, and surely one that demands the full commitment of time, staff, and resources from our Government. This is not a ladies' tea party. But when the Secretariat office is physically relocated three times in the last few weeks, one wonders whether there is a serious commitment to U.S. involvement.

Ms. SNOWE. Again, I share the gentlewoman's concern on this matter, but I would say that I am encouraged by the fact that our delegation consists of many distinguished women to be led by the President's daughter, Maurean Reagan. To be a truly effective force, however, these delegates must be prepared for every issue and eventuality likely to arise at the Nairobi Conference. I hope our colleagues here today will join us in urging the State Department to fulfill its responsibility to our delegation and the conference at large.

Mrs. SCHROEDER. I thank the gentlewoman for her remarks.

AMENDMENT OFFERED BY MR. RINALDO

Mr. RINALDO. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. RINALDO: Page 36, after line 22, add the following new section:

SEC. 305. TASK FORCE WITH RESPECT TO BROADCASTS TO SOVIET JEWRY.

(a) ESTABLISH TASK FORCE.—There shall be established by the Board for International Broadcasting a task force to conduct a study of the advisability and feasibility of increasing broadcasts to the Jewish population within the Soviet Union.

(b) STUDY.—The Task Force shall—

(1) investigate the needs of Jewish audiences in the Soviet Union;

(2) study the practicality and desirability of establishing a special program, in accordance with the Program Policy Guidelines of RFE/RL, Inc., of Russian language broadcasting to the Jewish population of the Soviet Union; and

(3) make recommendations with respect to the desirable content of broadcast programming;

(c) REPORT.—Not later than six months after the date of the enactment of this Act, the Board for International Broadcasting shall submit a report to the Congress. Such report shall include the following:

(1) Whether expansion of original programming scheduled ("Jewish Cultural and Social Life") or planned ("Judaism") is fulfilling the needs of the audience, and whether expanded Soviet-Jewish programming should include broadcasts on Jewish history, culture, and religion.

(2) The extent to which such programming is broadcast in Russian, Hebrew, and Yiddish.

(3) Recommendations for implementing expanded programming within the structure of RFE/RL, Inc., including specific personnel required and providing for a Soviet Jewry administrative unit within Radio Liberty.

(4) The findings of, and the recommendations from, the study required under subsection (b).

(d) EXISTING PERSONNEL TO CONDUCT STUDY AND MAKE REPORT.—The study and the report required by this section shall be carried out by existing personnel of RFE/RL, Inc., or the Board of International Broadcasting.

Mr. RINALDO [during the reading]. Mr. Chairman, I ask unanimous consent that the amendment be considered as read and printed in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from New Jersey?

There was no objection.

Mr. RINALDO. Mr. Chairman, my amendment would require that the Board for International Broadcasting establish a working group known as the Radio Maccabbee task force that would identify the radio broadcasting needs of the Jewish population of the Soviet Union.

This amendment contains the theme of legislation which I introduced on January 3, 1985, H.R. 423 calling for the establishment of a Radio Maccabbee radio program that would operate under the auspices of Radio Liberty.

The amendment I offer today establishes the foundation upon which Radio Maccabbee or any other entity which increases broadcasting to the Jewish population of the Soviet Union can be built. Radio Liberty, which broadcasts to 12 other nationalities in the Soviet Union, must do more to provide communication to the Jewish population behind the Iron Curtain.

As we are all well aware, the situation in the Soviet Union grows worse each day for its 3 million Jewish citizens. Emigration which totaled over 50,000 in 1979 fell to less than 1,000 last year. Almost every day there are new reports of state-sanctioned anti-Semitism and the arbitrary detention of those who seek to practice their religion. Soviet authorities, in violation of the Helsinki accords, are interfering with postal and telephone communications and seek increasingly to isolate the Jewish population from contact with the West.

Our colleagues are well aware of this breakdown of communications, and more than 50 of them have cosponsored my bill.

The Radio Maccabbee task force should include representatives from not only the Board for International Broadcasting but also from groups which have taken an active interest in this issue, such as the Union of Councils for Soviet Jews. In 6 months, they are to report to Congress the efforts that are being undertaken by the Board for International Broadcasting to meet the needs of the Jewish population of the Soviet Union. They are also instructed to make a recommendation as to whether or not the establishment of a separate Radio Maccabbee radio program would be an appropriate response to a pressing communications problem.

Far too often, Members of this body are frustrated in our efforts to come to the assistance of persecuted persons in the Soviet Union.

By adopting this amendment, we are sending a clear signal that the American people will never waver in their support.

With growing Soviet interference over telephone and postal communications, the Board for International Broadcasting must do more. The Radio Maccabbee task force will identify those needs and set into place the programs which are so vital for the survival of the Jewish people in the Soviet Union. Radio communications will be the messenger of hope for those who seek to preserve their culture.

Mr. SMITH of Florida. Mr. Chairman, I move to strike the requisite number of words.

I just want to rise to commend the gentleman from New Jersey [Mr. RINALDO] for the effort that he has made on this amendment. As a Member who has been timely involved with Radio Liberty and Radio Free Europe, and did an overview as a result of which we brought many of the things that the gentleman referred to tonight, I want to congratulate the gentleman for the interest that he has taken and commend him for the kind of thing that we are doing with this amendment.

This is the kind of situation that bears very strong scrutiny by the Congress of the United States to make sure that Radio Liberty, especially that very credible voice of the United States that beams to the Soviet Union, does not offend sensibilities and takes into account all of the things that are ongoing of a political nature in the Soviet Union.

The Radio Maccabbee Task Force will not create more bureaucracy, will not add more money. And what it will do is to make sure that the radio continues to be sensitive to the kinds of things that the gentleman outlined in his remarks.

Mr. RINALDO. Will the gentleman yield?

Mr. SMITH of Florida. I will be happy to yield.

Mr. RINALDO. I want to thank the gentleman for his comment and also commend him for his efforts in this regard. I know he has been diligent in seeking to further the causes which this legislation promotes, and I am very grateful for his assistance in this matter.

Mr. SMITH of Florida. I thank the gentleman. I think this is a good amendment and I hope everyone will support it.

The CHAIRMAN. The question is on the amendment offered by the gentleman from New Jersey [Mr. RINALDO].

This amendment was agreed to.

Mr. WRIGHT. Mr. Chairman, I move to strike the last word.

Mr. Chairman, I take this time simply to note the significant public servcie that has been performed by the distinguished chairman of the subcommittee and the manager of this bill. The gentleman from Florida [Mr. MICA] has been on this floor now for 4 weeks attempting to get the bill passed and now, as he brings it toward the end, I think it is appropriate that all of us take notice of the diligence that he has demonstrated and of the foresight and the really responsible, constructive manner in which this bill has been managed by the gentleman from Florida [Mr. MICA].

And may I say also the ranking minority Member, the gentlewoman from Maine, OLYMPIA SNOWE, who has provided the same character of foresight and ability and bipartisan responsibility.

The CHAIRMAN. Are there further amendments to title III?

AMENDMENT OFFERED BY MR. CONYERS

Mr. CONYERS. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment Offered by Mr CONYERS: Page 29, line 9, strike out "$949,639,000" and insert in lieu thereof "$918,339,000"; and line 10, strike out "$1,138,177,000" and insert in lieu thereof "$1,106,877,000".

Page 30, strike out line 9 and all that follows through line 2 on page 33 and insert in lieu thereof the following:

SEC. 205. NATIONAL ENDOWMENT FOR DEMOCRACY.

(a) PROHIBITION ON FUNDING FOR NED. — Funds authorized to be appropriated for the United States Information Agency or any other agency of the Government may not

be provided to the corporation known as the National endowment for Democracy.

(b) REPEAL OF NATIONAL ENDOWMENT FOR DEMOCRACY ACT.—The National Endowment for Democracy Act (22 U.S.C. 4411-4413) is repealed.

(c) GAO AUDITS.—Subsection (b) shall not affect the authorities and responsibilities of the Comptroller General and the General Accounting Office as they relate to audits of the National Endowment for Democracy in accordance with the National Endowment for Democracy Act.

□ 1630

The CHAIRMAN (during the reading). The Clerk will suspend. The Chair must notify the gentleman from Michigan that his amendment is to title II which has already been passed in the reading of the bill.

In order to entertain this amendment the gentleman would have to seek unanimous consent.

Mr. CONYERS. Mr. Chairman, I ask unanimous consent that I may be able to introduce this amendment.

The CHAIRMAN. Is there objection to the request of the gentleman from Michigan?

Mr. MICA. Objection, Mr. Chairman.

Ms. SNOWE. Mr. Chairman, I object.

The CHAIRMAN. Objection is heard.

Are there further amendments to title III?

Mr. LAGOMARSINO. Mr. Chairman, I move to strike the last word.

Mr. COBEY. Mr. Chairman, will the gentleman yield?

Mr. LAGOMARSINO. I yield to the gentleman from North Carolina.

Mr. COBEY. I thank the gentleman for yielding.

Mr. Chairman, I was going to offer an amendment to create a new title IV to this bill concerning the continued funding of activities that came out of the International Youth Conference in Kingston, Jamaica. But I have received an assurance from the chairman of the subcommittee.

Mr. MICA. Mr. Chairman, will the gentleman yield?

Mr. LAGOMARSINO. I yield to the chairman of the subcommittee.

Mr. MICA. I thank the gentleman for yielding.

Mr. Chairman, the Chair has agreed to raise this subject in hearings. We appreciate the gentleman [Mr. COBEY] withdrawing the amendment.

I understand that there are no further amendments.

Mr. COBEY. Mr. Chairman, will the gentleman yield further?

Mr. LAGOMARSINO. I yield to the gentleman from North Carolina.

Mr. COBEY. I thank the gentleman for yielding.

Mr. Chairman, could the Chairman of the subcommittee give me some assurance as to how sooon those hearings could be held?

Mr. MICA. The Chair would say very frankly, and this is not an intent to avoid, but as quickly as we can do it we will.

I do not have a date.

Mr. COBEY. I appreciate the response of the gentleman.

I appreciate the gentleman yielding.

Mr. LAGOMARSINO. Mr Chairman, I yield back the balance of my time.

The CHAIRMAN. Are there further amendments to the bill?

Mr. CONYERS. Mr. Chairman, I move to strike the last word.

Mr. Chairman, I apologize for my inability to timely bring an amendment that would eliminate the National Endowment for Democracy which has been bothering a number of Members in this body and also has been voted to be abolished and defunded at least once, if memory serves me correctly.

I consider the NED to be one of the most wasteful and mischievous expenditures of funds in the foreign policy area that I've seen in some time.

At a time when we are cutting billions of dollars from programs to feed our young and poor, to house our elderly, and to educate our students, I see no justification whatsoever to be supporting this $18 million such dubious program as NED which actively supports political parties in other countries. Its a program which also has a highly dubious track record to accompany it.

According to NED's annual report, its political arms, including the National Republican Institute for International Affairs, the National Democratic Institute for International Affairs, and the American Institute for Free Labor Development, have been supporting political parties in other countries as well as organizations with clear ideological affiliations. I don't think that U.S. Government should sponsor or endorse such questionable activities.

The taxpayers don't support it, it has been embarrassing when revealed to the public in the past, it can backfire in terms of our own national interests, and in a time of budget cutting, we already have dozens of private and public organizations engaging in similar activities.

Mr. Chairman, we all remember how embarrassing it was when it became public last year when a NED recipient spent $20,000 to actively support a Presidential candidate in Panama in a very close election. How many more debacles of this sort will we see?

What about the embarrassing political repercussions of supporting an organization which, with a U.S. Government sanction, meddles in foreign elections. Are U.S. interests really served through this overzealous expenditure of Federal moneys for such a dubious political purpose?

What happens if the President's political party supports, in any election in any country, a political party that does not prevail? We would be putting the United States in an unprecedented position of having to deal with a foreign country where the elected officials he himself opposed through his political party.

Some argue that NED recipients use these large sums of money simply for technical assistance and get out to vote. I think that one has to be somewhat naive to buy this. Political parties get out to vote who they want to get out to vote. Additionally, if you support a political party in any way, you support it in every way. A party is like an institution. It is a fungible whole. If you support one part of it, you promote the whole program.

The credibility and utility of NED is also questioned by a March GAO report which concluded that NED had improperly and perhaps illegally diverted funds to the political party institutes after Congress last year mandated that the party institutes be ineligible for NED grants.

Mr. Chairman, it is ironic that when an organization giving funds to promote democracy ends up interfering in free elections of another country, that a group such as NED, which claims to be dedicated to the rule of law, disregards the very statutes that created it, and that a group which should avoid any conflict of interest gives most of its funds to groups represented on its board.

The U.S. Government has more than enough to account for with the CIA than to explain the activities of any NED-sponsored activity. This is not about left, right, or center. It is about whether we should be butting into elections in other countries.

There are a dozen private and public groups attempting to promote democracy throughout the world. These include the State Department's Agency for International Development and the U.S. Information Agency, the Peace Corps, and others. Last year, private citizens contributed over $1.5 billion to such private groups.

At a time of unprecedented Federal deficits, and with dozens of public and private organizations already installed for this purpose, with its questionable political track record, and with its lavish expense and travel accounts, if we are really serious about cutting the deficit, then we should cut this.

Legally, NED is a private entity. Perhaps it would be better off it it sought private funding. It was a bad idea from the start. I hope that the House will now reaffirm the position that it took last year. This was a bad idea to begin with.

Mr. BROWN of Colorado. Mr. Chairman, I move to strke the requisite number of words.

Mr. Chairman, I would just like to comment briefly on the National Endowment for Democracy and the real progress I believe that has been achieved in this session. The measure that is before the body has some major shifts and changes in the National Endowment for Democracy. First of all, the issue of disclosure and Freedom of Information Act has been addressed not only with the McCain amendment but with the amendments that are contained in section 505. It is not perfect, but I believe it represents substantial progress and a sincere and honest effort on the part of the chairman and its ranking member to address this important issue.

Second, on funding, the committee has been willing to cut back the authorization funding in line with the freeze proposal and I believe that represents an honest and a sincere effort to face up to our funding dilemma.

Third, the political parties specifically have been addressed in the amendments that are before the body.

In subparagraph 3, it indicates clearly no funds granted to the political party institutes by the endowment may be used to finance activities of the Republican or Democratic National Committees.

Mr. Chairman, I add those remarks because, while I have not been a fan of the activities of the National Endowment for Democracy, I believe there has been substantial progress made in this piece of legislation and I believe through the leadership of the chairman we have seen many of what I had considered abuses or potential abuses of the Endowment corrected in this legislation.

Mr. MICA. Mr. Chairman, will the gentleman yield?

Mr. BROWN of Colorado. I yield to the gentleman from Florida.

Mr. MICA. I thank the gentleman for yielding, for just about 10 seconds.

Mr. Chairman, I want to commend the gentleman. What we see here today is a year of cooperative work to address the legitimate problems that the gentleman raised and to have the gentleman stand up and speak like that is really a tribute to the work of the entire committee. I thank the gentleman very much.

Ms. SNOWE. Mr. Chairman, will the gentleman yield to me?

Mr. BROWN of Colorado. I yield to the gentlewoman from Maine.

Ms. SNOWE. I thank the gentleman for yielding.

Mr. Chairman, I thank the gentleman for his comments as well because we tended to address a number of the issues that the gentleman from Colorado [Mr. BROWN] has raised over the last several years since the inception of the National Endowment for Democracy. As one who originally opposed the National Endowment, because of the changes that have been made to address the misgivings of Members like those of the gentleman, I hope that we can now see a positive outcome and results from the National Endowment for Democracy.

We should give it an opportunity to work to strengthen democratic institutions throughout the world.

So hopefully we have made sufficient changes to address the possible misuse of funds or any misgivings concerning the program.

So I thank the gentleman for his comments and we will now await the results.

Mr. BROWN of Colorado. I thank the gentlewoman for comments and for her leadership on this subject.

The CHAIRMAN. Are there further amendments to the bill?

If not, under the rule, the Committee rises.

Accordingly the Committee rose; and the Speaker having resumed the chair, Mr. PEASE, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the bill (H.R. 2068) to authorize appropriations for fiscal years 1986 and 1987 for the Department of State, the U.S. Information Agency, the Board of International Broadcasting, and for other purposes, pursuant to House Resolution 137, he reported the bill back to the House with sundry amendments adopted by the Committee of the Whole.

The SPEAKER. Under the rule, the previous question is ordered.

Is a separate vote demanded on any amendment? If not, the Chair will put them en gros.

The amendments were agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed.

□ 1640

The title was amended so as to read: "A bill to authorize appropriations for fiscal years 1986 and 1987 for the Department of State, the United States Information Agency, the Board for International Broadcasting, and for other purposes."

A motion to reconsider was laid on the table.

AUTHORIZING THE CLERK TO MAKE TECHNICAL CORRECTIONS IN THE ENGROSSMENT OF H.R. 2068

Mr. MICA. Mr. Speaker, I ask unanimous consent that, in the engrossment of the bill H.R. 2068, the Clerk be authorized to correct section numbers, punctuation, and cross references and to make such other technical and conforming changes as may be necessary to reflect the actions of the House in amending the bill.

The SPEAKER. Is there objection to the request of the gentleman from Florida?

There was no objection.

GENERAL LEAVE

Mr. MICA. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on the bill just passed.

The SPEAKER. Is there objection to the request of the gentleman from Florida?

There was no objection.

PERMISSION FOR COMMITTEE ON WAYS AND MEANS TO FILE REPORT ON H.R. 1868, THE MEDICARE AND MEDICAID PATIENT AND PROGRAM PROTECTION ACT OF 1985

Mr. PEASE. Mr. Speaker, I ask unanimous consent that the Committee on Ways and Means be permitted to file its report on the bill, H.R. 1868, the Medicare and Medicaid Patient and Program Protection Act of 1985 on Friday, May 10.

The SPEAKER. Is there objection to the request of the gentleman from Ohio.

There was no objection.

LEGISLATIVE PROGRAM

(Mr. BOEHLERT asked and was given permission to address the House for 1 minute.)

Mr. BOEHLERT. Would the distinguished majority leader please enlighten us as to the schedule for next week?

Mr. WRIGHT. I am delighted to respond to the acting minority leader. This concludes the business for today and for this week. When we adjourn today we will ask to adjourn until 11 o'clock on Monday. The reason we want to come in at 11 o'clock is because that is the annual observance of Former Members Day, from 11 until 12 here on the House floor.

They have an honorable society, to which many of us aspire some day to belong, not in any big hurry about it, but some day. They will meet here at 11 o'clock on Monday. We will declare a recess, if that permission is granted for that purpose.

Then we will have suspensions Monday. There are six bills that we hope to bring on the suspension of the rules, postponing votes until Tuesday on the suspensions.

They are as listed on a sheet which I believe the gentleman from New York has in his possession, H.R. 873, providing authority for additional Federal employee health benefit plans; H.R. 105, providing for the Washington Square at the Independence National Historical Park in Philadelphia.

H.R. 934, erosion control at the Cuyahoga National Recreation Area; House Concurrent Resolution 95, pro-

viding for the 20th anniversary of the Head Start Program; House Concurrent Resolution 132, providing for the 20th anniversary of the Older Americans Act; and H.R. 2005, to amend title II of the Social Security Act to make technical changes.

On Tuesday, we would expect to take up a bill providing Panama Canal authorization, and one providing the Maritime authorization, each under an open rule with 1 hour of general debate, and then we would hope to adopt a rule on the Foreign Assistant Act authorizations. That is an open rule with 1 hour of debate, but we would adopt that rule only on Tuesday.

On Wednesday and the balance of the week, we meet at 10 o'clock a.m. and take up the Department of Defense authorization bill, subject to the granting of a rule, hoping to take the rule and the general debate on Wednesday and conclude it on—we will have the general debate on Thursday. That is a bill of some substance, and we are not sure that we would be able to conclude it next week.

Mr. BOEHLERT. Am I correct that there are no legislative votes scheduled for Monday?

Mr. WRIGHT. The gentleman is correct. There are no legislative votes scheduled.

Mr. LOTT. Will the majority leader yield, please.

Mr. WRIGHT. Of course, the gentleman from New York has the time. I am sure he would yield.

Mr. BOEHLERT. I yield to the gentleman.

Mr. LOTT. I had a number of questions I would like to ask about, if I could.

Perhaps I missed it, but the rule on the Panama Canal authorization and the maritime authorization, I know the one on maritime authorization has not been passed yet and I do not think the one on the Panama Canal authorization has been passed yet, so I presume that we would, on Tuesday that you would intend to take up the rule, and then go to the general debate and the vote on the Panama Canal authorization and the maritime authorization. Is that correct?

Mr. WRIGHT. That would be our expectation, to vote on those two things as well as any votes that would be held over from the suspensions considered on the previous day.

Mr. LOTT. And then the rule on the Defense authorization bill is not referred to, either, so I presume that that rule would come up on Wednesday just prior to the Defense authorization bill coming up.

Mr. WRIGHT. Yes, that would have to happen, would it not. We would expect to have a vote on that rule on Wednesday and go into general debate.

Then probably on Thursday we would expect to have the general debate on the Foreign Assistance Act authorization.

Mr. LOTT. Now, looking at this schedule, it looks to me like that except for some votes on the Journal or something of that nature, that there would not be recorded votes after Tuesday on either amendments to the Defense authorization bill or the Foreign Assistance Act, if it should come up, because it does say general debate only.

So you anticipate, other than potentially procedural votes, no votes on Wednesday, Thursday, or Friday of next week?

Mr. WRIGHT. Of course there would have to be a debate on the rule, I suppose. Beyond that, I am not sure that there would be any requisite votes and the probability is that the House will want to debate these matters and consider them in general debate, and give them ample time for full consideration.

Mr. LOTT. Well, I think I know what is happening Thursday or Friday, but forgive me, I do not know why on Wednesday we would not possibly have recorded votes.

Is there any particular reason?

Mr. WRIGHT. Oh, I fully expect that on Wednesday there would probably be a vote on the rule for the Defense authorization, and then I suppose that the Defense authorization would consume sufficient time in the general debate that it would consume most of the the day. I doubt very much that we would get to the point of having to, being able to get into the 5-minute rule, because that is a very big bill; as the gentleman knows, that is probably the largest single authorization bill that the House considers in a given year.

Mr. LOTT. The Members should expect probably at least one or two votes on Wednesday?

Mr. WRIGHT. Members will probably want to have a vote on the adoption of the rule. I do not know whether anybody will demand a rollcall vote on it or not, but if one did, then that vote could indeed come on Wednesday.

Mr. LOTT. You do not intend to complete consideration, though, of the Defense authorization bill next Friday.

Mr. WRIGHT. I very much doubt that it will occur.

Mr. LOTT. Could the distinguished majority leader give us any information about the status of the budget? Next week also includes May 15, which is supposed to be a magic day with regard to having to get action on the budget here in the House.

I know the other body has been addressing that question, shall we say, but this one does not seem to have done anything yet; either a subcommittee or a full committee level, and certainly not on the floor, and May the 15th is upon us.

What is the status of the budget resolution out of the Budget Committee?

Mr. WRIGHT. The hearings have been conducted in the Budget Committee, on the budget resolution. The gentleman will recall that last year, we were quite early in our adoption of the budget resolution on the floor. I think we passed the budget resolution on the House floor in April, perhaps it was April 9 last year, and that was a budget resolution which called for $181 billion in cuts in the deficit, below the figures that had been projected in the budget submitted by the executive branch.

We passed that, and it went over to the other body and languished there for many weeks, I think it was June before the other body passed a budget resolution last year, and then it was August before they assented to meet us in conference.

For those reasons, we had not thought it not necessary to bring the budget resolution next week; we had been requested by the chairman of the Armed Services Committee to schedule the Department of Defense authorization bill.

□ 1650

And I think the Department of Defense was anxious to have that considered, as well. That is the reason we scheduled it.

The budget we had thought would be best considered after the other body had completed its action. As the gentleman knows, they have not done so, unless they have done so in the last few minutes. We had heard early reports, back in January, from the majority leader in the Senate and also from the chairman of the Budget Committee to the effect that they would have a budget in place by February 1, I think I recall. That date has long since passed, of course. Then we heard there would be one by February 15, and we were waiting until that occurred and adopted the general rule that we would wait and see what the other body did because we did not feel that we should be denying them or preempting them the opportunity to perform their action.

As of the moment, I think they have not yet completed their action on that budget. Once they do, perhaps I could respond intelligently to the gentleman. There is no deliberate plan, I can report, to delay or to drag our feet, and I would expect that the Budget Committee probably would be in markup next week on the budget resolution.

Mr. LOTT. If the gentleman will yield further, I would like to just note here that I think we are getting in a real problem around here with our schedule, in that we are now at the

end of the week of the 11th. Next week we will complete very little action. We will not complete the Foreign Assistance Act authorization; we will not complete the Defense Department authorization; we are not going to take up the budget resolution. We are going to be out for a few days at the end of this month for the Memorial Day recess. We have got a supplemental appropriations bill coming along. I think more and more is being shoved off later and later into the month of June, and we are going to have a real problem as we get into the summer and try to complete the work we need to do around here.

One of the things that concerns me on this May 15 deadline, we have got committees that are coming forward now having to get budget waivers because we have not had a budget resolution.

So next week I propose to offer and will offer an amendment to the appropriate legislation that would require that with any waivers of the Congressional Budget Act the Rules Committee has to report, accompanying that waiver, an explanation of and a justification of any such waiver and a summary of comments received from the Committee on the Budget with respect to any such waiver. I think that we need to have an understanding here that we are proceeding without a budget. We are going to have to waive every bill that comes to the floor, and I think, at the very minimum, the Rules Committee ought to have to give an explanation in the their report as to why that is being done. So I do want to put the Members on notice that next Tuesday I plan to offer that amendment.

Mr. WRIGHT. If the gentleman from New York would yield, I would just like to comment that I am sure the gentleman from Mississippi is most anxious to expedite the business of the House. I appreciate his diligence and his concern over the dilatory tactics that some Members have employed this year. I know that the gentleman from Mississippi will use his quite considerable influence to put at a minimum any further dilatory tactic, delay, guerrilla warfare, obstructionism or just general downright cussedness that might occur on either side of the aisle.

Mr. LOTT. If the gentleman from New York will yield, I appreciate the comment and the intent of the distinguished majority leader to move legislation forward, and that is why I have been asking these questions about next week's schedule. As a matter of fact, we are going to have 1 day next week on which we are going to have substantive votes. That is Tuesday.

Mr. WRIGHT. And the gentleman from Mississippi has given us an additional matter to consider on that particular day. I want to express my appreciation to him for having fleshed out the schedule, so to speak.

Mr. LOTT. Well, we want to put the distinguished majority leader on notice as to some of the things he might expect next week. But I want the Members to take note, when there is talk around here about dilatory tactics of the previous few days or weeks, that in next week's schedule we are going to have 3 days of the week on which we will have no substantive votes here in the House of Representatives. That is not the result of any kind of dilatory tactics by any of the Members on this side of the aisle.

ADJOURNMENT TO MONDAY, MAY 13, 1985

Mr. WRIGHT. Mr. Speaker, I ask unanimous consent that when the House adjourns today it adjourn to meet at 11 a.m. on Monday next.

The SPEAKER pro tempore (Mr. GRAY of Illinois). Is there objection to the request of the gentleman from Texas?

There was no objection.

AUTHORIZING SPEAKER TO DECLARE A RECESS ON MONDAY, MAY 13, 1985

Mr. WRIGHT. Mr. Speaker, I ask unanimous consent that it may be in order for the Speaker to declare a recess, subject to the call of the Chair, on Monday, May 13, 1985, for the purpose of receiving in this Chamber former Members of Congress.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Texas?

There was no objection.

DISPENSING WITH CALENDAR WEDNESDAY BUSINESS ON WEDNESDAY NEXT

Mr. WRIGHT. Mr. Speaker, I ask unanimous consent that the business in order under the Calendar Wednesday rule be dispended with on Wednesday next.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Texas?

There was no objection.

NATURAL RESOURCES SUBSIDY

(Mr. GIBBONS asked and was given permission to address the House for 1 minute and to revise and extend his remarks.

Mr. GIBBONS. Mr. Speaker, today I am introducing a very important piece of legislation addressing the problem of natural resource subsidies. Although a similar provision was passed by the House of Representatives during the 98th Congress as part of H.R. 4784, the Trade Remedies Reform Act, the provision was dropped in conference due to administration objections and did not become part of the Trade and Tariff Act of 1984.

The problem of foreign government regulatory controls affecting natural resource distribution is one of growing concern to U.S. industries. These policies, which are becoming particularly noticeable in the energy, mining, and timber sectors, generally involve a rigidly controlled high world price for the resource coupled with a domestic price that is a mere fraction of the world price. Such policies are being pursued by a number of resource-rich countries to promote their own export industries, and in the process, are causing material injury to resource-based manufacturers in the United States.

The competitive position of many U.S. industries, such as the cement, ammonia, refining, lumber, and petrochemical industries has deteriorated in recent years as a direct result of foreign governments' natural resource subsidies. I strongly believe that these government resource policies are subsidy practices, and that they should be cognizable under our countervailing duty law if they cause injury to U.S. industries.

The bill I am introducing today addresses the trade distorting effects resulting from the subsidization of input products used in manufacturing articles such as cement, ammonia, carbon black, petrochemicals, and gasoline as well as the trade distorting effects resulting from subsidization of removal rights relating to input products to be sold in this country at prices substantially below what would otherwise be a fair price absent any government regulation and below prices charged to U.S. producers who do not have access to such subsidized inputs or removal rights. The bill contains a material injury test to conform to our GATT obligations.

This bill would amend our countervailing duty law to clearly establish that a subsidy exists when a government, acting through a controlled or regulated entity, sells an input product or sells or grants the right to remove or extract an input product to domestic industries at a price that is below market value for such inputs or removal rights. The subsidy would only exist if the controlled domestic price of the input product is not freely available to U.S. purchasers and if the resource components constitutes a substantial portion of the total production costs of the final manufactured product. The provision would authorize a countervailing duty against the final manufactured product, but only if imports of such products cause or threaten to cause material injury to U.S. producers of the like product.

The subsidy would be measured by the difference between the domestic price for such resource input products or removal right and the fair market value of such product or removal right. The fair market value for an input product would be the price that, in the absence of government regulation or control, a willing buyer would pay a willing seller for that product from that country in an arms length transaction. Among the factors which shall be taken into account in making this determination is the export price of the product.

The fair market value of a removal right would be:

(i) The price paid for a comparable removal right in a comparable region in the country (other than the country providing or selling the right) which has the largest number of arms-length sales of such rights, or

(ii) If no country sells a comparable removal right at arms length, the price that a willing buyer would pay a willing seller in an arms-length transaction for the removal right in the country providing or selling the right.

I urge my colleague to join me on this legislation to help lend the playing field for the many U.S. industries which are being devastated by these subsidy practices.

COMMUNICATION FROM HONORABLE MARY ROSE OAKAR

The SPEAKER pro tempore laid before the House the following communication from the Honorable MARY ROSE OAKAR, Member of Congress:

HOUSE OF REPRESENTATIVES,
Washington, DC, May 8, 1985.

Hon. THOMAS P. O'NEILL, Jr.,
Speaker of the House, H-204, the Capitol, Washington, DC.

DEAR MR. SPEAKER: This is to notify you, pursuant to Rule L(50) of the Rules of the House, that I have recently been served with a civil trial subpoena issued by the United States District Court for the Eastern District of Virginia, Alexandria Division.

I have consulted with the General Counsel to the Clerk of the House and have determined that compliance with this subpoena is consistent with the privileges and precedents of the House of Representatives.

Sincerely,

MARY ROSE OAKAR,
Member of Congress.

HAWAII'S SMALL BUSINESSMAN OF THE YEAR: ROBERT M. FUJIMOTO

(Mr. AKAKA asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. AKAKA. Mr. Speaker, I rise before this august body to honor an outstanding citizen of my fair State. I wish to speak of a man whose contributions in business and community service have garnered the deepest admiration and respect of his colleagues, neighbors, and friends. I speak in honor of a man and his business which have survived natural disasters and the vagaries of the market to become a success. My fellow colleagues, I rise today during Small Business Week to salute Hawaii's Small Businessman of the Year, Mr. Robert M. Fujimoto.

The story of Mr. Fujimoto's business career is rooted in his four-generation family business, HPM Building Supply of Hilo, HI. Founded in 1921 by Robert's grandfather, Kametaro Fujimoto, HPM Building Supply originally processed rough hewn timbers from the mainland and supplied the finished lumber to building contractors.

In 1929, Kametaro's son, Barney, took over and expanded the firm by adding other construction supplies to the family lumber business. Then disaster struck. In 1946, a tsunami wiped out the lumber mill. The Fujimoto family pulled themselves up by their bootstraps, rebuilt and prospered.

In 1954, our honoree Robert Fujimoto, assumed leadership of HPM Building Supply. Then, in 1960, a second tsunami completely destroyed the company's newly relocated and enlarged facility. Robert was able to rebuild with the help of a $650,000 Small Business Administration [SBA] Disaster Assistance Loan, hard work, determination, and talent. By 1968, Robert was able to refinance his SBA loan and further expand his business.

Today, Robert's son, Michael, who developed under the tutelege of his father, is at the helm of HPM Building Supply. This extremely successful company now has a corrugated metal facility, a lumber and truss manufacturing plant, a lumber pressure treating facility, a prehung door operation, as well as the latest management tools such as a modern electronic accounting system. Last year, HPM's sales exceeded $18 million and employed 112 people, a considerable number in our big island community.

Mr. Fujimoto's achievements as an entrepreneur were recognized by his peers. He is now director of one of Hawaii's largest corporations, C. Brewer & Co.

Furthermore, Mr. Fujimoto, as all leaders do, has made the time to serve his community. He has won awards for his contributions to scouting and has been a leader in United Way campaigns. He has also served on the Hawaii State Board of Land and Natural Resources and has chaired the University of Hawaii's board of regents, two of the most important executive and policymaking bodies in the State.

Enduring tidal waves and the fluctuations of the construction industry, Bobby, as his friends call him, has distinguished himself as a true leader. This week we repay him in some small measure as Hawaii's Small Businessman of the Year.

□ 1130

PLANT CITY, FL: THE SPIRIT OF AMERICA

(Mr. BILIRAKIS asked and was given permission to address the House for 1 minute and to revise and extend his remarks and include extraneous matter.)

Mr. BILIRAKIS. Mr. Speaker, all of us have communities in our districts that truly embody the spirit of America. One of those cities I am fortunate to represent is Plant City, FL.

This year marks the 100th anniversary of Plant City, and residents have been celebrating it in a grand fashion. There have been parades, fireworks, songfests, pioneer days, and the golden anniversary of the Strawberry Festival.

I can honestly say that the enthusiasm, pride, and sense of history displayed by the people of Plant City have made it an honor for me to represent them in Congress.

The people of Plant City wish to share their centennial celebration with you, and tomorrow through strawberry growers Tommy Brock, Johnny St. Martin, Carl Grooms, Charlie Grimes, Darryl Williams, and F.G. "Jerry" McDonald Produce, each of your offices will receive delicious Plant City strawberries. These particular berries had an official send off by mayor of Plant City, J.D. Merrill; Strawberry Festival president, B.M. "Mac" Smith; and Strawberry Growers Association executive director, Dr. Charles F. "Chip" Hinton.

Mr. Speaker, in our increasingly complicated world, places like Plant City are extremely important. As they join in celebration of themselves, they also celebrate the spirit of all America.

The Plant City calendar of events follows:

CENTENNIAL CALENDAR OF EVENTS

September 6—Release Centennial Edition *Plant City: Its Origin and History* by Quintilla Geer Bruton and D.E. Bailey, Jr. and *100th Anniversary Calendar*, both sponsored by the East Hillsborough Historical Society, Meet the Authors Party, Lobby, Hillsboro Sun Bank.

September 24—100th Anniversary Plant City Courier.

October 3—Centennial Fantasy Fashions, Yesterday and Today. Sponsored by the Junior Woman's Club.

October 4)—Second Century Kick-off Bar-B-Que sponsored by the Pilot Club.

October 27—Henry B. Plant Birthday Banquet sponsored by the East Hillsborough Historical Society.

November 16-18—Plant City's Flying High Centennial Celebration Hot Air Balloon Race, Florida State University Flying Circus, Carnival and Concessions by Area Civic Clubs Centennial Classic Run.

December 1—Centennial Christmas Parade, sponsored by Holiday Inn; Christmas at the Depot, sponsored by the Arts Council.

December 20—Historic District Walking Tour and Caroling sponsored by East Hills-

borough Historical Society and Arts Council.

January 9—Centennial Ball sponsored by the Chamber of Commerce.

January 10—100th Birthday Celebration—Downtown Plant City.

February 2—Strawberry Ball, Celebrating Fifty Years of Memories Sponsored by the Strawberry Festival.

February 7—Strawberry Festival Fashion Show and Luncheon Celebrating Fifty Years of Memories sponsored by Strawberry Festival.

February 28-March 9—Florida Strawberry Festival and Hillsborough County Fair—Golden Anniversary.

March 4—Grand Feature Parade Celebrating The Festival's Golden Anniversary and Plant City's Centennial sponsored by Strawberry Festival.

March 31—Palm Sunday Community-wide Choral Performance.

April 7—Sunrise Easter Service at Walden Lake.

April 20—Centennial Children's Fun Festival sponsored by Arts Council; Centennial Health Fair sponsored by South Florida Baptist Hospital.

May 4-5—Centennial Flower Show sponsored by area Garden Clubs.

May 3—Henry B. Plant Art Exhibit sponsored by First National Bank of Florida and Arts Council.

May 15—Law Enforcement Banquet.

May 18—Centennial Pioneer Day sponsored by East Hillsborough Historical Society.

June—School Class Reunions Month.

July 4—A Salute to Independence; Religious Emphasis Month.

July 25—100th Anniversary Celebration, First Presbyterian Church.

September—Plant City Business Showcase sponsored by Chamber of Commerce.

THE PRIVATE CALENDAR

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Massachusetts [Mr. BOLAND] is recognized for 5 minutes.

● Mr. BOLAND. Mr. Speaker, I would like to take this opportunity to set forth some of the history behind, as well as describe the workings of the Private Calendar. I hope this might be of some value to the Members of this House, especially our newer colleagues.

Of the five House calendars, the Private Calendar is the one to which all private bills are referred. Private bills deal with specific individuals, corporations, institutions and so forth, as distinguished from public bills which deal with classes only.

Of the 108 laws approved by the First Congress, only 5 were private laws. But their number quickly grew as the wars of the new Republic produced veterans and veterans' widows seeking pensions and as more citizens came to have private claims and demands against the Federal Government. The 49th Congress, 1885 to 1887, the first Congress for which complete workload and output data is available—passed 1,031 private laws, as compared with 434 public laws. At the turn of the century the 56th Congress passed 1,498 private laws and 443 public laws—a better than 3-to-1 ratio.

Private bills were referred to the Committee of the Whole House as far back as 1820, and a calendar of private bills was established in 1839. These bills were initially brought before the House by special orders, but the 62d Congress changed this procedure by its rule XXIV, clause 6 which provided for the consideration of the Private Calendar in lieu of special orders. This rule was amended in 1932 and then adopted in its present form on March 22, 1935.

A determined effort to reduce the private bill workload of the Congress was made in the Legislative Reorganization Act of 1946. Section 131 of that act banned the introduction or the consideration of four types of private bills: first, those authorizing the payment of money for pensions; second, for personal or property damages for which suit may be brought under the Federal tort claims procedure; third, those authorizing the construction of a bridge across a navigable stream, or fourth, those authorizing the correction of a military or naval record.

This ban afforded some temporary relief but was soon offset by the rising postwar and cold war flood for private immigration bills. The 82d Congress passed 1,023 private laws, as compared with 594 public laws. The 88th Congress passed 360 private laws compared with 666 public laws.

Under rule XXIV, clause 6, the Private Calendar is called the first and third Tuesday of each month. The consideration of the Private Calendar bills on the first Tuesday is mandatory unless dispensed with by a two-thirds vote. On the third Tuesday, however, recognition for consideration of the Private Calendar is within the discretion of the Speaker and does not take precedence over other privileged business in the House.

On the first Tuesday of each month, after disposition of business on the Speaker's table for reference only, the Speaker directs the call of the Private Calendar. If a bill called is objected to by two or more Members, it is automatically recommitted to the committee reporting it. No reservation of objection is entertained. Bills unobjected to are considered in the House in the Committee of the Whole.

On the third Tuesday of each month, the same procedure is followed with the exception that omnibus bills embodying bills previously rejected have preference and are in order regardless of objection.

Such omnibus bills are read by paragraph, and no amendments are entertained except to strike out or reduce amounts or provide limitations. Matters so stricken out shall not be again included in an omnibus bill during that session. Debate is limited to motions allowable under the rule and does not admit motions to strike out the last word or reservation of objections. The rules prohibit the Speaker from recognizing Members for statements or for requests for unanimous consent for debate. Omnibus bills so passed are thereupon resolved in their component bills, which are engrossed separately and disposed of as if passed separately.

Private Calendar bills unfinished on one Tuesday go over to the next Tuesday on which such bills are in order and are considered before the call of bills subsequently on the calendar. Omnibus bills follow the same procedure and go over to the next Tuesday on which that class of business is again in order. When the previous question is ordered on a Private Calendar bill, the bill comes up for disposition on the next legislative day.

Mr. Speaker, I would also like to describe to the newer Members the official objectors system the House has established to deal with the great volume of private bills.

The Majority Leader and the Minority Leader each appoint three Members to serve as Private Calendar objectors during a Congress. The objectors are on the floor ready to object to any private bill which they feel is objectionable for any reason. Seated near them to provide technical assistance are the majority and minority legislative clerks.

Should any Member have a doubt or a question about a particular private bill, he can get assistance from objectors, their clerks, or from the Member who introduced the bill.

The great volume of private bills and the desire to have an opportunity to study them carefully before they are called on the Private Calendar has caused the six objectors to agree upon certain ground rules. The rules limit consideration of bills placed on the Private Calendar only shortly before the calendar is called. The agreement adopted on June 3, 1958, the members of the Majority Private Calendar Objectors Committee have agreed that during the 99th Congress, they will consider only those bills which have been on the Private Calendar for a period of 7 days, excluding the day the bill is reported and the day the calendar is called. Reports must be available to the objectors for 3 calendar days.

It is agreed that the majority and minority clerks will not submit to the objectors any bills which do not meet this requirement.

This policy will be strictly enforced except during the closing days of a session when House rules are suspended.

This agreement was entered into by: The gentleman from Massachusetts [Mr. BOLAND], the gentleman from Minnesota [Mr. OBERSTAR], the gentleman from Virginia [Mr. BOUCHER], the

gentleman from Wisconsin [Mr. SENSENBRENNER], the gentleman from Colorado [Mr. BROWN] and the gentleman from Ohio [Mr. DEWINE].

I feel confident that I speak for my colleagues when I request all Members to enable us to give the necessary advance consideration to private bills, by not asking that we depart from the above agreement unless absolutely necessary.

EDWARD P. BOLAND,
JAMES L. OBERSTAR,
FREDERICK C. BOUCHER,
F. JAMES SENSENBRENNER, JR.,
HANK BROWN,
MICHAEL DEWINE,
Members of Congress.●

PERSONAL EXPLANATION

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Florida [Mr. PEPPER] is recognized for 5 minutes.

● Mr. PEPPER. Mr. Speaker, I was unavoidably absent for the vote agreeing to the Speaker's approval of the Journal yesterday, May 8, 1985, roll No. 99. Had I been present for this vote approving the Journal by a vote of 259 yeas to 157 nays, I would have voted "aye."●

CURRENT LEVEL OF SPENDING AND REVENUES FOR FISCAL YEAR 1985

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from South Carolina [Mr. DERRICK] is recognized for 5 minutes.

● Mr. DERRICK. Mr. Speaker, on behalf of Chairman WILLIAM H. GRAY III, pursuant to the procedures of the Committee on the Budget and section 311(b) of the Congressional Budget Act of 1974, I am submitting the official letter to the Speaker advising him of the current level of spending and revenues for fiscal year 1985. There have been no changes since the last report to the House, but I am submitting a report stating such.

The current level is used to compare enacted spending after the start of a fiscal year with the aggregate ceiling on budget authority, outlays, and revenues established in a second budget resolution and enforced by point of order pursuant to section 311(a) of the act. The term current level refers to the estimated amount of budget authority, outlays, entitlement authority, and revenues that are available—or will be used—for the full fiscal year in question based only on enacted law.

As with last year, the procedural situation with regard to the spending ceiling is affected this year by section 4(b) of House Concurrent Resolution 280. Enforcement against possible breaches of the spending ceiling under section 311(a) of the Budget Act will not apply where a measure would not cause a committee to exceed its "appropriate allocation" made pursuant to section 302(a) of the Budget Act. In the House, the appropriate 302(a) allocation includes "new discretionary budget authority" and "new entitlement authority" only. It should be noted that under this procedure neither the total level of outlays nor a committee's outlay allocation is considered. This exception is only provided because an automatic budget resolution is in effect and will cease to apply if Congress revises the budget resolution for fiscal year 1985.

The intent of the section 302(a) "discretionary budget authority" and "new entitlement authority" subceiling provided by section 4(b) of the resolution is to protect a committee that has stayed within its own spending allocation—discretionary budget authority and new entitlement authority—from points of order if the total spending ceiling has been breached for reasons outside of its control. The 302(a) allocations to House committees made pursuant to the conference report on House Concurrent Resolution 280 were printed in the CONGRESSIONAL RECORD, September 25, 1984, H. 10190 [daily edition] (H. Rept. 98-1079, page 32).

As Chairman of the Budget Process Task Force, and on behalf of Chairman GRAY, I intend to keep the House informed regularly on the status of current level.

COMMITTEE ON THE BUDGET,
Washington, DC, May 9, 1985.

Hon. THOMAS P. O'NEILL, Jr.,
Speaker, U.S. House of Representatives, Washington, DC.

DEAR MR. SPEAKER: On January 30, 1976, the Committee on the Budget outlined the procedure which it had adopted in connection with its responsibilities under Section 311 of the Congressional Budget Act of 1974 to provide estimates of the current level of revenues and spending.

Pursuant to Committee Rule 10, I am herewith transmitting the status report under H. Con. Res. 280, the First Concurrent Resolution on the Budget for Fiscal Year 1985. This report reflects the adopted budget resolution of October 1, 1984, and the current CBO estimates of budget authority, outlays, and revenues.

As with last year, the procedural situation with regard to the spending ceiling is affected this year by Section 4(b) of H. Con. Res. 280. Enforcement against possible breaches of the spending ceiling under Section 311(a) of the Budget Act will not apply where a measure would not cause a committee to exceed its "appropriate allocation" made pursuant to Section 302(a) of the Budget Act. In the House, the appropriate 302(a) allocation includes "new discretionary budget authority" and "new entitlement authority" only. It should be noted that under this procedure neither the total level of outlays nor a committee's outlay allocation is considered. This exception is only provided because an automatic budget resolution is in effect and will cease to apply if Congress revises the budget resolution for fiscal year 1985.

The intent of the Section 302(a) "discretionary budget authority" and "new entitlement authority" subceiling provided by Section 4(b) of the resolution is to protect a committee that has stayed within its spending allocation—discretionary budget authority and new entitlement authority—from points of order if the total spending ceiling has been breached for reasons outside of its control. The 302(a) allocations to House committees made pursuant to the conference report on H. Con. Res. 280 were printed in the Congressional Record, September 25, 1984, H. 10190 (H. Rept. 98-1079, page 32).

The attached tables compare actual legislation to each committee's 302(a) allocation of discretionary budget authority and of new entitlement authority.

With best wishes,

Sincerely,

WILLIAM H. GRAY III,
Chairman.

REPORT TO THE SPEAKER OF THE U.S. HOUSE OF REPRESENTATIVES FROM THE COMMITTEE ON THE BUDGET ON THE STATUS OF THE FISCAL YEAR 1985 CONGRESSIONAL BUDGET ADOPTED IN H. CON. RES. 280

REFLECTING COMPLETED ACTION AS OF MAY 8, 1985

[In millions of dollars]

	Budget authority	Outlays	Revenues
Appropriate Level	1,021,350	932,050	750,900
Current Level	1,015,965	933,359	750,739
Amount under ceilings	5,385		
Amount over ceilings		1,309	
Amount under floor			161

BUDGET AUTHORITY

Any measure providing budget or entitlement authority which is not included in the current level estimate and that exceeds $5,385 million for fiscal year 1985, if adopted and enacted, would cause the appropriate level of budget authority for that year as set forth in H. Con. Res. 280 to be exceeded.

OUTLAYS

Any measure providing budget or entitlement authority which is not included in the current level estimate in outlays for fiscal year 1985, if adopted and enacted, would cause the appropriate level of outlays for that year as set forth in H. Con. Res. 280 to be exceeded.

REVENUES

Any measure that would result in a revenue loss for fiscal year 1985, if adopted and enacted, would cause revenues to be less than the appropriate level for that year as set forth in H. Con. Res. 280.

FISCAL YEAR 1985 BUDGET AUTHORITY—COMPARISON OF CURRENT LEVEL AND BUDGET RESOLUTION ALLOCATION BY COMMITTEE

[In millions of dollars]

	Current level budget authority
House committee:	
Total current level	−5,385
Appropriations Committee: Discretionary	(−4,497)
Authorizing committee—Discretionary action:	
Agriculture	(−90)
Armed Services	(+276)
Banking, Finance, and Urban Affairs	(.....)
District of Columbia	(*)
Education of Labor	.....
Energy and Commerce	(−4)
Foreign Affairs	(.....)
Government Operations	(.....)
House Administration	(.....)
Interior and Insular Affairs	(+2)

FISCAL YEAR 1985 BUDGET AUTHORITY—COMPARISON OF CURRENT LEVEL AND BUDGET RESOLUTION ALLOCATION BY COMMITTEE—Continued

[In millions of dollars]

	Current level budget authority
Judiciary	(+50)
Merchant Marine and Fisheries	(+15)
Post Office and Civil Service	(+1)
Public Works and Transportation	(−713)
Science and Technology	(....)
Veterans' Affairs	(....)
Ways and Means	(+50)

[1] Less than $1 million.

Note.—Committees are over (+) or under (−) their 302(a) allocation.

FISCAL YEAR 1985 NEW ENTITLEMENT AUTHORITY—COMPARISION OF CURRENT LEVEL AND BUDGET RESOLUTION ALLOCATION BY COMMITTEE

[In millions of dollars]

Committee	Allocation	Reported	Enacted
Agriculture		3,600	....
Appropriations		....	....
Armed Services	1,900	1,500	1,663
Banking, Finance and Urban Affairs		....	....
District of Columbia		1	1
Education and Labor	202	−306	....
Energy and Commerce		3	4
Foreign Affairs		....	....
Government Operations		....	....
Interior and Insular Affairs		1	1
Judiciary		....	....
Merchant Marine and Fisheries		....	....
Post Office and Civil Service		....	....
Public Works and Transportation		....	....
Science and Technology		....	....
Small Business		....	....
Veterans Affairs	402	503	432
Ways and Means	40	254	201

U.S. CONGRESS,
CONGRESSIONAL BUDGET OFFICE,
Washington, DC, May 8, 1985.

Hon. WILLIAM H. GRAY III,
Chairman, Committee on the Budget, U.S. House of Representatives, Washington, DC.

DEAR MR. CHAIRMAN: Pursuant to section 308(b) and in aid of section 311(b) of the Congressional Budget Act, this letter and supporting detail provide an up-to-date tabulation of the current levels of new budget authority, estimated outlays and estimated revenues in comparison with the appropriate levels for those items contained in the most recently agreed to concurrent resolution on the 1985 budget (H. Con. Res. 280). This report for fiscal year 1985 is tabulated as of close of business April 3, 1985, and is based on assumptions and estimates consistent with H. Con. Res. 280. A summary of this tabulation is as follows:

[In millions of dollars]

	Budget authority	Outlays	Revenues
Current level	1,015,965	933,359	750,739
1985 budget resolution, H. Con. Res. 280	1,021,350	932,050	750,900
Current level is:			
Over resolution by	....	1,309	....
Under resolution by	5,385	....	161

Since my last report the Congress has cleared Appropriations for the MX Missile, H.J. Res. 181, urgent supplemental appropriations for Emergency Famine Relief and Recovery in Africa, H.R. 1239, and the Federal Supplemental Compensation Phaseout Act, H.R. 1866.

With best wishes,
Sincerely,

RUDOLPH G. PENNER.

PARLIAMENTARIAN STATUS REPORT—HOUSE SUPPORTING DETAIL, FISCAL YEAR 1985 AS OF CLOSE OF BUSINESS MAY 8, 1985

[In millions of dollars]

	Budget authority	Outlays
I. Enacted:		
Permanent appropriations and trust funds	651,994	579,636
Enacted previous session	543,411	534,273
Offsetting receipts	−184,669	−184,669
Enacted this session	....	....
Total enacted	1,010,735	929,240
II. Entitlement authority and other mandatory items requiring further appropriation action:		
Assistance payments	23	23
Black lung trust fund	25	25
Child support enforcement	82	82
Civilian agency pay raise allowance	777	803
Coast Guard pay raise allowance	25	23
Defense pay raise allowance	2,242	2,201
Defense claims	20	3
Family social services	20	20
Medicaid	7	7
Public Health Service officers retirement pay	3	....
Range improvements	2	2
Readjustment benefits	163	156
Salaries of judges	5	5
Student loans	498	....
Supplemental security income	5	....
Veterans compensation	389	241
Total	4,286	3,591
III. Continuing resolution authority	....	....
IV. Conference agreements ratified by both Houses:		
Appropriations for the MX missile (Public Law 99–18)	....	79
Famine relief and recovery in Africa (Public Law 99–10)	784	289
Federal supplemental compensation phaseout (Public Law 99–15)	160	160
Total	944	528
Total, current level as of May 8, 1985	1,015,965	933,359
1985 budget resolution, H. Con. Res. 280	1,021,350	932,050
Amount remaining:		
Over ceiling	....	1,309
Under ceiling	5,385	....

Note:—Detail may not add due to rounding.●

□ 1700

THE TAX FAIRNESS FOR FAMILIES ACT

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Indiana [Mr. COATS] is recognized for 60 minutes.

Mr. COATS. Mr. Speaker, I have asked time for this special order to highlight what I think is an extremely important issue before the Congress; one that we will be increasingly focusing on in the coming days and weeks, something that I hope my colleagues will pay a great deal of attention to, as many already have.

The subject is "Tax Fairness for Families." As we move into, I think the critical period of the discussions on tax reform, I think it is important that perhaps the one group in America that is least heard from in terms of the Tax Code and the impact of the Tax Code is the American family.

Each day as I walk from my office to the floor of the House of Representatives, I have to pass by the Ways and Means hearing room. Often, the halls are so full that is difficult to wend my way through on the way to the floor. Those halls are filled with some fairly well-paid, high-priced Washington lobbyists, there to lobby members of the Ways and Means Committee for special tax deductions for various interest groups.

Anyone who has just recently completed, as most of us have, our tax forms, this last April 15, knows how complicated and how difficult our Tax Code is. Anybody who has picked up the actual United States Code and looked at the tax provisions know that it consists of thousands and thousands of pages of materials, of deductions, of special interest provisions, accompanied by many more thousands of pages of regulations. Our Tax Code is complex to the point that very few people in our society can comprehend the various deductions and special privileges that are available for various special interest groups.

But the family does not stalk the Halls of Congress. It does not wait outside the Ways and Means Committee room; it does not have a voice as to whether or not it is being treated fairly under the Tax Code. I have had the great privilege in the last several months to be the Republican ranking member of the Children, Youth, and Family Committee, and as such, I have heard, not only in my position this last several months, but in the previous 2 years, as chairman of the Economic Security Task Force, heard testimony from families, and children, and youth from across this land as to the difficulties that our present-day families encounter.

It has become evident in those hearings that the average American family is finding it increasingly more difficult to bear the financial burdens of raising children. We have heard testimony from mothers, many of whom do not choose to be in the employment market, but out of economic necessity, find themselves working either part-time, or more often is the case, full-time, in the job market.

Mothers with small children at home that would prefer to be at home, particularly during those critical early years, early months of childhood, where the mother's presence is so needed and necessary, but, out of economic necessity, cannot do that.

We have heard from families where even with two incomes they have found that the cost of affording quality day care so their children can be taken care of when they have to work is prohibitively high.

These family difficulties, and all the accompanying family problems and social problems that result from economic difficulties within the family, are not caused, as we have found, by decreasing income, but rather are directly attributable to increasing tax

burdens on the average taxpayer in the family.

Over the past 3½ decades, median family income has increased dramatically; increased dramatically in real terms and in constant dollars. Since 1950, the median income for two-parent, one-earner families has increased more than 50 percent. For two-earner families, the median income has almost doubled. But the increase in Federal taxes for both the one-earner and the two-earner families has far outstripped the increases in income, making average families not income poor, but tax poor.

This dramatic increase was not legislated, but it came about rather because the personal exemption that is allowed to family members has not been indexed for inflation or for income growth, and as a result it has diminished greatly in value over this time period.

The personal exemption, which taxpayers take for themselves, their spouses, and their dependents, is the primary means that the Federal Government has of adjusting the tax burden according to the family's expenses for its children. Therefore, the failure to adjust the personal exemption for inflation has affected all taxpayers, but it has hurt families with children far more than any other group. I might add that the greater the number of children, the greater the tax impact has been on the family and the greater the amount of discrimination.

As I said, the personal exemption has not kept pace with either income growth or inflation growth. In 1948, the personal exemption was set by Congress at $600 for each taxpayer, spouse, and dependent. By 1979, this exemption had been raised to $1,000; a $400 increase over a substantial three-decade period. Finally, this personal exemption has been indexed for inflation, and in fact this year went up about $40 per taxpayer.

However, if the personal exemption had been indexed back to 1948, it today would be worth about $2,600. If it were to offset the same percentage of average income as it did in 1948, it would be worth $5,600. So it is this devaluation of the personal exemption that has caused a tremendous increase in the tax burden of the average family. Let us look at some of these percentages.

In 1950, when median family income was $3,319 and the exemption was $600, the personal exemption reduced the taxable income of the typical family of four by 72 percent. In 1983, the exemption reduces the taxable income of that same family by only 16 percent. In 1950, the median income family of four with one wage earner, paid 3.4 percent of its income in Federal taxes. Today, that same family pays 11.8 percent of its income in Federal taxes; a more than threefold increase.

This devaluation of the personal exemption has caused the Federal tax burden to shift disproportionately onto the backs of families with children.

For single persons and couples without children, because increases in exclusions from adjusted gross income and in itemized deductions and tax credits have offset the decreased value of the exemption, these persons face almost the same average effective tax rate in 1984 as they did in 1960. In other words, the single taxpayer or the married taxpayer and spouse without children are paying about the same average tax rate as they were in 1960.

In 1984, however, the average couple with two dependents had an effective tax rate of 43 percent higher than what they paid in 1960, and a couple with four dependents had an average tax rate 223 percent higher than what they paid in 1960.

So what have we seen? We have seen changes in the Tax Code effected so that the single taxpayer, the married taxpayer, and spouse without children, have been able to maintain a tax rate at about the same level as it was in 1960. But those families that have two children have an average tax increase of 43 percent; those with four children have an average tax increase of 223 percent. They have faced an increasingly difficult tax burden.

Was this discrimination intended? No; I do not think so. But it is the unintended consequence of the failure to index the personal exemption for increases in inflation and for increases in income growth. Therefore, our current Tax Code places a penalty on families with children. It means that for each additional child added to the family, that family has to bear a disproportionate share of the income tax burden.

The current personal exemption recognizes less than one-fourth of what the average family spends on its children, and only one-half of what it costs to raise a child in poverty. Let me illustrate that point.

The average cost of raising a child to 18 today in a middle-income family with two children, with wife employed, part-time, was estimated to be a little more than $84,000 a year in 1981.

□ 1710

Divide that by 18 and that works out to about $4,600 per child per year. The official U.S. poverty threshold is increased an average of $2,027 for each child added to a family, so what do we have here?

We have an indication from pretty reliable estimates that is costs more than $4,000 per child per year to raise children at home. We have official U.S. Government statistics that says for each additional child in a family, $2,027 is added to the poverty threshold level that is used for official statistical purposes and welfare benefit purposes. Yet, we have a Tax Code that only allows $1,000 exemption for each child, a Tax Code, then, that discriminates against a family with children.

This antifamily bias of this backdoor tax increase, unintended though it may have been, falls most heavily, interestingly enough, on those racial and ethnic groups which are also the most economically vulnerable groups.

I want to repeat this point, because it is important. We are not here talking necessarily about a white, suburban, two-child, four-person family. We are talking here about a situation where the burden of this tax inequity falls most heavily on racial and ethnic groups, which are the most economically vulnerable groups in our society today.

About 50 percent of all American families have children under 18 years of age, but 60 percent of black families and almost 70 percent of Hispanic families have children under 18 years of age. In 1960, 36 percent of all American families with children under 18 had three or more children. By 1983, that figure had dropped by more than a third, to 21 percent, as families are becoming smaller, as families are having fewer children.

But that is not the case with Hispanic families or with black families. In 1983, 31 percent of Hispanic families and 29 percent of black families in 1983 had three or more children.

It is this background, it is this 2½-year presentation of the burden of the Tax Code on the American family before our Committee on Children, Youth, and Families that has led us to look at ways in which we can address this inequity. We have seen the incidence and the problems of poverty and its effect on the American family. We have seen the struggles of the low income and the low to middle-income and the middle-income families as they attempt to meet and address the burdens of raising children from a financial standpoint. We have seen the difficulties of providing for those children because of increased costs of everything that children need across the board, the increase in clothes, and food, housing provisions, education, the things that we want to provide for our children and are necessary to provide for our children in raising a family today.

Yet, we have seen that family try to cope with that situation in an ever more difficult situation as that personal exemption has remained flat while the average tax rate for families with children has increased. For that reason, I was an early cosponsor of the Kemp-Kasten bill, the tax reform package introduced by the gentleman

from New York, Mr. KEMP, and Senator KASTEN, primarily because that bill, including all its other merits, places at its very center the whole concept of tax fairness for families by doubling the personal exemption from $1,000 a year to $2,000 a year.

I have had numerous occasions to speak with the gentleman from New York [Mr. KEMP] regarding this particular provision and know of his deep and abiding commitment to this principle, to the principle of raising the personal exemption from $1,000 to $2,000, and heard him just this morning in a news conference announce that that is one of two items that he will not compromise on in this whole tax reform process which we are now undergoing.

I have introduced a bill, H.R. 1551, the Tax Fairness for Families Act, which isolates on this particular question, and we hope, through this effort, to gather a coalition of support not only on the floor of the House of Representatives but across the country in support of tax fairness for families in raising the personal exemption from $1,000 to $2,000 per year. We want to make this a central part of tax reform.

I was pleased when the initial Treasury proposal also included the provision for the doubling of the personal exemption. I was both pleased and disappointed when the Bradley-Gephardt bill was introduced, because while it did provide for an increase in the personal exemption, it did not do so to the extent that I thought was necessary. The $2,000 level does not even bring the family to an equity position, although it goes a long way to restoring that equity position.

As I indicated earlier in my remarks, just indexing for inflation alone would require a level of $2,600 exemption, and if we tied that to growth and income, we are talking about several thousand dollars more. But we realize the political realities of what we are dealing with. We realize that we cannot redress the problem completely at one time, so we are doubling this from $1,000 to $2,000 and we want to make this a very central part of the entire tax reform process.

We think that these proposals can achieve tax fairness without increasing the deficit. Both the Kemp-Kasten proposal and Treasury-I proposal are revenue neutral; that is, they do not bring in more revenues than we currently have, nor do they take away from revenues that we currently have. I think this is an important component of tax reform. We do not want to use tax reform as a basis for dealing with the deficit because we realize the pitfalls that can result from that. We do not want to be accused of using tax reform as a guise for raising revenues for the Government, nor do we want to impact negatively on the current deficit that we have, so we have constructed these bills to be revenue neutral.

I am pleased to announce to my colleagues and to others that the provisions in the Kemp-Kasten bill and Treasury-I bill both call for a doubling of the personal exemption, yet do not impact negatively on the deficit. They are a pay-as-you-go type of process and I think bring about some basic fairness to the process.

I have more I want to say on this, but I notice that my colleague, the gentleman from Virginia [Mr. WOLF], is here and I would like to yield to him at this particular time.

Mr. WOLF. I want to thank the gentleman very much for yielding.

Mr. Speaker, I want to join the gentleman and thank him today for taking this special order to bring this important issue to the people of America.

Mr. Speaker, I would like to join my colleague today, in expressing concern about the tax burden on families. To address this issue I have joined as a cosponsor of H.R. 1551, the Tax Fairness for Families Act, introduced by Congressman DAN COATS.

A review of the statistics shows that the value of the personal exemption has decreased over the past 35 years. Even though the exemption rose from $600 in 1950 to $1,000 in 1984, it has not kept up with inflation. It would be worth nearly $5,600 today if it had done so.

As a member of the Select Committee on Children, Youth, and Families and a father, I think it is important to support the family, which is the basic component of American society, in any way we can. The figures I just mentioned contribute to my concern about the tax burden on families.

Families today have trouble making ends meet, buying homes, and raising their children with the standard of living they desire. These are difficult times for families; raising the personal deduction could assist families by making money available to families who need the cash to invest in their future.

I urge my colleagues to support a doubling of the personal exemption and to consider cosponsoring this legislation and to support all legislative efforts to relieve the financial burden on families.

□ 1720

So I want to urge all the people watching today, certainly those in Virginia and those in the other 49 States, to think seriously about this and to urge your Congressmen and your Senators to support this. This legislation is very, very important to the future of the American family. As my colleague said, it does not have a negative impact on the deficit.

What are the figures? How does this work? Is it basically revenue-neutral based on the other changes?

Mr. COATS. That is correct. As I indicated before in my remarks, the idea is embodied in the Kemp-Kasten tax reform proposal. That is a revenue-neutral proposal, as is the initial Treasury proposal. In fact, the gentleman from New York [Mr. KEMP] is here, and he can explain it better than I can. I would be happy to yield to him. He is the gentleman who really grabbed onto this idea and made it a central part of the tax reform. He has carried the torch long and hard for the American family, and I greatly appreciate his efforts.

I also want to thank my colleague, the gentleman from Virginia [Mr. WOLF], who has served so diligently and faithfully on the Select Committee on Children, Youth, and Families, and who has been a voice for the family in this Congress. Your cosponsorship of H.R. 1551, the Tax Fairness for Families Act, and your outspoken work in favor of the family over a number of years has been very important to this institution and very important to the American family.

Mr. WOLF. Mr. Speaker, I thank the gentleman very much, and I want to commend him for taking this time. I thank him for his leadership on this issue.

As the ranking member on the Select Committee on Children, Youth, and Families, you are the Member who pushed this, and I am glad you did.

I want to say this about Congressman KEMP. His leadership in this area and, quite frankly, his leadership on all the tax issues, the indexing and the tax cuts we have had before, I think, has been such a help to the American family. Anybody watching today, I think, owes a tremendous debt of gratitude to Congressman JACK KEMP.

Mr. Speaker, I thank the gentleman for yielding.

Mr. COATS. Mr. Speaker, I thank the gentleman from Virginia [Mr. WOLF], and I am happy now to yield to the gentleman from New York [Mr. KEMP]. Again I wish to express my deep appreciation for his leadership and support on this most important issue.

Mr. KEMP. Mr. Speaker, I thank my colleague, the gentleman from Indiana, for yielding, and also for the kind words. I want to express my thanks not only for his words but also those of the gentleman from Virginia [Mr. WOLF], both of whom are good friends of mine and with whom I have had a very pleasant friendship. I salute him for the effort that he has made, and I salute you for the effort you have made, Congressman COATS, on the Select Committee on Children, Youth, and Families, for your concern about

this issue, and for your recognition that the keystone of our whole democratic system, our free society, is the family. What we do in Government to help encourage the family is very instrumental, not just to the survival of that institution, but also to the overall institution of democracy and freedom for America.

So if I put it in rather expansive terms, it is just because I join the gentleman from Indiana in believing that this is one of the most important issues in America today.

Someone said this morning—I think it was Beverly La Haye—at our press conference that if the family exemption had been indexed to inflation in 1946, today the exemption would be closer to $5,000 or $6,000, not the $1,000 at which it is presently set. We are raising it to $2,000.

That is a fundamental part of reform. It is a fundamental part of the Kemp-Kasten tax simplification plan. We also index it so that we do not see a devaluation of this family exemption in the future.

We used to look at children as an asset. Today in some cases the Government has treated children as a drain on the resources of our country. I particularly appreciate the leadership of the gentleman from Indiana because he has reminded us, if we needed reminding as parents, that children are not a drain on resources, they are a resource, not just for the family in terms of those intangible things that are important to our lives but also in terms of their own futures and their own ability to produce the good life for themselves and their new families. But it is very difficult to raise children, knowing that this exemption has not been indexed.

I think highlighting the issues and reminding ourselves of these very important ideas is extremely valuable to the deliberations, not just of the House of Representatives but also of the White House, because the President soon will make a decision on what type of a tax reform bill he will send up to Capitol Hill. And the Treasury plan, as highlighted in several of our newspapers, suggests that there will be an $1,800 exemption

□ 1730

I hope that this effort that we are making today and that which was made this morning in our press conference will remind our colleagues and the President that $2,000 is just the barest equity treatment of the family exemption, that indexing should be an institutionalized part of our tax system, not only on personal income, but on the exemption.

We have to make sure that whatever tax reform moves forward in the Congress that it is aimed at expanding the economy and creating jobs and the opportunity for people and families not only to remain together, but to rise on that ladder that we call the American dream.

Not only is the job important, but how you tax that job, how you tax that family, how you tax the future is incredibly important to those basic institutions so necessary to our country, to our freedoms, to our families, to our ability to see our children rise on the ladder of opportunity.

If a woman on welfare with two or three children were to leave welfare and take a job in America today the county, the State, and the Federal Government would take away the welfare benefits or at least reduce them sharply. Then her income would be taxed to a point where in many counties in the United States that family of four, held together by the barest and most meager access to income, would literally have to earn close to $18,000 of pretax income in order to get the equivalent of about $9,000 of transfer payment income on welfare, which is not taxed.

So we have created this terrible disincentive in our economy wherein we are taxing work at such a level that it is strangling the ability of men and women to get access to the income that is so necessary to their own lives and that of their families.

I hope some day the top tax rate in America is about 24 or 25 percent and no poverty-level family has to pay any Federal income tax and the personal exemption is $2,000 or $3,000 and indexed. Then we can get this country back on the right road, the right track to full implementation of the American dream, not just for working men and women, but for all those families who are relying on us in government to do something about the poverty trap, about the inability to send your children to school or to buy a home.

There are certain things upon which I will compromise. But the two things upon which I will not compromise are the personal exemption for families must be $2,000 and indexed.

Second, tax reform must be growth oriented. It must get this economy moving at such a high level of output and employment and productivity that we can raise the national income; we can get that tide rising that will lift those boats.

Mr. COATS. Well, Mr. Speaker, I thank the gentleman for his remarks and appreciate not only the gentleman's support, but his leadership on this important issue.

Two points I think are important to follow up on what Congressman KEMP has said. First is the point of compromise. There is as we get down to the crunch period here of tax reform, there is a lot of give and take. There are interests that want to be addressed and there are, as the gentleman said, a heterogeneous composition here of this House floor that represent the 230 million-some people of this country and there are important interests; but on the question of who gives and who takes, it is important to remember that the $2,000 level that has been selected as the level at which the personal exemption ought to be set at is already a compromise level.

We are not fully redressing the inequities that exist toward the American family. We have not brought this to $2,600, as it would be if indexed for inflation, or $5,600, as it would be if it kept pace with income growth. The $2,000 is already a compromise. It is already a concession that we cannot go all the way.

So as I said, as we get into this process of giving and taking and fashioning a final package, it is extremely important that we not give in and compromise on the $2,000 level.

Mr. KEMP. Mr. Speaker, will the gentleman yield for one further comment?

Mr. COATS. I yield.

Mr. KEMP. I just saw the gentleman from Mississippi [Mr. LOTT] on the floor. It really is important for me at this point to express my thanks to TRENT LOTT, our minority whip, for his support of this bill and this effort. He is the original cosponsor of the Kemp-Kasten bill.

At the Republican Party Convention in Dallas, it was TRENT LOTT who helped build into our platform this $2,000 exemption and indexing for families. I personally want to thank him and appreciate his leadership.

When Senator KASTEN and I first introduced Kemp-Kasten last year, one of our chief concerns was to design a tax system that was profamily. A major flaw in the current Tax Code is its strong bias against investment in human capital. Over the years we have put in all kinds of tax loopholes to protect various groups from rising tax rates—but not the traditional family.

In many respects Kemp-Kasten was guided by asking how tax reform would affect the traditional family of modest means trying to raise children. We also wanted to protect senior citizens, the working poor, single people and two-earner couples; after all, a family doesn't stop being a family when the children grow up and the parents grow old.

I really believe that we succeeded in making Kemp-Kasten a profamily tax reform bill. In fact, it is the most favorable overall in its treatment of what might be called investment in human capital. With the family in mind, three of Kemp-Kasten's features are especially important:

First, there is a flat 24-percent tax rate on taxable income.

Second, we double the personal exemption to $2,000 for each taxpayer, spouse, and dependent—as well as the

extra exemption for the elderly, blind, and disabled.

Third, there is a new exclusion: In general, people can exclude 20 percent of their wages and salaries up to the amount on which they pay Social Security tax. The exclusion is phased out by adding back 20 percent of income in excess of the maximum Social Security wage base. This exclusion lowers the effective and marginal income tax rates on low- and middle-income Americans and helps offset the Social Security payroll tax, resulting in a smooth, almost flat total tax rate.

We also retain the current deductions for mortgage interest, real proerty taxes, charitable contributions, and catastrophic medical expenses, as well as the tax deferral of all kinds of retirement savings. We keep the exclusion for employer-provided health and life insurance. Many of the other tax preferences in the Tax Code are eliminated.

Kemp-Kasten also keeps indexing, which is especially crucial to lower- and middle-income taxpayers so that they are not forced to bear higher tax burdens because of inflation-induced bracket creep. Under Kemp-Kasten, the personal exemption, zero bracket amounts, employment income exclusion, and the earned income tax credit are all indexed for inflation.

This approach has several major advantages over progressive income tax rates. It allows a much higher tax-free income threshold than the other tax reform plans without greater cost. It also allows a lower marginal tax rate at the top. It substantially removes the unequal tax rates on labor and capital income, and results in a virtually flat combined income and payroll tax rate. Finally, it avoids shifting the tax burden like a pure flat income tax rate.

Let me explain these advantages by considering their effect on various taxpayers.

FAMILIES WITH CHILDREN

The drastic erosion of the personal exemption by inflation has caused taxes to rise almost twice as fast for families with children as for other taxpayers since World War II. Back in 1948, the personal exemption was $600; in constant dollars, it has shrunk to only $137, or to about one-fifth of its value almost 40 years ago. If the personal exemption had been indexed for inflation since 1948, it would be more than $2,500 today. Instead, it is only $1,040.

The value of the personal exemption depends not only on its size, but also on the nature of its deductibility. For example, the same $1,040 exemption under current law is worth $114 in the bottom tax bracket, but $520 in the top tax bracket.

The Bradley-Gephardt tax proposal increases the exemption for adults to $1,600, but reduces the exemption for dependent children from $1,040 in 1985 to $1,000 in 1986. Because of the higher bottom tax rate, the value of the exemption for each child rises from $114 to $140 a year, though Bradley-Gephardt repeals inflation-indexing. Since the Bradley-Gephardt plan allows the exemption only against the 14-percent bottom tax rate, the exemption is worth $140 for all taxpayers, including those in the 26-percent and 30-percent tax brackets. This represents a reduction of the tax value for the exemption in the top bracket from $520 to $140.

The personal exemption is worth $2,000 and indexed for inflation under both Kemp-Kasten and the Treasury plan. But because of the different rate structures, the effect of the $2,000 exemption is different under the Treasury plan than under Kemp-Kasten.

Under the Treasury plan, with tax rates of 15 percent, 25 percent, and 35 percent, the value of each exemption rises from $114 to $300 in the bottom tax bracket, and from $520 to $700 in the top tax bracket. Under Kemp-Kasten, all exemptions, deductions, exclusions, et cetera are worth 24 cents on a dollar. Therefore, the value of each child exemption for a low-income family more than quadruples, from $114 to $480 a year. At high incomes the value of the exemption remains about the same, $480 compared with the current $520. The increased value of the child exemption under Kemp-Kasten is concentrated at middle and low incomes where it is most needed.

THE WORKING POOR

Right now, families living in poverty pay rather stiff rates of Federal income tax. While the 1981 tax rate reductions helped to slow down the rising tax burden on the poor, high inflation and sharp increases in the Social Security payroll tax—the most regressive of all taxes—during the late 1970's hit the working poor especially hard.

Much of the worst impact of inflationary bracket creep has been felt by low-income families, who used to be exempt from income tax but have been swept onto the tax rolls by inflation. The poverty level in 1985 is $11,101 for a family of four—it probably will be more than $11,500 next year—while the income tax threshold for a family of four is $7,700—or $9,436 including the earned income tax credit. The tax disincentives are compounded because in many cases the disposable income obtainable through transfer payments for not working is almost as great as or even greater than after-tax wages at a comparable income. This is the famous poverty trap.

Kemp-Kasten addresses this problem in several ways. One way is to raise signifcantly the tax-free threshold of income. The income tax threshold for a family of four is raised to $11,800 under the Treasury plan, and $11,500 under Bradley-Gephardt. But under Kemp-Kasten, the tax-free level of income for a family of four is raised to $14,125. For a single taxpayer, the income tax threshold is $5,750 under Kemp-Kasten, compared with $4,800 under the Treasury plan, $4,600 under Bradley-Gephardt, and $3,430 under current law. Kemp-Kasten also raises the income tax threshold for a retired couple from $7,700 to $14,125, and for a retired single person from $4,470 to $8,250. The income tax threshold for a single parent with two dependents is increased from $8,375 to $10,750. This removes about 1.5 million of the lowest-income taxpayers from the tax rolls, and indexing will keep them off the rolls for as long as they are poor.

Another Kemp-Kasten change which cuts high effective marginal tax rates at low incomes is to modify the earned income credit. Under current law, the earned income credit is 11 percent of earned income up to $5,000. The maximum credit of $550 is phased out by reducing the credit by 12½ percent of income in excess of $6,500. This makes the credit disappear at $11,000.

Phasing out the credit adds a marginal tax rate of 12½ percent to the usual tax rate; and since the bottom income tax brackets overlap the phaseout range of the earned income tax credit, this can result in fairly high effective marginal tax rates at low incomes, under current law and under the other tax reform plans. For example, a single head of household earning $10,000 with one dependent faces a marginal income tax rate of 26 percent under current law and under Bradley-Gephardt, and 27 percent under the Treasury plan, plus the 7 percent payroll tax rate and the 50 percent to 75 percent effective marginal tax rates from foregoing transfer payments. This only makes it more difficult for low-income people to work their way out of poverty.

Kemp-Kasten reduces these effective marginal income tax rates by coordinating the earned income credit and the normal income tax thresholds. This approach increases work incentives at low incomes and supports intact families with children. Kemp-Kasten ties the percentage of the earned income tax credit to the combined employer/employee Social Security payroll tax. For 1986, this means that the credit is increased from 11 percent under current law to 14.3 percent. This explicitly recognizes that the earned income tax credit is not welfare, but a refund of taxes already paid by families who earn their own income.

Kemp-Kasten relates the maximum earned income tax credit for the first time to the size of a family. Under cur-

rent law, the credit is the same for a single parent with one child as for a family of three, four, five. Our new bill starts phasing out the credit at $4,500 for a family with one dependent, $5,000 for a family with two dependents, and $5,500 for a family with three or more dependents.

Because Kemp-Kasten phases out the earned income credit before taxpayers reach the bottom tax bracket, it keeps down the high marginal tax rates on the poor. The credit for two-person families is phased out at about $8,800, for three-person families at about $9,700, and for families with four or more persons at about $10,750. Though the credit is phased out somewhat sooner under Kemp-Kasten than under current law, the tax burden is lower in almost every case because the percentage is larger, and because Kemp-Kasten substantially raises the income tax threshold. Kemp-Kasten also indexes the earned income credit for inflation, for the first time, to help protect the poor from paying higher taxes because of inflation-driven increases in income.

Important as the poverty trap is, cutting high effective marginal tax rates alone will not magically cure poverty. The more we understand about the causes of poverty, the more we are drawn to the conclusion that it has at least as much to do with the stability of families as with after-tax income. While this question goes far beyond the realm of tax policy, I believe that the profamily aspects of Kemp-Kasten should be considered as an integral part of its antipoverty strategy.

WAGE-EARNERS

For many years upper-bracket taxpayers faced a higher tax rate on investment than on employment income. This distinction was removed in the 1981 tax bill. However, there still exists a distinction between labor and capital income at middle and lower incomes. Under current law—and the other tax reform plans—the payroll tax is added on top of the personal income tax rate for labor income, but not for capital income. Therefore, the tax rate on workers is higher than the tax rate on savers. This is true under current law and under all tax reform plans other than Kemp-Kasten.

Since the payroll tax base stops at about $40,000, the marginal tax rate on labor income can be higher at lower income levels than on upper-income taxpayers, under both current law and the other tax reform plans. Viewed by income level, the combined marginal tax rate structure above the income tax threshold behaves as follows. Under current law, the tax rate starts at 18 percent, rises to 41 percent, falls to 34 percent, then rises to 50 percent. The tax rate under Bradley-Gephardt starts at 21 percent, rises to 37 percent, then falls to 30 percent. The Treasury plan tax rate starts at 22 percent, rises to 42 percent, then falls to 35 percent. Under Kemp-Kasten, the income and payroll tax rates are coordinated, so that the tax rate starts at 26 percent for labor income, 24 percent for capital income, and ends at 28 percent for both.

MORE FAMILY ISSUES

Kemp-Kasten seeks to equalize the tax treatment among families in several ways. Both Bradley-Gephardt and the Treasury plan repeal the child care credit and replace it with a deduction for child care expenses, which generally helps only two-earner families with children below school age.

Kemp-Kasten repeals the credit and devotes the extra revenue, in effect, to helping all families with children by increasing the personal exemption. Compared with current law, this helps one-earner families with children more than two-earner families; but in general the Kemp-Kasten treatment is absolutely more favorable for all low- and moderate-income families than either Bradley-Gephardt or the Treasury plan.

For example, a family of four earning $15,000, with the second spouse earning a third of the income and child care expenses totaling 10 percent of the family's total income, pays Federal income tax in 1986 of $393 under current law, $475 under Bradley-Gephardt, $419 under the Treasury plan, and $168 under Kemp-Kasten. With only one earner and no child care expenses, the Federal tax is $868 under current law, $532 under Bradley-Gephardt, $480 under the Treasury plan, and $168 under Kemp-Kasten.

In this way, Kemp-Kasten equalizes the treatment of families with children, regardless of their parents' employment status. Any other approach seems to imply that the effort of the parent who stays at home to care for the children is worth less than if he or she worked outside the home. It does not seem fair to recognize the expense of earning a second income, but ignore the cost of giving up a second career, which often goes with the decision of a spouse to remain at home to raise the children.

At the same time, Kemp-Kasten removes a bias against two-earner couples, which exists under current law and the other major tax reform plans. A two-earner family with combined wages in excess of the Social Security payroll tax base pays a higher Social Security payroll tax and therefore a higher combined marginal tax rate than other taxpayers on the same income. Under Kemp-Kasten, two earner couples may figure out their 20-percent wage exclusions separately and add the two, if this results in a larger total exclusion. This offsets 5 of the 7 percentage-point increase in the combined marginal tax rate that occurs under current law and the other tax reform plans. In a sense, then, the Kemp-Kasten wage exclusion acts like a second-earner deduction for married couples.

The American family is the foundation of our society, and I believe that any tax reform plan will ultimately be judged on how well it helps American families in their daily lives to fulfill their hopes through their own efforts. We cannot have real tax reform and ignore our best and brightest investment—our children. Our children are our hope for the future—a promise that another generation will carry on the dreams and aspirations that we all share.

Children and the poor really have no high-powered lobbying firm to look after their interests. We must ensure that tax reform meets their needs and hopes for the future. In discussing the fate of this deduction or that credit, I hope that we all keep in mind the needs of the American family.

Mr. COATS. Well, Mr. Speaker, I appreciate those comments also. The gentleman from Mississippi was one of the first and earliest supporters of the Tax Fairness for Families Act and we have appreciated his support for this.

□ 1740

As I said earlier, the $2,000 level, it is important to remember, is already a compromise level. It only partially redresses the inequity that has existed since 1948 because the personal exemption has not been indexed.

The second point I think is important to reiterate was made by the gentleman from New York [Mr. KEMP]. That is the fact that our Tax Code historically has been based on some basic principles. The primary one was that people should be taxed according to their ability to pay. Two, that taxpayers with dependents have less ability to pay than those with equal income but without dependents. And, three, that persons in poverty should not be taxed.

Those are principles that were integral to the massive tax reform that took place in the 1960's. Yet because the personal exemption has been ignored since that time, because it has not been indexed, these principles are no longer reflected in our Tax Code as they relate to families, and families have disproportionately paid a higher tax than they should.

The gentleman from Ohio [Mr. KASICH] is also a cosponsor of this important piece of legislation.

Mr. KASICH. Will the gentleman yield?

Mr. COATS. I yield to the gentleman from Ohio [Mr. KASICH].

Mr. KASICH. I would like to rise in support of the legislation offered by the gentleman from Indiana, Congressman COATS. He really points out some very important facts when he

talks about the fact that the personal exemption has not been indexed as it should have been since 1948. And I am not going to attempt to go through all of the argument because I do not think anybody does it better than the gentleman from New York [Mr. KEMP].

But if we could one more time I think make the point that in 1948 Congress set the exemption at $600 and then in 1979 we increased the personal exemption to $1,000 as an attempt to offset inflation.

But the significant thing is if it had been indexed, in other words, starting in 1948, if we had taken into account inflation and made sure that the family or that individuals in that family, if every year their exemption was increased to make up for inflation, there was no real increase but simply an increase to make up for inflation as had been originally set in 1948, that exemption would be worth $2,600 a person today, in 1984.

So I think, as the gentleman, DAN COATS, says, we are not attempting in any way, shape, or form to give away the store here. What we are simply trying to do is the offset just part of the inflation that the American family has experienced over the years. And I think what is really something that is amazing is that in the middle 1960's the policymakers in this country basically agreed that we ought not to tax people who are either at the poverty line or below it, but literally today there are people who are at or below the poverty level who are paying taxes.

Now, we try to figure out ways in which to increase the incentives of people to work and I think Congressman COATS would agree that there are many people, many of our constituents, you go home and you say what can we do to give people more incentives to work. Well, you do not give people an incentive to work when, if they are struggling to try to get out of what Mr. KEMP calls the poverty trap and if they go out and earn their first dollar of income, they find themselves in a higher marginal or at a higher tax rate on the first dollar that they earn than those people who were at the highest levels of income in the country, you kill the incentive for people to go to work. It suddenly becomes not productive for them to go out and earn that first dollar in the private sector. And that is counterproductive to everything we believe in.

What we ought to be doing is encouraging people and giving them incentives, financial incentives to be able to get a job.

I personally believe that those people who are at or below the poverty line, who are not working, but want to work, I think it is in our best interests and in the best interests of the American spirit to give people an incentive and make it advantageous for them to have productive work and give them an opportunity to improve their lives, not tax them into the chains of poverty, because I think most people want to get out there and get that job.

It does not make sense to have a tax system that is counterproductive.

Of course the Treasury plan that the gentleman from New York [Mr. KEMP] referred to, and I know the gentleman from Indiana [Mr. COATS] has been talking about is a very critical plan because what it tries to do is to bring down marginal rates doubling that personal exemption so people can earn more, can be more productive at the lower levels, but also designed to make those people who pay nothing at the upper levels start to pay. But also to bring down that marginal rate.

Why do we want to do that? Why do we want to close the loopholes and bring down the marginal rate? Because we believe there is some rate at which people are taxed that produces the maximum amount of revenue. If you get above that rate you start to lose revenue. It is the old law of diminishing return that every farmer in America understands when they are trying to plant their crops.

There are only so many rows you can plant on an acre, just like there is only so much, there is some point, some level at which you start to lose revenue by raising taxes higher.

What we are trying to do is to bring that tax level down as low as possible to make sure that the incentives that we tried to put in the tax system in 1981 are enhanced so that we have greater productivity, greater earning capacity, and greater incentives in our tax system so that America can go forward. And doubling of this personal income tax exemption is critical. And I think everybody on this floor today that is here to talk on this legislation wants to send a clear message to the Treasury that we do not want any eating away or ebbing away at that $2,000 personal exemption as the family-oriented provision in that original Treasury bill. Do not take it away because we are simply going to fight you up here on Capitol Hill because we think that DAN COATS is right. DAN COATS was a leader in this area and I know DAN COATS is not going to give up the ship. And I am certainly going to be right there along with him as a Member, as one of the mates on that ship, to make sure that we preserve something that the American family needs, deserves, wants, and something that is going to build a stronger America.

I want to commend the gentleman for his hard work and let me tell you it takes a lot of work to put together something like this, to travel all over Capitol Hill promoting this, trying to lobby support among your colleagues, testifying at every opportunity you have, not on behalf of DAN COATS but on behalf of the American taxpayer and the most integral part of this country: the American family.

Again I want to commend the gentleman for his efforts.

Mr. COATS. I thank the gentleman from Ohio for his strong support and eloquent statement in support of the Tax Fairness for Families Act. And we are looking forward to the battle that lies ahead. Thirty-five Members have already signed up onto the Tax Fairness for Families Act. It was introduced today in the other body. It is gaining support there.

Families across America are finding out about this particular provision. You know, for years the family has silently paid their taxes believing that they were doing their fair share, only to find out now that because of this situation that exists with the personal exemption they were doing more than their fair share, only to find out that because they did not have a high paid Washington lobbyist working for them in the Halls of Congress, that special interest groups are receiving special deductions at the expense of the American family. And it was the family, the wage earner, the basic average American at home trying to make a living and raise his kids or her kids, they were the ones that were footing a disproportionate share.

Just since I have introduced this bill I have received in my office letters from 49 of the 50 States, people from all over the country, writing in and saying a number of interesting things about the Tax Fairness for Families Act. I would like to, if I could, just quote from a couple.

One lady from New York writes in and says:

> My husband needs the dignity of being able to bring home most of his pay and not stand in line for government surplus and other handouts. The tax exemption for his children should be * * * doubled. He should not have to pay the Federal deficit by himself.

We heard from a constituent from Ohio, the gentleman's State, Bay Village, OH:

> I never collected unemployment compensation in my life. When one job wasn't enough, I had to moonlight, and still care for the house and children. You see, I have no write-off for tax shelters or loopholes.

From Buckeye, AZ:

> I feel the time has come that we need our families to be considered. After all, the Constitution says "We, the people," not "We, the lobbyists."

From West Chester, PA:

> We have nine in our family. We barely skim by. We could qualify for a least reduced school lunches for our seven children, but we don't feel this is right or good, We are supposed to be close to poverty level but we pay all of those taxes.

Mr. KASICH. If the gentleman would yield, I think he makes a very

important point when he says that the taxpayers in this country, middle income, low income, taxpayers don't get tax breaks, that the tax breaks go to people who are at the top income levels and to the corporations in the country.

□ 1750

Now you know, I think DAN would have to agree with this. It sometimes does not sound like a Republican to talk about corporations that do not pay any taxes or people who are making fortunes and pay no taxes, but the simple fact of the matter is this party is changing and this individual, who is a conservative, I believe and have believed all along that this system ought to be made fair.

And those companies who buy and sell tax credits, major industries who have made billion and billions of dollars, who get refunds and do not pay one dime in taxes by manipulating this tax system, a lot of which was constructed by special interests in this Congress, in addition to that, individuals at the highest levels of income in this country who do not pay one dime in Federal income taxes and take advantage of all the loopholes.

What concerns me is, yes, there have to be some provisions in this tax law which encourage a strong America, that is what tax reform is all about; what we are trying to do is to close those loopholes that are simply just that, loopholes that allow people to avoid paying their fair share but do not build a stronger America, versus what we want to do with tax reform, which is to have incentives in that tax law that really contribute to a stronger America.

They may benefit an individual in getting a deduction but that deduction benefits everybody, not just the people at the top income levels, but those people at the middle and at the lower income levels.

So what this provision does is to say, "Hey, American taxpayer," not the one who has to be lobbying in the Halls of Congress, but the American family and those people at the lowest income levels, "we are going to give you what you deserve, which is to help catch you up to what you would have had if this personal exemption would have been indexed starting in 1948 like it was promised." They should be getting $2,600 in exemptions.

What they are going to get under this is $2,000 and it is a real, justifiable provision in this Tax Code.

So when we move to close the loopholes that do not go toward a strong America, but we move to preserve those exemptions that we believe make a strong economy and make a stronger America, we also ought to have a provision in there that makes for a stronger American family.

I think that is what this gentleman is all about and what the American people want and certainly ought to be the philosophy that we ought to be promoting.

I hope and pray that we do get a good tax reform bill that not only takes advantage of a tax system to build a stronger America on the corporate side, or helps build a stronger America with proper incentives for upper income Americans but also takes into account the middle and lower income Americans who make this country what it is.

Mr. Speaker, I appreciate the gentleman allowing me this time.

Mr. COATS. I thank the gentleman for his comments. He puts his finger precisely on the pulse and the mood of the average working American today. The responses that we have received in our office, the hundreds and thousands of responses we have received reflect exactly what the gentleman was saying.

If I may continue reading some of this, from Florida, and right to the point:

Thank you for your interest in helping take some of the burden off of the backs of the taxpayers that are not able to walk the Halls of the Capitol Building.

It seems to me it would be a great idea to help our children be able to afford to have children by doubling the exemption for dependents. If you pass H.R. 1551 maybe they can afford to marry and give me grandchildren.

That is from Patricia Heller Kelley. I am not exactly sure where she is from, but she is a lady looking for some grandchildren and wanting tax exemptions for her children.

If I may read on, from Newkirk, OK:

As a young couple with five children we desparately desire some sort of tax reform that will make it possible to have our own home someday.

From Missoula, MT:

I believe this bill is overdue but at least it is a start in the right direction.

From Coos Bay, OR:

I have no children of deductible age. I do recall how difficult it was from the 1950's as our family grew. We never seemed to have any more than barely enough from one month to the next. Because the situation has greatly worsened since those days my heart bleeds for the young families of today.

From Decatur, GA:

Thank you for standing tall for the traditional family.

From Yonkers, NY:

Thanks for speaking for those who are too busy providing basic needs as food, clothing, and shelter to lobby in Washington.

From Spencer, IN:

I do support your tax bill concerning the family. We have had six children. My husband has worked very hard as a truck driver trying to support the family, yet I needed to work out, too, to help and yet they were taking out more in taxes than I could earn.

I could go on and on. We have had hundreds and thousands of letters from people expressing the same basic point, that is that the working family today is suffering a tremendous burden in terms of raising the family and meeting its tax obligations.

Again, what are we asking for? A special break? A special deduction? No. What we are asking for is some basic fairness, some basic justice in our Tax Code that treats the American family as an important unit, that redresses an imbalance that has existed since the 1950's.

We are seeking not even to restore the personal exemption to the full measure of equity, but by merely doubling the personal exemption from $1,000 to $2,000, making it part of the basic tax reform to treat the American family as one of the most basic, one of the most special, one of the broadest and one of the most pervasive interests in this society today.

If we learned anything in our hearings in the Children, Youth and Families Committee, it is that the American family, No. 1, is in trouble today and, No. 2, is the absolute basic, bedrock portion of this society. It is absolutely essential that we do what we can to strengthen the family, to make the family whole, to keep the family from pulling apart.

We can do that in part by enacting Tax Fairness for Families, by supporting H.R. 1551, the Tax Fairness for Families Act, by making sure that it is incorporated in the tax reform proposals that come before this body, by making sure that those who are talking about tax reform and supporting it understand how basic and how important this concept is to true reform, and by making sure that most of us who support this concept hold fast and not compromise on this most important issue.

I want to thank the Members of Congress who have supported this legislation, those who took the time to help support this special presentation of this issue and, most importantly, those families across America who have taken the time to write expressing their support for H.R. 1551, the Tax Fairness for Families Act, and who are ready to stand shoulder to shoulder with us as we move forward into tax reform and bring about some basic equity and fairness to the American family.

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted to:

Mr. NEAL (at the request of Mr. WRIGHT), for today, on account of illness.

Mrs. LONG (at the request of Mr. WRIGHT) after 2 p.m. today, on account of official business.

Mr. LELAND (at the request of Mr. WRIGHT), after 1 p.m. today, on account of official business.

Mr. WEAVER (at the request of Mr. WRIGHT), for today, on account of illness.

SPECIAL ORDERS GRANTED

By unanimous consent, permission to address the House, following the legislative program and any special orders heretofore entered, was granted to:

Mr. BOEHLERT, for 60 minutes, May 14.

(The following Members (at the request of Mr. KANJORSKI) to revise and extend their remarks and include extraneous material:)

Mr. ANNUNZIO, for 5 minutes, today.
Mr. BOLAND, for 5 minutes, today.
Mr. PEPPER, for 5 minutes, today.
Mr. DERRICK, for 5 minutes, today.
Mr. GONZALEZ, for 60 minutes, today.

EXTENSION OF REMARKS

By unanimous consent, permission to revise and extend remarks was granted to:

Mr. AUCOIN, prior to the vote on the Hutto amendment in the Committee of the Whole today.

(The following Members (at the request of Mr. BOEHLERT) and to include extraneous matter:)

Mr. KOLBE in four instances.
Mr. LEACH of Iowa in three instances.
Mr. CHAPPIE.
Mr. BROOMFIELD in two instances.
Mr. LEWIS of California.
Mr. FRANKLIN.
Mrs. HOLT.
Mr. MYERS of Indiana.
Mr. EDWARDS of Oklahoma.
Mr. GEKAS.
Mr. RITTER in three instances.
Mr. DREIER of California.
Mr. KEMP in two instances.
Mr. COATS.
Mr. BEREUTER.
Mr. BARTLETT.

(The following Members (at the request of Mr. KANJORSKI) and to include extraneous matter:)

Mr. BORSKI in two instances.
Mr. MONTGOMERY in two instances.
Mr. FAZIO.
Mr. KANJORSKI.
Mr. STUDDS.
Mrs. SCHROEDER.
Mr. HEFTEL of Hawaii.
Mr. TRAFICANT.
Mr. ACKERMAN in two intances.
Ms. KAPTUR in two instances.
Mr. FRANK.
Mr. MOAKLEY in five instances.
Mr. RUSSO.
Mr. BOUCHER.
Mr. LUNDINE.
Ms. MIKULSKI.
Mr. LELAND.
Mr. BARNES.
Ms. OAKAR in two instances.
Mr. WALGREN in two instances.
Mr. FORD of Michigan.
Mr. BERMAN.
Mr. MURTHA.
Mr. EDGAR.
Mr. KILDEE in two instances.
Mr. HERTEL of Michigan in two instances.
Mr. STARK.
Mr. RANGEL.
Mr. WEISS.
Mr. WOLPE.
Mr. MAVROULES.
Mr. MILLER of California.
Mr. LANTOS.
Mr. HUBBARD.
Mr. FORD of Tennessee.
Mr. RAHALL.
Mr. SOLARZ.
Mr. ASPIN.

ADJOURNMENT

Mr. COATS. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 5 o'clock and 58 minutes p.m.) under its previous order, the House adjourned until Monday, May 13, 1985, at 11 a.m.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

1259. A letter from the Director, Office of Management and Budget, transmitting the cumulative report on rescissions and deferrals of budget authority as of May 1, 1985, pursuant to 2 U.S.C. 685(e) (H. Doc. No. 96-66); to the Committee on Appropriations and ordered to be printed.

1260. A letter from the Chairman, Federal Energy Regulatory Commission, transmitting a draft of proposed legislation to authorize the Federal Energy Regulatory Commission [FERC] to collect fees and charges for services, benefits, privileges, and authorizations granted in administering its regulatory programs, and for other purposes; to the Committee on Energy and Commerce.

1261. A letter from the Director, Office of Management and Budget, transmitting a draft of proposed legislation to integrate the Office of Federal Procurement Policy more closely with the Office of Management and Budget, to vest the duties and functions of the Administrator for Federal Procurement Policy in the Director of the Office of Management and Budget, and for other purposes; to the Committee on Government Operations.

1262. A letter from the Senior Vice President—Planning, Administration and Human Resources, Federal Home Loan Mortgage Corporation, transmitting an audited copy of the financial report on the Corporation's Employees' Pension Trust for the year ending December 31, 1983, pursuant to 31 U.S.C. 9503(a)(1)(B); to the Committee on Government Operations.

1263. A letter from the Secretary of Transportation, transmitting a draft of proposed legislation to amend the Urban Mass Transportation Act of 1964 to provide authorizations for appropriations and for other purposes; to the Committee on Public Works and Transportation.

1264. A letter from the Under Secretary, Department of Labor, transmitting a report on the expenditure and need for worker adjustment assistance training funds under the Trade Act of 1974, covering the fourth quarter of fiscal year 1984, pursuant to Public Law 93-618, section 236(a)(2) (95 Stat. 885); to the Committee on Ways and Means.

1265. A letter from the Director, Office of Management and Budget, transmitting a draft of proposed legislation to amend the Office of Federal Procurement Policy Act and the Small Business Act to increase the dollar threshold required for publicizing procurement notices in the "Commerce Business Daily" and raise the ceiling for reservation of small purchases for small business concerns; jointly, to the Committees on Government Operations and Small Business.

1266. A letter from the Secretary of Energy, transmitting a draft of proposed legislation to encourage the standardization of nuclear powerplants, to improve the nuclear licensing and regulatory process, to amend the Atomic Energy Act of 1954, and for other purposes; jointly, to the Committees on Interior and Insular Affairs and Energy and Commerce.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Ms. OAKAR: Committee on Post Office and Civil Service. H.R. 873. A bill to permit Employee Organizations, which are not eligible to participate in the Federal Employees Health Benefits Program solely because of the requirement that applications for approval be filed before January 1, 1980, to apply for approval to offer a health benefits plan; with amendments (Rept. No. 99-72). Referred to the Committee of the Whole House on the State of the Union.

Mr. HAWKINS: Committee on Education and Labor. House Concurrent Resolution 95. Resolution commemorating the 20th anniversary of Head Start (Rept. No. 99-73). Referred to the House Calendar.

Mr. HAWKINS: Committee on Education and Labor. House Concurrent Resolution 132. Resolution observing the 20th anniversary of the enactment of the Older Americans Act of 1965 (Rept. No. 99-74). Referred to the House Calendar.

Mr. JONES of North Carolina: Committee on Merchant Marine and Fisheries. H.R. 1406. A bill to authorize appropriations for nongame fish and wildlife conservation during fiscal years 1986, 1987, and 1988 (Rept. No. 99-75). Referred to the Committee of the Whole House on the State of the Union.

Mr. WOLPE: Committee on Foreign Affairs. H.R. 1460. A bill to express the opposition of the United States to the system of apartheid in South Africa, and for other purposes; with an amendment (Rept. No. 99-76, Pt. I). Ordered to be printed.

REPORTS OF COMMITTEES ON PRIVATE BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. SAM B. HALL, JR.: Committee on the Judiciary. H.R. 1529. A bill for the relief of Gerald M. Hendley (Rept. No. 99-77). Referred to the Committee of the Whole House.

Mr. SAM B. HALL, JR.: Committee on the Judiciary. H.R. 1783. A bill for the relief of Mary E. Stokes (Rept. No. 99-78). Referred to the Committee of the Whole House.

Mr. SAM B. HALL, JR.: Committee on the Judiciary. H.R. 1010. A bill for the relief of Audrey O. Lewis and Emerson B. Vereen (Rept. No. 99-79). Referred to the Committee of the Whole House.

PUBLIC BILLS AND RESOLUTIONS

Under clause 5 of rule X and clause 4 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. MINETA (for himself, Mr. STARK, Mr. PANETTA, and Mr. EDWARDS of California):

H.R. 2450. A bill to amend part A of title XVIII of the Social Security Act to restrict the time period within which a penalty for late enrollment can be imposed under that part; to the Committee on Ways and Means.

By Mr. GIBBONS (for himself, Mr. ANTHONY, Mr. BONKER, Mr. IRELAND, Mr. LOEFFLER, Mr. WILLIAMS, Mr. HUGHES, Mr. MOLLOHAN, Mr. MACKAY, Mr. AKAKA, Mr. LEWIS of California, Mr. KINDNESS, Mr. SPRATT, Mr. HEFTEL of Hawaii, Mr. ORTIZ, Mr. STARK, Mr. ROE, and Mr. GUARINI):

H.R. 2451. A bill to amend title VII of the Tariff Act of 1930 in order to apply countervailing duties with respect to resource input subsidies; to the Committee on Ways and Means.

By Mr. BATES (for himself, Mr. COELHO, Mr. MATSUI, Mr. BONIOR of Michigan, Mr. RICHARDSON, Mr. GARCIA, and Mr. MARTINEZ):

H.R. 2452. A bill to amend title 18, United States Code, to impose a criminal penalty for unjustified physical injury by a Federal law enforcement officer; to the Committee on the Judiciary.

By Mr. BIAGGI (for himself and Mr. KILDEE):

H.R. 2453. A bill to amend the Older Americans Act of 1965 to increase the amounts authorized to be appropriated for fiscal years 1985, 1986, and 1987 for commodity distribution; and for other purposes; to the Committee on Education and Labor.

By Mr. COATS (for himself, Mr. RITTER, Mr. FIELDS, and Mr. SCHAEFER):

H.R. 2454. A bill to amend the Railroad Unemployment Insurance Act to increase benefits and to increase the compensation base upon which contributions are computed, and for other purposes; jointly, to the Committees on Energy and Commerce and Ways and Means.

By Mr. CONYERS (for himself, Mrs. KENNELLY, Mr. GEKAS, Mr. EDWARDS of California, Mr. BERMAN, Mr. BOUCHER, Mr. SCHUMER, Mr. SMITH of Florida, Mrs. BOXER, Mr. DYMALLY, Mr. FAZIO, Mr. GRAY of Pennsylvania, Ms. KAPTUR, Mr. KILDEE, Mr. LEHMAN of Florida, Mr. LEVIN of Michigan, Mr. MARTINEZ, Mr. MITCHELL, Mr. MOODY, Mr. STUDDS, Mr. TORRICELLI, Mr. WOLPE, and Mr. GREEN):

H.R. 2455. A bill to provide for the collection of data about crimes motivated by racial, religious, or ethnic hatred; to the Committee on the Judiciary.

By Mr. FASCELL (for himself, Mr. BROOMFIELD, Mr. BERMAN, Mr. UDALL, Mr. HAMILTON, Mr. SOLARZ, Mr. STUDDS, Mr. BARNES, Mr. LANTOS, Mr. HYDE, Mr. LEACH of Iowa, Ms. SNOWE, and Mr. DORNAN of California):

H.R. 2456. A bill to amend the Arms Control and Disarmament Act in order to increase the authorization of appropriations for the fiscal year 1985, to extend the authorization of appropriations for the fiscal years 1986 and 1987, and for other purposes; to the Committee on Foreign Affairs.

By Mr. FAUNTROY:

H.R. 2457. A bill to authorize the Alpha Phi Alpha Fraternity to establish a monument in Washington, DC, to honor Martin Luther King, Jr.; to the Committee on House Administration.

By Mr. GRAY of Illinois (for himself, Mr. FOLEY, Mr. ALEXANDER, Mr. MICHEL, Mr. BENNETT, Mr. HERTEL of Michigan, Mr. STRATTON, Mr. DYSON, Mr. BUSTAMANTE, Mr. WHITEHURST, Mr. DANIEL, Mr. MONTGOMERY, Mr. FOGLIETTA, Mr. KRAMER, Mrs. BYRON, Mrs. LLOYD, Mr. HARTNETT, Mr. MAVROULES, Mr. ROSTENKOWSKI, Mr. BRUCE, Mrs. COLLINS, Mr. ANNUNZIO, Mr. LIPINSKI, Mr. HAYES, Mr. MADIGAN, Mr. HYDE, Mr. EVANS of Illinois, Mr. RUSSO, Mr. O'BRIEN, Mr. DURBIN, Mr. PORTER, Mr. YATES, Mr. HEFTEL of Hawaii, Mr. FAUNTROY, Mr. RODINO, Mr. ROSE, Mr. MYERS of Indiana, Mr. ROE Mr. PETRI, Mr. JACOBS, Mr. WILSON, Mr. COLEMAN of Texas, Mr. LAGOMARSINO, Mr. FORD of Michigan, Mr. DWYER of New Jersey, Mr. BERMAN, Mr. FROST, Mr. MANTON, Mr. LANTOS, Mr. JONES of North Carolina, Mr. BIAGGI, Mr. RANGEL, Mr. MATSUI, Mr. SUNIA, Mr. MARTINEZ, Mr. HUTTO, Mr. HOPKINS, and Mr. DE LA GARZA):

H.R. 2458. A bill to authorize joint military and civil use of Scott Air Force Base, IL, and to rename that base as the "Mel Price Air Force Base and Airport Illinois"; to the Committee on Armed Services.

By Mr. SAM B. HALL, JR.:

H.R. 2459. A bill to amend the act entitled "An Act granting a charter to the General Federation of Women's Clubs"; to the Committee on the Judiciary.

By Mr. HOWARD (by request):

H.R. 2460. A bill entitled: "The Fiscal Year 1986 HIghway Amendments Act"; to the Committee on Public Works and Transportation.

By Mr. HOWARD (for himself, Mr. ANDERSON, Mr. SNYDER, and Mr. SHUSTER) (by request):

H.R. 2461. A bill to approve the interstate cost estimate and permit the apportionment of funds authorized for fiscal year 1987; to the Committee on Public Works and Transportation.

By Mr. IRELAND:

H.R. 2462. A bill to recognize the Cabinet status of the Administrator of the Small Business Administration; to the Committee on Small Business.

By Mr. MOLINARI:

H.R. 2463. A bill to amend the Comprehensive Environmental Response, Compensation and Liability Act of 1980 to provide funding for certain health assessments, and for other purposes; jointly, to the Committees on Energy and Commerce and Public Works and Transportation.

By Mr. PASHAYAN:

H.R. 2464. A bill to amend the Agricultural Act of 1949 with respect to the Dairy Price-Support Program for the 1985 through 1989 fiscal years, and for other purposes; to the Committee on Agriculture.

By Mrs. SMITH of Nebraska:

H.R. 2465. A bill to provide additional market credit options for developing nations with expanding economies and to expand markets for U.S. agricultural commodities abroad, and for other purposes; jointly, to the Committees on Agriculture, Foreign Affairs, Ways and Means, Merchant Marine and Fisheries, and Energy and Commerce.

By Mr. STUDDS (for himself, Mr. JONES of North Carolina, Ms. MIKULSKI, and Mrs. BOGGS):

H.R. 2466. A bill to make miscellaneous changes in laws affecting the U.S. Coast Guard, and for other purposes; to the Committee on Merchant Marine and Fisheries.

By Mr. VALENTINE (for himself, Mr. DANIEL, Mr. JONES of North Carolina, Mr. NEAL, and Mr. HEFNER):

H.R. 2467. A bill to prohibit the Secretary of the Army from issuing certain permits in connection with a proposed water pipeline project until an environmental impact statement for that project has been completed; to the Committee on Public Works and Transportation.

By Mr. STANGELAND (for himself, Mr. ADDABBO, Mr. AKAKA, Mr. APPLEGATE, Mr. BADHAM, Mr. BARNES, Mr. BARTLETT, Mr. BEDELL, Mrs. BENTLEY, Mr. BERMAN, Mr. BIAGGI, Mr. BONER of Tennessee, Mr. BOSCO, Mr. BREAUX, Mr. BROOMFIELD, Mr. BRYANT, Mrs. BYRON, Mr. CALLAHAN, Mr. CARNEY, Mr. CHAPPIE, Mr. CLAY, Mr. COELHO, Mr. CONTE, Mr. CONYERS, Mr. COOPER, Mr. COUGHLIN, Mr. COYNE, Mr. CROCKETT, Mr. DANIEL, Mr. DANNEMEYER, Mr. DARDEN, Mr. DAUB, Mr. DAVIS, Mr. DEWINE, Mr. DICKINSON, Mr. DICKS, Mr. DIOGUARDI, Mr. DONNELLY, Mr. DYMALLY, Mr. DYSON, Mr. EMERSON, Mr. SHUMWAY, Mr. SYNAR, Mr. TAUKE, Mr. THOMAS of California, Mr. YOUNG of Missouri, Mr. TOWNS, Mr. SOLOMON, Mr. WILSON, Mr. WOLPE, Mr. WOLF, Mr. WORTLEY, Mr. WYDEN, Mr. WYLIE, Mr. YATES, Mr. GUNDERSON, Mr. HENRY, Mrs. HOLT, Mr. HORTON, Mr. HOYER, Mr. HYDE, Mr. JEFFORDS, Mr. JONES of Tennessee, Mrs. JOHNSON, Mr. JACOBS, Mr. KILDEE, Mr. HEFNER, Mr. KOLTER, Ms. KAPTUR, Mr. LANTOS, Mr. KASICH, Mr. LATTA, Mr. JENKINS, Mr. HARTNETT, Mr. LEHMAN of Florida, Mr. LEVIN of Michigan, Mr. LEWIS of California, Mr. LEWIS of Florida, Mr. HUBBARD, Mr. LUNGREN, Mr. MCDADE, Ms. OAKAR, Mr. NOWAK, Mr. OBERSTAR, Mr. ORTIZ, Mr. OWENS, Mr. PEPPER, Mr. PERKINS, Mr. PORTER, Mr. NICHOLS, Mr. RAHALL, Mr. RAY, Mr. ROBERTS, Mr. NELSON of Florida, Mr. ROE, Mr. ST GERMAIN, Mr. SAXTON, Mr. SCHEUER, Mr. SHELBY, Mr. SUNDQUIST, Mr. SWINDALL, Mr.

RODINO, Mr. SMITH of Florida, Mr. SAVAGE, Mr. SABO, Mr. TORRICELLI, Mr. VALENTINE, Mrs. VUCANOVICH, Mr. WALGREN, Mr. WAXMAN, Mr. WHEAT, Mr. WHITLEY, Mr. WHITTAKER, Mr. ROBERT F. SMITH, Ms. SNOWE, Mr. SNYDER, Mr. SPENCE, Mr. SPRATT, Mr. STENHOLM, Mr. STOKES, Mr. STRANG, Mr. THOMAS of Georgia, Mr. MCMILLAN, Mr. LUKEN, Mr. HOWARD, Mr. MADIGAN, Mr. MARTIN of New York, Mr. MICHEL, Mr. MCEWEN, Mr. MOAKLEY, Mr. KOSTMAYER, Mr. LUNDINE, Mr. MCGRATH, Mr. MOORHEAD, Mr. MURTHA, Mr. FLIPPO, Mr. FOGLIETTA, Mr. ROEMER, Mr. STALLINGS, Mr. STARK, Mr. DE LUGO, Mr. TRAFICANT, Mr. VOLKMER, Mr. FUSTER, Mr. PURSELL, Mr. ACKERMAN, Mr. WEAVER, Mr. LIGHTFOOT, Mr. HAMMERSCHMIDT, and Mr. FOLEY):

H.J. Res. 285. Joint resolution designating the week of May 11, 1985, through May 17, 1985, as "Handicapped Awareness Week"; to the Committee on Post Office and Civil Service.

By Mr. KOLBE (for himself, Mr. UDALL, Mr. MCCAIN, Mr. RUDD, and Mr. STUMP):

H. Con. Res. 145. Concurrent resolution recognizing the achievements and commemorating the centennial of the University of Arizona; to the Committee on Post Office and Civil Service.

By Mr. KOLBE (for himself, Mr. MCCAIN, Mr. OWENS, Mr. PENNY, Mr. HALL of Ohio, Mr. STARK, Mr. BONKER, Mr. MOODY, Mr. MAVROULES, Mr. FAUNTROY, Mr. WORTLEY, Mr. SAVAGE, Mr. MOAKLEY, Mr. MILLER of California, Mr. WYDEN, and Mr. MCKERNAN):

H. Con. Res. 146. Concurrent resolution to express the sense of the Congress that the executive branch should expeditiously release the remaining money appropriated by Congress under Public Law 98-473 for the Special Supplemental Food Program for Women, Infants, and Children; jointly, to the Committees on Appropriations and Education and Labor.

By Mr. LEVINE of California (for himself, Mr. FISH, Mr. GILMAN, Mr. LEACH of Iowa, Mr. SOLARZ, Mr. WHEAT, Ms. FIEDLER, Mr. KASTENMEIER, Mr. WYDEN, Mr. BEILENSON, Mr. STOKES, Mr. BORSKI, Mr. DELLUMS, Mr. SCHUMER, Mr. CLINGER, Mr. BERMAN, Mr. FEIGHAN, Mr. FAUNTROY, Mr. FRANK, Mr. MCKINNEY, Mr. FROST, Mr. JEFFORDS, Mr. SABO, Mrs. BOXER, Mr. HAWKINS, Mr. ROE, Mr. OBERSTAR, Mr. HAYES, Mr. MORRISON of Connecticut, Mr. HEFTEL of Hawaii, Mr. SEIBERLING, Mr. SCHEUER, Mr. MINETA, Mr. MOAKLEY, Mr. LUNDINE, Mr. CONYERS, Mr. MITCHELL, Mr. WAXMAN, Mr. MARKEY, Ms. KAPTUR, Mr. NEAL, Mr. OWENS, Mr. FRENZEL, Mr. DURBIN, Mr. EDGAR, Mr. BRYANT, Mr. WEISS, Mr. LOWRY of Washington, Mr. PEPPER, Mr. FAZIO, Mr. KOSTMAYER, Mr. BEDELL, Mr. HALL of Ohio, Mr. SAVAGE, Mrs. SCHNEIDER, Mr. WILSON, Mr. KOLTER, Mr. RICHARDSON, Mr. GARCIA, and Mr. SMITH of Florida):

H. Res. 166. Resolution expressing the sense of the House of Representatives with respect to ratification of the Convention on the Prevention and Punishment of the Crime of Genocide; to the Committee on Foreign Affairs.

By Mr. LEWIS of California:

H. Res. 167. Resolution to condemn the actions of the Sandinista regime in Nicaragua; to the Committee on Foreign Affairs.

MEMORIALS

Under clause 4 of rule XXII,

120. The SPEAKER presented a memorial of the Legislature of the State of Tennessee, relative to the Tennessee Valley Authority; to the Committee on Public Works and Transportation.

ADDITIONAL SPONSORS

Under clause 4 of rule XXII, sponsors were added to public bills and resolutions as follows:

H.R. 21: Mr. FROST, Mr. SMITH of Florida, Mr. HEFTEL of Hawaii, and Mr. FRENZEL.

H.R. 26: Mr. MURPHY, Mr. PERKINS, and Mr. FAZIO.

H.R. 44: Mr. OBEY.

H.R. 147: Ms. SNOWE and Mr. EDWARDS of Oklahoma.

H.R. 343: Mr. DELAY and Mr. PACKARD.

H.R. 362: Mr. ORTIZ, Mr. COLEMAN of Texas, and Mr. FORD of Tennessee.

H.R. 528: Mr. FAZIO and Mr. TAYLOR.

H.R. 537: Mr. GRAY of Pennsylvania.

H.R. 604: Mr. COATS, Mr. LEWIS of California, Mr. SCHUETTE, Mr. HAMMERSCHMIDT, Mr. LOWERY of California. Mr. O'BRIEN, Mr. SMITH of Florida, Mr. BURTON of Indiana, and Mr. GREGG.

H.R. 864: Mr. TRAFICANT and Mr. JEFFORDS.

H.R 994: Ms. FIEDLER.

H.R. 1000: Mr. BEDELL.

H.R. 1081: Mrs. BENTLEY.

H.R. 1111: Mr. BILIRAKIS.

H.R. 1124: Ms. KAPTUR.

H.R. 1161: Mr. WISE.

H.R. 1188: Mr. MCEWEN, Mr. VALENTINE, Mr. BUSTAMANTE, Mr. ROBERTS, Mr. MCCOLLUM, Mr. SAXTON, Mr. MAVROULES, Mrs. HOLT, Mr. BURTON of Indiana, Mr. HATCHER, Mr. MURTHA, Mr. BONER of Tennessee, Mr. HUGHES, Mr. GALLO, Mr. PENNY, Mr. BEVILL, Mr. BARNES, Mr. SMITH of Iowa, Mr. ALEXANDER, Mr. WILSON, Mr. SCHUETTE, Mr. CHAPPELL, Mrs. BOGGS, Mr. COLEMAN of Texas, Mr. GINGRICH, Mr. LUJAN, Mr. MCKINNEY, Mr. HYDE, Mr. JEFFORDS, Mr. MORRISON of Washington, Mr. DIOGUARDI, Mr. BEREUTER, and Mr. EDGAR.

H.R. 1205: Mr. YOUNG of Alaska, Ms. MIKULSKI, Mr. ECKART of Ohio, Mr. WORTLEY, and Mr. CLINGER.

H.R. 1310: Mr. FISH and Mr. KOLBE.

H.R. 1348: Ms. KAPTUR, Mr. SEIBERLING, Mr. MORRISON of Connecticut, Mr. MATSUI, and Mr. FAZIO.

H.R. 1375: Mr. FLIPPO, Mr. SMITH of Florida, Mr. FORD of Tennessee, Mr. FEIGHAN, and Mr. FAUNTROY.

H.R. 1376: Mr. MARTINEZ.

H.R. 1385: Mr. MONSON.

H.R. 1534: Mr. WILLIAMS, Mr. AKAKA, Mr. SIKORSKI, Mr. RAHALL, Mr. YOUNG of Alaska, Mr. CLAY, Mr. UDALL, Mr. DE LUGO, Mr. YATRON, and Mr. WOLF.

H.R. 1572: Mrs. LLOYD, Ms. KAPTUR, and Mr. EDGAR.

H.R. 1587: Mr. HOYER and Mr. MORRISON of Washington.

H.R. 1612: Mr. OXLEY, Mr. BEVILL, Mr. MOORE, and Mr. DORGAN of North Dakota.

H.R. 1648: Mr. HUCKABY, Mr. MONTGOMERY, Mr. DOWDY of Mississippi, Mr. OBERSTAR, Mr. MOLLOHAN, Mr. FORD of Michigan, Mr. LELAND, Mr. WILSON, Mr. BROOKS, Mr. TAYLOR, Mr. HEFNER, and Mr. WOLPE.

H.R. 1650: Mr. HEFTEL of Hawaii, Mr. WOLPE, Mr. WEISS, Mr. VENTO, Mr. DARDEN, Mr. PICKLE, Mr. ROEMER, and Mr. TORRES.

H.R. 1759: Mr. CROCKETT.

H.R. 1763: Ms. SNOWE, Mr. THOMAS of California, Mr. LAGOMARSINO, Mr. BLILEY, Mr. BILIRAKIS, and Mr. LOTT.

H.R. 1809: Mr. HAWKINS, Mr. LEHMAN of Florida, and Mr. BIAGGI.

H.R. 1908: Mr. DAUB, Mr. BURTON of Indiana, and Mrs. LLOYD.

H.R. 1946: Mr. ARMEY, Mr. BENNETT, Mrs. BENTLEY, Mr. BLILEY, Mr. CHAPPIE, Mr. DAUB, Mr. DIOGUARDI, Mr. DORNAN of California, Mr. LAGOMARSINO, Mr. PORTER, Mr. RUDD, Mr. SHUMWAY, and Mr. WEBER.

H.R. 1965: Mr. BLILEY, Mr. DAVIS, Mr. GEKAS, and Mr. KINDNESS.

H.R. 1980: Mr. GONZALEZ.

H.R. 2013: Mr. HUNTER, Mr. SMITH of Florida, Mr. RAHALL, Mr. AKAKA, Mr. ROE, Mr. WILSON, Mr. DORNAN of California, Mr. LAFALCE, Mr. STRANG, Mr. STOKES, Mr. WHEAT, Mr. MATSUI, Mr. ROEMER, Mr. KINDNESS, Mr. ADDABBO, Ms. MIKULSKI, Mr. FAZIO, Mr. GUARINI, and Ms. KAPTUR.

H.R. 2014: Mr. FAUNTROY, Mr. SMITH of Florida, Mr. LAGOMARSINO, Mr. AKAKA, Mr. LELAND, Mr. FASCELL, Mr. LEVINE of California, Mr. EDWARDS of California, Mr. ROE, Mr. MITCHELL, Mr. MINETA, Mr. DORNAN of California, Mr. PARRIS, Mr. LAFALCE, Mr. SAVAGE, Mr. TORRES, Mr. SEIBERLING, Mr. MURPHY, Mr. MATSUI, Mr. WHEAT, Mrs. BOXER, Mr. FROST, Mr. ROSE, Ms. MIKULSKI, Mr. FAZIO, Mr. DIOGUARDI, and Ms. KAPTUR.

H.R. 2034: Mr. FAZIO, Mr. DORNAN of California, and Ms. KAPTUR.

H.R. 2069: Mr. COATS, Mr. LANTOS, Mr. RICHARDSON, Mr. AKAKA, Mr. TORRICELLI, Mr. MARLENEE, Mr. KOLBE, Mr. LOWERY of California, Mr. COUGHLIN, Mr. SMITH of New Jersey, Mr. NOWAK, Mr. LEHMAN of California, Mr. SCHUETTE, and Mr. ANDERSON.

H.R. 2119: Mr. BATEMAN, Mr. FUQUA, Mr. SMITH of New Jersey, Mr. STENHOLM, Mr. DASCHLE, Mr. BONIOR of Michigan, Mr. EVANS, of Illinois, Mr. ARMEY, Mr. WORTLEY, and Mr. MARTINEZ.

H.R. 2124: Mr. FLORIO, Mr. OBERSTAR, Mr. LEHMAN of Florida, Mr. MITCHELL, Mr. MRAZEK, Mr. EVANS of Illinois, Mr. MAZZOLI, Mr. HAYES, Mr. SCHUMER, Mrs. COLLINS, Mr. FAUNTROY, Mr. ROE, Mr. PENNY, Mr. STOKES, Mr. LUNDINE, Mr. SCHEUER, Mr. CONYERS, Ms. KAPTUR, Ms. MIKULSKI, Mr. ECKART of Ohio, Mr. BEILENSON, Mr. PANETTA, Mr. LEVIN of Michigan, Mr. MOODY, Mr. FROST, Mr. RANGEL, Mr. DOWNEY of New York, Mr. DIXON, and Mr. MCKINNEY.

H.R. 2170: Mr. SWINDALL.

H.R. 2205: Mr. AKAKA, Mr. BARNES, Mr. BEVILL, Mr. DE LA GARZA, Mr. DEWINE, Mr. DORNAN of California, Mr. FAZIO, Mr. FRANK, Mr. IRELAND, Mr. KINDNESS, Mr. MADIGAN, Mr. MATSUI, Mr. MCGRATH, Ms. MIKULSKI, Mr. MOODY, Mr. ROE, and Mr. TORRES.

H.R. 2211: Mr. WYDEN, Mr. MONTGOMERY, Mr. GLICKMAN, Mr. RICHARDSON, Mr. SKELTON, and Ms. KAPTUR.

H.R. 2277: Mr. SMITH of Iowa, Mr. EVANS of Iowa, Mr. CRAIG, Mr. STRANG, Mr. KEMP, Mr. NIELSON of Utah, and Mr. MYERS, of Indiana.

H.R. 2401: Mr. FAZIO, Mrs. BURTON of California, Mr. MORRISON of Connecticut, Mr. TALLON, Mr. MIKULSKI, Mr. COEHLO, Mr. FASCELL, Mr. TOWNS, Mr. ST GERMAIN, Mr. WEISS, Mr. FAUNTROY, and Mr. MARTINEZ.

H.J. Res. 41: Mrs. KENNELLY, and Mr. WOLPE.

H.J. Res. 101: Mr. KOSTMAYER.

H.J. Res. 105: Mr. MCHUGH, Mr. MOODY, Mrs. ROUKEMA, Mr. TALLON, and Mr. WOLPE.

H.J. Res. 127: Mr. DIOGUARDI.

H.J. Res. 145: Mr. JEFFORDS, Mr. GUARINI, Mr. WAXMAN, Mrs. BYRON, and Mr. CARNEY.

H.J. Res. 182: Mr. FAZIO, Mr. BADHAM, Mr. LANTOS, Mr. RINALDO, Mr. FLIPPO, Mr. FRENZEL, and Mr. NICHOLS.

H.J. Res. 193: Mr. MAZZOLI, and Mr. CLAY.

H.J. Res. 204: Mr. AKAKA, Mr. AUCOIN, Mr. BOEHLERT, Mrs. BOGGS, Mr. BROOMFIELD, Mr. CAMPBELL, Mr. CHAPPIE, Mr. CHENEY, Mr. COELHO, Mr. COLEMAN of Texas, Mr. CONTE, Mr. DELLUMS, Mr. DORGAN of North Dakota, Mr. EDWARDS of Oklahoma, Mr. EMERSON, Mr. ENGLISH, Mr. EVANS of Iowa, Mr. FRANK, Mr. FRENZEL, Mr. GAYDOS, Mr. HOPKINS, Mr. JONES of Tennessee, Mr. KASICH, Mr. KASTENMEIER, Mr. LEACH of Iowa, Mr. LEWIS of California, Mr. MCHUGH, Mr. MARKEY, Mr. MINETA, Mr. MITCHELL, Mr. RUDD, Mrs. SCHROEDER, Mr. SILJANDER, Mr. SMITH of New Jersey, Mr. SOLOMON, Mr. THOMAS of California, Mr. UDALL, Mr. WALKER, Mr. WOLPE, Mr. ZSCHAU, Mr. FAUNTROY, Mr. JACOBS, Mrs. MARTIN of Illinois, and Mr. LUNDINE.

H.J. Res. 266: Mr. LIGHTFOOT, Mr. DIOGUARDI, Mr. HYDE, Mr. SABO, Mr. GRADISON, Mr. ROBERT F. SMITH, Mr. MCMILLAN, Mr. MINETA, Mr. WYDEN, Mr. FAZIO, Mr. STANGELAND, and Mr. GREEN.

H.J. Res. 270: Mr. ACKERMAN, Mr. AUCOIN, Mr. BEILENSON, Mr. BERMAN, Mr. BRYANT, Mrs. BURTON of California, Mr. BUSTAMANTE, Mr. CONTE, Mr. DIOGUARDI, Mr. DORNAN of California, Mr. DYMALLY, Mr. ECKART of Ohio, Mr. ERDREICH, Mr. EVANS of Illinois, Mr. FEIGHAN, Mr. FRANK, Mr. FROST, Mr. GALLO, Mr. GEJDENSON, Mr. GILMAN, Mr. HALL of Ohio, Ms. KAPTUR, Mr. KEMP, Mr. KOSTMAYER, Mr. KRAMER, Mr. LENT, Mr. LOWERY of California, Mr. MCGRATH, Mr. MOAKLEY, Mr. MORRISON of Connecticut, Mr. OWENS, Mr. PORTER, Mr. SABO, Mr. SAXTON, Mr. SCHUMER, Mr. SMITH of New Jersey, Mr. SMITH of Florida, Mr. STARK, Mr. STUDDS, Mr. SYNAR, Mr. THOMAS of Georgia, Mr. TOWNS, Mr. UDALL, Mr. WEISS, and Mr. YOUNG of Missouri.

H. Con. Res. 69: Mr. ROTH, Mr. COBEY, Mr. LIPINSKI, and Ms. FIEDLER.

H. Con. Res. 90: Mr. FAZIO, and Mr. ORTIZ.

H. Con. Res. 95: Mr. WOLPE, Mr. GUARINI, Mr. BUSTAMANTE, Mr. COATS, Mr. ADDABBO, Mr. ROGERS, Mr. REID, and Mr. CHAPPIE.

H. Con. Res. 116: Mrs. BENTLEY, Mr. DIOGUARDI, Mr. LELAND, and Mr. YATRON.

H. Con. Res. 120: Mr. HAYES, Mr. STENHOLM, Mr. MRAZEK, Mr. SAVAGE, Mr. MORRISON of Connecticut, Mr. BEDELL, Mr. FAZIO, Mr. LELAND, Mr. BONIOR of Michigan, Ms. KAPTUR, and Mr. DYMALLY.

H. Con. Res. 132: Mr. REID, Mr. HENRY, Mr. SABO, and Mr. CLINGER.

H. Res. 60: Mr. SCHUETTE, and Mr. CLINGER.

H. Res. 67: Mr. ACKERMAN, Mr. PANETTA, Mr. FORD of Tennessee, Mr. RODINO, and Mr. FAZIO.

H. Res. 105: Mr. GREEN, Mr. ECKERT of New York, Mr. SEIBERLING, and Mrs. VUCANOVICH.

H. Res. 111: Mr. SMITH of New Hampshire, Mrs. JOHNSON, Mr. LEVINE of California, Mr. EVANS of Iowa, Mr. PEPPER, Mr. MILLER of Washington, Mr. ARMEY, Mr. NOWAK, Mr. STENHOLM, Mr. COATS, Mr. BOULTER, Mr. ROUKEMA, Mr. GIBBONS, Mr. LENT, Mr. MONSON, and Mr. BURTON of Indiana.

H. Res. 132: Mr. MRAZEK, Mrs. HOLT, Mr. LAGOMARSINO, Mr. ECKART of Ohio, Mr. MONSON, Mr. BURTON of Indiana, Mr. MINETA, Mr. SMITH of New Jersey, Mr. BERMAN, and Mr. ARMEY.

H. Res. 134: Mr. KOLTER, Mr. RUDD, Mr. SPRATT, Mrs. VUCANOVICH, Mr. ANDREWS, Mr. GREGG, Mr. GROTBERG, Mr. JONES of North Carolina, Mr. LEACH of Iowa, and Mr. NOWAK.

PETITIONS, ETC.

Under clause 1 of rule XXII,

103. The SPEAKER presented a petition of the Dutchess County Legislature, Poughkeepsie, NY, relative to social services programs; which was referred to the Committee on Ways and Means.

SENATE—*Thursday, May 9, 1985*

(Legislative day of Monday, April 15, 1985)

The Senate met at 9 a.m., on the expiration of the recess, and was called to order by the President pro tempore [Mr. THURMOND].

PRAYER

The Chaplain, the Reverend Richard C. Halverson, D.D., offered the following prayer:

Let us pray.

Almighty God, in whom love and justice, mercy and grace, wisdom and knowledge meet in perfection, we pray for a manifestation of Your presence and virtue in this place today. Eloquent speeches, moving and persuasive in content and presentation, have been made. Those who spoke share a common, profound concern for the present dilemma and future welfare of the Nation. You know what divides the Senate, Lord, the depths of division, and its justification. You know the hearts and minds of the Senators and that which motivates each. You know the total picture, past, present, and future, and the short-term—long-term consequences of whatever action the Senate takes on the monumental issue now confronting it. Spirit of God, move upon hearts and minds in ways which will guarantee truth and justice be served in the interests of the Nation. Let these deliberations yield victory for all the people and their descendants. We pray in the name of Him whose unconditional, universal love covers all humanity. Amen.

RECOGNITION OF THE MAJORITY LEADER

The PRESIDENT pro tempore. The distinguished majority leader is recognized.

SCHEDULE

Mr. DOLE. Mr. President, under the standing order, the leaders have 10 minutes each. Then we have special orders in favor of the distinguished Senator from Pennsylvania [Mr. SPECTER] and the distinguished Senator from Wisconsin [Mr. PROXMIRE].

Following that, there will be a period for routine morning business not to extend beyond the hour of 10 a.m. with statements therein limited to 5 minutes each.

Following morning business, we shall resume consideration of the budget resolution, hopefully by about 10 o'clock. By then, we may have some idea of how many amendments Senators feel compelled to offer.

It is my hope that Members will keep in mind that if they want to finish this bill at a reasonable time today, they should withhold amendments, because if there are 25 or 30 amendments and rollcalls on each amendment, that in itself will keep us here until tomorrow morning.

There are, I think, about 6 hours remaining on the budget resolution about 4 hours on the Democratic side and 2 on this side. I hope that I shall be in a position to indicate whether we will try to finish the bill today. It is my present intention to do that.

I think it is fair to say that we need to make one phone call to Portugal. Somebody over there wants to check out what we have been doing. I think as soon as that is completed, I shall be in a position to notify the minority leader.

Then, if we could get our amendments together—hopefully not too many—we can finish the resolution. I am advised by colleagues on both sides of the aisle that it is their hope that we can finish early, rather than late in the day, because of commitments. As soon as I have some information, I shall relay it to the minority leader.

Mr. President, I reserve the remainder of my time.

RECOGNITION OF THE MINORITY LEADER

The PRESIDENT pro tempore. The distinguished Democratic leader is recognized.

Mr. BYRD. Mr. President, I thank the distinguished occupant of the chair, the President pro tempore of the Senate.

BUDGET RESOLUTION AMENDMENTS

Mr. BYRD. Mr. President, I wish to say that we, on our side of the aisle, are checking this morning to try to get some indication of how many amendments remain. I am hopeful that we can work with the distinguished majority leader and sequence the amendments and, even more hopefully, that we can provide for a total reduction of time on those amendments. I do not know whether we shall be successful or not, because that is what I am going to try to do to cut the time if we possibly can and avoid duplication of amendments, if possible—recognizing the right of Senators, however, to offer whatever amendments they wish to offer.

I have to say we are running short on time and will finally reach the point where, if any further amendments are offered, there will be no debate on them, just votes. I hope we will not too much extend the Senate's time doing that. But we shall have to see.

Mr. President, I reserve the remainder of my time to the end of the period for morning business by unanimous consent.

The PRESIDENT pro tempore. Without objection, it is so ordered.

ORDER OF PROCEDURE

Mr. DOLE. Mr. President, if the minority leader has no objection, I ask unanimous consent that special orders may be executed in the order in which Senators appear. If Senator PROXMIRE should arrive first, he will speak first.

The PRESIDENT pro tempore. Without objection, it is so ordered.

RECOGNITION OF SENATOR PROXMIRE

The PRESIDENT pro tempore. The distinguished Senator from Wisconsin is recognized.

Mr. PROXMIRE. I thank the Chair.

STILL ANOTHER REASON WHY WE DON'T NEED STAR WARS

Mr. PROXMIRE. Mr. President, in the argument for the strategic defense initiative or star wars, the assumption is made that without some kind of defense a Russian nuclear attack on targets in this country would succeed unless we could construct a defense that would frustrate the Soviet's ICBM's. The reasoning assumes that, without some kind of defense, the Russians would devastate this country. And, they would. But would an antimissile system protect this country?

With a star wars defense, Secretary of Defense Weinberger has contended, we might stop all of their attacking missiles. What would really happen in the event of a nuclear exchange? Would any defense we might construct in the next 15 or 20 years provide any kind of effective defense, the kind of effective defense Mr. Weinberger has talked about. The answer, Mr. President, is that any Russian nuclear missile attack on this country, with or without an American antimissile system, would have only partial success, and it would have many, many failures. The devastation on our coun-

try would be immense, but there would probably be far more failures than successes. The same would apply—and even more so—to any defense we might construct. Such a defense might succeed in stopping some incoming missiles, but there is no way that we could achieve the perfection Secretary Weinberger talks about.

In an editorial on December 8, the New York Times discussed the huge uncertainties for the attacker in a nuclear war. The editorial discusses the experience every nation has had with new technology. Working the bugs out of any new technology takes repeated tests over and over again in the kind of circumstances that would prevail in actual practice. The fact is that no nation has ever tested their nuclear striking force in an actual nuclear attack in wartime since the United States dropped single bombs from planes over Hiroshima and Nagasaki in 1945. Since then, there have been a series of far-reaching revolutions in nuclear weapons. Today's nuclear weapons vastly differ from the fat A-bombs dropped on Japan in World War II. Not one single nuclear weapon has ever been tested in combat conditions in all those 39 years.

Would this new technology work? The New York Times in an editorial of December 8, 1984, offers the following examples of the kind of failures and mistakes that both sides would suffer in any kind of a nuclear war:

An Atlas rocket now sitting at Vandenberg Air Force Base in California has had its launch reset for tomorrow—the 11th attempt in a month to get it off the ground. Previous attempts have been canceled because of high altitude winds that threatened to whipsaw the rocket apart, problems with a radar console and a glitch in the guidance system.

Of course, this is because someone of the literally 100 people who monitor the rocket can cancel it. And as an Air Force official said, "when they were less fussy, a lot of them blew up." That Air Force official points out that our warhead carrying missile, the Minuteman, can be even less assured of reliable takeoff; he said that "We had one Minuteman that we tried to launch every night for a year." The Russians' nuclear arsenal is almost certainly even less reliable. Their strategic missiles are liquid fueled. That surely reduces the reliability of timely launch.

Mr. President, this is the status of U.S. nuclear weaponry after nearly 40 years of intense technological research and development and an expenditure of close to a trillion dollars. With that record, can anyone really have any confidence in the perfection of the administration's proposed antimissile defense or star wars to shoot down incoming missiles? Absent effective arms control progress, we have two big facts on which to pin our hopes and prayers for nuclear peace. One is the deterrence that the appalling threat of nuclear retaliation poses for both sides. With all its terrible implications, deterrence has been widely recognized as the prime peacekeeping element in the world today. But, ironically, there is another force that may be even more potent in keeping the nuclear peace. It is the fact that the top military advisers on both sides—the experts on whose advice the leaders who can push the nuclear button must rely—these military leaders understand that if and when that button is ever pushed by either superpower the result could be a fiasco. Some missiles undoubtedly would reach their targets in the adversaries' homeland. But many more would explode in the air. Some would even collapse on the homeland of the power that launched them.

Nothing has enjoyed greater immunity from "will-it-work" criticism than scientific progress in nuclear missiles. And it has been overpowering and awe-inspiring. But these awesome arsenals have never been put to the practical test of real war. Thank God for that. But, meanwhile, we move on to an even more distant technological dream land with the star wars future the President and his Secretary of Defense have called for.

If an offensive attack by a superpower would fumble and stumble and at most achieve only limited success while causing considerable devastation in the homeland of the attacking power, the defensive technology of star wars would certainly have an even greater failure rate. Obviously, it would never be tested in a wartime scenario. So the fact is that an antimissile defense could be frustrated by the simple multiplication of numbers on the other side, by decoys, by hardening the skin of attacking missiles, by the shift by the opposition to cruise missiles and bomber and submarines, all of which would be immune from the star wars defense.

The killing fact is that the star wars defense depends on working perfectly the first time everywhere—and with a system that had never been tested until the doomsday of Armageddon arrives. Would star wars work then? Whom are we trying to kid?

NEVER AGAIN AND THE NEED FOR THE GENOCIDE CONVENTION

Mr. PROXMIRE. Mr. President, when President Reagan visited the site of the Bergen-Belsen concentration camp in West Germany on May 5, he spoke sadly of the innocent men, women and especially children who were killed there. Mr. Reagan went on to speak of the hope he believes has risen from the ashes of the crematoriums and finished by repeating the traditional pledge of Holocaust survivors: "Never again."

The President's return to a site where, as Mr. Reagan said, "lie people—Jews—whose death was inflicted for no other reason than their very existence," reinforces our perception of the need for U.S. ratification of the Genocide Convention. This treaty when ratified by the United States would do much to focus world attention on preventing contemporary attempts at genocide.

When President Reagan broke his long silence on the subject of the Genocide Convention on September 6, 1984, and joined every postwar President, except one, in announcing his support for the treaty, it appeared that ratification was close at hand. Unfortunately, this was not the case.

However, the President's visit to the site of one of the Nazi death camps on the 40th anniversary of the defeat of those hated tyrants should spark new interest in the treaty. President Reagan was clearly moved by the sight of "bleak and lifeless mounds, the plainness of which does not even hint at the unspeakable acts that created them." I hope that this visit to Bergen-Belsen will lead him to redouble his efforts to secure immediate ratification of the Genocide Convention.

For, as the President himself said at the graveyard, "We are here today to confirm that the horror cannot outlast the hope—and that even from the worst of all things, the best may come forth. Therefore, even out of this overwhelming sadness, there must be some purpose." Ratification of the Genocide Convention could, in an important way, fulfill this purpose. Then the United States would be adding its voice to 97 other nations in proclaiming to all the world that humanity will never allow anything like the Nazi death camp at Bergen-Belsen to happen again.

HUD WINS MAY GOLDEN FLEECE AWARD

Mr. PROXMIRE. Mr. President, I am awarding my Golden Fleece for the month of May to the Department of Housing and Urban Development—HUD—for bestowing over $1 million in public money to build an access road, ramp and tunnel to a privately-funded entertainment spa in Pittsburgh featuring sightseeing and shuttle boats, and a 3-tiered floating dock. The taxpayers' money was actually spent, nothing new about that, but the promised passenger boat ended up in New York, the shuttle has yet to be seen, and the dock, to be bustling with restaurants, lounges, and offices, faded into the bureaucratic fog and reemerged as two barges.

The sinking of this project gave new meaning to the phrase "Up the creek without a paddle." HUD's riverboat

gamble leaves the taxpayers with a losing hand.

The Urban Development Action Grant Program [UDAG] has the dubious distinction of funding this project. These grants are touted as seed money for local governments, which chase after them because the money can be used to encourage private development. According to HUD, "As a requirement for funding, a firm private sector financial commitment must be in place."

HUD must have a squishy-soft definition of the word firm. In support of this project, HUD committed a $530,000 grant, a $370,000 loan, and $155,000 in other funding. This money was spent essentially to improve access to the project.

In return for this taxpayer money, the private concern was to spend $1,551,000 for that sightseeing boat, $500,000 for the shuttle, and $1,500,000 for the entertainment dock. HUD spent its money based on a January 29, 1982, agreement. But the required private investment, remember that firm private sector financial commitment, sank faster than the *Titanic.*

An internal HUD audit concluded, "The developer failed to complete any of the activities identified in the grant agreement, including the acquisition of a 1,000 passenger sightseeing boat and a 300-passenger shuttle boat, and the development of an 18,000 square foot floating dock." HUD was not completely routed—the developer found two barges in place of the dock. HUD clearly bankrolled this floating crap game without covering their bets.

The lawyers will now pick over the bones of this failure. This fleece demonstrates why I oppose UDAG grants. They do some good for a few communities but all too often they subsidize outright boondoggles, support development which would have taken place without a subsidy, or help one community pirate industry from another. They are corporate welfare and have no place in the budget.

Mr. COCHRAN. Mr. President, if the distinguished Senator has any time remaining, I wonder if he will yield it to me.

Mr. PROXMIRE. I am delighted to yield to my good friend from Mississippi whatever time I have remaining.

Mr. COCHRAN. Mr. President, I thank the distinguished Senator.

THE U.S. TRADE DEFICIT

Mr. COCHRAN. Mr. President, this morning I noticed in the Washington Post a report that was filed by the Associated Press relating to the trade deficit for this quarter. Yesterday, the Commerce Department, according to this article, released figures showing that during the quarter from January through March of this year the United States has suffered a $28.3 billion merchandise trade deficit. The article goes on to describe the specific parts of the trade picture that were most significant. Among the disclosures in this report was included a statement that farm exports, agriculture exports are down 11 percent from the October-December quarter.

Mr. President, the reason I think this is important enough to bring to the attention of the Senate is that it corroborates projections which were earlier made by the Department of Agriculture that exports of farm products were grinding to a halt. In December, the Department projected a $36.5 billion volume for export sales in agriculture, but in February that estimate was revised downward to $35.5 billion, and then the very next month, in March, another billion dollars was cut from the projection. So that as of March, the projection is that our exports in agriculture will amount to no more than $34.5 billion this year.

This illustrates very clearly, Mr. President, that our effort to come together on a resolution to effectively reduce the budget deficit is so important to the economic health and well-being of our country. We have to get these deficits down and relieve the pressure on the dollar value, which is responsible in some measure for the difficulties we are facing in selling our goods and services and commodities in overseas markets.

There is another challenge which I think is also a part of this morning's story, and that is as we go about the business of rewriting our farm legislation, which is scheduled to begin next week, as I understand, in our Agricultural Committee, it is so important for us to include in the farm bill provisions which will assist the farmer in selling his commodities overseas.

We have to have an aggressive trade policy written into that farm bill or we are going to see a crisis of unbelievable dimensions in American agriculture. The article I refer to, Mr. President, has within it a very important message for the Senate today. We have to get serious about reducing our budget deficit, and we have to use our good judgment to the fullest in coming up with provisions for a farm bill that will make our farmers more competitive sellers in the international marketplace.

Mr. President, I ask unanimous consent to have printed in the RECORD the Associated Press article to which I have referred.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

TRADE DEFICIT 16 PERCENT HIGHER FOR QUARTER

(By Martin Crutsinger)

The United States suffered a $28.3 billion merchandise trade deficit from January through March, up 16 percent from the deficit during the last three months of 1984, the government reported yesterday.

The sharp deterioration came despite the fact that oil imports fell to the lowest level since the early 1970s.

The good news on oil was overshadowed by a big increase in imports of manufactured goods and a sizable decline in agricultural sales overseas, the Commerce Department said.

The new report, which shows merchandise trade on a balance-of-payments basis, confirms parallel figures released last week showing an even deeper merchandise trade deficit of $32.8 billion for the first three months of 1985.

While the new report covers the same trade, it shows a lower deficit because it omits such factors as military sales and the cost of shipping and insurance.

Commerce Secretary Malcolm Baldrige, commenting on the report, repeated calls for congressional action to lower federal budget deficits as a way to lower the value of the dollar and thus bolster the country's poor trading performance.

He said the trade deficit was "likely to continue to worsen, though not by as much as the first quarter's deterioration."

The surge in imports and weak export sales during the first quarter have been blamed for the sharp slump in overall growth. The economy, as measured by the gross national product, grew at an anemic 1.3 percent rate from January through March, the slowest pace in more than two years.

The new report said imports rose 5 percent and exports dropped 1 percent during the first three months of the year, compared with the October-December quarter.

Imports totaled $84.4 billion from January through March, with non-oil imports surging by 11 percent. The big gains in this category were registered by household appliances, automobiles and other manufactured goods.

Oil imports dropped 25 percent from the fourth-quarter level as both the price and the amount of overseas oil declined.

The country imported 4.32 million barrels of oil daily, compared with 5.59 million barrels a day in the October-December quarter. It was the lowest rate since 4.17 million barrels were imported from July through September of 1971.

The price fell from $27.59 per barrel in the fourth quarter to $26.86 per barrel in the first three months this year.

Exports dropped 1 percent to a total of $56.1 billion despite a 44 percent increase in sales of civilian aircraft.

Exports were hurt by an 11 percent slump in sales of U.S. farm products. Agricultural sales totaled $8.5 billion from January through March, compared with $9.5 billion in the last quarter of 1984.

American farmers have seen their sales restricted by the high value of the dollar, which makes their products more expensive on overseas markets.

Wheat shipments dropped 35 percent, corn sales were off 12 percent, soybean sales fell 5 percent and cotton sales dropped 2 percent from levels in the fourth quarter, the government said.

The average price of cotton was down 6 percent, while the price of soybeans and corn both fell 2 percent and the average price of wheat was unchanged.

Mr. PROXMIRE. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER (Mr. MCCONNELL). The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. SPECTER. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

RECOGNITION OF SENATOR SPECTER

The PRESIDING OFFICER. Under the previous order, the Senator from Pennsylvania is recognized for not to exceed 15 minutes.

Mr. SPECTER. I thank the Chair.

S. 1112—THE TAX FAIRNESS FOR FAMILIES ACT

Mr. SPECTER. Mr. President, today I am introducing the Tax Fairness for Families Act. This bill will double the personal exemption for taxpayers, their spouses, and their dependents from $1,000 to $2,000.

I have just come from a media conference where Mr. Jerry Regier, chairman of the Committee for Fairness to Families and president of the Family Research Council, presided over a session stating the intent of a broad-based coalition to press ahead to enact legislation which would double the exemption for tax purposes for all taxpayers, including spouses and dependents, from $1,000 to $2,000. This event was also attended by Mrs. Beverly LaHaye of the Concerned Women for America; Mr. Paul Weyrich, president of the Free Congress Committee; and Rabbi Yehuda Levin, president of the Union of Orthodox Rabbis. The Committee for Fairness to Families constitutes these and other groups, representing a large coalition. I ask unanimous consent at this point that the complete listing of all the groups so represented by the Committee for Fairness to Families be printed in the RECORD.

There being no objection, the list was ordered to be printed in the RECORD, as follows:

American Legislative Exchange Council.
American Coalition for Traditional Values.
Family Research Council of America.
Concerned Women for America.
Eagle Forum.
National Pro-Family Coalition.
Conservative Caucus.
Citizens for America.
National Association of Pro America.
Pro-Family Forum.
National Integrity Forum.
Catholic Study Council.
Couple to Couple League.
Union of Orthodox Rabbis.
Family Protection Lobby.
Intercessors for America.
Committee to Protect the Family.
Alive and Free.
Conservative Youth Federation.
United Families.
Terence Considine—Businessman.
Christian Impact.
Contact America.
National Center for Public Policy.
National Forum Foundation.
National Center for Constitutional Studies.
Free the Eagle.

Mr. SPECTER. Mr. President, also in attendance was my colleague from Idaho, Senator STEVE SYMMS, who is cosponsoring this legislation with me today, and Congressman DAN COATS, a Representative from Indiana, who has introduced similar legislation in the House of Representatives. Congressman JACK KEMP was present, speaking about tax reform generally and the importance of raising the personal exemption from $1,000 to $2,000. Raising this exemption comprises an integral part of the tax reform which he has introduced in Congress under the designation of Kemp-Kasten.

This legislation, Mr. President, will provide recognition of the importance of children in our society by elevating the economic value of this exemption. The personal exemption stood at $400 in 1948 and was raised to $1,000 in 1979. Had the personal exemption kept pace with inflation and the rise in personal income, the exemption would be worth approximately $5,600 today.

In pressing for this change in the tax laws, it is obvious that it is an expense proposition at a time when the deficit is high and when major efforts are being made, as evidenced by the action on this floor in the past many days, and continuing today. We are trying to achieve a budget which will make a significant reduction in the deficit for fiscal year 1986 in the amount of approximately $52 billion and for a 3-year period, fiscal years 1986, 1987, and 1988, in the range of $300 billion.

But in assessing the tax picture today and in looking at the legislative proposals for a leveling and a fairness in taxation, there are many preferences and many benefits which are given by the Tax Code which ought to be changed and ought to be equalized on an approach which would be tax neutral, so that there would not be a loss in revenue to the Federal Government.

Mr. President, the personal and dependent exemptions measure, in a very fundamental sense, the importance that society attaches to the children and to families. Its value has decreased significantly over past decades, and the tax burden has gradually shifted to families with children. Fair tax reform must restore the value of this exemption and protect it against inflation.

The personal and dependent exemptions are the principal means by which our Tax Code takes into account taxpayers' responsibilities for their children. Its failure to keep up with income growth has hit families with children harder than any other group. For three decades, families have been footing the bill for other special interests, and now families are in trouble. More and more, average families are finding that they cannot make ends meet. They cannot buy homes. They can no longer afford to live on just one income. These are difficult times in which to raise children, and the Federal Government is making them even harder.

According to the Committee for Fairness to Families, whose member groups represent over 5 million constituents, over 81 percent of Americans live in families. Working parents, who are raising the Nation's next generation, have lost a great deal of ground due to rising taxes as a result of inflation over the past two decades. For example, since 1948 the value of personal exemption has decreased by two-thirds. As a result, the increase of the tax burden on households has risen 10 percent.

While the value of the personal exemption has been shrinking, taxes and the cost of raising children have increased dramatically. According to a recent Census Bureau study, the average family of four spends over $103,000 from birth to college graduation for each child. Quite clearly, even an exemption of $2,000 provides only a small aid to our Nation's primary resource—its children.

Doubling the personal exemption will not give back to families all we have taken from them, but it will be a significant downpayment. We are in the midst of a historic debate over the future direction of our Tax Code. It is time that tax policy again reflect the simple justice due to parents who are giving their all to bring up the next generation of Americans.

Mr. President, rebuilding America begins with restoring family strength and preserving family values. I hope that you and my colleagues agree that this is an important step to achieving a fairer sharing of our Nation's tax burden and join me in supporting this bill.

Mr. President, I ask unanimous consent that the full text of the legislation be printed in the RECORD.

There being no objection, the text was ordered to be printed in the RECORD, as follows:

S. 1112

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the "Tax Fairness for Families Act".

SEC. 2. INCREASE IN EXEMPTION AMOUNT TO $2,000.

(a) IN GENERAL.—Subsection (f) of section 151 (relating to allowance of deductions for personal exemptions) is amended by striking out "$1,000" each place it appears and inserting in lieu thereof "$2,000".

(b) EFFECTIVE DATE.—The amendment made by this section shall apply to taxable years beginning after December 31, 1985.

ROUTINE MORNING BUSINESS

The PRESIDING OFFICER. Under the previous order, there will now be a period for the transaction of routine morning business not to extend beyond the hour of 10 a.m. with statements therein limited to 5 minutes each.

SALLY FIELD, JANE FONDA, JESSICA LANGE, AND SISSY SPACEK ON THE FARM CRISIS

Mr. KENNEDY. Mr. President, the Reagan administration isn't winning any Oscars for its farm program; that point was forcefully driven home earlier this week when four Oscar-winning actresses testified before the House Democratic Caucus Task Force on Agriculture. The task force is chaired by our able colleague in the House from South Dakota, Representative TOM DASCHLE.

It is not coincidence that four important films in the past year have dealt with the crisis in American agriculture. All of us know that our current farm policy has been a costly and continuing failure. The so-called economic recovery of which the administration is so quick to boast in other areas has bypassed the farm economy; hundreds of thousands of family farmers across the country are suffering hardships of a magnitude not seen since the Great Depression.

In the past year, four of the most famous actresses in America—Sally Field, Jane Fonda, Jessica Lange, and Sissy Spacek—have appeared in widely acclaimed films that have provided outstanding entertainment and have also helped to sensitize the Nation to the very real crisis facing our family farmers.

Their testimony to the House task force last Monday is an eloquent tribute to their impressive understanding of the issue, their commitment to a more effective national policy—and their intention to do something about it. I recommend Congressman DASCHLE for organizing the hearing, and I ask unanimous consent that the testimony and other materials may be printed in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

(House Democratic Caucus Task Force on Agriculture Hearing on "Human Dimensions of the Farm Crisis" May 6, 1985)

STATEMENT OF SALLY FIELD

I regret being unable to personally participate in today's hearing with my colleagues.

The crisis in agriculture has affected more than just the farm families throughout the country. It has touched small towns and their many small businesses in every rural corner of the nation.

My friends here today will testify to the fact that you don't have to live on a farm to experience the pain these families are feeling. We have played the roles of the farm family and in doing so have witnessed the suffering inflicted on the American farm family today.

We don't pretend to have all the answers. We are not the policy makers.

We hope by our words today to encourage the men and women of Congress to act now in improving the environment for our nation's farm families.

STATEMENT OF JANE FONDA

Mr. Chairman and Members of the Task Force, last year I played Gertie Nevels in a film I produced for television called "The Dollmaker". She was a farm woman in the mountains of Kentucky, and in the years I spent researching and preparing for the role I spent time with small farmers in Arkansas, Kentucky and Tennessee.

I was very moved by the people I met, by how hard they worked and by their attachment to the land. Perhaps I felt at home with these people because as far back as I can remember my father had loved to plow his fields and plant and grow things.

He was born and raised in Nebraska, and while he was never a farmer by profession, he always felt a kinship with rural America. That was perhaps why, of all his roles, he loved Tom Joad in "The Grapes of Wrath" the most.

Maybe it was then, as a little girl, sensing how he identified with and internalized that role, and watching his silhouette on his tractor as he put in a field of alfalfa, that I learned how a role strongly felt by an actor can open his heart and mind and eyes to realities that extend beyond the screen and the darkened movie house.

Perhaps that's the most wonderful part of our profession: that it exposes us to these realities and allows us to be affected. That's why I'm here today.

Not since "The Grapes of Wrath" have we seen so much attention by actors and filmmakers to the plight of the family farmer—until today.

Art and movies reflect reality, but also shed light on it. Having made these films, we three have a natural desire to express our concern for those farmers in the real world who are being driven off their land into the graveyard of debt.

We understand there are no simple answers to farm policy, but there are simple values that never lose their meaning. One is that people come before profit because it is people who create profit—not the other way around.

Another is that families should not be disrupted or destroyed by circumstances beyond their control. High interest rates mean lower incomes, and the strong dollar means a weak foundation for countless farm families who depend on exporting to a needy world.

We believe as well in the simple propositions that land should not be taken away callously and impersonally from families who have farmed it well for generations. Nor should the next generation of Americans be discouraged from entering into the profession of farming.

The Reagan Administration practices a double standard regarding free enterprise. They want to subsidize silos for MX missiles but not for family farmers. They lavish subsidies on wasteful defense contractors but take them away from providers of our food.

They provide tax loopholes wide enough to drive a tractor through for Beverly Hills attorneys who farm for tax breaks, but want to take incentives away from those who farm for a livelihood.

Most importantly, they provide lower interest rates to foreign governments than to Kansas farmers, and they roll over the debt of Poland more obligingly than of Iowa.

These policies are unfair. Reducing the deficit by destroying what remains of the family farm is the wrong course.

We are not simple romantics, though there is nothing all that wrong with a little romanticism to off-set the pervasive cynicism of public policy.

We recognize the need for reform and adjustment. Much of agriculture is over-centralized, over-mechanized and over-dependent on dangerous pesticides.

The wealthier farmers often receive greater benefits from federal programs than the smaller farmers with greater needs. But the Reagan Administration policies will only accelerate these trends, not relieve them.

It seems sensible that a cap should be placed on commodity price support loans, as Congressman Byron Dorgan suggests, to eliminate the excessive amounts going to larger farmers and freeing up money to be re-targeted towards family-sized farms.

The FMHA loan program might be re-focused to its original purpose of providing economic opportunity to fledging farmers and small farmers. Tax policies which encourage speculation and drive up land prices should be reformed. And interest rates must be revised to make credit more accessible.

The development of policy, however, we leave to the legislators whose business is legislative. The immediate need is some way to re-structure farm debt to prevent the human tragedy of unnecessary foreclosures.

The reason we are here is to underscore the gravity of the crisis that is leading to the bankruptcy, humiliation and banishment of farmers from their lands at a rate not seen since my father made "The Grapes of Wrath."

As actresses whose work is to identify with what is most human, we cannot confine ourselves to the screen while the cruel and unusual punishment of farmers grinds on. There are a lot of Tom Joads and Gertie Nevels still out there.

Please do not let them perish from the earth. Thank you.

STATEMENT OF JESSICA LANGE

Mr. Chairman and Members of the Task Force, one of the difficulties in speaking about the crisis in American farming is that the implications found in this single issue are so wide sweeping that they become synonymous with the crisis in American culture as a whole.

This nation was founded by an agrarian society, and inherited by a technological one. Parallel with these two, diametrically opposed systems, two completely independent psychologies have evolved. Even though we could say one grew out of the other, neither has the least understanding of the other's essence.

It's as though the inheritors have fallen into a profound amnesia of their origins. While the descendants of our agrarian forefathers are desperately waving white flags all over this country they are getting little or no response.

The question we're faced with now is more far-reaching than mere economics or political maneuvering. It's a question of values. Are we willing to allow the last remnants of our heritage to disappear? Or, worse, to see

it systematically eradicated by an economic power structure that views small farming as obsolete? Is it really possible for us to repeat the same blind mistakes without examining the history of similar action in our society?

The small farmer in America is being replaced—that's obvious. By what, is the question? How many other sub-cultures in this country have been similarily replaced and what is there, now standing, that we could say justified that replacement? Is economic feasibility the only true measure of a culture's value?

The outcome of the issue being addressed here today, the plight of the family farm, will have monumental repercussions throughout this society and across this land for time to come. And that issue is: how we relate to our land.

There is a theory put forth that divides people into two mutually exclusive groups—those who exploit. Those who nurture. The exploiter's goal is money, profit. The nurturer's goal is health—his land's health, his own, his family's, his community's, his country's. The exploiter thinks in terms of numbers, quantities, "hard fact". The nurterer in terms of character, condition, quality, kind.

There is no question, the best farming requires a farmer, a nurturer. Family farms, owned and controlled by those who labor to produce food for this nation and whose connection to the land is an emotional one have created an unique environment and culture across this country.

Absentee ownership of farms and corporate agriculture would drastically and tragically change all that. The loss of talented and industrious families from the land will have disastrous consequences for our society and for our economy!

If it's really true that large scale agri-business proves to be more efficient, more productive and more controlled than small scale family farming then what do we have left to measure that increase against? Nothing but the memory of the traditional American family farm.

This memory will camp right alongside the memory of the American Indian, the memory of Vietnam and all our other memories that are intimately related through greed and arrogant disregard. Already there are ghost towns sprinkled throughout the farm-belt. Abandoned farms. Fields that have gone to seed. Equipment and farm auction notices are posted in every shop window.

With every farmer that leaves the land, and there have been roughly 280,000 since January 1981, the repercussions are felt throughout rural society. Schools, shops, businesses drop away like dominoes. What we are witnessing in this decade is the systematic destruction of much of rural society. And in those states, the so-called farm states when the family goes down, the whole state will go down.

The heartland of America is being vacated, almost without a sound. Suddenly we are being faced with the fact that in one generation's time there will be no trace of the traditional American character Ralph Waldo Emerson described when he spoke of farming:

"This hard work will always be done by one kind of man; not by scheming speculators, nor by soliders, nor professors, but by men of endurance—deep chested, long-winded, tough, slow and sure, and timely."

I have sat countless hours over the last couple years talking with farmers trying to understand what they are going through. And I know this: they are in pain. Heartbreaking anguish as they watch their lives stripped away. Their boundaries disappearing. The boundaries which describe their work, their land, their family, their faith in this country and their faith in God.

These people are living in a kind of modern day slavery. Not just physical laboring fullscale with no proportionate reward. But also mental and emotional. I've seen over and over the terrible toll living with the fear of losing everything takes on these proud people.

They are being made to believe they have failed. They've failed their families, their heritage, their country and they have failed their land.

Every morning they must newly encounter the overwhelming anxiety and stress of their situation. Outstanding loans, principle payments that can't possibly be met. Interest payments that are larger than the family's yearly income, operating loans that are handed out or withheld with no conscionable license. Being forced to make figures work that cannot work until a recommitment is made by this government to assure the survival of our farms and rural communities.

They, as individuals, are not responsible for this economic crisis that has pushed them to the brink. The staggering combination of low prices, high interest rates, high production costs and declining net worth is beyond the control or responsibility of any one individual citizen. But for them the result is a life of torment. Emotional and intellectual imprisonment.

In all my experiences, I've never seen a people work harder or longer or with more commitment to their product. And like all Americans, they've been taught the work ethic and they've been encouraged to do more, get bigger, get better, more efficient, be more productive, make more money, expand! Plant fence post to fence post.

You know, I never really understood what the meant until I lived in Iowa during the winter months and discovered the reality of planting fence post to fence post was the cutting of the hedgerows. Hedgerows, by nature, were left as a protection, a guard against the elements. Now they've been eliminated.

And isn't it a strange and sad parable that in an effort to live the American dream these people are now left totally unprotected out there on the American landscape?

If this is allowed to continue then we must admit that it is painfully clear we are a nation no longer motivated by laws of Christianity, that we are exempt from moral or spiritual responsibilities by our own misguided and mis-informed self-righteousness.

Farmers, by the nature of the breed, are typically and historically the most patriotic people in this country. But they are being betrayed by this government and left to suffer.

If this administration continues on the path it has determined it will cause irreparable damage across the homeland of America. If David Stockman's response to the farm crisis is: "We have too many farmers." And Ronald Reagan lamely jokes that it's the farmers who should be exported. Or that farm bankruptcies and foreclosures are part of the solution to inflation.

What prayer do these people have?

It is a great tragedy to witness their loss of faith in this government because as Thomas Jefferson said, "The farmer is the strength of the nation."

How can we allow this great American tradition to be annihilated through conscious and cruel disregard? If you who are going to be making the policies that shape their destinies—if your could truly see with your hearts and not just allow the issue to remain an intellectual idea locked in the mind—then perhaps there is hope.

If immediate short term action is taken to aid distressed farm families and ease the current credit crunch—followed by the working out of a 1985 farm bill that would guarantee better price supports in combination with supply management on the part of the farmers. Perhaps then there is hope.

But if economic debt becomes the criteria for justifying extinction than we have conveniently erased our moral debt. Is there a political frame of mind that can honestly weigh these two sides, or is an entire way of life going to be swept away on the basis that the "numbers don't work"?

Emerson voiced it this way and it still holds true: "It needs science and great numbers to cultivate the best lands, and in the best manner. Thus true political economy is not mean, but liberal, and on the pattern of the sun and sky.

"Population increases in the ratio of morality; credit exists in the ratio of morality. The city has always recruited from the country. The men in cities who are the centers of energy, the driving wheels of trade, politics, or practical arts, and the women of beauty and genius, are the children and grandchildren of farmers, and are spending the energies which their fathers' hardy, silent life accumulated in frosty furrows, in poverty, necessity and darkness."

Thank you.

STATEMENT OF SISSY SPACEK

Mr. Chairman and Members of the Task Force, my personal connection to American agriculture goes beyond appearing in one of last year's "farm" movies. I am a product of rural America. I was born there. I grew up there. I was a 4-H'er.

My mother was a homemaker. My father served for 30 years as a county Agricultural Agent in Texas. My grandfather was a farmer and Deputy Agent of the Federal Farm Credit Administration under Franklin Roosevelt.

I am very proud that I come from a family that for generations has cared about American farmers and American farmlands, and it is our conviction that the American family farmer is the most efficient, stable and productive of all the world's farmers.

So I'm not here today to defend them on nostalgic grounds, but to support them as the best and wisest of farmers.

Right now the future of American agriculture looks pretty bleak. Young farmers can't afford to get started, and in an effort to make up losses, existing farmers plant every available scrap of ground, contributing to the worst soil erosion in history.

And corporate farms are learning the hard way what the family farmer has known for centuries: farming is no easy road to short-term profits.

I would be naive to assume that this is a simple problem with simple answers, but one thing I'm sure of: we can't turn our backs on these people who have fed us all so abundantly and cheaply throughout our history.

Our largest and most vital industry is disintegrating. It is not marginal producers, speculators or bad managers who are being

squeezed out, but the solid core of our agriculture which is threatened.

And trouble on the farm spreads without regard for performance. As bankruptcies mount, land values fall—and since production loans are secured by land, without borrowing another dime, all farmers fall deeper into debt.

If we think this catastrophe affects only the farmers, we are dangerously naive.

The drugstore, the implement dealer, the grocery store and the bank in every agricultural community in this country is in trouble, and that trouble arrives in the cities when homeless farmers with their wives and children come to town to look for a job.

We have a responsibility to insure that our farmers make not only a fair living, but can't afford to put back into the soil what they take out.

And the American public recognizes our responsibility in this crisis: According to recent USA Today and New York Times polls, more than 70 percent believe that the federal government has a clear obligation to save financially distressed farm families—families who are endangered by forces beyond their control, families who are the stewards of our homelands, this fertile American earth.

We have to give farming back its hope. We have to give farming back its future, because these farmers are our hope.

I quote Wendell Berry: "We have neglected the truth that a good farmer is a craftsman of the highest order, a kind of artist. It is the good work of good farmers—nothing else—that assures a sufficiency of food over the long term. Good work, which in fact endures beyond the foresight of economists, can be valued, but not priced because its worth is incalculable.

"We are a society that has fallen in love with disposable items. We are fast becoming a society that knows how much things cost but has no idea what they are worth"—end quote.

I would like to read this letter from a farmer in Minnesota, postmarked April 17th, 1985:

"Dear Ms. Spacek, I am writing this letter to you because you understand the farm problem. I am asking you if you could help me financially save my farm. I don't like doing this but I've got to find somebody before it drives both my wife and I crazy. I know I'm asking a lot, but all I want is a chance for my son to farm too. If you can't help me, would you know of anyone who would? As it is time to put the corn in the ground, could you respond quickly?"

Mr. Chairman, it will be a great world tragedy if we allow ourselves to believe that the family farm is disposable.

A century ago, William Jennings Bryan said, "Burn down your cities and leave your farms, and cities will spring up again as if by magic, but destroy our farms and the grass will grow in the streets of every city in the country."

Thank you for this opportunity to appear before you today.

[Press Release House Democractic Caucus Task Force on Agriculture]

ACTRESSES TESTIFY ON FARM CRISIS

WASHINGTON, May 6, 1985.—Three award-winning actresses who recently starred in films portraying struggling family farmers testified today on the "human dimensions of the farm crisis" before a special House panel on agriculture.

Jane Fonda, Jessica Lange and Sissy Spacek appeared before the House Democratic Caucus Task Force on Agriculture, chaired by Rep. Thomas Daschle (SD). They also met privately with House and Senate members and with farm organizations at a meeting hosted by WIFE (Women Involved in Farm Economics).

"These very talented women care deeply about agriculture and the plight of the family farm," Rep. Daschle said. "With their films and their testimony today, they have raised the consciousness of the American people about the struggling family farmer and have made an important contribution to the national debate on the crisis in rural America."

In her testimony, Ms. Fonda said, "The reason we are here is to underscore the gravity of the crisis that is leading to the bankruptcy, humiliation and banishment of farmers from their lands at a rate not seen since my father made 'The Grapes of Wrath.'"

Ms. Lange added, "I have sat countless hours over the last couple years talking with farmers, trying to understand what they are going through. And I know this: they are in pain."

Ms. Spacek, who grew up on a farm, told the task force, "We have to give farming back its hope. We have to give farming back its future, because these farmers are our hope."

Ms. Fonda spent 10 years developing "The Dollmaker", which she produced for ABC-TV and which won her an Emmy for her role as Gertie Nevels, a farm wife struggling to keep her family together during World War II. Ms. Lange portrayed Jewell Ivy in "Country," a film about an Iowa farm family trying to overcome seemingly insurmountable odds. And Ms. Spacek, produced and starred in "The River." Both Ms. Lange and Ms. Spacek received Academy Award noninations for Best Actress.

Actress Sally Field, who won the Best Actress award for her role in "Places in the Heart," another film about the farm crisis, was unable to testify personally but did submit a written statement.

TAKEOVER ATTEMPTS

Mr. BUMPERS. Mr. President, recent press reports indicate that the oil industry is being subjected to a major involuntary restructuring as a result of takeover attempts by various financial interests. Mr. Boone Pickens and others have made persuasive arguments that this revolution should proceed unexamined, but I am not convinced. The Senate should be concerned about such radical changes in a major industry for many reasons.

One of the arguments that Mr. Pickens makes with the most conviction is that the companies which he and his allies have targeted are poorly run, and that a takeover will help the shareholders. Mr. Pickens' record as chief executive officer of Mesa Petroleum, however, indicates a rather limited concern for shareholders.

The May 6, 1985, issue of Business Week contains an article showing that Mr. Pickens is the highest paid executive of any company, earning $22,823,000 in 1984 and a total of $23,773,000 from 1982 to 1984, but Mesa shareholders only realized a 5 percent return on their investment, including dividends and appreciation of equity. Similarly, some shareholders have been hurt by fluctuations in the value of Mesa's stock. In 1981 Mesa was selling for $34 per share, but today it is selling for only $17. These fluctuations were caused by Mr. Pickens' attempts to take over various companies. It appears that Mr. Pickens' concerns for shareholders lasts only as long as their interests happens to coincide with his.

Mr. Pickens and his financial allies have argued persuasively that they are merely operating as our free market allows them. That begs the question, because there is no doubt that such financial freebooters as Jay Gould and his allies did the same thing in the 19th century. It became very apparent that their operations were nonetheless contrary to the public interest, because they were manipulating stock values in order to benefit themselves and ruin others.

States passed laws to prevent such manipulations, and Congress eventually passed security laws to cure other problems. Therefore, the question is not whether these moneyed men are operating in the free market, but whether they are able to manipulate the market unfairly to their advantage and to the economic disadvantage of true investors. If so, Congress should take appropriate action.

In this regard, there are some very definite and immediate financial concerns, particularly the use of so-called "junk bonds" to finance these takeovers. Junk bonds are exchanged for pledges of financial assistance in a takeover attempt.

If the attempt succeeds, they will be repaid out of either the assets of the target company or its future profits.

They are a very speculative undertaking when used in taking over an oil company. A sudden decrease in oil prices can bankrupt a company saddled with such a debt. Investors would be severely damaged. That in itself need not be a serious concern in our free market economy. The difficulty arises from the fact that federally insured depository institutions may be among the major investors in these bonds.

Thus it is conceivable that the Federal Government is at least the partial surety for some of these shaky investments. This fact deserves serious consideration, and it is one of the reasons that Senator DOMENICI introduced S. 975, the Securities Safety and Soundness Act of 1985, which would impose a moratorium upon using junk bonds in hostile takeovers.

There is a further serious and fundamental public policy consideration in takeovers of oil companies, and that is the effect upon future energy production. When Phillips Petroleum staved off successive takeover attempts, it did

so only by assuming huge amounts of debt and contracting its operations, including a reduction of exploration. ARCO has recently taken similar action.

Outsiders can argue whether this action resulted from the considered judgment of company officials or from sheer fear of being taken over. Regardless of the motivation, the most important point is that its restructuring will undoubtedly reduce its exploration efforts. Similarly, with smaller exploration funds available, the company will assuredly shrink from more risky ventures, even though they might have a higher payoff.

It is very likely that if Unocal survives Mr. Pickens' latest takeover attempt, it will do so as a shrunken company with a greatly reduced oil exploration budget. Moreover, we must remember that most of these companies have made valuable efforts to develop alternative sources of energy. Mr. Pickens has already stated that these efforts are a waste of the shareholders' equity, so it is clear that any company that he eventually conquers will be forced to abandon attempts to develop oil shale, geothermal and solar technologies.

I am afraid these takeover artists have a very shortsighted approach to profitability and a no-sighted view toward the public interest. Rather than meekly submitting to their financial ministrations under the guise of honoring the free market and its hidden hand, we must carefully examine whether their activities serve the public interest, and, if not, then we must devise appropriate legislative responses.

SOVIET MANIPULATION OF THE MEDIA

Mr. HATCH. Mr. President, the Soviet Union is engaging in an intensive ideological warfare campaign aimed at discrediting the United States and breaking up the NATO alliance. According to the CIA, the Soviets spend at least $3 to $4 billion per year on ideological warfare. This effort is not mere propaganda, but an intensive so-called disinformation campaign of lies, distortions, and forgeries which are part of a larger Soviet tactic known as active measures. The Soviets use the term "active measures" to describe their efforts to actively influence Westerners to further Soviet interests. One key component of this campaign is manipulation of the Western press. Experts disagree on the extent of Soviet influence in this area and how successful their effort has been, but it is widely acknowledged that the Soviets are making a conscious effort to influence Western political behavior through the media.

An interesting and very important paper has come to my attention on this topic by Dr. Roy Godson, who is a distinguished foreign service professor at Georgetown University and an expert on Soviet active measures. Dr. Godson points out that the Soviets' long-term goal in manipulating the Western press is first and foremost to discredit the United States. According to Dr. Godson, the Soviets seek to affect Western attitudes and behaviour on important issues, especially the key issue of military preparedness.

Mr. President, I hope that each and everyone one of my colleagues will take the time to read this thought-provoking paper by Dr. Godson. I ask unanimous consent that it be printed in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

SOVIET MANIPULATION OF THE MEDIA: FACT OR FICTION

(Address to the Commonwealth Club of California)

Today, I want to talk about a subject which is attracting increasing and serious attention in the West, a subject which controversial but one which remains important: the manipulation of the media, and hence informed decisionmaking in our democratic society.

Although we sometimes take for granted our vigorous and free press, we tend to react strongly against attempts to manipulate free expression, either by legal means, or by overt or covert pressure from governments or groups which espouse particular ideas. We generally assume that left to its own devices, and given freedom and time, the press will deliver to us truthful, objective information and analysis that contributes to rational policymaking. Recently, however, we have begun to learn about a relatively new threat to objective media reporting: that we may be reading, seeing and hearing a version of events which not only is inaccurate and downright false, but one which has been manufactured to distort our perception of reality and to influence us. This afternoon I would like to discuss this issue.

Let me begin with a major and telling example. In the Spring of 1982, the world press and particularly the American press was flooded with stories about the former Soviet KGB Chairman, Yuri Andropov, who some months later succeeded Leonid Brezhnev as the major Soviet leader. When Andropov headed the KGB from 1967 until the early 1980's, his image in the Western press was that of a hardline secret police boss, who used the largest and perhaps the most effective secret police and intelligence service in the history of the world to ensure the Communist Party's continued control of the Soviet people. Indeed, under his regime, the KGB, in a fit of creativity that surely rivals that of Heinrich Himmler and Joseph Mengele, developed the use of psychiatric hospitals to control Soviet dissidents.

But in the Spring of 1983, Andropov's public image in the West began to suddenly and radically change. Let me recall for you just a few of the stories and descriptions of Andropov that appeared in many newspapers.

One major East Coast daily headlined a story from Moscow with: "Andropov Seen as Closet Liberal." That paper had previously reported Andropov to be an unimpressive "five feet eight inches", but now elevated him to "tall", and added urbane, well-educated, and enlightened. Another major East Coast paper noted that Andropov "stood conspicuously taller than most" Soviet leaders, and that "his spectacles, intense gaze and donnish demeanor gave him the air of a scholar." He was credited with knowledge of foreign languages—English, German and even Hungarian. He was described as a "witty conversationalist" a "bibliophile," a lover of jazz, romantic novels and a connoisseur of modern art. There were even hints that he might be partly Jewish. In short, as the liberal magazine, The New Republic put it, "a short, burly thug almost overnight became a tall, dapper Chubby Checker fan."

Let me cite a few more examples of stories which I believe have a less obvious but nonetheless common thread:

"CIA Seen Involved in Ghandi Assassination."

"Regan Presidency Leads to Strained Relations With Moscow."

"U.S. Implicated in Plot to Tie Soviets to Pope Assassination."

"Korean Airliner Alleged to be U.S. Spyplane."

How and why did these and many other similar stories—of very dubious authenticity—appear on almost every continent? Why did the electronic and print media from Washington to Wellington give international currency to them? All are sensational and have damaging implications far beyond their apparent subject matter.

Of course, it is entirely possible that the media, on its own, in various parts of the world and at about the same time, came to similar conclusions on the basis of highly contentious "evidence." It is also true that many journalists are not sympathetic to the United States or to its current Administration, and that it is by no means unusual for stories about the U.S. to be negative in tone and content.

There is however, another possible explanation—namely that the headlines and the stories just cited—and many like them—are the result of a conscious effort to manipulate the media. Proponents of this view differ on how extensive this manipulation is and how successful it has been, but they believe there is a massive and ongoing effort to affect political behavior in the West through the world media—and that the Soviet Union and its allies are largely responsible.

I have been studying this subject together with a colleague on the faculty at the Fletcher School for several years, and we recently published a book—"Dezinformatsia"—about it, convinced that the weight of evidence supports the view that manipulation can and does take place.

I want to be very clear about what I am saying, however. I do not believe, as some do, that most of the world's media are controlled or manipulated systematically and that every or almost every negative story about the United States is the result of Soviet manipulation. Nor do I mean to imply that ALL attempts to make use of the media succeed. What I would like to propose and submit evidence to support is the proposition that there is a massive attempt by the Soviet Union to influence and use the media as well as other important Western governmental and private sector opinion leaders; that sometimes these attempts are successful; that the campaign is ongoing; and that by being aware of it, by speaking the truth about it, a free society can in large part neutralize its effects.

How can such conclusions be substantiated?

First, we have learned a great deal from information provided by Soviet bloc officials who now live in the West. This information has been cross-checked by scholars and Western government officials. These defectors tell us that the manipulation the media is part of what in Moscow is referred to as "active measures" (aktivnyye meropriatia). These are attempts to actively influence Westerners to act in ways designed to further Soviet interests.

A variety of tactics are subsumed under the term "active measures." Among the most important are the use of the media to influence, mislead, or deceive the target so that he acts in a way favorable to Moscow. This is done through overt propaganda and manipulation, as well on covert means including the use of secret agents of influence and forgeries—or a combination of the two—Kombinatsia—as the Russians sometimes call it. This also involves the use of information which is basically true, as well as intentionally false information, or disinformation.

Based on the eyewitness accounts of those who received their orders to engage in these activities from top Soviet leaders, we can be fairly sure that Moscow believes that the use of "active measures" and particularly media manipulation and disinformation is an important means of shifting what they call the "correlation of forces" further in their direction.

The institutions or organizations in Moscow and throughout the world that engage in these activities are directed from the very top echelons of Soviet government. They involve a vast array of techniques, fueled by an unprecedented level of financial and human resources.

The most important Soviet institutions that control and carry out these activities are the International Department of the Central Committee of Communist Party of the Soviet Union—the CPSU. The International Department is perhaps one of the most important and least studied parts of the Soviet government. It controls, to a significant degree, more than ninety Communist parties around the world and 13 major international fronts, the most important of which—the World Peace Council—has affiliates in every major western country including the US Peace Council. The International Department also works to influence Western scholars, young political leaders, trade unions, women's groups, and lawyers around the world.

The second organ of the CPSU is the International Information Department. Created in the late 1960's this institution coordinates the Soviet media in Moscow and the Soviet media and press throughout the world. It passes on the information in the 3,000 plus hours of Soviet radio broadcasts to the world in eighty languages each week. It coordinates the themes of the hundreds of Soviet "journalists" stationed throughout the world. It would be as if the Republic Party controlled and coordinated the entire media in the U.S., and every U.S. journalist overseas.

A third institution in the Soviet active measures apparatus is the press section of the Ministry of Foreign Affairs. It accredits Western correspondents in Moscow, and has a great deal of day-to-day control over their access to and contacts with Soviet officials and citizens. Through Soviet Embassies and consulates abroad, it also seeks to influence journalists in non-communist countries.

Two other institutions that play an important role in Soviet manipulation are the KGB's First Directorate and a section of the KGB's Second Chief Directorate. The First Chief Directorate works almost exclusively to spy on and to influence the noncommunist world. It has a special staff in Moscow, now known as Service A, whose function is to assist in secretly influencing the media and other important sectors of our society.

Abroad, the First Chief Directorate of the KGB and other Soviet bloc intelligences have headquarters in every country, usually based in Embassies, missions, and consulates. In addition to engaging in espionage and buying—or stealing—technology, they also carry out "active measures." In Western Europe, for example at any one time there are approximately 14,000 legal Soviet bloc officials, 30-40% of whom work for the KGB and its sister services. Of these ½ or approximately 3,000 work in what Moscow calls Line PR—that is political espionage and influence operations. In the United States there are about 2,200 legal Soviet bloc officials, so using the 30-40% figure, this means about 700 are intelligence officers, and 300 of them in Line PR, engaged in political spying and influence operations.

In addition to thousands of "legal" spies and active measures specialists, Moscow also has an unknown number of illegal or deep cover agents embedded in Western society. In recent years for example I was startled to learn that a student at my own university was a second generation illegal. That is, his parents had been sent by the KGB to be illegal agents first in West Germany and Canada. Then his parents went to live and work as photographers in the suburbs of New York in the 1970's and they sent their son to Georgetown University. In addition to his regular studies, the son was being trained in the summers to be a deep cover illegal and it was expected that after graduation he would seek a position in the U.S. government. While he was at Georgetown Moscow also asked him to identify fellow students who were planning to join the CIA, as well as keep an eye on Chinese students studying on the campus.

Another section of the KGB in Moscow, the Second Chief Directorate, is concerned with counterintelligence, but has a special section to study, assess, and manipulate the Western press stationed in Moscow. I have talked with a former Soviet official who worked in this section and he has described in detail how he went about his work.

In terms of manpower, it is estimated that these institutions employ somewhere between ten and fifteen thousand people in Moscow and another ten to fifteen thousand throughout the world. Their annual budget the U.S. government now believes is in the range of 3-4 billion dollars.

To influence and manipulate the western media, the Soviet apparatus uses a combination of overt and covert instrumentalities, and old tried and true methods together with new public relations techniques. For example, in Moscow, because they completely control access to all important government officials and all Soviet media, they are in a position to assist a journalist become a star reporter—first with the news. Take the case of the liberalization of Yuri Andropov. How did this come about? Let me cite the seminal story in the East coast newspaper in 1983. "While largely unknown in the West, East Europeans who have met with Andropov"—because the Western journalist could not—"have described him as an affable and efficient man who has managed to place considerable restraints on the KGB". Note that this report about Andropov is the story about the same man who crushed the Hungarian Revolution in 1956, who innovated the use of psychiatric hospitals and drugs, and who was responsible for the KGB at the time there were attempts on the life of the Pope and probably Lech Walensa. Clearly, someone in Moscow was planting rumors.

Some columnists and reporters are conscious of this Soviet technique. For example, Joseph Kraft recently pointed to various published stories about current Soviet leaders as emanating from a journalist "long in Moscow, who is thought to have KGB ties. A second was a planted rumor which blazed through the diplomatic community and was then traced back to a KGB source." Other journalists, particularly those under pressure from their editors for dramatic news from Moscow, may be less careful and more susceptible to influence and rumors. This is a tried and true Soviet gambit, and I have discussed the technique involved with specialists who used it.

Other documented methods of Soviet influence include actually recruiting and controlling a journalist, a government press spokesman, a news service, or even a newspaper as well circulating and recycling forgeries. One example which shocked France in recent years was the conviction of journalist Charles Pathe in the late 1970's, who had been working for the KGB for nearly twenty years. Pathe was a well connected journalist who wrote under his own and other names. He also published a newsletter, which the Soviets helped finance, received by a small but influential readership. The newsletter consistently attacked the U.S. and sought to detach France from the NATO Alliance. Now in other European countries, the public is learning that a recent press spokesman at the Norwegian Ministry of Foreign Affairs has been working for the KGB for many years, and that a major Greek daily newspaper was influenced by, if not completely financed by the KGB, and is consistently anti-U.S.

Another favorite covert Soviet bloc tactic is the production and dissemination of forgeries. This long time favorite apparently was halted in the 1970's during the Watergate investigations, but in the late 1970's the pace of Soviet bloc forgeries picked up and now hardly a month goes by without the U.S. government finding forgeries designed to influence the media. Sometimes these forgeries are crude, quickly spotted and do little damage, such as the fake Ku Klux Klan letters last summer designed to intimidate African and Asian athletes. Sometimes however they damage the reputation of the U.S. and are recycled in the press year after year in spite of being identified as forgeries.

In addition to these covert and traditional methods of media manipulation, Moscow also sometimes is more open and innovative. One new technique is the Western-style press conference. One of the more sensational examples was the appearance of the then head of the Soviet General Staff before the world press after the Soviets again shot down an unarmed civilian airliner, this time in September, 1983. The news conference was unprecedented. The General's speech and charts received extensive coverage and confused many as the Soviets sought to exculpate themselves from intentionally shooting down the Korean civilian airliner, whose many passengers included a U.S. Congressman. During the

course of the press conference and in the ensuing propaganda barrage, the Soviets sought to sow doubt about the benign nature of the flight, and tried to suggest that the United States was somehow implicated in the massacre of innocent travellers.

Another recent technique is the veritable parade of Soviet "journalists' and "scholars" who now appear as invited guests regularly on Sunday morning and late night TV talk shows, live coast-to-coast radio programs—as well as instant commentators on special occasions such as the inauguration of President Reagan. All of them speak very good English, appear very much at home on the U.S. media, and are excellent propagandists. All of these gentleman, however, are part of the Soviet active measures apparatus. Their appearances and the themes they espouse are coordinated by the International Department and IID of the Central Committee. They are completely paid Soviet government propagandists, even though their U.S. radio and TV talk show hosts usually describe them to the U.S. audience as "journalists" and "scholars". I am not suggesting here that they should be denied free time on the U.S. media. What I am saying, however, is that we should recognize them for what they are—part of a massive and increasingly sophisticated effort to use the media to influence us.

Now what does Moscow hope to achieve with all this effort and money? It is not always easy to understand Soviet motivation, but based on careful reading and analysis of Soviet overt and covert propaganda and disinformation, as well as numerous interviews with former Soviet specialists who sought to manipulate the Western press, Moscow appears to have both long-term objectives which they pursue year in and year out, as well as short term objectives geared to specific events and opportunities.

Over the past several decades, and there is no indication that this is about to change, whether we are in a period of detente or a period of more strained relations, Moscow seeks first and foremost to weaken and discredit the U.S. We are, they teach their KGB and other active measures personnel the "main enemy," (glavnyy vrag) and one of their main tasks is to diminish U.S. military, economic, and political power throughout the world. Second, they seek to split the various strategic alliances we have built up, particularly the NATO Alliance. They want to separate—to decouple—the U.S. from Britain, France and Germany, and to separate the major European allies from each other, as well as to weaken our alliance with Japan, Australia and New Zealand. Should they succeed, they would be in a position to dominate each continent.

Third, Soviet leaders seek to enhance the reputation of politicians and parties that help achieve these objectives, and denigrate if not destroy those politicians, parties, and movements that don't. Their attempt to enhance Andropov's reputation and denigrate Reagan's in recent years, was preceded in the 1960's and 1970's with active measures—campaigns against politicians such as the conservative Franz Joseph Strauss in Germany, and supportive of center right candidate Giscard d'Estaing against Socialist Mitterand in France. In other words, they don't only support left-of-center politicians. They support those whom they believe are useful. In their view, Giscard was more useful and Strauss and Mitterand less valuable in splitting and weakening the NATO Alliance.

Finally, they seek to affect Western attitudes and behavior on important issues, particularly military preparedness. They engaged in a massive, and they believed, successful campaign to stop NATO deployment of the so-called neutron bomb in the late 1970's. They are still in the midst of seeking to influence the peace movement to prevent the modernization of U.S. and NATO forces.

In addition to pursuing these long term objectives, Moscow also pursues short-term gains. In the coming months, for example, they will seek to influence the media so that (1) the new Indian Prime Minister, scheduled to visit the U.S. in June, 1985, does not develop closer relations with the U.S., (2) ensure attention is drawn away from the evidence that more and more links Moscow and the Bulgarians intelligence service to the shooting of the Pope; and (3) ensure that the 40th Anniversary of the ending of World War II is perceived as a result of Soviet efforts and that the cause of the war and the use of the atomic bomb can be laid at the feet of Western politicians.

Not all these campaigns—and others they will mount—will be successful by any means. Moscow doesn't expect them to be. They are, however, an important means, in addition to diplomacy and military power, that the Politburo uses to exert its influence.

What can and should be done about this attempt to manipulate the press and distort our understanding of reality? There are no simple solutions. We are and wish to remain a free, pluralistic society which allows freedom of expression. Hence, we will remain vulnerable to manipulation, in ways which closed totalitarian systems—where the media is totally controlled—are not.

At the same time there are a number of measures, each with advantages and disadvantages, that can be taken to limit the deleterious effects of Soviet manipulation.

The most appealing option we have is truth.

Let us simply make ourselves as aware as possible of how and through what means Moscow is seeking to manipulate the media and to disinform us. To a large extent this already is happening. Seven or eight years ago those in the government, the press and the academic community who stated that there was cause to study Soviet active measures techniques and disseminate information about them were ridiculed or called McCarthyites and right-wing fanatics.

But beginning in the last year of the Carter Administration and now continuing in the Reagan Administration, the U.S. government is making available information on Soviet attempts at manipulation. This should be continued and expanded. I am glad to see that other Western governments such as the West Germans are beginning to do the same.

On the non-governmental side, academics, novelists and journalists, more and more are taking the subject seriously and alerting the public and their colleagues. Much more needs to be done however.

One important step would be the creation of a non-governmental scholarly group to identify and report to the press on current and anticipated Soviet attempts at manipulation and disinformation. Until now, awareness of Soviet efforts at manipulation has been based on revelations of past ventures. There has been no mechanism dedicated to the timely monitoring and dissemination of information on current and anticipated Soviet activities. Politicians, journalists and scholars are uncertain of Soviet attempts to influence and deceive them until after the fact. Hence, protective measures are all but impossible.

I am glad to report that plans are now underway for the production of timely information and analysis on Soviet active measures. The National strategy Information Center of New York and Washington, D.C., which sponsored the research which resulted in my recent book on Soviet disinformation, hopes to produce such analysis and make it available to the public and the press, several times a year.

These reports, like the book "Dezinformatsia," will be based on objective study both of contemporary Soviet overt and, to an extent, Soviet covert attempts to manipulate the West. The reports will be prepared, entirely by non-governmental scholars and specialists with private funds. Hence, journalists and others who are the target of the Soviet apparatus, whether they are stationed in the United States, Moscow, or elsewhere in the world, will be further forewarned and forearmed.

Another series of steps can be taken by the media itself. Here, a series of very impressive proposals have been made by the British/French publisher, Sir James Goldsmith who puts out two major and very popular French magazines, L'Express and Lire. In a speech last year in Washington, he suggested, among other things, that journalists should disclose to their editors and publishers their sources of income, to help ensure that they are not subject to conflicts of interest. Sir James pointed out that while the invasion of some degree of privacy is odious, public servants and other types of professionals are required to make just such disclosures about their income. He then recommended that journalists do the same, and to bolster his point he gave the example of a New York journalist who was asked to resign when his editors unexpectedly discovered that he was receiving money from a Palestinian/American organization of dubious objectivity.

Sir James also maintained that owner/publishers, as well as editors should exercise more rigor in the supervision of their employees. He cited as examples the failure of the editors of Op-Ed columns to adequately identify the partisan backgrounds of some of their columnists, and the failure of other editors to ensure that their reporters remained objective and not subject to manipulation. Just how this might be done, Sir James did not say. He maintained, however, that until now discussion of these problems has been taboo. Those who confronted them frankly were labelled McCarthyites or worse. He urged further serious consideration of the problem, by publishers, journalists and editors.

Another proposal which has been made, and again it fits in with the theme of using the truth and openness to combat manipulation and disinformation, is including in the curriculum and training program of journalists, courses on disinformation and manipulation. Indeed, at least one school of journalism in the United States, Boston University, now has a course on the subject. Similar courses could be added to the curriculum of other schools of journalism and communications.

Finally, there is investigative journalism. Journalists, in the best tradition of the free press, could investigate attempts at manipulation and publish their findings. Scholars investigate the work of other scholars, policemen investigate other policemen, should not journalists probe attempts to manipulate the media? Again, this is beginning to happen. The media in the U.S. and abroad increasingly is publishing stories on the sub-

ject. As Time magazine put it last fall, after the major German newsmagazine Der Speigel accepted that to some extent it had been manipulated by Moscow to discredit Franz Joseph Strauss in the 1960's, the problem raised in the Speigel case "is one that knowing journalists cannot easily dismiss."

Ladies and gentlemen, that the Soviets attempt to manipulate the media is a fact. Soviet policymakers believe that this is an important vehicle to affect our behavior, and they have increased the resources they devote to this instrumentality as well as improving the quality of their efforts.

Sometimes, Soviet leaders are successful. On occasion we learn of their success when the truth about a particular subject becomes known years later, or when individuals who engaged in these activities defect and tell us precisely what they did.

We will continue to be the targets of attempt to deceive and mislead us. The best defense is truth, not regulation. Government can assist by making available information on attempts at manipulation. But it is up to all of us to ensure that the information that affects our ability to make informed rational decisions remains as objective as possible.

Thank you very much.

"THE POPPY"

Mrs. HAWKINS. Mr. President, the National Geographic did its usual fine job with an article in its most recent issue entitled "The Poppy."

In this exhaustively researched article, the National Geographic provides its readers with a wealth of information about the opium poppy. This information is provided from both a historical perspective and a modern-day insight. The product of the heroin-producing poppy is referred to as "unique in its profound and far-reaching effects on humanity, both good and evil."

The good that comes from this beautiful flower we all know—the medically necessary painkillers, morphine and codeine. But it is the evil that comes from the opium poppy, heroin, that holds half a million Americans in the grips of addiction, and that causes users to rob and kill to procure it.

Nearly all heroin is produced by outlaws, primarily from poppies illicitly grown in remote corners of Asia or Mexico. Smuggled into the United States, it reaches nearly every community and every level of our society, bringing addiction and misery to hundreds of thousands of people.

This product of the opium poppy has been recognized as special for many centuries. In its long recorded history, it initially appears as an accessory of magic and religious ritual, and as a sedative and sleeping potion. Ceramic jugs shaped like poppy capsules which date from the late Bronze Age are exhibited in museums, and relics from ancient Egypt also indicate that society's use of opium.

A particularly fascinating bit of historical hypothesis emerges from this article: When Christ was dying on the Cross, according to Scripture, He was offered vinegar mixed with gall. It seems that the ancient Hebrew word for gall is "rosh," which means opium.

As civilization advanced, the benefits of the poppy became more obvious; for example, the father of medicine, Hippocrates, discovered its use as a pain killer. As early as mid-16th century, opium was developed into a liquid form, which became known as laudanum, and was used as a pain killer until this century. In 1815, morphine was derived from opium by a German scientist, and this drug is still the modern world's standard against which all pain medicines are measured.

But, as this article points out, it was an equally long time ago that it was discovered opium can kill. It was not until the late 19th century that opium's most destructive derivative, heroin, was developed and marketed. It has remained, since its inception, as the most addictive and damaging of narcotics. The short-term effect of heroin, when injected directly into a vein, is a rush, an overpowering sensation of pleasure. The results soon thereafter include illness, hallucination, and addiction.

Latest U.S. Government estimates indicate that Americans spend $4 billion a year on heroin. The National Geographic also provides us with spending estimates for other illicit narcotics: $18 billion for cocaine and $44 billion for marijuana. Then, the markup for these products is compared—for cocaine and marijuana, as much as 200 percent; for heroin, 900 percent.

The amount of heroin smuggled into the United States per year is estimated to have reached 4 metric tons a year, and it is thought by the Drug Enforcement Administration that nearly half of this tonnage comes from the nations of Afghanistan and Pakistan. The National Geographic points out that even though opium was banned in parts of the opium growing areas in 1979, tradition dies hard and the farmers in this mountainous terrain are slow in relinquishing their opium crop. Something is happening in opium producing nations in this part of the world, however, that might speed up their crop eradication efforts—heroin addiction is becoming an internal problem. It is estimated that Pakistan has now tens of thousands of addicts; in 1979, there were almost none.

The newly escalating problem of heroin trafficking and abuse in India is discussed in detail in this National Geographic article. Opium itself is legally available to certain physicians in India, but only those who practice ancient rites of medicine. Opium constitutes a large part of India's history, as it has produced this crop for their own and other nations for centuries. While the Indian Government makes great effort to control legal opium production, some does leak to an illicit market. More and more, India is becoming a haven for narcotics traffickers, and this is also resulting in an increasing problem of internal drug consumption.

The other area of the world responsible for the production of the opium poppy is referred to as the Golden Triangle, the Burma-Thailand-Laos area of Southeast Asia. Extensive poppy growing began in this area of the world in the 19th century. As one villager commented: "If you grow something else to trade, you might have to carry it for 2 days' walking; for opium, the trader comes to you." Though numerous drug law enforcement officials in Thailand have taken steps to curb drug production, Laos and especially Burma remain major producers of the world's heroin supply.

The misconception of heroin being solely an American problem is discussed at length in this article, and as more and more nations fall victim to the problems caused by heroin abuse, the true international scope of the problem is perceived. There is barely a nation left in the world community that is not affected by drug abuse, and the problems we each experience are very much the same, and just as destructive. For this reason alone, we must all fight the war against drugs together.

Mr. President, I would like to take this opportunity to commend the National Geographic magazine for its consistently fine work, and especially for this superb article, "The Poppy."

RESTORATION OF PROGRAMMATIC CIVIL SERVICE CUTS TO BUDGET DEFICIT PACKAGE

Mr. EAGLETON. Mr. President, the Republican compromise amendment on civil service proposes to save approximately $15.1 billion during the next 3 years through civil service programmatic reductions—reductions that will come somehow from employee's total compensation packages—salary, health and retirement benefits, annual leave, raises, et cetera. That is $15.1 billion from a group—Federal employees—which during the last decade has already withstood $40 billion in cuts, according to calculations by the General Accounting Office and the House Post Office and Civil Service Committee.

How can the Senate—a body that on May 3 refused to cut its own pay—ask this group to absorb an additional $15.1 billion in programmatic reductions? Most of these individuals earn far less than Senators; many of them live in the high-priced Washington area. It is simply unfair and unjust to ask this magnitude of savings from

this group at this time. It is also poor policy.

What benefits will be cut as a result of these projected savings? The Republicans don't really know, $2 billion of the projected savings come from unspecified program cuts; I repeat, unspecified program cuts. The remaining billions represent major policy changes in existing retirement, health, and employment programs, and I do not feel these policy decisions can be made in the meat-ax fashion adopted by the Republican compromise amendment.

For example, the Republicans totally ignore the fact that for 2 years the Governmental Affairs Committee, on which I serve as ranking minority member, has been formulating a new retirement system for Federal employees brought into the Social Security system beginning January 1, 1984. The new retirement system will both directly and indirectly affect the benefit package of the current work force. As a case in point, the Republicans project a savings of $3 billion over 3 years by raising employees' contributions to the current retirement system from 7 percent of salary to 9 percent. Now the new system may allow current employees to transfer to the new plan, and the new plan will probably be noncontributory.

If 50 percent of the current work force were to transfer into the new plan, the contribution base would be so reduced that the $3 billion figure would be impossible to attain. Likewise, the Republicans suggest having the Postal Service and the District of Columbia pay substantially more for retirement coverage. Again, the new system may not include District of Columbia employees or even Postal Service employees, so where does that leave our budget projections?

Mr. President, I urge my colleagues on both sides of the aisle to take a careful look at this area and restore the bulk of these funds in any future compromise budget legislation. I am placing in the RECORD a lengthy and detailed statement which addresses the specific proposals and explains why the budget process cannot be used to make the necessary policy decisions at this time.

The statement follows:

STATEMENT OF SENATOR THOMAS F. EAGLETON

Mr. President, included in the Republican compromise amendment are cuts in civil service programs which severely hurt the federal employee. These are not pay freezes or cost-of-living adjustments, but programmatic changes proposed in addition to pay freezes and COLA reductions.

Some of the programmatic changes are straightforward, such as raising federal employees' contributions to their retirement system from 7 percent of salary to 9 percent. Some $2 billion in other deficit reduction amounts, however, come out of unspecified program cuts—let me repeat—unspecified program cuts.

Mr. President, during the last 10 years federal civil servants have already borne nearly $40 billion in cuts in specified programs: reductions and delays in scheduled pay increases, revisions in the Federal Employee Health Benefits Program, implementation of the Medicare hospital insurance tax, elimination of paid holidays from lump sum annual leave payments upon separation from federal service, revisions in the basis for computing general pay from 2080 to 2087 hours annually, changing the annuity adjustment for federal retirees from semi-annual to annual adjustments, limiting the COLA to ½ of the increase in the CPI for retirees under age 62, denying any COLA to military retirees employed in the civil service, postponing the COLA, covering federal workers hired after January 1, 1984 under Social Security, reducing the "windfall" created by dual entitlement to Civil Service retirement and Social Security, and reducing Federal retirees' Social Security spouses benefit by an amount equal to two-thirds their Government pension.

These specified cuts and their accumulated 40 billion dollar savings—calculated by the General Accounting Office and up-dated by the House Post Office and Civil Service Committee—have also been accompanied by loss of jobs through reductions-in-force and contracting out.

Now, after 10 years of cost cutting at the expenses of the federal workforce—a group that I contend has already taken its fair share of deficit reductions—the Republican package suggests deficit reduction methods which will further reduce the number of federal jobs and further "reform" federal retirement benefits, federal pay, and federal health benefits. Worst of all, even the Republicans are hard pressed to find an additional $2 billion they want from the civilian workforce, so we are expected to buy-off on $2 billion of unspecified cuts.

Mr. President, this is simply no way to manage the government's workforce—our employees. Before any additional programmatic changes can be made in the Civil Service, the appropriate House and Senate committees will need to take a long and careful look at the policy proposed, the costs associated with each proposal, and the impact on specific programs. For example, the meat-ax approach embraced by the Republicans in this recent exercise totally ignores the fact that since March, 1983, the Governmental Affairs Committee, on which I serve as ranking minority member, has been working on legislation to provide a new Civil Service Retirement System for employees hired after January 1, 1984, since those employees are now covered by Social Security.

The Committee has spent hundreds of hours on this matter and under the 1983 law must have legislation in place by the end of this year. During the two years it has tackled this project—the largest change in civil service retirement since the system started in 1920—the Committee has been acutely aware that all decisions it makes regarding civil service retirement ultimately affect all other employment benefits. The buzz word is "total compensation," but the point is that if retirement benefits are changed, then can the employee be compensated elsewhere through higher pay, more health benefits, more annual leave, better disability provisions, etc? The programmatic changes proposed in the Republican budget package fail to acknowledge that any "trade-offs" will adversely affect the federal employees. This is particularly serious in light of a recent study by the highly regarded private company, Hay/Huggins, which concluded that total federal compensation already lags 7.2 percent behind the private sector.

Therefore I deeply resent, and personally cannot be party to, ill-conceived and unspecified budgetary cuts at the expense of the federal employee and retiree, and I urge my colleagues to restore the Republican reductions in any final compromise budget package.

Obviously the $2 billion in unspecified changes cannot be substantively assessed, so I recommend that we simply restore $2 billion. The Republican package also includes the following:

(1) Increasing employees' contributions to the federal retirement system from 7 to 9 percent (in effect a pay reduction);

(2) Conforming civil service survivor benefit criteria to Social Security for future beneficiaries;

(3) Reforming the Federal Employee Health Benefits Program to further reduce health benefits now available to federal employees;

(4) Delaying the waiting period for within-grade pay increases by one year (it is unclear whether merit increases and bonuses for senior executives would also be so frozen);

(5) Reducing the federal workforce through attrition by hiring only two workers to replace every three employees who leave;

(6) Substantially increasing the Postal Service and District of Columbia employer contributions to the Civil Service Retirement System and ending the retirement health subsidy for the District of Columbia;

(7) Making pay raises effective in January of each year rather than October;

(8) Cutting agency administrative costs (other than salaries) by 10 percent; and

(9) Making permanent the 2087 hour work year (for purposes of computation of pay per pay period).

Let's analyze each of these proposals.

1. INCREASING EMPLOYEE CONTRIBUTIONS TO RETIREMENT

The Administration has consistently charged that federal employees do not pay enough for their pensions. At the present contributory rate, civil servants must pay 7 percent of their base pay to the Civil Service Retirement System and 1.35 percent of salary, up to the Social Security maximum wage base, to Medicare, for a total payroll deduction of 8.35 percent. In the private sector, workers must contribute 5.7 percent of salary up to $39,600 for Social Security and an additional 1.35 percent to Medicare, for a total payroll deduction of 7.05 percent, more than a full percent less than federal employees. In addition, private sector workers receive pension benefits for which, according to a 1982 Bureau of Labor Statistics survey of firms employing 250 or more employees, 93 percent of private employers require no employee contributions. Finally, many private sector employers match employees' voluntary contributions to thrift or savings plans. Thus, the private sector employee currently has the potential to receive more retirement benefits than federal employees, and at a mandatory contribution rate (Social Security and Medicare) less than the combined Medicare and civil service rate. Therefore, to raise the federal contribution rate at this time would be both unfair and unwise.

2. CONFORMING CIVIL SERVICE SURVIVOR BENEFITS TO SOCIAL SECURITY

The survivor benefits available to federal employees are part of their retirement package, which is an employment benefit for which each employee contributes. There is no social welfare aspect to the Civil Service Retirement System, as there is to Social Security, so it is irresponsible to jump to the conclusion, as does the Republican package, that what is good policy for Social Security is good policy for federal employees. The civil service retirement benefits for survivors are more generous than Social Security—for example, Social Security will allow benefits to surviving children only to age 18, while Civil Service allows them to 21 if the child remains a full-time student—but these are benefits provided federal employees, as explained earlier, in lieu of other employment compensation. Also, I should emphasize that the civil service survivor's package is similar to the package required by private sector employers under ERISA, and finally, since few civil servants actually die while working, the cost of providing a fair survivor benefit package is actually a minimal expense item.

3. REFORMING THE FEDERAL EMPLOYEE HEALTH BENEFITS PROGRAM

The Republican budget package seeks to freeze physicians' fees for a period of one year, as they are currently frozen under Medicare, and it establishes a system of flat rates that hospitals may charge federal health benefit enrollees, again based on a Medicare-type fee schedule. Again, I remind my colleagues that benefits provided federal employees for health care are part of a total compensation package. Also, no federal program can be equated with Medicare because the federal government workforce is an active, working group of individuals, primarily under 65. The needs of a workforce are not the needs of Medicare recipients.

In addition, the federal employee already pays more for health coverage than does the equivalent private sector employee, whose benefits are very often provided by the employer with no employee contributions required, and private health care plans do not use Medicare formulations as the basis for health care coverage. Finally, at this time, the Medicare prospective payment system should not be our model. The Medicare PPS is a brand new program whose results are still being studied. There are allegations that the quality of care is slipping, and until we know more about this, we should not adopt the Medicare system for other programmatic areas simply to save money.

Having said this, however, I also wish to advise my colleagues that while I disagree with the Republican programmatic changes proposed in the health benefit area, I also feel there are potential government savings in the FEHBP—savings that are in excess of one billion dollars. These savings can be found in the special reserves held by those insurance companies who underwrite the federal health plans. Each year when premiums are established for federal health insurance plans, a portion of the money is held in reserve for unforeseen contingencies. Half of the reserves are held by the Treasury; half are held by private carriers.

While CBO and GAO have recommended that these reserves levels should equal about 6 percent of premium income, and while the private sector retains about 10 percent of premium income in reserves, the Reagan Administration has allowed its FEHBP reserve level to grow to 30 percent of premium income, or, $2.1 billion. If the government simply brings the carriers' reserves back to the Treasury—a procedure recommended by both CBO and GAO—we could attain a $1 billion deficit reduction. Because of possible outstanding contractual and legal obligations to the carriers, I do not recommend using the budget process to enact legislation to bring this money back. I am confident, however, that these reserve funds will provide at least as much savings as are contained in the Republican budget reduction targets for health, and I am committed to bringing all the funds back to government through the appropriate legislation at the appropriate time.

4. DELAYING WITHIN-GRADE PAY INCREASES ONE YEAR

To delay within-grade pay increases is to cut pay for employees on the General Schedule. It is unclear whether the Republicans also seek to delay merit pay raises and bonuses, which go to mid-level senior executives. Also, blue-collar federal workers, protected under union contracts, probably will not have negotiated pay increases frozen, so I simply cannot accept singling out one group of workers over another. Thus, I urge that this cut be put back in.

5. REDUCING THE FEDERAL WORKFORCE FOUR PERCENT THROUGH ATTRITION

The Reagan Administration has made a really big thing of cutting the federal workforce. What it has not publicized so vociferously is that for every civilian employee cut, another civilian has been hired over at the Defense Department. Because of this, the size of the federal workforce has actually increased slightly during the Reagan Administration. We should not allow this game to continue through the budget process. If the workforce is to be cut, then we must know where those cuts will occur, which agencies and departments will suffer the consequences, and what savings by government department will result. A simple formula is not acceptable, and I reject that budget cut, too.

6. INCREASING POSTAL SERVICE AND DISTRICT OF COLUMBIA EMPLOYER CONTRIBUTIONS TO THE CIVIL SERVICE RETIREMENT SYSTEM

Most of my colleagues are probably unaware that most District of Columbia employees, because of historical reasons, are part of the Civil Service Retirement System. On the other hand, most of my colleagues probably assume that Postal workers are part of the system. However, since the independent Postal Service was created in 1970, it is questionable whether postal employees should remain part of civil service. There are good arguments that neither D.C. employees nor Postal workers should remain in civil service retirement, but if they do, there are also good arguments that both groups and their employers should be required to pay the full cost of their participation in the system. This is not the place to debate those concerns. Nor, however, is the budget the place to make those policy determinations. Both the Postal Service and the District government will need extensive lead time to re-work their budgets and other commitments, should they decide to opt out of Civil Service, or should they be required to pay full costs. I cannot, in fairness, ask either group to make the necessary adjustments and changes at this time because of this process, and I will therefore urge restoration of the savings projected from these cuts, too.

7. MAKING PAY RAISES EFFECTIVE IN JANUARY OF EACH YEAR RATHER THAN OCTOBER

8. CUTTING AGENCY ADMINISTRATIVE COSTS 10 PERCENT

9. MAKING PERMANENT THE 2087-HOUR WORK YEAR

Mr. President, here are three areas where I would leave the Republican package alone. First, the Governmental Affairs Committee has already discussed and approved the January pay raise date and the 2087 hour work year on a temporary basis, and despite some complaints, these are not policy issues that need further examination or revisiting. As for the 10 percent administrative savings, while I would certainly oppose this if it results in a back-door reduction-in-force, my understanding is that all agencies, departments and government entities will face a like administrative reduction. Therefore, in fairness and equity, I cannot argue for special treatment for programs which administer federal employees' concerns. I have serious reservations, however, that this may mean people rather than paperclip reductions, and I will monitor changes made pursuant to these cuts most carefully to make sure that Congress is not authorizing RIFs.

That, Mr. President, covers the scope and content of my concerns. Restoring these budget reductions will not be cheap. My budget wizards tell me that restoration of the bulk of the civil service programmatic changes will cost $1.2 billion in FY 1986, $5.5 billion by FY 1987, and $6.1 billion in 1988. Let me remind my colleagues, however, that $2 billion of this was earmarked from unspecified cuts, and I cannot believe any of my colleagues would support such amorphous savings.

Like all of my colleagues, I, too, am committed to reducing the deficit and solving the nation's economic problems. In fact, I think the deficit is our country's single most pressing problem. I cannot, however, reduce the deficit on the backs of civil servants who have already withstood $40 billion in cuts during the last decade. Nor can I support reductions which are ill-conceived and ignore programmatic and policy realities and needs. There may be savings in the Civil Service area. Our committee may reduce government costs as it drafts new programs and reviews old programs, but the Republican budget proposals simply fail to do the job fairly.

I-MATCH IS BAD NEWS FOR U.S. EXPORTERS

Mr. HEINZ. Mr. President, as we continue to devote our attention to crafting a budget for the country that produces major savings while providing for necessary expenditures, it is crucial that we take into account the essential role played by the Export-Import Bank in sustaining American exports and the jobs and economic growth that these exports provide. Without a healthy export sector all of our recent debate on the budget will have been beside the point, because we will find ourselves in a recession with disastrous consequences for the long-term industrial strength of our country. As I have pointed out on number of occasions, failure to support the Export-Import Bank will result in an industrial policy in reverse, for we will

be forcing our major capital and high technology industries to move their operations to countries where export financing is available.

Mr. President, my counterpart in the House of Representatives, the chairman of the House Banking Committee's Subcommittee on International Finance, Mr. NEAL, recently introduced legislation that would reject the proposal to eliminate Eximbank's direct credit program and replace it with an interest subsidy program, the so-called I-Match Program. In introducing the bill H.R. 1787, Congressman NEAL makes an excellent analysis of the importance of the Bank and of the pitfalls of the I-Match Program which I have strongly opposed it would be a grave mistake if we were to curtail the Exim's direct credit program. While I would differ with my colleague from Iowa on the partisan tone of some of his comments, I find his analysis of the Bank and the I-Match Program to be directly on target, and I recommend it to my colleagues for their consideration.

Mr. President, I ask unanimous consent that the text of Congressman NEAL's statement be included in the RECORD at this point.

There being no objection, the text was ordered to be printed in the RECORD, as follows:

STATEMENT IN SUPPORT OF H.R. 1787

(Stephen L. Neal)

The purpose of this legislation is to make clear and explicit the Committee's rejection of the Administration's proposals to eliminate Eximbank's authority to make direct loans and to substitute in lieu thereof its so-called "I-Match" program. Before I explain why I think we should reject the Administration's proposals, I want to respond to a few distorted and misleading charges that have been leveled at the Export-Import Bank by its critics, including some within the Administration.

The Administration has apparently reached a budget compromise, of sorts, with some Senate Republicans. It includes adoption of I-Match and elimination of Exim loans. A booklet has been distributed setting forth some arguments for this budget package, including some statements to support its elimination of Exim's direct loans. I want to address a few of these grossly misleading statements.

According to the Administration, "from 1980 to 1984 almost half of (Exim) direct loan financing went to only five major corporations." It charges that Exim is used primarily to subsidize big business.

While it is quite true that Exim loans finance the exports of these companies, it is grossly misleading to caricature them simply as big business subsidies. Many of these companies operate, in fact, like large trading companies. They have hundreds, even thousands of subcontractors, small businesses who supply them with many of the parts, much of the input into the big projects—power plants, aircraft, communications or transportation systems—that they build or export abroad. These companies collect these inputs, package them and add to them, and export the final product. Exim financing for big corporations should in fact be viewed as a highly efficient mechanism for financing the exports of all their subcontractors.

It is, moreover, hard to understand why this charge is always leveled against big exporters. Exim was established primarily to promote and facilitate U.S. exports. It would seem natural for it to finance the sales of those companies that can export most successfully, and whose exports face the most severe competition in terms of foreign financing. To blame those companies for being large and successful is entirely beside the point. It amounts to blaming Exim for doing what it is supposed to do—promoting U.S. exports.

Furthermore, the subsidies in question do *not* go to the exporter. They go to the foreign purchaser. The foreign importer gets the loan at slightly below market rates, and profits thereby. The U.S. exporter profits only because he is able to make a sale he otherwise could not have made.

Official export credit from Exim is absolutely essential to offset the subsidies offered by foreign governments to their exporters. Ideally, we should all abolish these subsidies. But we do not face the ideal world of perfectly free markets. The degree of subsidy embedded in these export loans has been progressively reduced in the past few years, due to real progress we have made in negotiating better international agreements to regulate and discipline official export financing. The remaining modest subsidy is the price we must pay to remain competitive in those few cases where subsidized financing offered by foreign governments will steal our overseas markets unless our exports receive equivalent support from the Export-Import Bank.

The Administration points out Exim has financed only a small share of U.S. exports. Most U.S. exporters do not use Exim financing. It then implies that this fact somehow justifies taking it away from those who do use it. That is illogical. While many U.S. exporters can be competitive because they do not face serious foreign subsidized financing. Those who do face it need Exim financing to compete on even terms.

If they had merit, the Administration's rhetorical attacks on Exim might possibly support the conclusion that we should simply put Exim out of business, that is, stop all subsidized export financing. But the Administration does not propose the elimination of such financing. It just proposes to carry it out under a different guise—its so-called "I-Match", or interest subsidy payment program. Every criticism the Administration makes of Exim financing would be just as valid of its own I-Match program: the same degree of subsidies will be offered to finance U.S. exports; the same exporters, the same notorious big corporations the Administration likes to pillory in its bogus populist rhetoric, would continue to receive the same kind of support from I-Match as they now receive from Exim direct loans; and the same percentage of U.S. exports would be financed under I-Match as under Exim's direct loan program. In short, the Administration's rhetoric in support of its I-Match is, on these points, pure and complete hypocrisy.

I-Match would be vulnerable to the same criticisms the Administration levels against Exim loans (if those criticisms had merit) because I-Match promises to offer foreign purchasers exactly equivalent financing—just to offer it through a different funding mechanism. Then why not adopt it, if it does the same thing? I have decided that we should reject it because it is not, in fact, and equivalent substitute for direct loans. It is seriously flawed, for three reasons:

(1) It is inherently more costly than Exim direct loans. In terms of real cost to the taxpayer—that is, funds expended that will never be recouped—it will substantially exceed the real cost of an equivalent volume of Exim loans. This point emerged quite clearly from our hearings on I-Match.

(2) Its budgetary savings are phony. I-Match would, to be sure, generate some recorded reduction in the federal deficit—but only by the budgetary gimmick of replacing Exim loans with Exim guarantees of private loans. Even these savings would disappear after a few years, when all of Exim's outstanding loans were paid off. This budgetary gimmick would have no beneficial impact on the economy.

The Administration contends that I-Match would rely on private sector rather than public sector financing. That claim is ridiculous. The only change would be from an Exim direct loan to an Exim guaranteed loan. Loans guaranteed by the U.S. government are not "private sector" loans.

(3) Finally, I-Match, as presently constituted, will not work well on a technical level. Our hearings have revealed a number of serious drawbacks in its design—so serious that, if it went into effect as it now stands it would not provide fully competitive financing on terms equivalent to those offered by Exim's direct loan program. While these technical flaws could perhaps, be remedied, until they are we should withhold any authority for I-Match.

The Administration's proposal for I-Match has generated unprecedented confusion and uncertainty about the future of the Export-Import Bank. Our purpose in calling up H.R. 1787 is to reduce that uncertainty to the extent we can—to establish clearly and explicitly that this Committee is not prepared to approve it in its present form. By taking this action, we also make clear that Exim should stick to its current direct loan program, and spend its time trying to make it work even better, not dreaming up new remedies to problems that don't exist.

WILLIAM HADDON, JR., M.D.

Mr. DANFORTH. Mr. President, earlier this year, the world lost a true pioneer in the field of highway safety, William Haddon, Jr., M.D. Dr. Haddon's distinguished career included his service as the first Director of what is now known as the National Highway Traffic Safety Administration and as president of the Insurance Institute for Highway Safety.

Throughout his life, Dr. Haddon was a staunch advocate of improved automobile safety and worked tirelessly to that end. His efforts have saved thousands of lives over the years and are sure to continue to do so.

Clearly, one person can make a difference; Bill Haddon was such a person. He will be greatly missed.

Mr. President, I ask unanimous consent that four tributes given at Dr. Haddon's memorial service be included in the RECORD in their entirety. These tributes, by Susan Baker, Joan Claybrook, Brian O'Neill, and Donald

Schaffer, indeed demonstrate Bill Haddon's unflagging commitment to highway safety.

There being no objection, the tributes were ordered to be printed in the RECORD, as follows:

REMARKS BY SUSAN BAKER, M.P.H., ASSOCIATE PROFESSOR, JOHNS HOPKINS UNIVERSITY SCHOOL OF PUBLIC HEALTH

Bill Haddon's family has always shared him generously with the rest of the world. I want to thank them for giving all of us who admired and cared for him a chance to be together for this celebration of his life.

Until fairly recently, most people believed that human injury was part of the price you had to pay for moving people around in cars. Bill Haddon didn't believe it. He spent most of the past three decades trying to correct that and many other misconceptions, to explore new ideas, and apply available knowledge—so that fewer people would die needlessly.

In the process, he created the field of Injury Control, giving it a solid scientific base as well as practical application, and attracting and inspiring and encouraging promising young scientists.

Yesterday, I spent a couple of sad but wonderful hours reading over all my correspondence with Bill, stretching back over 17 years. There was the usual ration of criticism, and occasional annoyance with me or someone else, but the bulk of the letters consisted of very short notes of encouragement or praise for something I'd written or done—what I call "attaboys." Somehow, an "attaboy" from Bill Haddon was worth three or four from anyone else.

The very first letter in the file, dated February 26, 1968, was actually to my husband. Tim had written Bill to say that his wife New York State Health Department, and Tim had written Bill to say that This wife was getting her MPH degree and was interested in accidents.

Bill's response began "Dear Tim: Thank you for your letter. What I have been trying to do now for over a decade is to sow seeds for others to reap, so, needless to say, I am always pleased to hear that things are sprouting and being taken care of * * *. I do hope, however, that Mrs. Baker will not do her work on 'accidents.'"

I confess there have been times when I wondered whether all the fuss over the word "accident" was worthwhile. But, today I know that the reason we have attracted not only public health professionals but also the medical community to this field is the shift in emphasis from accidents to injury—to human damage, and ways to prevent it.

Among Bill's greatest contributions have been the conceptual frameworks he developed. Haddon's Ten Strategies are now well known to thousands of students, who have applied them to everything from bee stings to electrocutions. Bill himself applied them to just about every problem I can think of, perhaps except "running out of gas," a problem that many of Bill's family and friends wondered whether he would ever solve.

With his strategies, and his vivid ways of applying them, the excitement he generated in every class he taught, and his incredible vision, Bill set many things in motion that will be reaping benefits for a long, long time. For many researchers, he and the Insurance Institute made it possible for us to grow professionally, to do better research than we had believed possible, and eventually be recognized as productive members of an important field.

As most of you know, Bill liked to play games. I suspect what he really liked was winning. I remember the end of a long day when we'd been working together on what he referred to as "the damned chapter." He apologized for the fact that he hadn't been able to agree with me on some particular point of contention. "Oh, that's OK," I said. "Can't win them all." Bill looked dismayed. "Which one did *you* win?"

Bill Haddon was a winner. He won the admiration and respect of colleagues, students, friends, and even adversaries. He won the highest awards and honors in the public health world. Best of all, he won freedom from injury for millions of people in this and future generations. In fact, all of us are winners today, because of Bill Haddon's life.

REMARKS BY BRIAN O'NEILL, EXECUTIVE VICE PRESIDENT, INSURANCE INSTITUTE FOR HIGHWAY SAFETY

I joined the Insurance Institute for Highway Safety at the end of 1969, nine months after Bill Haddon had been made president. I didn't know anything about Bill before I joined; if I had I might not have taken the job. Sometimes ignorance is bliss.

Before I worked for Bill, I had worked in a number of research capacities and for several individuals who, at the time, I thought of as outstanding scientists. It didn't take long, however, to realize that Bill was special, a man of extraordinary vision. He was one of those rare scientists who make major breakthroughs by tearing up the old rules and rewriting them. I believe that an important difference between Bill and most other scientists was that Bill had the ability to identify and ask the truly insightful questions. Many of Bill's ideas now seem to us so simple and they are widely accepted. This is one of the most important tributes we can pay to Bill, because he was one of the first to ask the questions that cut right through to the basic issues. Bill and a handful of other pioneers like Hugh de Haven asked questions that today may not seem profound. But at the time they were, because they had not been asked before and they had the effect of reorienting the research in entirely new directions.

They asked why shouldn't the same scientific approaches that had successfully controlled many infectious diseases be applied to the control and prevention of motor vehicle crash injuries. These approches are now being applied and are paying off.

Bill asked why not apply the same principles that we use for packaging fragile objects for shipment through the mail, when we design automobiles for transporting people. Bill never tired of explaining the principles of crash packaging, pointing out for example that no one would dream of packing china so that if the box were dropped, the china could be thrown clear! The analogies may be obvious now, but they weren't always.

He also asked why not apply the well proven principles of automatic protection widely used in public health to motor vehicle protection.

Bill Haddon recognized—long before most others—that crash deaths and injuries are a public health problem needing effective countermeasures derived from scientific studies, not wishful thinking and sloganeering. As I said before, he tore up the old rules and started a new ballgame.

Those of us who worked with Bill at the Institute never had a better teacher—nor a more demanding one. But his demands were O.K.—sometimes they frustrated us when he made them, but eventually we would realize they were O.K. because he was demanding excellence, refusing to allow us to settle for second best. At the Institute the basic rule was, and still is, quality not quantity. This insistence on excellence is one of the many important legacies from Bill for those of us still at the Institute.

Bill Haddon was a medical doctor who dedicated his professional life to saving lives and preventing injuries. Unlike doctors in the more traditional fields, his patients cannot be identified. People cannot come forward and thank him, like patients saved by surgeons. Bill Haddon's contributions in government and at the Institute have saved thousands of lives and prevented many more injuries. Perhaps even in this church someone is alive because of Bill's work.

Those of us who worked with him at the Institute feel that the nation has lost one of its finest servants. And we feel a personal loss too, made all the more profound because he was still young. Bill had so much more to teach us and the Institute can never be quite the same without him.

We will all miss him.

REMARKS BY DONALD L. SCHAFFER, SENIOR VICE PRESIDENT, SECRETARY, AND GENERAL COUNSEL, ALLSTATE INSURANCE CO.

We are gathered here to remember and honor Dr. William Haddon, physician, engineer, scientist, researcher, administrator, government official, husband, father, humanitarian, saver of lives and preventor of injuries—and friend. He combined ability, foresight, dedication and energy into a cohesive, organized assault on the entire matrix of events that can cause death and injury on the highways of America. He developed the first organized and systematic approach to the study of injury cause, effect and prevention. He moved the Insurance Institute for Highway Safety from the era of slogans and handwringing to production of meaningful data and effective responsive action. I am here for the Board of that organization to attest to our respect, admiration and affection for Bill Haddon.

The family has asked that this not be a somber or sad occasion—and it should not be. We should rather rejoice in the success which Bill has achieved. Tens of thousands of Americans are either alive or uninjured because of his vision and accomplishments. Automobiles are safer to operate and more protective in crashes—they are less subject to damage and easier and less expensive to repair.

Child restraint laws resulted directly from Bill Haddon's foresight and efforts. His work has led to the phased introduction of passive restraints—air bags and automatic belts—scheduled for the future. The pressure and background produced by his passive restraint activity created the present environment making it politically possible to enact seat belt use laws in a number of states. Even such mundane but important items as automobile bumpers of equal height which can absorb minor impacts without damage are the product of Bill's imagination and activity. Plus thousands of other contributions to automotive engineering and medicine. Highway design improvement, traffic control, motor vehicle administration, driver training and licensing, drug and alcohol impairment, vehicle lighting and design—in these and many other areas Bill Haddon's imprint has been the cause of major change and improvement.

In 1969 when Dr. Haddon was just concluding his successful and productive term as the first head of what is now the National Highway Traffic Safety Administration, the Board of IIHS had determined it needed a new head man and new direction. Bill had established all the initial vehicle safety rules and the Board was highly impressed by both his accomplishments and vision. The unanimous opinion of the Board was that he was the perfect choice to head the Institute.

As the then Chairman I was asked to approach Bill and offer him the presidency of the Institute. I made a date for dinner with Bill at Paul Young's Restaurant. I heard some rumors that other opportunities were available and that Bill was probably going to turn down the Institute offer.

So knowing Bill fairly well—knowing his inherent reaction to challenge—his often sharp response to criticism—I decided to play a lawyers trick on Bill. After the initial hellos and Bill had consumed his traditional thimbleful of sherry, I made up a little story and said: "Bill, the Board of IIHS is very much interested in you as President. Everyone has great confidence in your technical and scientific ability but some of the Board members think you are a poor Administrator and may not have the administrative skills to staff and run a small organization of this type."

Well Bill blew up and vehemently denied he was a poor administrator and strongly asserted that he could staff, organize and run the Institute better than any other candidate. He rose to the challenge, took the bait and accepted the job.

I've never known whether or not my ploy was an important factor—whether he might have accepted in any event. But I and the Board will be eternally thankful and grateful that he did—and so should the American people.

Bill has left us with a strong, able, effective and dedicated staff and organization. The Institute possesses both a national and international reputation. It is the pre-eminent scientific highway safety organization in the world—thanks to Bill Haddon.

And the Board thanks the Haddon family for lending us so much of Bill Haddon.

If we can continue his work and particularly if passive restraints become standard equipment, Bill Haddon will have saved more lives than anyone since Louis Pasteur.

May the Lord accept and honor him as we do.

REMARKS BY JOAN CLAYBROOK, PRESIDENT, PUBLIC CITIZEN

I rise to celebrate the life and work of Dr. William Haddon, Jr., the father of vehicle crashworthiness, a physician of preventive medicine who represented the victims rather than treating the rich and powerful, an engineer who bridged the gap between concept and action.

Bill Haddon's conceptual work in developing a unified theory of safety revolutionized our nation's approach to reducing highway death and injury. His epidemiological analysis of the precrash, crash and post crash events, his focus on energy management, and his insistence on allocating resources to factors such as automatic crash protection that can effectively limit human injury, are all now well accepted. But in the mid-1960's, when his definitive book "Accident Research, Methods and Approaches," was published, these precepts were not part of the transportation safety lexicon. Auto crashes were treated as a human behavioral problem. "The life you save may be your own" was the cliche of the day. The potential for injury prevention technology was recognized, but only by industry engineers and researchers and a few other technical experts. It was not publicly discussed. Bill Haddon brought the scientists out from behind the closed doors and made crashworthiness job one, as they say in Detroit.

Bill had some unique human qualities and preferences those of us who had the privilege of working with him can never forget. I'd like to mention a few picked from among many during the early days at NHTSA after consultation with his other colleagues Bob Brenner and Lenora Borow.

As his special assistant, I learned in short order that he was a creative genius and a perfectionist, in the words he used, the papers he authored, the ideas he developed. And there is also no question about what Bill liked and disliked. In those days he had a military crew cut, wore white shirts and a bow tie—every day. He hated air conditioning and kept the windows at the Department of Commerce building wide open all summer long. He also disliked anything green (it reminded him of bile), mayonnaise (from his MIT food technology days), cigarette smoking, garrulous people, and especially lawyers.

He disdained the perks of public office and ignored the furnishings until his secretary ordered new furniture when we moved from Commerce to DOT. It included a bright orange couch with high tufted sides and a multitude of covered buttons, a glass top coffee table, and multicolored low-slung matching chairs on wheels. Within minutes of the delivery, Bill complained he couldn't put his feet on a glass topped table. He ordered it all removed immediately to the hall where it sat for months until a senior DOT scientist for whom Bill already had great disdain, rescued it.

Bill Haddon enjoyed challenging authority, even his own. Shortly after his face appeared on the front pages of numerous national magazines, irate consumers started writing thousands of letters and crowding our then tiny offices with defective tires. Late one evening as we were leaving after a particularly grueling day Bill picked up a defective tire and slung it like a bowling ball down the full length of the Department of Commerce block-long hall which was populated with glass doors. As we looked on in horror, he roared with laughter at his own boyishness.

The other giant Bill enjoyed twitting was the auto industry. When he could, he pursuaded them to move, as in his conversations with GM President Ed Cole about side bar protection devices and padding the header. But other occasions were not so friendly as when Henry Ford threatened to close down the auto industry if the proposed initial standards weren't changed.

In the tradition of his beloved New England, Bill was sparse with his words, a very direct, no nonsense person. He was a great teacher of people he respected, but parcelled out tart words for those he didn't. He was also sparse in expressing appreciation or giving compliments, but when they came you knew he really meant it. Once after I edited an urgent report Haddon and Brenner had struggled to write, he read it and looking somewhat surprised, said "not bad."

Bill Haddon's legacy is found in the millions of American who have not died or suffered grievous injury on the highway because of his insight, determination, energy and courage. And his legacy will continue to grow as the years pass. His contributions will become even better known after his life than during it because he helped change massive institutions which will never be as they once were. He forced the auto industry to design safety into its product planning and raised the stature of the safety engineer inside these companies. With only a few engineers on board in 1966, Bill and Bob Brenner personally wrote the first 30 vehicle safety standards, an accomplishment unmatched with more than 100 engineers during the subsequent 18 years.

Bill also energized and focused the auto insurance industry on expanding the base of safety proponents and getting actively engaged in battling Detroit for safety improvements, paticularly air bags. Rarely have two giants of Amercan industry ever clashed over a public health issue.

As a medical doctor, Bill Haddon was furious about the sorry state of emergency medical services and poured DOT money into upgrading them, despite the outraged cries of jurisdictional encroachment from bureaucratic competitors at the Department of HEW. To regain their jurisdiction, the NIH finally started an aggressive program to upgrade hospital emergency treatment of trauma victims, just as Dr. Haddon predicted they would. In 1968 Dr. Haddon also found time to write a definitive report on alcohol and driving, and pioneered the finding still accurate today: That alcohol is involved in 50 percent of all crashes.

Bill Haddon believed that the highest professional ethic was preventing death and injury rather than applying his talents to remedying the damage after the fact. I hope that all of us here, and Bill's many colleagues and friends around the world, can help to continue the seed planting he relished so much by establishing a memorial lecture in injury prevention at Harvard Medical School or the John Hopkins School of Public health or an endowment for summer scholarships for young doctors and engineers in trauma prevention to entice the next generation to carry on his work. Perhaps we can do both. I know Bill would like that.

THE PRESIDENT'S SPEECH IN STRASBOURG

Mr. WARNER. Mr. President, I rise this afternoon to commend President Reagan for the eloquent and moving address which he delivered to a special session of the European Parliament in Strasbourg, France. On this, the 40th anniversary of the liberation of Europe, the President vividly recalled the triumphs and tragedies of that war. He reminded us once again of lessons that must never be forgotten. And, equally important, he spoke with confidence and vision of the opportunities and challenges that confront the Western democracies as we begin the fifth decade of the postwar era.

In his speech, President Reagan defined the task of current leaders in the following terms, "to keep the peace with an ever more powerful Soviet Union, to introduce greater stability in our relationship with it, and to live together in a world in which our values can prosper." I am particularly pleased that the President used the oc-

casion of this speech to go beyond mere words and propose to the Soviet Union a number of practical steps that could, if accepted, contribute significantly to the realization of these goals.

The President's four-part proposal for reducing military tensions includes the exchange of observers at military exercises, regular, high-level contacts between United States and Soviet military leaders, discussion in the Conference on Disarmament in Europe of the Soviet proposal on the nonuse of force in the context of Soviet agreement to NATO's proposed CBM's, and the establishment of a permanent military-to-military communications link to exchange notifications and other information regarding routine military activities.

Mr. President, over the past several years, the Senate has been in the forefront of efforts to devise practical measures to strengthen controls over nuclear weapons and to reduce the risk that these weapons might ever be used due to accident or miscalculation. Let me briefly review the history of our risk reduction initiative.

Back in the early 1980's, Senator NUNN asked the Strategic Air Command [SAC] to undertake a study of the dangers of an accidental war between the United States and the Soviet Union triggered by a third party. The SAC study concluded that neither superpower may have the capability to determine the country of origin of a third party attack, and neither had adequate warning and detection systems to deal with unconventional type attacks.

In 1982, Senator NUNN, our beloved late colleague Senator Jackson, and I introduced an amendment to the fiscal year 1983 defense authorization bill requiring the Defense Department to evaulate several proposals aimed at reducing the risk of nuclear confrontations. That legislation resulted in an April 1983 report by Secretary Weinberger to the Congress outlining four specific risk reduction measures which were eventually proposed to the Soviet Union. The four measures were:

First, adding a high-speed facsimile capability to the hotline.

Second, creating a joint military communications link [JMCL] between the Pentagon and the Soviet military command. This is one of the proposals which the President today asked the Soviets to reconsider.

Third, installing high rate data links between the United States and the Soviet Union with their embassies in the capital of the other.

Fourth, proposing a multilateral agreement for nations to consult in the event of a nuclear incident involving terrorists.

Of these four measures, the Soviets have showed no interest in the JMCL or the embassy date links. There has been discussions on the nuclear-armed terrorist problem, and agreement was reached last July on the hotline upgrade. On April 4, Senator NUNN and I introduced Senate Joint Resolution 108, authorizing the Secretary of Defense to provide to the Soviet Union, on a reimbursable basis, equipment and services necessary to implement this agreement. The joint resolution was passed unanimously by the Armed Services Committee on May 2, and I hope that it will be quickly approved by the Senate.

One important risk reduction measure which was cited in our 1982 legislation, but not acted on by the administration, was the establishment of risk reduction centers. Basically, the administration took the position at that time that while these centers might represent a useful long-term goal, it preferred to pursue its own package of proposals before taking on what it regarded as the more ambitious step of establishing the centers.

In November 1983, the Nunn/Warner Working Group on Nuclear Risk Reduction, which we had formed a year earlier, released its report and recommendations. Members of our group included Gen. Brent Scowcroft, Gen. Richard Ellis, Dr. James Schlesinger, William Hyland, Dr. Barry Blechman, Adm. Bobby Inman, Dr. William Perry, and Dr. Donald Rice.

In its report, the working group commended the administration for proposing the four confidence-building measures. However, it disagreed with the administration's decision not to adopt the risk reduction center proposal. In its report, the group stated that there are "crucial political aspects" to controlling crises which can only be addressed through "more comprehensive language involving designation of particualr representatives and facilities in both nations that would be assigned specific responsibilities for preventing a nuclear crisis."

On February 1, 1984, Senator NUNN and I introduced Senate Resolution 329, which incorporated the recommendations of the working group and urged the President to propose to the Soviets the establishments of these centers. This resolution was approved unanimously by the Foreign Relations Committee last May. On June 15, the Senate voted 82-0 to approve an amendment which we introduced to the fiscal year 1985 defense authorization bill incorporating the language of Senate Resolution 329. This provision was subsequently approved by the conference committee on this bill and enacted into law.

Despite the overwhelming congressional support for this proposal, the idea has yet to be formally embraced by this administration. We were, however, encouraged by Secretary Weinberger's January 31 testimony before the Foreign Relations Committee, in which he stated that it was very important to negotiate the creation of these centers.

Mr. President, I applaud the President for renewing his earlier crisis prevention offers to the Soviet Union, and I urge the Soviets to sit down with our representatives and try to reach agreement along these lines. At the same time, I remain hopeful that the administration will recognize the merit of our proposal for the establishment of risk reduction centers and add it to its negotiating agenda in future discussions with the Soviet Union on an overall framework of confidence-building measures.

I recognize that the Soviets often strongly resist proposals for easing tensions and reducing mutual risks which seem eminently sensible to us. But, as Secretary Weinberger said in his testimony in January, "this is not a reason not to try again."

I speak from some personal experience on this point, because 15 years ago I had the privilege of leading a U.S. delegation to the Soviet Union for the initial round of discussions that led to the 1972 Incidents At Sea agreement. After nearly 2 years of rigorious negotiations, in Washington, DC, and Moscow, I was privileged to sign in May 1972, on behalf of the United State Navy, an agreement that has been most effective for both nations.

Mr. President, I now yield to my distinguished colleague from Georgia, Senator NUNN.

Mr. NUNN. Mr. President, I join Senator WARNER in paying tribute to the President for his speech yesterday in Strasbourg and his four-part proposal for reducing military tensions.

One year ago, when Senator WARNER and I testified before the Foreign Relations Committee on our resolution, I noted that although the United States and the Soviet Union had in large measure been able to avoid confrontations entailing the risk of nuclear war over the past three decades, there were compelling reasons to be concerned about their ability to continue this into the future. Indeed, there are an increasing number of circumstances that could precipitate the outbreak of nuclear war that neither side anticipated or intended, possibly involving terrorist groups or the growing number of nuclear-armed states that will likely exist by the end of the century.

If anything, I am more convinced today that I was then that the establishment of nuclear risk reduction centers is a crucial, indeed imperative, step. Over the past year, we have witnessed three different Soviet military accidents that could easily have been misinterpreted by one side or the other: The errant Soviet cruise missile incident in January and two major explosions in the Soviet Union last year, one at the naval munitions depot at

Severomorsk, the other at a munitions factory in western Siberia.

Even more compelling, though, is the shift that both sides are now undertaking in their strategic posture toward a much prompter launch of land-based systems. I will not get into a discussion here as to whether we are talking about launch on confirmed warning of attack or launch under attack. But suffice it to say that as increasingly accurate, MIRV'd ICBM's like the MX, the SS-18, the SS-19, and the new SS-24 which the President mentioned in his speech yesterday make each side more and more vulnerable to a first strike, we are moving inexorably toward a hair trigger retaliatory posture. In these conditions, there is an extraordinary premium placed on avoiding any misinterpretation of nuclear incidents or military activities, and this is precisely the role that nuclear risk reduction centers could perform.

What we have in mind is separate facilities in Moscow and Washington, linked by the most modern communications equipment. The U.S. center should probably be directed by an ambassador-level official who would report directly to the National Security Council through the President's National Security Adviser. The permanent staff should include such other diplomatic, military, and intelligence personnel needed to maintain a 24-hour watch and support the various other functions performed by the centers. We do not believe that it would be prudent to start out with joint United States/Soviet manning of the centers, though this step might be feasible at some stage further down the road.

Senator WARNER and I believe that there are presently a number of functions which these centers could usefully perform. We recommend that the centers be assigned rather modest tasks in their initial phase of operations, recognizing that a more ambitious set of responsibilities would have to evolve over time as the centers demonstrated their worth.

The first recommended function is one which is most commonly associated with the risk reduction center concept: That of serving as the primary point of contact for the exchange of all military information required under United States/Soviet agreements and, if accepted by the Soviets, the types of notifications that were proposed by the United States in the START working group on confidence building measures. This tasking corresponds to a function that was specifically cited in our amendment, the exchange of information about military activities that might be misunderstood during periods of mounting tensions.

This communications link would be under political control, as opposed to the military-to-military communications system which President Reagan proposed yesterday. Given the Soviets' longstanding practice of keeping their military under strict political control, we think that they might be more disposed to establishing this kind of communications link if it were not proposed to be under independent military control.

The centers could also serve as facilities for the exchange of information concerning events that might lead to the acquisition of nuclear weapons by subnational groups or terrorists. This function also specifically cited in the legislation which the Senate passed last year.

Another function draws on a proposal by President Reagan in his September 1984 U.N. speech. The President suggested that the United States and Soviet Union hold regular, institutionalized meetings at the ministerial or Cabinet-level and that the agenda for these meetings could involve, for example, the exchange of 5-year military plans for weapons development and procurement. Another activity that might be appropriate for these meetings is one that was also outlined in the legislation: Discussing procedures to be followed in the event of possible incidents involving the use of nuclear weapons by third parties. We believe the risk reduction centers would be an ideal location for conducting these kinds of discussions.

Another promising option also relates to a proposal that President Reagan renewed yesterday, though it has been suggested by many others, including General Vessey when he became Chairman of the JCS in 1982, and by myself, Senator LEVIN, and 54 other Senators in a letter to the President in 1983. This is to institute regular, high-level meetings between United States and Soviet military leaders. These meetings could promote a dialog on nuclear doctrines, forces and activities, as recommended in the Nunn/Warner amendment. We believe the risk reduction centers would also be a perfect facility for conducting these meetings.

In closing, I would say that of these functions, the first is probably the one most directly related to the concept of these centers as it has evolved over time. Obviously, the most important function is the around-the-clock maintenance of communications, facilities, and personnel for preventing a nuclear crisis. To the extent that the other functions involve activities that could stand on their own absent the existence of risk reduction centers, bringing them under the umbrella of these centers is admittedly an essentially symbolic act.

But when we are dealing with the profound question of preventing nuclear war, I would argue that symbols matter. The American people want reassurance. They want to know that the Government which they are entrusting with command authority over tens of thousands of nuclear devices is giving the highest priority to reducing the risks of nuclear war. The establishment of nuclear risk reduction centers can provide such a symbol and also serve crucial substantive functions. Holding various high-level meetings in these centers would promote greater public awareness of the centers and, in turn, greater reassurance that the two Governments were indeed working to reduce the risk of nuclear war.

Mr. President, President Reagan's four-part proposal could, if accepted, contribute significantly to reducing military tensions. I hope that both countries will also consider taking another important step toward this goal: The establishment of nuclear risk reduction centers.

BISHOP JAMES D. NIEDERGESES HONORED IN NASHVILLE

Mr. SASSER. Mr. President, I rise to pay tribute to a distinguished constituent, a leader in the cultural and spiritual life of Tennessee, His Excellency James D. Niedergeses, bishop of the Roman Catholic Diocese of Nashville.

I was recently privileged to speak at a dinner in the bishop's honor in Nashville, and I was deeply impressed by the fondness toward him that was displayed by the 650 people in attendance at that event. He deserves the affection and respect of them all.

The bishop has tirelessly served God and the Catholic community of middle and east Tennessee for more than a decade. His stewardship has been one of honor and distinction.

Nowhere more than in the field of Catholic education has the bishop's many contributions been more evident or more appreciated. The dinner in his honor was on behalf of Father Ryan High School, a great institution he has served nobly by establishing its development fund. Bishop Niedergeses' example has demonstrated that Catholic education, especially in the Nashville diocese, renders a positive contribution to society and to the minds and spirits of the young.

I commend the devoted service of a distinguished clergyman and citizen, Bishop James D. Niedergeses.

50TH ANNIVERSARY OF REA

Mr. SIMPSON. Mr. President, I am pleased to join with several of my colleagues to speak in commemoration of the 50th anniversary of the establishment of the Rural Electrification Administration—the REA. When the REA first embarked upon its historic mission to "electrify" America, it was viewed by all America as a stunning success. In those early beginnings in

1935 when most farm homes were illuminated—but just barely—with kerosene lamps—it literally illuminated the face of America. It financed electric co-ops and even conducted traveling "road shows" to promote the use of electricity, prepared wiring and plumbing plans and lent farmers the money to purchase and install appliances. Today it is as busy as ever, even though over 99 percent of all of America's farms have electricity.

Rural electric cooperatives today comprise a vast operating network of more than 1,000 local and regional electric systems found in 46 States. These co-ops are consumer-owned, nonprofit utilities incorporated under the laws of the States in which they operate. I know personally those fine gentlemen and gentlewomen who serve on the various boards of directors of REA's in my own State of Wyoming—they are a remarkable and dedicated lot. In fact, one of the most significant supporters of the REA was from my home State of Wyoming many years ago. He was one of the founders of the National Rural Electric Cooperative Association [NRECA]—a man named J. C. "Kid" Nichols. He was one of the guiding lights and a moving force in the early days of the REA.

Rural electric systems serve approximately 25 million people in about 2,600 counties of the United States. Their service territories encompass 75 percent of the land base of the United States. They pay no Federal income tax because they are nonprofit entities and in at least 21 States they are not regulated by public utility commissions. They own and maintain nearly 44 percent of the Nation's electric distribution lines. In fiscal year 1978, 92 percent of the capital requirements of all rural systems was satisfied through REA insured and guaranteed loans.

Yet all is not well with REA. I think all thoughtful persons would admit that the task of electrifying rural America is largely completed, and yet we find that over the years some very crafty and creative financiers, accountants, lawyers, businessmen and trade associations entered the picture in order to preserve the massive infusions of Federal money into the original system. They created a phalanx of complex financing schemes, off budget financing and revolving fund capers for the REA-financial plotting that would make even an atomic scientist marvel. In their zeal to expand they forgot the original reason for being.

Almost as important a duty for the REA as advancing new services has been subsidizing the costs of existing services. The price of electricity, for example, has been held down despite the higher cost of serving rural areas. Only 172 of the Nation's 930 rural electric distribution systems increased their retail rates during 1984. This continued a trend in which the number of co-op rate increases have declined in each year since 1981, when 443 co-ops increased their rates.

"The major reason for the decline in co-op rate increases is the slowdown in wholesale power costs," according to Richard Larochelle, NRECA economic and rate specialist. "The large wholesale power rate increases of the 1970's and early 1980's are over and co-ops in most parts of the country can look forward to a period of relative rate stability," he said.

At the center of the Federal Government's rural electrification program is the assurance that the Nation's rural electric systems will have access to operating and finance capital. REA's role in making and backing loans to co-ops—historically for electric distribution and transmission—has been pivotal to the success of the rural electric program from its beginning. Since 1935, the REA role in financially backing rural electric systems has only been altered twice; once in 1944 to extend the loan repayment period from 10 to 35 years at a fixed 2 percent rate; and again in 1973, when the direct 2 percent loan program was terminated and replaced with insured and guaranteed loan programs (amendments made in the Rural Electrification Act in 1976 were required to correct technical deficiencies of the 1973 amendments). Since the beginning of the Rural Electric Administration, in each instance where Congress has set an interest rate to borrowers, that rate has been made approximately equivalent to the then prevailing cost of government funds.

As with so many of the varied activities of the Federal Government, programs that draw their nourishment from deep within the bowels of the Federal Treasury—on budget and off budget—tend to grow beyond all projections. In that way, the REA has become much much more than just a distribution system. It is both a growing dynamo and a ruptured dinosaur providing power to commercial industry (with the taxpayer providing the subsidy through the low interest loans), and providing backdoor Federal financing for commercial utilities in their generation and transmission activities and in the construction of conventional and nuclear powerplants. There are presently 54 REA co-ops which serve urban, rather than rural areas—and they continue to be heavily subsidized. Such procedures need a most thorough review, and the Congress deserves an opportunity to thoughtfully determine whether the Nation's taxpayers should continue to foot a good part of the bill for the projects that have sprouted up from the creative and original need to electrify rural America—and to honestly re-assess the worth of those that have grown far out of proportion to their basic and well-accepted mission.

During the last Congress, the NRECA presented us with legislation which purported to bring self-sufficiency to the rural electric and telephone revolving fund. I dubbed that proposal "fiction financing" and urged my colleagues to consider all of the issues involved in order to shed some light on the workings of that remarkable revolving fund which no longer revolves. If we are to make adjustments to the revolving fund, let us do it up front, honestly, responsibly. Let's stop the duplicity and outbursts of defensiveness and legerdemain to shroud what is really going on. Let's really assure that "REA pays its way." Let us continue to make available the specific Federal assistance which was envisioned as being so necessary at the birth of the REA. In that way the individuals who—because of geography, isolation or other valid reasons—need assistance in receiving a dependable supply of power indeed shall have it. At the same time, we will demonstrate a responsibility to the general public which has grown so very weary of Federal programs which have grown far beyond their fine original intended purposes and which have then become distorted in concept and increasingly ravenous for Federal dollars. REA is assuredly one of those. Let's get it fixed up and working right. I'm ready to help.

Mr. KERRY. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER (Mr. SPECTER). The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. DANFORTH. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER (Mr. BOSCHWITZ). Without objection, it is so ordered.

CONCLUSION OF MORNING BUSINESS

The PRESIDING OFFICER. Morning business is closed.

FIRST BUDGET RESOLUTION FOR FISCAL YEAR 1986

The PRESIDING OFFICER. The clerk will report the pending business.

The assistant legislative clerk read as follows:

A concurrent resolution (S. Con. Res. 32) setting forth the congressional budget for the United States Government for the fiscal years 1986, 1987, and 1988 and revising the congressional budget for the United States Government for the fiscal year 1985.

The Senate resumed consideration of the resolution.

AMENDMENT NO. 59

(Purpose: To provide funding for Amtrak at a level which is 10 percent less than fiscal year 1985 levels)

Mr. SPECTER. Mr. President, I call up amendment No. 59.

The PRESIDING OFFICER. The amendment will be stated.

The bill clerk read as follows:

The Senator from Pennsylvania [Mr. SPECTER] proposes an amendment numbered 59.

Mr. SPECTER. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

On page 3, increase the amount on line 12 by $600,000,000.

On page 3, increase the amount on line 13 by 700,000,000.

On page 3, increase the amount on line 14 by $700,000,000.

On page 3, increase the amount on line 18 by $500,000,000.

On page 3, increase the amount on line 19 by $700,000,000.

On page 3, increase the amount on line 20 by $700,000,000.

On page 3, increase the amount on line 25 by $500,000,000.

On page 4, increase the amount on line 1 by $700,000,000.

On page 4, increase the amount on line 2 by $700,000,000.

On page 4, increase the amount on line 6 by $500,000,000.

On page 4, increase the amount on line 7 by $1,200,000,000.

On page 4, increase the amount on line 8 by $1,900,000,000.

On page 4, increase the amount on line 12 by $500,000,000.

On page 4, increase the amount on line 13 by $700,000,000.

On page 4, increase the amount on line 14 by $700,000,000.

On page 16, increase the amount on line 20 by $600,000,000.

On page 16, increase the amount on line 21 by $500,000,000.

On page 17, increase the amount on line 4 by $600,000,000.

On page 17, increase the amount on line 5 by $600,000,000.

On page 17, increase the amount on line 13 by $600,000,000.

On page 17, increase the amount on line 14 by $600,000,000.

On page 33, increase the amount on line 2 by $100,000,000.

On page 33, increase the amount on line 3 by $100,000,000.

On page 33, increase the amount on line 11 by $100,000,000.

On page 33, increase the amount on line 12 by $100,000,000.

On page 38, decrease the first amount on line 24 by $616,000,000.

On page 38, decrease the second amount on line 24 by $536,000,000.

On page 38, decrease the amount on line 25 by $616,000,000.

On page 39, decrease the amount on line 1 by $577,000,000.

On page 39, decrease the first amount on line 2 by $616,000,000.

On page 39, decrease the second amount on line 2 by $616,000,000.

On page 46, decrease the amount on line 9 by $616,000,000.

On page 46, decrease the amount on line 10 by $536,000,000.

On page 46, decrease the first amount on line 11 by $616,000,000.

On page 46, decrease the second amount on line 11 by $577,000,000.

On page 46, decrease the amount on line 12 by $616,000,000.

On page 46, decrease the amount on line 13 by $616,000,000.

On page 52, increase the amount on line 1 by $600,000,000.

On page 52, increase the amount on line 3 by $600,000,000.

On page 52, increase the amount on line 4 by $600,000,000.

Mr. SPECTER. Mr. President, in order to expedite the treatment of this amendment, because of the limited time remaining—and the distinguished Senator from New Mexico [Mr. DOMENICI] has asked as little time be used as possible—I shall be referring to some of the material I will be introducing and will try to use as little floor time as possible.

Mr. President, today I offer an amendment to Senate Concurrent Resolution 32, the fiscal year 1986 budget resolution, as amended by the distinguished majority leader's substitute amendment.

My amendment to the budget would restore Federal funding for Amtrak at a 10-percent reduction over the fiscal year 1985 level.

Amtrak is presently threatened with the total elimination of its Federal subsidies by September 30, 1985. If this happens, the United States would be the only industrial nation without rail passenger service. My amendment to restore funding for Amtrak at a 10-percent cut over the fiscal year 1985 level is the maximum cut that Amtrak could withstand without sacrificing or eliminating major components of its passenger service. A cut, and not total elimination, in Amtrak represents an equitable move toward reducing the Federal deficit while sustaining the viability of this vital program.

Preservation of Amtrak's passenger service is a matter of great national importance. It provides vital services for the entire Nation, particularly for the populous eastern seaboard. With its elimination, traffic will be snarled all over the east coast, with highways jammed and airports clogged. It would become impossible for traffic to get through the Baltimore Harbor Tunnel. In fact, the U.S. Senate might have difficulty getting a quorum.

The elimination of Amtrak will also have serious economic implications nationwide. Amtrak presently employs some 25,000 people in 44 States, and in 1984, contributed $1.4 billion to our economy through its payroll and the purchase of goods and services. During 1984, Amtrak remained the sixth largest transportation company in the country.

In my State of Pennsylvania in 1984, Amtrak employed 3,242 residents with an annual payroll of $85.5 million. Amtrak contributed another $76 million to Pennsylvania's economy through the purchase of goods and services in 1984.

Amtrak's passenger service plays a vital role in our intercity transportation network and Amtrak's sustained progress in improving its service and reducing its dependence on Federal funds shows continued Federal support will pay great dividends in the long run. Amtrak's current funding level of $684 million is the lowest since fiscal year 1977. In 1986, Amtrak expects to cover at least 60 percent of its costs through revenues, compared to 48 percent just 4 years ago.

Amtrak's capital plant, assembled almost entirely with Federal funds, is now worth some $3.1 billion. Salvage value on these assets—rail line, stations, maintenance facilities, and the like—will be minimal if all intercity rail passenger service is eliminated.

In addition to the investment of the Federal Government, many States have made capital expenditures that total more than $100 million in order to support and enhance passenger service within their borders. This investment will be lost if Amtrak is phased out.

Amtrak currently carries 20 million passengers each year. The total elimination of rail passenger service will leave many communities, particularly in the more sparsely settled areas of the country, without any common carrier passenger transportation. Even travelers that count on other modes of transportation under normal conditions find they must depend on Amtrak in the event of weather emergency or labor strikes.

Among the major cities between Washington and New York, Amtrak trains carry almost 18,000 people daily, or 60 percent of the total air/rail ridership. Elimination of Amtrak service in the Northeast corridor will add to air congestion and will ultimately require billions of dollars in additional Federal investment for airport and highway construction.

Amtrak's Northeast corridor is also used by Conrail freight trains and commuter rail trains. If Amtrak is eliminated, Conrail and the commuter agencies will have to absorb $116 million in additional costs to sustain their own operations on the Northeast corridor.

The elimination of funding for Amtrak would trigger a $2.1 billion Amtrak liability for labor protection agreements, which provide up to 6 years full salary for employees who are furloughed. Neither the Government nor the public would derive any benefit in service or value from these payments.

State and local governments are unable or unlikely to pick up Amtrak rail passenger service. If they do, costs

will still be borne by the taxpayer but with reduced service because Amtrak's current contracts allow for more favorable operating agreements than outside parties could hope to negotiate.

The private sector will not pick up lost Amtrak service, as confirmed by Transportation Secretary Elizabeth Dole on April 23. The cost of doing so in competition with publicly subsidized air and highway transportation would be prohibitive.

The effective elimination of Amtrak will result in serious adverse economic consequences to the Nation in terms of: loss of investment, loss of income to equipment and supply contractors with Amtrak, loss of rail passenger service, and loss of jobs along with the strain on the railroad retirement system.

When these costs and consequences are considered, it is clear that the far better choice is for the Federal Government to continue providing support to Amtrak.

The amendment I am offering today would continue to fund Amtrak at a 10-percent reduction over the fiscal year 1985 level of $684 million. According to the Congressional Budget Office, this would translate into budget authorities of $616 million for fiscal years 1986, 1987, and 1988. Corresponding outlays would be $536 million for fiscal year 1986, $573 million for fiscal year 1987, and $616 million for fiscal year 1988. This amendment accordingly modifies the reconciliation instructions to the House and Senate authorizing committees of jurisdiction.

I submit that the cost to continue Federal funding of Amtrak could be offset by $500 million if the Congress approves legislation I recently introduced which would use the profits of Conrail to defray Amtrak's deficits. The remainder of the cost to operate Amtrak could be funded by a corresponding reduction in function 300, relating to national resources and environment. The $200 million offset will reduce the Bureau of Reclamation's construction budget in a manner consistent with the administration's budget proposal for that account. The administration has proposed a reduction of $300 million for fiscal year 1986, but the budget resolution before us now contains a reduction of only $80 million. According to OMB, the Bureau of Reclamation failed to spend some $200 million of its fiscal year 1985 appropriation.

Mr. President, I urge my colleagues to consider these arguments as we reduce the Federal deficit while recognizing the critical importance of our national rail passenger service.

Mr. President, if the current proposal stands with the elimination of Federal support for Amtrak, Amtrak will stop operating on September 30 and will constitute an enormous national dislocation affecting some 20 million riders in 44 States in this country. I suggest, Mr. President, that it will be impossible to land an airplane at La Guardia and National Airports and many other airports around the country because of the clog of the transportation system; that it will be difficult, if not impossible, to drive on the eastern seaboard with the added influx of bus and automobile traffic; impossible perhaps to get through the Baltimore Harbor Tunnel without enormous delay; and probably impossible to get a quorum in the U.S. Senate, not that the latter fact might be of great consequence to the national welfare, but it would be an enormous dislocation.

Mr. President, if the Federal funding is eliminated, there is not going to be any magical way that Amtrak is going to continue to operate under some private auspices in certain key sections of the country like the eastern seaboard or in other parts which are profitable for Amtrak.

As set forth in Congressional Quarterly for April 27, 1985:

> Transportation Secretary Elizabeth Hanford Dole admitted on April 23rd that if the administration proposal to cut all assistance to Amtrak were enacted, private railroads are unlikely to want any of Amtrak's routes and the passenger rail corporation might go bankrupt.

The same issue of Congressional Quarterly pointed out that Secretary of Transportation Dole said the Department of Transportation had sought a $765 million subsidy for Amtrak for fiscal year 1986, and when that was rejected by the Office of Management and Budget, then the U.S. Department of Transportation sought a $608 million subsidy for Amtrak. And that is obviously strong evidence that prior to the intervention by OMB, the official of the U.S. Government responsible for transportation felt it worthy of a subsidy for $765 million.

The reinstatement of funding that this amendment proposes would take the $684 million for fiscal year 1985 and reduce it by 10 percent in an effort to be as economical as possible and make as much contribution as possible to reduce the deficit, leaving a net subsidy of $616 million. This figure has been arrived at after I consulted with Mr. Graham Clater, president of Amtrak, who says that that is the absolutely irreducible minimum that it would take to operate Amtrak.

The Budget Committee had proposed a 30-percent reduction in Amtrak funding for fiscal year 1986, but according to information provided to me, the committee did not take into account the labor protection agreement which could have consumed the remaining subsidy, leaving virtually nothing for train operation; and it would be satisfactory with this Senator to have whatever figure is practical for the operation of Amtrak. If that could be lower than $616 million, that would be acceptable. But based upon all the information available to this Senator, that appears to be the irreducible minimum.

Mr. President, I suggest that if the funding for Amtrak is eliminated, the Federal Government will be paying more money than it would if this amendment were adopted and Amtrak continued to exist with the $616 million Federal subsidy. That is because the labor protection cost would be $645 million in the first year, assuming an 80-percent employee participation rate, and the total 6-year liability for labor protection costs will be some $2.1 billion.

Mr. President, at this time I ask unanimous consent to print in the RECORD opinions of counsel Covington and Burling dated April 17, 1985 and April 25, 1985, which set forth the legal authority for the proposition that the U.S. Government will be liable for the labor protection costs even if funding stops. There are conflicting opinions, not unusual in the context where lawyers opine on the same subject, and it may be that before the litigation costs are completed the figure will be staggering, very large even in comparison to the amount of money which is involved in this amendment.

There being no objection, the opinions were ordered to be printed in the RECORD, as follows:

COVINGTON & BURLING,
Washington, DC, April 17, 1985.

PAUL F. MICKEY, ESQ.,
Executive Vice President, Law and Public Affairs, National Railroad Passenger Corp., Washington, DC.

DEAR MR. MICKEY: You have informed us that, if no funds for Amtrak are included in the FY 1986 budget, Amtrak will be unable to continue its rail passenger service operations.[1] In the event of discontinuance of such operations Amtrak will become insolvent, since it will be unable to pay from funds on hand its labor-protection[2] and other[3] obligations. Proceedings under Chapter 11 of the Bankruptcy Act would, presumably, quickly follow. It is expected that liquidation of Amtrak's assets would fall far short of producing the amount needed to pay its creditors in full.[4]

You have asked us four questions:

1. Would a bankruptcy court be likely to hold that the claims of the United States, although secured by liens on most of Amtrak's property, should be equitably subordinated to prebankruptcy unsecured claims, particularly the $2.1 billion of labor protection, with the probable result that the United States would realize nothing on its claims?

2. Could Congress constitutionally, by amending the RPSA or otherwise, eliminate or reduce Amtrak's labor-protection obligations in the context of a complete elimination of federal funding of Amtrak?

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[1] Footnotes at end.

3. If the answer to question 1 is yes, could Congress prevent that result, and ensure priority for the United States' claims, by legislation?

4. Is it likely that the United States would itself be held liable to pay Amtrak's labor-protection obligations?

Our answers are as follows: question 1, yes; question 2, probably not; question 3, probably not; question 4, yes.

THE FACTS

The facts material to these questions are as follows. The United States, by § 301 of RPSA, caused Amtrak to be incorporated as a for-profit corporation, "the purpose of which shall be to provide intercity and commuter rail passenger services." "The Corporation will not be an agency or establishment of the United States Government." "The right to appeal, alter, or amend this Act at any time is expressly reserved." Id.

While Amtrak issued common stock to private railroads in return for financial contributions mandated by Congress, RPSA, § 304(a), the United States owns all the preferred stock, which has a liquidation preference, id., and is entitled to all the voting power until the preferred stock is progressively converted to common stock, § 303(c), which has never occurred. The federal government thus is for practical purposes the sole shareholder of Amtrak.

The rail passenger system that Amtrak was initially ordered to operate was directed by Congress on the recommendation of the Secretary of Transportation, §§ 201, 202. All subsequent decisions as to whether to continue, abandon or add specific service are determined by detailed criteria established by Congress, §§ 403, 404, 1001-04. It is thus on the United States' sole responsibility that Amtrak has operated a rail passenger system that results in substantial losses and has made large federal subsidies necessary.

As already mentioned, Amtrak was required by Congress (§ 405) to enter into the contract that establishes the labor-protection obligations which, upon Amtrak's complete discontinuance of service, would constitute the major non-federal creditor claims against Amtrak's estate.[5] While Congress has provided annual funding for the relatively minor labor-protection payments occasioned by specific discontinuances of service, it provided no funding or security that could meet the approximately $2.1 billion of payments that Amtrak would be required to make in the event of complete discontinuance. Since these claims would rank equally in bankruptcy with other prebankruptcy unsecured claims, all other claims in that category would be decisively affected by the existence of these obligations and Amtrak's inability to discharge them out of the liquidation proceeds of its assets. Thus ordinary trade, tort and other creditors would, like Amtrak's employees, be adversely affected by the failure to fund labor-protection obligations and, absent liability of the United States, are likely to realize only a small fraction of their claims in the event of Amtrak's bankruptcy.

In operating the rail passenger service prescribed by Congress, Amtrak has incurred large losses in each year of its operations. Cumulatively, Amtrak has received approximately $10 billion from the United States. Of this amount, preferred stock has been issued for approximately $2.9 billion; $1.1 billion has been treated as a loan secured by Amtrak's rolling stock; another $1.9 billion has been treated as a loan secured by a mortgage on the Northeast Corridor, and the remaining $4.1 billion has not been converted into any debt or equity interest.

We are informed that it could not reasonably be contended that the approximately $3 billion of federal payments to Amtrak that have been treated as loans could have been borrowed from any other source.

QUESTION 1.—EQUITABLE SUBORDINATION

We believe it probable that a bankruptcy court would hold that the claims of the United States as a creditor against Amtrak's estate should be equitably subordinated to the claims of general unsecured prebankruptcy creditors, and the United States' liens[6] should disappear or pass to the estate.[7]

Equitable subordination, until recently judge-created doctrine, now has statutory recognition in the Bankruptcy Code.[8] The doctrine entails that the claims, as creditor, of controlling shareholders will be subordinated in circumstances where allowance of such claims on a priority or equal basis would be unfair and harmful to other creditors.[9] Among the best-recognized situations in which the doctrine will be applied are (1) where the bankrupt corporation is deemed to have been undercapitalized by its controlling shareholders,[10] and (2) where those shareholders have supplied debt financing in circumstances where equity capital was economically requred.[11] Such shareholders will not be permitted to enjoy equality with, let alone priority over, other creditors when they made loans to, and/or obtained security interests in the property of, their undercapitalized subsidiary.

An enterprise is undercapitalized if its owners do not provide it with sufficient equity capital to meet the normal and foreseeable demands and obligations of the business in which it is to engage.[12] A strong, though not at all necessary, factor indicating undercapitalization is the existence of loans made to the subsidiary by the parent in circumstances where investing the amount as equity would have made the subsidiary more viable and where such loans could not have been procured from independent sources of financing.[13]

We believe a court would probably find that Amtrak was undercapitalized, and particularly so with respect to its labor-protection obligations. While Congress conveyed very large sums to Amtrak in the form of appropriations, taking no ownership or debt interest at all for some of those sums and taking an equity interest (the preferred stock) for some others,[14] the adequacy of the sums must be assessed in the light of the magnitude of the nationwide, money-losing rail passenger operations that Amtrak was required to conduct and, indeed, to expand and to upgrade. Moreover, to the extent that the congressional appropriations were expended on operations or for investment in capital purchases and improvements with no net-income-producing capacity, they furnished little or no equity cushion to Amtrak or protection to its creditors. And Congress kept Amtrak on a tight leash; there has never been a time when a cessation of government appropriations would not have led to Amtrak's prompt bankruptcy.[15]

Most important of all, Congress required Amtrak to assume by contract a liability for labor protection that, in the event of Amtrak's total discontinuance of service, is estimated to amount to some $2.1 billion. Total discontinuance was always a real and foreseeable possibility. Congress originally authorized Amtrak to operate its service on a two-year trail basis only. Appropriations could always be cut off, with discontinuance as the necessary result. And Congress expressly reserved the right to repeal, alter or amend the RPSA at any time.[16] Thus a total discontinuance of Amtrak's operations, and the consequent triggering of the maximum labor-protection obligation, must be considered a normal and foreseeable incident of the business in which Amtrak was directed to engage.[17]

In these circumstances, it can be strongly argued that, since Amtrak's parent—the United States—did not provide Amtrak, through equity capital or otherwise,[18] with some means of satisfying that obligation, the legal conclusion must be that Amtrak was undercapitalized and that the United States' claims should be subordinated. The fact that Amtrak's parent caused it to assume the liability in question, without regard to Amtrak's own business interests, provides strong additional support for this conclusion.[19]

Still further support is provided by the fact that the United States caused Amtrak to become indebted to it to the extent of some $3 billion—a sum far greater than the probable liquidation value of all its assets—in circumstances where such debt financing could not have been obtained from any independent source. As we have seen, this is a circumstance that has been accorded substantial weight in determining undercapitalization. Finally, the United States required Amtrak, as security for the debt financing, to convey liens on the great bulk of its assets, to the prejudice of Amtrak's employees and others who have unsecured claims that otherwise might have been satisfied, at least in part, from the proceeds of those assets.

QUESTION 2.—COULD CONGRESS CONSTITUTIONALLY ELIMINATE OR REDUCE AMTRAK'S LABOR-PROTECTION OBLIGATIONS IN THE CONTEXT OF A COMPLETE ELIMINATION OF FEDERAL FUNDING OF AMTRAK?

Could it be successfully argued that Congress could constitutionally, by statute, eliminate or reduce the labor-protection obligations—imposed by Section 405 of the RPSA and undertaken in Appendix C-2 to the Basic Agreement—as part of a plan to disengage the United States from Amtrak by the complete elimination of funding?

In Title V of the Regional Rail Reorganization Act of 1973 (RRRA), 87 Stat. 1012 (1974), Congress provided certain labor-protection benefits for employees of Conrail. No contract was involved; the detailed protection provisions were spelled out in the statute. Subsequently, in successive stages, by the Staggers Act of 1980, 94 Stat. 1985, and then by the Northeast Rail Service Act of 1981, 45 U.S.C. 581 et seq., Congress first modified and then repealed Title V and substituted less generous protection provisions. In Section 1132 of the 1981 Act, Congress declared that the RRRA had failed in its objective of creating a self-sustaining Conrail; that the labor-protection provisions of the RRRA "have resulted in the payment of benefits far in excess of levels anticipated at the time of enactment, have imposed an excessive fiscal burden on the Federal taxpayer, and are now an obstacle to the establishment of improved rail service and continued rail employment in the Northeast"; and that failure to reduce the benefits provided by Title V "would destroy [Conrail's] prospects of becoming a profitable carrier and further injure its employees."

The reduction of benefits was challenged as an unconstitutional taking of property

without just compensation and without due process of law. The Special Court rejected the challenges, holding that Title V created no proerty rights but was rather "social welfare legislation" which Congress could repeal or amend at any time, so long as its action had a reasonable basis and was not patently arbitrary or irrational.[20] The Court examined in detail the finding in Section 1132 that Title V had resulted in benefits far higher than anticipated, and held that finding to have been fully justified.[21] The congressional finding that failure to reduce the benefits of Title V would result in discontinuance of rail service, and consequent great injury to employees, was also held justified. In these circumstances, the court had no difficulty in holding that Congress had a reasonable basis for its action, and therefore in rejecting the constitutional challenges.

Congressional repeal or reduction of Amtrak's labor-protection obligations in the context of a complete cessation of funding would present quite different consideration. We are informed that, unlike the situation with Conrail, it could not be claimed that Amtrak has incurred obligations beyond what was intended or expected. Moreover, Congress' purpose would not be the continuance of rail service—since Amtrak's service will stop in any event if federal funding ceases [22]—with concomitant benefits to employees. Congress' purpose would, rather, be to advantage other claimants against Amtrak's assets (including the United States) and/or to avoid the expenditure of federal funds to discharge the labor-protection obligations. It is by no means clear that such purposes would be held to provide the reasonable basis that due-process-clause analysis requires even for the repeal of mere social-welfare benefits.

Moreover, in Amtrak's case, unlike Conrail's contractual rights are involved. With respect to Congrail Congress provided for benefits by statute, whereas with respect to Amtrak Congress caused a contract to be negotiated, signed, and certified by the Secretary of Labor. It is true that Congress can legislate so as to frustrate private contract rights if a reasonable basis exists.[23] For the reasons already indicated, we doubt that a reasonable basis would be found if the congressional objective was not to preserve amtrak's service and employment but merely to benefit some of Amtrak's creditors at the expense of others. [24]

Finally, a substantial argument could be made that congressional action eliminating or reducing the labor-protection rights of Amtrak's employees—action taken in circumstances in which Amtrak's bandruptcy was foreseeable and indeed imminent—would in substance be an ad hoc attemp to alter the rights and priorities of creditors in a particular bankruptcy. So viewed, the statute would stand an excellent change of being held to infringe the uniformity requirement of the bankruptcy clause of the Constitution (Art. I, § 8, cl. 4, giving Congress power "To establish . . . uniform Laws on the subject of Bankruptcies throughout the United States").[25]

QUESTION 3.—COULD CONGRESS PREVENT EQUITABLE SUBORDINATION BY LEGISLATION?

An attempt by Congress to prevent equitable subordiation by legislation would be in substance, if not in form, an amendment to § 510(c) of the Bankruptcy Code. If such an amendment were limited to an Amtrak bankruptcy, it would almost certainly be held to infringe the uniformity requirement of the bankruptcy clause of the Constitution, see above.

In addition, such legislation would likely be held to infringe the due-process clause of the Fifth Amendment for the reasons discussed in the answer to Question 2, as well as the equal-protection component of that clause, discussed below.

Suppose that Congress enacted legislation providing that, as a general and uniform rule in bankruptcy, claims of the United States are not subject to equitable subordination. The uniformity problem would then disappear. Moreover, such a statute would not infringe the rule that vested rights in specific property may not be destroyed by bankruptcy legislation,[26] because that rule is inapplicable to unsecured claims.[27] And statutory alterations in the priorities of creditors can constitutionally be made applicable to bankruptcy proceedings commenced before the enactment.[28]

However, a substantial argument could be made that the statute violated the equal-protection component of the due-process clause,[29] which is fully applicable to bankruptcy legislation.[30] Under the principles discussed in our answer to Question 2, a reasonable, non-arbitrary basis would have to be shown for treating the United States differently from all other creditors for the purpose of equitable subordination. If the United States has acted in a fashion that would require subordination of any other creditor's claim, it is difficult to discern a non-arbitrary basis for treating the United States differently. In addition, the fact that the difference in treatment resulted in direct financial benefit to the United States would permit a substantial argument that application of the statute to defeat equitable subordination in a particular bankruptcy would effect a taking of property without just compensation, notwithstanding the rule that statutory alterations of priorities in bankruptcy do not normally have that result.

Finally, if the United States were itself held liable for Amtrak's labor-protection obligations—and we suggest under Question 4 that it might well be so held—any issue of equitable subordination or the constitutionality of a congressional attempt to defeat that result would be academic.

QUESTION 4.—DIRECT LIABILITY OF THE UNITED STATES FOR AMTRAK'S LABOR-PROTECTION OBLIGATIONS

Liability of a controlling shareholder or parent for the debts of its subsidiary is variously justified on alter-ego, piercing-the-corporate-veil, and agency-or-instrumentality principles.[31] No finding of "wrongdoing" is necessarily involved; it is sufficient if the corporate form has been used in such a way that creditors have been injured in circumstances inconsistent with justice and equity.[32] Piercing the corporate veil for one purpose does not imply piercing it for other or all purposes; what is required, as has been held with respect to Amtrak itself, is "a nexus between the challenged actions of the defendant and the state's regulation and subsidization.[33]

Undercapitalization of the subsidiary is a major and often decisive factor in holding the parent liable.[34]

The fact that Amtrak's parent is a government rather than a commercial enterprise would not appear to be material in assessing its liability. Many formally separate corporations created by the United States have been held to be its agents, instrumentalities or alter egos for a variety of purposes. Questions of whether ostensibly private conduct is attributable to the federal or a state government, so as to become "state action" for purposes of the 5th and 14th amendments to the Constitution, have been analyzed on the basis of normal veil-piercing principles.[35] And in appropriate circumstances government-created corporations, including those created by the United States, have been held to be interchangeable with their sovereign parents for purposes of liability.[36]

As the Court of Claims has observed, "We recognize, of course, that these corporations wholly owned by the Government [e.g., the Panama Canal Company] are hybrid creatures, and that if the equivocal nature of such creatures resulted in fraud upon or other abuse of outside persons, a court would look through the corporate fiction and place liability upon the real pincipal." [37]

The provision of the RPSA that Amtrak is not "an agency or establishment of the United States Government," RPSA § 301, should not preclude that result. The provision is best read as making it clear that Amtrak was to be a private corporation and that the United States would not be liable for its debts merely because it was created by statute; in other words, that the relationship created was one of parent and subsidiary, subject to limited liability except as the law provides otherwise. It strains the provisions too far to argue that it exempted the United States-Amtrak relationship from the entire body of common law on the subject of parents and subsidiaries. While Congress may have acted from the best of motives, and in the public interest, in creating Amtrak and in managing and funding it as it did, the fact remains that Amtrak was a business corporation quite capable of going bankrupt, with consequent injury to its creditors. In such circumstances it is difficult to see why the normal rules for holding parents liable should not be fully applicable. In other contexts, courts have held that the normal rules are fully applicable to the United States-Amtrak relationship.[38]

We conclude, therefore, that there is a substantial likelihood that, if Amtrak enters bankruptcy, the United States would be held liable for Amtrak's debts. The argument is strongest with respect to Amtrak's labor-protection obligations, since we have found an undercapitalization directly related to those obligations.

The factors we have already discussed under Question 1—undercapitalization, the congressional requirements that Amtrak both operate a losing business and undertake massive labor-protection liability in the event of discontinuance, and the federal loans to Amtrak and taking of liens therefor—appear to provide the "nexus" between the United States' actions and Amtrak's debts that arguably makes the United States liable for those debts, at least for its labor-protection obligations. Cases where no such nexus was shown, and which hold merely that Amtrak is not generally an agency or instrumentality of the United States, are therefore readily distinguishable.[39]

Yours very truly,

COVINGTON & BURLING,
(By) BRICE M. CLAGETT.

FOOTNOTES

[1] You have informed us that, even without regard to labor-protection obligations, continued operation not only of Amtrak's entire system but of any part thereof (such as the Northeast Corridor) without federal funding would be at a loss.

In these circumstances, Amtrak would appear not to be authorized to operate after the beginning of FY 1986, in view of the provision of Section 404(c)(4)(A) of the Rail Passenger Service Act, as

amended ("RPSA," 45 U.S.C. § 501 et seq.), that Amtrak's "annual total costs shall not exceed the funds" provided by Congress and by other sources.

[2] Under Section 405 of the RPSA, Amtrak was required to "provide fair and equitable arrangements to protect the interests of employees . . . affected by a discontinuance of intercity rail passenger service," in accordance with detailed standards specified in the statute, and such arrangements were required to be certified by the Secretary of Labor as complying with the requirements of the Act. The labor-protection obligations were agreed between Amtrak and the labor unions and signed by them, and were certified by the Secretary of Labor. They appear in Appendix C-2 to the Basic Agreement between Amtrak and the railroads.

You have informed us that Amtrak's studies indicate that, in the event of a total discontinuance of Amtrak operations, the labor-protection obligations pursuant to Appendix C-2 would require the payment of approximately $2.1 billion over the six years following discontinuance.

[3] The amount of prebankruptcy unsecured claims, aside from labor-protection obligations and claims of the United States, has not yet been estimated but would be substantial. They would include claims under trade contracts and tort claims.

The United States' principal claims as a creditor would be (1) $1,119,635,428.43, plus interest, pursuant to a Note dated as of October 5, 1983, secured by "all Amtrak equipment" (rolling stock), and (2) approximately $1.9 billion (plus interest in certain contingencies), or such lesser amount as shall represent the value of the Northeast Corridor on Apr. 1, 1976, secured by a mortgage on the Northeast Corridor. Both notes have maturity dates far in the future and no installment payments are provided for. However, the United States may declare all amounts under the equipment Note due and payable if Amtrak should permanently cease operation of intercity rail passenger service, and the United States may declare amounts owing under the mortgage Note due and payable at any time by statute.

[4] While the book value of Amtrak's assets is approximately $3.1 billion, you have informed us that the amount realizable in liquidation for those assets would undoubtedly be far less.

[5] The United States was not itself a party to the Basic Agreement with the railroads, *National Railroad Passenger Corp.* v. *Atchison, T. & S.F. Ry.*, 53 U.S.L.W. 4285 (U.S., Mar. 18, 1985), or to Appendix C-2 to the Basic Agreement, which contains Amtrak's direct labor-protection obligations.

Appendix C-1 contains the labor-protection obligations of the freight railroads which contracted with Amtrak. Amtrak agreed to reimburse these railroads for amounts spent by them to protect employees holding jobs which Amtrak requested to be added subsequent to the initiation of Amtrak's service. That agreement would cost Amtrak approximately $.2 billion in the event of complete discontinuance; Amtrak's direct obligations under Appendix C-2 would cost approximately $1.9 billion.

[6] One of the United States' liens is a security interest in Amtrak's rolling stock. It does not, however, appear to be a "purchase-money equipment security interest" within the meaning of § 1168 of the Bankruptcy Act, and in any event the Note for the debt in question does not grant the United States a right to take possession of the rolling stock in the event of bankruptcy. For both these reasons, the United States would not be entitled under § 1168 to take possession of the rolling stock in the event of Amtrak's bankruptcy.

[7] This is a consequence of equitable subordination. *Reiner* v. *Washington Plate Glass Co.*, 711 F.2d 414 (D.C. Cir. 1983).

[8] 11 U.S.C. § 510(c). See 3 Collier on Bankruptcy § 510.05 (15th ed. 1984).

[9] Id. at § 510.05[2]; *In the Matter of Mobile Steel Co.*, 563 F.2d 692 (5th Cir. 1977).

[10] *Pepper* v. *Litton*, 308 U.S. 295 (1939); Hackney & Benson, "Shareholder Liability for Inadequate Capital," 43 U. Pitt. L. Rev. 837, 879–83 (1982).

[11] *Taylor* v. *Standard Gas & Electric Co.*, 306 U.S. 307, 323 (1939); *Goldie* v. *Cox*, 130 F.2d 695 (8th Cir. 1942); *In the Matter of Mobile Steel Co.*, supra.; *Machinery Rental Inc.* v. *Herpel*, 622 F.2d 709 (5th Cir. 1980); *In re Trimble Co.*, 479 F.2d 103 (3d Cir. 1973). "The essential fairness of this result is readily apparent because not only did the claimant increase the risks of failure to the debtor by undercapitalizing it, the claimant also seeks to share in the distribution of the debtor's assets based on purported loans to the debtor which were substitutes for risk capital. If these 'loans' had been invested in the proper form, they would not have been grouped, in the order of distribution, on a parity with the claims of the general creditors." 3 Collier, supra, at § 510.05[4][a].

[12] *In the Matter of Mobile Steel Co.*, supra, at 703 ("Capitalization is inadequate if, in the opinion of a skilled financial analyst, it would definitely be insufficient to support a business of the size and nature of the bankrupt in light of the circumstances existing at the time the bankrupt was capitalized"); Henn & Alexander, Laws of Corporations 356 (3d ed. 1983); 1 Fletcher, Cyclopedia of the Law of Private Corporations § 44.1 (1983).

[13] *In the matter of Mobile Steel Co.*, supra, at 703 ("Capitalization is inadequate if, at the time when the advances were made, the bankrupt could not have borrowed a similar amount of money from an informed outside source."); 3 Collier on Bankruptcy § 510.05[4][a] (1984); Latty, op. cit. at 110–41; Hackney & Benson, op. cit. at 893–95.

[14] It might, however, be argued that the preferred stock resembles debt more than equity in view of RPSA § 304(d), which provides that "no obligation with a liquidation interest superior to any preferred stock . . . shall be incurred without the consent of the Secretary."

[15] "If the subsidiary is financially helpless and, through the fault of the parent corporation can call on the parent corporation for capital funds only when and if the parent corporation pleases to grant them, it is cogent evidence" of undercapitalization. Powell, Parent and Subsidiary Corporations 14–15 (1931).

[16] RPSA § 301.

[17] It might be argued that those who voluntarily and knowingly contract with an inadequately capitalized corporation are not entitled to equitable subordination, although this argument is generally deemed relevant only when the creditor seeks to hold the parent directly liable for the subsidiary's debts. See Hackney & Benson, "Shareholder Liability for Inadequate Capital," 43 U. Pitt. L. Rev. 837, 860–67 (1982). Even if the argument is relevant when only equitable subordination is sought, it is far from clear that the argument would succeed here. Employees arguably do not deal with their employer on a purely voluntary basis, id. at 863. That is especially true of workers in a declining industry, like passenger railroad service in the 1970s, whose only alternative to dealing with Amtrak was to lose jobs that in many cases they had held for many years. Finally, Amtrak's employees were arguably entitled to rely on the assurance of Congress and the certification by the Secretary of Labor that the contract they accepted guaranteed them "fair and equitable protection" "against a worsening of their positions with respect to their employment." RPSA § 405 (b), (c). Surely, the nonpayment of their contracted-for benefits as a result of Amtrak's bankruptcy would be such a "worsening of their positions." Indeed the employees may have reasonably believed that the United States was directly bound to perform the labor-protection obligations. See n. 24 infra.

[18] A parent should not "launch the subsidiary in business without furnishing the appropriate funds or obligating itself to do so." Powell, op. cit. at 14. If Congress did not wish to fund Amtrak with equity capital sufficient to pay labor protection, it could, of course, have "obligat[ed] itself" by guaranteeing the obligation.

[19] See *Taylor* v. *Standard Gas & Electric Co.*, supra.

[20] *Railway Labor Executives' Ass'n* v. *United States*, 575 F. Supp. 1554 (Sp. Ct. 1983), cert. denied, 104 S. Ct. 1596 (1984); *Hinds* v. *Consolidated Rail Corp.*, 518 F. Supp. 1350 (Sp. Ct. 1981), cert. denied, 454 U.S. 1145 (1982). See also *Pension Benefit Guaranty Corp.* v. *R.A. Gray & Co.*, 104 S. Ct. 2709 (1984); *U.S. Railroad Retirement Board* v. *Fritz*, 449 U.S. 166 (1980).

[21] *Hinds* v. *Consolidated Rail Corp.*, supra.

[22] If relief from labor-protection obligations would enable Amtrak to continue operations (and employment) on the Northeast Corridor while discontinuing all other operations, the situation would be much closer to that held to warrant relief for Conrail. You have informed us, however, that without any Federal funds Amtrak could not conduct profitable or break-even operations on the Northeast Corridor even if relief from the labor-protection obligations triggered by its discontinuance of all other service was available.

[23] *Usery* v. *Turner Elkhorn Mining Co.*, 428 U.S. 1, 15 (1976); *United Transportation Union* v. *Consolidated Rail Corp.* 535 F. Supp. 697 (Sp. Ct.), cert. denied, 457 U.S. 1133 (1982).

[24] As suggested in note 22, supra, a quite different situation would be presented if Congress modified Amtrak's labor-protection benefits in the context of ongoing Amtrak passenger-service operations and for the purpose of making Amtrak more economically viable. That would be much closer to the Conrail situation where modifications have been upheld.

[25] See *Railway Labor Executives' Ass'n* v. *Gibbons*, 455 U.S. 457, 469–71 (1982) (statute that applies to only one bankrupt railroad and its labor-protection obligations violates the uniformity requirement); Regional Rail Reorganization Act Cases, 419 U.S. 102, 160 (1974) (RRRA held not to violate the uniformity requirement because "the Rail Act in fact operates uniformly upon all bankrupt railroads then operating in the United States and uniformly with respect to all creditors of each of these railroads.").

[26] *United States* v. *Security Industrial Bank*, 103 S. Ct. 407, 410–12 (1982); *Louisville Joint Stock Land Bank* v. *Radford*, 295 U.S. 555 (1935); Note, "Constitutional Limitations on the Bankruptcy Power," 52 N.Y.U. L. Rev. 362, 399–401 (1977).

[27] See authorities just cited; see also *Kuehner* v. *Irving Trust Co.*, 299 U.S. 445, 451–52 (1937).

[28] *New York Credit Men's Adjustment Bureau, Inc.* v. *A. Jesse Goldstein & Co.*, 276 F.2d 886, 888 (2d Cir. 1960); *Coin Machine Acceptance Corp.* v. *O'Donnell*, 192 F.2d 773, 777–78 (4th Cir. 1951); *City of Chelsea* v. *Dolan*, 24 F.2d 522 (1st Cir. 1928).

[29] See cases cited in n. 20 supra.

[30] See, e.g., In re Crist, 632 F.2d 1226 (5th Cir. 1980), cert. denied, 451 U.S. 986 (1981).

[31] Powell, op. cit., passim; 1 Fletcher, op. cit. §§ 41–48.

[32] Powell, op. cit. at 77–81.

[33] *Anderson* v. *National Railroad Passenger Corp.* (7th Cir., Dec. 6, 1984), Slip op. p. 3; accord, *Marcucci* v. *National Railroad Passenger Corp.*, 589 F. Supp. 725, 727 (N.D. Ill. 1984); see *Blum* v. *Yaretsky*, 457 U.S. 991 (1982); *Rendell-Baker* v. *Kohn*, 457 U.S. 830 (1982).

[34] See, e.g., *Taylor* v. *Standard Gas & Electric Co.*, supra, 306 U.S. at 323; *Anderson* v. *Abbott*, 321 U.S. 349 (1944); *Segan Construction Corp.* v. *Nor-West Builders, Inc.*, 274 F. Supp. 691, 699 (D. Conn. 1967); *Automotriz del Golfo de California, S.A.* v. *Resnick*, 306 P.2d 1 (Cal. 1957); *Remme* v. *Herzog*, 222 Cal. 586 (Cal. App. 1964); *Mobridge Community Industries, Inc.* v. *Toure, Ltd.*, 273 N.W.2d 128 (S.D. 1978); Powell, op. cit. at 14; Henn & Alexander, op. cit. at 356; Note, Liability of a Corporation for Acts of a Subsidiary or Affiliate, 71 Harv. L. Rev. 1122, 1125–261, 1128–30 (1958); Latty, Subsidiaries and Affiliated Corporations 110–41 (1936); Hackney & Benson, op. cit. at 837, 851, 854–60; Meiners, Mofsky & Tollison, "Piercing the Veil of Limited Liability," 4 Del. J. Corp. Law 351, 354–55 (1979); 1 Fletcher, op. cit. §§ 41.30, 41.55, 44.1 ("If a corporation is organized and carries on a business without substantial capital in such a way that the corporation is likely to have insufficient assets available to meet its debts, it is inequitable that the stockholders should set up such a flimsy organization to escape personal liability. The attempt to do corporate business without providing any sufficient basis of financial responsibilities to creditors is an abuse of the separate entity and will be ineffectual to exempt the stockholders from corporate debts. It is coming to be recognized as the policy of the law that stockholders should in good faith put at the risk of the business unencumbered capital reasonably adequate for its prospective liabilities. If the capital is illusory of trifling compared with the business to be done and the risks of loss, this is ground for denying the separate entity privilege. It has been stated that a corporation's capitalization is a major consideration of courts in deciding whether a legitimate separate corporate entity was maintained.)".

[35] See the Supreme Court's recent decisions in *Blum* v. *Yaretsky*, supra; *Rendell-Baker* v. *Kohn*, supra.

[36] See *First National City Bank* v. *Banco para el Comercio Exterior de Cuba*, 103 S. Ct. 2591 (1983); *Cherry Cotton Mills, Inc.* v. *United States*, 327 U.S. 536 (1946) (Reconstruction Finance Corporation); *Breitbeck* v. *United States*, 550 F.2d 556 (Ct. Cl. 1974) (Saint Lawrence Seaway Development Corporation); *Banco Nacional de Cuba* v. *First National City Bank*, 478 F.2d 191 (2d Cir. 1973); *John Morrell & Co.* v. *United States*, 89 Ct. Cl. 167 (1939) (Federal Surplus Relief Corporation); *Skinner & Eddy Corp.* v. *United States*, 58 Ct. Cl. 663 (1923) (U.S. Emergency Fleet Corporation); *Electronic Data Systems Corp. Iran* v. *Social Security Organization*

of the Government of Iran, CA3-79-218-F (N.D. Tex. May 2, 1980), reprinted in Iranian Assets Litigation Reporter 848 (1980), affirmed and judgment suspended, 651 F.2d 1007 (5th Cir. 1981); *Westland Helicopters Ltd. v. Arab Organization for Industrialization*, 23 I.L.M. 1071 (I.C.C. Ct. Arb. 1984); see also *American International Group v. Iran*, 493 F. supp. 522, 523, 526 (D.D.C. 1980), remanded on other grounds, 657 F.2d 430 (D.C. Cir. 1981); *Ayer v. Comm'r of Administration*, 165 N.E. 2d 885 (Mass. 1960); Stoke, "Some Aspects of the Legal Status of Federal Corporations," 27 Geo. L.J. 1 (1938).

[37] *Abbott v. United States*, 112 F. Supp. 801, 804 (Ct. Cl. 1953).

[38] See, e.g., *Anderson v. National Railroad Passenger Corp.*, supra; *Marcucci v. National Railroad Passenger Corp.*, supra. The Marcucci court found that the provision of RPSA § 301, 45 U.S.C. § 541, that Amtrak "is not an agency or establishment of the United States government" "sheds little light on the state action issue." 589 F. Supp at 727 n.3.

[39] E.g., *Anderson v. National Railroad Passenger Corp.*, supra; *Ehm v. National Railroad Passenger Corp.*, 732 F.2d 1250 (5th Cir. 1984); *Marcucci v. National Railroad Passenger Corp.*, supra; *Kimbrough v. National Railroad Passenger Corp.*, 549 F. Supp. 169 (M.D. Ala. 1982); *Senter v. Amtrak*, 540 F. Supp. 557 (D.N.J. 1982).

COVINGTON & BURLING,
Washington, DC, April 25, 1985.

PAUL F. MICKEY, ESQ.,
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DEAR MR. MICKEY: You have asked for our comments on the letter signed for the Comptroller General of the United States ("GAO") to Senator Danforth, dated March 18, 1985, giving GAO's opinion on a number of questions asked by the Senator. We addressed some of the same questions in our letter to you of April 17, 1985.

As GAO recognizes (p. 20), "a legitimate difference of opinion may exist with respect to some, if not all, of our answers", and if litigation followed a complete discontinuance of Amtrak service "it is impossible for us to predict the likely outcome of such litigation with any degree of confidence." We believe, however, that applicable legal principles and precedents make an outcome different from GAO's prediction more likely in the case of Question 1.

QUESTION 1

If the employees of Amtrak or the contract railroads were laid off as a result of discontinuances of railroad passenger service, would the Federal Government be legally or otherwise liable for the payment of the resultant labor-protection costs?

In our April 17 letter we concluded (pp. 14-17) that there is a substantial likelihood that this question would be answered in the affirmative. GAO argues against this result and, subject to the reservations noted above, appears to regard it as less likely than we do.

We agree with GAO's initial conclusions (p. 4) that the United States is not a party to the Basic Agreement between Amtrak and the railroads or to its Appendices C-1 and C-2 (setting forth the labor-protection obligations of the railroads and Amtrak respectively), and that the fact that the creation of these obligations was mandated by statute and by the Secretary of Labor does not, without more, make the United States a guarantor of them.[1]

GAO identifies two arguments that might result in liability of the United States. The first (p. 8) is that Amtrak acted as agent for the United States in entering into the Appendix C-2 agreement and that the United States is therefore bound by it. GAO contends that Amtrak is not generally to be classified as a Government agency, and cites several cases so holding in a variety of contexts; GAO further argues that the Basic Agreement is a private, not a Government, contract. We do not disagree with either proposition, and did not argue to the contrary in our April 17 letter. On the same day that GAO's letter is dated, its conclusion on these points was confirmed by the Supreme Court's opinion in *National Railroad Passenger Corporation v. Atchison, T. & S.F. Ry.*, 53 U.S.L.W. 4285 (U.S. March 18, 1985). See our letter of April 17, p. 4 n.5.

We express no opinion on whether Appendix C-2 is an agreement subject to the Railway Labor Act, 45 U.S.C. § 51 *et seq.*

GAO then addresses (pp. 9-10) the argument that we did make: that the United States would likely be held liable for Amtrak's labor-protection obligations on an alter-ego or piercing-the-corporate-veil theory. GAO appears to make four contentions:

1. Since the United States' control over Amtrak does not make Amtrak an agency or instrumentality of the United States, Amtrak cannot be a "subsidiary or instrumentality" of the United States for the purpose of the alter-ego doctrine.

2. The assertion that Amtrak was undercapitalized by the United States is "a difficult proposition to prove."

3. Since the alleged undercapitalization was open and notorious, the United States should not be held liable to those who voluntarily contracted with Amtrak.

4. United States liability in this instance could mean that the Government could never end subsidies to an organization like Amtrak once they had begun.

We discuss these contentions below.

1. We see no reason why the fact that Amtrak is not a Government agency would deter a court, in appropriate circumstances, from applying normal veil-piercing principles. These principles have been evolved to provide exceptions to the normal rule that distinct entities (such as parent and subsidiary) will be treated as distinct in law. A number of decisions—some involving Amtrak itself—have recognized that the same principles will be applied when the "parent" is a government. See pp. 15-17 of our April 17 letter. The United States' control over, and ownerships of all the voting stock of, Amtrak clearly creates a parent-subsidiary relationship.

The "nexus" between that United States ownership and control and Amtrak's acts on which liability would be founded provides the remaining element necessary to implicate the United States in that liability. Several of the very decisions quoted by GAO recognized that the nexus factor is critical, and declined to pierce the veil only because, after careful factual analysis of the asserted claims, it was determined that the necessary nexus did not exist; that is, that the Government was not responsible for or involved in Amtrak's acts that gave rise to the claim. *See Anderson v. National Railroad Passenger Corp.* (7th Cir., Dec. 6, 1984), Slip. op. (discharge of employee); *Senater v. Amtrak*, 540 F. Supp. (D.N.J. 1982) (train accident); *see also Marcucci v. National Railroad Passenger Corp.*, 589 F. Supp. 725 (N.D. Ill. 1984), (discharge of employee).

Here, of course, the nexus is if provided by the facts that the United States (1) caused Amtrak to operate a losing business, (2) required Amtrak to incur massive contingent labor-protection obligations, (3) failed to capitalize Amtrak in such a fashion that it could meet those obligations, and (4) now threatens to make those obligations due and payable by causing Amtrak's total discontinuance of service. In these circumstances, the very cases cited by GAO would support United States liability for the obligations.

A different conclusion is not warranted, in our opinion, by the language of *Kimbrough v. National Railroad Passenger Corp.*, 549 F. Supp. 169 (M.D. Ala. 1982), in which the court observed that "Amtrak was to be treated as a private, for-profit railroad in regard to its employee relations." GAO argues (p. 6) that it follows that "the United States is not liable to Amtrak employees for any labor-protection payments mandated by the Basic Agreement or the underlying statute, just as the United States would not be liable for similar debts owed by other private railroads to their employees." *Kimbrough*, like *Anderson* and *Marcucci, supra*, involved a claim that Amtrak's discharge of an employee was government action subject to the due-process clauses of the 5th and 14th amendments to the Constitution. There was no allegation, however, that the United States was involved in Amtrak's decision to discharge the employee; thus the nexus requirement was not met. It stretches the decision much too far, we think, to extend its language to Amtrak's labor-protection obligations, given the heavy federal involvement both in the creation of those obligations and in the prospective inability of Amtrak to perform them.

2. GAO does not explain the basis for its statement that "undercapitalization of Amtrak is a difficult proposition to prove." It is undisputed that the United States caused Amtrak to incur contingent labor-protection obligations of $2.1 billion, and that it was entirely foreseeable that these amounts would become due and payable if federal funding of Amtrak ceased, as is now proposed. In these circumstances we think Amtrak was and is clearly undercapitalized with respect to its labor-protection obligations.

In *Matter of Mobile Steel Co.*, 563 F.2d 692 (5th Cir. 1977), cited by GAO, the court defined adequate capitalization as "what reasonably prudent men with a general background knowledge of the particular type of business and its hazards would determine was reasonable capitalization in the light of any special circumstances which existed at the time of incorporation of the now defunct enterprise." *Id.* at 703.

The labor-protection obligations which the United States caused Amtrak to assume would appear to be a "special circumstance" that "reasonably prudent men" would have realized had to be capitalized or guaranteed if Amtrak was to remain solvent in the event of a cessation of federal funding.

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[1] We do, however, take exception to GAO's implication (p. 4) that labor protection is mandated only by "social-welfare legislation" like the labor-protection obligations applicable to Conrail. Appendix C-2 is a contract. GAO elsewhere recognizes (p. 16) that Amtrak's obligations "were created and currently exist in a contractual context," but apparently believes that the only contract involved was between Amtrak and the railroads, with the employees "being at most third-party beneficiaries" (p. 17). GAO relies entirely on the statement in McLaughlin v. Penn Central Transportation Co., 384 F. Supp. 179, 183-84 (S.D.N.Y. 1974), that Appendix C-1 was not a contract between the former passenger railroads and their employees. What GAO has overlooked is that, while Appendix C-1 was not signed by the railroads and the unions, Appendix C-2 was signed by Amtrak and the unions. The *McLaughlin* case is therefore not relevant.

Mobil Steel also applies another test for undercapitalization in a case where the parent has lent money to the subsidiary and taken a security interest in its property in return: "Capitalization is inadquate if, at the time when the advances were made, the bankrupt could not have borrowed a similar amount of money from an informed outside source." *Id.*

In *Mobile*, the court concluded that this test was not met because the subsidiary had in fact obtained large commercial loans from independent sources. Here, in contrast, it seems clear that Amtrak could not have borrowed from such sources the $3 billion that it obtained in secured loans from its parent, the United States.

It thus appears that both of the *Mobile Steel* tests for undercapitalization are met in this instance.

3. We recognized (April 17 letter, p. 8 n.17) that "it could be argued" that a parent should not be held liable to "those who voluntarily and knowingly contract with an inadequately capitalized corporation." However, courts often pierce the corporate veil even for the benefit of voluntary creditors when there is clear undercapitalization, when the parent has intervened in the transaction in question, or generally where "an inequitable result" would otherwise follow. *See* Douglas & Shanks, "Insulation from Liability Through Susidiary Corporation," 39 Yale L.J. 193, 218 (1929). The "voluntary creditor" argument tends to be successful only when the creditor is sophisticated and has equal bargaining power. "It would seem . . . that many contract creditors are in fact involuntary claimants, in that as a practical matter they are not in a position to select whom to contract with or to familiarize themselves with the financial condition of the corporation they are dealing with." Hackney & Benson, "Shareholder Liability for Inadequate Capital," 43 U. Pitt. L. Rev. 837, 863 (1982). Employees, in particular, are not generally regarded as "voluntary" creditors for this purpose. *Id.* As we noted in our April 17 letter (p. 8, n.17), "[t]hat is especially true of workers in a declining industry, like passenger railroad service in the 1970s, whose only alternative to dealing with Amtrak was to lose jobs that in many cases they had held for many years."

As we also noted (*id.*), "Amtrak's employees were arguably entitled to rely on the assurance of Congress and the certification by the Secretary of Labor that the contract they accepted guaranteed them 'fair and equitable protection' 'against a worsening of their positions with respect to their employment.' RPSA §405(b), (c)."

In these circumstances, a court could well hold that the imposition of liability on the United States is necessary to avoid "an inequitable result."

4. GAO's final argument—that the United States liability would mean that federal subsidies to private entities, once begun, could never be ended—seems inadequately focused on Amtrak's unique situation. Federal subsidies do not normally involve the creation of massive contingent liabilities, such as those here, that will become due and payable only if and when the subsidies cease and that cannot be paid out of the subsidies themselves. Nothing in the argument we have made implies that the United States has any obligation to subsidize Amtrak indefinitely—merely that it cannot walk away from existing obligations that it itself caused to be created without capitalization or guarantee, and on which Amtrak's many thousands of employees have reasonably relied.

There is nothing in the argument that could "substantially undermine the authority of Congress to control Federal expenditures through the authorization and appropriation process" (GAO letter, p. 10). It was Congress itself, of course, that adopted the measures that arguably result in liability of the United States here.

QUESTIONS 2 AND 3

Would Amtrak be liable for the payment of the resultant labor-protection costs, and would any liability be affected if the discontinuance of service was system-wide rather than partial?

GAO concludes (pp. 11-14) that Amtrak itself would be liable for the labor-protection costs and that both that liability and any liability of the United States would not be affected if the discontinuance of Amtrak service was total rather than partial. We agree with these conclusions.

QUESTION 4

Assuming Amtrak was liable for labor-protection costs but received no federal subsidies, how would it pay the costs?

GAO correctly concludes (pp. 14-15) that, unless the United States' claims against Amtrak's estate are equitably subordinated, Amtrak would have "no assets" to pay the labor-protection costs.

It is likewise clear that, even if there were equitable subordination, only a small fraction of the $2.1 billion of labor-protection costs could be paid out of Amtrak's estate. As GAO notes, Amtrak estimates that the liquidation value of the estate would probably approximate $400 million, and that perhaps half of that would be consumed by claims indisputably senior to the labor-protection claims.

GAO regards it as "questionable" whether the federal claims would be subordinated, but does not discuss the issue. We fully set forth, at pp. 5-9 of our April 17 letter, our reasons for concluding that equitable subordination would be proper. Among the best-recognized situations in which a secured claim of a controlling shareholder will be subordinated to unsecured claims (and the lien canceled) is a situation where the bankrupt corporation was undercapitalized and where the controlling shareholder has supplied debt financing in circumstances where equity capital was economically required or where debt financing could not have been obtained from independent sources. We believe these principles rather clearly apply to the Amtrak situation.

QUESTION 5

Could Amtrak and its employees agree without legislation to revise the existing labor-protection arrangements?

GAO concludes (pp. 15-18) that Amtrak and its employees could not agree to amend Appendix C-2 of the Basic Agreement so as to modify or reduce Amtrak's labor-protection obligations. We did not address this question in our April 17 letter, and you have not asked us to address it. We agree with GAO's observation that it seems unlikely that Amtrak's employees would have any incentive to agree to such an amendment in the event of a complete discontinuance of Amtrak's service.

GAO also concludes (p. 16) that a statute amending Amtrak's labor-protection obligations might be unconstitutional without employee consent. GAO relies on the 7th Circuit's decision that was revised in *National Railroad Passenger Corp.* v. *Atchison, T. & S.F. Ry., supra.* For different reasons, we agree that such a statute would probably be unconstitutional if enacted in the context of a complete discontinuance of Amtrak service. See pp. 9-12 of our April 17 letter.

Statutes amending the labor-protection obligations enacted by Congress for Conrail were upheld by the courts on the grounds that Conrail's obligations were not imposed by contract but merely by "social-welfare legislation"; that the obligations had turned out to be many times more expensive than anticipated, and that amendments were reasonably necessary to avoid discontinuance of rail service and consequent injury to employees. None of these factors could be used to justify elimination or reduction of Amtrak's labor-protection obligations in the context of a complete discontinuance of Amtrak's service. The only purposes of such legislation would appear to be to prefer some claimants against Amtrak's estate over others and to avoid liability of the federal government. We believe such legislation would likely be held to violate the due-process clause of the Fifth Amendment to the Constitution and also to violate Article I, § 8, cl. 4, requiring that bankruptcy laws be uniform. *See Railway Executives Ass'n* v. *Gibbons,* 455 U.S. 457, 469-71 (1982).

QUESTION 6

Could a bankruptcy court revise Amtrak's existing labor-protection arrangements?

GAO expresses no opinion on this question, but notes that Amtrak's view is that Appendix C-2 would not be an "executory contract" in bankruptcy and hence that a bankruptcy court would not have the power, under 11 U.S.C. § 365, to revise the labor-protection arrangements. We agree with Amtrak's position.

Yours very truly,

COVINGTON & BURLING,
(By Brice M. Clagett).

Mr. SPECTER. Mr. President, I ask unanimous consent to have printed in the RECORD a summary sheet showing the 1984 State totals which recite the enormous impact of Amtrak in this country, constituting a total of some 20 million riders with 7,236,000 from the State of New York and my State, Pennsylvania, second with a total of 4,504,135 passengers.

There being no objection, the summary was ordered to be printed in the RECORD, as follows:

AMTRAK RIDERSHIP BY STATE

1984 State totals	On	Off	Total
Alabama	45,422	45,527	90,969
Arkansas	11,171	11,021	22,192
Arizona	36,955	39,249	76,204
California	2,099,334	2,084,999	4,184,334
Colorado	127,686	126,028	253,714
Connecticut	704,220	654,690	1,358,910
District of Columbia	1,150,413	1,136,402	2,286,815
Delaware	259,373	266,944	526,317
Florida	394,205	394,051	788,255
Georgia	82,313	80,803	163,117
Iowa	32,088	32,442	64,530
Idaho	24,057	23,923	47,980
Illinois	1,377,171	1,372,741	2,749,912
Indiana	107,217	106,925	214,142
Kansas	25,421	25,287	50,708
Kentucky	5,928	6,425	12,353
Louisiana	124,532	125,548	250,078
Massachusetts	533,720	434,300	868,020
Maryland	589,265	595,523	1,184,788
Michigan	312,703	314,083	626,785
Minnesota	136,934	135,200	272,134
Missouri	210,031	215,821	425,852
Mississippi	69,997	71,367	141,363
Montana	60,580	60,922	121,502
North Carolina	74,659	74,457	149,116
North Dakota	50,695	50,540	101,235
Nebraska	30,257	30,115	60,373

AMTRAK RIDERSHIP BY STATE—Continued

1984 State totals	On	Off	Total
New Jersey	925,653	881,204	1,806,857
New Mexico	36,871	37,321	74,192
Nevada	91,245	101,221	192,465
New York	3,584,879	3,651,379	7,236,258
Ohio	85,388	83,247	168,635
Oregon	257,654	260,188	517,843
Pennsylvania	2,249,502	2,254,633	4,504,135
Rhode Island	203,881	212,406	416,287
South Carolina	107,472	108,529	216,000
Tennessee	15,895	16,382	32,277
Texas	75,917	74,450	150,367
Utah	79,123	81,522	160,645
Virginia	172,683	177,935	350,618
Vermont	20,650	20,871	41,521
Washington	325,840	327,186	653,026
Wisconsin	144,782	145,310	290,093
West Virginia	27,101	28,433	55,534
Commuters all States			2,876,264

Note.—Commuters are not included in State totals.

Mr. SPECTER. Mr. President, I ask unanimous consent to include in the RECORD the summaries of riders in all of the 44 States which are covered by Amtrak which set forth in some detail the impact of Amtrak on the national transportation system.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

	On	Off	Total
Alabama 1984—City:			
Anniston	5,365	5,055	10,420
Birmingham	20,139	20,458	40,597
Delta	288	315	603
Tuscaloosa	7,737	8,459	16,196
Mobile	11,912	11,241	23,153
Total	45,442	45,527	90,969
Arkansas 1984—City:			
Little Rock	6,720	6,709	13,429
Malvern	1,053	1,016	2,069
Newport	418	433	851
Texarkana	2,295	2,052	4,347
Walnut Ridge	685	811	1,496
Total	11,171	11,021	22,192
Arizona 1984—City:			
Benson	609	1,530	2,139
Flagstaff	14,083	14,535	28,617
Kingman	1,500	1,456	2,956
Phoenix	10,025	8,370	18,396
Seligman	216	633	850
Tucson	7,406	8,946	16,352
Winslow	2,095	2,649	4,744
Yuma	1,021	1,129	2,149
Tempe	0	1	1
Total	36,955	39,249	76,204
California 1984—City:			
Barstow	5,927	6,463	12,390
Bakersfield	27,809	26,808	54,617
Chico	4,873	5,323	10,196
Colfax	4,255	4,287	8,541
Davis	10,568	9,858	20,426
Del Mar	116,437	107,094	223,531
Dunsmuir	1,839	1,771	3,610
Fresno	50,164	48,134	98,298
Fullerton	139,921	141,183	281,104
Glendale	10,959	11,693	22,651
Hanford	27,018	28,984	56,002
Indio	664	596	1,260
Los Angeles	595,503	598,317	1,193,820
Merced	13,888	14,377	28,265
Madera	3,420	2,365	5,785
Marysville	1,973	2,028	4,001
Martinez	54,090	52,177	106,267
Needles	2,171	1,855	4,026
Oakland	76,722	68,852	145,574
Oceanside	119,627	97,253	216,880
Oxnard	16,207	15,318	31,525
Pasadena	8,439	8,452	16,891
Pomona (AT+SF)	9,815	9,520	19,335
Pomona (SP)	1,466	1,542	3,008
Redding	4,886	4,663	9,549
Richmond	14,225	14,466	28,691
Riverbank	12,937	13,942	26,879
Sacramento	65,253	62,177	127,430
San Diego	252,737	248,954	501,691
Santa Barbara	25,318	28,027	53,346
San Francisco	65,563	68,825	134,388
San Jose	24,654	24,096	48,750
Stockton	19,380	17,543	36,923
San Luis Obispo	24,599	24,949	49,548
Santa Ana	108,253	123,871	232,124
San Bernadino	15,897	15,682	31,579
San Juan Capistrano	90,074	92,435	182,508
Salinas	13,033	13,129	26,162
San Clemente	10,756	15,796	26,553
Suisun-Fairfield	2,023	2,178	4,200
Truckee	3,024	5,906	8,930
Wasco	2,960	2,266	5,226
Saugus	566	666	1,232
Van Nuys	1,095	1,403	2,499
Antioch-Pitt	3	0	3
Anaheim	38,078	39,394	77,472
Lodi	237	335	572
Oroville	30	45	76
Total	2,099,334	2,084,999	4,184,334
Colorado 1984—City:			
Akron	903	954	1,857
Bond (D+RWG)	132	30	162
Denver	81,155	77,851	159,006
Fort Morgan	1,306	1,347	2,653
Lajunta	4,333	4,443	8,776
Lamar	1,244	1,149	2,393
Trinidad	2,138	1,497	3,635
Grand Junction	13,047	13,182	26,228
Granby	3,168	3,654	6,822
Glenwood Springs	20,205	21,851	42,056
Rifle	54	70	125
Total	127,686	126,028	253,714
Connecticut 1984—City:			
Berlin	16,406	17,062	32,467
Bridgeport	27,895	29,537	57,431
Hartford	79,908	93,628	173,536
Meriden	21,745	24,002	45,748
Mystic	7,446	10,644	18,090
North Haven	608	725	1,333
New Haven	340,231	258,167	598,397
New London	86,449	88,533	174,983
Old Saybrook	28,883	31,428	60,312
Stamford	75,257	79,678	154,935
Thompsonville	789	950	1,749
Wallingford	11,569	11,787	23,356
Windsor	2,219	2,225	4,444
Windsor Locks	5,806	6,325	12,131
Total	704,220	654,690	1,358,910
District of Columbia 1984—City:			
Washington	1,150,413	1,136,402	2,286,815
Total	1,150,413	1,136,402	2,286,815
Delaware 1984—City:			
Newark	1,984	3,046	5,031
Wilmington	257,389	263,897	521,286
Total	259,373	266,944	526,317
Florida 1984—City:			
Clearwater	7,979	8,103	16,082
Cypress Gardens (bus)	29	33	62
Deerfield Beach	15,540	15,046	30,587
Del Ray Beach	4,358	4,945	9,304
Deland	7,545	7,919	15,464
Fort Lauderdale	24,549	25,546	50,095
Hollywood	17,898	17,303	35,202
Jacksonville	41,687	37,664	79,352
Kissimmee	5,687	7,083	12,770
Lakeland	11,370	11,710	23,080
Miami Beach (bus)	31	38	69
Miami	39,982	41,171	81,153
Ocala	10,353	10,715	21,068
Orlando	37,612	42,453	80,065
Palatka	4,199	5,167	9,366
Sebring	11,712	11,627	23,339
Sanford (auto-ferry)	28,144	27,378	55,522
Sanford	7,944	6,683	14,627
St. Petersburg	10,835	9,970	20,805
Tampa	36,006	34,621	70,627
Waldo	8,457	7,751	16,208
Walt Disney World (B)	319	414	733
West Palm Beach	31,174	29,924	61,098
Winter Park	10,877	10,371	21,248
Winter Haven	13,572	14,104	27,676
Wildwood	4,397	4,633	9,030
Clearwater Beach	23	15	38
Bradenton	244	243	486
Sarasota	1,354	1,092	2,446
Tallahassee	302	302	604
Treasure Island	24	25	49
Total	394,205	394,051	788,255
Georgia 1984—City:			
Atlanta	52,129	51,230	103,359
Gainesville	3,511	3,576	7,087
Jesup	3,581	3,542	7,123
Savannah	20,908	19,910	40,817
Toccoa	2,186	2,545	4,731
Total	82,313	80,803	163,117
Iowa 1984—City:			
Burlington	5,549	6,016	11,566
Creston	3,188	3,114	6,302
Dubuque	755	755	1,510
Fort Madison	5,048	5,216	10,264
Mt. Pleasant	4,774	5,102	9,876
Osceola	5,501	5,562	11,063
Ottumwa	7,272	6,676	13,948
Total	32,088	32,442	64,530
Idaho 1984—City:			
Boise	9,157	9,175	18,331
Nampa	3,030	3,255	6,285
Pocatello	7,736	7,172	14,908
Shoshone	1,675	1,679	3,355
Sandpoint	2,459	2,642	5,100
Total	24,057	23,923	47,980
Illinois 1984—City:			
Alton	21,373	18,075	39,447
Aurora	8,635	8,307	16,942
Bloomington	32,732	31,197	63,929
Cairo	712	874	1,586
Carbondale	30,590	31,948	62,537
Centralia	7,680	7,737	15,417
Chicago (Un Sta)	993,651	987,713	1,981,364
Champaign-Urbana	55,872	59,499	115,371
Chillicothe	4,712	4,833	9,545
Carlinville	1,327	1,597	2,924
Effingham	4,396	5,838	10,234
Galesburg (BN)	6,868	6,923	13,791
Galesburg	19,375	20,189	39,564
Glenview	11,599	10,568	22,167
Homewood	14,969	12,229	27,198
Joliet (Un Sta)	22,608	22,268	44,876
Kewanee	2,238	2,381	4,619
Kankakee (ICG)	10,816	11,478	22,294
Lagrange Road	6,005	5,375	11,381
Lincoln	12,546	13,294	25,841
Macomb	15,525	18,747	34,272
Mattoon	9,464	8,771	18,235
Mendota	2,343	2,246	4,589
Monmouth	63	75	138
Normal	39	1,340	1,379
Princeton	2,020	2,186	4,205
Plano	804	970	1,774
Pontiac	2,344	2,135	4,479
West Quincy	4,876	3,504	8,379
Rantoul	6,008	5,118	11,127
Springfield	61,845	62,189	124,034
Streator	1,868	1,896	3,763
Quincy	1,270	1,242	2,512
Total	1,377,171	1,372,741	2,749,912
Indiana 1984—City:			
Crawfordsville	2,829	2,659	5,488
Dyer	1,768	2,209	3,977
Elkhart	6,261	7,742	14,003
Fort Wayne	10,904	12,357	23,261
Gary (Broadway)	2,559	1,200	3,759
Gary (5th & Chase)	4,322	3,178	7,500
Hammond/Whiting	15,906	15,566	31,472
Hobart	2,775	2,270	5,045
Indiana Harbor	4,704	3,979	8,682
Indianapolis	21,959	21,284	43,243
Lafayette	7,946	7,988	15,934
Michigan City	1,834	1,928	3,762
Muncie	1,647	1,875	3,522
Marion	1,127	1,335	2,462
Peru	1,146	1,074	2,220
Rensselaer	1,706	2,244	3,951
Richmond	789	793	1,583
Southbend	7,174	8,378	15,553
Valparaiso	8,239	7,336	15,576
Wheeler	9	15	24
Whiting	1,612	1,514	3,126
Total	107,217	106,925	214,142
Kansas 1984—City:			
Dodge City	3,509	3,214	6,722
Emporia	1,181	1,363	2,544
Garden City	3,858	3,939	7,797
Hutchinson	2,831	2,810	5,641
Lawrence	1,797	1,778	3,575
Newton	6,664	6,627	13,290
Topeka	5,582	5,556	11,138
Total	25,421	25,287	50,708
Kentucky 1984—City:			
Fulton	2,041	2,330	4,370
Maysville	988	1,122	2,109
Southportsmouth	1,534	1,949	3,483
Tri-State Station	1,365	1,025	2,390
Total	5,928	6,425	12,353
Louisiana 1984—City:			
Hammond	6,113	5,802	11,945
Lake Charles	1,159	1,794	2,953
Lafayette	3,318	3,269	6,587
New Iberia	1,092	1,396	2,489
New Orleans	108,947	109,243	218,189
Schriever	302	729	1,031

	On	Off	Total
Slidell	3,015	3,106	6,121
East New Orleans	454	112	566
New Orleans (Sleeper)	102	96	197
Total	124,532	125,546	250,078
Massachusetts 1984—City:			
Boston (So. Sta)	318,818	314,489	633,306
Framingham	1,370	1,526	2,896
Northampton	1,113	1,320	2,433
Pittsfield	2,172	2,611	4,782
Route 128 (Boston)	50,121	43,908	94,029
Springfield	56,858	65,962	122,820
Worchester	3,268	4,485	7,753
Total	433,720	434,300	868,020
Maryland 1984—City:			
Aberdeen	9,912	12,358	22,270
Baltimore	424,979	436,292	861,271
Balt-Wash International	26,208	23,710	49,919
Brunswick	2,394	7,793	10,187
Capital Beltway	7,657	6,855	14,513
Cumberland	4,271	4,191	8,462
Gaithersburg	2,500	92	2,591
Rockville	2,955	1,790	4,745
Silver Spring	2,732	1,841	4,574
New Carrollton	105,656	100,600	206,257
Total	589,265	595,523	1,184,788
Maine 1984—City:			
Total	0	0	0
Michigan 1984—City:			
Albion	1,034	1,139	2,173
Ann Arbor	54,874	54,340	109,214
Battle Creek	24,466	24,585	49,051
Dearborn	42,022	40,394	82,415
Detroit	45,962	45,856	91,818
Dowagiac	759	1,275	2,034
Durand	2,097	2,538	4,635
Flint	11,987	12,435	24,421
Jackson	12,629	11,770	24,399
Kalamazoo	48,530	49,381	97,911
Lansing	17,560	17,763	35,324
Lapeer	2,490	2,846	5,336
Niles	17,144	18,246	35,390
Port Huron	29,760	29,694	59,454
Ypsilanti	383	814	1,197
Holland	1,007	1,007	2,014
Total	312,703	314,083	626,785
Minnesota 1984—City:			
Cambridge	3,006	3,003	6,009
Detroit Lakes	1,532	1,625	3,157
Duluth	30,962	32,466	63,428
Minneapolis/St. Paul	84,501	80,957	165,459
Red Wing	2,702	3,373	6,075
St. Cloud	3,960	3,914	7,874
Staples	2,248	2,552	4,800
Sandstone	821	868	1,688
Winona	7,201	6,441	13,643
Total	136,934	135,200	272,134
Missouri 1984—City:			
Herman	2,029	2,177	4,205
Independence	4,411	4,273	8,683
Jefferson City	21,408	22,976	44,384
Kansas City	58,288	59,293	117,581
Kirkwood	26,604	23,114	49,718
La Plata	1,824	2,094	3,918
Lee's Summit	7,744	6,505	14,249
Marceline	1,605	1,594	3,199
Poplar Bluff	850	952	1,802
Sedalia	3,711	4,639	8,350
St. Louis	72,745	78,083	150,828
Warrensburg	5,373	5,453	10,826
West Quincy	3,188	4,417	7,605
Chamois	252	252	503
Total	210,031	215,821	425,852
Montana 1984—City:			
Browning	829	966	1,795
Belton	1,954	1,997	3,952
Cut Bank	1,830	1,607	3,437
Glasgow	4,102	4,550	8,651
Glacier Park	4,759	5,616	10,375
Havre	11,343	10,743	22,087
Libby	2,233	2,251	4,484
Malta	2,204	2,220	4,424
Shelby	5,447	5,632	11,078
Whitefish	19,538	19,206	38,745
Wolf Point	6,342	6,133	12,475
Total	60,580	60,922	121,502
Mississippi 1984—City:			
Brookhaven	2,496	2,617	5,112
Batesville	1,889	2,064	3,953
Canton	2,287	2,277	4,565
Durant	3,334	3,215	6,549
Grenada	2,325	2,238	4,563
Hazelhurst	683	1,767	2,449
Hattiesburg	6,461	4,741	11,202
Jackson	15,003	13,967	28,970
Laurel	3,534	4,158	7,692
McComb	4,501	4,467	8,968
Meridian	6,992	7,622	14,614
Picayone	933	949	1,883
Winona	2,057	2,258	4,315
Biloxi	3,142	3,370	6,512
Gulfport	3,963	4,113	8,075
Pascagoula	8,439	8,452	16,891
Waveland-Bay St. Louis	1,958	3,093	5,051
Total	69,997	71,367	141,363
North Carolina 1984—City:			
Charlotte (SR)	9,214	8,784	17,998
Fayetteville	13,500	13,405	26,905
Gastonia	2,150	2,020	4,170
Greensboro	6,430	6,487	12,917
Hamlet	3,958	4,453	8,411
Henderson	2,056	2,896	4,952
High Point	998	1,151	2,148
Raleigh	13,954	13,064	27,018
Rocky Mount	8,371	9,274	17,646
Salibury	1,888	1,791	3,679
Southern Pines	3,399	3,466	6,865
Selma/Smithfield	598	649	1,247
Wilson	8,144	7,016	15,160
Total	74,659	74,457	149,116
North Dakota 1984—City:			
Devils Lake	3,249	3,361	6,609
Fargo	9,312	9,095	18,407
Grand Forks	7,459	7,747	15,206
Minot	14,623	14,339	28,963
Rugby	2,707	2,713	5,420
Stanley	1,403	1,504	2,908
Williston	11,941	11,780	23,721
Total	50,695	50,540	101,235
Nebraska 1984—City:			
Hastings	3,376	3,772	7,148
Holdrege	1,967	2,001	3,969
Lincoln	8,439	7,650	16,089
McCook	3,377	3,043	6,420
Omaha	13,099	13,648	26,747
Total	30,257	30,115	60,373
New Mexico 1984—City:			
Albuquerque	21,569	19,825	41,394
Deming	586	643	1,229
Gallup	3,772	3,853	7,625
Lordsburg	375	352	727
Lamy	4,711	5,782	10,493
Las Vegas	1,971	2,134	4,106
Raton	3,887	4,731	8,618
Total	36,871	37,321	74,192
Nevada 1984—City:			
Caliente	341	514	856
Carlin	11	17	28
Elko	916	802	1,719
Las Vegas	35,345	36,797	72,142
Reno	42,892	51,366	94,259
Sparks	10,969	10,888	21,857
Winnemucca	770	835	1,605
Total	91,245	101,221	192,465
New Jersey 1984—City:			
Metropark	95,615	87,641	183,286
New Brunswick	41,707	47,245	88,952
Newark	427,913	376,011	803,924
Princeton Junction	69,089	83,384	152,472
Trenton	291,299	286,923	578,222
Total	925,653	881,204	1,806,857
New York 1984—City:			
Albany-Rensselaer	236,569	236,726	473,294
Amsterdam	8,089	8,303	16,392
Buffalo (Exch St)	5,297	4,492	9,789
Buffalo	34,978	38,196	73,174
Croton-Harmon	22,386	22,528	44,914
Fort Edward	1,777	2,170	3,947
Fort Ticonderoga	375	528	902
Hudson	49,120	53,251	102,371
Niagara Falls	23,394	20,935	44,329
New York (GC Sta)	422,676	405,353	828,028
New York (Penn Sta)	2,474,317	2,547,874	5,022,191
Plattsburgh	3,876	4,438	8,314
Fort Henry	620	703	1,323
Poughkeepsie	17,874	17,761	35,636
Fort Kent	126	181	307
Rhinecliff	47,250	51,909	99,159
Rochester	53,732	53,722	107,455
Rome	8,349	8,384	16,734
Rouses Point	1,178	648	1,826
Rye	31,143	29,453	60,596
Saratoga Springs	4,458	5,055	9,513
Schenectady	52,502	51,566	104,068
Syracuse	50,308	50,732	101,040
Utica	31,279	31,818	63,097
Whitehall	1,306	1,801	3,107
Willsboro	159	529	688
Westport	1,741	2,324	4,064
Total	3,584,879	3,651,379	7,236,258
Ohio 1984—City:			
Bryan	2,648	2,978	5,626
Canton	5,322	5,174	10,496
Cincinnati	10,815	10,678	21,493
Cleveland	20,771	19,122	39,892
Crestline	3,059	3,185	6,244
Elyria	2,725	2,732	5,458
Hamilton	960	1,375	2,336
Lima	5,780	6,073	11,853
Sardusky	1,708	1,928	3,636
Toledo	31,600	30,002	61,602
Total	85,388	83,247	168,635
Oregon 1984—City:			
Alabany	9,409	3,374	17,784
Baker	2,106	2,140	4,247
Chemult (ski area)	3,932	3,956	7,888
Cascade Locks	1,926	2,032	3,958
Eugene	29,259	30,070	59,329
Hinkle	4,612	5,251	9,863
Hood River	2,839	3,142	5,981
Klamath Falls	9,084	8,963	18,047
Lagrande	4,501	4,901	9,402
Ontario	2,463	2,540	5,003
Portland	163,237	163,449	326,686
Pendleton	8,330	7,755	16,085
Salem	13,487	14,205	27,691
The Dalles	2,470	3,410	5,880
Total	257,654	260,188	517,843
Pennsylvania 1984—City:			
Altoona	15,685	14,994	30,679
Ardmore	11,633	11,744	23,377
Bryn-Mawr	25	52	78
Coatesville	20,178	21,764	41,942
Connellsville	1,563	1,976	3,539
Downingtown	41,520	42,850	84,370
Elizabethown	6,840	7,994	14,834
Elizabethtown	2	0	2
Erie	5,784	5,710	11,494
Exton	5,842	7,186	13,029
Greensburg	5,415	5,042	10,457
Harrisburg	123,135	120,123	243,258
Huntingdon	3,840	3,654	7,493
Johnstown	8,632	9,584	18,216
Latrobe	1,338	1,773	3,111
Lewistown	4,556	4,716	9,271
Lancaster	123,072	121,019	244,090
McKeesport	840	853	1,692
Middletown	2,887	2,996	5,884
Mount Joy	1,043	1,246	2,289
Malvern	12,310	12,718	25,027
Overbrook	248	5	253
Padli	39,727	37,215	76,942
Parkesburg	5,398	6,111	11,509
Pitsburgh	30,753	32,967	63,719
Philadelphia 30th St	1,702,789	1,706,902	3,409,691
Philadelphia North	13,676	13,203	26,879
Philadelphia (subsurbs)	49,426	50,089	99,515
Tyrone	790	757	1,547
Whitford	9,817	8,375	18,192
Wayne	84	360	444
Leaman Place	654	654	1,309
Total	2,249,502	2,254,633	4,504,135
Rhode Island 1984—City			
East Greenwich	1,332	2,543	3,875
Kingston	36,791	37,291	74,082
Providence	150,501	155,500	306,000
Westerly	15,257	17,073	32,329
Total	203,881	212,406	416,287
South Carolina 1984—City:			
Camden	3,179	3,307	6,487
Charleston	33,133	34,201	67,334
Columbia	22,283	21,173	43,456
Clemson (SR)	2,416	2,635	5,051
Dillon	2,280	3,849	6,129
Denmark	2,960	2,987	5,947
Florence	18,724	17,797	36,521
Greenville	6,562	6,351	12,913
Kingstree	5,524	4,745	10,269
Spartanburg	3,527	3,563	7,090
Yemassee	6,772	6,655	13,426
Fort Jackson	0	1,104	1,104
Myrtle Beach	112	162	274
Total	107,472	108,529	216,000
Tennessee 1984—City:			
Dyersburg	1,600	1,652	3,252
Memphis	14,295	14,730	29,025
Total	15,895	16,382	32,277
Texas 1984—City:			
Alpine	838	1,069	1,907
Austin	7,578	5,724	13,302
Beaumont	1,703	2,021	3,724

	On	Off	Total
Cleburne	1,150	1,537	2,687
Dallas	13,726	12,748	26,474
Del Rio	608	696	1,301
El Paso	8,233	7,621	15,855
Fort Worth	5,805	6,831	12,636
Houston (SP)	8,902	8,153	17,055
Longview	2,699	2,913	5,612
McGregor	695	1,170	1,865
Marshall	2,277	2,250	4,527
San Antonio (MP)	10,100	7,494	17,594
San Antonio (SP)	6,449	7,085	13,534
San Marcos	1,040	1,306	2,346
Sanderson	350	227	577
Taylor	798	2,924	3,722
Temple	2,965	2,682	5,647
Total	75,917	74,450	150,367
Utah 1984—City:			
Cache Junction	701	681	1,381
Milford	754	962	1,717
Ogden	3,553	3,666	7,219
Salt Lake City	60,175	60,444	120,619
Green River	30	108	138
Helper	6,139	5,824	11,963
Provo	6,741	8,575	15,316
Thompson	1,030	1,262	2,292
Total	79,123	81,522	160,645
Vermont 1984—City:			
Bellows Falls	1,036	958	1,994
Brattleboro	3,029	3,112	6,141
Essex Junction	4,459	4,607	9,066
Montpelier Junction	2,675	2,601	5,276
St. Albans	1,332	1,842	3,174
Waterbury	1,463	1,665	3,128
White River Junction	6,656	6,085	12,741
Total	20,650	20,871	41,521
Virginia 1984—City:			
Alexandria	33,647	32,364	66,011
Clifton Forge	1,039	1,129	2,168
Culpeper (SR)	2,301	2,510	4,811
Charlottsville (SR)	13,881	15,775	29,656
Danville (SR)	1,686	1,976	3,663
Fredericksburg	3,943	4,777	8,720
Lee Hall	657	808	1,466
Lorton (auto-ferry)	27,378	28,144	55,522
Lynchburg	5,357	6,099	11,456
Monroe	496	707	1,203
Manassas (SR)	2,742	3,190	5,933
Newport News	12,651	13,687	26,338
Petersburg (SCL)	8,077	7,504	15,582
Quantico	4,114	5,513	9,627
Richmond	47,135	45,406	92,541
Staunton	853	980	1,832
Williamsburg	6,724	7,366	14,090
Total	172,683	177,935	350,618
Washington 1984—City:			
Bingen-White Salmon	482	488	771
Centralia	11,137	10,964	22,101
Edmonds	3,657	2,496	6,152
East Olympia	5,143	4,905	10,048
Ephrata	1,490	1,522	3,012
Everett	6,079	5,186	11,265
Kelso	12,274	12,227	24,501
Pasco	7,398	7,834	15,231
Puyallup	476	581	1,057
Seattle	178,514	180,217	358,731
Spokane	27,544	29,573	57,117
Tacoma	39,066	39,224	78,289
Vancouver	22,616	20,680	43,296
Wenatchee	6,327	7,639	13,966
Wishram	1,172	1,184	2,356
Leavenworth	2,467	2,467	4,933
Total	325,840	327,186	653,026
Wisconsin 1984—City:			
Columbus	8,610	8,193	16,803
Lacrosse	9,088	10,785	19,873
Milwaukee	112,093	110,535	222,628
Portage	2,528	2,413	4,941
Superior	1,148	942	2,090
Sturtevant	6,724	7,271	13,995
Tomah	1,987	2,425	4,413
Wisconsin Dells	2,605	2,745	5,350
Total	144,782	145,310	290,093
West Virginia 1984—City:			
Alderson	183	215	399
Charleston	5,908	5,593	11,500
Harpers Ferry	4,369	4,698	9,067
Hinton	1,638	1,892	3,530
Huntington	4,512	4,721	9,233
Montgomery	544	581	1,125
Martinsburg	4,384	4,985	9,360
Prince	3,076	2,959	6,035
Thurmond	76	113	180
White Sulfur Springs	2,411	2,678	5,089
Total	27,101	28,433	55,534

Mr. SPECTER. Mr. President, if the subsidy is cut, the United States will be the only major industrial nation which would be without a major rail system. The dislocation, in all its ramifications, will take an enormous amount of time to chronicle.

Perhaps a few statistics are worthy of some special note. Some 83,000 transit passengers would be thrown out of their regular routes on the lines now between Trenton, NJ, and New York City. Some 50,000 transit passengers would be thrown out of their regular routes on the Southeastern Pennsylvania Transportation Authority, which services the southeastern part of Pennsylvania.

It has been estimated that, in addition, 25,000 Amtrak employees would lose their jobs and there would also be in jeopardy the jobs of some 150,000 other employees who rely upon Amtrak for affected businesses.

There would be further enormous dislocation in the national rail system, because, without Amtrak to pay the cost of some $164 million for servicing the eastern seaboard, Conrail, which now pays $53 million, will have to pick up the balance of that $164 million. The cost of the eastern rail line is now $218 million; and, as I say, Conrail now pays $53 million and would be obligated to pick up the difference. Were that not done, some 200 industries would be adversely affected along that line.

Mr. President, the dislocation to Conrail would further impact very materially on the proposed sale of Conrail, which is now a subject of major controversy; but the bid of Norfolk Southern would have to be revised, and the bids coming in from Morgan, Stanley would have to be revised, and there would be a tremendous dislocation in that particular line.

Mr. President, it should be noted that Amtrak has improved in efficiency, requiring a subsidy of almost 60 percent in 1977, when Amtrak was able to assume a little more than 40 percent of its own cost, to the situation at the present time when Amtrak is able to pay almost 60 percent of its own cost.

The Federal Government, according to Secretary of Transportation Dole, as set forth in Congressional Quarterly, has sunk $11 billion into Amtrak, on the proposition that rail passenger service is vital as a transit link for an industrial society.

Amtrak's assets are of enormous value, at a minimum in the $3 billion range. If Amtrak goes out of existence on September 30, 1985, while the bankruptcy courts move through this complex litigation and entanglement, it will take a very protracted period of time, doubtless years, and those assets will become worthless.

It is not a matter that at some point in the future, someone can come back in and pick up the rail equipment, the locomotives, and the rails and start to operate with this system. As previously quoted from Secretary of Transportation Dole, it is unlikely that anyone would come in to acquire Amtrak.

One other point, and a contention made succinctly in an article by Tom Wicker in the New York Times on May 3 of this year, in responding to the contention of OMB about the $35 per head subsidy which each Amtrak passenger supposedly receives: a devastating rebuttal to that contention was rendered by Mr. Wicker, as follows:

Sixty-five percent of airline revenues are for busines travel; so for each airline passenger, business travel deductions alone provide a subsidy of $33. In 1984, moreover, air-traffic control cost the Federal Government $2.1 billion, or $9 for each of 221 million air passengers; so by young David's irrelevant arithmetic, the Federal subsidy per air passenger was $42.

He refers to Mr. Stockman as "young David."

Mr. President, I ask unanimous consent to have the entire article by Mr. Wicker printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

[From the New York Times, May 3, 1985]

YOUNG DAVID'S TANTRUM

(By Tom Wicker)

David Stockman, the boy genius of the Reagan Administration, threw a tantrum the other day before a Senate subcommittee. If senators did not have "the courage, the foresight, the comprehension" to "pull the plug" on what he called an "irredeemable" Amtrak rail passenger system, he saw little hope for deficit reduction or for avoiding a "whopping tax increase."

There, there, little man. It won't be as bad as all that, if Amtrak survives. Take Elizabeth Dole's word for it.

As Secretary of Transportation, she affirmed last September that she shared the view of Federal Railroad Administrator John H. Riley that Amtrak had made "great strides" toward "modern, cost-efficient intercity rail passenger service"—running in 1985 "more route miles than it did in 1981 at approximately 28 percent lower funding."

Mrs. Dole, far from sharing young David's hysteria about what he cutely called a "mobile money-burning machine," had asked for a $765 million Amtrak subsidy for fiscal 1986. But that was before the youthful Budget Director began to drum his heels.

He and President Reagan squawk frequently about a $35-per-head subsidy that each Amtrak passenger supposedly receives. This prestidigitation requires adding the Amtrak subsidy to the amount that Amtrak business travelers can deduct from their income taxes, and dividing by 20 million passengers; presto! $35 a head.

Young David is so distraught that he apparently forgets some of the other numbers—surely so brilliant a Budget Director knows them—he might be expected to crunch. For example:

Sixty-five percent of airline revenues are for business travel; so for each airline passenger, business travel deductions alone provide a subsidy of $33. In 1984, moreover, air-traffic control cost the Federal Government

$2.1 billion, or $9 for each of 221 million air passengers; so by young David's irrelevant arithmetic, the Federal subsidy per air passenger was $42.

From its ticket revenues—which pay 60 percent of its costs—and subsidy, Amtrak is required to spend $116 million annually to maintain the Northeast Corridor right-of-way, over which also move the freight trains of Conrail (which earned $500 million in 1984) and every rail commuter service from Boston to Washington.

If, as young David urges, Congress pulls the plug on Amtrak, the Government will have to pay $2.1 billion in labor termination costs over the next six years, an obligation inherited from the private railroads; $3 billion in modern locomotives, equipment, specialized shops and Northeast Corridor plant will be scrapped, with little market for salvage; and about 150,000 jobs in affected business sectors will be jeopardized (25,000 railroad employees will be thrown out of jobs).

But the young genius told the senators that few programs ranked lower than Amtrak "in terms of the good they do, the purpose they serve and the national need." Boyish overstatment again—Amtrak carried 20 million passengers last year, while receiving a smaller Federal subsidy (in current dollars) than in 1978; and in the Northeast Corridor 160,000 commuters on various services rode over Amtrak-maintained right-of-way every day.

The Empire State Passengers Association points out that at least 1,200 people board a train daily in Albany, N.Y., alone; and asks, pertinently, who—if Amtrak goes—will pay to operate Penn Station for the great tide of commuters from Long Island and New Jersey into and out of New York City. Killing Amtrak also would nullify the two bond issues New Yorkers have voted for high-speed rail service, with $100 million already invested.

Aside from New York and the Northeast (never high concerns for Reaganites), Amtrak serves 25 American communities (and surrounding regions) that have no air or bus service, 52 more that have no bus service and 94 that have no air service. Almost a million passengers got on or off trains at places without bus service in fiscal 1984.

So young David shouldn't get so wrought up about Amtrak; and returning White House colleagues might calm him with news that the West German Government, planning its infrastructure investments for the next decade, has decided to put 34 billion marks into its railroads and only 28 billion into its highway network. Now that's a grown-up decision.

Mr. SPECTER. Mr. President, it may well be that in seeking the best of rail transit service, there should be a reappraisal of Amtrak across the country. Many will cite the fact that only a few passengers get on and off at some specific stops in this country. But what has to be borne in mind is that those are trains which are en route and that there are many segments of the country which will be left without any service at all.

Mr. Wicker points out that Amtrak serves 25 American communities that have no air or bus service, 54 communities which have no bus service, and 94 which have no air service. Almost a million passengers got on and off trains at places without bus service in fiscal 1984.

It may be that on some lines which are used to a slight extent, there could be a reevaluation of Amtrak and that it might be reduced in due course, leaving the very heavily traveled lines in operation. That would obviously be a more rational way to handle the situation than by an abrupt termination which will lead to the junking of Amtrak and to the trashing of the American passenger rail system.

Mr. President, I ask unanimous consent that the names of Senators HEINZ, ROTH, EXON, PELL, ZORINSKY, MATHIAS, LEVIN, SARBANES, and BYRD be added as cosponsors of this amendment.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. DURENBERGER. Mr. President, will the Senator include the name of the senior Senator from Minnesota as a cosponsor?

Mr. SPECTER. Mr. President, I ask unanimous consent that the name of the distinguished senior Senator from Minnesota [Mr. DURENBERGER] be added as an original cosponsor.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. SPECTER. Mr. President, I reserve the remainder of my time, and I yield the floor.

The PRESIDING OFFICER. Who yields time?

Mr. CHILES. Mr. President, I yield 2 minutes from the resolution to the distinguished Senator from New Jersey.

Mr. LAUTENBERG. I thank the floor manager.

Mr. President, I am going to vote for the amendment of my colleague from Pennsylvania, but I will do so reluctantly. I have misgivings.

The amendment might save Amtrak from the ax, but not from the knife. It would restore 90 percent of Amtrak's funding and perhaps save a railroad, a vital link in the economy of our country and many States. We need more. It falls short of a freeze; and by falling short, it will force cutbacks that will be felt in my State, and I believe they could be felt in the State of Pennsylvania. The section 403(d) trains we commonly call Clockers that run between Philadelphia and New York could be the first to go. I believe there is also a line between Philadelphia to Harrisburg that could be subject to discontinuance if there are cutbacks.

I have intended to offer an amendment that would restore funding to present levels and then freeze it there, forcing belt-tightening. It would also restore funding for mass transit and for urban development action grants. Our economy depends on an integrated system to move people and goods. There must be continued investment in the future and effective programs to revive the economies of our cities and towns.

Our economy is built on a foundation of roads, water systems, and railroads. If we allow that foundation to crumble, I fear that the economy will tumble down with it. Amtrak is an essential part of our transportation network. It is a network on which cities, regions, businesses, and people depend.

We should not be the only advanced, industrialized nation in the world that lacks a Government-supported national passenger railroad.

We subsidize air travel. We subsidize highway travel.

But the budget before us threatens to abandon the rails; abandoning 500 Amtrak towns and cities; abandoning 20 million Amtrak passengers who would overload the roads and the airlines; abandoning $3 billion of locomotives, equipment, and plant; abandoning our senses because saving $684 million a year in Amtrak subsidy will cost Amtrak over $2 billion in contracted labor protection costs.

This amendment would give us a reprieve for Amtrak but not a pardon. It might save a vital rail link between cities and towns in my State and around the Nation, a link that is important to the economies of these regions and the people who live there.

Reluctantly, I urge support for this amendment and will vote for it, but I believe full restoration is justified.

I thank you.

Mr. DANFORTH. Mr. President, I yield myself 3 minutes in opposition to the amendment.

The PRESIDING OFFICER. The Senator from Missouri is recognized.

Mr. DANFORTH. Mr. President, unfortunately, when we get into the business of creating budgets for the Federal Government, difficult decisions have to be made, choices have to be made, and we do not like to make choices. We would rather make no difficult decisions at all, spend any amount of money on any program we like, make no distinctions between high-priority programs and very marginal programs.

But at a time when we are facing well over $200 billion annual deficits and when the national debt is about to exceed $2 trillion, we must make some priority choices. We must distinguish between what is very important and what would be nice but is not important at all.

Mr. President, under no circumstances could Amtrak be reasonably called an essential ingredient in our national transportation system. It is not essential. Amtrak carries one-quarter of 1 percent of intercity passengers; one-quarter of 1 percent of people who travel between cities travel on Amtrak.

It has been said, "Well, Amtrak is essential to parts of the country, to the Northeast corridor." One-fourth of 1

percent of those who enter Manhattan every day do so on Amtrak, one-quarter of 1 percent. It is not essential to our national transportation picture, or to the Northeast corrider.

Amtrak's cost is very great. We have heard the question raised about the relative subsidy for different modes of transportation provided by the Federal Government. All modes are subsidized to some extent, but there is no real comparison between the Amtrak subsidy and the Government subsidy for other modes of transportation.

We subsidize Amtrak at 23.6 cents per passenger mile. Compare that to our subsidy for air transportation, two-tenths of a penny, or for automobile or bus transportation. Even figuring in the contributions from the highway trust fund, only one-tenth of 1 cent per passenger mile is expended by the Federal Government on automobile and bus transportation. There is no comparision in the subsidy whatever.

The final point I make has to do with the cost of labor protection. This is a point that is made by everyone who advocates continuing Amtrak. They say we are locked into labor protection agreements, therefore we must clasp Amtrak to our breasts forever.

I do not agree with that at all.

First of all, as a legal matter, it is very controversial whether the Federal Government has any responsibility for labor protection. Even if we do, $2.1 billion, which is the estimated future cost of labor protection, should be compared with the $8 billion which it would cost to maintain Amtrak for the next 10 years—4 to 1.

The PRESIDING OFFICER. The Senator has used his 3 minutes.

Mr. DANFORTH. I yield myself 1 additional minute, Mr. President.

The PRESIDING OFFICER. The Senator is recognized for 1 additional minute.

Mr. DANFORTH. Mr. President, furthermore, with respect to labor protection, it should be pointed out that Amtrak's assets have a book value of $3.6 billion. Some of these assets are highly desirable locations in the middle of major cities. There is no reason why the cost of labor protection could not be borne in very large part by a sale of some of the assets which Amtrak holds.

Mr. President, I think that there is no strong, logical argument against terminating the Amtrak subsidy. I think rather it is a matter of something like symbolism, the desire that we have, for emotional reasons, to maintain a railroad on one hand, and the need to cut the deficit and the Federal budget on the other hand. The question is which comes first, our feelings or budgetary necessity?

The PRESIDING OFFICER. Who yields time?

Mr. ARMSTRONG. Mr. President, will the distinguished manager yield 5 minutes to me, please?

Mr. DANFORTH. I yield 5 minutes to the Senator from Colorado.

Mr. ARMSTRONG. Mr. President, I thank the Senator from Missouri for yielding.

A decade and-a-half ago we began this great experiment in passenger railroad subsidy by the Federal Government, and if there is one thing we have shown, it is that the Government does not know how to run a railroad.

The idea was at the outset that if we appropriated $40 million for an experiment, refurbishing a few cars and getting things on track, pretty soon the passenger railroad business would be operating profitably again. That was about $8 billion ago, actually about $9 billion ago, and there is not the slightest sign that passenger railroad service in this country if subsidized by the Government will ever operate on a profitable basis, and indeed, the proponents of Amtrak have dropped that pretense altogether. They no longer even talk about the notion of getting this thing on a profitable or breakeven basis.

Mr. President, railroad passenger travel is a wonderful thing. When I was elected to Congress 12 years ago, my family and I came to Washington on the passenger train. We had my wife and I and my parents and our two kids and 17 pieces of luggage, and it took 2 days, and it was just wonderful. There is a certain ambience about traveling on the train. I have been over the country on the train. It is a marvelous experience. I recommend it.

But I do not think it makes sense for the taxpayers of this country to be required to subsidize this fine experience.

It has been argued here this morning that it is OK to subsidize passenger rail traffic because we subsidize other kinds of transportation. For example, someone said a moment ago we subsidize highway travel. It appears to me that highway travel in this country is about as close as you can get to a user-financed program as anything I can imagine because it is paid for by those who use it by the motor fuel tax.

Someone else said we subsidize airline travel, after all two-thirds of the trips are for business, and those are tax deductible items. To the extent they get a tax deduction for it, somehow, according to this logic, it means we are subsidizing air travel.

If that is true, then everything which is in some way a business expense and thereby becomes tax deductible is indirectly being subsidized by the Federal Government.

But it appears to me, Mr. President, that such a description really tortures the English language and really defies commonsense understanding of what a subsidy is.

What we are talking about is people getting on the train and paying only about a third of the cost of the trip which they are provided, and the rationale for it really has been historically threefold.

First, someday it will be profitable. We know now that is not true.

Second, that it was in some way environmentally more desirable to have train travel, and the General Accounting Office in its study of this matter has shown that is not true, either, that other forms of transportation, including intercity bus, produce less environmental pollution than does Amtrak on a per-passenger-mile basis.

So the last remaining argument in support of federally subsidized passenger rail travel is we cannot be the only nation in the world that does not have such a thing. I mean this is nostalgia.

Suppose one had been around here a few years ago when the stagecoach business was getting ready to go under and said, "Can we be the last country in the world not to have a passenger stage coach industry?"

Surely we are not going to be persuaded by such an argument. Surely there is more to the issue before us than just nostalgia, not going to be the only nation without a passenger railroad service.

In the first place, I do not think that is true. I believe the private sector will provide, in those areas of the country where it makes sense, passenger railroad service, possibly better service than we have now.

I refer to the short-haul areas like the Northeast corridor and maybe even some new areas such as San Diego to Los Angeles to San Francisco or Pueblo, CO, to Fort Collins where there is enough demand, enough traffic to support a for-profit or breakeven operation.

I can see no logic to anyone wanting to go from coast to coast at a cost even after subsidy of twice or three times what it is for an airplane ticket and take 3 days to do it other than just for the sheer pleasure of it, just the sheer experience of the scenery. I do not think Congress should be in the business of paying for that kind of experience.

Finally, Mr. President, we are told that we do not want to leave these communities without other forms of transportation, and there are just not many such communities. I do not believe there is one community in this country—I may be proven wrong on this—but I will bet there is not one community in this country where travelers would be seriously inconvenienced by the lack of Amtrak's service because of the ready availability of highways, intercity motorbuses, and commercial airline service.

Now, we have been told that there are 29 cities that do not have buses

that do have Amtrak. Do you want to know what some of these are? Rockville, MD, is one of them. Rockville, MD, for heaven's sake, has been cited as an example of a city where travelers will be stranded. This is preposterous, I say to my friends.

I am not opposed to passenger railroad service. In some areas it makes sense and where it does private enterprises will provide it.

In closing, Mr. President, let me say that I should disclose my own adverse interest. Amtrak runs right through the heart of my State. In fact, it cuts through Colorado in two places. Passengers in my area benefit from the service. But I just cannot see that it makes sense for people in Mississippi and Alabama and Minnesota and Pennsylvania, and wherever it might be, to pay for this experience for passengers from Lamar or Pueblo who use this service ought to be paying for it. Therefore, I hope this amendment will be rejected.

The PRESIDING OFFICER. Who yields time?

Mr. SPECTER. Mr. President, I yield 5 minutes to the distinguished Senator from Delaware.

Mr. BIDEN. Mr. President, the matter we have before us—the proposed elimination of Amtrak—is a wide-reaching and ruinous proposal built on a weak foundation. The proposal is part of a budget package that does little to try and distribute the effects of spending reduction in anything approaching an equitable manner. In fact, including this proposal in a budget reduction plan appears to be a contradiction.

Ending Amtrak will scrap a huge investment the government just made in the transportation network of this country, and require sizable payments to displaced employees over the next 6 years. There has to be a better way to reduce the deficit than to waste a brand new rail system, incurring huge liabilities for the next 6 years to boot.

I find it hard to believe the administration fully understands the impact the elimination of Amtrak would have on the country. Does it make sense to invest $3 billion in railroad track and equipment, and then give it up for nothing? Does it make sense to include a proposal that will be devastating to many manufacturers in the Northeast as part of a package that is supposed to promote economic activity? Does it make sense to get rid of a transportation means that helps relieve highways and airports that are already overcrowded? While we are supposed to be engaged in deficit reduction actions, does it make sense to consider a proposal that will increase the deficit by more than $2 billion during the next 6 years, and leave our country worse off than when we started?

The administration claims that much of the $3 billion investment could be recovered through the sale of Northeast corridor track and facilities. Frankly, I don't believe this, and I would like to know if there is anyone who has contacted the administration about the possibility of buying the Northeast corridor for that amount, or any amount at all. Even the Heritage Foundation backs away from the assertion that there is a buyer willing to pay $3 billion for Amtrak property. Instead, their report on this proposal states that it makes sense—believe it or not—to "sell that part of the system at a tiny fraction of its book value—or even give it away." Goodbye $3 billion in investments.

This also raises questions about Amtrak liabilities to its employees. Contracts Amtrak inherited from private rail service companies could require over $2 billion in labor protection payments. The adminstration has a neat answer to this problem—it's not their responsibility, it's Amtrak's. Balancing the budget would be a snap if this trick could be used more often. The only hitch is that it probably wouldn't stand up in court. So the Government will have to pay $2 billion over the next 5 years to close down Amtrak, and get nothing in return.

With just these two factors, the Government will have spent over $5 billion on the hope that someone in the private sector will be willing to run a passenger railroad. I don't think this goal is likely to be achieved. Ending Amtrak means taking a multibillion investment, throwing it onto the trash heap, with no passenger train service—private or public—to show for it.

Let me emphasize this last point, which seems to be the subject of some confusion—privately owned rail passenger service is not going to reappear out of Amtrak's grave. Once we close the books on Amtrak, that's it, no more intercity travel by rail in this country. The obstacles to reestablishing national rail service would be too much for anyone to overcome. The agreements that Amtrak has worked out with freight railroad companies could not be replicated. The magic of the marketplace would not be enough to dispell the logistical and legal details that would have to be addressed for rail service to reappear under new ownership.

An end to Amtrak will have an economic impact that goes far beyond rail passengers that are suddenly stranded. Freight railroads—Conrail in particular—use the Northeast corridor lines for a sizable part of their traffic. Making a rather dangerous assumption that the Amtrak-owned line is available after October 1, rail freight users will see their shipping costs jump by as much as $125 million as they are forced to pay a higher share of operating expenses along the corridor.

Actually, I think they would be lucky to get away with just a price increase. A more likely scenario is that they would have no service at all because the Amtrak lines—the only ones that serve many factories in the region—would be tied up in bankruptcy court.

Rail travelers in the Northeast and elsewhere are also expected to find alternative means to get around, presumably the highways or the airlines. I think everyone in this body already knows how overcrowded these choices are. A reasonable response would be to expand these facilities to accommodate more users, but this is a very costly response. The end result is that in 3 to 5 years we end up spending billions because of a decision this year that we wanted to save millions. The lasting deficit reduction goal we had hoped for is wiped out.

Finally, I remember a little less than 2 years ago when Congress had to make some changes in the railroad retirement system because of an imbalance between funds coming in and funds going out. Changes made in the system took into account that there would be some reduction in railroad employment in the future, but not a shock to the system that an end to Amtrak would cause. Serious problems will result in lower unemployment and health benefits to all railroad employees, and the retirement account will be reduced by about $4 billion by 1990. Something would have to give, and it would probably be a combination of another increase in taxes on employees and the railroads, and cuts in retirement benefits. Again, the effects of Amtrak's elimination would ripple through the economy, causing problems that could be avoided.

The Office of Management and Budget has painted a pretty picture of a nation barely noticing when Amtrak ceases to exist. No cost, everyone is still able to get where they want with no problem. It's fairy-tale stuff. It's the end of long distance rail transportation in this country. It's throwing away all the progress Amtrak has made in recent years in improving it's cost recovery, improvements that have cut Federal expenditures for the system by 26 percent since 1981.

Mr. President, cutting the deficit to the extent that the economy demands will require many painful choices to be made. Our responsibility is to distribute those cuts in as equitable manner as possible. The deficit is not going to be eliminated in 1 year, that much is a foregone conclusion. We will be here next year at this same time, working on another deficit reduction package, trying to make further cuts in Federal spending.

This is going to be a long, hard fight, and the only way we are going to succeed at it is, first, to get everyone in

the country involved. Americans have made it clear they will accept cuts in their programs as long as there is a sense of equity to the reductions. When everyone shares, I believe the deficit will be reduced, but more importantly, it will stay reduced. However, an unbalanced attack on Federal programs will only boomerang after several years, with no net progress to show after years of work.

The second ingredient for success in cutting the Federal deficit is that it take a long-term approach. The steps we take today must be consistent with the goals we set for this country 5 and 10 years from now. It does none of us any good to cut programs now that are needed for economic growth in the future, or to throw away investments we have made in the past that are worth keeping. There is a need to cut the Federal budget and deficit this year, next year, and to continue these efforts for years after that. The vital point to remember during budget considerations is that cutting the budget is not an end in itself: we are cutting it to promote economic growth for the long-term. We should not shoot ourselves in the foot by haphazardly cutting or eliminating spending that will come back to haunt us in later years.

An idea that has been questioned by the administration's own Secretary of Transportation; a proposal that is backed by dubious numbers and faulty reasoning; a recommendation that claims to reduce the deficit, but will actually waste billions of dollars—this is the type of budget action Congress has to avoid if it is going to bring the deficit under control in a way that is meaningful and does not have effects we are going to seriously regret in the future.

If the past is any indication, there should be no doubt that further efficiencies will be made in Amtrak's operations, and Federal assistance will decline even further. The best course of action, using any standard of measurement—the deficit, performance records, long-term economic effects—is to continue Amtrak operations. I urge my colleagues to support the national Amtrak system.

Mr. President, let me just speak for a moment about what seems to be a creeping regionalism in this body that I find fascinating. I find my distinguished friend from Colorado, with whom I agree on a number of fiscal matters, asking the rhetorical question, and I suspect my friend from Missouri asked a similar question, although I was not here, and that is: Why should the people of Mississippi pay for the train in Colorado and why should the people from Arkansas pay for passenger service in New York, and so on and so forth?

Well, we really have a fascinating thing that is beginning to develop here. I wonder why the people in Delaware pay for the water that my friends in the Southwest drink? Why in the heck should we do that? Why do they not pay for their own water the way we pay for our water? Why are we going out and subsidizing that glass of water that you drink, when you sit and sip water in Phoenix, AZ, and New Mexico and parts of arid, parched Colorado, as beautiful as it is? Why do we do that silly, old thing? Why are we subsidizing that?

Well, you all do not want us to ride passenger rail service in the Northeast, particularly in the Northeast, which is vital, critical, and essential to our well-being, our fiscal well-being. It is not just the problem of being able to see the grandeur of Delaware as you ride on Amtrak. It is a simple problem. As Amtrak goes, so do many of those systems that move people in and out of the cities of our major Northeastern megalopolis cities.

Now, I really am beginning to wonder whether or not we are seven regions or one country. I am so sick of hearing "Why should the people of * * *." I mean, 4 years ago, we heard, when LAWTON CHILES was asking for help for the Mariel boat lift responsibility that was dropped on Florida, we heard people saying, "Why should we help the people of Florida?"

I will tell you why. We are Americans. That is why we should help. A real simple reason. We are Americans.

The people of Delaware had as much responsibility for the Cubans who Castro dumped on our shores as the Floridians had. The people of Colorado have as much responsibility for making sure the major cities of the Northeast function as we in the Northeast have to see that you all out in Colorado have water to drink and irrigation for those farms that we subsidize.

You do not subsidize my farmers. Why in the heck should I subsidize yours? Why should I ask the taxpayers of Delaware to do that? Because I am an American, that is why.

We have a President engendering this notion that we are somehow seven different nations. If I live in Florida, I have different problems than if I live in Delaware. If I live in Arizona, I have different problems than if I live in Missouri. Thank God I live in Delaware and not those other wonderful places.

But the fact of the matter is I think this whole notion of going into everything we do is destructive to the fabric of this Nation.

Now, if there is waste in Amtrak, then, fine, let us go after the waste. I am not arguing against that notion. And you may assume it is all waste, like I think the notion of seeing to it that we guaranteed that the folks in the Hoover Dam area get their electricity at outrageously low and subsidized rates compared to what we pay in Delaware. I think we should clean that up. I think we should go over the waste and the fraud and the abuse and so on and so forth.

But, quite frankly, everybody keeps talking about passenger rail service that works on its own. Now, I may be wrong—and it will not be the first time I will have been wrong on this floor when I have spoken—But I am not aware of any passenger rail service on a nationwide basis in any country that makes money. I am not aware of any system that provides for drinking water for the entire country that makes money.

What are we?

I ask my friend from Colorado, why should my mother, in Wilmington, DE, subsidize your farmer in Colorado, who gets Government subsidized water to irrigate his fields? I would like the Senator to answer that, if he would be willing to do so.

The PRESIDING OFFICER. The time of the Senator from Delaware has expired.

Mr. BIDEN. I ask unanimous consent that my friend from Pennsylvania would yield me 3 more minutes.

Mr. SPECTER. I yield 3 more minutes to the Senator from Delaware.

Mr. ARMSTRONG. Mr. President, I will respond to the Senator from Delaware that our positions are not as far apart as he might imagine. I certainly think he is correct in pointing out that there is a national interest to be served.

He mentioned the concerns of Floridians about the influx of Cubans and asked would the same logic which I have suggested with respect to Amtrak apply to the situation of the refugees of Cuba. I did not think so. I think that was a national problem, and so I voted, as did the majority of Senators, to fund that.

Mr. BIDEN. Mr. President, I only have 3 minutes. I ask the Senator: Is it a national problem to see to it that the people of Philadelphia can get in and out of that city with a mass transit system? Is that a national problem or just a Philly problem?

Mr. ARMSTRONG. That is a part of a service which I am confident—Philadelphia to New York and Philadelphia to Washington—would be provided by the private sector.

Mr. BIDEN. Since I only have about a minute left, I am confident that in later debate I will point out, hopefully, if we have time, that they could not do it that way. But let us leave that alone.

Again, though, I still want to make this point and reiterate the point time and again. I just want you all to remember that we are all in this thing together.

My friend from Missouri is asking for things that affect Missouri that Delawareans should not have to pay

for on the logic being applied to Amtrak. But we should pay, because the logic we should apply here is how do we make a better and healthier Nation.

I would point out to my friend from Colorado—and I only mention him so much because he is the only one I have heard so far because I was in a committee hearing—I point out to him that it is not merely that we subsidize from a tax side those folks who fly on planes, but my friend from Missouri is going to have to figure out how many new air traffic controllers the Federal Government pays when the Northeast corridor is gone. He is going to have to figure out how many new towers we build, how much more money we put in runways, how much more money we put in subsidizing traffic patterns of those airports.

Mr. ARMSTRONG. Will the Senator yield for a question?

Mr. BIDEN. Yes.

Mr. ARMSTRONG. Why should we subsidize the air traffic? Why should not the people who fly on the airplanes pay for it?

Mr. BIDEN. Why should not the farmers in Colorado who, in fact, irrigate their fields, pay for their own water?

Mr. ARMSTRONG. I think that is a reasonable proposition.

Mr. BIDEN. Good. I want the record to show that the Senator from Colorado believes that the farmers of Colorado should pay all the costs of the water for irrigation. Is that correct?

Mr. ARMSTRONG. Mr. President, it is my view that unless you are talking about a national situation, such as was in Florida, or unless you are talking about real hardship cases where people are simply too poor to be able to do so, that those who benefit from a service should pay for it.

Mr. BIDEN. Let me ask the question.

Mr. ARMSTRONG. That is true whether you are discussing passengers on railroads or airplanes.

Mr. BIDEN. How about farmers irrigating their fields in Colorado?

Mr. ARMSTRONG. Colorado or anyplace else.

Mr. BIDEN. I will introduce an amendment shortly that will in fact see to it that all moneys for irrigation anywhere in this country be——

The PRESIDING OFFICER. The gentleman's time has expired.

Mr. BIDEN. Thank you very much. I thank the President, and I thank my colleagues for yielding.

Mr. HEINZ. Mr. President, it should come as no surprise to anyone in this Chamber that I rise in support of my colleague's amendment to add sufficient funds to the pending budget to restore 90 percent of Amtrak's subsidy. I have consistently stated my belief that this body should not—indeed cannot—reduce the deficit by terminating the Federal Government's aid to Amtrak.

The administration's proposal to eliminate 100 percent of the Amtrak subsidy is a proposal to eliminate Amtrak itself—and eliminating Amtrak is a very expensive proposition. The labor protection costs resulting from the collapse of Amtrak would cost the Federal Government $2.1 billion alone. The various other legal and administrative nightmares associated with bankruptcy guarantee that the total cost to the Government would climb vastly higher. Without subjecting this body to a detailed account of the true costs involved in the administration's proposal, I will go on record as predicting that abolishing Amtrak would, in the final analysis, cost the Federal Government much more than it would save.

Eliminating 100 percent of Amtrak's subsidy doesn't make sense from a business standpoint, but you don't have to be an accountant to support continued funding for rail passenger service. Transportation experts, public officials, and regular citizens have all stated their belief that Amtrak should be given sufficient funding to guarantee its survival.

Transportation experts deplore the administration's Amtrak elimination because they know that, once abolished, this Nation's rail passenger system can never be resurrected. Public officials oppose the move because they believe that Government has an obligation to do for the people what the people cannot do for themselves, and that long-distance rail transportation is an area of human commerce especially deserving of Government support. Regular citizens decry the cut because the existence of a sound intercity rail passenger system is essential to the conduct of their lives.

Mr. President, I do not mean to imply that Amtrak should not be required to make some contribution to the deficit-reduction effort we have undertaken; these are fiscally grim times and everybody must shoulder a portion of the burden. However, the President's proposal to cut 100 percent of Amtrak's budget is simply unfair and unwise. I think many of my colleagues will agree that the measure proposed here today by Senator SPECTER—a 10-percent cut—is a much more reasoned and well-balanced approach. My colleague's amendment will allow us to achieve badly needed budget savings without bringing about the collapse of one of this country's most important assets. Senator SPECTER'S amendment has been greeted warmly by important and diverse sectors of our society, and makes sense from every point of view. I urge my colleagues to support this worthy measure.

Mr. ANDREWS. Mr. President, I rise in support of the Senator's amendment which restores 90-percent funding for Amtrak. To completely eliminate funding for the National Railroad Passenger Corporation, as the President has proposed, ignores the commendable progress that Amtrak has made in reducing costs. It would be one thing if Amtrak had not or could not meet the performance and standard goals set by Congress.

Amtrak, however, has met or exceeded those congressionally mandated revenue/loss criteria. In addition, Amtrak now receives less subsidy—$684 million—than it did 4 years ago. In real terms, since 1981, Amtrak has had a 27-percent reduction in funds provided. If other programs had done as well as Amtrak, we wouldn't have the $200 billion deficits that we face today.

The elimination of Amtrak funds is not a "savings." The cut ignores the fact that Amtrak's labor provisions alone would cost approximately $600 million in fiscal year 1986. That means the taxpayers invest $600 million and receive no service for that investment.

Furthermore, dismantling Amtrak means that we turn our backs on the investment already made on the system. Mr. President, these are capital investments that are now paying dividends.

Finally, this abrupt cut breaks faith with those States and localities which invested their funds to fix stations and make other capital investments to attract Amtrak and its passengers.

Now Mr. President, the administration would have Congress believe that miraculously, on October 1, various entities will pick up certain elements of Amtrak service. I would like to inform my colleagues that the subcommittee has looked into this claim and, to date, there are no takers. Even if one or two States desired to pick up service, the time for legislatures to consider and fund this action is all too short.

Also, the Administrator of the Federal Aviation Administration has testified that the additional 17,500 daily passengers in the already congested Northeast corridor could not be absorbed without great difficulty and considerable additional expense. Anyone who has been stalled in traffic around Washington and New York knows that our highways are not the answer either.

Beyond the Northeast, the administration's funding cut will deprive hundreds of communities who rely on Amtrak service. In the final analysis, Mr. President, what kind of national transportation system will we have when we drop passenger rail service, and leave communities already hard hit by aviation and bus deregulation no real alternative.

Zero funding for Amtrak is not reversible—you cannot easily restart a system that has served over 21,000 em-

ployees and had a fire sale on its 3 billion dollars' worth of equipment.

I have and will continue to diligently review Amtrak's operations as chairman of the Transportation Subcommittee on Appropriations. They will not get one penny more than they need or deserve—but they certainly deserve more than that proposed by the administration—so without hesitation I support the amendment of my good friend and colleague, Senator SPECTER.

Mr. WALLOP. Mr. President, today, I rise in complete support of one very positive provision in the Senate-White House Deficit Reduction Agreement. I am referring to the proposal, that would terminate the Federal Government's subsidy to the National Railroad Passenger Corporation, commonly known as Amtrak.

Some of my friends in the Senate may reall that this is not the first time this Senator from Wyoming has spoken out against continuing the wasteful use of every good American's hard earned money through the Amtrak sieve. On July 15, 1983, virtually the same day Amtrak went thundering out of the prairies of Wyoming, for what is considered a more picturesque view of the Colorado Rocky Mountains, I successfully offered an amendment to the fiscal year 1984 Department of Transportation appropriations bill reducing Amtrak's subsidy by $1.6 million—or the amount Mr. Graham Claytor, Jr., President of Amtrak, claimed the Corporation would save by terminating its service to my State.

My purpose for lending support to this portion of the budget package, as it was during the Appropriations process almost 2 years ago, is to insure that the Federal Government is not only fiscally responsible, but fiscally reasonable. With deficits hovering around the $200 billion mark, this country can no longer afford the luxury of bankrolling a so-called national passenger train that does not come close to serving the rail passenger needs of every State in this Nation. A glance at their route map will show several totally blank States with nonexisting service including Wyoming, Oklahoma, and South Dakota.

Mr. President, when Amtrak abandoned Wyoming almost 2 years ago, it left the State without any passenger train service for the first time in about 100 years. Yet, Wyoming taxpayers have been forced to maintain Amtrak service to other parts of the country for several years now, and I believe that's far too long to pay a public service that is truly not public.

And, making the situation even more insulting, Mr. President, is that while Amtrak left southern Wyoming because it considered our prairies and grasslands not as spectacular as the Colorado Rockies, the same train—the California Zephyr that used to stop and pick up passengers—still streaks through the State not braking or slowing down for man nor beast within our borders. This situation has occurred primarily as a result of unsafe track conditions on the Denver and Rio Grande line through Colorado. As of April 17, the Zephyr has been rerouted 27 times over Wyoming's safer Union Pacific tracks because of mud slides, snow slides, high water, or track washouts.

Not only does this situtation raise concerns about safety conditions of the present route, but it causes me to question how much extra money it really costs Amtrak to reroute the train through Wyoming while simultaneously busing passengers to points in Colorado made inaccessible by Mother Nature. These continuing circumstances seem to illustrate that perhaps a permanent bus route along this stretch would be much safer and a far more economical way to proceed.

Our National Treasury simply cannot afford to underwrite this cushy, well-padded transportation welfare program. More importantly, how can the Federal Government justify to the American people any financial support for the passenger arm of the railroad industry, Amtrak, while it extricates itself from the freight business through the pending $1.2 billion sale of Conrail? Why should the Federal Government continue to support a corporation that has been unable to make a profit in 14 years?

Truly, we should have sold our interest in Amtrak many years ago, had Congress been able to muster the courage, we could have put close to over a decade's worth of Amtrak subsidies, or $10 billion, toward a deficit downpayment. It simply no longer makes fiscal sense to keep handing out $60 subsidy checks to encourage the traveling public to take the train.

Our Nation's transportation system, especially our railroad network, will not collapse without Amtrak. If anything, the traveling public, and perhaps a few enterprising businessmen and businesswomen, would become interested in pursuing more creative and probably more profitable ways of supplying a similar service, or even relying on other modes of transportation such as car, bus, or plane. America can survive without Amtrak. Let us start connecting the bright light at the end of the tunnel with deficit reduction efforts instead of speeding Amtrak locomotives.

AMTRAK MUST BE RETAINED

Mr. PELL. Mr. President, I am happy to join in cosponsoring Senator SPECTER's amendment to restore funding for Amtrak at a 10-percent reduction from the fiscal year 1985 level. This represents a reasonable cutback in Federal spending, and one which Amtrak has indicated it can tolerate, while still preserving the system and its basic service. I urge the Senate to approve the amendment.

With all due respect to the administration's intentions for trimming the deficit, I do believe that in the case of Amtrak its spokesmen have become entrapped in their own rhetoric. The Amtrak subsidy represents a miniscule seven one hundredths of 1 percent of the Federal budget. But the administration's spokesmen have become so intent on making Amtrak the symbol of their designs that they have failed to answer all the essential questions raised by their proposal.

They have failed, most of all, to tell us where Amtrak's 20 million passengers would go if the system were to shut down next October 1. It is not enough to say that we should give each of them a $35 airline ticket. If the displaced passengers were to turn to the airlines, it would cause unmanageable congestion, adding nearly a million passengers a year to National Airport alone. And if they were to turn to the highways, as most of them probably would, the result would be unimaginable chaos, particularly in the Northeast corridor on a snowy day.

The administration spokesmen have likewise failed to take account of statutorily mandated labor protection agreements, the settlement of which would wipe out any savings realized by a partial shutdown, and which in the case of a total shutdown would consume the value of the liquidated assets of the system.

And they have failed to give any consideration at all to the secondary impacts of a shutdown, particularly in the Northeast corridor, where Amtrak maintains the right-of-way and operates signal, dispatching and tower operations not only for its own trains but for other users of the tracks, including commuter services in Maryland, New Jersey, and Pennsylvania, and the freight traffic of Conrail, the Delaware and Hudson system and the Providence and Worcester railroad in New England.

These secondary users presently pay Amtrak some $53 million in fees for these services, but if they had to pick up Amtrak's share of the costs, the net additional cost would be $164 million, which could be a crippling blow to some if not all of the users. One consequence which has received scant consideration is the impact on Conrail, which would have to pick up some $82 million of the additional costs. It seems quite possible that these added annual costs may effect the dynamics of the proposed sale of Conrail to the Norfolk and Sourthern Railroad, to which the administration is so firmly committed.

In Rhode Island, we have a unique situation, also apparently disregarded by the administration, in which $25

million in prior Federal investment in railroad relocation would in all probability be wasted if Amtrak were to be shut down. The project involves the virtual reconstruction of the heart of downtown Providence, and its centerpiece is the relocation of Amtrak's main line from an elevated loop that has long separated the business district from the statehouse to a new below-grade right-of-way, serviced by a new railroad station.

Rhode Island's commitment to this landmark project was based on the good-faith assumption that Federal support of Amtrak service could reasonably be expected to continue. It would indeed be an ironic and wasteful turn of events if that support should now be abruptly withdrawn just as the project is drawing to completion. In this connection, Mr. President, I ask unanimous consent that a letter from the Capitol Center Commission and a resolution of the Rhode Island General Assembly be printed in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

THE CAPITAL CENTER COMMISSION,
Providence, RI, April 26, 1985.

Senator CLAIBORNE DEB. PELL,
Russell Senate Office Building,
Washington, DC.

DEAR SENATOR PELL: The Capital Center Project, as you are well aware, is well underway. Representing the single largest construction project in the history of the state of Rhode Island, it never would have occurred were it not for the significant contribution of the Federal Railroad Administration acting on behalf of the National Railroad Passenger Service Corporation (Amtrak). In their efforts to upgrade the entire northeast corridor, which serves points between Washington and Boston, the city of Providence was the beneficiary of a contribution of over $25 million to the construction of the aforementioned Capital Center Project. The Federal Railroad Administration's contribution funds the relocation of the railroad tracks and the construction of the new railroad station here in Providence.

The present Administration's plans to eliminate the subsidy to Amtrak is the cause for grave concern to the Capital Center Commission. It is important to note that the northeast corridor provides over 40 percent of the revenues which Amtrak realizes annually, and thus utilizes a significantly less percentage of the subsidy presently provided. If in fact some cutback in subsidies is deemed to be essential, it is our hope that an equitable formula will be established so that the northeast corridor may continue to operate at its current levels of service.

Needless to say, it would appear to be indeed ironical if the new railroad station, which is at a 70 percent completion stage, were not to receive the utilization anticipated when this unique construction project/economic development opportunity for the state of Rhode Island was first envisioned.

Sincerely,

ALFRED H. JOSLIN,
Chairman.
CHARLENE B. HALL,
Executive Director.

HOUSE RESOLUTION MEMORIALIZING CONGRESS TO MAINTAIN AT ITS CURRENT LEVEL FEDERAL FUNDING TO AMTRAK

Whereas, President Reagan's proposed budget cuts include the elimination of federal subsidies to Amtrak; and

Whereas, According to the Chief Executive Officer of Amtrak, the loss of federal subsidies would virtually shut down the passenger train system and would lead to high federal costs due to expensive labor settlements; now, therefore, be it

Resolved, That this house of representatives of the state of Rhode Island and Providence Plantations hereby memorializes Congress to maintain at its current level federal funding to Amtrak; and be it further

Resolved, That the secretary of state be and she hereby is authorized and directed to transmit a duly certified copy of this resolution to the Rhode Island delegation in the United States Congress.

Mr. PELL. Mr. President, it seems to me that the administration's failure to take account of so many significant adverse consequences of its proposal with respect to Amtrak simply demonstrates that the proposal is ill-considered and short-sighted in the extreme. For this reason I urge the approval of the Specter amendment.

For the longer range, I believe we are reaching a point where the continuity of rail passenger service as an integral part of our national transportation system should be affirmed as a matter of national policy. Amtrak should not be put on the block every time the Budget Director needs to save a few dollars. We should be prepared to reexamine our expectations as to the economic self-sufficiency of rail passenger service, particularly in view of the fact that virtually all industrialized nations subsidize such service as a matter of course. A rational, integrated transportation policy might well provide regular funding from dedicated sources, such as taxes on fuel used by less cost effective forms of transportaion.

We should keep these possibilities in mind, I believe, as we vote today, hopefully to keep Amtrak in business for the immediate future. Beyond that, there's got to be a better way to run the railroad.

Mr. ARMSTRONG. Mr. President, if the 15 years of Amtrak experience proved anything, it is not only the futility of expecting rail passenger service to be an important transportation mode, but the senselessness of using taxpayer dollars in an effort to make such a system profitable.

Congress thought rail passenger service might still be viable when it created the National Rail Passenger Corporation in 1970. At the time, many railroads had or were proposing to end rail passenger service because the decades of declining ridership had produced an unprofitable situation. At the turn of the decade, trains carried 95 percent of all intercity traffic. Except for the blips during World War I and World War II, it has been all downhill. In 1920, trains still carried 77 percent of all intercity passengers. However, 1936 was the last year trains were able to carry passengers profitably. By 1950, ridership on trains was only 5.6 percent of intercity traffic and today Amtrak carries only three-tenths of 1 percent of intercity traffic.

As a result of this steady decline, many railroads proposed abandonment of such service and after often-heated public hearings, these trains began to slowly disappear from the picture. So Congress rode to the rescue with a Federal subsidy program designed to save the passenger trains. The intent was that with some seed money from Congress to update the system, a new passenger train network could be built which would be self-supporting.

In fact, the original law explicity provides that "the corporation shall be operated and managed as a for-profit corporation."

The intent of Congress in establishing Amtrak was very clear.

One influential Congressman, in announcing his support for the Amtrak bill, said,

It is entirely possible that an alert, imaginative program, thoroughly promoted and publicized, can recreate an acceptable image for railroad passenger travel, and bring this mode of transportation back into profitable use.

One of the original cosponsors of the Amtrak bill reiterated the intent.

Hopefully, new developments in high speed rail technology will enable the National Rail Passenger Corporation to eventually become solvent, and the initial seed money from the Federal government is a worthwhile investment to enable us to find out if rail passenger service can be self-sustaining.

In the Senate, one of the four sponsors of the bill warned at great length against continued operating subsidies. And with those understandings, the bill passed the Senate 78–3, and passed the House by voice vote.

Like so many things in Washington, the promise far outshone the performance. Amtrak has lost money every year of its existence and the cost to the Federal Government has grown 20-fold annually. The total cost of the program to date has been $12.5 billion and another $8 billion is expected to be spent over the next decade. Yet, despite this tremendous amount of money being spent to help a private company provide rail passenger service, less people ride Amtrak today than did even 5 years ago.

One would think Congress could recognize a turkey when it saw one, but as incredible as it may seem, Congress continues to use the taxpayers' money to operate Amtrak.

The budget process provides the appropriate process to reevaluate the need for Amtrak subsidies since it allows us to look at all our national priorities and determine how to allo-

cate our resources. This is especially important considering the predictions of Federal budget deficits in excess of $200 billion.

The subsidy for Amtrak is the largest subsidy for any transportation mode whether the numbers are compared in total funds received, total funds per passenger, or total funds per passenger mile.

In 1984, according to the Congressional Budget Office, essentially all of the net Federal subsidy for intercity passenger service went toward Amtrak.

It must also be understood that while just about all transportation assistance is provided through fees or taxes paid by the users of the transportation mode, Amtrak stands as an exception that is wholly funded directly out of the general revenue fund of the U.S. Treasury that all citizens pay into.

Next, it should be understood that the amount that autos and airplanes pay into their trust funds is greater than the total amount they receive from the Federal Government, according to the latest figures from the Congressional Budget Office. Buses receive a small subsidy equivalent to two-tenths of 1 percent. The subsidy for Amtrak is 17 cents per passenger mile, or 23 cents if improvements on the Northeast corridor are included. This means the Amtrak subsidy is 85 times greater than that for buses.

With the Federal appropriations for Amtrak equaling about $700 million last year and Amtrak providing just under 20 million passenger trips, this means the taxpayers paid on the average $35 dollars for every Amtrak ticket.

Amtrak boasts that it covered 56 percent of its operating costs last year, but it actually covered only 50 percent of its total costs. On some routes operated by Amtrak, it covers only 13 percent of its costs.

Amtrak supporters note how the system has cut its annual appropriations from nearly $900 million in 1981 to a little less than $700 million today and asks why the system is being punished just at the time it was beginning to show improvement. Amtrak should be commended for these improvements, but this does not mean Amtrak makes sense. Most of the reductions have come because of congressional requirements that Amtrak end its least efficient routes. It still requires a $700 million a year subsidy to operate and there is little chance for significantly reducing this amount given the labor intensiveness of a system with labor costs two to three times those of bus and airway systems, high equipment and maintenance costs, little ability to raise fares or increase ridership and the difficulty of Amtrak expanding services without incurring greater costs.

In comparison to the oft-quoted $35 subsidy taxpayers assume for each Amtrak passenger, Amtrak supporters contend the Federal Government is providing an equivalent subsidy per passenger for the airlines. They base this on tax deductions businesses receive for business trips, the use of industrial development bonds to construct airports, and Treasury funds used to finance air traffic control.

First, tax deductions for business travel is not a transportation subsidy. The tax break goes to businesses, not transportation modes. This tax deduction is available for all aspects of business travel including meals, lodging, and so forth. Next, Amtrak has calculated the value of the business tax deduction incorrectly by assuming that all businesses are corporations taxed at the 46-percent corporate rate. Amtrak's numbers do not distinguish among the types of businesses, such as partnerships, that have lower tax rates, and thus receive less benefit from a tax break. Finally, the user determines which mode he will travel on. So, if the person does not choose Amtrak, it is not because one mode is being unfairly subsidized, but that Amtrak does not offer the best means of getting from one place to the next. But 40 percent of Amtrak's riders in the Northeast corridor are business travelers, so this is a tax break available to a substantial number of Amtrak riders.

Second, industrial development bonds are also not specific to any one transportation mode. The use of development bonds involves a decision by local authorities for a project whether it be transportation or not and, if transportation, whether the community wants a new airport or a rail station, or other facility. Again, it is misleading to assume that since $1 billion in bonds were issued by local communities that this represents the value of the subsidy. The tax break to the purchaser of the bond is the extent of the subsidy and it is three hundredieth the value of the bond, according to the Congressional Budget Office.

Last, about half of air traffic control funds are paid out of General Treasury revenues. In aggregate, however, air systems pay more in Federal funds than they receive in Federal expenditures. There are enough funds in the aviation trust fund to assume the full costs of air traffic control and it is only because Congress has decided to distribute the money otherwise that some funds have come out of general revenues. This year's budget assumes the full cost of operating air traffic control for commercial and general aviation will be paid out of the trust funds.

Amtrak supporters also have released numbers to show that road systems received $13.5 billion in non-user fee assistance in 1983. About $11 billion of this is attributed to State and local governments, which has nothing to do with the debate on Federal assistance for Amtrak, and it is certainly not for us to decide how a State or locality will raise its revenues. The remaining $2 billion is attributed to the Federal Government. The bulk of this is general revenue funds used to construct roads. Again, this involves a local decision, but the budget will also end this program in a couple of years. The remainder is roads built in national forests, which the logging companies actually pay for. Finally, a portion of Federal funds are used to construct roads in national parks and on Indian reservations.

The amount of Federal assistance is certainly an important factor, but the mere fact that large sums are spent does not mean the cost is unjustified. We have to assess this cost in terms of Amtrak's role as a national transportation system.

The most telling fact in this regard lies in Amtrak's meager ridership that comprises only three hundredieth of 1 percent of all intercity passenger trips. A little less than 20 million trips are attributed to Amtrak ridership each year, but even this overstates the case, since it includes the many people who commute every day. As already pointed out, this cost per passenger is unparalleled.

Since Amtrak clearly is not the transportation mode that makes America tick, one has to discern whether it fills a particularly important niche in our transportation network that could not otherwise be met.

One contention of Amtrak supporters is to point out cities that do not have alternative transportation. First, it should be pointed out that Amtrak serves only 500 communities across the Nation, while bus service is available in nearly 10,000 communities. A recent list published by Amtrak says that out of its 500 stops, 130 have no air service, 53 have no bus service, and 29 are served by neither. To begin, it should be pointed out that all these cities and towns are accessible by car. Some have no commercial air service, but do have airports. This is the case for the six stops listed in Colorado without air service.

In regard to alternative bus service, the Amtrak list has been scrutinized and found that most of the towns listed without alternative bus service are near towns that do or are part of a larger metropolitan area served by buses. In fact, only four stops are farther than 30 miles from a bus stop. Three of these are within 35 miles of bus stops and the combined population of the four towns is less than 3,000. Finally, the American Bus Association has pledged to provide "adequate, alternative bus transportation" to fill any gaps should Amtrak service

end. I have attached a list at the end of my remarks listing the alternative bus service at the 82 stops Amtrak claims there is no alternative service.

Not only is bus service available to just about every community served by Amtrak, but the bus serves those communities more frequently than Amtrak. In Colorado, for instance, the bus is 16 times more frequent than Amtrak at their similar stops. In Montana, buses are 26 times more frequent; in Arizona, 32 times more, and in Texas, 74 times. Even in the more densely populated areas, the bus stops more often than Amtrak; in California, the bus is nine times more frequent than Amtrak; Illinois, four times more frequent; Pennsylvania, 13 times more frequent; Massachusetts, 10 times; and in New Jersey and New York, the bus is three times as frequent at Amtrak.

Amtrak, however, tries to assert that bus service is somehow complementary to Amtrak and not competitive, as though bus service would somehow disappear if Amtrak service ended. This directly overlooks the 1979 General Accounting Office finding that "there is little question that subsidized Amtrak service has attracted customers that would have otherwise ridden buses." Bus service has declined 10 percent since Amtrak began, and this is particularly detrimental to rural America, since bus is the most important means of public transportation between communities in rural areas. Even in the Northeast corridor, bus service has declined 46 percent since Amtrak started serving the area. In some cases, bus routes have been developed to complement Amtrak, but this is only to survive, since Amtrak's predatory pricing policies have made many routes unprofitable and put many bus companies out of business. The evidence, then, shows Amtrak has hurt bus service, and ending of Amtrak would more than likely increase bus service.

Another Amtrak argument to continue its subsidy relies on the belief that highway and air traffic will become uncontrollably congested in the Northeast corridor. In the portion of the corridor from Washington, DC to New York, over 17,000 trips are taken on Amtrak daily. This seems like a lot, but it should be noted that only 2,700 travel the full distance from New York to Washington, DC. Most are commuters from outlying suburbs into the large cities of Philadelphia, New York, Washington, DC and Baltimore. According to Amtrak's own surveys on the Northeast corridor, 32 percent of the passengers would go by bus if rail service were terminated. This means 100 buses will be needed to carry 5,500 people; 48 percent will go by car or 8,400 people; and 16 percent or 2,800 would go by plane. For air travel, there are currently 2 million extra seats on flights in the Northeast corridor.

To put this in relation to current traffic, 3 million people daily use the roads to get into New York City. Even if all the Amtrak passengers in the corridor were included, their presence would hardly be noticed. The fact is, though, these people are spread throughout the corridor at all the different cities and traveling at different times.

Amtrak also believes its subsidy is justified because it currently covers the bulk of the costs on certain lines in the Northeast corridor that local commuter lines also use, but pay only marginal costs. First, Congress should not fund the National Rail Passenger Corporation as a guise for subsidizing local transit systems. Second, if these local commuter trains are that valuable, then local, State, or regional governments can assume the cost. Amtrak estimates the increased cost to these local lines at $162 million, but half of this amount would have to be assumed by Conrail. Transportation Secretary Dole, in testimony before a House subcommittee, stated that Norfolk Southern understands that as a nonnegotiable part of its purchase of Conrail, it will have to assume this cost.

It would seem then from a cost and purely transportation aspect, Amtrak does not serve a need. But there are still other factors to be considered. Maybe Amtrak is not the least costly or the most efficient or most important transportation mode in the country, but maybe it is helping to provide economic opportunity to the poor, transporting people in an environmentally less damaging manner, helping conserve scarce energy, or assisting in our national defense efforts. Amtrak's supporters would have you believe Amtrak achieves all these laudable objectives.

It is not difficult to view a sleak, rapidly moving train with no exhaust trailing it as the futuristic answer to pollution control. But it is better to view Amtrak in terms of what it does and does not emit as a system and compare that to other modes. The Environmental Protection Agency has forecast pollutants from the different transportation modes for 1990 and found that Amtrak is more environmentally sound only if one compares the amount of carbon monoxide and particulants it puts into the air compared to the auto. In the amount of hydrocarbons, nitrous oxide, and sulfur dioxide, Amtrak is a larger polluter than the automobile. In comparison to the bus and the airplane, Amtrak is a greater polluter in all five categories.

Another proposition is to tout Amtrak as the solution to a future energy crisis. Instead of driving to work and consuming gasoline, we will all just hop into the nearest train at anyone of the conveniently located 500 stops nationwide. This proposition was exposed for what it was when President Carter's Transportation Secretary Brock Adams declared Amtrak an "energy waster." DOT at that time had found Amtrak to be three times less energy-efficient than the bus. To consider rail passenger service an energy-efficient mode is to ignore basic facts about the inherent inability of a rail system to transport people in an energy-efficient manner. Freight trains are efficient because they can carry weight three times the weight of the car trains. A passenger train, on the other hand, has one ton for every passenger even on a train full of passengers. A bus, then, that needs less than ⅓ of a ton to haul each passenger, naturally has the ability to haul people with less energy in most instances.

One instance where Amtrak has proven efficient is the Northeast corridor when, according to the Congressional Budget Office, Amtrak is compared to all the alternative transportation modes, it saves the equivalent of 3½ pints per passenger mile. On all other routes, Amtrak loses 3½ gallons. The system as a whole is a net energy loser, and last year, Amtrak resulted in the additional consumption of 2,000 barrels of oil per day.

If we are to judge Amtrak in terms of energy conservation, we must look at what Amtrak can achieve in this area in comparison to other ways to achieve energy conservation. Amtrak may be able to take advantage of improvements in rail technology and greater use of electrical energy based on nuclear or coal sources to operate trains in the Northeast corridor, but the Congressional Budget Office has found that these savings will represent less than one-hundredth of 1 percent of the Nation's petroleum needs. For each barrel of petroleum saved through improvements to Amtrak, the cost will be $395, and this compares to only $20 that will be required to achieve the same savings by improving automobile efficiency. It is interesting to note that during the energy crisis period from 1974 to 1979, Amtrak did not improve its energy efficiency while the automobile did.

When Amtrak fails to appeal to our sentiments for the environment or dependence on oil imports, its backers raise the flag, bring back memories of World War II and declare its trains will be there to transport the troops when the alarm sounds. They overlook, however, that since WW II, we have built the world's finest air and road systems, in part to diversify and improve our internal transportation network to facilitate rapid mobilization during a time of war. That is why our Nation's highway system bears the

name "National System of Interstate and Defense Highways."

The Amtrak system plays neither a vital role in our defense preparedness, nor does it serve any particular need or do its tracks follow a particularly vital route. Amtrak follows the same routes as freight trains and the quality of those tracks reflect the needs of freight trains, not those of Amtrak. Amtrak has upgraded some tracks to improve tracks for the purpose of making rail passenger service quicker or safer, but they are not improvements that make the system better at transporting troops or equipment during war.

The Department of Defense has identified the tracks in the Nation that are vital to defense, and of these, one-third are on low volume branch lines, but Amtrak's operations are not a factor in the continuation of these lines.

When the surge of nationalism has passed, Amtrak swoops down to the poor and elderly and claims that its service has made travel affordable to the poor. This is a most curious argument, since Amtrak ridership is conspicuously not directed toward low-income persons. According to the Census Bureau, 51 percent of Amtrak's riders have incomes in excess of $30,000 and only 10 percent have incomes below $10,000. This compares with the national averages of 21 percent of the population with income under $10,000 and 37 percent with incomes over $30,000. Twenty percent of bus riders, however, have incomes below $10,000. The medium income of Amtrak riders is $18,000, which is higher than any other mode. The average income of a bus rider is $13,000.

The income disparity between modes is most apparent on the Northeast corridor where 58 percent of the passengers had incomes over $30,000 and where Amtrak's president recently admitted before the Senate Transportation Appropriations Subcommittee that Northeast corridor passengers are "generally orientated toward business."

Of particular importance in regard to rail's ability to help the poor, is the conclusion reached in the 1982 CBO study that "If transportation subsidies are to be channeled specifically toward low-income people, aiding intercity bus service would be more effective than aid to Amtrak."

In regard to other groups that might be considered disadvantaged besides low-income persons, Amtrak again has a conspicuously poor record in relation to the bus, its closest competitor. Intercity buses carry more persons over 65 years of age—13 percent compared to Amtrak's 7 percent; twice the number of persons under 18—36 percent compared to 18 percent of Amtrak's riders; more blacks—20 percent compared to 15 percent for Amtrak; more Hispanics—5 percent compared to 1 percent for Amtrak; 35 percent of bus riders do not have a high school education, and 43 percent do not have college degrees compared to 20 percent and 30 percent of Amtrak's passengers who do not have high school degrees or college degrees respectively; and finally, 60 percent of bus passengers are female compared to 50 percent for Amtrak.

One of the more recent arguments for Amtrak is the number of jobs that would be lost if Amtrak service terminated and the liability this would be for the Government. It's too bad no one ever asked in the beginning how many jobs might be lost in the bus or other industries by subsidizing Amtrak. Jobs lost in the bus industry have no opportunity to receive Federal severance pay and already, 5,000 jobs have been lost in the bus industry since Amtrak's inception. The American Bus Association predicts 25,000 more jobs may be lost if Amtrak continues. Looking in a broader perspective, a standard assumption is to assume that one job is created for every $40,000 to $100,000 of capital invested. Then, if one calculates that the total cost of Amtrak to society by including Federal assistance and the opportunity cost if those funds had been invested in other ways at $17 billion, Amtrak has resulted in the loss of 150,000 to 400,000 jobs.

Nor are the labor protection agreements Amtrak has signed with its employees a liability of the Federal Government. Amtrak is a private corporation, not a Federal entity. This was restated recently by the Supreme Court in National Railroad Passenger Corporation versus Atchison, Topeka, and Santa Fe Railway Co., which said the "Act expressly established the Rail Passenger Corporation as a non-Government entity." Labor protection costs would be funded out of the court-supervised liquidation of assets in full or in part. Congress may decide that the Federal Government has an obligation to protect Amtrak's employee as it has done in recent years for several other railroads. In any event, this is a matter for Congress to decide. If it chooses to do so, Amtrak's liabilities will most likely by one-sixth what they are now. Even if the total costs are $2.1 billion, as Amtrak suggests, it is a one-time expense and far less than paying for Amtrak for each year forever and forever.

Well, at this point, one would think that no reason exists that could possibly rationalize Amtrak's existence. But Amtrak's supporters leave no stone unturned and when it is abundantly clear that Amtrak serves no overriding purpose, Amtrak's supporters say we need it because the Japanese and Europeans have rail passenger systems. Why we should have the need for a rail passenger system just because Japan does is difficult enough to explain, but the rational is even more flimsy when one looks at the transportation needs of Japan, Europe, and the United States. Europe and Japan are smaller areas with denser populations and none of the vast distances with few people like the United States. European cities and regions have not been built uniquely for the use of the car. The roads, except in Germany, are of poorer quality. Auto ownership is below U.S. levels and it has never become the basic transportation mode of the average family. And all those systems run at a loss that must be assumed by the taxpayers in Europe and Japan.

In summary, Amtrak serves no vital purpose, so it's not surprising so few people ride it or that it has never made money. What is surprising is that Congress ever thought it would. The system is in trouble for the same reason stagecoach lines would be in trouble if earlier Congresses has subsidized them in perpetuity—time and technology have passed them by. Since the Model T began to make cars affordable, trains have steadily declined in their usefulness for most Americans. Since 1956, when the first transcontinental jet flight was completed—which is the same year Congress authorized the Interstate Highway System—trains have simply become obsolete for most Americans. And passengers deserted the trains just as quickly as they had deserted stagecoaches generations before. But rather than let technological advances take their course, Congress tried to reverse the inevitable.

As one observer noted, "People like to watch trains but they don't like to ride them, so Amtrak is not providing a system of transportation but a form of kinetic art."

Mr. President, I ask unanimous consent to have printed in the RECORD several editorials and related tables.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

[From the Rocky Mountain News, May 1, 1985]

AMTRAK'S A PICKPOCKET

Indiana Gov. Robert Orr recently told a House subcommittee it is "fanciful" to believe the states will help pay for Amtrak should the government's passenger rail system lose its federal subsidy.

Orr's words carry weight. He's President Reagan's appointee to the Amtrak board representing the nation's governors.

Transportation Secretary Elizabeth Dole had more bad news for Amtrak when she told the same subcommittee that chances of private interests buying into the system are slim to none.

Congress is considering the question since the Reagan administration has proposed ending Amtrak's subsidies. The Carter and Ford administrations also sought to reduce them.

And no wonder. Ridership has fallen in recent years while costs have escalated. The subsidy, at last tally, came to $60 per passenger, which means it would be cheaper for the government to hand out free airplane tickets to some destinations.

Amtrak fans used to argue that a government-run rail system would provide an alternative to the private automobile, thereby conserving energy and reducing environmental pollution. But studies seem to have derailed even these claims.

Finally, they said low-cost passenger trains would increase the mobility of poor people who could not otherwise pay full fare. That has never been convicing, since bus tickets have almost always been less expensive than Amtrak's. On top of that, the Congressional Budget Office estimates that Amtrak travelers tend to have above-average incomes.

Even so, no one has ever explained why the government ought to be in the personal transportation business in the first place, even if it could manage to run the system at a profit.

As it stands, we're not only losing money but doing so by taking it out of the pockets of the poor and middle-income so a relative few of their better-paid neighbors can enjoy the "grandeur" and "gracious service" of travel-by-rail. That's a luxury that is hard to justify.

[From the Chicago Tribune, Feb. 24, 1985]

LEAVE AMTRAK AT THE STATION

(By Stephen Chapman)

Americans have a sentimental attachment to trains. Once the hated symbol of industrialization, they now nourish memories of a simpler age. But nostalgia has no place in the federal budget, particularly when it has a $180 billion deficit, which means Amtrak has no place. Ronald Reagan is the first president to acknowledge that.

Past budgets have trimmed the outlay for Amtrak, the federally financed passenger railroad; this one simply removes it. Reagan would get the federal government out of transporting rail passengers once and for all.

Amtrak's chief function is to illustrate why federal spending is so hard to cut. It adds little to the nation's transportation system, while extracting a handsome subsidy from taxpayers. Few Americans would suffer if Amtrak shut down tomorrow.

But neither do they notice its cost. At $684 million in 1985, it is dwarfed by more expensive programs. Given Amtrak's value as pork barrel, plus the drawbacks of antagonizing the fanatical minority of train buffs, most members of Congress see the possible savings as insignificant.

What do taxpayers get for their dollars? Not much. Only one in 50 travelers takes the train, and they account for just one-third of one percent of all intercity passenger miles. Small wonder: Trains combine the disadvantages of cars [like slowness] with those of airplanes [fixed schedules, lack of privacy].

Amtrak was originally supposed to turn a profit. In fact, since its creation in 1971, the corporation has lost nearly $9 billion. The Office of Management and Budget figures that, left alone, it will lose another $8 billion in the next decade. Amtrak's revenues cover just 52 percent of its costs. Taxpayers cover the rest.

Railroad fans retort that other types of transportation get federal help, too. Indeed they do. Washington provides funds for airport construction and air traffic control, besides helping to pay for the highways used by buses and cars.

But there's a difference. Airlines pay the entire cost of the federal aid, and then some, out of an 8 percent tax on every ticket sold. The airlines subsidize the federal government, not the other way around.

Drivers likewise pay more than their way, through the federal gasoline tax. Though intercity buses and exempt from fuel taxes and from the heavy vehicle tax, the aid is trivial.

A comparison of federal aid isn't flattering to Amtrack. Richard Mudge of the Congressional Budget Office says buses get a federal subsidy of two-tenths of one cent per passenger-mile. Private cars and airlines pay back more than they take. Amtrak gets about 17 cents per passenger-mile. The federal government thus spends 85 times more to transport someone a given distance by train than by bus.

OMB points out that in many cases it would be cheaper to buy all the passengers plane tickets that to run the trains. On the New York-Boston route, Amtrak spends $43 to dissuade travelers from buying a $19 airplane ticket.

Amtrak says the claimed budget savings is illusory, because if it shuts down it will owe $2.1 billion over the next six years to laid-off workers. But it has capital assets that could be sold to defray the cost, and in any case it would cost less to pay off Amtrak's contracts than to keep the trains running.

In some places, particularly the Boston-to-Washington line, passenger trains make a certain amount of sense. On that route, they actually turn an operating profit. Amtrak might operate these trains, along with a few others, even without federal help. If not, some private entrepreneur might take them over. Any service lost would be service that travelers don't want or aren't willing to pay for.

Whatever the cost in nostalgia, that's as it should be. If Congress can't muster the nerve to cut a program as wasteful as this one, it can't hope to contain spending. In an age of fiscal austerity, the traditional charity toward Amtrak is as obsolete as a steam locomotive.

[From the New York Times, Feb. 27, 1985]

THE AMTRAK WORTH SAVING

The Reagan Administration wants to eliminate subsidies for Amtrak, which this year totaled $684 million. That is harsh medicine. But in a time of budgetary restraint, subsidies for the little-used intercity rail service have become increasingly hard to defend.

Happily, the withdrawal of Federal aid does not have to mean the end of passenger service in the densely traveled corridors where trains are really needed. Indeed, once Amtrak is freed of the political baggage that comes with Government subsidies, it might flourish.

Amtrak was created by Congress in 1970 to halt the rapid decline in passenger rail service. It did save the intercity trains and, in time, dramatically improved service. But the turnaround did not come cheaply. About $10 billion has been spent to rebuild and run the sprawling transcontinental system. This year, about $4 in operating subsidies will be needed to match every $6 earned from tickets.

Many reasons have been offered for continuing this subsidy; few bear scrutiny. Contrary to claims by Amtrak's friends, competing transportation systems receive little or no subsidy. Private cars, intercity buses and airlines all pay their own way through taxes and user fees.

Poor people don't depend on Amtrak because they can't afford to travel much. And when they do travel, it's usually by bus. Trains do save energy, but only on a few heavily used corridors and only at exorbitant cost per barrel saved. Train travel is undeniably more romantic or fun, but it's hard to see why this form of recreation should be favored by taxpayers.

The one plausible rationale for subsidy is that train service reduces congestion in densely traveled, short-haul routes like Boston-Washington and Los Angeles-San Diego. Fortunately, these are also the routes that now consume the lowest subsidies per passenger mile. And there's real hope that, left on its own, Amtrak could turn small losses into healthy profits.

Like any public beggar, Amtrak's first priority has always been pleasing Congress. That has locked the railroad into hopelessly unprofitable routes and forced its management to accept overmanning and 19th-century work rules.

Amtrak would probably turn a profit if Congress were to end the subsidies but free the railroad of the obligations to serve hundreds of small towns and to guarantee its workers cushy lifetime jobs. Some experts believe there is so much potential for good rail service that the Boston-Washington corridor could support several unregulated, unsubsidized competitors.

Four years ago Congress gave Conrail, the money-hemorrhaging freight railroad, the choice of shaping up or breaking up. Today a smaller, more productive Conrail is making a profit. It's time, past time, to try the same strategy with Amtrak.

AMTRAK

Amtrak has furnished a list of points that would be without bus or air service which are currently served only by Amtrak. The list follows with comments by each:

1. Berlin, CT—2,000 Pop. Suburb of New Britian with plenty of bus service.

2. Mystic, CT—5,650 Pop. 10 miles from New London with abundant bus service.

3. Northhaven, CT—22,080 Pop. Suburb of New Haven with abundant bus service.

4. Old Saybrook, CT—2,281 Pop. No bus station, but on Greyhound's New London-New Haven route with 14 trips daily.

5. Thompsonville, CT—Pop. not in Rand McNally, but, just 2 miles west of Hartford-Springfield, MA routes with about 40 bus schedules daily.

6. Wallingford, CT— 37,274 Pop. Between Meriden and New Haven with service by Trailways, Greyhound and the Arrow Line.

7. Windson, CT—16,100 Pop. Just off main Hartford-Springfield, MA route which has about 40 buses daily.

8. Windsor Locks, CT—12,190 Pop. Just off main Hartford-Springfield, MA route which has about 40 buses daily.

9. Wildwood, FL—2,665 Pop. 9 miles from Leesburg with multiple daily service by Trailways and Greyhound.

10. Toccoa, GA—9,104 Pop. 9 miles from Hollywood, GA with daily bus service by American Trailways of Georgia.

11. Carlinville, IL—5,439 Pop. 10 miles from Springfield, IL—St. Louis route with multiple daily bus schedules.

12. Kewanee, IL—14,508 Pop. 11 miles off Chicago-Moline route with multiple daily bus service.

13. Alton, IL—34,171 Pop. Suburb of St. Louis, MO.

14. Chillicothe, IL—6,176 Pop. 15 miles from Peoria with abundant bus service.
15. Glenview, IL—30,842 Pop.[1]
16. Ind. Harbor, IN [1]
17. Dyer, IN—9,555 Pop.[1]
18. Whiting, IN—5,630 Pop.[1]
19. Wheeler, IN—600 Pop.[1]
20. Rensselaer, IN—4,944 Pop. Has bus station and Greyhound service several times daily.
21. Creston, IA—8,429 Pop. 28 miles from Osecola, IA with multiple daily service by Greyhound.
22. Maysville, KY—7,983 Pop. Across river bridge from Aberdeen, OH with 6 Greyhound trips daily.
23. South Portsmouth, KY—550 Pop. Across river bridge from Portsmouth, OH with multiple daily Greyhound service.
24. Schriever, LA—500 Pop. Greyhound goes through there every day, Guide Table 430 between Houma and Thibodaux.
25. Brunswick, MD—4,572 Pop. 13 miles to Frederick which is served by Greyhound.
26. Gaithersburg, MD—26,424 Pop. Bedroom community for Washington, DC with subway service 2 miles from Gaithersburg (at Shady Grove).
27. Rockville, MD—43,811 Pop. Bedroom community for Washington, DC with subway service.
28. Bangor, MI—2,001 Pop. 19 miles to Paw Paw which is served by Indian Trails.
29. West Quincy, MO—Pop. not shown in Rand McNally. 2 miles west of Quincy, IL which Trailways Lines, Inc. and Burlington Trailways service.
30. Browning, MT—1,226 Pop. 35 miles west of Cut Bank, MT which is served by Intermountain Transportation Co.
31. Belton, MT—Pop. not shown in Rand McNally. Approximately 55 miles west of Cut Bank, MT which is served by Intermountain Transportation Co. and approximately 50 miles east of Whitefish which is served by Brown Lines, Inc.
32. Metro Park, NJ—Pop. not shown in Rand McNally. In New Brunswick Metroplex—9 miles from downtown, plenty of bus service.
33. Croton-on-Hudson—6,889 Pop. 4 miles to Ossinging which is served by Leprachaun Lines.
34. Rhinecliff, NY—Pop. not shown in Rand McNally. 5 miles to Rhinebeck which is served by Hudson Transit Line (Short Line).
35. Rye, NY—15,083 Pop. 9 miles to New Rochelle which is served by Adirondack Trailways and Greyhound.
36. Fort Edward, NY—3,661 Pop. 4 miles to Glen Falls which is served by Adirondack Trailways and Greyhound.
37. Ft. Ticonderoga NY—Pop. not shown in Rand McNally. 22 miles to Schroon Lake which is served by Adirondack Trailways and Greyhound.
38. Port Henry, NY—1,450 Pop. 23 miles to Elizabethtown which is served by Greyhound.
39. Port Kent, NY—Pop. not shown in Rand McNally. Plattsburg, NY—21,057 Pop. served by Greyhound.
40. Willsboro, NY—950 Pop. 12 miles from Keeseville which is served by Greyhound.
41. Westport, NY—Pop. not shown in Rand McNally. 9 miles to Elizabethtown which is served by Greyhound.
42. Bryan, OH—7,879 Pop. 17 miles to Defiance which is served by Greyhound.

[1] All five are in Chicago-Hammond-Gray-Metro Area.

43. Crestline, OH—5,406 Pop. 9 miles to Mansfield which is served by Greyhound and Trailways Lines, Inc.
44. Hinkle, OR (Pendleton, OR)—14,521 Pop. Hinkle does not show on the map but is near Pendleton which is served by Greyhound.
45. Parkersburg, PA—2,578 Pop. 5 miles from Coatsville which is served by Greyhound.
46. Ardmore, PA—13,600 Pop. 7 miles to downtown Philadelphia, which is served by Capitol Trailways of Pennsylvania, Carl Bieber, Inc. Carolina, Trailways, Greyhound, Martz Trailways, New Jersey Transit, Trailways Lines, Inc.
47. Bryn Mawr, PA—9.500 Pop. 9 miles to downtown Philadelphia which is served by Capitol Trailways of Pennsylvania, Carl Bieber, Inc., Carolina Trailways, Greyhound, Martz Trailways, New Jersey Transit, Trailways Lines, Inc.
48. Connellsville, PA—10,319 Pop. 10 miles to Uniontown which is served by Greyhound.
49. Elizabethtown, PA—8,233 Pop. 17 miles to downtown Lancaster which is served by Greyhound and Trailways.
50. Huntingdon, PA—7,042 Pop. 17 miles to Tyrone which is served by Fullington Trailways and Greyhound.
51. KcKeesport, PA—31,012 Pop. 12 miles to Monroeville and 14 miles to downtown Pittsburgh. Both Cities are served by Blue & White, Fullington Trailways, Greyhound, Trailways and Pittsburgh is also served by Butler Motor, Grove City Bus Line and Lincoln Coach.
52. Middletown, PA—10,122 Pop. 14 miles to downtown Harrisburg which is served by Capitol Trailways of Pennsylvania, Fullington Trailways, Greyhound, and Trailways Lines, Inc.
53. Mt. Joy, PA—5,680 Pop. 11 miles to downtown Lancaster which is served by Greyhound and Trailways Lines, Inc.
54. Malvern, PA—2,999 Pop. 7 miles to King of Prussia, 14 miles to downtown Philadelphia. Both cities are served are by Capitol Trailways of Pennsylvania, Greyhound, Trailways Lines, Inc. Philadelphia is also served by Carolina Trailways, Carl Bieber, Inc., Martz Trailways, Jersey Transit and Trailways Lines, Inc.
55. Overbrook, PA—Pop. not shown in Rand McNally. Suburb of Philadelphia, 9 minutes on Amtrak at 5:44 AM only.
56. Paoli, PA—6,100 Pop. 5 miles to King of Prussia and 19 miles to Philidelphia. Both cities are served by Capitol of Pennsylvania, Greyhound and Trailways Lines, Inc. Philadelphia is also served by Carolina Trailways, Carl Bieber, Inc., Martz Trailways, New Jersey Transit and Trailways Lines, Inc.
57. Whitford, PA—Pop. not shown in Rand McNally. 8 miles from Coatsville, PA with Greyhound service.
58. Wayne, PA—8,900 Pop. 4 miles to King of Prussia, 14 miles to Philadelphia. Both cities are served by Capitol of Pennsylvania, Greyhound and Trailways Lines, Inc. Philadelphia is also served by Carolina Trailways, Carl Bieber, Inc., Martz Trailways, New Jersey Transit and Trailways Lines, Inc.
59. East Greenwich, RI—10,211 Pop. 14 miles from downtown Providence which is served by Arrow Line, Blue & Grey, Bonanza Bus, Brander Bus, and Greyhound.
60. Westerly, RI—Pop. not shown in Rand McNally. 20 miles from downtown New London which is served by Greyhound.
61. Clemson, SC—8,118 Pop. 18 miles from downtown Anderson which is served by Greyhound and Trailways Lines, Inc.
62. Cache Jct., UT—Pop. not shown in Rand McNally. Approximately 10 miles west of Smithfield which Greyhound serves daily.
63. Milford/Cedar City, UT—1,304 Pop. Greyhound and Trailways both serve Cedar City.
64. Delta, UT—1,610 Pop. 49 miles southwest of Nephi and 35 miles morthwest of Fillmore. Greyhound serves Nephi and Fillmore—Trailways serves Nephi.
65. Thompson, UT/Moab, UT—4,793 Pop. 7 miles east of Crescent Junction which is served by Trailways. Trailways also serves Moab, UT.
66. Essex Junction, VT—7,077 Pop. 6 miles from downtown Burlington which is served by Greyhound and Vermont Transit.
67. Lee Hall, VA—500 Pop. 9 miles from downtown Williamsburg and 11 miles from downtown Newport News which are both served by Carolina Trailways and Greyhound.
68. Monroe, VA—400 Pop. 6 miles from downtown Lynchburg—this is the "rail yard" for Lynchburg.
69. Manassas, VA—15,438 Pop. 7 miles from Centreville which is served by Trailways Lines, Inc.
70. Edmonds, WA—27,526 Pop. 12 miles north of downtown Seattle and 13 miles south of downtown Everett. Greyhound and Evergreen Trailways operate between Seattle and Everett through Edmonds in I-5.
71. East Olympia, WA—Pop. not shown in Rand McNally. Suburb of Olympia, WA which is served by Greyhound, Trailways and Gray's Harbor Transportation.
72. Bingen, WA—644 Pop./White Salmon, WA—1,853 Pop. 3 miles north of Hood River, OR which Greyhound serves with 9 daily schedules on I-84.
73. Harpers Ferry, WV—361 Pop. 18 miles from downtown Frederick, MD which is served by Greyhound.
74. Alderson, WV—1,375 Pop. 19 miles from Lewisburg which is served by Greyhound.
75. Hinton, WV—4,622 Pop. 25 miles from Beckley which is served by Greyhound.
76. Martinsburg, WV—13,063 Pop. 20 miles from Hagerstown, MD which is served by Greyhound.
77. Prince, WV—Pop. not shown in Rand McNally. Seasonal summer stop on Amtrak—10 miles from Beckley which is served by Greyhound.
78. Thurmond, WV—Pop. not shown in Rand McNally. 23 miles from Beckley which is served by Greyhound.
79. Sturtevant, WI—4,130 Pop. 7 miles from downtown Racine, WI which is served by Greyhound, Royal Coach and Wisconsin Coach.

AMTRAK-BUS SERVICE COMPARISONS, MARCH 1985

State	Number of communities served	Mean frequency of service at Amtrak points
Alabama:		
Amtrak	4	1
Bus	218	21
Alaska:		
Amtrak	0	.....
Bus	17	.....
Arizona:		
Amtrak	8	5
Bus	119	16
Arkansas:		
Amtrak	5	[1] 3
Bus	214	[2] 15
California:		
Amtrak	37	5.5

AMTRAK-BUS SERVICE COMPARISONS, MARCH 1985—Continued

State	Number of communities served	Mean frequency of service at Amtrak points
Bus	593	47
Colorado:		
Amtrak	6	1
Bus	193	16
Connecticut: [3]		
Amtrak	14	4.5
Bus	26	26
Delaware:		
Amtrak	2	12.5
Bus	23	8.5
Florida:		
Amtrak	23	2.5
Bus	209	20
Georgia:		
Amtrak	5	2
Bus	197	26.5
Idaho:		
Amtrak	4	1
Bus	110	5
Illinois:		
Amtrak	29	12
Bus	318	51
Indiana:		
Amtrak	14	3.5
Bus	168	23.5
Iowa:		
Amtrak	6	1
Bus	253	2.5
Kansas:		
Amtrak	7	1
Bus	161	6
Kentucky:		
Amtrak	4	[2] .5
Bus	147	2
Louisiana:		
Amtrak	7	2
Bus	250	16.5
Maryland: [4]		
Amtrak	4	16
Bus	62	33
Massachusetts:		
Amtrak	7	7.5
Bus	135	83
Michigan:		
Amtrak	19	2.5
Bus	252	34
Minnesota:		
Amtrak	9	1.5
Bus	365	17
Mississippi:		
Amtrak	17	1
Bus	181	15
Missouri:		
Amtrak	12	2.5
Bus	181	15
Montana:		
Amtrak	11	1
Bus	294	26
Nebraska:		
Amtrak	5	1
Bus	159	11
Nevada:		
Amtrak	5	1
Bus	69	9
New Jersey: [5]		
Amtrak	4	17
Bus	222	48
New Mexico:		
Amtrak	7	.5
Bus	129	12
New York: [6]		
Amtrak	21	7
Bus	590	21
North Carolina:		
Amtrak	16	1.5
Bus	305	16.5
North Dakota:		
Amtrak	7	1
Bus	76	4
Ohio:		
Amtrak	10	1.5
Bus	168	20.5
Oregon:		
Amtrak	14	3
Bus	184	18
Pennsylvania: [7]		
Amtrak	11	2
Bus	414	27.5
Rhode Island:		
Amtrak	4	6.5
Bus	14	38
South Carolina:		
Amtrak	11	1.5
Bus	101	11
South Dakota:		
Amtrak	0	
Bus	104	
Tennessee:		
Amtrak	2	1
Bus	150	23

AMTRAK-BUS SERVICE COMPARISONS, MARCH 1985—Continued

State	Number of communities served	Mean frequency of service at Amtrak points
Texas:		
Amtrak	17	.5
Bus	783	37
Utah:		
Amtrak	8	1.5
Bus	49	9
Vermont:		
Amtrak	7	1
Bus	78	5
Virginia:		
Amtrak	16	4
Bus	237	23
Washington:		
Amtrak	14	2.5
Bus	155	12
West Virginia:		
Amtrak	10	1.5
Bus	51	6
Wisconsin:		
Amtrak	7	2.5
Bus	366	16
Wyoming:		
Amtrak	0	
Bus	74	

[1] Weekly.
[2] Daily.
[3] Does not cover commuter area south of Hartford to New York City.
[4] Does not cover commuter area south of Baltimore.
[5] Does not cover Metro New York City commuter area.
[6] Does not cover commuter service in Metro New York City area.
[7] Does not cover commuter service in Philadelphia-Lancaster area.

Mr. QUAYLE. Mr. President, I support the Specter amendment which calls for a funding level for Amtrak at 90 percent of the current rate over a 3-year period.

We all know that the future of Amtrak is at stake in the serious discussion we are now having on ways to reduce our deficit. I would have preferred a gradual reduction in the Amtrak subsidy over time, but I cannot accept zero funding for Amtrak in one fell swoop as the administration has suggested.

I am suggesting that we put Amtrak on notice that while Congress will support a modest 10-percent reduction in fiscal year 1986, we must also set a realistic timetable for future reductions. In the long run, Amtrak should receive no more subsidy than other modes of transportation: No more than we give the airlines through the air traffice control system and support of airports, or the bus companies through support of highways.

Congress should not only adopt Amtrak's own legislative package, but also additional measures to reduce costs and increase revenues. We must take off the financial burdens placed on the system by Federal legislation. Labor costs, such as benefits for laid-off employees, should not be mandated by statute, but should be negotiated as they are in the truly private sector.

Just like Chrysler, Amtrak must examine all its operations and revamp its system. Those who benefit from Amtrak must partake in rebuilding its future: Passengers must pay economic fares; employees must accept economic wages; management must adopt aggressive policies to generate sufficient revenues.

The Rail Passenger Service Act of 1981 directed Amtrak to enter into agreements with the private sector and undertake initiatives which are consistent with good business practices, designed to maximize revenues and minimize Federal subsidies. It is important to note Amtrak's accomplishments in this regard, particularly the efforts at Beech Grove, IN, where a modernized facility and skilled work force have allowed Amtrak to pursue outside contracts that generate additional revenues. This is the type of initiative that Amtrak must be encouraged to pursue.

I believe that Amtrak has made significant progress, but there is still clearly room for progress. I believe that Amtrak will survive with the proposals I am suggesting. I believe it is important to give Amtrak the tools needed to achieve self-sufficiency without unnecessary impediments.

Mr. CHAFEE. Mr. President, I am pleased to join Senator SPECTER in offering this amendment which restores funding for Amtrak at 10 percent less than the fiscal year 1985 level.

The leadership budget package eliminates funding for Amtrak. This amendment continues funding at a level 10 percent lower than fiscal year 1985, thus adding $616 million in budget authority in fiscal year 1986 and maintaining this level in fiscal year 1987 and 1988.

Amtrak was created in 1970 with the goal of gradually becoming self sufficient. I support efforts to lessen Amtrak's reliance on Federal subsidies. However, from an economic standpoint, now is not the time to end abruptly our commitment to a national passenger rail system. The taxpayer's investment in Amtrak is finally beginning to pay off. Amtrak has become a modern, reliable, and efficient method of transportation. Operating costs have declined 26.6 percent between 1981 and 1985. Revenues are at an all-time high in an extremely competitive environment. The proportion of Amtrak costs borne by passengers has increased from 48 percent in 1978 to 58 percent today. Next year it is projected to be 60 percent. The taxpayer is getting more and better service for the money.

To terminate abruptly Amtrak service would leave the taxpayer with financial obligations in excess of the required subsidy for years. While the Government has invested $3 billion in Amtrak's modernization, any proceeds due to Amtrak's liquidation would be minimal. In addition, approximately 25,000 railroad employees in 44 States would be unemployed. Labor protection liabilities to displaced employees would approximate $2.1 billion over 6 years. The first year liabilities alone would be $684 million, equal to the total Federal outlay for operations.

Dissolution of Amtrak would pose a hardship to those who use the system regularly. Amtrak serves 500 communities and 20 million customers. In my home State of Rhode Island, total 1984 ridership was 416,287. In the Northeast corridor, elimination of Amtrak would pose serious problems for our already congested highways and airports. Ultimately, additional Federal investments would be required for airport and highway construction. Elsewhere, Amtrak may be the only reliable public transportation available. One hundred sixty-one of the communities served by Amtrak have no air service, 52 have no intercity bus service, and 29 have no air or bus service.

A passenger rail system is an integral part of our transportation network. Trains can carry more people more efficiently than any other travel mode. Trains can operate in extreme weather conditions. Trains provide an important alternative to congested highways and airports and lessen America's dependence on oil. Without Amtrak, the United States would be the only developed country in the world without intercity rail passenger service.

Support for Amtrak from the Federal Government should continue. This amendment will restore funding for Amtrak at 10 percent less than its current funding levels, in order to achieve savings and contribute to reduction of the deficit while maintaining Amtrak service.

The administration has insisted that Amtrak should be immediately abolished in order to help reduce the Federal deficit. Others seem ready to increase spending for Amtrak, ignoring the need for restraint in all segments of the budget. This amendment recognizes the need for spending restraint while preserving Amtrak service. We should do everything we can to make Amtrak eventually selfsufficient. However, the overnight termination of Amtrak would not serve the national interest.

I hope my colleagues will join in supporting this amendment.

Mr. DODD. Mr. President, I rise in strong support of the amendment being offered by the Senator from Pennsylvania [Mr. SPECTER] to provide funding for the continuation of Amtrak.

This amendment will provide funding for Amtrak in the upcoming fiscal year at a level equal to 90 percent of the current year's allocation. I want to commend my colleague for offering this proposal.

Along with the Senator from New Jersey [Mr. LAUTENBERG], I had intended to offer an amendment to freeze funding for Amtrak and several other important infrastructure programs at the fiscal year 1985 level. While I feel that our broader approach would have been a better way to proceed, I support this amendment enthusiastically as it may be our only opportunity to signal our displeasure with the absurd notion that the United States should be the only industrial country in the world without a rail passenger system.

I am prepared to support this amendment even though it incorporates a 10-percent reduction below the funding level for the current year. The enormity of the deficit problem confronting this Nation dictates that even popular and important programs must take some reductions.

Mr. President, I see no supportable reasons being put forward for the elimination of this important service. The administration would argue that all taxpayers have no business supporting an enterprise in which all taxpayers do not derive direct benefits. This notion is contrary to the nature of our governmental union and misses the essential point that we cannot divorce Amtrak or passenger rail service from a national transportation network or policy.

On economic grounds, the proposal to terminate Amtrak is shortsighted and I believe would result in a far greater future expenditure of public resources. There is the question of labor protection payment obligations were Amtrak to be abolished. In addition, the Federal Government has invested considerable resources in the infrastructure associated with Amtrak.

In conclusion, Mr. President, I want to again signal my strong support for the continuation of Amtrak funding albeit at a level which could necessitate some service reductions and deferred maintenance. Earlier this year I conducted a hearing in Stamford, CT, on the effects in my State of the administration's proposed budget for transportation programs.

The consensus from all participants was first shock that such a proposal would be offered but, most importantly, a shared recognition on the part of Government officials, business leaders, and passengers that more is at stake here than higher fares or alternative transportation accommodations. When we talk about eliminating Amtrak or other efforts which provide modest levels of support for maintenance of this Nation's infrastructure, we should have clear understanding that we are putting our own economic growth and productivity at risk. When viewed in this larger context, I am confident my colleagues will support this amendment.

Mr. D'AMATO. Mr. President, I rise in support of the amendment offered by my distinguished colleague from Pennsylvania. This amendment would both restore the Federal commitment to fund Amtrak and address our serious concern with the deficit. It provides that Amtrak will receive no increase in funding and will instead absorb a cut of 10 percent from its current level.

In order to be fiscally responsible, it is important that Amtrak, like many other Federal programs, contribute to the effort to reduce the Federal deficit. Under both the administration's budget request and the White House/Senate leadership budget package, Amtrak would have been terminated. I do not agree with either of those plans, or with the Senate Budget Committee proposal which would have made debilitating cuts in funding for our national passenger rail system. It is important to keep Amtrak alive and in accomplishing this goal, we must allow it to be healthy.

The amendment which I will vote for today, provides for a cut of $68.4 million, or 10 percent from Amtrak's fiscal year 1985 level of $684 million in Federal aid. Amtrak has indicated that such a cut would not cripple the railroad, but would certainly require belt-tightening. Amtrak, the National Passenger Rail Corp., employs more than 21,000 workers and 79 percent of its labor force, 17,000 workers, is in the Northeast-Midwest region.

The Amtrak system extends for 24,000 miles and serves more than 20 million passengers a year. On Amtrak's Northeast Corridor route from Washington, DC to New York City, Amtrak carries 47 percent more passengers, 17,500, daily than all the airlines combined. The administration has not been able to explain how all of these passengers could be accommodated by our already crowded airports and highways on this route.

Although the administration has claimed that profitable Amtrak routes could be picked up by combinations of State, local, or private entities, it has not yet met with any parties willing to do so. This budget would simply abandon Amtrak and throw away the billions of dollars of Federal investment in the passenger railroad's infrastructure and rolling stock.

Amtrak is the Nation's sixth largest passenger carrier, only Greyhound, United, Delta, Eastern, and American are larger than it. Amtrak carriers 20 million passengers per year. Although Amtrak provides service in limited markets, its termination would have a significant and, in many cases, disruptive, impact on the people who live and travel in those areas.

In fiscal year 1984 Amtrak recovered $759 million of its $1,359 million of expenses or 56 cents on each dollar. Furthermore, Amtrak is on target to achieve its goal of recovering 58 cents on the dollar in fiscal year 1985. It expects to be able to recover 60 cents on the dollar in fiscal year 1986.

OMB claims that Amtrak riders are subsidized at a cost of $35 per passenger. However, that argument fails to consider the plain fact that nearly

every other mode of transportation in this country is also subsidized. We allocate billions to build and repair our network of interstate highways and federally-aided highways in each State. In addition, we spend billions of Federal dollars to construct and maintain airport runways, other aviation facilities and sophisticated electronic improvements to the air traffic control system.

Besides paying direct Federal subsidies to other modes of transportation, the Government also provides a tax deduction for business travel which costs the Federal Government much more in lost tax revenues than Amtrak's annual subsidy. Of course, business travelers who use Amtrak also benefit from the deduction, but business travelers are encouraged by this tax provision to use more costly air travel for business purposes.

Getting rid of Amtrak is penny wise and pound foolish. Not very long ago this Nation was caught in the stranglehold of a foreign oil crisis. That was only about 10 years ago, but have we already forgotten the hard lessons learned at that time? We have now invested in a passenger rail system that provides the infrastructure to help withstand energy crises which cripple other modes of transportation. Let's not throw away the investment this Nation has made in its passenger rail system. If we do, America will be the only major industrialized nation without a national passenger railroad.

I urge my colleagues to support this amendment.

Thank you, Mr. President.

Mr. SPECTER. Mr. President, I yield 3 minutes to the distinguished Senator from Minnesota.

The PRESIDING OFFICER. The Senator from Minnesota is recognized.

Mr. DURENBERGER. Mr. President, I thank my colleague for yielding.

Mr. President. I rise in support of the Specter amendment and urge its adoption. These are difficult times no doubt, and no Federal program should be overlooked in our quest to reduce Federal spending, but the leadership's proposals to terminate Federal operating assistance for our National Rail Passenger Corporation [Amtrak] are extremely ill-advised.

The annual Federal grant to Amtrak is just as important to its future as business expense deductions are for the future of the auto, airline, and cruise ship industry. If Congress wants to try and create a national transportation policy in this year's budget resolution, then let us get to it. We can add 20 hours to the resolution and debate the merit of the tax deductibility of airfare expenses, depreciation of business automobiles and a host of other tax expenditures. But let us not kill Amtrak and think we have done this country's transportation system a favor.

If the annual payment is withdrawn, cessation of service and the immediate addition of 28,000 employees to the unemployment rolls is a certainty. And the sad thing about it is that the end of Federal payments will not reduce the deficit a bit and could have the Federal Government liable for over $2.1 billion in labor protection agreements.

Mr. President, as you know, Amtrak has been on the defensive since 1979, when President Carter sought to reduce it to a regional carrier. He almost succeeded, but Congress opposed him and he managed to salvage a national system, albeit at a sharply reduced level of funding. From a high of $1.1 billion in fiscal year 1980, Amtrak's subsidy has fallen to $680 million in fiscal year 1985.

For fiscal year 1986, Amtrak had requested the baseline figure of $680 million, a level of funding sufficient to operate the 403 (b) and (d) trains, continue capital improvements and make up for the shortfall in revenue. The President proposed terminating Amtrak, effective immediately. The Budget Committee had proposed a $480 million budget for Amtrak, a level which would require the entire system to shut down.

I believe a middle ground exists between the $480 million contained in the budget resolution and the Amtrak budget request of $680 million. And the amendment offered by the distinguished Senator from Pennsylvania is it. I think Congress could cut out the $60 million we spend on 403(b) trains or could pick up another $70 million by forcing other users of the Northeast corridor to pay a fair share of Amtrak's overhead costs, thus bringing the subsidy need down to about $610 million.

But, after a review of the facts, I think that any cuts below $610 million will cost us more than we save. The problem is that, when Congress created Amtrak, it instituted some fairly attractive labor protection agreements to induce employees to work for the company. The liability for these agreements, which cover 21,000 Amtrak employees and 4,100 employees on other railroads, exceeds $2.1 billion.

The leadership package assumes the Federal Government will not provide Amtrak with the funds to cover it liabilities. If Congress appropriates $610 million for fiscal year 1986, Amtrak could operate a national system and avoid labor protection expenses. If, however, Congress only appropriated $480 million, as the Senate Budget Committee had proposed, Amtrak would file for bankruptcy on October 1, and shut down the system.

The Budget Committee assumed that with a figure of $480 million, Amtrak would lop off all of its non-Northeast corridor trains. This would result in a nominal savings in operating losses of $392 million. However, the labor protection liability created by lopping off the routes would exceed $1 billion, with $360 million payable in the first year. With Northeast corridor costs of $250 million and labor protection costs of $360 million, Amtrak would find itself with costs $130 million over the Budget Committee figure of $480 million. Unable to meet its obligations, Amtrak would be forced to file for bankruptcy and shut down the national route system until enough of its assets were sold to make up the shortfall.

The difference between a zero budget and $480 million is that Amtrak would have to immediately auction off all of its assets and the labor protection liability would jump from $1 billion to $2.1 to $2.4 billion. Amtrak's first year liability would be $645 million, or about what it costs to run the entire national system. Its 25,000 employees would be without a job, and would have to take their $2.1 billion in statutorily mandated protection claims and join all of Amtraks other creditors in bankruptcy court. More likely than not, Amtrak would be forced by the courts to auction off its $3 billion in assets.

Unfortunately, few people are interested in rail passenger cars and the track they run on. Amtrak expects that its cars and track would be liquidated at scrap value and its stations—some of them national treasures—would be sold without regard for their historic of aesthetic value. The proceeds from a sale of Amtrak assets would fall far short of meeting Amtrak's liability to its creditors. More likely than not, the creditors would sue the Federal Government, which is Amtrak's sole stockholder.

And this is where OMR's arguments start to stink a little. The whole case for termination of subsidies rests on the premise that Amtrak, not the Government, is liable for claims against the estate. Congress created Amtrak, required it to offer employees labor protection and told the corporation which routes it had to operate over. For the Government to now turn around, decline responsibility for unfunded liabilities and tell employees and other creditors to take 15 cents on the dollar is a serious breach of faith on the Government's part.

Mr. President, I think we have opened up today one of the more interesting issues that is not going to get covered in this budget debate. That is whether or not there is in this body as we approach the budget issues any sense of national purpose.

I compliment my colleague from Delaware for finally reminding us of the fact of whether it is the Amtrak issue, refugee issue—whatever it is—

that what is totally lost in the discussion of the budget is what are we doing in the Congress of the United States? The Amtrak issue is not an issue of subsidies as much as it is an issue of a national commitment to a transportation system. I would argue with my colleague from Missouri that we even have a national transportation system in this country. I do not believe we do. I think the reality is if you ran out of interest subsidy, tax subsidy, energy subsidies, and if you ran out the way we use import quotas to run up the price of automobiles in this country, I think I would come up with a whale of a lot bigger subsidy for the automobile than he can come up with for rail passenger. But that still is not the point.

The point is in effect that the other subsidies on the other mode of transportation in this country have deprived us of a national rail passenger system that we used to have in this country. In my self-interest, I will also read into the RECORD that I have 272,134 Minnesota riders. I have a $2.1 million annual investment in my State, and 91 residents who are employed by Amtrak. But that is not why I rise on this occasion. I rise on this occasion because it gives me an opportunity to say that when we get past our concept of what is the real Washington Monument in this process, whether it is direct spending, tax spending or some other form of subsidy, maybe we will finally get down to deciding what as a nation is the responsibility of its government, whether that is budget spending, tax spending, or whatever it is. We desperately need to get to that issue. I compliment my colleague from Pennsylvania for raising it and everyone else who participated in this debate and continuing the debate that is going to go long beyond the few minutes we have here this morning.

The PRESIDING OFFICER. The Senator's 3 minutes have expired. Who yields time?

Mr. SPECTER. Mr. President, I am advised that Senator WEICKER is on his way to the floor and wishes to make a statement on this subject on the remainder of time on my side. I suggest that we give our colleague an opportunity to arrive and, if no one else wishes to speak in the interim, I suggest the absence of a quorum and make the request that it be charged——

Mr. BIDEN. Before the Senator yields, will the Senator yield for 30 seconds?

Mr. SPECTER. I do.

Mr. BIDEN. I would like to make the point that what is a national subsidy to some of us is a necessity to others and what is a national subsidy at Grand Junction, MO, is an absolute necessity to others. You watch the train go by. Look at the fields. It is the only way to get to work.

Mr. SPECTER. Mr. President, I ask the distinguished Senator from Missouri if he would be willing to allow a quorum call to run for a few moments, for 5 minutes on his time, to give Senator WEICKER an opportunity to come to the floor.

Mr. DANFORTH. Mr. President, I would very much like to accommodate the Senator from Connecticut and the Senator from Pennsylvania. I have been asked, however, by the leadership to try to expedite this amendment because time is running so short. I wonder if Senator WEICKER would put his statement in the RECORD.

Mr. CHILES. I hope we can move this forward. We have so many people on our side that are afraid they will not have time to even offer their amendments. This amendment has taken a lot more time than I ever expected it to take. We are trying to shorten everything on our side.

Mr. SPECTER. I appreciate that, Mr. President. We were supposed to go on the bill this morning at 10. We did not go on it until 10:20. We have consumed a lot of time. We have a colleague en route from a hearing which he is chairing on health and human services. I think we ought to give him a few minutes to get here. I am advised he is on his way.

The PRESIDING OFFICER (Mr. MATTINGLY). Who yields time? If no one yields time, time runs equally.

Mr. DANFORTH. Mr. President, I yield back the balance of my time.

The PRESIDING OFFICER. The Senator from Pennsylvania has 3 minutes.

Mr. SPECTER. On behalf of the Senator from Connecticut [Mr. WEICKER] who had wanted to be here but who had other commitments on health and human services, I know that he has been eloquent in his articulation of the necessity for the continuation of Amtrak. It provides vital services for his State and a vital service for the Nation. I hope that he can arrive in the intervening time to say at least a few words. I cannot understand our inability to accommodate him. But those are the rules.

By way of very brief rebuttal in the time remaining, I believe I heard the Senator from Missouri say that one quarter of 1 percent ride the system nationally, and also one quarter of 1 percent ride the system in New York. It may have been a slip of the tongue or I may have heard him incorrectly. But in fact he did say that. I think he is in gross error. There are some 58,000 passengers who ride the trains from Trenton, NJ, north to New York, and if you carry that out on a mathematical basis of one quarter of 1 percent represented by 58,000, that would be in excess of 232 million people who travel from New York City each day. I do not think that is so. On this Senate floor, we hear repetitively statistics like one quarter of 1 percent. It is amazing to me where they come from. I have grave doubts about the accuracy of that statistic, but I have no doubt whatsoever about the vital importance of Amtrak to the 20 million people who ride it each year. I think it is a fair assessment that Amtrak is an indispensable segment of the national transit system, and when the distinguished Senator from Colorado asserts that someone will pick up the transit system in the Philadelphia, PA, area, I would refer him to the authority of the Secretary of Transportation Dole, citing in the Congressional Quarterly, that "It is unlikely that anyone would want to acquire Amtrak from the private railroad system." So that if we are to keep Amtrak, this body is going to have to be resolute enough in the assessment of priorities.

I agree with the distinguished Senator from Missouri that it is a matter of priorities and a fair assessment, I would submit, on a national scale.

Mr. WEICKER. Mr. President, I rise to support the amendment before the Senate today which restores Federal funding for Amtrak. Without the Federal assistance proposed in this amendment, Amtrak will be forced to discontinue its service and the United States will be the only industrialized nation in the world without national rail passenger service.

Throughout my career, I have consistently fought for public sector participation in both coordinating and financing railroad service. As a representative in the Connecticut general assembly, I fought to establish a State transportation authority and to provide State funds for the privately owned New Haven Railroad. In the U.S. House of Representatives, I served as chairman of the Public Ground Transportation Committee and repeatedly argued for mass transit funding, as well as the establishment of a coordinated national transportation system. In 1970, when Amtrak was created, I actively fought for the Federal Government to prevent the rapid abandonment of intercity rail passenger service all across the country.

There are those in the administration and here in the U.S. Senate who will argue that the Federal Government should no longer be subsidizing intercity rail passenger service. Amtrak, or at least portions of Amtrak, they will tell you, could and should be run by the private sector. Mr. President, to rely on the private sector for rail passenger service not only ignores history but condemns us to repeating it.

By 1970, a number of railroads in the Northeast and Midwest region of the United States, including the Penn Central which operated the New Haven Railroad in Connecticut, had

declared bankruptcy. Those railroads that were not bankrupt were reporting devastating operating losses and had essentially stopped investing any money in rail and passenger care maintenance. According to the Interstate Commerce Commission, in 1969, railroads experienced a deficit of almost $225 million on passenger service. At that time, over 100 of the approximately 400 passenger trains operating throughout the United States were on the verge of discontinuing their service.

Abandonment of intercity rail passenger service was prevented when Congress passed the Rail Passenger Service Act of 1970 and authorized Amtrak to contract with private railroads to relieve them of passenger service. It is precisely because the private sector was abandoning intercity rail passenger service that Amtrak was created in the first place. We must not place the fate of such a vital service back in the hands of those who nearly caused its demise.

We also cannot and should not rely on the States to cover the cost of lost Federal subsidies. Most States cannot afford to cover the costs. Even if they could, interstate compacts, which would be essential to continue intercity rail service, are difficult to develop and maintain. In the early 1960's, it became so time consuming and difficult to get a tristate railroad compact approved by Connecticut, New York, and New Jersey, that I encouraged the Connecticut State Legislature to establish Connecticut's own transportation authority to ensure rail passenger service in our State. A tristate compact was eventually developed but it took years. It is completely unrealistic to expect that any States, given legislative calendars and the complexities involved with interstate compacts, would have any rail service compacts in place by October 1 of this year, if Federal funding for Amtrak is terminated. If we eliminate Federal funding for Amtrak, Amtrak will not be purchased by the private sector and it will not be taken over by individual States. Mr. President, Amtrak will declare bankruptcy and this country will be left without national intercity rail passenger service.

The administration argues that the American taxpayer should not have to pay a $35 subsidy per Amtrak passenger. In fact, the President has said, in some cases, it would be cheaper to provide Amtrak riders with an airline ticket. Mr. President, the Federal Government subsidizes all modes of transportation in this country. There are hidden and indirect subsidies for automobile drivers. The highway trust fund does not cover all costs related to automobile travel, such as air pollution, parking, law enforcement, emergency repairs, and others.

The revenues from airline tickets certainly do not cover the cost of air travel. When you include the general funds used for operations and the tax expenditures lost due to business expense write-offs, the Federal subsidy to air travelers is approximately $40—$5 more per person than the subsidy for Amtrak.

I do not believe, as busy and as congested as air traffic is today, that the airports and airlines can accommodate all of the Amtrak riders who would be forced to fly rather than take the train, if Amtrak should cease to exist. This is particularly true in the Northeast corridor where approximately 17,500 passengers ride Amtrak between New York and Washington, DC, everyday. Without Amtrak, former rail passengers who do not choose to fly or who cannot afford to fly will be forced to use automobiles as an alternative. I cannot understand, given the energy crisis this country faced in the 1970's, why we would discourage the operation and development of an energy efficient rail service, and, instead, force people to travel by car or airplane.

The elimination of Federal funds for Amtrak can only result in a transportation and energy disaster. It is in our national interest to develop and maintain effective, energy efficient alternatives to automobile and air travel. It is also in our national interest to maintain rail service which can provide immediate mobilization of people and supplies. Amtrak currently works with the Federal Emergency Management Administration [FEMA] and the Army logistics staff at the Pentagon to respond quickly and efficiently should Amtrak be called on to mobilize its resources.

In the past, I have argued for completely nationalizing rail passenger service. While I am not here, today, to argue for nationalizing Amtrak, I am here to urge my colleagues to support the Federal funding essential for Amtrak to continue providing national rail passenger service. When Amtrak was created by the Rail Passenger Service Act of 1970, Congress declared:

> That rail passenger service can help to end the congestion on our highways and the overcrowding of airways and airports; that the traveler in America should to the maximum extent feasible have freedom to choose the mode of travel most convenient to his needs; that to achieve these goals requires the designation of a basic national rail passenger system and the establishment of a rail passenger corporation for the purpose of providing modern, efficient, intercity rail passenger service; (and) that Federal financial assistance as well as investment capital from the private sector of the economy is needed for this purpose. . .

I urge my colleagues to support this amendment so that the national rail passenger service Congress envisioned in 1970 will not disappear in 1986.

AMTRAK

Mr. BYRD. Mr. President, rail passenger service is an essential part of our national transportation system. The Federal Government's role in transportation has long been recognized. During World War II, one area of major concern to General Eisenhower was the lack of a network of highways to reach from one end of the United States to the other on which to move troops and supplies. As a matter of fact, one of General Eisenhower's first actions when he became President was to propose the Interstate Highway System. Thus, the Interstate Highway System was established, recognizing the need for such a network as vital to the national security. Likewise, the Federal Government has recognized its role in transportation in providing support to our air traffic control system.

Just as highways and air travel are essential to our national transportation system, so is our rail system. Indeed, Congress recognized the role of the Federal Government and the importance of rail service when Amtrak was established.

Unlike other forms of transportation, Federal financial support for Amtrak has declined by 25.6 percent since fiscal year 1981; from $893.6 million 4 years ago to $684 million in fiscal year 1985. During this time, Amtrak has consistently improved its ratio of revenues to cost. In 1981 Amtrak's revenue to cost ratio was 48 percent. In 1984 it was 56 percent, and is expected to go above 60 percent in 1986.

Amtrak carries 20 million passengers per year. Many of its passengers prefer the train over all other forms of transportation; to others, the train is the only form of transportation available to them. Of the over 500 communities Amtrak serves, 29 communities have no air or bus service, 52 more communities have no bus service and it is estimated that there will be another 161 communities, which Amtrak serves, that will not have air service upon the termination of the essential air service subsidy. There are fewer and fewer affordable transportation alternatives for rural America.

Rail passenger service is a vital link in our transportation infrastructure. To disrupt rail passenger service would only hurt rural America, which has already suffered from the loss of air and bus service since the deregulation of those industries. If Amtrak service is severely curtailed, what are the alternatives? The Federal Aviation Administration recently testifed before the Senate Appropriations Subcommittee on Transportation that it had no alternative plans to deal with the influx of commuter traffic in the Northeast corridor were rail service to be disrupted. Further, the Interstate Commerce

Commission testified that it had no alternative plans, and indeed, no role in insuring bus transportation for those communities that would no longer be served by Amtrak.

I support funding for Amtrak. The amendment I offered yesterday included full funding for Amtrak. The amendment pending before us reduces funding by 10 percent. In response to questions before the Senate Appropriations Subcommittee on Transportation, Amtrak testified that it could survive and continue most of its present service with a reduction of 10 percent; however, such a reduction would virtually eliminate Amtrak's capital budget and operating and maintenance improvements designed to enhance the quality of service would have to be deferred. This amendment may not be the best approach; however, I intend to support this amendment inasmuch as it is an improvement over the funding reductions presently included in this resolution.

It is worth repeating that Amtrak serves 20 million Americans, including more than 55,000 West Virginians. I do not feel that at a time when Amtrak is making progess in recovering its costs from fares and reducing its dependence on Federal support that we should precipitously withdraw that support. To do so is shortsigthed and needlessly disruptive.

The PRESIDING OFFICER. All time has expired on the amendment.

Mr. SPECTER. Mr. President, I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Pennsylvania. On this question, the yeas and nays have been ordered, and the clerk will call the roll.

The legislative clerk called the roll.

Mr. DANFORTH (when his name was called). Mr. President, on this vote, I have a live pair with the Senator from Maryland (Mr. MATHIAS). If he were present and voting, he would vote in the affirmative. If I were permited to vote, I would vote in the negative. Therefore, I withhold my vote.

Mr. SIMPSON. I announce that the Senator from Virginia [Mr. TRIBLE] and the Senator from Maryland [Mr. MATHIAS], are necessarily absent.

I also announce that the Senator from North Carolina [Mr. EAST] and the Senator from California [Mr. WILSON] are absent due to illness.

Mr. CRANSTON. I announce that the Senator from Nebraska [Mr. EXON] is absent because of illness.

The PRESIDING OFFICER. Are there any other Senators in the Chamber desiring to vote?

The result was announced—yeas 53, nays 41—as follows:

[Rollcall Vote No. 53 Leg.]

YEAS—53

Andrews	Glenn	Metzenbaum
Baucus	Gore	Mitchell
Biden	Grassley	Moynihan
Bingaman	Harkin	Pell
Boren	Hart	Pryor
Bradley	Hawkins	Quayle
Bumpers	Heflin	Riegle
Burdick	Heinz	Rockefeller
Byrd	Hollings	Roth
Chafee	Inouye	Sarbanes
Chiles	Kennedy	Sasser
D'Amato	Kerry	Simon
DeConcini	Lautenberg	Specter
Dixon	Leahy	Stafford
Dodd	Levin	Warner
Durenberger	Lugar	Weicker
Eagleton	Matsunaga	Zorinsky
Ford	Melcher	

NAYS—41

Abdnor	Gramm	Murkowski
Armstrong	Hatch	Nickles
Bentsen	Hatfield	Nunn
Boschwitz	Hecht	Packwood
Cochran	Helms	Pressler
Cohen	Humphrey	Proxmire
Cranston	Johnston	Rudman
Denton	Kassebaum	Simpson
Dole	Kasten	Stennis
Domenici	Laxalt	Stevens
Evans	Long	Symms
Garn	Mattingly	Thurmond
Goldwater	McClure	Wallop
Gorton	McConnell	

PRESENT AND GIVING A LIVE PAIR, AS PREVIOUSLY RECORDED—1

Danforth, against

NOT VOTING—5

East	Mathias	Wilson
Exon	Trible	

So the amendment (No. 59) was agreed to.

Mr. SPECTER. Mr. President, I move to reconsider the vote by which the amendment was agreed to.

Mr. BIDEN. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

The PRESIDING OFFICER. The majority leader.

Mr. DOLE. Mr. President, I am convinced we can finish this matter today, but in order to make a final judgment we need to know how many amendments there are. We are not asking for any amendments. But if there are going to be amendments, I think we are getting down in the point where we are going to have to make some accommodation for those amendments, have very short debate and then have a vote. The votes themselves, if everybody feels compelled to offer one or two amendments, will take a long, long time.

As I indicated last evening, there are Members on both sides who have come to me saying, "How late will it be Thursday night? I have a problem." We would like to try to accommodate those Members, but I must say, if we can finish this tonight, even if it takes until midnight, we ought to get finished.

If it goes into next week, we will be on the resolution all next week and everybody will be offering amendments. So I hope that those who feel they just must offer amendments will let the managers or the leadership on each side know so that we can sequence the amendments and come back to the floor and make some announcement within the next hour of what we propose to do.

Parliamentary inquiry, Mr. President: How much time does remain?

The PRESIDING OFFICER. The majority leader has 1 hour and 8 minutes. The minority leader has 2 hours and 3 minutes.

Mr. DOLE. It is well within 5 hours that this could be completed.

I yield to the distinguished minority leader.

Mr. BYRD. Mr. President, I thank the distinguished majority leader for yielding.

We have talked earlier today about amendments, about reducing time on amendments, and about the possibility of stacking votes. So far as I am concerned, we might reach a time when the Senate will know when the last vote will occur.

My suggestion is that the distinguished majority leader propose that time on amendments, which, under the boilerplate language in the Budget Reform Act, is either 1 hour or 2 hours each, depending upon whether it is an amendment to an amendment or an amendment to the resolution—my suggestion, and I have discussed this with Mr. CHILES, is that we propose an agreement in which no amendment would take more than 30 minutes total on both sides, and there would be no yielding from time on the resolution. That may not carry, but I hope we would make such a request—no more than 30 minutes. On many of the amendments, we can talk to the offerers and get the time down to less than that.

Mr. CHILES. I say to the distinguished minority leader that if we did that, we would want some protection on our side, if they were controlling all time on the amendment on their side.

Mr. BYRD. Absolutely. It would have to be half and half.

I hope we could move the bigger amendments—if I may give them that term—first. Otherwise, we are going to get down to the end of the time and there will be no more time; and then Senators who have been waiting to call up their amendments can call them up and can have a vote, without debate, but that is not what they want.

In the interest of all Senators who have amendments, I hope we try to work in such a way as to let them have some time, also, so that they are not forced to call up their amendments and have them voted on, up or down, without debate.

I will work with the distinguished majority leader. So far as I am concerned, he could make this proposed request right now and outline it, and maybe we would want 2 minutes to run our hotlines.

I think the time is ripe. The anvil is hot. All Senators who have amendments certainly want a little time, and they will be shut out if we do not make this arrangement now.

Mr. DOLE. I thank the distinguished minority leader. I will make that request, but I think in fairness to Senators if I had just some idea, maybe I cannot hit it precisely, of how many amendments there will be, so then we would know how to divide the time.

Mr. DECONCINI. Mr. President, will the majority leader yield?

Mr. DOLE. I am happy to yield.

Mr. DECONCINI. Mr. President, I have an amendment, and I will be glad to settle for 10 minutes on each side. I do not think we will use that much.

Mr. DOMENICI. Let us get a list going.

Mr. DOLE. I will take that deal right now.

What is the amendment? I should ascertain that before I take that deal.

Mr. DECONCINI. It is a sense of the Senate on the WIC program on 1985 funding. I do not think it will take 10 minutes. We will agree now to 10 minutes on each side.

Mrs. HAWKINS. Mr. President, I have an amendment.

Mr. DOLE. Mr. President, let me suggest this. I think we can dispose of Senator DECONCINI's amendment very quickly and maybe accept it. But, as I understand, there are about 20 amendments on that side. Maybe before I propound the request we should take a look at the amendments on each side, and then following the disposition of the next amendment I will propound a request, and I hope that the next amendment will not take more than 15 minutes on a side.

Mr. HART. Mr. President, will the Senator yield?

Mr. DOLE. I yield.

Mr. HART. Mr. President, on a couple of occasions the majority leader in trying to schedule has said——

The PRESIDING OFFICER. Let there be order in the Chamber.

Mr. HART. He has said a vote on final resolution of the budget issue would depend on whether or not he felt he had the votes.

What are the prospects of going through the amendments today and staying here and working and then having the majority leader put the vote on final passage, if you will, over to next week on the grounds he does not have the votes?

I am asking that as a matter of scheduling.

Mr. DOLE. If it is very important and the Senator will give me his vote, we will be in good shape.

Mr. HART. We might have a discussion about that.

Mr. DOLE. Right.

Mr. HART. Barring that, what are the prospects?

Mr. DOLE. I would say the prospects are about 50-50. I am advised that we asked the Vice President to return to the Capitol, if that is any indication. He has been out of Washington on official business, I understand. And we also will be talking to Lisbon, Portugal.

Mr. HART. Are there votes over there?

Mr. DOLE. There is one who would have a veto.

Mr. BYRD. He will have 10 days on that.

Mr. DOLE. So I will try to accommodate the Senator by 3 p.m., but I sort of have the feeling now are going to head for final vote. That could change.

Mr. HART. I thank the leader.

Mr. BUMPERS. Mr. President, will the majority leader yield?

Mr. DOMENICI. Mr. President, if the Senator will yield for just a moment, as I understand it, the next amendment is a Cranston veterans' amendment, and perhaps shortly we can get an agreement on how long it will take.

Could I say to Senators that the distinguished majority leader has indicated he would like to arrange to accommodate amendments. It is very difficult for us to do it unless everyone is willing to get their amendments in to someone so we can start looking at them. I do not need them but someone needs them from both sides.

Could we agree that anyone who has amendments on this side who wishes to be accommodated will get them to me as soon as possible and do the Democrats want them on their side to go to the distinguished manager of the resolution or to the minority leader?

Mr. BYRD. Both.

Mr. DOMENICI. Both.

Mr. BYRD. We are working with our manager and trying to help to get the information he needs. There might be a possibility we could stack votes at some point this afternoon which would hopefully save much more time, at least 15 minutes. The rollcall votes are lasting 20 or 25 minutes.

Mr. CRANSTON. Mr. President, will the Senator yield?

Mr. DOLE. Let me yield first to the distinguished Senator from Arkansas.

Mr. BUMPERS. Mr. President, is it the majority leader's intention in the last waning minutes of this debate allowed on the resolution to offer either an amendment which is essentially a substitute? Is it the intention of the majority leader to offer a substitute, and if so why are we doing these amendments?

Mr. DOLE. That is a good question. I prefer you did not do the amendments.

They may not be in the substitute. I can tell the Senator the one we just completed is not in the substitute.

But Senators are free to offer amendments. Sooner or later we want to dispose of the amendments, and then we will offer a substitute, and that is why I think if we have an opportunity to discuss some of these amendments with the proponents they may be accommodated, or they may not be accommodated, but it would be very helpful to the Senator.

Mr. BUMPERS. It seems to me, as an observation for the majority leader, obviously as to these amendments the size of the vote, for example, is going to determine to some extent whether it goes into the final package or not.

But the other point is that if the majority leader's amendment comes up—for example, Senator BENTSEN and I want to add some money for the immunization program as we feel strongly about it, and I think the majority leader would probably accept that. But if the criteria is going to be determined on how much support there is in the Senate, Senators are going to ask for rollcall votes and try to prove the efficacy of their amendment rather than letting them be accepted.

Mr. DOLE. I say to the Senator from Arkansas, I think we can take care of the problem in the colloquy. I am referring to his amendment.

Mr. BUMPERS. I thank the majority leader.

Mr. CRANSTON. Mr. President, will the majority leader yield?

Mr. DOLE. Mr. President, I wonder if we might reach an agreement for 30 minutes on the amendment to be offered, 15 minutes on each side?

Mr. CRANSTON. I will shoot for 30 minutes. I wish to agree to 40 minutes at this time.

Mr. DOLE. Twenty minutes on each side. The Senator shoots hard.

Mr. CRANSTON. I will do my best to make it a half-hour.

Mr. MURKOWSKI. Mr. President, let us move along. I will agree to 20 minutes equally divided.

Mr. DOLE. Mr. President, I ask unanimous consent for 40 minutes equally divided, 20 minutes each side.

Mr. CRANSTON. Forty minutes, not twenty minutes.

Mr. MURKOWSKI. I think there is some confusion. I was under the impression it was an hour equally divided. We will take the reduced time. I would offer 20 minutes if my colleague, Senator CRANSTON, felt that was reasonable, a total of 40 minutes.

Mr. CRANSTON. Forty minutes apiece. I will do my best to make it 15 minutes apiece by not using it. I do not want to agree to less. I will do my best.

The PRESIDING OFFICER. Is there objection to the request.

Mr. MURKOWSKI. Mr. President, I wish to have a clarification from the Chair.

The PRESIDING OFFICER. Forty minutes equally divided.

Mr. MURKOWSKI. I thank the Chair.

The PRESIDING OFFICER. Without objection, it is so ordered.

The Senator from California is recognized.

AMENDMENT NO. 75

(Purpose: To adjust the budget levels and reconciliation instructions with respect to veterans' programs)

Mr. CRANSTON. Mr. President, I send an amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. May there be order in the Chamber.

The majority leader.

Mr. DOLE. Mr. President, I understant we have 20 minutes on each side.

The PRESIDING OFFICER. The Senator is correct.

Mr. DOLE. That does not mean we have to take the 20 minutes on our side; 5 minutes will be sufficient.

The PRESIDING OFFICER. Before the Senator from California speaks, I want the well to be cleared, and I want the staff to get to the rear of the room, and I need there to be order in the Chamber.

The Senator from California.

Mr. CRANSTON. Mr. President, I send an amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The amendment will be stated.

The assistant legislative clerk read as follows:

The Senator from California, Mr. CRANSTON, for himself, Mr. MATSUNAGA, Mr. DECONCINI, Mr. MITCHELL, Mr. ROCKEFELLER, Mr. INOUYE, Mr. SARBANES, Mr. KENNEDY, Mr. EXON, Mr. RIEGLE, Mr. LEAHY, Mr. BURDICK, Mr. BINGAMAN, Mr. ZORINSKY, and Mr. HOLLINGS proposes an amendment numbered 75.

Mr. CRANSTON. Mr. President, I ask unanimous consent that the reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

In the pending amendment, do the following:

On page 3, increase the amount on line 12 by $500,000,000.

On page 3, increase the amount on line 13 by $900,000,000.

On page 3, increase the amount on line 14 by $1,100,000,000.

On page 3, increase the amount on line 18 by $600,000,000.

On page 3, increase the amount on line 19 by $1,100,000,000.

On page 3, increase the amount on line 20 by $1,300,000,000.

On page 3, increase the amount on line 25 by $600,000,000.

On page 4, increase the amount on line 1 by $1,100,000,000.

On page 4, increase the amount on line 2 by $1,300,000,000.

On page 4, increase the amount on line 6 by $600,000,000.

On page 4, increase the amount on line 7 by $1,700,000,000.

On page 4, increase the amount on line 8 by $3,000,000,000.

On page 4, increase the amount on line 12 by $600,000,000.

On page 4, increase the amount on line 13 by $1,100,000,000.

On page 4, increase the amount on line 14 by $1,300,000,000.

On page 27, strike out the amount on line 4 and insert in lieu thereof "$27,600,000,000".

On page 27, strike out the amount on line 5 and insert in lieu thereof "$27,100,000,000".

On page 27, strike out the amount on line 13 and insert in lieu thereof "$28,200,000,000".

On page 27 strike out the amount on line 14 and insert in lieu thereof "$27,800,000,000".

On page 27 strike out the amount on line 22 and insert in lieu thereof "$28,700,000,000".

On page 27, strike out the amount on line 23 and insert in lieu thereof "$28,400,000,000".

On page 33, increase the amount on line 2 by $100,000,000.

On page 33, increase the amount on line 3 by $100,000,000.

On page 33, increase the amount on line 11 by $200,000,000.

On page 33, increase the amount on line 12 by $200,000,000.

On page 43, strike out the amount on line 7 and insert in lieu thereof "$292,000,000".

On page 43, strike out the amount on line 8 and insert in lieu thereof "$130,000,000".

On page 43, strike out the first amount on line 9 and insert in lieu thereof "$199,000,000".

On page 43, strike out the second amount on line 9 and insert in lieu thereof "$199,000,000".

On page 43, strike out the amount on line 10 and insert in lieu thereof "$177,000,000".

On page 43, strike out the amount on line 11 and insert in lieu thereof "$253,000,000".

On page 50, strike out the amount on line 18 and insert in lieu thereof "$292,000,000".

On page 50, strike out the amount on line 19 and insert in lieu thereof "$139,000,000".

On page 50, strike out the first amount on line 20 and insert in lieu thereof "$199,000,000".

On page 50, strike out the second amount on line 20 and insert in lieu thereof "$199,000,000".

On page 50, strike out the amount on line 21 and insert in lieu thereof "$177,000,000".

On page 50, strike out the amount on line 22 and insert in lieu thereof "$253,000,000".

On page 52, increase the amount on line 1 by $400,000,000.

On page 52, increase the amount on line 3 by $424,000,000.

On page 52, increase the amount on line 4 by $461,000,000.

Mr. MURKOWSKI. Mr. President, reserving the right to object, and I do not intend to object, but I wish to raise a question.

The PRESIDING OFFICER. The request has already been granted, I tell the Senator from Alaska.

Mr. MURKOWSKI. It involves the proposed amendment. My question is as to the accuracy of the figures in the amendment which I wish to call to the attention of my colleagues at this time.

I do not intend to object to the consideration of the amendment. I will simply point out that there appears to be an understatement in the figures for the budget authority outlay of approximately $100 million in the deficit figure. I simply wish to call that to the attention of my colleague from California.

On the first page of the amendment, lines 6 and 7, there appears to be an understatement of the budget authority of $100 million for 1988; on the second page, lines 3 and 4, an understatement of outlays of $100 million; and on pages 9 and 10, a deficit understatement of $100 million.

I have no objection to the amendment, Mr. President.

Mr. CRANSTON. Mr. President, I ask unanimous consent that if any inconsistency is found, I be permitted to modify the amendment accordingly.

The PRESIDING OFFICER. Without objection, it is so ordered.

BUDGET OR VETERANS' PROGRAMS

Mr. CRANSTON. Mr. President, the purpose of the amendment is to provide for fair, prudent treatment of veterans' programs.

Mr. President, the fiscal year 1986 budget agreement entered into between the Senate Republican leadership and the President is unfair to our Nation's veterans. Even more unfair as the fiscal year 1986 is the Budget Committee's reported resolution. Our amendment would correct these inequities while still providing for a freeze on VA programs at President Reagan's fiscal year 1985 level, plus funding for a cost-of-living adjustment for veterans with service-connected disabilities.

With the compelling need to deal with projected Federal deficits in mind, we are proposing budget levels at the minimum necessary to carry out our Nation's commitment to those who served, and to remedy major deficiencies in the reported resolution.

Overall, our amendment would establish the fiscal year 1986 levels for function 700, "Veterans' benefits and services," at $27.6 billion in budget authority and $27.1 billion in outlays. For the outyears, we propose function 700 totals of $28.1 billion in BA and $27.7 billion in outlays in fiscal year 1987 and $28.7 billion in BA and $28.3 billion in outlays in fiscal year 1988.

Compared to the pending resolution as modified by the full-COLA amendment adopted on May 2, our amendment would add back $500 million in BA and $600 million in outlays in fiscal year 1986, $800 million in BA and $1 billion in outlays in fiscal year 1987, and $900 million in BA and $1.1 billion in outlays in fiscal year 1988.

These totals actually are somewhat less than a "Freeze-Plus-COLA" budget for the VA. Let me stress that again—our amendment is less than a "Freeze-Plus-COLA" budget. Our fiscal year 1986 figures include the fiscal year 1985 function 700 totals in the President's budget—$27.340 billion in BA and $26.850 billion in outlays—with the only addition being $282 million in BA and $280 million in outlays, the amounts needed to provide fully for the cost of a 4.1-percent COLA in service-connected disability compensation benefits in fiscal year 1986, which is $345 million in BA and $310 million in outlays.

Mr. President, I ask unanimous consent that a table providing a subfunction-by-subfunction comparison of our amendment with the Reagan/Senate Republican leadership package as originally proposed and as amended to restore funding for full COLA's in compensation and pension be printed in the RECORD at this point.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

CRANSTON AMENDMENT: FUNCTION 700, VETERANS' BENEFITS AND SERVICES

Subfunction	Reagan/Republican leadership (original)		Reagan/Republican leadership (with COLA add-back)		Cranston		Cranston v. original		Cranston v. with COLA add-back	
	Budget authority	Outlays	Budget authority	Outlays	Budget authority	Outlays	Budget authority	Outlays	Budget authority	Outlays
FISCAL YEAR 1986										
701—Income security for veterans	15,221	14,985	15,452	15,194	15,452	15,194	231	209	0	0
702—Veterans education, training, and rehabilitation	1,148	1,058	1,148	1,058	1,148	1,058	0	0	0	0
703—Hospital and medical care	9,680	9,551	9,680	9,551	10,234	10,064	554	513	554	513
704—Veterans housing	0	(121)	0	(121)	0	65	0	186	0	186
705—Other veterans benefits and services	838	839	838	839	838	839	0	0	0	0
Unspecified cost savings	0	0	0	0	(50)	(90)	(50)	(90)	(50)	(90)
Total	26,887	26,312	27,118	26,521	27,622	27,130	735	818	504	609
FISCAL YEAR 1987										
701—Income security	15,258	15,017	15,799	15,531	15,799	15,531	541	514	0	0
702—Veterans education, training, and rehabilitation	932	816	932	816	932	816	0	0	0	0
703—Hospital and medical care	9,847	9,880	9,847	9,880	10,651	10,675	804	795	804	795
704—Veterans housing	0	(241)	0	(241)	0	(1)	0	240	0	240
705—Other veterans benefits and services	817	815	817	815	828	825	11	10	11	10
Unspecified cost savings	0	0	0	0	(50)	(90)	(50)	(90)	(50)	(90)
Total	26,854	26,287	27,395	26,801	28,160	27,756	1,306	1,469	765	955
FISCAL YEAR 1988										
701—Income security for veterans	15,269	15,050	16,112	15,869	16,112	15,869	843	819	0	0
702—Veterans education, training, and rehabilitation	760	664	760	664	760	664	0	0	0	0
703—Hospital and medical care	10,117	10,049	10,117	10,049	11,020	10,948	903	899	903	899
704—Vets' housing	0	(123)	0	(123)	0	132	0	255	0	255
705—Other benefits	800	798	800	798	831	828	31	30	31	30
Unspecified cost savings	0	0	0	0	(50)	(90)	(50)	(90)	(50)	(90)
Total	26,946	26,438	27,789	27,257	28,673	28,351	1,727	1,913	884	1,094

MEDICAL CARE

Mr. CRANSTON. Mr. President, our amendment would provide for the VA medical care account a funding level that is necessary to maintain the VA health-care system at the programmatic and staffing level for which Congress specifically appropriated funds in fiscal year 1985. Let me stress that this staffing level has just been reconfirmed on April 29 by the House Appropriations Subcommittee on HUD-Independent Agencies.

To retain this congressional approved level for fiscal year 1986 requires $391 million in budget authority and $351 million in outlays more than was recommended by the Budget Committee or by the Republican leadership. The only difference between the recommendations of the Budget Committee and the Reagan/Republican leadership package with respect to the funding level for the medical care account is that the latter package makes one new assumption—that Congress will impose an administration-proposed means test on all non-service-connected disabled veterans seeking VA care. The funding levels are exactly the same in both budget packages.

The levels recommended for the medical care account by the Budget Committee and the Republican leadership would be a devastating blow to the VA health-care system. Faced with those fiscal year 1986 levels, the agency would have no alternative but to deny care to tens of thousands of eligible veterans—approximately 69,000 inpatient episodes of care and 310,000 outpatient visits would have to be eliminated—and to cut its health-care staffing by 8,095 FTEE. This is just in fiscal year 1986 only. This is information provided by the VA's Office of the Chief Medical Director. I did not concoct it.

In order to make these reductions, the VA would have to close many existing wards or other units or even some entire facilities.

The fiscal year 1986 medical care account levels provided for in our amendment—$9.353 billion in budget authority and $9.106 billion in outlays—are only $60 million in budget authority and outlays above the level of the President's very stringent fiscal year 1986 February budget for the medical care account when that level is increased for restoration of the 5-percent civilian pay cut. Neither the Budget Committee, the President, nor the Republican leadership is now supporting that ill-advised proposed pay cut.

That $60-million addition was also supported by six Republican members of the Veterans' Affairs Committee when they signed a March 7, 1985, letter to the chairman of the Budget Committee. This level is the bare minimum needed, in our view, to enable the VA to maintain in fiscal year 1986 the health-care staffing level that the Congress specifically intended be maintained in fiscal year 1985 when it enacted the fiscal year 1985 HUD-Independent Agencies Appropriations Act.

With reference to the Reagan/Republican leadership recommendation and the savings purported to be derived from the imposition of a means test, it was not until April 18 that the administratioin finally submitted proposed means test legislation. Very significantly, in the official transmittal letter, the Administrator of Veterans' Affairs made no representation whatsoever of any specific cost savings. This lack of a cost-savings estimate was no oversight. Indeed, it was well advised for no one can predict with any accuracy that veterans turned away from VA facilities through application of the means test would not be replaced by other eligible veterans. Nor can anyone predict with much ac-

curacy that the costs of implementing the test for veterans, age 65 and older, and the offsetting costs to Medicare would not outstrip any savings resulting from reductions in VA care.

This view was confirmed during an April 23 joint hearing before the House Veterans' Affairs Subcommittee on Hospitals and Health Care and the House Select Committee on Aging. In response to a question about the basis for savings that are being assumed in the White House/Senate Republican leadership package resulting from the enactment of means-test legislation, the VA's Chief Medical Director, Dr. John Ditzler, said that he could not "identify any figure in that cost savings that is familiar or (that he had) seen before." In addition, Dr. Ditzler, when asked how much would be saved in fiscal year 1986 if the proposed means test were implemented, stated, "I would hazard a guess that we may not save anything, but that again is speculative."

Clearly, there is no basis for the administration now to be claiming any savings based on its proposed means test. This is just a smoke screen OMB is trying to use to hide its goal and purpose of slashing the VA Health Care Program and staffing levels.

The bottom line here is that the Reagan/Republican leadership package—like the Budget Committee recommendation—would extract savings from the VA Health Care Program by restricting the resources allotted to it, regardless of whether the means test itself does or does not result in fewer veterans being treated. As I noted a moment ago, both proposals would arbitrarily reduce the amount of VA care provided and the staffing levels at VA facilities. For the administration, which has not provided an estimate showing that any savings would be produced by its means test, to take this approach, is the worst kind of sham—denying needed health care to many thousands of sick and disabled veterans, all the while pretending that nothing of the sort is occurring. If the Senate wants such a result—and let me be clear, beyond any question, that I do not—then it should at least be open and honest about what it is doing.

But, regardless of the lack of validity and substantiation for any claim to savings from the implementation of a means tests, the only way to reduce spending in the VA system is to reduce staffing and inpatient and outpatient treatments.

Mr. President, a moment ago, I described the very serious cuts that the Republican leadership package would make in VA health-care services in fiscal year 1986. This damage inflicted by the Reagan/Republican leadership package would become still more severe in the outyears.

Even if it were assumed that the VA would cancel its current plans for 111 facility activations resulting from construction projects currently underway or planned and scheduled for activation in fiscal year 1987 and fiscal year 1988, the Reagan/Republican leadership levels for the VA medical care account are $230 million less than needed in fiscal year 1987 and $264 million less than needed in fiscal year 1988 to maintain existing VA facilities at the fiscal year 1985 staffing and program levels for which Congress appropriated funds. In fiscal year 1987, the VA would be required to cut another 5,546 FTEE and provide 47,184 fewer episodes of inpatient care and 212,300 fewer outpatient visits. In fiscal year 1988, the VA would have to reduce employment by another 6,213 FTEE's and provide 52,851 fewer inpatient episodes of care and 237,800 fewer outpatient visits. When these reductions are added to the fiscal year 1986 cuts I mentioned earlier, the 3-year totals entail cutting off 19,854 FTEE's, cutting the number of inpatient episodes of care by 169,035, and reducing outpatient visits by 760,100.

Let me mention all of the activations that would likely be canceled so that Senators in those States will clearly know exactly what they are voting for:

NEW ACTIVATION LISTING

[In fiscal years 1987–88]

Alabama:	
Birmingham	Expansion (Clinic, outpatient clinic, administration, education facilities, and seismic reinforcement).
Tuskegee	Renovation of building for lab services.
Arizona:	
Prescott	60-bed nursing home care unit.
Tucson	120-bed nursing home care unit.
Arkansas: Fayetteville	Expansion of Laboratory.
California:	
Fresno	Clinical addition.
Loma Linda	60-bed nursing home care unit.
Long Beach	Relocation and consolidation of hemodialysis.
Do	160-bed spinal cord injury unit and outpatient clinic.
Los Angeles	Ambulatory care clinic.
Palo Alto	Spinal cord injury addition.
San Diego	Spinal cord injury unit and outpatient clinic.
San Francisco	120-bed nursing home care unit and parking facility
Do	Remodeling of buildings 2, 4, and 200.
Sepulveda	Spinal cord injury and recovery renovation.
West LA	Renovation of building for domiciliary facility.
Do	Conversion for 120-bed nursing home care unit.
Do	117-bed nursing home care unit.
Colorado: Grand Junction	Outpatient and clinical addition.
Florida:	
Lake City	Renovation of lab B64.
Do	Outpatient and clinical addition.
Miami	Relocation of radiotherapy.
Do	Renovation of medical intensive care unit and coronary care unit.
Do	120-bed nursing home care unit.
Tampa	Radiation therapy unit.
Georgia: Augusta	Replacement medical center.
Illinois:	
Chicago Lakeside	Crown Point satellite outpatient clinic.
Chicago Westside	Renovation of buildings 11A and 11B (phase 2).
Do	Outpatient addition.
Hines	40-bed spinal cord injury building.
Do	Renovation of 1st floor, B200, lab services (phase 1).
Do	New linear acceleration facility.
Do	120-bed nursing home care unit.
Marion	Dental and medical support.

NEW ACTIVATION LISTING—Continued

[In fiscal years 1987–88]

Indiana: Indianapolis	Radiology oncology treatment.
Iowa:	
Iowa City	Ambulatory care and clinical addition.
Do	Expansion of research animal facility.
Kentucky:	
Lexington	Clinical addition.
Louisville	Clinical and education unit.
Do	Establish 8-bed coronary care unit.
Louisiana:	
Alexandria	Clinical improvement.
Do	120-bed nursing home care unit.
New Orleans	Renovation of surgical intensive care unit.
Do	Renovation of medical intensive care unit and coronary care unit.
Do	Expansion of clinic, outpatient services, education, and research
Shreveport	Renovation of medical intensive care unit and coronary care unit
Do	Ambulatory care building and linear accelerator.
Do	Education addition.
Maine: Togus	Clinical improvement, building 200.
Massachusetts:	
Bedford	Ambulatory care addition.
Boston	Nuclear magnetic resonance imaging.
Brockton	Outpatient addition, research and education, and administration.
Michigan: Ann Arbor	Linear accelerator.
Minnesota:	
Minneapolis	120-bed nursing home care unit.
Do	Replacement medical center (phase 5).
Mississippi: Biloxi	Modernization of various buildings.
Missouri: St. Louis	Research labs.
Nebraska: Omaha	Outpatient clinical addition.
New Hampshire: Manchester	Relocation of radiology and chapel.
New Jersey:	
East Orange	Linear accelerator.
Do	Relocation and consolidation of research and expansion of clinical lab.
Lyons	240-bed nursing home care unit.
New Mexico:	
Albuquerque	New clinical services bed building.
Do	Replacement and modernization of clinical services.
New York:	
Albany	Renovation of clinic.
Bath	Renovation of domiciliary facility.
Bronx	Therapeutic pool.
Brooklyn	Relocation of surgical intensive care unit.
Buffalo	Research building and clinical expansion.
Castle Point	Laboratory addition.
Northport	10-bed surgical intensive care unit.
Do	120-bed nursing home care unit.
North Carolina:	
Durham	Clinical addition.
Do	120-bed nursing home care unit.
Fayetteville	Clinical addition.
North Dakota: Fargo	Clinical addition.
Ohio:	
Cincinnati	Remodel morgue and loading dock.
Do	Renovation of vacated surgical space for research.
Cleveland	Clinical improvements.
Oregon: Portland	Replacement hospital (phase 3).
Pennsylvania:	
Philadelphia	Clinical addition and renovations.
Do	240-bed nursing home care unit.
Pittsburgh	Outpatient clinical addition.
Do	Education and training center.
Wilkes-Barre	Alcohol treatment unit.
Do	Relocation of nuclear medicine.
Puerto Rico:	
San Juan	Ponce satellite outpatient clinic.
Do	120-bed nursing home care unit.
South Carolina:	
Charleston	Clinical addition.
Do	Savannah satellite outpatient clinic.
Columbia	Greenville satellite outpatient clinic.
Tennessee:	
Memphis	Relocation and expansion of surgical intensive care unit.
Mountain Home	Renovation of bed towers.
Murfreesboro	120-bed nursing home care unit.
Texas:	
Amarillo	Addition and renovation of clinical support.
Do	120-bed nursing home care unit.
Big Springs	Renovation of surgery.
Dallas	Expansion of cobalt facility.
Do	Renovation of building B3 for research.
San Antonio	120-bed nursing home care unit.
Temple	408-bed replacement domiciliary facility.

NEW ACTIVATION LISTING—Continued

[In fiscal years 1987–88]

Vermont:	
White Riv. Junc	Expansion of medical intensive care unit
Do	Research and education building.
Virginia:	
Hampton	200-bed replacement domiciliary facility
Richmond	Linear accelerator.
Do	Magnetic resonance imaging.
Washington: Seattle	Replacement hospital (phase 4).
West Virginia: Clarksburg	Clinical alterations and addition.
Wisconsin: Wood	Renovation of building 43 for domiciliary facility.
Wyoming:	
Cheyenne	Expansion and renovation of clinical functions.
Sheridan	Outpatient clinic addition.

If, on the other hand, the VA nevertheless decided to proceed with its current plans to activate new facilities scheduled to come on line in fiscal year 1987 and fiscal year 1988, then the budget under the Reagan/Republican leadership package would fall even further short of being able to maintain existing VA facilities at the fiscal year 1985 appropriated staffing levels. Under that scenario, in fiscal year 1987, the package would require VA health care personnel cuts of 10,997 FTEE's, a reduction of 93,548 inpatient episodes of care, and a 421,000-outpatient visit cutback. In fiscal year 1988, the reductions would be 14,259 FTEE's, 121,298 inpatient episodes, and 545,800 outpatient visits. The 3-year total reductions would produce cuts of 33,351 staff years, 283,845 fewer inpatient care episodes, and 1,276,800 fewer outpatient visits.

These are obviously enormous reductions and they would require correspondingly enormous changes in the VA system. Large number of existing units and several total hospitals would almost certainly have to be shut down. Based on my 16 years' experience working closely with the VA medical system, I believe that the result would almost certainly be that some or all of the 111 planned facility activations would not be brought on line as scheduled.

Mr. President, these would be most destructive cuts, and I challenge the proponents and supporters of this amendment to tell me and our colleagues and our Nation's veterans how they propose that the VA should implement these cutbacks. From what VA medical centers would these employees be taken? Which units, which facilities, which medical centers would be closed? I believe we're entitled to have that information before voting to inflict such extensive devastation on this system.

Let me also stress that our amendment would still force economies in the VA health-care system. It would restore 90 percent of the shortfall in fiscal year 1987 funding needed to maintain the existing system and proceed with the scheduled activations and 71 percent of that shortfall in fiscal year 1988.

The VA health-care system is a vitally important national resource that we must preserve. Not only is it the means by which we meet our very fundamental obligation to provide health care to veterans who are disabled during their service, but the 172-hospital VA system also has a statutory role as the first backup to the Department of Defense health care system in time of war or national emergency. In addition, the VA system plays very vital roles in overall health care personnel education and in medical research. These latter roles are of importance not only to veterans but to the Nation as a whole.

And let's not be misled by talk about reallocation and realignment of resources. There are no savings there—moving an employee or an employee slot, or a dollar, from the Midwest to the Sun Belt does not save any money. If anything, it costs money.

Cutbacks of the magnitude of those proposed in the Reagan/Republican leadership package would savage the system as it now exists and would cripple it in ways that could hamper its ability to provide quality care to our Nation's veterans for years and decades to come. Anyone who thinks I may be exaggerating the impact of these cuts just does not understand the VA health-care system or how it functions.

HEALTH-INSURANCE REIMBURSEMENT

Mr. President, I would like to address the so-called third-party reimbursement proposal. This legislative proposal was mentioned in the VA's budget documents in February but was submitted to the Congress only yesterday. It would require private health insurance carriers to delete from their policies clauses precluding payment for VA furnished care. It would also provide for the VA to obtain reimbursement from these carriers for VA care provided for veterans' non-service-connected conditions.

I am opposed to this proposal. It would do absolutely nothing to improve or increase health care services for veterans. By increasing administrative costs for both the VA and the insurers it would simply add inflationary costs to our Nation's health care bill. I also oppose this proposal because, if no additional VA administrative personnel were added to shuffle the necessary papers—and none are being proposed to be added—it would require the diversion of VA staff from activities relating to furnishing veterans with health care to the redtape involved in billing insurance carriers.

Moreover, there remain numerous unanswered questions about this proposal. The unknowns include, among others, the extent to which non-service-connected veterans receiving VA care have health insurance that would yield any significant payments under such a law, the ability or willingness of the VA to generate billings and to submit to cost-containment reviews which accord with requirements in existing insurance contracts, and the extent to which health insurance premiums would be increased to cover the cost of any claims paid.

In addition, the possibility of realizing any of the receipts that are claimed for this initiative in the first few years after its enactment are extremely remote. Insurance companies are adamantly opposed to a mandate to pay for VA care, when the VA is not subject to the same utilization controls applied to private sector facilities, and serious questions have been raised about the constitutionality of this provision. Insurance companies suggested during hearings before our committee in 1979 that they would not pay these claims unless and until finally ordered to do so by judicial authority. This would likely entail protracted legal proceedings until all appellate remedies are exhausted. Thus, for years to come, the proposal would produce paper savings only and make no real reduction in the deficit.

I am convinced that the only impact of this provision for the VA will be increased costs for the agency. Some costs will result from efforts by the agency to begin to establish the administrative framework, including costly new automated data processing capacity, necessary to process insurance claims—something the agency does not now have. Costs will also result from efforts actually to collect payments from insurance carriers. The collection effort likely will generate additional costs as carriers refuse to honor VA claims, either because the claims do not comply with the terms of the relevant insurance contracts or because the carriers believe the legislation authorizing VA collections is unconstitutional. In either event, it is likely that still further litigation will ensue, generating more expense and leading to further delay in collection efforts.

Also with reference to the issue of the projected savings, the administration has now proposed that the VA implement a means test pursuant to which the VA will actually evaluate the extent to which veterans seeking VA care on the basis of their inability to pay for the needed care do not in fact have sufficient resources. To the extent that veterans seeking care for non-service-connected conditions have health insurance coverage clearly adequate to enable them to obtain care without resulting hardship, a means test should result in their being referred to non-VA facilities for their care—not in the VA providing the care and then collecting funds from the insurance carriers.

Mr. President, there is one final point regarding the issue of health in-

surance reimbursement which I believe needs to be addressed—namely, that enacting such legislation would end the free ride that insurance companies receive when veterans who have paid insurance premiums use the VA health-care system. The essence of this position, which was included in the April 15, 1985, OMB booklet regarding the Reagan/Republican leadership plan, is that somehow insurance carriers are, under current law, receiving a windfall in the form of excess premiums from veteran policy holders. This position is totally inaccurate and misleading. During our committee's very comprehensive hearing in 1979 on health insurance reimbursement legislation—the committee's only hearing to date on this issue—the undisputed testimony was that premiums for health-plan coverage are experience rated, that is, based on an insurer's experience with regard to claims presented, actual payouts, and that, in the absence of insurer payments for care received in VA facilities, no component of the premium is ascribed to the veteran or nonveteran status of the insured. Thus, there is no windfall to the insured to be recovered, no free ride to be ended. Rather, as the testimony at the 1979 hearing indicated and as the GAO recognized in its recent report on this issue, the effect of the enactment of health-insurance reimbursement legislation would be to increase health care premiums. The transfer of the costs of veterans health care from the Federal Government to private insurers would in turn be transferred to health-insurance premium payers.

On February 26, 1985, the General Accounting Office published its fourth report on health insurance reimbursement. Although I believe that this report represents a bona fide effort by GAO to address this issue, I do not believe it really answers the many questions that must be addressed.

I must note that I was not surprised by the GAO's support for legislation to allow the VA to collect from health insurance carriers. This was the GAO's fourth report since 1970 on this issue and each one has reached the same conclusion.

The most fundamental flaw with this most recent report is its failure to come to terms with the fundamental policy issue involved—namely, how is the public interest served by simply transferring the costs of care provided to veterans—with all of the added costs associated with such a transfer—from taxpayers to those who pay health insurance premiums. This transfer between two groups that are made up of many of the same individuals is an unnecessary, inflationary action.

The GAO's analysis of the legal issues involved in this issue was very superficial and conclusory. I will not attempt to predict how the various legal issues will be resolved but I am confident that there will be greater difficulty than GAO suggests.

My final major concern about the recent GAO report concerns possible methodological flaws in the study effort to determine the scope of health insurance coverage among veterans, the basis for all estimates of potential recoveries. Of particular concern was the very significant nonparticipation rate by those selected by the GAO to take part in the survey. Of an original sample of nearly 2,700 veterans, GAO received usable replies from only 1,356 veterans, approximately a 50-percent rate of participation. This low rate of participation raises an important question as to whether the respondents and nonrespondents differ in a significant way and, in fact, the GAO report provides some evidence of this problem. The GAO survey found that 10 percent of the respondents had health insurance whereas, according to other VA data surveyed by GAO, only 6 percent of a sampling of the nonrespondents to the GAO survey had advised the VA that they had health insurance.

The other flaw that results from the methodology used is the GAO's reliance on insurance data from 1982 or earlier. Since the early 1980's, there has been a significant growth in the level of deductible and copayments that individuals with health insurance have to pay. The fact that the GAO report does not reflect this change undoubtedly has produced a significant overestimation of the amount of funds that could be recovered from health-insurance carriers.

VA LOAN GUARANTY FEE

Mr. President, our amendment rejects the discriminatory new tax—in the form of an increase in the VA home loan guaranty fee—that the Republican leadership is recommending be imposed on certain veterans. Under their new proposal for a fee increase, which has not yet been made available in writing, the VA loan guaranty fee—currently 1 percent of the loan amount—would be doubled effective October 1, 1985. Thereafter, as I understand the proposal, the fee would be increased if the need is justified based on an annual study of the loan guaranty program by the Administrator of Veterans' Affairs. I am further advised that the fee could also be reduced on the basis of the annual study. The maximum increase would be to 2.5 percent in fiscal year 1987, 3 percent in fiscal year 1988, 3.5 percent in fiscal year 1989, and 3.8 percent in fiscal year 1990.

How this modified fee-increase arrangement would actually work is not clear. For example, it's not clear whether the fee would increase automatically unless the Administrator determined that an increase was not necessary or whether it would not be increased unless and until the administrator determined that an increase was necessary. Also, how far into the future would the potential need justifying a fee increase be? Would the need be required to be in the upcoming year or could it go on 20 years on down the road?

Other questions I have include what happens to the schedule for the phasing-in of increases if, in a particular year, the fee is not increased. Does that push the whole schedule back 1 year or can the increase skipped 1 year be made up in the following year? Also, how far and when can the fee be decreased? Can it, under this proposal, ever be decreased below 2 percent? If so, could that occur during fiscal year 1986? Can the decreases be by more than 1 percent, and can they reduce the fee to less than the current 1-percent level?

I don't know if there are any answers to these questions. The new proposal has never been set forth definitively and in detail in any administration document of which I am aware.

Mr. President, last year, in response to the need to shore up the VA's loan guaranty revolving fund, which supports the VA Home-Loan Guaranty Program and which was facing a shortfall, the Veterans' Affairs Committee reported and the Senate passed a measure, S. 2391, providing for the deposit of long-guaranty-user-fee receipts into the Revolving Fund—instead of the General Treasury—and increasing the fee from ½ to 1 percent. Such provisions ultimately were enacted in section 2511 of the Deficit Reduction Act of 1984.

According to CBO, the Fund will have no need for an appropriation, or receipts, from a further increased fee at any time during the 5-year period covered in CBO's current projections.

It should also be noted that the VA's direct loan revolving fund will, according to the VA's budget documents, have an unobligated balance of $77.7 million at the beginning of fiscal year 1986, rising to $122.3 million by the close of that fiscal year.

CBO estimates a $50-million margin of direct loan fund receipts over obligations in each of fiscal years 1986 through 1990. According to the VA, that average annual margin would be $38 million over the 5 years.

Under a provision included each year in the HUD-Independent Agencies Appropriations Act, unobligated direct loan fund balances are available for transfer to the loan guaranty fund. The direct loan fund thus provides an additional cushion—of about $250 to $300 million over the next 5 fiscal years—to ensure the solvency of the loan guaranty program.

Mr. President, under these circumstances, I consider any proposal to in-

crease the fee—such as the doubling of it on October 1, which the Republican leadership proposes—as nothing other than imposing a special, new tax on certain veterans in order to help with deficit reduction.

Mr. President, the fee increase proposal would entail a heavy, discriminatory burden principally on Vietnam-era veterans who are in the market for their first homes and in need of exactly the type of assistance that the VA guaranty is intended to provide. According to VA estimates, in fiscal year 1986, 96,800 Vietnam-era veterans—or 44 percent of all veterans expected to use the program—would use their home-loan guaranty entitlement if the fee were not increased.

According to CBO, the proposed doubling of the fee in fiscal year 1986 would result in 16,000 veterans not using their VA loan-guaranty entitlement in fiscal year 1986 alone. About half of these would probably be Vietnam-era veterans. If the fee were to remain at 2 percent through fiscal year 1990, 72,000 fewer veterans would acquire homes using their VA entitlement during the period fiscal year 1986 through fiscal year 1990. If the fee were to be increased to the permissible maximum rates—up to 3.8 percent in fiscal year 1990—the results would be a total of 141,250 fewer veterans over that period using their VA entitlement to acquire homes; again, about half of them would probably be Vietnam-era veterans.

Veterans of World War II and the Korean conflict did not have this obstacle to home ownership and the use of their VA benefits placed in their path when they were the same average age that Vietnam-era veterans now are and when, in as large numbers as Vietnam-era veterans are now, they were seeking to buy homes. Indeed, prior to 1981 when the current fee was imposed at a rate of one-half of 1 percent of the loan amount, the only veterans ever to have paid a fee were post-Korean conflict veterans who did not derive their entitlement to guaranty by virtue of wartime service. Public Law 89-358, enacted in 1966, required that these veterans of peacetime service pay a one-half of 1-percent fee. The fee was subsequently repealed in 1970 by Public Law 91-506.

Thus, lacking any justification in terms of the need to shore up the Loan Guaranty Revolving Fund, I find this proposal highly discriminatory against Vietnam-era veterans.

Indeed, the current 1 percent fee is already discriminatory against Vietnam-era veterans.

The new, doubled discrimination and unfairness would not be just in the form of the possible lost opportunity to own a home; the new tax itself would impose a significant burden on those who do qualify for a VA-guaranteed loan with the increased fee. Assuming the current interest rate on VA loans, 12½ percent, and the VA's average loan amount for fiscal year 1984, $64,300, if the fee were doubled and financed over the life of the loan, the fee-increase alone would cost the veteran about $7 per month, $84 per year, and $2,520 over the life of the loan. It is argued that $84 a year is a negligible additional amount to collect from these veterans. But, I'm sure that many from whom it is to be collected—Vietnam-era veterans who have young families and are seeking to acquire their first homes—would not consider the increase in the fee negligible. They would view it as diminishing what they are able to do for their families—and they would be right.

Moreover, it must be kept in mind that what would be collected from the veteran would be not just the fee increase—but the full, increased fee. What is being proposed is a minimum of a 2-percent fee, which would cost the veteran $165 per year and $4,950 over the life of a 30-year mortgage on the average-size, VA-guaranteed loan. That's a considerable amount, I believe, from anyone's perspective. And, it's a tax that World War II and Korean conflict veterans did not have to pay to use their VA guaranty when they were buying their first homes. It's a substantial, doubly discriminatory tax that would be imposed on veterans and principally on Vietnam-era veterans.

Mr. President, I also note that the Republican Leadership package includes increased revenues based on the assumption that this new tax will actually increase annually from 2 percent in fiscal year 1986 to 2.5 to 3 to 3.5 and eventually to 3.8 percent in fiscal year 1990. Thus, we should also consider the effects of increases above 2 percent. According to CBO, if the fee were so increased by these increments, 141,250 fewer veterans would use their VA guaranty in the 5-year period fiscal year 1986 through fiscal year 1990. CBO estimates that in fiscal year 1990, a 3.8-percent fee would result in 42,000 veterans not using their VA guaranty—42,000 in that 1 year alone. Even without adjusting for inflation in housing prices and based on current interest rates, the cost of a 3.8-percent fee to the veteran using the guaranty in fiscal year 1990 would exceed the cost of a 1-percent fee by $20 per month, $240 per year, and $7,200 over the life of a 30-year mortgage on the average VA-assisted home loan.

In addition, according to CBO, since the increased fee would in most cases be financed as part of the mortgage loan, the VA-fee increase would also produce a rise in the VA-loan foreclosure rate because the length of time during which the veterans would have no equity in the properties would increase. And, according to CBO, it would also mean that the average cost to the VA of a defaulted loan would increase.

Thus, it is extremely difficult to understand how the Budget Committee, the Senate Republican Leadership, and the President—in the face of the CBO analysis and their steadfast adherence to a "no new taxes" approach—can justify imposing this new tax.

Mr. President, a key aspect of this debate over whether the VA loan fee should or should not be increased is whether the Senate is so convinced that OMB is so right in asserting that a fee increase is needed to bolster the revolving fund—and CBO is so wrong in saying it is not—that we should now proceed to double the fee and provide for further increases. In this regard, I am convinced that an examination of the administration's various, ever-changing positions on this issue and its ridiculous assertions regarding the effects of the fee shows beyond any doubt that the administration should be accorded no credibility whatsoever in this area.

The first action of the administration this year was to propose in its fiscal year 1986 budget a fivefold increase in the fee—to 5 percent—effective October 1, 1985. That increase, financed over the life of a 30-year loan, would have added $28 per month to the average VA mortgage-loan payment—a total of $10,080 over the life of the loan. Nevertheless, the administration made the totally ridiculous prediction that that fee increase would not have resulted in one single veteran not using his or her VA guaranty. The exact same number using the guaranty with the fee at 1 percent would use the guaranty if it were increased to 5 percent, the administration contended. On the other hand, CBO predicted that a 5-percent fee would result in 60,500 fewer veterans using the guaranty each year, and internal VA projections are that that fee could effectively bar up to 110,000 eligible veterans in fiscal year 1986 alone.

When in questioning at committee hearings in both Houses, the administration was confronted with massive disbelief, it stuck with its ridiculous prediction. Of course, no one believed it.

As justification for the fee increase, the administration pointed to its prediction that, without the increase, appropriations would be needed to keep the Loan Guaranty Revolving Fund solvent. However, the administration's estimates were that the 5-percent fee would result in collections of $605 million in fiscal year 1986 and $3.5 billion in the 5 years fiscal year 1986 through fiscal year 1960—at the expense of veterans—and that the needs of the revolving fund would be only $405 million in fiscal year 1986 and $1.6 billion over the 5-year projection period, far

less than half of what it estimated it would collect over the 5 years. According to the administration's own figures, by fiscal year 1990, the 5-percent fee would have produced an enormous surplus of nearly $2 billion in receipts over the administration's own projections of the needs of the revolving fund. Who could possibly believe any assertion that the fee increase was being sought in order to keep the revolving fund solvent?

Based on this unbroken string of unbelievable assertions, I find the administration's entire position in this area totally suspect. Plainly, it wishes to raise revenues through the fee—to whatever extent it believes it can get—and it seems willing to do everything necessary to accomplish that objective. Under these circumstances, I do not believe that this fee increase is needed, as the administration asserts, and I don't believe that any impartial observer would either.

Mr. President, I urge my colleagues to reject this new, discriminatory tax by voting for this amendment.

COMPENSATION AND PENSION COLA'S

Mr. President, our amendment would provide for full cost-of-living adjustments, in fiscal years 1986, 1987, and 1988, in VA compensation benefits paid to service-connected disabled veterans and to the survivors of those who die from service-connected causes, and in VA pension benefits paid to needy, non-service-connected disabled and aged wartime veterans and to the needy survivors of wartime veterans.

As presented to the Senate, the Republican leadership/Reagan package applied to the VA's service-connected disability compensation and need-based pension programs the same arbitrary, complex, 3-year COLA-reduction formula it had proposed to apply to Social Security and which the Senate has now rejected. Thus, instead of COLA's at the administration-projected inflation rates of 4.1, 4.3, and 4.1 percent in fiscal years 1986, 1987, and 1988, respectively—on which the Republican leadership/Reagan budget proposal is premised—the President proposes to cut veterans' compensation and pension COLA's by more than half, to only 2 percent, in each of those years.

FAIRNESS TO VETERANS

Major veterans' organizations have stated clearly that if all COLA's are foregone in fiscal year 1986 so should be VA compensation and pension COLA's. Presumably, they would be equally as willing to share in an across-the-board COLA reduction—although perhaps not one that cuts into their COLA's in each of 3 years running. In any event, that is not what the Republican leadership/White House package entailed and, with a full Social Security COLA now approved, that is not what the pending resolution would entail.

Rather, in addition to the fact that the President's package would provide supplemental security income and food stamp beneficiaries with full COLA's in all 3 fiscal years, a full COLA for Social Security would also now be given. But either way, the full compensation and pension COLA's should be provided.

I have heard the argument made with respect to the COLA's for SSI and food stamp beneficiaries that veterans should not feel that the Reagan/Republican leadership package discriminates against them, that they should acknowledge fairness in a policy that enables benefits for welfare recipients to keep pace with inflation while denying such treatment to those who served our Nation in time of war and those disabled in military service.

That argument plays on the conceptual distinction between compensation and pension, which are considered benefits earned through honorable service, on the one hand, and welfare program, such as SSI and food stamps for low-income persons, on the other hand, which are not earned benefits. But, this argument turns the distinction inside out. Veterans' benefits, by virtue of being earned benefits, are more—not less—deserving of favored treatment.

The Reagan/Republican leadership package seemed to consider veterans especially deserving of unfavorable treatment. And now that the Senate has gone on record as supporting full Social Security COLA's, that unfavorable treatment would be aggravated if full COLA's were not provided in compensation and pension benefits.

COMPENSATION

The VA's service-connected Disability Compensation Program has been and should remain a top priority of the Congress. Under this program, benefits are paid to the veteran to replace the average impairment of earning capacity attributed to his or her service-connected disability, and benefits to replace lost earnings are paid to the survivors of those who die from service-connected causes.

In the cases of many seriously disabled veterans, VA compensation is the only source of income.

Based on the administration's projections of inflation, in the case of a 100-percent service-connected disabled veteran, the reduced COLA formula on which the Reagan/Republican leadership package was premised would mean the loss of more than $2,100 over the 3-year period encompassed by this resolution, and over $4,400 in a 5-year period. Assuming a 45-year-old totally disabled compensation recipient lives to be 65, the loss would total almost $29,000 if COLA rates remained at 4 percent after fiscal year 1988.

It has been asserted that the Republican leadership package treats service-connected disabled veterans and the survivors of those who have died from service-connected causes more equitably than did the version reported by the Senate Budget Committee, which would simply have denied them a COLA in fiscal year 1986. The fact is, however, that the Republican leadership package would even more seriously erode the value of compensation benefits than the Budget Committee had proposed.

Based on the administration's projections for Social Security COLA's, as of December 1, 1987, compensation for a veteran with a service-connected disability rated totally disabling would be $420 per year less under the Republican leadership package than it would have been under the Budget Committee's proposal. through the end of fiscal year 1990, the totally disabled compensation recipient would receive $1,044 less under the Republican leadership's COLA reduction proposal than under the Budget Committee's 1-year freeze.

PENSION

In the case of VA pension—a needs-based program as is SSI—the Reagan leadership proposal was to penalize individuals simply by being wartime veterans or survivors of wartime veterans since SSI, as well as Social Security, recipients would receive full COLA's, but VA pensioners would be at the reduced level.

The argument has been made, however, that denying pension recipients, but not SSI recipients, a full COLA is fair because the benefit levels under the new pension program, enacted in 1978 in Public Law 95-588, are significantly higher than SSI benefits. This argument seems to attempt to create the false impression that VA pensioners are fairly well-off and that there is no need for their benefits to keep pace with inflation.

That is just not so.

Veteran-pensioners are truly needy individuals who are either 65 or older or permanently and totally disabled. Those eligibility criteria parallel SSI. The improved VA pension program enacted in 1978 is a very strict needs-based system.

The income standard applicable to a 70-year-old World War II veteran with no dependents is $5,709 per year. If the veteran receives $3,500 per year in Social Security benefits and no other nonpension income, his or her pension would be $2,209 per year—$184 per month.

In the case of a Vietnam-era veteran who is permanently and totally disabled and has a spouse and one child, the income standard is $8,446. This family of three would have only $704—about $235 per person—per month to

live on. Do they not need full protection against inflation?

Can people such as these afford—as the President and the Republican leadership proposed—to suffer a reduction of nearly 7 percentage points in their benefits over a 3-year period? Is that the expression of gratitude and special consideration that the Senate, the Congress, and the Nation intends for those who have answered the call and taken up arms in time of war?

Mr. President, the April 15, 1985, booklet entitled "Senate/Administration Deficit Reduction Plan" provides the following one-line justification for the reductions in COLA's for VA pensioners: "Since pension cap exceeds poverty line, COLA restraint will not result in any veteran falling into poverty." That's one line stating two concepts and both of them are false.

It is simply not true that the pension income standards are above the poverty line generally. In fact, the levels are above the poverty line only in the cases of veterans with no dependents or only one or two dependents. The pension income levels permitted for a veteran with a spouse and two children and all those with more than three dependents are already below the poverty line.

For example, a veteran-pensioner with two dependents in 1984 received $8,160 for the year while the poverty line, determined by the Bureau of the Census, for a family of three was $8,280. Moreover, the VA pension income standards for all surviving spouses are well below the Census Bureau's proverty level figures. For example, the pension provided to a surviving spouse with no dependents in 1984 was $3,695—that's 30 percent below the $5,280 poverty level for a single person for 1 year.

The second part of the justification—that "COLA restraint will not result in any veteran falling into poverty"—is as wrong as it possibly could be. All, I repeat, all veteran-pensioners who are not already below the poverty line and would be affected by the COLA reduction would be pushed down below the poverty line as the result of the Reagan/Republican leadership proposal.

As projected by the Education and Public Welfare Division of the Congressional Research Service, using Social Security trustees' economic assumptions, the 1987 poverty line for one person has been estimated at $6,060 per year; with 2 percent COLA's, the pension in that same year for a veteran with no dependents would be $5,939. Indeed, in 1987, the only veteran-pensioner group that is estimated to exceed the poverty line with 2-percent COLA's are those veterans with one dependent—and only by $31. By 1988, even the veteran-pensioner with one dependent would, as would all other veteran-pensioner groups, fall below the poverty line—the pension level would be $6,058 while the poverty line for a family of two in 1988 is estimated at $6,370.

THE 2-PERCENT GAMBLE IS DEMEANING

Some might try to justify this unfair treatment of veterans by pointing out that the Republican leadership package would guarantee 2-percent COLA's in each of the 3 years even if inflation drops below 2 percent. The odds of that national lottery paying off are as poor as the logic behind that entire jerry-built device.

Veterans deserve fair, equitable, and dignified consideration under the budget. I consider it undignified and demeaning—as well as unfair and inequitable—to our Nation's service-connected disabled veterans to offer them in this budget proposal substantially less than full COLA's in fiscal years 1986, 1987, and 1988 and to try to entice them into accepting such a raw deal by promising to give them 2-percent COLA's in each of those years even if the rate of inflation does not justify those COLA's.

The suggestion that the possibility of unwarranted increases in these veterans' benefits would buy them off is insulting. They're never asked for unjustified COLA's. Who is it who thinks that such increases would be tempting to them?

In any event, it sure didn't work since all the major veteran's organizations support my amendment restoring full COLA's.

Moreover, Mr. President, if one were to assume that, against all odds, the inflation rate in fiscal year 1986, 1987, or 1988 were to fall below 2 percent, why should the Federal Government pay 2-percent COLA's in Social Security and VA compensation and pension rates? If, for example, the actual rate were only 1 percent in these years, the total cost in VA compensation and pension would exceed $100 million per year. The Federal Government would thus be paying out hundreds of millions of dollars with no policy justification for doing so that I can perceive.

Yet, those considered the most needy group of welfare recipients—SSI recipients—would not share in this windfall. Nor would food stamp recipients.

Mr. President, there is one further quirk in the pending resolution without any justification that I can comprehend. In the event that inflation is unexpectedly high in any of the 3 years involved, compensation and pension COLA's would be higher than 2 percent—but the amount of the COLA's would not be based solely on how high the rate of inflation was. Rather, the COLA's would be based on how far off the administration's current estimate of inflation turned out to be.

For purposes of illustration, if the applicable inflation rate were actually 5 percent in each of fiscal years 1986 and 1987, the COLA's would be 2.9 percent in fiscal year 1986 and 2.7 percent in fiscal year 1987. The reason for this difference would be that the administration's estimate of 4.3 percent for fiscal year 1987 would be closer than its 4.1-percent estimate for fiscal year 1986. The question I cannot answer in my own mind is what the size of the error made by an OMB forecaster has to do with sound public policy and with the real needs—for food, clothing, shelter, and other necessities—of the individuals who receive the benefits involved.

Surely, no one expects the inflation rate to be below 2 percent for any of those years; so the so-called carrot is truly misleading.

The pending package seeks to transform the provision of COLA's in these vitally important VA programs into tawdry gambles—tosses of dice that are plainly loaded in the administration's favor with a cynical and totally ill-conceived minimum COLA guaranty thrown in as an illusory sweetner.

What a terrible array of unfair, absured policies this COLA-reduction proposal entails.

The Senate should reject it overwhelmingly and, by so doing, restore a measure of fairness, dignity, and sound judgment to the budget process.

UNSPECIFIED COST-SAVING LEGISLATION

Mr. President, our amendment assumes the enactment of legislation that would achieve cost savings totaling $150 million in BA and $270 million in outlays for fiscal years 1986, 1987, and 1988. This level of legislative cost-savings would both reduce the function 700 totals and be assumed in the reconciliation instructions. This is $120 million more in savings in outlays than the maximum that the Veterans' Affairs Committee Democrats had committed themselves to achieving contingent upon their original budget recommendations being achieved. The greater proposed legislative savings reflects a revised estimate of what could fairly and equitably be achieved in non-service-connected programs if the other features of this amendment were adopted.

RECONCILIATION INSTRUCTIONS

Our amendment would modify the cost-savings totals in the reconciliation instructions to the Veterans' Affairs Committees to reflect the policy assumptions that I have described. Thus, the fiscal year 1986 savings required by the instructions in the resolution as previously amended would be reduced from $858 million in BA and $791 million in outlays to $292 million in BA and $130 million in outlays in fiscal year 1986. The new amount is based on the following changes in the Reagan/Senate Republican leadership's underlying assumptions: First, instead of the assumption that all VA

health care accounts would be capped at subbaseline levels—at the lower of either a freeze level or the President's request for fiscal year 1986—the VA construction, medical administration, and research accounts would be limited in fiscal year 1986 to the levels requested by the President; it assumes that the medical care account would be funded at $60 million more than the President's request—with funding restored for the proposed 5-percent pay cut—in order to maintain the approximately 194,000 FTEE staffing level specified by Congress last July in enacting the VA's fiscal year 1985 appropriations and just reconfirmed last week by the HUD-Independent Agencies Subcommittee of the House Appropriations Committee in marking up a fiscal year 1985 Supplemental Appropriation Act. Measured against the baseline figures for these accounts, the new assumptions would achieve savings of $224 million in BA and $26 million in outlays in fiscal year 1986, instead of the Budget Committee's assumption of $446 million in BA and $220 million in outlays.

Second, in lieu of the assumptions of savings through the enactment of health insurance reimbursement legislation and increases in the VA home loan fee, our amendment assumes savings of $150 million in BA and $270 million in outlays annually over the 3 years through the enactment of as yet unspecified cost-savings legislation.

We accept the assumption of fiscal year 1986 savings of $18 million in BA and $14 million in outlays in VA discretionary programs other than health programs.

Over the 3-year period, fiscal year 1986, 1987, and 1988, our amendment proposes cost-saving totals in the reconciliation instruction to the Veterans' Affairs Committees of $668 million in BA and $582 million in outlays.

VETERANS' PROGRAMS SHARING DEFICIT REDUCTION EFFORTS

Mr. President, as these reconciliation levels we are proposing clearly show, our amendment does not treat veterans' programs as sacred cows—$600 to $700 million in new savings is not peanuts. The Veterans' Affairs Committee has always met its cost-savings responsibilities dutifully. With the active participation of its Democratic members, the committee over the past 4 years has produced new cost-saving laws that will reduce the deficit by $1.6 billion by the end of the current fiscal year and will save over $500 million more in fiscal year 1986.

Those figures are all in addition to the reconciliation savings we are proposing in our amendment.

WITHHOLDING OF RELEVANT INFORMATION

Mr. President, I regret to note that, in presenting to my colleagues relevant data pertaining to our amendment, I am under a significant handicap. That, unfortunately, means that the Senate will similarly be hindered in giving veterans' programs the fair and full consideration they deserve.

In entering into agreement with the Senate Republican leadership, the administration has very substantially changed the positions it took on various VA programs in its original budget submissions. However, it has not provided revisions to the detailed information regarding VA programs that it submitted in February in justification of the President's original budget. At that point, the VA provided 5-volume sets of backup books that contained the information set forth in the Budget itself and the Budget Appendix plus a great deal of additional detail with respect to VA programs and operations under the President's budget.

Now, the Reagan/Republican leadership agreement has rendered the original budget and these backup submissions obsolete with respect to VA Compensation, Pension, Health Care, and Home Loan Guaranty Programs and related administrative operations.

In light of the obvious need for updated information reflecting those changes, I wrote to Administrator of Veterans' Affairs Harry Walters on April 12 to request that he provide revisions of the VA budget documents showing the effects of the changes in the administration's positions. Because I then expected the budget resolution to come before the Senate within several days, I asked the Administator to provide whatever revised data he could by April 18 and to let me know how soon thereafter he could provide the rest.

Having received no response at all, on April 26, I again wrote to the Administrator to renew my earlier request and to urge him, in light of the fact that the fiscal year 1986 budget resolution was already before the full Senate, to provide the needed updates as quickly as possible.

I did not receive any response to either letter until yesterday, when I received a May 7 letter from the Administrator that provided none, absolutely none, of the information that I had requested regarding the impact of the leadership package on the VA. In essence, the Administrator provided only brief descriptions of the leadership package as it applies to VA programs—information made public weeks ago.

Mr. President, I consider it a most regrettable discourtesy—and a disparagement of the important responsibilities of this body with respect to the VA's budget—that no data showing the programmatic and administrative ramifications of the change in the administration's proposals have been provided.

This situation raises a rather obvious question regarding this nonresponsive attitude. What does the Administrator wish to conceal about the impact on the VA of the Reagan/Senate Republican leadership package? Are the outcomes so poor that he is too greatly embarrassed by the shabby treatment afforded veterans by the agreement—obviously imposed upon him—that he wishes to conceal the data from the U.S. Senate so that it might adopt the budget in ignorance of its true impact?

Whatever the answers to those questions—and I am convinced that the agreement is grossly unfair to veterans—we all need to recognize that the administration is playing a shell game. We are all the victims, along with the Nation's veterans and their families, of this great coverup.

This situation is most unfortunate. The Senate deserves whatever relevant information is available regarding the extremely important issues before us. These issues deserve to be decided on their merits, not as the result of tactical advantage.

Mr. President, the administration should not be handed the victory it seeks—the defeat of our amendment—through such concealment tactics. Where there is any doubt—and I submit there is much doubt in every area—as to just how devastating the Reagan/Republican leadership agreement would be to the VA's health care system, the VA Home Loan Guaranty Program, and the Compensation and Pension Program, those doubts should all be resolved against the administration.

If the administration's current proposals are fair to veterans, it should produce the data. Since it hasn't, it should be presumed they are not fair—and I have no doubt, based on the information I do have, that they are indeed unfair.

Mr. President, I ask unanimous consent that copies of my April 12 and 26 letters and the Administrator's May 7 letter be printed in the RECORD at this point.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

U.S. SENATE,
COMMITTEE ON VETERANS' AFFAIRS,
Washington, DC, April 12, 1985.

Hon. HARRY N. WALTERS,
Administrator of Veterans' Affairs, Vermont Avenue, NW., Washington, DC.

DEAR HARRY: I am writing in connection with the agreement reached last Thursday, April 4, between the President and the Senate Republican Leadership on the budget for FY 1985 through FY 1988.

Enclosed are excerpts from an April 5 memorandum prepared by the Senate Budget Committee Staff Director summarizing the major provisions of the agreement. As you can see, the memorandum provides very little information on the Veterans' Administration budget. Based on past practice, I do not expect the Budget Committee to provide any further detail, other than appropriations account totals, regarding the VA budget revisions under the

agreement and their impact on VA programs.

In the absence of the VA providing more detailed information, I am concerned that the Senate may proceed to consideration of this budget agreement without benefit of specific information regarding its impact on such matters as caseloads under the affected programs, staffing levels, and various other programmatic effects. Therefore, in order to enable the Senate and the Congress to evaluate the budget agreement into which the President has entered, I request that you prepare the changes to the VA documents submitted in February of this year in connection with the President's FY 86 budget submission that are necessary to show in detail the effects of the agreement on VA programs.

In light of the fact that the full Senate may begin consideration of the first concurrent resolution on the budget for FY 86 (S. Con. Res. 32) during the week of April 22, I urge that you develop this information as quickly as possible. Also, in the interest of expediting submission of the changes, I suggest that you provide them in the form of either revised pages with changes made by hand, wherever that would be practical, or as replacement pages.

In addition, I note that the Presidential agreement will directly affect VA budget authority and outlay levels in FY's 87 and 88, as well as FY 86—both through overall caps on domestic spending in each of FY's 86, 87, and 88 and reconciliation instructions designed specifically to require the Veterans' Affairs Committees to report legislation that would produce certain budget levels for the VA in each of those years. Therefore, I also request that you provide detailed information with respect to the VA budgets for FY's 87 and 88 under the agreement and the programmatic effects—at least in terms of the various caseloads and staffing levels involved.

Please also let me know what effect any overall agreement to reduce the federal workforce through this new budget proposal has on VA staffing levels for FY's 86, 87, and 88.

I look forward to your response to this request and ask that, no later than April 18, you provide me with whatever information is available at that point and a timetable for providing the remainder.

Finally, as you know, I have longstanding concerns regarding the ability of the individual serving as Administrator to participate in and influence budget decisions within the Executive Branch that affect the VA. During your confirmation hearing in December 1982, in response to a question I asked you in this regard, you stated, "I intend to run the Veterans' Administration, and I intend to represent our budget to OMB. It is not going to be the other way around." Also, responding to my question as to whether you could provide assurance that you would be consulted before any Administration revisions are made in the VA budget, you indicated that you could not give such assurances but that being consulted or heard in that regard would "be of high priority" to you. Since the VA's budget has been very significantly revised in the agreement into which the President entered, I ask that you include in your initial response to this letter a description of your involvement in the decision-making processes, insofar as VA programs are concerned, leading up to both the formulation of the Administration's position in the negotiations with the Senate Republican Leadership and the final agreement.

As always, I greatly appreciate your cooperation and assistance with regard to matters of concern to our Nation's veterans and their families.

With warm personal regards,

Cordially,

ALAN CRANSTON,
Ranking Minority Member.

U.S. SENATE,
COMMITTEE ON VETERANS' AFFAIRS,
Washington, DC, April 26, 1985.

Hon. HARRY N. WALTERS,
Administrator of Veterans' Affairs, Vermont Avenue, NW., Washington, DC.

DEAR HARRY: I am writing to follow up on my letter of April 12, 1985, regarding the recent agreement reached by the President and the Senate Republican Leadership on the budget for FY 1986 through FY 1988.

In that letter, I requested detailed information from you on the impact of that budget agreement on Veterans' Administration programs. Specifically, I asked that you provide changes to the VA documents submitted in February of this year in connection with the President's FY 86 budget submission that would show in detail the effects of this budget agreement on VA programs in FY's 86, 87 and 88. Recognizing that you might not have been able to provide all of the information within a few days, I asked that by April 18 you provide whatever information you could at that point plus a timetable for furnishing the remaining information. I am very disappointed that I have not, as of yet, received any response to my request.

Yesterday, the Senate began consideration of the First Concurrent Resolution on the Budget for FY 1986 (S. Con. Res. 32). Without the requested information from you, as the Administrator of Veterans' Affairs, on the White House/Senate Republican Leadership (WH/SRL) agreement, I am concerned that the Senate and the Congress will be denied the kind of specific information needed to understand fully and evaluate fairly what the programmatic effects of the WH/SRL package would be on the VA. Therefore, I am renewing my request and strongly urge you to provide the information, as outlined in my April 12 letter, as quickly as possible.

Also, at a meeting of the Committee on Veterans' Affairs on Tuesday, April 23, the Chairman stated that, on the Administration's initiative, the WH/SRL package had been modified to extend the period over which the VA home-loan guaranty fee would be increased to 3.8 percent and to make any increase above 2 percent contingent upon a determination by the Administrator of Veterans' Affairs, based on annual studies of the solvency of the program, that the increase would be needed in order to keep the program actuarially sound. The Administrator would also have the authority, consistent with the actuarial soundness of the program, to decrease the fee. Under the revised proposal, the fee would double to 2 percent of the loan amount, effective October 1, 1985, and further increases could not exceed 2.5 percent in FY 87, 3 percent in FY 88, 3.5 percent in FY 89, and 3.8 percent in FY 90.

In addition to responding to my request in my April 12 letter regarding your role in the formulation of the WH/SRL package as it affects the VA, please describe your role in the negotiations and the decision-making process that led to this modification in the fee-increase proposal.

In view of the fact that the FY 86 budget resolution is currently before the full Senate, the need for this information is most urgent, and I hope to hear from you at your earliest opportunity.

With warm regards,

Cordially,

ALAN CRANSTON,
Ranking Minority Member.

VETERANS' ADMINISTRATION,
Washington, DC, May 7, 1985.

Hon. ALAN CRANSTON,
U.S. Senate,
Washington, DC.

DEAR SENATOR CRANSTON: Your letter of April 12, 1985 requested specific details on VA programs impacted by the budget agreement reached on April 4, between the President and the Senate Republican Leadership. We have received essentially the same information you have except we also have some information on a budget authority basis. Any analysis prepared is complicated by the fact that the Budget Committee is working from a baseline which is different from the President's Budget.

With respect to budget authority, information received indicates that the amount included for VA programs is $26.7 billion which is $400 million below the President's Budget request. A significant portion of this reduction represents the reduction in cost-of-living allowances in Compensation and Pensions from 4.1% to 2.0%.

The reduction to a 2.0% COLA is consistent with the Committee's proposal to hold the Social Security cost-of-living increase to 2.0%. I support this proposal. As I have always stated, I fully support budget deficit reduction initiatives so long as they are applied consistently and veterans do not take a disproportionate share of the reductions.

The agreement actually reduced the VA housing loan origination fee from the President's Budget level of 5.0% to 3.8%. Also additional receipts are anticipated from the collection of third party reimbursements for non-service-connected care to privately insured veterans. The change in the loan fee should have no impact on budget authority.

With respect to FY 1987 and FY 1988, no attempt is being made to bridge changes from the President's Budget estimate. As you know I testified during the budget hearings that the outyear base totals were plugged numbers. Therefore, any comparison from that base would be meaningless. The FY 1987 and FY 1988 base totals shown in the FY 1986 President's Budget will be renegotiated when the FY 1987 budget process begins with OMB.

Thank you for your continued interest in the budget activities for the Veterans Administration. Please be assured that I will continue to monitor the FY 1986 budget process to ensure that our nation's veterans receive the funding support they so richly deserve.

Sincerely,

HARRY N. WALTERS,
Administrator.

SUPPORT OF VETERANS' ORGANIZATIONS

Mr. CRANSTON. Mr. President, major veterans' organizations have not been fooled by any of the attempts we have seen to portray the Reagan/Senate leadership package as fair to our Nation's veterans. The American Legion, the VFW, the Disabled American Veterans, the AMVETS, and the Paralyzed Veterans of America have all announced—and have steadfastly maintained—their support for our

amendment and have strongly pursued its adoption.

Mr. President, I ask unanimous consent that copies of communications from these organizations in support of our amendment be printed in the RECORD at the conclusion of my statement.

The PRESIDING OFFICER. Without objection, it is so ordered.

(See exhibit 1.)

CONCLUSION

Mr. CRANSTON. Mr. President, for all the foregoing reasons, and others that I will be stating as the debate on our amendment ensues, I urge all of my colleagues—on both sides of the aisle—to vote for our amendment. Essential fairness to our Nation's veterans requires what we are proposing.

EXHIBIT 1

THE AMERICAN LEGION,
Washington, DC, April 19, 1985.

DEAR SENATOR: On April 2 our National Commander, Clarence Bacon, presented to you The American Legion's assessment of proposed funding levels for various Veterans Administration budget accounts in Fiscal Year 1986, in addition to the Legion's belief that congressional treatment of VA spending over the past ten years has demonstrated fiscal restraint. In that letter Commander Bacon expressed concern over pending recommendations to authorize no cost of living adjustment in disability compensation benefits, to eliminate 4,000 VA medical care personnel, to apply a third party reimbursement mechanism for certain VA medical services rendered, and to impose a substantially increased VA home loan user fee.

The American Legion remains convinced that these proposals are unwise, and that they fail when subjected to tests of equity, program integrity, or budgetary good sense. It appears to us that these proposals were developed as a frantic effort to generate short term savings, with no apparent concern for program participants/beneficiaries or long term costs. For example, VA's inability to treat veterans because of reduced medical staffing levels would likely result in a transfer of that treatment obligation to the Medicare program or some other federally-supported health service.

Our analyses of the third party reimbursement and increased user fee recommendations lead us to believe that even the actual short term savings to be derived are much less than those projected. We expect a dramatically reduced participation rate in the home loan program, whether the 3.8 percent fee is imposed at one time or it is phased in over several years. In our opinion, projected savings associated with the reimbursement initiative are based upon an assumption that a substantial number of veterans using the VA hospital system also have private medical insurance. We believe the VA patient population to be almost exclusively without such insurance. We also believe that the expense of establishing an accounting system sufficient to accommodate the reimbursement procedure would further actual savings.

In view of these considerations, The American Legion urges you to support our positions when the FY 86 first concurrent resolution is debated on the Senate floor. Specifically, we request that you (1) approve funding to equitably treat disability compensation recipients, (2) approve funding to reinstate critically needed VA health care personnel, (3) reject the third party reimbursement plan and (4) reject the proposed home loan user fee increase.

Among those amendments which we have had the opportunity to review, we find the one sponsored by Senator Cranston to meet our objectives. We, therefore, encourage you to join with Senators Matsunaga, DeConcini, Mitchell and Rockefeller by cosponsoring the amendment and voting for it on the Senate floor.

Sincerely,

E. PHILIP RIGGIN,
Director, National Legislative Commission.

VETERANS OF FOREIGN WARS OF THE UNITED STATES,
Washington, DC, April 24, 1985.

Hon. ALAN CRANSTON,
U.S. Senate,
Washington, DC.

DEAR SENATOR CRANSTON: The purpose of this letter is to express the views of the Veterans of Foreign Wars with respect to the budget for the Veterans Administration for fiscal year 1986 under Function 700, Veterans' Benefits and Services.

Quite frankly, we cannot in good conscience support any of the Administration's or majority proposals put forth to date. Not the President's proposed budget, not the First Concurrent Budget Resolution, S. Con. Res. 32, and not the Senate/Administration Deficit Reduction Plan.

The only alternative we find acceptable and can support at this time is Amendment No. 24 to S. Con. Res. 32 introduced by the Honorable Alan Cranston.

Therefore, and on behalf of the more than 2 million men and women of the Veterans of Foreign Wars and the 700,000 members of our Ladies Auxiliary, I urge you to support and vote for passage of the Cranston Amendment.

Sincerely,

BILLY RAY CAMERON,
National Commander-in-Chief.

DISABLED AMERICAN VETERANS,
Washington, DC, April 23, 1985.

Hon. ALAN CRANSTON,
U.S. Senate,
Washington, DC.

DEAR SENATOR CRANSTON: Tomorrow the Senate will begin debate on the First Concurrent Budget Resolution for Fiscal Year 1986.

The debate will center on the Senate Budget Committee recommendations and pending amendments thereto, to include the White House/Senate Republican Leadership Compromise Agreement.

Quite frankly, the DAV is adamantly opposed to the recommendations of the Senate Budget Committee and the White House/Senate Republican Leadership Agreement.

Specifically, in terms of veterans' benefits and programs, these proposals:

1. fail to treat service-connected disabled veterans in receipt of VA compensation and widows and orphans in receipt of VA service-connected death (DIC) benefits equally with all other federal beneficiaries in terms of cost of living adjustments;

2. jeopardize the quality of VA health care by reduced funding for medical care and illusionary savings projected from health insurance reimbursement; and

3. require veterans to pay a greater origination fee to use the VA Home Loan Guaranty Program—in other words, require veterans to pay for the privilege of using an earned benefit.

In response to the Senate Budget Committee and White House/Senate Republican Leadership proposals regarding veterans' benefits, Senator Alan Cranston will be offering an amendment to restore funds necessary to treat service-connected disabled veterans and DIC recipients equally with all other federal beneficiaries and to assure quality health care for eligible veterans.

Therefore, on behalf of the more than one million members of the Disabled American Veterans, I strongly urge you to cast your vote in favor of the Cranston Amendment to the First Concurrent Budget Resolution for Fiscal Year 1986.

Sincerely,

CHAD COLLEY,
National Commander.

DISABLED AMERICAN VETERANS,
Washington, DC, May 7, 1985.

Hon. ALAN CRANSTON,
U.S. Senate,
Washington, DC.

DEAR SENATOR CRANSTON: I am aware that you have recently received a number of letters concerning the question of adequate funding for the Veterans Administration.

Apparently, some controversy has evolved regarding the impact the Senate Budget Committee recommendation and the White House/Senate Republican Leadership Agreement would have upon VA medical care in Fiscal Year 1986 and thereafter.

As you know, the President's original Fiscal Year 1986 request for VA medical care was $9.051 billion in outlays which assumed a 5% pay cut and third party reimbursements from private insurance carriers. The White House/Senate Republican Leadership Agreement proposes $8.755 billion in outlays, but assumes no pay cut. However, the agreement does assume substantial savings from implementation of a medical care means test and reimbursements from private insurance carriers. Senator Alan Cranston's amendment proposes $9.128 billion in outlays for VA medical care—which rejects the "so-called" savings from health insurance reimbursements/pay cuts and maintains medical services essentially at the program level appropriated for Fiscal Year 1985.

The simple fact of the matter is that the Senate Budget Committee recommendation and the White House/Senate Republican Leadership Agreement would, if adopted, deal a serious blow to VA medical care. In the final analysis, under either of these proposals there would be significant reductions in VA health care personnel and more eligible veterans would be denied VA health care services in future years.

The VA's own statistics indicate that, at the present time, they are turning away in excess of 20,000 eligible veterans seeking VA health care each month—how many would be turned away this time next year should these proposals be enacted?

Therefore, on behalf of the more than one million members of the Disabled American Veterans, I again strongly urge you to cast your vote in favor of the Cranston Amendment to the First Concurrent Budget Resolution for Fiscal Year 1986.

Sincerely,

CHAD COLLEY,
National Commander.

[Mailgram]

APRIL 30, 1985.

TO ALL SENATORS: On behalf of Paralyzed Veterans of America and our 11,000 catastrophically disabled members, I request your favorable consideration and support for amendment 24 Senate Concurrent Resolution 32.

PVA understands the need to deal with the ever-increasing projected Federal deficits, and amendment 24 sets the VA's budget levels at the minimum necessary to carry out our Nation's commitment to those who served, and to remedy major deficiencies in the reported Senate Concurrent Resolution 32 and in the proposal of the Republican leadership and White House.

This amendment was submitted by the ranking minority member of the Senate Committee on Veterans' Affairs, Senator CRANSTON, who realizes the needs of our Nations veterans.

PVA asks for your support for amendment 24 which realistically addresses the health care needs of America's veterans and provides for an overall freeze on Veterans Administration spending in FY86 at the President's proposed FY85 level, plus funding for a cost-of-living adjustment for veterans with service-connected disabilities.

RICHARD HOOVER,
PVA President.

Mr. CRANSTON. Mr. President, pursuant to the prior unanimous-consent agreement, I send to the desk a modification of the amendment making the changes of $100 million in five figures on the first 3 pages due to differences from adding and subtracting unrounded numbers in fiscal year 1988 only.

The PRESIDING OFFICER (Mr. RUDMAN). The Senator's amendment is so modified.

The modified amendment follows:

In the pending amendment, do the following:

On page 3, increase the amount of line 12 by $500,000,000.

On page 3, increase the amount on line 13 by $900,000,000.

On page 3, increase the amount on line 14 by 1,200,000,000.

On page 3, increase the amount on line 18 by $600,000,000.

On page 3, increase the amount on line 19 by $1,100,000,000.

On page 3, increase the amount on line 20 by $1,400,000,000.

On page 3, increase the amount on line 25 by $600,000,000.

On page 4, increase the amount on line 1 by $1,100,000,000.

On page 4, increase the amount on line 2 by $1,400,000,000.

On page 4, increase the amount on line 6 by $600,000,000.

On page 4, increase the amount on line 7 by $1,700,000,000.

On page 4, increase the amount on line 8 by $3,100,000,000.

On page 4, increase the amount on line 12 by $600,000,000.

On page 4, increase the amount on line 13 by $1,100,000,000.

On page 4, increase the amount on line 14 by $1,400,000,000.

On page 27, strike out the amount on line 4 and insert in lieu thereof "$27,600,000,000".

On page 27, strike out the amount on line 5 and insert in lieu thereof "$27,100,000,000".

On page 27, strike out the amount on line 13 and insert in lieu thereof "$28,200,000,000".

On page 27, strike out the amount on line 14 and insert in lieu thereof "$27,800,000,000".

On page 27, strike out the amount on line 22 and insert in lieu thereof "$28,700,000,000".

On page 27 strike out the amount on line 23 and insert in lieu thereof "$28,400,000,000".

On page 33, increase the amount on line 2 by $100,000,000.

On page 33, increase the amount on line 3 by $100,000,000.

On page 33, increase the amount on line 11 by $200,000,000.

On page 33, increase the amount on line 12 by $200,000,000.

On page 43, strike out the amount on line 7 and insert in lieu thereof "$292,000,000".

On page 43, strike out the amount on line 8 and insert in lieu thereof "$139,000,000".

On page 43, strike out the first amount on line 9 and insert in lieu thereof "$199,000,000".

On page 43, strike out the second amount on line 9 and insert in lieu thereof "$199,000,000".

On page 43, strike out the amount on line 10 and insert in lieu thereof "$177,000,000".

On page 43, strike out the amount on line 11 and insert in lieu thereof "$253,000,000".

On page 50, strike out the amount on line 18 and insert in lieu thereof "$292,000,000".

On page 50, strike out the amount on line 19 and insert in lieu thereof "$130,000,000".

On page 50, strike out the first amount on line 20 and insert in lieu thereof "199,000,000".

On page 50, strike out the second amount on line 20 and insert in lieu thereof "$199,000,000".

On page 50, strike out the amount on line 21 and insert in lieu thereof "$177,000,000".

On page 50, strike out the amount on line 22 and insert in lieu thereof "$253,000,000".

On page 52, increase the amount on line 1 by $400,000,000.

On page 52, increase the amount on line 3 by $424,000,000.

On page 52, increase the amount on line 4 by $461,000,000.

Mr. CRANSTON. Mr. President, I ask unanimous consent that the Senator from West Virginia [Mr. BYRD] be added as a cosponsor.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. INOUYE addressed the Chair.

Mr. INOUYE. Will the Senator from California yield?

Mr. CRANSTON. I yield 1 minute to the Senator from Hawaii.

The PRESIDING OFFICER. The Senator from Hawaii is recognized.

Mr. MATSUNAGA. Mr. President, as a cosponsor of the Cranston amendment, I join the Senator from California in calling for its favorable consideration. As the Senator from California has explained, our amendment would not increase veteran benefits. It would simply restore some of the drastic reductions proposed in the Republican-White House budget resolution, and freeze spending for veterans programs at the current, fiscal year 1985 level.

Of particular concern to me is the fate of medical care for disabled veterans under the proposed agreement between the Republican leadership and the White House. According to the Veterans' Administration [VA] itself, the agreement calls for cuts of $4.7 million in fiscal year 1987 and $8.7 million in fiscal year 1988. Cuts of this magnitude mean that the VA could not continue providing service at the existing level, much less provide the increased services which will be needed in future years due to the aging of World War II and Korean conflict veterans. Indeed, there is every indication that the proposed severe budget cuts will cripple the opening of new VA medical facilities already planned and under construction, and that they may cause the closure of several existing facilities, layoffs of approximately 25,000 VA health care personnel over the 2-year period, and a drastic reduction in both in-patient beds and outpatient visits.

Mr. President, our amendment also rejects a proposal contained in the Republican leadership-White House budget resolution which would require private insurance carriers to delete from their contracts with veterans, provisions precluding payment for care received at VA facilities. Such insurance carriers would then be required to reimburse the VA for care provided to non-service-connected disabled veterans. There are numerous problems connected with this administration-sponsored proposal. For one thing, VA medical facilities are not subject to the same utilization and cost controls applied to private sector facilities. Furthermore, it is not known how many veterans receiving treatment in VA facilities have private health insurance. And, finally, it appears that this requirement would impose tremendous new administrative costs on the VA. Private health insurance carriers have, over the past several years, expressed to Congress their strong opposition to this type of legislation, and it appears that there may even be constitutional problems with the proposal.

Finally, with respect to veterans' health care, Mr. President, I would like to point out that the Republican leadership-White House agreement assumes the enactment of legislation which would impose a means test on all non-service-connected disabled veterans seeking treatment at VA facilities. Although it is claimed that substantial cost savings will be realized from this new rule, no hard proof of such savings has been submitted to the Veterans' Affairs Committee. Indeed, the imposition of a means test might result in higher Medicare costs.

The amendment offered by the Senator from California and myself, along with others, would also reject the proposed increase in fees charged to veterans who use their home loan guar-

anty. The increase is not needed, for information provided by the Congressional Budget Office reveals that the VA's Loan Guaranty Revolving Fund is now solvent, for at least the next 5 years. My colleagues may recall that Congress only recently doubled the fee paid by veterans who use their home loan guaranty from one-half of 1 percent to 1 percent. A further increase to 2 percent as proposed by the administration and Republican Senate leadership is totally unnecessary.

Mr. President, it is ironic that we should be here in the Senate fighting to save benefits provided for veterans even as television brings to us pictures of the solemn observances of the 40th anniversary of V-E Day. This is not time for Congress to renege on the commitments made over the past 40 years to the veterans who sacrificed so much to preserve our American way of life. It is no time to deny medical care, to deny adequate medical treatment to the disabled or sick veteran and it is no time to deny home ownership to his younger counterpart. I strongly urge my colleagues to support the pending amendment, which would assure an adequate level of benefits for veterans.

Mr. MURKOWSKI addressed the Chair.

The PRESIDING OFFICER. The Senator from Alaska.

Mr. MURKOWSKI. How much time do I have?

The PRESIDING OFFICER. The Senator from Alaska has 19 minutes remaining.

Mr. MURKOWSKI. Mr. President I rise to speak against the amendment to function 700: veterans' benefits and services, which has been offered by my esteemed colleague and ranking minority member of the Veterans' Affairs Committee, Senator ALAN CRANSTON. This amendment would add more than $4 billion in outlays between fiscal year 1986 and fiscal year 1988 for veterans' programs over the amounts originally contained in Senate Concurrent Resolution 32, as reported.

The majority of the Senate has already voted to add back a substantial amount of funds—$1.5 billion in outlays for fiscal year 1986–88—to provide a full COLA for both the VA compensation and pension programs for fiscal years 1986, 1987, and 1988, in order to ensure that our Nation's veterans would receive no less than the same full COLA's that beneficiaries of Social Security and other Federal entitlement programs would receive.

The budgetary impact on the veterans' function as a result of the COLA conforming amendment would be an increase in the Federal deficit in fiscal year 1986 by $200 million.

My esteemed colleague, Mr. CRANSTON, now proposes to add an additional $2.1 billion and $2.8 billion in outlays in budget authority to function 700: veterans' benefits and services above the $1.5 billion added back to provide full VA COLAs over the next 3 fiscal years. If we are to act responsibly to reduce the spiraling deficit, we must reject outright this costly proposal. We will never reduce Federal spending if we begin adding back dollars in the amount suggested of my distinguished colleague from California, over and above the compromise already agreed to for the veterans' function. We simply cannot continue to add funds to this function or other functions, if we intend to significantly reduce the Federal deficit this year and to lay the foundation for deficit reduction in the future.

When the Budget Committee reported Senate Concurrent Resolution 32, I had significant reservations regarding some of the proposals for function 700. During the discussions between the Senate leadership and the administration, I expressed my strong reservations, especially in the areas of VA pension and compensation COLA's, as well as the home loan origination fee increase. I am pleased that my concerns were well received and that the Senate leadership/administration compromise subsequently incorporated changes in veterans' COLA's and in the loan guarantee funding fee which took into consideration my objections.

Frankly, I still have reservations about some components of this compromise deficit reduction plan for function 700. However, I am satisfied that as a compromise it has resolved, to a reasonable extent, the major concerns which I had expressed on the original inequitable recommendations included in the resolution as reported. The budget compromise for function 700 was reached after careful deliberation and consultation with myself and others. It incorporates sufficient funding levels to ensure the continuation of quality VA programs and services for fiscal year 1986 and the outyears.

My greatest concern with Senate Concurrent Resolution 32, as reported by the Budget Committee, was the lack of COLA equity within the VA compensation and pension programs and the lack of equitable treatment with regard to other similar Federal entitlement programs. I was also deeply concerned with any recommendation to increase the origination fee on the VA Home Loan Guarantee Program without first examining the entire program in detail with the purpose of identifying and correcting any problems within the program.

The compromise has addressed my concerns in both of those areas. Although the compromise amendment does not completely eliminate the loan guarantee origination fee increase, the rationale for the policy adopted in the compromise is supportable and makes good sense to me. The approval of the amendment offered by the distinguished majority leader, which I cosponsored, has now restored full COLAs for the veterans' and other entitlement programs.

Overall, the compromise agreement, as now amended, would provide $27.1 billion in budget authority and $26.5 billion in outlays for function 700 in fiscal year 1986. This represents an increment of $200 million in budget authority and $200 million in outlays for fiscal year 1986 over the levels provided for in the leadership/White House compromise.

Aside from the COLA issue, there are two additional major components of the compromise agreement for function 700 which differ from Senate Concurrent Resolution 32 as reported, which I wish to address briefly.

First, the compromise would gradually increase the VA Home Loan Program origination fee for guaranteed and vendee loans from 1 to 3.8 percent over 5 years. The annual increments would be provided by statute as follows: 2 percent in fiscal year 1986, 2.5 percent in fiscal year 1987, 3.0 percent in fiscal year 1988, 3.5 percent in fiscal year 1989 and 3.8 percent in fiscal year 1990. The 3.8 percent cap by fiscal year 1990 would be equal to the fee currently charged for FHA mortgage loans. Additionally, the VA would be required to conduct a comprehensive study on the loss rate of the program, and after fiscal year 1986, the Administrator would have the discretion to reduce the origination fee below the statutory rate if the study indicates that the full statutory rate is not necessary.

The compromise would significantly address the immediate solvency problem of the loan guarantee program and would have minimal impact on veteran users of this program. All the existing benefits of the program would continue; that is, no down payment, fully assumable VA loans, interest rates somewhat below market rates, and an exemption for service-connected disabled veterans. The average VA home loan payment on an average VA mortgage of $68,000 would only increase by $7 per month as a result of the recommended 1 percent increase for fiscal year 1986. The fee could be financed over the life of the loan and veterans would still receive the benefit of home ownership through the best mortgage program available to our Nation's veterans, while the increased fees will help keep the loan guarantee fund solvent. The Committee on Veterans' Affairs held an extensive hearing on the VA Home Loan Guarantee Program on May 1, and the committee will continue to look at possible administrative and legislative options to improve the program.

Second, the overall budget totals for VA medical care and medical construc-

tion would not change from the resolution as reported by the Budget Committee as a result of the compromise. The only change would be the added assumption of an income means test for non-service-connected—I emphasize non-service-connected—disabled veterans regardless of age, as a component of reconciliation savings. This means test policy assumption would establish uniform medical care eligibility criteria for all non-service-connected disabled veterans.

Mr. President, historically, the primary mission of the VA health care system has been to furnish care to service-connected disabled veterans and to veterans unable to pay for needed medical care. In 1970, Congress extended eligibility for VA hospital and nursing home care to veterans 65 years of age and older, regardless of their ability to pay.

This change resulted in inequitable treatment of non-service-connected veterans on the basis of age. This means test proposal included in the leadership/White House compromise is intended to overcome this inequity and to enable the VA, for the first time since 1970, to provide all non-service-connected veterans with equal access to VA health care based on medical and financial need, not age alone.

A means test is not a new idea. Public Law 96-330, the Veterans Administration Health-Care Amendments of 1980, established a means test. Those veterans "unable to defray the cost of VA health care" were defined as veterans who are service-connected, receiving VA pensions, or receiving Medicaid. I note for the record that Senator CRANSTON supported this measure at that time.

The Congressional Budget Office projects savings for this proposal. In fiscal yer 1986, there would be net savings of $439 million in budget authority and $361 million in outlays. These figures include an offset for Medicare costs of $79 million in outlays for fiscal year 1986.

There have been several assertions raised by my distinguished colleague, Mr. CRANSTON, about the impact of the budget agreement on the future of the VA's health care system. These are serious charges and we must set the record straight.

First, in his May 1 "Dear Colleague" letter, Senator CRANSTON states—

> The proposed reductions would slash the amount of VA care provided and the staffing levels at VA facilities—by eliminating nearly 70,000 inpatient episodes of care, 300,000 outpatient visits, and more than 8,000 employees.

The VA's Chief Medical Director, Dr. John Ditzler, stated at congressional hearings that the VA budget for fiscal year 1986 is sufficient—I emphasize is sufficient—to meet the health care needs of veterans using the system. After receiving a copy of the Dear Colleague letter, we solicited the views of Dr. Ditzler again on these specific points. We quoted him the projections outlined by Senator CRANSTON and asked him to verify the information. He told us emphatically that these statistics cannot be substantiated.

A second point raised by my colleague is that, "current plans for facility activations resulting from construction projects currently underway or planned and scheduled for activation in fiscal year 1987 or fiscal year 1988," could be canceled or experience serious cutbacks. It is important to note that the word "could" in Senator CRANSTON's predictions has been emphasized in several of the statements made in the Dear Colleague letter. The VA has assured us that currently they have no plans to cut back on any planned activities and that no layoffs will take place. The critical factor in this entire discussion is that the VA acknowledges that it does not plan concretely for outyear facility activations because of the uncertain nature of the congressional budget process. And even if the VA did engage in such planning, which again, they do not, there is always a certain amount of "construction slippage." Projects are delayed again and again, often due to the seemingly endless number of changes made to individual projects throughout the overly lengthy construction planning process.

Mr. President, if a problem does exist for the VA with respect to sufficient staffing needs, it is not a result of any fiscal year 1986 budget action. I as chairman of the Veterans' Affairs Committee, and Senator SIMPSON, our majority whip and chairman before me, have discussed and proposed and attempted to persuade the VA to reexamine the relationship between its construction program and its current services and facilities. We have advocated and even insisted that the VA ensure that its existing facilities are fully staffed and operational before planning or attempting to activate new programs and facilities.

The VA maintains, on the one hand, that it has a working and workable resource allocation program. The "strategic management system" has a planning component, a staffing component, and a resource allocation component. And yet we see, time and time again, that certain facilities do quite well under the resource distribution method and others do not fare quite so well at all. We also know there are VA hospitals which operate at below normal occupancy rates. VA statistics called, Summary of Medical Programs January 1984, provide data on occupancy rates for all hospitals and for each psychiatric, surgical, and medical bed sections. The average occupancy rate for all 172 medical centers is 79.8 percent. This conforms with desirable occupancy rate norms. However, certain facilities have total occupancy rates well below this norm. Twenty VA hospitals have occupancy rates between 60 and 70 percent. Two hospitals have occupancy rates between 50 and 60 percent.

There could be many reasons for this occurrence, some of which may be outside the control of the VA or the individual hospital administrator. And yet, We would be irresponsible in our role if we did not question the advisability of this practice. Is this an efficient use of VA resources? Are there extra beds in the VA health care system and if so, how can anyone possibly suggest that veterans are or will be denied care?

The second important point I wish to raise concerning this issue is to note that a draft General Accounting Office study has found that almost half the VA's hospital days are medically unneccessary. The draft report, yet to be released, found that "43 percent of days that medical and surgical patients spent in VA hospitals in fiscal year 1982 could have been avoided." About 20 percent of the total days were attributable to the absence of efficient management practices at the hospitals while 23 percent were attributable to the unavailability of alternate levels of care. The VA service chiefs in the hospitals agreed with 86 percent of the avoidable days indentified by the consultant.

I can not overemphasize the importance and the relevance of these numbers. The budgetary implications of this review are critical to the issues we are discussing here today.

By establishing more efficient patient management practices, patient stays could be reduced and hospital beds could be freed to serve additional numbers of acutely ill patients. "In so doing", GAO concludes, "VA could meet more of the expected patient demand with existing resources, and avoid constructing at least a part of the expensive hospital facilities it says it may need in the future.

Third, an attachment to the "Dear Colleague" letter that was sent by my distinguished colleague [Mr. CRANSTON], stated:

> The attached letter explains that if the Republican Leadership/White House agreement with respect to VA health-care funding is adopted the VA will very likely be forced to forgo, in fiscal year 1987 and fiscal year 1988, 111 facility or service activations resulting from construction projects currently underway or scheduled for activation in those years.

Each letter then proceeded to list on a State-by-State basis which specific construction projects would not be activated.

Mr. President, I am compelled to respond to these "projections," "assertions," or "speculation," which term is

most appropriate, to defuse any apprehension and/or confusion which these letters may have generated.

At the outset, I will state in no uncertain terms that these facility and project-specific projections which my esteemed colleague states that the VA will not activate within each of my colleagues States are totally unfounded.

The Chief Medical Director of the Veterans' Administration has indicated that these "projections" of foregone activations during fiscal year 1987 and fiscal year 1988 cannot be substantiated by the Veterans' Administration. The VA plans, year by year, for facility activation after the adoption of a Federal budget in order to make specific plans within available resources.

Further, the Senate leadership/White House compromise agreement clearly does not assume any reconciliation savings with the extreme specificity that the letters from Senator CRANSTON would suggest. Rather, the compromise agreement makes only broad policy assumptions to achieve reconciliation savings. These assumptions for VA hospital and medical care include: A freeze on medical construction at the fiscal year 1985 program level, and reforms to medical care through the imposition of an income means test on VA medical care eligibility for all non-service-connected and non-poor veterans, and reimbursement from private health insurers for care provided by VA medical facilities for the treatment of veterans with non-service-connected disabilities. These are merely broad policy assumptions which the authorizing committee may choose to enact in whole, in part, or not at all, in the committee's task of recommending reconciliation savings to meet the target established for the Veterans' Affairs Committee. The reconciliation savings for the Committee on Veterans' Affairs may be achieved by means entirely separate from the assumptions which the compromise agreement has recommended. The ultimate decision on the means of deriving reconciliation savings rests with the authorizing committee—not with the compromise budget package.

Further, there has historically been slippage in the completion dates for VA medical construction projects, which has historically delayed activation of these facilities. Therefore, the outyear activation projections included in Senator CRANSTON'S letters are extremely difficult to project with any reasonable degree of accuracy. It is also significant to take into account that, currently, the VA has an unobligated balance which exceeds $1 billion in its construction program.

The Administrator of the Veterans' Administration has also cautioned at the hearing on the VA's fiscal year 1986 budget held by the Committee on Veterans' Affairs, that:

The outyear numbers for medical care in this budget are plug numbers. They are not meaningful, and national policy decisions must yet be reached. Decisions which will affect the VA; discussions leading to these decisions will be conducted hopefully in the sunlight, including the Veterans' Administration, the Veterans' service organizations and all other interested parties.

Mr. President, veterans' issues are often difficult to discuss in a rational manner because all of us are anxious to ensure that the veterans of our Nation will never doubt for a moment the gratitude of our Nation for their service on our behalf. This debt of gratitude will certainly be paid this year as it always has been in the past and always will continue to be in the future.

As chairman of the Veterans' Affairs Committee, Mr. President, I accept the responsibility to ensure that the VA health care system remains an independent provider of the highest quality health care. Likewise, I accept the responsibility to ensure that all veterans' programs and services continue to be of the highest quality and most appropriate to reflect the needs of eligible beneficiaries.

Within this context, we must work together to provide those benefits and services. But veterans, above all others, will stand up as examples of our most patriotic Americans in saying that they do not want their programs to be set as an example of unrestrained Federal spending. If our economy does not recover, we are weakened as a Nation. And, although this is not a military issue, it strikes at the very core of what keeps us strong and free at home. So, I appeal to the patriotism of my colleagues. I appeal to their sense of responsibility, while I assure them that veterans' programs will be adequately funded by the "leadership" compromise—as amended—and I urge in the stongest possible terms, that they oppose the Cranston amendment.

Mr. President, I have two further observations to make with regard to fairness.

The assertion has been made that under the agreement that VA would be faced with a great dilemma. It could face serious cutbacks and massive reductions in services provided through existing facilities in fiscal year 1987 and fiscal year 1988, or have to cancel its current plans to activate facilities resulting from construction projects.

This is a false dilemma based on erroneous and misleading assumptions. Not one construction project will be delayed or deferred as a result of the agreement. Funding and staffing for facility activations will be provided.

The agreement provides for activation of nearly 2,400 nursing home beds by 1988 and the treatment of over 4,000 additional nursing home patients; and activation of new and expanded outpatient clinics which will accommodate an additional 400,000 outpatient visits in 1988.

The agreement proposes to freeze 1986 funding for the medical care account at the 1985 level, in a program which has experienced over 40-percent real growth in the last 10 years.

So, Mr. President, obviously the program is moving ahead.

Mr. President, the assertion has been made that large numbers of existing units and several total hospitals would almost certainly have to be shut down.

No hospitals will be closed. Further, the agreement fully supports maintenance of existing facilities. The VA has an unobligated balance of approximately $1 billion because of a backlog in VA medical construction projects for which funds have been authorized and appropriated.

The assertion has been made that the 3-year total cutbacks would produce layoffs of 33,000 employees.

No one would be laid off, Mr. President. The VA has an attrition rate of 17 percent per year which results in an annual turnover of over 32,000 employees.

The assertion has been made that the VA would eliminate 70,000 inpatient episodes of care in 1986. CBO estimates that under a means test 85 percent of current VA hospital users will continue to be eligible for care.

Mr. President, I yield to the majority whip, Senator SIMPSON.

Mr. SIMPSON. Mr. President, I thank the chairman of the Veterans' Affairs Committee for the extraordinary work he has done. He takes over one of the toughest jobs in the Senate. I have been there. I know what it is when you get the slings and arrows and the whole load from the various veterans' organizations in the United States. But I certainly hope we will reject this amendment.

It really is quite extraordinary, whether it is going to add $2.2 billion or $2.8 billion or $4.0 billion in 3 years or 4. Whatever the billions—it smacks of the attitude that we have not done anything for the veterans of the United States.

Mr. President, that is what just grinds me right down to the nub. We will spend 27 billion bucks-plus on the veterans of the United States of America during this year. I am a veteran. I served for 2 years in Germany. I am very proud of that. There are many in this body who have served and those who have given pieces of their anatomy for their country—BOB DOLE, STROM THURMOND, DAN INOUYE, LLOYD BENTSEN, MARK HATFIELD, AL CRANSTON, and many more. For heaven's sake, we have done more for the veterans of the United States than any other group within our society. What we are trying to do here is give heavy

dollars to the service-connected disabled veteran and go to some degree of means testing for the non-service-connected and the non-combat veteran. That is my view. That is what I am up to. You walk up to a guy on the street and say, "What should we do for the veterans of the United States?" And he says, "Anything it takes." And then you say, "Do you know that millions of them never left the United States, never served over 1 year and don't know a mortar tube from either end and yet draw every single benefit that a combat veteran draws?" They are surprised by that. Who wouldn't be?

That is the way it is. Millions of them may have been injured by something that happened while looking for a case of lemon extract in the mess tent to finish off a 3-dayer—and injured on furlough or other activity—and they have been drawing a green check for 20 years. That is reality.

So what we are trying to do is deal with a little reality. I will tell you what gets me, as one of the guys who has been laboring in this area. It is almost as if nowadays, if you are a veteran, you are somehow one of the disadvantaged in our society. I will tell you that embarrasses and offends me, absolutely offends me—that if you are a veteran, you are somehow disadvantaged. How did we ever get to that point? We got here because of some absolutely extraordinary system where we just ladle out the bucks and then we say, "If you don't vote for that, you are antipatriotic, you are antiveteran, you are everything worse." Bosh. And it keeps coming. They keep cranking it out in the bowels of this system through these staffs, through extraordinary novelty and adventurism, a lot of it from guys who feel guilty because they never served in the U.S. Armed Forces. That is a tedious, ponderous, pathtic process.

And I admire deeply what the VFW does. I am a lifetime member of the Veterans of Foreign Wars. I am a member of the American Legion, a member of Amvets. I know what they do. I greatly admire them. But they have a need to get their membership up, and the way they do it is to pretend that every veteran in America is disadvantaged. And that is a pretty poor way to do business. I tire of it. I think the rest of us should tire of it. But watch out when it comes to a vote. And I know how that goes, too.

Hospital construction, why you cannot even find how they build veterans hospitals. They do not have a list. They do not have a memory bank. They know not what they do with regard to construction. They just erect one for a former House chairman or a former Senate chairman. At least they have never named one for AL CRANSTON or me. I do not think we are going to make it.

That is where we are with the veterans' budget. They have 150 different data processing systems over there and they do not even know which button to press to get the information on construction.

Well, obviously, Mr. President, you see a person who is no longer the chairman of the Veterans' Affairs Committee, I've been there on the parade ground when they played the retreat at night. But I sure want to share with you that we are headed for some awful tough times in the United States of America when we think that every veteran who ever served this country—in war or peace is "disadvantaged."

Boy, that is not the way this old cowboy feels. It was the greatest privileage and honor of my life. They gave me the GI bill, GI life insurance, and I do not even remember them telling me that when I signed up. Is that not strange? Now, when you sign up, you have to get a list from your Government as to what it is that you get, what benefit handle you get your hand on when you join the U.S. Armed Forces. It is a duty and a responsibility and an honor. It is not a slot machine.

I thank the Chair.

Mr. DECONCINI. I am pleased to be an original cosponsor of the amendment being offered to the budget resolution by the distinguished ranking member of the Senate Veterans' Affairs Committee, Senator CRANSTON, which will restore crucial funding for certain programs administered by the Veterans' Administration.

I take my responsibilities as a member of the Senate Veterans' Affairs Committee very seriously and believe that we have an obligation to honor the commitments we have made to those who have served the Nation honorably during their military service. The budget resolution before us today does not, in my opinion, honor the commitments we have made to our veterans, nor does it meet the test of equity and fairness.

There are a number of reasons why I believe the resolution before us merits modification vis-a-vis the veterans of this Nation. First, the funding levels provided for VA health care are simply inadequate to meet projected needs and would seriously impair the VA's ability to provide comprehensive and quality health care to eligible veterans, as mandated by Congress. In addition, the projected savings to be realized through the adoption of the budget resolution are, at least in part, illusory. For example, the administration is projecting significant savings to be realized through the imposition of a means test for non-service-connected disabled veterans and for veterans over age 65. Yet, there is no data to support the projected savings. In fact, the directors of the three Arizona VA medical centers have reached the same conclusion I have—that little, if any savings would be realized from a means test since veterans who are ineligible under the test will simply be replaced by those who are eligible. The implementation of a means test for veterans over age 65 would simply force veterans to seek health care through the Medicare system which is more costly than VA care. Shifting costs from one Federal health care program to another makes no budgetary sense. If we are serious about reducing the budget deficit, then it is incumbent upon us not to use phony assumptions. But even if the projected budget savings were realistic, it is patently unfair to balance the budget in this high priority area of veterans' health care.

In light of the magnitude of the proposed cutbacks in VA health care, it is estimated that fiscal year 1986 staffing levels at VA medical facilities will be reduced by 8,000 employees, inpatient stays will be cut by 70,000 and outpatient visits will be slashed by 300,000. In the outyears, the funding reductions will have ever more serious consequences. The enormous cutbacks in funding for the outyears of the budget could be achieved in only one of two ways: By canceling plans for VA facility activations or by proceeding with those activations and making even larger reductions in services provided through existing facilities. If, in fact, the VA opts to cancel scheduled facility activations, two critically needed facilities in Arizona would be affected: a 60-bed nursing home care unit in Prescott, and 120 bed nursing home care unit in Tucson. The potential cancellation of similar activations nationwide should be a matter of serious concern to every Member of this body.

A second issue addressed in this amendment is the proposed fee increase for veterans who participate in the VA Home Loan Guaranty Program. Whether that fee is increased to 2 percent or to 3.8 percent or is phased in over a 3-year period, it still represents a discriminatory tax on veterans no matter how it is disguised. The loan guaranty revolving fund is currently solvent and CBO projects that no appropriation will be needed for at least 5 years. So, this proposal cannot be described as a spending reduction measure. It is a tax, pure and simple.

The VA Home Loan Guaranty is one of the most often used benefits by veterans. If the fee is increased, it will impair the ability of many veterans to purchase a home, especially those from the Vietnam era. It has been 10 years since the last American troops were removed from Vietnam and the wounds from that divisive conflict have finally begun to heal. Now is not the time to reopen those wounds and

undermine the process of reconciliation. But that is exactly what will occur if the fee increase proposal is adopted.

Mr. President, there is no more patriotic group of Americans than our veterans. They stand willing to share in the pain of reducing our Federal deficits. But the proposals incorporated in the budget resolution are not fair and I fully understand and share the veterans' opposition to it.

Mr. President, I commend Senator CRANSTON for proposing his amendment and I urge my colleagues to support it.

Mr. BUMPERS. Mr. President, I want to take this opportunity to express my strong support for Senator CRANSTON's budget amendment to restore the necessary funding levels and fairness to important veterans' programs. I believe that these changes are vital if we are to carry out our Nation's commitment to those veterans.

The fiscal year 1986 budget agreed to by the White House and the Republican leadership is blatantly unfair to veterans. No one is more concerned over the serious implications of the staggering deficit than I am, and I have made some extremely difficult decisions and cast some equally difficult votes. I have voted for both the Chiles/Hollings budget freeze proposal, which, had it been enacted, would have achieved a balanced budget by 1989. I also voted for the Byrd proposal, which would have treated veterans fairly and would have achieved substantial budget savings. Undoubtedly, many difficult decisions remain as we seek to restore the economy, and no program will or should be excluded from contributing its fair share to these efforts. However, it is inexcusable to expect the thousands of brave men and women who honorably served our country to bear such an inequitable share of the budget cuts.

Mr. President, I support each of the important provisions of this amendment because I believe they provide fair treatment of veterans and are consistent with our efforts to control spending. Spending would be frozen at those levels provided for fiscal year 1985, plus cost-of-living adjustments would be provided that are consistent with those which have been allowed for other Federal beneficiaries. I want to emphasize my belief that all benefit recipients are entitled to equal treatment, and this amendment affirms that equal treatment. The amendment also rejects the proposed increase in the VA home loan guarnty fee from 1 to 3.8 percent. I strongly oppose that discriminatory increase. It simply imposes an unfair tax on a select group, primarily first-time home buyers, and almost quadruples the fee after it has recently been doubled already. This increase is unnecessary for the solvency of the fund and should be rejected.

Mr. President, I am also particularly supportive of another provision of this amendment, which restores veterans health care programs to the levels provided in fiscal year 1985. The severe cuts proposed in the Republican budget package would be absolutely devastating to the delivery of health care for thousands of veterans throughout our Nation. Over 28 million veterans live in the United States. Of these, 4.6 million are 65 or older. The aging veteran population is rapdily increasing, and will number over 9 million by the turn of the century. Over 1 million of them are over 75, and that number is also rapidly increasing to over 4.5 million by the year 2005. This group has the greatest health care needs. In Arkansas alone, there are over 271,000 veterans, and of those, over 240,000 received care through a VA medical facility during fiscal year 1984. The VA's own records indicate that thousands of eligible veterans seeking health care are turned away each month now due to lack of facilities. Under these conditions, it is preposterous to think that severe cuts in the spending levels for health care would not be detrimental to providing adequate levels of service.

Another provision of the amendment rejects the idea that private insurance carriers should be required to pay for VA-provided care. Many extremely important and complex questions about the implications and effects of such a change remain unanswered, and therefore, such a policy change should never be considered without the benefit of complete investigation by the authorizing committees involved, which has not been carried out in the case.

Finally, Mr. President, this amendment recognizes the need to reduce spending, and includes a provision which provides for the enactment of legislation to achieve a real savings of $50 million in budget authority and $90 million in outlays in each of the next 3 years. This represents a significant effort toward our economic goal of reduced spending, and ultimately, a balanced Federal budget.

I am proud to give my support to Senator CRANSTON's amendment to correct the inequities in the proposed budget package. I want to urge my colleagues to join me in this important effort and to stand up for our Nation's veterans by voting to support the passage of this amendment. This amendment is not a budget buster. It is sensible, it is modest, and it is fair.

Mr. KENNEDY. Mr. President, I rise in strong support of this amendment offered by my distinguished colleague Senator CRANSTON.

This amendment ensures that fair and equitable treatment is provided to veterans' programs and to the thousands and thousands of men and women who have served their country.

This amendment does not ask for a large increase for VA programs. It merely calls for a freeze on these programs at President Reagan's fiscal 1985 level. It provides the bare minimum necessary to maintain the VA programs and our Nation's commitment to those who served.

The veterans of this country are willing and ready to help fight the dangerous budget deficit that now exists. But they should not be asked to shoulder more than their share of this burden. Already in each veteran's lifetime, they have been asked to help their country by going to war to protect our liberty. There should be no hesitation on our part in maintaining the integrity of the programs that serve our veterans.

Mr. President, yesterday we celebrated the 40th anniversary of V-E Day and honored the commitment and courage of the thousands and thousands of Americans who fought in World War II. And today, our honor and thanks must be shown by actions and not just words.

Our veterans answered their country's call for help without questioning. We have a responsibility to listen to them when they call on our Government. Our commitment to our veterans is a hollow one if we cannot ensure fair and equitable treatment and I urge my colleagues to vote yes on this amendment to restore the unfair cuts proposed in the budget resolution.

Mr. GLENN. Mr. President, I rise to support the amendment offered by my colleagues, Democratic members of the Senate Veterans' Affairs Committee. In essence, this amendment is a freeze at the fiscal year 1985 level for veterans benefits and services with only the addition of a COLA for veterans pensions and compensation on par with the COLA's approved by this body earlier for all entitlement programs.

Mr. President, we all recognize the pressing need for budget responsibility as we face today's unprecedented deficits. Yet I cannot be a party to deficit reduction at the expense of our Nation's veterans. The amendment before us freezes the function 700 medical care account at the fiscal year 1985 appropriated level, and rejects reductions based upon anticipated savings from a new means test the administration seeks to impose on our older veterans. The amendment rejects a new tax on veterans in the form of an unwarranted increase in the VA Home Loan Guaranty Program user fee. Congress increased this fee last year and thus assured the solvency of the revolving fund for several years to come at least. The new requested fee increase is thus not needed to maintain the Home Loan Guaranty Program but merely a revenue-producing measure imposed solely on the veterans, and in particular those of the Vietnam era. The amendment further rejects questionable savings assumptions based on the requested enactment of third-party reimbursements for VA medical care.

We are not seeking costly new programs or vastly increased funding for the Veterans' Administration. Rather I believe we are acting responsibly in freezing the VA budget at current levels, even in the vital medical care area where demand is increasing as our veteran population ages. The only increase provided is for COLA's for recipients of pensions and compensation. This is only equitable since all other entitlement recipients will receive such COLA's.

We owe our freedom and our independent way of life to the sacrifices of America's veterans—men and women who answered the call to duty and served with honor. In recognition of that debt we have an obligation to protect and maintain the benefits they earned. As a veteran of 23 years in the Marines I know that the costs of war can never be accurately measured and they do not end with the cessation of hostilities. These costs should not be discounted by budget-cutting bureaucrats and must not be written off during times of peace.

Only peace and freedom are worthy of the exertions and sacrifices our veterans have made. Those of us who live free and secure as a result of these sacrifices owe more than a debt of thanks, we have a moral obligation to provide continuing care and comfort to America's veterans. Thus I urge my colleagues to join me in supporting a fair and responsible budget for veterans programs.

Mr. MURKOWSKI. Mr. President, how much time do I have?

The PRESIDING OFFICER. Who yields time?

The Senator from California.

Mr. CRANSTON. Mr. President, I want to emphasize a final point.

The PRESIDING OFFICER. Will the Senator suspend?

To answer the question of the Senator from Alaska, there is 1 minute remaining on his time.

Mr. MURKOWSKI. I thank the Chair.

Mr. CRANSTON. Mr. President, I want to emphasize a point to my colleagues regarding the amendment to provide full COLA's in veterans' compensation and pension, along with military and civil-service retirement benefits, which was so preemptorily proposed by the distinguished majority leader last Thursday and adopted by a vote of 80 to 18. The adoption of that amendment does not provide any real assurance that the Senate-passed version of the budget will provide full COLA's for the VA programs. Clearly, last Thursday's amendment was proposed only in light of the vote, on the day before, to grant full COLA's to Social Security beneficiaries. Equally clearly, the Republican leadership is now working to assemble a new budget package from the wreckage of the Reagan/Republican leadership plan.

In the words of the majority leader, they're trying to put humpty-dumpty together again. When and if they do, the new plan could well entail a freeze or other form of restraint on Social Security COLA's. And if that occurs I feel certain that veterans who were dealt back in only after full COLA's were agreed to for Social Security will be dealt back out when a freeze or reduction in Social Security COLA's are proposed again as part of a final package.

Mr. President, our amendment has an entirely different background and an entirely different premise. We are proposing full COLA's for VA compensation and pension apart from and independent of what is proposed or adopted with respect to Social Security. We believe that, in the absence of across-the-board, equitable reductions or freezes in all COLA's, compensation and pension recipients should be entitled to full COLA's. Thus, when the Budget Committee recommended full COLA's for supplemental security income, food stamps, and non-service-connected VA pension, but not for service-connected disability compensation, we submitted our amendment to provide for full COLA's for compensation.

When the Reagan/Republican leadership package proposed to subject VA compensation and pension benefits, along with Social Security, to 3 years, more than 50-percent cuts in COLA's, but to continue to grant full COLA's for SSI and food stamp, welfare recipients, we took the position that, as a matter of fairness to veterans, full COLA's should be provided to both compensation and pension recipients.

Therefore, Mr. President, the real vote, the meaningful vote on COLA's for VA compensation and pension beneficiaries will occur on this amendment. This amendment is not a me-too addendum to a successful Social Security amendment that may well be undone and which, at this very moment, the Republican Senate leadership is seeking to undo.

Our amendment is a veterans' programs amendment that stands on its own, separate from Social Security. Thus, the real test of support for VA compensation and pension COLA's is on this amendment, and I urge all of my colleagues to show their support for these COLA's, for fairness for disabled veterans, by voting for our amendment.

Mr. President, I have a number of points I want to raise in addition to those I made in my earlier statement.

MEANS TEST SAVINGS

First, I want to respond to the claim that the enormous cuts in VA health care proposed by the Reagan/Senate Republican leadership package would be achieved simply by denying care for certain non-service-connected disabilities of veterans who can afford to obtain care in non-VA facilities. This is an unfounded claim. Indeed, it is one that even the administration has not made.

I have previously noted the administration's official position—both in the letter transmitting the draft means test legislation and in testimony on April 23 before the House Committee on Veterans' Affairs—that the proposal would not produce measurable savings. In fact, the VA chief medical director's testimony asserted that the means test proposal was not being put forward as a cost-saving proposal.

Therefore, any assertions that the cuts in VA health-care funding would be absorbed simply by turning away veterans who would not pass the means test contradicts the administration's established, official position.

The theory that the means test would yield hundreds of millions of dollars of savings is just that—a theory. But, the dollars proposed to be taken out of the VA are not theoretical dollars. The health-care personnel cutbacks that would occur would not be theoretical either. Nor would the great reductions in the capacities of VA medical facilities that would inevitably follow be other than all too real.

These are all realities that would occur under the proposed budget levels. Compared to the staffing levels and caseloads that the VA would maintain in fiscal years 1986, 1987, and 1988 if it were to continue operating its existing facilities and carry out its plans for new activations in those years, the Reagan/Senate Republican leadership plan would require a staffing reduction of over 33,000 employees and patient-care cutbacks of over 280,000 hospital admissions and nearly 1.3 million outpatient visits in these 3 years.

And does anyone believe that these cutbacks would be reversed after fiscal year 1988?

Mr. President, we're asked to approve these cuts, and to enforce them as part of the caps on discretionary appropriations, because of a totally untested, entirely speculative theory. That theory is based on the possibility that the means-test proposal submitted to Congress less than 3 weeks ago and on which our committee has not yet held hearings would justify those enormous cuts. I once again emphasize: the administration did not claim such savings when it submitted the proposal. And the VA's chief medical director clearly disavowed such savings in the only congressional hearings, those conducted in the other body, that have been conducted.

Mr. President, I am sure that all Senators can recognize that reliance on this theory is a very, very bad risk to which sick and disabled veterans should not be subjected.

Mr. President, I also wish to comment on the CBO analysis of the means test that has been referenced. Although I certainly believe that the CBO effort represents a good faith at-

tempt to predict the impact of a means test, I am not persuaded as to its accuracy or overall validity.

First, it is not a formal cost estimate, and it has not been signed by the director of the CBO or even by the head of the CBO division concerned. It is only staff analysis of the proposed means test and an admittedly highly speculative analysis at that.

The analysis and a covering memorandum contain the following statements attesting to its preliminary, speculative nature:

On page 3 of the cover memo, it is stated, "the results of the analysis are sensitive to some data limitations, particularly the lack of sufficient information about veterans' out-of-pocket medical expenses."

On page 7 of the cover memo, it is stated, "it is important to note that the findings in this analysis could be overstated because they assume complete implementation of the means test."

Page 9 of the analysis contains the following statement: "[A]ll of the results are based on VA hospital users—sampled during the sample year 1979, and may not always reflect the characteristics of future VA users."

Page 12 of the analysis states, "note . . . that the small number of aged veterans in the sample precludes reliable estimates for that population."

These are just examples of the reservations stated in the staff analysis and cover memo. I would also note that the analysis does not take into account the exclusion from the means test of the 2.3 million Vietnam veterans who may have been exposed to agent orange or the 250,000 veterans who participated in nuclear weapons testing whose disabilities may be related to their exposure to those hazards. This is over 2½ million eligible veterans.

Likewise, the analysis ignores totally the administration's proposed authority to waive the means test in order to avoid hardship. It seems reasonable to me to expect that the waiver authority would be exercised in cases involving extraordinarily expensive care and that those cases would have an impact on any cost savings.

Second, it is clear that the CBO staff informal analysis is, at best, a prediction and, as with any prediction, may prove to be wide of the mark. Making up-front reductions in medical-care funding in an amount equal to the predicated savings is plainly not justifiable from the standpoint of fairness to veterans.

Third, Mr. President, the most fundamental flaw in the CBO analysis is the complete failure to address the issue of whether there are veterans waiting to gain access to the VA but who have been denied care because of a lack of resources. This issue—the so-called replacement question—goes to the very core of the CBO analysis. If there are no veterans to replace veterans displaced from VA care by the means test, then there may be some validity to the estimate. If, however, there are eligible veterans who will take the place of veterans denied care, as the VA has asserted there are, then much of the projected savings is illusory. There are different viewpoints on this question and very few hard facts. However, the failure, in the CBO analysis, even to acknowledge the possibility of other veterans who may be seeking VA care is a very serious flaw in my mind. We have asked that the flaw be corrected.

We did so in an April 30 letter to the director of CBO, Dr. Rudolph Penner, from the chairmen and ranking minority members of the House and Senate committees. However, in a May 3, 1985, letter, CBO advised that it would not be able to produce the necesary analysis until May 10, at the earliest.

The other problem I have with the CBO analysis is that nowhere does it translate the projected dollar savings into the reductions in VA staffing and health-care capacity that will have to accompany the assumed caseload reductions. This omission can create the impression that the savings will appear as if by magic. But the only way to save money in the VA medical care account is to cut back staff and resources. That point must be understood in the context of the upcoming vote.

In the final analysis, the means test is an unknown and the CBO informal analysis is just an unofficial staff prediction and a highly speculative one at that. Placing reliance upon it to make drastic cuts in VA health care would be most irresponsible and patently unfair to veterans.

MEANS TEST AND FAIRNESS

Mr. President, it has been asserted that the proposed means test and particularly the application of the means test to veterans age 65 and older is necessary in order to be fair to veterans under age 65. I am quite puzzled by the references to the fairness of such an action to veterans under age 65. There has been no official estimate yet produced showing any savings resulting from the means test.

As I have previously noted, the position stated by the administration in the letter officially transmitting its means test proposal and in its testimony before the House Committee on Veterans' Affairs is that the proposal would not—would not—produce measurable savings. The administration has not produced a detailed cost estimate showing which veterans would be denied care by the VA under the means test.

The only written analysis of the administration's means test that has been produced—an April 22, 1985, CBO memorandum—estimates that, through fiscal year 1990, for every veteran age 65 or older who would be excluded from care, three veterans under age 65 would be turned away. I fail to see any greater fairness to younger veterans in that result than they receive under current policies.

Much more importantly, however, I am certain that the administration's inappropriate use of the proposal in the context of this resolution—that is, to cut deeply into funding for the VA medical care system—is grossly unfair to veterans of all age groups.

Mr. President, I want my colleagues to be absolutely clear about this last point: Any savings claimed for a means test can come only from the VA maintaining fewer beds and less outpatient capacity and employing fewer staff in order to provide fewer episodes of care. Reductions in funding for VA medical care cannot be accomplished with mirrors. To reduce outlays, there must be a reduction in health-care staff and capacity. And my colleagues can be assured that the assumption underlying the Reagan/Senate Republican leadership agreement that a means test will produce large-scale savings in VA health care means large-scale cuts both in VA health-care personnel and in the numbers of veterans provided care.

MAY 6 DEAR COLLEAGUE LETTER

Mr. President, on May 6, the chairman of the Veterans' Affairs Committee sent out a "Dear Colleague" letter seeking to refute my May 1 "Dear Colleague" letters, in which I shared with all Senators information regarding the massive adverse impact on the VA health-care system that would result from the Reagan/Republican leadership package.

The chairman enclosed with his May 6 letter, a letter he had obtained from the Administrator of Veterans' Affairs, Harry Walters.

I want to comment on both letters.

Administrator Walters in his letter admits, I am pleased to note, that the data in my May 1 letter were obtained from the VA inexplicably, however, he erroneously characterizes the questions posed to the VA by the Veterans' Affairs Committee's minority staff as "hypothetical questions dealing with the magnitudes of varying budget scenarios." As evidenced by the answers the VA provided and I shared with all Senators—the questions did not deal with "varying budget scenarios." The questions related precisely to the funding levels underlying the function 700 totals in the Reagan/Republican leadership package; and the question asked was simply: "What would the VA have to do if it were given those funding levels in its medical care account?" Also, the questions were hypothetical only in the sense that any question asking what an agency would do if confronted with certain budget cuts is hypothetical.

Next, Administrator Walters stated, "It appears that numbers, based on hypothetical situations and making very significant and unfounded geographic-specific assumptions, are being

shared with the Senate. In my May 1 letter, I reported that, for the VA to proceed with planned VA activations in fiscal years 1987 and 1988 within the stringent limitations of the Reagan/Republican leadership budget levels would have required the VA to cut staffing at its existing facilities by over 25,000 FTEE in those years. By not proceeding with those activations, the VA would be able to reduce its personnel losses at existing facilities by nearly 14,000 FTEE. Therefore, I made the logical point, based on these factors, that the VA might well elect to cancel or postpone many of its planned activations. That was and is my judgment. I stand by it."

Mr. President, the most disappointing part of Administrator Walters' letter was the incredible admission "that the VA has not developed specific geographic facility or personnel impact analyses of resources that may be made available either in—fiscal year 1986—or the outyears except for those based on the President's original fiscal year 1986 budget request." And the Administrator went on to state, "All outyear numbers are plugged numbers in that no detailed analysis has been developed to either support or deny them."

Mr. President, what excuse can there possibly be for the administration not developing information to enable itself, the Congress, and the public to understand what this administration is proposing in the Reagan/Republican leadership plan? When this administration proposes a comprehensively revised budget plan, why does it feel no responsibility to know—and to explain—what the impact will be on the Nation's veterans? Does it even care?

What is clearly evident here is a conscious effort not to know and not to inform. The attempt is being made to put the truth and the facts off limits to the Senate of the United States. That is why my April 12 and 26 letters to Mr. Walters urgently requesting detailed information regarding the impact of the Reagan/Republican leadership package on VA programs have been totally—totally—ignored. The only response I ever received was a May 7 letter providing absolutely none of the information I had requested.

Fortunately, Mr. President, this embargo on the truth has not been entirely effective. My informal request, through committee staff, for information on the impact of the leadership plan produced some data—and I presented all of those data to my colleagues. Some truth, at least, did emerge.

Mr. President, regarding Senator MURKOWSKI's May 6 "Dear Colleague" letter, in my May 1 letter I shared with all Senators the information that I had obtained from the Office of the VA's Chief Medical Director on the effects of the leadership package on VA medical care. Senator MURKOWSKI has presented no data to contradict what I provided.

What exactly does Senator MURKOWSKI's letter present to us? The answer is that his May 6 letter gave us one monumental set of contradictions and nonsequiturs. Please review that letter closely. In the second paragraph he restates Administrator Walters' unusual claim that the administration has not analyzed the resources that would be available under his own President's plan.

Having forcefully made the point that nothing is known, Senator MURKOWSKI's letter goes on to make broad sweeping claims—that funding and staff for facility activations will be provided to the VA, that all construction will proceed on schedule, and that not one employee will be laid off as a result of the Reagan/Republican leadership plan. Clearly, these are the assertions that are without foundation. This letter itself claims that the analyses necessary to support such assertions have not been done. If the analyses do not exist, how can the assertions be made?

This is self-contradiction in its purest form.

Moreover, the letter raises the issue of funding levels for new construction projects and provides assurances about two major replacement facilities a year being provided for in the administration's long-range plans. First, no question has been raised—certainly not by me—about the funding of construction projects out of the construction account. The question has been whether there would be adequate funds in the medical care account to provide staffing needed to activate the construction projects that are scheduled to come on line.

I have done all that I could do to discover what impact the deep, deep cuts in VA health-care funding would have on veterans' health care. Despite the administration's concerted effort that has now come to light not to know or learn the truth and even to try to keep it from escaping, we were successful in learning the outlines of the utter devastation that would befall the VA's health-care system if the Reagan/Republican leadership package were implemented. All Senators now have that information.

LAYOFFS

As I have stressed several times, the figures—including those which relate to the reduction in the number of health-care employees—that I have cited were provided by the VA in response to the request by the minority staff for information on the impact on VA medical care of the funding levels in the Republican leadership/White House Agreement. Those figures are accurate and no evidence has been produced to the contrary. Nor has Chairman MURKOWSKI offered any evidence to support the assertion in his May 6 "Dear Colleague" letter that "not one employee will be laid off" the Republican leadership proposal is adopted.

Clearly, the leadership agreement assumes significant reductions in funding for the medical care account in each of the next 3 fiscal years.

Equally clearly, such reductions must involve a reduction in the number of overall staff—a total reduction of over 33,000 F.T.E.E. through fiscal year 1988 compared to what the VA says it needs in order to maintain staffing levels at its existing facilities and bring planned activations on line.

The argument is now made that not one employee will be laid off because the staffing reductions can be achieved through an employment freeze and normal attrition. That argument won't wash.

Although there is turnover among VA health-care employees—frequently as a result of the availability of higher wages in the private sector—which, through a freeze on new hires, could result in some reduction in overall staffing, it is simply not possible to rely on attrition alone to accomplish the massive reductions that would be required. Attrition is a very imprecise tool and cannot be expected to yield reductions in the type or grade level or in the geographic areas of the employees whose jobs would be proposed for elimination. On the basis of my over 16 years of experience with the VA Health-Care System, I am absolutely confident that a reduction of the size involved in this debate absolutely cannot be made in a system as complex and interrelated as the VA Health-Care System without substantial layoffs. That point must be understood before Senators vote on the pending amendment.

ACTIVATIONS

Mr. President, I want it to be very clear that neither I nor committee minority staff were the ones to first raise the issue of canceling or postponing new facility activations in fiscal year 1987 or fiscal year 1988. The Office of the VA's Chief Medical Director raised that issue in the first instance.

This is how the issue came up. Committee minority staff asked the Chief Medical Director's Office to provide information as to what the VA would have to do if it were given the medical care account levels that are provided for in the Reagan/Republican leadership plan. In response to that question, the VA provided two alternative ways in which it could deal with the cutbacks. One way involved going ahead with planned activations in fiscal year 1987 and fiscal year 1988 and taking all of the cuts in existing facilities. The other approach presented to us by the VA was to cancel all of the fiscal year 1987 and fiscal year 1988 planned activations and thereby minimize the cutbacks in existing fa-

cilities. I then passed that information along to all Senators.

That, Mr. President, is how the activation issue arose. We did not raise it or even mention it at all until after committee minority staff received that VA response. It was brought up by the Office of the VA's Chief Medical Director as a possible means for dealing with the devastating cutbacks that the Reagan/Republican leadership package would require.

SOLVENCY OF LOAN GUARANTY REVOLVING FUND

Mr. President, it's asserted that the increase in the VA loan guaranty fee is necessary to ensure the solvency of the Loan Guaranty Revolving Fund.

In this regard, I want to stress again that the Congressional Budget Office has estimated that there is no need—I repeat, no need—for any appropriations to the Loan Guaranty Revolving Fund. No need now and no need in the future, through at least 1990.

Congressional Budget Office takes this position based on its assumptions that in fiscal year 1986 and later years the VA will continue—at the rate it experienced in fiscal year 1984—to sell properties it obtains as a result of foreclosures and to sell on the secondary market its portfolio of vendee loans. There is good reason to give full credence to the Congressional Budget Office's assumptions.

In a February 28, 1985, memorandum, Congressional Budget Office points out that in fiscal year 1984 the VA sold 46 percent of the vendee loans in its portfolio. However, the VA's budget estimates are based on it selling only 30 percent of its portfolio in fiscal year 1986. With respect to properties obtained through foreclosures, although the VA sold 56 percent of the real property in its inventory in 1984, it estimates that it will sell only 40 percent in fiscal year 1986.

The decline in these figures is at the heart of the matter. If the VA were simply to maintain the rates of sales it achieved in fiscal year 1984 and is achieving thus far in fiscal year 1985, the revolving fund would remain solvent and there would be no need for appropriations or a fee increase.

The dispute here involves the administration's claim that the rates of both types of sales will fall off precipitously, and I have seen no factual justification for it. To the contrary, the facts—as well as the judgment of the Congressional Budget Office—clearly indicate that those rates can be maintained or exceeded. They show that the administration's claim that the VA lacks the ability to keep up its sales of properties and loans is just another one of its deceptions designed to make us believe that there is some dire need to take action to shore up the solvency of the revolving fund.

Indeed, the VA itself has just expressed a much rosier picture of its capacity to continue to make these sales at or above the current rate. At a hearing last week, the VA testified,

> We have been able to make encouraging progress with our property sales results during 1984 and expect to accelerate sales further during 1985 to reduce our inventory and to minimize the demands on the loan guaranty revolving fund.

Mr. President, the Agency itself says they expect to do better in fiscal year 1985 than in fiscal year 1984. Yet, the OMB-approved budget documents stated exactly the opposite.

The VA testified that, during the first half of fiscal year 1985, it has sold 37 percent more properties than it did in the first half of fiscal year 1984. In March alone, the Agency experienced the highest monthly sales figure since September 1966. Sales of properties this past March represented 12 percent of the total property inventory for the VA. Agency officials testified that, based on the experience of the first 6 months of fiscal year 1985, they expect to sell "over a billion dollars in property by the end of fiscal year 1985."

Mr. President, this means that the VA will sell properties for $100 million or more in excess of what the President's fiscal year 1986 budget documents estimated for fiscal year 1985. That means $100 million more in offsetting collections for the revolving fund in fiscal year 1985 alone.

Mr. President, there's no reason to believe—as OMB Director Stockman would have us believe—that the VA is letting up in its efforts to maintain this selling record. The VA is letting up in its efforts to maintain this selling record. The VA has taken a series of steps designed to promote sales such as placing extra emphasis on sales in field stations with the greatest inventory, bonuses and sales commissions for hard-to-sell properties, discounts for cash, the payment of reasonable loan discount points, and auctions of properties in areas with difficult inventory problems.

Moreover, as CBO points out in its memorandum, the declines in interest rates and in unemployment rates projected by both CBO and OMB would serve to bring more potential buyers into the real estate market and, thus, make VA's property holdings easier to sell in fiscal year 1986 and later years than they were in fiscal year 1984.

Thus, Mr. President, the administration's claim that the fee increase is needed to ensure the revolving fund's solvency is unfounded. It's no more true than is OMB's ridiculous claim that increasing the fee from 1 to 5 percent would prevent no veterans from using their VA loan guaranty entitlement. Both claims are false.

The truth is that it is not necessary to increase the fee to ensure the solvency of the Loan Guaranty Program. That's only an administration ploy designed to hide its real agenda—the placing of this unfair discriminatory tax on veterans, principally Vietnam-era veterans, as an illegitimate means to reduce the deficit.

Mr. President, there is another point I would also like to make.

REBUTTAL RE USE OF PRESIDENT'S FISCAL YEAR 1985 FIGURES

Mr. President, about the figures that the Reagan/Republican leadership package assumes for the increase in the VA loan guaranty fee from 1 to 2 percent in fiscal year 1986, to 2.5 percent in fiscal year 1987, and to 3 percent in fiscal year 1988. According to my best information, CBO would project those cost savings as $157 million in fiscal year 1986, $228 million in fiscal year 1987, and $223 million in fiscal year 1988—$608 million over the 3 years. However, it is my understanding that, over the 3-year period, the leadership package claims total savings of $73 million more. Moreover, it is my understanding that the leadership package assumes that a 3-percent fee in fiscal year 1988 will produce just as much in budget savings as a 3.8-percent fee?

How could that be so?

PAST APPROPRIATIONS AND TRANSFERS TO LGRF

Mr. President, in past years funds were transferred from the direct loan revolving fund to the loan guaranty fund in order to keep the program solvent. That is no well-kept secret. Our committee set forth these and other facts regarding the program in our report on S. 2391 in March of 1984. Also, I am sure that many Senators are aware of the appropriations made to the revolving fund in the past 2 years.

But that does not in any way change the facts regarding the present—and that is that CBO says, as I have pointed out, that the revolving fund will not need an appropriation or the receipts from an increased fee in order to remain solvent through fiscal year 1990.

Mr. President, before last year, there was no 1-percent fee that was deposited in the revolving fund, sales of VA foreclosed properties were often sluggish, and in too many instances, the VA acquired properties when it should have paid off the guaranty instead. All of these factors created a drain on the revolving fund.

We have now established a 1-percent fee and taken other steps to correct the situation. Based on CBO's analysis, we have been successful. I'm certain that there is more that could be done to improve the program and I want to be helpful in that regard. But, clearly the one thing we do not have to do is increase the fee.

I want to be sure that my colleagues are aware of some of those who oppose the fee increase—the National Home Builders Association, the Mortgage Bankers of America, the American

Legion, the Veterans of Foreign Wars, the Disabled American Veterans, the AMVETS, the Paralyzed Veterans of America, the Non-Commissioned Officers Association, and the Vietnam Veterans of America.

CONCLUSION

Mr. President, I have been, for all of my 16 years in the Senate, either the chairman—for 12 years—or the ranking minority member for the last 4—of the subcommittee or full committee with jurisdiction over the VA health-care system. In 1970, we had a big veterans vote to add $125 million for VA health care. It carried overwhelmingly and was the beginning of a decade-long effort to equip the Veterans' Administration to provide first quality, modern medical care to veterans, especially those veterans returning from the Vietnam war for whom in 1970 the Veterans' Administration was woefully prepared.

Now, this amendment is all that stands between David Stockman and his determination to reverse our progress and returning staffing levels back toward where they were 15 years ago. I feel no sense of exaggeration whatsoever in saying that this is the most important veterans issue vote in the U.S. Senate in 15 years. The veterans of America know it and every Senator should know it.

I regret deeply that this effort has been given a partisan tone. Veterans issues have rarely been partisan ones. But I don't want a bipartisan approach to veterans issues if it means seeing the VA health-care system run over by the OMB steamroller and doing nothing about it.

I sought in every way I could to reach an accord with the other side on this amendment, but the only way to achieve a bipartisan approach would have been for me to stand by—in so-called bipartisan fashion—and allow America's veterans to be defeated without a fight. I chose and I choose to fight to defend them just as they fought to defend this country.

I do so proudly.

Here we are today, 1 day after V-E Day and 2 days after the anniversary of the end of American involvement in the Vietnam war. Last night, we celebrated our World War II victory in the majority leader's office. As the distinguished leader said last night in extending an invitation to all of us, we gathered then in honor of the veterans who answered when their country called.

Saying these things is often easy. But honoring our commitments is not always so easy.

I urge my colleagues to put aside partisan concerns.

I urge my colleagues to reject the lockstep of party discipline and vote the way they know is right and fair to keep faith with America's veterans.

A vote for this amendment is a vote no Senator will ever regret making.

The PRESIDING OFFICER. The time of the Senator from California has expired. The Senator from Alaska has 1 minute remaining.

Mr. MURKOWSKI. I thank the Chair. I thank my colleague, the Senator from California.

I should like to point out that during this debate I have attempted to make the point that the veterans of this country will continue to be treated fairly under this proposed budget which has been described in great detail.

I thank the majority whip for his reference and reinforcing statements with regard to the obligation of this country in meeting the needs of veterans. I think what we have to do is to recognize that the needs of veterans are changing, but the responsibility does not change.

As evidenced by the Budget Committee and my colleagues on the Veterans Committee on the Republican side, we are committed to maintaining the high quality of services that have been afforded the veterans of this country. We feel certain that the VA will work with the proper intent in increasing the efficiencies within the organization, so that the quality of service that has been provided for so long will continue.

The PRESIDING OFFICER. The time for debate on the amendment has expired. The yeas and nays have not been ordered.

Mr. DOMENICI. Mr. President, I move to table the amendment, and I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

The PRESIDING OFFICER. The question is on agreeing to the motion to table the amendment. On this question the yeas and nays have been ordered, and the clerk will call the roll.

The assistant legislative clerk called the roll.

Mr. SIMPSON. I announce that the Senator from Maryland [Mr. MATHIAS] is necessarily absent.

I also announce that the Senator from North Carolina [Mr. EAST] and the Senator from California [Mr. WILSON] are absent due to illness.

Mr. CRANSTON. I announce that the Senator from Nebraska [Mr. EXON] is absent due to illness.

The PRESIDING OFFICER. Are there any other Senators in the Chamber who desire to vote?

The result was announced—yeas 49, nays 47, as follows:

[Rollcall Vote No. 54 Leg.]

YEAS—49

Abdnor	Cochran	Denton
Armstrong	Cohen	Dole
Boschwitz	D'Amato	Domenici
Chafee	Danforth	Durenberger
Evans	Kassebaum	Roth
Garn	Kasten	Rudman
Goldwater	Laxalt	Simpson
Gorton	Lugar	Stafford
Gramm	Mattingly	Stevens
Grassley	McClure	Symms
Hatch	McConnell	Thurmond
Hatfield	Murkowski	Trible
Hawkins	Nickles	Wallop
Hecht	Packwood	Warner
Heinz	Pressler	Weicker
Helms	Proxmire	
Humphrey	Quayle	

NAYS—47

Andrews	Ford	Melcher
Baucus	Glenn	Metzenbaum
Bentsen	Gore	Mitchell
Biden	Harkin	Moynihan
Bingaman	Hart	Nunn
Boren	Heflin	Pell
Bradley	Hollings	Pryor
Bumpers	Inouye	Riegle
Burdick	Johnston	Rockefeller
Byrd	Kennedy	Sarbanes
Chiles	Kerry	Sasser
Cranston	Lautenberg	Simon
DeConcini	Leahy	Specter
Dixon	Levin	Stennis
Dodd	Long	Zorinsky
Eagleton	Matsunaga	

NOT VOTING—4

East	Mathias
Exon	Wilson

So the motion to table the amendment (No. 75), as modified, was agreed to.

Mr. DOLE. Mr. President, I move to reconsider the vote by which the motion was agreed to.

Mr. DOMENICI. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. DOLE. Mr. President, I hope this is some indication that maybe these amendments will be less and less desirable as we get into the afternoon. It is still my hope that we can conclude action on this package at a relatively early hour. But, again, it is difficult to know precisely because I am not aware of all of the amendments.

Does the Senator from Florida have an amendment?

Mrs. HAWKINS. I have an amendment.

Mr. DOLE. Can the Senator agree to 10 minutes for each side?

Mrs. HAWKINS. Twelve.

Mr. DOLE. The Senator from Florida may have 12 minutes and I will take 8 minutes.

Mr. President, I ask unanimous consent that there be 20 minutes on the amendment, 12 to the proponents and 8 to the opponents.

The PRESIDING OFFICER. Without objection, it is so ordered.

AMENDMENT NO. 77

(Purpose: To restore funding for the school lunch program for each of the fiscal years 1986, 1987, and 1988 to the level of funding provided for the program for fiscal year 1985)

Mrs. HAWKINS. Mr. President, I send an amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report.

The assistant legislative clerk read as follows:

The Senator from Florida (Mrs. HAWKINS), for herself, Mr. BOSCHWITZ, Mr. KENNEDY, Mr. BOREN, Mr. SARBANES, Mr. KERRY, Mr. FORD, Mr. DODD, Mr. RIEGLE, Mr. ROCKEFELLER, Mr. HOLLINGS, Mr. BYRD, and Mr. LEVIN, proposes an amendment numbered 77.

Mrs. HAWKINS. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

In the pending amendment, do the following:

On page 3, increase the amount on line 12 by $400,000,000.

On page 3, increase the amount on line 13 by $600,000,000.

On page 3, increase the amount on line 14 by $800,000,000.

On page 3, increase the amount on line 18 by $400,000,000.

On page 3, increase the amount on line 19 by $600,000,000.

On page 3, increase the amount on line 20 by $800,000,000.

On page 3, increase the amount on line 25 by $400,000,000.

On page 4, increase the amount on line 1 by $600,000,000.

On page 4, increase the amount on line 2 by $800,000,000.

On page 4, increase the amount on line 6 by $400,000,000.

On page 4, increase the amount on line 7 by $1,000,000,000.

On page 4, increase the amount on line 8 by $1,800,000,000.

On page 4, increase the amount on line 12 by $400,000,000.

On page 4, increase the amount on line 13 by $600,000,000.

On page 4, increase the amount on line 14 by $800,000,000.

On page 24, increase the amount on line 2 by $400,000,000.

On page 24, increase the amount on line 3 by $400,000,000.

On page 24, increase the amount on line 12 by $500,000,000.

On page 24, increase the amount on line 13 by $500,000,000.

On page 24, increase the amount on line 22 by $700,000,000.

On page 24, increase the amount on line 23 by $700,000,000.

On page 33, increase the amount on line 2 by $100,000,000.

On page 33, increase the amount on line 3 by $100,000,000.

On page 33, increase the amount on line 11 by $100,000,000.

On page 33, increase the amount on line 12 by $100,000,000.

On page 37, decrease the first amount on line 11 by $403,000,000.

On page 37, decrease the second amount on line 11 by $375,000,000.

On page 37, decrease the amount on line 12 by $529,000,000.

On page 37, decrease the amount on line 13 by $520,000,000.

On page 37, decrease the first amount on line 14 by $676,000,000.

On page 37, decrease the second amount on line 14 by $666,000,000.

On page 44, decrease the amount on line 10 by $403,000,000.

On page 44, decrease the amount on line 11 by $375,000,000.

On page 44, decrease the second amount on line 12 by $529,000,000.

On page 44, decrease the amount on line 12 by $520,000,000.

On page 44, decrease the amount on line 13 by $676,000,000.

On page 44, decrease the amount on line 14 by $666,000,000.

Mrs. HAWKINS. Mr. President, on behalf of myself, Senators BOSCHWITZ, KENNEDY, BOREN, SARBANES, KERRY, FORD, DODD, BURDICK, RIEGLE, ROCKEFELLER, HOLLINGS, and LEVIN, I am offering an amendment to eliminate the proposed cut in Federal support for child nutrition programs currently assumed in the budget resolution.

The original budget resolution as reported by the Committee on the Budget presumed a cut of $700 million in child nutrition for 1986 alone and substantially higher levels for 1987 and 1988. The Senate leadership-White House budget plan reduced this cut in child nutrition to $375 million in fiscal year 1986, $520 million in fiscal year 1987, and $666 million in fiscal year 1988. The Senate leadership-White House plan, the plan before us today, is an improvement over the original proposal, and I give them credit. However, in reviewing the extent of prior cuts to the program, and the effects of these proposed cuts, I firmly believe that our children cannot withstand further cuts in their nutritional programs.

You will remember that the Reconciliation Act of 1981 reduced Federal support for child nutrition by almost 30 percent or a full $1.5 billion. This was one of the steepest cuts contained in the entire reconciliation package. During that 1981 round of cuts—which I supported—our child nutrition programs comprised less than one-half of 1 percent of the Federal budget, yet they shouldered approximately 4 percent of the total savings enacted. In short, the child nutrition cut enacted in 1981 was about 10 times greater than an across-the-board freeze.

Now, I say that is enough. We have done enough to child nutrition programs. I know they do not vote. I know they do not have a PAC. But I must tell you that we cannot have these huge cuts from the National School Lunch Program.

Mr. President, in the pending budget resolution, most of the child nutrition cuts are assumed from the National School Lunch Program. Specifically, the cut would eliminate 100 percent of the Federal cash support paid to schools for meals served to children from families with incomes over $19,700. Nineteen thousand dollars sounds like a lot of money. But if you have four or five children and you are a single parent, I do not know how you manage breakfast and dinner, let alone lunch.

Proponents of this cut, and opponents of our amendment, would have us believe that the cut simply eliminates subsidies to "upper-income children." I have heard that for a week. This is absolutely not true. In point of fact, the aid we are discussing (No. 4 of the National School Lunch Act) is not a subsidy to "upper-income children." Indeed, it is neither a grant nor a transfer payment to individuals at all.

Under this program, schools and institutions, not individual children, are provided 12 cents in Federal support for each meal served which meets USDA nutritional guidelines. The money goes to the school or daycare center and is used to support the basic infrastructure of the school lunch program at the local level. The Federal assistance which would be eliminated under the budget proposal, goes to help defray these costs which must be met for any child, rich or poor, to receive a school lunch. This Federal assistance is the "carrot" that attracts local communities throughout the country to participate in the National School Lunch Program.

According to the American Association of School Administrators, the Chief State School Officers, the American School Food Service Association, national PTA, and other experts in the field, if this financial assistance were removed we could expect to see thousands of schools throughout the United States forced from the National School Lunch Program. In its recent survey, the National School Board Association discovered that 29 percent of the districts questioned would discontinue lunch programs if the Federal reimbursement was eliminated. An additional 9 percent maintained that continuation of the program without Federal payments for full-price lunches is questionable. A second poll by the American Association of School Administrators indicated that an incredible 41 percent of responding school districts would be forced to drop the Federal School Lunch Program. Conservatively, we could expect between 3 and 5 million children and 5,000 to 6,000 schools to drop out of the National School Lunch Program if these cuts are not restored. When this occurs, all children in the community, including poor children, lose access to the program.

The prediction made by these respected national organizations should not come as a surprise to any of us. If you eliminate 100 percent of the Federal cash incentive for doing something while simultaneously retaining the cost of meeting Federal verification guidelines, documentation requirements, Federal audits, and other regulations, common sense dictates that many schools will drop from the program.

Let me clarify that I am not predicting that all schools will be forced from the program. Schools with a high percentage of free and reduced price

school lunches will be able to stay in it. But in those communities where only 10, 20, or 30 percent of the students participating in the National School Lunch Program are currently receiving a free or reduced price lunch, it is reasonable to assume that many of these schools will not longer have the financial incentive to stay in the program. These schools would be losing all of their Federal cash support attributable to the vast majority of their children participating in the program.

Advocates of these cuts may claim that the schools can simply raise their lunch prices to cover the loss of Federal assistance. On its face it appears reasonable, but on further review it has dire consequences. The problem here is even if we assume every school remained in the program—and we know they will not—USDA studies indicate that for every 1-cent increase in lunch prices, there is almost a 1-percent decrease in school lunch participation by our children. So that is a 12-percent drop out even if all the schools stayed in the program. And when these kids drop out of the program, who knows what they will eat instead, if anything at all.

Mr. President, going far beyond the debate over how many students would be forced from the program, there is a more central policy question of where the program is headed under this budget proposal.

I think we all should understand the history behind the enactment of the National School Lunch Program of 1946. This act was passed immediately after the Second World War because we discovered that too many draftees failed their physicals because of childhood diseases suffered as a result of inadequate nutrition. Since its enactment in 1946, it has always been the congressionally mandated goal of this program to serve the nutritional needs of all children. This act was never intended as a welfare program aimed exclusively at poor children. Passage of the cuts assumed in the budget resolution would not only eliminate millions of students and thousands of schools from the program, it would change the very nature of the program. We should not allow this longstanding national nutritional program designed for all American children to become just another social welfare program for the poor.

If we were to enact the proposed budget cut, we would fundamentally change the character of the program and how it is viewed by local school boards all across the country. School administrators who are currently pleased to have health, education, and nutritional programs operating within the school facility will not appreciate operating a welfare or income security program to the public.

It is interesting to note, Mr. President, that when this cut was first proposed in 1981, it was referred to as terminating subsidies to "nonpoor" students. By 1982, it had become the proposal to eliminate the "middle income" school lunch subsidy. Now, in 1985 it is being referred to as the "upper income" subsidy. I do not know about your State, but in the State of Florida, a family of four earning less than $19,700 is not considered upper income. I do not know how they pay their utility bills. But who are these children who participate in the National School Lunch Program anyway? They are the population at large—of all races, financial resources, et cetera—our children. The vast majority of the students participating in the National School Lunch Program who are not receiving a free or reduced price lunch, have family incomes between $20,000 and $40,000—just like the population as a whole.

I have heard people say, "Why shouldn't we cut a child with a $250,000 in family income? Why shouldn't we take away their 12-cent subsidy?" The short answer is that they do not, and they should not receive a subsidy. First of all, the subsidy does not go to the child. It goes to the school, day care facility, or the drug rehabilitation facility where they are going to school, or the juvenile abuse center where they are being sheltered and fed. It does not go to the child, it goes to the facility. And the truly high-income individuals whose children attend expensive, private schools were already eliminated in 1981 when we already eliminated private schools with tuitions above $1,500.

So what exactly are we talking about? We are talking about the only Federal Child Nutrition Program that provides some small benefit to middle-income children in the hope of serving all children—which the budget proposal would eliminate. We would be transforming a successful nutrition and health program into a welfare program which would ultimately not even serve poor children effectively.

In south Florida, I have seen time and time again, elderly individuals who qualify for the Food Stamp Program who opt not to participate because of the stigma of the program. Likewise, it is not surprising that many educators believe that if the National School Lunch Program became a welfare program serving only poor kids, even these children would be reluctant to participate in the program. Imagine for a moment the trauma of a child who must face the stigma of saying "Yes, my parents are poor," or is considered somehow different because he stands in line and participates in the school lunch program. The health and well-eing of our children is too high a price to pay.

Mr. President, this proposed budget cut would not only harm the nutritional health of children in public schools but it would also hurt the nutritional well-being of our young children in family day care centers as well. At present, the Child Care Food Program is the single largest source of Federal support for family day care centers. While the budget proposal which imposes a means test for children in family day care centers may appear reasonable at first glance, it would be, in truth, be devastating to our family day care centers. It would, in fact, virtually eliminate family day care from the Child Care Food Program. Day care centers are still struggling from the 1981 cuts and as a result, are offering 34 percent fewer meals, 74 percent less variety of foods, and have laid off staff. They cannot afford further cuts. If a full-scale means test were imposed, administrative costs would jump 32 percent substantially exceeding reimbursements. Sponsoring organizations estimate that 63 percent of our child care homes would drop out of the program. Eighty-four percent said they would be forced to raise rates and would thus lose some children to cheaper day care or some children would be left at home because parents could not afford the increase. As the Children's Defense Fund notes, "given the enormous public concern with protecting children in child care settings from abuse and improving the quality of child care, it is ironic that the administration proposes a policy that would force most family day care providers underground and out of sight."

This amendment will also ensure that quality school lunches remain available to children in juvenile drug abuse centers, temporary shelters, halfway houses, and other institutions caring for our children. These kids are our "forgotten children" who are among the highest nutritionally at risk of all and require a proper diet in order to have a chance. We should not hurt them further.

Mr. President, all children deserve an adequate diet and these child nutrition programs are the surest method to ensure they receive one. Only 3 years ago the Department of Agriculture released the most comprehensive study yet completed on the National School Lunch Program. The Department found the program to be nutritionally important to students in all income categories. The report states:

> The superiority of school lunch is reflected in higher daily intake of nutrients for the general school age population and for all population subgroups that were examined.

In other words, children eat more and eat better because of the school lunch and day care feeding programs. It is for this reason that I am deeply

concerned about the real effects of this budget proposal. In addition Senators should be reminded that the National School Lunch Program is not only a popular program with a proven track record of success, but it also encourages the domestic consumption of nutritious agricultural commodities, products our farmers have grown. This not only helps us rid our stockpiles of surplus agricultural commodities, but helps build proper eating habits for our children. Thus, this program helps our children, our farmers and our very future.

Mr. President, let me summarize what I have stated today. In 1981, I supported the cuts in child nutrition and other programs because I felt it necessary to get this country back on its feet. This year however, I think we have gone too far. We are not talking about subsidies and programs which help corporations, interest groups, and others who can fend for themselves—we are talking about child nutrition programs—food for our children. If we impose these cuts on the school lunch and day care feeding programs, we risk preventing thousands of schools and millions of children from receiving the proper nutrition they need for their health and well-being. This program has and continues to serve its purpose well—providing nutritious and well-balanced meals to all children.

This is not a partisan issue and never has been. Many of our colleagues recently received a letter in support of this amendment from the former Republican leader of the Senate, Senator Hugh Scott. He closes his letter by saying:

As we all know, hungry children cannot learn. Let us not return to the days when poor children could not afford a school lunch and sat by and watched as other children enjoyed their lunch.

Senator Scott's summary is a fitting one for my feelings. I urge the adoption of my amendment and ask for the yeas and nays.

The PRESIDING OFFICER (Mr. DENTON). Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

Mr. DOMENICI addressed the Chair.

The PRESIDING OFFICER. The Senator from New Mexico is recognized.

Mr. DOMENICI. I yield myself 2 minutes. I compliment the distinguished Senator from Florida on her remarks and have great admiration for the former U.S. Senator, Senator Scott. I would mention that I believe he is a lobbyist for the American School Food Service Association. I would expect him to support the program. Basically they are a fine outside group supporting her amendment. Let me suggest that whenever we suggest changing a program like this, some people claim it is the end of the world. They claim that there is just no question about the ends to which we are effecting nutrition in our country through these changes. Well, the truth of the matter is that in this leadership package, only change recommended is a 12-cent subsidy for the nonpoor children who now get a 12-cent subsidy for school lunch. What children are these? These children are from households, with incomes 185 percent above poverty and from families with an average income of $33,000.

I really could stop there and just ask the U.S. Senate if our Nation with a $200 billion to $250 billion deficit and undergoing a major effort to reduce it to help everyone—including these families with $33,000 incomes—so that they are all going to have jobs and so their children can have jobs—if as part of a package we cannot ask these families to pay the 12 cents which the American people are now paying as a subsidy, then I frankly do not know if we can ever cut the deficit. I do not know that we could ever justify reducing the deficit under any circumstances.

I want to answer one other question. Every time we talk about the school lunch program, those who run the programs come up here and tell us, "Well, we understand a 12-cent subsidy is not bad, but we are going to lose the whole program because so many children will stop using it that we are going to close our cafeterias all over the country because these young children, instead of paying 12 more cents are going to stop buying lunches, and we will close the program down.

Mr. President, we heard that the last time when we had a slight change. The cafeterias did not close down. We do not believe they are going to close down this year, either. We believe the parents are going to find it is a great program and they will pay the 12 cents and if the schools themselves are subsidizing the programs, they are going to keep it going.

This is a small savings, $1.6 billion in outlays out of a package we are trying to put together of $300 billion. I think we ought to do it.

I am sure there are excesses for everything and justifications for everything in the budget, but I just wonder when we are ever going to find policies that we cannot afford to pay for any longer.

I yield whatever time we have remaining to the distinguished Senator from North Carolina [Mr. HELMS], the chairman of the Agriculture Committee.

Mr. HELMS. Mr. President, I have the greatest respect and admiration for the distinguished Senator from Florida [Mrs. HAWKINS], but we have leaned over backward to be fair. What we are talking about, as Senator DOMENICI said, is the subsidy for school-children from families who clearly are not poor, by any reasonable definition.

Mr. President, may I have the Senators' attention?

Mr. DOMENICI. Yes, indeed, Mr. President.

Mr. HELMS. We have not touched the poor children, have we?

Mr. DOMENICI. That is correct, Mr. President.

Mr. HELMS. Nor have we touched the so-called middle-income children receiving reduced-price lunches?

Mr. DOMENICI. That is correct, Mr. President.

Mr. HELMS. Mr. President, what we are talking about is about $400 million this year, $500 million next year, $600 million the next, of add-on to the deficit to pay the 12 cents for affluent children, if you want to use the word "affluent." I know of no credible testimony in the Agriculture Committee to indicate that any cafeterias have been closed down as a result of the modest correction we made in 1981. But for 12 cents from families at—is it 180 percent?

Mr. DOMENICI. 185 percent, Mr. President.

Mr. HELMS. 185 percent of poverty, I do not think that is too much to ask, Mr. President. The question is, Are we going to draw the line, are we going to try to save money, are we going to expect the people who are able to pay to pay for the school lunches and other nutrition programs? I think that is a fair proposition.

Child nutrition programs are an important, and large, part of the Department of Agriculture. Over $5 billion of the Department's budget is spent in this area—$3 billion for the School Lunch Program and over $2 billion for the school breakfast, child care food, summer, and WIC programs.

Significant budget restraint is proposed in this area within the President's fiscal year 1986 budget.

A reduction, rather than total elimination, of the subsidy to nonpoor families is contained within the Taxpayer Protection Plan, the Senate/administration agreement on the budget.

Mr. President, I am certainly aware that child nutrition programs are popular; indeed, they are popular with the Senator from North Carolina. But we all have some real soul searching to do this year about what we can afford—in these programs and other programs.

Perhaps it would be helpful to have a clear understanding of exactly what the income eligibility criteria and reimbursement rates are for the School Lunch Program.

The Federal Government provides reimbursements to schools for lunches served to all children under three types of categories based on family income. Children from families with incomes under 130 percent of poverty—the same eligibility level as exists

for the Food Stamp Program—are served a lunch at no cost to the student, a so-called free luch.

Students from families with incomes between 130 and 185 percent of poverty are classified as reduced-price students because they receive a lunch for only a minimal charge—currently with a maximum charge of 40 cents. Students from families with incomes over 185 percent of poverty receive a lunch for which they typically pay about 92 cents. However, a Federal reimbursement is still provided.

The following table outlines the estimated new income eligibility criteria for each of these categories beginning July 1, 1985, as compared with 100 percent of the poverty level.

INCOME ELIGIBILITY STANDARDS FOR FREE AND REDUCED-PRICE LUNCHES IN THE SCHOOL LUNCH PROGRAM

[July 1, 1985–June 30, 1986]

Family size (185 percent level)	OMB poverty income level, 1985 [1]	Free meal eligibility (130 percent of poverty level)	Reduced price eligibility of poverty
1	$5,250	$6,825	$9,713
2	7,050	9,165	13,043
3	8,850	11,505	16,373
4	10,650	13,845	19,703
5	12,450	16,185	23,033
6	14,250	18,525	26,363
7	16,050	20,865	29,693
8	17,850	23,205	33,023
Each additional person	+1,800	+2,340	+3,330

[1] Federal Register, volume 50, March 8, 1985, page 9518. Estimates for 130 and 185 percent of poverty computed by Susan Schillmoeller, Education and Public Welfare Division, Congressional Research Service, Library of Congress, April 4, 1985.

Reimbursement rates are indexed annually on July 1. Following are the reimbursement categories and the levels in effect beginning July 1, as reported by the Congressional Research Service of the Library of Congress:

Section 4 "basic assistance"—a flat per-meal reimbursement which is the same for all income categories (estimated to be 12.5 cents per meal effective July 1).

Commodity assistance; a flat per-meal reimbursement which is the same for all income categories (estimated to be 12.25 cents effective July 1).

Section 11 "special assistance"—differing amounts available only for free and reduced-price lunches (estimated to be 118.5 cents for free and 78.5 cents for reduced-price, effective July 1).

The projected basic rates for all Federal subsidies at each income category are as follows:

Projections of per-meal reimbursements [1]
July 1, 1985–June 30, 1986

[In cents per meal]

Free	143.25
Reduced-price	103.25
Paid	24.75

[1] Source: Congressional Research Service.

The fact of the matter is that the Federal Government will spend about $700 million annually to subsidize lunches to schoolchildren who are from families well above the poverty line, indeed, above 185 percent of the poverty line—which amounts to almost $20,000 for a family of four. About 75 percent of such families have incomes over 250 percent of poverty, or over $26,000 for a family of four. The average income is $33,000.

I am troubled, however, by this fact—that while the average family receiving benefits from the school lunch subsidy to paying students has an income of $33,000, the average taxpayer supporting this and other Federal programs has an income of $25,000 or so. Frankly, I find it difficult to rationalize continuing a policy which taxes citizens in expectation of spending their tax dollars on programs to support programs for those with considerably higher income—and a greater ability to pay, out of their own pockets, for the benefits from this and certain other programs.

Mr. President, I have wondered how many of the present Federal programs could be started, or enacted, now if this year were the year they were being initially proposed—knowing what we do about the size of the deficit. Frankly, I do not think many of these programs would be begun under these circumstances. We would come to the conclusion, in my judgment, that we simply cannot afford many of these programs—even though they may have done a great deal of good, even though they are popular with our constitutents, and so forth. Similarly, it seems we simply must give greater scrutiny in determining whether we can afford to continue some of these programs.

The School Lunch Program is generally a fine program. It has served the Nation well. My primary concern is whether we—as a nation with a $200 billion annual deficit—can continue to spend hundreds of millions of dollars for schoolchildren who are not poor by anyone's definition. We will still be spending well over $2 billion annually for those who are poor and additional millions for those who are somewhat above poverty.

The Senate/administration compromise is a reasonable approach to reduce overall spending, and one which I hope this Senate will accept.

I have heard many of the arguments from supporters of the School Lunch Program. They claim that the program will come to some ruinous end. They claim that hundreds of schools and thousands of students will drop out of the program. And, underneath it all, they fear for the loss of their jobs in operating the School Lunch Program.

With all due respect to my friends, I have heard these same arguments—sometimes used almost as scare tactics—before. They said similar things in 1980 and 1981. We adopted major changes anyway, and the program has not only survived, but thrived. The overall objective then, and now, was to retarget Federal benefits to the poor.

The Congress has demonstrated in 1980 and 1981 that we can make major reductions in spending for child nutrition programs without demolishing the programs. We can make careful, selective reductions this year without doing damage to the operation of these programs.

I support the overall leadership package, including what I believe to be the reasonable reductions proposed in the School Lunch Program. Neither the administration, nor the leadership, is trying to terminate, or otherwise undermine, the School Lunch Program. We are trying to find specific ways to achieve overall budget reductions.

If we fail to make these reductions now, more severe changes may be necessary in this and other programs in the future.

Opponents of the compromise should address themselves squarely not only to the specific child nutrition proposals, but also to the budget context in which they must be considered. For this is the context in which we, as Senators, must evaluate these proposals. It would be wonderful if we could consider child nutrition programs in a vacuum. I would prefer that the overall Federal fiscal picture did not require economy measures. However, we must deal in the realistic budget context that faces us.

The point also needs to be made that even with the savings included in the resolution, significant expenditures will continue for nonpoor children.

The resolution proposes to eliminate the existing 12 cents per meal for nonpoor children—those with incomes over 185 percent of poverty.

However, the 12 cents in commodity assistance will continue.

Additionally, the Department of Agriculture has supplied about 10 to 12 cents per meal for all children in bonus commodities under discretionary authority of the Secretary.

Thus the elimination of support proposed in the resolution is only one-third of that provided under the present program.

Let me comment just briefly on the ramifications of reinstating a means test for the day care home portion of the Child Care Food Program. The situation here has changed dramatically.

In 1980, at the time the means test was eliminated, approximately two-thirds of the children were from families with incomes below 185 percent of poverty. It was argued that inasmuch as most children were at the low or fairly low end of the economic spectrum, administrative simplification would warrant an elimination of the means test.

However, in two audits conducted by the Department of Agriculture and the Office of Inspector General of the Department of Agriculture, it is now clear that this distribution has shifted

significantly. Now rather than two-thirds under 185 percent of poverty, about two-thirds are above 185 percent of poverty.

There has been an increase in the number of participants as well as the distribution, meaning that enormous new costs have been associated with the large influx of nonneedy children participating in this federally subsidized program.

I ask unanimous consent that the following table outlining the distribution be printed at the conclusion of these remarks.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

FREE, REDUCED PRICE, AND PAID INCOME CATEGORIES WITHIN FAMILY GROUP DAY CARE HOMES

[In percent]

	1980	1982
Free (below 130 percent)	44	25
Reduced price (130 to 185 percent)	24	11
Paid (above 185 percent)	32	64

Mr. HELMS. Mr. President, action is clearly needed to curb these trends. The reinstatement of the means test—as assumed in the resolution—is exceedingly reasonable.

In conclusion, Mr. President, there is nothing more important that we could do for America's children—of all income levels—than to reduce overall Federal spending. For if we fail to do so, it will be these same children who will be the citizens and taxpayers of the future who will bear the enormous costs of today's exorbitant spending—even that done in their name.

As much as I respect the able Senator from Florida and agree with her 99 percent of the time, I must regretfully differ with her on this amendment and I must oppose it.

I thank the Senator from New Mexico for yielding to me.

Mrs. HAWKINS. Mr. President, in response to statements that have been made, information provided to me shows that over 2,000 public schools did close their school lunch program after the cuts in 1981, and this is a much deeper cut per meal than we made in 1981. I daresay that the figures I am talking about on the proposed closings are accurate and that we should consider again that the original intent of the law was to see that our young people got adequate nutrition during their growing years so they could then be physically fit to serve in the military. At a time when we are increasing military expenses and there are dire emergencies around the world and we are looking to our teenage children. I think it is very appropriate that we consider this cut, we restore this cut, if nothing else to stop the proliferation of these handy-dandy machines that give whatever you want of junk food that will probably take their place in the schools.

Mr. HELMS. Mr. President, how much time remains on this side of the aisle?

The PRESIDING OFFICER. Two minutes remain to the opponents.

Mr. HELMS. Mr. President, I think the Senator from Florida may have misunderstood me. I said closing the cafeterias as a result of the action in 1981.

Sure, there have been cafeterias closed, but let me tell the Senator why they have closed. It is not because of any adjustment in the cost of programs, but because of declining school enrollments, because of school consolidations, because of the elimination of high-tuition private schools—those with tuition charges over $1,500 per year—and because we tightened income eligibility verification.

Those cafeterias—sure, they have closed. But I contend that not from any credible testimony that has been given. Can we conclude that there have been any cafeterias closed just because these children in the so-called upper-income category of the three groups listed have been required to pay more toward their own lunches—which, by the way, cost about 92 cents apiece.

I say to the Senator that I admire her motives, but I do not think the facts justify her amendment. Again, I must reiterate that I cannot support it.

● Mr. KERRY. Mr. President, I stand before you to support an amendment being offered by my distinguished colleague from Florida, Senator HAWKINS. Her amendment will restore funding to essential child nutrition programs; programs that are critical to our children's health, growth and development. Senator HAWKINS' amendment will fund the School Lunch, School Breakfast and Child Care Food Programs at current service levels over the next 3 years.

The White House/Republican leadership compromise budget, on the other hand, will eliminate these vital nutrition subsidies for children from families of four whose earnings exceed $18,870 a year. This reduction will not only prove devastating to our children's nutritional needs, but the entire programmatic system as well.

For example, in my own State of Massachusetts, the School Lunch Program serves approximately 550,000 students every year. If cut, however, an estimated 91 school districts would be forced to abandon this successful program. It will no longer be economically feasible for schools to participate due to the fact that upper-income payments often support the cost of the total School Lunch Program. In Massachusetts alone, these cuts will translate into approximately 225,000 children being forced out of the program. A recent survey in Massachusetts concluded that 17,000 children are undernourished throughout my State. Undoubtedly, no Member of this Congress would like to witness or even shoulder the responsibility for an increase in that number.

Nationally, the statistics are even more devastating. Since 1981, when Congress enacted deep cuts in child nutrition programs, an estimated 2.5 million children were dropped from the School Lunch Program; close to 700,000 low-income children are no longer served, and an estimated 2,700 schools have had to end their programs. In addition, numerous studies have concluded that hunger among children is rampant throughout America.

Mr. President, the key to our future is through a major investment in our children. The truth is, children lose when Congress cuts these critical programs that are essential to their full development. Unable to vote or register their opinion in government, our children and their needs must be one of the most important responsibilities of this Congress. It is for these reasons, Mr. President, that I urge my colleagues to support this amendment.●

● Mr. BOSCHWITZ. Mr. President, I rise today in support of, and to cosponsor, Senator HAWKINS child nutrition amendment.

The President's budget and the Senate Budget Committee recommended $700 million in savings in child nutrition next year. The bulk of the savings would come as a result of eliminating the school lunch subsidy to the "paying child." As you know, current law under section 4 requires the Federal Government to pay schools 12 cents in cash and 12 cents in commodities for each school lunch served. Additional subsidies are given under section 11 for meals served to children from needy families—below 185 percent of poverty. A family of four with an income less than $19,600 will be below 185 percent of poverty next year. The rest of the savings would come from a freeze in cost-of-living adjustments for all child nutrition programs and means testing the family day care home participants in the Child Care Food Program.

With my support, the White House Senate leadership budget package reduced those cuts to $400 million. Those savings would be achieved by eliminating the cash subsidy to the paying child—but leaving the commodity subsidy in place—and means testing the family day care home participants in the Child Care Food Program. But I think even these cuts go too far and would not allow the School Lunch Program and the Child Care Food Program to operate effectively and feed hungry children.

Why should the section 4 subsidy to middle and upper-income families not be cut? First, look at the history of the School Lunch Program. Although during the 1930's and early 1940's there was some early assistance for School Lunch Program operations in an effort to dispose of surplus commodities, the major legislation governing the School Lunch Program was the National School Lunch Act passed by Congress in 1946. The National School Lunch Program got off the ground right after World War II because there was a significant degree of nutrition health problems that resulted in people being turned down for the draft. Dr. Thomas Parran, the Surgeon General of the U.S. Public Health Service, testified before the Senate Agriculture Committee in hearings on school lunch and the draft in May 1944. He testified about a study conducted in Hagerstown, MD that showed that 70 percent of children who had fair or poor nutrition, 10-12 years later were not accepted by the Selective Service. General Hershey, the head of the Selective Service, testified that probably half of all men rejected for the draft were rejected because of poor nutrition in childhood. Based on this testimony, and the timing of the legislation establishing the School Lunch Program, it is clear that the National School Lunch Program was begun, at least in part, to ensure that we would have healthy and able-bodied citizens capable of defending out country. That need is no less compelling today.

Second, eliminating paid-lunch subsidies will result in a reduction in participation in the School Lunch Program. According to the Department of Agriculture there is a correlation of 0.8 percent participation reduction for each 1-cent reduction in the paid lunch subsidy. Eliminating next year's projected 12.5 cents in cash subsidies for paid lunches would mean a 10-percent reduction in participation. This means 1.17 million children dropping out of the School Lunch Program. These figures do not even take into account schools that may stop participating in the School Lunch Program if the paid subsidy is eliminated. Consequently, even more children would lose the School Lunch Programs benefits—low-income children—if schools decide to drop the School Lunch Program. According to the Congressional Research Service, the decline in schools participating in the School Lunch Program after paid lunch subsidies were partially reduced in 1982 suggests that total elimination of cash subsidies would almost certainly result in some schools dropping the program. What's the result if children and schools drop the School Lunch Program? For every child not participating we lose the opportunity to ensure that that child is getting at least one nutritious meal per day. We lose the economies of scale that allow School Lunch Programs to be run economically and efficiently with higher participation.

Third, means testing the family day care home participants in the Child Care Food Program would be an administrative nightmare that will cause many day care providers to go underground. The Child Care Food Program is the carrot that keeps many day care providers licensed and ensures they are properly trained and caring for children in a safe environment. This nutrition program is the key component of the Federal Government's support for day care and should be maintained.

The policy issue can be reduced to a simple question: "Does the Federal Government have a role in ensuring that children receive nutritious meals and consequently assist the nutritional health of all children?" My answer must be yes. I believe the Federal Government has an obligation to prepare today's children to be tomorrow's strong, healthy, and well-educated citizens.●

● Mr. BOREN. Mr. President, I am pleased to join my colleague, Senator HAWKINS, in offering this amendment. The Senate Republican leadership-White House budget plan calls for a $400 million reduction in child nutrition funding during fiscal year 1986, and a $1.8 billion cut over 3 years. The majority of the savings are derivative from the School Lunch Program by the elimination of support provided for meals served to paying children.

There are those who believe we should eliminate support to students who are in the paid category; that is, those from families with incomes above $19,600. If it were as simple as having these students pay the full cost of a lunch at current prices, perhaps we would want to do this. The ramifications of the present proposal, however, are far from this. Decreasing the amount of support to schools leaves many schools with few options: To raise the prices dramatically to recover the lost income or to drop out of the School Lunch Program altogether. This is particularly the case in those institutions which have a high percentage of paying students. As one can imagine, the impact of increased prices will be that fewer students will be able to afford a hot lunch.

Dropping out of the School Lunch Program entirely will leave many needy children without the means to have lunch at all. When a school is forced from the National School Lunch Program, all children, including poor children, lose access to the program. The so-called high income subsidy is in reality a grant-in-aid to schools for the support of the basic infrastructure of the School Lunch Program, not a transfer payment to individuals.

The School Lunch Program is very important to all children. A 1982 Department of Agriculture study on the School Lunch Program found it to be nutritionally important to children in all income categories. It states that "the superiority of the school lunch is reflected in higher daily intake of nutrients for the general schoolage population and for all the population subgroups that were examined." The fact is simply that hungry children do not learn. To not provide all our children with a hot lunch adequate to meet minimum nutritional standards would be very shortsighted on our part.

Under the original proposal to reduce child nutrition funding by $700 million, the Congressional Research Service estimated that 7.3 million children and approximately 17,900 schools were at "risk of dropping from the program." The American School Food Service Association estimates with the elimination of the paid subsidy, 3 to 5 million children and 5,000 to 6,000 schools will be forced from the National School Lunch Program.

We have, in the past 4 years, already cut the School Lunch Program substantially. The Omnibus Reconciliation Act of 1981 reduced child nutrition funding by approximately one-third. While the child nutrition programs represented less than one-half of 1 percent of the total Federal budget, they shouldered 4 percent of the cut enacted as part of the Omnibus Reconciliation Act. We do not need to cut this program any further.

Mr. President, I urge my colleagues to support this amendment. None of us should ever apologize for supporting the School Lunch Program. There may be waste in other programs; food stamps, for example, may be diverted to other purposes and the children may never get the good meals which they need at home. At least under this program, we know that the children who need it get a balanced and nourishing meal. If cuts have to be made, they should be made in other programs which are more subject to abuse and not in this one.●

● Mr. KENNEDY. Mr. President, I rise in strong support of the amendment being offered by my distinguished colleague from Florida, Senator HAWKINS. This amendment is critical to the well-being of millions of young children across our country and it deserves particular attention by every Member of the Senate.

This amendment will provide the programs under the Child Nutrition and School Lunch Act with current services funding over the next 3 years. The Republican leadership/White House compromise budget plan would cut these programs by almost $1.8 billion over the next 3 years. I would

hardly call the President's budget plan before us today a fair compromise when he is compromising the health and well-being of millions of our children.

For those of my colleagues who may not remember, in 1981 the Omibus Budget Reconciliation Act reduced child nutrition funding by 33 percent. Even though child nutrition programs represent only one-half of 1 percent of the total Federal budget, these programs shouldered a 4-percent cut in 1981, one of the deepest cuts of the needs-based Federal programs that year.

There have been consequences to the cuts enacted 4 years ago. Over this period of time, 2.4 million children have dropped out of the School Lunch Program. Some of this drop can be attributed to declining school enrollment, however, a full 2 million of these children lost school lunch services because of President Reagan's cuts. Over half of these 2 million schoolchildren who no longer receive school lunch are poor. Participation in the School Breakfast Program has declined by 380,000 children since 1981. Over 60 percent of this decline represents low-income children who now must remain hungry during the school day.

Since 1981, Congress has worked hard to, at the very least, maintain funding for these important services. President Reagan is asking schoolchildren to bear an unfair burden for the next 3 years so that the budget deficit which he created can be reduced. I believe that the critical budget situation can be solved, but not at the expense of young children.

This year President Reagan and the Republican leadership in the Senate propose to eliminate the Federal support to schools for meals to children who do not live below 185 percent of the poverty line; freeze the reimbursement for free and reduced-price meals thus forcing schools to absorb the cost of food price inflation; and impose a means test for children in family day care homes who participate in the Child Care Food Program. These changes all together would guarantee that between 3 to 5 million children and 5,000 to 6,000 schools will drop out of the lunch and breakfast programs and many more very young Americans will lose their meals and snacks in family day care homes.

We have evidence that the child nutrition programs work. A recent USDA study indicates that the School Lunch Program improves the nutritional intake of children in all income categories.

I would like to remind my colleagues that the National School Lunch Program is a food and nutrition program aimed at improving the health of all children, not just poor children. The act was established in 1946 as a measure of national security to safeguard the health and well-being of all the Nation's children. As a matter of fact, Mr. President, section 4, the so-called middle-income subsidy has been in place since the law's inception. It wasn't until the early 1970's that funds for free and reduced-priced meals for poor children were added.

Finally, Mr. President, the most compelling evidence we have of the critical need for restoration of child nutrition funds is the devastating increase in the number of poor children in our country over the past few years. The most recent census statistics show us that now, one in every four children under the age of six lives in poverty. Both Census and GAO tell us that the number of low-income children in school went up over the past 4 years, and, the total number of Americans living in poverty has increased over 9 million or 35 percent since 1979, the largest increase since poverty has been recorded.

These statistics are not new, but it seems that the White House has yet to become acquainted with them. It is clear that the President has yet to become acquainted with the millions of children who are poor and who go to school hungry in this Nation. If we do not fight for these children in Congress today, we will all become acquainted, each and every one of us, with the devastating effects that these cuts will have on our next generations and the future of America.

I urge my colleagues to invest in our children and our future by adopting this amendment.●

● Mr. DOMENICI. Mr. President, the Senate-White House agreement assumes spending in the child nutrition program of $3.7 billion in fiscal year 1986, and $11.6 billion over the fiscal year 1986–88 period.

The agreement assumes that upper-income cash subsidies—but not commodities—paid to schools and institutions for children from higher-income families would be eliminated, and the COLA would be temporarily restrained.

In an era of $200 billion dollar yearly budget deficits, the Nation simply cannot afford to subsidize the nonneedy.

The proposal would not affect free meal recipients, and reduced price meal recipients would pay no more than 40 cents per lunch as under current law.

The nonpartisan Congressional Budget Office estimates that no more than 2 percent of free and reduced-price meal participants—about 240,000 children—would lose access to school lunch as a result of the changes, and that number may be as low as 36,000 children.

Similar claims of massive participation reductions in 1981 proved unfounded. More children received free meals in 1985 than in 1981. Meal reductions were due to declining enrollments, school consolidations, and elimination of high-tuition private schools.

The budget maintains Federal spending for needy children while eliminating support for upper-income children.

About 12 cents in daily subsidies for nonneedy children would be eliminated.

These children—from households above 185 percent of poverty—are from families with average incomes of $33,000 who can afford to pay an extra 12 cents a day.

The school lunch program will maintain its integrity.

Free and reduced price support represents 85 percent of Federal dollars provided in the School Lunch Program.

The average school would lose 6 percent of its funds, but predominately low-income schools would lose almost no funds.

School lunches would still be a bargain. They are cheaper and more nutritious than fast food and other lunches.

The cost of producing a school lunch increased 7 percent between 1979 and 1984. But the index used to adjust child nutrition subsidies increased by 32 percent in the same period.

In family day care homes that participate in the child care food program, a family income test would be reinstated as part of the effort to eliminate subsidies to the nonneedy.

In this program, all children receive a free meal, but about 65 percent of the participants are upper-income children—from households above 185 percent of poverty.

Since day care home providers already must pass a means test to qualify their own children for the program, this would not be a new and unfamiliar requirement.●

CHILD NUTRITION IN THE UNITED STATES

Mr. DECONCINI. Mr. President, I am pleased to support the amendment being offered by my distinguished colleague, Senator HAWKINS, to restore funding for child nutrition programs for the next fiscal year. The restoration of funding is necessary to maintain adequate school breakfast and lunch programs, prenatal and infant nutrition programs for our Nation's children.

During the past 4 years a series of significant cuts have been made in programs for the elderly, poor, the homeless, and hungry. I have always believed that every human being has a right to the basic resources necessary to sustain a dignified and productive life, and that all of us in society have the responsibility to protect that right. A hungry man, woman, or child

is not positioned to realize his or her full potential.

Hunger is widespread today in every region of this Nation, and there is compelling evidence that hunger is associated with infant mortality, low birth weights and other adverse health conditions. Throughout this country, in the cities, towns, and rural areas, you can observe human hunger and poor health in soup kitchens, school lunch rooms, homes, clinics, and feeding sites for the elderly. Hunger has returned to America and is increasing daily, but it can be decreased and its consequences moderated. The extent of hunger today has a direct correlation to the recent cuts in our Federal programs.

The most dramatic fact about hunger today is that it has managed to return so quickly and is growing at such a rapid rate. Starting in 1982 and continuing throughout 1983-84, compelling evidence has revealed that a large number of our American citizens are going without the necessary food to keep them alive and healthy. The stories and reports from television and researchers are reminiscent of the Great Depression, when soup kitchens fed family after family. The researchers soon learned that many of the hungry were the result of our society's economic and technological changes.

In 1982, the Centers for Disease Control reported in its national nutrition surveillance survey of over 400,000 children some very discouraging information. It revealed that some 8.5 percent of the children under age 6 were stunted, and about 7 percent were anemic. If these rates are applied to the national population of low-income children, it would mean that more than 500,000 American children under the age of 6 are likely to be malnourished.

From this standpoint, can we as a nation afford to cut our Federal nutrition programs and jeopardize our pedicatric population? It's very clear to this Senator that malnutrition is a serious problem in these United States. It seems that we can respond to an outbreak of a disease from an unknown etiology, which has no relationship to Government programs, economic policies or politics, but it seems that the Reagan administration cannot or will not respond to hunger, whose rise can be traced to cuts in the programs that prevent it.

Mr. President, this amendment is our commitment to nourish the children of our Nation to build a better tomorrow. As the late Dr. Martin Luther King, Jr., stated, "* * * let them say that I tried to feed the hungry". I commend the distinguished sponsors of this amendment and urge its adoption.

Mr. DOMENICI. Mr. President, is there any time remaining on the amendment?

The PRESIDING OFFICER. The Senator from Florida has 1 minute.

All time has expired on the part of the opponents.

Mrs. HAWKINS. Mr. President, I yield back my time.

Mr. DOMENICI. I move to lay the amendment on the table, Mr. President. I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

The PRESIDING OFFICER. The question is on agreeing to the motion to table.

The yeas and nays have been ordered. The clerk will call the roll.

The legislative clerk called the roll.

Mr. SIMPSON. I announce that the Senator from Maryland [Mr. MATHIAS] is necessarily absent.

I also announce that the Senator from North Carolina [Mr. EAST] and the Senator from California [Mr. WILSON] are absent due to illness.

Mr. CRANSTON. I announce that the Senator from Nebraska [Mr. EXON] is absent because of illness.

The PRESIDING OFFICER. Are there any other Senators in the Chamber desiring to vote?

The result was announced—yeas 36, nays 60—as follows:

[Rollcall Vote No. 55 Leg.]

YEAS—36

Abdnor	Helms	Proxmire
Armstrong	Humphrey	Quayle
Cochran	Kassebaum	Roth
Denton	Laxalt	Rudman
Dole	Lugar	Simpson
Domenici	Mattingly	Specter
Garn	McClure	Stevens
Goldwater	McConnell	Symms
Gorton	Murkowski	Thurmond
Gramm	Nickles	Trible
Hatch	Packwood	Wallop
Hecht	Pressler	Warner

NAYS—60

Andrews	Durenberger	Leahy
Baucus	Eagleton	Levin
Bentsen	Evans	Long
Biden	Ford	Matsunaga
Bingaman	Glenn	Melcher
Boren	Gore	Metzenbaum
Boschwitz	Grassley	Mitchell
Bradley	Harkin	Moynihan
Bumpers	Hart	Nunn
Burdick	Hatfield	Pell
Byrd	Hawkins	Pryor
Chafee	Heflin	Riegle
Chiles	Heinz	Rockefeller
Cohen	Hollings	Sarbanes
Cranston	Inouye	Sasser
D'Amato	Johnston	Simon
Danforth	Kasten	Stafford
DeConcini	Kennedy	Stennis
Dixon	Kerry	Weicker
Dodd	Lautenberg	Zorinsky

NOT VOTING—4

East	Mathias
Exon	Wilson

So the motion to lay on the table was rejected.

The PRESIDING OFFICER. The question recurs on the amendment. The yeas and nays have been ordered.

Mr. DOMENICI. Mr. President, I yield myself a half a minute on the resolution.

Will the distinguished Senator from Florida agree to our accepting the amendment and vitiating the yeas and nays?

Mrs. HAWKINS. Certainly.

Mr. DOMENICI. Mr. President, I ask unanimous consent that the yeas and nays be vitiated.

Mr. BYRD. Mr. President, reserving the right to object.

Mr. President, I remove my reservation.

The PRESIDING OFFICER. Without objection, it is so ordered.

The question is on agreeing to the amendment of the Senator from Florida.

The amendment (No. 77) was agreed to.

AMENDMENT NO. 79

(Purpose: To freeze function 450 (Community and Regional Development) at fiscal year 1985 levels, and to preserve rural housing programs of the Farmers Home Administration at reduced levels)

Mr. SASSER. Mr. President, I send an amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The amendment will be stated.

The bill clerk read as follows:

The Senator from Tennessee [Mr. SASSER] for himself, Mr. RIEGLE, Mr. SPECTER, Mr. STENNIS, Mr. HART, Mr. GORE, Mr. ROCKEFELLER, Mr. BURDICK, and Mr. HOLLINGS proposes an amendment numbered 79.

Mr. SASSER. Mr. President, I ask unanimous consent that the reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

In the pending amendment, do the following:

On page 3, increase the amount on line 12 by $5,100,000,000.

On page 3, increase the amount on line 13 by $5,300,000,000.

On page 3, increase the amount on line 14 by $6,300,000,000.

On page 3, increase the amount on line 18 by $2,200,000,000.

On page 3, increase the amount on line 19 by $4,100,000,000.

On page 3, increase the amount on line 20 by $5,400,000,000.

On page 3, increase the amount on line 25 by $2,200,000,000.

On page 4, increase the amount on line 1 by $4,100,000,000.

On page 4, increase the amount on line 2 by $5,400,000,000.

On page 4, increase the amount on line 6 by $2,200,000,000.

On page 4, increase the amount on line 7 by $6,300,000,000.

On page 4, increase the amount on line 8 by $11,700,000,000.

On page 4, increase the amount on line 12 by $2,200,000,000.

On page 4, increase the amount on line 13 by $4,100,000,000.

On page 4, increase the amount on line 14 by $5,400,000,000.

On page 5, increase the amount on line 3 by $3,100,000,000.

On page 5, increase the amount on line 10 by $3,800,000,000.

On page 5, increase the amount on line 17 by $4,000,000,000.
On page 15, increase the amount on line 8 by $2,500,000,000.
On page 15, increase the amount on line 9 by $1,500,000,000.
On page 15, increase the amount on line 11 by $2,400,000,000.
On page 15, increase the amount on line 17 by $2,600,000,000.
On page 15, increase the amount on line 18 by $2,200,000,000.
On page 15, increase the amount on line 20 by $2,500,000,000.
On page 16, increase the amount on line 1 by $3,000,000,000.
On page 16, increase the amount on line 2 by $2,600,000,000.
On page 16, increase the amount on line 4 by $2,600,000,000.
On page 18, increase the amount on line 8 by $2,600,000,000.
On page 18, increase the amount on line 9 by $700,000,000.
On page 18, increase the amount on line 11 by $700,000,000.
On page 18, increase the amount on line 17 by $2,500,000,000.
On page 18, increase the amount on line 18 by $1,700,000,000.
On page 18, increase the amount on line 20 by $1,300,000,000.
On page 19, increase the amount on line 1 by $3,000,000,000.
On page 19, increase the amount on line 2 by $2,500,000,000.
On page 19, increase the amount on line 4 by $1,400,000,000.
On page 33, increase the amount on line 2 by $200,000,000.
On page 33, increase the amount on line 3 by $200,000,000.
On page 33, increase the amount on line 11 by $300,000,000.
On page 33, increase the amount on line 12 by $300,000,000.

Mr. DOMENICI. Mr. President, will the Senator yield for a request on time?

Mr. SASSER. I yield.

Mr. DOMENICI. I wonder if the distinguished sponsor of the amendment would agree to 15 minutes on his side and up to 15 minutes in opposition?

Mr. SASSER. Yes; that will be agreeable.

Mr. DOMENICI. I so ask unanimous consent.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. DOMENICI. I thank the Chair, and I thank the distinguished Senator.

Mr. SASSER. Mr. President, the amendment that Senator RIEGLE, Senator STENNIS, and I are offering today is designed to reinforce the Federal Government's commitment to economic and community development of our Nation.

We are joined in this effort by cosponsorship on the part of Senators SPECTER, HART, GORE, ROCKEFELLER, BURDICK, and HOLLINGS, in addition to Senator RIEGLE and Senator STENNIS.

The amendment that we offer effectively protects those economic development programs which are contained in budget function 450. Namely, the urban development action grant program, the community Development Block Grant Program, the Appalachian Regional Commission, the Economic Development Administration, and TVA.

The amendment also preserves the Farmers Home Administration Rural Housing Programs at a level which amounts to a 25-percent reduction in 1986.

The amendment that we offer is consistent with the notion of spending restraint embodied in the spending freeze proposals which, I submit, are gaining support from both sides of the aisle. Our amendment, however, would bring spending in both functions 370, Commerce and Housing Credit, and 450, Community and Regional Development, below the freeze level, thus realizing even greater deficit reduction.

What is rejected here are the proposals advanced in the so-called White House/Republican leadership package to abolish many of the economic and community development programs which have been essential to the growth and development of areas of this country which otherwise would not have benefited from the economic recovery.

These programs are designed to benefit communities regardless of political ideology or orientation. Poverty, squalor and hopelessness are not the sole province of any one particular party. Local officials, both Republicans and Democrats, liberals and conservatives, have made good and efficient use of these moneys furnished by these programs over many years.

Earlier this year I held budget hearings across my State on the proposed elimination of these programs and the impact this would have on the local economy. The testimony I received from local officials only served to reinforce what I had already expected: Namely, that there is overwhelming bipartisan support for these programs which cut across both political and ideological lines.

The second major component of this amendment addresses the proposed elimination of Farmers Home Administration Rural Housing Programs. These programs have served the needs of almost 2 million families and the elderly since 1949. Farmers Home has been the only source of mortgage credit in many of our rural areas with over 500 rural counties without a federally chartered savings and loan.

The National Association of Home Builders estimates that the elimination of new housing production in rural housing programs could generate the loss of close to $1 billion in Federal, State, and local taxes and the loss of over 80,000 jobs.

I must stress that the amendment which we are offering does result in significant savings from the CBO baseline. Over the next 3 years, the savings from this proposal will amount to some $8.6 billion. Although the amendment does call for additional funding above the so-called Rose Garden Two Compromise, it must be realized that the compromise calls for outright elimination of several of these programs, a prospect we find both unrealistic and undesirable.

APPALACHIAN REGIONAL COMMISSION

Early in the 1960 Presidential campaign, John F. Kennedy came face to face with the poverty and despair which characterized the region of this country known as Appalachia. This region essentially covers 13 different States stretching from New York to Mississippi.

Appalachia has been isolated both physically and culturally for generations. This isolation has particularly handicapped the young, limiting education, health care and the opportunity to find jobs. These limits helped perpetuate an outmigration of youth from the region, a sort of "brain drain", which only exacerbated the poverty, misery, and despair endemic to the eon.

I think the best description of the prevailing hopelessness which engulfed the region is contained in chapter 1 of the 1964 Report of the President's Appalachian Regional Commission: The report states that:

> Graphs and Tables can hardly relate the acutely personal story of a child in a remote valley, his horizon of opportunity limited to the enclosing hills; nor the despair of his father, who, idled by forces beyond his control and seeing no prospects of future employment, must live month in and month out with the vision of that child repeating his own history.

This report paved the way for the submission and ultimate passage of legislation establishing the Appalachian Regional Commission in 1985, just a little over 20 years to this date.

The act's stated purpose was to assist the region in meeting its special problems, to promote its economic development, and to establish a framework for joint Federal and State efforts toward providing the basic facilities essential to its growth and attacking its common problems and meeting its common needs on a coordinated and concerted regional basis.

The ARC has been the quintessential embodiment of the public/private partnership concept. From an institutional perspective, ARC has blended local, State, and national perspectives in its policy and program decisions.

The ARC decision process involves each governmental level in a unique way. Cooperation among numerous Government agencies at all levels as well as various segments of the private sector form the basis for effective implementation of this essential economic development program.

ARC's accomplishments over the past two decades are many, and one need only travel throughout the

region to see with their own eyes the benefits which communities have reaped from the program. Each time I travel through the upper east region of Tennessee, I only need to look around me: Highways built with ARC money which have provided access to previously isolated communities; the Tri-Cities Airport which opens up the Johnson City-Kingsport-Bristol communities to the outside world; educational institutions such as East Tennessee State University and vocational schools; health centers, sewer and water treatment projects, public buildings, and industrial parks. I could go on and on.

But with all that we have accomplished, there is still much work to be done. ARC has had a tremendous impact upon the region but it is unrealistic to suppose that 20 years of work could wipe out generations of neglect.

Appalachia still lags behind the rest of the country economically on the average, and certain parts of the region remain severely depressed. Small business investment companies in Appalachia still have less than 1 percent of the $818 million in private money held in the United States. The need to keep abreast of the rapidly changing job market and the shift to a service-oriented economy require that education and training needs in the region be kept up to date. Thus, continued partnerships among business, government, and education will be essential.

In sum, the Appalachian Regional Commission represents the sort of public/private partnership which ought to be the mainstay of the "new Federalism." It has enjoyed bipartisan support in the past and I sincerely hope that my colleagues will continue to support this concept in the future.

Mr. President, I ask unanimous consent to have printed in the RECORD an editorial from the Bristol Herald Courier/Virginia Tennessean of April 14, 1985, entitled "ARC's mandate not yet filled."

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

ARC's MANDATE NOT YET FULFILLED

Former Rep. W. Pat Jennings of Virginia's Ninth District has a paternal interest in the fate of the Appalachian Regional Commission. He was a member of Congress when the ARC was established and knows firsthand what it has meant to Southwest Virginia and Upper East Tennessee.

In the context of his remarks in Bristol Thursday night at the annual meeting of the Mount Rogers Planning District Commission, it would, indeed, be "absolutely absurd" to abolish the ARC. "Absurd," that is, to deny assistance to struggling Americans while "spending money on underdeveloped countries . . . that won't help themselves."

Mr. Jennings also demonstrated that it is easier to be a former congressman than an incumbent. In order to save the ARC, he said, along with other federally-funded programs, it will be necessary to raise taxes.

The former congressman's comments came at a time when the ARC is facing a phase-out as part of congressional (and Reagan administration) efforts to bring deficits down and get a handle on the mushrooming federal debt. Moreover, questions grow concerning how much, if anything, the federal government should do in the name of economic development.

Few programs have proved themselves as well as the ARC. Since its inception in the middle 60s, the number of Appalachian citizens living in poverty has declined 50 percent; the region's infant mortality rate has declined 50 percent, thanks to improved health care; the number of Appalachian residents who have completed high school has increased from 33 percent to 57 percent; nearly 400 health clinics and 2,000 miles of highway have been constructed. All this has been done with financial and planning assistance from the ARC.

For all this, the principal question is not *whether* the ARC should be abolished but *when*. The answer is "not now," and not in the near future. Much remains to be done.

The task of the moment is, or ought to be, one of determining what that "much" consists of: Roads? Health facilities? Water and sewer systems? Only when this information is available can Congress make a reasoned judgment on *when* the ARC will have fulfilled its mandate.

It should be abolished sometime—but it should be done slowly, not precipitately. To do otherwise, in Mr. Jennings' words, would be "absolutely absurd." Our government's hand-of-help should be extended first to Americans.

Mr. SASSER. Mr. President, I move to the Economic Development Administration.

ECONOMIC DEVELOPMENT ADMINISTRATION

Another program that I would like to focus on is the Economic Development Administration. EDA is similar to ARC in its orientation but its mandate was specifically more focused upon economic development. EDA was conceived as a depressed area agency with a largely rural focus and had a supply-side orientation aimed at reducing costs to potential investors as a means of attracting industry and creating jobs. It was to provide a stimulus to selfsustained growth in the private sector, not simply to effect income transfers to the long-term unemployed.

Given this mandate, it is always perplexing to me that this administration, with its stated objective of strong economic growth, is not reluctant in the least to eliminate successful programs which promulgate the very objectives the administration seems to hold so dear.

The EDA goal of promoting sound, long-range economic planning at all levels of government is a necessary corollary to the supplyside aid to infrastructure development that constitutes the bulk of EDA programs.

But just as important as the planning function, is the conceptual embodiment of the State/local/Federal partnership of public and private interests inherent in the Economic Development Administration programs. Truly, success can be measured in these programs by the involvement of local elected officials and citizens in them. By this standard, EDA is genuinely a success story.

EDA funds create permanent, private-sector jobs. In my own State of Tennessee, these programs have created more than 60,000 jobs since the inception of the Economic Development Administration in 1965. These jobs not only improve the economy of the State, but they improve the state of the economy.

COMMUNITY DEVELOPMENT BLOCK GRANT PROGRAM

The primary objective of the Community Development Block Grant Program, as outlined in section 101 of the Housing and Community Development Act Amendments of 1974, is to assist in "the development of viable urban communities, by providing decent housing and a suitable living environment and expanding economic opportunities, principally for reasons of low and moderate income."

The range of activities which have been undertaken to accomplish these goals include: the construction and improvement of roads; parking facilities and community centers; rehabilitation and repair of public buildings; planning; land acquisition and clearance; and social services. These activities form the bedrock of the basic infrastructure of many of this Nation's communities.

The social and economic stratification that led to the need to create the Community Development Block Grant Program is likely to continue and worsen with each cut in this valuable program. Thus, it is imperative that at the very least we maintain a freeze in this program at the current funding level for 1 year.

URBAN DEVELOPMENT ACTION GRANT PROGRAM

Once again, we find the administration attempting to put to rest this highly important and effective Community Development Program. The UDAG Program represents the single-most prominent example of the concept of public and private cooperation in rebuilding and developing America's communities.

The program is designed to attract investment to distressed cities for projects that will create long-term jobs. The program leverages roughly $6 in private capital for every $1 in public investment. Over the past 4 years, the program has created some 232,000 jobs and has generated local tax revenues exceeding $270 million.

There has been a great deal of discussion over the past year involving changes in the funding formula because of weighted measures which distinctly favored certain regions of the country over others. I am pleased to say that just yesterday, after 8 months of bargaining and negotiation, Sena-

tors RIEGLE, GRASSLEY, D'AMATO, HEINZ, and myself announced agreement on a formula change which hopefully will address the inequities which have been present over the past several years. Thus, we have put the formula controversy behind us. It is now our responsibility to save the program.

FARMERS HOME ADMINISTRATION RURAL HOUSING PROGRAMS

Contained in the White House/Republican leadership compromise is a proposal to completely eliminate the Farmers Home Administration rural housing programs. These programs are targeted to low and very low-income people who would not otherwise be able to afford housing.

This proposal simply makes no sense at this time. Rural poverty is on the rise. Today, 3½ million rural households live in poverty.

Under the FmHA section 515 Multifamily Program, almost 75 percent of the tenants have incomes below $6,000. Under the section 502 single family programs, legislation mandates that 40 percent of all funds must go to borrowers with incomes of 50 percent of the area median or less.

Further, the economic recovery has simply passed many rural areas in this country by. The Deputy Under Secretary of Agriculture for Small Towns and Rural Development recently advised a delegation of rural housing officials that rural areas have not benefited from the national economic recovery at the same rate as the national average.

The reductions contained in this budget amendment are deep relative to the problems encountered in rural America. However, they are a far cry from the abandonment advocated by the Reagan administration. We should keep a keen eye on the budget deficit, but we must not close our eyes to rural America.

The Senators from Mississippi and Michigan have additional remarks on the specifics of the amendment, and I yield at this time to the distinguished senior Senator from Mississippi.

The PRESIDING OFFICER. The Senator from Mississippi is recognized.

Mr. STENNIS. Mr. President, let me first say to my colleagues that the subject matter of this amendment is something about which I have personal knowledge and have been familiar with the problems that caused these segments and departments of the Government to be created for the purpose of bringing aid and assistance. I have been familiar with these facts all these years. They apply to an area where I was born and reared and have lived there all my life. So I do know the facts in connection with the problem.

Mr. President, take this Federal rural housing problem, the need, and let me discuss what we are going to do about it.

In spite of things that might not look perfect about it, I think it has been one of the great programs for America. Things have now moved to a higher price that cannot be met by these lower-income people. The banks as a whole now do not made enough money out of these loans to justify the added cost of the help and supervision that they would have to hire.

Now, the resolution proposes that there be a 2-year moratorium, that the program be suspended, and then passed over to another department of Government which means they do not now offer a solution, or a substitute therefor. It is just a matter of skipping and losing this time, and we will be right back where we started, and I think that even though the Farmers Home Administration may have some weak points, this housing program has been one of their best and it serves an absolute need.

There is no way to get along without the housing. There is no way to avoid the cost of it, which is really excessive. But the big thing is that nearly all of the principal sum of this money is paid back. The subsidy comes as a part of the interest, but by a relatively small part of that interest.

So that is the real answer. That is the real answer to the whole question.

Now, unfortunately here when we are trying to pump down figures lower and lower, it adds up a good bit, even though we are just asking that 75 percent of the program be included within this amendment.

So I think we are dealing here with an absolute—I know we are—the absolute necessity that this program serves the purpose that as a whole they are getting first-class houses built, they are getting value received for the money, and a great part of this money is going to be paid back by the owner, together with a good portion of the interest.

I just happened to run across the figures here that showed we are about proposing now to take this program for our own people, take it out, with the moratorium, and then we do not know what after 2 years, and that will be a total amount of $1.2 billion. That includes the housing which is most of the money which runs the bill up.

But we are running now the economic aid in the bills this year for South American countries, and I do not fight these aids, as long as the amounts are reasonable, runs a total to $980 million.

This same budget resolution is going to give in economic aid $980 million the first year, this year, and at the same time cut out entirely on a 2-year basis this program that does not cost much more for low-income people and where the money is going to be paid back. Those dwelling houses do bring fair prices when they are sold.

I have had contract, also, with some of the staffs of these economic development services. They are highly competent people and serve with credit.

I know some of the personnel with TVA. They have as fine a staff on technology and any other matter as you can find. Their advice and counsel is splendid. They know what a factory needs. They are just as good as you find anywhere. And I have made a point to come in contact with them, not just preparing for this statement, but have observed them for over a period of years.

So I think this package that is put together here—I do not blame anyone personally for leaving these items out, but I think largely, with all deference, the proposal to leave them out was made by someone who did not know the facts and did not know the need.

And generally I voted for the low figure here in all of this bill. I am interested in seeing a sound bill pass and willing to make some hard votes to try to get what I think is a sound bill. But I tell you now, our compass is off. We are off the job in these relatively little programs when we go to cancel them out or abolish them in order to lower the money figures in the bill.

Now someone said, "Well, if a fellow can't get a job there in that community, if he lives where he cannot get a job, he better just go somewhere else even if he has to walk."

Well, I will tell you that is not a real answer. That is not a real answer for the people down there that have lived there for generations. I personally know them. They have lived there for generations and that is not an American answer to be giving them—"Well, you just get out and go somewhere else and try to get a job somewhere else." I do not want them to tell me that, and I am not going to leave. And there are a whole lot of them that feel that way.

They are working people. They worked hard and they earned their way. We just must not go off and leave them. They do not have funds to build a dwelling house. But they are worthy and we must not desert them now. The building of the house creates jobs at the time, and serves the area well indeed as a dwelling house for a worthy industrial worker needed for small industrial plants in the area.

Mr. SASSER. Mr. President, I thank the distinguished Senator from Mississippi. His words today are very convincing, I think, to all our colleagues. Over the period of his most remarkable career in this body, he has seen how these programs can enhance the quality of life of those regions of our country which suffer from a relatively low per capita income.

Mr. President, I ask unanimous consent that Senator SARBANES and Senator BYRD be added as cosponsors.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. SASSER. Mr. President, I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

Mr. SASSER. Mr. President, I yield to the distinguished Senator from Michigan and then to the Senator from West Virginia, [Mr. ROCKEFELLER].

Mr. RIEGLE. I thank the Senator from Tennessee for yielding and for his leadership on this issue.

I want to acknowledge the remarks of the Senator from Mississippi, who is as fine a man that has served in this body and loves this country and understands the long history of this country. I think he understands the needs in rural America perhaps better than anybody else in this body. When he comes in today to speak with such feeling about what he has seen and what the needs are and to make an appeal that we not tear rural America apart and just toss people to the four winds, I think he speaks from a depth of knowledge that I hope the Senate will weigh very carefully. He speaks the truth in terms of what our testimony has shown before the Banking and Housing Committee and what people from across the country have come to say to us about it.

I want to say one other thing with respect to the UDAG Program. We have worked for months on a bipartisan coalition, to revise fundamentally the UDAG formula so that it is fairer and so that it is available to finance projects in every community across this country. The other day we had a press conference with Senator GRASSLEY, Senator D'AMATO, and Senator HEINZ, and Republican and Democratic Members of the House joining us, Senator SASSER and myself, to indicate that we have reached an agreement on how to change the UDAG formula to meet the objections that have been raised in the past.

So I can say that we now have a revised way to implement that program, which I think will do a great service to the country and where all Members will find that they can feel good about in the targeting formula.

But, finally, the basic human needs and the basic infrastructure needs in this country do not go away. They are there and we have to meet them. Eventually they convert themselves to human needs. When the Senator from Mississippi, looking out over a long lifetime and many years of distinguished service in this body, comes in and says that in his view these programs, small as they are, are vital, they met vital needs, I think that is as powerful a statement as we have had by anyone on any of the amendments that have been offered thus far. I am pleased to join with him today and I appreciate his leadership.

Our amendment would avoid a drastic loss of funding for vital development of urban and rural communities. It would retain the UDAG Program that has enabled the Nation's most severely distressed cities to rebuild their economic foundations. It would retain rural housing programs that increase homeownership and rental opportunities in rural areas and provide decent shelter for farm workers. It would continue a national commitment to local communities through the CDBG Program.

UDAG

Under our amendment spending for the UDAG Program would remain at the fiscal year 1985 level. The administration proposes to eliminate the UDAG Program in fiscal year 1986; however, the UDAG Program has proven that the Federal Government can act in a timely and sensitive way to reinforce private sector initiatives that strengthen local economies.

Since it was enacted, UDAG has demonstrated solid results. Over 2,400 UDAG projects are projected to create or maintain 484,000 permanent new jobs; 55 percent of those jobs are slated for low- and moderate-income persons.

UDAG has stimulated almost $7 in private investment for every Federal dollar. That's a total of 21 billion private investment dollars that UDAG has generated in just a few years. That's a real success story in private sector-Government cooperation.

Conservative estimates place savings in the form of increased taxes and reduced transfer payments at $991 million per year, compared to an annual appropriation of $440 million.

UDAG is clearly a program that is working extremely well. It helps locate new industry in areas where there is need. It creates jobs. It makes fuller use of the Nation's enormous investment in existing roads, water and sewer systems and other infrastructure.

UDAG aids distressed communities that do not have the capacity to solve their problems entirely on their own. UDAG projects in recent years have concentrated funds on projects in the most productive sectors of the economy. They have helped shift the economic base of distressed cities from declining industries to those holding the most promise for the future.

Some Senators have stated that their support for the UDAG Program was weakening during the last year because the new project selection system put a number of their communities at a disadvantage in the competition for funding.

I am pleased to report to my colleagues that during the last 9 months, Senators D'AMATO, SASSER, GRASSLEY, and HEINZ have worked with me to come up with an effective and fair solution to this problem. We now have a bill that should end this controversy.

Our bill is a major accomplishment, and it demonstrates that UDAG continues to have strong, bipartisan support in the Senate. Our effort has involved Senators from both parties, from all regions of the country, and who represent both sides of this issue.

We have developed legislation that improves local negotiations and gives all eligible cities a fair chance to have outstanding projects approved. The bill retains key aspects of the UDAG Program, such as the national competition and targeting on the most distressed cities.

It is clearly in the national interest to maintain the UDAG Program at its current funding level to address the important needs of our Nation's distressed cities.

RURAL HOUSING

Our amendment also provides critical funding for rural housing programs administered by Farmers Home. These programs provide the badly needed assistance in rural areas and small towns to increase homeownership and to provide decent shelter for farm workers. In addition, they increase rental opportunities in rural areas for the elderly, handicapped, and low-income families.

As a nation we continue now, as in the past, to have a need to help Americans in rural areas to upgrade their housing. Our amendment recognizes the need to reduce the Federal deficit and proposes that lending authority for FmHA rural housing programs be reduced by $300 million from the fiscal year 1985 level.

Yet, the budget plan now before the Senate would cancel new construction and rehabilitation programs and replace them with a voucher program that relies on existing rental units. That simply is inappropriate for rural communities. The incidence of inadequate housing in rural areas is twice that of metropolitan areas.

This budget plan as it now stands would eliminate home ownership loans and home repair loans and grants. But 2 million rural households live in substandard housing and many rural areas have historically suffered a shortage of credit. These families need assistance if they are to achieve decent living conditions.

The administration wants to transfer Farmers Home programs to the Department of Housing and Urban Development which does not have the expertise, the resources, or the staffing structure to deal with the needs of rurals areas. Indeed, HUD programs are already slated for substantial cutbacks under administration proposals. The effect of such a shift will be the virtual elimination of rural housing programs.

COMMUNITY DEVELOPMENT

Our amendment also freezes funding for the Community Development Block Grant Program [CDBG] and rural development programs at their current funding levels. CDBG helps communities improve living conditions for low- and moderate-income families, reduce slums and urban blight, and meet the urgent needs that threaten their health and welfare. Rural development programs enable rural areas to develop water and waste disposal facilities, community fire protection forces, and other essential community facilities.

The budget plan now before us would cut these programs and reduce their effectiveness and targetting. Our amendment would only maintain these programs at their current funding level so they may continue to help local communities in every part of our country to meet the basic needs of our citizens.

Mr. President, the amendment my colleagues and I offer today provides only that which is essential if we are to maintain the integrity of community development and housing in our cities and our rual areas. It would allow us to continue meeting important national objectives. I urge my colleagues to support the amendment.

Mr. SASSER. I yield to the distinguished Senator from West Virginia and then to my distinguished colleague from Tennessee.

The PRESIDING OFFICER. Under the previous agreement, all time for the proponents of the resolution has expired.

Mr. SASSER. Mr. President, I ask unanimous consent that we have 2 minutes off the resolution.

Mr. DOMENICI. Reserving the right to object, you do not need unanimous consent to get time off of the resolution. The distinguished Senator from Florida can yield the time.

Mr. SASSER. Will the distinguished Senator from Florida yield us 2 minutes off the resolution?

Mr. CHILES. I yield 2 minutes to the Senator from Tennessee.

Mr. ROCKEFELLER. Mr. President, it is a privilege to cosponsor and actively support the amendment of the able Senator from Tennessee [Mr. SASSER] which preserves in substantial part the Federal Government's commitment to economic and community development activities and rural housing.

As Senators know, the pending proposal establishes a freeze level of funding for function 450 of the budget resolution, of which the major program areas are the Economic Development Administration, the Appalachian Regional Commission, community development block grants, urban development action grants, and Small Business Administration disaster assistance. The amendment also includes the Farmers Home Administration Rural Housing Loan Program but with a cut of 25 percent.

Mr. President, these programs have been successful in stimulating jobs, growth, and the establishment of needed public facilities and for the improvement of the quality of life for people in my State of West Virginia and throughout our Nation. They are critical elements in the efforts of our communities to design and implement effective economic development activities. They are an investment in the future of our Nation. To back away from our commitment to these economic and community development programs now—to eliminate them—would be shortsighted and irresponsible.

Federal assistance for economic and community development is still urgently needed by many, many towns and cities throughout our country, particularly in those areas which have been bypassed by economic recovery.

Mr. President, I was Governor of the State of West Virginia for 8 years up until the middle part of this January. I can say, in supporting the various programs in this amendment, that, of all the Federal programs that I and other Appalachian Governors dealt with, there was none that came close, in terms of efficiency, cost effectiveness, and productivity, to the Appalachian Regional Commission.

This amendment restores a certain amount of hope and integrity to some parts of the country that have not recovered, in terms of economic factors, as rapidly as other parts.

On the other hand, the amendment offers hope for development and jobs throughout the country, as well as in Appalachia. I strongly support this amendment. I congratulate the able Senator from Tennessee for his leadership in this matter and would urge my colleagues to support the amendment.

Mr. GORE. Mr. President, I wish to compliment my senior colleague from Tennessee for his outstanding leadership, energy, and determination in bringing this amendment to the Senate.

The PRESIDING OFFICER. The Senator from Tennessee has not been granted any time.

Mr. SASSER. Mr. President, I yield the balance of my time to the Senator from Tennessee.

The PRESIDING OFFICER. The time for the proponents of the resolution has expired.

Mr. CHILES. Mr. President, I yield 1 minute off the resolution to the Senator from Tennessee.

Mr. GORE. Mr. President, I wish to compliment my senior colleague from Tennessee for his determination and energy in bringing this amendment to the Senate. It is clearly needed.

Let me just say in the few seconds that I have that 6 months from now you may see this body falling all over itself to come up with ideas for stimulating the economy in areas that have rising unemployment. Here are programs already in place that are designed to do precisely that. They are working.

Some cuts are involved here, but the main part of the programs are continued. Let us not be so shortsighted as to miss the storm clouds on the horizon. The signs of a growth recession are clearly evident. Many parts of the country already are not participating in the recovery that has been so strong. We ought to keep these programs active and vital. We ought to keep them on the books. We ought to keep them doing the job they were designed to do.

This amendment maintains the Federal Government's commitment to economic and community development while restraining spending in these essential programs below the freeze level in order to realize even greater reductions than the freeze proposals which have gained broad bipartisan support.

In the interests of time, rather than recite the provisions of this amendment which my colleague, the senior Senator from Tennessee, has articulated, I wish to point to some specific examples of the need for a continued commitment to economic and community development in this Nation.

Just yesterday I received a stack of cards from the 70 workers at Spartex Industries in Sparta, TN, a small factory which turned a community development block grant into jobs. The cards read, "I got my job thanks to Federal programs that work * * * Please keep America working." My staff called and talked to the plant manager to let him know about this amendment. He said the workers had organized their own campaign, had the post cards printed down there and passed them out among themselves so they could let their Senators know that at least one Federal program was working.

Mr. President, I have held over 100 open meetings in every county in Tennessee since I was elected to the Senate in November, and I can say without equivocation that the workers at Spartex are the lucky ones. In virtually every country in the State, particularly in the rural counties, I am met by groups of men and women who just lost their jobs at the shoe factory or the textile mill. The economic recovery simply is not reaching many rural, traditionally less developed regions of the country, and there is very real suffering as a result. The economic and community development programs protected by this amendment are vital to helping attract new industry to replace those jobs lost when the shoe factories and textile mills close.

The rural areas of America also have unique housing problems which are addressed by the programs of the Farmers Home Administration. Farmers Home is often simply the only source of mortgage credit in rural counties, and there is, indeed, a need for new, adequate shelter in rural areas. In my home county, I understand that a Farmers Home financed multifamily unit which is being built already has a long waiting list of senior citizens seeking apartments.

The Appalachian region of America, rural and mountainous for the most part, still has particular needs resulting from centuries of isolation and neglect. An example of the unique transportation needs of the region came to light recently. On March 5 of this year, a tunnel on Interstate 40 in North Carolina between Asheville and Knoxville, TN, was blocked by a landslide. As a result, a tremendous flow of traffic was diverted to U.S. highways 23 and 25-70, extremely narrow and winding roads through some of the highest mountains east of the Rockies. While one lane of I-40 is now open, the tunnel is not expected to open fully until December, and travelers are experiencing serious delays and dangerous conditions. Currently, Highway No. 23 is part of corridor B of the Appalachian Regional Commission Highway Program, and if this program were allowed to continue, as it would under this amendment, one day there could be an alternate route across this portion of the Southern Appalachians.

Mr. President, these are but a few of the reasons I am cosponsoring and strongly urge that my colleagues support this amendment.

Mr. DOMENICI addressed the Chair.

The PRESIDING OFFICER. The Senator from New Mexico.

Mr. DOMENICI. As I understand, we have 10 minutes in opposition to the amendment.

The PRESIDING OFFICER. Fifteen minutes.

Mr. DOMENICI. I yield 5 minutes to the Senator from New Hampshire, the chairman of the subcommittee that has jurisdiction over about half of these programs.

Mr. HUMPHREY. Mr. President, I hope that we are going to see some discipline here today. The Budget Committee has recommended terminating at long last the Economic Development Administration, the Appalachian Regional Commission, and the developmental programs of the Tennessee Valley Authority.

With respect to the EDA, that program has not been reauthorized now for several years. Its purpose is to create jobs but it does so very inefficiently and at very great expense.

When the program was first created, 12 percent of the communities in our country qualified. Today, 85 percent of the communities in our country qualify as distressed areas. Can anyone really make the case that 85 percent of our Nation's communities are distressed areas? This shows how this program has grown into nothing but a very large and wide trough in which communities feed at the expense of other communities who do not benefit by the program.

We have to have some discipline. We have to cull out some of these losers. These are among the biggest of the losers. We want to create jobs. We have to cut the deficit. If we want to bring prosperity to those areas which truly are distressed, then we have to bring down interest rates and keep the economy healthy so that jobs can be created. It simply does not work to throw money into these kinds of programs.

With respect to the Tennessee Valley Authority, may I point out to my colleagues that the residents of the States served by the TVA even under the Budget Committee's recommendations will still be receiving subsidy of sorts because the Budget Committee recommendations bear in no way upon the generation of electricity by those facilities—TVA facilities—in those States. In other words, the States in the region are still benefiting by direct and indirect subsidies in the form of rather low-cost electricity rates. That will continue as is. I do not think it is justified, frankly, but that will continue as is even under the Budget Committee recommendation as written.

What the Budget Committee, on the other hand, has proposed is to eliminate the funding not for the electrification programs but instead for the developmental programs. The programs of generating electricity will still remain.

As for the Appalachian Regional Commission, Mr. President, there have been many, many efforts to terminate that program. It was retained in my view largely as a measure of respect for Senator Randolph. But it is time that we terminated that program. Billions of dollars have been poured into the region. We simply cannot afford it. We have to have some discipline. These are programs that can be dispensed with. They are special-interest programs for communities which benefit. There are special-interest programs for States and regions which benefit. We have spent tons and truckloads of money on them. It is time that we wrapped them up. The present existing economic emergency, fiscal emergency, is just the excuse we need. If we have the discipline, finally we should stop pouring money into these troughs at which special interest groups feed.

Mr. GORE. Mr. President, will the Senator yield?

Mr. HUMPHREY. Mr. President, if I have any time remaining I yield it back to the distinghished Budget Committee chairman.

Mr. DOMENICI. Let me say, Senator, we only have a few minutes in opposition. We cannot yield off our time. We will be finished shortly, and perhaps the floor manager on your side can yield time. I am sorry. We are under very severe time restraints.

The PRESIDING OFFICER. (Mr. CHAFEE). Who yields time?

Mr. DOMENICI. Mr. President, I thank the distinguished Senator for his remarks.

How much time does the Senator from New Mexico have?

The PRESIDING OFFICER. Ten minutes.

Mr. DOMENICI. Mr. President, I listened to the debate. I really do not believe anybody can be serious about the Appalachian Regional Commission and EDA. With all respect to everyone here, those programs are long gone. Let me tell you how far gone they are. They have not even been authorized by the U.S. Congress for 3 years. That means that the committee that takes all relevant testimony, goes out into the country, and says do we really need EDA and Appalachian Regional Commission as a broad national program, has not even passed a law saying it exists. The truth of the matter is that without an authorization, the Appropriations Committee put some money in. I could spend my whole time explaining to the Senate why they are irrelevant programs to economic development, but suffice it to say that they never end. They started out applying to a little group. Then Appalachia was a little piece of the country. Now we have out there bits and pieces of a program that really accomplish very little if anything for economic prosperity.

I also suggest to whomever discussed the issue here that we will be putting these programs back in place sometime. I guess they had in mind when we have a big economic turndown we will put them back. I guarantee you if we have a big economic turndown, this kind of program will not be put back. It does not do any good. On the other hand, the very reason we might have a big economic turndown is because this amendment adds $10.4 billion in outlays to the deficit. We have had amendments for $1 billion, we have had them for $2 billion, we have had them for $4 billion, and other than Social Security and pensions this is the big budgetbuster—$10.4 billion in outlays out of the Federal deficit for EDA, and Appalachian Regional Commission. Under this proposal we could not even get a 10-percent cut in the community development block grant—10 percent. This amendment puts it back up to full funding.

Then UDAG, this amendment would not even take the cut in UDAG. This puts it back up to full funding, because the proponents believe that since about 13 cities have received about 95 percent of UDAG, it is a major economic development tool for this country. Half of the country does not get any UDAG. They seem to be making it. I propose that we save $9 billion on rural housing because the Congress directly funds and finances rural housing as if there are no banks around, nor any development companies around. The Congress just decided way back there that Farmers Home would be the banker, the planner, and so we put tax dollars into every rural house under this program—$60,000 a house in taxpayers' money; $9 billion over 3 years, and the proponents of this amendment will not even reform it. They only want to cut it 25 percent.

So make no bones about it. For those who are worried about our country's economic future, unless they think it is totally unrelated to the black cloud of deficit that hangs over, if that is irrelevant, then of course they can vote for this. If you think that black cloud of deficit is relevant, then just ask yourself: Do you support reinstating each one of these programs in these kinds of times? Do you support a positive vote today when we have not had EDA on the books for 3 years. The Appropriations Committee funded it without an authorizing committee even approving it. Cannot we take 10 percent in savings in the Community Development Block Grant Program? It is only 4 years old. Some States are just beginning to use it. Then last but not least, cannot we save over 25 percent on a $9 billion program through Farmers Home for direct total funding at huge, huge below-market interest rates, maybe 8, 9 percent under interest rates for each and every house?

Mr. President, I yield back the balance of my time.

The PRESIDING OFFICER. The question is on the amendment.

Mr. GORE addressed the Chair.

Mr. DOMENICI. I move to table the amendment, and ask for the yeas and nays.

Mr. CHILES. I yield 1 minute to the Senator from Tennessee.

The PRESIDING OFFICER. The Senator from Tennessee has 1 minute.

Mr. GORE. I want to thank the colleague from Florida.

I wanted to make four very brief points in response to some of those that were just made. No. 1, the statement was made that the electricity rates in the TVA region are subsidized by the Federal Government. I want to make it clear that they are not. This question has been studied in depth on numerous occasions. TVA and its ratepayers are paying back year after year after year all of the money that was originally put into TVA as a start-up expense back in the 1930's. There is no subsidy on electric rates in the TVA region.

Second, the statement was made that programs like the Appalachian Regional Commission, UDAG, EDA do not do any good.

I submit to my colleagues that this argument simply will not wash because there is example after example of economic growth that has resulted from these programs.

Third, the point has been made that these programs have not been authorized. Mr. President, if we took that approach, a great deal of the Federal Government would come to a grinding halt this afternoon, if we stopped everything that is not authorized. That is the way this process has been working around here for the last several years.

The PRESIDING OFFICER. The Senator's time has expired.

Mr. DOMENICI. Mr. President, I yield myself 30 seconds.

Mr. President, EPA has done a marvelous job over the past 4 years. It has added $8.4 billion to the Federal deficit by making loans and grants. My best estimate is that 55 percent of them are delinquent today.

I move to lay the amendment on the table and ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from New Mexico to lay the amendment on the table.

The yeas and nays have been ordered. The clerk will call the roll.

The bill clerk called the roll.

Mr. SIMPSON. I announce that the Senator from Maryland [Mr. MATHIAS], is necessarily absent.

I also announce that the Senator from North Carolina [Mr. EAST] and the Senator from California [Mr. WILSON], are absent due to illness.

Mr. CRANSTON. I announce that the Senator from Nebraska [Mr. EXON], is absent because of illness.

The PRESIDING OFFICER. Are there any other Senators in the Chamber desiring to vote?

The result was announced—yeas 52, nays 44 as follows:

[Rollcall Vote No. 56 Leg.]

YEAS—52

Abdnor	Dole	Humphrey
Andrews	Domenici	Kassebaum
Armstrong	Durenberger	Laxalt
Bentsen	Evans	Lugar
Boren	Garn	Mattingly
Boschwitz	Goldwater	McClure
Bradley	Gorton	Murkowski
Bumpers	Gramm	Nickles
Chafee	Hatch	Nunn
Chiles	Hatfield	Packwood
D'Amato	Hawkins	Pressler
Danforth	Hecht	Proxmire
DeConcini	Heinz	Quayle
Denton	Helms	Roth
Rudman	Symms	Warner
Simpson	Thurmond	Weicker
Stafford	Trible	
Stevens	Wallop	

NAYS—44

Baucus	Harkin	Melcher
Biden	Hart	Metzenbaum
Bingaman	Heflin	Mitchell
Burdick	Hollings	Moynihan
Byrd	Inouye	Pell
Cochran	Johnston	Pryor
Cohen	Kasten	Riegle
Cranston	Kennedy	Rockefeller
Dixon	Kerry	Sarbanes
Dodd	Lautenberg	Sasser
Eagleton	Leahy	Simon
Ford	Levin	Specter
Glenn	Long	Stennis
Gore	Matsunaga	Zorinsky
Grassley	McConnell	

NOT VOTING—4

East	Mathias
Exon	Wilson

So the motion to lay on the table was agreed to.

Mr. DOLE. Mr. President, I move to reconsider the vote by which the motion was agreed to.

Mr. DOMENICI. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. DOLE. Mr. President, I think we are demonstrating that many Members would like to get on with this and not tear apart what may be left in any package. This is a very significant vote. So I hope we could move quickly on the remaining amendments.

I understand that we are now ready to take up another package, the so-called KGB package. I wonder if we can get a short time agreement on it.

Mr. CHILES. I think we can agree to 20 minutes to a side.

Mr. DOLE. Mr. President, how much time remains?

The PRESIDING OFFICER. The majority leader has 43 minutes. The minority leader has 3 hours and 17 minutes.

Mr. DOLE. I ask unanimous consent that there be 40 minutes, equally divided, on the KGB amendment.

Mr. BYRD. Mr. President, reserving the right to object—

I remove my reservation.

The PRESIDING OFFICER. Without objection, it is so ordered.

AMENDMENT NO. 80

Mr. GRASSLEY. Mr. President, I send an amendment to the desk.

The PRESIDING OFFICER. The amendment will be stated.

The assistant legislative clerk read as follows:

The Senator from Iowa [Mr. GRASSLEY] proposes an amendment numbered 80.

Mr. GRASSLEY. Mr. President, I ask unanimous consent that reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

In lieu of the language, insert the following:

That the Congress hereby determines and declares that the concurrent resolution on the budget for fiscal year 1985 is revised and replaced, the first concurrent resolution on the budget for fiscal year 1986 is established, and the appropriate budgetary levels for fiscal years 1987 and 1988 are set forth.

(a) The following budgetary levels are appropriate for the fiscal years beginning on October 1, 1984, October 1, 1985, October 1, 1986, and October 1, 1987:

(1) The recommended levels of Federal revenues are as follows:

Fiscal year 1985: $736,200,000,000.
Fiscal year 1986: $792,700,000,000.
Fiscal year 1987: $864,300,000,000.
Fiscal year 1988: $952,500,000,000.

and the amounts by which the aggregate levels of Federal revenues should be increased are as follows:

Fiscal year 1985: $0.
Fiscal year 1986: $0.
Fiscal year 1987: $0.
Fiscal year 1988: $0.

and the amounts for Federal Insurance Contributions Act revenues for hospital insurance within the recommended levels of Federal revenues are as follows:

Fiscal year 1985: $44,800,000,000.
Fiscal year 1986: $50,900,000,000.
Fiscal year 1987: $56,100,000,000.
Fiscal year 1988: $61,200,000,000.

and the amounts for Federal Insurance Contributions Act revenues for old-age, survivors, and disability insurance within the recommended levels of Federal revenues are as follows:

Fiscal year 1985: $186,200,000,000.
Fiscal year 1986: $200,400,000,000.
Fiscal year 1987: $216,800,000,000.
Fiscal year 1988: $248,000,000,000.

(2) The appropriate levels of total new budget authority are as follows:

Fiscal year 1985: $1,054,600,000,000.
Fiscal year 1986: $1,080,100,000,000.
Fiscal year 1987: $1,160,900,000,000.
Fiscal year 1988: $1,255,700,000,000.

(3) The appropriate levels of total budget outlays are as follows:

Fiscal year 1985: $949,500,000,000.
Fiscal year 1986: $979,800,000,000.
Fiscal year 1987: $1,041,400,000,000.
Fiscal year 1988: $1,106,900,000,000.

(4) The amounts of the deficits in the budget which are appropriate in the light of economic conditions and all other relevant factors are as follows:

Fiscal year 1985: $213,300,000,000.
Fiscal year 1986: $187,200,000,000.
Fiscal year 1987: $177,100,000,000.
Fiscal year 1988: $154,400,000,000.

(5) The appropriate levels of the public debt are as follows:

Fiscal year 1985: $1,849,700,000,000.
Fiscal year 1986: $2,101,000,000,000.
Fiscal year 1987: $2,354,000,000,000.
Fiscal year 1988: $2,607,400,000,000.

and the amounts by which the statutory limits on such debt should be accordingly increased are as follows:

Fiscal year 1985: $25,900,000,000.
Fiscal year 1986: $251,300,000,000.
Fiscal year 1987: $253,000,000,000.
Fiscal year 1988: $253,400,000,000.

(b) The Congress hereby determines and declares the appropriate levels of budget authority and budget outlays, and the appropriate levels of new direct loan obligations, new primary loan guarantee commitments, and new secondary loan guarantee commitments for fiscal years 1985 through 1988 for each major functional category are:

(1) National Defense (050):

Fiscal year 1985:
(A) New budget authority, $292,600,000,000.
(B) Outlays, $252,000,000,000.
Fiscal year 1986:
(A) New budget authority, $292,500,000,000.
(B) Outlays, $269,700,000,000.
Fiscal year 1987:
(A) New budget authority, $320,800,000,000.
(B) Outlays, $289,200,000,000.
Fiscal year 1988:
(A) New budget authority, $351,700,000,000.
(B) Outlays, $313,300,000,000.

(2) International Affairs (150):

Fiscal year 1985:
(A) New budget authority, $24,200,000,000.
(B) Outlays, $17,800,000,000.
Fiscal year 1986:
(A) New budget authority, $23,500,000,000.
(B) Outlays, $17,800,000,000.
Fiscal year 1987:
(A) New budget authority, $23,000,000,000.
(B) Outlays, $17,900,000,000.
Fiscal year 1988:
(A) New budget authority, $23,500,000,000.
(B) Outlays, $18,000,000,000.

(3) General Science, Space, and Technology (250):

Fiscal year 1985:
(A) New budget authority, $9,100,000,000.
(B) Outlays, $8,700,000,000.
Fiscal year 1986:
(A) New budget authority, $8,800,000,000.
(B) Outlays, $8,700,000,000.
Fiscal year 1987:
(A) New budget authority, $9,000,000,000.
(B) Outlays, $8,800,000,000.
Fiscal year 1988:
(A) New budget authority, $9,300,000,000.
(B) Outlays, $9,000,000,000.

(4) Energy (270):

Fiscal year 1985:
(A) New budget authority, $1,900,000,000.
(B) Outlays, $6,900,000,000.
Fiscal year 1986:
(A) New budget authority, $7,900,000,000.
(B) Outlays, $7,300,000,000.
Fiscal year 1987:
(A) New budget authority, $7,700,000,000.
(B) Outlays, $7,200,000,000.
Fiscal year 1988:
(A) New budget authority, $7,300,000,000.
(B) Outlays, $6,800,000,000.

(5) Natural Resources and Environment (300):

Fiscal year 1985:
(A) New budget authority, $12,600,000,000.
(B) Outlays, $13,000,000,000.
Fiscal year 1986:
(A) New budget authority, $13,000,000,000.
(B) Outlays, $13,000,000,000.
Fiscal year 1987:
(A) New budget authority, $13,300,000,000.
(B) Outlays, $13,000,000,000.
Fiscal year 1988:
(A) New budget authority, $13,600,000,000.
(B) Outlays, $13,200,000,000.

(6) Agriculture (350):

Fiscal year 1985:
(A) New budget authority, $24,800,000,000.
(B) Outlays, $21,000,000,000.
Fiscal year 1986:
(A) New budget authority, $20,400,000,000.
(B) Outlays, $17,700,000,000.
Fiscal year 1987:
(A) New budget authority, $20,800,000,000.
(B) Outlays, $19,800,000,000.
Fiscal year 1988:
(A) New budget authority, $20,900,000,000.
(B) Outlays, $20,200,000,000.

(7) Commerce and Housing Credit (370):

Fiscal year 1985:
(A) New budget authority, $12,600,000,000.
(B) Outlays, $5,600,000,000.
Fiscal year 1986:
(A) New budget authority, $9,700,000,000.
(B) Outlays, $5,200,000,000.
Fiscal year 1987:
(A) New budget authority, $10,300,000,000.
(B) Outlays, $5,800,000,000.
Fiscal year 1988:
(A) New budget authority, $10,700,000,000.
(B) Outlays, $7,700,000,000.

(8) Transportation (400):

Fiscal year 1985:
(A) New budget authority, $29,300,000,000.
(B) Outlays, $26,000,000,000.
Fiscal year 1986:
(A) New budget authority, $29,900,000,000.
(B) Outlays, $28,100,000,000.
Fiscal year 1987:
(A) New budget authority, $30,800,000,000.
(B) Outlays, $29,600,000,000.
Fiscal year 1988:
(A) New budget authority, $31,800,000,000.
(B) Outlays, $30,500,000,000.

(9) Community and Regional Development (450):

Fiscal year 1985:
(A) New budget authority, $8,400,000,000.
(B) Outlays, $8,700,000,000.
Fiscal year 1986:
(A) New budget authority, $8,000,000,000.
(B) Outlays, $8,300,000,000.
Fiscal year 1987:
(A) New budget authority, $8,300,000,000.
(B) Outlays, $8,500,000,000.
Fiscal year 1988:
(A) New budget authority, $9,200,000,000.
(B) Outlays, $8,700,000,000.

(10) Education, Training, Employment, and Social Services (500):

Fiscal year 1985:
(A) New budget authority, $31,600,000,000.
(B) Outlays, $30,300,000,000.
Fiscal year 1986:
(A) New budget authority, $31,300,000,000.
(B) Outlays, $31,000,000,000.
Fiscal year 1987:
(A) New budget authority, $32,400,000,000.
(B) Outlays, $31,500,000,000.
Fiscal year 1988:
(A) New budget authority, $33,300,000,000.
(B) Outlays, $32,300,000,000.

(11) Health (550):

Fiscal year 1985:
(A) New budget authority, $33,600,000,000.
(B) Outlays, $33,500,000,000.
Fiscal year 1986:
(A) New budget authority, $35,900,000,000.
(B) Outlays, $35,700,000,000.
Fiscal year 1987:
(A) New budget authority, $38,600,000,000.
(B) Outlays, $38,200,000,000.
Fiscal year 1988:
(A) New budget authority, $41,400,000,000.
(B) Outlays, $40,900,000,000.

(12) Medical Insurance (570):

Fiscal year 1985:
(A) New budget authority, $71,800,000,000.
(B) Outlays, $65,200,000,000.
Fiscal year 1986:
(A) New budget authority, $81,700,000,000.
(B) Outlays, $69,500,000,000.
Fiscal year 1987:
(A) New budget authority, $90,800,000,000.
(B) Outlays, $76,700,000,000.
Fiscal year 1988:
(A) New budget authority, $94,700,000,000.
(B) Outlays, $86,200,000,000.

(13) Income Security (600):

Fiscal year 1985:
(A) New budget authority, $163,100,000,000.
(B) Outlays, $128,800,000,000.

Fiscal year 1986:
(A) New budget authority, $157,500,000,000.
(B) Outlays, $121,000,000,000.
Fiscal year 1987:
(A) New budget authority, $166,300,000,000.
(B) Outlays, $126,300,000,000.
Fiscal year 1988:
(A) New budget authority, $174,800,000,000.
(B) Outlays, $132,300,000,000.
(14) Social Security (650):
Fiscal year 1985:
(A) New budget authority, $195,500,000,000.
(B) Outlays, $189,300,000,000.
Fiscal year 1986:
(A) New budget authority, $207,400,000,000.
(B) Outlays, $194,900,000,000.
Fiscal year 1987:
(A) New budget authority, $225,500,000,000.
(B) Outlays, $206,100,000,000.
Fiscal year 1988:
(A) New budget authority, $266,100,000,000.
(B) Outlays, $220,400,000,000.
(15) Veterans Benefits and Services (700):
Fiscal year 1985:
(A) New budget authority, $27,200,000,000.
(B) Outlays, $26,300,000,000.
Fiscal year 1986:
(A) New budget authority, $27,000,000,000.
(B) Outlays, $26,500,000,000.
Fiscal year 1987:
(A) New budget authority, $27,300,000,000.
(B) Outlays, $27,000,000,000.
Fiscal year 1988:
(A) New budget authority, $27,800,000,000.
(B) Outlays, $27,600,000,000.
(16) Administration of Justice (750):
Fiscal year 1985:
(A) New budget authority, $6,500,000,000.
(B) Outlays, $6,300,000,000.
Fiscal year 1986:
(A) New budget authority, $6,700,000,000.
(B) Outlays, $6,700,000,000.
Fiscal year 1987:
(A) New budget authority, $6,900,000,000.
(B) Outlays, $6,800,000,000.
Fiscal year 1988:
(A) New budget authority, $7,000,000,000.
(B) Outlays, $7,000,000,000.
(17) General Government (800):
Fiscal year 1985:
(A) New budget authority, $5,700,000,000.
(B) Outlays, $5,800,000,000.
Fiscal year 1986:
(A) New budget authority, $5,900,000,000.
(B) Outlays, $5,800,000,000.
Fiscal year 1987:
(A) New budget authority, $6,000,000,000.
(B) Outlays, $5,800,000,000.
Fiscal year 1988:
(A) New budget authority, $6,200,000,000.
(B) Outlays, $6,100,000,000.
(18) General Purpose Fiscal Assistance (850):
Fiscal year 1985:
(A) New budget authority, $6,400,000,000.
(B) Outlays, $6,400,000,000.
Fiscal year 1986:
(A) New budget authority, $6,500,000,000.
(B) Outlays, $6,500,000,000.
Fiscal year 1987:
(A) New budget authority, $6,800,000,000.
(B) Outlays, $6,700,000,000.
Fiscal year 1988:
(A) New budget authority, $7,100,000,000.
(B) Outlays, $7,000,000,000.
(19) Net Interest (900):
Fiscal year 1985:
(A) New budget authority, $129,700,000,000.
(B) Outlays, $129,700,000,000.
Fiscal year 1986:
(A) New budget authority, $141,300,000,000.
(B) Outlays, $141,300,000,000.
Fiscal year 1987:
(A) New budget authority, $152,400,000,000.
(B) Outlays, $152,400,000,000.
Fiscal year 1988:
(A) New budget authority, $156,800,000,000.
(B) Outlays, $156,800,000,000.
(20) Allowances (920):
Fiscal year 1985:
(A) New budget authority, $300,000,000.
(B) Outlays, $300,000,000.
Fiscal year 1986:
(A) New budget authority, $0.
(B) Outlays, $0.
Fiscal year 1987:
(A) New budget authority, $1,500,000,000.
(B) Outlays, $1,600,000,000.
Fiscal year 1988:
(A) New budget authority, $3,300,000,000.
(B) Outlays, $3,500,000,000.
(21) Undistributed Offsetting Receipts (950):
Fiscal year 1985:
(A) New budget authority, −$32,400,000,000.
(B) Outlays, −$32,400,000,000.
Fiscal year 1986:
(A) New budget authority, −$34,800,000,000.
(B) Outlays, −$34,800,000,000.
Fiscal year 1987:
(A) New budget authority, −$37,600,000,000.
(B) Outlays, −$37,600,000,000.
Fiscal year 1988:
(A) New budget authority, −$40,700,000,000.
(B) Outlays, −$40,700,000,000.

RECONCILIATION

SEC. 2. (a) Not later than June 30, 1985, the committees named in subsections (b) through (e) of this section shall submit their recommendations to the Committees on the Budget of their respective Houses. After receiving those recommendations, the Committees on the Budget shall report to the House and Senate a reconciliation bill or resolution or both carrying out all such recommendations without any substantive revision.

SENATE COMMITTEES

(b) The Senate Committee on Agriculture, Nutrition, and Forestry shall report (1) changes in laws within its jursidiction which provide spending authority as defined in section 401(c)(2)(C) of the Congressional Budget Act of 1974, sufficient to reduce budget authority and outlays, (2) changes in laws within its jurisdiction other than those which provide spending authority as defined in section 401(c)(2)(C) of the Act, sufficient to achieve savings in budget authority and outlays, or (3) any combination thereof, as follows: $430,000,000 in budget authority and $430,000,000 in outlays in fiscal year 1986, $446,000,000 in budget authority and $446,000,000 in outlays in fiscal year 1987, and $462,000,000 in budget authority and $462,000,000 in outlays in fiscal year 1988.

(c) The Senate Committee on Armed Services shall report changes in laws within its jurisdiction which provide spending authority as defined in section 401(c)(2)(C) of the Congressional Budget Act of 1974, sufficient to achieve savings of $0 in budget authority and $539,000,000 in outlays in fiscal year 1986, $0 in budget authority and $742,000,000 in outlays in fiscal year 1987, and $0 in budget authority and $773,000,000 in outlays in fiscal year 1988.

(d) The Senate Committee on Finance shall report (1) changes in laws within its jurisdiction which provide spending authority as defined in section 401(c)(2)(C) of the Congressional Budget Act of 1974, sufficient to reduce budget authority and outlays, (2) changes in laws within its jurisdiction other than those which provide spending authority as defined in section 401(c)(2)(C) of the Act, sufficient to achieve savings in budget authority and outlays, or (3) any combination thereof, as follows: $0 in budget authority and $8,608,000,000 in outlays in fiscal year 1986, $0 in budget authority and $11,758,000,000 in outlays in fiscal year 1987, and $0 in budget authority and $12,306,000,000 in outlays in fiscal year 1988.

(e) The Senate Committee on Governmental Affairs shall report (1) changes in laws within its jurisdiction which provide spending authority as defined in section 401(c)(2)C) of the Congressional Budget Act of 1974, (2) changes in laws within its jurisdiction other than those which provide spending authority as defined in section 401(c)(2)(C) of the Act, or (3) any combination thereof, sufficient to achieve savings in budget authority and outlays as follows: $0 in budget authority and $725,000,000 in outlays in fiscal year 1986, $0 in budget authority and $971,000,000 in outlays in fiscal year 1987, and $0 in budget authority and $992,000,000 in outlays in fiscal year 1988.

(f) The Senate Committee on Veterans' Affairs shall report (1) changes in laws within its jurisdiction which provide spending authority as defined in section 401(c)(2)(C) of the Congressional Budget Act of 1974, sufficient to reduce budget authority and outlays, (2) changes in laws within its jurisdiction other than those which provide spending authority as defined in section 401(c)(2)(C) of the Act, sufficient to achieve savings in budget authority and outlays, or (3) any combination thereof, as follows: $449,000,000 in budget authority and $404,000,000 in outlays in fiscal year 1986, $553,000,000 in budget authority and $552,000,000 in outlays in fiscal year 1987, and $575,000,000 in budget authority and $573,000,000 in outlays in fiscal year 1988.

HOUSE COMMITTEES

(g) The House Committee on Agriculture shall report (1) changes in laws within its jurisdiction which provide spending authority as defined in section 401(c)(2)(C) of the Congressional Budget Act of 1974, sufficient to reduce budget authority and outlays, (2) changes in laws within its jurisdiction other than those which provide spending authority as defined in section 401(c)(2)(C) of the Act, sufficient to achieve savings in budget authority and outlays, or (3) any combination thereof, as follows: $430,000,000 in budget authority and $430,000,000 in outlays in fiscal year 1986, $446,000,000 in budget authority and $446,000,000 in outlays in fiscal year 1987, and $462,000,000 in budget authority and $462,000,000 in outlays in fiscal year 1988.

(h) The House Committee on Armed Services shall report changes in laws within its jurisdiction which provide spending authority as defined in section 401(c)(2)(C) of the Congressional Budget Act of 1974, sufficient to achieve savings of $0 in budget authority and $539,000,000 in outlays in fiscal year

1986, $0 in budget authority and $742,000,000 in outlays in fiscal year 1987, and $0 in budget authority and $773,000,000 in outlays in fiscal year 1988.

(i) The House Committee on Energy and Commerce shall report (1) changes in laws within its jurisdiction which provide spending authority as defined in section 401(c)(2)(C) of the Congressional Budget Act of 1974, sufficient to reduce budget authority and outlays, (2) changes in laws within its jurisdiction other than those which provide spending authority as defined in section 401(c)(2)(C) of the Act, sufficient to achieve savings in budget authority and outlays, or (3) any combination thereof, as follows: $0 in budget authority and $2,355,000,000 in outlays in fiscal year 1986, $0 in budget authority and $3,190,000,000 in outlays in fiscal year 1987, and $0 in budget authority and $3,620,000,000 in outlays in fiscal year 1988.

(j) The House Committee on Post Office and Civil Service shall report (1) changes in laws within its jurisdiction which provide spending authority as defined in section 401(c)(2)(C) of the Congressional Budget Act of 1974, (2) changes in laws within its jurisdiction other than those which provide spending authority as defined in section 401(c)(2)(C) of the Act, or (3) any combination thereof, sufficient to achieve savings in budget authority and outlays as follows: $0 in budget authority and $725,000,000 in outlays in fiscal year 1986, $0 in budget authority and $971,000,000 in outlays in fiscal year 1987, and $0 in budget authority and $992,000,000 in outlays in fiscal year 1988.

(k) The House Committee on Veterans' Affairs shall report (1) changes in laws within its jurisdiction which provide spending authority as defined in section 401(c)(2)(C) of the Congressional Budget Act of 1974, sufficient to reduce budget and outlays, (2) changes in laws within its jurisdiction other than those which provide spending authority as defined in section 401(c)(2)(C) of the Act, sufficient to achieve savings in budget authority and outlays, or (3) any combination thereof, as follows: $449,000,000 in budget authority and $404,000,000 in outlays in fiscal year 1986, $553,000,000 in budget authority and $552,000,000 in outlays in fiscal year 1987, and $575,000,000 in budget authority and $573,000,000 in outlays in fiscal year 1988.

(l) The House Committee on Ways and Means shall report (1) changes in laws within its jurisdiction which provide spending authority as defined in section 401(c)(2)(C) of the Congressional Budget Act of 1974, sufficient to reduce budget authority and outlays, (2) changes in laws within its jurisdiction other than those which provide spending authority as defined in section 401(c)(2)(C) of the Act, sufficient to achieve savings in budget authority and outlays, or (3) any combination thereof, as follows: $0 in budget authority and $8,608,000,000 in outlays in fiscal year 1986, $0 in budget authority and $11,758,000,000 in outlays in fiscal year 1987, and $0 in budget authority and $12,306,000,000 in outlays in fiscal year 1988.

APPROPRIATIONS

SEC. 3. (a) It shall not be in order to consider any measure making appropriations in the Senate or House of Representatives, if the enactment of such bill or resolution, as recommended by the respective Committee on Appropriations, would cause the aggregate total budget authority for function 050, National Defense, to exceed $293,300,000,000 in fiscal year 1986; aggregate total budget authority to exceed $321,500,000,000 in fiscal year 1987; and aggregate total budget authority to exceed $352,500,000,000 in fiscal year 1988.

(b) It shall not be in order to consider any measure making appropriations in the Senate or House of Representatives, if the enactment of such bill or resolution, as recommended by the respective Committee on Appropriations, would cause the aggregate total budget authority for nondefense discretionary activities to exceed $152,000,000,000 in fiscal year 1986; aggregate total budget authority to exceed $159,100,000,000 in fiscal year 1987; and aggregate budget authority to exceed $167,200,000,000 in fiscal year 1988.

(c) The provisions of subsection (a) or (b) of this section may be waived or suspended in the Senate by a majority vote of the Members voting, a quorum being present, or by unanimous consent of the Senate.

MISCELLANEOUS PROVISIONS

SEC. 4. If the Congress has not completed action by October 1, 1985, on the concurrent resolution on the budget required to be reported under section 310(a) of the Congressional Budget Act of 1974 for fiscal year 1986, then, for purposes of section 311 of such Act, this concurrent resolution shall be deemed to be the concurrent resolution required to be reported under section 310 of such Act.

SEC. 5. It shall not be order in the House of Representatives or the Seante during fiscal years 1986 and 1987 to consider any bill, resolution, or amendment, except proposed legislation reported in response to reconciliation instructions contained in this resolution, authorizing new direct loan obligations or new loan guarantee commitments unless that bill, resolution, or amendment also provides that the authority to make or guarantee such loans shall be effective only to such extent and in such amounts as are contained in appropriation acts.

SEC. 6. It is the sense of the Congress that the previous distinction between "unified budget" and "off-budget" spending be ended, and that budget authority and outlays for the so-called "off-budget" agencies be included in the budget totals.

SEC. 7. (a) The Senate finds that—

(1) the existing tax structure of the United States distorts economic activity, leading to an inefficient use of national resources and a weakening of our domestic economic vitality and competitive posture in international markets;

(2) the relative tax burdens among various taxpayer categories are manifestly unfair insofar as they arise from differences in the capabilities of taxpayers to take advantage of complicated tax laws;

(3) the ability of the Federal Government to plan and conduct rational fiscal policy is frustrated by elaborate schemes to avoid taxation and the unintended effects of tax incentives and penalties;

(4) progressive erosion of voluntary compliance threatens the fiscal integrity of our public finances and the confidence of our citizens in the Federal Government's capacity to govern; and

(5) a number of plans, each designed to simplify and reform the Tax Code, have been before the Congress for a time sufficient to allow for extensive analysis and evaluation.

(b) It is therefore the sense of the Senate that tax reform should be adopted as soon as possible, and that it should incorporate the following principles and objectives:

(1) efficiency and responsiveness to market conditions in the economic activities of American businesses and consumers;

(2) simplicity of structure and lower marginal tax rates;

(3) a fair and equitable distribution of the tax burden among all taxpayers, with relief for those below the poverty level, and incentives to bring them into the work force;

(4) a broader tax base, with deductions essential to avoid genuine hardship or to protect the economic security of the American people; and

(5) increased incentives for work, saving, and investment.

SEC. 8. It is the sense of the Senate that because the Senate requires timely reporting of legislative action on spending bills, and because the Senate requires continual control over the budget, the Director of the Congressional Budget Office shall issue a weekly report during periods when the Senate is in session detailing and tabulating the progress of congressional action on bills and resolutions providing new budget authority and changing revenues and the public debt for a fiscal year, including, but not limited to the requirements set forth in Public Law 93-344, section 308(b).

Mr. GRASSLEY. Mr. President, I yield myself 6 minutes; and if I come to the end of that, 1 more minute, and at the end of that I will yield the floor to my colleagues who are helping.

Mr. President, we are about to wheel the Federal budget into the operating room for surgery. It is one of the few times in recent memory when surgery would not be preceded by diagnosis.

Our would-be surgeons of the budget are armed with a handsaw and a cleaver. It reminds me of a Marx Brothers' movie: chasing a howling patient around the room, meat cleaver drawn and cocked, ready for assault.

This year's Rose Garden II was at the opposite extreme from last year's. Last year's Rose Garden budget waved a weak wrist at the deficit problem. Total spending reductions were only $16 billion.

This year's Rose Garden II was a search and destroy mission; for all, that is, but defense, and we moderated that a little with an amendment I offered which was adopted last week. The Senate has now countered that mission by voting, amendment by amendment, to raise that compromise, in most instances, to a freeze in 1986 at the 1985 level.

Constituencies became polarized because of the approach taken in this budget compromise. The imbalance of the plan was clearly visible: 7 percent growth for defense, only 2 percent growth for Social Security, and outright elimination of many domestic programs.

It is not an exaggeration to claim that fairness and equity were not salient traits of the compromise budget.

I suppose there are different ways, intellectually, to go about long-term budget control.

However, the approach taken by those who crafted the Rose Garden

budgets, as well intentioned as that might have been, is not the way to go about doing things.

Clearly, we have discovered this these last 2 weeks. If the original package had been more equitable from the start, the opportunity for substantial savings would still be with us.

The pendulum approach to budgeting we have seen the last 2 years, which swings from lenient to austere, is counterproductive to the stated goal of budget control. Instead of producting deficit reduction, it produces confusion, polarization and inaction.

The record on deficits in recent years bears this out. The only prescription for long-term deficit control is to first build a consensus for agreement, and then reestablish and execute policy accordingly.

Consensus cannot be found without the perception of fairness as a point of departure. The compromise budget never contained that quality. That is why it has fallen apart to some extent. If we had attempted to build a plan from the original budget resolution, we would have done much better.

It is not true, as some have argued, that long-term control of the budget depends on eliminations of many programs. Long-term control depends on our ability to plan competently over time, especially in any current year; and it depends on our ability to forge a consensus, without which our efforts are doomed to fail.

If we had frozen the Federal budget 2 years ago, as I had then proposed, and again last year, as I proposed, and as we voted on the floor of the Senate, the fiscal year 1986 baseline deficit would be only $108 billion instead of $227 billion.

We could have established the moral authority for deficit reduction last year and the analytical authority for further reduction this year and in the future.

Instead. we have lost much ground. Last year, we ignored the problem, and this year, to compensate, we are taking wild swings at a now critically ill patient.

I will not take a back seat to anyone on both desire and action to reduce Federal deficits and spending. I have done them with consistency. I have proposed an across-the-board budget freeze for each of the last 3 years, and we are now doing it in this document.

But equally important as the bottom-line savings is the manner in which those savings are assumed. If $50 billion, or $60 billion or even $70 billion are shown as savings on paper, they are still only paper savings until we crack the code on how to get that much savings through Congress.

And I submit to you, Mr. President, that the only way to get any substantial budget-savings package through Congress—that the only way to crack the code—is to create an environment of shared sacrifice, not a campaign of survival of the fittest.

Mr. President, as leaders of the Senate, we of the majority party are approaching this long-term deficit problem the wrong way.

The objective may be noble, but the means, and therefore our ability to accomplish the objective must be questioned.

Fairness and self-sacrifice are the only true means by which leadership can be established and progress begun. Further progress would depend on systematic and reasoned analysis of the entire Federal budget.

I hope the Senate has learned a valuable lesson this year: that the perception of shared sacrifice is a necessary condition for change, and that is applicable to the budget as well as many other things.

I offer now, with my colleagues Senator KASSEBAUM, Senator BIDEN, and Senator BAUCUS, the fairest possible budget for fiscal year 1986. It is a 1-year, across-the-board budget freeze. It would freeze all discretionary budget authority, including defense. It would freeze all pay, all benefits, all COLA's and all reimbursements. And it would freeze farm price supports as well, just in case any of you are in doubt because I am from an agriculture State.

This plan would save over $40 billion in fiscal year 1986. It is the same plan we offered last year and which we should have passed last year. It is the plan which the Senate has agreed to so far this year, amendment by amendment.

I am truly fearful that unless an across-the-board freeze is established as a first step in the process, progress to reduce future deficits will be greatly impaired.

I hope the Senate will adopt this across-the-board freeze this year so we can move on at once to the more critical area of long-term budget control of the Federal budget.

I see my colleague from Delaware who has been so helpful on this, and I yield 5 minutes to him.

Mr. BIDEN. That will be plenty.

The PRESIDING OFFICER. The Senator from Delaware.

Mr. BIDEN. Mr. President, I urge my colleagues to support a 1-year budget freeze as an alternative to the Republican leadership budget proposal. Because the President/leadership budget proposal that is before us now—either in its original or in its presently amended form—is not the best choice. And I doubt that it can be satisfactorily amended in piecemeal fashion here on the floor.

The best choice, in my view, is a real budget freeze that stops the growth of Federal spending and stops the growth of deficits. It is my hope that the Senate can unite around the only bipartisan budget proposal that will be offered—the 1-year budget freeze sponsored by Senators GRASSLEY, KASSEBAUM, BAUCUS, and myself.

Ever since our deficit problem was created in 1981, Congress has sought to tame the deficits by reshaping Federal policies and priorities. The result has been damage to our economy, to our international trade position, and to many individuals who relied on stable Federal policies. In terms of deficit reduction, our policies over the past 4 years can only be termed a disaster.

Let us look at the results of those policies for a minute.

In each year since 1981, the Senate, and the Congress, have acted to try to reduce deficits. However, a review of the results of those actions is not encouraging. Deficits have risen steadily—or perhaps dramatically would be a more descriptive word.

In the first budget resolution for fiscal year 1982 the deficit was estimated to be $37.7 billion. As it turned out, the actual deficit that year was $110.6 billion.

For the fiscal year ending September 30, 1983 the budget estimated a deficit of $103.9 billion, yet the actual deficit at year end was $195.4 billion.

For the next fiscal year, 1984, the budget assumed a deficit of $160 billion but the final deficit was $175.4 billion, somewhat better than the previous 2 years.

The current fiscal year is not finished, of course. But the results of the fabled Rose Garden plan appear to leave much to be desired. When the fiscal year 1985 budget was prepared, the deficit was estimated to be $181.2 billion. The Senate Budget Committee has now reestimated that to $212.9 billion.

In the light of those dismaying results, this year the Senate should adopt a simple, enforceable budget program that will halt the upward climb of deficits. If we can do that it will be more than has been accomplished in deficit reduction over the last 4 years.

The right way to do that is a 1-year budget freeze such as the one I am offering with my colleagues, Senators GRASSLEY, KASSEBAUM, and BAUCUS. Why is a budget freeze the right way? There are at least five good reasons.

First, freezing fiscal year 1986 programs at fiscal year 1985 levels will also freeze deficits. In fiscal year 1986 the deficit will be $187.1 billion, a healthy reduction below the estimated fiscal year 1985 level of $212.9 billion. And with just a 1-year freeze deficits will continue to decline to $154.4 billion by fiscal year 1988.

Second, this desirable result is relatively easy to accomplish. It can be done quickly. All it takes is a simple bill. By comparison, the complexities of the reconciliation process required

under the pending measure are staggering. It will require months. This freeze can be put in place in weeks. Our economy and our financial markets need the certainty of an adopted budget program rather than the mere promise of one.

Third, a budget freeze is an understandable solution to our budget dilemma, one that everyone can understand and support. There is no need to evaluate every Federal program in an effort to decide which ones go and which ones stay. They are all frozen.

Fourth, a budget freeze is fair. It treats every program alike. And it treats all beneficiaries alike. There are no cost-of-living adjustments—none for defense and none for other programs. No programs are terminated either. There are no permanent policy changes, but the reduced deficits extend far beyond the 1 year of the freeze.

And finally, the budget freeze allows time to review carefully our budget priorities. In the committees of the Senate and the House we can examine each program. We can weigh their merits and demerits. We can sunset those whose accomplishments are not worth the price. We can keep those which provide basic, necessary services. We can develop a budget plan which, though painful, will have broad acceptance.

All of these are sound reasons for adopting a budget freeze rather than the proposal that is now before us. In particular, I am concerned that it is proposed that we shape and adopt a plan, here on the Senate floor, that will determine the scope and content of Federal activities for years to come.

The plan that is before us, Mr. President, is not a carefully thought out document. It is not the result of deliberation by all of the committees of the Senate. It is not even the result of a mark up by the Budget Committee. It is a plan that was put together in secret negotiations not open to many of us. It will be tested and trimmed here on the floor in just a few days without benefit of the expertise of our colleagues working in committee.

In that connection, let me pose a few rhetorical questions to my colleagues.

Is it the recommendation of the Finance Committee that we begin a new policy of reducing cost-of-living allowances for Social Security by 2 percentage points? What will be the effects of this on the recipients? How many people will be pushed below the poverty line if we take this action? How does this policy affect the financial condition of the Social Security fund over the years? Is this to be a permanent policy? And how will this policy affect others who will be impacted by it—primarily Federal retirees and veterans?

Have the appropriate committees recommended the termination of the 20 or so programs that will disappear under this plan? Does the Small Business Committee recommend terminating SBA? And what will the effects on small business be? Does the Senate Banking Committee recommend the termination of UDAG? What will be the effect on cities' economic base if this program is eliminated? Or does the Banking Committee recommend an end to mass transit subsidies? And what will that do to the economic fabric of our cities, to say nothing of the riders who depend upon mass transit? Does the Finance Committee recommend the end of Federal revenue sharing? What will be the effects on local property tax rates and on local services of such a move?

These and many other questions apparently are to go unanswered if we adopt the President's proposal. Yet these are important questions. They will affect the direction of our Nation for decades. I know it will be said that the final legislation will be written in and reported by those committees to which I have referred. But they will be doing it on the instruction of the Senate. The legislation reported will not necessarily reflect the considered judgment of those committees. It will reflect the reality that the Senate has ordered the committees to make the cuts. I guarantee there will be little talk about the desirability of the program changes or the impacts upon the economy or on people.

Mr. President, this is the wrong way to make our budget priority decisions—and we all know it. Let's freeze Federal spending, and let's freeze the deficits, and then make considered judgments as to what should be done next.

In addition, Mr. President, my support for a freeze is based on the difficulty that will be encountered in passing the President's latest deficit reduction plan. Passing it requires invoking the arcane procedures of reconciliation after both Houses have passed a budget. That will take time, months and months of it.

Perhaps more important, the highly controversial nature of the proposals assures that much time will be needed to carry out the budget reduction plan, if, indeed, it can ever be put in place.

Because, Mr. President, each of us has reasons for not wanting the proposal to be adopted in its present form.

There is controversy about the defense budget which is virtually the only item in the budget—other than our $140 billion in interest payments, of course—that is allowed to grow. Do we really intend to give Social Security recipients a COLA minus 2 percent, but give defense a COLA plus 3 percent, as provided in the original plan?

There is controversy about the proposal to change our present policies regarding cost-of-living increases that have served millions of Americans so well. Do we really want to start a new system that would give an adjustment for inflation that is smaller than the growth in inflation? That is where this budget proposal is leading us. Does anyone really believe that the leadership has given up on that proposal just because it was defeated once here on the floor?

There is controversy about proposals to raise taxes. While the President says he will not raise taxes, his user fees are nothing but tax increases in disguise. We all remember that the term revenue enhancement was invented by this administration to disguise a tax increase. Now they are using the term user fee for the same purpose.

There is controversy in the proposal to terminate 20 Federal programs and to prune severely many others. These are decisions that have serious economic and social impacts in each State. I know that in Delaware the proposal to terminate revenue sharing and force up property tax rates is a very serious matter. I know that the idea of terminating passenger rail service, which is a mainstay of the Delaware economy, is a matter of great concern. I am sure that each of my colleagues has similar issues in his or her State that are equally controversial.

These are not matters that can be settled quickly—nor should they be. Our decisions will affect the growth and prosperity of America for the rest of this century. They will change the lives of all our citizens.

What we need is a budget that can be put in place quickly. Prompt action is what is needed to restore the confidence of the financial markets; to help interest rates to ease even more; to begin gradually to restore balance among currencies; and to begin the long task of reducing our trade deficit. These are all things that should not wait. We need to move quickly and decisively.

We can do that with a budget freeze. A freeze will provide a quick signal to the country that Congress is acting on the deficit issue. Yet we will not risk hasty program decisions.

The so-called leadership plan has been amended significantly here on the floor. While the changes may have made it marginally better, it is still a most unsatisfactory proposal.

What is more important, none of us knows what the leadership will offer next. It could literally be almost anything. And then there will be no choice. I urge all my colleagues to make their choice now and adopt the 1-year budget freeze that is before us now.

Mr. President, I will be somewhat more blunt than my colleague from

Iowa. Let us take a look at where we are now. We all have a perfect plan. I thought that the Hollings-Chiles plan, which would have brought us to a balanced budget in 1990, was the best thing we could do. I believe there are things we could do to the freeze to make it a better package. Had I a magic wand and I could wave it, I would do a number of things beyond this freeze.

But the fact of the matter is after 12 years, going on 13 years in this place, I understand gridlock when I see it, and the fact of the matter is the same rationale applies this year as applied last year when Senators KASSEBAUM, GRASSLEY, BAUCUS, PRYOR, and others offered this proposal, and that is we all had a better idea. Senator KASSEBAUM might like some programs to go up, as would I, at the rate of inflation. You might like defense to go up at the rate of inflation. I would like not to freeze COLA's.

There are a lot of ways we could fix this. But the fact of the matter is if we keep going the way we are, we are going to end up here with a partisan result that will not fly and become law. BOB DOLE, our leader, may get 50 votes for Dole II. But where does it go? Where does Dole II go? We are going to end up with a second concurrent resolution because we will not have a first concurrent resolution; we are going to end up down the line in the same spot we are now.

This is not the best answer in a pure sense. But it is the single best political answer in a nonpartisan sense. It does what we should be doing here, solving problems and not creating problems. This begins the process of solving problems. It only gets us deficit reduction of about $40 billion, which is not as high as the leadership package says it gets. It is not as high as CHILES says it gets. It is not as high, and so on. But it is the only realistic thing. Everyone can live with this and those of you who may be slightly more timid souls than some of us, and that is a self-serving comment, fear not; you can in fact vote for this and not worry about retribution from your community. The American people are fair. They are fair, and if they are all in the barrel, they will all get in. What they do not like is the selective placement in the barrel that is going on here.

How can we justify emasculating mass transit or agriculture or day care centers, whatever we do, and move through with massive tax cuts, corporations not paying taxes, and so on? How do you do that?

There are three problems we face here, and it must be obvious to all of us, as the chairman of the Budget Committee knows well.

One is we are split as a body on Social Security COLA's; two, we are split as a body on defense; and, three, we are split as a body on revenues.

Ultimately there may be able to be enough whips cracked and arms broken on the other side, as I hope any good majority would be able to do, to produce a product, and we will walk out of here for 5 minutes and say, "Well, the Senate did something."

I am willing to bet anyone in here whatever the Senate does on this will not in fact be the ultimate product that in fact comes about as national policy.

So why do we not get about the business of stopping this phenomenal erosion in our economic and financial security as a nation and take the next year to have a year-long debate about what the priorities should and should not be? And they must include something more than a single-year freeze.

But if one more of my colleagues tells me, as they told me the last 2 years, "BIDEN, yours is only 1 year and we have 3 years," when have we ever met the target that we set on anything we have passed for the second or third or fourth or fifth year out? Why do we not stop kidding one another?

And I would respectfully suggest that my time is up.

The PRESIDING OFFICER. The Senator's surmise is right.

Mr. GRASSLEY. I yield 3 minutes to the Senator from Montana.

The PRESIDING OFFICER. The Senator from Montana is recognized for 3 minutes.

Mr. BAUCUS. Mr. President, what has concerned me the last couple of weeks as we have debated the budget is that most of the discussion on the floor of the Senate, most of the discussion in caucuses, and most of the discussion in private conversations, has not seen the forest for the trees. Almost all of the discussion has been: what are we going to trade off, what against what? Social Security against defense? Amtrak against rural housing? What is it going to be? What is the politics? Who is going to win, what political party? Everybody has a hidden, or not so hidden, separate agenda; motives are mixed.

Very little of the discussion has been about the core of the problem namely, gigantic budget deficits which essentially are borrowed time—we are living on borrowed time in this country—and which are a main cause of our equally abysmal trade deficits.

Almost everyone agrees that unless this country gets its house in order, unless we very significantly reduce the Federal budget deficit, unless we very significantly reduce the trade deficit, the price we are going to have to pay to put it all back together again—next year, or the second or third year after—will be far more costly than the price we should pay today to get the Federal budget deficit down. Our trade deficit is due in large part to the overvalued dollar which in turn is tied to the Federal budget deficit.

Today I just want to focus on one feature of the amendment before us. The amendment has many terrific features, including its across-the-board nature. Every group is treated evenly, every group is treated the same way. The freeze brings us all together.

However, the point I really want to emphasize in the short time I have now is that this is a bipartisan approach.

When Senator KASSEBAUM and Senator GRASSLEY first began to think about this, they thought, "Well, let's make it truly bipartisan, let's get an equal number of Democrats and Republicans on this proposal."

They talked to Senator BIDEN and to me: two Republicans, two Democrats. They made this proposal truly bipartisan.

Then we looked to try to add other cosponsors, again on a bipartisan basis, one from one party, one from the other.

Why did we do that? We did that because we recognized and we fervently believed—and we still feel that we have a tremendous problem on our hands. If we are going to solve that problem we have to do it, Republicans and Democrats together.

We are not going to be able to reduce the budget deficit; we are not going to be able to reduce the trade deficit; we are not going to be able to do the things America has to do to begin to compete in the world internationlly—and restore our faith in the future—unless we come together as a country. That means both parties must come together.

That is one reason why we worked to keep this bipartisan. It is also why we chose a truly across-the-board approach—no sacred cows, everybody in this together. Mr. President, no proposal is perfect, But this proposal unites us instead of dividing us. I urge its adoption.

Mr. GRASSLEY. Mr. President, I yield 1 minute to the Senator from Illinois.

The PRESIDING OFFICER. The Senator from Illinois has 1 minute.

Mr. DIXON. Mr. President, because of the limited time, let me read quickly from a USA Today editorial entitled "Freeze Every Dime of Federal Spending." It reads as follows:

> This new budget was a good try, for it showed President Reagan is willing to horse-trade, even on defense. But this compromise should be scrapped.
>
> It should not pass because it is unfair. It would give the Pentagon, awash in reports of waste and profiteering, an increase. But it would force middle-income people, senior citizens, collegians and farmers to make sacrifices.
>
> Instead, the President and Congress must follow the hard but fair course. They must adopt an across-the-board freeze on every dime of federal spending, including defense.

A freeze would break the spend-spend-spend cycle and put a $62 billion dent in the deficit.

A freeze would squeeze everyone, from senior citizens to defense contractors. But, as USA Today has editorialized for months, it would be fair: It's easier to sacrifice if everyone does his part.

Mr. President, I ask unanimous consent that the editorial in support of fairness and equity be printed in the RECORD.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. DOMENICI. Mr. President, I object. Did the Senator get agreement on that? I think the editorial is unfair, but other than that I do not object.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

FREEZE EVERY DIME OF FEDERAL SPENDING

Suppose you were banking at one of those automated teller windows and a computer glitch allowed you to withdraw more money than was in your account.

Maybe you'd be cautious at first, taking only enough unearned dollars for a bag of groceries or a new coat. Still, the lure would be irresistible to withdraw more and more.

You wouldn't get away with it for long, of course. But the federal government has been getting away with it for years. As President Reagan said last week, the feds have been spending money as if they had a "magic money machine."

Now we are close to $2 trillion in debt. Interest on that debt alone is projected to be $155 billion this year. And what are we doing to pay it off? Absolutely nothing. It's been years since we lived within our means. In 1986, we plan to spend $227 billion more than we take in.

On Tuesday, the Senate is scheduled to vote on a compromise budget, supported by President Reagan, to reduce that $227 billion deficit by $52 billion.

It is not an easy budget to swallow.

While allowing defense spending to grow by 7 percent—3 percent above inflation—it would eliminate 17 federal programs, including the Job Corps, the Small Business Administration and Amtrak. It would cut Medicare, student aid and farm-price supports. And Social Security's cost-of-living hike would be cut roughly in half, to 2 percent.

Despite the president's dramatic televised plea for voters to embrace this budget, Senate Republicans couldn't muster the votes for it last week.

This new budget was a good try, for it showed President Reagan is willing to horse-trade, even on defense. But this compromise should be scrapped.

It should not pass because it is unfair. It would give the Pentagon, awash in reports of waste and profiteering, an increase. But it would force middle-income people, senior citizens, collegians and farmers to make sacrifices.

Instead, the president and Congress must follow the hard but fair course. They must adopt an across-the-board freeze on every dime of federal spending, including defense.

A freeze would break the spend-spend-spend cycle and put a $62 billion dent in the deficit.

A freeze would squeeze everyone, from senior citizens to defense contractors. But, as USA TODAY has editorialized for months, it would be fair: It's easier to sacrifice if everyone does his part.

If a family unwisely borrowed too much and was forced by law to pay its bills, it could start by freezing everyone's allowance so more income could go to the creditors.

Now the federal government must do the same. It must freeze its spending and start living within its means. This nation must finally learn what every family already knows: There is no "magic money machine."

Mr. GRASSLEY. Mr. President, I yield the balance of the time to the Senator from Kansas.

The PRESIDING OFFICER. The Senator from Kansas has the balance of the time available.

Mrs. KASSEBAUM. Mr. President, we have now consumed almost 50 hours on this resolution. Despite the eloquence of those who have spoken about the need for deficit reduction, we are no closer to that goal now than we were 50 hours ago.

We are at an impasse. The reason for that impasse is obvious. We all want deficit reduction—that's the good news. The bad news is that we all want to do it our own way.

Every Member of this body could write a budget plan that reduces deficits. Some days it appears that every Member has. Unfortunately, no Member of this body has been able to produce a budget that can achieve consensus support

Mr. President, all of the packages represent an honest attempt to meet the challenge of deficit reduction. A challenge—I might add—that is greatly complicated by an ever-present undercurrent of partisan politics.

Two hundred billion dollar deficits are formidable enough obstacles to overcome in the best of circumstances. But, when one has to attempt to reduce them while fending off partisan rhetoric about tax increases, defense cuts, and Social Security breaches of faith, the task becomes impossible. Personally, I would just as soon not raise taxes, delay COLA's, or freeze defense. But, to get deficits under control, I am willing to do all three. Over the past 2 weeks I have voted to do all three.

I have voted for major budget proposals offered by both parties. I supported the White House-Republican leadership plan. I supported the Chiles-Hollings plan. I have voted for plans containing taxes and for plans with no taxes. I have voted for COLA freezes and 2 percent COLA guarantees. I voted for the Hollings plan in committee, and I voted for the Domenici plan that the Budget Committee sent to the floor.

Mr. President, contrary to all appearances, I am not confused. In fact, my thinking on the subject of deficits is quite clear. I know they must be reduced, and I realize the chances of that happening from a partisan plan are remote. That is why I am cosponsoring the pending amendment.

The KGB freeze, as it has come to be known, suffers from a number of problems—partisanship, however, is not one. KGB is opposed by everybody who is anybody in either party. The Republican leadership opposes it. The Democratic leadership opposes it. The President opposes it. Howard Baker didn't like it, and Vice President Bush has been ready for 2 years to vote against it. Any plan that can generate that much bipartisan agreement can't be all bad.

Mr. President, we have tried a number of approaches thus far in this debate and failed. We are not going to reach $52 billion in deficit reduction.

KGB will not save $52 billion. I will be the first to admit that. This plan will not achieve the level of savings found in the Dole-Domenici plan, the Byrd plan, or the Chiles-Hollings plan. I submit, however, that since none of those plans are going to pass, that attacking KGB for inadequate savings is a rather weak charge. Inadequate as compared to what?

The plan that the Senators from Montana, Delaware, Iowa, and I are offering does two things. It provides a basic framework for holding spending in check while we deliberate over structural spending reforms—and it saves $40 billion while so doing.

If we had adopted the KGB freeze last year, the current deficit would be lower than the one we are trying to achieve for 1986. If we do not adopt it this year, we will have again missed a golden opportunity to take the logical first step toward structural spending reform.

There is not much that we need to add to this debate that has not been made here a year ago, except we are that much further in debt. Certainly what I think is enormously important is to find the best deficit reduction package that is the most equitable and that has bipartisan support. I think it is crucial for a final resolution of the problem that we all acknowledge that we have.

We have almost used up 50 hours of debate. We have gone through a number of different packages, all of which, on the whole, I have supported. And I certainly believe that it is not just a lack of confusion, Mr. President.

I would also say that what I believe is absolutely essential is a bipartisan approach and one that is equitable. I think that is accomplished with the 1-year budget freeze, which does say that if we are not able to accomplish the structural reforms this year, which we have not been able to do, then we are putting everyone on notice that indeed that is coming. There are, as the Senator from Delaware [Mr. BIDEN] has said, a number of different approaches we could have taken but it seemed best at this point to offer the simplest and most equitable one across the board. And I would urge serious consideration of this first

step which I think is an important one.

The PRESIDING OFFICER. Who yields time?

Mr. DOMENICI. Mr. President, how much time do I have remaining in opposition?

The PRESIDING OFFICER. The Senator has 20 minutes remaining.

Mr. DOMENICI. Mr. President, I will make a few remarks, then I am going to yield to the chairman of the committee shortly.

I understand the Senator from Idaho has a question.

Mr. SYMMS. Mr. President, I just wanted to ask the chairman a brief question.

Mr. DOMENICI. This is off my time.

Mr. SYMMS. The Senator knows this budget thing inside out, but it appears to me that this so-called fairness really does not get rid of anything. We still have all of the programs left in place, is that not correct?

Mr. DOMENICI. The Senator is correct.

Mr. SYMMS. So there is nothing actually done away with? We just go on and expand the welfare rolls and reduce the defense and say that you have frozen the budget.

Mr. DOMENICI. The Senator is correct.

Mr. President, I yield myself 3 minutes. Let me first compliment those who have worked not only this year but for a couple of years in an effort to put this freeze package together. I know that many of you have even been judging your concept of what is fair against this and it has been very difficult from time to time for you to look at other proposals because obviously you assume that it is extremely fair going in.

I would just like to make a few points. After complimenting you, I hope you do not win. First of all, let me just say for those who have voted on defense issues, this is a serious, serious vote. We are in the final throes of finishing up the budget. I do not suggest that anybody votes on these kinds of things in anything other than a serious manner. But this is very serious.

Let me compare some defense things. The distinguished senior Senator from West Virginia offered a package. It got a lot of votes, over 40. So we can put a little comparison in. His amendment has defense growing at 1 percent over inflation. So everybody ought to know this is 5 percent less than that. This is no growth, meaning not even inflation. So for comparison, it is 5 percent more of a defense reduction than what the distinguished minority has.

Mr. GRASSLEY. Will the Senator let me clarify on that point?

Mr. DOMENICI. I am pleased to yield.

Mr. GRASSLEY. The Senator is correct as far as growth, but in outlays we will still be spending $13 billion more next year than this year.

Mr. DOMENICI. There is not any question that defense spends out from budget authority, but the future defense of our country is based on budget authority. I am merely talking about, comparing the distinguished minority leader's defense number, this is 5 percent lower.

Now we brought out a package with a 3-percent growth and we had a very heated debate and by a two-vote margin the Senate voted to bring it down to zero.

Now let us compare that zero in the first year with this. This is 4 percent lower than that zero in the first year.

I only say that because I do not know that we all understand the freezes the same way. Some people say we are talking about a defense freeze and we were using no growth, zero. This freeze is a literal freeze in budget authority which does not provide any growth, which is 4 percent less than what the distinguished minority leader offered.

Now let me give you another couple of comparisons. It may be fair to freeze every one Federal program. Some people might think that. But 60 percent of all the savings in this budget are out of the defense of this country.

Now that may be fair when one looks at the freeze. I am just not so sure it is the right thing to do. I cannot believe that we can look out there at the defense needs of our country, at this huge, huge litany of programs that we have everywhere else, and say it is fair to take 60 out of defense and 40 out of all the rest.

Now it does have a very, very good feature. I have complimented them many times on it. It has brought into the limelight one particular issue. It freezes cost-of-living indexes. That has been voted on a couple of times here. It does that. Now, that may be fair.

I happen to think it is fair if you have a major deficit package. I will tell you I am not so sure it is fair when you do not cut anything out of any other program in the Government. I am not saying that this does not freeze the rest of it. But, frankly, there are so many arguments about fairness, I wonder, if you are going to freeze the cost-of-living for pensioners, if you cannot find some programs in this Government that you could get rid of in exchange for asking them to sacrifice. I happen to think there are about 25 billion dollars' worth of programs that should be eliminated or reformed before you ask seniors to accept a freeze.

Having said that, I do with all sincerity compliment the sponsors. In particular, I compliment those who have focused on defense in the past few years. I think they have helped. But I really do not think we can justify at this point in our development of our national defense a negative for growth in defense. I do not think it is fair to take 60 percent out of defense. I do not think it is fair for senior citizens and all the other pensioners to freeze them and to treat all the rest of the other programs of our Government on par.

Last but not least, it will not do the job. I am not arguing that a $40 billion would not be great. But, frankly, when you only do this and do nothing else, you really leave a rather substantial deficit in place. I do not know that I would ask for a freeze unless I was prepared to do a lot more than this in terms of structural changes.

I would be pleased to yield to my good friend, the chairman of the Armed Services Committee, Senator GOLDWATER.

The PRESIDING OFFICER. The Senator from Arizona.

Mr. GOLDWATER. I thank my friend from New Mexico.

The Senator from Iowa very correctly pointed out the other day that a few months ago when we first started working on this budget problem—I think 2 days after the election—I believed in the freeze because I considered a freeze to be an across-the-board freeze. I attended the first meeting. I continue to attend meetings, and it became very obvious to me that there was no way you could freeze this budget because everybody has their little selfish items. We watched Amtrak win today. We watched food lunches win today. I am not saying they might not be needed. But if you are going to cut the deficit, we are all going to have to make some sacrifices. I have some responsibilities.

I am chairman of the Armed Services Committee. I happen to believe that the first responsibility we have in this body and the other body is the defense of our country. You may say, oh, it is adequate. We have more than we need. I will admit we have the finest armed services at this particular moment than we have ever had in my memory. That goes back longer than I like to even think about. But is we cut this budget 4 percent and the House is now looking at zero, zero, zero, we have no bargaining position to begin with when I take this bill, if we ever get around to passing it, over to the House for our conference. We start out with no position to bargain from.

It is very easy to say freeze. It is very easy to say let us take this money out of defense. Let us finance everything else that everybody in this Chamber wants for more food stamps, more support for the farmers, more this and more that. Let us continue on soaking 50 percent of the American taxpayer so the other 50 percent do not have to worry. I believe in welfare. But I do not believe in the welfare state. I do

not believe in cutting up the defense of this country just in order to finance the particular likes that each one of us might have. Many things that I would like to see contained in this budget I have already voted against, and I will continue to vote against them. But I beg of my colleagues, take a hard look at this. This freeze might have worked had we started out with it. It is not going to work now where you do not freeze everything. When you are taking 60 percent of all the anticipated cuts out of the defense budget, and we have inflation growing at a normal rate now of around 3.5 percent—maybe a little more next year because some people are talking our economy into a worse condition—I do not like to think of trying to provide the defense of this country with the needs they have to have and fail to do it.

I just remind my colleagues of an obligation we have in the Middle East. We have no treaty. But we have promised Israel to come to her defense if she needs it. Can we do it? We cannot hardly do it with the equipment we have today. We have to build a new transport called the C-17. You cut this budget, there will be no C-17. We have no way to get troops; we have no way to get equipment into that part of the world. We built our defense, I think, not wisely, but we built it on the possibility of war on the plains of Europe. I want to remind my colleagues that we have responsibilities around this world where we do not have the equipment that we need to fight around this world.

Do not cut our defenses 60 percent. I will admit we can cut defenses. I said that in the first meeting I went to. We can. And we have. The budget that the Armed Services Committee voted out was a cut in defense. But how far are we going to go? I do not want to see our boys wind up with just bows and arrows. We went through that once. We got the hell beat out of us.

Please, take a hard look at this. It sounds great. Freeze everything. But oh, do not freeze the things that I want in my home State. That is what is going to kill us if we do not make up our minds that saving this country is a lot more important than saving our own pet little projects.

Mr. BIDEN. Mr. President, will the Senator from Iowa yield 10 seconds? Can we find the Senator from Iowa? [Laughter.]

Mr. DOMENICI. Mr. President, how much time do I have?

The PRESIDING OFFICER (Mr. SYMMS). The Senator from New Mexico has 16 minutes.

Mr. DOMENICI. I yield 10 seconds.

Mr. BIDEN. Mr. President, I understand why my distinguished friend, the chairman of the Armed Services Committee, may be confused.

The PRESIDING OFFICER. The 10 seconds has expired.

Mr. BIDEN. You are a heck of a guy. [Laughter.]

Will the Senator yield 10 seconds?

Mr. DOMENICI. I am pleased to.

Mr. BIDEN. None of the amendments that we passed, Mr. Chairman, are in fact attached to this freeze. This is in fact a total freeze.

The PRESIDING OFFICER. Who yields time?

Mr. DOMENICI. I think we are ready to vote shortly.

I think there is one other notion that I should speak a minute on. There are so many ideas of what is fair that it is pretty difficult to express the concept. I have been home recently, and I am sure all my friends here in the Senate have. People say if the budget package is fair, I will be for it. And my good friend, a member of my committee, who, I dearly respect, Senator GRASSLEY, says a freeze is fair. But I would like to make this point. A freeze of all programs when that plan ends up with 60 percent of savings out of defense, and freezing the pensions for all the people in this country, assumes one thing further. It assumes that all programs are created equal, that all the policies are the same, the same in need, the same in urgency, and the same in our Government's responsibility to do what it must. Frankly, I think when you ask that kind of question, a freeze of this type fails in fairness because I do not think all the programs are the same. I do not think they have an equal objective or approach.

I say that my friend, the distinguished Senator, who has been working hard on this forever and is on the Budget Committee along with the good junior Senator from Kansas, who also worked hard on this have a different notion. They think maybe you cannot save much more, and you ought to get on with saving this much. I just do not believe that. I do not say it is not a good idea. But I think we can save more. In that context, they have an idea that simplicity is a virtue here. It may be. It may be that we cannot do any more. Maybe this kind of freeze has with it that added characteristic. But, frankly, I think this is a year to do a lot more. I urge the Senate not to adopt the freeze amendment, which is the full substitute that is before us.

I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

Mr. DOMENICI. I have how much time remaining?

The PRESIDING OFFICER. The Senator has 9 minutes remaining.

Mr. GRASSLEY. Mr. President, will the Senator give me 1 minute to respond to a point that you were not wrong about, but that I would like to comment on?

Mr. DOMENICI. I yield 1 minute to my friend, Senator GRASSLEY.

Mr. GRASSLEY. Mr. President, we would not say that all programs are created equally and that is not the issue, although I do not find fault with the point the Senator made. It is a point of starting with shared sacrifice as a necessary first step to getting the show on the road to get the budget deficit down. We have always thought in terms of bringing people together as opposed to a budget the Senator presents, which we thought actually kind of divided people. In this period of time, when we need real austere approach that is even going to have to go further down the road a few years than what the Senator suggested we do, it is better that we try to reprioritize the budget at the same time as we bring down the overall level of expenditure.

Mr. LEVIN. Mr. President, I will vote against the Grassley amendment, embodying the so-called KGB freeze, because it will not bring about significant deficit reduction over the next 3 years and because it does not ask everyone to fairly share in the burden of deficit reduction.

The KGB freeze, unlike the Chiles-Hollings package which I supported, does not put us on a realistic glidepath toward a balanced budget in the foreseeable future. This glidepath is essential if we are to ask people in this Nation to endure the sacrifices of deficit reduction. Otherwise, their efforts will have been in vain, and the future requests for sacrifice, which would be inevitable, would risk falling on less and less responsive ears. Passage of the KGB freeze would put off the day when we have to make multiyear budget plans and would result in those plans requiring more painful medicine than they would have had to if we had acted earlier.

In addition, the KGB plan does not require the degree of shared sacrifice necessary to make it acceptable or fair. Under the KGB plan, Social Security recipients are required to give up their cost-of-living adjustments, for 1 year and many of those recipients will be thrown into poverty. There is not even a provision in the plan for softening the impact of this COLA freeze. At the same time, there is no provision in the KGB plan for enacting a more effective minimum tax on profitable corporations and wealthy individuals, who are now using the tax code to avoid paying anything in taxes. A budget plan which asks for sacrifice from senior citizens and so many others, but does not take steps to tighten up the Tax Code as it applies to these profitable corporations and wealthy individuals, is unbalanced and unsupportable.

There is a budget package offered which provides a responsible and bal-

anced way to dramatically reduce the deficit by 1990. This was the Chiles-Hollings package, which I support. I hope that we will consider something along its lines again before we conclude our deliberations on the budget.

Mr. PRYOR. Mr. President, I am pleased to be a cosponsor of the pending amendment, and I hope it will be adopted by the full Senate. This amendment, Mr. President, is the best way to solve our budget problems, and will give us time to develop long-term solutions to the budget problems we're now facing.

Mr. President, this amendment is simple. It is equitable. It tells everybody and every program in the Federal budget: "We've got serious budget problems, and in an effort to get the deficits down, we're going to freeze your program for the next year." This freeze is across the board; no one or no program is exempt. For this reason, Mr. President, it is the best way to attack the problem, and it will then allow us to spend the next year developing real, long-range solutions to get the horrible budget deficit under control.

Some people argue that this is the wrong way to go. My answer to that, Mr. President, is that under this plan everybody is included. Therefore, it's equitable. Next, we've got to do something. Every other proposal to date that's been considered on the floor has gone down to defeat. The so-called leadership package was adopted, but then was amended to the point where nobody knows what's in it now. So, as a practical matter, Mr. President, all of the other budget alternatives have been defeated.

I have supported the concept of a 1-year across-the-board budget freeze each of the last 2 years. While we haven't won, I think the time has certainly come for this idea. It just seems to me, Mr. President, that if we're ever going to get these deficits of $200 billion down to manageable levels, and levels that won't literally mortgage the future of this country, we're going to have to do it with shared sacrifice. That's what this amendment is all about. Everybody helps. Therefore, the country will be better off.

This budget amendment is only for a 1-year freeze. But, this 1-year tourniquet will provide us some breathing room to get our budget back on the right track. We're running out of time, Mr. President, and the pending amendment is the best solution offered to date.

I commend my colleagues, the Senator from Kansas [Mrs. KASSEBAUM], the Senator from Iowa [Mr. GRASSLEY], and the Senator from Delaware [Mr. BIDEN] for their efforts. I hope we will prevail in this effort, and I urge my colleagues to join in supporting this amendment.

Mr. PELL. Mr. President, I have voted for a 1-year freeze on Federal Government spending. I have done so primarily to indicate my conviction that the Federal Government deficit must be reduced.

I have voted for this across-the-board freeze as an alternative to the administration's proposal which proposes to reduce the Federal deficit by destroying or decimating programs that are of proven worth and that contribute significantly to our strength as a nation.

Most importantly, this budget freeze amendment would bring to a screeching halt the runaway increases in defense spending. It would freeze defense spending at the current level with no adjustment for inflation. It would force the Defense Department to eliminate unneeded weapons systems, and stop the wasteful practices in Government defense contracts. Defense spending increases have added immensely to our budget deficits during the past 4 years. Freezing that spending would be good for our Nation.

Although I have voted for this budget freeze, I have very serious reservations about the effect of the freeze on Social Security benefits. I believe it is basically unfair to freeze Social Security benefits. Social Security is financed by separate payroll withholding taxes, and those taxes are paid to be used for Social Security, including cost-of-living adjustments, and not to reduce the Federal Government deficit. If I had my way, I would not freeze Social Security benefits.

In addition, this across-the-board freeze has other serious flaws. While freezing Government spending programs, it would permit the continued burgeoning growth of tax expenditures that add billions of dollars to the deficit each year and permit profitable corporations and well-off individuals to escape their fair share of taxes. In addition the freeze permits continued spending on wasteful farm subsidy programs at a very high level.

In my view, the administration budget uses deficit reduction as an excuse to attack and destroy good and effective Government programs with which the administration simply disagrees. Indeed, this administration would propose slashing of such programs as student aid, Amtrak, and Social Security even if the Government were running a surplus.

For all of its flaws, the spending freeze proposal at least focuses on deficit reduction as the primary objective, without attacking good, essential and proven Government programs. And it does have a major advantage in firmly halting the runaway growth in defense spending that has contributed so much to the escalating Federal deficits.

Mr. GRASSLEY. Mr. President, it has become apparent that Congress and the administration has lost some needed perspective with regard to our agriculture budget. Too many people are focusing on the costs, which represent a symptom of a depressed farm economy, and perhaps a symptom of an inadequate farm program. Too much focus is on the cost, and virtually no attention is being paid to the causes for the cost.

Worse yet, instead of addressing the means to correct these causes, some want to take a simplistic approach correcting the symptom. In short, their answer is to slash the agriculture budget with no care as to the economic turmoil that it will bring. They aren't concerned about the impact of these meat ax cuts on the economic fabric of an already struggling farm sector.

Just why are farm program costs high? It's simple, everyone knows that under our commodity price support programs, as farm market prices fall below a certain set level, Government expenditures increase. These expenditures amount to a safety net for farmers; they do not guarantee profits. As an example, in 1984 it cost Iowa corn growers an average of $2.99 to produce a bushel of corn if he can average 115 bushels per acre. During that same year, the average market price was $2.97, so the farmer who did not sign up for the program would have lost 2 cents per bushel. If the farmer was signed up for the program, he could have been assured $3.03 per bushel, a 4-cent profit. Of course that profit would have been offset by the losses associated with the requirement to set aside a percentage of his acreage.

So you see, at best, our farm programs provide a mere safety net. This should dismiss any ill-conceived impressions some might hold that American farmers walk away from the U.S. Treasury with billions of dollars in their pockets as they laugh their way to the bank. So, who does benefit from our farm program expenditures? It benefits those who depend upon agriculture directly or indirectly for their jobs. In Iowa, that's about 4 out of 5 jobs. Nationwide, 20 percent, or 23 million jobs depend upon agriculture. Twenty-three million workers in America are depending upon American farmers staying in business. These 23 million workers understand that if farmers stay in business, they will spend about $135 billion worth of goods and services produced by our urban work force.

That's where the billions of dollars of farm program price supports are going. This money keeps these 23 million employed. It goes to the employees of machinery manufacturers, chemical and seed companies, the landlords, the banker, the grocery

store, the local mechanic. When farmers are at best breaking even with our price support programs, it is easy to figure out who benefits from what money that does come from the U.S. Treasury.

Washington can ill-afford to think of our farm programs in terms of a small percentage of farmers scattered throughout the country. We are talking about the backbone of our Nation's economy.

Who benefits from our farm programs? Not just a few million farmers, but 20 percent of our work force.

So the question is, Who is subsidizing whom?

There is yet another side of this farm subsidy issue worth exploring. Americans enjoy the safest, most nutritious diet in the world. And they spend less than 16 percent of their disposable income on food. Compare this to the 60 or 70 percent of disposable income that consumers from other parts of the world must spend.

For every dollar spent for food consumed at home, the farmer receives a meager 33 cents. And for every dollar spent away from home on food, the farmer only gets about 15 cents. In short, of the $332.2 billion spent by U.S. consumers for American food, only 27 percent went to our farmers.

Where does the bulk of it go? That 73 percent goes to the middle-man costs of transportation, labor, packaging, energy, and a number of other areas.

So who benefits by keeping farmers in business? Consumers benefit. Consumers benefit by this safety net we call farm programs. Consumers benefit by the billions that have been spent on farm programs.

What happens if we slash our farm program budgets. Unfortunately, if we end up with a new 4-year farm bill with programs similar to what we have now, we will probably see this safety net for farmers weakened. And remember what I pointed out earlier, the average corn farmer in Iowa, according to Iowa State University figures, is only breaking even now. Many are being forced out of business.

If we have to weaken that safety net, tens of thousands of additional farmers will be forced out of business. With them will go those jobs which depend upon a viable agriculture. In the Midwest, it will mean a major disruption in our entire economic fabric.

Now let's get back to the question of the high cost of our farm programs. Remember, its when our farm markets are weakened that Government costs increase. So what has happened to our markets?

Much of the stage was set by the Soviet grain embargo. In 1980 alone, the Soviet grain embargo cost America 310,000 jobs, $3 billion in personal income, and over $11 billion in national output.

But it also encouraged our foreign competitors to increase their farm production base. Through this increased base, along with worldwide bumper crops, our farm markets have weakened.

Add to this, the unfair trade practices and subsidies of our competitors. These subsidies squeeze American farmers out of foreign markets, which further weakens our domestic farm markets and ultimately triggers higher cost to the Government through farm program supports.

And what about the strong dollar? Our strong dollar also weakens our domestic markets because it destroys our ability to sell our grain overseas. During Senate Budget Committee hearings, Secretary Block stated that he estimated that the strong dollar cost us roughly $3 to $4 billion in farm export markets. Who pays for this? This $3 to $4 billion either comes out of the pocket of the American farmer, or it comes out of the U.S. Treasury.

In short, the strong dollar is increasing the costs of our farm programs. Not only the strong dollar, but also unfair trade practices and subsidies, ill-advised U.S. policies like the Soviet grain embargo, and a number of other factors have forced market prices down and thus farm program costs up.

Now, here is the irony. Some of our officials have suggested that the strong dollar is good for the United States. They say that it has attracted foreign money which helps pay for our budget deficits and spending.

It is good for America, but it is bad for the farm program budget. The strong dollar, and a number of other factors completely out of the control of American farmers, is causing high costs for our farm program costs. And what losses our Treasury doesn't cover, comes directly out of the pockets of our farmers.

In short, farmers are sacrificing their profits so that the strong dollar can help out the rest of the country.

And what is the farmers' reward? They are asked to sacrifice even further. They are told their income must be slashed even further, that many must be forced out of business.

The powers that be in Washington are not interested in correcting the reasons for the farm problems or high costs of farm programs. They aren't focusing on getting the dollar down. They aren't forcing our trade negotiators to shed their images as paper tigers to force our competitors to play fair. They aren't interested in protecting farmers from the misguided policies of our own Government.

Instead, they're focusing on one thing—slash those farm programs. They make it sound appealing. They say that all that money fills the pockets of the rich farmers and that it only encourages farmers to produce more and more. They couch their arguments as if all the blame should be on the farmer, and they say we should take away the farmers safety net.

In fairness, I should point out that one of the best things that could be done to help American farmers would be to reduce interest rates and to reduce the strength of the dollar. We are told both will be accomplished by reducing our budget deficits. And so the argument goes that farmers therefore should be willing to pitch in to help reduce the budget deficits—it will be good for farmers.

I agree that it will be good for farmers, but who will it help if it means pulling the safety net from underneath these farmers? How many farmers will be asked to go out of business while they wait for interest rates to fall and exports to increase? How many of the 23 million farm related urban jobs have to be lost?

Again, I ask, who is subsidizing whom? When all the money farmers make goes toward production costs—to employ 23 million Americans—to keep consumer food prices down to a minimum—who is subsidizing whom?

Let me suggest, that if it isn't clear to my colleagues what the answer is to this question, I assure them that it is abundantly clear to their constitutents—urban and rural alike.

The 65 percent of Americans polled in January by the New York Times and CBS News, who stated that it was a bad idea to cut farm aid as a way to trim the Federal deficit, know who is subsidizing whom.

And they care enough to know farmers are in trouble and need help. A February, 1985, ABC News/Washington Post poll found that 61 percent realize farmers are worse off than most Americans; 82 percent believe that the Government should give special assistance to these farmers.

If Americans understand who is subsidizing whom, why can't this Congress and this administration figure it out?

I hope that my colleagues will take this information into account, and I hope it will broaden their perspective about our agriculture budget problems.

Let me just close by saying, American agriculture stands at the crossroads. What we do with this budget, and what we do with the new 4-year farm bill, will mean all the difference in the world.

Let me suggest that we need the maximum amount of flexibility possible, in terms of budget constraints, under which we can draft a farm bill. If Congress can develop a less costly farm bill that provides farmers the support they desperately need, then let Congress develop it. But we cannot afford to have cuts forced upon us at this critical time.

It is for this reason that I have supported freezing the agriculture budget as part of an across-this-board budget freeze. And when that failed, I have supported the least possible cuts in agriculture. It's a matter of equity, fairness, and for many of our farmers and AG labor force, it's a matter of survival.

Mr. DOMENICI. Mr. President, I thank the Senator. I just would say again, not by way of being disagreeable, because I have the greatest respect for the Senator from Iowa, but any notion of shared sacrifice has at least an overtone or a connotation that you start with the same kind of program or the same kind of need or the same kind of responsibility, then you ask for a sacrifice. I return to the fact that you do not have shared sacrifice when you have programs that are very, very different and yet you are treating them all alike by freezing them. I do not think that is shared sacrifice.

I yield back the rest of my time.

The PRESIDING OFFICER. All time has been yielded back. The question is on agreeing to the amendment. The yeas and nays have been ordered. The clerk will call the roll.

The legislative clerk called the roll.

Mr. SIMPSON. I announce that the Senator from North Carolina [Mr. EAST] and the Senator from California [Mr. WILSON], are absent due to illness.

Mr. CRANSTON. I announce that the Senator from Nebraska [Mr. EXON], is absent because of illness.

The PRESIDING OFFICER. Are there any other Senators in the Chamber desiring to vote?

The result was announced—yeas 27, nays 70—as follows:

[Rollcall Vote No. 57 Leg.]

YEAS—27

Andrews	Dixon	Matsunaga
Baucus	Dodd	Mattingly
Biden	Gore	Melcher
Bingaman	Grassley	Pell
Boren	Harkin	Pryor
Boschwitz	Hollings	Simon
Bumpers	Humphrey	Trible
Burdick	Kassebaum	Weicker
DeConcini	Kasten	Zorinsky

NAYS—70

Abdnor	Hart	Murkowski
Armstrong	Hatch	Nickles
Bentsen	Hatfield	Nunn
Bradley	Hawkins	Packwood
Byrd	Hecht	Pressler
Chafee	Heflin	Proxmire
Chiles	Heinz	Quayle
Cochran	Helms	Riegle
Cohen	Inouye	Rockefeller
Cranston	Johnston	Roth
D'Amato	Kennedy	Rudman
Danforth	Kerry	Sarbanes
Denton	Lautenberg	Sasser
Dole	Laxalt	Simpson
Domenici	Leahy	Specter
Durenberger	Levin	Stafford
Eagleton	Long	Stennis
Evans	Lugar	Stevens
Ford	Mathias	Symms
Garn	McClure	Thurmond
Glenn	McConnell	Wallop
Goldwater	Metzenbaum	Warner
Gorton	Mitchell	
Gramm	Moynihan	

NOT VOTING—3

East	Exon	Wilson

So the amendment (No. 80) was rejected.

Mr. DOLE. Mr. President, I move to reconsider the vote by which the amendment was rejected.

Mr. HATCH. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

The PRESIDING OFFICER. The Senate will be in order. Senators in the aisles will cease conversations.

Mr. DOLE. Mr. President, I inquire how much time remains on the resolution.

The PRESIDING OFFICER. The majority leader has 25 minutes remaining, and the minority leader has 3 hours.

Mr. DOLE. Mr. President, that is the point I want to make. There are 3 hours and 25 minutes. That would take us to about 7 o'clock. But we have rollcall votes that do not count against that time, plus amendments to be offered at the expiration of that time.

It is still my hope to conclude action on this measure today. So again I implore my colleagues who have amendments they do not have to offer to see if we can figure some way of covering it in a news release, without offering the amendment, and let us do it that way. [Laughter.]

I think the general thrust around here is to try to finish at a fairly early time.

I understand that the next amendment is to be offered by the distinguished manager of the bill on the minority side, Senator CHILES. Is there a time agreement on that amendment?

Mr. CHILES. Fifteen minutes on a side.

Mr. DOLE. Mr. President, I ask unanimous consent that there be 30 minutes on the Chiles amendment, evenly divided.

The PRESIDING OFFICER. Is there objection?

Mr. COHEN. Mr. President, reserving the right to object, I have been waiting all afternoon to offer an amendment. Does the majority leader have a sequence of amendments?

Mr. DOLE. The last amendment came from this side, and this amendment will be from the other side.

Mr. COHEN. The Senator started to have an alternation?

Mr. DOLE. We started that yesterday. [Laughter.]

Mr. COHEN. Is it fair to presume that we will alternate back?

Mr. DOLE. I understand that the Senator from Maine may have an amendment, and we want to take it up before the time runs out.

Mr. COHEN. Immediately after the Chiles amendment.

Mr. DOLE. That is fine with me.

The PRESIDING OFFICER. Is there objection to the request of the majority leader? The Chair hears none, and it is so ordered.

AMENDMENT NO. 81

Mr. CHILES. Mr. President, I send an amendment to the desk.

The PRESIDING OFFICER. The amendment will be stated.

The legislative clerk read as follows:

The Senator from Florida [Mr. CHILES] for himself, Mr. LEVIN and Mr. KERRY, proposes an amendment numbered 81.

Mr. CHILES. Mr. President, I ask unanimous consent that reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

In the preceding amendment, make the following changes:

On page 3, increase the amount on line 11 by $300,000,000.

On page 3, increase the amount on line 12 by $3,300,000,000.

On page 3, increase the amount on line 13 by $2,900,000,000.

On page 3, increase the amount on line 14 by $3,200,000,000.

On page 3, increase the amount on line 17 by $300,000,000.

On page 3, increase the amount on line 18 by $1,300,000,000.

On page 3, increase the amount on line 19 by $3,200,000,000.

On page 3, increase the amount on line 20 by $3,400,000,000.

On page 3, increase the amount on line 24 by $300,000,000.

On page 3, increase the amount on line 25 by $1,300,000,000.

On page 4, increase the amount on line 1 by $3,200,000,000.

On page 4, increase the amount on line 2 by $3,400,000,000.

On page 4, increase the amount on line 5 by $300,000,000.

On page 4, increase the amount on line 6 by $1,600,000,000.

On page 4, increase the amount on line 7 by $4,800,000,000.

On page 4, increase the amount on line 8 by $8,100,000,000.

On page 4, increase the amount on line 11 by $300,000,000.

On page 4, increase the amount on line 12 by $1,300,000,000.

On page 4, increase the amount on line 13 by $3,200,000,000.

On page 4, increase the amount on line 14 by $3,400,000,000.

On page 4, increase the amount on line 23 by $200,000,000.

On page 5, increase the amount on line 5 by $200,000,000.

On page 5, increase the amount on line 12 by $200,000,000.

On page 5, increase the amount on line 19 by $200,000,000.

On page 19, increase the amount on line 12 by $300,000,000.

On page 19, increase the amount on line 13 by $300,000,000.

On page 19, increase the amount on line 17 by $200,000,000.

On page 19, increase the amount on line 21 by $3,200,000,000.

On page 19, increase the amount on line 22 by $1,200,000,000.

On page 20, increase the amount on line 2 by $200,000,000.

On page 20, increase the amount on line 6 by $2,600,000,000.

On page 20, increase the amount on line 7 by $2,700,000,000.
On page 20, increase the amount on line 11 by $200,000,000.
On page 20, increase the amount on line 15 by $2,500,000,000.
On page 20, increase the amount on line 16 by $2,800,000,000.
On page 20, increase the amount on line 20 by $200,000,000.
On page 32, increase the amount on line 17 by $100,000,000.
On page 32, increase the amount on line 18 by $100,000,000.
On page 33, increase the amount on line 2 by $300,000,000.
On page 33, increase the amount on line 3 by $300,000,000.
On page 33, increase the amount on line 11 by $600,000,000.
On page 33, increase the amount on line 12 by $600,000,000.
On page 42, decrease the first amount on line 6 by $3,254,000,000.
On page 42, decrease the second amount on line 6 by $1,159,000,000.
On page 42, decrease the amount on line 7 by $3,621,000,000.
On page 42, decrease the amount on line 8 by $3,246,000,000.
On page 42, decrease the first amount on line 9 by $4,016,000,000.
On page 42, decrease the second amount on line 9 by $3,966,000,000.
On page 45, decrease the amount on line 21 by $3,254,000,000.
On page 45, decrease the amount on line 22 by $1,159,000,000.
On page 45, decrease the first amount on line 23 by $3,621,000,000.
On page 45, decrease the second amount on line 23 by $3,246,000,000.
On page 45, decrease the amount on line 24 by $4,016,000,000.
On page 45, decrease the amount on line 25 by $3,966,000,000.
On page 52, increase the amount on line 1 by $3,200,000,000.
On page 52, increase the amount on line 3 by $2,500,000,000.
On page 52, increase the amount on line 4 by $2,400,000,000.

The PRESIDING OFFICER. Will all staff personnel and Senators clear the aisle, so that we may hear the Senator from Florida?

Mr. CHILES. I thank the Chair.

Mr. President, I send this amendment to the desk on behalf of myself, Senator BRADLEY, Senator PELL, Senator KENNEDY, Senator MOYNIHAN, Senator SARBANES, Senator ROCKEFELLER, Senator LAUTENBERG, Senator HOLLINGS, Senator BYRD, and Senator DODD.

I yield myself 2 minutes, Mr. President.

Mr. President, the amendment represents an investment in the future.

Investments in education and training programs certainly are vital to our economic growth and the funding here would be for programs which give our children and workers the skill they need in an increasingly competitive market.

Under the leadership plan, funding for many of these programs would be frozen at the 1985 levels, and because these programs are dependent on Federal funds, a funding freeze would actually cause cutbacks in either the participation or the service levels.

As a consequence of a funding freeze, participation in Head Start could fall by as many as 20,000 children. Another 200,000 children could be dropped from compensatory education programs for the disadvantaged.

I think it is imperative that we extend the funding and expand it for our math, science, and foreign language programs.

Certainly that program, which we established with great fanfare last year, was to counter the underinvestment in those critical skills.

We know that our declining test scores have revealed weakness in many of our math and science preparations. We know what the Japanese, and the Germans, and our competitors in the free world are doing. For example, they graduate twice as many engineers in Japan as we do. About 15 percent of the American high school students study a foreign language, down from about 24 percent in 1965. And yet those are the skills we need as we try to increase our trading base.

The amendment also provides adequate funding for the Pell Grant Program.

I thank the Senator, and I now yield 3 minutes to the distinguished Senator from Rhode Island [Mr. PELL].

Mr. PELL. Mr. President, the real strength of our Nation is not the weapons of destruction——

Mr. KENNEDY. Mr. President, could we have order so we may hear the Senator from Rhode Island?

The PRESIDING OFFICER. The Senator from Massachusetts is correct. The Senator from Rhode Island will please suspend and time will not be charged.

The Senate will not move forward until we can get some order. Will those Senators conversing in the middle aisle please cease conversation and those staff people, also.

The Senator from Rhode Island.

Mr. PELL. Mr. President, I thank you, and I thank my friend from Massachusetts.

Mr. President, the real strengths of our Nation are not the weapons of destruction, or the machines of construction, or the gold in Fort Knox. The real strength of our Nation is the sum total of the education and the character of our people. Our weapons are of no use until we have people who can operate them.

If ever there was a capital investment, it is investment in the education of our people, and this is where I think we should not be niggardly.

In this regard the Chiles amendment does its best to remedy the situation we find ourselves in today.

Mr. President, I rise in support of the Chiles amendment, of which I am proud to be a cosponsor. For the education of our young people, this is a most important amendment, and I would strongly urge my colleagues to support it.

It would, first, provide a very modest inflation adjustment for the Pell Grant Program. This increase would amount to just about 5 percent. It is an increase, however, that is vitally necessary if this program, the bedrock of our Federal student aid efforts, is to continue serving the almost 3 million needy students nationwide who today receive Pell grants.

Second, for the chapter I program, we are proposing a very small inflation adjustment, also of approximately 5 percent. This program, which currently serves about 4.6 million children nationwise, has never had sufficient funding to serve more than one-third of all eligible children. Our amendment would simply enable the program to continue serving the number of children already in the program.

Third, for the Guaranteed Student Loan Program, our amendment would achieve savings of about $150 million in fiscal 1986. These are savings that can be achieved through administrative changes in the law, and, most important, are changes we believe can be made without adversely affecting the ability of deserving students to obtain loans under this important program.

Finally, for all other education programs, for the arts and humanities endowments and for the Institute of Museum Services, our amendment would freeze funding for fiscal 1986 at fiscal 1985 levels. This would protect the Impact Aid Program by preserving needed payments to B children, those children whose parents either work or live on Federal installations.

Mr. President, this is a very reasonable amendment. It produces savings, asks sacrifices, and provides only very modest increases for aid to needy children and students who need our help most. I strongly urge its passage.

Mr. CHILES. Mr. President, I yield 2 minutes to the distinguished Senator from New Jersey [Mr. BRADLEY].

The PRESIDING OFFICER. The Senator from New Jersey is recognized for 2 minutes.

Mr. BRADLEY. Mr. President, I rise today to join my colleague, Senator CHILES, in offering an amendment which would restore funding for a variety of critical education, training, employment, and social service programs. I am concerned that many of the program cuts proposed in the President's budget would most harshly affect those who have already suffered from reductions in Federal program spending—our children, our unemployed youth and adults, and our elderly citizens.

We need to preserve educational opportunity for economically and educationally disadvantaged youth. This year marks the 20th anniversary of

two programs which have proven particularly successful in assisting such children to reach their potential level of intellectual development—the Head Start and Chapter I Programs. Neither program has ever been funded at levels necessary to provide services to even a majority of eligible children. The present budget proposal would allow inflation to further limit the number of children being assisted by these programs. I simply cannot support further cuts to a program such as Chapter I, whose funding has already been reduced in real terms by nearly 20 percent since 1980. The result of these cuts has been a reduction in the number of children being served by between 500,000 and 700,000. Our amendment restores funding to the baseline for both Head Start and Chapter I.

Mr. President, we all know that Federal aid to higher education is as good as any investment we can make to keep our leadership position in the world. The budget proposal before us, however, would place significant barriers between hundreds of thousands of students and their chance for a higher education. These cuts fly in the face of the realities of contemporary life which demand a better educated citizenry and work force. We must oppose these cuts. Our amendment funds the Pell Grant Program at its baseline level and restores the other student financial assistance programs to the their actual fiscal year 1985 level. Furthermore, it reduces spending in the Guaranteed Student Loan Program by about $700 million over 3 years; this can be attained by administrative reforms and tighter collection methods.

This amendment also protects several programs serving our Nation's elderly citizens. Baseline funding is provided for the Community Service Employment for Older Americans Program and the Administration on Aging, the latter includes nutrition programs for the elderly.

This amendment also provides additional funding for programs which give our youth and our workers the skills they will need in an increasingly complex and competitive world market. Funds are added for the establishment of older worker training programs and a national commission on labor market conditions, as well as for math, science, and foreign language education programs. Many of my colleagues may recall that I introduced an amendment last year to supplement funding for the math/science program. That amendment was approved by the Senate but lost in conference.

Finally, these ends can be reached in a manner which still results in 3-year savings of $4.1 billion.

Mr. President, this amendment is a very clear one, and offers very clear choice. It is an amendment that says the future of our country is dependent on the quality of our education and that, indeed, the Federal Government has a role in that process.

I know that there are Senators in this body who do not believe this. I know that there are Senators in this body who believe the Federal Government has impeded educational efforts by its attempt to insist that those who are less privileged have the same opportunity to learn as those who are more privileged.

I simply disagree most profoundly with those in the body who hold this point of view.

I happen to think that the success of the chapter 1 program over the last 20 years—and we just celebrated its 20th anniversary a few weeks ago—is testament to the fact that if you devote attention to the child, no matter what that child's income level is, if you provide remedial education teachers for the child, and if you reach the child so that he or she tries to excel, the program can succeed in allowing all children in this country, no matter what their economic level, to have the opportunity to fly as high as their abilities will allow them.

This amendment says we must keep that commitment to the children of this country and to the future of our country. This Nation's most valuable capital is its human capital. I strongly support this amendment and urge that we adopt it.

Mr. CHILES. Mr. President, I yield 3 minutes to the distinguished Senator from Massachusetts [Mr. KENNEDY].

The PRESIDING OFFICER. The Senator from Massachusetts is recognized.

Mr. KENNEDY. Thank you. Mr. President.

Mr. President, I welcome the opportunity to join my friend and colleague from Florida, Senator CHILES, in urging the Senate to accept this amendment.

This amendment proposes to freeze most education programs while providing some inflationary adjustment for certain means-tested programs.

The budget process is an attempt by Congress to set priorities for Federal spending. In my view, education is as important as any area of the Federal budget. Investment in education is sound economic policy, good defense policy and just plain commonsense.

Mr. President, although the education budget has been increased in recent years, when adjusted for inflation, spending for education has actually decreased by 12 percent. As a proportion of total Federal budget outlays, education decreased from 2.4 percent to 1.7 percent between 1980 and 1985, with elementary and secondary education's share falling from 1.03 percent to .68 percent. In spite of our rhetoric calling for partnerships in education, the Federal share of total expenditures for education in this country has declined from 10.8 percent in 1980 to 8.3 percent in 1985.

Mr. President, if we were to make up for all of the inflationary increases in the last 3 years, it would require $3.2 billion just to restore the elementary and secondary education to its 1980 buying power.

This amendment, as I have previously stated, is a small and prudent effort to provide inflationary adjustments for certain means-tested programs.

Inflationary increases are absolutely essential for some education programs. In the chapter 1 program, as Senator CHILES has pointed out, the number of children served dropped from 5.4 million in school year 1979-80 to 4.7 million in school year 1982-83. With the increases Congress has appropriated in recent years, the number of children served by chapter 1 is still below 5 million, less than 40 percent of those eligible.

Without this amendment, we would see significant reductions in those numbers of children who would benefit from the title I program, and I think we should deal with that particular issue in question as well as with the Guaranteed Student Loan Program. With an inflation rate of 5 percent, 295,000 fewer children will be served by this program.

Inflationary adjustments for Pell grants will only begin to address the needs for student aid. When adjusted for inflation, Pell grant assistance has declined nearly 20 percent since 1980. The Chiles amendment proposes to save $150 million in the Guaranteed Student Loan Program. These savings are achieved through administrative changes making unnecessary the need to deny student loans to needy students.

An inflationary increase is absolutely essential in the area of handicapped education. With an inflation rate of 4.3 percent, level funding represents a real loss of $1.3 million.

To address the needs for sustained labor force development, this amendment proposes a partial increase for the Job Training Partnership Act [JTPA]. It also preserves the Job Corps and WIN Programs and proposes a $100 million increase in the funding of math-science programs to insure a continued investment to meet tomorrow's demands for trained personnel.

The Senator from Rhode Island the distinguished Senator PELL, has pointed out the importance of this amendment in the areas of the arts and humanities.

This amendment would freeze funding next year at the 1985 levels and provide for a 3-percent growth in subsequent years This funding is critical if we are to maintain responsible and

responsive Federal programs for music, literature, dance, the Nation's museums and scholarly research.

All of these programs are essential to our Nation's educational and cultural advancement.

I urge my colleagues to join me in supporting this essential amendment.

Mr. CHILES. I yield 1 minute to the distinguished Senator from West Virginia.

Mr. BYRD. Mr. President, I am pleased to cosponsor this amendment.

I have often made the observation to my constituents in West Virginia, to other concerned citizens, and to my colleagues in the Senate that I believe education is the first line of our country's national defense. Just as we at the Federal level recognize the need to invest resources to ensure our Nation's defense by military means in case that should ever become necessary, so, too, I believe we must invest in education.

Mr. President, the so-called White House-Republican compromise proposal before us badly shortchanges education. It is true that it is somewhat more generous toward elementary and secondary education than was the committee resolution: rather than cutting a number of these programs below 1985 levels, the White House-Republican compromise proposal generally funds programs at 1985 appropriations levels. However, the Republican proposal provides no allowances for inflation in any education programs. This will adversely affect up to 600,000 elementary and secondary students nationwide who now benefit from these programs.

Higher education programs are dealt a severe blow by the White House-Republican compromise proposal. It proposes to reduce budget authority for student aid programs in fiscal year 1986 by $686 million, by $844 million in fiscal year 1987, and by $877 million in fiscal year 1988. These reductions are to be achieved by cuts in the Pell Grant Program and campus-based assistance programs. In addition to these cuts, the Republican proposal reduces the Guaranteed Student Loan Program by $150 million. Clearly, the magnitude of these cuts will mean that the ability of our student assistance programs to provide accessibility to a quality education for American students—the underlying philosophy of the programs—will be vastly diminished.

Needless to say, there is no room in this Republican budget for any strengthening of Federal education efforts, no matter what is needed in this time of educational crisis, and no matter how modest a proposal we may wish to make, given overall budget deficit realities.

The amendment we are offering now will remedy these significant shortcomings. It will protect all education programs from serious cuts and it will further protect critical programs from the bite of inflation.

Just as I view education to be of paramount importance to our Nation's future defense capabilities, I also view it as critical to our Nation's continued economic growth and competitiveness. With each passing year, as I watch our Nation losing ground in the world's economic marketplace and as I read of our students' and our school's performances on international comparative academic measures, I am more and more drawn to this conclusion. The President's Commission on Industrial Competitiveness, likewise, makes the following observation:

> Our Nation's universities and schools have a vital role to play in revitalizing America's competitiveness * * *. Without strong educational institutions, the United States will not be able to capitalize on our key potential strengths in technology and human resources.

It is imperative that we do all we can, at all levels of government—local, State, and Federal—to provide the inspiration, guidance, innovative ideas, tools, and funding necessary to reverse the slide toward mediocrity in our students and in our schools that has been documented in the many analyses and reports on the situation of our education system during the past 3 years.

Local and State levels already have begun massive reforms of their education systems, and they have vastly increased their education funding levels as a result. Citizens all around the country have responded by approving tax increases to pay for the reforms. Clearly, State and local government officials, working together with their constituents, realize that it is wise and judicious—in fact, it is imperative—to increase our investment in education.

We here must not turn our backs on these efforts. We must not decrease our Federal efforts just at the time other levels of government are making difficult spending decisions and asking their voters to approve tax increases in order to make up for years of inadequate attention to educational needs.

Even though the Federal share of the total spending for elementary and secondary education—local, State, and national—is small (in recent decades never more than 10 percent), it is critical. Educators from my own State of West Virginia have deluged me with documentation of what cuts in Federal efforts will mean to their ability to provide the education programs that they believe are necessary and that the parents of their students demand. Higher education officials in West Virginia—I have heard from virtually every college and university in the State—have also documented for me the efforts that cuts in student aid programs will have on their institutions and their students.

I am sure my colleagues have received similar communications from their States. The message is clear and it is strong.

The President heard that message last year, as he was beginning his campaign for reelection. He proposed, for the first time since his election in 1980, a budget that did not severely decrease, but in fact slightly increased, Federal education spending. The Congress responded by giving the President more than he requested—because his new budget still was inadequate. Then the President campaigned around the country telling the voters that spending for education had increased in his administration.

The President was able to do this because we in Congress have consistently rejected his efforts to decapitate Federal education programs.

Today, once again, we will try to remedy a clearly inadequate education proposal.

Yesterday, I offered a proposal which, in its education section, would have provided slightly more generous increases for education than does this amendment. That proposal, while receiving the overwhelming support of my colleagues on this side of the aisle, was defeated.

The pending amendment is modest, of necessity, because of the need to restrain spending. But it, too, will allow for some strengthening of our efforts, while guaranteeing sustained program funding for critical Federal education programs which, without this funding, would experience cutbacks in services and caseloads.

I believe this is the minimum investment we can afford to make. There are few more important tasks before us than again making America's educational system No. 1 in the world. Today's students hold our future in their hands. They are the workers, inventors, business executives, soldiers, and statesmen of tomorrow. Only if our educational system is second to none can we assure that they will have the skills they need to keep America strong and free, and on the cutting edge of technological change. We must not fail to meet the challenge of setting a new standard of excellence in our schools. It is a challenge we can meet if all of us who have a stake in the future—not only parents, teachers, and students, but also the Federal, State and local governments—come together in common purpose and dedication.

I commend the distinguished ranking Democratic members of the Budget Committee for offering this amendment. I am pleased to join him as a cosponsor, and I urge my colleagues to support the amendment.

The PRESIDING OFFICER. Who yields time?

Mr. GORTON. Mr. President, I yield myself 2 minutes on this proposal.

Mr. President, I rise to oppose this amendment, not because of any quarrel with the distinguished Senator from Florida on the value of each and all of the programs in which he proposes increases but simply on the ground that this will be damaging to the economy as a whole. The greatest single favor which we can provide for young people in the United States of America is a sound and growing economy. To reach that sound and growing economy we have asked for relatively equal sacrifices across the board from the beneficiaries of almost every single Federal spending program.

The proposal which is before the Senate now which this amendment seeks to modify does precisely that. It provides for a freeze level for these educational and related programs at the 1985 level. In turn, that 1985 level represented a very substantial increase, considerably more than the amount of inflation over 1984. So each of them has been treated generously during the course of the last couple of years and each of them is treated generously with respect to other programs in the budget we have before us now.

This is not an inexpensive amendment. It will add $8.3 billion in budget authority and just under $7 billion in actual outlays over the course of the next 3 years, something in excess of 2 percent of the entire reduction in the budget deficit which we seek.

The educational programs for the students of the United States and the other allied programs to this will be best served by a strong and a growing economy. That strong and growing economy, in turn, will best be served by fiscal discipline which applies to everyone and to all programs across the board.

Mr. CRANSTON. Mr. President, I rise to support the amendment of the Senator from Florida [Mr. CHILES] who has served those of us on this side of the aisle so ably as the ranking Democrat on the Budget Committee.

He is quite correct to say that this amendment is an investment in our children, in our workers, our college students, and, indeed, in our future.

The issue is one of priorities, not budgetary numbers. But in long-range terms, this investment in our future capacities will pay off in rich dividends for our society, our economy, and our Federal budget.

The issue is education, the training of the next generation, the retraining of those whom technology has passed by.

I urge my colleagues to vote "Aye."

● Mr. LAUTENBERG. Mr. President, I am pleased to join with my colleagues Senators CHILES, BRADLEY, KENNEDY, PELL and others in cosponsoring this amendment to place funding for education and training programs for fiscal year 1986 at the same level as 1985 and to make modest cuts in administrative costs for guaranteed student loans.

This amendment rejects the cuts proposed by the Republican leadership and provides inflation protection in programs which are targeted to disadvantaged students. Compensatory education for disadvantaged children, Head Start, and Pell grants will be funded at the baseline or inflation adjusted level in order to prevent reductions in the number of students who are served. The impact aid part B program, which provides assistance for schools with students of parents who work on Federal property, will be retained. Cuts in the guaranteed student loan progam, such as family income caps and aid limitations, are rejected.

Mr. President, the strength of our Nation lies in our youth. Our ability to compete in the international economy in years to come, our ability to continue as a nation of opportunity for all, and to advance together as a nation, is dependent on the education provided our young people.

Providing more money for education is by no means the only answer to difficulties in education today. However, the clear Federal role in education, as it has evolved over the last 20 years, since the passage of the Elementary and Secondary Education Act of 1985, has been to increase the access to quality programs for all children and to improve equity in those programs. We must not turn our back on that role in the guise of deficit reduction.

The Republican budget proposal for chapter I, compensatory education for disadvantaged children, would require cutting services and participation by 200,000 children. These cuts come on top of deep cuts already imposed over the last 4 years. The success of chapter I in raising the achievement of poor children has been well documented. To deny its benefits to such a large number of children would be a tragedy which would reverberate throughout our society for many years. Similarly, the Head Start proposal would reduce participation by 20,000 children. We should not be slamming the door of opportunity in the faces of these young children.

Higher education, too, is an important stepping stone to a decent future. Federal financial aid has been essential for many students. Grants and loans, as well as earnings from jobs, have made it possible for many young people to attend college who otherwise could not have afforded to do so. The Republican leadership package would make cuts in these essential aid programs. The independent colleges and universities have estimated that the proposed limitation on the cost of attendance eligible for assistance would result in over 350,000 students losing aid. Almost one quarter of those would be students from families with incomes of $10,000 or less. This is not an equitable proposal. It does not promote any desirable public policy. Instead it hastens the day when once again higher education is the province of the very rich alone.

Mr. President, this is a good and important amendment. I urge its adoption. We owe it to our future.

Mr. SARBANES. Mr. President, I rise in support of this amendment to restore funds for education and employment and training programs.

I am deeply concerned that while we seek to reduce the Federal deficit, we do not undermine economic growth by reductions in investments in our most valued resources; our young people and our workers. I am also very concerned that those citizens least able to afford it, that is, our youth, the elderly, the handicapped, have been continually asked by this administration to make disproportionate sacrifices when considering the Federal budget. This amendment, which I have joined in sponsoring, would provide protection for those programs in which a budgetary freeze would mean a reduction in current services or participation levels. Further, it would provide additional funds for programs which enable our young people and hard-working Americans, to acquire the skills they need to successfully compete in an increasingly competitive world market.

I am especially concerned that should this amendment be defeated, educational opportunities would be denied to many citizens throughout the country. Over the past 4 years, education programs have taken more than their fair share of cuts and, in my view, it is imperative that we do not allow further cuts in these vitally important programs. This amendment would restore all education programs to fiscal year 1985 funding levels and allow means tested discretionary programs to move to the current services level.

The administration/Republican compromise would place significant barriers between hundreds of thousands of students and higher education by cutting deeply into the financial aid packages of many students currently receiving Federal assistance. The amendment I am cosponsoring would freeze most higher education programs at last year's funding levels, make administrative cost savings in the Guaranteed Student Loan Program, and allow a modest inflation increase for the Pell Grant Program which is directed at the most needy students.

Federal aid for education and employment and training programs is a sound investment in our country's future. I urge my colleagues in the Senate to join with me in adopting this amendment.

The PRESIDING OFFICER. Who yields time?

Mr. CHILES. Mr. President, how much time does the Senator from Florida have remaining?

The PRESIDING OFFICER. The Senator from Florida has 4 minutes remaining.

Mr. CHILES. Mr. President, I yield myself 2 minutes.

Mr. President, yesterday we heard debate characterizing the amendment we had as something marking the difference between the parties, because we had talked about some revenues in our package and the other side had not. I really think this amendment establishes the difference between the two attitudes, because here we are talking about a willingness to do something for the future.

What would have happened in the 1960's if John Kennedy had said:

Well, the Russians are moving ahead of us but it doesn't make any difference. The only thing we better worry about is a shared sacrifice. So we are going to cut back on education. We are not going to provide any money for higher education. We are not going to provide any money for going forward.

Where would we be today? We are enjoying the standard of living we have today because we invested some money back in the 1960's. If we fail to make the same investment now, I think we will be damning our children for the future.

The argument is that a good economy is the only thing we can leave them. How do we get a good economy? We get a good economy, I think, by training sufficient engineers, training people in math and science so they will be able to keep up with the competition in the surging world. If we do not invest today, we will not make the grade tomorrow.

We also talked about the moderate cuts that we are asking of people and that, it may be a moderate reduction in education, but this function also contains job training. And we literally see in the package before us cuts of millions of dollars in job training which suggests to those in search of better skills, "There is no hope for you out there. If you need training or retraining, we will forget about you and we are not going to do anything. We are going to turn our backs on you."

Again, I think we do care. We recognize that we are revamping our technology. We are changing totally the basis upon which we go forward.

I now see that the Soviets have a plan for exploring the planets. American scientists were shocked to find out the Soviets are going to Venus and they are going to Mars. And they are going with great sophistication and great quantities of money. They are saying they know something about science. They know not just to start it and stop it every 2 weeks. That seems to be something we have not learned.

The PRESIDING OFFICER. Who yields time?

Mr. HART. Will the Senator yield for a question?

Mr. CHILES. How much time do I have remaining?

The PRESIDING OFFICER. The Senator has 1 minute.

Mr. CHILES. Mr. President, Senator HART is a cosponsor of the amendment. I failed to indicate that at the beginning.

I ask unanimous consent that Senator EXON be also added as a cosponsor.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. HART. Mr. President, the Senator from Florida and those sponsors of this amendment have laid out the case, I think, as well as it can be laid out.

Let me just ask what I think is a primary question. Does the Senator from Florida think it is possible for this country to offer economic opportunity for the young people of this Nation and for the unemployed people of this Nation and for those who want to enter the work force and for this country to become economically competitive in the world marketplace in the 1980's and 1990's without increased investment in education and training?

Mr. CHILES. I think not. I think certainly not without increased investment.

Without this amendment, we are cutting 20,000 children off the histc ic program. We are cutting 200,000 plus off of compensatory education. I think it is fine to go out there and say, "That is part of the shared sacrifice."

I think that would be a very, very sorry mistake for us to make.

Mr. HART. I thank the Senator.

Th> PRESIDING OFFICER. The time of the Senator has expired.

Mr. GORTON. I yield back the balance of my time.

Mr. CHILES. I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

The PRESIDING OFFICER. All time having been yielded back, the question is on agreeing to the amendment of the Senator from Florida [Mr. CHILES]. The yeas and nays have been ordered and the clerk will call the roll.

The legislative clerk called the roll.

Mr. SIMPSON. I announce that the Senator from North Carolina [Mr. EAST] and the Senator from California [Mr. WILSON] are absent due to illness.

Mr. CRANSTON. I announce that the Senator from Nebraska [Mr. EXON] is absent because of illness.

The PRESIDING OFFICER (Mr. GRASSLEY). Are there any other Senators in the Chamber who wish to vote?

The result was announced—yeas 47, nays 50, as follows:

[Rollcall Vote No. 58 Leg.]

YEAS—47

Andrews	Ford	Matsunaga
Baucus	Glenn	Melcher
Bentsen	Gore	Metzenbaum
Biden	Harkin	Mitchell
Bingaman	Hart	Moynihan
Boren	Hawkins	Pell
Bradley	Heflin	Pryor
Bumpers	Hollings	Riegle
Burdick	Inouye	Rockefeller
Byrd	Johnston	Sarbanes
Chiles	Kennedy	Sasser
Cranston	Kerry	Simon
DeConcini	Lautenberg	Specter
Dixon	Leahy	Stennis
Dodd	Levin	Zorinsky
Eagleton	Mathias	

NAYS—50

Abdnor	Grassley	Nunn
Armstrong	Hatch	Packwood
Boschwitz	Hatfield	Pressler
Chafee	Hecht	Proxmire
Cochran	Heinz	Quayle
Cohen	Helms	Roth
D'Amato	Humphrey	Rudman
Danforth	Kassebaum	Simpson
Denton	Kasten	Stafford
Dole	Laxalt	Stevens
Domenici	Long	Symms
Durenberger	Lugar	Thurmond
Evans	Mattingly	Trible
Garn	McClure	Wallop
Goldwater	McConnell	Warner
Gorton	Murkowski	Weicker
Gramm	Nickles	

NOT VOTING—3

East	Exon	Wilson

So the amendment (No. 81) was rejected.

Mr. DOLE. Mr. President, I move to reconsider the vote by which the amendment was rejected.

Mr. DOMENICI. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. DOLE. Mr. President, may we have order?

The PRESIDING OFFICER. The majority leader has called for order.

The Senate will be in order.

Mr. DOLE. Mr. President, let me indicate that I understand the Senator from Maine will offer an amendment and then we shall get back to that side.

Mr. BYRD addressed the Chair.

The PRESIDING OFFICER. The Senate minority leader.

Mr. BYRD. Mr. President, I yield myself time from our time on the resolution.

Mr. President, I ask the distinguished majority leader the question as to when he will be in a position to lay down his substitute. I understand there is a substitute No. 2 or whatever the number, but he does have a substitute which he will offer.

Mr. DOLE. That is correct, Mr. President.

Mr. BYRD. Mr. President, during the afternoon, the distinguished majority leader has indicated from time to time that he would like to finish action on his pending substitute and he has also indicated that when he said "Finish," "That means we win."

The substitute that is on line A, page 58 of the book, "Senate Procedure," is the substitute that was adopted a few days ago by a 50-to-49 vote. We are rapidly winding down the overall time limit of 50 hours.

I do not know how many minutes the distinguished majority leader has yet, but under 50, I think, and I think we have a little under 3 hours on this side. But the time is rapidly winding down and Senators on both sides of the aisle are offering amendments to the Dole package that was adopted some few days ago by that vote of 50 to 49.

Now the distinguished majority leader will have another package. I do not know what is in the package. I am not sure anyone on this side knows what is in the package. Unless we know what is in the package, we do not know how to offer amendments to it and if it is not before the Senate, we cannot offer amendments to it. So I ask the distinguished majority leader if he would consider calling it up so Senators will know what is in it, so we will know how to offer amendments to it if we wish to. Perhaps we might not want to offer amendments to it. Perhaps we would just vote up or down on it.

I yield to the distinguished majority leader for his response on my time.

Mr. DOLE. Mr. President, let me respond by indicating that we are working on a modification of the original package. It is my understanding that it is going to take care of some of the amendments that have been proposed and at the appropriate time, the substitute modification would be offered. It is still open to amendment. If it were adopted, as the distinguished minority leader knows, we would start all over. I had also hoped that everybody would call their amendments up and we have a vote on them up or down. That would clear the decks for at least one vote on a deficit reduction plan, perhaps without a lot of additional amendments.

We are getting down to—a parliamentary inquiry, Mr. President.

The PRESIDING OFFICER. The Senator will state it.

Mr. DOLE. What is the time remaining?

The PRESIDING OFFICER. Fifteen minutes on the majority side and 2 hours and 40 minutes on the minority side.

Mr. DOLE. So we are getting down to, counting rollcalls, maybe 3 or 4 hours to when we are both 0 to 0 in time remaining.

Mr. BYRD. Mr. President—did the distinguished majority leader wish to continue?

Mr. DOLE. Mr. President I cannot think of anything else to say.

Mr. BYRD. It is the first time I have found the distinguished majority leader to be speechless.

Mr. President, if Senators will look in their book titled "Senate Procedure" at page 58—and I think it is important to do this—they will find that we have been offering amendments, perfecting amendments, to the Dole package that was adopted by a vote of 50 to 49. That Dole package is on line A. We can continue to offer perfecting amendments to that package or someone might offer a substitute. The substitute would be on line B.

I ask the distinguished majority leader, will his amendment in the form of a package be a perfecting amendment or will it be a substitute? If it is a perfecting amendment, it will not be open to amendment at that point. If it is a substitute amendment, Senators may continue to offer perfecting amendments to the pending line A, the pending Dole package, which has been amended, dismantled to a very considerable extent.

I think it is about time we had the Dole No. 2 package before the Senate. I think this is a reasonable request to make. Otherwise, Senators will continue to utilize time and offer amendments to a package which has already been riddled and which may, in the final analysis, be wiped out by the second Dole package.

My distinguished friend, the majority leader, has said quite rightly that if his package No. 2 is adopted, it can still be amended. That is true.

That is true, but time is running out. And when the 15 minutes that remains on the majority side and the circa 2 hours that remain on our side are used up, we are at the end of the road and all we can do is call up amendments—not debate them—and vote on them.

I hope the Senate is not put into a position of having to vote on the Dole II package with all time having expired and without knowing what is in the package. And so I express the hope that the distinguished majority leader will indicate, No. 1, whether his amendment is going to be a perfecting amendment or whether it is going to be a substitute, and perhaps call it up, let us see what it is, rather than being forced at the end to have the Dole package II revealed after the shadows of the evening have fallen and the curtain of night has been drawn. I hope that he could have the amendment called up now and vote up or down in 30 minutes or vote in an hour but at least we would see the amendment, at least we would have some time in which to develop amendments to it, substitutes perhaps, but otherwise once the time has run out we stand here virtually without any arms at all, not knowing what is in the package, then it is offered, no more time on it and we have no opportunity to write amendments to it.

I think that is a very reasonable request, and it would assure the distinguished majority leader that we would act on his amendment this afternoon. As I say, the distinguished manager on our side, Mr. CHILES, has indicated he would be willing to vote within 30 minutes after that package is up, or make it an hour. I offer to hear the response of the distinguished majority leader on our time.

Mr. DOLE. I did not know that the other side had that concern. I will certainly consider it carefully. I was under the impression that we were going to sequence amendments. That is how I understood the conversation that occurred about 11 or 11:30 a.m. We have been trying to do that, going from one side to the other, on big amendments, important amendments, to see where the sentiment is in the Senate.

Our amendment would be technically a perfecting amendment. We would like to vote on it. But if it were adopted, of course, it is subject to amendment.

Mr. BYRD. Without any time.

Mr. DOLE. Right.

Mr. BYRD. Unless it were adopted within, say, the next hour and we on our side have an hour or an hour and a few minutes remaining. But I hope we will not be into that circumstance. Could the distinguished majority leader indicate whether or not the Dole II amendment provides any increase in defense expenditures over and above the inflation factor? Is it 0-3-3? Is it 1-3-3 such as I had in my budget?

Mr. DOLE. Zero-3-3, 1-year COLA freeze, and a number of things that I think the distinguished Senator from West Virginia will find very attractive.

Mr. BYRD. The Senator from Kansas.

Mr. DOLE. I do not think there is any secret that there are some Senators on our side who think it ought to have more for defense, some think less. It is very difficult, as we have all found out, to put together a package that will last for more than a couple hours. So we have made some accommodations. We understand the concerns of many Senators, and we hope to have a chance to describe the package. I think the package is going to have bipartisan appeal. Maybe you cannot vote against it if you have all been bound in caucus or something to defeat any Republican proposal. But beyond that, I think it has a lot of appeal. We could describe that in detail at the appropriate time, but I think it is still about a $300-billion package. What is it the first year?

Mr. DOMENICI. About 53, 56.

Mr. DOLE. $53 billion, $56 billion the first year. There are some cuts that go beyond a freeze, but I think overall it is a package that deserves support.

We have modified some areas. There could be a modification with Amtrak, could be a modification with the Job Corps, could be a modification with SBA, so it is very, very attractive. I just hope it is attractive enough.

Mr. BYRD. The distinguished majority leader has spoken of a binding caucus. May I assure the majority leader that we do not have binding caucuses on the Democratic side, and there has not been a binding caucus in decades and decades and decades.

But may I say just once more to the distinguished majority leader, I hope that he will reveal his package, call it up and let us see what is in it while we do have a little time in which to modify it, amend it, or whatever, so that the Senate does not find itself at the last minute confronted with a brandnew package and not knowing what the contents are, not having any time for debate, and having to vote on that package without such knowledge, not having any time left on amendments.

I hope the distinguished majority leader will consider doing that and, if he does, as far as I am concerned, I believe we folks on our side would be willing perhaps to vote up or down on the amendment, 30 minutes from now, if the distinguished majority leader will offer his amendment.

Mr. DOLE. Let me indicate again to the distinguished minority leader that I certainly will seriously consider his suggestion. It is still my hope that we finish today. If there are still 22 so-called serious amendments, some on each side—we have a lot of work remaining. Some of these amendments I think we can deal with without going to a rollcall. We certainly will consider the minority leader's recommendation and I will try to get back to the Senator as quickly as I can. I am not certain when that will be.

Mr. BYRD. I thank the distinguished majority leader. May I say—I do not want to belabor the point—if we have 22 amendments to offer—say we only offer 3 or 4—we are offering them to a package that already has been dismantled and riddled and full of holes and they, if adopted by the Senate to that package, would be wiped out by the distinguished majority leader's second package.

So I hope all Senators will consider this on both sides of the aisle. I think we have a right to be able to offer amendments without offering them in the dark and without offering them without debate. I think the American people are entitled to that kind of consideration as we legislate on matters that will impact in many ways very seriously on millions of people in this country one way or the other. I thank the distinguished majority leader, and I yield the floor.

AMENDMENT NO. 82

(Purpose: To increase funds for rural housing)

The PRESIDING OFFICER. The Senator from Maine is recognized.

Mr. COHEN. Mr. President, I sent to the desk an amendment on behalf of myself, Mr. ANDREWS, Mr. BUMPERS, Mr. MITCHELL, Mr. LEAHY, Mr. ROCKEFELLER, Mr. BINGAMAN, Mr. JOHNSTON, Mr. GORE, and Mr. EXON, and ask for its immediate consideration.

The PRESIDING OFFICER. The amendment will be stated.

The bill clerk read as follows:

The Senator from Maine [Mr. COHEN], for himself, Mr. ANDREWS, Mr. BUMPERS, Mr. MITCHELL, Mr. LEAHY, Mr. ROCKEFELLER, Mr. BINGAMAN, Mr. JOHNSTON, Mr. GORE, and Mr. EXON, proposes an amendment No. 82.

Mr. COHEN. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

In the pending amendment, do the following:

On page 3, increase the amount on line 12 by $3,100,000,000.

On page 3, increase the amount on line 13 by $3,700,000,000.

On page 3, increase the amount on line 14 by $3,500,000,000.

On page 3, increase the amount on line 18 by $1,500,000,000.

On page 3, increase the amount on line 19 by $1,700,000,000.

On page 3, increase the amount on line 20 by $1,700,000,000.

On page 3, increase the amount on line 25 by $1,500,000,000.

On page 4, increase the amount on line 1 by $1,700,000,000.

On page 4, increase the amount on line 2 by $1,700,000,000.

On page 4, increase the amount on line 6 by $1,500,000,000.

On page 4, increase the amount on line 7 by $3,200,000,000.

On page 4, increase the amount on line 8 by $4,900,000,000.

On page 4, increase the amount on line 12 by $1,500,000,000.

On page 4, increase the amount on line 13 by $1,700,000,000.

On page 4, increase the amount on line 14 by $1,700,000,000.

On page 5, increase the amount on line 3 by $2,300,000,000.

On page 5, increase the amount on line 5 by $300,000,000.

On page 5, increase the amount on line 10 by $1,700,000,000.

On page 5, increase the amount on line 12 by $900,000,000.

On page 5, increase the amount on line 17 by $1,400,000,000.

On page 5, increase the amount on line 19 by $1,200,000,000.

On page 15, increase the amount on line 8 by $3,000,000,000.

On page 15, increase the amount on line 9 by $1,400,000,000.

On page 15, increase the amount on line 11 by $2,300,000,000.

On page 15, increase the amount on line 13 by $300,000,000.

On page 15, increase the amount on line 17 by $3,600,000,000.

On page 15, increase the amount on line 18 by $1,600,000,000.

On page 15, increase the amount on line 20 by $1,700,000,000.

On page 15, increase the amount on line 22 by $900,000,000.

On page 16, increase the amount on line 1 by $3,400,000,000.

On page 16, increase the amount on line 2 by $1,600,000,000.

On page 16, increase the amount on line 4 by $1,400,000,000.

On page 16, increase the amount on line 6 by $1,200,000,000.

On page 32, increase the amount on line 17 by $100,000,000.

On page 32, increase the amount on line 18 by $100,000,000.

On page 33, increase the amount on line 2 by $100,000,000.

On page 33, increase the amount on line 3 by $100,000,000.

On page 33, increase the amount on line 11 by $100,000,000.

On page 33, increase the amount on line 12 by $100,000,000.

On page 38, decrease the first amount on line 10 by $3,025,000,000.

On page 38, decrease the second amount on line 10 by $1,350,000,000.

On page 38, decrease the amount on line 11 by $3,645,000,000.

On page 38, decrease the amount on line 12 by $1,618,000,000.

On page 38, decrease the amount on line 13 by $3,427,000,000.

On page 38, decrease the amount on line 14 by $1,578,000,000.

On page 45, decrease the first amount on line 8 by $3,025,000,000.

On page 45, decrease the amount on line 8 by $1,350,000,000.

On page 45, decrease the amount on line 9 by $3,645,000,000.

On page 45, decrease the amount on line 10 by $1,618,000,000.

On page 45, decrease the first amount on line 11 by $3,427,000,000.

On page 45, decrease the amount on line 11 by $1,578,000,000.

On page 52, decrease the amount on line 1 by $3,000,000,000.

On page 52, increase the amount on line 3 by $3,600,000,000.

On page 52, increase the amount on line 4 by $3,400,000,000.

Mr. COHEN. Mr. President, the amendment I am offering is going to restore funding of the Farmers Home rural housing programs at 80 percent of the fiscal year 1985 spending level with a subsequent phase-in of a loan guarantee program.

Mr. DOMENICI. Will the Senator yield for a request with reference to the time?

Mr. COHEN. I yield to the Senator from New Mexico.

Mr. DOMENICI. I do not know how much time we have left—a very small amount.

Mr. COHEN. Mr. President, I indicated that this would probably take a half-hour equally divided.

The PRESIDING OFFICER. Fifteen minutes for the majority, 2 hours 37 minutes for the minority.

Mr. DOMENICI. I have no objection to 15 minutes, if it is all right with the Senator. Can we make that request?

Mr. COHEN. Fifteen minutes on each side.

Mr. DOMENICI. That is what I am requesting.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. COHEN. Mr. President, the amendment I am offering will restore funding to the Farmer's Home Administration rural housing programs at 80 percent of fiscal year 1985 levels and with a subsequent phase-in of a loan guarantee program.

The White House/Senate leadership budget package under consideration today assumes the complete termination of all new program authority for rural housing administered by Farmers Home. It also assumes the immediate transfer of rural housing programs to the Department of Housing and Urban Development, with no corresponding increase in funds and no evidence that HUD can effectively operate a rural housing program.

This proposal is fundamentally unfair to the thousands of poor families across this Nation who live in substandard housing in rural areas, who face a unique set of obstacles in their search for shelter, and who remain isolated from stable financial markets. By terminating housing assistance to the low- and very-low income family in less-populated regions of the country, this budget proposal denies help to the most needy. My aim, and that of many of my Senate colleagues, is to ensure the continuation of this essential program at more modest funding levels, in keeping with our need for fiscal responsibilty.

Mr. President, there is a book written by Carolyn Chute entitled "The Beans of Egypt, Maine." It is about poverty. It is about poor people, how they live, and what kind of pain they have to endure. This book is being read by thousands of people across the country. We have to ask the question, why? I assume it is more than mere curiosity about the poor. I think it is because the American people basically care about what happens to the poor people of this Nation. They do not believe, as some officials, apparently, in this administration recently suggested to the handicapped, that they should be left to work out their adversity and seek some sort of spiritual reconciliation with their Maker, without any assistance from their fellow citizens.

The administration seeks to eliminate the housing program now being served by FHA and transfer it to HUD, with no new funds.

Why do we have a HUD program and a Farmers Home program? HUD is primarily concerned with problems associated with urban living. The Farmers Home program is primarily directed and devoted to programs dealing with rural people. There are different needs. We have different needs in our society.

People in rural areas who are poor and below the poverty level have less income, have less assets, have less borrowing capacity, have local banks with less lending capacity, have less existing housing stock to choose from, have fewer rental units to pick from, have fewer single family units, and they have lower vacancy rates.

The problems associated with rural housing need special attention and should not be fused into one massive program administered by an essentially urban-directed agency.

I notice what kind of premium we place on home ownership in this country. The President is talking about submitting some sort of flat tax or modified tax, some fair tax proposal, to come before this body in the near future. Every tax proposal that has been talked about and proposed, flat or modified, includes what? A deduction for interest payments on home mortgages. That is because the American people still treasure that dream of owning a home.

If we allow the administration proposal, worked out with the Republican leadership, to stand as is, what we are saying is that it is still home ownership for those who can afford it, but no more home ownership for the poor people of this country. They are not going to be entitled to move into single family dwellings. Maybe they can go into some moderate rehabilitation units or rental units with multifamily housing, but no more single-family home ownership for poor people. I do not think that is a statement the U.S. Senate wants to go on record in favor of.

Mr. President, I point out that my amendment would save $3.7 billion in current funding levels over the next 3 fiscal years. It will cost something. It will also cost some $4.5 billion over the next 3 years. If you want to save money, you can terminate any program. If you want to do equity, this is an amendment to vote for, to preserve an opportunity for the rural poor people in this country to have decent housing, be it rental or home ownership.

The demand for rural housing is demonstrated time and time again across this Nation, and the needs that this program meets are obvious to anyone familiar with rural areas. The 1980 census data shows that more than 2.1 million rural families still live in substandard housing nationwide. Almost half of those families are below the poverty level. Over 2.6 million rural households with incomes of less than $10,000 annually pay more than 35 percent of their income for shelter. Of that number, 1 million pay up to 60 percent. Clearly, the need exists for a housing program geared toward the rural poor, and Farmers Home has met that need for over 30 years, providing over 2 million rural households with decent housing, both single family and rental, since 1949.

According to the General Accounting Office, the average income of Farmers Home home loan borrowers is $11,400, and in FmHA rental housing projects, tenants' average income level is $8,000 per year. FmHA has been successful at meeting the needs of those who benefit most from such assistance. And there is no evidence to indicate that the demand for such assistance has diminished in any way.

In the State of Maine, for instance, there are 2,600 applicants for Farmers Home rental housing and a 1-percent vacancy rate in such projects. In addition, there are approximately 1,500 approved applications pending for home loans under the Section 502 Program. The vacancy rate statewide for single family homes is less than 2 percent.

In addition to these important statistics, it is essential that we keep in mind the lending practices in rural areas, where financial institutions have a third less lending capacity, measured by per capita savings, than their urban counterparts. In addition, the GAO found that 83 percent of FmHA home loan applicants had less than $5,000 in assets. These circumstances combine to create stringent borrowing difficulties for the less advantaged rural household, and Farmers Home programs are designed to fill this gap. In some rural counties, an adequate lending institution does not exist, and where none does, it is often not disposed to approve home mortgages for the lower income members of our society.

However, there may be areas of the country in which the private sector can assume a greater share of financing of home loans for lower income households. To this end, my proposal envisions a phase-in in fiscal year 1986 of a Loan Guarantee Program for single family housing. By assuming loan guarantees through private lenders for approximately 7,000 units in the first year, we will be able to determine the feasibility of increased participation of local financial markets in single family home loans made to the poor.

By targeting assistance to those households with annual incomes of 80 percent or less of the area median income, rural housing will continue to be made available to those most in need, and further targeting of home loans will ensure that the very low income benefit from the existing programs. FmHA loans will remain available only after private lending opportunities have been exhausted, maintaining the agency as a lender of the last resort.

There are those who will argue that Farmers Home should not be in the lending business whatsoever, that

there is enough existing housing out there to meet current demand, that we do not need to build new homes in rural areas. Without getting deep into a discussion which more properly belongs within the purview of the Banking Committee, I will only state that these arguments are based on a vacancy rate of 10 percent that is not substantiated by the 1980 census data. That information reveals a vacancy rate of 2.1 percent in rural areas. This is a major discrepancy, and it has made a world of difference in this instance because the administration's arguments for termination are based largely on this statistic. I, for one, cannot support a Rural Housing Program that depends largely on an existing housing/voucher system when the vacancy rate in Maine for single family homes is 1.7 percent.

In many rural areas, it is not feasible to depend purely on existing rental housing. The effectiveness of a Voucher Program depends on the availability of standard housing in rural areas. Overall, the stock of housing in rural areas, particularly for rental units, is largely inadequate. A recent study by the Congressional Research Service stated that the incidence of substandard rental housing in most rural areas is two to three times higher than that of a single family dwelling. In addition, the number of physically inadequate rental housing units in rural areas is twice as high as that in urban areas.

Beyond this, there are few large rental units available in rural areas for family housing. The General Accounting Office found that 60 percent of Farmers Home home buyers consisted of households averaging more than two persons, and the majority were households of three or more persons. There is simply not the stock of standard rental housing in rural areas to meet the needs of poor families through a voucher program.

In rural areas, it is unrealistic and unfair to expect a poor family to "shop around" for rental housing with a voucher in hand and find it in every instance. In addition, it is not always feasible to rely solely on the construction of rental units in the more isolated, less populated towns in rural areas. There need to be sufficient numbers of qualified applicants to make a rental construction program feasible and economical. In smaller towns, such conditions do not exist. In addition, Farmers Home requires all rental projects to include a central water or sewage system, preferably both, which do not exist in many isolated areas of the country. Yet if a rural family is in need of adequate housing, we cannot simply tell them to move away from their hometown and job in the hope of finding rental housing. We must take a good look at conditions in rural areas and not simply depend on a phantom vacancy rate figure in the determination of program structure. My proposal therefore envisions the continuation of the section 502 home loan program with a gradual shift to loan guarantees.

I think there needs to be some reform of our rural housing programs to ensure a greater efficiency in their administration. Recent GAO testimony before the Banking Committee contained a number of findings related to program efficiency that can improve the use of limited Federal dollars. These findings include better outreach efforts by Farmers Home to the very low income households and those living in substandard housing, the reduction of housing costs, an extension of the mortgage period, and the encouragement of borrowers to refinance their loans with private credit. We need to fully explore these issues and see that they are implemented into law in some fashion. In addition, we should study the question of availability of existing housing in rural areas in order to determine the most effective rural housing program. We need to keep in mind, however, the most important finding included in the GAO testimony: That there is still significant need for housing among low-income rural households.

I cannot accept the notion that simply because there is some room for reform we should eliminate the program. I suppose from some people's point of view, this constitutes the ultimate kind of reform. But I don't consider it a reasonable approach if our goal is to provide decent housing in rural areas. On the other hand, if our aim is to deprive the rural population of the opportunity to live in decent homes, then it should be stated up front. We shouldn't hide behind a proposal to shift rural housing programs to HUD, whose record on providing housing assistance to rural areas is by no means a stellar one. In fact, HUD doesn't even keep statistics on its allocations to Farmers Home service areas.

It is important to keep in mind the distinction between rural areas served by Farmers Home and nonmetropolitan areas served by HUD, which are often erroneously substituted for one another. Nonmetro areas lie outside metropolitan statistical areas [MSA's] and may include cities of up to 50,000 residents. Farmers Home service areas include towns of up to 20,000 residents outside of MSA's and of up to 10,000 residents within MSA's if the area is rural in character. Unfortunately, we don't have HUD statistics on its service to rural areas, but we do know that its nonmetro allocations amounted to only 18 percent of its total housing assistance in 1983. These figures lead me to seriously question HUD's ability to adequately serve the rural poor, particularly when it is faced with its own budgetary restrictions.

In order to best serve the rural low-income population, we need to maintain a housing program in the Farmers Home Administration. If we act responsibly today and over the next few months, we can fashion a cost-effective rural housing program that meets the unique needs of our rural population and reduces Federal expenditures at the same time.

Should my amendment be approved, we would be saving about $3.7 billion in outlays over 3 years, a significant reduction by any standard. At the same time, my amendment will provide funds for approximately 65,000 units of housing, both rental and single family, for disadvantaged rural families. In addition to increasing the stock of housing in rural areas, this proposal creates over 80,000 construction jobs.

I do not believe the burden of deficit reduction should be borne by our essential Federal programs, and providing shelter for the poor should certainly be considered one of those programs. Of the 60 program reforms and terminations included in this budget package, the savings achieved through the termination of Farmers Home rural housing programs constitute fully 5 percent of deficit reduction projections for fiscal year 1986. The proposal also constitutes half of the projected savings in fiscal year 1986 of all domestic programs slated for elimination. This can in no way be construed as a fair way of handling our deficit reduction efforts.

I think such a proposal places a disproportionate share of the deficit reduction burden on the millions of rural people across this country who cannot afford decent housing and who look to their local Farmers Home offices for assistance. Changes in the program's effectiveness can certainly be made, but to deny such assistance to the needy in the name of savings is not fair.

I urge my colleagues to support this amendment and ensure the continuation of worthwhile rural housing programs.

Mr. GORTON. Mr. President, will the Senator yield?

Mr. COHEN. I yield.

Mr. BUMPERS. Mr. President, who yields time for the proponents?

The PRESIDING OFFICER. The Senator from Maine controls the time.

Mr. GORTON. Mr. President, I rise to support the amendment to restore funding for rural housing offered by my distinguished colleague, the Senator from Maine.

I support this amendment, knowing fully that it adds back substantial budget authority and outlays to the budget resolution. Because this amendment appears to be a substan-

tial add-back, I want to take just a few minutes to make clear what the steps are that this amendment proposes to reduce the cost of the program, and why the remaining add-back is justified.

In the first place, the amendment proposed by the Senator from Maine begins with a 20 percent across-the-board cut in the various rural housing assistance programs, followed by a 2-year freeze on those programs. So the amendment does make very significant cuts below the level of a baseline—indeed, even below the level of a freeze, in this program.

I want to emphasize to my colleagues that the apparent deficit reduction in the leadership package which arises from termination of the rural housing assistance programs is largely illusory, and arises because of a peculiarity in the Federal budget. Under the Federal budget, the principal of direct loans made is counted as an outlay, just as if it were an expenditure for current expenses. Now obviously this is an anomaly; a reasonable budgeting system should distinguish between loans and expenditures. But ours doesn't, and the leadership proposal has exploited this anomaly to make the deficit reduction from termination of rural housing assistance look much larger than the true net improvement in the Federal fiscal situation. In other words, it is true that the measured deficit is reduced. But not all deficit reduction is created equal, and it is important that my colleagues recognize that just as the improvement in the fiscal situation represented by termination of the rural housing programs is overstated, so also is the deleterious effect of this proposed add-back overstated by the measured deficit numbers.

Nonetheless, Senator COHEN has, wisely, I believe, borrowed a page from David Stockman's book in proposing further that the direct lending rural housing programs be phased out, and replaced by private sector, federally guaranteed loans with subsidized interest rates. This results in being able to achieve a substantial portion of the administration's proposed deficit reduction. I would note that in costing out his amendment, the Senator from Maine made very specific assumptions, as of course he must, about which programs would be converted from direct lending to subsidized interest payments, and at what rate. But it will ultimately be up to the Banking Committee to make structural changes in the program. I believe there may be the possibility to achieve even further deficit reduction by a faster phase-in of the new structure, or by applying to programs to which the Senator from Maine did not assume it would be applied in his cost estimates. But as I say, this is for the Banking Committee to decide, and I am simply stating for the record that I intend to look for further savings wherever possible, regardless of the assumptions used by the Senator from Maine in costing his proposal.

But finally, Mr. President, the main point here is that our decision about rural housing assistance should not be made based on accounting debates or detailed discussion of the program's structure. The fundamental question for us to decide now is simply whether we wish to preserve a Federal program to provide assistance to rural housing. On this score, the answer certainly must be "yes." The programs of the Department of Housing and Urban Development, well-intentioned as they are, simply cannot be assumed to be adequate to cover also the needs of our rural sector, especially at a time when the HUD programs are also being cut. I have visited Farmers Home Administration housing assistance projects in Washington State, and am impressed at what the program is accomplishing. At least in my State, I know we have a well-run program that is filling a vital need.

Mr. President, I intend to vote yes on this amendment, and I urge my colleagues to do the same.

Mr. COHEN, Mr. President, I yield 5 minutes to the Senator from Arkansas.

Mr. BUMPERS. Mr. President, I thank Senator COHEN for offering this amendment.

A moment ago, we voted on UDAG, EDA, and some other programs. There were about six programs included in that vote.

I wanted to eliminate some of those programs, even though rural housing and EDA, both of which I strongly support, were in there. This is one of those times when we have to accept the balance of give-and-take.

I know that the Senator from Mississippi, Judge STENNIS, shares my commitment to this rural housing. He was a cosponsor of the amendment because of that. But for those in this body who may not come from rural States and do not understand the plight of the rural poor and their housing, all I ask is that they listen to a few of these statistics.

First, in 1985, this year, these housing funds will create more than 100,000 jobs in rural America, so that helps the employment rate—1.4 jobs for every housing unit.

Second, for every dollar we spend in this program, we generate $5 in additional income in rural areas.

Third, more than 2 million homes in the South have been upgraded and improved under this program since 1949.

Fourth, the average income of those who qualify for this low-cost housing in rural areas is less than $8,000 a year, and the poverty level is barely under $10,000 a year. These rural houses go to people with less than $8,000 a year in income.

There are more than 500 counties in this countries which do not have a savings and loan office of any kind, but there is hardly a county in any State that does not have a Farmers Home Administration office in it. In my State of Arkansas, for example, we have seven counties that do not have a savings and loan, but every county in my State does have a Farmers Home Administration office in it.

In my State, by the end of 1984, we had constructed 32,630 units under the direct loan program of the Farmers Home Administration, and 1,524 of those loans were made in 1984 alone.

Also, by the end of 1984, 1,702 loans had been made for the development of low-income, multifamily rental units.

Mr. President, in closing, let me say that everyone in this body, I suppose, has his or her own definition of what traditional values mean, or what the traditional values are that we cherish and that we ought to promote in the U.S. Congress and in the Senate. But I want to say one thing: If trying to provide housing for the poorest of the poor in rural America, whose income is less than $8,000, is not a traditional value, there are no traditional values in this country.

The problem I had with the President's package from the very beginning—and I mean this in no partisan way or in denigration of the President—is that it appeared to me that it was terribly discriminatory against rural States and rural areas of this country. The farm program is literally an "adieu farmer" program.

I would rather not cut rural housing in the amount this amendment would cut it, but I am opting for what I think is the very best we can get under the circumstances.

I applaud the Senator from Maine for giving everybody here a chance to extract rural housing from the amendment which many people voted against a moment ago, including me. I think this is essential for the future of the economy and for the social structure of this country.

I yield back such time as I have remaining.

Mr. COHEN. Mr. President, how much time do I have remaining?

The PRESIDING OFFICER. Does the Senator from Maine yield time?

Mr. COHEN. How much time do I have remaining?

The PRESIDING OFFICER. Five minutes.

Mr. COHEN. I yield 2 minutes to the Senator from Maine.

The PRESIDING OFFICER. The Senator from Maine.

Mr. MITCHELL. Mr. President, I rise as a cosponsor of the amendment offered by my colleague from Maine, Senator COHEN, and commend him for

his initiative in this area. The amendment is intended to restore funds to the housing programs operated by Farmers Home Administration.

Farmers Home is, in many rural areas, virtually the only source of financing for affordable housing. And rural housing remains one of the Nation's most urgent priorities.

This amendment will restore funding for rural housing at a level 20 percent below the fiscal year 1985 spending level, and freeze the level of loan authority. It is a cost conscious effort to ensure a minimal amount of funding for rural housing consistent with the need for fiscal restraint in every budget area.

Housing credit was scarce in rural America until the late 1960's and the consequences were highly visible. Substandard housing was the rule, not the exception, in much of rural America. A large scale attack on rural housing blight has been mounted by FmHA since 1965. Over 1 million new or modernized family-owned homes and 250,000 new apartment units have been built in rural communities since then. About a third of these apartment units serve the need of the elderly for low cost rental housing.

The need for decent rural housing still exists. In Maine alone 639 new rental units were built in 1984. Despite this level of construction, most rental projects have only one or two vacancies per year and a waiting list of 2 years of more.

The administration and the Republican leadership package say that rural housing programs must be eliminated. This is, in my judgment, short sighted and false economy. If we allow existing units to deteriorate, the future costs of repacement will far outweigh the current cost of rehabilitation. In many rural areas FmHA is the only source of available credit for young families. Home ownership is central to the promise of America. Decent housing is essential in rural areas as in every other part of this country. A commitment to quality housing for the people of this country was made by the people and this Congress nearly a half century ago.

Great strides have been made but much remains to be done. This proposal would reduce spending for rural housing by 2.3 billion from current levels over 3 years. It provides the bare minimal amount necessary to continue the commitment to housing for people in rural areas, consistent with the fiscal restraints necessary under existing circumstances.

I urge my colleagues to support this amendment. It will help the rural elderly to find a decent place to live; it offers the opportunity for rural Americans to bring their homes up to livable standards; it will help young people achieve the American dream of home ownership.

Thank you, Mr. President, and I thank my colleague from Maine and commend him for his initiative.

The PRESIDING OFFICER. Who seeks recognition?

The Senator from New Mexico.

Mr. DOMENICI. I yield 5 minutes to myself.

Mr. President, I hope my friend from Maine knows that it is not easy for me to get up here and argue against every amendment that puts money back into our compromise and it is not easy for me to get up and talk about programs that have been argued about here for the last 10 or 15 minutes with an awful lot of passion with reference to their objectives and goals.

I would not be here if we did not have an enormous deficit.

But let me tell you there is a lot of misunderstanding about this program.

I first commend the distinguished Senator for saving some money. He cut the program back about 20 percent.

I hope before we are finished that we can do better and clearly I hope to talk with the distinguished Senator from Maine about doing better than we have and yet supplying as much or more housing for rural America as we now supply.

First of all, the whole change in the Federal Government involvement in housing over the last 10 or 15 years as evidenced by Fannie Mae and all the other programs is to set up situations where we help finance housing.

One of the most interesting things is that because we had this program and because it was under Farmers Home Administration, and I hope any program we put back in stays under Farmers Home, but somehow or another because it was there it missed the whole change toward the Federal Government getting out of direct loans and getting into some kind of guarantee program or some kind of voucher program where you could supply people with either financing or the wherewithal to rent or to buy on long term like everyone else does. Somehow it escaped here.

So everyone should know that what we have in this program is the Federal Government totally financing in a direct way rural houses as if there were no banks around, as if there were no lending institutions around, while, as a matter of fact, only in a very small percentage of the counties of this country today are we void of banking systems, of savings and loan institutions, and the like, that could very well finance housing.

But for every one of these homes the full dollar comes right out of the taxpayers' pocket, and we finance over the long term with taxpayers' money in toto.

That is why this program costs $9 billion over the next 3 years when for $9 billion of Federal money we are financing literally many, many times more homes through VA, FHA, and all the other programs through which we finance homes.

So what we were trying to do and what we will continue to try to work with the distinguished Senator from Maine and others who are interested, we will try to move this program, not away from housing in rural America, but toward a modernization of the financing mechanisms so that the taxpayer does not pay for the homes in toto other than in those counties where we do not have a banking system. For the rest of them we will provide some assurance that there will be homes, finance them in a more orderly manner, or supply some other alternative means of assuring those homeowners.

I will put in the RECORD the statistics about available housing in rural America that could be rented. It is startling. There is a huge supply but for 10 or 15 percent of the counties of this country. There are houses that could be rehabilitated that people could occupy in rural America, but we do not have a program to fix them up and rent them nor a voucher system to put people in.

There is a rehabilitation program where you could go into rural America, remodel the homes and then give people 15-year-long lease arrangement where they could pay for it, live in good housing with the American taxpayer paying a very small fraction of what you are paying now.

I would just state for purposes of comparison, and I hope we have a chance to work on this before we are finished, we could keep the 180,000 units of housing that are going into rural America, and operate part of it out of HUD, part of it out of Farmers Home. We could keep that goal and we could have vouchers for rental houses of about $50,000, we could provide an additional program to rehabilitate 10,000 of those houses if we did not have enough housing stock and then provide the poor people with vouchers to live in them. Then we could provide 10,000 units of rental units and 10,000 single family dwelling for those counties that need it. My estimate is that you could do all of that for $1.78 billion.

And we are going to vote here in a while to keep it almost at $9 billion, all in the name of supplying housing to rural America, all in the name of supplying it to the poor people in rural America when, as a matter of fact, many of the poor people who will get the housing I am describing do not even qualify for Farmers Home single family ownership houses.

So I understand that this is a very emotional issue, that there will be some dispute no matter what is said, no matter how many times we meet,

no matter how many times we discuss it.

I am firmly convinced you can save between $6 and $7½ billion in the next 3 years and provide rural America with as many or more houses as they are getting now, some single family construction, leave it all under Farmers Home as we want it to be because they are close to the people, and I hope that we have a chance to work on that with the distinguished Senator from Maine and others who are interested.

I am prepared to answer any questions anyone might have.

I do compliment the Senator for cutting the program 20 percent, but I do submit to you it will not cause any reform. It will still be the same program as we described it, totally, terribly inefficient. It takes an awful long time to help anyone and is extremely costly in comparison to what we could do in other ways.

How much time does the Senator from New Mexico have remaining?

The PRESIDING OFFICER (Mr. DURENBERGER). The Senator has 6 minutes remaining.

Mr. STENNIS. Mr. President, will the Senator yield me 2 minutes? I am in favor of the amendment.

Mr. COHEN. Mr. President, how much time do I have remaining?

The PRESIDING OFFICER The Senator has 3 minutes remaining

Mr. COHEN. Mr. President, I yield 2 minutes to the Senator from Mississippi.

Mr. STENNIS. I thank the Senator.

Mr. President, I take quite seriously anything that the Senator from New Mexico represents to this body, but I believe there is error somewhere here. I have spoken briefly this afternoon about rural housing. It seems to me as though he is including in his remarks a great many that I would not classify as rural housing. I am thinking primarily of the individual dwelling house, an abode for a family, that is being paid for by the owner, the one who lives in it; a dwelling house that finally yields, it may change hands, but it finally yields a good part of the original cost. It is paid back to the Federal Government.

Now, I really could not find any figures that I thought were dependable on that score. But I know it is a very appreciable part of the original investment. It is a subsidy to some degree on the interest that they have to pay.

But this matter, with all deference to the Senator, is an altogether different proposition here that we are talking about of that individual dwelling house and the ownership that is with the one who makes the original contract and he pays back the purchase price.

The PRESIDING OFFICER. The Senator's 2 minutes have expired.

Mr. STENNIS. I thank the Senator again for yielding to me.

The PRESIDING OFFICER. Who yields time?

Mr. DOMENICI. Mr. President, I do not have much time on the resolution or anywhere, but I will yield a couple of minutes to the Senator from Maine.

Mr. COHEN. Mr. President, I just have a couple of comments to make.

Mr. President, as has been indicated on the floor, there are some Members of this body who urged me to seek a freeze at the current level. We talked about a freeze all afternoon. Some said, "Why not a 10-percent reduction to show we were really committed to reducing the deficit?"

I proposed even going further over the advice of the rest of my colleagues, saying, "Let's go as deep as 20 percent."

I will even go further than that. I will even propose a phasein of what Mr. Stockman and the administration wants, and that is to move from direct financing by Farmers Home to a loan guarantee program which picks up $3.7 billion over the next 3 years.

But one of my major objections to what the Senator from New Mexico has proposed is they want to go to a direct guarantee loan program today, not phased in. We have had some experience in the past showing it does not necessarily work that way.

If you are from a very rural, very impoverished area, you may not be able to take a voucher and say, "I would like to move into that house." There may not be a home there. There may not be a bank to give you a loan guarantee.

So, let us try it on a transition basis. Let us take 10 percent and 20 percent the year after and phase it in. At least we would have an opportunity to see whether this program will work.

And we have the GAO. The GAO said there are problems with the efficiency of Farmers Home. Fine. We admit that. Why do we not take the recommendations of GAO? That is why we have that organization, to give us recommendations.

The GAO did not recommend to eliminate the program. They did not recommend to put it over to HUD. They said that we can do better with better outreach programs. We can have more targeting of this particular program. We can do a number of things.

But we totally ignored that. Let us eliminate that program because of a philosophical objective of saying no more single family homeownership for the poor.

If you talk about fairness in this particular program, 5 percent of all the deficit reduction comes out of one program right here. Five percent of all the money we are talking about comes out of here. It is 50 percent of all the cuts that we are making in the domestic program that comes out of this one program. How is that for fairness? That is really fair.

But we have the number of $8 or $9 billion in deficit reduction, and that makes it fair, according to calculations of the administration.

Mr. President, I think that the issue is pretty clear. If you want to continue the goal of providing some decent housing for the poor people of this country who live in the rural areas, then you will support the amendment. If you are opposed to that, then you will vote against it.

Mr. President, I ask unanimous consent that Senator RIEGLE be added as a cosponsor.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. LEAHY. Mr. President, I rise in support of the amendment of the Senator from Maine.

The need for rural housing is well documented. The Farmers Home Administration [FmHA] rural housing programs are often the only means by which rural low-income families and the elderly are able to afford safe, adequate, and sanitary housing.

FmHA rural housing provides the housing safety net for the rural poor. The overwhelmingly majority of tenants assisted under the section 515 program have incomes below $6,000. Under the section 502 program, more than a third of the families had incomes below $10,000, the average income is $11,400. The law requires that all those assisted under section 502 must be low income and 40 percent of section 502 funds go to families with very low incomes.

Eliminating rural housing assistance would have a devastating impact on my State of Vermont. Last year 476 low-income families were able to buy decent housing under the 502 subsidized home ownership programs. An additional $4 million was provided to Vermonters for rental assistance. Under present interest rates and market conditions, the FmHA rural housing programs are the only source of loan money for these low-income Vermonters.

Much has been made of the use of rental vouchers in rural areas. The fact is that across our Nation adequate rural rental housing is in short supply. According to the Congressional Research Service, the incidence of poor quality rental housing in rural areas is significantly higher than that of rental housing in urban areas or owner occupied housing overall. We continue to need the rural housing production program administered by FmHA.

If you do away with FmHA administered rural housing assistance, disadvantaged rural people will have nowhere else to turn. The problem of unsanitary and unsafe housing may not be as easily identifiable in rural areas as it is in urban areas, but I can assure you that it exists. Travel the back

roads of Vermont with me and you will find it.

Low income rural people deserve the opportunity to buy or rent adequate housing. This amendment would continue the efforts begun under President Franklin Roosevelt to provide adequate shelter for those who are illhoused. I strongly support the amendment.

Mr. CRANSTON. Mr. President, I support Senator COHEN's amendment to Senate Concurrent Resolution 32, the first concurrent resolution on the budget for fiscal year 1986. This amendment would reestablish the rural housing programs that the budget resolution would eliminate.

Senate Concurrent Resolution 32 would abolish all new construction activity for the rural housing programs that the Farmers Home Administration operates. In addition, this resolution would transfer the responsibility of providing housing in rural areas to HUD. In the future, HUD would be required, under its housing voucher program, to allocate one-half of all new section 8 and section 202 units to rural areas. As a result, low-income families in both urban and rural areas would receive only one-half of the assistance they receive currently.

Senator COHEN's amendment is a pragmatic response to the twin objectives of maintaining rural housing programs and of reducing the budget deficit. His amendment would reestablish the rural housing programs that the Farmers Home Administration operates, but it would reduce the fiscal year 1985 funding levels of these programs by a total of 25 percent. As a result, my colleague's amendment would save the Federal Government $513 million in fiscal year 1986.

I support this amendment on rural housing. In 1985, California should receive almost $122 million in rural housing assistance, which will assist developers to construct about 10,000 single family and multifamily housing units for low-income families. My colleague's amendment would allow low-income families in California to continue to benefit from rural housing programs in fiscal 1986.

Over the last few years, rural housing programs have absorbed their fair shares of funding reductions to decrease the budget deficit. Between 1980 and 1985, the number of units assisted under the rural housing programs have decreased by 30 percent. If rural housing programs were eliminated, then the Federal Government would be asking low-income Americans to bear an unfair portion of budget cuts.

I believe the Federal Government has a responsibility to work with the private sector to ensure that all Americans have access to adequate, affordable housing. Since my colleague's amendment would protect this beneficial relationship by reestablishing rural housing programs, I urge the Senate to pass this amendment.

● Mr. LEVIN. Mr. President, I supported the amendment offered by the distinguished Senator from Maine and urge my colleagues to do likewise. The amendment would make a cut of 20 percent in rural housing programs administered by the Farmers Home Administration. This is not a small sacrifice—especially when one considers that these programs have already been reduced by as much as 30 percent by inflation. However, the amendment does leave these important programs in existence unlike the proposed budget. The budget would eliminate the Farmers Home Administration programs and shift responsibility for rural housing to the Department of Housing and Urban Development with no commensurate accommodation in that department's budget. This is in effect a massive cut to both the rural and urban housing programs. The Department of Housing and Urban Development has already sustained large cuts and will have to scale down its current efforts in urban areas. If rural programs are added to HUD's responsibilities it is unlikely that they will be handled as effectively as they were under FmHA.

This is an important point. When we talk of eliminating the Farmers Home Administration housing programs, we are talking about eliminating some of the most efficient, well managed, and productive of government programs. These programs are insured loans, not grants, and the section 515 Rental Housing Program, for example, has a default rate of less than 1 percent. A default rate of less than 1 percent is better than most commercial lending institutions. The FmHA offices are there in the rural communities. Their district offices know the towns and can provide the necessary oversight, continuity, and efficiency—things which HUD would not be able to duplicate. In addition, most HUD programs assume an existing stock of rental housing—something which does not exist in most rural areas.

There is certainly a need for rural housing programs. As the Congressional Research Service points out, there are over 2 million rural American households which are illhoused, many without proper plumbing or kitchen facilities. Many of those in need of rural housing assistance are senior citizens of fixed incomes.

Our Nation's rural areas are already dealing with farm failures and unemployment. Elimination of the FmHA rural housing programs would be an unfair sacrifice from already overburdened regions. The amendment is a reasonable approach to reducing the deficit without completely abandoning this program.●

Mr. COHEN. I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

The PRESIDING OFFICER. The Senator from New Mexico has 3 minutes remaining.

Mr. DOMENICI. Mr. President, the distinguished Senator from Maine is fully aware of my feelings. I did not approach this program with the idea that I have some philosophical or ideological bent against supporting housing in rural America in any special way like direct loans. That does not strike my conscience as being something that is wrong.

Quite to the contrary, I have proposed that we continue part of it. In fact, in my statement a while ago I mentioned 10,000 units in transition. Frankly, as I said before, I will not support anything that does not assure rural America 180,000 dwellings a year that people that now qualify for these homes can either own or occupy and for literally thousands who do not even qualify for this kind of direct home financing could qualify for.

Mr. COHEN. Will the Senator yield for a question?

Mr. DOMENICI. Yes.

Mr. COHEN. I believe the Senator indicated 180,000 units for rural housing. I believe that really includes all the housing in the HUD Program.

Mr. DOMENICI. That also includes the HUD housing that is nonmetropolitan.

Mr. COHEN. And the metropolitan.

Mr. DOMENICI. And the metropolitan units. The Senator is correct. That is including what we have there now. The Senator is correct.

But we are not trying to have less housing in rural America, less units available, in any proposal you are trying to work out with the Senator from New Mexico.

Mr. COHEN. Could I inquire, is the Senator suggesting that he favors a gradual phasein of the loan guarantee program?

Mr. DOMENICI. I do not know what "gradual" means. Sure, I favor moving into it in a way that makes sure that we are indeed supplying the housing while we get away from almost exclusively using tax dollars for direct financing without banks for the housing.

Mr. COHEN. That is exactly what the Senator from Maine and others are proposing; namely, a gradual phase-in of the guarantee loan program as opposed to direct financing to see if it works, so we can examine it on a yearly basis, plus a fairly substantial reduction from 85,000 units to 65,000 units on rentals and home ownership. That is a pretty good reduction to take.

Mr. DOMENICI. I am confident we could work out something that we would not have to spend much money on and do just as good by the rural American people who are using these or I would not be here arguing with the Senator.

The PRESIDING OFFICER. All time has expired on the amendment.

Mr. DOMENICI. Mr. President, I yield myself 30 seconds on the resolution.

I am confident that the Senate is going to accept this amendment. I am not prepared to. I think it is a mistake because I think we can do much better.

But I hope we can continue to talk about the subject because I think we can indeed provide housing at a much lower cost than the amount contained even in the amendment and certainly more than is in the present program.

The PRESIDING OFFICER. All time having expired, the question is on agreeing to the amendment of the Senator from Maine [Mr. COHEN]. The yeas and nays have been ordered and the clerk will call the roll.

The legislative clerk called the roll.

Mr. SIMPSON. I announce that the Senator from North Carolina [Mr. EAST] and the Senator from California [Mr. WILSON] are absent due to illness.

Mr. CRANSTON. I announce that the Senator from Nebraska [Mr. EXON] is absent because of illness.

The PRESIDING OFFICER. Are there any other Senators in the Chamber who wish to vote?

The result was announced—yeas 47, nays 50, as follows:

[Rollcall Vote No. 59 Leg.]

YEAS—47

Andrews	Gorton	Metzenbaum
Baucus	Grassley	Mitchell
Biden	Harkin	Moynihan
Bingaman	Hart	Murkowski
Boren	Hawkins	Pryor
Bumpers	Heflin	Riegle
Burdick	Hollings	Rockefeller
Byrd	Inouye	Sarbanes
Chiles	Johnston	Sasser
Cohen	Kennedy	Simon
Cranston	Kerry	Specter
D'Amato	Leahy	Stafford
Eagleton	Levin	Stennis
Ford	Long	Stevens
Glenn	Matsunaga	Zorinsky
Gore	Melcher	

NAYS—50

Abdnor	Goldwater	Nickles
Armstrong	Gramm	Nunn
Bentsen	Hatch	Packwood
Boschwitz	Hatfield	Pell
Bradley	Hecht	Pressler
Chafee	Heinz	Proxmire
Cochran	Helms	Quayle
Danforth	Humphrey	Roth
DeConcini	Kassebaum	Rudman
Denton	Kasten	Simpson
Dixon	Lautenberg	Symms
Dodd	Laxalt	Thurmond
Dole	Lugar	Trible
Domenici	Mathias	Wallop
Durenberger	Mattingly	Warner
Evans	McClure	Weicker
Garn	McConnell	

NOT VOTING—3

East	Exon	Wilson

So the amendment (No. 82) was rejected.

Mr. DOLE. I move to reconsider the vote by which the amendment was rejected.

Mr. DOMENICI. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. BYRD addressed the Chair.

The PRESIDING OFFICER. The minority leader is recognized.

Mr. BYRD. Mr. President, may we have order in the Senate?

The PRESIDING OFFICER. The Senate will be in order. Senators will clear the well and return to their seats. Staff will clear the aisles. Senators will kindly clear the well.

The Democratic leader is recognized.

Mr. BYRD. Mr. President, I ask unanimous consent that the time required for getting order in the Senate not be charged to anybody.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. BYRD. I ask unanimous consent, Mr. President, that there may be a 10-minute discussion at this point between the distinguished majority leader and myself without the time being charged to the resolution.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. BYRD. Mr. President, we are in this peculiar situation. How much time remains for this side?

The PRESIDING OFFICER. There are 2 hours and 16 minutes remaining on the Democratic side.

Mr. BYRD. May I say to my colleagues on both sides of the aisle that out of the total of 50 hours which was on the resolution at the beginning, we only have a little over 2 hours left. All of it is on this side of the aisle. If the other side calls up an amendment, then the other side is entitled under the act to half of the time on that amendment but that half will come out of the time on this side. We are also confronted with the dilemma which results from the distinguished majority leader—and I am not wanting to quarrel or cast any reflection; I could not if I wanted to, and I would not if I could, but we are in the situation here now where we do not know what the contents of the package are which Mr. DOLE will later offer at some point. We do not know what the contents are except for the two or three items which the distinguished majority leader revealed to us just a little earlier in the evening. So at some point when time is exhausted on this side in a little more than 2 hours from now we will be in this situation: No debate can occur except by unanimous consent on this resolution or on any amendment that is called up. If the distinguished majority leader calls up his package amendment at that time, there is no time for debate thereon. He cannot even explain to us on this side or to his colleagues on that side what the contents of the package are, nor would we be in a position to offer amendments to that package until it is before the Senate. So here we are in a situation where we are offering amendment after amendment to the Dole package that was adopted by a vote of 50 to 49 a few days ago and which has by now become riddled and dismantled almost beyond the point of recognition.

So, Mr. President, that is the dilemma. I ask the distinguished majority leader if he would be willing to offer his package now so that we can see it, because as it is, every amendment that is being adopted is later going to be wiped off if the next substitute package is agreed to. So actually we are not only giving our time and burning up our time but we are wasting time. So, Mr. President, I wonder if the distinguished majority leader would call up his package now and let the Senate begin to debate it and amend it and with the understanding that 30 minutes from the time the amendment is laid before the Senate—or 1 hour, whatever—we vote on the distinguished majority leader's amendment.

If he would not be willing to do that, would he put the Senate in recess so that the time we have remaining will not be running? We need that little bit of time if we hope to offer any meaningful amendments to the package that we can all understand, because we soon will not be able to explain the contents of an amendment.

Would the distinguished majority leader be willing to do one of two things: One, put the amendment before the Senate and let us debate it and begin to amend it, and have a vote on adoption, up or down, of that amendment, say, at 6:30 p.m. today? Or, second, if he would not be willing to do that, would he put the Senate into recess until such time as he is willing to put his amendment before the Senate, so that we could all see it, read it, understand it, debate it, and amend it if we can?

Mr. DOLE. As to the first request, the vote on the amendment by 6:30, if it survived, there would be no additional amendments then?

Mr. BYRD. No, we are not saying that. We are entitled, in any event to offer amendments to that package. If it is agreed to, it still can be amended. There would be no time for debate of any amendment.

I assume that if the amendment is called up, we would have some time and perhaps could offer one or two amendments and be ready to vote. But we would be willing to vote at 6:30 p.m. today.

Under the Budget Reform Act, that package, even if adopted, would be open to amendment without debate.

Amendments could be called up and voted on.

Mr. DOLE. As I understand, there are amendments pending right now that Members are willing to offer, and I am not quite ready to offer the perfecting amendment. We are working on it.

I do not really believe that the original amendment has been riddled. Only one amendment has been adopted today, and that was on nutrition.

Mr. CHILES. Amtrak.

Mr. DOLE. And Amtrak. A $10 billion amendment was defeated, a $7 billion amendment was defeated, and a $4.5 billion amendment was defeated; and there were bipartisan votes on all those. So I think there is a fairly strong feeling that we are working our will.

One reason we are a little reluctant to trot out the perfecting amendment is that we are trying to reflect the views of some of the votes on the Senate floor. My view is that if you lose nutrition by 2 to 1, you should go back and take a look at the package, and we are going to do that and maybe make a modification. If you lose Amtrak by 12 votes, some would say if we were to reconsider it we might have 50 votes. You go back and take a look at Amtrak. Maybe you do not terminate it. Maybe there is another way to address it.

It is not that we are trying to gain any unfair advantage, but we have amendments on this side that I understand Members are prepared to offer. We would like to proceed with those. I know that the statute provides that the time runs against the remaining time of the distinguished minority leader. I assume that we can get consent to have additional time, but I would prefer not to do that at this time.

Mr. CHILES. What about the recess?

Mr. DOLE. As long as we have amendments on this side that Members want to offer, I do not know why we should go into recess. I should like to finish the measure this evening. There are a number of requests that we do so.

We had hoped to have a vote on the perfecting amendment by 9 p.m., and then it is open to further amendment.

I must say that we did not see the package of the distinguished minority leader until 10 minutes after it was offered, and I am willing to match that or better. In fact, we are prepared not only to give the distinguished minority leader the language, but also a summary of the proposal. I think there was some indication earlier today to some Members on both sides of the highlights of the package, and I am prepared to give that to the distinguished minority leader at this time.

Mr. BYRD. The distinguished majority leader talks about how the minority leader did not reveal the contents of his amendment until 10 minutes before it was offered. This situation is different.

Once that amendment was offered, we had equal time to debate it. Half of it came from our side, and half from the majority leader's side. But here we are confronted with the situation in which the distinguished majority leader, once the time has run on this side of the aisle, can call up his amendment, and we cannot debate it. All we can do is try to amend it, with no talk on either side, and vote. In the meantime, we are shooting at a package which has already been amended several times.

I was not just referring to one or two amendments adopted today, but amendments to that package were adopted several days ago. So it has been amended serveral times.

I hope the majority leader will move to put the Senate into recess until he is ready to call up his amendment, so that we will have some time to debate that particular amendment when it is called up.

I ask the distinguished majority leader if he will recess until, say, 6:30, call up his amendment, and we can vote on it 30 minutes thereafer.

Mr. DOLE. I might make a counterproposal: that when we call up the perfecting amendment, we obtain unanimous consent that there be debate on the perfecting amendment, notwithstanding the time situation, for a period of 40 minutes or 1 hour equally divided.

Mr. BYRD. Let us set the time now.

Mr. DOLE. The time it is going to be called up?

Mr. BYRD. The time it is going to be called up, and the time for a vote on it.

Mr. DOLE. The minority leader was concerned that the time would run out, and if time ran out before the amendment were offered, we would ask unanimous consent that there be an hour of debate.

I am not prepared to say precisely when I would offer the perfecting amendment because, very honestly, much depends on how the amendments that are pending are disposed of. We have about 11 amendments on this side. I hope they are not all offered. I do not know how many are on the other side.

Mr. BYRD. I say to the distinguished majority leader that we are ready to quit offering amendments prior to action on the distinguished Senator's package No. 2. No more amendments. Just call up the Senator's amendment, take 30 minutes on it, equally divided, or 40 minutes, or 1 hour equally divided, and vote on the amendment. No more amendments before the distinguished Senator calls up his amendment. And it is a perfecting amendment. He just said so. That means that it cannot be amended until it is adopted.

Mr. DOLE. Perhaps we could suggest the absence of a quorum for a few minutes. [Laughter.] I will check with my Parliamentarian.

Seriously, I would prefer not to have a recess, and I would prefer not to offer the amendment now. I prefer to go ahead. We have amendments pending. Let them be debated quickly and stack some votes and have 10-minute rollcall votes starting about 6:30; then, when the time has expired, offer the amendment and agree to an hour of debate, 30 minutes on each side.

The PRESIDING OFFICER. The leadership will be advised that the 10 minutes allotted for the uncounted time is expired.

Mr. BYRD. I thank the Chair.

Mr. President, I also point out that before any Senator on that side can get time for debate, we have to yield him time or withhold it. If the Senator on that side wishes to stand up and offer an amendment, he can do so, and the time will run equally both sides, chewing up our remaining time. If he does not offer an amendment, then he cannot debate unless we yield him time.

I do not want to get into that kind of a situation. I hope the majority leader would recess the Senate for, say, 1 hour, call his amendment up when we come back in after that hour, and take 30 minutes or an hour and vote up or down. There will be no amendments from this side at this point to the package that will be wiped out in all likelihood by the second Dole package.

Mr. DOLE. The only problem I see with that is if in fact, and I am not certain whether there are votes to adopt the perfecting amendment, but if it were adopted, then we could start this all over again. It would be an hour and—how much time is remaining?

The PRESIDING OFFICER. Two hours and fifteen minutes.

Mr. DOLE. We could offer 25 amendments in 2 hours and 15 minutes. In any event in this way you would be able to discuss what you were offering and someone might be persuaded by that.

But I know the minority leader. We can delay a number of ways here. But I am not prepared to offer the perfecting amendment or to announce or to indicate a precise time when we would be prepared to do that.

Mr. BYRD. Mr. President, I wish to make it clear we are not suggesting that we will not call up amendments, if we get to that point. When the distinguished majority leader calls up his package and it is acted on, then we may be constrained to offer some amendments. Right now, we are willing to delay the offering of any amendment if the majority leader will place his package before the Senate,

let all on both sides take a look at it, scrutinize it, and study it, and offer amendments to it and vote on that package within 1 hour, 45 minutes, or 30 minutes.

Mr. CHILES. We are using our time right now.

Mr. BYRD. Yes.

Mr. DOLE. I do not have any time to use.

Mr. CHILES. We are using our time.

Mr. BYRD. Mr. President, I ask unanimous consent, and I apologize to the majority leader for doing this, but this is a situation that not only impacts against this side and its responsibility and duty and right to offer amendments to the vehicle that the Senate will be voting on at some point rather than to this faceless amendment that has been adopted by a vote of 50 to 49. I ask unanimous consent that the Senate stand in recess for 1 hour and that upon the reconvening of the Senate the distinguished majority leader be recognized to call up his package No. 2 amendment.

Mr. DOLE. Mr. President, I object.

The PRESIDING OFFICER. Objection is heard.

Mr. DOLE. Mr. President, we are not unmindful of the concerns of the distinguished minority leader and I want to indicate——

Mr. BYRD. Mr. President, all the time is coming from this side. I will yield to the distinguished majority leader. How much time does he want?

Mr. DOLE. One minute.

Mr. BYRD. Two minutes.

The PRESIDING OFFICER. The majority leader is recognized for 2 minutes.

Mr. DOLE. The majority leader would indicate to all my colleagues that, you know, we want to finish this tonight. We are prepared to make that effort. I can say in all honesty I am not certain whether we have the votes to prevail or not. On that basis and under those circumstances I think it is better that we continue offering amendments if the Members on this side could be recognized. The last amendment came from this side. I assume the next amendment, in logic, would come from the minority side. But I would hope we would be permitted to offer amendments. I will return to my office immediately, continue to work on the perfecting amendment, which is fairly near completion, but I do not think I should indicate at this time the precise time we will offer it and then have a lot of time following for other amendments to be offered.

I still believe we can debate the amendment if time has expired and maybe reach some agreement with the distinguished minority leader on an amendment process if the time had expired. I am not trying to shut out amendments. In fact, we can offer amendments right now.

Mr. KASTEN. Mr. President, will the minority leader yield 1 minute?

Mr. BYRD. No, I do not yield for that purpose. If the distinguished majority leader has a minute or so, then he can yield.

The PRESIDING OFFICER. The minority leader is correct. There are 30 seconds remaining on the time yielded to the majority leader.

Mr. DOLE. Those 30 seconds I am happy to yield.

Mr. KASTEN. Mr. President, I suggest maybe we can start working out of this. I wish to remind Senators that we have an amendment that has two Republican sponsors but has three Democratic sponsors on refugees. We have already come to a kind of tentative agreement of 10 minutes on each side, and it has a strong kind of bipartisan effort, and it would be 20 minutes from now we would have a vote. That might be one way to use the time.

The PRESIDING OFFICER. The time yielded by the minority leader to the majority leader has expired.

Mr. BYRD. Mr. President, we are faced with this situation now. Time is running. Under the 50 hours time is running against our side.

So, Mr. President, I ask unanimous consent that the Senate stand in recess for 30 minutes.

Mr. DOLE. Mr. President, I object.

The PRESIDING OFFICER. Objection is heard.

Mr. BYRD. I apologize to the distinguished majority leader for making that request. Ordinarily, the majority leader has the power and the duty to set the schedule of the Senate, and I would not have made such a request except because of the extenuating circumstances.

Mr. DOLE. Mr. President, let me say to the distinguished minority leader I understand that perfectly, I think.

The PRESIDING OFFICER. Who yields time?

Mr. SYMMS addressed the Chair.

Mr. BYRD. Mr. President, I do not yield time and I apologize to the distinguished Senator.

Mr. President, I ask unanimous consent——

Mr. SYMMS. Mr. President, I send an amendment to the desk.

Mr. BYRD. I do not yield for that purpose.

The PRESIDING OFFICER. The minority leader has the floor.

Mr. BYRD. Mr. President, I ask unanimous consent that there be a 10-minute time limitation on any amendment to be equally divided beween the two sides until——

Mr. CHILES. One hour.

Mr. BYRD. All right, for 1 hour.

Mr. JOHNSTON. Mr. President, reserving the right to object, are those votes going to be stacked?

Mr. CHILES. We can stack them during the hour.

Mr. BYRD. We can stack them all to occur during the hour.

Mr. CRANSTON. I wish to suggest a shorter time than 10 minutes on each side. There are 10 or 11 amendments on that side, 12 or 13 on this side which eventually will be offered. That will consume all the time. At the rate of 10 minutes we will not have any time remaining.

I suggest that it be not more than 5 minutes evenly divided on each side.

Anyone who has an amendment can certainly explain it with the help from others in 2½ minutes, and then we will have time to reserve for future consideration of future matters brought before the Senate.

Mr. BYRD. Mr. President, I put that in the form of a request and with the additional provision that amendments must be germane and relevant to the resolution.

Mr. SYMMS. Mr. President, I object.

Mr. BYRD. And that this amendment terminate at the end of 1 hour.

Mr. SYMMS. I object.

The PRESIDING OFFICER. Is there objection?

Mr. SYMMS. I object.

The PRESIDING OFFICER. Objection is heard.

Mr. SYMMS addressed the Chair.

The PRESIDING OFFICER. The Senator from Idaho.

Mr. SYMMS. Mr. President, I send an amendment to the desk.

Mr. CRANSTON. May I ask a question of the Senator from Idaho?

Mr. BYRD. Mr. President, I do not yield for that purpose.

Mr. DOLE. Mr. President, would the distinguished minority leader yield to me?

Mr. BYRD. I yield to the distinguished majority leader for how long——

Mr. DOLE. One minute.

Mr. BYRD. For 1 minute for a statement only or a question.

Mr. DOLE. Mr. President, in my view the original proposal for 5 minutes on a side for the next 1 hour is satisfactory.

I do not know if we will use 5 minutes on a side. But that could dispose of at least six amendments, if there are six amendments out there, serious amendments.

I would hope the distinguished minority leader might renew that request and I hope we might accept that request.

Mr. BYRD. Mr. President, I ask unanimous consent that during the next 1 hour Senators may offer amendments that are germane and relevant, with the time limitation of no more than 10 minutes to be equally divided and that rollcall votes be stacked to occur at the end of that hour; that the first rollcall be a 15-minute rollcall and that the successive amendments be limited to 10 minutes on a rollcall; and that the Chair, when the 10 minutes are consumed and when the 15

minutes are consumed on the amendments respectively, that the Chair announce the vote and that there be no additional time for Senators who may be absent.

The PRESIDING OFFICER. Is there objection?

Mr. BYRD. The rollcalls will be 10 minutes, except for the first one.

Mr. KENNEDY. Mr. President, reserving the right to object, and I do not want to object. I would like to ask whether it is the understanding of the minority leader that at the end of that period of time the majority leader then is going to lay down the new alternative. Is that the understanding? Is that part of the unanimous-consent agreement or not?

Mr. BYRD. I would like to add that. I am just hoping that the distinguished majority leader, out of the goodness of his heart and the realization that these are very reasonable requests, will have his package ready to offer.

Mr. KENNEDY. Mr. President, I have been ready, willing, and able, as the leader knows, to offer amendments on this proposal for a number of days. I understand there are Members on both sides prepared to do likewise.

I would not want to, by not objecting, suggest that at the end of the hour that that is going to be the end of any possibility of offering amendments.

Mr. BYRD. That will not end the possibility of offering amendments.

Mr. KENNEDY. And also have an understanding that we are going to be able to get rollcall votes on those amendments, as well.

Mr. BYRD. We could get rollcall votes on them.

Mr. KENNEDY. I have no objection.

Mr. DOLE addressed the Chair.

The PRESIDING OFFICER. The majority leader.

Mr. BYRD. Mr. President, I have the floor and I yield to the distinguished majority leader.

Mr. DOLE. Mr. President, I reserve the right to object. It seems to me the one problem, on reflection of this, is we are going to have a lot of votes on a lot of amendments, and I assume they will come in any event at the end of the process. Now they will come with 5 minutes of debate on each side. We could have as many as six votes. Then there still is another hour left, and that would be 12 votes. I assume that when the time expires, there could still be 12 votes.

It seems to me we have been making pretty good progress without an agreement. Even though I suggested earlier this might provide some relief for Members who have amendments, I think I shall object.

The PRESIDING OFFICER. Objection is heard to the request of the Democratic leader.

Mr. BUMPERS addressed the Chair.

Mr. BYRD. Mr. President, I yield—how much time does the Senator need,

Mr. BUMPERS. Mr. President, I reserve the right to object.

Mr. BYRD. An objection has already been made.

Mr. President, I move that the Senate stand in recess for 30 minutes, and I ask for the yeas and nays.

The PRESIDING OFFICER. Is there sufficient second? There is a sufficient second.

The yeas and nays were ordered.

Mr. BYRD. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The Clerk will call the roll to ascertain the presence of a quorum.

The assistant legislative clerk called the roll, and the following Senators answered to their names:

[Quorum No. 7 Leg.]

Abdnor	Gore	Metzenbaum
Andrews	Gorton	Mitchell
Armstrong	Gramm	Moynihan
Baucus	Grassley	Murkowski
Bentsen	Harkin	Nickles
Biden	Hart	Nunn
Bingaman	Hatch	Packwood
Boren	Hatfield	Pell
Boschwitz	Hawkins	Pressler
Bradley	Hecht	Proxmire
Bumpers	Heflin	Pryor
Burdick	Heinz	Quayle
Byrd	Helms	Riegle
Chafee	Hollings	Rockefeller
Chiles	Humphrey	Roth
Cochran	Inouye	Rudman
Cohen	Johnston	Sarbanes
Cranston	Kassebaum	Sasser
D'Amato	Kasten	Simon
Danforth	Kennedy	Simpson
DeConcini	Kerry	Specter
Denton	Lautenberg	Stafford
Dixon	Laxalt	Stennis
Dodd	Leahy	Stevens
Dole	Levin	Symms
Domenici	Long	Thurmond
Durenberger	Lugar	Trible
Eagleton	Mathias	Wallop
Evans	Matsunaga	Warner
Ford	Mattingly	Weicker
Garn	McClure	Zorinsky
Glenn	McConnell	
Goldwater	Melcher	

The PRESIDING OFFICER. A quorum is present.

The question is on agreeing to the motion of the Senator from West Virginia. On this question, the yeas and nays have been ordered, and the clerk will call the roll.

The assistant legislative clerk called the roll.

Mr. SIMPSON. I announce that the Senator from North Carolina [Mr. EAST], and the Senator from California [Mr. WILSON] are absent due to illness.

Mr. CRANSTON. I announce that the Senator from Massachusetts [Mr. KENNEDY] is necessarily absent.

I further announce that the Senator from Nebraska [Mr. EXON] is absent because of illness.

The PRESIDING OFFICER. Are there any other Senators in the Chamber who wish to vote?

The result was announced—yeas 45, nays 51, as follows:

[Rollcall Vote No. 60 Leg.]

YEAS—45

Baucus	Ford	Melcher
Bentsen	Glenn	Metzenbaum
Biden	Gore	Mitchell
Bingaman	Harkin	Moynihan
Boren	Hart	Nunn
Bradley	Heflin	Pell
Bumpers	Hollings	Proxmire
Burdick	Inouye	Pryor
Byrd	Johnston	Riegle
Chiles	Kerry	Rockefeller
Cranston	Lautenberg	Sarbanes
DeConcini	Leahy	Sasser
Dixon	Levin	Simon
Dodd	Long	Stennis
Eagleton	Matsunaga	Zorinsky

NAYS—51

Abdnor	Gramm	Murkowski
Andrews	Grassley	Nickles
Armstrong	Hatch	Packwood
Boschwitz	Hatfield	Pressler
Chafee	Hawkins	Quayle
Cochran	Hecht	Roth
Cohen	Heinz	Rudman
D'Amato	Helms	Simpson
Danforth	Humphrey	Specter
Denton	Kassebaum	Stafford
Dole	Kasten	Stevens
Domenici	Laxalt	Symms
Durenberger	Lugar	Thurmond
Evans	Mathias	Trible
Garn	Mattingly	Wallop
Goldwater	McClure	Warner
Gorton	McConnell	Weicker

NOT VOTING—4

East	Kennedy
Exon	Wilson

So the motion that the Senate stand in recess for 30 minutes was rejected.

AMENDMENT NO. 83

(Purpose: To add additional funds for Federal impact aid under the Act of September 30, 1950 (Public Law 874, 81st Congress))

The PRESIDING OFFICER. The majority leader is recognized.

Mr. DOLE. I send an amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The amendment will be stated.

The bill clerk read as follows:

The Senator from Kansas [Mr. DOLE], for Mr. ABDNOR, proposes an amendment numbered 83.

Mr. DOLE. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

Mr. BYRD. Mr. President, I object for the moment, most respectfully.

The PRESIDING OFFICER. An objection is heard.

The amendment is as follows:

In the pending amendment, do the following:

On page 3, increase the amount on line 12 by $200,000,000.

On page 3, increase the amount on line 13 by $200,000,000.

On page 3, increase the amount on line 14 by $200,000,000.

On page 3, increase the amount on line 18 by $100,000,000.

On page 3, increase the amount on line 19 by $100,000,000.

On page 3, increase the amount on line 20 by $200,000,000.

On page 3, increase the amount on line 25 by $100,000,000.

On page 4, increase the amount on line 1 by $100,000,000.
On page 4, increase the amount on line 2 by $200,000,000.
On page 4, increase the amount on line 6 by $100,000,000.
On page 4, increase the amount on line 7 by $200,000,000.
On page 4, increase the amount on line 8 by $400,000,000.
On page 4, increase the amount on line 12 by $100,000,000.
On page 4, increase the amount on line 13 by $100,000,000.
On page 4, increase the amount on line 14 by $200,000,000.
On page 19, increase the amount on line 21 by $200,000,000.
On page 19, increase the amount on line 22 by $100,000,000.
On page 20, increase the amount on line 6 by $200,000,000.
On page 20, increase the amount on line 7 by $100,000,000.
On page 20, increase the amount on line 15 by $200,000,000.
On page 20, increase the amount on line 16 by $200,000,000.
On page 42, decrease the first amount on line 6 by $187,000,000.
On page 42, decrease the second amount on line 6 by $148,000,000.
On page 42, decrease the amount on line 7 by $188,000,000.
On page 42, decrease the amount on line 8 by $174,000,000.
On page 42, decrease the first amount on line 9 by $209,000,000.
On page 42, decrease the second amount on line 9 by $205,000,000.
On page 45, decrease the amount on line 21 by $187,000,000.
On page 45, decrease the amount on line 22 by $148,000,000.
On page 45, decrease the first amount on line 23 by $188,000,000.
On page 45, decrease the second amount on line 23 by $174,000,000.
On page 45, decrease the amount on line 24 by $209,000,000.
On page 45, decrease the amount on line 25 by $205,000,000.
On page 52, increase the amount on line 1 by $200,000,000.
On page 52, increase the amount on line 3 by $200,000,000.
On page 52, increase the amount on line 4 by $200,000,000.

Mr. BYRD addressed the Chair.

The PRESIDING OFFICER. The Democratic leader is recognized.

Mr. BYRD. I yield myself 2 minutes on the amendment.

Mr. President, I ask the distinguished majority leader if it would be possible to cut the time, say, to 10 minutes, to be equally divided, on this amendment, and then vote on the amendment.

Mr. DOLE. I am prepared to make that request.

Mr. BYRD. I will be happy to yield to the distinguished majority leader for that purpose.

May I ask one further question while I have the floor: The distinguished majority leader made a proposal earlier, and I wonder if he would make it again. It had to do with laying down his amendment tonight and having an hour of debate on it and then voting on it. Am I correct?

Mr. DOLE. That is correct.

Mr. BYRD. Would the distinguished Senator require that the 2 hours and 2 minutes which we did have on this side be utilized for the calling up of amendments during that 2 hours and prior to the hour in which he would lay his amendment before the Senate?

Mr. DOLE. That would be my hope, that then we would have an hour on the amendment, and it would be subject to amendment after that.

As I indicated to the distinguished minority leader, if someone felt strongly about an amendment, that they were being shut out and not able to debate it, I would be prepared at that time to propound a request that if there were an amendment on that side or this side, to get a little time for those amendments. Obviously, I prefer no amendments at all.

Mr. BYRD. I want to make sure I understand.

Is the distinguished majority leader saying he would propound a request that upon the expiration of the 2 hours plus that is on this side, he would lay down his amendment, that we would have 1 hour on that amendment, equally divided, and then vote on the amendment, and that it will all occur today?

Mr. DOLE. The only part I have some trouble with is about that vote.

Mr. BYRD. Well, the distinguished majority leader is honest and forthright, and we admire that.

Suppose we go ahead with the 10 minutes on this amendment and vote on it. In that time, the distinguished majority leader could talk with his colleagues and with us, if he would like, and be prepared, I hope, to offer a request that would see the Senate debate his amendment this evening for an hour, and then vote up or down today.

Mr. DOLE. Let me explore that. I assume that there will be a rollcall vote on this amendment. We will have about 25 minutes.

Mr. President, I ask unanimous consent that the time on this amendment be limited to 10 minutes equally divided.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. BYRD. I thank the distinguished majority leader.

The PRESIDING OFFICER. Who yields time?

Mr. DOLE. I yield 5 minutes to the distinguished Senator from South Dakota.

Mr. ABDNOR. Mr. President, in fiscal year 1982, pursuant to the Omnibus Reconciliation Act of 1981, funding for impact aid was reduced more than 40 percent. In contrast, other major education programs sustained a 7- to 10-percent cut. Even though we have succeeded in restoring program funds by some $200 million in the last 2 years. The fiscal year 1985 appropriations level for this program is still more than 10 percent less than that provided in fiscal year 1980.

Last year Congress reaffirmed its support for impact aid by reauthorizing the program for 4 years at a higher level of funding. The measure approved by Congress and signed into law by the President also continued support for category "B" students. Now, under the budget proposal before us, federally impacted schools are facing a further cutback of 22 percent, with the assumption that category "B" and impact aid construction will be eliminated entirely.

Is this fair? Once again, impact aid is being asked to take the lion's share of the cuts. While other elementary and secondary education programs are being frozen, federally impacted school districts are being asked to absorb a 22-percent reduction. Since impact aid is current-year funded, this reduction will be felt during the next school year. And let me remind my colleagues that 1985-86 teacher contracts have already been renewed in most, if not all, of the 50 States.

Mr. President, though the overall Federal role in education may be open to some debate, I believe the Federal Government has an undeniable responsibility to assist school districts in replacing the revenue lost due to Federal activity.

Most of my colleagues acknowledge the need to provide continued support for category "A" students—those whose parents both work and live on Federal property. But there is a great deal of confusion over category "B" students—those whose parents either work or live on Federal property, but not both.

In my own State of South Dakota, we have an SAC installation. Military dependents attend the Douglas School System which, before the base was built consisted of about a dozen students who attended classes in a 1-room schoolhouse. Now enrollment is near 2,500, and that number may grow to more than 3,000 as the B-1 bomber program is phased in over the next 2 years. At present, 65 percent of those enrolled are "A" students, about 14 percent are "B" children. Since there is not sufficient housing on base, virtually all the new students will be "B" students. The vast majority of these will live in trailers clustered around the base—the school system receives about $50 per year in property tax on each of these trailers.

Also, due to the Soldiers and Sailors Relief Act, most of the military families stationed at Ellsworth and other installations throughout the United States, are not legal residents of the States in which they are based. Thus, they do not pay State and/or local income tax, personal property tax, and so on. Further, many of these families

shop on base, thereby avoiding paying any State and/or local sales tax, not to mention the fact that they are not contributing to the local economy to the same extent as do their private sector counterparts.

Let me issue a word of caution to any of my colleagues who may believe that support for category "A" students is not threatened. The budget drafters have assumed that $152 million reduction in budget authority will result in the elimination of category "B" payments and impact aid construction. However, since this assumption is not binding, we may end up funding these components of the program at the expense of category "A" or another education program.

Mr. President, the present administration and the Congress have scaled back the impact aid program. The amount of support provided for category "B" children is—at a maximum—one-third of what it used to be. If we agree to even further reductions in impact aid, we will be pulling the rug out from under the local schools which serve the children of our service men and women—at far less cost to the Federal taxpayer than Department of Defense schools.

No more than 8 months ago, the President signed a measure which reauthorized impact aid, including category "B" payments. The distinguished ranking member of the Subcommittee on Education, Arts and Humanities, Senator PELL, and 42 of our colleagues joined me in the effort to restore funding for this vital program. I urge my colleagues to stand by this commitment to our Nation's federally impacted schools and vote to restore necessary funding for impact aid.

Mr. President, I have waited some time for the opportunity to offer this amendment. I think it is absolutely imperative that this amendment be adopted.

My colleagues have heard me make a case for impact aid numerous times over the past several years.

Last year, the distinguished ranking minority member of the Subcommittee on Education, Arts, and Humanities, Senator PELL, and 42 of our colleagues joined me in an effort to reauthorize impact aid, including category "B" payments, and we succeeded in doing so.

Less than 8 months ago, the President signed a measure which reauthorized the Impact Aid Program for 4 years at a higher level of funding.

However, now, under the Senate-White House package, federally impacted schools, which have already taken more than their fair share of cuts, are again being asked to take an additional cutback category "B" and construction assistance. I do not think this is fair. Once again, impact aid is being asked to take more than its fair share of the cuts.

The program is for the welfare and the betterment of our young people who attend school in areas where tax revenue is limited due to Federal activity. We are talking about providing a basic educational program for these students. This program puts a chair under a child and a book in his hand. If this program is cut, basic services to thousands of students will be threatened.

Under the Soldiers and Sailors Relief Act, the Federal Government has exempted military personnel. We have from many State and local taxes. The proposal before us freezes other elementary and secondary education programs at the fiscal year 1985 appropriations levels. I want to emphasize this point. But that is not the case with impact aid. And impact aid is every bit as important.

The leadership has now offered to restore about half the cut in impact aid but half is not enough. We are talking about providing a basic program for Native Americans, military dependents, and children who reside in federally subsidized housing for whom we have a responsibility. I do appreciate the fact that the leadership has attempted to address the problem by restoring half the cuts but anything less than a freeze will not be sufficient—and it will not be fair.

I remind my colleagues that as per pupil costs increase, so do impact aid entitlements. Thus, even if we freeze the program at the fiscal year 1985 level we will still create hardships in many federally impacted districts. A 10½-percent cut may cause serious disruption in many more federally impacted schools.

Mr. President, we may debate the extent to which the Federal Government should provide financial support for education. With respect to impact aid, the Federal Government has an undeniable responsibility to compensate local school districts for revenues lost due to Federal activity.

It seems ironic to me that despite the unique justification for impact aid, we find that it is always expected to absorb more than its fair share of the cuts.

I urge my colleagues to stand by our commitment of last year to our Nation's federally impacted schools and vote to restore necessary funding for impact aid.

Mr. FORD. Mr. President, will the Senator yield for a question?

Mr. ABDNOR. I yield.

Mr. FORD. Does this cover category "B"?

Mr. ABDNOR. Yes, my amendment restores funding for category "B."

Mr. FORD. Will the distinguished Senator add my name as a cosponsor of his amendment?

Mr. ABDNOR. I will be happy to do so.

Mr. President, I ask unanimous consent that the names of the following Senators be added as cosponsors: Mr. FORD, Mr. PELL, Mr. BOREN, Mr. BAUCUS, Mr. SARBANES, Mr. MELCHER, Mr. DECONCINI; Mr. MOYNIHAN, Mr. BINGAMAN, and Mr. EXON.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. ABDNOR. I thank the majority leader for yielding.

Mr. PRESSLER. Mr. President, I support the impact aid budget amendment and commend my distinguished colleague for proposing it. We have worked together in Congress for years to maintain this essential program.

Impact aid is vital to my home State of South Dakota. I am deeply concerned by the persistent attempts to eliminate part B payments to impacted schools. Those attempts are the first step toward the total elimination of the Impact Aid Program.

Many schools in South Dakota and many other States across the country desperately need impact aid funds. Yet, every year we go through the routine process of battling administration proposals to eliminate payments for B students.

These repeated threats of major budget cuts impose havoc on the administrators, teachers, and students at schools receiving impact aid dollars. Once again we must restore the part B funding for impact aid.

There are over 50 federally impacted school districts in my home State of South Dakota which receive Federal funding. Many of these schools are located on or near Indian reservations. Those of you who have visited any of South Dakota's Indian reservations know first hand the necessity for continued impact aid funding. The reservations are the most economically depressed areas of our Nation. I cannot comprehend slashing dollars which educate Indian children.

My colleague and I have been through many impact aid budget battles in the past, and I am sure we will face many more in the future. But I urge all of our colleagues to support the Impact Aid Program once again for the sake of all the children who attend schools in federally impacted areas. This is a clear case of Federal responsibility.

Mr. KENNEDY. I regret that I am unable to support the amendment offered by my distinguished colleague from South Dakota to restore funds for the Impact Aid "B" Program.

Mr. President, let me say that I am, and for many years have been, a strong supporter of the Impact Aid Program. The Federal Government Has a continuing obligation to provide financial assistance to schools on which it has placed a burden. Impact aid goes to school districts which serve children of parents employed of Fed-

eral or Indian property or where there is a sudden and substantial increase in school enrollments as a result of Federal activities.

Section 3(b) authorizes payments for children who reside on Federal property or whose parents work on Federal property or are in the uniformed services. In the last Congress, we reauthorized this program, after it was scheduled to be phased out by the end of fiscal year 1984, under the provisions of the Omnibus Budget Reconciliation Act of 1984.

The Impact Aid B Program goes to school districts serving children whose parents live or work on Federal property. Thus, in many cases, those school districts receive local and State tax revenues from parents not living on the Federal facility. Under fiscal year 1985 appropriations, school districts receive only 60 percent of B already making the transition away from the B program.

These are difficult times in which difficult choices must be made. I have made the difficult choice to vote against the continuation of this program.

Mr. President, I realize that many school districts will suffer some hardship as a result of the termination of the B program, including a number of disticts in my State. I am hopeful that the States will provide additional assistance to those areas. In Massachusetts, I understand that the Governor's education reform package will go a long way to address those needs. I urge the States to respond similarly to assist schools that may be affected by elimination of this program.

Mr. NICKLES. Mr. President, if each Member of the Senate had to take a quiz on what A and B students are, chances are most of us would say that that's what we want our kids to be and what we wish we had been—A and B students. In that respect, I want to commend the Senator from South Dakota and a handful of others in the Senate who have some understanding of the Impact Aid Program. It is certainly not an easy one to understand. Stated simply, however, it is a program established by Congress to reimburse school districts for tax dollars that are lost because of the presence of federal property in that district. Land on which a military base or Indian reservation sits is not producing any taxes for that district but is producing children for the school system to educate. Thus, a burden is placed on that district. Starting back in 1950, Congress understood that the Federal Government has a legitimate role in reimbursing schools for this lost revenue.

I am pleased to support the amendment by Senator ABDNOR which maintains the B students for the next 3 years. As my colleagues know, the budget resolution assumes savings which would occur if B students were no longer funded in the program. Although the assumptions are not binding—meaning Congress would not have to implement this particular proposal if they chose to achieve the savings through other programs or changes—the actual savings are mandated by the package which is before us today. The amendment by Senator ABDNOR would change the figures mandated in the budget resolution so that no savings are gained through the elimination of the B students in the Impact Aid Program. The budget package had assumed a $527 million savings with the shutdown of the B program in impact aid.

The proposal that is before us would impose a 34-percent cut on the Impact Aid Program. Elimination of the B category—which represents those students whose parents work but do not live on Federal property—would devastate many school districts. Not only would this mean the loss of $527 million in B payments to schools, but it would also mean the loss of some A payments as well. To receive any impact aid funds from the Federal Government, a school has to show that 3 percent or more of its students are impacted, that is, their parents live and/or work on Federal property. To come up with that 3 percent, B's have been included in that count. Some school districts who receive a significant amount of A payments risk losing the whole pot of A and B money if the Federal Government decides that B students should no longer exist. In Oklahoma, elimination of the B students will mean a loss of $1.3 million in A payments alone, and another $1.7 million lost in B student payments. All together, this would mean a loss of about $3 million to the State of Oklahoma if B students are terminated. The point is, this is not just of concern to B States. This will affect almost all States that receive any impact aid money, be it in the form of A or B payments.

The Impact Aid Program is one which has already undergone substantial cuts in the last several years, particularly with regard to the B payments. If we are going to talk about everyone taking their fair share of the cuts, then impact aid is certainly one program which has taken its share of the reductions in spending. In 1980, the program was funded at $792 million. The next year, the program was funded at $706 million, a 10-percent cut. Then, an additional 10-percent cut was taken in 1982. Only in the last 3 years has there been any increase in the Impact Aid Program, and even that is only a restoration of $127 million when reductions since 1980 have totaled $255 million. The amendment before us today would still leave the Impact Aid Program short of what it was in 1980 by $68 million.

I would like to close my arguments supporting this amendment by stating that it is my belief that the Impact Aid Program is one of the most proper and legitimate functions of the Federal Government. There is absolutely no way for local school districts in Oklahoma to recover the revenues which are lost from the presence of Federal property. Our military bases and Indian lands are quite substantial in value and size. Although Federal property is the main drawing card for the bulk of the population in those areas, it is the very reason why no taxes are garnished to pay for those additional children which enter the school system. Surely, the compensation of school districts for this Federal presence is a legitimate function of the Federal Government.

The PRESIDING OFFICER. Who yields time?

Mr. ABDNOR. Mr. President, we go through this every year. I think we all know the issue. I could stand here and give a long dissertation, but it is not necessary.

The Federal Government should certainly provide financial assistance to local schools in impacted areas. We will be negligent if we refuse to do so. I urge all Senators to remember that in the past this program has had tremendous support. Once again, I think it is worthy of support, and I urge my colleagues to support my amendment.

Mr. President, I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

Mr. BYRD. Mr. President, who has control of time in opposition to the amendment?

Mr. DOMENICI. I do.

The PRESIDING OFFICER. The Senator from New Mexico, if he opposes the amendment.

Mr. DOMENICI. I oppose the amendment.

Mr. CHILES. I thought the unanimous-consent agreement was 5 minutes to that side and 5 minutes to this side. We are under a unanimous-consent agreement now.

Mr. DOMENICI. Somebody deserves 5 minutes to speak in opposition. It was 5 minutes on each side. If the Senator wants 5 minutes, I will give him 5 minutes, so long as I have 5 minutes in opposition. That means 15 minutes instead of 10. It is all right with me.

Mr. CHILES. What is the unanimous-consent agreement?

The PRESIDING OFFICER. The agreement simply specified 10 minutes, evenly divided, and that means between the mover of the amendment and the manager of the bill, if he is opposed to the amendment.

The Senator from New Mexico.

Mr. DOMENICI. I will use only 2 minutes. This has happened to me two or three times already, so I do not want to keep the Senator from Florida from speaking in favor of it.

Mr. President, this will add about $391 million in new expenditures to the proposal before the Senate.

This is impact aid part B. We have been trying to get rid of it not for a few years but since Dwight Eisenhower was President of the United States. We do not seem to be able to do that.

I would say that in 1984 we began to restrain this program in a reasonable manner and things were working quite well. I do not know what happened in 1985, but there seemed to be some more money around somewhere, so it was up beyond the 1984 level, which seemed to be satisfactory with everyone.

We have proposed to the distinguished Senator that this matter could be resolved at the 1984 level of funding, which is $246 million out of the $391 million.

That is what we think is a fair settlement of this case, and it would adequately take care of the students.

The distinguished Senator and our good friend insists on full funding at the 1984 level.

Many programs of the Federal Government are not going to be fully funded in this budget. We think this is one that we should begin to cut back.

So I repeat, we are more than willing to go to the 1984 level, which is about three-quarters of the way from taking the program and zeroing it out to the level that the distinguished Senator desires.

That can be redone by the appropriators to focus it on the most needy areas of the country.

It just seems to this Senator if we are not willing at this time to at least stay on the 1984 path, which was beginning to restrain and target the money, then obviously we are back fully funding.

The PRESIDING OFFICER. The Senator's time that he yielded to himself has expired.

Mr. DOMENICI. Mr. President, I yield the remainder of the time to the distinguished Senator from Florida.

Mr. CHILES. I yield the 3 minutes back.

Mr. CHAFEE. Mr. President, will the Senator yield?

Mr. DOMENICI. Does the Senator yield it back to the Chair or——

The PRESIDING OFFICER. Who yields time?

Mr. DOMENICI. I do not believe I yielded back all the time. I thought the Senator wanted to speak. I only spoke for 2 minutes and I was giving the Senator 3 minutes of my time.

Mr. CHILES. The Senator gave it to me. I was giving it back.

Mr. DOMENICI. I understand.

I was trying to be nice. The Senator wants to hurry this clock up.

Does the distinguished Senator desire to speak?

Mr. CHAFEE. I wish to ask a question of the Senator from New Mexico.

Mr. DOMENICI. I yield to the Senator.

The PRESIDING OFFICER. The Senator from Rhode Island is recognized.

Mr. CHAFEE. Mr. President, it is my understanding that under the B people living off the bases who, therefore, are in houses that are paying taxes or else they are paying rent and the landlord is paying taxes to the local community, that is a typical B situation, is it not?

Mr. DOMENICI. The Senator is correct.

Mr. CHAFEE. So that is not a case of children living on a base going to the local school and thus the parents of the students paying no taxes. That is not the situation.

Mr. DOMENICI. The Senator is correct. That is part A which we are not touching.

Mr. CHAFEE. We are not touching the A's; only dealing with the B's whose parents in some form, either through paying rent to the landlord or through home ownership themselves are paying taxes.

Mr. DOMENICI. The Senator is correct.

Mr. ABDNOR. Mr. President, will the Senator yield?

Mr. DOMENICI. I yield.

Mr. ABDNOR. I would like to comment on that.

Yes, some parents of so-called B children pay some property tax, or rent housing from those who do. But as I stated previously, under the Soldiers and Sailors Relief Act, these same families are not subject to many other State and local taxes.

If we taxed those folks as we do their private sector counterparts, we would not have need for category B payments. But Federal Government precludes State and local governments from doing so.

Under the Soldiers and Sailors Relief Act, military personnel may be legally domiciled in a State other than that in which they are based. Thus, they do not pay State or local income tax. They do not pay personal property tax. And, since they do their shopping in the commissaries on the base, they do not pay State and/or local sales tax, nor do they contribute to the local economy.

The airbase in my State is out in the country. Before the base was built, it consisted of a one-room schoolhouse. Many of the families stationed at Ellsworth live in small trailer homes and they pay only a minimal property tax.

Let us not have the Soldiers and Sailors Relief Act. Let them pay the taxes like everyone else.

Mr. DOMENICI. Mr. President, how much time do I have remaining?

The PRESIDING OFFICER. Fifteen seconds.

Mr. DOMENICI. Mr. President, I think we could solve some of the problems. We could move the base. Then there would not be so much a burden.

But in any event, I really believe we are making a very excellent proposal. I am sorry my friend cannot accept it.

We are ready to vote.

The PRESIDING OFFICER. All time has expired.

The question is on agreeing to the amendment of the Senator from South Dakota. On this question, the yeas and nays have been ordered and the clerk will call the roll.

The assistant legislative clerk called the roll.

Mr. SIMPSON. I announce that the Senator from North Carolina [Mr. EAST] and the Senator from California [Mr. WILSON], are absent due to illness.

Mr. CRANSTON. I announce that the Senator from Missouri [Mr. EAGLETON] is necessarily absent.

I further announce that the Senator from Nebraska [Mr. EXON] is absent because of illness.

The PRESIDING OFFICER. Are there any other Senators in the Chamber wishing to vote?

The result was announced—yeas 47, nays 49, as follows:

[Rollcall Vote No. 61 Leg.]

YEAS—47

Abdnor	Hart	Murkowski
Andrews	Hawkins	Nickles
Baucus	Heflin	Nunn
Biden	Heinz	Pell
Bingaman	Hollings	Pressler
Boren	Inouye	Pryor
Bradley	Johnston	Riegle
Bumpers	Kerry	Sarbanes
Burdick	Lautenberg	Sasser
Chiles	Levin	Specter
D'Amato	Long	Stennis
DeConcini	Mathias	Stevens
Dodd	Matsunaga	Trible
Ford	Melcher	Warner
Glenn	Mitchell	Zorinsky
Gore	Moynihan	

NAYS—49

Armstrong	Gorton	McConnell
Bentsen	Gramm	Metzenbaum
Boschwitz	Grassley	Packwood
Byrd	Harkin	Proxmire
Chafee	Hatch	Quayle
Cochran	Hatfield	Rockefeller
Cohen	Hecht	Roth
Cranston	Helms	Rudman
Danforth	Humphrey	Simon
Denton	Kassebaum	Simpson
Dixon	Kasten	Stafford
Dole	Kennedy	Symms
Domenici	Laxalt	Thurmond
Durenberger	Leahy	Wallop
Evans	Lugar	Weicker
Garn	Mattingly	
Goldwater	McClure	

NOT VOTING—4

Eagleton	Exon
East	Wilson

So the amendment (No. 83) was rejected.

Mr. DOMENICI. Mr. President, I move to reconsider the vote by which the amendment was rejected.

Mr. STEVENS. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

AMENDMENT NO. 84

(Purpose: to restore the revenue forgone appropriation for nonprofit groups and preferred mailers to Congressional Budget Office baseline levels in fiscal years 1986, 1987, and 1988 with the exception of national publications using the second class, in-county rate)

Mr. METZENBAUM. Mr. President, on behalf of myself and Senators BURDICK, RIEGLE, SARBANES, MATSUNAGA, BYRD, EAGLETON, PROXMIRE, ROCKEFELLER, INOUYE, KERRY, KENNEDY, ZORINSKY, and FORD, I send an amendment to the desk, and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows:

The Senator from Ohio [Mr. METZENBAUM], for himself and Senators BURDICK, RIEGLE, SARBANES, MATSUNAGA, BYRD, EAGLETON, PROXMIRE, ROCKEFELLER, INOUYE, KERRY, KENNEDY, ZORINSKY, and FORD, proposes an amendment numbered 84.

Mr. METZENBAUM. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

On page 3, increase the amount on line 12 by $313,000,000.

On page 3, increase the amount on line 13 by $2,027,000,000.

On page 3, increase the amount on line 14 by $601,000,000.

On page 3, increase the amount on line 18 by $313,000,000.

On page 3, increase the amount on line 19 by $2,027,000,000.

On page 3, increase the amount on line 20 by $601,000,000.

On page 3, increase the amount on line 25 by $313,000,000.

On page 4, increase the amount on line 1 by $2,027,000,000.

On page 4, increase the amount on line 2 by $601,000,000.

On page 4, increase the amount on line 6 by $313,000,000.

On page 4, increase the amount on line 7 by $2,340,000,000.

On page 4, increase the amount on line 8 by $2,941,000,000.

On page 4, increase the amount on line 12 by $313,000,000.

On page 4, increase the amount on line 13 by $2,027,000,000.

On page 4, increase the amount on line 14 by $601,000,000.

On page 15, increase the amount on line 8 by $298,000,000.

On page 15, increase the amount on line 9 by $298,000,000.

On page 15, increase the amount on line 17 by $1,905,000,000.

On page 15, increase the amount on line 18 by $1,905,000,000.

On page 16, increase the amount on line 1 by $366,000,000.

On page 16, increase the amount on line 2 by $366,000,000.

On page 32, increase the amount on line 17 by $15,000,000.

On page 32, increase the amount on line 18 by $15,000,000.

On page 33, increase the amount on line 2 by $122,000,000.

On page 33, increase the amount on line 3 by $122,000,000.

On page 33, increase the amount on line 11 by $235,000,000.

On page 33, increase the amount on line 12 by $235,000,000.

On page 41, decrease the amount on line 19 by $1,359,000,000.

On page 41, decrease the amount on line 21 by $366,000,000.

On page 49, decrease the amount on line 5 by $1,359,000,000.

On page 49, decrease the amount on line 7 by $366,000,000.

On page 52, increase the amount on line 1 by $817,000,000.

On page 52, increase the amount on line 3 by $856,000,000.

On page 52, increase the amount on line 4 by $894,000,000.

Mr. METZENBAUM. Mr. President, I ask unanimous consent that the time on this amendment be limited to 10 minutes—5 minutes for the proponents and 5 minutes for the opponents.

Mr. ARMSTRONG. Mr. President, reserving the right to object, before we enter into that unanimous-consent agreement, can we first have order in the Chamber? Second, can we note the subject matter of the amendment?

The PRESIDING OFFICER. The Senator is correct. There will be order in the Chamber.

The Chair could not hear the unanimous-consent request. So perhaps both the amendment and the unanimous-consent request can be repeated.

Mr. METZENBAUM. Mr. President, I ask unanimous consent that the time on this amendment be limited to 5 minutes under my control, and 5 minutes under the control of the distinguished chairman of the Budget Committee.

The PRESIDING OFFICER. Is there objection?

Mr. DOMENICI. Mr. President, reserving the right to object, I am going to ask that my time, which I might have in opposition, be under the control of the distinguished senior Senator from Alaska, Senator STEVENS. I ask that there be 5 minutes on this side to Senator STEVENS, and 5 minutes to the proponent.

The PRESIDING OFFICER. Is there objection?

Mr. BYRD. Mr. President, reserving the right to object, will the distinguished Senator add to his request that upon the expiration or yielding back of the time, that a vote will occur——

Mr. METZENBAUM. I do, indeed.

Mr. BYRD. On the amendment, without any intervening debate?

Mr. METZENBAUM. Included in the 10 minutes unanimous-consent request, immediately thereafter, I ask unanimous consent that there will be a rollcall, and the yeas and nays will be added without any intervening time or action.

Mr. DOMENICI. Reserving the right to object, and I might object——

The PRESIDING OFFICER. The Chair advises the Senator may not provide in a unanimous-consent request that there be a rollcall vote.

Mr. BYRD. I did not ask that. Did the Chair misunderstand me?

The PRESIDING OFFICER. The Senator from Ohio.

Mr. METZENBAUM. Mr. President, I included that as a part.

Mr. President, I ask for the yeas and nays.

The PRESIDING OFFICER. Is there an objection to the unanimous-consent request?

Mr. BYRD. Mr. President, reserving the right to object, I do not want to quarrel with anyone or take time. But unless we provide for a vote immediately without any intervention whatsoever, there could be a quorum call, there could be debate on something else, and there could be a motion to go into executive session or whatever. So may we have that added?

Mr. DOMENICI. I object.

Mr. BYRD. If the Senator wishes to table that, he may so move.

Mr. DOMENICI. I just object. We have 5 minutes on each side.

The PRESIDING OFFICER. Objection is heard.

Mr. DOMENICI. We have been doing it very nicely. That is enough for us.

The PRESIDING OFFICER. The 5 minutes to each side was part of the original request, and that has been objected to as well.

Mr. DECONCINI. Have the yeas and nays been ordered?

The PRESIDING OFFICER. The yeas and nays have not been ordered.

Mr. METZENBAUM. Mr. President, I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

Mr. METZENBAUM. Mr. President, it is my understanding that the manager of the bill attempted to get 5 minutes limitation on each side with the understanding that thereafter there would be no intervening activity, and that due to the fact that the yeas and nays have been asked for, that we will proceed to a vote. I again repeat that request, and I am not certain why my friend and colleague from New Mexico would object to that because I thought that was the way we were proceeding.

Mr. DOMENICI. I object.

The PRESIDING OFFICER. Objection is heard.

Mr. METZENBAUM. I understand, then, there is no time limit.

The PRESIDING OFFICER. The Senator from Ohio has 30 minutes under his control on this amendment, and the Senator from New Mexico has 30 minutes.

Mr. METZENBAUM. Mr. President, this amendment will restore $817 million to the Postal Service to continue reduced rates for charities, religious organizations, small newspapers, most of which are in rural areas, libraries and free mail for the blind.

Mr. DOMENICI. Will the Senator yield so that I might indicate to the Chair that I designate the distinguished Senator from Alaska to control the time in opposition?

Mr. METZENBAUM. At the conclusion I will be glad to.

My amendment would not continue the current postal subsidy for major national for profit magazines like Newsweek, People, Time, and U.S. News.

Mr. President, the budget before us makes deep cuts in health care programs, child welfare programs, housing programs, education programs, all of the social service programs which serve the poor, the infirm, the young and the elderly living in this country.

The President has called upon the voluntary organizations to pick up the slack. He has said to them, "Will you please pitch in and do that which Government is not doing?"

Unless we restore the postal subsidy to keep reduced mail rates for nonprofit organizations, we will be saying to these very same voluntary organizations that, "You will have to help balance the budget of this country."

I say to the Members of the Senate there is no logic to this. There is no logic in trying to balance the budget on the backs of the voluntary organizations of this country. The budget before us eliminates the postal subsidy for nonprofit groups. This is the worst kind of penny-wise pound-foolish approach to budget balancing.

I ask, does it make sense to balance the budget by making the American Association for Retired Persons pay an additional $6.5 billion in additional postal rates, or the American Lung Association an additional $6 million?

Mr. DOLE. Will the Senator yield to me?

Mr. METZENBAUM. Without losing my right to the floor, I do.

Mr. DOLE. I would like to propound a unanimous-consent request on this amendment that there be 10 minutes equally divided. Will the Senator agree?

Mr. METZENBAUM. From this point on, yes.

The PRESIDING OFFICER. Is there objection? Without objection, it is so ordered.

Mr. DOMENICI. Mr. President, I designate Senator STEVENS to handle the time in opposition.

Mr. METZENBAUM. The Salvation Army will be charged $2,600,000 if they lose the subsidy; the March of Dimes, $7,800,000; the National Catholic Development Conference, $39 million; the National Easter Seal Society, $5.25 million, and all church groups of all denominations will be losing their postal subsidy.

Mr. President, striking the postal subsidy will send postal rates for nonprofit groups through the roof.

I would point out that the issue is simple. Without this amendment mail costs for nonprofit groups would increase by more than 100 percent, for small newspapers the rates would skyrocket by as much as 300 percent—and those are the rural newspapers that are so active in so many areas—and rates for libraries would increase by at least 75 percent.

Mr. President, how much time does the Senator from Ohio have remaining?

The PRESIDING OFFICER. The Senator has 4 minutes 40 seconds remaining.

Mr. METZENBAUM. I yield 3 minutes to the distinguished Senator from North Dakota.

Mr. BURDICK. Mr. President, I rise in support of the amendment which my colleague from Ohio and I are offering concerning the issue of revenue foregone.

As many of you know, the President, in his budget package, has called for the virtual elimination of this funding. I cannot agree with such a plan and if past indications are any measure of how the Senate feels today, most of you cannot agree to it either. As I have said before, at a time when the administration is calling on nonprofit organizations to pick up where Federal funding is leaving off in terms of assisting the poor and disadvantaged of our country, it makes no sense at all to eliminate the means by which these groups are able to help these people. By this, of course, I mean the postal subsidy. I would be hard pressed to identify a group which is more representative of vital public interests than the nonprofit mailing community. Health care, medical research, aid to the truly needy, education, our libraries, the arts, veterans affairs—these are just a few of those that I could name that are dependent in large measure on nonprofit mail and, of course, the revenue foregone subsidy which allows this to be possible.

The Metzenbaum-Burdick amendment restores $817 million to the fiscal year 1986 budget. Even this amount of funding will result in increases between 20 and 40 percent to many of the mailers in question. So, to those of you who might say that everyone must sacrifice—there is sacrifice here too. However, the President's plan would have resulted in increases as high as 276 percent in some cases. Our proposal is a fair one. The President's was not.

Easter Seals would rather use their limited resources to buy a wheelchair for an elderly patient than pay doubled or tripled postage costs. The March of Dimes would rather send out 1,000 letters on preventing birth defects than just 500 letters. The Disabled American Veterans would rather provide a veterans' child with a college scholarship than pay increased postage costs with its funds. These are the kind of direct services that we are talking about here that will be sharply curtailed if the President's budget proposal in this area is allowed to stand. These services exist in each Member's State. I urge all of you to think about this very carefully and I urge you to give Senator METZENBAUM and myself your support.

The PRESIDING OFFICER. Who yields time?

Mr. STEVENS. Mr. President, I yield myself 4 minutes.

Mr. President, I recommended to the majority leader and the distinguished Senator from New Mexico, the chairman of the Budget Committee, an amendment to the package that they were working on that would restore the funding for the purpose of insuring subsidies to small rural newspapers, to the blind and handicapped, libraries, school classroom publications, and social, philanthropic, religious, and cultural organizations. That would require roughly $100 million added to the budget. But it would still mean that we would be saving $700 million in fiscal 1986 and over $2 billion in the 3-year period.

I urge that Members oppose this amendment. We need to do something about the problem that is involved.

Let me point out that in terms of the comments that have just been made, that the cost of third class, nonprofit mailing was $450 million in 1984. It is projected to be $717 million this year, and will be well over $1 billion in 1987. It is increasing at the rate of 50 to 60 to 70 percent a year.

We must do something about this. Our committee, the Governmental Affairs Committee, and the subcommittee I chair, the Post Office and Civil Service Subcommittee, are prepared to make recommendations and offer legislation to curtail the abuses of this.

Let me tell the Senate just the other day as I was thinking about this, I got a mailer from one of my own associations, an alumni association. It was a letter sent at a subsidized rate that urged me to take a cruise to the fjords of Norway. This was an expensive tour that, had I taken it, would have contributed some money to the alumni association.

This is the kind of mailing that is destroying the whole purpose of providing some subsidy to legitimate organizations. We are prepared to do that. We are prepared to establish a procedure for the Postal Rate Commission to adjudicate and approve the legitimacy of organizations to use nonprofit rates and determine whether quesion-

able mailings should be paid for by the ratepayers. We propose that a portion of the current subsidy be passed over to the Postal Service budget over a period of time.

That concept is not new. It has also been suggested by the former regional postmaster and member of the U.S. Postal Service Board of Governors, William Sullivan, who has supported the idea from his position. It is something that I think is required to be done. The Postal Service budget now is in excess of that of AT&T and it has no community service portion. All we propose is that the Postal Service ratepayers do in fact subsidize to a certain extent some of the mailings that are involved to the same extent that the ratepayers of AT&T have subsidized some of the users of the telephone system of our country for many years.

It is an idea whose time has come, Mr. President, and I am convinced that it can be done and be done in a way that will, in fact, contribute to the reduction of our national deficit.

I think that the Metzenaum-Burdick amendment is one that we have faced annually, the same concept of restoring money rather than trying to deal with the problem. The rapid increase in the demand for this subsidy absolutely requires that Congress do something to prevent its continued increase. If my colleagues do not believe me, they should look in their own incoming box for the mailings they are getting from universities or other alumni associations they belong to and see the way these mailings are being abused.

The PRESIDING OFFICER. The Senator has used most of his time.

Mr. STEVENS. Mr. President, do I have 1 minute left?

The PRESIDING OFFICER. The Senator is correct; fifty seconds.

Mr. NUNN. Mr. President, will the Senator from Alaska yield for a brief question?

He does not have time.

Mr. STEVENS. I am constrained to yield to my good friend.

Mr. NUNN. I am wondering if he is going to have another amendment that will add back some money to take care of this problem or is he arguing against the Metzenbaum amendment?

Mr. STEVENS. I am arguing against this amendment on the basis that I have been assured that the package that comes out here will contain the directions I have just mentioned, to restore $100 million so we can take care of this problem in fiscal year 1986. We have the commitment of the Governmental Affairs Committee that it will bring to the Senate changes in existing law that will effect the modernization I have mentioned, putting into the Postal Service budget a portion of this cost. So the cost to the taxpayers will be reduced in two ways: first, through the $700 million savings involved in the package and second through the transition that I have suggested.

Mr. METZENBAUM. Mr. President, on the $100 million suggested by the distinguished Senator from Alaska, I point out that if that amendment were adopted, it would mean that those taxpayers who use the Postal Service across the country would be called upon to pick up the subsidy of about $771 million. It is a cross-subsidy they are talking about.

As a matter of fact, I should point out that for rural newspapers, if that amendment is adopted, their rate would go up 154 percent; second-class, nonprofit groups, which means veterans magazines, church bulletins, and religious publications would go up 100 percent; classroom publications would go up 300 percent. Salvation Army, Crippled Children's Society, United Cancer Society——

Mr. STEVENS. Mr. President, maybe the Senator did not understand me. What he is saying is absolutely wrong.

Mr. METZENBAUM. Mr. President, I insist that I be given the additional time——

The PRESIDING OFFICER. The Senator from Ohio has the floor. He did not yield.

Mr. METZENBAUM. Third-class mail rates would go up 100 percent and fourth-class library mailing rates would go up by at least 75 percent.

Mr. President, if Senators do not vote for this and they take the $100 million that is in the Republican package, it means everybody across the country is going to be called upon to pay higher rates and rates for the very organizations I have mentioned, including rural newspapers, will have to go up the amounts I have indicated.

I ask unanimous consent that Senators BINGAMAN and HOLLINGS be added as cosponsors.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. STEVENS. Mr. President, is there any time remaining?

The PRESIDING OFFICER. There is no time remaining on the amendment.

Mr. STEVENS. I move to lay the amendment on the table.

The PRESIDING OFFICER. The question is on agreeing to the motion.

Mr. STEVENS. Mr. President, I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from Alaska to lay the amendment on the table. The yeas and nays have been ordered. The clerk will call the roll.

The bill clerk called the roll.

Mr. SIMPSON. I announce that the Senator from North Carolina [Mr. EAST] and the Senator from California [Mr. WILSON] are absent due to illness.

Mr. CRANSTON. I announce that the Senator from Nebraska [Mr. EXON] is absent because of illness.

The PRESIDING OFFICER (Mr. ABDNOR). Are there any other Senators in the Chamber desiring to vote?

The result was announced—yeas 51, nays 46—as follows:

[Rollcall Vote No. 62 Leg.]

YEAS—51

Abdnor	Grassley	Nickles
Armstrong	Hatch	Packwood
Boschwitz	Hatfield	Pressler
Chafee	Hawkins	Proxmire
Cochran	Hecht	Quayle
Cohen	Heinz	Roth
D'Amato	Helms	Rudman
Danforth	Humphrey	Simpson
Denton	Kassebaum	Specter
Dole	Kasten	Stafford
Domenici	Laxalt	Stevens
Durenberger	Lugar	Symms
Evans	Mathias	Thurmond
Garn	Mattingly	Trible
Goldwater	McClure	Wallop
Gorton	Murkowski	Warner
Gramm	McConnell	Weicker

NAYS—46

Andrews	Ford	Melcher
Baucus	Glenn	Metzenbaum
Bentsen	Gore	Mitchell
Biden	Harkin	Moynihan
Bingaman	Hart	Nunn
Boren	Heflin	Pell
Bradley	Hollings	Pryor
Bumpers	Inouye	Riegle
Burdick	Johnston	Rockefeller
Byrd	Kennedy	Sarbanes
Chiles	Kerry	Sasser
Cranston	Lautenberg	Simon
DeConcini	Leahy	Stennis
Dixon	Levin	Zorinsky
Dodd	Long	
Eagleton	Matsunaga	

NOT VOTING—3

East	Exon	Wilson

Mr. DOLE. Mr. President, I move to reconsider the vote by which the motion was agreed to.

Mr. WALLOP. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. DOLE. Mr. President, I understand that the distinguished Senator from Wisconsin is prepared to offer an amendment, and then the Senator from Massachusetts has an amendment.

AMENDMENT NO. 85

(Purpose: To fully fund Revenue Sharing in 1986, and to continue the program at a lower level in the outyears)

Mr. KASTEN. Mr. President, I send an amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The amendment will be stated.

The bill clerk read as follows:

The Senator from Wisconsin [Mr. KASTEN] proposes an amendment numbered 85.

Mr. KASTEN. Mr. President, I ask unanimous consent that reading of the amendment will be dispensed with.

Mr. BYRD. I object.

The PRESIDING OFFICER. Objection is heard. The amendment will be stated.

The bill clerk proceeded to read the amendment.

Mr. KASTEN. Mr. President, I ask unanimous consent that reading of the amendment be dispensed with.

Mr. BYRD. Mr. President, I object only for the reason that the amendment is only two pages in length.

The PRESIDING OFFICER. Objection is heard.

The clerk will read the amendment.

The bill clerk continued with the reading of the amendment.

Mr. KASTEN. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and it is so ordered.

The amendment is as follows:

In amendment number 43 as amended,

On page 3, line 13, increase the number by $2,400,000,000.

On page 3, line 14, increase the number by $2,600,000,000.

On page 3, line 19, increase the number by $1,800,000,000.

On page 3, line 20, increase the number by $2,600,000,000.

On page 4, line 1, increase the number by $1,800,000,000.

On page 4, line 2, increase the number by $2,600,000,000.

On page 4, line 7, increase the number by $1,800,000,000.

On page 4, line 8, increase the number by $4,400,000,000.

On page 4, line 13, increase the number by $1,800,000,000.

On page 4, line 14, increase the number by $2,600,000,000.

On page 31, line 14, increase the number by $2,300,000,000.

On page 31, line 15, increase the number by $1,700,000,000.

On page 31, line 22, increase the number by $2,300,000,000.

On page 31, line 23, increase the number by $2,300,000,000.

On page 33, line 2, increase the number by $100,000,000.

On page 33, line 3, increase the number by $100,000,000.

On page 33, line 11, increase the number by $300,000,000.

On page 33, line 12, increase the number by $300,000,000.

On page 40, line 17, increase the number by $1,676,000,000.

On page 40, line 18, decrease the second number by $2,287,000,000.

On page 47, line 13, decrease the number by $1,676,000,000.

On page 47, line 14, decrease the second number by $2,287,000,000.

Mr. DOLE. Mr. President, will the Senator yield?

Mr. KASTEN. I yield.

Mr. DOLE. Mr. President, I ask unanimous consent that there be 10 minutes on the amendment, equally divided.

The PRESIDING OFFICER. Without objection, it is so ordered.

The Senate is not in order. The Senate will be in order.

Mr. DOMENICI. Mr. President, will the Senator yield?

Mr. KASTEN. I yield.

Mr. DOMENICI. Mr. President, I designate the distinguished Senator from Oregon, the chairman of the Finance Committee, to handle time in opposition.

Mr. KASTEN. Mr. President, I ask unanimous consent that the names of the following Senators be added as original cosponsors of the amendment: the Senator from Pennsylvania [Mr. HEINZ], the Senator from Tennessee [Mr. SASSER], the Senator from Kentucky [Mr. FORD], and the Senator from Michigan [Mr. RIEGLE].

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. KASTEN. Mr. President, today I am offering an amendment to continue funding general revenue sharing for fiscal years 1987 and 1988. As we all know, the leadership compromise assumes that revenue sharing will be fully funded in 1986, and terminated thereafter.

I believe that this is a mistake. Since its inception in 1972, general revenue sharing has been a hallmark of good government: Providing flexibility to solve specific needs in the community, allowing local supervision, and promoting accountability. In fact, it is the first and foremost example of new federalism—essentially, the first block grant.

That is why my amendment would assume full funding for revenue sharing at the current level of $4.6 billion in fiscal year 1986. And, it would assume that revenue sharing continue in 1987 and 1988 at a level of $2.3 billion in each year.

I offer this amendment because I believe that it is essential that revenue sharing continue beyond 1986. This is especially important since the assumption that revenue sharing end after 1986 is part of the reconciliation instructions. I fear that once the reconciliation takes effect, efforts to reauthorize the program next year will be all the more difficult. It is essential that here and now, we demonstrate our support for continuing the program.

I am aware, however, about the effect an amendment calling for full funding for 3 years would have on the deficit. That is why this amendment assumes that the program be continued at half the 1986 level of $4.6 billion.

Mr. President, there are a number of arguments raised against revenue sharing. Since time is short, I ask unanimous consent to have printed in the RECORD a paper entitled "Common Misperceptions About Revenue Sharing." I believe that this paper does a good job of addressing the concerns some have about the program.

There being no objection, the paper was ordered to be printed in the RECORD as follows:

COMMON MISPERCEPTIONS ABOUT REVENUE SHARING

The federal government has no revenue to share.

The program was started by President Nixon in 1972 when the federal government had a deficit of over $23 billion. It is not intended to give away non-existent revenues, but as a means to allow fiscally distressed state and local governments to share from a broader and more equitable revenue base. In 1979, when the state share was eliminated and revenue sharing was cut by one-third, the deficit was slightly over $27 billion. Since that time, there has been no adjustment for inflation; yet the federal deficit this year is projected to be over $200 billion. The need for revenue sharing has not changed. The need to share revenues is, if anything, stronger than in 1972.

Local governments can increase taxes or cut non-essential services to make up for cuts in revenue sharing.

Most local governments have done both a number of times over the last four years to compensate for the recession and cuts in federal assistance. Most are now restricted from increasing local taxes by state legislation. Others like Benton Harbor, Newark, and Detroit already have local tax rates that are so much higher than surrounding communities that to increase taxes more would drive individual and corporate taxpayers out. For many local governments, taxes would have to be increased over 30 percent to make up for the loss of General Revenue Sharing.

How about cutting non-essential services? Benton Harbor has 5 public works employees left. Should they stop repairing broken water mains, clearing snow from the streets, responding to less than violent crimes, non-life-threatening fires? Should local governments, as one Congressman suggested, close their public libraries? The difficulty is that the local governments in the most serious fiscal condition have already been forced to reduce essential services—in many American communities there simply are no more property taxes that can be raised on non-essential services to be cut.

States and local governments have enormous surpluses, while the federal government has an enormous deficit.

States and local governments in this country are required to balance their budgets; they cannot have deficits. Because so many tightened up during the recession, those which have participated in the economic recovery are in better fiscal condition today. According to 1983 census figures, cities now provide 74 percent of their own revenue, while the federal share has declined sharply and the state share has dropped. Thus, by aggregating all state and local governments together—blending the most wealthy suburban jurisdictions with poorer central cities and rural areas—and presuming that real per capita spending by state and local governments will not change, as the U.S. Treasury assumed in an initial study—one would assume that all states and local governments are running surpluses. But using more realistic assumptions, revised Treasury numbers demonstrate that even at the aggregate level, a surplus is unlikely. On the individual level, that means that many states and localities will experience severe hardships if revenue sharing is cut in particular, poorer jurisdictions will suffer the most as statistics show they receive proportionately more in Revenue Sharing dollars.

General Revenue Sharing is costly and inefficient. In order to provide funds to Jurisdictions with less than 60 percent of the U.S. per capita income, it distributes 98 percent of its funds to Jurisdictions above this level.

To say this is to say that none of America's 50 largest cities should be eligible for the program. Sixty-two percent of the funds do go to jurisdictions with capita income less than the national average, while 93 percent goes to those with per capita income less than 125% of the national average.

While no allocation formula can be perfect, a chief attribute of General Revenue Sharing is its targeting of the funds at communities with the greatest needs. The per capita amount of Revenue Sharing funds distributed to jurisdictions increases as their per capita income declines. In revenue sharing the poor do get more. The jurisdictions with incomes only 30 percent of national average receive 78 percent more revenue sharing than the national average. The attached graph more clearly demonstrates this targeting.

General Revenue Sharing is not really important; it provided only 2.5 percent of local expenditures in 1983.

This figure ignores two factors: the diversity of jurisdictions receiving funds and second, the legal ability to raise replacement revenue. A more accurate yardstick for evaluating the effect of revenue sharing cuts is to compare it with the amount of local raised taxes.

While on an average basis General Revenue Sharing is equal to 7.4 percent of local taxes for cities, in Arkansas it is 29.8 percent and in Mississippi 21.6 percent.

Mr. KASTEN. Mr. President, the application of GRS funds has rightly been left to community leaders. Unlike the tunnel vision often exhibited by Congress, local governing officials have 20/20 vision when it comes to recognizing the needs of their own communities. The secret to general revenue sharing is that of assisting local governments, without the interference of Federal regulators or lawmakers.

I believe revenue sharing is more critical now than it has ever been. There is no free lunch in passing on to local governments more of the burden for funding public services and projects. The elimination of this vital program would immediately result in huge increases in property taxes and sharp cuts in basic public services. I do not think that is the intent of this administration or this Congress.

The closer to home you get, the louder the facts speak. General revenue sharing makes up the lion share of our cities, towns, and villages' ability to support basic, necessary services. In Wisconsin, for example, the $108 million that Wisconsin counties, cities, and the towns will receive in fiscal year 1986 in Federal revenue sharing will be invested in police protection, youth employment, health care, housing, libraries, fire protection, assistance for the elderly, nutrition aid for kids, road repairs, jail improvements, aid for the disabled, mass transit and other transportation needs. Can we really afford to turn our back on these programs?

I ask the distinguished Members of this body: Where can you get a better return on your Federal tax dollar? Where can you pinpoint the need, and provide such ready assistance? Where can you bypass the bureaucracy's share when allocating Federal funds on such a large scale? Under my amendment, general revenue sharing will continue to be a viable solution to grassroot problems.

The much touted surplus of State and local governments simply do not exist to warrant the termination of GRS. By the most generous assessment of national income and product accounts, State and local governments combined have a surplus equal to 1.9 percent of expenditures. By the standards of Wall Street bond rates, a 5-percent surplus is needed by local governments to meet cash flow and contingency requirements. Who will make up the difference?

Local governments in Wisconsin do not have funds available to replace lost GRS payments. The fiscal condition of local governments has been extremely fragile throughout the 1980's, even with some help from the economy. Little, if any, improvement can be expected next year because of rapidly growing service demands and a slowdown in revenue growth.

General revenue sharing helps to balance or reduce local property taxes and user fees. Consider what would happen if revenue sharing were terminated? Cities would have to replenish their allotment of GRS payments from local property taxes. According to the National League of Cities survey, the tax rate increases required would range from 50.7 percent in cities of under 10,000 population, to 23.1 percent in cities over 100,000.

In Wisconsin's Milwaukee County, for example, continued use of general revenue sharing has held property tax in line and has allowed Milwaukee County to maintain direct property tax support. In fiscal year 1985, this resulted in the amount of $17.7 million in medical assistance; $300,000 for youth employment; and $400,000 to match the Federal 50 percent pass-through for the Economic Assistance Administration and $9.8 million for mass transit.

Mr. President, I wish to set the record straight about general revenue sharing. Revenue sharing is as essential today as it was 10 year ago. Present general revenue sharing [GRS] funding at $4.6 billion per year has remained the same, however, since 1977. This means less buying power for the same amount of dollars.

Mr. President, my amendment speaks to the need to return tax dollars to the taxpayers back home. General revenue sharing has played a major role in reversing the power curve in Washington, DC, to the benefit of local government and local taxpayers.

From the smallest to the very largest of our Nation's cities, general revenue sharing is top priority. Because GRS is targeted toward fiscal distress for both urban and rural cities, its formula is based upon local relative tax effort and income. Thus, the poorer a community and the greater the effort that community makes to respond to its own needs, the larger the amount of the revenue sharing grant.

I urge the Senate to support my amendment to retain funding of general revenue sharing at $2.3 billion for fiscal years 1987, 1988, half that of present funding. The very recognition of this fact led the Congress in 1983, by a vote of 381 to 35 in the House and 87 to 6 in the Senate, to reauthorize the program through fiscal year 1986. At the signing ceremony for the reauthorization, President Reagan said: "The Federal Government never spent money more wisely than by devoting it to revenue sharing."

Mr. President, we should do no less now to protect revenue sharing, even at these reduced levels. I urge the Senate to weigh carefully the merits of general revenue sharing before voting, by fiat, to eliminate this crucial program.

This amendment assumes a commitment to extend revenue sharing to 1987 and 1988, but reduced by 50 percent. I think that is fair and equitable. I believe that the local governments and communities need this money. They have been depending on it, and it should not be eliminated immediately.

I yield 1 minute to the Senator from Tennessee [Mr. SASSER].

Mr. SASSER. I thank the distinguished Senator from Wisconsin.

Mr. President, I rise today to support the amendment offered by the distinguished Senator from Wisconsin.

The amendment would effectively ensure the continuation of this efficient and effective program beyond 1986.

The amendment is in keeping with the need for spending restraint and in fact accomplishes significant savings from a freeze level in the next 3 years.

This amendment would envision $4.6 billion in savings over the next 3 years.

Mr. President, my colleague from Pennsylvania [Mr. HEINZ] and I have legislation pending which would reauthorize the program for the next 5 years. The legislation currently has 20 cosponsors.

The Senate has time and again expressed its support for this important program. On September 21, 1983, the Senate voted overwhelmingly to continue the program through 1986. The vote was 87 to 6.

Thus, it is clear that this program has enjoyed substantial bipartisan support over the years at both the local and the Federal level. There is good reason for this.

The General Revenue Sharing Program is the most efficiently administered and prudently used grant program in the history of the Federal Government.

Less than two-tenths of 1 percent of general revenue sharing funds are used to administer the program. Over the past 6 years, the number of personnel working in the Office of Revenue Sharing has actually declined by one-third.

It is also an enormously successful and popular economic and community development program. Local officials of all political persuasions and ideologies attest to this fact.

Earlier this year I held field hearings throughout the State of Tennessee in an attempt to examine the impact of economic and community development budget cuts on local communities. Witnesses included city mayors, county executives, developers, and experts in the field of regional development. Both Republican and Democratic officials alike testified to the importance of and necessity for Federal aid in the maintenance of essential public services.

In the face of funding cutbacks and a no-growth mentality, revenue sharing remains as the sole, reliable source of assistance for local governments nationwide.

General revenue sharing funds are used to pay for services which range from police and fire protection, to hospitals, to highways, to education.

Now the administration has proposed eliminating this program a full year ahead of its reauthorization expiration. A recent study by the U.S. Conference of Mayors shows that if the program is eliminated, 60 percent of the cities that responded would be forced to cut capital improvements, 48 percent would cut public safety, 32 percent would cut human services, 15 percent would cut health services, and 14 percent would cut sanitation.

Other casualties would include cutting street and building maintenance, education programs, downtown development efforts, and transit.

Testimony presented at budget hearings I held in Memphis in March show conclusively that elimination of mass transit operating subsidies, as advocated by the administration, would at best raise bus fares in that city to $2 per ride, at worst, these cutbacks could conceivably close down the Memphis transit system altogether. The ripple effects of such action would reverberated throughout the downtown economy, effectively making the downtown district a veritable ghost town. The loss of general revenue sharing funds would only exacerbate and compound an already deteriorating situation.

In another instance, the loss of urban development action grant funds, as advocated by the administration, coupled with a loss of general revenue sharing, would seriously undermine investment in many of our cities, particularly those cities that have already been disadvantaged by the currently skewed UDAG funding formula. Most of these cities lie outside the so-called Rust Belt of the Northeast and Midwest. Without revenue sharing, these cities would be unable to make the types of improvements necessary to attract investment.

The loss of general revenue sharing funds would simply shift the tax burden on to the local governments. In the aforementioned Conference of Mayors study, 68 percent of the cities responding said that some type of local tax increase would be necessary to maintain an adequate level of services: 43 percent said that user fees would be increased; 40 percent would increase property taxes; 5 percent would increase sales taxes; 3 percent would increase income taxes.

Other remedies included increased franchise taxes, permits, and fines, utility taxes, license fees, business taxes, and hotel taxes.

Fully 94 percent responded that they did not anticipate State aid to pick up the slack.

In my home State of Tennessee, county and municipal governments have already increased taxes over a 10-year period by 127.9 percent. Last year, revenue sharing payments represented nearly 6 percent of total taxes collected by these governments.

There are 334 municipalities in Tennessee. Nearly 90 percent of them have populations of less than 10,000. For these small municipalities, nearly all of them, general revenue sharing is the only direct Federal grant they receive.

These figures are indicative of the importance of the General Revenue Sharing Program and this importance is reflected in the more than 39,000 local governments nationwide. We are not seeking to expand the program but merely to maintain it at the current level. No more, no less. General revenue sharing is genuinely a part of the Federal fiscal safety net for small communities. These funds should be viewed as an investment in our future. To curtail the Government's commitment to this future would be unwise and counterproductive. I urge my colleagues to support the ammendment to freeze general revenue sharing at the current level.

Mr. KASTEN. Mr. President, how much time remains on our side?

The PRESIDING OFFICER. Two minutes and a second.

Mr. KASTEN. I yield 1 minute to the Senator from Kentucky.

Mr. FORD. I thank the distinguished Senator from Wisconsin.

Mr. President, I rise in support of this amendment. General revenue sharing has proven to be one of the most effective and efficient mechanisms for targeting Federal assistance to city and county governments. These funds support vital services such as police and fire protection, aging programs, and water and sewage projects.

Local officials are well aware that revenue sharing will not be around forever. But, they are concerned that they be given time to replace these revenues. The President's original budget would have terminated revenue sharing at the end of fiscal year 1985, 1 year before the current authorization would expire. I strongly opposed that recommendation. Then the Senate Budget Committee reported their bill with the assumption that the program would be phased out over 2 years with 50 percent of the appropriation spent in each year. I did not feel that this proposal gave the cities enough time to adjust to the loss of funds. Finally, the Republican leadership plan would fully fund the program in 1986 and terminate it thereafter. This approach is equally devastating.

It has been estimated that if revenue sharing were eliminated, and local governments replaced these funds with property tax revenues, such taxes would have to be raised by an average of 25 percent. It is doubtful that most cities could do that with a 1-year notice. A 1985 survey by the National League of Cities revealed that 30 percent of the cities responding raised property taxes in 1984; 18 percent raised sales taxes; 24 percent raised business taxes; and 39 percent raised user fees. It is simply unrealistic to believe that cities and counties will be able to find the funds to replace revenue sharing dollars.

I have been preaching to the local officials in Kentucky for some time now that they should not put revenue sharing funds into reoccurring expenses. I am afraid that my words fell on deaf ears and the reality of the situation is that cities and counties in Kentucky use these funds in just that manner to provide vital services. For example, the city of Mayfield, KY, receives about $330,000 in revenue sharing. When revenue sharing first began, the city passed an ordinance providing that these funds could only be used to partially fund the salaries of police officers and firefighters. Revenue sharing dollars are used for no other purpose in Mayfield. I think the effect of the Republican leadership proposal, to terminate revenue sharing, on Mayfield is obvious—the citizens of this community will have less fire and police protection. And I would bet that

most, if not all of my colleagues, have a Mayfield in their State, too.

I had intended to offer an amendment to gradually phaseout revenue sharing over a 5-year period, at reduced funding beginning in fiscal year 1986. My amendment would have cut revenue sharing funds by 10 percent in fiscal year 1986, and gradually eliminated the program at the end of 1990. I decided not to offer that amendment because I found that the thing local governments fear more than the termination of revenue sharing, is the possibility that the program will be tampered with in fiscal year 1986. There is a great deal of concern that revenue sharing not be subjected to reconciliation instructions which might give those who oppose the current program the opportunity to change the distribution formula or impose cuts even deeper than those recommended by the Senate Budget Committee. I respect these concerns, and so will not offer my amendment.

This amendment, however, avoids these problems by fully funding the program in fiscal year 1986. More importantly, it goes further to allow the Senate to go on record supporting a phase out of these funds as opposed to an abrupt termination. It will still be very difficult for cities and counties to make up a 50-percent loss of funds. But they will have 2 years to do it. We simply cannot expect our local officials to continue to bear the cuts in domestic spending for community service and economic development programs, and then pull the rug out from under them by wiping out the revenue sharing program on a 1-year notice. Our cities and counties are not naive; they accept that revenue sharing is on the way out. They simply ask that we give them time to adjust and replace these funds. I think that is very little to ask.

Mr. President, we must give our cities and counties a chance to stand on their own. I urge my colleagues to support this amendment.

Mr. President, we are looking at almost devastation in some of the counties in this country. We need to give them some time to be able to phase out revenue sharing and to phase in some local tax base. Under the circumstances, if we eliminate revenue sharing on September 30, 1986, those counties and those cities will not have an opportunity to make up that difference.

All we are doing is asking for 50 percent in the year of 1987 and 50 percent in the year 1988.

Each Senator just has to go back to his own State, to his own community, and see how important revenue sharing is to those counties and to those communities.

I encourage my colleagues. This is not much to ask. This is not much to ask to see that those counties have an opportunity to at least find a new tax base to do those things that they want to do locally, new roads, new sewer, new water, those things that these communities need and do not now have the money to do it with.

So let us not cut them off abruptly. Let us just extend it for a couple more years.

Mr. KASTEN. Mr. President, I ask unanimous consent to add the Senator from New York [Mr. MOYNIHAN] as an original cosponsor of the amendment.

The PRESIDING OFFICER. Without objection, it is so ordered.

The PRESIDING OFFICER (Mr. HECHT). The Senator from Oregon is recognized.

Mr. PACKWOOD. Mr. President, this amendment adds back about $4 billion in spending budget.

I might respond directly to the argument of the Senator from Kentucky. Clearly the cities would like to continue revenue sharing, the counties would like to continue revenue sharing. Everybody wants to continue everything. That I understand.

I posed to the cities and counties when we were considering this in the Finance Committee whether they would rather have full funding of revenue sharing through September 30, 1986, which is what is in the budget provision, or rather they would as soon cut it in half now and extend it for a year or two beyond September 30, 1986.

They said very clearly the first choice, of course, was to keep it. Their second choice, if it is going to be cut, is they would rather have full funding through September 30, 1986, and then have it fully terminate because they indicated they would have enough time to get ready for the phaseout if we gave them full funding for a year and a half, and that is what we are doing.

There is no point in adding back $4 billion in the budget for money when we are giving them a year and a half to phase out.

I yield 1 minute to the Senator from New Hampshire.

Mr. HUMPHREY. Mr. President, I wish to tell my colleagues something very funny. In 1972 when revenue sharing was enacted, it was enacted on the basis of projections showing the Federal Government would be running surpluses for years to come. In that time we have not run a surplus in even one year.

During those 12 or 14 years of the existence of the program we have now spent $78 billion on revenue sharing.

Revenue sharing goes to some of the wealthiest communities in America. That is really adding insult to injury.

Let me just tick off a few.

There is Hunters Creek in Texas which I am told is the wealthy suburb, I believe, of Houston. The per capita income there is $40,000 a year. They get revenue sharing. Palm Beach, FL, per capita income $32,000, they get revenue sharing. Beverly Hills, CA, Bloomfield Hills, MI; Arlington County, VA, on and on; Grosse Pointe, MI. Everybody gets a piece.

Mr. FORD. Mr. President, if the Senator will yield for a question, what about Pikeville or Smiths Creek, or some other place?

Mr. HUMPHREY. I am sorry. I would love to yield time but do not have it.

Mr. PACKWOOD. Mr. President, how much time remains on our side?

The PRESIDING OFFICER. Three minutes.

Who yields time?

Mr. PACKWOOD. Mr. President, I yield another 30 seconds to the Senator from New Hampshire, and then a minute to the Senator from Oklahoma.

Mr. HUMPHREY. I am not ready yet.

Mr. PACKWOOD. I yield to the Senator from Oklahoma a minute now.

The PRESIDING OFFICER. The Senator from Oklahoma is recognized.

Mr. NICKLES. Mr. President, I rise in opposition to the amendment by my good friend from Wisconsin, and others, to add back $4.6 billion in 1987 and 1988 for revenue sharing.

Quite frankly, we do not have any revenue to share. We should call this program deficit sharing, because the Senator from New Hampshire is exactly correct. Ever since this program began we have had deficits. So not only does it cost $4.6 billion, and that is the cost of this amendment, an additional deficit increase of $4.6 billion, but also we will have to borrow the money, so we are going to be talking about 10 percent on top of that for about $460 million per year to fund this program as well.

I think the time is now for if we are ever going to say no, we cannot afford a program, this is one we cannot afford.

I hope we will defeat the amendment.

Mr. PACKWOOD. Mr. President, I yield 30 seconds to the Senator from New Hampshire.

The PRESIDING OFFICER. The Senator from New Hampshire.

Mr. HUMPHREY. Mr. President, some of our colleagues who favor the amendment would have us believe the cities are declining in revenue. The fact of the matter is recent statistics during the last 2 years or so show that most cities are running surpluses.

Here we are being asked to send checks to the cities and municipalities of America when most of them are running surpluses.

The PRESIDING OFFICER. The time has expired.

Who yields time?

Mr. PACKWOOD. Mr. President, I say again the cities and counties were given an option as to whether they would as soon terminate revenue sharing fully on September 30, 1986, but be fully funded through that period or have it cut in half now and continued for an extra 1½ years after September 30, 1986. They opted for what the Budget Committee did, 18 months of full funding, which will give them ample time to get ready for the termination of the program.

I, therefore, urge the defeat of this amendment.

Mr. GORE. Mr. President, as the ranking minority member of the Subcommittee on Civil Service, Post Office and General Services, I believe that the issue we are addressing, the revenue forgone program, is one of the more humanitarian and worthwhile programs within the U.S. Government's postal functions.

The groups and organizations that will be affected by these cuts are not our usual conception of a special interest group. The list includes all of the well known charitable organizations in our society. I would name only a few: The Salvation Army, the National Easter Seal Society, the March of Dimes, the American Cancer Society, CARE, Save the Children. And this is only to mention a few. Countless other nonprofit entities, including hospitals, halfway houses, and others would feel the bite of elimination of the revenue forgone subsidy.

I find it ironic that a major tenet of this administration has always been that the private sector charities should shoulder more of the burden of caring for the more unfortunate members of our society. Such a notion may have some merit. But I fail to see how the administration can justify adding to the burdens of these longstanding charitable organizations by reneging on a subsidy which we have provided for many years now.

I want to just briefly describe the magnitude of the impact that eliminating this program would have on our charities. At St. Jude's Children's Hospital in Memphis, the Nation's largest children's cancer research institute, the administrative costs of their fundraising would be increased by some 20 percent with this proposal. The National Easter Seal Society alone would see its costs raised by some $5.5 million, raising their fundraising costs by 33 percent. This shortfall can only serve to reduce the flow of dollars to support their activities, or diminish the valuable services they provide.

While many parts of our society are going to have to bear the burden of budget reductions, I think this is one place we ought to leave alone. Every dollar spent by these charitable organizations is one less that need be spent by the Government to care for the unfortunate. Therefore I believe it is not sound logic to cripple their fundraising efforts by eliminating their postal subsidy. I urge my colleagues to support the amendment by the gentleman from Ohio and the gentleman from North Dakota, and restore funding for the revenue forgone program.

Mr. HEINZ. Mr. President, As my colleagues know, I was an early opponent of the administration designs to precipitously and unwisely terminate funding for the General Revenue Sharing Program. For this reason I am pleased to join Senator KASTEN in cosponsoring this amendment to preserve the General Revenue Sharing Program, albeit at reduced levels, for at least the next 3 years. This amendment would add sufficient moneys to the budget to fund GRS at $4.6 billion for 1986, and $2.3 billion cash for fiscal year 1987 and fiscal year 1988.

Mr. President, the General Revenue Sharing Program provides support for an enormous range of activities, including capital expenditures for transit, economic development, community centers, and police and fire facilities. Operating programs benefiting from Federal revenue sharing funds include downtown revitalization projects, Meals on Wheels, Community Health Care for the Elderly and the Disabled, and fire and sanitation services.

The General Revenue Sharing Program is important to all cities, in all regions of the country. Revenue sharing funds represent approximately 7 percent of local revenues. If the administration is allowed to abolish this program after 1986, it would take an average 2-percent increase in local property taxes to replace the funds currently provided. In the Commonwealth of Pennsylvania, a survey of local governments found that revenue sharing funds account for 16.7 percent of the average local budget. Replacing revenue sharing funds with property tax revenues in Pennsylvania would require an average increase of 62 percent. For nearly 94 percent of Pennsylvania municipalities responding to the survey, revenue sharing is the only direct source of Federal funds.

Mr. President, GRS is clearly a significant stone in the fiscal foundation of our towns, cities, counties, and States. If adopted, the amendment proposed by Senator KASTEN and I will guarantee that no one will lose GRS funds overnight and that program participants everywhere will be given a reasonable chance to reduce their dependence on this program.

No Senator, myself included, believes that GRS should be exempted from deficit-reduction efforts; these are times of grim fiscal realities. However, the administration's proposal to go from full-funding to zero-funding in the space of one fiscal year represents a cold turkey crash diet with potentially disastrous effects. The amendment put forward this evening to gradually reduce the size and scope of the Revenue Sharing Program is a much wiser and more balanced approach. I urge my colleagues to support this amendment.

FEDERAL REVENUE SHARING

Mr. BYRD. Mr. President, I support the continuation of revenue sharing—even, if necessary, at a reduced level.

While I agree that we must find a means to balance the budget and, in order to do so, we must eliminate those programs that have not fulfilled their expected function and that are not as essential as others, the General Revenue Sharing Program is not one of these. The General Revenue Sharing Program has worked and it has worked well.

The General Revenue Sharing Program began in 1972 under the Nixon administration. It is based on the concept that the Federal Government is best equipped to collect taxes and redistribute them through a form of entitlement to local governments. It is based on a fair and equitable formula and takes into account such factors as population, local tax effort, and per capita income. The program was not designed to reward local governments that are derelict in their duty, and it does not work that way. The formula assures that those local governments that try their best to provide adequate services will be assisted by the program.

Local revenue sharing funds may be used for any legal purposes under State and local laws. In West Virginia, they are typically used for public facilities such as water and sewer systems, courthouse and municipal office building construction, nursing home construction, construction of low to moderate income family housing, and public service employment. Since the program's implementation, my home State has received almost $708 million.

From the beginning, the concept of the program was to strengthen State and local governments, and to allow the approximately 39,000 recipient jurisdictions to make the decisions about the expenditure of these funds. Through the process of local citizen participation hearings, local governments learn the needs of the local communities and citizens have an opportunity to influence how those expenditures are to be made. This reflects a philosophy quite similar in some respects to that often voiced by the present administration, which has supported the idea of moving authority for many Government functions from that Federal level to the State and local levels.

In anticipation of receipt of these funds each year, local governments across the country traditionally have included these moneys in their projected budgets for such essential com-

munity services as police and fire protection. More and more this continues to be the case because local governments have had their tax bases diminished by recession, at a time when local programs for assistance were being pressured by the demand for increased services to the unemployed and disadvantaged.

Given the fiscal faced by many of our local governments, I do not believe we can simply cut the program off at the end of fiscal year 1986, as the White House Republican leadership proposal seeks to do.

We must, at the least, allow those local governments sufficient time to generate, insofar as they can, sufficient funding to take care of local needs. Given the increasing demands on our local governments which diminishing Federal funding alternatives are forcing on them, this will not be an easy task to accomplish.

Revenue sharing has enjoyed bipartisan support throughout its existence. It was proposed originally by a Republican President and enacted by a Democratic Congress. President Reagan has in the past given his unequivocal support to the program. It is the only program that provides Federal assistance to virtually every local government in the Nation. It was worked and it has worked well, and it deserves to be retained in an effective form.

Mr. KASTEN addressed the Chair.

The PRESIDING OFFICER. All time has expired.

Mr. KASTEN. Mr. President, I did not yield back the remainder of my time.

The PRESIDING OFFICER. The Senator used his time in making a unanimous-consent request.

Mr. FORD addressed the Chair.

The PRESIDING OFFICER. The Senator from Kentucky.

Mr. FORD. Mr. President, is it in order to add a cosponsor to this amendment?

The PRESIDING OFFICER. It is by unanimous consent.

Mr. FORD. Mr. President, I ask unanimous consent that the distinguished Senator from West Virginia [Mr. BYRD] be added as a cosponsor.

The PRESIDING OFFICER. Without objections, it is so ordered.

Mr. KASTEN. Mr. President, my amendment will assume full funding for general revenue sharing at the current level of $4.6 billion in fiscal year 1986. In 1987 and 1988, revenue sharing would continue at a level of $2.3 billion, or at half the current level.

General revenue sharing has been a hallmark of good government: Flexibility to address specific needs, local supervision and accountability.

Unlike the tunnel vision often exhibited by Congress, local governing officials have 20/20 vision when it comes to recognizing the needs of their own communities.

The elimination of this vital program would immediately result in huge increases in property taxes and sharp cuts in basic public services. I don't think that's the intent of this administration or this Congress.

GRS makes up the lion share of our cities, towns, and villages ability to support basic services. In Wisconsin, for example, the $108 million that Wisconsin will receive in fiscal year 1986 will be invested in police protection, health care, libraries, road repairs, jail improvements, mass transit, youth employment, housing, fire protection, assistance for elderly, nutrition aid for kids, and aid for the disabled.

Sixty-two percent of general revenue funds do go to jurisdictions with per capita income less than the national average, while 93 percent of GRS funds go to those with per capita income less than 125 percent of the national average.

I ask the Members of this distinguished body: Where can you get a better return on your Federal tax dollar? Where can you pinpoint the need, and provide such ready assistance?

The much touted surplus of State and local governments simply do not exist to warrant the termination of GRS. These entities are required to balance their budgets; they cannot have deficits. By the most generous assessments of national income and product accounts, the combined surplus of State and local governments is equal to 1.9 percent of expenditures.

Revenue sharing is as essential today as it was 10 years ago. Present GRS funding at $4.6 billion per year has remained the same since 1977. This means less buying power for the same amount of dollars.

I urge the Senate to support my amendment to retain funding of general revenue sharing at $4.6 billion in 1986, and at $2.3 billion for fiscal years 1987 and 1988.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Wisconsin.

Mr. PACKWOOD. Mr. President, I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Wisconsin. On this question, the yeas and nays have been ordered, and the clerk will call the roll.

The asssistant legislative clerk called the roll.

Mr. SIMPSON. I announce that the Senator from North Carolina [Mr. EAST] and the Senator from California [Mr. WILSON] are absent due to illness.

Mr. CRANSTON. I announce that the Senator from Nebraska [Mr. EXON] is absent because of illness.

The PRESIDING OFFICER. Are there any other Senators in the Chamber wishing to vote?

The result was announced—yeas 43, nays 54, as follows:

[Rollcall Vote No. 63 Leg.]

YEAS—43

Andrews	Hart	Melcher
Biden	Hatch	Metzenbaum
Bradley	Heflin	Mitchell
Bumpers	Heinz	Moynihan
Burdick	Hollings	Pryor
Byrd	Inouye	Riegle
Cohen	Johnston	Rockefeller
Dixon	Kasten	Sarbanes
Eagleton	Kerry	Sasser
Ford	Lautenberg	Simon
Garn	Leahy	Specter
Glenn	Levin	Stennis
Gore	Long	Zorinsky
Grassley	Mathias	
Harkin	Matsunaga	

NAYS—54

Abdnor	Durenberger	Nickles
Armstrong	Evans	Nunn
Baucus	Goldwater	Packwood
Bentsen	Gorton	Pell
Bingaman	Gramm	Pressler
Boren	Hatfield	Proxmire
Boschwitz	Hawkins	Quayle
Chafee	Hecht	Roth
Chiles	Helms	Rudman
Cochran	Humphrey	Simpson
Cranston	Kassebaum	Stafford
D'Amato	Kennedy	Stevens
Danforth	Laxalt	Symms
DeConcini	Lugar	Thurmond
Denton	Mattingly	Trible
Dodd	McClure	Wallop
Dole	McConnell	Warner
Domenici	Murkowski	Weicker

NOT VOTING—3

East	Exon	Wilson

So the amendment (No. 85) was rejected.

Mr. DOMENICI. Mr. President, I move to reconsider the vote by which the amendment was rejected.

Mr. PACKWOOD. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

AMENDMENT NO. 86

(Purpose: To add funds to the Medicare program sufficient to avoid additional cost-sharing for Medicare beneficiaries and to phase out rather than immediately eliminating the double adjustment for teaching hospitals)

Mr. KENNEDY. Mr. President, I send an amendment to the desk on behalf of myself and Mr. CHILES, Mr. BYRD, Mr. BAUCUS, Mr. RIEGLE, Mr. SARBANES, Mr. MATSUNAGA, Mr. GLENN, Mr. METZENBAUM, Mr. MOYNIHAN, and Mr. BRADLEY, and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report.

The bill clerk read as follows:

The Senator from Massachusetts [Mr. KENNEDY], for himself, Mr. CHILES, Mr. BYRD, Mr. BAUCUS, Mr. RIEGLE, Mr. SARBANES, Mr. MATSUNAGA, Mr. GLENN, Mr. METZENBAUM, Mr. MOYNIHAN, and Mr. BRADLEY, proposes an amendment numbered 86.

Mr. KENNEDY. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

Total New Budget Authority:
On page 3, increase the amount on line 12 by $200,000,000.
On page 3, increase the amount on line 13 by $500,000,000.
On page 3, increase the amount on line 14 by $900,000,000.
Total Budget Outlays:
On page 3, increase the amount on line 18 by $900,000,000.
On page 3, increase the amount on line 19 by $1,300,000,000.
On page 3, increase the amount on line 20 by $2,200,000,000.
Deficit:
On page 3, increase the amount on line 25 by $900,000,000.
On page 4, increase the amount on line 1 by $1,300,000,000.
On page 4, increase the amount on line 2 by $2,200,000,000.
Public Debt:
On page 4, increase the amount on line 7 by $100,000,000.
On page 4, increase the amount on line 8 by $400,000,000.
Statutory Debt Limit:
On page 4, increase the amount on line 13 by $100,000,000.
On page 4, increase the amount on line 14 by $300,000,000.
Medical Insurance (570):
On page 22, increase the amount on line 16 by $200,000,000.
On page 22, increase the amount on line 17 by $900,000,000.
On page 22, increase the amount on line 24 by $400,000,000.
On page 22, increase the amount on line 25 by $1,200,000,000.
On page 23, increase the amount on line 7 by $600,000,000.
On page 23, increase the amount on line 8 by $1,900,000,000.
Net Interest (900):
On page 33, increase the amount on line 2 by $100,000,000.
On page 33, increase the amount on line 3 by $100,000,000.
On page 33, increase the amount on line 11 by $300,000,000.
On page 33, increase the amount on line 12 by $300,000,000.
Senate Committee on Finance:
On page 40, decrease the first amount on line 16 by $1,000,000,000.
On page 40, decrease the amount on line 17 by $1,413,000,000.
On page 40, decrease the second amount on line 18 by $2,187,000,000.
House Committee on Energy and Commerce:
On page 46, decrease the amount on line 10 by $1,000,000,000.
On page 46, decrease the second amount on line 11 by $1,413,000,000.
On page 46, decrease the amount on line 13 by $2,187,000,000.
House Committee on Ways and Means:
On page 51, decrease the first amount on line 7 by $1,000,000,000.
On page 51, decrease the amount on line 8 by $1,413,000,000.
On page 51, decrease the second amount on line 9 by $2,187,000,000.

Mr. KENNEDY. Mr. President, I am happy to request a time limitation, if the majority leader wishes.

Mr. DOLE. Will 15 minutes overall, 7½ on each side, be adequate?

Mr. KENNEDY. That is fine.

Mr. President, I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

Mr. DOLE. Mr. President, I ask unanimous consent that the time on the amendment of 15 minutes be equally divided.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. DOMENICI. Mr. President, I designate the distinguished chairman of the Finance Committee as the manager of the bill in opposition.

The PRESIDING OFFICER. Who yields time?

Mr. KENNEDY. Mr. President, this is an amendment that was initially drafted by the Senator from Florida, Senator CHILES, myself, and the minority leader, Senator BYRD.

Mr. President, does the initial proponent of the amendment want to make an opening comment?

Mr. CHILES. Mr. President, I thank the Senator from Massachusetts.

I really wanted to just say to the Senator from Massachusetts that this mark which we have, and the amendment, before us now is the mark that passed the Budget Committee unanimously. Every Senator in the Budget Committee voted for this particular mark. It was a mark that I proposed in the Budget Committee, and every member on both sides of the aisle agreed. I think it was one of the few unanimous votes that we had. It is interesting to note, at that time, in effect, I was complimented by the majority side on the basis that we saved money off of the providers, but protected the beneficiaries under this.

As I say, I hope we can get a unanimous vote here tonight as we did in the Budget Committee. I compliment the Senator from Massachusetts.

The Chiles plan rejects these increases in Medicare beneficiary out-of-pocket costs. Will not penalize Medicare beneficiaries for increases in health care costs, instead directing efforts to contain costs at the source; continues efforts at health care cost reduction and strengthening the Medicare trust fund by freezing providers for 1 year.

Republicans on the Budget Committee applauded the Medicare amendment as fiscally responsible before it was passed by a vote of 20 to 0. From the markup transcript:

Mr. GORTON. "The Chiles mark . . . may be about as much below a freeze as Senator Boschwitz's and mine were, so . . . I think I may be inclined to vote with Senator CHILES."

Mr. DOMENICI. "I compliment Senator Chiles . . . because there will be some real savings that will have to occur under his mark, and that is not an easy one to do . . . "

ISSUE: HOSPITAL CUTS

The Republican leadership plan freezes payments to hospitals for 1 year—but then goes beyond that and cuts another $600 million in 1986; the additional cuts are $3 billion over 3 years.

These cuts are not cutting into profit margins of prosperous hospitals—they are the cuts that could force public hospitals to close their doors. Most of this additional cut would come from a 50-percent reduction in the "indirect teaching adjustment." This is now used to compensate hospitals that take care of more than their fair share of Medicare beneficiaries and poor people who have no insurance and cannot pay for care at all. Public hospitals, county hospitals, and large teaching hospitals have to absorb the costs of poor people refused by other hospitals.

The Republicans claim that the "indirect teaching adjustment," without justification, was doubled over what it previously was when the new Medicare reimbursement system was enacted 2 years ago. It pays for some of the costs of hospital interns and residents. But the change was made then specifically to adjust for large indigent caseloads until a better formula could be found. The prospective reimbursement legislation ordered the administration to find a way to make a better adjustment, but the administration has so far refused.

Using this indirect teaching adjustment is not the best proxy for indigent care and keeping public hospitals from closing their doors, but we can't cut it out completely until we find another way.

Republicans expressed great concern about this issue in the Budget Committee, but they voted to cut out the payments. There is detailed report language in the budget resolution reported out of committee on this problem put in by Senators DOMENICI, GORTON, and QUAYLE as well as Democats. Senator DOMENICI and other Republican Senators expressed great concern about more and more hospitals dumping poor patients on public hospitals because of cutbacks by Medicare and private insurance. Senator DOMENICI said we would include language to express the committee's concern—and "hopefully somebody can find a way to do that." But the report has no teeth. With this cut in the resolution there is no way that could be done. There is no room for any adjustments.

The Chiles plan assumes that there will be a 1-year freeze on hospital reimbursements—even though the congressionally appointed prospective payment assessment commission has recommended that there is an increase of 2.5 percent in hospital reimbursement rates for next year. Under the plan, hospital payments under Medi-

care would still be reduced by $2 billion in 1986, −$9.3 billion over 3 years. That is a big enough cut.

It would have the same effect on the Medicare hospital insurance trust fund as the Republican leadership plan. Savings are still sufficient to ensure that the trust fund will be able to make payments well into the mid to late-1990's.

Because we know that the "indirect teaching adjustment" is not necessarily the best measure of taking care of the indigent care problem, the Chiles plan assumes that some additional savings will be made: −$200 million in fiscal year 1986, as opposed to −$600 million in the Republican plan. Even though this is still a cut on top of a freeze for hospitals, it allows room for the Finance Committee to make more appropriate adjustments.

The new prospective payment system for hospitals has already resulted in Medicare savings of several billion dollars. This would not have happened without the cooperation of hospitals. But the new system is not even yet fully implemented, and further adjustments will have to be made. A freeze is already tough medicine to take right in the middle of a transition to a new payment system. We could destroy the progress we have already made by going too far this year.

The Chiles plan is supported by the American Hospital Association. This is a good example of the kind of cooperation we have been getting from most hospitals on the tough issue of reducing Medicare outlays.

Medicare has already been cut by $40 billion over the last 3 years.

Mr. President, I ask unanimous consent that the following be printed in the RECORD at this point:

A "Dear Colleague" letter explaining in detail amendment provisions;

Letters of support for the amendment from leadership council of 18 organizations with 21 signers, the American Hospital Association, and the National Association of Counties;

A chart showing Medicare beneficiary out-of-pocket liability under current law and under White House proposed increases; and

A study of "The Financial Burden of Out-of-Pocket Spending by the Elderly, 1985," prepared by the Center for Health Policy Studies.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

U.S. SENATE,
COMMITTEE ON THE BUDGET,
Washington, DC, April 19, 1985.

DEAR COLLEAGUE: When the budget resolution reaches the floor during the week of April 22, I will offer an amendment to restore funding for medicare cuts which would increase medicare beneficiary out-of-pocket costs. My amendment would also lessen the impact of proposed cuts to hospitals which go well beyond a freeze.

This is the same amendment I offered in the Budget Committee on March 7 during markup of the original budget resolution. My plan was discussed and endorsed by almost all of the Republican members of the Committee. The Committee unanimously agreed to my proposal by a vote of 20-0.

Later, with little discussion of changes, a very different medicare budget was voted out of Committee. Now, the White House-Republican Leadership endorsed budget for medicare would make cuts of $3.8 billion in 1986, $18.1 billion over three years. Of the $18.1 billion, almost $5 billion, or 28 percent of the total medicare cuts, would come directly from increased charges to medicare beneficiaries.

My amendment, without hurting beneficiaries, would still leave significant medicare savings: $2.6 billion in fiscal year 1988, $11.7 billion over three years.

I hope you will join with me on the floor to restore the original medicare mark agreed upon by the Budget Committee.

Sincerely,

LAWTON CHILES.

CHILES AMENDMENT: RESTORATION OF MEDICARE CUTS

Medicare beneficiaries are already required to pay significant amounts for their medicare coverage. As the attached tables shows, even under current law, there are steady increases each year. The budget resolution would increase medicare premiums and deductibles and levy a new co-payment for home health services. It would also delay eligibility for new retirees. The proposed increases in out-of-pocket costs would affect virtually all 36.2 million social security and medicare beneficiaries.

Monthly medicare premiums, which are automatically deducted from social security checks, are now based on a payment equal to 25 percent of total medicare Part B program costs. Under the budget resolution proposal, the total charges for premiums would increase by two percent per year until they reached 35 percent of program costs by 1990. Today, the premium cost to beneficiaries is $186 per year. Under the budget resolution plan, the annual premium charge would reach $299 by 1988 and $416 by 1990. My amendment would keep the premium increases at the lower level scheduled under current law. By 1990 they would still be under $250 per year.

The budget resolution plan would also increase the annual medical insurance deductible paid by medicare beneficiaries from its current level, $75 per year, to $92 by 1990. My amendment would keep it at $75.

The budget resolution plan would add a new charge for visits in the home by nurses and home health aides under the medicare home health program. Today there is no co-payment for these visits because we want to encourage home care instead of hospital care. The budget resolution proposes to charge a per-visit amount equal to one percent of the cost of a day in the hospital for every visit after 20 visits a year. In the first year, the new charge would be $4.80 per visit. By 1990, the new charge would be $6.25 per visit. Almost 40 percent of medicare beneficiaries who use home health services, over 450,000 people, would be affected by this proposal. Almost 230,000 beneficiaries would have new annual charges of well over $100 a year just in the first year. For those in most need of home health services (almost 60,000 medicare beneficiaries needed more than 100 visits in 1982) average annual charges would be as high as $630 in 1986, reaching $820 by 1990. My amendment would eliminate this provision from the budget plan.

The budget resolution plan would delay initial medicare eligibility by one month, cutting almost $250 million in 1986. My amendment would also eliminate this provision. It has been proposed by the Administration, and rejected by Congress, in each of the last three years.

The budget resolution plan would freeze medicare payments for one year for all hospitals, physicians, and other providers. In addition to a freeze, however, the budget proposal makes significant additional hospital cuts—$600 million in fiscal year 1986, over $3 billion over three years. My amendment would modify these additional cuts, reducing them to $200 million in fiscal year 1986 and $1.8 billion over 3 years. No matter how the higher cuts would be achieved, reductions of this magnitude in addition to a freeze would guarantee that hospitals would be immediately faced with actual reductions in medicare payments from the current year. The new prospective payment system for hospitals has already resulted in medicare savings of several billion dollars. This would not have happened without the cooperation of hospitals. But the system is not even yet fully implemented, and further adjustments will still have to be made. I have great concerns about disrupting the progress we now are making on restructuring the whole medicare hospital payment system.

LEADERSHIP COUNCIL OF
AGING ORGANIZATIONS,
Washington, DC, May 8, 1985.

DEAR SENATOR CHILES: We are writing to urge your support for two amendments that are extremely important to the health of older Americans and poor Americans of all ages. These are (1) an amendment by Sens. Chiles, Kennedy, Byrd and others that would restore cuts that directly harm Medicare beneficiaries and (2) one by Sens. Kennedy, Rockefeller, Riegle and Matsunaga that would restore Medicaid funding to current services levels and partially compensate for cuts in a number of categorical health programs.

Medicare beneficiaries would still suffer major losses under the resolution currently under consideration. We cannot describe that harm with precision, because the "savings" projected in the amendment adopted last week are not tied to any specific cuts. But we know that the cuts approved were the same size as those tied to an earlier package of cuts discussed approvingly by the Senate Republican Leadership. Those are (1) an increase in the Part B premium to cover 30% of program costs by 1990 (instead of 25% today); (2) indexing the Part B deductible beginning in 1987 and (3) delaying coverage until the first day of the month after the person turns 65.

The magnitude of the Part B premium increase is still staggering. Compared with current law, it would rise by 1990 to $30.40, instead of $21, an increase of 45%! That is not as precipitous as the increase included in some earlier plans, but most of the harm would remain.

As to the other cuts envisioned by the package as it now stands, the Part B deductible increase would simply shift costs from the program to the beneficiary. The delay in coverage serves no policy purpose but to save money, and leaves tens of thousands of older Americans each year exposed to potentially ruinous health care expenses.

These may not be the exact cuts that need to be made if the package remains unchanged. But whatever cuts are substituted

would have to be at least as severe, or they would not generate sufficient savings.

The Chiles-Kennedy-Byrd amendment would prevent these cuts, and is virtually identical to provisions approved unanimously last month during Senate Budget Committee deliberations.

The Kennedy-Rockefeller-Riegle-Matsunaga amendment would restore $2.6 billion of cuts in Medicaid, discretionary health and health manpower programs over the next three years. Even after the floor amendment passed by the Senate last week, cuts in Medicaid in the package now before the Senate exceed those included in the Senate Budget Committee plan. Medicaid has already suffered $4.7 billion in cuts over the last four years. Older and younger poor people who are fortunate enough to be covered by Medicaid—and only half of them are covered—risk reduction in benefits or loss of eligibility. Just as would the Medicaid cuts, further reductions in discretionary health programs would almost assuredly increase the 35,000,000 Americans who are now shut out of the health care systems altogether.

The Kennedy-Rockefeller-Riegle-Matsunaga amendment would protect against these inhumane cuts.

We urge your support for these two measures which, taken together, can help preserve the already inadequate level of care available to older people and poor people of all ages in this country.

Thank you for your consideration.

Sincerely,

American Association of Homes for the Aging; American Association of Retired Persons; Asociacion Nacional Por Personas Mayores; Association for Gerontology in Higher Education; Gray Panthers; National Association of Area Agencies on Aging; National Association of Foster Grandparent Program Directors; National Association of Mature People; National Association Meal Programs; National Association of RSVP Directors, Inc.; National Association of Senior Companion Project Directors; National Association of Retired Federal Employees; National Association of State Units on Aging; National Caucus and Center on Black Aged, Inc.; National Council of Senior Citizens; National Council on the Aging, Inc.; National Interfaith Coalition on Aging; Older Women's League; Retired Members Dept./ United Auto Workers; The Viller's Advocacy Associates; American Society on Aging; National Association of Nutrition and Aging Services Programs.

AMERICAN HOSPITAL ASSOCIATION,
Washington, DC, April 19, 1985.

Hon. LAWTON CHILES,
U.S. Senate,
Washington, DC.

DEAR SENATOR CHILES: On behalf of the American Hospital Association's 6,100 member institutions and 38,000 personal members, I am writing in support of your amendment to restore funds for Medicare to the First Concurrent Resolution on the Budget for Fiscal Year 1986. The Resolution as currently written is unacceptable because it proposes reductions in Medicare spending that go well beyond a freeze, and that would result in significant reductions in payments to certain hospitals.

The AHA recognizes the importance of reducing the federal deficit and is willing to do its share. However, reductions in Medicare proposed in S. Con. Res. 32, on top of the more than $20 billion in cuts in Medicare enacted by Congress since 1981, will once again place the burden of reducing federal spending upon the nation's 30 million elderly and the health care institutions that serve them.

Your amendment will lessen the impact on hospitals of a freeze on Medicare payments, particularly those that serve as referral centers and treat the most complex cases. Under the budget resolution as currently written, hospitals receiving education-based payments would have to spend reserves, cut services, and eliminate more than 25,000 staff, or shift costs to the private sector. Because institutions receiving these payments are an important source of referral care in their states and communities, the availability of their referral services to many beneficiaries could be jeopardized seriously by artificially imposed reductions in payments.

Hospitals have responded strongly and positively to the incentives of the new prospective pricing system and saved the Medicare system several billion dollars over the past two years. We continue to believe that a freeze on Medicare payments to hospitals threatens the successful, complete implementation of this system. However, in view of the alternatives, your amendment presents the best hope for fair and equitable treatment of hospitals in the FY 1986 budget.

Sincerely,

JACK W. OWEN,
Executive Vice President.

NATIONAL ASSOCIATION OF COUNTIES,
Washington, DC, May 3, 1985.

Hon. LAWTON CHILES,
U.S. Senate, Washington, DC.

DEAR SENATOR CHILES: The National Association of Counties shares the concerns of Congress about reducing the deficit and, therefore we support an overall freeze on fiscal year 1986 expenditures, exempting means tested entitlement programs that serve the neediest. County governments also share the same concerns about the financial stability of the Medicare Trust Fund, and as major purchasers and financiers of health care, we strongly support efforts to contain health care costs.

However, we believe that equity, fairness and the long term impacts of proposals must be carefully considered. Therefore, we are concerned about proposals to cut funding under Medicare for graduate medical education programs that provide subsidies to hospitals for indirect and direct teaching costs.

Without these teaching programs public hospitals and others who serve as a health care safety net for the poor and elderly will no longer be able to attract or retain the high quality medical staffs that enable them to meet the growing proportion of needs for both the sponsored poor (Medicaid) and particularly, the unsponsored poor. The National Association of Public Hospitals data indicate that the direct and indirect teaching adjustments now contribute an average of $1.6 million a year to their member teaching facilities, a majority of which are county owned. This loss in revenues would require immediate and substantial service reduction, jeopardizing access to quality health care for millions. Many other hospitals across the country would also be affected in their ability to continue providing free care to the needy.

Counties, nationwide, not only own many of these hospitals, but provide billions of dollars in charity care to hospitals regardless of ownership. County governments who spend over $25 billion on health care, have, increasingly seen more uninsured and indigent patients, and have needed to depend upon their own and other hospitals to share the expense of their care.

It should come as no surprise that counties, as financiers and providers of last resort for the nation's poor and elderly are deeply concerned about potential reductions in direct and indirect teaching support under Medicare given the following trends:

subsidies for care to the unsponsored poor are falling increasingly out of step with demand;

competitive forces are stimulating an increasing shift of "unprofitable" patients to county facilities;

increasingly Medicaid reimbursements are inadequate in terms of rates and coverage for both inpatient and outpatient care;

impacts of national rates under the Medicare PPS Program are uneven and inadequate and will soon be combined with a potential freeze on DRG reimbursement and loss of the capital pass-through;

HCFA continues its unwillingness to recognize the unique needs of "disproportionate share" facilities;

there is a potential loss to the nation's counties of $4.6 billion in general revenue sharing funds, which in many counties are entirely earmarked for health services;

there are negligible opportunities for cost-shifting other than to the local tax base with a minimal percent of our patients covered by private insurance.

We urge you to support any efforts to lessen cuts in the indirect teaching adjustment under Medicare and to ensure that any Medicare reduction or freeze proposals exempt facilities treating a disproportionate share of poor people.

Sincerely,

PHILIP B. ELFSTROM,
President.

BACKGROUND ON MEDICARE BENEFICIARY OUT OF POCKET COSTS

	Past		Current		Projected			
	1975	1980	1985	1986	1987	1988	1989	1990
CURRENT LAW								
Hospital insurance deductible (per benefit period)	$92	$180	$400	$476	$524	$544	$580	$624
Hospital copay (per day after 60 days)	23	45	100	119	131	136	145	156
Hospital copay (per day after 90 days)	46	90	200	238	262	272	290	312
Nursing home copay (per day after 20 days)	12	23	50	60	66	68	73	78

BACKGROUND ON MEDICARE BENEFICIARY OUT OF POCKET COSTS—Continued

	Past		Current		Projected			
	1975	1980	1985	1986	1987	1988	1989	1990
Home health visits	[1]	[1]	[1]	[1]	[1]	[1]	[1]	[1]
Part B deductible (per year)	60	60	75	75	75	75	75	75
Part B copay (per contact)	[2]	[2]	[2]	[2]	[2]	[2]	[2]	[2]
Premiums for purchase of part B coverage (monthly) [3]	6.70	8.70	15.50	15.80	18.20	19.00	19.70	20.50
INCREASES ASSUMED IN GOP LEADERSHIP PACKAGE								
Home health visits (per visit after 20 visits per year)				4.80	5.25	5.45	5.80	6.25
Premiums (increase per month) [3]				1.30	2.80	5.90	9.90	14.20
New monthly premium amount			15.50	17.10	21.00	24.90	29.60	34.70
Part B deductible (increase per year)				3	6	9	13	17
New annual deductible			75	78	81	84	88	92

[1] No copayment or deductible.
[2] 20 percent of approved charges. Beneficiaries are also liable for any charges in excess of the "approved" amount. In 1982, this excess amount, on average, was 24 percent of the total charge. Stated another way, the beneficiary then paid 44 percent, on average, of total charges. This differential is affected by a freeze on reimbursement amounts paid to physicians and other Part B suppliers; if the "approved charge" amount is not increased, as is the case in a freeze, it is assumed that many providers would nevertheless continue to increase charges with the total difference added to the beneficiary liability. Between 25 and 50 percent of total savings realized from provider freezes under Part B could be passed on to beneficiaries if no provisions are made in law to discourage actual charge increases.
[3] Under current law, Part B premium charges are based on an amount which would be equal to 25 percent of total Part B program costs. As total Part B program outlays go up, or are cut back, estimated premium amounts also increase or decrease. Current law premium estimates in this chart, as well as proposed premium increases, assume the same proposed cuts in total Part B outlays.

Financial Burdens of Out-of-Pocket Spending by the Elderly, 1985

(Judith Feder, William Scanlon, and Marilyn Moon)

At 7.4 percent of all federal outlays, Medicare has become a prime target for efforts to control the federal budget. One strategy to reduce federal spending for Medicare is to increase the amount elderly citizens contribute to its financing—primarily by raising premiums. The Reagan administration has proposed raising the Medicare Part B premium over time, so that in 1990 that premium would finance 35 percent of Part B expenses, compared to the 25 percent it now finances. Relative to other proposals to raise the elderly's contributions, the proposed premium increase has several advantages. It spreads the new financing across all beneficiaries, not just people who use care; therefore involves relatively small dollar amounts per person ($70 annually) if fully applicable in 1984, and is simple to implement.

Unfortunately, this proposal's equal treatment of all elderly raises serious questions of fairness. All elderly are *not* financially equal, and this proposal would burden the lower income elderly far more than the better off. The average expenses on medical care by the elderly, already absorb a share of income that can be considered "catastrophic." While the better-off elderly may be able to contribute more to their medical care financing, even relatively small increases in charges to lower income elderly exacerbate financial burdens that are already extreme.

Health insurance is generally considered inadequate if it leaves insured people open to the risk of catastrophic expense, typically defined as expense exceeding 10 to 15 percent of income. In 1984, elderly citizens spent an average of 13.3 percent of income on medical care. That figure clearly falls in the catastrophic range and does not even include spending on nursing home care, which all by itself is catastrophic for most people who use it.

Averages, however, disguise the variation that occurs among the elderly. The poorer elderly experience far greater burdens than the better off (Table 1). More than a quarter of the elderly with incomes less than $5,000 spent 18.3 percent of their incomes on medical bills in 1984, compared to less than four percent for the small proportion of elderly with incomes above $20,000.

Proposals to increase the elderly's contributions to Medicare-financing would exacerbate these burdens, hurting the poorest the most. Had Part B premiums equalled 35% rather than 25% of costs in 1984—as the administration proposes for 1990—the poorest elderly's out-of-pocket spending would have risen over 2 percentage points to reach over 20 percent of income. Increased premiums would raise spending for the most wealthy elderly only 0.6 percentage points, to 4.4 percent of their incomes.

Private insurance that supplements Medicare does not mitigate the greater burdens on the lower income elderly (Tables 2 and 3). Lower as well as higher income elderly purchase Medigap policies. But even with these policies people with incomes less than $10,000 face out-of-pocket burdens that are two-and-half times greater (as a percent of income) than those of people with incomes greater than $10,000.

Not surprisingly, out-of-pocket burdens are greatest among the sick. If an elderly person needs to use the hospital (and more than a fifth do, every year), burdens are enormous (Table 4). Elderly people who used the hospital spent almost 20 percent of their income out-of-pocket, compared to 11.6 percent by people who did not need a hospital stay. Again, this average disguises the discrepancy in burdens across income groups. Hospitalized people with incomes below $10,000 spent 22.7 percent of their income out-of-pocket, compared to 12.1 percent spent by people with incomes above $10,000.

TABLE 1.—OUT-OF-POCKET SPENDING AS PERCENT OF INCOME FOR MEDICARE BENEFICIARIES, BY INCOME

Income	Current benefits [1]	Expenses [2]	Proportion of elderly
Less than $5,000	18.3	20.6	27.7
5,001 to 10,000	14.0	15.9	42.2
10,001 to 15,000	9.2	10.5	16.1
15,001 to 20,000	7.6	8.7	8.0
More than 20,000	3.8	4.4	6.0
Less than 10,000	15.7	17.8	70.0
More than $10,000	7.7	8.8	30.0
All incomes	13.3	14.9	100.0

[1] Out-of-pocket spending under current benefits.
[2] Out-of-pocket spending with part B premiums increased to 35 percent of part B expenses.

TABLE 2.—OUT-OF-POCKET SPENDING AS PERCENT OF INCOME FOR MEDICARE BENEFICIARIES, BY INSURANCE COVERAGE

Income	Spending	Proportion of elderly [1]
Medicare only	10.1	16.9
Medicare and Medicaid	9.7	15.7
Medicare and private insurance	15.1	63.1

[1] Proportions do not sum to 100 percent, due to exclusion of the elderly who are not covered by Medicare.

TABLE 3.—OUT-OF-POCKET SPENDING AS PERCENT OF INCOME FOR MEDICARE BENEFICIARIES, BY INCOME AND INSURANCE COVERAGE

Income	Spending	Proportion of Elderly [1]
Medicare only:		
Less than $10,000	11.4	13.7
More than $10,000	4.6	3.2
Medicare and Medicaid:		
Less than $10,000	10.0	14.5
More than $10,000	[2] NR	[2] NR
Medicare and private insurance:		
Less than $10,000	19.4	39.0
More than $10,000	8.2	23.7

[1] Proportions do not sum to 100.0 percent, due to exclusion of the elderly who are not covered by Medicare.
[2] Not reported due to insufficient sample size.

TABLE 4.—OUT-OF-POCKET SPENDING AS PERCENT OF INCOME FOR MEDICARE BENEFICIARIES BY HOSPITAL USE, INCOME AND INSURANCE COVERAGE

Income and insurance	With hospital stay	Without hospital stay
All elderly	19.7	11.6
Less than $10,000	22.7	13.8
More than $10,000	12.1	6.5
Medicare only:		
Less than $10,000	21.3	9.6
More than $10,000	[1] NR	[1] NR
Medicare and Medicaid:		
Less than $10,000	16.5	7.4
More than $10,000	[1] NR	[1] NR
Medicare and private insurance:		
Less than $10,000	26.1	17.5
More than $10,000	12.4	7.2

[1] Not reported due to insufficient sample size.

COMPARISON OF CHARACTERISTICS OF THE HEAVILY BURDENED ELDERLY AND HOSPITAL USERS WITH ALL ELDERLY

	All	Spending [1]	With hospital stay
Insurance:			
Medicare	16.7%	11.4%	11.7%
Medicare and Medicaid	15.7	15.3	21.6
Medicare and Private	63.2	70.3	59.5
Sex:			
Male	42.9	36.4	46.8
Female	57.0	63.6	53.2
Race: Nonwhite	8.5	6.4	7.5
Marital status:			
Married	55.1	49.6	52.5
Widowed	34.7	38.6	37.6
Average income	$9,523	$5,134	$10,311
Average age (years)	72.5	73.5	73.4

[1] Elderly spending more than 25 percent of income out-of-pocket.

Mr. KENNEDY. Mr. President, how much time remains? Mr. President, I yield myself 4 minutes.

The PRESIDING OFFICER. The Senator from Massachusetts.

Mr. KENNEDY. Mr. President, this amendment is designed to protect 30 million elderly and disabled Medicare beneficiaries against the unfair cuts in the Republican budget package. We went part way toward restoration of these cuts last week—and now we have the chance to finish the job.

This year is the 20th anniversary of the passage of Medicare. It is ironic that at the end of two decades, this budget package proposes to break the promise of one of the most successful social programs ever enacted.

We know that the original promise of Medicare has already been seriously eroded by runaway inflation and by harsh budget cuts already enacted into law.

The budget package before the Senate will take $9.6 billion out of the pockets of elderly and disabled Medicare beneficiaries over the next 5 years. These proposals are bad enough, but it is even worse that they come on top of deep cuts already enacted in the Reagan years that will take $11.5 billion from beneficiaries over the same period. As a result of the package now before us, plus budget cuts already enacted, America's senior citizens will have to pay an unacceptable $21.1 billion more for health care between now and 1990.

At the present time, Medicare covers less than half the health care costs of the elderly. America's senior citizens will be forced to pay an average of $1,800 this year out of their own pockets to purchase the health care they need. That $1,800 represents fully 15 percent of their total income—the same percentage they had to pay for health care in the dark days before Medicare was enacted.

We have heard a great deal in this debate about the administration's opposition to a tax increase. But in fact the premium increase is a tax that makes senior citizens pay more for Medicare. A tax by any other name is still a tax, even if it masquerades as a premium increase. Let there be no mistake—the Republican leadership package on the budget imposes a tax increase on Medicare that will make every elderly American pay over $100 more each year for the benefits they now receive.

Under current law, the annual part B premium is scheduled to rise from $186 today to $252 in 1990. That 1990 level is already $77 higher than it would be without the Reagan premium increases enacted in the past 4 years. Now the Republican leadership package wants to rub salt in the wound, by raising the part B premium to $364 in 1990. That is a new tax of another $112, on top of the $77 tax already enacted.

We all know that large numbers of the wealthiest corporations in America are paying no tax at all. More than half of America's 250 largest corporations paid no tax in at least 1 of the last 3 years, despite profits of $57 billion. But here, the Republican double standard comes into play. They say they oppose a tax increase—and then they offer a plan to tax 30 million elderly Americans by making them pay more for Medicare.

The Senate has already expessed its determination to preserve the Social Security COLA increase. But the true effect of the Medicare provision in the Republican package will be a back door cut in the very COLA we are trying to save. By 1990, the increased Medicare premium under the Republican proposal will eat up 40 percent of the Social Security COLA. And for the 15 million beneficiaries below the median Social Security benefit, the Medicare premium increase will absorb 60 percent of the COLA, and drive many elderly beneficiaries below the poverty line.

The leadership budget package is also objectionable because it delays Medicare eligibility by 1 month—from the first day of the month in which the beneficiary turns 65 to the first day of the month after the 65th birthday.

Over the next 5 years, this proposal will cost the elderly $1.5 billion. When the Finance Committee brought this idea to the Senate last year, their own figures indicated that 160,000 elderly beneficiaries would suddenly become vulnerable to uninsured illness during the month that their eligibility was delayed.

Two years ago, Congress recognized that it is wrong to raise the age of eligibility for Social Security. We should recognize today that it is wrong to raise the age of eligibility for Medicare.

Finally, the Republican budget contains another misguided provision that will penalize teaching hospitals under Medicare. Current law is designed to compensate these hospitals for the legitimate additional costs not recognized by the DRG system that they experience because of their commitment to provide health care. Precipitous elimination of this provision is unfair, and will only jeopardize the essential charitable care that these institutions now provide.

The issue before us on Medicare is the same one we faced on Social Security. Does Congress intend to keep the Nation's promise to care for the elderly in their retirement years? Social Security and Medicare are the twin pillars of dignity and security for 30 million senior citizens. I urge this Congress to honor the solemn commitment America has made—and to keep these pillars strong.

The PRESIDING OFFICER. The time of the Senator has expired.

Who yield time?

Mr. MATSUNAGA. Will someone yield me time?

Mr. KENNEDY. How much time remains?

The PRESIDING OFFICER. One minute remains.

Mr. KENNEDY. I yield 30 seconds to the Senator from Hawaii.

Mr. MATSUNAGA. Mr. President, as a cosponsor, I rise in strong support of the amendment offered by the Senator from Florida [Mr. CHILES] and the Senator from Massachusetts [Mr. KENNEDY].

Mr. President, I voted in favor of the earlier Packwood amendment No. 50 to reduce some of the Medicare and Medicaid cuts included in the budget package now before the Senate. We voted 93 to 6 last Friday, May 3, 1985, to approve the amendment of the chairman of the Finance Committee. I believe this vote demonstrates the concern of the Members of this body regarding the need to reduce the increase in out-of-pocket costs to the elderly; however, it goes only part of the way.

Over the past 4 years, major reforms have been made in the Medicare Program. The prospective payment system [PPS] has been implemented for reimbursing hospitals for the treatment of Medicare patients—fundamentally overhauling the Medicare part A reimbursement system. This and other changes in Medicare should be allowed to take effect before being undermined by yet another round of major Medicare cuts. Medicare cost containment measures have been enacted, many of which have added to the health care expenses of beneficiaries.

Mr. President, we should all be seriously concerned about the proposed cuts that directly affect our Nation's elderly beneficiaries. Although the home health copayments and part B deductible increase have been eliminated and the part B premium increase has been moderated by the amendment we passed last week, the budget package before us still retains proposals which require additional beneficiary cost sharing. Some of these proposals, such as the delay in eligibility and the increase in part B premiums, have been rejected repeatedly by this body.

Mr. President, the pending amendment takes us further down the road toward protecting beneficiaries from even higher out-of-pocket costs. It should be remembered that in 1984, Medicare paid about 45 percent of the elderly's medical bills. Senior citizens now pay an average of nearly $2,000 annually for needed health care. Fur-

thermore, there are many gaps in Medicare coverage. To cite a few examples: There is no protection against catastrophic expenses; there is no coverage for prescription medicine; there is limited coverage for long-term care; and there is a serious coverage deficiency relating to occupational therapy services, which hopefully can be ameliorated if S. 723, a bill which I introduced, is enacted into law.

While we need to control expenditures, the burden must not be unfairly borne by those who can least afford to bear it. Out-of-pocket expenses by older Americans for health care have actually increased in recent years. According to the House Select Committee on Aging, such expenses represented 15 percent of their mean income in 1984—up from 12 percent in 1977, and about the same percentage as in 1966 when Medicare was first established. High Medicare Program outlays are caused primarily by the rapid escalation of medical costs and by demographic trends. These systemwide cost inflation problems must be addressed in a comprehensive and lasting manner that is fair to beneficiaries.

Mr. President, I urge my colleagues to support the pending amendment.

Mr. PACKWOOD addressed the Chair.

The PRESIDING OFFICER. The Senator from Oregon.

Mr. PACKWOOD. Mr. President, it is understandable why this amendment is offered by my good friend from Massachusetts, the leading proponent of national health insurance in this body. What he wants to do is load every conceivable cost that he can onto the Federal Government. Take a look at the package we have. It is a $16.3 billion reduction over 3 years in a program that is going to cost $268 billion; $268 billion more we are going to spend. And you tell me we cannot find savings of $16.3 billion?

He mentioned beneficiaries. Let us look at where the $16.3 billion comes from freezing prospective payments to hospitals, freezing nonparticipating physicians, freezing chemical laboratory fee schedules, and on and on and on. A relatively slight amount comes out of the beneficiaries. When the initial package came here, a fair portion more in terms of Medicare and Medicaid came out of the beneficiaries. We have taken care of the great bulk of that problem.

At the moment, the so-called part B premiums for hospitals costs $15.50 a month now. If we do not change the law at all, they will pay $19.50 in 3 years. This says you will pay $3 a month more.

Second, he talks about the part B, $75 payment of physicians. We index it. It is hardly something that is going to bankrupt anybody.

Then he talks about the delay of eligibility, something that has overwhelmingly passed the Finance Committee twice.

Most people retire at 62. You are not eligible for Medicare until you are 65. between 62 and 65 they are indeed at risk.

His amendment, this bill or the present Medicare system does not take care of them. They find private insurance some place.

For those who do work until they are 65 and retire today on the 15th of the month, they become eligible for Medicare on the 15th of the month.

But interestingly, 90 percent of the people who are employed in this country who have health insurance, and that is almost everybody, 90 percent have a clause that covers them for 30 days after retirement.

So what is happening is Medicare is picking up this cost that could be paid for by their private companies.

Those are the three beneficiary positions that we slightly touch, roughly $1.5 to $2 billion the best we can figure out of a $16.3 billion package in total expenditures of $280 billion.

If we cannot find those kinds of savings in this kind of a program, there are no kinds of savings that can be found in any kind of a program.

Mr. President, I yield the floor.

Mr. KENNEDY addressed the Chair.

The PRESIDING OFFICER. The Senator from Massachusetts.

Mr. KENNEDY. Mr. President, when we passed Medicare some 20 years ago we passed it with the understanding that we were not going to penalize the senior citizens for the failure of this body or the national administration to deal effectively with health care cost control. If the health care costs went up or if we got into a deficit, we were not going to put those costs on the backs of the elderly people.

But, Mr. President, nothing the Senator from Oregon said has challenged that they are going to have to pay $21 billion more if this plan is enacted in combination with the Reagan cuts already enacted.

Mr. President, I ask unanimous consent that a statement by the Senator from Minnesota be printed in the RECORD.

There being no objection, the statement was ordered to be printed in the RECORD as follows:

Mr. DURENBERGER. Mr. President, if I may reply to the amendment of the distinguished Senator from Masachusetts, I will start, as I always do under these circumstances, with my compliments to the Senator for his sensitivity to the issues involved and for his long and distinguished record and commitment.

I agree with a lot of the things he said. I come to different conclusions, however, which I rise now to strongly present my opposition to his amendment.

Clearly, the first thing I agree with is the statement he made after he explained his charts to us. That is the whole issue that we are dealing with today in the middle of reconciliation looks to America like a budgetary issue of balancing the deficit on the backs of elderly Americans. In reality, it is a much larger issue that we desperately need to deal with, and we ought to make it the No. 1 issue before this Congress when we return in January.

Let me start out with one minor clarification. Before I came to the floor, I was informed that the Senator had additional remarks and made reference to the Finance Committee package as the Republican package. If I am correct in that information, I certainly want the record to show that on passage of this package of medicare amendments, the vote in the Finance Committee was 20 to 0, a unanimous bipartisan agreement.

With regard to the premium provisions which are part of the Senator's amendment, the vote was 17 in favor and 3 opposed. Among the three opposed, one was Republican and the other two Democrats.

Mr. President, let me make a couple of general remarks, again by way of clarification.

The medicare program is composed of two separate programs. Part A of medicare covers inpatient hospital services and is a statutory earned right benefit. Part B, on the other hand, is an optional supplemental insurance program that covers physician and limited outpatient services.

Senator Kennedy's amendments deal only with part II of medicare, the premium-related issues and his other amendment that deals with physician fee freezes. I want to emphasize that what we are talking about here is part B, the doctor portion of medicare. And I think most of our colleagues understand that there is some difference between these two programs besides the kinds of services they cover and their respective costs.

Part A, the hospital insurance program, is often referred to as an entitlement program. Part A is funded entirely out of the medicare trust fund, which is, as we all know, paid for by a payroll tax on all employed persons in this country.

When we talk about the problems that medicare is facing, when talk about the big red cliff we are starting to slip off of on the Senator's chart, we are talking about part A of medicare—the hospital expense portion of the program. And this is the program that is costing you and me 1.3 percent of our payroll today.

These amendments, however, do not address the financial instability of the hospital insurance trust fund. They only pertain to part B, which was designed to be an elective health insurance program for the elderly. It was originally designed to provide outpatient doctor and medical services at less expenses than could be provided in the private insurance market. In that respect, I think we ought to look at if as an insurance program.

Part B is financed entirely from general tax revenues. It is not payroll specific. We do not have an alcohol tax, a cigarette tax, or some other kind of dedicated tax going into this fund. It is the general revenue fund which pays a significant portion of is cost.

From the beginning of this program, to keep it in the context of traditional insurance, the decision was made that half of part B program costs would be borne by the Government and half of the program costs would be borne by the person buying the insurance.

But things have changed since 1965. What has changed about this particular insurance program is that we have largely done nothing about controlling the percentage that you and I, were we 65 or older, contribute to the total of these program costs.

That particular percentage has been slipping back and back to where it got back to the point, in the last few years, where it totaled something slightly less than 25 percent of those program costs. The Government's share, on the other hand, the part that comes out of our general tax dollar, is the proportion of these costs that has been getting larger and larger, So, when you look at the Senator's charts, you see inflation rising and hospital costs rising. And the Government's share of part B program costs is picking up a large share of these inflation cost increases. The beneficiary's contribution to program costs has been staying pretty level, while the general taxpayers have been bearing the burden of health care inflation.

That is a point that I shall try to deal with in more specific terms, but let me go back and make a general comment that fits into the general context of who is bearing this cost burden. The hard defense for medicare is that unless we have elderly parents, as the Senator and I and many of the people in this room have, there is a presumption that when we talk about the elderly, we are talking about an impoverished part of our population. So when the Senator says we are loading more and more of the burden of inflation on the elderly, you have the picture of the bag lady on the streets of New York sinking under the weight of medicare. But I guess that just "ain't necessarily so," Mr. President. My mother and father are not sinking under that load. Yes, it is a load, but they manage to provide the capacity to deal with it. Claude Pepper, I am sure, has the capacity to deal with it on the kind of income he takes in.

But there are a lot of people who cannot afford to carry this load, and yet we charge millionaires and the poor the same amount to purchase coverage under part B of medicare. This is not, however, the place to debate that issue. But that is why I have introduced legislation that reduces part B premiums for the poor and requires those that can afford it, to contribute a greater share of their income to the costs of the part B program. Hopefully, next year, we will be ready to debate his issue.

The Senator also indicated that all of these people are not the cause of the problem and therefore, why should we penalize them? I think it is a fair statement to say that we cannot blame my mother for the facts on those charts. But she has contributed. And so have all the rest of our moms, and so have you and I, Mr. President. We have all, in one way or another, contributed to the growth of our Nation's health care costs.

As employers, we have given people something called health insurance and it is not health insurance anymore; it is a free ride on the health care system. It is a ride that says it does not cost you anything to get sick in this country. Medicare agreed to pay Barney Clark $200,000 to experiment with an artificial heart. He had the opportunity to experiment because he smoked 2½ or 3 packages of cigarettes every day for 25 years. But there are no penalties for unhealthy lifestyles. Only rewards: If you smoke, we shall take care of you.

There was a recent Tax Court decision where a man had emphysema. It was so bad, his doctor told him he had to get exercise to help his breathing. The doctor suggested swimming so he built a swimming pool next to his house and the Tax Court let him take $25,000 off his taxes for that pool.

Now he got the emphysema because he smoked three or four packs of cigarettes a day. We all contribute to the rise in health care costs. I can tell you about my visits to the orthopedist because I had this pain in my back and if I had taken better care of myself, would I have run up that bill? We can all tell stories about how, in one way or another, we all contribute to this problem.

I think what the Senator from Massachusetts has been at for a number of years and what I have been at for a lesser number of years is recognizing that fact and trying to deal with it. Today I feel we are not in agreement as to how to deal with it.

I believe in making people face up to the financial consequences of their actions. We are contributing in part to this recognition through copayments and deductibles. Particularly when we get to the part here on the part B deductible. Although it costs you an extra 3 or 4 percent each year, to go into the hospital, it also is an incentive to find out from your doctor if maybe he could do it at the clinic rather than send to the hospital. So does it hurt to have a $75 bill that goes up to a $79 bill and then an $83 bill just to say, "Hey, Doc, do I really have to go into the hospital?"

So, in part, what the Finance Committee is proposing, even though it may look as though we are, in the words of the Senator, loading more of the burden of inflation on the elderly, is that whether you are young, old, middle-aged or whatever, it is appropriate for all of us to be part of the solution to the problem of increasing health care costs. It is incumbent upon us here not to load the whole financial burden for solving this problem on any one section of the population.

What has the Finance Committee done over the last 4 years or proposed that we do here in the Senate? The so-called medicare savings, the savings from the growth in medicare—where has that burden fallen? Without the provisions in the Finance Committee proposals, 56 percent of the so-called savings, the cuts in medicare, would be on hospitals; 22 percent would be on beneficiaries, 8 percent on physicians, and the balance on all other providers. So, in other words, 22 percent would be on beneficiaries and 78 percent would be on the providers out there—the hospitals, the doctors, the nursing homes, and so forth.

If you adopt the committee provisions, the Senator is correct that, to a degree, a part of that burden is somewhat larger for the beneficiaries. It goes from 22 percent to 28 percent. But still, Mr. President, 72 percent in the last 4 years, or over a 4-year period of time, is being pressed on the provider. So on an equity basis, if you will, I support this small increase. Regardless, three-fourths of the cuts in medicare have been loaded on what has been up until recently a basically cost insensitive provider system: the hospitals, the doctors, the nursing homes, and so forth.

To look at the per capita, from the standpoint of the individual, per capita out-of-pocket costs in 1984 for health care will equal 15 percent of an older person's average income. That is the same as in 1966 before medicare was fully implemented. So, as a percentage of my mom's income, what she has to pay out in health care out-of-pocket expenses today is the same as it was in 1966. But assuming she was a recipient in 1966, what does she have today that she did not have then? I shall just name a few things and this is not all inclusive: kidney dialysis, artificial hips, coronary by-pass surgery, CAT scans, and a variety of other things out there that prolong her life, enriching her life, providing opportunities for her that were not there for the same percentage of her income almost 20 years ago.

According to some experts who recently testified at a conference the House Ways and Means Committee held on the future of medicare, about 30 to 50 percent of hospital cost increases today can be attributed to improvements in treatment and technology.

Now, there is no doubt about the fact that elderly in this country are getting more under medicare today than they were in 1966. One sure way to contain costs is to limit available treatments to what they were in 1966, but I am not going to ask that of my mother and I do not think that is fair to ask of anybody in this country. All we are asking is that the elderly bear a share of the cost of these extraordinary medical advances, most of which benefit people 65 and older.

If we fail, Mr. President, to contain medicare costs, it hurts everybody, including the beneficiaries. The depletion of the medicare trust fund imperils the benefits that senior citizens depend on, and a deficit fueled by growing medicare costs drives interest rates higher and higher for everybody.

Without the medicare changes contained in the committee amendment, the cost of the program will increase by approximately 12.2 percent between 1985 and 1986. Even with the modest changes, we suggest the rate of growth will still be 10.8 percent.

The easiest answer for containing medicare costs is for Government to simply pay hospitals and physicians less. That was, I think, the reference of the Senator from Massachusetts to the old hospital cost containment legislation that we had on this floor back in 1979 and 1980. The theory is just to regulate away health care cost increases, but, unfortunately, Mr. President, it just is not that simple. If hospitals do not get enough money, what do they do? They ration services. It is inevitable. That has happened in Great Britain, and I could probably haul out a lot of examples of it.

The best way to contain costs is through a balanced approach such as that we believe is contained in the Finance Committee bill, an approach that encourages efficiency and discourages unnecessary utilization. Beneficiary cost sharing is a very important element of an efficient medicare program as it is a necessary element of any health insurance program.

The idea of cost-sharing, as I indicated earlier, is to deter unnecessary utilization and thereby to dampen the spiraling health care costs as we have demonstrated by studies time and time again. The most comprehensive study to date found that higher copayments do deter unnecessary utilization. While that study did not include the elderly, it demonstrates what we all know, and that is that free care leads to increased use of medical services.

Under the medicare program, for example, between 1971 and 1980, the average number of home health visits per 1,000 enrollees, which requires no cost-sharing increased by 297 percent. So it is not unreasonable to ask our senior citizens to share to a degree on the cost of medical care. Their share is manageable. The majority of people, 57 percent of the noninstitutionalized elderly in 1980, had out-of-pocket ex-

penditures of less than $200. Ninety-four percent had out-of-pocket expenditures of less than $1,000. The median of all out-of-pocket expenditures was a mere $153.

Reform of beneficiary cost-sharing is needed but not in the form that these amendments take. What is needed is catastrophic expenses protection, protection medicare beneficiaries do not now have. A medicare patient in the hospital for 150 days could under present law incur $13,000 in out-of-pocket expenses. That, Mr. President, is unreasonable, and it is for that reason I have introduced legislation to provide beneficiaries with catastrophic expense protection.

Just a couple of comments, Mr. President, specifically about the part B premium. The President, just before we came back to this effort this year, had specifically requested that we make every effort not to place an unreasonable burden on beneficiaries. As a result the original Finance Committee proposal, which was to increase the part B premium to 35 percent of program costs, passed by a majority vote and a bipartisan vote, was thereafter modified. The final proposal now holds the premium at 25 percent of program costs.

As I indicated earlier, part B premiums were originally designed to cover 50 percent of program costs but has now slipped below 25 percent. The committee is merely proposing that we, as an insurance program, hold it to 25 percent of program costs. If permitted to revert to current law, the premium would represent only 18 percent of program costs for the elderly by the year 1989.

Over the last 10 years, beneficiary part B premiums have increased 94 percent while the Government contribution to the costs of part B, as we illustrated earlier, have increased by over 275 percent. When compared to other cost indices for the same time period, part B premium increases have fared well.

The part B premium has gone up 94 percent. The cost of transportation has gone up 142 percent, the cost of housing has gone up 135 percent, and the elderly average cash benefit from social security has been increased 155 percent. So the income from social security has gone up 155 percent, and the cost of other things that the elderly depend on like housing and transportation has gone up more than has the percentage of income the elderly contribute to the part B premium.

I would remind you again, Mr. President, that only one-third of the cost of the medicare programs is in part B. The other two-thirds, $44 billion in fiscal 1984, is in part A, the hospital part, where there are no contributions other than the deductible for the first day in the hospital and some other deductible later on in the stay.

Insurance premiums increase as the cost of care increases. Availability of more and better services has contributed to the rising cost of health care. If part B only covered the services it covered when the program was enacted, we could easily keep the premium costs to a minimum. So when we say that Government's part B expenses have increased 275 percent over 10 years, we are really saying that the taxpayer's expenses have gone up. Are we now going to tell working Americans that they not only have to shoulder the burden of their own health insurance premium increases, they not only have to share the burden of increased expenses for part A but also an increasing share of an insurance program for elderly Americans that has in it no test for means?

Mr. President, I conclude with some remarks about the Senator's proposal to index the part B deductible. I think he said. If I heard him correctly that the reason for the amendment is to overcome the Finance Committee proposal which has the effect of preventing people who are most in need of doctor care from receiving such care.

Well, let me give you some numbers for the record. First, the Finance Committee proposal is for 3 years only. Second, the 1981 Reconciliation Act increased the part B deductible by 25 percent from $60 to $75. Prior to this amendment, the deductible had remained at $60 since 1972. And you can go over and look at the Senator's chart if you want to know what happened to the cost of services under part B since 1972, but the deductible stayed at $60 until we moved it to $75.

Since 1981, benefit payments have increased by an additional 80 percent. Between 1972 and 1981, benefit payments per enrollee increased by 250 percent. Since 1981, per enrollee payments have increased by an additional 56 percent, and they are expected to continue to increase by 13 percent a year for fiscal year 1988, at which time the average benefit payment per enrollee could exceed $1,130.

The deductible was intended to reflect a portion of program costs, and it failed to do so because it has been fixed too long too low. The real value of the deductive will continue to erode if no increase is put in place. Will this prevent people from going to see a doctor?

In 1985, the deductible was increased by $3 a year, or less than 4 percent, while part B costs are expected to increase by 16 percent. In 1986, it would go up to $82; that is a $4 increase. In 1987, it would go up to $86; that is a $4 increase or a 4 percent increase.

Mr. President, I know there are others who want to speak to the issue, particularly the chairman of the Finance Committee. I will conclude, perhaps, where I started, with my compliments to the Senator from Massachusetts for these annual or semiannual visits we pay to the floor on this subject and the growing frustration on the part of each of us that, this body—and I suppose that means this country—cannot raise the burden of the cost of health care to the level where it might be the No. 1 issue when we return here in January.

The Senator from Massachusetts and I have somewhat differing views on how to solve that problem, but they seem to be getting closer and closer all the time. In 1979, when he was fighting for hospital cost containment, Dick Gephardt and I were talking about choice and competition. Now, Gephardt is talking to me and the Senator from Massachusetts, which I assume means that, somehow or other, I must be leaning from my direction toward the middle and the Senator from Massachusetts may be leaning from his direction toward the middle.

I hope that the help that he and others on both sides of the aisle have given on prospective payments on expanding that in the future, on competitive medical plans, on providing realistic State waivers such as he has in Massachusetts for peer review, for taking a look at catastrophic and the problems of long-term care, which helps to raise that issue, for dealing with the poor, dealing with the issues of high tech, issues of medical education, issues of capital, on which there is very little difference among us—I hope that we can continue that part of the process, even though we disagree here today about the impact that small additional cost-sharing for the beneficiaries of this system may have on their access to the system.

The reality is that the things I have just talked about—the move to prospective payment, changing the way we think and the way providers think about the way they deliver health care—are very significant. Moving to vouchers is very significant.

A lot of the reform we have engaged in sort of behind the scenes, without this elaborate debate, has changed the system, and it is starting to work. The estimate that the actuaries for the medicare trust fund have today as to how much that trust fund is going to pull in for the next year is actually $6.5 billion less than they had anticipated last year. That is not because we cut money out of the fund. It is because there is that kind of reform taking place in the delivery system.

I suggest, Mr. President, that in part, that is due to the fact that each of us, as purchasers of health care, is more sensitive to our role in that purchase decision. Also, we are more sensitive to the role that our health itself plays in those figures. For that reason, I will urge my colleagues to oppose the Senator's amendment.

I think each of the proposals we have made has been sensitive. It has had a purpose to it that is different from just balancing the budget on the backs of beneficiaries. I do not think it is overly burdensome toward any one group of people or any one institution who all contribute in one way or another to the problem.

The Finance Committee says it should be 25 percent to the beneficiary, 75 percent to the provider. It seems to me that that is a pretty equitable distribution of the burden of reform in this process.

Mr. President, I yield the floor.

Mr. DECONCINI. Mr. President, I strongly support the amendment offered by Senator Kennedy to eliminate the provisions in the Finance Committee bill which would increase the part B premium and part B deductible for medicare beneficiaries.

Mr. President, I share all of my colleagues' concerns over the long-term solvency of the medicare system, but I do not believe the complexities of the problem can be resolved in a piecemeal fashion, nor do I believe that those least able to afford it—medicare beneficiaries—should be asked to shoulder a disproportionate share of the burden.

Under the Finance Committee bill, the part B premium will be increased to an amount necessary to cover 25 percent of program costs. This will cause the current premium rate of $175.20 annually to almost double by 1990. If Senator Kennedy's amendment is adopted, the premium will increase by no more than the increase in the social security COLA, thereby insuring that medicare beneficiaries will not have to expend an increasing proportion of their limited incomes on health care.

It is important to note that the elderly already spend an average of $1,500 per person, or $1 in every $7 of their incomes, on medical care each year. Much to the amazement of many Americans, medicare only covers approximately 40 percent of the elderly's medical care expenses. The burden on medicare beneficiaries would clearly be exacerbated if the Finance Committee bill is adopted.

Senator Kennedy's amendment would also eliminate the provision of the Finance Committee bill which would increase the medicare part B deductible from the current level of $75 a year to $82 a year by 1990.

While this increase is not large, it is symbolic in the eyes of medicare beneficiaries, many of whom fear that health care, even with medicare, may soon be beyond their reach. I cannot in good conscience support any action which would make their fear a reality.

Mr. President, the Finance Committee bill contains provisions which amount to $9 billion in medicare cuts. Of this amount, beneficiaries will be required to contribute $3.7 billion while physicians will contribute only $1.5 billion and hospitals $1.4 billion. This, in my view, is neither a balanced approach to medicare reform, nor is it an equitable solution. All components of the health care delivery system should share proportionately in solving medicare financial woes. Beneficiaries should not, once again, be asked to contribute the largest portion of the reductions incorporated in the Finance Committee package.

The bottom line, it seems to me, is whether health care in this country is a right or a privilege. If it is a right, as I believe it is, then we should not participate in any action which may put that care out of the reach of the millions of our senior citizens. We should not place our senior citizens in a situation where they are going to have to choose among adequate food, shelter or health care. I, therefore, intend to vote for the Kennedy amendment and urge my colleagues to support it.

Mr. KENNEDY. Mr. President, I ask for 1 more minute or we will have a lot of whereas clauses in the rest of my amendments to take up some time.

Mr. CHILES. I yield 1 minute off the resolution.

Mr. KENNEDY. Mr. President, I would like to read into the RECORD what Senator DURENBERGER, the chairman, said last year when this issue was before us.

Just a couple of comments, Mr. President, specifically about the part B premium. The President, just before we came back to this effort this year, had specifically requested that we make every effort not to place an unreasonable burden on beneficiaries. As a result the original Finance Committee proposal, which was to increase the part B premium to 35 percent of program costs, passed by a majority vote and a bipartisan vote, was thereafter modified. The final proposal now holds the premium at 25 percent of program costs.

Mr. President, this proposal before us is that identical proposal modestly funded back to 30 percent. The President evidently thought it was burden to the elderly last year. I just wonder whether our senior citizens are safe only in election years.

The PRESIDING OFFICER. The time of the Senator has expired.

The Senator from Oregon.

Mr. PACKWOOD. Mr. President, when this program started in 1965 under the so-called part B premium, the beneficiaries were going to pay 50 percent of it.

Mr. President, they now pay about 25 percent. The initial package had them paying 35 percent; the Durenberger-Heinz-Chafee-Packwood amendment cuts that to 30 percent—not 50 percent, which is where we said they should be when we started the program.

I yield to my friend from Texas.

Mr. GRAMM. Mr. President, I thank the Senator for yielding.

When the program started in 1965 and was signed into law, the President said at that time that part A was only going to cost 25 cents per month per person. Now it is $176.50. When my mama signed on to the program, she was paying 50 percent of the premiums. We are debating whether she is going to pay 30 percent of the premiums in 1990.

To talk as if we are denying benefits to people under the reform of this program is a great misstatement of the facts. Medicare is easily one of the most generous benefits that has ever been granted. All we are trying to do here is hold the program in the black, trying to make responsible changes.

The primary thrust of this proposal is to try to institute cost control. I think it is irresponsible to try to add back money that can be saved, that should be saved, for the working people of this country.

I thank the Senator for yielding.

MEDICARE BENEFICIARIES SHOULD NOT HAVE THEIR BENEFITS CUT

Mr. RIEGLE. Mr. President, I rise to support the amendment being offered by Senator KENNEDY to strike the out-of-pocket increases contained in the leadership package. This amendment will restore the cuts being proposed in the Reagan/Republican leadership budget compromise plan. I believe that the Reagan administration's attack on Medicare represents a major shift of direction which threatens to reverse two decades of progress made in improving access to health care services for the elderly and the disabled.

In every year since this administration has been in office, there has been major legislation adopted which has deeply cut into the Medicare Program. Medicare spending was reduced by $15 billion in Reagan's first term. These cutbacks would have exceeded $30 billion if Congress had not balked and refused further reductions. The House Ways and Means Committee has recently costed the Medicare cutbacks through 1988. It is estimated that without further changes in the law, close to $45 billion will be cut from the program by 1988.

Medicare is again being scrutinized for additional spending cuts to help finance the President's ballooning budget deficits. The Reagan/Republican leadership compromise budget plan calls for an additional reduction of $4 billion in fiscal year 1986, and $18.4 billion over the next 3 years. These savings will come not only from providers, but from beneficiaries once again. The compromise package calls for an increase in both the part B—supplemental medical insurance—premiums and the part B deductible. There is also a provision for the institution of a copayment for home health care services. Each change represents an increased cost to the elderly.

It is estimated that the out-of-pocket expenses for the elderly in 1984 was $1,500 for health care and is estimated to increase to $5,000 by the year 2000. The amount that seniors now pay for out-of-pocket health care expenses is equivalent to what was paid prior to the creation of the Medicare Program.

This amendment will restore those additional cuts to beneficiaries which have been included in the Reagan/Republican leadership compromise package. This amendment will prevent the increase in the part B premium which the plan would increase from 25 percent to 35 percent of program costs. It would also prevent the increase in the part B deductible. In addition, this amendment would prohibit the initiation of a home health care copayment. Finally, it would eliminate the provision which would have delayed Medicare eligibility for 1 month after one's 65th birthday.

Mr. President, I urge all of my colleagues to join us in rejecting the increases in the out-of-pocket costs for our Nation's seniors and disabled persons.

Mr. HEINZ. Mr. President, last week I joined with the distinguished chairman of the Finance Committee in offering an amendment which substantially reduces the proposed out-of-pocket costs for health care services paid by Medicare beneficiaries.

Today we are faced with another amendment which, it is claimed, is necessary to eliminate any cost increases beyond current law to elderly Medicare beneficiaries. It will also reduce deficit reduction even further. While the intent of the amendment is praiseworthy and something I unhesitatingly support, the amendment offered by the distinguished Senators from Florida, Massachusetts, and West Virginia, either overshoots the mark or is entirely unnecessary to protect senior citizens. It is therefore fiscally irresponsible.

Before discussing the relative merits of the Chiles/Kennedy/Byrd amendment, it is important to review what the Senate has already done to relieve the burden on Medicare beneficiaries when it enacted an amendment I cosponsored with Senator PACKWOOD. That amendment, which was aimed totally at reducing cost sharing by beneficiaries, would save a total of $16.3 billion over the next 3 years out of a total anticipated Medicare expenditure of $216 billion, or about 7½ percent. Virtually all of this relatively modest savings can and should be achieved by holding down payments to providers—Mr. President I emphasize

providers not beneficiaries—and eliminating waste, fraud, and abuse.

The amendment we passed last week retained the full participation of physicians and hospitals in the effort to control Medicare costs while at the same time eliminating major cost-shifting onto beneficiaries. First, the amendment eliminates the copayment on Medicare home health visits, which in effect, would have been a tax on the sickest and most frail citizens. At a time when patients are being discharged from hospitals sicker and quicker under the new payment system, this amendment assured that we would not be making it even more difficult for them to receive urgently needed medical care at home.

Second, our earlier amendment also eliminated the increase in the part B deductible, and slowed the rise in the part B premium to a reasonable level. It also reduced the cut in direct medical education funds in those hospitals that tend to provide much of the care to the poor and uninsured.

Moreover, Mr. President, our amendment provided substantial protection to the Medicaid eligible population—our poorest citizens—by eliminating the proposed "cap" and by reducing proposed cuts by nearly $1 billion. A "cap" would have changed the very nature of the Medicaid Program and would have jeopardized our fundamental commitment to low-income persons. I am speaking of older Americans in nursing homes, SSI recipients and AFDC families. We cannot turn our backs on persons who most need and deserve some protection. Our amendment acknowledged the commitment of this body to protect the truly needy.

The Chiles/Kennedy/Byrd amendment would increase the deficit by approximately $4.6 billion. The proponents of this amendment claim that their primary purpose is to relieve the burden on the Medicare beneficiary. But even if my contention that the savings required by the Packwood amendment can be obtained without any extra financial burden on beneficiaries proves to be an inaccurate prediction, this amendment does much more than that. It would, for example, add back to the budget over one-half billion dollars for payments to hospitals by allowing an additional one-quarter percent adjustment over the hospital market basket in fiscal years 1987 and 1988.

Mr. President, I am sympathetic to the concerns of those hospitals, especially the large inner-city and small rural institutions, which are being badly squeezed by the new prospective payment system. We must ensure the financial viability of these institutions so that essential care continues to be provided to the most needy of citizens of our cities and towns.

While a few hospitals may be financially strapped, I also know, however, that most hospitals are faring quite well under the new Medicare system. In fact, the American Hospital Association just released data indicating that in 1984, the hospital industry showed its healthiest bottom line in 20 years. Specifically, the data indicate that the hospital industry's margin—the revenues left after paying expenses—increased to 6.2 percent in 1984. This is 1.1 percent higher than in 1983, and the highest figure since the AHA began tracking the statistic in 1963. This means that for the proprietary hospitals, profits were up over last year; for the nonprofit hospitals, this means additional revenues were available to plough back into capital expenses or future operating costs. While this statistic should not, in itself, be the sole criterion by which to set Medicare's hospital payment rates, it does suggest that most hospitals are faring well enough to pull some additional weight in this major deficit reduction effort.

Let me say at this point, Mr. President, that I address my colleagues as someone who is proud of my record as an advocate for America's older citizens. I have great respect for my colleagues on the other side of the aisle who argue that their amendment is needed to protect the elderly. But I yield to no one when it comes to defending older Americans and fighting against unfairly burdening them in the interests of deficit reduction.

Last week, I voted to eliminate the proposed 3-year reduction in the Social Security cost-of-living adjustment. I did so because the proposal in the budget resolution was bad policy and it was unfair. I believe that many of this Nation's elderly are willing to do their part to help bring down the deficit and will support a balanced plan that includes some financial sacrifice on their part as long as it protects the needy and those with low incomes. But it is inappropriate to ask them to accept a multiyear reduction in their COLA's which would have forced more than 600,000 persons into poverty.

Our efforts to reduce budget deficits must protect older Americans from excessive increases in out-of-pocket costs. Let's be clear why. Today, the elderly are paying in excess of $1,500 each year for health care. This means that they are paying the same percentage of their income as they did before Medicare was enacted.

For a number of Americans, $1,500 may be affordable. But it's not affordable to an elderly widow trying to get by on the average Social Security benefit of $400 a month.

Some will argue that the lowest income elderly receive additional support through in-kind benefits, such as food stamps, Medicaid, and housing subsidies. It is true that these essential programs allow some of the elderly to keep their heads above water.

Unfortunately, however, many elderly poor are not eligible for participation or are not enrolled in these programs. These are the most vulnerable citizens who fall through the cracks.

There is a common misconception, for example, that the elderly poor are all protected by Medicaid and any changes in Medicare will not affect them. But today, there are over 2 million older Americans who are below the poverty line—roughly $5,000—who are not covered by Medicaid. On top of that, there are an additional 6.2 milion elderly without Medicaid coverage who have incomes below $10,000 per year. Together, this represents 40 percent of all noninstitutionalized Medicare beneficiaries.

It is this group, Mr. President, that we must protect. If we had not enacted the Packwood amendment, many older Americans, including the poor and near-poor, would have been forced to pay an additional $200 out-of-pocket in health care costs each year by 1990. This surely would have forced many of them to forgo other needs in order to pay for their essential health care services. For those teetering on the edge of poverty, there is no margin for absorbing additional costs.

Some would argue that our amendment did not go far enough in reducing the burden on beneficiaries. Let me say, as a member of the Senate Finance Committee, I am confident that we can achieve additional savings to reach the Medicare savings target in order to avoid further burdening elderly beneficiaries. For example, if we were to implement a mandatory second surgical opinion program, we could save the Medicare Program $500 million or more, while reducing unnecessary surgery and saving lives. In addition, by eliminating waste and abuse in the health care industry, we could save the Federal Government millions of dollars each year. In the case of pacemakers alone, we could save $96 million a year, if we just required the pacemaker industry to make good on its warranties. There may be as much as $500 million per year costs to Medicare—and unnecessary health risk to seniors—because of unneeded pacemaker surgery and implantations.

Mr. President, given the task before us—to get the deficit under control—I do not believe that the Chiles/Kennedy/Byrd amendment is fiscally responsible. If we don't get our fiscal house in order this year, I am convinced that we are in real danger of losing control of the deficit crisis. Interest payments on the national debt are the fastest growing part of the Federal deficit—the cost of servicing the debt is growing faster than defense and it's grow-

ing faster than any entitlement program. That means that we're closing out policy options for the future, and leaving our children and grandchildren with the responsibility of paying for our extravagance.

Mr. President, we have already taken a significant step toward protecting elderly beneficiaries and the poor. If times were different, perhaps we could afford the Chiles/Kennedy/Byrd amendment, even though it is not necessary to protect beneficiaries given the other means we have to save costs. But in this current climate, this amendment is an unnecessary expenditure which we simply cannot afford. If we cannot cut unnecessary costs here how can we say "no" to equally unnecessary spending in the other 94 percent of the Federal budget. We need to cut unnecessary spending in the Pentagon and every other agency. I believe we can do this without hurting people, lowering our aspirations, or jeopardizing our national defense, but we cannot do anything if we vote for each attempt to add unjustifiable costs to the budget. I therefore urge my colleagues to vote no on the Chiles/Kennedy/Byrd amendment.

Mr. BRADLEY. Mr. President, I rise as a cosponsor of the amendment offered by my colleagues from Massachusetts [Mr. KENNEDY] and Florida [Mr. CHILES] to reduce the Medicare and Medicaid cuts included in the budget now before us.

Mr. President, one of the most important parts of this amendment is to strike the increases in the Medicare premium and the deductible. The budget originally assumed that the Medicare premium paid by the elderly will be increased from 25 percent to 35 percent of total program costs. This would more than double the premium—from the current figure of $15.50 a month to about $36 a month by 1990. And this is on top of the doubling of the premium that has already occurred since 1980. It is my understanding that the amendment we adopted last week reduced the increase from 35 percent to 30 percent of costs. But even still this level represents a doubling of the premium by 1990.

Unless we amend this budget, Mr. President, the elderly will be forced to pay an additional $700 between now and 1990 for their health care. This is simply unfair.

It must be kept in mind, Mr. President, that health care now takes as much of older Americans' median income as at the inception of the Medicare program. On average, Medicare beneficiaries pay an estimated $1,500 per year in out-of-pocket medical costs—almost 30 percent of their total health bill. This trend, combined with increasing health costs, is forcing many elderly Americans on fixed incomes to make hard choices between health care and necessities like food and shelter.

Mr. President, the amendment also eliminates further cuts in Medicaid. The budget originally assumed that a cap would be placed on the Medicaid Program. The effect of this cap would be to turn this program into a block grant, thereby significantly reducing over time the health care protections in current law. In New Jersey, this proposal would result in a $64 million loss of reimbursement for care provided under the Medicaid Program. This will present a severe strain on the State's budget and on hospitals' capacity to provide health care for the poor. In addition, the Medicaid cap jeopardizes implementation of the New Jersey "Medically Needy" Program, which has the potential of serving 100,000 low income children and 100,000 low income elderly. While the amendment that we adopted last week eliminated the cap, the budget still assumes over $1 billion in 3 years savings for Medicaid. This amendment eliminates all further cuts in Medicaid.

In addition, Mr. President, this amendment provides modest increases in reimbursements for doctors who participate in Medicare and reduces the level of cuts by $0.7 billion over the next 3 years for medical education. We all know that savings can be made in reimbursements for providers. But the proposal before us simply goes too far. My biggest concern is that many teaching hospitals and medical schools have a very high indigent care caseload. We simply cannot turn our backs on these institutions. This amendment provides sufficient funding to enable medical schools and teaching hospitals to continue their current commitments especially their commitment to the poor.

The final component of this amendment deals with home care benefits. The budget before us would impose cost-sharing on Medicare home health services after the 20th day of care. This would seriously hurt the capacity of home care providers to provide quality of care, since 1½ million Medicare beneficiaries currently use home health services each year, and approximately 500,000 need more than 20 visits. If the proposal is enacted, beneficiaries exceeding the 20-day limit will have to pay an average of $130 extra for home health services in 1986, and approximately $300 extra by 1990. The sickest beneficiaries—the 61,000 people who need more than 100 days of home care in any given year—would have to pay almost $400 in home health copayments next year under the proposal and more than $500 by 1990. This amendment deletes the administration proposal to enact a home care copayment.

Mr. President, I am firmly committed to reducing this intolerable deficit. But we cannot ask the elderly and poor families to shoulder such an unfair burden of the savings to the Federal Government. This amendment modestly reduces that burden. It needs to be kept in mind that even if this amendment is adopted, the Medicare Program will still be cut by roughly $12 billion over the next 3 years. I therefore urge may colleagues to support this amendment.

Mr. PACKWOOD. Mr. President, if no one else wishes to speak, I am prepared to vote.

Is all time used on the other side, Mr. President?

The PRESIDING OFFICER. All time has expired.

Mr. PACKWOOD. I am prepared to yield back on this side.

The PRESIDING OFFICER. All time has expired.

Mr. PACKWOOD. I move to lay the amendment on the table. Mr. President, I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

The PRESIDING OFFICER. The question is on agreeing to the motion to lay the amendment on the table. The yeas and nays have been ordered. The clerk will call the roll.

The assistant legislative clerk called the roll.

Mr. SIMPSON. I announce that the Senator from North Carolina [Mr. EAST] and the Senator from California [Mr. WILSON] are absent due to illness.

Mr. CRANSTON. I announce that the Senator from Nebraska [Mr. EXON] is absent because of illness.

The PRESIDING OFFICER [Mr. ANDREWS]. Are there any other Senators in the Chamber desiring to vote?

The result was announced—yeas 51, nays 46—as follows:

[Rollcall Vote No. 64 Leg.]

YEAS—51

Abdnor	Hatch	Nunn
Andrews	Hatfield	Packwood
Armstrong	Hecht	Pressler
Boschwitz	Heinz	Proxmire
Chafee	Helms	Quayle
Cochran	Humphrey	Roth
Danforth	Kassebaum	Rudman
Denton	Kasten	Simpson
Dole	Laxalt	Stafford
Domenici	Long	Stennis
Durenberger	Lugar	Stevens
Evans	Mathias	Symms
Garn	Mattingly	Thurmond
Goldwater	McClure	Trible
Gorton	McConnell	Wallop
Gramm	Murkowski	Warner
Grassley	Nickles	Weicker

NAYS—46

Baucus	Eagleton	Matsunaga
Bentsen	Ford	Melcher
Biden	Glenn	Metzenbaum
Bingaman	Gore	Mitchell
Boren	Harkin	Moynihan
Bradley	Hart	Pell
Bumpers	Hawkins	Pryor
Burdick	Heflin	Riegle
Byrd	Hollings	Rockefeller
Chiles	Inouye	Sarbanes
Cohen	Johnston	Sasser
Cranston	Kennedy	Simon
D'Amato	Kerry	Specter
DeConcini	Lautenberg	Zorinsky
Dixon	Leahy	
Dodd	Levin	

NOT VOTING—3

East Exon Wilson

So the motion to lay on the table was agreed to.

Mr. BYRD. Mr. President, I yield myself 1 minute.

Earlier, the distinguished majority leader, I believe, had indicated that he would like to see amendments come along and be acted upon and possibly with agreements of 10 minutes or so on each, and that in the meantime he would attempt to develop his package to the point that he could lay it before the Senate and perhaps get an hour equally divided on that package.

At least four amendments have been called up and voted on. I wonder if the distinguished majority leader could give us a progress report—if progress has been made—on the situation at the moment.

Mr. DOLE. First of all, there is progress. They are now drafting the amendment. I understand that it takes about an hour and a half total, and they have been at it for about 50 minutes. So I would think that after the next vote I would be in a position to advise the minority leader.

Mr. BYRD. We have 67 minutes remaining, as I understand it. Is it still the distinguished majority leader's intention to call up his amendment this evening, get an hour for debate on it, equally divided, and vote on the package?

The PRESIDING OFFICER. The time allotted to the minority leader has expired.

Mr. BYRD. I yield myself 1 more minute.

Mr. DOLE. That is my present intention.

Mr. BYRD. OK. We will wait. I am sure the distinguished majority leader will give us a progress report when he can.

AMENDMENT NO. 87

Mr. SYMMS. Mr. President, I send an amendment to the desk.

The PRESIDING OFFICER. The amendment will be stated.

The legislative clerk read as follows:

The Senator from Idaho [Mr. SYMMS] proposes an amendment numbered 87.

Mr. SYMMS. Mr. President, I ask unanimous consent that reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

In the pending amendment, do the following:

On page 3, decrease the amount on line 12 by $1,600,000,000.

On page 3, decrease the amount on line 13 by $1,100,000,000.

On page 3, decrease the amount on line 14 by $900,000,000.

On page 3, decrease the amount on line 18 by $600,000,000.

On page 3, decrease the amount on line 19 by $800,000,000.

On page 3, decrease the amount on line 20 by $900,000,000.

On page 3, decrease the amount on line 25 by $600,000,000.

On page 4, decrease the amount on line 1 by $800,000,000.

On page 4, decrease the amount on line 2 by $900,000,000.

On page 4, decrease the amount on line 6 by $600,000,000.

On page 4, decrease the amount on line 7 by $1,400,000,000.

On page 4, decrease the amount on line 8 by $2,300,000,000.

On page 4, decrease the amount on line 12 by $600,000,000.

On page 4, decrease the amount on line 13 by $800,000,000.

On page 4, decrease the amount on line 14 by $900,000,000.

On page 16, decrease the amount on line 20 by $1,000,000,000.

On page 16, decrease the amount on line 21 by $600,000,000.

On page 17, decrease the amount on line 4 by $1,000,000,000.

On page 17, decrease the amount on line 5 by $700,000,000.

On page 17, decrease the amount on line 13 by $700,000,000.

On page 17, decrease the amount on line 14 by $700,000,000.

On page 33, decrease the amount on line 2 by $100,000,000.

On page 33, decrease the amount on line 3 by $100,000,000.

On page 33, decrease the amount on line 11 by $200,000,000.

On page 33, decrease the amount on line 12 by $200,000,000.

On page 38, increase the first amount on line 10 by $1,630,000,000.

On page 38, increase the second amount on line 10 by $621,000,000.

On page 38, increase the amount on line 11 by $1,096,000,000.

On page 38, increase the amount on line 12 by $705,000,000.

On page 38, increase the amount on line 13 by $729,000,000.

On page 38, increase the amount on line 14 by $763,000,000.

On page 41, decrease the amount on line 17 by $4,000,000.

On page 41, decrease the amount on line 19 by $15,000,000.

On page 41, decrease the amount on line 21 by $29,000,000.

On page 47, decrease the first amount on line 12 by $4,000,000.

On page 47, decrease the amount on line 13 by $15,000,000.

On page 47, decrease the second amount on line 14 by $29,000,000.

On page 49, increase the first amount on line 17 by $1,630,000,000.

On page 49, increase the second amount on line 17 by $621,000,000.

On page 49, increase the amount on line 18 by $1,096,000,000.

On page 49, increase the amount on line 19 by $105,000,000.

On page 49, increase the first amount on line 20 by $729,000,000.

On page 49, increase the second amount on line 20 by $763,000,000.

On page 52, decrease the amount on line 1 by $1,600,000,000.

On page 52, decrease the amount on line 3 by $1,000,000,000.

On page 52, decrease the amount on line 4 by $700,000,000.

Mr. DOLE. Mr. President, will the Senator yield?

Mr. SYMMS. I yield.

Mr. DOLE. I wonder if we might agree on a time limitation of 5 minutes on a side.

Mr. SYMMS. I say to the distinguished majority leader that it is going to crowd me to explain this in 5 minutes.

Mr. DOLE. Seven and a half minutes, and two and a half minutes to the Senator from Florida.

Mr. SYMMS. I will do the best I can.

The PRESIDING OFFICER. Is there objection to a limitation of 7½ minutes to the Senator from Idaho, and 2½ minutes to the Senator from Florida? The Chair hears none, and it is so ordered.

Mr. SYMMS. Mr. President, this amendment incorporates all but one of the mass transit funding proposals included in the President's original budget package. That package proposed a 3-year saving of $9.024 billion in budget authority and $4.234 billion in outlays for urban mass transit assistance. Under the President's plan, these savings would be achieved by discontinuing discretionary grants and operating assistance, reducing the level of formula capital grant assistance and expenses for research and administration, freezing grants for Washington Metrorail construction, and funding the remaining transit projects substituted for interstate projects from the highway trust fund.

My amendment is the administration's original mass transit funding proposal with the exception of DOT's plan to fund transit substitute projects out of the highway trust fund. The Congressional Budget Office estimates that over a 3-year period—1986–88, my amendment would save $8.240 billion in budget authority and $3.848 billion in outlays, as compared with current assistance levels for urban mass transit programs. When compared with the savings projected for the same 3-year period under the compromise budget, my amendment provides additional savings of $3.269 billion in budget authority and $2.041 billion in outlays. These spending reductions represent a significant share of current Federal expenditures on mass transit programs, and I believe this amendment deserves the favorable consideration of all Senators who are truly interested in cutting Federal spending.

Mr. President, I reserve the remainder of my time.

The PRESIDING OFFICER. The Senator from Florida.

Mr. SYMMS. Mr. President, if the Senator from Florida does not wish to comment, I will go on and make a couple further explanations about this.

The PRESIDING OFFICER. The Senator from Idaho.

Mr. SYMMS. Mr. President, I think it would probably be appropriate to

call this the Dole amendment. Of course, I am not talking about the distinguished majority leader, but I am talking about the distinguished Secretary of Transportation, and I will give you a couple of quotes of what Mrs. Dole said about this.

Reasons to support Urban Mass Transportation Administration [UMTA] funding cuts:

In order to make the necessary budget cuts, we in Congress must reconsider the role of the Federal Government in all areas of the economy. Transportation Secretary Dole said recently that such considerations played an important role in the development of this year's transportation budget proposal. The administration's budget, she said:

". . . emphasizes the proper role of the federal government. At this time, more than ever before, we must focus on truly national needs, and leave local matters to state and local authorities . . . Mass transit is a clear example of a local matter best addressed by local management, local decision making, and local financing."

Capital investment and operating decisions are made at the local level, but the full weight of decisions among alternatives is not borne by local decisionmakers when they know that much of the cost will be paid by the Federal Government. Federal subsidies have the effect of artificially and inefficiently increasing supply and demand at the expense of competing nonsubsidized modes of transportation.

Federal assistance has encouraged the creation of transit agencies that are often local monopolies which exclude private competition.

My amendment would discontinue funding for discretionary grants. These grants have helped build unnecessary and costly transit systems.

So I think the Secretary of Transportation is quite right in what has happened. We are getting in a situation where we are starting many more of these projects around the country than we will have funding to finish, and I think that it is interesting to note just, for example, some of the things that have happened.

Miami's billion dollar rapid transit system now serves about 15,000 riders per day. That is just slighty more than 10 percent of the original forecast. As it has worked out, it would have been cheaper to give each rider $66,000 and called it quits. It would have saved the taxpayers a lot of money and probably had negligible impact on the traffic in the greater Miami area.

Most federally funded systems cost between $50 and $100 million per mile, while the San Diego light rail surface system—which was constructed without Federal assistance—cost only $6 million per mile.

So I think if the local people in the country can make a decision—they too are Federal taxpayers—if they can build their own railroad system, their own mass transit light rail system for $6 million a mile without the Federal imposition of Federal regulations, bureaucracy, and so forth, to comply with, as opposed to $100 million a mile, I think it makes a lot of sense to do what the Secretary of Transportation originally had asked for, and we could make certain savings for the taxpayers.

These grants, with up to a 75-percent Federal share, have artificially increased the demand for expensive new heavy rail systems.

New subway systems do not, as proponents claim, cost effectively save energy, reduce pollution, or lessen auto traffic.

Energy consumption, pollution, and traffic congestion can be much more effectively reduced through alternatives such as buses, carpooling, and company vanpools supported by dedicated high-occupancy lanes and company-sponsored vanpool parking.

I appeal to my colleagues.

How much time do I have remaining?

The PRESIDING OFFICER. Two minutes and ten seconds remaining.

Mr. SYMMS. Mr. President, I will do the best I can in 2 minutes. There is a lot of information here that I am sure my colleagues are anxiously waiting for me to share with them.

Federal subsidies for local operating assistance should be terminated.

Federal operating, subsidies have distorted service decisions and substituted for increases in local fare box revenues, allowing real user costs to decline.

From 1977 to 1983, State and local taxpayer assistance increased 195 percent, while passenger revenue increased only 50 percent. Meanwhile, inflation was about 55 percent and operating costs increased 90 percent.

Of total Federal operating assistance, about $2.0 billion has been used for wage increases beyond the cost of living, $1.5 billion has been absorbed by lower productivity, $2.0 billion has been used to keep fares artificially low, and only $1.0 billion has been used to provide extra service.

Federal operating subsidies reduce the anticipated costs to localities of operating new, expensive systems, thereby increasing demand for federally subsidized new systems.

The level of formula-based capital assistance should be reduced.

As long as the Federal Government continues to collect the penny gas tax for transit improvements, Congress will have a responsibility to manage and distribute those revenues. Equity dictates that this national tax be distributed nationally, through a formula-grant program.

Grants for Washington metrorail construction should not be extended beyond the current authorization.

Other reasons to support UMTA funding cuts include: From 1970 to 1980 the use of public transit decreased from 8.9 percent to 6.4 percent of total worktrips taken—a 28-percent decrease in the relative use of public transit. At the same time, Federal support grew 2,150 percent.

Mass transit operating subsidies are not primarily a low-income benefit.

The 1977 National Person Transportation Survey indicates that there are clearly more public transportation passengers who are not poor, defined as incomes above $10,000—about 77 percent—than who are poor—23 percent.

Transit subsidies primarily benefit the nonpoor by subsidizing costly peak-period transit service, suburban, long-haul service, expensive rail service, and flat fares—prevalent in 67 percent of transit properties—all of which overwhelmingly benefit the nonpoor commuter.

I believe this amendment makes a great deal of sense, both fiscally and politically. In an era of $200 billion plus deficits, it is difficult to rationalize one's support for a program: whose annual subsidy is $400 per passenger—or $600 per commuter—and growing—by comparison, annual food stamp assistance is about $500 per recipient; which is more expensive than many available transportation alternatives, and which has been unsuccessful in changing the intracity transportation habits of the Nation.

Opponents of the administration's original transit funding proposal have argued that cutting the operating assistance subsidies will have a devastating impact on transit projects around the country. In his recent letter to Members of Congress, UMTA Administrator, Ralph Stanley, suggests that these cries of incredulity and impending doom heard from transit groups and some public officials have no basis in fact. Mr. Stanley notes that while reductions in Federal transit assistance would have an impact on the budgets of local transit authorities and State transportation departments, the impact would be mitigated by the existence of other funding sources and a significant cushion of unobligated funds remaining in transit accounts around the Nation. "There are alternative funding strategies," Mr. Stanley says.

When States have over $7.5 billion in budget surpluses. Also, recent studies demonstrate that private sector contracting can save 20 to 60 percent in operating costs and, in many cities, businesses are joining together to help fund needed transit improvements.

Mr. Stanley continues:

Most importantly, I wanted to inform you that approximately $1 billion in as yet unused Federal transit funds are left over from previous years' appropriations providing a built-in funding cushion. For areas be-

tween 200,000 population and 1 million, the amount of operating assistance carryover is equivalent to 67 percent of the fiscal year 1985 operating assistance cap. In areas between 50,000 and 200,000 population, the amount of operating assistance carryover is equivalent to 163 percent of their fiscal year 1985 operating assistance cap. In other words, for these smaller areas on the average, over 1½ year's worth of operating assistance has not been utilized without considering the fiscal year 1985 funds which have since been made available.

This amendment would not "pull the rug out from under the Nation's transit systems," as some have claimed about the Administration's original proposal. As Mr. Stanley's letter indicates, a tremendous amount of operating assistance funds remain in transit accounts around the Nation, and there are other funding sources which could be tapped for transit and other programs which State and municipal officials deem to be of importance.

Moreover, this amendment would save Federal taxpayers nearly $4 billion over the next 3 years. When I returned to Washington this year, I thought budget cuts of this size and importance would be our first order of business. I believed then, as I do now, that we have a responsibility to present and future generations of Americans to do something about these horrendous deficits. We will have taken a long stride toward fulfillment of this responsibility when the management and financing for programs of local importance are returned to State and municipal officials. I believe that mass transit is such a program and the management, decisionmaking, and financing of mass transit systems should be left in the hands of local authorities. I urge my colleagues to give this amendment their serious consideration since it involves significant reductions in Federal spending and it speaks to the question which should be posited at every juncture in this budgetary debate, namely: What is the proper role of the Federal Government in the lives of American citizens and the economic and political affairs of State and local governments. My amendment provides a clear answer to this question as it pertains to mass transit programs, and I urge my colleagues to give the amendment their full support.

Mr. D'AMATO. Mr. President, I rise in opposition to an amendment offered by my distinguished colleague from Idaho, Senator SYMMS, which would cut about 70 percent of the Federal funding for mass transit. This amendment is analogous to the administration's original budget proposal for the Urban Mass Transportation Administration. Its impact on our Nation's mass transit systems would be absolutely devastating.

As we consider Senate Concurrent Resolution 32 on the Senate floor today, I would like to point out that this amendment is similar to the Department of Transportation's original budget request except for DOT's plan to fund transit substitute projects out of the highway trust fund. My distinguished colleague has seen fit to omit that portion of the administration's budget request designed to create some competition between highway trade-in and transit trade-in projects for limited discretionary and formula highway substitute funds. DOT's rational for that provision was to achieve savings by omitting $250 million in separate transit trade-in funds. The plan was to combine both highway and transit trade-in projects in the same account of the highway trust fund and add $100 million to the account to cover this addition. However, my learned colleague from the State of Idaho would rather not share any additional highway funds with States that depend on transit even though its effect would reduce the deficit.

The Transportation Department had requested $24.7 billion of budget authority for fiscal year 1986, a $3.8 billion (13 percent) reduction from its fiscal year 1986 budget level. The lion's share of that cut, $2.75 billion (72 percent), is derived from crippling reductions in funding for the Urban Mass Transportation Administration. I find this amendment, incorporating the bulk of the DOT proposal, to be both unworkable and outrageous.

Lack of Federal transit funds will make it extremely difficult for the Nation's millions of transit riders to get to work and school and to carry on their daily lives. Many people, particularly the poor, elderly and handicapped, often have no other transportation alternatives. Without a viable network of affordable transportation services, we will rob many individuals of their freedom of movement. The ability to get to work or school and to take care of one's own needs, brings with it self-reliance and personal dignity. These values are lost when we force people to become virtual prisoners in their own homes.

General tax revenue funding of transit, based on statutory formulas, would be terminated by this amendment. In fiscal year 1985 $2.5 billion was appropriated for this vital program. Operating assistance, funded during fiscal year 1985 at $875 million, would be abruptly cutoff. All transit funding would be derived from the one penny of Federal gasoline tax dedicated to transit. The $1.1 billion currently authorized for this program would be distributed on a formula basis. Gas tax funds would no longer be distributed on a discretionary basis, but would be allocated as a formula capital program which could not be spent on new construction.

The sweeping changes in the transit program included in this amendment would affect the ability of virtually all the Nation's public transit systems to offer adequate service. The American Public Transit Association [APTA] has surveyed 152 transit systems which carry 75 percent of the Nation's transit riders, as well as 63 transit-related businesses which employ over 40,000 workers, in order to determine the impact of DOT's budget proposal. Their findings directly apply to the amendment before us: APTA found that 30 systems might be forced out of business; 88 percent will have to cut service dramatically; and more than 8 in 10 will be forced to raise fares so high as to discourage ridership. In addition, the budget cuts would wipe out an estimated 203,000 jobs and $8 billion in private business revenues.

I am concerned that this amendment would force transit to bear the brunt of belt-tightening measures in a manner disproportionate to other programs that have either been frozen or increased. The Federal Government has made a tremendous investment in public transit. Without adequate funds, sorely needed maintenance and rehabilitation work will be further deferred and there will be an even more rapid decline in service and safety.

In 1982, passage of the Surface Transportation Assistance Act [STAA] provided a formula for cuts in operating assistance. Transit agreed to "bite the bullet" by agreeing to cuts of 20 percent, 10 percent, and 5 percent. In fiscal year 1984, $875 million was available for operating assistance—an overall cut of 16 percent from the 1982 level. Despite the cooperation of transit in absorbing this cut, attempts were made again last year to slash the program by 38 percent to $545.5 million with a total phaseout by 1989. Congress rejected that proposal and funded the program at $875 million for fiscal year 1985.

APTA's survey reveals that transit fares would have to rise substantially in 82 percent of the transit systems. Nearly one-quarter, mostly small systems, predicted increases of 90 percent or more. Half predicted increases of 50 percent of more. These increases would occur on top of a national average base fare of 60 cents. Although Federal operating assistance comprises a relatively small share of the New York City Metropolitan Transportation Authority's total budget, it is essential to many small transit systems which may be forced to shut down without it.

Capital assistance is so severely limited under this amendment that APTA's survey results indicate that over 70 percent of the Nation's transit systems would be forced to forego the purchase of new buses. This is made even more significant by the fact that over 30 percent of the Nation's bus fleet is past its useful economic life of 12 years. The New York MTA would

receive a devastating cut of about $285 million in capital assistance, in addition to the loss of $108 million of operating funds. Such a reduction would mean the further deferral of vital repair and rehabilitation work on the 81-year-old system. This work is necessary not only to improve service, but for safety.

I am shocked at the thinking behind this effort which echoes the administration's belief that, "funding of local transportation is not an appropriate role for the Federal Government since benefits accrue locally." Passage of the STAA, with its creation of the mass transit account in the highway trust fund, was a clear reaffirmation of Congress' commitment to a Federal role in the Nation's transit program. Furthermore, there are many federally assisted projects of direct benefit only to one part of the country or to one particular city or area. The cornerstone of our Federal system of government is that we address and promote the varying needs and strengths of the different States for the greater good of the Nation. We must not become insensitive to the needs of sister States because eventually we will harm the Union itself.

Finally, I am concerned that this amendment would not provide any new funds for UMTA's Research, Traning and Human Resources Program. Rather, $24.6 million in unobligated balances from the fiscal year 1984 appropriation would be deferred to fund the program in fiscal year 1986. During fiscal year 1985, $51 million is available for use in this program which includes vital funding for safety grants used to fight transit crime; $15 million was earmarked for transit safety and security in last year's appropriations bill. At last year's UMTA budget hearing, I asked UMTA Administrator Ralph Stanley if he would place a greater emphasis on safety and security and he agreed to do so. How will this be possible without any new funds? During the State of the Union Address, President Reagan said:

> Of all the changes in the past 20 years, none has more threatened our sense of national well-being than the explosion of violent crime. One does not have to have been attacked to be a victim. The woman who must run to her car after shopping at night is a victim. The couple draping their door with locks and chains are victims, as is the tired, decent cleaning woman who can't ride a subway home without being afraid.

It is my belief that the Federal commitment to transit will rise above the policy behind this amendment as well as the DOT budget proposal. A 70-percent reduction in a program that is vital to so many States is not reasonable. The administration has recognized the problem of crime on our subway systems, we must now be responsive to our duty to help preserve the Federal investment made in those systems. In addition, Congress must act to ensure that the other parts of the transit program remain intact. It is by creating safer, more reliable and efficient transit systems that we are able to increase ridership and to provide needed revenues.

The Budget Committee has recently voted to slash mass transit funding by 25 percent. Although this is better than the devastating 70-percent cut envisioned by this amendment and the administration's budget proposal, it is still far too high and will damage the integrity of the program. I have introduced a bill, S. 352, that would permit an additional $900 million to be spent on transit grants over a 3-year period. These funds are now available from revenues accruing from the one penny of gas tax dedicated to mass transit. Public mass transit is not receiving the full benefit of that tax because of artificially low authorization ceilings in the program. Thus, I think it is even unfair to suggest that transit take a 25-percent cut. What really needs to be done to fulfill our promise to transit is to raise the authorization ceiling on the program to match the actual revenues collected. If, in the effort to reduce the deficit, we must control spending on transit, as well as on other domestic programs, then I believe the best approach would be simply to freeze transit funding at current levels.

I urge my colleagues to defeat this amendment.

Thank you, Mr. President.

The PRESIDING OFFICER. The Senator from Florida.

Mr. CHILES. Mr. President, my understanding is this amendment is a cut of almost $2 billion a year more than the Dole amendment in all of the mass transit functions.

So if you like the Dole amendment or the President's amendment, you will love this. If you do not, then you probably should be put on notice.

I yield back the remainder of my time.

Mr. SARBANES. Mr. President, will the Senator yield a moment?

Mr. CHILES. I yield.

Mr. SARBANES. I think it should be clear that this amendment would absolutely decimate the mass transit program.

Mr. CHILES. I think it is decimated already. I guess you could say this is a mass decimation.

Mr. SARBANES. This is an annihilation of the mass transit program.

Mr. CHILES. Yes.

I yield back the time.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Idaho.

Mr. SYMMS. Mr. President, I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Idaho.

On this question, the yeas and nays have been ordered, and the clerk will call the roll.

The legislative clerk called the roll.

Mr. SIMPSON. I announce that the Senator from North Carolina [Mr. EAST] and the Senator from California [Mr. WILSON] are absent due to illness.

Mr. CRANSTON. I announce that the Senator from Nebraska [Mr. EXON] is absent because of illness.

The PRESIDING OFFICER (Mr. MURKOWSKI). Are there any other Senators in the Chamber wishing to vote?

The result was announced—yeas 25, nays 72, as follows:

[Rollcall Vote No. 65 Leg.]

YEAS—25

Abdnor	Hatfield	Proxmire
Armstrong	Hecht	Roth
Denton	Helms	Simpson
Dole	Humphrey	Stennis
Domenici	Laxalt	Symms
Garn	Long	Thurmond
Goldwater	McClure	Wallop
Gramm	Nickles	
Hatch	Pressler	

NAYS—72

Andrews	Ford	McConnell
Baucus	Glenn	Melcher
Bentsen	Gore	Metzenbaum
Biden	Gorton	Mitchell
Bingaman	Grassley	Moynihan
Boren	Harkin	Murkowski
Boschwitz	Hart	Nunn
Bradley	Hawkins	Packwood
Bumpers	Heflin	Pell
Burdick	Heinz	Pryor
Byrd	Hollings	Quayle
Chafee	Inouye	Riegle
Chiles	Johnston	Rockefeller
Cochran	Kassebaum	Rudman
Cohen	Kasten	Sarbanes
Cranston	Kennedy	Sasser
D'Amato	Kerry	Simon
Danforth	Lautenberg	Specter
DeConcini	Leahy	Stafford
Dixon	Levin	Stevens
Dodd	Lugar	Trible
Durenberger	Mathias	Warner
Eagleton	Matsunaga	Weicker
Evans	Mattingly	Zorinsky

NOT VOTING—3

East	Exon	Wilson

So the amendment (No. 87) was rejected.

Mr. DOLE. Mr. President, I move to reconsider the vote by which the amendment was rejected.

Mr. HATFIELD. Mr. President, I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. DOLE. Mr. President, I understand the next amendment will come from the distinguished Senator from New Jersey, Senator BRADLEY. I wonder if we might agree at this time to reduce the time for rollcalls from 15 minutes to 10 minutes. Mr. President, I make that unanimous-consent request.

The PRESIDING OFFICER. Without objection, it is so ordered.

AMENDMENT NO. 88

(Purpose: To maintain revenues by preserving the rate of tax currently imposed upon cigarettes, to add additional funds for function 570 (Medical Insurance), and to reduce the deficit)

Mr. BRADLEY. Mr. President, I send an amendment to the desk for myself and Mr. BINGAMAN, Mr. ROCKEFELLER, and Mr. BUMPERS, and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report.

The bill clerk read as follows:

The Senator from New Jersey [Mr. BRADLEY], for himself, Mr. BINGAMAN, Mr. ROCKEFELLER, and Mr. BUMPERS, numbered 88.

In the pending amendment, do the following:

On page 2, increase the amount on line 9 by $1,500,000,000.

On page 2, increase the amount on line 10 by $1,700,000,000.

On page 2, increase the amount on line 11 by $1,700,000,000.

On page 2, increase the amount on line 15 by $1,500,000,000.

Mr. BRADLEY. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

On page 2, increase the amount on line 16 by $1,700,000,000.

On page 2, increase the amount on line 17 by $1,700,000,000.

On page 3, increase the amount on line 12 by $80,000,000.

On page 3, increase the amount on line 13 by $280,000,000.

On page 3, increase the amount on line 14 by $1,070,000,000.

On page 3, increase the amount on line 18 by $80,000,000.

On page 3, increase the amount on line 19 by $280,000,000.

On page 3, increase the amount on line 20 by $1,070,000,000.

On page 3, decrease the amount on line 25 by $1,420,000,000.

On page 4, decrease the amount on line 1 by $1,420,000,000.

On page 4, decrease the amount on line 2 by $630,000,000.

On page 4, decrease the amount on line 6 by $1,420,000,000.

On page 4, decrease the amount on line 7 by $2,840,000,000.

On page 4, decrease the amount on line 8 by $3,470,000,000.

On page 4, decrease the amount on line 12 by $1,420,000,000.

On page 4, decrease the amount on line 13 by $1,420,000,000.

On page 4, decrease the amount on line 14 by $630,000,000.

On page 22, increase the amount on line 16 by $180,000,000.

On page 22, increase the amount on line 17 by $180,000,000.

On page 22, increase the amount on line 24 by $480,000,000.

On page 22, increase the amount on line 25 by $480,000,000.

On page 23, increase the amount on line 7 by $1,270,000,000.

On page 23, increase the amount on line 8 by $1,270,000,000.

On page 32, decrease the amount on line 17 by $100,000,000.

On page 32, decrease the amount on line 18 by $100,000,000.

On page 33, decrease the amount on line 2 by $200,000,000.

On page 33, decrease the amount on line 3 by $200,000,000.

On page 33, decrease the amount on line 11 by $200,000,000.

On page 33, decrease the amount on line 12 by $200,000,000.

On page 40, decrease the first amount on line 16 by $180,000,000.

On page 40, decrease the amount on line 17 by $480,000,000.

On page 40, decrease the second amount on line 18 by $1,270,000,000.

On page 40, line 19, add the following new sentence: "The Senate Committee on Finance shall report changes in laws within the jurisdiction of the committee sufficient to increase revenues as follows: $1,500,000,000 in fiscal year 1986; $1,700,000,000 in fiscal year 1987; and $1,700,000,000 in fiscal year 1988.".

On page 46, decrease the amount on line 9 by $180,000,000.

On page 46, decrease the amount on line 10 by $180,000,000.

On page 46, decrease the first amount on line 11 by $480,000,000.

On page 46, decrease the second amount on line 11 by $480,000,000.

On page 46, decrease the amount on line 12 by $1,270,000,000.

On page 46, decrease the amount on line 13 by $1,270,000,000.

On page 51, decrease the first amount on line 7 by $180,000,000.

On page 51, decrease the amount on line 8 by $480,000,000.

On page 51, decrease the second amount on line 9 by $1,270,000,000.

On page 51, line 10, add the following new sentence: "The House Committee on Ways and Means shall report changes in laws within the jurisdiction of the committee sufficient to increase revenues as follows: $1,500,000,000 in fiscal year 1986; $1,700,000,000 in fiscal year 1987; and $1,700,000,000 in fiscal year 1988.".

Mr. BRADLEY. Mr. President, there is a serious problem with the first budget resolution. The budget contains two revenue proposals. The first assumes that the cigarette tax will be cut in half next year.

Mr. DOLE. Will the Senator yield?

Mr. BRADLEY. Without losing my right to the floor, yes.

Mr. DOLE. I wonder if I could ask unanimous consent that there be 10 minutes equally divided on this amendment.

Mr. HELMS. I cannot agree with the request at this moment.

Mr. FORD. I would like to have more time.

Mr. DOLE. Twenty minutes equally divided?

Mr. HELMS. Mr. President, I ask for 10 minutes on each side.

Mr. CHILES. Five minutes on this side and ten minutes on that side.

Mr. FORD. I beg to differ with my leader, but this amendment deserves more time.

Mr. DOLE. Why do I not suggest, if satisfactory to Senator BRADLEY, 15 minutes and 5 minutes, for a total of 20 minutes.

Mr. CHILES. Can we do it for 10 minutes?

Mr. HELMS. Five and 15 would be all right.

Mr. FORD. That is all right.

Mr. DOLE. Twenty minutes divided 5 minutes for the proponents and 15 minutes for the opponents.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. BRADLEY. Mr. President, I yield myself 4 minutes.

Mr. President, there is a serious problem with the first budget resolution that I believe must be remedied. The budget contains two major revenue proposals. The first assumes that the Federal cigarette tax will be cut in half next year. The second assumes that the elderly's premiums for Medicare will roughly be doubled. This strikes me as a wrong set of priorities. In an effort to reverse these priorities, I am offering this amendment to strike the increase in the Medicare part B premium and insert in its place a continuation of the current cigarette tax.

Mr. President, the first part of this amendment strikes the Medicare premium increase. The budget assumes that the Medicare premium paid by the elderly will be increased from 25 percent to 30 percent of total program costs. This would double the premium—from the current figure of $15.50 a month to about $30 a month by 1990. And this is on top of the doubling of the premium that has already occurred since 1980.

It must be kept in mind, Mr. President, that the part B premium is only one component of the elderly's health care bill. Health care now takes as much of older Americans' median income as at the inception of the Medicare Program. On average, Medicare beneficiaries pay an estimated $1,500 per year in out-of-pocket medical costs—almost 30 percent of their total health bill. This trend, combined with increasing health costs, is forcing many elderly Americans on fixed incomes to make hard choices between health care and necessities like food and shelter.

Mr. President, the second part of the amendment freezes the tobacco tax at its current level. The Tax Equity and Fiscal Responsibility Act of 1982 increased the exercise tax on cigarettes from 8 cents per pack to 16 cents for the period from January 1, 1983, to September 30, 1985. Next fiscal year, under current law, the tax will fall back to 8 cents per pack.

The cigarette tax has declined significantly in real terms over the decades. The tax stood at 6 cents per pack in 1919 and was raised to 8 cents in 1951. The 16-cent Federal tax currently represents less than 20 percent of the current average market price per pack, significantly less than the 37

percent of the price that the 8-cent tax represented when it was set in 1951. Reducing the tax to 8 cents per pack, as under current law, would mean that the tax would represent less than 10 percent of the cost per pack, nearly a 75-percent reduction compared to the 1951 level.

Virtually all of the scientific evidence indicates that the cost of smoking—in terms of dollars and lives—is large. Smoking deaths exceed 300,000 annually, and smoking contributes to 30 percent of the over 400,000 annual U.S. deaths due to cancer. About $14 billion a year is spent on medical care for smoking related diseases, and over $25 billion a year in lost earnings is attributable to morbidity and premature mortality from smoking related diseases.

Cigarette smoking increases Federal costs as well. One study indicated that about 6 percent of Federal Medicare and Medicaid expenditures go for treating victims of smoking and roughly 12 percent of Social Security Disability Insurance recipients are on the rolls due to smoking related diseases.

Mr. President, it is absurd to reduce taxes on a product that has caused major increases in recent years in health care costs while at the same time significantly increase the premiums paid by the elderly for their health care. I agree that we need to take action to reduce the deficits, but, in this process, we need to get our priorities in order. The budget now before us does not meet my list of priorities.

This amendment, Mr. President, is no budget buster. Holding the cigarette tax at 16 cents per pack will generate about $5 billion in additional revenues over the 1986–88 period. Holding the Medicare premium to 25 percent rather then 30 percent of costs will lose about $2 billion in revenues. Adoption of this amendment will still reduce the deficits more than the budget now before us by roughly $3 billion over the next 3 years.

Two final points, Mr. President.

First, some argue that the amendment continues a tax increase—it does not. It holds the tax at 16 cents, rather than cutting it in half.

Second, others argue that the amendment earmarks the extra revenue to the Medicare trust fund. The amendment does not earmark the revenues to Medicare—it remains silent or this issue.

I urge my colleagues for their support of this amendment.

I reserve the remainder of my time.

I ask unanimous consent that a statement showing organizations supporting this amendment be printed in the RECORD.

There being no objection, the list was ordered to be printed in the RECORD, as follows:

American Heart Association.
American Lung Association.
American Cancer Society.
American Medical Student Association.
Adventist Health Network.
American College of Chest Physicians.
American Public Health Association.
American Association of Dental Schools.
Center for Science in the Public Interest.
American Diabetes Association.
Children's Defense Fund.
Association for Schools of Public Health.
National Tax Equity Association.
American Association of Retired Persons.
American Association of State and Territorial Health Officials.
American Nurses Association.
Association of Junior Leagues.
American Association of Respiratory Therapists.
American Academy of Pediatrics.
American College of Osteopathic Pediatricians.
National Perinatal Association.
American Society of Internal Medicine.
American Council on Science and Health.
National Board, YWCA of the USA.
American College of Cardiology.
American Nephrology Nurses' Association.
National Alliance of Senior Citizens, Inc.
National Council on Smoking and Health.

Mr. KENNEDY. Mr. President, this amendment will maintain part B premium and cigarette taxes at current levels.

This amendment should be acceptable to everyone in this House. This amendment does not increase the deficit. Indeed, it reduces it. But more important, it protects our senior citizens from the most onerous, unfair Medicare proposal in this Republican package.

The part B premium would double by 1990 to over $360 if allowed to rise to 30 percent of program costs as proposed in this package. The premium has already doubled since 1980. If this amendment is enacted, the increase in the part B premium compared to curent law will take a full 40 percent of the average 1990 Social Security COLA and a full 60 percent out of the COLA for the 15 million beneficiaries below the median benefit. The total burden on the elderly as a result of the current proposal would be a whopping $8 billion over the next 5 years.

It is ironic that an administration that refuses to raise taxes on wealthy corporations is eager to raise taxes on 30 million senior citizens and disabled Medicare beneficiaries.

The elderly now pay as large a percent of their income for health care as they did when Medicare first began. Even if no further Medicare benefit cuts, the burden health care costs placed on our elderly will continue to rise.

I urge my colleagues to support our senior citizens and disabled Medicare beneficiaries by adopting this amendment.

The PRESIDING OFFICER. The majority leader.

Mr. DOLE. Mr. President, in 1982, Congress enacted the 8-cent per pack increase in cigarette taxes with a sunset date of September 30, 1985.

I remember hearing a lot of radio commercials that year how we were taxing the average American. I remember the distinguished Senator from Ohio, Senator METZENBAUM, briefly mentioned how we raised taxes on cigarettes.

The sunset date was included because we thought the tax increase was necessary, but extraordinary, and recognized that cigarette taxes were a traditional source of revenue for the States. It may be that the additional Federal excise tax on cigarettes will be extended at some point, but my colleagues should be aware of recent developments on the State level.

The point I would make is that a number of States have moved in on the theory that this would be sunset.

Alaska, Iowa, Kansas, Mississippi, and South Dakota have recently passed legislation to increase their cigarette taxes no matter what happens at the Federal level.

Arizona, Maryland, Montana, New Mexico, and Utah have passed additional cigarette taxes contingent on a drop in the Federal tax rate. Mississippi also has a contingent 8-cent-a-pack increase in addition to a noncontingent 7-cent increase.

Massachusetts, New Jersey, Ohio, Pennsylvania, and Texas have pending legislation to increase their cigarette taxes.

In addition, California, Colorado, Florida, Illinois, Minnesota, Missouri, Nebraska, Nevada, New Hampshire, Oklahoma, Oregon, and Rhode Island have legislation pending which would increase their cigarette taxes if the additional 8 cents sunsets at the Federal level.

Vermont has legislation pending which is contingent at the Federal rate in the State senate and not contingent at the State house.

The point of this description is that, in a large number of States, cigarette smokers will find that cigarette taxes will not be reduced, no matter what we do at the Federal level.

If we extend the 8-cents-a-pack tax, we will be raising the price of cigarettes for many individuals because State taxes will also be increased. In other States, extending the Federal tax will deny States revenues that they have planned to receive.

It may be that somewhere down the line the tax will be extended, but I again remind everyone this is a budget resolution so I suggest this is not the appropriate time.

I yield to the distinguished Senator from Oregon, chairman of the Finance Committee, and the remainder of the time to be equally divided between the Senator from Kentucky and the Senator from North Carolina.

Mr. PACKWOOD. Mr. President, I will oppose this amendment without judging what I will do later this year

when the issue of the cigarette tax comes before us. Clearly, it will. No doubt, there will be an effort to continue it or to stop it.

My friend from New Jersey says this is not an earmarking of a tax. It is a suggestion of a tax and a suggestion of forgoing of the Medicare revenues that we have just voted to save.

I understand the two are not related. It is just an unusual coincidence that they happen to come together in this same amendment and be suggested at the same time.

So I will simply oppose this at the moment, realizing full well that the merits and the substance of the issue of the cigarette tax will be before this body again long before the cigarette tax expires in October.

Mr. HELMS. Would the Senator from Kentucky like to proceed?

Mr. FORD. Very well.

The PRESIDING OFFICER. The Senator from Kentucky.

Mr. FORD. I thank my distinguished friend from North Carolina for giving me a minute.

Let me agree with the distinguished Senator from Oregon and the distinguished Senator from Kansas. We have gotten into the overtones of the cigarette tax as a health question. That is not what we have here.

The distinguished Senator from New Jersey is attempting to fix a tax and designate that to a certain area.

We have not done that in the past. We have had a trust fund for highway building. We have had a trust fund for airport development. We have had a lot of things. But we have never designated a tax to a certain program. That will be refuted, but you just have to look at the bill and how the cigarette tax is applied to the Medicare-Medicaid, or whatever, and that the tax then is extended. So you have double problems as they relate to the piece of legislation.

I say, Mr. President, before this is over, I want the Parliamentarian to be in the posture of answering some questions for me as it relates to this legislation. I shall talk with him later on.

One item I would like to bring up is that most of the States are being devastated by this budget. They are looking forward to having additional income from this cigarette tax offset cuts in the budget. It will never go off; the question is whether you want to keep it here at the national level or you want to keep it at the local level or give your States an opportunity to replace it. That merely is a question that my colleagues will have to answer, whether they want a tax, set a precedent to designate a tax for a certain item within the budget. I do not think we want to do that.

Mr. President, we have lost 4 percent of cigarette sales, which cost $1 billion a year. Keep adding the tax on and the Senator at some point wins by eliminating the ability to keep this program. When we lose the program, then they are going to use all the tobacco they want, cigarettes are going to be cheaper, all those things they are fighting about and beating the drum and carrying the flag for here today are going to go down the drain because they try to impose a harsher and harsher tax on this product.

Mr. President, I do not know how much time I have left of the 5 minutes I had. I would like to yield to my colleague, if I may. How much time do I have left?

The PRESIDING OFFICER. The Senator from Kentucky has 3 minutes.

Mr. FORD. I yield to my distinguished colleague 2 minutes and the distinguished Senator from Tennessee [Mr. GORE] 1 minute. Then I would like to make a parliamentary inquiry.

Mr. McCONNELL. Mr. President, I thank my distinguished colleague from Kentucky and I also appreciate the remarks of the chairman of the Finance Committee with regard to the appropriateness of this particular tax at this particular time.

Mr. President, I must oppose this amendment seeking to make permanent the current 16 cents Federal excise tax on each pack of cigarettes. As all of us recall, even those who were not here, it was Senator HELM's amendment to the Tax Equity and Fiscal Responsibility Act of 1982 that calls for the tax to be lowered back to its original 8 cents per pack beginning October 1, 1985.

I am sure the proponents of this legislation have good intentions, but there are three primary reasons why I will be forced to respectfully disagree with them on this amendment.

First, this amendment proposes a tax increase. Although it may be tempting to suggest that the amendment would freeze the existing 16 cents per pack cigarette excise tax, it is critical to remember that one-half of the 16 cents is a temporary surtax enacted in 1982 and scheduled to sunset this year. The Budget Committee, in its effort to maintain existing revenue law, quite properly assumed that the sunset would take place this year as promised by Congress in 1982.

Second, I do not believe this budget resolution is the proper place to make such a change in the Federal cigarette excise tax. This is a matter that falls under the jurisdiction of the Senate Finance Committee, and they should at least be afforded the opportunity to take the spending and reduction targets established by this resolution and do whatever they see fit on the cigarette tax issue. This is my understanding of how the overall budget process is intended to operate.

Third, consumers of tobacco products already bear an inordinate share of taxes imposed by all levels of government. Smokers paid Federal, State, and local governments a record $9.3 billion in tobacco taxes for the year ending June 30, 1984. The amount, levied on 28.5 billion packs, was an increase of $1.5 billion over the previous year and was more than three times the amount received by tobacco farmers for their 1984 crop.

The Federal cigarette excise tax raised $4.7 billion in this 12-month period. The amount was a $1.3 billion increase over the previous year's collections. Tobacco has been taxed by the Federal Government since 1863. The first State cigarette tax was imposed by Iowa in 1921. Over the past 121 years, tobacco taxes have generated more than $164 billion in revenue. I do not know of any other commodity that is as overtaxed as tobacco.

It is also my strong feeling that the regressive nature of cigarette excise taxes causes them to affect most adversely those who can least afford them—the working people of this country. Excessive cigarette taxes are an undue hardship to the 55 million Americans who choose to smoke, as well as the 276,000 family farmers who depend on tobacco for their livelihoods and the 50,000 workers who earn their living in tobacco manufacturing.

In conclusion, this amendment proposes a tax increase. This is an issue that should be decided by the Finance Committee, and tobacco is already overtaxed. I urge my colleagues to oppose this legislation.

Mr. President, I yield to the distinguished chairman of the Agriculture Committee.

The PRESIDING OFFICER. The Senator from North Carolina.

Mr. HELMS. Mr. President, I yield 1 minute to the distinguished Senator from Idaho [Mr. SYMMS].

Mr. SYMMS. I thank the distinguished chairman for yielding.

I might say, Mr. President, that I come from a State where many of the residents in my State do not smoke, but no matter how you look at it, this is a tax increase if this amendment is put into the budget. If we want to have a budget without tax increases, we cannot accept this amendment.

On the other side of the coin, in my view, with the strength we must exercise as Members of the Senate, if we are going to have a budget package that is ever going to achieve fiscal sanity in this country, we have to make some very hard votes and reduce some Federal programs, which we have done here and will do when this budget finally passes. And I hope it does pass.

At that point, in my view, the cigarette tax should be left as a State prerogative and let the States make those decisions. I do not believe it is incumbent upon the U.S. Senate to sit here and decide we are going to tax ciga-

rettes to determine how much people smoke.

I do not happen to be a smoker, but I think it is wrong to impose taxes for that purpose. Also, it would be an excellent place to allow States, local governments, and municipalities to pick up some badly needed revenue if they have to have it for local control; let them decide it and keep us out of it.

Mr. President, I say we should defeat this amendment.

Mr. HELMS. Mr. President, how much time is remaining, please?

The PRESIDING OFFICER. The Senator from North Carolina has 5 minutes remaining.

Mr. HELMS. Mr. President, I yield 2 minutes to the distinguished Senator from South Carolina [Mr. THURMOND].

Mr. THURMOND. Mr. President, I rise in opposition to this amendment. I was under the impression that it was understood that the current cigarette tax would return to 8 cents per pack at the end of this fiscal year, and there would not be any question about it. I am surprised it has been brought up now.

Personally, Mr. President, I do not smoke. I think it is harmful to smoke. On the other hand, however, there are people who are going to smoke, just like there are people who are going to drink.

Given this, why would we want to have tobacco shipped in here from other countries when we can produce it ourselves? If we put this tax on it, we are only going to put thousands of little farmers out of work, and are going to destroy, to a large extent, the benefit we get in the balance of trade that comes from tobacco trade.

Tobacco already is heavily taxed. For the year ending June 30, 1984, $9.3 billion in tobacco taxes were paid on the Federal, State, and local levels. This was an increase of $1.5 billion over the previous year. Of the total of $9.3 billion, $4.7 billion went to the Federal Government.

Many States have already imposed a cigarette tax in anticipation of the Federal excise tax returning to 8 cents per pack on October 1985 pursuant to the Tax Equity and Fiscal Responsibility Act of 1982.

Increasing the cigarette tax will put greater pressure on the manufacturers to import cheap, foreign-produced, subsidized tobacco, which, as I said, will put thousands of little farmers out of business. It hurts American tobacco farmers and worsens the balance of trade.

Mr. President, I hope this amendment will not pass. It is not in the best interest of the economy of this country and it would be a great mistake, I think, to pass this amendment.

Mr. HELMS. Mr. President, I believe the Senator from New Jersey is mixed up. His statement on his amendment does not fit the amendment. He talked about the designation, where the receipts from the tax will be applied. I ask the Chair, inasmuch as the Senator from New Jersey did not provide a copy of the amendment beforehand, does his amendment designate a tax?

The PRESIDING OFFICER. The amendment contains reconciliation instructions both to the Committee on Ways and Means and the Committee on Finance to raise revenue specifically, but it does not and cannot say where.

Mr. HELMS. That is correct, so the statement of the Senator from New Jersey was a non sequitur.

His amendment does not, indeed cannot, designate how revenues will be raised or where the revenue is to be applied.

Furthermore, Mr. President, the majority leader was absolutely correct: The Senate, indeed the Congress, made a good-faith commitment to the States and localities in 1982. It voted to sunset in 1985 the increase in tax voted that year. As a result of that, many States have imposed a cigarette tax contingent upon the good faith of the Congress of the United States. And here comes the Senator from New Jersey saying, "Oh, well, we are going to raise the tax."

That is going to cut the States off from their tax. The problem is that already revenue sharing has been discarded by the Senate in this budget resolution. At least we ought to leave something to the States if we meant what we said in 1982.

In any case, Mr. President, this is not a tax bill, this is a budget resolution. Other Senators have told of the tax consequences, so I shall not deal with that. But I am saying that it is bad precedent—even if the Senator from New Jersey had read the right statement with his amendment—it is bad precedent to start designating where tax revenues will go, particularly in a budget resolution.

Mr. President, how much time remains on both sides?

The PRESIDING OFFICER (Mr. PRESSLER). The Senator from Kentucky has 1 minute, the Senator from New Jersey has 1 minute, and the Senator from North Carolina has 1 minute.

Mr. HELMS. Mr. President, I reserve the remainder of my time.

Mr. FORD. Mr. President, I yield the remainder of my time to the Senator from Tennessee.

Mr. GORE. Mr. President, I thank my colleague for yielding.

I oppose this amendment for a slightly different reason. I think the Senator from New Jersey has what is basically a good idea. The health consequences of smoking are beyond argument, in my opinion. It is the single largest cause of disease and death in the United States. There is also, however, a severe crisis among tobacco farmers involving a program that does not have any taxpayers' funds in it. There are delicate negotiations underway right now involving the health groups, the tobacco industry, the companies and the growers, and this attacks the 8 cents, which no one really expects to stay down at this level; it will go up eventually. But it is one of the elements in the agreement which eventually will result. This should be done, but it should be done as part of a package later this year that will not only provide revenue for Medicare and health research but will also save the tobacco program.

The PRESIDING OFFICER. The Senator's time has expired.

Who yields time? If neither side yields time, it runs equally.

Mr. FORD. Mr. President, the doubling of the cigarette excise tax in 1982 was followed by a drop in cigarette sales.

According to the USDA, since 1983, when the tax was initiated, cigarette output fell 4 percent and has never recovered. For every 1 percent of the market, there are roughly $268 million of retail sales—includes excise tax. Therefore, this 4-percent drop caused a total reduction in sales of over $1 billion annually.

Some would proclaim this drop in cigarette production caused the major cigarette manufacturers to lose money. Nothing could be further from the truth; management of these companies simply began cutting costs to maintain their profit levels.

I bring to your attention this fact because an increase in the cigarette tax will not affect the companies profits because they will again turn to an area whereby they can save the most money * * * they will turn to the small tobacco family farmer for their savings, small tobacco farmers who operate the 101,000 farms in my State alone.

In 1981 and 1982, before the imposition of the excise tax squeezed operating costs of the cigarette manufacturers, the companies used 463 and 444 million pounds of burley respectively, which is grown in my State of Kentucky. By 1983, only 388 million pounds of domestic leaf was being used, almost a 17-percent drop, a direct reduction in the income to my farmers.

However, the wisdom of this congressional body reduced my farmers' income in another manner; we demanded the Tobacco Price Support Program be operated at no cost to the taxpayers. Yet, we provided no flexibility in the operations of the program to account for a sudden drop in use. The provisions of the no-net-cost program, you may remember, was to require farmers to pay into a fund to provide for any potential losses to the government that may occur—the

result—farmers are going to pay 30 cents per pound, up from 1 cent per pound in 1982.

The tobacco farmer in Kentucky simply cannot withstand this drastic reduction of income: 72 percent of Kentucky's tobacco farmers depend on tobacco for a least 50 percent of their gross income, while 76 percent of Kentucky's tobacco farmers have annual net farm income of less than $10,000, with 47 percent having total family farm and off-farm income of less than $20,000.

The Kentucky tobacco farmer is strongly attached to farming and is reliant to it as a vocation; 44 percent of all farmers in Kentucky have less than a high school education. Tobacco production in my State of Kentucky was worth over $900 million providing direct and indirect benefits or almost $2.5 billion or 3 percent of the gross State product of Kentucky.

Failing to remove the excise tax will only continue to force the manufacturers to find ways of reducing domestic consumption of tobacco, hence reduce the benefits of tobacco production to the State of Kentucky. Every time we reduce tobacco production 1 percent in my State, 1,183 jobs are lost or about a $24 million decrease in the value of Kentucky's total State product.

Kentucky is the largest producer of burley tobacco and any move to extend the doubling of the excise tax will have a substantial effect on the economy of our State. Over the last 2 years, during the time the cigarette tax has been doubled to 16 cents, there has been a loss of 12,500 jobs.

Continuing the 16-cent tax on cigarettes will significantly impact State and local governments which is recent years have come to increasingly rely on excise taxes for more revenue.

We have reached the point of diminishing returns. As consumer sensitivity to higher prices increases, the revenue potential of more tobacco excise taxes rapidly diminishes. At a time when the States are being squeezed fiscally due to Federal budget cuts, it would be particularly disruptive to further erode this important State revenue base.

Because excise taxes are inherently regressive, the burden of the continued tobacco excise tax falls unevenly. This tax has a much greater impact on low- and middle-income taxpayers, the same taxpayers who are currently funding the Federal deficit. Low- and middle-income taxpayers pay a greater percentage of their total income in excise taxes.

At a time when Congress is looking to simplify the Tax Code and reduce the tax burden on lower and middle income taxpayers, continuing the 16-cent cigarette tax does the exact opposite. If we are serious about providing tax relief to these taxpayers, and if we are sincere in our desire to design a tax system that falls evenly on all, then this amendment is the wrong way to go. Not only does this proposal continue to hit low and middle income taxpayers disproportionately, it does so in the same patchwork way that we have been condemning. Perhaps the best way to address reducing the Federal deficit by taxes is to get on with tax simplification legislation. I am sure we can find a more progressive and fair tax that will produce even greater revenues than the cigarette tax. Rather than taxing the low- and middle-income taxpayer, perhaps we should look to General Dynamics and other corporations to simply pay their fair share of taxes and then there will be no need to continue this regressive tax on those in our society who can least afford it.

The tobacco industry, and those who of their free will have chosen to smoke, bear an unfairly heavy tax burden. The Federal excise tax, in combination with State and local excise and sales taxes on cigarettes, amount to 35 percent of the average national retail price of the product. By comparison, the excise taxes on gasoline averages 25 percent of the retail price.

Mr. President, I urge my colleagues to reject this amendment.

Mr. BRADLEY. Mr. President, how much time remains on the side of the Senator from New Jersey?

The PRESIDING OFFICER. One minute.

Mr. BRADLEY. I yield myself 30 seconds.

Mr. President, this amendment simply increases revenues by $5 billion by assuming that the cigarette tax stays where it is today. It also increases the expenditure level for the budget function that includes Medicare. This restoration in funding eliminates the doubling of the Medicare premium. That, Mr. President, is the tradeoff.

The PRESIDING OFFICER. The Senator's time has expired.

Mr. BRADLEY. That is, in summary, what this issue is all about.

Mr. DOLE. Mr. President, does the Senator yield back the remainder of his time?

Mr. BRADLEY. I would say to the majority leader I am prepared to simultaneously yield back the remainder of my time if the distinguished Senator from North Carolina is so prepared.

Mr. DOLE. I do not care. The clock is running.

Mr. HELMS. Mr. President, this Senator assumes he has something in the neighborhood of a minute.

I repeat that this is a matter for the Finance Committee to handle, not a Senator on the floor at 2 minutes past 10 o'clock in the evening.

Senator PACKWOOD has stated it correctly; it is a matter for the Finance Committee to consider after hearings have been held and the equity of the proposition analyzed. But to come in with an amendment that refutes the actions of this Congress in 1982 is not only unfair, it is not consistent with the way the Senate operates.

The PRESIDING OFFICER. The Senator's time has expired.

Mr. HELMS. If I have time, I yield it back.

Mr. DOLE. Mr. President, I move to table the amendment and I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

The PRESIDING OFFICER. The clerk will call the roll.

The bill clerk called the roll.

Mr. STEVENS (when his name was called). On this vote I have a pair with the distinguished Senator from North Carolina [Mr. EAST]. If he were present and voting, he would vote "yea." If I were at liberty to vote, I would vote "nay." I withhold my vote.

Mr. SIMPSON. I announce that the Senator from North Carolina [Mr. EAST] and the Senator from California [Mr. WILSON] are absent due to illness.

Mr. CRANSTON. I announce that the Senator from Nebraska [Mr. EXON] is absent because of illness.

The PRESIDING OFFICER. Are there any other Senators in the Chamber who wish to vote?

The result was announced—yeas 49, nays 47, as follows:

[Rollcall Vote No. 66 Leg.]

YEAS—49

Abdnor	Grassley	Pressler
Andrews	Hawkins	Quayle
Armstrong	Hecht	Roth
Cochran	Heflin	Rudman
D'Amato	Helms	Simpson
Danforth	Hollings	Specter
DeConcini	Humphrey	Stafford
Denton	Kassebaum	Stennis
Dole	Kasten	Symms
Domenici	Laxalt	Thurmond
Durenberger	Lugar	Trible
Evans	Mattingly	Wallop
Ford	McClure	Warner
Goldwater	McConnell	Weicker
Gore	Murkowski	Zorinsky
Gorton	Nunn	
Gramm	Packwood	

NAYS—47

Baucus	Eagleton	Mathias
Bentsen	Garn	Matsunaga
Biden	Glenn	Melcher
Bingaman	Harkin	Metzenbaum
Boren	Hart	Mitchell
Boschwitz	Hatch	Moynihan
Bradley	Hatfield	Nickles
Bumpers	Heinz	Pell
Burdick	Inouye	Proxmire
Byrd	Johnston	Pryor
Chafee	Kennedy	Riegle
Chiles	Kerry	Rockefeller
Cohen	Lautenberg	Sarbanes
Cranston	Leahy	Sasser
Dixon	Levin	Simon
Dodd	Long	

PRESENT AND GIVING A LIVE PAIR, AS PREVIOUSLY RECORDED—1

Stevens, against.

NOT VOTING—3

East Exon Wilson

So the motion to table the amendment (No. 88) was agreed to.

Mr. DOLE. Mr. President, I move to reconsider the vote by which the motion to lay on the table was agreed to.

Mr. CHILES. Mr. President, I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. BYRD. Mr. President, I yield 1 minute to the distinguished majority leader.

The PRESIDING OFFICER. The majority leader is recognized.

Mr. DOLE. Mr. President, how much time is remaining?

The PRESIDING OFFICER. Thirty-seven minutes.

Mr. DOLE. Mr. President, as far as I can determine on this side, there are no additional miscellaneous amendments, and I will now see if our amendment is drafted.

Are there amendments on the Democratic side?

Mr. CHILES. Yes.

Mr. DECONCINI. Mr. President I have an amendment.

Mr. CHILES. Can the Senator cut it down to 5 minutes equally divided?

Mr. DECONCINI. Ten minutes equally divided.

I will take 8 minutes equally divided.

Mr. CHILES. Eight minutes equally divided.

I propound that unanimous-consent request.

The PRESIDING OFFICER. Without objection, it is so ordered.

AMENDMENT NO. 89

(Purpose: To express the sense of the Senate with respect to the apportionment of funds for the WIC program)

Mr. DECONCINI. Mr. President, I send to the desk an amendment and ask for its immediate consideration.

The PRESIDING OFFICER. The amendment will be stated.

The assistant legislative clerk read as follows:

The Senator from Arizona [Mr. DECONCINI], for himself, Mr. CRANSTON, Mr. DODD, Mr. KERRY, Mr. MITCHELL, Mr. KENNEDY, Mr. BIDEN, and Mr. CHAFEE, proposes an amendment numbered 89.

Mr. DECONCINI. Mr. President, I ask unanimous consent that the reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

At the end of the pending amendment, add the following:

SEC. . It is the sense of the Senate that the amount of budget authority and outlays set forth in this concurrent resolution for the functional category of Income Security (600) for fiscal year 1985 are sufficient to ensure that $1,500,000,000 is apportioned among the States to carry out the Special Supplemental Food Program authorized by section 17 of the Child Nutrition Act of 1966 (commonly referred to as the WIC program); and it is assumed that the Office of Management and Budget should therefore release and apportion to the States the full amount of $1,500,000,000, which was appropriated for the WIC program for fiscal year 1985 since—

(1) Public Law 98-473 provided that, in carrying out the WIC program, funds shall be apportioned to the States based on an annual appropriation level of $1,500,000,000;

(2) the Conference Report on H.R. 5743 (H. Rept. 98-1071), the Agriculture, Rural Development and Related Agencies Appropriation Act, 1985, which was incorporated in Public Law 98-473, expresses the conferees' intent that the WIC program be carried out in such a manner as to fully obligate the $1,500,000,000 appropriated by Public Law 98-473 for such program for fiscal year 1985;

(3) such Conference Report also explicitly stated that any action to allocate funds inconsistent with a full-year appropriation level of $1,500,000,000 for the WIC program would be an improper withholding of funds; and

(4) the Office of Management and Budget has not made available to the Department of Agriculture for distribution to the States the full amount of funds intended by congress to be allocated to the WIC program in any of the first three quarters of fiscal year 1985, and has not made funds available for such program during such quarters at the rate intended by the Congress.

Mr. DECONCINI. Mr. President, I offer this amendment on behalf of the Senator from California [Mr. CRANSTON], the Senator from Connecticut [Mr. DODD], the Senator from Massachusetts [Mr. KERRY], the Senator from Maine [Mr. MITCHELL], the Senator from Massachusetts [Mr. KENNEDY], the Senator from Delaware [Mr. BIDEN], and the Senator from Rhode Island [Mr. CHAFEE]. This amendment is very straightforward. It states that Congress appropriated $1.5 billion for the Special Supplemental Food Program [WIC] for fiscal year 1985 and expresses the sense of the Senate that the Office of Management and Budget [OMB] should immediately release and apportion to the States the full amount that should have been disbursed based on an annual appropriation level of $1.5 billion.

Mr. President, I know that the distinguished majority leader, Senator DOLE, and the distinguished chairman of the Appropriations Subcommittee on Agriculture and Rural Development Senator COCHRAN, have repeatedly and persistently communicated with the Director of the Office of Management and Budget, David Stockman, to release the full amount of money that Congress intended to be allocated to the WIC Program for fiscal year 1985.

I commend them for their efforts, but Mr. Stockman has let their requests fall on deaf ears.

This amendment is intended to send a clear signal to Mr. Stockman that the Senate is tired of OMB's attempts to circumvent the will of Congress.

Let me briefly explain what has happened with the funding for the WIC Program.

The continuing resolution for fiscal year 1985, Public Law 98-473, which incorporates the funding for the Department of Agriculture appropriated $1.5 billion for the WIC Program.

The $1.5 billion was appropriated in two amounts: $1.254 billion for the period October 1-August 1, 1985, and $246 million for the remainder of the fiscal year, contingent upon the submission of a budget request for this second amount.

However, Congress mandated, in the statute, that the appropriated funds were to be apportioned at the full $1.5 billion annual rate. The conference report (H. Rept. 98-1071) accompanying the fiscal year 1985 Agriculture appropriations bill, which was folded into the continuing resolution, states that it is the conferees' intent that the WIC Program be carried out in such a manner as to fully obligate the $1.5 billion and that any action to allocate these funds inconsistent with a full-year appropriation level of $1.5 billion will be an improper withholding of funds for fiscal year 1985.

While OMB may have a legislative loophole to jump through, the intent of Congress with regard to the WIC Program could not be more clear. But OMB does not appear to have received the message. Let us take a look at how they have apportioned the WIC funds over the first three quarters of the fiscal year.

Instead of apportioning $375 million each quarter, which is one-fourth of the annual $1.5 billion appropriation, the following amounts have been allocated to the States: First quarter, $353,894,250; second quarter, $365,000,000; third quarter, $370,000,000 for a total of $1,088,894,250.

The total for the first three quarters is $1,088,894,250 or $36,105,750 less than the amount that should have been made available to the States for this period as the Senate and the House of Representatives directed in the public law.

As a result of the withholding of the full quarterly apportionments, a disproportionately large amount of the $1.254 10-month appropriation—$163,567,417—is being made available in July. Since the States cannot possibly use all of the July funding in 1 month, there will obviously be a large amount of money to carry over into the August-September period.

As a result, the administration has submitted a budget request for $169,295,000 for the final 2 months of the fiscal year, which is far short of the $246 million Congress intended.

Finally, Mr. President, it must be pointed out that the full amount that OMB is making available for the WIC

Program in fiscal year 1985 is $1.424 billion or more than $76 million less than Congress appropriated.

Mr. President, because OMB has not made available to the States the full amount of funding Congress appropriated for the WIC Program, it is estimated that more than 230,000 women, infants, and children may not be served by the program.

The WIC Program serves low-income pregnant and nursing women and their children who are nutritionally at risk.

It is one of the most effective programs ever enacted by Congress, and it is cost-effective.

It has a proven track record in decreasing the long-term social, health, and economic costs associated with inadequate prenatal and infant nutrition.

This Senator finds it unconscionable that OMB would deliberately attempt to circumvent the will of Congress with regard to funding for this program and deprive thousands of low-income women and children of basic nutritional needs.

Mr. President, I urge all of my colleagues to support this amendment to underscore their commitment to the WIC Program.

Mr. CHAFEE. Mr. President, I rise today in support of the amendment offered by the Senator from Arizona [Mr. DECONCINI]. The WIC Program has proven enormously effective in battling malnutrition among women, infants, and children, and it is important that Congress assure full funding for this program, at the $1.5 billion level already appropriated for the current fiscal year.

Congress was clear in its intent that the WIC Program be funded at $1.5 billion in fiscal year 1985. Now we must act to urge that these funds be made available, or face the consequences of malnutrition in expectant mothers, newborns, and children under the age of 5—consequences that last a lifetime.

If no action is taken, the WIC Program will face a shortfall of approximately $70 million, with the result that 250,000 nutritionally at-risk women and children will be removed from the rolls.

For some WIC recipients, it is already too late. At least eight States have already begun to remove mothers and their children from the rolls; three more have started cutting back on the amount of food they provide. Nearly all States are drawing up plans right now to take people off the program. The medical problems associated with malnutrition are already in the making, and are irreversible. We can act now, or pay a very high price later.

I urge my colleagues to join me in supporting this resolution.

Mr. HOLLINGS. Mr. President, I am pleased to join as a cosponsor of the amendment offered by the distinguished Senator from Arizona. As one who worked to create the Woman, Infants, and Children Special Feeding Program, and who has consistently supported the fine work this outstanding program does, I commend my colleague for bringing this amendment to the Senate's attention. What the administration has done in operating this program should not be tolerated. Moneys that Congress has appropriated for the operation of the program have been withheld and over 200,000 eligible recipients under the program have been denied its important benefits. Every study I've ever seen indicates that we save $3 or more in reduced care costs for every $1 we spend on this program. It's a winner and one this body should readily endorse. I urge my colleagues to join with me in passing this amendment.

Time being short, I will not have the opportunity to make a long statement detailing the value of the program. Let me concur with the remarks of my colleague from Arizona. And, Mr. President, I ask that a editorial appearing in the New York Times on Saturday, May 4 be inserted in the RECORD.

The article follows:

WOMEN, CHILDREN AND CRUEL THRIFT

In 1972 Congress created a food program called WIC, for Women/Infants/Children, to improve the diet of poor pregnant and nursing women and young children certified by physicians to be at nutritional risk. The worst thing that's ever been said about WIC is that it is unable to include all those who need its help. If the Administration is sincere about maintaining a social safety net, then it would have to include poor, malnourished mothers and babies.

Why then is the Administration so consistently hostile to WIC? There's little room here to find much of that oft-touted trio—waste, fraud and abuse. Eight of every ten WIC dollars go for prescription foods like infant formula and fortified cereals. Most of the rest goes for screening, blood tests and nutrition counseling. Nonetheless, the Administration has remained at continual loggerheads with Congress over paying for the program, and even now refuses to release part of the money already appropriated for this year.

The Administration is stretching 10 months' funding to cover 12 months, cutting WIC short by about $70 million. That doesn't sound like much, until one recognizes that the entire cut is concentrated into a few weeks at the end of the fiscal year. The fruit of such thrift is already clear. WIC is supposed to include children under age 5. In New Mexico, it is no longer possible to cover children over 18 months. Local agencies in Maine, after having dropped 300 people from the program in March, were told to cut 1,000 more. Arkansas says it will have to cut 3,600. In March, there were 16,300 New Yorkers on waiting lists. In coming weeks, thousands now enrolled in the program will have to be dropped. All told, as many as 250,000 of WIC's 3.1 million recipients could be affected.

It's starting to sound like the Nixon Administration's notorious efforts to impound money that Congress ordered spent for social programs. In this case a House subcommittee has already called for the missing money, in the big supplemental appropriations bill. But that will take weeks to work its way through Congress.

Can't this wait a few weeks? The answer is another question: Can't the unborn children of malnourished pregnant women wait a few weeks? For some WIC participants, it is already too late. The medical problems attendant on poor nutrition are now in the making. The Administration, so eager to celebrate the "Right to Life," has the power and the duty to release all the WIC funds immediately. If not, the House and Senate appropriations committees, will have to order it to do its duty, to Congress and to conscience.

The PRESIDING OFFICER. The Senator's 8 minutes have expired.

Mr. DECONCINI. Mr. President, I yield back the remainder of my time.

Mr. President, I ask unanimous consent that the Senator from South Carolina [Mr. HOLLINGS], the Senator from Texas [Mr. BENTSEN], and the Senator from Oklahoma [Mr. BOREN] be added as cosponsors.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. BOSCHWITZ. Mr. President, I wonder, if the Senator from New Mexico on this side would agree to accepting the amendment, whether or not the Senator from Arizona would be agreeable to vitiating the yeas and nays.

Mr. DECONCINI. Mr. President, the Senator from Arizona would be more than happy to have a 10-minute rollcall vote, if that would be the wish of the leadership.

Mr. BOSCHWITZ. Mr. President, I believe all the rollcalls are now 10 minutes.

Mr. DECONCINI. I did not know that. I apologize.

Mr. BOSCHWITZ. This side is willing to accept the Senator's amendment, in the interest of time, at 10:30 at night, if the Senator would be willing to vitiate the yeas and nays.

Mr. DECONCINI. No, I am not.

Mr. BOSCHWITZ. We yield back the remainder of our time.

The PRESIDING OFFICER. All time is yielded back. The question is on agreeing to the amendment of the Senator from Arizona [Mr. DECONCINI]. The yeas and nays have been ordered and the clerk will call the roll.

The assistant legislative clerk called the roll.

Mr. SIMPSON. I announce that the Senator from North Carolina [Mr. EAST] and the Senator from California [Mr. WILSON] are absent due to illness.

Mr. CRANSTON. I announce that the Senator from Nebraska [Mr. EXON] is absent because of illness.

The result was announced—yeas 97, nays 0, as follows:

[Rollcall Vote No. 67 Leg.]

YEAS—97

Abdnor	Gore	Metzenbaum
Andrews	Gorton	Mitchell
Armstrong	Gramm	Moynihan
Baucus	Grassley	Murkowski
Bentsen	Harkin	Nickles
Biden	Hart	Nunn
Bingaman	Hatch	Packwood
Boren	Hatfield	Pell
Boschwitz	Hawkins	Pressler
Bradley	Hecht	Proxmire
Bumpers	Heflin	Pryor
Burdick	Heinz	Quayle
Byrd	Helms	Riegle
Chafee	Hollings	Rockefeller
Chiles	Humphrey	Roth
Cochran	Inouye	Rudman
Cohen	Johnston	Sarbanes
Cranston	Kassebaum	Sasser
D'Amato	Kasten	Simon
Danforth	Kennedy	Simpson
DeConcini	Kerry	Specter
Denton	Lautenberg	Stafford
Dixon	Laxalt	Stennis
Dodd	Leahy	Stevens
Dole	Levin	Symms
Domenici	Long	Thurmond
Durenberger	Lugar	Trible
Eagleton	Mathias	Wallop
Evans	Matsunaga	Warner
Ford	Mattingly	Weicker
Garn	McClure	Zorinsky
Glenn	McConnell	
Goldwater	Melcher	

NAYS—0

NOT VOTING—3

East	Exon	Wilson

So the amendment (No. 89) was agreed to.

Mr. DECONCINI. Mr. President, I move to reconsider the vote by which the amendment was agreed to.

Mr. DOLE. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

AMENDMENT NO. 90

(Purpose: To restore funding for Amtrak, urban mass transit programs, and Urban Development Action Grants (UDACs) for each of the fiscal years 1986, 1987, and 1988 to the levels of funding provided for such programs in fiscal year 1985)

Mr. LAUTENBERG addressed the Chair.

The PRESIDING OFFICER. The Senator from New Jersey.

Mr. DOMENICI. Mr. President, I ask unanimous consent that on this amendment the time be held to 5 minutes, and equally divided.

The PRESIDING OFFICER. Is there objection? Without objection, it is so ordered.

Mr. LAUTENBERG. Mr. President, I thank the floor manager.

Mr. President, I send an amendment to the desk on behalf of myself and Senators DODD, MOYNIHAN, WEICKER, KENNEDY, BAUCUS, RIEGLE, LEVIN, KERRY, SARBANES, BRADLEY, and ROCKEFELLER, and I ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report.

The assistant legislative clerk read as follows:

The Senator from New Jersey [Mr. LAUTENBERG], for himself, Mr. DODD, Mr. MOYNIHAN, Mr. WEICKER, Mr. KENNEDY, Mr. BAUCUS, Mr. RIEGLE, Mr. LEVIN, Mr. KERRY, Mr. SARBANES, Mr. BRADLEY, and Mr. ROCKEFELLER, proposes an amendment numbered 90.

Mr. LAUTENBERG. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

In the pending amendment, do the following:

On page 3, increase the amount on line 12 by $2,000,000,000.

On page 3, increase the amount on line 13 by $2,500,000,000.

On page 3, increase the amount on line 14 by $2,900,000,000.

On page 3, increase the amount on line 18 by $800,000,000.

On page 3, increase the amount on line 19 by $1,400,000,000.

On page 3, increase the amount on line 20 by $2,100,000,000.

On page 3, increase the amount on line 25 by $800,000,000.

On page 4, increase the amount on line 1 by $1,400,000,000.

On page 4, increase the amount on line 2 by $2,100,000,000.

On page 4, increase the amount on line 6 by $800,000,000.

On page 4, increase the amount on line 7 by $2,200,000,000.

On page 4, increase the amount on line 8 by $4,300,000,000.

On page 4, increase the amount on line 12 by $800,000,000.

On page 4, increase the amount on line 13 by $1,400,000,000.

On page 4, increase the amount on line 14 by $2,100,000,000.

On page 16, increase the amount on line 20 by $1,600,000,000.

On page 16, increase the amount on line 21 by $800,000,000.

On page 17, increase the amount on line 4 by $2,100,000,000.

On page 17, increase the amount on line 5 by $1,200,000,000.

On page 17, increase the amount on line 13 by $2,500,000,000.

On page 17, increase the amount on line 14 by $1,600,000,000.

On page 18, increase the amount on line 8 by $400,000,000.

On page 18, increase the amount on line 17 by $400,000,000.

On page 18, increase the amount on line 18 by $100,000,000.

On page 19, increase the amount on line 1 by $400,000,000.

On page 19, increase the amount on line 2 by $200,000,000.

On page 33, increase the amount on line 2 by $100,000,000.

On page 33, increase the amount on line 3 by $100,000,000.

On page 33, increase the amounts on line 11 and line 12 by $300,000,000.

On page 38, decrease the first amount on line 10 by $1,315,000,000.

On page 38, decrease the second amount on line 10 by $201,000,000.

On page 38, decrease the amount on line 11 by $1,839,000,000.

On page 38, decrease the amount on line 12 by $622,000,000.

On page 38, decrease the amount on line 13 by $2,212,000,000.

On page 38, decrease the amount on line 14 by $1,147,000,000.

On page 38, decrease the first amount on line 24 by $684,000,000.

On page 38, decrease the second amount on line 24 by $596,000,000.

On page 38, decrease the amount on line 25 by $684,000,000.

On page 39, decrease the amount on line 1 by $641,000,000.

On page 39, decrease the first amount on line 2 by $684,000,000.

On page 39, decrease the second amount on line 2 by $684,000,000.

On page 41, decrease the amount on line 17 by $4,000,000.

On page 41, decrease the amount on line 19 by $16,000,000.

On page 41, decrease the amount on line 21 by $28,000,000.

On page 45, decrease the first amount on line 8 by $440,000,000.

On page 45, decrease the second amount on line 8 by $22,000,000.

On page 45, decrease the amount on line 9 by $440,000,000.

On page 45, decrease the amount on line 10 by $111,000,000.

On page 45, decrease the first amount on line 11 by $440,000,000.

On page 45, decrease the second amount on line 11 by $221,000,000.

On page 46, decrease the amount on line 9 by $684,000,000.

On page 46, decrease the amount on line 10 by $596,000,000.

On page 46, decrease the first amount on line 11 by $684,000,000.

On page 46, decrease the second amount on line 11 by $641,000,000.

On page 46, decrease the amount on line 12 by $684,000,000.

On page 46, decrease the amount on line 13 by $684,000,000.

On page 49, decrease the first amount on line 17 by $875,000,000.

On page 49, decrease the second amount on line 17 by $179,000,000.

On page 49, decrease the amount on line 18 by $1,399,000,000.

On page 49, decrease the amount on line 19 by $511,000,000.

On page 49, decrease the first amount on line 20 by $1,772,000,000.

On page 49, decrease the second amount on line 20 by $926,000,000.

On page 52, increase the amount on line 1 by $2,000,000,000.

On page 52, increase the amount on line 3 by $2,500,000,000.

On page 52, increase the amount on line 4 by $2,900,000,000.

Mr. LAUTENBERG. Mr. President, I yield myself 2 minutes out of the 2½ minutes allowed to me.

Mr. President, my amendment provides for a freeze at fiscal year 1985 levels of Amtrak, mass transit, and urban development action grants for fiscal years 1986, 1987, and 1988.

Mr. President, over the next 3 years, these programs would account for one-half of 1 percent of Federal spending—outlays—but under the so-called compromise budget they would bear three times their share in deficit reduction.

Mr. President, the Urban Development Action Grant Program has made the difference between urban decay and urban revival by making it possible for development that can swing a city around. By leveraging private investment with public money, the

UDAG program has spurred over 2,400 developments in close to 1,100 cities involving $26 billion in private investment. And that private investment yields $990 million a year in tax revenues and reduced transfer payments.

It is a proper role for the Government to continue the development of the urban economy throughout the country.

Our towns and cities need mass transit, as much as the rural housing and water resources and hydroelectricity that are integral to the economies and welfare of other regions of the country. Mass transit assistance is critical to move people to and from work in the densely populated cities, counties, and States of our Nation. Without mass transit aid, other transportation arteries clog, and the economic heart of the areas dependent on these mass transit services will falter.

Mr. President, that is why we need these programs funded at the freeze level for the current year. In fact, what it amounts to is a reduction, a reduction for inflation.

This body has already voted to restore 90-percent funding for Amtrak resulting in a 10-percent cut from Amtrak's current budget, which, in fact, is more like a 14-percent to 15-percent cut because of inflation. This is on top of the 26-percent cut that Amtrak has already experienced since 1981.

Mr. President, the president of Amtrak, Graham Claytor, testified before the Senate Transportation Appropriations Subcommittee this year that Amtrak is moving as fast as it can to increase its revenue-to-cost ratio. In 1978 Amtrak's revenue-to-cost ratio was 48 percent. In 1985 it increased to 58 percent. In the fiscal year 1986 budget Amtrak submitted to Congress, the ratio assumed is 60 percent. Mr. Claytor testified that he was attempting to move toward covering two-thirds of Amtrak's costs within the next 5 years.

To my colleagues I would say: do not force further cuts on Amtrak now, when it is moving in an orderly fashion, toward more self sufficiency by increasing its ridership and instituting efficiencies. Let us take Amtrak at its word and freeze this year—in a real cut of 5 percent or so—and reexamine this issue next year.

In sum, Mr. President, the amendment we offer would do three things:

It would save Amtrak.

It would save mass transit assistance.

And it would save UDAG.

I urge my colleagues to support the restoration of these important investments in our economy. I urge adoption of the amendment.

Mr. President, I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

Mr. LAUTENBERG. Mr. President, I ask unanimous consent that the Senator from West Virginia, Mr. BYRD, be added as a cosponsor.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. DANFORTH addressed the Chair.

The PRESIDING OFFICER. The Senator from Missouri is recognized.

Mr. DANFORTH. Mr. President, I yield myself 30 seconds.

Earlier today we debated the question of Amtrak. Forty-one Senators voted against the Specter amendment. The issue before the Senate now is whether Amtrak is such a first priority in this country that it should play absolutely no role in reducing the size of the deficit. My answer to that question—and I trust the Senate's answer—is no.

The PRESIDING OFFICER. who yields time?

Mr. DANFORTH addressed the Chair.

The PRESIDING OFFICER. If neither side yields time——

Mr. LAUTENBERG. Mr. President, I ask unanimous consent that Senator ROCKEFELLER be added as a cosponsor.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. RIEGLE. Will the Senator yield?

Mr. LAUTENBERG. I yield.

Mr. RIEGLE. Mr. President, I rise in support of the amendment offered by my colleague Mr. LAUTENBERG, to include the Urban Development Action Grant [UDAG] Program in the first concurrent budget resolution.

The UDAG Program has proven that the Federal and local governments can act in cooperation with the private sector to strengthen the economies of our Nation's most distressed cities.

UDAG is clearly a program that is working extremely well. It helps locate new industry in areas where there is the greatest need. It creates jobs. It makes fuller use of the Nation's enormous investment in existing roads, water and sewer systems and other infrastructure.

Since it was enacted, UDAG has demonstrated solid results. Over 2,400 UDAG projects are projected to create or maintain 484,000 permanent new jobs; 55 percent of those jobs are slated for low- and moderate-income persons.

UDAG has stimulated almost $7 in private investment for every Federal dollar. That's a total of $21 billion private investment dollars that UDAG has generated in just a few years. That's a real success story in private sector-government cooperation.

Mr. President, some Senators have expressed concern that the UDAG project selection system, which HUD adopted just over a year ago, puts a number of communities at a disadvantage in the competition for funding. I believe we have found a way to solve that problem in a way that will reinforce broad support for the UDAG Program across the country.

The problem was created at the end of 1983 when HUD implemented a new project selection system because demand for UDAG began greatly to exceed the funds available. As a result, eligible cities that have relatively low measures of distress came to feel that they are unable to get a grant no matter how strong a project they submit.

I understand that concern. I am sympathetic to it. And a number of Senators went to work with me over the last 9 months to come up with an effective and fair solution. That effort has involved Senators from both parties, from all regions of the country, and who represent cities on both sides of this issue.

Mr. President, we have recently completed work that should finally put this controversy to rest.

We have a way to significantly strengthen the UDAG Program. We have a way to improve local negotiations and to give all eligible cities a fair chance to have outstanding projects approved.

The bill would retain important aspects of the UDAG Program that have made it so successful, such as the national competition and targetting on the most distressed cities. It would not change the type of projects that a city may submit for the competition.

I am confident that we can enact this major reform soon and remove any question the UDAG funding should continue at the level provided in this amendment.

This amendment is vitally important to the Nation's cities.

UDAG projects are expected to contribute $491 million in annual tax revenues to hard-pressed local governments. At the end of 1983, local governments were already receiving $63 million annually in additional revenues as a result of UDAG projects. Repayments of loans made with UDAG funds have provided an additional $45 million.

At the end of last year, UDAG projects would produce almost 93,000 housing units, approximately one-third of which are for low and moderate income persons.

The UDAG Program generates more fiscal benefits in the form of increased revenues and reduced transfer payments than it costs. Conservative estimates place the increased Federal, State, and local revenues and cost savings at $991 million per year, compared to an annual appropriation of $440 million. Clearly UDAG has helped to build a solid new economic foundation in a number of hard-

pressed cities across the Nation. And it has done so while maximizing the return on scarce Federal dollars. Such a successful Federal program should not be eliminated.

In my own State of Michigan, the UDAG Program has allowed communities to help themselves in partnership with the private sector and with a minimum of Federal direction, red-tape, and bureaucracy. Since 1978, nearly 50 Michigan communities have received over $314 million from the Federal Government and over $2.5 billion from private investors for UDAG projects. Over 63,000 Michigan jobs have been created or saved.

I strongly support UDAG as an important and proven tool that enables private investors and local governments to carry out projects that help develop the economies of the Nation's most distressed cities. I urge my colleagues in the Senate to support the amendment.

Mr. BYRD. Mr. President, I support funding for mass transit. This program is extremely important to small, rural States, and it has become even more important since bus deregulation. With bus deregulation, bus lines such as Trailways and Greyhound have been terminating service in States such as West Virginia. Communities, with the assistance of mass transit funding, have been able to establish transit services.

As a matter of fact, the Interstate Commerce Commission, recognizing that the private sector is not coming forward to fill the gap, is advising local communities to avail themselves of the funding available from the Urban Mass Transit Administration.

In my State of West Virginia, there are 12 transit companies; of those 12, 5 communities—Charleston, Clarksburg, Huntington, Parkersburg, and Wheeling—have enacted excess property tax levies to support their transit companies.

Should operating assistance be eliminated, I am advised that many of these companies will have to close down.

I have heard from many West Virginians who use the bus to get to work, to the doctor, to the grocery store—many of the riders are poor and many are elderly.

I support this amendment and would hope that my colleagues would also.

Mr. KASTEN. Mr. President, I rise to voice my support for the Lautenberg amendment, particularly the portion dealing with the Department of Housing and Urban Development's Urban Development Action Grant Program.

Since the program's inception in 1978, Wisconsin has benefited greatly from the UDAG Program. Fifty-two projects totaling seventy-five million dollars have been approved, 8,600 new jobs have been created, and a tremendous amount of spinoff projects have resulted. In my opinion, no Federal grant program has contributed more in stimulating economic growth in Wisconsin than the UDAG Program.

UDAG's have also been successful in forging a partnership between private and the public sector. In fact, the private sector has invested nearly a half a billion dollars in Wisconsin communities. Hand in hand these two sectors of our society have been successful in redeveloping and revitalizing Wisconsin.

Mr. President, as we all know, Wisconsin is the 16th largest State and has ranked near the bottom in the receipt of Federal funds. The UDAG Program is different. Wisconsin has received its fair share. This is a result of a strong desire by Wisconsin communities to enhance their economic stability.

Mr. President, I am very much aware of the criticism that has been leveled against the Urban Development Action Grant Program. Some of it is well founded; some of it is misleading. In Wisconsin we are proud of the fact that UDAG funds are being used as the program was intended. I would like to brag a little bit about Wisconsin's success in this area. In 1979, the city of Milwaukee received a $12.5 million UDAG for the development of a mall in downtown Milwaukee, 800 new jobs were created, several spinoff projects have resulted, but more importantly downtown Milwaukee is alive and kicking and is a viable place to do business once again. The same story can be told in Wausau and in Stevens Point. Mall projects in these two cities have turned dilapidated areas into financial goldmines. The Wausau project has exceeded all financial expectations and the same is expected in Stevens Point. Office buildings in Milwaukee and La Crosse have brought new industry into these cities and created new employment opportunities. These are just a few of the success stories in Wisconsin. UDAG works, and it should be continued.

Elimination of the UDAG Program will not only have a profound affect on Wisconsin but the entire country. Let's review the facts. Since 1978, 2,434 projects have been approved, 1,070 cities have benefited, $3.7 billion obligated, $21.1 billion invested by the private sector in our communities, and 483,780 new jobs created, not to mention the hundreds of thousands of jobs retained and construction jobs added. These figures are impressive. How can we afford to eliminate a Federal program which has done so much for this country in revitalizing our communities and creating needed jobs?

I am confident that without the UDAG Program, many future development projects will no longer be feasible and our urban communities will see a decline in economic growth. I challenge my colleagues to carefully review the impact UDAG has had on their States and I believe they will come to the same conclusion that I have.

Mr. President, I am opposed to eliminate this program. I believe it has been too valuable to this country and should be continued. Economic growth is the backbone of our society. Without the UDAG Program many of our communities will lack the sufficient resources to encourage revitalization in our cities.

The PRESIDING OFFICER. The Senator from Missouri.

Mr. DANFORTH. Mr. President, we did debate Amtrak earlier today. Senator SPECTER offered an amendment which was adopted. The effect of the Specter amendment was to cut Amtrak by 10 percent a year over the next 3 years.

I think the arguments were pretty well made earlier today about the significance of Amtrak. Amtrak is not in the central part of our transportation system. It carries one-quarter of 1 percent of the intercity transportation. Even in the Northeast corridor, people arriving in Manhattan every day, one-quarter of 1 percent of them are transported by Amtrak.

As I said earlier, I think the issue before us now is whether or not we are willing to make even a 10-percent cut, but whether Amtrak is so precious to us, such a high priority, that it will not play any part whatever in the reduction of this deficit.

The business of passing a budget resolution is the business of setting priorities. I think that is the issue before us now. It is the relative priorities of either reducing the deficit or keeping this very nice accessory of the past, which is Amtrak.

I would urge the Senate to defeat the amendment of the Senator from New Jersey.

Mr. LAUTENBERG. Mr. President, these programs play a vital role in the development of economic opportunity in our cities, and in the maintenance of an efficient and effective transportation network. They should be preserved.

The PRESIDING OFFICER. The time of the Senator has expired.

The majority leader.

Mr. DOLE. Mr. President, I move to table the amendment and I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from Kansas. The yeas and nays have been ordered and the clerk will call the roll.

The legislative clerk called the roll.

Mr. SIMPSON. I announce that the Senator from North Carolina [Mr. EAST] and the Senator from California [Mr. WILSON] are absent due to illness.

Mr. CRANSTON. I announce that the Senator from Nebraska [Mr. EXON] is absent because of illness.

The PRESIDING OFFICER. Are there any other Senators in the Chamber desiring to vote?

The result was announced—yeas 57, nays 40, as follows:

[Rollcall vote No. 68 Leg.]

YEAS—57

Abdnor	Goldwater	Murkowski
Armstrong	Gore	Nickles
Bentsen	Gorton	Nunn
Bingaman	Gramm	Packwood
Boren	Grassley	Pressler
Boschwitz	Hatch	Proxmire
Bumpers	Hatfield	Pryor
Chafee	Hawkins	Quayle
Chiles	Hecht	Roth
Cochran	Helms	Rudman
Cohen	Humphrey	Sasser
Danforth	Kassebaum	Simpson
Denton	Laxalt	Stafford
Dole	Long	Stevens
Domenici	Lugar	Symms
Durenberger	Mattingly	Thurmond
Evans	McClure	Trible
Garn	McConnell	Wallop
Glenn	Mitchell	Warner

NAYS—40

Andrews	Hart	Melcher
Baucus	Heflin	Metzenbaum
Biden	Heinz	Moynihan
Bradley	Hollings	Pell
Burdick	Inouye	Riegle
Byrd	Johnston	Rockefeller
Cranston	Kasten	Sarbanes
D'Amato	Kennedy	Simon
DeConcini	Kerry	Specter
Dixon	Lautenberg	Stennis
Dodd	Leahy	Weicker
Eagleton	Levin	Zorinsky
Ford	Mathias	
Harkin	Matsunaga	

NOT VOTING—3

East	Exon	Wilson

So the motion to lay on the table amendment No. 90 was agreed to.

Mr. DOMENICI. Mr. President, I move to reconsider the vote by which the motion to lay on the table was agreed to.

Mr. CHILES. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

AMENDMENT NO. 73

(Purpose: To add funds for the Summer Youth Employment Program, part B of Title II of the Job Training Partnership Act)

Mr. CHILES. Mr. President, I yield to the Senator from Illinois, but I ask unanimous consent that the time on the amendment of the Senator from Illinois on summer jobs be 4 minutes equally divided.

Mr. DOMENICI. Four minutes equally divided. I have no objection.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. DIXON. Mr. President, I have amendment 73 at the desk. I ask for its immediate consideration.

The PRESIDING OFFICER. The amendment will be stated.

The bill clerk read as follows:

The Senator from Illinois [Mr. DIXON] proposes an amendment numbered 73.

Mr. DIXON. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

On page 3, increase the amount on line 12 by $160,000,000.

On page 3, increase the amount on line 13 by $160,000,000.

On page 3, decrease the amount on line 14 by $160,000,000.

On page 3, increase the amount on line 19 by $144,000,000.

On page 3, increase the amount on line 20 by $160,000,000.

On page 4, increase the amount on line 1 by $144,000,000.

On page 4, increase the amount on line 2 by $160,000,000.

On page 4, increase the amount on line 7 by $144,000,000.

On page 4, increase the amount on line 8 by $304,000,000.

On page 4, increase the amount on line 13 by $144,000,000.

On page 4, increase the amount on line 14 by $160,000,000.

On page 4, increase the amount on line 14 by $160,000,000.

On page 19, increase the amount on line 21 by $160,000,000.

On page 20, increase the amount on line 6 by $160,000,000.

On page 20, increase the amount on line 7 by $144,000,000.

On page 20, increase the amount on line 15 by $160,000,000.

On page 20, increase the amount on line 16 by $160,000,000.

On page 42, increase the amount on line 6 by $160,000,000.

On page 42, increase the amount on line 7 by $160,000,000.

On page 42, increase the amount on line 8 by $144,000,000.

On page 42, decrease the first amount on line 9 by $160,000,000.

On page 42, decrease the second amount on line 9 by $160,000,000.

On page 45, decrease the amount on line 21 by $160,000,000.

On page 45, decrease the first amount on line 23 by $160,000,000.

On page 45, decrease the second amount on line 23 by $144,000,000.

On page 45, decrease the amount on line 24 by $160,000,000.

On page 45, decrease the amount on line 25 by $160,000,000.

On page 52, decrease the amount on line 1 by $160,000,000.

On page 52, decrease the amount on line 3 by $160,000,000.

On page 52, decrease the amount on line 4 by $160,000,000.

Mr. DIXON. Mr. President, this amendment restores the fiscal year 1985 level of funding for the Summer Youth Employment Program.

The budget authority for title II B of the Job Training Partnership Act in the budget resolution we are addressing is at its lowest level in many years. This program has been funded at the $825 million level since fiscal year 1984, and should be continued at that level.

Last year, my colleagues may recall, major cities in this country would have experienced deep cuts in the program, due to a number of factors. I sponsored an amendment to add $100 million to the program, bringing funding to $825 million in order to partially restore the cuts which would have taken place last summer. That amendment was adopted by unanimous consent and accepted by the House of Representatives. Although the funds were not received by some cities when their programs began, funds were utilized, and there is no justification to cut the program so severely.

Mr. President, we are not requesting an increase, either real or inflation adjusted, for this program. We are requesting a freeze at the 1984 level. The program has provided critically needed funds to young people who need these jobs.

Unemployment among our young people continues to be a major problem across this land. Unemployment has not decreased by 19 percent. Why then should funding for this program be reduced by that amount?

Just as the major cities of this country were cut drastically last summer, such a situation will exist with a $160 million cut in funds for the summer of 1987, which is when the fiscal year 1986 funds will be used. The intention of the Congress has been to fund this program at a consistent level for the past two summers. It just does not make sense to impose a cut of such magnitude for two summers from now.

If it eventually is the decision of this body to level fund this program in the summer of 1987, there would be no budget authority to do so. In fact, there would not even be enough budget authority to fund the program at the preamendment level from last year, which was $725 million. The budget assumption at this point is $665 million.

The city of Chicago has utilized this program in exactly the way that was intended. The mayor's office of employment and training has collaborated with the Carson, Pirie, Scott organization, which is a major department store in Chicago, as well as many other private companies. Their participation is encouraging because it will provide a needed link with the private sector in creating jobs for young people.

This is a very important step in the development of the Summer Youth Employment Program, and one which should not be taken lightly. Private sector initiatives were the goal of the Job Training Partnership Act, and this is a wonderful example of the successful attainment of that goal.

The Congress has upheld the level of funding for this program as recent-

ly as April 24, when the President's rescission of the additional $100 million which was appropriated last year was not sustained.

The Department of Labor has reported that last summer's funds were not spent completely. There are very good reasons for that. First, it is good management to carry over 10 percent of the funds for the following year. This program is forward funded, but often the money is not distributed until June, and there are a great many things to be done in preparation for the summer program. Jobs don't just happen, and young people need to submit applications. Those preparations take staff and the funds are used for that purpose.

Last year's supplemental funds of $100 million were not received by the various localities until the summer program had already begun. My amendment first passed the Senate by unanimous consent on April 5, 1984. It was part of a bill which contained funds to assist the Contras in Nicaragua, and the House and Senate and White House were at odds for several months. The President finally signed the bill containing the funds on July 2, 1984—well into the summer. Over a month of the summer had passed before the funds were available.

At least 86 percent of the funds were spent, and an additional 10 percent were carried over for this year, leaving about 4 percent unexpended, due to the late start up. That isn't a bad record, given the circumstances.

The Appropriations Committees of both Houses agreed that we shouldn't have that kind of delay again this year, and included the additional funds. Without the amendment we seek today, there would not be adequate budget authority to provide this effective and proven level of funding.

This amendment has the enthusiastic support of a number of diverse groups—the National League of Cities, the U.S. Conference of Mayors, the City of Chicago, 70001, the National Alliance of Business, the AFL-CIO and the National Youth Employment Coalition.

The concerns of many interested organizations and individuals center on two factors: First, these young people need these jobs, in many instances to help support their families or pay for their schooling; second, the peacefulness of a community can be easily disrupted by a combination of factors including lots of young people with time on their hands, who also suffer feelings of despair because they have no money and little hope of finding work. This program has kept these kids off the streets and out of trouble. A 19-percent cut will mean that fewer people can be served, and more will be idle. This is a small price to pay to provide a start for needy young people. The alternative, in terms of lack of job experience for these teenagers, is a situation which could well impair their ability to find work as adults.

This program is important, not only for the future summers for which we are now planning, but for the future lives of kids who need a chance. They have faith in this system of government, and if we turn our backs on them now, it will have an effect on their future confidence in all of us.

Mr. President, last year, with the $100 million cut, it would have cut summer employment in Chicago 47 percent, in Birmingham 32 percent, in San Francisco 37 percent, in Indianapolis 39 percent, in Baltimore 32 percent, in Grand Rapids, MI, 41 percent, in Minneapolis 38 percent, in St. Louis 37 percent, in Newark, NJ, 59 percent, in Cleveland 42 percent, in Pittsburgh 45 percent, and in Dallas 40 percent, but this year it will be worse.

In the summertime, when the weather is hot, these kids will be on the streets without jobs. This is an amendment that will be remembered in every major city in America by every kid who needs a job. I earnestly solicit the support of the membership for a modest amount of money, $160 million, to keep kids working and out of mischief in the summertime in all of the major cities of America.

Mr. KENNEDY. Mr. President, I support this amendment. Unemployment among our Nation's young people continues to be a serious problem. Youth unemployment is more than twice the national unemployment rate and minority teens fare much worse in the job market.

Even more alarming are the numbers of these young people who've completely given up looking for work. While one in two white teenagers has a job, only one in three Hispanic youth and just one in five black youngsters are employed.

The administration's answer to this national disgrace is to cut back or eliminate programs that are working and replace them with a program that won't.

Lowering the minimum wage for all teenagers in the summer is unlikely to create any new jobs for the hundreds of thousands of youngsters without work.

Summer Jobs is exactly the kind of program we ought to be supporting. It benefits disadvantaged youngsters living in inner cities by giving them the choice to work when school is out.

Without the chance to participate in the Summer Jobs Program, these youngsters would have virtually no chance for employment. The jobs just aren't there. And lowering the minimum wage won't change that.

I think we should be strengthening and improving this program, not cutting back. We should require these youngsters to participate in education during the summer months so they don't lost the skills they've gained during the school year, and fall further and further behind when they return to classes in September. And I will be introducing legislation to make this a requirement.

I want to commend my colleague from Illinois for his leadership on this issue and I urge my colleagues to vote for the Dixon amendment.

The PRESIDING OFFICER. Who yields time?

Mr. HATFIELD. Mr. President, I am ready to yield back the remaining part of the time on this side of the aisle.

The PRESIDING OFFICER. Does the Senator from Illinois yield back his time?

Mr. DIXON. Mr. President, I yield back my time.

Mr. HATFIELD. Mr. President, parliamentary inquiry. Has all time been yielded back?

The PRESIDING OFFICER. All time has been yielded back.

Mr. HATFIELD. What is the question before the body?

The PRESIDING OFFICER. The amendment of the Senator from Illinois.

Mr. HATFIELD. Mr. President, I move to table the amendment of the Senator from Illinois and ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

The PRESIDING OFFICER. The question is on agreeing to the motion to table the amendment of the Senator from Illinois.

The clerk will call the roll.

The bill clerk called the roll.

Mr. SIMPSON. I announce that the Senator from North Carolina [Mr. EAST] and the Senator from California [Mr. WILSON] are absent due to illness.

Mr. CRANSTON. I announce that the Senator from Nebraska [Mr. EXON] is absent because of illness.

The PRESIDING OFFICER. Are there any other Senators in the Chamber who wish to vote?

The result was announced—yeas 62, nays 35, as follows:

[Rollcall Vote No. 69 Leg.]

YEAS—62

Abdnor	Gorton	Murkowski
Andrews	Gramm	Nickles
Armstrong	Grassley	Packwood
Baucus	Hatch	Pressler
Bentsen	Hatfield	Proxmire
Boren	Hawkins	Quayle
Boschwitz	Hecht	Rockefeller
Byrd	Heflin	Roth
Chafee	Helms	Rudman
Chiles	Humphrey	Simpson
Cochran	Kassebaum	Stafford
Danforth	Kasten	Stennis
DeConcini	Laxalt	Stevens
Denton	Leahy	Symms
Dole	Long	Thurmond
Domenici	Lugar	Trible
Durenberger	Mathias	Wallop
Evans	Mattingly	Warner
Garn	McClure	Weicker
Glenn	McConnell	Zorinsky
Goldwater	Mitchell	

NAYS—35

Biden	Gore	Melcher
Bingaman	Harkin	Metzenbaum
Bradley	Hart	Moynihan
Bumpers	Heinz	Nunn
Burdick	Hollings	Pell
Cohen	Inouye	Pryor
Cranston	Johnston	Riegle
D'Amato	Kennedy	Sarbanes
Dixon	Kerry	Sasser
Dodd	Lautenberg	Simon
Eagleton	Levin	Specter
Ford	Matsunaga	

NOT VOTING—3

East	Exon	Wilson

So the motion to table the amendment (No. 73) was agreed to.

Mr. DOLE. Mr. President, I move to reconsider the vote by which the motion was agreed to.

Mr. HATFIELD. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

AMENDMENT NO. 91

Mr. LEVIN. Mr. President, I send an amendment to the desk on behalf of Mr. DIXON, Mr. BINGAMAN, Mr. SIMON, and myself, and I ask for its immediate consideration.

The PRESIDING OFFICER. The amendment will be stated.

The legislative clerk read as follows:

The Senator from Michigan [Mr. LEVIN], for himself and others, proposes an amendment numbered 91.

Mr. LEVIN. Mr. President, I ask unanimous consent that reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

On page 2, increase the amount on line 9 by $1,500,000,000.

On page 2, increase the amount on line 10 by $1,700,000,000.

On page 2, increase the amount on line 11 by $1,700,000,000.

On page 2, increase the amount on line 15 by $1,500,000,000.

On page 2, increase the amount on line 16 by $1,700,000,000.

On page 2, increase the amount on line 17 by $1,700,000,000.

On page 3, decrease the amount on line 25 by $1,500,000,000.

On page 4, decrease the amount on line 1 by $1,700,000,000.

On page 4, decrease the amount on line 2 by $1,700,000,000.

On page 4, decrease the amount on line 6 by $1,500,000,000.

On page 4, decrease the amount on line 7 by $3,200,000,000.

On page 4, decrease the amount on line 8 by $4,900,000,000.

On page 4, decrease the amount on line 12 by $1,500,000,000.

On page 4, decrease the amount on line 13 by $1,700,000,000.

On page 4, decrease the amount on line 14 by $1,700,000,000.

Mr. CHILES. Mr. President, I ask unanimous consent that the time on this amendment be 6 minutes, equally divided.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and it is so ordered.

Mr. LEVIN. I yield myself 2 minutes.

Mr. President, this amendment will continue the cigarette tax at the present level, with the resulting $4.9 billion over 3 years going to deficit reduction. Unlike the problem which some saw with the Bradley amendment, the revenues here are not earmarked for a spending program.

They are applied to deficit reduction. There is no tax increase here. We just continue a current tax and cut the deficit.

The legislative history of the current tax is that it was set in 1982 at 16 cents a pack up from 8 cents a pack, because the projected deficit in 1985, people felt, would be $60 billion and would, therefore, be manageable; it could thereby be reduced back to 8 cents. But, as a matter of fact, the deficit in 1985 is $213 billion and let me repeat that.

We assumed the deficit would be $60 billion. That was the basis of our action. It is now $213 billion.

Do we really want to add to our deficit woes by $5 billion over 3 years by cutting the cigarette tax in half? That is the issue.

All we have to do is keep the present cigarette tax where it is and we cut the deficit by $5 billion over 3 years.

If we are serious about deficit reduction, we are not going to cut the cigarette tax in half. Instead, we will keep it where it is and apply the proceeds—that is the intention here—to deficit reduction.

Mr. DIXON addressed the Chair.

Mr. LEVIN. Mr. President, how much time do we have remaining?

The PRESIDING OFFICER. One minute and five seconds.

Mr. LEVIN. I yield a minute to my friend from Illinois.

Mr. DIXON. Mr. President, I want to support the statement by my friend from Michigan. I think it is inconceivable that at a time when we are considering these serious budgetary constraints we would pass up the opportunity to make available over the next 3 years $5 billion to reduce the budgetary deficit.

Now, in my own State the general assembly is waiting right now to increase the tax by 8 cents and put it in the Illinois general revenue fund that already has a surplus.

We are dealing with a $200 billion deficit and I think it would be outrageous if we shrink from the opportunity to add $5 billion to the Treasury. I earnestly solicit the support of the membership.

Mr. President, I will not take much of the time of the Senate because I believe the issue is very simple—whether we should effectively cut cigarette taxes or not.

We all know the history of the cigarette tax. It was last increased in 1982 from 8 cents to 16 cents. That increase doubled the tax, but it should be remembered that it was at the 8 cent level for over 30 years. Inflation clearly did much, much more than double during that period.

The 1982 increase, however, is currently scheduled to expire on October 1 of this year. If the Senate does nothing, therefore, it will have effectively approved a 50-percent cut in cigarette taxes.

Think of that! The Federal budget deficit will exceed $200 billion this year. We are currently considering budget proposals that make devastating cuts in programs vital to rural America, to our cities, to our children, to the poor, the homeless, and the elderly. And yet the budget now before us somehow assumes there is room to cut the tax on tobacco.

Now I understand the need to rein in the growth of Federal spending, Mr. President, and I am not about to try to make the President's day by proposing any tax increases. The Federal deficit must be cut and we must cut spending to do it.

I think it is an absolute outrage, however, to cut the Federal excise tax on cigarettes in this situation. I simply cannot believe that the Senate believes lower cigarette taxes are more important than education for our children, than help for our farmers, than mass transit for our cities, or for a great variety of other important, reasonable, and absolutely necessary Federal programs that already been greatly cut over the last 4 years. I simply cannot believe it.

My distinguished colleague from Michigan, Senator LEVIN, and I are offering the Senate a chance to say "it ain't so." Our amendment does nothing more than add back into the revenue assumptions in the budget the amount that continuing the cigarette tax at 16 cents would provide—$1.5 billion in fiscal 1986 and $1.7 billion per year thereafter. Frankly, I think that is the least we should do. The evidence and sound public policy argue for doing much more.

I have not mentioned the health issues involved, but there are also important health reasons not to cut cigarette taxes. Cigarettes do cause cancer; there is no doubt of that, and there is no doubt what that means. Let me briefly point out that we are requiring new, stronger labeling requirements on cigarettes, and that these tougher labels will go into effect on October 1. The Senate has been capable of some remarkable contortions in the few years I have been a Member, but I can't believe the Senate would want to try this one: To toughen labeling requirements and cut taxes on the same day.

There is a lot more that could be said. There are numerous sound reasons for opposing a cigarette tax cut that I have not even mentioned. It

would take much more time than Senator LEVIN and I have under the current procedural situation to do any of them justice.

Let me just say to conclude, Mr. President, that now is not the time to cut the taxes of any industry. We cannot afford it. And now is particularly not the time to cut the cigarette tax, given the deep cuts we are being forced to make on the spending side.

Make no mistake about it. A vote against this amendment is a vote to cut the cigarette tax. A vote for this amendment, on the other hand, is not a vote to increase it, rather it is merely a vote to maintain it at its current level. I will tell my colleagues quite candidly that I would not like to go back to Illinois and tell my constituents that I had to cut programs and even eliminate programs that provided needed benefits for them so I could cut cigarette taxes. But that is what this vote is about. The Senate will be telling the American public either that it believes the budget situation precludes cutting cigarette taxes, or that cigarette tax cuts are more important than the more than the 17 programs being eliminated and the over 28 programs suffering severe cuts in this budget.

I know the kind of message I want to send. I therefore urge the adoption of this amendment.

The PRESIDING OFFICER. Who yields time?

Mr. DOLE. Mr. President, I yield back the time on this side.

If all time is yielded back I am prepared to move to table.

This is the second vote on this amendment. I move we table it. Maybe they will offer it again.

The PRESIDING OFFICER. The question is on the motion to table.

Mr. DIXON. Yeas and nays.

Mr. LEVIN. Mr. President, with my last 5 seconds let me say this is going to be applied to deficit reduction and not to the spending program. That is the difference between this amendment and the last one.

The PRESIDING OFFICER. All time has expired.

Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

The PRESIDING OFFICER. The question is on agreeing to the motion to lay on the table the amendment of the Senator from Michigan. On this question the yeas and nays have been ordered and the clerk will call the roll.

The legislative clerk called the roll.

Mr. STEVENS. Mr. President, on this vote I have a pair with the distinguished Senator from North Carolina, [Mr. EAST]. If he were present and voting, he would vote "yea." If I were at liberty to vote, I would vote "nay." Therefore, I withhold my vote.

Mr. SIMPSON. I announce that the Senator from North Carolina [Mr. EAST] and the Senator from California [Mr. WILSON] are absent due to illness.

Mr. CRANSTON. I announce that the Senator from Nebraska [Mr. EXON] is absent because of illness.

The result was announced—yeas 50, nays 46, as follows:

[Rollcall Vote No. 70 Leg.]

YEAS—50

Abdnor	Hart	Quayle
Andrews	Hawkins	Rockefeller
Armstrong	Hecht	Roth
Byrd	Heflin	Rudman
Cochran	Helms	Sasser
D'Amato	Hollings	Simpson
Danforth	Humphrey	Specter
Denton	Kasten	Stafford
Dole	Laxalt	Stennis
Domenici	Long	Symms
Durenberger	Lugar	Thurmond
Evans	Mattingly	Trible
Ford	McClure	Wallop
Goldwater	McConnell	Warner
Gore	Metzenbaum	Weicker
Gramm	Murkowski	Zorinsky
Grassley	Packwood	

NAYS—46

Baucus	Eagleton	Mathias
Bentsen	Garn	Matsunaga
Biden	Glenn	Melcher
Bingaman	Gorton	Mitchell
Boren	Harkin	Moynihan
Boschwitz	Hatch	Nickles
Bradley	Hatfield	Nunn
Bumpers	Heinz	Pell
Burdick	Inouye	Pressler
Chafee	Johnston	Proxmire
Chiles	Kassebaum	Pryor
Cohen	Kennedy	Riegle
Cranston	Kerry	Sarbanes
DeConcini	Lautenberg	Simon
Dixon	Leahy	
Dodd	Levin	

PRESENT AND GIVING A LIVE PAIR, AS PREVIOUSLY RECORDED—1

Stevens, against

NOT VOTING—3

East	Exon	Wilson

So the motion to lay on the table amendment No. 91 was agreed to.

Mr. DOMENICI. Mr. President, I move to reconsider the vote by which the motion to table was agreed to.

Mr. PACKWOOD. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. BYRD. Mr. President, I suggest the absence of a quorum, and I ask unanimous consent that the time not be charged against either side.

The PRESIDING OFFICER. Is there objection? Without objection, it is so ordered.

The clerk will call the roll.

The bill clerk proceeded to call the roll.

Mr. BYRD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. BYRD. Mr. President, I ask unanimous consent that I may have 5 minutes not to be charged against our side. The majority leader may charge it against that side. But I ask unanimous consent that the 5 minutes not be charged against anyone or any side, so that we might have the distinguished majority leader comment on the amendment to be introduced, and that we might have some indication of when we may vote on the amendment.

The PRESIDING OFFICER. Is there objection? Without objection it is so ordered.

Mr. DOLE. Mr. President, if I could have the attention of my colleagues, I do have a perfecting amendment drafted.

I say very honestly to the distinguished minority leader that this just came to me a moment ago—about 10 minutes ago. Earlier, I had given to the minority leader sort of a summary of what the perfecting amendment contains.

I can indicate in a general way, and then in more detail when we get into the debate—maybe Senator DOMENICI could do so. But it is $56 billion in 1986 savings; about $295 billion over 3 years; defense, 0-3-3 real growth; 1-year COLA freeze on Social Security, veterans, military civilian retirement; no tax increases; domestic reform resulting in savings similar to those in the White House leadership plan with some adjustments. There are 13 programs terminated.

We can get into those in more detail later. There are major adjustments to the original package. Medicare and Medicaid savings have been reduced. Amtrak has not been discontinued. SBA was not discontinued. Mass transit was cut 20 percent instead of a 5-year phaseout. Impact aid, part B, was frozen at 1984 levels. The modification of the underlying assumptions on Postal subsidies will be made as the Senator from Alaska, Senator STEVENS, indicated earlier on the floor. In addition $3.5 billion was added back to the agricultural section.

In addition there is a new export incentive program using CCC stocks. It has been named the BICEP Program. Bonus Incentive Commodity Export Program [BICEP]. There is the new farm credit interest rate Buydown Program. There is a $1 billion a year add-on for farm credit guarantees. The reduction in water conservation funds has been reduced from 30 to 15 percent. We have worked out a compromise on REA. I had a letter from the President of the REA commending that action several days ago.

The funds for the Job Corps were reduced 30 percent instead of a program termination. We modified the student aid proposal and include simply a freeze on student assistance at the 1985 level, and a $200 million savings in the GSL Program. There is no $8,000 cap.

NIH grants are compromised at 6,000 new grants per year versus 5,500 in the so-called White House-leadership package.

That is simply a very general explanation of the program.

I would say seriously that it does address many of the concerns which have been raised here today. I might say, too, in the nutrition area, we went back and added money to the nutrition program after the vote on the Senate floor. So that was one reason we would hope, if we had amendments, if there was a strong indication in the Senate which did not agree with the previous position, adjustments could be made.

I would hope that we reflect in our compromise at least some of the concerns all Senators have and that enough of the concerns are dealt with so that we have enough Senators to get a majority.

Again I will say very candidly I am not certain we have that, but we are prepared to offer the amendment and see what happens.

[The following proceedings occurred after midnight.]

Mr. BYRD. Mr. President, this amendment is a perfecting amendment and would not be the program until its adoption if it is adopted. Does this amendment fulfill the requirement of mathematical consistency?

Mr. DOLE. It does.

Mr. BYRD. Would the distinguished majority leader indicate if we can vote on this amendment by 12:30 a.m.? Would a half-hour be satisfactory to either side?

Mr. DOLE. It might take a little more time than that because we do have some Members who we have been trying to brief in groups of 12. I think we still have some to visit with.

I wonder if we might agree on 1 hour equally divided. If we do not use it all we can yield it back.

Mr. BYRD. We have 18 minutes remaining on the resolution.

Mr. CHILES. If I might ask the majority leader, my understanding is that the hour he is talking about is a new hour, not to disturb the 18 minutes.

Mr. DOLE. That is correct.

Mr. BYRD. Could we make it 40 minutes equally divided? Thirty minutes equally divided. Then we have 18 minutes we could add.

Mr. DOLE. Mr. President, let me indicate to the minority leader that the reason I cannot agree to the 30 or 40 minutes is Senator WILSON will be here for the vote. As I have accommodated certain Senators on his side on votes, I need to be accommodated on this. I am not trying to delay. It may be that he will be here. I recall a few weeks ago we held a vote for 40 minutes. Unless we plan to have a long vote, I assume there could be amendments following the vote.

Mr. BYRD. There can be amendments following the vote. If we do not agree to a request, of course, the time limitation would be 1 hour. Am I correct? This is an amendment to an amendment.

The PRESIDING OFFICER [Mr. MATTINGLY]. There are only 18 minutes remaining for debate at this time.

Mr. BYRD. Could we agree to 30 minutes? That would be better than 18 minutes.

Mr. DOLE. I wonder if I might suggest the absence of a quorum not to be charged to the minority leader's time so I can discuss it with him.

Mr. BYRD. Mr. President, I ask for the yeas and nays on the amendment.

Mr. DOMENICI. It has not been offered yet.

The PRESIDING OFFICER. There is no amendment pending.

Mr. BYRD. I will agree to a quorum call inasmuch at it will not be charged.

Mr. DOMENICI. The amendment has not been read yet.

Mr. BYRD. No, and I do not intend that it be read. Of course, there are many other things that can be done.

Mr. KENNEDY. Reserving the right to object, I have two remaining amendments. I know everyone is tired and we have been going on for a long period of time. I would like to get votes on those matters. I can understand with a quorum call time goes on even later. But there are other amendments. I just want to indicate on the two items I have, they will not consume a great deal of time. I want to be certain that we have not lost the opportunity to vote on the amendments.

Mr. HOLLINGS. I can call up an amendment, too. Is that all right with the majority leader and the minority leader? Why not just call up amendments?

Mr. CHILES. We have a list of amendments. The only problem is we have only 18 minutes and we were hoping to save a little of that time until after the package passed in case we had amendments to offer after the package passed. In calling up these amendments, we cannot have discussions. We only put them up there and have a rollcall on them.

Mr. HOLLINGS. We can send up an amendment that will be at the $200 million level and ask for the yeas and nays.

Mr. BYRD. Mr. President, I ask unanimous consent that there be 10 minutes equally divided or 5 minutes equally divided, not to be charged against the 18 minutes. Or 1 minute. It is whatever the Senator wants. It is just so we do not charge it against the 18 minutes. Is that all right?

The PRESIDING OFFICER. Is there objection?

Mr. KENNEDY. Reserving the right to object, and I will not object, I would like to get the same reading on my amendment.

Mr. BYRD. The only problem we have is we are trying to keep the number of amendments down at the moment.

Mr. KENNEDY. I know that. I will only take a minute on each one of mine.

Mr. BYRD. We are trying to give the majority leader a little bit of time to get Senator WILSON in.

Mr. DOLE. I suggest to my colleagues not to object because if there will be a rollcall on each of these that will take 10 minutes and that will be a little time.

Mr. CHILES. Can we take them up in about 2 minutes each?

Mr. HOLLINGS. Yes.

Mr. CHILES. Very well, 1 minute on a side.

Mr. DOLE. We would like 2 minutes on our side.

Mr. DOMENICI. Four minutes.

The PRESIDING OFFICER. Is there objection?

Mr. KENNEDY. Mr. President, what is the request?

Mr. DOLE. Two on a side?

Mr. CHILES. Two on a side, yes, Mr. President.

Mr. DOLE. I propound that request, that the distinguished Senator from South Carolina be recognized to offer an amendment, and be given 4 minutes, 2 minutes on a side.

Mr. BYRD. And not to be charged to the 18 minutes.

Mr. DOMENICI. Mr. President, and they are subject to the germaneness rule that applies to budget resolutions. I assume that is part of it.

Mr. CHILES. That is correct.

The PRESIDING OFFICER. Is there objection? Without objection, it is so ordered.

Mr. DOLE. Mr. President, I hope that on that vote, since we have not had a vote for a while, there would be a 15-minute rollcall.

The PRESIDING OFFICER. The Senator from South Carolina.

AMENDMENT NO. 92

(Purpose: To maintain the Economic Development Assistance Programs at the current level of $200,000,000 in fiscal years 1986, 1987, and 1988)

Mr. HOLLINGS. Mr. President, I call up my amendment No. 92 on the Economic Development Administration Act which is at the desk.

The PRESIDING OFFICER. The amendment will be stated

The bill clerk read as follows:

The Senator from South Carolina [Mr. HOLLINGS], for himself and Mr. BUMPERS, proposes an amendment numbered 92.

Mr. HOLLINGS. I ask unanimous consent that further reading be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

In the pending amendment, do the following:

On page 3, increase the amount on line 12 by $200,000,000.

On page 3, increase the amount on line 13 by $200,000,000.

On page 3, increase the amount on line 14 by $200,000,000.
On page 3, increase the amount on line 18 by $20,000,000.
On page 3, increase the amount on line 19 by $60,000,000.
On page 3, increase the amount on line 20 by $110,000,000.
On page 3, increase the amount on line 25 by $20,000,000.
On page 4, increase the amount on line 1 by $60,000,000.
On page 4, increase the amount on line 2 by $110,000,000.
On page 4, increase the amount on line 6 by $20,000,000.
On page 4, increase the amount on line 7 by $60,000,000.
On page 4, increase the amount on line 8 by $110,000,000.
On page 4, increase the amount on line 12 by $20,000,000.
On page 4, increase the amount on line 13 by $60,000,000.
On page 4, increase the amount on line 14 by $110,000,000.
On page 18, increase the amount on line 8 by $200,000,000.
On page 18, increase the amount on line 9 by $20,000,000.
On page 18, increase the amount on line 17 by $200,000,000.
On page 18, increase the amount on line 18 by $60,000,000.
On page 19, increase the amount on line 1 by $200,000,000.
On page 19, increase the amount on line 2 by $110,000,000.

Mr. HOLLINGS. Mr. President, this is the amendment copy.

Mr. President, this amendment provides for continuation of the $200 million level for Economic Development Assistance Programs for fiscal years 1986, 1987, and 1988.

In the discussion earlier today on Senator SASSER's amendment, which also made provision for EDA, the chairman of the Budget Committee and other opponents parroted the administration's line for terminating EDA. For example, they talked of the delinquent EDA loans. That is history, and a diversion, as this amendment does not provide for loans. In fact, there have not been any EDA loans since 1981.

There was also mention of the fact that 80 percent of the country is eligible for EDA assistance. That is true, because of the moratorium on designation of EDA areas, but the Secretary of Commerce has the power to be a virtual Czar over economic development. All he needs to do is say, "We're going to deal with worst off places." Or he could concentrate on growth centers, or any other policy instead of throwing up his hands and dealing with the situation.

Let us talk about those areas. As of last December, there were 748 counties with more than 12 percent unemployment. The national economic growth has not done much for those counties. EDA is one of the few programs that rural area, such as Marlboro County, SC, which had unemployment at 17.1 percent, can look to for help. Trickle-down is not going to reach Allendale, McCormick, Marion, Marlboro, and Union counties in South Carolina, which all have unemployment rates above 12 percent. Neither is there any hope in the enterprise zones that the administration touts as a substitute for EDA.

This amendment provides the assistance to our communities in the form of vitally needed grants for public works, as well as the planning and technical assistance they need to attract industry. It also provides for the economic adjustment grants that help when a major employer leaves town. If we deny this help, we are turning our backs to rural America and saying come into the cities, and further exacerbating the problems of our cities.

This $200 million is a pitiful sum in view of the need, but by maintaining this lifeline and concentrating this small amount, we can do something for these places outside the economic mainstream, both in the rural areas and urban pockets of poverty. Those who urge us to look at the national employment figures, should instead be joining us in looking behind those national averages at the 18.8 percent unemployment among our youth, particularly the 42.1 percent unemployment among black youth.

Mr. President, I yield to the Senator from Arkansas.

Mr. BUMPERS. Mr. President, let me say first of all that I recognize the necessity for cutting some programs, but they ought to be based on a benefit-cost ratio. There is not a Government program since its inception that has a higher benefit-cost ratio, that is administered with less administrative cost, and that provides jobs at a lower cost. If that is not sufficient criteria, there is not a program in this whole United States that deserves to survive.

Mr. HOLLINGS. Mr. President, I ask unanimous consent that the Senator from Maine [Mr. MITCHELL] be added as a cosponsor.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. HOLLINGS. I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

Mr. DOLE. Mr. President, do we have 2 minutes on this side?

The PRESIDING OFFICER. The Senator is correct.

Mr. DOLE. I yield those 2 minutes to the Senator from New Mexico [Mr. DOMENICI].

Mr. DOMENICI. Mr. President, I just say to my friend that I do not have any studies here to counter that argument, but I do not think I have to have any to say it just is not true. Frankly, we have $9 billion out there now since we started the EDA program in loans and loan guarantees. The best we can find out about it is that there are 55 percent of them that are in default at this point.

In case anybody on the authorizing committees of the U.S. Senate is interested, we have not authorized this program in 3 years. That means 3 years ago, we effectively killed the program. If we were to follow the normal processes of the Senate, going to an authorizing committee and having them draw a bill after hearings, we have not had that for 3 years. It just found its way into a House appropriations bill with some language creating it there. I really do not believe the most dynamic economic development program in the history of the Republic could be 3 years deauthorized and find itself in hidden areas of some big appropriations continuing resolution. I think if it were that good, we would be right up front and center, and everybody would be delighted to have it.

It has not been authorized since 1981. I guess I was 1 year wrong. The criteria do not target the funds toward areas of need. The reason that has not happened is that actually, EDA came into existence because we had an Appalachian Regional Commission, and it covered six or seven States. When Congress was about to do away with it, somebody said, "I think rather than do away with it, we ought to have another one that is like it for everybody else." So we put EDA in, and it was supposed to be for a few States.

The PRESIDING OFFICER. The time of the Senator from New Mexico has expired.

The Senator from South Carolina has 51 seconds.

Mr. HOLLINGS. Mr. President, I want the record to show that we are not asking for loans. The Senator is referring to the loans made before 1981. Since then, there have been no loans, and we are not asking for loans. This program, established under public law, the Public Works and Economic Development Act, is still in effect. The appropriations have been supported in both Houses. When administered, it is administered extremely well; and they should not be eliminating it, but instead be working for the jobs our communities need.

We understand the program; I believe it is understood quite clearly.

I yield back the remainder of our time, Mr. President.

The PRESIDING OFFICER. All time is yielded back. The majority leader.

Mr. DOLE. Mr. President, I move to lay the amendment on the table. I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

The PRESIDING OFFICER. The question is on agreeing to the motion

to lay the amendment on the table. The yeas and nays have been ordered. The clerk will call the roll.

The assistant legislative clerk called the roll.

Mr. SIMPSON. I announce that the Senator from North Carolina [Mr. EAST] and the Senator from California [Mr. WILSON] are absent due to illness.

Mr. CRANSTON. I announce that the Senator from Nebraska [Mr. EXON] is absent because of illness.

The PRESIDING OFFICER. Are there any other Senators in the Chamber who wish to vote?

The result was announced—yeas 64, nays 33, as follows:

[Rollcall Vote No. 71 Leg.]

YEAS—64

Andrews	Goldwater	McConnell
Armstrong	Gorton	Murkowski
Baucus	Gramm	Nickles
Bentsen	Grassley	Nunn
Boren	Hart	Packwood
Boschwitz	Hatch	Proxmire
Bradley	Hatfield	Quayle
Chafee	Hawkins	Roth
Chiles	Hecht	Rudman
Cochran	Heflin	Sasser
Cranston	Heinz	Simpson
D'Amato	Helms	Specter
Danforth	Humphrey	Stafford
DeConcini	Johnston	Stevens
Denton	Kassebaum	Symms
Dodd	Kasten	Thurmond
Dole	Lautenberg	Trible
Domenici	Laxalt	Wallop
Durenberger	Lugar	Warner
Evans	Mathias	Weicker
Garn	Mattingly	
Glenn	McClure	

NAYS—33

Abdnor	Harkin	Mitchell
Biden	Hollings	Moynihan
Bingaman	Inouye	Pell
Bumpers	Kennedy	Pressler
Burdick	Kerry	Pryor
Byrd	Leahy	Riegle
Cohen	Levin	Rockefeller
Dixon	Long	Sarbanes
Eagleton	Matsunaga	Simon
Ford	Melcher	Stennis
Gore	Metzenbaum	Zorinsky

NOT VOTING—3

East	Exon	Wilson

So the motion to table the amendment (No. 92) was agreed to.

Mr. DOLE. Mr. President, I move to reconsider the vote by which the motion was agreed to.

Mr. HATFIELD. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. BYRD. Mr. President, I ask unanimous consent that the distinguished majority leader have 2 minutes, without it being charged.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. DOLE. Mr. President, I say to the distinguished minority leader that I am now prepared to offer the perfecting amendment, unless we want to proceed with additional amendments, if we could agree to 20 minutes on a side, 40 minutes overall.

Mr. BYRD. We could do it with less.

Mr. DOLE. I understand from the distinguished manager of the bill that he can explain it in 15 minutes. There would be 30 minutes, 15 minutes on a side.

I propound that request: Thirty minutes on the perfecting amendment, equally divided.

The PRESIDING OFFICER. Is there objection?

Mr. BYRD. Mr. President, reserving the right to object, do we have 18 minutes remaining?

Mr. DOLE. This would be in addition to the 18 minutes.

Mr. BYRD. Yes.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and it is so ordered.

AMENDMENT NO. 93

Mr. DOLE. Mr. President, I send a perfecting amendment to the desk.

The PRESIDING OFFICER. The perfecting amendment will be stated.

The bill clerk proceeded to read the amendment (No. 93), proposed by the Senator from Kansas [Mr. DOLE], for himself and Mr. DOMENICI.

Mr. DOLE. Mr. President, I ask that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Is there objection? Without objection, it is so ordered.

The amendment reads as follows:

In the pending amendment, strike all after the word "That", and insert in lieu thereof the following:

the Congress hereby determines and declares that the concurrent resolution on the budget for fiscal year 1985 is revised and replaced, the first concurrent resolution on the budget for fiscal year 1986 is established, and the appropriate budgetary levels for fiscal year 1987 and 1988 are set forth.

(a) The following budgetary levels are appropriate for the fiscal years beginning on October 1, 1984, October 1, 1985, October 1, 1986, and October 1, 1987:

(1) The recommended levels of Federal revenues are as follows:

Fiscal year 1985: $736,200,000,000.
Fiscal year 1986: $793,600,000,000.
Fiscal year 1987: $866,300,000,000.
Fiscal year 1988: $955,900,000,000.

and the amounts by which the aggregate levels of Federal revenues should be increased are as follows:

Fiscal year 1985: $0.
Fiscal year 1986: $900,000,000.
Fiscal year 1987: $2,000,000,000.
Fiscal year 1988: $3,400,000,000.

and the amounts for Federal Insurance Contributions Act revenues for hospital insurance within the recommended levels of Federal revenues are as follows:

Fiscal year 1985: $44,800,000,000.
Fiscal year 1986: $51,000,000,000.
Fiscal year 1987: $56,100,000,000.
Fiscal year 1988: $61,300,000,000.

and the amounts for Federal Insurance Contributions Act revenues for old-age, survivors, and disability insurance within the recommended levels of Federal revenues are as follows:

Fiscal year 1985: $186,200,000,000.
Fiscal year 1986: $200,700,000,000.
Fiscal year 1987: $216,900,000,000.
Fiscal year 1988: $248,300,000,000.

(2) The appropriate levels of total new budget authority are as follows:

Fiscal year 1985: $1,055,600,000,000.
Fiscal year 1986: $1,069,500,000,000.
Fiscal year 1987 $1,132,800,000,000.
Fiscal year 1988: $1,212,900,000,000.

(3) The appropriate levels of total budget outlays are as follows:

Fiscal year 1985: $949,100,000,000.
Fiscal year 1986: $965,000,000,000.
Fiscal year 1987: $1,011,100,000,000.
Fiscal year 1988: $1,060,200,000,000.

(4) The amounts of the deficits in the budget which are appropriate in the light of economic conditions and all other relevant factors are as follows:

Fiscal year 1985: $212,900,000,000.
Fiscal year 1986: $171,400,000,000.
Fiscal year 1987: $144,800,000,000.
Fiscal year 1988: $104,300,000,000.

(5) The appropriate levels of the public debt are as follows:

Fiscal year 1985: $1,849,300,000,000.
Fiscal year 1986: $2,086,500,000,000.
Fiscal year 1987: $2,312,700,000,000.
Fiscal year 1988: $2,525,200,000,000.

and the amounts by which the statutory limits on such debt should be accordingly increased are as follows:

Fiscal year 1985: $25,500,000,000.
Fiscal year 1986: $237,200,000,000.
Fiscal year 1987: $226,200,000,000.
Fiscal year 1988: $212,600,000,000.

(6) The appropriate levels of total Federal credit activity for the fiscal years beginning on October 1, 1984, October 1, 1985, October 1, 1986, and October 1, 1987, are as follows:

Fiscal year 1985:

(A) New direct loan obligations, $52,700,000,000.

(B) New primary loan guarantee commitments, $68,950,000,000.

(C) New secondary loan guarantee commitments, $68,200,000,000.

Fiscal year 1986:

(A) New direct loan obligations, $30,250,000,000.

(B) New primary loan guarantee commitments, $77,000,000,000.

(C) New secondary loan guarantee commitments, $68,200,000,000.

Fiscal year 1987:

(A) New direct loan obligations, $27,600,000,000.

(B) New primary loan guarantee commitments, $1,500,000,000.

(C) New secondary loan guarantee commitments, $68,200,000,000.

Fiscal year 1988:

(A) New direct loan obligations, $26,800,000,000.

(B) New primary loan guarantee commitments, $86,000,000,000.

(C) New secondary loan guarantee commitments, $68,200,000,000.

(b) The Congress hereby determines and declares the appropriate levels of budget authority and budget outlays, and the appropriate levels of new direct loan obligations, new primary loan guarantee commitments, and new secondary loan guarantee commitments for fiscal years 1985 through 1988 for each major functional category are:

(1) National Defense (050):

Fiscal year 1985:

(A) New budget authority, $292,600,000,000.

(B) Outlays, $252,000,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1986:

(A) New budget authority, $302,500,000,000.

(B) Outlays, $273,100,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $0.
(E) New secondary loan guarantee commitments, $0.
Fiscal year 1987:
(A) New budget authority, $323,400,000,000.
(B) Outlays, $292,100,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $0.
(E) New secondary loan guarantee commitments, $0.
Fiscal year 1988:
(A) New budget authority, $346,800,000,000.
(B) Outlays, $313,000,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $0.
(E) New secondary loan guarantee commitments, $0.
(2) International Affairs (150):
Fiscal year 1985:
(A) New budget authority, $25,300,000,000.
(B) Outlays, $18,000,000,000.
(C) New direct loan obligations, $11,500,000,000.
(D) New primary loan guarantee commitments, $10,300,000,000.
(E) New secondary loan guarantee commitments, $0.
Fiscal year 1986:
(A) New budget authority, $21,200,000,000.
(B) Outlays, $17,800,000,000.
(C) New direct loan obligations, $8,200,000,000.
(D) New primary loan guarantee commitments, $12,300,000,000.
(E) New secondary loan guarantee commitments, $0.
Fiscal year 1987:
(A) New budget authority, $20,400,000,000.
(B) Outlays, $17,100,000,000.
(C) New direct loan obligations, $7,800,000,000.
(D) New primary loan guarantee commitments, $12,300,000,000.
(E) New secondary loan guarantee commitments, $0.
Fiscal year 1988:
(A) New budget authority, $20,700,000,000.
(B) Outlays, $16,700,000,000.
(C) New direct loan obligations, $7,900,000,000.
(D) New primary loan guarantee commitments, $12,300,000,000.
(E) New secondary loan guarantee commitments, $0.
(3) General Science, Space, and Technology (250):
Fiscal year 1985:
(A) New budget authority, $9,100,000,000.
(B) Outlays, $8,700,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $0.
(E) New secondary loan guarantee commitments, $0.
Fiscal year 1986:
(A) New budget authority, $9,100,000,000.
(B) Outlays, $9,000,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $0.
(E) New secondary loan guarantee commitments, $0.
Fiscal year 1987:
(A) New budget authority, $9,000,000,000.
(B) Outlays, $8,800,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $0.
(E) New secondary loan guarantee commitments, $0.
Fiscal year 1988:
(A) New budget authority, $9,300,000,000.
(B) Outlays, $9,000,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $0.
(E) New secondary loan guarantee commitments, $0.
(4) Energy (270):
Fiscal year 1985:
(A) New budget authority, $1,600,000,000.
(B) Outlays, $6,500,000,000.
(C) New direct loan obligations, $1,700,000,000.
(D) New primary loan guarantee commitments, $0.
(E) New secondary loan guarantee commitments, $0.
Fiscal year 1986:
(A) New budget authority, $5,200,000,000.
(B) Outlays, $5,100,000,000.
(C) New direct loan obligations, $2,100,000,000.
(D) New primary loan guarantee commitments, $4,100,000,000.
(E) New secondary loan guarantee commitments, $0.
Fiscal year 1987:
(A) New buget authority, $5,200,000,000.
(B) Outlays, $4,600,000,000.
(C) New direct loan obligations, $1,700,000,000.
(D) New primary loan guarantee commitments, $300,000,000.
(E) New secondary loan guarantee commitments, $0.
Fiscal year 1988:
(A) New budget authority, $4,900,000,000.
(B) Outlays, $4,200,000,000.
(C) New direct loan obligations, $1,600,000,000.
(D) New primary loan guarantee commitments, $600,000,000.
(E) New secondary loan guarantee commitments, $0.
(5) Natural Resources and Environment (300):
Fiscal year 1985:
(A) New budget authority, $12,700,000,000.
(B) Outlays, $13,100,000,000.
(C) New direct loan obligations, $100,000,000.
(D) New primary loan guarantee commitments, $0.
(E) New secondary loan guarantee commitments, $0.
Fiscal year 1986:
(A) New budget authority, $12,200,000,000.
(B) Outlays, $12,500,000,000.
(C) New direct loan obligations, $100,000,000.
(D) New primary loan guarantee commitments, $0.
(E) New secondary loan guarantee commitments, $0.
Fiscal year 1987:
(A) New budget authority, $12,600,000,000.
(B) Outlays, $12,400,000,000.
(C) New direct loan obligations, $100,000,000.
(D) New primary loan guarantee commitments, $0.
(E) New secondary loan guarantee commitments, $0.
Fiscal year 1988:
(A) New budget authority, $12,800,000,000.
(B) Outlays, $12,500,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $0.
(E) New secondary loan guarantee commitments, $0.
(6) Agriculture (350):
Fiscal year 1985:
(A) New budget authority, $24,800,000,000.
(B) Outlays, $21,000,000,000.
(C) New direct loan obligations, $13,800,000,000.
(D) New primary loan guarantee commitments, $5,700,000,000.
(E) New secondary loan guarantee commitments, $0.
Fiscal year 1986:
(A) New budget authority, $17,200,000,000.
(B) Outlays, $14,500,000,000.
(C) New direct loan obligations, $11,700,000,000.
(D) New primary loan guarantee commitments, $9,000,000,000.
(E) New secondary loan guarantee commitments, $0.
Fiscal year 1987:
(A) New budget authority, $17,700,000,000.
(B) Outlays, $15,800,000,000.
(C) New direct loan obligations, $10,200,000,000.
(D) New primary loan guarantee commitments, $9,000,000,000.
(E) New secondary loan guarantee commitments, $0.
Fiscal year 1988:
(A) New budget authority, $17,000,000,000.
(B) Outlays, $12,900,000,000.
(C) New direct loan obligations, $9,100,000,000.
(D) New primary loan guarantee commitments, $9,000,000,000.
(E) New secondary loan guarantee commitments, $0.
(7) Commerce and Housing Credit (370):
Fiscal year 1985:
(A) New budget authority, $12,600,000,000.
(B) Outlays, $5,600,000,000.
(C) New direct loan obligations, $6,500,000,000.
(D) New primary loan guarantee commitments, $27,000,000,000.
(E) New secondary loan guarantee commitments, $68,200,000,000.
Fiscal year 1986:
(A) New budget authority, $6,800,000,000.
(B) Outlays, $3,400,000,000.
(C) New direct loan obligations, $4,200,000,000.
(D) New primary loan guarantee commitments, $28,400,000,000.
(E) New secondary loan guarantee commitments, $68,200,000,000.
Fiscal year 1987:
(A) New budget authority, $5,600,000,000.
(B) Outlays, $2,300,000,000.
(C) New direct loan obligations, $4,200,000,000.
(D) New primary loan guarantee commitments, $30,100,000,000.
(E) New secondary loan guarantee commitments, $68,200,000,000.
Fiscal year 1988:
(A) New budget authority, $6,100,000,000.
(B) Outlays, $5,100,000,000.
(C) New direct loan obligations, $4,500,000,000.
(D) New primary loan guarantee commitments, $31,900,000,000.
(E) New secondary loan guarantee commitments, $68,200,000,000.
(8) Transportation (400):
Fiscal year 1985:
(A) New budget authority, $29,600,000,000.
(B) Outlays, $26,100,000,000.
(C) New direct loan obligations, $300,000,000.
(D) New primary loan guarantee commitments, $300,000,000.
(E) New secondary loan guarantee commitments, $0.

Fiscal year 1986:
(A) New budget authority, $27,200,000,000.
(B) Outlays, $26,100,000,000.
(C) New direct loan obligations, $200,000,000.
(D) New primary loan guarantee commitments, $300,000,000.
(E) New secondary loan guarantee commitments, $0.
Fiscal year 1987:
(A) New budget authority, $27,900,000,000.
(B) Outlays, $27,700,000,000.
(C) New direct loan obligations, $100,000,000.
(D) New primary loan guarantee commitments, $300,000,000.
(E) New secondary loan guarantee commitments, $0.
Fiscal year 1988:
(A) New budget authority, $27,300,000,000.
(B) Outlays, $27,400,000,000.
(C) New direct loan obligations, $100,000,000.
(D) New primary loan guarantee commitments, $300,000,000.
(E) New secondary loan guarantee commitments, $0.
(9) Community and Regional Development (450):
Fiscal year 1985:
(A) New budget authority, $8,400,000,000.
(B) Outlays, $8,700,000,000.
(C) New direct loan obligations, $1,800,000,000.
(D) New primary loan guarantee commitments, $200,000,000.
(E) New secondary loan guarantee commitments, $0.
Fiscal year 1986:
(A) New budget authority, $6,600,000,000.
(B) Outlays, $7,900,000,000.
(C) New direct loan obligations, $1,200,000,000.
(D) New primary loan guarantee commitments, $200,000,000.
(E) New secondary loan guarantee commitments, $0.
Fiscal year 1987:
(A) New budget authority, $6,700,000,000.
(B) Outlays, $7,100,000,000.
(C) New direct loan obligations, $1,100,000,000.
(D) New primary loan guarantee commitments, $200,000,000.
(E) New secondary loan guarantee commitments, $0.
Fiscal year 1988:
(A) New budget authority, $7,100,000,000.
(B) Outlays, $6,700,000,000.
(C) New direct loan obligations, $1,300,000,000.
(D) New primary loan guarantee commitments, $200,000,000.
(E) New secondary loan guarantee commitments, $0.
(10) Education, Training, Employment, and Social Services (500):
Fiscal year 1985:
(A) New budget authority, $31,600,000,000.
(B) Outlays, $30,300,000,000.
(C) New direct loan obligations, $1,100,000,000.
(D) New primary loan guarantee commitments, $8,700,000,000.
(E) New secondary loan guarantee commitments, $0.
Fiscal year 1986:
(A) New budget authority, $30,100,000,000.
(B) Outlays, $30,300,000,000.
(C) New direct loan obligations, $1,100,000,000.
(D) New primary loan guarantee commitments, $9,000,000,000.
(E) New secondary loan guarantee commitments, $0.
Fiscal year 1987:
(A) New budget authority, $30,700,000,000.
(B) Outlays, $29,900,000,000.
(C) New direct loan obligations, $1,100,000,000.
(D) New primary loan guarantee commitments, $9,400,000,000.
(E) New secondary loan guarantee commitments, $0.
Fiscal year 1988:
(A) New budget authority, $31,300,000,000.
(B) Outlays, $30,400,000,000.
(C) New direct loan obligations, $1,100,000,000.
(D) New primary loan guarantee commitments, $9,600,000,000.
(E) New secondary loan guarantee commitments, $0.
(11) Health (550):
Fiscal year 1985:
(A) New budget authority, $33,600,000,000.
(B) Outlays, $33,500,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $200,000,000.
(E) New secondary loan guarantee commitments, $0.
Fiscal year 1986:
(A) New budget authority, $35,700,000,000.
(B) Outlays, $35,300,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $200,000,000.
(E) New secondary loan guarantee commitments, $0.
Fiscal year 1987:
(A) New budget authority, $38,200,000,000.
(B) Outlays, $37,800,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $300,000,000.
(E) New secondary loan guarantee commitments, $0.
Fiscal year 1988:
(A) New budget authority, $40,800,000,000.
(B) Outlays, $40,300,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $300,000,000.
(E) New secondary loan guarantee commitments, $0.
(12) Medical Insurance (570):
Fiscal year 1985:
(A) New budget authority, $71,800,000,000.
(B) Outlays, $65,200,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $0.
(E) New secondary loan guarantee commitments, $0.
Fiscal year 1986:
(A) New budget authority, $81,900,000,000.
(B) Outlays, $68,300,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $0.
(E) New secondary loan guarantee commitments, $0.
Fiscal year 1987:
(A) New budget authority, $91,200,000,000.
(B) Outlays, $74,800,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $0.
(E) New secondary loan guarantee commitments, $0.
Fiscal year 1988:
(A) New budget authority, $94,800,000,000.
(B) Outlays, $82,700,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $0.
(E) New secondary loan guarantee commitments, $0.
(13) Income Security (600):
Fiscal year 1985:
(A) New budget authority, $162,800,000,000.
(B) Outlays, $128,600,000,000.
(C) New direct loan obligations, $14,300,000,000.
(D) New primary loan guarantee commitments, $0.
(E) New secondary loan guarantee commitments, $0.
Fiscal year 1986:
(A) New budget authority, $155,400,000,000.
(B) Outlays, $116,600,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $1,800,000,000.
(E) New secondary loan guarantee commitments, $0.
Fiscal year 1987:
(A) New budget authority, $164,900,000,000.
(B) Outlays, $120,600,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $2,300,000,000.
(E) New secondary loan guarantee commitments, $0.
Fiscal year 1988:
(A) New budget authority, $173,900,000,000.
(B) Outlays, $125,700,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $1,800,000,000.
(E) New secondary loan guarantee commitments, $0.
(14) Social Security (650):
Fiscal year 1985:
(A) New budget authority, $195,500,000,000.
(B) Outlays, $189,300,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $0.
(E) New secondary loan guarantee commitments, $0.
Fiscal year 1986:
(A) New budget authority, $207,400,000,000.
(B) Outlays, $194,900,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $0.
(E) New secondary loan guarantee commitments, $0.
Fiscal year 1987:
(A) New budget authority, $225,500,000,000.
(B) Outlays, $205,900,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $0.
(E) New secondary loan guarantee commitments, $0.
Fiscal year 1988:
(A) New budget authority, $266,100,000,000.
(B) Outlays, $220,000,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $0.
(E) New secondary loan guarantee commitments, $0.
(15) Veterans Benefits and Services (700):
Fiscal year 1985:
(A) New budget authority, $27,200,000,000.
(B) Outlays, $26,300,000,000.
(C) New direct loan obligations, $1,300,000,000.
(D) New primary loan guarantee commitments, $16,800,000,000.

(E) New secondary loan guarantee commitments, $0.
Fiscal year 1986:
(A) New budget authority, $26,700,000,000.
(B) Outlays, $26,100,000,000.
(C) New direct loan obligations, $1,300,000,000.
(D) New primary loan guarantee commitments, $15,300,000,000.
(E) New secondary loan guarantee commitments, $0.
Fiscal year 1987:
(A) New budget authority, $26,800,000,000.
(B) Outlays, $26,200,000,000.
(C) New direct loan obligations, $1,200,000,000.
(D) New primary loan guarantee commitments, $17,400,000,000.
(E) New secondary loan guarantee commitments, $0.
Fiscal year 1988:
(A) New budget authority, $27,200,000,000.
(B) Outlays, $26,700,000,000.
(C) New direct loan obligations, $1,200,000,000.
(D) New primary loan guarantee commitments, $20,100,000,000.
(E) New secondary loan guarantee commitments, $0.
(16) Administration of Justice (750):
Fiscal year 1985:
(A) New budget authority, $6,600,000,000.
(B) Outlays, $6,400,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $0.
(E) New secondary loan guarantee commitments, $0.
Fiscal year 1986:
(A) New budget authority, $6,800,000,000.
(B) Outlays, $6,700,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $0.
(E) New secondary loan guarantee commitments, $0.
Fiscal year 1987:
(A) New budget authority, $6,900,000,000.
(B) Outlays, $6,900,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $0.
(E) New secondary loan guarantee commitments, $0.
Fiscal year 1988:
(A) New budget authority, $7,000,000,000.
(B) Outlays, $7,000,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $0.
(E) New secondary loan guarantee commitments, $0.
(17) General Government (800):
Fiscal year 1985:
(A) New budget authority, $5,800,000,000.
(B) Outlays, $5,800,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $0.
(E) New secondary loan guarantee commitments, $0.
Fiscal year 1986:
(A) New budget authority, $5,300,000,000.
(B) Outlays, $5,200,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $0.
(E) New secondary loan guarantee commitments, $0.
Fiscal year 1987:
(A) New budget authority, $5,400,000,000.
(B) Outlays, $5,200,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $0.
(E) New secondary loan guarantee commitments, $0.
Fiscal year 1988:
(A) New budget authority, $5,500,000,000.
(B) Outlays, $5,500,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $0.
(E) New secondary loan guarantee commitments, $0.
(18) General Purpose Fiscal Assistance (850):
Fiscal year 1985:
(A) New budget authority, $6,400,000,000.
(B) Outlays, $6,400,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $0.
(E) New secondary loan guarantee commitments, $0.
Fiscal year 1986:
(A) New budget authority, $6,500,000,000.
(B) Outlays, $6,500,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $0.
(E) New secondary loan guarantee commitments, $0.
Fiscal year 1987:
(A) New budget authority, $2,000,000,000.
(B) Outlays, $3,200,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $0.
(E) New secondary loan guarantee commitments, $0.
Fiscal year 1988:
(A) New budget authority, $2,100,000,000.
(B) Outlays, $2,100,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $0.
(E) New secondary loan guarantee commitments, $0.
(19) Net Interest (900):
Fiscal year 1985:
(A) New budget authority, $129,700,000,000.
(B) Outlays, $129,700,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $0.
(E) New secondary loan guarantee commitments, $0.
Fiscal year 1986:
(A) New budget authority, $142,300,000,000.
(B) Outlays, $142,300,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $0.
(E) New secondary loan guarantee commitments, $0.
Fiscal year 1987:
(A) New budget authority, $152,100,000,000.
(B) Outlays, $152,100,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $0.
(E) New secondary loan guarantee commitments, $0.
Fiscal year 1988:
(A) New budget authority, $153,900,000,000.
(B) Outlays, $153,900,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $0.
(E) New secondary loan guarantee commitments, $0.
(20) Allowances (920):
Fiscal year 1985:
(A) New budget authority, $300,000,000.
(B) Outlays, $300,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $0.
(E) New secondary loan guarantee commitments, $0.
Fiscal year 1986:
(A) New budget authority, −$1,600,000,000.
(B) Outlays, −$1,600,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $0.
(E) New secondary loan guarantee commitments, $0.
Fiscal year 1987:
(A) New budget authority, −$1,600,000,000.
(B) Outlays, −$1,600,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $0.
(E) New secondary loan guarantee commitments, $0.
Fiscal year 1988:
(A) New budget authority, −$600,000,000.
(B) Outlays, −$500,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $0.
(E) New secondary loan guarantee commitments, $0.
(21) Undistributed Offsetting Receipts (950):
Fiscal year 1985:
(A) New budget authority, −$32,400,000,000.
(B) Outlays, −$32,400,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $0.
(E) New secondary loan guarantee commitments, $0.
Fiscal year 1986:
(A) New budget authority, −$35,000,000,000.
(B) Outlays, −$35,000,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $0.
(E) New secondary loan guarantee commitments, $0.
Fiscal year 1987:
(A) New budget authority, −$37,800,000,000.
(B) Outlays, −$37,800,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $0.
(E) New secondary loan guarantee commitments, $0.
Fiscal year 1988:
(A) New budget authority, −$41,100,000,000.
(B) Outlays, −$41,100,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $0.
(E) New secondary loan guarantee commitments, $0.

RECONCILIATION

SEC. 2. (a) Not later than June 30, 1985, the committees named in subsections (b) through (bb) of this section shall submit their recommendations to the Committees on the Budget of their respective Houses. After receiving those recommendations, the Committees on the Budget shall report to the House and Senate a reconciliation bill or resolution or both carrying out all such recommendations without any substantive revision.

SENATE COMMITTEES

(b) The Senate Committee on Agriculture, Nutrition, and Forestry shall report (1) changes in laws within its jurisdiction which provide spending authority as defined in section 401(c)(2)(C) of the Congressional Budget Act of 1974, sufficient to reduce budget authority and outlays, (2) changes in laws within its jurisdiction other than those which provide spending authority as defined in section 401(c)(2)(C) of the Act, sufficient to achieve savings in budget authority and outlays, or (3) any combination thereof, as follows: $3,577,000,000 in budget authority and $3,860,000,000 in outlays in fiscal year 1986, $3,280,000,000 in budget authority and $5,097,000,000 in outlays in fiscal year 1987, and $3,571,000,000 in budget authority and $8,689,000,000 in outlays in fiscal year 1988.

(c) The Senate Committee on Armed Services shall report changes in laws within its jurisdiction which provide spending authority as defined in section 401(c)(2)(C) of the Congressional Budget Act of 1974, sufficient to achieve savings of $0 in budget authority and $539,000,000 in outlays in fiscal year 1986, $0 in budget authority and $942,000,000 in outlays in fiscal year 1987, and $0 in budget authority and $1,073,000,000 in outlays in fiscal year 1988.

(d) The Senate Committee on Banking, Housing, and Urban Affairs shall report (1) changes in laws within its jurisdiction which provide spending authority as defined in section 401(c)(2)(C) of the Congressional Budget Act of 1974, sufficient to reduce budget authority and outlays, (2) changes in laws within its jurisdiction other than those which provide spending authority as defined in section 401(c)(2)(C) of the Act, sufficient to achieve savings in budget authority and outlays, or (3) any combination thereof, as follows: $8,895,000,000 in budget authority and $3,959,000,000 in outlays in fiscal year 1986, $9,638,000,000 in budget authority and $5,937,000,000 in outlays in fiscal year 1987, and $10,905,000,000 in budget authority and $7,055,000,000 in outlays in fiscal year 1988.

(e) The Senate Committee on Commerce, Science, and Transportation shall report (1) changes in laws within its jurisdiction which provide spending authority as defined in section 401(c)(2)(C) of the Congressional Budget Act of 1974, sufficient to reduce budget authority and outlays, (2) changes in laws within its jurisdiction other than those which provide spending authority as defined in section 401(c)(2)(C) of the Act, sufficient to achieve savings in budget authority and outlays, or (3) any combination thereof, as follows: $2,006,000,000 in budget authority and $1,679,000,000 in outlays in fiscal year 1986, $781,000,000 in budget authority and $471,000,000 in outlays in fiscal year 1987, and $987,000,000 in budget authority and $706,000,000 in outlays in fiscal year 1988.

(f) The Senate Committee on Energy and Natural Resources shall report (1) changes in laws within its jurisdiction which provide spending authority as defined in section 401(c)(2)(C) of the Congressional Budget Act of 1974, sufficient to reduce budget authority and outlays, (2) changes in laws within its jurisdiction other than those which provide spending authority as defined in section 401(c)(2)(C) of the Act, sufficient to achieve savings in budget authority and outlays, or (3) any combination thereof, as follows: $3,014,000,000 in budget authority and $2,265,000,000 in outlays in fiscal year 1986, $2,836,000,000 in budget authority and $2,666,000,000 in outlays in fiscal year 1987, and $2,847,000,000 in budget authority and $2,925,000,000 in outlays in fiscal year 1988.

(g) The Senate Committee on Environmental and Public Works shall report (1) changes in laws within its jurisdiction which provide spending authority as defined in section 401(c)(2)(C) of the Congressional Budget Act of 1974, sufficient to reduce budget authority and outlays, (2) changes in laws within its jurisdiction other than those which provide spending authority as defined in section 401(c)(2)(C) of the Act, sufficient to achieve savings in budget authority and outlays, or (3) any combination thereof, as follows: $723,000,000 in budget authority and $310,000,000 in outlays in fiscal year 1986, $1,221,000,000 in budget authority and $1,393,000,000 in outlays in fiscal year 1987, and $1,738,000,000 in budget authority and $2,066,000,000 in outlays in fiscal year 1988.

(h) The Senate Committee on Finance shall report (1) changes in laws within its jurisdiction which provide spending authority as defined in section 401(c)(2)(C) of the Congressional Budget Act of 1974, sufficient to reduce budget authority and outlays, (2) changes in laws within its jurisdiction other than those which provide spending authority as defined in section 401(c)(2)(C) of the Act, sufficient to achieve savings in budget authority and outlays, or (3) any combination thereof, as follows: $0 in budget authority and $10,847,000,000 in outlays in fiscal year 1986, $0 in budget authority and $18,608,000,000 in outlays in fiscal year 1987, and $0 in budget authority and $22,429,000,000 in outlays in fiscal year 1988.

(i) The Senate Committee on Foreign Relations shall report (1) changes in laws within its jurisdiction which provide spending authority as defined in section 401(c)(2)(C) of the Congressional Budget Act of 1974, sufficient to reduce budget authority and outlays, (2) changes in laws within its jurisdiction other than those which provide spending authority as defined in section 401(c)(2)(C) of the Act, sufficient to achieve savings in budget authority and outlays, or (3) any combination thereof, as follows: $192,000,000 in budget authority and $47,000,000 in outlays in fiscal year 1986, $275,000,000 in budget authority and $109,000,000 in outlays in fiscal year 1987, and $282,000,000 in budget authority and $140,000,000 in outlays in fiscal year 1988.

(j) The Senate Committee on Governmental Affairs shall report (1) changes in laws within its jurisdiction which provide spending authority as defined in section 401(c)(2)(C) of the Congressional Budget Act of 1974, (2) changes in laws within its jurisdiction other than those which provide spending authority as defined in section 401(c)(2)(C) of the Act, or (3) any combination thereof, sufficient to achieve increases in contributions and savings in budget authority and outlays as follows: $375,000,000 in contributions, $0 in budget authority and $3,654,000,000 in outlays in fiscal year 1986, $1,325,000,000 in contributions, $0 in budget authority and $7,651,000,000 in outlays in fiscal year 1987, and $1,370,000,000 in contributions, $0 in budget authority and $8,889,000,000 in outlays in fiscal year 1988.

(k) The Senate Committee on Labor and Human Resources shall report (1) changes in laws within its jurisdiction which provide spending authority as defined in section 401(c)(2)(C) of the Congressional Budget Act of 1974, sufficient to reduce budget authority and outlays, (2) changes in laws within its jurisdiction other than those which provide spending authority as defined in section 401(c)(2)(C) of the Act, sufficient to achieve savings in budget authority and outlays, or (3) any combination thereof, as follows: $1,380,000,000 in budget authority and $668,000,000 in outlays in fiscal year 1986, $1,808,000,000 in budget authority and $1,687,000,000 in outlays in fiscal year 1987, and $2,130,000,000 in budget authority and $2,242,000,000 in outlays in fiscal year 1988.

(l) The Senate Committee on Small Business shall report (1) changes in laws within its jurisdiction which provide spending authority as defined in section 401(c)(2)(C) of the Congressional Budget Act of 1974, sufficient to reduce budget authority and outlays, (2) changes in laws within its jurisdiction other than those which provide spending authority as defined in section 401(c)(2)(C) of the Act, sufficient to achieve savings in budget authority and outlays, or (3) any combination thereof, as follows: $460,000,000 in budget authority and $504,000,000 in outlays in fiscal year 1986, $629,000,000 in budget authority and $1,028,000,000 in outlays in fiscal year 1987, and $1,117,000,000 in budget authority and $1,044,000,000 in outlays in fiscal year 1988.

(m) The Senate Committee on Veterans' Affairs shall report (1) changes in laws within its jurisdiction which provide spending authority as defined in section 401(c)(2)(C) of the Congressional Budget Act of 1974, sufficient to reduce budget authority and outlays, (2) changes in laws within its jurisdiction other than those which provide spending authority as defined in section 401(c)(2)(C) of the Act, sufficient to achieve savings in budget authority and outlays, or (3) any combination thereof, as follows: $1,076,000,000 in budget authority and $986,000,000 in outlays in fiscal year 1986, $1,344,000,000 in budget authority and $1,534,000,000 in outlays in fiscal year 1987, and $1,741,000,000 in outlays in fiscal year 1988.

(n) The Senate Select Committee on Indian Affairs shall report (1) changes in laws within its jurisdiction which provide spending authority as defined in section 401(c)(2)(C) of the Congressional Budget Act of 1974, sufficient to reduce budget authority and outlays, (2) changes in laws within its jurisdiction other than those which provide spending authority as defined in section 401(c)(2)(C) of the Act, sufficient to achieve savings in budget authority and outlays, or (3) any combination thereof, as follows: $148,000,000 in budget authority and $61,000,000 in outlays in fiscal year 1986, $153,000,000 in budget authority and $116,000,000 in outlays in fiscal year 1987, and $159,000,000 in budget authority and $137,000,000 in outlays in fiscal year 1988.

(o) The Senate Committee on Energy and Natural Resources, pursuant to section (f), and the Senate Committee on Agriculture, Nutrition, and Forestry, pursuant to subsection (b), shall review (1) changes in laws within their jurisdiction which provide spending authority as defined in section 401(c)(2)(C) of the Congressional Budget Act of 1974, sufficient to reduce budget authority and outlays, (2) changes in laws within their jurisdiction other than those which provide spending authority as defined in section 401(c)(2)(C) of the Act, sufficient to achieve savings in budget authority and outlays, or (3) any combination thereof, as follows: $52,000,000 in budget authority and $12,000,000 in outlays in fiscal year 1986, $113,000,000 in budget authority and $86,000,000 in outlays in fiscal year 1987; and $127,000,000 in budget authority and $111,000,000 in outlays in fiscal year 1988.

HOUSE COMMITTEES

(p) The House Committee on Agriculture shall report (1) changes in laws within its jurisdiction which provide spending authority as defined in section 401(c)(2)(C) of the Congressional Budget Act of 1974, sufficient to reduce budget authority and outlays, (2) changes in laws within its jurisdiction other than those which provide spending authority as defined in section 401(c)(2)(C) of the Act, sufficient to achieve savings in budget authority and outlays, or (3) any combination thereof, as follows: $3,577,000,000 in budget authority and $3,860,000,000 in outlays in fiscal year 1986, $3,280,000,000 in budget authority and $5,097,000,000 in outlays in fiscal year 1987, and $3,591,000,000 in budget authority and $8,689,000,000 in outlays in fiscal year 1988.

(q) The House Committee on Armed Services shall report changes in laws within its jurisdiction which provide spending authority as defined in section 401(c)(2)(C) of the Congressional Budget Act of 1974, sufficient to achieve savings of $0 in budget authority and $539,000,000 in outlays in fiscal year 1986, $0 in budget authority and $942,000,000 in outlays in fiscal year 1987, and $0 in budget authority and $1,073,000,000 in outlays in fiscal year 1988.

(r) The House Committee on Banking, Finance and Urban Affairs shall report (1) changes in laws within its jurisdiction which provide spending authority as defined in section 401(c)(2)(C) of the Congressional Budget Act of 1974, sufficient to reduce budget authority and outlays, (2) changes in laws within its jurisdiction other than those which provide spending authority as defined in section 401(c)(2)(C) of the Act, sufficient to achieve savings in budget authority and outlays, or (3) any combination thereof, as follows: $7,932,000,000 in budget authority and $3,774,000,000 in outlays in fiscal year 1986, $8,490,000,000 in budget authority and $5,508,000,000 in outlays in fiscal year 1987, and $9,125,000,000 in budget authority and $6,303,000,000 in outlays in fiscal year 1988.

(s) The House Committee on Education and Labor shall report (1) changes in laws within its jurisdiction which provide spending authority as defined in section 401(c)(2)(C) of the Congressional Budget Act of 1974, sufficient to reduce budget authority and outlays, (2) changes in laws within its jurisdiction other than those which provide spending authority as defined in section 401(c)(2)(C) of the Act, sufficient to achieve savings in budget authority and outlays, or (3) any combination thereof, as follows: $1,137,000,000 in budget authority and $821,000,000 in outlays in fiscal year 1986, $1,553,000,000 in budget authority and $1,784,000,000 in outlays in fiscal year 1987, and $1,861,000,000 in budget authority and $2,298,000,000 in outlays in fiscal year 1988.

(t) The House Committee on Energy and Commerce shall report (1) changes in laws within its jurisdiction which provide spending authority as defined in section 401(c)(2(C) of the Congressional Budget Act of 1974, sufficient to reduce budget authority and outlays, (2) changes in laws within its jurisdiction other than those which provide spending authority as defined in section 401(c)(2)(C) of the Act, sufficient to achieve savings in budget authority and outlays, or (3) any combination thereof, as follows: $4,205,000,000 in budget authority and $7,308,000,000 in outlays in fiscal year 1986, $2,900,000,000 in budget authority and $8,450,000,000 in outlays in fiscal year 1987, and $2,987,000,000 in budget authority and $10,994,000,000 in outlays in fiscal year 1988.

(u) The House Committee on Foreign Affairs shall report (1) changes in laws within its jurisdiction which provide spending authority as defined in section 401(c)(2)(C) of the Congressional Budget Act of 1974, sufficient to reduce budget authority and outlays, (2) changes in laws within its jurisdiction other than those which provide spending authority as defined in section 401(c)(2)(C) of the Act, sufficient to achieve savings in budget authority and outlays, or (3) any combination thereof, as follows: $192,000,000 in budget authority and $47,000,000 in outlays in fiscal year 1986, $275,000,000 in budget authority and $109,000,000 in outlays in fiscal year 1987, and $282,000,000 in budget authority and $140,000,000 in outlays in fiscal year 1988.

(v) The House Committee on Government Operations shall report (1) changes in laws within its jurisdiction which provide spending authority as defined in section 401(c)(2)(C) of the Congressional Budget Act of 1974, sufficient to reduce budget authority and outlays, (2) changes in laws within its jurisdiction other than those which provide spending authority as defined in section 401(c)(2)(C) of the Act, sufficient to achieve savings in budget authority and outlays, or (3) any combination thereof, as follows: $0 in budget authority and $64,000,000 in outlays in fiscal year 1986, $0 in budget authority and $3,699,000,000 in outlays in fiscal year 1987, and $0 in budget authority and $5,203,000,000 in outlays in fiscal year 1988.

(w) The House Committee on Interior and Insular Affairs shall report (1) changes in laws within its jurisdiction which provide spending authority as defined in section 401(c)(2)(C) of the Congressional Budget Act of 1974, sufficient to reduce budget authority and outlays, (2) changes in laws within its jurisdiction other than those which provide spending authority as defined in section 401(c)(2)(C) of the Act, sufficient to achieve savings in budget authority and outlays, or (3) any combination thereof, as follows: $540,000,000 in budget authority and $292,000,000 in outlays in fiscal year 1986, $559,000,000 in budget authority and $402,000,000 in outlays in fiscal year 1987, and $634,000,000 in budget authority and $526,000,000 in outlays in fiscal year 1988.

(x) The House Committee on Merchant Marine and Fisheries shall report (1) changes in laws within its jurisdiction which provide spending authority as defined in section 401(c)(2)(C) of the Congressional Budget Act of 1974, sufficient to reduce budget authority and outlays, (2) changes in laws within its jurisdiction other than those which provide spending authority as defined in section 401(c)(2)(C) of the Act, sufficient to achieve savings in budget authority and outlays, or (3) any combination thereof, as follows: $405,000,000 in budget authority and $383,000,000 in outlays in fiscal year 1986, $206,000,000 in budget authority and $194,000,000 in outlays in fiscal year 1987, and $212,000,000 in budget authority and $204,000,000 in outlays in fiscal year 1988.

(y) The House Committee on Post Office and Civil Service shall report (1) changes in laws within its jurisdiction which provide spending authority as defined in section 401(c)(2)(C) of the Congressional Budget Act of 1974, (2) changes in laws within its jurisdiction other than those which provide spending authority as defined in section 401(c)(2)(C) of the Act, or (3) any combination thereof, sufficient to achieve increases in contributions and savings in budget authority and outlays as follows: $375,000,000 in contributions, $0 in budget authority and $3,590,000,000 in outlays in fiscal year 1986, $1,325,000,000 in contributions, $0 in budget authority and $7,502,000,000 in outlays in fiscal year 1987, and $1,370,000,000 in contributions, $0 in budget authority and $8,642,000,000 in outlays in fiscal year 1988.

(z) The House Committee on Public Works and Transportation shall report (1) changes in laws within its jurisdiction which provide spending authority as defined in section 401(c)(2)(C) of the Congressional Budget Act of 1974, sufficient to reduce budget authority and outlays, (2) changes in laws within its jurisdiction other than those which provide spending authority as defined in section 401(c)(2)(C) of the Act, sufficient to achieve savings in budget authority and outlays, or (3) any combination thereof, as follows: $1,895,000,000 in budget authority and $469,000,000 in outlays in fiscal year 1986, $2,616,000,000 in budget authority and $1,833,000,000 in outlays in fiscal year 1987, and $3,820,000,000 in budget authority and $2,897,000,000 in outlays in fiscal year 1988.

(aa) The House Committee on Small Business shall report (1) changes in laws within its jurisdiction which provide spending authority as defined in section 401(c)(2)(C) of the Congressional Budget Act of 1974, sufficient to reduce budget authority and outlays, (2) changes in laws within its jurisdiction other than those which provide spending authority as defined in section 401(c)(2)(C) of the Act, sufficient to achieve savings in budget authority and outlays, or (3) any combination thereof, as follows: $460,000,000 in budget authority and $504,000,000 outlays in fiscal year 1986, $629,000,000 in budget authority and $1,028,000,000 in outlays in fiscal year 1987, and $1,117,000,000 in budget authority and $1,044,000,000 in outlays in fiscal year 1988.

(bb) The House Committee on Veterans' Affairs shall report (1) changes in laws within its jurisdiction which provide spending authority as defined in section 401(c)(2)(C) of the Congressional Budget Act of 1974, sufficient to reduce budget authority and outlays, (2) changes in laws within its jurisdiction other than those which provide spending authority as defined in section 401(c)(2)(C) of the Act, sufficient to achieve savings in budget authority and outlays, or (3) any combination thereof, as follows: $1,076,000,000 in budget authority and $986,000,000 in outlays in fiscal year 1986, $1,344,000,000 in budget authority and $1,534,000,000 in outlays in fiscal year 1987, and $1,457,000,000 in budget authority and $1,741,000,000 in outlays in fiscal year 1988.

(ac) The House Committee on Ways and Means shall report (1) changes in laws within its jurisdiction which provide spending authority as defined in section 401(c)(2)(C) of the Congressional Budget Act of 1974, sufficient to reduce budget authority and outlays, (2) changes in laws within its jurisdiction other than those which provide spending authority as defined in section 401(c)(2)(C) of the Act, sufficient to achieve savings in budget authority and outlays, or or (3) any combination thereof, as follows: $0 in budget authority and $10,330,000,000 in outlays in fiscal year 1986, $0 in budget authority and $14,370,000,000 in outlays in fiscal year 1987, and $0 in budget authority and $16,671,000,000 in outlays in fiscal year 1988.

APPROPRIATIONS

SEC. 3. (a) It shall not be in order to consider any measure making appropriations in the Senate or House of Representatives, if the enactment of such bill or resolution, as recommended by the respective Committee on Appropriations, would cause the aggregate total budget authority for function 050, National Defense, to exceed $303,200,000,000 in fiscal year 1986; aggregate total budget authority to exceed $324,100,000,000 in fiscal year 1987; and aggregate total budget authority to exceed $347,600,000,000 in fiscal year 1988.

(b) It shall not be in order to consider any measure making appropriations in the Senate and House of Representatives, if the enactment of such bill or resolution, as recommended by the respective Committee on Appropriations, would cause the aggregate total budget authority for nondefense discretionary activities to exceed $140,800,000,000 in fiscal year 1986; aggregate total budget authority to exceed $143,800,000,000 in fiscal year 1987; and aggregate budget authority to exceed $149,300,000,000 in fiscal year 1988.

(c) The provisions of subsection (a) or (b) of this section may be waived or suspended in the Senate by a majority vote of the Members voting, a quorum being present, or by unanimous consent of the Senate.

MISCELLANEOUS PROVISIONS

SEC. 4. If the Congress has not completed action by October 1, 1985, on the concurrent resolution on the budget required to be reported under section 310(a) of the Congressional Budget Act of 1974 for fiscal year 1986, then, for purposes of section 311 of such Act, this concurrent resolution shall be deemed to be the concurrent resolution required to be reported under section 310 of such Act.

SEC. 5. It shall not be in order in the House of Representatives or the Senate during fiscal years 1986 and 1987 to consider any bill, resolution, or amendment, except proposed legislation reported in response to reconciliation instructions contained in this resolution, authorizing new direct loan obligations or new loan guarantee commitments unless that bill, resolution, or amendment also provides that the authority to make or guarantee such loans shall be effective only to such extent and in such amounts as are contained in appropriation acts. This section shall not be applicable to agricultural price support and related programs of the type in operation on January 1, 1985, that are funded through the Commodity Credit Corporation.

SEC. 6. It is the sense of the Congress that the previous distinction between "unified budget" and "off-budget" spending be ended, and that budget authority and outlays for the so-called "off-budget" agencies be included in the budget totals.

SEC. 7. (a) The Senate finds that—

(1) the existing tax structure of the United States distorts economic activity, leading to an inefficient use of national resources and a weakening of our domestic economic vitality and competitive posture in international markets;

(2) the relative tax burdens among various taxpayer categories are manifestly unfair insofar as they arise from differences in the capabilities of taxpayers to take advantage of complicated tax laws;

(3) the ability of the Federal Government to plan and conduct rational fiscal policy is frustrated by elaborate schemes to avoid taxation and the unintended effects of tax incentives and penalities;

(4) progressive erosion of voluntary compliance threatens the fiscal integrity of our public finances and the confidence of our citizens in the Federal Government's capacity to govern; and

(5) a number of plans, each designed to simplify and reform the Tax Code, have been before the Congress for a time sufficient to allow for extensive analysis and evaluation.

(b) It is therefore the sense of the Senate that tax reform should be adopted as soon as possible, and that it should incorporate the following principles and objectives:

(1) efficiency and responsiveness to market conditions in the economic activities of American businesses and consumers;

(2) simplicity of structure and lower marginal tax rates;

(3) a fair and equitable distribution of the tax burden among all taxpayers, with relief for those below the poverty level, and incentives to bring them into the work force;

(4) a broader tax base, with deductions essential to avoid genuine hardship or to protect the economic security of the American people; and

(5) increased incentives for work, saving, and investment.

SEC. 8. It is the sense of the Senate that because the Senate requires timely reporting of legislative action on spending bills, and because the Senate requires continual control over the budget, the Director of the Congressional Budget Office shall issue a weekly report during periods when the Senate is in session detailing and tabulating the progress of congressional action on bills and resolutions providing new budget authority and changing revenues and the public debt for a fiscal year, including, but not limited to the requirements set forth in Public Law 93-344, section 308(b).

SEC. 9. It is the sense of the Senate that the amount of budget authority and outlays set forth in this concurrent resolution for the functional category of Income Security for fiscal year 1985 are sufficient to ensure that $1,500,000,000 is apportioned among the States to carry out the Special Supplemental Food Program authorized by section 17 of the Child Nutrition Act of 1966 (commonly referred to as the WIC program); and it is assumed that the Office of Management and Budget should therefore release and apportion to the States the full amount of $1,500,000,000, which was appropriated for the WIC program for fiscal year 1985 since—

(1) Public Law 98-473 provided that, in carrying out the WIC program, funds shall be apportioned to the States based on an annual appropriation level of $1,500,000,000;

(2) the Conference Report on H.R. 5743 (H. Rept. 98-1071), the Agriculture, Rural Development and Related Agencies Appropriation Act, 1985, which was incorporated in Public Law 98-473, expresses the conferees' intent that the WIC program be carried out in such a manner as to fully obligate the $1,500,000,000 appropriated by Public Law 98-473 for such program for fiscal year 1985;

(3) such Conference Report also explicitly stated that any action to allocate funds inconsistent with a full-year appropriation level of $1,500,000,000 for the WIC program would be an improper withholding of funds; and

(4) the Office of Management and Budget has not made available to the Department of Agriculture for distribution to the States the full amount of funds intended by Congress to be allocated to the WIC program in any of the first three quarters of fiscal year 1985, and has not made funds available for such program during such quarters at the rate intended by the Congress.

SEC. 10. It is the sense of the Congress that functional totals should be reduced to reflect a limitation on the amount of social security benefits paid to illegal and non-resident aliens. It is assumed that the Finance Committee will report legislation to accomplish the required changes in law. Such legislation may limit benefits to the amount of wage-earner's contribution plus interest, unless the wage-earner is a citizen of a country with which the United States has a treaty or totalization agreement and that this provision would apply to individuals becoming eligible on or after January 1, 1986.

SEC. 11. It is the sense of the Congress that overall Federal outlays should be reduced and it is assumed that legislation should be enacted to conform the overtime requirements under the Walsh-Healey Act and the Contract Work Hours and Safety Standards Act with the Fair Labor Standards Act and it is further assured that the resulting outlay reductions shall be utilized to achieve the previously agreed-upon program outlay savings.

SEC. 12. It is the sense of the Congress that tax legislation should be enacted to provide for payment of minimum taxes by corporations and individuals on the broadest feasible definition of income to assure that all of those with economic income will pay tax, and that the resulting revenues be used to reduce individual income tax rates and to increase the threshold amount for tax payments by individuals in connection with consideration of comprehensive tax reform legislation.

SEC. 13. It is the sense of the Senate that revenues should be increased and it is assumed that tax legislation will be enacted to limit to the national median family income the amount of farm loss which may be deducted against nonfarm income, and it is further assumed that revenues derived from enactment of such legislation be used to reduce individual income tax rates and to assure that full-time, family-size farm operators will not be disadvantaged by unfair competition from high-income taxpayers with substantial nonfarm income.

SEC. 14. It is sense of the Congress that revenues should be increased and it is assumed that the Finance Committee will develop legislation to reduce the tax enforcement gap, estimated by the IRS at $92 billion in FY 1986. It is further assumed that such legislation should provide for increased and improved enforcement and collection, through audits, examinations, and other steps designed to identify and eliminate tax cheating and increase revenue collections from individuals and corporations currently evading federal taxes, and that the legislation should include steps designed to increase voluntary compliance with tax laws and that such steps may include increased staff for taxpayer assistance, speedier processing of returns and provision of public information designed to build public trust and understanding of IRS enforcement efforts and that such legislation should also provide that the resources of the IRS shall be increased to accomplish full enforcement of U.S. tax laws, increasing voluntary compliance until such time as further marginal spending on IRS resources does not substantially increase tax yields and that such legislation is fully compatible with tax simplification, including but not limited to reductions in income tax rates or the deficit.

The additional cosponsors are Senators ABDNOR, ARMSTRONG, BOSCHWITZ, CHAFEE, DANFORTH, DURENBERGER, EVANS, GORTON, GRAMM, HATFIELD, HELMS, LAXALT, MCCONNELL, PACKWOOD, RUDMAN, SIMPSON, STAFFORD, SYMMS, THURMOND, TRIBLE, and WARNER.

Mr. DOLE. Mr. President, I am going to yield all the time to the distinguished chairman of the Budget Committee.

Mr. DOMENICI. I thank the distinguished majority leader.

Mr. BYRD. Will the distinguished Senator yield for a parliamentary inquiry?

Mr. DOMENICI. Of course.

Mr. BYRD. Mr. President, who controls time on this side?

The PRESIDING OFFICER. The minority leader or his designee.

Mr. BYRD. Mr. President, I designate Mr. CHILES to control the time.

I thank the Senator for yielding.

(Mr. KASTEN assumed the chair.)

Mr. DOMENICI. Mr. President, I yield myself 7 minutes.

Mr. President, first, I am hopeful that we are coming close to the end. I think it goes without saying, if that is the case, it has been a long and difficult job for a lot of people and many people have worked very hard to contribute to this and I thank them all.

Mr. President, it is probably an understatement, but let me at the same time thank and congratulate the Senate on completing this long, arduous debate. I also want to sincerely praise all those Senators, from both sides of the aisle, who have made it possible for us to come to this final agreement. I know, all too well, that it has not been easy. My respect for my fellow Senators always is heightened during these debates, for truly the difficult issues we debate are not simple or trivial.

I know it has been a difficult debate and feelings have sometimes been strained. But the magnitude of the deficit problem we face, and therefore the debate we have been engaged in on that issue, goes far beyond any personal feelings or petty differences.

The substitute deficit reduction agreement we have proposed tonight achieves what cynics thought impossible: we have significantly reduced the projected deficits. The substitute amendment offered here this evening would reduce the fiscal year 1986 deficit by over $55 billion next year, cumulatively nearly $300 billion over the next 3 years. And all this is accomplished with no increase in revenues.

Mr. President, this proposed substitute sets the deficits on a downward path. Our goal of reducing the deficit from its current high level of 5 percent of GNP, downward to 2 percent of GNP by fiscal year 1988 has been achieved in this substitute proposal. We have reached a long ways in 3½ to 4 months. The promised land, while a long way from being reached, has at least taken a major step toward being achieved tonight.

I do not deny that this substitute proposal may not meet everyone's particular desires. But it does, I contend, meet everyone's broader goal of significantly reducing the deficit.

Mr. President, I will be brief, but just so everyone understands, this substitute proposal amends the original Senate Republican leadership-White House agreement. As our distinguished majority leader has already indicated—this substitute retains the 0-3-3 real growth in defense that the Senate adopted a week ago.

And I am committed to go to conference and to return from conference with 0-3-3 and nothing less for defense. I have been asked that and I can say that publicly. That is where we will be or we will not be back unless the distinguished chairman is overruled.

As such, this substitute achieves nearly $17.7 billion more in defense savings than was assumed in the original Senate-White House agreement. It assumes a 1-year freeze on all COLA adjustments, except for low-income COLA adjusted programs and adds back nearly $1.3 billion for the poor elderly in the form of increased SSI benefits.

Where the proposal reduces defense spending it at the same time adds back funding for a number of domestic programs—approximately $17.0 billion over the next 3 years. It assumes increased funding add backs—for a number of specific programs over the next 3 years—to name just a few:

Rural housing, $3.5 billion; agriculture credit guarantees, $3 billion; agriculture price supports, $2.5 billion; SBA, $2.5 billion; Job Corp, $1.4 billion; impact aid, $0.2 billion; student aid, returned to the level suggest by Senator STAFFORD, $2.2 billion; health programs, $2.1 billion; child nutrition, $0.4 billion; soil and water conservation, $0.3 billion; postal subsidies, $0.3 billion; NASA, $0.3 billion; Medicare, $1.8 billion; Amtrak, $1.6 billion; and Indian health, $0.1 billion.

Mr. President, I ask unanimous consent that a series of tables summarizing the substitute proposed this evening be included in the RECORD at this point.

There being no objection, the charts were ordered to be printed in the RECORD, as follows:

DOLE-DOMENICI PERFECTING AMENDMENT

[In billions of dollars]

	Fiscal year—							
	1985		1986		1987		1988	
	Budget authority	Outlays	Budget authority	Outlays	Budget authority	Outlays	Budget authority	Outlays
Function:								
050	292.6	252.0	302.5	273.1	323.4	292.1	346.8	313.0
150	25.3	18.0	21.2	17.8	20.4	17.1	20.7	16.7
250	9.1	8.7	9.1	9.0	9.0	8.8	9.3	9.0
270	1.6	6.5	5.2	5.1	5.2	4.6	4.9	4.2
300	12.7	13.1	12.2	12.5	12.6	12.4	12.8	12.5
350	24.8	21.0	17.2	14.5	17.7	15.8	17.0	12.9
370	12.6	5.6	6.8	3.4	5.6	2.3	6.1	5.1
400	29.6	26.1	27.2	26.1	27.9	27.7	27.3	27.4
450	8.4	8.7	6.6	7.9	6.7	7.1	7.1	6.7
500	31.6	30.3	30.1	30.3	30.7	29.9	31.3	30.4
550	33.6	33.5	35.7	35.3	38.2	37.8	40.8	40.3
570	71.8	65.2	81.9	68.3	91.2	74.8	94.8	82.7
600	162.8	128.6	155.4	116.6	164.9	120.6	173.9	125.7
650	195.5	189.3	207.4	194.9	225.5	205.9	266.1	220.0
700	27.2	26.3	26.7	26.1	26.8	26.2	27.2	26.7
750	6.6	6.4	6.8	6.7	6.9	6.9	7.0	7.0
800	5.8	5.8	5.3	5.2	5.4	5.2	5.5	5.5
850	6.4	6.4	6.5	6.5	2.0	3.2	2.1	2.1
900	129.7	129.7	142.3	142.3	152.1	152.1	153.9	153.9
920	0.3	0.3	−1.6	−1.6	−1.6	−1.6	−0.6	−0.5
950	−32.4	−32.4	−35.0	−35.0	−37.8	−37.8	−41.1	−41.1
Total	1,055.6	949.1	1,069.5	965.0	1,132.8	1,011.1	1,212.9	1,060.2
Revenues		736.2		793.6		866.3		955.9

DOLE-DOMENICI PERFECTING AMENDMENT—Continued

[In billions of dollars]

	Fiscal year—							
	1985		1986		1987		1988	
	Budget authority	Outlays	Budget authority	Outlays	Budget authority	Outlays	Budget authority	Outlays
Deficit		−212.9		−171.4		−144.8		−104.3

CHANGE FROM SBC BASELINE

[In billions of dollars]

	Fiscal year—							
	1985		1986		1987		1988	
	Budget authority	Outlays	Budget authority	Outlays	Budget authority	Outlays	Budget authority	Outlays
Function:								
050	0.0	0.0	−31.1	−21.5	−48.5	−38.3	−74.6	−55.5
150	1.1	0.2	−3.1	−0.3	−3.5	−1.4	−3.8	−2.0
250	0.0	0.0	−0.1	0.0	−0.4	−0.4	−0.3	−0.4
270	−0.3	−0.4	−2.9	−2.3	−2.8	−2.8	−2.7	−2.8
300	0.1	0.1	−1.2	−0.7	−1.1	−0.9	−1.2	−1.1
350	0.0	0.0	−3.4	−3.3	−3.3	−4.2	−4.1	−7.5
370	0.0	0.0	−3.1	−1.9	−5.0	−3.8	−4.9	−2.9
400	0.3	0.1	−3.0	−2.1	−3.2	−2.1	−4.8	−3.4
450	0.0	0.0	−1.4	−0.4	−1.7	−1.5	−2.2	−2.1
500	0.0	0.0	−2.2	−1.0	−2.8	−2.5	−3.1	−3.0
550	0.0	0.0	−0.6	−0.6	−0.8	−0.8	−1.0	−1.0
570	0.0	0.0	−0.4	−3.4	−0.4	−5.1	−0.6	−7.2
600	−0.3	−0.2	−4.0	−6.6	−3.7	−8.7	−3.1	−9.7
650	0.0	0.0	0.2	−5.9	0.7	−8.2	1.5	−8.4
700	0.0	0.0	−0.1	−1.0	−1.4	−1.6	−1.5	−1.7
750	0.1	0.1	0.0	0.0	−0.1	0.0	−0.1	−0.1
800	0.1	0.0	−0.7	−0.7	−0.7	−0.7	−0.8	−0.7
850	0.0	0.0	0.0	0.0	−4.8	−3.5	−5.0	−4.5
900	0.0	0.0	−0.9	−0.9	−7.3	−7.3	−16.0	−15.6
920	0.0	0.0	−2.8	−2.8	−4.4	−4.6	−5.2	1.1
950	0.0	0.0	0.5	0.5	0.3	0.3	0.0	0.0
Total	1.0	−0.4	−61.3	−55.1	−94.7	−97.9	−133.7	135.9
Revenues		0.0		0.9		2.0		3.4
Deficit		0.4		−56.0		−99.9		−139.3

Mr. DOMENICI. I conclude where the debate began over 10 days ago. It is my very strong feeling—and I know I have stated it many, many times—that the deficits this country faces have the potential to seriously jeopardize future economic growth not only for the near-term future but also for our future and our children's future. A vote for this substitute amendment is not only a courageous vote but also a vote for our future. It is time to lay aside our political differences, lay aside out personal feelings, and vote for sustaining economic growth and the benefits that brings to all members of our society.

Mr. President, I have a summary that I ask be made a part of the RECORD.

There being no objection, the summary was ordered to be printed in the RECORD, as follows:

FINAL PACKAGE

MAJOR FEATURES

$56 billion 1986 savings. About $295 billion over 3 years.

Defense at 0/3/3 real growth.

One-year COLA freeze on Social Security, Veterans, Military/Civilian retirement.

No tax increases.

Domestic reforms and savings similar to White House/Leadership plan with adjustments noted below.

PROGRAMS TERMINATED (13)

Trade adjustment assistance to firms.

Conrail (Sale).

Appalachian Development Program.

Economic Development Administration.

UDAG.

General Revenue Sharing.

Export-Import Bank Direct Loans.

Community Services Block Grant after 1986.

WIN.

HODAG.

Section 312 Rehabilitation Loans.

U.S. Travel and Tourism Program.

Direct Treasury Payment for most of Postal Subsidy Program.

MAJOR ADJUSTMENTS TO ORIGINAL WHITE HOUSE/LEADERSHIP (WH/L) PLAN (DOLE PACKAGE)

Medicare/Medicaid: reduces 3-year savings from $20.1 billion to $17.5 billion.

No cap on state medicaid reimbursement

No Part B premium increase in 1986. Phased up to 30% over next five years vs. 35% in WH/L plan.

Amtrak: 12%/25%/40% cut instead of termination.

SBA: Weicker $2.5 billion 3 year savings compromise instead of total termination of lending programs ($5.0 billion savings).

Mass Transit Operating Subsidy: 20% cut instead of 5-year phase out.

Impact Aid Part B: Freeze at 1984 level ($78 million) instead of termination.

Postal Subsidies: Stevens-Abdnor-Roth compromise. Small newspapers and nonprofits retain subsidized rates. Substantive, legislation to limit program abuses, improve overhead allocations and spread part of subsidy cost over all regular rate users.

Agricultural Programs: $3.5 billion added back to WH/L plan plus following programs:

New export incentive program using CCC stocks to counter foreign subsidies.

New farm credit interest rate buy-down program.

$1 billion per year add on for farm credit guarantees.

No change in Federal crop insurance.

Soil and water conservation cut reduced from 30% to 15%.

Abdnor compromise on REA.

Job Corps: 30% cut instead of termination.

Student Aid: Freeze on student assistance at 1985 level and $200 million savings in GSL programs. No $8,000 cap on cost of education (Stafford compromise).

NIH Grants: Weicker compromise at 6,000 new research grants per year vs. 5500 in WH/L.

I reserve the balance of my time.

Mr. CHILES addressed the Chair.

The PRESIDING OFFICER. The Senator from Florida is recognized.

Mr. CHILES. Mr. President, I yield 3 minutes to the distinguished Senator from Iowa.

The PRESIDING OFFICER. The Senator from Iowa is recognized for 3 minutes.

Mr. HARKIN. Mr. President, I look at this package, and once again see, in the Dole budget No. II, a fraud being perpetrated on the American farmer, and on us, who represent those farmers.

We are told that Dole II really puts money back into agriculture. Well, as

Will Rogers once said: "Any way you slice it, it's still baloney."

Fact: Dollars spent on agriculture over 3 years are cut by 25 percent from base line in Dole II.

Fact: At a time when we are losing our soil at an alarming rate, conservation is cut by $356 million, or 15 percent over 3 years.

Fact: When farmers are now sinking under the weight of high interest rates, Dole II sticks it to the farmer even more. They will tell you that Dole II adds a billion dollars more in FmHA loan guarantees. Big deal.

What they do not tell you is they cut $9 billion out of direct loans. This means that farmers will have to pay interest rates up to 14 or 15 percent, when under the direct loan program they can now get those same loans for 10¼ percent. The 25,000 to 30,000 farmers who got direct loans this year will not get those loans next year. Well, if this is a good deal for farmers, please spare us your good deals.

Fact: Dole II provides $490 million for an interest buydown over 3 years. But mark my word, David Stockman will weasel out of this like he weaseled out of the $650 million restructuring program they announced before the election last fall. How is he going to weasel out of it? They will drag their feet next year, and in 1987 they will try to rescind it.

If they are not successful, then in 1988, after 20 percent of our farmers have been forced off the land, they will give the money to the big, rich farmers just before the election in 1988.

Fact: Dole II has an export PIK program. It sounds good but this really only benefits the big grain companies and the shippers. It gives a few crumbs to the farmers.

Dole II is as unfair to farmers as the first Dole plan. Agriculture is only about 2 percent of the budget, but under Dole II it absorbs 5 percent of the cuts. Under Dole I it absorbed 6 percent of the cuts, but any way you look at it, it is still unfair.

Farmers were fooled once, but not again. Here is a recent headline in the Des Moines Sunday Register: "Farmer Approval of Reagan Sinks to 24 Percent."

Mr. President, I ask unanimous consent that this article be printed in the RECORD after my comments.

I tell you this: If you adopt this budget, this approval rating will go down to 10 percent next year, because farmers know bull when they see it.

This should not be called the Dole II budget. It should be called the "Family Farm Liquidation Budget of 1985."

There being no objection, the article was ordered to be printed in the RECORD, as follows:

FARMER APPROVAL OF REAGAN SINKS TO 24 PERCENT

(By David Elbert)

Ronald Reagan is trapped and rapidly sinking in Iowa's quicksand farm economy, a special Iowa Poll of farmers shows.

Less than six months after Iowa farmers backed the re-election of the president by a 2-1 margin, his support in the countryside has collapsed, and now only one of four farmers (24 percent) approves of the job Reagan is doing, while 63 percent disapprove.

Even among farmers who voted for Reagan in November, fewer than half (40 percent) now support him, while 48 percent register disapproval, according to the poll, based on interviews with 304 adult members of Iowa farm households earlier this month.

The findings reflect the deepest sense of agricultural despair of any time in recent memory. They show that about 14,000 farm operators, or some 12 percent of the state's total, had trouble getting credit this spring and that about half that number have cut back normal operations as a result.

STEERED INTO RUIN

They also show that while a vocal minority of farmers have been claiming bankers steered them into ruin, the majority of farmers are a little less likely to blame local lenders than farmers themselves.

Articles Monday and Tuesday will examine the extent to which farm problems have worsened since April 1984 when a similar poll found that nine out of 10 farmers believed they were experiencing the roughest times of their lives, and take a look at what farmers think the future may hold.

Although conducted only two weeks after Reagan's "keep the grain, export the farmers" joke at a Washington, D.C., dinner, the poll shows that other millstones are weighing down the president.

Chief among them are his farm policies. At a time when farmers are undergoing their worst hardships since the Great Depression, 84 percent say the federal government's response has been inadequate.

In fact, some like O'Brien County farmer Larry Hofman, think Reagan's recent farm policy has been counterproductive.

COLD SHOULDER

Hofman, 33, is one of the farmers who voted for Reagan but now disapproves of the way he is doing his job. "I feel he has given agriculture a pretty cold shoulder," said Hofman.

For example, Hofman said, when the administration started talking late last year about phasing out price supports it "scared the heck out of people and land prices up here plummeted."

The poll shows Hofman and his O'Brien County neighbors are far from alone on the question of price supports. A wide margin, 61 percent, which is almost identical to Reagan's negative job rating, oppose Reagan's plan for phasing out price supports, while only 23 percent back the president's proposal.

Farmers, like Hofman, who bought land 3½ years ago at what turned out to be precisely the wrong time, believe Reagan has betrayed a campaign promise to Iowa farmers to help them restructure their debts. Consequently, 68 percent register disapproval of Reagan's veto of legislation designed to provide emergency credit aid, while 24 percent approve of the veto.

This and earlier polls confirm that Reagan's farm support has continued to sink, almost from the day after his re-election. Only a week before the Nov. 6 election, 58 percent of Iowa farmers approved of the way Reagan was doing his job; in February shortly before he vetoed the emergency credit measure, his farm support had slipped to 42 percent, and now it is down to 24 percent.

The PRESIDING OFFICER. The time yielded to the Senator from Iowa has expired.

Mr. CHILES. Mr. President, I yield 3 minutes to the distinguished Senator from West Virginia.

The PRESIDING OFFICER. The Senator from West Virginia is recognized.

Mr. ROCKEFELLER. Mr. President, thank you.

This proposal like its predecessors starts from the view that the only cause of the Federal deficit is spending on domestic programs. Accordingly, the Republican proposals have sought to curb cost-of-living adjustments on Social Security, and other retirement programs, and to make deep cuts in a range of crucial domestic activities.

Mr. President, as a freshman Senator, and one who has not previously served in the Congress, I have been naturally reluctant to speak to my colleagues on the major issues that have confronted us so far, because those issues have been primarily defense and foreign policy matters—MX and Nicaragua—in which I have had little prior background. Under the circumstances, the time-honored tradition that new Senators be seen and not heard has been easy for me to observe.

The budget and the philosophical choices it presents are a different matter. As a former Governor, I am familiar with the difficulties in preparing a budget and the tough choices which the process entails. Also as a former Governor, I have seen first hand the importance of certain Federal programs and what happens to people and communities when those programs are reduced or eliminated. I have strong convictions about the direction in which the present administration has taken the country, and what these choices on the budget represent, in large part because the impact of these budget choices could be so severe for my State of West Virginia.

It is interesting to trace the evolution of the administration's economic views. We had the original argument that it was possible to simultaneously cut taxes, increase defense spending, and balance the budget—which defied common sense and economics and proved to be as impossible as it sounded. Later came the argument that the economy could simply grow its way out of the deficits—which lasted only until the 1984 election was over. Now we are told by the President and Mr. Stockman that the deficits threaten our economy in a very fundamental way. At long last, the American people

are being treated to some straight talk about the consequences of the deficits.

But the administration has not yet reached the point of honesty about the causes.

President Reagan told us last month, as he has repeatedly, that the cause of Federal budget deficits is runaway domestic spending. And, he says, the cause of runaway domestic spending is the U.S. Congress. Therefore, he proposed a budget which eliminates 17 domestic programs, most of which are vital to my State, and makes proposals for cuts in 40 others, as well as cutting back on cost-of-living adjustments for Social Security and other retirement programs.

The facts tell another story. The facts are that in the past 4 years, the Reagan administration and OMB Director David Stockman have kept a tight rein on Federal domestic spending—and continually boast of this accomplishment. We've also gone through 2 years of economic expansion, which normally lessens the deficit by raising revenues while reducing the need for certain government transfer payments.

And yet, the deficit has exploded in the past 5 years from $61 billion in 1980, to $148 billion in 1982, and over $175 billion in each of the last 2 years. Of course, the Reagan recession deserves some of the blame for this trend, but recovery hasn't reversed it: deficits in the $200 billion to $300 billion range are projected each year for the rest of the decade, even with steady economic growth.

Actually, the big growth areas of the budget have been defense—including foreign military aid—and interest—not domestic programs. According to a report by the Joint Economic Committee, between 1980 and 1985 spending on defense and foreign aid increased from $145 billion to $268 billion. As a share of the budget, these activities have grown from 25 percent to 29 percent. Interest on the debt grew from $52 billion to $130 billion during this time, and now accounts for nearly 14 percent of the budget, instead of 9 percent as in 1980.

Spending on Social Security has risen, but so have payroll taxes which pay for it. The system is running a surplus and, under current projections, will do indefinitely. Since 1980, programs which aid the elderly and disabled have grown by $23 billion—entirely due to inflation and the increased numbers of elderly people in the population.

Spending on public welfare programs has risen by about $19 billion since 1980, because more people were in desperate enough economic straits to qualify for aid—not because the programs became more generous. In fact, because such programs were the major focus of earlier rounds of budget cutting, they grew much less than they generally would have during a severe recession and now account for a smaller portion of the budget—6 percent—than they did in 1980.

Spending on all other functions of Government—including public investment programs like education, research, transportation, and infrastructure—is more than $25 billion lower now than it was in 1980. As a share of the Federal budget, these programs have declined from 21 percent to 15 percent. The cuts in the administration-GOP package would shrink this category to about 11 percent.

What this means is that the root cause of the deficit is not, and cannot be, domestic spending. In fact, we have massive Federal deficits threatening our economic future for one overriding major reason—the 1981 Reagan tax cut. The tax cut totaled over $700 billion in revenues in just the first 5 years. And the losses keep mounting and for 1990 alone exceed $280 billion. Former Defense Secretary James Schlesinger called that tax cut the "single most fiscally irresponsible act in history"; without the revenues, he predicted, this country would be neither able to pay for national defense nor for domestic programs to which we were committed. And that is precisely our current predicament. Our tax base now supports only 80 percent of Federal expenditures, compared to 90-95 percent during the 1960's and 1970's.

Next to the ill-designed tax cut, the hallmark of the Reagan program has been its unfairness. The combination of Federal budget cuts with Federal tax cuts has represented a massive transfer of wealth from those who could least afford it, to those who least needed it. From 1980-84, only high income households actually got a tax cut. And in income brackets above $200,000 the average reduction was over $17,000. At the same time, however, because payroll taxes were rising during this period, lower- and middle-income households saw their tax bills go up. Over roughly the same period of time, cuts in Government transfer programs—Medicaid, food stamps, housing, and AFDC—cost low-income households an average of $1,300.

The erosion of the corporate tax base also proceeded with a vengeance under this administration. Corporate taxes now account for only 8 percent of Federal revenues, while over half of corporate income escapes taxation altogether.

In short, we gave a tax cut of a size that we couldn't afford, primarily to those who least needed it. The tax cut was wonderful for me and other upper-income taxpayers. It was wonderful for General Motors, General Dynamics, and General Electric. Now the Reagan administration wants the general public to pick up the bill. In my view, whatever the outcome of the tax reform debate later this year, we need to insure that the wealthiest individuals and the corporations pay their fair share.

We need to reduce the deficit, but we face a fundamental choice about how to do it. Depending on how we deal with the deficit, we can reverse the unfairness and mistaken priorities of the Reagan program, or we can compound them. We can try to restore fairness by sharing the burden more equitably, or we can again hit the people and regions that have suffered most under the Reagan program.

Reducing the deficit is not an end in itself. The true goals are the economy's continued growth and stability. This means actions to reduce our deficit must be accompanied by easier monetary policies to keep the expansion going and bring unemployment down. And it's completely counterproductive to devise deficit reduction proposals which undermine the economy's prospects for growth and full employment. We risk adopting a cure for the deficit problem that is worse than the disease.

For these reasons I am not going to support the President's effort to eliminate programs that have been vital to my State of West Virginia. Economic development programs, such as EDA and ARC, have contributed substantially to my State's economic progress in the past and are still badly needed. The Reagan administration measures those programs in terms of cost to the Federal budget; I measure those programs in terms of the economic growth they have supported—gains which would not have occurred without them. By this test, such programs have been highly cost effective.

I'm not going to pay for the Reagan tax cuts by cutting into vital expenditures for education and other human needs. How does forcing schools to drop out of the School Lunch Program or slashing research budgets or curtailing student loans make our economy stronger? With unemployment still unacceptably high, we need more emphasis on education and training—not less.

I'm not going to deal with the Reagan budget deficits by reneging on our promise to our senior citizens that Social Security benefits will be kept intact. We fixed the system in 1983; it is fiscally solvent and not contributing to the overall budget deficit. Freezing or capping Social Security COLA's amounts to a permanent cut in benefits which is both unfair and unacceptable. From the time 20 years ago, when he advocated making Social Security voluntary, the President has never understood the importance of the social contract between generations which Social Security represents.

I support limiting this year's defense increase to the rate of inflation, with 3

percent real growth annually thereafter. Since President Reagan took office, defense spending has increased by 35 percent in real terms and is currently greater than at the height of the Vietnam war. Freezing this year's budgetary authority for defense in real terms will in fact provide over $100 billion more for national security than just 5 years ago. A defense budget freeze at that level will not, in my view, jeopardize the modernization of our Armed Forces nor undercut the preparedness of those forces.

What has happened in the past 4 years is sometimes difficult to understand because it is so sweeping in scope. The administration cut taxes irresponsibly by an enormous amount to benefit the wealthiest Americans and corporations. Then they turn around and tell the public: we have a deficit, so therefore we can't spend money for economic development, for education, for clean air and water, for food stamps, for Social Security. They are following a conscious strategy of trying to grind down the domestic budget between a rapidly expanding Pentagon budget on the one hand, and a radically diminished tax base on the other hand. The President and Mr. Stockman are now using the deficit issue as a excuse to get rid of programs which they have always opposed.

Above all, the budget is a statement of our country's priorities. It depicts the kind of people we are, and the kind of society we would like to be.

In making the case for his budget compromise, the President said in his recent televised address:

> Every dollar the government spends comes out of your pockets. Every dollar the government gives to someone has to first be taken away from someone else.

That is one way to view it. The President has been able to capitalize on people's frustrations with Government—feelings that somehow they don't get their money's worth from the taxes they pay. But I don't think the people of my State, or the rest of the country, really share the administration's view that most Government spending is useless. There are important services and functions besides defense—education, environmental protection, research and development, help for the needy—that Government can provide for us collectively that we can't purchase as individuals.

From my experience as Governor, I know that States and localities lack the resources to take on the responsibilities that the President wants to shrug off. I know that private charities and generous individuals can't solve our growing poverty problems on their own. The scaling back of Federal Government expenditures envisioned by the Republican proposals will inevitably lead to a situation where the wealthy take care of themselves, but the poor and middle class will see their standard of living decline. My State has been extremely hard hit economically in recent years, but I don't believe that the Republican plan is a fair or compelling program for the Nation as a whole. I cannot support the set of priorities which the Republican proposals represent.

The PRESIDING OFFICER. Who yields time?

Mr. CHILES. Mr. President, I yield myself 5 minutes.

The PRESIDING OFFICER. The Senator from Florida is recognized.

Mr. CHILES. Mr. President, I want to compliment the distinguished Budget Committee chairman and the majority leader. I know an awful lot of hard work has gone into this package. I know how long this process has been. I compliment them, for they have brought the package up to this point and obviously they think they have the votes to pass it. I know it is not easy to get together a package like this, and to bring it to this point. It was not easy in the Budget Committee. It was not easy with the different forces that are working in the changes here, and I will have to say that I think this package today is better than the package that we started with in Dole I that was presented here. It looks a lot closer to the package that the distinguished Budget Committee chairman presented in the Budget Committee.

Having said that, I want to discuss a few of the numbers here because our brethren in the press never seem to get these numbers or pick them up. I guess it is easy when you have the pulpit. But we are still talking about when we start talking about how much we cut in the first year, how much we cut in the second year, and how much we cut in the third year. The plan uses the Rose Garden numbers. Remember, those numbers are numbers that were never passed into law. They were a wish list. They were a wish list of the President of the United States and his Senate Republicans. They put it together. They actually passed those numbers in defense on the floor of the Senate. But that is as far as they went. They did not go into conference. That is the only place in this budget that we use anything other than a CBO base line—is their use of the Rose Garden numbers in defense. So they use that to say that they have cut a lot more in defense, and they use that to say that they have saved a lot more. Well, it is a pretty appreciable difference because this plan is advertised as saving $56 billion or cutting $56 billion the first year. It cuts $43 billion. The only thing we can cut is from where we were last year, and what we passed into law. That is the only thinking that we cut on any other figure, and I know this probably will not ever get picked up in the papers tomorrow morning. I took my clothes off in the Budget Committee to try to get the figure in. It is still $43 billion. That is the amount it saves in the first year—$80 billion in the second year as opposed to $89 billion and $114 billion in the third year as opposed to $139 billion.

One other thing I will remind you is this: when this is advertised as getting the deficits down to $104 billion in the third year, remember that is using the OMB economics. That is the economics that says in 1990, you are going to be able to get a mortgage on your house for 7 percent. It says in 1988 the Treasury bills are going to be 5¼ percent. It says that the growth rate is going to be 4 to 4½ percent from now on every year even though we are seeing the growth rate fall out from under us. Basically CBO had not estimated this plan. They had not had time, but if you use the CBO economics, you have to add to that $104 billion in the third year. It comes out to around $150 billion in the third year.

My concern with all of the good work that has gone into this plan, the strong endeavor that has gone into this plan on the part of the people that have worked for it, is we have deficits of $150 billion.

Deficits of $150 billion or even deficits of $104 billion 3 years from now do not turn around the direction of the way the deficits go. Even if it was $104 billion, you would have $100 billion deficits from now on. If it is $150 billion, they will be growing, because the compounded interest on the debt will make that deficit grow.

I say that because we did have a plan before us that we voted on that would have brought those deficits down to zero in 1990 or 1991. They were on a glide path going down to zero, and I think it was a very balanced plan.

It did not get enough votes, but I think it would have been much better for the country.

The one other thing that I have to fault this plan is that it is not balanced. It is not shared sacrifice.

The PRESIDING OFFICER. The Senator's time has expired.

Mr. CHILES. I yield myself 2 additional minutes.

When we are talking about some drastic cuts we are making in programs, in nutrition programs, in student loan programs, in a lot of our development programs, in elderly programs, we see those cuts, but where is the balance in that of asking everybody in this country to pay their fair share?

Again, I think we had not one, but at least two plans that would have attempted to do that by saying that there should be some revenues, and those revenues could have come from

minimum corporate tax, minimum individual tax, closing of some of the loopholes.

We could not even pass in here a little tax that just said we were going to continue the cigarette tax. We could not even pass in here a provision that said to keep people from paying more for their doctors' bills we are going to ask the cigarette tax to continue.

Because of that, I really think the plan is faulted, because it does not have balance. To ask our elderly to take a 1-year freeze on their COLA's when we are not asking fat cats to take a 1-year freeze on their tax expenditures, on their loopholes, or any kind of freeze, when we are not asking those corporations that are earning millions and millions of dollars—and everybody is rushing to be for a corporate minimum tax now—we are not asking them to pay anything for Government, but we have heard the arguments that we are going to take the tax and reduce the rates. What do my taxes go for? My taxes go to pay for the Government. That is what everybody's taxes in this room pay for. But corporate taxes are not to pay for the general Government, but just to reduce other taxes.

That is why this plan is flawed. That is why I think it should not pass tonight. If it does not pass, I think we could very quickly put together a plan that bears many of the features of this, but would do one additional thing: It should have shared sacrifice and it would be calling on everybody to do something.

The VICE PRESIDENT. The time of the Senator has expired. Who yields time?

Mr. DOMENICI. I yield 3 minutes to the Senator from Texas.

The VICE PRESIDENT. The Senator from Texas is recognized for 3 minutes.

Mr. GRAMM. Mr. President, we have had a long debate and have heard a lot about what you are voting against in this budget. Our distinguished colleague from Florida just told us that you are voting against nutrition and education.

We all know we are voting for a freeze on defense and for a freeze on COLA's. I would like to spend my brief time in talking about what we are voting for in this budget. We are voting to sustain a recovery that has brought jobs and hopeful opportunities to our people. We are voting to sustain a recovery that has put 7.5 million people to work.

I ask my colleague from Florida, is that not a nutrition program, 7 million families at work bringing home a paycheck, putting groceries on the table? That is a nutrition program that every American family wants. No food stamp program will ever substitute for that.

Is that not a housing program? There are 7.5 million families at work building up a nest egg to build and buy their own homes. You can have HUD. I will take that.

It is an education program; 7.5 million families are at work saving money to send their children to college.

We are voting here on 7 million new jobs in the next 4 years. We are voting here on a 2 percentage point decline in interest, a $100 a month decline in mortgage payments. In short, we are voting to strengthen and sustain the recovery.

So when you are looking at all the things you are voting against, when you are looking at all the programs you would like to have, I would like to ask my colleagues, both Democrats and Republicans, to look at what you are voting for, to look at what we have done in the last 4 years in reducing the growth rate of spending, in putting more money back in the pockets of the American people. They have responded in the greatest postwar recovery in American history.

We can vote tonight to strengthen and sustain that recovery. In casting that vote, you are not voting for all the special interest groups that we voted here for on all of these amendments. You are voting for the public interest. You are voting for those who do the work and pay the taxes and pull the wagon, who do not have all these lobbyists out here in the corridors saying they are going to remember your name in their newsletter, they are going to remember you tonight, somebody will benefit.

But they are the people who make the people work. We have cast all these votes on all these amendments for special interests. I ask my colleagues to cast this vote for America and vote for this President.

Mr. DOMENICI. Mr. President, before I yield to the leader, let me make a few brief comments about the remarks of my good friend, the ranking minority member of the Budget Committee.

Frankly, I do not think anybody that is going to vote for this needs any explanation as to whether they are voting to really cut the budget. You might argue where you started, but I am sure you are all going to suffer a little pain here, because this is indeed a historic event. This would be the largest reduction in the history of the Republic. Applied to defense and domestic programs, there is nothing even close to it in our history. You might argue where you started, but we have to find out where we ended. We ended up with a package that dramatically reduces domestic expenditures; that removes a number of programs that are not high priority; that reforms five or six programs that needed it for decades; that freezes cost of living as a part of that; that reduces defense somewhat over that which the President wanted.

When you put it together, it is the bottom line that counts. I am sure nobody here is worried about whether they have cut enough. There is some indication that maybe we are exaggerating the cut.

Well, if we are exaggerating the cut, I do not know why it is so hard. It seems to me it is because we really are, for the first time, changing the nature of the expenditure path of this Federal Government.

Frankly, we ought not do it unless we are worried about something. I am worried, as most of you are, about the black cloud of debt that hangs over this country, that is going to ruin this recovery and hurt far more people than restraining and changing some of these programs.

If I was not convinced of that, I would not be here.

If you are not convinced of it, do not vote for it.

On the other hand, if you are, you better vote for it, because there is nobody around who is going to do it for us. I will tell you that. If we do not do it, it will not be done.

If you do not vote this tonight and send it to the House, they will not do anything, either. They have been waiting around forever.

I think it should be nice to send this over there.

If they want to add the taxes that some say would be shared sacrifice, they can add to this package. It is $295 billion without it. If they would like to add a little more shared sacrifice, keeping the cost-of-living freeze and other things, we will give them that privilege. Except we think we have asked everybody to share, already.

We think it is a fair package.

In closing, I want to particularly thank the majority leader. This is my first effort with him in a majority leadership role on a significant package, and I compliment him.

He has done a marvelous job and I hope all of his efforts and the efforts of the others prove tonight to be not in vain but rather a step in the right direction for the future of this country.

Mr. CHILES. Mr. President, I yield 1 minute to the distinguished Senator from Michigan.

Mr. RIEGLE. Mr. President, President Reagan promised the country that there would be no cuts in social security, including the COLA's. This package breaks that promise. Yet the Social Security System is in surplus and it is not contributing one dime to the deficit.

Under this proposal, the average person on Social Security will lose $18 a month in buying power next year. That will drive 470,000 people below the poverty line. When we asked what

would happen to those people, the proposal we have here says they are supposed to go on welfare, In fact, they even make provision here for the fact that they will go on welfare.

They should not have to do that, Mr. President, particularly in light of the fact that a promise was made.

In the last 4 years, this administration and this party have cut Social Security $110 billion through the year 1990. The senior citizens have already contributed that much to deficit reduction and they ought to be exempt from further cuts, as the President promised and as the Senator's party promised just a few moments ago.

There is absolutely no justification for cutting Social Security and I hope that tonight, we will have the integrity and the honor to keep that promise.

Mr. WEICKER. Mr. President, I and my colleague Senator INOUYE have been deeply concerned that the President's original budget and the subsequent Senate/White House compromise would have severely damaged the fabric of the Federal commitment to improved health for all Americans. Under these two proposals health research, training, and services were to be slashed—some to the point of elimination. Indeed, because of our deep concern we were prepared to offer an amendment to the budget to correct this.

The budget proposal now before us, however, addresses many of Senator INOUYE's and my concerns, thanks to an agreement with our colleagues Senators DOLE and DOMENICI. The tremendous momentum of our Nation's biomedical and behavioral research efforts is maintained through this agreement, which firmly establishes an all-time high of 6,000 NIH new and competing grants per year and comparable increases in research centers and ADAMHA grants.

Also agreed is a complete restoration of all health professions training funds, assistance to colleges and the Geriatric Training Initiative. Cuts are eliminated in the maternal and child health block grant, community health centers and mental health clinical training activities, and State planning grants.

Mr. President, through this agreement with the majority leader and the Senate Budget Committee chairman we are maintaining our investments in better health. This investment will yield record breakthroughs, vital community and clinical health services, and a properly trained health manpower pool, and other dividends so vital to our, and our children's futures.

Mr. ZORINSKY. Mr. President, the latest compromise budget proposal offered by the Senate majority leader is far from perfect. However, significant concessions have been made. Coupled with the unquestioned need to act on the budget deficit, these concessions are sufficient to allow me to vote for the so-called "Dole II" amendment.

Major concessions in the area of agriculture include several for which I personally fought for agricultural programs. Chief among the concessions is a restoration of $2.5 billion for Commodity Credit Corporation price support and farm credit programs over 3 years, bringing the total allocation for CCC operations to $32.25 billion. The administration has assured me this amount will accommodate the provisions of my farm bill as well as most of the other bills that have been introduced.

Other concessions in the area of agriculture I obtained include:

A $4 billion annual Farmers Home Administration farm loan program.

Inclusion of $490 million to "buy down" interest rates on farm loans made by commercial banks or cooperative lenders. These funds will be made available through a program tailored after a provision in my own emergency farm credit aid package that was vetoed by President Reagan earlier this year.

A $2 billion export promotion program that uses surplus farm commodities to effectively reduce the price of U.S. farm products in the international marketplace. This concept is included in S. 1051, the comprehensive, 4-year farm bill I introduced last week. The administration has agreed to implement the program immediately.

Retention of a viable Rural Electrification Administration Program.

A significant increase in soil and water conservation programs over the original Dole compromise budget.

No reductions in the existing Federal crop insurance program.

I am also pleased that some provision was made for impact aid, Amtrak, and child nutrition programs under this latest compromise.

Significant program reductions remain in the "Dole II" compromise. I would have preferred to see more of these reductions rescinded. However, I also know Congress must take action to show it is serious about reducing the budget deficit. Fairness and equity must prevail in any ultimate attempt to balance a budget. I will continue to broaden and expand the base of the sharing of this responsibility in future budget reduction proposals.

Mr. GORTON. Mr. President, I should like first to congratulate my distinguished colleagues, the majority leader and the chairman of the Budget Committee, for having guided us from Budget Committee markup to these final hours of debate of the 1986 budget proposal. I have great respect and affection for both of them, and I am pleased to say I support and cosponsor this new deficit reduction package.

I support this package because it is as fair and effective as any we can possibly achieve. By fair, I mean that the pain of curbing runaway spending will be borne more equitably across the varying sectors of our society than has been the case with any preceding plan. By effective, I mean that the spending cuts approach the budget deficit reduction goals we have set for ourselves, and we have avoided increasing the taxes of the American people.

I am especially pleased that some funds will be restored to important programs such as rural housing, the Small Business Administration, and impact aid. I also believe it important to restore some of the savings to Medicare and Medicaid, and I commend Senator PACKWOOD for this fine contribution.

I have been confident throughout this process that this type of proposal would be assembled—one which could achieve what we are aiming at, while sparing some of the most important programs from overly drastic reductions. I am proud to have been a part of that process. That is not to say, however, that there are no elements in this package which are difficult to embrace in their entirety, and that is not to say that there is no pain.

Mr. President, I urge my colleagues on both sides to support this new package. We have come a long way since the President submitted his initial proposal in February. We have considered and compromised; we have debated and disposed. Now it is time to recognize our responsibilities and the urgency of this task, and to accept this package as one which will accomplish what we absolutely must accomplish. We have fought our battles. Let us now agree to come together in the spirit of reducing this deficit. We are pledged to act in the interest of the Nation, Democrats and Republicans alike, and it is our duty to insure that our economy will continue to grow; that our children will not be unduly burdened with debt that is not their own; and that our economy will continue to flourish as an example to all others.

Mr. DECONCINI. Mr. President, it has been a tortuous 3 weeks since the first copy of the so-called White House-Republican Leadership budget plan arrived on our desks, heralded as the bottom line in deficit reduction for 1986 through 1988. The President of the United States went on national, prime time television to proclaim the Republican budget compromise as the "Taxpayers Protection Act." We have had 50 hours of debate on the White House compromise package; two comprehensive, detailed deficit reduction plan alternatives; an across-the-board freeze on all spending for 1 year; and dozens of amendments, addressing issues ranging from Social Security to the pay of Senators. And after all the dust has settled, the Senate is left

with pretty much what it started out with: A flawed, inequitable, budget plan that forces various elements of the Federal community to make tremendous sacrifices while other pieces of the Federal budget receive merely a slap on their fiscal wrist. To add insult to injury, the budget package that we are left with has no prospect in sight for achieving a balanced budget. It is for these fundamental reasons and others that I oppose the so-called Revised White House-Leadership budget plan.

Mr. President, this has been one of the most frustrating 3 legislative weeks that the junior Senator from Arizona has spent since coming to the Senate. Here's why.

First, we have had in the White House for the past 5 years a President who rode into office on the promise of achieving a balanced budget by 1984. In fact, back in 1981, President Reagan projected that if his proposals would be implemented, the Federal budget would actually generate a surplus in 1985 and 1986. Needless to say, we have fallen about $200 billion short of achieving that honorable and laudatory goal set forth by the President nearly 5 years ago. I do not hold the President totally responsible for our failure to achieve a balanced budget. Certainly, the Congress must share in the disappointment and the failure to bring our fiscal house into balance. But after 4 years of accumulating "red ink" and falling deeper and deeper in debt, I expected much better than the budget plan that we have before us in May 1985. I expected better than a plan endorsed by the President that calls for a deficit of nearly $100 billion in 1988. I expected better than a plan endorsed by the President that would force our senior citizens and our veterans to lose their cost-of-living adjustment while at the same time our defense budget would be allowed to grow by the rate of inflation. I expected better than a plan endorsed by the President that would slash the Job Corps by 30 percent and freeze our war on drugs dead in its tracks for a year, while at the same time increase certain low-priority foreign aid information and exchange programs by 12 percent. And I expected better from the President and the Republican leadership in the Senate, than a plan to virtually eliminate postal subsidies to charities, churches, veterans groups, and small county newspapers—groups that rely on the mails to raise funds and promote their crucial social causes. But the package that has prevailed, as the President's best deficit reduction shot, does all of these things—and more.

Mr. President, I am doubly disappointed by the Revised White House-Republican Leadership plan because in the past 2 days we have had an excellent opportunity to adopt alternative deficit reduction plans that would have reduced the deficit substantially more than the White House-Leadership plan and which would have done so in a more fair and equitable way. Let me briefly recap those plans and explain why I supported them.

First, I joined the ranking member of the Senate Budget Committee, Senator CHILES in sponsoring a deficit reduction package that would have cut the deficit by $12.7 billion more than the White House-Leadership plan over 3 years and balanced the budget by 1991. The Chiles alternative plan would have cut spending by nearly $186 billion over 3 years, including deeper cuts in defense and deeper cuts in Federal civilian pay then the White House-Leadership plan. Overall, the Chiles plan would have reduced the deficit by $266.8 billion over 3 years, with $2.50 in spending cuts for every $1 of revenue enhancements. And this plan would have achieved this ratio of spending cuts to revenues without any change whatsoever in personal income tax rates for the American taxpayer. Unfortunately, the Chiles alternative package was defeated by a vote of 35 to 63.

Second, a second alternative deficit reduction package was proposed by the distinguished Democratic Leader, Senator BYRD, which, if adopted, would have cut the deficit $9.1 billion more than the White House-Leadership budget plan over 3 years, while restoring equity and fairness to the mix of spending cuts proposed in the White House plan. The Democratic leader's plan would have restored funding for critical programs such as the Job Corps, veterans health care programs, and Medicare and Medicaid, while cutting back low priority foreign aid programs by $1.9 billion more than the President and the Republican leadership recommended over the next 3 years. The Democratic leader's package provided additional funding for child nutrition programs and education programs, while mandating substantial corporate tax loophole closings and improved enforcement of our tax laws. The Democratic leader's plan even provided a 1-percent real growth increase for our national defense, yet this effective budget plan was defeated by 11 votes, 43 to 54.

Finally, an across-the-board freeze on all programs—from national defense to Federal pay to law enforcement—was offered and, unfortunately defeated by a wide margin. Although the deficit reduction impact of this plan would not have been as significant over 3 years as the other two plans mentioned above, it would have halted the growth of spending dead in its tracks for 1 year and given the Congress a full year opportunity to make permanent generic changes in the way the President and the Congress do business on the budget.

Mr. President, let me make one final comment, not on the White House-Leadership package itself, but the manner in which it was handled on the Senate floor. For the first time in my brief tenure in the Senate, the nonpartisan way the Senate normally does its business became a partisan race against the clock to monopolize the time on amendments and shut out Members of the minority in their efforts to craft a different mix of deficit reduction proposals. We saw crucial policy and budgetary issues relegated to 7 minutes of debate at 9 in the evening. We saw Members denied access to the floor to offer critical amendments that would attempt to correct inequities in elements of the White House-leadership package. And we saw the Democratic leader forced to request a rollcall vote to buy one-half hour of time to caucus his colleagues to review the final Republican budget proposal. Even that simple request was denied. My own amendment to put the Senate on record against an Office of Management and Budget ploy to short-change the Women, Infants, and Children [WIC] Nutrition Program was relegated to 5 minutes of debate on each side of this important issue. In short, not only did the Senate spend a long, long time waiting at the deficit reduction dinner table, it got a bad meal and a raw deal at the end.

Mr. President, I am deeply disappointed that I could not support the budget plan that was proposed and endorsed by the President and the Republican leadership in the Senate. As a sponsor of a constitutional amendment to balance the budget, I was hopeful that the other side of the aisle would construct a deficit reduction plan that would get us closer to a balanced budget within the next decade. Nevertheless, I hope that the House of Representatives and ultimately, our House-Senate conferees on the budget resolution will be able to salvage a respectable deficit reduction strategy that will guide the Appropriations Committee, the Finance Committee, and all Members of the Congress over the next 3 years and pave the way toward meaningful, equitable spending restraint in the future.

AMENDMENT RESTORING FUNDS FOR SBA'S CREDIT, MANAGEMENT ASSISTANCE, AND DISASTER LOAN PROGRAMS

Mr. WEICKER. Mr. President, the leadership amendment includes funding for the Small Business Administration's credit, management assistance and disaster loan programs. It reflects a just and fair compromise agreed to by the Republican leadership and the administration who deserve credit for recognizing the importance of SBA's credit programs and management assistance network to our Nation's small business sector and the economy.

Mr. President, the proposal recommends significant savings in SBA's budget, while maintaining the basic core and structure of the agency, as laid out in S. 408, which was reported out of the Senate Committee on Small Business by a vote of 16 to 3 after 3 days of extensive hearings. The amendment achieves $2.5 billion in outlay reductions over the next 3 fiscal years.

This amendment builds upon the savings achieved by S. 408. In the committee reported bill, the bulk of SBA's direct loan programs are eliminated, along with the agency's Nonphysical Disaster Program. In addition to the savings achieved by S. 408, this amendment also assumes two major policy changes. First, effective October 1, 1985, farmers would be required to go to FmHA for disaster assistance. CBO estimates that this will achieve $817 million in outlay savings over the next 3 years. Second, the Small Business Investment Company [SBIC] Program would be financed through the private capital markets rather than the Federal Financing Bank [FFB]. Under this proposal, SBIC's would be permitted to bypass the FFB and take their 100-percent Government guaranteed debentures directly to the street for financing. The SBIC industry utilized this financing mechanism from 1971 through 1974. Instead of receiving financing directly from FFB, SBIC's would get funding through the street from investors who purchased their SBA guaranteed debentures. CBO estimates $529 million outlay savings by changing the SBIC funding mechanism.

These two policy changes coupled with S. 408's recommendations achieve approximately $2.2 billion in outlay savings over the next 3 years.

Additional cost savings will be achieved through further SBA program reductions or modifications. I will want to consult closely with my ranking member and the other members of the committee before finalizing any game plan on how these additional savings are to be realized.

I would like to commend Senator BUMPERS, ranking member of the committee, for his support and counsel over the past few months. He has been deeply involved in this fight to preserve SBA. His involvement in the drafting of S. 408 and in the extensive hearings on the bill proved instrumental. I know this compromise causes the Senator from Arkansas some problems, especially the farm disaster provisions. However, his support reflects the fact that our mutual priorities have been achieved. First, SBA and its field structure, will remain. Second, its lending and counseling activities will continue.

Mr. President, I would like to delineate the programs that will be maintained and discuss their importance. First, all of SBA's credit programs including the 7(a) guarantee loan, SBIC, MESBIC and 503 certified loan programs, and veterans and handicapped direct loans will be maintained, although in some cases at reduced levels.

SBA principally through its 7(a) Guaranteed Loan Program has provided financial assistance to nearly 500,000 of the 4.5 million businesses that seek credit during their lifetime, according to GAO. This is a market penetration of over 10 percent and, according to GAO again, has been of invaluable aid to small businesses who desperately need long-term financing not otherwise available.

According to GAO, up to 40 percent of banks' long-term small business financing carries an SBA guarantee, and 82 percent of lenders they surveyed said that without SBA's guarantee, their small business loans would not have been made, or would have had tougher terms. Bankers testified that eliminating SBA could cause small firms to lose their only source of long-term credit. Kenneth Guenther, representing 7,800 banks as executive director of the Independent Bankers Association of America, summed up the need to retain the Guaranteed Loan Program:

> Every leading expert in small business finance would argue that long-term credit is essential to growing small firms and that the supply is woefully inadequate. It is precisely in this area that the SBA's presence is so significant.

He and other witnesses emphasized that the assistance provided by SBA under its guarantee program is not subsidized: these rates are market rates and generally more than 2 percent above the prime rate.

Mr. President, the SBA Loan Guarantee Program is no free lunch. The Federal guarantee permits banks to provide long-term loans, 7-10 years in length, to businesses, often start-ups, who do not have the eligibility to obtain such financing. As a result, jobs are created and economic activity is generated. These loans are paid back. The actual loss rate of SBA's bank guarantee loan is 6 percent.

Mr. President, the Small Business Investment Company [SBIC] and Minority Enterprise Small Business Investment Company [MESBIC] programs, also preserved under this amendment, provide over 20 percent of venture capital financing in America, filling a critical void in the availability of equity financing for small firms. Just last year President Reagan recognized the significant accomplishments of these programs and called them a "public/private partnership—that—can do things that Government alone cannot accomplish." In addressing this group he stated:

> Your service breakthroughs, the jobs created and retained, the economic gains, and yes, the additional taxes collected over the last quarter century from your program's successes have real meaning for us all.

In its 25-year history there have been only $38 million in program write-offs to date. Cray Research, Inc., the world's leading supplier and developer of super computers, and super computing technology, in testimony before the Small Business Committee, attributed its very existence to SBIC financing and said that in 2 years it will pay more to the Government in taxes alone than total losses in the program to date. The 1958 act which authorized the SBIC Program recognized that commercial banks are not able to furnish equity financing, and established SBIC's to combat this clear market imperfection. To date, SBA's venture capital programs, which President Reagan himself has called "pioneers of private sector/Government efforts to expand the availability of venture capital for small businesses," have provided $2 billion in equity financing to 70,000 firms, creating 250,000 jobs. SBIC's and MESBIC's generate tax revenues and jobs far in excess of Government outlays, and have been responsible for great small business success stories, including Cray Research, Apple Computer, Federal Express and Essence magazine.

Mr. President, this amendment also preserves the 503 Certified Development Company Loan Program. This is one of the Federal Government's principal economic development tools, spurring economic growth and jobs at low cost to the Government. Under the 503 Program, SBA joins with State and local governments, as well as local financial institutions in making long-term bricks and mortar financing available to healthy small businesses for planned expansion and job creation. To date, 541 CDC's have been certified by SBA, funding over 2,300 projects, totaling $703 million, creating or retaining nearly 100,000 jobs. Witnesses testified before the committee that the 503 Program has, in many instances, put rural areas on the map by increasing the capital available to these communities, where rural banks cannot meet local needs and finance essential main street service businesses. Terminating the 503 Program would choke the already short supply of long-term financing for small enterprise, its lifeblood, and would half much of the economic growth in cities and rural areas now being seen across America.

In addition, this amendment maintains the SBA Physical Disaster Loan Program. Since 1953, SBA has been the principal agency in the Federal Government to provide critical and timely assistance to businesses and homeowners who are victims of physical disasters. It has provided over $12 billion in disaster assistance to nearly

1 million businesses and homeowners throughout the Nation. And, over 96 percent of these loans, not grants, are paid back in full. Under this program, SBA moves quickly to disaster locations to provide financial assistance for uninsured losses resulting from natural disasters such as floods, hurricanes, tornados, earthquakes, fires, mudslides, and other catastrophes. Again, SBA steps in to provide loans for uninsured loss. Especially in the case of floods, other insurance is too costly or in some cases simply not available.

Mr. President, I want to reiterate the point that SBA's disaster loan respond only to losses not covered by private insurance. Ninety percent of property damage by natural disasters is due to flooding. Most private insurance companies exclude flood coverage on their policies. The National Flood Insurance Program, administered by FEMA, covers only 25 percent of eligible structures. Furthermore, 2,700 communities, in flood prone areas, remain ineligible for Federal flood insurance.

I cite these statistics to demonstrate the need for SBA's Physical Disaster Program. Since 1916, it has been the policy of the Congress that "Government should aid and assist victims of flood and other catastrophes." I am pleased that this policy will not be abandoned.

Mr. President, SBA's management assistance delivery network, which operates through universities and private sector organizations to provide counseling and training to small business owners to cure the leading cause of small business failures: improper management practices, is also preserved. Over 3 million entrepreneurs have sought and obtained SBA's management help in the last 6 years alone. In addition to the Service Corps of Retired Executives [SCORE], Small Business Development Centers [SBDC's] now located in 37 States, and the Small Business Institute [SBI] Program, which operates through universities located in every State of the Union, will be maintained. These programs, along with the management assistance arm of SBA's district offices, often provide the only source of affordable onsite management counseling for small companies.

Mr. President, lastly, I want to assure my colleagues that the Surety Bond Guarantee Program will remain under this compromise.

Through its Surety Bond Gaurantee Program, the SBA assists qualified small business contractors by extending a guarantee to a surety of up to 90 percent against loss in order to make bonding more easily obtainable. Since its inception in 1971, this program has guaranteed over 166,000 surety bonds, permitting the award of over $12 billion in contracts to small businesses. With the assistance of the SBA Surety Bond Guarantee Program, small and minority business contractors are now able to obtain the surety bonding required to bid on almost all federally funded and private construction contracts.

Mr. President, the dynamic sector of our economy is small business. Small business is where the action is. It is the small business sector where the new jobs are created and the innovations developed. Many new businesses or ideas would never get off the ground without the SBA's credit programs. When you consider the jobs created and the increased revenues paid by businesses assisted, these programs pay for themselves.

In conclusion, Mr. President, this amendment achieves substantial savings while at the same time preserving the SBA and its essential credit and management assistance programs. By adopting this amendment, the Senate will be addressing the needs of our small business sector and attempting to meet our deficit reduction goals. I urge the Senate to support this fiscally responsible approach.

Mr. INOUYE. Mr. President, the agreement which Senator WEICKER has been able to achieve today would ensure that the important service delivery, research, and clinical training programs of the Department of Health and Human Services will be continued at the highest possible level. Originally, Mr. President, we proposed that for fiscal year 1986, we continue the fiscal year 1985 level of funding with a 4-percent increase for inflation. However, that which we are offering today is the best that we have been able to achieve.

Mr. President, the Senate Appropriations Subcommittee on Labor-HHS-Education, which has jurisdiction over the Department of Health and Human Services, has just now completed its hearings on the Department's fiscal year 1986 budget request. We are just beginning to receive testimony from the public witnesses who, like you and I, are the beneficiaries of the programs we are addressing here today. If this year's testimony is in any way similar to that which I heard last year, we should be very proud of the advances in medical and health sciences which our Nation's clinicians and scientists have accomplished to date. Yet, Mr. President, we still have a long way to go.

For example, Mr. President, last year native Hawaiians were reported to have the highest incidence of cancer of any segment of our Nation's population. This past year the President's Cancer Panel traveled, at my request, to Hawaii to hold hearings on their unique needs. These native American peoples are also disproportionately represented on numerous other indicators of health and social welfare which consistently indicate that there is a very real and pressing need for continuing Federal assistance. For example, over 30 percent of all premature births in the State of Hawaii are Hawaiian, with the mothers being disproportionately young. Only this past year the Maternal and Child Health Program began to focus upon their unique needs. These are but two of the important programs which our amendment addresses today. Similarly, although the need for quality mental health and alcoholism-related treatment is high among native Hawaiians, I was recently informed that there is only one native Hawaiian graduate of an American Psychological Association-approved clinical training program. Unfortunately, I am all too aware that similar statistics could be cited for every other one of our minority and native American populations.

Mr. President, this past year the prestigious Institute of Medicine reported that behavioral disorders are implicated in 50 percent of all morbidity and mortality in our Nation. It's report stressed the importance of the Congress giving increased priority to the programs of the Alcohol, Drug Abuse, and Mental Health Administration. The Institute of Medicine pointed out, for example, that for every patient being treated for cancer more than $300 is spent on research. Unfortunately, the comparable figure for schizophrenia is only $7.

I am sure that every one of us is aware of the excellent work that the wife of one of our colleagues is doing with the Mental Health Association in attempting to combat the unfortunate stigma which mental health care presently possesses. However, for her to be truly successful, we must provide sufficient clinical training and research funds, as well as providing adequate service delivery support.

Mr. President, during the past decade we have received increasing testimony stressing the fundamental importance of prevention. The Surgeon General's report "Healthy People" pointed out that 7 of the top 10 killers in our Nation could be substantially reduced if those at risk would only change their habits and modify their lifestyles. There is a crying need for more behavioral and basic research in this area in particular. Yet, public witnesses last session informed us that for every $1,400 we spend on curative care, we only spend 50 cents on preventive measures.

Last year the Appropriations Subcommittee received moving testimony describing how the very quality of the daily lives of numerous citizens has been improved by research endeavors sponsored by the National Institutes of Health and the National Institute of Mental Health. Individual witnesses

came forth and stated that either they, or their loved ones, would simply have not been alive if these basic behavioral and biomedical advances had not been made.

Mr. President, it was truly moving to learn for example, that in fact we now have a whole new generation of health, employment, and social problems to deal with because those affected are living longer than could ever have been predicted in the past. We have truly come a long way, but we have much more to do; we simply must not stop here.

Mr. President, we must ensure that we do not diminish our Federal commitment to our Nation's health care programs. These programs are truly in our national interest.

Mr. SYMMS. Mr. President, in my fourth year as a participant in the yearly budgeting process here in the Senate, I remain deeply disturbed by the fact that Americans now have considerably more, but not necessarily better Government, and no prospects for a balanced budget within the next 4 years, even according to the compromise plan agreed upon by the White House and the Senate leadership.

Considering that President Reagan campaigned in 1980 on the promise of a balanced budget, as have many of his predecessors in office, Americans are rightfully asking, "What went wrong?"

When this President assumed office in 1981, Congress was urged to enact three major legislative items. The first was across-the-board tax rate reduction, to stimulate savings and investment and to encourage economic expansion and job creation. The supply-siders had urged tax cuts and were convinced they would work, as they worked under President John F. Kennedy's administration. The second item was a plea for domestic spending restraint, and last, a defense modernization program to rebuild our Armed Forces. Defense increases were overwhelmingly mandated after a decade of wholesale neglect, based on growing public awareness of the Soviets' exploitation of America's unwillingness to support our allies, as evidenced in major setbacks in Iran, Afghanistan, and Nicaragua.

The President achieved two early successes from a Congress stunned into action by his electoral sweep. The requested tax rate reductions were enacted, as was tax indexing. Those were two major victories for the working population. Indexing was the major contribution of the Reagan Presidency toward fairness in the Tax Code; since it prohibited Congress from profiting secretively through inflation. Bracket creep pushed taxpayers into higher brackets, while increased revenues allowed Congress to finance more social spending. But the economic recession of 1981, the inevitable legacy from the Carter years of stagflation, Federal tax growth at its highest rate in history, and a too tight monetary policy inflicted by the Federal Reserve, caused the Reagan administration to deviate from its soundly based economic policy. Reaganomics, was, for the moment, abandoned out of uncertainty and political expediency.

Since 1981, the administration succumbed to a number of proposals that increased the tax burden on the American people. The Kemp-Roth tax rate reductions were changed to a 5-10-10 formula, and delayed. Then they were delayed again. The major tax hike of the President's first term, TEFRA, passed, along with a Social Security hike, in 1982. A gasoline tax was enacted in December 1982, and last, TEFRA II was adopted as yet another deficit reduction measure. Defying all Washington remedies, the deficit persisted.

Woody Hayes, the legendary football coach, once lectured to one of his classes that the United States had been in 10 wars, 8 of which we had won, 1 of which we'd tied, and 1 lost. Coach Hayes remarked that "Now 8-1-1 is not a bad record, but I don't like the trend." Similarly, there was cause for concern about the record of the administration in its willingness to accept tax increases under the guise of deficit reduction.

For the past 4 years, what the Congress has delivered is tax increases that have virtually eliminated the gains from the across-the-board rate reductions we made in 1981, spending restraint only in the very small, comparatively speaking, area of the budget in the nondefense, discretionary programs, but no restraint whatsoever in the massive budget area of the entitlements, the real budget busters, and only a modest defense program that has not redressed the serious imbalance of our forces with respect to our Soviet and Warsaw Pact adversaries.

What is the root cause of the deficit? Contrary to what some of my colleagues on the other side of the aisle might argue, it's profligate spending, which caused the deficit, not the tax cuts, which fueled the recovery, nor the military spending increase. The excesses in Federal spending and taxation have resulted from Congress' unwillingness to control domestic spending.

A common fallacy, bought by many in Congress, is that the widening deficit is crowding out private borrowers and driving up interest rates. This argument helps fuel the tax advocates. Widely ignored by those who believe Americans should never have been granted the Reagan tax cuts is the fact that the public now carries the highest tax load in history, with 20 percent of the GNP taxed away at the national level, and with State and local taxation making that burden nearly 40 percent of GNP. The real measure of crowding out is the amount of total Government spending combined with the total amount of Government borrowing, and there is far too much of both for the continued health and competitiveness of our economy.

Fortunately, the American people increasingly recognize the real culprit in the Federal spending spree, and they do not blame the President. If there was a single message to the elected last November, it was that Government is excessive and wasteful, and that spending should be controlled, not taxes increased. The central election theme of 1980—that spendthrift, vote-buying policies plagued this country with record inflation and high interest rates, and that the American people know better than their Government how to spend the money they've earned—was overwhelmingly reapproved.

Following November's elections, an early spirit in the Congress signaled that perhaps this year, 1985, would be different. There was an early optimism that perhaps the House and Senate would go beyond merely reducing the rate of growth in programs, and actually cut spending. But while many Senators and Representatives campaigned successfully on the importance of handling the deficit, without advocating tax increases as the cure, once the President's budget was announced, the momentum for spending cuts abruptly halted. Special interest groups, the taskmasters of Congress, those profiting most from programs created and perpetuated for their benefit, launched their annual campaign against deficit reduction by spending cuts. The special interests jammed switchboards with calls in opposition to spending cut proposals, bombarded Members with telegrams, and demanded appointments with the staffs. It was all too evident that Congress would capitulate again, and that deficit reduction, while embraced by all in the abstract, is shunned by many in the specific.

Mr. President, although some politicians frequently single out defense spending as the primary reason for the deficit, the Defense Department is only part of the problem. In 1965, domestic spending accounted for 10.1 percent of GNP, while in 1983, it stood at 16.9 percent of GNP. Defense decreased in those same years from 7.7 percent of GNP to 6.5 percent. Unlike defense spending, which is justified as the fundamental responsibility of the Federal Government, a myriad of programs are now funded at the national level which do not benefit specifically the poor, the disabled, or the poverty-stricken elderly in our society. Most entitlement programs today are not

based on individual need or on poverty statistics, despite floor rhetoric to the contrary. Intended as income security programs, many of these entitlement programs have been transformed by vote-seeking politicians into massive income redistributors, with bonanzas for those at the receiving end, and burdensome taxation on those wage earners who seriously doubt that their future benefits will match their present input. Seventy-five percent of income security programs now finance retirement programs, while only one-sixth of all the money spent on entitlements is for "means-tested" programs, or those aimed at helping the poor. It is those programs on autopilot that present the greatest challenge to Congress.

Historically, the New Deal is often cited for implanting the anticapitalist notion that the Government is the best resolver of social and economic ills, and indeed, many new Government entities were instituted in the New Deal era. But the real marker of explosive budget growth could well be the institution of the COLA, the cost-of-living adjustment which Congress tied to many social programs. The Budget Committee counts about programs linked to an index such as the Consumer Price Index.

COLA's were devised to increase payments automatically to individuals as the cost of living rose, to keep Federal income checks in pace with inflation. COLA's were tied to the CPI, or to some other gauge measuring the cost of consumer goods, housing and wages. The COLA, however, was overgenerous, as the CPI, or Consumer Price Index is an imprecise measurement of cost of living. To worsen the situation, Congress could not refrain from putting its hands in the cookie jar, and tampering with trust funds. Congress frequently extended benefits to program participants far and above the amount of money they themselves contributed to the program. In Social Security, benefits increased from 1970 to 1983 by 239 percent, while the consumer price index increased substantially less during that period, by 177 percent, and average wages by 144 percent.

From 1961 to 1981, following the introduction of COLA's in many domestic programs, social spending skyrocketed from $37 billion to $163 billion, from 5.4 percent of the GNP to an incredible 11 percent in just 20 years. The early 1970's witnessed the sharp expansion of existing programs, like Social Security and AFDC (aid to families with dependent children), and the creation of many new ones, including Medicare, Medicaid, and food stamps. With the preponderance of new Federal programs, and the growing acceptance of Government as the great provider, the social stigma from accepting welfare payments all but vanished.

With the ratio of privately employed people to transfer payment recipients declining from 5 to 1 in 1950 to 1.3 to 1 in 1983, necessary reform of entitlement programs has become seemingly an insurmountable political task. Voters all too willingly accept prospective payments that will exceed their own contributions to income security programs, passing the burden of costs onto later generations. My colleagues, that burden has become much too high. I actually had a constituent contact my office today who said he's be willing to forgo the Social Security payments he'll be entitled to in 15 more years, because the burden of the payments today is just too high. There are a lot more Americans, especially the younger generation, who share that view.

With the spending bias that has afflicted the Congress, the disintegration of the ethos of limited government and balanced budgets, and the natural preference of many in our society for the enormous Federal trough, rather than competition for earnings in the marketplace, not to mention the intense pressure upon Members of Congress from powerful lobbying firms expending millions to continue to enhance the special dispensations their clients receive, a solution outside of the realm of Congress appears to be the only realistic alternative.

Education of the public about the dangers of escalating spending is crucial, and much credit should be given to the President for taking that message to the American people. The public increasingly questions the value and effect of many social programs. Rather than helping the needy to become self-sufficient, welfare programs have too often helped to promote the institutionalization of poverty in America. It is important to recognize that levels of poverty depend more upon the performance of the economy than upon the rate of Government social spending. Increases in poverty over the past three decades occurred during the years in which the GNP dropped—in 1954, 1958, 1970, 1974, and 1975. During all the other years, the poverty rate decreased. The solution to poverty has been shown not to be more Federal programs, but rather, a thriving economy with opportunity and employment for all citizens.

More and more Americans realize that the United States has suffered in its transformation from a free society, in which private property rights are respected, to a genuine welfare state, where the producers only have a residual claim to what remains of their earnings after the Federal, State, and local governments have subdivided it along their political constituencies. What happens when the Government redistributes income? People discover quickly that productivity, at least honest productivity, does not pay, and that political activity can be more lucrative than economic activity. Exorbitant rates of taxation promote the expansions of the underground economy, provide a disincentive for productivity, and make fair revenue collection virtually impossible.

The best demonstrated means to reduce the deficit is with strong economic growth. From November 1982 through June 1984, 6.7 million jobs were created, the best job creation rate of any 19-month period in history. Civilian unemployment declined from 10.7 percent to 7.1 percent in June 1984. CBO acknowledged last year that a 2-percentage point sustained increase in the growth of the economy could have brought down the cumulative deficit by $440 billion during 1984–87. A 1-percentage point drop in interest rates for all Government securities at that time could have cut the deficit by $35 billion, while the same percentage drop in unemployment also would have cut the deficit by $35 billion. Congress can promote economic growth and true deficit reduction only through cutting spending, not by raising taxes. The last two times Congress cut taxes, in 1978, when capital gains rates were reduced, and in 1981, then personal tax rates were rolled back, revenues went up substantially. Tax increases, as history has clearly shown, have never reduced the deficit, but have provided disincentives for growth, have served to finance new spending programs, have damaged our international competitiveness, and adversely impacted savings and investments, the capital formation necessary for business expansion.

I offered a budget this year in the committee, as I did last year. I received four votes on this proposal. The plan would have virtually eliminated the deficit by 1989, without raising revenues, and without detriment to those at or below the poverty level, or dependent on Federal benefit checks. My budget would have mandated a one-time 10-percent cut in civilian DOD personnel, and a 10-percent cut in personnel costs at all other Federal agencies. The plan would freeze all Federal pay and COLA's for 3 years, and cut all nondefense, discretionary programs by 10 percent. My plan would also have eliminated many nonessential functions and agencies that have long been targeted by the President for termination. While some of these cuts seem hard to swallow to some, I am convinced that the prospects for long-term economic expansion depend upon such strong measures of budget control, and will ultimately provide many more benefits than these programs do presently. The cuts passed by the committee, and

those proposed in the compromise, are a step in the right direction, but they are meager compared with the cuts that should be made.

One of the most important political developments at the grass roots level is the impending passage of the balanced budget amendment, which only requires two more States' approval. If 34 States adopt the amendment, Congress will be forced to either watch the reins of power shift to the electorate through a constitutional convention, or adopt its own balanced budget amendment. Although Congress infrequently examines initiatives to improve the budget process, the major obstacle to reform is overlooked—the absolute lack of political will in the Congress. The Budget Act of 1974 was deliberately devised for maximum flexibility in budgeting, and it is that largesse that Congress refuses to relinquish.

For that reason, prospects for passage of even a trial line-item veto remain remote. The line-item veto, which has been useful to 43 Governors, is under stiff opposition from Congress, which views it as an unwarranted executive intrusion on the purse string powers of the Congress. Well, I am inclined to believe we shouldn't be trusted with the purse strings, because we are incapable of saying no to any request for money. We're bankrupt, and yet, we mindlessly go on spending more and more as if there's no tomorrow.

For those Members who claim they dislike line-item veto because they say it doesn't reach enough spending, then I ask, for what reason do they oppose it? If it's truly as ineffective as they say, then why do they fear its passage?

The President made an emphatic commitment to veto any budget-busting bills that reach his desk, and I hope this pledge, remains, in his words, as "strong as 10 pounds of onions." President Reagan has not used his veto as often as he could have, but if the Senate continues to make no progress on budget restraint, he has my vote to sustain any of his vetoes.

H.L. Mencken once commented that Franklin Roosevelt thought the Federal Government was a gigantic milk cow with 100 million teats. Americans recognize today that the Federal Government has long surpassed its feeding capacity, and cannot continue to spend enormous sums of money which it does not have. Weaning from the Federal trough, no matter how distasteful to some, is imperative. It is the duty of this spendthrift Congress to face up to fact and exercise fiscal restraint. Ultimately, it is critical that the President exert his great leadership ability and make his veto promise come true.

Despite the howls of protest from privileged constituencies, and their vocal Washington representatives, I am certain a sizable majority of Americans want this budget mess resolved. And, I think the American people are prepared to make sacrifices to ensure that the economy stays on track, and to see that their futures and those of their children, are secure. I wholeheartedly support this package, and will continue to press for even deeper cuts in many areas, for greater program accountability and efficiency, and for preferred private solution to social needs.

Mr. CHAFEE. Mr. President, I support the substitute amendment which has been offered by the majority leader because it represents the best opportunity now available to us to succeed in reducing the Federal deficit.

Reducing the deficit is the most important single action which Congress can take to assure a prosperous future for our Nation. If this budget can survive through the House, it means interest rates will come down, we will be able to compete with our goods internationally, we will be able to compete with imports, and there will be more jobs for Americans and Rhode Islanders. Cutting the deficit is an extremely difficult task. It has compelled us to make some very hard choices among limited possibilities. It has compelled us to examine carefully every segment of the budget in the search for savings, and to closely evaluate our national priorities.

I want to commend my colleagues, Senator DOLE and Senator DOMENICI, for their diligence in attempting to achieve significant reduction of the deficit. Through compromise we find ourselves with a budget which addresses a variety of often conflicting interests and provides adequate funding for priority programs without raising taxes. This has not been easy. There is absolutely no way that this could be accomplished to the complete satisfaction of everyone. I am not in agreement with every provision of this amendment. But I believe it merits our support as a vehicle for achieving the critical goal of reducing the deficit and preserving our Nation's economic recovery.

From the outset of this year's budget discussions I pledged to the people of Rhode Island that I would work in favor of a deficit reduction package which is balanced, requiring restraint throughout every segment of the budget and not requiring any group or program to bear a disproportionate share of one burden of reducing the deficit.

This amendment achieves that goal and, most importantly, it enables us to attack the deficit problem without raising taxes. Spending for national defense is held to zero real growth in the next fiscal year—a significant reduction from the level of 6 percent real growth first requested by the administration. This restraint in military spending is absolutely essential in order to reduce the deficit in a manner which is both fair and responsible.

It has been observed many times during the budget debate that the fairest way to reduce the deficit is simply to freeze all Federal spending. While this may sound appealing, it is not sufficient. A simple budget freeze falls short for two reasons. First, it fails to produce the necessary savings—only $40 billion in the next fiscal year when those on both sides of the aisle have agreed that over $50 billion in savings is needed. In addition, a freeze of the defense budget at the 1985 level may jeopardize national security projects such as the Trident submarine and involve layoffs at key defense installations. Second, it fails to set priorities. A freeze treats all Federal programs equally and fails to distinguish between those serving important human needs such as health and education as opposed to programs which are nice but hardly essential, such as urban development grants and the Appalachian Regional Commission.

I have worked throughout the budget process to maintain adequate funding for high priority domestic programs, what are "people" programs, and am pleased that this package contains these provisions.

The package maintains spending for elementary and secondary education programs at the fiscal year 1985 level, as well as funding for library services and construction activities. In addition it provides funding for handicapped education activities above the freeze level.

Funding for higher education programs including student financial assistance are restored to the level approved by the Senate Budget Committee. This amendment also includes increased funding for health programs, including the National Institutes of Health. Furthermore, it maintains the funding levels included in my Medicare and Medicaid amendment which completely rejected the cap on Medicaid expenditures.

Other important domestic programs which the administration had eliminated, are maintained in this budget package. General revenue sharing, whose abrupt termination could have posed great difficulties for American cities and town, is continued through fiscal year 1986. Support for mass transit is reduced gradually rather than abolished. The Job Corps Program is reduced rather than eliminated. Vital environmental protection programs such as Superfund and the Sewer Construction Grants Program, are continued.

Programs that have assisted small businesses through the Small Business Administration are maintained in this package. The Federal Government will

continue to serve as an advocate for small businesses and provide support through programs such as the Small Business Development Centers, the Service Corps of Retired Executives, minority business development, SBIC, and other activities.

This amendment restores funding for Amtrak, the termination of which was sought by the administration. Earlier today I supported the successful amendment to restore funding for Amtrack at a level 10 percent less than the fiscal year 1985 appropriation. Although I am disappointed that the amount contained in this amendment is reduced, I believe the overall package is worthy of support.

In closing, Mr. President, I am satisfied with the overall package before us. Although I may quarrel with individual components such as Amtrak, we have no choice left to us if we are going to continue prosperity and give people hope for the future. We have kept faith with those people in need of Government services the most, with restorations we have made to Women's, Infants' and Children's Programs, with school lunch subsidies, help for the handicapped, and Medicare and Medicaid.

Those receiving Social Security are asked to give up for 1 year their COLA. I'm sorry that this is necessary, but I believe that this option proposed on the floor by the minority is superior to the 3-year ceiling in the first plan. I am sure that on reflection those people receiving Social Security benefits will understand that the freeze is necessary to insure that our children are left with hope for the future and not simply debt.

Mr. President, I hope this package is adopted tonight and the other body moves quickly and responsibly to get this deficit under control. If we act now, interest rates will come down, we can export goods instead of jobs once again, and inflation—the cruelest thing of all to those on fixed incomes—will be held in check.

Mr. BYRD. Mr. President, well over a week ago, we began the journey of floor consideration of the first concurrent budget resolution for fiscal year 1986 that has brought us to this point. It has been a rather amazing episode.

First, Mr. President, the majority leader filed the amendment tree so as to freeze out any Democratic amendments until such time as the majority leader chose to allow us to offer amendments to the budget he submitted.

Then, Mr. President, the majority leader offered a budget proposal that was developed behind closed doors at the White House in meetings that involved only the Senate Republicans and the Reagan administration. This compromise budget was, in fact a compromise totally within the ranks of the Republican Party—not between Republicans and Democrats.

The Senate Republican leadership then brought that budget proposal to the floor.

Then, Mr. President, the majority leader used his right of recognition to offer on behalf of the various Members on his side of the aisle amendments to dismantle the very "Republican compromise budget" that he so painstakingly placed before the Senate in a way that prevented amendment until he permitted. These amendments from his side of the aisle were amendments the majority leader opposed.

It didn't take the Senate long, Mr. President, by agreeing to amendments offered by Republican Senators, to dismantle the compromise budget, and turn it into a hollow shell. But even after this occurred, the Republican leadership left us locked in the parliamentary straitjacket established at the beginning, so that the only amendments that could be offered were to a vehicle that the majority leader openly acknowledged was dead, and which he said he would seek to replace with a new budget.

Now, the distinguished majority leader has offered his second Republican budget.

The important fact about the revised Republican budget is not that it is an improvement—which it hardly could have escaped being. The important fact is that it still is unfair to elderly, disabled, ill, and poor Americans. It still short changes America's future by cutting back on critical responsibilities of Government such as education, child nutrition, and investment in transportation and economic development programs. It still jeopardizes this Nation's competitiveness by making big cuts in the funding of job training and retraining programs, export promotion activities, and basic science and research activities—all of which have been crucial to the progress of the last two centuries that has made America the envy of the rest of the world.

Our examination of the budget just introduced by the majority leader has, unavoidably, been hasty. We have had it available to us for only a very short time. Based on this quick examination, however, let me describe some of its specific failures:

It imposes a freeze on cost-of-living adjustments in Social Security, railroad retirement, veterans pension and disability, and military and civilian Federal retirement programs—which is calculated by the Congressional Budget Office to force hundreds of thousands of elderly persons below the poverty level.

It requires a harsh increase in premiums, deductibles, and other out-of-pocket expenses for Medicare beneficiaries—even after the severity of those increases was reduced slightly from the first compromise budget.

It will force States to make cuts in eligibility and benefits in the Medicaid Program—already cut back substantially in the past 3 years—leaving tens of thousands of elderly persons needing nursing home care and children of impoverished families without adequate medical attention.

It makes substantial cuts in chapter I education programs for the disadvantaged, and other education programs vital to producing capable, knowledgeable adults to be the leaders and workers in tomorrow's America.

It terminates the Appalachian Regional Commission, the Economic Development Administration and the Urban Development Action Grant Program.

It eliminates the Revenue Sharing Program after fiscal year 1986—a program depended upon by the Nation's cities and counties.

It cuts the community development grant.

It terminates the filling of the strategic petroleum reserve.

It makes substantial reductions in funding for energy research and conservation.

It will force establishment of substantially increased user fees for citizens visiting our national parks.

It halts funding for a variety of housing and housing rehabilitation programs.

It cuts funds for the National Flood Insurance Program.

It eliminates funding for educating and training health professionals such as nurses.

It hits the Federal Government's employees hard, with dramatic increases in payroll reductions for their pension program and a freeze in pay regardless of the effects of inflation.

It slows the purchase of equipment needed by the Federal Aviation Administration to keep the Nation's airways safe and efficient.

Mr. President, this is not the budget the United States or its people need or deserve. And this is not the way to determine and enact the budget that is needed.

Finally, Mr. President, I want to be sure that no one hears my statement as a statement of resignation or acquiescence. The fight is not over. I hope a sufficient number of Members on the other side of the aisle will recognize the inadequacy of this budget, and will vote accordingly.

Mr. President, this budget does not meet the test. It hurts those who already are suffering. It hamstrings our ability as a nation to compete in the increasingly contentious world economy. It fails to adequately invest in the future of our Nation, our children, and their children.

I urge my colleagues to vote against this budget.

Mr. CHILES. Mr. President, I yield back the remainder of our time.

The VICE PRESIDENT. The majority leader.

Mr. DOLE. Mr. President, I cannot take much time. How much time remains?

The VICE PRESIDENT. Two minutes 50 seconds.

Time on this amendment has expired.

Mr. BYRD. Mr. President, I yield myself 15 seconds.

The VICE PRESIDENT. The Senator is recognized.

Mr. DOLE. Mr. President, we have gone through a long, sometimes difficult, sometimes spirited, budget debate on the floor over the past several weeks.

Long before that, discussions among Senate Republicans and the White House began, and then the Senate Budget Committee, under the fine leadership of PETE DOMENICI, put together its deficit cutting plan.

Democrats, too, spent many hours sifting through all the alternatives and drafting their own budget proposals.

All of us, no matter what the particulars of our individual proposals, had one goal in common, and that was to reduce the deficit in a way that would make a difference. We strove to reduce the deficit enough to help guarantee that the robust economic growth that has moved this country into an unprecedented period of prosperity continues. And reduce the deficit enough so that the prosperity spreads and brings in more and more Americans. We wanted to reduce the deficit enough so that we could insure that our children will not have to foot the huge bill for our spending excesses.

On April 30, just last Tuesday, we set the parameters for this budget debate by agreeing, on a 50-49 vote, to slash the deficit by about $300 billion over the next 3 years. No Democrats joined us on this side of the aisle on that vote. But yesterday, in a symbolic way, my friends on the Democratic side joined the battle. The two plans, one offered by the distinguished minority leader Senator BYRD, the other by the ranking Democrat on the Budget Committee [Mr. CHILES], both envisioned deficit-reductions in the same ballpark we have aimed for: About $300 billion over the next 3 years. So, it seems to me that we are all together on what needs to be done, if not on the means to do it.

There are still, and I would guess there will always be, differences among us as to how to finally arrive at that magic deficit-cutting goal.

And that, without question, is the crucial reason why we have had to go through this long, long process in crafting the final budget plan.

Since most of the elements of this plan have been around for some time, some may ask why it required dozens of meetings and many hours on the floor to arrive at this package.

But the simple fact is, that we had to take this one step at a time. We had to give President Reagan the opportunity to have a vote on a defense figure that he wanted.

We worked very hard to get the President on board for the 2 percent Social Security formula, and we needed to give him and those who supported that concept the opportunity to vote on that issue as well.

We also felt it was important to get all the input we could from Members, some of whom were not involved in the initial discussions with the White House, the Budget Committee markups, or the talks that led to the GOP leadership plan.

And finally, I might add, I think that it was beneficial for us to vote on the Democratic alternatives, and see that in the Senate today, a majority for increasing taxes as a means to reduce the deficit does not exist.

So, the revised package I am offering to the Senate is a distillation—perhaps not a perfect one—but I think a very, very good mixture of both what is substantively right and politically realistic.

The changes we have made in the leadership package reflect that sense of concern and realism. And while the savings in some areas have been shaved—with the increased savings from a 1-year freeze in defense spending, the bottom line remains the same. And what is more important, we will still make many structural changes in programs, changes that will, over the long haul, save the taxpayers millions and millions of dollars.

Mr. President, let me point out that the final package does terminate 13 Federal programs: These include community services block grants, the Work Incentive Program, Ex-Im Bank's direct loan program; the Economic Development Administration, the Appalachian Regional Commission, the sale of Conrail, certain SBA direct loan programs, HODAG and section 312 rehabilitation loans, emergency disaster farm loans, the U.S. Travel and Tourism Administration, trade adjustment assistance to firms by the International Trade Administration, and promotion and development of fish products by NOAA, and direct Treasury payments for most of the postal subsidy program.

The deficit reduction totals, with all these final revisions, therefore meet the goal we set for ourselves back in January. In fiscal 1986, we will save $56 billion. And over the next 3 years, the deficit will be reduced by $295 billion. And we have done this without raising any new taxes.

DEFENSE

Clearly one of the biggest—if not the biggest—changes from the original leadership plan is the reduction in the military budget. The final compromise mirrors the decision made by the Senate last week to freeze defense spending in 1986 and just allow for increases for inflation. In fiscal 1987 and 1988, defense spending would increase 3 percent after inflation.

While the figure is obviously lower than the President desired, we have been assured by defense experts that this level of spending should be sufficient to maintain the national security. We are confident that the Armed Services Committee will be able to find savings in the Pentagon budget by imposing better management, procurement, and other cost-savings methods, savings that in no way will effect our defense posture.

But I must add, that this has to be the final compromise on defense; no one can question that it is contributing its fair share.

SOCIAL SECURITY

The final package we will be voting on today does contain a 1-year freeze in cost-of-living adjustments for Social Security and all Federal retirement benefits. A freeze in COLA adjustments has had broad support as evidenced by yesterday's vote on the Hollings/Chiles amendment.

Almost every Federal program will be frozen or cut in this budget package. So, the 1-year freeze in COLA adjustments, which will result in 3-year savings of about $30 billion, reflects the desire to spread the burden of sacrifice evenly, throughout the population. As all of us who have tried to put together deficit reduction packages have discovered, it will be very difficult to get a handle on the deficit if we exempt large spending programs from a spending freeze or from cuts.

There have been a lot of scary numbers thrown around on how a Social Security COLA freeze would affect the elderly. But the fact is, in the case of the average Social Security recipient, the monthly increase that would be forgone as a result of a 1-year freeze would be $17 per month.

The benefit of any across-the-board reduction, like the delay in a COLA, is that it spreads the impact or reduction across the broadest possible population so no one individual is hurt substantially more than another.

MEDICARE/MEDICAID

We have revised the reforms in the Medicare Program, for instance, adding back close to $3 billion over the next 3 years to allay concerns about adding overly burdensome costs to beneficiaries. The largest portion of the savings—65 percent—results from provider, not beneficiary, changes.

The final package does not, does not assume the cap in Medicaid growth included in the Senate Budget Committee's resolution. And the reforms still in Medicare and Medicaid combined will, over the 3 years, still account for $17.5 billion in savings.

AGRICULTURE

In agriculture, the revised White House-Senate leadership plan strikes a careful and reasonable balance between the continuing need for Federal support for rural America and the need to bring Federal deficits under control.

The provisions covering farm price supports and credit programs would reduce baseline outlays $14.5 billion over the 3 years. Even with the reduction, CCC outlays will still average over $10 billion per year for producer loans, target price deficiency payments, the dairy program, and other activities of the Commodity Credit Corporation.

In addition, the administration has committed to using a minimum of $1 billion in surplus Government-owned commodities as bonuses to facilitate the export sale of U.S. farm commodities and value-added products in order to restore American competitiveness abroad.

In credit programs, the compromise plan would maintain a level of $4 billion in operating loans by the Farmers Home Administration, raising the level of loan guarantees as the direct lending program is phased out over 5 years. And $240 million will be made available to buy down interest rates on guaranteed loans to farmers who need additional assistance, and whose bankers agree to match the buydown.

The Emergency Disaster Loan Program would be eliminated as a wasteful and costly solution to protecting farmers and ranchers against losses due to weather and other natural disasters. In its place, the Federal Crop Insurance Program would continue to receive full funding to provide farmers a 30-percent subsidy on the premium for all-risk coverage. Disaster protection would still be provided in countries where crop is not available.

Proposed reduction in spending on soil and water conservation programs have been cut back to only 15 percent of the current services level. Rural Electrification Administration (REA) infrastructure support will not be affected by gradual reductions in lending authority in fiscal year 1985-88.

Mr. President, the agriculture-related provisions of this compromise represent a fair contribution by the rural sector of our economy to the driving need to bring down deficits and interests rates. I would only mention the firm and unwavering support of the American Farm Bureau Federation, the National Grange, the American Soybean Association, and the National Corn Growers Association—all members of the agriculture-based balanced budget brigade.

STUDENT AID

In the area of student aid, we have also agreed to address some of the concerns expressed by Senator STAFFORD and others. The final package adds back $2.2 billion in funds over the next 3 years. The compromise would freeze the spending level for discretionary student aid, including Pell grants and college work study. And it maintains the savings, mostly administrative and financial reforms, in the Guaranteed Student Loan Program, that were contained in the Senate Budget Committee resolution.

SMALL BUSINESS ADMINISTRATION

The compromise calls for retaining the Small Business Administration and certain loan programs, yet we will still achieve major cost savings. The plan would reduce the SBA direct loans by 70 percent from the fiscal 1985 level, raise loan guarantee fees, and reduce the percentage of each loan guaranteed from 90 to 80 percent. The compromise would also call for reform of the SBA Disaster Loan Program by assuming the elimination of amounts for nonphysical disaster loans and farmer eligibility for physical disaster loans.

The reforms would result in a cut in outlays for SBA's business assistance programs by half. Instead of $5 billion in savings, we will achieve $2.5 billion over the next 3 years. But using the assumptions in the compromise, SBA would have negative outlays by 1987.

EXPORT-IMPORT BANK

The final package adds back approximately $101 million for Export-Import Bank programs. We agreed to increase the size of the interest rate subsidies. But the subsidy would be provided through a regular appropriation rather than out of Eximbank capital. We have also increased the size of the Subsidized Guarantee Program and eliminated the origination fee for subsidy program.

POSTAL SUBSIDIES

Although the final agreement incorporates much of the original proposal to reform postal subsidies, we have restored $100 million in appropriations for each of the next 3 years. This would provide the assurance that rural newspapers will continue to qualify for reduced rates, along with nonprofits, library and classroom publications, and mail for the blind and handicapped. Savings from other postal subsidy reforms would still amount to $1.6 billion over the next 3 years.

MOMENT OF TRUTH

That is a brief summary of the major changes in the Dole 2 package.

I am not one much given to quoting poetry. But what we are confronting here tonight reminds me of a simple, but poignant poem written by Robert Frost. The closing lines read: "Two roads diverged in a wood, and I—I took the one less traveled by, and that has made all the difference."

Politicians are not known for taking the road less traveled by—especially if it means taking a course that leads to some very difficult decisions—decisions that would cut or freeze most Federal programs and eliminate other programs that affect almost every citizen in the United States. But tonight, if we have the courage to take that road, we can make a difference.

We can make a difference for my farmers in Kansas, by assuring that interest rates will drop perhaps 1 or 2 or even 3 points—drop enough to make it easier for those who want to export their products.

We can make a difference for a young family who wants to buy a home, or a car.

We can make a difference for the small businessman who needs capital to start or expand his business.

We can make a difference for retirees, who are the hardest hit by inflation.

We can make a difference for college graduates just entering the job market—or anyone trying to go back to work.

We can make a difference—a difference not just for today, but the kind of sea-change that will extend and expand the American economy for years to come—one that will affect not only our lives, but those of our children.

The moment of truth has come. It is time to put aside the partisanship, stop the rhetoric, and act. I hope we have the courage to do so.

Mr. President, I would just like to close this debate by thanking my colleagues on both sides of the aisle. As I reflect on the process that has been going on now for 4 or 5 months, I have been told we have had in excess of 100 meetings involving different Senators on this side of the aisle in the past 5 or 6 weeks. And it is not easy. I think sometimes, we do tend to dwell on the negatives and not on the benefits of what would happen if, in fact, we should be successful. And I am not certain we will be successful. I think it is time to find out.

I think it is time the American people find out. If we want to reduce the deficit without raising taxes, that is an alternative. I do not quarrel with my colleagues on the other side, except I remind them that in 1982, when I raised taxes $100 billion, I did not get a single vote from that side. The vote was 50 to 47.

We closed a lot of loopholes, we took away a lot of preferences, we raised taxes on a lot of corporations. Not a single vote from that side. So I am not going to apologize for the Republicans when it comes to tax preferences, whatever it may be.

But I have to believe that somewhere out there, the American people are watching us. They could not care less about the fact that it is 25 after 1. They probably think we should have done this in about a day and a half.

I do not know what the result will be if we lose. We only lose the vote; the American people lose the confidence in the U.S. Senate.

I just say to those who just cannot bring themselves to reduce the deficit for one reason or another that I really believe that we put together a good package, largely due to the efforts of the distinguished chairman of the Budget Committee and a core group and other groups and the leadership, with the support of the President.

It has not been easy for the President to accept this package because of the defense numbers. But he did. I do not know if we can find fault. If you really want to find fault, there is plenty to find fault with. We can all nitpick each other's programs for a long time.

But this is the moment of truth. This is it. If we fail, I imagine somebody else can offer a package that contains some taxes and that is not going to pass, either. I have heard about some packages that may be floating around. But this President will not increase taxes. We do not need to increase taxes. We have not reached the last resort.

When we reach the last resort, I assume the Senator from Kansas will be willing to stand up front and say, "OK, we finally cut spending, we are not going to raise taxes to avoid tough decisions on spending." I will be willing to walk the path with those who are willing to take that course. But let us, for once, demonstrate that we can do it without raising taxes.

In 1982, we promised the President, "If you will let us raise taxes, we will give you $3 for every $1 in spending cuts." You know what he got; about 92 cents in spending cuts for every dollar increase in taxes. So he has been down that road.

I think everyone has made up their minds, but I do not give up on my friends and colleagues on the Democratic side. We have all tried hard, we have all put forth packages, we have all made votes, we have all worked, we have all had great ideas. But the bottom line is, Who has the votes?

I hope that, if we are successful, many on the Democratic side will join the great majority on the Republican side in sending a signal—a bipartisan signal. So far as I know, deficits affect everybody—Democrats and Republicans alike, and Independents and people all up and down the economic ladder, people of all races and all colors. This does not single out certain people. We are sort of deficit-proof in this area, with high Federal employment.

I just suggest, Mr. President—and we are pleased to have you here—more than you know. [Laughter.]

I thank all my colleagues for their assistance. I will thank you more if you can vote with us.

Mr. DOLE. Mr. President, have the yeas and nays been ordered?

The VICE PRESIDENT. The yeas and nays have not been ordered.

Mr. DOLE. I ask for the yeas and nays.

The VICE PRESIDENT. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

Mr. DOLE. I would suggest that there be a 15-minute vote.

Mr. BUMPERS. If the majority leader will yield, there will have to be another vote after this; is that correct? Even if there are no amendments, there will still have to be a vote on passage.

Mr. DOLE. I think that is correct. I understand there may be some amendments. There may be some loose ends to tie up.

The VICE PRESIDENT. The question is on agreeing to the amendment.

The yeas and nays have been ordered. The clerk will call the roll.

The legislative clerk called the roll.

Mr. SIMPSON. I announce that the Senator from North Carolina [Mr. EAST] is absent due to illness.

Mr. CRANSTON. I announce that the Senator from Nebraska [Mr. EXON] is absent because of illness.

The VICE PRESIDENT. Are there any other Senators in the Chamber desiring to vote.

The result was announced—yeas 49, nays 49, as follows:

[Rollcall Vote No. 72 Leg.]

YEAS—49

Abdnor	Grassley	Pressler
Andrews	Hatch	Quayle
Armstrong	Hatfield	Roth
Boschwitz	Hecht	Rudman
Chafee	Heinz	Simpson
Cochran	Helms	Stafford
Cohen	Humphrey	Stevens
Danforth	Kassebaum	Symms
Denton	Kasten	Thurmond
Dole	Laxalt	Trible
Domenici	Lugar	Wallop
Durenberger	Mattingly	Warner
Evans	McClure	Weicker
Garn	McConnell	Wilson
Goldwater	Murkowski	Zorinsky
Gorton	Nickles	
Gramm	Packwood	

NAYS—49

Baucus	Glenn	Melcher
Bentsen	Gore	Metzenbaum
Biden	Harkin	Mitchell
Bingaman	Hart	Moynihan
Boren	Hawkins	Nunn
Bradley	Heflin	Pell
Bumpers	Hollings	Proxmire
Burdick	Inouye	Pryor
Byrd	Johnston	Riegle
Chiles	Kennedy	Rockefeller
Cranston	Kerry	Sarbanes
D'Amato	Lautenberg	Sasser
DeConcini	Leahy	Simon
Dixon	Levin	Specter
Dodd	Long	Stennis
Eagleton	Mathias	
Ford	Matsunaga	

NOT VOTING—2

East Exon

The VICE PRESIDENT. On this vote the yeas are 49, the nays are 49. The Vice President votes "aye."

So the amendment (No. 93) was agreed to.

The VICE PRESIDENT. The galleries will be in order. There will be no displays of approval or disapproval.

The majority leader is recognized.

Mr. DOLE. Mr. President, I move to reconsider the vote by which the amendment was agreed to.

Mr. DOMENICI. Mr. President, I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Several Senators addressed the Chair.

The VICE PRESIDENT. The majority leader is recognized.

Mr. DOLE. Mr. President, I suggest the absence of a quorum.

The VICE PRESIDENT. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. BYRD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The VICE PRESIDENT. Is there objection? Without objection, it is so ordered.

Mr. BYRD. Mr. President, how much time remains?

The VICE PRESIDENT. The Senator has 18 minutes remaining.

Mr. BYRD. I thank the distinguished Presiding Officer, the Vice President.

Mr. President, I have discussed this with several others, the distinguished ranking manager, the distinguished minority whip, and other Senators on this side. We have two amendments, possibly three, that we would want to offer.

I think that both sides can feel well in that they have put forth their best. The vote revealed that. And I want to express pride in Members on both sides of the aisle for the high level of debate that has been conducted. I particularly want to express my gratitude to Senator JOHN STENNIS who has stayed here throughout and is still here.

[Applause.]

On behalf of all Senators on this side, I wish to express appreciation to Senator EXON in absentia. If Senator EXON could have been here his vote would have been with this side of the aisle and that would have given us 50 votes on this side of the aisle. The distinguished Vice President, theoretically, could have still had the pleasure and honor of breaking the tie. But also I extend congratulations to Mr. WILSON who came to the Chamber and cast his vote.

So all of these are profiles in courage.

So we have two amendments, possibly three. Now this does not bind any Senator on this side who may wish to offer an amendment and get a vote on it.

But I would hope that we could confine our amendments now to the two and possibly three. One deals with Social Security COLA's, one deals with Medicare payments, and there may be a third by Mr. CRANSTON, we are not sure yet. May I say we fought a good fight and we have finished the course and I congratulate the distinguished majority leader on his victory.

Mr. DOLE. Mr. President, will the Senator yield to me just for one moment?

Mr. BYRD. Yes.

Mr. DOLE. Mr. President, I appreciate the willingness of the minority leader to sort of wrap this up this morning. I can indicate to Members now that we will probably not be in session later today, and it may be that Monday will only be a pro forma session. I will announce that later. I assume that many Members were about 24 hours behind their schedule, in any event.

I would also indicate, not to get into a contest, but had JOHN EAST been able to be there, it would have been 50 to 50 and our distinguished Vice President could have exercised his rights.

I extend my best wishes to both Senator EXON and Senator EAST. I think they are out there guarding each other. At least we told EAST to keep an eye on EXON.

I hope we can dispose of this.

Mr. MOYNIHAN addressed the Chair.

Mr. CHILES. Mr. President, I yield 2 minutes to the Senator from New York.

AMENDMENT NO. 94

(Purpose: To allow funds for a full cost-of-living adjustment under title II of the Social Security Act in fiscal year 1986)

Mr. MOYNIHAN. Mr. President, on behalf of myself, the Senator from Michigan [Mr. RIEGLE]; the Senator from West Virginia [Mr. BYRD]; and the Senator from California [Mr. CRANSTON], I send an amendment to the desk and ask for its immediate consideration.

The VICE PRESIDENT. The clerk will report.

The bill clerk read as follows:

The Senator from New York [Mr. MOYNIHAN], for himself, Mr. RIEGLE, Mr. BYRD, and Mr. CRANSTON, proposes an amendment numbered 94.

Mr. MOYNIHAN. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

The VICE PRESIDENT. Without objection, it is so ordered.

The amendment reads as follows:

In the pending amendment, do the following:

On page 3, decrease the amount on line 12 by $68,000,000.

On page 3, increase the amount on line 13 by $29,000,000.

On page 3, increase the amount on line 14 by $9,000,000.

On page 3, increase the amount on line 18 by $6,068,000,000.

On page 3, increase the amount on line 19 by $8,934,000,000.

On page 3, increase the amount on line 20 by $9,708,000,000.

On page 3, increase the amount on line 25 by $6,068,000,000.

On page 4, increase the amount on line 1 by $8,934,000,000.

On page 4, increase the amount on line 2 by $9,708,000,000.

On page 4, increase the amount on line 6 by $100,000,000.

On page 4, increase the amount on line 7 by $900,000,000.

On page 4, increase the amount on line 8 by $2,400,000,000.

On page 4, increase the amount on line 12 by $100,000,000.

On page 4, increase the amount on line 13 by $800,000,000.

On page 4, increase the amount on line 14 by $1,500,000,000.

On page 24, decrease the amount on line 2 by $167,000,000.

On page 24, decrease the amount on line 3 by $55,000,000.

On page 24, decrease the amount on line 12 by $228,000,000.

On page 24, decrease the amount on line 13 by $66,000,000.

On page 24, decrease the amount on line 22 by $257,000,000.

On page 24, decrease the amount on line 23 by $76,000,000.

On page 25, decrease the amount on line 17 by $190,000,000.

On page 25, increase the amount on line 18 by $5,834,000,000.

On page 26, decrease the amount on line 2 by $740,000,000.

On page 26, increase the amount on line 3 by $8,003,000,000.

On page 26, decrease the amount on line 11 by $1,459,000,000.

On page 26, increase the amount on line 12 by $3,059,000,000.

On page 32, increase the amount on line 17 by $289,000,000.

On page 32, increase the amount on line 18 by $289,000,000.

On page 33, increase the amount on line 2 by $997,000,000.

On page 33, increase the amount on line 3 by $997,000,000.

On page 33, increase the amount on line 3 by $997,000,000.

On page 33, increase the amount on line 11 by $1,725,000,000.

On page 33, decrease the amount on line 12 by $1,725,000,000.

On page 40, decrease the first amount on line 16 by $5,943,000,000.

On page 40, decrease the amount on line 17 by $8,152,000,000.

On page 40, decrease the second amount on line 18 by $8,213,000,000.

On page 51, decrease the first amount on line 7 by $5,943,000,000.

On page 51, decrease the amount on line 3 by $8,152,000,000.

On page 51, decrease the second amount on line 9 by $8,213,000,000.

Mr. RIEGLE. May we have order in the Chamber?

THE VICE PRESIDENT. The Senate is not in order. The Senate will be in order.

The Senate from New York.

Mr. MOYNIHAN. I thank the Vice President.

Mr. President, this is a simple amendment. It restores the cost of living adjustment for fiscal year 1986 as provided under law, the Social Security Act.

Mr. President, one point and only one point. In this the 50th year of Social Security, we are proposing for the first time ever to cut Social Security benefits for the purpose of acquiring revenue for the general budget. For the first time ever we will be cutting Social Security benefits to acquire revenues for the general purpose budget. Mr. President, this is an appalling break with practice, an appalling precedent to set in our single most social insurance program.

Mr. President, I ask for the yeas and nays.

The VICE PRESIDENT. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

The VICE PRESIDENT. Is all time yielded back?

Mr. DOLE. Mr. President, I will not take a great deal of time. I will yield to my distinguished colleague. But I want every body to focus on what is happening here now.

Parliamentary inquiry, I am entitled to time, is that correct, on the amendment?

The VICE PRESIDENT. That is correct. The manager of the opposition is entitled to the time.

Mr. DOLE. What we are witnessing is a passage of a deficit reduction act, about $300 billion, and then an immediate efffort to dismantle it, which is their right under the rules. You can offer amendments until the time runs out and then you can just offer amendments and get a vote.

According to my count, there have been 78 Senators—78—who voted for COLA freezes of one kind or another in this Chamber in the past few days. Seventy-eight percent.

I would just hope that now we have reached this point on this procedural matter. We have already settled the issue on its merits. Some have indicated in that vote they could not vote on the merits for a package that contained a COLA freeze. This vote is not on the merits, because I will move to table it at the appropriate time. It is an effort to come in the back door and take the package apart. It is a procedural vote.

So I appeal to my colleagues who have supported COLA reductions, who could not support the package for any number of reasons, to support the motion to table. The record has been made on COLA's. Those who voted against, voted against the package on its merits for that reason and I assume the same will follow on the next amendment, whatever it is, Medicare,

Medicaid. We have already had one vote on that today. And if there is a third amendment or a fourth or fifth, I do not quarrel with my colleagues for offering amendments.

But I would just hope that we keep in mind that now we are back into procedure. We have settled the issue. By a 50 to 49 vote, we have decided to reduce the deficit by $300 billion, at least the Senate sends that signal across the country and to the U.S. House of Representatives.

So we have achieved that. And I hope that my colleagues on both sides of the aisle would help us maintain that, even though they could not support us in that effort.

Mr. RIEGLE addressed the Chair.

The VICE PRESIDENT. Who yields time?

Mr. RIEGLE. Will the Senator from Florida yield a minute of time to the Senator from Michigan?

Mr. CHILES. I yield 1 minute.

I would ask the distinguished majority leader whether it would be possible to have a 10-minute rollcall.

Mr. RIEGLE. I just want to read what President Reagan said in an interview this year when he was being interviewed by Current Events. He said:

> I have to say my pledge during the campaign carried with it the clear implication that present social security beneficiaries would get their cost-of-living increases as well. I made that pledge and so, therefore, I feel bound by it.

We are not talking about procedure. We are talking about $18 a month in buying power for the average person on Social Security. With their phone bills rising, their grocery bills rising, and utility bills rising, they are being squeezed. They are being squeezed. If we do not stand up and honor this pledge tonight, we are driving literally a half-million elderly people—many of them in the worst condition in our society—below the poverty level. We ought to keep the President's pledge.

The VICE PRESIDENT. The Senator's 1 minute has expired.

Is all time yielded back on the amendment?

Mr. DOLE. Mr. President, I move to table the amendment, and I ask for the yeas and nays.

The VICE PRESIDENT. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

Mr. DOLE. Mr. President, will this be a 10-minute rollcall?

The VICE PRESIDENT. It will be a 10-minute rollcall.

The question is on agreeing to the motion of the Senator from Kansas to lay on the table the amendment of the Senator from New York. On this question, the yeas and nays have been ordered, and the clerk will call the roll.

The legislative clerk called the roll.

Mr. SIMPSON. I announce that the Senator from North Carolina [Mr. EAST] is absent due to illness.

Mr. CRANSTON. I announce that the Senator from Nebraska [Mr. EXON] is absent because of illness.

The VICE PRESIDENT. Are there any other Senators in the Chamber who wish to vote?

The result was announced—yeas 51, nays 47, as follows:

[Rollcall Vote No. 73 Leg.]

YEAS—51

Abdnor	Grassley	Packwood
Andrews	Hatch	Pressler
Armstrong	Hatfield	Quayle
Boschwitz	Hawkins	Roth
Chafee	Hecht	Rudman
Cochran	Heinz	Simpson
Cohen	Helms	Stafford
Danforth	Humphrey	Stennis
Denton	Kassebaum	Stevens
Dole	Kasten	Symms
Domenici	Laxalt	Thurmond
Durenberger	Lugar	Trible
Evans	Mattingly	Wallop
Garn	McClure	Warner
Goldwater	McConnell	Weicker
Gorton	Murkowski	Wilson
Gramm	Nickles	Zorinsky

NAYS—47

Baucus	Ford	Matsunaga
Bentsen	Glenn	Melcher
Biden	Gore	Metzenbaum
Bingaman	Harkin	Mitchell
Boren	Hart	Moynihan
Bradley	Heflin	Nunn
Bumpers	Hollings	Pell
Burdick	Inouye	Proxmire
Byrd	Johnston	Pryor
Chiles	Kennedy	Riegle
Cranston	Kerry	Rockefeller
D'Amato	Lautenberg	Sarbanes
DeConcini	Leahy	Sasser
Dixon	Levin	Simon
Dodd	Long	Specter
Eagleton	Mathias	

NOT VOTING—2

East	Exon

So the motion to lay on the table was agreed to.

Mr. DOLE. Mr. President, I move to reconsider the vote by which the motion was agreed to.

Mr. DOMENICI. Mr. President, I move to lay that motion on the table.

The motion to lay on the table was agreed to.

AMENDMENT NO. 95 TO AMENDMENT NO. 43

(Purpose: To restore Medicare/Medicaid)

The VICE PRESIDENT. The Senator from Massachusetts.

Mr. KENNEDY. Mr. President, I send an amendment to the desk and ask for its immediate consideration.

The VICE PRESIDENT. The clerk will report.

The bill clerk read as follows:

The Senator from Massachusetts [Mr. KENNEDY] proposes an amendment numbered 95 to amendment numbered 43.

Mr. KENNEDY. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

The VICE PRESIDENT. Without objection, it is so ordered.

The amendment is as follows:

On page 3, increase the amount on line 11 by $0.

On page 3, increase the amount on line 12 by $500,000,000.

On page 3, increase the amount on line 13 by $800,000,000.

On page 3, increase the amount on line 14 by $1,200,000,000.

On page 3, increase/decrease the amount on line 17 by $0.

On page 3, increase the amount on line 18 by $1,200,000,000.

On page 3, increase the amount on line 19 by $1,500,000,000.

On page 3, increase the amount on line 20 by $2,500,000,000.

On page 3, increase/decrease the amount on line 24 by $0.

On page 3, increase the amount on line 25 by $1,200,000,000.

On page 4, increase the amount on line 1 by $1,500,000,000.

On page 4, increase the amount on line 2 by $2,500,000,000.

On page 4, increase/decrease the amount on line 5 by $0.

On page 4, increase the amount on line 5 by $1,200,000,000.

On page 4, increase the amount on line 7 by $2,700,000,000.

On page 4, increase the amount on line 8 by $5,200,000,000.

On page 4, increase/decrease the amount on line 11 by $0.

On page 4, increase the amount on line 12 by $1,200,000,000.

On page 4, increase the amount on line 13 by $1,500,000,000.

On page 4, increase the amount on line 14 by $2,500,000,000.

On page 21, increase the amount on line 8 by $300,000,000.

On page 21, increase the amount on line 9 by $300,000,000.

On page 21, increase/decrease the amount on line 10 by $0.

On page 21, increase/decrease the amount on line 12 by $0.

On page 21, increase/decrease the amount on line 14 by $0.

On page 21, increase the amount on line 16 by $400,000,000.

On page 21, increase the amount on line 17 by $300,000,000.

On page 21, increase/decrease the amount on line 18 by $0.

On page 21, increase/decrease the amount on line 20 by $0.

On page 21, increase/decrease the amount on line 22 by $0.

On page 21, increase the amount on line 24 by $600,000,000.

On page 21, increase the amount on line 25 by $500,000,000.

On page 22, increase/decrease the amount on line 1 by $0.

On page 22, increase/decrease the amount on line 3 by $0.

On page 22, increase/decrease the amount on line 5 by $0.

Medical Insurance (570):

On page 22, increase/decrease the amount on line 8 by $0.

On page 22, increase/decrease the amount on line 9 by $0.

On page 22, increase/decrease the amount on line 10 by $0.

On page 22, increase/decrease the amount on line 12 by $0.

On page 22, increase/decrease the amount on line 14 by $0.

On page 22, increase the amount on line 16 by $200,000,000.

On page 22, increase the amount on line 17 by $900,000,000.

On page 22, increase/decrease the amount on line 18 by $0.
On page 22, increase/decrease the amount on line 20 by $0.
On page 22, increase/decrease the amount on line 22 by $0.
On page 22, increase the amount on line 24 by $400,000,000.
On page 22, increase the amount on line 25 by $1,200,000,000.
On page 23, increase/decrease the amount on line 1 by $0.
On page 23, increase/decrease the amount on line 3 by $0.
On page 23, increase/decrease the amount on line 5 by $0.
On page 23, increase the amount on line 7 by $600,000,000.
On page 23, increase the amount on line 8 by $2,000,000,000.
On page 23, increase/decrease the amount on line 9 by $0.
On page 23, increase/decrease the amount on line 11 by $0.
On page 23, increase/decrease the amount on line 13 by $0.
Senate Committee on Finance:
On page 40, decrease the amount on line 15 by $0.
On page 40, decrease the first amount on line 16 by $1,200,000,000.
On page 40, increase/decrease the second amount on line 16 by $0.
On page 40, decrease the amount on line 17 by $1,500,000,000.
On page 40, increase/decrease the first amount on line 18 by $0.
On page 40, decrease the second amount on line 18 by $2,500,000,000.

Mr. KENNEDY. Mr. President, as I understand, the Senator from Florida has yielded 2 minutes.

Are we asking for 2 minutes a side? May I have the attention of the Senator from Florida?

Are we asking for 2 minutes a side?

Is that agreeable to the majority leader.

Mr. DOLE. We would like to have 3 minutes.

Mr. KENNEDY. Two minutes a side?

Mr. CHILES. No. Two minutes on this side and 3 minutes on that side.

Mr. KENNEDY. Mr. President, this amendment has two parts. One deals with the restoration of the cuts that have been made in the Dole, et al., program for the reduction of benefits on the Medicare Program, which we debated earlier this evening.

The second part deals with Medicaid.

Mr. President, I rise to offer an amendment to protect America's aged and disabled Medicare beneficiaries and those poorest for Nation's poor who depend on Medicaid.

Medicare has done more to bring dignity and security to the lives of America's senior citizens than any social innovation since Social Security.

This year is the 20th anniversary of the passage of Medicare. It is ironic that, at the end of Medicare's second decade, this budget package proposed to break the promise of Medicare—a promise that was already been eroded by excessive health care cost inflation.

The authors of these unfair proposals either do not know or do not care that Medicare covers less than half the elderly's health care costs.

They either do not know or do not care that America's senior citizens will have to pay an average of $1,800 this year out of their own pockets to purchase the health care they need.

They either do not know or do not care that excessive health care cost inflation has meant that this $1,800 represents 15 percent of the elderly's income—the same percentage they had to pay in the dark days before Medicare; and

They either do not know or do not care that this will skyrocket to 19 percent of income by the year 2000 even without any changes in Medicare benefits.

The proposals in this budget package would take a staggering $9.6 billion away from the 30 million elderly and disabled Medicare beneficiaries over the next 5 years.

As if these proposals are not enough, they would be on top of cuts already enacted since this administration has been in office that will take $11.5 billion from Medicare beneficiaries during the same period.

The cumulative total of this budget package, plus Reagan budget cuts already enacted is $21.1 billion—about $700 per beneficiary.

This administration is unwilling to tax rich corporations, but it is only too willing to tax Medicare beneficiaries.

Mr. President, even under current law, the amount the elderly will have to pay for medical care will increase substantially. In 1977, the average elderly person had to pay $698 for the medical care they needed; by 1985, that had risen to $1,800; and by the year 2000—even if none of the benefit cuts in this package are enacted—the medical bill of the average senior citizen will be over $4,600. The elderly already pay too much for medical care.

This budget proposal would raise the Medicare part B premium to 30 percent of program costs. The sponsors of this part B premium tell you that the part B premium was originally set at 50 percent of program costs, but they don't tell you the full history of how we got where we are today.

In 1976, the Congress recognized that, because of excessive health care cost inflation, the premium was going up much faster than beneficiary income. Accordingly, the premium increase was capped by the percentage increase in the Social Security benefit.

In 1982, and again in 1984, this cap was temporarily lifted and the premium was fixed at 25 percent of program costs. In 1988, under current law, the premium will, once again, be capped by the Social Security benefit increase.

The budget proposal would permanently reverse Congress' wise policy. It would tie beneficiary premiums to an excessively high rate of inflation in program costs and would raise the share of program costs financed by the premium from the current 25 percent to 30 percent.

This proposal would permanently victimize Medicare beneficiaries for an excessive health care cost inflation Congress has failed to control. Last year, program costs went up three times as fast as the Social Security COLA. Over the next 3 years, elderly Medicare beneficiaries would have to pay a whopping $2 billion Republican tax increase and over 5 years a horrendous $8.1 billion tax increase just to maintain their part B coverage.

We have heard a lot of discussion tonight about the Social Security COLA. What the defenders of the COLA freeze do not say is that this package would attack the COLA twice.

In 1990, the difference between the current law premium and the premium under the budget proposal will eat up about 40 percent of the entire Social Security COLA.

The COLA adjustment was supposed to pay for the increases in the cost of food, shelter, fuel, and all the other essentials the elderly need. If this proposal is adopted, most of the COLA will go to pay for the part B premium increase, leaving only a fraction for the elderly's other needs.

For the 15 million beneficiaries below the median Social Security benefit, the difference between the current law premium and this budget proposal's premiums will eat up almost 60 percent of the COLA.

This proposal in this unfair package would delay Medicare eligibility 1 month—from the first day of the month in which the beneficiary turns 65 to the first day of the month after the 65th birthday.

Over the next 5 years, this proposal will cost the elderly $1.5 billion. When the Finance Committee brought this proposal to the floor last year, their own figures indicated that 160,000 elderly beneficiaries would be exposed to the costs of uninsured illness during that month.

The Congress recognized 2 years ago that it is wrong to raise the age of eligibility for Social Security. We should recognize today that it is wrong to raise the age of eligibility for Medicare.

In addition to the proposals I have just outlined that create additional costs for Medicare beneficiaries, this budget proposal would eliminate the so-called double adjustment for teaching hospitals. While this double adjustment does overpay some teaching hospitals, it also compensates for legitimate additional costs that some teaching hospitals experience that are not reflected in the DRG methodology. Precipitous elimination of this adjustment without compensating alterations in the DRG methodology would

be unfair to some hospitals and could jeopardize care for the poor.

As we review the Medicare proposals affecting beneficiaries that are included in this package, one fact is clear above all others: They callously ignore the needs of America's senior citizens.

Our amendment would strike all the proposals that harm senior citizens and would phase out, rather than immediately eliminate the teaching hospital adjustment.

In total, our amendment would add back $4.6 billion over the next 3 years. It would leave more than 70 percent of the Medicare savings in this package intact.

I believe it is wrong to tax the elderly and disabled to pay for a tax reduction program from which they did not benefit. I believe it is wrong to add to the medical costs of those who already pay too much for the medical care they desperately need. And I believe it is wrong to come back here, year after year, in these budget debates and break the promise of Medicare in order to pay for this administration's failed fiscal policies.

In his televised address to the Nation on the budget, the President said, "We will never renege on our pledge to our elderly and disabled citizens." I hope that my colleagues will take him at his word and support my amendment to protect our senior citizens.

This budget proposal contains many shocking and inhumane proposals, but proposals to cut health services to the poor must rank near the top of the list of the many destructive proposals in this budget.

Mr. President, there could not be a worse time to cut health programs for the poor than today.

The number of people without any health insurance at all during a particular point in the year has increased 10 million since 1977, from 25 to 35 million. This is a 40-percent increase.

The proportion of the poor and new poor covered by Medicaid has declined from 63 percent to 50 percent since 1975.

Public hospitals all over the country are reporting dramatic increases—on the order of 300-400 percent—in so-called "economic transfers." We are seeing newspaper reports again, for the first time since the 1960's of people showing up at emergency rooms with life-threatening conditions being turned away because they have no health insurance.

More and more hospitals are adopting explicit limits on the amount of charity care they will provide, and the Medicare reimbursement proposals contained in this budget are likely to make the problem worse.

What is the impact of all these trends? A recent Robert Woods Johnson study reported that 1 million Americans annually are denied care that they request because they lack the ability to pay for it, and another 5 million do not even seek care they feel they need because they know they cannot afford to pay for it.

In the light of this tragic and worsening statistic, what does the budget package propose?

It proposes a Medicaid cut of $1.2 billion over 3 years. And who would be the victims of these cuts? Of the 22 million people who depend on Medicaid, 3 million are poor, aged Americans, 3 million are poor, blind, and disabled Americans, 5 million are poor parents, and 11 million are poor children. Are these really the people this body thinks should pay for deficit reduction?

Medicaid cuts will hurt the poor in every State in the country, but it will hurt people residing in the poorest States the worst, because their programs are so pathetic already. Even in the best States, eligibility levels for Medicaid are below poverty. But in the 10 States with the lowest Medicaid eligibility levels, eligibility is only one-third of the poverty level—that's $3,468 for a family of four. Medicaid cuts would make it even more difficult for these poor States to catch up.

This approach to balancing the budget—a so-called balanced approach—reminds me of nothing so much as the words of the French philosopher who said, "the law, in its sublime impartiality, forbids rich and poor alike from sleeping under the bridge and stealing bread." I hope this body will reject this cynical definition of fairness today.

The Members of the Senate have received a letter signed by a bipartisan group of 37 Governors from both political parties and all sections of the country stating, "reductions in Federal Medicaid funding will force us to reduce basic medical care. That is unacceptable to us, and we believe it should be unacceptable to Congress."

I know America is a far better country than this package indicates, and I hope the Senate will demonstrate the fine quality of our country by its vote on my amendment.

I believe, Mr. President, the quality of our service in this body and the quality of our country as a humane society is tested by how we care for our weakest members: the old, the sick, and the poor. The Medicare and Medicaid proposals in this budget package are a sad commentary on our society.

I would hope this amendment would be accepted.

Mr. PACKWOOD addressed the Chair.

The VICE PRESIDENT. The Senator from Oregon.

Mr. PACKWOOD. Mr. President, there is a great portion of this amendment we have voted on before, the Medicare amendment.

The Senator from Massachusetts makes a great point that we are laying hard on the beneficiaries. Who are we laying hard on?

We freeze prospective hospital payments. We freeze exempt hospital payments. we freeze nonparticipating physican payment limits. We freeze clinical laboratory fee schedules. That is on the Medicare side.

Out of a $16.3 billion cut, approximately $1.2 billion of it falls on beneficiaries. That is the Medicaid side. The rest falls on providers.

Mr. President, I am not certain what his Medicaid is, but I can give you the portions.

On Medicaid in the next 3 years, we are scheduled to spend $72 billion. The proposal was adopted here, the Durenberger-Heinz-Chafee-Packwood amendment, which cuts $1.2 billion out.

Mr. President, if you stand here and say we cannot find $1.2 billion in Medicaid legitimately, then we cannot find anyplace to save.

I hope this amendment will be rejected.

Mr. KENNEDY. Mr. President, how much time remains?

The VICE PRESIDENT. All time of the proponent has expired.

Mr. KENNEDY. Mr. President, I ask for 30 seconds.

The VICE PRESIDENT. Is the Senator from Florida yielding 30 seconds?

Mr. CHILES. Yes, I yield.

The VICE PRESIDENT. The Senator from Massachusetts.

Mr. KENNEDY. Mr. President, the savings that the Senator from Oregon mentions are the savings that will still be included if this amendment is accepted. We do not touch the savings that are achieved by the savings against the providers. None of that is touched.

The Senator from Oregon does a disservice if he is trying to suggest that we are somehow reducing those savings. We are not. This amendment is designed only to protect the aged, the disabled, and the poor.

Mr. PACKWOOD. Mr. President, I move to lay the amendment on the table.

Mr. CHILES. Mr. President, I yield 1 minute to the distinguished Senator from Arkansas.

The VICE PRESIDENT. A motion to table has been made. It is not debatable.

Mr. PACKWOOD. Mr. President, I ask for the yeas and nays.

Mr. President, I withhold my motion.

Mr. CHILES. Mr. President, I yield 1 minute.

The VICE PRESIDENT. The motion to table has been made and is not debatable.

Mr. BUMPERS. Mr. President, will the Senator withhold his motion to table for 1 minute?

Mr. PACKWOOD. Yes, Mr. President.

Mr. CHILES. I yield 1 minute to the Senator from Arkansas.

Mr. BUMPERS. Mr. President, 2 weeks ago, I toured the Children's Hospital in Little Rock, AR. Here is what the administrators there told me: They did $50 million last year and they wrote off $12 million of it in indigent care. In my State, if you are in a family of four—bear in mind we have been cutting Medicaid every year for 5 years. What is it? Health care for the poorest of the poor. We cannot tax the big corporations; take it away from the children.

In my State, if you come from a family of four—a mother and a father and two children—and you make over $3,031 a year, you are not eligible for Medicaid. The number of children in my State who are no longer eligible for Medicaid has doubled in 4 years.

Mr. DOMENICI. Mr. President, I ask for the yeas and nays.

The VICE PRESIDENT. Does the Senator renew his motion to table?

Mr. PACKWOOD. I renew it, Mr. President, and ask for the yeas and nays.

The VICE PRESIDENT. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

The VICE PRESIDENT. The question is on agreeing to the motion to lay the amendment on the table. The yeas and nays have been ordered. The clerk will call the roll.

The bill clerk called the roll.

Mr. SIMPSON. I announce that the Senator from North Carolina [Mr. EAST] is absent due to illness.

Mr. CRANSTON. I announce that the Senator from Nebraska [Mr. EXON] is absent because of illness.

The VICE PRESIDENT. Are there any other Senators in the Chamber desiring to vote?

The result was announced—yeas 54, nays 44—as follows:

[Rollcall Vote No. 74 Leg.]

YEAS—54

Abdnor	Grassley	Nunn
Andrews	Hatch	Packwood
Armstrong	Hatfield	Pressler
Boschwitz	Hawkins	Proxmire
Chafee	Hecht	Quayle
Cochran	Heinz	Roth
Cohen	Helms	Rudman
D'Amato	Humphrey	Simpson
Danforth	Kassebaum	Stafford
Denton	Kasten	Stevens
Dole	Laxalt	Symms
Domenici	Lugar	Thurmond
Durenberger	Mathias	Trible
Evans	Mattingly	Wallop
Garn	McClure	Warner
Goldwater	McConnell	Weicker
Gorton	Murkowski	Wilson
Gramm	Nickles	Zorinsky

NAYS—44

Baucus	Bentsen	Biden
Bingaman	Gore	Melcher
Boren	Harkin	Metzenbaum
Bradley	Hart	Mitchell
Bumpers	Heflin	Moynihan
Burdick	Hollings	Pell
Byrd	Inouye	Pryor
Chiles	Johnston	Riegle
Cranston	Kennedy	Rockefeller
DeConcini	Kerry	Sarbanes
Dixon	Lautenberg	Sasser
Dodd	Leahy	Simon
Eagleton	Levin	Specter
Ford	Long	Stennis
Glenn	Matsunaga	

NOT VOTING—2

East	Exon

So the motion to lay on the table was agreed to.

Mr. DOLE. Mr. President, I move to reconsider the vote by which the motion to table the amendment was agreed to.

Mr. DOMENICI. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. METZENBAUM addressed the Chair.

The VICE PRESIDENT. Who yields time?

Mr. METZENBAUM addressed the Chair.

The VICE PRESIDENT. Who yields time?

Mr. METZENBAUM. Mr. President, I believe a Member of the Senate is entitled to recognition without yielding time.

The VICE PRESIDENT. The time is under the control of the minority leader.

Mr. METZENBAUM. Will the Senator from Florida yield to the Senator from Ohio some time?

Mr. CHILES. How much time does the Senator from Florida have?

The VICE PRESIDENT. One minute and a half.

Mr. CHILES. I yield a minute and a half.

Mr. METZENBAUM. I thank the Senator from Florida.

The VICE PRESIDENT. The Senator from Ohio.

AMENDMENT NO. 96

(Purpose: To raise revenues and reduce the deficit with a minimum corporate tax.)

Mr. METZENBAUM. Mr. President, I send an amendment to the desk on behalf of Senators HOLLINGS, LEVIN, and myself, and ask for its immediate consideration.

The VICE PRESIDENT. The amendment will be stated.

The assistant legislative clerk read as follows:

The Senator from Ohio [Mr. METZENBAUM], for himself, Mr. HOLLINGS, and Mr. LEVIN, proposes an amendment numbered 96.

Mr. METZENBAUM. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

The VICE PRESIDENT. Without objection, it is so ordered.

The amendment is as follows:

In the pending amendment, do the following:

On page 2, increase the amount on line 9 by $2,100,000,000.

On page 2, increase the amount on line 10 by $4,600,000,000.

On page 2, increase the amount on line 11 by $3,800,000,000.

On page 2, increase the amount on line 15 by $2,100,000,000.

On page 2, increase the amount on line 16 by $4,600,000,000.

On page 2, increase the amount on line 17 by $3,800,000,000.

On page 3, decrease the amount on line 12 by $100,000,000.

On page 3, decrease the amount on line 13 by $400,000,000.

On page 3, decrease the amount on line 14 by $800,000,000.

On page 3, decrease the amount on line 18 by $100,000,000.

On page 3, decrease the amount on line 19 by $400,000,000.

On page 3, decrease the amount on line 20 by $800,000,000.

On page 3, decrease the amount on line 25 by $2,200,000,000.

On page 4, decrease the amount on line 1 by $5,000,000,000.

On page 4, decrease the amount on line 2 by $4,600,000,000.

On page 4, decrease the amount on line 6 by $2,200,000,000.

On page 4, decrease the amount on line 7 by $7,200,000,000.

On page 4, decrease the amount on line 8 by $11,800,000,000.

On page 4, decrease the amount on line 12 by $2,200,000,000.

On page 4, decrease the amount on line 13 by $5,000,000,000.

On page 4, decrease the amount on line 14 by $4,600,000,000.

On page 32, decrease the amount on line 17 by $100,000,000.

On page 32, decrease the amount on line 18 by $100,000,000.

On page 33, decrease the amount on line 2 by $400,000,000.

On page 33, decrease the amount on line 3 by $400,000,000.

On page 33, decrease the amount on line 11 by $800,000,000.

On page 33, decrease the amount on line 12 by $800,000,000.

On page 40, line 19, add the following new sentence: "The Senate Committee on Finance shall report changes in laws within the jurisdiction of the committee sufficient to increase revenues as follows: $2,100,000,000 in fiscal year 1986; $4,600,000,000 in fiscal year 1987; and $3,800,000,000 in fiscal year 1988.".

On page 51, line 10, add the following new sentence: "The House Committee on Ways and Means shall report changes in laws within the jurisdiction of the committee sufficient to increase revenues as follows: $2,100,000,000 in fiscal year 1986; $4,600,000,000 in fiscal year 1987; and $3,800,000,000 in fiscal year 1988.".

Mr. METZENBAUM. Mr. President, this is a very simple amendment. The other day we talked a little bit about a minimum corporate tax. It was a resolution having to do with nothing. It did not really provide anything.

This is the President's minimum tax. It is not mine. It is the 15-percent minimum tax on corporations on earnings over $50,000. If we want to really ad-

dress ourselves to the issue, this is the way to do it. All of the money would be used to reduce the deficit. As the President said on August 11, 1982, in Montana:

> Would you rather reduce deficits and interest rates by raising revenue from those who are not now paying their fair share, or would you rather accept higher budget deficits, higher interest rates, and higher unemployment?

I think you know the answer. This is to deal with the deficit. This is to do what the President wants us to do. Let us adopt the corporate minimum tax.

The VICE PRESIDENT. The 50 hours have expired.

Mr. METZENBAUM. Mr. President, I ask for the yeas and nays.

Mr. DOLE. Mr. President, I ask unanimous consent that I might have 1 minute on this side.

The VICE PRESIDENT. Is there objection? The Chair hears none, and it is so ordered.

Mr. PACKWOOD. Mr. President, we have previously passed in this body a sense-of-the-Senate minimum corporate tax resolution. The Finance Committee is going to be working on it this year. As far as I am concerned, I am going to pursue a minimum tax, both corporate and individual, and I think we can get it. It is not a substitute for tax reform. We are going to get that also. But there is no need now for the Senate to adopt this amendment. We have already adopted a sense-of-the-Senate resolution, and we will carry it out.

Mr. DOLE. Mr. President, I move to table the amendment of the Senator from Ohio.

The VICE PRESIDENT. The question is on agreeing to the motion to table the amendment of the Senator from Ohio. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

Mr. DOLE. Mr. President, I ask unanimous consent that I may proceed for 1 minute.

The VICE PRESIDENT. Without objection, it is so ordered.

Mr. DOLE. Do I understand there will be no further amendments after this one?

Mr. BYRD. Mr. President, will the distinguished majority leader ask for 3 minutes? It will save time.

Mr. DOLE. I ask for 2 additional minutes.

The VICE PRESIDENT. Without objection, the majority leader is granted 3 minutes.

Mr. BYRD. Mr. President, I think I am in a position on this side, having talked with the distinguished manager of the resolution on this side, to suggest that this be the last rollcall vote so that all Senators, after casting this vote, can go home.

Now, there is an unwinding, if I may use that word, of the various amendments as they are set up in the charts that we have talked about on several occasions, but I see no need to have any more votes on the resolution. We have already voted once on what will be the final package. I do not see any need to keep Senators around for that purpose, Senator STENNIS and others. I suggest that the distinguished majority leader ask unanimous consent that we proceed immediately to the amendment in the A position and the horizontal bar and proceed to vote immediately then on the resolution itself, as amended. And if no Senators on this side wish to ask for the yeas and nays on final passage, I think we can assure it will just be a voice vote or votes after this vote.

Does the distinguished majority leader feel that way about it on his side?

Mr. DOLE. I must say I do feel that way about it. I understand final passage would be on a voice vote. I could vitiate the order for the yeas and nays as we go down that tree.

Mr. BYRD. If the distinguished majority asked that they be vitiated en bloc, that would take care of it.

Mr. DOLE. Could I do that at this time?

Mr. BYRD. Yes.

Mr. METZENBAUM. Not this one.

Mr. DOLE. We are going to vitiate that all right.

Mr. President, I do not want to delay, but I think maybe as a precautionary matter, I should make that request after we have disposed of this amendment.

SCHEDULE

Mr. BYRD. All right. Will the distinguished majority leader take a minute or so and inform our colleagues as to what the schedule will be—we are not going to be in tomorrow, as I understand it—on Monday and Tuesday? What is going to be coming up before the Senate?

Mr. DOLE. Mr. President, it is now Friday, so we can go over until Tuesday at 12 noon, and I indicate that that will happen.

I have discussed with the distinguished chairman of the Armed Services Committee and the distinguished chairman of the Foreign Relations Committee that on Tuesday we would turn to the Defense authorization bill or the Foreign Affairs authorization bill. I hope to be able to discuss that on Monday.

Mr. GOLDWATER. Mr. President, the distinguished majority leader and I have discussed the possibility of bringing up the Armed Services bill on Tuesday, and I think it is possible for us to do that. Because of the new figures that have been supplied us today, we have to get our slide rules out and see where we can find the money.

So I suggest that the Foreign Relations bill come up Tuesday, and then we on the Armed Services Committee can look forward to Thursday, because we have to finish this by the Memorial Day recess in order to get it finished by Christmas.

[Laughter.]

Mr. DOLE. I thank the distinguished Senator from Arizona.

Mr. President, I have just been notified by the distinguished chairman of the Foreign Relations Committee that we can proceed with the foreign affairs authorization bill on Tuesday, and then we may be able to dispose of S. 408, the Small Business Administration bill, which could be conformed to the resolution and should not take a great deal of time.

Mr. BYRD. I thank the distinguished majority leader.

Do we correctly understand that there will be no votes on Monday? The Senate will not be in session tomorrow.

Mr. DOLE. We will not be in session on Monday, either.

Mr. BYRD. We will recess or adjourn over until Tuesday?

Mr. DOLE. Until Tuesday.

Mr. BYRD. What time does the able majority leader expect to come in on Tuesday?

Mr. DOLE. At noon. We will have the policy luncheon recess, so we will start on the bill about 2 o'clock.

Mr. BYRD. Would the distinguished majority leader say that there would be no rollcall votes other than possibly a parliamentary one in connection with the establishment of a quorum, that there would be no other rollcall votes on Tuesday before 5 o'clock?

Mr. DOLE. Is that satisfactory to the distinguished chairman?

Mr. LUGAR. The bill will take 2 days. It is necessary to deal with amendments prior to that time. We will cooperate with the majority leader to work the will of the Senate. We would like to go Tuesday and Wednesday to complete the bill.

Mr. BYRD. What time can we expect a vote?

Mr. DOLE. No rollcall votes before 5 o'clock on Tuesday, unless it is a procedural vote.

Mr. DOLE. Mr. President, have the yeas and nays been ordered on the motion to table?

The VICE PRESIDENT. The yeas and nays have been ordered.

Mr. DOLE. As soon as this vote is completed, I can indicate to the membership about vitiating the order for the yeas and nays.

The VICE PRESIDENT. The question is on agreeing to the motion to table the amendment of the Senator from Ohio.

On this question the yeas and nays have been ordered, and the clerk will call the roll.

The legislative clerk called the roll.

Mr. SIMPSON. I announce that the Senator from North Carolina [Mr. EAST] is absent due to illness.

Mr. CRANSTON. I announce that the Senator from Nebraska [Mr. EXON], is absent because of illness.

The PRESIDING OFFICER (Mr. STEVENS). Are there any other Senators who wish to vote?

The result was announced—yeas 61, nays 37, as follows:

[Rollcall Vote No. 75 Leg.]

YEAS—61

Abdnor	Goldwater	Murkowski
Andrews	Gorton	Nickles
Armstrong	Gramm	Packwood
Biden	Grassley	Pressler
Bingaman	Hatch	Quayle
Boschwitz	Hatfield	Roth
Bradley	Hawkins	Rudman
Chafee	Hecht	Simpson
Cochran	Heflin	Specter
D'Amato	Helms	Stafford
Danforth	Humphrey	Stennis
DeConcini	Kassebaum	Stevens
Denton	Kasten	Symms
Dixon	Lautenberg	Thurmond
Dole	Laxalt	Trible
Domenici	Long	Wallop
Durenberger	Lugar	Warner
Evans	Mathias	Wilson
Ford	Mattingly	Zorinsky
Garn	McClure	
Glenn	McConnell	

NAYS—37

Baucus	Hart	Moynihan
Bentsen	Heinz	Nunn
Boren	Hollings	Pell
Bumpers	Inouye	Proxmire
Burdick	Johnston	Pryor
Byrd	Kennedy	Riegle
Chiles	Kerry	Rockefeller
Cohen	Leahy	Sarbanes
Cranston	Levin	Sasser
Dodd	Matsunaga	Simon
Eagleton	Melcher	Weicker
Gore	Metzenbaum	
Harkin	Mitchell	

NOT VOTING—2

East	Exon

So the motion to lay on the table was agreed to.

Mr. DOLE. Mr. President, I move to reconsider the vote by which the motion to lay on the table was agreed to.

Mr. DOMENICI. Mr. President, I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. DOLE. Mr. President, in the two instances where the yeas and nays have been ordered, I ask unanimous consent that they be vitiated.

The PRESIDING OFFICER. Without objection, it is so ordered.

Without objection, amendment No. 43 is agreed to.

Without objection, the motion to recommit is agreed to.

The chairman of the Budget Committee.

Mr. DOMENICI. Mr. President, on behalf of the Committee on the Budget, I report to the Senate Senate Concurrent Resolution 32 as modified.

Mr. STAFFORD. I wish to discuss the budget resolution as it relates to assumptions about the Superfund program. I do so because the Superfund law expires on September 30 and must be reauthorized this year. The Senate Committee on Environment and Public Works, which I chair, reported a 5-year, $7.5 billion program extension. The Senate Finance Committee has scheduled action on the Superfund reauthorization next week. In addition, the House committees plan to act on reauthorizations this year and the White House budget submitted earlier this year assumed an expanded program. Consequently, I believe it is necessary to clarify with the Senator from New Mexico, the chairman of the Budget Committee, just how the budget plan affects Superfund.

Mr. DOMENICI. I thank the Senator from Vermont. This is a complicated subject, as the Senator points out, because legislation is moving through Congress. Rather than prejudge the final outcome of congressional deliberations, we have decided to wait for Senate Finance Committee action, and final Senate action, and then accommodate that action.

Mr. STAFFORD. What accommodation does the Senator have in mind?

Mr. DOMENICI. We intend to hold the Superfund reauthorization harmless by the following process.

If the Superfund reauthorization is considered on the Senate floor prior to adoption of a budget resolution, I can assure you that as chairman of the Senate Budget Committee, I will do everything in my power to assure that the Budget Committee will waive section 303 of the Budget Act to allow its consideration.

After the Senate Finance Committee reports legislation expanding the Superfund Program and increasing revenues that finance the program, and after the Senate acts on the bill, I would propose the following: To the extent that the HUD and independent agencies appropriation bill exceeds its allocation because of the increases in the Superfund Program, we would hold the Appropriations Committee harmless consistent with Senate action. This will not increase the deficit in the budget plan we are now debating and, if revenue projections for the new program exceed estimated outlays, this process would actually lower projected deficits.

Mr. STAFFORD. I thank the Senator for his understanding. I know he wishes that the Congress be given the latitude to freely and fully debate the new Superfund bill and this accommodation seems to give us that latitude.

Mr. LAUTENBERG. Mr. President, I also thank the Senator from New Mexico and the Senator from Vermont for reaching this understanding. As the Senators know, I have had a deep interest in seeing that this understanding be reached.

Mr. CHAFEE. I commend both Senator STAFFORD and Senator DOMENICI for reaching this understanding. As one who is deeply concerned about the prevalence of hazardous waste dumps throughout the United States, with my own State of Rhode Island having its share of such sites, I am extremely anxious that the Superfund Program be extended and enlarged without hitch well prior to its expiration date on September 30, 1985.

Mr. BRADLEY. Mr. President, after listening to the exchange between the Senator from New Mexico and the Senator from Vermont, I am reassured that if the Senate Finance Committee reports a Superfund bill of $7.5 billion in 1985 it will not violate the budget resolution. The need to clean up toxic wastes should not be caught in the intricacies of the budget process. The exchange of the distinguished budget chairman indicates that the Superfund extension will be enacted this year.

Mr. BENTSEN. Mr. President, immunization of children has been one of the most spectacularly successful preventive health measures available. Through the appropriate use of vaccine, smallpox has been eradicated from the Earth. In this country, we have also essentially eliminated diptheria, tetanus, and poliomyelitis as diseases of children. We are on the verge of achieving elimination of measles as a native disease and are beginning to intensify our efforts in order to hasten the ultimate elimination of rubella.

These achievements have had a dramatic impact on the death rate that used to be considered an inevitable part of growing up. Thousands of children are now alive and well who would have died of these diseases if our modern vaccines had not been developed.

Since 1957, with the introduction of the Sabine polio vaccine, the Federal Government has assumed an increasingly important role in immunizing children against measles, mumps, rubella, polio, diphtheria, tetanus, and pertussis. Of the approximately 3.8 million vaccinated annually, our goal has been for one half to be immunized through programs supported by the Center for Disease Control.

Appropriate administration of safe and effective vaccines continues to be one of the most cost efficient ways to improve the quality of life in each and every community across this country. For example, the benefit/cost ratio of rubella immunization given in combination with measles vaccine is estimated to be 23 to 1. For polio immunization the ratio is 10 to 1. In more human terms, that means an estimated savings of about $1 billion per year for polio, and $500 million each year for measles. Since 1963, over 57 million cases of measles and 19,000 cases of mental retardation have been averted, and the lives of 5,700 children have been saved as a result of measles immunization.

But without a modification in the budget assumptions used to develop the leadership's budget resolution

package, we could well jeopardize the extraordinary track record this country has achieved. As I understand it, the budget assumptions underlying this package freeze funding for the immunization program at the fiscal year 1985 level. And in each of the succeeding 2 years, an inflation factor of approximately 3 percent is applied.

Yet, over the past year alone, the cost of purchasing MMR [measles, mumps, rubella] vaccine has increased by nearly 27 percent, polio by 10 percent and DTP by 10 percent. Simple arithmetic using conservative estimates of funding that will be required to continue to support current levels of service indicates that we will need an additional $5 million in funding to cover the cost of vaccine.

In testimony before the Congress, representatives of the Center for Disease Control have warned repeatedly that a 6-month supply of vaccine is the minimum that should be kept in reserve. This country now has only one producer of MMR and polio vaccine and two distributors of DTP. A stockpile is needed to prevent disruption of supply, something which has happened at least 9 times since 1976. Currently, CDC has a 3-month reserve of MMR and polio vaccine, and only a 2-week supply of DTP. The shortage of DTP has been so acute in recent months that, until last week, physicians were being advised to delay the fourth and fifth doses given older children so that there was vaccine available for infants 2 to 6 months old.

A new vaccine, found to be 95 percent effective in combating bacterial meningitis and other serious disabling conditions caused by hemophilis influenza B has recently been approved by the Food and Drug Administration and recommended for use for all 2-year-olds by the Public Health Service Immunization Protection Advisory Committee. If purchased in bulk by the Center for Disease Control, children could be immunized at a cost savings of up to 15 percent. Further, administration of this vaccine to children attending day care programs and preschool will dramatically reduce the number of deaths and permanently disabling conditions that affect approximately 2,000 of the 20,000 children who contract invasive hemophilis annually.

In order to accomplish each of the objectives outlined above, that is, to provide $5 million in additional funding to maintain current immunization service levels; to make a modest attempt at improving the vaccine stockpile; and to initiate an H flu immunization program will require $21 million in budget authority for fiscal year 1986. CBO has calculated the proper outlays for that figure and also the proper numbers for fiscal years 1987 and 1988 using the proper deflator. In BA, over the 3-year budget horizon that total is $66 million, and in outlays the 3-year figure is $56 million.

I would like to have the distinguished chairman of the Budget Committee's assurance that there is sufficient room in the budget resolution package for these expenditures.

Mr. DOMENICI. The Senator is correct, there is sufficient room in function 550 for the activities the Senator describes.

Mr. BENTSEN. I thank my colleague from New Mexico and yield to the Senator from Arkansas for additional clarification.

Mr. BUMPERS. Mr. President, I am proud to join Mr. BENTSEN today in the effort to provide additional funding for our childhood immunization program. This additional funding is absolutely essential if we are to continue to protect our children from childhood disease. The fiscal year 1986 budget request provides for a freeze in funding for the immunization program that is run by the Centers for Disease Control and the States, but that is simply not enough money for this vital and cost effective preventive health program.

I join my colleagues in the quest to restrain Government spending, but I feel the budget request will not provide for immunizations for our children and will cost our Government many more health dollars in the long run.

Our vaccine program has been so successful that we have virtually eliminated measles, polio, diphtheria, tetanus, and mumps, and the suffering caused by those diseases. The program has also saved our Nation millions of dollars; the benefit-cost ratio of rubella immunization given in combination with measles vaccine is estimated to be 23 to 1, and the benefit-cost ratio for polio immunization is 10.3 to 1. This translates to an estimated savings of about $1 billion per year for polio, and $500 million per year for measles. Trimming $1 million from the immunization program in fiscal year 1986 might mean future spending of $10 million for health care for those children who contract measles or mumps or polio.

The immunization program needs additional funds because the prices of vaccines have escalated astronomically in the last several years, vaccine stockpiles are dangerously low, and the resources of our public health clinics are strained as more children are going to those clinics for their immunizations.

Over the past year alone, the cost of MMR increased by 26.9 percent, polio by 10 percent, and DTP by 10 percent. DTP was up 300 percent over the past 2 years. For fiscal year 1986, CDC is estimating a 25-percent increase in MMR, a 10-percent increase in polio vaccine, and a 10-percent increase in DTP. Those estimates of price increases are conservative, but even if we accept them, it is clear that a freeze in funding for vaccine purchases won't allow us to buy enough vaccine for our children in fiscal year 1986.

In testimony before congressional committees, CDC has stated that a 6-month supply of all vaccines should be in reserve at all times. This reserve is especially necessary since we now have only one producer of MMR and polio vaccine and only two manufacturers of DTP. This winter's shortages of DTP vaccine forced physicians to delay booster shots for some children and made it clear that we have to do more to improve our stockpiles.

CDC has 3 months of MMR and polio in reserve but no DTP. At least $40 million would be required to bring all three vaccines to optimal stockpile levels, yet the budget request provides only $4 million for vaccine stockpiling. We surely won't be able to purchase and stockpile much vaccine with that amount of money.

The additional $21 million we have requested for the immunization program is modest. This request includes an additional $5 million for State grants to purchase vaccines, an additional $5 million for stockpiling, and $11.4 million for H flu vaccine. The additional $5 million for State grants should provide some cushion for the projected price increase and for the increased caseloads in our public health clinics. The additional funding for stockpiling will not allow for the entire 6 months' stockpile we need, but it will allow us to make some progress toward adequate stockpiles, especially of the DTP vaccine.

The H flu vaccine—hemophilos influenzae B—has been approved and recommended for use by 2-year-olds. This vaccine would prevent the most common cause of bacterial meningitis in children. An additional $11.4 million would allow CDC to start this program and immunize one-half our 2-year-olds.

None of us wants to lose any of the ground we have gained in our fight against childhood diseases. That fight will require adequate funding.

It is my understanding that this $21 million is additional funding over and above the amount included in the Senate leadership-White House agreement, so that other programs in function 550 need not be reduced commensurately. Is that accurate?

Mr. DOMENICI. The Senator is correct.

TREATMENT OF THE PROPOSAL FOR THE VETERANS' ADMINISTRATION TO COLLECT COSTS OF CERTAIN CARE FROM INSURANCE COMPANIES

Mr. CRANSTON. Mr. President, there is one point relating to function 700, veterans' benefits and services, under the first concurrent resolution on the budget for fiscal year 1986 (S. Con. Res. 32) as to which the distinguished chairman of the Veterans' Affairs Committee, Mr. MURKOWSKI, and

I, as ranking minority member of the committee, would appreciate having the views of the very able chairman, Mr. DOMENICI, and ranking minority member, Mr. CHILES, of the Budget Committee. Both the Budget Committee reported resolution and the White House/Republican Senate leadership packages are based on the assumption that Congress will enact health insurance reimbursement legislaton under which the Veterans' Administration would seek to recover from insurance carriers the cost of care provided to non-service-connected disabled veterans.

Our concern in this regard is that, if ultimately this assumption underlies the conference agreement on the resolution, the collections estimated to result from the enactment of such legislation not be considered to be applied or accounted for in any way that would reduce the levels of appropriations for the VA's medical care account, or any other VA appropriations account, under the budget resolution. Any such prospective reduction of amounts provided for VA appropriations account could result in the VA having less resources available to it than is needed to accomplish the workload and maintain the staffing levels intended by the Congress.

The chairman of our committee, Mr. MURKOWSKI, and I believe the administration does not intend that result.

Mr. MURKOWSKI. Mr. President, I certainly agree with the distinguished ranking minority member of our committee on this matter. With respect to the administration's position, we note that, in the VA's budget documents, the estimated collections are shown as proprietary receipts and, under the administration's legislative proposal transmitted to the Congress on May 7, any amounts collected pursuant to this legislation would be "deposited in miscellaneous receipts of the U.S. Treasury as a proprietary receipt." Thus, the collections would not be credited to the VA's medical care account and would not be deemed to reduce in any way the appropriations needs of that account.

Mr. CRANSTON. Mr. President, in light of the foregoing, it is our understanding that the estimated savings—the negative budget authority and outlay figures—should not be allocated to the Appropriations Committee under the so-called "cross-walk" pursuant to section 302(a) of the Budget Act. We would, therefore, like to ask the chairman and ranking minority member of the Budget Committee whether this understanding is correct.

Mr. DOMENICI. Mr. President, my good friends from California [Mr. CRANSTON] and Alaska [Mr. MURKOWSKI] are correct in their understanding. For purposes of the first concurrent resolution on the budget for fiscal year 1986, it is assumed that the collections resulting from the enactment of such legislation would be deposited in the General Treasury in miscellaneous receipts and the estimated savings—receipts—would not be crosswalked to the Appropriations Committee.

Mr. CHILES. Mr. President, I have had the opportunity to discuss this matter with the chairman of our committee and he has correctly stated the views of both of us on this matter.

Mr. MURKOWSKI. I thank the Senators for making this important clarification.

Mr. CRANSTON. I also thank the Senators. They have been most helpful.

Mr. HATCH. Mr. President, will the Senator from New Mexico yield for a comment or two about the Job Corps?

Mr. DOMENICI. I will be happy to yield for a comment.

Mr. HATCH. I think everyone here knows just how strongly I support the Job Corps. Since I made a visit to the Clearfield Job Corps Center in Utah in 1980 and became convinced that this type of comprehensive, residential approach was needed, I have tried to defend this program and its mission to serve the truly disadvantaged youth of our Nation—those youth who have no other place to go. I am proud of my support for the Job Corps and my remarks today, or my vote for this budget proposal should not be construed in any way to detract from that support.

However, I am also well aware that we must curtail Federal spending. For that simple reason, I believe that the 70-percent restoration of funds for the Job Corps is a fair and responsible compromise. This level of funding is predicated not only on what the Job Corps has already achieved, but also on its even greater potential following some reforms which will be proposed in a reconciliation process. Senator KENNEDY and I are both anxious to stabilize the program and we will get down to work as soon as the budget resolution has been agreed to by both the House and Senate. We will also be pleased to work with the House Education and Labor Committee which has always shown great interest in the Job Corps.

There are many ways cuts could be made in the Job Corps without taking the reform route. One would be to eliminate centers which have unacceptable performance records, but that would jeopardize the Job Corps program in many States where it is needed most. We could eliminate centers which will require the most extensive commitment of resources for renovation, but that too would eliminate centers in strategic locations. We could reduce it piecemeal—such as eliminating residential training academies, or reducing the time students may spend in Job Corps—but those solutions do not lend themselves to a comprehensive program. Job Corps would become disjointed and unfocused. We could eliminate civilian conservation centers, but this solution is not satisfactory to many people and States which have excellent conservation centers.

In short, Mr. President, there is really only one good way to make budget reductions in the Job Corps, and that is to take a good hard look at the manner in which the funds are administered. We cannot make necessary reductions without reforming the program. Frankly, we need to make this effort to ensure reductions are made equitably as well as to promote the long-term efficacy of the Job Corps program.

The Job Corps is a unique concept for providing skills training and job counseling to economically disadvantaged youth. Eighty-five percent of these kids are high school dropouts. As many as 25 percent have been rejected by the U.S. Armed Forces because they have been unable to meet the minimum entrance requirements.

The success of the concept is clear from the statistics: In 1979, 93 percent of Job Corps terminees were placed in either private sector jobs, admitted to school, or entered the Armed Forces. The placement rate of the Job Corps has increased steadily since it was created in 1964. As a distinguished fellow Utahn and former Secretary of Education, Ted Bell, has said, "No educational endeavor in our society has a more difficult assignment." Yet, Mr. President, Job Corps has been successful in reaching out to these young people, and inspiring them to achieve greater things.

David Parent, a graduate of Northlands Job Corps Center in Vermont, and winner of the National Job Corps Alumni Association's essay contest, is currently enrolled in the Putnam Memorial Hospital School of Nursing in Bennington, VT, working to earn his LPN. He wrote in his winning essay:

> I never thought I'd be able to qualify to be accepted to nursing school, but now that I stuck to it, and finished the work I had to do at Job Corps, I'm able to contribute greatly to the physical and psychological well-being of the many patients I come into contact with every day as a nurse . . . These people need the best I can give. Through the Job Corps I have learned to be of the greatest service to those who depend on me every day.

Mr. President, David Parent is not alone. We need not look far for Job Corps' success stories. It is simply unreasonable to think we should eliminate a program which has motivated youth like David to learn, to work, and to serve society rather than to exist on public assistance. Studies by reputable independent consultants, including Mathematica, Inc., have all concluded that the Job Corps returns $1.45 for

every dollar which is spent. I do not think, Mr. President, that we can afford not to invest in a Job Corps program. These young people are the future of our Nation.

Having said this, Mr. President, I feel I must also be honest and say that the Job Corps could benefit from reform. The restoration of funds in this budget resolution not only ensures the continuation of Job Corps, but it provides all of us with the opportunity to improve its performance. I know Senator KENNEDY, the distinguished ranking member of the Labor and Human Resources Committee, has also been a staunch advocate of the Job Corps, as have our counterparts in the House, GUS HAWKINS and JIM JEFFORDS. One thing we know is that we should not allow Job Corps to become stale, inflexible or mired in the status quo for its own sake.

In 1982, Congress enacted landmark legislation to reform the job training system in our Nation. The changes were designed to make job training more responsive to individual labor markets and to target expenditures on one purpose: training for jobs. It is time, I truly believe, that we incorporate Job Corps into this system. The concept of comprehensive, residential centers should be an integral part of the arsenal of Federal assistance for education and job training available to every State to help combat youth unemployment. It seems to me that a State trying to develop a job training program without the resources of a residential Job Corps center to reach a special population of youth would be like the Pentagon trying to plan for the defense of our Nation without rifles or tanks.

Further, Mr. President, we need to direct more funds to States where there are no Job Corps facilities or where Job Corps opportunities are not available proportionate to the need. One example is California which has an economically disadvantaged population of 601,268—over 11 percent of the total number of disadvantaged youth in the country—yet California receives less money than two other States with substantially fewer young people in need. Connecticut has nearly 48,000 economically disadvantaged young people, but no Job Corps centers. I have to believe that at least several hundred of those teenagers could benefit greatly from a program like Job Corps. Alabama has an economically disadvantaged youth population of 118,912 and only one Job Corps center. At a minimum, Mr. President, States should command their own resources, specifically designated for this purpose, to make reciprocity agreements with Job Corps centers in other States.

I think Senator KENNEDY would agree that now is the time to advance this program. It is the time to address some of the issues that have constantly cast aspersions on the program's integrity and effectiveness. We need to get States and private industry councils involved in Job Corps without sacrificing the expertise of current Job Corps contractors. We will need to make reductions without zeroing out Job Corps opportunities in any State. We need to reduce expenditures on Federal contracting and procurement bureaucracy and spend what funds we have on creating slots for kids.

I am pleased that we have agreed to save the Job Corps and that the budget will allow for a viable program, not just the bare bones. I will work diligently to ensure that this is the best program it can possibly be—not just for the sake of the kids whose hope it is, but for the taxpayers whose hard-earned funds we are investing.

Mr. President, I thank the Senator from New Mexico for yielding.

Mr. DOMENICI. Mr. President, I thank the Senator from Utah, the distinguished chairman of the Labor and Human Resources Committee for his comments. I have to say that I have rarely seen a Senator so committed to any program and so willing to fight for it, even if he disagrees with his own leadership. As chairman of the Budget Committee, I am appreciative of his recognition of the need to restrict spending, even in those programs we believe are worthwhile. He has been a statesman during this budget debate and I thank him for it. I will do everything I can to assist him in achieving these beneficial reforms.

I know the Senator from Massachusetts has also been a loyal supporter of the Job Corps and I appreciate the spirit of bipartisanship which exists on this issue.

REA BUDGET

Mr. ABDNOR. Mr. President, I would like to clarify a few items concerning the REA budget. As my colleagues are aware, the Senate/administration deficit reduction plan as released in mid-April proposed cuts in the Rural Electrification Administration [REA] Program which were based on two very shocking assumptions. First, it was assumed that direct loans, guaranteed loans, and rural telephone loans would be phased out over 8 years. Second, it was assumed that direct loan interest rates would be increased at a rate equal to the Treasury's cost of borrowing plus 1⅛ percent. In essence, it was assumed that the REA Program would be phased out and eliminated—that the lights would be turned out in rural America.

I informed my colleagues, Budget Director Stockman, and Agriculture Secretary Block early on that these assumptions were totally unacceptable to me and that I would actively oppose and vote against any proposal which proposed to phase out REA.

Since that time, I have been meeting almost daily with Senator DOLE, Senator DOMENICI, and Budget Director Stockman to try to develop an acceptable compromise. Additionally, I have met with Mr. Bob Bergland, executive vice president of the National Rural Electric Cooperative Association [NRECA] and other NRECA staff in order to develop a package which is fair to rural electrification and rural America.

The package we have before us today is fair to rural electrification. It addresses the concerns I raised, those raised by the over 80,000 rural electric cooperative members in my home State of South Dakota, and the 25 million customers of rural electric cooperatives nationwide. The REA provisions in the Dole substitute are acceptable to NRECA.

Specifically, these provisions call for a rescission of $550 million of loan authority in fiscal year 1985, a $550 million reduction in loan levels from the baseline in fiscal year 1986, a $600 million reduction in loan levels from the baseline in fiscal year 1987, and $650 million reduction in loan levels from the baseline in fiscal year 1988.

Additionally, I would like to gain the assurance of the talented Budget Committee chairman, Senator DOMENICI, on a few points. Am I correct to state that the budget savings reflected in the Dole amendment are arrived at by assuming a reduction in loan levels, not by proposing a phase out of direct, guaranteed, and rural telephone lending?

Mr. DOMENICI. The Senator is correct. We have modified the Senate-White House agreement so that the Dole amendment assumes a reduction in REA loan levels, not a phase out of REA loans.

Mr. ABDNOR. Am I also correct in stating that the savings are not assumed to be derived from an increase in direct loan interest rates from the current 5 percent to a rate equal to the Treasury's cost of borrowing plus 1⅛ percent?

Mr. DOMENICI. The Senator is correct. The Dole amendment assumes that direct loan interest rates remain at 5 percent, and do not increase to the Treasury's cost of borrowing plus 1⅛ percent as envisioned in the Senate-White House agreement. Let me take this opportunity to commend the able Senator from South Dakota for his successful efforts to work out this modification that effectively maintains the savings in the agreement and meet the concerns of rural electric and telephone cooperatives.

Mr. ABDNOR. I also would like to clarify an agreement which has been reached with the distinguished majority leader. I am aware that the REA Administrator is considering a draft proposal which would replace its exist-

ing general funds rule with a working capital criterion. I have been informed that this new criterion could make 70 percent of all rural electric systems ineligible for both new REA loans and advances on already approved loans. According to the information I have received, 91 percent of South Dakota's rural electric cooperatives would be made temporarily, or perhaps permanently, ineligible under the proposed criterion. Surely this appears to be yet another attempt to phase out REA.

Mr. DOMENICI. At my urging, the majority leader has requested that the administration delay making administrative changes that would restrict the ability of rural electric systems to obtain REA loan funds. Before such changes are implemented, the majority leader has requested that the NRECA and the appropriate congressional committees of jurisdiction have the opportunity to review and comment upon the changes fully. It is my understanding that the REA Administrator and Budget Director Stockman have agreed to this request.

Mr. ABDNOR. I would like to thank the distinguished chairman of the Budget Committee and the majority leader for their cooperation in putting together a package which is fair to REA and the rural families, businesses, and communities which it serves.

Mr. HELMS. Mr. President, the new compromise package for agriculture is one that I hope every Senator will be able to support. Let me outline the changes in the assumptions that are proposed. The changes provide a more attractive program for our Nation's farmers.

Significant changes have been made in farm price supports, farm credit programs, Federal crop insurance, and soil and water conservation programs. In addition, the new compromise assumes a new export incentive program, and retains the changes already made by the Abdnor amendment for REA.

Mr. President, in farm price supports, changes in programs that would result in savings of $5.5 billion over 3 years would still be made. That means that the Federal Government will still spend about $10 million for each of 3 years for commodity price supports—a total of $30 billion for Commodity Credit Corporation programs.

In addition, a strong Export Incentive Program is included. Utilizing surplus CCC stocks, the program will be targeted to meet the competition in foreign subsidized sales in a broad range of farm products. Although the CCC may show significant book losses, these will not count against the $10 billion that can be spent for commodity programs each year, nor will it affect the $5.5 billion in savings for the commodity programs that is assumed for the reconciliation.

The first part of the agreement in farm credit programs is similar to the previous compromise. The Farmers Home Administration Disaster Loan Program will be terminated in counties where Federal crop insurance is available. This will result in a 3-year savings of about $5.1 billion.

In addition, Mr. President, existing Farmers Home Administration ownership and operating programs will be consolidated into a new $4 billion annual program with a transition to a guaranteed program. This is an increase of $1 billion in the overall FmHA Lending Program. Under the new program, the level for direct loans will be $2 billion, $1.5 billion, and $1 billion in fiscal years 1986, 1987, and 1988, respectively. For the same years, the level for guaranteed loans will be $2 billion, $2.5 billion, and $3 billion, respectively. It is estimated that the phasedown of direct loans will save $3.8 billion over 3 years.

Under the new program, guaranteed loans can qualify for an up to 2-percent interest rate buydown, if the borrower can meet the cash-flow test, the bank matches the buydown, a borrower meets the no credit elsewhere test, and existing bank loans are classified. It is assumed that there would be $240 million available for this buydown program over 3 years.

The new compromise agreement eliminates any savings that were assumed from changes in the Federal Crop Insurance Program. This will ensure continued program integrity while the Disaster Loan Program is phased down.

In other agricultural programs, the assumptions for reductions in funding for soil and water conservation programs were reduced by 50 percent from the previous compromise. This translates to a 15-percent reduction from the baseline in conservation programs, as opposed to the 30 percent in the former package.

The compromise also includes the Abdnor amendment on the Rural Electrification Administration that was previously agreed to by the Senate.

Mr. ZORINSKY. Mr. President, I should like to ask the distinguished chairman of the Budget Committee a question concerning the Farm Program savings assumed in this package. As I understand the final package, it adds back $2.5 billion in funding for agriculture price support and farm credit programs.

Am I correct in assuming that the Agriculture Committee retains complete discretion for spending among various farm commodity support, farm credit programs, and other programs within its jurisdiction?

Further, am I correct in believing that the savings assumed under the resolution's reconciliation instructions can be met in part or whole from these various programs, while augmenting commodity price support activities? In short, I assume that the bulk of the funding being added back could be used for commodity price support programs with a portion being used for farm credit?

Mr. DOMENICI. The distinguished ranking member of the Senate Agriculture Committee is correct. Within the total budget authority under the jurisdiction of the Senate Agriculture Committee, it is clearly the prerogative of that committee to meet its reconciliation instructions in whatever manner achieves the assumed savings.

I would be less than candid with the Senator if I did not point out to him that, in arriving at the assumed reconciliation outlay savings, the resolution assumed reforms in farm price support programs, farm credit, and other programs under its jurisdiction. I am hopeful that in addressing the 1985 farm bill the Agriculture Committee will give serious consideration to some of the reforms assumed in this resolution.

FOREST SERVICE PROGRAMS

Mr. McCLURE. Mr. President, I note that a provision has been added to the budget resolution which requires both the Committee on Energy and Natural Resources and the Committee on Agriculture, Nutrition, and Forestry to review certain programs within their respective jurisdictions for reconciliation savings.

The programs of concern, Mr. President, are those of the U.S. Forest Service. Under the Senate Rules, jurisdiction over Forest Service programs is assigned to the Energy and Natural Resources Committee, the Agriculture Committee, or jointly to both. However, this sharing in jurisdiction is not fully preserved in the budget resolution. As reported by the Budget Committee, and in the White House agreement, assumptions regarding savings in Forest Service programs were reconciled only to the Agriculture Committee. The Forest Service programs within the jurisdiction of the Energy and Natural Resources Committee were not reflected in its reconciliation instructions set forth in section 2.

The subject provision corrects this situation, however. The provision, which is supported by the chairman of the Agriculture Committee, assigns the reconciliation assumptions regarding Forest Service programs to both committees and allows each committee to review those programs within their respective jurisdictions with respect to achievement of the stated savings.

This provision, Mr. President, assures that the budget resolution is neutral with respect to assumptions regarding committee jurisdiction over Forest Service programs.

Mr. HELMS. Mr. President, I thank my friend, the chairman of the Committee on Energy and Natural Re-

sources for his comments on this change in the instructions for the Committee on Energy and Natural Resources. I can accept this change because it does not affect the instructions or the assumptions for the Committee on Agriculture, Nutrition, and Forestry.

The change is intended to allow the Committee on Energy and Natural Resources to review programs in the Forest Service that are within their jurisdiction, and to receive credit for savings that they might recommend for Forest Service programs within their jurisdiction.

Should the Committee on Agriculture, Nutrition, and Forestry make changes in Forest Service programs within its jurisdiction, it would receive credit for savings. Thus, each committee would receive full credit for whatever savings it achieved in the respective committees. However, neither committee will receive any credit for savings enacted by the other committee.

Also, the change in instructions for the Energy Committee is intended to reflect the shared jurisdiction over certain forestry legislation, and is not intended to provide the opportunity for either committee to affect Forest Service programs not within the jurisdiction of the respective committee.

Mr. DOMENICI. Mr. President, I agree and want to compliment the two distinguished chairmen on their willingness to address this difficult jurisdictional issue. I believe the two chairmen have clearly identified a difficult issue and have found a unique way to address it. I thank both of them for their work.

Mr. ZORINSKY. Mr. President, I would like to ask the distinguished chairman of the Senate Budget Committee a question concerning a provision included in the original budget resolution as reported out of his committee that I understand has been modified in the substitute resolution offered today.

As I understand it, as reported, section 5 of the budget resolution would have had the effect of limiting Federal loan programs authorized in fiscal years 1986 and 1987 to amounts provided in advance by appropriation acts.

Mr. DOMENICI. The distinguished Senator from Nebraska is correct, and I am grateful to the Senator for bringing this issue to our attention so that we could make the modification.

Mr. ZORINSKY. I would point out to the Senate that that provision, as originally reported and if applied to commodity price support programs, would have been an administrative nightmare that would have crippled the operations of the Commodity Credit Corporation and disrupted the commodity markets.

Currently, price support program levels are set by Congress in farm legislation, and the programs are carried out with the use of Commodity Credit Corporation funds. The borrowing authority of the Commodity Credit Corporation is replenished, as needed, by subsequent appropriations that restore net realized losses on support operations and related programs.

Commodity price support loan programs are a marketing tool for producers and serve to protect farmers against unreasonably low commodity prices. During times of severe shortages and subject to statutory resale provisions, the Commodity Credit Corporation releases commodities it has acquired, which keeps consumer prices from increasing sharply.

Under section 5 of the budget resolution as reported, it would not have been in order, during fiscal years 1986 and 1987, for either House of Congress to consider any bill, resolution, or amendment authorizing new direct loan obligations or new loan guarantee commitments unless the legislation also provided that that authority to make or guarantee loans would have been effective only to the extent, and in such amounts, as were contained in appropriation acts. This provision would, if implemented, seriously impair the essential operations of the Commodity Credit Corporation since it is impossible to anticipate the demands that will be placed on CCC.

Mr. DOMENICI. The distinguished ranking member of the Senate Agriculture Committee, an expert in this area, is without question correct in his assessment of how this provision as reported out of committee would have affected the Commodity Credit Corporation's activities. For that reason, in past years Congress has exempted Commodity Credit Corporation operations from this provision as it was contained in other budget resolutions. In 1982, in fact I offered an amendment on the initiative of Senators HELMS and HUDDLESTON to exempt CCC from this provision.

I therefore can assure my distinguished friend that the substitute resolution we are offering here today modifies section 5 as originally reported out of the committee in exactly the same fashion as Congress has done in past years. Specifically, the amendment provides that the provisions of section 5 shall not be applicable to agricultural price support and related programs of the type in operation on January 1, 1985, that are funded through the Commodity Credit Corporation.

It is clear that this special treatment is justified because of the uniqueness of the Commodity Credit Corporation programs. However, this modification does not mean that CCC can spend unlimited amounts. Any increase in the borrowing authority of CCC is already subject to the appropriation process and, under this amendment, Congress will continue to control the expenditures of CCC.

I thank the Senator for bringing this issue to our attention.

Mr. ZORINSKY. I thank the chairman for his understanding and his assurances.

FUNDING FOR THE ASBESTOS SCHOOL HAZARD ABATEMENT ACT OF 1984

Mr. ABDNOR. Mr. President, as the author of the Asbestos School Hazard Abatement Act of 1984 [ASHAA], which was enacted August 11, 1984, I am extremely pleased with the way the Environmental Protection Agency [EPA] is implementing this new program. In addition to providing no-interest loans and grants to eligible local educational agencies for asbestos abatement projects, the Agency is using a portion of its administrative moneys to develop a model contractor training and certification program. This effort will benefit not only those LEA's which receive financial assistance under ASHAA, but it will also serve to ensure that asbestos hazards in other schools and buildings are addressed in a safe and appropriate manner.

ASHAA authorized $50 million for fiscal year 1984, $50 million for fiscal year 1985, and $100 million for each of 5 subsequent years for asbestos abatement projects. During this fiscal year—the first year of the program—the Agency is spending $50 million appropriated through the fiscal year 1984 second general supplemental appropriations measure.

Mr. President, it is my understanding that the budget proposal before us is not intended to reduce funding below EPA's current program levels. I would like to ask the distinguished chairman of the Budget Committee, Senator DOMENICI, to clarify the intent of the committee with respect to EPA's budget.

Mr. DOMENICI. The Senator from South Dakota is correct. Except for those programs that are reduced below a freeze level, the Senate-White House agreement generally assumes a 1-year freeze on all domestic discretionary programs. Our assumptions embodied in this budget resolution do not include any reductions for EPA programs.

Mr. ABDNOR. I thank my good friend and colleague from New Mexico for his clarification. I know that the Senator is aware of my commitment to seek additional funding for asbestos abatement activities in our Nation's schools, and I look forward to working with he, Senator D'AMATO, Senator LAUTENBERG, and others who serve on the Appropriations Subcommittee on HUD-Independent Agencies, as well as with Senator STAFFORD, the distinguished chairman of the Committee

on Environment and Public Works and coauthor of ASHAA, to secure continued funding for this vital program.

Mr. WALLOP. May I ask the chairman of the Budget Committee a question? It is my understanding that the new budget package does include features of my proposed amendment relating to the sport fish restoration fund, commonly known as the Wallop/Breaux fund. Is that correct?

Mr. DOMENICI. Yes, that is correct.

Mr. WALLOP. The central feature of that amendment cosponsored by Senators BINGAMAN, BOREN, BURDICK, DECONCINI, DURENBERGER, GOLDWATER, HELMS, HOLLINGS, MCCLURE, and SARBANES was the retention of the permanent appropriation for the sport fish restoration fund, whereby all revenues going into the fund are automatically appropriated to appropriate conservation programs. Is the sport fish restoration fund now treated in the new leadership budget package as a permanent appropriation?

Mr. DOMENICI. Yes, the current package treats the sport fish restoration fund as a permanent appropriation that passes all revenues through to conservation programs.

Mr. WALLOP. I thank the Senator from New Mexico for clarifying these matters for me and I thank his staff for their help in this effort. Inclusion of the permanent appropriation in this package sends a clear message to the boaters and fishermen of American that the moneys collected as part of the 1984 act will be used as promised. I commend the leadership for honoring this commitment.

PETROLEUM OVERCHARGE FUNDS

Mr. MCCLURE. Mr. President, I had intended to offer an amendment to change the assumption in the budget resolution regarding the use of Petroleum overcharge restitution funds. The amendment would have reflected such funds as undistributed offsetting receipts (in function 950), rather than being offset against the energy function (270) and income security (600).

The amendment was intended to clarify that appropriations for the Department of Energy's energy conservation programs, such as the low-income weatherization and the school and hospital programs, and the HHS fuel assistance program would not be dependent on the use of overcharge funds. The amendment has the support of the National Governors' Association, and I ask unanimous consent that its letter of support be included at the end of my remarks.

The PRESIDING OFFICER. Without objection, it is so ordered.

(See exhibit 1.)

Mr. MCCLURE. Mr. President, I have now been assured by the chairman of the Budget Committee, Senator DOMENICI, and the chairman of the Appropriations Committee, Senator HATFIELD, that my amendment is not required to achieve the objective intended by my amendment. I have been assured that when the assumptions in the budget resolution are cross walked to the Appropriations Committee the ceilings on the energy programs and income security programs of concern will not reflect any offset of petroleum overcharge funds. In other words the cross walk to the Appropriations Committee, and in turn to the Appropriations subcommittees, will assume the same funding levels for these programs. As was originally reported by the Budget Committee.

This assurance regarding the cross walk is particularly critical, Mr. President, because there is little or no support for the legislation transmitted to Congress last week by the administration. This agreement will thus assure the Committee on Energy and Natural Resources has sufficient time to consider this matter.

For example, Mr. President, there is dispute regarding the amount of petroleum overcharge funds that may be involved. The resolution assumes an offset of $1 billion annually for 3 years against certain Federal energy conservation and income security programs. However, while over $850 million are currently being held in escrow, only $50 million are potentially available for the offsets proposed by the administration. While we can expect several billion dollars to eventually become available, we cannot, at this time, predict exactly when or how much will become available.

The understanding that has been reached with the chairman of the Budget Committee and the chairman of the Appropriations Committee would avoid the potential problem that overcharge funds would not be available when needed in the normal appropriations process. This agreement assures that the Appropriations Committee has the flexibility to fund these programs from general revenues.

I ask the chairman of the Budget Committee if he agrees with this characterization of the agreement.

Mr. DOMENICI. That is correct, Mr. President, the crosswalk to the Appropriations Committee will assume funding of the subject energy conservation and income assistance programs from general revenues at the full amount.

Mr. HATFIELD. Mr. President, that is also my understanding.

EXHIBIT 1

NATIONAL GOVERNORS' ASSOCIATION,
MAY 2, 1985.

Hon. JAMES A. MCCLURE,
Chairman, Committee on Energy and Natural Resources, U.S. Senate, Senate Dirksen Office Building, Washington, DC.

DEAR CHAIRMAN MCCLURE: We are writing to reaffirm the National Governors' Association's opposition to the use of oil overcharge revenues to supplant federal appropriations.

Your proposed amendment to the White House/Senate compromise budget package to raise the appropriations ceilings for energy conservation and assistance programs addresses some of our concerns about the use of overcharge revenues. The amendment would not bring the budget compromise fully in line with NGA policy on energy since it would not raise the appropriations for these programs to their full FY85 levels, nor would it eliminate overcharge revenues from the budget.

Despite these differences, however, the amendment would clarify that regular appropriations for conservation, weatherization, and low income energy assistance will not be dependent on overcharge revenues. The Governors support you in this effort.

The use of oil overcharge revenues to supplant, dollar-for-dollar, federal energy conservation and assistance programs would violate the restitutionary standard for distribution of refunds. Overcharged customers would, in effect, forfeit compensation for damages identified by the courts.

Your amendment makes clear that any attempt to divert overcharge refunds away from overcharged consumers will have to be approved by your Committee on Energy and Natural Resources, and we look forward to working with you again to defeat any such proposals.

As you know, the Governors are quite concerned about the federal deficit. The current NGA policy calls for holding 1986 nondefense discretionary appropriations to the 1985 level, the national defense appropriations to the 1985 level plus inflation, and a freeze on all cost-of-living adjustments, including social security.

Thank you again for your efforts to address these concerns about the use of oil overcharge revenues.

Sincerely,

GOV. ANTHONY S. EARL,
Chairman,
Committee on Energy and Environment.
GOV. JOHN H. SUNUNU,
Vice Chairman,
Committee on Energy and Environment.

Mr. STAFFORD. Mr. President, I want to indicate my strong support for the figures in the Senate leadership compromise on education programs. Many colleagues shared my concern about the deep cuts contained in the first and second versions of the first budget resolution. The package before us now represents a freeze plus additional savings in two programs. All discretionary aid programs would be frozen at their fiscal year 1985 level of funding except for the Impact Aid Program. The Guaranteed Student Loan Program, the only entitlement program in the area of education, is slated for a funding reduction of $200 million in fiscal year 1986, $300 million in fiscal year 1987 and $400 million in fiscal year 1988.

This new package is very close to what I originally suggested in a letter to the Budget Committee on January 14 of this year. I share the view held by most Members of Congress that we must act now to reduce our very serious budget deficit. The funding levels contained in this amendment for education programs are responsible and reasonable. They target education as a priority for Federal funding, and yet

at the same time they do not contribute to a growing Federal deficit.

Once again, I would like to check these figures with the chairman of the Budget Committee. The leadership substitute would add $700 million in budget authority for education programs in fiscal year 1986, $800 million in BA for fiscal year 1987, and $800 million in BA for fiscal year 1988. GSL savings would be $200 million in fiscal year 1986, $300 million in fiscal year 1987 and $400 million in fiscal year 1988. Therefore all the Federal education programs, with the exceptions of guaranteed student loans and impact aid, are assumed to have a budget authority equal to their fiscal year 1985 appropriated funding level. The Education for all Handicapped Chidlren Act, which is under the jurisdiction of the Handicapped Subcommittee chaired by my friend, LOWELL WEICKER, has been addressed separately in negotiations between the Senate leadership and Senator WEICKER.

Mr. DOMENICI. I can assure the Senator from Vermont that his assumptions are correct.

Mr. DOLE. Mr. President, I take the opportunity to pay special recognition to Senator MATTINGLY, who more than a year ago, developed a program to expand U.S. farm exports that was a critical element of our deficit reduction program.

This so-called bonus incentive Commodity Export Program will make Government surplus commodities available on a bid basis as bonuses to companies who complete the sale of U.S. agriculture products. We hope that this program will reduce future budget outlays.

Senator MATTINGLY, as I said, developed an innovative program along these lines last year. The idea, which has gained wide acceptance, will be included as part of the deficit reduction plan. And the end result will be a plus for American farmers and the American economy.

BONUS INCENTIVE COMMODITY EXPORT PROGRAM [BICEP]

Mr. MATTINGLY. Mr. President, yesterday, May 8, the U.S. Department of Commerce released further data on our merchandise trade for the first quarter of this year. These figures show an overall first quarter merchandise trade deficit of $28.3 billion. This represents a 16-percent larger deficit than during the same period last year. More importantly, these statistics include a $1.0 billion reduction in the level of agricultural export sales from the $9.5 billion mark established during the final quarter of 1984. Wheat shipments were down by 35 percent. Corn exports were off 12 percent, soybeans 5 percent and cotton dropped 2 percent. Altogether farm exports are down by an average of 11 percent during the period. On top of this drop in exports comes an equally devasting fall in the average price for cotton—down 6 percent, soybeans and corn—both down 2 percent.

The data I have just given you only defines the troubled export performance of our agricultural sector. The data does not detail the tangled problems this particular export community must deal with. U.S. agricultural products must compete in a world market held hostage to almost universally unfair, predatory export subsidies which are employed by our competitors. The high value of the dollar provides additional advantage to other nations' agricultural products as U.S. commodities become priced out of world markets. Other factors such as cargo preference burdens, conflicting domestic price support programs, and a disjointed and ineffective trade policy only serve to further complicate the agricultural export situation.

The program which we are discussing at present is one which the Senate has considered—and adopted—in various forms on previous occasions. Twice in the past 3 years I have introduced similar legislation which has received favorable consideration by the Agriculture Committee. In two or three instances I recall having worked with the distinguished Senator from Mississippi, Senator COCHRAN, in adopting amendments which I offered on appropriations measures which would have mandated the use of financial or in-kind assistance for U.S. exporters who were experiencing adverse effects from unfair, predatory foreign trading practices. So, the idea of an export PIK—or bonus incentive—program meshes perfectly with a trade theme frequently sounded by this Senator; namely, while working to eliminate the inconsistencies in today's global trading system, let us concentrate on the formulation and implementation of positive action that will help U.S. exporters while also gaining the full attention of those who would continue to treat the United States unfairly in the world marketplace.

The program before the Senate today embodies a basic concept of commerce: You can encourage sales by offering the buyer a premium and increase profits if that premium is obtained by the one offering it at little or no cost. The provisions which we are including as a part of this current budget package is just that—authorization for the use of surplus commodities to help stimulate exports and overcome foreign subsidies. This is the same formula which was suggested by the junior Senator from Mississippi in his recently introduced BICEP bill and which he so eloquently explained here on the Senate floor.

By the end of this year we will have a total of $6,249 million worth of surplus Government-owned agricultural commodities in storage. Just to store those commodities will cost the U.S. taxpayer $361.0 million this year alone. Under the Bonus Incentive Commodity Export Program [BICEP] a minimum of 10 percent of surplus, expensive to store commodities, would be made available to be offered as a premium to those actively exporting U.S. value-added agricultural products. We are offering a positive incentive to U.S. agricultural exporters which is entirely legal under international rules. And we are finding a profitable use for surplus commodities that have been sitting—at ever-increasing cost and waste—in warehouses all over this country. The American Farm Bureau Federation estimates that over a 2-year period this export bonus plan could offer net savings of as much as $170 million depending on the amount of commodities used in the program. At the very least, the program would net $56 million in savings from storage payments during the first 2 years and will result in greater Treasury revenues generated from the taxes on jobs which will be generated and retained as a result of this increased export activity.

Mr. President, I have argued repeatedly that the best farm policy we could possibly have for our producers would be the formulation and implementation of a comprehensive, aggressive, effective trade policy. We talk about adopting a 4- or 6-year farm bill which is supposed to help stabilize income for agricultural producers and which—some say—should be more "market oriented." Unfortunately, there just isn't much of a market to get "oriented to" any more. This bonus export incentive measure, which helps to restore lost markets by allowing our producers to combat unfair foreign subsidies, is a first vital step on a long march leading to new trade policy.

Of course, the issue of removing foreign countries' tariff and nontariff trade barriers must also be addressed. In addition we must make certain that our domestic exporters are not hindered by our own Government policies and actions such as embargoes and price support programs.

Mr. President, I do hope that when the Senate conferences with the House of Representatives on this budget measure we will hold firm on this very important provision. It is one of the most sensible provisions in the package because it will provide an efficient, effective tool to promote and increase the export of American agricultural products at a minimal cost to the Government. Actually, we should say that it will do so at no cost because the commodities which will be used as incentive bonuses have already been bought and paid for and there is no chance that we can ever reasonably hope to dispose of them at a price which would recover the acquisition

costs plus the costs of storage. I want to thank the distinguished majority leader and the many others who have worked to support the inclusion of this vital program.

Mr. LEVIN. Mr. President, what this Nation's economy needs is substantial deficit reduction achieved through a fair, balanced, and rational program. The amendment before us meets none of these criteria.

At a time when we should develop a plan that substantially reduces the deficit, this program offers a deficit of $104 billion in 1988—and probably $150 billion under more realistic economic assumptions—and gives no indication when we might see a balanced budget. This is in marked contrast to the Chiles-Hollings package, which I supported earlier which got us to a zero deficit in 4 or 5 years. The package now before us asks for severe sacrifice by the people of this Nation, but deprives them of the deficit reduction goal which their sacrifices should merit.

At a time when many in the Senate have talked of the need for shared sacrifice, this program freezes cost-of-living adjustments for senior citizens for 1 year, but refuses to ask those profitable corporations and wealthy individuals who use the Tax Code to avoid paying anything in taxes, to pay at least a minimum tax. This plan prefers to reduce the deficit by putting half-a-million Social Security recipients into poverty than by putting an effective minimum tax on profitable corporations. Those priorities mark this budget plan with a stain of unfairness that cannot be washed away.

At a time when all in the Senate recognize the need to restrain spending, this plan terminates many valuable programs, such as Urban Development Action grants, the Economic Development Administration, and Community Service block grants. These drastic steps, as well as the severe cuts in Medicare, farm programs, the Soil Conservation Service, and Amtrak, are necessitated by the illogic that we are better off as a nation by having a cut in cigarette taxes than by having a viable farm program, a healthy elderly population, or an adequate rail transportation system.

Simply put, this budget plan does not get us where we have to be in order to sustain economic growth. Instead, it risks another recession, at a time when my State of Michigan, for instance, still has double digit unemployment. This budget plan is riddled with unfair and illogical program terminations and prefers these to such balanced and reasonable steps as continuing the cigarette tax at its current level or enacting an effective minimum tax on profitable corporations or wealthy individuals.

Mrs. HAWKINS. Mr. President, the vote we are casting today is a serious one, and will have a far-reaching effect on the citizens of this Nation.

I want to go on record today, as I have consistently done in the past, to state that I am very serious about deficit reduction. I agree that it is the No. 1 problem in our country and that this body has the responsibility to cure this financial illness plaguing our economy.

However, I have also repeatedly stated that freezing the Social Security COLA must not be part of that effort. If we do approve a reduction, even a 1-year freeze, the No. 1 problem in our country will become our elderly's poor standard of living! According to the American Association of Retired Persons, even a 1-year freeze will push half a million elderly people below the poverty line.

Now, I know that many Members of this body have been asked to make hard decisions, and make sacrifices—and I have participated in that effort when the program under consideration would indeed have an impact on this Nation's indebtedness. Mr. President, I have made the point before, and I will make it again, Social Security did not cause the deficit problem and cutting it will not help the deficit problem. It will only allow us to finance our out of control spending and it allows others to swallow cuts in programs that are causing the problem—programs that are funded by the general fund.

By voting against this package, I am not saying that I do not support deficit reduction. Only that I do not believe it should include reductions to the Social Security COLA. Social Security is not a "sacred cow." It is different than these other programs, because it is self-financed. Any money saved cannot be used for any other purpose.

There are other ways that this deficit can be reduced. We must look further in those areas. I am convinced that there is still some fat—let's cut the fat, not Social Security.

I believe, Mr. President, that the majority of Members in this body agree with me on this issue. The amendment I offered last week to prevent a 3-year reduction passed this body by a vote of 64 to 35. Obviously, my colleagues share my concern for the elderly, and I am pleased that we got rid of the complicated and unfair formula in the first compromise package. I have stood firm on this particular issue throughout the budget debate, so I don't believe that my vote on final passage will surprise anyone—I simply cannot support a budget resolution that contains a reduction in the Social Security COLA.

Furthermore, I would like to state for the record that following this vote, which is on the merits of this package, there will be a series of procedural votes which I intend to support.

My vote on the procedural motion is not on the merits. The record clearly shows that I have consistently voted for Social Security when it counts and voted against cuts in the program when the vote counts. A procedural vote makes no change and I do not wish to support putting this Chamber in a deadlock situation.

Mr. BUMPERS. Mr. President, I have followed the budget debate closely as it progressed from the President's original budget proposal, through the Budget Committee and now onto the so-called leadership package that has been offered by Senator DOLE for the President. I would like to take just a few minutes to put this current budget debate into both historical and economic perspective.

In 1980, then candidate Ronald Reagan promised to increase defense spending, cut taxes by 25 percent, and balance the budget by 1984, and maybe by 1983. I was one of three Senators who, in 1981, voted for spending cuts but against the tax cuts because I thought it was a prescription for fiscal disaster. Should we have a strong defense? Yes. Are there Government programs that can be trimmed back without sacrificing valuable benefits? Certainly. Did working people of this country, then and now, need a break on their taxes? Yes. But, Mr. President, I believe that our first responsibility to our constituents is responsible management of their hard-earned tax dollars. It was not responsible management of Government resources to vote for proposals that would generate $200 to $300 billion deficits and double the national debt in 4 years. But, despite the temptation to engage in blame placing, rancor, and recrimination on why we face the current dilemma, the task that confronts us today is how best to reduce the budget deficits and to restore some semblance of sanity into the Federal budget.

This year's budget began with the President's proposal which ignored revenues, and exempted defense, Social Security, and net interest from any deficit reduction efforts. Since these three areas constitute 72 percent of the budget, the President's budget proposal was focused entirely on the remaining 28 percent of the budget. In addition, according to the Congressional Budget Office, that budget would contain deficits of $145 billion as far as the eye could see. That budget got 4 of 22 votes in the Budget Committee.

Similarly, the budget subsequently adopted by the Budget Committee was never allowed to come to the Senate floor. Instead, the President and the Senate GOP leadership offered the plan that we face today. I would like to commend them on their effort to bring a budget to the floor that would reduce the budget deficits. I regret,

however, that it has taken 3 years of $200 billion deficits before the problem of these deficits began to get serious attention. After carefully considering this proposal, I decided that for several reasons, I could not support it.

First, the package is predicated on overly optimistic economic assumptions. The package presumes annual economic growth of 4 percent for 1986, 1987, and 1988. The consensus forecast for this period is 3.2–3.4 percent, and given the 1.3-percent growth in the first quarter of 1985 these numbers are probably optimistic. Also, the leadership package presumes mortgage interest rates of 7 percent by 1990 and T-bill rates of 5 percent. No economist in the country believes these projections.

Let me point out that it is not just quibbling to raise the issue of overly optimistic growth assumptions. Each year that we continue to rely on flawed economic assumptions we will inevitably be forced to come back here to make costly and intrusive midcourse corrections. This is a cruel form of government intrusion into citizens' lives when we continually change the rules of the game because we cannot set a coherent rational budget policy based on sound assumptions.

The second problem I have with the leadership package is the false set of savings that are claimed from defense. The President claims $6 billion of savings from the so-called "Rose Garden" defense baseline. The Rose Garden defense plan is not what Congress agreed to last year. To the best that I can figure the Rose Garden plan is where the President went into the Rose Garden, shook hands with himself and said, "We've got a deal." The CBO says that, instead of $96 billion of savings over the next 3 years, the savings amount to $46 billion. So there is $51 billion of savings that simply don't exist.

Third, the leadership package uses the deficit to provide cover for eliminating programs which the administration just opposes philosophically. But that does not make good business sense. Understandably, several programs, for example, Job Corps, Immunization, Soil Conservation, provide ripe targets for shortrun savings. But in each case the savings are only shortrun and are outweighed by the longrun cost associated with eliminating the programs. For example, the alternative to training disadvantaged youth of this country to provide them meaningful jobs, is in many cases, more expensive incarceration. Mathematics Policy Research—an objective research firm—has thoroughly analyzed the benefits and costs associated with Job Corps. The study estimates that for every $1 in costs associated with Job Corps, $1.46 is returned in benefits.

Another example of the imprudent savings associated with the leadership package is from the proposed abolition of SBA. In the leadership proposal SBA would be eliminated and the existing portfolio of loans would be sold. OMB first estimated that these loans could be sold for 19.3 cents on the dollar. That means that the sale of these loans would yield the Treasury $5 billion. But if SBA continues to administer and collect on these loans, the Treasury will receive $12 billion. So the cost of the savings is $7 billion. Philosophically, I don't see anything wrong with helping the smallest businessmen of this country who may have a great idea but who can't get long-term credit from banks. But putting that aside, it is simply not good business to give away $7 billion through poor cash management just to win a philosophical battle. And the list of these specious savings extends into soil conservation, immunization programs, and several others.

Also, the leadership proposal ignores the revenue side of the budget. Between 1981 and 1983, 65 major U.S. corporations made almost $50 billion in profits and paid no Federal income tax. Not one penny. Instead these corporations received a cumulative refund of $3.2 billion. This violates my sense of equity and I suspect the sense of fairness in a good many of my fellow Americans. Contrary to what some would have us believe, the leadership plan does not have a monopoly on fiscally responsible approaches to deficit reduction. Indeed, the major alternative offered by Senators CHILES and HOLLINGS, which I cosponsored, is much more stringent on budget deficits than the leadership plan. And as I have noted, the leadership plan suffers from flawed economic assumptions, specious savings on defense, misplaced priorities, and false budget savings, which simply do not constitute good business.

In contrast to the leadership package, the Chiles-Hollings budget plan is a broadly based program of restraint that freezes or cuts virtually every Government program.

It is not a perfect package—one that satisfies every one of my wishes. But if we wait to act on a perfect package we will be waiting for a long time. The price of further procrastination is simply intolerable and would, ultimately, be 100 times harsher than the medicine we face here today.

The Chiles-Hollings plan would cut $9 billion below baseline spending in 1986, and $82 billion over the next 5 years. After these spending cuts are in place, and only after they are in place, the Chiles-Hollings plan would ask the Finance Committee to raise modest revenues—$1 for every $2.5 in spending cuts. These revenues could be raised through the imposition of a minimum alternative tax to ensure that profitable corporations contribute their fair share of the tax burden. In addition the plan ensures that additional revenues not be collected through the imposition of higher individual tax rates.

Above all, the Chiles-Hollings plan would credibly reduce deficits under any reasonable set of economic assumptions. The Chiles-Hollings plan would balance the budget by 1990, with continually declining deficits between now and then. It is a monumental tragedy that the Senate defeated it.

Finally, Mr. President, the drastic cut in farm programs as proposed in the leadership budget, would guarantee the elimination of 25 to 50 percent of our farmers in this country within 10 years. It is cruel in the extreme.

But my overriding objection to the leadership package is that it simply never provides for a balanced budget. Never! And that is irresponsible in the extreme.

FEDERAL CHILD NUTRITION PROGRAMS

Mr. DURENBERGER. Mr. President, I join my colleagues in support of Senator HAWKINS' amendment to restore funding for our Federal Child Nutrition Programs.

Our school lunch and breakfast programs must be viewed as the vital nutrition programs they are, not as budget extras or costly handouts. The National School Lunch Program, for example, is designed to ensure that all children, of every income level, receive the proper nutrition which is so necessary to health, development, and learning.

At the heart of any discussion of cutting our Federal child nutrition programs must be a recognition of the proper nature of the programs, and the Federal role in feeding our Nation's children. The Federal Government got into the business of feeding children in school in 1946, following World War II, when, for the first time, America woke up to the fact that its children were malnourished.

Section 1 of the National School Lunch Act of 1946 reads, "It is the policy of Congress, as a measure of national security, to safeguard the health and well-being of our Nation's children and to encourage the domestic consumption of agricultural commodities and other food." Hearings held in the Senate Agriculture Committee during 1944 and 1945 provide an insight into the national security theme voiced in the National School Lunch Act. Doctors examining young draftees found that many had disabilities directly related to poor nutrition during their elementary and secondary school years.

Dr. Thomas Parran, then the surgeon general, in 1944 testimony cited a study conducted in Hagerstown, MD, which offered evidence that young

men who were rejected in the draft had histories of nutritional deficiencies. In addition, Gen. Louis B. Hershey, former chief of the Selective Service, testified in 1945 before the House of Representatives Agriculture Committee, that "probably half of the draftees rejected during World War II were due to poor nutrition."

Mr. President, I feel we have come a long way since 1946. We have realized that child nutrition programs are not just sound national security policy, but sound preventive health policy as well. Let's look at our child nutrition programs as methods of protecting the health of all our citizens. As the chairman of the Health Subcommittee of the Finance Committee, one of my major concerns is the cost of American health care. Numerous studies of health care costs indicate the substantial savings that can be found in preventives measures. We certainly know now that proper nutrition in one's youth is a vital component of lifelong health, and lower health care costs for both the individual and society. Mr. President, our current child nutrition programs offer the nutrition so important to proper development.

My commitment to preventive health care is wide-ranging and strong. This year I offered S. 505, the Maternal and Child Health Preventive Care Amendments of 1985. This bill reinforces the necessity of wellness care beginning in the prenatal stages of life. Good, sound preventive medicine, however, shouldn't simply be offered to certain age groups, but to all, and particularly our schoolage children.

Cutting child nutrition is not good preventive medicine. Deep cuts were made in 1981, and even deeper cuts are proposed in this budget compromise package. In 1981, basically the same proposal was offered: to eliminate the subsidy for all nonpoor children. However, it was not adopted, but in it's place reforms were enacted which saved approximately $5 billion from fiscal year 1982 to fiscal year 1985. The subsidies to schools and individuals were decreased and eligibility requirements were tightened. The cost of school lunches rose substantially.

The current proposal to cut the Federal subsidy for nutrition programs for children who are above 185 percent of the poverty level signals a reversal in our commitment to the nutritional well-being and health of all of our Nation's children. This means any child from a family of four with an income in excess of $20,000 would be excluded from reduced price student lunches, and subsidized commodities in day care settings. When these programs were introduced they were not designed to simply benefit our poor children, but all children who are in nutritional need.

According to the Senate Budget Committee, 65 percent of all children participating in current child nutrition programs will be cut. Mr. President, I have grave doubts that all of those children will be served as well, or at all, by other programs, or by their families. Too many young children will fall through the cracks if the program is pared down in the proposed manner.

I feel the proposed cut in child nutrition programs is an unjustified response to the necessity of cutting our Federal budget deficit. This proposal will adversely affect our children, our schools, and family day care homes. The vastly reduced participation which would result from over half of the children being removed from the program would severely impair schools and day care homes in serving the children remaining on the program.

Certainly, Mr. President, the values of the child nutrition programs before us today are many. I believe they are a vital part of our national commitment to preventive health care, quality education, and equality in nutrition between the poor and nonpoor. Despite these obvious strong points, I do not believe these programs are without flaws. In the future we will have to face the reforms necessary to keep the costs of these programs down while continuing the services. These changes may involve the private sector, and the concept of competition as I have applied it to health care delivery.

In closing, I would like to assert that although these reforms are not appropriate at this time, I hope that they may become part of our yearly funding debate on child nutrition. As the costs to the Federal Government continue to rise, we will have to abandon our tendency to simply cut the programs or fund them, and find an innovative way to finance child nutrition.

For all of these reasons, Mr. President, I urge adoption of Senator HAWKINS' amendment to restore funding for the child nutrition programs.

IMPACT AID AMENDMENT

Mr. MOYNIHAN. Mr. President, I am pleased to join my colleague from South Dakota [Mr. ABDNOR] in offering an amendment to restore funding for Impact Aid "B" payments.

The Republican budget plan, approved by the Senate last week by a one vote margin, incorporates the Reagan administration's proposal to eliminate Impact Aid "B" payments to school districts serving children whose parents either live or work on nontaxable Federal property. The decision to terminate this section of the Impact Aid Program should now be reversed. Impact Aid compensates school districts for lost tax revenues and helps them provide quality education to children living in federally affected areas. Eliminating category "B" payments would be both improper and inequitable.

At Fort Drum, NY, the U.S. Army is establishing a new 10th Mountain Division. When the expansion at Fort Drum is complete, the school districts surrounding the base will be asked to absorb 10,000 new students. Almost all of these students will fall within the "B" category of Impact Aid. If the administration's current proposal is accepted, none of the school districts accommodating this influx of students will receive any Federal assistance.

Our amendment ensures that all school districts affected by Federal activities continue to receive fair compensation. It does so by restoring $152 million for Impact Aid "B" payments in fiscal year 1986, maintaining the same level of funding from the previous year. I urge my colleagues to give this amendment their most serious consideration, and urge its adoption.

SENATE CONCURRENT RESOLUTION 32, AS MODIFIED, AGREED TO

The PRESIDING OFFICER. Without objection, Senate Concurrent Resolution 32, as modified, is agreed to.

Mr. DOLE. Mr. President, I move to reconsider the vote by which the resolution was agreed to.

Mr. DOMENICI. Mr. President, I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. DOLE. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. DOLE. Does this mean we have passed Senate Concurrent Resolution 32?

The PRESIDING OFFICER. The measure has been passed and the motion to reconsider has been laid on the table.

The Senator from New Mexico.

Mr. DOMENICI. Mr. President, I ask unanimous consent the that staff be authorized to make technical and conforming corrections.

The PRESIDING OFFICER. Without objection. It is so ordered.

Mr. DOMENICI. Mr. President, I have previous to the passage of the resolution made a few comments about Senators who participated.

I wish to add just a few words, and it will not take me long.

I thank the distinguished Senator from Florida, the ranking minority member of the Budget Committee. He has been at this for months, and I appreciate his help and his efforts and all the others on the committee who worked so hard.

I reserve most of my thanks tonight for the distinguished majority leader. Frankly, when we started this about 3 months ago the distinguished majority leader knew what our goals were, but this very technical and complicated process was rather new to him, and I can say with all honesty he has been magnificent. His judgment has never

been exercised without consultation. Sometimes he changed his mind; sometimes we conferred and he would not. And he has been right whether it was his judgment or that we all shared with him.

I think this is a great victory for fiscal responsibility. I am sure that it is that. It will send a very good signal out there to the country, but I want to say it also is a great victory for his leadership here in the Senate. I never thought we were testing his leadership at any time during the year. But for those who printed it and said it, if they were worried about it, we saw living proof that it is alive, it is active, and it is going to serve the U.S. Senate and the country well. I thank him for all he did to help me as I struggled through this. It has been a privilege to work with him.

Mr. President, I wish to thank the staff of the Senate Budget Committee for its outstanding work for the past several months on the budget resolution that the Senate has been debating for the past 2 weeks. The staff for the majority has worked day and night on this product, often under the most difficult and chaotic circumstances.

I also thank the staff of the majority leader for their help, for they too have put in many hours in this cooperative venture especially Rod DeArment, Sheila Burke, George Pieler, Dale Tate, and John Gordley.

I ask unanimous consent that a list of the majority staff of the Senate Budget Committee be inserted in the RECORD at this time and that my thanks and gratitude to them be known to all for an extraordinary job under extraordinary pressure.

There being no objection, the list was ordered to be printed in the RECORD, as follows:

Stephen E. Bell, Staff Director; William Hoagland, Deputy Staff Director; Susan Yurko, Special Assistant to the Staff Director; Carla Garcia, Secretary to the Staff Director; Judee Klepec, Secretary to the Deputy Staff Director; Suzanne Watson, Correspondence; Carole McGuire, Director of Appropriations Activities; Patricia Niffinegger, Secretary and Analyst for Appropriations Activities.

Nell Payne, Counsel; Chuck Konigsberg, Staff Attorney; Gabriella Carducci, Legislative Coordinator; Mariclair Burke, Secretary for Legal Group.

Sidney Brown, Chief of Budget Review; Marcy Edwards, Senior Analyst for Budget Review; Anne Miller, Analyst for Budget Review.

Tom Foxwell, Director of Publications; Roy Smith, Assistant to Director of Publications; Buck White, Assistant to Director of Publications.

Gail Fosler, Chief Economist; Cheri Janas Reidy, Economist; John Rand, Economic Analyst; David Nummy, Senior Analyst for Tax Policy; David Malpass, International Economist; Susie Fish, Secretary for Economics.

Jan Lilja, Senior Analyst for Human Resources Group; Michael Carozza, Analyst for Income Security; Anthony McCann, Analyst for Health Programs; Margo Miller, Analyst for General Purpose Fiscal Assistance, Community and Regional Development and Employment and Training; Michelle Mrdeza, Analyst for Veterans Programs; Virginia Pounds, Legislative Tracker and Research Assistant; Martha McBroome, Research Associate; Carolyn Willis, Secretary for Human Resources.

Deborah Swartz Lipman, Senior Analyst for Natural Resources Group; Austin Smythe, Analyst for Energy & Natural Resources and Environment; Linda Crowl, Analyst for Justice and General Government; Sonja Taylor, Legislative Tracker; Tom Dodds, PMI; Karen Bunch, Analyst for Agriculture; Laura White, Secretary for Natural Resources Group.

Charles Flickner, Senior Analyst for International Security and Credits; Paul Heilig, Analyst for National Defense; Carol Hartwell, Analyst for Commerce and Housing Credit; Cary Robnett, PMI; Brenda Gompers, Secretary and Legislative Tracker for International Security and Credit.

Debbi Paul, Chief Clerk; Kathryn Hamilton Cummings, Assistant Chief Clerk; Beth Clark Strader, Staff Assistant; Lynne Hausheer, Staff Assistant; Tyrone Cole, Staff Assistant.

Mr. THURMOND. I want to take this opportunity, Mr. President, to extend congratulations to the majority leader for the outstanding leadership he has exhibited on this matter. This has been one of the most intricate matters that I have seen come before this Senate in the 31 years I have been here. Senator DOLE has shown much wisdom, he has shown much effectiveness in what he has done, and he deserves I think the thanks of the entire Senate.

I also would like to thank the able Senator from New Mexico [Mr. DOMENICI]. I have never seen a man work harder on any piece of legislation, show more patience, show more skill and knowledge than he has shown on this particular budget bill. I think he is due a vote of thanks from the entire Senate.

I would like to also praise the distinguished majority whip, Senator AL SIMPSON, who worked so diligently and effectively alongside the majority leader and the chairman at the Budget Committee to assist in bringing to fruition the adoption of this major deficit reduction package.

Finally, Mr. President, the distinguished Democratic leader, Senator BYRD and the distinguished ranking minority member of the Senate Budget Committee, Senator CHILES are to be commended for their leadership on the Democratic side of the aisle in bringing forth measure they thought appropriate to reduce the deficit. However, I believe the measure finally passed will be better for the Nation and hope the House will act favorably on it.

Mr. GORTON. Will the chairman of the committee yield?

Mr. DOMENICI. I am pleased to yield to my friend.

Mr. GORTON. Mr. President, the majority leader and the chairman of the Senate Budget Committee have already stated more eloquently than I can the importance of this success for the country as a whole. It is of course at that success that economic progress—in all of our deliberations on both sides of the aisle—is aimed. But we are of course individuals, and we develop personal relationships which are of great importance to us in this process. I just wanted to add my comments on the wit, the dedication, the patience, the wisdom, and the optimism when many of us did not think optimism was warranted shown by the majority leader.

So what we have in triumph for the country, of course, and that is the most important. It is a triumph, in my view, for the Senate, which is a vitally important institution. But my special thanks and warmth go to him as a personal triumph which it represents for the majority leader, and the first vital important test which he has had to face here. The chairman of the committee knows of my friendship and my immense respect for him. It has been an honor for me to serve with him on this committee. But at this point, it has been a particular honor to get to know the majority leader even better and to see how effective his leadership has been in leading us through very, very difficult times to something which will benefit all of us as Members, and the country as a whole.

Mr. SIMPSON addressed the Chair.

The PRESIDING OFFICER. The assistant majority leader.

Mr. SIMPSON. Mr. President, I will be very brief. It has been a distinct pleasure for me to work with this majority leader, and with Members on both sides of the aisle. I have had visited upon me the task of assistant majority leader, and there have been several times in the past few months that I thought it was about the most grisly task ever visited upon me.

Through the patience of ROBERT DOLE, the extraordinary skill of PETE DOMENICI, and the extreme patience of Senator ROBERT BYRD as I went through my chicken dance with him about 10 weeks ago, and made my sincere regret and apology to him on that, I learned to watch his skill, and dovetail in with our majority leader, the awesome figure in this body, assisting us on several occasions—and I deeply appreciate that. And working with ALAN CRANSTON on that side of the aisle, my counterpart, with LAWTON CHILES, and to watch these two who have great regard and affection for each other, Senator DOMENICI and Senator CHILES—it is very real. They get in and do their scrapping, and they come out with a great regard for each other.

So it has been my personal privilege to watch all of that, to see the melding, the generation of the powers and egos. Boy, I tell you, I have seen all of that. I have legislated for 20 years but I must have always been over in the kiddy league box because there are really some heavy hitters in here when they get into the tradeoffs. I thought the leader handled them beautifully. There is one word to characterize him in his completeness. It is patience, patience, patience. He has that. He involves the rest of us in it just like you do when you are running a platoon or a company. You have to let the troops know what is up.

Part of the delay tonight was to let the troops know what was up. I obviously was fruitful. We have lots remaining to do. The Democrats are going to help us do it. We have authorization. We have appropriations, and we are going to require mutual respect, bipartisanship, and patience, patience, patience as we go about actually practicing these things that we put forward on this resolution. It has been my great privilege to be part of it.

Mr. President, let me also add my thanks to David Stockman, the most unique and capable man I have known in my 20 years of legislating. He has never been caught short in all the time I have seen him in action. A most extraordinary individual in every way. He is very dogged and very persistent—and absolutely unflappable, even when they are "raining" it on him. He always has his facts and figures ready at his fingertips. And amid all of this, he has welcomed the arrival of his new baby daughter, Rachel.

I thank the Chair.

Mr. CHAFEE addressed the Chair.

The PRESIDING OFFICER. The Senator from Rhode Island.

Mr. CHAFEE. Mr. President, this, I think, has been a very fine evening, and indeed a very fine past 2 months for the Senate. I think the proposals that have come before this body have been good ones. I think that the senior Senator from Florida has been very responsible in the measures that he has presented here. They have given us a different approach from that which the majority side chose to follow. But it seems to me that nonetheless they are extremely responsible, and the minority leader himself has said that their accent was on trying to arrive at the objective that we are all seeking, which is to reduce these deficits.

In the final analysis, we chose the approach that was sponsored by the majority side. I agreed with that. I think it is the best. But that is no way to denigrate the proposals that were presented by Senator BYRD and by Senator CHILES.

I do hope that these proposals will survive because it seems to me that the essential objective is to reduce these deficits so that the Nation can move forward. When we are all through with this, it seems to me that the great heroes of the effort, as we see it anyway, are Senator DOLE and Senator DOMENICI. They have exhibited, as the whip said, extraordinary patience. They have consulted everyone. Everybody certainly on our side has had their chance to express their views. I personally would like to express my respect, gratitude, and indeed affection for what both of those gentlemen have done. I think they have provided us with tremendous leadership, and I just hope that this package will survive through the House, because I think it is good for our Nation.

Mr. ARMSTRONG addressed the Chair.

The PRESIDING OFFICER. The Senator from Colorado.

Mr. ARMSTRONG. I want to join in the general congratulations to our leaders. Every bill that goes through here is a landmark piece of legislation to somebody or other. But I cannot recall a time when we have ever acted on a budget resolution when I thought it held so much lasting significance. I do not have the faintest idea what is going to happen when this gets to the House, although I hope they will pass it. But I believe that we have set the stage tonight over the last several weeks for a real important departure in American public policy. And I do congratulate not only the leader and the chairman, but in fact every Senator who has spoken in the last few minutes.

I especially want to echo, Mr. President, what the Senator from Rhode Island has said about the contribution made by the minority. I have said in some other forums—and I want to conclude my comments tonight by pointing out that the minority did not run away from the problem, as they might well have done. I especially congratulate the Senator from Florida because it would have been very easy for him and for others on his side of the aisle to just take a negative position and be against whatever came out of the Republican caucus.

Indeed, for the most part, the Democrats were against Republican proposals, but they went beyond that to offer some solid and thoughtful approaches, which, although not adopted, in fact greatly influenced the final outcome.

I believe that is a hopeful sign for actually writing the implementing legislation which I expect to flow out of this.

I also want to say, Mr. President, that everything which has already been said about the majority leader and the Budget chairman I echo, endorse, and double, and redouble with spades their patience, their courtesy, their good humor, their consummate legislative skill, intellectual horsepower and integrity which they have brought to this. It has been marvelous. I compliment them and congratulate the Senate.

Mr. BOSCHWITZ addressed the Chair.

The PRESIDING OFFICER. The Senator from Minnesota.

Mr. BOSCHWITZ. Mr. President, I want to join particularly in the remarks that my friend from Colorado has just made. As much as lauding the distinguished chairman and the majority leader, I want to laud the minority for their efforts. Really, in the past month, we have made a vital and important turn in the direction that our Government is taking. I think this evening will be one of lasting significance in the next years of our national existence.

I also want to join those who lauded the distinguished Senator from Florida. He wanted the same goals that we did. He saw a different path, as did other Members of the minority. I agree with the Senator from Colorado that important and constructive alternatives were indeed offered.

There is one other person who played a key role, Mr. President—David Stockman. He is very often not lauded, but his skills are great. While I often find myself disagreeing with him, nevertheless the skills that he brings to the budget process are virtually unmatched. I think he, too, deserves much of the credit. He represents the administration with great skill.

I laud both the leader on our side and the leader on the minority side. Both wanted the same goals. A great goal has been achieved, a historic goal, in my judgment. I think that the country will be better for it.

Mr. BYRD addressed the Chair.

The PRESIDING OFFICER. The Democratic leader.

Mr. BYRD. Mr. President, I am now in my 27th year in the Senate. I do not think I have witnessed a more interesting drama in this body than the debate and vote on this resolution.

I again congratulate the distinguished majority leader in winning a well-deserved victory. He has at all times displayed equanimity and good humor during this long debate. I believe that the friendship that exists between the two of us has been strenthened by the events of these recent days.

I like BOB DOLE. I have said to a lot of people that he would do well as majority leader.

I shall go home this morning feeling that both sides in this fight have acquitted themselves in an admirable way.

I wish also to express my congratulations to the distinguished chairman of the committee [Mr. DOMENICI], who at all times displayed a congeniality and

amiability for which he is to be admired and commended.

I thank Mr. CRANSTON, the minority whip. His outstanding talent as a vote counter, and his hard work were important to our party effort. Moreover, he displayed great skill and dedication as he worked on this side of the aisle to promote what we on this side perceived as being in the people's best interests.

I thank Mr. INOUYE, our distinguished Secretary of the Democratic Conference, who, in his quiet, able way, was able to contribute very considerably to the strategy and policy that guided our party during the debate.

Then, too, I thank JOHN MELCHER who, although he lost his father, today, stayed in the Senate to see the battle through, to participate, to stand by his post of duty and quietly contribute in a great way to further and protect the interests of the people of his State and country.

Earlier I had spoken about JOHN STENNIS, who is a great Senator. I have often said he looks like a Senator, talks like a Senator, acts like a Senator, and is a Senator's Senator. His unfailing sense of duty was shown here tonight.

Then there are the members of the staff. I thank the members of the Democratic Policy staff working under the supervision of Susan Manes, who have helped us all in these recent days.

I thank my own executive director, Barbara Videnieks, whose ability and unflagging dedication were a pillar of strength to me and my staff.

I thank the staff of the Budget Committee also. They worked with my staff and were most helpful to us. Mr. CHILES and all of us can be very proud of the skillful, courteous members of his staff.

Now let me close by commending the distinguished ranking manager on this side of the aisle, LAWTON CHILES.

LAWTON has demonstrated time and time again his ability. He does his homework. He is a seasoned, veteran legislator. He has that uncommon common sense that is so often missing. LAWTON has extremely good political sense, and he is an excellent floor manager.

He has a thorough knowledge of the budget itself, and I do not think anyone else on this side of the aisle, other than perhaps these Senators who are on the Budget Committee, could equal his knowledge of the budget and its complexity.

I am proud to be able to follow LAWTON CHILES as he leads us again and again in these tough budget battles.

I shall try to remember a bit of verse that I would like to recall for LAWTON inasmuch as I believe it would be appropriate at this moment when we look back upon his work over the past recent days of floor work.

Then when a man does a deed that you really admire,
Don't leave a kind word unsaid
For fear to do so might make him vain,
And cause him to lose his head.
But reach out your hand
And tell him, "Well done!"
And see how his gratitude swells.
It isn't the flowers that we strew on the grave;
It's the word to the living that tells.

We are not supposed to speak to other Senators in the second person during floor debate, but I think we can be excused for doing so at 3:30 in the morning on this Friday: LAWTON, you did a great job. Just as I said about our colleagues a little earlier, particularly with reference to JOHN STENNIS: You fought a good fight, you finished the course, and you kept the faith.

Mr. President, I hope all Senators will forgive me and indulge me another 30 seconds. If I were to go down the list of all who are entitled to praise on this side, I would have to call the names of 46 Senators, not counting myself, but I must not overlook the excellent work done by our distinguished chief deputy whip, SPARKY MATSUNAGA. I guess I can be forgiven for almost overlooking him, because he nearly scared me out of my wits a little earlier tonight. I was afraid he was not going to make it here. But he arrived and cast his vote, which was the tying vote.

SPARKY, you and all the other whips, did great work, and I just cannot say enough to adequately thank you.

Mr. President, I also praise the majority whip, ALAN SIMPSON. He is a hard worker, because he likes his work. He is an effective and able Senator, and he is entitled to our respect and our thanks.

The PRESIDING OFFICER. The Senator from Florida.

Mr. CHILES. Mr. President, but for the fact of losing, this has been a very, very pleasant time for me in these last few minutes. The majority has been most kind in their remarks, and they are certainly appreciated. I accept those not only for myself but also for all of the Members on this side and our staff who, I think, worked so long and so hard.

I do not want to delay this, but my good friend, PETE DOMENICI, I have the greatest respect and admiration for. I sort of bask in his triumph tonight because I think it is so well-earned. I know how hard he has been working on this to try to put this package together. I think it is a very, very major package.

I think that it also sets the momentum that there is going to be something come out of this Congress. I think the House will respond to this package and I think that, as a result of it, it will bode for the country as we get to the product, both of us together.

I certainly congratulate the majority leader for a most well-earned and tremendous victory that I think he has tonight, and to the whole majority side. They certainly were most cohesive. I have seen a lot of these fights and we always seem to lose by one vote. That sort of tells you that when you all go after something, you pay just enough to get it. You do not leave a lot on the table. That is probably pretty wise, too.

I want to say to my good friend, ROBERT BYRD, I want to just tell him how much I have enjoyed working with him through this battle. The press likes to make a lot out of nothing that they can make something out of at times. I think that at all times through this battle, I know his No. 1 interest was, first, the country; second, that we were going to have something meaningful; and, third, trying to lead the Democrats and trying to have us be cohesive and stay together and be informed. I suspect we had more caucuses in this last 2 weeks than at any time I can ever remember, and I think our troops appreciated that. I think the result showed we were very nearly perfect. I do not think you can come much closer. I enjoyed working with him so much and I appreciated his tremendous skill and ability as he shepherded us through.

We had an awful lot of help from a lot of people on our side and I enjoyed that. I cannot say enough about our staff and the work they did, because they did a lot of backing us up on this.

Mr. DOLE. Mr. President, let me indicate that we started this Senate Concurrent Resolution 32 on Monday, April 22, 1985; we considered it for 11 days. We finished it at 3:07 a.m., this morning. We spent 71 hours, 13 minutes on this measure. We had 42 rollcall votes. We considered 44 amendments, agreed to 15, rejected 12, tabled 12, and 5 fell somewhere—not in order, temporarily laid aside, or may still be pending.

It is a pretty good piece of work, and I want to join in thanking all my colleagues for their generous remarks and indicate that it has been a very interesting experience.

I must confess that I did not know, when the rollcall started, if I had the votes. I will be very honest with the distinguished minority leader and others.

I thank the distinguished Presiding Officer for getting us started on this resolution because he understands parliamentary procedure better than this Senator. He volunteered to preside for about 6½ hours in the early days when we started to build that tree. I thank the distinguished Senator from Alaska [Mr. STEVENS].

I would be remiss if I did not mention very early the distinguished Senator from California [Mr. WILSON], who made a rather unusual appearance. When I visited with him this morning by telephone—he had just had surgery yesterday—he almost immediately indicated that if the doctor permitted, he wanted to be here because he felt so strongly about the issue.

I must say that, even though the leader is recognized as having accomplished something, without the efforts of the chairman of the Committee on the Budget and the Budget Committee and our little core group and the hundreds of meetings we had, with everyone involved, I doubt that we could have succeeded. So I want to pay a special tribute to my friend, PETE DOMENICI.

PETE, you started the whole process in the Budget Committee and went up and down the hill, up and down the ladder. You had a lot of help from the distinguished Senator from Washington and the distinguished Senators from Colorado and Minnesota. They have been very helpful.

One Member who never failed attending meetings and all the caucuses was the distinguished President pro tempore, Senator THURMOND, who was there almost every session, lending his support for deficit reduction. He made some very difficult choices in providing leadership and persuading some of our colleagues to give up a little, give a little, if we are going to get this done. The entire leadership team on the Republican side—Senator CHAFEE, again, made certain that, as Republicans, we did not fail in our responsibilities to education and the handicapped, two vulnerable groups. I think through his leadership, we have been able to preserve those programs without any substantial reduction.

Finally, to my right arm, AL SIMPSON, who really has gone the extra mile, visiting with colleagues on both sides of the aisle and, on a daily basis, visiting with me, I appreciate it very much. I will say so time and again, I am certain.

I want, too, to congratulate and thank my friend, ROBERT BYRD, the distinguished minority leader. I learn a lot every day I come in here—a little slow, but much of it just listening to the distinguished minority leader. We do have a good relationship. We are good friends. I recall my first visit; I indicated to Senator BYRD that there would be no surprise parties, and there have not been any surprise parties.

I have indicated—in fact, I made certain a few hours ago that I gave him a little copy of what our package would be, even before many Republicans had had a chance to look at it.

I respect the minority leader and his knowledge and his wisdom and his friendship.

I thank the ranking member of the Budget Committee. Obviously, we have been friends and I hope that friendship continues because we are going to need a lot of help. As he has indicated, this is sort of the launching and there is going to be a great deal to do.

I appreciate Senator MATSUNAGA being here. As I indicated when he came in late, we did not dare let him miss that vote or we would not get any more macadamia nuts. So we were prepared to hold off for a while.

And to many, many others—and I will have a more extensive statement for the RECORD on Tuesday particularly praising my own staff, my staff director, Rod DeArment, Sheila Burke, and many others on our staff, Steve Bell and his crew on the Budget Committee, to Bob Dove and others in the Parliamentarian's Office and all the others who worked with me on a daily basis, Howard, John, and Elizabeth, and many others, we appreciate everybody's untiring efforts. So it is over, the first is over.

I understand the President is about to call me and PETE DOMENICI. It is 20 to 11 in Portugal. I think that is where he is. So we will wrap this up.

I do want to thank Senator BOSCHWITZ. He was, again, in almost every meeting. He was putting together a little package with Senator BOREN in case ours went down the drain. He was ready to go. But he was also supporting our efforts, and that was very important to us. He did a lot of good work for the American farmer, and we appreciate that.

I do not want to overlook David Stockman—someone else mentioned him—who knows more about the Federal Government and its programs than anyone in my memory. If he is not right, I would not know how to prove it. You can bring up any program, and he gives you the book, page, and verse. It is amazing to watch. I think he certainly deserves our collective thanks.

ROUTINE MORNING BUSINESS

(During the day routine morning business was transacted and additional statements were submitted, as follows:)

MESSAGES FROM THE HOUSE

At 3:30 p.m., a message from the House of Representatives, delivered by Mr. Berry, one of its reading clerks, announced that the House agrees to the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H.R. 1869) to repeal the contemporaneous recordkeeping requirements added by the Tax Reform Act of 1984, and for other purposes.

The message also announced that the House has passed the following joint resolution, with amendments, in which it requests the concurrence of the Senate:

S.J. Res. 61. Joint resolution to designate the week of May 1, 1985, through May 7, 1985, as "National Osteoporosis Awareness Week".

The message also announced that the House has passed the following joint resolution, without amendment:

S.J. Res. 59. Joint resolution to designate "National Science Week".

The message further announced that pursuant to the provisions of section 3(a) of Public Law 86-380, the Speaker appoints as members of the Advisory Commission on Intergovernmental Relations the following Members on the part of the House: Mr. WEISS, Mr. LEVIN, and Mr. WALKER.

The message also announced that pursuant to the provisions of section 1 of Public Law 94-371, as amended, the Speaker appoints as members of the Franklin Delano Roosevelt Memorial Commission the following Members on the part of the House: Mr. PEPPER, Mr. SCHEUER, Mr. FISH, and Mr. GREEN.

MEASURES PLACED ON THE CALENDAR

The following bill was read the first and second times by unanimous consent, and placed on the calendar:

H.R. 2268. An act to approve and implement the Free Trade Area Agreement between the United States and Israel.

ENROLLED JOINT RESOLUTIONS PRESENTED

The Secretary of the Senate reported that on today, May 9, 1985, she had presented to the President of the United States the following enrolled joint resolutions:

S.J. Res. 53. Joint resolution to authorize and request the President to designate the month of June 1985 as "Youth Suicide Prevention Month";

S.J. Res. 60. Joint resolution to designate the week of May 12, 1985, through May 18, 1985, as "Senior Center Week";

S.J. Res. 64. Joint resolution to designate the week beginning May 5, 1985, as "National Correctional Officers Week";

S.J. Res. 65. Joint resolution designating the month of November 1985 as "National Alzheimer's Disease Month";

S.J. Res. 83. Joint resolution designating the week beginning on May 5, 1985, as "National Asthma and Allergy Awareness Week"; and

S.J. Res. 94. Joint resolution to designate the week beginning May 12, 1985, as "National Digestive Diseases Awareness Week".

EXECUTIVE AND OTHER COMMUNICATIONS

The following communications were laid before the Senate, together with accompanying papers, reports, and

documents, which were referred as indicated.

EC-1100. A communication from the Secretary of Housing and Urban Development, transmitting, pursuant to law, the quarterly report on the Community Development Block Grant Jobs Program dated May 1985; to the Committee on Banking, Housing, and Urban Affairs.

EC-1101. A communication from the Secretary of Housing and Urban Development, transmitting a draft of proposed legislation to amend certain Federal laws relating to public housing to deregulate the program, returning it to local control, and to provide reliability for funding for capital improvements through the use of formula funding and for other purposes; to the Committee on Banking, Housing, and Urban Affairs.

EC-1102. A communication from the Secretary of Commerce, transmitting a draft of proposed legislation to amend the Magnuson Fishery Conservation and Management act, as amended, to authorize appropriations for fiscal years 1986 and 1987, and for other purposes; to the Committee on Commerce, Science, and Transportation.

EC-1103. A communication from the Director of the Office of Management and Budget, Executive Office of the President, transmitting a draft of proposed legislation to integrate the Office of Federal Procurement Policy more closely with the Office of Management and Budget, to vest the duties and functions of the Administrator for Federal Procurement Policy in the Director of the Office of Management and Budget, and for other purposes; to the Committee on Governmental Affairs.

EC-1104. A communication from the Director of the Office of Management and Budget, Executive Office of the President, transmitting a draft of proposed legislation to amend title 5, United States Code, to ensure the equitable application of a General Schedule alternative plan to certain other Federal employees, and for other purposes; to the Committee on Governmental Affairs.

EC-1105. A communication from the Governor of the Farm Credit Administration, transmitting, pursuant to law, the annual report of the Farm Credit Administration under the Freedom of Informaiton Act for calendar year 1984; to the Committee on the Judiciary.

EC-1106. A communication from the Secretary of Education, transmitting, pursuant to law, final regulations for the Pell Grant Program Cost of Attendance for 1985-86 and 1986-87; to the Committee on Labor and Human Resources.

EC-1107. A communication from the Secretary of Education, transmitting, pursuant to law, final regulations for the Pell Grant Program Family Contribution Schedule for 1986-87; to the Committee on Labor and Human Resources.

EC-1108. A communication from the Secretary of the Interior, transmitting, pursuant to law, the annual report of the Mineral Institute for 1984; to the Committee on Labor and Human Resources.

EC-1109. A communication from the Administrator of Veterans' Affairs, transmitting a draft of proposed legislation to amend title 38 of the United States Code to provide for the right of the United States to collect the costs of hospital, nursing home, or outpatient medical care furnished by the Veterans' Administration to veterans with no service-connected disabilities to the extent that they have health insurance or similar contracts or rights with respect to such care and for other purposes; to the Committee on Veterans' Affairs.

PETITIONS AND MEMORIALS

The following petitions and memorials were laid before the Senate and were referred or ordered to lie on the table as indicated:

POM-200. Joint resolution adopted by the Legislature of the State of Oregon; to the Committee on Agriculture, Nutrition, and Forestry:

"SENATE JOINT MEMORIAL 2

"To the President of the United States, the Secretary of Agriculture and the Senate and House of Representatives of the United States of America, in Congress assembled:

"We, your memorialists, the Sixty-third Legislative Assembly of the State of Oregon, in legislative session assembled, respectfully represent as follows:

"Whereas the United States Office of Management and Budget has proposed to eliminate funding for many conservation programs; and

"Whereas the proposal includes severe cutbacks for the United States Soil Conservation Service; and

"Whereas the United States Soil Conservation Service provides technical expertise to the conservation districts of Oregon; and

"Whereas United States Soil Conservation Service programs administered through conservation districts include erosion control, flood control, snow surveys and water supply forecasting, cost-share for conservation practices, reclamation of abandoned mines, resource conservation and development in urban areas, and conservation of our natural resources; and

"Whereas productive soil and clean water are vital to the survival of humankind; and

"Whereas the operation of the United States Soil Conservation Service is highly beneficial; now, therefore, be it

"Resolved by the Legislative Assembly of the State of Oregon:

"(1) That the President, the Secretary of Agriculture and the Congress are respectfully memorialized to assure that the United States Soil Conservation Service be continued in its existence and to assure that all measures necessary be taken to provide for the continuance of its programs and functions.

"(2) A copy of this memorial shall be sent to the President of the United States, the Secretary of Agriculture and to each member of the Oregon Congressional Delegation."

POM-201. A resolution adopted by the Senate of the State of Hawaii; to the Committee on Agriculture, Nutrition, and Forestry:

"SENATE RESOLUTION

"Whereas, for many years, the federal Soil Conservation Service has aided in the development of Hawaiian agriculture by providing invaluable services to farmers and ranchers such as soil analysis and on-site technical assistance regarding the employment of land management and cultivation techniques, materials, and equipment appropriate for a particular soil type which promote soil conservation and at the same time allows optimum use of the land; and

"Whereas, 15 soil and water conservation districts have been established in the State pursuant to Chapter 180, Hawaii Revised Statutes; and

"Whereas, each district administers and conducts soil and water conservation activities in cooperation with county, state, and federal agencies; and

"Whereas, each district works closely with the federal Soil Conservation Service which in addition to providing technical advice to farmers and ranchers, also plans and constructs water resource projects under county and state sponsorship; and

"Whereas, these projects include water shed projects in the planning or construction phase on Maui, Hawaii, and Oahu; river basin studies on Kauai, Maui, and Hawaii; and resource conservation and development measures on Molokai, Maui and Hawaii; and

"Whereas, the federal government is now proposing a massive reduction in the staffing and budget for the Hawaii Office of the Soil Conservation Service which includes a reduction of the staff from thirty-two to ten persons and a cut of the present $2 million construction fund budget for flood control and irrigation systems to approximately $400,000; and

"Whereas, the proposed budget cut would also abolish Public Law 566, which has provided more flood control protection to the State than any other program; and

"Whereas, the federal government is further proposing to eliminate most of the programs concerning soil and materials technical assistance and approximately two-thirds or $500,000 of the project planning budget; and

"Whereas, these reductions affecting the federal Soil Conservation Service will have an adverse effect on Hawaii's farmers and ranchers who depend on the Soil Conservation Service for technical advice and assistance; and

"Whereas, a cutback on Soil Conservation Service assistance may also affect the Legislature's ability to evaluate the impending test and use of the Land Evaluation Site Assessment (LESA) agricultural land classification system; now, therefore, be it

Resolved by the Senate of the Thirteeth Legislature of the State of Hawaii, Regular Session of 1985, That the Legislature recognizes the importance of the Hawaii Office of the Soil Conservation Service to Hawaiian agriculture and expresses its support for its continued services in the future without reductions; and

Be it further resolved that the President of the United States, the United States Congress, and the Hawaii Congressional Delegation are urged to prevent any reduction in the staffing and funding levels of the Hawaii Office of the Soil Conservation Service and to maintain the present level of funding; and

Be it further resolved that certified copies of this Resolution be transmitted to the President of the United States, the President Pro Tempore of the United States Senate, the Speaker of the United States House of Representatives, the Hawaii Congressional Delegation, and the Hawaii Office of the Soil Conservation Service."

POM-202. A resolution adopted by the City Council of Jacksonville, Florida urging Congress to continue to fund the Job Corps Program in the 1986-1987 Federal Budget; to the Committee on Appropriations.

POM-203. Joint resolution adopted by the General Assembly of the State of Tennessee; to the Committee on Appropriations:

"SENATE JOINT RESOLUTION No. 35

"Whereas, The Tennessee Valley Authority should contribute its fair share in reducing the federal deficit, but the Tennessee Valley Authority should also receive its fair share of funds to continue to fulfill its mandated economic and resource development functions in the Tennessee Valley; and

"Whereas, The Tennessee Valley region in general and the State of Tennessee in particular have suffered longer under the recessionary impact of the 1980's than have other parts of the nation; and the high levels of unemployment in the Tennessee Valley are contributing to the federal deficit problem by reducing the number of dollars that a fully recovered Tennessee Valley economy would be circulating back into the federal treasury; and

"Whereas, The Tennessee Valley Authority non-power programs funded by the federal government address regional resource and economic development programs that threaten to slow down the recovery of the states served by the TVA, including problems in water quality management, aquatic weed control, soil erosion control, agricultural development, forestry and wildlife management and recreation development; and

"Whereas, The efforts of the Tennessee Valley Authority to combat the aquatic weed infestation of its reservoirs—notably of Nickajack, Watts Bar, and Chickamauga reservoirs in the eastern part of Tennessee—are necessary if TVA lakes are to continue to be a valuable recreational and tourism resource in this state and region; and

"Whereas, The Tennessee Valley Authority's National Fertilizer Development Center in Muscle Shoals, Alabama, is the nation's only laboratory for advanced fertilizer research; three quarters of the fertilizers used in this country today are based on National Fertilizer Development Center developments; and the Center has contributed substantially toward increasing farm yields, maintaining our national balance of trade and helping fight the problem of hunger throughout the world; and

"Whereas, The Tennessee Valley Authority has worked cooperatively with state and federal agricultural agencies to fight severe soil erosion problems in West Tennessee which has some of the most erosive soils n the country; and these erosive soils threaten farm productivity and pose run-off and sedimentation dangers for free-flowing streams; and

"Whereas, The management and operation by the Tennessee Valley Authority of Land Between the Lakes, the 170,000 acre outdoor recreation and tourism laboratory in western Tennessee and Kentucky, has turned that area into a major national tourism attraction which last year was visited by people from all 50 states; and

"Whereas, The Tennessee Valley Authority's assistance in the form of energy management surveys, employee training, financial resource identification, and other types of analysis to small and medium-sized businesses that wish to expand has contributed to the creation of 2,490 new jobs during fiscal year 1984; and

"Whereas, The State of Tennessee in particular would face severe budgetary pressure if it were asked to assume responsibility for TVA initiatives in detecting water quality problems, in managing the recreational areas around TVA reservoirs, in combatting aquatic weeds, in orphan mine reclamation, or in managing Land Between the Lakes; and

"Whereas, Many of the programs of the Tennessee Valley Authority, including managing the dam, lock and reservoir system on the Tennessee River, managing Land Between the Lakes, and conducting research in agricultural and fertilizer development, are all producing national as well as regional benefits, and the federal treasury also receives a substantial return on these investments in the form of the increased tax revenues that result from increased economic activity in the Tennessee Valley states; and

"Whereas, The members of the Ninety-fourth General Assembly of the State of Tennessee recognize the need for the federal government to seek effective methods in dealing with the current deficit crisis and at the same time the need for the Tennessee Valley Authority to perform its necessary functions in the most efficient way possible; now, therefore, be it

Resolved by the Senate of the Ninety-Fourth General Assembly of the State of Tennessee, the House of Representatives concurring, That the members of the Ninety-fourth General Assembly of the State of Tennessee go on record as opposing any unwarranted reduction of funding for the Tennessee Valley Authority and urge the members of the United States Congress to take appropriate action to preserve the funding for the Tennessee Valley Authority at a level which will be sufficient to continue its present programs.

Be It Further Resolved, That a copy of this resolution be sent to each member of the Tennessee Congressional Delegation, to the Speaker of the United States Senate, to the Speaker of the United States House of Representatives, and to the President of the United States."

POM-204. A resolution adopted by the Senate of the State of Michigan; to the Committee on Banking, Housing, and Urban Affairs:

SENATE RESOLUTION No. 120

"Whereas, On June 4, 1984, Dr. Martha Seger was appointed by President Reagan to the United States Federal Reserve Board of Governors. Governor Seger appeared before the Senate Committee on Banking, Housing, and Urban Affairs from June 19 to June 22, 1984, and, on June 28th of that year, that committee voted 10-8 to report the Seger nomination favorably to the entire Senate. Following the submission of minority party views and the adjournment of Congress. Dr. Seger was given a recess appointment and took her oath of office on July 2, 1984. On January 3, 1985, this appointment was resubmitted and is currently before the Senate of the Ninety-ninth Congress of the United States of America; and

"Whereas, A graduate of the University of Michigan, Martha Seger earned her doctorate in business economics and finance in 1971. Her impressive academic credentials also include her work as an associate professor at Oakland University. Her scholarly accomplishments have been complemented by her impeccable record in the private sector as an economist and officer with several financial institutions, including the Detroit Bank and Trust Company and the Bank of the Commonwealth. Recognized in 1976 by Business Week magazine as one of the top corporate women in the country, Dr. Seger has engaged in extensive consulting work with a number of companies across the country. Her previous experience also includes her excellent service as a financial economist to the Board of Governors of the Federal Reserve System from 1964 to 1967; and

"Whereas, The State of Michigan benefited directly from her experience and dedication during her excellent tenure as Commissioner of the Financial Institutions Bureau. In this position, she was responsible for directing the Bureau's commitment to the financial integrity of 240 state-chartered banks, thirty-one state-chartered savings and loan institutions, 598 credit unions, and several hundred consumer finance companies in Michigan. In many areas, especially in her support for more streamlined policies, her efforts continue to contribute to the financial institutions of this state; and

"Whereas, In view of her tremendous academic and professional accomplishments and her proven leadership, it would be most appropriate that Dr. Seger's appointment to the United States Federal Reserve Board be approved forthwith; now, therfore, be it

"*Resolved by the Senate,* That the members of this legislative body hereby memoralize the United States Senate to favorably advise and consent to the appointment of Dr. Martha Seger to the United States Federal Reserve Board of Governors; and be it further

"*Resolved,* That copies of this resolution be transmitted to the members of the United States Senate Committee on Banking, Housing, and Urban Affairs, the President of the United States Senate, and the Senate members of the Michigan congressional delegation."

POM-205. Joint resolution adopted by the Legislative Assembly of the State of Oregon; to the Committee on Energy and Natural Resources:

"SENATE JOINT MEMORIAL 13

"We, your memorialists, the Sixty-third Legislative Assembly of the State of Oregon, in legislative session assembled, respectfully represent as follows:

"Whereas the materials to be stored at a nuclear repository may stay dangerously radioactive for thousands of years; and

"Whereas the Federal Government has identified the Hanford Nuclear Reservation as a possible nuclear waste repository; and

"Whereas the site of the proposed Hanford nuclear waste repository is in close proximity to the Columbia River, the water quality of which is vital to the health and welfare of the public and the environment of Oregon; and

"Whereas measurable concentrations of radionuclides have been detected in the Columbia River downstream from the Hanford Nuclear Reservation; and

"Whereas a number of federal agencies have suggested that the Hanford site is potentially unsuitable because of possible contamination of groundwater that flows through the site; and

"Whereas the flow of groundwater from the proposed repository could affect the quality of important aquifers in Oregon; and

"Whereas these concerns affect issues which are vital to the environment and economy of the State of Oregon and the health and safety of its citizens; now, therefore,

"*Be it Resolved by the Legislative Assembly of the State of Oregon:*

(1) The Congress of the United States is memorialized to amend the Nuclear Waste Policy Act, 42 U.S.C.A. § 10101 (1982), to accord to states which could be substantially affected by a nuclear waste repository all rights and privileges of the Act.

"(2) If the Congress of the United States does not amend the Nuclear Waste Policy Act to allow the State of Oregon to address its concerns regarding the health and welfare of its citizens, the state will have no choice but to oppose the proposed Hanford nuclear waste repository.

"(3) Copies of this memorial shall be sent to the President of United States, to the Secretary of Energy and to each member of the Oregon Congressional Delegation."

POM-206. A resolution adopted by the Legislature of the Federated States of Micronesia: to the Committee on Environment and Public Works:

"RESOLUTION

"Whereas, certain programs of the Farmers Home Administration have been extended to the States of Truk, Pohnpei, and Yap in the Federated States of Micronesia for a number of years; and

"Whereas, these programs have played an extremely important role in meeting the housing needs of the citizens of the Federated States of Micronesia; and

"Whereas, the State of Kosrae in the Federated States of Micronesia has not in the past received the benefits of Farmers Home Administration programs, even though the citizens of Kosrae have the same housing needs as the citizens of the other three Federated States of Micronesia States of Pohnpei, Truk and Yap; and

"Whereas, the Federated States of Micronesia housing stock is deteriorated and inadequate to meet the needs of citizens of the Federated States of Micronesia; Now, therefore,

"Be it Resolved, by the Seventh Chief Executives' Conference that the U.S. Congress is urged to take the authorization and appropriation actions necessary for the Farmers Home Administration to continue and expand programs in the Federated States of Micronesia now and after the effective date of the Compact of Free Association and to extend such programs to the State of Kosrae; and

"Be it further Resolved, that certified copies of this resolution be sent to the President of the United States of America, the Speaker of the U.S. House of Representatives, the President Pro Tempore of the United States Senate, the Chairmen and Ranking Minority Members of the appropriate committees of the U.S. Congress, the President's Personal Representative for Micronesian Status Negotiations, the Secretary of the Interior, and the Director of the U.S. Farmers House Administration."

POM-207. A resolution of the Legislature of the State of Minnesota; to the Committee on Environment and Public Works:

"A RESOLUTION MEMORIALIZING THE PRESIDENT AND CONGRESS OF THE UNITED STATES TO TAKE IMMEDIATE STEPS TO REDUCE ACID DEPOSITION

"Whereas, acid deposition is one of the most serious unaddressed environmental problems of the North American continent; and

"Whereas, the Minnesota Legislature in 1982 stated that acid deposition resulting from the conduct of commercial, industrial, and transportation operations both within and without the state poses a present and severe danger to the delicate balance of ecological systems within the state, and that the failure to act promptly and decisively to mitigate or eliminate this danger will result in untold and irreparable damage to the forest, agriculture, water, fish, and wildlife resources of the state; and

"Whereas, the Minnesota Legislature in 1982 passed this nation's first state program to control acid deposition; and

"Whereas, Minnesota businesses and industries have reduced emissions more than 50 percent over the last ten years; and

"Whereas, recent studies indicate that lakes in the Voyageurs National Park, Superior National Forest, and the Boundary Waters Canoe Area Wilderness are highly sensitive to acid deposition; and

"Whereas, acid deposition has a potential of destroying crops, reducing forest productivity, debilitating aquatic life cycles, and corroding metals and man-made structures; and

"Whereas, acid deposition can contribute to the increasing levels of heavy metal concentrations in surface and groundwaters which can pose a threat to human health; and

"Whereas, acid deposition that may cause acidification of lakes and loss or reduction of game fish threatens the sport-fishing industry of Minnesota; and

"Whereas, the pollutants responsible for acid deposition can be carried hundreds of miles from their source which reflects the national and international nature of the acid deposition problem; and

"Whereas, approximately 70 percent of acidic deposition in Minnesota results from sources outside the state of Minnesota; and

"Whereas, the current federal Clean Air Act and Environmental Protection Agency regulations do not specifically address the acid deposition issue or provide relief to states like Minnesota that are significantly affected by the long-range transport of air pollutants; and

"Whereas, the State of Minnesota has entered into a memorandum of understanding with the Province of Ontario for the purpose of sharing scientific data and technical expertise, collaborating on efforts to develop a better understanding of the causes and effects of acid deposition, and on the establishment of integrated national action plans to reduce and prevent emissions; and

"Whereas, Canada has announced the adoption of a comprehensive emission reduction and funding package to combat the acid deposition problem by mounting an aggressive effort to reduce sulfur dioxide emissions by 50 percent by 1994, and in so doing, recognized the threat posed by acid deposition; and

"Whereas, present and future generations of Minnesotans will be adversely affected by any delay in establishing federal controls of emissions that cause acid deposition; Now, therefore,

"Be it resolved by the Legislature of the State of Minnesota that the President and Congress should take immediate action to reduce the emission of pollutants that cause acid deposition by amendment to the Clean Air Act, or by separate comprehensive legislation, and by providing adequate funding to the Environmental Protection Agency for monitoring and enforcement.

"Be it further resolved that the Secretary of State of Minnesota is instructed to transmit enrolled copies of this memorial to the President of the United States, the President and the Secretary of the United States Senate, the Speaker and the Chief Clerk of the United States House of Representatives, to Minnesota's Senators and Representatives in Congress, and to the Canadian Ambassador to the United States."

POM-208. A resolution adopted by the Louisiana Garden Club Federation, Inc. relating to the cultivation of wildflowers on our highways; to the Committee on Environment and Public Works.

POM-209. A resolution adopted by the commission of the city of Miami, FL, opposing the freedom fighters of Nicaragua who are fighting against the Marxist-Communist regime in that country; to the Committee on Foreign Relations.

POM-210. A resolution adopted by the Senate of the State of Delaware; to the Committee on Labor and Human Resources:

"SENATE RESOLUTION No. 29

"Whereas, Section 11(d) of the Fair Labor Standards Act, 29 U.S.C. 211(d), empowers the Secretary of Labor and/or the Administrator of the Wage and Hour Division of the Department of Labor to issue orders for the regulation of commercial homework; and

"Whereas, those officials, acting pursuant to that authority, have issued orders categorically prohibiting homeworkers from engaging in broad categories of commercial activity; and

"Whereas, the effect of that prohibition has been to deprive untold numbers of individuals who prefer to work at home, such as mothers with young children, of the opportunity to be gainfully employed; and

"Whereas, those who support the prohibition of homework seek to justify that infringement of the individuals's right to work by arguing that homework presents the opportunity for abuse; and

"Whereas, that argument is without merit since there is no instrumentality known to man that cannot be misused, a fact that does not warrant the indiscriminate circumscribing of individual liberty; and

"Whereas, no rational legislative objective is served by, in effect, forcing employees out of the home and into the factory or office; and

"Whereas, the American economy has entered a new phase characterized by the widespread use of computers and the electronic processing of information; and

"Whereas, this burgeoning electronic age promises to dramatically alter the traditional work-place by enabling many to earn a livelihood in the home through the use of computer terminals; and

"Whereas, this change in the commercial landscape has introduced a new category of employee, the telecommuter, who, armed with a personal computer terminal, is gainfully employed in the comfort and convenience of the home; and

"Whereas, those who seek to prohibit homework are already endeavoring, through federal regulation, to stifle this new field of opportunity.

"Be it resolved by the Senate of the 133rd General Assembly of the State of Delaware that the President of the United States, the Senate of the United States, the United States House of Representatives, and the Secretary of Labor be, and those gentlemen and bodies hereby are, respectfully petitioned to take the necessary action to rescind existing orders and regulations prohibiting commercial homework, to refrain from extending such prohibition to additional categories of activity, and thus to guarantee to those individuals who choose to pursue gainful employment in the home the freedom to do so."

POM-211. A resolution adopted by the Nebraska Unicameral Legislature; to the Committee on Veterans' Affairs:

"LEGISLATIVE RESOLUTION 109

"Whereas, the recently enacted Veterans Educational Assistance Act of 1984 does not provide for practical on-the-job training, and since 1944 literally hundreds of thousands of Nebraska veterans have received some form of training under the "G.I. Bill"; and

"Whereas, historically, practical on-the-job training is accepted as the most successful method of preparing quality job recipients, and some employers require a satisfactory period of on-the-job training; and

"Whereas, many areas of skill and training are not available in educational institutions; and

"Whereas, a high percentage of high school graduates do not desire or have aptitude for college; and

"Whereas, the cost of apprenticeship training has historically cost the government less while the benefits accruing to American business and industry have been substantial; and

"Whereas, there is a present need for apprenticeship and on-the-job training programs as evidenced by the enactment of the Emergency Veterans Job Training Act of 1983; and

"Whereas, the interests of all those not desiring institutional education would best be served by practical apprenticeship and on-the-job training programs. Now, therefore, be it

Resolved by the members of the eighty-ninth legislature of Nebraska, first session:

"1. That the Legislature urges Congress to amend the Veterans Educational Assistance Act of 1984 to include apprenticeship and on-the-job training programs.

"2. That copies of this resolution be presented to the Speaker of the House, the President of the Senate, and each member of Nebraska's Congressional delegation."

REPORTS OF COMMITTEES

The following reports of committees were submitted:

By Mr. MATHIAS, from the Committee on Rules and Administration, without amendment:

S. 1117. A bill to authorize appropriations for the Federal Election Commission for fiscal year 1986 (Rept. No. 99-43).

By Mr. MATHIAS, from the Committee on Rules and Administration, without amendment:

S.J. Res. 81. A joint resolution to provide for the appointment of Barnabas McHenry as a citizen regent of the Board of Regents of the Smithsonian Institution (Rept. No. 99-44).

By Mr. MATHIAS, from the Committee on Rules and Administration, without amendment:

S. Res. 159. An original resolution to establish a select committee to study and make recommendations with respect to a two-year budget process (Rept. No. 99-45).

By Mr. PACKWOOD, from the Committee on Finance, without amendment:

S. 1114. An original bill to approve and implement the Free Trade Area Agreement between the United States and Israel.

By Mr. THURMOND, from the Committee on the Judiciary, without amendment and with a preamble:

S.J. Res. 32. A joint resolution to authorize and request the President to designate September 15, 1985, as "Ethnic American Day."

S.J. Res. 40. A joint resolution to designate the month of October 1985 as "National Down Syndrome Month."

S.J. Res. 57. A joint resolution to designate the week of October 20, 1985, through October 26, 1985, as "Lupus Awareness Week."

EXECUTIVE REPORTS OF COMMITTEES

The following executive reports of committees were submitted:

By Mr. THURMOND, from the Committee on the Judiciary:

William H. Opel, of Alaska, to be U.S. Marshal for the District of Alaska for the term of four years.

By Mr. HATCH, from the Committee on Labor and Human Resources:

Hortencia Benavides, of Texas, to be a member of the Board of Directors of the Legal Services Corporation for the remainder of a term expiring July 13, 1986;

Leaanne Bernstein, of Maryland, to be a member of the Board of Directors of the Legal Services Corporation for the remainder of a term expiring July 13, 1986;

Lorain Miller, of Michigan, to be a member of the Board of Directors of the Legal Services Corporation for a term expiring July 13, 1986;

Claude Galbreath Swafford, of Tennessee, to be a member of the Board of Directors of the Legal Services Corporation for a term expiring July 13, 1986;

Robert A. Valois, of North Carolina, to be a member of the Board of Directors of the Legal Services Corporation for a term expiring July 13, 1986;

William Clark Durant III of Michigan, to be a member of the Board of Directors of the Legal Services Corporation for a term expiring July 13, 1986;

Paul B. Eaglin, of North Carolina, to be a member of the Board of Directors of the Legal Services Corporation for a term expiring July 13, 1987;

Pepe J. Mendez, of Colorado, to be a member of the Board of Directors of the Legal Services Corporation for a term expiring July 13, 1987;

Thomas F. Smegal, Jr., of California, to be a member of the Board of Directors of the Legal Services Corporation for a term expiring July 13, 1987;

Basile Joseph Uddo, of Louisiana, to be a member of the Board of Directors of the Legal Services Corporation for a term expiring July 13, 1987; and

Michael B. Wallace, of Mississippi, to be a member of the Board of Directors of the Legal Services Corporation for a term expiring July 13, 1987.

(The above nominations were reported from the Committee on Labor and Human Resources with the recommendation that they be confirmed, subject to the nominees' commitment to respond to requests to appear and testify before any duly constituted committee of the Senate.)

INTRODUCTION OF BILLS AND JOINT RESOLUTIONS

The following bills and joint resolutions were introduced, read the first and second time by unanimous consent, and referred as indicated:

By Mr. SPECTER:

S. 1112. A bill to amend the Internal Revenue Code of 1954 to increase the exemption amount to $2,000; to the Committee on Finance.

By Mr. MATHIAS:

S. 1113. A bill to amend the Internal Revenue Code of 1954 to clarify the extent to which a State, or political subdivision, may tax certain income from sources outside the United States; to the Committee on Finance.

By Mr. PACKWOOD, from the Committee on Finance.

S. 1114. An original bill to approve and implement the Free Trade Area Agreement between the United States and Israel; placed on the calendar.

By Mr. WARNER:

S. 1115. A bill to amend the Internal Revenue Code of 1954 to relieve corporations of the separate mailing requirement for form 1099 statements; to the Committee on Finance.

By Mr. WARNER (for himself and Mr. HOLLINGS):

S. 1116. A bill to amend the Act of October 15, 1982, entitled "An Act to designate the Mary McLeod Bethune Council House in Washington, District of Columbia, as a national historic site, and for other purposes"; to the Committee on Energy and Natural Resources.

By Mr. MATHIAS, from the Committee on Rules and Administration:

S. 1117. A bill to authorize appropriations for the Federal Election Commission for fiscal year 1986; placed on the calendar.

By Mr. BAUCUS:

S. 1118. A bill to amend the Internal Revenue Code of 1954 to increase the earned income credit and to disregard such credit with respect to certain eligibility; to the Committee on Finance.

By Mr. MELCHER (for himself and Mr. BURDICK):

S. 1119. A bill to revise and extend programs to provide price support and production incentives for farmers and assure an abundance of food and fiber, and for other purposes; to the Committee on Agriculture, Nutrition, and Forestry.

By Mr. LEVIN (for himself and Mr. GRASSLEY):

S. 1120. A bill to amend the Internal Revenue Code of 1954 to allow a deduction for additions to reserves for refunds of beverage container deposits; to the Committee on Finance.

By Mr. ANDREWS:

S. 1121. A bill to amend the United States Grain Standards Act to encourage foreign agricultural trade by improving the quality of grain shipped from U.S. export elevator facilities; to the Committee on Agriculture, Nutrition, and Forestry.

By Mr. GRASSLEY:

S. 1122. A bill to modify the project for flood protection on the Chariton River, IA and MO, to direct the Secretary of the Army to sell storage space in Rathbun Lake, IA, to the Rathbun Regional Water Association, and for other purposes; to the Committee on Environment and Public Works.

By Mr. GRASSLEY:

S. 1123. A bill to affirm the authority of the Congress to approve the design of currency; to the Committee on Banking, Housing, and Urban Affairs.

By Mr. BIDEN:

S.J. Res. 134. Joint resolution to designate "National Safety in the Workplace Week"; to the Committee on the Judiciary.

SUBMISSION OF CONCURRENT AND SENATE RESOLUTIONS

The following concurrent resolutions and Senate resolutions were read, and referred (or acted upon), as indicated:

By Mr. MATHIAS from the Committee on Rules and Administration:

S. Res. 159. An original resolution to establish a select committee to study and make recommendations with respect to a 2-year budget process; placed on the calendar.

By Mr. MELCHER:

S. Res. 160. A resolution to promote agriculture; to the Committee on Agriculture, Nutrition, and Forestry.

STATEMENTS ON INTRODUCED BILLS AND JOINT RESOLUTIONS

By Mr. SPECTER:

S. 1112. A bill to amend the Internal Revenue Code of 1954 to increase the exemption amount to $2,000; to the Committee on Finance.

(The remarks of Mr. SPECTER and the text of the legislation appear earlier in today's RECORD.)

By Mr. MATHIAS:

S. 1113. A bill to amend the Internal Revenue Code of 1954 to clarify the extent to which a State, or political subdivision, may tax certain income from sources outside the United States; to the Committee on Finance.

REPEAL OF WORLDWIDE UNITARY TAX

● Mr. MATHIAS. Mr. President, today I introduce a longstanding legislative initiative of mine—a bill to prohibit the use of the worldwide unitary method of corporate taxation by the States.

Under this method, certain States assess the tax base of multinational corporations having a presence in their boundaries according to the revenues generated by all their business activities throughout the world. This practice discourages foreign investment and costs jobs. It also creates serious diplomatic tensions with the governments of our trading partners, especially with Japan and the countries of Western Europe, which have communicated their strong concerns to the Departments of State and Treasury and directly to the President for several years now.

My bill simply would require States to limit their tax reach to revenues generated from activities within their borders, in accordance with the practice of the Federal Government concerning foreign source corporate income. That policy, known as the arm's length method, treats overseas subsidiaries or parents as separate business entities and taxes their revenues only to the extent that they flow through to the U.S. affilliates.

Last year, the President appointed a Working Group of Federal and State government officials and business representatives, under the leadership of then Treasury Secretary Regan, to come up with some recommendations on this issue. The result was a plan for the unitary States to change their laws voluntarily in return for more stringent disclosure requirements for the multinational companies and a greater sharing of information with the States by the IRS to certify that all revenues legitimately traceable to activities within the State are in fact being taxed.

The Working Group suggested a deadline of July 1985 for voluntary reform by the States. If that deadline is not met, the Group recommends that the President endorse Federal legislation prohibiting the State worldwide unitary tax. Some States already have enacted changes in their laws since the Working Group's report was completed last summer. But it remains unclear whether the other States, including California, will forego the worldwide unitary method voluntarily.

Accordingly, I am introducing my bill this year well in advance of the July deadline, so that we can begin to develop a legislative record in the event Federal action is necessary. The last legislative hearings on this matter were held by the Finance Committee in June 1980. Last summer, I held a general oversight hearing on the issue in the Foreign Relations Subcommittee on International Economic Policy.

I hope the time has come when we can put this problem to rest.

I ask unanimous consent that the bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 1113

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a) chapter 77 of the Internal Revenue Code of 1954 (relating to miscellaneous provisions) be amended by adding at the end thereof the following new section:

"SEC. 7518. INCOME OF CORPORATIONS ATTRIBUTABLE TO FOREIGN CORPORATIONS.

"(a) IN GENERAL.—Where two or more corporations are members of the same affiliated group of corporations—

"(1) for purposes of imposing an income tax on any corporation which is a member of such group, no State, or political subdivision thereof, may take into account, or include in income subject to such tax, any amount of income of, or attributable to,

"(2) any other corporation which is a member of such group and which is a foreign corporation, unless such amount is includable in the gross income of the corporation described in paragraph (1) for purposes of chapter 1 (including any amount includable in gross income under subpart F of part III of subchapter N of chapter 1) for the taxable year in which or with which the taxable period (for purposes of State or local law) ends.

"(b) INCOME TAX DEFINED.—For purposes of this section, the term 'income tax' means any tax which is imposed on, according to, or measured by net income.

"(c) AFFILIATED GROUP DEFINED.—For purposes of subsection (a), the term 'affiliated group' means a common parent corporation and one or more chains of corporations connected through stock ownership with such common parent corporation.

"(d) CERTAIN CORPORATIONS TREATED AS FOREIGN CORPORATIONS.—For the purpose of this section, a domestic corporation shall be treated as a foreign corporation if under section 861(a)(2)(A) a dividend received from such corporation in the taxable year referred to in subsection (a) would not be treated as income from sources within the United States.

"(e) CERTAIN DIVIDENDS PAID OR DEEMED PAID.—

"(1) DIVIDENDS EXCLUDED FROM TAX.—If a corporation receives in any taxable year a dividend from a foreign corporation (or is by application of section 951 treated as having received such a dividend), in imposing an income tax on such corporation no State, or political subdivision thereof, may tax, or otherwise take into account—

"(A) in the case of a dividend received from a corporation with respect to which an election under section 936 is in effect for the taxable year in which such dividends are paid, the amount of deduction allowed by section 243,

"(B) in the case of a dividend received from a corporation described in subsection (d) which is not described in paragraph (A), more than the lesser of—

"(i) the amount of the dividend exclusive of any amount of dividend determined under paragraph (3), or

"(ii) the amount by which the dividend plus any amount of dividend determined under paragraph (3) exceeds the excluded portion of the dividend determined in accordance with paragraph (2).

"(C) in the case of a dividend received from any other foreign corporation more than the lesser of—

"(i) the amount of the dividend (exclusive of any amount determined under section 78), or

"(ii) the amount by which the dividend plus any amount determined under section 78 exceeds the excluded portion of the dividend determined in accordance with paragraph (2).

"(2) EXCLUDED PORTION OF A DIVIDEND.—The excluded portion of any dividend shall be determined by multiplying the amount of the dividend (including any amount of dividend determined under section 78 or paragraph (3)) by a fraction—

"(A) the numerator of the fraction shall be the sum of—

"(i) the total amount of tax withheld from all such dividends at the source.

"(ii) the total amount of tax which by application of section 902 or section 960 to all such dividends, the domestic corporation is deemed to have paid, and

"(iii) the total amount of tax deemed paid by application of paragraph (3).

"(B) The denominator of the fraction shall be 46 percent of all such dividends.

"(3) SPECIAL RULE WITH RESPECT TO DIVIDENDS RECEIVED FROM DOMESTIC CORPORATIONS TREATED AS FOREIGN UNDER SUBSECTION (d).—A corporation that receives a dividend which is described in subparagraph (B) of paragraph (1) shall—

"(A) treat as a dividend for purposes of subparagraph (B) of paragraph (1), and

"(B) treat as a tax deemed paid for purposes of subparagraph (A) of paragraph (2), foreign income taxes which such other corporation has paid or deemed paid in the same proportion on or with respect to the accumulated profits of such corporation from which such dividend was paid, which

the amount of such dividend bears to the amount of such accumulated profits in excess of all income taxes (other than those deemed paid).

For purposes of this section, only a tax for which a credit against tax would be allowable under section 901 (determined without regard to the limitations in section 904 and 907) shall be taken into account.".

Nothing in this section shall subject any dividend, other income item or portion thereof to taxation if such taxation is otherwise prohibited by any law, or rule of law, of the United States.

(c) EFFECTIVE DATE.—The amendment made by this section shall apply to taxable periods (for purposes of State or local law) beginning after December 31, 1986.

(d) AMENDMENT OF THE TABLE OF SECTIONS.—The table of sections for chapter 77 of such Code is amended by adding at the end thereof the following new item:

"Sec. 7518. Income of corporations attributable to foreign corporations."●

By Mr. WARNER:

S. 1115. A bill to amend the Internal Revenue Code of 1954 to relieve corporations of the separate mailing requirement for form 1099 statements; to the Committee on Finance.

FORM 1099 PAPERWORK RELIEF ACT

● Mr. WARNER. Mr. President, as a result of Public Law 98-67, enacted in 1983, the Internal Revenue Service now requires corporations, banks, and brokerage firms to mail yearly statements of dividend earnings—1099 forms—to every shareholder in a separate envelope containing no additional material.

Although the intent of this regulation was to keep shareholders from throwing their 1099 statements away along with quarterly reports or other information, the effect has been duplication of effort and unnecessary expenses for businesses of all sizes.

The additional administrative and postage costs for this separate mailing cannot be justified.

The president of a small company in the Shenandoah Valley of Virginia estimates that this regulation resulted in $856 in unnecessary expense to notify his company's 1,900 shareholders of their yearly dividend earnings last year.

A large corporation in Richmond, VA, shelled out an additional $6,785.40 in administrative and postage costs to meet the requirements of this regulation in 1984.

And, most astoundingly, this regulation cost each regional telephone company approximately $375,000 to notify its shareholders in a separate envelope what their dividend earnings were for 1984.

Surely the money spent to comply with this regulation could be used more economically and efficiently elsewhere in the market.

This IRS regulation is yet another example of how complexity and needless paperwork have infected our Tax Code, making tax reform essential.

Today, I am introducing the Form 1099 Paperwork Relief Act of 1985 to modify this regulation and add some sensibility and practicality to our Tax Code.

This bill would once again allow corporations to mail out 1099 forms in the same envelope with dividend checks, while continuing to prohibit their inclusion with other extraneous matter likely to be thrown away.

My bill would strike a blow for simplicity, fairness, and efficiency in our Tax Code, while adding a small piece of badly needed common sense and practicality. I ask unanimous consent that the bill be printed in the RECORD and I invite my colleagues to join me in cosponsoring the Form 1099 Paperwork Relief Act of 1985.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 1115

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the "Form 1099 Paperwork Relief Act of 1985".

SEC. 2. REDUCING PAPERWORK FOR BUSINESSES.

(a) IN GENERAL.—The last sentence of section 6042(c) of the Internal Revenue Code of 1954 (relating to statement to be furnished to person with respect to whom return regarding payment of dividends is furnished) is amended to read as follows: "The written statement required under the preceding sentence shall be furnished (either in person or in a separate, first-class mailing which may only additionally include a dividend) to the person on or before January 31 of the year following the calendar year for which the return under subsection (a) was made, and shall be in such form as the Secretary may prescribe by regulations.".

(b) EFFECTIVE DATE.—The amendment made by this section shall apply to taxable years beginning after December 31, 1984.●

By Mr. WARNER (for himself and Mr. HOLLINGS):

S. 1116. A bill to amend the act of October 15, 1982, entitled "An Act to designate the Mary McLeod Bethune Council House in Washington, District of Columbia, as a national historic site, and for other purposes," to the Committee on Energy and Natural Resources.

MARY MCLEOD BETHUNE COUNCIL HOUSE NATIONAL HISTORIC SITE

● Mr. WARNER. Mr. President, today, along with my distinguished colleague from South Carolina [Mr. HOLLINGS], I am introducing legislation that amends legislation I introduced in 1982 which designated the Mary McLeod Bethune Council House in Washington, DC as a national historic site.

The main purpose of the legislation is to extend the financial assistance that council house will receive from the Park Service.

There was some question last year when the Bethune house received it's appropriations whether there was an authorization for such an expenditure.

This legislation will clear up any such confusion in the future.

The Mary McLeod Bethune Memorial Museum, an institution of the National Council of Negro Women, is the only facility in the United States primarily committed to preserving and interpreting materials which define the history of black women in America.

Located at 1318 Vermont Avenue in Northwest Washington, DC, the museum occupies a second empire Victorian structure which dates from 1875-76.

The site, part of Washington's Logan Circle historic district, is listed on the National Register of Historic Places.

A key structure in America's history, it was the former national headquarters of the National Council of Negro Women and the last official Washington, DC, residence of black educator and political leader, Mary McLeod Bethune (1875-1955).

The museum was officially opened on November 11, 1979.

The first and second floors of the renovated and partially restored townhouse serve as galleries and program space.

The third floor is utilized for administrative offices.

Museum programs and activities include changing exhibitions, public lectures, performances, tours, and special educational activities.

While programming emphasizes topics related to black women and their history, a diversity of more general themes is addressed.

Recent exhibitions include: "Twenty 19th Century Black Women," "Mary McLeod Bethune, 1875-1955," and "Black Women: Selections from the Barnett-Aden Collection."

Lectures and symposia have included such topics as "Black Women in the Visual Arts," "Black Women in Politics: The View for the Eighties," and "Beyond Rhetoric."

Lecturers at the museum include scholars in the humanities of local and national reputation, heads of national organizations and prominent elected officials.

The museum draws its audience from local residents as well as visitors from all over the United States, including men and women of all races.

Particularly during Black History Month the museum serves youth from area schools.

In addition to a broad-based general audience, the museum serves members of the National Council of Negro Women and its affiliated organizations both locally and nationally.

While general operating support for the museum is provided by the National Council of Negro Women, the

museum seeks project support from Federal and State sources as well as donations from the private sector.

Currently, the museum is mounting a major campaign for development of an endowment and for operating support, in addition to special project support.

Mr. President, this is a worthwhile project that deserves support from the Federal Government.

I hope my colleagues will take a close look at this legislation and will support it.

I ask unanimous consent that the bill be printed in the RECORD at the conclusion of my remarks.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 1116

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. BETHUNE MUSEUM AND ARCHIVES.

(a) COOPERATIVE AGREEMENT.—Section 3 of the Act of October 15, 1982, entitled "An Act to designate the Mary McLeod Bethune Council House in Washington, District of Columbia, as a national historic site, and for other purposes" (96 Stat. 1615; 16 U.S.C. 461 note), is amended by striking out "National Council of Negro Women" each place it appears and inserting in lieu thereof "the Bethune Museum and Archives".

(b) ANNUAL REPORT.—Section 4 of such Act is amended by striking out "National Council of Negro Women" and inserting in lieu thereof "Bethune Museum and Archives".

(c) DEFINITION.—Such Act is further amended by adding the following new section at the end thereof:

REFERENCE TO BETHUNE MUSEUM AND ARCHIVES

"SEC. 6. Any reference in this Act to the 'Bethune Museum and Archives' shall be treated as a reference to the Mary McLeod Bethune Museum of the National Council of Negro Women, Inc.".

SEC. 2. AUTHORIZATION.

Section 5 of the Act of October 15, 1982, entitled "An Act to designate the Mary McLeod Bethune Council House in Washington, District of Columbia, as a national historic site, and for other purposes" (96 Stat. 1615; 16 U.S.C. 461 note) is amended to read as follows:

"ASSISTANCE

"SEC. 5. Beginning with fiscal year 1986 and for each fiscal year thereafter until fiscal year 1991, there is authorized to be appropriated such sums, not in excess of $200,000 for each such fiscal year, as may be necessary to assist in carrying out the purposes of this Act. There is also authorized to be appropriated for purposes of making grants to the Bethune Museum and Archives for purposes of this Act such additional sums (not in excess of $500,000) to be provided (as may be agreed to by the Secretary of the Interior and the Bethune Museum and Archives) on a fifty-fifty matching basis to the extent that funds or services are contributed by the Bethune Museum and Archives for such purposes. Sums authorized to be appropriated under this section shall remain available until expended.".●

● Mr. HOLLINGS. Mr. President, I am pleased to join the distinguished senior Senator from Virginia in introducing the necessary amendments to Public Law 97-329, which designated the Mary McLeod Bethune Council House, here in Washington as a national historic site. Last year, when we presented our amendment for the Interior appropriations bill on behalf of the Council House, and the National Council of Negro Women, the distinguished senior Senator from Idaho [Mr. MCCLURE] quite correctly identified problems in the authorization for appropriations. With his forbearance we obtained the appropriation but we promised him this bill to remedy the problems in the authorization.

The designation of the Council House as a national historic site honors one of the most extraordinary individuals our Nation has ever known. Mary McLeod Bethune was born in Mayesville, SC, to former slaves, rose to become not merely a great black educator, not merely a great women educator—but great among all American educators. She almost singlehandedly built Bethune Cookman College in Florida. She was an adviser to Presidents, the first black woman to head a Federal agency, and the founder of the National Council of Negro Women. On March 5 she became only the second black woman to be commerated on a U.S. postage stamp.

Most remarkably, this dynamic woman achieved national stature during a period in our Nation's history when, regrettably, it was next to impossible for anyone of her race and gender to do so. It is quite proper to say that she overcame incredible odds.

In 1905, when Mary Bethune was graduated from Moody Bible Institute in Chicago, she aspired to become a missionary in Africa. She never realized this ambition—but oh, how fortunate we are today that she ultimately pursued her life's goals within the borders of her own country. Mary Bethune, along with other men and women of her time who worked to increase educational opportunities for blacks, laid the groundwork for the great social struggle which occurred in the decade following her death in 1955. The succeeding generation of educated black Americans induced an entire country to confront its conscience and move to protect the most fundamental rights of a free society—the right to vote and the freedom to be. Mary McLeod Bethune was an inspiration to the movement which furthered the cause of America and brought about a more equitable society.

We in South Carolina are proud of this distinguished native of our State. We are proud of her works, her achievements, and the courage and perseverance she exhibited throughout her lifelong crusade for minority opportunities. Mary McLeod Bethune was a pioneer in the struggle for civil rights, and it is fitting and proper that we continue to honor her by assisting in the preservation, maintenance, and interpretation of the Council House, and the continuation of the Mary McLeod Bethune Memorial Museum and the National Archives for Black Women's History maintained by the National Council of Negro Women at that site.

Mr. President, I urge the Committee on Energy and Natural Resources to expedite their consideration of these amendments so that we can obtain Senate approval of this bill before we consider the Interior appropriations bill later on in the session.●

By Mr. BAUCUS:

S. 1118. A bill to amend the Internal Revenue Code of 1954 to increase the earned income credit and to disregard such credit with respect to certain eligibility; to the Committee on Finance.

INCREASE IN EARNED INCOME CREDIT

Mr. BAUCUS. Mr. President, today I am introducing legislation to modify the Earned Income Tax Credit, which targets tax relief to low-income working families. This legislation is designed to make work more attractive than welfare dependency, to reduce the regressive sting of Federal payroll taxes, and to reward those who are struggling to make ends meet by allowing them to retain more of what they earn.

A fair tax structure ought to be progressive. It should recognize that ability to pay increases with income. For families whose incomes are limited, our tax system should limit its demands.

That is the Tax Code we all want, but it is not what we have. Joseph Pechman, the Brookings Institution economist, recently concluded that "between 1966 and 1985 tax burdens increased in the lower part of the income scale [and] declined sharply at the top." Furthermore, it is now clear that the tax burden on the working poor is accelerating and the disparity between tax burdens is worsening. This is just plain wrong!

SENATOR LONG AND THE 1975 EARNED INCOME TAX CREDIT

More than 10 years ago the distinguished Senator from Louisiana [Mr. LONG], recognized that our tax code needed a "safety valve" for low-income families. He saw that there was an enormous gap between the official poverty line and the point at which a family began to pay Federal income taxes. In fact in 1974 a family with earnings almost 15 percent below the poverty line was still subject to Federal income tax.

Senator LONG recognized that a targeted tax credit was the best way to reduce the taxes for low-income working Americans and to increase their in-

centives to remain in the work force rather than to rely on cash assistance. The Senator from Louisiana sometimes referred to his Earned Income Tax Credit as a work bonus and he told the Senate it was needed to provide tax relief to people who are too poor to pay income taxes, but who still pay Social Security taxes and bear the burden of the Social Security tax paid by their employers.

Senator LONG predicted that the Senate is going to take great pride in putting on the lawbooks a provision saying that we know the poor pay a lot of taxes and we want to do something about it. The Senate agreed and voted 78 to 12 to include the work bonus in the historic Tax Reduction Act of 1975.

THE NEED TO AMEND THE EITC

The Earned Income Tax Credit is still the most important Federal tax provision for families in poverty. For many years the EITC was extremely effective in keeping families with earnings below the poverty line from paying Federal income taxes while reducing the regressive burden of the Social Security payroll tax.

Now the time has come to reaffirm and strengthen this unique and vital element of our tax system. Since 1981 the value of the EITC has eroded substantially. In fact, today the gap between the poverty line and the point at which a family begins to pay taxes is even greater than when the EITC was enacted a decade ago.

The Children's Defense Fund recently published a major study on "The Impact of Federal Taxes on Poor Families." Their report, which I recommend to my colleagues, points out the dramatic increase in the tax burden of low-income, working families and demonstrates clearly the need for congressional action to reform the Earned Income Tax Credit.

AMENDMENTS CONTAINED IN THE DEFICIT REDUCTION ACT OF 1984

Last year, we made a modest adjustment to the EITC when Congress passed the Deficit Reduction Act. Senator BRADLEY raised the conscience and the attention of Congress to the need to reform this provision of the Tax Code and we voted to increase the credit slightly beginning with the current tax year.

The Senator from New Jersey also offered a floor amendment to index the EITC to insulate the credit from the effects of inflation in future years, but that measure was defeated. In fact, the Senate rejected several amendments as we labored into the night on the Deficit Reduction Act, not because we disagreed on the merits of many of these proposals, but because we had a good deficit reduction package and we needed to keep it whole.

But we certainly cannot claim that we fixed the Earned Income Tax Credit last year. The tax burdens of the lowest income families continue to grow. We must recognize that the first step toward meaningful tax reform is to relieve the tax burden of those for whom every dollar of earned income is a matter of survival.

CURRENT TAX PICTURE OF LOW-INCOME FAMILIES

Today the poverty line for a family of four is about $11,100, but that family begins owing income taxes at approximately $8,900. That means families with incomes 20 percent below the poverty line are paying Federal income taxes.

But that's only part of the story. Payroll taxes for the same family are over twice as large as their income tax liability. In total, the Joint Committee on Taxation estimates that this "poverty line family" will pay 10.5 percent of their income in Federal taxes. That's a combined Federal tax burden of $1,166.

THE EFFECTS OF INFLATION ON LOW EARNERS

How did this gap between the tax threshold and the poverty line reemerge? The answer is inflation. Inflation pushes up the poverty line faster than changes in the Tax Code have increased the tax threshold.

At the same time the lowest wage earners have continued to suffer from "bracket creep" while middle and upper income earners were insulated from its effects. Inflation pushes low earners above the $11,000 income threshold where they no longer qualify for the earned income credit. And inflation diminishes the real value of the credit for those who remain eligible.

THE EITC IS A "SAFETY NET" PROGRAM FOR THE WORKING POOR

We hear a lot of talk about the importance of "safety net" programs. That term is usually reserved to refer to the essential programs that provide food, shelter, cash and medical assistance. But we cannot overlook the safety net we have built into our tax structure.

We can and we will debate about the appropriate funding levels for critical spending programs. We can and we will debate the importance of COLA's in a time which calls for austerity and deficit reduction. But we cannot ignore the fact that the burden of Federal taxes for the neediest working families is growing at an alarming rate. And we can and should, once again, do something to correct this obvious inequity.

THE BAUCUS PROPOSAL FOR AMENDING THE EITC

My bill addresses this inequity. First, I propose that we increase immediately the maximum amount of the Earned Income Tax Credit from $550 to $600. We should do this by increasing the credit from its current level of 11 percent of the first $5,000 of income to 12 percent. Next I propose that index the credit and the phaseout brackets just as we have already done for the personal exemption, the standard deduction, and tax brackets in general.

We should do this because we need to enhance the value of this credit for those who are now being taxed too much. These working families have been hit hardest by the rapid increase in the Social Security payroll tax that was necessary to help secure the solvency of the trust funds far into the future. And we need to index the credit to preserve its real value from the erosion caused by inflation.

My legislation is designed to safeguard families who have not received a tax cut during the past 3 years. Their taxes have been rising while the administration has concentrated its efforts on easing the taxes of the wealthiest. Some may wonder whether we can really afford the tax cuts that are already in place. But we surely cannot afford to see the taxes of the working poor continue to escalate while we ponder and debate even grander schemes for tax reform.

THE ADMINISTRATION'S PROPOSAL

The Treasury Department's tax reform bill also contains a provision to update the EITC. The administration's plan would index the credit in future years, which my legislation does as well. The major difference between the Baucus proposal and the Treasury proposal is that my bill would raise the maximum credit by $50 in 1986 and begin indexing thereafter. The Treasury plan makes no adjustment to the maximum credit prior to indexing.

The other difference between my proposal and the administration's is that under the Treasury plan the neediest families in America will have to wait in line while comprehensive tax reform is debated before they obtain the relief they deserve today.

I don't think that it is right to say to the lowest earning families whose tax burdens begin at 20 percent below the poverty line "you'll just have to wait for tax relief until the big corporations, the special interests in Washington, and a small army of accountants and attorneys agree on what is meant by a fair and simple tax code." We all know that while we debate what is wrong with the Tax Code that its most glaring defect will only continue to worsen for those at the botton of the economic ladder.

WHO BENEFITS BY AMENDING THE EITC?

The Congressional Budget Office estimates that 6.7 million working families claimed the EITC in 1981, or about 7 percent of all individual tax returns. Total credits amounted to $1.9 billion which was an average benefit of $285.

The number of working families who benefit from the EITC declines due to

the bracket creep they experience as low-earners. Under the legislation I am proposing, the value of the Earned Income Tax Credit would remain stable for all eligible taxpayers and the lowest earners would get a maximum credit of $600.

Let's be clear about this proposal. This is not a giveaway. This is a fair and reasonable adjustment to current law for working families with earnings below the poverty line.

THE NEED FOR ACTION IS NOW

I do not believe any Member of the Senate wants to continue to see the tax burden continue to rise for families with earnings below the poverty line. As the President said in his State of the Union Address, "individuals living at or near the poverty line [should] be totally exempt from federal income tax."

The families struggling to make ends meet should not have to wait for comprehensive tax reform to obtain meaningful and sensible tax relief. We need to act now with the same pride that the Senate acted in 1975. And we must act now to restore tax fairness for those who depend on us to do what we know is right.

Mr. President, I have prepared a brief summary of my bill which I ask to be printed in the RECORD following the text of the bill. Finally, I ask unanimous consent that two recent articles on the importance of reforming the EITC be printed in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

S. 1118

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. INCREASE IN EARNED INCOME CREDIT.

(a) INCREASE IN RATE OF CREDIT.—Subsection (a) of section 32 of the Internal Revenue Code of 1954 (relating to earned income credit) is amended by striking out "11 percent" and inserting in lieu thereof "12 percent".

(b) ADJUSTMENT OF CREDIT PHASE-OUT.—Paragraph (2) of section 32(b) (relating to limitation of earned income credit) of such Code is amended to read as follows:

"(2) 13⅓ percent of so much of the adjusted gross income (or, if greater, the earned income) of the taxpayer for the taxable year as exceeds $8,500.".

(c) TECHNICAL AMENDMENTS.—

(1) Paragraph (1) of section 32(b) is amended by striking out "$550" and inserting in lieu thereof "$600".

(2) Subparagraphs (A) and (B) of section 32(f)(2) are amended to read as follows:

"(A) for earned income between $0 and $13,000, and

"(B) for adjusted gross income between $8,500 and $13,000.".

(3) Clauses (i) and (ii) of section 3507(c)(2)(B) are amended to read as follows:

"(1) of not more than 12 percent of the first $5,000 of earned income, which

"(ii) phases out between $8,500 and $13,000 of earned income, or".

(4) Clauses (i) and (ii) of section 3507(c)(2)(C) are amended to read as follows:

"(i) of not more than 12 percent of the first $2,500 of earned income, which

"(ii) phases out between $4,250 and $6,500 of earned income.".

(d) COST-OF-LIVING ADJUSTMENTS.—

(1) IN GENERAL.—Section 32 of such Code is amended by adding at the end thereof the following new subsection:

"(i) COST-OF-LIVING ADJUSTMENTS.—

"(1) IN GENERAL.—In the case of any taxable year beginning in a calendar year after 1986, this section shall be applied by increasing the dollar amounts in subsection (a), (b), and (f) by the cost-of-living adjustment for such calendar year.

"(2) COST-OF-LIVING ADJUSTMENT.—For purposes of paragraph (1), the cost-of-living adjustment for any calendar year is the percentage (if any) by which—

"(A) the CPI for the preceding calendar year (as defined in section 1(f)(4)), exceeds

"(B) the CPI for calendar year 1985 (as so defined).

"(3) ROUNDING.—Any increase determined under paragraph (1) shall be rounded to the nearest multiple of $10 (or if such increase is a multiple of $5, such increase shall be increased to the next highest multiple of $10).".

(2) EARNED INCOME ADVANCE AMOUNT.—Section 3507(c) of such Code (defining earned income advance amount) is amended by adding at the end thereof the following new paragraph:

"(3) COST-OF-LIVING ADJUSTMENT.—In the case of any calendar year after 1986, paragraph (2) shall be applied by increasing each dollar amount contained therein by the cost-of-living adjustment for such calendar year as determined under section 32(i)(2). Any such increase shall be rounded to the nearest multiple of $10 (or if such increase is a multiple of $5, such increase shall be increased to the next highest multiple of $10).".

(e) EFFECTIVE DATES.—

(1) Except as provided in paragraph (2), the amendments made by this section shall apply to taxable years beginning after December 31, 1985.

(2) The amendment made by subsection (d) shall take effect on January 1, 1987.

SEC. 2. DISREGARD OF EARNED INCOME CREDIT WITH RESPECT TO CERTAIN ELIGIBILITY.

(a) IN GENERAL.—Notwithstanding any other provision of law, any refund of Federal income taxes made to an individual by reason of section 32 of the Internal Revenue Code of 1954, and any payment made by an employer under section 3507 of such Code, shall not be taken into account as income or receipts for purposes of determining the eligibility of such individual (or any other individual) for benefits or assistance, or the amount or extent of benefits or assistance, under any Federal program or under any state or local program financed in whole or in part with Federal funds.

(b) REPEAL OF SECTION 402(d) OF THE SOCIAL SECURITY ACT.—Subsection (d) of section 402 of the Social Security Act is hereby repealed.

(c) EFFECTIVE DATE.—The provisions of this section shall take effect on January 1, 1986.

SUMMARY OF THE 1985 BILL

CURRENT LAW

Eligible taxpayers are those with earnings below $11,000 with dependent children at home. The Earned Income Tax Credit (EITC) is computed on 11 percent of the first $5,000 of earned income for a maximum credit of $550. The credit is refundable; i.e., eligible taxpayers receive a check back from the Treasury for the amount that their qualified EITC exceeds federal income tax liability. For families with adjusted gross income (AGI) above $6,500, the EITC phases down until it equals zero at an AGI of $11,000.

BAUCUS PROPOSAL—INCREASE AND INDEX THE EITC

In FY 1986, increase the maximum credit from $550 to $600 by raising the credit to 12 percent of the first $5,000 of earned income.

In FY 1986, phase out the credit at a rate of 13.33 percent for incomes between $8,500 and $13,000.

In FY 1987 and thereafter, index the maximum credit and the phase-out thresholds.

DISREGARD THE EITC IN DETERMINING ELIGIBILTY FOR CERTAIN PROGRAMS

Disregards the amount of the EITC in the determination of eligibility for benefits or assistance under any Federal program or State or local program funded in whole or in part with Federal funds.

JOINT COMMITTEE ON TAXATION REVENUE ESTIMATES

Fiscal year:	*Billions of dollars*
1986	−0.04
1987	−1.0
1988	−1.3
1989	−1.5
1990	−1.7

[From the Washington Post, Jan. 30, 1985]

HELPING THE POOR

(By Robert J. Samuelson)

It's time to dust off an old idea and give it a new try: progressive taxation. This is the notion that the poor should pay less of their income in taxes than the rich. Startling though it seems, that's not the way it is now. The tax burden for the working poor is about as much as everyone else's. They deserve a break. It may be the only way to end the current political stalemate between liberals and conservatives over poverty.

As things now stand, poverty is slipping from the national agenda, because a problem that seemed manageable in the heyday of the "war on poverty" now seems insoluble. This entrenched pessimism is as foolish as the heady optimism of the 1960s. In our economy, income inequality is inevitable, because workers' earnings reflect their skills, and some workers always will receive low wages. But economic growth and wise government policies still can lift living standards for those at the bottom.

The main obstacle is not the cost (which is modest) but the self-serving rationalizations of both liberals and conservatives that justify doing nothing. Liberals feel virtuous by self-righteously denouncing every welfare cut of the Reagan administration. Conservatives profess their concern for the poor, but argue that overgenerous welfare programs have created self-defeating dependency. Each side enjoys the pleasures of its rhetoric too much to suggest anything new.

I'm not arguing that the current poverty debate is entirely fraudulent. In contrast to the 1960s, we now know how little we know. Consider what is called the feminization of poverty. In 1960, about a quarter of all people living below the government's poverty line were in families headed by a single woman. By 1983, this was nearly half. Why?

Some commentators blame welfare, which made it easier for single women to survive independently. Others say the increase reflects higher divorce rates and the tendency for female-headed families to be poorer.

Sociologist William Julius Wilson of the University of Chicago suggests that, for blacks at least, the reason lies in adult black men's declining job prospects. Between 1950 and 1980, the proportion of black men in the job market (either employed or looking for a job) dropped from four-fifths to two-thirds. So Wilson argues that black women face a shrinking pool of economically attractive potential husbands. But why have black men done so badly? Neither Wilson nor anyone else has a good answer.

But ignorance need not immobilize us. The simplest way to help low-income workers is to cut their taxes. The case is more compelling than ever, as a new study by economist Joseph Pechman of the Brookings Institution shows. Between 1966 and 1985, the tax bite—including all federal, state and local taxes—on the poorest tenth of Americans rose from 16.8 to 21.9 percent. By contrast, the wealthiest Americans pay an average 25.3 percent.

Regardless of the causes of persistent poverty, lower taxes will help. They ought to satisfy liberals by making the working poor a little wealthier. If conservatives are right about welfare's destructive effects, lower taxes will make work more attractive compared with welfare. This should draw people back into the labor market and strengthen family stability. More than anyone else, the poor need to enjoy the full rewards of their labor because those rewards are so meager to start with.

The federal government can't easily offset all the poor's tax burden, nearly half of which is state and local taxes. And, as Pechman shows, no single administration is to blame for the recent increase; mostly, it reflects higher Social Security payroll taxes, which fall heaviest on the poor.

But the federal government could neutralize higher Social Security taxes by liberalizing a provision of the income tax—the earned income tax credit—which effectively rebates some (or all) of the Social Security tax. Doing this wouldn't be difficult if both liberals and conservatives could discard some well-worn prejudices.

Liberals, for example, ought to examine the worthiness of tax provisions that purport to help the poor, but really don't. The simplest test of whether someone is needy in our society is income. You are not needy simply because you are old. Yet our tax system grants special breaks to all the old: a double personal exemption and an exclusion from taxes of almost all Social Security. A typical elderly couple doesn't pay income taxes until their income hits nearly $15,000; the same nonelderly couple starts paying income taxes at about $6,000.

Nor are you necessarily needy if, as a working parent, you have day-care expenses. Yet our tax system provides a special credit for such parents. This discriminates against the very poor, who often can't afford to use day care or to make other arrangements. In 1982, for example, at least half of working mothers with children under five used husbands, relatives or friends for day care. Together, the tax preferences for the elderly and day care will cost the Treasury about $17.5 billion in 1985. The funds would be better used for general cuts for low-income taxpayers.

On the other hand, conservatives ought to favor a more progressive tax system as a way for the poor to advance themselves. Reagan has subtly limited the welfare state's responsibilities to helping those who, through bad luck or low skills, can't make it. Hence, the basic "safety net" programs—Social Security, unemployment insurance, Medicare, Medicaid, food stamps—remain intact. But Reagan is abandoning the idea that the government can help people get ahead. He's gutted many employment and training programs of the 1960s on the grounds that they don't work.

What he is saying is that government can't—and shouldn't—substitute for individual motivation and effort. But if the poor are to help themselves, at least government shouldn't obstruct the way. Low-income workers ought to keep more of what they earn in the market. Yet Reagan's 1981 tax cuts actually discriminated against low-income workers. When the president says he cares about the poor, he sounds piously insincere.

How much would meaningful tax reduction for the poor cost? Probably between $12 billion and $24 billion, or 4 to 8 percent of current federal income tax revenue. Not much. People who like grand gestures won't be impressed. It won't eliminate poverty. At best, it would increase the poor's income 5 to 10 percent. But if you're making $11,000, an extra $700 helps. Skirmishing against poverty is a lot better than today's stalemate.

[From the Washington Post, Apr. 22, 1985]

TAXING THE POOR

(By William Raspberry)

Poor people—those officially defined by the government as living in poverty—should not have to pay federal income taxes. The near-poor should not be burdened with taxes that would pull them down into poverty.

The two propositions seem so obvious that most Americans probably think they are already a part of the tax code.

They aren't. Not only are the officially poor taxed, and many near-poor taxed into poverty: their tax burden has actually grown during the years of the Reagan tax cuts.

Don't feel bad. I didn't know it either until I read the Children's Defense Fund's new report, "The Impact of Federal Taxes on Poor Families." Mary Bourdette and Jim Weill, authors of the report, look at one working mother:

Jane Doe is a single mother with three children. In 1979, her income from her job was $8,000, a little above the federal poverty line. Jane, like most other low-income workers, had no unusual tax deductions or tax "breaks," so her federal income and Social Security taxes were $481, leaving her family with $7,519 to live on after federal taxes, still a tiny bit above the official poverty line in 1979 ($7,412 for a family of four).

And what has happened to the struggling Jane Doe since then? Inflation has increased the cost of living by 43.2 percent, but luckily, her income also has increased by 43.2 percent, so that her 1984 income was $11,456.

But she didn't break even. Besides losing some of her government-paid benefits to the Reagan budget cuts, she also saw her federal taxes increase by nearly 300 percent—from $481 to $1,384—so that instead of being a little bit above the poverty line after taxes, she would up below the poverty level, which by then was $10,613.

What happened to Jane Doe's and millions of other low-income families was probably more the result of oversight and neglect than of conscious design. To begin with, there was the increase in the amount of earnings on which Social Security taxes are paid, to the point where even poverty-level wages required the payment of $743 in Social Security taxes in 1984. In addition, inflation drove up the wages on which the poor are taxed without any compensating adjustments. The personal exemption, for instance, remains at $1,000 per person, and the standard deduction—crucial to taxpayers who (like nearly all poor families) do not itemize their deductions—also went unchanged.

The result is that even those poor families whose wages kept abreast of inflation lost enough spending power to more than offset the effect of a cut in tax rates, in effect shifting the tax burden away from the well-off (who did benefit from the tax cuts) to the poor. Between 1980 and 1982, the study notes, the "aggregate federal taxes paid by poor families increased by 58 percent . . . while taxes on the well-to-do and on profitable corporations declined dramatically."

The study points out what too many of us have not understood: that there is no automatic link between the poverty line and the tax tables. It is true that in the late 1970s, poor people paid little or no income tax. But this was because, between 1975 and 1980, the threshold at which a family became liable for taxes was higher than the poverty line. By 1981, the tax threshold had dropped below the poverty line, and the gap has been growing since then.

The study examines the current tax reform proposals and makes some sensible recommendations for reversing the damage the poor have suffered in recent years. But its chief value is in its clear statement of the increased tax burden on the poor in the past four years.

Even in these cynical times, when everybody is fighting to save his favorite tax break, most Americans would acknowledge that it makes no sense—politically, morally or in terms of elemental fairness—to impose an income tax on those we define officially as already in poverty.

By Mr. MELCHER (for himself and Mr. BURDICK):

S. 1119. A bill to revise and extend programs to provide price support and production incentives for farmers to assure an abundance of food and fiber; to the Committee on Agriculture, Nutrition, and Forestry.

AGRICULTURE AND FOOD ASSISTANCE ACT OF 1985

Mr. MELCHER. Mr. President, I am today introducing the Agriculture and Food Assistance Act of 1985. I ask unanimous consent that the text of the bill and a summary of the provisions be printed in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

S. 1119

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Agricultural and Food Assistance Act of 1985".

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TITLE I—FOOD AID AND TRADE

Subtitle A—Food Aid

GENERAL POLICY

SEC. 101. Congress finds that—

(1) the United States is producing an abundance of agricultural commodities and is holding large food surpluses at substantial cost, and American farmers are facing an unprecedented need to expand their export markets;

(2) food shortages, hunger, and malnutrition continue to afflict hundreds of millions of people in the developing countries; and

(3) additional steps should be taken to use the agricultural abundance produced by American farmers to relieve hunger and promote long-term food security and economic development in the developing countries in accordance with section 102 of the Foreign Assistance Act of 1961 and to promote United States agricultural trade interests.

SEC. 102. Section 416(c) of the Agricultural Act of 1949 (7 U.S.C. 1431(c)) is amended—

(1) In the first sentence, by striking out "two-year pilot"; and

(2) By striking the last two sentences and inserting in lieu thereof a new sentence as follows: "The Secretary shall submit an annual report to Congress, beginning January 1, 1986, on the operations of the program."

EXPANDING SECTION 416 AUTHORITY

SEC. 103. (a) Section 416(b) of the Agriculture Act of 1949 (7 U.S.C. 1431(b)) is amended to read as follows:

"(b) USE OF SURPLUS COMMODITIES TO CARRY OUT TITLE II OF PUBLIC LAW 480.—

"(1) GENERAL AUTHORITY.—The Secretary may furnish eligible commodities for carrying out title II of the Agricultural Trade Development and Assistance Act of 1954, as approved by the Secretary and for such purposes as are approved by the Secretary.

"(2) DEFINITION OF ELIGIBLE COMMODITIES.—As used in this subsection, the term 'eligible commodities' means—

"(A) dairy products, grains, and oilseeds acquired by the Commodity Credit Corporation through price support operations, which the Secretary determines meet the criteria specified in subsection (a) of this section; and

"(B) such other agricultural commodities as may be acquired by the Commodity Credit Corporation and made available for distribution under this subsection.

"(3) LIMITATIONS.—

"(A) SAFEGUARDING AVAILABILITY OF COMMODITIES FOR DOMESTIC FEEDING PROGRAMS.—Commodities may not be made available for disposition under this subsection in amounts that will, in any way, reduce the amounts of commodities that traditionally are made available through donations to domestic feeding programs or agencies.

"(B) AVAILABILITY OF ADEQUATE STORAGE FACILITIES, NONINTERFERENCE WITH LOCAL PRODUCTION AND MARKETING, AND SAFEGUARDING OF USUAL MARKETING.—The requirements of section 401(b) and section 103(c) of the Agricultural Trade Development and Assistance Act of 1954 shall apply with respect to commodities furnished under this subsection.

"(4) PROVISION OF COMMODITIES IN INSTALLMENTS.—Agreements may be entered into under this subsection to provide commodities installments over an extended period of time.

"(5) USE OF EXPEDITED PROCEDURES.—To the maximum extent practicable, expedited procedures shall be used in implementing the provisions of this subsection.

"(6) PROCESSING AND TRANSPORTATION EXPENSES.—

"(A) USE OF PUBLIC LAW 480 AUTHORITY.—The provisions of section 203 of the Agricultural Trade Development and Assistance Act of 1954 shall apply to commodities furnished under this subsection.

"(B) REQUIREMENT TO USE COMMODITIES TO PAY CERTAIN COSTS.—The Commodity Credit Corporation shall use eligible commodities to pay all processing and domestic handling costs incurred pursuant to subparagraph (A), except to the extent that the Secretary determines that this form of payment is not practicable.

"(7) COST AND EXPENSES.—The cost of commodities furnished under this subsection, and expenses incurred under section 203 of the Agricultural Trade Development and Assistance Act of 1954 in connection with those commodities, shall be in addition to the level of assistance programmed under that Act and shall not be considered expenditures for international affairs and finance.

"(8) SALE OR BARTER OF COMMODITIES.—Eligible commodities furnished under this subsection may be sold or bartered solely as follows:

"(A) Sales and barter, approved by the Secretary, which are incidental to the donation of the commodities.

"(B) Sales and barter, approved by the Secretary, the proceeds of which are used to finance the distribution, handling, and processing costs of the donated commodities in the importing country or other activities in the importing country that are consistent with providing food assistance to needy people.

"(C) Sales and barter, approved by the Secretary, of commodities and products donated to intergovernmental organizations, insofar as they are consistent with normal programming procedures in the distribution of commodities by those organizations.

"(D) Sales and barter of commodities used for payments pursuant to paragraph (6)(B) of this subsection.

"(E)(i) If requested by a nonprofit voluntary agency, an agreement with that agency for commodities made available under this subsection may provide for the use by that agency of foreign currency proceeds, generated from the sale of commodities made available under the agreement, for the purposes specified in clause (iii).

"(ii) Such agreements shall provide, in the aggregate for each fiscal year, for the use of foreign currency proceeds under this subparagraph in an amount which is not less than 10 percent, and which is not more than 20 percent, of the program level under this subsection for that fiscal year.

"(iii) Foreign currency proceeds under this subparagraph shall be used by the nonprofit voluntary agency for activities carried out by the agency which will enhance the effectiveness of the food assistance program being carried out pursuant to the agreement. Such activities may include health integration projects, food for work programs, program management, and outreach projects to provide food to the most nutritionally needy, if such activities are directly related to the nonprofit voluntary agency's food assistance program.

"(iv) All foreign currency proceeds generated pursuant to an agreement under this subparagraph shall be expended within six months after the end of the period of the agreement.

"(9) REQUIREMENT FOR MINIMUM ANNUAL DISTRIBUTION THROUGH NONPROFIT VOLUNTARY AGENCIES AND THE WORLD FOOD PROGRAM.—

"(A) GENERAL REQUIREMENT.—In carrying out this subsection each fiscal year, the secretary shall furnish to nonprofit voluntary agencies and the World Food Program for distribution in developing countries not less than 10 percent of the amount of each eligible commodity, as defined by subparagraph (A) of paragraph (2), that is available for distribution under this subsection in that fiscal year.

"(B) WAIVER.—The Secretary may waive the requirement of subparagraph (A) for a fiscal year to the extent that the Secretary determines and reports to Congress that—

"(i) there have not been sufficient requests made by nonprofit voluntary agencies and the World Food Program for commodities under this subsection for uses which would effectively carry out the purposes of title II of the Agricultural Trade Development and Assistance act of 1954, or

"(ii) the limitation in paragraph (3) of this subsection prevents the use of commodities pursuant to this paragraph.".

(b) EFFECTIVE DATE.—Paragraph (9)(A) of section 416(b) of the Agricultural Trade and Development Assistance Act of 1954, as added by subsection (a) of this section, shall take effect on October 1, 1985.

SALES AND USES FOR FOREIGN CURRENCY

SEC. 104. Section 101 of the Agricultural Trade Development and Assistance Act of 1954 (7 U.S.C. 1701) is amended to read as follows:

"SEC. 101. (a) In order to carry out the policies and accomplish the objectives set forth in section 2 of this Act, the President is authorized to negotiate and carryout agreements with friendly countries to provide for the sale of agricultural commodities—

"(1) for dollars on credit terms;

"(2) in the case of developing countries with a per capita gross national product of $900 or less, for foreign currencies on credit terms; or

"(3) to the extent that sales for dollars under the terms applicable to such sales are not possible, for foreign currencies on credit terms and on terms which permit conversion of dollars at the exchange rate applicable to the sales agreement.

"(b) Commodities sold pursuant to paragraph (2) of subsection (a) shall be addition-

al to the volume of commodities normally programmed under this title.

"(c) In fiscal year 1986 not less than 500,000 tons of commodities shall be sold pursuant to paragraph (2) of subsection (a), unless the President determines that such volume of commodities cannot be used under that authority to carry out the purposes of this title. The President shall propose to Congress not later than February 15, 1986, appropriate volume levels for fiscal years 1987 through 1989 for sales pursuant to paragraph (2) of subsection (a).".

"(b) Section 104 of the Agricultural Trade Development and Assistance Act of 1954 (7 U.S.C. 1704) is amended by adding the following new section:

"SEC. 104A. (a) Notwithstanding any other provision of law, foreign currencies received pursuant to paragraph (2) of section 101 shall be used only for one or more of the following purposes:

"(1) For assistance programs of nonprofit voluntary agencies and cooperatives, under such terms and conditions as the President may determine.

"(2) For the support of self-help measures agreed to by the recipient country in accordance with section 109.

"(3) For the establishment of facilities for aiding in the utilization and distribution of, or otherwise increasing the consumption of and markets for, United States agricultural commodities and products thereof.

"(4) For financing, in whole or in part under such terms and conditions as the President may determine, agricultural and other development projects in the recipient country, including development projects executed by private trade entities and projects to stimulate small-scale private enterprise and private voluntary organizations in the recipient country.

"(b) Foreign currencies received pursuant to paragraph (2) of section 101 shall be used in accordance with this section within one year after they are received by the United States.

"(c) References in any provision of law to section 104 of this Act shall be deemed to include reference to this section, except to the extent that such reference would be inconsistent with subsection (a) of this section.".

(c)(1) Section 103 of The Agricultural Trade Development and Assistance Act of 1954 (7 U.S.C. 1703) is amended—

(A) in subsection (k) by striking out "upon" and all that follows through "into dollars" and inserting in lieu thereof "that not less than 5 percent of the purchase price of any agricultural commodities sold under this title be payable upon delivery";

(B) in subsection (m) by inserting "in the case of foreign currencies received under paragraph (3) of section 101," immediately after "(m)";

(C) in subsection (p) by inserting "pursuant to paragraph (3) of section 101" immediately after "agreement"; and

(D) in subsection (q) by inserting "pursuant to paragraph (3) of section 101" immediately after "agreement".

(2) Section 106(a)(2) of the Agricultural Trade Development and Assistance Act of 1954 (7 U.S.C. 1706(a)(2)) is amended by striking out "and on terms which permit conversion to dollars" and inserting in lieu thereof "pursuant to paragraph (2) or (3) of section 101".

MINIMUM AND SUBMINIMUM DISTRIBUTION REQUIREMENTS

SEC. 105. (a) Section 201(b) of the Agricultural Trade Development and Assistance Act of 1954 (7 U.S.C. 1721(b)) is amended by striking out paragraph (1) and all that follows through "*Provided,* That" and inserting in lieu thereof the following:

"(1) for fiscal year 1986 shall be 1,900,000 metric tons, of which not less than 1,300,000 metric tons for nonemergency programs shall be distributed through nonprofit voluntary agencies and the World Food Program;

"(2) for fiscal year 1987 shall be 2,100,000 metric tons, of which not less than 1,470,000 metric tons for nonemergency programs shall be distributed through nonprofit voluntary agencies and the World Food Program;

"(3) for fiscal year 1988 shall be 2,300,000 metric tons, of which not less than 1,610,000 metric tons for nonemergency programs shall be distributed through nonprofit voluntary agencies and the World Food Program; and

"(4) for fiscal year 1988 and each fiscal year thereafter shall be 2,500,000 metric tons, of which not less than 1,750,000 metric tons for nonemergency programs shall be distributed through nonprofit voluntary agencies and the World Food Program; except that"

(b) The amendment made by subsection (a) shall take effect on October 1, 1985.

TITLE II AUTHORIZED PROGRAM LEVEL

SEC. 106. Section 204 of the Agricultural Trade Development and Assistance Act of 1954 (7 U.S.C. 1724) is amended in the first sentence—

(1) by striking out "$1,000,000,000" and inserting in lieu thereof "$1,200,000,000";

(2) by striking out "calendar" both places it appears and inserting in lieu thereof "fiscal"; and

(3) by inserting immediately before the period at the end of the sentence ", unless the President determines that additional funding for programs under this title is necessary to meet emergency food needs".

FOOD ASSISTANCE PROGRAMS OF VOLUNTARY AGENCIES

SEC. 107. (a) Title II of the Agricultural Trade Development and Assistance Act of 1954 (7 U.S.C. 1721-1726) is amended by adding at the end thereof as follows:

"SEC. 207. (a)(1) If requested by a nonprofit voluntary agency, an agreement with that agency for nonemergency assistance under this title may provide for the use by that agency of foreign currency proceeds, generated from the sale of commodities made available under the agreement, for the purposes specified in subsection (c).

"(2) Such agreements shall provide, in the aggregate for each fiscal year, for the use of foreign currency proceeds under this subsection in an amount which is not less than 10 percent, and which is not more than 20 percent, of the appropriated nonemergency program level under this subtitle for that fiscal year.

"(3) All foreign currency proceeds generated pursuant to an agreement under this subsection shall be expended within six months after the end of the period of the agreement.

"(4) The provisions of section 103(c) of this Act shall apply to sales of agricultural commodities to generate foreign currencies under this subsection. The Secretary of agriculture, in consultation with the Administrator of the Agency for International Development, may waive this requirement.

"(b) If requested by the nonprofit voluntary agency, an agreement with that agency under this title may provide that up to 5 percent of the dollar amount of the agreement will be provided to the agency in monetary form (rather than in agricultural commodities) for use by the nonprofit voluntary agency for the purposes specified in subsection (c) if the nonprofit voluntary agency provides at least an equal amount of dollars for those purposes.

"(c)(1) Foreign currency proceeds under subsection (a) and dollars under subsection (b) of this section shall be used by the nonprofit voluntary agency for activities carried out by the agency which will enhance the effectiveness of the food assistance program being carried out pursuant to the agreement. Such activities may include health integration projects, food for work programs, program management, and outreach projects to provide food to the most nutritionally needy, if such activities are directly related to the nonprofit voluntary agency's food assistance program.

"(2) Foreign currency proceeds under subsection (a) and dollars under subsection (b) may be used to immunize children participating in nutrition programs against the most common immunizable disease. It shall be the target for the organizations and agencies involved to provide for the immunization by fiscal year 1987 of at least three million more children annually than received immunizations under such programs in fiscal year 1985. In each of the reports to Congress required under section 408(a) of this Act, the President shall include a report of the number of children so immunized.

"(d) The President shall invite representatives of nonprofit voluntary agencies participating in programs under this Act and other concerned nonprofit voluntary agencies, and shall designate appropriate executive branch officials, to participate in a task force on food assistance to the most nutritionally needy. The task force shall report to Congress by February 15, 1986, on further steps which could be taken to provide food under this Act to the most nutritionally needy people in recipient countries.

"SEC. 208. (a) In agreements with a nonprofit voluntary agency for nonemergency assistance under this title, the President is encouraged to approve multiyear commitments to make agricultural commodities available for distribution by the nonprofit voluntary agency, if the agency requests such a multiyear commitment. Such commitments shall be subject to the availability each fiscal year of the necessary appropriations and agricultural commodities.

"(b) Subsection (a) does not apply to an agreement which the President determines should be limited to a single year because of the past performance of the nonprofit voluntary agency or because the agreement involves a new program of assistance.

"(c) In carrying out a multiyear agreement pursuant to this section, a nonprofit voluntary agency shall not be required to obtain annual approval from the United States Government in order to continue its assistance program pursuant to this agreement, unless the President determines that exceptional and unforeseen circumstances have occurred which require such approval.

"SEC. 209. (a) Agreements with nonprofit voluntary agencies under this title may authorize those agencies to establish local food reserves.

"(b) If authorized to establish a local food reserve pursuant to subsection (a), a nonprofit voluntary agency may deposit in that reserve agricultural commodities made available under this title—

"(1) for later use in providing immediate food assistance in case of a famine or other food shortage emergency; or

"(2) if the nonprofit voluntary agency determines, in its discretion, that the immediate use of the agricultural commodities for food assistance purposes would be a disincentive to local agricultural production and that the commodities should be held for use at a later time.

"SEC. 210. Not less than 65 percent of the agricultural commodities made available each fiscal year under this title for nonemergency programs shall be fortified or processed food.

"Sec. 211. A nonprofit voluntary agency requesting a nonemergency food assistance agreement under this title shall include in that request (1) a statement of what steps will be taken to avoid disruption of cultural food consumption habits which may occur as a result of the food assistance program, and (2) a statement of the intended uses of any foreign currency proceeds which would be generated with the commodities provided under the agreement.".

(b) The sections added to the Agricultural Trade Development and Assistance Act of 1954 by this section shall apply with respect to agreements entered into after September 30, 1985, except that section 211 of that Act applies with respect to agreements entered into after December 31, 1985.

EXTENDING FOOD SECURITY WHEAT RESERVE

SEC. 108. Section 302(b) of the Food Security Wheat Reserve Act of 1980 is amended by striking out "1985" both places it appears and inserting in lieu thereof "1989".

Subtitle B—Agricultural Exports

EXPANSION OF MARKETS FOR UNITED STATES AGRICULTURAL COMMODITIES AND PRODUCTS

SEC. 109. (a) Notwithstanding any other provision of law, the Secretary of Agriculture shall formulate and carry out a program under which agricultural commodities, including but not limited to wheat, feed grains, upland cotton, rice, and soybeans, and products thereof acquired by the Commodity Credit Corporation, are provided to United States exporters and users and foreign purchasers at no cost to encourage the development, maintenance, and expansion of export markets for United States agricultural commodities and products thereof.

(b) In carrying out the program authorized by this section, the Secretary of Agriculture shall—

(1) take such action as may be necessary to ensure that the program provides equal treatment to domestic and foreign purchasers and users of United States agricultural commodities and products thereof in any case in which the importation of a manufactured product made, in whole or in part, from a commodity or product thereof made available for export under this section would place domestic users of the commodity or product thereof at a competitive disadvantage;

(2) to the extent that agricultural commodities and products thereof are to be provided to foreign purchasers during any fiscal year, consider for participation all interested foreign purchasers, giving priority to those who have traditionally purchased United States agricultural commodities and products thereof and who continue to purchase such commodities and products thereof on an annual basis in quantities greater than the level of purchases in a previous representative period;

(3) ensure, insofar as possible, that any use of agricultural commodities or products thereof made available under this section be made in such manner as to encourage increased use and avoid displacing usual marketings of United States agricultural commodities and products thereof; and

(4) take reasonable precautions to prevent the resale or transshipment to other countries, or use for other than domestic use in the importing country, of agricultural commodities or products thereof made available under this section.

(c) If a foreign purchaser sells in the importing country agricultural commodities or products thereof received from the Secretary of Agriculture, under the authority of this section, and uses the receipts from the sale of such commodities or products thereof for the construction or rehabilitation of facilities in the importing country to improve the handling, marketing, processing, storage, or distribution of United States agricultural commodities or products thereof in such importing country, the purchaser shall be eligible to receive supplemental distributions of agricultural commodities or products thereof under this section. Supplemental distribution under this section shall be made with such commodities or products thereof, at intervals, and in amounts as the Secretary determines appropriate taking into account the extent to which facility improvements have been made, the capability of the importing country to distribute or otherwise use additional commodities or products thereof, and other factors as determined appropriate by the Secretary that are consistent with the purposes of this section.

(d) The Secretary of Agriculture shall carry out the program authorized by this section through the Commodity Credit Corporation.

(e) The Secretary of Agriculture may issue regulations as the Secretary deems necessary to carry out this section.

(f) The authority provided in this section shall be in addition to, and not in place of, any authority granted to the Secretary of Agriculture or the Commodity Credit Corporation under any other provision of law.

INTERMEDIATE EXPORT CREDIT

SEC. 110. Section 4(b) of the Food for Peace Act of 1966 (7 U.S.C. 1707a(b)) is amended—

(1) by adding at the end of paragraph (1) the following new sentence: "In addition, the Corporation may guarantee the repayment of loans made to finance such sales.";

(2) by inserting in paragraph (2) ", and no loan may be guaranteed," after "financed";

(3) in paragraph (3)—

(A) by inserting "or guarantees" after "financing";

(B) by striking out "and" at the end of subparagraph (C);

(C) by striking out "credit" in subparagraph (D);

(D) by striking out the period at the end of subparagraph (D) and inserting in lieu thereof "; and"; and

(E) by adding at the end thereof a new subparagraph as follows:

"(E) to finance the importation of agricultural commodities by developing nations for use in meeting their food needs.";

(4) by striking out paragraph (4) and redesignating paragraphs (5) through (9) as paragraphs (4) through (8), respectively;

(5) in paragraph (4), as redesignated—

(A) by inserting "(A)" after the paragraph designation;

(B) by redesignating subparagraphs (A) and (B) as clauses (i) and (ii), respectively;

(C) by amending clause (i), as redesignated, to read as follows:

"(i) Repayment shall be in dollars with interest at a rate determined by the Secretary."; and

(D) by adding at the end thereof the following new subparagraph:

"(B) Contracts of guarantee under this subsection shall contain such terms and conditions as the Commodity Credit Corporation shall determine.";

(6) by inserting in paragraph (5), as redesignated, "or guarantees" after "financing";

(7) in paragraph (6), as redesignated—

(A) by inserting "or guarantee" after "finance" each place it appears; and

(B) by inserting in subparagraph (B) "or guarantee" after "financing";

(8) by inserting in paragraph (7), as redesignated, "or guarantee" after "financed"; and

(9) by inserting at the end thereof a new paragraph as follows:

"(9) For purposes of financing or guaranteeing export sales under this subsection, the Commodity Credit Corporation shall make available, to the extent practicable, no less than $500,000,000 for each of the fiscal years October 1, 1986 through October 1, 1989.

AGRICULTURAL EXPORT CREDIT REVOLVING FUND

SEC. 111. Section 4(d) of the Food for Peace Act of 1966 is amended by striking out "1985" both places it appears and inserting in lieu thereof "1989".

SPECIAL QUALIFYING PROVISION FOR INTERMEDIATE EXPORT CREDIT

SEC. 112. Section 4 of the Food for Peace Act of 1966 (7 U.S.C. 1707a) is amended by adding at the end thereof a new subsection as follows:

"(e)(1) If a country does not meet the financial qualifications for export credit or credit guarantees provided by the Commodity Credit Corporation under this section, the Secretary of Agriculture may provide to such country commodities and products thereof acquired by the Corporation through price support operations to the extent necessary to reduce the cost to such country of purchasing United States agricultural commodities and to allow such country to meet such qualifications.

"(2) The Secretary shall review and adjust annually the amount of commodities provided to a country under paragraph (1) in order to encourage the country to place greater reliance on increased use of commercial trade to meet the qualifications referred to in paragraph (1).".

SHORT TERM EXPORT CREDIT AND CREDIT GUARANTEES

SEC. 113. Effective for each of the fiscal years October 1, 1986 through October 1, 1989, $500,000,000 of Commodity Credit Corporation funds shall be used by the Commodity Credit Corporation for direct export credit under its blended credit export sales program.

(b) Effective for each of the fiscal years October 1, 1986 through October 1, 1989, not less than $5,000,000,000 in credit guarantees shall be made available by the Commodity Credit Corporation under its export credit guarantee program for short-term credit extended to finance the export sales of United States agricultural commodities and products.

EXTENSION OF PUBLIC LAW 480

SEC. 114. Section 409 of the Agricultural Trade Development and Assistance Act of 1954 is amended—

(1) by striking out "1985" in the first sentence an inserting in lieu thereof "1989"; and

(2) by striking out "Agriculture and Food Drug Act of 1981" in the second sentence and inserting in lieu thereof "Agricultural and Food Assistance Act of 1985".

EXPANSION OF RECIPROCAL TRADE AGREEMENTS

SEC. 115. (a) The table in paragraph (c)(i) of headnote 3 of subpart A of part 10 of schedule 1 of the Tariff Schedules of the United States is amended by—

(1) inserting "18.5" in the item relating to the Philippines; and

(2) inserting "3.0" in the item relating to Costa Rica.

(b) The United States Trade Representative shall proportionately reduce the percentage of the total base quota amount allocated under headnote 3 of subpart A of part 10 of schedule 1 of the Tariff Schedules of the United States to all countries other than the Philippines and Costa Rica to reflect the increased allocation to the Philippines and Costa Rica resulting from the amendment made by subsection (a) of this section. Notice of the amount of the reductions made under the preceding sentence with respect to each country shall be published by the United States Trade Representative in the Federal Register by no later than November 1, 1985.

(c) Paragraph (c) of headnote 3 of subpart A of part 10 of schedule 1 of the Tariff Schedules of the United States is amended by adding at the end thereof a new subparagraph as follows:

"(iii)(A) If the excess of—

"(1) the aggregate value of United States exports to the Philippines during any calendar year beginning after 1985, over

"(2) the aggregate value of United States exports to the Philippines during calendar year 1985, does not equal or exceed the value of 6.5 percent of the aggregate amount of sugars sirups, and molasses described in items 155.20 and 155.30 that were products of the Philippines and were entered during such calendar year beginning after 1985, then, notwithstanding subparagraph (i), the percentage of the total base quota amount allocated to the Philippines for the second quarter of the calendar year succeeding such calendar year beginning after 1985, and for all subsequent calendar quarters, shall be 13.5 percent and the United States Trade Representative shall proportionately increase the percentage of the total base quota amount allocated to all other countries.

"(B) The United States Trade Representative shall make a determination of whether subdivision (A) applies by March 1 of 1987 and of each calendar year thereafter, unless a previous determination was affirmative. The United States Trade Representative shall publish in the Federal Register notice of such determination and of any reallocation of the total base quota amount required under subdivision (A).".

(d) The amendments made by this section and the reductions required to be made under subsection (a), shall apply to articles entered, or withdrawn from warehouse, for consumption after November 30, 1985.

AGRICULTURAL TRADE AGREEMENTS

SEC. 116. It is the sense of Congress that the President should undertake negotiations to develop long-term bilateral and multilateral agreements to promote the free trade of agricultural commodities and products between the United States and other countries.

Subtitle C—Special Assistant for Food Aid and Trade

SEC. 117. The President shall designate a Special Assistant to the President for Food Aid and Trade who shall serve in the White House Office of the Executive Office of the President and who shall perform the following duties:

(1) assisting and advising the President so as to improve and enhance food assistance programs in the United States and foreign countries;

(2) coordinating and streamlining the manner in which the food assistance programs are carried out by the U.S. Department of Agriculture and the Agency for International Development, so as to improve their overall effectiveness;

(3) making recommendations to the President on ways to increase and encourage use and consumption of U.S. agricultural commodities through food assistance;

(4) soliciting information and advice from private and governmental sources and recommend a plan to the President and Congress on steps that should be taken to promote the export of United States agricultural commodities and to provide for expansion of export markets for United States agricultural commodities and products;

(5) developing and recommending to the President national agricultural policies to foster and promote the U.S. agricultural industry and to maintain and increase the strength of this vitally important sector of our economy;

(6) appraise the various programs and activities of the Federal Government, as they affect the U.S. agricultural industry, for the purpose of determining the extent to which such programs and activities are contributing, and to the extent to which they are not contributing to the industry, and make recommendations to the President and Congress with respect to their effectiveness.

TITLE II—NATURAL RESOURCES CONSERVATION

Subtitle A—Soil Conservation Service

FINDINGS

SEC. 201. Congress finds that—

(1) the Nation's well-being is dependent on efficient and productive agriculture, which requires a fertile and well-cared-for soil resource base and a plentiful water supply;

(2) the Soil Conservation service helps individuals, groups, organizations, cities and towns, and county and State governments reduce the costly waste of land and waste resources and use these national assets;

(3) the Soil Conservation Service since its establishment in 1935 within the United States Department of Agriculture has diligently carried out its missions of soil and water conservation, natural resource surveys, and community resource protection and development;

(4) the Soil Conservation Service provides vitally needed technical and financial assistance to achieve its conservation objectives on non-Federal land, an is assisted in this work through its partnership with over three thousand conservation districts covered more than two billion acres in all fifty States, Puerto Rico, and the Virgin Islands;

(5) it is estimated that 67 per centum of all cropland acres in the United State is in need of conservation treatment, and the annual rate of erosion on the four hundred and thirteen million acres of cropland exceeds the maximum rate of loss with which indefinite and prosperous productivity can be maintained, requiring the continued efforts of the Soil Conservation Service in combating this serious national problem; and

(6) our water resources throughout the United States have moved to the forefront of national concern requiring the continued creation of watershed projects, techniques for the improvement of water quality including the reduction of sediments, organic wastes, pesticides, an salts from polluting our waterways, and the establishment of improved irrigation systems and management as planned and designed by the Soil Conservation Service.

SEC. 202. It is the sense of Congress that the vital work of the Soil Conservation Service be vigorously pursued to address the serious soil and water problems still confronting this Nation, and that full support and funding for the Soil Conservation Service and the critical programs that it administers be continued.

Subtitle B—Highly Erodible and Erosion-Prone Land

SEC. 203. This subtitle may be cited as the "Soil Conservation Act of 1985".

DEFINITIONS

SEC. 204. For the purpose of this subtitle—

(a) The term "agricultural commodity" means any agricultural product planted and produced by annual tilling of the soil, including one-trip planters.

(b) The term "highly erodible land" means land classified by the Soil Conservation Service of the Department of Agriculture as class IVe, VIe, VII, or VIII land under the land capability classification systems in effect on the date of the enactment of this Act. The land capability class for a field shall be that determined by the Secretary to be the predominant class under regulations issued by the Secretary.

(c) The term "erosion-prone cropland" means land that is classified by the Soil Conservation Service of the Department of Agriculture as class IIIe, IVe, VI, VII, or VIII land under the land capability classification system in effect on the date of enactment of this subtitle and that has been devoted to the production of an agricultural commodity in three out of the past five years, or any other land in a State that the Soil Conservation Service determines has an erosion rate, in the production of an agricultural commodity, that is equal to or greater than the average erosion rate in the same State on any of the foregoing classes of land; and

(d) The term "Secretary" means the Secretary of Agriculture.

AGRICULTURAL PRODUCTION ON HIGHLY ERODIBLE LAND

PROGRAM INELIGIBILITY FOR PRODUCTION ON HIGHLY ERODIBLE LAND

SEC. 205. Except as provided in section 206 of this subtitle and notwithstanding any other provision of law, following the date of enactment of this subtitle, any person who produces in any crop year an agricultural commodity on highly erodible land shall be ineligible, as to any of that commodity produced during that crop year by such person, for—

(1) any type of price support, income assistance, or production adjustment payments for such commodity made available under the Agricultural Act of 1949, the Commodity Credit Corporation Charter Act, or any other Act;

(2) a loan under section 4(h) of the Commodity Credit Corporation Charter Act for the construction or purchase of a facility for the storage of such commodity;

(3) crop insurance for such commodity under the Federal Crop Insurance Act;

(4) a disaster payment for such commodity under the Agricultural Act of 1949; or

(5) a new loan made, insured, or guaranteed under the consolidated Farm and Rural Development Act or any other provision of law administered by the Farmers Home Administration, if the Secretary determines that such loan will be used for a purpose that will contribute to excessive erosion of highly erodible land.

EXEMPTIONS

SEC. 206. Section 205 of this subtitle shall not apply to any of the following—

(a) any land that was cultivated by a person to produce any of the 1981 through 1985 crops of agricultural commodities;

(b) any crop of an agricultural commodity planted before the date of enactment of this subtitle;

(c) any crop of an agricultural commodity planted by a person during any crop year beginning before the date of enactment of this subtitle;

(d) any loan described in section 205 made before the date of the enactment of this subtitle.

(e) any crop of an agricultural commodity produced using a conservation system that has been approved by a soil conservation district and this is based on technical standards set forth in the Soil Conservation Service technical guide for that soil conservation district. In areas where no soil conservation district exists, the Secretary shall determine the adequacy of the conservation system to be used in the production of any agricultural commodity on highly erodible land.

COMPLETION OF SOIL SURVEYS

SEC. 207. The Secretary shall, as soon as practicable, complete soil surveys on those private lands that do not have a soil survey suitable for use in determining the land capability class for purposes of this subtitle and, insofar as possible, concentrate on those localities where significant amounts of highly erodible land are being converted to the production of agricultural commodities.

CONSERVATION RESERVE PROGRAM

SEC. 208. (a) Notwithstanding any other provision of law, the Secretary shall formulate and carry out a program on up to 30 million acres of land to assist owners and operators of erosion-prone cropland in conserving and improving the soil and water resources of their farms or ranches. In any such program, the Secretary shall include other than erosion-prone cropland upon a demonstration by the conservation district that a serious soil erosion problem exists on such land, or in an area not within a conservation district if the Secretary determines that such a serious soil erosion problem exists.

(b) In carrying out the program under subsection (a) of this section, the Secretary shall enter into contracts during the period beginning October 1, 1985, and ending September 30, 1995, of not less than seven nor more than fifteen years for the purpose of carrying out this section. In such contract, the owner or operator shall agree to—

(1) effectuate during the agreement period a plan approved by a conservation district (or in an area not within a conservation district a plan approved by the Secretary) for converting erosion-prone cropland normally devoted to the production of an agricultural commodity on a farm or ranch to a less intensive use, such as pasture, permanent grass or legumes, or trees substantially in accordance with the schedule outlined therein, except to the extent that any requirements thereof are waived or modified by the Secretary;

(2) forfeit all rights to further payments under the contract and refund to the United States all payments, with interest, received thereunder upon the violation of the contract at any stage during the time the owner or operator has control of the land if the Secretary, after considering the recommendations of the soil conservation district and the Chief of the Soil Conservation Service, determines that such violation is of such a nature as to warrant termination of the contract, or make refunds or accept such payment adjustment as the Secretary may deem appropriate if the Secretary determines that the violation by the owner or operator does not warrant termination of the contract;

(3) upon transfer of the owner or operator's right and interest in the farm or ranch during the contract period, forfeit all rights to further payments under the contract and refund to the United States all payments received thereunder, or accept such payment adjustments or make such refunds as the Secretary may deem appropriate and consistent with the objectives of this section, unless the transferee of any such land agrees with the Secretary to assume all obligations under the contract;

(4) not conduct any harvesting or grazing or otherwise make commerical use of the forage or trees on land that is subject to the contract unless it is expressly permitted in the contract, nor adopt any practice specified in the contract by the Secretary as a practice that would tend to defeat the purposes of the contract; and

(5) such additional provisions as the Secretary determines are desirable and are included in the contract to effectuate the purposes of the program or to facilitate the practical administration thereof.

(c) The plan, as described in subsection (b)(1) of this section for converting erosion-prone cropland normally devoted to the production of agricultural commodities on a farm or ranch to a less intensive use, shall set forth the conservation measures and practices to be installed by the owner or operator during the agreement period and the commercial use, if any, to be made of the land during such period and may provide for the permanent retirement of any existing cropland base and allotment history for such land.

(d) In return for an agreement by the owner and operator under subsection (b) of this section, the Secretary shall agree to (1) provide technical assistance, (2) share the cost of carrying out the conservation measures and practices set forth in the contract for which the Secretary determines that cost sharing is appropriate and in the public interest, and (3) pay an annual land rental fee, for a period of years not in excess of the duration of the contract, necessary for converting erosion-prone cropland normally devoted to the production of an agricultural commodity on a farm or ranch to a less intensive use and necessary for obtaining the retirement of any cropland base and allotment history that the owner or operator agrees to retire permanently.

(e) The Secretary shall base the amount of cost sharing for conservation measures and practices under subsection (d) of this section on that part of the total cost thereof that the Secretary determines is necessary and appropriate to effectuate the installation and maintenance of the conservation plantings and practices for the normally expected life of such a planting or practice.

(f) In determining the amount of land rental under subsection (d) of this section to be paid for converting erosion-prone cropland to less intensive uses, the Secretary may consider, among other things, the amount necessary to encourage owners or operators of erosion-prone cropland to participate in the program. The total amount payable to owners or operators in the form of annual payments under contracts entered into in accordance with this section may be determined through the submission of bids in such a manner as the Secretary may prescribe or through such other means as the Secretary determines appropriate. In determining the acceptability of contract offers, the Secretary may take into consideration the extent of erosion on the land that is the subject of the contract and the productivity of the acreage diverted.

(g) Notwithstanding any other provision of law, payments under this section shall be made in cash or in commodities in such amount and on such time schedule as agreed upon and specified in the contract. Such payments may be made in advance of determination of performance.

(h) If a producer who is entitled to any payment or compensation under this section dies, becomes incompetent, or disappears before receiving such payment or compensation, or is succeeded by another who renders or completes the required performance, the Secretary shall make or provide such payment or compensation, in accordance with regulations and without regard to any other provisions of law, in such manner as the Secretary determines to be fair and reasonable in light of all the circumstances.

(i) No agreement shall be entered into under this section concerning land with respect to which the ownership has changed in the three-year period preceding the first year of the agreement period unless (1) the new ownership was acquired by will or succession as a result of the death of the previous owner, (2) the new ownership was acquired prior to January 1, 1985, or (3) the Secretary determines that the land was acquired under circumstances that give adequate assurance that such land was not acquired for the purpose of placing it in the program. This provision shall not be construed to prohibit the continuation of an agreement by a new owner after an agreement has once been entered into under this section, nor to require a person to own the land as a condition or eligibility for entering into the agreement if the person has operated the land to be covered by an agreement under this section for as long as three years preceding the date of the agreement and controls the land for the agreement period.

(j) The Secretary shall provide adequate safeguards under the program to protect the interests of tenants and sharecroppers, including provision for sharing in payments on a fair and equitable basis.

(k) The Secretary may (1) terminate any contract entered into under this section by mutual agreement with the owner or operator if the Secretary determines that such termination would be in the public interest and (2) agree to such modification of contracts as the Secretary may determine to be desirable to carry out the purpose of this section or facilitate its administration.

(l) Notwithstanding subsection (c) of this section, the Secretary may provide by appropriate regulations for preservation of cropland base and allotment history, applicable to acreage converted from the produc-

tion of crops under this section, for the purpose of any Federal program under which such history is used as a basis for participation in such program or for an allotment or other limitation in such program, unless the owner or operator agrees under the contract to retire permanently such cropland base and allotment history.

(m) In carrying out this section, the Secretary may use the facilities, services, authorities, and funds of the Commodity Credit Corporation, except that the Secretary may not use funds of the Corporation for such purpose unless the Corporation has received funds to cover such expenditures from appropriations made to carry out this section.

(n) The Secretary may enter into contracts in any fiscal year requiring payments to producers under this section only to such extent or in such amounts as provided in appropriations Acts. There are hereby authorized to be appropriated such sums as are necessary for the administration of this section, including such amounts as may be required to make payments to the Commodity Credit Corporation for its costs to be incurred under this section.

ADMINISTRATIVE PROVISIONS

SEC. 209. (a) In carrying out this subtitle, the Secretary shall use the services of local, county, and State committees established under Section 8 of the Soil Conservation and Domestic Allotment Act.

(b) The Secretary shall establish, by regulation, an appeal procedure under which a person who is adversely affected by any determination made under this subtitle may seek review of such determination.

(c) The Secretary shall, within one hundred and eighty days after the enactment of this title, publish in the *Federal Register* such regulations as the Secretary determines desirable to implement this subtitle.

(d) The authority provided by this subtitle shall be in addition to and not in place of other authorities available to the Secretary and the Commodity Credit Corporation for carrying out soil and water conservation programs.

Subtitle C—Soil and Water Conservation Fund

SEC. 210. The Internal Revenue Code of 1954 is amended by adding at the end thereof a new Subtitle J as follows:

"Subtitle J—Financing of Soil and Water Conservation

"SHORT TITLE

"SEC. 9700. This subtitle may be cited as the "Soil and Water Conservation Fund Act".

"ESTABLISHMENT OF SOIL AND WATER CONSERVATION FUND

"SEC. 9701. There is hereby established in the Treasury of the United States a special fund to be known as the "Soil and Water Conservation Fund". The Secretary of the Treasury shall, from time to time, transfer to the fund an amount not in excess of the sum of the amounts designated to the fund by individuals under section 9702. Notwithstanding any other provision of law, such amounts so transferred to the fund shall be available to the Secretary of Agriculture for the purpose of carrying out soil or water conservation programs, including, but not limited to, programs administered through local soil and water conservation districts.

"DESIGNATIONS OF INCOME TAX PAYMENTS TO SOIL AND WATER CONSERVATION FUND

"SEC. 9702. (a) Every individual (other than a nonresident alien) whose income tax liability for the taxable year is $5 or more may designate that $5 shall be paid to the Soil and Water Conservation Fund in accordance with the provisions of section 9701. In the case of a joint return of husband and wife having an income tax liability of $10 or more, each spouse may designate that $5 shall be paid to the fund.

"(b) For purposes of subsection (a), the income tax liability of an individual for any taxable year is the amount of the tax imposed by chapter 1 on such individual for such taxable year (as shown on his return), reduced by the sum of the credits (as shown on his return) allowable under part IV of subchapter A of chapter I (other than subpart C thereof).

"(c) A designation under subsection (a) may be made with respect to any taxable year—

"(1) at the time of filing the return of the tax imposed by chapter 1 for such taxable year, or

"(2) at any other time (after the time of filing the return of the tax imposed by chapter 1 for such taxable year) specified in regulations prescribed by the Secretary.

"Such designation shall be made in such manner as the Secretary prescribes by regulations except that, if such designation is made at the time of filing the return of the tax imposed by chapter 1 for such taxable year, such designation shall be made either on the first page of the return or on the page bearing the taxpayer's signature."

TITLE III—WOOL AND MOHAIR

EXTENSION OF PRICE SUPPORT PROGRAM

SEC. 301. Section 703 of the National Wool Act of 1954, as amended, is amended by—

(1) striking out "1985" in subsection (a) and inserting in lieu thereof "1989"; and

(2) striking out "1985" in subsection (b) and inserting in lieu thereof "1989".

PROMOTION OF THE SALE OF WOOL, SHEEP, MOHAIR, AND GOATS OUTSIDE THE UNITED STATES

SEC. 302. Section 708 of the National Wool Act of 1954 is amended in the second sentence by striking out "Mohair or goat or the products thereof" and inserting in lieu thereof "wool, sheep, mohair, or goats or the products thereof".

TITLE IV—WHEAT

LOAN RATES, TARGET PRICES, DISASTER PAYMENTS, WHEAT ACREAGE REDUCTION AND SET-ASIDE PROGRAM, AND LAND DIVERSION FOR THE 1986 THROUGH 1989 CROPS OF WHEAT

SEC. 401. Effective only for the 1986 through 1989 crops of wheat, the Agricultural Act of 1949 is amended by adding after section 107C the following new section:

SEC. 107D. Notwithstanding any other provision of law—

"(a) The Secretary shall make available to producers loans and purchases for each of the 1986 through 1989 crops of wheat at such level, not less than $3.55 per bushel, as the Secretary determines will maintain the competitive relationship of wheat to other grains in domestic and export markets after taking into consideration the cost of producing wheat, supply and demand conditions, and world prices for wheat: *Provided*, That if the Secretary determines that the average price of wheat received by producers in any marketing year is not more than 105 per centum of the level of loans and purchases for wheat for such marketing year, the Secretary may reduce the level of loans and purchases for wheat for the next marketing year the amount the Secretary determines necessary to maintain domestic and export markets for grain, except that the level of loans and purchases shall not be reduced by more than 10 per centum in any year nor below $3 per bushel.

"(b)(1)(A) The Secretary shall make available to producers payments for each of the 1986 through 1989 crops of wheat in an amount computed as provided in this subsection. Payments for any crop of wheat shall be computed by multiplying (i) the payment rate, by (ii) the farm program acreage for the crop, by (iii) the farm program payment yield for the crop. In no event may payments be made under this paragraph for any crop on a greater acreage than the acreage actually planted to wheat.

"(B) The payment rate for wheat shall be the amount by which the established price for the crop of wheat exceeds the higher of—

"(i) the national weighted average market price received by farmers during the first five months of the marketing year for such crop, as determined by the Secretary, or

"(ii) the loan level determined under subsection (a) of this section for such crop.

"(C) For the 1986 crop of wheat, the established price shall be $4.38 per bushel, adjusted by the Secretary to reflect any change in (i) the average adjusted cost of production per acre for the two crop years immediately preceding the year for which the determination is made from (ii) the average adjusted cost of production per acre for the two crop years immediately preceding the year previous to the one for which the determination is made. The adjusted cost of production for each of the years shall be determined by the Secretary on the basis of such information as the Secretary finds necessary and appropriate for the purpose and shall include variable costs, machinery ownership costs, and general farm overhead costs, allocated to the crops involved on the basis of the proportion of the value of the total production derived from each crop. For the 1987 through 1989 crops of wheat, the established price shall be the established price for the previous year's crop adjusted by the Secretary in the same manner as the adjustment set out in the preceding two sentences with respect to the established price for the 1986 crop.

"(D) Notwithstanding the foregoing provisions of this section, if the Secretary adjusts the level of loans and purchases for wheat in accordance with the proviso in subsection (a) of this section, the Secretary shall provide emergency compensation by increasing the established price payments for wheat by such amount as the Secretary determines necessary to provide the same total return to producers as if the adjustment in the level of loans and purchases had not been made: *Provided*, That any payments under this subparagraph shall not be included in the payments subject to limitations under the provisions of section 1208 of the Agricultural Food Assistance Act of 1985.

"(E)(1) The total quantity on which payments would otherwise be payable to a producer on a farm for any crop under this paragraph shall be reduced by the quantity on which any disaster payment is made to the producer for the crop under paragraph (2) of this subsection.

"(2)(A) Except as otherwise provided in subparagraph (C) of this paragraph, if the Secretary determines that the producers on a farm are prevented from planting any portion of the acreage intended for wheat to wheat or other nonconserving crops because of drought, flood, or other natural disaster, or other condition beyond the control of the producers, the Secretary shall make a pre-

vented planting disaster payment to the producers on the number of acres so affected but not to exceed the acreage planted to wheat for harvest (including any acreage which the producers were prevented from planting to wheat or other nonconserving crop in lieu of wheat because of drought, flood, or other natural disaster, or other condition beyond the control of the producers) in the immediately preceding year, multiplied by 75 per centum of the farm program payment yield established by the Secretary times a payment rate equal to 33⅓ per centum of the established price for the crop.

"(B) Except as otherwise provided in subparagraph (C) of this paragraph, if the Secretary determines that because of drought, flood, or other natural disaster, or other condition beyond the control of the producers, the total quantity of wheat which the producers are able to harvest on any farm is less than the result of multiplying 60 per centum of the farm program payment yield established by the Secretary for such crop by the acreage planted for harvest for such crop, the Secretary shall make a reduced yield disaster payment to the producers at a rate equal to 50 per centum of the established price for the crop for the deficiency in production below 60 per centum for the crop.

"(C) Producers on a farm shall not be eligible for disaster payments under this paragraph if crop insurance is available to them under the Federal Crop Insurance Act (7 U.S.C. 1501 et seq.) with respect to their wheat acreage.

"(D) Notwithstanding the provisions of subparagraph (C) of this paragraph, the Secretary may make disaster payments to producers on a farm under this paragraph whenever the Secretary determines that—

"(i) as the result of drought, flood, or other natural disaster, or other condition beyond the control of the producers, producers on a farm have suffered substantial losses of production either from being prevented from planting wheat or other nonconserving crop or from reduced yields, and that such losses have created an economic emergency for the producers;

"(ii) Federal crop insurance indemnity payments and other forms of assistance made available by the Federal Government to such producers for such losses are insufficient to alleviate such economic emergency; and

"(iii) additional assistance must be made available to such producers to alleviate the economic emergency.

The Secretary may make such adjustments in the amount of payments made available under this subparagraph with respect to individual farms so as to assure the equitable allotment of such payments among producers taking into account other forms of Federal disaster assistance provided to the producers for the crop involved.

"(c)(1) The Secretary shall proclaim a national program acreage for each of the 1986 through 1989 crops of wheat. The proclamation shall be made not later than August 15 of each calendar year for the crop harvested in the next succeeding calendar year. The Secretary may revise the national program acreage first proclaimed for any crop year for the purpose of determining the allocation factor under paragraph (2) of this subsection if the Secretary determines it necessary based upon the latest information, and the Secretary shall proclaim such revised national program acreage as soon as it is made. The national program acreage for wheat shall be the number of harvested acres the Secretary determines (on the basis of the weighted national average of the farm program payment yields for the crop for which the determination is made) will produce the quantity (less imports) that the Secretary estimates will be utilized domestically and for export during the marketing year for such crop. If the Secretary determines that carryover stocks of wheat are excessive or an increase in stocks is needed to assure desirable carryover, the Secretary may adjust the national program acreage by the amount the Secretary determines will accomplish the desired increase or decrease in carryover stocks.

"(2) The Secretary shall determine a program allocation factor for each crop of wheat. The allocation factor for wheat shall be determined by dividing the national program acreage for the crop by the number of acres that the Secretary estimates will be harvested for such crop, except that in no event shall the allocation factor for any crop of wheat be more than 100 per centum nor less that 80 per centum.

"(3) The individual farm program acreage for each crop of wheat shall be determined by multiplying the allocation factor by the acreage of wheat planted for harvest on the farms for which individual farm program acreages are required to be determined. The farm program acreage shall not be further reduced by application of the allocation factor if the producers reduce the acreage of wheat planted for harvest on the farm from the acreage base established for the farm under subsection (e)(2) of this section by at least the percentage recommended by the Secretary in the proclamation of the national program acreage. The Secretary shall provide fair and equitable treatment for producers on farms on which the acreage of wheat planted for harvest is less than the acreage base established for the farm under subsection (e)(2) of this section, but for which the reduction is insufficient to exempt the farm from the application of the allocation factor. In establishing the allocation factor for wheat, the Secretary may make such adjustment as the Secretary deems necessary to take into account the extent of exemption of farms under the foregoing provisions of this paragraph.

"(d) The farm program payment yield for each crop of wheat shall be the yield established for the farm for the previous crop year, adjusted by the Secretary to provide a fair and equitable yield. If no payment yield for wheat was established for the farm in the previous crop year, the Secretary may determine such yield as the Secretary finds fair and reasonable. Notwithstanding the foregoing provisions of this subsection, in the determination of yields, the Secretary shall take into account the actual yields proved by the producer, and neither such yields nor the farm program payment yield established on the basis of such yields shall be reduced under other provisions of this subsection. If the Secretary determines it necessary, the Secretary may establish national, State, or county program payment yields on the basis of historical yields, as adjusted by the Secretary to correct for abnormal factors affecting such yields in the historical period, or, if such data are not available, on the Secretary's estimate of actual yields for the crop year involved. If national, State, or county program payment yields are established, the farm program payment yields shall balance to the national, State, or county program payment yields.

"(e) (1) Notwithstanding any other provision of this section, the Secretary may provide for any crop of wheat either a program under which the acreage planted to wheat would be limited as described in paragraph (2) of this subsection or a set-aside program as described in paragraph (3) of this subsection if the Secretary determines that the total supply of wheat, in the absence of such a program, will be excessive taking into account the need for an adequate carryover to maintain resaonable and stable supplies and prices and to meet a national emergency. The Secretary shall announce any such wheat acreage limitation program or set-aside program not later than August 15 prior to the calendar year in which the crop is harvested.

"(2) If a wheat acreage limitation program is announced under paragraph (1) of this subsection, such limitation shall be achieved by applying a uniform percentage reduction to the wheat acreage base for each wheat-producing farm. Producers who knowingly produce wheat in execess of the permitted wheat acreage for the farm shall be ineligible for wheat loans, purchases, and payments with respect to that farm. The acreage base for any farm for the purpose of determining any reduction required to be made for any year as the result of a limitation imposed under this paragraph shall be the acreage planted on the farm to wheat for harvest in the crop year immediately preceding the year for which the determination is made or, at the discretion of the Secretary, the average acreage planted to wheat for harvest in the two crop years immediately preceding the year for which the determination is made. For the purpose of the preceding sentence, acreage planted to wheat for harvest shall include any acreage which the producers were prevented from planting to wheat or other nonconserving crop in lieu of wheat because of drought, flood, or other natural disaster, or other condition beyond the control of the producers. The Secretary may make adjustments to reflect established crop-rotation practices and to reflect such other factors as the Secretary determines should be considered in determining a fair and equitable base. A number of acres on the farm determined by dividing (A) the product obtained by multiplying the number of acres required to be withdrawn from the production of wheat times the number of acres actually planted to such commodity, by (B) the number of acres authorized to be planted to such commodity under the limitation established by the Secretary shall be devoted to conservation uses, in accordance with regulations issued by the Secretary. The number of acres so determined is hereinafter in this subsection referred to as 'reduced acreage'. If an acreage limitation program is announced under paragraph (1) of this subsection for a crop of wheat, subsection (c) of this section shall not be applicable to such crop, including any prior announcement which may have been made under such subsection with respect to such crop. The individual farm program acreage shall be the acreage planted on the farm to wheat for harvest within the permitted wheat acreage for the farm as established under this paragraph.

"(3) If a set-aside program is announced under paragraph (1) of this subsection, then as a condition of eligibility for loans, purchases, and payments authorized by this section, the producers on a farm must set aside and devote to conservation uses an acreage of cropland equal to a specified percentage, as determined by the Secretary, of the acreage of wheat planted for harvest for

the crop for which the set-aside is in effect. The set-aside acreage shall be devoted to conservation uses, in accordance with regulations issued by the Secretary. If a set-aside program is established, the Secretary may limit the acreage planted to wheat. Such limitation shall be applied on a uniform basis to all wheat-producing farms. The Secretary may make such adjustments in individual set-aside acreages under this paragraph as the Secretary determines necessary to correct for abnormal factors affecting production, and to give due consideration to tillable acreage, crop-rotation practices, types of soil, soil and water conservation measures, topography, and such other factors as the Secretary deems necessary.

"(4) The regulations issued by the Secretary under paragraphs (2) and (3) of this subsection with respect to acreage required to be devoted to conservation uses shall assure protection of such acreage from weeds and wind and water erosion. The Secretary may permit, subject to such terms and conditions as the Secretary may prescribe, all or any part of such acreage to be devoted to sweet sorghum, hay and grazing, or the production of guar, sesame, safflower, sunflower, castor beans, mustard seed, crambe, plantago ovato, flaxseed, triticale, rye, or other commodity, if the Secretary determines that such production is needed to provide an adequate supply of such commodities, is not likely to increase the cost of the price support program, and will not affect farm income adversely. In determining the amount of land to be devoted to conservation uses under an acreage limitation or set-aside program with respect to land that has been farmed under summer fallow practices, as defined by the Secretary, the Secretary shall consider the effects of soil erosion and such other factors as the Secretary considers appropriate.

"(5) The Secretary may make land diversion payments to producers of wheat, whether or not an acreage limitation or set-aside program for wheat is in effect, if the Secretary determines that such land diversion payments are necessary to assist in adjusting the total national acreage of wheat to desirable goals. Such land diversion payments shall be made to producers who, to the extent prescribed by the Secretary, devote to approved conservation uses an acreage of cropland on the farm in accordance with land diversion contracts entered into by the Secretary with such producers. The amounts payable to producers under land diversion contracts may be determined through the submission of bids for such contracts by producers in such manner as the Secretary may prescribe or through such other means as the Secretary determines appropriate. In determining the acceptability of contract offers, the Secretary shall take into consideration the extent of the diversion to be undertaken by the producers and the productivity of the acreage diverted. The Secretary shall limit the total acreage to be diverted under agreements in any county or local community so as not to affect adversely the economy of the county or local community.

"(6) Any reduced acreage, set-aside acreage, and additional diverted acreage may be devoted to wildlife food plots or wildlife in conformity with standards established by the Secretary in consultation with wildlife habitat agencies. The Secretary may pay an appropriate share of the cost of practices designed to carry out the purposes of the foregoing sentence. The Secretary may also pay an appropriate share of the cost of approved soil and water conservation practices (including practices that may be effective for a number of years) established by the producer on reduced acreage, set-aside acreage, or additional diverted acreage. The Secretary may provide for an additional payment on such acreage in an amount determined by the Secretary to be appropriate in relation to the benefit to the general public if the producer agrees to permit, without other compensation, access to all or such portion of the farm, as the Secretary may prescribe, by the general public, for hunting, trapping, fishing, and hiking, subject to applicable State and Federal regulations.

"(7) An operator of a farm desiring to participate in the program conducted under this subsection shall execute an agreement with the Secretary providing for such participation not later than such date as the Secretary may prescribe. The Secretary may, by mutual agreement with producers on the farm, terminate or modify any such agreement if the Secretary determines such action necessary because of an emergency created by drought or other disaster or to prevent or alleviate a shortage in the supply of agricultural commodities.

"(f) If the failure of a producer to comply fully with the terms and conditions of the program conducted under this section precludes the making of loans, purchases, and payments, the Secretary may, nevertheless, make such loans, purchases, and payments in such amounts as the Secretary determines to be equitable in relation to the seriousness of the failure. The Secretary may authorize the county and State committees established under section 8(b) of the Soil Conservation and Domestic Allotment Act to waive or modify deadlines and other program requirements in cases in which lateness or failure to meet such other requirements does not affect adversely the operation of the program.

"(g) The Secretary may issue such regulations as the Secretary determines necessary to carry out the provisions of this section.

"(h) The Secretary shall carry out the program authorized by this section through the Commodity Credit Corporation.

"(i) The provisions of section 8(g) of the Soil Conservation and Domestic Allotment Act (relating to assignment of payments) shall apply to payments under this section.

"(j) The Secretary shall provide for the sharing of payments made under this section for any farm among the producers on the farm on a fair and equitable basis.

"(k) Notwithstanding any other provision of law, compliance on a farm with terms and conditions of any other commodity program may not be required as a condition of eligibility for loans, purchases, or payments under this section if an acreage limitation program is established under subsection (e)(2) of this section, but may be required if a set-aside program is established under subsection (e)(3) of this section.".

NONAPPLICABILITY OF CERTIFICATE REQUIREMENTS

SEC. 402. Sections 379d, 379e, 379f, 379h, 379i, and 379j of the Agricultural Adjustment Act of 1938 (which deal with marketing certificate requirements for processors and exporters) shall not be applicable to wheat processors or exporters during the period June 1, 1986, through May 31, 1990.

SUSPENSION OF MARKETING QUOTAS AND PRODUCER CERTIFICATE PROVISIONS

SEC. 403. Sections 331, 332, 333, 334, 335, 336, 338, 339, 379b, and 379c of the Agricultural Adjustment Act of 1938 shall not be applicable to the 1986 through 1989 crops of wheat.

SUSPENSION OF QUOTA PROVISIONS

SEC. 404. Public Law 74, Seventy-seventh Congress (55 Stat. 203, as amended) shall not be applicable to the crops of wheat planted for harvest in the calendar years 1986 through 1989.

NONAPPLICABILITY OF SECTION 107 OF THE AGRICULTURAL ACT OF 1949

SEC. 405. Section 107 of the Agricultural Act of 1949, as amended, shall not be applicable to the 1986 through 1989 crops of wheat.

TITLE V—FEED GRAINS

LOAN RATES, TARGET PRICES, DISASTER PAYMENTS, FEED GRAIN ACREAGE REDUCTION AND SET-ASIDE PROGRAMS, AND LAND DIVERSION PAYMENTS FOR THE 1986 THROUGH 1989 CROPS

SEC. 501. Effective only for the 1986 through 1989 crops of feed grains, the Agricultural Act of 1949, as amended, is amended by adding after section 105B a new section as follows:

"SEC. 105C. Notwithstanding any other provision of law—

"(a) The Secretary shall make available to producers loans and purchases for each of the 1986 through 1989 crops of corn at such level, not less than $2.55 per bushel, as the Secretary determines will encourage the exportation of feed grains and not result in excessive stocks of feed grains after taking into consideration the cost of producing corn, supply and demand conditions, and world prices for corn: *Provided*, That if the Secretary determines that the average price of corn received by producers in any marketing year is not more than 105 per centum of the level of loans and purchases for corn for such marketing year, the Secretary may reduce the level of loans and purchases for corn for the next marketing year by the amount the Secretary determines necessary to maintain domestic and export markets for grain, except that the level of loans and purchases shall not be reduced by more than 10 per centum in any year nor below $2 per bushel.

"(2) The Secretary shall make available to producers loans and purchases for each of the 1986 through 1989 crops of grain sorghums, barley, oats, and rye, respectively, at such level as the Secretary determines is fair and reasonable in relation to the level that loans and purchases are made available for corn, taking into consideration the feeding value of such commodity in relation to corn and other factors specified in section 401(b) of this Act.

"(b)(1)(A) The Secretary shall make available to producers payments for each of the 1986 through 1989 crops of corn, grain sorghums, oats, and if designated by the Secretary, barley in an amount computed as provided in this subsection. Payments for any crop of feed grains shall be computed by multiplying (i) the payment rate, by (ii) the farm program acreage for the crop, by (iii) the farm program payment yield for the crop. In no event may payments be made under this paragraph for any crop on a greater acreage than the acreage actually planted to feed grains.

"(B) The payment rate for corn shall be the amount by which the established price for the crop of corn exceeds the higher of—

"(i) the national weighted average market price received by farmers during the first five months of the marketing year for such crop, as determined by the Secretary, or

"(ii) the loan level determined under subsection (a) of this section for such crop.

"(C) For the 1986 crop of corn, the established price shall be $3.38 per bushel, adjusted by the Secretary to reflect any change in (i) the average adjusted cost of production per acre for the two crop years immediately preceding the year for which the determination is made from (ii) the average adjusted cost of production per acre for the two crop years immediately preceding the year previous to the one for which the determination is made. The adjusted cost of production for each of such years shall be determined by the Secretary on the basis of information that the Secretary finds necessary and appropriate for the purpose and shall include variable costs, machinery ownership costs, and general farm overhead costs, allocated to the crops involved on the basis of the proportion of the value of the total production derived from each crop. For the 1987 through 1989 crops of corn, the established price shall be the established price for the previous year's crop adjusted by the Secretary in the same manner as the adjustment set out in the preceding two sentences with respect to the established price for the 1986 crop.

"(D) Notwithstanding the foregoing provisions of this section, if the Secretary adjusts the level of loans and purchases for corn in accordance with the proviso in subsection (a)(1) of this section, the Secretary shall provide emergency compensation by increasing the established price payments for corn by such amount as the Secretary determines necessary to provide the same total return to producers as if the adjustment in the level of loans and purchases had not been made: *Provided,* That any payments under this subparagraph shall not be included in the payments subject to limitations under the provisions of section 1208 of the Agricultural and Food Assistance Act of 1985.

"(E) The payment rate for grain sorghums, oats, and, if designated by the Secretary, barley, shall be such rate as the Secretary determines fair and reasonable in relation to the rate at which payments are made available for corn.

"(F) The total quantity on which payments would otherwise be payable to a producer on a farm for any crop under this paragraph shall be reduced by the quantity on which any disaster payment is made to the producer for the crop under paragraph (2) of this subsection.

"(2)(A) Except as otherwise provided in subparagraph (C) of this paragraph, if the Secretary determines that the producers on a farm are prevented from planting any portion of the acreage intended for feed grains to feed grains or other nonconserving crops because of drought, flood, or other natural disaster, or other conditions beyond the control of the producers, the Secretary shall make a prevented planting disaster payment to the producers on the number of acres so affected but not to exceed the acreage planted to feed grains for harvest (including any acreage which the producers were prevented from planting to feed grains or other nonconserving crop in lieu of feed grains because of drought, flood, or other natural disaster, or other condition beyond the control of the producers) in the immediately preceding year, multiplied by 75 per centum of the farm program payment yield established by the Secretary times a payment rate equal to 33 per centum of the established price for the crop.

"(B) Except as otherwise provided in subparagraph (C) of this paragraph, if the Secretary determines that because of drought, flood, or other natural disaster, or other condition beyond the control of the producers, the total quantity of feed grains which the producers are able to harvest on any farm is less than the result of multiplying 60 per centum of the farm program payment yield established by the Secretary for such crop by the acreage planted for harvest for such crop, the Secretary shall make a reduced yield disaster payment to the producers at a rate equal to 50 per centum of the established price for the crop for the deficiency in production below 60 per centum for the crop.

"(C) Producers on a farm shall not be eligible for disaster payments under this paragraph if crop insurance is available to them under the Federal Crop Insurance Act (7 U.S.C. 1501 et seq.) with respect to their feed grain acreage.

"(D) Notwithstanding the provisions of subparagraph (C) of this paragraph, the Secretary may make disaster payments to producers on a farm under this paragraph whenever the Secretary determines that—

"(i) as the result of drought, flood, or other natural disaster, or other conditions beyond the control of the producers, producers on a farm have suffered substantial losses of production either from being prevented from planting feed grains or other nonconserving crop or from reduced yields, and that such losses have created an economic emergency for the producers;

"(ii) Federal crop insurance indemnity payments and other forms of assistance made available by the Federal Government to such producers for such losses are insufficient to alleviate such economic emergency; and

"(iii) additional assistance must be made available to such producers to alleviate the economic emergency.

The Secretary may make such adjustments in the amount of payments made available under this subparagraph with respect to individual farms so as to assure the equitable allotment of such payments among producers taking into account other forms of Federal disaster assistance provided to the producers for the crop involved.

"(c)(1) The Secretary shall proclaim a national program acreage for each of the 1986 through 1989 crops of feed grains. The proclamation shall be made not later than November 15 of each calendar year for the crop harvested in the next succeeding calendar year. The Secretary may revise the national program acreage first proclaimed for any crop year for the purpose of determining the allocation factor under paragraph (2) of this subsection if the Secretary determines it necessary based upon the latest information, and the Secretary shall proclaim such revised national program acreage as soon as it is made. The national program acreage for feed grains shall be the number of harvested acres the Secretary determines (on the basis of the weighted national average of the farm program payment yields for the crop for which the determination is made) will produce the quantity (less imports) that the Secretary estimates will be utilized domestically and for export during the marketing year for such crop. If the Secretary determines that carryover stocks of feed grains are excessive or an increase in stocks is needed to assure desirable carryover, the Secretary may adjust the national program acreage by the amount the Secretary determines will accomplish the desired increase or decrease in carryover stocks.

"(2) The Secretary shall determine a program allocation factor for each crop of feed grains. The allocation factor for feed grains shall be determined by dividing the national program acreage for the crop by the number of acres that the Secretary estimates will be harvested for such crop, except that in no event shall the allocation factor for any crop of feed grains be more than 100 per centum nor less than 80 per centum.

"(3) The individual farm program acreage for each crop of feed grains shall be determined by multiplying the allocation factor by the acreage of feed grains planted for harvest on the farms for which individual farm program acreages are required to be determined. The farm program acreage shall not be further reduced by application of the allocation factor if the producers reduce the acreage of feed grains planted for harvest on the farm from the acreage base established for the farm under subsection (e)(2) of this section by at least the percentage recommended by the Secretary in the proclamation of the national program acreage. The Secretary shall provide fair and equitable treatment for producers on farms on which the acreage of feed grains planted for harvest is less than the acreage base established for the farm under subsection (e)(2) of this section, but for which the reduction is insufficient to exempt the farm from the application of the allocation factor. In establishing the allocation factor for feed grains, the Secretary may make such adjustment as the Secretary deems necessary to take into account the extent of exemption of farms under the foregoing provisions of this paragraph.

"(d) The farm program payment yield for each crop of feed grains shall be the yield established for the farm for the previous crop year, adjusted by the Secretary to provide a fair and equitable yield. If no payment yield for feed grains was established for the farm in the previous crop year, the Secretary may determine such yield as the Secretary finds fair and reasonable. Notwithstanding the foregoing provisions of this subsection, in the determination of yields, the Secretary shall take into account the actual yields proved by the producer, and neither such yields nor the farm program payment yield established on the basis of such yields shall be reduced under other provisions of this subsection. If the Secretary determines it necessary, the Secretary may establish national, State, or county program payment yields on the basis of historical yields, as adjusted by the Secretary to correct for abnormal factors affecting such yields in the historical period, or, if such data are not available, on the Secretary's estimate of actual yields for the crop year involved. If national, State, or county program payment yields are established, the farm program payment yields shall balance to the national, State, or county program payment yields.

"(e)(1) Notwithstanding any other provision of this section, the Secretary may provide for any crop of feed grains either a program under which the acreage planted to feed grains would be limited as described in paragraph (2) of this subsection or a set-aside program as described in paragraph (3) of this subsection if the Secretary determines that the total supply of feed grains, in the absence of such a program, will be excessive taking into account the need for an adequate carryover to maintain reasonable and stable supplies and prices and to meet a national emergency. The Secretary shall announce any such feed grain acreage limitation program or set-aside program not later

than November 15 prior to the calendar year in which the crop is harvested.

"(2) If a feed grain acreage limitation program is announced under paragraph (1) of this subsection, such limitation shall be achieved by applying a uniform percentage reduction to the feed grain acreage base for each feed grain-producing farm. Producers who knowingly produce feed grains in excess of the permitted feed grain acreage for the farm shall be ineligible for feed grain loans, purchases, and payments with respect to that farm. The Secretary may provide that no producer of malting barley shall be required as a condition of eligibility for feed grain loans, purchases, and payments to comply with any acreage limitation under this paragraph if such producer has previously produced a malting variety of barley for harvest, and meets such other conditions as the Secretary may prescribe. The acreage base for any farm for the purpose of determining any reduction required to be made for any year as the result of a limitation imposed under this paragraph shall be the acreage planted on the farm to feed grains for harvest in the crop year immediately preceding the year for which the determination is made or, at the discretion of the Secretary, the average acreage planted to feed grains for harvest in the two crop years immediately preceding the year for which the determination is made. For the purpose of the preceding sentence, acreage planted to feed grains for harvest shall include any acreage which the producers were prevented from planting to feed grains or other nonconserving crop in lieu of feed grains because of drought, flood, or other natural disaster, or other condition beyond the control of the producers. The Secretary may make adjustments to reflect established crop-rotation practices and to reflect such other factors as the Secretary determines should be considered in determining a fair and equitable base. A number of acres on the farm determined by dividing (A) the product obtained by multiplying the number of acres required to be withdrawn from the production of feed grains times the number of acres actually planted to such commodity, by (B) the number of acres authorized to be planted to such commodity under the limitation established by the Secretary shall be devoted to conservation uses, in accordance with regulations issued by the Secretary. The number of acres so determined is hereinafter in this subsection referred to as 'reduced acreage'. If an acreage limitation program is announced under paragraph (1) of this subsection for a crop of feed grains, subsection (c) of this section shall not be applicable to such crop, including any prior announcement which may have been made under such subsection with respect to such crop. The individual farm program acreage shall be the acreage planted on the farm to feed grains for harvest within the permitted feed grain acreage for the farm as established under this paragraph.

"(3) If a set-aside program is announced under paragraph (1) of this subsection, then as a condition of eligibility for loans, purchases, and payments authorized by this section, the producers on a farm must set aside and devote to conservation uses an acreage of cropland equal to a specified percentage, as determined by the Secretary, of the acreage of feed grains planted for harvest for the crop for which the set-aside is in effect. The set-aside acreage shall be devoted to conservation uses, in accordance with regulations issued by the Secretary. If a set-aside program is established, the Secretary may limit the acreage planted to feed grains. Such limitation shall be applied on a uniform basis to all feed grain-producing farms. The Secretary may make such adjustments in individual set-aside acreages under this paragraph as the Secretary determines necessary to correct for abnormal factors affecting production, and to give due consideration to tillable acreage, crop-rotation practices, types of soil, soil and water conservation measures, topography, and such other factors as the Secretary deems necessary.

"(4) The regulations issued by the Secretary under paragraphs (2) and (3) of this subsection with respect to acreage required to be devoted to conservation uses shall assure protection of such acreage from weeds and wind and water erosion. The Secretary may permit, subject to such terms and conditions as the Secretary may prescribe, all or any part of such acreage to be devoted to sweet sorghum, hay and grazing, or the production of guar, sesame, safflower, sunflower, castor beans, mustard seed, crambe, plantago ovato, flaxseed, triticale, rye, or other commodity, if the Secretary determines that such production is needed to provide an adequate supply of such commodities, is not likely to increase the cost of the price support program, and will not affect farm income adversely.

"(5) The Secretary may make land diversion payments to producers of feed grains, whether or not an acreage limitation or set-aside program for feed grains is in effect, if the Secretary determines that such land diversion payments are necessary to assist in adjusting the total national acreage of feed grains to desirable goals. Such land diversion payments shall be made to producers who, to the extent prescribed by the Secretary, devote to approved conservation uses an acreage of cropland on the farm in accordance with land diversion contracts entered into by the Secretary with such producers. The amounts payable to producers under land diversion contracts may be determined through the submission of bids for such contracts by producers in such manner as the Secretary may prescribe or through such other means as the Secretary determines appropriate. In determining the acceptability of contract offers, the Secretary shall take into consideration the extent of the diversion to be undertaken by the producers and the productivity of the acreage diverted. The Secretry shall limit the total acreage to be diverted under agreements in any county or local community so as not to affect adversely the economy of the county or local community.

"(6) Any reduced acreage, set-aside acreage, and additional diverted acreage may be devoted to wildlife food plots or wildlife habitat in conformity with standards established by the Secretary in consultation with wildlife agencies. The Secretary may pay an appropriate share of the cost of practices designed to carry out the purposes of the foregoing sentence. The Secretary may also pay an appropriate share of the cost of approved soil and water conservation practices (including practices that may be effective for a number of years) established by the producer on reduced acreage, set-aside acreage, or additional diverted acreage. The Secretary may provide for an additional payment on such acreage in an amount determined by the Secretary to be appropriate in relation to the benefit to the general public if the producer agrees to permit, without other compensation, access to all or such portion of the farm, as the Secretary may prescribe, by the general public, for hunting, trapping, fishing, and hiking, subject to applicable State and Federal regulations.

"(7) An operator of a farm desiring to participate in the program conducted under this subsection shall execute an agreement with the Secretary providing for such participation not later than such date as the Secretary may prescribe. The Secretary may, by mutual agreement with producers on the farm, terminate or modify any such agreement if the Secretary determines such action necessary because of an emergency created by drought or other disaster or to prevent or alleviate a shortage in the supply of agricultural commodities.

"(f) If the failure of a producer to comply fully with the terms and conditions of the program conducted under this section precludes the making of loans, purchases, and payments, the Secretary may, nevertheless, make such loans, purchases, and payments in such amounts as the Secretary determines to be equitable in relation to the seriousness of the failure. The Secretary may authorize the county and State committees established under section 8(b) of the Soil Conservation and Domestic Allotment Act to waive to modify deadlines and other program requirements in cases in which lateness or failure to meet such other requirements does not affect adversely the operation of the program.

"(g) The Secretary may issue such regulations as the Secretary determines necessary to carry out the provisions of this section.

"(h) The Secretary shall carry out the program authorized by this section through the Commodity Credit Corporation.

"(i) The provisions of section 8(g) of the Soil Conservation and Domestic Allotment Act (relating to assignment of payments) shall apply to payments under this section.

"(j) The Secretary shall provide for the sharing of payments made under this section for any farm among the producers on the farm on a fair and equitable basis.

"(k) Notwithstanding any other provision of law, compliance on a farm with the terms and conditions of any other commodity program may not be required as a condition of eligibility for loans, purchases, or payments under this section if an acreage limitation program is established under subsection (e)(2) of this section, but may be required if a set-aside program is established under subsection (e)(3) of this section.".

NONAPPLICABILITY OF SECTION 105 OF THE AGRICULTURAL ACT OF 1949

SEC. 502. Section 105 of the Agricultural Act of 1949, as amended, shall not be applicable to the 1986 through 1989 crops of feed grains.

TITLE VI—RICE

LOAN RATES, TARGET PRICES, DISASTER PAYMENTS, RICE ACREAGE REDUCTION, AND LAND DIVERSION FOR THE 1986 THROUGH 1989 CROPS OF RICE

SEC. 601. Effective only for the 1986 through 1989 crops of rice, section 101 of the Agricultural Act of 1949 is amended by adding at the end thereof a new subsection as follows:

"(j) Notwithstanding any other provision of law—

"(1) The Secretary shall make available to producers loans and purchases for each of the 1986 through 1989 crops of rice at such level as bears the same ratio to the loan level for the preceding year's crop as the established price for each such crop bears to

the established price for the preceding year's crop. If the Secretary determines that loans and purchases at the foregoing level for any of the 1986 through 1989 crops would substantially discourage the exportation of rice and result in excessive stocks of rice in the United States, the Secretary may, notwithstanding the foregoing provisions of this paragraph, establish loans and purchases for any such crop at such level, not less than $8 per hundredweight, as the Secretary determines necessary to avoid such consequences: *Provided*, That the loan and purchase level for the succeeding crop shall be established on the basis of the loan and purchase level established for the preceding crop year before the application of this sentence. The loan and purchase level and the established price for each of the 1986 through 1989 crops of rice shall be announced not later than March 1 of each calendar year for the crop harvested in that calendar year.

"(2)(A) The Secretary shall make available to producers payments for each of the 1986 through 1989 crops of rice in an amount computed as provided in this paragraph. Payments for each such crop of rice shall be computed by multiplying (i) the payment rate, by (ii) the farm program acreage for the crop, by (iii) the yield established for the farm. In no event may payments be made under this paragraph for any crop on a greater acreage than the acreage actually planted to rice.

"(B) The payment rate for rice shall be the amount by which the established price for the crop of rice exceeds the higher of—

"(i) the national weighted average market price received by farmers during the first five months of the marketing year for such crop, as determined by the Secretary, or

"(ii) the loan level determined under paragraph (1) of this subsection for such crop.

"(C) For the 1986 crop of rice, the established price for rice shall be $11.90 per hundredweight, adjusted by the Secretary to reflect any change in (i) the average adjusted cost of production per acre for the two crop years immediately preceding the year for which the determination is made from (ii) the average adjusted cost of production per acre for the two crop years immediately preceding the year previous to the one for which the determination is made. The adjusted cost of production for each of such years shall be determined by the Secretary on the basis of such information as the Secretary finds necessary and appropriate for the purpose and shall include variable costs, machinery ownership costs, and general farm overhead costs, allocated to the crops involved on the basis of the proportion of the value of the total production derived from each crop. For the 1987 through 1989 crops of rice, the established price shall be the established price of the previous year's crop adjusted by the Secretary in the same manner as the adjustment set out in the preceding two sentences with respect to the established price for the 1986 crop.

"(D) The yield established for the farm for any year shall be determined on the basis of the actual yields per harvested acre for the three preceding years. The actual yields shall be adjusted by the Secretary for abnormal yields in any year caused by drought, flood, other natural disaster, or other condition beyond the control of the producers. If no rice was produced on the farm during such period, the yield shall be determined taking into consideration the yield of comparable farms in the surrounding area and such other factors as the Secretary determines will produce a fair and equitable yield.

"(E) The total quantity on which payments would otherwise be payable to a producer on a farm for any crop under this paragraph shall be reduced by the quantity on which any disaster payment is made to the producer for the crop under paragraph (3) of this subsection.

"(3)(A) Except as otherwise provided in subparagraph (C) of this paragraph, if the Secretary determines that the producers on a farm are prevented from planting any portion of the acreage intended for rice to rice or other nonconserving crops because of drought, flood, or other natural disaster, or other condition beyond the control of the producers, the Secretary shall make a prevented planting disaster payment to the producers on the number of acres so affected but not to exceed the acreage planted to rice for harvest (including any acreage which the producers were prevented from planting to rice or other nonconserving crop in lieu of rice because of drought, flood, or other natural disaster, or other condition beyond the control of the producers) in the immediately preceding year, multiplied by 75 per centum of the yield established for the farm times a payment rate equal to 33⅓ per centum of the established price for the crop.

"(B) Except as otherwise provided in subparagraph (C) of this paragraph, if the Secretary determines that because of drought, flood, or other natural disaster, or other condition beyond the control of the producers, the total quantity of rice which the producers are able to harvest on any farm is less than the result of multiplying 75 per centum of the yield established for the farm for such crop by the acreage planted for harvest for such crop, the Secretary shall make a reduced yield disaster payment to the producers at a rate equal to 33⅓ per centum of the established price for the crop for the deficiency in production below 75 per centum for the crop.

"(C) Producers on a farm shall not be eligible for disaster payments under this paragraph if crop insurance is available to them under the Federal Crop Insurance Act (7 U.S.C. 1501 et seq.) with respect to their rice acreage.

"(D) Notwithstanding the provisions of subparagraph (C) of this paragraph, the Secretary may make disaster payments to producers on a farm under this paragraph whenever the Secretary determines that—

"(i) as the result of drought, flood, or other natural disaster, or other condition beyond the control of the producers, producers on a farm have suffered substantial losses of production either from being prevented from planting rice or other nonconserving crop or from reduced yields, and that such losses have created an economic emergency for the producers;

"(ii) Federal crop insurance indemnity payments and other forms of assistance made available by the Federal Government to such producers for such losses are insufficient to alleviate such economic emergency; and

"(iii) additional assistance must be made available to such producers to alleviate the economic emergency.

The Secretary may make such adjustments in the amount of payments made available under this subparagraph with respect to individual farms so as to assure the equitable allotment of such payments among producers taking into account other forms of Federal disaster assistance provided to the producers for the crop involved.

"(4)(A) The Secretary shall proclaim a national program acreage for each of the 1986 through 1989 crops of rice. The proclamation shall be made not later than January 31 of each calendar year for the crop harvested in that calendar year. The Secretary may revise the national program acreage first proclaimed for any crop year for the purpose of determining the allocation factor under subparagraph (B) of this paragraph if the Secretary determines it necessary based upon the latest information, and the Secretary shall proclaim such revised national program acreage as soon as it is made. The national program acreage for rice shall be the number of harvested acres the Secretary determines (on the basis of the weighted national average of the farm established yields for the crop for which the determination is made) will produce the quantity (less imports) that the Secretary estimates will be utilized domestically and for export during the marketing year for such crop. If the Secretary determines that carryover stocks of rice are excessive or an increase in stocks is needed to assure desireable carryover, the Secretary may adjust the national program acreage by the amount the Secretary determines will accomplish the desired increase or decrease in carryover stocks.

"(B) The Secretary shall determine a program allocation factor for each crop of rice. The allocation factor for rice shall be determined by dividing the national program acreage for the crop by the number of acres that the Secretary estimates will be harvested for such crops, except that in no event shall the allocation factor for any crop of rice be more that 100 per centum nor less than 80 per centum.

"(C) The individual farm program acreage for each crop of rice shall be determined by multiplying the allocation factor by the acreage of rice planted for harvest on the farms for which individual farm program acreages are required to be determined. The farm program acreage shall not be further reduced by application of the allocation factor if the producers reduce the acreage of rice planted for harvest on the farm from the acreage base established for the farm under paragraph (5)(A) of this subsection by at least the percentage recommended by the Secretary in the proclamation of the national program acreage. The Secretary shall provide fair and equitable treatment for producers on farms on which the acreage of rice planted for harvest is less than the acreage base established for the farm under paragraph (5)(A) of this subsection, but for which the reduction is insufficient to exempt the farm from the application of the allocation factor. In establishing the allocation factor for rice, the Secretary may make such adjustment as the Secretary deems necessary to take into account the extent of exemption of farms under the foregoing provisions of this paragraph.

"(5)(A) Notwithstanding any other provision of this subsection, the Secretary may establish for any crop of rice a limitation on the acreage planted to rice if the Secretary determines that the total supply of rice, in the absence of such a limitation, will be excessive taking into account the need for an adequate carryover to maintain reasonable and stable supplies and prices and to meet a national emergency. The Secretary shall announce any such rice limitations not later than January 31 of the calendar year in which the crop for which the announcement is made is harvested. Such limitation shall be achieved by applying a uniform percentage reduction to the rice acreage base

for each rice-producing farm. Producers who knowingly produce rice in excess of the permitted rice acreage for the farm shall be ineligible for rice loans, purchases, and payments with respect to that farm. The acreage base for any farm for the purpose of determining any reduction required to be made for any year as the result of a limitation imposed under this subparagraph shall be the acreage planted on the farm to rice for harvest in the crop year immediately preceding the year for which the determination is made or, at the discretion of the Secretary, the average acreage planted to rice for harvest in the two crop years immediately preceding the year for which the determination is made. For the purpose of the preceding sentence, acreage planted to rice for harvest shall include any acreage which the producers were prevented from planting to rice or other nonconserving crop in lieu of rice because of drought, flood, or other natural disaster, or other condition beyond the control of the producers. The Secretary may make adjustments to reflect established crop-rotation practices and to reflect such other factors as the Secretary determines should be considered in determining a fair and equitable base. A number of acres on the farm determined by dividing (i) the product obtained by multiplying the number of acres required to be withdrawn from the production of rice times the number of acres actually planted to rice, by (ii) the number of acres authorized to be planted to rice under the limitation established by the Secretary shall be devoted to conservation uses, in accordance with regulations issued by the Secretary. The number of acres so determined is hereinafter in this subsection referred to as 'reduced acreage'. If an acreage limitation program is announced under this paragaph for a crop of rice, paragraph (4) of this subsection shall not be applicable to such crop, incluidng any prior announcement which may have been made under such paragraph with respect to such crop. The individual farm program acreage shall be the acreage planted on the farm to rice for harvest within the permitted rice acreage for the farm as established under this paragraph.

"(B) The regulations issued by the Secretary under subparagraph (A) of this paragraph with respect to acreage required to be devoted to conservation uses shall assure protection of such acreage from weeds and wind and water erosion. The Secretary may permit, subject to such terms and conditions as the Secretary may prescribe, all or any part of such acreage to be devoted to sweet sorghum, hay and grazing, or the production of guar, sesame, safflower, sunflower, castor beans, mustard seed, crambe, plantago ovato, flaxseed, triticale, rye, or other commodity, if the Secretary determines that such production is needed to provide an adequate supply of such commodities, is not likely to increase the cost of the price support program, and will not affect farm income adversely.

"(C) The Secretary may make land diversion payments to producers of rice, whether or not an acreage limitation for rice is in effect, if the Secretary determines that such land diversion payments are necessary to assist in adjusting the total national acreage of rice to desirable goals. Such land diversion payments shall be made to producers who, to the extent prescribed by the Secretary, devote to approved conservation uses an acreage of cropland on the farm in accordance with land diversion contracts entered into by the Secretary with such producers. The amounts payable to producers under land diversion contracts may be determined through the submission of bids for such contracts by producers in such manner as the Secretary may prescribe or through such other means as the Secretary determines appropriate. In determining the acceptability of contract offers, the Secretary shall take into consideration the extent of the diversion to be undertaken by the producers and the productivity of the acreage diverted. The Secretary shall limit the total acreage to be diverted under agreements in any county or local community so as not to affect adversely the economy of the county or local community.

"(D) Any reduced acreage and the additional diverted acreage may be devoted to wildlife food plots or wildlife habitat in conformity with standards established by the Secretary in consultation with wildlife agencies. The Secretary may pay an appropriate share of the cost of practices designed to carry out the purposes of the foregoing sentence. The Secretary may also pay an appropriate share of the cost of approved soil and water conservation practices (including practices that may be effective for a number of years) established by the producer on reduced acreage or additional diverted acreage. The Secretary may provide for an additional payment on such acreage in an amount determined by the Secretary to be appropriate in relation to the benefit to the general public if the producer agrees to permit, without other compensation, access to all or such portion of the farm, as the Secretary may prescribe, by the general public, for hunting, trapping, fishing, and hiking, subject to applicable State and Federal regulations.

"(E) An operator of a farm desiring to participate in the program conducted under this paragraph shall execute an agreement with the Secretary providing for such participation not later than such date as the Secretary may prescribe. The Secretary may, by mutual agreement with producers on the farm, terminate or modify any such agreement if the Secretary determines such action necessary because of an emergency created by drought or other disaster or to prevent or alleviate a shortage in the supply of agricultural commodities.

"(6) If the failure of a producer to comply fully with the terms and conditions of the program conducted under this subsection precludes the making of loans, purchases, and payments, the Secretary may, nevertheless, make such loans, purchases, and payments in such amounts as the Secretary determines to be equitable in relation to the seriousness of the failure. The Secretary may authorize the county and State committees established under section 8(b) of the Soil Conservation and Domestic Allotment Act to waive or modify deadlines and other program requirements in cases in which lateness or failure to meet such other requirements does not affect adversely the operation of the program.

"(7) The Secretary may issue such regulations as the Secretary determines necessary to carry out the provisions of this subsection.

"(8) The Secretary shall carry out the program authorized by this subsection through the Commodity Credit Corporation.

"(9) The provisions of section 8(g) of the Soil Conservation and Domestic Allotment Act (relating to assignment of payments) shall apply to payments under this subsection.

"(10) The Secretary shall provide for the sharing of payments made under this subsection for any farm among the producers on the farm on a fair and equitable basis.

"(11) The Secretary shall provide adequate safeguards to protect the interests of tenants and sharecroppers.

"(12) Notwithstanding any other provision of law, compliance on a farm with the terms and conditions of any other commodity program may not be required as a condition of eligibility for loans, purchases, or payments under this subsection.".

TITLE VII—COTTON

LOAN RATES, TARGET PRICES, DISASTER PAYMENTS, COTTON ACREAGE REDUCTION PROGRAM, AND LAND DIVERSION FOR THE 1986 THROUGH 1989 CROPS OF UPLAND COTTON

SEC. 701. Effective only for the 1986 through 1989 crops of upland cotton, section 103 of the Agricultural Act of 1949 is amended by adding at the end thereof the following new subsection:

"(i)(1) The Secretary shall, upon presentation of warehouse receipts reflecting accrued storage charges of not more than sixty days, make available for the 1986 through 1989 crops of upland cotton to producers nonrecourse loans for a term of ten months from the first day of the month in which the loan is made at such level as will reflect for Strict Low Middling one-and-one-sixteenth-inch upland cotton (micronaire 3.5 through 4.9) at average location in the United States the smaller of (A) 85 per centum of the average price (weighted by market and month) of such quality of cotton as quoted in the designated United States spot markets during three years of the five-year period ending July 31 in the year in which the loan level is announced, excluding the year in which the average price was the highest and the year in which the average price was the lowest in such period, or (B) 90 per centum of the average price, for the fifteen-week period beginning July 1 of the year in which the loan level is announced, of the five lowest-price growths of the growths quoted for Middling one-and-three-thirty-seconds-inch cotton C.I.F. northern Europe (adjusted downward by the average difference during the period April 15 through October 15 of the year in which the loan is announced between such average northern European price quotation of such quality of cotton and the market quotations in the designated United States spot markets for Strict Low Middling one-and-one-sixteenth-inch cotton (micronaire 3.5 through 4.9). In no event shall such loan level be less than 55 cents per pound. If for any crop the average northern European price determined under clause (B) of the first sentence of this paragraph is less than the average United States spot market price determined under clause (A) of the first sentence of this paragraph, the Secretary may, notwithstanding the foregoing provisions of this paragraph, increase the loan level to such level as the Secretary may deem appropriate, not in excess of the average United States spot market price determined under clause (A) of the first sentence of this paragraph. The loan level for any crop of cotton shall be determined and announced by the Secretary not later than November 1 of the calendar year preceding the marketing year for which such loan is to be effective, and such loan level shall not thereafter be changed. Nonrecourse loans provided for in this subsection shall, upon request of the producer during the tenth month of the loan period for the cotton, be made available for an additional term of eight months, except that such request to extend the loan

period shall not be approved in a month when the average price of Strict Low Middling one-and-one-sixteenth-inch cotton (micronaire 3.5 through 4.9) in the designated spot markets for the preceding month exceeded 130 per centum of the average price of such quality of cotton in such markets for the preceding thirty-six-month period.

"(2) Whenever the Secretary determines that the average price of Strict Low Middling one-and-one-sixteenth-inch cotton (micronaire 3.5 through 4.9) in the designated spot markets for a month exceeded 130 per centum of the average price of such quality of cotton in such markets for the preceding thirty-six-months, notwithstanding any other provision of law, the President shall immediately establish and proclaim a special limited global import quota for upland cotton subject to the following conditions:

"(A) The amount of the special quota shall be equal to twenty-one days of domestic mill consumption of upland cotton at the seasonally adjusted average rate of the most recent three month period for which data are available.

"(B) If a special quota has been established under this paragraph during the preceding twelve months, the amount of the quota next established hereunder shall be the smaller of twenty-one days of domestic mill consumption calculated as set forth in subparagraph (A) of this paragraph or the amount required to increase the supply to 130 per centum of the demand.

"(C) As used in subparagraph (B) of this paragraph, the term 'supply' means, using the latest official data of the Bureau of the Census, the United States Department of Agriculture, and the United States Department of the Treasury, the carryover of upland cotton at the beginning of the marketing year (adjusted to four-hundred-and-eighty-pound bales) in which the special quota is established, plus production of the current crop, plus imports to the latest date available during the marketing year, and the term 'demand' means the average seasonably adjusted annual rate of domestic mill consumption in the most recent three months for which data are available, plus the larger of average exports of upland cotton during the preceding six marketing years or cumulative exports of upland cotton, plus outstanding export sales for the marketing year in which the special quota is established.

"(D) When a special quota is established under the provisions of this paragraph, a ninety-day period from the effective date of the proclamation shall be allowed for entering cotton under such quota.

Notwithstanding the foregoing provisions of this paragraph, a special quota period shall not be established that overlaps an existing quota period.

"(3)(A) The Secretary shall make available to producers payments for each of the 1986 through 1989 crops of upland cotton in an amount computed as provided in this paragraph. Payments for each crop of upland cotton shall be computed by multiplying (i) the payment rate, (ii) by the farm program acreage for the crop, by (iii) the farm program payment yield for the crop. In no event may payments be made under this paragraph for any crop on a greater acreage than the acreage actually planted to cotton.

"(B) The payment rate for upland cotton shall be the amount by which the established price for the crop of upland cotton exceeds the higher of—

"(i) the average market price received by farmers for upland cotton during the calendar year which includes the first five months of the marketing year for such crop, as determined by the Secretary, or

"(ii) the loan level determined under paragraph (1) of this subsection for such crop.

"(C) The established price for the 1986 through 1989 crops of upland cotton shall be not less than the higher of (i) the price per pound determined under subparagraph (D) of this paragraph, or (ii) 120 per centum of the loan level determined for such crop under paragraph (1) of this subsection.

"(D) The price referred to in clause (i) of the subparagraph (C) of this paragraph shall be $0.81 per pound for the 1986 crop of upland cotton, adjusted by the Secretary to reflect any change in (i) the average adjusted cost of production per acre for the two crop years immediately preceding the year for which the determination is made from (ii) the average adjusted cost of production per acre for the two crop years immediately preceding the year previous to the one for which the determination is made. The adjusted cost of production for each of such years shall be determined by the Secretary on the basis of information that the Secretary finds necessary and appropriate for the purpose and shall include variable costs, machinery ownership costs, and general farm overhead costs, allocated to the crops involved on the basis of the proportion of the value of the total production derived from each crop. For the 1987 through 1989 crops of upland cotton, the price referred to in clause (i) of subparagraph (C) shall be the price per pound of the previous year's crop adjusted in the same manner as the adjustment set out in the preceding two sentences with respect to the price for the 1986 crop.

"(E) The total quantity on which payments would otherwise be payable to a producer on a farm for any crop under this paragraph shall be reduced by the quantity on which any disaster payment is made to the producer for the crop under paragraph (4) of this subsection.

"(4)(A) Except as otherwise provided in subparagraph (C) of this paragraph, if the Secretary determines that the producers on a farm are prevented from planting any portion of the acreage intended for cotton to cotton or other nonconserving crops because of drought, flood, or other natural disaster, or other condition beyond the control of the producers, the Secretary shall make a prevented planting disaster payment to the producers on the number of acres so affected but not to exceed the acreage planted to cotton for harvest (including any acreage which the producers were prevented from planting to cotton or other nonconserving crop in lieu of cotton because of drought, flood, or other natural disaster, or other condition beyond the control of the producers) in the immediately preceding year, multiplied by 75 per centum of the farm program payment yield established by the Secretary times a payment rate equal to 33⅓ per centum of the established price for the crop.

"(B) Except as otherwise provided in subparagraph (C) of this paragraph, if the Secretary determines that because of drought, flood, or other natural disaster, or other condition beyond the control of the producers, the total quantity of cotton which the producers are able to harvest on any farm is less than the result of multiplying 75 per centum of the farm program payment yield established by the Secretary for such crop by the acreage planted for harvest for such crop, the Secretary shall make a reduced yield disaster payment to the producers at a rate equal to 33⅓ per centum of the established price for the crop for the deficiency in production below 75 per centum for the crop.

"(C) Producers on a farm shall not be eligible for disaster payments under this paragraph if crop insurance is available to them under the Federal Crop Insurance Act (7 U.S.C. 1501 et seq.) with respect to their cotton acreage.

"(D) Notwithstanding the provisions of subparagraph (C) of this paragraph, the Secretary may make disaster payments to producers on a farm under this paragraph whenever the Secretary determines that—

"(i) as the result of drought, flood, or other natural disaster, or other natural disaster, or other condition beyond the control of the producers, producers on a farm have suffered substantial losses of production either from being prevented from planting cotton or other nonconserving crop or from reduced yields, and that such losses have created an economic emergency for the producers;

"(ii) Federal crop insurance indemnity payments and other forms of assistance made available by the Federal Government to such producers for such losses are insufficient to alleviate such economic emergency; and

"(iii) additional assistance must be made available to such producers to alleviate the economic emergency.

The Secretary may make such adjustments in the amount of payments made available under this subparagraph with respect to individual farms so as to assure the equitable allotment of such payments among producers taking into account other forms of Federal disaster assistance provided to the producers for the crop involved.

"(5) The Secretary shall proclaim a national program acreage for each of he 1986 through 1989 crops of upland cotton. The proclamation shall be made not later than November 1 of the calendar preceding the year for which such acreage is established. The Secretary may revise the national program acreage first proclaimed for any crop year for the purpose of determining the allocation factor under paragraph (6) of this subsection if the Secretary determines it necessary based upon the latest information, and the Secretary shall proclaim such revised national program acreage as soon as it is made. The national program acreage for cotton shall be the number of harvested acres the Secretary determines (on the basis of the estimated weighted national average of the farm program yields for the crop for which the determination is made) will produce the quantity (less imports) that the Secretary estimates will be utilized domestically and for export during the marketing year for such crop. The national program acreage shall be subject to such adjustment as the Secretary determines necessary, taking into consideration the estimated carryover supply, so as to provide for an adequate but not excessive total supply of cotton for the marketing year for the crop for which such national program acreage is estimated. In no event shall the national program acreage be less than ten million acres.

"(6) The Secretary shall determine a program allocation factor for each crop of upland cotton. The allocation factor for upland cotton shall be determined by dividing the national program acreage for the crop by the number of acres that the Secretary estimates will be harvested for such

crop, except that in no event shall the allocation factor for any crop of upland cotton be more than 100 per centum.

"(7) The individual farm program acreage for each crop of upland cotton shall be determined by multiplying the allocation factor by the acreage of cotton planted for harvest on the farms for which individual farm program acreages are required to be determined. The farm program acreage shall not be further reduced by application of the allocation factor if the producers reduce the acreage of cotton planted for harvest on the farm from the acreage base established for the farm under paragraph (9)(A) of this subsection by at least the percentage recommended by the Secretary in the proclamation of the national program acreage. The Secretary shall provide fair and equitable treatment for producers on farms on which the acreage of cotton planted for harvest is less than the acreage base established for the farm under paragraph (9)(A) of this subsection, but for which the reduction is insufficient to exempt the farm from the application of the allocation factor. In establishing the allocation factor for upland cotton, the Secretary may make such adjustment as the Secretary deems necessary to take into account the extent of exemption of farms under the foregoing provisions of this paragraph.

"(8) The farm program payment yield for each crop of upland cotton shall be determined on the basis of the actual yields per harvested acre on the farm for the preceding three years, except that the actual yields shall be adjusted by the Secretary for abnormal yield in any year caused by drought, flood, or other natural disaster, or other condition beyond the control of the producers. In case farm yield data for one or more years are unavailable or there was no production, the Secretary shall provide for appraisals to be made on the basis of actual yields and program payment yields for similar farms in the area for which data are available. Notwithstanding the foregoing provisions of this paragraph, in the determination of yields, the Secretary shall take into account the actual yields proved by the producer, and neither such yields nor the farm program payment yield established on the basis of such yields shall be reduced under other provisions of this paragraph. If the Secretary determines it necessary, the Secretary may establish national, State, or county program payment yields on the basis of historical yields, as adjusted by the Secretary to correct for abnormal factors affecting such yields in the historical period, or, if such data are not available, on the Secretary's estimate of actual yields for the crop year involved. If national, State, or county program payment yields are established, the farm program payment yields shall balance to the national, State, or county program payment yields.

"(9)(A) Notwithstanding any othe provision of this subsection, the Secretary may establish a limitation on the acreage planted to upland cotton if the Secretary determines that the total supply of upland cotton, in the absence of such a limitation, will be excessive taking into account the need for an adequate carryover to maintain reasonable and stable supplies and prices and to meet a national emergency. The Secretary shall announce any such cotton acreage limitation not later than November 1 prior to the calendar year in which the crop is harvested.

"(B) If a cotton acreage limitation is announced under subparagraph (A) of this paragraph, such limitation shall be achieved by applying a uniform percentage reduction to the cotton acreage base for each cotton-producing farm. Producers who knowingly produce cotton in excess of the permitted cotton acreage for the farm shall be ineligible for cotton loans and payments with respect to that farm. The acreage base for any farm for the purpose of determining any reduction required to be made for any year as the result of a limitation imposed under this subparagraph shall be the acreage planted on the farm to upland cotton for harvest in the crop year immediately preceding the year for which the determination is made or, at the discretion of the Secretary, the average acreage planted to upland cotton for harvest in the two crop years immediately preceding the year for which the determination is made. For the purpose of the preceding sentence, acreage planted to cotton for harvest shall include any acreage which the producers were prevented from planting to cotton or other nonconserving crop in lieu of cotton because of drought, flood, or other natural disaster, or other condition beyond the control of the producers. The Secretary may make adjustments to reflect established crop-rotation practices and to reflect such other factors as the Secretary determines should be considered in determining a fair and equitable base. A number of acres on the farm determined by dividing (i) the product obtained by multiplying the number of acres required to be withdrawn from the production of upland cotton times the number of acres actually planted to such commodity, by (ii) the number of acres authorized to be planted to such commodity under the limitation established by the Secretary shall be devoted to conservation uses, in accordance with regulations issued by the Secretary. The number of acres so determined is hereinafter in this subsection referred to as 'reduced acreage'. If an acreage limitation program is announced under subparagraph (A) of this paragraph for a crop of upland cotton, paragraphs (5), (6), and (7) of this subsection shall not be applicable to such crop, including any prior announcement which may have been made under such paragraphs with respect to such crop. The individual farm program acreage shall be the acreage planted on the farm to upland cotton for harvest within the permitted upland cotton acreage for the farm as established under this paragraph.

"(C) The regulations issued by the Secretary under subparagraph (B) of this paragraph with respect to acreage required to be devoted to conservation uses shall assure protection of such acreage from weeds and wind and water erosion. The Secretary may permit, subject to such terms and conditions as the Secretary may prescribe, all or any part of such acreage to be devoted to sweet sorghum, hay and grazing, or the production of guar, sesame, safflower, sunflower, castor beans, mustard seed, crambe, plantago ovato, flaxseed, triticale, rye, or other commodity, if the Secretary determines that such production is needed to provide an adequate supply of such commodities, is not likely to increase the cost of the price support program, and will not affect farm income adversely.

"(D) The Secretary may make land diversion payments to producers of upland cotton, whether or not an acreage limitation for upland cotton is in effect, if the Secretary determines that such land diversion payments are necessary to assist in adjusting the total national acreage of upland cotton to desirable goals. Such land diversion payments shall be made to producers who, to the extent prescribed by the Secretary, devote to approved conservation uses an acreage of cropland on the farm in accordance with land diversion contracts entered into by the Secretary with such producers. The amounts payable to producers under land diversion contracts may be determined through the submission of bids for such contracts by producers in such manner as the Secretary may prescribe or through such other means as the Secretary determines appropriate. In determining the acceptability of contract offers, the Secretary shall take into consideration the extent of the diversion to be undertaken by the producers and the productivity of the acreage diverted. The Secretary shall limit the total acreage to be diverted under agreements in any county or local community so as not to affect adversely the economy of the county or local community.

"(E) The reduced acreage and the additional diverted acreage may be devoted to wildlife food plots or wildlife habitat in conformity with standards established by the Secretary in consultation with wildlife agencies. The Secretary may pay an appropriate share of the cost of practices designed to carry out the purposes of the foregoing sentence. The Secretary may also pay an appropriate share of the cost of approved soil and water conservation practices (including practices that may be effective for a number of years) established by the producer on the reduced acreage and the additional diverted acreage. The Secretary may provide for an additional payment on such acreage in an amount determined by the Secretary to be appropriate in relation to the benefit to the general public if the producer agrees to permit, without other compensation, access to all or such portion of the farm, as the Secretary may prescribe, by the general public, for hunting, trapping, fishing, and hiking, subject to applicable State and Federal regulations.

"(10) An operator of a farm desiring to participate in the program conducted under paragraph (9) of this subsection shall execute an agreement with the Secretary providing for such participation not later than such date as the Secretary may prescribe. The Secretary may, by mutual agreement with producers on the farm, terminate or modify any such agreement if the Secretary determines such action necessary because of an emergency created by drought or other disaster or to prevent or alleviate a shortage in the supply of agricultural commodities.

"(11) If the failure of a producer to comply fully with the terms and conditions of the program conducted under this subsection precludes the making of loans and payments, the Secretary may, nevertheless, make such loans and payments in such amounts as the Secretary determines to be equitable in relation to the seriousness of the failure. The Secretary may authorize the county and State committees established under section 8(b) of the Soil Conservation and Domestic Allotment Act to waive or modify deadlines and other program requirements in cases in which lateness or failure to meet such other requirements does not affect adversely the operation of the program.

"(12) The Secretary may issue such regulations as the Secretary determines necessary to carry out the provisions of this subsection.

"(13) The Secretary shall carry out the program authorized by this subsection

through the Commodity Credit Corporation.

"(14) The provisions of section 8(g) of the Soil Conservation and Domestic Allotment Act (relating to assignment of payments) shall apply to payments under this subsection.

"(15) The Secretary shall provide for the sharing of payments made under this subsection for any farm among the producers on the farm on a fair and equitable basis.

"(16) The Secretary shall provide adequate safeguards to protect the interests of tenants and sharecroppers.

"(17) Notwithstanding any other provision of law, compliance on a farm with the terms and conditions of any other commodity program may not be required as a condition of eligibility for loans or payments under this subsection.

"(18) In order to encourage and assist producers in the orderly ginning and marketing of their cotton production, the Secretary shall make recourse loans available to such producers on seed cotton in accordance with authority vested in the Secretary under the Commodity Credit Corporation Charter Act.".

SUSPENSION OF BASE ACREAGE ALLOTMENTS, MARKETING QUOTAS, AND RELATED PROVISIONS

SEC. 702. Sections 342, 343, 344, 345, 346, and 377 of the Agricultural Adjustment Act of 1938 shall not be applicable to the 1986 through 1989 crops of upland cotton.

MISCELLANEOUS COTTON PROVISIONS

SEC. 703. Sections 103(a) and 203 of the Agricultural Act of 1949 shall not be applicable to the 1986 through 1989 crops of upland cotton.

COMMODITY CREDIT CORPORATION SALES PRICE RESTRICTIONS

SEC. 704. Effective only with respect to the period beginning August 1, 1986, and ending July 31, 1990, the tenth sentence of section 407 of the Agricultural Act of 1949 is amended by striking out all of that sentence through the words "110 per centum of the loan rate, and (2)" and inserting in lieu thereof the following: "Notwithstanding any othe provision of law, (1) the Commodity Credit Corporation shall sell upland cotton for unrestricted use at the same prices as it sells cotton for export, in no event, however, at less than 115 per centum of the loan rate for Strict Low Middling one-and one-sixteenth-inch upland cotton (Micronaire 3.5 through 4.9) adjusted for such current market differentials reflecting grade, quality, location, and other value factors as the Secretary determines appropriate plus reasonable carrying charges, and (2)".

SKIPROW PRACTICES

SEC. 705. Section 374(a) of the Agricultural Adjustment Act of 1938 is amended by striking out "1985" and inserting lieu thereof "1989".

PRELIMINARY ALLOTMENTS FOR THE 1990 CROP OF UPLAND COTTON

SEC. 706. Notwithstanding any other provision of law, the permanent State, county, and farm base acreage allotments for the 1977 crop of upland cotton, adjusted for any underplantings in 1977 and reconstituted as provided in section 379 of the Agricultural Adjustment Act of 1938, as amended, shall again become effective as preliminary allotments for the 1990 crop.

TITLE VIII—PEANUTS

SUSPENSION OF MARKETING QUOTAS AND ACREAGE ALLOTMENTS

SEC. 801. The following provisions of the Agricultural Adjustment Act of 1938 shall not be applicable to the 1986 through 1989 crops of peanuts:

(1) Subsections (a) through (j) of section 358;

(2) Subsections (a) through (h) of section 358a;

(3) Subsections (a), (b), (d), and (e) of section 359;

(4) Part I of subtitle C of title III; and

(5) Section 371.

NATIONAL POUNDAGE QUOTA AND FARM POUNDAGE QUOTA FOR THE 1986 THROUGH 1989 CROPS OF PEANUTS

SEC. 802. Effective only for the 1986 through 1989 crops of peanuts, section 358 of the Agricultural Adjustment Act of 1938 is amended by adding at the end thereof new subsections as follows:

"(q) The national poundage quota for peanuts for each of the marketing years 1986 through 1989 shall be established by the Secretary at a level that will meet domestic edible, seed, and related needs for peanuts. The level established for any marketing year shall not be less than 1,100,000 tons increased by an amount that the Secretary estimates the domestic edible, seed, and related uses of peanuts in such year will exceed 1,100,000 tons. The national poundage quota shall be announced by the Secretary not later than December 15 of the year preceding the marketing year for which such poundage quota will be effective.

"(r)(1) The national poundage quota established under section (q) of this section shall be apportioned among the States so that the poundage quota allocated to each State shall be equal to the percentage of the national poundage quota allocated to farms in the State for 1985.

"(s)(1) A farm poundage quota shall be established for each farm that had a farm poundage quota for the 1985 crop of peanuts and, to the extent provided for in paragraph (2) of this subsection, for each other farm on which peanuts were produced in at least two of the crop years 1983 through 1985 as determined by the Secretary. The farm poundage quota for any such farm for the 1986 through 1989 marketing years shall be the same as the farm poundage quota for such farm for the immediately preceding marketing year as adjusted under this subsection, but not including any increases for undermarketings from previous years of any increases resulting from the allocation of quotas voluntarily released for one year under paragraph (7) of this subsection. For the purposes of this paragraph, if the farm poundage quota, or any part thereof, is permanently transferred in accordance with section 358a of this Act, the receiving farm shall be considered as possessing the farm poundage quota (or portion thereof) of the transferring farm for all subsequent marketing years. A farm poundage quota established on a farm under the provisions of paragraph (2) or (6) of this subsection shall be considered as being established under the provisions of this paragraph for all subsequent marketing years.

"(2) Any increase in a State's poundage quota apportionment from 1985 to 1986 shall be allocated equally to all farms that are eligible for a farm poundage quota for the 1986 marketing year under paragraph (1) of this subsection. If the national poundage quota is increased for any of the marketing years 1987 through 1989, such increase in a State's poundage quota apportionment shall be allocated equally among (A) all farms on which a poundage quota was established for the marketing year immediately preceding the marketing year for which the allocation is being made and (B) all other farms on which peanuts were produced during at least two of three immediately preceding crop years as determined by the Secretary.

"(3) The farm poundage quota established on a farm for any marketing year 1986 through 1989 shall be reduced, insofar as practicable and on such fair and equitable basis as the Secretary may by regulation prescribe, to the extent that the Secretary determines that the farm poundage quota established on the farm for any two of the three marketing years preceding the year for which the determination is being made was not produced, or considered produced, on the farm. For the purposes of this paragraph, the farm poundage quota for any such preceding marketing year shall not include any increases for undermarketing of quota peanuts from previous years or any increases resulting from the allocation of quotas voluntarily released for one year under paragraph (7) of this subsection.

"(4) For the purpose of this subsection, the farm poundage quota shall be considered produced on a farm if (A) the poundage quota of peanuts was not produced on the farm for reason of drought, flood, or other natural disaster, or other condition beyond the control of the producer, as determined by the Secretary, or (B) the farm poundage quota on the farm was released voluntarily under paragraph (7) of this subsection for only one of the three marketing years immediately preceding the year for which the determination is being made.

"(5) Notwithstanding any other provision of law, the farm poundage quota established on a farm under this subsection, or any part thereof, may be permanently released by the owner of the farm, or the operator with the permission of the owner, and the poundage quota on the farm shall be adjusted to the extent that the quota is so released.

"(6) The total amount of farm poundage quota reduced or voluntarily released from farms in a State during any year under paragraphs (3) or (5), respectively, of this subsection shall be allocated under regulations issued by the Secretary to other farms in the State on which peanuts were produced in at least two of the three crop years immediately preceding the year in which such allocation is being made. Not less than 25 per cent of such poundage quota shall be assigned to farms on which no quota was established for the preceding year's crop.

"(7) The farm poundage quota established on a farm for a marketing year, or any portion thereof, may be voluntarily released to the Secretary to the extent that such quota of peanuts will not be produced on the farm during the crop year. Any farm poundage quota voluntarily released on farms in a State shall be allocated to other farms in the State on such basis as the Secretary may prescribe. Any adjustment in the poundage quota for a farm under this paragraph shall be effective only for the marketing year for which it is made and shall not be taken into consideration in establishing a poundage quota on the farm for any subsequent marketing year.

"(8) The farm poundage quota on a farm for any marketing year shall be increased by the number of pounds by which the total marketings of quota peanuts for the farm

during previous marketing years (excluding any marketing year before the marketing year for the 1984 crop) were less than the total amount of the applicable farm poundage quotas (disregarding adjustments for undermarketings from prior marketing years) for such marketing years: *Provided,* That no increase for undermarketings in previous years shall be made to the poundage quota on any farm to the extent that the quota on such farm for the marketing year was reduced under paragraph (3) of this subsection for failure to produce. Increases in farm poundage quotas made under this paragraph shall not be counted against the national poundage quota for the marketing year involved. Any farm poundage quota increase made under this paragraph may be used in the marketing year by the transfer of additional peanuts produced on the farm to the quota loan pool for pricing purposes on such basis as the Secretary shall prescribe by regulation.

"(9) Notwithstanding the foregoing provisions of this subsection, if the total of all increases in individual farm poundage quotas under paragraph (8) of this subsection exceeds 10 per centum of the national poundage quota for the marketing year in which such increases shall be applicable, the Secretary shall adjust such increases so that the total of all such increases does not exceed 10 per centum of the national poundage quota.

"(t) For each farm for which a farm poundage quota was established under subsection (s) of this section, and when necessary for purposes of this Act, a farm yield of peanuts shall be determined for each such farm. Such yield shall be equal to the average of the actual yield per acre on the farm for each of the three crop years in which yields were highest on the farm out of the five crop years 1973 through 1977. If peanuts were not produced on the farm in at least three years during such five-year period (including, but not limited to, a change in operator, lessee who is an operator, or irrigation practices), the Secretary shall have a yield appraised for the farm. The appraised yield shall be that amount determined to be fair and reasonable on the basis of yields established for similar farms that are located in the area of the farm and on which peanuts were produced, taking into consideration land, labor, and equipment available for the production of peanuts, crop rotation practices, soil and water, and other relevant factors.

"(u) Not later than December 15 of each calendar year, the Secretary shall conduct a referendum of farmers engaged in the production of quota peanuts in the calendar year in which the referendum is held to determine whether such farmers are in favor of or opposed to poundage quotas with respect to the crops of peanuts produced in the four calendar years immediately following the year in which the referendum is held, except that, if as many as two-thirds of the farmers voting in any referendum vote in favor of poundage quotas, no referendum shall be held with respect to quotas for the second, third, and fourth years of the period. The Secretary shall proclaim the result of the referendum within thirty days after the date on which it is held, and if more than one-third of the farmers voting in the referendum vote against quotas, the Secretary also shall proclaim that poundage quotas will not be in effect with respect to the crop of peanuts produced in the calendar year immediately following the calendar year in which the referendum is held.

"(v) For the purposes of this part and title I of the Agricultural Act of 1949—

"(1) 'quota peanuts' means, for any marketing year, any peanuts produced on a farm having a farm poundage quota, as determined in subsection (s) of this section, that are eligible for domestic edible use as determined by the Secretary, that are marketed or considered marketed from a farm, and that do not exceed the farm poundage quota of such farm for such year;

"(2) 'additional peanuts' means, for any marketing year (A) any peanuts that are marketed from a farm for which a farm poundage quota has been established and that are in excess of the marketings of quota peanuts from such farm for such year, and (B) all peanuts marketed from a farm for which no farm poundage quota has been established in accordance with subsection (s) of this section;

"(3) 'crushing' means the processing of peanuts to extract oil for food uses and meal for feed uses, or the processing of peanuts by crushing or otherwise when authorized by the Secretary; and

"(4) 'domestic edible use' means use for milling to produce domestic food peanuts (other than those described in paragraph (3) of this subsection) and seed and use on a farm, except that the Secretary may exempt from this definition seeds of peanuts that are used to produce peanuts excluded under section 359(c) of this Act, are unique strains, and are not commercially available.".

SALE, LEASE, OR TRANSFER OF FARM POUNDAGE QUOTA

SEC. 803. Effective only for the 1986 through 1989 crops of peanuts, section 358a of the Agricultural Adjustment Act of 1938 is amended by adding at the end thereof new subsections as follows:

"(k) The owner, or the operator with permission of the owner, of any farm for which a farm poundage quota has been established under this Act may, subject to such terms, conditions, or limitations as the Secretary may prescribe, sell or lease all or any part of such poundage quota to any other owner or operator of a farm within the same county for transfer to such farm. The owner or operator of a farm may transfer all or any part of such farm's farm poundage quota to any other farm owned or controlled by such owner or operator that is in the same county or in a county contiguous to such county in the same State and that had a farm poundage quota for the preceding year's crop. Notwithstanding the foregoing provisions of this subsection, in the case of any State for which the poundage quota allocated to the State was less than 10,000 tons for the preceding year's crop, all or any part of a farm poundage quota may be transfered by sale or lease or otherwise from a farm in one county to a farm in another county in the same State.

"(l) Transfers (including transfer by sale or lease) of farm poundage quotas under this section shall be subject to the following conditions:

"(1) no transfer of the farm poundage quota from a farm subject to a mortgage or other lien shall be permitted unless the transfer is agreed to by the lienholders;

"(2) no transfer of the farm poundage quota shall be permitted if the county committee established under section 8(b) of the Soil Conservation and Domestic Allotment Act determines that the receiving farm does not have adequate tillable cropland to produce the farm poundage quota;

"(3) no transfer of the farm poundage quota shall be effective until a record thereof is filed with the county committee of the county to which such transfer is made and such committee determines that the transfer complies with the provisions of this section; and

"(4) such other terms and conditions that the Secretary may by regulation prescribe.".

MARKETING PENALTIES; DISPOSITION OF ADDTIONAL PEANUTS

SEC. 804. Effective only for the 1986 through 1989 crops of peanuts, section 359 of the Agricultural Adjustment Act of 1938 is amended by adding at the end thereof new subsections as follows:

"(m)(1) The marketing of any peanuts for domestic edible use in excess of the farm poundage quota for the farm on which such peanuts are produced shall be subject to penalty at a rate equal to 140 per centum of the support price for quota peanuts for the marketing year (August 1 through July 31) in which such marketing occurs. The marketing of any additional peanuts from a farm shall be subject to the same penalty unless such peanuts, in accordance with regulations established by the Secretary, are either (A) placed under loan at the additional loan rate in effect for such peanuts under section 108B of the Agricultural Act of 1949 and not redeemed by the producers, (B) marketed through an area marketing association designated pursuant to section 108B(3)(A) of the Agricultural Act of 1949, or (C) marketed under contracts between handlers and producers, pursuant to the provisions of subsection (q) of this section. Such penalty shall be paid by the person who buys or otherwise acquires the peanuts from the producer, or if the peanuts are marketed by the producer through an agent, the penalty shall be paid by such agent, and such person or agent may deduct an amount equivalent to the penalty from the price paid to the producer. If the person required to collect the penalty fails to collect such penalty, such person and all persons entitled to share in the peanuts marketed from the farm or the proceeds thereof shall be jointly and severally liable for the amount of the penalty. Peanuts produced in a calendar year in which farm poundage quotas are in effect for the marketing year beginning therein shall be subject to such quotas even though the peanuts are marketed prior to the date on which such marketing year begins. If any producer falsely identifies or fails to certify planted acres or fails to account for the disposition of any peanuts produced on such planted acres, an amount of peanuts equal to the farm's average yield, as determined under section 358(t) of this Act, times the planted acres, shall be deemed to have been marketed in violation of permissible uses of quota and additional peanuts and the penalty in respect thereof shall be paid and remitted by the producer.

"(2) The Secretary shall authorize, under such regulations as the Secretary shall prescribe, the county committees established under section 8(b) of the Soil Conservation and Domestic Allotment Act to waive or reduce marketing penalties provided for under this subsection in cases in which such committees determine that the violations that were the basis of the penalties were unintentional or without knowledge on the part of the parties concerned. Errors in weight that do not exceed one-tenth of 1 per centum in the case of any one marketing document shall not be considered mar-

keting violations except in cases of fraud or conspiracy.

"(n) Only quota peanuts may be retained for use as seed or for other uses on a farm and when so retained shall be considered as marketings of quota peanuts, except that the Secretary may exempt from consideration as marketings of quota peanuts seeds of peanuts that are used to produce peanuts excluded under subsection (c) of this section, are unique strains, and are not commercially available. Additional peanuts shall not be retained for use on a farm and shall not be marketed for domestic edible use, except as provided in subsection (r) of this section. Seed for planting of any peanut acreage in the United States shall be obtained solely from quota peanuts marketed or considered marketed for domestic edible use.

"(o) Upon a finding by the Secretary that the peanuts marketed from any crop for domestic edible use by a handler are larger in quantity or higher in grade or quality than the peanuts that could reasonably be produced for the quantity of peanuts having the grade, kernel content, and quality of the quota peanuts acquired by such handler from such crop for such marketing, such handler shall be subject to a penalty equal to 140 per centum of the loan level for quota peanuts on the quantity of peanuts that the Secretary determines are in excess of the quantity, grade, or quality of the peanuts that could reasonably have been produced from the peanuts so acquired.

"(p)(1) Except as provided in paragraph (2), the Secretary shall require that the handling and disposal of additional peanuts be supervised by agents of the Secretary or by area marketing associations designated pursuant to section 108B(3)(A) of the Agricultural Act of 1949.

"(2)(A) Supervision of the handling and disposal of additional peanuts of additional peanuts contracted by a handler shall not be required under paragraph (1) of this subsection if the handling and disposal of such peanuts is conducted in the manner prescribed in regulations issued by the Secretary.

"(B) The regulations issued by the Secretary under subparagraph (A) shall permit handlers of shelled peanuts to export peanuts classified by type, without physical supervision under paragraph (1) of this subsection, in quantities as described in subparagraph (C) of this paragraph.

"(C)(i) Sound split kernel peanuts in an amount equal to twice the pounds of such peanuts purchased by the handler as additional peanuts.

"(ii) Sound mature kernel peanuts in an amount equal to the pounds of such peanuts purchased by the handler as additional peanuts less the amount of sound split kernels purchased by the handler.

"(iii) The remaining quantity of total kernel content purchased by the handler as additional peanuts and not crushed domestically.

"(D) Any additional peanuts exports without physical supervision under subparagraph (B) of this paragraph shall be evidenced by on-board bill on ladings or other appropriate documentation as may be required by the Secretary or both. Handler's obligations to export peanuts in quantities described in subparagraph (C) shall be reduced by a reasonable shrinkage allowance to be determined by the Secretary. The Secretary may require adequate financial guarantees as well as evidence of adequate facilities and assets in order to assure compliance with the obligation of the handler to export peanuts without physical supervison under subparagraph (B) of this paragraph. If a handler should suffer a loss of peanuts as a result of fire, flood, or other condition beyond the control of the handler, the portion of such loss allocated to contracted additional peanuts shall not be greater than the portion of the handler's total purchases for the year attributable to contracted additional peanuts purchased for export by the handler during such year.

"(3) Quota and additional peanuts of like type and segregration or quality may, under regulations prescribed by the Secretary, be commingled and exchanged on a dollar value basis to facilitate warehousing, handling, and marketing.

"(4) The failure by a handler to comply with regulations issued by the Secretary governing the disposition and handling of additional peanuts shall subject the handler to a penalty at a rate equal to 140 per centum of the loan level for quota peanuts on the quantity of peanuts involved in the violation. The amount of any penalty imposed on a handler under this subsection that resulted from the failure to export contracted additional peanuts shall not be reduced by the Secretary under the provisions of subsection (s)(5) of this section. A handler shall not be subject to a penalty for failure to export additional peanuts if such peanuts were not delivered to the handler.

"(5) If any additional peanuts exported by a handler should reenter the United States in commercial quantities as determined by the Secretary, the importer thereof shall be subject to a penalty at a rate equal to 140 per centum of the loan level for quota peanuts on the quantity of peanuts involved in the reentry.

"(q) Handlers may, under regulations prescribed by the Secretary, contract with producers for the purchase of additional peanuts for crushing, export, or both. All such contracts shall be completed and submitted to the Secretary (or if designated by the Secretary, the area marketing association) for approval prior to August 1 of the year in which the crop is produced. Each such contract shall contain the final price to be paid by the handler for the peanuts involved and a specific prohibition against the disposition of such peanuts for domestic edible or seed use.

"(r) Subject to the provisions of section 407 of the Agricultural Act of 1949, any peanuts owned or controlled by the Commodity Credit Corporation may be made available for domestic edible use in accordance with regulations established by the Secretary. Additional peanuts received under loan shall be offered for sale for domestic edible use at prices not less than those required to cover all costs incurred with respect to such peanuts for such items as inspection, warehousing, shrinkage, and other expenses, plus (1) not less than 100 per centum of the loan value of quota peanuts if the additional peanuts are sold and paid for during the harvest season upon delivery by and with the written consent of the producer, (2) not less than 105 per centum of the loan value of quota peanuts if the additional peanuts are sold after delivery by the producer by not later than December 31 of the marketing year, or (3) not less than 107 per centum of the loan value of quota peanuts of the additional peanuts are sold later than December 31 of the marketing year. For the period from the date additional peanuts are delivered for loan to March 1 of the calender year following the year in which such additional peanuts were harvested, the area marketing association designated pursuant to section 108B(3)(A) of the Agriculture Act of 1949 shall have sole authority to accept or reject lot list bids when the sales as determined under this section equals or exceeds the minimum price at which the Commodity Credit Corporation may sell its stocks of additional peanuts, except that the area marketing association and the Commodity Credit Corporation may agree to modify the authority granted by this sentence to facilitate the orderly marketing of additional peanuts.

"(s)(1) The person liable for payment or collection of any penalty provided for in this section shall be liable also for interest thereon at a rate per annum equal to the rate of interest that was charged the Commodity Credit Corporation by the Treasury of the United States on the date such penalty became due.

"(2) The provisions of this section shall not apply to peanuts produced on any farm on which the acreage harvested for nuts is one acre or less if the producers who share in the peanuts produced on such farm do not share in the peanuts produced on any other farm.

"(3) Until the amount of the penalty provided by this section, other than a penalty on an importer under subsection (p)(5), is paid, a lien on the crop of peanuts with respect to which such penalty is incurred, and on any subsequent crop of peanuts subject to farm poundage quotas in which the person liable for payment of the penalty has an interest, shall be in effect in favor of the United States.

"(4) Notwithstanding any other provision of law, the liability for and the amount of any penalty assessed under this section shall be determined in accordance with such procedures as the Secretary by regulations may prescribe. The facts constituting the basis for determining the liability for or amount of any penalty assessed under this section, when officially determined in conformity with the applicable regulations prescribed by the Secretary, shall be final and conclusive and shall not be reviewable by any other officer or agency of the Government. Nothing in this section shall be construed as prohibiting any court of competent jurisdiction from reviewing any determination made by the Secretary with respect to whether such determination was made in conformity with the applicable law and regulations. All penalties imposed under this section shall for all purposes be considered civil penalties.

"(5) Notwithstanding any other provision of law and except as otherwise provided in subsection (p)(4) of this section, the Secretary may reduce the amount of any penalty assessed against handlers under this section if the Secretary finds that the violation upon which the penalty is based was minor or inadvertent, and that the reduction of the penalty will not impair the operation of the peanut program.".

PRICE SUPPORT PROGRAM

SEC. 805. Effective only for the 1986 through 1989 crops of peanuts, the Agricultural Act of 1949 is amended by adding after section 108A a new section as follows:

"PRICE SUPPORT FOR 1986 THROUGH 1989 CROPS OF PEANUTS

"SEC. 108B. Notwithstanding any other provision of law—

"(1) The Secretary shall make price support available to producers through loans, purchases, and other operations on quota

peanuts for each of the 1986 through 1989 crops. The national average quota support rate for the 1986 crop of quota peanuts shall be the same as the national average support rate established for the 1985 crop of quota peanuts adjusted by the Secretary by the percentage of any increase in the prices paid by producers for commodities and services, interest, taxes, and farm wages rates during calendar years 1981 through 1985 as determined by the Secretary. The national average quota support rate for each of the 1987 through 1989 crops of quota peanuts shall be the national average quota support rate for the preceding crop, adjusted to reflect any increase, during the calendar year immediately preceding the marketing year for the crop for which a level of support is being determined, in the national average cost of production, excluding any change in the cost of land, except that in no event shall the national average quota support rate for any such crop exceed by more than 6 per centum the national average quota support rate for the preceding crop. The levels of support so announced shall not be reduced by any deductions for inspection, handling, or storage: *Provided*, That the Secretary may make adjustments for location of peanuts and such other factors as are authorized by section 403 of this Act. The Secretary shall announce the level of support for quota peanuts of each crop not later than February 15 preceding the marketing year for the crop for which the level of support is being determined.

"(2) The Secretary shall make price support available to producers through loans, purchases, or other operations on additional peanuts for each of the 1986 through 1989 crops at such levels as the Secretary finds appropriate, taking into consideration the demand for peanut oil and peanut meal, expected prices of other vegetable oils and protein meals, and the demand for peanuts in foreign markets: *Provided*, That the Secretary shall set the support rate on additional peanuts at a level estimated by the Secretary to ensure that there are no losses to the Commodity Credit Corporation on the sale or disposal of such peanuts. The Secretary shall announce the level of support for additional peanuts of each crop not later than February 15 preceding the marketing year for the crop for which the level of support is being determined.

"(3)(A) In carrying out paragraphs (1) and (2) of this section, the Secretary shall make warehouse storage loans available in each of the three producing areas (described in 7 CFR 1446.60 (1985 ed.)) to a designated area marketing association of peanut producers that is selected and approved by the Secretary and that is operated primarily for the purpose of conducting such loan activities. The Secretary may not make warehouse storage loans available to any cooperative that is engaged in operations or activities concerning peanuts other than those operations and activities specified in this section and section 359 of the Agricultural Adjustment Act of 1938. Such are marketing associations shall be used in administrative and supervisory activities relating to price support and marketing activities under this section and section 359 of the Agricultural Act of 1938. Loans made under this subparagraph shall include, in addition to the price support value of the peanuts, such costs as the area marketing association reasonably may incur in carrying out its responsibilities, operations, and activities under this section and section 359 of the Agricultural Adjustment Act of 1938.

"(B) The Secretary shall require that each area marketing association establish pools and maintain complete and accurate records by area and segregation for quota peanuts handled under loan, for additional peanuts placed under loan, and for additional peanuts produced without a contract between a handler and a producer as described in section 359(q) of the Agricultural Adjustment Act of 1938, except that separate pools shall be established for Valencia peanuts produced in New Mexico. Bright hull and dark hull Valencia peanuts produced in the Southwest area shall be considered as different types for the purpose of establishing pools under this section. Net gains on peanuts in each pool, unless otherwise approved by the Secretary, shall be distributed only to producers who placed peanuts in the pool and shall be distributed in proportion to the value of the peanuts placed in the pool by each producer. Net gains for peanuts in each pool shall consist of (i) for quota peanuts, the net gains over and above the loan indebtedness and other costs or losses incurred on peanuts placed in such pool plus an amount from the pool for additional peanuts to the extent of the net gains from the sale for domestic food and related uses of additional peanuts in the pool for additional peanuts equal to any loss on disposition of all peanuts in the pool for quota peanuts and (ii) for additional peanuts, the net gains over and above the loan indebtedness and other costs or losses incurred on peanuts placed in the pool for additional peanuts less any amount allocated to offset any loss on the pool for quota peanuts as provided in clause (i) of this sentence. Notwithstanding any other provision of this section, any distribution of net gains on additional peanuts of any type to any producer shall be reduced to the extent of any loss by the Commodity Credit Corporation on quota peanuts of a different type placed under loan by the producer. Notwithstanding any other provision of this section, the proceeds due any producer from any pool shall be reduced by the amount of any loss that is incurred with respect to peanuts transferred from an additional loan pool to a quota loan pool under the provisions of section 358(s)(8) of the Agricultural Adjustment Act of 1938.

"(4) Notwithstanding the foregoing provisions of this section or any other provision of law, no price support shall be made available by the Secretary for any crop of peanuts with respect to which poundage quotas have been disapproved by producers, as provided for in section 358(u) of the Agricultural Adjustment Act of 1938.".

REPORTS AND RECORDS

SEC. 806. Effective only for the 1986 through 1989 crops of peanuts, the first sentence of section 373(a) of the Agricultural Adjustment Act of 1938 is amended by inserting immediately before "all brokers and dealers in peanuts" the following: "all farmers engaged in the production of peanuts,".

SUSPENSION OF CERTAIN PRICE SUPPORT PROVISIONS

SEC. 807. Section 101 of the Agricultural Act of 1949 shall not be applicable to the 1986 through 1989 crops of peanuts.

TITLE IX—SUGAR

SUGAR PRICE SUPPORT

SEC. 901. Effective only for the 1986 through 1989 crops of sugar beets and sugarcane, section 201 of the Agricultural Act of 1949 is amended by—

(1) striking out in the first sentence "honey, and milk" and inserting in lieu thereof "honey, milk, sugar beets, and sugarcane"; and

(2) adding at the end thereof a new subsection as follows:

"(j) The price of each of the 1986 through 1989 crops of sugar beets and sugarcane, respectively, shall be supported in the manner specified below:

"(1) The Secretary shall support the price of each of the 1986 through 1989 crops of domestically grown sugarcane through nonrecourse loans at such level as the Secretary determines appropriate but not less than the following levels for raw cane sugar:

"(A) for the 1986 crop, 18 cents per pound; and

"(B) for each of the 1987 through 1989 crops, the level of support of the preceding year's crop increased by one-fourth cent per pound.

"(2) The Secretary shall support the price of domestically grown sugar beets through nonrecourse loans at such level as the Secretary determines to be fair and reasonable in relation to the level of loans for sugarcane. The Secretary shall announce the loan rate to be applicable during any fiscal year as far in advance of the beginning of that fiscal year as practicable consistent with the purposes of this subsection. Loans during any such fiscal year shall be made available not earlier than the beginning of the fiscal year and shall mature before the end of that fiscal year.".

TITLE X—SOYBEANS

SOYBEAN PRICE SUPPORT

SEC. 1001. Effective only for the 1986 through 1989 crops of soybeans, section 201 of the Agricultural Act of 1949 is amended by—

(1) inserting in the first sentence "soybeans," after "tung nuts,"; and

(2) adding at the end thereof a new subsection as follows:

"(i)(1) The price of soybeans shall be supported through loans and purchases during each of the four marketing years beginning with 1986 marketing year at a level equal to 75 per centum of the simple average price received by farmers for soybeans for each of the preceding five marketing years, excluding the high and low valued years, except that in no event shall the Secretary establish a support price of less than $5.02 per bushel: *Provided*, That if the Secretary determines that the average price of soybeans received by producers in any marketing year is not more that 105 per centum of the level of loans and purchases for soybeans for such marketing year, the Secretary may reduce the level of loans and purchases for soybeans for the next marketing year by the amount the Secretary determines necessary to maintain domestic and export markets for soybeans, except that the level of loans and purchases shall not be reduced by more than 10 per centum in any year nor below $4.50 per bushel. For the purposes of this subsection, the soybean marketing year shall be the twelve-month period beginning on September 1 and ending August 31. The Secretary shall make a preliminary announcement of the level of price support not earlier than thirty days in advance of the beginning of the marketing year based upon the latest information and statistics available when such level of price support is announced, and shall make a final announcement of such level as soon as full information and statistics are available on prices for the five years preceding the beginning of the marketing year. In no event shall such final level of support be an-

nounced later than October 1 of the marketing year for which the announcement applies; nor shall the final level of support be less than the level of support set forth in the preliminary announcement.

"(2) Notwithstanding any other provision of law—

"(A) the Secretary shall not require participation in any production adjustment control program for soybeans or any other commodity as a condition of eligibility for price support for soybeans; and

"(B) soybeans shall not be considered an eligible commodity for any reserve program, and the Secretary shall not authorize payments to producers to cover the cost of storing soybeans.".

TITLE XI—DAIRY

MILK PRICE SUPPORT

SEC. 1101. Subsection (d) of section 201 of the Agricultural Act of 1949 (7 U.S.C. 1446(d)) is amended to read as follows:

"(d) Notwithstanding any other provision of law—

"(1) Effective for the fiscal years beginning October 1, 1985 and October 1, 1986, the price of milk shall be supported at the same level that was in effect on July 1, 1985.

"(2)(A) Effective for the fiscal years beginning October 1, 1987 and October 1, 1988, the price of milk shall be supported at a level determined in accordance with this paragraph.

"(B) The Secretary shall compute annually an index of items for each fiscal year as provided in this paragraph that affected the cost of producing milk or the products of milk during the period from calendar year 1976 through calendar year 1978. The Secretary shall compute the index taking into account the following schedule of items and the proportional contribution of each item:

Item	Contribution to the Index
Consumer Price Index	10 per centum
Prices received by farmers for meat animals	10 per centum
Feed costs	33 per centum
Interest paid by farmers	8 per centum
Taxes	2.5 per centum
Fuel and energy expenses	4 per centum
Milk hauling costs	3 per centum
Machinery and building repair expenses	4 per centum
Hired labor expenses	7 per centum
Farm services and general overhead costs	8.5 per centum
Seed	1.5 per centum
Fertilizer	3 per centum
Ag chemicals	.5 per centum
Tractor and self-propelled machinery	3 per centum
Other farm machinery	2 per centum

The Secretary shall use the value of the index so computed to measure changes in the cost of producing milk or the products of milk during the most recent six-month period.

"(C) The index computed under this paragraph shall be further adjusted to reflect increases in productivity, taking into account such factors as changes in milk produced per cow, and other related factors the Secretary determines to be relevant.

"(D) The adjusted value of the index shall be multiplied by $8.33 to determine the support price per hundredweight for milk containing 3.67 per centum of milkfat on October 1, 1987.

"(E) The Secretary shall estimate Government price support purchases (not of sales for unrestricted use) for each such fiscal year using the amount of such purchases made during the most recent six-month period adjusted to an annual level. If the Secretary estimates that the Government price support purchases of milk or the products of milk will be less than 5 billion pounds or in excess of 5.990 billion pounds milk equivalent, the Secretary shall adjust the price support as determined in this paragraph according to the following table.

"If the estimated amount (in billions of pounds) of net Government price support purchases of milk during the relevant period is (in milk equivalent):	The percentage of price support level per hundredweight for milk shall be:
Less than 3	104
3.0–3.99	103
4.0–4.99	102
5.0–5.99	100
6.0–6.99	98
7.0–7.99	96

"(3) The price of milk shall be supported through the purchase of milk and the products of milk."

FEDERAL MILK MARKETING ORDERS

SEC. 1102. Section 101(b) of the Agriculture and Food Act of 1981 (7 U.S.C. 608c) is amended by striking out "1985" and inserting in lieu thereof "1989".

TRANSFER OF DAIRY PRODUCTS TO VETERANS HOSPITALS AND THE MILITARY

SEC. 1103. Section 202 of the Agricultural Act of 1949 (7 U.S.C. 1446a) is amended by striking out "1985" in subsections (a) and (b) and inserting in lieu thereof "1989".

DAIRY INDEMNITY PROGRAM

SEC. 1104. Section 3 of the Act of August 13, 1968 (7 U.S.C. 4501), is amended by striking out "1985" and inserting in lieu thereof "1989".

TITLE XII—MISCELLANEOUS

ADVANCE PAYMENTS

SEC. 1201. Effective only for the 1986 through 1989 crops of wheat, feed grains, upland cotton, and rice, the Agricultural Act of 1949 is amended by adding after 107D as added by section 201 of this Act the following new section:

"ADVANCE PAYMENTS

"SEC. 107E. (a) If the Secretary establishes an acreage limitation program for any of the 1986 through 1989 crops of wheat, feed grains, upland cotton, or rice under section 107D(e), 105C(e), 103(h)(9), or 101(i)(5), respectively, and determines that deficiency payments will likely be made for such commodity for such crop, the Secretary may make available advance deficiency payments to producers who agree to participate in such program.

"(b) Advance deficiency payments under subsection (a) shall be made to the producer under the following terms and conditions:

"(1) Such payments shall be made available to producers as soon as practicable after the producer files a notice of intention to participate in such program.

"(2) Such payments shall be made available to producers in such amounts as the Secretary determines appropriate to encourage adequate participation in such program, except that such amount may not exceed an amount determined by multiplying (A) the estimated farm program acreage for the crop, (B) the farm program payment yield for the crop, by (C) 50 per centum of the projected payment rate, as determined by the Secretary.

"(3) In any case in which the deficiency payment payable to a producer for a crop, as finally determined by the Secretary under section 107D(b)(1), 105C(b)(1), 103(h)(3), or 101(j)(2), is less than the amount paid to the producer as an advance deficiency payment for the crop under this section, the producer shall refund an amount equal to the difference between the amount advanced and the amount finally determined by the Secretary to be payable to the producer as a deficiency payment for the crop concerned.

"(4) If the Secretary determines under section 107D(b)(1), 105C(b)(1), 103(h)(3), or 101(j)(2) that deficiency payments will not be made available to producers on a crop with respect to which advance deficiency payments already have been made under this section, the producers who received such advance payments shall refund such payments.

"(5) Any refund required under paragraph (3) or (4) shall be due at the end of the marketing year for the crop with respect to which such payments were made.

"(6) If a producer fails to comply with the requirements under the acreage limitation or set-aside program involved after obtaining an advance deficiency payment under this section, the producer shall repay immediately the amount of the advance, plus interest thereon in such amount as the Secretary shall prescribe by regulations.

"(c) The Secretary may issue such regulations as the Secretary determines necessary to carry out this section.

"(d) The Secretary shall carry out the program authorized by this section through the Commodity Credit Corporation.

"(e) The authority provided in this section shall be in addition to, and not in place of, any authority granted to the Secretary or the Commodity Credit Corporation under any other provisions of law.".

SUPPLEMENTAL SET-ASIDE AND ACREAGE LIMITATION AUTHORITY

SEC. 1202. Effective for the 1986 through 1989 crops of wheat and feed grains, section 113 of the Agricultural Act of 1949 is amended to read as follows:

"SUPPLEMENTAL SET-ASIDE AND ACREAGE LIMITATION AUTHORITY

"SEC. 113. Notwithstanding any other provision of law or prior announcement made by the Secretary to the contrary, the Secretary may announce and provide for a set-aside or acreage limitation program under section 105C(e) or 107D(e) of this title for one or more of the crops of wheat and feed grains if the Secretary determines that such action is in the public interest as a result of the imposition of restrictions on the export of any such commodity by the President or other member of the executive branch of Government. In order to carry out effectively a set-aside or acreage limitation program authorized under this section, the Secretary may make such modifications and adjustments in such program as the Secretary determines necessary because of any delay in instituting such programs.".

SPECIAL GRAZING AND HAY PROGRAM

SEC. 1203. Section 109 of the Agricultural Act of 1949 is amended by striking out "1985" in the first sentence of subsection (a) and inserting in lieu thereof "1989".

COMMODITY CREDIT CORPORATION SALES PRICES RESTRICTIONS FOR WHEAT AND FEED GRAINS

SEC. 1204. Effective only for the marketing years for the 1986 through 1989 crops, section 407 of the Agricultural Act of 1949 is amended by—

(1) striking out in the third sentence the language following the third colon and inserting in lieu thereof the following: "Provided, That the Corporation shall not sell any of its stocks of wheat, corn, grain sorghum, barley, oates, and rye, respectively, at less than 115 per centum of the current national average loan rate for the commodity, adjusted for such current market differentials reflecting grade, quality, location, and other value factors as the Secretary determines appropriate plus reasonable carrying charges.";

(2) striking out in the fifth sentence "current basic county support rate including the value of any applicable price-support payment in kind (or a comparable price if there is not current basic county support rate)" and inserting in lieu thereof the following: "current basic county loan rate (or a comparable price if there is no current basic county loan rate)"; and

(3) striking out in the seventh sentence ", but in no event shall the purchase price exceed the then current support price for such commodities" and inserting in lieu thereof the following: "or unduly affecting market prices, but in no event shall the purchase price exceed the Corporation's minimum sales price for such commodities for unrestricted use.".

NORMALLY PLANTED ACREAGE AND TARGET PRICES

SEC. 1205. Section 1001 of the Food and Agriculture Act of 1977 is amended by striking out "1985" in each place that it appears in subsections (a) and (b) and inserting in lieu thereof "1989".

NORMAL SUPPLY

SEC. 1206. Notwithstanding any other provision of law, if the Secretary of Agriculture determines that the supply of wheat, corn, upland cotton, or rice for the marketing year for any of the 1986 through 1989 crops of such commodity is not likely to be excessive and that program measures to reduce or control the planted acreage of the crop are not necessary, such a decision shall constitute a determination that the total supply of the commodity does not exceed the normal supply and no determination to the contrary shall be made by the Secretary with respect to such commodity for such marketing year.

APPLICATION OF TERMS IN THE AGRICULTURE ACT OF 1949

SEC. 1207. Effective only for the 1986 through 1989 crops of wheat, feed grains, upland cotton, and rice, section 408(k) of the Agricultural Act of 1949 is amended to read as follows:

"REFERENCES TO TERMS MADE APPLICABLE TO WHEAT, FEED GRAINS, UPLAND COTTON, AND RICE

"(k) References made in sections 402, 403, 406, 407, and 416 to the terms 'support price', 'level of support', and 'level of price support' shall be considered to apply as well to level of loans and purchases for wheat, feed grains, upland cotton, and rice under this Act; and references made to the terms 'price support', 'price support operations', and 'price support program' in such sections and in section 401(a) shall be considered as applying as well to the loan and purchase operations for wheat, feed grains, upland cotton, and rice under this Act.".

PAYMENT LIMITATIONS FOR WHEAT, FEED GRAINS, UPLAND COTTON, AND RICE

SEC. 1208. Notwithstanding any other provisions of law:

(1) The total amount of payments (excluding disaster payments) that a person shall be entitled to receive under one or more of the annual programs established under the Agricultural Act of 1949 for wheat, feed grains, upland cotton, extra long staple cotton, and rice shall not exceed $50,000 for each of the 1986 through 1989 crops.

(2) The total amount of disaster payments that a person shall be entitled to receive under one or more of the annual programs established under the Agricultural Act of 1949 for wheat, feed grains, upland cotton, and rice shall not exceed $100,000 for each of the 1986 through 1989 crops.

(3) The term "payments" as used in this section shall not include loans or purchases, or any part of any payment that is determined by the Secretary of Agriculture to represent compensation for resource adjustment (excluding land diversion payments) or public access for recreation.

(4) If the Secretary determines that the total amount of payments that will be earned by any person under the program in effect for any crop will be reduced under this section, any acreage requirement established under a set-aside or acreage limitation program for the farm or farms on which such person will be sharing in payments earned under such program shall be adjusted to such extent and in such manner as the Secretary determines will be fair and reasonable in relation to the amount of the payment reduction.

(5) The Secretary shall issue regulations defining the term "person" and prescribing such rules as the Secretary determines necessary to assure a fair and reasonable application of such limitation: *Provided*, That the provisions of this section that limit payments to any person shall not be applicable to lands owned by States, political subdivisions, or agencies thereof, so long as such lands are farmed primarily in the direct furtherance of a public function, as determined by the Secretary. The rules for determining whether corporations and their stockholders may be considered as separate persons shall be in accordance with the regulations issued by the Secretary on December 18, 1970, under section 101 of the Agricultural Act of 1970.

TITLE XIII—AGRICULTURAL CREDIT

SUBTITLE A—FARM CREDIT ASSISTANCE

SHORT TITLE

SEC. 1301. This subtitle may be cited as the "Agricultural Credit Act of 1985".

FEDERAL-STATE COOPERATIVE INTEREST BUY-DOWN PROGRAM

SEC. 1302. Effective for the period beginning on the date of enactment of this subtitle and ending September 30, 1986, the Consolidated Farm and Rural Development Act is amended by adding at the end thereof a new section 350 as follows:

"FEDERAL-STATE COOPERATIVE INTEREST BUY-DOWN PROGRAM

"SEC. 350. (a) To assist farmers and ranches whose debts are restructured by commercial or cooperative lenders, the Secretary may make grants to States for use in buying down the interest rates charged by such lenders.

"(b) The grant program established under this section shall—

"(1) be used to provide interest reduction payments on loans secured by real estate or other assets made to restructure debts;

"(2) provide for interest reduction agreements of not less than three years; and

"(3) except as provided in subsection (d), be administered by States that provide equal matching funds for interest reduction payments.

"(c) The Secretary shall provide, and the State may provide for the recapture of any assistance provided under this section from the assisted borrower or such borrower's heirs upon the disposition of, or other transfer of title or ownership to, the real estate or other assets. The amount to be recaptured shall be secured by a lien on the real estate or other assets.

"(d) The Secretary shall make grants for interest reduction payments under this section without requiring that a State provide equal matching funds whenever the Secretary determines that it would not be practicable for such State to provide matching funds.

"(e) Notwithstanding any other provision of this Act, the Agricultural Credit Insurance Fund established under section 309 of this Act may be used by the Secretary in implementing this section.

"(f) The total amount of funds used by the Secretary in making grants under this section shall not exceed $200,000,000.".

IMPROVEMENTS IN THE PROCESSING OF APPLICATIONS FOR FARMERS HOME ADMINISTRATION LOANS

SEC. 1303. (a) The Secretary of Agriculture shall immediately take steps—using authorities of law provided by the Secretary, including the Agricultural Credit Insurance Fund and the employment procedures used in connection with the emergency disaster loan program—to make personnel and other resources of the Department of Agriculture available to the Farmers Home Administration sufficient to enable the Farmers Home Administration to process applications from farmers for assistance expeditiously and in a timely manner with respect to farm operations relating to the planting and cultivation of the 1986 crops.

(b) Subsection (h) of section 309 of the Consolidated Farm and Rural Development Act is amended by—

(1) designating the existing text thereof as paragraph (1); and

(2) inserting at the end thereof a new paragraph (2) as follows:

"(2) In implementing the approved lender program established under section 339 of this Act on May 4, 1984, the Secretary shall ensure that each request of a lending institution for designation as an approved lender under the program is reviewed, and a decision made on the application, within fifteen days after the lending institution has submitted a completed application to the Farmers Home Administration.".

DISPOSITION OF FARM PROPERTY INVENTORY HELD BY THE FARMERS HOME ADMINISTRATION

SEC. 1304. Section 335 of the Consolidated Farm and Rural Development Act (7 U.S.C. 1985) is amended by—

(1) amending subsection (b) to read as follows:

"(b)(1) Except as provided in paragraph (2) of this subsection, real property administered under the provisions of this title may be operated or leased by the Secretary for such period or periods as the Secretary may deem necessary to protect the Government's investment therein.

"(2) Farmland administered under the provisions of subtitle, A, B, C of this title, the sale of which is not immediately practicable under subsection (c) of this section, shall be leased by the Secretary to qualified family farmers and qualified limited resource farmers. The Secretary shall consider provicing, in conjunction with the provisions of subsection (c) of this section, leases that contain purchase options for qualified

family farmers or limited resource farmers and loans at the limited resource rate to such farmers to cover any payments due under the lease or the option. If no qualified family farmer or limited resource farmer is identified, the land shall be leased to other borrowers eligible for loans under subtitle A or B of this title. If the previous owner-operator of a particular tract of land is eligible for assistance under subtitles A or B of this title, such previous owner-operator shall be given special consideration, as appropriate, in the leasing of that tract. The Secretary shall implement the provisions of this section within sixty days after enactment of the Food and Agriculture Act of 1985.".

(2) amending the first sentence of paragraph (1) of subsection (c) to read as follows: "Except as provided in paragraphs (2) and (4) of this subsection with respect to the disposition of farmland, the Secretary may determine whether real property administered under this title is suitable for disposition to persons eligible for assistance under any law administered by the Farmers Home Administration.".

(3) amending paragraphs (2), (3), and (4) of subsection (c) to read as follows:

"(2)(A) Farmland administered under this title shall be, wherever practicable, sold by the Secretary to qualified family farmers and qualified limited resource farmers. The sale of such farmland may be through the exercise of a purchase option provided in a lease under subsection (b)(2) of this section. The Secretary shall provide, to the extent possible, financing for the sale of farmland to such qualified farmers from funds available for such purposes under this title and may, without regard to the availability of funds to finance the purchase of farmland under this title, sell such farmland to qualified family farmers and qualified limited resource borrowers through the use of installment land contracts, or similar devices, that contain such terms as the Secretary deems necessary to protect the Government's investment in such farmland. The Secretary shall offer such farmland for sale to family farmers and limited resource farmers at a price that reflects the average annual income that can be reasonably anticipated to be generated from farming such land. If more than one qualified candidate to purchase, or lease with the option to purchase, the farmland is identified, the county committee shall, by majority vote, select the final candidate on such basis as the Secretary by regulation may prescribe.

"(B) For the fiscal years 1985, 1986, and 1987, not less than 20 per centum of the farm ownership funds under subtitle A of this title shall be made available for loans at the limited resource rate for the purchase of suitable farmland from the inventory of the Farmers Home Administration by qualified limited resource borrowers. The amount provided under this subparagraph shall be in addition to the minimum use of funds at such rate required by section 346 of this title.

"(C) If suitable farmland is available for disposition under this subsection, the Secretary shall publish an announcement of the availability of such farmland in at least one newspaper that is widely circulated in the county in which the farmland is located and shall post an announcement of the availability of such farmland at a prominent place in the local office of the Farmers Home Administration that serves the county in which the farmland is located. The Secretary shall also identify and notify current borrowers under subtitles A or B, giving special attention to limited resource borrowers, who might be interested in purchasing inventory farmland.

"(3) Farmland that the Secretary determines is not suitable for sale or lease to limited resource or other eligible farm borrowers under subtitle A or B of this Act because such farmland is in a tract or tracts that the Secretary determines to be larger than that necessary for family-size farms shall be subdivided into tracts suitable for limited resource or other eligible borrowers under subtitle A or B of this Act. The disposition of such subdivided farmland shall be in accordance with paragraph (2) of this subsection.

"(4) If farmland used as security for a Farmers Home Administration loan is transferred to a party other than the Farmers Home Administration, the Secretary shall not permit any of the terms of the loan that are provided for in this title to be assumed by the party to whom the land is transferred unless such party is eligible for loan assistance under subtitle A of this title. If the party to whom the farmland is to be transferred is a limited resource farmer or a farmer who is otherwise eligible for loan assistance under subtitle A of this title, the Secretary shall take appropriate steps to provide such a farmer with reasonable assistance, including refinancing of the original loan, to help ensure that the transfer will occur. Within sixty days after the enactment of the Food and Agriculture Act of 1985, the Secretary shall adopt interim regulations to implement this subsection. Such interim regulations shall be subject to public comment and final promulgation as soon as practicable.".

IMPROVEMENT OF FARMERS HOME ADMINISTRATION APPEALS PROCEDURE

SEC. 1305. (a) The Secretary of Agriculture shall conduct a study regarding the administrative appeals procedure applicable to the farm loan programs of the Farmers Home Administration. In conducting the study, the Secretary shall examine—

(1) the number and type of appeals initiated by borrowers;

(2) the extent to which initial administrative actions are reversed on appeal;

(3) the reasons that administrative actions are reversed, modified, or sustained on appeal;

(4) the number of appeals in which the borrower is represented by legal counsel, and the extent to which such representation may affect the outcome of the appeal;

(5) the amount of time required to complete action on appeals and the reasons for delays;

(6) the feasibility of the use of administrative law judges in the appeals process; and

(7) the desirability of electing Farmers Home Administration county committee members.

(b) The Secretary shall submit a report containing the results of study required by subsection (a) of this section to the House Committee on Agriculture and the Senate Committee on Agriculture, Nutrition, and Forestry not later than September 1, 1986.

Subtitle B—Task Force on Agricultural Credit

SHORT TITLE

SEC. 1306. This subtitle may be cited as the "Agricultural Credit Task Force Act of 1985."

ESTABLISHMENT OF AGRICULTURAL CREDIT TASK FORCE

SEC. 1307. (a) There is established a National Task Force on Agricultural Credit to conduct a study of the credit problems confronting United States agricultural producers and related businesses.

(b)(1) The task force shall be composed of fifteen persons appointed or designated by the President and selected as follows:

(A) the President shall select five members; and

(B) the Speaker of the House of Representatives and the majority leader of the Senate shall each select five members.

(2) In selecting persons as members of the task force, the President, the Speaker, and the majority leader shall endeavor to ensure that the task force has a balanced membership representing all major functions in agriculture, such as farmers, suppliers, marketers, and lenders.

(c) A vacancy in the task force shall be filled in the manner in which the original appointment was made.

(d) The task force shall elect a chairman from among the members of the task force.

(e) The task force shall meet at the call of the chairman or a majority of the task force.

CONDUCT OF STUDY

SEC. 1308. The task force shall—

(1) identify and describe the components of the existing agricultural credit system;

(2) identify and describe the credit needs of agricultural producers and related businesses; and

(3) evaluate the ability of the existing agricultural credit system to meet the credit needs of agricultural producers.

SEC. 1309. (a) On the basis of its study, the task force shall make findings and develop recommendations for consideration by the President and Congress with respect to the agriculture-related credit policies, programs, and practices of the United States, and the manner in which such policies, programs, and practices can be improved to ensure that United States agricultural producers obtain adequate credit at interest rates conducive to debt servicing and profitmaking.

(b) The task force shall submit to the President and Congress—

(1) such interim reports on its work as may be requested by the chairman of the House Committee on Agriculture or the chairman of the Senate Committee on Agriculture, Nutrition, and Forestry; and

(2) a report containing the final results of its study and recommendations therefrom by July 1, 1986.

ADMINISTRATION

SEC. 1310. (a) The heads of executive agencies, the General Accounting Office, and the Congressional Budget Office shall, to the extent permitted by law, provide the task force such information as it may require in carrying out its duties and function.

(b) Members of the task force shall serve without any additional compensation for work on the task force. However, members appointed from among private citizens of the United States may be allowed travel expenses, including per diem in lieu of subsistence, as authorized by law for persons serving intermittently in the Government service under sections 5701 through 5707 of title 5, United States Code.

(c) Upon request of the task force, the Secretary of Agriculture and the Governor of the Farm Credit Administration shall furnish the task force with such personnel

and support services as are necessary to assist the task force in carrying out its duties and functions.

(d) Upon request of the task force, the heads of other Executive agencies and the General Accounting Office are each authorized to furnish the task force with such personnel and support services as the head of the agency or office and the chairman of the task force agree are necessary to assist the task force in carrying out its duties and functions.

(e) The task force shall not be required to pay or reimburse any agency or office for personnel and support services provided under this section.

TERMINATION

SEC. 1311. The task force shall terminate sixty days after the transmission of its final report to the President and Congress.

Subtitle C—Farm Credit System

PROTECTION OF STOCK OF FARM CREDIT ASSOCIATIONS

SEC. 1312. Section 4.1 of the Farm Credit Act of 1971 is amended by adding at the end thereof new subsections (d), (e), and (f) as follows:

"(d) Notwithstanding any other provision of law—

"(1) the revolving funds referred to in subsections (a) and (b) of this section shall be available to the Governor of the Farm Credit Administration for the purpose of alleviating the effects of the impairment of (A) outstanding Federal land bank association stock that was required to be purchased by Federal land bank borrowers as security for Federal land bank loans under this Act and (B) any outstanding production credit association stock, or participation certificates issued in lieu of stock, that was required to be purchased by production credit association members-borrowers as security for financial assistance from production credit associations under this Act;

"(2) the Governor of the Farm Credit shall disperse money from the funds available under paragraph (1) of this subsection in such amounts as the Governor deems necessary to alleviate of effects of the impairment of borrower-owned stock of any Federal land bank association or borrower-owned stock or participation certificates of any production credit association to the Federal land bank or the Federal intermediate credit bank, respectively, that is responsible for the supervision of the association involved; and

"(3) money dispersed by the Governor under paragraph (2) of this subsection to a Federal land bank or a Federal intermediate credit bank shall be loaned on a nonrecourse basis by the bank under regulations prescribed by the Farm Credit Administration to the holder stock or participation certificates of an association in liquidation under this Act if—

"(A) the holder of the stock or participation certificates is not subject to any bankruptcy or other legal proceeding under which the stock or participation certificates have been attached or assigned to another person;

"(B) the holder pledges of such stock or participation certificates as security of the loan under this subsection and assigns all rights that the holder may have to any subsequent distribution from the assets the association on the basis of such stock or participation certificates to the bank; and

"(C) the holder of the stock agrees that the proceeds of any loan made under this subsection be applied toward the repayment of any outstanding obligation of the holder to the association, or any other association or the bank operating under the same title of this Act as the association involved, to the extent of such obligation.

"(e) Any amounts received by a bank from the distribution of association assets under subparagraph (3)(B) of the subsection (d) shall be deposited in one of the revolving funds referred to in subsection (a) or (b) in the manner that the Governor of the Farm Credit Administration may require.

"(f) Notwithstanding any other provision of law, if the Governor of the Farm Credit Administration distributes any of the funds available under subsection (d) of this section, the Farm Credit Administration shall, at the end of the fiscal year in which such distribution was made, determine the amounts by which such funds were depleted during such fiscal year and assess the Federal land banks and the Federal intermediate credit banks such amounts as to restore the funds to the level that they were on the date of enactment of the Agricultural and Food Assistance Act of 1985, except as otherwise provided in this subsection. Any assessment of the banks shall be collected by the Farm Credit Administration during the following fiscal year unless the Governor of the Farm Credit Administration finds that collection of the assessment, or any part thereof, during such fiscal year would adversely affect the interests of the Farm Credit System, in which case the assessment, or such part thereof, may be collected during any subsequent fiscal year as the Farm Credit Administration may require. The amounts so collected by the Farm Credit Administration shall be deposited in the funds referred to in subsections (a) and (b) of this section in the same ratio as amounts were dispersed therefrom. The Farm Credit Administration shall apportion the amounts to be assessed, and collected from, the banks under this subsection on such the basis Farm Credit Administration determines to be fair and reasonable taking into consideration, among other things, the financial condition of the banks to be assessed and the extent to which distributions were made under subsection (d) of this section to banks operating under the same title of this Act.".

TITLE XIV—AGRICULTURAL RESEARCH AND EXTENSION

SHORT TITLE

SEC. 1401. This title may be cited as the "National Agricultural Research, Extension, and Teaching Policy Act Amendments of 1985".

FINDINGS

SEC. 1402. Section 1402 of the National Agricultural Research, Extension, and Teaching Policy Act of 1977 (7 U.S.C. 3101) is amended by—

(1) striking out "and" at the end of clause (10);

(2) striking out the period at the end of clause (11) and inserting in lieu thereof "; and"; and

(3) adding at the end thereof a new clause as follows:

"(12) The Nation's agricultural system is increasingly dependent on science and technology to maintain and improve productivity levels, manage the resource base, provide high quality products, and protect the environment; and a constant supply of food and agricultural scientific expertise is imperative to maintain this dynamic system.".

DEFINITIONS

SEC. 1403. Section 1404(8) of the National Agricultural Research, Extension, and Teaching Policy Act of 1977 (7 U.S.C. 3103(8)) is amended by—

(1) striking out "and" at the end of clause (II);

(2) adding "and" to the end of clause (I); and

(3) adding a new clause as follows:

"(J) international food and agricultural issues such as agricultural development, institution development, germ plasm collection and preservation, information exchange and storage, and scientific exchanges;".

JOINT COUNCIL OF FOOD AND AGRICULTURAL SCIENCES

SEC. 1404. Section 1407(a) of the National Agricultural Research, Extension, and Teaching Policy Act of 1977 (7 U.S.C. 3122(a)) is amended by striking out "September 30, 1985" and inserting in lieu thereof "September 30, 1989".

NATIONAL AGRICULTURAL RESEARCH AND EXTENSION USERS ADVISORY BOARD

SEC. 1405. Section 1408(a) of the National Agricultural Research, Extension, and Teaching Policy Act of 1977 (7 U.S.C. 3123(a)) is amended by striking out "September 30, 1985" and inserting in lieu thereof "September 30, 1989".

FEDERAL-STATE PARTNERSHIP AND COORDINATION

SEC. 1406. Section 1409A(a) of the National Agricultural Research, Extension, and Teaching Policy Act of 1977 (7 U.S.C. 3124a) is amended by—

(1) striking out "and" at the end of clause (2);

(2) striking out the period at the end of clause (3) and inserting in lieu thereof ";", and

(3) adding a new paragraph (4) as follows:

"(4) international agricultural programs under title XII of the Foreign Assistance Act of 1961, as amended (22 U.S.C. 2220a).".

SECRETARY'S REPORT

SEC. 1407. Section 1410 of the National Agricultural Research, Extension, and Teaching Policy Act of 1977 (7 U.S.C. 3125) is amended by—

(1) adding "and" immediately after the semicolon at the end of clause (2);

(2) striking out the semicolon and "and" at the end of paragraph (3) and inserting in lieu thereof a period; and

(3) striking out clause (4).

COMPETITIVE SPECIAL AND FACILITIES RESEARCH GRANTS

SEC. 1408. Section 2 of the Act of August 4, 1965 (7 U.S.C. 450i) is amended by—

(1) striking out the last sentence in subsection (b) and inserting in lieu thereof the following: "There are hereby authorized to be appropriated annually for the purpose of carrying out the provisions of this subsection, such sums as many be necessary for each of the fiscal years ending September 30, 1986, September 30, 1987, September 30, 1988, and September 30, 1989, and not in excess of such sums as may be authorized by law for any subsequent fiscal year."; and

(2) adding at the end thereof a new subsection (i) to read as follows:

"(i) The Federal Advisory Committee Act and title XVIII of the Food and Agriculture Act of 1977 shall not apply to panels or boards created for the purpose of reviewing applications or proposals submitted under the provisions of this section.".

RESEARCH FACILITIES ACT

SEC. 1409. (a) Section 1 of the Act of July 22, 1963 (7 U.S.C. 390) is amended by—

(1) inserting "and equipment" after "finance physical facilities"; and

(2) striking out "an adequate research program" and inserting in lieu thereof "agricultural research and related academic programs".

(b) Section 3 of the Act of July 22, 1963 (7 U.S.C. 390b) is amended by—

(1) inserting "the District of Columbia, Guam, the Virgin Islands of the United States, American Samoa, and Micronesia" after "Puerto Rico" in clause (1); and

(2) inserting "forestry, or veterinary medicine" after "to conduct agricultural," in clause (2).

(c) Section 4 of the Act of July 22, 1963 (7 U.S.C. 390c) is amended by—

(1) striking out all after "in section 1 of this Act," in subsection (a) and inserting in lieu thereof: "such sums as may be necessary for each of the fiscal years ending September 30, 1986, September 30, 1987, September 30, 1988, and September 30, 1989, and not in excess of such sums as may be authorized by law for any subsequent fiscal year.

(d) Section 7 of the Act of July 22, 1963 (7 U.S.C. 390f) is amended by inserting "equipment and" after "multiple-purpose", and inserting "and related programs, including forestry and veterinary medicine," after "food and agricultural research".

GRANTS AND FELLOWSHIPS FOR FOOD AND AGRICULTURAL SCIENCES EDUCATION

SEC. 1410. (a) Section 1417(a) of the National Agricultural Research, Extension, and Teaching Policy Act of 1977 (7 U.S.C. 3152(a)) is amended by—

(1) striking out "Such grants shall be made without regard to matching funds, but each" in paragraph (2) and inserting in lieu thereof "Each"; and

(2) striking out the last sentence in paragraph (3) and inserting in lieu thereof "Each recipient institution shall have a significant ongoing commitment to the food and generally and to the specific subject area for which such a grant is to be used.".

(b) Section 1417(d) of the National Agricultural Research, Extension, and Teaching Policy Act of 1977 (7 U.S.C. 3152(d)) is amended by striking out all after "provisions of this section" and inserting in lieu thereof "such sums as may be necessary for each of the fiscal years ending September 30, 1986, September 30, 1987, September 30, 1988, and September 30, 1989, and not in excess of such sums as may be authorized by law for any subsequent fiscal year.".

STUDY

SEC. 1411. (a) Section 1424 of the National Agricultural Research, Extension, and Teaching Policy Act of 1977 (7 U.S.C. 3174) is repealed.

(b) The table of contents of the Food and Agriculture Act of 1977 is amended by striking out "Sec. 1424. Study." and inserting in lieu thereof "Sec. 1424. Repealed.".

HUMAN NUTRITION RESEARCH AND INFORMATION MANAGEMENT SYSTEM

SEC. 1412. (a) Section 1427 of the National Agricultural Research, Extension, and Teaching Policy Act of 1977 (7 U.S.C. 3177) is repealed.

(b) The table of contents of the Food and Agriculture Act of 1977 is amended by striking out "Sec. 1427. Report to Congress." and inserting in lieu thereof "Sec. 1427. Repealed.".

ANIMAL HEALTH SCIENCE RESEARCH ADVISORY BOARD

SEC. 1413. Section 1432 of the National Agricultural Research, Extension, and Teaching Policy Act of 1977 (7 U.S.C. 3194) is amended by striking out "1985" and inserting in lieu thereof "1989".

APPROPRIATIONS FOR CONTINUING ANIMAL HEALTH AND DISEASE RESEARCH PROGRAMS

SEC. 1414. Section 1433(a) of the National Agricultural Research, Extension, and Teaching Policy Act of 1977 (7 U.S.C. 3195(a)) is amended by striking out "1985" and inserting in lieu thereof "1989".

APPROPRIATIONS FOR RESEARCH ON NATIONAL OR REGIONAL PROBLEMS

SEC. 1415. Section 1434(a) of the National Agricultural Research, Extension, and Teaching Policy Act of 1977 (7 U.S.C. 3196(a)) is amended by striking out "1985" and inserting in lieu thereof "1989".

EXTENSION AT 1890 LAND-GRANT COLLEGES, INCLUDING TUSKEGEE INSTITUTE

SEC. 1416. Section 1444(a) of the National Agricultural Research, Extension, and Teaching Policy Act of 1977 (7 U.S.C. 3221(a)) is amended by striking out ", through the fiscal year ending September 30, 1985," in the third sentence.

AUTHORITY TO AWARD GRANTS TO UPGRADE 1890 LAND-GRANT COLLEGE EXTENSION FACILITIES

SEC. 1417. (a) It is hereby declared to be the intent of Congress to assist the institutions eligible to receive funds under the act of August 30, 1890 (7 U.S.C. 321, et seq.), including Tuskegee Institute (hereinafter referred to in this section as "eligible institutions"), in the acquisition and improvement of extension facilities and equipment so that eligible institutions may participate fully with the State Cooperative Extension Services in a balanced way in meeting the extension needs of the people of their respective States.

(b) There are authorized to be appropriated for the purpose of carrying out the provisions of this section $10,000,000 for each of the fiscal years ending September 30, 1986, September 30, 1987, September 30, 1988, and September 30, 1989, such sums to remain available until expended.

(c) Four per centum of the sums appropriated under this section shall be available to the Secretary for administration of the grants program under this section. The remaining funds shall be made available for grants to the eligible institutions for the purpose of assisting them in the purchase of equipment and land, and the planning, construction, alteration, or renovation of buildings to provide adequate facilities to conduct extension work in their prospective States.

(d) Grants awarded under this section shall be made in such amounts and under such terms and conditions as the Secretary shall determine necessary for carrying out the purposes of this section.

(e) Federal funds provided under this section may not be used for the payment of any overhead costs of the eligible institutions.

(f) The Secretary may promulgate such rules and regulations as the Secretary may deem necessary to carry out the provisions of this section.

AGRICULTURAL RESEARCH AT 1890 LAND-GRANT COLLEGES, INCLUDING TUSKEGEE

SEC. 1418. Section 1445 of the National Agricultural Research, Extension, and Teaching Policy Act of 1977 (7 U.S.C. 3222) is amended by adding at the end of subsection (a) the following: "No more than 5 per centum of the funds received by an institution in any fiscal year, under the provisions of this section, may be carried forward to the succeeding fiscal year."

INTERNATIONAL AGRICULTURAL RESEARCH AND EXTENSION

SEC. 1419. Section 1458(a) of the National Agricultural Research, Extension, and Teaching Policy Act of 1977 (7 U.S.C. 3291(a)) is amended by—

(1) striking out "the training" in clause (3) and inserting in lieu thereof "technical assistance and the training and advising"; and

(2) inserting "through the development of highly qualified scientists with specialization in international development" in paragraph (4) after "countries".

WEATHER AND WATER ALLOCATION STUDY

SEC. 1420. (a) Section 1460 of the National Agricultural Research, Extension, and Teaching Policy Act of 1977 (7 U.S.C. 3302) is repealed.

(b) The table of contents of the Food and Agriculture Act of 1977 is amended by striking out "Sec. 1460. Weather and Water Allocation Study." and inserting in lieu thereof "Sec. 1460. Repealed.".

ORGANIC FARMING STUDY

SEC. 1421. (a) Section 1461 of the National Agricultural Research, Extension, and Teaching Policy Act of 1977 (7 U.S.C. 3303) is repealed.

(b) The table of contents of the Food and Agriculture Act of 1977 is amended by striking out "Sec. 1461. Organic Farming Study." and inserting in lieu thereof "Sec. 1461. Repealed.".

AGRICULTURAL RESEARCH FACILITIES STUDY

SEC. 1422. (a) Section 1462 of the National Agricultural Research, Extension, and Teaching Policy Act of 1977 (7 U.S.C. 3304) is repealed.

(b) The table of contents of the Food and Agriculture Act of 1977 is amended by striking out "Sec. 1462. Agriculture Research Facilities Study." and inserting in lieu thereof "Sec. 1462. Repealed.".

AUTHORIZATION FOR APPROPRIATIONS FOR EXISTING AND CERTAIN AGRICULTURAL RESEARCH PROGRAMS

SEC. 1423. (a) Section 1463(a) of the National Agricultural Research, Extension, and Teaching Policy Act of 1977 (7 U.S.C. 3311(a)) is amended by striking out all after "of this section," and inserting in lieu thereof: "such sums as may be necessary for each of the fiscal years ending September 30, 1986, September 30, 1987, September 30, 1988, and September 30, 1989, and not in excess of such sums as may be authorized by law for any subsequent fiscal year.".

(b) Section 1463(b) of the National Agricultural Research, Extension, and Teaching Policy Act of 1977 (7 U.S.C. 3311(b)) is amended by striking out "$120,000,000" and all that follows thereafter through "September 30, 1985" and inserting in lieu thereof: "such sums as may be necessary for each of the fiscal years ending September 30, 1986, September 30, 1987, September 30, 1988, and September 30, 1989, and not in excess of such sums as may be authorized by law for any subsequent fiscal year.".

AUTHORIZATION FOR APPROPRIATIONS FOR EXTENSION EDUCATION

SEC. 1424. Section 1464 of the National Agricultural Research, Extension, and Teaching Policy Act of 1977 (7 U.S.C. 3312) is amended to read as follows:

"SEC. 1464. Notwithstanding any authorization for appropriations for extension and related programs administered by or funded through the Extension Service in this or any other Act, there are hereby authorized to be appropriated for such purposes such sums as may be necessary for each of the fiscal year ending September 30, 1986, September 30, 1987, September 30, 1988, and September 30, 1989, and not in excess of such sums as may be authorized by law for any subsequent fiscal year.".

GENERAL AUTHORITY TO ENTER INTO CONTRACTS, GRANTS, AND COOPERATIVE AGREEMENTS

SEC. 1425. Section 1472 of the National Agricultural Research, Extension, and Teaching Policy Act of 1977 (7 U.S.C. 3318), is amended by—

(1) redesignating subsections (b), (c), and (d) as (c), (d), and (e) respectively; and

(2) inserting a new subsection (b) to read as follows:

"(b) Notwithstanding the provisions of chapter 63 of title 31, United States Code, the Secretary is authorized to use a cooperative agreement as the legal instrument reflecting a relationship between the Department of Agriculture and State cooperative institutions, as defined in section 1404(16) of this Act, State Departments of Agriculture, all colleges and universities, other research or education institutions and organizations, Federal and private agencies and organizations, individuals and any other party, when the Secretary determines that the objectives of the agreement will serve a mutual interest of the parties to the agreement in agricultural research, extension, and teaching activities, including statistical reporting, and that all parties will contribute resources to the accomplishment of those objectives. Notwithstanding any other provision of law, any Federal agency may participate in such cooperative agreements by contributing funds through the appropriate agency of the Department of Agriculture or otherwise when it is mutually agreed that the objectives of any such agreement will further the authorized programs of the contributing agency.".

RESTRICTION ON TREATMENT OF INDIRECT COSTS AND TUTION REMISSION

SEC. 1426. Section 1473 of the National Agricultural Research, Extension, and Teaching Policy Act of 1977 (7 U.S.C. 3318) is amended by inserting at the end thereof the following: "The prohibition on the use of funds for the reimbursement of indirect costs shall not apply to funds transferred, advanced, or reimbursed to the Department of Agriculture under the provisions of the Foreign Assistance Act of 1961, as amended. For agreements involving the use of such funds, the amount of indirect costs to be reimbursed shall be negotiated on a case-by-case basis.".

AQUACULTURE ADVISORY BOARD

SEC. 1427. Section 1476 of the National Agricultural Research, Extension, and Teaching Policy Act of 1977 (7 U.S.C. 3324) is amended by striking out "1985" and inserting in lieu thereof "1989".

AUTHORIZATION OF APPROPRIATIONS

SEC. 1928. Section 1477 of the National Agricultural Research, Extension, and Teaching Policy Act of 1977 (7 U.S.C. 3324) is amended by striking out "1985" and inserting in lieu thereof "1989".

RANGELAND RESEARCH ADVISORY BOARD

SEC. 1429. Section 1482 of the National Agricultural Research, Extension, and Teaching Policy Act of 1977 (7 U.S.C. 3335) is amended by striking out "1985" and inserting in lieu thereof "1989".

APPROPRIATIONS

SEC. 1430. Section 1483 of the National Agricultural Research, Extension, and Teaching Policy Act of 1977 (7 U.S.C. 3336) is amended by striking out "1981" and inserting in lieu thereof "1986" and striking out "1985" and inserting in lieu thereof "1989".

AGRICULTURAL RESEARCH IN 1890 LAND-GRANT COLLEGES, INCLUDING TUSKEGEE INSTITUTE

SEC. 1431. Section 1432(b)(5) of the National Agricultural Research, Extension, and Teaching Policy Act Amendments of 1981 (7 U.S.C. 3222 note) is amended by striking out all after "ending" through "September 30, 1985," and inserting in lieu thereof "September 30, 1986, September 30, 1987, September 30, 1988, and September 30, 1989.".

AUTHORITY TO AWARD GRANTS TO UPGRADE 1890 LAND-GRANT COLLEGE RESEARCH FACILITIES

SEC. 1432. (a) Section 1433(a) of the National Agricultural Research, Extension, and Teaching Policy Act Amendments of 1981 (7 U.S.C. 3223(a)) is amended by inserting ", including agricultural libraries", after "research facilities and equipment".

(b) Section 1433(b) of the National Agricultural Research, Extension, and Teaching Policy Act Amendments of 1981 (7 U.S.C. 3223(b)) is amended by—

(1) striking out "and" before "September 30, 1986"; and

(2) inserting "and September 30, 1987," after "1986,".

SOYBEAN RESEARCH ADVISORY INSTITUTE

SEC. 1433. Section 1446 of the National Agricultural Research, Extension, and Teaching Policy Act Amendments of 1981 (7 U.S.C. 2281 note) is repealed.

TITLE XV—FOOD STAMPS

SHORT TITLE

SEC. 1501. This title may be cited as the "Food Stamp Act of 1977 Amendments of 1985".

PREPARED MEALS FOR THE ELDERLY AND DISABLED

SEC. 1502. Section 3(g) of the Food Stamp Act of 1977 (7 U.S.C. 2012(g)) is amended by striking out "contract with the appropriate agency of the State to offer meals for such persons at concessional prices" in clause (3) and inserting in lieu thereof "offer meals to such persons at low or concessional prices under such terms and conditions as may be prescribed by the Secretary".

DEFINITION OF HOUSEHOLD

SEC. 1503. Section 3(i) of the Food Stamp Act of 1977 (7 U.S.C. 2012(i)) is amended by striking out ", if the income (as determined under section 5(d)) of the others, excluding the spouse, does not exceed the poverty line, as described in section 5(c)(1), by more than 65 per centum" in the second sentence.

THRIFTY FOOD PLAN

SEC. 1504. The section 3(o) of the Food Stamp Act of 1977 (7 U.S.C. 2012(o)) is amended by inserting after the first sentence the following new sentences: "Notwithstanding the preceding sentence, the Secretary shall increase the amounts of foods in the thrifty food plan in effect on the date of enactment of the "Agricultural and Food Assistance Act of 1985" in such a manner that the nutritional value of the plan is increased by five per cent. In so increasing the amounts of foods in the plan, the Secretary shall ensure that the increase in the amounts of foods in the plan is distributed among the various food groups in a manner that does not violate the nutritional integrity of the plan, and if the Secretary should subsequently revise the plan, the amounts of foods in any such revised plan shall not be less than the amounts in the thrify food plan under the preceding sentence.".

DEFINITION OF DISABLED MEMBER OF A HOUSEHOLD

SEC. 1505. Section 3(r) of the Food Stamp Act of 1977 (7 U.S.C. 2012(r)) is amended by—

(1) inserting "or" after the semicolon at the end of clause (1); and

(2) striking out clauses (2) through (5) and inserting in lieu thereof a new clause (2) as follows:

"(2) receives benefits, assistance, or payments under any Federal or State statute based on a determination of blindness or disability under criteria that the Secretary determines are the same as, or provide for substantially the same degree of disability or blindness as, the criteria for disability or blindness in sections 216(i) and 223(d) of the Social Security Act (42 U.S.C. 416(i) and 423(d)).".

CATEGORICAL ELIGIBILITY FOR CERTAIN HOUSEHOLDS

SEC. 1506. (a) Section 5(a) of the Food Stamp Act of 1977 (7 U.S.C. 2014(a)) is amended by inserting "(1)" after the subsection designation and adding at the end thereof a new paragraph (2) as follows:

"(2) Any household that has applied for assistance under this Act and in which each member is a recipient of benefits under a State plan approved under Part A of title IV of the Social Security Act, or supplmental security income benefits under title I, X, XIV, or XVI of the Social Security Act, shall be deemed to meet the requirements of this section and section 6 of this Act except for (A) the requirements set out in subsection (b), (f), and (g) of section 6 and (B) if the household contains an individual described in section 6(f)(2)(B), the income and resource requirements of subsections (a) through (i) of this section.".

(b) Section 11(i) of the Food Stamp Act of 1977 (7 U.S.C. 2020(i)) is amended by adding at the end thereof the following new sentence: "No household shall have its application to participate in the food stamp program denied or its benefits under the food stamp program terminated solely on the basis that its application to participate has been denied or its benefits have been terminated under any of the programs carried out under the statutes specified in section 5(a)(2) without a separate determination by the State agency that the household fails to satisfy the eligibility requirements for participation in the food stamp program under this Act.".

(c) Section 11(j) of the Food Stamp Act of 1977 is amended by adding at the end thereof a new sentence as follows: "The Secretary of Agriculture and the Secretary of Health and Human Services shall revise the memorandum of understanding in effect on the date of enactment of the "Agricultural and Food Assistance Act of 1985", regarding services to be provided in social security offices under this subsection and subsection (i), in a manner to ensure that applicants for and recipients of social security benefits are adequately notified in social security of-

fices of assistance that may be available to them under this Act and that applications for assistance under this Act from such applicants or recipients will be processed in such offices in an efficient and timely manner.".

(d) Section 17(d) of the Food Stamp Act of 1977 (7 US.C. 2026(d)) is repealed.

DEDUCTIONS FROM INCOME

SEC. 1507. Section 5(e) of the Food Stamp Act of 1977 (7 U.S.C. 2014(e)) is amended by—

(1) striking out "18 per centum" in the third sentence and inserting in lieu thereof "20 per centum";

(2) in the fourth sentence—

(A) striking out "or" at the end of clause (1) and inserting in lieu thereof "and"; and

(B) striking out ", or" at the end of clause (2) and all that follows down to the period at the end of the sentence; and

(3) striking out "exclusive of special diets, that exceed $35 a month" in clause (A) of the eighth sentence and inserting in lieu thereof "including any additional expenses resulting from physician-prescribed special dietary programs, that exceed 5 per centum of the household income".

PROSPECTIVE AND RETROSPECTIVE ACCOUNTING

SEC. 1508. (a) Section 5(f)(2) of the Food Stamp Act of 1977 (7 U.S.C. 2014(f)(2)) is amended by—

(1) amending subparagraph (B) to read as follows:

"(B) Household income for all other households shall be calculated either on a prospective basis as provided in paragraph (3)(A) or on a retrospective basis as provided in paragraph (3)(B), as elected by the State agency under regulations prescribed by the Secretary."; and

(2) striking out subparagraph (C).

(b) the first sentence of section 6(c)(1) of the Food Stamp Act of 1977 (7 U.S.C. 2015(c)(1)) is amended by inserting "that elect to use a system of retrospective accounting in accordance with section 5(f) of this Act" after "State agencies".

ASSETS

SEC. 1509. (a) Section 5(g) of the Food Stamp Act of 1977 (7 U.S.C. 2014(g)) is amended by—

(1) in the first sentence striking out "$1,500" and "$3,000" and inserting in lieu thereof "$2,250" and "$3,500", respectively; and

(2) in the second sentence

(A) striking out "$4,500" and inserting in lieu thereof "$5,500"; and

(B) adding before the period at the end thereof the following: "other than burial expense funds under conditions described in 42 U.S.C. 1382b(d) with respect to households with a member who is sixty years or older or a recipient of benefits under title XVI of the Social Security Act".

COUPON ISSUANCE

SEC. 1510. Section 11(e) of the Food Stamp Act of 1977 (7 U.S.C. 2020(e)) is amended by—

(1) redesignating paragraphs (20) and (21) as paragraphs (21) and (22), respectively; and

(2) inserting, after paragraph (19), a new paragraph (20) as follows:

"(20) at the option of the State agency, for the staggered issuance of coupons to recipients throughout the month: *Provided*, That, in the case of the initial or any subsequent change in the date of issuance to a household under this paragraph, there shall be no more than thirty-five days between issuances of coupons to the household;".

EDUCATIONAL ACTIVITIES FOR HOUSEHOLDS WITH ELDERLY, DISABLED, OR YOUNG MEMBERS

SEC. 1511. Section 11(e)(1) of the Food Stamp Act of 1977 (7 U.S.C. 2020(e)(1)) is amended by inserting after the word "activities" in subparagraph (A) the following: ", except those educational activities directed at households that include at least one member who is elderly or disabled or under six years of age,".

HOMELESS PERSONS

SEC. 1512. (a) The first sentence of section 3(i) of the Food Stamp Act of 1977 (7 U.S.C. 2012(i)) is amended by—

(1) striking out "home" in clause (1) and inserting in lieu thereof "his or hers"; and

(2) striking out "home" at each place it appears in clause (2) and inserting in lieu thereof "their own".

(b) Section 11(e)(5) of the Food Stamp Act of 1977 (7 U.S.C. 2020(e)(5)) is amended by inserting, before the semicolon at the end thereof, the following: ", and the specific methods to be used by the State agency for certifying, and issuing coupons to, an eligible household that does not reside at a permanent dwelling or does not have a fixed mailing address".

HOURS OF OPERATIONS

SEC. 1513. Section 16(b) of the Food Stamp Act of 1977 (7 U.S.C. 2015(b)) is amended by inserting "including standards for periodic review of the hours that food stamp offices are to opened during the day, week, or month to ensure that persons who are employed are adequately served," after the comma at the end of clause (1).

REFUND OF STATE SALES TAX

SEC. 1514. Section 16 of the Food Stamp Act of 1977 (7 U.S.C. 2025) is amended by adding at the end thereof a new subsection (h) as follows:

"(h)(1) If a State participates in the food stamp program in any fiscal year and in such fiscal year imposes a tax on the retail sale of food purchased with coupons (other than a tax on prepared food sold by restaurants or similar establishments and purchased with coupons, as authorized by this Act), the State shall transfer to the Secretary of the Treasury as soon as practicable after the end of such fiscal year, but not later than the end of the following fiscal year unless a longer period of time is authorized for the transfer by the Secretary of the Treasury, an amount equal to the total value of coupons redeemed during the fiscal year by retail food stores in the State, as determined by the Secretary, multiplied by the rate of tax imposed by the State on the sale of food purchased with coupons. The amount required to be transferred by the preceding sentence may be adjusted by the Secretary to reflect (A) any change in the rate of the tax during the fiscal year, (B) the portion of any refund for overissuance of coupons collected by the State agency during the fiscal year that can be attributable to tax paid on food purchased in the State with such coupons, (C) the number of retail food stores in the State whose sales involving payment with coupons are not subject to the tax, and (D) the portion of the coupons redeemed in the State during the fiscal year that the Secretary determines were not redeemed for food purchases.

"(2) If a State fails to transfer to the Secretary of the Treasury the amount of funds described in paragraph (1)—

"(A) the Secretary of the Treasury shall notify the Secretary of such failure; and

"(B) the Secretary may withhold, from funds that the State would otherwise be entitled to receive under subsection (a), the amount that the State failed to pay.".

AUTHORIZATION FOR APPROPRIATIONS

SEC. 1515. The first sentence of section 18(a)(1) of the Food Stamp Act of 1977 is amended by—

(1) striking out "and" after "September 30, 1984"; and

(2) inserting before the period at the end thereof the following: "; and such sums as may be necessary for each of the fiscal years ending September 30, 1986, September 30, 1987, September 30, 1988, and September 30, 1989.".

EFFECTIVE DATES

SEC. 1516. (a) Except as provided in this section, provisions of this title shall take effect on the October 1, 1985.

(b) The provisions of section 1504 shall take effect on the date of enactment of this title, and, within sixty days thereafter, the Secretary of Agriculture shall make the revision to the thrifty food plan required by such section.

(c) The provisions of section 1506(c) shall take effect on the date of enactment of this title, and, within sixty days thereafter, the Secretary of Agriculture and the Secretary of Health and Human Services shall make the revision to the memorandum of understanding required by such section.

TITLE XVI—COMMODITY DISTRIBUTION

EXTENSION OF THE COMMODITY DISTRIBUTION PROGRAM

SEC. 1601. Effective October 1, 1985, the first sentence of section 4(a) of the Agriculture and Consumer Protection Act of 1973 is amended by striking out "1982, 1983, 1984, and 1985," and inserting in lieu thereof "1986, 1987, 1988, and 1989,".

EXTENSION OF THE COMMODITY SUPPLEMENTAL FOOD PROGRAM

SEC. 1602. Effective October 1, 1985, the first sentence of section 4(a) of the Agriculture and Consumer Protection Act of 1973 is amended by striking out "1982, 1983, 1984, and 1985," and inserting in lieu thereof "1986, 1987, 1988, and 1989,".

DISTRIBUTION OF SURPLUS COMMODITIES

SEC. 1603. Section 1114(a) of the Agriculture and Food Act of 1981 is amended after the first sentence by inserting new sentences as follows: "Commodities made available under this section shall include, but not be limited to, dairy products, wheat or wheat products, rice, honey, and cornmeal. The Secretary shall furnish quarterly reports to Congress, beginning January 1, 1986, on the stocks of commodities and amounts thereof available for distribution under this section."

EXTENSION OF THE TEMPORARY EMERGENCY FOOD ASSISTANCE ACT OF 1983

SEC. 1604. Effective October 1, 1985, the Temporary Emergency Food Assistance Act of 1983 is amended by—

(1) in section 202(a), inserting at the end thereof new sentences as follows: "Commodities made available under this Act shall include, but not be limited to, dairy products, wheat or wheat products, rice, honey, and cornmeal. The Secretary shall furnish quarterly reports to Congress, beginning on January 1, 1986, on the stocks of commodities and amounts thereof available for distribution under this Act.";

(2) in section 203(B)(b), inserting after the first sentence a new sentence as follows:

"State agencies shall encourage distribution of such commodities in rural areas.";

(3) striking out section 204(a);

(4) redesignating subsection (b) and (c) of section 204 as (a) and (b), respectively;

(5) in section 204(a), as redesignated, striking out "$50,000,000 for each of the fiscal years ending September 30, 1984 and September 30, 1985" and inserting in lieu thereof "$65,000,000 for each of the fiscal years beginning October 1, 1985 and October 1, 1986";

(6) in section 210, amending subsection (c) to read as follows:

"(c) The Secretary shall, not later than October 1, 1985 and October 1, 1986, publish in the Federal Register an estimate of the types and quantities of commodities that the Secretary anticipates are likely to be made available under this Act during the fiscal years ending September 30, 1986 and September 30, 1987, respectively: *Provided*, That the actual types and quantities of commodities made available under this Act may differ from the estimates."; and

(7) in section 212, striking out "September 30, 1985" and inserting in lieu thereof "September 30, 1987".

NATIONAL DONATED COMMODITY PROCESSING PROGRAMS

SEC. 1605. For the period beginning July 1, 1985 and ending October 15, 1987, whenever a commodity is made available without charge or credit under any nutrition program administered by the Secretary of Agriculture, the Secretary shall encourage consumption of such commodities through agreements with private companies under which the commodity is reprocessed into end food products for use by eligible recipient agencies. The expense of such reprocessing shall be paid by such eligible recipient agencies.

(b) To be eligible to enter into any agreement with the Secretary of Agriculture under subsection (a), a private company shall annually settle all accounts with the Secretary and any appropriate State agency regarding commodities processed under such an agreement.

SUMMARY OF FARM BILL

Title I. Amends section 416 of the Agricultural Act of 1949 to require that surplus commodities be channeled through U.S. nonprofit agencies in order to enhance the effectiveness of U.S. food assistance in developing countries; provides for additional mechanisms to promote U.S. trade interests; provides for a Presidential Special Assistant for Food Aid and Trade; and also extends Public Law 480 and the Food Security Wheat Reserve.

Title II. Contains provisions relating to soil conservation. Included among the provisions are the following:

(1) Sense of Congress supporting the Soil Conservation Service.

(2) Prohibition against persons who bring highly erodible land into agricultural production from receiving Federal agricultural program benefits.

(3) Authorization for a long-term conservation reserve to assist owners and operators to establish conservation practices on erosion-prone land.

(4) Establishment of a Soil and Water Conservation Fund in which individuals can direct a portion of their Federal income tax to be used for soil and water conservation purposes.

Title III. Extends wool and mohair price support program for four years and authorize foreign promotion for wool and sheep and products thereof.

Title IV. Extends wheat program for four years. Loan rate and target prices at 1985 levels with required adjustment in target prices for inflation.

Title V. Extends the feed grain program for four years. Loan rate and target prices at 1985 levels with required adjustment in target prices for inflation.

Title VI. Extends the rice program for four years. Loan rate and target prices at 1985 levels with required adjustment in target prices for inflation.

Title VII. Extends the upland cotton program for four years. Loan rate and target prices at 1985 levels with required adjustment in target prices for inflation.

Title VIII. Extends the peanut program, with certain changes, for four years. The national poundage quota for peanuts would be set at a level to meet domestic needs but could not be less than 1.1 million tons.

Title IX. Extends sugar price support program for four years with a quarter cent per pound annual increase.

Title X. Extends soybean price support program for four years.

Title XI. Extends dairy program for two years at level set on July 1, 1985, following two years will be indexed based on certain formula.

Title XII. Contains various miscellaneous provisions relating to the 1986 through 1989 crops. Included among these provisions are as following:

(1) Authorization of advance deficiency payments for wheat, feed grains, upland cotton, and rice.

(2) Extension of current payment limitation to the 1986 through 1989 wheat, feed grain, upland cotton, and rice programs.

(3) Extension of special grazing and hay program for four years.

Title XIII. Contains various provisions relating to agricultural credit. Included among these provisions are the following:

(1) Authorization for the Farmers Home Administration to use the resources of the Agricultural Credit Insurance Fund to provide $200 million in matching funds to States that implement a program to buy down the interest rate on loans made by commercial or cooperative lenders to limited resource farmers.

(2) Authorization for the Farmers Home Administration to use special financing terms—including leases with options to buy and low-interest, long-term financing—to dispose of farm property in inventory to limited resource farmers.

(3) Authorization for the Farm Credit Administration to use resolving funds currently available to the agency for investment in Farm Credit institutions to alleviate impairment of stock of Federal land associations and production credit associations.

Title XIV. Extends for four years certain agricultural research, extension, and teaching programs administered by the Secretary of Agriculture, including animal health and disease research programs.

Title XV. Extends food stamp program for four years with certain improvements to make the program more available to the elderly and disabled and to enact some of the recommendations of the President's Task Force on Food Assistance.

Title XVI. Extends the commodity distribution program; the commodity supplemental feeding program; national donated commodity processing programs; and the temporary emergency food assistance program. State administrative funds would be increased for the temporary emergency food assistance program to $65 million for each fiscal year.

By Mr. LEVIN (for himself and Mr. GRASSLEY):

S. 1120. A bill to amend the Internal Revenue Code of 1954 to allow a deduction for additions to reserves for refunds of beverage container deposits; to the Committee on Finance.

TAX TREATMENT OF BEVERAGE CONTAINER DEPOSITS

● Mr. LEVIN. Mr. President, today I am introducing legislation along with Senator GRASSLEY to change the current tax treatment of refundable beverage container deposits received by wholesale beverage distributors in States with mandatory beverage container deposit laws. This bill is identical to the legislation we introduced during the last Congress. The effect of this legislation would be to eliminate an unfair tax liability now imposed on wholesale distributors in those States.

At present, nine States—Michigan, Iowa, Oregon, Massachusetts, Vermont, Maine, Connecticut, Delaware, and New York—have enacted laws requiring deposits on beverage containers in order to reduce the litter resulting from the discard of those containers. Because of the experience of these States and the success of the mandatory deposit laws in reducing litter, several additional States are considering adoption of similar laws.

It is obvious that the success of these laws is derived from the financial incentive of consumers to return the beverage containers to obtain their deposits. The refundable deposits were never intended to be a source of taxable income to wholesale distributors. However, the Internal Revenue Service, in Revenue ruling 78-273, is interpreting the Tax Code in a manner that treats deposits as taxable income and thereby increases the tax liability of distributors.

Under the IRS interpretation, deposits are taxable income when received; that is, when the retail store pays the deposit and purchases beverages in returnable containers from the wholesale distributor. The deposits refunded to the retailer are a deductible expense to the distributor only in the year when those containers are actually returned by the retailer to the distributor.

During most of the year, there is a "matching" of deposits collected on beverage containers with deposits refunded on the return of those same beverage containers. Consequently, there is no tax liability associated with the deposits—until the last 6 weeks or so of the year. Beverage containers sold during this period will generally not be returned until the following year. However, deposits collected on these beverage containers become fully taxable because the IRS allows

wholesale distributors a deductible expense for the deposits to be refunded on these containers only when the containers are actually returned in the following year. This requirement places wholesale distributors in the position of having to report a substantial amount of deposits as taxable income even though the deposits are soon to be refunded.

The IRS supports its interpretation by arguing that the sale of beverages in containers with a State-mandated deposit is also a sale of the beverage container; that is, the deposit represents the price of the container and not a true deposit in the sense that it secures a property interest in the containers by the wholesale distributor.

By the same token, according to the IRS, the return of empty beverage containers by the retailer constitutes a sale of the containers to the wholesale distributor, who "repurchases" the containers. Although the State laws require the wholesale distributor to refund the deposits when the containers are returned, the retailer is under no obligation to return the containers. Because the return of the containers is only a contingent liability to the wholesale distributor, the "all events test," which establishes the criteria for deducting an expense for tax purposes, is not met. Under the all events test, an expense is deductible if all the events have occurred that: First, determine the face of the liability, and second, the amount of such liability can be determined with reasonable accuracy.

The IRS's interpretation regarding the tax treatment of State-mandated beverage container deposits was not changed by the Deficit Reduction Act. Under the act, the general rule relating to "premature accruals" provides "that, in determining whether an amount has been incurred with respect to any item during the taxable year by a taxpayer using the accrual method of accounting, all the events which establish liability for such amount generally are not to be treated as having occurred any earlier than the time economic performance occurs." In general, "economic performance" occurs where the liability arises as a result of goods and services being provided to the taxpayer, or the taxpayer provides goods and services to another person. This provision is consistent with the IRS interpretation, and the exception to the general rule did not cover wholesale beverage distributors, because the return of the containers was a contingent liability and, as a result, did not satisfy the "fact of the liability" feature of the all events test.

While there is no legal obligation of the retailers to return the empty beverage containers, there is an "economic reality" for retailers to do so and reclaim their deposits. Return of the containers is not a contingency in fact. In the normal course of its business operation, the wholesale distributor would deliver full beverage containers and pick-up the empty containers on a regular basis. A retailer has no reason to retain the empty beverage containers since their only value—other than scrap—is the deposit previously paid. It is this economic reality that is the basis for the success of the mandatory beverage container deposit laws.

The legislation we are introducing today would allow wholesale distributors a current tax deduction for the deposits which must be refunded, even though the refund occurs in the following year. This would serve to offset the fully taxable deposits in the year received. The legislation would also properly require that distributors pay taxes on that portion of the deposits collected during the year from beverage containers that will never be returned because of loss or destruction.

By enacting this legislation, the Congress would remove an unintended tax consequence that would not exist in the absence of mandatory beverage container deposit laws. In addition, the legislation would be in keeping with a number of amendments to the Tax Code that help businesses comply with environmental laws.

Last year, we asked the Joint Committee on Taxation to prepare a revenue loss estimate for this legislation. The committee estimated that the revenue loss over 5 years would amount to $46 million for tax years after 1984.

During consideration of the Deficit Reduction Act, Senator GRASSLEY and I brought the issue of the tax treatment of State-mandated beverage container deposits to the attention of Senator DOLE, the then chairman of the Senate Finance Committee, who agreed to hold a hearing on this matter. However, time constraints did not permit that hearing. We intend to renew our request to the new chairman of the Finance Committee, and hope this legislation will provide the vehicle for hearings by the committee. I also hope that Members of the Senate from States with mandatory beverage container deposit laws will join us in cosponsoring this legislation.

I ask unanimous consent that the text of this bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 1120

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. RESERVE FOR REFUNDS OF BEVERAGE CONTAINER DEPOSITS.

Section 162 (relating to trade or business expenses) is amended by redesignating subsection (j) as subsection (k) and by inserting after subsection (i) the following new subsection:

"(j) RESERVE FOR REFUNDS OF BEVERAGE CONTAINER DEPOSITS.—

"(1) IN GENERAL.—If—

"(A) all deposits received by a wholesale distributor of beverages with respect to any type of beverage container are included in the gross income of such distributor for the taxable year in which such deposits are received by such distributor, and

"(B) such distributor elects the application of this subsection,

there shall be allowed as a deduction a reasonable addition to a reserve for refunds of such deposits. Such deduction shall be in lieu of any deduction allowable to such distributor under subsection (a) with respect to such refunds.

"(2) LIMITATION ON AMOUNT OF DEDUCTION ALLOWABLE FOR INITIAL TAXABLE YEAR.—The Secretary shall prescribe regulations which—

"(A) limit the amount of the deduction allowable to the taxpayer under paragraph (1) for the first taxable year for which the taxpayer elects the application of this subsection, and

"(B) allow the excess of—

"(i) the amount of the deduction which would have been allowed the taxpayer under paragraph (1) for such taxable year if the limitation described in subparagraph (A) did not apply, over

"(ii) the amount allowed the taxpayer under paragraph (1) for such taxable year,

to be carried forward to each of the 9 taxable years succeeding such taxable year and, to the extent provided in such regulations, be allowed as a deduction under paragraph (1) for each of the taxable years to which such excess is carried.

"(3) ELECTION.—

"(A) IN GENERAL.—An election under this subsection shall be made at such time and in such manner as the Secretary shall prescribe by regulations. Once a distributor elects the application of this subsection for a taxable year, such election shall apply to all subsequent taxable years unless the Secretary consents to the revocation of such election.

"(B) METHOD OF ACCOUNTING.—Notwithstanding any other provision of this title, an election may be made under this subsection by any wholesale distributor of beverages without regard to the general method of accounting under which such distributor computes his taxable income.".

SEC. 2. EFFECTIVE DATE.

The amendments made by this Act shall apply to taxable years beginning after December 31, 1985.●

By Mr. ANDREWS:

S. 1121. A bill to amend the United States Grain Standards Act to encourage foreign agricultural trade by improving the quality of grain shipped from U.S. export elevator facilities; to the Committee on Agriculture, Nutrition, and Forestry.

HIGH QUALITY GRAIN FOR FOREIGN TRADE

Mr. ANDREWS. Mr. President, I rise today to introduce legislation which will help ensure that our export grain is of the highest possible quality. Our farmers, as well as their customers, should be able to rely upon the fact that our grain which is high quality when produced retains its quality when shipped overseas.

In the past, we all have heard horror stories about the quality of our exported grain. Sand, oyster shells, and gravel being mixed into the grain, and mixtures, and so forth. It is no wonder that potential customers would be reluctant to purchase our grain.

All farmers are greatly irritated by these stories of poor quality deliveries overseas. I know from my personal experience, that if I deliver inferior quality grain to my load elevator in North Dakota, I would be made painfully aware of that fact in a hurry—through a discounted price for that grain. I would like to say that my profit suffers, but we all know that the profit disappeared from agriculture several years ago.

Foreign purchasers of our grain should be able to purchase the same high quality grain delivered by our farmers to their load elevator. If they order clean, high quality American grain, they should receive it. Purchasers should not receive an inferior grade, or one mixed with foreign materials. Our farmers know that their livelihoods depend on satisfying the customer. Without customer satisfaction, good customers disappear. Loss of export markets is bad for all parties; the exporter, the local elevator, the producers, and the American economy.

Mr. President, the bill I am introducing today accomplishes two things. First, it prohibits the addition of any grain related material, such as grain dust, or frost damaged kernels to the export shipment unless required to conform to the specifications of the export contract. Second, it totally prohibits the addition of any nongrain material, except for treatments used to suppress dust, or for insect and fungi control.

Mr. President, there have been several bills introduced to deal with the quality problem over the past 10 years, but the grain industry has not viewed such legislation as an adequate solution to the problem. I believe that my bill provides a solution that all parties can find acceptable. This is accomplished by simply reasserting the sanctity of contract and preventing admixtures, the buyer and seller should determine the terms of a contract they can be comfortable with, and then abide by them.

Our agricultural export market is one of the few potential bright spots we have on the trade horizon. We must take pains to nurture that market, and I feel that this legislation is a definite step in the right direction.

By Mr. GRASSLEY:

S. 1122. A bill to modify the project for flood protection on the Chariton River, Iowa and Missouri, to direct the Secretary of the Army to sell storage space in Rathbun Lake, IA, to the Rathbun Regional Water Association, and for other purposes; to the Committee on Environmental and Public Works.

MODIFICATION OF FLOOD PROTECTION PROJECT AT RATHBUN LAKE, IOWA

● Mr. GRASSLEY. Mr. President, I am introducing today a bill that would lower the price at which the U.S. Army Corps of Engineers can sell water from the Rathbun Lake in Iowa to the Rathbun Regional Water Association. This bill would direct the Corps of Engineers to set the price of water at replacement costs in 1975, which was the year in which the Rathbun Regional Water Association first asked the corps to approve a 50-year contract to purchase water from Rathbun Lake. Because of the need to conduct a storage reallocation study for the reservoir, however, the corps instead offered an interim agreement almost 10 years ago and has only recently proposed a long-term contract.

I support the corps' policy of requiring users to pay reasonable costs for water sold from Federal impoundments. But I do not feel that the Rathbun region should be penalized for the corps' inaction in completing a study in a timely fashion. The Rathbun Regional Water Association should be allowed to purchase water at the cost that it would have paid when it first asked for a long-term contract for water, rather than at current costs when the corps is finally willing to move ahead with a contract.

Over 30,000 customers in southeastern Iowa rely on the Rathbun Lake for water for human and livestock consumption, many of which have suffered hardship as a result of recent drought. These residents should not be further disadvantaged by inequitable treatment by the corps for the price of water that they are forced to pay. This bill is identical to a measure that was introduced in the last Congress by my colleague, Mr. Jepsen, and it is my hope that this body can support the passage of the bill in the 99th Congress.

Mr. President, I ask unanimous consent that the text of the bill be printed in the RECORD as follows:

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 1122

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the project for flood protection on the Chariton River, Iowa and Missouri, authorized by section 203 of the Flood Control Act of 1954 (68 Stat. 1262), is modified to authorize and direct the Secretary of the Army, acting through the Chief of Engineers, to sell to the Rathbun Regional Water Association, Incorporated, a sufficient number of acre-feet of storage space from Rathbun Lake, Iowa, to yield to such association one billion five hundred million gallons of water annually based on a 90 per centum chance of sufficient water being available from such lake. Such sale of storage space shall be subject to such terms and conditions as such Secretary and association may agree to under existing law, except that the construction costs of such project allocated to water supply required to be repaid under section 301(b) of the Water Supply Act of 1958 and the interest and amortization rate used to calculate the annual financial cost shall be the same as those used in contract number DACW41-76-C-0031 entered into by the United States and such association and approved by the Assistant Secretary of the Army for Civil Works on October 10, 1975.●

By Mr. GRASSLEY:

S. 1123. A bill to affirm the authority of the Congress to approve the design of currency; to the Committee on Banking, Housing, and Urban Affairs.

CURRENCY DESIGN ACT

● Mr. GRASSLEY. Mr. President, today I introduce the Currency Design Act of 1985. This measure would authorize Congress to approve the design of U.S. currency and coins.

The Department of the Treasury has been studying different currency design to thwart counterfeiting. As the present time, Treasury has not decided on a new currency or printed up new bills or minted new coins. Treasury is however considering background tints, holograms, and security threads as possible anticounterfeit measures. Other contemplated changes include the addition of a second color to our currency, making it more difficult to reproduce.

The technological advances in color copiers will make it possible for anyone with access to these machines to produce high-quality counterfeit currency. A recent study commissioned by the Federal Reserve System completed by the Battell Columbus Laboratories of Columbus, OH, estimates that 20 percent of those with access to such copiers would use them to supplement their income.

While I am concerned about the ease of producing counterfeit currency and the proliferation of counterfeit bills, I am also concerned about the ramifications of the Treasury Department approving a currency design without the approval of the people of the United States. The Constitution gives the Congress authority over the money of the United States. The opinions and concerns of the people should be represented by their elected legislators. In the past, currency changes have met with less than enthusiastic support of the people of this country. I am speaking of the Susan B. Anthony dollar and the $2 bill. Over half of the 497 million Susan B. Anthony coins minted are sitting idle. Millions of dollars have been spent in printing, distributing, and now storing the $2 bill. The public did not want this new currency and coin, but they did not have an opportunity to express themselves through their elected representatives.

I urge my colleagues to look carefully at the provisions of the Currency Design Act of 1985, and urge their support of this measure. I ask unanimous consent that the text of this legislation be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S.1123

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SHORT TITLE

SECTION 1. This Act may be cited as the "Currency Design Act."

DESIGN OF CURRENCY

SEC. 2. The eighth paragraph of section 16 of the Federal Reserve Act (12 U.S.C. 418) is amended by adding at the end thereof the following: "Notwithstanding any other provision of law, the Secretary of the Treasury shall not adopt any new form, tenor, or design of such notes after January 1, 1984, unless such new form, tenor, or design has been authorized by law.".

DESIGN OF COINS

SEC. 3. Section 5112(d)(2) of title 31, United States Code, is amended by striking out the second and third sentences and inserting in lieu thereof the following: "The Secretary shall not adopt any new design for coins unless such new design has been authorized by law. The Secretary shall not mint any such new coin unless the design has been approved by the Commission of Fine Arts.".●

By Mr. BIDEN:

S.J. Res. 134. Joint resolution to designate "National Safety in the Workplace Week"; to the Committee on the Judiciary.

NATIONAL SAFETY IN THE WORKPLACE WEEK

Mr. BIDEN. Mr. President, today I am introducing a joint resolution that would designate June 16 through June 22, 1985, as "National Safety in the Workplace Week."

Current industry figures show that there are approximately 11,300 employee deaths and nearly 1.9 million injured employees in workplace accidents that cost American business more than $33 billion annually.

This year the American Society of Safety Engineers, one of the largest safety organizations in this country representing safety professionals from virtually every major corporation, has enlisted the support of the National Council on Safety and the Occupational Safety and Health Administration in providing a broader forum in which to promote safety programs. Working with management, they hope to increase awareness of safety programs, presenting the employer and employee with the risks and hazards in their workplace thereby reducing accidents, increasing job effectiveness, and ultimately increasing their financial benefits.

I applaud the efforts of the private sector in promoting the economic health of the Nation through effective safety programs.

Mr. President, I ask unanimous consent that the text of the joint resolution be printed in the RECORD.

There being no objection, the joint resolution was ordered to be printed in the RECORD, as follows:

S.J. RES. 134

Whereas the National Safety Council statistics indicate that workplace accidents accounted for eleven thousand three hundred employee deaths and one million nine hundred thousand employee injuries during 1983;

Whereas such accidents caused immeasurable pain and suffering to victims and their families;

Whereas the cost of occupational accidents amounted to over $33,400,000,000 in losses to American industry during 1983;

Whereas the American Society of Safety Engineers and other safety and health organizations continue to promote occupational safety in all industries; and

Whereas this endeavor is worthy of support and cooperation so that the toll of workplace injuries and deaths will be reduced: Now, therefore, be it

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That the week of June 16, 1985, through June 22, 1985, is designated as "National Safety in the Workplace Week," and the President is authorized and requested to issue a proclamation commemorating the efforts of organizations which promote safety and health for the American worker and calling upon all government agencies and the people of the United States to observe the week with appropriate programs, ceremonies, and activities.

ADDITIONAL COSPONSORS

S. 12

At the request of Mr. MOYNIHAN, the name of the Senator from South Carolina [Mr. HOLLINGS] was added as a cosponsor of S. 12, a bill to protect communications among Americans from interception by foreign governments, and for other purposes.

S. 68

At the request of Mr. PRYOR, the name of the Senator from Iowa [Mr. HARKIN] was added as a cosponsor of S. 68, a bill to prohibit the use of appropriated funds for the production of lethal binary chemical weapons; to express the sense of the Congress on achieving an international agreement to ban the production and stockpiling of chemical weapons; and to express the further sense of the Congress encouraging the improvement of defenses against the effects of the use of chemical weapons on the Armed Forces of the United States.

S. 415

At the request of Mr. WEICKER, the name of the Senator from Ohio [Mr. METZENBAUM] was added as a cosponsor of S. 415, a bill to amend the Education of the Handicapped Act to authorize the award of reasonable attorney's fees to certain prevailing parties, and to clarify the effect of the Education of the Handicapped Act of rights, procedures, and remedies under other laws relating to the prohibition of discrimination.

S. 491

At the request of Mr. QUAYLE, the names of the Senator from Wisconsin [Mr. PROXMIRE], and the Senator from Maryland [Mr. SARBANES] were added as cosponsors of S. 491, A bill to improve debt-collection activities and default recoveries and to reduce collection costs and program abuse under student loan programs administered by the Department of Education and for other purposes.

S. 657

At the request of Mr. THURMOND, the names of the Senator from New Mexico [Mr. BINGAMAN], and the Senator from New York [Mr. D'AMATO] were added as cosponsors of S. 657, A bill to establish the Veterans' Administration as an executive department.

S. 825

At the request of Mr. PRESSLER, the name of the Senator from Illinois [Mr. SIMON] was added as a cosponsor of S. 825, a bill to amend the Immigration and Nationality Act to provide for a program for the waiver of the visa requirement in the case of nonimmigrant tourists from certain countries.

S. 930

At the request of Mr. NICKLES, the name of the Senator from South Carolina [Mr. THURMOND] was added as a cosponsor of S. 930, a bill to amend the Commodity Credit Corporation Charter to exempt all agricultural exports from cargo preference requirements.

S. 945

At the request of Mr. THURMOND, the name of the Senator from Montana [Mr. BAUCUS] was added as a cosponsor of S. 945, a bill to recognize the organization known as the National Association of State Directors of Veterans' Affairs, Incorporated.

S. 975

At the request of Mr. DOMENICI, the name of the Senator from Massachusetts [Mr. KERRY] Senator from Oklahoma [Mr. NICKLES], and the Senator from Arkansas [Mr. BUMPERS], were added as cosponsors of S. 975, a bill to amend the Securities Exchange Act of 1934 to provide a moratorium on hostile corporate takeovers financed by "junk" securities, to prohibit federally insured institutions from holding "junk" securities, and for other purposes.

S. 1016

At the request of Mr. PROXMIRE, the name of the Senator from Pennsylvania [Mr. HEINZ], was added as a cosponsor of S. 1016, a bill to amend the Federal Deposit Insurance Act and the National Housing Act with respect to junk bonds.

S. 1039

At the request of Mr. CRANSTON, the name of the Senator from Arkansas [Mr. BUMPERS], was added as a cosponsor of S. 1039, a bill entitled the "Ocean Incineration Research Act of 1985".

S. 1093

At the request of Mr. MATHIAS, the name of the Senator from Nebraska [Mr. ZORINSKY], was added as a cosponsor of S. 1093, a bill to amend the patent law to restore the term of the patent grant in the case of certain products for the time of the regulatory review period preventing the marketing of the product claimed in a patent.

SENATE JOINT RESOLUTION 13

At the request of Mr. THURMOND, the name of the Senator from Kentucky [Mr. MCCONNELL], was added as a cosponsor of Senate Joint Resolution 13, a joint resolution proposing an amendment to the Constitution relating to a Federal balanced budget and tax limitation.

SENATE JOINT RESOLUTION 32

At the request of Mr. PRESSLER, the name of the Senator from Vermont [Mr. STAFFORD] was added as a cosponsor of Senate Joint Resolution 32, a joint resolution to authorize and request the President to designate September 15, 1985, as "Ethnic American Day."

SENATE JOINT RESOLUTION 34

At the request of Mr. QUAYLE, the name of the Senator from South Carolina [Mr. HOLLINGS] was added as a cosponsor of Senate Joint Resolution 34, a joint resolution to designate the week of October 6, 1985, through October 12, 1985, as "National Children's Week."

SENATE JOINT RESOLUTION 57

At the request of Mr. CHILES, the names of the Senator from Vermont [Mr. LEAHY], and the Senator from Vermont [Mr. STAFFORD] were added as cosponsors of Senate Joint Resolution 57, a joint resolution to designate the week of October 20, 1985, through October 26, 1985, as "Lupus Awareness Week."

SENATE JOINT RESOLUTION 67

At the request of Mr. QUAYLE, the names of the Senator from Mississippi [Mr. STENNIS], and the Senator from Montana [Mr. BAUCUS] were added as cosponsors of Senate Joint Resolution 67, a joint resolution to designate the week of October 6, 1985, through October 12, 1985, as "Mental Illness Awareness Week."

SENATE JOINT RESOLUTION 87

At the request of Mr. MURKOWSKI, the name of the Senator from Indiana [Mr. QUAYLE] was added as a cosponsor of Senate Joint Resolution 87, a joint resolution to provide for the designation of July 19, 1985, as "National P.O.W./M.I.A. Recognition Day."

SENATE JOINT RESOLUTION 88

At the request of Mr. LEVIN, the names of the Senator from Vermont [Mr. LEAHY], and the Senator from Nevada [Mr. LAXALT] were added as cosponsors of Senate Joint Resolution 88, a joint resolution to designate the week beginning September 8, 1985, as "National Osteopathic Medicine Week".

SENATE JOINT RESOLUTION 102

At the request of Mr. ZORINSKY, the name of the Senator from Washington [Mr. GORTON] was added as a cosponsor of Senate Joint Resolution 102, a joint resolution to establish a National Commission on Illiteracy.

SENATE JOINT RESOLUTION 108

At the request of Mr. WARNER, the names of the Senator from Indiana [Mr. QUAYLE], the Senator from Arkansas [Mr. PRYOR], the Senator from West Virginia [Mr. BYRD], the Senator from California [Mr. CRANSTON], the Senator from Maine [Mr. COHEN], the Senator from New York [Mr. D'AMATO], the Senator from Iowa [Mr. GRASSLEY], the Senator from Washington, [Mr. EVANS], and the Senator from New Mexico [Mr. BINGAMAN] were added as cosponsors of Senate Joint Resolution 108, a joint resolution authorizing the Secretary of Defense to provide to the Soviet Union, on a reimbursable basis, equipment and services necessary for an improved United States/Soviet Direct Communication Link for crisis control.

SENATE JOINT RESOLUTION 130

At the request of Mr. QUAYLE, the name of the Senator from Minnesota [Mr. DURENBERGER] was added as a cosponsor of Senate Joint Resolution 130, a joint resolution designating the week beginning on November 10, 1985, as "National Blood Pressure Awareness Week".

SENATE CONCURRENT RESOLUTION 24

At the request of Mr. MATTINGLY, the name of the Senator from Mississippi [Mr. COCHRAN] was added as a cosponsor of Senate Concurrent Resolution 24, a concurrent resolution to direct the Commissioner of Social Security and the Secretary of Health and Human Services to develop a plan outlining the steps which might be taken to correct the social security benefit disparity known as the notch problem.

SENATE CONCURRENT RESOLUTION 45

At the request of Mr. D'AMATO, the name of the Senator from Oklahoma [Mr. BOREN] was added as a cosponsor of Senate Concurrent Resolution 45, a concurrent resolution condemning the actions of the Nicaraguan Government that hinder freedom of religion.

SENATE RESOLUTION 112

At the request of Mr. COHEN, the name of the Senator from Oklahoma [Mr. BOREN] was added as a cosponsor of Senate Resolution 112, a resolution relating to bilateral discussions between the United States and the Soviet Union to ban chemical weapons.

SENATE RESOLUTION 148

At the request of Mr. HELMS, the names of the Senator from Alabama [Mr. DENTON], the Senator from Arizona [Mr. GOLDWATER], the Senator from Louisiana [Mr. JOHNSTON], the Senator from Alaska [Mr. MURKOWSKI], the Senator from Oklahoma [Mr. NICKLES], the Senator from Oregon [Mr. PACKWOOD], and the Senator from Ohio [Mr. GLENN] were added as cosponsors of Senate Resolution 148, a resolution commemorating the fiftieth anniversary of the Rural Electrification Administration.

AMENDMENT NO. 59

At the request of Mr. SPECTER, the names of the Senator from Maryland [Mr. SARBANES], the Senator from Pennsylvania [Mr. HEINZ], the Senator from Nebraska [Mr. EXON], the Senator from Rhode Island [Mr. PELL], the Senator from Nebraska [Mr. ZORINSKY], the Senator from Maryland [Mr. MATHIAS], the Senator from Michigan [Mr. LEVIN], the Senator from Minnesota [Mr. DURENBERGER], and the Senator from Delaware [Mr. ROTH] were added as cosponsors of amendment No. 59 proposed to Senate Concurrent Resolution 32, an original concurrent resolution setting forth the congressional budget for the U.S. Government for the fiscal years 1986, 1987, and 1988, and revising the congressional budget for the U.S. Government for the fiscal year 1985.

SENATE RESOLUTION 159—ORIGINAL RESOLUTION REPORTED TO ESTABLISH A SELECT COMMITTEE TO STUDY AND MAKE RECOMMENDATIONS WITH RESPECT TO A 2-YEAR BUDGET PROCESS

Mr. MATHIAS, from the Committee on Rules and Administration, reported the following original resolution; which was placed on the calendar:

S. RES. 159

Resolved, That (a) there is established, for the duration of the first session of the Ninety-ninth Congress, a select committee of the Senate to be known as the Select Committee on the Two-Year Budget (hereafter in this resolution referred to as the "select committee"). The select committee shall be composed of twelve members of the Senate, six from the majority party and six from the minority party, to be appointed by the President of the Senate upon the recommendation of the majority leader and the minority leader.

(b) Of the twelve members—

(1) two members shall be from the Committee on the Budget;

(2) two members shall be from the Committee on Rules and Administration;

(3) two members shall be from the Committee on Governmental Affairs;

(4) two members shall be from the Committee on Appropriations; and

(5) four members shall be from the Senate at large.

(c) The select committee shall select a chairman from among its majority members and a cochairman from among its minority members.

SEC. 2. (a) A majority of the members of the select committee shall constitute a quorum for the transaction of business, except that the select committee may fix a lesser number as a quorum for the purpose of taking sworn testimony.

(b) Vacancies in the membership of the select committee shall not affect the authority of the remaining members to execute the functions of the committee, and shall be filled in the same manner as original appointments are made.

(c) The select committee shall adopt rules of procedure not inconsistent with the rules of the Senate governing standing committees of the Senate.

(d) Service of a Senator as a member or as chairman of the select committee shall not be taken into account for the purposes of paragraph 4 of rule XXV of the Standing Rules of the Senate.

SEC. 3. (a) It shall be the duty of the select committee to—

(1) study and review legislative proposals to improve the operation of the congressional budget process, including proposals for the two-year budget; and

(2) recommend specific legislation to improve the operation and enforcement of the congressional budget process, including such components of two-year budgeting which the select committee finds to be desirable and feasible.

In carrying out clause (1) of this subsection, the select committee shall pay particular attention to the need to free the time of Senators from unnecessary repetitive operations, to encourage oversight of enacted legislation by committees, to provide stable funding expectations to State and local governments, and to maintain accurate budgetary estimates and assessments of national needs and priorities.

(b) The select committee shall report and make recommendations to the Senate within 180 days after the adoption of this resolution.

SEC. 4. (a) For the purposes of this resolution, the select committee is authorized (1) to employ personnel, (2) to make expenditures from the contingent fund of the Senate, (3) to hold hearings, and (4) to sit and act at any time or place.

(b) With the consent of the chairman and ranking minority member of any other committee of the Senate, the select committee may utilize the facilities and the services of the staff of such other committee of the Senate, or any subcommittee thereof, whenever the chairman and the cochairman of the select committee determines that such action is necessary and appropriate.

SEC. 5. Expenses of the select committee under this resolution shall be paid from the contingent fund of the Senate upon vouchers approved by the chairman of the select committee, except that vouchers shall not be required (1) for the disbursement of salaries of employees of the select committee who are paid at an annual rate, or, (2) for the payment of long-distance telephone calls. Total expenditures for the select committee shall not exceed $300,000.

SENATE RESOLUTION 160—PROMOTING AGRICULTURE

Mr. MELCHER submitted the following resolution; which was referred to the Committee on Agriculture, Nutrition, and Forestry:

S. RES. 160

"Whereas farm income has declined precipitously, and

"Whereas all major agricultural commodity prices are lower in purchasing power now than in 1980, and

"Whereas agricultural exports declined in 1984 with indications of further declines in this calendar year, and

"Whereas agricultural banks and Production Credit Associations are classifying an increasing number of their agricultural operating loans and an increasing number of agricultural borrowers are being liquidated or foreclosed, and

"Whereas communities in rural agricultural areas are suffering from the effects of the loss of business from their hard pressed farm customers causing a rising number of local business closures, liquidations or bankruptcies, and

"Whereas these same farm and small business failures are causing financial losses in agri-business suppliers which results in additional curtailments or closures of these businesses, and

"Whereas these business curtailments or closures are resulting in loss of jobs, therefore, be it,

Resolved, That it is the sense of the Senate that the President should appoint a bi-partisan Commission composed of agricultural producers and organizations to consider during the next 120 days the urgent needs of agriculture and make recommendations to the President and the appropriate Committee of Congress to correct the crisis of declining net farm income.

AMENDMENTS SUBMITTED

FIRST CONCURRENT RESOLUTION ON THE BUDGET

GRASSLEY (AND OTHERS) AMENDMENT NO. 72

(Ordered to lie on the table.)

Mr. GRASSLEY (for himself, Mr. HATFIELD, and Mr. EAGLETON) submitted an amendment intended to be proposed by them to amendment No. 43 proposed by Mr. DOLE (and Mr. DOMENICI) to the motion to recommit with instructions the concurrent resolution (S. Con. Res. 32) setting forth the congressional budget for the U.S. Government for fiscal years 1986, 1987, and 1988 and revising the congressional budget for the U.S. Government for the fiscal year 1985; as follows:

On page 3, increase the amount on line 12 by $400,000,000.

On page 3, increase the amount on line 13 by $400,000,000.

On page 3, increase the amount on line 14 by $400,000,000.

On page 3, increase the amount on line 18 by $300,000,000.

On page 3, increase the amount on line 19 by $400,000,000.

On page 3, increase the amount on line 20 by $400,000,000.

On page 3, increase the amount on line 25 by $300,000,000.

On page 4, increase the amount on line 1 by $400,000,000.

On page 4, increase the amount on line 2 by $400,000,000.

On page 4, increase the amount on line 6 by $300,000,000.

On page 4, increase the amount on line 7 by $700,000,000.

On page 4, increase the amount on line 8 by $1,100,000,000.

On page 4, increase the amount on line 12 by $300,000,000.

On page 4, increase the amount on line 13 by $400,000,000.

On page 4, increase the amount on line 14 by $400,000,000.

On page 19, increase the amount on line 21 by $400,000,000.

On page 19, increase the amount on line 22 by $300,000,000.

On page 20, increase the amount on line 6 by $400,000,000.

On page 20, increase the amount on line 7 by $400,000,000.

On page 20, increase the amount on line 15 by $400,000,000.

On page 20, increase the amount on line 16 by $400,000,000.

On page 42, decrease the first amount on line 6 by $386,000,000.

On page 42, decrease the second amount on line 6 by $274,000,000.

On page 42, decrease the amount on line 7 by $409,000,000.

On page 42, decrease the amount on line 8 by $402,000,000.

On page 42, decrease the first amount on line 9 by $427,000,000.

On page 42, decrease the second amount on line 9 by $422,000,000.

On page 45, decrease the amount on line 21 by $386,000,000.

On page 45, decrease the amount on line 22 by $274,000,000.

On page 45, decrease the first amount on line 23 by $409,000,000.

On page 45, decrease the second amount on line 23 by $402,000,000.

On page 45, decrease the amount on line 24 by $427,000,000.

On page 45, decrease the amount on line 25 by $422,000,000.

On page 52, increase the amount on line 1 by $400,000,000.

On page 52, increase the amount on line 3 by $400,000,000.

On page 52, increase the amount on line 4 by $400,000,000.

DIXON (AND OTHERS) AMENDMENT NO. 73

Mr. DIXON (for himself, Mr. KENNEDY, and Mr. MOYNIHAN) proposed an amendment to amendment No. 43 proposed by Mr. DOLE (and Mr. DOMENICI) to the motion to recommit with instructions the concurrent resolution (S. Con. Res. 32), supra; as follows:

On page 3, increase the amount on line 12 by $160,000,000.

On page 3, increase the amount on line 13 by $160,000,000.

On page 3, decrease the amount on line 14 by $160,000,000.

On page 3, increase the amount on line 19 by $144,000,000.

On page 3, increase the amount on line 20 by $160,000,000.
On page 4, increase the amount on line 1 by $144,000,000.
On page 4, increase the amount on line 2 by $160,000,000.
On page 4, increase the amount on line 7 by $144,000,000.
On page 4, increase the amount on line 8 by $304,000,000.
On page 4, increase the amount on line 13 by $144,000,000.
On page 4, increase the amount on line 14 by $160,000,000.
On page 19, increase the amount on line 21 by $160,000,000.
On page 20, increase the amount on line 6 by $160,000,000.
On page 20, increase the amount on line 7 by $144,000,000.
On page 20, increase the amount on line 15 by $160,000,000.
On page 20, increase the amount on line 16 by $160,000,000.
On page 42, decrease the first amount on line 6 by $160,000,000.
On page 42, decrease the amount on line 7 by $160,000,000.
On page 42, decrease the amount on line 8 by $144,000,000.
On page 42, decrease the first amount on line 9 by $160,000,000.
On page 42, decrease the second amount on line 9 by $160,000,000.
On page 45, decrease the amount on line 21 by $160,000,000.
On page 45, decrease the first amount on line 23 by $160,000,000.
On page 45, decrease the second amount on line 23 by $144,000,000.
On page 45, decrease the amount on line 24 by $160,000,000.
On page 45, decrease the amount on line 25 by $160,000,000.
On page 52, increase the amount on line 1 by $160,000,000.
On page 52, decrease the amount on line 3 by $160,000,000.
On page 52, decrease the amount on line 4 by $160,000,000.

DIXON (AND OTHERS) AMENDMENT NO. 74

(Ordered to lie on the table.)

Mr. DIXON (for himself, Mr. HEINZ, Mr. KENNEDY, Mr. KERRY, and Mr. MOYNIHAN) submitted an amendment intended to be proposed by them to amendment No. 43 proposed by Mr. DOLE (and Mr. DOMENICI) to the motion to recommit with instructions the concurrent resolution (S. Con. Res. 32), supra; as follows:

On page 3, increase the amount on line 12 by $110,000,000.
On page 3, increase the amount on line 13 by $110,000,000.
On page 3, increase the amount on line 14 by $110,000,000.
On page 3, increase the amount on line 18 by $110,000,000.
On page 3, increase the amount on line 19 by $110,000,000.
On page 3, increase/decrease the amount on line 20 by $110,000,000.
On page 3, increase the amount on line 25 by $110,000,000.
On page 4, increase the amount on line 1 by $110,000,000.
On page 4, increase the amount on line 2 by $110,000,000.
On page 4, increase the amount on line 6 by $110,000,000.
On page 4, increase the amount on line 7 by $220,000,000.
On page 4, increase the amount on line 8 by $330,000,000.
On page 4, increase the amount on line 12 by $110,000,000.
On page 4, increase the amount on line 13 by $110,000,000.
On page 4, increase the amount on line 14 by $110,000,000.
On page 24, increase the amount on line 2 by $110,000,000.
On page 24, increase the amount on line 3 by $110,000,000.
On page 24, increase the amount on line 12 by $110,000,000.
On page 24, increase the amount on line 13 by $110,000,000.
On page 24, increase the amount on line 22 by $110,000,000.
On page 24, increase the amount on line 23 by $110,000,000.
On page 52, increase the amount on line 1 by $110,000,000.
On page 52, increase the amount on line 3 by $110,000,000.
On page 52, increase the amount on line 4 by $110,000,000.

CRANSTON (AND OTHERS) AMENDMENT NO. 75

Mr. CRANSTON (for himself, Mr. MATSUNAGA, Mr. DECONCINI, Mr. MITCHELL, Mr. ROCKEFELLER, Mr. INOUYE, Mr. SARBANES, Mr. KENNEDY, Mr. EXON, Mr. RIEGLE, Mr. LEAHY, Mr. BURDICK, Mr. BINGAMAN, Mr. ZORINSKY, Mr. HOLLINGS, and Mr. BYRD) proposed an amendment, which was subsequently modified, to amendment No. 43 proposed by Mr. DOLE (and Mr. DOMENICI) to the motion to recommit with instructions the concurrent resolution (S. Con. Res. 32) supra; as follows:

In the pending amendment, do the following:
On page 3, increase the amount on line 12 by $500,000,000.
On page 3, increase the amount on line 13 by $900,000,000.
On page 3, increase the amount on line 14 by $1,200,000,000.
On page 3, increase the amount on line 13 by $600,000,000.
On page 3, increase the amount on line 19 by $1,100,000,000.
On page 3, increase the amount on line 20 by $1,400,000,000.
On page 3, increase the amount on line 25 by $600,000,000.
On page 4, increase the amount on line 1 by $1,100,000,000.
On page 4, increase the amount on line 2 by $1,400,000,000.
On page 4, increase the amount on line 6 by $600,000,000.
On page 4, increase the amount on line 7 by $1,700,000,000.
On page 4, increase the amount on line 8 by $3,100,000,000.
On page 4, increase the amount on line 12 by $600,000,000.
On page 4, increase the amount on line 13 by $1,100,000,000.
On page 4, increase the amount on line 14 by $1,400,000,000.
On page 27 strike out the amount on line 4 and insert in lieu thereof "$27,600,000,000".
On page 27 strike out the amount on line 5 and insert in lieu thereof "$27,100,000,000".
On page 27 strike out the amount on line 13 and insert in lieu thereof "$28,200,000,000".
On page 27 strike out the amount on line 14 and insert in lieu thereof "$27,800,000,000".
On page 27 strike out the amount on line 22 and insert in lieu thereof "$28,700,000,000".
On page 27 strike out the amount on line 23 and insert in lieu thereof "$28,400,000,000".
On page 33, increase the amount on line 2 by $100,000,000.
On page 33, increase the amount on line 3 by $100,000,000.
On page 33, increase the amount on line 11 by $200,000,000.
On page 33, increase the amount on line 12 by $200,000,000.
On page 43 strike out the amount on line 7 and insert in lieu thereof "$292,000,000".
On page 43, strike out the amount on line 8 and insert in lieu thereof "$310,000,000".
On page 43, strike out the amount on line 9 and insert in lieu thereof "$199,000,000".
On page 43, strike out the second amount on line 9 and insert in lieu thereof "$199,000,000".
On page 43, strike out the amount on line 10 and insert in lieu thereof "$177,000,000".
On page 43, strike out the amount on line 11 and insert in lieu thereof "$253,000,000".
On page 50, strike out the amount on line 18 and insert in lieu thereof "$292,000,000".
On page 50, strike out the amount on line 19 and insert in lieu thereof "$130,000,000".
On page 50, strike out the amount on line 20 and insert in lieu thereof "$199,000,000".
On page 50, strike out the second amount on line 20 and insert in lieu thereof "$199,000,000".
On page 50, strike out the amount on line 21 and insert in lieu thereof "$177,000,000".
On page 50, strike out the amount on line 22 and insert in lieu thereof "$253,000,000".
On page 52, increase the amount on line 1 by "$400,000,000".
On page 52, increase the amount on line 3 by "$424,000,000".
On page 52, increase the amount on line 4 by "$461,000,000".

ABDNOR AMENDMENT NO. 76

(Ordered to lie on the table.)

Mr. ABDNOR submitted an amendment intended to be proposed by him to amendment No. 43 proposed by Mr. DOLE (and Mr. DOMENICI) to the motion to recommit with instructions the concurrent resolution (S. Con. Res. 32), supra; as follows:

In the pending amendment, do the following:
On page 3, increase the amount on line 12 by "$200,000,000".
On page 3, increase the amount on line 13 by "$200,000,000".
On page 3, increase the amount on line 14 by "$200,000,000".
On page 3, increase the amount on line 18 by "$100,000,000".
On page 3, increase the amount on line 19 by "$100,000,000".
On page 3, increase the amount on line 20 by "$200,000,000".
On page 3, increase the amount on line 25 by "$100,000,000".
On page 4, increase the amount on line 1 by "$100,000,000".

On page 4, increase the amount on line 2 by "$200,000,000".
On page 4, increase the amount on line 6 by "$100,000,000".
On page 4, increase the amount on line 7 by "$200,000,000".
On page 4, increase the amount on line 8 by $400,000,000.
On page 4, increase the amount on line 12 by $100,000,000.
On page 4, increase the amount on line 13 by $100,000,000.
On page 4, increase the amount on line 14 by $200,000,000.
On page 19, increase the amount on line 21 by $200,000,000.
On page 19, increase the amount on line 22 by $100,000,000.
On page 20, increase the amount on line 6 by $200,000,000.
On page 20, increase the amount on line 7 by $100,000,000.
On page 20, increase the amount on line 15 by $200,000,000.
On page 20, increase the amount on line 16 by $200,000,000.
On page 42, decrease the first amount on line 6 by $187,000,000.
On page 42, decrease the second amount on line 6 by $148,000,000.
On page 42, decrease the amount on line 7 by $188,000,000.
On page 42, decrease the amount on line 8 by $174,000,000.
On page 42, decrease the first amount on line 9 by $209,000,000.
On page 42, decrease the second amount on line 9 by $205,000,000.
On page 45, decrease the amount on line 21 by $187,000,000.
On page 45, decrease the amount on line 22 by $148,000,000.
On page 45, decrease the first amount on line 23 by $188,000,000.
On page 45, decrease the second amount on line 23 by $174,000,000.
On page 45, decrease the amount on line 24 by $209,000,000.
On page 45, decrease the amount on line 25 by $205,000,000.
On page 52, increase the amount on line 1 by $200,000,000.
On page 52, increase the amount on line 3 by $200,000,000.
On page 52, increase the amount on line 4 by $200,000,000.

HAWKINS (AND OTHERS) AMENDMENT NO. 77

Mrs. HAWKINS (for herself, Mr. BOSCHWITZ, Mr. KENNEDY, Mr. BOREN, Mr. SARBANES, Mr. KERRY, Mr. FORD, Mr. DODD, Mr. BURDICK, Mr. RIEGLE, Mr. ROCKEFELLER, Mr. BYRD, and Mr. HOLLINGS) proposed an amendment to amendment No. 43 proposed by Mr. DOLE (and Mr. DOMENICI) to the motion to recommit with instructions the concurrent resolution (S. Con. Res. 32), supra; as follows:

In the pending amendment, do the following:
On page 3, increase the amount on line 12 by $400,000,000.
On page 3, increase the amount on line 13 by $600,000,000.
On page 3, increase the amount on line 14 by $800,000,000.
On page 3, increase the amount on line 18 by $400,000,000.
On page 3, increase the amount on line 19 by $600,000,000.
On page 3, increase the amount on line 20 by $800,000,000.
On page 3, increase the amount on line 25 by $400,000,000.
On page 4, increase the amount on line 1 by $600,000,000.
On page 4, increase the amount on line 2 by $800,000,000.
On page 4, increase the amount on line 6 by $400,000,000.
On page 4, increase the amount on line 7 by $1,000,000,000.
On page 4, increase the amount on line 8 by $1,800,000,000.
On page 4, increase the amount on line 12 by $400,000,000.
On page 4, increase the amount on line 13 by $600,000,000.
On page 4, increase the amount on line 14 by $800,000,000.
On page 24, increase the amount on line 2 by $400,000,000.
On page 24, increase the amount on line 3 by $400,000,000.
On page 24, increase the amount on line 12 by $500,000,000.
On page 24, increase the amount on line 13 by $500,000,000.
On page 24, increase the amount on line 22 by $700,000,000.
On page 24, increase the amount on line 23 by $700,000,000.
On page 33, increase the amount on line 2 by $100,000,000.
On page 33, increase the amount on line 3 by $100,000,000.
On page 33, increase the amount on line 11 by $100,000,000.
On page 33, increase the amount on line 12 by $100,000,000.
On page 37, decrease the first amount on line 11 by $403,000,000.
On page 37, decrease the second amount on line 11 by $375,000,000.
On page 37, decrease the amount on line 12 by $529,000,000.
On page 37, decrease the amount on line 13 by $520,000,000.
On page 37, decrease the first amount on line 14 by $676,000,000.
On page 37, decrease the second amount on line 14 by $666,000,000.
On page 44, decrease the amount on line 10 by $403,000,000.
On page 44, decrease the amount on line 11 by $375,000,000.
On page 44, decrease the first amount on line 12 by $529,000,000.
On page 44, decrease the second amount on line 12 by $520,000,000.
On page 44, decrease the amount on line 13 by $676,000,000.
On page 44, decrease the amount on line 14 by $666,000,000.

DECONCINI (AND MITCHELL) AMENDMENT NO. 78

(Ordered to lie on the table.)

Mr. DECONCINI (for himself, Mr. MITCHELL, Mr. PELL, Mr. BOREN, Mr. BAUCUS, and Mr. SARBANES) submitted an amendment intended to be proposed by them to amendment No. 43 proposed by Mr. DOLE (and Mr. DOMENICI) to the motion to recommit with instructions the concurrent resolution (S. Con Res. 32), supra; as follows:

At the end of the pending amendment, add the following:

SEC. . It is the sense of the Senate that the amount of budget authority and outlays set forth in this concurrent resolution for the functional category of Income Security (600) for fiscal year 1985 are sufficient to ensure that $1,500,000,000 is apportioned among the States to carry out the Special Supplemental Food Program authorized by section 17 of the Child Nutrition Act of 1966 (commonly referred to as the WIC program); and it is assumed that the Office of Management and Budget should therefore release and apportion to the States the full amount of $1,500,000,000, which was appropriated for the WIC program for fiscal year 1985 since—

(1) Public Law 98-473 provided that, in carrying out the WIC program, funds shall be apportioned to the States based on an annual appropriation level of $1,500,000,000;

(2) the Conference Report on H.R. 5743 (H. Rept. 98-1071), the Agriculture, Rural Development and Related Agencies Appropriation Act, 1985, which was incorporated in Public Law 98-473, expresses the conferees' intent that the WIC program be carried out in such a manner as to fully obligate the $1,500,000,000 appropriated by Public Law 98-473 for such program for fiscal year 1985;

(3) such Conference Report also explicitly stated that any action to allocate funds inconsistent with a full-year appropriation level of $1,500,000,000 for the WIC program would be an improper withholding of funds; and

(4) the Office of Management and Budget has not made available to the Department of Agriculture for distribution to the States the full amount of funds intended by Congress to be allocated to the WIC program in any of the first three quarters of fiscal year 1985, and has not made funds available for such program during such quarters at the rate intended by the Congress.

SASSER (AND OTHERS) AMENDMENT NO. 79

Mr. SASSER (for himself, Mr. RIEGLE, Mr. SPECTER, Mr. STENNIS, Mr. HART, Mr. GORE, Mr. ROCKEFELLER, Mr. BURDICK, Mr. HOLLINGS, Mr. SARBANES, and Mr. BYRD) proposed an amendment to amendment No. 43 proposed by Mr. DOLE (and Mr. DOMENICI) to the motion to recommit with instructions the concurrent resolution (S. Con. Res. 32), supra; as follows:

In the pending amendment, do the following:
On page 3, increase the amount on line 12 by $5,100,000,000.
On page 3, increase the amount on line 13 by $5,300,000,000.
On page 3, increase the amount on line 14 by $6,300,000,000.
On page 3, increase the amount on line 18 by $2,200,000,000.
On page 3, increase the amount on line 19 by $4,100,000,000.
On page 3, increase the amount on line 20 by $5,400,000,000.
On page 3, increase the amount on line 25 by $2,200,000,000.
On page 4, increase the amount on line 1 by $4,100,000,000.
On page 4, increase the amount on line 2 by $5,400,000,000.
On page 4, increase the amount on line 6 by $2,200,000,000.
On page 4, increase the amount on line 7 by $6,300,000,000.
On page 4, increase the amount on line 8 by $11,700,000,000.

On page 4, increase the amount on line 12 by $2,200,000,000.
On page 4, increase the amount on line 13 by $4,100,000,000.
On page 4, increase the amount on line 14 by $5,400,000,000.
On page 5, increase the amount on line 3 by $3,100,000,000.
On page 5, increase the amount on line 10 by $3,800,000,000.
On page 5, increase the amount on line 17 by $4,000,000,000.
On page 15, increase the amount on line 8 by $2,500,000,000.
On page 15, increase the amount on line 9 by $1,500,000,000.
On page 15, increase the amount on line 11 by $2,400,000,000.
On page 15, increase the amount on line 17 by $2,600,000,000.
On page 15, increase the amount on line 18 by $2,200,000,000.
On page 15, increase the amount on line 20 by $2,500,000,000.
On page 16, increase the amount on line 1 by $3,000,000,000.
On page 16, increase the amount on line 2 by $2,600,000,000.
On page 16, increase the amount on line 4 by $2,600,000,000.
On page 18, increase the amount on line 8 by $2,600,000,000.
On page 18, increase the amount on line 9 by $700,000,000.
On page 18, increase the amount on line 11 by $700,000,000.
On page 18, increase the amount on line 17 by $2,500,000,000.
On page 18, increase the amount on line 18 by $1,700,000,000.
On page 18, increase the amount on line 20 by $1,300,000,000.
On page 19, increase the amount on line 1 by $3,000,000,000.
On page 19, increase the amount on line 2 by $2,500,000,000.
On page 19, increase the amount on line 4 by $1,400,000,000.
On page 33, increase the amount on line 2 by $200,000,000.
On page 33, increase the amount on line 3 by $200,000,000.
On page 33, increase the amount on line 11 by $300,000,000.
On page 33, increase the amount on line 12 by $300,000,000.

GRASSLEY AMENDMENT NO. 80

Mr. GRASSLEY proposed an amendment to amendment No. 43 proposed by Mr. DOLE (and Mr. DOMENICI) to the motion to recommit with instructions the concurrent resolution (S. Con. Res. 32), supra; as follows:

In lieu of the language, insert the following:

That the Congress hereby determines and declares that the concurrent resolution on the budget for fiscal year 1985 is revised and replaced, the first concurrent resolution on the budget for fiscal year 1986 is established, and the appropriate budgetary levels for fiscal years 1987 and 1988 are set forth.

(a) The following budgetary levels are appropriate for the fiscal years beginning on October 1, 1984, October 1, 1985, October 1, 1986, and October 1, 1987:

(1) The recommended levels of Federal revenues are as follows:
Fiscal Year 1985: $736,200,000,000.
Fiscal Year 1986: $792,700,000,000.
Fiscal Year 1987: $864,300,000,000.
Fiscal Year 1988: $952,500,000,000.

and the amounts by which the aggregate levels of Federal revenues should be increased are as follows:
Fiscal Year 1985: $0.
Fiscal Year 1986: $0.
Fiscal Year 1987: $0.
Fiscal Year 1988: $0.

and the amounts for Federal Insurance Contributions Act revenues for hospital insurance within the recommended levels of Federal revenues are as follows:
Fiscal Year 1985: $44,800,000,000.
Fiscal Year 1986: $50,900,000,000.
Fiscal Year 1987: $56,100,000,000.
Fiscal Year 1988: $61,200,000,000.

and the amounts for Federal Insurance Contributions Act revenues for old-age, survivors, and disability insurance within the recommended levels of Federal revenues are as follows:
Fiscal year 1985: $186,200,000,000.
Fiscal year 1986: $200,400,000,000.
Fiscal year 1987: $216,800,000,000.
Fiscal year 1988: $248,000,000,000.

(2) The appropriate levels of total new budget authority are as follows:
Fiscal year 1985: $1,054,600,000,000.
Fiscal year 1986: $1,080,100,000,000.
Fiscal year 1987: $1,160,900,000,000.
Fiscal year 1988: $1,255,700,000,000.

(3) The appropriate levels of total budget outlays are as follows:
Fiscal year 1985: $949,500,000,000.
Fiscal year 1986: $979,800,000,000.
Fiscal year 1987: $1,041,400,000,000.
Fiscal year 1988: $1,106,900,000,000.

(4) The amounts of the deficits in the budget which are appropriate in the light of economic conditions and all other relevant factors are as follows:
Fiscal year 1985: $213,300,000,000.
Fiscal year 1986: $187,200,000,000.
Fiscal year 1987: $177,100,000,000.
Fiscal year 1988: $154,400,000,000.

(5) The appropriate levels of the public debt are as follows:
Fiscal year 1985: $1,849,700,000,000.
Fiscal year 1986: $2,101,000,000,000.
Fiscal year 1987: $2,354,000,000,000.
Fiscal year 1988: $2,607,400,000,000.

and the amounts by which the statutory limits on such debt should be accordingly increased are as follows:
Fiscal year 1985: $25,900,000,000.
Fiscal year 1986: $251,300,000,000.
Fiscal year 1987: $253,000,000,000.
Fiscal year 1988: $253,400,000,000.

(b) The Congress hereby determines and declares the appropriate levels of budget authority and budget outlays, and the appropriate levels of new direct loan obligations, new primary loan guarantee commitments, and new secondary loan guarantee commitments for fiscal years 1985 through 1988 for each major functional category are:

(1) National Defense (050):
Fiscal year 1985:
(A) New budget authority, $292,600,000,000.
(B) Outlays, $252,000,000,000.
Fiscal year 1986:
(A) New budget authority, $292,500,000,000.
(B) Outlays, $269,700,000,000.
Fiscal year 1987:
(A) New budget authority, $320,800,000,000.
(B) Outlays, $289,200,000,000.
Fiscal year 1988:
(A) New budget authority, $351,700,000,000.
(B) Outlays, $313,300,000,000.

(2) International Affairs (150):
Fiscal year 1985:
(A) New budget authority, $24,200,000,000.
(B) Outlays, $17,800,000,000.
Fiscal year 1986:
(A) New budget authority, $23,500,000,000.
(B) Outlays, $17,800,000,000.
Fiscal year 1987:
(A) New budget authority, $23,000,000,000.
(B) Outlays, $17,900,000,000.
Fiscal year 1988:
(A) New budget authority, $23,500,000,000.
(B) Outlays, $18,000,000,000.

(3) General Science, Space, and Technology (250):
Fiscal year 1985:
(A) New budget authority, $9,100,000,000.
(B) Outlays, $8,700,000,000.
Fiscal year 1986:
(A) New budget authority, $8,800,000,000.
(B) Outlays, $8,700,000,000.
Fiscal year 1987:
(A) New budget authority, $9,000,000,000.
(B) Outlays, $8,800,000,000.
Fiscal year 1988:
(A) New budget authority, $9,300,000,000.
(B) Outlays, $9,000,000,000.

(4) Energy (270):
Fiscal year 1985:
(A) New budget authority, $1,900,000,000.
(B) Outlays, $6,900,000,000.
Fiscal year 1986:
(A) New budget authority, $7,900,000,000.
(B) Outlays, $7,300,000,000.
Fiscal year 1987:
(A) New budget authority, $7,700,000,000.
(B) Outlays, $7,200,000,000.
Fiscal year 1988:
(A) New budget authority, $7,300,000,000.
(B) Outlays, $6,800,000,000.

(5) Natural Resources and Environment (300):
Fiscal year 1985:
(A) New budget authority, $12,600,000,000.
(B) Outlays, $13,000,000,000.
Fiscal year 1986:
(A) New budget authority, $13,000,000,000.
(B) Outlays, $13,000,000,000.
Fiscal year 1987:
(A) New budget authority, $13,300,000,000.
(B) Outlays, $13,000,000,000.
Fiscal year 1988:
(A) New budget authority, $13,600,000,000.
(B) Outlays, $13,200,000,000.

(6) Agriculture (350):
Fiscal year 1985:
(A) New budget authority, $24,800,000,000.
(B) Outlays, $21,000,000,000.
Fiscal year 1986:
(A) New budget authority, $20,400,000,000.
(B) Outlays, $17,700,000,000.
Fiscal year 1987:
(A) New budget authority, $20,800,000,000.
(B) Outlays, $19,800,000,000.
Fiscal year 1988:
(A) New budget authority, $20,900,000,000.
(B) Outlays, $20,200,000,000.

(7) Commerce and Housing Credit (370):
Fiscal year 1985:
(A) New budget authority, $12,600,000,000.
(B) Outlays, $5,600,000,000.
Fiscal year 1986:
(A) New budget authority, $9,700,000,000.
(B) Outlays, $5,200,000,000.
Fiscal year 1987:
(A) New budget authority, $10,300,000,000.
(B) Outlays, $5,800,000,000.
Fiscal year 1988:
(A) New budget authority, $10,700,000,000.
(B) Outlays, $7,700,000,000.

(8) Transportation (400):
Fiscal year 1985:
(A) New budget authority, $29,300,000,000.
(B) Outlays, $26,000,000,000.

Fiscal year 1986:
(A) New budget authority, $29,900,000,000.
(B) Outlays, $28,100,000,000.
Fiscal year 1987:
(A) New budget authority, $30,800,000,000.
(B) Outlays, $29,600,000,000.
Fiscal year 1988:
(A) New budget authority, $31,800,000,000.
(B) Outlays, $30,500,000,000.
(9) Community and Regional Development (450):
Fiscal year 1985:
(A) New budget authority, $8,400,000,000.
(B) Outlays, $8,700,000,000.
Fiscal year 1986:
(A) New budget authority, $8,000,000,000.
(B) Outlays, $8,300,000,000.
Fiscal year 1987:
(A) New budget authority, $8,300,000,000.
(B) Outlays, $8,500,000,000.
Fiscal year 1988:
(A) New budget authority, $9,200,000,000.
(B) Outlays, $8,700,000,000.
(10) Education, Training, Employment, and Social Services (500):
Fiscal year 1985:
(A) New budget authority, $31,600,000,000.
(B) Outlays, $30,300,000,000.
Fiscal year 1986:
(A) New budget authority, $31,300,000,000.
(B) Outlays, $31,000,000,000.
Fiscal year 1987:
(A) New budget authority, $32,400,000,000.
(B) Outlays, $31,500,000,000.
Fiscal year 1988:
(A) New budget authority, $33,300,000,000.
(B) Outlays, $32,300,000,000.
(11) Health (550):
Fiscal year 1985:
(A) New budget authority, $33,600,000,000.
(B) Outlays, $33,500,000,000.
Fiscal year 1986:
(A) New budget authority, $35,900,000,000.
(B) Outlays, $35,700,000,000.
Fiscal year 1987:
(A) New budget authority, $38,600,000,000.
(B) Outlays, $38,200,000,000.
Fiscal year 1988:
(A) New budget authority, $41,400,000,000.
(B) Outlays, $40,900,000,000.
(12) Medical Insurance (570):
Fiscal year 1985:
(A) New budget authority, $71,800,000,000.
(B) Outlays, $65,200,000,000.
Fiscal year 1986:
(A) New budget authority, $81,700,000,000.
(B) Outlays, $69,500,000,000.
Fiscal year 1987:
(A) New budget authority, $90,800,000,000.
(B) Outlays, $76,700,000,000.
Fiscal year 1988:
(A) New budget authority, $94,700,000,000.
(B) Outlays, $86,200,000,000.
(13) Income Security (600):
Fiscal year 1985:
(A) New budget authority, $163,100,000,000.
(B) Outlays, $128,800,000,000.
Fiscal year 1986:
(A) New budget authority, $157,500,000,000.
(B) Outlays, $121,000,000,000.
Fiscal year 1987:
(A) New budget authority, $166,300,000,000.
(B) Outlays, $126,300,000,000.
Fiscal year 1988:
(A) New budget authority, $174,800,000,000.
(B) Outlays, $132,300,000,000.
(14) Social Security (650):
Fiscal year 1985:
(A) New budget authority, $195,500,000,000.
(B) Outlays, $189,300,000,000.
Fiscal year 1986:
(A) New budget authority, $207,400,000,000.
(B) Outlays, $194,900,000,000.
Fiscal year 1987:
(A) New budget authority, $225,500,000,000.
(B) Outlays, $206,100,000,000.
Fiscal year 1988:
(A) New budget authority, $266,100,000,000.
(B) Outlays, $220,400,000,000.
(15) Veterans Benefits and Services (700):
Fiscal year 1985:
(A) New budget authority, $27,200,000,000.
(B) Outlays, $26,300,000,000.
Fiscal year 1986:
(A) New budget authority, $27,000,000,000.
(B) Outlays, $26,500,000,000.
Fiscal year 1987:
(A) New budget authority, $27,300,000,000.
(B) Outlays, $27,000,000,000.
Fiscal year 1988:
(A) New budget authority, $27,800,000,000.
(B) Outlays, $27,600,000,000.
(16) Administration of Justice (750):
Fiscal year 1985:
(A) New budget authority, $6,500,000,000.
(B) Outlays, $6,300,000,000.
Fiscal year 1986:
(A) New budget authority, $6,700,000,000.
(B) Outlays, $6,700,000,000.
Fiscal year 1987:
(A) New budget authority, $6,900,000,000.
(B) Outlays, $6,800,000,000.
Fiscal year 1988:
(A) New budget authority, $7,000,000,000.
(B) Outlays, $7,000,000,000.
(17) General Government (800):
Fiscal year 1985:
(A) New budget authority, $5,700,000,000.
(B) Outlays, $5,800,000,000.
Fiscal year 1986:
(A) New budget authority, $5,900,000,000.
(B) Outlays, $5,800,000,000.
Fiscal year 1987:
(A) New budget authority, $6,000,000,000.
(B) Outlays, $5,800,000,000.
Fiscal year 1988:
(A) New budget authority, $6,200,000,000.
(B) Outlays, $6,100,000,000.
(18) General Purpose Fiscal Assistance (850):
Fiscal year 1985:
(A) New budget authority, $6,400,000,000.
(B) Outlays, $6,400,000,000.
Fiscal year 1986:
(A) New budget authority, $6,500,000,000.
(B) Outlays, $6,500,000,000.
Fiscal year 1987:
(A) New budget authority, $6,800,000,000.
(B) Outlays, $6,700,000,000.
Fiscal year 1988:
(A) New budget authority, $7,100,000,000.
(B) Outlays, $7,000,000,000.
(19) Net Interest (900):
Fiscal year 1985:
(A) New budget authority, $129,700,000,000.
(B) Outlays, $129,700,000,000.
Fiscal year 1986:
(A) New budget authority, $141,300,000,000.
(B) Outlays, $141,300,000,000.
Fiscal year 1987:
(A) New budget authority, $152,400,000,000.
(B) Outlays, $152,400,000,000.
Fiscal year 1988:
(A) New budget authority, $156,800,000,000.
(B) Outlays, $156,800,000,000.
(20) Allowances (920):
Fiscal year 1985:
(A) New budget authority, $300,000,000.
(B) Outlays, $300,000,000.
Fiscal year 1986:
(A) New budget authority, $0.
(B) Outlays, $0.
Fiscal year 1987:
(A) New budget authority, $1,500,000,000.
(B) Outlays, $1,600,000,000.
Fiscal year 1988:
(A) New budget authority, $3,300,000,000.
(B) Outlays, $3,500,000,000.
(21) Undistributed Offsetting Receipts (950):
Fiscal year 1985:
(A) New budget authority, −$32,400,000,000.
(B) Outlays, −$32,400,000,000.
Fiscal year 1986:
(A) New budget authority, −$34,800,000,000.
(B) Outlays, −$34,800,000,000.
Fiscal year 1987:
(A) new budget authority, −$37,600,000,000.
(B) Outlays, −$37,600,000,000.
Fiscal year 1988:
(A) New budget authority, −$40,700,000,000.
(B) Outlays, −$40,700,000,000.

RECONCILIATION

SEC. 2. (a) Not later than June 30, 1985, the committees named in subsections (b) through (e) of this section shall submit their recommendations to the Committees on the Budget of their respective Houses. After receiving those recommendations, the Committees on the Budget shall report to the House and Senate a reconciliation bill or resolution or both carrying out all such recommendations without any substantive revision.

SENATE COMMITTEES

(b) The Senate Committee on Agriculture, Nutrition, and Forestry shall report (1) changes in laws within its jursidiction which provide spending authority as defined in section 401(c)(2)(C) of the Congressional Budget Act of 1974, sufficient to reduce budget authority and outlays, (2) changes in laws within its jurisdiction other than those which provide spending authority as defined in section 401(c)(2)(C) of the Act, sufficient to achieve savings in budget authority and outlays, or (3) any combination thereof, as follows: $430,000,000 in budget authority and $430,000,000 in outlays in fiscal year 1986, $446,000,000 in budget authority and $446,000,000 in outlays in fiscal year 1987, and $462,000,000 in budget authority and $462,000,000 in outlays in fiscal year 1988.

(c) The Senate Committee on Armed Services shall report changes in laws within its jurisdiction which provide spending authority as defined in section 401(c)(2)(C) of the Congressional Budget Act of 1974, sufficient to achieve savings of $0 in budget authority and $539,000,000 in outlays in fiscal year 1986, $0 in budget authority and $742,000,000 in outlays in fiscal year 1987, and $0 in budget authority and $773,000,000 in outlays in fiscal year 1988.

(d) The Senate Committee on Finance shall report (1) changes in laws within its jurisdiction which provide spending authority as defined in section 401(c)(2)(C) of the Congressional Budget Act of 1974, sufficient to reduce budget authority and outlays, (2) changes in laws within its jurisdiction other than those which provide spending authority as defined in section 401(c)(2)(C) of the Act, sufficient to achieve savings in budget authority and outlays, or (3) any combina-

tion thereof, as follows: $0 in budget authority and $8,608,000,000 in outlays in fiscal year 1986, $0 in budget authority and $11,758,000,000 in outlays in fiscal year 1987, and $0 in budget authority and $12,306,000,000 in outlays in fiscal year 1988.

(e) The Senate Committee on Governmental Affairs shall report (1) changes in laws within its jurisdiction which provide spending authority as defined in section 401(c)(2)C) of the Congressional Budget Act of 1974, (2) changes in laws within its jurisdiction other than those which provide spending authority as defined in section 401(c)(2)(C) of the Act, or (3) any combination thereof, sufficient to achieve savings in budget authority and outlays as follows: $0 in budget authority and $725,000,000 in outlays in fiscal year 1986, $0 in budget authority and $971,000,000 in outlays in fiscal year 1987, and $0 in budget authority and $992,000,000 in outlays in fiscal year 1988.

(f) The Senate Committee on Veterans' Affairs shall report (1) changes in laws within its jurisdiction which provide spending authority as defined in section 401(c)(2)(C) of the Congressional Budget Act of 1974, sufficient to reduce budget authority and outlays, (2) changes in laws within its jurisdiction other than those which provide spending authority as defined in section 401(c)(2)(C) of the Act, sufficient to achieve savings in budget authority and outlays, or (3) any combination thereof, as follows: $449,000,000 in budget authority and $404,000,000 in outlays in fiscal year 1986, $553,000,000 in budget authority and $552,000,000 in outlays in fiscal year 1987, and $575,000,000 in budget authority and $573,000,000 in outlays in fiscal year 1988.

HOUSE COMMITTEES

(g) The House Committee on Agriculture shall report (1) changes in laws within its jurisdiction which provide spending authority as defined in section 401(c)(2)(C) of the Congressional Budget Act of 1974, sufficient to reduce budget authority and outlays, (2) changes in laws within its jurisdiction other than those which provide spending authority as defined in section 401(c)(2)(C) of the Act, sufficient to achieve savings in budget authority and outlays, or (3) any combination thereof, as follows: $430,000,000 in budget authority and $430,000,000 in outlays in fiscal year 1986, $446,000,000 in budget authority and $446,000,000 in outlays in fiscal year 1987, and $462,000,000 in budget authority and $462,000,000 in outlays in fiscal year 1988.

(h) The House Committee on Armed Services shall report changes in laws within its jurisdiction which provide spending authority as defined in section 401(c)(2)(C) of the Congressional Budget Act of 1974, sufficient to achieve savings of $0 in budget authority and $539,000,000 in outlays in fiscal year 1986, $0 in budget authority and $742,000,000 in outlays in fiscal year 1987, and $0 in budget authority and $773,000,000 in outlays in fiscal year 1988.

(i) The House Committee on Energy and Commerce shall report (1) changes in laws within its jurisdiction which provide spending authority as defined in section 401(c)(2)(C) of the Congressional Budget Act of 1974, sufficient to reduce budget authority and outlays, (2) changes in laws within its jurisdiction other than those which provide spending authority as defined in section 401(c)(2)(C) of the Act, sufficient to achieve savings in budget authority and outlays, or (3) any combination thereof, as follows: $0 in budget authority and $2,355,000,000 in outlays in fiscal year 1986, $0 in budget authority and $3,190,000,000 in outlays in fiscal year 1987, and $0 in budget authority and $3,620,000,000 in outlays in fiscal year 1988.

(j) The House Committee on Post Office and Civil Service shall report (1) changes in laws within its jurisdiction which provide spending authority as defined in section 401(c)(2)(C) of the Congressional Budget Act of 1974, (2) changes in laws within its jurisdiction other than those which provide spending authority as defined in section 401(c)(2)(C) of the Act, or (3) any combination thereof, sufficient to achieve savings in budget authority and outlays as follows: $0 in budget authority and $725,000,000 in outlays in fiscal year 1986, $0 in budget authority and $971,000,000 in outlays in fiscal year 1987, and $0 in budget authority and $992,000,000 in outlays in fiscal year 1988.

(k) The House Committee on Veterans' Affairs shall report (1) changes in laws within its jurisdiction which provide spending authority as defined in section 401(c)(2)(C) of the Congressional Budget Act of 1974, sufficient to reduce budget and outlays, (2) changes in laws within its jurisdiction other than those which provide spending authority as defined in section 401(c)(2)(C) of the Act, sufficient to achieve savings in budget authority and outlays, or (3) any combination thereof, as follows: $449,000,000 in budget authority and $404,000,000 in outlays in fiscal year 1986, $553,000,000 in budget authority and $552,000,000 in outlays in fiscal year 1987, and $575,000,000 in budget authority and $573,000,000 in outlays in fiscal year 1988.

(l) The House Committee on Ways and Means shall report (1) changes in laws within its jurisdiction which provide spending authority as defined in section 401(c)(2)(C) of the Congressional Budget Act of 1974, sufficient to reduce budget authority and outlays, (2) changes in laws within its jurisdiction other than those which provide spending authority as defined in section 401(c)(2)(C) of the Act, sufficient to achieve savings in budget authority and outlays, or (3) any combination thereof, as follows: $0 in budget authority and $8,608,000,000 in outlays in fiscal year 1986, $0 in budget authority and $11,758,000,000 in outlays in fiscal year 1987, and $0 in budget authority and $12,306,000,000 in outlays in fiscal year 1988.

APPROPRIATIONS

SEC. 3. (a) It shall not be in order to consider any measure making appropriations in the Senate or House of Representatives, if the enactment of such bill or resolution, as recommended by the respective Committee on Appropriations, would cause the aggregate total budget authority for function 050, National Defense, to exceed $293,300,000,000 in fiscal year 1986; aggregate total budget authority to exceed $321,500,000,000. in fiscal year 1987; and aggregate total budget authority to exceed $352,500,000,000 in fiscal year 1988.

(b) It shall not be in order to consider any measure making appropriations in the Senate or House of Representatives, if the enactment of such bill or resolution, as recommended by the respective Committee on Appropriations, would cause the aggregate total budget authroity for nondefense discretionary activities to exceed $152,000,000,000 in fiscal year 1986; aggregate total budget authority to exceed $159,100,000,000 in fiscal year 1987; and aggregate budget authority to exceed $167,200,000,000 in fiscal year 1988.

(c) The provisions of subsection (a) or (b) of this section may be waived or suspended in the Senate by a majority vote of the Members voting, a quorum being present, or by unanimous consent of the Senate.

MISCELLANEOUS PROVISIONS

SEC. 4. If the Congress has not completed action by October 1, 1985, on the concurrent resolution on the budget required to be reported under section 310(a) of the Congressional Budget Act of 1974 for fiscal year 1986, then, for purposes of section 311 of such Act, this concurrent resolution shall be deemed to be the concurrent resolution required to be reported under section 310 of such Act.

SEC. 5. It shall not be order in the House of Representatives or the Senate during fiscal years 1986 and 1987 to consider any bill, resolution, or amendment, except proposed legislation reported in response to reconiliation instructions contained in this resolution, authorizing new direct loan obligations or new loan guarantee commitments unless that bill, resolution, or amendment also provides that the authority to make or guarantee such loans shall be effective only to such extent and in such amounts as are contained in appropriation acts.

SEC. 6. It is the sense of the Congress that the previous distinction between "unified budget" and "off-budget" spending be ended, and that budget authority and outlays for the so-called "off-budget" agencies be included in the budget totals.

SEC. 7. (a) The Senate finds that—

(1) the existing tax structure of the United States distorts economic activity, leading to an inefficient use of national resources and a weakening of our domestic economic vitality and competitive posture in international markets;

(2) the relative tax burdens among various taxpayer categories are manifestly unfair insofar as they arise from differences in the capabilities of taxpayers to take advantage of complicated tax laws;

(3) the ability of the Federal Government to plan and conduct rational fiscal policy is frustrated by elaborate schemes to avoid taxation and the unintended effects of tax incentives and penalties;

(4) progressive erosion of voluntary compliance threatens the fiscal integrity of our public finances and the confidence of our citizens in the Federal Government's capacity to govern; and

(5) a number of plans, each designed to simplify and reform the Tax Code, have been before the Congress for a time sufficient to allow for extensive analysis and evaluation.

(b) It is therefore the sense of the Senate that tax reform should be adopted as soon as possible, and that it should incorporate the following principles and objectives:

(1) efficiency and responsiveness to market conditions in the economic activities of American businesses and consumers;

(2) simplicity of structure and lower marginal tax rates;

(3) a fair and equitable distribution of the tax burden among all taxpayers, with relief for those below the poverty level, and incentives to bring them into the work force;

(4) a broader tax base, with deductions essential to avoid genuine hardship or to protect the economic security of the American people; and

(5) increased incentives for work, saving, and investment.

SEC. 8. It is the sense of the Senate that because the Senate requires timely report-

ing of legislative action on spending bills, and because the Senate requires continual control over the budget, the Director of the Congressional Budget Office shall issue a weekly report during periods when the Senate is in session detailing and tabulating the progress of congressional action on bills and resolutions providing new budget authority and changing revenues and the public debt for a fiscal year, including, but not limited to the requirements set forth in Public Law 93-344, section 308(b).

CHILES (AND OTHERS) AMENDMENT NO. 81

Mr. CHILES (for himself, Mr. BRADLEY, Mr. PELL, Mr. KENNEDY, Mr. MOYNIHAN, Mr. SARBANES, Mr. ROCKEFELLER, Mr. LAUTENBERG, Mr. HOLLINGS, Mr. BYRD, Mr. HART, Mr. DODD, Mr. KERRY, Mr. LEVIN, and Mr. EXON) proposed an amendment to amendment No. 43 proposed by Mr. DOLE (and Mr. DOMENICI) to the motion to recommit the concurrent resolution (S. Con. Res. 32), supra; as follows:

In the preceding amendment, make the following changes:

On page 3, increase the amount on line 11 by $300,000,000.

On page 3, increase the amount on line 12 by $3,300,000,000.

On page 3, increase the amount on line 13 by $2,900,000,000.

On page 3, increase the amount on line 14 by $3,100,000,000.

On page 3, increase the amount on line 17 by $300,000,000.

On page 3, increase the amount on line 18 by $1,300,000,000.

On page 3, increase the amount on line 19 by $3,200,000,000.

On page 3, increase the amount on line 20 by $3,400,000,000.

On page 3, increase the amount on line 24 by $300,000,000.

On page 3, increase the amount on line 25 by $1,300,000,000.

On page 4, increase the amount on line 1 by $3,200,000,000.

On page 4, increase the amount on line 2 by $3,400,000,000.

On page 4, increase the amount on line 5 by $300,000,000.

On page 4, increase the amount on line 6 by $1,600,000,000.

On page 4, increase the amount on line 7 by $4,800,000,000.

On page 4, increase the amount on line 8 by $8,100,000,000.

On page 4, increase the amount on line 11 by $300,000,000.

On page 4, increase the amount on line 12 by $1,300,000,000.

On page 4, increase the amount on line 13 by $3,200,000,000.

On page 4, increase the amount on line 14 by $3,400,000,000.

On page 4, increase the amount on line 23 by $200,000,000.

On page 5, increase the amount on line 5 by $200,000,000.

On page 5, increase the amount on line 12 by $200,000,000.

On page 5, increase the amount on line 19 by $200,000,000.

On page 19, increase the amount on line 12 by $300,000,000.

On page 19, increase the amount on line 13 by $300,000,000.

On page 19, increase the amount on line 17 by $200,000,000.

On page 19, increase the amount on line 21 by $3,200,000,000.

On page 19, increase the amount on line 22 by $1,200,000,000.

On page 20, increase the amount on line 2 by $200,000,000.

On page 20, increase the amount on line 6 by $2,600,000,000.

On page 20, increase the amount on line 7 by $2,900,000,000.

On page 20, increase the amount on line 11 by $200,000,000.

On page 20, increase the amount on line 15 by $2,500,000,000.

On page 20, increase the amount on line 16 by $2,800,000,000.

On page 20, increase the amount on line 20 by $200,000,000.

On page 32, increase the amount on line 17 by $100,000,000.

On page 32, increase the amount on line 18 by $100,000,000.

On page 33, increase the amount on line 2 by $300,000,000.

On page 33, increase the amount on line 3 by $300,000,000.

On page 33, increase the amount on line 11 by $600,000,000.

On page 33, increase the amount on line 12 by $600,000,000.

On page 42, decrease the first amount on line 6 by $3,254,000,000.

On page 42, decrease the second amount on line 6 by $1,159,000,000.

On page 42, decrease the amount on line 7 by $3,621,000,000.

On page 42, decrease the amount on line 8 by $3,246,000,000.

On page 42, decrease the first amount on line 9 by $4,016,000,000.

On page 42, decrease the second amount on line 9 by $3,966,000,000.

On page 45, decrease the amount on line 21 by $3,254,000,000.

On page 45, decrease the amount on line 22 by $1,159,000,000.

On page 45, decrease the first amount on line 23 by $3,621,000,000.

On page 45, decrease the second amount on line 23 by $3,246,000,000.

On page 45, decrease the amount on line 24 by $4,016,000,000.

On page 45, decrease the amount on line 25 by $3,966,000,000.

On page 52, increase the amount on line 1 by $3,200,000,000.

On page 52, increase the amount on line 3 by $2,500,000,000.

On page 52, increase the amount on line 4 by $2,400,000,000.

COHEN (AND OTHERS) AMENDMENT NO. 82

Mr. COHEN (for himself, Mr. ANDREWS, Mr. BUMPERS, Mr. MITCHELL, Mr. LEAHY, Mr. ROCKEFELLER, Mr. BINGAMAN, Mr. JOHNSTON, Mr. GORE, Mr. EXON, and Mr. RIEGLE) proposed an amendment to amendment No. 43 proposed by Mr. DOLE (and Mr. DOMENICI) to the motion to recommit with instructions the concurrent resolution (S. Con. Res. 32), supra; as follows:

In the pending amendment, do the following:

On page 3, increase the amount on line 12 by $3,100,000,000.

On page 3, increase the amount on line 13 by $3,700,000,000.

On page 3, increase the amount on line 14 by $3,500,000,000.

On page 3, increase the amount on line 18 by $1,500,000,000.

On page 3, increase the amount on line 19 by $1,700,000,000.

On page 3, increase the amount on line 20 by $1,700,000,000.

On page 3, increase the amount on line 25 by $1,500,000,000.

On page 4, increase the amount on line 1 by $1,700,000,000.

On page 4, increase the amount on line 2 by $1,700,000,000.

On page 4, increase the amount on line 6 by $1,500,000,000.

On page 4, increase the amount on line 7 by $3,200,000,000.

On page 4, increase the amount on line 8 by $4,900,000,000.

On page 4, increase the amount on line 12 by $1,500,000,000.

On page 4, increase the amount on line 13 by $1,700,000,000.

On page 4, increase the amount on line 14 by $1,700,000,000.

On page 5, increase the amount on line 3 by $2,300,000,000.

On page 5, increase the amount on line 5 by $200,000,000.

On page 5, increase the amount on line 10 by $1,700,000,000.

On page 5, increase the amount on line 12 by $900,000,000.

On page 5, increase the amount on line 17 by $1,400,000,000.

On page 5, increase the amount on line 19 by $1,200,000,000.

On page 15, increase the amount on line 8 by $3,000,000,000.

On page 15, increase the amount on line 9 by $1,400,000,000.

On page 15, increase the amount on line 11 by $2,300,000,000.

On page 15, increase the amount on line 13 by $300,000,000.

On page 15, increase the amount on line 17 by $3,600,000,000.

On page 15, increase the amount on line 18 by $1,600,000,000.

On page 15, increase the amount on line 20 by $1,700,000,000.

On page 15, increase the amount on line 22 by $900,000,000.

On page 16, increase the amount on line 1 by $3,400,000,000.

On page 16, increase the amount on line 2 by $1,600,000,000.

On page 16, increase the amount on line 4 by $1,400,000,000.

On page 16, increase the amount on line 6 by $1,200,000,000.

On page 32, increase the amount on line 17 by $100,000,000.

On page 32, increase the amount on line 18 by $100,000,000.

On page 33, increase the amount on line 2 by $100,000,000.

On page 33, increase the amount on line 3 by $100,000,000.

On page 33, increase the amount on line 11 by $100,000,000.

On page 33, increase the amount on line 12 by $100,000,000.

On page 38, decrease the first amount on line 10 by $3,025,000,000.

On page 38, decrease the first amount on line 10 by $1,350,000,000.

On page 38, decrease the amount on line 11 by $3,645,000,000.

On page 38, decrease the amount on line 12 by $1,618,000,000.

On page 38, decrease the amount on line 13 by $3,427,000,000.

On page 38, decrease the amount on line 14 by $1,578,000,000.

On page 45, decrease the first amount on line 8 by $3,025,000,000.
On page 45, decrease the second amount on line 8 by $1,350,000,000.
On page 45, decrease the amount on line 9 by $3,645,000,000.
On page 45, decrease the amount on line 10 by $1,618,000,000.
On page 45, decrease the first amount on line 11 by $3,427,000,000.
On page 45, decrease the second amount on line 11 by $1,578,000,000.
On page 52, increase the amount on line 1 by $3,000,000,000.
On page 52, increase the amount on line 3 by $3,600,000,000.
On page 52, increase the amount on line 4 by $3,400,000,000.

ABDNOR AMENDMENT NO. 83

Mr. DOLE (for Mr. ABDNOR, for himself, Mr. PELL, Mr. BOREN, Mr. BAUCUS, Mr. SARBANES, Mr. FORD, Mr. MELCHER, Mr. DECONCINI, Mr. MOYNIHAN, Mr. BINGAMAN, and Mr. EXON) proposed an amendment to amendment No. 43 proposed by Mr. DOLE (and Mr. DOMENICI) to the motion to recommit with instructions the concurrent resolution (S. Con. Res. 32), supra; as follows:

In the pending amendment, do the following:
On page 3, increase the amount on line 12 by $200,000,000.
On page 3, increase the amount on line 13 by $200,000,000.
On page 3, increase the amount on line 14 by $200,000,000.
On page 3, increase the amount on line 18 by $100,000,000.
On page 3, increase the amount on line 19 by $100,000,000.
On page 3, increase the amount on line 20 by $200,000,000.
On page 3, increase the amount on line 25 by $100,000,000.
On page 4, increase the amount on line 1 by $100,000,000.
On page 4, increase the amount on line 2 by $200,000,000.
On page 4, increase the amount on line 6 by $100,000,000.
On page 4, increase the amount on line 7 by $200,000,000.
On page 4, increase the amount on line 8 by $400,000,000.
On page 4, increase the amount on line 12 by $100,000,000.
On page 4, increase the amount on line 13 by $100,000,000.
On page 4, increase the amount on line 14 by $200,000,000.
On page 19, increase the amount on line 21 by $200,000,000.
On page 19, increase the amount on line 22 by $100,000,000.
On page 20, increase the amount on line 6 by $200,000,000.
On page 20, increase the amount on line 7 by $100,000,000.
On page 20, increase the amount on line 15 by $200,000,000.
On page 20, increase the amount on line 16 by $200,000,000.
On page 42, decrease the first amount on line 6 by $187,000,000.
On page 42, decrease the second amount on line 6 by $148,000,000.
On page 42, decrease the amount on line 7 by $188,000,000.
On page 42, decrease the amount on line 8 by $174,000,000.
On page 42, decrease the amount on line 9 by $209,000,000.
On page 42, decrease the second amount on line 9 by $205,000,000.
On page 45, decrease the amount on line 21 by $187,000,000.
On page 45, decrease the amount on line 22 by $148,000,000.
On page 45, decrease the first amount on line 23 by $188,000,000.
On page 45, decrease the second amount on line 23 by $174,000,000.
On page 45, decrease the amount on line 24 by $209,000,000.
On page 45, decrease the amount on line 25 by $205,000,000.
On page 52, increase the amount on line 1 by $200,000,000.
On page 52, increase the amount on line 3 by $200,000,000.
On page 52, increase the amount on line 4 by $200,000,000.

METZENBAUM (AND OTHERS) AMENDMENT NO. 84

Mr. METZENBAUM (for himself, Mr. RIEGLE, Mr. SARBANES, Mr. MATSUNAGA, Mr. BYRD, Mr. EAGLETON, Mr. ROCKEFELLER, Mr. INOUYE, Mr. KERRY, Mr. KENNEDY, Mr. FORD, Mr. ZORINSKY, Mr. BINGAMAN, and Mr. HOLLINGS) proposed an amendment to amendment No. 43 proposed by Mr. DOLE (and Mr. DOMENICI) to the motion to recommit with instructions the concurrent resolution (S. Con. Res. 32), supra; as follows:

On page 3, increase the amount on line 12 by $313,000,000.
On page 3, increase the amount on line 13 by $2,027,000,000.
On page 3, increase the amount on line 14 by $601,000,000.
On page 3, increase the amount on line 18 by $313,000,000.
On page 3, increase the amount on line 19 by $2,027,000,000.
On page 3, increase the amount on line 20 by $601,000,000.
On page 3, increase the amount on line 25 by $313,000,000.
On page 4, increase the amount on line 1 by $2,027,000,000.
On page 4, increase the amount on line 2 by $601,000,000.
On page 4, increase the amount on line 6 by $313,000,000.
On page 4, increase the amount on line 7 by $2,340,000,000.
On page 4, increase the amount on line 8 by $2,941,000,000.
On page 4, increase the amount on line 12 by $313,000,000.
On page 4, increase the amount on line 13 by $2,027,000,000.
On page 4, increase the amount on line 14 by $601,000,000.
On page 15, increase the amount on line 8 by $298,000,000.
On page 15, increase the amount on line 9 by $298,000,000.
On page 15, increase the amount on line 17 by $1,905,000,000.
On page 15, increase the amount on line 18 by $1,905,000,000.
On page 16, increase the amount on line 1 by $366,000,000.
On page 16, increase the amount on line 2 by $366,000,000.
On page 32, increase the amount on line 17 by $15,000,000.
On page 32, increase the amount on line 18 by $15,000,000.
On page 33, increase the amount on line 2 by $122,000,000.
On page 33, increase the amount on line 3 by $122,000,000.
On page 33, increase the amount on line 11 by $235,000,000.
On page 33, increase the amount on line 12 by $235,000,000.
On page 41, decrease the amount on line 19 by $1,359,000,000.
On page 41, decrease the amount on line 21 by $366,000,000.
On page 49, decrease the amount on line 5 by $1,359,000,000.
On page 49, decrease the amount on line 7 by $366,000,000.
On page 52, increase the amount on line 1 by $817,000,000.
On page 52, increase the amount on line 3 by $856,000,000.
On page 52, increase the amount on line 4 by $894,000,000.

KASTEN (AND OTHERS) AMENDMENT NO. 85

Mr. KASTEN (for himself, Mr. HEINZ, Mr. FORD, Mr. SASSER, Mr. RIEGLE, Mr. MOYNIHAN, and Mr. BYRD) proposed an amendment to amendment No. 43 proposed by Mr. DOLE (and Mr. DOMENICI) to the motion to recommit with instructions the concurrent resolution (S. Con. Res. 32), supra; as follows:

In amendment number 43 as amended.
On page 3, line 13, increase the number by $2,400,000,000.
On page 3, line 14, increase the number by $2,600,000,000.
On page 3, line 19, increase the number by $1,800,000,000.
On page 3, line 20, increase the number by $2,600,000,000.
On page 4, line 1, increase the number by $1,800,000,000.
On page 4, line 2, increase the number by $2,600,000,000.
On page 4, line 7, increase the number by $1,800,000,000.
On page 4, line 8, increase the number by $4,400,000,000.
On page 4, line 13, increase the number by $1,800,000,000.
On page 4, line 14, increase the number by $2,600,000,000.
On page 31, line 14, increase the number by $2,300,000,000.
On page 31, line 15, increase the number by $1,700,000,000.
On page 31, line 22, increase the number by $2,300,000,000.
On page 31, line 23, increase the number by $2,300,000,000.
On page 33, line 2, increase the number by $100,000,000.
On page 33, line 3, increase the number by $100,000,000.
On page 33, line 11, increase the number by $300,000,000.
On page 33, line 12, increase the number by $300,000,000.
On page 40, line 17, decrease the number by $1,676,000,000.
On page 40, line 18, decrease the second number by $2,287,000,000.
On page 47, line 13, decrease the number by $1,676,000,000.
On page 47, line 14, decrease the second number by $2,287,000,000.

KENNEDY (AND OTHERS) AMENDMENT NO. 86

Mr. KENNEDY (for himself, Mr. CHILES, Mr. BYRD, Mr. BAUCUS, Mr. RIEGLE, Mr. SARBANES, Mr. MATSUNAGA, Mr. GLENN, Mr. METZENBAUM, Mr. MOYNIHAN, and Mr. BRADLEY) proposed an amendment to amendment No. 43 proposed by Mr. DOLE (and Mr. DOMENICI) to the motion to recommit with instructions the concurrent resolution (S. Con. Res. 32), supra; as follows:

In the pending amendment, make the following changes:

Total New Budget Authority:

On page 3, increase the amount on line 12 by $200,000,000.

On page 3, increase the amount on line 13 by $500,000,000.

On page 3, increase the amount on line 14 by $900,000,000.

Total Budget Outlays:

On page 3, increase the amount on line 18 by $900,000,000.

On page 3, increase the amount on line 19 by $1,300,000,000.

On page 3, increase the amount on line 20 by $2,200,000,000.

On page 3, increase the amount on line 25 by $900,000,000.

On page 4, increase the amount on line 1 by $1,300,000,000.

On page 4, increase the amount on line 2 by $2,200,000,000.

Public Debt:

On page 4, increase the amount on line 7 by $100,000,000.

On page 4, increase the amount on line 8 by $400,000,000.

Statutory Debt Limit:

On page 4, increase the amount on line 13 by $100,000,000.

On page 4, increase the amount on line 14 by $300,000,000.

Medical Insurance (570):

On page 22, increase the amount on line 16 by $200,000,000.

On page 22, increase the amount on line 17 by $900,000,000.

On page 22, increase the amount on line 24 by $400,000,000.

On page 22, increase the amount on line 25 by $1,200,000,000.

On page 23, increase the amount on line 7 by $600,000,000.

On page 23, increase the amount on line 8 by $1,900,000,000.

Net Interest (900):

On page 33, increase the amount on line 2 by $100,000,000.

On page 33, increase the amount on line 3 by $100,000,000.

On page 33, increase the amount on line 11 by $300,000,000.

On page 33, increase the amount on line 12 by $300,000,000.

Senate Committee on Finance:

On page 40, decrease the first amount on line 16 by $1,000,000,000.

On page 40, decrease the amount on line 17 by $1,413,000,000.

On page 40, decrease the second amount on line 18 by $2,187,000,000.

House Committee on Energy and Commerce:

On page 46, decrease the amount on line 10 by $1,000,000,000.

On page 46, decrease the second amount on line 11 by $1,413,000,000.

On page 46, decrease the amount on line 13 by $2,187,000,000.

House Committee on Ways and Means:

On page 51, decrease the first amount on line 7 by $1,000,000,000.

On page 51, decrease the amount on line 8 by $1,413,000,000.

On page 51, decrease the second amount on line 9 by $2,187,000,000.

SYMMS AMENDMENT NO. 87

Mr. SYMMS proposed an amendment to amendment No. 43 proposed by Mr. DOLE (and Mr. DOMENICI) to the motion to recommit with instructions the concurrent resolution (S. Con. Res. 32), supra; as follows:

In the pending amendment, do the following:

On page 3, decrease the amount on line 12 by $1,600,000,000.

On page 3, decrease the amount on line 13 by $1,100,000,000.

On page 3, decrease the amount on line 14 by $900,000,000.

On page 3, decrease the amount on line 18 by $600,000,000.

On page 3, decrease the amount on line 19 by $800,000,000.

On page 3, decrease the amount on line 20 by $900,000,000.

On page 3, decrease the amount on line 25 by $600,000,000.

On page 4, decrease the amount on line 1 by $800,000,000.

On page 4, decrease the amount on line 2 by $900,000,000.

On page 4, decrease the amount on line 6 by $600,000,000.

On page 4, decrease the amount on line 7 by $1,400,000,000.

On page 4, decrease the amount on line 8 by $2,300,000,000.

On page 4, decrease the amount on line 12 by $600,000,000.

On page 4, decrease the amount on line 13 by $800,000,000.

On page 4, decrease the amount on line 14 by $900,000,000.

On page 16, decrease the amount on line 20 by $1,600,000,000.

On page 16, decrease the amount on line 21 by $600,000,000.

On page 17, decrease the amount on line 4 by $1,000,000,000.

On page 17, decrease the amount on line 5 by $700,000,000.

On page 17, decrease the amount on line 13 by $700,000,000.

On page 17, decrease the amount on line 14 by $700,000,000.

On page 33, decrease the amount on line 2 by $100,000,000.

On page 33, decrease the amount on line 3 by $100,000,000.

On page 33, decrease the amount on line 11 by $200,000,000.

On page 33, decrease the amount on line 12 by $200,000,000.

On page 38, increase the first amount on line 10 by $1,630,000,000.

On page 38, increase the second amount on line 10 by $621,000,000.

On page 38, increase the amount on line 11 by $1,096,000,000.

On page 38, increase the amount on line 12 by $705,000,000.

On page 38, increase the amount on line 13 by $729,000,000.

On page 38, increase the amount on line 14 by $763,000,000.

On page 41, decrease the amount on line 17 by $4,000,000.

On page 41, decrease the amount on line 19 by $15,000,000.

On page 41, decrease the amount on line 21 by $29,000,000.

On page 47, decrease the first amount on line 12 by $4,000,000.

On page 47, decrease the amount on line 13 by $15,000,000.

On page 47, decrease the second amount on line 14 by $29,000,000.

On page 49, increase the first amount on line 17 by $1,630,000,000.

On page 49, increase the second amount on line 17 by $621,000,000.

On page 49, increase the amount on line 18 by $1,096,000,000.

On page 49, increase the amount on line 19 by $105,000,000.

On page 49, increase the first amount on line 20 by $729,000,000.

On page 49, increase the second amount on line 20 by $763,000,000.

On page 52, decrease the amount on line 1 by $1,600,000,000.

On page 52, decrease the amount on line 3 by $1,000,000,000.

On page 52, decrease the amount on line 4 by $700,000,000.

BRADLEY (AND OTHERS) AMENDMENT NO. 88

Mr. BRADLEY (for himself, Mr. BINGAMAN, Mr. ROCKEFELLER, and Mr. BUMPERS) proposed an amendment to amendment No. 43 proposed by Mr. DOLE (and Mr. DOMENICI) to the motion to recommit with instructions the concurrent resolution (S. Con. Res. 32), supra, as follows:

In the pending amendment, do the following:

On page 2, increase the amount on line 9 by $1,500,000,000.

On page 2, increase the amount on line 10 by $1,700,000,000.

On page 2, increase the amount on line 11 by $1,700,000,000.

On page 2, increase the amount on line 15 by $1,500,000,000.

On page 2, increase the amount on line 16 by $1,700,000,000.

On page 2, increase the amount on line 17 by $1,700,000,000.

On page 3, increase the amount on line 12 by $80,000,000.

On page 3, increase the amount on line 13 by $280,000,000.

On page 3, increase the amount on line 14 by $1,070,000,000.

On page 3, increase the amount on line 18 by $80,000,000.

On page 3, increase the amount on line 19 by $280,000,000.

On page 3, increase the amount on line 20 by $1,070,000,000.

On page 3, decrease the amount on line 25 by $1,420,000,000.

On page 4, decrease the amount on line 1 by $1,420,000,000.

On page 4, decrease the amount on line 2 by $630,000,000.

On page 4, decrease the amount on line 6 by $1,420,000,000.

On page 4, decrease the amount on line 7 by $2,840,000,000.

On page 4, decrease the amount on line 8 by $3,470,000,000.

On page 4, decrease the amount on line 12 by $1,420,000,000.

On page 4, decrease the amount on line 13 by $1,420,000,000.

On page 4, decrease the amount on line 14 by $630,000,000.

On page 22, increase the amount on line 16 by $180,000,000.
On page 22, increase the amount on line 17 by $180,000,000.
On page 22, increase the amount on line 24 by $480,000,000.
On page 22, increase the amount on line 25 by $480,000,000.
On page 23, increase the amount on line 7 by $1,270,000,000.
On page 23, increase the amount on line 8 by $1,270,000,000.
On page 32, decrease the amount on line 17 by $100,000,000.
On page 32, decrease the amount on line 18 by $100,000,000.
On page 33, decrease the amount on line 2 by $200,000,000.
On page 33, decrease the amount on line 3 by $200,000,000.
On page 33, decrease the amount on line 11 by $200,000,000.
On page 33, decrease the amount on line 12 by $200,000,000.
On page 40, decrease the first amount on line 16 by $180,000,000.
On page 40, decrease the amount on line 17 by $480,000,000.
On page 40, decrease the second amount on line 18 by $1,270,000,000.
On page 40, line 19, add the following new sentence: "The Senate Committee on Finance shall report changes in laws within the jurisdiction of the committee sufficient to increase revenues as follows: $1,500,000,000 in fiscal year 1986; $1,700,000,000 in fiscal year 1987; and $1,700,000,000 in fiscal year 1988.".
On page 46, decrease the amount on line 9 by $180,000,000.
On page 46, decrease the amount on line 10 by $180,000,000.
On page 46, decrease the first amount on line 11 by $480,000,000.
On page 46, decrease the second amount on line 11 by $480,000,000.
On page 46, decrease the amount on line 12 by $1,270,000,000.
On page 46, decrease the amount on line 13 by $1,270,000,000.
On page 51, decrease the first amount on line 7 by $180,000,000.
On page 51, decrease the amount on line 8 by $480,000,000.
On page 51, decrease the second amount on line 9 by $1,270,000,000.
On page 51, line 10 add the following new sentence: "The House Committee on Ways and Means shall report changes in laws within the jurisdiction of the committee sufficient to increase revenues as follows: $1,500,000,000 in fiscal year 1986; $1,700,000,000 in fiscal year 1987; and $1,700,000,000 in fiscal year 1988.".

DeCONCINI AMENDMENT NO. 89

Mr. DeCONCINI (for himself, Mr. CRANSTON, Mr. DODD, Mr. KERRY, Mr. MITCHELL, Mr. KENNEDY, Mr. BIDEN, Mr. CHAFEE, Mr. HOLLINGS and Mr. BENTSEN, and Mr. BOREN) proposed an amendment to amendment No. 43 proposed by Mr. DOLE (and Mr. DOMENICI) to the motion to recommit with instructions the concurrent resolution (S. Con. Res. 32), supra; as follows:

At the end of the pending amendment, add the following:

SEC. . It is the sense of the Senate that the amount of budget authority and outlays set forth in this concurrent resolution for the functional category of Income Security (600) for fiscal year 1985 are sufficient to ensure that $1,500,000,000 is apportioned among the States to carry out the Special Supplemental Food Program authorized by section 17 of the Child Nutrition Act of 1966 (commonly referred to as the WIC program); and it is assumed that the Office of Management and Budget should therefore release and apportion to the States the full amount of $1,500,000,000, which was appropriated for the WIC program for fiscal year 1985 since—

(1) Public Law 98-473 provided that, in carrying out the WIC program, funds shall be apportioned to the States based on an annual appropriation level of $1,500,000,000;

(2) the Conference Report on H.R. 5743 (H. Rept. 98-1071), the Agriculture, Rural Development and Related Agencies Appropriation Act, 1985, which was incorporated in Public Law 98-473, expresses the conferees' intent that the WIC program be carried out in such a manner as to fully obligate the $1,500,000,000 appropriated by Public Law 98-473 for such program for fiscal year 1985;

(3) such Conference Report also explicitly stated that any action to allocate funds inconsistent with a full-year appropriation level of $1,500,000,000 for the WIC program would be an improper withholding of funds; and

(4) the Office of Management and Budget has not made available to the Department of Agriculture for distribution to the States the full amount of funds intended by Congress to be allocated to the WIC program in any of the first three quarters of fiscal year 1985, and has not made funds available for such program during such quarters at the rate intended by the Congress.

LAUTENBERG (AND OTHERS) AMENDMENT NO. 90

Mr. LAUTENBERG (for himself, Mr. DODD, Mr. MOYNIHAN, Mr. WEICKER, Mr. KENNEDY, Mr. RIEGLE, Mr. LEVIN, Mr. KERRY, Mr. SARBANES, Mr. BAUCUS, Mr. BRADLEY, Mr. ROCKEFELLER, and Mr. BYRD) proposed an amendment to amendment No. 43 proposed by Mr. DOLE (and Mr. DOMENICI) to the motion to recommit the concurrent resolution (S. Con. Res. 32), supra; as follows:

In the pending amendment, do the following:

On page 3, increase the amount on line 12 by $2,000,000,000.
On page 3, increase the amount on line 13 by $2,500,000,000.
On page 3, increase the amount on line 14 by $2,900,000,000.
On page 3, increase the amount on line 18 by $800,000,000.
On page 3, increase the amount on line 19 by $1,400,000,000.
On page 3, increase the amount on line 20 by $2,100,000,000.
On page 3, increase the amount on line 25 by $800,000,000.
On page 4, increase the amount on line 1 by $1,400,000,000.
On page 4, increase the amount on line 2 by $2,100,000,000.
On page 4, increase the amount on line 6 by $800,000,000.
On page 4, increase the amount on line 7 by $2,200,000,000.
On page 4, increase the amount on line 8 by $4,300,000,000.
On page 4, increase the amount on line 12 by $800,000,000.
On page 4, increase the amount on line 13 by $1,400,000,000.
On page 4, increase the amount on line 14 by $2,100,000,000.
On page 16, increase the amount on line 20 by $1,600,000,000.
On page 16, increase the amount on line 21 by $800,000,000.
On page 17, increase the amount on line 4 by $2,100,000,000.
On page 17, increase the amount on line 5 by $1,200,000,000.
On page 17, increase the amount on line 13 by $2,500,000,000.
On page 17, increase the amount on line 14 by $1,600,000,000.
On page 18, increase the amount on line 8 by $400,000,000.
On page 18, increase the amount on line 17 by $400,000,000.
On page 18, increase the amount on line 18 by $100,000,000.
On page 19, increase the amount on line 1 by $400,000,000.
On page 19, increase the amount on line 2 by $200,000,000.
On page 33, increase the amount on line 2 by $100,000,000.
On page 33, increase the amount on line 3 by $100,000,000.
On page 33, increase the amount on line 11 and line 12 by $300,000,000.
On page 38, decrease the amount on line 10 by $1,315,000,000.
On page 38, decrease the amount on line 10 by $201,000,000.
On page 38, decrease the amount on line 11 by $1,839,000,000.
On page 38, decrease the amount on line 12 by $622,000,000.
On page 38, decrease the amount on line 13 by $2,212,000,000.
On page 38, decrease the amount on line 14 by $1,147,000,000.
On page 38, decrease the amount on line 24 by $684,000,000.
On page 38, decrease the amount on line 24 by $596,000,000.
On page 38, decrease the amount on line 25 by $684,000,000.
On page 39, decrease the amount on line 1 by $641,000,000.
On page 39, decrease the amount on line 2 by $684,000,000.
On page 39, decrease the second amount on line 2 by $684,000,000.
On page 41, decrease the amount on line 17 by $4,000,000.
On page 41, decrease the amount on line 19 by $16,000,000.
On page 41, decrease the amount on line 21 by $28,000,000.
On page 45, decrease the amount on line 8 by $440,000,000.
On page 45, decrease the second amount on line 8 by $22,000,000.
On page 45, decrease the amount on line 9 by $440,000,000.
On page 45, decrease the amount on line 10 by $111,000,000.
On page 45, decrease the first amount on line 11 by $440,000,000.
On page 45, decrease the second amount on line 11 by $221,000,000.
On page 46, decrease the amount on line 9 by $684,000,000.
On page 46, decrease the amount on line 10 by $596,000,000.
On page 46, decrease the first amount on line 11 by $684,000,000.
On page 46, decrease the second amount on line 11 by $641,000,000.
On page 46, decrease the amount on line 12 by $684,000,000.

On page 46, decrease the amount on line 13 by $684,000,000.
On page 49, decrease the first amount on line 17 by $875,000,000.
On page 49, decrease the second amount on line 17 by $179,000,000.
On page 49, decrease the amount on line 18 by $1,399,000,000.
On page 49, decrease the amount on line 19 by $511,000,000.
On page 49, decrease the first amount on line 20 by $1,772,000,000.
On page 49, decrease the second amount on line 20 by $926,000,000.
On page 52, increase the amount on line 1 by $2,000,000,000.
On page 52, increase the amount on line 3 by $2,500,000,000.
On page 52, increase the amount on line 4 by $2,900,000,000.

LEVIN (AND OTHERS) AMENDMENT NO. 91

Mr. LEVIN (for himself, Mr. DIXON, Mr. BINGAMAN, and Mr. SIMON) proposed an amendment to amendment No. 43 proposed by Mr. DOLE (and Mr. DOMENICI) to the motion to recommit the concurrent resolution (S. Con. Res. 32), supra; as follows:

On page 2, increase the amount on line 9 by $1,500,000,000.
On page 2, increase the amount on line 10 by $1,700,000,000.
On page 2, increase the amount on line 11 by $1,700,000,000.
On page 2, increase the amount on line 15 by $1,500,000,000.
On page 2, increase the amount on line 16 by $1,700,000,000.
On page 2, increase the amount on line 17 by $1,700,000,000.
On page 3, decrease the amount on line 25 by $1,500,000,000.
On page 4, decrease the amount on line 1 by $1,700,000,000.
On page 4, decrease the amount on line 2 by $1,700,000,000.
On page 4, decrease the amount on line 6 by $1,500,000,000.
On page 4, decrease the amount on line 7 by $3,200,000,000.
On page 4, decrease the amount on line 8 by $4,900,000,000.
On page 4, decrease the amount on line 12 by $1,500,000,000.
On page 4, decrease the amount on line 13 by $1,700,000,000.
On page 4, decrease the amount on line 14 by $1,700,000,000.

HOLLINGS (AND BUMPERS) AMENDMENT NO. 92

Mr. HOLLINGS (for himself, Mr. BUMPERS, and Mr. MITCHELL) proposed an amendment to amendment No. 43 proposed by Mr. DOLE (and Mr. DOMENICI) to the motion to recommit the concurrent resolution (S. Con. Res. 32), supra; as follows:

In the pending amendment, do the following:

On page 3, increase the amount on line 12 by $200,000,000.
On page 3, increase the amount on line 13 by $200,000,000.
On page 3, increase the amount on line 14 by $200,000,000.
On page 3, increase the amount on line 18 by $20,000,000.
On page 3, increase the amount on line 19 by $60,000,000.
On page 3, increase the amount on line 20 by $110,000,000.
On page 3, increase the amount on line 25 by $20,000,000.
On page 4, increase the amount on line 1 by $60,000,000.
On page 4, increase the amount on line 2 by $110,000,000.
On page 4, increase the amount on line 6 by $20,000,000.
On page 4, increase the amount on line 7 by $60,000,000.
On page 4, increase the amount on line 8 by $110,000,000.
On page 4, increase the amount on line 12 by $20,000,000.
On page 4, increase the amount on line 13 by $60,000,000.
On page 4, increase the amount on line 14 by $110,000,000.
On page 18, increase the amount on line 8 by $200,000,000.
On page 18, increase the amount on line 9 by $20,000,000.
On page 18, increase the amount on line 17 by $200,000,000.
On page 18, increase the amount on line 18 by $60,000,000.
On page 19, increase the amount on line 1 by $200,000,000.
On page 19, increase the amount on line 2 by $110,000,000.

DOLE (AND DOMENICI) AMENDMENT NO. 93

Mr. DOLE (for himself, Mr. DOMENICI, Mr. ABDNOR, Mr. ARMSTRONG, Mr. BOSCHWITZ, Mr. CHAFEE, Mr. DANFORTH, Mr. DURENBERGER, Mr. EVANS, Mr. GORTON, Mr. GRAMM, Mr. HATFIELD, Mr. HELMS, Mr. LAXALT, Mr. MCCONNELL, Mr. PACKWOOD, Mr. RUDMAN, Mr. SIMPSON, Mr. STAFFORD, Mr. SYMMS, Mr. THURMOND, Mr. TRIBLE, and Mr. WARNER) proposed an amendment to amendment No. 43 proposed by Mr. DOLE, (and Mr. DOMENICI) to the motion to recommit with instructions the concurrent resolution Senate Concurrent Resolution 32, supra; as follows:

In the pending amendment, strike all after the word "That", and insert in lieu thereof the following:

the Congress hereby determines and declares that the concurrent resolution on the budget for fiscal year 1985 is revised and replaced, the first concurrent resolution on the budget for fiscal year 1986 is established, and the appropriate budgetary levels for fiscal year 1987 and 1988 are set forth.

(a) The following budgetary levels are appropriate for the fiscal years beginning on October 1, 1984, October 1, 1985, October 1, 1986, and October 1, 1987:

(1) The recommended levels of Federal revenues are as follows:
Fiscal year 1985: $736,200,000,000.
Fiscal year 1986: $793,600,000,000.
Fiscal year 1987: $866,300,000,000.
Fiscal year 1988: $955,900,000,000.

and the amounts by which the aggregate levels of Federal revenues should be increased are as follows:
Fiscal year 1985: $0.
Fiscal year 1986: $900,000,000.
Fiscal year 1987: $2,000,000,000.
Fiscal year 1988: $3,400,000,000.

and the amounts for Federal Insurance Contributions Act revenues for hospital insurance within the recommended levels of Federal revenues are as follows:
Fiscal year 1985: $44,800,000,000.
Fiscal year 1986: $51,000,000,000.
Fiscal year 1987: $56,100,000,000.
Fiscal year 1988: $61,300,000,000.

and the amounts for Federal Insurance Contributons Act revenues for old-age, survivors, and disability insurance within the recommended levels of Federal revenues are as follows:
Fiscal year 1985: $186,200,000,000.
Fiscal year 1986: $200,700,000,000.
Fiscal year 1987: $216,900,000,000.
Fiscal year 1988: $248,300,000,000.

(2) The appropriate levels of total new budget authority are as follows:
Fiscal year 1985: $1,055,600,000,000.
Fiscal year 1986: $1,069,500,000,000.
Fiscal year 1987: $1,132,800,000,000.
Fiscal year 1988: $1,212,900,000,000.

(3) The appropriate levels of total budget outlays are as follows:
Fiscal year 1985: $949,100,000,000.
Fiscal year 1986: $965,000,000,000.
Fiscal year 1987: $1,011,100,000,000.
Fiscal year 1988: $1,060,200,000,000.

(4) The amounts of the deficits in the budget which are appropriate in the light of economic conditions and all other relevant factors are as follows:
Fiscal year 1985: $212,900,000,000.
Fiscal year 1986: $171,400,000,000.
Fiscal year 1987: $144,800,000,000.
Fiscal year 1988: $104,300,000,000.

(5) The appropriate levels of the public debt are as follows:
Fiscal year 1985: $1,849,300,000,000.
Fiscal year 1986: $2,086,500,000,000.
Fiscal year 1987: $2,312,700,000,000.
Fiscal year 1988: $2,525,200,000,000.

and the amounts by which the statutory limits on such debt should be accordingly increased are as follows:
Fiscal year 1985: $25,500,000,000.
Fiscal year 1986: $237,200,000,000.
Fiscal year 1987: $226,200,000,000.
Fiscal year 1988: $212,600,000,000.

(6) The appropriate levels of total Federal credit activity for the fiscal years beginning on October 1, 1984, October 1, 1985, October 1, 1986, and October 1, 1987, are as follows:
Fiscal year 1985:
(A) New direct loan obligations, $52,700,000,000.
(B) New primary loan guarantee commitments, $68,950,000,000.
(C) New secondary loan guarantee commitments, $68,200,000,000.
Fiscal year 1986:
(A) New direct loan obligations, $30,250,000,000.
(B) New primary loan guarantee commitments, $77,000,000,000.
(C) New secondary loan guarantee commitments, $68,200,000,000.
Fiscal year 1987:
(A) New direct loan obligations, $27,600,000,000.
(B) New primary loan guarantee commitments, $1,500,000,000.
(C) New secondary loan guarantee commitments, $68,200,000,000.
Fiscal year 1988:
(A) New direct loan obligations, $26,800,000,000.
(B) New primary loan guarantee commitments, $86,000,000,000.
(C) New secondary loan guarantee commitments, $68,200,000,000.

(b) The Congress hereby determines and declares the appropriate levels of budget authority and budget outlays, and the appro-

priate levels of new direct loan obligations, new primary loan guarantee commitments, and new secondary loan guarantee commitments for fiscal years 1985 through 1988 for each major functional category are:

(1) National Defense (050):

Fiscal year 1985:

(A) New budget authority, $292,600,000,000.

(B) Outlays, $252,000,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1986:

(A) New budget authority, $302,500,000,000.

(B) Outlays, $273,100,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1987:

(A) New budget authority, $323,400,000,000.

(B) Outlays, $292,100,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1988:

(A) New budget authority, $346,800,000,000.

(B) Outlays, $313,000,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

(2) International Affairs (150):

Fiscal year 1985:

(A) New budget authority, $25,300,000,000.

(B) Outlays, $18,000,000,000.

(C) New direct loan obligations, $11,500,000,000.

(D) New primary loan guarantee commitments, $10,300,000,000.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1986:

(A) New budget authority, $21,200,000,000.

(B) Outlays, $17,800,000,000.

(C) New direct loan obligations, $8,200,000,000.

(D) New primary loan guarantee commitments, $12,300,000,000.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1987:

(A) New budget authority, $20,400,000,000.

(B) Outlays, $17,100,000,000.

(C) New direct loan obligations, $7,800,000,000.

(D) New primary loan guarantee commitments, $12,300,000,000.

(E) New secondary loan guaranee commitments, $0.

Fiscal year 1988:

(A) New budget authority, $20,700,000,000.

(B) Outlays, $16,700,000,000.

(C) New direct loan obligations, $7,900,000,000.

(D) New primary loan guarantee commitments, $12,300,000,000.

(E) New secondary loan guarantee commitments, $0.

(3) General Science, Space, and Technology (250):

Fiscal year 1985:

(A) New budget authority, $9,100,000,000.

(B) Outlays, $8,700,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1986:

(A) New budget authority, $9,100,000,000.

(B) Outlays, $9,000,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1987:

(A) New budget authority, $9,000,000,000.

(B) Outlays, $8,800,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1988:

(A) New budget authority, $9,300,000,000.

(B) Outlays, $9,000,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

(4) Energy (270):

Fiscal year 1985:

(A) New budget authority, $1,600,000,000.

(B) Outlays, $6,500,000,000.

(C) New direct loan obligations, $1,700,000,000.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1986:

(A) New budget authority, $5,200,000,000.

(B) Outlays, $5,100,000,000.

(C) New direct loan obligations, $2,100,000,000.

(D) New primary loan guarantee commitments, $4,100,000,000.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1987:

(A) New buget authority, $5,200,000,000.

(B) Outlays, $4,600,000,000.

(C) New direct loan obligations, $1,700,000,000.

(D) New primary loan guarantee commitments, $300,000,000.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1988:

(A) New budget authority, $4,900,000,000.

(B) Outlays, $4,200,000,000.

(C) New direct loan obligations, $1,600,000,000.

(D) New primary loan guarantee commitments, $600,000,000.

(E) New secondary loan guarantee commitments, $0.

(5) Natural Resources and Environment (300):

Fiscal year 1985:

(A) New budget authority, $12,700,000,000.

(B) Outlays, $13,100,000,000.

(C) New direct loan obligations, $100,000,000.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1986:

(A) New budget authority, $12,200,000,000.

(B) Outlays, $12,500,000,000.

(C) New direct loan obligations, $100,000,000.

(D) New primary loan guarantee comitments, $0.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1987:

(A) New budget authority, $12,600,000,000.

(B) Outlays, $12,400,000,000.

(C) New direct loan obligations, $100,000,000.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1988:

(A) New budget authority, $12,800,000,000.

(B) Outlays, $12,500,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

(6) Agriculture (350):

Fiscal year 1985:

(A) New budget authority, $24,800,000,000.

(B) Outlays, $21,000,000,000.

(C) New direct loan obligations, $13,800,000,000.

(D) New primary loan guarantee commitments, $5,700,000,000.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1986:

(A) New budget authority, $17,200,000,000.

(B) Outlays, $14,500,000,000.

(C) New direct loan obligations, $11,700,000,000.

(D) New primary loan guarantee commitments, $9,000,000,000.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1987:

(A) New budget authority, $17,700,000,000.

(B) Outlays, $15,800,000,000.

(C) New direct loan obligations, $10,200,000,000.

(D) New primary loan guarantee commitments, $9,000,000,000.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1988:

(A) New budget authority, $17,000,000,000.

(B) Outlays, $12,900,000,000.

(C) New direct loan obligations, $9,100,000,000.

(D) New primary loan guarantee commitments, $9,000,000,000.

(E) New secondary loan guarantee commitments, $0.

(7) Commerce and Housing Credit (370):

Fiscal year 1985:

(A) New budget authority, $12,600,000,000.

(B) Outlays, $5,600,000,000.

(C) New direct loan obligations, $6,500,000,000.

(D) New primary loan guarantee commitments, $27,000,000,000.

(E) New secondary loan guarantee commitments, $68,200,000,000.

Fiscal year 1986:

(A) New budget authority, $6,800,000,000.

(B) Outlays, $3,400,000,000.

(C) New direct loan obligations, $4,200,000,000.

(D) New primary loan guarantee commitments, $28,400,000,000.

(E) New secondary loan guarantee commitments, $68,200,000,000.

Fiscal year 1987:

(A) New budget authority, $5,600,000,000.

(B) Outlays, $2,300,000,000.

(C) New direct loan obligations, $4,200,000,000.

(D) New primary loan guarantee commitments, $30,100,000,000.

(E) New secondary loan guarantee commitments, $68,200,000,000.

Fiscal year 1988:
(A) New budget authority, $6,100,000,000.
(B) Outlays, $5,100,000,000.
(C) New direct loan obligations, $4,500,000,000.
(D) New primary loan guarantee commitments, $31,900,000,000.
(E) New secondary loan guarantee commitments, $68,200,000,000.
(8) Transportation (400):
Fiscal year 1985:
(A) New budget authority, $29,600,000,000.
(B) Outlays, $26,100,000,000.
(C) New direct loan obligations, $300,000,000.
(D) New primary loan guarantee commitments, $300,000,000.
(E) New secondary loan guarantee commitments, $0.
Fiscal year 1986:
(A) New budget authority, $27,200,000,000.
(B) Outlays, $26,100,000,000.
(C) New direct loan obligations, $200,000,000.
(D) New primary loan guarantee commitments, $300,000,000.
(E) New secondary loan guarantee commitments, $0.
Fiscal year 1987:
(A) New budget authority, $27,900,000,000.
(B) Outlays, $27,700,000,000.
(C) New direct loan obligations, $100,000,000.
(D) New primary loan guarantee commitments, $300,000,000.
(E) New secondary loan guarantee commitments, $0.
Fiscal year 1988:
(A) New budget authority, $27,300,000,000.
(B) Outlays, $27,400,000,000.
(C) New direct loan obligations, $100,000,000.
(D) New primary loan guarantee commitments, $300,000,000.
(E) New secondary loan guarantee commitments, $0.
(9) Community and Regional Development (450):
Fiscal year 1985:
(A) New budget authority, $8,400,000,000.
(B) Outlays, $8,700,000,000.
(C) New direct loan obligations, $1,800,000,000.
(D) New primary loan guarantee commitments, $200,000,000.
(E) New secondary loan guarantee commitments, $0.
Fiscal year 1986:
(A) New budget authority, $6,600,000,000.
(B) Outlays, $7,900,000,000.
(C) New direct loan obligations, $1,200,000,000.
(D) New primary loan guarantee commitments, $200,000,000.
(E) New secondary loan guarantee commitments, $0.
Fiscal year 1987:
(A) New budget authority, $6,700,000,000.
(B) Outlays, $7,100,000,000.
(C) New direct loan obligations, $1,100,000,000.
(D) New primary loan guarantee commitments, $200,000,000.
(E) New secondary loan guarantee commitments, $0.
Fiscal year 1988:
(A) New budget authority, $7,100,000,000.
(B) Outlays, $6,700,000,000.
(C) New direct loan obligations, $1,300,000,000.
(D) New primary loan guarantee commitments, $200,000,000.
(E) New secondary loan guarantee commitments, $0.
(10) Education, Training, Employment, and Social Services (500):
Fiscal year 1985:
(A) New budget authority, $31,600,000,000.
(B) Outlays, $30,300,000,000.
(C) New direct loan obligations, $1,100,000,000.
(D) New primary loan guarantee commitments, $8,700,000,000.
(E) New secondary loan guarantee commitments, $0.
Fiscal year 1986:
(A) New budget authority, $30,100,000,000.
(B) Outlays, $30,300,000,000.
(C) New direct loan obligations, $1,100,000,000.
(D) New primary loan guarantee commitments, $9,000,000,000.
(E) New secondary loan guarantee commitments, $0.
Fiscal year 1987:
(A) New budget authority, $30,700,000,000.
(B) Outlays, $29,900,000,000.
(C) New direct loan obligations, $1,100,000,000.
(D) New primary loan guarantee commitments, $9,400,000,000.
(E) New secondary loan guarantee commitments, $0.
Fiscal year 1988:
(A) New budget authority, $31,300,000,000.
(B) Outlays, $30,400,000,000.
(C) New direct loan obligations, $1,100,000,000.
(D) New primary loan guarantee commitments, $9,600,000,000.
(E) New secondary loan guarantee commitments, $0.
(11) Health (550):
Fiscal year 1985:
(A) New budget authority, $33,600,000,000.
(B) Outlays, $33,500,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $200,000,000.
(E) New secondary loan guarantee commitments, $0.
Fiscal year 1986:
(A) New budget authority, $35,700,000,000.
(B) Outlays, $35,300,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $200,000,000.
(E) New secondary loan guarantee commitments, $0.
Fiscal year 1987:
(A) New budget authority, $38,200,000,000.
(B) Outlays, $37,800,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $300,000,000.
(E) New secondary loan guarantee commitments, $0.
Fiscal year 1988:
(A) New budget authority, $40,800,000,000.
(B) Outlays, $40,300,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $300,000,000.
(E) New secondary loan guarantee commitments, $0.
(12) Medical Insurance (570):
Fiscal year 1985:
(A) New budget authority, $71,800,000,000.
(B) Outlays, $65,200,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $0.
(E) New secondary loan guarantee commitments, $0.
Fiscal year 1986:
(A) New budget authority, $81,900,000,000.
(B) Outlays, $68,300,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $0.
(E) New secondary loan guarantee commitments, $0.
Fiscal year 1987:
(A) New budget authority, $91,200,000,000.
(B) Outlays, $74,800,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $0.
(E) New secondary loan guarantee commitments, $0.
Fiscal year 1988:
(A) New budget authority, $94,800,000,000.
(B) Outlays, $82,700,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $0.
(E) New secondary loan guarantee commitments, $0.
(13) Income Security (600):
Fiscal year 1985:
(A) New budget authority, $162,800,000,000.
(B) Outlays, $128,600,000,000.
(C) New direct loan obligations, $14,300,000,000.
(D) New primary loan guarantee commitments, $0.
(E) New secondary loan guarantee commitments, $0.
Fiscal year 1986:
(A) New budget authority, $155,400,000,000.
(B) Outlays, $116,600,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $1,800,000,000.
(E) New secondary loan guarantee commitments, $0.
Fiscal year 1987:
(A) New budget authority, $164,900,000,000.
(B) Outlays, $120,600,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $2,300,000,000.
(E) New secondary loan guarantee commitments, $0.
Fiscal year 1988:
(A) New budget authority, $173,900,000,000.
(B) Outlays, $125,700,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $1,800,000,000.
(E) New secondary loan guarantee commitments, $0.
(14) Social Security (650):
Fiscal year 1985:
(A) New budget authority, $195,500,000,000.
(B) Outlays, $189,300,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $0.
(E) New secondary loan guarantee commitments, $0.
Fiscal year 1986:
(A) New budget authority, $207,400,000,000.
(B) Outlays, $194,900,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $0.
(E) New secondary loan guarantee commitments, $0.
Fiscal year 1987:
(A) New budget authority, $225,500,000,000.
(B) Outlays, $205,900,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.
Fiscal year 1988:
(A) New budget authority, $266,100,000,000.
(B) Outlays, $220,000,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $0.
(E) New secondary loan guarantee commitments, $0.
(15) Veterans Benefits and Services (700):
Fiscal year 1985:
(A) New budget authority, $27,200,000,000.
(B) Outlays, $26,300,000,000.
(C) New direct loan obligations, $1,300,000,000.
(D) New primary loan guarantee commitments, $16,800,000,000.
(E) New secondary loan guarantee commitments, $0.
Fiscal year 1986:
(A) New budget authority, $26,700,000,000.
(B) Outlays, $26,100,000,000.
(C) New direct loan obligations, $1,300,000,000.
(D) New primary loan guarantee commitments, $15,300,000,000.
(E) New secondary loan guarantee commitments, $0.
Fiscal year 1987:
(A) New budget authority, $26,800,000,000.
(B) Outlays, $26,200,000,000.
(C) New direct loan obligations, $1,200,000,000.
(D) New primary loan guarantee commitments, $17,400,000,000.
(E) New secondary loan guarantee commitments, $0.
Fiscal year 1988:
(A) New budget authority, $27,200,000,000.
(B) Outlays, $26,700,000,000.
(C) New direct loan obligations, $1,200,000,000.
(D) New primary loan guarantee commitments, $20,100,000,000.
(E) New secondary loan guarantee commitments, $0.
(16) Administration of Justice (750):
Fiscal year 1985:
(A) New budget authority, $6,600,000,000.
(B) Outlays, $6,400,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $0.
(E) New secondary loan guarantee commitments, $0.
Fiscal year 1986:
(A) New budget authority, $6,800,000,000.
(B) Outlays, $6,700,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $0.
(E) New secondary loan guarantee commitments, $0.
Fiscal year 1987:
(A) New budget authority, $6,900,000,000.
(B) Outlays, $6,900,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $0.
(E) New secondary loan guarantee commitments, $0.
Fiscal year 1988:
(A) New budget authority, $7,000,000,000.
(B) Outlays, $7,000,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $0.
(E) New secondary loan guarantee commitments, $0.
(17) General Government (800):
Fiscal year 1985:
(A) New budget authority, $5,800,000,000.
(B) Outlays, $5,800,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $0.
(E) New secondary loan guarantee commitments, $0.
Fiscal year 1986:
(A) New budget authority, $5,300,000,000.
(B) Outlays, $5,200,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $0.
(E) New secondary loan guarantee commitments, $0.
Fiscal year 1987:
(A) New budget authority, $5,400,000,000.
(B) Outlays, $5,200,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $0.
(E) New secondary loan guarantee commitments, $0.
Fiscal year 1988:
(A) New budget authority, $5,500,000,000.
(B) Outlays, $5,500,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $0.
(E) New secondary loan guarantee commitments, $0.
(18) General Purpose Fiscal Assistance (850):
Fiscal year 1985:
(A) New budget authority, $6,400,000,000.
(B) Outlays, $6,400,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $0.
(E) New secondary loan guarantee commitments, $0.
Fiscal year 1986:
(A) New budget authority, $6,500,000,000.
(B) Outlays, $6,500,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $0.
(E) New secondary loan guarantee commitments, $0.
Fiscal year 1987:
(A) New budget authority, $2,000,000,000.
(B) Outlays, $3,200,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $0.
(E) New secondary loan guarantee commitments, $0.
Fiscal year 1988:
(A) New budget authority, $2,100,000,000.
(B) Outlays, $2,100,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $0.
(E) New secondary loan guarantee commitments, $0.
(19) Net Interest (900):
Fiscal year 1985:
(A) New budget authority, $129,700,000,000.
(B) Outlays, $129,700,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $0.
(E) New secondary loan guarantee commitments, $0.
Fiscal year 1986:
(A) New budget authority, $142,300,000,000.
(B) Outlays, $142,300,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $0.
(E) New secondary loan guarantee commitments, $0.
Fiscal year 1987:
(A) New budget authority, $152,100,000,000.
(B) Outlays, $152,100,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $0.
(E) New secondary loan guarantee commitments, $0.
Fiscal year 1988:
(A) New budget authority, $153,900,000,000.
(B) Outlays, $153,900,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $0.
(E) New secondary loan guarantee commitments, $0.
(20) Allowances (920):
Fiscal year 1985:
(A) New budget authority, $300,000,000.
(B) Outlays, $300,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $0.
(E) New secondary loan guarantee commitments, $0.
Fiscal year 1986:
(A) New budget authority, −$1,600,000,000.
(B) Outlays, −$1,600,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $0.
(E) New secondary loan guarantee commitments, $0.
Fiscal year 1987:
(A) New budget authority, −$1,600,000,000.
(B) Outlays, −$1,600,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $0.
(E) New secondary loan guarantee commitments, $0.
Fiscal year 1988:
(A) New budget authority, −$600,000,000.
(B) Outlays, −$500,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $0.
(E) New secondary loan guarantee commitments, $0.
(21) Undistributed Offsetting Receipts (950):
Fiscal year 1985:
(A) New budget authority, −$32,400,000,000.
(B) Outlays, −$32,400,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $0.
(E) New secondary loan guarantee commitments, $0.
Fiscal year 1986:
(A) New budget authority, −$35,000,000,000.
(B) Outlays, −$35,000,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $0.
(E) New secondary loan guarantee commitments, $0.
Fiscal year 1987:
(A) New budget authority, −$37,800,000,000.
(B) Outlays, −$37,800,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $0.
(E) New secondary loan guarantee commitments, $0.
Fiscal year 1988:
(A) New budget authority, −$41,100,000,000.

(B) Outlays, −$41,100,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $0.
(E) New secondary loan guarantee commitments, $0.

RECONCILIATION

SEC. 2. (a) Not later than June 30, 1985, the committees named in subsections (b) through (bb) of this section shall submit their recommendations to the Committees on the Budget of their respective Houses. After receiving those recommendations, the Committees on the Budget shall report to the House and Senate a reconciliation bill or resolution or both carrying out all such recommendations without any substantive revision.

SENATE COMMITTEES

(b) The Senate Committee on Agriculture, Nutrition, and Forestry shall report (1) changes in laws within its jurisdiction which provide spending authority as defined in section 401(c)(2)(C) of the Congressional Budget Act of 1974, sufficient to reduce budget authority and outlays, (2) changes in laws within its jurisdiction other than those which provide spending authority as defined in section 401(c)(2)(C) of the Act, sufficient to achieve savings in budget authority and outlays, or (3) any combination thereof, as follows: $3,577,000,000 in budget authority and $3,860,000,000 in outlays in fiscal year 1986, $3,280,000,000 in budget authority and $5,097,000,000 in outlays in fiscal year 1987, and $3,571,000,000 in budget authority and $8,689,000,000 in outlays in fiscal year 1988.

(c) The Senate Committee on Armed Services shall report changes in laws within its jurisdiction which provide spending authority as defined in section 401(c)(2)(C) of the Congressional Budget Act of 1974, sufficient to achieve savings of $0 in budget authority and $539,000,000 in outlays in fiscal year 1986, $0 in budget authority and $942,000,000 in outlays in fiscal year 1987, and $0 in budget authority and $1,073,000,000 in outlays in fiscal year 1988.

(d) The Senate Committee on Banking, Housing, and Urban Affairs shall report (1) changes in laws within its jurisdiction which provide spending authority as defined in section 401(c)(2)(C) of the Congressional Budget Act of 1974, sufficient to reduce budget authority and outlays, (2) changes in laws within its jurisdiction other than those which provide spending authority as defined in section 401(c)(2)(C) of the Act, sufficient to achieve savings in budget authority and outlays, or (3) any combination thereof, as follows: $8,895,000,000 in budget authority and $3,959,000,000 in outlays in fiscal year 1986, $9,638,000,000 in budget authority and $5,937,000,000 in outlays in fiscal year 1987, and $10,905,000,000 in budget authority and $7,055,000,000 in outlays in fiscal year 1988.

(e) The Senate Committee on Commerce, Science, and Transportation shall report (1) changes in laws within its jurisdiction which provide spending authority as defined in section 401(c)(2)(C) of the Congressional Budget Act of 1974, sufficient to reduce budget authority and outlays, (2) changes in laws within its jurisdiction other than those which provide spending authority as defined in section 401(c)(2)(C) of the Act, sufficient to achieve savings in budget authority and outlays, or (3) any combination thereof, as follows: $2,006,000,000 in budget authority and $1,679,000,000 in outlays in fiscal year 1986, $781,000,000 in budget authority and $471,000,000 in outlays in fiscal year 1987, and $987,000,000 in budget authority and $706,000,000 in outlays in fiscal year 1988.

(f) The Senate Committee on Energy and Natural Resources shall report (1) changes in laws within its jurisdiction which provide spending authority as defined in section 401(c)(2)(C) of the Congressional Budget Act of 1974, sufficient to reduce budget authority and outlays, (2) changes in laws within its jurisdiction other than those which provide spending authority as defined in section 401(c)(2)(C) of the Act, sufficient to achieve savings in budget authority and outlays, or (3) any combination thereof, as follows: $3,014,000,000 in budget authority and $2,265,000,000 in outlays in fiscal year 1986, $2,836,000,000 in budget authority and $2,666,000,000 in outlays in fiscal year 1987, and $2,847,000,000 in budget authority and $2,925,000,000 in outlays in fiscal year 1988.

(g) The Senate Committee on Environmental and Public Works shall report (1) changes in laws within its jurisdiction which provide spending authority as defined in section 401(c)(2)(C) of the Congressional Budget Act of 1974, sufficient to reduce budget authority and outlays, (2) changes in laws within its jurisdiction other than those which provide spending authority as defined in section 401(c)(2)(C) of the Act, sufficient to achieve savings in budget authority and outlays, or (3) any combination thereof, as follows: $723,000,000 in budget authority and $310,000,000 in outlays in fiscal year 1986, $1,221,000,000 in budget authority and $1,393,000,000 in outlays in fiscal year 1987, and $1,738,000,000 in budget authority and $2,066,000,000 in outlays in fiscal year 1988.

(h) The Senate Committee on Finance shall report (1) changes in laws within its jurisdiction which provide spending authority as defined in section 401(c)(2)(C) of the Congressional Budget Act of 1974, sufficient to reduce budget authority and outlays, (2) changes in laws within its jurisdiction other than those which provide spending authority as defined in section 401(c)(2)(C) of the Act, sufficient to achieve savings in budget authority and outlays, or (3) any combination thereof, as follows: $0 in budget authority and $10,847,000,000 in outlays in fiscal year 1986, $0 in budget authority and $18,608,000,000 in outlays in fiscal year 1987, and $0 in budget authority and $22,429,000,000 in outlays in fiscal year 1988.

(i) The Senate Committee on Foreign Relations shall report (1) changes in laws within its jurisdiction which provide spending authority as defined in section 401(c)(2)(C) of the Congressional Budget Act of 1974, sufficient to reduce budget authority and outlays, (2) changes in laws within its jurisdiction other than those which provide spending authority as defined in section 401(c)(2)(C) of the Act, sufficient to achieve savings in budget authority and outlays, or (3) any combination thereof, as follows: $192,000,000 in budget authority and $47,000,000 in outlays in fiscal year 1986, $275,000,000 in budget authority and $109,000,000 in outlays in fiscal year 1987, and $282,000,000 in budget authority and $140,000,000 in outlays in fiscal year 1988.

(j) The Senate Committee on Governmental Affairs shall report (1) changes in laws within its jurisdiction which provide spending authority as defined in section 401(c)(2)(C) of the Congressional Budget Act of 1974, (2) changes in laws within its jurisdiction other than those which provide spending authority as defined in section 401(c)(2)(C) of the Act, or (3) any combination thereof, sufficient to achieve increases in contributions and savings in budget authority and outlays as follows: $375,000,000 in contributions, $0 in budget authority and $3,654,000,000 in outlays in fiscal year 1986, $1,325,000,000 in contributions, $0 in budget authority and $7,651,000,000 in outlays in fiscal year 1987, and $1,370,000,000 in contributions, $0 in budget authority and $8,889,000,000 in outlays in fiscal year 1988.

(k) The Senate Committee on Labor and Human Resources shall report (1) changes in laws within its jurisdiction which provide spending authority as defined in section 401(c)(2)(C) of the Congressional Budget Act of 1974, sufficient to reduce budget authority and outlays, (2) changes in laws within its jurisdiction other than those which provide spending authority as defined in section 401(c)(2)(C) of the Act, sufficient to achieve savings in budget authority and outlays, or (3) any combination thereof, as follows: $1,380,000,000 in budget authority and $668,000,000 in outlays in fiscal year 1986, $1,808,000,000 in budget authority and $1,687,000,000 in outlays in fiscal year 1987, and $2,130,000,000 in budget authority and $2,242,000,000 in outlays in fiscal year 1988.

(l) The Senate Committee on Small Business shall report (1) changes in laws within its jurisdiction which provide spending authority as defined in section 401(c)(2)(C) of the Congressional Budget Act of 1974, sufficient to reduce budget authority and outlays, (2) changes in laws within it jurisdiction other than those which provide spending authority as defined in section 401(c)(2)(C) of the Act, sufficient to achieve savings in budget authority and outlays, or (3) any combination thereof, as follows: $460,000,000 in budget authority and $504,000,000 in outlays in fiscal year 1986, $629,000,000 in budget authority and $1,028,000,000 in outlays in fiscal year 1987, and $1,117,000,000 in budget authority and $1,044,000,000 in outlays in fiscal year 1988.

(m) The Senate Committee on Veterans' Affairs shall report (1) changes in laws within its jurisdiction which provide spending authority as defined in section 401(c)(2)(C) of the Congressional Budget Act of 1974, sufficient to reduce budget authority and outlays, (2) changes in laws within its jurisdiction other than those which provide spending authority as defined in section 401(c)(2)(C) of the Act, sufficient to achieve savings in budget authority and outlays, or (3) any combination thereof, as follows: $1,076,000,000 in budget authority and $986,000,000 in outlays in fiscal year 1986, $1,344,000,000 in budget authority and $1,534,000,000 in outlays in fiscal year 1987, and $1,741,000,000 in outlays in fiscal year 1988.

(n) The Senate Select Committee on Indian Affairs shall report (1) changes in laws within its jurisdiction which provide spending authority as defined in section 401(c)(2)(C) of the Congressional Budget Act of 1974, sufficient to reduce budget authority and outlays, (2) changes in laws within its jurisdiction other than those which provide spending authority as defined in section 401(c)(2)(C) of the Act, sufficient to achieve savings in budget authority and outlays, or (3) any combination thereof, as follows: $148,000,000 in budget authority and $61,000,000 in outlays in fiscal year 1986, $153,000,000 in budget authority and $116,000,000 in outlays in fiscal year 1987, and $159,000,000 in budget authority and $137,000,000 in outlays in fiscal year 1988.

(o) The Senate Committee on Energy and Natural Resources, pursuant to section (f), and the Senate Committee on Agriculture, Nutrition and Forestry, pursuant to subsection (b), shall review (1) changes in laws

within their jurisdiction which provide spending authority as defined in section 401(c)(2)(C) of the Congressional Budget Act of 1974, sufficient to reduce budget authority and outlays, (2) changes in laws within their jurisdiction other than those which provide spending authority as defined in section 401(c)(2)(C) of the Act, sufficient to achieve savings in budget authority and outlays, or (3) any combination thereof, as follows: $52,000,000 in budget authority and $12,000,000 in outlays in fiscal year 1986, $113,000,000 in budget authority and $86,000,000 in outlays in fiscal year 1987; and $127,000,000 in budget authority and $111,000,000 in outlays in fiscal year 1988.

HOUSE COMMITTEES

(p) The House Committee on Agriculture shall report (1) changes in laws within its jurisdiction which provide spending authority as defined in section 401(c)(2)(C) of the Congressional Budget Act of 1974, sufficient to reduce budget authority and outlays, (2) changes in laws within its jurisdiction other than those which provide spending authority as defined in section 401(c)(2)(C) of the Act, sufficient to achieve savings in budget authority and outlays, or (3) any combination thereof, as follows: $3,577,000,000 in budget authority and $3,860,000,000 in outlays in fiscal year 1986, $3,280,000,000 in budget authority and $5,097,000,000 in outlays in fiscal year 1987, and $3,591,000,000 in budget authority and $8,689,000,000 in outlays in fiscal year 1988.

(q) The House Committee on Armed Services shall report changes in laws within its jurisdiction which provide spending authority as defined in section 401(c)(2)(C) of the Congressional Budget Act of 1974, sufficient to achieve savings of $0 in budget authority and $539,000,000 in outlays in fiscal year 1986, $0 in budget authority and $942,000,000 in outlays in fiscal year 1987, and $0 in budget authority and $1,073,000,000 in outlays in fiscal year 1988.

(r) The House Committee on Banking, Finance and Urban Affairs shall report (1) changes in laws within its jurisdiction which provide spending authority as defined in section 401(c)(2)(C) of the Congressional Budget Act of 1974, sufficient to reduce budget authority and outlays, (2) changes in laws within its jurisdiction other than those which provide spending authority as defined in section 401(c)(2)(C) of the Act, sufficient to achieve savings in budget authority and outlays, or (3) any combination thereof, as follows: $7,932,000,000 in budget authority and $3,774,000,000 in outlays in fiscal year 1986, $8,490,000,000 in budget authority and $5,508,000,000 in outlays in fiscal year 1987, and $9,125,000,000 in budget authority and $6,303,000,000 in outlays in fiscal year 1988.

(s) The House Committee on Education and Labor shall report (1) changes in laws within its jurisdiction which provide spending authority as defined in section 401(c)(2)(C) of the Congressional Budget Act of 1974, sufficient to reduce budget authority and outlays, (2) changes in laws within its jurisdiction other than those which provide spending authority as defined in section 401(c)(2)(C) of the Act, sufficient to achieve savings in budget authority and outlays, or (3) any combination thereof, as follows: $1,137,000,000 in budget authority and $821,000,000 in outlays in fiscal year 1986, $1,553,000,000 in budget authority and $1,784,000,000 in outlays in fiscal year 1987, and $1,861,000,000 in budget authority and $2,298,000,000 in outlays in fiscal year 1988.

(t) The House Committee on Energy and Commerce shall report (1) changes in laws within its jurisdiction which provide spending authority as defined in section 401(c)(2(C) of the Congressional Budget Act of 1974, sufficient to reduce budget authority and outlays, (2) changes in laws within its jurisdiction other than those which provide spending authority as defined in section 401(c)(2)(C) of the Act, sufficient to achieve savings in budget authority and outlays, or (3) any combination thereof, as follows: $4,205,000,000 in budget authority and $7,308,000,000 in outlays in fiscal year 1986, $2,900,000,000 in budget authority and $8,450,000,000 in outlays in fiscal year 1987, and $2,987,000,000 in budget authority and $10,994,000,000 in outlays in fiscal year 1988.

(u) The House Committee on Foreign Affairs shall report (1) changes in laws within its jurisdiction which provide spending authority as defined in section 401(c)(2)(C) of the Congressional Budget Act of 1974, sufficient to reduce budget authority and outlays, (2) changes in laws within its jurisdiction other than those which provide spending authority as defined in section 401(c)(2)(C) of the Act, sufficient to achieve savings in budget authority and outlays, or (3) any combination thereof, as follows: $192,000,000 in budget authority and $47,000,000 in outlays in fiscal year 1986, $275,000,000 in budget authority and $109,000,000 in outlays in fiscal year 1987, and $282,000,000 in budget authority and $140,000,000 in outlays in fiscal year 1988.

(v) The House Committee on Government Operations shall report (1) changes in laws within its jurisdiction which provide spending authority as defined in section 401(c)(2)(C) of the Congressional Budget Act of 1974, sufficient to reduce budget authority and outlays, (2) changes in laws within its jurisdiction other than those which provide spending authority as defined in section 401(c)(2)(C) of the Act, sufficient to achieve savings in budget authority and outlays, or (3) any combination thereof, as follows: $0 in budget authority and $64,000,000 in outlays in fiscal year 1986, $0 in budget authority and $3,699,000,000 in outlays in fiscal year 1987, and $0 in budget authority and $5,203,000,000 in outlays in fiscal year 1988.

(w) The House Committee on Interior and Insular Affairs shall report (1) changes in laws within its jurisdiction which provide spending authority as defined in section 401(c)(2)(C) of the Congressional Budget Act of 1974, sufficient to reduce budget authority and outlays, (2) changes in laws within its jurisdiction other than those which provide spending authority as defined in section 401(c)(2)(C) of the Act, sufficient to achieve savings in budget authority and outlays, or (3) any combination thereof, as follows: $540,000,000 in budget authority and $292,000,000 in outlays in fiscal year 1986, $559,000,000 in budget authority and $402,000,000 in outlays in fiscal year 1987, and $634,000,000 in budget authority and $526,000,000 in outlays in fiscal year 1988.

(x) The House Committee on Merchant Marine and Fisheries shall report (1) changes in laws within its jurisdiction which provide spending authority as defined in section 401(c)(2)(C) of the Congressional Budget Act of 1974, sufficient to reduce budget authority and outlays, (2) changes in laws within its jurisdiction other than those which provide spending authority as defined in section 401(c)(2)(C) of the Act, sufficient to achieve savings in budget authority and outlays, or (3) any combination thereof, as follows: $405,000,000 in budget authority and $383,000,000 in outlays in fiscal year 1986, $206,000,000 in budget authority and $194,000,000 in outlays in fiscal year 1987, and $212,000,000 in budget authority and $204,000,000 in outlays in fiscal year 1988.

(v) The House Committee on Post Office and Civil Service shall report (1) changes in laws within its jurisdiction which provide spending authority as defined in section 401(c)(2)(C) of the Congressional Budget Act of 1974, (2) changes in laws within its jurisdiction other than those which provide spending authority as defined in section 401(c)(2)(C) of the Act, or (3) any combination thereof, sufficient to achieve increases in contributions and savings in budget authority and outlays as follows: $375,000,000 in contributions, $0 in budget authority and $3,590,000,000 in outlays in fiscal year 1986, $1,325,000,000 in contributions, $0 in budget authority and $7,502,000,000 in outlays in fiscal year 1987, and $1,370,000,000 in contributions, $0 in budget authority and $8,642,000,000 in outlays in fiscal year 1988.

(z) The House Committee on Public Works and Transportation shall report (1) changes in laws within its jurisdiction which provide spending authority as defined in section 401(c)(2)(C) of the Congressional Budget Act of 1974, sufficient to reduce budget authority and outlays, (2) changes in laws within its jurisdiction other than those which provide spending authority as defined in section 401(c)(2)(C) of the Act, sufficient to achieve savings in budget authority and outlays, or (3) any combination thereof, as follows: $1,895,000,000 in budget authority and $469,000,000 in outlays in fiscal year 1986, $2,616,000,000 in budget authority and $1,833,000,000 in outlays in fiscal year 1987, and $3,820,000,000 in budget authority and $2,897,000,000 in outlays in fiscal year 1988.

(aa) The House Committee on Small Business shall report (1) changes in laws within its jurisdiction which provide spending authority as defined in section 401(c)(2)(C) of the Congressional Budget Act of 1974, sufficient to reduce budget authority and outlays, (2) changes in laws within its jurisdiction other than those which provide spending authority as defined in section 401(c)(2)(C) of the Act, sufficient to achieve savings in budget authority and outlays, or (3) any combination thereof, as follows: $460,000,000 in budget authority and $504,000,000 outlays in fiscal year 1986, $629,000,000 in budget authority and $1,028,000,000 in outlays in fiscal year 1987, and $1,117,000,000 in budget authority and $1,044,000,000 in outlays in fiscal year 1988.

(bb) The House Committee on Veterans' Affairs shall report (1) changes in laws within its jurisdiction which provide spending authority as defined in section 401(c)(2)(C) of the Congressional Budget Act of 1974, sufficient to reduce budget authority and outlays, (2) changes in laws within its jurisdiction other than those which provide spending authority as defined in section 401(c)(2)(C) of the Act, sufficient to achieve savings in budget authority and outlays, or (3) any combination thereof, as follows: $1,076,000,000 in budget authority and $986,000,000 in outlays in fiscal year 1986, $1,344,000,000 in budget authority and $1,534,000,000 in outlays in fiscal year 1987, and $1,457,000,000 in budget authority and $1,741,000,000 in outlays in fiscal year 1988.

(cc) The House Committee on Ways and Means shall report (1) changes in laws within its jurisdiction which provide spending authority as defined in section 401(c)(2)(C) of the Congressional Budget Act of 1974, sufficient to reduce budget au-

thority and outlays, (2) changes in laws within its jurisdiction other than those which provide spending authority as defined in section 401(c)(2)(C) of the Act, sufficient to achieve savings in budget authority and outlays, or or (3) any combination thereof, as follows: $0 in budget authority and $10,330,000,000 in outlays in fiscal year 1986, $0 in budget authority and $14,370,000,000 in outlays in fiscal year 1987, and $0 in budget authority and $16,671,000,000 in outlays in fiscal year 1988.

APPROPRIATIONS

SEC. 3. (a) It shall not be in order to consider any measure making appropriations in the Senate or House of Representatives, if the enactment of such bill or resolution, as recommended by the respective Committee on Appropriations, would cause the aggregate total budget authority for function 050, National Defense, to exceed $303,200,000,000 in fiscal year 1986; aggregate total budget authority to exceed $324,100,000,000 in fiscal year 1987; and aggregate total budget authority to exceed $347,600,000,000 in fiscal year 1988.

(b) It shall not be in order to consider any measure making appropriations in the Senate and House of Representatives, if the enactment of such bill or resolution, as recommended by the respective Committee on Appropriations, would cause the aggregate total budget authority for nondefense discretionary activities to exceed $140,800,000,000 in fiscal year 1986; aggregate total budget authority to exceed $143,800,000,000 in fiscal year 1987; and aggregate budget authority to exceed $149,300,000,000 in fiscal year 1988.

(c) The provisions of subsection (a) or (b) of this section may be waived or suspended in the Senate by a majority vote of the Members voting, a quorum being present, or by unanimous consent of the Senate.

MISCELLANEOUS PROVISIONS

SEC. 4. If the Congress has not completed action by October 1, 1985, on the concurrent resolution on the budget required to be reported under section 310(a) of the Congressional Budget Act of 1974 for fiscal year 1986, then, for purposes of section 311 of such Act, this concurrent resolution shall be deemed to be the concurrent resolution required to be reported under section 310 of such Act.

SEC. 5. It shall not be in order in the House of Representatives or the Senate during fiscal years 1986 and 1987 to consider any bill, resolution, or amendment, except proposed legislation reported in response to reconciliation instructions contained in this resolution, authorizing new direct loan obligations or new loan guarantee commitments unless that bill, resolution, or amendment also provides that the authority to make or guarantee such loans shall be effective only to such extent and in such amounts as are contained in appropriation acts. This section shall not be applicable to agricultural price support and related programs of the type in operation on January 1, 1985, that are funded through the Commodity Credit Corporation.

SEC. 6. It is the sense of the Congress that the previous distinction between "unified budget" and "off-budget" spending be ended, and that budget authority and outlays for the so-called "off-budget" agencies be included in the budget totals.

SEC. 7. (a) The Senate finds that—

(1) the existing tax structure of the United States distorts economic activity, leading to an inefficient use of national resources and a weakening of our domestic economic vitality and competitive posture in international markets;

(2) the relative tax burdens among various taxpayer categories are manifestly unfair insofar as they arise from differences in the capabilities of taxpayers to take advantage of complicated tax laws;

(3) the ability of the Federal Government to plan and conduct rational fiscal policy is frustrated by elaborate schemes to avoid taxation and the unintended effects of tax incentives and penalities;

(4) progressive erosion of voluntary compliance threatens the fiscal integrity of our public finances and the confidence of our citizens in the Federal Government's capacity to govern; and

(5) a number of plans, each designed to simplify and reform the Tax Code, have been before the Congress for a time sufficient to allow for extensive analysis and evaluation.

(b) It is therefore the sense of the Senate that tax reform should be adopted as soon as possible, and that it should incorporate the following principles and objectives:

(1) efficiency and responsiveness to market conditions in the economic activities of American businesses and consumers;

(2) simplicity of structure and lower marginal tax rates;

(3) a fair and equitable distribution of the tax burden among all taxpayers, with relief for those below the poverty level, and incentives to bring them into the work force;

(4) a broader tax base, with deductions essential to avoid genuine hardship or to protect the economic security of the American people; and

(5) increased incentives for work, saving, and investment.

SEC. 8. It is the sense of the Senate that because the Senate requires timely reporting of legislative action on spending bills, and because the Senate requires continual control over the budget, the Director of the Congressional Budget Office shall issue a weekly report during periods when the Senate is in session detailing and tabulating the progress of congressional action on bills and resolutions providing new budget authority and changing revenues and the public debt for a fiscal year, including, but not limited to the requirements set forth in Public Law 93-344, section 308(b).

SEC. 9. It is the sense of the Senate that the amount of budget authority and outlays set forth in this concurrent resolution for the functional category of Income Security for fiscal year 1985 are sufficient to ensure that $1,500,000,000 is apportioned among the States to carry out the Special Supplemental Food Program authorized by section 17 of the Child Nutrition Act of 1966 (commonly referred to as the WIC program); and it is assumed that the Office of Management and Budget should therefore release and apportion to the States the full amount of $1,500,000,000, which was appropriated for the WIC program for fiscal year 1985 since—

(1) Public Law 98-473 provided that, in carrying out the WIC program, funds shall be apportioned to the States based on an annual appropriation level of $1,500,000,000;

(2) the Conference Report on H.R. 5743 (H. Rept. 98-1071), the Agriculture, Rural Development and Related Agencies Appropriation Act, 1985, which was incorporated in Public Law 98-473, expresses the conferees' intent that the WIC program be carried out in such a manner as to fully obligate the $1,500,000,000 appropriated by Public Law 98-473 for such program for fiscal year 1985;

(3) such Conference Report also explicitly stated that any action to allocate funds inconsistent with a full-year appropriation level of $1,500,000,000 for the WIC program would be an improper withholding of funds; and

(4) the Office of Management and Budget has not made available to the Department of Agriculture for distribution to the States the full amount of funds intended by Congress to be allocated to the WIC program in any of the first three quarters of fiscal year 1985, and has not made funds available for such program during such quarters at the rate intended by the Congress.

SEC. 10. It is the sense of the Congress that functional totals should be reduced to reflect a limitation on the amount of social security benefits paid to illegal and non-resident aliens. It is assumed that the Finance Committee will report legislation to accomplish the required changes in law. Such legislation may limit benefits to the amount of wage-earner's contribution plus interest, unless the wage-earner is a citizen of a country with which the United States has a treaty or totalization agreement and that this provision would apply to individuals becoming eligible on or after January 1, 1986.

SEC. 11. It is the sense of the Congress that overall Federal outlays should be reduced and it is assumed that legislation should be enacted to conform the overtime requirements under the Walsh-Healey Act and the Contract Work Hours and Safety Standards Act with the Fair Labor Standards Act and it is further assured that the resulting outlay reductions shall be utilized to achieve the previously agreed-upon program outlay savings.

SEC. 12. It is the sense of the Congress that tax legislation should be enacted to provide for payment of minimum taxes by corporations and individuals on the broadest feasible definition of income to assure that all of those with economic income will pay tax, and that the resulting revenues be used to reduce individual income tax rates and to increase the threshold amount for tax payments by individuals in connection with consideration of comprehensive tax reform legislation.

SEC. 13. It is the sense of the Senate that revenues should be increased and it is assumed that tax legislation will be enacted to limit to the national median family income the amount of farm loss which may be deducted against nonfarm income, and it is further assumed that revenues derived from enactment of such legislation be used to reduce individual income tax rates and to assure that full-time, family-size farm operators will not be disadvantaged by unfair competition from high-income taxpayers with substantial nonfarm income.

SEC. 14. It is sense of the Congress that revenues should be increased and it is assumed that the Finance Committee will develop legislation to reduce the tax enforcement gap, estimated by the IRS at $92 billion in FY 1986. It is further assumed that such legislation should provide for increased and improved enforcement and collection, through audits, examinations, and other steps designed to identify and eliminate tax cheating and increase revenue collections from individuals and corporations currently evading federal taxes, and that the legislation should include steps designed to increase voluntary compliance with tax laws and that such steps may include increased staff for taxpayer assistance, speedier proc-

essing of returns and provision of public information designed to build public trust and understanding of IRS enforcement efforts and that such legislation should also provide that the resources of the IRS shall be increased to accomplish full enforcement of U.S. tax laws, increasing voluntary compliance until such time as further marginal spending on IRS resources does not substantially increase tax yields and that such legislation is fully compatible with tax simplification, including but not limited to reductions in income tax rates or the deficit.

MOYNIHAN (AND OTHERS) AMENDMENT NO. 94

Mr. MOYNIHAN (for himself, Mr. RIEGLE, Mr. BYRD, and Mr. CRANSTON) proposed an amendment to amendment No. 43, proposed by Mr. DOLE (and Mr. DOMENICI), and subsequently amended, to the motion to recommit with instructions the concurrent resolution (S. Con. Res. 32), supra; as follows:

In the pending amendment, do the following:

On page 3, decrease the amount on line 12 by $68,000,000.

On page 3, increase the amount on line 13 by $29,000,000.

On page 3, increase the amount on line 14 by $9,000,000.

On page 3, increase the amount on line 18 by $6,068,000,000.

On page 3, increase the amount on line 19 by $8,934,000,000.

On page 3, increase the amount on line 20 by $9,708,,000,000.

On page 3, increase the amount on line 25 by $6,068,000,000.

On page 4, increase the amount on line 1 by $8,934,000,000.

On page 4, increase the amount on line 2 by $9,708,000,000.

On page 4, increase the amount on line 6 by $100,000,000.

On page 4, increase the amount on line 7 by $900,000,000.

On page 4, increase the amount on line 8 by $2,400,000,000.

On page 4, increase the amount on line 12 by $100,000,000.

On page 4, increase the amount on line 13 by $800,000,000.

On page 4, increase the amount on line 14 by $1,500,000,000.

On page 24, decrease the amount on line 2 by $167,000,000.

On page 24, decrease the amount on line 3 by $55,000,000.

On page 24, decrease the amount on line 12 by $228,000,000.

On page 24, decrease the amount on line 13 by $66,000,000.

On page 24, decrease the amount on line 22 by $257,000,000.

On page 24, decrease the amount on line 23 by $76,000,000.

On page 25, decrease the amount on line 17 by $190,000,000.

On page 25, increase the amount on line 18 by $5,834,000,000.

On page 26, decrease the amount on line 2 by $740,000,000.

On page 26, increase the amount on line 3 by $8,003,000,000.

On page 26, decrease the amount on line 11 by $1,459,000,000.

On page 26, increase the amount on line 12 by $8,059,000,000.

On page 32, increase the amount on line 17 by $289,000,000.

On page 32, increase the amount on line 18 by $289,000,000.

On page 33, increase the amount on line 2 by $997,000,000.

On page 33, increase the amount on line 3 by $997,000,000.

On page 33, increase the amount on line 11 by $1,725,000,000.

On page 33, increase the amount on line 12 by $1,725,000,000.

On page 40, decrease the amount on line 16 by $5,943,000,000.

On page 40, decrease the amount on line 17 by $8,152,000,000.

On page 40, decrease the amount on line 18 by $8,213,000,000.

On page 51, decrease the amount on line 7 by $5,943,000,000.

On page 51, decrease the amount on line 8 by $8,152,000,000.

On page 51, decrease the amount on line 9 by $8,213,000,000.

AMENDMENT NO. 94

In the pending amendment, do the following:

On page 3, decrease the amount on line 12 by $68,000,000.

On page 3, increase the amount on line 13 by $29,000,000.

On page 3, increase the amount on line 14 by $9,000,000.

On page 3, increase the amount on line 18 by $6,068,000,000.

On page 3, increase the amount on line 19 by $8,934,000,000.

On page 3, increase the amount on line 20 by $9,708,000,000.

On page 3, increase the amount on line 25 by $6,068,000,000.

On page 4, increase the amount on line 1 by $8,934,000,000.

On page 4, increase the amount on line 2 by $9,708,000,000.

On page 4, increase the amount on line 6 by $100,000,000.

On page 4, increase the amount on line 7 by $900,000,000.

On page 4, increase the amount on line 8 by $2,400,000,000.

On page 4, increase the amount on line 12 by $100,000,000.

On page 4, increase the amount on line 13 by $800,000,000.

On page 4, increase the amount on line 14 by $1,500,000,000.

On page 24, decrease the amount on line 2 by $167,000,000.

On page 24, decrease the amount on line 3 by $55,000,000.

On page 24, decrease the amount on line 12 by $228,000,000.

On page 24, decrease the amount on line 13 by $66,000,000.

On page 24, decrease the amount on line 22 by $257,000,000.

On page 24, decrease the amount on line 23 by $76,000,000.

On page 25, decrease the amount on line 17 by $190,000,000.

On page 25, decrease the amount on line 18 by $5,834,000,000.

On page 26, decrease the amount on line 2 by $740,000,000.

On page 26, increase the amount on line 3 by $8,003,000,000.

On page 26, decrease the amount on line 11 by $1,459,000,000.

On page 26, increase the amount on line 12 by $8,059,000,000.

On page 32, increase the amount on line 17 by $289,000,000.

On page 32, increase the amount on line 18 by $289,000,000.

On page 33, increase the amount on line 2 by $997,000,000.

On page 33, increase the amount on line 3 by $997,000,000.

On page 33, increase the amount on line 11 by $1,725,000,000.

On page 33, increase the amount on line 12 by $1,725,000,000.

On page 40, decrease the first amount on line 16 by $5,943,000,000.

On page 40, decrease the amount on line 17 by $8,152,000,000.

On page 40, decrease the second amount on line 18 by $8,213,000,000.

On page 51, decrease the first amount on line 17 by $5,943,000,000.

On page 51, decrease the amount on line 3 by $8,152,000,000.

On page 51, decrease the second amount on line 9 by $8,213,000,000.

KENNEDY AMENDMENT NO. 95

Mr. KENNEDY proposed an amendment to amendment No. 43 proposed by Mr. DOLE (and Mr. DOMENICI), and subsequently amended, to the motion to recommit with instructions the concurrent resolution Senate Concurrent Resolution 32, supra; as follows:

On page 3, increase the amount on line 11 by $0.

On page 3, increase the amount on line 12 by $500,000,000.

On page 3, increase the amount on line 13 by $800,000,000.

On page 3, increase the amount on line 14 by $1,200,000,000.

On page 3, increase/decrease the amount on line 17 by $0.

On page 3, increase the amount on line 18 by $1,200,000,000.

On page 3, increase the amount on line 19 by $1,500,000,000.

On page 3, increase the amount on line 20 by $2,500,000,000.

On page 3, increase/decrease the amount on line 24 by $0.

On page 3, increase the amount on line 25 by $1,200,000,000.

On page 4, increase the amount on line 1 by $1,500,000,000.

On page 4, increase the amount on line 2 by $2,500,000,000.

On page 4, increase/decrease the amount on line 5 by $0.

On page 4, increase the amount on line 6 by $1,200,000,000.

On page 4, increase the amount on line 7 by $2,700,000,000.

On page 4, increase the amount on line 8 by $5,200,000,000.

On page 4, increase the amount on line 11 by $0.

On page 4, increase the amount on line 12 by $1,200,000,000.

On page 4, increase the amount on line 13 by $1,500,00,000.

On page 4, increase the amount on line 14 by $2,500,000,000.

On page 21, increase the amount on line 8 by $300,000,000.

On page 21, increase the amount on line 9 by $300,000,000.

On page 21, increase the amount on line 10 by $0.

On page 21, increase/decrease the amount on line 12 by $0.

On page 21, increase/decrease the amount on line 14 by $0.

On page 21, increase the amount on line 16 by $400,000,000.

On page 21, increase the amount on line 17 by $300,000,000.
On page 21, increase/decrease the amount on line 18 by $0.
On page 21, increase/decrease the amount on line 20 by $0.
On page 21, increase/decrease the amount on line 22 by $0.
On page 21, increase the amount on line 24 by $600,000,000.
On page 21, increase the amount on line 25 by $500,000,000.
On page 22, increase/decrease the amount on line 1 by $0.
On page 22, increase/decrease the amount on line 3 by $0.
On page 22, increase/decrease the amount on line 5 by $0.
Medical Insurance (570):
On page 22, increase/decrease the amount on line 8 by $0.
On page 22, increase/decrease the amount on line 9 by $0.
On page 22, increase/decrease the amount on line 10 by $0.
On page 22, increase/decrease the amount on line 12 by $0.
On page 22, increase/decrease the amount on line 14 by $0.
On page 22, increase the amount on line 16 by $200,000,000.
On page 22, increase the amount on line 17 by $900,000,000.
On page 22, increase/decrease the amount on line 18 by $0.
On page 22, increase/decrease the amount on line 20 by $0.
On page 22, increase/decrease the amount on line 22 by $0.
On page 22, increase the amount on line 24 by $400,000,000.
On page 22, increase the amount on line 25 by $1,200,000,000.
On page 23, increase/decrease the amount on line 1 by $0.
On page 23, increase/decrease the amount on line 3 by $0.
On page 23, increase/decrease the amount on line 5 by $0.
On page 23, increase the amount on line 7 by $600,000,000.
On page 23, increase the amount on line 8 by $2,000,000,000.
On page 23, increase/decrease the amount on line 9 by $0.
On page 23, increase/decrease the amount on line 11 by $0.
On page 23, increase/decrease the amount on line 13 by $0.
Senate Committee on Finance:
On page 40, decrease the amount on line 15 by $0.
On page 40, decrease the first amount on line 16 by $1,200,000,000.
On page 40, increase/decrease the second amount on line 16 by $0.
On page 40, decrease the amount on line 17 by $1,500,000,000.
On page 40, increase/decrease the first amount on line 18 by $0.
On page 40, decrease the second amount on line 18 by $2,500,000,000.

METZENBAUM (AND OTHERS) AMENDMENT NO. 96

Mr. METZENBAUM (for himself, Mr. HOLLINGS, and Mr. LEVIN) proposed an amendment to amendment No. 43 proposed by Mr. DOLE (for himself and Mr. DOMENICI), and subsequently amended, to the motion to recommit with instructions the concurrent resolution (S. Con. Res. 32), supra; as follows:

In the pending amendment, do the following:
On page 2, increase the amount on line 9 by $2,100,000,000.
On page 2, increase the amount on line 10 by $4,600,000,000.
On page 2, increase the amount on line 11 by $3,800,000,000.
On page 2, increase the amount on line 15 by $2,100,000,000.
On page 2, increase the amount on line 16 by $4,600,000,000.
On page 2, increase the amount on line 17 by $3,800,000,000.
On page 3, decrease the amount on line 12 by $100,000,000.
On page 3, decrease the amount on line 13 by $400,000,000.
On page 3, decrease the amount on line 14 by $800,000,000.
On page 3, decrease the amount on line 18 by $100,000,000.
On page 3, decrease the amount on line 19 by $400,000,000.
On page 3, decrease the amount on line 20 by $800,000,000.
On page 3, decrease the amount on line 25 by $2,200,000,000.
On page 4, decrease the amount on line 1 by $5,000,000,000.
On page 4, decrease the amount on line 2 by $4,600,000,000.
On page 4, decrease the amount on line 6 by $2,200,000,000.
On page 4, decrease the amount on line 7 by $7,200,000,000.
On page 4, decrease the amount on line 8 by $11,800,000,000.
On page 4, decrease the amount on line 12 by $2,200,000,000.
On page 4, decrease the amount on line 13 by $5,000,000,000.
On page 4, decrease the amount on line 14 by $4,600,000,000.
On page 32, decrease the amount on line 17 by $100,000,000.
On page 32, decrease the amount on line 18 by $100,000,000.
On page 33, decrease the amount on line 2 by $400,000,000.
On page 33, decrease the amount on line 3 by $400,000,000.
On page 33, decrease the amount on line 11 by $800,000,000.
On page 33, decrease the amount on line 12 by $800,000,000.
On page 40, line 19, add the following new sentence: "The Senate Committee on Finance shall report changes in laws within the jurisdiction of the committee sufficient to increase revenues as follows: $2,100,000,000 in fiscal year 1986; $4,600,000,000 in fiscal year 1987; and $3,800,000,000 in fiscal year 1988.".
On page 51, line 10, add the following new sentence: "The House Committee on Ways and Means shall report changes in laws within the jurisdiction of the committee sufficient to increase revenues as follows: $2,100,000,000 in fiscal year 1986; $4,600,000,000 in fiscal year 1987; and $3,800,000,000 in fiscal year 1988.".

NOTICES OF HEARINGS

SUBCOMMITTEE ON FAMILY FARMS

Mr. WEICKER. Mr. President, I would like to announce that on May 22, 1985 the Senate Small Business Committee's Family Farm Subcommittee will hold a hearing on small issue industrial development bonds as a source of capital for small business expansion. The hearing will be held in room 428A of the Russell Senate Office Building and will begin at 2 p.m. Senator LARRY PRESSLER will chair the hearing. For further information, please contact Bob Wilson, of the committee staff, at 224-5175 or Tom Hohenthaner of Senator PRESSLER's staff at 224-5842.

SUBCOMMITTEE ON LABOR

Mr. NICKLES. Mr. President, the Subcommittee on Labor will hold a 1-day hearing on June 13, 1985, regarding S. 1105, the Federal Contractor Employees Flextime Act. This legislation reforms the Walsh-Healey Act to allow Federal contractors in the private sector to work flextime hours.

The hearing is scheduled for 9:30 a.m. in room 628 of the Dirksen Senate Office Building. Persons wishing to testify should submit a written request to Chairman DON NICKLES, Subcommittee on Labor, 428 Dirksen Senate Office Building, Washington, DC, 20510 by May 17, 1985. If you have any questions concerning the hearing, please contact Chuck Carroll or Charlene Abshire, on the subcommittee staff, at 202-224-5546.

TRIBUTE TO THE LATE JUDITH Z. ANDERS, WIFE OF CAPITOL POLICE OFFICER ANDY ANDERS

Mr. THURMOND. Mr. President, I rise today in memory of a fine lady and devoted wife, Judith Z. Anders, who passed away recently after a long illness.

Mrs. Anders was the wife of my good friend and fellow South Carolinian, Officer Andy Anders. Andy, from his strategic post outside the Senate Chamber, has rendered courteous and helpful service, and provided necessary security for Senators, staff and visitors to our Nation's Capitol Building for some 9 years. Andy is a native of Greer, SC, and he and his wife had hoped some day to retire there.

Andy's wife was a devoted partner and dedicated spouse who encouraged and inspired all who were fortunate enough to know her.

Mr. President, Judith Anders was loved and admired by many, and will be greatly missed by a large circle of friends and associates.

This is a difficult time for our friend Andy Anders, who also recently suffered the loss of his wife's father. Mrs. Thurmond and I want to extend our heartfelt sympathy to him and all the members of his and Judith's families.

ADDITIONAL STATEMENTS

THE INTERNATIONAL FINANCIAL SYSTEM

Mr. MATHIAS. Mr. President, the International Economic Policy Subcommittee of the Senate Foreign Relations Committee held a series of hearings in 1983-84 entitled "Stresses and Strains in the International Financial System." These hearings explored a range of problems afflicting the global economy and examined a variety of proposals to resolve these problems.

I was hopeful that the subcommittee findings could be summarized in a way that would make them available to a wider audience. Further, I wanted expert judgment on how the subcommittee might best proceed to fill any gaps in its inquiry and expand its efforts of the last 4 years.

I was enormously pleased, therefore, by the willingness of the Bay Area International Forum of San Francisco to undertake a two-phased effort to meet the needs of the subcommittee.

Phase I is complete and the subcommittee has been provided a superb and comprehensive review of its 1983-84 hearings. The Bay Area International Forum now has begun the second phase of its efforts.

Mr. President, I ask that my exchange of correspondence with the forum and its "Review of 1983-84 Hearings" be made part of the RECORD.

The material follows:

U.S. SENATE,
COMMITTEE ON FOREIGN RELATIONS,
Washington, DC, November 1, 1984.

MR. JOHN PLACE,
Chairman, Bay Area International Forum, c/o World Affairs Council for Northern California, San Francisco, CA.

DEAR MR. PLACE: The San Francisco Bay Area International Forum is in a position to render a unique service to the nation. Your own membership, together with your association with great universities such as Stanford and Berkeley and the other resources available in the Bay Area give you the capability to undertake a major study of international economic problems. The fact that California is now a major international trading community would lead me to hope that you might also have the help and support of public institutions.

The study to which I refer would supplement the examination of international economic issues now underway in the International Economic Policy Subcommittee of the Foreign Relations Committee of the United States Senate. Peter Jones is fully familiar with our concerns and so I will not repeat all that I have explained to him.

During the 98th Congress, our Subcommittee held extensive hearings on a number of high priority international economic issues confronting the United States. Developments in international trade, international debt and the international financial system and related recent major shifts in the U.S. position in these areas received particular attention. Because of the extremely important implications for the United States of developments in the international economic field, it has become clear that additional work on these and related issues is now needed to enable effective policy responses to be developed and successfully carried out.

Your study could make a significant contribution to this effort.

The study might usefully be divided into two parts. The first part should deal with the major questions and findings of fact and policy which our recent hearings covered. These should be analyzed, summarized and indexed. Where useful, findings of fact and forecasts that were well established should be separated from those which were not.

Building upon this base, part two of the study should first identify those important questions of fact and policy, including alternative courses of action, which you recommend be addressed by our Subcommittee during the new Congress in order to maximize major benefits and minimize significant costs to the U.S. in this area. Some of the broader questions which are of particular concern to me are set forth in the attachment to this letter. Each will require component questions to be developed, including those capable of quantification.

Most of these and related questions, including specific policy recommendations and priority concerns of major U.S. interests most directly affected by these issues, can best be pursued with the help of additional hearings. Thus part two of the study should also set forth your recommendations for the next round of such hearings. Issues and participants should be covered, including, of course, the very important ones in your part of the country, along with your recommendations as to location and format of hearings.

It should also cover your recommendations as to any other important means by which the Subcommittee should pursue these issues where further hearings alone would not suffice. And finally, it would also cover any other matters we mutually deem appropriate as the study progresses.

In order to best assist me with the planning and preparation of new hearings and other work as indicated, I would like to receive the completed part one of the study by March 31, 1985 and part two by June 30, 1985. That would greatly facilitate our staying on schedule in using the ensuing months to prepare for hearings toward the end of the first session and/or the beginning of the second.

The impact of this study and related hearings can be considerable. Parts of the executive branch, other parts of the Congress, members of the press, the private sector, universities and other non-profit organizations in the field all can benefit from the process. And they can often become more effectively and extensively engaged in it as a result. Therefore, I am confident you will be making a significant contribution to our ongoing efforts to advance the long term interests of the United States in this field.

Sincerely,

CHARLES MCC. MATHIAS, JR.,
Chairman, Subcommittee on International Economic Policy, Committee on Foreign Relations.

ATTACHMENT A—SUGGESTED BROAD PARAMETERS OF SOME QUESTIONS FOR FUTURE HEARINGS WHICH REQUIRE ELABORATION

PART I

1. Given increased U.S. dependence on international trade to promote growth at home, how vulnerable are we to increased protectionism world-wide?

2. How vulnerable are we to the decreased capacity to import and grow of third world and other countries trying to cope with heavy annual debt servicing requirements and related austerity?

3. Can America's own prosperity last—much less expand—unless others in the third world adequately share in it, providing markets for what we are able to produce?

4. Can we run fast enough even to stay in place if our would-be third world buyers do not run at our side by achieving an adequate level of sustained positive per capita growth?

PART II

1. If such sustained third world per capita growth is required to assure our own sustained growth, does it depend heavily on continuous transfers of funds from the industrial nations to the third world via export earnings, export credits, other private and public sector lending and direct investment? What are the approximate levels of such funds transfers needed to do their necessary part in achieving such third world growth? To what extent are such levels at risk over the next five to ten years?

2. If there are serious risks that adequate funds transfers to the third world will not take place, what are the best means of substantially reducing those risks?

3. Can this be done at a clearly acceptable level of cost to the U.S. whereby the reasonably expected short and long term benefits to us clearly outweigh that cost?

PART III

1. Over the next five to ten years, what are the probabilities that the needed level of funds transfers can be accomplished without substantially increasing the capacity of the International Monetary Fund, the World Bank and the regional development banks to loan and/or induce greater private sector lending and direct investment in key third world nations?

2. What are the downsides of this?

3. What role must the U.S. play in determining and implementing this?

4. What major interests in California, the West Coast and the rest of the country would be most directly damaged as a result of inadequate funds transfers or benefited by satisfactory levels of such transfers?

PART IV

1. What impact would various degrees of rising protectionism and contracting world trade have on the prospects of achieving sustained per capita growth in the third world and thus in the industrial world as well?

2. What major interests in California, the West Coast and the rest of the country would be most directly affected by such a contraction in world trade?

PART V

1. What measures can be taken to assist industries and workers in the United States facing increasing pressures from imported competition?

2. What are the relationships between U.S. budget deficits, high real interest rates, the relative strength of the dollar and the deteriorating U.S. trade position?

WORLD AFFAIRS COUNCIL
OF NORTHERN CALIFORNIA,
San Francisco, CA, December 28, 1984.

Senator CHARLES MCC. MATHIAS, Jr.,
Chairman, Subcommittee on International Economic Policy, U.S. Senate, Washington, DC.

DEAR SENATOR MATHIAS: Thank you for your letter of November 1. I have circulated it to the Executive Committee of the Bay Area International Forum and I am pleased to be able to reply that we will undertake the two-part study requested in your letter. Peter Jones will chair the B.A.I.F. Steering Committee responsible for completing the project and he will be in touch with you and your staff as it progresses.

The members of the Bay Area International Forum welcome this opportunity to make a contribution to the valuable work that you and your Subcommittee are doing on key international economic issues. I hope that you might eventually decide to hold some of your Subcommittee hearings in San Francisco where top corporate executives and others from the West Coast would have a chance to testify.

Sincerely,

JOHN B.M. PLACE.

SAN FRANCISCO, CA, *April 9, 1985.*

Mr. GEORGE M. KELLER,
Chairman, Bay Area International Forum, San Francisco, CA.

DEAR GEORGE: Attached is Part I of the two part study on certain international economic issues undertaken by the Bay Area International Forum for Senator Charles McC. Mathias, Jr., Chairman of the Subcommittee on International Economic Policy of the United States Senate Committee on Foreign Relations.

This first part is a review of the 1983-84 hearings which Senator Mathias chaired, primarily on the external debt problems of various developing nations and their financial and trade implications for these nations, the United States and the global economy.

This study represents extensive and most helpful input from members of the Steering and Research Committees of the study. It also reflects the substantial and, as always, excellent work of Professor Albert Fishlow, Director of our Research Committee and the briefing and discussions he held with the Executive Committee of the Bay Area International Forum.

Special recognition and thanks are due for the excellent research and written analysis of the hearings by U.C. Berkeley graduate student Carl Schmertmann and for first class editing by Frederick D. Baron and Michael Jacobson of the Cooley, Godward law firm which also provided us with conference facilities and other most helpful support.

Peter Tarnoff, Executive Director of the World Affairs Council of Northern California, also has our deep appreciation for the vision and positive support he has given this project from its very inception.

To all concerned, we are most grateful and hope Part I is as useful to others as it has been and will continue to be to all of us.

Sincerely,

PETER T. JONES,
Chairman, Steering Committee.

April 12, 1985.

Senator CHARLES MCC. MATHIAS, Jr.,
Chairman, Subcommittee on International Economic Policy, U.S. Senate, Washington, DC.

DEAR SENATOR MATHIAS: On behalf of the Bay Area International Forum and the Steering and Research Committees responsible for the work, I am pleased to send you Part I of the two-part study we undertook as requested in your letter to us of November 1, 1984. As indicated in the attached letter from Peter T. Jones, Chairman of the Steering Committee, many outstanding people contributed significantly to its successful completion. We already have started work on Part II, which should be ready for you in July.

I would like to express our appreciation to you for this opportunity to be of service. The review is proving very useful to those of us who participated in its preparation or were briefed on its findings. We trust that you will find it a helpful summary of what you have already accomplished and as a resource for future work on these most important international economic issues. In addition, we hope that the Subcommittee on International Economic Policy will consider holding hearings on these matters here in the Bay Area. Many of our business and community leaders would welcome a chance to give their views to the members of your subcommittee.

With best wishes,

Sincerely,

GEORGE M. KELLER,
Chairman, Bay Area International Forum.

REVIEW OF 1983-84 HEARINGS

(Subcommittee on International Economic Policy U.S. Senate Committee on Foreign Relations)

I. INTRODUCTION

Extensive hearings chaired by Senator Charles Mathias of Maryland were held by the Subcommittee on International Economic Policy of the Senate Foreign Relations Committee in 1983 and 1984. The hearings examined the debt crisis in the world financial system and international trade issues, with special emphasis on the economic relations between the United States and the less-developed countries ("LDCs").

Witnesses

Witnesses included prominent members of the financial and business communities, representatives of organized labor, present and former administration officials, economists, and members of Congress. Among others, the Subcommittee received testimony from George Schultz, Donald Regan, W. Michael Blumenthal, Robert McNamara, Henry Fowler, Rimmer de Vries, Felix Rohatyn, Robert Hormats, Charles Schultze, C. Fred Bergsten, and Senators Bradley, Laxalt, Domenici, Garn, and Bingaman.

Scope of review

Beyond the immediate crises on which the hearings focused, many witnesses raised broader questions that will continue to confront the United States and the world economy for years to come. This paper attempts to analyze and summarize the testimony to provide a foundation for further subcommittee analysis, hearings, and policy recommendations. The paper distills from the voluminous hearing record the areas of agreement and disagreement among witnesses, examining the assumptions underlying competing positions. The patterns in the testimony are summarized and tabulated below. A more detailed summary of the testimony of each witness is included in the Appendix.

Issues addressed

Before beginning, it is important to remember that the hearings were focused upon a discrete set of urgent, short-term policy questions that faced Congress at the time. The principal questions were whether to support an increase in the IMF quota in order to deal with the international debt crisis and at what level to fund World Bank International Development Agency loans.

By their nature, the hearings left some issues unaddressed and some points of view unrepresented. In particular, the hearings on trade problems centered on the difficulties faced by certain industries in the United States—the steel, copper and automobile industries. The financial hearings focused on pressing issues related to the IMF and World Bank. This focus limited the extent to which the hearings elicited neutral recommendations for an integrated international economic policy. The particular issues examined in the financial hearings highlighted certain viewpoints while others, such as those of regional banks and multinational corporations, were not reflected in the testimony.

II. EXECUTIVE SUMMARY OF TESTIMONY

A. Interrelationships between international finance and trade issues

Finance and trade issues were the subjects of separate hearings and will be analyzed separately in this paper. However, many witnesses emphasized that finance and trade questions are in fact closely related, and that the financial crisis of the early 1980s was in part a result of the recession in world trade. The picture that emerged from the testimony was that the debt problems of LDCs lower the potential for growth, exports, and jobs in the U.S. and other highly industrial nations. Increased trade with LDCs relieves debt problems and, thus promotes still further trade. Continued economic recovery in the U.S. is essential to any solution to LDC balance of payments and debt problems. Conversely, the economic health of LDCs is important for continued U.S. economic growth, including increased exports and jobs.

Virtually all of the witnesses in the financial hearings stressed the interrelationships between trade and finance. They noted that easing the international debt problems would bring the long-term benefits of increased U.S. exports. By contrast, testimony in the trade hearings, especially from industry witnesses, focused more on the costs of interdependence. Industry witnesses emphasized the immediate harm to their sectors of the economy caused by U.S. imports of LDC goods as borrowing countries attempt to ease debt service burdens by increasing their export revenues. These differences in perspective in the finance and trade hearings led to very different policy recommendations regarding protectionism and international lending.

Despite the difference in emphasis, both sets of hearings dealt with essentially the same question: How to find, both domestically and in the LDCs, a mix of policies that maximizes the important benefits of expanding international trade and related growth with requisite capital flows, while minimizing the associated costs.

B. Summary of finance hearings

The Subcommittee's 1983 hearings on stresses and strains in the international financial system produced substantial agreement among witnesses on the basic origins and causes of the debt crisis. In sum, the Subcommittee was told that banks had oil money to lend and, in the inflationary environment of the 1970s, debt was attractive to LDC governments, especially as a means of

avoiding immediate adjustment to oil price shocks. By the late 1970s the tables had turned. As real interest rates soared, export prices dropped. Anti-inflationary tight monetary policies were applied by the U.S. and other industrial nations and the world economy went into a deep recession.

Testimony about the impact of LDC debt problems on the U.S. economy focused on three broad topics: (1) the vulnerability of the U.S. banking system to financial collapse or panic; (2) the possibility of political radicalization in the LCDs; and (3) the effects of LDC debt on U.S. economic performance. The majority of those testifying saw the long-term impact on U.S. and world trade as the most serious of these prospects.

There was nearly unanimous agreement on the short-term policy that U.S. and international institutions should fund and support IMF efforts to ease the immediate crises. There was less agreement regarding the long-term prospects for resolution of world financial problems. Witnesses expressed fundamentally different ideas both about how seriously the debt situation would affect world lending, trade and growth in the future and what remedies should be adopted. The need for greater stability of the exchange rates of major trading currencies was also expressed, although no witness called for a return to fixed rates.

All witnesses agreed that, in the long run, the foreign private credit dependency of debtor countries must be reduced, primarily through internal structural adjustment. The point of debate was whether reduced private capital flows are compatible with structural adjustment, avoidance of major political upheavals, economic growth, and trade expansion in LDCs without increases in official lending. The Reagan administration witnesses believed that increased official lending would be unnecessary. Most others, including bankers and economists, took the opposite position. They favored continued commercial credit but forecast that it would diminish below the needed level. Therefore they strongly advocated increased multilateral and bilateral credit in furtherance of the interdependent economic interests of the U.S. and the LDCs.

The consensus among virtually all the witnesses in the 1983 financial hearings was that extremely tight U.S. monetary policy, large U.S. budget deficits, and high real interest rates would prevent any signficant immediate recovery. In hindsight, this view was overly pessimistic. The vigorous U.S. recovery which began in late 1982, combined with the growing strength of the dollar, increased American demand for imports. This pulled other industrial countries toward mild recoveries as well. Nonetheless, the longer range concerns over U.S. deficits that were expressed at the hearings obviously continue to be relevant.

C. Summary of trade hearings

Many of those testifying in the trade hearings had specific industry ties and called for tariffs and import quotas. Others argued against protectionism in any form.

The central trade issue was that of "fairness." Witnesses from the steel, copper, and auto industries offered a variety of reasons in support of their claims that the international trade deck was stacked against U.S. companies. Steel and copper industry witnesses also argued that U.S. contributions to multilateral institutions such as the IMF, the World Bank, and regional development banks harm U.S. companies and workers.

Little detailed analysis was offered for many of the concerns advanced at the trade hearings about the need for protection of U.S. industry due to unfair trade practices and official development lending programs. Claims of unfairness were strongest in the case of export subsidization by foreign governments.

Some witnesses suggested expanding GATT's coverage and improving its dispute settlement mechanism.

D. Summary of witnesses' views on principal policy issue

A clear overview of the testimony before the Subcommittee on International Economic Policy may be gained from a tabulation of the witnesses views on twelve of the principal policy issues considered at the hearings—eight relating to the world debt crisis and four relating to trade issues.

In summary, most witnesses thought that the most serious consequence of the world debt crisis would be lower levels of world trade. There was strong consensus among virtually all of the witnesses that lack of LDC growth would have a significant impact on U.S. economic performance. Smaller numbers of witnesses felt that the LDCs would react politically to the debt crisis and that private lending of the sort seen in the 1970's was not likely to resume.

Most of those witnesses who testified on the subject felt that banks and LDC borrowers were not irresponsible in their lending and borrowing prior to the onset of the debt crisis. Several other witnesses, including a representative of labor, a member of congress and an investment banker, disagreed. These same witnesses also felt that major institutional change was necessary to resolve the debt crisis, again in contrast with the testimony of the other witnesses.

The proposition that governments should increase their monitoring or control of international lending to LDCs received a mixed reaction, with administration officials being firmly opposed. Some witnesses also felt that some form of exchange rate control, either through intervention or agreement, would be appropriate, although no witness called for a return to fixed exchange rates.

Administration officials felt that no increased official lending would be necessary in order to reestablish LDC growth. Virtually all of the other witnesses felt that such increased lending would be necessary.

In the area of trade, labor and business witnesses were generally in favor of some form of managed trade while most of the other witnesses advocated free trade. There was a consensus, especially among members of Congress testifying, that official international lending programs should assess the impact on the U.S. economy before approving projects. Finally, only the representatives of labor felt that official international lending programs hurt U.S. exports.

1. Testimony Tabulated By Issue:

Listed below are the twelve principal issues for which testimony was tabulated. The results of the tabulation are set forth next to each issue.

Finance issues

(1) Would lack of LDC growth have a singificant impact on U.S. economic performance? (Yes 18; No 0).

(2) Will LDCs react politically to the debt crisis? (Yes 6; No 0).

(3) Which is the most serious consequence of the debt crisis: financial turmoil (F), lower levels of world trade (T), or political instability in LDCs (P)? (Financial turmoil 5; lower levels of trade 19; political instability 8).

(4) Were banks and countries irresponsible in lending and borrowing too much too fast? (Yes 3; No 0).

(5) Is 1970s-style bank lending likely to resume? (Yes 0; No 7).

(6) Should governments increase monitoring or control of international bank lending to LDCs? (Yes 4; No 3).

(7) Is a major institutional change necessary in order to resolve the debt crisis? (Yes 3; No 14).

(8) Will increased official lending be necessary in order to reestablish LDC growth? (Yes 16; No 2).

Trade issues

(9) Advocated free trade (F) or some form of managed trade (M). (Free trade 11; Managed trade 7).

(10) Should official international lending programs assess the impact on the U.S. economy before approving projects? (Yes 8; No 1).

(11) Do official international lending programs hurt U.S. exports? (Yes 2; No 6).

(12) Should exchange rates be controlled through either direct intervention or international agreements? (Yes 7; No 1).

2. Testimony Tabulated By Witness:

The tables on the following two pages characterize the testimony of individual witnesses on the twelve principle policy described in the preceding section.

TABLE.—TABULATION OF TESTIMONY ON PRINCIPAL ISSUES

Issue	1	2	3	4	5	6	7	8	9	10	11	12
Financial:												
Henry Fowler, Goldman Sachs			T									
Rimmer de Vries, Morgan Guarantee Trust	Y				N		N	Y				
John Heimann, Warburg Paribus Becker	Y											
Felix Rohatyn, Lazard Freres			F	Y		Y	Y	Y	F			Y
William Ogden, Chase Manhattan	Y	Y	T	N	N	N	N	Y	F			
Robert Hormats, Goldman Sachs	Y		F/T				N	Y	F			xIY
Jack Guenther, Citibank			T				N	Y				
Business:												
William Hoppe, American Iron & Steel Institute									M	Y		
Richard Debs, U.S. Chamber of Commerce	Y		T								N	
Cristopher Phillips, National Council for United States-China Trade	Y		P/T								N	
John Richards, M.W. Kellogg Co	Y		T								N	
Robert Miller, Chrysler									M			Y

TABLE.—TABULATION OF TESTIMONY ON PRINCIPAL ISSUES—Continued

Issue	1	2	3	4	5	6	7	8	9	10	11	12
Kenneth Whipple, Ford									M			Y
Marina Whitman, General Motors												
Richard Osborne, ASARCO, Inc										Y		
Labor:												
Henry Schecter, AFL–CIO	Y		T	Y		Y	Y			Y	Y	
Stephen Yokich, UAW									M			
Lee Price, UAW									M			
Leon Lynch, United Steel Workers									M			
Ernest Grecco, AFL–CIO											Y	
Administration officials:												
George Schultz, Secretary of State				N		N	N	N	F			
Donald Regan, Secretary of Treasury	Y	Y	T	N		N	N	N	F	Y	N	N
Marc Leland, Assistant Secretary of Treasury							N		F			
Langhorne Motley, Assistant Secretary of State		Y	P				N					
George Hoguet, Deputy Assistant Secretary of Treasury										N	N	

TABLE 2.—TABULATION OF TESTIMONY ON PRINCIPAL ISSUES

Issue	1	2	3	4	5	6	7	8	9	10	11	12
Academics and researchers:												
Charles Schultze, Stanford University	Y		T	N	N		N	Y			N	
Lawrence Krause, Brookings Institution	Y		T			Y			F			
John Sewell, Overseas Development Council	Y	Y	P/T		N		N	Y				
John Mellor, International Food Policy Research Institute	Y		T									
Robert Solomon, Brookings Institution	Y		T	N	N		N	Y				
William Cline, Institute for International Economics	Y		F/T	N			N	Y				
C. Fred Bergston, Institute for International Economics			F/T		N		N	Y				
Riordon Roett, Johns Hopkins University		Y	P					Y				
Edward Fried, Brookings Institution			P/T									
Barry Bluestone, Boston College									M			
George Eads, University of Maryland									F			
Robert Crandall, Brookings Institution												
Gar Alperovitz, National Center for Economic Alternatives									F			
L. Daniel Maxim, Everest Consulting Associates												
Members of Congress:												
Bill Bradley, U.S. Senator from New Jersey		Y	F/P	Y	Y	Y	Y				Y	
John Danforth, U.S. Senator from Missouri	Y		T					Y				
Paul Laxalt, U.S. Senator from Nevada										Y		
Pete Domenici, U.S. Senator from New Mexico										Y		
Jack Garn, U.S. Senator from Utah										Y		
Jeff Bingaman, U.S. Senator from New Mexico										Y		
Others:												
W. Michael Blumenthal, former Secretary of Treasury				N				Y	F			Y
G. William Miller, former Chairman Federal Reserve	Y		T					Y				Y
Robert Strauss, former trade ambassador			P									
Oscar Lipscomb, Archbishop of Mobile, AL												
Robert McNamara, former president of World Bank	Y		P		N		N	Y	F			
Bruce Rich, Natural Resources Defense Council												

E. Conclusions

The Subcommittee's hearings underscored three central themes. First, international trade and financial questions are so closely interrelated that U.S. policy must deal with them in a comprehensive, integrated fashion. Second, to be effective, both U.S. and international economic policy must be grounded in an objective understanding of the factors which motivate the borrowing, lending and trading behavior of governments and the investments of private multinational firms. Third, the economic health of the United States is increasingly dependent on the economic health of less developed countries because of their importance as trading partners as well as debtors to U.S. and international and financial institutions.

Despite the subsequent alleviation of the immediate crises that prompted the 1983 finance hearings, the underlying structural problems remain and will be aggravated again by any substantial decline in worldwide economic growth. Thus the general themes of the 1983–84 hearings are worthy of further consideration by the Subcommittee.

III. REVIEW OF TESTIMONY

A. Financial issues

1. Causes of the Debt Crisis:

In the 1983 hearings on strains in the world financial system, there was substantial agreement on the causes of the debt crisis. The double oil price shocks of the 1970s raised the import bills of many LDCs, while the availability of petrodollars in world financial markets lowered the cost of international borrowing. Under such conditions many LDCs chose to borrow large amounts from foreign banks to cushion the shock of higher energy prices. Many banks found such lending to be profitable.

Between 1973 and 1982, the total external debt of non-oil developing countries rose over 500 percent in nominal terms, with much of the increase being in the from of short-term, variable interest rate obligations to commercial banks. Commercial borrowing became an important mechanism for continued economic expansion in LDCs by allowing balance of payments deficits to be handled without major internal economic contractions and related political strains or structural adjustments.

Witnesses stressed that several developments in the world economy in the late 1970s aggravated the LDC debt picture dramatically. Nominal and real interest rates rose sharply as a result of anti-inflationary tight monetary policies in the U.S. and other industrial countries. The London interbank offer rate ("LIBOR"), the standard rate on which many private loans to LDCs were based, rose from an average of 8.85 percent in 1978 to 15.30 percent in the first half of 1982. During the same period, industrial country inflation went from 7 percent to about 8 percent. Thus real interest rates (LIBOR plus spread minus inflation rate) and interest payments on outstanding LDC debt rose significantly. For example, Robert Solomon testified that the increase in LIBOR increased the interest payments of one major debtor, Brazil, by approximately $4 billion per year, without any increase in its total debt.

Debt service difficulties were compounded by two other unexpected economic developments. First, the worldwide recession of 1980–82 lowered demand for LDC products. Second, world commodity export prices were further depressed due to the appreciation of the U.S. dollar against other currencies. Taken together, decreases in export volume and in export prices (in dollar terms) seriously impaired the ability of borrowing countries to service debt through exports. IMF statistics show that export revenues of non-oil LDCs were nearly stagnant in 1982 and 1983, after growing at an average annual rate of 7.5 percent over the previous 15 years.

While almost all witnesses agreed that this general course of events led to the debt crisis, several pointed to additional factors which were within the control of banks and borrowers.

A few witnesses suggested that banks had irresponsibly loaned money to LDCs under the false assumption that "companies can fail, but countries cannot." Financial community witnesses and some economists saw the situation differently. They emphasized that the major risk to lenders was not country default but rather failure to repay promptly. They suggested that banks' errors had been primarily in loaning funds without accurately appraising the ability of countries to repay on schedule. They also argued that individual banks lacked the data necessary to make such appraisals: without sharing of loan information among banks, any given bank knows only part of the total amount and maturity structure of a borrow-

ing country's external debt. Several witnesses from the financial area called for increased international cooperation between banks and between national banking authorities to improve the quality of loan information available to lenders and regulators.

A few witnesses argued that borrowing countries had contributed to the debt crisis by using debt as a means of continuing inappropriate domestic policies. These witnesses suggested that LDCs had used debt to postpone adjustments to the oil shocks rather than to smooth the transition to higher energy prices, and that LDCs were simply paying the price now for the disturbances of the 1970s.

Despite some variation in the details, the Subcommittee heard a consistent analysis of the reasons for the crisis. Banks had oil money to lend. In the inflationary environment of the 1970s, debt looked like a good deal to many LDC governments, especially since it was a means of avoiding immediate adjustment to oil price shocks. By the late 1970s the tables had turned as anti-inflationary monetary policies were applied, real interest rates soared, export prices dropped, and the world economy went into a deep recession.

2. Consequences of the Debt Crisis for the U.S.:

Discussion of the impact of LDC debt problems on the U.S. economy focused on three broad topics.

a. *Financial Consequences.*—First, several witnesses discussed the possible financial consequences of a default or repudiation by one or more of the large debtor countries. While the chances of outright formal default were dismissed as remote, witnesses noted the possibility that failure to service debt by any of a few large debtor countries—Brazil, Mexico, Argentina, or Poland—might ignite a serious financial crisis in the lending countries. Failure to make interest payments would force banks to write off loans as nonperforming. This, in turn, would force the banks to reduce their outstanding domestic loans to comply with banking regulations. The most arresting illustration came from William Cline of the Institute for International Economics. He estimated that a one-year moratorium on debt payments by Brazil, Mexico, and Argentina would cause losses amounting to one-third of the total capital of the nine largest U.S. banks. He estimated further that strict enforcement of banking regulations would produce a contraction of $150 billion in U.S. lending by these leading banks.

Faced with the possibility of default or debt repudiation by major debtors, many banks realized that continued lending to preserve the solvency of debtor nations was necessary to avoid disaster.

b. *Political Consequences.*—The political consequences of the debt crisis were also frequently mentioned. Several witnesses, including Langhorne Motley, the Assistant Secretary of State for Inter-American Affairs, pointed out the possibility that U.S. security interests would be compromised by political radicalization in LDCs brought on by the debt crisis. These witnesses argued that economic instability in the Third World is a fundamental source of political instability, and that resolution of world financial problems was therefore an important political and security goal as well as an economic one. Many also emphasized the role of official international lending in promoting free-market policies and American political interests in Africa and Asia.

c. *Trade Consequences.*—While recognizing the serious risks to the international financial system and the stability of foreign democracies, the majority of those testifying characterized the long-term impact on U.S. and world trade as the most serious and certain consequence of the LDC debt crisis. Administration officials, bankers and economists all stressed that trade with the LDCs, especially with the large borrowers, has become a very important factor in the growth of U.S. exports and U.S. employment. For example, John Sewell testified that LDCs represent a large and increasing share of total U.S. trade. From 1976–82 U.S. exports to middle-income developing countries rose at an average rate of 21 percent per year. LDCs as a whole accounted for 38 percent of all U.S. exports in 1982. Over half of these LDC exports go to Latin America, the region most severely affected by the debt crisis.

Many witnesses asserted that under continuing debt service difficulties, LDCs are likely to experience slow rates of real growth and to be a slowly growing or even declining market for U.S. exports. Without continued credit flows to these countries, the extreme reductions in imports necessary for them to meet debt obligations will mean significantly slower growth for the U.S. economy. For example, Lawrence Krause of the Brookings Institution calculated that the net effect of a cut-off of new international credit flows to large borrowers would be a 1.5 percent decline in the rate growth of U.S. income and a loss of approximately one million American jobs.

3. Short-term Policy Recommendations:

There was nearly unanimous agreement on the short-term policies that the U.S. and international institutions should follow. With few exceptions, witnesses argued strongly for increasing the resources available to the IMF and advocated IMF lending as the principal stabilization tool for overcoming the immediate aspects of the debt crisis. In 1981 and 1982 the IMF has played a leading role in averting financial chaos and promoting debt rescheduling. As the institution responsible for balance-of-payments lending and for international liquidity problems, the IMF seemed the logical choice for short-term debt service lending. Some witnesses expressed the belief that a defeat for the IMF $9 billion supplemental funding bill in the U.S. Congress would represent a serious isolationist move similar to the Smoot Hawley Act of the 1930s with its high tariffs.

An additional reason for strong support of the IMF was that, as a multilateral institution, the IMF was in a position to enforce conditions in its lending in cases where bilateral programs might be politically unable to do so. The IMF required adjustments in domestic economic policy in return for loans and private banking participation. IMF programs for balance of payments adjustments were seen by members of the financial community as crucial to restoring bankers' confidence in LDCs. IMF monitoring of debtor country performance was also viewed by commercial lenders as a vital source of economic data.

Many witnesses from outside the financial world stressed the IMF's importance for another reason as well. The IMF not only builds bank confidence in LDCs, it also encourages private banks to advance new credits to big debtors, by making such lending a prerequisite for IMF stabilization loans. By conditioning loans on continuation of commercial credit as well as on country compliance with stabilization programs, the IMF was able to induce heavily-exposed banks not to "bail out" of problem countries. Essentially the IMF offered banks a choice. They could loan money to a country under an official adjustment program to improve the debtor's balance of payments, or they could withdraw from the country and allow an almost certain default on existing loans. This policy was very successful at maintaining commercial credit flows to Mexico, Brazil, and other large debtor nations. Thus the IMF successfully "bailed in" the private banks rather than permitting them to "bail out."

As an additional policy for both short and long term, many witnesses emphasized the necessity of avoiding protectionist trade policies in the industrial countries. Several asserted that "beggar-thy-neighbor" protectionism would only aggravate an already bad situation, as it had in the 1930s. Others specifically recommended free trade in order to allow LDCs to find markets for their exports and thus ease debt service problems.

4. Long-term Policy Recommendations:

There was less agreement regarding the longer-term consequences of the heavy debt load of the LDCs. Witnesses expressed fundamentally different ideas about how seriously the debt situation would affect world lending and trade in the future. Nearly all witnesses testified that economic recovery in the U.S. was a prerequisite to any orderly resolution of these world financial problems. However, some, including administration officials, felt that U.S. growth, combined with LDC adjustment and private market responses to LDC capital needs, would be sufficient to ease debt problems. Others argued that without more fundamental changes the severe financial, economic and political problems of the early 1980s were likely to continue, and possibly grow, throughout the decade.

Continuation of commercial bank lending to LDCs was central to this debate. There was widespread agreement on the need for maintaining capital flows from the developed to the developing countries. However, there was also virtually unanimous agreement that private bank lending would not continue at the high growth rates of the 1970's. Witnesses had differing opinions on the desirability of continued reliance on private bank lending to transfer capital to the LDCs. Most agreed, however, that private bank lending would be curtailed thereby requiring increased official lending.

a. *Strong Interventionists.*—A small group of witnesses was extremely pessimistic about growth and bank response as a means of resolving the crisis. They pointed to the need for strong government intervention. These "strong interventionists" argued that banks were already overexposed in LDCs, that borrowing countries would not be able to repay private loans on the original terms, and that prompt government action was essential to the restoration of order in the international financial system. They regarded write-downs and restructuring of LDC debt as necessary steps for full world recovery. As part of this process, they recommended that lending country governments establish discount windows which would exchange LDC bank debt for long-term obligations at less than face value. This would simultaneously restructure debt and reduce the exposure of the commercial banking system in LDCs. For this group of witnesses, the idea that recovery in the industrial economies would permanently ease the debt

crisis and restore a 1970s-style lending atmosphere was simply wishful thinking.

b. *Non-Interventionists.*—Other witnesses, notably George Shultz and Donald Regan from the Reagan administration, were optimistic about the chances of resolving the debt situation through growth and private market response. These "non-interventionists" agreed that short-run steps such as strengthening the IMF were necessary to overcome the temporary liquidity problems of many LDCs. But they believed that, in the long run, LDC adjustment and a return to private credit worthiness at lower levels of borrowing were likely and desirable. This optimism was reflected not only in comments on IMF funding, but also in testimony on concessional lending by the World Bank. Administration witnesses expressed confidence that concessional lending through the Bank's International Development Agency (IDA) would not be necessary for countries which were already able to borrow in private capital markets.

c. *Moderate Interventionists.*—The largest group of witnesses took a position between these two extremes. They saw the need for a moderate degree of intervention by governments and international financial institutions. These "moderate interventionists" included most of the financial area witnesses and many academics. They did not see rescheduling and write-downs of debt as inevitable. However, they had little hope for a return to the extent of reliance on private lending as has existing in the 1970s. They pointed out that banks were increasing their lending to debtor countries under pressure from the IMF, but had already become extremely cautious about future LDC lending. Net private borrowing by non-oil LDCs had grown at 21 percent per year in 1978–81 but increased only 3 percent in 1983. Several financial industry witnesses projected a need for 7–10 percent annual growth in bank lending in the next few years. Although this rate of increase is far below the average of the 1970s, witnesses from the financial community stressed the transitional nature of such increases, indicating a desire to arrive eventually at even lower levels of debt growth and bank exposure.

Many of these "moderate interventionists" also questioned the desirability of continued reliance on private lending at levels similar to those seen in the 1970s. They pointed out that even if banks were willing to increase their exposure in LDCs, this increased lending would leave the U.S. financial system more vulnerable to future debt crises. There were several recommendations for increased monitoring and regulation of international lending by U.S. banks in order to reduce the possibilities of domestic financial disruptions caused by LDC debt problems.

It is important to note that most witnesses in the 1983 hearings were not optimistic about the short-term outlook for the world economy at that time. As it turned out, an unexpectedly strong U.S. recovery led to increased growth in world output and world trade, thus easing some of the stresses and strains discussed in the hearings. World output grew 2 percent in 1983 after remaining essentially stagnant in 1982. World trade volume rose 2 percent in 1983 after a decline of 2.5 percent in 1982. The recovery accelerated through 1984, with world output up 3.7 percent and world trade up 8.5 percent, according to IMF estimates.

LDC balance of payments deficits were also lower than anticipated, which eased debt service burdens for many countries. There were two principal factors behind these improvements. First, LDC adjustment programs aimed at import reductions were more immediately successful than many analysts had expected. Second, the strong U.S. recovery and the strength of the dollar on international money markets led to increased world demand for LDC exports in 1984, further improving trade balances.

5. Finance Overview: Areas of Agreement and Disagreement:

All witnesses agreed that in the long run the private foreign credit needs of debtor countries must be reduced through structural adjustment. The point of debate was whether reduced private capital flows are compatible with LDC structural adjustment, economic growth and trade expansion without increases in official lending. In the end, the central issue separating the administration's "non-interventionists" from others is not whether continued capital transfers to LDCs are necessary, but rather what is the "right amount" of such transfers and how to choose a policy which will provide it.

The administration's "non-interventionists" believe that too much international credit will reduce the incentives for LDC governments to restructure their economies along more rational, disciplined lines. They maintain that the shocks provided by the debt crisis will induce debtor countries to adopt more open, export-oriented free-market policies and that such policies, combined with economic growth in the U.S. and the industrial countries, will reduce LDC reliance on foreign commercial borrowing. The "non-interventionists" believe that these reforms will improve the credit standing of LDCs and at the same time reduce their need for foreign bank loans. This will restore balance between the supply and demand for commercial credit at a more sustainable level. They also suggest that more rational economic policies in LDCs will increase capital flows via direct foreign investment and reduce capital flight, both of which will further reduce the necessity for foreign private credit flows.

In contrast, the "moderate interventionists" in the financial community believe that without more foreign credit than is likely to flow without increased multilateral lending, LDC governments will be reluctant or even unable to pursue structural adjustment policies. They also argue that debt service difficulties will continue to restrain LDC growth if adequate credit flows are not maintained. They believe that, even with significant adjustment in LDC credit needs, private flows will not be sufficient to allow continued growth. They maintain that the long-term prospects for growth in world trade and U.S. exports depend on supplementing commercial credit with increased official capital flows to LDCs through international lending agencies such as the IMF, IDA, and the multilateral development banks.

The administration's "non-interventionists" point to the success of LDCs in reducing their balance of payments deficits, and to increases in bank lending to countries undergoing IMF stabilization programs. By contrast, the "moderate interventionists" stress that reductions in LDC trade deficits were achieved first through sharply contractionary domestic policies designed to reduce imports, and later through increased exports due to unprecedented and unsustainable U.S. trade deficits—neither of which leaves much hope for continued, adequate, long-term LDC trade or trade surpluses. These economists and investment bankers also note that while banks did increase lending to some countries under heavy IMF pressure, commercial credit flows have dried up for some LDCs and slowed down for many. IMF estimates show that bank lending has slowed dramatically, and that banks reduced their outstanding short-term loans to major debtor countries by approximately $46 billion in 1983–84.

Despite the boom in the U.S. economy, the LDCs have not yet experienced a strong recovery. Major borrowers in particular have done poorly relative to the rest of the world. LDC exports are up, but income has lagged behind. At present, debt service requirements and adjustment difficulties are in fact restraining LDC growth.

B. Trade issues

The Subcommittee's trade hearings were a source of wide differences of opinion regarding both fact and policy. Many of those testifying called for tariffs and import quotas, while others argued against protectionism in any form.

Bankers, administration officials, and academics nearly all insisted that avoiding protectionism was vital to the health of the world economic system. Business and labor representatives, in contrast, advocated various forms of protection for their own industries—autos, copper mining, and steel. Witnesses from the latter groups argued that trade restrictions were the rule rather than the exception in the world economy, and that their industries had been hurt by unfair competition from abroad.

The reasons for such a dichotomy are clear from the testimony. Liberal trade policies may be in the general interest of the nation as a whole while at the same time hurting particular industries or sectors of the economy. Those not tied to employment or production in a specific industry often see and share the true national benefits of expanding trade without bearing direct costs. For others, free trade is something that is favored by those whose jobs or products are unaffected.

1. Characteristics of Trade with LDC's:

To put the testimony of trade witnesses into a meaningful perspective, trade goods can be usefully separated into three categories, which are differentiated in terms of the level of the barriers to U.S.-LDC trade and the penetration of U.S. markets by LDC exports.

a. *Complementary Goods.*—First, some trade is "complementary," along the lines of classical comparative advantage. U.S. exports of industrial machinery to LDCs or imports of the primary products of LDCs which are domestically unavailable in the U.S. fall into this category. Trade in complementary goods benefits both sides.

b. *Competitive Goods.*—Second, LDCs also produce goods which are directly competitive with U.S. products in both domestic and foreign markets. In competitive sectors, an increase in sales by foreign producers may lower income and employment in the domestic industry. As a result, many LDCs maintain tariffs and import quotas to protect their "infant industries" in competitive sectors and the U.S. often limits market shares for LDC imports such as in the textile market.

Trade in competitive goods makes up an increasing part of U.S. Trade in LDCs, especially with the newly industrialized countries of Asia and Latin America. Approximately 20 percent of LDC exports are now manufactured goods. From 1970 to 1980 the share of OECD manufactured imports

coming from LDCs rose from 5 percent to 11 percent. Many of the LDCs which have successfully developed their competitive export industries are the same countries which have relied most heavily on commercial borrowing and are deepest in debt.

c. *High Technology Sector.*—A third general category of increasing importance—"high technology"—includes both goods and services. In this area, U.S. producers have substantial technological advantages. LDC barriers to "high-tech" trade are high, often to the extent of completely excluding imports from their domestic markets. These barriers are intended to stimulate foreign and joint investments in LDC domestic markets.

The Subcommittee heard exclusively from U.S. representatives of industries which produce competitive goods and are thus particularly threatened by foreign imports. The other trade witnesses were not from any particular industrial sector. The Subcommittee did not hear witnesses from complementary and high-technology industries. Such witnesses could present the case for substantially more liberal two-way trade policies, especially in relation to the LDCs.

2. Arguments for Protection:

a. *Copper Industry.*—Witnesses representing the copper industry, a group which included four Senators from Western States, were concerned that increasing copper production in Latin American and African countries had driven world prices down to extremely low levels, forcing the closure of U.S. mines and the lay-offs of thousands of U.S. workers. Testimony centered on the need to protect U.S. jobs through voluntary export restraints negotiated with major copper producers such as Chile, Zambia, Zaire, and Peru, and on the possibility of using U.S. influence on IMF lending policies to enforce such agreements.

b. *Steel Industry.*—Steel industry representatives from both labor and management shared the views of their counterparts in copper. U.S. steel companies face increasing import competition from LDC producers such as Brazil, Mexico, Argentina, and South Korea. They perceive such competition as unfair because of export and production subsidies offered by LDC governments to their domestic industries. They argue that import restrictions are necessary to maintain "fair" trade, given that free trade is not practiced by other steel-producing countries.

c. *Auto Industry.*—During the hearings on trade in the auto industry, there was agreement among industry representatives on the need for protective measures, but differences of opinion arose between labor and management as to the precise form that such protection should take.

These disagreements stemmed from the multinational character of the large U.S. auto producers. For management, the production of auto parts by foreign subsidiaries, particularly in LDCs, is an essential element of flexibility in the production process. From labor's point of view such practices simply represent the export of jobs overseas. Both labor and management view trade in automobiles as competitive. However, in parts and intermediate goods, management perceives trade as complementary and desirable, since it allows multinational sourcing patterns and increased flexibility in production decisions. Labor perceives it as competitive and undesirable, since it results in a loss of U.S. jobs.

This difference in perception was reflected in differences in policy recommendations. Labor supported domestic content legislation and voluntary quotas on autos by Japanese manufacturers. This policy combination offers maximum protection for U.S. jobs. Management, on the other hand, opposed domestic content legislation. However, it joined labor in supporting continued voluntary quotas—a policy which would protect final goods while maintaining open markets for auto parts and intermediate goods imported from LDC subsidiaries.

3. Fair Trade:

For all three industries represented in the subcommittee's hearings, the central trade issue was that of "fairness." Witnesses offered a variety of reasons in support of their claims that the international trade deck was stacked against U.S. companies in these industries.

a. *Auto Industry.*—In the case of the auto industry, the foremost charge was that foreign countries impose tariffs, quotas, and non-tariff trade restrictions on American cars, so that unilateral pursuit of free trade by the U.S. puts U.S. producers at a disadvantage. Professor Barry Bluestone presented considerable evidence of widespread trade restrictions. Of the 49 countries in the world which produce automobiles, 41 restrict auto imports and 27 have local content laws. However, the evidence did not show that U.S. automakers are locked out of foreign markets. U.S. auto companies have subsidiaries in 26 of the 41 countries with import restrictions and in 18 of the 27 countries with local content requirements.

Another important reason advanced as evidence of unfairness to U.S. producers was that much of the import competition faced by U.S. producers represents "uneconomic" production on the part of subsidized foreign industry. Auto executives pointed to the Japanese tax system as an example. Under Japanese tax law, automobile manufacturers are given incentives to export, particularly to the U.S. This effectively subsidizes Japanese exports and lowers the price at which Japanese companies can profitably sell their cars in the U.S. Witnesses offered no estimate of the quantitative impact of tax incentives on the price of Japanese imports, but there is no doubt that tax laws affect production and export decisions.

b. *Steel and Copper Industries.*—The discussion of "uneconomic" production in the steel and copper industries took a different tone. Here the focus was on direct production and export subsidiaries offered by foreign governments to their national industries, rather than on tax incentives. Witnesses aimed most of their criticism at some LDC governments which utilize export promotion policies in order to generate foreign exchange. In fact, the need for foreign exchange by some LDC producers is so great that some LDCs are selling their exports in international markets for less than the cost of production. This was documented by Senator Domenici in the case of copper production, where the international price was 56 cents per pound in August 1984, and among major producers only Chile (at 50 cents per pound) had lower production costs. The average production cost for the other major copper-producing countries was 71 cents per pound. Continued LDC copper production at current prices is certainly "uneconomic," in the sense that private firms would not and could not continue to produce and sell at a loss for as long as government owned or subsidized entities can.

That increased Third World production of copper and steel depresses prices and lowers U.S. production and employment levels in those industries is beyond doubt. It is also true that LDC producers often operate differently from private U.S. firms. However, whether the increased competition which U.S. producers face from LDCs is primarily the result of irrational, uneconomic, or unfair trade policies is a more difficult question to answer.

c. *Competitive Goods Generally.*—Much of the increased production of competitive goods by LDCs is a result of their development successes. U.S. producers of competitive goods would be forced to adjust to this new reality even in a completely fair and open international trading system. The emergence of LDC competition in industries such as steel has been a gradual process, but the world recession of 1980–82, coupled with the appreciation of the dollar against other currencies, aggravated the adjustment problems of U.S. producers and generated increased lobbying for protection from foreign competition. Industry witnesses did not consider the extent to which increased LDC exports simply reflect increased LDC growth and competitiveness.

On the other hand, debt servicing problems mean that LDCs place a premium on exports. Some Third World countries are attempting to increase their export earnings through means which might be considered "uneconomic" if practiced by private firms. Such policies may of course be rational in some broader sense, but this is little consolation for U.S. firms whose LDC competitors are able to sell at a loss for a substantial period and still stay in business. Foreign export subsidies and tax incentives give foreign producers some advantage over U.S. firms. The quantitative impact of export promotion policies is difficult to assess, but the effects are clearly detrimental to U.S. producers.

In addition to discussion of trade restrictions and uneconomic production policies practiced by other countries, some witnesses claimed that wage differentials and exchange rate fluctuations were sources of unfairness in international trade. Representatives from Ford and Chrysler stated that these factors give Japanese car producers a significant and "unearned" cost advantage of hundreds of dollars per car sold in the U.S.

Lower wages abroad and the sharp rise in the value of the dollar have hurt the competitive position of U.S. industry in world markets. But according to traditional tariff theory such factors do not warrant being characterized as the kind of basic unfairness in the international trading system which should be rectified by U.S. protectionist policies.

4. *International Lending and Trade:*

Steel and copper industry witnesses argued that the U.S. contributions to multilateral institutions such as the IMF, the World Bank, and the regional development banks harm U.S. companies and workers in three ways. First, development lending encourages the buildup of "excess capacity" in the Third World. Second, the access of LDC producers to international credits at low interest rates allows them to modernize production facilities at lower cost than their U.S. competitors. Third, the emphasis which IMF-imposed adjustment programs place on contractionary macroeconomic policies, import cuts, and export increases in LDCs hurt U.S. exports to important markets and increase LDC penetration into the U.S. domestic market.

a. *Excess Capacity.*—The principal target of copper producers was the IMF's compensatory financing facility ("CFF"), which

lends to countries experiencing temporary shortfalls in export earnings. They claimed that copper-producing countries were taking advantage of CFF loans to raise their production levels and increase their exports at a time when there was already a surplus of copper on world markets. Hearings centered on S. 2524, the Copper and Extractive Industries Fair Competition Act of 1984, which proposed altering the IMF Charter to prohibit CFF lending to countries which were experiencing export shortfalls due to low commodity prices "unless the borrowing country enters into an agreement with the Fund to adjust production and not to add further excess capacity and to take other necessary action to stabilize the market for such commodity."

The Administration believed that this particular bill would be ineffective. As George Hoguet of the Treasury Department pointed out in his testimony, IMF lending is for short-term balance of payments difficulties and does not go directly to development projects. Altering a small part of IMF lending policy will not seriously affect world copper production. Mr. Hoguet estimated that lending by multilateral development banks (which do make project loans) added only about 4 percent to world copper-producing capacity in the last 7 years. He also testified that forcing the IMF to determine what constitutes appropriate production levels and prices is also contrary to its free-trade orientation, and would open up a Pandora's box by making IMF loans the battleground for future trade disputes between member countries.

b. *Interest Rates.*—Substantial arguments that international lending has benefitted LDC producers by allowing them access to credit at below-market rates were advanced by senators from copper-producing states. Indeed, benefitting LDC producers is precisely the purpose of development loans. Development lending does not directly affect U.S. industries as long as U.S.-LDC trade is mostly in complementary goods. Protectionist lobbying against such loans has increased as LDCs have begun to produce more competitive goods for export. It was especially strong during the economic downturn of 1980–82. Lending by multilateral development banks promotes economic growth in LDCs, and this growth can simultaneously be beneficial to the overall U.S. economy and U.S. exports and threatening to particular industries which will face increased competition. Witnesses urged policy-makers to balance the general interest in increased growth, in the U.S. and worldwide, with the real costs of adjustment in certain U.S. industries.

c. *Adjustment Programs.*—Another major criticism of official lending policies was that IMF stabilization programs rely too heavily on contractionary policy, import cuts, and export increases and thus hurt the borrowing country and U.S. exports and jobs. IMF policies often encourage contractionary fiscal measures in borrowing countries in order to reduce the demand for imports by reducing the demand for goods in general. Several witnesses representing organized labor suggested that IMF conditions should emphasize price stabilization through export growth rather than through contraction of the domestic economy. By forcing rapid contraction of imports, IMF programs reduce the demand of LDCs for American products and thus hurt U.S. export prospects. These witnesses did not discuss the problems associated with this suggested change in IMF policies. IMF programs are designed to promote fairly rapid adjustments. Price stabilization through growth often would be a longer process. A reorientation of IMF programs toward longer adjustment cycles would also require additional resources for the IMF.

In sum, the lending policies of the IMF and the multi-lateral development banks clearly have an impact on U.S. trade, and that impact can be negative for individual sectors of the economy. However, in the long run such policies also promote U.S. exports, U.S. growth, and U.S. jobs through increases in LDC demand for American products. Development loans can cause adjustment problems for particular U.S. industries, but little concrete evidence was presented in support of the contention that the policies of multilateral lending institutions have created an international economic climate which is systematically unfair to U.S. firms.

5. Trade Overview.—Causes of Import Competition:

Some of the complaints advanced at the trade hearings about the need for protection of U.S. industry were not accompanied by strong evidence of unfair trade practices on the part of foreign competitors. Claims of unfairness were strongest in the case of export subsidization policies by foreign governments. When export subsidies, tax incentives, production targets, and other interventionist measures are in effect in other countries, the trading system is disadvantageous to firms which must operate according to private market rules.

However, not all import competition results from interventionist policies of foreign governments. Much of this new competition is a simple consequence of the growth of competitive industry overseas, particularly in LDCs which have instituted successful industrial development programs. The strong U.S. dollar has also contributed to the competitive difficulties of U.S. companies.

In addition, some of the adjustment problems of basic U.S. industries are not trade problems at all, but are direct results of low levels of domestic demand for their products, especially in times of slow economic growth. Adjustment difficulties are more acute when domestic markets are shrinking, and protectionist lobbying gains strength at such times.

Finally, certain witnesses stressed the importance of opening up foreign markets increasingly to U.S. exports rather than closing down U.S. markets to imports.

IV. CONCLUSIONS

The scope of the hearings and the variety of issues addressed are ample evidence of the complex and important interdependence between the problems of trade, debt, and growth. The political immediacy of some issues prevented the Subcommittee from devoting a great deal of attention in the hearings to other, longer-range problems of continuing significance to the nation and the global economy.

The testimony highlighted several facts which are critical for future policy. First, the success of international economic policy depends ultimately on understanding the economy and political motivations for the trading, borrowing and lending behavior of governments and the investments of private firms. Even the most well-designed policies can be ineffective in the face of political resistance.

Second, trade and financial questions are closely interrelated. The debt crisis cannot be solved without addressing the underlying trade problems and vice-versa. To be effective, U.S. policy must deal with trade and financial questions in a comprehensive, well-integrated fashion.

Finally, witnesses recognized that U.S. economic performance is increasingly dependent on economic performance in the rest of the world, with a number of LDCs having a growing impact on our own economic health. U.S. trade with LDCs has become an important factor in generating markets for U.S. goods and jobs for U.S. workers. In the long run, it is in the enlightened self-interest of the United States to recognize and take further advantage of the increasing importance of trade with the Third World.

APPENDIX A.—EXECUTIVE COMMITTEE OF THE BAY AREA INTERNATIONAL FORUM EXECUTIVE COMMITTEE AND THE STEERING AND RESEARCH COMMITTEES FOR THIS STUDY

EXECUTIVE COMMITTEE

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Donald Guinn, Chairman & CEO, Pacific Telesis Group.
Peter T. Jones, Sr. Vice President, Levi Straus & Co. (rtd.).
Samuel H. Armacost, President & CEO, Bank of America.
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George Sears, Managing Partner, Pillsbury, Madison & Sutro.
Gary Shansby, Chairman of the Board & CEO, Shaklee Corporation.
Paul Slawson, President & CEO, The Getz Corporation.
Peter Tarnoff, Ex officio, Executive Director, World Affairs Council.
Max Thelen, Jr., Ex officio, President, World Affairs Council.
Wil C. Wood, Executive Vice President, Crocker National Bank.
Alden Yates, President, Bechtel.

STEERING COMMITTEE

Study Project for Senator Mathias

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Gerald Meier, Stanford Business School.

Clark Reynolds, Stanford University, Food Research Institute.

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David Teece, University of California at Berkeley, Department of Economics.

Laura Tyson, University of California at Berkeley, Department of Economics.

Robert Wesson, Hoover Institution.

John Zysman, University of California at Berkeley, Department of Political Science.

APPENDIX B.—SUBCOMMITTEE ON INTERNATIONAL ECONOMIC POLICY UNITED STATES SENATE COMMITTEE ON FOREIGN RELATIONS

(Summary and Index of Testimony by Individual Witnesses, 1983–84 Hearings)

[Notes on Hearing by Senate Foreign Relations Committee, Subcommittee on International Economic Policy: Stresses and Strains in the International Financial System]

10 Jan 1983

HENRY FOWLER, chairman of Goldman Sachs International and former Sec. of Treasury

[S. HRG. 198-61, p. 3

Western economies face an international economic situation which is the most serious to arise since the 1930's. At the same time there are opportunities to move toward a more stable world system.

Two basic problems: [1] The imbalance in the policy mix in US and elsewhere. Fiscal excesses and wage increases greater than productivity increases persist in many countries and are one source of current problems. [2] Excessive dependence of many countries on foreign private borrowing as a source of foreign exchange.

Much of 3W borrowing was in unregulated Eurocurrency markets, through syndicated bank loans involving many small banks. Around 1500 US banks have loans to LDCs.

Major problems in DCs are inflation and exchange rate instability, inadequate private investment, excessive public expenditure, rising protectionism.

Double oil price shocks of 1970s severely affected the BOP situation for non-oil producing LDCs. Some nations just took it on the chin, but many others borrowed from banks in order to ease the shocks. Even some oil-producing countries borrowed heavily in order to accelerate pace of development. Fowler characterizes this borrowing as "relatively undisciplined."

Long-term debt service grew rapidly in late 1970s and early 80s as interest rates on floating rate loans rose to very high levels. This meant that an increasing proportion of new borrowing had to go to making interest payments on old debt.

Two-thirds of all bank claims on non-oil LDCs were in 6 countries at end of 1981: Mexico, Brazil, Argentina, S. Korea, Chile, and the Philippines.

Debt service requirements of Mexico, Brazil, Argentina, Chile, and Ecuador exceeded export earning in 1982.

"Current" decline in DC interest rates looks good for debtors.

Policy recommendations:

[1] Go ahead with IMF quota increase.

[2] Expand the General Agreements to Borrow (GAB) and allow IMF to use these resources for nations not participating in GAB.

[3] Establish capability for IMF to borrow in private capital markets.

[4] Enforce conditionality (stabilization programs) in IMF lending to major debtor countries.

[5] Encourage private banks to continue and expand their lending to major debtors, and encourage rescheduling of principal payments.

[6] Develop some standard procedures for rescheduling negotiations.

[7] Study recent debt problems to avoid recurrences.

[8] DC governments should take publicly visible steps to protect the liquidity of their private banking systems.

[9] Establish right mix of monetary/fiscal policy in DCs so as to resume growth without return to severe inflation.

W. MICHAEL BLUMENTHAL, Chairman and CEO of Burroughs Corp and former Sec. of Treasury.

[S. HRG 98-61, p. 25]

Current situation is "somber," but not unmanageable.

Raw material and food prices fell 30% from mid 1981 to early 1983, which severely hurt LDC export earnings. At the same time, the world recession lowered demand for LDC exports.

"Less than brilliant" economic management in developed countries has exacerbated international financial problems in recent years. Fiscal irresponsibility created inflationary situation, which required severe measures when the time came to curb inflation.

Current policy mix in US is too reliant on tight money. This has hurt growth, raised interest rates, and led to trade balance problems because of appreciation of the dollar relative to other currencies.

Exchange rate fluctuations have been aggravated by improvements in telecommunications which allow a 24-hr market in which vast sums can be transferred very quickly. Also, much of this flow of dollar-denominated securities is outside US control.

Lag between depreciation of the dollar and improvement in trade balance would be about 18 months.

Overvalued dollar limits US ability to export. Chemical exports down 17% from fall 1981 to early 1983; food exports down 30%, 20% of US industrial production is exported. One in 6 US jobs is due to exports. ⅓ of US corporate profits is derived from foreign activities. 40% of US farm acreage is dedicated to production for export. Growth in world economy is essential for US growth, as well as vice versa.

Bergston figures that from 1978–80, 60% of US economic growth is attributable to improving trade balance.

US can't solve all these problems by itself: international cooperation is important, especially through multilateral institutions (IMF, WB, OECD, GATT).

IMF has been able to induce banks to increase their lending to debtor nations, rather than "bailing them out".

Current debt crisis is one of liquidity, not of insolvency of large debtor countries.

Policy recommendations:

[1] US must get control of its budget deficits, and adjust its economic policies to a mix that is more favorable to growth in world economy.

[2] Other OECD countries must also contribute. In particular, Japan, Germany, and UK should loosen up on the fiscal side.

[3] Need to sustain credit flows to LDCs, especially through increased support for international institutions, including the World Bank in particular.

[4] Resist the temptation of protectionism.

[5] Treasury should intervene in currency markets to smooth fluctuations in the value of US dollar.

CHARLES SCHULTZE, Professor at Stanford and former chairman of the CEA [S. HRG 98-61, p. 35].

DCs are suffering the pain of getting rid of a stubborn inflation. US in particular is following a policy of overly tight monetary policy and overly loose fiscal policy, making the pain more severe than necessary.

In Europe and Japan, inflation of last 15 years has led to real wage increases in excess of productivity gains. Result has been a profit squeeze. This is a problem which will not go away even with a recovery.

In LDCs, need for credit is increasing at the same time that private credit worthiness is worsening. Without continued credit flows to debtor countries, their adjustment problems will also be more severe than is necessary.

US inflation is less under control than it appears. While inflation of CPI has fallen from 13.5% in 1979 to 5.5% in 2nd half of 1982, taking out food and energy prices shows a drop from a peak of 9.75% in 1980 to 6.5% in 1982:2 and 1982:3. Also, some of this decline was result of dollar appreciation in foreign currency markets. Main point: inflation is still with us and is extremely hard to get rid of.

In addition to alleviating current problems, international economic community should set up some institutional framework for coordinating public and private lenders (I guess he means for rescheduling).

Current BOP problems in LDCs are likely to persist for several years. Such intermediate-run structural adjustments fall inconveniently between the usual short-run programs of the IMF and the longer term projects sponsored by the World Bank. WB as well as IMF has an important role to play in stabilizing the current situation.

Banks were caught in a situation which was partly beyond their control—a general worldwide recession and liquidity crisis.

An overlooked consequence of LDC debt problems is the cutback in their capacity to import. This in turn hurts the DC economies. This makes continued credit flows important to the developed economies as well as to the LDCs.

Around 35% of US exports go to LDCs, 45% of Japanese exports.

Cites Krause as projecting that zero net credit flow to big debtors would lead to a 5.5% fall in Latin American economic growth, which would in turn lead to a 1.5% drop in US growth and a loss of 1 million jobs in US.

Policy recommendations:

(1) Reduce US budget deficit.

(2) Loosen monetary policy to accommodate a gradual recovery.

(3) Maintain credit flows to LDCs, through both private and public sources.

LAWRENCE KRAUSE, Senior fellow at the Brookings Institution

[S. HRG. 98-61, p. 70]

World recession is the root cause of debt crisis. Its severity was not anticipated, either by banks or by debtor countries.

Triple whammy on LDCs: world recession, high real interest rates, and low commodity prices. The appreciation of US dollar has affected commodity prices.

Most important factor in escaping crisis is industrial country recovery and growth. With a sustained upswing in world economy,

LDC exports could rise 20-30% per year; with stagnant world economy LDC exports could fall 10% per year.

20% of LDC exports are manufactured goods.

BOP deficits are normal and necessary for developing economies. Usually lending to cover these deficits is profitable for both borrower and lender due to high rates of return. Current situation is an anomaly.

US banks are not the only banks involved in the current problems. Many European and Japanese banks have large loans in 3W.

On 1 Dec. 1981, LDCs had $327 billion in bank debt, 49% of which was due to mature within 1 year.

IMF has noted a tendency toward "regionalization" by private banks—eg, when one country in Latin America begins having repayment difficulties, lending dries up for other countries in the region regardless of their credit standing.

IMF programs lend an aura of credit worthiness to problem debtors, which is essential to maintaining flow of private capital.

Policy recommendations:

[1] Lower US short-term interest rates by reducing out-year budget deficits.

[2] Encourage continued lending to LDCs, both through private banks and IMF.

[3] Resist protectionism.

[4] Closer scrutiny of private lending by international organizations such as IMF in order to avoid the overlending and overborrowing characteristic of the recent past. IMF should set guidelines as to what constitutes "responsible borrowing" by member countries.

[5] Cooperation among the various bank regulators in the lending countries (pooling data) in order to monitor banks' positions more accurately and avoid overexposures. Changes in US banking regulations alone would be insufficient to avoid future crisis, due to multinational nature of lending.

[6] Fiscal restraint + looser monetary policy in US.

JOHN SEWELL, President of Overseas Development Council

[S. HRG 98-61, p. 87]

Recovery in the DCs is by far the most important factor in restoration of healthy world economy, but world economic growth cannot be restored without the resumption of growth in developing countries. They have become an essential part of the world system and must be taken into account when planning recovery.

Essential character of financial flows to LDCs has changed dramatically: in 1960's of all flows were in form of aid; in 1980's of all flows were from private sources.

This change represented a failure of public policy. Short-term private loans were used for financial long-term development projects, which eventually led to serious liquidity problems for debtor countries.

LDCs purchase 39% of US exports. This is more than EEC, E Europe, USSR, and China combined. In the period since 1976 (until ???) exports to middle-income countries grew at 21% per year.

Sewell is pessimistic about prospects for US exports to LDCs in the next 10 years.

Policy recommendations:

[1] Maintain and expand financial flows to LDCs, especially through a strengthened IMF.

[2] Expand official aid programs and target them on the low-income LDCs.

[3] Cut US defense budget and put some of the resources into international aid—this is an alternative and more effective way of "buying security".

JOHN MELLOR, Director of International Food Policy Research Institute

[S. HRG 98-61, p. 97]

3W growth has become very important for US economy in recent years, especially for agricultural exports. Most of the growth in this trade had come from income rather than population growth in LDCs.

Maintaining and expanding financial flows to LDCs with high potential growth is very much in the interest of U.S. exporters.

19 Jan 1983

RIMMER DE VRIES, Senior vice president and chief international economist of Morgan Guaranty Trust

[S. HRG 98-61, p. 127]

Resolution of debt crisis requires mixture of moderate growth and some structural adjustment by LDCs. Debt problem is manageable, but it will take 3-4 years for the necessary structural changes.

Banks must increase their lending at around 7% per year in order to finance such a transition. This should be possible even if some smaller banks reduce their lending.

World Bank can play an important role in debt management. Countries may have to rely more on concessionary IDA-type financing, since private money is likely to become more scarce.

Bank for International Settlements (BIS) is a good source of debt information, not only about U.S. banks but also German, etc. Their information can be up to 6 months out of date, however. BIS can also be an important institution in debt management.

Regionalization is a fact. Poland's problems have affected lending to all of E. Europe, and Mexico and Argentina have affected Latin America.

Rapid increase in private lending in 1970s helped ease oil price shocks for many LDCs.

Much of this lending was in form of short-term loans. Although such loans appear safer to banks, in fact they increase the vulnerability of borrowers to a liquidity crisis or to a sudden unwillingness by creditors to roll over existing loans.

Dollar prices of LDC export commodities fell 11% (in what period?)

Cooperation between IMF and private banks in putting together loan packages has been good. The IMF has been able to induce banks to continue their lending to problem debtors. Banks have more confidence in repayment in presence of IMF adjustment programs and IMF monitoring of economic progress.

U.S. over-reliance on monetary policy to break inflation has had international repercussions.

Monetary policy should be relaxed in U.S., Canada, and UK. Fiscal policy should be relaxed in Japan, UK, and Germany.

Policy recommendations:

[1] Strong support for IMF, including an expansion of GAB and the possibility of GAB money for non-industrial countries.

[2] Bigger role for World Bank, as some countries may have to be "ungraduated" from private financing back to IDA loans.

[3] Bigger role for BIS, including the capacity to furnish very short term liquidity to countries which are in the process of negotiating with the IMF but have not yet settled.

[4] Increased role of BIS and IMF in establishing guidelines for sound international borrowing and lending.

ROBERT SOLOMON, Guest Scholar at Brookings Institution

[S. HRG 98-61, p. 157]

Growth of international debt has not in fact been explosive. In real terms, non-OPEC LDC debt rose at 10% per year in 1973-82. Ratio of (debt/exports of goods and services) rose from 89% to 109% for same group in 1973-82. Interest payments as a fraction of export earnings rose from 4-9%.

Moral: debt has increased, but not as much as we are often led to believe.

Qualification: these aggregate figures aren't necessarily representative of the big debtor countries. For Brazil and Mexico the interest/export ratio is much higher than for the average non-OPEC LDCs.

Interest payments are very sensitive to LIBOR. The fall in LIBOR from 1981-82 reduced Brazil's interest/export ratio from .29 to .16, and the increase in interest rates in 1978-mid 82 added $4 billion to Brazil's annual BOP deficit.

IMF seal of approval is important for keeping private lenders from pulling out of debtor countries.

Real interest rates on international loans rose quickly from 1978 on and have remained high. LIBOR average in 1978 was 8.85% while industrial country prices rose about 7%. In 1981 LIBOR was 16.78%, inflation 10%. In first half of 1982 LIBOR was 15.30, inflation 8.2%.

IMF is "bailing in" banks by inducing them to increase their lending to problem countries, rather than bailing them out by substituting public credit for private credit.

Only Argentina, Mexico, and Brazil are large enough debtors to cause a general financial crisis if they default.

Of the total $230 billion in bank loans to non-oil LDCs at the end of 1981, 39% was owed to US banks. US bank shares of loans to Argentina, Brazil, and Mexico were also in the 38-40% range.

Biggest danger to world economy is not default by major debtors, but rather a sharp reduction in lending to LDCs. This would force major contractors in LDC imports and aggravate the world recession, which would in turn worsen LDC economic prospects even further by reducing demand for their exports.

Policy recommendations:

[1] IMF and other international institutions—not commercial banks—are responsible for assuring that the world economic system stays healthy. Some banks may reduce their exposure in 3W, and the IMF has to be ready to fill the gap.

[2] IMF should be able to borrow in private markets in order to increase its resources in the event of a real crisis.

[3] Without growth and lower interest rates in DCs, IMF funding isn't going to turn the situation around.

JOHN HEIMANN, Cochairman of Warburg Paribus Becker Inc. and former Comptroller of the Currency

[S. HRG 98-61, p. 172]

No real solution to debt problems without world economic growth and especially not without US economic growth.

Current problems are ones of liquidity rather than solvency. Solvency questions can only be answered once the liquidity problems are handled.

Rescheduling of private loans has become much more difficult than it was in the past, because of the increasing number of banks involved in syndicated loans and because of

the greater amounts of money involved. eg, Poland was trying to reschedule debts owed to about 500 separate banks at once.

The "fair treatment" principle has guided most rescheduling negotiations: banks are expected to participate in rescheduling and in new lending in proportion to their existing exposure. This usually doesn't cover short-term trade financing, however, so some banks can reduce exposure by not renewing such loans.

Policy recommendations:

[1] Central banks in DCs need to establish more precise definition of their responsibilities to provide needed liquidity to their own banking systems. This is a problem for the BIS.

[2] IMF needs additional resources. IMF conditionality and monitoring are important for establishing the confidence necessary for private bank lending to problem debtors.

[3] Rescheduling negotiations should be carried out in a more coordinated fashion by higher-ups in big international banks, rather than on an ad hoc basis by junior bank officers.

[4] Rescheduling by calendar may be too rigid a technique. More flexible systems—such as rescheduling timed according to gains in export earnings—may be a better approach.

[5] Small banks shouldn't be allowed to shirk their responsibility for the debt problems. They helped create the problem and should be part of any solution.

[6] Banks should pool data in order to better assess the total liabilities of borrowing countries.

FELIX ROHATYN, Senior partner in Lazard Freres and Co.

[S. HRG 98-61, p. 271]

More pessimistic about future of world economy than other panelists.

IMF and BIS played key roles in averting crisis in summer of 1982.

Strong IMF and private bank reschedulings are the only means of avoiding a real financial crisis.

Poland, Mexico, and Brazil have already in truth defaulted. To call it otherwise is obfuscation.

There is a real danger of unilateral repudiation of foreign debt "by a country that is politically radicalized by depression or by IMF-imposed austerity, or a combination of both."

The standard relationship between trade and currency values has been reversed: currency fluctuations now determine trade patterns rather than vice versa.

Policy recommendations:

[1] New system to control wild fluctuations in exchange rates between major currencies.

[2] Long-term low-interest rescheduling of 3W debt, in order to allow debtor countries to recover. A subsidiary of the World Bank or the IMF or a totally new institution could be set up to trade existing commercial bank loans for long-term low-interest paper. (he doesn't really talk about how to allocate the losses).

[3] Liberal trade policies in industrial countries.

WILLIAM CLINE, Senior fellow at the Institute for International Economics

[S. HRG 98-61, p. 279]

There are essentially 2 debt problems: (1) liquidity problems of the "super debtors" which could trigger bank failures and financial crisis, and (2) debt service problems which will mean lower rates of growth in LDCs and thus a lower rate of growth for world trade and for DCs.

Debt problems caused by higher oil prices, high real interest rates, global recession, falling commodity prices. Domestic policies of LDCs have also been part of cause—eg, unrealistic exchange rates in Argentina and Chile and failure to adjust trade in Mexico. In addition, many countries used short-term loans to finance medium-term development projects.

World economic growth is a prerequisite to any solution of debt problems.

US monetary/fiscal policy imbalance has been a prime cause of high real interest rates worldwide.

IMF coercion of new lending from private banks is a hopeful sign.

IMF is already at lending ceilings for Mexico and Brazil.

Overvalued dollar has two negative effects on LDCs: dollar prices of commodities are depressed, which reduces LDC export earnings, and dollar value of debt rises.

Expansion of bank lending to LDCs at rate of 8-10% per year is critical to health of whole system.

In all but a few cases—eg, Peru and Zaire—bank lending has not been irresponsible or reckless.

IMF quotes don't show up on fed budget.

IMF is bailing banks in rather than out.

Only a few countries are big enough debtors to provoke a crisis if they don't repay: Brazil, Mexico, Argentina, Venezuela, and Poland.

Western financial system is too vulnerable to crisis at the present time: in the long run banks must reduce their exposure as a % of total capital.

Policy recommendations:

[1] Expand World Bank lending, and alter its policies to include more lending for shorter, structural adjustment projects.

[2] IMF must ignore its own quotas for lending to super debtors and go ahead and lend more to Mexico and Brazil.

[3] IMF should be able to supplement its official resources by private borrowing if necessary.

[4] No need for new institutions to fill the gap between the onset of financial trouble and the conclusion of negotiations with IMF. Only a few countries could cause enough trouble to worry about, and they can be handled on an ad hoc basis.

[5] It's worth considering possibility of an official international agency buying bank debt at 90 cents on the dollar as a means of restructuring loans. However this could only be done only with significant new capital contributions by member countries, and it might be exceedingly difficult to sell politically.

[6] "replacing banks as the principal vehicle for capital flows to developing countries will be the principal international financial challenge of the 1980s."

1 Feb 1983

BILL BRADLEY, US Senator from New Jersey

[S. HRG 98-61, p. 304]

Governments are responsible in large part for the current international recession and financial crisis, and are therefore responsible for solving it.

Ever-increasing bank lending isn't a viable long-term solution. It only increases the risks of overexposure and a banking crisis in DCs.

Banks loaned irresponsibly, without considering possibility of repayment problems.

US should act pre-emptively to ease the present crisis and thus help avoid the eventual formation of a "debtor cartel".

World recovery requires coordinated macro policies by DCs: US, UK, and Canada should ease money supply to lower interest rates, while Germany and Japan should relax on the fiscal side.

Policy recommendations:

[1] Increase IMF quotas to expand international liquidity.

[2] Establish an emergency fund which could respond quickly to an international liquidity crisis, probably under auspices of IMF.

[3] Clarify "lender of last resort" policies among major lending countries. Who helps banks in trouble and to what extent? What about offshore subsidiaries or consortium banks?

[4] Convert short-term international debt to long-term obligations, through official write-downs of loans with government participation (trade sort-term loans for long-term bonds).

[5] Improve the volume and quality of information available about international banking system.

[6] Coordinate monetary and fiscal policies in DCs.

[7] Modify exchange rate system to prevent wide fluctuations in major trading currencies.

G. WILLIAM MILLER, President of G. William Miller and Co., former Sec of Treasury, and former Chairman of Federal Reserve Board

[S. HRG 98-61, p. 320]

US economic growth is essential for world recovery.

Major change in US fiscal/monetary policy mix is essential for US growth.

Many US jobs depend crucially on exports to LDCs.

US contribution to IMF quota is in form of letter of credit, which is used only if it is needed. Thus it doesn't tie up idle funds (is this why someone else said quota didn't appear on budget???)

The focus of discussion should not be on whether or not LDCs can "pay off" their debts. We never expect nations to be completely debt-free, least of all our own. What matters is that nations should be in a position to service their debts in a reasonable fashion. Countries should be able to repay debtors, but not necessarily repay debt. Debt service is the crux of the present problem. quote: "It is not intended that the US government will pay off its debt. It is intended that it will continue to be credit worthy with the capacity to tax and raise revenues for its good and useful purposes, including many that involve long-term capital investments. As long as that is true, the US government will pay off individual lenders but it will incur new debt in the marketplace on current terms and conditions.

Policy recommendations:

[1] Strengthen IMF and GAB. This includes not only immediate quota increases, but also steps toward making SDRs a truly international currency for trade purposes, and establishment of a mandatory convertible currency deposit requirement for member countries so that IMF could act quickly in a crisis.

[2] Set up a system to smooth out exchange rate fluctuations among major currencies.

[3] Procedural change: remove IMF and World Bank appropriations from the foreign aid bill and put them in a separate bill titled "International Investments". This would clarify the purpose of such funding (and, not incidentally, make it easier to pass).

WILLIAM OGDEN, Vice chairman and chief financial officer of Chase Manhattan Bank.

[S. HRG 98-61, p. 324]

Present debt problems are ones of liquidity, not of solvency.

In short run increased credits are very necessary, but funding needs of big debtors must decrease in the future.

Major focus of concern of DSs should be on the possibility of a lower level of world trade caused by debt problems, rather than on the viability of the international banking system.

Vast majority of banks have continued to lend to countries experiencing liquidity problems, under leadership of IMF. In Agrentina, Brazil, and Mexico private banks provided new lending (in 1983?) equal to twice the amount of IMF funds provided and rolled over debt amounting to 6 times the IMF disbursements.

IMF bails banks in not out.

Banks have been hurt by the debt crisis in the form of lost flexibility in their loan portfolios.

Prerequisite to world recovery is lower real interest rates. This requires US budget deficits to come down.

Policy recommendations:

[1] Fund IMF.

[2] DON'T increase regulation of banks. Resolution of debt service problems must be done on a case-by-case basis and thus demand flexibility.

[3] DON'T punish banks through punitive measures. This will only impair their ability to aid in resolving debt problems. Banks are already hurting.

[4] Resist protectionism.

[5] IMF is not a lender of last resort. IMF borrowing in private capital markets would be contrary to its "spirit".

ROBERT HORMATS, Goldman Sachs International and former Assistant Sec of State for Business and Economic Affairs

[S. HRG 98-61, p. 333]

Steady deterioration in world economy is likely unless we make significant changes in policy and in the structure of the system.

Policy makers need to address the interrelationships among growth issues, financial issues, and trade issues—eg part of the reason for world recession and debt crisis is that several countries are applying anti-inflation remedies simultaneously.

New character of international currency markets means that exchange rates no longer necessarily move in the proper direction to restore trade balance between countries.

Policy recommendations:

[1] Stimulate US and world economic growth by lowering out-year budget deficits in US.

[2] Serious programs aimed at reducing structural unemployment in DCs.

[3] Strengthen IMF, including allowing private borrowing if necessary, and promote adjustment in problem debtor countries.

[4] Regular consultation among financial, monetary, and trade authorities in DCs.

[5] Resist protectionism.

[6] Political commitment at highest levels to sell public on necessity of foreign aid.

15 Feb 1983 (full committee hearing)

GEORGE SCHULTZ, Sec of State

[S. HRG 98-61, p. 371]

Trade is important to US economy. 20% of US jobs depend on trade in some way, and 40% of US cropland is in production for export.

Trade with 3W is important, but shouldn't be overstated. Largest trading partners of US are EEC, Canada, Japan, Mexico.

Causes of debt crisis are: high interest rates due to restrictive monetary policies in DCs after 1979 oil shock, strong dollar, world recession and simultaneous fall in commodity prices.

The US now finds itself in a "Switzerland position" where financial flows affect trade rather than vice versa.

Exchange rate fluctuations are a problem for US. exporters.

Policy recommendations:

[1] Insure sufficient international liquidity, through short-term bridge financing, IMF adjustment programs, continued bank lending, and an increase in GAB which will be available to all IMF members regardless of their contribution to GAB.

[2] Preserve open markets.

[3] Improve the international monetary system.

[4] Insure political stability in 3W.

[5] Cut out-year budget deficits.

[6] DON'T set up any government discount window where banks can unload LDC loans. Banks are an important part in financing the international economy, and such a system would encourage them to withdraw from the international arena.

23 Feb 1983 (full committee hearing)

DONALD REGAN, Sec of Treasury

[S. HRG 98-61, p. 404]

LDCs must take steps to reduce external borrowing and improve debt servicing capabilities, but there are both economic and political limits to the speed of such structural adjustments.

Major problems for banks with loans to LDCs could cause a cutback in domestic credit in US and thus drive up interest rates.

IMF lending both provides some breathing room for structural adjustment in LDCs and assures that such adjustments do in fact occur.

IMF serves US political and security interests as well as economic ones: it is a stabilizing force and a promoter of open, market-oriented economic systems.

US can draw on IMF resources and has done so heavily in the past. Cumulative US drawings on IMF are 2nd highest of any member country.

IMF quota increase isn't a bank bailout. IMF is including banks to increase their lending rather than decrease it. Furthermore, recent debt and liquidity problems are not wholly the result of mismanagement by commercial banks. Governments have had more to do with shaping the international economic environment that have banks.

LDC borrowing in the 1970s was a way of delaying adjustment to oil price shocks and commodity price slump.

Four out of five new jobs in 1970s were generated by foreign trade. US economy is very vulnerable to further cutbacks in imports by non-oil LDCs.

IMF adjustment programs do not hurt US exports. Although cutting imports to LDCs is often a goal of such programs. IMF financing may still allow higher levels of imports than would have been possible without IMF intervention. Also, IMF export expansion programs raise export earnings and thus allow higher levels of imports from industrial countries. Finally, IMF programs include relaxation of import restrictions by LDCs, which can open up markets for US goods.

Oil price drop would have two effects on debtor countries: [1] The direct effect on trade balance—positive for oil importers and negative for oil exporters; and [2] An indirect effect on interest payments through lower inflation rates and lower interest rates in lending countries—positive for all debtors.

Rapid fluctuations in currency values are due in part to improvements in telecommunications which allow a 24-hr global market.

Policy recommendations:

[1] Promote adjustment by debtor countries.

[2] Continue availability of IMP funding for BOP difficulties.

[3] Bridge financing by governments and central banks for countries whose failure to repay would cause serious problems.

[4] Continue commercial bank lending.

[5] Avoid protectionism.

[6] Establish a contingency borrowing power for IMF in case of crisis situations.

[7] US government should not act to restrict private lending to given countries. Banks are in a position to lend wisely and have powerful incentives to do so.

[8] Treasury intervention in currency markets won't work.

13 Apr 1983

HENRY SCHECHTER, Director of AFL-CIO Office of Housing and Monetary Policy [S. HRG 98-61, p. 492]

Tight monetary policy in US has caused appreciation of the dollar, a loss of exports, and a loss of US jobs.

Bulk of US bank lending to LDCs occurred at a time when domestic credit was scarce.

Many US-based multinational corporations used international bank lending to finance the construction of overseas plants, costing US jobs.

US merchandise trade balance was −$48 billion in 1982.

Large part of the drop in US exports is due to LDC financial problems.

Banks earned $800 million from Mexican rescheduling, in fees and interest rate premiums.

Policy recommendations:

[1] Make sure that banks suffer part of any losses caused by LDC rescheduling or defaults.

[2] Prohibit banks from charging fees for rescheduling.

[3] Federal Reserve Board should monitor international lending by US banks and evaluate its consequences both for domestic credit availability and for the US economy as a whole.

[4] LDC loans should be rescheduled by having central banks of lending countries buy up problem loans at a discount. Original lenders should have to suffer any losses, however.

[5] IMF policies should be altered to emphasize domestic market expansion rather than decreasing imports and increasing exports. This would benefit workers in the LDCs and in the industrial countries.

[6] IMF resources should not be used to aid in rescheduling debts of totalitarian regimes or regimes which abuse human rights.

[7] Increase IMF quotas, subject to the above conditions.

[8] Reduce U.S. budget deficit, through elimination of indexing of income tax brackets, and through defense cuts.

WILLIAM HOPE, Manager of economic studies, Bethlehem Steel Co., on behalf of the American Iron and Steel Institute

[S. HRG. 98-61, p. 501]

U.S. recovery is vital to world recovery. U.S. recovery is difficult without restoring health to basic industries such as steel.

Since 1975, there has been no expansion of steel production capacity in DCs, while LDCs have gone ahead with expansion plans even in the face of stagnant world demand.

IMF policies encourage LDC exports and discourage LDC imports. U.S. bears the brunt of such policies. Brazil, Mexico, Argentina, Trinidad, S. Korea, and S. Africa are all unfairly trading steel in U.S.

Policy recommendations:

[1] Cessation fo below-market export credits in LDCs, especially for capacity expansions (how can U.S. policy affect this? through IMF?)

[2] Suspension of plans for economic, surplus steel-making capacity—especially in Mexico, Brazil, and Pakistan.

[3] Some sort of agreement with other industiral countries under which all would accept equivalent amounts of steel from LDCs.

[4] Market share limits for LDC steel in U.S.

[5] Increase IMF quotas, subject to the above conditions.

[Notes on Hearings by Senate Foreign Relations Committee, Subcommittee on International Economic Policy: Brazilian Debt]

28 Sept. 1983

C. FRED BERGSTON, Director of Institute for International Economic.

[S. HRG. 98-601, p. 2]

Brazil is clearly at the center of global debt problem. Its external debt is about $90 billion, and several US banks have loans of 50-75% of their total capital exposed there.

Under fairly conservative assumptions about world economic growth, interest rates, and exchange rates, William Cline's study for IIE shows Brazil's BOP deficit shrinking rapidly for 1982-1986.

Under these assumptions Brazil would be credit worthy by market standards beginning in 1986.

Much of Brazil's recent cutbacks in imports was accomplished as big import substitution projects began producting. This is especially true in the energy sector (increased domestic oil production, hydroelectric projects, alcohol). Big projects also in steel and chemicals.

Main point: Brazil looks credit worthy in the medium- to long-run, and its current debt service problems are ones of liquidity rather than solvency.

Indexation is the chief cause of continuing Brazilian inflation.

To regain international credit worthiness Brazil must get rid of indexation and must cut its government budget deficit.

IMF agreement with Brazil provides $4 billion in new credits over 3 years, and includes an agreement with private banks that they will supply at least $10 billion in new loans over the same period.

IMF loans allow structural adjustments to be more gradual, and thus make adjustments politically more feasible.

Without IMF assistance there is a real possibility of Brazil defaulting on its debts, because without IMF and IMF-induced lending Brazil's interest payments on its existing debt would greatly exceed its net inflow of new capital.

Beginning in 1982, interest payments out of Brazil exceeded the inflow of new capital. This happened in the LDCs as a whole, and could have serious consequences for repayment of debt. If the primary reason for LDCs to worry about debt service is the need to maintain the flow of capital into their domestic economies, then this incentive is lost as soon as interest payments exceed new loans.

Policy recommendations:

[1] Strong congressional support for IMF quota increase. Without such support the IMF loses both funds and credibility, and defaults by "super debtors" such as Brazil become more likely.

[2] Possible authorization for IMF to supplement resources through borrowing in private markets.

[3] More resources for and more short-term financing from World Bank.

JACK GUENTHER, Senior vice-president of Citibank

[S. Hrg. 98-601, p. 10]

US exports to Brazil rose 900% over the past 20 years.

Brazil's current problems stem from three events, only one of which was under Brazil's control. Increase in world interest rates, decline in world demand for Brazilian exports, and lack of internal economic discipline (especially in controlling inflation) all played big roles in provoking debt crisis.

Indexation of wages is a major reason for acceleration of inflation.

Brazil's letter of intent to IMF has two major goals: [1] Reduction of inflation from 10% per month to 2.5% per month by end of 1984, [2] reduction of BOP deficit from $15 billion per year in 1982 to about $7.5 billion in 1983 and 1984.

An important part of anti-inflation policy is a change in indexing system, under which wages will still be adjusted every 6 months but only for 80% of rate of inflation for those 6 months, rather than the current 100% or 110%.

Policy recommendations:

[1] Support increase in IMF quotas. IMF involvement in resolution of Brazilian crisis illustrates its importance for stability of international financial system.

RIORDAN ROETT, Professor of Political Science, director of Latin American Studies program, and director of Center for Brazilian Studies at Johns Hopkins University School of Advanced International Studies

[S. HRG. 98-601, p. 14]

Current economic crisis in Brazil puts severe strain on the country's political system.

If Brazil shifts its foreign policy direction, the most likely alternative is a right-wing nationalist regime which would repudiate foreign debt and move against foreign economic interests.

Cost of basic food products has been rising faster than wages. Agricultural land has been shifted from production of food crops to production for export. Malnutrition is a serious problem nationwide.

Debt crisis is hurting the chances for political liberalization in Brazil.

Policy recommendations:

[1] Emergency food aid for urban and rural poor.

[2] US leadership in getting together IMF, Federal Reserve, private banks from lending countries, and Brazilian government for talks on short- and medium-term financing and on rescheduling debt.

[3] Recognition by US of its substantial political and security interests in resolving financial crisis.

MARC LELAND, Assistant Sec of Treasury for International Affairs

[S. HRG. 98-601, p. 32]

Self-imposed austerity programs in late 1980 led to a sharp contraction in Brazilian economy, improved trade performance, and deceleration of inflation. Despite these programs the debt servicing problem grew worse, and eventually Brazil had to go to the IMF.

Four-part program was instituted after negotiations with Brazil, BIS, Treasury, and commercial banks. This program called for rescheduling of medium-term debt, confirmation of short-term trade credits, $4.4 billion in new medium-term loans, and restoration of interbank credits. IMF extended an additional $4.9 billion over 3 years.

In long run world economic recovery, export-oriented policies by LDCs, and avoidance of protectionism are keys to stabilization.

Current debt problems are ones of short-term liquidity.

Financial authorities in LDCs recognize that a debt moratorium or repudiation would not be in their interest, because such a move would jeopardize all-important future credit flows.

Policy recommendations:

[1] Strengthen IMF and use it as the principal instrument for resolution of debt crisis.

LANGHORNE MOTLEY, Assistant Sec of State for Inter-American Affairs

[S. HRG. 98-601, p. 41]

Political situation in Brazil changed dramatically with 1982 elections.

Accepting IMF programs is seen by many Brazilians as a form of national humiliation. This is an important political fact.

Policy recommendations:

[1] Strengthen IMF. This isn't as critical in Brazil's case as it is in other countries, but it is an important sign of US interest and leadership in orderly resolution of international financial problems.

[Notes on Hearings by Senate Foreign Relations Committee, Subcommittee on International Economic Policy: IDA]

29 Feb. 1984

JOHN DANFORTH, US Senator from Missouri

[S. HRG. 98-908, p. 114]

IDA VI was 1981-83. Scheduled US contribution $3 billion over those 3 years (out of total of $12 billion), but US spread the payments out over 4 years instead of 3.

US proposal for IDA VII is a reduction in its contribution from $3 bill to $2.25 bill, and reduction of total program from $12 to $9 billion.

IDA contribution is a good deal for US for 2 reasons: (1) Contributions are "leveraged," in the sense that $4 are loaned for every $1 contributed by US, and (2) Since IDA is a multilateral institution it can pressure borrowing countries to undertake adjustment programs in cases where US pressure alone would be ineffective.

Administration's proposed FY1985 budget had $16 bil in foreign aid, of which only $1.5 bil is for multilateral programs.

US self-interest is well served by contributing to maintenance of a healthy world economy.

Policy recommendations:

(1) Authorization for a supplemental IDA VII contribution of $750 mil by US, if the administration finds that world economic conditions, especially in sub-Saharan Africa, warrant such a step.

DONALD REGAN, Sec. of Treasury

[S. HRG. 98-908, p. 119]

IDA can continue to be effective without growth in its budget.

IDA's main contribution to development is promotion of policies which encourage individuals to work, save, and invest.

IDA is not a balance of payments lender, and thus has only a marginal role in resolution of debt problems.

Highest priority for IDA VII lending is for sub-Saharan Africa.

Inter-American Investment Corporation (IIC) set up recently to complement the lending of the Inter-American Development Bank. IIC will concentrate on lending to small and medium private sector firms in Latin America.

Entrance of China into IDA programs means that India (which formerly received 32% of IDA money) will have to settle for less.

Countries which have demonstrated ability to borrow on private markets will not be eligible for IDA loans (eg, Brazil).

IDA must be sensitive to the repercussions of its lending on industrial countries, especially in sectors such as copper and steel in which LDCs compete directly with DCs.

Policy recommendations:

[1] Adopt the proposed administration cuts in IDA.

[2] Support creation of IIC.

ROBERT STRAUSS, Akin, Gump, Strauss, Hauer, and Feld

[S. HRG. 98-908, p. 131]

Reagan administration has deemphasized multilateral aid in favor of bilateral aid.

IDA funding is a moral as well as a political and economic commitment.

Development programs are competing with Central American security aid for the same scarce funds.

US participation in multilateral institutions is important also for its indirect political benefits. Strong US leadership translates into ability to promote democracy in rest of world.

RICHARD DEBS, President of Morgan Stanley International, on behalf of US Chamber of Commerce

[S. HRG. 98-908, p. 138]

Chamber prefers contined funding of IDA at $1 bil per year but supports Administration proposal for $750 mil per year.

US involvement in multilaterals promotes our economic, security, and humanitarian interests. It can be an important stabilizing influcence in other countries, and in long run it promotes development of overseas markets for US goods.

US contributions are truly leveraged, since US essentially controls policy while contributing only a fraction of the funds.

LDCs are an important and growing market for US products. In 1982 almost 40% of US exports went to LDCs, and from 1970-82 exports to LDCs grew from $11 to $83 billion per year.

IDA recipients account for 15-20% of US exports.

IDA promotes free-market policies (eg, opening oil sector to foreign bidding in India, liberalizing trade laws in India, Pakistan, and China) and thus helps US business.

As of 1983 US companies received 14% of IDA procurement contracts.

If other members create a supplemental fund for IDA due to US cutbacks, US contractors will probably be excluded from procurement contracts generated from lending out of that fund.

CRISTOPHER PHILLIPS, President of National Council for United States-China Trade

[S. HRG. 98-908, p. 155]

Supports IDA program for China for 2 reasons: [1] It offers commercial opportunities to US exporters, and [2] It promotes China's development in a manner favorable to US national interests.

WB and IDA loans should amount to around $2 bil per year under IDA VII. This represents important opportunities for US companies, especially in commercial agriculture and forestry, transportation, and energy. US companies have been very successful to date in winning contracts for these projects.

WB and IDA lending help integrate China into the world economic community, which will have long-term positive effects for US commercial and security interests.

IDA funds in China go for long-run projects with rates of return which are too low to interest commercial lenders. Therefore they don't really compete with private banks.

Main point: IDA is an important vehicle for advancing US political and commercial interests in China, and should be funded.

JOHN RICHARDS, Vice-president of M.W. Kellogg Co.

[S. HRG. 98-908, p. 161]

Kellogg Co. supports IDA strongly, due to successful experiences working with multilateral development banks (MDBs) in Indonesia.

WB project evaluation is thorough and its seal of approval induces other MDBs to participate in lending for good projects.

IDA and other concessionary lenders effectively promote growth of world trade and therefore of US exports of goods and services.

OSCAR LIPSCOMB, Archbishop of Mobile, on behalf of US Catholic Conference

[S. HRG. 98-908, p. 165]

Supports IDA VII replenishment at current levels—$1 bil per year—rather than a reduction.

US share of IDA funding has fallen from original 42% to current 25%.

Multilateral institutions are important because they are more free from political considerations than are bilateral aid programs, and thus target aid more effectively on those who need it most.

EDWARD FRIED, The Brookings Institution

[S. HRG. 98-908, p. 172]

Administration proposal for IDA VII is below what was originally negotiated by 25% in nominal terms, 35% in real terms.

Reduction in IDA is mistake in terms of US national prorities and runs contrary to US interests.

IDA has been an extremely successful program in terms of developing physical infrastructure and improving skills in the poorest LDCs.

IDA is also important for its promotion of economic efficiency and free-market policies.

Geographical breakdown of IDA loans shows their importance to US political goals: 40% to India and China, 33% to sub-Saharan Africa.

JOHN SEWELL, President of Overseas Development Council

[S. HRG. 98-908, p. 175]

Cutback in IDA came at US insistence and represents an abdication of US leadership and a mistake in terms of long term priorities of US. IDA VII funding should be significantly higher than the current $12 bil, not cut to $9 bil.

Reagan administration has made a big switch from multilateral aid to bilateral security programs. From 1983-85 total international economic and financial aid went from $4.7 to $4.9 bil while international security assistance rose from $4.6 to $10 bil.

US political as well as economic interests are hurt by a retrenchment on IDA. Development aid is a stabilizing force in 3W. Also, US reluctance to participate in international programs is an irritant in relations with Europe.

Guarded optimism about international liquidity problems obscures long-term problems which have yet to be addressed. Specifically, can we get back to situation where LDCs can simultaneously manage their debt service and still continue to expand their share of world trade?

WB started a program of structural adjustment landing for BOP problems in 1980

WB has tried to promote co-financing of its projects by commercial banks, with little success

IBRD's current charter limits its "gearing ratio" of loans/total capital to a very conservative 1:1. More lending would be possible if this were altered to 2:1. (Commercial banks may risk exposure of greater than 25:1)

Graduation of countries from concessionary to commercial borrowing is difficult in the current international climate. This makes WB and IDA more important than ever.

27 Mar. 1984

ROBERT MCNAMARA, Former president of World Bank and IDA

[S. HRG. 98-908, p. 1372]

Recent shift from economic development aid toward security aid is shortsighted and regrettable.

Recovery in middle-income LDCs depends on four factors: [1] Recovery in industrial countries, [2] Resistance to protectionism in DCs, [3] Continued access to commercial credit, and [4] More efficient domestic policies.

WB and IMF capital flows will be an essential part of resolution of debt problems, both in short and medium run, since private banks are reducing their exposure and are reluctant to return to their previous pattern of constantly increasing lending.

US security interests are well served by economic development in 3W, and strengthening military institutions is a poor substitute for strengthening economic institutions.

Cutting back on multilateral programs will eventually render bilateral programs more costly and less effective.

Multilateral aid can enforce conditionality, while bilateral aid often cannot. In addition multilateral aid has the advantage of greater continuity.

At the margin a dollar spent on foreign economic development buys more security than a dollar spent on foreign military assistance.

No need for institutions for "bridge financing" and emergency BOP lending. IMF and WB can handle this quite well.

C. FRED BERGSTON, Director of Institute for International Economics

[S. HRG. 98-908, p. 1408]

Proposed IDA VII funding level is inadequate.

Overvaluation of dollar effectively lowered the value of the IDA VI contributions made by other members.

Addition of China to IDA rolls means that proposed cutback amounts to a reduction of 60% in per capita terms ($ per person in borrowing countries).

The world recovery has not significantly eased the economic problems of many LDCs. Commercial funding has dried up at a time when continued lending is critical, and protectionism in the industrial countries has limited their possibilities for export expansion.

High dollar means higher real debt burden and lower commodity prices for LDCs, and also reduces the real value of foreign assistance they receive in other currencies.

Global economic problem is a long term problem. IDA funding of long term projects is therefore a part of the solution.

Cutting IDA funding means that more World Bank (hard loan) money will have to go to poorest countries and less to middle income LDCs. This will further aggravate debt problems since middle income LDCs are biggest borrowers (Brazil, Mexico, Yugoslavia, Argentina).

Main point: cutting IDA funds not only hurts low income LDCs directly, but also means less hard loan money for big debtors.

Major problem in intermediate run in world economy is how to continue credit flows to big debtors at a time when commercial banks will be reluctant to increase their exposure. Multilateral public institutions are the obvious answer. World Bank in particular needs to play a much bigger role than it has.

BRUCE RICH, on behalf of the International Project of the Natural Resources Defense Council

[S. HRG. 98-908, p. 1427]

Supports IDA replenishment in the belief that economic development and improved world resource management are closely related issues

IDA project evaluation pays to little attention to environmental impact of proposed projects, and thus ignores questions of long-term sustainability of such projects

[Notes on Hearings by Senate Foreign Relations Committee, Subcommittee on International Economic Policy: Free Trade in Auto Industry]

27 Jun 1984

STEPHEN YOKICH, Vice-president of UAW International and LEE PRICE, International economist at UAW International

[S. HRG. 98-937, p. 2]

All auto producing countries limit imports in one manner or another. Free trade is a myth except in countries like Norway and Switzerland.

Pursuit of free trade by US alone would be disastrous for US economy and for US employment.

$25 billion trade deficit in 1983 just in autos. This was ⅗ of total trade deficit in manufactured goods.

Imports take 25% of US market compared to 1% in Japan.

Auto employment down 23% in past few years. Increasing sales and profits have not translated into more jobs.

Over 30 countries have local content laws in auto industry.

Auto industry is dynamic, research-intensive, high-tech, and has important linkages with other basic industries.

Policy recommendations:

[1] Support local content legislation

[2] Don't pursue a unilateral free trade policy as long as other countries restrict imports of US autos

[3] Don't bail out banks at the expense of US exports and jobs

LEON LYNCH, Vice-president for Human Affairs, United Steel Workers International

[S. HRG. 98-937, p. 29]

Decline in auto industry has hurt steel employment severely

Policy Recommendations:

[1] Free trade is only free in US. Protect steel, copper, and auto industries from import competition.

ERNEST GRECCO, COPE Director for Maryland and Dist. of Columbia, AFL-CIO

[S. HRG. 98-937, p. 36]

Deterioration of US trade balance has cost 2.5 million US jobs. 75% of which are in manufacturing sector

Overvaluation of US dollar has had 2 injurious effects on US exports: [1] direct effect of lower import prices and higher export prices hurting trade balance, and [2] The indirect effect of draining capital from other countries and thus lowering their economic growth and their demand for US products (I don't know if [2] Is really a result of overvalued $. It might be the other way around.)

High US interest rates have increased LDC debt burden. This has slowed LDC growth rates and thus hurt US exports.

Policy recommendations:

[1] Increased trade adjustment assistance programs for displaced workers.

[2] Expand role of Exim Bank in promotion of US exports.

[3] US should use its influence to alter IMF policies which require borrowing countries to curb exports. IMF should instead support expansionary policies in LDCs.

NB: Sen. Biden expressed concern about the possibility that US import restrictions in the auto industry would lead to new protectionist measures by other countries against US agriculture. None of the panelists had much to say on this issue, with the exception of Mr. Price, who noted that Japanese imports of agricultural goods from Australia, France, Italy, Germany etc. had not declined after those countries enacted protectionist measures against Japanese auto imports.

BARRY BLUESTONE, Professor of Economics and director of the Social Welfare Research Institute at Boston College

[S. HRG. 98-937, p. 51]

12 of 49 countries which produce autos have export requirements. 41 of 49 have some form of import requirements. 27 have local content laws.

Free trade doesn't really exist outside of an economic textbook.

With exception of textiles, most protectionist laws in industrial countries are aimed at products from other industrial countries.

In 1970 5% of OECD manufactured imports came from LDSs. By 1980 this was 11% and growing.

GEORGE EADS, Professor at School of Public Affairs of University of Maryland

[S. HRG. 98-937, p. 74]

Trade restrictions on autos are an attempt to delay what may be painful but inevitable adjustments.

Free trade is a myth in autos.

US auto industry is uncompetitive compared to Japanese industry, mostly because of big differences in productivity.

Despite the breathing room allowed by recent voluntary quota system for Japanese imports, US industry has not been able even to keep pace with Japanese productivity gains.

Domestic content won't protect US industry in the long run, although it may have the effect of inducing Japanese companies to transfer their production facilities to the US.

Main point: trade restrictions may smooth adjustment somewhat, but big adjustments can't be avoided in the long run.

ROBERT CRANDALL, Senior fellow at Brookings Institution

[S. HRG. 98-937, p. 79]

Job protection in autos is costing US about $100,000 per job saved. The beneficiaries of protectionism are primarily Japanese auto manufacturers who can charge higher prices in US market because of quotas, and the losers are US consumers.

Empirical evidence shows that tariffs would be better for consumers than voluntary quotas.

GAR ALPEROVITZ, Codirector of National Center for Economic Alternatives

[S. HRG. 98-937, p. 110]

In long run it's in every country's interest if US relinquishes its share of world production in less technically sophisticated industries to 3W producers.

Trade barriers can be important transitional steps in such adjustment, but they should not be regarded as permanent or as a way of shielding industries from inevitable structural adjustment.

ROBERT MILLER, Executive vice-president for finance and administration of Chrysler Corp.

[S. HRG. 98-937, p. 130]

"International playing field is still far from level."

Some sources of unfairness in trade with Japan are [1] Overvalued dollar and undervalued yen, and [2] Japanese tax system which gives too much incentive for firms to export autos to US.

About ½ of competitive problems are due to exchange rate imbalances.

Policy recommendations:

[1] Oppose domestic content, but "level the international playing field."

[2] Government intervention is essential, in order to enforce exchange rate agreements, alter tax differentials, and to make sure import restraints stay in place until these problems are solved.

KENNETH WHIPPLE, Vice-president for corporate strategy and analysis of Ford Motor Co.

[S. HRG. 98-937, p. 134]

Export restraint by Japanese has played a key role in US recovery.

Same arguments as above for Japan's cost advantage in auto production

Policy recommendations:

[1] Maintain voluntary quotas.

[2] Do something to get yen/dollar exchange rate to a more realistic level.

[3] Lower budget and trade deficit.

MARINA WHITMAN, Vice-president and chief economist, General Motors Corp.

[S. HRG. 98-937, p. 137]

GM is trying hard to alter the way it produces small cars for US market. This includes joint project with Toyota, and immediate import of small cars from Daewoo Motor Co. of S. Korea and from Isuzu and Suzuki.

Main point: voluntary restraints have not changed GM's plans to retool and restructure, they have smoothed the way.

[Notes on Hearings by Senate Foreign Relations Committee, Subcommittee on International Economic Policy: IMF Resources in Copper-Producing Countries]

2 Aug. 1984

PAUL LAXALT, US Senator from Nevada

[S. HRG. 98-7, p. 9]

Copper prices are very low. Unemployment in US copper industry is over 40%.

This unemployment is caused by imports. IMF, WB, African Development Bank, Inter-American Development Bank have contributed to the problem by loaning over $4 bil to Chile, Peru, Zaire, and Zambia from 1975-83. Such funding allows modernization of facilities at subsidized rates of interest while US producers have to pay market rates.

Policy recommendations:

[1] Voluntary production restraints on part of LDCs.

PETE DOMENICI, US Senator from New Mexico

S. HRG. 98-7, p. 9]

Cooper imports up 240% from 1979-83.

LDCs continue to increase production in the face of falling prices in order to gain foreign exchange and to maintain employment.

IMF adjustment programs encourage overproduction by LDCs.

Policy recommendations:

[1] Alter IMF charter to discourage unprofitable exports of copper. Replace current system with something like the US payment-in-kind program—ie, authorize the IMF to pay countries for *not* producing or *not* exporting copper.

[2] Voluntary restraint agreements with Chile, Zambia, Zaire, and Peru.

JAKE GARN, US Senator from Utah

[S. HRG. 98-7, p. 16]

Expansion of LDC production facilities were financed at below-market interest rates with loans from development banks.

Policy recommendations:

[1] No approval of next IMF quota increase without a change in IMF policy.

JEFF BINGAMAN, US Senator from New Mexico

[S. HRG. 98-7, p. 18]

Copper is a strategically important metal for US defense production.

US is aiding in financing overproduction in LDCs through multilateral banks.

Policy recommendations:

(1) Approve bill altering IMF charter and requiring periodic reports to Congress on the lending activities of MDBs.

GEORGE HOGUET, Principal Deputy Assistant Sec of Treasury for International Affairs

[S. HRG. 98-7, p. 30]

Treasury Dept opposes the bill altering IMF charter.

IMF loans are short-term in nature and do not contribute to financing particular sectors of LDC economies. Main target of bill before Senate is the Compensatory Financing Facility, which accounts for roughly 30% of total IMF lending.

IMF lending promotes fair trade competition by forcing countries to relax import restrictions and export subsidies. This helps US producers.

MDB loans have added about 4% to total world copper production capacity in last 7 years. This is really not an important factor in explaining current trade patterns.

RICHARD OSBORNE, President of ASARCO Inc.

[S. HRG. 98-7, p. 40]

Supports bill.

IMF (CFF) loans hurt copper industry in two ways: (1) IMF rules require that a country must be able to demonstrate that loss of commodity export earnings was due to factors beyond its control. This encourages overproduction by eliminating eligibility for countries which try to maximize foreign exchange earnings by limiting production. (2) IMF conditions generally include export targets and devaluations.

Loans to countries have lower interest rates than loans to companies. This gives nationalized 3W industries an unfair advantage.

L. DANIEL MAXIM, President of Everest Consulting Associates

[S. HRG. 98-7, p. 46]

Problem in copper indusry is that no country has a sufficiently large market share to be able to influence world price very much. This means everyone tries to export as much as possible, which drives price down.

His econometric model shows that a 15% production cutback by CIPEC countries (major producers) would lead to a 30% increase in price and a 10% increase in copper export revenues. Main point: 3W copper producers should organize to cut production and drive up prices.

IN RECOGNITION OF NATIONAL SMALL BUSINESS WEEK

● Mr. WEICKER. Mr. President, we are currently celebrating National Small Business Week, a 21-year tradition of recognizing the importance of small enterprise to the economy, and the achievements of individual small business owners who, through their dedication and accomplishments, personify the spirit of American entrepreneurship.

I would like to acknowledge, during this appropriate time, the contributions of our 14.5 million small businesses which represent the building blocks of our Nation's economic structure. Small businesses comprise 97 percent of the total number of U.S. businesses, and generate over 80 percent of all net, new jobs. The President's 1984 report on the state of small business notes that all of the 1 million net, new jobs created during the recent recession were generated by companies with fewer than 20 employees. While small firms created 2.6 million new jobs between 1980 and 1982, large businesses lost 1.6 million jobs. The small business sector helped to drive the recent economic recovery through its superb job creation capacity, excellent growth rate, and ability to change with the economic times. Small firms now employ one-half of the private sector labor force, and furnish two out of three workers with their first jobs. Many of these jobs are in the service sector, which currently accounts for two-thirds of the economy, and which provides hundreds of thousands of employment opportunities for Americans who have the most difficulty finding jobs, including minority workers, veterans, senior citizens, the handicapped, and women reentering the work force.

Mr. President, it gives me great pleasure at this time to note that Vincent A. Amato, the owner of Amato's, Inc., located in Middletown, CT, has been named Connecticut's "Small Business Person of the Year" by the Small Business Administration. Mr. Amato had been a veteran flier of home-built wooden airplanes with gasoline motors for several years before deciding to open his own hobby shop at the age of 14. He convinced his father to permit him to set up a hobby shop in the corner of his plumbing and appliance store back in 1940, and that business has been in continuous operation ever since. Mr. Amato used his profits to help pay for his engineering studies at the Massachusetts Institute of Technology, but later decided to pursue entrepreneurship rather then engineering. Amato's, Inc., with its three branch stores in New Haven, Waterbury, and New Britain, now boasts a sales volume of $800,000. In this age of super technology, Mr. Amato thinks his hobby business will continue to fare quite well. This is a reflection of his solid belief in the enjoyment generated by his balsa wood airplanes and electric trains, and his prediction that people will always find satisfaction in making things with their own hands.

I would also like to recognize at this time the firm of Delta Industries, Inc., located in East Granby, CT, which has been named a "Small Business Subcontractor of the Year" by the Small Business Administration. Delta Industries, Inc., was selected for its outstanding record as a Federal procurement subcontractor for region 1, which encompasses Massachusetts, Maine, New Hampshire, Vermont, Rhode Island, and Connecticut.

Richard Jaquith, the company's president, will be honored for the high standard of service, performance, and quality set by Delta Industries, which was nominated for the award by the manufacturing division of Pratt & Whitney, defense contractors located in East Hartford, CT.

Mr. President, the individuals I have mentioned are Connecticut's business leaders. They deserve our praise and respect, for they have reached their personal goals and are setting a fine example for others to follow. They represent small entrepreneurs throughout Connecticut and across America who are proving every day that small businesses are making major contributions to our communities and our national economy.●

CONTROL OF IDEAS

● Mr. SIMON. Mr. President, one of the things that is happening increasingly again in our society is the attempt to control ideas.

It is coming from the left, among students who try to keep Jean Kirkpatrick from speaking on a campus or a CIA representative from speaking on the campus, and it comes from the right in this administration when it denies people, who want to come into this country to express opinions, the opportunity to do so.

Anyone who hampers the free flow of ideas strikes at the very fundamentals of what this country stands for.

Stephen Chapman, an editorial writer for the Chicago Tribune, who also does a column for them, had a column recently titled, "Thought Police at the Border."

It "hits the nail on the head."

Clearly, people who are coming into this country to sell drugs or to cause violence should be kept out. But people who express views many of us disagree with should not be kept out.

Stephen Chapman concludes his column by writing:

The political exclusions in the law serve only to punish people for having the wrong opinions. If we're going to do that, let's start with the people who enacted it.

I agree. I urge my colleagues to read his statement and ask that the column appear in the RECORD.

The article follows:

THOUGHT POLICE AT THE BORDER

(By Stephen Chapman)

To the ramparts, men! Mothers, lock up your daughters! Farley Mowat's on his way! This infamous Canadian writer had been denied entry to the United States by a vigilant sentinel guarding our border, but the cowardly Reagan administration, faced with complaints from the Canadian government, lamely decided on appeasement.

An avowed socialist and environmentalist who writes on wildlife issues, Mowat had planned to fly to Los Angeles late last month to promote his latest book. He was denied entry under a McCarthy-era law that says foreign communists and anarchists aren't welcome here.

After a couple of embarrassing days, Washington agreed to let Mowat in for his book tour. But now he's miffed and refuses to come.

In any case, he stoutly denies any communist connections, past or present. But the Immigration and Naturalization Service, our border thought police, apparently had another excuse for keeping him out. Back in 1968, Mowat was quoted in a Canadian newspaper as saying he had fired a 22-caliber rifle at a U.S. Air Force plane. Sound dangerous? Well, a .22 might do some damage to a rabbit, but it wouldn't be much use against a B-52.

Mowat also says that in 1956 he and some friends had publicly threatened to steal an American atomic bomb from a Strategic Air Command base in Newfoundland and detonate it in a nearby lake. Given evidence like this I will concede that Mowat may be a fool. But the INS has no business keeping people out for premeditated silliness.

Besides, Mowat isn't nearly as foolish as the law under which he was excluded. It tries to isolate Americans from anyone who is not normal is every way—the mentally retarded, the insane or formerly insane, sexual deviates, drug addicts, alcoholics, beggars, prostitutes and the ever-present polygamists.

That's just for starters. The law disinvites foreigners with unacceptable political views, which includes anarchists, communists, members of "totalitarian" parties, anyone who favors overthrowing the U.S. government and those advocating "opposition to all organized government." The latter clause would keep out some of my fellow libertarians, who don't even like the disorganized kind. In case we've missed anyone, those of you contemplating activities "prejudicial to the public interest" can also get lost.

All this would be funny if it didn't have the full power of the U.S. government behind it. Certainly we ought to keep out terrorists, KGB agents and other truly dangerous people. But the point of this law is not to prevent violence. It has been used to keep out such frightening characters as novelist Gabriel Garcia Marquez, the widow of Chilean President Salvador Allende, and a middle-aged British economist who had briefly been a member of the Communist Party in the 1930s.

The authors of this law, and the people enforcing it, obviously regard ideas as communicable diseases. Foreigners carrying microbes of anarchism or communism or other alien creeds have to be quarantined lest they infect healthy Americans.

But unlike measles germs, ideas have other ways of transmission—like books. As the law stands, the U.S. government can't ban Marquez's writings, which have sold millions of copies. Doing so would violate the 1st Amendment. It can't even prevent him from personally arguing his case for American ears, since he can do that via telephone, tape recording or broadcast transmission. All it can do is keep his body from crossing the border. What on earth does that accomplish, except making the INS a fit object of ridicule?

It would make sense to keep Mowat out if there were any evidence that he is dangerous to the U.S. government or anyone else. But there isn't. The political exclusions in the law serve only to punish people for having the wrong opinions. If we're going to do that, let's start with the people who enacted it.●

APARTHEID

● Mr. GOLDWATER. Mr. President, every afternoon, as I drive back from work at the Senate, providing we get out before the sun goes down, I see many people gathered near the South African Embassy protesting apartheid.

I don't like apartheid. I have been to South Africa five or six times and I have told the rulers of that Government that I do not, but I think that kind of action will accomplish far more good for South Africa than what we are going through.

If the Congress is silly enough to disallow investment by American firms in South Africa, who are they really hurting? Do they think they are hurting the well-off white man in South Africa? Do they think they are hurting the Government of South Africa? No. What they are doing is creating massive unemployment among blacks who have been hired by American firms investing in South Africa.

Now, everybody in this country has the right, under our Constitution, to do what he or she wants to do or say, as long as it does not do harm to another American. But our people are so wrapped up in human rights—and nobody can fault our people for that—that they sometimes overlook harm they might do while arguing for rights.

Just as a small example, we hear almost daily preachments on the floor about genocide and what we should do about it, but nothing is ever mentioned about the millions of people the Soviet Union has killed in their country or the millions of people the Red Chinese have killed in their country. If we are going to be consistent in these approaches, and if people are going to protest apartheid by public demonstration, why do they not protest publicly the murderous operations of the Soviet Union in Afghanistan, or the attitude of the Red Chinese Government against their own people?

Let us think this whole thing out carefully because, just as sure as the sun is coming up tomorrow, if we make American investors withdraw from South Africa, we are going to do more harm than good.

I ask that an article appearing in the Thursday, May 9, Washington Times, on this subject be inserted at this point in my remarks.

The article follows:

What comes next after disinvestment?

H.E.J. Van Rensburg is a white South African parliamentarian who has been a vocal opponent of apartheid for 33 years. He is an opposition member of the South African Parliament. He is also impassionedly against disinvestment, the newest rallying point for American activists.

"American multinational companies operating in South Africa have made remarkable and laudable contributions to the upliftment of South African black people by introducing equal employment practices, extensive training programs for blacks, equal pay for equal work, advancement opportunities, housing programs, and opportunities for education," he argued.

"This fine example has been followed by European and South African companies and has made a major contribution to the creation of a large component of well-trained and well-paid skilled black laborers in South Africa.

"Proponents of disinvestment may not appreciate the fact that their actions will result in more people becoming unemployed in a continent already racked by unemployment and mass starvation."

Mr. Van Rensburg, a member of the Progressive Federal Party, is not by any means alone.

Indeed, when one begins to put together the curious weave of "moral" statements vs. "practical" actions, it seems that the whole rhetorical scheme for disinvestment—or American companies, in effect, withdrawing

their investment from South Africa—exists mostly on the level of self-righteous activism in Washington and on American campuses.

Black businessman Mxolisi Mgojo, of Sperry Rand in Johannesburg, was asked what effect the disinvestment issue and the marching in front of the South African Embassy had on the people of South Africa. He answered, at a luncheon given by the conservative Ethics and Public Policy Center:

"Virtually none. Most in South Africa are concerned only with the day-to-day affairs, property rights, education."

And a prominent South African black labor leader, Lucy Mvubelo, wrote in a study published by the same center: "To proponents of isolation, disinvestment, and embargoes, I must say: Don't break off contact, and don't advocate disengagement and withdrawal of foreign investments. Only indigenous movements—the trade unions, the political groupings, the schools, the business associations within South Africa—can bring about significant, positive change."

Lucy Mvubelo, who is general secretary of the important national union of clothing workers, pleaded, "The vitality of South Africa's economy offers more hope to South African blacks than destructive forms of pressure from abroad."

If these were voices in the wilderness or if these were self-interested white conservatives in South Africa, they would not deserve attention. But they are not. These are the voices of the real "liberals"—black and white—who desperately want change in South Africa, but who want real and lasting change.

Why then the sudden passion of "liberal" activist groups and demonstrators on campuses in the United States over the complex issue of disinvestment? (There are now 20 different bills and resolutions before Congress calling for disinvestment.) Does it have much to do with the real issues or with real change in South Africa?

What we are seeing is something very self-righteous and very dangerous. Marching in front of the South African Embassy (and maybe even getting arrested because you know you'll be out in an hour, unlike in South Africa) is emotionally satisfying. Demonstrating is a way of joining protest of what goes on across the seas with that all-American display of "feeling good about yourself," which goes on here.

But would disinvestment, which after all is the bellwether for the new wave of American anti-South African activism, help blacks? No; it would hurt them.

It would cut the economic and international rug out from under the present government of President Pieter Botha because he can continue with the present reform system only as long as he can retain the confidence of much of the electorate. That necessitates international support.

Even more disinvestment would destroy precisely that skilled and upward-moving black population that alone makes a decent future there possible. Disinvestment would make revolution—the most violent and destructive revolution—inevitable because there would be quite simply no other way.

Maybe that is what the new generation of American activists really want in South Africa. If so, they should say so, for it is not what the South African liberals and blacks want.●

AMENDING THE IMMIGRATION AND NATIONALITY ACT—S. 1108

● Mr. D'AMATO. Mr. President, I rise today to cosponsor S. 1108, introduced by my distinguished colleague from Arizona, Senator DECONCINI, to amend the Immigration and Nationality Act with respect to the definition of immigrant. This bill will expand an existing category of persons considered nonimmigrant aliens because of the brief duration and limited transportation purpose of their entry into the United States.

Under current law, alien crewmembers serving in good faith on board a vessel or an aircraft who intend to land temporarily and solely in pursuit of their calling as crewmembers and to depart from the United States with the vessel or aircraft on which they arrived or some other vessel or aircraft are considered nonimmigrant aliens, rather than immigrants. The legislation which I am cosponsoring will broaden this exception to include the operators of motor carriers of passengers.

This legislation is necessary to correct a gap in existing law and to terminate an inequitable situation regarding the entry into the United States of passenger busses driven by non-U.S. citizens. As an example, I would like to discuss the present Immigration and Naturalization Service policy for classification of Canadian Greyhound bus drivers engaged in transporting passengers between Montreal and New York City. Point-to-point pickup and delivery of passenges in upstate New York is part of that service.

For the past several years, INS and the Department of Labor have been considering the proper classification of the drivers who have been permitted to hold parole visas while operating buses on this route. The bus company and the drivers argued that the route from Montreal to New York City is international travel and that the point-to-point service in the United States is merely incidental to the primary purpose of international trade. Their goal was to secure proper nonimmigrant visas and labor documentation for those Canadian drivers who needed them.

INS determined that the transportation of passengers across international borders is clearly international trade. However, INS also indicated that point-to-point pickup and delivery within the United States is not a necessary incident to the transportation. Because of this finding, INS would not grant nonimmigrant visas to the drivers who needed them or agree to indefinitely extend the parole visas currently held by some of the drivers. At the same time, U.S. employees of Greyhound, Inc., have worked in Canada without any visa requirement on a day-to-day basis.

I have been assured by both the bus company and by the drivers' union that, if Canadian citizens were able to obtain nonimmigrant visas in order to operate buses on the Montreal-to-New York City route, they would in no way deprive the resident labor force of employment opportunities since Greyhound's American-based employees would continue to enjoy the privileges of working in Canada and added coaches required to properly service the public demand.

I believe this bill, which is extremely narrow in scope, will help to correct an anomalous situation, while enabling the continuation of bus service to many upstate New York communities which depend upon it. This bill is designed simply to restore balance and fair play regarding international passenger motor carrier service. I urge my colleagues to support this measure.●

SENATE JOINT RESOLUTION 130—NATIONAL BLOOD PRESSURE AWARENESS WEEK

● Mr. DURENBERGER. Mr. President, I am pleased to join my colleague from Indiana, Mr. QUAYLE, in sponsoring Senate Joint Resolution 130, a joint resolution to designate the week of November 10, 1985 as "National Blood Pressure Awareness Week."

Health promotion and disease prevention is one of the most important challenges facing our society today. We know that preventive health care can save lives, improve the quality of life for millions of Americans, and reduce overall health care costs.

All of our priorities in health care systems in America have been oriented to sick care. It is time we reset our priorities. We should focus attention on preventing disease rather than waiting until people become sick to treat it.

The control of high blood pressure is a proven example of how the incidence of illness can be reduced simply by identifying the problem and encouraging people to take responsibility for their preventive medication.

It is cheap, simple and painless to test for high blood pressure. But, 15 million out of the 60 million Americans with hypertension go untreated. This resolution is important because it points to a major health and lifestyle problem which can be reduced through prevention.

High blood pressure significantly increases the risk of stroke, cardiovascular disease, and kidney failure. It is estimated that 20 percent of those needing kidney dialysis, at a cost of close to $100,000 a year, suffered from high blood pressure and that the hypertension was the primary cause of their kidney failure. It is ironic that Medicare will pay for high-cost kidney dialysis when it will not pay for the relatively inexpensive hypertension medi-

cines which would greatly reduce the need for dialysis.

As chairman of the Senate Finance Subcommittee on Health, I am actively committed to examining and revising our priorities in the area of health promotion and disease prevention. Earlier this year I introduced a package of health bills designed to provide incentives for elderly Americans to reduce their risk of illness and to establish a framework for Medicare to reach its potential in the area of health promotion.

One of my bills, S. 358, provides Medicare beneficiaries with assistance in meeting the cost of identifying high blood pressure and other problems through health screening and controlling hypertension through medication by counting both toward their Medicare Part B deductible. This is a token subsidy at this point but opens the door to investing our Medicare dollars more wisely to obtain long term savings.

A second bill in the package, S. 359, directs the Secretary of Health and Human Services to set up demonstration projects designed to test the usefulness of providing Medicare beneficiaries with preventive health care services. Under these demonstration projects, a variety of preventive health services could be made available to Medicare beneficiaries including care for identifying and controlling hypertension. The demonstration projects could also include instruction in self-medication and other services to promote better use of preventive care.

I should add that the relationship between high blood pressure and poverty is very disconcering.

There is a clear relationship between high blood pressure and race and economic class. A Veterans' Administration study conducted in Michigan indicated that blacks with end-stage renal disease were 18 times more likely than whites to have hypertension as the cause of their kidney failure. A recent Georgia study has revealed that there is a link between high blood pressure and low income. Why? Because the poor, among them many blacks, cannot afford to consult a physician as often as most American, or buy the medicines they need even if they are found to have high blood pressure. After all, as hypertension has no visible or apparent symptoms, why should people spend limited financial resources on going to a doctor, or spend their money on hypertension medicines, when they don't even feel bad or don't even know they are ill? It is time we focus attention on this problem. Much of the cost of sick care to the indigent could be avoided if we provided the means for receiving better preventive health care.

I am, therefor, pleased to sponsor National Blood Pressure Awareness Week. National Blood Pressure Week is an important measure. It will help increase the public awareness of the potential health risks posed by hypertension. In part, prevention means better awareness and education, and National Blood Pressure Awareness Week is an excllent way to inform the public about this important health care issue.

Mr. President, I urge my colleagues to join Senator QUAYLE and me in this effort by cosponsoring this important joint resolution.●

SUPPORT FOR SURCHARGE ON JAPANESE IMPORTS

● Mr. HEINZ. Mr. President, on March 28, 1985, I introduced S. 770, providing for a 20-percent surcharge of Japanese imports for 3 years. I took this step because of my belief that only strong action by the United States can break the cycle of American complaints followed by Japanese meaningless reform packages followed by renewed complaints that have so plagued our bilateral trade relations.

There are those, of course, who would prefer to continue talking about this problem rather than acting. But their number is shrinking as more and more people are confronted with the fundamental reality of Japan's unwillingness to make any meaningful changes in its trade policy. Now, however, comes additional support for this kind of targeted surcharge as a necessary catalyst for healthier trading relations from Morgan Guaranty Trust Co. in its March/April issue of World Financial Markets. That publication comes to a conclusion similar to mine on dealing with Japan, and I ask, Mr. President, that an excerpt from this report be printed at this point in the RECORD.

The excerpt follows:

TARGETED SURCHARGES

The objections to an import surcharge apply with persuasive force to a levy on all, or most, U.S. imports. A surcharge might instead be confined to specific products. For example, petroleum, imports are mentioned for surcharge or special duty treatment, both on grounds of high revenue potential and in support of long-term conservation. An oil import tax is sometimes represented as an almost painless tax increase, given the slide since 1981 in real oil prices to U.S. consumers. However, it could be seriously destabilizing to already troubled oil markets. And, as an approach to the budget problem, it shares the defect of all tax increases in that it fails to tackle basic spending issues.

Alternatively, a surcharge might be targeted on imports from countries deemed to engage in widespread and persistently unfair trade practices. In this context, the spotlight is on Japan. Much of Japan's $37 billion trade surplus with the United States is concentrated in sensitive sectors, such as autos, electronics, and capital goods (see Table 8). Japan's propensity to pile up surpluses with almost all its major trading partners, excepting some oil and raw material suppliers (see Table 9), is a long-standing well of acrimony and frustration in international trade relations. Some complaints against Japanese trade policies are simply the predictable litany of foreign competitors vulnerable to Japan's dynamism and technological strengths. Merited or not, however, the political response of Japan's trade partners is vitally affected by perceptions of Japan's own lack of openness to imports and its restrictions on technology transfers. Even where otherwise competitive, many would-be exporters to Japan are frustrated by Japan's resistant cultural attitudes, entrenched domestic interests, traditions of administrative controls, and assorted tariff and nontariff barriers to imports. Japan's tariff structure militates against successful market penetration by nontraditional exports of its Asian trading partners, such as Indonesian plywood and boneless chicken from Thailand. Those nations have other access grievances concerning technology transfers. Nor has Europe resolved its access problems.

U.S. negotiators are currently targeting Japanese import barriers in four areas: telecommunications and satellites; computers and electronics; pharmaceuticals and medical equipment; forest products, pulp, and paper. This last area, in which the United States (and Indonesia) have superior resource endowments, involves tariff walls protecting large numbers of Japanese mills. Their political power inhibits restructuring without compensation.

The other areas all involve non-tariff barriers. These have been fundamental to Japan's strategy for nurturing the commercial success and technological dynamism of what it sees as industries of the future. Seen from abroad, that strategy has depended heavily on "infant industry" protection, often maintained until such time as Japanese firms have secured enough competitive edge to dominate both home and global markets; belated removal of protection has then left minimal opportunities for remaining foreign competitors in the Japanese internal market. Japan now seems to be targeting the same high-technology industries in which the United States finds most promise, industries in which the U.S. trade record is quite liberal with respect to foreign participation, at least when national security considerations are secondary. With reciprocity arguments hardly below the surface, the United States is urging a correspondingly liberal regime upon Japan, taking exception, for example, to Japan's apparent intention to debar foreign ownership interest in NTT, its telecommunications utility—on national security grounds that the British did not find compelling.

Nothing less than a powerful shock—on the order of the Nixon and oil shocks of the 1970s—is likely to jolt Japan into radical reordering of its trade strategy. Its number-two rank among free-world economies now demands that Japan shed a self-image that allows imports of raw materials, but of the fewest foreign manufactures possible. That self-image is deep-rooted in Japan's bureaucracy and society at large. In this light, the just-announced last minute "concessions" on telecommunication, while welcome in themselves, are primarily of symbolic value. They mark no more than a first step toward correcting Japan's huge trade surpluses, globally and vis-a-vis the United States. Heavy and continuing pressure will be needed to change Japanese values and practices in a fundamental way in order to achieve real progress on the trade front. New instruments of pressure may have to be employed. A targeted surcharge on U.S. im-

ports from Japan, for example, would speak volumes. Insofar as it would avoid the binding distortions and irrational incidence of costs and benefits that arise under quotas or "voluntary" restraints, it would be the least protectionist of evils. Moreover, it would not be imposed with protectionist intent. Rather, a substantial targeted surcharge, with standby authority for a still higher levy, could play a highly constructive bargaining role in opening up Japan's sheltered markets and in making a reality of the two-way trade on which a liberal world trade order must ultimately rest.●

TRIBUTE TO SISTER GIOVANNI

● Mr. DURENBERGER. Mr. President, 10 years ago, while a corporate public affairs officer and community volunteer, I first met a 5-foot bundle of energy and commitment known to nearly everyone on the West Side of St. Paul as Sister Giovanni.

Dressed in the traditional black and white habit of the School Sisters of Notre Dame, Sister Giovanni Gourhan was already into her fourth decade of service to her Lord and in her 15th year as director of the Guadalupe Area Project.

I still remember the boundless energy and enthusiasm which she brought to what is now known as one of the Nation's most successful alternative high schools for students who don't make it in the confines of a traditional high school setting.

Just this past week, hundreds of Sister Giovanni's present and former students, coworkers, and other admirers gathered to help celebrate two important anniversaries: 50 years as a School Sister of Notre Dame and 25 years since she founded the Guadalupe Area Project.

Mr. President, to recognize the outstanding contributions made by this amazing woman, I ask that the following article on Sister Giovanni, which was printed recently in the Twin Cities Catholic Bulletin, be printed at this point in the RECORD:

The article follows:

NUN'S "DEALS" WITH GOD AND MARY HAVE SAVED DROPOUTS FOR 25 YEARS

(By Mary Hannernan)

Sister Giovanni Gourhan is teaching science on the last day before Easter vacation with new textbooks which, to her delight, just arrived six months early.

Her class at the Guadalupe Area Project (GAP) looks at pictures of "the lowly little earthworm," as she calls it, a tapeworm, and other creatures of the underground.

Then comic shots of sea animals, and then the starfish, for which Sister diverts from the text—as she has done several times already in the past hour—to relate an anecdote.

It seems someone once had the nerve to say to her that although "there are lots of drop-outs in St. Paul, you're only helping 40 or so" at GAP, an alternative high school for students who don't survive in the mainstream education system.

Sister's reply to the remarks was to tell the story of the starfish, how hundreds of them are washed up on a shore each evening when the tide goes out, and how a man once began throwing them back into the sea to save them from dying from lack of water.

"He was throwing them back one by one and somebody said to him, 'What are you doing that for? There's hundreds of starfish. You can't help them all'," Sister Giovanni said to the students.

But as the man picked up each starfish, "He said, 'It matters to this one. It matters to this one'," she added.

MADE A DEAL WITH THE LORD

Each student that has passed through the halls of GAP matters to the founder, Sister Giovanni, a School Sister of Notre Dame who began the school 25 years ago based on "a deal with the Lord."

"The first one was that if he wants this program to succeed, I'll have to get the green stuff. And he's never let me down," the nun said, grinning. "The other deal I have is with the Blessed Lady. I told her send me the good ones."

By "good ones," Sister Giovanni means skilled teachers, and this year she has eight good ones—five with master's degrees—who teach, in addition to the basic reading, writing and algebra, subjects including linguistics, computer literacy and Spanish.

"They're always thinking about how they can improve their departments. You can't stop them," she said.

25TH ANNIVERSARY APRIL 18

The founder of GAP has recruited other "good ones" for her cause—good students, good staff workers, good volunteers and good friends. In fact, the walls of her assistant Linda Vasquez's office are covered by a painted tree with nearly 500 paper leaves, each bearing the name of a person who has worked for Sister Giovanni.

It is these people who planners hope will come to Sister's anniversary party on Thursday, April 18, marking her 25 years at GAP and her 50 years as a School Sister of Notre Dame.

To celebrate her anniversaries, Sister's friends will be holding a reception beginning at 7 p.m. in the social hall of St. Matthew Church, 507 Hall Ave. in St. Paul.

"She is always involved in everything," according to St. Paul City Councilman Jim Scheibel, who became acquainted with Sister Giovanni 14 years ago while working on the West Side Voice newspaper. "I've never not seen her at a precinct caucus."

Former House Rep. Frank Rodriguez agreed. "Sister always is coming, going or gone."

OBJECTIVES ADMIRED

Rodriguez served with Sister Giovanni on the original board of a federal housing project for the west side of St. Paul which just received funding approval, and worked with her on several other political projects.

"I have always admired her objectives. I don't know if I always agreed with the manner in which she presented them, but she is one of the most enthusiastic persons I have ever worked with," he said.

"If you have a friend in Sister, you have a good one," he added.

And the kids at GAP—her number one project—have her as a lifelong friend. Parole officers as well as parents bring these students in, as an answer to their troublesome lives at home and at their former schools.

"I really love to teach troubled kids," Sister Giovanni said, adding later, "They like it here. They realize they learn here."

Sister Giovanni takes them in, but doesn't coddle them or replay their past sorrows to shame them. She and her staff have few disciplinary problems with the students.

"They (the students) fool around every once in a while, but that's pepper in your soup," she said.

If forced to expel students from GAP, Sister assures them they are not forgotten.

"We don't threaten them here. If we do, we carry it out. If we throw them out, they know I pray for them every day," Sister Giovanni said. "I also told them when I kick the bucket, get in touch with me 'cause I'll be close to him."●

SECURITIES SAFETY AND SOUNDNESS ACT OF 1985

● Mr. DOMENICI. Mr. President, yesterday the Chairman of the Federal Reserve, Mr. Paul Volcker, told the Senate Banking Committee that junk bond investments and other extremely risky or speculative investments are of concern. A few weeks ago, April 23, Federal Reserve Vice Chairman, Mr. Preston Martin, told a House Energy Subcommittee that all federally insured banks and savings institutions should be prohibited from purchasing junk bonds and that the increased use of high-yielding bonds to finance corporate mergers could pose serious risks to the economy.

Mr. Edwin Gray, Chairman of the Federal Home Loan Bank Board, strongly urges measures that would change the current irrational system in which the FSLIC shoulders the new risks of below investment grade bonds. I would like to share with my colleagues some direct quotes from Mr. Gray:

Unfortunately, high-yielding below investment grade bonds are likely to prove most attractive to distressed institutions that need high yields but can least afford losses . . . From the perspective of the institution in question, it represents a "heads I win, tails the FSLIC loses" proposition.

The basic question is whether funds acquired with the aid of FSLIC insurance should be used in a manner wholly unrelated to the home financing mission the FSLIC was expressly created to support . . . public policy questions (are) raised by the role of savings institutions—that is to say, home mortgage lending institutions that enjoy a preferential position in the marketplace deriving from special federal subsidies and other advantages which were expressly fashioned to support a commitment to housing finance—becoming players in the corporate takeover arena.

Below investment grade bonds are a matter of concern because they may be an inherently high-risk investment . . . particularly vulnerable in an economic downturn.

There really are no truly effective ways to hedge the risk of loss from high-yield bond purchases.

While the safety and soundness questions raised by these investments are important, the trend in thrift involvement in the below investment grade bond market also presents a fundamental policy issue regarding the integrity of the entire thrift regulatory structure, and the FSLIC insurance system which undergirds it.

Mr. President, I hope that we will listen to the sage advice of the experts of our regulatory agencies. Let's take the rationale approach and protect accountholders, as well as the taxpayers' money.●

SENATORS' PAY

● Mr. LAUTENBERG. Mr. President, I voted against the Helms amendment to reduce congressional pay by 10 percent, although on other occasions I have supported and voted for proposals to reduce Member's pay. I am as concerned as any Senator about the need to reduce the Federal deficit. This amendment, however, was not a serious proposal for dealing with either the deficit or the pay of Members of Congress.

Last year I voted with 66 of my colleagues to rescind the 3.5-percent increase which had gone into effect on January 1, 1984. More recently, during Budget Committee deliberations on funding for the operations of the Congress and other legislative branch functions, I supported a cut in Members pay. I supported an amendment to cut the legislative branch budget, including pay, by 5 percent. These amendments were serious efforts, reflecting a desire by Senators and Congressmen to share in budget restraint and sacrifice.

In particular, I supported the 5-percent cut when it was considered in the Budget Committee. At a time when I was voting for spending freezes in programs I consider important to the economy and people in my State, I thought it appropriate that Senators also take a pay reduction. I think that the American people are willing to accept cutbacks in valuable Federal programs, if they believe that the cuts are being distributed fairly. All segments of society must share in fiscal restraint. This includes Members of Congress.

The Helms amendment called for a 10-percent cut in Member's pay, twice the reduction originally supported by the Budget Committee. Why did the Senate reject this amendment? Many Members felt it was offered more as a political gesture than as a fiscal measure. More importantly, Members were concerned that this approach might deter outstanding individuals of only moderate means from seeking to serve in this body.

A person should not have to be rich to serve here in the first place. If no one but the affluent can afford to be in the Congress, then the country is illserved. Small businessmen, teachers, lawyers, housewives, people from all walks of life should be able to come to the Congress without bankrupting themselves.

Other belt-tightening measures can be taken to improve administration and management. A General Accounting Office study undertaken at my request found that the executive branch can save $54 million a year by consolidating its payroll systems. That savings alone is 10 times greater than the congressional pay cut proposal of $5 million. Next week, another GAO report I requested will document a waste of hundreds of millions of tax dollars through fraud in HUD programs. These are the issues that should be examined for fiscal restraint. Long-term management improvements will prove more important in our fight to reduce the deficit than short-term political gestures.●

WAUSAU—COMING BACK IN STYLE

● Mr. KASTEN. Mr. President, over the past decade or so, demographers have been decrying the fall of the Midwest by citing its loss of business and population to the Sun Belt due to its supposed inability to adapt to changing times.

Fortunately, not everyone is waiting for the Midwest's demise. As is usually the case, the people of Wisconsin are again at the forefront in showing the rest of the Nation that there is quite a bit of life in America's heartland. Through the imagination and innovation of the people of Wisconsin, some previously "written-off" communities are enjoying a renaissance.

One community that has come back in style is Wausau. In Wausau, the public and private sectors have worked long and hard to polish and improve the community's image. It's no wonder that Wausau was designated as one of 1984's "All American Cities."

I am proud of the people of Wisconsin and Wausau, and I call the attention of my colleagues to an article from the May 1, 1985, Milwaukee Sentinel on how the people of Wausau came together. Mr. President, I ask that the article be printed in the RECORD.

The article follows:

[From the Milwaukee Sentinel, May 1, 1985]

COOPERATIVE THRUST SET IN WAUSAU'S JOB SEARCH

(By John Torinus, Jr.)

WAUSAU.—The City of Wausau and Marathon County have a reputation as a community that pulls together, witnessed by the large-scale renewal of the city's downtown and the development of the east channel of the Wisconsin River as a white water kayak course of international caliber.

The central business district is thriving. And the river channel, once a city eyesore, is the site of annual races that attract significant tourism dollars to the county.

Now, the same kind of partnership efforts that made Wausau an All-American City are being brought to bear on job creation through the Committee of 100, an umbrella organization of business, government and labor interests.

That kind of thrust demonstrates the cooperative approach being mounted in any number of communities around the State. Taken collectively, the efforts represent one of the major reasons for optimism that the Wisconsin economy can be brought back to robust health.

Lane Ware, chairman of the Committee of 100, reminded the members at their annual banquet this week that Marathon County still has an unemployment rate higher than the none-too-attractive state average of 7.6%. He urged the members to be ready to act when called on for a business development project.

The county has had some of the same kinds of plant closings that have affected other parts of Wisconsin, and it has had the same kind of shift from high-paying manufacturing jobs to lower-paying service jobs.

A survey of 15 manufacturers in the county showed their employment had dropped from a total of 9,510 jobs in 1978 to 7,014 in 1983. In the same period, the service and utility sector had an increase from 3,558 to 4,172 jobs.

The Wausau chamber spent three years developing 16 economic strategies to be implemented through Ware's committee. They include: development of ready-to-go, reasonably priced industrial land; lobbying for better transportation system in and out of the county; promotion of tourism; stimulation of greater cooperation among business, government and academia; and expansion and retention of existing businesses.

Wausau leaders are coming to grips with the reality that the American economy is changing rapidly, and that they must change with it. A recent newsletter from the Committee of 100 said:

"The process that companies follow in deciding to move or shut down is seldom scientific. Most companies conditions. It's either intuitive or incident-inspired.

"However, it's change that brings opportunities. We in Marathon County cannot let these opportunities slide by because we're uncomfortable.

"We've got just as much inventive and innovative genius here as there is anywhere. Probably more."

The reservoir of innovation was a major factor in the kayak course project. Most races sponsored by the American Canoe Association are off in the boondocks where it's hard to draw a crowd. The Wausau course has the advantage of being near an attractive community with hotels and restaurants.

Wausau community leaders recognized a market opportunity.

The east channel was unused until about 10 years ago, when a group of white water enthusiasts convinced the Wisconsin Public Service Corp. to open one of its sluice gates so they could have a little fun.

From there it became a community project. Thousands of hours of volunteer work, substantial investment and unending amounts of cooperation were required to bring the course to where it could attract an international event.

The reward was the Pan American Races last year, which drew 10,000 people through two days.

That's not the end, though. The next goal for the Wausau innovators is to bring in a world cup race.

The 10-year effort to build the kayak course is not dissimilar to the kind of effort facing the Committee of 100, or similar organizations in other Wisconsin communities, in their search for new jobs.

As with the unused east channel, Wisconsin has many assets that can be put back to

work with imagination and a collective act of will.●

PERSPECTIVES ON THE HOLOCAUST

● Mr. RIEGLE. Mr. President, the most important message that survivors of the Holocaust have brought us is that the lessons of that tragic chapter in the history of mankind must never be forgotten—that the memory of the horrors of the Nazi death camps, which took the lives of over 6 million Jews must never be erased. For it is only by recalling the mistakes of the past that we ensure against repeating them in the future.

Recently, Americans reflected on the lessons of the Holocaust. On April 18, as part of the statewide commemoration of the Holocaust in Michigan, Dr. Walter Adams, formerly president of Michigan State University, shared his own thoughts on the Holocaust.

I commend Dr. Adams' remarks to the attention of my colleagues, and ask unanimous consent that his speech entitled "Harvest of Hate: Some Perspectives on the Holocaust," be printed at this point in the RECORD.

The speech follows:

HARVEST OF HATE: SOME PERSPECTIVES ON THE HOLOCAUST

(By Dr. Walter Adams)

Forty years ago, almost to this day in April 1945, as the tanks of the U.S. 11th Armored Division rolled into Mauthausen, a German concentration camp about 10 miles outside the Austrian city of Linz, astride a blood-stained river that I once thought of—but never since—as the Blue Danube, we came upon an inferno that would forever leave us with an indelible vision of man's cruelty and an ineradicable smell of putrefying corpses. We found piles of unburied bodies emaciated into bony skeletons. We found animal-like creatures—caricatures of human beings once resembling the image of their divine creator—lying helplessly on filthy, lice-infested sacks of straw, on wooden bunks, amidst the stench and disease of their urine and excrement. We found the half crazed, starved remnants of one of the notorious extermination camps of Nazi Germany, designed not only for the liquidation of European Jewry but for the elimination of Russians, Poles, Yugoslavs, Gypsies—anyone whom the Nazi state considered sub-human. We found captives from practically every conquered nation of Western Europe.

Battle hardened veterans who had fought their way from the Ardennes through Southern Germany into Austria and who thought that they had experienced all the cruelty and misery of modern total war were unprepared for what they found at Mauthausen. Some averted their countenance in horror; others sobbed silently and uncontrollably; others, in sheer frustration, shook their fists to the unresponsive heavens. This was the quintessence of man's inhumanity to man. This, as some of us were to learn later, was the sort of crime that was—and only could be—perpetrated by pathologically criminal individuals with the sanction of criminally bestial laws promulgatd by a criminal state.

Often since that traumatic discovery at Mauthausen, I have pondered how this criminal state came into being. Its origins, I submit—and few analysts would dispute this—can be traced to the convergence of 3 major interest groups: the Nazi party, the army officer corps, and big business—interest groups which under the impact of the Great Depression of the 1930's coalesced into a symbiotically unholy alliance.

The Nazi party—literally the National Socialist German Workers Party—was dedicated to a revival of Imperial Germany's erstwhile glory; to rearmament; to the protection of the common man—the little shopkeepers, the petty tradesmen, the minor clerks and bureaucrats; to the welfare of the industrial workers and the reemployment of the millions of unemployed; and finally to the purification of the German race by the liquidation of Jews and the elimination of their alleged influence in German society.

The army, smarting from its defeat in 1918 and the punitive provisions of the Versailles Treaty, sought to recover its position of dominance in the German state. It wanted to rearm. It sought to reverse the outcome of the "war to end wars."

Big business, for its part, feared the social and economic instability generated by the depression. It wanted to break the power of the trade unions. It wanted to stem what it perceived as the growing tide of Bolshevism. It lusted for the lucrative profits that would come with rearmament and a war economy. It yearned for the authoritarian discipline that only a totalitarian state could assure. It hated the Weimar Republic despite the fact that its successive, nominally socialist administrations had left the wealth and power of big business substantially intact.

The turning point—if there was a single turning point—in the rise of Hitler to power was February 20, 1933. Elections were scheduled for March 5, but the Nazi treasury was near total depletion. Goering, as presiding officer of the Reichstag, invited some 20 leading Ruhr industrialists to a dinner with Hitler. Among those in attendance were the top officials of I.G. Farben, Krupp, Thyssen, and Siemens. Hjalmar Schacht, the financial wizard, acted as Goering's host.

Hitler told the gathering that in backing his dictatorship, they would be backing themselves. "Private enterprise," he said, "cannot be maintained in a democracy." Trade unionism was one of the prime evils of democracy. The Reich, if left to such institutions, would "inevitably fall." The nation needed leadership to bind the German people together under the banner of nationalism and strength. He promised not only to eliminate the communist threat but to restore the Wehrmacht to its former glory. He said he would liquidate the Weimar republic, but to do so he needed their financial support.

Goering then reminded the assembled big business moguls that "the sacrifices asked for will be so much easier to bear if industry realizes that the election of March 5 will surely be the last one for the next ten years, possibly for the next 100 years." Schacht put it more bluntly: "And now, gentleman, pony up!" (Und nun, meine Herren, an die Kasse!)

Krupp von Bohlen rose to thank the Führer and pledge the unanimous support of those present. He contributed 1 million marks. The others chipped in an additional 2 million. With this act, the leaders of big business not only financed the terror election of 1933, but became full-fledged partners of the Third Reich.

Now the beer hall bully-boys and brown shirt thugs could once more be paid. On February 27, 1933, they set fire to the Reichstag, proclaiming that this was the work of the "Reds." With Nazi storm troopers sworn in as special police, tens of thousands of anti-fascists of all stripes were beaten, arrested, tortured, or murdered. With the opposition terrorized, Hitler won the largest number of Reichstag seats (though not a majority) in the March election. Within a few months, the opposition parties were banned and the trade unions broken. Within a year, after the famous blood purge of 1934, Hitler has also eliminated the socialist elements in his own ranks—i.e. those whose who were opposed to the great cartels, to monopoly capitalism, and to the rearmament profiteering of big business. The Nazi victory was complete, and the Ruhr industrialists could join the government in planning for rearmament, territorial expansion, and ultimately WW II.

Although the ultimate cost of this big business support of the Nazi state was a Germany reduced to rubble and ashes and 20 million victims of all nations who died in WW II, the short-run benefits to the Ruhr industrialists were concrete and impressive.

First, rearmament (a top priority of the new Nazi state) meant an immediate and impressive increase in industrial production and profits, especially in the steel, chemicals, and machinery industries. At Krupp, for example, profits after taxes, gifts and reserves increased from 57 million marks in 1935, to 97 million in 1938, to 111 million in 1940. The reason was plain: once more Krupp had found that being German's leading manufacturer of war material was a lucrative business indeed.

Second, German expansionism provided an unparalleled opportunity for plunder in the annexed territories and conquered nations. The Anschluss of Austria and the occupation of Czechoslovakia in 1938, the invasion of Poland in 1939, the defeat of France, Belgium and Holland in 1940, and the subjugation of Denmark and Norway in 1941, were not only military but also economic operations. The cartelists of the Ruhr entered these countries hard on the heels of the German army—their shopping lists at the ready—coercing former cartel partners and competitors alike to sell their properties at bargain basement prices. I.G. Farben was particularly adept at playing the jackal to Hitler's lion. By 1941, through plunder, acquisition, and expropriation, it had gained control of a chemical empire extending from the Barens Sea to the Mediterranean, from the Channel Islands to Auschwitz—an industrial imperium the likes of which the world had never before seen.

Third, after the outbreak of war in 1939, big business was accorded a privileged position in the recruitment of a labor force seriously depleted by the military draft. The obvious answer was forced labor, to be supplied by deportees, prisoners of war, and concentration camp inmates. Krupp put the matter in the bluntest terms. Every party member, he told the Führer, favored liquidation of "Jews, foreign saboteurs, anti-Nazi Germans, Gypsies, and antisocial elements," and Krupp could see no reason these people shouldn't contribute a lifetime of work in the few months before they were dispatched. The Führer agreed, and Gestapo chief Himmler issued the appropriate orders.

And so, new concentration camps were built near old factories in the Ruhr, and new industrial plants were set up near established concentration camps. Krupp, Sie-

mens, and I.G. Farben, for example, built giant industrial complexes near Auschwitz to capitalize on its apparently inexhaustible supply of slave labor.

It was a straight business deal between the industrialists and the S.S. which was in charge of the concentration camps. The S.S. computed the capital value of each inmate at roughly 1630 RM, calculated as follows:

Daily rental charge to industry: 6 RM, Minus: daily rations, 60 PF. Amortized daily clothing cost, 10 PF.

Net proceeds per inmate per day: 5.30 RM, Multiplied by 9 months of service (Thought to be the average survival prospect of the inmates): 1431 RM, Minus disposal cost of the corpse: 2 RM, Plus the personal effects of the deceased (valuables, gold teeth, etc.) 200 RM. Net embodied human capital of the inmate: 1629 RM.

The business relations between the S.S. and the industrialists was obviously of mutual advantage. The S.S. collected sizable sums for its human chattel and the industrialists procured an otherwise unobtainable labor supply. As one I.G. Farben official wrote to the home office from Auschwitz: "Our new friendship with the S.S. is proving very profitable."

Of course, there were problems. Early in the relationship—in August, 1941—an I.G. Farben official complained that the treatment of the Auschwitz prisoners was interfering with productivity: "We have drawn the attention of the officials of the concentration camp to the fact that in the last few weeks the inmates are being severely flogged on the construction site in increasing measure, and this always applied to the weakest inmates who really cannot work harder. The exceedingy unpleasant scenes that occur on the construction site because of this are beginning to have a demoralizing effect on the free workers (Poles), as well as on the Germans. We have therefore asked that they should refrain from carrying out this flogging on the construction site and transfer it to the concentration camp."

A few months later, however, the weekly report from Auschwitz exhibited greater appreciation of the difficult problems faced by the S.S. "The work, particularly of the Poles and inmates, continues to leave much room for improvement. Our experience so far has shown that only brute force has any effect on these people. As is known, the commandant always argues that as far as the treatment of inmates is concerned, it is impossible to get any work done without corporal punishment."

Aside from constant physical abuse, torture, and sadism both by the factory foremen and S.S. guards, the inmates were subjected to systematic starvation. In Auschwitz, at the end of one month, there was a marked change in the prisoner's appearance; at the end of two months, the inmates were not recognizable except as caricatures formed of skin, bones, and practically no flesh; after three months, they were either dead or so unfit for work that they were marked for release to the gas chambers. As two physicians concluded after studying the effects of I.G. Farben's diet at Auschwitz: "The prisoners were condemned to burn up their own body weight while working and—providing no infections occurred—finally died of exhaustion.

A Krupp slave laborer, who survived his ordeal, put it this way: "We were not slaves; our status was much lower. True, we were deprived of freedom and became a piece of property which our masters put to work. But here the similarity with any known form of slavery ends, for we were a completely expendable piece of property. We did not even compare favorably with Herr Krupp's machinery, which we tended. The equipment in the shop was well maintained. It was operated with care, oiled, greased and allowed to rest; its longevity was protected. We, on the other hand, were like a piece of sandpaper which, rubbed once or twice, becomes useless and is thrown away to be burned with the waste." Obviously, neither the S.S. nor Germany's leading industrialists chose to heed Cato's admonition that one's oxen and slaves should always be properly fed.

What, then, are the lessons to be drawn from this 12 year nightmare in German history—from this experiment in totalitarianism which joined the Nazi party, Big business, and the army into a morganatic alliance?

The answer, to the extent that there is an answer, I think, can be found in the wisdom of our Founding Fathers and their distrust of concentrated power. To them, the primary object was to make the state the servant of man rather than man a servant to the power and glory of the state. That is why they insisted that all forms of power be decentralized—that power be scattered into many hands—so that it could be used as an instrument to oppress the individual. They believed, as Walter Lippmann said, "in governments which were under the law, in the rights of man rather than the sovereignty of kings and majorities. They held that the improvement of the human lot was to be achieved by releasing thought, invention, enterprise, and labor from exactions and tolls, from the rule of princes, monopolists, great landlords, and established churches."

The master plan of the Founding Fathers, as embodied in the U.S. Constitution, was not to promote efficiency in government but to create a decentralized power structure, replete with comprehensive checks and balances, which would protect the people from the summum malum: concentration of power and the abuses which inevitably flow from it. This means that powerful interest groups—like the military-industrial complex against which President Eisenhower so eloquently warned—must be prevented from capturing control of the state. It also means that the state—through systematic limitations of its power—must be deprived of the weapons to oppress individual citizens. Finally, it means that the separation of church and state must be uncompromisingly preserved.

As Jefferson put it: "The time to guard against corruption and tyranny is before they shall have gotten hold of us. It is better to keep the wolf out of the fold than to trust to drawing his teeth and talons after he shall have entered."

It is a thought worthy of our prayerful consideration.●

HAROLD C. SCOTT, NEW MEXICO SMALL BUSINESS PERSON FOR 1985

● Mr. DOMENICI. Mr. President, innovation, expansion, and profitability are words that come to mind when one hears about Scott Air, Inc., of Alamogordo, NM. President Harold C. Scott explains the company's beginnings during the oil embargo of 1973. At a time when the failure of small businesses was high, this small company that manufactures air conditioners for buses had no orders, no potential customers, and no financing. Yet the firm remained undaunted. An old schoolbus was purchased and within a weekend's time was painted, refurbished and air-conditioned and took to the road. Within 2 weeks over $100,000 in orders was obtained.

And it has been growing ever since. After capitalizing on the needs of the mass transit system, Scott Air, Inc., in 1974, applied for an SBA loan, and moved to Alamogordo, in 1975. The company reached into new markets in the late 1970's by developing systems for use by small courtesy buses. From a firm of 5 employees and $160,000 in sales, the company now employs 200 and sales exceed $7.5 million. Today, Scott Air, Inc., has substantial control of the large activity bus air systems market in the United States and Canada.

The same dedication to a goal that converted an old schoolbus to $100,000 in order is leading Scott Air into new areas of growth. Taking advantage of the strong U.S. dollar, Scott started planning a Technology Export Program. After many months of negotiations, a joint venture with a Bombay, India based company is underway. Opportunities for collaborating with other third world countries are being explored.

New Mexicans are proud to have Mr. Harold C. Scott as the State's small business person of the year. Sponsored by the Las Cruces, NM, chapter of SCORE, Mr. Scott is an image of what SCORE is all about—dedicated participation with employees. His achievements also exemplify our State's enterpreneurial spirit and represent the dedication and commitment of "America At Work" during National Small Business Week.●

CAPT. JEFFREY H. TUSET

● Mr. DURENBERGER. Mr. President, it is always difficult to discuss the loss of a young and promising life, and that is particularly true in the case of Capt. Jeffrey H. Tuset.

Captain Tuset was one of 17 marines killed in a helicopter crash on Monday off the southwestern coast of Japan. His helicopter crashed while en route to its base in Futemma, Okinawa from the U.S. Marine station at Iwakuni on Honshu Island. An extensive search by United States and Japanese ships and aircraft failed to find any survivors or wreckage.

I think it's important that we know a little about the life that Jeff led and the family that raised him. His parents, John and Nina Tuset, lived for many years in Coon Rapids, just north of Minneapolis. Friends of the Tusets describe them as having been very active in the Coon Rapids community, particularly in their support of sports

programs. One friend characterizes the Tusets as "the kind of regular folks that make a community like Coon Rapids work."

By all accounts, John and Nina passed on this love of life and commitment to community to their three children. The Tusets encouraged their kids to participate in sports. Jeff, born in 1959, especially enjoyed baseball and was good at it, from playing in little league to starring on Coon Rapids High School's team in the mid 1970's. He was a good student—in fact, good enough to get into the U.S. Naval Academy. At Navy, he majored in math and graduated in the top half of his class in 1980. While there, he developed a love for flying. It was this attraction to flying that led him to apply for an officer's appointment in the Marines. Following his graduation, Jeff was assigned first to officers' training school in Quantico and then to flight training school in Pensacola. During this time, he met his future wife, Etta Mae, whom he married in April of 1982. His most recent assignment came in late May of last year in Okinawa. He enjoyed Okinawa and loved the military life which he had chosen as a career.

Captain Tuset leaves behind his wife, Etta, his parents, his brother, John, his sister, Julie, and many, many friends. John Tuset described his brother as "easygoing and outgoing * * * Jeff made friends easily." A close friend described him as "a very bright, beautiful young man." Another characterized him as "a very exceptional young man." Having spoken with some of his friends and family, I know this to be true. Jeff will surely be missed. We are all poorer for his loss.

Mr. President, I ask that articles from the Minneapolis Star and Tribune on Captain Tuset's death be printed into the RECORD.

The articles follow:

ST. PAUL MAN AMONG 17 LOST IN HELICOPTER

TOKYO.—A United States military helicopter carrying 17 Marines crashed into the Pacific Ocean Monday off the southwestern coast of Japan. All those aboard, including a St. Paul man, were missing and presumed dead.

One of the victims was identified as Capt. Jeffrey H. Tuset, 26, of St. Paul.

The cause of the crash, one of the most serious in years during routine operations, was not known.

A Marine spokesman said the aircraft was one of two heavy-duty, twin-engine transport helicopters known as CH-53Ds that were flying from the Japanese mainland to Okinawa at midday. It developed mechanical problems over the ocean, officials said, and turned back toward land. The other craft soon followed.

By then, the first CH-53D was nowhere to be seen. "As I understand it," an American official said, "it just stopped working at about 500 feet above the water, and fell right in."

Those in the second helicopter were said to have spotted only an oil slick. The second craft dropped a blue dye marker and a life raft and summoned help.

American military ships and aircraft were joined by vessels and helicopters from the Japanese Maritime Safety Agency in a search for survivors and wreckage that continued far into the night. Shortly before midnight, 11 hours after the accident, Marine spokesmen said that no survivors or bodies had been found.

"We, of course, consider this a major disaster," Capt. Daniel Trout, a Marine public information officer on Okinawa, said in a telephone interview.

(Tuset entered the U.S. Marine Corps in May 1980 and was assigned to Marine Heavy Helicopter Squadron 462.

(Capt. Mark Hough of Marine Corps public affairs said he was not certain if Tuset was a passenger or member of the crew in the accident.

(A native of Coon Rapids, Tuset played baseball while attending Coon Rapids High School. After graduation, he entered the U.S. Naval Academy.

("He was easy-going and outgoing," said his brother, John Tuset of Eagan. "He made friends easily."

(John Tuset said he had not seen his brother since Christmas of 1983.

(Survivors also include his wife, Etta Tuset of San Diego; parents, John and Nina Tuset of Saudi Arabia; and a sister, Julie Foster of San Francisco.)

All those aboard the helicopter were described as Marines assigned to various units on Okinawa, which was an American territory for 27 years after World War II. It is now Japan's southernmost province, but it remains dominated by U.S. military installations, with 34,000 military personnel.

The helicopters had been flying to their base in Futemma, Okinawa, from the United States Marine station at Iwakuni, on the western end of the main Japanese island of Honshu. The crash occurred at about 1 p.m., nearly three hours after takeoff, at a point 15 miles south of Yakushima, off the large western island of Kyusou.

Because of the distance from U.S. military bases, the first rescue ships at the scene were Japanese, not American. Through the day, the maritime agency assigned at least two vessels and two helicopters to the search, joining American rescue planes flown from an air base at Kadena, Okinawa.

The CH-53, manufactured by Sikorsky Aircraft, a division of United Technologies Corp., comes in several models, including the recent CH-53E, which has three engines. In its many versions, the CH-53 has been involved in other crashes in recent years.

The helicopter that crashed in 1980 during the abortive mission to rescue the American hostages being held in Iran was a CH-53.

In September 1981 five Marines were killed when a CH-53C went down in the Mediterranean. In June 1984 another crashed off the California coast, killing four Marines. In November 1984 a CH-53 caught fire at Camp Lejeune in North Carolina, killing three soldiers.

Early this year an Air Force HH-53, yet another version, crashed near Hawaii as it was trying to aid a Panamanian ship. Six crew members were killed.

MARINE FROM COON RAPIDS DIED DOING WHAT HE LOVED—FLYING

(By Randy Furst)

Jeffrey Tuset, 26, loved to fly, his mother said Tuesday.

Tuset, a graduate of Coon Rapids High School, was the captain of a helicopter that ferried other Marines who were stationed at Okinawa. He was to finish his second six-month tour of duty at the end of May, she said.

Tuset was flying the U.S. Marine helicopter that crashed into the ocean off southern Japan Monday, killing 17 Marines, including Tuset.

"He enjoyed life very much," said Nina Tuset, his mother. "He and his wife had just finished taking diving lessons in Japan. He liked to fish and he liked to hunt. He was just an all-round-type guy."

A memorial service will be held Friday at the Marine Base in Tustin, Calif., where Tuset was based. His wife, Etta Mae, returned there only last week after spending a month in Japan with her husband. They had no children.

The Marine Corps said the crash apparently was due to mechanical failure.

Maj. Tony Rothfork, a Marine Corps spokesman in Washington, said the crew aboard another helicopter saw the rotor blade on Tuset's helicopter turn slower and slower and stop as the aircraft entered the water. No bodies were recovered and the search has been called off, he said.

"All aboard are missing and presumed dead," read a statement issued by the Marine Corps Command on Okinawa.

Tuset was born in Minneapolis and grew up in Coon Rapids.

"He was a good student and a member of the National Honor Society and on the baseball team," said James Rainbow, principal at Coon Rapids High School.

Both of Tuset's parents were in the armed services during the Korean War, his mother in the Navy and his father, John, in the Marines.

Tuset's brother, John, applied to the U.S. Naval Academy, but he broke his kneecap and was ineligible, so Jeffrey decided to apply.

"It was his decision," his mother said. "He came to us and said he was going to do it. We said go for it and he did."

Leonard Koe, Coon Rapids' city attorney, wrote a recommendation, and the application was supported by U.S. Rep. James Oberstar.

"He was one of those all-around boys," Oberstar said yesterday, "both academically superior and concerned about his community. "He had leadership qualities," Oberstar said.

"He really wanted to go to Annapolis," said Leslie McLaughlin, a friend of Tuset's who lives in Minneapolis. "He was really excited when he was appointed."

Tuset was a math major at the academy and graduated in 1980 in the top half of his class. He was commissioned in the Marines.

He chose the Marine Corps rather than the Navy because he wanted to get into the flying program and there were greater flying opportunities in the Marines at that time, his mother said. "His father was in the Marine Corps and that helped," she said.

Tuset went to officers training school in Quantico, Va., and then took his flight training in Pensacola, Fla. He was married in April 1982.

Tuset's parents have been living for the past seven years in Saudi Arabia, where his father works for an oil company. His sister, Julie Foster, lives in Fremont, Calif.

Beverly McLaughlin, Leslie McLaughlin's mother, knew Tuset and the Tuset family and said she was very upset.

"He was a very bright, beautiful young man," she said. "It's just a shame his life would be lost like that."

Jim Phillips, Coon Rapids, had been a neighbor and a close friend of the Tuset family.

"He was like a son," Phillips said of Jeffrey. "We were very, very close. We are very saddened. It was a tremendous shock. He was a very exceptional young man."●

S. 1049—THE AGRICULTURAL FAIR TRADE ACT OF 1985

(By request of Mr. DOLE, the following statement was ordered to be printed in the RECORD:)

● Mr. WILSON. Mr. President, today I rise to discuss S. 1049, the "Agricultural Fair Trade Act of 1985" which I introduced on May 1. I believe that the use of the term "fair" in its title is appropriate for two reasons: First, because the intent of the legislation is to provide a variety of tools to the Secretary of Agriculture and opportunities to agricultural exporters, the collective purpose of which is to achieve fair trade for U.S. farms products; and second, because the scope of the bill goes beyond the basic commodities, which are the traditional focus of Federal farm bills, and includes, in fairness, all of the hundreds of agricultural commodities produced by our Nation's farmers.

In other words, Mr. President, I not only believe that the U.S. Government should adopt and pursue an aggressive trade policy whose objective is to increase our agricultural exports, but that the Federal assistance, contained in my bill, should be available to every farmer throughout our land—whether he grows Kansas wheat or North Carolina peaches, Nebraska rye or California avocados.

Moreover, the export assistance which is contained in my bill will not require an increase in Federal spending and can be achieved within the proposed budget framework.

Previous farm bills, which derived from actions taken in the 1930's in response to the Great Depression, have focused on the basic commodities, such as wheat, corn, and rice. The 1981 farm bill, which was no exception, has provided a degree of stability in our domestic markets; however, its costs have been very high. Loss of foreign markets, rising Federal costs, and accumulation of Government-held stocks have accompanied the 1981 bill. The huge stocks of surplus commodities which developed by 1982 were cut substantially by the "payment-in-kind" program, however, while U.S. farmers reduced their acreage, our worldwide competitors expanded production and took traditional U.S. market shares.

I believe that past farm legislation has failed because it has not adequately recognized that American agriculture must maintain and expand upon export markets. At one time, the United States was less reliant on overseas markets, and we had greater internal freedom to set price supports and production controls without secondary market effects. Today, our price supports form an umbrella for the rest of the world, and our production cuts make room for increased production by our competitors.

The failure of existing farm policy has been compounded by the growth of the Federal deficit and its related impact on the strength of the dollar. Farmers throughout the country know all too well that the value of U.S. currency has increased significantly in recent years and presently constitutes both an import subsidy on foreign-grown farm products with which they compete and an export surtax on their own commodities when they attempt to sell them abroad. I know that each of my distinguished colleagues is well aware of the adverse impact which the strength of the dollar has had upon agricultural businesses within their respective States. In California, for example, my State's agricultural exports have plummeted twice in as many years.

For that reason, I believe that the best farm bill that Congress could enact this year would mention neither farmers nor commodity programs. In fact, the best farm bill has been the focus of the Senate during the past 2 weeks and will continue to be for the foreseeable future. If we can succeed in reducing Government spending and decreasing the Federal deficit, then we will ease pressure on interest rates and the value of the dollar. In my opinion, this is the best program that we can offer to our Nation's farmers.

During the first 4 months of the 99th Congress, a variety of farm bill proposals have been introduced, and I suspect that there are more on the way. While each one differs in its detail, there are recurring themes of market orientation at home and market expansion abroad. I believe that the two elements go hand-in-hand. We cannot devise domestic commodity programs with an eye toward world markets unless the trade provisions of the farm bill can effectively assist our farmers in acquiring fair and competitive access to those international markets. Because it is essential that the 1985 farm bill provides our Government with the requisite tools to assure fair trade opportunities for the American farmer, I have introduced the "Agricultural Fair Trade Act of 1985."

I believe that this legislation is of relevance and importance to any farmer in our county who wishes to export his agricultural products. I know that it will be of assistance to the farmers in my State, which is the Nation's No. 1 agricultural-producing State and ranks in the top three in farm exports. Twenty-eight of California's more than 250 different commodities are dependent upon export markets to absorb over 50 percent of their production. Eleven of these export-dependent crops are grown only in California. One of every 3 acres in my State produces for overseas markets, and nearly 25 cents of each agricultural dollar is derived from export sales.

Yet, as important as export sales are to the farmers in my State, California exports account for less than 10 percent of America's total agricultural exports. Therefore, effective trade legislation, as embodied in my bill, is of significant importance for all of my colleagues representing farm States.

The "Agricultural Fair Trade Act of 1985" contains provisions that will benefit exporters of wheat, cotton, rice, soybeans, and feed grains, as well as growers of fresh fruits, vegetables, and nuts. The production and export of these high-value, horticultural crops are an important component of our Nation's agriculture. They are grown in every State of the Union, excepting Alaska, and amount to approximately 8 percent of U.S. agricultural exports. Until now, they have not been covered in previous farm bills.

Specifically, S. 1049 authorizes the Secretary of Agriculture to extend intermediate export credit guarantees, to target export credit assistance to commodities which have been adversely affected by unfair trading practices, to carry out an export PIK program utilizing any surplus commodities, including horticultural crops, to include processed fruit, vegetable, and nut products in the existing PL 480 Program, and to encourage private, commercial barter activities.

In addition, my bill urges the President to initiate a new round of multilateral trade negotiations which will address and clarify numerous agricultural trade issues arising under GATT. It exempts from cargo preference requirements commercial sales made by USDA under its blended credit program and assures the sanctity of contracts to supply U.S. farm products to foreign purchasers.

S. 1049 requires specific consultations within USDA and with the office of the U.S. special trade representative, as well as with newly-established industry advisory committees, prior to implementing changes in agricultural trade arrangements. Also required is an annual report prepared by our agricultural attaches for submission to the Secretary of Agriculture. The reports will identify agricultural subsidies present in the host countries and market development opportunities for U.S. farm products.

My bill instructs the General Accounting Office to evaluate the feasibility of applying U.S. chemical resi-

due and food sanitation standards on imported food products and to evaluate the appropriateness of applying current data and documentation requirements to agricultural petitioners before the U.S. International Trade Commission. It also provides agricultural producers with standing to petition the ITC for relief when processed products are harmed by unfair trading practices.

My legislation instructs the Secretary of Agriculture to study the feasibility of requiring country of origin labels on imported agricultural commodities and to give agricultural research priority to specific areas, including compliance with foreign plant quarantine requirements and improvement of international distribution methods for perishable products, which will increase export sales of U.S. farm commodities.

Finally, Mr. President, the "Agricultural Fair Trade Act of 1985" authorizes our Government to donate basic or specialty crops to countries willing to reform their agricultural economic policies and to improve their infrastructure. One specific improvement cited in S. 1049 would be the development of storage facilities and a distribution system necessary to import perishable agricultural commodities.

In summary, I want to reiterate that I am an advocate of a "market oriented" farm policy and believe that the 1985 farm bill, which the Committee on Agriculture will begin to mark up next week, should set Government loan rates at levels that reflect world market realities. The artificially high rates of recent years have led to predictable price undercutting by our international competitors, resulting in the loss of foreign markets and the costly expansion of Government-held inventories. In my opinion, any new farm legislation needs to emphasize worldwide market expansion, not producer cutbacks, in order to improve this Nation's image as a reliable supplier of a wide variety of high quality foods and fibers.

It is for these reasons that I have introduced S. 1049, the "Agricultural Fair Trade Act of 1985," and I am gratified to learn that the same legislation will be introduced in the House of Representatives during this week. I hope that the Members of both chambers will act favorably upon it and ask unanimous consent that my full remarks, the text of the bill and a section-by-section analysis be printed in the RECORD.

The material follows:

SECTION-BY-SECTION ANALYSIS, S. 1049, THE AGRICULTURAL FAIR TRADE ACT OF 1985

Section 1. *Purpose:* States that the purpose of the Act is to assist in expanding and increasing foreign markets for U.S. agricultural commodities and the products of such commodities.

Section 2. *Intermediate Export Credit:* Revises the intermediate export credit financing authority as follows—

Authorizes the Secretary of Agriculture to guarantee loans of 3 to 10 years in length that are made to finance export sales of agricultural commodities;

Requires that export sales financed or guaranteed under this provision be made to purchasers from countries that (1) previously received assistance on title I of Public Law 480 and (2) are unable to use other Department of Agriculture short-term export credit programs;

Expands the uses for which export credit financing and guarantees may be made available to include promotion of export sales of agricultural commodities;

Requires the Commodity Credit Corporation to make available not less than $1,000,000,000 for each of the fiscal years 1986, 1987, and 1988 and not more than $1,000,000,000 for each of the fiscal years 1989, 1990, and 1991 for purposes of financing or guaranteeing export sales of agricultural commodities under the intermediate credit provision.

Section 3. *Expansion of Markets for U.S. Agricultural Commodities and Products:* Authorizes the Secretary of Agriculture to establish and carry out an export Payment-in-Kind (PIK) program using surplus commodities that are either in the stocks of the Commodity Credit Corporation, including wheat, feed grains, cotton, rice, and dairy products, or available for purchase by the Secretary with funds from Section 32, including fruits, vegetables and nuts. Also authorizes the Secretary to make available supplemental distribution of U.S. surplus commodities to countries that have utilized receipts from sales of previously received U.S. commodities under this section to improve the handling, marketing, storage and distribution facilities for importing agricultural commodities.

Section 4. *Export Transportation of Agricultural Commodities:* Provides that the cargo preference laws of the United States will not apply to future commercial sales of agricultural commodities made by the U.S. Department of Agriculture under its blended credit program.

Section 5. *Agricultural Trade Negotiations:* Expresses the sense of Congress that the President should initiate a new round of multilateral trade negotiations with U.S. trading partners to (1) strengthen the General Agreement on Tariffs and Trade (GATT), (2) improve the dispute settlement procedures of the GATT, (3) bring agricultural trade issues within the purview of strengthened and more effective GATT rules and procedures, and (4) clarify the intent of and bring uniformity to the interpretation of Article XVI of the GATT, including the subsidies code.

Section 6. *Targeted Export Assistance.* Requires the Secretary of Agriculture to use not less than $325,000,000 of Commodity Credit Corporation funds in each of the fiscal years 1986 through 1988 (or an equal value of CCC-owned commodities) to assist in the export of U.S. agricultural commodities and products that have been adversely affected by price or credit subsidies or unfair marketing arrangements or trading practices employed in connection with foreign agricultural exports. The Secretary is directed to provide export assistance under this section on a priority basis to agricultural commodities and products that have demonstrated unfair trading practices under Section 301 of the Trade Act of 1974. For fiscal year 1989 through 1991, the Secretary is required to use CCC funds or commodities as are necessary to assist in the export of affected U.S. agricultrual commodities and products.

Section 7. *Value-added, Processed and Protein-Fortified Products:* As part of the donation of commodities under the Public Law 480 program, requires the President to consider the advantages to be gained from the donation of processed and protein-fortified products, including processed milk, plant protein products, and fruit, nut and vegetable products, as well as the nutritional needs of the recipients. Also requires the President to take steps to ensure that an appropriate part of the commodities donated under Public Law 480 is in the form of processed and protein-fortified products. Expresses the sense of Congress that the Secretary fund export market development programs for value-added farm products and processed foods at higher levels than during fiscal year 1985.

Section 8. *Barter of Agricultural Commodities:* Requires the Commodity Credit Corporation, to the maximum extent practicable, in consultation with the Secretary of State, to use CCC commodities to barter for strategic and critical materials. Also instructs the Secretary to encourage bartering of agricultural products by U.S. exporters and to provide technical advice and assistance to such exporters upon request.

Section 9. *Contract Sanctity:* Declares that the policy of the U.S. is to foster and encourage agricultural exports and limits any prohibition or restriction of such exports to reasons of national security and only under extraordinary circumstances.

Section 10. *Trade Consultations:* Directs the Secretary of Agriculture to require intradepartmental consultation regarding agricultural trade matters, as well as consultation with the Office of the U.S. Special Trade Representative, prior to relaxation or removal of restrictions on importation of agricultural commodities or products into the U.S. Also requires the Secretary to establish industry advisory committees with respect to specific agricultural commodities, whose purpose is to make recommendations regarding agricultural practices and industry procedures to USDA personnel negotiating trade agreements, trade protocols or trade procedures.

Section 11. *Agricultural Attache Reports:* Directs the Secretary of Agriculture to require appropriate personnel of the Department stationed in foreign countries to prepare and submit an annual report on agricultural subsidies in the host countries and on market development opportunities for the export of U.S. agricutural commodities and products into the host countries. Also instructs the Secretary to compile the annual reports and to make them available to Congress and other interested parties.

Section 12. *Study of U.S. Sanitation Standards for Importation of Agricultural Commodities:* Directs the Comptroller General to study the effectiveness and consistency of current regulations, inspection and enforcement programs regarding the application of chemical residue and food sanitation standards to imported food products and to report to Congress on its finding and recommendations within one year after the date of enactment of this Act.

Section 13. *Import Relief Study:* Directs the Comptroller General to study the appropriateness of the data and documentation requirements of the U.S. International Trade Commission for obtaining relief

against the unfair importation of agricultural commodities and their products and to report its findings and recommendations to Congress within one year after the date of enactment of the Act.

Section 14. *Label of Origin Study:* Instructs the Secretary of Agriculture to study the desirability and feasibility of requiring country of origin labels on imported agricultural commodities and to report his findings and recommendations to Congress within one year after the date of enactment of the Act.

Section 15. *Agricultural Research:* Directs the Secretary of Agriculture to increase and intensify research programs directed at developing technology to overcome barriers to expanded export sales of U.S. agricultural commodities and their products, such as developing procedures to meet plant quarantine requirements and improving transportation and handling of perishable agricultural commodities.

Section 16. *Food for Progress:* Authorizes the Secretary of Agriculture to donate basic or specialty crops to countries willing to reform their agricultural economic policies and improve their infrastructure, including the development of storage facilities and distribution systems necessary to import perishable agricultural commodities.

Section 17. *Processed Agricultural Products:* Amends the Tariff Act of 1930 to allow domestic producers of processed agricultural products and their principal raw agricultural commodity to seek countervailing duties and antidumping remedies before the U.S. International Trade Commission.

Section 18. *Authorization of Appropriations:* Allows appropriations of such sums as may be necessary to carry out this Act.

S. 1049

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Agricultural Fair Trade Act of 1985".

INTERMEDIATE EXPORT CREDIT

SEC. 2. Section 4(b) of the Food for Peace Act of 1966 (7 U.S.C. 1707a(b)) is amended—

(1) by adding at the end of paragraph (1) the following new sentence: "In addition, the Corporation may guarantee the repayment of loans made to finance such sales.";

(2) in paragraph (2)—

(A) by inserting ", and no loan may be guaranteed," after "financed";

(B) by striking out "or" at the end of clause (A);

(C) by striking out the period at the end of clause (B) and inserting in lieu thereof "; or"; and

(D) by inserting at the end thereof the following new clause:

"(C) otherwise promote the export of United States agricultural commodities.";

(3) by redesignating paragraphs (3) through (9) as paragraphs (4) through (10), respectively;

(4) by inserting after paragraph (2) the following new paragraph:

"(3) Export sales of agricultural commodities financed or guaranteed under the provisions of this subsection must—

"(A) to the maximum extent possible, be made to purchasers from countries that are previous recipients of credit extended under title I of the Agricultural Trade Development and Assistance Act of 1954 (7 U.S.C. 1701 et seq.); and

"(B) be made to purchasers from countries unable, as determined by the Secretary, to utilize other short-term export credit programs offered by the Secretary or the Commodity Credit Corporation.";

(5) in paragraph (4) (as redesignated by paragraph (3) of this section)—

(A) by inserting "or guarantees" after "financing";

(B) by striking out "and" at the end of subparagraph (C);

(C) by striking out "credit" in subparagraph (D);

(D) by striking out the period at the end of subparagraph (D) and inserting in lieu thereof "; and"; and

(E) by adding at the end thereof the following new subparagraph:

"(E) otherwise to promote the export sales of agricultural commodities.";

(6) in paragraph (5) (as redesignated by paragraph (3) of this section)—

(A) by inserting "or guarantees" after "financing"; and

(B) by striking out "to encourage credit competition, or";

(7) in paragraph (6) (as redesignated by paragraph (3) of this section)—

(A) by inserting "(A)" after the paragraph designation;

(B) by redesignating subparagraphs (A) and (B) as clauses (i) and (ii), respectively; and

(C) by adding at the end thereof the following new subparagraph:

"(B) Contracts of guarantee under this subsection shall contain such terms and conditions as the Commodity Credit Corporation shall determine.";

(8) by inserting "or guarantees" after "financing" in paragraph (7) (as redesignated by paragraph (3) of this section);

(9) in paragraph (8) (as redesignated by paragraph (3) of this section)—

(A) by inserting "or guarantee" after "finance" each place it appears; and

(B) by inserting "or guarantee" after "financing" in subparagraph (B);

(10) by inserting "or guaranteed" after "financed" in paragraph (9) (as redesignated by paragraph (3) of this section); and

(11) by inserting at the end thereof the following new paragraph:

"(11) For purposes of financing or guaranteeing export sales under this subsection, the Commodity Credit Corporation shall make available—

"(A) no less than $1,000,000,000 for each of the fiscal years ending September 30, 1986, September 30, 1987, and September 30, 1988; and

"(B) no more than $1,000,000,000 for each of the fiscal years ending September 30, 1989, September 30, 1990, and September 30, 1991.".

EXPANSION OF MARKETS FOR UNITED STATES AGRICULTURAL COMMODITIES AND PRODUCTS

SEC. 3. (a) Notwithstanding any other provision of law, the Secretary of Agriculture may formulate and carry out a program under which agricultural commodities, including but not limited to wheat, feed grains, upland cotton, rice, and milk, and the products thereof, acquired through price support operations by the Commodity Credit Corporation, and any other agricultural commodities that are determined by the Secretary of Agriculture to be in surplus supply and that can be purchased with funds available under section 32 of the Act of August 24, 1935 (7 U.S.C. 612c), are provided to United States exporters and users and foreign purchasers at no cost to encourage the development, maintenance, and expansion of export markets for United States agricultural commodities and the products thereof, including value-added or high-value agricultural products produced in the United States.

(b) In carrying out the program authorized by this section, the Secretary of Agriculture shall—

(1) take such action as may be necessary to ensure that the program provides equal treatment to domestic and foreign purchasers and users of United States agricultural commodities and the products thereof in any case in which the importation of a manufactured product made, in whole or in part, from a commodity or the product thereof made available for export under this section would place domestic users of the commodity or the product thereof at a competitive disadvantage;

(2) to the extent that agricultural commodities and the products thereof are to be provided to foreign purchasers during any fiscal year, consider for participation all interested foreign purchasers, giving priority to those who have traditionally purchased United States agricultural commodities and the products thereof and who continue to purchase such commodities and the products thereof on an annual basis in quantities greater than the level of purchases in a previous representative period;

(3) ensure, insofar as possible, that any use of agricultural commodities or the products thereof made available under this section be made in such manner as to encourage increased use and avoid displacing usual marketings of United States agricultural commodities and the products thereof; and

(4) take reasonable precautions to prevent the resale or transshipment to other countries, or use for other than domestic purposes in the importing country, of agricultural commodities or the products thereof made available under this section.

(c)(1) If a foreign purchaser sells in the importing country agricultural commodities or the products thereof received from the Secretary of Agriculture, under the authority of this section, and uses the receipts from the sale of such commodities or the products thereof for the construction or rehabilitation of facilities in the importing country to improve the handling, marketing, storage, or distribution of United States agricultural commodities or the products thereof in such importing country, such purchaser shall be eligible to receive supplemental distributions of agricultural commodities or the products thereof under this section.

(2) Supplemental distributions under this section shall be made with such commodities or the products thereof, at such intervals and in such amounts as the Secretary determines appropriate, taking into account—

(A) the extent to which facility improvements have been made,

(B) the capability of the importing country to distribute or otherwise use additional commodities or the products thereof, and

(C) such other factors as are determined appropriate by the Secretary that are consistent with the purposes of this section.

(d) The Secretary of Agriculture shall carry out the program authorized by this section through the Commodity Credit Corporation.

(e) The Secretary of Agriculture may issue such regulations as the Secretary deems necessary to carry out this section.

(f) The authority provided in this section shall be in addition to, and not in place of, any authority granted to the Secretary of Agriculture or the Commodity Credit Corporation under any other provision of law.

EXPORT TRANSPORTATION OF AGRICULTURAL COMMODITIES

SEC. 4. (a) Except as provided in subsection (b), section 901 of the Merchant Marine Act, 1936 (46 U.S.C. 1241) and the Joint Resolution of March 26, 1934 (48 Stat. 500, 46 U.S.C. 1241-1) (commonly referred to as the "cargo preference laws") shall not apply to export activities of the Department of Agriculture or Commodity Credit Corporation under which commercial credit guarantees are blended with direct interest-free credits from the Commodity Credit Corporation to reduce the effective rate of interest on export sales of United States agricultural commodities and the products thereof.

(b) This section shall not apply to any export activity undertaken to carry out any agreement entered into prior to the date of enactment of this Act.

TRADE NEGOTIATIONS

SEC. 5. (a) Congress finds that—

(1) open and fair trade is essential to economic growth and prosperity in the world today;

(2) unfair trade practices of many countries have had adverse effects on exports of United States agricultural commodities, United States producers, and the international trading environment;

(3) many of these practices have been predatory in nature and constitute gross violations of free and fair trade principles;

(4) such unfair trade practices include export price subsidies, export credit subsidies, predatory marketing arrangements, and tariff and nontariff trade barriers;

(5) such unfair trade practices distort market signals, add volatility to the trading environment, increase government expenditures, inhibit economic development abroad, and discourage or prohibit the importation of United States agricultural commodities and the products thereof;

(6) the United States trading system is the most open in the world, as is evidenced by the continuing merchandise trade deficits of this country;

(7) all other major grain producing nations have refused to join the United States in attempts to reduce surpluses of agricultural commodities, and such nations have, in fact, taken advantage of United States efforts by increasing production of major agricultural commodities;

(8) the United States holds and stores a disproportionate level of supplies of agricultural commodities in time of surplus;

(9) the United States world market-share in the case of many agricultural exports has been reduced as a result of unfair trade practices;

(10) in order to establish market oriented domestic farm policies in the United States, American producers must be assured of equity in the international trading environment;

(11) more effective rules governing international agricultural trade must be established to provide greater market access for all countries and to curb the use of export subsidies that have hindered agricultural exports of the United States and other countries; and

(12) failure to find multilateral and bilateral solutions to international trade problems, the most desirable form of trade conflict resolution, will increase the likelihood of unilateral action on the part of the United States to protect American markets and producers.

(b) It is the sense of Congress that the President should, at the earliest practicable time after the date of enactment of this Act, initiate a new round of multilateral trade negotiations with the trading partners of the United States for the purposes of—

(1) strengthening the General Agreement on Tariffs and Trade (GATT) in a manner that promotes a more open and fair world trading system;

(2) improving the dispute settlement procedures of GATT such that industries suffering from unfair trade practices will receive more expeditious relief and that affected contracting parties will abide by the decisions reached under GATT;

(3) bringing agricultural trade issues within the purview of strengthened and more effective GATT rules and procedures; and

(4) clarifying the intent of and bringing uniformity to the interpretation of Article XVI of GATT.

TARGETED EXPORT ASSISTANCE

SEC. 6. (a) For export activities authorized to be carried out by the Secretary of Agriculture or the Commodity Credit Corporation, the Secretary of Agriculture shall use—

(1) for each of the fiscal years ending September 30, 1986, September 30, 1987, and September 30, 1988, not less than $325,000,000 of funds of, or an equal value of commodities owned by, the Corporation; and

(2) for each of the fiscal years ending September 30, 1989, September 30, 1990, and September 30, 1991, such funds of the Corporation as the Secretary deems necessary or an equal value of commodities owned by the Corporation.

(b) The funds or commodities specified in this section shall be used by the Secretary for export assistance only in connection with agricultural commodities or the products thereof (1) which are determined by the Secretary of Agriculture to be in surplus supply in the United States and for which price support is made available under the Agricultural Act of 1949 (7 U.S.C. 1421 et seq.), or (2) for which exports have been adversely affected, as determined by the Secretary, by price subsidies, credit subsidies, or unfair marketing arrangements or trading practices used by other countries in connection with their agricultural exports.

(c) The Secretary shall provide export assistance under this section on a priority basis in the case of agricultural commodities and the products thereof with respect to which there has been a favorable decision under section 301 of the General Agreement on Tariffs and Trade (GATT).

VALUE-ADDED, PROCESSED, AND PROTEIN-FORTIFIED PRODUCTS

SEC. 7. (a) Section 201 of the Agricultural Trade Development and Assistance Act of 1954 (7 U.S.C. 1721) is amended by adding at the end thereof the following new subsection:

"(c) In distributing agricultural commodities under this title, the President shall—

"(1) consider—

"(A) the nutritional assistance to recipients and benefits to the United States that would result from distributing such commodities in the form of processed and protein-fortified products, including processed milk, plant protein products, and fruit, nut, and vegetable products;

"(B) the nutritional needs of the proposed recipients of the commodities; and

"(C) the purposes of this title; and

"(2) take all feasible steps to ensure that an appropriate portion of such commodities distributed each fiscal year be in the form of processed and protein-fortified products.".

(b) Subclause (B) of section 1207(a)(5) of the Agriculture and Food Act of 1981 (7 U.S.C. 1736m(a)(5)(B)) is amended to read as follows: "(B) funding an export market development program for value-added farm products and processed foods at a higher funding level than that provided during the fiscal year ending September 30, 1985; and".

BARTER OF AGRICULTURAL COMMODITIES

SEC. 8. (a) Section 4(h) of the Commodity Credit Corporation Charter Act (15 U.S.C. 714b(h)) is amended—

(1) in the fourth sentence—

(A) by striking out "is authorized," and inserting in lieu thereof "shall, to the maximum extent practicable, in consultation with the Secretary of State, and"; and

(B) by striking out "to";

(2) in the fifth sentence, by striking out "normal commercial trade channels shall be utilized and priority shall be given" and inserting in lieu thereof "the Secretary shall: (1) use normal commercial trade channels; (2) take action to avoid displacing usual marketings of United States agricultural commodities and the products thereof; (3) take reasonable precautions to prevent the resale or transshipment to other countries, or use for other than domestic use in the importing country, of agricultural commodities used for such exchange; and (4) give priority";

(3) in the seventh sentence, by striking out "Secretary of the Treasury" and inserting in lieu thereof "Administrator of General Services"; and

(4) by inserting after the seventh sentence the following new sentence: "If the volume of petroleum products (including crude oil) stored in the Strategic Petroleum Reserve is less than the level prescribed under section 154 of the Energy Policy and Conservation Act (42 U.S.C. 6234), the Corporation shall, to the maximum extent practicable, with the approval of the Secretary of Agriculture, and in consultation with the Secretary of Energy and the Secretary of State, accept petroleum products (including crude oil) produced abroad in exchange for agricultural commodities acquired by the Corporation and shall transfer the petroleum products, without reimbursement, to the Secretary of Energy to be placed in the Reserve.".

(b)(1) The Secretary of Agriculture shall encourage United States exporters of agricultural commodities and the products of such commodities to barter such commodities and products for foreign products needed by such exporters.

(2) The Secretary shall provide technical advice and assistance relating to the barter of agricultural commodities and the products of such commodities to any United States exporter who requests such advice or assistance.

CONTRACT SANCTITY

SEC. 9. It is hereby declared to be the policy of the United States—

(1) to foster and encourage the export of agricultural commodities and the products of such commodities;

(2) not to restrict or limit the export of such commodities and products except under the most compelling circumstances;

(3) that any prohibition or limitation on the export of agricultural commodities or the products of such commodities should be imposed only for reasons of national security and not for reasons of foreign policy; and

(4) that contracts entered into before the imposition of any prohibition or limitation

on the export of agricultural commodities or the products of such commodities should not be abrogated except under extraordinary circumstances.

TRADE CONSULTATIONS

SEC. 10. (a)(1) The Secretary of Agriculture shall require consultation between the head of the Foreign Agricultural Service and the heads of other appropriate agencies and offices of the Department of Agriculture, including the Administrator of the Animal and Plant Health Inspection Service, before relaxing or removing any restriction on the importation of any agricultural commodity or the product of any such commodity into the United States.

(a)(2) The Secretary of Agriculture shall consult with the United States Special Trade Representative before relaxing or removing any restriction on the importation of any agricultural commodity or the product of any such commodity into the United States.

(b)(1) The Secretary of Agriculture shall establish an advisory committee composed of three persons to advise, and make recommendations to, personnel of the Department of Agriculture who are to negotiate trade agreements, trade protocols, or trade procedures with the government of a foreign country with respect to a specific agricultural commodity or class of agricultural commodities or with respect to a specific product of an agricultural commodity. The Secretary shall appoint persons to any such advisory committee from the private sector who represent the interests of the agricultural industry concerned with such agricultural commodity, class of commodities, or product.

(2) The Secretary of Agriculture shall require personnel of the Department of Agriculture assigned to negotiate trade agreements, trade protocols, or trade procedures with the government of any foreign country with respect to a specific agricultural commodity or class of agricultural commodities or with respect to a specific product of an agricultural commodity to consult with the advisory committee established under paragraph (1) regarding agricultural practices and industry procedures before concluding any agreement with any foreign government on any agricultural trade matter pertaining to such agricultural commodity, class of commodities, or product.

AGRICULTURAL ATTACHÉ REPORTS

SEC. 11. (a) The Congress hereby finds—

(1) that aggressive trading practices on the part of foreign competitors are eroding the sale of United States agricultural commodities and the products of such commodities in traditional foreign markets of the United States and are inhibiting the expansion of sales of such commodities and products in other foreign markets;

(2) that export subsidies by foreign governments have severely undercut the sale of United States agricultural commodities and products in Third World country markets; and

(3) that accurate, adequate, and current data on the nature and extent of such subsidies has not been readily available to appropriate United States officials or to affected agriculture sectors in the United States.

(b) The Secretary of Agriculture shall require appropriate officers and employees of the Department of Agriculture stationed in foreign countries to prepare and submit annually, directly to the Secretary, detailed information documenting the nature and extent of programs in such countries that provide direct government support for the export of agricultural commodities and the products of such commodities. The Secretary shall also require such reports to identify opportunities for the export of United States agricultural commodities and the products of such commodities to the foreign countries in which the officers and employees are stationed.

(c) The Secretary shall compile the information contained in the reports each year and make such information available to the Congress and to other interested parties.

STUDY OF UNITED STATES SANITATION STANDARDS FOR IMPORTATION OF AGRICULTURAL COMMODITIES

SEC. 12. (a) The Comptroller General of the United States shall conduct a study of Food and Drug Administration standards that are currently in effect for imported food and agricultural products with a view to evaluating the effectiveness of such regulations and inspection procedures of the Food and Drug Administration to detect prohibited chemical residues and foreign matter in or on raw agricultural commodities and in packaged or prepared food products.

(b) The Comptroller General shall include in such study an analysis of the consistency of the Department of Health and Human Services and Department of Agriculture regulations prescribing food sanitation requirements and chemical residue standards for imported agricultural commodities and products and the adequacy of the procedures to enforce such requirements.

(c) The Comptroller General shall submit a report containing the results of the study to the Committee on Agriculture, Nutrition, and Forestry of the Senate and the Committee on Agriculture of the House of Representatives within one year after the date of the enactment of this Act together with such recommendations for administrative or legislative action as he considers necessary or appropriate.

IMPORT RELIEF STUDY

SEC. 13. (a) The Comptroller General of the United States shall conduct a study and evaluation of the data and documentation requirements of the United States International Trade Commission for obtaining relief against the importation of agricultural commodities and the products of such commodities, including relief under the so-called escape clause of title II of the Trade Act of 1974 (19 U.S.C. 2251 et seq.) and under the antidumping and countervailing duties provisions of section 303 and title VII of the Tariff Act of 1930 (19 U.S.C. 1303; 1671, et seq.).

(b) The Comptroller General shall submit a report containing the results of such study and evaluation to the Committee on Agriculture, Nutrition, and Forestry of the Senate and the Committee on Agriculture of the House of Representatives within one year after the date of the enactment of this Act together with such comments and recommendations as he considers appropriate. The Comptroller General shall also make the report available to all other interested parties.

LABEL OF ORIGIN STUDY

SEC. 14. The Secretary of Agriculture shall conduct a study to determine the desirability and feasibility of requiring all imported agricultural commodities and the products of such commodities to bear a label stating the country of origin of such commodities and products. The Secretary shall submit a report containing the results of such study to the Committee on Agriculture, Nutrition, and Forestry of the Senate and the Committee on Agriculture of the House of Representatives within one year after the date of the enactment of this Act together with such comments and recommendations as the Secretary may consider appropriate.

AGRICULTURAL RESEARCH

SEC. 15. The Secretary of Agriculture shall increase and intensify research programs conducted by or for the Department of Agriculture that are directed at developing technology to overcome barriers to expanded sales of United States produced agricultural commodities and the products of such commodities in foreign markets, including research programs for the development of procedures to meet plant quarantine requirements and improvement in the transportation and handling of perishable agricultural commodities.

FOOD FOR PROGRESS

SEC. 16. Section 416 of the Agricultural Act of 1949 (7 U.S.C. 1431) is amended by adding at the end thereof the following new subsection:

"(d) Notwithstanding any other provision of law—

"(1)(A) In order to use the food resources of the United States more effectively in support of countries that have made commitments to introduce or expand free-enterprise elements in their agricultural economies through changes in commodity pricing, marketing, input availability, distribution, and private sector involvement, commodities and the products thereof acquired by the Commodity Credit Corporation, which the Secretary determines meet the criteria specified in subsection (a), may be furnished by the Secretary to carry out agreements entered into by the President under paragraph (2) of this subsection.

"(B) Not more than 500,000 metric tons of commodities may be furnished under this subsection in each of the fiscal years ending September 30, 1986, September 30, 1987, September 30, 1988, and September 30, 1989.

"(C) The Commodity Credit Corporation may purchase agricultural commodities and the products thereof for use under this subsection if—

"(i) the Commodity Credit Corporation does not hold stocks of such commodities and the products thereof, or

"(ii) Commodity Credit Corporation stocks are insufficient to satisfy commitments made in agreements entered into under this subsection and such commodities and the products thereof are needed to fulfill such commitments.

"(D) No funds of the Commodity Credit Corporation in excess of $30,000,000 (exclusive of the cost of commodities) may be used to carry out this subsection unless authorized in advance in appropriation Acts.

"(2)(A)(i) The President may enter into agreements with developing countries to furnish commodities and the products thereof made available under paragraph (1) of this subsection to such countries to promote the implementation of private, free-enterprise agricultural policies for long-term agricultural development.

"(ii) Such commodities shall be furnished under this subsection on such terms and conditions as the President deems are in the public interest and will promote the objectives of this subsection. Agreements may provide for commodities to be furnished on a multi-year basis.

"(B) In determining whether to enter into agreements with countries for the furnish-

ing of commodities under this subsection, the President shall consider whether a potential recipient country—

"(i) is carrying out, or is committed to carry out, policies that promote economic freedom, private, domestic production of food commodities for domestic consumption, and the creation and expansion of efficient domestic markets for the purchase and sale of such commodities, including policies that may provide for—

"(I) access, on the part of farmers in such country, to private, competitive markets for their products;

"(II) market pricing of commodities to foster adequate private sector incentives to individual farmers to produce food on a regular basis for the domestic needs of the country;

"(III) establishment of market-determined foreign exchange rates;

"(IV) timely availability of production inputs, such as seed, fertilizer, or pesticides, to farmers;

"(V) access to technologies appropriate to the level of agricultural development in the country; and

"(VI) construction of facilities and distribution systems necessary to handle perishable products; and

"(ii) is able to use the amount of commodities being considered for donation without disruption of the internal market of the country for domestically produced agricultural commodities and products.

"(3) An agreement entered into under this subsection shall prohibit the resale or transshipment of the donated commodities to other countries.

"(4) In entering into agreements with countries for the donation of commodities under this subsection, the President shall take reasonable precautions to avoid displacement of any sales of United States agricultural commodities that would otherwise be made to such countries.

"(5)(A) The provisions of section 203 of the Agricultural Trade Development and Assistance Act of 1954 (7 U.S.C. 1723) shall apply to commodities furnished under this subsection.

"(B) The cost of the commodities furnished under this subsection, and the expenses incurred in connection with furnishing such commodities, shall be in addition to the level of assistance programmed under the Agricultural Trade Development and Assistance Act of 1954 (7 U.S.C. 1691 et seq.) and may not be considered expenditures for international affairs and finance.

"(6)(A) The President shall carry out the duties imposed on the President under this subsection through the National Security Advisor in the Executive Office of the President.

"(B) The National Security Advisor, with the approval of the Secretary, may use personnel of the Department of Agriculture in carrying out this subsection.

"(7) Section 901 of the Merchant Marine Act, 1936 (46 U.S.C. 1241) and the Joint Resolution of March 26, 1934 (48 Stat. 500, 46 U.S.C. 1241-1) (commonly referred to as the 'cargo preference laws') shall not apply to any export activity authorized under this subsection.

"(8) Within one hundred and twenty days after the close of each fiscal year in which an agreement entered into with a country under this subsection is in effect, the President shall report to the Committee on Agriculture of the House of Representatives and the Committee on Agriculture, Nutrition, and Forestry of the Senate on the status of such agreement and the progress being made to implement private, free enterprise agricultural policies for long-term agricultural development in such country.

"(9) This subsection shall be effective during the period beginning on October 1, 1985, and ending on September 30, 1989.".

PROCESSED AGRICULTURAL PRODUCTS

SEC. 17. (a) Section 771(4) of the Tariff Act of 1930 (19 U.S.C. 1677(4)) is amended by adding at the end thereof the following new subparagraph:

"(E) SPECIAL RULE FOR PROCESSED AGRICULTURAL PRODUCTS.—

"(i) IN GENERAL.—In the case of a processed agricultural product, the term 'industry' means—

"(I) the domestic producers of such product; and

"(II) the domestic producers of the principal raw agricultural commodity which is a part of such product (as determined on the basis of the volume or value of such commodity produced), but only if producers of such raw agricultural commodity allege that they are materially injured, or threatened with material injury, by reason of the imports concerned.

"(ii) PROCESSED AGRICULTURAL PRODUCT DEFINED.—For purposes of clause (i), the term 'processed agricultural product' means any product of farm, forest, or fishery which has undergone processing beyond that customarily required to prepare such product for marketing in such product's natural form.".

(b) Notwithstanding any other provision of law, any petition for relief under section 702 or section 732 of the Tariff Act of 1930 which was filed before the date of the enactment of this Act may be refiled under such section.

AUTHORIZATION OF APPROPRIATIONS

SEC. 18. There are hereby authorized to be appropriated such sums as may be necessary to carry out this Act.●

SOVIET HUMAN RIGHTS TREATY VIOLATIONS IN AFGHANISTAN

● Mr. HUMPHREY. Mr. President, our Nation and the world has just passed an historic landmark, the 40th anniversary of V-E Day in Europe. As part of our commemoration of the events and significance of that day, President Reagan visited the death camp at Bergen-Belsen, West Germany on May 5, where 64,000 people died by murder, torture, starvation, and disease.

In his speech at the wreath-laying ceremony at this camp, the President declared, "Beyond the anguish, the pain, and the suffering and for all time, we can and must pledge: Never again."

This moving and entirely appropriate response to the horror of the Holocaust will only have meaning if we keep that pledge. But unfortunately, despite our good intentions and many efforts to prevent it, the Holocaust is still with us—in Afghanistan today, where the Soviet Union is attempting to eliminate this ancient and free people from the face of the Earth and to destroy utterly their country.

Since 1945, there have been many attempts to prevent the repetition of the terrible crimes against people that occurred in the Nazi death camps, through the drafting of human rights and laws of war documents: The Geneva Conventions of 1949, the United Nations Universal Declaration of Human Rights of 1948, the Genocide Convention of 1948, the Helsinki accords of 1975, among others.

The Soviet Union, a signatory to each of these documents, is also a violator of each and every one of them in its planned extermination of the nation of Afghanistan, where it is employing the same tactics of murder, torture, starvation, and disease that were used in the Nazi death camps.

In an attempt to heighten our awareness of the continuing holocaust in Afghanistan, I intend to submit on a regular basis examples of violations of Soviet human rights treaties. We must face this new holocaust before it is too late and take concrete action to honor our pledge of "never again."

One of the foremost human rights documents is the Geneva Conventions of 1949, which was ratified by the Soviet Union in 1954. Article 3 to all four of the conventions prohibits the following acts against persons taking no active part in the hostilities: "Violence to life and person, in particular murder of all kinds, mutilation, cruel treatment and torture."

"The Report on the Situation of Human Rights in Afghanistan" prepared for the United Nations Commission on Human Rights by Mr. Felix Ermacora and submitted on February 12, 1985, states that according to eyewitnesses, there has been a planned campaign against civilians in violation of article 3 for the purpose of eliminating the population or driving them out of the country.

Mr. President, I ask that a section of the aforementioned report, entitled "Bombardment and Massacre of Civilians," appear in the RECORD.

The section follows:

REPORT ON THE SITUATION OF HUMAN RIGHTS IN AFGHANISTAN; UN COMMISSION ON HUMAN RIGHTS

BOMBARDMENT AND MASSACRE OF CIVILIANS

Eye witnesses told the Special Rapporteur of alleged massacres of civilians during the bombardment of villages. According to these witnesses, such acts were part of a deliberate policy, especially over the last two years, to force the people to take flight. In this connection, one witness declared that the country's economy had been completely destroyed by the systematic bombing of rural areas housing about 85% of the population, and in fact occupied by the resistance and regarded as liberated zones.

Situations were brought to the notice of the Special Rapporteur concerning the bombing of refugees escaping from Afghanistan into Pakistan. For example, 300 families on their way to Pakistan had been bombed in the village of Ghagheharan in the province of Ghowr in October 1984.

The Special Rapporteur heard allegations concerning massacres, and he feels it neces-

sary to draw the attention of the Commission by way of examples, to the following alleged cases:

a. On September 13, 1982, approximately 105 persons were killed in the village of Padkhwab-e-Shana in the province of Logar, including 61 victims from the village itself. In the course of an infantry operation in the village, the population, consisting of children, old people and a few combatants, took fright and hid in an underground channel used for irrigation (Karez). To dislodge them, troops poured a whitish liquid mixed with white powder into three outlets of the channel and set fire to it. Charred and decomposed bodies were brought out by the villagers. The corpses were said to include 12 children;

b. On October 12, 1983, in the villages of Kulchabat, Bala Karz and Mushkizi in the province of Kandahar, 360 persons were executed in the village square, including 20 girls and about 20 old people;

c. In March 1984, several hundred civilians were massacred in the villages of Dash-e-Bolokhan and Dash-e-Asukhan in the Kohistan region;

d. In November 1984, some 40 civilians were massacred in the village of Zirvq situated in the Urgun region after two weeks of steady bombardment. According to the witnesses, several houses were destroyed and the cattle decimated.●

NATIONAL DOWN SYNDROME MONTH

● Mr. D'AMATO. Mr. President, I rise today to join as a cosponsor of Senate Joint Resolution 40 introduced by my good friend and distinguished colleague, the senior Senator from Indiana. This resolution would designate the month of October 1985 as National Down Syndrome Month.

Down Syndrome is a genetic defect that causes mental retardation and is often associated with certain distinctive physical characteristics. Approximately one out of every 1,000 children is born with Down Syndrome. Medical researchers are aware that the defect occurs when one extra chromosome is attached during gestation of the fertilized egg. There is presently no known cure and this disease can strike anyone regardless of genetic or social background.

The Federal Government has responded to the needs of the handicapped, but much more needs to be done. We must improve upon our two pronged approach of providing assistance to those affected with Down Syndrome and the continuation of extensive research into this tragic disease.

Individuals born with the genetic disability have realized much improvement in the quality of life in the last two decades. Increased public sensitivity to the unique problems of educating and mainstreaming people has positively influenced teaching methods and facilities for people afflicted with Down Syndrome. This public awareness has also made available new and diverse special programming while personal and occupational therapy have enabled Down Syndrome victims to live longer and more productively.

It is my strong hope that the gains we have made in caring for sufferers of Down Syndrome will continue as we make inroads into the causes and possible prevention of Downs Syndrome in the future. For this momentum to continue, there must be public awareness and support. I urge my colleagues to join me as a cosponsor of Senate Joint Resolution 40.

BITBURG

● Mr. BIDEN. Mr. President, the visit to Bitburg is officially over, though in some ways it will not be over for many years. When I spoke on this floor prior to the President's departure for Germany, I joined 75 of my colleagues in passing a resolution that called for him to cut Bitburg out of his itinerary. He ignored our request, bipartisan though it was, and he ignored the entreaties of millions of Americans, not all of them Jews.

When I spoke in this Chamber 3 weeks ago, I was concerned about the distorted message that the Bitburg visit would convey to the generations responsible for the future. I had in my mind a photograph: It is a picture of the President of the United States standing in a cemetery that contains graves of Nazi troopers, the notorious Waffen SS. The caption under the photograph explains that the President has just laid a wreath at this cemetery. And the photograph and caption appear in a history book, a history book that one of my children, perhaps a grandchild, is holding in front of me. And they will ask me a simple question: "Why?".

I have no answer to that question, Mr. President. And when I spoke on April 26, I explained why I could not answer that question. It was wrong to go to Bitburg, and I cannot and will not, now or ever, try to imagine some rational explanation for the President's decision.

But I find now that I have an additional concern. It was not enough that President Reagan even journeyed to that cemetery. I now find out, for Americans who traveled to Germany at the same time as the President, that people who had survived the Holocaust while many of their loved ones did not, were actually prevented from attending the ceremonies at the Bergen-Belsen concentration camp site, or even merely voicing their sentiments at the Bitburg gravesite.

At Bitburg, at the main crossroads of the small town, policemen with antiriot shields confronted an advancing crowd of Jews, many of them wearing the badge that accompanied their parents and their grandparents to their deaths: The six pointed yellow star bearing the word Jude. Others were kept far from the cemetery by the fences that had been erected around the town. The New York Times reported that the area declared off limits to demonstrations was enlarged by a jittery White House advance team. This was done even though permits for demonstrations were apparently not being issued anyway.

The scene at Bergen-Belsen was even more disturbing. Hundreds of West German policemen, with our own Secret Service agents at their side, sealed off the camp the night before the visit. One infuriated American rabbi, Rabbi Avraham Weiss of the Hebrew Institute in the Riverdale section of the Bronx, accused the White House of having ordered the West German police to seal the camp and bar Jews from protesting. One man, a 71-year-old survivor of Bergen-Belsen, was prevented from his weekly visit to the memorial—an act he has performed every Sunday since he was liberated in April 1945.

Mr. President, I am sensitive to the demands of security for the President of the United States. But I am concerned that in this case, the excuse of security was employed to expand the sealed off areas—and thereby to preserve the neat television imagery. And I am outraged that someone like Dimitri Pluchator, a survivor of Bergen-Belsen, was stopped from visiting the memorial, a ritual he has observed for 40 years of Sundays.

Norbert Blum, the West German Minister for Social Affairs, is reported to have approved the physical removal of some protestors with the words, "Quiet is important; dignity must prevail." If this administration does not realize that dignity can never prevail when the very people who suffered at these sites are prevented from participating in ceremonies 40 years later, then I am afraid that the moral amnesia, which is responsible for this trip in the first place, is far, far deeper than any of us imagined.

It would have been difficult for me to answer the child who asks me why the President went to Bitburg. It is impossible to explain why survivers and their children were not allowed at Bergen-Belsen. "It would have ruined the TV pictures" is the honest answer, and that is no answer at all for the 50,000 who died at Bergen-Belsen or for the millions who were a part of their suffering.●

ORDERS FOR TUESDAY, MAY 14, 1985

ORDER FOR RECESS UNTIL 2 P.M. TUESDAY, MAY 14, 1985

Mr. DOLE. Mr. President, I ask unanimous consent that when the Senate completes its business today, it stand in recess until 2 p.m., Tuesday, May 14.

The PRESIDING OFFICER. Without objection, it is so ordered.

NO ROLLCALL VOTES ON TUESDAY

Mr. DOLE. Mr. President, for the information of the Senators here, there will be no Monday session of the Senate next week, and there will be no rollcall votes on Tuesday unless it is a procedural matter beyond 5 p.m.

ORDER FOR RECOGNITION OF SENATOR PROXMIRE

Mr. DOLE. Further, Mr. President, I ask unanimous consent that following the two leaders under the standing order on Tuesday, there be a special order in favor of the Senator from Wisconsin [Mr. PROXMIRE] for not to exceed 15 minutes.

The PRESIDING OFFICER. Without objection, it is so ordered.

ORDER FOR PERIOD OF ROUTINE MORNING BUSINESS

Mr. DOLE. Following the special order just identified, Mr. President, I ask unanimous consent there be a period for the transaction of routine morning business not to extend beyond 3 p.m. with statements therein limited to 5 minutes each.

The PRESIDING OFFICER. Without objection, it is so ordered.

SENATE SCHEDULE

Mr. DOLE. Following routine morning business, Mr. President, it will be the intention of the majority leader to begin consideration of Calendar No. 84, S. 960, foreign aid authorization, and possibly turn to Calendar No. 47, S. 408, small business authorization.

RECESS UNTIL 2 P.M. ON TUESDAY, MAY 14, 1985

Mr. DOLE. Mr. President, there being no further business to come before the Senate, I move that the Senate stand in recess until 2 p.m. on Tuesday, May 14.

The motion was agreed to, and at 3:44 a.m. the Senate recessed until Tuesday, May 14, 1985, at 2 p.m.

51-059 O-86-12 (Pt. 9)

EXTENSIONS OF REMARKS

A HOLOCAUST SURVIVOR'S LETTER TO THE PRESIDENT

HON. GARY L. ACKERMAN
OF NEW YORK
IN THE HOUSE OF REPRESENTATIVES

Thursday, May 9, 1985

● Mr. ACKERMAN. Mr. Speaker, I rise today to bring to the attention of my colleagues in the U.S. House of Representatives a letter written to President Reagan by Mr. Charles Feldman, who resides in my congressional district, in Rego Park, NY.

Mr. Feldman survived the Holocaust, although many of his family members did not. He wrote to the President several weeks ago, urging him not to visit the Bitburg military cemetery in Germany, where 49 of Hitler's elite SS stormtroopers are buried.

Mr. Speaker, this letter is unlike any I have ever read. Today is May 9, and President Reagan has been to Bitburg. But I bring Charles Feldman's letter to the attention of the Members of this body because we cannot afford to forget the atrocities of the Holocaust or who its true victims were.

The President has equated the SS guardsmen with the millions of innocent people butchered in Nazi death camps. Like many of us, Charles Feldman differs with the President. He saw Nazis shoot down entire families lined up in front of freshly dug graves. He was forced to load the dead and half-dead bodies of his friends and neighbors and their children into mass graves. He lived through the nightmare known as the Holocaust, and he does not equate the Nazi murderers with the children, adults, and elderly who were marched into gas chambers or firing squads.

In his letter, which follows, I have deleted the names of the victims he speaks of, to protect their families and friends still alive who may be unaware of the episodes Mr. Feldman recounts.

Mr. Speaker, it is not easy to read this letter, but I urge all of my colleagues to do so. It certainly was not easy to write, and Mr. Feldman is to be congratulated for his courage.

APRIL 23, 1985.

DEAR MR. PRESIDENT: The furor which your forthcoming trip to Germany has evoked has finally prompted me to put down on paper a true story which I have been carrying inside for the past 42 years.

In the Fall of 1942 (end of September/beginning October) I was in the Zwolin Ghetto. The Nazis made an announcement that all Ghetto inhabitants were to assemble in the market square at a certain hour, bringing with them a small valise with personal belongings. Anyone not appearing as ordered would be hunted down and shot. As soon as this announcement was made, all the Jews in the Ghetto panicked. We were so tightly boxed in that no one could possibly escape without notice. I had Polish non-Jewish papers (forged, of course), but even so I could not escape from the Ghetto.

On the day everyone had been ordered to congregate in the market square a great panic broke out because Germans began shooting and terrorizing everyone haphazardly, just for the fun of it. When order was restored and the people were standing in the market square, the Ghetto was strewn with dead bodies and the streets were full of blood. The Germans organized the tens of thousands of Jews into lines and marched them out of the Ghetto and the town to a train station called Garbatka where they were herded and packed like cattle into train cars and sent to Treblinka. Ten members of my immediate family were among those sent away at that time.

While the people were marching, the Germans were shooting at them. How do I know this? Before the people were formed into lines to be marched away to the train station, the Germans picked out about 65 of 70 strong young men and kept them to one side. I was among them. After all the other Jews has been taken away from the Ghetto, we young men were still waiting in the market square, wondering what our fate would be and why we had been left behind.

Suddenly, from out of nowhere came a small child—a pretty, blond, girl aged about 4 or 5 years—clutching a piece of bread and an apple. She ran over to a young man in our group whom she recognized as being a neighbor from her town. She called out to him, . . . (his name) and ran to him, crying, "where is my Mama and Papa?". The man, . . . told her to go away, and he gave her a gentle push. The child went, but came back a little while later to Sumer. Again he gently pushed her away, but she continuously kept returning to him because she had nowhere else to go and no one else to go to.

Soon we found out why we had been kept back from marching with the others. The Germans ordered us to clean up the Ghetto and remove the dead bodies and take them for communal burial in a nearby cemetery. We rounded up about 150 bodies and took them to an already prepared communal grave, and threw them in. The little girl accompanied us all the time.

When I came up to the grave I saw several bodies already lying on the edge—not thrown in. These were people who had been caught outside the Ghetto, were marched back into the Ghetto and taken alive to the grave and had then been shot. One of these people was a man I knew from my home town—a neighbor by the name of . . . He was still alive but was unable to move. He recognized me and called my name. I could hardly recognize him as he had been shot and was covered with blood. He asked me if I knew anything about his parents, and said he couldn't die without knowing what had happened to his family. But I could not stand talking to him because the Germans were watching and I had to go back and pick up more bodies from the Ghetto.

Finally our task was finished and the last of the dead had been thrown into the grave. The little girl was still accompanying us. Then one of the guards picked up his rifle and aimed it at her, and fired. He missed, so he fired again, this time hitting her. She fell on the edge of the mass grave; her body motionless, ready to be thrown in with the rest.

I learned from the man she called . . . that this child was from a wealthy Jewish family who had entrusted her to a Polish non-Jewish family. They had paid with everything they had for this Polish family to keep and hide their child, but apparently after the parents had been sent out of the Ghetto the child was left to fend for herself.

Surprisingly enough we 70 young men were not killed and buried in that mass grave. The Germans kept us to clean up the Ghetto and help them remove all the Jews' belongings from the empty Ghetto houses. This took a few weeks. During that time on a particular afternoon I saw a wagon pulled by two horses and being driven by two Polish policemen whom I knew well, pass by the Ghetto. In the wagon was a young woman and a small child. The woman was . . ., a girl from my home town who I knew, and the child was her son. She spoke to me and said she and the little boy (not more than two years old) had been caught hiding, and she asked if I knew where she was being taken. I knew that she was being taken to Gestapo headquarters. However, as the wagon did not stop there was no opportunity for me to have any conversation with her. But I knew anyway what her fate would be.

Included in the 70 young men who had been kept for the clean-up work were a few Jewish policemen. One of them, the leader, was a man we had nick-named . . . As he was the lead and in close contact with the Gestapo to receive orders for us I asked him if he could help this mother and child. He told me there was nothing he could do to save them, and that in all probability they would both be shot. Then I asked him if he could arrange for me to be the one to bury them and say a quiet prayer for them, and he agreed.

The next day another prisoner and I went to dig a grave for this mother and her baby boy. We had nearly finished it and I was still in the hole when I heard movement above and a voice yelling at me in German, "hurry up, hurry up". I climbed out and saw . . . and the baby together with two civilian non-Jews and a Gestapo officer, whose name I knew was Heidt. When she saw me and the newly-dug grave, . . . became hysterical and began screaming to me that I should tell the world and her family what was happening. Then the German, Heidt, shot her dead and shot the baby in the neck. He then ordered me to bury them and I started first with . . . because her son was still alive. All the while I was silently reciting Kaddish, the memorial prayer for the dead, for her, but was loath to cover the child while he was still alive and I took my time. This did annoy Heidt and he began to kick the child and stomp him, crying out at him, "you cursed Jew, you don't deserve an-

● This "bullet" symbol identifies statements or insertions which are not spoken by the Member on the floor.

other bullet, I'll finish you off with my boots". And he did!

This is the first time I have related this story—which is just a part of what happened to me during the 66 months and 7 days I suffered during the Holocaust. I was herded from concentration camp to concentration camp, including the infamous Buchenwald, as well as several slave labor camps, and can recall many more harrowing experiences.

I have occasionally seen . . . sisters, . . . who are still alive and live in . . . New York, and I did see her brother . . . before he passed away two years ago, but I was unable to mention the story of . . . to any of them.

I have such a feeling of guilt, that is why I have been silent for over 40 years. But, hearing you speak on television last week and listening unbelievedly to you equate the SS men buried at Bitburg with my fellow Jews who were so horrendously put to death during the Holocaust, pushed me to let you know exactly how I feel. I just cannot be silent any longer, and I suppose I should thank you for your insensitivity which has made me speak up at last.

Mr. President, I regard your office with great admiration and esteem, because I feel that you represent all of the American people. As my President, as President of the thousands of Holocaust survivors and their families who are American citizens, as President of the hundreds of thousands of United States servicemen who imperiled and gave their lives to fight the maniacal Nazi regime, and as President of a freedom-loving, compassionate nation which has, through its social policies given new meaning to the very word "humanity", I sincerely implore you to now rise above political expediency. The cancellation of your plan to visit the cemetery at Bitburg will once again affirm the unique place of the United States of America among all nations in its persistent search for morality, human rights and individual dignity.

Respectfully,

CHARLES FELDMAN.●

ROSALIE CARTWRIGHT HONORED

HON. GENE CHAPPIE

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 9, 1985

● Mr. CHAPPIE. Mr. Speaker, it is with great pleasure and pride that I am able to honor Mrs. Rosalie Cartwright today. Mrs. Cartwright is a first grade teacher from Durham Elementary School in California, and she will be retiring this year after 35 years of outstanding and dedicated service. Mrs. Cartwright has served as a model to her fellow colleagues, as well as to future teachers.

Mr. Speaker, Rosalie's dedication is exemplified by the long hours she puts in to help a child who may be struggling in school, or the extra time she spends to look for new ways to further challenge her students. If all teachers had the skills, dedication and love for kids that Rosalie has, our country's schools would rank higher than those of any other country. As a result of her outstanding teaching abilities, Rosalie earned the honor of the 1983 Durham Elementary School Teacher of the Year.

Mrs. Cartwright is well-respected and active in her community. In fact, it was her contributions toward the improvement of Durham, that moved her peers to name her "Woman of the Year" in 1984. Through her contributions she has instilled in her students the need for community service, participation in Government, and education.

Mr. Speaker, it is an understatement to say that Mrs. Rosalie Cartwright's presence will be missed in the halls of Durham Elementary School. I am proud to know, however, that unlike many who have passed through various work places, Rosalie will leave behind her a legacy of love, patriotism, and goodness. Rosalie, through her magical teaching touch, has enriched many lives. Her style and dedication is a challenge to us all.●

PROVIDING HUMANITARIAN AID FOR CENTRAL AMERICA

HON. FREDERICK C. BOUCHER

OF VIRGINIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 9, 1985

● Mr. BOUCHER. Mr. Speaker, during the debate on aid to the Contra forces in Nicaragua, I supported the Barnes-Hamilton proposal, which I believe would have provided the parameters for an effective U.S. policy toward Nicaragua.

The question of aid to the Contras apparently has not been put to rest. It appears that the failure of this body to approve an alternative plan and the untimely visit of Nicaraguan President Daniel Ortega to the Soviet Union are causing some Members who earlier opposed the Michel proposal for direct aid to the Contras to rethink their positions. While I share the dismay of many of my colleagues about Mr. Ortega's Moscow visit, I am also concerned that we may be led to respond to the visit by adopting a faulty policy of direct support for the Contras.

This Congress has an obligation to protect America's security and to enhance the security of our Latin American allies.

We can ensure that the Nicaraguan revolution is not exported beyond its borders by supporting the promising negotiations of the group of Contradora nations. This effort is our best hope of promising long-term Central American security in a way that is consistent with U.S. treaty obligations.

As we anticipate another round of debate on direct aid to the Contras, I would like to draw the attention of my colleagues to a statement signed by the executives of eight private and voluntary organizations. This statement sets forth the generally agreed-upon definition of humanitarian aid and may help to lend greater precision to our continuing discussions.

A STATEMENT ON THE NATURE OF HUMANITARIAN ASSISTANCE BY U.S. PRIVATE AND VOLUNTARY ORGANIZATIONS

As a contribution to the appropriate framing of discussions of humanitarian aid, we as American private and voluntary organizations wish to state our views on the nature of humanitarian assistance and on the safeguards needed to protect its integrity in complex situations.

1. Under the Geneva Conventions, which have come to provide the established international understanding of humanitarian assistance, only civilians and not combatants have a claim on such aid. While there may be difficulty in certain circumstances in distinguishing between the two, providing humanitarian assistance to a military force is a contradiction in terms.

2. The Geneva Conventions recognize the role of third-party governments in assuring the rights of persons to humanitarian aid only in the case of such governments as are recognized as neutral by the parties to a conflict. The difficulties inherent in conflict situations have created problems for individual governments seeking to provide aid bilaterally and have resulted in greater reliance on the International Committee of the Red Cross and other impartial intergovernmental and non-governmental organizations whose activities are also recognized by the Conventions.

Such organizations are required by the Conventions to meet the following tests for humanitarian assistance: That the aid be provided strictly on the basis of need; that the aid be offered impartially to both parties; and that the organization provide guarantees of efficacy based on proven experience, independence from parties to the conflict, and recognized authority in the international community.

We believe that, particularly in complex and highly politicized situations, international organizations such as the International Committee of the Red Cross and the United Nations High Commissioner for Refugees offer the best hope of delivering assistance in non-political fashion to those in need. Their role needs protection and encouragement.

3. In international custom and convention, therefore, humanitarian aid is fundamentally aid which is provided because people are in need, not to accomplish certain political objectives. It is inconsistent with the nature of humanitarian assistance to condition its provision on achieving a ceasefire or on bringing warring parties to the negotiating table.

4. On many past occasions the U.S. government has provided humanitarian aid to those in need. We hope and expect this long and proud tradition to continue. In situations in which the U.S. government is not accepted as neutral by both parties to a conflict, U.S. bilateral assistance, even if provided exclusively through its disaster, refugee, or development offices, can hardly meet the international test of impartiality.

5. Similarly, American private and voluntary organizations such as ours have provided, and plan to continue to provide, humanitarian assistance as an expression of the concerns of private contributors. In doing so, many of us have used and will continue to use resources provided by governments, including the U.S. government.

Given the difficulties we frequently face in providing humanitarian assistance in highly conflictual situations, governments need to take special care not to compromise the impartiality of private agencies, expatriate or indigenous alike. We would also point out that just because an organization calls itself "private" and is channelling contributions from American citizens to people in other countries, its work does not thereby necessarily qualify as humanitarian.

6. Finally, we support the generous provision of humanitarian assistance by the United States through appropriate channels to refugees wherever they are in need.

Bob Ainsworth, Director, World Vision Relief Organization.

Norman E. Barth, Executive Director, Lutheran World Relief.

Asia A. Bennett, Executive Secretary, American Friends Service Committee.

J. Richard Butler, Executive Director, Interim, Church World Service.

Chris Cartter, Africa Program Coordinator, Grassroots International.

W. Eugene Grubbs, Executive Director, Interchurch Medical Assistance, Inc.

Peter Gubser, President, American Near East Refugee Aid, Inc.

John Hammock, Executive Director, Oxfam America.

Alden R. Hickman, Executive Director, Heifer Project International, Inc.

James MacCracken, Executive Director, Christian Children's Fund, Inc.

Theodore Wilde, Executive Director, Board of World Mission of the Moravian Church.●

QUOTA CLUB OF CORNING-PAINTED POST, NY, ASSISTS HEARING IMPAIRED

HON. STAN LUNDINE

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 9, 1985

● Mr. LUNDINE. Mr. Speaker, today, I have the honor of announcing a special occasion in my district. The Quota Club of Corning-Painted Post, NY, a nonprofit service organization of business and professional women, is spreading out across its own local district to raise money for the hearing impaired. The International Quota Club has proclaimed this week "Shatter Silence" week and made a concerted effort to raise our consciousness and understanding about those who suffer from deafness, hearing difficulties and speech impairments.

We in Congress can learn a valuable lesson from this group's efforts because they do not merely seek to remind us of those disadvantaged by hearing impairments, but also try to educate us about the problems that these fellow Americans must face daily. In a time when we are constantly thinking about budget numbers, it is also important to remember the implications of these numbers. I hope we all make an effort to better understand the implications of our rhetoric. I commend the local Quota Club for their diligent efforts:

QUOTA CLUB OF
CORNING-PAINTED POST,
April 17, 1985.

Representative STANLEY N. LUNDINE,
Rayburn House Office Building,
Washington, DC.

DEAR MR. LUNDINE: Again this year we would like your support in proclaiming "Shatter Silence" week, May 6-12th for the Quota Club of Corning-Painted Post.

As you are aware, Quota is a non-profit service organization of business and professional women dedicated to the service of the hearing and speech impaired. Through "Shatter Silence" week we hope to create an understanding of deafness and hearing and speech impaired through our activities.

This is a world wide appeal through International Quota Clubs to raise funds for the hearing impaired. We are making a concentrated effort on May 9th. We will be located in various areas for contributions, all to be donated to the hearing impaired through our District 17.

We would appreciate your support in proclaiming the week of May 6-12th as "Shatter Silence" week and helping us to truly Shatter Silence.

Thank you in the name of Quota.

Sincerely,

JOSEPHINE WARREN,
Shatter Silence Chairman.●

WE SHOULD ENACT H.R. 445, TO PERFORM THE PRICE-ANDERSON ACT

HON. JOHN F. SEIBERLING

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 9, 1985

● Mr. SEIBERLING. Mr. Speaker, this year the Congress must address the issue of what reforms are necessary in the Price-Anderson Act. I am very pleased that the House Interior and Insular Affairs Committee has scheduled hearings on this important issue for the first week of June.

First enacted in 1957 when the nuclear industry was in its infancy, the Price-Anderson Act placed a temporary $560 million limit on total liability for an accident occurring at a nuclear powerplant or during the transportation of nuclear materials, regardless of the number of people injured or the severity of the injuries or property damage. As more nuclear plants have become operational, the limit has increased to $620 million.

However, this temporary limit is still on the books after 25 years of inflation, and despite the fact that the industry is now mature. If the Three Mile Island accident had been more serious, the Federal Insurance Administration has estimated that property loss alone could have come to $17 billion. The Price-Anderson Act probably would have prevented many people from recovering more than a few pennies on the dollar for their damages.

Uncertainties remain about the chances of a major accident occurring at a nuclear powerplant. But it is certain that in the case of a major nuclear accident, the Price-Anderson Act forces the public to bear the burden of paying for whatever damages go beyond the arbitrary $620 million liability limit. I have introduced legislation, H.R. 445, which would remove this outdated limit on liability. Removing this limit would improve safety consciousness in the nuclear industry, and it would help provide adequate compensation to victims of a nuclear accident. I think that the following letter to the editor of the New York Times expresses the concerns of the public that reform of the Price-Anderson Act is absolutely necessary this year.

NUCLEAR INDUSTRY ACCOUNTABILITY

To the Editor:

More than 25 years after the first commercial nuclear power plant began generating electricity, the Nuclear Regulatory Commission still can't determine with certainty the chances of a meltdown ("By 2005, Nuclear Unit Sees 50-50 Chance of Meltdown," news article, April 17). One commission estimate states that over 20 years, the crude probability of such an accident is 45 percent, yet one commissioner estimates the risk between 6 percent and 99 percent.

The consequences of severe accidents also remain uncertain. Many analyses predict that some accidents could result in little or no release of radiation, while others could result in hundreds of billions of dollars in personal injury and property damage. Although the nuclear industry contends that the health effects of nuclear accidents are overstated, a recent study by a panel of scientists ("Scientists Question Studies on Nuclear Accidents," Feb. 24) concluded that several more years of review are necessary before estimates can be reduced for how much radiation would be released in a nuclear accident.

In the midst of this uncertainty, one point is clear. The public, not the nuclear industry, bears the burden of these risks. If an accident releasing large amounts of radiation occurs, damages suffered by victims of the nuclear accident could go uncompensated. Under the Price-Anderson Act, the nuclear industry is responsible for only about $620 million in damages. The financial consequences of a catastrophic accident at Indian Point 3, 25 miles north of New York City, have been estimated by a Government study at more than $300 billion.

No one, not even the Federal Government, is required to provide a single penny beyond the Price-Anderson limit. The Price-Anderson Act leaves the public unprotected and subsidizes the nuclear industry by shielding it from responsibility for its actions.

This year, Congress will consider the renewal of the Price-Anderson Act—which expires in 1987. The real questions should not be when, or how often, serious nuclear accidents will occur. Rather, Congress should be asking how to prevent these accidents, and if they do occur, how to compensate victims for damage to life and property.

Removing the Price-Anderson Act liability limits would both increase safety incentives and help insure public compensation. It is time that the burden of the risks and uncer-

tainties be shifted off the backs of individual citizens and onto the nuclear industry.

KATHLEEN WELCH,
Consumer Lobbyist,
U.S. Public Interest Research Group.●

KEN BRAUN: A FRIEND AND A LEADER

HON. JACK F. KEMP

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 9, 1985

● Mr. KEMP. Mr. Speaker, one of America's greatest strengths is its allegiance to the rule of law—law that is made by and for the people.

Our respect for the law is, to a large degree, engendered by the men and women who enforce it. We know what can happen to a country where the enforcers of the law exceed reasonable limits and punish the citizenry with excesses of every kind.

Yet, where there is respect of law by those who administer it, a society becomes not only well protected but ever appreciative of the law and those who are bound to uphold it.

Erie County has been truly blessed because for the past 9 years it has had a sheriff who epitomizes the very best in law enforcement. Kenneth Braun began his career in law enforcement 35 years ago. Several months ago, he decided to retire from his current post as Erie County Sheriff at the end of this year.

I have no doubt that there will be many tributes to Ken Braun as he completes his tenure in office—and deservedly so.

His awards, citations, and honors are many and distinguished. This soft spoken gentleman will humbly deny the significance of these designations but everyone in western New York knows better. Ken Braun is and always will be a model by which excellence in law enforcement is measured. He is a Sheriff's Sheriff.

On the occasion of his 35th year in law enforcement, I extend my warmest regards to Ken Braun and his family on behalf of the grateful people of Erie County. We wish him godspeed, and I am honored to call him a friend.●

JAMES MARKHAM CELEBRATES 30 YEARS IN RADIO

HON. JERRY LEWIS

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 9, 1985

● Mr. LEWIS of California. Mr. Speaker, I would like to take this opportunity to ask my colleagues to join with me, family and friends in honoring a truly remarkable man, Mr. James R. Markham. This year marks the 30th anniversary of Jim's outstanding participation in the radio business.

For the last 4 years, Markham has been doing an exceptional job for Best Communications, Inc. As vice president/general manager for Best, Markham's responsibilities covered four broadcast properties: KWG, Stockton; KWGF, Stockton; KNTF, Ontario; and KCKC, San Bernardino. His administrative expertise and creative management skills have helped to make Best's stations some of the leading stations in the area.

Jim's broadcast career began in 1956 when he worked as chief engineer for WAPL in Appleton/Green Bay, WI. At the same time, young Markham doubled as an air personality. His fascination with radio and the media grew from there. He worked in many radio stations across the country, from Hudson, NY, to Honolulu, HI, before he settled down in the San Bernardino area. In 1964, Jim went to Hong Kong for a year to work as director of engineering for Trans World Media, Inc. There he designed and built studios and installed two 10-kilowatt transmitters in Hong Kong and Macau, Asia.

In 1966, Jim returned to the United States and became an account executive for KMEN in San Bernardino, CA. From that point, Markham's career skyrocketed into administration and management, leading him to his present position at Best and culminating a 30-year involvement in radio.

An active community leader, Jim holds memberships in the San Bernardino Sister City League, the Louisville Foundation for the Arts, the Inland Empire Cultural Foundation, he is the president of the Inland Empire Broadcasters, a board member of the Inland Empire Basketball Officials Association, and in 1977, was chosen Boss of the Year by the American Business Women Association.

As the current general manager for KCKC in San Bernardino, Jim has demonstrated respect and admiration for the station's owner, Jerry Smaltz. Smaltz' foresight in purchasing the station and constructing its new headquarters in the heart of the Inland Empire is to be congratulated.

Mr. Speaker, I have always been filled with pride by the accomplishments of the people of my district. Jim Markham is another example of the kind of dedicated, hard working and professional citizens I represent. I am sure that the people of California's 35th District would agree that James Markham is a caring man, one who deserves to be recognized for his outstanding contributions to his community, his State, and the Nation.●

CAMBODIA: HUMANITARIAN, NOT MILITARY, AID

HON. JIM LEACH

OF IOWA

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 9, 1985

● Mr. LEACH of Iowa. Mr. Speaker, when the House considers H.R. 1555, the foreign aid authorization bill, I plan to offer an amendment to strike section 206 which authorizes military assistance for the non-Communist Cambodian resistance and to substitute instead an authorization for humanitarian aid to the non-Communist Cambodians.

This issue is one of profound philosophical as well as practical implications. All Americans concerned with events in Indochina are sympathetic to the cause of the non-Communist Cambodians. However, it is not enough to conclude a cause is just. An assessment must also be made that U.S. involvement advances just goals. The first premise is met in the proposal by the House Foreign Affairs Committee to provide military aid to the non-Communist Cambodians; the second remains unproven.

Accordingly, in the strongest possible terms I would urge this body to reconsider whether military aid is justified at this time. It is my view that it may prove unconscionably costly in the toll exacted on human lives and from a geostrategic perspective it may prove to be tragically counterproductive. That conclusion, Mr. Speaker, is based on a number of considerations.

First, the need for U.S. military assistance has not been demonstrated to Congress. A recent letter to the House Foreign Affairs Committee from the Department of State reads in part:

> It is our understanding that the non-communist resistance is being provided with all the military equipment it can effectively absorb at this time. We do not believe, therefore, that it is necessary or appropriate for the United States to give weapons to the resistance now.

Second, U.S. military aid, no matter how small, will inevitably alter the indigenous character of this resistance movement and elevate it another notch to the level of a superpower confrontation.

Third, it is hard to believe that $5 million in military-oriented aid will really make a difference in the ability of the resistance to counter the world's third largest army. But while such publicly committed assistance is nowhere near enough to make much of a dent in the struggle, it is clearly more than enough to invest the national reputation and military prestige of the United States in an operation over which we have virtually no control.

Fourth, even the pledge of token U.S. military assistance at this point will raise unrealistic expectations among the resistance forces that the United States is committed to provide ongoing and increasing levels of military aid.

Fifth, and perhaps most tragically, the injection of a U.S. military component into the Cambodian struggle might provoke an unprecedented backlash by the Vietnamese forces against the resistance. U.S aid could in effect become an invitation to the genocide of the very people with whom we sympathize most. It may also invite Vietnamese aggression against Thailand, through whom, it is proposed we funnel U.S. military aid.

Sixth, ASEAN has taken the lead in this regional conflict and ought to continue to do so. The United States has demonstrated its awareness that it is in our national interest to promote the strength and stability of ASEAN by providing security assistance to various ASEAN member states for their national defense. The United States has no need to prove anything in this regard, and certainly not by reinvolving itself directly in Cambodia.

Seventh, U.S. military aid might hurt—rather than help—the prospects for a negotiated settlement. The Washington Post on April 2, 1985, quoted State Department spokesman Bernard Kalb as saying:

> U.S. supply of weapons to the resistance could create difficulties in reaching a negotiated settlement and in sustaining international support for the Cambodian cause by highlighting Cambodia as a U.S.-Vietnam conflict.

We do not need to give Vietnam an even greater rationalization to fight in Cambodia, nor should we happily welcome even the remotest possibility of associating ourselves once again with a failed venture against the Vietnamese Communists.

Eighth, it is ill-advised to provide economic support funds for military use when the policy, now in law, is to bar the use of economic aid for military purposes. It is also a dangerous precedent to provide aid through a third entity—in this case, Thailand—because the United States then loses sovereign control over how such aid is used.

Ninth, it is fantasy to believe the fledgling democratic resistance to the Vietnamese occupation will not be dominated by Pol Pot's forces. Yesteryear's war criminals are alive and well in Southeast Asia and despite high-minded desires to the contrary, there is no way at this time for the democratic resistance to avoid complicity with Khmer Rouge atrocities when they are in tactical alliance.

Tenth, there has not been reflected, to my knowledge, any great understanding in the American public that Congress is giving serious consideration to a military—albeit through support of proxy forces—reinvolvement in Indochina. I have grave doubts that the public would be enthused about such a policy and if Congress cannot commit the United States to aid of a determinative magnitude for the long haul, caution would seem, the wiser course. It is better to head off an explosive entanglement early than late.

The initiative for the change in U.S. policy regarding military assistance to the Cambodian resistance, presented by the House Foreign Affairs Committee, comes from the subcommittee of jurisdiction, with the initial opposition of the administration. Subsequent to subcommittee and full committee markup, the administration gingerly welcomed the approach of the committee but the language used by the administration reflected obvious misgivings.

It would appear that the committee put the administration in a catch-22. If it failed to give a sympathetic response to this congressional initiative, it might appear that it was undercutting the non-Communist forces. If it acceded to the committee fully, it risked reinvolvement in Indochina in ways that neither it nor the public seemed prepared to accept. Hence it chose the language of welcoming the Solarz initiative, but without abandoning its stated concerns about providing military assistance at this time. It was an understandable response but one that neither side in this debate should take as vindication for its policy approach.

While supporters of military assistance would argue that we cannot forever be paralyzed by our experiences in Indochina, skeptics can rightfully suggest that neither should we attempt to assuage our national guilt over our past involvement in Vietnam by embarking on a new military venture without a clear definition of the national interest involved and an equally clear concensus among the executive branch, the legislative branch, and the American public that the proposed course of action is in that interest.

A couple of weeks ago, a conservative administration disregarded the importance of law, domestic as well as international, in pressing Congress to provide military aid to the Nicaraguan Contras. It lost. Now, a liberal Congress may be prepared to disregard history in pressing the Executive to provide military aid to the non-Communist forces in Cambodia. It, too, should lose.●

MISSISSIPPI FARMER KEEPS VOW TO EDUCATE HIS CHILDREN

HON. WEBB FRANKLIN

OF MISSISSIPPI

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 9, 1985

● Mr. FRANKLIN. Mr. Speaker, one of my constituents, Robert Johnson of Hinds County, MS, has set an example that all parents could follow.

Mr. Johnson did not have the opportunity to attend college, but he made it a point to see that all his 14 children went. Mr. Johnson and his late wife sacrificed a great deal to see that all their children would have the opportunity to get an education. Last year, he saw his dream come true as his youngest son, Nathaniel, received his degree from Alcorn State University.

The Johnson family is quite a success story, and their story was recently recorded in Ebony magazine. I am pleased to have this opportunity to share it with my colleagues:

MISSISSIPPI FARMER KEEPS VOW TO EDUCATE HIS CHILDREN—FAMILY DISCIPLINE WAS THE KEY TO A BETTER LIFE

No one ever had to tell Robert Johnson Sr., anything more than once. Even as a young husband and father trying to bring up a family in dirt-poor Mississippi, he knew right from the start that he didn't want to work at the local sawmill. It was hard, bone-crunching work and the pay was poor and the hours long. Still, he did it. After all, Robert Johnson had a growing family to feed and educate and clothe. But he had an independent streak about him, too, and more than anything else he wanted to be his own man. The only way he knew to do that was to farm the land his grandfather had divided among his three sons. A piece of the land was passed on to Johnson and over the years he had added to it. By Mississippi standards, the land was nothing to snicker at—175 acres between Bolton and Edwards near the Champion Hill Civil War battlefield—yet it was nothing to stagger the imagination either. But it was Johnson's land—free and clear. On it he would grow cotton, his money crop; sweet potatoes and peas for canning, and corn to feed the livestock. And he would be his own man and have the wherewithal to educate his children. That was important. Still, it was a chancy proposition at best, particularly for the small, independent Black farmer trying to survive in Mississippi's hostile racial climate of the 1930s and 1940s.

Robert Johnson looked evenly at the odds and made himself a promise—that none of his children, not one, would ever have to eke out a living from Mississippi dirt. Johnson and his wife, Ella Lorean Marshall, both strong, proud people, made a pact with each other which was no less curious than the two steel wills behind it—to send each of their children to college, no matter the personal sacrifice. Mrs. Johnson saw all but three of her 14 children graduate from college. She died in 1976 at age 58. And so the task fell to her husband Robert to do the witnessing for both of them. Last year, when Johnson, stooped and up in years, his hair now completely white, saw 22-year-old

Nathaniel receive his degree from Alcorn State University (the college where all but one of the Johnson brothers and sisters received their degrees) a dream had come true and Robert Johnson had lived to see it. He was 77 years old. The old man still farms, but now he doesn't have the same desire to work the land that he once had. "Now I can grow as much cotton as I want to, but I ain't got nobody to do it with. She's gone."

Education was a powerful motivator in the Johnson household. "We wanted to send the children to college to get them out from under the foot of others," Johnson says today. "We wanted them to stand on their own two feet."

None of this is to suggest, however, that Robert Johnson did it all himself. The truth is that he will be the first to tell you he had help—a lot of help. First, the chidren helped, all 14 of them, whose ages range from 22 to 50. "After college, I remained home," says Robert Jr., 45, a math teacher and assistant principal at Utica High School in Utica, Miss. "We had the task of seeing the other family members get an education. It was a team effort."

He recalls the time his mother had to sell her favorite cow, "O'Proudy" (the mother would always say how proud she was to own the cow), which had been given to her by her father a wedding present, to raise money for Robert Jr.'s first-year tuition at Alcorn State. The cow had been in the family 24 years. "My parents told me to take the money, pay my tuition and then to make the best of it," Robert Jr. remembers.

The children, for the most part, all worked while going to college, although in recent years the family made greater use of college loan and college grant packages.

There was special help, too. "I kept a switch in the corner and used it whenever there was a need to," Robert Sr., says. "I wasn't a mean parent, just strict."

The little white frame house that sits high atop a knoll between Bolton and Edwards was always abustle with the shrieks and the excitement and the laughter of children growing up. And if the work became too hard, or the mules pulled too far, the children had only to look at their parents, who worked twice as hard and twice as long as any of them, to dash any thoughts of complaining about doing too much. It was a tough discipline, but the children learned well.

Others would see it, too, the Johnson discipline, and the way the Johnsons children went about their college studies and then on about their lives. "To me, what stands out was that they were always studious," says Dr. Walter Washington, president of Alcorn State University and a former president of Utica Junior College, where all 10 Johnson brothers and four Johnson sisters attended. Thirteen later transferred to Alcorn State, the oldest historically Black land grant college in the nation (established in 1871), and one, Henry, the oldest son, transferred to Mississippi Valley State University. "They were good college citizens," the president continues, "always polite. There was never any disciplinary problem. And I don't remember any of them ever being out of school. They attended school every day. And I would see the father every time at every event the institution had." And for many years Mrs. Johnson was president of the local school P.T.A.

Education was always important to Robert Johnson, and it is not hard to understand why. He had excellent role models—his father and two uncles attended Alcorn State and his mother was a graduate of Tougaloo. When time came for Johnson himself to go to college, the opportunities just weren't there. "There was no high school for Blacks in Hinds County then," he explains. "Man, I had a time. But, I said, if I couldn't go to college I was going to walk proud; I was going to send my kids through school."

That, he did. "I remember when it was time for the two oldest girls [Marilyn and Earlean] to go to school," says son Bernard, 34, the postmaster at Alcorn State. "The girls needed money and papa went to the bank to get the money to send the girls to school. The banker asked papa, 'Robert, why don't you send them girls up north somewhere. They ain't got no business with an education.' Papa was mad. So we did a lot of extra work, picked peanuts and chopped cotton, because papa was determined to see those girls through school."

Robert Johnson was determined to see all 14 of his children through school. First, there were the two oldest girls, Earlean, 47, and Marilyn Lynn, 48. Both graduated from Alcorn State in 1959. Henry, the oldest boy, stayed back to help with the farm. When it was his time to go, after seeing most of his brothers and sisters through, he chose Mississippi Valley State, graduating in 1980. Today, he teaches industrial arts in Inverness, Miss. Earlean went on to get her master's in English from Tennessee State University and is now teaching in the Leighton (Ala.) Public School System. Marilyn got her master's from North Carolina A&T State University in Early Childhood Education and is an elementary school teacher in Indianola, Miss.

Robert Jr., graduated from Alcorn State the year after Marilyn and Earlean finished and later received a master's from Indiana University in education administration. Today, he teaches math and is an assistant principal at Utica High School in Utica. Two years after Robert Jr., graduated came Walter, 43, who now has a master's from Mississippi State University and teaches biology in Kosciusko, Miss. Emanuel graduated from Alcorn State in 1964, received his master's and Ph.D from North Carolina State University, and works for the U.S. Dept. of Agriculture. R.C., 40, finished Alcorn State in 1965, and went on to earn both his master's and Ph.D. from the University of Minnesota. He is currently an assistant principal at a junior high school in Minneapolis. Next out of Alcorn State was W.C., 38, who graduated in 1968, and would later receive a master's from Indiana State University. He is now working toward his doctorate's at the University of Minnesota in industrial planning.

Two years after W.C. graduated from Alcorn State, H.C., 36, finished. Today, he is working toward a Ph.D. in industrial arts education at the University of Southern Mississippi. Thirty-four-year-old Bernard finished Alcorn State in 1972, got a master's in education administration, and then returned to Alcorn as the college's postmaster. Mary, 32, graduated from Alcorn State in 1974, and Evelyn, 30, came out two years later. Today, Mary, with a master's from the University of Minnesota and another from Alcorn State, is a contract specialist with the Dept. of the Navy. Evelyn, who stayed at Alcorn State to get a master's in agronomy, is now an underwriter with the Federal Crop Insurance. In 1978, Carl came out of Alcorn State and four years later he received a master's from the University of Maryland. He is currently working for General Electric in Schenectady, N.Y. Nathaniel, the baby of the family, graduated from Alcorn State in 1983 and is working on a master's in agronomy at the University of Maryland.

"Mostly we managed by just working hard," says Robert Johnson Sr. "And I've kept my faith in God. He'll bless you. God blesses His people. We raised 14 children and none was ever sick. If I ain't been blessed, ain't nobody ever been blessed."●

FIFTIETH ANNIVERSARY OF THE RURAL ELECTRIFICATION ADMINISTRATION

HON. AUSTIN J. MURPHY

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 7, 1985

● Mr. MURPHY. Mr. Speaker, it is with great pride that I rise to praise the accomplishments of the Rural Electrification Administration (REA). I am pleased to join my colleagues in celebrating the 50th anniversary of the REA, established by President Franklin Roosevelt on May 11, 1935.

When the REA was established in 1935, only 6 out of every 100 Pennsylvania farms received electric service. Today, there are 13 rural cooperatives in Pennsylvania and virtually every corner of the Nation enjoys electric service, largely because of the work of the REA. In Pennsylvania, electric service has been extended to 99 percent of the Commonwealth's farms, where rural electric co-ops serve over 600,000 consumers.

My 22d Congressional District, a predominately rural region, is located in the southwestern corner of Pennsylvania. The presence of electricity made our rural area more attractive to business and industry, and helped stem the migration of young people to the city. The absence of electricity had kept rural economies tied almost exclusively to agriculture. Factories and businesses naturally preferred to locate in cities where electric power was available. If a rural person wanted more money than farming offered, he had no choice but to move to the city to locate other employment.

Today, like yesteryear, the rural electric co-ops are involved in their communities, helping with economic development and encouraging important services from transportation to health care. I commend this group of rural electric pioneers for their past and present dedication to a better quality of life for rural people. Thank you for your 50 years of service.●

FUELING THE U.S. ECONOMY

HON. JIM KOLBE

OF ARIZONA

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 9, 1985

● Mr. KOLBE. Mr. Speaker, as the debate and discussion preceding the second White House Conference on Small Business scheduled for August 1986 take place, it is important to consider the conference agenda from a number of perspectives.

One such perspective is presented by Virginia Littlejohn, executive director of the Professional Services Council, Washington, DC, and president of the National Association of Women Business Owners, in a recent article in Inc. magazine.

Ms. Littlejohn suggests that the conference should focus on "a growth agenda" that emphasizes market forces and incentives, thus leading to fueling the U.S. economy for the rest of this centry and beyond.

She outlines an approach that would link specific Federal policies to critical national strategic goals. What is needed, Ms. Littlejohn asserts, is consensus on "overarching strategic objectives," rather than a "laundry list" of tactical recommendations.

Her thoughtful, stimulating comments are worthy of consideration by planners of the conference and those Members of Congress concerned with small business and the role it plays in the American economy.

THE SECOND WHITE HOUSE CONFERENCE

(By Virginia Littlejohn)

At the second White House Conference on Small Business, which is planned for August of next year in Washington, DC, we in the entrepreneurial community can stake out a dynamic growth agenda that will fuel this country's economy for the rest of this century and into the next. Or we can complain about this or that injustice, carp about this or that regulation, and fight for more federal handouts.

It all depends on how we answer one question: Is the conference about smallness, or is it about growth?

A conference focused on smallness would worry about the future of the Small Business Administration loan program, about how to define "small," and about bigger procurement set-asides for small business.

A conference devoted to a growth agenda, on the other hand, would emphasize market forces and incentives. It would seek to link specific tax, grant, and procurement policies to such national strategic goals as technological innovation, managerial ingenuity, productivity, job creation, industrial competitiveness, increased trade, and greater economic opportunity. Conversely, it would avoid further tinkering with programs that foster a business-welfare mentality and that treat the entrepreneurial sector as just another special interest rather than as a powerful engine of growth.

To formulate such an aggressive agenda, however, we will have to change the way we think. Five years ago, delegates to the first White House Conference on Small Business, myself included, formulated a laundry list of 60 tactical recommendations, many of which arose from narrow small-business themes, such as providing special consideration to veterans in business.

At the next White House Conference, we need to do more than draw up another laundry list. We need to think strategically about the future and its opportunities.

Establishing a consensus on overarching strategic objectives—and developing both an annual and a longer-range plan to achieve them—would give the entrepreneurial sector a strong and coherent voice in national debates over, for example, tax, foreign trade, and economic policies. This is the sort of influence we have never had before—because, divided and cacophonous, small-business factions have, in the past, effectively canceled out each other's lobbying efforts.

This strategy of consensus will require courage on the part of the small business associations. Each of them—the National Federation of Independent Business, National Small Business Association, National Association of Women Business Owners, Small Business United, the U.S. Chamber of Commerce, and others—will have to sacrifice some of its own pet issues for the larger goal. The strategy will demand self-discipline on the part of the individuals who help shape the conference agenda in the state meetings scheduled to take place during the next 18 months, and on the part of the conference delegates themselves.

All the parties involved will need some criteria by which to separate the narrow from the broad, the trivial from the significant. They will need to ask themselves:

Does this policy proposal meet the needs of the entrepreneurial sector? Does it foster economic growth? Will it encourage job creation, risk-taking, innovation, competition, more international trade, and enhanced industrial competitivesness?

Does it rely on incentives rather than regulations, carrots rather than sticks?

Does it mean more federal spending? If so, is there a substantial return on that investment?

Proposals that encourage smallness for its own sake, that discourage growth or emphasize regulations, that reward inefficiency and dependency, or that are too costly would be thrown out. Those that pass muster would become our national agenda for entrepreneurship and economic growth.

Concentrating on a few items of overriding strategic value, rather than on our usual plethora of issues, will enable the entrepreneurial sector not only to shape the public-policy debate, but to be far more effective in getting its agenda enacted as well.

Likewise, Congress should be urged to think in strategic terms. Our challenge is to educate policymakers to the fact that risk, entrepreneurship, innovation, and growth are not liberal or conservative issues; rather, they represent an urgent national priority that Congress must address if we are to maintain our industrial competitiveness, create jobs, and expand economic opportunity.

The 1980 White House Conference on Small Business developed visibility for small business issues, provided a grassroots education for a large number of people who had never before been involved in shaping public policy, and stimulated a wave of reform measures in Congress. The second White House Conference should aim to do more than just repeat the accomplishments of the first. It shoud embolden Congress to elevate risk, innovation, entrepreneurship, and growth to the status of national policies that propel the American economy into the twenty-first century.●

MOST DANGEROUS BILL OF THE YEAR

HON. RICHARD ARMEY

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 9, 1985

● Mr. ARMEY. Mr. Speaker, in Tuesday's Dallas Times Herald, James Kilpatrick, a respected columnist, wrote about H.R. 700. I want to share this wisdom with my colleagues.

[From Dallas Times Herald, May 7, 1985]

MOST DANGEROUS BILL OF THE YEAR

(By James Kilpatrick)

Very soon now, the House of Representatives will take up the most dangerous bill of the year. If last year's precedent is any guide to this year's action, the House will whoop its approval. The bill is the marvelously named "Civil Rights Restoration Act of 1985."

That title is truly marvelous, is it not? It was deviced by the Leadership Conference on Civil Rights, and we can imagine the knee-slapping and the cries of "Hoo, boy!" that arose with this delightful invention. The Civil Rights Restoration Act of 1985! Who could vote against it?

Well, if the principle of federalism still has meaning, if separation is to be maintained between the public and private sectors of American life, if the heavy hand of federal regulation is not to be laid upon the whole of our society, members of Congress had better vote against this devious and deceptive little sleeper.

Let me explain. In 1972 Congress passed a law prohibiting sexual discrimination in "any education program or activity receiving federal financial assistance." In 1984 the Supreme Court considered a case involving Grove City College in Pennsylvania. The college did not discriminate against anyone; it accepted no direct federal aid; but it did enroll students who had received federal grants.

The Grove City case presented two questions: (1) By accepting students who received federal aid, was the college itself a recipient of federal aid? (2) If so, would anti-discrimination provisions of the 1972 act apply throughout the entire institution?

The high court said yes to (1) and no to (2). It held that the grants received by many Grove City students did not trigger "institution-wide coverage." The grant affected only the college's program of financial aid. The court's program of financial aid. The court's opinion set off an uproar among civil rights activists who yearned for a broader reading, and it led to the introduction last year of a bill to overturn the court's decision not only as the 1972 education act but as the opinion might affect three other civil rights acts as well. The bill roared through the House 370–32 but died in the Senate.

Now the bill is back. It is cosmetically disguised with fresh lipstick and an innocent wig. It wears this darling new title. It is being sold by its sponsors—chiefly Sen. Edward Kennedy, D-Mass., and Rep. Augustus Hawkins, D-Calif.—as just a little harmless measure that no friend of civil rights could oppose. The many sponsors do not ac-

knowledge—perhaps they do not even know—the drastic reach of the bill to which they have given their names.

The bill is a tricker. Its ostensible purpose is merely to define what is meant by "program or activity receiving federal financial assistance." It says that for the purpose of enforcing civil rights laws, the term applies to "all of the operations" of various "entities."

Thus, if "any part" of a state or local government receives federal aid, every part becomes subject to the entire panoply of enforcement procedures. The bill would embrace "all the operations of a corporation, partnership, or other private organization." It would spread its net over every classroom in the nation. Its enforcement would demand whole armies of federal inspectors and bureaucrats to review compliance reports.

The bill contains a slippery clause that slides easily past the eye. The bill's purpose is to restore the interpretation of the several civil rights acts "as previously administered." The effect of that sly little provision is to write into statutory law thousands of regulations contrived by the brueaucracy over the past 20 years. These interpretations, once validated by the pending bill, would be greatly strengthened and broadened. Utah's Sen. Orrin Hatch, who led the battle against the 1984 bill, says the 1985 version is "even worse." He is absolutely right.

The bill is not a bill "to restore" anybody's civil rights, for no civil rights were taken away by the Grove City case. It is a bill to expand federal power into every aspect of our public and private life.●

PENNSYLVANIA AMERICAN LEGION AUXILIARY HONORS NATIONAL PRESIDENT HELEN ADAMS GARDNER

HON. GEORGE W. GEKAS

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 9, 1985

● Mr. GEKAS. Mr. Speaker, on Wednesday, May 22, the Department of Pennsylvania in the American Legion Auxiliary will honor their national president, Mrs. Helen Adams Gardner.

Mrs. Gardner was the 64th person elected to the post of national president for the auxiliary last September. At that time she emphasized her goal of bringing national attention to the issue of adult illiteracy in our country. She also stressed the importance of teaching reading and writing fundamentals to our students. Her theme in this regard is "Invest in America."

It appears that Mrs. Gardner's theme for herself has always been "Invest in America." She has invested her time and effort to many causes in her work with the auxiliary, as well as in hospital, church, and community affairs. Certainly the investments of her time have benefited many Americans, and we express our gratitude for her hard work.

It was in 1955 that Mrs. Gardner first joined the auxiliary, and she began her tenure in a leadership position as the charter president of Greenacres City Unit No. 258. She has been the chairperson of several committees, and was leadership development chairman in 1969-70. Before her election last September, she served as national vice president. As we have come to see, this woman has been in the forefront of developing the American Legion Auxiliary into what it is today.

As mentioned earlier, this energetic woman has also been deeply involved in hospital work, as she recently retired as assistant director of nursing at John F. Kennedy Memorial Hospital in Atlantis, FL. Her work now will be devoted to auxiliary work, and for that I know the Department of Pennsylvania is thankful. The national presidency is indeed in capable hands.●

REA—A PENNSYLVANIA SUCCESS STORY

HON. PAUL E. KANJORSKI

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 9, 1985

● Mr. KANJORSKI. Mr. Speaker, earlier this week I engaged in a colloquy with my friend and colleague from Missouri on the importance of explaining the national benefits of REA's work to Members from urban districts. All of the Nation, urban, rural, and suburban alike benefits from universal telephone and electric service.

Today, as REA enters its second half century of service to our Nation, I'd like to highlight the benefits that REA has brought to my district in northeastern Pennsylvania.

It is difficult to imagine a life without electricity. But only 50 years ago, less than 10 percent of all Americans did not enjoy the many benefits that electricity provides. The private power companies that served the cities and towns did not find it technically possible or economically feasible to run lines into the country. "The countryside is too rugged and too sparsely populated to run electric liens," they said. They added, "even if we did run lines, the farmers would not use enough electricity to make the investment pay for itself."

The people who wanted electricity—who needed electricity—knew, however, that, if they worked together, they could get electric service. They decided to form their own electric utilities and to organize them as nonprofit, consumer-owned cooperatives. They were very familiar with the cooperative form of doing business. For decades, they had purchased seed and equipment from supply cooperatives and had sold the fruits of their labors through marketing cooperatives. They knew that, by joining together in cooperatives, they could bring the weight of their collective strength to bear on the problems that faced them. They knew that cooperatives could provide them with strength beyond their numbers.

Although the Rural Electrification Administration had been established by FDR on May 11, 1935, it took a while for news about the new Federal program to spread and for local community groups to get organized. In my district, the Sullivan County Rural Electric Cooperative had its first REA loan approved on October 3, 1936, and the first line was organized more than a year later in December 1937. It is interesting to note that Sullivan County REC was 1 of only 2 of Pennsylvania's 15 rural electric cooperatives to have a college-educated manager. In most cases, a local resident or member of the construction crew that built the cooperative's first lines was chosen to be its manager.

The conditions Sullivan County Rural Electric Cooperative had to deal with when it was established and, indeed, continues to deal with, highlight the need for the Rural Electrification Administration.

The area Sullivan serves is extremely remote and rugged. The area is known as Pennsylvania's Endless Mountains, and includes World's End State Park. That gives you an idea of what the countryside is like there. Sullivan's service territory includes dairy farms nestled in the valleys and sawmills that process the stands of large native hardwoods. If it were not for the financing programs of the Rural Electrification Administration, I believe it's fair to say that there might still today be some areas of Sullivan County without electric service.

Another situation that creates problems for Sullivan County REC is the fact that about half of its members are seasonal. By and large, they are city people who own summer homes and hunting camps so that they can enjoy nature's bounty in this beautiful area. Despite the fact that seasonal members' dwellings are not their full-time residences, they expect to have electricity available when they flip the switch. It is not uncommon to see a single phase distribution line stretch for miles down an isolated mountain road serving only a few consumers. But the cooperative is dedicated to the concept of area coverage, providing electric service to everyone who wants it and at uniform rates.

Rural electric cooperatives, with the help of the Rural Electrification Administration, have done much to change the face of rural America. They have increased the standard of living of all rural people and have vastly increased the productivity of American farmers so that they today feed our Nation and help feed a hungry world. We all owe a debt of

gratitude to America's rural electric cooperatives for the work they have done and for their willingness to stand ready to meet the challenges of the future.●

ONE HUNDRED YEARS OF UKRAINIAN IMMIGRATION

HON. JOSEPH J. DioGUARDI

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 9, 1985

● Mr. DioGUARDI. Mr. Speaker, I rise before this body today to celebrate 100 years of Ukrainian immigration to the United States.

The Ukrainian people have made great contributions to business, to the arts and culture, and to the religious heritage of our Nation.

As we honor the sons and daughters of the Ukraine, let us not forget that the homeland of their ancestors remains under the grip of Soviet tyranny.

I am honored to represent an area that has many Ukrainian-American families. In particular, the city of Yonkers is an area where Americans of Ukrainian descent have enriched our lives. From my friends there, I have learned a great deal, not only about the culture of Ukrainian-Americans, but also of the suffering they have endured in their quest for freedom.

The Ukrainian people have found America to be a land where they can fulfill their dreams, worship as they please, and participate in a representative democracy. In the old country, the Ukrainian people enjoyed these freedoms, but only for a few short years after the independence of their nation on January 22, 1918. Then came the invasion by the Soviet Red army followed by actions of the Stalin dictatorship to collectivize the agricultural regions of the Ukraine. A massive famine in the Ukrainian nation was the result of this policy. As the famine ended, the Ukrainian people were subjected to a litany of horrors; the horrors of armies marching through their homeland and the horrors of the Nazi occupation. After the conclusion of World War II, the Soviet dictators tried repeatedly to quash the national spirit of the Ukrainian people.

In the Ukraine today, the Soviet invaders have outlawed the practice of religion. They have outlawed the right of the Ukrainian people to speak their native tongue in their classrooms. They have sought to destroy the Ukrainian nation, but the Ukrainian people fight on. Their dreams of freedom, while a reality in America, cannot be destroyed by the tyranny of the Soviet dictatorship.

I join with my friends of Ukrainian ancestry to share that dream. I know one day that dream will come true. The Ukraine will live again. Thank you, Mr. Speaker.●

IT WAS NOT "MORALLY RIGHT" MR. PRESIDENT

HON. ROBERT A. BORSKI

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 9, 1985

● Mr. BORSKI. Mr. Speaker, on Sunday, we shared a sense of sadness that President Reagan went through with his decision to visit the cemetery at Bitburg. It was wrong, morally wrong.

Congress knew it was wrong. We told him so in letters and telegrams and resolutions. In fact, both the House and the Senate passed resolutions by overwhelming margins urging that this visit not be made.

The American people knew it was wrong. But the voice of American veterans and Holocaust survivors and many other good Americans were not heard by President Reagan.

That is why Sunday was a day of sadness.

The presence of the President of the United States at the gravesites of Nazi SS soldiers speaks louder than any words President Reagan might say as explanation.

That visit defamed the honor of our veterans who fought and died against Nazi tyranny to bring freedom to the world. It disgraced the memory of the millions of Holocaust victims by honoring their murderers.

That is why Sunday was a day of sadness.

President Reagan's visit to Bitburg was designed to be a symbol or reconciliation; it was a symbol, but not of reconciliation. There can be no reconciliation with the genocide of the death camps. There can never be reconciliation with the evil that was manifested by the Nazi SS. Instead of being a symbol of reconciliation, President Reagan's visit was a symbol of insensitivity, pain, and sadness.

What makes the visit to the cemetery at Bitburg even more striking is that a symbol of reconciliation could have been easily achieved without the anguish that characterized the President's chosen action. The appropriate symbolism required to show reconciliation between two democratic allies would have been a Presidential visit to a site manifesting democratic ideals. Many possibilities were available, including the gravesite of Konrad Adenauer whom many consider the father of modern democratic West Germany, but the possibilities were all ignored. Adenauer's gravesite was added as an afterthought but not as a replacement for Bitburg.

That is why Sunday was a day of sadness.

As the son of a World War II veteran, I was appalled that President Reagan would choose to bring honor to the very enemy my father fought 40 years ago. Fortunately, my father returned home from the war, but 405,399 other fathers, brothers, and husbands did not. More than 19,000 American soldiers lost their lives in the Battle of the Bulge, but the President chose to lay a wreath at the cemetery where Nazi soldiers they fought are buried. Was the President so certain that not one of the Nazi SS soldiers buried at Bitburg had taken part in the massacre of bound American POW's at Malmedy?

In planning the visit to West Germany, the President announced that he would lay a wreath at the cemetery in Bitburg, but that he would not visit the site of a concentration camp because it would "reawaken memories" of the Holocaust. Later, Bergen-Belsen was added to the itinerary. The presence of the American President at Bergen-Belsen is a very important symbol of remembrance. Its importance should not have been diminished by using Bergen-Belsen to balance the stop at Bitburg.

The President made the situation even more painful by equating, as victims of Nazi tyranny, the German soldiers buried at Bitburg with the millions who were murdered in the death camps. I was outraged by this breach of President Reagan's moral responsibility as the leader of the free world and immediately sent him a telegram to tell him so.

I have been to Yad Vashem—the Holocaust memorial in Israel—and participated a few weeks ago in the Yom Hashoa memorial service for the 6 million—which included the Inaugural American Gathering of Holocaust Survivors—in Philadelphia. These experiences reinforced my belief that the balancing of Nazis and their victims, or of Bitburg and Bergen-Belsen, is a moral impossibility. Remembrance was the only reason to go to Bergen-Belsen, and was the reason not to go to Bitburg.

That is why Sunday was a day of sadness.

Mr. Speaker, the impact of the President's decision will not pass merely because the event is over. The hurt is very deep and the sadness will not go away.●

SACRAMENTO CHAMBER VISITS HILL

HON. VIC FAZIO

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 9, 1985

● Mr. FAZIO. Mr. Speaker, this week marks a milestone in the history of the Sacramento Metropolitan Cham-

ber of Commerce. One hundred and thirty-two volunteer lobbyists from the greater Sacramento region devoted 3 grueling days to furthering our shared goal of educating Capitol Hill and the administration about the needs and hopes of our community.

This visit marks the 15th year of this important and valuable venture. In its 15-year history, this trip has grown from five chamber members and one topic to the scores of activists and dozens of topics that comprise it today. On this trip, 15 separate teams kept 110 appointments to discuss 77 subjects. The topics ranged from military matters to the arts.

The chamber of commerce and the community leaders here this week represent the finest tradition in democratic governance. I know of no community in this great Nation that surpasses in diligence and commitment the citizenry represented by this delegation. Sacramento's wisdom in sending this group to Washington is evidenced by the positive response they receive. This annual event is one that has served our community well and I trust it will continue to do so far into the future.●

CUYAHOGA VALLEY NATIONAL RECREATION AREA

HON. JOHN F. SEIBERLING

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 9, 1985

● Mr. SEIBERLING. Mr. Speaker, I would like to draw Members attention to a recent article by David B. Cooper in the Akron Beacon Journal about the Cuyahoga Valley National Recreation Area, a beautiful park in Ohio which Congress created and which is currently celebrating the 10th anniversary of its formal dedication by the National Park Service.

In his article, Mr. Cooper eloquently describes the history of the park and some of the many natural and historic treasures of the Cuyahoga Valley itself.

Last year, according to National Park Service figures, an estimated 900,000 people visited the park, and this does not include attendance at other State or local parks or privately run recreation facilities—such as the Blossom Music Center, Hale Farm and Homestead, Brandywine or Boston Mills ski areas—which are located within the park boundaries. From my own calculations, adding in these and other sites within the park, the Cuyahoga Valley attracts between 5 and 6 million visitors each year.

As Mr. Cooper notes, the park has been planned and organized well by the National Park Service. And he gives appropriate credit to Lewis Albert, the Park Service superintendant of the Cuyahoga Valley National Recreation Area under whose able leadership the park has flourished in recent years.

Although Mr. Cooper kindly gives credit to me and our colleague, Mr. REGULA, for our efforts on behalf of the park, I would like to note that several others also deserve much credit, including our current Senators GLENN and METZENBAUM, former Senator Taft and former Represenative Charles Vanik, to name a few. The park was and still is a bipartisan effort in the Congress.

Clearly, the Cuyahoga Valley National Recreation Area serves not only present generations but future ones as well. Mr. Cooper states it thoughtfully:

In 2075, as the Cuyahoga Valley Park is nearing its 100th anniversary, its creation will be thought of universally as one of the wisest and most enduring decisions made by this region. In the meantime, it is a place of beauty to visit often, a place in which to refresh the body and soul and to enjoy the richness of the land.

Mr. Speaker, following my remarks at this point I would like to insert the full text of Mr. Cooper's excellent article.

THE BEAUTIFUL VALLEY BECKONS

(By David B. Cooper)

We walked through the whispering wonder of the woods, enjoying a beautiful day and the marvels of spring bursting forth from every limb and bush.

We had taken the Boston Run Trail, just off route 303, across from the Happy Days Visitor Center in the Cuyahoga Valley National Recreation Area.

It is a gentle, interesting trail that makes you puff only a time or two. Boston Run takes the walker, jogger or cross-country skier on a flattened circle of a route 2.5 miles long, according to the map provided by the National Park Service.

Our walk—it could hardly be called a hike—made us thankful once again for the Cuyahoga Valley Park, which strikes me as one of the rich treasures of Northeast Ohio.

We lived almost 10 years in the Detroit metropolitan area before moving to Akron in 1977. We liked Detroit, but something we missed greatly there was the ability to get out into the country. Michigan is a beautiful state in many ways, but the land for miles around Detriot is flat. You have to go almost halfway upstate before you really get to woods and streams, valleys and hills.

In Northeast Ohio, we're about to enter the 10th year of the operation of "The Park," as it is called by almost everyone who does not want to deal with its longer name or acronym, CVNRA.

June 26, 1975, was the date on which the park was officially established and began operations under the aegis of the National Park Service.

President Gerald Ford had signed the congressional act creating the park on Dec. 27, 1974, six months earlier.

Last year, the Park Service has said, about 900,000 people visited the Cuyahoga Valley—not counting all those who came through to go to Blossom Music Center, Hale Farm and Homestead, or to golf, or to ski at Brandywine or Boston Mills.

As we headed home from our weekend visit, we saw joggers and hikers and bikers and people just out for a picnic.

It is an unusual park, as parks go, because it exists both for enjoyment and for preservation of the landscape, the valley, the Cuyahoga River, and the remnants of the Ohio and Erie Canal. It is not Yosemite or Yellowstone, with squadrons of tour buses and phalanxes of tents.

It is uniquely the Cuyahoga Valley, designed primarily as a passive day experience—an oasis of history and woods and water—in the vast metropolis of Northeast Ohio.

All things considered, it has been planned and organized well so far by the National Park Service.

There has been some controversy, to be sure, but remarkably little when one considers the size of this federal project. A new highway of this magnitude might well cause more dislocation and unrest.

Some residents did resent being bought our and moved; others accepted Park Service offers for their property without grudging. The Park Service's initial land agent, the Army Corps of Engineers, probably was too heavy-handed with some. However, a leader of Park Service opponents wound up getting more than $600,000 for his property.

Whatever one's view in the park's first 10 years, the few land controversies that arose now appear as old history. The park is a fact of life today, there are few disputes, and under the able leadership of Lewis Albert, the Cuyahoga Valley superintendent, the Park Service looks ahead to gradual development and improvements that will make the valley an even finer experience for all who live in Northeast Ohio.

There are few cities in the United States, and virtually none in the older industrial states east of the Mississippi, blessed with such vast and treasured protected breathing space just outside their boundaries.

An increasing number of activities and programs are offered in the park, all designed to give those who take part an appreciation of the majesty of nature and of the rich history of this unusual part of America.

But one need not take part in any organized program to enjoy the valley. It is there for a Sunday drive, for a twilight walk along a ridge, for a fishing trip with eager-eyed children, or just for a rest in the sunshine in a meadow. And it acts as green space—a buffer and a protector—between two metropolitan areas, Akron and Cleveland.

Many people deserve credit for the foresight that not only created the Cuyhoga Valley National Recreation Area but nurtured it along the way.

Of all those involved, however, two in my judgment stand out especially. They are congressmen John Seiberling, the Akron Democrat, and Ralph Regula, the Stark County Republican. Without them, the park would likely not exist today.

Someday, in some reasonable way, their contributions ought to be permanently memorialized in the valley by the naming of separate special features or projects there that acknowledge their efforts on behalf of all the people of Northeast Ohio.

In 2075, as the Cuyahoga Valley park is nearing its 100th birthday, its creation will be thought of universally as one of the wisest and most enduring decisions made by this region.

In the meantime, it is a place of beauty to visit often, a place in which to refresh the body and the soul and to enjoy the body

and the soul and to enjoy the richness of the land.

Just a short walk through the woods in the Cuyahoga Valley on a gorgeous day can provide both exercise and enchantment.●

SENATOR SAM J. ERVIN, JR.

HON. GLENN M. ANDERSON

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Monday, May 6, 1985

● Mr. ANDERSON. Mr. Speaker, I rise today and join with my colleagues in paying tribute to the late Senator from North Carolina, the Honorable Sam J. Ervin, Jr.

As we all know, Senator Ervin, who liked to describe himself simply as an "ole country lawyer," was thrust into the national spotlight a decade ago during the Watergate crisis. He, of course, was selected as chairman of the Select Committee to Investigate Campaign Practices, whose job it was to investigate and find out the truth behind Watergate.

Long before Watergate, however, "Senator Sam" had earned the respect of his colleagues in that hallowed body. His quick wit, his ability to cite Bible verses, and to quote Shakespeare, made him one of the Senate's greatest orators of all time. He relished in telling a story or tale to make his point. As he once said, "I have always found if you got a good story that sort of fits things, a good story is worth an hour of argument."

Born on September 27, 1896, in Morganton, NC, Senator Ervin graduated from the University of North Carolina, then served 1½ years in France during World War I. He was wounded twice in battle and was cited twice for gallantry, including the Distinguished Service Cross and the Silver Star.

After the war, he returned home, earned a degree from Harvard Law School and, shortly thereafter, married his hometown sweetheart, Margaret Bruce Bell.

In 1925, he served in the North Carolina General Assembly, later became a county court and superior court judge, and served in this Chamber in 1946 and 1947. The following year, he was named to the North Carolina Supreme Court and, in 1954, was selected to serve in the Senate. He held this position until he voluntarily retired from public service in 1974. Although many urged him to serve another 6-year term in the Senate, which, I'm sure, he could have easily won, he followed the advice of his wife who said, "The time to quit is when people want you to stay."

Mr. Speaker, Senator Sam Ervin was a great scholar whose integrity and personal charm made him a favorite of all those who had the pleasure of working with him. Although I didn't agree with the Senator on every issue, I always walked away knowing that he had put much thought behind a decision without any preconceived bias.

My wife, Lee, joins me in saluting Senator Sam Ervin for many years of dedicated public service. We offer our sincerest condolences to his wife, Margaret, their two daughters, Leslie and Laura, and son, Sam III.●

UNIVERSITY OF ARIZONA CELEBRATES ITS CENTENNIAL ANNIVERSARY

HON. JIM KOLBE

OF ARIZONA

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 9, 1985

● Mr. KOLBE. Mr. Speaker, the expanding frontier of 19th century American presented opportunities to people who were willing to sacrifice comfort for the risk of independence and those who couldn't resist the lure of discovery. But it also presented formidable difficulties. One was the lack of a developed educational system. Thus, the land-grant college system was established by Congress and President Lincoln to fill that need for institutions of higher education in the isolated areas of the American frontier. To the credit of these 19-century pioneers, who struggled to bring industry, culture, and educational excellence west of the Mississippi River, institutions like the University of Arizona now pay tribute to these ideals.

Arizona Territory's 13 legislature established Arizona's first 4-year, university at Tucson in 1885. This year, the University of Arizona celebrates its centennial anniversary.

The early accomplishments of the University of Arizona in mining and agriculture led the way to early development of the Arizona Territory. From the early days of the Phelps-Dodge mining operation in Bisbee, AZ, became the leading producer of domestic copper. The University of Arizona Agriculture Department, long noted for its achievements in agricultural research, shares the responsibility for Arizona's position as this country's third largest cotton producer and as the leading exporter of Pima cotton, a high-quality variety developed at the University of Arizona.

Today, at its centennial celebration, the University of Arizona stands as one of the major academic and research universities in the world. Of the many fields of study prominent at the universtiy, native American studies, engineering, optical sciences, arid land studies, astronomy and archeology are among the most noted. The University of Arizona Health Sciences Center is one of the medical schools pioneering artifical organ transplants and nuclear medicine. The new cancer research center will be second to none in the Nation.

As a contributer to America's national security, the University of Arizona has played a major role in the development of laser technology and in the space program.

The vitality of the university's academic community has provided continuity during the rapid growth of southern Arizona. As political activists, artists, writers, civil leaders, and community volunteers the university faculty, staff and students have made important contributions to the intellectual life of Tucson and communities throughout Arizona.

In one hand, the University of Arizona holds our past—the Indian tribes who irrigated the desert and the Spaniards who brought with them their knowledge of trade and commerce. In the other is our link to the future—the minds of our young people. Much like a parent, the University of Arizona is responsible for guiding each new generation to maturity. This great responsibility is shared by all who are concerned that education is more than a 12-year accumulation of data. It encompasses the ability to make decisions, to respect our peers, to care for and improve our institutions, and to add reason to problem-solving.

I ask that my colleagues in the U.S. House of Representatives join me today in expressing thanks and best wishes to the University of Arizona, founded in 1885, in its celebration of the beginning of its second 100 years of service to Arizona and to the Nation.●

AMERICAN BUSINESS ACTIVITY IN NICARAGUA

HON. PATRICIA SCHROEDER

OF COLORADO

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 9, 1985

● Mrs. SCHROEDER. Mr. Speaker, in view of the Reagan administration's imposition of a trade embargo on Nicaragua, I commend to the attention of my colleagues the following article, "American Business Interests in Nicaragua," by Jason Adkins, a research associate with the Council on Hemispheric Affairs, which appears in the April 1985 issue of the monthly Multinational Monitor.

AMERICAN BUSINESS INTERESTS IN NICARAGUA

(By Jason Adkins)

MANAGUA, NICARAGUA.—Most American tourists here would have difficulty concluding that the United States and Nicaragua are at odds with one another. On one corner rests a Sandy's hamburger franchise and near-by, a branch of the Bank of America and an Avis Rent-A-Car outlet do business. Indeed while the Reagan administration may have lost patience with the Sandinistas, many U.S.-based corporate interests have not.

Though their numbers have declined by 25 percent since the Somoza regime col-

lasped in 1979, many American multinationals are still operating in Nicaragua, Canada Dry and Mennen Company have gone home but United Fruit, Monsanto and over 30 other U.S. businesses either still base themselves here or do business with the Nicaraguans from neighboring Central American nations (see adjacent list).

U.S. companies also hold major interests in a dozen or more Nicaraguan firms; 50 percent interest in the Gemina flour mill, 75 percent interest in B.C.I. Chemicals and a 30-percent interest in the Polycasa plastics company.

In a random survey of American companies operating here, few U.S. business representatives advocated the overthrow of the Sandinista regime. To the contrary, a majority, though not all, offered a favorable opinion of their business relationship with the Sandinistas.

Monsanto, for example, has been operating a herbicide formulation plant here since 1967, developing chemical sprays that are used to protect cotton crops against pests and disease.

"The Sandinistas have been very friendly to us," said Richard Vance, director of the Latin American division of Monsanto. "Essentially the government is our only major purchaser, Vance said in a telephone interview from St. Louis, Mo. "We couldn't have it any easier."

Representatives of IBM and Nabisco expressed similar sentiments. IBM has had a plant in Managua since 1953. Its operation consists of three facilities: a branch office, a data center and an educational center. From these facilities, the company's 50 employees sell processing systems and typewriters. According to a company spokesperson, the government and other multinational businesses are IBM's chief customers.

"We have no complaints about doing business in Nicaragua," added the spokesperson, who requested anonimity. "Unlike many companies operating in Nicaragua, we are permitted to repatriate a small percentage of our profits to the United States in order to purchase 'critical parts' for our machines."

Similarly Nabisco, which has operated a plant in Managua since 1965, has had favorable relations with the Sandinistas. The company employs more than 250 people to produce cookies and crackers. While Nabisco would like to take more of its earnings out of the country, it believes it will have that opportunity when the economy improves. After all, a shortage of foreign exchange is common in many developing nations.

Other U.S. concerns describe their relations with the Sandinistas as being "purely professional." Exxon, which has been operating a large refinery in Nicaragua since the 1930's, is the largest corporation here. It employs 200 workers and distributes all of the refined oil in the country. While Shell, Texaco and Chevron together operate some 100 service stations here, Exxon manages 60 of its own. Jeff Higgens, Exxon's Latin America chief in Coral Gables, Florida, doesn't forsee his company leaving Nicaragua.

"We're permitted to repatriate profits when there are dollars available in the national treasury." he said. "As you know, the Nicaraguan government is our principle customer."

Ironically, Exxon's most recent setback in Nicaragua, was not at the hands of the Sandinistas, but at the hands of the U.S. backed Contras. Eighteen months ago, the Contras set an Exxon storage tank at the Port of Corinto on fire, forcing the evacuation of 20,000 citizens.

Though several U.S. companies have left Nicaragua, many still do business here by operating from neighboring Guatemala or Costa Rica. Stanley Works, for example, has salespeople who travel throughout Central America selling tools. Likewise, Union Carbide sends its salespeople into Nicaragua to corner the battery market through local retailers. Manhatten Industries is another company that produces its dress and sports shirts in Costa Rica, and then distributes them in Nicaragua. According to Ed Herman, Director of Licensing for Manhatten Industries in New York, "business is more or less the same now in Nicaragua as it was for us in the 1970's. The volume is as good as it has always been. there are dollars available."

Naturally, not all U.S. concerns are pleased with events in Nicaragua. A sluggish economy has forced Evans Products of Portland, Oregon to close its hardwood mill in Matagalpa. Similarly, Standard Fruit and Steam Shipping Company of San Francisco no longer market Nicaragua's bananas. And the Bank of America has recently asked the Sandinistas to deactivate their business license so they can close the branch office that they have operated here since 1964.

The director of one of the largest multinational subsidiaries here agreed to be interviewed on the condition that neither he nor his company be identified. The Nicaraguan operation has gross annual revenues of $85 million, including duties and taxes.

The only solution to the economic crises, the official insisted, was a change of government, but even if that doesn't happen, he said his company has no intention of leaving. "We are making money now," he said. And even though it's in cordobas, it's still a 15 percent profit, he said.

Since the company is financially self-sufficient, the parent company in the U.S. is determined it is in their best interests to keep the operation here. Their hope is that sooner, not later, the company will be able to repatriate profits without limitations. But, he concluded, "We're doing alright in the mean time."

The United States remains Nicaragua's largest trading partner, purchasing 18 percent of the country's exports. Last year the U.S. consumed dozens of different Nicaraguan products: bananas, meat, shrimp, coffee, tobacco, garments, sugar and furniture. And Nicaragua imports insecticides, paper goods, animal oils, fertilizer, and agricultural machinery here.

Ironically, some of Nicaragua's best U.S. trading partners have included some unlikely candidates. Take the case of Pandol Brothers, Inc., a large agricultural conglomerate based in California's San Joaquin Valley. Sons of Yugoslavian immigrants, the Pandol's total corporate sales in 1983 exceeded $200 million. Jack Pandol, 61, a former member of the California Board of Food and Agriculture (appointed by then Governor Ronald Reagan), and his brother, Matt, 47, distribute all of Nicaragua's bananas in the United States.

Since December of 1982, a freighter from San Francisco has been picking up 2,000 tons of bananas from the Port of Corinto weekly and shipping them to Port Hueneme, California. There the Pandols distribute the produce to grocery stores in California, Oregon, Washington and Western Canada.

"We make about $10 million a year off Nicaragua's bananas," explained a Pandol Brothers spokesperson, who asked not to be identified. "The Nicaraguans come out of this deal with less than $5 million," he added, "But they're still ahead."

Indeed, the Nicaraguans speak fondly of this fruitful if not unusual partnership (the Pandol's ranch was the first to be struck by Ceasar Chavez of the United Farm Workers in 1965 because of their notorious labor practices). The Pandols, who have assisted the Sandinistas in acquiring badly needed farm equipment, agricultural chemicals and other supplies, received token assistance from the Reagan administration. Bill Deaver, administrative assistant to Rep. Charles (Chip) Pashayan Jr. (R-Cal.) and younger brother of White House aide Michael Deaver, set up a national security council briefing for Jack Pandol on Nicaragua.

In spite of occasional assistance for a few American friends and the private sector in Nicaragua (a Reagan-inspired organization, the National Endowment for Democracy, contributed $150,000 to COSEP, an opposition private sector organization and $100,000 to La Prensa, Nicaragua's privately held opposition newspaper, among other groups), the Reagan administration prefers a policy of economic disengagement from Nicaragua. For example, in 1983, the U.S. reduced Nicaragua's sugar quota by 90 percent, forcing it to sell the bulk of its product at the lower world market price.

U.S. officials here contend there won't be an upsurge in American trade until greater confidence is felt from the private sector. This is despite the fact that only two major U.S. companies have been expropriated since the Nicaraguan revolution, according to Paul Reichler, a Washington lawyer who represents Nicaragua. The Neptune Mining Corporation and Rosario Mining Company were nationalized in 1980 as part of the government's efforts to control "critical" natural resources. The Nicaraguans are currently paying a settlement fee of $15.5 million to these mining companies. No other pending litigation or outstanding judgements exist between U.S. companies and the Sandinistas.

As former President Jimmy Carter pointed out in a recent interview, a greater percentage of industry is in private hands in Nicaragua than in Britain. Indeed, Nicaragua has a greater percentage of industry in private hands than either France or the Scandinavian countries.

Ever mindful that it must increase its trading base with the United States, the Nicaraguans are preparing to unveil a new foreign investment law that has been three years in the making. Its purpose is to attract U.S. and foreign trade. This new law, which was written in part by a group of New York lawyers, may bolster the financially pressed Nicaraguan economy.●

KILDEE PAYS TRIBUTE TO THE CHARLES STEWART MOTT FOUNDATION

HON. DALE E. KILDEE

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 9, 1985

● Mr. KILDEE. Mr. Speaker, a new and exciting trend within the private foundation community is the formation and growth of community founda-

tions. These community foundations can be effective in addressing a broad range of charitable concerns and unmet needs in the home area.

The momentum for this trend was sparked by the Charles Stewart Mott Foundation of Flint, MI. Mott initiated a nationwide program to encourage the formation and growth of community foundations in 1979. By 1981, it had committed $750,000 to community endowments to six areas, from the District of Columbia to North Dakota.

Mr. Speaker, the Mott Foundation has long been recognized in Flint, in Michigan, and indeed, around the world as a philanthropic organization with strong qualities of leadership and foresight. Under the capable leadership of President William S. White, the Mott Foundation, has blazed an impressive course of charitable generosity which has made the decisive difference in literally countless worthwhile projects.

I want to take this opportunity to bring to Members' attention an article which recently appeared in Foundation News. Entitled "Seed Planting, Community Foundation Style," the story highlights this new trend within the private foundation community.

[From the Foundation News, January-February 1985]

SEED PLANTING, COMMUNITY FOUNDATION STYLE

At first glance there is nothing special about this front page headline from the Evening Telegram of Superior, Wisconsin. It reports a 1983 grant by The Bush Foundation of St. Paul, to the Duluth-Superior Area Community Foundation formed earlier that year.

But in fact, that event is something special. For the Bush grant reflects a trend in which a growing number of private foundations are helping to start community foundations.

Last July, indeed, The Kresge Foundation announced a grant of $5 million to the recently formed Community Foundation of Southeastern Michigan. That was the largest grant ever by a private foundation to start a community foundation.

The Kresge Foundation and The Bush Foundation have assets of $792 million and $265 million, respectively. Why should they want to start community foundations in their states?

One answer comes from Kresge Chairman William H. Baldwin. Noting that Detroit is one of the last major metropolitan areas without a large community foundation, Baldwin says that having a strong United Way, and having "strong educational, health and cultural institutions, which we do, is not enough. There remain unmet needs which the community foundation can help to meet."

As a foundation with a national program that directs most of its grants to construction and renovation projects outside of its home area. The Kresge Foundation will, with this single grant, reach a broad range of charitable concerns in Detroit.

As for The Bush Foundation, its grant provides a way to address the needs of a greatly depressed area while relying on the board and staff of the Duluth-Superior Community Foundation, who know their territory.

Duluth-Superior's application to The Bush Foundation described the new community foundation as a way to respond to changing needs of the Mesabi Iron Range communities whose economics have been in decline, to break down long-standing rivalries between Duluth and Superior, to introduce a broadened sense of community, to bridge the gap between the public and the private sector, and to offer a neutral forum in which to respond to area-wide issues and attract outside dollars into a poor region.

Some 2,000 miles to the west, Hugh Burroughs, program officer for The William and Flora Hewlett Foundation of Menlo Park, California, explains Hewlett's grants of $500,000 to each of four community foundations in the San Francisco Bay and Monterey Peninsula areas in this way:

"We are interested in increasing private philanthropy and in having a body to deal with community problems in ways that we, as a private foundation, are not staffed to do."

TREND BEGAN WITH MOTT

The momentum for these important new community assets was sparked by the Charles Stewart Mott Foundation of Flint, Michigan. Mott initiated a nationwide program to encourage the formation and growth of community foundations in 1979. By 1981, it had committed $750,000 to community endownments in six areas, from the District of Columbia to North Dakota.

But the program really reached high gear when Mott budgeted another $1,400,000 to enable the Council on Foundations to start a five-year program of extensive technical assistance to developing community foundations. By far the largest portion is reserved for monetary grants to challenge the growth of some 16 to 20 community foundations, each of whom will receive extended technical assistance.

Since most locations now receiving Mott-sponsored assistance from the Council are themselves foundation-poor, they genuinely need both the flexible endowment and the philanthropic leadership that a community foundation provides.

CORPORATE PARTICIPATION GROWING

Corporate contributors are becoming increasingly involved as well. Over the past five years, the Levi Strauss Foundation and the Aetna Life and Casualty Foundation have instituted grant programs to start and revitalize community foundations in areas where their related business corporations have facilities and interests.

Another major catalyst from the private foundation sector is the Gannett Foundation. From early 1983 through September, 1984 Gannett made $422,000 worth of start-up or revitalization grants to 12 community foundations. Amounts ranged from $8,200 in Fremont, Nebraska to $58,000 in Santa Fe, New Mexico.

"Our purpose" says Gannett President Eugene C. Dorsey, "is to ease the administrative and publications cost burdens of these fledgling foundations so that they can concentrate on obtaining the endowment and other gifts necessary to project new philanthropic resources into their communities." Gannett committed another $300,000 in 1984, which it has repeated this year.

As early grantees in the program are phased out, Gannett will fund start-ups in other of the 170 locations served by subsidiaries of the Gannett Co., Inc., the nationwide communications firm. And as its start-up mission is accomplished, Gannett may shift focus to established community foundations.

MOTT PLUS GANNETT EQUAL MOMENTUM

The incentive to local residents to build community endowments is increased where Gannett Foundation and Mott Foundation interests coincide, as they do in Tucson, Phoenix and the state of Delaware.

The community foundations in such places can hope for up to $100,000 worth of help from these two exterior foundations to defray initial costs of operation—and even more when other corporations or foundations, such as Levi Strauss or the Aetna Life and Casualty Foundation, also take interest. The happy byproduct is more incentive for local action.

Using its Mott grant, the Council on Foundations is able to send into these communities board and staff members from successful community foundations and a technical assistance consultant. Knowing they can call upon outside expertise without cost, local leaders more readily take part in the development of community foundations for their areas.

PRIVATE-COMMUNITY CHALLENGES

Foundations with national and regional programs directed to educational or other specific concerns increasingly are giving support for establishing or revitalizing community foundations in their headquarters areas.

Within the past five years, the Bremer Foundation, Northwest Area Foundation and The Bush Foundation in the Twin Cities, Minnesota, challenged North Dakotans to initiate the community foundation that now serves that state; the Boston-based Jessie B. Cox Charitable Trust has given the new Hampshire Charitable Fund a $200,000 grant to energize community foundations for Maine and Vermont, and a $400,000 grant to stimulate a $1 million fund for depressed counties in Northern New Hampshire; and the Irvine Foundation added $100,000 to a $50,000 gift of the Sacramento Junior League to start a community foundaton for California's capitol area.

Challenge grants from private foundations and corporations provide a classic illustration of leveraging at its strongest. The new Albuquerque Community Foundation has agreed to raise $230,000 to qualify for $45,000 from the Mott Foundation.

The seven-county Coastal Bend Community Foundation of Corpus Christi, started by the Paul and Mary Hass Foundation, asked for and received from the Mott Foundation a nine for one match. It is raising $300,000 to qualify for $27,000 from Mott.

Such challenge grants by foundations and corporations outside a community exert a powerful incentive within it. Once extended, local pride and the desire to draw funds into the community take hold.

Within 12 months of receiving its $750,000 challenge from The Bush Foundation, for example, the Duluth-Superior Community Foundation had in hand gifts and firm pledges of $500,000 to meet the dollar for dollar challenge to build $500,000 in unrestricted endowment. In addition it had $100,000 in donor-advised funds.

Duluth-Superior will receive the remaining $250,000 from The Bush Foundation if it succeeds in raising an additional $1.75 million in gifts.

Even the Kresge grant to Detroit, looming large at $5 million, has an arduous challenge mixed in with so obvious an endorsement. The first $3 million is an outright

gift, but Detroit must raise $4 million to claim the remaining $2 million from Kresge.

INCENTIVE IS ONLY FIRST STEP

Incentive grants to spur a community to create a start-up endowment can yield a rich reward, but they do not by any means guarantee automatic success. The key—as in most of life's undertakings—is still plenty of plain, hard work. No group knows this better than the Greater Tacoma Community Foundation, which was formed in 1981.

The Incentives.—Technical assistance and the carrot of a possible $45,000 toward operating costs extended by the Mott Foundation drew a challenge grant of $270,000 in late 1983 from an anonymous Tacoma foundation.

To meet the local foundation's matching requirements, the board of the Greater Tacoma Community Foundation, within four weeks of the challenge, pledged $330,000 to create an operating endowment that would total $600,000 if a second condition could be met by year-end 1984.

The second condition was that the $270,000 challenge be double matched to establish also a permanent endowment for unrestricted grants.

The Rewards.—If it could meet those challenges, the Greater Tacoma Foundation would add $1,140,000 to its endowment in only 15 months.

Adding to the excitement, a local bank with fiduciary responsibilities expressed its intention to convert $2.3 million of the charitable trusts it administers into component funds of the Tacoma foundation early in 1985—if the challenges were met.

In sum, if all the pieces fell (or could be pushed) into place, the Greater Tacoma Community Foundation would hold assets of nearly $4 million within less than five years of its incorporation—virtual insurance of long term success.

The Risk.—There was, of course, a very real risk that Tacoma would not meet the challenge. Indeed, by last November just two months from the 1984 year-end deadline for raising the $870,000 required to qualify for $270,000 more only $510,000 had been raised.

More than $300,000 still had to be raised within those final 60 days. Board, staff and volunteers scrambled to close pledges already solicited and to reach new prospects.

The Result.—This story has a happy ending. Just before Christmas, Tacoma Executive Director Paul Bender reported that $887,000 had been raised, putting the foundation $17,000 beyond its goal and qualifying it for the $270,000.

Perhaps the most heartwarming moment in that hectic stretch drive come in the form of a $25,000 gift from Tacoma's nearby sister, the Seattle Community Foundation.

The Lessons.—Tacoma's strong closing demonstrate that great value of a challenge grant as a spur to productive action. It also demonstrated that a challenge is indeed hard work, requiring pursuit of immediate pledges from living donors, businesses and private foundations.

The appeal must be to the prospect's vision of the community foundation's potential for service. It requires that the board, staff and volunteers have sufficient commitment, tenacity and clout to convince community leaders that pledging one-time, lifetime gifts to build the foundation's endowment to its take-off point is "the thing to do."

PSYCHOLOGICAL THRESHHOLD

Tacoma's story also illustrates the Catch-22 difficulty of all such community endowments. Before they have $1 million in assets, they lack local credibility. Residents hesitate to make wills in favor of an agency whose permanence, stability, grant and investment capacities may not be assured.

But experience shows that the more the assets of a newly formed or revitalizing community foundation rise above $1 million, the more credibility it has as an enduring organization.

This in turn illustrates the great value of seed grants as well as challenges. "In one year," says Greater Tucson Foundation executive director Donna Grant, "we raised over $1 million when it usually takes five, and now we're close to our second million. It was Mott's investment that gave us credibility for our fundraising in the community."

The seed money from Mott was also important, adds Grant, because Arizona is "foundation poor," making credibility all the harder to establish.

NEED FOR PROMPT ACTION

Recognizing the need to reach the "credibility level" as soon as possible, corporations and private foundations that are funding start-up or revitalization of community foundations are requiring that they plan immediate fund-development campaigns and engage staff to implement them.

To meet the matching requirements that qualified it for the $270,000 challenge grant, leaders of the Greater Tacoma Community Foundation conducted a select-prospect, pyramidal campaign.

"Select prospect" means that only about 100 financially capable donors are asked to contribute. "Pyramidal" means that a few donors at the apex are asked to give in six figures, while at the very base of the pyramid some 40 donors are asked to give in the $5,000 to $10,000 range.

ACCEPTANCE BY LOCAL CHARITIES

Spurred by start-up challenge grants and technical assistance from private foundations, a number of recently formed community foundations have hit the ground running.

This contrasts with the style of earlier decades in which community foundations formed and then patiently waited for benefactors to die. In the process, many of the foundations died before any benefactors were persuaded to bequeath their estates.

Another reason for the faster growth of new community foundations is the demise of the notion that community foundations should not compete with the charitable agencies they are formed to help.

Most agencies now recognize that until a community foundation raises endowment, it cannot help at all.

A good example of this new community understanding is the story of The Heritage Fund of Bartholomew County, Indiana. Several years after its formation in 1977, Heritage began a select prospect, pyramidal campaign to bring its permanent, unrestricted endowment to $3 million.

Within 24 months it had exceeded its goal in pledges from some 85 donors of named funds, payable within three to five years—this in a community with only 65,000 residents! With community leadership clearly favorable to the new enterprise, no opposition developed from other charitable institutions.

Since three Fortune 500 companies are headquartered in Bartholomew County, it is of course not typical of areas of comparable population. As a general rule, the further an area's population is below 250,000, the greater the difficulty a community foundation is likely to have in building an endowment.

Less populous communities do better by attaching themselves as local funds of larger community foundations.

GROWTH NEED NOT WAIT

The traditional assumption that a community foundation must wait patiently for decades to reach an effective size is now being rejected by many, among them the 12-year-old Community Foundation of the Greater Baltimore Area.

Baltimore had accumulated only $3 million by 1983, and less than 2 percent of that was unrestricted. With Mott Foundation administrative support, Baltimore began a select prospect, pyramidal campaign to bring endowment to $10 million within five years. At least half of that was to be subject neither to donor designation nor advice.

The goal of $10 million was selected because the history of nearly all community foundations shows that once they reach that figure, their growth takes off markedly.

With the moral support of local charities and the financial support of businesses—some of whom have contributed unrestricted capital of $200,000 each—Baltimore's community foundation had already attracted 42 named funds totaling over $4 million by early 1985.

Better still, $3 million of this endowment is either unrestricted or committed to broad fields such as the aged or mental health.

Besides Baltimore's strong business support, six private foundations are providing three-year operating support, while another 14 have added more than $1.5 million to the endowment.

EXCEPTIONS

Once of the latter, the Morris Goldseker Foundation, always targets its grants to specific program areas, yet contributed $150,000 in unrestricted funds to the community foundation.

The exception, says Goldseker Director Timothy Ambruster, was made in light of the value of having a public foundation "to respond to needs from all segments of the community in ways which private foundations like ours typically cannot."

Other impressive evidence that a community foundation need not be dependent on the slow growth of maturing wills is provided by the Oregon Community Foundation. Formed in 1973, The Oregon Community Foundation has obtained $28 million from multiple sources in only 11 years—irrefutable evidence that the $10 million "take-off" point can be reached, and passed, in a relatively few years.

Nor is the degree of unrestricted endowment in Baltimore, including that contributed by corporations, necessary unique.

The Cummins Engine Company of Columbus, Indiana and the Mott Foundation also have made significant contributions in this category, as has the Minnesota Power Company, which donated $75,000 of unrestricted funds to the newly formed Duluth-Superior Foundation.

OTHER KEYS TO SUCCESS

In Duluth-Superior, Baltimore and other areas where community foundations are actively campaigning to reach their take-off point for growth, a select prospect, pyramidal campaign is not the exclusive funding method. It is only a means to more rapid start-up growth, or growth to the take-off point.

The community foundations in such places are also seeking bequests and deferred gifts, managing agency endowments and pursuing other traditional ways of building endowments over the long term.

Fulltime staffing by community foundations from their outset, immediate campaigns to bring capital to seven and eight figures, start-up gifts to $5 million by national foundations, unrestricted six-figure grants by locally headquartered businesses, active encouragement by local United Ways and other charitable institutions, purposeful capital campaigning by both new and older community foundations to reach the "take-off" point for growth and service—these are trends that are propelling the growth of the community foundation field in the 1980s.

NOT FOR CITIES ONLY

Such trends promise over the next decade to extend community foundations into most areas with populations over 250,000, including areas that are foundation-poor and hard to reach such as Northern New England, Montana, Mississippi, New Mexico, South Dakota, the Rio Grande Valley of Texas and a host of other places.

Private foundations and corporations are to be commended for enabling these bypassed areas to accumulate and attract charitable capital.

By conditioning their support on the inclusion of less served communities that surround the richer core of a city, Mott and other funders also encourage new community foundations to provide for less wealthy satellite areas.

Aided by the Mott Foundation and joined in community foundation extension by a growing number of its members, the Council on Foundations is pushing to entrench this form of philanthropy in all regions of the United States.

From Tacoma to San Diego on our West Coast and Maine to Palm Beach County on our East Coast, the Council is currently offering start-up help to community foundations and to citizen groups working in Billings, Wilmington, Peoria, and many other areas not currently served.

To minimize false starts and risks of failure, Mott has set the pace among funders that now are requiring local matching funds, and are reserving their help for communities that can demonstrate the resolve, the leadership, the staying power, the resources and the larger population bases needed for successful development.

FOUR GOALS

These are the directions in which the community foundation field is headed: a community foundation to be put in place in every significant population center, revitalization of community foundations whose growth has slowed, purposefully accelerated growth to its take-off point for every community foundation with assets under $10 million, and an increase in permanent unrestricted endowment to give each community foundation a greater capacity to respond to changing needs in its area.

These are objectives of the community foundation field and of the growing number of private foundations and corporations that see community foundations as the prime device for the formation of flexible, private, charitable capital for our nation's communities.

Their ultimate goal is the long-term strengthening of each community's capacity to respond to its own need with private resources raised from local donors.●

MARIANNE MELE HALL RESIGNS

HON. HOWARD WOLPE

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 9, 1985

● Mr. WOLPE. Mr. Speaker, Marianne Mele Hall resigned from the Copyright Royalty Tribunal yesterday after a weeklong public outcry over her role in editing a book that was insulting to blacks—and offensive to all Americans.

Ms. Hall is to be commended for her decision to step down, but in the aftermath of this sad episode, there is a larger and far more important question that needs to be asked.

Mr. Speaker, what has happened to the process by which administration personnel are selected for office?

This latest episode involving Ms. Hall is far from an isolated incident. Over the course of the last 5 years, the list of individuals appointed to positions of influence and responsibility—only later to be found unfit to serve—has grown exponentially.

It all began in the first months of President Reagan's administration when his National Security Adviser, Richard Allen, was forced to resign under a cloud of scandal and controversy. And since that time, the parade of disappointment and disillusionment has continued—seemingly without end. One official after another has been discovered to be unfit or unable to serve.

EPA Administrator Anne Burford. Deputy Secretary of Commerce Guy Fiske. Acting EPA Administrator John Hernandez. Superfund Chief Rita Lavelle. CIA Deputy Director Max Hugel. Veterans Administrator Robert Nimmo. A slew of directors at the Synthetic Fuels Corp. Secretary of the Interior James Watt. Education Department officials Eileen Gardner and Lawrence Uzzell. And now Marianne Hall.

All of these people were put in place through political appointment procedures. And all of these people were later forced to resign under public charges of malfeasance, or incompetence, or gross insensitivity.

Mr. Speaker, something is wrong. Over the course of the next several months, we are all going to have to take a long, hard, sobering look at the procedures by which top administration officials are selected.

When the White House appoints individuals it has selected to "get the job done," we must be assured that those people know what "getting the job done" entails. Senate confirmation hearings must become more than perfunctory exercises, and our own responsibility for congressional oversight cannot be overlooked.●

BITBURG VISIT CAUSES GREAT SADNESS

HON. MARCY KAPTUR

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 9, 1985

● Ms. KAPTUR. Mr. Speaker, President Reagan's visit to the Bitburg Cemetery last Sunday has caused great sadness throughout our Nation. Citizens of Ohio's Ninth Congressional District—which I represent—from all walks of life and all religious and ethnic backgrounds have come to me to express their profound disapproval of our President's visit to the grave site of SS troopers.

In a letter to President Reagan, Rev. George M. Rinkowski, president of the Toledo Chapter of the Polish American Congress and a former military chaplain, articulates some of the reasons many Americans were viscerally opposed to the Bitburg visit. I commend Reverend Rinkowski's letter to my colleagues:

TOLEDO, OH.

PRESIDENT OF THE UNITED STATES,
White House,
Washington, DC.

DEAR MR. PRESIDENT: Please avoid paying homage or giving honor to the members of the German Armed Forces who were rational instruments of an aggression to destroy freedom all over the world. We fought a just war, a Crusade for Freedom, against a ruthless enemy who intended to impose his will over his opponent. Karl Von Clausewitz proclaimed that "Warfare therefore is an act of violence intended to compel our opponent to fulfill our will". The intention is survival of the fittest with no consideration given to the value of human life. In the theory of Clausewitz, the success in war is measured by the amount of materiel captured and the number of prisoners taken. The practice of enslaving prisoners by the World War II Germans is proven in history.

Our principle in war is one of the reasons for our existence as a nation, under God: namely, to provide for the common defense. This is the principle that guarantees that the war is a just war. In warfare it is possible for both sides to be wrong. That would be an unjust war. World judgment condemns Germany as aggressor, and acclaims the Crusade for Freedom as a just war fought by the allies.

The amnesty granted to prisoners and members of the German armed forces was an act of reconciliation which we would not have received from the aggressors. This amnesty was not given to those leaders who were judged as criminals, condemned and executed or imprisoned, some to this very day. They were condemned because they committed crimes against humanity. One of every five, over twenty percent of Polish Citizens were killed by the aggression. Half of that number in concentration camps.

War is not a game in which opponents are striving for a legitimate prize. A nation is not allowed to expose itself to annihilation. It must fight for its existence. We justly fought for our own continued existence and that of many other nations and secured that existence.

To give honor to the aggressor soldiers would validate the aggression in which they were human instruments making it possible for the inhumanities in the war and in the concentration camps to happen. We destroyed the material instruments of war. We granted amnesty to the human instruments. If we honor the aggressor warrior in the acts of aggression, we equate those acts with the heroism of those who won the crusade for freedom.

Mr. President, please do not validate the aggression of forty years' ago by exonerating them from the stigma of an unjust war and honoring them for aiding and abetting the terrible inhumanities whose evil effects will not be erased in the foreseeable future.

The wounds of wars suffered by 28.5 million veterans in our land would be opened again. Their acts of heroism would be rated as equal to acts of aggression perpetrated by war criminals. It seems that the correct evaluation of the request by Mr. Kohl might be a politically calculated act to validate a former aggression and exonerate their actions. The presence of SS troops makes any consideration of giving honor far worse. It seems that the only reason for the existence of the SS troops was to perform acts of atrocity against human beings.

You are Commander in Chief of the Armed Forces and chief of all the veterans. Consider what effect an act honoring the former aggressors would have on these men and women who now serve and those who formerly served to guarantee freedom in our world.

Sincerely and respectfully submitted,
REV. GEORGE M. RINKOWSKI,
Former Chaplain in the Army and Air Force of the United States of America.●

PAULETTE PIDCOCK HONORED

HON. MARJORIE S. HOLT

OF MARYLAND

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 9, 1985

● Mrs. HOLT. Mr. Speaker, I am proud to call attention to an outstanding woman in government relations, Paulette Carnicelli Pidcock, who justifiably won recognition from the Women in Government Relations, a national organization, in the following article from its 1984 annual report. Ms. Pidcock is employed with the Baltimore Gas & Electric. Co.

1984 DISTINGUISHED MEMBER

Selection of WGR's Distinguished Member requires extensive research into the depth and diversity of the nominees' of service. Both quantitative and qualitative contributions are considered. Personal leadership, initiation of ideas and enhancement of WGR's visibility and reputation in the Washington community are all criteria toward the selection decision.

Paulette Pidcock has provided consistently outstanding service to Women In Government Relations since becoming a member in 1977. Her leadership and vision became obvious early on when, as chair of the fledgling Member Relations Committee, she recommended and produced the first member handbook, one of our most valuable tools to this day. As editor of the WGR Newsletter, Paulette professionalized its appearance, upgraded and enlarged its news content and set up a system to attract outside subscribers to promote the organization and generate new revenue.

Paulette was elected WGR Treasurer at a critical time in the organization's growth. Under her leadership, WGR's financial picture improved markedly, primarily because of her development of investment and budget planning. She instituted a Finance Committee, quarterly financial statements and committee review and audit procedures.

As chair of a specially-appointed Special Projects Committee, Paulette produced the first of several Public Policy Forums which provided visibility for the organization among colleagues, government officials and the media unparalleled in our history. Her service as an elected Board member and as member of numerous committees has been outstanding, innovative and constant.

As WGR's President in 1982-83, Paulette brought a fine sense of both organization and leadership to the group during a period of intense growth. She brought WGR to a new level of service to its members. Her dedication to detail, planning and administrative efficiency stand us in good stead today.

Paulette's service to profession and community go well outside the bounds of WGR. She is a recognized leader within her industry and at the forefront of women's activities in Washington's professional community. She is an example to all as she constantly seeks to learn new things, try new dedications and share her talents in so many areas.

Beyond her outstanding record in very visible service, Paulette has always offered those special qualities which distinguish her among her peers. Her gracious and calm manner—with a flash of Italian Pizzazz—along with her personal style of confidence, curiosity and originality have long made her a role model among us. She is always willing to share her advice and counsel with younger women looking for ways to advance. She is just as generous with her time among long-time friends and colleagues.

She has truly distinguished herself as leader, participant, student, teacher, counselor and friend. She is a very special woman.●

THE POTENTIAL HARM OF THE TREASURY DEPARTMENT'S TAX SIMPLIFICATION PROPOSAL

HON. MICKEY EDWARDS

OF OKLAHOMA

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 9, 1985

● Mr. EDWARDS of Oklahoma. Mr. Speaker, President Reagan is scheduled soon to receive the Treasury Department's tax simplification proposal.

I have many reservations about the original draft of the Treasury plan because of its potential harm to the energy industry through the elimination of tax incentives for oil and gas producers.

Someone else who shares my concerns about the adverse effects of this proposal is Donald Lambro, a commentator for National Public Radio.

Because he and I are of like mind on this important issue, I am inserting in the RECORD a transcript of his commentary which was broadcast on March 25, 1985.

Treasury Secretary James Baker is now in the midst of quiet negotiations to work out a compromise tax reform plan.

Every provision in the Treasury's tax simplification plan, Baker says, is negotiable. But he warns that every loophole that stays in the tax code adversely affects how far tax rates can be lowered.

He also warns that reducing tax rates and closing loopholes will mean higher taxes for businesses.

And that is exactly what's in store for many businesses if the Treasury's misguided plan is adopted.

One of the major reasons for tax reform is to improve incentives for work, savings, investment and economic growth.

But some of the administration's proposals to broaden the business tax base would in fact impede economic growth.

For example, if proposes eliminating the 10 percent investment tax credit which has allowed businesses to cut nearly $30 billion a year in investment costs from their tax bills.

And it would replace the system of accelerated depreciation of plants and equipment with a much lower tax deduction schedule.

The effect of this says supply-side economist Paul Craig Roberts, "is to worsen [investment] incentives and to raise the cost of new capital."

True, the Treasury plan would reduce corporate tax rates by 28 percent. But that would be more than offset by a 170-percent increase in the business tax base for new investments.

This will hit America's aging industrial plants right in their smokestacks, robbing them of the new investment they must have to become competitive both here and abroad.

Eliminating current tax preferences for new investment will also hit small, unincorporated businesses.

What all of this means is that the income base on which businesses can be taxed will be raised at the expense of new capital investment. This will discourage investment and that in the long run will stunt economic growth.

Somewhere along the way to President Reagan's desk the Treasury's tax reform plan lost sight of one of its chief purposes: encouraging new investment and business expansion.

If the president's tax reform plan is to win public support, it must meet at least three tests.

It must retain and expand incentives for increased capital investment.

It must encourage new business formations and job creation.

And it must broaden incentives for savings.

Unfortunately, the administration's reform plan fails to pass these tests.

This is Donald Lambro . . . in Washington.●

ALFRED D'ALESSANDRO, MASSACHUSETTS SMALL BUSINESSPERSON OF THE YEAR

HON. NICHOLAS MAVROULES

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 9, 1985

● Mr. MAVROULES. Mr. Speaker, I would like to take this opportunity to acknowledge Mr. Alfred D'Alessandro of Gloucester, MA, who is in Washington this week being honored as the small businessperson of the year from Masssachusetts.

Mr. D'Alessandro, owner and president of AID-PAC Corp., brings credit not only to our State and his profession, but also to all small business men and women in the United States.

Mr. D'Alessandro is a leader in the packaged liquids field. Using technology first developed overseas, his company has successfully marketed a process whereby raw plastic is blown into molded bottle shapes, is then filled with the liquid to be packaged, and is finally hermetically sealed, all in one continuous operation.

Most importantly, AID-PAC Corp. has developed a number of innovations such as the first plastic bottle approved by the FDA for packaging biological solutions used in reconstituting human blood.

When a large domestic food corporation refused to develop Mr. D'Alessandro's packaging techniques, he formed AID-PAC in 1971. Today, the company has grown to employ over 100 persons with projected sales of over $5 million this year.

Mr. Speaker, all Americans can take pride in the accomplishments of Mr. Albert D'Alessandro and the other small businesspersons of the year who are being honored here this week. They are continuing the tradition of innovation which has served to place the small business sector in the forefront of the Nation's economic growth.●

BONN DRUG TALKS

HON. CHARLES B. RANGEL

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 9, 1985

● Mr. RANGEL. Mr. Speaker, as chairman of the Select Committee on Narcotics Abuse and Control, I was pleased to read accounts in the press last weekend that the seven heads of government meeting at the Bonn economic summit held impromptu discussions on international drug trafficking.

These unscheduled talks apparently took place when President Reagan raised the issue as he and his summit partners were sitting down to a state dinner. Noting the First Lady's strong interest in the problem of drug abuse, the President reportedly told the other world leaders that stopping "international drug trafficking requires international cooperation." What followed was a spontaneous, hour-long discussion during which, according to the Washington Post, "It was noted that harvests of opium and coca, as well as the seizure by police of their addicitve derivatives heroin and cocaine, have reached record levels." British Prime Minister Margaret Thatcher, "echoed by other leaders," reportedly called for strengthening international cooperation against drug trafficking. Afterward, a happily surprised President Reagan was reported to have said that, "Never have I seen my summit partners so united and determined on a single subject."

Mr. Speaker, four reports issued earlier this year, by the U.N. International Narcotics Control Board, the State Department, the House Foreign Affairs Committee, and the House Select Committee on Narcotics Abuse and Control, all indicate that worldwide production of illicit narcotics crops is expanding. Our Select Committee on Narcotics estimates that in 1984, 85 tons of cocaine, 10 tons of heroin, 15,000 to 16,000 tons of marijuana, and 200 tons of hashish entered the United States. We are not the only vicitms of this trade, however. Heroin, and now ever increasing amounts of cocaine, are finding a ready market in Western Europe. Producing and transshipment countries around the world are discovering that they, too, are victims of the drug traffic as growing numbers of their citizens fall prey to drug abuse.

Clearly, nothing short of an all-out, concerted international assault on narcotics trafficking will succeed in stemming the worldwide drug trade and the misery of drug abuse it causes. I commend the President for raising this issue at the recent summit and elevating narcotics control to the top priority it requires if we are to make any progress against the scourge of drug abuse and drug trafficking. I hope the conference in Bonn was just a start. I hope the President, encouraged by the strong interest and concern of the other world leaders, will continue to use every international forum available to him and our country, including the United Nations, to press for strong international action against drug trafficking. I hope that, following the successful example of the First Lady's meetings in Washington to discuss drug abuse with the first ladies of 17 other nations, President Reagan will give serious consideration to convening a summit conference to devise effective international strategies for attacking the drug trade.

At this point, I insert in the RECORD for the information of my colleagues articles from the Washington Post and the New York Times describing the drug talks at Bonn summit.

[From the Washington Post, May 4, 1985]

UNSCHEDULED TOPIC OF DRUG TRADE FINDS RARE UNITY AMONG LEADERS

(By William Drozdiak)

BONN.—As the summit's seven heads of government sat down last night to a sumptuous dinner of salmon and veal in lavender honey sauce, they bewildered their aides by launching into a spirited discussion of international problems posed by the proliferation of drug trafficking.

In what White House spokesman Larry Speakes called an "unexpected twist" in their first group encounter, the seven leaders spoke for nearly an hour about the urgent need to tame the blight of drug addiction in all of their countries.

The catalyst happened to be Nancy Reagan's antidrug campaign, which she is pursuing in Rome while her husband participates in the seven-nation economic summit here. The first order of business among the industrialized world's leaders, even before soup was served, evolved out of Reagan's offhand comments about his wife's trip.

The first lady drew praise for her crusades, which has enlisted the help of numerous spouses of foreign leaders, including the wives of Prime Minister Brian Mulroney of Canada and Bettino Craxi of Italy. Mrs. Reagan's recent summit of first ladies in Washington publicized the common threat that industrialized as well as developing countries now face from widespread drug abuse.

British Prime Minister Margaret Thatcher, echoed by other leaders, said it was now all the more imperative to strengthen international cooperation in fighting the drug trade.

It was noted that harvests of opium and coca, as well as the seizure by police of their addictive derivatives heroin and cocaine, have reached record levels.

Reagan, happily surprised by the intense interest shown in the subject, remarked that "never have I seen all my summit partners so united and determined on a single subject."

Before tackling their normal agenda of trade and political issues, the seven leaders decided to instruct their foreign ministers to hold a special discussion today to find ways of enhancing cross-border cooperation among drug enforcement agencies.

"We have picked up another assignment, which was unexpected." Secretary of State George P. Shultz told reporters today. "It wasn't on our agenda, particularly. It emerged from the discussion by the heads of state on this subject, and it may very well be that one of the most important people to this meeting is not here—namely, Nancy Reagan."

[From the New York Times, May 4, 1985]

PROBLEMS OF DRUGS IS RAISED IN BONN—U.S. AND BRITAIN LEAD SESSION ON STRONGER BATTLE AGAINST NARCOTICS TRAFFICKING

(By John Tagliabue)

BONN.—Participants in the seven-nation economic conference here spent much of their time today discussing the worldwide battle against drug abuse.

A Reagan Administration official voiced doubts that "anything specific will come out of this meeting."

But he said the foreign ministers, attending the conference had already "made a good deal of progress in just raising the international consciousness on the subject."

West Germany's Foreign Minister, Hans-Dietrich Genscher, said experts from the seven nations would continue the discussions within the framework of international organizations, like the United Nations.

The White House spokesman, Larry Speakes, said drugs emerged as the major topic at a state dinner Thursday evening when President Reagan raised the issue, telling the world leaders that stamping out "international drug trafficking requires international cooperation."

TOPICS OF CONCERN TO MRS. REAGAN

The President was evidently following up on an issue that his wife, Nancy, has shown a major interest in as First Lady.

Last month, Mrs. Reagan was host to a White House meeting of 17 first ladies from around the world that she called to discuss ways of battling drug abuse. On Thursday, as part of the Reagans' official state visit to West Germany, the First Lady presented a check for $5,000 from the National Federation of Parents for Drug-Free Youth to the Parents' Circle, which represents West German parent groups, to be used in the fight against drugs.

Later on Thursday, Mrs. Reagan went to Rome, where she will meet Pope John Paul II on Saturday for talks that will include a discussion of the drug problem.

Referring to Mrs. Reagan's efforts, Secretary of State George P. Shultz said at a news conference that "one of the most important people in this meeting is not here—Nancy Reagan."

MINISTERS ALSO MEET ON DRUGS

Mr. Shultz said a Friday morning discussion by foreign ministers, centered on drug production and trafficking and its connection with international terrorism. That issue has occupied leaders at the conference several times in the past, and led to a declaration on fighting terrorism that was issued at the 1984 meeting in London.

Mr. Shultz said the foreign ministers' discussions produced "a general raising of the perception on this problem."

"It was not on the agenda particularly," Mr. Shultz said, "it just emerged."

Although such statements gave the impression that the talks were spontaneous, officials indicated that delegations from several countries, including the United States and Britain, arrived prepared to tackle the issue.

Mr. Speakes said the President told a staff meeting afterward, "Never have I seen my summit partners so united and determined on a single subject."

THATCHER EXPRESSES ALARM

British officials described Prime Minister Margaret Thatcher as being particularly alarmed by the rapid spread of drug trafficking. The Prime Minister, they said, pointed out that production and seizures of heroin and cocaine were at a record high and said the price of heroin was higher than the price of gold.

Officials said Mrs. Thatcher painted a decidedly gloomier picture about the world drug problem than Mr. Reagan, who seemed optimistic that some progress was being made in the fight against traffickers.

A British official said an idea was raised to have the seven-nation economic meeting next year, planned for Tokyo, formally take up the drug problem, just as the 1984 economic meeting in London dealt with terrorism.

Italian officials said Italy's Foreign Minister, Giulio Andreotti, describing drug abuse a scourge "worse than war," called on the seven nations to increase cooperation among lawmakers and police officials, to improve education efforts to teach people about the dangers of drugs and to increase aid to organizations like the United Nations that are fighting drug trafficking.●

SALUTE TO INDIANA'S RURAL ELECTRIC SYSTEM

HON. JOHN T. MYERS

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 9, 1985

● Mr. MYERS of Indiana. Mr. Speaker, any celebration of the 50th anniversary of the creation of the Rural Electrification Administration would not be complete without an account of Indiana's role in taking electricity to rural America.

The Indiana General Assembly first approved the Indiana Rural Electric Membership Act on May 5, 1935, 6 days before the Presidential proclamation that established a nationwide program.

Indiana's law became the model for other States passing rural electric legislation. I. Harvey Hull, general manager of Indiana Farm Bureau Cooperative at that time, spearheaded the effort to bring electricity to rural Indiana.

Hull's quest for rural power may have begun when his own farm was electrified in 1922. By 1933, he was discussing with congressional leaders the feasibility of a farm cooperative taking electricity to rural area. The following year, 1934, Hull and other Farm Bureau personnel traveled to Europe for an international cooperative conference. When he learned that 65 percent of rural Norway and Sweden could be electrified, compared to only 10 percent in America, Hull decided that Indiana could do as well and he began drafting the necessary legislation.

Immediately after Gov. Paul V. McNutt signed the Indiana REMC Act, the Farm Bureau board created the Indiana Statewide REMC [now REC] to promote local electric co-ops and provide them with various services.

Men and women from throughout the State volunteered their time and powers of persuasion to sign their neighbors up for electricity. All it took was $5 and you were a member of the rural electric cooperative.

Today, Hoosier REMC's have a total membership of more than 323,000. The largest REMC system in the State is Morgan County REMC with 19,910 members; the smallest is Newton County REMC with 1,312.

In the past 50 years Hoosier REMC's have built 48,566 miles of line, enough to circle the Earth twice. In 1935, only 11 percent of Indiana's rural areas had central station electricity. Today, 99 percent have power.

Being energized is perhaps the fondest memory of many rural folks in Indiana. "It improved our lives 100 percent," one member said. "It was just like a new world. Just like opening the door into something that you never expected to have, " another echoed strongly.

Yet they had it, thanks to Hull and the other Indiana pioneers who acted on their dreams of electrifying the countryside. And 50 years later, Indiana statewide is still out front in service to the people of Indiana.

Congratulations on your 50th birthday. May you have many, many more.●

HONORING FRANK PASQUERILLA

HON. JOHN P. MURTHA

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 9, 1985

● Mr. MURTHA. Mr. Speaker, on May 19 the Sons of Italy will honor Mr. Frank Pasquerilla in Johnstown, PA. Frank Pasquerilla's service to his family, his community, and his Nation are in the highest American tradition, and symbolize what our great Nation stands for in the world.

Frank was born in Johnstown and raised by old Italian traditions stressing a close family and devotion to community, family, and religious strength. At age 12 he was selling newspapers, as a teenager he was working as a short-order cook, as an adult he owned the building where he sold papers as a child.

In thinking about Frank Pasquerilla, I am reminded of a quote used by Senator Robert Kennedy during his 1968 Presidential campaign. "Some men see things as they are and ask why; others dream of things as they should be, and ask why not?"

In his personal life, Frank Pasquerilla embodies the American dream. An individual who made his own way, reached success, and has used his success to help others achieve their own potential.

In his public life, I have worked with Frank Pasquerilla on project after project to benefit the community. Saving Bethlehem Steel in Johnstown. Attracting Metropolitan Life to the area. Keeping the Flight Service Station at the Johnstown-Cambria County Airport. Not a year has gone by that I have not been involved with Frank Pasquerilla in some community project; and not a year has gone by that we have not been successful.

In his private, unpublicized contributions to the community, he contributes his time to church and community activities, and uses the facilities at his disposal such as a corporate jet to transport patients and injured individ-

uals to hospitals and to help the community leaders travel to promote Johnstown and attract jobs to the area.

There will be a long, and very deserved list of accomplishments, positions attained, and signs of success noted at this dinner. But having known Frank Pasquerilla, and having enjoyed the opportunity to work with him, I am confident in closing by saying that what we appreciate most, and what we join in honoring Frank for tonight, is because of the individual he is, his friendship, his kindness, his consideration, and his thoughtfulness.

In participating in this tribute, I hope we are saying a proper appreciation for those qualities that we have all enjoyed so much and benefited from over many years. We look forward to continuing the partnership for many more years.●

CASE STUDY OF A FAILED LOAN: IDEAL WIRE'S COSTLY COLLAPSE

HON. DAVID DREIER

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 9, 1985

● Mr. DREIER of California. Mr. Speaker, today I am submitting for the RECORD part 3 of a five-part investigative series, published in the May 7 issue of Newsday, on improper loan practices involving Long Island small businesses which were financed by the Federal Small Business Administration. I recognize that it is impossible for the SBA to insure that all of its loans are being used for legitimate business purposes. However, I think that Congress has a particular responsibility to see that the taxpayer's hard-earned dollars are being used to benefit the nation as a whole, rather than just a select few individuals—whether it be through improper dealings, agency mismanagement, or a lack of legislative foresight.

[From Newsday, May 7, 1985]

CASE STUDY OF A FAILED LOAN: IDEAL WIRE'S COSTLY COLLAPSE

Two phone calls made by the right people show how politics and money can facilitate Small Business Administration loans on Long Island.

The first call was placed late in 1982 by former Suffolk Republican leader Robert Curcio Sr., paid consultant to a Holbrook company seeking a $500,000 SBA loan. Curcio called Peter Neglia, the Reagan administration's new SBA regional director and son of an old political contact. Curcio wanted to know why the SBA wasn't making the loan.

Neglia made the second call. He said he phoned one of his subordinates, Walter Leavitt, the SBA's top official on Long Island, and asked the same question—why wasn't the company getting the loan?

After Neglia's call, records show, Leavitt and another senior SBA official overruled an SBA loan officer and approved the loan to Curcios' client, the Ideal Wire Manufacturing and Coating Corp., whose president, Walter R. Lehmann, had a history of failed businesses and unpaid debts.

Curcios' services didn't come cheap. Newsday has traced a series of checks totaling $28,000 issued by Ideal Wire to Curcio—checks described by Lehmann as payment for Curcio's help in getting the SBA loan. These payments were not disclosed to the SBA as required by federal law. Leavitt said that the sum was excessive for SBA consulting—"out of sight," in his words—and that the SBA would have investigated if the proper disclosure had been made.

The transaction also was costly in another way—for the taxpayers and dozens of companies, large and small, that did business with Ideal Wire. Ideal made four payments on the loan after the SBA approved it in January, 1983, then defaulted with $498,512 of principal still owed. The company filed for protection from creditors under the Bankruptcy Act. Besides the SBA debt, Ideal's collapse left behind $158,104 in unpaid taxes and $527,447 in unsecured debts to creditors, the companies that sold materials or services to Ideal.

The Ideal Wire story provides a case study of a failed SBA loan that mirrors some of the arguments in the current national debate over whether Congress should go along with the administration's efforts to abolish the agency.

SBA critics charge that the agency has approved loans to companies with questionable financial backgrounds; that some loans have been influenced by politics or payoffs; and that banks and other financial institutions that fund SBA-guaranteed loans don't always screen applicants carefully because 90 percent of any loss is covered by the government.

The Ideal Wire loan came from an SBA-certified lender, the Money Store of New York, which screened the initial application and recommended it to the SBA for approval. The Money Store of New York was then headed by Steven Gurian. He also is president of the Long Island Development Corp., a quasi-governmental corporation set up by Nassau and Suffolk counties to facilitate SBA and other government loans for Long Island businesses. Newsday reported Sunday that Gurian has had consulting deals and other financial involvement with borrowers described as improper by county and SBA officials.

Court and SBA records, internal Ideal Wire records, bank memos, and interviews disclose a number of irregularities that pose ethical questions about the Ideal Wire loan:

Gurian has acknowledged that he knew, and failed to tell the SBA, that Curcio had been a consultant to Ideal on the loan. He also concedes that Curcio's role was not disclosed on the government forms as required by law. And, Newsday has learned, a year after the Ideal loan, Gurian and Curcio were trying to form an SBA-certified lending company of their own. Curcio, however, says that he abandoned that plan when he learned that Newsday was looking into Gurian.

The Money Store and SBA approved the loan despite public records that raise questions about the collapse of Lehmann's previous company, Ideal Fence Supply Co. Inc. Records show that in 1981 the company claimed an inability to pay $250,000 in debts. During the year before the company failed, records show that Lehmann and his father took $459,829 more than their salaries out of the company. They explained the extra money as loan repayments. The bankruptcy file contains no further documentation of such loans. A judge eventually dismissed the bankruptcy petition because of Lehmann's failure to provide the required financial reports and reorganization plan for the company.

When the Money Store and SBA approved the $500,000 loan to Ideal Wire, Lehmann's personal credit rating was so poor that court records show he had to make his 20-year-old daughter the company's sole stockholder. He had an unsatisfied $168,000 judgment against him, and an official of his main bank, Long Island Trust Co., said in an internal memo that Lehmann's personal guaranty on loans "had no value."

Although SBA officials say the loan is secured by solid collateral—Lehmann's house, some vacant property and Ideal's machinery and inventory—other documents raise doubts. Lehmann moved Ideal's machinery and inventory to a suburb of Buffalo without notifying the SBA, and Leavitt has conceded that the SBA probably won't recover anything from it. Leavitt said SBA efforts to foreclose on Lehmann's real estate have been snagged—court records show competing claims from another debtor and a counter-suit by Idea.

In that suit, Lehmann charges that most of the SBA money he thought he was getting to revive his business was instead illegally diverted by the Money Store to pay debts Lehmann owed to banks. SBA rules forbid granting loans for what they call a "bail out"—in other words, to "pay off creditors who are in a position to sustain a loss." Gurian denied that was done, but records show that during the loan closing, two checks were issued to satisfy old bank debts; $162,212 to Long Island Trust and $50,000 to Barclay's Bank.

Lehmann has not responded to numerous phone calls and a letter requesting an interview, but he has given his version of events in court depositions and testimony during the ongoing Ideal Wire bankruptcy proceeding. Records show Lehmann came to the loan-closing with Curcio but without an attorney. Lehmann said he expected to get most of the money "for new inventory and equipment and working capital for Ideal." However, he said, "as soon as I signed over the check from the SBA, the Money Store took its fees and then oversaw the passing out of checks to various prior secured creditors, almost totally exhausting the available funds."

Lehmann said: "As it turned out, all I received was a sort of loan consolidation, which hopelessly encumbered my property, and as no capital was transferred to Ideal, its demise was assured, thus leaving me with no income to repay these obligations."

Records of the loan-closing do not fully support that assertion, but they do show that Lehmann did not get all the money supposedly earmarked by SBA for working capital. The records show that checks totalling $110,600 were issued for machinery and equipment for Ideal and that $386,840 was deposited into an Ideal bank account for working capital. However, the checks to clear the old bank debts, totaling $212,212, were then drawn from that account. Lehmann said the Money Store's lawyer, Roslyn Goldmacher, "stated to me words to the effect, 'This won't leave much for Ideal, will it?' " Goldmacher has not returned repeated calls from Newsday.

Gurian said he first met Curcio when the former Republican leader, who is a real

estate broker, approached him about the Ideal Wire loan. "He represented himself as their business consultant," Gurian said.

Federal law allows SBA loan applicants to hire consultants to help them get loans, but their identity and the fee must be disclosed on the application, and the SBA must make a ruling that the fee is reasonable in comparison to work done by the consultant. Leavitt said the SBA would almost certainly have rejected a fee as high as Curcio's. The SBA also prohibits contingent fees in which the size of the fee depend on the success of the application.

Gurian said he told Curico about these rules: "I warned him just like I warn everybody else . . . right in front of the client. The client has to sign in three places, and if he puts you down as a business consultant, nothing wrong with it, perfectly all right, but then you must fill in a compensation agreement form which says this is what you did, this is how long it took you, this is what you normally charge to your best customer . . . Then the government approves or disapproves."

Gurian was shown copies of the $28,000 in Ideal checks to Curcio. Two of them, totaling $13,000 are marked "consultant for SBA," the others do not bear any notation as to their purpose. One check for $4,000 bounced for insufficient funds. The checks began in August, 1982, and continued into April, 1983, spanning the period in which the loan was considered and approved by the Money Store and SBA. Ideal's books for August, 1983, show an additional $500 payment to Curico.

Of the checks, Gurian said: "If the FBI picks this up, or the U.S. Attorney's office picks this up, they have a basis for going against him on a fraudulent statement in order to induce us to make the loan." Gurian added: "I knew that he [Curico] had received a large amount of money in comparison to what a business consultant would normally charge or have approved by the SBA. I had no idea it was this amount."

Why hadn't he required that the application disclose Curcio's role? Gurian replied: "I'll tell you something, you know—I don't want to know. I'm not the keeper of the keys. I'm here as an advocate of a small businessman. If I had to be the keeper of the morals of all the small businessmen and what they do and how they do it. I couldn't."

The SBA's Leavitt said Gurian's silence was improper in view of the close working relationship between the Money Store and the SBA. "I don't agree with him," Leavitt said. "Technically, he's not a policeman. But we're partners, and one partner should tell the other partner what's going on."

Newsday tried to interview high-ranking officials of the Money Store—the largest maker of SBA-guaranteed loans in the country—about the Ideal Wire loan and others issued by its New York subsidiary formerly headed by Gurian. Gurian retired as president of the Money Store of New York last year but says he remains a paid consultant to the parent company.

Alan Turtletaub, president of the Money Store, initially agreed to an interview. But then he broke two appointments and failed to return several phone calls. Then he said that no interviews would be allowed, that the company would only answer written questions, and that he would not comment further.

Lehmann's court papers allege that the Ideal Wire loan is under federal investigation, and Newsday has independently confirmed that federal prosecutors are looking into that loan and others made by the Money Store of New York.

Curcio, Ideal's consultant, is a veteran of Suffolk Republican politics but has not been publicly active in recent years. He became Babylon GOP leader in 1964 and county leader two years later. In 1967 Newsday published a series of stories on Islip land and zoning scandals that involved some of Curico's closest political allies. In that years' elections, the GOP lost three towns—Islip, Babylon and Huntington—and the party ousted Curcio as chairman.

Curcio said he has continued attending political affairs and through them became friends with Joseph Neglia, the father of Peter Neglia. The elder Neglia is a Republican district leader in Brooklyn. "I'd go to the Brooklyn dinners; they'd invite me. That's how I met Joe. . . We're old friends." He said their friendship goes back at least 15 years.

Curcio said he couldn't recall any details of his phone conversation with Peter Neglia about the Ideal Wire loan. Neglia, who has been promoted to acting SBA chief of staff, confirmed that Curcio called him about the loan and that he called Leavitt to ask him about the loan and that he called Leavitt to ask what was the problem. But Neglia said he never pressured his subordinates to approve the loan.

SBA records show that loan officer Frank Guarino had rejected the Ideal loan for "lack of reasonable assurance of ability to repay loan (and other obligations) from earnings."

Curcio said his consulting work for Ideal Wire involved more than just the SBA loan. "I did a million things for this guy over a three- or four-year period," he said, including taking Lehmann to private lending institutions and trying to find investors for the company. Curcio said that at his suggestion, he and Lehmann and their wives went to a Republican testimonial dinner for Neglia; Ideal records show the company paid $250 for tickets.

During a hearing, Jules Speciner, the lawyer handling the bankruptcy case, asked Lehmann under oath about Curcio's role. Lehmann replied: "He was an adviser for—during the period I was looking for an SBA loan."

"What kind of advice did he give you?" Speciner asked.

"Packager, a go-between, between me and the SBA or Money Store structure, as an adviser," Lehmann said.

Later in his testimony, however, Lehmann added: "I think this was an ongoing thing for other things. It was not only for the SBA."

SBA officials defended their handling of the loan and said they expected to recover all of the loss from collateral. "We felt that based on the information submitted, the projections seemed reasonable, and the fact that the previous business went under doesn't mean it will be repeated," Leavitt said. "We felt we were pretty well secured and he had a reasonable chance of making it."

The collateral is Lehmann's East Islip home, which he testified is worth about $300,000, and some vacant industrial land in Holbrook, which he valued at about $95,000. The SBA also holds a lien on the company's machinery and equipment.

But for now, the collateral situation is confused. Last year, Leavitt said, SBA officials were surprised to discover that Lehmann, without notifying the SBA or bankruptcy court, had suddenly moved all of Ideal's property to Tonawanda, a Buffalo suburb. "Over the weekend, he moved everything he owned," Leavitt said. There is an Ideal Fence Co. office in Buffalo, and a woman who answered the phone confirmed that Walter Lehmann worked there. He did not return calls.

Leavitt said he was not familiar with Lehmann's Buffalo activities. He added, though, that the SBA probably would not recover anything on the machinery because Long Island Trust holds the right to collect the first $150,000 from any liquidation sale. Lehmann has debts to the bank stemming from the collapses of Ideal Fence on Long Island and Starfish Marine, an earlier Lehmann business that also failed.

Leavitt said he was confident, however, that the SBA would make out well in the resale of Lehmann's house and real estate. But court records show that foreclosure attempts have been complicated by a lien on the property, also held by Long Island Trust. Leavitt said he did not know when the case would be resolved.

Curcio and Gurian said their efforts last year to form an SBA lending company of their own had nothing to do with the Ideal Wire loan. Gurian said they wanted to form a small business investment corporation, a form of licensed SBA lender that makes loans combining SBA and private funds.

As part of their efforts, Curcio said, he went to Suffolk County Executive Peter Cohalan and asked that Gurian be named an unsalaried financial adviser to the county. Gurian said he thought that such a title would enhance his chances of getting SBA approval for the new investment corporation. But the county appointment never came through.

Gurian said he had been seeking at least $3 million in investment capital for his joint venture with the former Suffolk GOP leader. "Curcio suggested that he would raise the funds because he had heavy hitters in his entourage," Gurian said. Both men said no money was ever raised. Curcio said: "I tried to put some people together and I put an awful lot of time in on the thing, and when I heard that Gurian was being investigated [by Newsday] I stopped pursuing it . . . I certainly didn't want people that I was approaching to make an investment to be embarrassed."●

RECOGNITION OF CARES

HON. MARCY KAPTUR

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 9, 1985

● Ms. KAPTUR. Mr. Speaker, this month Lucas County, my home county, is recognizing one of its finest civic organizations. Its name is Toledo-Lucas County CARES. The acronym, ever-so fitting, stands for chemical abuse reduced through education and services. CARES is a coalition of concerned citizens working within Lucas County to reduce chemical abuse among youth.

Formed in 1982, as a result of the alarming increase in the level of drug and alcohol abuse among our communities' young people, CARES facilitates the development, implementa-

tion, and evaluation of countywide efforts to reduce the drug and alcohol problem through the application of prevention, treatment and rehabilitation programs. The organization is chaired by volunteers from the Junior League of Toledo, Inc., with staff support from the Criminal Justice Coordinating Council.

CARES has been tremendously successful because parents, educators, service providers, law enforcement officials, concerned citizens, and young people themselves have come together for the common good. Our community is a better place because of CARES and the people who make it work. On behalf of all the people of Ohio's Ninth District, I offer CARES the congratulations, best wishes, and appreciation of a grateful community.●

CONGRESS WANTS THE PRESIDENT TO PRODUCE A NICARAGUA POLICY

HON. MICHAEL D. BARNES

OF MARYLAND

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 9, 1985

● Mr. BARNES. Mr. Speaker, on April 28 the New York Times ran a very thoughtful editorial on our Nicaragua debate. As the Times points out, the administration does not have a Nicaragua policy, and the actions it is taking will not lead to the achievement of the objectives it professes to be pursuing.

Pressure is a tactic, not a policy. What is our policy? What do we want, and what price are we prepared to pay to get it? Does it make sense to seek the overthrow of a government, when the means that we are prepared to employ will not accomplish that objective, but will instead work against other objectives that we should be seeking, such as a political opening in Nicaragua and a diplomatic settlement in Central America? As the Times asks, "Where are the lists of American demands, distinguishing between intolerable threats to our security, justifying war, and lesser interests to be sought with lesser sanctions or rewards?"

Congress "has not rejected a President's policy," the Times says. "It asks that he produce one." Mr. Speaker, I agree with that. If the President will seek a bipartisan consensus, based on full and real consultation, behind a policy that makes sense, the Congress will support him. Meanwhile, it continues to be our obligation to reject funding for the Contras—an unwise tactic that would not achieve the objectives we would be seeking if we had a policy.

The editorial follows:

[From the New York Times, Apr. 28, 1985]

VIETNAM IN AMERICA

To the cry of "No More Vietnams," the United States has tied itself into knots over Nicaragua. The President wants a virtual declaration of war against the Sandinistas—no more piecemeal humiliations by Soviet proxies. Congress, in a stunning demurral, says no more piecemeal investments of prestige in a war we're unwilling to send American boys to finish.

Some of the Vietnam echoes are evoked by the calendar. It is 20 years to the day since American ground troops went into battle in Vietnam, and 10 years since their final ignominious withdrawal. But there's a simpler explanation for our present ambivalence: ignorance. Americans, even those in authority, are obviously unsure about the conditions and stakes in Nicaragua. Where the facts seem so perplexing, how much easier to try the case by analogy.

For Congress, the overriding lesson of Vietnam is do less: sign no blank checks for warmaking. It is not convinced that the Sandinistas pose a threat justifying war. And if they did, it sees no plausible plan for overthrowing them.

For the Administration, the lesson is do more. Here it is, as rendered by Secretary of State Shultz: "Broken promises. Communist dictatorship. Refugees. Widened Soviet influence, this time near our very borders. Here is your parallel between Vietnam and Central America." He says the failure in Vietnam not only betrayed the people of Indochina but led Congress to hobble the President's authority, thus emboldening the Russians and "destabilizing" the globe.

These readings of history are not all wrong or irrelevant. But they are woefully oversimplified. Americans did not need Vietnam to learn the nature of Communism. They did not go into Vietnam to diminish Soviet influence but what they ignorantly thought was China's. And just what was it that cast so much doubt on America's wisdom and power, restraint or excess?

Nicaragua is closer than Vietnam, and arguably a more vivid American interest. But it is in no sense a Soviet power. Precisely because it is nearby, America could quickly snuff out any real security threat. Nicaragua's Marxists may yearn to spread revolution, but their opportunities to do so depend more on American behavior than Soviet ambitions. Like Vietnam, Nicaragua may be too heavily armed for its size, but it has had much more reason to fear invasion.

The ultimate lessons of Vietnam for all Americans should be evident. This country will not effectively wage war unless it understands the reason for the pain. Even a hesitant resort to force creates uncontrollable imperatives. It soon requires exaggerating the stakes, then destroys the balance between ends and means and finally forecloses diplomacy and compromise. When America stands in peril, that price has to be paid. Where less-than-vital interests are at stake, the path away from force needs to be as clearly marked as the path in.

For an astute appreciation of America's interests and dilemmas in Nicaragua, read the report in today's New York Times Magazine by Mario Vargas Llosa, the Peruvian novelist.

"The kind of massive, and bloody, military intervention that will be needed to overthrow the Sandinistas will not result in a democracy," he says. "Only a dictatorship can impose order in a country devastated by terrorism and civil war. To maintain the existing fragile freedoms under the present regime, the only choice for the opposition is to reach some kind of an agreement with the Sandinistas. Although the regime has traveled far down the road toward totalitarianism, the challenges and difficulties it faces are an inducement to compromise."

That may be wrong. So may be the author's judgment that the Soviet Union has decided against paying the price of taking Nicaragua under its wing, like Cuba; or that Nicaragua's revolution looks a lot like Mexico's. But where are the comparably clear-eyed analyses by the United States Government? Where are the lists of American demands, distinguishing between intolerable threats to our security, justifying war, and lesser interests to be sought with lesser sanctions or rewards?

The lesson of Vietnam is simply that, when in doubt, look a dozen times before leaping. Congress, which cannot have its own diplomacy, has not rejected a President's policy. In its justified confusion, it asks that he produce one.●

JANE BOECKMANN HONORED

HON. HOWARD L. BERMAN

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 9, 1985

● Mr. BERMAN. Mr. Speaker, I rise today to pay tribute to an outstanding leader of our community, Mrs. Jane Boeckmann. On May 17 of this year, she concludes her term as president of the Panorama City/Sepulveda Chamber of Commerce.

During her tenure, as the result of her tremendous talent, dedication, and effort, the chamber of commerce has experienced great growth.

Mrs. Boeckmann's contributions to the community extend way beyond the chamber of commerce. Her seemingly infinite energy has bettered the quality of life for all who live and work in the San Fernando Valley.

As founder, publisher, and editor-in-chief of Valley magazine, she has given valley residents a forum for discussing issues of particular interest to them. As a philanthropist, humanitarian, religious and civic leader, wife, and mother, she has been an example for all of us.

She was cofounder of the San Fernando Valley Cultural Foundation. From 1982 through 1984, she served as honorary mayor of the San Fernando Valley. And in the past, she has been vice president of the San Fernando Valley Arts Council, director of World Opportunities, member of the board of trustees for California Lutheran College, and served on countless commissions and committees.

She has earned many well-deserved awards; among them are the Patriotic Citizen of the Year Award, State of California Mother of the Year, and Newsmaker of the Year, just to name a few.

It is my honor to ask my colleagues to join me in paying tribute to Mrs. Jane Boeckmann, a tremendous asset to the community and a truly remarkable woman.●

LEGISLATION TO IMPROVE UNDERSTANDING OF NUTRITION

HON. DOUG WALGREN

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 9, 1985

● Mr. WALGREN. Mr. Speaker, I want to join with a number of our colleagues in cosponsoring the National Nutrition Monitoring and Related Research Act of 1985. Congressman MACKAY, Congressman BROWN of California, and I introduced a similar bill last year.

These bills result from hearings held over the past 6 years by the Subcommittee on Science, Research and Technology, which I chair, and by the Subcommittee on Department Operations, Research and Foreign Agriculture, chaired by Mr. BROWN. H.R. 2436 creates no new Federal activities in nutrition monitoring and related research, but seeks to organize the numerous activities presently being conducted in a piecemeal fashion into a more effective, priority program. Thus, the program would make more effective use of current resources and improve the contribution that nutrition monitoring information and research can make.

As a result of previous hearings, the Department of Health and Human Services [DHHS] and the U.S. Department of Agriculture [USDA] finally submitted the long-overdue implementation plan for a National Nutrition Monitoring System to the Congress. That plan fails to identify a number of essential factors such as a structure to coordinate independent activities, allocation of agency responsibility, and the availability of personnel and other resources needed to accomplish the tasks involved. Because of these deficiencies, the goal of the plan, to carry out the first coordinated Nationwide Food Consumption Survey [NFCS] and National Health and Nutrition Examination Survey [NHANES], cannot now be accomplished in 1987. In addition, the report on the nutritional status of our people, which was to be submitted to the Congress in November 1984 has been delayed for at least 1 year.

The following excerpts from testimony at our committee's June 1984 hearing demonstrates the need for this legislation:

> Presently the need for a comprehensive nutrition monitoring system is not being met even though many of the elements of the system exist.
>
> There is little practically-oriented epidemiologic research to develop shorter and cheaper methods of monitoring nutritional status, food consumption, nutrition knowledge, and food scarcity suitable for use by states, localities, and others needing such methods.
>
> In addition, a coordinated effort among the various agencies would enhance standardization of data collection, analysis and reporting, thereby facilitating comparison and interpretation of the surveys and also providing a more comprehensive picture of the nutritional status of the population.
>
> Currently most information we have is 6-10 years old, and therefore is not very useful in identifying current problems, such as the increasing incidence of hunger and malnutrition resulting from the strains of the recent economic recession and cutbacks in Federal food assistance programs.
>
> Nutrition surveys must be continuous, and they must be accountable to policymakers and the public. Even the President's Task Force on Food Assistance made this point. Yet the current system does not ensure continuity or accountability.

In addition, without this legislation, the Congress has no means to evaluate the effectiveness of the executive branch in carrying out nutrition monitoring activities. Last February, Congressman GEORGE BROWN and I wrote the Secretary of Health and Human Services to request a summary of fiscal year 1985 funds expended and the fiscal year 1986 budget request for nutrition monitoring activities by each agency within the Department. The response from DHHS stated, "It is difficult to respond to your request for dollar amounts spent on nutrition monitoring activities because often costs are contained not in one but several line items within the DHHS agency's budgets." The bill we are introducing today will make it possible for the Congress and all Federal agencies to better understand expenditures for this important activity.

We can no longer afford a nutrition monitoring system that provides data 6 to 10 years after the fact. Nutrition and health indicators are as important, if not more so, than current economic indicators. What we do in the area of food, nutrition, and health requires timeliness. I urge my colleagues to join in cosponsoring this bill and working toward its early passage.●

POSTSCRIPT TO BITBURG

HON. BARBARA A. MIKULSKI

OF MARYLAND

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 9, 1985

● Ms. MIKULSKI. Mr. Speaker, I rise today to offer a postscript to the President's visit to Bitburg Cemetery. It is too late to change his deplorable action. But I want to make clear that when President Reagan laid a wreath at Bitburg, he did not represent the American people.

Mr. Reagan claims that he went to Germany seeking reconciliation. But my question is: With whom does he want to reconcile—with modern-day Germany, or with the Nazis of World War II? By placing a wreath at Bitburg Cemetery, President Reagan in effect, honored the Nazi killers and the Germans who massacred American prisoners. The American people are anxious to mend our fences with Germany of 1985, but public outcry made clear that going to Bitburg would not accomplish this.

Last week, President Reagan claimed that it would be a sign of weakness to change his itinerary in the face of public pressure. That, to me, is an incredible statement. It is not weak to admit you are wrong; rather, it takes strength and courage to publicly correct a mistake. The controversy surrounding the Bitburg trip was an expression of the will of the American people. The President should take seriously such public pressure and respond with sensitivity.

When I visited Poland several years ago, I made sure I went to Auschwitz. I wanted to see firsthand the legacy of the Nazis. That trip made clear to me the importance of remembering the Holocaust and the unspeakable horror of the Nazi genocide. Even as we improve relations with Germany of 1985, we can never forget what happened 40 years ago.

It was an affront to the American people that the President felt it was more important to please the Germans than the thousands of American veterans, Gold Star Mothers, and Jews everywhere who asked him not to go to Bitburg. Never forgetting the Holocaust means never honoring those who tortured and killed millions. President Reagan's itinerary was not a question of strength or weakness, but a moral issue of good and evil.

I am indebted to my friend, Rabbi Manuel Poliakoff, of Baltimore, for his wise counsel regarding the Bitburg trip. It was he who pointed out to me that the President was not representing the American people when he went to Bitburg. Based on the reaction of the public and here in Congress, I agree. I, and many of my colleagues in the House of Representatives and in the Senate, wrote to President Reagan urging him to cancel his trip to Bitburg Cemetery. The response of the American people was overwhelming in their opposition to the Bitburg event. Elie Wiesel eloquently pointed out that the President's place is with the victims, not the perpetrators, of the Holocaust. I am personally outraged that all our pleas could not make President Reagan change his itinerary. Although it is too late to change his action, I want the record to show that the spirit of America was not with him on that day in Bitburg.●

STATEMENT OF CONGRESSMAN TED WEISS ON THE 50TH ANNIVERSARY OF THE APOLLO THEATRE

HON. TED WEISS

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 9, 1985

● Mr. WEISS. Mr. Speaker, this is the 50th anniversary year of Harlem's renowned Apollo Theatre. On this occasion I want to pay tribute to the Apollo for its contribution to 20th century American culture. I wish the Apollo continued success as its doors open once again to established and especially new artists as well as appreciative audiences.

The Apollo Theatre's greatest accomplishment was to bring music by black artists to the attention of the public and the record industry. The Apollo was a vehicle for artists who otherwise had limited access to the entertainment world. We are grateful to the Apollo for presenting people who were not allowed to appear elsewhere because of racial discrimination and for providing the necessary support for large numbers of talented black musicians, vocalists, comics, and dancers who brought us the best in popular entertainment. After the civil right laws eased segregation in the entertainment industry and black stars were welcomed in "downtown" theatres and nightclubs, the Apollo continued to provide them a special home as well as a showcase for newcomers.

The list of Apollo performers reads as a "Who's Who" in American music and as a lesson in American cultural history. The theatre was built in 1912, and by the 1930's, it became the foremost talent showcase for black entertainers. Blues greats Duke Ellington, Louis Armstrong, and Ethel Waters have graced its stage. During the 1940's, its big band talent included Count Basie, and Earl Hines. Out of this era emerged Miles Davis, Charlie Parker, Sarah Vaughan, and Billie Holiday, among others.

Be-bop and rhythm and blues dominated the Apollo's stage after World War II. It presented the sounds of Charlie Parker, Dizzy Gillespie, and Bud Powell. The 1950's brought rock and roll, and audiences were treated to the music of Bo Didley, the Drifters, and the Dominoes. The Temptations, Diana Ross, the Supremes, and Stevie Wonder were all a part of the Motown sound that was headlined by the Apollo in the 1960's.

The Apollo's famous amateur night was the stomping ground for talent agents and members of the entertainment business. In the 1970's the Jackson Five competed in Amateur Night. Ella Fitzgerald, James Brown, Dionne Warwick, and Stephanie Mills credit the Apollo with launching their careers. The Apollo offered hope to young people who dreamed of show business success. For many, those dreams were fulfilled.

In 1976, the Apollo closed its doors to live performances. This vital cultural resource went under when it was forced to compete with cultural facilities seating large audiences and sophisticated, inexpensive entertainment alternatives—television, radio, records and tapes.

Now, after a change in ownership the Apollo is reopening. The theatre building received landmark status in 1983, and has been refurbished. It is in a new and stronger financial position with support from local and Federal agencies and the private sector. On May 20th, the reopening is being publicly celebrated with a national television special.

It is heartening to see that the Apollo and its progeny are receiving such well-deserved attention and best wishes. I am confident that this theatre will continue to contribute to the cultural life of this Nation and continue to launch the careers of talented young people. All of New York City, indeed the entire nation, welcomes the rebirth of the Apollo.●

ARMS CONTROL AND NUCLEAR TESTING

HON. WM. S. BROOMFIELD

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 9, 1985

● Mr. BROOMFIELD. Mr. Speaker, the House Foreign Affairs Subcommittee on Arms Control, of which I am a member, has been considering legislation which would urge the ratification of the Threshold Test Ban Treaty [TTBT] and instruct the President to immediately propose negotiations on a comprehensive test ban [CTB]. In this regard, I commend to my colleagues the following statement by Don Kerr, director of Los Alamos National Laboratory, who testified before the subcommittee on May 8.

Mr. Chairman, Members of the Committee, I am Donald M. Kerr, Director of the Los Alamos National Laboratory. It is a pleasure to have the opportunity to discuss the issues of arms control and test limitations with you; I hope that what I say will assist in understanding this difficult and important subject. Our Laboratory is run by the University of California for the Department of Energy. We have a staff of 8,000 employees. The first nuclear and thermonuclear weapons were designed at Los Alamos. Over two-thirds of the nuclear weapons currently in the US stockpile were designed by our Laboratory. We know the tremendous destructive power of these weapons, and we have long hoped that the world's leaders would find ways to reach effective arms control agreements. We were the pioneers of technical means of verification, including the ground-based Vela detectors followed by the space based Vela. I also, however, bear the responsibility of personally signing certification documents that state that the weapons we design will work and that they have appropriate safety features. That responsibility weighs heavily.

For three decades, bans or limitations on testing of nuclear weapons have been one of the most frequently suggested and widely supported forms of nuclear arms control. Yet, testing restraints constitute a highly technical approach to arms control. And they have often been advocated as an alternative to political approaches and agreements when this avenue appeared to be closed by political controversy or concern over military-strategic problems.

At this moment of considerable concern about the future of arms control, many voices from within the United States and outside are encouraging the US Government to move ahead on restraining nuclear weapons testing—by ratifying the Threshold Test Ban Treaty (TTBT) and the Peaceful Nuclear Explosives Treaty (PNET), by reopening negotiations on a Comprehensive Test Ban (CTB), and perhaps even by moving boldly in advance of nuclear arms control negotiation with a unilateral moratorium on US nuclear weapon tests. H.J. Res. 3, which urges the President to submit the TTBT and PNET to the Senate for its advice and consent to ratification, and to propose to the Soviet Union the immediate resumption of negotiations on a CTB, appears to indicate congressional support for this approach. However, nuclear test bans and testing moratoria could have an adverse effect on US national security, and it is not certain that they can significantly advance the cause of nuclear arms control or be a substitute for direct reductions of nuclear weapons.

In the 1970s, the Threshold Test Ban Treaty and the Peaceful Nuclear Explosives Treaty were negotiated. The PNET included an extensive protocol on verification methods to assure compliance, negotiated with scientific input from both sides. This protocol has not entered into force since the treaty remains unratified. However, compliance with the PNET has not been questioned. On the other hand, Soviet compliance with the 150 kiloton (kt) limit on underground nuclear weapon tests specified in the TTBT has been hotly debated within the United States for some time. The United States has depended upon seismic measurements from remote stations to monitor Soviet compliance with the 150 kt limit. These measurements are sometimes ambiguous and have led to controversy about Soviet behavior under the TTBT.

REASONS FOR NUCLEAR TESTING

As long as we rely on nuclear weapons, we must test them. Our nuclear weapon test program is essential in designing, engineering, manufacturing, maintaining, and certifying weapons.

Certification

Certification is a guarantee from the nuclear weapons design laboratories that weapons will perform to specifications throughout their stockpile life, in peacetime as well as in war. Equally important, it is a promise that they will be safe and resistant to unauthorized attempts to use them by terrorists or others.

Nuclear research and development

Nuclear tests are essential for determining the proper functioning of nuclear explosives. Calculations do not suffice, and there is no way experimentally to simulate the

total performance of a nuclear weapon. Without testing, no new designs ought to be put into stockpile. In some cases, however, existing designs can be adopted for use in other delivery systems. We are concerned that, given real life pressures and fallible human nature, we might occasionally stockpile new designs or inadequately reasoned changes in old ones. Serious unreliability could result.

Of course, preventing the development of new generations of nuclear weapons—which are generally viewed as inherently more dangerous, destructive and destabilizing—is precisely what the proponents of testing limits have as their objective. However, testing has been and continues to be necessary for reducing the dangers and destructiveness of nuclear weapons. Indeed, testing is necessary for advancing our knowledge in desirable areas, without at the same time taking unreasonable risks. Nuclear testing allows us to make nuclear weapons safer, and to improve controls to prevent or deny unauthorized use. It allows us to improve design efficiency and to reduce the cost and special nuclear material requirements of warheads, as well as to design weapons to reduce collateral damage. And nuclear effects tests, primarily carried out by the Defense Nuclear Agency, contribute significantly to our ability to study the effects of nuclear weapons on our weapons systems, as well as on our command, communications, reconnaissance and other assets. This knowledge is essential for responding to the threat posed by Soviet offensive nuclear systems by, among other means, hardening our command, control, communications and intelligence (C^3I) capabilities. We increasingly rely on such capabilities to avoid war, to manage crises, to maintain the credibility of our deterrent and, in the event of war, to assure our defense.

Maintenance of the stockpile

Nuclear testing is essential for the maintenance of the stockpile. Nuclear weapons are affected significantly by aging and obsolescence; over an extended period the materials used in warheads deteriorate physically. Expected stockpile lifetimes for warheads are typically between 15 and 25 years, but some designs have required corrective measures much sooner. In the past, new weapons usually replaced those in the stockpile before the older weapons deteriorated. But without nuclear testing, the possible effects of physical deterioration would become increasingly important.

Maintenance of nuclear design capability

Not only is nuclear testing essential to the maintenance of the nuclear stockpile, but the US nuclear weapons laboratories have maintained for years that testing programs are essential in maintaining the nuclear weapons capability of the nation. Without an experimental testing program, which challenges our nuclear weapon designers and tests their designs, we would lose our best designers. Those remaining would not be able to demonstrate the validity of their theories. This was our experience during the test moratorium. In effect, over a period of years, we would expect the technical base of knowledge and experience required for developing and maintaining weapons to dissipate and disappear.

RATIFICATION OF TTBT

The TTBT, signed in 1974, establishes a nuclear "threshold" by prohibiting tests with a yield exceeding 150 kt. The US, as I have indicated, observes the 150 kt threshold scrupulously. Within this limit, the Laboratory is able to maintain the present stockpile and our nuclear design capability. Without testing over 150 kt, we can within limits undertake risk-free modifications of nuclear weapons to enhance safety, improve efficiency (yield-to-weight ratio), reduce cost, tailor effects to reduce collateral damage, and achieve other design improvements. As well, needed nuclear effects testing can be undertaken. The Laboratory can design, produce and certify new weapons with high confidence if they are 150 kt or less, or with lessening confidence if they are not larger than the threshold by approximately a factor of two (2) and if the design has been tested in the past at higher yields. The Laboratory will not be able to design and develop high-yield weapons based on designs that depart significantly from those of the past. Unless the US established new, high-yield weapons requirements, we can live with such restrictions on our own program. However, we are concerned about what the Soviets can do under the TTBT.

Soviet compliance

Under the TTBT, there is a serious potential for Soviet violations. Without knowledge of the procedures employed by the Soviets to develop and certify their weapons, and with the intrinsic uncertainties of the methodology we use to verify Soviet compliance with the Treaty, they could test at levels that might allow them to execute proof tests of the weapons believed to comprise the bulk of their stockpile or test new designs with even higher yields. Even if they conducted one or two high-yield tests every few years, it might be possible for them to develop totally new high-yield weapons. Thus, potential Soviet noncompliance with the provisions of the Treaty could create a serious asymmetry with military significance.

Verification of a TTBT

In the Protocol to the TTBT, the US and the USSR agreed:

For the Purpose of ensuring verification of compliance with the obligations of the Parties under the Treaty by national technical means, the Parties shall, on the basis of reciprocity, exchange the following date:

a. The geographic coordinates of the boundaries of each test site and of the boundaries of the geophysically distinct testing areas therein.

b. Information on the geology of the testing areas of the sites (the rock characteristics of geological formations and the basic physical properties of the rock, i.e., density, seismic velocity, water saturation, porosity and the depth of water table).

c. The geographic coordinates of underground nuclear weapon tests, after they have been conducted.

d. Yield, date, time, depth and coordinates for two nuclear weapon tests for calibration purposes from each geophysically distinct testing area where underground nuclear weapon tests have been and are to be conducted. In this connection the yield of such explosions for calibration purposes should be as near as possible to the limit defined in Article I of the Treaty and not less than one-tenth of that limit. In the case of testing areas where data are not available on two tests for calibration purposes, the data pertaining to one such test shall be exchanged, if available, and the data pertaining to the second test shall be exchanged as soon as possible after the second test having a yield in the above-mentioned range. The provisions of this Protocol shall not require the Parties to conduct tests solely for calibration purposes.

The parties agreed that these data (a, b, d) would be exchanged simultaneously with the exchange of instruments of ratification, and the data exchange provisions of the TTBT have not yet come into effect. Consequently, we do not know how valuable this geophysical data would be. But it is by no means certain, as some would have us believe, that the exchange of geophysical data upon ratification of the TTBT will reduce ambiguities about the size and site of Soviet tests, or that it will increase confidence in Soviet compliance with the provision of the TTBT. If we were certain that exchange of these data would effectively result in effective ratification, it would indeed be ironic and, I believe, insupportable to hold up verification of the TTBT on the grounds of inadequate provisions for vertification. However, any possible reduction of uncertainty that might result from data exchanges and calibration shots specified in the Protocol to the TTBT would depend, in part, on our confidence in the accuracy of the data provided by the Soviets and the value of the technical data themselves. The Treaty does not provide for confirmation of the data supplied. We would have to trust the Soviets on this vital matter to a far greater degree than we have in other areas.

It has on occasion been suggested in public that Los Alamos believes that the Soviets have violated the 150 kt limit, while Livermore disagrees. Los Alamos has analyzed the compliance issue statistically, using models believed to be consistent with official positions and actions. We concluded that the issue of Soviet compliance is unresolved and, with the methods of vertification that are presently available, unresolvable. In essence, the problem involves uncertainties in measurement (encompassing both the nature of statistical measurement and the amount and accuarcy of data available) and the difficulties of translating these uncertainties into high-confidence conclusions about compliance. To resolve this problem, at Los Alamos and elsewhere there are explorations of improved and new verification methodologies that have the potential for increasing confidence in our ability to determine Soviet compliance with the TTBT.

Would a CTB equally constrain the Soviets?

We cannot be certain that a CTB would equally constrain the Soviets. Since we do not know the specifics of Soviet nuclear weapon design, we are simply unable to say whether they would be affected by a CTB in the same manner and to the same extent that we are. It is by no means certain that a CTB would prevent the Soviets from developing a new generation of nuclear weapons, although that would assuredly be the effect of a total testing ban on the United States. More important, it has been recognized, even by proponents of a CTB, that in the long-term some degree of testing would be necessary to assure the credibility of the deterrent. This is true, and it is quite possible that the Soviet military nuclear technology base and most of their nuclear stockpile could be preserved and maintained indefinitely with tests of a few tens of kilotons in violation of a total testing ban.

Verification

Equally important, or perhaps more important in this context, are verification uncertainties. I cannot share the view of those who agree that an effective, verifiable CTB is within our grasp. Even with monitors on Soviet soil and on-site inspections, verification of a CTB would involve considerable

uncertainties. Verification concerns with a CTB involve a different range of yields than with a TTBT. In essence, the problem of verifying a CTB is detection of relatively small seismic events and the unequivocal identification of their source. As seismic magnitude decreases, the number of naturally occurring events during any period increase dramatically. Given this fundamental fact, under a CTB even greater verification difficulties would beset us than under a TTBT, especially if we were largely dependent upon remote teleseismic monitoring.

All experts agree that there is some lower limit below which nuclear tests in hard rock cannot be detected with remote seismic monitors; the usual figures cited are one, two, or at most a few kilotons. Proponents of a CTB argue that this is sufficient to assure compliance. But it is possible to disguise tests of relatively large nuclear weapons to make them appear (to remote monitors) relatively small or as something other than a nuclear test. By exploding a device inside a hollow underground cavity, for example, most of the energy from the explosion is not "coupled" into the earth and does not initiate seismic signals. Hiding explosions in earthquakes, or using shock-mitigating materials, may confuse the issue of decoupling even further. It is conceivable to conduct an extensive nuclear test program in this way, one that would go undetected by a network of remote teleseismic monitoring stations. Further, a CTB could require a much more extensive monitoring network than now exists, because we would have to protect against the possibility of a violator conducting tests clandestinely underwater, in the atmosphere, and in outer space, as well as underground.

It is also questionable whether a CTB would significantly improve the non-proliferation regime. Domestic advocates of a strong non-proliferation policy, along with non-nuclear-weapon states, frequently argue that the failure of the superpowers to end testing provides a stimulus for other states to build weapons. They call for a CTB and point out that in the preamble to the 1968 Nuclear Non-Proliferation Treaty the nuclear-weapon states recalled their determination to seek the cessation of all test explosions.

The real and known technical costs of a CTB, then, appear more compelling than anticipated political benefits. It is certain that we must continue to test if we intend as a nation to rely upon nuclear forces in our defense posture, as we expect to do for the foreseeable future. From the technical point of view as a laboratory Director, who has responsibilities for developing the nuclear weapons in which the U.S. relies for deterrence and defense and is required annually to sign a document certifying the performance of many of the nuclear weapons in our stockpile, I have difficulty foreseeing conditions coming into existence that would allow me to support a comprehensive testing ban. My judgment, the principle reasons behind which I have attempted to offer you today, reflects the accumulated experience of the weapons laboratories during and since the 1958-61 moratorium.●

SOVIET JEWRY

HON. CHRISTOPHER H. SMITH

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 2, 1985

● Mr. SMITH of New Jersey. Mr. Speaker, I thank the gentleman from New York, Mr. GILMAN, for hosting this special order on this crucial human rights issue: the plight of Soviet Jews. In addition, I would like to commend Mr. GILMAN for his leadership and sponsorship of House Resolution 127, a resolution expressing congressional support for Solidarity Sunday for Soviet Jewry. I am proud to be a cosponsor of this worthy piece of legislation.

Mr. Speaker on May 5, 1985, more than 100,000 people will gather outside the United Nations in New York City to reaffirm their unity with approximately 3 million Soviet Jews who have been striving to freely practice their religion and live in accordance with their own personal, cultural, and traditional values. Unfortunately, in the Soviet Union, Jews are finding it harder and harder to pursue any freedoms in the face of increasingly repressive behavior of the Soviet authorities. Solidarity Sunday for Soviet Jewry is an appropriate and effective way for the western world to bring this issue to the forefront, and demonstrate to the Soviet authorities that their harassment, abuse, and unconscionable persecution of Soviet Jews is unacceptable and cannot be tolerated.

Mr. Speaker, the situation in the Soviet Union has gone from bad to worse. Emigration levels are their lowest ever. We recall that 1984 was the most deplorable year since emigration began. Only 896 Jews were permitted to emigrate last year, down from over 51,000 in 1979. It is clear that anti-Semitism has become an inherent part of Soviet policy, with 22 Jewish prisoners of conscience, thousands confined to labor camps and millions forcibly threatened if practicing their faith openly. Through programs like Solidarity Sunday, we can voice our unity and our solidarity with those people who bravely endure systematic harassment because of their faith.

Mr. Speaker, I would like to take this opportunity to highlight one of the most recent and blatant examples of the anti-Semitic trend within the Soviet governing body.

In late July 1984, Soviet authorities began a major, sustained crackdown on Hebrew teachers. Since that time four well-known Hebrew teachers have been arrested and convicted on trumped-up charges. Similarly, six prominent Jewish cultural activists have been convicted on equally specious charges.

In addition to this wave of arrests, reports filtering back to the United States indicate that scores of Hebrew punishment. There are numerous reports of beatings, raids, job loss, interrogations, confiscation of religious articles and literature, and other forms of systematic harassment.

The U.S. State Department has been monitoring these disturbing developments with concern since the crackdown began in July 1984. There can be no doubt that the campaign has been consciously directed by Soviet authorities to discredit and destroy the revival of Jewish culture in the Soviet Union. The methods used—arrests, beatings, planting false evidence, and using the media to slander refuseniks—have created a renewed atmosphere of crisis in the Soviet Jewish community and heightened international concern about what may next lie in store for Soviet Jewry.

Mr. Speaker, the Soviet campaign against Hebrew teachers like all its other anti-Semitic programs, violates the commitments the U.S.S.R. has made to respect individual human rights. Their actions are not only contrary to the international laws defined in a series of Accords from the Universal Declaration of Human Rights through the Helsinki Final Act, but they also contradict Soviet internal standards as stated in articles 26 and 52 of the Soviet Constitution.

Mr. Speaker, it is fitting that on this occasion of the 14th anniversary of Solidarity Sunday, we recount the offensive human rights violations of the Soviet authorities and reaffirm our commitment to do everything possible to let them know that we, as a people, expect more from them. We demand, Mr. Speaker, that the Soviet authorities elevate themselves to a higher standard of conduct and adhere to their own vows to respect the fundamental human rights of Soviet Jews.

Through the mass participation in Solidarity Sunday, let our repressed Jewish family members and friends within the Soviet Union know that their plight and indeed their courage, is not and will not be forgotten.●

VETERANS' HEALTH CARE BUDGET CANNOT BE REDUCED FURTHER

HON. G.V. (SONNY) MONTGOMERY

OF MISSISSIPPI

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 9, 1985

● Mr. MONTGOMERY. Mr. Speaker, within the next few weeks, the House and Senate will be making major decisions on the budget for fiscal year 1986. Many Federal programs will be affected. The decisions we must make will not be easy. We all have different priorities.

A very high priority of mine is veterans' health care. I want my colleagues

to fully understand the impact of any budget reductions in funds to operate the VA's health care system. Who is better able to relate the problems in the field than the people in the field?

According to the chiefs of staff at VA hospitals nationwide who responded to a recent survey, inadequate budgets are already taking their toll. More cuts in the budget will mean longer waiting lists, the turning away of certain non-service-connected veterans, and delays in many surgical procedures.

There follows a report from the chief of staff at the VA Medical Center in Salt Lake City, UT:

VETERANS' ADMINISTRATION,
MEDICAL CENTER,
Salt Lake City, UT, December 26, 1984.

HOWARD GREEN, M.D.,
Chief of Staff (11), VA Medical Center, White River Junction, VT.

DEAR HOWARD: I am responding to our conversation last week with this letter which identifies problems that are specific to our own institution but generic to VA Medical Centers throughout the system.

1. We are facing A $1,000,000 deficit in FY 1985. What have we done to date and what is the impact of the same?

a. We maintain an employment lag of 7% of our authorized staffing (85 out of 1208 authorized FTEE). This results in slower patient care, low morale, lower patient satisfaction, and reduced patient confidence in the quality of care.

b. Reduction of accessibility to 30 high cost drugs has resulted in poorer patient care (e.g., poor control of pain in severe arthritis and use of some less effective, but cheaper antibiotics).

c. We backlog orthopedic surgery, ophthalmology and open heart surgery from 2-4 months. This is detrimental to those individuals with painful hips, knees, and to those who cannot see because of cataracts. Delay of surgery is potentially a lethal factor for those patients requiring open heart surgery.

d. We are restricting the follow-up visits of non service-connected patients to one visit with the exception of cancer, hemodialysis and total joint patients. This has the potential of poor care since complications could develop unnoticed.

e. As of January 1, 1985, we will proceed to control elective surgery in all fields, in spite of the fact that our operating load has increased 23% during the first quarter of FY 85 and had increased 15-18% in FY 84 over FY 83.

f. The acuity of our patients on surgery, medicine, psychiatry and neurology all have markedly increased in the past 18 months which is probably due to:

1. Aging population;

2. Reduction in Medicare/Medicaid payments. This has generated a new group of patients accessing the VA system (10% at minimum);

3. Impact of DRGs on non-federal hospitals has increased the number of patients being moved from non-federal to VA hospitals.

g. The cost of pharmacy, prosthetics, etc. all continue to rise at 15-30% annually.

h. We have initiated selective restriction of home oxygen to non service-connected patients.

i. We have maintained our seven bed Alcohol Detoxification Unit on an Acute Medical Ward instead of moving it to the Alcohol Rehabilitation Unit which has saved four nurses but has placed an additional load on acute medical nursing.

j. We have replaced two technician positions with outside drug company money. These technicians render some patient care and thereby save the hospital two positions.

k. We have reduced our inhalation therapy staffing, placing part of that responsibility on the nursing staff and we are also selectively ordering respiratory therapy treatments.

The rate of inflation in non-salary areas continues to average between 14-20% annually. Some high cost items such as pharmacy have increased 30% per year during the past three years. This station's recurring, non-salary budget for FY 85 is $14,470,581. Even a minimal 14% rate of inflation justifies an increased cost allowance of $2,025,881. We received only $535,787 for FY 85 target allowance or approximately 26% of what was actually needed to maintain our previous level of services. This underfunding precipitated a large cut in the level of employment which this Medical Center cannot sustain.

2. The delay in open heart surgery can have serious implications in patients who often are unstable or are rapidly becoming unstable. The delays in other surgeries are inconvenient to the patient and cause physical suffering (for patients needing joint replacement) and anguish (for older patients requiring cataract surgery).

The increasing lack of non-professional personnel (we have given precedence to protect persons delivering direct patient care) has created serious and increasing difficulties. To enumerate a few: Delays in pharmacy to fill prescriptions (Pharmacy understaffing); Delays in discharging patients (MAS understaffing); Delays in the support work necessary to maintain the functioning of the institution (2337s, Personnel Actions, reports, manuscript typing); Delays in procurement of supplies (Supply understaffing). These all reduce the effectiveness of the professional staff. Perhaps more important is the effect that is being seen in morale. VA people—nurses, physicians, non-professionals—are all as dedicated a group as exists, but their willingness to devote the extra time and energy over and above their prescribed tours of duty is being over taxed. Having been in several VA's and also closely affiliated with several other hospitals (non-federal), I can assure you of the markedly superior attitude of federal health care employees. I believe this attitude cannot be maintained in the face of the problems listed above.

3. What questions should we ask of COSs in our VA Medical Centers regarding similar problems. The following are some suggestions which I am sure can be expanded.

a. Size of hospital;

b. Affiliated (yes/no);

c. Projected dollar deficit as of January 1, 1985;

(1) Personnel Services;

(2) All Others;

d. Impact of dollar deficit;

(1) Personnel;

(2) Supplies;

(3) Equipment;

(4) Backlog of patient surgery (specific numbers, types and length of delay);

e. Solutions you have devised (please be as specific as possible).

In conclusion I say that "enough is enough." For the past five years we have been funded for increases in product cost at less than ⅓ the actual increase. Increased benefits to veterans have further added pressure to provide services from inadequate dollars. Additionally, new technology also has impacted our dollars. This adds up to the fact that we are no longer able to render the best of care to all eligible veterans.

Regards,

MARK W. WOLCOTT, M.D.,
Chief of Staff (11).●

MY PLEDGE TO AMERICA

HON. THOMAS R. CARPER

OF DELAWARE

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 9, 1985

● Mr. CARPER. Mr. Speaker, each year the Veterans of Foreign Wars of the United States and its Ladies Auxiliary conduct the Voice of Democracy scriptwriting contest. The contest theme this year was "My Pledge to America."

The winner of the Delaware competition this year was Beth Reister of Ocean View, DE. She is an 11th grade honor student at Indian River School in Frankford, DE.

Beth's essay concludes with a quote from Richard E. Byrd, "Democracy, backed by unity, and sweat, and sacrifice is the most potent idea in the history of mankind." In her essay, Beth recognizes the truth of this idea and pledges to work for our country—our democracy. I believe we all can benefit from her thoughts and actions.

MY PLEDGE TO AMERICA

The Greek philosopher Aristotle once said, "If liberty and equality, as is thought by some, are chiefly to be found in democracy, they will be best attained when all persons alike share in the government to the utmost."

These words, though spoken by Aristotle centuries ago, are interesting to note with reference to the more modern history of the British Empire. It was a lack of democracy, a lack of equal representation and sharing in the government, that led to the tension between England and the colonies.

After years of struggling from the powerful grip of England's tyranny, the colonies declared their independence and broke free of British control. The people of this new nation, known as the United States, were forced to establish a new government; a government that was just and fair.

The founders of America worked for many days devising a suitable plan of government. The high point of their meetings was reached with the formation of the Constitution of the United States. This single, great document epitomized America's thirst for freedom and liberty. It outlined the democratic ideals of participation and equality in government.

The new government, as stated in the Constitution, would become a system in which the supreme power would be vested in the people. It would be a system in which the government derived by holding periodic elections of both the President and members of Congress.

In order to preserve the democratic ideas of our forefathers, I pledge service to the American form of government. I will contin-

ue the support of our democracy by participation in local, state, and federal government.

I will vote, and persuade others to do so, for voting by all citizens enables us to ensure the principle of equal representation in our government.

As I've done this election year, I will continue to be politically active. By endorsing candidates, distributing pamphlets, and attending political party functions, I can motivate others to become active in our government and vote. This is perhaps the most important democratic ideal; that every person can participate and that every person has an equal share in government.

As a future leader, whether as a chairperson of a community organization, as a representative in my state legislature, or as a senator in the United States Congress, I will fight to uphold the democratic ideals, freedoms, and civil liberties granted in the Constitution.

In addition to my advocation of democratic constitutional principles, I pledge to protect and preserve our beautiful country for future generations. After all, one cannot respect the government of the United States if it fails to preserve the environment.

It is of great importance that we keep America's waters and air clean and free from pollution. Toxic and hazardous waste disposal areas should be limited and free from leakage. It is the responsibility of the federal government to see that pollutants are kept to a low minimum and to make sure that the natural resources of this country are not misued.

In order to attain this country's preservation, I will join national and community efforts to stop pollution and stop the exploitation of our land and water.

I will protest illegal dumping by writing to my representative and my senator. I will demand that the Environmental Protection Agency raise its standards and create regulations concerning pollution control. I'll suggest that companies that do not comply with the new regulations be penalized heavily.

It took millions of years for the rivers, lakes, mountains, and wilderness of this country to evolve. Within the last 100 years, however, pollutants have destroyed many of these beautiful areas. This statement seems paradoxical, for a nation whose government endorses equality, freedom, and liberty should be more humane and more caring for the environment.

In conclusion, a quote from Richard E. Byrd, "Democracy, backed by unity, and sweat, and sacrifice, is the most potent idea in the history of mankind".

Because of my love and respect for America, for the country itself, and for its fair government, I am ready to unite, to sweat, and even to sacrifice for the principles of democracy, and the preservation of our resources; in essence, the betterment of the United States as a whole.●

GRADY COLUMNS ON EL SALVADOR AND HONDURAS

HON. BOB EDGAR

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 9, 1985

● Mr. EDGAR. Mr. Speaker, during the past 2 days, I have shared with my colleagues reflections on Nicaragua written by Sandy Grady, reporter for the Philadelphia Daily News. Sandy was part of the delegation I led to El Salvador and Nicaragua during the April recess.

Sandy's fourth article, reprinted here, describes well the atmosphere of fear which pervades El Salvador. The final article in Sandy's series focuses on Honduras, which Sandy visited after he left my delegation. It also recapitulates Sandy's feelings about the entire trip. These pieces reinforce the point that the view of Central America on the ground is different from the view from the United States. I do encourage my colleagues to visit Central America to find out for themselves. But, in the meantime, I recommend a short tour of Central America through Sandy Grady's eyes. The articles follow:

[From the Philadelphia Daily News, Apr. 25, 1985]

SALVADOR: ARMED AND IN DANGER

SAN SALVADOR, EL SALVADOR.—You know you're in Paranola Country when you're met at the airport by a van with bullet-proof windows and a guy in the front right seat cradling a sawed-off shotgun.

On the 60-mph ride into San Salvador, Senor Shotgun's eyes flicker across the ditches and shrubs.

"Guerrillas hit and burned a truck here last week," he says at one crossroad.

This is a country in which three things dominate: guns, guns and guns. This is the National Rifle Association's dream society. Everybody packs heat, or hires body-guards to do it. I don't know where El Salvador is headed—but it's going there fully armed.

Put it this way: At the Camino Real hotel, on the sixth floor, where two U.S. congressmen were staying, three young men in T-shirts sat all night on the hallway floor. They had .45s and eyed everyone who got off an elevator.

"We have to protect our guests," said a hotel manager.

Another scene: A family browses through a supermarket. Mama, papa and 13-year-old son are all carrying weapons.

You're in a country the size of New Jersey that has lost 50,000 people in a civil war. I noticed that in San Salvador's only shopping mall, ironically the biggest stores sell kid's toys—and cemetery lots.

Sure, there is a veneer of prosperity here. Joggers in running shoes thump up the streets. There are McDonald's golden arches. But gunships roar overhead. And people nervously eye the four-wheel-drive Cherokee Chiefs with darkened windows, the vehicle of choice for death squads.

The U.S. Embassy line is that things are "working out" in El Salvador. There aren't as many corpses each week. The U.S.-trained army is getting slicker. And Jose Duarte, our man in the President's House, won a surprisingly big mid-April election.

But the mood I detected was of grim resignation toward the war, and a pervasive fear that hangs in the air like gray smog. Nobody trusts nobody—right, left or center. A U.S. newsman finds Salvadorans back away, a furtive look in their eyes, when asked if they can be quoted by name.

"Don't even print the name of my university,"says a professor after giving an analysis of the country. "They'll track me down."

"The best jobs here," half-jokes a bearded young San Salvadoran, "are bodyguard and informant."

I wasn't convinced El Salvador's scary Wild West shoot-'em-up was real until the lights went out in the middle of a session with President Duarte—and everyone suspected a guerrilla attack.

This was upstairs at the *Casa Presidencial*, a sort of Central American version of Tara, with flowers in the courtyard and huge paintings of El Salvador's historic moments.

Jose Napolean Duarte, a stocky 58-year-old in a blue blazer and red tie, was doing a monologue for four U.S. congressmen. Duarte is a political animal with a bullish energy. He was bouncing in his chair, talking in slow rumbling English, chopping the air with his left hand.

You notice the hand because two middle fingers are missing, a symbol of Duarte's resistance against the junta in the early 1970s.

Duarte's gabbing away about the mandate his Christian Democrats won, backed up by the military. For the first time in a 25-year career, Duarte has solid clout. He talks of judicial reform, of land reform, of making peace with the rebels—always sliding away from real promises.

"I'm ready for sincere dialogue," says Duarte imperiously, "but I will not listen to them [the guerrillas] harangue me."

Suddenly the chandeliers go dark. The air conditioner groans to a stop. Swiftly, Duarte aides throw open windows. The president keeps talking in the semi-twilight.

"Damn guerrillas," whispers a Duarte aide. "Probably shot up a transformer."

So now we're sitting in the dark *Casa Presidencial*. And Duarte is on an impassioned roll. The subject that steams him up is guns, of course. He's raving about the two C-47 gunships the United States has provided—versions of "Puff the Magic Dragon" planes used in Vietnam, with special night sights and machine guns that can rattle 1,500 rounds a minute.

When guerrillas attacked TV towers atop a volcanic peak overlooking San Salvador last month, Duarte strolled out to this tennis court to watch the C-47 do its stuff.

We would have lost 90 soldiers in the attack if not for the gunship," says Duarte. "It can fight in the middle of the night, so our troops can take over at daylight. The gunships will destroy the initiative of the rebels."

The congressman listen stonily. They know Duarte is pitching for six more of the C-47 gunships—controversial because they're dangerous to civilians. Duarte already has four rapid-fire Hughes 500 helicopters coming from the United States. He also has a fleet of 39 U.S. transport choppers, plus nine A-37 Dragonfly jets with bomb racks. A nice little air force.

Politicians like Duarte talk of democracy. But in El Salvador, it always comes down to guns.

The next day, I was in a refugee camp named Domus Mareae. This was eight miles from the President's House. But another world—corrugated tins roofs, dirt floors, 560 people packed behind wire fence, plenty of flies, chickens and children.

They talked here also of the C-47s. They were not so enthused as Duarte. Peasant women who had fled the war zone called the plan *Los Despacitoz*—The Slow One.

"Every night they drop flares, then the Slow One starts firing," said a woman, 26, with four kids hanging to her. "We were in San Vicente province. The mortars, the big

plane, the army sweeps—if we don't get away, we'll be killed. We walked here in eight days."

A dozen women sat in the stifling hut and told similar stories. A blind father killed in aerial bombardment. A daughter imprisoned as a rebel. A husband blindfolded and pushed screaming off a cliff by soldiers. The refugees seemed more terrified by the army and its planes than by the FMLN (Farabundi Marti Liberation Front).

"We're seeing a lot of trauma and civilian deaths from aerial machine-gun fire," said a U.S.-born woman psychiatrist, who wanted to be anonymous. "People working with the peasants see the C-47s as instruments of terror."

Nonsense, says Thomas Pickering, the U.S. ambassador here before his transfer to Israel. The rangy, fast-talking Pickering was in the basement of the U.S. Embassy—probably the most expensive bunker in Central America, surrounded by soldiers behind sandbags, metal windows, concertina wire and a rocket screen.

"I'm guardedly optimistic," said Pickering. "Duarte tells me the guerrillas are demoralized. The El Salvador military is much better now. It can fight at night in small, mobile units. I think we can make 80 percent of the country secure. The horrors of 1980 to '82, the disappearances and killings of civilians by both sides, are over. I think we're turning the corner."

But other diplomats, encountered at a poolside party at Pickering's home, were far less cheerful.

"The U.S. will have to prop up this country for a long time," said embassy official David Passage. "Those 10,000 boys in the hills [the guerrillas] aren't going away quickly."

El Salvador has a high level of weirdness. Duarte seems isolated, alone in his palace. The cities are full of noise, glittery junk and poverty. Tough-looking mugs with Uzi machine guns were everywhere. The tabloid El Prenza headlines, SUBVERSIVOS MASSACRAN 20 CIVILES."

Ho-hum, 20 more deaths. It was like a baseball score.

In El Salvador, it always comes down to guns.

HONDURAS: THE U.S. ARSENAL

TEGUCIGALPA, HONDURAS.—"Welcome to the USS Honduras," says a U.S. Special Forces captain drinking beer in the dark Holiday Inn cocktail lounge.

That's the standing joke about this hot, sparsely populated country—that it's the only U.S. aircraft carrier propelled by bananas.

Such Yankee humor makes sensitive Hondurans bristle.

But the U.S. jets roaring over narrow streets, the out-of-uniform Green Berets playing roulette in the local casino, the U.S. air fields and contra camps a few hours away, the M-60 tanks on maneuver—they stamp Honduras as the U.S. arsenal for any future Central American war.

If House Speaker Tip O'Neill was right when he grumbled to President Reagan, "You're not going to be satisfied until you go into Nicaragua," this will be the launching pad.

I doubt if even the Sandinista leaders who prattle constantly about a U.S. invasion think it's a likely event. They're sophisticated enough to know that Reagan would need a dramatic excuse, such as a Soviet military base. And they're careful students of U.S. opinion polls.

"An invasion with U.S. troops would be a double tragedy," said U.S. Ambassador Harry Bergold over drinks at his Managua home. "It would devastate Nicaragua. And public opinion in the U.S. would go sky-high against it."

But if tempers suddenly flared—they did in Washington last year amid rumors of Soviet MIGs in Nicaragua—the U.S. military buildup in Honduras would be a powerful right hook waiting to be thrown.

"If somebody dials 911 [a police call] that is where the phone will ring," said a Green Beret Officer.

You only have to spend a couple of days here to sense that Honduras is a nervous host to what amounts to a massive Yankee SWAT team.

Sixty miles north in a deserted valley is Palmerola air base, where U.S. pilots take off each night in OV-1 Mohawks. They run surveillance flights over El Salvador, checking guerrilla movements with infrared scopes.

Eight miles south on a dusty plain, M-60 tanks and M113 personnel carriers rumble. Off the Atlantic Coast, Marines and paratroopers have been practicing an amphibious landing. All together, there have been about 10,000 U.S. troops maneuvering in jungle warfare here in April.

That doesn't count the 1,000 U.S. Special Forces, military advisers, CIA agents and air personnel operating here. Or the eight U.S. airstrips, four base camps and two radar sites.

"We're well aware of the message Reagan is sending us," Sandinista commandante Dora Tellez said.

If Honduran politicians and generals get jittery, they're assured this hardware is for their protection. As Gen. Paul Gorman, then head of the U.S. Southern command, told them last year: "You can stick with us or go with the Cubans."

Even the stunning defeat given Reagan in the U.S. House on $14-million military aid for the contras operating out of Honduras base camps will probably have no quick effect. By all reports, the 15,000 anti-Sandinista rebels plan to keep operating on private U.S. money.

"We take the president at this word when he says he won't walk away from the contras and they'll somehow be funded," said a man in the U.S. Embassy here.

I stopped in Honduras after a weeklong tour through El Salvador and Nicaragua, talking to a spectrum of people in those war-torn countries with a group that included Rep. Bob Edgar, D-Pa., and Rep. Ted Weiss, D-N.Y.

You don't come away from such a trip singing "Yankee Doodle Dandy"—or rosily confident that a U.S. policy built on gunships and military pressure will ever work in Central America.

It looks different from here. The Washington stereotype—that this is a Soviet vs. U.S. superpower showdown, that keeping the Russkies out of the region is the only goal—breaks down when you see the region's poverty.

Gunships, troops and anti-Red rhetoric won't change that. You wonder if anyone in the Reagan administration has a feel for the history, the hungers of the *campesinos* in the tin-roofed shacks. The Kissinger Commission's suggestion of putting $8 billion over five years into Central America has been flatly ignored.

So what happens next? More of the same, more guns, more poverty?

Curiously, I came away mildly optimistic about Nicaragua. Yes, Daniel Ortega & Co. walk and talk like homemade Marxists. Yes, they're fast consolidating everything under the red-and-black Sandinista flag. Yes, there's tons of Soviet military stuff around. Yes, their economy's going to hell.

"I'm shocked how fast the country's gone downhill in six months," Dr. John Chilton, a U.S. sugar expert who's made 44 trips into Nicaragua over 20 years, told me. "Poor crops, people being killed in the war, farm trucks out of parts. They're headed for a blowup in two years."

Maybe. But there was a mood of hope in Nicaragua you didn't feel elsewhere. Whatever they are—Marxists, Christians, nationalists, who knows?—the Sandinistas are indisputably doing something for the people's health, literacy and pride.

The question is whether the Reagan honchos will be shrewd enough to use diplomacy, pressure and U.S. aid to keep Nicaragua nonaligned. Beats war. And it's not too late.

El Salvador, where the embassy line is that democracy is working, that the U.S. is "back in control," left me queasily pessimistic.

Yes, thanks to C-47 gunships, Huey choppers and U.S. trainers, the El Salvadoran army is quicker and meaner. But civilians are still dying. The guerrillas are more vicious. President Jose Duarte is still the army's figurehead. Army brutality goes unpunished. The country's population is exploding. El Salvador felt like an armed state. Many guns, much fear.

The most impressive man I met in San Salvador was a young professor who keeps records on his country, which he obviously loves. He spent an hour brilliantly analyzing El Salvador's politics and economy. Because of possible retribution, he wouldn't let me use his name, even his university's name.

The last question was: "Where's this country going to be in 10 years?"

Long silence. Then he spoke slowly.

"The war will be going on, with neither side winning. The economy will still be going down. And we will still be dependent on the United States, probably for all my life."

When he stopped, he was near tears.

In Washington, the men behind the Central America desks talk of more gunships, of free-fire zones, of winning hearts and minds, of the Red menace. Sounds familiar.

It looks different from here.●

HAWAII VFW WINNING ESSAY

HON. CECIL (CEC) HEFTEL

OF HAWAII

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 9, 1985

● Mr. HEFTEL of Hawaii. Mr. Speaker, the Veterans of Foreign Wars of the United States and its Ladies Auxiliary conduct the Voice of Democracy scriptwriting contest each year. This year more than 300,000 secondary school students throughout the Nation participated in the contest. The contest theme was "My Pledge To America." I am pleased to submit Hawaii's winning essay written by Craig Okamura.

My Pledge to America cannot be described by one idea alone, because it is more than one thing that I contribute to my country.

Like any other citizen of a country, I am loyal to it and I shall help to defend it in time of war. I'm proud to be a citizen of the United States and show this by celebrating Independence Day (July 4), the day America became independent and free.

I also go to school to acquire knowledge of various subjects so that later on in life I can get a job to support myself and my family. Obtaining a good education may also help me apply what I've learned in school, to my career choice. I wish to pursue a career in engineering. This way, I can help design machinery which may benefit the people of the United States in some way. I could invent some kind of new transportation which won't use up the natural resources we have, or maybe invent some new type of air conditioner which could give you the climate that you want from anywhere in the world.

When I become 18 years old, I will vote for the people who I feel should be in office running our country. This way, I know my voice is being heard when I vote for the people who I think should be the leaders of my country. In the United States, my vote counts!

I support my country whenever I pay the tax on the goods and services that I purchase. I really don't mind paying these taxes because I know these taxes are used to help provide essential services for the people. At least these taxes aren't as bad as the ones the British placed upon the Americans in the 1700's.

I also place my faith in America when things are bad, like the time when Americans were held hostage in Iran. I kept on hoping that they would be released and safely returned home, and they were after their long stay in the Iranian prisons.

I'm patriotic to my country, too. I have an American Flag which I display in my room on the Fourth of July and I stand when our country's National Anthem is being played. I know what these symbols represent. When I watch the Olympics, no matter how terrific the other countries may be, I always feel a sense of pride when our athletes perform.

There is one last thing that I contribute to my country. And this is probably the greatest thing that I have to give to America. That's my love. I love this great country for all the opportunities and protection that it has to offer me. In this land, anyone's "American Dream" can be achieved if you try hard enough to get it, no matter what color, race, or sex you may happen to be. It is a land of freedom, where whatever I wish to do or become is my choice, and I may pursue it. It is a land where I receive a fair trial when accused of a crime of any nature. It is a land where my basic human rights are protected by the first ten amendments to the Constitution.

Our democratic society is preferable to all other forms of governments. It requires the participation of all its citizens. Therefore, my pledge to America is to do my part in keeping her strong, prosperous, and free!●

COMMUNITY COLLEGES: A TRAINING GROUND FOR THE NEW TECHNOLOGY

HON. DOUG WALGREN

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 9, 1985

● Mr. WALGREN. Mr. Speaker, the high technology revolution in the workplace can mean new jobs; It can also mean lost jobs. Technology can offer great promise; it can also bring great pain. We must try to make sure we have the training resources workers need to adapt to the new technologies.

On May 2, I introduced H.R. 2353, the National Advanced Technician Training Act [NATTA], to establish a program in community and technical colleges for training young people and adults in advanced technology fields. This bill can draw on the unique resources of the Nation's community college network—the largest, most flexible arm of higher education with strong ties to local employers.

THE WORKPLACE OF THE FUTURE

Employment in high technology areas is expected to increase more than 100 percent by 1990—more than four times the employment growth rate in all other kinds of occupations. Some have said that today's technological transition is comparable to the industrial revolution. Pat Choate, in "Retooling the American Work Force," has observed:

> The speed and force of * * * change will be awesome * * *. Consequently, millions of jobs and workers will become obsolete * * *. In this decade virtually all of the nation's workers will need to be retrained or have their skills sharpened.

Some projections: Data processing jobs will grow by 148 percent, programming jobs will jump by 74 percent; computer analysts will increase by 108 percent. By 1990, almost half of American workers will use technical equipment daily.

What does all this mean? In some cases, it means new jobs. In some cases, it means "old" jobs eliminated. In some cases, it means jobs take a new form. In almost all cases, it means that workers will have to learn new skills and knowledge. Most of these workers are now in the work force.

The National Advanced Technician Training Act attempts to adjust to this job revolution by creating a matching grant program in the National Science Foundation to help community colleges develop model programs to train and retrain workers of all ages; $20 million would be authorized for the first year; each grant would be matched by non-Federal funds, such as local government or private industry. In my own home area, Allegheny County government has contributed $1 million to our local community college to a program for displaced workers. Funds would be used to develop programs and courses, train faculty, organize cooperative training programs with local industry, and purchase necessary equipment.

The bill would direct NSF to consider several important criteria in awarding grants: people in need of retraining or upgrading to retain their jobs; workers dislocated by plant closings and technological change; working people and parents who need flexible scheduling; young people just out of high school; high school dropouts; and handicapped people with special needs.

WHY COMMUNITY COLLEGES?

Community colleges are the ideal places for retraining. They can offer low-cost programs with flexible scheduling. This is particularly important to adults with jobs and families—almost 50 percent of present community college students are noncollege age. Community colleges can design programs with local industry—often on-the-job training—specifically designed to meet local industry's needs. They can attract faculty from industry, people to teach part time in a field related to their work.

The community college is an especially good training ground for displaced workers, people whose jobs are eliminated because of a plant shutdown, retooling with new equipment, or changes in the economy. From 1979 to 1984, 5.1 million jobs were lost in the United States. By 1984, 25 percent of those unemployed were still looking for jobs. In areas like mine, we are still wading through the aftermath of the recession. Steel industry employment has been cut in half. Studies of automation in the workplace tell us that technological innovations in manufacturing industries will exacerbate unemployment in the Northeast, where manufacturing industries like metalworking are concentrated.

STAYING COMPETITIVE

We are awash with studies and headlines decrying the decline of our industries and products in the international marketplace and the fact that many of our products are not competitive with those from Japan or other Third World producers. We are told that Japan's steel mills produce an average of 700 to 1,000 tons per year per employee, twice the rate of American steelworkers in traditional American plants. The hope of many of our industries is modernization, technological and process innovations to put our products back in competition with those from other countries. This country's trade deficit has reached unprecedented levels, almost $130 billion this year. Without a skilled technical work force, we will never catch up. This bill could be a good start.

The Red Queen in "Alice in Wonderland," gives us guidance: "* * * it takes all the running you can do to keep in the same place. If you want to get somewhere else, you must run at least twice as fast as that." We had better get moving.

I hope my colleagues will lend their support to this bill to make a major effort in technician training through community colleges and trade schools.●

U.S. SMALL BUSINESS WEEK, 1985

HON. MAJOR R. OWENS

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 7, 1985

● Mr. OWENS. Mr. Speaker, today we note the contributions of small businesses to our society and to our economy. In 1983, small businesses employed one-half of the private sector work force and created two out of three new jobs. In the same year, 38 percent of the gross national product was generated by small businesses.

In addition to the economic impact, small businesses generate at least half of all major innovations. This creativity contributes much to our society. It also helps in keeping America competitive in a fast-paced technologic world.

Small businesses, which give so much to the society, need our support. The creation of the Small Business Administration in 1953 provided the means by which small businesses could begin and be supported through loans—direct, participant, and guaranteed—development aid, aid to small and minority business investment companies, management counseling, assistance in obtaining Government contracts, revolving lines of credit and surety bond guarantees. Unfortunately, the work of the Small Business Administration has been curtailed as a result of the spending cuts for domestic programs included in the Omnibus Reconciliation Act of 1981. The act reduced the direct lending and the guaranteed loan program. Direct loans which were made, were made at higher interest rates.

Small businesses will continue to need our support. That support has resulted in jobs and in the development of products which are essential in trying to keep up with other nations in the world marketplace. If the deficit continues to eat up capital, they will need our support in order to compete with large established businesses for capital. This is particularly true for newly established businesses. It would be poor public policy if we were to shut out new businesses now. We have just begun to see more significant participation by minority and women's businesses in our economy. This trend has provided opportunities and jobs in many of our communities which have been hardest hit by unemployment.

I appreciate this opportunity to commend the entrepreneurs who have risked so much and worked so hard to start their own businesses. They deserve our support.●

WE'RE RUNNING OUT OF OIL FASTER THAN PREDICTED; THIS IS NO TIME TO LOWER AUTO EFFICIENCY STANDARDS

HON. FORTNEY H. (PETE) STARK

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 9, 1985

● Mr. STARK. Mr. Speaker, everyone knows there is a finite amount of liquid petroleum. Or to put it more bluntly: We're running out of gas.

This morning's news is that we're running out of gas faster than we thought.

The Department of Interior now estimates that there is 55 percent less oil and 44 percent less gas in our offshore waters than was estimated just 4 years ago. The estimates of resources off the Alaskan coast were cut by a crushing 70-plus percent.

The Office of Technology Assessment reported yesterday that "oil imports, which have declined in recent years, are expected to gradually increase and may again reach the high levels of the 1970's" which "would make the country more vulnerable to supply interruptions and would increase the trade deficit."

I mention all of this as more evidence why the administration should reject requests by Ford and GM to lower the fuel mileage efficiency standards on new car fleets from 27.5 mpg to 26 mpg. Those two companies—despite nearly a decade of warning—have been unable to reach the 1985 standard of 27.5 mpg. Chrysler has made the standard. So, rather than pay a fine of hundreds of millions, they want the standard lowered.

Lowering the standard will be a ripoff of consumers—but it will be a future disaster for the Nation. It will increase our future oil consumption by millions of barrels per year—hastening the day when we reach another oil crisis, soaring prices and gasoline lines for everyone.

I urge Members to cosponsor my bill setting a 27.5 mpg minimum standard and removing the administration's authority to lower the standard.

Let's think about the morning energy news and say no to weakening energy efficiency standards.●

FED GOVERNOR WORRIED ABOUT THE EFFECT ON POOR OF RECENT BANK MOVES

HON. MARY ROSE OAKAR

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 9, 1985

● Ms. OAKAR. Mr. Speaker, in today's dynamic and deregulated financial marketplace, many low-income working Americans, senior citizens, and young people can lose access to basic banking services through a regressive fee structure imposed by banks and other depository institutions.

Recently, I introduced the Financial Services Access Act—H.R. 2011—to direct banks and other federally insured depository institutions to offer new accounts to meet the basic banking needs of lower income consumers.

On May 7, the American Banker publication printed an article entitled: "Fed Governor Worried About Effect on Poor of Recent Bank Moves." I commend to my colleagues' attention the thoughtful words of warning by Emmett J. Rice, Federal Reserve Board Governor, and ask that the article be printed in its entirety.

FED GOVERNOR WORRIED ABOUT EFFECT ON POOR OF RECENT BANK MOVES

(By David Ahearn)

WASHINGTON.—It is time for close scrutiny of "the possible adverse effects on low- and moderate-income individuals of some of the changes taking place in our financial system," Emmett J. Rice, a Federal Reserve Board governor, said last week.

Such individuals, including young and old Americans, have been harmed by bank branch closings, moves by banking institutions to serve "upscale" instead of low-balance customers, higher fees and reduced services at many banks, and other banking developments, Mr. Rice told a Banking Law Institute conference.

Fed studies show that bank fees rose two to four times as fast as the cost of living from 1980 to 1983, he said, and "there is some evidence that certain groups may not be using the banking system as much as they once did.

"The number of younger people with checking accounts went down significantly from 73% to 63% between 1977 and 1983—perhaps at least partially because of these increased fees," he said.

The studies also show that the lowest-income individuals surveyed dropped from 56% having checking accounts to 44%. Young families with neither a checking nor savings account doubled, from 11% to 22% of those surveyed. Those who have no account may never be able to obtain credit, he said.

While some technological advances may provide new services to replace lost traditional services—such as banking through home computers replacing the loss of bank branches—Mr. Rice questioned whether low- and moderate-income individuals will be able to take advantage of such innovations. Many might not be able to afford home computers, or might not be sufficiently literate to use them, he said.

He also criticized other recent innovations in the banking industry.

"We must continue to give careful attention to issues such as the propriety of banks and others using loopholes in our banking laws and the efforts of the agencies or the Congress to close these loopholes, as well as the wisdom of granting new powers and allowing full interstate banking," he said.●

SAM J. ERVIN, JR.—A GIANT HAS FALLEN

HON. JAMES T. BROYHILL

OF NORTH CAROLINA

IN THE HOUSE OF REPRESENTATIVES

Monday, May 6, 1985

● Mr. BROYHILL. Mr. Speaker, in further tribute to Senator Sam J. Ervin, I would like to submit the statements of two former colleagues of mine, Mr. Basil L. Whitener and Mr. Hugh Q. Alexander.

SAM J. ERVIN, JR.—A GIANT HAS FALLEN

(By Basil L. Whitener, Former Member of Congress)

Sam J. Ervin, Jr., an unrelenting champion of the great constitutional principles on which our democracy is forged, has gone to his Eternal Home. Those of us who have been privileged to know and serve with him are particularly saddened by his passing and are mindful of the void which his death has created among us.

Throughout his very fine and distinguished service in the military during World War I (for which he received the Silver Star and numerous other honors), and as a lawyer, legislator, superior court judge, Member of Congress, justice of the North Carolina Supreme Court, and United States Senator, Ervin displayed the attributes of character, ability, integrity, and devotion to State and Nation which mark a great patriot.

As a private citizen, Ervin was a truly devoted son to his distinguished parents and a fiercely loyal husband and father to his wife and children. His characteristic modesty and humor have also contributed to the legend of the man, and that legend will assuredly continue to grow in the generations to come.

I would like to express my sentiments of highest esteem for Senator Ervin and the legacy which we, as North Carolinians and Americans, have received from him—the duty and honor of preserving the Constitution and our American way of government, to which he devoted his life.

Mrs. Whitener joins me in extending our sympathy to Mrs. Margaret Ervin and to the Senator's children and grandchildren in the very great loss which they feel so keenly and which is certainly shared by our State and Nation.

TRIBUTE TO SENATOR SAM J. ERVIN, JR.

(By Hugh Q. Alexander)

It was a great honor for me to serve in the Congress of the United States with Senator Sam J. Ervin, Jr. The opportunity to learn from a man of such great wisdom and intellect was a special privilege for which I shall always be grateful. His famous stories and humorous illustrations brought forth not only laughter but also a lesson to ponder.

Senator Ervin was a hero to millions of Americans because he exemplified those qualities which characterize the ideals of democracy. Throughout his long, distinguished career, he demonstrated the highest degree of honor, integrity, and the golden rule.

In both his public and personal life, Senator Ervin lived by a creed which placed duty and service before self. His devotion to God and country, his love of family, his sense of time and place, and his warm, caring personality all combined to set this great and good man apart as an example for all mankind.

One of life's richest experiences for my wife, Myrtle, and me has been the personal friendship of "Senator Sam" and his lovely and gracious wife, "Miss Margaret". In 1973, our son, Stephen, was critically injured in a highway accident while on his way from Alexandria, Virginia, to the University of North Carolina at Chapel Hill. Stephen was in the Fairfax Hospital for many months, and the medical bills were enormous. One day, Senator Ervin stopped by my office on Capitol Hill and said that he had come to inquire about Stephen and my wife, who was spending most of her time at the hospital. "Hugh", he continued, "I am not a wealthy man, but I want you to know this: if you have any financial difficulty because of this unfortunate tragedy, please let me know. If I don't have enough money, I'll see that you get it."

This was Senator Sam J. Ervin, Jr., a man who "walked with kings but never lost the common touch"—a truly great American hero.●

ANTI-SANDINISTA PRESS CONDEMNS U.S. EMBARGO

HON. GEORGE MILLER

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 9, 1985

● Mr. MILLER of California. Mr. Speaker, after failing to win the support of Congress for its covert war against Nicaragua, the Reagan administration has moved unilaterally to punish the Sandinista regime.

In imposing trade sanctions against Nicaragua, President Reagan is once again demonstrating his lack of a policy. A policy requires thinking through the likely consequences of one's actions. President Reagan's embargo is going to hurt the private sector in Nicaragua, one of the very groups U.S. policymakers say we should be supporting.

Private sector leaders in Managua oppose the embargo, and feel caught in the middle of President Reagan's economic war on Nicaragua.

Most of Nicaragua's principal exports are agricultural products. Of the principal crops, private producers account for the bulk of production. According to private sector leaders, 70–80 percent of the cotton is produced privately, 80 percent of the coffee, 70 percent of the cattle, and 50 percent of the sugar.

According to the private sector, 60 percent of manufacturing production is still in private hands.

President Reagan's embargo against Nicaragua strikes its biggest blow against private producers, who are dumbfounded as to why our country has done this to them.

I call your attention to the following critical editorial from La Prensa, Nicaragua's opposition paper which is stridently anti-Sandinista:

[FROM LA PRENSA, MAY 2, 1985]

The breaking of the nonalignment commitment, the surrender of Nicaraguan's international policy to the interests and expediencies of the Russian-Cuban-Communist bloc, and to top it off President Ortega's trip to Russia after the Congressional blow to Reagan, have placed us, as we had foreseen editorially, in an extremely serious situation of an economic war for which there would have been no motive if we had an honorable but prudent, revolutionary but democratic government.

We denounce the position of the Sandinista government as "irresponsible and imprudent," as the vice-chairman of the Social Christian Party termed it. But we feel that President Reagan's response is an unjust response, because an economic embargo has equally harmful effects on all the people. The defense of democracy can not be carried out with indiscriminate measures that would bring discredit to the very cause that they seek/claim/to defend.

The great majority of Nicaraguans in the interior of the Republic resist the diverting of the revolution and the totalitarian inclination of the government: but that majority would be the one punished by the embargo.[1] And the risk would be run of repeating the result of the economic embargo in recent world history: the sacrifice of the sacrificed and the consolidation of the sacrificers.●

POLISH CONSTITUTION DAY

HON. DENNIS M. HERTEL

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 8, 1985

● Mr. HERTEL of Michigan. Mr. Speaker, I rise to recognize the celebration of Polish Constitution Day. On May 3, 1791, Poland declared herself a free and sovereign state. However, this declaration arrived too late, as it could not prevent the third partition of Poland in 1795 by Russia, Prussia, and Austria. Even though the May 3d Constitution never achieved its designed intentions, it is still considered one of the great events in Polish history. Poland experienced other invasions and partitions which prevented the development of her democratic ideals. These many setbacks did not destroy the spirit of the people of Poland. Poles everywhere dream of a united and free Poland which will reflect the philosophies and ideals of her citizens.

Poles have experienced the joys of democracy and the perils of Soviet rule; and by celebrating Polish Constitution Day, a clear message is sent by Polish people of their commitment and desire for basic human rights. As a nation, Poland has long been remembered for her progressive ideas relating to political freedom and religious toleration, and this celebration is an expression of a nation of people and their will to achieve freedom, justice, equality and individual liberty.

[1] The Spanish text uses the word "bloqueo," which means "blockade." The word for "embargo" would be embargo or prohibición. "Bloqueo económico," however is translated as "embargo."

We all know Poland remains under Soviet control and its people are inflicted with a continued suppression of basic human rights. All democracies look to the vigorous spirit and dedication of the Polish people for strength as we uphold our ideals which coincide with the hopes of Poles everywhere. Even Soviet suppression does not darken the hopes of the Polish people in looking forward to the day a truly independent Polish nation can enjoy the individual liberties which have long been associated with her democratic ideals.

It is with great pleasure that I extend my best wishes to the people of Poland, to Polish-Americans and to those everywhere of Polish descent, as Polish Constitution Day is celebrated.●

SENATOR SAM ERVIN

HON. E de la GARZA

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Monday, May 6, 1985

● Mr. DE LA GARZA. Mr. Speaker, Sam Ervin once said that when he retired from Congress, he told his colleagues, "I've been with you 20 years, and I have given you trillions and trillions of dollars' worth of good, sound advice and you've taken about 15 cents' worth of it. So I'm going home."

That was in 1974 when Senator Ervin retired from the Senate. He was going home then to Morganton, NC. Now, that great American has truly gone home, and this Congress and this country will miss him.

We miss that good, sound advice he talked about. We miss his leadership in legislation, and in efforts to keep our Government from getting too big. But perhaps more than anything else, we will miss him for two of his most distinguishing qualities.

The first of these was his uncompromising honesty and determination to stand up for the principles he believed in.

The second was his uncompromising devotion to the Constitution of the United States, and to the freedom it conferred on all of us.

Senator Ervin was a man who was not afraid to face hard jobs or assignments that carried a lot of political risk. He served on the Committee that investigated the late Senator McCarthy, and he wound up his career heading the Watergate investigation. But I find it typical of the man to read this in a UPI account of Senator Ervin's life:

He accepted the Watergate assignment because "it was my duty." Although he fast became a folk hero when his quick wit, dancing eyebrows and fondness for telling a tale were televised during the Watergate hearings, he never sought the limelight. He preferred to research issues himself, and often attended Senate debates armed with stacks of lawbooks. Watergate focused the Nation's eye on North Carolina's Senator, but Ervin himself is perhaps proudest of his role in drafting legislation allowing Congress to write its own Federal budget.

On this issue we worked together, and I am proud.

Mr. Speaker, Senator Ervin's great devotion to our country and its Constitution was founded on a love of freedom. That is a legacy he leaves to all of us. He was a great American, and he will be remembered with fondness and gratitude by the Congress in which he served, and by history.●

U.S. SMALL BUSINESS WEEK, 1985

HON. JOSEPH M. McDADE

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 7, 1985

● Mr. McDADE. Mr. Speaker, I applaud the President for proclaiming May 5 to 11, 1985, as Small Business Week. The theme for this week is "America at Work." We are a nation of 14 million strong small businesses at work. Small business makes up 99 percent of the total number of businesses in the United States, creates the majority of new jobs in our economy and employs over half of the American work force. Small businesses are more likely than large firms to hire women, youths, older and part-time workers, and people who are out of work. In addition to leading in job creation, small firms furnish two out of three workers with their first jobs.

Small businesses create more than new jobs, they create new opportunities, industries, and innovations. They are involved in high technology, construction, transportation, communications, wholesale and retail trade, services, and much more. All these are important to our economic growth. Small businesses have contributed to the growth of the U.S. economy. With each entrepreneur's perseverance and creativity more opportunities are available than ever before. We should continue to encourage and support our Nation's small business owners. We all benefit from their contributions.

This week, as we celebrate U.S. Small Business Week, I hope everyone will recognize the importance of small business to our economy. I ask my colleagues to join with me in saluting our Nation's small businesses. They are, indeed, America at work.●

FREE POSTAGE ELECTION PARTICIPATION ACT

HON. WILLIAM D. FORD

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 9, 1985

● Mr. FORD of Michigan. Mr. Speaker, I rise to announce that I have added my name to the list of cosponsors of H.R. 2216, the Free Postage Election Participation Act, as introduced by my distinguished friend and colleague, the Honorable MORRIS K. UDALL.

I fully recognize and appreciate the apparent futility of sponsoring legislation to create a program which entails new costs in a year when we are trying so desperately to save money. But I feel so strongly about this subject that I believe the effort must be made, even if it only turns out to be a symbolic effort.

Voting and registering to vote are the very core of our system of government. The acts of registering and voting set in motion the wheels which make our democratic system run. Yet, participation in elections remains alarmingly low. Only 68.3 percent of the eligible U.S. population was registered to vote in the 1984 general election.

I am convinced that a central part of the problem is the role played—or not played—by the Federal Government. Federal law requires State and local governments to provide ballots and registration materials for Federal elections, but does not provide any financial assistance for carrying out this extremely expensive task. In 1984, State and local governments spent $350 million administering the Presidential election.

H.R. 2216 would ease this burden in a small but hopefully significant way. In effect, the postage for absentee ballots and registration materials mailed by State and local governments would be paid by the Federal Government. State and local officials who have endorsed H.R. 2216 agree that the easing of their financial burden, and a more active Federal role, could well result in increased participation in future elections.

Implementation of the bill's provisions would cost the Treasury about $4.6 million during a Presidential election year, and $3.5 million in an "off-year"—a worthwhile and cost-effective expenditure, in my opinion. I realize, however, that I cannot be optimistic that Congress will approve this new expenditure while faced concurrently with proposed cuts in (or total elimination of) programs which already exist, such as social security benefits, education funding, revenue sharing, community block development grants, and currently-authorized postal rate

subsidies—including free postage for the blind and handicapped.

Nonetheless, I am proud to be a cosponsor of H.R. 2216. It is legislation which is much needed—and, hopefully, whose time inevitably will come.●

NEVADA LULAC HONORS HISPANIC EDUCATORS

HON. HARRY REID
OF NEVADA
IN THE HOUSE OF REPRESENTATIVES

Thursday, May 9, 1985

● Mr. REID. Mr. Speaker, it was George Santayana who once said, "The great difficulty in education is to get experience out of ideas." With this focus on putting education to work, the challenge for today's teachers is probably the greatest it's been in our Nation's history.

Along with many of the necessary educational transitions that have taken place during the past several years is an awareness that our Nation must adjust to the needs of our population. We recognize that the cultures, languages and uniqueness of many nations must be preserved and integrated into our own Nation's learning foundation.

In order to do this most successfully, we need to look to leaders who are an integral part of these cultures—people who can transmit this firsthand knowledge to our children.

That is why it is such a pleasure for me to take this opportunity to congratulate the distinguished members of Nevada's LULAC, our State and Nation's largest Hispanic advocacy organization, as they honor nine exceptional Nevada educators with the 1984-85 Nevada Hispanic Educator Recognition Awards.

Under the direction of Robert Rivas, Nevada LULAC selected these nine outstanding educators for their contributions to the quality of education in Nevada's public instructional system. Rating criteria in the selection process involved the following categories: Role model, leadership, community involvement, commitments to students, prior awards and recognition, and academic achievements.

In this, the first year for Nevada Hispanic Educator Recognition Awards, LULAC has made a special dedication to Alfred P. Baca, who was a tenured professor with the University of Nevada system until his untimely death in July 1984. I also want to pay tribute to this fine educator, who was more than a unique Hispanic teacher. He was a friend, a leader and role model for the children of Henderson and the entire State. I am pleased to recognize that his influence will continue to impact on the children and adults of Nevada for years to come.

Just as proud as Alfred Baca would be now, I am pleased to have this opportunity to introduce you to this year's outstanding Hispanic educators.

Edward Arciniega has been named Hispanic Educator of the Year for 1985, as well as Hispanic Male Educator With the Most Years of Service. He is a Spanish teacher with 34 years of teaching experience. The Churchill County High School educator also contributes his talents to extra-curricular coaching duties in basketball, baseball and football. Through his dedication, he has contributed significantly to the development of the Spanish language in the area, as well as stressing the cultural contributions Hispanics have made to this country and the world. Though eligible for retirement, he has declined to leave teaching because of his commitment to teaching and his love for the students.

Dr. Agustin A. Orci, associate superintendent of Administrative and Special Student Services of the Clark County School District, is the Hispanic Administrator of the Year. A professional educator for 19 years, Dr. Orci is the highest ranking Hispanic within all of Nevada's schools districts. In addition to administrative duties and classroom teaching experience, Dr. Orci has worked on such programs as: The Interlanguage Core Program; curriculum development for special education and the vocationally handicapped; instructional management systems; minimum competency testing legislation; and other diversified programs and projects for the State of Nevada.

Dr. Stella L. Romero Helvie is the 1985 Hispanic Female Administrator of the Year. As the principal of Robert E. Lake Elementary School in Las Vegas, Dr. Helvie exhibits exemplary managerial skills and possesses a very high level of knowledge in the area of instructional supervision, courage and directness. The 12-year veteran of classroom instruction works with her teachers and students to reach peak performances in the education experience. Her diverse background, which includes, but is not limited to, teaching and administration in basic education, special education, home-school education and higher education, makes her an excellent role model for both students and teachers.

Ray Espinoza, a business teacher at Pershing County High School in Lovelock, has been named the Hispanic Secondary Educator of the Year. His 17 years of instruction at the county high school level have been instrumental in preparing business foundations for thousands of students. He is responsible for providing progressive education for tomorrow's business leaders by introducing a successful computer education into the school's curricula. In addition to teaching, he has also served as president of the Classroom Teachers' Association and as a member of the Meet and Confer Committee.

The Hispanic Junior High School Educator of 1985 is Elsie Jimenez. The Humboldt County junior high school teacher has spent 7 of her 18 years in teaching as a special education teacher at Winnemucca Junior High School. Recognized by her peers as an outstanding teacher, Ms. Jimenez's primary concern is to prepare her students for high school thoroughly enough to enable them to complete 4 years and graduate. She works with her students on every aspect of their school lives and encourages them to participate in extracurricular activities and enter school contests. She considers each student to be a special and unique person and develops her programs individually to their needs. Outside the classroom, Ms. Jimenez assists families with obtaining legal help, handling medical problems and dealing with citizenship matters. She also serves as an interpreter whenever needed.

A fourth-grade teacher from Las Vegas's Pat Diskin Elementary School is the Hispanic Elementary Educator of 1985. Alma Garcia Vining has the personality, ambition and instructional ability that make her an outstanding professional. She works effectively and efficiently with students and parents and is an excellent role model for all her students, especially minority students. Her attitude demonstrates to her students that all people can be successful in this country. To help her perpetuate this sense of self-awareness, Ms. Vining brings forth her teaching experiences, especially those where she taught English to non-English speaking adults.

Henry Jojola is 1985's Hispanic Vocational Educator of the Year. The department coordinator at the Southern Nevada Vocational-Technical Center in Las Vegas has expertise that goes far beyond his 7 years of teaching. His own educational and professional experiences include graduations from nearly 1 dozen electronics programs and schools. He has translated this knowledge into an instructional format that helps him and his students maintain and expand their vocational standards and reach their vocational goals.

Rita Aragon is the 1985 Hispanic Female Educator With the Most Years of Service. She is a second-grade teacher at Rose Warren Elementary School in Clark County. The 27-year teaching veteran has spent most of her teaching career with predominantly Mexican-American students in inner-city schools in Los Angeles. However, for the last 9 years, she has taught in southern Nevada. Ms. Aragon has a great love for teaching and working with children. She takes pride in seeing them learn and grow to

become good and valuable citizens. She always stresses and demonstrates the importance of self-esteem in helping a child develop fully.

The Most Promising Hispanic Educator of 1985 is Miriam Smyth, a foreign language teacher at Valley High School in Las Vegas. Recognized for her enthusiasm and innovative teaching techniques, Ms. Smyth adds energy to everything she does in foreign language instruction. During her 6 years of teaching, she has continued to use exciting and creative methods to challenge her students. She is the type of role model that LULAC encourages other Hispanic students to follow in pursuing a teaching career.

Again, I am pleased to congratulate LULAC for this recognition program and these nine Hispanic educators for their outstanding contributions.

As a Congressman from a southwestern State, I am especially aware of the positive influence Hispanics can have toward the development of this region and the Nation. Understandably, there is no place that this impact is and will continue to be felt more strongly than in our school systems. After all, it is during our formative years that we lay the foundations for our futures.

Through the influence of these outstanding educators we can find new and renewed reasons to be proud * * * to reinforce our belief in education as one of the institutions we most cherish in this great Nation.

To these outstanding Hispanic educators I say thank you for jobs well done and service abundantly rendered. Indeed, the House of Representatives salutes you.●

THE RICHNESS OF THE UKRAINIAN-AMERICAN EXPERIENCE

HON. WM. S. BROOMFIELD

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 9, 1985

● Mr. BROOMFIELD. Mr. Speaker, I want to take this opportunity to pay tribute to the Ukrainian community in the United States. This month the Ukrainian National Association, the oldest Ukrainian organization in the United States, is celebrating 100 years of Ukrainian immigration to the United States. The culture of America has been greatly enriched by their presence in this great country. We have been most fortunate in inheriting their drive, their skills and the rugged independence of those Ukrainians who could no longer put up with life without freedom.

As all of you know, the Ukraine is one of the most important of the captive nations. It is unfortunate that because the independence of the Ukraine lasted but a short time, between the fall of the czar and the military takeover of the Ukraine by the Bolshevik government under Lenin, some people tend to forget that the Ukraine was indeed, at one time, free. For 5 years, it had a separate political identity of its own. Since 1918, however, it has been incorporated into the territory of the U.S.S.R.

The Ukraine has had a long and distinguished history, with geographic and ethnic identities of its own. Of special importance has been the Ukraine's excellent agricultural production. For centuries, it has been the target for the aggression on the part of numerous European power. Who can forget the 7 million Ukrainians in the Ukrainian Soviet Socialist Republic who died of starvation during the period of 1932 to 1933. This was the result of the Soviet Russian Government targeting the Ukrainian people for genocide by directing special draconic decrees against Ukrainian peasants as enemy class, and against Ukrainian intelligentsia as bourgeois Ukrainian nationalists. Yet throughout all of these invasions and occupations, including the current one, the people of the Ukraine have maintained their fierce love of freedom, their bold sense of independence, and their individual integrity.

To seek their freedom, millions of Ukrainians came to America. They had firsthand knowledge of how communism can enslave men. They were poor and unschooled, but shared the dream of living in a free land. They worked hard in factories, mines, and on farms and helped to build America into an economic giant.

They have made significant contributions to enrich American life and our society. Americans of Ukrainian descent distinguished themselves in the academic world and in science as well as in the corporate sector. Americans of Ukrainian descent have entertained millions of television and movie viewers while others have had exemplary careers serving the Nation in our military.

They have transplanted their rich culture from their mother country to this new land and have enhanced the fascinating cultural mosaic of America. I admire them for their efforts to preserve their rich heritage for the future generations of Ukrainian-Americans. I salute the Ukrainian-American community and their celebration of 100 years of Ukrainian immigration to the United States.●

AMTRAK—TWO FOR THE PRICE OF ONE

HON. GERRY E. STUDDS

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 9, 1985

● Mr. STUDDS. Mr. Speaker, if the administration has its way, the United States will be the only developed nation in the world without a national passenger rail service. Despite increasing ridership and decreasing reliance on Federal subsidies, Amtrak is slated for extinction under the proposed budget for fiscal year 1986.

A review of Amtrak's recent record and the effect of its elimination reveal the administration's plan to be penny wise and pound foolish. Over the last 14 years, the Federal Government has spent $5.2 billion in upgrading the system's infrastructure and improving the service in the Northeast corridor between Boston and Washington. This investment is now beginning to pay off, with Amtrak transporting over 20 million passengers in 1984, an 18-percent increase over 1983 ridership, with its best ever on-time performance. This has come while the Federal Government's share of operating expenses has decreased, dropping from $896 million in fiscal year 1981 to $684 million in fiscal year 1985.

And what will it cost to dismantle the system? As The Boston Globe points out in the following editorial, 25,000 Amtrak employees, including over 700 in Massachusetts, would be laid off, costing the Federal Government an estimated $2.1 billion in labor protection benefits.

The administration is giving the country a real bargain with this proposal—imprudent fiscal policy and short-sighted transportation policy—two for the price of one.

SAVING AMTRAK

The Amtrak rail passenger system was one of the achievements of the Nixon administration. Under the leadership of former Massachusetts Gov. John Volpe, who was then Secretary of Transportation, the Federal Government took over passenger service from the railroads, which had found it a money loser.

The arrangement has worked well. After a difficult transition, Amtrak's employees and managers have cooperated admirably to hold down costs and improve service. Last year the system carried 20 million passengers.

The Reagan administration proposes to shut down Amtrak to save $684 million in annual subsidies. There would be no savings for some years, since the Government would have to pay more than $2 billion in severance to the 25,000 employees who would lose their jobs, and it would have to write off more than $3 billion in equipment and other assets.

It is misleading for the administration to assert that Amtrak competes unfairly with unsubsidized rival forms of transportation. All modes of transportation are subsidized, directly or indirectly. Buses do not pay for the full cost of the highways and streets that they travel. The Government subsi-

dizes airlines by providing air traffic control.

Because air service is so much faster than rail service, Amtrak does not complete with the airlines for business passengers except on very short trips. The much higher price of air travel shows that business travelers would rather save time than money. The ordinary weekday fare between Boston and New York is $25 for a 5-hour trip on Amtrak compared to $65 for a 30-minute flight on the Eastern shuttle.

Amtrak, however, does compete with airlines for the business of low-income travelers of families with small children. It also competes with bus companies, which charge slightly less for a slightly faster trip. If it were to be put out of business, the bus lines would be free to raise their fares substantially, and low-income travelers would have no choice.

W. Graham Claytor, Jr., the chairman of Amtrak, points out that it is the only form of transportation that could move large numbers of people in a national emergency, and that in many small communities, it is the only transportation. If it were abolished, the United States would be the only industrial nation without a rail passenger system. Claytor has promised to wage a battle to save Amtrak. He deserves public and congressioal support.●

MS. WALMAR GRAY CELEBRATES 50 YEARS OF SERVICE WITH AMERICAN RE-INSURANCE CO. IN NEW YORK

HON. GARY L. ACKERMAN

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 9, 1985

● Mr. ACKERMAN. Mr. Speaker, I would like to take this opportunity to publicly acknowledge the accomplishments of Ms. Walmar Gray of Forest Hills, NY, who on May 13, 1985, will celebrate her 50th year of service with American Re-Insurance Co.

Mr. Speaker, American Re-Insurance Co. is a subsidiary of the Aetna Casualty & Surety Co., a well-respected firm in New York. The company has reaped many benefits from Ms. Gray's years of service, and from the enthusiam with which she approaches her job. As the retrospective premium accountant in the underwriting accounting department, Wally Gray performs the vital task of accumulating data needed for corporate financial reports, as well as servicing clients on an individual basis. Her top-notch work has made a significant contribution to the smooth and efficient operation of the underwriting accounting department, in conjunction with the leadership and direction of Assistant vice President Kenneth Shefcik and the company's other fine officers.

Mr. Speaker, one of the many talents wally has brought to American Re-Insurance is her skill in dealing with people. All of us have had occasion, in our interactions with businesses and institutions, to be put off or experience frustration with "the system." But clients of American Re-Insurance who work with Ms. Gray have had a very different experience. Her people-oriented approach to doing business has served the company well, and has been of great benefit to many New Yorkers. Walmar Gray, who is preparing to retire after her 50 years of invaluable service, will be greatly missed by American Re-Insurance and its clients.

I would like to congratulate Ms. Gray on her 50th anniversary with the company, and extend to her my best wishes for the future. She has made an important contribution to the city of New York, and I ask all of my colleagues in the U.S. House of Representatives to join me in celebrating with her 50 years of service with American Re-Insurance.●

DR. WILLIAM J. REID

HON. JOE MOAKLEY

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 9, 1985

● Mr. MOAKLEY. Mr. Speaker, it is my privilege to call to the attention of the House the outstanding contributions by Dr. William J. Reid, to the Boston school system in particular South Boston High School, and the South Boston neighborhood itself.

Since 1936, Dr. Reid has taught in the Boston school system, beginning as a substitute teacher and working his way through the ranks to become headmaster of South Boston High School in 1965, where he set standards of education, and principles that further enriched the school, it's students, and it's reputation.

In addition to lecturing at various colleges around the State of Massachusetts, Dr. Reid to his credit, has also published a number of books dealing with Massachusetts history and government, and the Cape Cod Canal. Dr. Reid's highly respected reputation in the education field has been recognized with high honors, among them the Distinguished Service to Youth from the Massachusetts Secondary School Principals Association, and also the Award of Merit from the Youth Activities Commission from the city of Boston along with many others too numerous to name.

Dr. Reid's devotion to the Boston school system can only be surpassed by one element, and that is his commitment to the youth and the community of South Boston. Many residents of South Boston have seen first hand the involvement that Dr. Reid has shown with the South Boston Boys & Girls Clubs, and the South Boston Youth Hockey League.

Both of these programs on which Dr. Reid had quite a positive impact, help nurture and guide young children on the road to adulthood.

Mr. Speaker, I am proud to present Dr. Reid, my fellow South Bostonian, and I know that my colleagues will join me in congratulating a most thoughtful man, whose devotion and generosity of spirit can always be counted on in the cause of education and the assistance to his community—South Boston.●

ESPARANZA GUERRERO

HON. JIM KOLBE

OF ARIZONA

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 9, 1985

● Mr. KOLBE. Mr. Speaker, this month, during National Small Business Week, a Hispanic woman from Arizona's Fifth Congressional District will be honored as National Minority Small Business Advocate of the Year by the U.S. Small Business Administration. Esparanza M. Guerrero, a senior consultant with Price Waterhouse in Tucson, AZ, was selected because of her dedication and work in helping minority small businesses gain access to financial and management assistance.

Esparanza Guerrero's achievements begin with community action. As a native Arizonian, she understands that the Hispanic community has a long history of contributions to the cultural and economic development of the Southwest. Professionals and volunteers like Ms. Guerrero remind us of our past, as well as our responsibility to the future. She is currently a member of the Hispanic Professional Action Committee and a volunteer at Casa de los Ninos, a crises nursery for children. Ms. Guerrero is a consultant with Chicanos Por La Causa, helping minority firms interested in security debt financing and has worked with local financial institutions to help firms get needed financing. She has worked for the Tucson Economic Development Corp. in relocating businesses to the area and with the Southwest Border Regional Commission as a liaison with business and government agencies on both sides of the United States-Mexico border.

The 14.2 million small businesses recognized during National Small Business Week are the foundation of our economy. This foundation crumbles unless men and women representing all ethnic and socioeconomic backgrounds are welcome participants. The goal of the Federal Government should be to work as a partner with

communities, local leaders, and small businesses to foster the independence and entrepreneurship needed in a dynamic economy. For Hispanics, community and independence are not contradictory concepts—they form the basis for relationships that give people the support to realize their full potential

I ask my colleagues in the U.S. House of Representatives to join me in congratulating Esparanza Guerrero on her outstanding contributions to American small business. The Hispanic community can be proud of her work, and all of us can learn from her as a professional and as a volunteer who represents our dreams for free enterprise and community involvement.●

BACH CHOIR OF BETHLEHEM, PA

HON. DON RITTER

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 9, 1985

● Mr. RITTER. Mr. Speaker, today I would like to bring to the attention of my House colleagues the accomplishments of the Bach Choir of Bethlehem, PA, which is commemorating the 300th anniversary of the birth of Johann Sebastian Bach this weekend and next with its 78th Annual Bach Festival. Sir David Willcocks, director of music at King's College, Cambridge, England, director of the Royal College of Music in London, and also director of the Bach Choir of London, will be the guest conductor for the festival's performance of the B Minor Mass.

The Bach Choir of Bethlehem was founded in 1898 by Dr. J. Fred Wolle for the purpose of encouraging a greater interest in, appreciation of, and aesthetic and spiritual benefit from the choral and instrumental works, both sacred and secular, of Johann Sebastian Bach. The choir organization works to educate both its own members and the public in the works of Bach through the performance of his works under competent musical direction, to the end that the highest standards of performance may be achieved and the perfection of creative art may be maintained. The Bach Choir of Bethlehem is the oldest Bach Choir in the United States performing only the works of Johann Sebastian Bach. The first complete American performance of Bach's Mass in B Minor was given in Bethlehem in 1900.

The annual Bach Festival in Bethlehem is attended by music lovers from more than 30 States. The office of the choir serves as the national office for the American Chapter of the New Bach Society.

Mr. Speaker, I would like to include an article on the unique tercentenary program that the Bach Choir of Bethlehem will be offering at the festival.

TERCENTENARY PROGRAM HAS HISTORIC ROOTS

(By Alfred Mann)

It has been argued that anniversary programs pay artificial rather than genuine homage to the great composers, but history refutes this. Bach anniversaries have provided major impetus to the cultivation of Bach's work, and the first Festival of the Bach Choir of Bethlehem (on April 2, 1900), marking the sesquicentennial of Bach's death, was in itself an anniversary observance.

We have become more conscious of the Choir's own anniversary dates in recent years—the Choir's one hundredth performance of the Mass in 1972 and the seventy-fifth anniversary of the Choir's founding in 1973 were commemorated with programs of special significance—and the historic journey the Bach Choir of Bethlehem undertook in 1976 to perform at the International Bach Festival in Berlin and at Bach's church in Leipzig was in turn prompted by the country's Bicentennial.

When the time came to plan for the observance of this year's Bach Tercentenary—the three-hundredth return of Bach's birthday—the Bach Choir decided that the anniversary should be linked to Bach Choir history. It was eighty years ago that the Choir's founder, Dr. J. Fred Wolle, staged a Bethlehem Bach Festival different in format from all others because it was guided by a plan of performances that spanned the entire church year, celebrating the major feasts of the season with works Bach had written for the corresponding phases of the year.

Dipping into Choir history. Greg Funfgeld, Bach Choir director, has recreated this design, but with a different approach. The most notable departure reaches back to another gesture from the annals of Bethlehem Bach Festivals. Dr. Wolle was organist at Bethlehem's Central Moravian Church when the Choir was established, and on occasion he included in the Festivals some programs consisting entirely of organ music which he presented himself. The conclusion of this year's cycle of Bach concerts in Bethlehem will be marked by an organ recital of Marie-Claire Alain, famed French organist known in this country as "the first lady of the organ".

There is also a new point of view from which the works for the other programs were chosen. While there is some obvious overlap with Dr. Wolle's programs eighty years ago—the Magnificat will be heard at Christmas and the St. John Passion in a Lenten program—the other works to be performed were scheduled by an ingenious process of selection involving the whole Choir.

With appropriate pride in the extraordinary performance history of the Bach Choir of Bethlehem, its members were asked to cast a vote indicating their individual preferences from the eighty-five years of Bach programs. The results were integrated into the scheme of the year cycle, so that each work to be given represents a milestone in Choir history.

In the Christmas program, Cantatas 140 and 63 were included, the former being one of the works heard also in the Bethlehem Christmas program of 1904, and the latter having opened the program of 1971, which traced the outline of Bach's own first Christmas service in Leipzig.

The works of the May Festival program are a summary of high points from all Bethlehem programs: the B Minor Mass, preceded by cantatas and motets that stand out in Bach Choir memory.

There is a remarkable point of comparison between the Bethlehem Festival cycle of eighty years ago and the anniversary program of 1984–85. Dr. Wolle's project proved in the end too vast to be adjusted to the Bethlehem Festival format, and there was no further goal to attain. Dr. Wolle accepted the call from the University of California, and the Festivals came to a temporary end. With their eventual resumption in 1912, a pattern was established that in time has proved so sound and enduring that today's Bach Choir director was able to enter upon a full year's anniversary celebration with assurance of a firm tradition and many more special programs and anniversary celebrations to come.

I encourage my colleagues, especially those who represent neighboring districts, to visit Bethlehem, PA, during the 78th Annual Bach Festival to enjoy this fine muscial event. The program for the festival follows:

1985 FESTIVAL PROGRAM

Friday Afternoons, May 10 and 17

Cantata BWV 78, Jesu, der du meine Seele
Cantata BWV 147, Herz und Mund und Tat und Leben
Cantata BWV 137, Lobe den Herrn, den mächtigen König der Ehren

Friday Evenings, May 10 and 17

Cantata BWV 11 (Ascension Oratorio)
Motet BWV 229, Komm, Jesu, komm
Cantata BWV 74, Wer mich liebet, der wird mein Wort halten*
Motet BWV 225, Singet dem Herrn

Saturday Mornings, May 11 and 18

A program of chamber and orchestral works

Saturday Afternoons, May 11 and 18

The Mass in B Minor

*Festival premiere.●

RETURN RAILROAD UNEMPLOYMENT TO SOLVENCY

HON. JACK FIELDS

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 9, 1985

● Mr. FIELDS. Mr. Speaker, I am privileged to represent a district with a large number of railroad employees. In fact, my State, the State of Texas, is one of six States in the Nation with over 20,000 railroad workers. Consequently, I am keenly interested in the welfare of rail employees and retirees.

Unfortunately, one component of the rail system is currently facing financial distress. The railroad unemployment program has been chronically underfunded. In fact, the railroad unemployment fund has been forced to borrow from the railroad retirement fund for 19 of the past 24 years. Railroad unemployment now owes railroad retirement over $700 million and the figure is growing.

On September 30, 1985, the authority for railroad unemployment to borrow from railroad retirement expires. We, in Congress, have two choices: We can act to return rail unemployment to solvency or we can do nothing and deny unemployed railroad workers their just compensation. No one supports the latter choice. Clearly, we must act and we must act rapidly.

As I explored the various proposals to return railroad retirement to solvency, I kept three basic criteria in mind. One, the plan must be fair to the unemployed. Two, the plan must be fair to railroad retirees. And, finally, the plan must be fair to the general taxpayers. I was distressed to find that the so-called consensus package, which has the support of rail carriers and rail labor, failed two of those three tests. The plan is not fair to rail retirees not to the taxpayers. I found it particularly difficult to stomach the plan's lack of fairness to railroad retirees.

The consensus package would require the forgiveness of the interest on railroad retirement's loans to railroad unemployment. While forgiveness of interest may seem minor, it is not. The dollar figure of interest due railroad retirement may ultimately range from its current low of $200 to $300 million to nearly $3 billion. I cannot support a plan which would rob railroad retirees of money which is rightfuly theirs. While some may claim that railroad retirement is in good financial condition and can spare the funds, my memory is not that short.

I remember a few short years ago when railroad retirement was on the brink of financial collapse. Railroad retirees faced drastic reductions in their benefits if Congress did not act to salvage the system. We, in Congress, passed legislation which required railroad retirees to take benefit reductions to gain the retirement system's solvency. I think it is unconscionable that a few short years after requiring benefit reductions from rail retirees, we would allow up to $3 billion to be siphoned from the railroad retirement fund.

So, I am delighted to be an original cosponsor, today, of alternative legislation which meets all three of the criteria I originally set. First, the plan is fair to unemployed rail workers. Our bill would raise the daily benefit of an unemployed rail worker from its current maximum of $25 per day to a maximum of $35 per day. This figure is much more in line with the benefits of other unemployed workers in my State of Texas who receive up to $37.20 per day.

Second, the plan is fair to rail retirees. It requires that all the principal and the interest on railroad retirement's loans to railroad unemployment be repaid. And, third, it is fair to the taxpayers who are not required to bailout the system at a time when our Nation is facing record budget deficits.

Our bill makes rail carriers shoulder the burden of their own rail unemployment system, as it should be. An average Texas employer with a similar workforce employment history to the railroad industry is required to pay approximately $64 per employee, per month in unemployment taxes. In comparison, rail carriers, currently pay only $30 per employee per month in unemployment taxes. Rail carriers are paying too little tax to fund rail unemployment. While raising rail unemployment taxes is unpleasant, it is necessary if railroad unemployment is to remain independent and to become financially sound. Our bill would increase the wage base on which unemployment tax must be paid from $600 to $1,300 per month, thus bringing rail carriers more in line with other businesses.

Mr. Speaker, this plan is balanced and realistic. It protects the interests of the unemployed, the retirees and the general taxpayer. I urge my colleagues to join us in cosponsoring this legislation.●

PUBLIC HOUSING COMPREHENSIVE GRANT PROPOSAL

HON. STEVE BARTLETT

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 9, 1985

● Mr. BARTLETT. Mr. Speaker, today, along with my colleagues CHALMERS WYLIE, the ranking member of the House Banking Committee and STEWART MCKINNEY, the ranking member of the Housing Subcommittee, I am introducing the Public Housing Comprehensive Grant Proposal. I am introducing this bill by request of the Secretary of the Department of Housing and Urban Development, Secretary Pierce. This proposal has two purposes in reforming capital improvement funding for public housing.

(1) Deregulation.—It would give local public housing authorities the authority to develop their own comprehensive modernization plan, subject only to limited HUD review and an annual statement of work. This procedure contrasts with current detailed regulatory oversight by HUD.

(2) Formula Funding.—The bill would also replace the current application method with formula funding. Operating subsidies would continue to be funded with the performance funding system but the capital improvements funds would be distributed by a formula that includes a replacement reserve. This new disbursement system would allow fungibility between operations and capital budgets.

I personally commend Secretary Pierce and Assistant Secretary Lindquist for their leadership in proposing this initiative. The concept of this proposal is one that I and many others involved in public housing policy have been interested in for some time and I applaud the Department for its efforts.

The current modernization program, commonly referred to as a CIAP, is a highly regulated and cumbersome process for local public housing authorities. A public housing authority [PHA] must now ask HUD for permission before even deciding what kind of doorknobs to install. This proposal will allow PHA's the discretion to make those decisions while maintaining limited HUD oversight through an annual review process. By removing detailed HUD oversight public housing authority will be better able to implement a modernization process suited to its own local needs.

The second important feature of this proposal is a formula funding system that will replace the present application process for modernization funds for individual public housing authorities. Through formula funding, a public housing authority will receive reliable funding each year. This process will ensure that an individual public housing authority will receive funding on a regular basis. That funding would be predictable, reliable, and simplified.

I have discussed this proposal with many of my colleagues in the House on both sides of the aisle. I have also discussed this proposal with those involved in the day-to-day running of public housing authorities, and the comments and initial reaction have been favorable. I am introducing this proposal today to seek further comments and suggestions for changes, additions, deletions, and improvements.

I invite comments from my colleagues and those in the housing industry. Over the next several weeks and months, I will be considering improvements and I look forward to working with my colleagues in Congress as well as the Department of Housing and Urban Development to prepare final legislation.

This legislation is sound in its present form, and substantially better than the current highly regulated system. I do anticipate refinement and improvements in a number of areas before final passage. For example, I believe fungibility between operating subsidy and capital improvements should be permitted, but limited; the 97 percent occupancy rate requirement should be examined; and distinction could be made between current needs and replacement reserve; and Congress should be involved in setting the criteria for the funding formula.

I will offer this proposal or a similar proposal as a part of the housing authorization bill that is being developed in the House Banking Committee. To further acquaint my colleagues with the purpose of this proposal I am inserting a summary of the provisions and the bill itself for the RECORD.

SUMMARY OF THE PUBLIC HOUSING COMPREHENSIVE GRANT PROPOSAL

WHAT IS IT?

The Public Housing Comprehensive Grant Program is a major reform proposal to the existing Comprehensive Improvement Assistance Program [CIAP]. CIAP was created by the Housing and Community Development Act of 1980. Basically, CIAP was created to provide financial assistance to PHAs for the purpose of undertaking comprehensive improvements (i.e. modernization) in the physical condition, energy conservation and management of PHA-owned rental projects. This program is commonly referred to as Comprehensive Modernization—i.e. COMP MOD.

WHAT IS THE RATIONALE FOR THE PROPOSAL?

Two Major Objectives:

(1) Significant Deregulation of the Comprehensive Modernization Program by returning the program to local control—i.e. the local public housing authority.

(2) Greater reliability of funding for capital improvements through use of formula funding for future capital improvements and for current needs.

PROBLEMS WITH EXISTING PROGRAM

The current modernization program is an inefficient way to distribute resources for the capital improvement needs of the public housing inventory. It denies PHAs the flexibility and responsibility essential for setting priorities for capital improvement expenditures, weighing the needs of all projects against each other and the options of repair and major maintenance against capital replacement. Because HUD presently decides what to fund and when to fund it, PHAs cannot do rationale multi-year planning for the capital improvement needs of the existing public housing inventory now estimated to be worth in excess of $60 billion.

The present program now imposes rigorous application requirements and applies them to all PHAs, regardless of management capability or the size of the PHA. The present program requires HUD scrutiny of the application and intensive HUD monitoring of the modernization activities. This overregulation creates unnecessary paperwork and delays, which in turn can drive up the costs of the rehabilitation work.

Funds from the capital improvement program and operating subsidies will be fungible (interchangeable) within the PHA.

The entire comprehensive grant is to be spent to make physical and management improvements, according to the needs and priorities locally set by the PHA.

The concept of local management flexibility will permit efficiency in the use of funds which cannot be achieved under a system dictated in detail from Washington.

The freedom from pervasive regulation and the increased reliability of funding will provide opportunity and incentives for efficient management.

The PHA will be able to set their own priorities, to choose among projects, to determine whether maintenance or capital improvements is most cost-effective in a particular instance and to realistically plan on a multi-year basis knowing that they will have control in carrying out the plan.●

ISSUES BRING BLACKS AND JEWS TOGETHER

HON. BARNEY FRANK

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 9, 1985

● Mr. FRANK. Mr. Speaker, I am very proud of the work that the Anti-Defamation League of B'nai B'rith is doing in New England, under the leadership of Director Leonard Zakim, to highlight the many things which united the black and Jewish communities.

In the face of extremists on both sides who would prefer to see tensions between these two groups, Mr. Zakim has worked with black leaders in the Boston area and with other Jewish leaders to stress the many issues that draw black and Jewish Americans together. Recent articles in the Christian Science Monitor and the Boston Globe highlight the important work that the Anti-Defamation League is doing in this regard and I ask that they be printed here.

[From the Christian Science Monitor, Apr. 22, 1985]

THEATER SERVES AS A RALLYING POINT FOR BLACKS AND JEWS IN BOSTON

(By Luix Overbea)

BOSTON.—The racially mixed audience stood and applauded as the cast of "Martin" took its bows.

Offstage, the two men responsible for bringing the play about Dr. Martin Luther King to Boston beamed. To Leondard Zakim, New England director of the Anti-Defamation League of B'nai B'rth, and the Rev. Charles A. Stith, the evening marked another step toward healing a rift that has grown between blacks and Jews.

Two issues, affirmative action and the Rev. Jesse L. Jackson's presidential campaign, triggered misunderstanding between the two groups during the past year. This rift was particularly disturbing to leaders of both groups, which were closely allied during the civil rights struggles of the 1960s and '70s.

Blacks want affirmative action "with specific [usually numerical] job goals," says the Rev. Mr. Stith, pastor of the Union United Methodist Church here. Jews favor affirmative action "without quotas or numbers," Mr. Zakim says.

In addition, Jewish leaders and organizations openly opposed Mr. Jackson's candidacy. Their reasons: Jackson allegedly made an anti-Jewish epithet "off the record" during his campaign; and he never refuted one of his major supporters, Minister Louis Farrakhan, leader of the Nation of Islam, whom Jews criticize as anti-Semitic.

Zakim and Stith have worked together nearly five years to close what both call "a widening gap between two allies of the civil rights struggle." They have been supported by the Greater Boston Civil Rights Coalition, which Zakim helped found in 1979 after a series of racial incidents in Boston.

Dr. Martin Luther King, Jr. is as much a "drum major for peace" today as he was when he was leading nonviolent civil rights and peace protests in the 1960s, say Zakim and Stith.

"Presenting 'Martin' is part of our ongoing efforts to enhance our relationships," Zakim said after its final performance recently. "Certainly we disagree at times, more often than we like, but we have much more in common than in conflict."

The performance of "Martin" before three integrated audiences—including one at a high school—was the third major cultural event within the past year initiated by Zakim and Stith to bring blacks and Jews together. And it marked the play's first performance outside of Atlanta, where it was written by Lamar Alford, playwright-in-residence of the Martin Luther King Jr. International Chapel at Morehouse College.

The other two cultural events were a pilgrimage of 19 Jews and blacks to Israel last September, and a Jewish Seder (commemorating the Passover, the exodus of the Children of Israel from Egypt) conducted earlier this month at Union United Methodist Church.

"Historically, blacks and Jews have had a unique relationship, but recently our friendship has been strained because of mistrust, misinformation, and lack of communication," Stith said of the two-week visit to Israel by a group from across the nation. "No one expected the tour to resolve our problems.

"We went to listen, to learn, and to appreciate each other's views," he said.

The two men say they hope to sponsor a national conference to bring blacks and Jews together, a project they hope will lead to a national movement. Both say they have received inquiries from other cities on how to start local reunification projects.

They brought "Martin" to the Hub "regardless of cost," Zakim says. "We saw the play in Atlanta and sought backing in Boston."

Local businesses responded with financing; congregations of all faiths and civil rights, community, and civic groups recruited the audiences, he says.

[From the Boston Globe, Apr. 10, 1985]

A MUSICAL DRAMA REITERATES KING'S MESSAGE

(By Wil Haygood)

Because he lived in times that were both virulent and passionate, and because like most leaders, he was complex, scholars, biographers, and playwrights will continue to examine the life of Rev. Martin Luther King Jr., the civil rights leader who walked across the bridges, inspired thousands, and was awarded a Nobel Peace Prize.

Lamar Alford, an Atlanta playwright, brings his musical drama. "Martin," to Boston for its first showing outside that city since it opened there four years ago. The drama will be presented tonight and tomorrow at Union United Methodist Church in the South End. It is being sponsored by a coalition of Boston civil rights groups and underwritten by the Bank of New England.

The life of King, who was assassinated on April 4, 1968, is a compilation of his times, and yesterday Alford discussed his work's genesis and King's soul.

The playwright, who has a pencil-thin mustache and was dressed in a dark blue linen suit, sat in the Cafe Tremont yesterday and, over breakfast, discussed the genesis of his play and the soul of King. He laid his straw hat to the side.

"I've tried to create the chronicle of a era—to deal with a community that was not

prepared to deal with history at that time," Alford said, adding that he deals with King as a historical figure, and also as a family man.

The play, which has a cast of 60, traces King's Atlanta childhood, then goes on to give life to the moments that galvanized the civil rights movement: King's 1964 March on Washington and "I Have A Dream" speech; his jailings; his pronounced opposition to the Vietnam War; and, finally his fateful trip to Memphis in 1968.

Alford, who was born in Montgomery, Ala., says of his birthplace: "Montgomery is a sleepy little southern town. And yet, in spite of itself, it answered the knock on its door when King came."

He says Montgomery's black community, particularly church leaders, backed King as he led the boycott of the city's segregated bus system. Alford's father was one of the people arrested during a protest.

"I remember my elementary school teacher pulling me and my sisters out of class. She said, 'Your father has been arrested.' I felt so proud. I'm sure I didn't truly understand what was going on in Montgomery but I felt proud that my father had been arrested for what he believed in."

Alford would enter Morehouse College in 1962. King attended Morehouse and upon his graduation in 1951, entered Boston University to do graduate work in theology.

"It is so important for people to be conformed with King's philosophy of nonviolence," Alford said. "And, in that respect", he continued, "the play is like a history lesson that comes alive."

The play, he said, has music in it from the '60s: some Supremes, some rock.

Alford was in the original 1971 cast of "Godspell" on Boardway and has also been a member of the New York City Opera. He is now dramatist-in-residence at Morehouse College.

He leaned over the breakfast table. His hands were folded in front of him, as if in prayer. "Now does not seem a popular time for groups to come together. Perhaps this play will bring about more of this needed coming together."

The 10 groups bringing "Martin" to Boston have long worked to promote racial harmony. Among them are the Anti-Defamation League of B'nai B'rith, the NAACP, the Black Ecumenical Commission, and the Lawyers Committee for Civil Rights.

It all began with a trip to Atlanta.

"In January, Rev. Charles Stith, [pastor of Union United Methodist Church], and I went down to Atlanta with some other church leaders to visit the King Center." Leonard Zakim, who was also at the breakfast, said. Zakim, executive director of the New England Chapter of the Anti-Defamation League and co-chairman of the Greater Civil Rights Commission, sat across from Timothy W. Kilduff, vice president of public affairs for the Bank of New England.

"Well," Zakim continued, "we were taking this tour through Morehouse College. We ran into Lamar (Alford) and he said, 'Hey, I have this play showing on campus, why don't you come over and check it out.' "

They went. They were "amazed and moved," Zakin said. "And," he continued, "I said to myself that this play should come to Boston." He said he saw it as a way to rekindle memories of the "very positive" relationships blacks and Jews have had through history.

"Sure, blacks and Jews have had their differences recently. But that's like any two communities. In general we are much more together than we are apart. But most of the coverage last year [during Jesse Jackson's presidential bid], was negative and only focused on what blacks and Jews did not agree on."

During his presidential run last year Jackson was strongly critized by the Jewish community for anti-Semitic comments and his refusal to denounce Louis Farrakhan, the Muslim leader who embraced the policies of the Palestinian Liberation Organization.

"King," said Zakim, "was a strong opponent of anti-Semitism.

"Relations in the South between blacks and Jews," said the playwright, "have always been strong." So they both hope the play will help heal any wounds.

Kilduff, of the Bank of New England, said his bank chose to underwrite the play because of the "collaboration" of the groups involved.

Some New York City Off-Broadway producers, Alford said with a flourish of his hands, are now interested in the play. That would, of course, put it right in the neighborhood of Broadway itself. Alford smiles and dreams of what the future may bring.

[From the Boston Globe, Mar. 29, 1985]

BREAD OF AFFLICTION

At sundown next Friday, Jews will observe the ancient rituals of the Passover seder. Throughout the ceremony there reverberates a call to remember. Those who take part recall not personal experience, but an ancestral memory of suffering and redemption. The seder enacts, in familial form, the historical consciousness of a people.

"This is the bread of affliction which our ancestors ate in the land of Egpyt," the celebrants have said for millenia, to explain the symbolic significance of the unleavened matzoh. The unleavened bread, the bitter herbs and shankbone of a lamb—these are symbols of a story that Jews refuse to forget, even when they find themselves in relative safety. It is a story about slavery and liberation.

The Passover story contains a historical memory that Jews and black Americans can share, and this may be why the seder for Black-Christian Clergy and Laity, celebrated last night at St. Mark Congregational Church in Roxbury, has become an annual occasion for fellowship and dialogue between the black and fellowship and dialogue between the black and Jewsih communities of greater Boston.

At a time when black and Jewish Americans are feeling the intense divisive pressures that most minority groups have felt in American history, it is a *mitzvah* (blessing) for them to be sitting down to the Passover meal as members of the same family.

The seder is sponsored by the Jewish Anti-Defamation League and the Black Ecumenical Commission. Five years ago, the first time it was held, only seven clergymen attended it. It has grown each year, and last night 250 people attended it. Rev. Charles Stith and Rabbi Richard Yellin led them through the rituals and the telling of the Passover story. Participants were able to speak about the common problems of two peoples who have known the meaning of enslavement and persecution.

In this setting, the captivity of South African blacks can be a Jewish concern; the oppression of Soviet Jews can be felt as an affront to black Christians. The night of seder should not be entirely different from all other nights.

HAMMERSCHMIDT ADDRESSES THE AMERICAN LEGION

HON. G.V. (SONNY) MONTGOMERY

OF MISSISSIPPI

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 9, 1985

● Mr. MONTGOMERY. Mr. Speaker, last night my good friend, the gentleman from Arkansas [Mr. HAMMERSCHMIDT], the very able ranking minority member of the Committee on Veterans' Affairs, was the principal speaker at the banquet session of the National Executive Committee Meeting of the American Legion in Indianapolis, IN.

There have been many articles written and much debate has taken place pertaining to benefits and services for veterans. I call to the attention of my colleagues the remarks made by our good friend from Arkansas because I think he has stated clearly not only his position, but the position of the overwhelming majority of Members of the House, relating to our commitment to our Nation's veterans.

Mr. Speaker, it is appropriate that these remarks be placed in the CONGRESSIONAL RECORD in view of the action in the House yesterday when we paid tribute to veterans in observance of the 40th anniversary of V-E Day:

Commander Bacon, distinguished members of the National Executive Committee of the American Legion, past national commanders, distinguished guests, and ladies and gentlemen: May I first of all thank you sincerely for inviting me to come to the banquet meeting of your National Executive Committee. It is good for me to be able to pause in the midst of a congressional session and to reflect with each of you on a number of matters of mutual concern.

I am sure that your excellent legislative staff led by Phil Riggin and Paul Egan—together with your rehabilitation and economic staff—have advised you on the current status of these issues. Just yesterday, our House Committee on Veterans' Affairs acted on many of them. They involved compensation, medical care, jobs for veterans, G.I. loans, and national cemeteries. They also involved the Administration of Veterans Programs by the Veterans' Administration. In one meeting of the committee, we acted on some 40 separate and distinct proposals, most of which are subjects of American Legion official positions. Let me mention just a few of them that I consider very important and upon which your organization has mandates from your last national convention.

Firstly, our committee doesn't intend to let the 58 regional offices of the Veterans' Administration be consolidated into 3 locations. Just the opposite is true. If we prevail through the entire congressional process, at least one regional office in every State will exist as a matter of law and once and for all this consolidation proposal that comes to us every few years will have been put to rest.

Our committee has also expressed its will on two other matters of more than passing interest to the American Legion. In sense of the Congress resolutions we reported to the

full House of Representatives our opposition to any increase in fees on the origination of G.I. loans, and we made it very clear that any idea of taxing the compensation of disabled service connected veterans has absolutely no support in the Congress of the United States.

As to this latter proposal, I must state to you that it is not even officially before the Congress. It is merely someone's thought over at the Treasury Department in terms of making a recommendation to the President. It is my hope that the idea will never even go to the White House from Treasury, but if it does, I trust it will be summarily discarded. In any event, I can tell you that it will never see the light of a legislative day in the Congress. Of that you can be certain.

In a more positive vein, other legislation reported by our committee is intended to improve the VA Medical Program in several different ways. We want to pass legislation to meet medical needs of the aging veteran. We know that these needs are going to require a dynamic approach as veterans reach their golden years and we want VA to be ready to meet the challenge.

I know that the Legion is very concerned about a crisis situation in VA medicine with respect to recruitment of certain medical and administrative employees. An otherwise good governmentwide attempt to reduce the number of high-grade employees and thereby save Federal money has failed to take into account that VA's Department of Medicine and Surgery already had a good record in this regard. By applying a total Government reduction to such employees equally in both the agencies with good records and those not so good, VA has been very adversely affected, particularly as to psychologists, social workers, and pharmacists. The legislation we reported yesterday is designed to correct this situation. The Legion can take considerable credit for this action. Your national survey about the crisis gave our committee valuable information that gave impetus to our action.

In the compensation area, we are delaying action for the moment on a cost-of-living increase. We have determined in our committee that such increases should be consistent with all other entitlement programs. For instance, if Social Security goes up by a certain percentage, it is our view that compensation, which holds an even higher priority on the national agenda, should also go up by at least that same percentage.

Let me dwell on this subject for just a moment. When the various veterans' organizations have had representatives before our committee over these past few months we have asked repeatedly, "What would be your view if all entitlements were frozen?" Almost without exception, these representatives said that their organizations understood the tremendous deficit problem of our country and that if all these other entitlements were frozen—including Social Security—they would be willing to do their part and that their organizations would forgo COLA increase requests. The American Legion was in the forefront of these kinds of statements and I want to commend you not only for your view but for your leadership in a most difficult area. It is an example of patriotism at its very best and in the finest traditions of the American Legion.

Quite frankly, I don't want to predict how this issue will finally be resolved. But no matter what is finally decided, the record will clearly show that the Legion was in the forefront of being willing to sacrifice one of its major goals in order to assist in achieving national fiscal responsibility.

I said earlier that I know that your legislative representatives keep you well informed. I know therefore that you are up to date on the G.I. loan issue, the national cemetery issue, the servicemen's group life issue, and all the rest. I know, too, that you are up to date on VA's budget.

With respect to the budget, in my opinion VA has fared rather well—thus far at least. All of us know that our Nation is faced with a huge deficit problem. We do ourselves no justice if we ignore it. But we also do ourselves and the agency of Government called the Veterans' Administration no justice either if we ignore its special needs. For my part, those special needs require special consideration by the Congress. When I say special, I do not mean that we ought not to be financially frugal in our recommendations. But I have often stated and I now repeat my philosophy of Government as it pertains to the veterans of this Nation.

This Member of Congress believes that:

Those who served our country in time of war deserve a special status among our citizenry.

Adequate benefits for those who were disabled by their military service must be the prime concern of the Congress and the people of this Nation.

Benefits for America's disabled veterans are not a drain on the American taxpayer; those benefits are a continuing cost of war.

Veterans of our Nation's wars must never become public charges.

And finally, I state to you that any position on any matter that is inconsistent with what I have just said will have my unrelenting opposition and any position that is in accord with it will have my unrelenting support.

Mr. Commander, our Nation lives in difficult and challenging times. Representative Government always does. But in terms of benefits for veterans, I believe our country has every reason to be very proud of itself. We have the best veterans program of any Nation in the world. We do more for our veterans than anyone else. History clearly shows that we do not shrink from our responsibilities nor from our challenges. We accept those responsibilities and we welcome those challenges.

In this land called the United States of America, there are those who often have divergent military, social and economic agendas. There are those who have fortunately not actually been personally involved in war and on occasion perhaps they lack full understanding of what the Nation owes to those who have fought those wars. But, we ought to note that these are not bad or evil people nor—in my view—are they anti-veteran people. They may be uninformed and they may need education, and if that be true, our task—yours and mine—is clear. We must inform, and we must educate.

You of the American Legion have been doing this for generations and you will be doing it for generations to come. And I applaud you for that.

And now, let me mention a little bit of philosophy which I am certain you share in great abundance.

America has a soul and because of this she finds nothing pleasant about war. After the Spanish-American War, Secretary of State Hayes is quoted as having said that is was a "splendid war." On still another occasion, he described it as a "jolly war." I do not know what promped those remarks and perhaps I take them out of context, but to me nothing about war is splendid and nothing about it is jolly. On the contrary, you and I are reminded daily of the horror of war for we deal with its most tragic consequences * * * all involved with horrible memories, heartache and suffering. Both personally and officially, we know war for what it really is and we have a bitter distaste for it.

But with that distaste we also have a quiet confidence that our Nation has waged war only when it had no other choice.

We also have a quiet confidence that when war is ended our Nation has a conscience that is second to none in the world. That conscience has created an unequaled program for our Nation's veterans. The American Legion has been a grand architect of that program and it has a right to an unequaled pride. You need never be ashamed to proclaim the goodness of that great effort. You have greatly assisted in creating the best medicine; the best benefits; the best ideal; and yes, too, the best dream.

And it is not bad to dream. When we have had imperfections in the past you have dreamed of their correction, and corrections have come about. When there have been doubts about VA's future, VA has survived and become stronger, and had more vitality, and the doubts have subsided. The record is clear that your efforts and the efforts of those of kindred spirits have been primarily responsible.

Commander Bacon, you and your associates meet at a time of historical memories. Today, May 8, we commemorate the 40th anniversary of the allied victory in Europe. A few months later the war far across the world from Europe also came to an end. These worldwide conflicts to overcome unspeakable tyranny saw our Nation enter a period of uneasy peace that was to be shattered later in Korea and then in Vietnam. From these three wars, and the one of a generation before, came the membership of the American Legion. That membership is a bulwark of strength for our country. Your motto speaks of God and country and expresses a deep respect and reverence for each. That respect and that reverence—and the actions to which they have given birth—are the essence of the goodness of a Nation that is truly blessed.

And now let me conclude, Mr. Commander, by mentioning a statement you recently made concerning the President's visit to Germany. During that visit he placed a wreath at a cemetery where German soldiers are buried. The advance word of this ceremony caused consternation in many areas, including the ranks of your organization. The ceremony is now over and in its wake you publicly commented that the President's statement at the wreath laying was excellent. You said that he mentioned his hopes for friendship with the German people, his hopes for freedom in the world, his hopes for reconciliation, his understanding and grief concerning the great trials and tribulations suffered by the Jewish community at the hands of the Nazis and finally his gratitude for the constributions of the veterans of this Nation. Finally, Mr. Commander, you stated your belief that the President would never purposely show insensitivity to any group. These remarks were to the point, and I associate myself with them. Strong feelings have been expressed about this entire event. Pent up emotions in such a situation are perfectly understandable. Speaking for the American Legion, you said forcefully what you had to say before the President's visit to Germany and now you have said what needed to be said in its aftermath. I congratulate you for

your forthrightness in both of these instances.

These recent events and the commemoration of V-E Day remind us that the American Legion is a creature of America's wars. You have a solemn resolve which is captured by Lincoln's precious words as to the veterans of those wars. I share that resolve and I share your belief in the greatness of the American people. I also share your resolute determination to assure that our Nation's veterans will always have a benefits program that will be—and ought to be—the very definition of the American ideal. This is an ideal which says that we are all—each in our own way—the disciples of a spendid hope for those who have defended freedom here at home and around the world. It is a hope that there will be complete fulfillment of your very legitimate aspirations for a good today but a better tomorrow. Those who have honorably worn the uniform of our land in its times of national and international peril deserve no less from all of the American citizenry.

The blessings of our land are perhaps not always fully appreciated by some; but I know that they are fully appreciated by those who are in this audience. It is an honor indeed to be asked to speak to the leaders of the American Legion and I am most grateful that you would ask that I share these moments with you.

Thank you—each of you—so very much.●

THE CHILDREN OF THE WORLD

HON. MARY ROSE OAKAR

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 9, 1985

● Ms. OAKAR. Mr. Speaker, every day, we witness troubling events throughout the world. War, terrorism, famine, poverty, and countless other ills make up the bulk of daily newscasts. In such an environment, it is useful to take time to reassert certain values that provide the young people of today with guidelines for a better world and hope for a brighter future. Two distinguished Americans from my community of Cleveland, Dr. Nicholas A. Bucur and Dr. Nolen Ellison, have written a "Manifesto to the Children of the World" that I comment to my colleagues' attention and I ask that it be printed in the RECORD.

MANIFESTO BY AND FOR THE CHILDREN OF THE WORLD

To: Ronald Reagan, President of the United States, and the people of the United States,

And to the people of the world,

Be it known to one and all, and to whom it should concern:

That the authors of this Manifesto, having been born into this troubled and violent world, and once having been children of the world, do hereby take it upon themselves to speak in the name of all of the children of the world, whoever and wherever they be, regardless of their race, nationality, creed, origin, personal situation and political or economic circumstances, and hereby do speak in one voice:

"Having been born into this life I am an heir to all that has happened before and to all that is. This life is mine. This world is mine. The future is mine. I was born as an innocent, vulnerable and impresssionable infant, with an open mind and pure heart. My elders molded me into what I am now. But in many ways they have failed. Worse, some of them, who are fanatics and terrorists, have infected me with hatred and violence. I am appalled by the economic imbalance of my world and by the violence, prejudice, discrimination, crime and terrorism rampant in my world. I yearn to live in peace with my fellow human beings. I seek to contribute of myself to my world, if I am allowed, in an atmosphere of peace.

I believe that I have been endowed with certain natural and inalienable rights, the enjoyment of which impose upon me corresponding duties to my community, to my world and to myself. I believe that I am entitled to basic and adequate food, shelter, care, security, training and love; and that I have not only the duty to share my knowledge and experience with my peers, but I have a right to do so.

I declare that I have the right to be respected for what I am, and that my right to believe as I choose must be respected by others, just as I must respect similar rights of others. My cultural heritage and beliefs are mine and sacred to me and I recognize that each person is entitled to hold her and his origin and beliefs equally sacred.

I have the right to be trained to my highest potential and to learn basic human values and thus be able to grow intellectually and ethically. I have the right to be taught the ways of peace, even in my infancy and my earliest stages of growth, and to learn the techniques of discussion and persuasion so as to be able to use such methods in my daily life. I must learn to express compassion, with good will, for these qualities are human and naturally mine. Thus, even as a very young child I should be instructed by gentle means to talk, listen, and negotiate, rather than resort to the use of violence, so that as adults I and others like me would use peaceful means to resolve our differences.

On a larger scale, I have the right to live in a free nation and in a world where the larger nations respect the rights of the small nations. But this does not always happen, and while I long for and shall work for peace I know that I have the duty to defend my family, my nation, and myself, against unjust agression and invasion.

Although I intensely desire peace and seek universal disarmament, I recognize that no single nation can unilaterally disarm in a world full of suspicion. Nevertheless, I urge my elders and peers to stop the present irrational dash to self-destruction before it is too late. Let it be done now, so that I may live.

I respectfully and urgently call upon the leaders and the peoples of the world to take such steps as will halt terrorism and wars, and at the same time, to establish such organizations as will undertake the task of implementing the goals of this Manifesto; and to create that methodology which can be utilized to train those who can teach children everywhere the ways of peace so that I, and other children, can invent, create, and dream, and so that we can all attend to the real tasks of the world, instead of arming for war, such as the care of the ill, the disabled and elderly human beings.

As a child my world is free of malice and the world is full of wonder. Let it so remain. Teach me to choose what is good, and to love beauty, truth and justice. Endow me with character, good-will and compassion. Teach me to reject falsehood, hatred, suspicion and violence. Teach me to improve the quality of our lives. Teach me to love knowledge and the communication of it to others. Help me to create a world free of fear, illness, pollution, want, and insecurity. Teach me the great principles of peace espoused by great men of the past and the present.

Teach me to dream great dreams. I want to dream. I want to aspire to greatness. From my ranks have come the giants of humanity. If I live, many more like them will inevitably arise.

I call upon my parents, my family, my peers, my teachers, my elders, and my leaders, to join me in this cause.

Children of the world, join me so that we may live.

Elders of the world, heed me now. For I am the future.

Listen to me. Now.

Let me live, so that you may live."

The authors of this Manifesto, in the name of the children of the world, call upon the leaders and the peoples of the world to join together, to unite their efforts, and to do what is necessary, in order to seek world peace through education and the cultivation of our humanity.

The task is long and hard, but the cause is crucial. Humanity's survival is at stake. It is not impossible.

Let all individuals and groups support the goals of this Manifesto so that every child, and all children, can grow and flourish, like flowers of every hue and kind, in a future world which can truly be a garden.

DR. NICHOLAS A. BUCUR.
DR. NOLEN ELLISON.[1]

RAILROAD UNEMPLOYMENT INSURANCE SOLVENCY ACT OF 1985

HON. DON RITTER

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 9, 1985

● Mr. RITTER. Mr. Speaker, today I am pleased to join with my colleagues in introducing legislation to establish a more equitable and financially viable railroad unemployment insurance system while at the same time retaining the independent nature of the present system. The future of this system is crucially important to the approximately 41,000 furloughed rail workers who currently are receiving benefits, including over 3,600 workers in my State of Pennyslvania. In addition, the financial health of the unemployment system has a direct impact on the financial security of railroad retirees since the unemployment system has often been able to pay benefits only by borrowing money from the railroad retirement pension fund.

The financial problems facing the current railroad unemployment system are nothing new. The system has had to borrow from the railroad retirement account in 19 of the last 24 years. We cannot afford, and our railroad retirees cannot afford, to delay addressing these problems any longer. The indebtedness of the unemploy-

ment system to the railroad retirement account now exceeds $700 million. Despite the strength of our current economic recovery, the unemployment system's indebtedness is expected to grow to over $780 million by the end of this fiscal year, when existing borrowing authority expires. Prospects for repayment of the loans extended by the railroad retirement account, much less the interest owed on the loans, appear dim. In my opinion, the situation truly is reaching crisis proportions.

The financial problems with the railroad unemployment system are further complicated by a serious underfunding of unemployment benefits by rail carriers. Railroad carriers pay only about $30 a month per employee to fund the railroad unemployment system. This is far below the contributions employers with employment records comparable to the rail carriers must pay under the Federal-State unemployment systems. In Pennsylvania, the cost to these employers is over $81 a month per employee.

The inequity of the current railroad unemployment insurance system extends to the amount of benefits paid to rail workers. Under the current system, unemployed rail workers receive a maximum benefit of $25 a day or $125 a week. This amount has not been increased since 1972 and actually is lower than the unemployment benefits paid under 42 of the 50 State unemployment programs. Again, in Pennsylvania, the daily benefit in comparison is $46.40, or $232 per week.

In an attempt to remedy these obvious inequities, Congress must enact legislation to establish a financially sound system to fund railroad unemployment benefits by October 1. Congress must find a real solution that is fair to rail pensioners, rail employees, the rail industry, and the American taxpayer. The final solution cannot include open-ended borrowing from either the general treasury or the railroad retirement account, add to the Federal deficit, rely on Federal subsidies or grants, suppress unemployment benefits, or fail to provide for the repayment of loans from rail pensioners, including all interest.

Rail carriers admit their support for an independent unemployment system, as opposed to the administration's proposal to merge the current system with the Federal-State unemployment system. However, if rail carriers are to maintain an independent unemployment system, they should expect to pay for its full costs, including worker unemployment benefits comparable to the States' programs, all of the interest owed to the rail pension fund, and repayment of the principal within a reasonable term. Rail carriers should not expect a free ride from the American taxpayer or the railroad retirees.

The legislation we are introducing today would establish financially viable railroad unemployment insurance system that is fair to railroad workers and pensioners, the railroad carriers, and the American taxpayer. It retains the independent nature of the current system but makes two important changes.

First, it increases the maximum daily benefit afforded unemployed rail workers to $35 from its current, unrealistically low level of $25. While still below the level of Federal-State unemployment benefits paid in my State of Pennsylvania, it is an important step toward having railroad workers receive benefits comparable to what they would have received under the Federal-State system. The benefit increase also ensures that rail carriers pay the accurate costs of an independent unemployment insurance system.

Second, this legislation increases the wage base for the unemployment tax from $600 per month to $1,300 per month, with a conforming increase in the wage base for the repayment tax that is scheduled to start in July 1986. Increasing the wage base from $600 to $1,300 should increase receipts sufficiently to pay for the increased benefit and the interest owed annually on the outstanding loan from the railroad retirement account, to repay the moneys owed the retirement account within the next 15 years, and to make the railroad unemployment insurance system solvent. This increase in receipts eliminates the need for the unemployment system to borrow from the railroad retirement account or any other fund.

The legislation we are introducing today places the full burden of supporting the railroad unemployment system on the rail carriers. At first glance this may seem harsh, but this is exactly what occurs for every other business in America. In light of the successes of railroad deregulation, there is no reason to continue to shelter rail carriers and to expect railroad workers and retirees to continue to shoulder the burden of an independent railroad unemployment insurance system. The tax increases contemplated by this legislation are large, but not excessive when compared with the taxes paid by other employers with comparable employment experience and the fact that the railroad unemployment insurance system has been chronically underfunded.

Mr. Speaker, Congress must act soon to develop a financially sound railroad unemployment system before the borrowing authority expires this fall. We need reform in this area, not an extension of the status quo. We invite our colleagues to join us in fashioning a solution that will be sensitive to all of the interests involved in this matter, particularly those of the railroad worker, the railroad pensioner, and the American taxpayer. We urge our colleagues to study this issue and become cosponsors of this important legislation.●

LAKE GASTON PIPELINE PROJECT

HON. TIM VALENTINE

OF NORTH CAROLINA

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 9, 1985

● Mr. VALENTINE. Mr. Speaker, today I am reintroducing legislation to prohibit the Secretary of the Army from issuing certain permits in connection with a proposed water pipeline project until an environmental impact statement for that project has been completed.

My colleagues, Mr. JONES of North Carolina, Mr. HEFNER, Mr. NEAL, and Mr. DAN DANIEL of Virginia, join me in reintroducing this legislation.

This project is the controversial Lake Gaston pipeline project, a proposal to divert 60 million gallons of water per day from Lake Gaston, NC, a part of the Second Congressional District, to be used as a water supply for the residents of the city of Virginia Beach, VA.

My constituents and I are very concerned about the proposal to divert such a large quantity of water out of the Roanoke River basin. We are particularly concerned that the U.S. Corps of Engineers has handled the permit for this massive project with haste, partiality, and completely inadequate documentation of its environmental and economic effects.

Because the Lake Gaston pipline project will have widespread environmental impact, because it involved irretrievable commitment of more water than is presently used by any city in either North Carolina or Virginia, because it could set a major water use precedent, and because it is the subject of great public concern and controversy, it seems clear to me that an environmental impact statement should be required before a permit would be issued. I would also like to add that the State of North Carolina requested an environmental impact statement on the project at the very beginning of the permit process. For reasons that I cannot understand, the Norfolk District of the Corps of Engineers made a decision that an environmental impact statement would not be required even before the public was consulted about the project.

After making this initial decision, the Corps of Engineers has stuck to this position despite the documentation provided by many interested parties and despite the calls for an environmental impact statement by dozens of elected officials and by hundreds of citizens.

Mr. Speaker, last year, the House Appropriations Subcommittee on Energy and Water Development directed the Army Corps of Engineers not to spend funds available to it for administering the Lake Gaston pipeline project permit until the completion of a careful environmental study, that is, an environmental impact statement. I have been dismayed to learn that the corps, speaking through its acting chief counsel, said last September—1984—that it intends to complete absolutely no environmental impact statement in the absence of the full Congress and the President.

My constituents and I know that using Kerr Lake water storage for the Lake Gaston pipeline will cause additional fluctuations in the level of Kerr Lake. We are already having some severe problems during dry periods with low water levels which cause boat ramps to be unusable and create navigation hazards. There have been several different studies of the effect of the pipeline. The estimates of the additional drawdown in Kerr Lake differ widely. We badly need an environmental impact statement to determine what the effects of this project on Kerr Lake will be.

We are also greatly concerned about the effects of the project in reducing flows in the Roanoke River downstream, from Roanoke Rapids Lake. We have some rapidly growing needs for water in this area for industry, municipal use, and for agriculture irrigation. We are frustrated that the Corps of Engineers has not even attempted to make a basinwide projection of water use over the 50 year planning period. The Corps of Engineers has granted a permit that will permanently commit a large amount of water to a user approximately 100 miles away without really determining how much water is needed in the basin. We are also concerned that the reduction in flows of water during dry periods will aggravate some water-quality problems that we are already experiencing.

Further, Mr. Speaker, we are very concerned about the real economic and environmental impact that the Lake Gaston project will have on the Roanoke River basin. We are also upset about the way in which this fundamental decision is being made. Since the beginning of our efforts requesting the corps to undertake a full, impartial environmental impact statement, I think that we have shown that the Corps of Engineers has attemtped to rush this through rather than giving the public the materials that it needs to really understand what is being done.

Mr. Speaker, I am asking support for the bill we are reintroducing today which will do just one thing: it will give interested citizens in both Virginia and North Carolina a fair and objective assessment of this project.

Virginia Beach is a fine city and has a serious need for water. Yet, in this case, adequate study has not been given to the impact of the project and the alternative sources of water supply. Instead of a careful decisionmaking process, the Corps of Engineers has taken a hasty and careless approach with total disregard for public concern. This imprudent action by the corps forces us to come to the Congress for a remedy that should have been granted by administrative decision.

Mr. Speaker, I would like to ask unanimous consent that the text of the bill appear in the CONGRESSIONAL RECORD following my statement.

Thank you, Mr. Speaker.

H.R. 2467

A bill to prohibit the Secretary of the Army from issuing certain permits in connection with a proposed water pipeline project until an environmental impact statement for that project has been completed

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, Notwithstanding any other provision of law, the Secretary of the Army may not issue a permit under section 10 of the Rivers and Harbors Appropriation Act of 1899 (30 Stat. 1121; 33 U.S.C. 403), or under section 404 of the Federal Water Pollution Control act (33 U.S.C. § 1344) for the construction of a water supply pipeline and related structures for removing water from Lake Gaston (a lake within the States of North Carolina and Virginia) and transporting water to the city of Virginia Beach, Virginia, or the surrounding area, before a full environmental impact statement as described in section 102(2)C of the National Environmental Policy Act of 1969 (42 U.S.C. 4332(2)(C) is completed for the pipeline project.●

A VETERAN'S MEMORIES OF V-E DAY

HON. C.W. BILL YOUNG

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 9, 1985

● Mr. YOUNG of Florida. Mr. Speaker, for many Americans, the celebration this week of the 40th anniversary of Victory in Europe Day brought back memories of elation over the allied victory in Europe and at the same time feelings of sorrow for the thousands of brave Americans who were killed and injured in this great effort.

Nash Stublen, a reporter for the Tampa Tribune, recalled in a column Wednesday, some of his personal experiences while serving in the 29th Infantry Division during the final days and hours before V-E Day. Nash reminds us that even in victory, it's impossible to forget the horror of death and destruction associated with war. His words are a powerful reminder of the great toll that was taken in World War II, and I would like to share his column with my colleagues.

The article follows:

[From the Tampa Tribune, May 8, 1985]

ON THE BANKS OF THE ELBE, V-E DAY ANTICLIMATIC FOR THESE SOLDIERS

(By Nash Stubler)

It was a relatively easy advance for the 29th Infantry Division on April 25, 1945, to its final World War II stop at Germany's Elbe River.

WWII, as Archie Bunker called it, was winding down in Europe. The jig the Fuehrer had danced when the Germans occupied Paris was almost up for Adolf Hitler and Nazi Germany would surrender to the Allies within two weeks.

The 29th had come a long way across Western Europe since its landing on the Normandy beaches on D-Day, June 6, 1944.

While I missed the invasion, the hedgerow-to-hedgerow fighting across the French countryside and the capture of the heavily fortified Port of Brest, I was assigned to the Blue and Gray division as a replacement in time for the bloody battle for Aacken in the first assault across the German border from Holland.

We were prepared to fight across the Roer River to the northeast in December 1944 when the Germans made their final thrust in what is known as the Battle of the Bulge.

We escaped the German onslaught but were left exposed on the left flank of the bulge. We dug in on a farm for a month's delay.

My heavy machine-gun squad virtually dug a small, two-room apartment underground, outfitted with a stove, adjacent to the machine-gun emplacement.

Just before midnight on Christmas Eve, we heard the Germans singing carols and joyous shouts apparently from soldiers who had had too much to drink.

This irritated one American officer who got a map of Julich, the city across the river, and designated targets for every weapon available. "We're going to break out their window panes," was the word from the top.

At midnight, everyone fired toward the other bank for 15 minutes. When my ears stopped ringing, there was silence across the river.

What had sounded like a good idea left me depressed. At least someone was getting to celebrate Christmas Eve and we had spoiled it.

We finally fought our way across the river. No one had time to see whether we had actually broken out any window panes.

The rest of the push to the Elbe was downhill compared to previous battles.

We were in the town of Klatze on the Elbe when a group of ragged Polish people seemed to come out of the woodwork.

Remembering a men's clothing store I had seen earlier, a couple other guys and I gathered up about a half-dozen of the Poles and marched them to the store.

Without hesitation I threw a brick through the window and we outfitted the Poles with new clothes.

Three days later, on April 30, I was on duty at my gun emplacement on the bluff overlooking the Elbe when I spotted a white flag on the other side. I radioed to my company headquarters what I saw.

It was an advance party of a German V-2 rocket division that had outrun the Russians to surrender to the Americans. On the same day, Hitler had married his long-time mistress, Eva Braun, and they both had committed suicide.

After the surrender was officially executed, an engineering battalion made arrangements to bring the 10,000-man division across the Elbe on May 1 and 2. Disappointed that I couldn't take part, a fellow soldier, who spoke fluent German, and I found a rowboat and crossed the river. We sneaked up the road on which the German convoy was traveling. In German, my cohort shouted "throw out your weapons."

More than 25 did from German Lugars to what looked like a six-shooter from the Wild West days. When one German threw out an unarmed hand grenade, we decided it was time to take leave.

We placed the guns in a towbag and headed back across the river in the boat, which almost sank from the new weight.

When our platoon lieutenant heard what we had done, he was so mad I thought we would surely be court-martialed. He eventually cooled down, though, after we gave him and other members of the platoon souvenir weapons.

Victory in Europe was proclaimed May 8, the day after the surrender. While there were big celebrations on the home fronts, it brought no shouts of joy in that small town on the Elbe. The announcement was anticlimatic to the men of the Blue and Gray.●

CONGRESS MUST ACT TO HELP IN THE FIGHT AGAINST DRUGS

HON. JAMES A. TRAFICANT, JR.

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 9, 1985

● Mr. TRAFICANT. Mr. Speaker, on May 8, 1985, 2 tons of cocaine—worth more than $1 million—were confiscated within 2 hours Wednesday in two of this country's biggest narcotics seizures ever. On Biscayne Bay, FL, the U.S. Coast Guard chased three smugglers until they jumped overboard and abandoned their speedboat. The Coast Guard found the speedboat packed with 1,909 pounds of cocaine. One man was arrested, but two escaped. Later that day, in Miami, police stopped a camper and found 2,100 pounds of cocaine inside. Two men were charged. A routine police check of a second camper turned up 2,094 pounds of marijuana and resulted in two additional arrests.

Mr. Speaker, I am proud of our law enforcement officials involved in these record drug busts. As a former sheriff, I am well aware of the dangers and bodily risks involved in such operations. The amount of drugs involved in these cases is a vivid example that drug trafficking and drug smuggling in this country remains a serious problem. Action must be taken to isolate the big-time drug dealers.

I have introduced legislation, H.R. 994, the Controlled Substances Penalties Act of 1985, that would address this problem head on. My bill would deny bond in cases involving bulk amounts of narcotic drugs. In the case of cocaine, if one is arrested for dealing or smuggling a kilogram or more, bond would be denied and if convicted, the penalties would be increased. For other narcotic drugs the no-bond provision and the stiffer penalties would apply in those cases involving 2 or more kilograms. Under my bill, first offenders in these categories would be subject to up to 30 years in prison or up to $500,000 in fines. Second offenders would be subject to up to life imprisonment or, if the offender kills someone, he or she would be subject to the death penalty option.

My bill may seem too harsh or severe for some of my colleagues. But when one examines the scope and nature of domestic and international drug trade, one will discover how large this problem has become. Drug abuse in this Nation continues to ravage our youth and drain our society. In addition to being a sheriff, I was also a drug counselor for 10 years. I have seen the tragic consequences of drug abuse. Those ultimately responsible for the poisoning of our youth and the ravaging of our way of life are the kingpin drug dealers who are responsible for the massive influx of narcotic drugs into this country.

In too many instances these drug kingpins—if apprehended—post bond, which is usually set quite high, and then flee the country. My bill would ensure that these drug kingpins stand trial and that, if convicted, they pay dearly for their crimes. Recent events have shown that these drug kingpins have openly declared war against our law enforcement officers in the field. We need to enact tougher laws to protect our law enforcement officers and to protect our society from poisonous drugs. We are in a war—whether we like it or not. It is a war we must win. Passage of H.R. 994 would send a powerful message to the entire world that America has had enough and that we are serious about fighting drugs.

I urge all of my colleagues to take a good look at H.R. 994 and lend it their full support.●

LEGISLATION TO PROVIDE FOR THE SOLVENCY OF THE RAILROAD UNEMPLOYMENT INSURANCE SYSTEM

HON. DAN COATS

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 9, 1985

● Mr. COATS. Mr. Speaker, I am pleased to join with my distinguished colleagues in introducing legislation to address the financial problems facing the railroad unemployment insurance system. The future of this system is crucially important to the approximately 41,000 furloughed rail workers who are currently receiving benefits. Further, since the unemployment system has often been able to pay benefits only by borrowing money from the railroad retirement pension fund, the financial health of the unemployment system has a direct impact on the financial security of railroad retirees.

The financial problems facing the railroad unemployment system are nothing new. The system has had to borrow from the railroad retirement account in 19 of the last 24 years. But we cannot afford to delay addressing these problems any longer. The indebtedness of the unemployment system to the railroad retirement account now exceeds $700 million. Despite the strength of our current economic recovery, the unemployment system's indebtedness is expected to grow to over $780 million by the end of this fiscal year. Prospects for repayment of the loans extended by the railroad retirement account, much less the interest owed on the loans, appear dim. The situation is truly reaching crisis proportions, which will be only further aggravated when the unemployment system's borrowing authority expires September 30, 1985.

Congress must enact legislation to establish a financially sound system to fund unemployment benefits by October 1. Congress must find a real solution which is fair to rail pensioners, rail employees, the rail industry, and the American taxpayer. By this, I mean that the solution cannot include open-ended borrowing from either the General Treasury or the railroad retirement account, add to the Federal deficit, rely on Federal subsidies or grants, suppress unemployment benefits, or fail to provide for the repayment of loans from railroad pensioners, including all interest.

The administration's proposal to remedy this situation is to merge the railroad unemployment system with the Federal-State unemployment system. While I have not reviewed this possibility in great detail, I understand that merger would yield some significant advantages over the current system. First, under the current railroad unemployment system, a beneficiary receives a maximum of $25 a day or $125 per week. This amount has not been increased since 1972 and is lower than the unemployment benefits paid under 42 States' unemployment programs. Additionally, merger would end the rail unemployment compensation discrimination against rail employees with less than 10 years' service. Railroad pensioners would also benefit by relieving the financial burden on the railroad retirement system.

However, during the hearing on the administration's proposal before the Subcommittee on Commerce, Transportation, and Tourism, it was quite evident that the rail carriers had withdrawn their support for merger, and are now supporting retention of an independent railroad unemployment

system under a "consensus" package presented to Congress by the Railroad Unemployment Compensation Committee.

After reviewing the "consensus" package, I find it fails the litmus test of fairness and places undue burdens on railroad workers, railroad pensioners, and the American taxpayer. Under the "consensus" package, the General Treasury would grant $135 million to the railroad unemployment account. Additionally, the interest which should be paid on loans extended to the unemployment system by the railroad account would be forgiven. This would, in effect, be a grant to the railroad unemployment account at the expense of the railroad pensioners which could potentially cost the railroad retirement system almost $3 billion.

Under the circumstances, for Congress to enact the proposal put forward by the rail industry would be most unwise. Congress has already acted twice to pull the railroad retirement account back from the brink of bankruptcy. While the financial situation of the retirement account appears to be much improved, it would be foolish to jeopardize the financial future of 1 million railroad pensioners by continuing to drain the fund to keep the unemployment system afloat.

The financial problems with the railroad unemployment system are the result of a serious underfunding of unemployment benefits by rail carriers. Railroad carriers only pay about $30 a month per employee to fund the unemployment system. This is far below the contributions employers with employment records comparable to the rail carriers must pay under the Federal-State systems. The cost to employers under the State systems range from approximately $53 to almost $100 per month per employee.

If rail carriers are to retain an independent unemployment system, they should expect to pay for its full costs, including worker unemployment benefits comparable to the States' programs, all of the interest owed to the rail pension fund, and repayment of the principal within a reasonable term. Rail carriers should not expect subsidies from the American taxpayer, an acceptance of suppressed unemployment benefits by railroad workers, or the forgiveness of interest on the debt owed to the rail pensioners.

The legislation we are introducing today would establish a financially viable railroad unemployment insurance system that is fair to railroad workers and pensioners, the railroad carriers, and the American taxpayer. It retains the independent nature of the current system but makes two important changes.

First, it increases the maximum daily benefit afforded unemployed rail workers from its current, unrealistically low level of $25 to $35. The weighted average of the maximum daily benefits provided unemployed workers in the six States with over 20,000 railroad workers is over $40 or $200 per week. Increasing the maximum daily benefit level to $35 is an important step toward having railroad workers receive benefits comparable to what they would have received under the State-Federal system, and ensuring rail carriers pay the accurate costs of an independent unemployment insurance system.

Second, this bill increases the wage base for the unemployment tax from $600 per month to $1,300 per month, with a conforming increase in the wage base for the repayment tax which is scheduled to start in July 1986. Increasing the wage base from $600 to $1,300 should increase receipts sufficiently to pay for the increased benefits and the interest owed annually on the outstanding loan from the railroad retirement account, to repay the moneys owed the retirement account within the next 15 years, and to make the railroad unemployment insurance system solvent. This increase in receipts eliminates the need for the unemployment system to borrow from the railroad retirement account or any other fund.

The legislation we are introducing today places the full burden of supporting the railroad unemployment system on the rail carriers. At first glance, this may seem harsh, but this is exactly what occurs for every other business in America. In light of the successes of railroad deregulation, there is no reason to continue to shelter rail carriers and to expect railroad workers and retirees to continue to shoulder the burden of an independent rail unemployment insurance system. The tax increases contemplated by this legislation are large, but not excessive when compared with the taxes paid by other employers with comparable employment experience and the fact that the railroad unemployment insurance system has been chronically underfunded.

Mr. Speaker, Congress must act soon to develop a financially sound railroad unemployment system before the borrowing authority expires this fall. We invite our colleagues to join us in fashioning a solution that will be sensitive to all of the interests involved in this matter, particularly those of the railroad worker, railroad pensioner, and the American taxpayer. We urge our colleagues to study this issue and to become a cosponsor of this legislation.●

CABINET STATUS FOR SMALL BUSINESS

HON. ANDY IRELAND

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 9, 1985

● Mr. IRELAND. Mr. Speaker, it seems everybody thinks small business is just wonderful. We have all heard the virtues of small business extolled again and again. Yet when it comes to a crucial decision and big business, big labor, and big government all weigh in on an issue, it is the interests of small business that lie crushed in the dust after all is said and done.

To survive and to be allowed to prosper in an appropriate economic environment, small business needs a strong voice that must be heard in every crucial discussion conducted within the Federal Bureaucracy. It seems to me after some reflection that a good permanent place to start is the Cabinet.

Recently, our present Cabinet was reorganized. The new Cabinet has no slot for the Small Business Administrator. For most of our recent history, this has been the rule rather than the exception. Today, I am introducing legislation which would correct this situation both for now and for the future.

My bill calls for the recognition of the Cabinet status of the Administrator of the Small Business Administration. It will provide for the Administrator's full participation in the activities of this and all future Cabinets. It specifies that the Administrator will be the President's principal adviser on all matters relating to Small Business. Finally, it will make his pay status commensurate with Cabinet status.

This is "Small Business Week." I can think of no better time to get this permanent initiative underway. I welcome my colleagues' support on both sides of the aisle.●

CONDEMNING THE MURDER OF MAJOR NICHOLSON

HON. JAMES H. SCHEUER

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 9, 1985

● Mr. SCHEUER. Mr. Speaker, I would like to take a moment to explain why I voted against the unproductive and unprecedented amendment to the State Department authorization bill which called on the administration to expel from the United States the Soviet Chief of Missions unless the Soviet Union apologizes for the murder of Maj. Arthur Nicholson.

I was shocked and outraged by the brutal murder of Major Nicholson by a Soviet thug in East Germany. I was

even more infuriated that the Soviet authorities refused to allow Major Nicholson's driver to administer first aid that could well have saved the life of this bright young soldier. The death of Major Nicholson was nothing less than cold-blooded murder and it deserved condemnation.

On April 22, I joined with an overwhelming majority of my House colleagues in approving 394 to 2 House Resolution 125 condemning the Soviet Union for the murder of Major Nicholson. It was an appropriate action by the Congress and I wholeheartedly supported it.

The amendment considered today by the House, however, was totally inappropriate not because it expressed outrage over the tragic death of Major Nicholson, but because it flies in the face of our great Constitution.

Today's amendment disregarded the hallowed tenet of our Constitution which establishes a clear separation of powers between the legislative and executive branches. Congress has no right to intervene in what is clearly a diplomatic decision that rests with the President and the State Department.

I will support any resolution condemning the Soviet Union for this barbaric act of wanton murder, so long as the resolution is within the purview of the Congress.

But I will not vote for ill-considered resolutions or amendments that clearly violate the constitutional prerogatives of this body, regardless of the good intentions behind such a measure. I respect my colleagues' bona fide outrage over this tragic event, but I could not support the method they chose to display their anger.

Mr. Speaker, this was not an easy vote for me to cast. I strongly condemn the Soviet Union for this brutal slaying and I firmly believe the Soviets should issue an apology and compensate Major Nicholson's family, although nothing can truly compensate for the pain his grieving wife and child must feel.

I know I am going to have to spend many hours explaining my vote on this amendment and spelling out my reasons for not joining a majority of my colleagues in approving this amendment. But we in the House also must honor the rules and in this case we were dealing with a very important rule—the separation of powers among the three branches of our Federal Government.

I will continue to criticize and condemn the Soviets for this act of brutality, but I will do so in the proper forum.●

H.R. 2257

HON. HAROLD E. FORD

OF TENNESSEE

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 9, 1985

● Mr. FORD of Tennessee. Mr. Speaker, I would like to announce today that I am sponsoring H.R. 2257, the Frequent Flyer Information Reporting Act. This legislation will require information reporting to the IRS for airline passes provided under frequent flyer or similar programs.

H.R. 2257 will require that any company which is in the business of providing transportation by air, and provides patronage passes to any customer shall file an information return, setting forth the name, address, and tax identification number of such customer and the aggregate value to such customer. The Secretary of the Treasury will prescribe the forms and regulations. Each company filing a return listing a customer shall furnish to each customer listed, a written statement forth the name of the company making the return and the aggregate value of the patronage passes provided to such customer as reported to the IRS. A patronage pass means any document which entitles the holder to a certain amount of air transportation at no charge or at a reduced charged, and which is provided to the customer on the basis of the customer's patronage.

The frequent flyer programs have been operating for the past 4 years and it is estimated that more than 7 million people are participating in at least one program. Today, virtually every major U.S. carrier has in place a marketing program based on free passes, ticket upgrades, including a variety of free goods and services from "tie-in" groups such as automobile rental companies, hotels as well as foreign airlines. These programs have millions of individuals as participants and they serve to exacerbate two serious problems facing the Nation's voluntary tax collection system.

These two problems are, first, the view of most taxpayers that businesses take advantage of loopholes and that the average taxpayer is therefore treated unfairly. Obviously the occasional air traveler cannot benefit from these programs and certainly all of the American who never fly should not be expected to subsidize those who do through the tax system. Second, taxpayers are concerned about the deficit and lost revenues. It is even a greater problem when the lost revenues are blatantly, even brazenly, bandied about and called effective marketing. Indeed, the absolute size of the lost revenue, while substantial, may not be as important as the message sent to millions of taxpayers.

We know that some travelers fly out of their way, in spite of increased cost to their companies, in order to get free passes. Some of those in the frequent flyer programs have qualified for more passes than they can use and are selling them for cash. Michael Boynton, manager of marketing programs for Delta Air Lines, reinforces the point regarding employees traveling out of their way to pick up bonus points by saying: "We've seen customers flying from New York to Los Angeles by way of Atlanta and Dallas even though our competitors offer nonstop flights at comparable rates."

It has been suggested that companies are paying a premium of 5 to 7 percent of their total travel budget as a result of these programs. Business spent $66.5 billion on travel last year and the sums involved are large enough to merit the concern of Congress. While the Internal Revenue Service is aware of the lost revenue, this legislation will give the IRS congressional direction, so that additional revenues can be raised and the deficit reduced. The general manager of the American Society of Travel Agents, Robin Gray, has recognized that the personal use of frequent flyer coupons derived from business travel is taxable. It is not too much to ask the IRS to do the same and to give the IRS the tools to do so. I look forward to hearings and I encourage comments from major carriers, regional, and small carriers as well as those concerned with tax fairness and equity.●

THE STATE OF FLORIDA AGAIN APPEALS TO CONGRESS TO DEAUTHORIZE THE CROSS-FLORIDA BARGE CANAL

HON. C.W. BILL YOUNG

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 9, 1985

● Mr. YOUNG of Florida. Mr. Speaker, the Florida State Legislature yesterday once again appealed to Congress to finally deauthorize the long dormant cross-Florida barge canal project.

By a vote of 33-3, the Florida State Senate agreed to a statehouse bill urging Congress to take whatever steps necessary to complete the deauthorization process.

The State senate's action yesterday is particularly gratifying to this Member, because 24 years ago, as a member of that body, I first raised the issue of deauthorizing the cross-Florida barge canal when I offered an amendment to delete money for the project from the State budget. My amendment created a great furor in the legislature and was soundly defeated, but from that spark evolved a

statewide movement to deauthorize the barge canal.

Following my election to the U.S. House of Representatives in 1971, one of my first items of business was to personally request that President Nixon stop funding construction of the barge canal. He agreed to my request, and as a result, work has been suspended for more than 14 years on this now obsolete project.

After many years of work in this regard, I was elated last year when the question to deauthorize the barge canal was finally placed before this body. Unfortunately, our amendment failed by just three votes. But, as I learned 24 years ago in the Florida State Senate, it is just a matter of time until we are successful in convincing a majority of our colleagues that the cross-Florida barge canal, first conceived more than 40 years ago, has outlived its usefulness.

Mr. Speaker, it's my hope that we will have the opportunity again this year to consider this issue so that we may once and for all fulfill the desire of an overwhelming majority of Florida's residents and deauthorize the cross-Florida barge canal.●

THE "JUSTICE" DEPARTMENT

HON. CARROLL HUBBARD, JR.

OF KENTUCKY

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 9, 1985

● Mr. HUBBARD. Mr. Speaker, last Thursday, May 2, 1985, I received in my office a news release and information packet from E.F. Hutton & Co., Inc., regarding its pleading guilty in Federal court in Scranton, PA, to a U.S. Justice Department criminal information charge of 2,000 counts of mail and wire fraud in connection with a $4.35 billion scheme from July 1980 to February 1982.

E.F. Hutton was fined the maximum $1,000 on each charge of mail and wire fraud by the Federal judge, or a total of $2 million, and was ordered to pay $750,000 in court costs.

I ask my colleagues today what kind of justice is being doled out by our U.S. Justice Department? Certainly, Federal officials have explained that company employees have been granted immunity in order to push the investigation along. Another reason given for not prosecuting individuals who were participating in the bad check-writing incidents was that "it didn't seem fair to subsequently charge other individuals for doing identical acts."

I say it is another example of questionable justice when a deal is made to any company which has pleaded guilty to 2,000 felony counts of mail and wire fraud that has involved kiting checks worth more than a billion dollars to 400 American banks.

Recently the U.S. Justice Department indicted, convicted and sent to jail a Washington, DC, woman for "shoplifting four sweaters for a total value of not more than $200."

Many Americans realize that the most politically conscious and active agency in our Federal Government is the U.S. Justice Department.●

STERLING HEIGHTS: A SAFE PLACE TO LIVE

HON. DENNIS M. HERTEL

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 9, 1985

● Mr. HERTEL of Michigan. Mr. Speaker, I rise today to extend a hearty congratulation to a city in my district, Sterling Heights, for their efforts in combating crime. I would like to mention in particular the crime prevention division of the Sterling heights police department which was recently named "outstanding unit" by the Crime Prevention Association of Michigan. This honor, incidentally, is an annual award given to members who have demonstrated an outstanding contribution to the citizens of Michigan in the field of crime prevention.

Prior to this recognition, Sterling Heights was named as one of the safest cities in the country. A large part of this achievement can be attributed to the work of the police department's crime prevention division which, together with the citizens of Sterling Heights, has worked on ways to prevent crime.

The community watch program which began a few years ago has been a highly successul anticrime venture between the city and the community. The low crime rate in Sterling Heights is due largely to the cooperation of the three faceted crime watch program. The first phase of the program is operation identification where residents engrave all valuable objects in the home. Second, is the neighborhood watch where residents make a concerted effort to familiarize themselves with their neighbors and learn to recognize suspicious individuals or actions. Third, city and local business employees are trained to recognize criminal activities so they can report any wrong doings they might encounter.

At this time, I would like to give special thanks to the mayor, members of the city council and the police officers who worked so hard to organize and successfully carry out this program: Chief Alan Nallepa, Sgt. Ken Ford—head of the crime prevention division—and officers Jack Sherby, Lee Hartson, Mike Rumps, and Andy Newcombe. Special praise also is in order for the block captains and neighborhood volunteers who dedicate a great deal of time and energy to make this program work.

The best way to beat crime is through prevention. Under the direction of the crime prevention division, the residents, businesses and government employees in Sterling Heights have worked together to make their community a safer place to live.●

KEYNOTE ADDRESS OF VLADKA MEED TO THE INAUGURAL ASSEMBLY OF THE AMERICAN GATHERING OF JEWISH HOLOCAUST SURVIVORS

HON. ROBERT A. BORSKI

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 9, 1985

● Mr. BORSKI. Mr. Speaker, I would like to commend to all my colleagues the remarks of Vladka Meed in her keynote address to the Inaugural Assembly of the American Gathering of Jewish Holocaust Survivors. Her speech is a forceful and timely restatement of the horrors Jews suffered at the hands of Nazi Germany, and a reminder that now we all share the responsibility to see that such crimes never again occur. I insert her speech in the RECORD:

KEYNOTE ADDRESS BY VLADKA MEED

They wanted us to remember them.

In their last moments before death, they wrote it with their own blood, on walls—or carved it into the stones of the ghetto. "Remember us. Remember our lives. Remember our deaths."

And we, who survived, carry their memory within us wherever we go. We search for ways to inscribe it into the consciousness of our people and the world around us so that twisted minds of Nazi historians should not dishonor their memory.

I can still see the Warsaw Ghetto uprising before my eyes—the flames from burning Jewish houses, leaping over the ghetto walls and through the clouds of the thick smoke. I can still hear the sounds of explosions and the firing of Jewish guns. In its glare, I see the Jews of Warsaw, of Vilno, of Riga—of all the other ghettos. I see their life, their struggle, their resistance, during all the years of the Nazi occupation. I recall the crowded ghetto streets with hungry people, corpses laying unclaimed on the sidewalks; my neighbor standing in the doorway of our house to watch out for approaching Germans, while upstairs, her daughter held secret classes for children.

I recall the political groups of our idealistic youth—the Bundists, Zionists, Communists, religious groups—their illegal publications, the secret libraries, synagogues, yeshivas.

Yet, beyond the horrible suffering and terror, there was pulsating life in the ghettos—a life filled with meaning, with hope, with dignity.

This was resistance with a will to survive as a people and a spirit that refused to be crushed.

Then the final solution. . . .

I can still remember the thousands of Jews forced to line up in the narrow streets of the ghetto—and the German officer at the head of the line—pointing with a stick. "Left, right—left, right." I can still feel the dread as we stood in that line. Left—to the trains. Right—a few more days of survival in the ghetto. I still see them—our ghetto Jews—among them my dearest ones, walking on their last march to the trains—silent. As their footsteps echo in my mind, I can hear their unuttered outcry to God, and to a world that allowed all this to happen.

Yet, even then, many still nourished the hope against hope—that they would somehow survive. Even I, who knew, from my work in the underground, the actual destination of the trains—I could not believe when my mother and my brother were taken away—that they would be killed. I found myself hoping that maybe, after all, they had been sent—as the Germans claimed—to another city for resettlement.

How could our people, who for generations believed in human values, imagine such an utter madness as that of an enemy who planned our total annihilation? How could we grasp the scope of such a huge apparatus installed by German scientists—supported by trained military and civilian death squads with the cooperation and participation of its industry—of its people?

Yet, we, the survivors, are the witnesses—not only of murder and destruction, but also of the spirit of Jewish life under Nazism.

It is worthwhile to remember how inmates in the Estonian camp Narva, conducted illegal literary evenings. In Varvara Camp, Jews secretly observed Yom Kippur and organized minyans to say "Kadish" for those who perished. And even in the pit of hell in Auschwitz, surrounded by the smell of burning flesh, members of the Sonder Komando, buried scripts next to the ovens, so if everyone perished, let the written word tell what happened to them.

While the world closed its eyes so as not to see the smoke of the cremetoria, our people struggled to remain "menschen"—to preserve their beliefs in humanity—in God.

Those who view the Holocaust from a distance—often claim that organized Jewish resistance came too late. They would do well to remember that it came earlier than that of any other oppressed people in Europe. But the Jews—the most persecuted in the most hopeless position, were the first to revolt.

They were led by our youth. They were at the forefront of the Jewish struggle everywhere. The historic role of these idealistic young ghetto people has yet to be fully told.

It was my destiny to work with them—to see their determination—their spirit—their commitment and their dedication.

When I came on a mission with a small smuggled-in parcel of dynamite to one of the ghetto fighters' units—the young would approach me—their eyes burning with excitement—with interest. They would repeatedly ask me about our relations with the outside world. "When will we receive more arms? When will the Polish underground give us help? Hiding places for our ghetto children?"

And I would stand there, forlorn, unable to give them the answer they so desperately sought. Pitiful was the response from the Polish underground.

None of the young expected to survive a Nazi attack. Nor did they expect to influence in the smallest way the outcome of the war. But they were fueled by the conviction that their cause was just. The enemy must be fought. This is what drove them on.

I recall another Sunday in April, when the German soldiers marched in full gear, into the Warsaw Ghetto, to make it Judenrein.

Suddenly they came under fire. From buildings, from windows, from rooftops of houses, the Jews were shooting. The Germans withdrew. They set up artillery around the ghetto walls and from there, they systematically bombarded our positions. The ghetto did not yield. We were so poorly equipped—only a handful of grenades and revolvers and home-made Molotov Cocktail bottles against the combined might of the Wehrmacht. A gun against a tank. A revolver against a flame-thrower. One side street after another.

How can I forget the towers of flame? The smell—the stench of burning houses and the agonizing screams for help? And, in the midst of this flaming hell, the resistance went on—until the ghetto was charred rubble.

Those final days united them all. Those who had fallen with arms in hands—those who were gassed, and those who suffocated in the smoldering ruins—they were all united in one great chain of resistance against their enemy.

During the days of the uprising, the Jewish underground sent radio messages to the world—to our representatives in the Polish Government in exile stationed in London. We pleaded for ammunition. We begged for help. But, we were alone—abandoned.

Those of us who survived, can never forget the feeling of isolation and loneliness. History will never be able to explain our abandonment during those final hours.

Only one year later, I was in the uprising of Polish Warsaw. I remember at that time, the planes flying over the city, dropping arms and medical supplies to the Polish fighters; but when we fought, the skies over the ghetto were empty. In the months afterward, we learned of organized Jewish resistance in other ghettos and camps.

Today, we know that the world knew what was happening to us. London knew. Washington knew. The Vatican knew. And even the leaders of the Jewish community in the free world knew. As Hitler unleashed his murderous machine, systematically, and step by step, he always waited for an outcry of world opinion, but such an outcry never came. The world paid attention only to the military battle—and not to the war against the Jews. Thus, Auschwitz was not bombed. The gates of America and Palestine were kept closed and few spoke out, until it was too late.

Now, as world leaders gather to celebrate the end of World War II, we the survivors of the war against the Jews, think not only of military valor and of victory—but we think of our Jewish world that was cut down—of Jewish suffering and resistance. Yes, we will remember, with gratitude and respect, the decency of the few—of some righteous people and nations. And we will remember, above all, the moral meaning of that victory and its implication for our future.

The world is now eager to forget our tragic past—to pretend it never happened.

However, we know that the world is not free of the horror, of the poison which bore Auschwitz and Teblinka. Even today, Israel stands threatened. Soviet Jewry remain oppressed, and even in many free countries—Neo-Nazis try to poison the air with their hatred and lies.

For us, the news of today constantly evokes echoes of the past:

The Austrian Defense Minister greeting a freed Nazi war criminal as if he were a returning dignitary, rather that a mass murderer.

The Toronto trial, where the question as to whether the Holocaust actually existed was to be decided by a court.

The gathering of the Allies will mark the end of World War II—and to avoid a possible offense to Germany, President Reagan did not intend to visit the death camps and pay tribute to our Jewish martyrs in Dachau. But at the same time, a visit is planned by him to a German military cemetery where Nazi murderers are buried. Shocked and bewildered, we asked in dismay: Is not Dachau liberated 40 years ago by American troops, the place of symbolic historic significance? To be remembered and honored by our President?

The leaders of the World do not wish to be reminded of the past. But the past remains a constant warning of the challenges of survival that lie ahead. And what has seen us through history and will also see us through the future, are the indestructible bonds created by the suffering, remembrance and hope by all of those who cherish freedom.

And we, who survive, shall continue to tell and retell the story of a people who refused to yield—the story of a people who would never say that they were marching on their last road.

[Vladka Meed, author of "On Both Sides of the Wall," chairwoman, Cultural Commission.]●

UNITED STATES-ISRAEL FREE TRADE AGREEMENT BENEFITS BOTH NATIONS

HON. TOM LANTOS

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 9, 1985

● Mr. LANTOS. Mr. Speaker, the economy of Israel is currently facing serious problems, but the Israeli Government is making the difficult choices that are necessary to restore its economic health. Emergency assistance, which I am certain Congress will approve later this year, will provide interim help.

In the long term, however, Israel needs two things to maintain its economic viability. First, it needs peace; second, it needs access to larger markets. While we are all hopeful that the United States will play a constructive role in bringing an end to hostilities in that troubled region, access to larger markets is an important element that the United States can provide now.

Mr. Speaker, in a historic step on April 22, representatives of the United States and Israel signed the United States-Israel Free Trade Area Agreement—the first free trade area agreement ever entered into by the United States. The Congress has just approved the legislation necessary to implement that agreement.

While this free trade agreement is an important first step, it will not provide an immediate fix for the Israeli economy, since the agreement's provi-

sions will be phased-in gradually over the next 10 years. In the long run, however, it will be vitally important. Israeli manufacturers can now think in terms of serving a market of 237 million people—60 times the size of that of Israel. Efficiencies that result from large-scale production, that could not be considered for the Israeli market alone, are now possible. Specialization in technologies and products that are important for the American market can now be expanded by innovative Israeli entrepreneurs.

The Israeli leaders have made a tough decision by deciding to enter into this free trade agreement, but they have made the right decision. For the first time, Israeli companies will have to compete head on with American companies. The Israeli economy has been protected from American competition by high tariff barriers, and subsidy programs have shielded the Israelis from direct competition.

Important changes will take place in the Israeli economy as it adjusts to competition with American firms. Israeli firms will become more efficient as they face American competition. I am confident that they will meet the challenge that the free trade agreement will bring.

Mr. Speaker, it is important to emphasize that this is not a one-sided agreement. There are significant economic benefits for the United States. The European Economic Community, which next to Japan is our second most important trade competitor, already has a free trade arrangement with Israel that has been in effect for over a decade. Our agreement will put American exporters on an equal footing with their European competitors in the Israeli market.

Furthermore, about 90 percent of Israeli exports to the United States are already duty free, whereas our duty-free exports to Israel constitute only about 35 to 40 percent. Thus, new opportunities will become available for American exporters. While Israel will benefit from this agreement, it is also clear that the United States has as much to gain.

The free trade agreement, by removing trade barriers, will strengthen the economic relations between the United States and our strategic and stable ally in the Middle East. Strengthening our economic ties will contribute to the important political and strategic relationship we share. It will make for a stronger and more prosperous Israel and United States.●

MATT AND ROSE LAMB

HON. MARTY RUSSO

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 9, 1985

● Mr. RUSSO. Mr. Speaker, recently two outstanding citizens in the Third Congressional District were honored by being invested as Papal Knight and Lady of the Equestrain Order of the Holy Sepulchre of Jerusalem. Mr. Matt Lamb and his wife Rose, among the 100 men and women from 14 Midwestern States to be invested, were named by the Holy Father Pope John Paul II, "from among persons of a deep and practical Catholic faith and of unblemished moral conduct."

Joseph Cardinal Bernardin, himself a Papal Knight, presided at the April 28 ceremony and Archbishop Micheal McAuliffe, Grand Prior of the Knights, invested the Knights and Ladies.

The order is the oldest existing Order of Knighthood in the world. Serving 25 countries today, it stems from the first Crusade when knights were made guards of honor for the Holy Sepulchre—the partially restored basilica on the site of Jesus' tomb—by Pope Pascal II in 1113. The purpose of the order today is to "revive in a modern manner the spirit and ideal of the Crusades."

Practical work of the order has included creation, support, and maintenance of an educational system for the Chritian minority in the Holy Land. In 1981, a school for youngsters of the Christian faith was built in Beit Sahour and the University of Bethlehem for Christians was established. The order also supports medical facilities, orphanages, and homes for the aged in the Holy Land. A modern institution for the care of congenital deaf-mutism, a common disorder in the Middle East, has been developed near Bethlehem by the order.

It has been my privilege to know Matt and Rose Lamb for many years and I am not surprised at their being chosen for this high honor—a reflection of the involvement and compassion and concern they bring to people and to their community. Such people can remind us of what is good within us, and inspire us to live a life that reflects enduring values and faith. I know my colleagues join with me in commending them for their fine work and for this singular honor.●

CARGO PREFERENCE

HON. DOUG BEREUTER

OF NEBRASKA

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 9, 1985

● Mr. BEREUTER. Mr. Speaker, on March 31 of this year, the National Commission on Agricultural Trade and Export Policy issued its first report to the President and Congress regarding U.S. agricultural export policy. The Commission is comprised of 32 members—a majority and minority member from each of the agriculture, foreign affairs, and tax-writing committees of both Houses of Congress and 20 members from the private sector who represent interests that are involved in either the production, processing or exportation of agricultural commodities. The purpose of the Commission is to review past and current U.S. policies that affect agricultural exports and make policy recommendations to the administration and Congress that will encourage the growth of foreign agricultural sales and markets.

As a member of the Commission, I would like to share with my colleagues the section of the March 31 report pertaining to cargo preference. It was a unanimous decision by all of the private sector members of the Commission and by most of the congressional Members that the export of agricultural commodities, including the shipments of food aid under the Public Law 480 program, should be exempt from cargo preference requirements.

As the following excerpt from the Commission's report illustrates, the bulk of the cargo preference subsidies are received by a handful of U.S. maritime shipping companies. It is worth noting that the top 16 maritime recipients of cargo preference subsidies received a total of 59,623,499 in cargo preference freight differentials for shipment of food aid under titles I and III of Public Law 480 because of cargo preference requirements.

I submit for my colleagues the complete text of that section of the Commission's report which relates to cargo preference. I would urge my colleagues that Congress act now to exempt from cargo preference requirements not only the USDA's blended credit programs, but also the shipment of Public Law 480 food aid.

CARGO PREFERENCE SECTION

(First Report (March 31, 1985) National Commission on Agricultural Trade and Export Policy)

POLICY STATEMENT

The Commission strongly opposes the concept of cargo preference as currently applied to food aid programs and, potentially, to other programs designed to expand sales of U.S. products.

The Commission recognizes that other interests may be served by cargo preference, but has seen little evidence that the objec-

tives of the program are being met. While the Commission does not take issue with the need for maintaining a strong U.S. maritime industry, it does not believe that cargo preference applied to exports of U.S. farm products is the appropriate means to achieve this objective. The Commission believes that U.S. agriculture would lend its support to the maritime industry to strengthen the industry if cargo preference requirements on agricultural products were eliminated. However, cargo preference is not supported by the U.S. agricultural community. The method of financing the program should not be by appropriation to the U.S. Department of Agriculture. Appropriations to carry out the program should be provided by Congress directly to the Maritime Administration. The Commission encourages the U.S. maritime industry to cooperate with agricultural interests toward a goal of greater viability for both industries, as a first step, through exempting agricultural exports from existing cargo preference requirements.

RECOMMENDATION

1. The Commission recommends that Congress immediately enact legislation to exempt all agricultural exports and export programs from existing cargo preference requirements.

2. Congress should direct the Director of the Office of Management and Budget (OMB) to reflect subsidy payments deemed necessary to support the maritime industry in the appropriate function of the Federal budget, other than Functions 150 or 350. Appropriations to carry out assistance to the maritime industry should be provided by Congress directly to the Maritime Administration.

COMMENTARY

Cargo preference requirements result in Federal government outlays incurred by the U.S. Department of Agriculture (USDA). The USDA budget, already facing criticism as a result of the exceptionally heavy cost of farm programs, should not have to bear the cost of ocean freight differentials required to ship agricultural commodities and products on U.S. vessels.

A major share of the cost of cargo preference results from exports under U.S food aid programs. In the thirty years since the enactment of P.L. 480, the total cost of cargo preference has been more than $1 billion. Currently, costs are running around $75 million annually and are expected to exceed $100 million in 1985.

Costs associated with cargo preference in the Title II program generally are lower than those incurred under Title I because the volume of commodities is lower and there is less use of bulk carriers. In 1984, $20.2 million was spent on ocean freight differentials under that Title II program. This included $1.3 million for processed grain products, $0.8 million for bagged grain and $18.1 million for bulk commodities.

PUBLIC LAW 480 TITLE I/III, EXPENDITURES

[In million of dollars]

	Commodities	Ocean freight differential	Total
1977	723.1	75.5	798.6
1978	67.1	62.6	733.7
1979	754.5	122.5	827.0
1980	845.8	63.0	908.8
1981	781.3	65.1	846.4
1982	712.0	120.1	832.1

PUBLIC LAW 480 TITLE I/III, EXPENDITURES—Continued

[In million of dollars]

	Commodities	Ocean freight differential	Total
1983	766.0	77.2	843.2
1984 (estimate)	781.0	69.5	850.5
1985 (estimate)	997.0	109.0	1,106.0
1986 (estimate)	921.5	108.5	1,030.0

The subsidized flour sale to Egypt in early 1983 was subject to cargo preference because the price of the flour was reduced to meet the EC level of prices of approximately $160 per metric ton. Since a subsidy was involved, cargo preference was applicable. The sale was made using Commodity Credit Corporation stocks of wheat. U.S. flour millers placed bids on wheat stocks from CCC holdings as to the volume of "free" wheat needed in order to sell the flour to Egypt at a reduced price. Since the flour mills were aware that the cost of shipping to Egypt would be increased by the requirement that half the flour go on U.S. bottoms, they increased the volume of wheat needed. ASCS estimates that an additional 6 million bushels of U.S. wheat from CCC stocks were used to offset the increased cost of U.S. bottoms. Based on prices at the time, the estimated cost to CCC was $24 million.

In late February 1985, a court ruling was handed down that cargo preference laws were applicable to the blended credit program. Blended credit is a mixture of direct Government loans and credit guarantees to banks. Under the program, the blend was generally 20 percent direct credit at zero interest rate and 80 percent of guarantees at the prevailing commercial interest rate. The direct credit portion was ruled by the courts to constitute a subsidy and, therefore, cargo preference laws were applicable. This means, of course, that 50 percent of the shipments under blended credit must be in U.S. bottoms at rates $20 to $50 per ton above non-U.S. flag carrier rates. (Only wheat sales to North Africa and a small wheat flour sale to Iraq were programmed under the blended credit program.) Cargo preference would add between 8 percent and 15 percent to the cost of a ton of wheat (approximately $150). The 20 percent interest subsidy will hardly offset the 8-15 percent increase in the landed price of the commodity. In this instance, cargo preference effectively kills a successful effort to combat unfair EC trade practices and reduces the export volume for U.S. wheat farmers.

According to USDA, companies that received payments in 1984 for ocean freight differentials under Titles I and III of P.L. 480 are:

Company:	Payments
Lykes Steamship Co., Inc	$9,356,765
Ultimar Shipping Co., Inc	8,934,407
Central Gulf Lines, Inc	7,561,504
Phoenix Bulkship, Inc	7,395,741
American President Lines, Inc	5,311,396
Equity Carriers III, Inc	2,863,950
Waterman Steamship Co	2,781,852
Delta Steamship Lines, Inc	2,633,032
Apex Marine Corporation	2,449,000
A.P. St. Philip, Inc	1,981,650
Asco-Falcon II Shipping, Inc	1,650,949
Ogden Missouri Transport Inc	1,587,832
Archon Marine Co	1,434,160
Universal American Barge Corp	1,298,500
Ocean Barge Corp	1,267,537
Transbulk Carriers, Inc	1,115,224

A total of 14 other companies received payments for ocean freight differential in 1984 for shipments under P.L. 480, with amounts ranging from $13,869 up to $852,066.●

TRIBUTE TO THE HONTERUS EVANGELICAL LUTHERAN CHURCH OF YOUNGSTOWN, OH

HON. JAMES A. TRAFICANT, JR.

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 9, 1985

● Mr. TRAFICANT. Mr. Speaker, on June 2 of this year, the Honterus Evangelical Church of Youngstown, OH, will be celebrating its 75th anniversary. At this time, I would like to pay tribute to this church and its congregation, and congratulate them for reaching this significant milestone.

Mr. Speaker, the congregation of Honterus Evangelical Lutheran Church consists of American citizens of German heritage who trace their family origins back to Transylvania, in the Carpathian mountains of Europe. Many of them came here at the turn of the century to flee persecution and oppression. They brought with them a thirst for freedom and they have added significantly to the rich immigrant heritage of this country.

The membership of the Honterus Evangelical Lutheran Church has made significant contributions to the Mahoning Valley area over the past 75 years and has been a vibrant part of the community in my home district. They have always reached out and joined with the community in times of need and have run many programs for youth, seniors, and the less fortunate.

The accomplishments and contributions of the congregation of Honterus are a rich example of the diverse ethnic quality of America. They symbolize the greatness of this Nation and its source of strength: Hard-working people who came to this country with a dream and desire for freedom. Through dedication, unbending faith, and laborious effort, they helped build the world's strongest democracy. The longevity and vitality of the Honterus Evangelical Lutheran Church is not only symbolic of the dedication and faith of its membership, it is also reflective of the enormous pride and spirit of this nation of immigrants.

I am proud to pay tribute to the congregation of Honterus and it gives me great pleasure to extend my sincere congratulations to them on the occasion of their 75th anniversary.●

BOB BARROS: A FRIEND FOR ALL SEASONS

HON. JACK F. KEMP
OF NEW YORK
IN THE HOUSE OF REPRESENTATIVES

Thursday, May 9, 1985

● Mr. KEMP. Mr. Speaker, when Bob Barros retires as headmaster of Mater Dei this year, an era will come to an end. Bob founded Mater Dei 25 years ago, and today it stands as a fine example of the excellence that can be achieved in the field of education and training for our youth. His absence will be deeply felt by all those whose lives have been touched by Mater Dei—most especially the young people who have learned so much under his tutelage and leadership.

Bob is a man of integrity and dedication. I am proud to say that he has been a real friend to our family for many years. We wish Bob, Carol Ann, and his lovely family all the best in the years to come, and I commend the following article to the attention of my colleagues as a tribute to a friend for all seasons.

On behalf of all the parents whose children's lives have been touched in one way or another by Mater Dei and Bob Barros, this article is submitted.

BOB BARROS—HEADMASTER

MATER DEI FOUNDER RETIRES AFTER 25 YEARS; SCHOOL GREW FROM HUMBLE BEGINNINGS AND FAITH

(By Judith Scioli)

On the eve of Bob Barros' retirement as headmaster of Mater Dei, the school for boys he founded 25 years ago, memories are stirring. Some reach back to the school's humble beginnings as a yet-to-be refurbished barn in Silver Spring.

"Picture it," Barros marvels as if glancing backward at his own daring. "I was interviewing the families of prospective students in one of the rooms where they put the mare on one side and the stallion on the other! Those parents had to be courageous!"

"I remember it well," laughs Louis Boland, one of those "courageous" parents. "Bob took us into the classrooms. They had earthen floors and the heat was questionable. But I had confidence in the man. As my wife and I left, I turned to her and commented, 'Well, I always said education wasn't just brick and mortar.' "

Eventually, the brick and mortar came too. But even with the school's move to its serene campus off Seven Locks Road, there has never been any doubt among parents that Bob Barros was offering something to their children more solid than a building. He was offering himself. And that has not made his retirement easy to accept.

For Bill McMurtrie, president of the school's board of trustees last year when Barros made his decision to leave, it was particularly difficult. A close friend, McMurtrie considers Barros' stewardship of Mater Dei unparalleled and was heartsick at the thought of his leaving. Yet, because of his position on the board, it fell to him to prepare the letter accepting Barros' resignation.

"Make it short," requested Barros. "One page."

Some days later, Barros asked for the letter. McMurtrie hedged but finally produced it. He admitted it did not exactly fit Barros' specification. Instead of the brief reply suggested, McMurtrie had written two full pages.

"Bob, I just can't condense it," said McMurtrie, handing over the letter.

"Sure you can," responded Barros and sat down to read it. Some moments later, Barros looked up from the two pages of eloquent prose full of heartfelt admiration of Barros. Suppressing a schoolboy grin, the headmaster sighed, "You know you're right, Bill. There's not a single thing you can cut out!"

The anecdote is telling. His peers—many of whom are themselves highly placed and highly regarded—find Barros worthy of the highest praise for his work in the most serious of fields—the education of their sons. Barros accepts that praise not as his due, but with the kind of humor that alone makes exceptional people accessible to the rest of us.

Barros started Mater Dei in 1960. He was a former marine captain with six years teaching experience and, rumor has it, $300 in his pocket. But he was ready to strike out on his own.

"It was a time that happened to coincide with a period of my life when I was getting a little closer to my faith," said Barros, who felt disturbed that the youngsters he was teaching were "growing up with nothing."

His own religious revival and the conviction that religion should play a role in education combined to draw him quite naturally into Catholic education, and he sought permission from the archdiocese to open a school.

His wife, Carol Ann, found the old farm in Silver Spring which became the first site of Mater Dei. Barros opened with four teachers and 37 youngsters in grades one through six. A few years later, at about the time of the move to the Seven Locks location, Barros extended the school through grade eight.

"I gave the school 10 years to see if it were going to float or not, and after 10 years, I knew we had something going," said Barros, patient, it seems, even in his lean days.

Once Mater Dei hit the decade mark, progress went swiftly. In 1970, Barros established the board of advisors, which incorporated and became the board of trustees. Their first act was to build a gymnasium, which the school paid for in a year and a half.

According to Barros, a school's success can be measured in a number of ways. From the purely practical standpoint, he notes, enrollment is a good yardstick. "You either have a full school or you don't. If you have a full school, the community is giving you a message," he said, "particularly when you don't advertise. It's all word of mouth."

From a business standpoint, adds Barros, the bills have to be paid. "You certainly have to show that you're a viable business proposition, at least if you're privately owned," he said.

"And then there is the intangible: If more people are telling you you're doing a good job than there are whispers that you're doing a bad job, then you assume you're doing something right!" he declared.

Barros attributes the success of Mater Dei to the selection process for students, the quality and calibre of teachers, and an atmosphere where teachers are free to teach.

"To the extent that we can, we are selective in the kind of youngsters who are invited to attend the school," said Barros. "In that selectivity, we are taking youngsters whose parents want for their children what we are providing. In different schools that can be different things," he said.

He added that the selection process does not mean that the school is looking for so-called "gifted" students. "I think there's a misconception that private schools cater only to the brightest. The truth is, we cater to the community at large. And there are more average kids who, if made to work, do well, than there are gifted kids. Every school, public or private, has its share of gifted kids. But no school can cater just to them," he explained.

As for selecting teachers, Barros is forthright in what he expects. "I have always been a big believer that if a youngster has to sit in front of somebody for five to six hours a day, that person ought to be attractive and vibrant," insists Barros.

Perhaps no one is more cognizant for Barros' ability to attract and keep an exceptional faculty than attorney Edward Bennett Williams. Williams sent his sons to Mater Dei and served on the board of trustees for several years. "My boys all had a great fondness for the place," he commented. "One of them, in fact, had such great affection for the school and for Bob that he is now teaching there."

Williams attributes much of Mater Dei's success to its staff and to Barros' appeal as a role model.

And indeed, impeccably dressed and handsome, Barros is a man who invites the respect of students and the confidence of mothers.

He is a man who learns the names of each first grader because he thinks that when a child says, "Hi, Mr. Barros," he deserves a hello back using that little boy's name.

He is a man who reminds his faculty each September that when a teacher is talking to a parent about his child, he is talking about the only thing in the world that really makes a difference to him.

At the same time, he is a man who is not hesitant to draw a line between what he considers parental "interest" and parental "intrusiveness." He has strong views on "letting teachers teach" and doesn't tolerate parents treading on his faculty turf.

"He's first class," said attorney Joseph Califano, who sent his two sons to Mater Dei and served on the board with Williams. "I think he has run the most superb school for young men in the area."

For all the praises heaped upon him, Barros does not consider himself indispensable to the future of Mater Dei. On the contrary, he is confident that the school will do well, and he intends to stay out of the way of the new headmaster, Christopher Abell, a man who Barros says, has served "with distinction" on the faculty for years.

Barros believes the school will stay as it is, with modifications that will be "evolutionary, not dramatic."

Nor does he anticipate a change in the students. Barros sees little difference between the youngsters of a quarter of a century ago and those of today.

"I think the most profound change that I have seen in 25 years has come over me and not the children. I think the children are pretty much today the way they always were," mused Barros. "But when I was younger, I had all the answers for all of the children and all of their problems. Twenty-five years later, I have very few of the answers, more questions, and perhaps a little more sensitivity that problems are more

complicated than they seem on the surface."

Barros will continue to run Mater Dei's summer camp program and to serve on the board of trustees of both Georgetown Prep and Worcester State College in Massachusetts.

He also intends to "learn to love to play golf," to take courses at the Smithsonian, and to spend time at his summer house of Kent Island on the Eastern Shore. He and his wife, Carol Ann, have four children: Mariesa, who works in Georgetown; Carla, a sophomore at the University of Notre Dame; Stephen, a junior at Gonzaga; and Mike, a junior at Georgetown Prep.

He is retiring as headmaster of Mater Dei—what he calls, "the best job in the world"—with no regrets. In his own words, "There comes a time for even the 'best' to come to an end and June of '85 will mark 25 years—it has a nice ring to it."●

THE U.S. ACADEMIC DECATHLON ASSOCIATION

HON. JIM KOLBE

OF ARIZONA

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 9, 1985

● Mr. KOLBE. Mr. Speaker, academic excellence is alive and thriving in America, thanks to the dedication of hundreds of volunteer teachers and professionals who have organized the U.S. Academic Decathlon Association. Together with financial supporters from business, community organizations, and concerned individuals, these volunteers have reached into public and private high schools to encourage students to compete in an effort to raise their level of intellectual pursuit.

The academic decathlon promotes thinking in an age of instant gratification. Technological advancement, over specialization, and abbreviated communications processes have forced policy and decisionmakers to concentrate on short-term answers to escalating problems. In assessing needs in society, educators have devised a program to motivate students intellectually and to develop their mental discipline in order to prepare our young people for the rigors of solving society's complex problems.

The academic decathlon is a competition involving 10 events in economics, language and literature, fine arts, mathematics, science, social science, and super quiz—a team event held before an audience. In addition, each student is required to write an essay, to deliver a prepared and an impromptu speech, and to undergo an oral interview. Based on the accumulated points of the individual schools, each State sends its winner to the national competition.

The 1985 Arizona Academic Decathlon is the first year the competition involved students from throughout the State. The winner of the State competition, Chaparral High School from Scottsdale, AZ, went on to place 10th overall in the national competition in Los Angeles this April and won the national super quiz. I join with the parents, teachers, and friends of these students to congratulate them on their victory. I hope the medals and plaques that serve as tangible reminders of their efforts will also remind the Chaparral Academic Decathlon Team of their responsibilities to their peers. They have opened doors for students who will follow them and who will work that much harder to represent Arizona next year.

The runners-up in the State competition—from Saguaro and university high schools in Tucson—and the students at Douglas High, Florence High, and the other schools who participated for the first time, also share the responsibility for continuing the academic excellence embodied in the decathlon. They will carry with them throughout their lives the knowledge and mental discipline to serve society as leaders and to challenge their fellow citizens.

I urge my colleagues in the U.S. House of Representatives to join me in applauding the work of all those associated with the U.S. Academic Decathlon Association. I would like to add my thanks to Anita Lohr, Pima County school superintendent and the Arizona Department of Education, for their faith in the intellectual abilities of Arizona's young people and their commitment to academic excellence.●

HOUSE ARMED SERVICES COMMITTEE ZEROS 30 DEFENSE PROGRAMS

HON. LES ASPIN

OF WISCONSIN

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 9, 1985

● Mr. ASPIN. Mr. Speaker, the House Armed Services Committee has cut $18.9 billion and terminated 30 procurement programs from the administration's defense budget for fiscal year 1986. Let me present here some details of our work on the bill.

I believe this is the largest number of procurement programs ever terminated in the committee's history. The actions cut almost $2 billion.

Overall, the reduced budget provides no real growth—and a real cut of more than 2 percent in weapons procurement.

This budget is but one step down the road we must travel to tighten up the military budget. We eliminated many systems here. A lot of them are very small programs that no one has heard of, but that's the best time to stop a program. In other cases, we have killed a program for this year, but indicated we may be willing to fund it in the future.

Our intentions here are clear:

We want more defense, not more production lines.

We seek to fund military requirements, not bureaucratic wish lists.

Our goal is to increase the level of deterrence, not the number of contracts.

The President's budget request represented a real increase for defense—that is, an increase over and above inflation—of about 6 percent. The committee's actions would trim the real growth rate down to zero—that is, provide the same level of funds as in fiscal year 1985 plus an amount necessary to cover inflation in the intervening months.

In making its reduction, the committee made a conscious effort to protect the personnel and operations accounts by taking the bulk of the cuts from the investment accounts—procurement and R&D.

I would like to quote the ranking Republican member of the committee, Representative WILLIAM L. DICKINSON. He has said.

With the huge Federal deficit staring us in the face, we cannot afford to buy all the systems the Pentagon wants. A weapon that may sound very reasonable when you're running a surplus does not necessarily sound so reasonable when you're running a deficit. In other words, we have tried to set some priorities. We have funded necessities, not nice-to-haves.

Targets set in the annual budget resolutions apply to appropriations bills, but not to authorization bills. It has, however, been the policy of the House Armed Services Committee in past years to be consistent with the budget resolution. No budget resolution has yet been passed or reported out by the House Budget Committee, so the House Armed Services Committee chose the zero real growth mark itself.

The committee voted to approve the reduced bill on a vote of 39 to 7. The nay votes were cast by—Democrats: RONALD V. DELLUMS of California, PATRICIA SCHROEDER of Colorado, and DENNIS M. HERTEL of Michigan; and Republicans: BOB STUMP of Arizona, JIM COURTER of New Jersey, LARRY J. HOPKINS of Kentucky, and WILLIAM CARNEY of New York.

Table 1 provides a summary and budget track for the entire national defense function of the budget—function 050—for fiscal year 1986.

TABLE 1.—BUDGET TRACK, FUNCTION 050, FISCAL YEAR 1986—BUDGET AUTHORITY

[In billions of dollars]

	Requested	Authorized	Change	Percent Cut
1. Defense Authorization Act	230.5	216.2	−14.3	−6.2
2. Nonauthorized personnel	73.4	69.1	−4.3	−5.9
3. Military construction	10.3	9.6	−.7	−6.9
4. DOE—Military	8.0	7.7	−.3	−3.0
5. Selective Service and other	.1			
Total	322.2	302.6	−19.6	−6.1

Line 1 is the Defense Authorization Act, which is described in this report.

Line 2 is military personnel. Congress does not authorize dollar figures for military pay and other personnel provisions. The House Armed Services Committee implicitly controls the dollar figures, however, by authorizing the size of the services and the annual pay raise. Line 2 reflects the dollar impact of the committee's personnel actions. This report uses the dollar figures explicitly although they do not appear in the bill itself. The dollar figures are used in the appropriations bill, accounting for the huge difference between the two bills.

Line 3 covers military construction, which is a separate bill. The committee has not yet approved this bill. The reduction indicated in table 1 is the target the committee has set. The figure in the first paragraph of a reduction of $18.5 billion does not include any reductions in military construction since the bill has not been reported.

Line 4 is the national security programs contained in the Department of Energy budget—primarily nuclear warhead and atomic reactor programs. This has normally been a separate bill. This year it is appended to the Defense Authorization Act. The committee action is described at the end of this report.

Line 5 covers miscellaneous programs such as the Selective Service System that have minor budgetary impact.

The committee spent 9 hours marking up the bill Tuesday and Wednesday, considering 43 amendments to the drafts submitted by its subcommittees. The scale of the work was extensive; for example, the committee made changes to 266 lines in the procurement section and 249 requests in the R&D section of the administration request.

The major actions taken by the committee included:

MX MISSILE

On a rollcall vote of 13 to 32, the committee defeated an amendment to cap deployment of the MX at 40. On a voice vote, the committee defeated an amendment to delete all procurement money, which would have the effect of capping deployment at 33. The committee cut the administration's quantity request from 48 to 21 and its budget request from $3.2 billion to $2.1 billion for procurement.

CHEMICAL WEAPONS

The committee defeated on a voice vote an amendment to delete all funds for building binary chemical weapons. The committee approved the procurement request of $124.5 million.

STRATEGIC DEFENSE INITIATIVE

The administration requested $3.7 billion for SDI. The committee took the following four votes on the funding level:

Motion of: Representative JAMES COURTER, of New Jersey; $3.1 billion; defeated 11 to 35. Representative RONALD V. DELLUMS, of California; $0.9 billion; defeated on voice vote. Representative NICHOLAS MAVROULES, of Massachusetts, and Representative DENNIS HERTEL, of Michigan; $1.4 billion; defeated 6 to 40. R&D Subcommittee recommendation; $2.5 billion; approved on voice vote.

MILITARY RETIREMENT

The committee deleted $4 billion from the funds requested for military pay and pensions in order to force the Defense Department to draft a new retirement program. The committee grandfathered everyone currently in uniform or retired. In other words, the program of reduced retirement benefits will apply only to those persons entering the Armed Forces after the date of enactment of the changes.

AMRAAM

The principal weapon system killed by the committee was the joint Air force/Navy advanced medium-range air-to-air missile [AMRAAM], which was designed as a follow-on missile to the Sparrow. The committee felt that projected costs had risen more than excessively, warranting termination. While the Defense Department had requested authorization to buy the first 90 of the missiles in fiscal year 1986, it was estimated AMRAAM would still require another half-billion dollars to complete R&D. The committee estimated that unit costs for the AMRAAM could end up at triple the original projected cost. Additionally the program schedule has slipped by almost 2 years.

Table 2 summarizes the committee's action for both procurement and research and development on the 25 largest weapons programs in the budget request. These 25 programs represent 24 percent of everything requested for RDT&E, and 38 percent of everything requested for procurement. The programs are listed in order of the size of their total R&D and procurement request.

At $6 billion, the B-1 bomber is by far the largest program, consuming 2 percent of the entire defense budget. This year's request for 48 aircraft completes the planned buy of 100. No request was made—and no authorization was provided—to buy the long-lead parts that would be required in fiscal year 1986 in order to procure more B-1's in fiscal year 1987.

The second largest program, the MX, was discussed earlier. The third largest program is the Air Force's F-16 Falcon. The committee reduced the order from 180 to 150 to keep production steady at the same level as fiscal year 1985.

TABLE 2.—25 MAJOR WEAPONS SYSTEMS IN FY 86 BUDGET—LISTED IN ORDER OF SIZE OF REQUEST

[In millions of dollars]

	Fiscal year 1986 request			HASC			Change		
	R&D	Quantity	Procurement	R&D	Quantity	Procurement	R&D	Quantity	Procurement
B-1 bomber	367.4	48	5,624.0	200.0	48	5,624.0	−167.4	NC	NC
MX missile	784.0	48	3,180.2	684.0	21	2,117.8	−100.0	−27	−1,062.4
F-16 Falcon	94.9	180	3,693.4	84.0	150	3,050.7	−10.9	30	−642.7
SDI	3,722.2	NR	NR	2,473.0	NR	NR	−1,249.2	NR	NR
F/A-18 Hornet	58.3	84	2,849.7	30.0	84	2,743.0	−28.3	NC	−106.5
Trident II missile D5	2,156.2	NR	582.0	2,100.0	NR	572.0	−56.2	NR	−10.0
CG-47 Aegis	48.5	3	2,834.8	48.5	3	2,834.8	NC	NC	NC
SSN-668 attack sub	NR	4	2,770.3	NR	4	2,770.3	NR	NC	NC
F-15 Eagle	252.1	48	2,224.4	252.2	42	1,918.1	NC	−6	−306.3
C-5B Galaxy	NR	16	2,380.6	NR	16	2,278.6	NR	NC	−102.0
M-1 Abrams tank	24.8	840	2,204.3	39.9	840	2,126.4	+15.1	NC	−77.9
Trident submarine	56.6	1	1,546.4	56.6	1	1,546.4	NC	NC	NC
LHD-1 amphibious ship	6.0	1	1,507.2	6.0	1	1,314.2	NC	NC	−193.0
AH-64	17.5	144	1,376.3	17.5	144	1,376.3	NC	NC	NC
Patriot missile	53.1	585	1,088.4	53.1	585	1,088.4	NC	NC	NC
F-14 Tomcat	348.1	18	812.4	348.1	18	712.4	NC	NC	−100.0
AV-8B Harrier	72.1	46	1,076.6	72.1	46	1,031.6	NC	NC	−45.0
Bradley fighting vehicle	2.2	716	1,065.1	2.2	716	1,065.1	NC	NC	NC
Standard missile	47.2	1,316	874.1	60.0	1,241	802.6	+12.8	−75	−71.5
Tomahawk missile	68.8	249	780.0	43.0	249	780.0	−25.8	NC	NC
KC-135 reengining	1.0	43	727.4	1.0	43	727.4	NC	NC	NC
Midgetman	624.5	NR	NR	624.5	NR	NR	NC	NR	NR
GLCM	.7	95	555.2	.7	95	545.2	NC	NC	−10.0
JVX	608.6	NR	NR	553.7	NR	NR	−59.9	NR	NR
MLRS	NR	72,000	569.4	NR	72,000	569.4	NR	NC	NC

TABLE 2.—25 MAJOR WEAPONS SYSTEMS IN FY 86 BUDGET—LISTED IN ORDER OF SIZE OF REQUEST—Continued

[In millions of dollars]

	Fiscal year 1986 request			HASC			Change		
	R&D	Quantity	Procurement	R&D	Quantity	Procurement	R&D	Quantity	Procurement
Total	9,414.8		40,322.2						

Note.—NC=No charge; NR=No request.

Table 3 summarizes the action taken by the committee on the Defense authorization bill. It is a breakdown of the first two lines of table 1—which outlines the entire national defense function 050. Actions of the Senate Armed Services Committee [SASC] are shown for comparison.

TABLE 3.—DEFENSE AUTHORIZATION ACT FOR FISCAL YEAR 1986—SUMMARY TABLE

[In billions of dollars]

	Requested	Approved	Change	Percent cut	SASC
Procurement (less ships)	95.4	88.7	−6.7	−7.0	91.5
Shipbuilding	11.4	10.7	−.7	−5.9	10.8
RDT&E	39.3	34.2	−5.1	−13.1	37.5
O&M	82.5	80.7	−1.8	−2.2	81.3
Revolving funds	1.9	1.8	−.1	−5.4	1.9
Military personnel [1]	73.4	69.1	−4.3	−5.9	72.1
Civil Defense	.1	.1	([2])	+18.7	.1
Total	303.9	285.3	−18.6	−6.1	295.2

[1] These figures reflect the dollar impact of end strength provisions, pay raises, and other personnel matters, and are added to the total to reflect budget reality.

[2] The request of $119,100,000 was increased by $22,300,000.

Note.—$530,000,000 was transferrred from O&M to procurement. The transfer is explained in the O&M section of this report.

PROCUREMENT

Table 4 summarizes the committee's procurement actions by major category of weapons. As the table shows, the committee authorizes less for aircraft and ships in fiscal year 1986 than was appropriated in fiscal year 1985. Altogether, the procurement portion of the budget would grow only 2.5 percent in fiscal year 1986—the procurement authorization approved by the committee represents a real difference of about 2.1 percent compared with the procurement appropriations for fiscal year 1985. The administration had requested a real increase of 5.1 percent.

TABLE 4.—SUMMARY OF PROCUREMENT ACTIONS

[Dollar amounts in billions]

	Appropriation fiscal year 1985	Request fiscal year 1986	Percent Change over 1985	HASC fiscal year 1986	Percent Change over 1985	HASC change	Cut as percent of request
Aircraft	$41.0	$42.1	+2.7	$38.6	−6.0	−$3.5	−8.4
Missiles [1]	14.4	19.9	+37.8	17.9	+24.2	−2.0	−9.8
Ships	11.7	11.4	−2.8	10.8	−8.5	−.7	−5.9
Weapons and tracked combat vehicles	5.0	5.8	+17.8	5.5	+10.9	−.3	−5.9
All other procurement	25.0	27.6	+10.5	26.7	+6.9	−.9	−3.2
Total procurement	97.1	106.8	+9.9	99.4	+2.4	−7.4	−6.9

[1] Including Navy weapons.

Note.—Totals may not add due to rounding.

In one of its key initiatives, the committee directed a competitive procurement program for tactical fighters to begin in fiscal year 1986. The Air Force was directed to set a minimum number of F-16 and F-20 fighters that it would procure and then institute a competition for the remaining tactical fighter aircraft requirements among all suitable aircraft, to include the F-16 and F-20. In directing the competitive program, the committee specifically directed that the competition be carried out in accordance with all the procurement reforms recently enacted—such as those requiring competition in contracting, independent testing, and the development of independent cost estimates.

The executive branch has frequently criticized Congress for loading up the defense budget with "political" add-ons. On the other hand, the House Armed Services Committee has frequently criticized the Pentagon for neglecting the needs of the National Guard and Reserve. Table 5 demonstrates how those two concerns join head-on. As table 5 indicates, the House Armed Services Committee has increased the quantities requested by the Pentagon for nine different weapon systems. Seven of those systems, however, were specifically earmarked by the committee for assignment to the National Guard or Reserve—indicated by the notation NG in table 5. The explanations for the other two add-ons are contained in the footnotes to table 5.

TABLE 5.—PROCUREMENT QUANTITIES INCREASED BY HASC

[Dollar amounts in millions]

	Request		HASC	
	Quantity	Amount	Quantity	Amount
Chaparral (missiles/fire units)	300/0	$110.4	[1] 300/36	$197.4
Improved TOW vehicle mod	0	0	[1] 138	30.0
A-6E intruder	6	202.6	[1] 11	293.3
CX (C-20)	0	0	[2] 2	44.0
KC-130T	0	0	[1] 2	40.0
UH-60	0	0	[1] 4	25.0
M198 155-mm towed howitzer	35	21.0	[3] 60	32.0
C-130H Hercules	0	0	[1] 8	150.0
C-12 Huron	0	0	[1] 12	30.0
Total		334.0		841.7
Net increase from HASC action				507.7

[1] Increases assigned to the National Guard or Reserves.

[2] The Navy was planning to start from scratch to obtain a mediumsized passenger aircraft. The committee wants the services to use more equipment standardized across the services and here tells the Navy to use the Air Force C-20.

[3] The Marine Corps planned to buy 35 of these howitzers in fiscal year 1986 and 119 in fiscal year 1987. The committee added to the buy for 1986 to reduce the procurement spike in 1987.

The executive branch talks as if any additions to the budget are pure pork. I certainly won't deny that some add-ons have been prompted over the years by other than military merit. Contrary to the Pentagon's posture, however, that is not true of all add-ons. The job of Congress is to set priorities. One of our priorities has long been the Guard and Reserve. The Pentagon is run by the active forces and tends traditionally to neglect the Guard and Reserve. We are trying to counter that bias.

The committee directed the Defense Department to develop an equipment requirements document for the Guard and Reserve to pinpoint weapons shortfalls so that the Congress and Pentagon can approach this issue more rationally in the future and reduce the need for ad hoc add-ons by the committee.

Apart from the MX missile and AMRAAM missile, which were discussed earlier, probably the most controversial weapon system in this year's procurement budget was the Sergeant York Division air defense system

[Divad]. The committee reduced the requested procurement funding of $480 million for Divad by $197 million, and the quantity of 117 requested was reduced by 45. The committee, however, included language in the bill fencing the remaining money so that it cannot be spent until and unless the Secretary of Defense certifies that testing has demonstrated conclusively that the Divad "fulfills the performance specifications of the contract," and a warranty to that effect has been signed by the contractor and submitted to Congress. This warranty is in addition to the warranties required by current law.

The committee also strengthened the selected acquisition reports [SAR's]—which are the main vehicle for alerting Congress to potential problems in weapons systems. The SAR's have been trimmed in recent years to the point where they are mere snapshots, with little historical data showing cost and engineering changes in a weapon, and virtually no information of the costs of operating, manning, and maintaining weapons. The committee language requires that the data on the past be restored and on the future be added so Congress can take life-cycle costs into consideration.

SHIPBUILDING

The committee approved the Navy's request for authorization of 23 new ships and conversions of 5 others. It reduced the shipbuilding budget request, however, by $672.4 million or 5.9 percent.

The committee was able to achieve the bulk of this reduction without any cut in the number of ships authorized as a result of three factors:

Lower than anticipated inflation;

A highly competitive shipbuilding industry, which has produced lower than anticiapted bids for shipbuilding contracts; and

Prudent Navy management.

The committee wishes to emphasize the last point. While budget cuts often are indicators of the committee's displeasure with the progress of a weapon program, in this case the reduction should be taken as a compliment for the successful management of major programs by the current Navy leadership team.

As a result of the three points listed above, the committee located $437.6 million that had been appropriated in fiscal years 1981 through 1984 for shipbuilding that are not required to carry out the programs authorized in those years. That allowed a reduction of that amount in the 1986 budget request.

The committee points out that had the Navy not saved almost a half billion dollars in these ways, the committee would undoubtedly have had to delete one or more vessels from the Navy's shipbuilding request this year.

There's an old complaint heard in all executive agencies that Congress punishes you for saving money by chopping your budget. I want it known that's not what we're doing here. Good management is being rewarded by our preserving every ship the Navy requested.

The committee also took note that ship launching ceremonies have become major events in which lavish gifts are frequently presented. The committee, therefore, voted to place a limitation of $100 on the value of any gifts that Government employees—including members of Congress—or their families may receive at such ceremonies.

The committee required that half of all the major U.S. Navy ship repair work now scheduled to be done in Japanese shipyards in the next 3 years be shifted to American shipyards—excluding ships homeported in Japan. This would have the effect of moving $95 million of work to American yards.

REDUCTIONS AND TERMINATIONS

In reviewing the procurement requests this year, the committee made a conscious effort to reduce the number of production lines.

This was done by completely eliminating some production lines, by continuing others with a view to completing procurement of those items, and by deferring until later the start of a number of new programs.

Table 6 lists the 30 different procurement programs where the committee reduced procurement quantities to zero in fiscal year 1986.

This is a dramatic change from the past. For example, last year, the House Armed Services Committee killed only two procurement programs, for a savings of $136 million. While no history of program kills exist in the committee files, the committee believes that this year's action zeroing 30 programs for a total savings of $1.9 billion is almost certainly a record.

The largest program terminated, the AMRAAM, was discussed earlier.

The second largest termination was the P-3C Orion submarine hunter. The committee was disturbed by the soaring costs of the aircraft. Those bought through fiscal year 1985 had an average unit cost of $19.4 million, while the 1986 buy would cost $55.2 million each. The committee did authorize some funds for long-lead items in case the program can be satisfactorily restructured to allow for a cheaper subhunter aircraft.

The third largest program killed was the E-6A Tacamo [take charge and move out], which is designed to replace the EC-130 that now serves as an airborne platform for communicating with missile subs in the event of emergency. The Navy program would have the Congress fund all 14 production aircraft in the next 3 years—before the Navy has even completed the test the service itself says "will provide the basis for an assessment of the E-6A's operational effectiveness and operational suitability." This schedule effectively evades the testing policy established by Congress. The committee accepts the need for such a communications platform but the task is being done satisfactorily now and, according to testimony, can be performed for years to come with the existing equipment.

TABLE 6.—PROCUREMENT PROGRAMS REDUCED TO ZERO QUANTITY

[Dollar amounts in millions]

	Fiscal year 1986 request	
	Quantity	Amount
AMRAAM	90	$539.9
P-3C Orion	9	[1] 496.5
E-6A	2	400.2
10 different cartridge programs	23,852	152.8
Laser bomb guidance kit	2,575	103.7
VH-60 helicopter	9	[1] 102.8
MC-130H combat talon	1	79.5
AGM-130 powered GBU-15 tactical missile	97	[2] 48.5
Truck, forklift, 6,000 lb	250	26.3
Laser guided bomb kits	652	22.2
Semitrailer, low bed HET, XM1000	144	11.2
FMU-130 low drag bomb fuze	10,500	8.4
65-ton Crane	11	6.2
XM252 81-mm mortar	187	6.1
Motorcycle, GED, 2W, rough terrain	1,413	5.6
120-mm mortar	63	5.0
Charger, radiac detector	2,840	3.8
Fast attack vehicle	88	3.1
5.56 carbine XM4	4,685	2.8
Tactical dosimeter	5,543	2.4
Time activator, fin fuze [TAFF]	5,000	2.0
Total		1,931.4

[1] Some funds were approved for advanced procurement of long-lead components for aircraft in fiscal year 1987.

[2] $16 million of this request was approved, but no procurement of these missiles in FY 86 was authorized.

While the committee took a total of 266 actions in procurement, most of those were small. The bulk of the money was confined to a relative handful of programs. Table 7 lists the 10 largest reductions made in procurement programs; these account for $4 billion or more than 50 percent of all the reductions made in procurement.

TABLE 7.—LARGEST REDUCTIONS MADE IN PROCUREMENT

[Dollar amounts in millions]

	Request		HASC		Change	
	Quantity	Amount	Quantity	Amount	Quantity	Amount
MX	48	$3,180.2	21	$2,117.8	−27	−$1,062.4
F-16 Falcon	180	3,693.4	150	3,050.7	−30	−642.7
AMRAAM	90	539.9	0	0	−90	−539.9
P-3C Orion	9	496.5	0	81.6	−9	−414.9
E-6A	2	400.2	0	0	−2	−400.2
F-15 Eagle	48	2,224.4	42	1,918.1	−6	−306.3
Divad	117	480.0	72	283.0	−45	−197.0
LHD-1 amphibious ship	1	1,507.2	1	1,314.2	NC	−193.0
F-18 Hornet	84	2,849.6	84	2,743.0	NC	[1] −106.5
C-5B Galaxy	16	2,380.6	16	2,278.6	NC	−102.0

[1] Reduction achieved mainly by cutting advance procurement funds for 1987 from 102 to 84 aircraft.

Note.—These 10 reductions total $4,000,000,000 and exceed 50 percent of all the reductions made in procurement, including shipbuilding. N-No Change.

RESEARCH, DEVELOPMENT, TEST AND EVALUATION [RDT&D]

The R&D request for fiscal year 1986 showed by far the largest per-

centage real increase of any title in the bill, as shown in table 8.

TABLE 8.—BUDGET AUTHORITY GROWTH IN MAJOR TITLES

[In billions of current dollars]

	Fiscal year			
			1985–86	
	1985	1986	Change	Percent real growth
Military personnel	68.9	73.4	$4.5	1.3
O&M	78.2	82.5	4.2	6.1
Procurement	96.8	106.8	10.0	5.1
RDT&E	31.5	39.3	7.8	20.1

In just 4 years, the RDT&E account has grown by 100 percent. There has been an increased emphasis on developing systems, rather than on technology. Each service shows a preference for developing unique equipment, even where the missions of two services are similar or even identical.

The committee is concerned that the R&D growth has been excessive and threatens to generate bureaucratic pressures for huge numbers of new weapon systems in the late 1980's and 1990's.

Mr. DICKINSON, the ranking minority member of the R&D Subcommittee as well as the full committee has said:

The committee is also concerned that the overemphasis on developing systems could tend to erode the technology base. American strength is in its innovative technology and this capability must be preserved.

Finally, the committee finds far too many development programs in the Defense Department with inadequate emphasis on joint programs to cut down on duplication.

Accordingly, and following the same philosophy demonstrated in the procurement area, the committee has eliminated a number of proposed new starts and terminated several existing programs in the early stages of development.

For example, the committee deleted all funds for the Navy and Air Force joint tactical information distribution system [JTIDS]—a reduction of $276.3 million—and added $150 million for a common JTIDS system.

The committee terminated the Air Force joint surveillance and target attack radar system [JSTARS], for a reduction of $260 million. This program was intended to develop an airborne battlefield radar for use in a Boeing 707. The committee believes there are other less costly alternatives for this mission. Additionally, the Defense Department has failed to comply with congressional guidance to develop a plan for a more survivable JSTARS platform than the Boeing 707.

After all actions, the committee cut the RDT&E request of $39.3 billion by a total of $5.1 billion or 13.1 percent.

The committee recommended that one Defense Department request be raised by 700 percent. The administration requested $25 million for the University Initiative Program; the committee authorized $200 million.

The number of American students enrolled in graduate schools has declined dramatically over the past decade, and university facilities and instrumentation are in many cases obsolete. Graduate students are not being exposed to the kind of high technology projects that are important to national security programs during their graduate training. The committee also wishes to see a better exchange of ideas and technology among universities, industry, and Federal laboratories. For these reasons, the committee dramatically increased the authorization for the University Initiative Program.

The committee also fenced $450 million in funding for the high-speed antiradiation missile [Harm] until the Secretaries of the Navy and the Air Force certify that Harm will work. The Pentagon should be getting the quality of weapons the taxpayer is paying for and stop tacking on additional payments so that contractors can make systems work the way they promised at the outset.

OPERATION AND MAINTENANCE [O&M]

While the O&M budget was cut by $1.8 billion, very few of the reductions will have any impact on military operations, in keeping with the committee's emphasis on maintaining military readiness.

For example, $530 million of the total cut, was actually shifted from O&M to procurement. The Defense Department had shifted funds from other procurement to O&M in its request as part of a proposal to allow local commanders to begin buying with O&M funds any article not centrally managed. Capital goods should be procured with procurement funds and operations should be paid for with operating funds. The Pentagon proposal violates this division and was rejected. The half billion dollars was shifted back to procurement.

Another $1.3 billion was trimmed from the budget as a result of: First, the fall in the price of the dollar—which makes purchases abroad cheaper—second, lower fuel prices since the budget was drafted, and third, revised calculations that show stock fund cash flow exceeding what is deemed necessary.

The sum of $290 million was eliminated from the request based on audits and investigations by the General Accounting Office and Defense Department auditors that pinpointed dozens of examples of savings ranging from better computer management to elimination of year-end spending sprees.

Another $32 million fell out as a result of the committee action denying the full additional end strength increases requested by the services.

The committee then made $451 million in cuts from requested program growth and added $318 million for program increases. A third of the program increases were dedicated to the Guard and Reserve.

In addition, about $475 million in personnel benefit increases—described in the next section—are funded in O&M.

The committee also wrote language allowing a role for Air Force Reserve special operations aircraft in Federal drug interdiction efforts. The tasks these units practice in peacetime to maintain readiness are the very tasks required to support drug interdiction efforts. The bill language allows us to kill two birds with one stone—maintaining readiness and aiding interdiction at the same time.

MILITARY PERSONNEL

The committee approved a pay raise for all military personnel of 3 percent to take effect on January 1, 1986. This is the same raise and date approved by the Senate Armed Services Committee. The administration had requested a raise of 3 percent effective July 1, 1985.

Even with the tight budget, we felt it was important to provide a pay raise for all the ranks.

As shown in table 9, the committee approved two-thirds of the end strength increases requested by the administration.

TABLE 9.—MILITARY END STRENGTHS

	Approved 1985	Increase requested	HASC	SASC
Army	780,800	0	0	0
Navy	571,300	15,000	10,000	10,000
Marine Corps	198,300	1,200	1,200	500
Air Force	602,100	9,430	6,430	4,400
Total	2,178,100	25,630	17,630	14,900

The strength increases the committee approved are associated directly with the manning of ships in the Navy and with force structure modernization in the Air Force—for example, such programs as the B–1B bomber, air-launched cruise missile, and ground-launched cruise missile.

As cited earlier, the committee made a reduction of $4 billion from the pay and pension accounts, and directed the Defense Department to draft language altering the military retirement program to conform to the lowered amount.

Military retirement is administered through a trust fund. Each year, the services pay into the trust fund an amount sufficient to cover the pension obligations taken on for the persons joining the military in that year. The trust fund, meanwhile, is paying out funds to current retirees.

The retirement reduction adopted by the committee will have no impact on anyone currently retired or cur-

rently serving in uniform. Benefits will be changed only for those who enter the service after the date of enactment of the new retirement program. The amount in the budget request for payment into the trust fund was $18.2 billion; therefore, the $4 billion reduction will equate to a reduction in benefits of about 22 percent.

The Pentagon was directed to submit its draft of new retirement legislation as quickly as possible for enactment by Congress. It was also directed to look at reform proposals that would have the effect of encouraging longer careers by service personnel.

While reducing retirement benefits, the committee raised benefits available to active-duty personnel. The bill includes about $1.4 billion in additional benefits, mostly for what are commonly called family programs. Half of the additional money will go to better compensate service personnel for the costs incurred when they are transferred from one installation to another.

The committee also voted to change the title of one-star flag officers in the Navy. For many decades, these officers were known as rear admirals—lower half. In 1980, this was changed to commodore admiral, and soon thereafter, to commodore.

The Navy objected that the term commodore is not standard, in that few navies use the title. However, a check of the NATO equivalent rank chart shows that of the 11 NATO countries with a one-star naval rank, 6 use the term commodore, 2 use the term contre admiral, while the remaining 3 use other terms. Germany uses Flotillenadmiral, Greece uses archipliarchos, and Turkey uses tugamiral.

While some consideration was given to identifying one-star U.S. Navy officers as tug admirals, the committee decided to return to the old standard American term, rear admiral—lower half.

CIVIL DEFENSE

The budget approved for fiscal year 1985 for civil defense was $181 million. The request for 1986 is $119 million—a reduction of one-third based on a new policy to shift those programs still 100 percent federally funded to a 50–50 matching basis with the States. The calendars of many State legislatures make it impossible for them to act in time. Therefore, the committee added $22 million to the request to allow adequate time for the States to convert to the new matching system.

DEPARTMENT OF ENERGY NUCLEAR PROGRAMS

The committee reduced the request of $7,959 million by a net of $241 million. The major change was the addition of $145 million to restore R&D work on the Inertial Confinement Fusion Program and $13.3 million to restore R&D work on the plasma separation process.

A total of $175 million in new and ongoing construction projects were deferred due to budgetary constraints. A few were accelerated: An instrumentation systems laboratory at Albuquerque, NM; and an environmental cleanup facility at Livermore, CA. The basic weapons research and development activities were preserved with no real growth.

CIVILIAN PAY

The House Armed Services Committee does not act on civilian pay raises. They are handled by the Post Office and Civil Service Committee. This bill necessarily includes the administration request for a 5-percent civilian pay cut. Any later action by the Congress to change that will automatically increase the authorizations provided in this bill.●

HOUSE OF REPRESENTATIVES—*Monday, May 13, 1985*

The House met at 11 a.m. and was called to order by the Speaker pro tempore [Mr. WRIGHT].

DESIGNATION OF SPEAKER PRO TEMPORE

The SPEAKER pro tempore laid before the House the following communication from the Speaker:

WASHINGTON, DC,
May 9, 1985.

I hereby designate the Honorable JIM WRIGHT to act as Speaker pro tempore on Monday, May 13, 1985.

THOMAS P. O'NEILL, Jr.,
Speaker of the House of Representatives.

PRAYER

Rev. Edward Gardiner Latch, D.D., L.H.D., former Chaplain of the House of Representatives, offered the following prayer:

You shall do that which is right and good in the sight of the Lord.—Deuteronomy 6:18.

Eternal God, our Father, on this day of days when we assemble with our former companions we pause in your presence to offer unto You the gratitude of our hearts, to receive the ministry of Your grace and to listen to Your quiet voice. You are ever calling us to live with You and to work for You to keep justice and freedom and good will alive in our world. Prosper us in our planning, encourage us in our endeavors, and strengthen us as we step forward for the good of our country and the benefit of the world in which we live.

We pray for our President, our Speaker, the Members of this body, past and present, and for all who labor with them on Capitol Hill. Together may they lead our people in right paths, toward great goals, by noble means, and doing it all with clean minds and pure hearts. To this end we commit ourselves to the guidance of Your spirit for the greater good of our Nation and the brighter benefit of all mankind. Amen and amen.

THE JOURNAL

The SPEAKER pro tempore. The Chair has examined the Journal of the last day's proceedings and announces to the House his approval thereof.

Pursuant to clause 1, rule I, the Journal stands approved.

RECESS

The SPEAKER pro tempore. Pursuant to the order of the House of May 9, 1985, the Chair declares the House in recess, subject to the call of the Chair, to receive the former Members of Congress.

Accordingly (at 11 o'clock and 4 minutes a.m.), the House stood in recess subject to the call of the Chair.

RECEPTION OF FORMER MEMBERS OF CONGRESS

The SPEAKER pro tempore (Mr. WRIGHT) presided.

The SPEAKER pro tempore. May I say on behalf of the House, and then I should like to recognize the gentleman from Mississippi [Mr. LOTT], to make such comments as he might desire, what a wonderful pleasure it is for us on this day of days to welcome so many of you whose faces are so familiar to us back into this historic Chamber.

You renew our youth as we look out and see you looking so well; you bring back many nostalgic memories, trips taken together, committee sessions held together, conference committees endured together, and so many wonderful memories of things that have gone on.

I understand today that you are honoring a former colleague, former Senator "Bill" Fulbright in a very special way.

I should like to express my own recollections about "Bill" Fulbright.

I first became aware of him when I was in the service in 1943, perhaps it was early 1944, when I was in Australia and would get the abbreviated edition of Time magazine.

I discovered that it was his penmanship that had reduced to an acceptable bit of language a commitment for the United States following that terrible war to accept its responsibilities in the world and not to walk away as it had done following World War I and refused to participate with the other nations of the world.

There had been a Ball and a Burton and a Hill and a Hatch and others who had tried to formulate language. I remember reading that "Bill" Fulbright, then a freshman Member of the House, as I recall, had succeeded in doing that and someone asked him, I think it was about a 25-word declaration that became bipartisan in acceptance, someone asked him how long it had taken him to write it, and Mr. Fulbright said, characteristically, in his somewhat philosophical way, "I think perhaps about 25 years."

Well, he spent more than 25 years among us as did others here and many, many things have happened as a result.

I welcome you on behalf of the House and our colleagues and I will yield at this time and recognize the gentleman from Mississippi, the acting minority leader, Mr. LOTT.

Mr. LOTT. I thank the gentleman for yielding.

Mr. Speaker, I would like to join on behalf of the Members on this side of the aisle in the House of Representatives, on behalf also of "BOB" MICHEL, our leader, who could not be here today, in extending a bipartisan welcome to our former Members who are here today.

It is good to see so many of you back.

I have done this on a couple of other occasions for our leader, and I have noticed that I am getting a little nervous, actually, because there are more and more of you here as former Members with whom I served, even though this is only my 13th year. I think about half of you here in the Chamber today I have had the pleasure of serving with. I do not know whether that is a message to you or a message to me.

But I will tell you, your ears should be burning because we have been talking a lot about you lately as we get into our various rigors of serving in the House of Representatives.

There are a number of us that somewhat look longingly at you when you come back and look rested, tanned, prosperous, and we wonder whether maybe there really is life after service in the House. That is a fleeting thought; do not mistake me at all. But some of us have been talking a little bit about this tremendous talent, some tremendous people on both sides of the aisle who have served in this House over the years and have gone on to other employment, other avocations in life. We would like maybe to call on you to help us with some of the prickly problems that we deal with in the House. Maybe as we look at trying to find ways to deal with such problems as contested elections or Rules of the House, maybe we could call back a gentleman like the gentleman from Arizona, Mr. Rhodes, or the former distinguished chairman of the Committee on Rules, Mr. Bolling; some of you gentleman could come back and help us confront these problems.

□ This symbol represents the time of day during the House proceedings, e.g., □ 1407 is 2:07 p.m.

● This "bullet" symbol identifies statements or insertions which are not spoken by the Member on the floor.

Maybe we should have some former Members, some present Members, and some prospective Members who could sit with us and help us deal with these problems on House reform and contested elections, budget reform and maybe former Members in a bipartisan effort would help to remove some of the partisanship and could give us a clearer vision of where we have been, but more importantly where we should be going.

So we may be calling on you. Maybe through the Republican Research Committee, we may ask for a task force that would include people like Jerry Ford and John Rhodes and John Rousselot and Dick Bolling and others, to give us some guidance and some counsel of your past experiences.

I am pleased to be here on this occasion, to see good friends again, and thank you for what you've done in the past and warn you that we may be calling on you for the future.

We are glad to have you here, and we will look forward to visiting with you the rest of the day and in the future, and Mr. Speaker, the gentleman from Texas, I appreciate your yielding for my opportunity to participate in this activity today.

The SPEAKER pro tempore. I am going to ask the Clerk to call the roll of former Members of the Congress, but first I am going to ask if John Rhodes of Arizona might like to come and sit here. I remember he said once, on a famous occasion, "I've had my eye on that chair for a long time," and I remember Speaker O'NEILL said, "John, that's all you'll ever get on it."

Now, I wonder if you would like to come and sit here, John, and preside over this occasion.

Mr. RHODES (presiding). Mr. Speaker, I thank you for this great honor. Speaker O'NEILL did this a year ago, as you may recall, and he gave me the same quote which he had given me before, and he was absolutely correct. I have had my eye on this chair, and before long, I am going to put something else on it, thanks to you.

The Chair recognizes the gentleman from Mississippi [Mr. LOTT].

Mr. LOTT. Mr. Speaker, I would like to say what a great pleasure it is to see the distinguished gentleman from Arizona in that chair. It really seems to become him. He may want to reconsider and maybe rejoin his old ranks, but also to say that I hope that the gentleman from Texas will be so generous and make the same offer to me when he returns to the chair later today.

Mr. RHODES (presiding). The Chair directs the Clerk to call the roll of former Members of Congress.

The Clerk called the roll of former Members of Congress, and the following former Members answered to their names:

ROLLCALL OF FORMER MEMBERS OF CONGRESS ATTENDING 15TH ANNUAL SPRING MEETING, MAY 13, 1985

Hugh Q. Alexander of North Carolina;
William H. Avery of Kansas;
William H. Ayres of Ohio;
Lamar Baker of Tennessee;
Laurie Battle of Alabama;
J. Glenn Beall, Jr. of Maryland;
John Blatnik of Minnesota;
John Buchanan of Alabama;
J. Caleb Boggs of Delaware;
David R. Bowen of Mississippi;
Daniel B. Brewster of Maryland;
Charles B. Brownson of Indiana;
William T. Cahill of New Jersey;
Elford A. Cederberg of Michigan;
Charles E. Chamberlain of Michigan;
Don Clausen of California;
James C. Cleveland of New Hampshire;
Jeffery Cohelan of California;
Albert M. Cole of Kansas;
W. Sterling Cole of New York;
David Cornwell of Indiana;
James Coyne of Pennsylvania;
William C. Cramer of Florida;
Paul W. Cronin of Massachusetts;
David Dennis of Indiana;
William Jennings Bryan Dorn of South Carolina;
Michael A. Feighan of Ohio;
L. H. Fountain of North Carolina;
J. Allen Frear, Jr. of Delaware;
J. W. Fulbright of Arkansas;
Edward A. Garmatz of Maryland;
Harlan Hagen of California;
Robert P. Hanrahan of Illinois;
James Harvey of Michigan;
Wayne L. Hays of Ohio;
Jack Hightower of Texas;
Chet Holifield of California;
A. Oakley Hunter of California;
Roman L. Hurska of Nebraska;
August E. Johansen of Michigan;
Jed Johnson, Jr. of Oklahoma;
Walter H. Judd of Minnesota;
Horace R. Kornegay of North Carolina;
Theodore R. Kupferman of New York;
John V. Lindsay of New York;
Robert McClory of Illinois;
Ray J. Madden of Indiana;
George Meader of Michigan;
D. Bailey Merrill of Indiana;
John S. Monagan of Connecticut;
William S. Moorhead of Pennsylvania;
Thomas E. Morgan of Pennsylvania;
Frank E. Moss of Utah;
F. Jay Nimtz of Indiana;
Alvin E. O'Konski of Wisconsin;
Shirley N. Pettis of California;
James M. Quigley of Pennsylvania;
Henry S. Reuss of Wisconsin;
John J. Rhodes of Arizona;
J. Kenneth Robinson of Virginia;
John M. Robsion, Jr. of Kentucky;
J. Edward Roush of Indiana;
John Rousselot of California;
Fred D. Schwengel of Iowa;
William L. Scott of Virginia;
Armistead Selden of Alabama;
Carlton R. Sickles of Maryland;
Alfred Sieminski of New Jersey;
Henry P. Smith III of New York;
William L. Springer of Illinois;
Lynn Stalbaum of Wisconsin;
Roy A. Taylor of North Carolina;
John H. Terry of New York;
Herbert Tenzer of New York;
Charles A. Vanik of Ohio;
Charles W. Whalen, Jr. of Ohio;
Larry Winn, Jr. of Kansas;
Ralph W. Yarborough of Texas.

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Mr. RHODES (presiding). The Chair would like to invite those former Members who did not respond when the roll was called, or whose names were not called, to go give their names to the reading clerk so that they may be included in the roll.

The Chair wishes to thank the other former Members of the House for their presence here today.

The Chair now recognizes the distinguished president of the U.S. Association of Former Members of Congress, the former Senator from Maryland, J. Glenn Beall.

Mr. BEALL. I thank the Speaker. I must say that the gentleman looks very natural in the chair.

Mr. Speaker, former Members of the Congress and sitting Members of the Congress, we are genuinely pleased to be back in the Capitol today, and we are highly honored that the majority leader, Mr. WRIGHT, and the minority whip, Mr. LOTT, and the Members who are on the floor this morning are sharing this occasion with us.

We are grateful to you Mr. Speaker, and to the minority leader, Congressman BOB MICHEL, for arranging this visit so that we can present, in person, the annual report to the Congress required by our Federal charter.

As you know, the U.S. Association of Former Members of Congress is a nonprofit, educational, research, and social organization. Launched 15 years ago by cofounders, Dr. Walter H. Judd, who is here with us today, and the late Brooks Hays, the membership is now more than 600. Each Member has served in either the U.S. Senate or the House of Representatives, and some have served in both.

When Congress granted a Federal charter to the association, it gave official approval to our purpose. Our main reason for being is to promote the cause of representative government by improving public understanding of the Congress, as an institution, and of democracy as a system of public life.

The association is bipartisan. We select one-half of our Board of Directors from Republican members and one-half from Democratic members. We also balance our officers in the same way and between the 500 former

House Members and the 100 former Senators who form the association.

We come from many places throughout the country. A good number of us are now active in business, professional, or other pursuits, but we continue to have one interest in common: The pursuit of ways to be of service to the institutions of a free society.

Let me assure the current Members of Congress that our association has not come back to Capitol Hill today on a recruiting mission. We wish you as long an active legislative life as you desire. But we promise, Mr. Speaker, to give a warm welcome and to provide opportunities for service on behalf of our country to any Member of Congress who chooses to join us in the future. For those who, like yourself, have announced or are contemplating retirement, we are ready to receive you with rewarding friendships and useful activities.

It is on those activities that I wish to report to you at this time. With encouragement from you and the chairmen of the two foreign policy committees, we have expanded our activities to include a liaison service in this country for members of foreign parliaments and other foreign dignitaries who visit the United States. This new service of the association, as combined protocol and surrogate host, is being funded by a 2-year grant of $135,250 from the Ford Foundation. We hope that the endeavor is the basis for lightening the burden of protocol on those who are already overburdened. At the same time this service makes it possible to extend a warmer welcome and to enhance the utility of visits from the members of legislative bodies of other nations.

I am pleased to report, and I know the Congress will be happy to learn, that our Congressional Fellows Program is growing in scope and content. This program makes available congressional alumni for brief visits to colleges and universities throughout the Nation. It provides both faculties and students with an insider's view, so to speak, of their government, and especially their Congress. Initiated over 6 years ago, the program is being warmly and widely received as an enriching educational experience. Visits have now been completed to 178 campuses in 49 States. These visits have been made possible by support from institutions such as the Charles Stewart Mott Foundation, as well as the universities and colleges themselves.

In previous years, our then presidents, Charles E. Chamberlain and Frank E. Moss, reported on the initiation of an international campus fellows program with a grant from the Ford Foundation. We began by bringing four former Parliamentarians—Alan Lee Williams of the United Kingdom, Georg Kahn-Ackermann of the Federal Republic of Germany, former Minister Alastair Gillespie of Canada and Dr. Jacques Soustelle of France—to participate in seminars at 20 of our colleges from coast to coast. During the present academic year, with support from the Rockefeller Foundation, we have programmed visits for an additional four parliamentarians from other democracies who will meet with American college students, faculty, and townspeople. Visits have been completed by Dr. Celio Borja of Brazil, Peter von der Heydt of Germany, and Karin Hafstad of Norway. A program is being set up for next fall for Harri Holkeri, a former member of the Finnish Parliament. These foreign legislators provide a resource heretofore unknown particularly on many of the smaller American campuses and they contribute to a greater understanding of other countries among students, faculty, and in local communities. On the reverse side of this coin, with financial support from the Exxon Education Foundation, the Japan-U.S. Foundation and other sources, we have also begun to send former Members to foreign campuses. Last year, for example, former Representative Catherine May Bedell and Senator Frank Moss visited a half-dozen campuses in Japan.

Mr. Speaker, I have here a list of the colleges and universities visited by our U.S. Congressional Fellows together with the names of the former members who were fellows at these campuses. I believe it would be of interest to the current Members of Congress, many of whose States and districts are reflected in the list. I am including it for the RECORD and also some of the comments we have received from the campuses as well as a list of the sponsors who have made our work possible.

COLLEGES AND UNIVERSITIES VISITED UNDER THE CONGRESSIONAL ALUMNI CAMPUS FELLOWS PROGRAM

COLLEGE/UNIVERSITY, STATE, AND FELLOW

Alaska Pacific University, Alaska, William S. Mailliard (California).

Albion College, Michigan, David S. King (Utah).

Albion College, Michigan, Ted Kupferman (New York).

Albion College, Michigan, Martha Keys (Kansas).

Alfred University, New York, Frank E. Moss (Utah).

Arizona State University, Arizona, Gale W. McGee (Wyoming).

Arizona State University, Arizona,[1] Jacques Soustelle (France).

Assumption College, Massachusetts, Gale W. McGee (Wyoming).

Atlanta University[2], Georgia, William Mailliard (California).

Atlanta University[2], Georgia, William Hungate (Missouri).

Auburn University, Alabama, William L. Hungate (Missouri).

Avila College[1], Kansas, Karin Hafstad (Norway).

Bainbridge Jr. College, Georgia, Gilbert Gude (Maryland).

Baylor University, Texas, James Roosevelt (California).

Baylor University[1], Texas, Peter von der Heydt (Germany).

Bradley University, Illinois, Charles W. Whalen, Jr. (Ohio).

Brandeis University, Massachusetts, Abner J. Mikva (Illinois).

Brandeis University, Massachusetts, L. Richardson Preyer (N. Carolina).

Brenau College, Georgia, Ralph W. Yarborough (Texas).

Brigham Young University[1], Utah, Jacques Soustelle (France).

California Poly. State, California, Frank E. Evans (Colorado).

Cameron University, Oklahoma, William L. Hungate (Missouri).

Cameron University, Oklahoma, Dick Clark (Iowa).

Carleton College, Minnesota, William S. Mailliard (California).

Carroll College, Montana, Ralph. W. Yarborough (Texas).

Chaminade College, Hawaii, Catherine M. Bedell (Washington).

Chatham College, Pennsylvania, Catherine M. Bedell (Washington).

Chatham College, Pennsylvania, Martha Keys (Kansas).

Clarke College,[2] Georgia, William Hungate (Missouri).

Colgate University, New York, William S. Mailliard (California).

College of the Sequoias, California, Gale W. McGee (Wyoming).

Colorado State University,[1] Colorado, Alastair Gillespie (Canada).

Columbia College, South Carolina, Catherine M. Bedell (Washington).

Columbia College, South Carolina, Martha Keys (Kansas).

Concordia College, Michigan, Walter H. Moeller (Ohio).

Connecticut College, Connecticut, Ralph W. Yarborough (Texas).

Converse College, South Carolina, Jed Johnson, Jr. (Oklahoma).

Dartmouth College, New Hampshire, John O. Marsh, Jr. (Virginia).

Dartmouth College, New Hampshire, William S. Mailliard (California).

Davis & Elkins College, West Virginia, Frank E. Moss (Utah).

Davis & Elkins College, West Virginia, J. Glenn Beall, Jr. (Maryland).

Denison University, Ohio, Frank E. Moss (Utah).

DePauw University, Indiana, Hugh Scott (Pennsylvania).

Dillard University,[1] Louisiana, Georg Kahn-Ackermann (Germany).

Doshisha University,[3] Japan, Catherine May Bedell (Washington).

Duke University,[1] North Carolina, Georg Kahn-Ackerman (Germany).

Eckerd College, Florida, William L. Hungate (Missouri).

Elmira College, New York, Charles W. Whalen, Jr. (Ohio).

Friends University, Kansas, Henry P. Smith, III (New York).

Furman University, South Carolina, Jed Johnson, Jr. (Oklahoma).

Georgetown University,[1] District of Columbia, Celio Borja (Brazil).

Grinnell College, Iowa, Neil Staebler (Michigan).

Guilford College, North Carolina, Gale W. McGee (Wyoming).

Gustavus Adolphus College, Minnesota, Charles W. Whalen, Jr. (Ohio).

Hamilton College, New York, William S. Mailliard (California).

Hartwick College, New York, Ralph W. Yarborough (Texas).

Hiram College, Ohio, Howard H. Callaway (Georgia).
Hiram College, Ohio, Roman L. Hruska (Nebraska).
Hope College, Michigan, Walter H. Judd (Minnesota).
Hope College, Michigan, Gale W. McGee (Wyoming).
Hope College, Michigan, Catherine M. Bedell (Washington).
Idaho State University, Idaho, John R. Schmidhauser (Iowa).
Indiana State University, Indiana, Gordon Allott (Colorado).
Indiana Univ. Northwest, Indiana, Neil Staebler (Michigan).
Indiana Univ. Northwest, Indiana, William L. Hungate (Missouri).
Jackson State University, Mississippi, Allard K. Lowenstein (New York).
Johns Hopkins University, Maryland, Hugh Scott (Pennsylvania).
Johns Hopkins University,[1] District of Columbia, Celio Borja (Brazil).
Kansai University,[3] Japan, Frank E. Moss (Utah).
Kansas-Newman College, Kansas, Henry P. Smith, III (New York).
Kansas State University, Kansas, Paul N. McCloskey, Jr. (California).
Keio University,[3] Japan, Frank E. Moss (Utah).
King College, Tennessee, Charles W. Whalen, Jr. (Ohio).
King's College, Pennsylvania, Philip Hayes (Indiana).
Kirkland College, New York, William S. Mailliard (California).
Kwansei Gakuin University,[3] Japan, Frank E. Moss (Utah).
LaGrange College, Georgia, Ralph W. Yarborough (Texas).
Lake Forest College, Illinois, Ralph W. Yarborough (Texas).
Lindenwood College, Missouri, Gaylord Nelson (Wisconsin).
Longwood College, Virginia, Paul W. Cronin (Massachusetts).
Luther College, Iowa, Gilbert Gude (Maryland).
McNeese University, Louisiana, William S. Mailliard (California).
Marshall University, West Virginia, John J. Gilligan (Ohio).
Mary Hardin Baylor, Texas, Brooks Hays (Arkansas).
Matanuska-Susitna Community College, Alaska, William L. Hungate (Missouri).
Mesa Community College, Arizona, Gale W. McGee (Wyoming).
Miami University-Middletown, Ohio, James Roosevelt (California).
Miami University-Middletown, Ohio, James W. Symington (Missouri).
Mid-America Nazarene, Kansas, John Dellenbeck (Oregon).
Millsaps College, Mississippi, Allard K. Lowenstein (New York).
Montclair State College, New Jersey, Walter H. Judd (Minnesota).
Montclair State College, New Jersey, Ralph W. Yarborough (Texas).
Moorehead State University, Kentucky, Dan Kuykendall (Tennessee).
Morehouse College,[2] Georgia, William Mailliard (California).
Morehouse College,[2] Georgia, William Hungate (Missouri).
Morris Brown College,[2] Georgia, William Mailliard (California).
Morris Brown College,[2] Georgia, William Hungate (Missouri).
Mount Vernon College, District of Columbia, Martha Keys (Kansas).
Murray State University, Kentucky, Brooks Hays (Arkansas).
Nanzan University,[3] Japan, Catherine May Bedell (Washington).
New York University, New York, George McGovern (S. Dakota).
Northern Illinois University, Illinois, William L. Hungate (Missouri).
Northern Kentucky University, Kentucky, Martha Keys (Kansas).
North Park College,[1] Illinois, Karin Hafstad (Norway).
Northwestern University, Illinois, Karin Hafstad (Norway).
Oklahoma State University, Oklahoma, Ralph W. Yarborough (Texas).
Oregon State University, Oregon, Martha Keys (Kansas).
Otterbein College, Ohio, James Roosevelt (California).
Randolph-Macon College, Virginia, Gale W. McGee (Wyoming).
Randolph-Macon College, Virginia, Hugh Scott (Pennsylvania).
Rockhurst College, Kansas, Karin Hafstad (Norway).
Rose Hulman Institute of Technology, Indiana, Gordon L. Allott (Colorado).
St. Cloud State University, Minnesota, Charles W. Whalen, Jr. (Ohio).
St. Lawrence University, New York, Roman L. Pucinski (Illinois).
St. Mary-of-the-Woods, Indiana, Gordon L. Allott (Colorado).
St. Mary's College, Indiana, Gale W. McGee (Wyoming).
St. Michael's College, Vermont, Walter H. Judd (Minnesota).
St. Norbert's College, Wisconsin, Martha Keys (Kansas).
St. Olaf College, Minnesota, William S. Mailliard (California).
Salem College, North Carolina, Martha Keys (Kansas).
Sangamon State University, Illinois, Andrew J. Biemiller (Wisconsin).
Sangamon State University, Illinois, Martha Keys (Kansas).
Sangamon State University, Illinois, Alan Lee Williams (United Kingdom).
Sangamon State University,[1] Illinois, Alastair Gillespie (Canada).
Siena College, New York, Frank E. Moss (Utah).
Southeast Community College, Kentucky, Donald E. Lukens (Ohio).
Southern Illinois University, Illinois, John R. Schmidhauser (Iowa).
Southwestern College, Kansas, Henry P. Smith III (New York).
Spelman College,[2] Georgia, William Mailliard (California).
Spelman College,[2] Georgia, William Hungate (Missouri).
SUNY-Binghamton, New York, John B. Anderson (Illinois).
SUNY-Plattsburg, New York, Richardson Preyer (North Carolina).
State University of Oswego, New York, Martha Keys (Kansas).
Syracuse University, New York, Charles W. Whalen, Jr. (Ohio).
Talladega College, Alabama, Ted Kupferman (New York).
Tougaloo Southern Christian College, Mississippi, Allard K. Lowenstein (New York).
Transylvania University, Kentucky, James M. Quigley (Pennsylvania).
U.S. Air Force Academy,[1] Colorado, Alan Lee Williams (Great Britain).
U.S. Coast Guard Academy, Connecticut, Ralph W. Yarborough (Texas).
U.S. Naval Academy, Maryland, John S. Monagan (Connecticut).
U.S. Naval Academy, Maryland, William S. Mailliard (California).
U.S. Naval Academy,[1] Maryland, Alan Lee Williams (Great Britain).
University of Alaska, Alaska, William L. Hungate (Missouri).
University of Alaska, Alaska, William S. Mailliard (California).
University of Arizona,[1] Arizona, Celio Borja (Brazil).
University of Arkansas, Arkansas, Gale W. McGee (Wyoming).
University of Arkansas, Arkansas, Frank E. Moss (Utah).
University of Arkansas, Arkansas, Charles W. Whalen, Jr. (Ohio).
University of California—Berkeley, California, Henry S. Reuss (Wisconsin).
University of California—Berkeley, California, Newton I. Steers, Jr. (Maryland).
University of Delaware, Delaware, John J. Gilligan (Ohio).
University of Delaware, Delaware, Henry S. Reuss (Wisconsin).
University of Georgia,[1] Georgia, Georg Kahn-Ackerman (Germany).
University of Georgia,[1] Georgia, Otis Pike (New York).
University of Maine-Orono, Maine, John Rhodes (Arizona).
University of Michigan-Flint, Michigan, Gale McGee (Wyoming).
University of Nevada, Nevada, Gale W. McGee (Wyoming).
University of New Mexico,[1] New Mexico, Alastair Gillespie (Canada).
University of New Mexico,[1] New Mexico, Celio Borja (Brazil).
University of New Orleans,[1] Louisiana, Georg Kahn-Ackerman (Germany).
University of New Orleans,[1] Jacques Soustelle, France (France).
University of North Dakota, North Dakota, Neil Staebler (Michigan).
University of Oklahoma, Oklahoma, Catherine M. Bedell (Washington).
University of Oregon, Oregon, Martha Keys (Kansas).
University of Redlands, California, Catherine M. Bedell (Washington).
University of South Carolina,[1] South Carolina, Alan Lee Williams (United Kingdom).
University of South Carolina, South Carolina, Gale W. McGee (Wyoming).
University of South Dakota, South Dakota, William L. Hungate (Missouri).
University of Texas,[1] Texas, Alastair Gillespie (Canada).
University of Texas,[1] Texas, Celio Borja (Brazil).
University of Utah, Utah, Robert N. Giaimo (Connecticut).
University of Utah,[1] Utah, Jacques Soustelle (France).
University of Utah,[1] Utah, Alan Lee Williams (United Kingdom).
University of Washington,[1] Washington, Alan Lee Williams (United Kingdom).
University of West Virgina,[1] West Virginia, Georg Kahn-Ackerman (Germany).
University of West Virginia,[1] West Virginia, Jacques Soustelle (France).
University of Wisconsin,[1] Wisconsin, Georg Kahn-Ackerman (Germany).
University of Wyoming, Wyoming, Frank E. Moss (Utah).
Urbana College, Ohio, David S. King (Utah).
Vanderbilt University, Tennessee, Ralph W. Yarborough (Texas).
Vanderbilt University, Tennessee, Celio Borja (Brazil).

Virginia Military Institute, Virginia, Gale W. McGee (Wyoming).

Wake Forest University, North Carolina, William L. Hungate (Missouri).

Wake Forest University,[1] North Carolina, Georg Kahn-Ackerman (Germany).

Washington & Lee University, Virginia, Gale W. McGee (Wyoming).

Wayne State College, Nebraska, Gale W. McGee (Wyoming).

Westmont College, California, Ronald A. Sarasin (Connecticut).

Wheaton College, Massachusetts, Charles A. Vanik (Ohio).

Whitman College, Washington, Frank E. Moss (Utah).

William & Mary College, Virginia, Hugh Scott (Pennsylvania).

[1] International project funded by the Ford and Rockefeller Foundations for visit of Parliamentarians from the United Kingdom, Germany, France, Canada, Brazil, Norway and Finland.

[2] These were part of a set of visits to the Atlanta University Consortium.

[3] Pilot project funded by Exxon Education Foundation.

SAMPLE COMMENTS ON 1984 CONGRESSIONAL FELLOWS PROGRAM

"We were absolutely delighted with James Symington. We worked him hard, perhaps too hard . . . Comments I have received have all been positive. Faculty members found him well-informed, students found him to be an effective and personable lecturer . . . We look forward to participating in the program next year."—Eugene Bennett, Executive Director, Miami University-Middletown, Middletown, Ohio, March 29, 1984.

"Having Pete McCloskey on our campus was a most enriching experience for us. The faculty and students have all expressed how important and positive his visit was for everyone . . . His insights into the Middle East were also appreciated. He provided a rare opportunity for Kansas State University students to learn and interact with someone with a wide range of political experience."—Naomi B. Lynn, Professor and Head, Department of Political Science, Kansas State University, Manhattan, Kansas, April 23, 1984.

"I also want to add my personal commendation for the remarkable leadership which Catherine Bedell gave to this seminar group. The students were overwhelmed with her as a person and impressed with her knowledge of the workings of government, the global issues of trade and international relations, the role of corporations nationally and internationally, the domestic issues such as gender bias. She gave herself to the group totally, and they exploited her intellectually and personally with endless questions and discussion."—Mrs. Audrey E. Maehl, Associate Director, Scholar-Leadership Enrichment Program, The University of Oklahoma, Norman, Oklahoma, May 9, 1984.

"I should like to express the appreciation of the various academic programs of the University of Alaska, Anchorage for Judge Hungate's stimulating exchanges with students and faculty during his visit as a Congressional Fellow last month. The opportunity to listen to and talk with a legislator of his deep experience gave life to the processes of the U.S. Congress, the judicial system, and political life in general."—Dr. John A. Brownell, Vice Chancellor for Academic Affairs, University of Alaska, Anchorage, Alaska, May 17, 1984.

"Martha Keys, our first 'Politician-In-Residence' at St. Norbert College, was largely responsible for our program being so very successful in its first year. She also participated in our Model Congressional session which we sponsor for Wisconsin high school students. Her in-depth knowledge on some of the significant issues of the day, warm personality, rapport with students and faculty and general professionalism were the key ingredients for success during her visit."—Dr. David G. Wegge, Assistant Professor of Political Science, St. Norbert College, DePere, Wisconsin, May 24, 1984.

"We had an excellent visit from Mr. John Rhodes last week on this campus . . . Feedback from the visit has been very favorable from both faculty and students. Mr. Rhodes provided us with new and important insights on national politics, especially the Congress. We really had an enjoyable time, and we hope he did, too."—Kenneth T. Palmer, Interim Chair, University of Maine at Orono, Orono, Maine, October 1, 1984.

"Students, faculty and staff enjoyed and learned from Gale McGee's visit, and join in sending thanks to you and him . . . It was very useful. He captivated the class and held their interest. I heard students discussing his talks afterwards. His synopsis of 50 years of American foreign policy was very helpful to students. We should definitely invite another former Member of Congress lecturer."—Douglas Kelley, Assistant to the Provost, the University of Michigan-Flint, Flint, Michigan, October 18, 1984.

Together with the Atlantic Council, the association has sponsored a bipartisan study of the Nation's foreign policy machinery. Former Senator and Secretary of State, Edmund S. Muskie has served with Ambassador Kenneth Rush as cochairman of the study. A bipartisan group of our Members joined with former Secretaries of State and other former executive branch officials, and prominent scholars in government affairs to undertake this nonpartisan examination. The results of the study which was codirected by Frank Valeo, former Secretary of the Senate and the late Dr. Francis O. Wilcox, with Kenneth Thompson as rapporteur, have just been published in a 20,000 word report. Copies of the report and recommendations will be made available shortly to the executive branch, the Congress, and the public.

The association's participation in the study was made possible by grants from the Ford Foundation, the Lilly Endowment and other sources.

A comparative study of the German Bundestag and the U.S. Congress described in our earlier reports to this body is now nearing completion. The concluding conference will be held at Wingspread, the Johnson Foundation Conference Center near Racine, WI, in September of this year. The final work will be published in the languages of both countries, as was done with our widely distributed comparative study of the Japanese Diet and the U.S. Congress several years ago. This project has been supported by funding from many sources including the German Ministry of Research and Technology, the U.S. National Endowment for the Humanities, and the Friehrich Naumann Foundation of the Federal Republic of Germany.

Our international activity has increased very rapidly, with requests coming from both governmental and private institutions here and abroad to conduct studies or to help facilitate exchanges. Many of these relate to successor generation legislators in numerous countries and involve young government leaders. In short, Mr. Speaker, the association is now an instrument for the transmission of knowledge and democratic values, not only to young people on campuses and elsewhere in our own country and abroad, but also to younger legislators and other political leaders around the world. I might note, too, that the association has begun to establish liaison with counterparts in other countries. Our interaction with them is developing very fruitfully. The Italian and German associations, for example, are now part of a network of seven such associations in Western Europe, including Austria, Belgium, France, Switzerland, and the United Kingdom.

Following visits to Brazil during this past year by Bob Griffin of Michigan, Bill Mailliard of California, Gale McGee of Wyoming, and Frank Moss of Utah, a Brazilian former parliamentarians association was formed with several hundred members and is beginning its work from offices in their National Congress Building. And a resurgent association is now becoming active again in Argentina opening the possibility of an early formation of a Latin American network of such associations. At this moment, our colleagues Bill Mailliard and Gale McGee, both former Ambassadors to the Organization of American States, are in South America where they have been in contact with the Brazilian and Argentine associations and are meeting with current legislative leaders to help develop programs which will strengthen the restored democracies in those countries and in Uruguay.

Last month it was my pleasure to chair our third annual conference in Salzburg, Austria, between a bipartisan delegation of young Members of the U.S. Congress and a delegation of young members of the German Bundestag representing all the parties in that body. The subject was "Domestic and International Economic Policy Issues." To date, 28 current Members of the Congress have taken part in these conferences which are supported by the German Marshall Fund of the United States, among others. In commenting on the experience, one of the young Members of Congress has written:

The entire occasion was very educational and has given me a much better understanding of many of the mutual concerns of West Germany and the United States, as well as

an understanding of the German parliamentary system.

I can assure you that the benefit for Bundestag members has been just as great.

This year, Mr. Speaker, we hosted 20 young German political activists, some of whom may become future members of the German Bundestag. In a program sponsored by the Presidential Youth Exchange Commission, we gave these young Germans a unique and extremely valuable exposure to the American political process. During the month before the election of 1984, they spent one-half their time observing the closely fought Senate race in the State of Illinois. Following this, they witnessed congressional contests in Missouri, Indiana, and Wisconsin.

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Mr. Speaker, to bring this report to a close, I should like to call your attention to a number of colleagues, most of whom were known to you, who have passed away since our last meeting in this Chamber. They served their country in their time and they will be sorely missed. And I would like to read the list of our departed colleagues at this time.

E. Ross Adair, Indiana; George D. Aiken, Vermont; Wayne N. Aspinall, Colorado; Howard M. Baldridge, Nebraska; J.H. Bottum, South Dakota; James A. Burke, Massachusetts; John W. Byrnes, Wisconsin; Louis J. Capozzoli, New York; Frank L. Chelf, Sr., Kentucky; Earle C. Clements, Kentucky; Harold D. Donohue, Massachusetts; Sam J. Ervin, Jr., North Carolina; Edwin D. Eshleman, Pennsylvania; Melvin H. Evans, Virgin Islands; Elizabeth P. Farrington, Hawaii; Homer Ferguson, Michigan; George A. Goodling, Pennsylvania; George M. Grant, Alabama; P.W. Griffiths, Ohio; Cecil M. Harden, Indiana; James C. Healey, New York; Louis B. Heller, New York; Frank E. Hook, Michigan; Craig Hosmer, California; Glen D. Johnson, Oklahoma; A. Paul Kitchin, North Carolina; Henry Cabot Lodge, Massachusetts; J. Carlton Loser, Tennnessee; Ernest W. McFarland, Arizona; Martin B. McKneally, New York; William H. Meyer, Vermont; George P. Miller, California; Charles A. Mosher, Ohio; Ralph J. Scott, North Carolina; Keith G. Sebelius, Kansas; Tom Steed, Oklahoma; Katherine St. George, New York; Glen H. Taylor, Idaho; William M. Tuck, Virginia; John Bell Williams, Mississippi; Charles H. Wilson, California; Chase Going Woodhouse, Connecticut; Milton R. Young, North Dakota; and Stephen M. Young, Ohio.

I would suggest that we now have a moment of silence in memory of these departed brethren, Mr. Speaker.

[A moment of silence was observed for departed Members.]

It is time now to make a very special presentation. Each year, the association's board of directors selects a person who exemplifies the spirit of the Congress and honors that person for a distinguished contribution to the Nation through service in the Congress. These awards are alternated between the parties and it is testimony to the vitality of our system that each of our parties provides many outstanding persons whose service can be regarded, readily, as worthy of such recognition. In today's presentation, it falls to me to honor a member of the other party. I do so with the deepest personal pleasure. We were colleagues in the Senate and I might add that our honoree came to the House in the same class with my father in 1943.

Much of his service in the Senate involved the Nation's relations with other countries. Even before the end of World War II, he sensed the great need for a durable peace and lent his energy and intellectual richness to the building of international institutions and activities which might contribute to that end. His name attaches to a great pioneering program of international exchange. Under that program, thousands of American scholars have gone abroad and have brought back, to share with the Nation, a deepened understanding of other cultures, their achievements in the arts and sciences and other human pursuits. And out of that gathered experience has come an enrichment of the life of this Nation. Similarly, foreigners have come to this country, learned about our strengths and shortcomings, our achievements and hopes. From this exchange program, in short, has come a continuing contribution to mutual enlightenment, tolerance and respect between ourselves and other nations, which, in the end, resides the hope for durable peace.

As chairman of the Senate Committee on Foreign Relations, he made that body a source of profound consideration of the great issues of foreign policy which confronted the Nation during the Kennedy, Johnson, Nixon, and Ford administrations, from the Cuban missile crisis to the war in Vietnam.

Yet for all of his concern with the Nation's survival and progress in a changing world, he never forgot his roots, his deep ties to the people. To a State which has had more than its share of deprivation and impoverishment, he brought a strong conviction of the power of education to change things for the better. By the same token, he brought his background as an educator into his long service in the Senate and helped us all to understand more clearly what confronted the Nation in an uncertain and changing world.

Mr. Speaker, and members of the Association of Former Members of Congress, and Members of Congress, it is a great honor and a great privilege to present the Association's 1985 Distinguished Service Award to Senator J. William Fulbright of Arkansas.

The SPEAKER pro tempore. The Chair recognizes the distinguished Senator from Arkansas, J. William Fulbright.

Mr. FULBRIGHT. Mr. Speaker, and former Members and Members, this is a very unexpected, I mean, unexpected 2 or 3 weeks ago, honor for me. All the time I was in the Congress I do not believe I ever heard such a nice speech made about me.

I am a little nervous, you know, when he kept calling that roll I kept wondering whether my name was going to be on it; those who had departed. Because I am getting a little old, too, as you probably may have heard. My poor wife, the one thing I regret about this day, it is a wonderful day for me, is that she is too ill to be here or to participate in it.

As I recall, the names which have been mentioned here, and as I see some of them here, naturally makes me want to reminisce, it was 42 years ago that I came to this House. I came very green; I had never served in the legislative bodies of my State. I had been a professor and an administrator at the university, et cetera, and it was a new experience, and I must say that I was overcome with curiosity and elation and excitement. It was a wonderful cultural shock to me coming from Fayetteville, AR, which was a rather small town at that time; it still is rather small. I had never been out of Arkansas until I had a scholarship abroad. So I knew very little until I came back.

It was a wonderful experience; that first year, when I was introduced to the various Members. In those days, we were told that it is better to be seen and not heard, and you were not supposed to make much noise.

I remember Clare Booth Luce, who came in the same time I did with a great reputation, and a very glamorous and attractive woman. She made a speech, a very violent speech, we thought, Democrats did, attacking Henry Wallace. I forget what it was, but she coined the word "globaloney"; it made a great impression.

I was talking to one of the senior Members, Luther Johnson from Texas, and I said, I thought that somebody ought to respond. I said, a senior Member, it was beneath his dignity to respond. Maybe as a freshman Member, because she had just come in the same day I had, it would be appropriate for me to respond. He said, "That is a good idea." So he encouraged me. I did respond; and, of course, she took me up right away on the misuse of the word "infer" as opposed to "imply." It demolished my speech because I did not use the language properly.

That made the headlines in Time magazine, which, as you know, was published by her husband. So I never did get a very good shake out of Time magazine from then on. But it was a great introduction, and mention was made of that by Jim of the short resolution. That was the first resolution I introduced.

I had been assigned to Foreign Affairs; in those days, it was that everybody recognized that was a very risky assignment. That is the last thing you want to get on if you want to stay in Congress.

Wilbur Mills was here then, and many of you served with him. He is still around. He was on Ways and Means and he had a good deal to do and, of course, I could not get on Appropriations or Ways and Means or Agriculture. He said, "You can get on Foreign Affairs; nobody wants to be on that because you do not last very long if you stay paying attention to foreign affairs."

Anyway, I took it, and out of that, those hearings were on lend-lease. I hope you will not mind if I reminisce a bit but many of you have forgotten about lend-lease. That was a big issue, and it was a lot of money, we thought, in those days.

I asked the question, and I did not get to ask a question very often because the time ran out in our hearings, Sol Bloom from New York was chairman, and he did not think freshmen ought to take up much of the time of the committee, either, but I asked him, "What are we going to get out of lend-lease?" and they could not say very well. They did not expect it to be repaid because after World War I it had not been. Those were war debts.

Anyway, that idea sort of prompted me to try that little resolution, which was adopted. Speaker Rayburn was very sympatheic. I must say, I never could be very partisan because Jim Wadsworth from New York, and Doc Eaton from New Jersey, both Republicans, they were the senior Republican Members, and Frances Bolton from Ohio. Some of you may remember Frances. She was an outstanding woman. They encouraged me. Sol Bloom, the chairman, thought it was presumptuous of a young freshman Congressman from Arkansas to offer any amendment, but Jim Wadsworth, it sort of tickled him. He was from New York, too. He had been a Senator, if you all remember, and he was defeated. He was one of the few examples like that, like CLAUDE PEPPER. By the way, CLAUDE PEPPER was my professor back in the 1920's. I will bet none of you knew that and CLAUDE is older than I am, I guess. He is the only one I can think of who is, around here. But I had a law class with CLAUDE PEPPER. Think of that. Good Lord, that is 60 years ago.

Jim Wadsworth and Doc Eaton both encouraged me. I think Jim did it because he wanted to devil old Sol Bloom, who was from New York City and was chairman, as usual. The House was Democratic then, as it still is, and Sol Bloom was not very popular with the Republican Members, as I assume they never are. But anyway, those two men helped me very much. They took sort of an interest in this young freshman and helped me. Of course, at that time there were a lot of people you may know. You have already mentioned Brooks Hays and Walter Judd, the two founders of this body. I may say that in those early days, I think at that time I took out a life membership. When I look back on it, I did not know I was going to live so long and it was a good investment. I advise all of you to take out a life membership. It is better than any other investment you can make. But it worked out very well.

Rayburn was very friendly. They all were. It was better than going to a college fraternity. It seemed to me they all wanted to be helpful in a constructive way, and I enjoyed it no end.

Mr. Speaker, I made a speech which I am not going to bore you with, but I would ask your indulgence to take excerpts from it, about Congress, one of the first public speeches I made away from this body, at the University of Chicago. I will include as part of my speech just three or four paragraphs for the RECORD, but I do not want to read it because it only tells you how good you are and important this House is, which I still think, but what I find remarkable about it is how early in my career in the Congress did I recognize how important the Congress is.

The speech excerpts follow:

The legislator is an indispensable guardian of our freedom. It is true that great executives have played a powerful role in the development of civilization, but such leaders appear sporadically, by chance. They do not always appear when they are most needed. The great executives have given inspiration and push to the advancement of human society, but it is the legislator who has given stability and continuity to that slow and painful progress.

The legislator may not often give us the inspired leadership which is necessary in the crises of human affairs, but he does institutionalize, in the form of law, those measures which mark the slow lifting of mankind up from the rule of tooth and claw. Like the stop on a jack, the legislator may not elevate our civilization, but he does prevent our slipping back into the tyranny of rule by brute force. Many Americans are impatient at the lack of vision and initiative of the Congress, but they should not forget that it is the Congress that stands between their liberties and the voracious instinct for power of the executive bureaucracy.

An important responsibility of the legislature is to provide a check upon the tendency of the executive power of the state to become arbitrary and oppressive. It is not a mere coincidence that Hitler and Mussolini had the greatest contempt for legislatures and politicians. I am not sure that Stalin has a profound respect for his legislature. The legislature elected by the people is an indispensable adjunct of any system of self-government in which the freedom and integrity of the individual are of paramount concern. A state may become powerful under a dictatorship, but the people are oppressed. A properly functioning legislative body restrains the arbitrary power of the state. It permits the development of a climate in which the genius of individual human beings can flourish. For short periods in history, benevolent monarchs have fostered the arts and the humanities in small areas of the world, but invariably the power of the state falls into incompetent or tyrannical hands, and civilization disintegrates. With an effective legislature, there is a continuity of policy, which may not always be as enlightened as we might wish it to be, but it is never so oppressive as the naked executive power usually becomes.

When you read the polls today, the way they rate who is doing a good job as between the executive and the Congress, it sort of distresses me so much how ignorant our populace is, or whoever it is who answers those polls, because there is no comparison in the approval rate between the executive and the Congress, which is just exactly wrong if we wish to preserve a democratic system.

So I rather like that speech because it emphasized that. I made it within 2 or 3 years after I came into the Congress. So I think it would be appropriate if it could be included. The main thrust of it is, it really is the Congress, and the House of Representatives especially, and the Senate, that here we have them both, to provide stability and continuity to our Government. If we are really interested in preserving freedom, as we say we are, those are the most important bodies because they institutionalize in the form of laws the protections of our liberties and freedom.

Throughout history, the executives, and not just here, I mean in all countries, have tended, if there is oppression, it originates with the efforts of the executive to impose their will. So apparently the American people, at least those who respond to polls, do not recognize quite the significance that the institution of the Congress plays. They ought to be educated.

Unfortunately, television does not lend itself as well to the representation of a body of 535 Members as it does to the individual. Television seems to personalize everything and it is difficult for a House of this body or the Senate or together to use it. I introduced legislation that never got anywhere in the Senate, to provide for equal time for the Congress, the executive, the President, that whenever he takes 30 minutes of prime time, or whatever he takes, the Congress would be entitled to it. They got in a wrangle in the hearings, who is going to provide it, and so on, and I said, "Well, leave that up to the body. They work

out their differences in conferences on other very controversial issues. Why could they not do it in this if you give them the opportunity and the incentive to do it? I think they could."

But anyway, all the television people, of course, opposed it. They had a lot of influence with the Members, and it did not get anywhere. I still think it is a good idea. I think some spokesman of the Congress ought to be able to use the same amount of free public prime time as the President does to keep the balance between the two. I am not trying to abolish the executive, but I just think that because of the appeal of television, it is tending to get out of balance more than it used to be.

But I think the Congress really has, out of all these Members here, you all know them, a greater diversity and I think originality, and many of the best ideas originate in the Congress. They have in the past and they will in the future, and its importance ought to be significantly increased and the people ought to be made to recognize how important it is. I know that what they tend to do is—obviously they approve of their own Congressman—but they tend to make a difference between the way they respect their own Congressmen and Representatives and the body as a whole. Why this is true I am not quite sure. It is not clear to me other than I have tried to think about it with regard to television.

But I have seen these polls that give the rating of Congress way down, which is really very distressing.

I do not wish to take too much time. I forget about the 5-minute rule, but I want to just mention and emphasize a little further one of the things that Glenn Beall, one of my old friends, mentioned, because the legislation originated in the Congress. The executive did not even know about it when it was introduced in the Senate on the exchange program, and the preservation of it has entirely been provided by the Congress.

Two or three times there have been efforts made either to reduce it, eliminate it, or to politicize it, and the Congress has come to the rescue. Even within the last 5 years there was a suggestion made from the executive to reduce the amount by about 50 percent. It was the Congress, the House and the Senate, who preserved it and who have, in fact, increased it.

I just want to emphasize that when you think of the amount of money that is being spent for our security, as they call it, the arms race, some $300 billion, and compare it with the cost of this program, which has been going now for nearly 40 years. It was introduced 40 years ago this year, the legislation was. It did not actually get into operation because there were various administrative tangles and questions that had to be resolved. So the first students who went away were assigned to China, which was the first government we made the agreement with. This was before the revolution, before we broke relations in 1949.

But during that period there was roughly, in round numbers, 150,000 to 200,000, depending on certain marginal cases there, but approximately 50,000 Americans and 100,000 foreigners. The total cost of that program since the beginning, and I do not know how you evaluate the original funds because they were all IOU's growing out of the sale of surplus war property.

□ 1150

So they were not convertible into dollars, and the experience of the First World War is that they were forgiven, the First World War debts. So I do not know how you evaluate them. If you give them a value of approximately what they were, still the total cost in the nearly 40 years would not buy one submarine, maybe about a half of a submarine.

When you are thinking of your security alone, forgetting for a moment the intellectual aspects, the professors, and so on, in these countries that are important in international security, our former allies and our former enemies, you have some of the very important and coming influential citizens. In their governments you will find them, and especially in their universities and in journalism, in any walk of life, because just now, after 30 years, they are beginning to arrive at what you call midcareer where they are influential, just as Members of this body are. There are some Members in this body, and you will find it the same in all the countries of Western Europe, and especially Japan. And the interesting thing is that the two principal enemies in the last world war of 40 years ago, the Germans and the Japanese, are the two principal supporters outside of the United States.

This has made a great impression on both of them, and I think it is more than a coincidence that it is these two countries. If you recall, the Germans in the First World War were monsters. Many of you will maybe not remember that, but in the publicity, although we did not have television, they were the Huns who devoured babies for breakfast. I mean they were real monsters, we thought. And in the Second World War, we thought the same, even more maybe, of the Japanese, these people who had no respect for life, with their kamikaze pilots and Pearl Harbor, et cetera. You know what we thought about them.

These two countries now—and I think this program has had much to do with it—are the principal supporters. Two years ago, I believe it was, the Germans gave about three times as much for the Fulbright program in Germany as we did. The Japanese Government equally matches it, plus private donations are considerably more than here. As a matter of fact, 29 of the foreign countries now contribute their own funds to supplement and support what we give. It is almost as much as we give overall, not quite. But it keeps the program multinational, and it shows their interest in it and the people that have influence. There are friendly people in positions of influence.

I submit, purely on the matter of security, if you like, it is much more helpful to the country to have a hundred thousand understanding friends than it is to continue to pile up more and more armaments. But that is a very controversial issue, and I know it. I am only mentioning it, not trying to make it an issue this morning but to consider it, because people tend to consider this type of program purely from the educational aspects. It is not that we are against education, we are all for it. But it has implications—as Miss Luce will agree, whether it is an implication or an inference, one or the other—for much greater profit and much greater benefit for the amount invested in it than anything you can mention. But we have not put really very much money in it. So I think that it goes to the root of the problem.

Lord Grace said after World War I that "the great nations are always making mistakes because they don't understand each other's psychology." And that is true. We thought the Germans were monsters; now they are friends. The President has just been there. We thought the Japanese were monsters; now they are friends. Now we are presently engaged in this same relationship with the Russians. They could be dangerous. We think they are monsters, and our television and our journalists whip it up and they get worse every day. It feeds upon itself. It is the nature of this kind of an animosity that develops.

I maintain that there is no good end to that type of approach or activity. Whatever you may think of them today, you do not want to have a nuclear exchange. We all agree on that. What do you do about it? I am only suggesting that one of the things you do is to understand them and they understand us, to learn to know their psychology and they will understand ours, and there may be a basis upon which you can have some agreement.

So it is that Congress that deserves the credit for this type of approach. As Glenn Beall has said, the former Members are doing the same thing in a little different context. The only thing is they are approaching it from the nonacademic aspect, in the nonacademic field, but they are seeking to accomplish—and I think they are—the same thing.

Well, I have taken more time than I used to get in the House. I took advantage of your allowing me to reminisce. I only want to say again how much I appreciate it. It really is an unexpected pleasure because I have been out now for quite a long time and I thought people had forgotten all about it. But I am deeply indebted to the former Members for this honor. It is the greatest honor I have had because it comes from our peers.

Thank you very much, Mr. Speaker, and thank you much, the former Members.

[Applause, the former Members rising.]

Mr. BEALL. Mr. Speaker, to show that he truly is remembered, I would like to add to Senator Fulbright's collection a collection of letters from sitting and former Members of Congress showing their respect and admiration.

[Applause.]

Mr. BEALL. Mr. Speaker, one final item will conclude this 1985 report to the Congress by the U.S. Association of Former Members of Congress. And that is to announce the transfer of the leadership of our association, as is our practice every year. Former Congressman James M. Quigley of Pennsylvania, will officially take office in July and be our leader for the next 12 months. I can assure him—as he must already know—that he will have the support of all the members of our association.

I am sure that it will be a fulfilling and enriching experience for him. I might say that he will also have the assistance of a skilled and devoted staff, including our executive director, Jed Johnson, Jr., himself a former Member of Congress, our faithful secretary-manager, Dorothy Bageant, staff assistant Leslie Weaver, and Judy Allen, as well as Deputy Director George Agree and consultants, Francis Valeo, and Gerald Livingston.

Mr. Speaker, I have one other thing, a housekeeping announcement. I should remind the members of the association that after we leave here, we will move to the ninth floor of the Hart Building, which will be a new experience, I am sure, for a lot of us because it is the latest addition to the Senate side of the Capitol. We will have lunch on the ninth floor of that building at 12:30, and we will hear from the majority leader of the Senate, Senator ROBERT DOLE of Kansas.

I would point out also that for this afternoon's program, which is foreign policy briefings led by counselor and former Member Ed Derwinski, the room has been changed. If you do not have a new green sheet, you should make note of the fact that this meeting beginning at 2 o'clock will be held in room 106 of the Dirksen Senate Office Building. Otherwise everything remains the same.

We will also have our reception this evening from 5:30 to 7:00, again on the ninth floor of the Hart Senate Office Building. So we will meet again at 12:30 at the Hart Senate Office Building for our lunch.

Mr. Speaker, this concludes our annual report to the Congress. We thank you and every Member of both bodies. The welfare of our country and, in a large degree, of the world is in your hands. We support you in the faithful discharge of your responsibilities.

Mr. Speaker, I conclude by inserting in the RECORD a list of those sponsors who make our programs possible.

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Mr. RHODES (presiding). I thank the gentleman from Maryland. On behalf of the association and its members, I want to express the appreciation of all of us for the fine service given by the gentleman from Maryland in his tenure as president of the association. He has indeed done an outstanding job. He deserves and has the appreciation of all of us. [Applause.]

Jim Quigley, we welcome you and will welcome you in July to the august position now held by the gentleman from Maryland, and we promise you our undying support throughout your tenure. We are sure it will be successful.

Now, before terminating these proceedings, I do want to suggest again that if any of you did not hear your names called, you check with the clerk to make sure that your presence is recorded so that the world will know that you attended these proceedings. I want to personally wish you all good luck, and, of course, we will be seeing a lot of each other for the next several days, and I will welcome that.

On behalf of the Speaker, the Chair announces that the House will convene at 12:15, and, without objection, these proceedings will be terminated and the meeting of the U.S. Association of Former Members in the House Chamber will be adjourned.

Accordingly (at 11 o'clock and 58 minutes a.m.), the House continued in recess until 12 o'clock and 15 minutes p.m.

□ 1210

AFTER RECESS

The recess having expired, the House was called to order by the Speaker pro tempore at 12 o'clock and 15 minutes p.m.

PRINTING OF PROCEEDINGS HAD DURING RECESS

Mr. LOTT. Mr. Speaker, I ask unanimous consent that the proceedings had during the recess be printed in the RECORD and that all Members and former Members who spoke during the recess have the privilege of revising their remarks.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Mississippi?

There was no objection.

EQUAL TREATMENT FOR VETERANS' COMPENSATION AND PENSIONS

(Mr. MONTGOMERY asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. MONTGOMERY. Mr. Speaker, veterans' compensation and veterans' pensions must receive the same treatment in the fiscal year 1986 budget as those receiving Social Security benefits.

You can't grant a Social Security cost-of-living increase and then deny that same COLA to the veteran who is paralyzed from the neck down from a wound received in Vietnam.

Mr. Speaker, most veterans' organizations will support whatever Congress does on COLA's, as long as the veterans are treated the same as Social Security recipients and other Government pensioners.

CENTRAL AMERICA: A DOSE OF REALITY

(Mr. GONZALEZ asked and was given permission to address the House for 1 minute.)

Mr. GONZALEZ. Mr. Speaker, after our recent vote against sending aid to the Nicaraguan Contras, Nicaragua's President Daniel Ortega flew to Russia to request economic aid for his ailing country. Some people were surprised by this move by President Ortega, and they are angered to the point of drafting new legislation to provide so-called humanitarian aid to the forces fighting Mr. Ortega's government. But that aid to the Contras was wrong in the past, and it is wrong now.

The Rio Treaty prohibits the use of aggression by one signatory country against another signatory country. The United States has signed the Rio Treaty, and so has Nicaragua, yet we have used aggressive force against Nicaragua in violation of the Rio Treaty, a government which President Reagan recognizes and with which he maintains diplomatic relations. The Nicaraguan Contras are fighting against this elected government of their country, and our administration and others in Congress continue to fight for aid to help these Contra forces overthrow the Nicaraguan Government. It defies logic that the United States would at the same time recognize the very government it seeks to overthrow.

In addition, the war that the Contras are fighting is by guerrilla warfare; in other words, terrorism. This is the same terrorism that our President repeatedly denounces when it is conducted against our country; yet he wants to justify the use of terrorism when it is against Nicaragua. The use of terrorism is not detached and clean and technical; it is dirty and gruesome and tragic. Terrorism is kidnaping, it is rape, and it is dismemberment; it is murder, plain and simple, and I for one do not want our country to be a party to illegal terrorism against a government recognized by our own government as the head of Nicaragua. It is wrong to aid the Contras in this illegal terroristic endeavor.

But I hear my colleagues coming forward now to support so-called humanitarian aid to the Contras—as if this would not promote terrorism and somehow transcends the illegality and immorality of the war against Nicaragua. If we help the Contras in any way, we ourselves are committing rape and dismemberment and murder. The blood they draw is on our hands.

There are peaceful means of settling the unrest in Central America, and the United States has pledged to other countries in the United Nations and the Organization of American States to pursue these peaceful means. But so far, the United States has reneged on its promises, and we must be held accountable. The American people will hold the President accountable when the atrocities we have committed in Central America and, I fear, will commit in Central America, come to light.

□ 1220

LET US TAKE THE SOCIAL SECURITY TRUST FUND OUT OF THE BUDGET

(Ms. OAKAR asked and was given permission to address the House for 1 minute and to revise and extend her remarks.)

Ms. OAKAR. Mr. Speaker, it is not surprising that President Reagan broke his promise to the elderly. He promised during the campaign not to

touch Social Security and not to touch their cost-of-living adjustment. Now we understand that he has agreed with the Senate to freeze the cost-of-living adjustment.

What is ironic is that the Social Security trust fund has a surplus; it is flourishing. So the deficit is not caused by the older Americans. The Social Security trust fund should never be part of the budget; it never was until 1969.

Let us take the trust fund out of the budget the way it was when President Roosevelt signed it into law in 1936.

Mr. Speaker, I also oppose freezing the cost-of-living adjustment for Federal employees and military retirees. Let us stop this assault on our older Americans. It is hard enough for them to live on the means that they have. They are not responsible for the Reagan deficit.

IS THERE WISDOM IN FINANCING HIT SQUADS IN THE MIDDLE EAST?

(Mrs. SCHROEDER asked and was given permission to address the House for 1 minute and to revise and extend her remarks.)

Mrs. SCHROEDER. Mr. Speaker, yesterday an article in the Washington Post revealed that President Reagan approved a CIA covert operation that directed the CIA to train and support counterterrorist units for first-strike attacks against suspected terrorists in the Middle East. Later, one of these units made up of foreign proxies, without CIA authorization, detonated a car bomb and killed more than 80 persons.

Today, I am introducing a House resolution with my colleague, Representative DON EDWARDS, that requires the Director of the Central Intelligence Agency to provide the House with information relating to the training and support of these covert terrorist units, so that we can determine its legality.

Essentially we are funding terrorist activities in the Middle East.

In an area as volatile as the Middle East, we don't need to set loose foreign proxies to participate in ill-conceived operations.

While we have this resolution to question the legality of these terrorist units, we don't need a resolution to question President Reagan's wisdom in setting them up.

Where is the wisdom in financing hit squads in the Middle East, which is already a hair trigger? Do we think that this would help the view of Americans that led to the bombing of our barracks in Beirut? Is this a wise use of our tax dollars?

I don't think so, Mr. President.

TRIBUTE TO WILLIAM M. O'BRIEN

(Mr. O'BRIEN asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. O'BRIEN. Mr. Speaker, last Wednesday night, a fire, suspected to have been arson-instigated, caused the death of William M. O'Brien and his beautiful wife, Mary Jane, in their home in Grosse Pointe, MI. Mrs. O'Brien I knew only slightly; Bill I have known since kindergarten. What provokes me into making this statement is the remarkable nature of the fellow, an example of what we would like to be: a superior student in all schools, he served in the counterintelligence of the FBI, he starred in basketball at Loyola University, and became a nationally recognized figure in industrial relations first with Ford and later with Chrysler.

It is not so significant that Bill was respected by his corporate peers; what matters is what the Nation's leading labor leaders thought of him. Douglas Fraser said it best in his terse summary: "Impeccable integrity separates Bill from so many other corporate negotiators."

Mr. Speaker, in medieval times, specialties were ignored and demeaned. What was revered and respected was the complete man or woman, a person who excelled in everything he or she attempted.

Bill O'Brien is today's version of that kind of man. He excelled in everything he tried and he made it look easy. He will be conspicuous by his absence in the years ahead.

Mr. Speaker, it reminds me of a poem—Bill's passing recalls to me an unpublished poem of Noel Coward written shortly before his death:

When I have fears as Keats had fears
Of the moment I'll cease to be
I comfort myself with vanished years
Remembered laughter, remembered tears
The peace of a tranquil sea.
And I think of my friends who are dead and gone
How happy they are, I cannot yet know
But happy am I who loved them so.

KOREAN WAR MEMORIAL ACT

(Mr. FLORIO asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. FLORIO. Mr. Speaker, in the midst of the great commemorations marking the end of World War II and the huge ticker tape parade held in New York City last week honoring the Vietnam war veterans, I would like to take a moment to reflect upon the lot of the Korean war veteran.

The Korean war veteran is sometimes referred to as the "forgotten veteran." For him there was no warm welcome home—not even a belated one as we are now finally according the Vietnam veteran. For the Korean war veteran and for the 54,000 American service men and women killed in that tragic war, there was nothing. And there is still nothing to this day.

Mr. Speaker, I have introduced legislation, H.R. 2205, the Korean War Memorial Act, which would for the very first time call upon the Federal Government to officially recognize the exploits and sacrifices made by our people in that war. The bill calls upon the Government to erect a memorial on Government-owned land here in the District of Columbia. The memorial would remind all of us of the horrible sacrifice which freedom sometimes demands of a brave people.

Chairman SONNY MONTGOMERY of the House Veterans' Affairs Committee and JOHN PAUL HAMMERSCHMIDT, ranking minority member of the House Veterans' Affairs Committee, have joined with me as original cosponsors of this bill. Already some 25 of my colleagues have become cosponsors. It is an idea which is long overdue and I urge that all of my colleagues examine the facts of this issue and join with us to ensure that these "forgotten veterans" are remembered by those for whom they fought and died.

Thank you.

THERE THE PRESIDENT GOES AGAIN, RENEGING ON HIS SOCIAL SECURITY PROMISES

(Mr. VENTO asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. VENTO. Mr. Speaker, last Friday the Senate took action on the budget. I greet this action with mixed feelings and concern. First of all, I am impressed that they finally came to reconcile the fact that we cannot continue a recordbreaking, budget-busting, military buildup. Second, however, and most importantly, I am very concerned about the loss and denial of cost-of-living adjustments [COLA's].

The record indicates that such a loss of COLA would mean that an additional 300,000 to 400,000 senior citizens would fall below the poverty line. I am very concerned about the President's position and attitude. He is retreating from his campaign promises not to reduce Social Security benefits generally and not to deny the COLA for Social Security specifically.

Mr. Speaker, at every turn when the question has come up for support of Social Security during the last 4 years, the President has answered by reneging on his initial support and commitment during the Presidential political campaigns in 1980 and 1984.

It has taken 4 years for the President to come around to make the promise and the commitments again

not to cut Social Security. Now, less than 4 months after the election, President Reagan is leading the charge against Social Security and in favor of eliminating the Social Security COLA's for 1986.

Mr. Speaker, I object and I might say, Mr. President, there you go again. There you go again, Mr. President, reneging on your political commitments to older Americans who depend on Social Security. This proposal to cut Social Security cost-of-living adjustments is wrong, Mr. Speaker, and many in this Congress, the people's House of Representatives will strongly fight the President's efforts to take away older Americans hard-earned Social Security pensions benefits.

ANNOUNCEMENT BY THE SPEAKER PRO TEMPORE

The SPEAKER pro tempore (Mr. ROBINSON). Pursuant to the provisions of clauses 5, rule I, the Chair announces that he will postpone further proceedings today on each motion to suspend the rules on which a recorded vote or the yeas and nays are ordered, or on which the vote is objected to under clause 4 of rule XV.

Such rollcall votes, if postponed, will be taken on Tuesday, May 14, 1985.

AUTHORIZING ADDITIONAL FEDERAL EMPLOYEE HEALTH BENEFITS PLANS

Ms. OAKAR. Mr. Speaker, I move to suspend the rules and pass the bill (H.R. 873) to permit employee organizations, which are not eligible to participate in the Federal Employees Health Benefits Program solely because of the requirement that applications for approval be filed before January 1, 1980, to apply for approval to offer a health benefits plan, as amended.

The Clerk read as follows:

H.R. 873

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. AUTHORITY FOR ADDITIONAL EMPLOYEE ORGANIZATION PLANS.

(a) DEFINITION OF AN EMPLOYEE ORGANIZATION.—Section 8901(8) of title 5, United States Code, is amended to read as follows:

"(8) 'employee organization' means—

"(A) an association or other organization of employees which is national in scope, or in which membership is open to all employees of a Government agency who are eligible to enroll in a health benefits plan under this chapter and which, after December 31, 1978, and before January 1, 1980, applied to the Office for approval of a plan provided under section 8903(3) of this title; and

"(B) an association or other organization which is national in scope, in which membership is open only to employees, annuitants, or former spouses, or any combination thereof, and which, during the 90-day period beginning on the date of enactment of section 8903a of this title, applied to the Office for approval of a plan provided under such section;".

(b) AUTHORITY FOR ADDITIONAL PLANS.—

(1) Title 5, United States Code, is amended by inserting after section 8903 the following:

"§ 8903a. Additional health benefits plans

"(a) In addition to any plan under section 8903 of this title, the Office of Personnel Management may contract for or approve one or more health benefits plans under this section.

"(b) A plan under this section may not be contracted for or approved unless it—

"(1) is sponsored or underwritten, and administered, in whole or substantial part, by an employee organization described in section 8901(8)(B) of this title;

"(2) offers benefits of the types named by paragraph (1) or (2) of section 8904 of this title or both;

"(3) provides for benefits only by paying for, or providing rembursement for, the cost of such benefits (as provided for under paragraph (1) or (2) of section 8903 of this title) or a combination thereof; and

"(4) is available only to individuals who, at the time of enrollment, are full members of the organization and to members of their families.

"(c) A contract for a plan approved under this section shall require the carrier—

"(1) to enter into an agreement approved by the Office with an underwriting subcontractor licensed to issue group health insurance in all the States and the District of Columbia; or

"(2) to demonstrate ability to meet reasonable minimum financial standards prescribed by the Office.

"(d) For the purpose of this section, an individual shall be considered a full member of an organization if such individual is eligible to exercise all rights and privileges incident to full membership in such organization (determined without regard to the right to hold elected office).".

(2) The analysis for chapter 89 of title 5, United States Code, is amended by inserting after the item relating to section 8903 the following:

"8903a. Additional health benefits plans.".

SEC. 2. TECHNICAL AND CONFORMING AMENDMENTS.

(a) Sections 8902(a), 8902(e), 8902(i), 8905(a), 8905(c)(1), 8905(f), 8908(b), and 8913(b) of title 5, United States Code, are each amended by striking out "8903 of this title" and inserting in lieu thereof "8903 or 8903a of this title".

(b) Section 8903(3) of title 5, United States Code, is amended by striking out "employee organizations," and inserting in lieu thereof "employee organizations described in section 8901(8)(A) of this title,".

(c) Section 8905(f) of title 5, United States Code, is further amended by striking out "plan described by that section" and inserting in lieu thereof "such plan".

(d) Section 8907(a) of title 5, United States Code, is amended by striking out "section 8903" and inserting in lieu thereof "sections 8903 and 8903a".

(e) Section 8909(d) of title 5, United States Code, is amended—

(1) in inserting "or 8903a" before "of this title"; and

(2) by adding at the end thereof the following: "If the successor organization is an organization described in section 8901(8)(B) of this title, any employee, annuitant, or former spouse so transferred may not remain enrolled in the plan after the end of the contract term in which the merger occurs unless that individual is a full member of such organization (as determined under section 8903a(d) of this title).".

(f) Section 8909(e) of title 5, United States Code, is amended by inserting "or 8903a" before "of this title".

(g) Section 1840(d)(1) of the Social Security Act is amended by inserting "or 8903a" after "8903".

SEC. 3. INSURANCE COVERAGE FOR RESTORED DISABILITY ANNUITANTS.

(a) HEALTH INSURANCE.—

(1) Section 8908 of title 5, United States Code, is amended by adding at the end thereof the following:

"(c) A disability annuitant whose disability annuity under section 8337 of this title was terminated and is later restored under the second or third sentence of subsection (e) of such section may, under regulations prescribed by the Office, enroll in a health benefits plan described by section 8903 or 8903a of this title if such annuitant was covered by any such plan immediately before such annuity was terminated.".

(2)(A) The section heading for section 8908 of title 5, United States Code, is amended to read as follows:

"§ 8908. Coverage of restored employees and survivor or disability annuitants".

(B) The analysis for chapter 89 of title 5, United States Code, is amended by striking out the item relating to section 8908 and inserting in lieu thereof the following:

"8908. Coverage of restored employees and survivor or disability annuitants.".

(b) LIFE INSURANCE.—Section 8706 of title 5, United States Code, is amended by adding at the end thereof the following:

"(g) If the insurance of a former employee receiving a disability annuity under section 8337 of this title stops because of the termination of such annuity, and such annuity is thereafter restored under the second or third sentence of subsection (e) of such section, such former employee may, under regulations prescribed by the Office, elect to resume the insurance coverage which was so stopped.".

(c) APPLICABILITY; NOTIFICATION REQUIREMENT; CONSTRUCTION.—

(1) The amendments made by this section shall apply with respect to any individual whose disability annuity is or was restored under section 8337(e) of title 5, United States Code, after December 31, 1983.

(2)(A) The Office of Personnel Management shall notify each individual under subparagraph (B) of any rights which such individual may have under section 8706(g) or section 8908(c) of title 5, United States Code, as amended by this section, including any procedures or deadlines which may apply with respect to the exercise of those rights.

(B) Notification under this paragraph shall be provided to any individual who, as of the 90th day after the date of enactment of this Act, is receiving a disability annuity which was restored to such individual under section 8337(e) of title 5, United States Code, after December 31, 1983.

(3)(A) Nothing in this section shall be construed to authorize—

(i) coverage under chapter 87 of title 5, United States Code, in the case of any individual who makes an election under section 8706(g) of such title (as amended by this Act), for any period before the date of such election; or

(ii) coverage under chapter 89 of title 5, United States Code, in the case of any individual who becomes enrolled in a health benefits plan under section 8908(c) of such title (as amended by this Act), for any period before the date as of which such individual becomes so enrolled.

(B) This paragraph applies with respect to any individual receiving a disability annuity which is or was restored under section 8337(e) of title 5, United States Code, after December 31, 1983, and before the expiration of the 90-day period beginning on the date of enactment of this Act.

The SPEAKER pro tempore. Is a second demanded?

Mr. MYERS of Indiana. Mr. Speaker, I demand a second.

The SPEAKER pro tempore. Without objection, a second will be considered as ordered.

There was no objection.

The SPEAKER pro tempore. The gentlewoman from Ohio [Ms. OAKAR] will be recognized for 20 minutes, and the gentleman from Indiana [Mr. MYERS] will be recognized for 20 minutes.

The Chair recognizes the gentlewoman from Ohio [Ms. OAKAR].

Ms. OAKAR. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, today, the House is considering H.R. 873, a bill to allow additional employee organizations to participate in the Federal Employees Health Benefits Program [FEHBP] and to restore Federal health and life insurance benefits to certain disabled annuitants.

H.R. 873 was introduced by Congressman NORMAN DICKS of Washington, along with Congressmen VIC FAZIO of California, SAM STRATTON of New York, and FRANK WOLF of Virginia. The bill was ordered reported by a voice vote of the Post Office and Civil Service Committee on Wednesday, May 8, with an amendment in the nature of a substitute.

The basic purpose of this legislation is to permit the creation of new plans that can be tailored to fit the needs and resources of certain groups of FEHBP participants. In so doing, the bill will enable some participants to select health coverage that might not be offered presently by existing plans.

As chair of the Subcommittee on Compensation and Employee benefits, I conducted hearings last year on identical legislation, then H.R. 1517. At that hearing, witnesses testified that bringing new plans into the Federal Health Insurance Program, if done properly, could enhance the choices available to program participants without additional cost to the Government.

On May 7, the Subcommittee on Compensation and Employee benefits considered and approved an amendment which I introduced in the nature of a substitute to H.R. 873. My amendment responded to the concerns raised at the hearings and set forth an orderly process for enabling additional employee organization plans to be offered in the FEHBP. The revised H.R. 873 establishes a 90-day period, beginning on the date of enactment of the legislation, during which new employee organization plans may be submitted for approval to the OPM for inclusion in the FEHBP. In order to be eligible for approval, these new plans must meet all the requirements of existing law, and the following requirements as well.

The plans must provide health benefits to enrollees either on a fee-for-service or an indemnity basis;

The plans must be open only to bona fide members of the sponsoring employee organization and their families, including former spouses;

The plans must be open to retired members, as well as to actively employed members of the sponsoring organization; and

The plans must satisfy requirements for financial solvency as prescribed by OPM.

Newly accepted plans will be open for enrollment during the following regularly scheduled open season.

These changes to H.R. 873 are important to ensure the orderly inclusion in the FEHBP of additional, qualified employee organization plans, and to allow for an even greater range of choices for participants in this insurance program.

In addition, H.R. 873, as amended, corrects a long-standing inequity with regard to disability annuitants. Under current law, a disability annuitant who participated in the FEHBP and life insurance programs and whose annuity was terminated is not permitted to again participate in the FEHBP or life insurance programs upon restoration of the annuity. H.R. 873 would allow the individual to participate in these programs upon restoration of the annuity by enrolling and paying the annuitant's portion of the subscription cost.

Mr. Speaker, according to the Congressional Budget Office, the enactment of this legislation will result in additional Government outlays of less than $500,000 per year. This legislation is supported by the administration and by the minority members of the committee. At this point, I would like to thank the minority members, Mr. MYERS of Indiana and Mr. YOUNG of Alaska, for their cooperation and partnership in passing this legislation. It is certainly a pleasure to work with them.

Mr. Speaker, I also would like to thank the employee organizations and other groups who have contributed to the development of this legislation. In addition, I especially would like to thank congressmen NORM DICKS, VIC FAZIO, SAM STRATTON, and FRANK WOLF for their support of this bill. I urge my colleagues to vote to suspend the rules and pass H.R. 873.

□ 1230

Mr. Speaker, I reserve the balance of my time.

Mr. MYERS of Indiana. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I thank the gentlewoman from Ohio [Ms. OAKAR] for her very kind remarks.

The minority is pleased to support H.R. 873, as amended, which provides authority to add employee organization health plans to the Federal Employees Health Benefits Program.

Under existing law, employee organizations cannot sponsor new plans in the FEHB. This bill establishes a 90-day period during which employee organizations may apply to the Office of Personnel Management to sponsor FEHB plans. It also contains safeguards to ensure new plans are financially sound.

H.R. 873 was reported favorably by the Post Office and Civil Service Committee with broad bipartisan support. The bill also is supported by the administration, and, according to the Congressional Budget Office, the addition of a small number of health insurance plans to the large number already available is not expected to significantly alter Federal costs.

This legislation also corrects an oversight with respect to disability annuities. Under current law, if the outside earnings of a disabled annuitant rises above a certain amount, the annuity is terminated and Federal health and life insurance benefits are terminated. The problem is that if the individual's outside earnings fall below a certain threshold in the next year, he or she cannot recapture Federal or life insurance benefits. Only the disability annuity is restored. This legislation will correct that oversight. I urge a favorable vote on this piece of legislation.

Mr. Speaker, I reserve the balance of my time.

The SPEAKER pro tempore. The gentleman has consumed 2 minutes.

Ms. OAKAR. Mr. Speaker, I would like to yield to one of the major sponsors of the bill, Mr. FAZIO.

I want to say at this juncture that I certainly appreciated the cooperation of this distinguished Member and chairman of one of the important subcommittees for allowing the committee, the Post Office Committee, to work its will and produce a piece of legislation that could be done without any loopholes in it; and I know it took a little time to do that, and I appreciate the patience of my friend from California, and I am sure his Federal managers, along with other groups, are deeply grateful for the work he has done on this issue.

I yield to the gentleman from California.

Mr. FAZIO. I thank the gentlewoman from Ohio for yielding to me, and I sincerely appreciate the responsible approach that the gentlewoman has taken to the enactment of this legislation.

Mr. Speaker, bringing it to the floor today is the culmination of a great deal of effort on behalf of many members of the Federal Managers Association, which is well-represented in my district.

I would like to pay particular tribute to Ms. OAKAR for the approach she took, which was to slow down the hell-bent-for-leather approach to enactment of this bill in order to consider it in the context of all other Federal health benefit programs.

I think the more deliberate approach, using the authorizing committee has certainly borne fruit in bringing to the floor a very thoroughly researched and well-documented piece of legislation.

Mr. Speaker, I would simply like to express my personal appreciation to her and to lend my strongest possible support to the enactment of this bill.

Mr. Speaker, I would like to express my personal appreciation to Congresswoman OAKAR for her cooperation in moving forward on providing an opportunity for Federal employee organizations who are not now eligible to participate in the Federal Employees Health Benefits Program [FEHBP] to do so.

As one of the original cosponsors of H.R. 873 which was introduced by my good friend and colleague Congressman NORM DICKS, I have been particularly supportive of this effort. This past fall, in hearings held by Ms. OAKAR, chair of the Subcommittee on Compensation and Employee Benefits of the House Post Office and Civil Service Committee, I testified on behalf of this legislation.

The Federal Managers Association is one of the organizations that is particularly interested in this legislation. As a Member who has two major FMA chapters in my congressional district, chapter 77 at McClellan AFB and chapter 167 at Travis AFB, I have heard from my constituents about the benefits of having a health plan particularly suited to their needs.

I believe that what Ms. OAKAR has accomplished with this bill is not only providing an opportunity for organizations like FMA, but by incorporating her substitute, she has improved the original legislation.

There will be a 90-day period, beginning the day of enactment during which organizations can submit a plan to OPM for inclusion in FEHBP. Such plans must meet all requirements of existing law as well as:

The plan must provide health benefits on a fee-for-service basis, an indemnity basis, or some combination of the two;

The plan must meet financial solvency standards as prescribed by OPM;

The plan must be open only to bona fide members of the sponsoring employee organization and their families; and

The plan must be open only to both actively employed and retired members of the sponsoring organization.

Under existing law the annuity of a disabled employee is terminated if the individual is determined to be restored to earning capacity. Upon termination of the annuity, health and life insurance benefits are terminated. An individual whose disability resumes is entitled to have the annuity restored but may not resume participation in the Government health and life insurance programs. The substitute would permit such an individual to resume health and life insurance participation.

There are still many problems with the Federal employee health plans that need to be addressed. This legislation is not part of that overall effort. That will be done in the context of a larger piece of legislation which Ms. OAKAR's subcommittee has under consideration now. I very much support her efforts in this regard and will be working with her on that legislation.

For now, however, I commend her for moving H.R. 873, and I urge my colleagues to suspend the rules and pass this bill.

Ms. OAKAR. I yield to the distinguished gentleman, another fine, major sponsor of the legislation, Congressman STRATTON who, along with other Members that I have mentioned, did some very fine work on this legislation.

I yield to the gentleman from New York as much time as he may consume.

Mr. STRATTON. Mr. Speaker, I am delighted to rise today in support of the bill H.R. 873, which will allow additional Federal employee organizations to participate in the Federal Employees Health Benefits Program. I want especially to thank my good friend, the chairlady of the subcommittee, MARY ROSE OAKAR, for her support and attention to this matter. It has been a pleasure to work with her as this legislation has moved through the legislative process.

As a cosponsor of H.R. 873, and supporter of this legislation in previous years, I am glad to see it come to the floor of the House today. I am also in total agreement with the changes made by the subcommittee with respect to the time limit for application to OPM for new health benefits plans, and with regard to the requirements that organizations must meet to apply for a new plan.

This issue of special interest to me because the president of the Federal Managers' Association, Mr. Michael Minahan, of Troy, NY, is one of my constitutents. The unique feature of this bill is that it will allow groups of employees to create new plans in the FEHBP that can be tailored to the special needs and resources of those groups of participants, thus saving money for the Federal Government as well as the employees.

I therefore urge my colleagues to support this bill, and thank again the chairlady and members of the subcommittee for their support in this matter.

□ 1240

Ms. OAKAR. Mr. Speaker, with permission of my distinguished colleague, the minority leader, I yield 1 minute to the gentleman from California [Mr. EDWARDS] to proceed out of order.

CIA ACTION IS POSSIBLE VIOLATION OF EXECUTIVE ORDERS

Mr. EDWARDS of California. Mr. Speaker, it is with a great deal of concern that we read about not only the CIA hiring mercenaries to wage battle in Nicaragua, but also apparently to train a group of antiterrorists in Lebanon, and one of the groups, apparently on its own, went out and bombed with a car bomb residences in Beirut and killed 80 people and injured 200 more.

The gentlewoman from Colorado [Mrs. SCHROEDER] and I have put into the hopper a resolution of inquiry. Certainly the House of Representatives is entitled to know all of the facts about this very, very serious possible violation of several Executive orders and indeed perhaps a violation of law.

Mr. Speaker, I yield back the balance of my time.

Mr. STRATTON. Mr. Speaker, will the gentlewomen yield to me an additional minute?

Ms. OAKAR. Mr. Speaker, we are on the health bill, but I will yield 1 minute to the gentleman from New York [Mr. STRATTON].

A TRAGIC SIMPLIFICATION

Mr. STRATTON. Mr. Speaker, with regard to the remarks of the gentleman from California [Mr. EDWARDS] it was some time ago when we had our Marines very heavily engaged in Lebanon that many Members of this body and many members of the general public as well said, "Why don't we retaliate for the attacks that were made against us? Why don't we retaliate for what happened to the Marine Corps barracks and for these other attacks on our installations and embassy?"

I am not privileged to be a member of the Committee on Intelligence so I don't know the inside facts. But I think, clearly, from what has come out in the press, what we were doing in the instance the gentleman refers to was to provide just such a form of retaliation. I feel sure most of the citizens of the United States feel that we should have retaliated. To suggest

that this is somehow OK for the Moslems to blow up our Marines, but is immoral for us to retaliate seems to me to be a tragic simplification. Obviously if this is what happened, no Government official will advertise it in advance.

Mr. WOLF. Mr. Speaker, I rise today in support of H.R. 873 of which I am an original cosponsor. This legislation enjoys bipartisan support and fills a need for an important group of Federal employees; namely, our managers. I would like to commend my colleague from Washington, Mr. DICKS, for introducing this bill and would also like to commend Mr. STRATTON and Mr. FAZIO who joined me in cosponsoring this measure. H.R. 873 will permit Federal employee organizations not currently eligible, to participate in the Federal Employees Health Benefits Program.

Since January 1, 1980, the FEHBP has restricted entry to health maintenance organizations, and new employee organizations were barred. Passage of this important and noncontroversial measure, which is the culmination of several years of effort by one of the most highly regarded and responsible employee organizations, the Federal Managers Association, will allow new employee organizations to participate in the FEHBP. I believe it is important that we open the FEHBP to organizations, such as the Federal Managers Association, which have grown and now wish to participate.

H.R. 873 provides a 90-day window to allow Federal employee organizations, not now providing health insurance under FEHBP, to do so for their members and retired members only and will therefore have little impact on current health plans.

During the 90-day period, employee organizations may apply to the Office of Personnel Management [OPM] to sponsor a FEHBP plan. Employee organizations or associations which apply during this period must be national in scope and open only to employees, annuitants, and former spouses.

Under the provisions of H.R. 873, OPM may not approve or contract for a health benefit during this 90-day period unless the plan meets all of the requirements for existing employees organization plans under the FEHBP and the following additional requirements:

The plan must provide health benefits on a fee-for-service basis, an indemnity basis, or some combination of the two.

The plan must meet the financial solvency standard prescribed by OPM.

The plan must be open only to bona fide members of the sponsoring employee organization and their families; and

The plan must be open both to actively employed and retired members of the sponsoring organization.

Mr. Speaker, in a time when the pay and benefits of Federal employees are being challenged, I think it is important to improve the morale of Federal workers. Here is an opportunity for us to provide a benefit, that is not an added expense, for our Federal managers. I urge my colleagues to support this measure.

Mr. MYERS of Indiana. Mr. Speaker, I have no further requests for time, and I yield back the balance of my time.

Ms. OAKAR. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I was pleased to be able to yield to my two colleagues to engage in a discussion of other business. I want to associate myself with the remarks of the gentleman from California, as long as I was able to yield him some time.

I would also like to say, getting back to the health bill that we are trying to get passed here, H.R. 873, that I do not believe this is the last that we are going to do in terms of health reform for our very fine outstanding Government employees. I personally feel that we do not offer the kinds of comprehensive coverage that we ought to. I think that they have to pay too much, 40 percent or more, of their own health benefit, which in the last few years they have gotten about 50 percent, they have paid more than 50 percent and have gotten 12 percent less benefits. This is not the last of health bills that hopefully our committee will pass. We are trying to have some hearings right now on another bill I have introduced, H.R. 156, and I am hoping that in the near future we can bring that bill to the floor which will cover some of the gaps which are not covered now.

But I would like to thank my colleagues for their support of this bill.

Mr. MYERS of Indiana. Mr. Speaker, will the gentlewoman yield?

Ms. OAKAR. I yield to my friend, the gentleman from Indiana.

Mr. MYERS of Indiana. Mr. Speaker, the minority certainly agrees with the majority on this bill, but just so that there will not be any misunderstanding, this Member does not agree with what the gentleman from California had to say. So I do want it to be implied, since we did not respond, that we agree with his comments.

Ms. OAKAR. We did yield to him, and I think it is important to state our opinion about what he said. I happen to agree with him, and the gentleman from Indiana does not, and I have the greatest respect for my colleague from Indiana.

● Mr. DICKS. Mr. Speaker, as the original sponsor of H.R. 873, I want to thank Chairwoman OAKAR for her work on this legislation. I think the amendments added by the subcommittee strengthen the legislation. They ensure that it meets its stated purpose, and were developed in light of issues raised in hearings on this legislation last year.

This bill would provide a limited 90-day period in which employee organizations could apply to the Office of Personnel Management to sponsor a health care insurance plan under the Federal Employees Health Benefits Program. It would be the first such opportunity in 6 years. It would provide an opportunity for employee organizations to provide coverage that is tailored to the needs of their membership, could encourage cost savings, and promote competition.

The bill before the House provides protections to ensure that health care plans submitted to OPM will be serious proposals with the necessary financial backing. Specifically the bill requires that such plans meet all the requirements for existing employee organization plans and also:

Provide health benefits on a fee-for-service basis, an indemnity basis, or some combination of the two;

Meet financial solvency standards as prescribed by OPM;

Be open only to bona fide members of the sponsoring employee organization and their families; and

Be open to employees, annuitants, and former spouses.

The reason that I sponsored this legislation along with 19 of my colleagues was because I believe that one of the strengths of the FEHB Program is the competition it allows among health care plans and the ability it provides to tailor coverage to individual needs. This limited 90-day period will allow organizations who have given this question careful consideration over the last 6 years an opportunity to offer such tailored coverage. The short time period and the criteria developed by the committee will guard against frivolous efforts.

This legislation was initiated primarily to provide an opportunity for the Federal Manager's Association to offer a health care plan tailored to its particular needs and requirements. FMA was founded in 1913, and now has 17,000 members in 175 chapters representing most of the agencies and departments of the Federal Government. It is clearly an accepted advocacy group for the views and concerns of management personnel. The organization is growing at a healthy rate of 1,500 members a year. FMA has worked on the development of a health care plan for their members over the last 6 years. They plan to contract with a reputable private firm with a strong record of providing health care coverage if given the opportunity by this legislation. They have indicated to me their desire to in-

clude strong cost control mechanisms in their plan.

The desire of FMA to tailor their own plan stems from the unique demographic makeup of their organization, somewhat older and in a higher income bracket than other organizations presently offering plans. It also reflects the differing aspects of managerial work, with a proportionately higher emphasis on stress and mental health coverage. These areas can serve to prevent higher costs later.

While I have not been contacted and the hearings have not revealed any other organization which plans to take advantage of this opportunity, no one is precluded from seeking OPM approval assuming the criteria laid out in this bill can be met.

Because this is a modest window and because of the strict conditions included in the bill, no major influx of applications is expected.

As with all legislation, there are concerns about cost. I would note that the Congressional Budget Office expects no significant additional cost to the Government from this legislation. My own expectation is that we will ultimately save money as a result of cost control mechanisms and emphasis on preventative care.●

Ms. OAKAR. Mr. Speaker, I have no further requests for time, and I yield back the balance of my time.

The SPEAKER pro tempore. The question is on the motion offered by the gentlewoman from Ohio [Ms. OAKAR] that the House suspend the rules and pass the bill, H.R. 873, as amended.

The question was taken; and (two-thirds having voted in favor thereof) the rules were suspended and the bill, as amended, was passed.

The title of the bill was amended so as to read: "A bill to amend title 5, United States Code, to provide that employee organizations which are not eligible to participate in the Federal employee health benefits program solely because of the requirement that applications for approval be filed before January 1, 1980, may apply to become eligible, and for other purposes."

A motion to reconsider was laid on the table.

GENERAL LEAVE

Ms. OAKAR. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks and to include extraneous matter on the bill, H.R. 873.

The SPEAKER pro tempore (Mr. GRAY of Illinois). Is there objection to the request of the gentlewoman from Ohio?

There was no objection.

WASHINGTON SQUARE AT INDEPENDENCE NATIONAL HISTORICAL PARK IN PHILADELPHIA

Mr. VENTO. Mr. Speaker, I move to suspend the rules and pass the bill (H.R. 105) to provide for the inclusion of the Washington Square area within Independence National Park, and for other purposes.

The Clerk read as follows:

H.R. 105

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the Act of June 28, 1948 (62 Stat. 1061; 16 U.S.C. 407m et seq.), is amended by adding the following new section at the end thereof:

"SEC. 8. (a) The area known as Washington Square (bounded generally by Walnut Street on the north, Sixth Street on the east, and the intersecting streets named 'Washington Square' on the west and south) is hereby included within the Independence National Historical Park.

"(b) The Secretary of the Interior is authorized to enter into a cooperative agreement with the city of Philadelphia (acting through its designated agency, the Fairmount Park Commission) to provide technical assistance in the preservation and interpretation of the property known as Washington Square. Such agreement shall contain, but shall not be limited to, provisions that the Secretary, through the National Park Service, shall have right of access at all reasonable times to all public portions of the property for the purpose of conducting visitors through the grounds and interpreting them to the public, and that no major changes or alterations shall be made in the property, including its buildings and grounds, except by mutual agreement between the Secretary and the city.".

The SPEAKER pro tempore. Pursuant to the rule, a second is not required on this motion.

The gentleman from Minnesota [Mr. VENTO] will be recognized for 20 minutes and the gentleman from Arizona [Mr. MCCAIN] will be recognized for 20 minutes.

The Chair recognizes the gentleman from Minnesota [Mr. VENTO].

GENERAL LEAVE

Mr. VENTO. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on the pending measure, H.R. 105.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Minnesota?

There was no objection.

Mr. VENTO. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, the legislation before us, H.R. 105, was introduced by our colleague TOM FOGLIETTA, on January 3, 1985. The purpose of the bill is to provide for the inclusion of Washington Square within the boundaries of Independence National Historical Park and to authorize the Secretary of the Interior to enter into a cooperative agreement with the city of Philadelphia to provide technical assistance to the city to aid in the preservation and interpretation of Washington Square.

Washington Square, which lies adjacent to Independence Hall, has a long and distinguished history that primarily centers on the American Revolution. Originally established as Southeast Square in 1683, the park in 1706 was designated as a "publick burying ground." During the Revolutionary War, Washington Square served as a burial place for more than 2,000 unknown Revolutionary War dead. Some of those buried in Washington Square died from wounds or disease in Independence Hall itself, which had been turned into a prison during the British occupation of Philadelphia. The square, which is presently listed on the National Register of Historic Places, is the site of a memorial to the Unknown Soldiers of the American Revolution constructed in the mid-1950's.

While H.R. 105 would include Washington Square within the boundary of the Independence Hall National Historical Park, the square itself would remain under the ownership and management of the city of Philadelphia. The legislation would authorize the Secretary of the Interior to enter into a cooperative agreement with the city limited to providing technical assistance in the preservation and interpretation of the Square. This language will thus grant the national recognition that Washington Square deserves without incurring direct Federal expenditure.

During the 98th Congress, the House passed legislation identical to H.R. 105 on September 24, 1984. However, the legislation was not considered by the other body.

Mr. Speaker, I commend the gentleman from Pennsylvania [Mr. FOGLIETTA] for his leadership on this matter and I urge the passage of this legislation.

Mr. MCCAIN. Mr. Speaker, I yield such time as he may consume to the gentleman from Pennsylvania [Mr. COUGHLIN].

Mr. COUGHLIN. I thank the gentleman for yielding time to me.

Mr. Speaker, Washington Square in the city of Philadelphia is deserving of national recognition and I rise in support of H.R. 105 which promotes recognition of this historic landmark.

H.R. 105 includes Washington Square within the boundary of Independence National Historical Park and authorizes the Secretary of the Interior to enter into a cooperative agreement with the city of Philadelphia to provide technical assistance to the city to aid in the preservation and interpretation of Washington Square.

Washington Square is one of five public squares in the city of Philadelphia laid out by William Penn's chief surveyor, Capt. Thomas Holmes. The city designated Washington Square as a common and public burying ground

and more than 2,000 unknown Revolutionary War dead are buried there.

The city went to great lengths to refurbish this square for the dedication to these unknown soldiers and Washington Square is now listed on the National Register of Historic Places.

H.R. 105 will further the city of Philadelphia's efforts to illuminate the history of Washington Square without increasing Federal expenditures. We approved similar legislation last year and I hope swift House adoption of H.R. 105 this year will help ensure its enactment into law in the 99th Congress.

□ 1250

Mr. VENTO. Mr. Speaker, will the gentleman yield?

Mr. COUGHLIN. I yield to the gentleman from Minnesota.

Mr. VENTO. I thank the gentleman for yielding.

Mr. Speaker, I want to commend the gentleman for his support, and include him in terms of my remarks commending him for his work on this bill. It is an important addition to the park.

Mr. COUGHLIN. I thank my colleague.

Mr. McCAIN. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, as a member of the committee, I rise in support of H.R. 105. This bill would incorporate the Washington Square area into the boundaries of the Independence National Historical Park in Philadelphia. Washington Square, an approximate one block area adjacent to the Independence Hall site of the park, is historically known as the burial grounds for over 2,000 unknown Revolutionary War dead. A memorial was erected on the site in 1957 to honor the unknown solders who fought in the war.

Mr. Speaker, identical legislation to H.R. 105 was approved by the House last Congress. Once again, this legislation authorizes the National Park Service to provide technical assistance to the city of Philadelphia through a cooperative agreement for the purposes of preserving and interpreting Washington Square for park visitors. Although the Congressional Budget Office has determined that enactment of H.R. 105 would not result in any significant costs to the Federal Government, I do have some concerns that the addition of Washington Square may result in future Federal expenditures. According to the National Park Service (NPS), it would cost over $2 million to bring this area up to NPS standards, as well as approximately $160,000 per year to maintain the area. While such work is not required under this bill, there may indeed come a time when the city of Philadelphia requests Federal funds in the future to assist with the upkeep of the Washington Square area. I believe that during these difficult financial times, we must exercise fiscal responsibility with regard to the future as well.

In spite of this concern, I believe the purpose of the legislation is well-founded. It is my opinion that Washington Square would serve as a significant addition to Independence National Park, which commemorates the birth and struggle of the independence movement of our Nation.

Mr. Speaker, I think it is fitting and, indeed, an obligation to honor those brave young men who struggled and sacrificed in order that 13 tiny colonies might achieve independence and freedom. We should never forget their sacrifice, and the vital ingredient, of which they were, to securing our Nation's freedom and independence.

Mr. Speaker, I yield back the balance of my time.

Mr. VENTO. Mr. Speaker, I yield such time as he may consume to the gentleman from Ohio [Mr. SEIBERLING].

Mr. SEIBERLING. I thank the gentleman for yielding to me.

Mr. Speaker, I commend the gentleman from Minnesota for his initiative in moving this legislation again. A similar bill passed the last Congress, after the Subcommittee on Public Lands and National Parks had field hearings in Philadelphia as well as hearings in Washington.

Not only did many people interested in American history testify in support of this bill, but many veterans' organizations, as one might expect, because of the fact that 2,000 dead of the Revolutionary War are buried there. Dead American soldiers. There is a small memorial there, but otherwise, there is no particular recognition, and it is right catty-cornered across the street from Independence Hall. It does seem like an oversight that it was not included within the boundaries of the National Historic Park.

No one can go to the National Historic Park in Philadelphia without being inspired. Not only by the historic events that have taken place there, but by the tremendous job that the National Park Service has done in reconditioning many of the buildings and providing excellent interpretation.

It does seem to me that even though some of the historians of the Park Service did not feel that it qualified to be on the National Register of Historic Sites, because there was no battle there, merely 2,000 Revolutionary War heroes buried there in what was a potter's field.

That "merely" is a pretty big thing in my book. I think TOM FOGLIETTA, who was the author of this bill, and Congressman KOSTMAYER, Congressman COUGHLIN, and others from the Philadelphia area who supported it, should be commended for doing so. This bill will cost the Federal Government virtually nothing. It will merely give recognition to a sacred site that ought to be part of the National Historic Park.

Mr. VENTO. Mr. Speaker, I want to thank the chairman of the Public Lands and National Park Subcommittee for his leadership and his work in the last Congress. It has made our job considerably less duty this year on account of that.

Mr. Speaker, I have no further requests for time, and I yield back the balance of my time.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from Minnesota [Mr. VENTO] that the House suspend the rules and pass the bill, H.R. 105.

The question was taken; and (two-thirds having voted in favor thereof) the rules were suspended and the bill was passed.

A motion to reconsider was laid on the table.

EROSION CONTROL AT CUYAHOGA VALLEY NATIONAL RECREATION AREA

Mr. VENTO. Mr. Speaker, I move to suspend the rules and pass the bill (H.R. 934) to provide certain authority to reduce erosion within the Cuyahoga Valley National Recreation Area, and for other purposes.

The Clerk read as follows:

H.R. 934

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a) section 4(c) of the Act of December 27, 1974 (88 Stat. 1784; 16 U.S.C. 460ff-3(c)) is amended by inserting "(1)" after "(c)" and by adding the following at the end thereof:

"(2) The Secretary is authorized and directed, in cooperation with the Secretary of Agriculture, the State of Ohio, and affected local governments, to undertake a program of land treatment for the purpose of restoring suitable vegetative cover to substantially eliminate erosion from all lands, public and private, within the authorized boundaries of the recreation area. In the case of any private lands, within such authorized boundaries such treatment may be undertaken only with the consent of the owner thereof and shall be contingent upon assurances that such land treatment will be maintained by the owner for a period of not less than ten years. The Secretary shall, in conjunction with such program, take such actions as may be required to correct areas of ecological degradation which create hazards to health and safety.".

(b) Section 6 of such Act (16 U.S.C. 460ff 5) is amended by adding the following at the end thereof:

"(c) There are hereby authorized to be appropriated not more than $500,000 for fiscal year 1986, $1,000,000 for fiscal year 1987, $1,500,000 for fiscal year 1988, and $1,750,000 for fiscal year 1989, to carry out the provisions of section 4(c)(2) of this Act. Any amounts authorized to be appropriated for any fiscal year under this subsection which are not appropriated for that fiscal year shall remain available for appropriation in succeeding fiscal years.".

SEC. 2. No authority under this Act to enter into contracts or to make payments

shall be effective except to the extent and in such amounts as provided in advance in appropriations Act. Any provision of this Act which authorizes the enactment of new budget authority shall be effective only for fiscal years beginning after September 30, 1985.

The SPEAKER pro tempore. Pursuant to the rule, a second is not required on this motion.

The gentleman from Minnesota [Mr. VENTO] will be recognized for 20 minutes and the gentleman from Arizona [Mr. MCCAIN] will be recognized for 20 minutes.

The Chair recognizes the gentleman from Minnesota [Mr. VENTO].

GENERAL LEAVE

Mr. VENTO. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on this pending measure.

The SPEAKER pro tempore. Is there objection to the request of the gentleman form Minnesota?

There was no objection.

Mr. VENTO. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, H.R. 934 was introduced by our colleague, JOHN SEIBERLING. The purpose of the legislation is to provide authority to the National Park Service to take needed actions to reduce erosion on all lands within the boundary of the Cuyahoga Valley National Recreation Area.

The problem of erosion from lands within the Cuyahoga River drainage basin and the resultant sediment that is deposited in Cleveland Harbor has been the focus of ongoing study. With the U.S. Corps of Engineers spending about $4 million per year to dredge the sediment that collects in the harbor, considerable effort has been expended to pinpoint sources of erosion. Studies have focused on the erosion of lands within the Cuyahoga Valley National Recreation Area as a major source of the Cuyahoga River sedimentation problem.

Less than half of the 32,460 acres of land within the Cuyahoga Valley National Recreation Area is presently owned by the Federal Government. As such, the ability of the National Park Service to deal with erosion problems on much of the land within the park's boundary is extremely limited. The National Park Service has already identified 34 sites encompassing 625 acres of land, both publicly and privately owned, that need extensive reclamation work. Last month, I visited the Cuyahoga Valley National Recreation Area and saw the erosion problem firsthand. The legislation before us today is a viable and necessary tool in stemming the active and accelerated erosion that is occurring on park property.

I would also like to point out that this legislation can be a money saver. The Corps of Engineers estimates that with an active and ongoing erosion control program in place, they could cut Cleveland Harbor dredging by 30 percent at a savings of over $1 million per year in Federal dollars.

Mr. Speaker, this legislation is necessary. The geology of the area while interesting also is a problem. Over the length of the Cuyahoga Recreation Area, the water drops over 800 feet to Lake Erie. It is important that the National Government meet the problem in a special manner.

The Park Service is doing their part; they have one of the few soil scientists working in the National Park Service assigned to the Cuyahoga Recreation Area. He is doing a good job, but without adequate resources and without the ability to actually deal with the 8,000 acres of private land, I do not believe that these efforts will be successful.

This legislation and the authority that it grants, and the cooperative agreements that it anticipates from these private landowners, would put in place the ability to deal with the private holdings with some assurance, of success. Private land holders must match the Government improvement with a 10-year commitment to keep up the anti-erosion work that is actually accomplished by virtue of the agreements and by virtue of the Federal dollars that would be spent under this legislative authorization.

□ 1300

I would strongly urge my colleagues to support this as a bill that will save money, that will reduce the dredging cost and will, of course, preserve the Cuyahoga Recreation Area characteristics which are so valuable in this urban setting and responsible for its initial designation as a part of our National Park System.

Mr. Speaker, I reserve the balance of my time.

Mr. MCCAIN. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I rise to briefly comment on H.R. 934. This legislation would authorize the National Park Service [NPS] to enter into a cooperative agreement with the U.S. Department of Agriculture, the State of Ohio and the affected local governments to initiate a land treatment program to reduce erosion in the Cuyahoga Valley National Recreation Area [NRA].

Since the establishment of the Cuyahoga Valley NRA, soil erosion within its boundaries has been a major problem. Every year, large amounts of soil from former farmland is washed into the Cuyahoga River and carried downstream to Cleveland Harbor, Clogging federally maintained ship channels. The erosion problem requires annual dredging by the Corps of Engineers at a cost of $4 million per year. Although the amount of the sediment attributable to the NRA is disputed, it is clear that an erosion problem does exist and should be addressed.

H.R. 934 would authorize Federal appropriations of $4.75 million through fiscal year 1989 for erosion control programs. Although I am concerned about the expenditure of new Federal funds in view of the Federal budget deficits our Nation is facing, H.R. 934 may be the best solution to the problem.

However, I would urge that all of the possible alternative solutions to the Cuyahoga erosion problem be thoroughly examined and considered, including the administration's proposal to enter into an interagency agreement with the Department of Agriculture to work with the private landowners to reclaim the eroding sites.

Mr. Speaker, I would like to express my appreciation to my colleague, the gentleman from Ohio [Mr. SEIBERLING] who has literally devoted years of dedicated efforts on behalf of the people of the Cuyahoga Valley in order to solve this terrible erosion problem that has been plaguing them for many, many years.

In any event, I hope the Cuyahoga Valley erosion problem is addressed as soon as possible.

Mr. VENTO. Mr. Speaker, I certainly want to recognize the work of my colleague, the gentleman from Ohio [Mr. SEIBERLING] on the Cuyahoga Recreation Area establishment, and, of course, the work that he has done in terms of bringing and working out a measure of good public policy with regards to a resolution of that issue in this measure, H.R. 934. He has done an outstanding job. It is a serious problem.

At this time, Mr. Speaker, I yield such time as he may consume to the gentleman from Ohio [Mr. SEIBERLING].

Mr. SEIBERLING. I thank the gentleman for yielding time to me.

Mr. Speaker, I sponsored legislation similar to H.R. 934 in the last Congress. I was grateful for the support it received when it was approved by the House, and for the support given by the Interior Committee. Unfortunately, the Senate was unable to complete work on the legislation before adjournment. Today, the need for action on the erosion problem in the Cuyahoga Valley National Recreation Area and the sedimentation problem in Cleveland Harbor continues. I am expecially grateful, today, to the distinguished chairman of the Subcommittee on National Parks and Recreation Mr. VENTO, for the great interest he has taken in the erosion and sedimentation problems. Not only did he hold early hearings on H.R. 934 this year, but he also made a site visit to see firsthand the magnitude of the problems in and along the Cuyahoga River.

Mr. Speaker, it is clear that this legislation is needed: Three Federal agencies—the Army Corps of Engineers, the U.S. Geological Survey, and the U.S. Forest Service—have studied the sedimentation problem in the Cuyahoga River. They have identified the Cuyahoga River drainage basin between Indpendence and Old Portage stations—basically the northern and southern limits of the Cuyahoga Valley NRA—as the major source of sediment. Lands within the boundaries of the park are estimated to be generating well over half of the sediment in the area.

Unfortunately, little has been done, beyond initial planning, to deal with this problem. The National Park Service has yet to make the kind of continuing commitment needed to control erosion from those park lands identified as sources of sediment. And, although the Park Service testified that it has plans for financing the control of erosion on privately-held lands lying within the boundaries of the park, no action has been taken to formalize a program for private lands. It appears that if Congress does not act, the Park Service will not be able to do the complete job, for there is no incentive to the owners of private lands to do or finance the work themselves.

Mr. Chairman, this legislation could save an estimated 30 percent of the Corps of Engineers' cost of dredging the Cleveland Harbor each year once erosion controls, such as plantings, take hold. This is a potential annual savings of more than $1 million, year after year. Clearly, this legislation, after the initial $4.7 million investment, can save the Government money. And, beyond the monetary benefits accruing to the corps and the improvement we can expect in the scenic quality of the Cuyahoga Valley, the Cuyahoga Valley NRA will be able to address the nagging erosion problems which are threatening other resources within the park. The lands that are being lost cannot be replaced—truly there is no time like the present to begin this important work in the Cuyahoga Valley NRA.

Mr. VENTO. Mr. Speaker, I have no further requests for time, and I yield back the balance of my time.

Mr. McCAIN. Mr. Speaker, I have no further requests for time, and I yield back the balance of my time.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from Minnesota [Mr. VENTO] that the House suspend the rules and pass the bill, H.R. 934.

The question was taken; and (two-thirds having voted in favor thereof) the rules were suspended and the bill was passed.

A motion to reconsider was laid on the table.

COMMEMORATING THE 20TH ANNIVERSARY OF HEAD START

Mr. KILDEE. Mr. Speaker, I move to suspend the rules and agree to the concurrent resolution (H. Con. Res. 95) commemorating the 20th anniversary of Head Start.

The Clerk read the concurrent resolution, as follows:

H. CON. RES. 95

Whereas on May 18, 1965, President Lyndon B. Johnson announced the establishment of Project Head Start;

Whereas by the end of the summer of 1965, nearly five hundred and sixty thousand low-income preschool children had been enrolled in thirteen thousand and four hundred Head Start centers in two thousand five hundred American communities;

Whereas over the past twenty years the Head Start Program has grown from a six- to eight-week summer demonstration program to a year-round early childhood enrichment program;

Whereas over nine million low-income preschool children have been enrolled in and benefited from the Head Start Program since its inception in 1965;

Whereas the Head Start Program has provided essential health, education, nutritional, and social services to these children and their families and has had a profound impact on the physical, social, and cognitive development of these children;

Whereas the emphasis in the Head Start Program on broad-based participation of the parents of children enrolled in the program has contributed in many important ways to the self-sufficiency, self-esteem, and economic and psychological well-being of the parents as well as their children;

Whereas numerous studies have documented the lifelong beneficial effects of participation of Head Start Programs and the cost-effectiveness of the program; and

Whereas the Head Start Program is one of the most effective programs supported by the Federal Government: Now, therefore, be it

Resolved by the House of Representatives (the Senate concurring), That May 18, 1985, is commemorated as the twentieth anniversary of the establishment of the Head Start Program and that it is the sense of Congress that the Head Start Program has been a highly cost-effective and successful program and that the commitment of the Congress to the Head Start Program is reaffirmed.

The SPEAKER pro tempore. Pursuant to the rule, a second is not required on this motion.

The gentleman from Michigan [Mr. KILDEE] will be recognized for 20 minutes and the gentleman from Wisconsin [Mr. PETRI] will be recognized for 20 minutes.

The Chair recognizes the gentleman from Michigan [Mr. KILDEE].

Mr. KILDEE. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, House Concurrent Resolution 95 commemorates the 20th anniversary of Head Start and reaffirms the Congress' commitment to this exemplary child development program. The resolution was introduced by the gentleman from California [Mr. HAWKINS], chairman of the Committee on Education and Labor. Nearly 100 Members of both sides of the aisle have cosponsored the bill. This demonstrates once again the bipartisan popularity of this program.

Head Start provides comprehensive community-based services to address the health, nutritional, social, and educational needs of some of the Nation's poorest children and their families. As an example of Head Start's successful service delivery, last year 90 percent of Head Start children received medical screening, and of these, 96 percent got the medical treatment they needed. Similarly, 85 percent of all Head Start children received dental examinations, and of these, 96 percent got dental treatment. These programs coupled with strong early educational programs literally give these children a head start.

Head Start is a tremendous success story. The program has helped to focus the attention of the Nation on the importance of early childhood education and development. Research has proved both the long and short term effectiveness of this quality preschool program.

The program is very cost effective. We really minimize the need to spend dollars later on for remedial educational programs. We found out from experience the children who participate in the Head Start Program are generally promoted grade by grade as time ordinarily would have their promotion take place.

Head Start has provided services to more than 9 million disadvantaged youngsters since 1965. It has proved to be one of the Federal Government's most popular, effective, and enduring programs. The upcoming 20th anniversary is an appropriate occasion for Congress to reaffirm its support, so that Head Start can continue to improve the short- and long-term prospects of needy children of this country.

Mr. Speaker, I reserve the balance of my time.

Mr. PETRI. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I would like to commend my distinguished colleague, the gentleman from Michigan [Mr. KILDEE] for bringing this worthwhile resolution to the floor at this time and for giving me the opportunity to join with him in this effort, and urge the Members of this House to support House Concurrent Resolution 95, which, as we know, commemorates the 20th anniversary of the establishment of the Head Start Program.

Mr. Speaker, Head Start is widely recognized as one of the most cost-effective and successful programs ever enacted by Congress. Since it began in 1965 as an 8-week summer preschool program enrolling 561,000 children, Head Start has served more than 9.1 million children and families.

With a fiscal year 1985 budget of $1.1 billion, Head Start is currently serving 442,100 children in 9,000 centers nationwide.

The program also serves nearly 60,000 children with handicaps. In addition, 23 programs serve children of migrant workers, and 36 parent and child centers focus on families with children under the age of three.

Extensive studies have documented the effectiveness of a preschool program. Head Start children score higher on standardized tests; they perform better in school and are less likely to require special education. Studies show that every $1 spent on Head Start saves $2.36 that would otherwise be spent on special education and remedial services.

One of the more unique and most successful aspects of Head Start is its emphasis on parent involvement. The program reinforces parents' commitment to their children's well-being and education. Head Start also enjoys strong comunity support.

Please join me in commemorating the 20th anniversary of the Head Start Program and reaffirming our support for the program and its goals by supporting House Concurrent Resolution 95.

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Mr. KILDEE. Mr. Speaker, I yield such time as she may consume to the gentlewoman from Louisiana [Mrs. BOGGS].

Mrs. BOGGS. Mr. Speaker, I rise in support of House Conference Resolution 95, commemorating the 20th anniversary of Head Start.

Created on May 18, 1965, by President Lyndon B. Johnson, Head Start was a centerpiece of the war on poverty. But while many other early poverty programs have long since been extinguished, Head Start has not only survived, but has expanded and developed. It has thrived because it is accomplishing what it set out to do.

In the early sixties, research established that children who are mentally malnourished during the first few years of life are seriously disadvantaged. They face great difficulty catching up in the classroom. Most never do and face repeated failure in school and in their lives as adults.

Head Start was designed to prevent this cycle of failure. It offers a comprehensive, quality preschool experience for 3 and 4 year olds from poor families, and more recently, for children who are handicapped. It involves four components: education, health, social services, and a particularly key feature—parent involvement. Parent participation ensures continued interest in their child's educational progress throughout the school experience.

Since 1965, 9 million poor and handicapped children, and their families, have benefited from Head Start. Over 25,000 of them are from New Orleans alone—my congressional district.

This year, more than 1,100 children are participating in the New Orleans Head Start Program—some of them are third generation Head Start Children! The director of the program, Pearlie Elloie, who has been with Head Start since its inception, says significant numbers of first generation children came to Head Start with anemia, parasite infestation, and exposure to tuberculosis. Third generation children, whose mothers and grandmothers were in Head Start, are far healthier and have better diets.

Studies also show, unequivocally, that Head Start children stay in school longer, have better job prospects, are less involved in crime, and have fewer pregnancies. In testimony before the Select Committee on Children, Youth, and Families, Dr. David Weikart, director of the High/Scope Foundation, which evaluated quality, preschool education, told committee members the return on investment to society for each $1 spent on programs such as Head Start is $4.74.

Head Start is more than a cost-effective program, it is an investment in our Nation's future.

Mr. Speaker, I feel a personal exultation at the commemoration of Head Start's 20th anniversary. Twenty years ago, Lady Bird Johnson, who was the honorary chairman of the War on Poverty, invited me to the White House Conference on Head Start, and as I listened to all the experts, the educators, the pediatricians, the psychologists, and so on, I wondered why I had been invited by the First Lady to come to this conference. It was only in the question-and-answer period that followed the discussions that I discovered why I was there. People from all sorts of organizations from throughout the country complained that they had written or phoned in to express their interest and concern and their desire to help. As I was leaving the conference, I was confronted by Dr. Jules Richmond and by Diana MacArthur and asked, "What did you get out of the conference?"

I said, "I got out of it that tomorow morning I have to go down and find those letters and make certain they are answered." That is how I became the National Voluntary Chairman of the Head Start Program. We were able to have the computer of the War on Poverty give us the 300 neediest counties in the United States, and in 6 weeks' time, with volunteer help from this city and from all over the country, we were able to establish Head Start centers in 267 of those counties.

So, Mr. Speaker, it is with great love and pride and expectation that I urge my colleagues to vote in support of House Concurrent Resolution No. 95 commemorating the 20th anniversary of Head Start on May 18, 1985.

● Mr. MILLER of California. Mr. Speaker, May 18 marks the 20th anniversary of the establishment of Project Head Start.

Twenty years ago, the Head Start Program was created as part of this Nation's war on poverty. We knew then, as we do today, that low-income children who suffer from poor nutrition, inadequate health care and understimulating environments are often ill-equipped to learn when they start school. Many fall behind, and far too many never catch up. From the very beginning, these children are denied an equal chance of success in school and in life.

By fostering cognitive and emotional development, as well as sound physical health, Head Start has helped grant an equal opportunity to over nine million of this Nation's most disadvantaged children.

Head Start began in 1965 as a small, 6-to-8 week summer program intended to serve 100,000 low-income children in 300 counties. But because of the enormous need for the program, and because school superintendents and community leaders supported it so enthusiastically, it was quickly expanded to serve 560,000 children in 2,300 communities. In that first summer, 240 of the 300 poorest counties developed Head Start programs.

Today, Head Start is a comprehensive, year-round early childhood enrichment program serving 442,000 children. In California alone, nearly 33,000 children are served and in my congressional district, Contra Costa County, over 600 low-income preschool children are helped every day toward a brighter future through Head Start.

The program has been particularly instrumental in providing equal opportunities to minority children and children with special needs. Sixty-eight percent of Head Start's enrollment consists of black, Hispanic, Asian, and native American children. Over 55,000 handicapped children are enrolled in Head Start, and more than 25 percent of these children are multiply handicapped.

Much of Head Start's strength stems from the extensive involvement of parents. For every four children involved in the program, at least three parents are providing voluntary service, including work on parent-policy committees and in the classroom. Of the over 80,000 persons employed in Head Start programs, 29 percent are parents of current or former Head Start children.

Using any measure, Head Start has been a success. Head Start children score better than comparable non-Head Start children on standardized achievement tests, and are less likely to fail a grade, dropout of school or require special education. They are also

more likely to be of normal height and weight, with fewer absences from school due to illness.

The greatest gains from Head Start have come to those children most in need—those whose mothers have less than an 11th grade education and those who came to the program with the lowest intelligence test scores.

Head Start is also a very cost-effective program. Results from the longitudinal evaluation of the High/Scope Perry Preschool Program, which were presented in testimony to the Select Committee on Children, Youth, and Families, show that for every $1 invested in high quality early childhood education programs like Head Start, $4.75 is saved in lower special education costs, lower welfare and law enforcement costs, and higher worker productivity.

Yet despite Head Start's proven success, only about 20 percent of all eligible, low income preschool children are served. One thousand counties in this country have no Head Start Program. If we freeze Head Start's budget for fiscal year 1986 as the administration has proposed, 19,000 fewer children will be served than are currently served, and 19,000 fewer doors to opportunity will be opened.

Head Start's success is clear, but the job is far from over. There are over 5 million children under 6 living in poverty today, 1 million more than just 5 years ago. This fact alone testifies to the enormous need for Head Start to continue and expand. It became clear from the Select Committee's year-long bipartisan National Initiative on Child Care, culminating in our report, "Families and Child Care: Improving the Options," that Congress should annually increase the numbers of children served by Head Start.

We must remember, though, that in any future expansion of Head Start, it is vitally important that the full range of Head Start services continue to be provided. Much of Head Start's success stems from the fact that in addition to high quality early education, the program offers extensive medical, dental and mental health services, immunization services, and nutritious meals as well as training and social service assistance for parents. Low-income preschool children need the full Head Start package.

In commemorating the 20th anniversary of Head Start, we also commemorate our decision, as a nation, to invest in our own future by investing in our children. As we now see the benefits of two decades of success in helping millions of low-income children achieve their full potential, the wisdom of that decision is clear.

Head Start deserves the strong support of all of the Members of Congress. I urge my colleagues to reaffirm our commitment to this proven effective program, and work toward its expansion.●

● Mr. FOWLER. Mr. Speaker, very few of us were here 20 years ago when the Head Start Program was begun, but all of us have come to recognize its extraordinary success in providing services to meet the educational and health needs of low-income children.

The program has been in effect long enough for us to clearly see the benefits of participation in Head Start. The children from that first Head Start class in 1965 are now college graduates, members of the work force, taxpaying citizens. And those who have come behind them—9 million in all—show signs of similar success due to the exceptional preparation they received before elementary school.

But it is not only the children who have benefited. One of the hallmarks of the Head Start Program has been parental involvement—as board members, volunteer assistants and paid staff. This involvement has provided much needed boosts in self-esteem for the parents and has helped many of them become more self-sufficient.

And beyond the children and the parents, society as a whole has benefited. These children have become—or will in the future—our employees, our Nation's voters. Our Nation benefits from their improved health—in terms of increased productivity and decreased expenditures for health care—and from their education—in terms of their ability to hold down jobs and not be dependent on public assistance.

I am delighted to join with my colleagues in celebrating the 20th anniversary of this highly successful and cost-effective program. I hope we will continue to celebrate many more Head Start anniversaries in the years ahead.●

● Mr. HAWKINS. Mr. Speaker, I am most pleased to rise, along with my colleague on the Education and Labor Committee, Representative DALE KILDEE, in support of House Concurrent Resolution 95, commemorating the 20th anniversary of the Head Start Program, and House Concurrent Resolution 132, commemorating the 20th anniversary of the Older Americans Act. Both of these human needs programs are targeted at the most vulnerable groups of people in our society, the very young and the very old.

Head Start is often looked upon as the "crown jewel" of the Great Society programs enacted during the Johnson administration in the 1960's. Head Start has provided much-needed health, nutrition, educational and social services to hundreds of thousands of our Nation's poorest children over the last 20 years. Unfortunately, current funding levels allow only about 20 percent of the children eligible to participate in the program, leaving some 2 million youngsters without the benefits the program provides.

Statistics show that the Head Start Program is cost effective, both for individuals as well as for society as a whole. Head Start gives disadvantaged children a boost as they enter school and prevents far more costly services later due to juvenile deliquency, illiteracy or welfare dependency. Longitudinal studies have shown that children who have participated in Head Start achieve higher grades in school and are less likely to require special or remedial education. These same students also graduate from high school at a much higher rate and are more likely to secure gainful employment later in life. Head Start participants also have lower arrest and pregnancy rates than their peers who have not had the advantages the Head Start can provide. I believe continued support for this program is vital to improve the chances that our young people will be adquately nurtured, educated, trained and ready to face the challenges of the future.

Another sound investment of tax dollars is found in the variety of social service programs authorized by the Older Americans Act. We have a moral responsibility to ensure the well-being of our older citizens. The services provided by the act are targeted to meet the special needs of the elderly in the areas of income, health, housing, employment, retirement, and community services.

For example, under the act senior citizen centers are maintained for the care and companionship of the elderly; nutrition and health assistance programs are made available; home-delivered meals and other vital services are provided to those elderly who are homebound; employment programs for low-income older persons are provided in senior nutrition centers, children's hospitals, State parks, libraries and State and local community service agencies; in addition, the act authorizes training, research, and demonstration programs in the field of aging, such as research on Alzheimer's disease, legal services for older persons, home heating assistance, and other projects designed to improve the livelihood of the elderly and give them greater independence and dignity.

I urge my colleagues to vote favorably on these two important resolutions which acknowledge and reinforce our commitment to the nurturing of our young citizens and to the continued support for our senior citizens.●

● Ms. SNOWE. Mr. Speaker, today the House of Representatives gave official recognition to one of this Nation's most successful antipoverty programs by passing a concurrent resolution commemorating the 20th anniversary of Head Start. I believe that it is most fitting for the House to pause and reflect on the success of this program and the impact it has had on dis-

advantaged young children over the past two decades.

When originally conceived, Head Start was to be an 8-week summer project for low-income preschool children. Since that time the program has grown to become a comprehensive year-round program addressing the health, nutrition, social and educational needs of children from some of the Nation's poorest families. Head Start has also become a national leader among preschool programs in the mainstreaming of handicapped children.

During the last 20 years over 9 million children have benefited from the Head Start Program. Studies have shown that these Head Start children are less likely to require remedial education and are more likely to graduate from high school and find employment than their counterparts who did not have the benefit of attending a preschool program. Children enrolled in Head Start also receive medical screening and care more often than disadvantaged children who are not enrolled in Head Start.

Today Head Start is serving 430,000 children nationwide. In my home State of Maine 1,669 children are currently enrolled in federally funded Head Start Programs in 13 agencies across the State. It is gratifying to know that Head Start will give these children an improved opportunity to grow up healthy, well-educated and socially well adjusted.●

● Mr. CONTE. Mr. Speaker, as an original sponsor of House Concurrent Resolution 95, I rise in strong support of the resolution. I want to thank my good friend GUS HAWKINS, the Chairman of the Committee on Education and Labor, for agreeing to list me as an original sponsor of this bill.

Mr. Speaker, House Concurrent Resolution 95 commemorates the twentieth anniversary of the Head Start Program. On May 18, 1965, President Johnson announced the establishment of the tremendously successful Head Start Program, a preschool child development program conceived not so much as a Federal effort, but as a neighborhood effort. Children of poverty get a "head start" on their future under the program by receiving preschool training to prepare them for regular school in the fall. They get medical and dental attention that they badly need and parents receive counseling on improving the home environment.

Head Start is clearly one of the most successful, cost-effective and popular programs ever established by the Federal Government. Today's resolution reaffirms Congress' commitment to this outstanding program. What began in the summer of 1965 as a 6-8 week demonstration project was soon transformed into a program which has served some nine million low income preschool children since its creation. Today, more than 400,000 children are enrolled in Head Start programs throughout the Nation.

On the 15th anniversary of Head Start, one report indicated that when such factors as reduced cost of special education and remedial services were considered, Head Start's benefits outweighted its costs by 236 percent. The students score higher on mathematics and reading tests, and tend to show stronger achievment orientation than non-Head Start children.

Mr. Speaker, on this 20th anniversary of Head Start, it is prudent to recall the words of President Johnson when the program was established. "Five- and six-year-old children are inheritors of poverty's curse, and not its creators," he said. "Unless we act, these children will pass it on to the next generation, like a family birthmark." And in paying tribute to Head Start volunteers, President Johnson said that "the bread that they cast upon these waters will surely return many thousandfold."

Today, we commend these volunteers and this program for its benefits over the years. I'm proud to join my colleagues in doing so.●

● Mr. BONKER. Mr. Speaker, 20 years have passed since President Johnson launched Project Head Start as part of his war on poverty. Based on the theory that early childhood is the most critical period of a child's education and that young children growing up in poverty would learn better if their basic emotional, medical, nutritional, and educational needs were met, Head Start was designed to provide that opportunity. Originally just a summer program serving over half a million children, it has grown in funding from $96.4 million to almost $1.1 billion.

Despite rugged times in the past, Congress last year overwhelmingly granted Head Start a 2 year reauthorization. Even this administration, which has been openly critical of a number of social programs, has come to recognize the importance of Head Start—which now serves 448,250 students, 90 percent of whom are below the poverty line. Yet, there remain over one thousand counties in the United States who do not participate in Head Start, primarily for reasons of inadequate funding.

In my district of southwest Washington for example, an area with record level unemployment and obvious need, three of the most desperate counties are without Head Start programs. Start up funds for new programs are simply inadequate. The opportunity to make up for the disadvantages of background, fundamental to the idea behind the Head Start Program, is being lost for those children and for thousands of others around the country, because of poorly considered budget priorities.

Twenty years ago, Lady Byrd Johnson, honorary chair of Project Head Start, speaking about these children of poverty, said: "There is no more important task in our communities than for such children to hear a voice say, 'Come take my hand!'" I hope that over the next 20 years we can still make that hand available to needy children and in an even more generous way than we have been able to do so far.●

● Mr. COLEMAN of Missouri. Mr. Speaker, in the past 20 years, over 9 million children from low-income families have been given a chance to have an equal opportunity at life, a chance to begin at the same starting line as other children lucky to have been born into families with a little more money, stability, or time to properly care for their children.

This week marks the 20th anniversary of the Federal program responsible for giving these disadvantaged children the proper nutrition, education, medical, and emotional support they may have otherwise missed in their early years of development. That program is Project Head Start, a comprehensive developmental program that gives preschool children from low-income families the "head start" they need in order to begin elementary school at the same level of development as their peers from higher income families or a more stable homelife.

Since the program's earliest days, it has proven to be one of the most successful social programs to be administered by the Federal Government. Instead of being left at home unattended, children participating in Head Start are given the chance to go to preschool where they are taught to read and learn to better interact with other children under the supervision of trained adults. The program guarantees these children well-balanced meals as well as medical and dental treatment their families often are too poor to afford.

Studies have shown that these services, provided at such an early and important stage of development, have improved the quality of life, health and educational achievements or poverty-stricken children, over a period of many years.

According to one recent study, children who participated in Head Start preschool programs performed equal to or better than their peers when they began elementary school. There were notable improvements on the childrens' standardized tests in reading, language, and math, and it was shown that these children were more likely to go on to vocational or academic training after high school.

A particularly important finding was that children who participated in Head Start were less likely to be misclassified as mentally retarded or in need of special education, as is often the case of other economically disadvantaged children who do not receive such preschool education and social services. The study also found that the advantages gained by preschoolers continue into adulthood where they are more likely to be employed by higher paying jobs with greater job satisfaction.

The social impacts of the program extend beyond the child to the family and community. Single parents have been able to find work while their children attend school during the day. In addition, studies have reported a more positive relationship between parents and children as well as an increase in parent participation in the child's future education. The communities also benefit from the children being in school where they are less likely to get into trouble on the streets.

In its 20-year history, Head Start has proven its immeasurable worth to society. It's also cost effective—for every $1,000 invested in preschool education, at least $4,000 is saved in social service costs. Over 8,000 needy children in Missouri are currently participating in Head Start programs and, as a member of the House Education and Labor Committee, I will be working to see that they continue to receive the important services provided by this invaluable program.●

● Mr. ADDABBO. Mr. Speaker, 20 years ago, one of the cornerstones of the Great Society was laid when President Johnson signed the bill enacting the Head Start Program.

In recent years, it has become fashionable to attack many of the social programs that were enacted in those days. Some of those programs have perhaps outlived their usefulness, others may need to be modified. But for 20 years Head Start has lived up to and exceeded the expectations we had when we inaugurated it in 1965.

There is a popular notion now that the Federal Government cannot effectively administer programs that deal with the social needs of the people. The new wisdom says that only the private sector or government on the most local level should deal with matters of health, education, and social welfare.

For two decades Head Start has been proving this theory wrong. Unquestionably, some matters are better left to private groups and local government, but this should not exclude the Federal Government from playing a role in this area. Study after study has shown that children from disadvantaged backgrounds who participated in Head Start Programs, have scholastically outperformed their peers who did not.

Certainly in light of our huge Federal deficit, we need to reexamine all federally funded programs and make reductions in all parts of the budget. We must be careful however, not to dismantle the many worthwhile programs that have consistently paid dividends over the years. We should also not shy away from new programs. Government can play a role in helping its citizens improve their quality of life. Head Start is a shining example of what government can do when it applies its resources thoughtfully and imaginatively to the social needs of the society.●

● Mrs. LONG. Mr. Speaker, I stand before the House today, to show my total support of the highly successful Head Start Program, as the House commemorates its 20th anniversary and Congress reaffirms its commitment to the program.

Originally designed as an 8 week project under the Economic Opportunity Act, Head Start is now a yearround program of comprehensive services to address the health, nutrition, social, and educational needs of some of the Nation's poorest children and their families. Head Start has provided services to over 9 million disadvantaged youngsters since 1965, and has proved to be one of the most popular, cost effective, and enduring of the Federal Government's antipoverty programs.

Head Start gives disadvantaged children a better chance as they enter school and helps parents become more actively involved in their children's education and development. A follow-up of 820 Head Start children showed gains in school performance lasting as long as 13 years. With regard to key parental involvement, one-third of all Head Start staff are parents of current and former students. For every 15 children participating in Head Start, 10 parents provide volunteer services to the program.

The need for continued support for Head Start is evidenced by the fact that less than 18 percent of eligible children are being served at this time. Over 430,000 children participated in the program last year. In my own district, the Head Start Program has been a tremendous success, serving the needs of more than 40,000 deserving children. Next week I will again voice my support as I attend the first annual Combined Head Start Graduation in Ville Platte, LA, where I will witness at first hand the benefits of such an essential program as I speak to the graduates and their families.

Mr. Speaker, again I am proud to show my support for the Head Start Program as I pledge to ensure that such programs remain intact and continue to develop.●

Mr. KILDEE. Mr. Speaker, I thank the gentlewoman from Louisiana [Mrs. BOGGS] for her very moving testimony.

Mr. Speaker, I have no further requests for time, and I yield back the balance of my time.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from Michigan [Mr. KILDEE] that the House suspend the rules and agree to the concurrent resolution, House Concurrent Resolution 95.

The question was taken; and (two-thirds having voted in favor thereof) the rules were suspended and the concurrent resolution was agreed to.

A motion to reconsider was laid on the table.

GENERAL LEAVE

Mr. KILDEE. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on the concurrent resolution just agreed to.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Michigan?

There was no objection.

MESSAGE FROM THE SENATE

A message from the Senate by Mr. Sparrow, one of its clerks, announced that the Senate had passed a concurrent resolution of the following title, in which the concurrence of the House is requested:

S. Con. Res. 32. Concurrent Resolution setting forth the congressional budget for the U.S. Government for the fiscal years 1986, 1987, and 1988 and revising the congressional budget for the U.S. Government for the fiscal year 1985.

OBSERVING THE 20TH ANNIVERSARY OF THE OLDER AMERICANS ACT

Mr. KILDEE. Mr. Speaker, I move to suspend the rules and agree to the concurrent resolution (H. Con. Res. 132) observing the 20th anniversary of the enactment of the Older Americans Act of 1965.

The Clerk read as follows:

H. CON. RES. 132

Whereas 1985 marks the 20th anniversary of the enactment of the Older Americans Act of 1965;

Whereas over its 20-year history, the Older Americans Act of 1965 has provided important social and human services to tens of millions of older individuals in their communities, helping to promote greater independence for them and maintaining their dignity;

Whereas one of the key elements contributing to the successful implementation of the Older Americans Act of 1965 during this 20-year period was the establishment of the "aging network" which consists of State and area agencies on aging, as well as congregate and home delivered nutrition providers and other supportive service providers;

Whereas the Administration on Aging, created by the Act, has served as a purposeful advocate for the concerns and needs of older individuals;

Whereas the Act has provided important funds for research, training, and demonstration programs to improve, expand, and enhance services to older individuals;

Whereas the Act has provided important part-time community service employment opportunities for low-income older individuals, many of whom work in providing services to other older individuals;

Whereas the Act has sought to address the special needs of older American Indians through grants to Indian tribes;

Whereas the programs and services provided under the Act have been more successful because of the contributing role of volunteers;

Whereas the Act has periodically been amended by Congress in recognition of the changing needs of our rapidly aging society; and

Whereas the Older Americans Act of 1965 serves as a model for the development of community-based services which provided alternatives to institutionalization of older individuals: Now, therefore, be it

Resolved by the House of Representatives (the Senate concurring), That the Congress—

(1) recognizes the 20th anniversary of the enactment of the Older Americans Act of 1965 and the successful implementation of such Act;

(2) acknowledges the many and varied contributions by all levels of the aging network and recognizes that the Act has achieved its mandate to the extent that it has because of the day to day work performed by the aging network; and

(3) reaffirms its support for the Older Americans Act of 1965 and its primary goal of providing services to maintain the dignity and promote the independence of older individuals in the United States.

The SPEAKER pro tempore. Pursuant to the rule, a second is not required on this motion.

The gentleman from Michigan [Mr. KILDEE] will be recognized for 20 minutes and the gentleman from Wisconsin [Mr. PETRI] will be recognized for 20 minutes.

The Chair recognizes the gentleman from Michigan [Mr. KILDEE].

Mr. KILDEE. Mr. Speaker, I yield myself such time as I may consume.

On behalf of the Committee on Education and Labor, I am pleased to bring before the House for consideration today, House Concurrent Resolution 132, to commemorate the 20th anniversary of the enactment of the Older Americans Act. This bill was introduced by my colleague, Congressman MARIO BIAGGI, together with 73 original cosponsors. I understand a number of additional Members have since joined in supporting the measure.

House Concurrent Resolution 132 commemorates the 20th anniversary of the enactment of the Older Americans Act of 1965, and acknowledges the many contributions of workers, both paid and volunteer, who have successfully implemented this act. The measure also reaffirms Congress' commitment to maintaining the independence and dignity of older individuals.

I have always believed that government's prime role is to promote, defend, and enhance human dignity. Meals on Wheels and other Older Americans Act programs certainly enhance, promote, and defend human dignity for they enable many people to remain in their homes rather than in convalescent or extended care facilities. In addition, these programs enable many others to be active contributors to their communities.

The Older Americans Act has more than lived up to its purpose of developing new and improved programs to help older persons. The aging network created under the act provides a full range of services and programs to meet the needs of older people in their own communities. In specific terms, in 1985:

More than 212 million meals will be served in senior centers and delivered to those homebound;

More than 9 million older individuals will receive home health visits, transportation, and other important services;

And 62,500 title V workers will be making important contributions in children's hospitals, senior nutrition centers, State parks, libraries, and other community sites.

At the time President Johnson signed the Older Americans Act into law, he stated the act "clearly affirms our Nation's high sense of responsibility toward the well-being of older citizens."

This program has long enjoyed strong, bipartisan support. I urge that we reaffirm that support on this 20th anniversary.

□ 1320

Mr. Speaker, I reserve the balance of my time.

Mr. PETRI. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, May has been designated "Older Americans Month," and I believe it is therefore fitting for us to commemorate the 20th anniversary of the Older Americans Act, which is the cornerstone of our national policy on aging. The act embodies the key Federal programs serving the social and nutritional needs of our Nation's elderly.

In just two decades, a network of nutrition and social services has emerged as a result of the Older Americans Act. This network of services now touches the lives of senior citizens in nearly every community in the Nation.

The Older Americans Act has been recognized as one of the most effective pieces of legislation to be developed by Congress. In the reauthorization of the act last year, I had the opportunity to review the full range of services and programs which have evolved under the act and which continue to meet the needs of older people in their own communities.

These programs serve to maintain the independence and dignity of our senior citizens. The act is designed and has been a critical element in helping to avoid unnecessary and premature institutionalization for those elderly who can receive services in their homes and communities through a network of service providers.

The Older Americans Act has enjoyed bipartisan support of administrations and Congresses since its inception. I urge my colleagues to join me in supporting House Concurrent Resolution 132, to commemorate the 20th anniversary of the Older Americans Act and to reaffirm our support for the act and for the people it serves.

● Mr. BIAGGI. Mr. Speaker, as the author of this resolution I urge its passage by the House today. I regret that the death of my dear friend and trusted adviser Anthony Petretti causes me to be absent today.

I wish to first thank the distinguished chairman of the Subcommittee on Human Resources, Mr. KILDEE, for his invaluable assistance in gaining such expeditious consideration of this resolution. In addition, I wish to thank the chairman of the full Committee on Education and Labor, Mr. HAWKINS, and the ranking minority member, Mr. JEFFORDS, for their support of this resolution and their longstanding support of the program we salute with this resolution—the Older Americans Act.

My resolution which I am proud to say has been cosponsored by 132 of my colleagues on a bipartisan basis acknowledges a very important anniversary which occurs this year. I refer to the 20th anniversary of the Older Americans Act and its various programs and services. This resolution pays a special tribute to the so-called aging network which is in fact the motor which operates the Older Americans Act at the Federal, State, and local level. I will discuss their contributions later in this statement.

The Older Americans Act born during the Great Society of the 1960's has matured effectively in that decade and into the next and continues to succeed in this time when we have effectively seen the "baby boom" replaced by the "senior boom." Today we see the number of elderly in our Nation rising at a rapid rate to the extent that we now have more people over 60 than under 10 for the first time in our Nation's history. The passage of the Older Americans Act in 1965 was the direct outgrowth of a recommendation offered by the first White House on Aging convened under President Kennedy in 1961. Its passage signified the emergence of aging as a major national policy area and served to stimulate increased public in-

terest and attention to the needs of older Americans. It was established in response to what was identified at that time as a lack of community based social services for older persons. It was determined then and reaffirmed through amendments through the years that providing these social and human services would keep a number of these seniors out of costly nursing homes and within their community.

In fact if one were to identify the key mission of the Older Americans Act it is to provide those elderly in the greatest economic and social need with an array of human service programs which will assist them in maintaining their dignity and independence within their homes and their communities.

It has been my distinct pleasure and privilege to have been closely associated with the Older Americans Act throughout my 16 years in the House of Representatives. I have been on the Education and Labor Committee since my election to Congress and this is the committee of responsibility for the act. In that capacity I have been associated with eight of the nine series of amendments which have been offered to improve the original act. I have seen these amendments produce substantive reforms in the programs which led to the establishment of the congregate and home delivered meals programs as well as the official establishment of the aging network.

I have also been closely associated with the Older Americans Act in an oversight capacity by virtue of my service on the House Select Committee on Aging. I am an original member of this committee and since 1977 have served as the chairman of the Subcommittee on Human Resources which has among its area of jurisdiction the Older Americans Act.

To appreciate the Older Americans Act is to know people who work at its programs as well as those seniors who receive its services. I have had the good fortune to know many of both groups in my congressional career. I have worked closely with State agencies on aging, area agencies on aging, nutrition project directors, both congregate and home delivered as well as a myriad of other individuals who are vital in the aging network. Essential to the success of the Older Americans Act have been all of the aging organizations which make up the leadership and backbone of the act itself. These include the National Association of Area Agencies on Aging, the National Association of State Units on Aging, the National Association of Nutrition and Aging Services Programs and the National Association of Meal Providers as well as the title V contractors: The National Council of Senior Citizens, American Association of Retired Persons, the Gray Panthers, The Retired Senior Volunteer Program, the National Senior Citizens Law Center, The National Association of Retired Federal Employees, Meals on Wheels, the Gerontological Society of America, the Senior Companion Program, Association for Gerontology in Higher Education, The National Caucus and Center on Black Aged, the National Interfaith Coalition on Aging, NCCBA, NICA, AAHA, WGS, NAOAVPD, the Older Women's League, ASFCS, RMDUAW, National Council on Aging, ANPPM and NP/ARCA, and many more leadership organizations with whom I have been in close and constant contact.

As part of the 20th anniversary of the enactment of the Older Americans Act, the Subcommittee on Human Services is preparing a report on the Older Americans Act. It will feature observations and statements from those who have made singular and important contributions to the act during its history.

These include:

Ms. Eleanor Cain, Director of the Division on Aging, Department of Health and Social Services.

Mr. Charles Reed, Director of the Bureau of Aging and Adult Services, Department of Social and Health Services.

Mr. Daniel A. Quirk.

Mr. Donald Riley.

Ms. Katherine Morrison, Administration on Aging.

Ms. Charlotte Frank, Administration on Aging.

Mr. Gene Handlesman, Deputy Assistant Secretary for Human Development Services.

Mr. Charles Wells, Deputy Commissioner on Aging, Administration on Aging.

Mr. Arthur Flemming.

Ms. Betty Brake, ACTION.

Ms. Elizabeth B. Douglass, Executive Director, Association for Gerontology in Higher Education (AGHE).

Mr. Cyril Brickfield, Chairman, Leadership Council of Aging Organizations, c/o American Association of Retired Persons.

Mr. Wayne Moore, Director, Legal Counsel for the Elderly.

Mr. Jonathon A. Weiss, Executive Director, Legal Services for the Elderly.

Mr. C.C. Clinkscales III, National Director, National Alliance of Senior Citizens.

Mr. Samuel J. Simmons, President, National Causcus and Center on Black Aged.

Mr. Jack Ossofsky, Executive Director, National Council on the Aging.

Ms. Jacquelyne J. Jackson, Director, National Council on the Black Aging.

Mr. William R. Hutton, Executive Director, National Council of Senior Citizens.

Mr. Burton Fretz, Executive Director, National Senior Citizens Law Center.

Ms. Carmela G. Lacayo, Executive Director, Association Naconal Pro Personas Mayores.

Mr. John M. Cornman, Executive Director, Gerontological Society of America.

Mr. Thomas Bergen, Executive Director, National Geriatrics Society.

Mr. William D. Bechill, University of Maryland at Baltimore School of Social Work and Community Planning.

Mr. John B. Martin.

Mr. Robert C. Benedict, Pennsylvania Health Care Association.

Ms. Lennie-Marie Toliver.

Ms. Rose Dubroff, Executive Director, Brookdale Center on Aging of Hunter College.

Ms. Janet S. Sainer, Commissioner, New York City Department for the Aging.

Ms. Roberta R. Spohn, Deputy Commissioner, New York City Department for the Aging.

The Honorable Margaret Heckler, Department of Health and Human Services.

Mr. Nelson H. Cruikshank.

Monsignor Charles Fahey, Third Age Center, Fordham University.

Ms. Adelaide Attard, Department of Senior Citizens Affairs.

Ms. Edna (Bonny) Russell.

Mr. Robert Robinson.

Mr. Harry Walker.

Mr. Gerald Bloedow, Executive Director of the Board on Aging.

The Honorable Roman C. Pucinski.

The Honorable Lister Hill.

The Honorable Anthony J. Celebrezze, Jr., Office of the Attorney General, State Capitol, Ohio.

The Honorable John W. Gardner.

The Honorable Wilbur J. Cohen.

The Honorable Robert H. Finch, Fleming, Anderson, McClung & Finch.

The Honorable Elliot L. Richardson, Milbank, Tweed, Hadley & McCloy.

The Honorable Caspar W. Weinberger, Department of Defense.

The Honorable F. David Mathews, Charles F. Kettering Foundation.

The Honorable Joseph A. Califano, Jr., Califano, Ross & Heineman.

The Honorable John Brademas, New York University.

The Honorable Ogden R. Reid, Ophir Hill.

The Honorable Edward M. Kennedy.

The Honorable Thomas F. Eagleton.

The Honorable Jeremiah Denton.

The Honorable Orrin G. Hatch.

The Honorable Charles E. Grassley.

The Honorable Ike Andrews.

Mr. William Moyer, President, National Association for Nutrition and Aging Services Programs.

Ms. Shelley Berger, President, National Association of Meals Programs, Lutheran Social Service Society of West Pennsylvania.

Mr. Paul Sheppard, University of Maryland Center on Aging.

Ms. Fran Butler, EMJ Consultants.

The Honorable Richard S. Schweiker, American Council Life Insurance.

In conclusion, Mr. Speaker, a vote for this resolution is likely to be a vote appreciated by a constituent, since practically every congressional district in the Nation has one or more component of the aging network within it as well as part of the millions of seniors who participate in programs under the Older Americans Act. I urge favorable consideration today.●

● Ms. SNOWE. Mr. Speaker, I rise in support of House Concurrent Resolution 132 commemorating the 20th anniversary of the enactment of the Older Americans Act.

Twenty years ago, in a bold stroke, Congress recognized that the growth of the aging population would require the establishment of a national policy. As the number of older persons grew, it was recognized that the limited resources were not enough to provide for

the needs of the vulnerable aged. Nor were the elderly getting a proportional amount when compared to other age groups. It was in this environment that the Older Americans Act was first conceptualized.

Over the past two decades, the Older Americans Act has become a focal point for the development of a comprehensive, coordinated system for service delivery to the elderly. It has enabled older persons to remain self-sufficient by providing services that permit them to remain in the community and to function at a level consistent with their ability.

What began as a few small service grants and research projects has grown into a system which administers social services in 57 States and terrorities and in 660 localities. Appropriations have increased from around $6.5 million in fiscal year 1966 to over $1 billion in 1985, all of which is designed to meet the social services needs of older persons.

As the program has developed, so has our understanding of the needs of older persons. Special emphasis has been placed on services which break down barriers of all types, such as transportation which assures adequate access to services; legal services which provides older persons with a means of advocating for their rights; and in-home services which enables the elderly to remain in their home setting rather than being institutionalized.

As is the case with all responsive programs, the Older Americans Act has changed as the needs of the elderly have changed. In November of 1983, in a bill I introduced, priority was given to education grant proposals for students who study the custodial or skilled care of victims of Alzheimer's disease. As a result of these provisions, there is a pool of trained personnel who will be available to work in settings such as home health agencies, adult day care centers, senior centers, nursing homes, and veterans' hospitals in the care of those who suffer from this debilitating illness.

There are also education and demonstration projects specifically with the victims of Alzheimer's disease and their families in mind. These provide for respite and community based care services which serve to reinforce the roles of the State area agencies in providing services to care-giving families.

In yet another change in 1984, the House Education and Labor Committee included a second bill that I introduced. This bill increased authorization levels for title III-B supportive services and senior centers. These programs include the critical transportation, in-home, and adult day care programs. The purpose of these community-based programs is to delay or prevent institutionalization by providing alternatives.

Currently, title III-B has grown as more title III-C moneys have been diverted to pay for the increased demand for social services. With the implementation of the diagnosis related groups [DRG's] reimbursement system, many persons being discharged into the community are sicker and more vulnerable than has been true in the past. As never before, the need for an adequate system of social services is becoming apparent. Home health benefits are more in demand than ever as are the need for respite and day care.

As we celebrate the 20th birthday of the Older Americans Act, it is clear that we have before us the challenge to continue to provide the same high quality of services, to continue to provide alternatives to institutionalization, and to continue to assure that our older citizens reap the value of the contributions they have made to our society.●

● Mr. ROYBAL. Mr. Speaker, as chairman of the Select Committee on Aging, I would like to take this opportunity to thank the members of this Chamber, both past and present, who have been vigilant in their support of the Older Americans Act and the elderly citizens of our great Nation; 1985 marks the 20th anniversary of the passage of the Older Americans Act. This landmark legislation continues to be the primary source of social service delivery to millions of older Americans. Over the last 20 years, the programs and services which have been established through this act have enhanced the quality of life for seniors. These programs have provided the basic supportive and nutritional services needed by many older persons to help them remain active and live independently with dignity.

Since the passage of the Older Americans Act, 672 area agencies on aging have been established throughout the country to help coordinate services to our Nation's senior citizens. It is estimated that 9.3 million elderly currently benefit from services such as in home and adult day care, and congregate and home delivered meals.

These successful programs have proven, time and time again, to be effective in preventing premature institutionalization. However, it is my firm belief that there still is much work to be done. During this time of budget restraint, I must emphasize that Older Americans Act programs have already sustained their share of budget cuts.

Three main factors are placing an increasing burden on limited Older Americans Act dollars: First, the increase in early hospital discharges associated with the Medicare prospective payment system; second, the increasing demand for supportive and long-term care services because of cutbacks in other programs, and third, the increasing number of persons who need assistance. We must also remember that as the elderly population increases, the need for these services will continue to grow as well. The U.S. Census Bureau projects that the population age 65 and older will increase by 100 percent between 1980 and the year 2020, compared to an increase of only 21 percent for the population under age 65.

It is particularly appropriate that we celebrate the 20th anniversary of the Older Americans Act during May, which has been designated as "Older Americans Month." Again, as chairman of the Aging Committee, I wish to thank those in this body who through the years have supported the Older Americans Act, its goals and objectives. I think that the Congress should be proud of their efforts and the success of this legislation on the occasion of its 20th anniversary.●

● Mr. LIGHTFOOT. Mr. Speaker, as an original cosponsor of House Concurrent Resolution 132, and as a member of the Select Committee on Aging, I rise today in strong support of this resolution to commemorate the 20th anniversary of the Older Americans Act of 1965. This resolution will reaffirm our commitment to the well-being of older Americans.

The Older Americans Act has provided important social and human services to older individuals. It has improved the lives of older Americans in the areas of income, health, housing, employment, retirement, and community services. One of the most important features of the act is the establishment of an aging network which consists of State and area agencies on aging, as well as congregate and home delivered nutrition providers and other supportive services.

This network is providing more than 9 million older Americans with a variety of supportive services. For example, 212 million meals will be served during this year. The title V Community Employment Program currently supports 62,502 employment positions in children's hospitals, senior nutrition centers, State parks, libraries, and State and local governments. And the title VI program assists 83 Indian tribal organizations to better serve their older members.

With an ever increasing older population, it will be even more important for us to analyze and acknowledge the needs of older Americans and to provide services and programs which will ensure their health and well-being. I believe that the Older Americans Act has done an exceptional job at meeting many of these needs. This can be shown by the strong bipartisan support this act has received from my colleagues over its 20-year history.●

● Mr. PEPPER. Mr. Speaker, I would like to take this opportunity to speak in favor of House Concurrent Resolu-

tion 132, to observe and formally recognize the 20th anniversary of the Older Americans Act.

This resolution, which was proposed by my distinguished colleague, the Honorable MARIO BIAGGI, salutes the success the Older Americans Act has enjoyed over the past two decades.

The Older Americans Act, enacted by the Congress in 1965, has proved to be one of this country's most effective pieces of legislation. The act provides for a full range of services and programs that fill the needs of older people in their own communities—senior center and nutrition programs, home-delivered means for the homebound and employment opportunities for low-income older individuals. In addition, the act finances research, training, and demonstration programs designed to develop better ways to meet the needs of the elderly.

The proposed resolution, it should be noted, also pays special tribute to the aging network established under the Older Americans Act—a component which exists in each and every congressional district in the United States and has proved so important through the years.

The mission of the Older Americans Act is to provide those elderly in the greatest social and economic need with an array of social and human services which will help them maintain their independence and dignity. It has, for two decades, faithfully met that charge. It is with great pleasure that I endorse House Concurrent Resolution 132 saluting the 20th anniversary of the Older Americans Act. I urge all my colleagues committed to America's elderly to do the same.●

● Mr. CONTE. Mr. Speaker, as a cosponsor of House Concurrent Resolution 132, I rise in strong support of this resolution. The resolution commemorates the 20th anniversary of the Older Americans Act.

Mr. Speaker, on July 14, 1965, President Johnson signed the Older Americans Act into law, saying that the act "clearly affirms our Nation's high sense of responsibility toward the well-being of older citizens." This act was designed specifically to address the needs of older people.

Mr. Speaker, the Older Americans Act is the major vehicle for organization and delivery of services solely to senior citizens, services tailored to meet their special needs. Today, it is a program supporting 662 area agencies on aging and 57 State agencies. The network provides a full range of services to senior citizens: from senior centers, nutrition programs, and home-delivered meals to other services for the homebound, and employment opportunities for the elderly.

It is estimated that this year, more than 9 million older persons will be receiving a variety of supportive services. Over 212 million meals will be served to the elderly. The Community Employment Program supports 62,502 employment positions in children's hospitals, senior nutrition centers, State parks, libraries, and State and local governments.

The Older Americans Act is perhaps most important because it recognizes the worth and benefit of our Nation's senior citizens. It sends them a message that they will not be forgotten—not those who have done so much to make our Nation what it is today.

Mr. Speaker, as a strong supporter of the Older Americans Act, I believe that it is important for Congress to both recognize its accomplishments and benefits, and to reaffirm our commitment to it. I urge my colleagues to support me in this recognition and reaffirmation.●

● Mr. KANJORSKI. Mr. Speaker, I am proud to join my colleagues in the House in passing House Concurrent Resolution 132, legislation commemorating the 20th anniversary of the Older Americans Act.

Since its passage in 1965 the Older Americans Act has helped millions of our Nation's senior citizens to live their lives with honor and dignity. It has improved the quality of their lives through a wide variety of health, housing, nutrition, employment, and community service programs. These services are provided through a network of 57 State agencies and 662 area agencies.

Perhaps the best known of the Older Americans Act programs are its nutrition programs like Meals on Wheels which will provide 212 million meals this year to senior citizens at senior centers and through home delivery. These programs are instrumental in allowing senior citizens to maintain their independent lives. In the long run they save the taxpayer millions of dollars by allowing seniors to live outside more expensive facilities like nursing homes. In Luzerne County, PA, some 350 senior citizens receive home delivered meals every day through a program funded in part by the Older Americans Act.

The title V senior employment programs will employ an estimated 62,500 senior citizens around the Nation in hospitals, nutrition centers, State parks, libraries, and other community service centers. In addition to providing income and a sense of self-worth to the seniors who are employed through these programs, they also help to provide essential social services to other senior citizens. Title V helps seniors to aid each other.

Some 9 million senior citizens also receive home health care visits through the Older Americans Act. Like the nutrition programs, the home health care program helps senior citizens maintain their independent lives. This program is particularly important in northeastern Pennsylvania. Roughly 1,000 senior citiznes in Luzerne County receive light housekeeping, bathing, and other homemaker services through programs funded in part by the Older Americans Act. An additional 1,500 senior citizens have minor, but important, home repairs and other chores performed each year through Older Americans Act programs.

For those individuals who need more care than homemaker services can provide, but who do not need to be institutionalized, the Older Americans Act also helps to fund adult day care programs. The Luzerne County Area Agency on Aging advises me that 30 to 40 senior citizens in Luzerne County are currently benefiting from these services.

Mr. Speaker, all too often we hear only about Government programs that don't work. It is both fitting and appropriate that we pay tribute to the Older Americans Act, a program that has worked, and worked well, for two decades. Everyone who has had a part in the creation of the Older Americans Act, and the delivery of its services, deserves our heartfelt thanks and congratulations.●

● Mr. MANTON. Mr. Speaker, I am pleased to rise in favor of House Concurrent Resolution 132, of which I am an original cosponsor. House Concurrent Resolution 132 recognizes the 20th anniversary of the enactment of the Older Americans Act.

Since its enactment in 1965, the Older Americans Act has benefited the lives of millions of older Americans. The act was established to maintain the dignity and promote the independence of older individuals in the United States. For the past 20 years, the Older Americans Act has successfully achieved its important mandate. This has been accomplished through the establishment of the "aging network," consisting of State and area agencies on aging, through the establishment of congregate nutrition sites across the Nation, by providing important funds for research and training, and with the involvement and hard work of dedicated volunteers.

I strongly urge my colleagues to support the resolution, which not only commends the important ideals behind the act, but also reaffirms congressional support for these programs which benefit constituents in every congressional district in the United States.

Finally, Mr. Speaker, I would like to commend my dear friend and colleague from New York [Mr. BIAGGI], for authoring this important bill. I have enjoyed working with him on this legislation and I look forward to continuing our work to protect the interests of our Nation's seniors. In addition, I commend the gentleman from Michigan [Mr. KILDEE], for his excel-

lent work in managing this legislation.●

● Mrs. LONG. Mr. Speaker, it is a pleasure for me to address the House today, to voice my support for the Older Americans Act, as the House commemorates the 20th anniversary of the act and Congress reaffirms its commitment to maintaining the independence and dignity of older individuals.

In representing a district in which approximately 15 percent of the population is over 65, I know the importance of the programs which come under the Older Americans Act. From a few small programs in the first year of implementation, the act now provides a full range of services and programs to meet the needs of older people in their own communities. Paid and volunteer workers will serve more than 212 million meals this year for senior centers and homebound individuals. More than 9 million older Americans will benefit from home health visits, transportation, and other services.

The Older Americans Act program has developed from a few small grants in 1966 to a program supporting 662 area agencies on aging and 57 State agencies. Whether it be the senior woman in Gonzales who receives lunch every day or the older man in Alexandria who is provided with home health visits, many people in Louisiana's Eighth Congressional District have benefited from such an essential piece of legislation.

Mr. Speaker, again, I am proud to show my support for the Older Americans Act and I pledge to continue to work to ensure the independence and dignity for our growing numbers of older Americans. As President Johnson stated in 1965 when he signed the Older Americans Act into law, "such an act clearly affirms our Nation's high sense of responsibility toward the well-being of older Americans."●

● Mr. GROTBERG. Mr. Speaker, I rise in strong support and as a cosponsor of House Concurrent Resolution 132, commending the 20th anniversary of the Older Americans Act. As one who has been active in senior citizen matters all of my life, I believe the Congress should recognize the anniversary of the signing of the 1965 Older Americans Act. For several years before I came to the House, I served as a consultant for the Lutheran Social Services of Illinois and managed the Hotel Baker in my hometown, St. Charles, IL. The Hotel Baker had been converted into a senior residency in 1971 and is owned and operated by the Lutheran Social Services. My experiences with the seniors there, throughout my State legislative district and now in my congressional district have been extremely rewarding. I take this opportunity to add my congratulations to those who had the foresight to pass this legislation 20 years ago and to those who have since implemented its far-reaching and important provisions.●

● Mr. HAMMERSCHMIDT. Mr. Speaker, today we commemorate the 20th anniversary of the Older Americans Act, the benchmark legislation which has so successfully created programs which assist older persons in continuing to be full participating members of our society.

The passage of the Older Americans Act [OAA] in 1965 indicated our country's awareness of the special needs of a growing aging population, and affirmed our commitment to providing programs targeted specifically to meet their special needs. Over the years, the act has remained in step with the growing needs of the elderly; Congress has voted, on seven separate occasions, to reauthorize it. Appropriations for the programs under the OAA have increased from $6.5 million in fiscal 1966 to $1 billion during fiscal 1984. Almost 10 million persons are now participants in OAA programs, either as providers or beneficiaries. Today, over 660 locally based Area Agencies on Aging [AAA] have been established to coordinate programs funded under the OAA to help older persons get the services they need to live independently in their community. Older persons can now receive a wide range of services, including information and referral, transportation, homemaker, home health, legal counseling, meals, residential repair, and others.

In my State of Arkansas, where we have the second highest per capita number of older persons in the country, and in my district, which is predominantly rural, the decentralized structure of the AAA's has served my constitutents well. The emphasis on local control over the program's implementation creates a concerned and responsive network of AAA's dedicated to serving a growing aging population, whose needs they know and care about.

The nursing home ombudsman programs have been expanded to include consumer information, investigation, and recommendations to State legislatures. On any given occasion, I can call one of four AAA's serving my district and inquire about the quality of a nursing home, or the care of a patient there, and an ombudsman will go out that day and report back on the situation. Or, if I receive a letter about an elderly constituent who is unattended, or in need of assistance, I can call the local AAA director and they will have an AAA official go out to the home and tend to needs of that individual. I can't say enough good things about the AAA staffs in my district. So, Mr. Speaker, the AAA's have been an integral facet of the OAA, and have served as the eyes and ears from many Members, including myself.

There are some other aspects of this fine program which I would like to mention, mainly because they are unique in their usefulness and resourcefulness. First, the provision permitting the Department of Agriculture to contribute surplus commodities to the Title III Nutrition Program is both beneficial and cost effective; it allows these meal programs to serve more people by expanding their food budget. Second, the Title III Home Delivered Meals Program, which provides one meal a day to persons confined to their home, enables those persons to have a consistently nutritional diet and increased social interaction than might otherwise be available to them. In many cases, the home delivered meals allow persons to remain in the home and avoid costly institutionalization. The Congregate Meals Program is another program which has been highly successful. Meals are served in group settings, such as senior centers, schools, or churches, and qualifying older persons and their spouse may receive at least one meal per day, 5 days a week. This helps them to obtain needed nutrition while enjoying the company of other older persons. A wonderful part of this program is that those persons who can pay for either all or part of their meal are allowed to do so, and then this money is used to increase the number of meals served by the project.

I could go on and on describing the various programs which OAA funds, but the message, I trust, is clear. The OAA funds some of the most worthwhile, successful, and well-managed programs of any now supported by the Government. In this time of fiscal restraint, it is with pleasure that I look at programs such as these that are working to make life better for an invaluable sector of our society, without being a great burden to our budget. As a ranking member of the Select Committee on Aging, I am especially proud to see that legislation which helps older persons to live better quality lives is being commemorated today. I am honored to have had the opportunity to be involved, over the years, with many of the policies which have contributed to making life better for older persons, and I look forward to working with my colleagues to ensure that we continue to recognize, and address, the needs of older persons.●

Mr. PETRI. Mr. Speaker, I yield back the balance of my time.

Mr. KILDEE. Mr. Speaker, I have no further requests for time, and I yield back the balance of my time.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from Michigan [Mr. KILDEE] that the House suspend the rules and agree to the concurrent resolution, H. Con. Res. 132.

The question was taken; and (two-thirds having voted in favor thereof) the rules were suspended and the concurrent resolution was agreed to.

A motion to reconsider was laid on the table.

GENERAL LEAVE

Mr. KILDEE. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on the concurrent resolution just agreed to.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Michigan?

There was no objection.

ARMY AND NAVY UNION OF THE UNITED STATES OF AMERICA

Mr. SAM B. HALL, JR. Mr. Speaker, I move to suspend the rules and pass the bill (H.R. 897) to recognize the Army and Navy Union of the United States of America.

The Clerk read as follows:

H.R. 897

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

CHARTER

SECTION 1. The Army and Navy Union of the United States of America, organized and incorporated under the laws of the State of Ohio, is hereby recognized as such and is granted a charter.

POWERS

SEC. 2. The Army and Navy Union of the United States of America (hereinafter referred to as the "corporation") shall have only those powers granted to it through its bylaws and articles of incorporation filed in the State or States in which it is incorporated and subject to the laws of such State or States.

OBJECTS AND PURPOSES OF CORPORATION

SEC. 3. The objects and purposes of the corporation are those provided in its articles of incorporation and shall also be—

(a) to hold true allegiance to the Government of the United States of America and fidelity to its Constitution, laws, and institutions;

(b) to serve our Nation under God in peace as well as in war by fostering the ideals of faith and patriotism, loyalty, justice, and liberty; by inculcating in the hearts of young and old, through precept and practice, the spirit of true Americanism; by participating in civic activities for the good of our country and our community;

(c) to unite in fraternal fellowship those who have served honorably and those who are now serving honorably in the Armed Forces of the United States of America; to protect and advance their civic, social, and economic welfare; to aid them in sickness and distress; to assist in the burial and commemoration of their dead; and to provide help for their widows and orphans; and

(d) to perpetuate the memory of patriotic deeds performed by the defenders of our country.

SERVICE OF PROCESS

SEC. 4. With respect to service of process, the corporation shall comply with the laws of the States in which it is incorporated and those States in which it carries on its activities in furtherance of its corporate purposes.

MEMBERSHIP

SEC. 5. Eligibility for membership in the corporation and the rights and privileges of members shall be as provided in the bylaws of the corporation.

BOARD OF DIRECTORS; COMPOSITION; RESPONSIBILITIES

SEC. 6. The board of directors of the corporation and the responsibilities thereof shall be as provided in the articles of incorporation of the corporation and in conformity with the laws of the State or States in which it is incorporated.

OFFICERS OF CORPORATION

SEC. 7. The officers of the corporation, and the election of such officers shall be as is provided in the articles of incorporation of the corporation and in conformity with the laws of the State or States wherein it is incorporated.

RESTRICTIONS

SEC. 8. (a) No part of the income or assets of the corporation shall insure to any member, officer, or director of the corporation or be distributed to any such person during the life of this charter. Nothing in this subsection shall be construed to prevent the payment of reasonable compensation to the officers of the corporation or reimbursement for actual necessary expenses in amounts approved by the board of directors.

(b) The corporation shall not make any loan to any officer, director, or employee of the corporation.

(c) The corporation and any officer and director of the corporation, acting as such officer or director, shall not contribute to, support or otherwise participate in any political activity or in any manner attempt to influence legislation.

(d) The corporation shall have no power to issue any shares of stock nor to declare or pay any dividends.

(e) The corporation shall not claim congressional approval or Federal Government authority for any of its activities.

(f) The corporation shall retain and maintain its status as a corporation organized and incorporated under the laws of the State of Ohio.

LIABILITY

SEC. 9. The corporation shall be liable for the acts of its officers and agents when acting within the scope of their authority.

BOOKS AND RECORDS; INSPECTION

SEC. 10. The corporation shall keep correct and complete books and records of account and shall keep minutes of any proceeding of the corporation involving any of its members, the board of directors, or any committee having authority under the board of directors. The corporation shall keep at its principal office a record of the names and addresses of all members having the right to vote. All books and records of such corporation may be inspected by any member having the right to vote, or by any agent or attorney of such member, for any proper purpose, at any reasonable time. Nothing in this section shall be construed to contravene any applicable State law.

AUDIT OF FINANCIAL TRANSACTIONS

SEC. 11. The first section of the Act entitled "An Act to provide for audit of accounts of private corporations established under Federal law", approved August 30, 1964 (36 U.S.C. 1101) is amended by adding at the end thereof the following:

"(68) Army and Navy Union of the United States of America"

ANNUAL REPORT

SEC. 12. The corporation shall report annually to the Congress concerning the activities of the corporation during the preceding fiscal year. Such annual report shall be submitted at the same time as is the report of the audit required by section 11 of this Act. The report shall not be printed as a public document.

RESERVATION OF RIGHT TO AMEND OR REPEAL CHARTER

SEC. 13. The right to alter, amend, or repeal this Act is expressly reserved to the Congress.

DEFINITION OF "STATE"

SEC. 14. For purposes of this Act, the term "State" includes the District of Columbia, the Commonwealth of Puerto Rico, and the territories and possessions of the United States.

TAX-EXEMPT STATUS

SEC. 15. The corporation shall maintain its status as an organization exempt from taxation as provided in the Internal Revenue Code of 1954. If the corporation fails to maintain such status, the charter granted hereby shall expire.

TERMINATION

SEC. 16. If the corporation shall fail to comply with any of the restrictions or provisions of this Act the charter granted hereby shall expire.

The SPEAKER pro tempore. Pursuant to the rule, a second is not required on this motion.

The gentleman from Texas [Mr. SAM B. HALL, JR.] will be recognized for 20 minutes and the gentleman from Ohio [Mr. KINDNESS] will be recognized for 20 minutes.

The Chair recognizes the gentleman from Texas [Mr. SAM B. HALL, JR.].

Mr. SAM B. HALL, JR. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, the Army and Navy Union of the United States of America, Inc. was founded in 1886 and incorporated under the nonprofit laws of the State of Ohio in 1888. This organization is a civic, fraternal and social organization which was established to promote patriotism. It is the oldest veterans' organization of its type in the United States.

Membership in the organization is not restricted to any specific form, date, branch, place, or nature of military service. It is comprised of approximately 8,400 veterans in 10 States.

Members of the Army and Navy Union perform volunteer service for veterans and their families, including charitable work at VA hospitals. They also serve as burial escorts and ceremonial honor guards at funerals and provide aid to families of deceased veterans in adjusting to their loss.

It is the recommendation of the Judiciary Committee that H.R. 897 be passed by the House.

Mr. Speaker, I yield such time as he may consume to the gentleman from

Ohio [Mr. SEIBERLING], the sponsor of this measure.

Mr. SEIBERLING. Mr. Speaker, I thank the distinguished chairman, the soon-to-be distinguished Federal judge, the gentleman from Texas, for his support of this legislation and for bringing it to the floor in this timely fashion.

Mr. Speaker, I rise in support of H.R. 897, legislation I introduced to grant a Federal charter to the Army and Navy Union of the United States of America. I am grateful to the chairman of the Subcommittee on Administrative Law [Mr. SAM B. HALL, JR.] and to the chairman of the full Judiciary Committee [Mr. RODINO] for their willingness to bring my bill to the floor in such an expeditious manner.

The Army and Navy Union of the United States of America is a civic, fraternal and social organization united to promote patriotism in our society. The Army and Navy Union is the oldest veterans' organization of its type in the United States. Founded in 1886, and incorporated under the laws of the State of Ohio since 1888, it is the only veterans' organization in which membership is not limited to any specific form, date, branch, place, or nature of military service performed.

The Army and Navy Union is dedicated to the preservation of a free and independent Union States, and to providing assistance to veterans and their dependents. Since its earliest days, the Army and Navy Union has worked for the enactment of equitable laws to provide pensions, medical care, and other benefits to veterans.

The Army and Navy Union currently has some 8,400 members with posts in Ohio, New York, Georgia, Indiana, Tennessee, North Carolina, South Carolina, New Jersey, Massachusetts, and the District of Columbia.

The Army and Navy Union is headed by a national commander and his staff. The National Corps is administered by officers elected at an annual convention. Any member in good standing is eligible to hold any office in the organization. Each member State has its own State Department, which administers the operation of the local posts, known as Garrisons. Each State Department holds an annual encampment. Garrisons meet formally at least once a month. Garrison members elect their own officers and their own delegates to the National Encampment and the Department Encampment.

Members of the Army and Navy Union work on a voluntary basis performing services of assistance to veterans and their families. Members serve as burial escorts and ceremonial honor guards at veterans' funerals. They perform charitable work at Veterans' Administration hospitals, and assist the families of deceased veterans in adjusting to their loss.

The Army and Navy Union of the United States of America has a long and illustrious record of service to veterans and their families. Forty-one recipients of the Congressional Medal of Honor, including Eddie Rickenbacker and Gen. Douglas MacArthur, have held membership in the organization. Other members include President William McKinley, Supreme Court Justice Harold Burton, and Senator Charles Dick of Ohio.

Mr. Speaker, I am pleased that the House has the opportunity today to approve my bill, and thus to grant the Army and Navy Union the Federal charter which it has sought for so many years. The charter will provide this worthy organization with the national status it deserves.

Mr. KINDNESS. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I support and recommend approval by the House of this measure, which grants a charter to the Army and Navy Union of the United States of America.

The purpose of this legislation really is to recognize an existing State charter organization. The safeguards that are included in the granting of Federal charters over recent years are included in this legislation as well.

One of the things that might be brought to light in particular is that the legislation provides for certain contingencies which would cause a forfeiture of the charter if they were not complied with. There is annual reporting to the Congress on the functioning and financial functioning of the organization. The legislation requires the corporation to keep records, perform an annual audit as well. There are additional safeguards that are included in Federal legislation is included in this bill.

I think it is a worthy organization that should receive a Federal charter and I would urge support of the measure.

I have no requests for time, Mr. Speaker, and I yield back the balance of my time.

Mr. SAM B. HALL, JR. Mr. Speaker, I yield such time as she may consume to the gentlewoman from Ohio [Ms. OAKAR].

Ms. OAKAR. Mr. Speaker, I want to thank the chairman for yielding to me.

Mr. Speaker, I want to rise in support of the bill and associate myself with the remarks of my two colleagues.

We are proud that the organization began in Ohio and I commend the chairman for having the legislation brought to the floor. I hope we can pass it unanimously.

□ 1330

Mr. SAM B. HALL, JR. Mr. Speaker, I have no further requests for time, and I yield back the balance of my time.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from Texas [Mr. SAM B. HALL, JR.] that the House suspend the rules and pass the bill, H.R. 897.

The question was taken; and (two-thirds having voted in favor thereof) the rules were suspended and the bill was passed.

A motion to reconsider was laid on the table.

GENERAL LEAVE

Mr. SAM B. HALL, JR. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on the bill just passed.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Texas?

There was no objection.

PEARL HARBOR SURVIVORS ASSOCIATION

Mr. SAM B. HALL, JR. Mr. Speaker, I move to suspend the rules and pass the bill (H.R. 1042) to grant a Federal charter to the Pearl Harbor Survivors Association, as amended.

The Clerk read as follows:

H.R. 1042

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. CHARTER.

The Pearl Harbor Survivors Association, a nonprofit corporation organized under the laws of the State of Missouri, is recognized as such and is granted a Federal charter.

SEC. 2. POWERS.

The Pearl Harbor Survivors Association (hereinafter in this Act referred to as the "corporation") shall have those powers granted to it through its bylaws and articles of incorporation filed in the State in which it is incorporated and subject to the laws of such State, and such powers shall include the following:

(1) To sue and be sued, complain, and defend in any court of competent jurisdiction.

(2) To adopt, alter, and use a corporate seal.

(3) To take gifts, legacies, and devices which will further the corporate purposes.

(4) To adopt, alter, and amend a constitution and bylaws, not inconsistent with the laws of the United States or any State in which the corporation is to operate, for the management of its property and the regulation of its affairs.

(5) To change and collect membership dues and subscription fees and to receive contributions or grants of money or property to be used to carry out its purposes.

(6) To establish, regulate, and maintain offices for the conduct of the affairs of the corporation.

(7) To promote the formation of auxiliaries, the membership requirements of which

shall be determined according to the constitution and the bylaws of the corporation.

(8) To publish a magazine or other publications.

(9) To adopt emblems and badges.

(10) To do any and all lawful acts and things necessary or desirable to carry out the objects and purposes of the corporation.

SEC. 3. OBJECTS AND PURPOSES OF CORPORATION.

The objects and purposes of the corporation are those provided in its articles of incorporation and shall include the following:

(1) To uphold and defend the Constitution of the United States.

(2) To collate, preserve, and encourage the study of historical episodes, chronicles, mementos, and events pertaining to "The Day of Infamy, 7 December 1941", and in particular those memories and records of patriotic service performed by the heroic Pearl Harbor survivors and nonsurvivors.

(3) To shield from neglect the graves, past and future, of those who served at Pearl Harbor on such day.

(4) To stimulate communities and political subdivisions into taking more interest in the affairs and future of the United States in order to keep our Nation alert.

(5) To fight unceasingly for our national security in order to protect the United States from enemies within and without our borders.

(6) To preserve the American way of life and to foster the spirit and practice of Americanism.

(7) To instill love of country and flag and to promote soundness of mind and body in the youth of our Nation.

SEC. 4. SERVICE OF PROCESS.

With respect to service of process, the corporation shall comply with the laws of the State in which it is incorporated and those States in which it carries on its activities in furtherance of its corporate purposes.

SEC. 5. ELIGIBILITY FOR MEMBERSHIP.

Eligibility for membership in the corporation and the rights and privileges of members of the corporation shall be as provided in the constitution and bylaws of the corporation, except that terms of membership and requirements for holding office within the corporation shall not be discriminatory on the basis of race, color, religion, or national origin.

SEC. 6. BOARD OF DIRECTORS.

The composition of the board of directors of the corporation and the responsibilities of such board shall be as provided in the articles of incorporation of the corporation and in conformity with the laws of the State in which it is incorporated.

SEC. 7. OFFICERS OF CORPORATION.

The positions of officers of the corporation and the election of members to such positions shall be as provided in the articles of incorporation of the corporation and in conformity with the laws of the State in which it is incorporated.

SEC. 8. RESTRICTIONS ON CORPORATE POWER.

(a) DISTRIBUTION OF INCOME OR ASSETS TO MEMBERS OR OFFICERS OF THE CORPORATION.—No part of the income or assets of the corporation shall insure to any member, officer, or director of the corporation or be distributed to any such person during the life of the corporation or upon its dissolution or final liquidation. Nothing in this subsection shall be construed to prevent the payment of compensation to the officers of the corporation for services rendered to the corporation or to prevent their reimbursement for actual necessary expenses in amounts approved by the board of directors.

(b) LOANS OR ADVANCES.—The corporation shall have no power to make loans or advances to any member, officer, director, or employee of the corporation.

(c) ISSUANCE OF STOCK OR PAYMENT OF DIVIDENDS.—The corporation shall have no power to issue any shares of stock or to declare or pay any dividends.

(d) NONPOLITICAL NATURE OF THE CORPORATION.—The corporation and its officers, employees, and agents acting as such shall have no power to contribute to, support, or otherwise participate in any political activity or in any manner attempt to influence legislation.

(e) APPROVAL OF THE CONGRESS OR THE FEDERAL GOVERNMENT.—The corporation shall have no power to claim congressional approval or Federal Government authority for any of its activities.

SEC. 9. LIABILITY.

The corporation shall be liable for the acts of its officers and agents when they have acted within the scope of their authority.

SEC. 10. BOOKS AND RECORDS; INSPECTION.

The corporation shall keep correct and complete books and records of accounts and shall keep minutes of the any proceeding involving any of its members, the board of directors, or any committee having authority under the board of directors. The corporation shall keep at its principal office a record of the names and addresses of all members having the right to vote in any proceeding of the corporation. All books and records of the corporation may be inspected by any member, or any agent or attorney of such member, for any proper purpose, at any reasonable time.

SEC. 11. AUDIT OF FINANCIAL TRANSACTIONS.

The first section of the Act entitled "An Act to provide for audit of accounts of private corporations established under Federal law.", approved August 30, 1964 (78 Stat. 636; 36 U.S.C. 1101), is amended by adding at the end thereof the following:

"(69) Pearl Harbor Survivors Association.".

SEC. 12. ANNUAL REPORT.

The corporation shall report annually to the Congress concerning the activities of the corporation during the preceding fiscal year. Such annual report shall be submitted at the same time as the report of the audit of the corporation required pursuant to section 2 of the Act entitled "An Act to provide for audit of accounts of private corporations established under Federal law.", approved August 30, 1964 (78 Stat. 636; 36 U.S.C. 1102). The report shall not be printed as a public document.

SEC. 13. RESERVATION OF RIGHT TO AMEND OR REPEAL CHARTER.

The right to alter, amend, or repeal this Act is expressly reserved to the Congress.

SEC. 14. DEFINITION OF "STATE".

For purposes of this Act, the term "State" includes the District of Columbia, the Commonwealth of Puerto Rico, the Commonwealth of the Northern Mariana Islands, and the territories and possessions of the United States.

SEC. 15. TAX-EXEMPT STATUS.

The corporation shall maintain its status as an organization exempt from taxation as provided in the Internal Revenue Code of 1954.

SEC. 16. EXCLUSIVE USE OF CORPORATE NAME.

The corporation and its regional districts and local branches shall have the sole and exclusive right to use in carrying out its purposes the name "Pearl Harbor Survivors Association", and such seals, emblems, and badges as the corporation may adopt.

SEC. 17. TERMINATION.

If the corporation shall fail to comply with any of the restrictions or provisions of this Act, the charter granted by this Act shall expire.

The SPEAKER pro tempore. Pursuant to the rule, a second is not required on this motion.

The gentleman from Texas [Mr. SAM B. HALL, JR.] will be recognized for 20 minutes and the gentleman from Ohio [Mr. KINDNESS] will be recognized for 20 minutes.

The Chair recognizes the gentleman from Texas [Mr. SAM B. HALL, JR.].

Mr. SAM B. HALL, JR. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, the Pearl Harbor Survivors Association is a nonprofit corporation which was organized in 1958. In 1964, the association was incorporated under the laws of Missouri.

As the name of the organization suggests, this organization was formed by a group of survivors of the attack on Pearl Harbor by the Japanese on December 7, 1941. Membership is open to anyone who, on that infamous date, was a member of the Armed Forces of the United States and who was stationed on Pearl Harbor, the Island of Oahu, or offshore within 3 miles. The association currently has about 9,700 members.

The Pearl Harbor Survivors Association is dedicated to the purpose of promoting and promulgating the obligations of citizenship and patriotism. They are active in preserving gravesites of those who died in the Japanese attack on Pearl Harbor. They also erect monuments and preserve historical mementos of that attack.

It is the recommendation of the Judiciary Committee that H.R. 1042 be passed by the House.

Mr. KINDNESS. Mr. Speaker, I yield myself such time as I may consume.

I support and recommend adoption of this Federal charter as well.

One comment does appear to be in order. In the granting of Federal charters we have in recent years granted some charters to organizations which are bound to have a limited existence. This is one of those organizations. Because of its membership being basically those who were survivors of a particular event in history there is no opportunity for that membership to expand and continue on a perpetual basis.

Whether such charters should be granted is open to some question as a matter of policy for this House and the other body to decide. This is a worthy organization. Its purposes are good and sound. Its services to veterans are very appropriate, and I support the granting of the charter.

I think, however, we ought to be looking a lot more closely at whether charters should be granted to organizations that are bound to reduce in size and at some point in time be inactive or become inactive, for all practical purposes at any rate.

The question then is what do we do to clean up the record. Does the Congress then pass legislation to disestablish the Federal charter with the emotional approach that might be involved in such cases, or do we wait until the organization no longer qualifies under State law as a valid corporation, and then the Federal charter automatically ceases to exist?

Nonetheless, Mr. Speaker, we have granted charters of this nature to the submarine veterans of World War II, for example, in the last Congress. I think this group is certainly worthy of that same recognition and I would only raise the policy question for consideration further down the line with any subsequent opportunities that we have to consider it with organizations of a similar sort.

● Mr. RUDD. Mr. Speaker, as a cosponsor of H.R. 1042, I rise in strong support of granting a Federal charter to the Pearl Harbor Survivors Association to honor its 9,700 current members who survived that unprovoked and devastating attack by the Japanese nearly 44 years ago.

Membership in this distinguished veterans organization is open to anyone who was a member of the U.S. Armed Forces stationed in Pearl Harbor, on the Island of Oahu or offshore on that fateful day that launched our Nation into World War II, December 7, 1941.

Members of the Pearl Harbor Survivors Association continue to serve our Nation honorably today. They work to preserve relics of the attack as well as the gravesites of those who were not so fortunate and gave their lives on that day in defense of our Nation.

In passing this legislation we not only honor the survivors, but also their fallen comrades.

Let us pledge our commitment to ensuring the strength of the United States against foreign aggression to guarantee that such a tragic incident will never occur again.

I urge adoption of the bill.●

● Mr. DWYER of New Jersey. Mr. Speaker, as the prime sponsor of this legislation, I rise in support of H.R. 1042, which would grant a national charter to the Pearl Harbor Survivors Association.

The distinguished chairman of the subcommittee has thoroughly explained the bill's purpose and how it accomplishes this purpose. I am grateful to him and to the chairman of the full committee, Mr. RODINO, for their courtesy and for the expeditious treatment which they have given to this legislation.

Mr. Speaker, today we have the opportunity to pay tribute to those Americans who survived the most disastrous surprise attack ever undertaken against America. But, just as importantly, this legislation gives us the opportunity to pay homage to those who did not survive this event. Those who were killed—and those who were permanently disabled—were the true heroes of this episode and are the ones we honor by passing this bill today.

Again, Mr. Speaker, I would urge all of my colleagues to support this legislation. It carries with it no cost to the Treasury, but a tremendous amount of significance to those who were there, those who lost loved ones there and those who remember the horror of that Sunday morning 44 years ago.●

Mr. SAM B. HALL, JR. Mr. Speaker, I have no further requests for time, and I yield back the balance of my time.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from Texas [Mr. SAM B. HALL, JR.] that the House suspend the rules and pass the bill, H.R. 1042, as amended.

The question was taken; and (two-thirds having voted in favor thereof) the rules were suspended and the bill, as amended, was passed.

A motion to reconsider was laid on the table.

GENERAL LEAVE

Mr. SAM B. HALL, JR. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on the bill just passed.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Texas?

There was no objection.

DAUGHTERS OF UNION VETERANS OF THE CIVIL WAR 1861-65

Mr. SAM B. HALL, JR. Mr. Speaker, I move to suspend the rules and pass the bill (H.R. 1806) to recognize the organization known as the Daughters of Union Veterans of the Civil War 1861-1865.

The Clerk read as follows:

H.R. 1806

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled.

CHARTER

SECTION 1. The Daughters of Union Veterans of the Civil War 1861-1865, a nonprofit corporation organized under the laws of the State of Ohio, is recognized as such and is granted a Federal charter.

POWERS

SEC. 2. The Daughters of Union Veterans of the Civil War 1861-1865 (hereinafter in this Act referred to as the "corporation") shall have only those powers granted to it through its bylaws and articles of incorporation filed in the State or States in which it is incorporated and subject to the laws of such State or States.

OBJECTS AND PURPOSES OF CORPORATION

SEC. 3. The objects and purposes of the corporation are those provided in its articles of incorporation and, for the purpose of perpetuating the memories of the fathers of the Daughters of Union Veterans of the Civil War 1861-1865, their loyalty to the Union, and their unselfish sacrifices for the preservation of the same, shall include the following:

(1) Encouraging the preservation of historic sites and the construction and preservation of monuments commemorating any aspect of the Civil War.

(2) Building and maintaining a Museum of Civil War History, admission to which shall be free and open to the public, in the city of Springfield, Illinois, as a repository of Civil War documents, artifacts, and cultural relics.

(3) Maintaining a library in connection with the Civil War museum, admission to which shall be open to the public, containing the official volumes of the War of the Rebellion Records, Civil War genealogical files, Adjutant General reports to the various States, military and biographical records and accounts of the individual service of Union soldiers, sailors, and marines, diaries, letters, relics, and other records.

(4) Promulgating and teaching American history, particularly the history of the Civil War period, through the establishment of scholarship programs at the National and State levels, the presentation of American flags to youth groups and newly naturalized citizens, and the sponsorship of contests of educational merit.

(5) Caring for veterans of all wars through volunteer programs in Veterans' Administration medical centers and in homes and other institutions maintained by the States for the welfare of American veterans.

(6) Participating, in a spirit of cooperation and reciprocity, in programs with other societies devoted to American history, veterans' affairs, or community interests.

The corporation shall function as a veterans' and patriotic organization as authorized by the laws of the State or States in which it is incorporated.

SERVICE OF PROCESS

SEC. 4. With respect to service of process, the corporation shall comply with the laws of the States in which it is incorporated and those States in which it carries on its activities in furtherance of its corporate purposes.

MEMBERSHIP

SEC. 5. Eligibility for membership in the corporation and the rights and privileges of members of the corporation shall be as provided in the consitution and bylaws of the corporation.

BOARD OF DIRECTORS; COMPOSITION; RESPONSIBILITIES

SEC. 6. The composition of the board of directors of the corporation and the responsibilities of such board shall be as provided in the articles of incorporation of the corporation and in conformity with the laws of the State or States in which it is incorporated.

OFFICERS OF CORPORATION

SEC. 7. The positions of officers of the corporation and the election of members to such positions shall be as provided in the articles of incorporation of the corporation and in conformity with the laws of the State or States in which it is incorporated.

RESTRICTIONS

SEC. 8. (a) No part of the income or assets of the corporation may inure to the benefit of any member, officer, or director of the corporation or be distributed to any such individual during the life of this charter. Nothing in this subsection shall be construed to prevent the payment of reasonable compensation to the officers of the corporation or reimbursement for actual and necessary expenses in amounts approved by the board of directors.

(b) The corporation may not make any loan to any officer, director, or employee of the corporation.

(c)(1) The corporation may not contribute to, support, or otherwise participate in any political activity or attempt in any manner to influence legislation.

(2) No officer or director of the corporation, acting as such officer or director, may commit any act prohibited under paragraph (1) of this subsection.

(d) The corporation shall have no power to issue any shares of stock nor to declare or pay any dividends.

(e) The corporation shall not claim congressional approval or the authorization of the Federal Government for any of its activities.

LIABILITY

SEC. 9. The corporation shall be liable for the acts of its officers and agents whenever such officers and agents have acted within the scope of their authority.

BOOKS AND RECORDS; INSPECTION

SEC. 10. The corporation shall keep correct and complete books and records of account and minutes of any proceeding of the corporation involving any of its members, the board of directors, or any committee having authority under the board of directors. The corporation shall keep, at its principal office, a record of the names and addresses of all members having the right to vote in any proceeding of the corporation. All books and records of such corporation may be inspected by any member having the right to vote in any corporation proceeding, or by any agent or attorney of such member, for any proper purpose at any reasonable time. Nothing in this section shall be construed to contravene any applicable State law.

AUDIT OF FINANCIAL TRANSACTIONS

SEC. 11. The first section of the Act entitled "An Act to provide for audit of accounts of private corporations established under Federal law", approved August 30, 1964 (36 U.S.C. 1101), is amended by adding at the end thereof the following:

"(70) Daughters of Union Veterans of the Civil War 1861–1865.".

ANNUAL REPORT

SEC. 12. The corporation shall report annually to the Congress concerning the activities of the corporation during the preceding fiscal year. Such annual report shall be submitted at the same time as the report of the audit required by section 11 of this Act. The report shall not be printed as a public document.

RESERVATION OF RIGHT TO AMEND OR REPEAL CHARTER

SEC. 13. The right to alter, amend, or repeal this Act is expressly reserved to the Congress.

DEFINITION OF "STATE"

SEC. 14. For purposes of this Act, the term "State" includes the District of Columbia, the Commonwealth of Puerto Rico, the Commonwealth of the Northern Mariana Islands, and the territories and possessions of the United States.

TAX-EXEMPT STATUS

SEC. 15. The corporation shall maintain its status as an organization exempt from taxation as provided in the Internal Revenue Code of 1954. If the corporation fails to maintain such status, the charter granted by this Act shall expire.

TERMINATION

SEC. 16. If the corporation shall fail to comply with any of the restrictions or provisions of this Act, the charter granted by this Act shall expire.

The SPEAKER pro tempore. Pursuant to the rule, a second is not required on this motion.

The gentleman from Texas [Mr. SAM B. HALL, JR.] will be recognized for 20 minutes, and the gentleman from Ohio [Mr. KINDNESS] will be recognized for 20 minutes.

The Chair recognizes the gentleman from Texas [Mr. SAM B. HALL, JR.].

Mr. SAM B. HALL, JR. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, the Daughters of the Union Veterans of the Civil War 1861-1865 is a nonprofit organization which was organized in Massillon, OH, on May 30, 1885. It was incorporated as the National Alliance for Daughters of Veterans on December 12, 1885. In 1944, the corporation changed its name to the Daughters of the Union Veterans of the Civil War 1861-65. This organization is among the oldest veteran and patriotic societies in the country.

Membership in this organization is open to women descendants of Union soldiers, sailors, and marines who were honorably discharged, killed, or missing in action. Members must be at least 8 years of age. This organization has a membership of over 20,000.

The objects of the organization are to promote this Nation's history and to perpetuate the memories of the men who sacrificed their lives and well-being to preserve the Union. This organization has built and maintains a museum and library in Springfield, IL, which is dedicated to Civil War memorabilia. The organization has established scholarships at the State and national level to encourage educational achievement in U.S. history. It also provides scholarships, awards, and gifts for young men and women who serve in the Nation's four military academies. This organization has been active in efforts to construct and preserve monuments which commemorate the Civil War. Members also serve as volunteers to help veterans in medical centers, homes, and other institutions.

It is the recommendation of the Judiciary Committee that H.R. 1806 be passed by the House.

Mr. KINDNESS. Mr. Speaker, I yield myself such time as I may consume.

I thank the gentleman from Texas for his support of this measure which, in fact, does afford the opportunity for members of the organization to provide comfort and services to veterans, regardless of their geographic origin.

As the gentleman from Texas has pointed out, the organization now known as the Daughters of the Union Veterans of the Civil War 1861-1865, Inc., is an organization that began its life back in 1885.

We have had ample opportunity to see the kind of services they provide through their 34 departments organized State by State. Each department consists of three or more tents or local organizations at the community level. And through this network or organizational elements the members of the Daughters of the Union Veterans of the Civil War reach out to veterans all over this country.

□ 1340

Perhaps the most important service rendered by the organization is its support for the U.S. veterans administrative volunteer service.

This charter might be differentiated from the previous one, and I think it may be in order to comment to that effect since we are talking about an organization based on history that is more remote in point of time.

However, the potential for the membership of this organization to grow rather than to shrink is what differentiates the two.

The prior organization, Survivors of Pearl Harbor, of course, are a finite group. The Daughters of Union Veterans of the Civil War, of course, increase in number as the years go by, barring unforeseen circumstances.

I would strongly urge the support and passage of this measure granting a charter which, again, contains all of the safeguards that are included in Federal charter provisions in recent years under the rules that are followed by the Subcommittee on Administrative Law of the Committee on the Judiciary.

I think we can join in strongly supporting this measure.

Mr. Speaker, I have no further requests for time, and I yield back the balance of my time.

Mr. SAM B. HALL, JR. Mr. Speaker, I have no further requests for time, and I yield back the balance of my time.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from Texas [Mr. SAM B. HALL, JR.] that the House suspend the rules and pass the bill, H.R. 1806, as amended.

The question was taken; and (two-thirds having voted in favor thereof) the rules were suspended and the bill, as amended, was passed.

A motion to reconsider was laid on the table.

GENERAL LEAVE

Mr. SAM B. HALL, JR. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on the bill just passed.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Texas?

There was no objection.

SELECTION OF THE COURT OF APPEALS TO DECIDE MULTIPLE APPEALS

Mr. SAM B. HALL, JR. Mr. Speaker, I move to suspend the rules and pass the bill (H.R. 439) to amend title 28, United States Code, to provide for the selection of the court of appeals to decide multiple appeals filed with respect to the same agency order.

The Clerk read as follows:

H.R. 439

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 2112(a) of title 28, United States Code, is amended by striking out the last three sentences and inserting in lieu thereof the following: "If proceedings are instituted in two or more courts of appeals with respect to the same order, the following shall apply:

"(1) If within ten days after issuance of the order the agency, board, commission, or officer concerned receives, from the persons instituting the proceedings, the petition for review with respect to proceedings in at least two courts of appeals, the agency, board, commission, or officer shall proceed in accordance with paragraph (3) of this subsection. If within ten days after the issuance of the order the agency, board, commission, or officer concerned receives, from the persons instituting the proceedings, the petition for review with respect to proceedings in only one court of appeals, the agency, board, commission, or officer shall file the record in that court notwithstanding the institution in any other court of appeals of proceedings for review of that order. In all other cases in which proceedings have been instituted in two or more courts of appeals with respect to the same order, the agency, board, commission, or officer concerned shall file the record in the court in which proceedings with respect to the order were first instituted.

"(2) For purposes of paragraph (1) of this subsection, a copy of the petition or other pleading which institutes proceedings in a court of appeals and which is stamped by the court with the date of filing shall constitute the petition for review. Each agency, board, commission, or officer, as the case may be, shall designate by rule the office and the officer who must receive petitions for review under paragraph (1).

"(3) If an agency, board, commission, or officer receives two or more petitions for review of an order in accordance with the first sentence of paragraph (1) of this subsection, the agency, board, commission, or officer shall, promptly after the expiration of the ten-day period specified in that sentence, so notify the judicial panel on multidistrict litigation authorized by section 1407 of this title, in such form as that panel shall prescribe. The judicial panel on multidistrict litigation shall, by means of random selection, designate one court of appeals, from among the courts of appeals in which petitions for review have been filed and received within the ten-day period specified in the first sentence of paragraph (1), in which the record is to be filed, and shall issue an order consolidating the petitions for review in that court of appeals. The judicial panel on multidistrict litigation shall, after providing notice to the public and an opportunity for the submission of comments, prescribe rules with respect to the consolidation of proceedings under this paragraph. The agency, board, commission, or officer concerned shall file the record in the court of appeals designated pursuant to this paragraph.

"(4) Any court of appeals in which proceedings with respect to an order of an agency, board, commission, or officer have been instituted may, to the extent authorized by law, stay the effective date of the order. Any such stay may thereafter be modified, revoked, or extended by a court of appeals designated pursuant to paragraph (3) with respect to that order or by any other court of appeals to which the proceedings are transferred.

"(5) All courts in which proceedings are instituted with respect to the same order, other than the court in which the record is filed pursuant to this subsection, shall transfer those proceedings to the court in which the record is so filed. For the convenience of the parties in the interest of justice, the court in which the record is filed may thereafter transfer all the proceedings with respect to that order to any other court of appeals.".

SEC. 2. The amendment made by the first section of this Act shall take effect one hundred and eighty days after the date of the enactment of this Act, except that the judicial panel on multidistrict litigation may issue rules pursuant to subsection (a)(3) of section 2112 of title 28, United States Code, as added by the first section of this Act, on or after such date of enactment.

The SPEAKER pro tempore. Pursuant to the rule, a second is not required on this motion.

The gentleman from Texas [Mr. SAM B. HALL, JR.] will be recognized for 20 minutes, and the gentleman from Ohio [Mr. KINDNESS] will be recognized for 20 minutes.

The Chair recognizes the gentleman from Texas [Mr. SAM B. HALL, JR.].

Mr. SAM B. HALL JR. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, the purpose of H.R. 439 is to simplify the selection of the proper court to handle the judicial appeal of an agency order in those cases where petitions for review are filed in more than one court of appeals.

When a Federal agency issues an order, two or more parties often file judicial challenges to the validity of that order. Because many statutes do not specify a particular circuit as the court to handle these challenges, venue for the judicial challenge is proper in any of the Federal circuits in which challenges are filed. If appeals are filed in more than one circuit, a single circuit must be selected to handle the appeal.

Until 1958, each agency had the option of selecting which circuit would have venue when appeals of the agency's order were filed in more than one circuit. Since this appeared to result in an unfair advantage for the agency, title 28 was amended in 1958 to provide that the circuit of venue would be the circuit where the appeal of an agency order was filed first. This first-to-file rule was intended to assure that the agency had no special advantage over the challenger.

However, the 1958 amendment had an unintended effect. Many lawyers believed that a certain circuit would be more sympathetic to their client's arguments than other circuits. Thus, races to the courthouse began to occur, with each lawyer trying to file first in the circuit he or she felt would be sympathetic.

These races to the courthouse have become highly sophisticated. Messengers are assigned to hover around agency offices waiting for the exact moment an order is issued. Other messengers, armed with forms for filing the appeal, are stationed at the offices of the clerks of various circuits. The two are often connected with by open long-distance telephone lines or walkie-talkies so that the appeal will be filed the instant the agency order is issued. The result is that filings are frequently made in various circuits within minutes, or even seconds, of each other.

Races to the courthouse have resulted in unfortunate consequences for the system of justice. Since they are based on the theory that one court will interpret the law differently from another court, these races detract from the public's perception of the Federal courts as impartial, consistent arbiters of justice. In addition, these races produce no economic benefit, yet often cost private participants tens of thousands of dollars. Finally, once the race is complete, the parties—as well as the Federal courts and agencies—must expend more resources on wasteful litigation to determine who won the race and thus which is the appropriate circuit for review.

H.R. 439 remedies this situation by removing the incentive to race to the courthouse. It does this by modifying the first-to-file rule so that when more than one appeal of an agency order is filed, all petitions will stand on the same footing in the determination of which circuit will handle the appeal, with one of the circuits selected at random to do so.

The Judicial Panel on Multidistrict Litigation will handle the random selection from among those circuits in which petitions have been filed. A party wishing to qualify for the random selection procedure will have

to meet two conditions. First, the party will have to file an appeal of the agency order within 10 days after issuance of the order. Second, the party will also have to file a copy of the petition for review with the agency within the same 10-day period.

The random selection will include one entry for each circuit in which proceedings are pending, rather than one entry for each petitioner. After the selection, the judicial panel will issue an order consolidating all petitions for review in the selected circuit. The judicial panel is required to establish rules to govern these selection procedures after providing the public with notice and an opportunity to comment on such rules.

The circuit in which the proceedings are consolidated will take jurisdiction over all review proceedings dealing with the same order. This court will retain its existing power to transfer proceedings for the convenience of the parties in the interest of justice. H.R. 439 does not change current standards for transfer. Moreover, does not cover cases were venue is specified by statute to lie in one particular circuit or cases which are filed in the district courts.

During the period before the random selection, any court of appeals in which a proceeding has been filed may stay the effective date of the agency order. Any such stays may thereafter be modified, revoked, or extended by the selected court in which the proceedings are consolidated. H.R. 439 does not alter the current standards by which courts determine whether to grant a stay.

No random selection will be required if a second proceeding is commenced more than 10 days after issuance of the agency order or if all proceedings are filed later than ten days after the issuance of the order. In these cases, the first-to-file rule will continue in effect since no real race to the courthouse is involved.

In the 98th Congress, the House passed a measure identical to H.R. 439 (H.R. 5365). Also, in the 96th and 97th Congresses, the Committee on the Judiciary favorably reported a provision similar to that contained in H.R. 439 as part of the omnibus regulatory reform bill. A similar measure was also adopted by the Senate in the 97th Congress as part of the Senate regulatory reform bill. The basic approach of the bill has had strong bipartisan support.

H.R. 439 contains a significant improvement in the way venue is determined in cases of multiple filings. It is supported by the Department of Justice, the Judicial Conference of the United States, the Administrative Conference of the United States, and the American Bar Association.

The Judiciary Committee recommends its enactment.

Mr. Speaker, I urge the adoption of H.R. 439.

Mr. KINDNESS. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, from the annals of the history of that period of our Nation's past, when the west was being settled, we can conjure up notions of the cavalry coming thundering across the hills to the rescue of the settler's family as the cabin burns to the ground.

But today we have the modern electronic equivalent to that sort of scene in the races to the courthouses described so aptly and ably by the gentleman from Texas [Mr. SAM B. HALL, JR.].

We have people, lawyers instead of cavalrymen, talking to each other by walkie-talkie and open long-distance telephone lines trying to save the Republic from this order issued by an agency seconds before.

Perhaps it was more appropriate to have the cavalry save the settlers in the old days of the West. It is certainly not appropriate to have the kind of race to the courthouse that we see occurring every now and then as agency orders are issued and the lawyers scramble to see who can be first in the court.

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Surely it is not always to save the Republic. Sometimes it is to save or attempt to save those who are going to be affected by the agency order, of course, and that is not always the public at large.

The amount of resources that are devoted to such races to the courthouse seem outlandish at times. In the overall context of things, it may not be the most important sort of thing that goes on ino our society from day to day, but it is one more thing that tends to detract from the dignity and respect accorded to our judicial system, and indeed the administrative workings of our Government as well.

H.R. 439 is designed to eliminate the unseemliness of the race to the courthouse. The gentleman from Texas [Mr. SAM B. HALL, JR.] and I have worked together on this legislation and legislation like it in the last Congress or two.

I think it is simple and relatively reasonable way to resolve a problem that exists that detracts from the dignity of the administrative process and the court system, and I would hope that the House would indeed support passage of H.R. 439.

I would, however, Mr. Speaker, be greatly remiss if I closed my remarks without commenting upon the somewhat subdued nature of my conduct today, which arises at least in part perhaps from the realization that the gentleman from Texas [Mr. SAM B. HALL, JR.], my esteemed friend, my highly respected friend, will be leaving soon this House to assume a position on the Federal bench in the U.S. District Court for the Eastern District of Texas.

I am somewhat reminded of the remark that was attributed, I believe, to Sam Houston upon the removal of Davey Crockett from Tennessee to Texas when he said that by making that move, Crockett greatly uplifted the intellectual climate of both States.

Perhaps that—we will let you think about that for a moment, Mr. Speaker—the gentleman from Texas has graced us with his presence, he has worked hard at his job, he has represented well the people of his part of east Texas, he has before him a career on the bench that I think will prove once again the great ability of this gentleman to serve the public and serve the public well.

We shall miss him very much in the Committee on the Judiciary, and in the House of Representatives, and certainly on the Administrative Law Subcommittee which he chaired in these last two Congresses.

I wish our respected colleague the very, very best as he assumes a new position in public service, and hope that the opportunity will be there to visit, whether it be in Washington, in Texas, or anyplace else on the face of the globe, from time to time. The gentleman will indeed be missed.

Mr. Speaker, I have no further requests for time, and I yield back the balance of my time.

Mr. SAM B. HALL, JR. Mr. Speaker, I would not be at all proper if I did not thank TOM KINDNESS for the tremendous work that we have done on this committee. It has been a bipartisan effort from the inception until today.

In my opinion, TOM KINDNESS is—and I was going to say this anyway—is one of the outstanding Members of the U.S. House of Representatives. I know when I came here 9 years ago I met him at that time, when I became a member of the Judiciary Committee; we have had many hours of work together, all very good and most favorable in every sense of the word, and he is a true gentleman in every respect. He is an outstanding member, and I cannot say enough about him, and I have said this before publicly and privately.

The Congress of the United States needs more people like TOM KINDNESS, and I hope that our paths do cross, TOM, in the future; but I hope that when we do visit it is of a personal nature and not an official nature, insofar as you are concerned.

Mr. Speaker, I would also be remiss if I did not pay the highest tribute to the majority and minority staff on this subcommittee: William P. Shattuck, who has been a tremendous in-

spiration to me in the guidance that he has given over the last several years. Janet Potts, there is no way I can thank her for the many, many fine things she has done for me on this committee. Jennifer Ihlo, from Center, TX, who is a new member of the counsel staff, but who is doing an outstanding job in every respect.

They are truly dedicated people in every sense of the word. They are nonpartisan, and I must include in this Kevin Richardson, of the minority counsel, who has worked very closely with me as well as his mentor there, TOM KINDNESS, and all of us together have been a great team, I think. I like to believe that, anyway, and I hope that whoever in the future aspires to this chairmanship will continue to work for these people like we have in the past two Congresses, and I know that by doing that that this subcommittee of the Committee on the Judiciary will continue to be one of the bright spots of the U.S. Congress.

Mr. Speaker, I yield back the balance of my time.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from Texas [Mr. SAM B. HALL, JR.] that the House suspend the rules and pass the bill, H.R. 439.

The question was taken; and (two-thirds having voted in favor thereof) the rules were suspended and the bill was passed.

A motion to reconsider was laid on the table.

GENERAL LEAVE

Mr. SAM. B. HALL, JR. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on H.R. 439, the bill just passed.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Texas?

There was no objection.

THE NEED FOR H.R. 2285: FREEDOM-OF-CHOICE HEALTH MAINTENANCE ORGANIZATIONS AT RISK—ALTERNATIVE FOR MEDICARE

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Florida [Mr. PEPPER] is recognized for 5 minutes.

● Mr. PEPPER. Mr. Speaker, I am pleased to submit, for the attention of my colleagues, the following concept paper prepared by Mr. Jeffrey A. Prussin, senior vice president of Government programs and plan development of the International Medical Centers, Inc., in Miami, FL, regarding H.R. 2285, legislation I introduced several days ago providing for "freedom-of-choice health maintenance organization demonstrations."

Mr. Prussin's paper provides a clear explanation of H.R. 2285 which I hope will be useful to my colleagues as they give consideration to this most innovative and necessary legislation, I include Mr. Prussin's paper entitled "Freedom-of-Choice HMO's at Risk: A New Alternative for Medicare" in its entirety at this point in the RECORD:

FREEDOM-OF CHOICE HMO'S AT RISK: A NEW ALTERNATIVE FOR MEDICARE

INTRODUCTION

Prepaid Medicare demonstrations

The Health Care Financing Administration (HCFA) conducted a series of prepaid Medicare demonstration programs throughout the country under which health maintenance organizations (HMO) and similar organizations were paid by HCFA at the rate of 95 percent of the adjusted average per capita cost (AAPCC), or less, for providing Medicare services to enrolled Medicare beneficiaries. This was a prospective payment system that was not adjusted retroactively; all profits or surpluses were retained by the HMO, and all losses were the responsibility of the HMO.

In order to induce Medicare beneficiaries to enroll in their demonstration programs, some of the participating HMOs developed extremely comprehensive benefits packages for Medicare enrollees. In many cases, Medicare enrollees paid nothing to join the HMO and received extra benefits such as elimination of the Medicare deductibles and copayments, free prescription drugs, free eyeglasses and hearing aids, unlimited acute care hospitalization, routine eye and hearing examinations, routine foot care, routine physical examinations, and a broad range of dental services.

Tax Equity and Fiscal Responsibility Act

HCFA now has implemented the provisions of the Tax Equity and Fiscal Responsibility Act of 1982 [TEFRA] which established as a regular part of the Medicare program a risk-based contracting mechanism for HMOs and competitive medical plans [CMP] that is similar to the HMO demonstration programs. The primary difference between the demonstrations and TEFRA is addition of the adjusted community rate [ACR] under TEFRA. The ACR is the organization's community rate, adjusted for the regular Medicare program benefits and the anticipated utilization differences between the organization's Medicare and non-Medicare members. TEFRA permits payment to HMOs and CMPs based upon the organization's ACR, plus the value of enhancements to the regular Medicare program benefits offered by the organization, up to 95 percent of the AAPCC. The ACR was included under TEFRA as a mechanism for limiting the organization's profit or surplus levels generated by Medicare enrollees, proportionally, to the profit or surplus levels experienced by that organization for non-Medicare enrollees.

OPERATIONAL ISSUES

The HMO demonstration programs raised several issues that also may prove to be relevant to TEFRA as implementation of TEFRA progresses, including the following:

Cost Increases—Although HCFA pays HMOs at the rate of 95 percent of the AAPCC or less, the Medicare program actually may experience cost increases for HMO risk-basis enrollees due to favorable selection bias.

Selection Bias—Favorable selection bias occurs when individuals with lower health costs enroll in an HMO. In this event, the Medicare program could lose money, even while contracting with and paying an HMO at a discount rate, such as 95 percent of the AAPCC or less. That is, if the Medicare program pays an HMO at 95 percent of the AAPCC, and if the HMO enrolls individuals who are, on the average, in better health or lower utilizers (e.g., whose costs would be less than 95 percent of the AAPCC in the fee-for-service system), the Medicare program will lose money by paying 95 percent of the AAPCC. Of course, selection bias also may be adverse to an HMO, in which case individuals with higher health costs enroll in the HMO. HCFA's evaluation of the traditional HMO Medicare demonstrations will address the selection bias issue, and a definitive answer on this subject, beyond the findings from the early demonstrations,[1] is anticipated.

Oversight and Regulation—Since Medicare beneficiaries enrolled in risk-basis HMOs are locked into the HMO, at least for 45–60 days, HCFA, maintains a responsibility to monitor the quality, accessibility, availability, acceptability, etc., of HMOs' services. Moreover, due to HMO "lock in" provisions, HCFA and other State and Federal regulatory agencies, in many instances, are placed in a position of serving as arbitrators between an HMO and its Medicare enrollees with respect to enrollee complaints. Indeed, complaints to HCFA and other regulatory agencies by Medicare enrollees who do not understand HMO "lock in" provisions at the time of enrollment are a constant source of problems for HCFA and other regulatory agencies, HMOs, non-HMO providers, and Medicare beneficiaries.

Enrollment—Enrollment of Medicare beneficiaries by HMOs has been hindered by the facts that:

A beneficiary must take a positive action (i.e., sign enrollment form) to enroll in an HMO.

By enrolling in an HMO, the beneficiary loses freedom-of-choice of providers due to HMO "lock in" provisions.

Moreover, since the Medicare market is more like an individual than a group market, it is both expensive and difficult for HMOs to reach potential Medicare enrollees.

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[1] For example, Paul W. Eggers and Ronald Prihoda studied 18,085 Medicare beneficiaries who enrolled in three demonstration HMO plans as of April 1981. The plans were the Fallon Community Health Plan (Worcester County, Massachusetts), the Greater Marshfield Community Health Plan (Marshfield, Wisconsin) and the Kaiser-Permanente Medical Care Program, Portland, Oregon). The study found that enrollees in the Fallon and Kaiser plans had 20 percent lower Medicare reimbursements than their respective comparison groups in the four years prior to enrollment. There was not a statistically significant difference in pre-enrollment total Medicare reimbursements between the enrollee and comparison groups for the Marshfield plan. See: Paul W. Eggers and Ronald Prihoda, "Pre-Enrollment Reimbursement Patterns of Medicare Beneficiaries Enrolled in 'At-Risk' HMOs," Health Care Financing Review, September 1982, volume 4, NO. 1, pp. 55–73. Eggers also studied Medicare beneficiaries enrolled in the Group Health Cooperative of Puget Sound (Seattle, Washington) under a risk contract. The study found that beneficiaries who enrolled during an open enrollment period had a reimbursement rate for inpatient services that was 47 percent below the comparison group. Enrolled beneficiaries also appeared to have a lower utilization rate for Part B services. See: Paul Eggers, "Risk Differential Between Medicare Beneficiaries Enrolled and Not Enrolled in an HMO," Health Care Financing Review, Winter 1980, volume 1, No. 3, pp. 91–99.

PROGRAM IMPROVEMENTS

The freedom-of-choice HMO at risk demonstration program is designed to:

Save money for the Medicare program and control costs by placing large numbers of Medicare beneficiaries in specified geographic areas in an at risk, capitation payment system. In addition, to the extent that freedom-of-choice demonstration HMOs provide benefits such as prescription drugs that would otherwise be covered by Medicaid, savings also will be realized by the Medicaid program for demonstration enrollees with both Medicare and Medicaid coverage.

Eliminate selection bias in HMO enrollment of Medicare beneficiaries.

Reduce substantially the need for oversight and regulation by HCFA and other State and Federal regulatory agencies, and eliminate the need for enrollment mix requirements such as the 50/50 rule under TEFRA. This rule requires the HMO to enroll one non-Medicare or Medicaid member for every Medicare or Medicaid member.

Simplify the enrollment process for Medicare beneficiaries and HMOs.

Eliminate the restrictive HMO "lock in" provisions that have hindered the attractiveness of HMOs to potential enrollees and, hence, the growth of HMOs.

RETENTION OF ALL OPTIONS BY MEDICARE BENEFICIARIES

The key feature of the freedom-of-choice HMO at risk concept, in addition to elimination of selection bias, is preservation of all current options, as well as addition of new options, for enrolled Medicare beneficiaries. Specifically, beneficiaries enrolled in the freedom-of-choice HMO demonstrations will retain the right to receive their health services through any qualified Medicare provider, without referral or authorization by the HMO, exactly as they do at the present time. However:

HMOs, which will be paid by HCFA at the rate of 95 percent of the AAPCC, will be at risk financially to pay the same amount as Medicare would pay for Medicare covered services not provided directly through the HMO.

Beneficiaries using Medicare covered services not provided directly through the HMO will continue to be responsible for Medicare deductible and coinsurance amounts and will continue to be subject to all Medicare limits on services.

After HCFA assigns financial risk for Medicare beneficiaries to a freedom-of-choice HMO demonstration, enrolled beneficiaries will have, continuously, the option of receiving any or all of their health services directly through the HMO. Indeed, the HMO will attempt to induce beneficiaries to use services provided directly through the HMO by reducing or eliminating the Medicare deductible and coinsurance amounts and by providing more comprehensive benefits, including benefits for services that are not covered by the regular Medicare program, for enrollees receiving their services directly through the HMO. Moreover, in order to induce enrollees to use services provided directly through the HMO exclusively, to the exclusion of non-HMO services provided without referral or authorization by the HMO, the HMO could make certain extra benefits, such as prescription drugs and eyeglasses, available to Medicare beneficiaries who receive all of their health services directly through the HMO for a specified period of time.

Medicare beneficiaries enrolled in freedom-of-choice HMO demonstrations will be permitted to switch back and forth, at any time, between using services provided directly through the HMO and using non-HMO services without referral or authorization by the HMO. Again, however, the HMO will receive payment at the rate of 95 percent of the AAPCC from HCFA and will maintain full financial responsibility for paying claims for Medicare covered services that are not provided directly through the HMO. Moreover, individuals using services not provided directly through the HMO will continue to be responsible for the Medicare deductible and coinsurance amounts, will continue to be subject to all Medicare limits on services, including the limits on the number of acute care hospital and skilled nursing facility days, and will not receive any of the added benefits offered by the HMO to beneficiaries receiving their services directly through the HMO.

CLAIMS PAYMENT/ADMINISTRATION

Each freedom-of-choice HMO demonstration will have the option of fulfilling the Medicare intermediary and carrier functions itself with respect to its enrollees or of using the existing intermediaries and carriers to make payments for services rendered by non-HMO providers without referral or authorization by the HMO. In the event that the HMO uses extant intermediaries and carriers, the HMO will maintain final authority for claims review, including determination of the medical necessity of services, whether services are covered under Medicare, and whether claims should be paid. (Of course, the regular Medicare appeals process for denied claims still will be available to adversely affected beneficiaries and providers.)

Once the HMO determines that a claim should be paid, the intermediary or carrier, if the HMO uses extant intermediaries and carriers, will determine the Medicare allowable amount and make the appropriate payment. Again, however, the funds needed to pay claims for Medicare covered services not provided directly through the HMO will be the responsibility of the HMO.

RANDOM ASSIGNMENT BY HCFA

Large numbers of, if not all, Medicare beneficiaries residing in areas in which there are freedom-of-choice HMO demonstrations will be assigned randomly to the HMOs participating in the demonstrations, up to the service delivery capacities of the participating HMOs. (Beneficiaries already enrolled in HMOs in a demonstration area, if any, will remain in the HMOs in which they are enrolled.) Assignment of beneficiaries will eliminate the need for costly HMO marketing efforts designed to generate enrollment in the HMO by Medicare beneficiaries.

Since beneficiaries, in essence, will be able to ignore the HMO and continue to receive their Medicare covered services in the same manner and from the same providers as at the present time, without any added restrictions, the random assignment of financial risk for beneficiaries to participating HMOs should pose no problems. In other words, the beneficiaries assigned to participating HMOs will not lose their freedom-of-choice in providers. Rather, these beneficiaries will have the added option of using services provided directly through the HMO, in which case the beneficiaries will receive added benefits, such as elimination of the Medicare deductible and coinsurance amounts and benefits for services for covered under the regular Medicare program (e.g., prescription drugs and eyeglasses).

INTER-HMO TRANSFERS

In areas in which more than one HMO participates in a freedom-of-choice demonstration, some enrollees may have preferences regarding the specific HMOs in which they wish to be enrolled based upon factors such as the HMOs' benefits packages, reputations, and provider locations. Therefore, it will be necessary to permit Medicare beneficiaries assigned to a particular HMO to request reassignment to another HMO. However, the incidence of requests for reassignment should be very low and, therefore, should not create administrative problems or affect selection bias one way or the other.

FINANCIAL CONSIDERATIONS

The freedom-of-choice HMO at risk demonstration program will be financially attractive to HMOs primarily for two reasons:

Claims Review—Currently, the Medicare intermediaries and carriers are not at risk; they merely serve as conduits for HCFA funds. Therefore, they have little, if any, incentive to implement effective claims review processes. The freedom-of-choice HMO demonstrations, on the other hand, will be at financial risk to pay for Medicare covered services rendered to enrolled beneficiaries by non-HMO providers without referral or authorization by the HMO. Therefore, the HMOs will have a strong incentive to implement stringent claims review programs. Nonetheless, because all regular Medicare appeals processes for denied claims will be available to affected beneficiaries and providers, inappropriate claims denials by demonstration HMOs will be limited.

Utilization of HMO Services—Freedom-of-choice HMOs will be in an advantageous position to capture the utilization of enrolled beneficiaries, because:

Medicare beneficiaries generally suffer financial problems, and, therefore, are in need, often dire need, of methods for reducing their expenses. To the extent that cost savings are important to beneficiaries, they will have particularly strong incentives to use services provided directly through freedom-of-choice HMOs. Each time an enrolled beneficiary requires a health service, the beneficiary will have to decide whether to use the free services and extra benefits provided directly through the HMO or services rendered by non-HMO providers, in which case all Medicare cost sharing and limitations will apply.

While traditional HMOs offer Medicare beneficiaries an opportunity to reduce their expenses, many beneficiaries are afraid to enroll in HMOs because they fear loss of their Medicare benefits and/or because they relinquish their right to use non-HMO providers for at least 45–60 days.

Under the freedom-of-choice HMO demonstrations, beneficiaries will have an opportunity at least to try the services provided directly through the HMO with absolutely no risk or loss of freedom to use non-HMO providers.

The key to financial success of the freedom-of-choice HMO demonstrations will be the quality, acceptability, etc., of the HMOs' services. To the extent that enrolled beneficiaries find an HMO's services to be acceptable, the beneficiaries will continue to use the HMO's services; to the extent that enrolled beneficiaries find an HMO's services to be unacceptable, they will use services rendered by non-HMO providers without referral or authorization by the HMO.

EFFECTS OF COMPETITION

The freedom-of-choice HMO at risk approach should:

Stimulate HMO expansion.

Provide incentives for non-HMO providers to affiliate or develop relationships with HMOs.

HMO expansion will be stimulated through assignment of large numbers of Medicare beneficiaries to HMO's. This assignment of beneficiaries will provide an enrollment base that will help HMOs overcome the initial operating losses that generally are associated with the opening of new facilities or expansion into new geographic areas. Nonetheless, in order to assume the financial risks associated with use of non-HMO services by enrolled beneficiaries, as well as direct provisions of services by the HMO, the HMO will have to have a strong financial position.

Non-HMO providers may be more prone to affiliate or develop relationships with freedom-of-choice HMO demonstrations than with traditional HMOs, because the freedom-of-choice demonstrations will pose a more significant "threat" to the patient bases of non-HMO providers. That is, the freedom-of-choice demonstrations are predicated upon the assumption that freedom-of-choice HMOs will be more successful than traditional HMOs in inducing Medicare beneficiaries into utilization of the HMO system. In a traditional HMO setting, the beneficiary must sign an enrollment form in order to use the HMO; and, by signing the enrollment form, the beneficiary relinguishes the freedom to use non-HMO providers for at least 45–60 days. Beneficiaries are particularly fearful of this limitation and of losing their regular Medicare coverage. As a result, they are reluctant to enroll in traditional HMOs. However, beneficiaries enrolled in freedom-of-choice HMO demonstrations have the incentives of reduced cost sharing and increased benefits to induce them to use services provided directly through the HMO, on the one hand, while losing absolutely nothing by using the HMO's services, on the other hand. If beneficiaries are dissatisfied with the HMO's services for any reason whatsoever, they have the continuous freedom-of-choice to use any Medicare providers of their choice.

APPLICABILITY OF FREEDOM-OF-CHOICE HMO CONCEPT TO COMMERCIAL MARKETS

The freedom-of-choice HMO at risk concept is just as applicable in commercial markets as it is in the Medicare market. That is, employers may be viewed in the same light as HCFA. The freedom-of-choice HMO, in exchange for receiving all of an employer's employees, would continue to provide the same level of indemnity benefits as are currently offered by the employer for 95 percent of the employer's current costs for the indemnity plan. In addition, the HMO would make available added benefits, including elimination or reduction of patient cost sharing, to enrollees using services provided directly through the HMO. Enrollees using non-HMO services would not receive the added benefits offered by the HMO and would continue to be subject to all cost sharing and limitations imposed under the indemnity plan.

ADVANTAGE OF THE FREEDOM-OF-CHOICE HMO DEMONSTRATIONS

The main advantages of the freedom-of-choice HMO demonstration approach are threefold:

Because it will be to the HMO's economic advantage for Medicare beneficiaries to receive their services directly through the HMO, as opposed to using non-HMO providers without referral or authorization by the HMO, the HMO will be placed in a position in which it constantly must compete for the utilization of its members, who, in turn, always will have the option of using non-HMO providers without referral or authorization by the HMO. The result will be a self-regulating system in which Medicare beneficiaries will "vote with their feet". That is, to the extent that a beneficiary is not satisfied with the services provided directly through the HMO, for whatever reason, the beneficiary will use non-HMO providers without referral or authorization by the HMO. There will be continuous freedom-of-choice between use of HMO services and services rendered by non-HMO providers. As a result, the need for oversight and regulation will be reduced substantially, and the need for enrollment mix requirements such as the 50/50 rule under TEFRA will be eliminated.

Because the HMO will maintain financial responsibility for payment of Medicare benefits for services rendered by non-HMO providers without referral or authorization by the HMO, the HMO will have a strong incentive to exercise stringent claims review, both with respect to coverage and with respect to medical necessity.

Because beneficiaries will be assigned randomly to participating HMOs, the problem of selection bias—both favorable and adverse—will be eliminated. Therefore, HCFA will be assured of a five percent saving in Medicare costs, based upon a payment level to the freedom-of-choice demonstration HMOs of 95 percent of the AAPCC. In addition, HCFA and the State also may realize savings in Medicaid costs.

SUMMARY

In, sum, the freedom-of-choice HMO at risk demonstrations will make more benefits available to Medicare beneficiaries, while:

Saving HCFA five percent of the AAPCC for Medicare beneficiaries enrolled through the demonstrations.

Reducing substantially the need for oversight and regulation by HCFA and other State and Federal regulatory agencies.

Providing continuous freedom-of-choice for beneficiaries to use non-HMO providers exactly as they do at the present time.●

RULES OF PROCEDURE FOR PRIVATE IMMIGRATION BILLS

(Mr. MAZZOLI asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

● Mr. MAZZOLI. Mr. Speaker, the Subcommittee on Immigration wishes to bring to the attention of our colleagues the new subcommittee "Rules of Procedure and Statement of Policy," for private immigration bills for the 99th Congress. The rules and statement of policy were approved by the subcommittee March 19, 1985, and by the full Committee on the Judiciary April 30, 1985.

Since the subcommittee acts as a court of equity in deciding whether to grant special relief in private immigration cases, it must reserve affirmative action to those of extraordinary merit and posing heavy hardship.

This subcommittee works hard and fairly to insure that meritorious private relief measures are passed and measures which lack merit or where there are other unexhausted avenues of relief are rejected.

The subcommittee has evolved, in the past few Congresses, a set of rules and procedures which assist you—as a possible author of a private relief bill—and the subcommittee in discharging those heavy burdens.

The rules of procedure adopted by each Congress draw on past subcommittee action and require extensive documentation. We offer the advice of our staff in how to gather the types of facts required in order to comply with the rules. A fully developed file not only serves the best interests of the subcommittee but also the Member who must later personally present the case at a hearing.

The subcommittee also provides another service to Members. It offers advisory opinions on cases which you may wish to bring to its attention. These opinions—just that—offer some perspective on future prospects for passage based on actions of the subcommittee over the years.

The "Rules of Procedure and Statement of Policy" are very similar to those of the 98th Congress. However, they have been altered with respect to private relief bills seeking naturalization of resident aliens and bills seeking residency for medical doctors and other medical professionals.

Also, a new policy adopted by the subcommittee requires successful beneficiaries to seek the relief granted by Congress—usually residency—within a time certain after the bill's enactment. Too often in the past bills were passed, but no effort was made by the beneficiaries to take advantage of relief—suggesting that relief was not necessary in the first place.

The subcommittee also reiterates that the mere introduction of a private bill does not in itself stay deportation. This rule has been in effect since 1971 and should be reviewed carefully (rule 4).

If you or your staff have any further questions, please do not hesitate to call the subcommittee.

Following are the rules and the statement of policy:

RULES OF PROCEDURE

1. The introduction of a private bill does not stay the deportation of aliens illegally in the United States or who have overstayed the terms of their visa. The Committee shall not intervene in any such deportation proceedings and it will not address any communications to the Attorney General to request stays of deportation on behalf of beneficiaries of private bills, except as indicated in Rule 4.

2. No bill shall be scheduled until all administrative remedies are exhausted, including suspension of deportation, asylum, and labor certification.

3. The Subcommittee shall not take any further action on legislation which has been tabled by the full Committee.

4. The Subcommittee shall entertain consideration of a request for a departmental report upon receipt of a letter from the author of the bill. In the case of beneficiaries who are in the United States, including those in parole status or asylee status, a determination on the request shall be subject to debate at a formal meeting of the Subcommittee and only those cases designed to prevent extreme hardship to the beneficiary or a U.S. citizen will merit a request for a report. The Immigration and Naturalization Service may honor a request for a report by staying deportation until final action is taken on the legislation.

5. Each bill in the following categories which may be proposed for consideration of the Subcommittee shall be subject to a point of order unless its consideration is agreed to by a two-thirds vote of the Subcommittee.

(a) Bills not previously listed on an agenda for a meeting and those bills not in compliance with these Rules concerning the filing of documentation.

(b) Bills concerning beneficiaries who are receiving medical treatment, where documentation as to the availability of similar medical treatment in the beneficiary's home country has not been submitted.

(c) Bills concerning foreign medical graduates who have not passed the Foreign Medical Graduate Examination in the Medical Sciences (FMGENS) and satisfied (or are exempt from) the two year foreign residence requirement.

(d) Bills relating to a waiver of the naturalization laws.

6. A quorum of the Subcommittee shall consist of two Members for the purpose of holding hearings on private bills.

7. Testimony at private bill hearings shall not be received from any person other than the author of the private bill. All requests to testify shall be addressed in writing to the Chairman of the Subcommittee.

8. No private bill shall be considered where court proceedings are pending.

9. The Subcommittee shall request reports on private bills from appropriate Federal agencies and/or Departments and shall await receipt of such reports before taking final action.

10. All requests for consideration of a private bill shall commence with a letter directed to the Chairman of the Subcommittee outlining relevant facts of the case and attaching thereto all pertinent data. The following shall be submitted in triplicate:

(a) Date and place of birth of all beneficiaries. Address and telephone number in the United States.

(b) Dates of all entries (legal and illegal) and departures from the United States and type of visas for admission. Consulate where the beneficiary obtained a visa for entry to the U.S.; or where the beneficiary shall seek a visa.

(c) Status of any proceedings with the INS and whether any non-immigrant or immigrant petitions have been filed on the beneficiary's behalf.

(d) Name, address, and telephone number of interested parties in the U.S.

(e) Name, address, dates and places of birth of all close relatives in the U.S. and abroad and their immigration status.

(f) Occupations, recent employment record and salary of beneficiaries.

(g) Copies of all communications to and from INS or the State Department, including copy of an I-94, an Order to Show Cause and any other relevant information.

(h) A copy and summary of all litigation relating to the beneficiary's case.

The information above represents the minimum requirements for Subcommittee consideration. Pertinent data about the case and an explanation of the extreme hardship to the beneficiary or U.S. citizen must also accompany a request for processing of the private bill.

11. Action on legislation shall not be deferred on more than one occasion due to nonappearance of the author.

12. Documentation provided to the Subcommittee in order to comply with these Rules will only be accepted if submitted by the author of such bill.

13. Requests for consideration of a bill shall be accompanied by a statement by the beneficiary that he or she desires the relief sought by the bill and waiving the Freedom of Information Act and Privacy Act.

14. A notice of meeting date shall be sent to the authors of all legislation which is scheduled.

STATEMENT OF POLICY

On March 19, 1985, the Subcommittee adopted as an addendum to its Rules of Procedure a Statement of Policy on private immigration bills which is set forth below.

The Subcommittee on Immigration, Refugees, and International Law has jurisdiction over all aspects of immigration law. In considering private immigration bills, the Subcommittee reviews cases which are of such an extraordinary nature that an exception to the law is needed. In fairness to those immigrants who are awaiting legal immigration, it is the policy of the Subcommittee generally to act favorably on only those private bills which meet certain precedents.

This policy statement will set forth the types of legislation which fall within the general parameters of favorable action and the criteria for reviewing certain categories of bills.

A. Adoption

Existing law provides for the immigration of foreign born adopted children if the adoption takes place while the child is under the age of 16 and (1) the child is an "orphan" as defined by immigration law or (2) the child has resided with the adopted parents two years. Those cases where the Subcommittee has favorable precedents are when the child is of a young age and there has been a long-standing parent-child relationship. In support of any private bill relating to adoption, the following must accompany the request for Subcommittee action:

(1) Home-study on the home of the prospective parents.

(2) Evidence of support of child—cancelled checks, letters, clothing.

(3) Statement detailing ages and occupation of natural parents and brothers and sisters.

(4) Communications with the Immigration and Naturalization Service regarding applicable U.S. adoption laws.

B. Doctors and Nurses

The Immigration and Nationality Act provides for the admission of foreign medical graduates if the doctor or nurse has passed certain exams required prior to seeking immigration. A doctor must pass the Foreign Medical Graduate Examination in the Medical Sciences (FMGEMS)—formerly the Visa Qualifying Exam—which is given extensively throughout the world and a nurse must pass the Commission on Graduate Foreign Nurses Exam (CGFNS).

Any alien seeking immigration must also have a job offer certified by the Department of Labor indicating there will be no displacement of U.S. Labor.

In the past several years, the Subcommittee has experienced a deluge of bills introduced on behalf of foreign medical graduates. The legislative history relating to this group indicates many doctors enter the United States as non-immigrants with the clear intention of remaining permanently. Legislation enacted in 1976 and 1977 sought to tighten the law requiring the return of such doctors to their home country; and recent legislation in 1981 generously grandfathered certain doctors for admission as permanent residence because of their length of time in the U.S. It is the Subcommittee's opinion the 1981 amendments to the Immigration and Nationality Act was the final chapter in a long and arduous struggle to provide equity to certain foreign medical graduates.

The Subcommittee is also dismayed to find that doctors who are beneficiaries of private laws often swiftly seek more lucrative employment upon gaining permanent residence, thereby leaving medically underserved areas without any medical assistance. Because of these experiences, the Subcommittee intends to look with very little favor on doctor bills. Further, if a bill on behalf of a doctor or nurse is pursued, the following is required before scheduling will occur:

(1) Passage of the Foreign Medical Graduate Examination in the Medical Sciences for doctors, and the Commission on Graduate Foreign Nurses Exam for nurses.

(2) Residence by the doctor or the nurse in a health manpower shortage area, or a recommendation by a U.S. Government Agency indicating the doctor or nurse's services are needed. It is the Subcommittee's desire that the beneficiary show substantial community ties over a long period of time. Extensive periods of residence would give the Subcommittee some assurance there is every likelihood the doctor or nurse would maintain residence in the area and provide medical services.

(3) Waiver of the two-year foreign residence requirement (this applies to all exchange visitors).

(4) Documentation as to efforts the institution has made to recruit U.S. citizens for the position. Such information shall include salary levels of other doctors or nurses on staff and an explanation as to recruitment techniques on employment of the beneficiary.

(5) Copies of annual affidavits executed by participants in foreign medical graduate exchange programs.

Legislation approved by the Subcommittee on behalf of doctors shall provide for suspension of deportation during an interim period while a doctor is serving in a community and permit adjustment of status to permanent residence upon completion of the designated time period.

C. Drugs and Criminal Activity

The Subcommittee has few precedents for waiving grounds of exclusion relating to criminal activity. In the event such a bill is pursued, the following documents where available will be required:

(1) Complete transcripts of court proceedings relating to the conviction.

(2) All other records relating to offenses, including state, and local police records.

(3) Waiver of Privacy Act and Freedom of Information Act by the beneficiary.

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(4) An affidavit (notarized) from the beneficiary describing his criminal record in full.

It is the intent of the Subcommittee that all available information be submitted to the Subcommittee. The Subcommittee will conduct its own investigation with appropriate government agencies.

It is also the Subcommittee's desire to review testimony and affidavits relating to the beneficiary's behavior after any criminal offense. Such information is helpful in making a determination as to whether legislation will serve the best interests of the community. In this regard, letters of reference, bank records, and employment records are particularly helpful.

D. Medical Cases

The Subcommittee shall be reluctant to schedule bills on behalf of persons who enter the United States on nonimmigrant visas or who are paroled for the purpose of seeking medical treatment. This type of visa is available to accommodate persons seeking advanced medical treatment which may be available only in the United States.

Many cases have come to the attention of the Subcommittee where the medical visa is used to enter the U.S., and shortly thereafter, the person seeks permanent immigration. This type of activity undermines the intent of the medical visa; and flagrant abuses may seriously jeopardize its availability for those whose only recourse is treatment in the United States.

The Subcommittee's reluctance to schedule such bills is based on the premise that persons may seek all available medical assistance while in the United States, but upon completion of any medical treatment the purpose of the visa expires and the alien must return home.

The Subcommittee also notes the increasing number of private bills in similar cases whereby the beneficiary seeks relief solely on the basis of the need for medical treatment for physical conditions which were present at the time of admission or developed after arrival in the U.S. It is therefore the policy of the Subcommittee in such cases that advisory opinions be sought by the author from such organizations as the World Health Organization and the Pan American Health Organization as well as from officials of the beneficiary's home country concerning the availability of medical treatment for such physical conditions.

E. Deferred Action Cases

The Subcommittee shall be reluctant to schedule any bills on behalf of aliens who are in "deferred" status. It is the Subcommittee's understanding that the Immigration and Naturalization Service reserves the conferral of such status to cases of a particularly compelling nature. In view of INS action in this regard, the Subcommittee does not see any need for legislative action.

F. Investors

Recent public legislation enacted on behalf of investors provided relief for persons who were able to establish their qualification for a nonpreference visa prior to June 1978.

The Subcommittee has studied the many cases relating to investors and has found many beneficiaries did not sufficiently acquaint themselves with the law prior to making an investment and operated under illusions with respect to qualifying for immigration.

It is the Subcommittee's opinion that most investors who entered the United States after the June 1978 date were aware that immigrant visas would not be available in the foreseeable future, and there are no precedents for enactment of a private law solely based on a person's investment in the United States.

In the event a Member wishes to pursue this type of bill, the following is required: tax records, contracts, bank statements, and other pertinent information relating to the investment.

G. Waiver of Exclusions

1. Health—All bills waiving the grounds of exclusion for mental or physical infirmities will require the posting of a bond. The Subcommittee notes there are few precedents for cases in this category. In order to obtain the best possible information, the Subcommittee will require all medical records as well as information from the state and/or federal government concerning possible public charge aspects of the case.

2. Draft Dodgers—There are few precedents for favorable action on behalf of draft dodgers, and it shall be the Subcommittee's policy to continue to view such bills unsympathetically.

3. Fraud—The Subcommittee has been extremely reluctant to act favorably on cases involving visa fraud, and it shall be the policy of the Subcommittee to adhere closely to precedents in this category.

H. Naturalization

The Subcommittee shall require any bill relating to expediting naturalization be accompanied by evidence indicating such action would be in the national interest, as opposed to personal gain. There are few precedents for favorable action on bills waiving any naturalization requirements or granting posthumous or honorary citizenship. It is the Subcommittee's intent generally to view unfavorably legislation in this area and notes more appropriate mechanisms for rewarding individuals may be in the form of honoraria, medals, awards, statues, etc. The Subcommittee also notes there are few instances of favorable action on behalf of individuals who renounce U.S. citizenship, and the policy of the Subcommittee shall be to adhere to precedents in this category.

I. Bills Tabled in a Previous Congress

Commenting on requests for reconsideration of legislation, Thomas Jefferson noted the right of reconsideration is not "a right to waste the time of the House in repeated agitations of the same question, so that it shall never know when a question is done with . . ."

The Subcommittee has been confronted with an increasing number of requests for reconsideration of private bills which have been tabled by the full Committee in previous Congresses. It has been the experience of the Subcommittee that each bill is given sufficient review during the meetings of the Subcommittee and the authors are afforded ample time to present the merits of the case. Repetitious consideration of these cases operates to the detriment of other private bills which are pending and reflects poorly on the integrity of the private bill process. For these reasons, the Subcommittee will be reluctant to reverse or reconsider its prior action absent new evidence or information that was not available or could not have been obtained by the author at the time of actual consideration by the Subcommittee.

J. Timeframe for Obtaining Relief Upon Enactment of a Private Law

The Subcommittee has monitored the situations concerning the applications for relief by beneficiaries of private immigration laws and expresses its concern that in many cases the subjects of private bills do not exercise their petition for relief after enactment in a timely manner.

Certain cases have come to the Subcommittee's attention whereby relief after enactment of a private law was not sought until 10 years thereafter, and other cases the Subcommittee is dismayed to learn that beneficiaries have not sought immediate relief.

In view of the lengthy deliberations by the Subcommittee on each bill processed under its jurisdiction, it appears incumbent upon the Subcommittee to assure that the beneficiaries of such bills apply themselves in a diligent manner and seek relief as expeditiously as possible upon enactment. Therefore, the Subcommittee shall amend each private bill processed so that the beneficiaries must apply for the benefits of the enacted law within two years of notification of the passage of the private law.

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted to:

Mr. EVANS of Illinois (at the request of Mr. WRIGHT) for this week, on account of observing Illinois National Guard training and a personal fact-finding visit to several Central American countries.

SPECIAL ORDERS GRANTED

By unanimous consent, permission to address the House, following the legislative program and any special orders heretofore entered, was granted to:

(The following Members (at the request of Mr. SAM B. HALL, JR.) to revise and extend their remarks and include extraneous material:)

Mr. PEPPER, for 5 minutes, today.

Mr. ANNUNZIO, for 5 minutes, today.

Mr. GONZALEZ, for 60 minutes, today.

Mr. GAYDOS, for 30 minutes, May 14.

Mr. GAYDOS, for 30 minutes, May 15.

Mrs. SCHROEDER, for 60 minutes, May 22.

EXTENSION OF REMARKS

By unanimous consent, permission to revise and extend remarks was granted to:

(The following Members (at the request of Mr. SMITH of New Hampshire) and to include extraneous matter:)

Mr. VANDER JAGT.

Mr. PARRIS.

Mr. ROTH.

Mr. SHUMWAY.

Mrs. ROUKEMA.

(The following Members (at the request of Mr. SAM B. HALL, JR.) and to include extraneous matter:)

Mrs. BURTON of California.

Mr. MONTGOMERY in two instances.

Mr. HALL of Ohio.

Mr. ROYBAL.

Mr. MAZZOLI.

Mr. PEPPER.
Mr. ANDERSON in 10 instances.
Mr. GONZALEZ in 10 instances.
Mr. BROWN of California in 10 instances.
Mr. ANNUNZIO in six instances.
Mr. JONES of Tennessee in 10 instances.
Mr. BONER of Tennessee in 10 instances.
Mr. MILLER of California.
Mr. HUBBARD.
Mr. STARK.

ADJOURNMENT

Mr. SAM B. HALL, JR. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 2 p.m.) the House adjourned until tomorrow, Tuesday, May 14, 1985, at 12 noon.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

1267. A letter from the Secretary of Defense, transmitting a report on U.S. expenditures in support of NATO, pursuant to 22 U.S.C. 1928 nt.; to the Committee on Armed Services.

1268. A letter from the Administrator, Energy Information Administration, transmitting a copy of the administration's annual energy review 1984, pursuant to FEAA, section 57(a)(2) (90 Stat. 1139; 91 Stat. 572); to the Committee on Energy and Commerce.

1269. A letter from the Director, Defense Security Assistance Agency, transmitting notice of the Department of the Navy's proposed letter of offer to Spain for defense articles and services (Transmittal No. 85-10), pursuant to 22 U.S.C. 2776(b); to the Committee on Foreign Affairs.

1270. A letter from the Assistant Legal Adviser for Treaty Affairs, Department of State, transmitting copies of international agreements, other than treaties, entered into by the United States, pursuant to 1 U.S.C. 122b(a); to the Committee on Foreign Affairs.

1271. A letter from the Governor, Farm Credit Administration, transmitting the annual report of the administration's activities under the Freedom of Information Act covering calendar year 1984, pursuant to 5 U.S.C. 552(d); to the Committee on Government Operations.

1272. A letter from the Secretary of the Interior, transmitting the Mineral Institute annual report for 1984, pursuant to Public Law 98-409, section 4(c); to the Committee on Interior and Insular Affairs.

1273. A letter from the Chairman, Pennsylvania Avenue Development Corporation, transmitting the 1984 annual report of the Corporation, pursuant to Public Law 92-578, section 11; to the Committee on Interior and Insular Affairs.

1274. A letter from the Secretary of Commerce, transmitting a draft of proposed legislation to amend the Magnuson Fishery Conservation and Management Act, as amended, to authorize appropriations for fiscal years 1986 and 1987, and for other purposes; to the Committee on Merchant Marine and Fisheries.

1275. A letter from the Secretary of Commerce, transmitting a draft of proposed legislation to amend title I of the Salmon and Steelhead Conservation and Enhancement Act of 1980, as amended, to repeal the Salmon Vessel Buy-Back Program; to the Committee on Merchant Marine and Fisheries.

1276. A letter from the Deputy Administrator of Veterans' Affairs, Veterans' Administration, transmitting a draft of proposed legislation to amend title 38, United States Code, to make certain improvements in the educational assistance programs for veterans and eligible persons; to repeal the Education Loan Program; and for other purposes; to the Committee on Veterans' Affairs.

1277. A letter from the Administrator, Environmental Protection Agency, transmitting a copy of a final rule on notification requirements and reportable quantity adjustments; a proposed rule on reportable quantity adjustments, pursuant to Public Law 96-510, section 305(a); jointly, to the Committees on Energy and Commerce and Public Works and Transportation.

1278. A letter from the Federal Inspector, Alaska Natural Gas Transportation System, transmitting the 23d quarterly report on the status of the system, pursuant to Public Law 94-586, section 7(a)(5)(E); jointly, to the Committees on Energy and Commerce and Interior and Insular Affairs.

1279. A letter from the Chairman, National Commission on Agricultural Trade and Export Policy, transmitting the interim report of findings and recommendations of the Commission, pursuant to 7 U.S.C. 1691 nt.; jointly, to the Committees on Agriculture, Foreign Affairs, and Ways and Means.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

[Pursuant to the order of the House of May 9, 1985, the following report was filed on May 10, 1985]

Mr. ROSTENKOWSKI: Committee on Ways and Means. H.R. 1868. A bill to amend the Social Security Act to protect beneficiaries under the health care programs of that act from unfit health care practitioners, and otherwise to improve the antifraud provisions of that act; with an amendment (Rept. No. 99-80, Pt. I). Ordered to be printed.

[Pursuant to the order of the House of May 8, 1985, the following report was filed on May 10, 1985]

Mr. ASPIN: Committee on Armed Services. H.R. 1872. A bill to authorize appropriations for fiscal year 1986 for the Armed Forces for procurement, for research, development, test, and evaluation, for operation and maintenance, and for working capital funds, to prescribe personnel strengths for such fiscal year for the Armed Forces, and for other purposes; with amendments (Rept. No. 99-81). Referred to the Committee of the Whole House on the State of the Union.

[Submitted May 13, 1985]

Mr. ACKERMAN: Committee on Post Office and Civil Service. H.R. 1534. A bill to convert the temporary authority to allow Federal employees to work on a flexible or compressed schedule under title 5, United States Code, into permanent authority (Rept. No. 99-82). Referred to the Committee of the Whole House on the State of the Union.

Mr. UDALL: Committee on Interior and Insular Affairs. H.R. 934. A bill to provide certain authority to reduce erosion within the Cuyahoga Valley National Recreation Area, and for other purposes (Rept. No. 99-83). Referred to the Committee of the Whole House on the State of the Union.

Mr. UDALL: Committee on Interior and Insular Affairs. H.R. 105. A bill to provide for the inclusion of the Washington Square area within Independence National Park, and for other purposes (Rept. No. 99-84). Referred to the Committee of the Whole House on the State of the Union.

Mr. SAM B. HALL, JR.: Committee on the Judiciary H.R. 439. A bill to amend title 28, United States Code, to provide for the selection of the court of appeals to decide multiple appeals filed with respect to the same agency order (Rept. No. 99-85). Referred to the Committee of the Whole House on the State of the Union.

SUBSEQUENT ACTION ON A REPORTED BILL

Under clause 5 of Rule X the following action was taken by the Speaker:

Referral of H.R. 1931 to the Committee on Public Works and Transportation extended for a period ending not later than May 14, 1985.

REPORTED BILLS SEQUENTIALLY REFERRED

Under clause 5 of rule X, bills and reports were delivered to the Clerk for printing, and bills referred as follows:

Mr. JONES of North Carolina: Committee on Merchant Marine and Fisheries. H.R. 1203. A bill to promote the conservation of migratory waterfowl and to offset or prevent the serious loss of wetlands by the acquisition of wetlands and other essential habitat, and for other purposes; referred to the Committee on Interior and Insular Affairs for a period ending not later than May 14, 1985, for consideration of such provisions of the bill as fall within the jurisdiction of that committee under clause 1(1), rule X (Rept. No. 99-86 Pt. I). Ordered to be printed.

PUBLIC BILLS AND RESOLUTIONS

Under clause 5 of rule X and clause 4 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. KASTENMEIER:

H.R. 2468. A bill to amend the Legal Services Corporation to authorize appropriations for additional fiscal years, and for other purposes; to the Committee on the Judiciary.

By Mr. HEFTEL of Hawaii:

H.R. 2469. A bill to amend title 39, United States Code, to require that the U.S. Postal Service report to Congress at least 60 days before acting on any decision to close or consolidate a post office; to the Committee on Post Office and Civil Service.

By Mr. PEPPER (for himself and Mr. REGULA):

H.R. 2470. A bill to amend the Housing and Community Development Act of 1974 to improve the criteria used to select projects for grants under the Urban Development Action Grant Program, and for other purposes; to the Committee on Banking, Finance and Urban Affairs.

By Mr. ROYBAL (for himself, Mr. FRANK, Mrs. BURTON of California, Mrs. COLLINS, Mr. CONYERS, Ms. KAPTUR, Mr. MITCHELL, Mr. RAHALL, and Mr. TOWNS):

H.R. 2471. A bill to amend the Internal Revenue Code of 1954 and title II of the Social Security Act to ensure fair and adequate financing of the Old-Age, Survivors, and Disability Insurance Program by reducing Social Security tax rates and applying the reduced rates to all wages and self-employment income of covered workers, and for other purposes; to the Committee on Ways and Means.

By Mrs. SCHROEDER (for herself, Ms. SNOWE, Mrs. BOGGS, Ms. KAPTUR, Mrs. BOXER, Mrs. BURTON of California, Mrs. COLLINS, Mrs. JOHNSON, Mrs. KENNELLY, Mrs. LONG, Ms. MIKULSKI, Ms. OAKAR, Mrs. SCHNEIDER, Mr. CONYERS, Mr. EVANS of Illinois, Mr. OBERSTAR, Mr. FAZIO, Mr. GEJDENSON, Mr. EDGAR, Mr. YATES, Mr. WHEAT, Mr. COLEMAN of Texas, Mr. MINETA, Mr. LEHMAN of Florida, Mr. EDWARDS of California, Mr. DIXON, Mr. STARK, Mr. DELLUMS, Mr. FAUNTROY, Mr. BERMAN, Mr. LELAND, Mr. MARKEY, Mr. DWYER of New Jersey, Mr. FASCELL, Mr. UDALL, Mr. GUARINI, Mr. ADDABBO, Mr. HOWARD, Mr. WEISS, Mr. MOODY, Mr. LANTOS, Mr. BARNES, Mr. MRAZEK, Mr. AUCOIN, Mr. FROST, Mr. VENTO, Mr. WOLPE, Mr. MCKERNAN, Mr. WYDEN, Mr. SMITH of Florida, Mr. FRANK, Mr. LEVINE of California, Mr. LEVIN of Michigan, Mr. CROCKETT, Mr. MORRISON of Connecticut, Mr. FISH, Mr. DOWNEY of New York, Mr. HAYES, Mr. DYMALLY, Mr. MCHUGH, Mr. PEPPER, Mr. RODINO, Mr. FEIGHAN, Mr. MILLER of California, Mr. TOWNS, Mr. WEAVER, Mr. FOGLIETTA, Mr. ROE, Mr. HAWKINS, Mr. BORSKI, Mr. LUNDINE, Mr. SCHEUER, Mr. PURSELL, Mr. WAXMAN, Mr. BONKER, Mr. LOWRY of Washington, Mr. WILLIAMS, Mr. SOLARZ, Mr. MATSUI, Mr. FLORIO, and Mr. FORD of Tennessee):

H.R. 2472. A bill to ensure economic equity for American women by providing retirement security for women as workers and as divorced or surviving spouses; making quality dependent care available to all working families; ending discrimination in insurance on the basis of race, color, religion, national origin, or sex, and improving health care coverage for displaced homemakers; providing equal employment opportunity and pay equity for women; and treating women and low-income families more equitably under the tax laws and tax reform proposals; jointly, to the Committees on Education and Labor; Ways and Means; Armed Services; Banking, Finance and Urban Affairs; Energy and Commerce; Post Office and Civil Service; House Administration; and Small Business.

By Mr. STARK:

H.R. 2473. A bill to amend the Internal Revenue Code of 1954 to deny a deduction for amounts paid as restitution or other damages for violations of law involving fraud; to the Committee on Ways and Means.

By Mr. COELHO:

H.J. Res. 286. Joint resolution designating May 1985 as "National Play-It-Safe Month"; to the Committee on Post Office and Civil Service.

By Mr. EDWARDS of California (for himself, Mrs. SCHROEDER, and Mr. MINETA):

H. Res. 168. Resolution directing the Director of Central Intelligence to provide to the House of Representatives documents and factual information in possession of the Central Intelligence Agency about covert training or other support during the past year for counterterrorist units in the Middle East; to the Permanent Select Committee on Intelligence.

MEMORIALS

Under clause 4 of rule XXII, memorials were presented and referred as follows:

121. By the SPEAKER: Memorial of the Legislature of the State of New Hampshire, relative to terminal cancer patients; to the Committee on Energy and Commerce.

122. Also, memorial of the Legislature of the State of California, relative to oil and gas leases; to the Committee on Interior and Insular Affairs.

123. Also, memorial of the Legislature of the State of New Hampshire, relative to the issuance of a commemorative bicentennial stamp; to the Committee on Post Office and Civil Service.

ADDITIONAL SPONSORS

Under clause 4 of rule XXII, sponsors were added to public bills and resolutions as follows:

H.R. 52: Mr. MONTGOMERY, Mr. VALENTINE, and Mr. ATKINS.

H.R. 156: Mr. GEJDENSON, Mr. EDGAR, Mr. PEPPER, and Mr. PARRIS.

H.R. 521: Mr. BUSTAMANTE.

H.R. 753: Mr. MARTINEZ.

H.R. 930: Mr. MURPHY, Mr. BARNARD, Mr. YOUNG of Florida, and Mr. BENNETT.

H.R. 1031: Mr. DYMALLY, Mr. FRANK, Mr. HAYES, Ms. OAKAR, Mr. GARCIA, Mr. WEISS, Mr. HEFTEL of Hawaii, Mr. RODINO, Mr. MARTINEZ, Mrs. COLLINS, Mr. RICHARDSON, and Mrs. BOXER.

H.R. 1032: Mr. DYMALLY, Mr. FRANK, Mr. HAYES, Ms. OAKAR, Mr. GARCIA, Mr. WEISS, Mr. HEFTEL of Hawaii, Mr. RODINO, Mr. MARTINEZ, Mrs. COLLINS, Mr. RICHARDSON, and Mrs. BOXER.

H.R. 1099: Mr. HALL of Ohio.

H.R. 1267: Mr. COBLE, Mr. OLIN, Mr. COOPER, Mr. DUNCAN, Mr. MCMILLAN, Mr. SLAUGHTER, Mr. ROSE, and Mr. HATCHER.

H.R. 1401: Mrs. BENTLEY, Mr. MITCHELL, Mr. BERMAN, and Mr. FEIGHAN.

H.R. 1402: Mrs. BENTLEY and Mr. BERMAN.

H.R. 1403: Mrs. BENTLEY and Mr. BERMAN.

H.R. 1467: Mr. BOUCHER.

H.R. 1509: Mr. SEIBERLING.

H.R. 1534: Mr. DARDEN, Mr. DAUB, Mr. DEWINE, Mr. CHANDLER, Mrs. COLLINS, Mrs. BYRON, Mr. WIRTH, Mr. SMITH of New Jersey, Mr. GRAY of Pennsylvania, Mr. NIELSON of Utah, Mr. WHITEHURST, Mr. GILMAN, Mrs. BURTON of California, Mr. DAVIS, and Mr. MORRISON of Connecticut.

H.R. 1544: Mr. MARTINEZ.

H.R. 1579: Mrs. BENTLEY and Mrs. SCHNEIDER.

H.R. 1927: Mr. LEHMAN of California.

H.R. 1940: Mr. ACKERMAN, Mr. EDWARDS of California, Mr. ECKART of Ohio, Mr. OBERSTAR, Mr. BERMAN, Mr. VENTO, Mr. FORD of Tennessee, Mr. TORRICELLI, Mr. AKAKA, Mr. LEHMAN of California, Mr. DASCHLE, and Ms. MIKULSKI.

H.R. 1942: Mr. LAFALCE.

H.R. 2001: Mr. SHELBY, Mr. WAXMAN, Mr. COELHO, Mr. VANDER JAGT, Mr. MRAZEK, Mr. STALLINGS, Mr. LEWIS of California, Mr. WEAVER, Mr. HAWKINS, Mr. DE LUGO, Mr. DIXON, Mr. BARNES, Mr. ANDREWS, Mr. LANTOS, Mr. RINALDO, Mr. MARTINEZ, Mr. REGULA, Mr. BATES, Mr. LATTA, Mr. ROE, Mr. EVANS of Illinois, Mr. TOWNS, Ms. KAPTUR, Mr. PASHAYAN, Mr. YATES, Mr. KASICH, Mr. KILDEE, Mr. KOLTER, Mr. WEISS, Mr. TRAXLER, Mr. DORGAN of North Dakota, Mr. MORRISON of Washington, Mr. MCKINNEY, Mr. SAXTON, Mr. WILSON, Mr. GROTBERG, Mr. BUSTAMANTE, Mr. MCCURDY, Mr. MOODY, Mr. BEILENSON, and Mr. THOMAS of California.

H.R. 2221: Mr. TOWNS, Mr. RANGEL, Mr. FOGLIETTA, and Mr. CROCKETT.

H.R. 2282: Mr. CARPER, Mr. COYNE, Mr. EVANS of Illinois, Mr. MORRISON of Connecticut, and Mr. SABO.

H.R. 2329: Mr. LEVINE of California and Mr. STOKES.

H.R. 2401: Mr. DELLUMS, Mr. DONNELLY, Mr. LELAND, and Mr. MOODY.

H.J. Res. 64: Mr. BADHAM, Mr. BARNARD, Mrs. BENTLEY, Mr. BILIRAKIS, Mr. BONIOR of Michigan, Mr. BOSCO, Mr. BROOKS, Mr. BROWN of California, Mr. BROWN of Colorado, Mr. BURTON of Indiana, Mrs. BURTON of California, Mr. CARR, Mr. CHANDLER, Mr. CHAPPELL, Mr. COBEY, Mr. COBLE, Mr. COLEMAN of Missouri, Mr. COOPER, Mr. DELLUMS, Mr. DICKINSON, Mr. DICKS, Mr. DIXON, Mr. DOWDY of Mississippi, Mr. DOWNEY of New York, Mr. DWYER of New Jersey, Mr. FAZIO, Mr. FLORIO, Mr. FOLEY, Mr. FROST, Mr. GEKAS, Mr. GONZALEZ, Mr. GREEN, Mr. GREGG, Mr. GUNDERSON, Mr. HOYER, Mr. HUNTER, Mr. HUTTO, Mr. HYDE, Mr. KOSTMAYER, Mr. LANTOS, Mr. LOTT, Mr. MCEWEN, Mr. MATSUI, Mr. MICHEL, Mr. MOODY, Mr. PEPPER, Mr. PORTER, Mr. PRICE, Mr. RITTER, Mr. ROBINSON, Mr. RODINO, Mr. ROEMER, Mr. SCHUMER, Mr. SLAUGHTER, Mr. SMITH of New Jersey, Mr. SMITH of New Hampshire, Mr. STANGELAND, Mr. STENHOLM, Mr. STRATTON, Mr. TAUKE, Mr. TAUZIN, Mr. VALENTINE, Mr. WALGREN, Mr. WHITTAKER, Mr. WYDEN, Mr. YOUNG of Florida, and Mr. YOUNG of Alaska.

H.J. Res. 65: Mr. GONZALEZ.

H.J. Res. 68: Mr. MURPHY.

H.J. Res. 135: Mr. FORD of Tennessee, Mr. JEFFORDS, Mr. FRENZEL, Mr. GEPHARDT, Mr. BEREUTER, Mr. MACKAY, Mr. KOLBE, Mr. COYNE, Mr. DOWDY of Mississippi, Mr. DASCHLE, Mr. SAXTON, Mr. MCKINNEY, Mr. Kostmayer, Mr. SMITH of Florida, Mr. TAUZIN, Mr. LEWIS of California, Mr. WORTLEY, Mr. IRELAND, Mr. TRAXLER, Mr. SKELTON, Mr. LEVINE of California, Mr. LENT, Mr. LUNDINE, Mr. GONZALEZ, Mr. FAZIO, Mr. YOUNG of Missouri, Mr. BOSCO, and Mr. MOLLOHAN.

H.J. Res. 183: Mr. MINETA, Mr. DIOGUARDIA, Mr. KINDNESS, Mr. BIAGGI, Mr. COELHO, Mr. LEHMAN of California, Ms. KAPTUR, Mr. HARTNETT, Mr. HAYES, Mr. ROEMER, Mr. TALLON, Mr. HEFTEL of Hawaii, Mr. DEWINE, Mr. YOUNG of Missouri, Mr. RAHALL, Mr. HEFNER, Mr. YATES, Mr. SMITH of New Jersey, Mr. ROSE, Mr. FAZIO, Mr. THOMAS of Georgia, Mr. CHANDLER, Mr. DAUB, Mrs. COLLINS, and Mr. FAUNTROY.

H.J. Res. 285: Mr. TAUZIN, Mr. ROSE, Mr. ROBINSON, Mr. RINALDO, Mr. PRICE, Mr. WEISS, Mr. WRIGHT, Mr. ROWLAND of Geor-

gia, Mr. ROTH, Mr. SHAW, Mr. SIKORSKI, Mr. LELAND, Mr. SCHULZE, Mr. KASTENMEIER, Mr. MINETA, Mr. GUARINI, Mr. STUMP, Mr. SOLARZ, Mr. REID, Mr. MURPHY, Mr. BRUCE, Mr. CRANE, Mr. YOUNG of Alaska, Mr. PICKLE, Mr. FISH, Mr. VANDER JAGT, Mr. RICHARDSON, Mr. GRAY of Illinois, Mr. HUGHES, Mr. RUDD, Mr. MONTGOMERY, Mr. STAGGERS, Mr. WEBER, Mr. WIRTH, Mr. WISE, Mr. ROGERS, Mr. BATEMAN, Mr. BORSKI, Mr. BROWN of California, Mrs. BURTON of California, Mr. BUSTAMANTE, Mr. CAMPBELL, Mr. CARR, Mr. CHANDLER, Mr. BENNETT, Mr. DORGAN of North Dakota, Mr. IRELAND, Mrs. MEYERS of Kansas, Mr. GREEN, Mr. GROTBERG, Mr. HUTTO, Mr. KEMP, Mr. LAGOMARSINO, Mrs. LLOYD, Mr. DWYER of New Jersey, Mr. DOWDY of Mississippi, Mr. MCCAIN, Mr. MCHUGH, Mr. ERDREICH, Mr. GEPHARDT, Mr. HAYES, and Mr. JONES of North Carolina.

H. Con. Res. 26: Mr. LENT and Mr. MCHUGH.

H. Con. Res. 131: Mr. BUSTAMANTE, Mr. COOPER, Mr. DELAY, Mr. EMERSON, Mr. GILMAN, Mr. LEWIS of Florida, Mr. MCCANDLESS, Mr. RODINO, Mr. STALLINGS, Mr. SWIFT, and Mr. TAYLOR.

PETITIONS, ETC.

Under clause 1 rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

104. By the SPEAKER: Petition of the board of trustees, the City University of New York, NY, relative to the Pell grant budget proposed by the administration for fiscal year 1985; to the Committee on Education and Labor.

105. Also, petition of the Vietnamese Association of Central Florida, Orlando, FL, relative to the freedom fighters in Southeast Asia; to the Committee on Foreign Affairs.

106. Also, petition of the board of aldermen, Chelsea, MA, relative to the President's proposed budget cuts fiscal year 1986; to the Committee on Government Operations.

AMENDMENTS

Under clause 6 of rule XXIII, proposed amendments were submitted as follows:

H.R. 1872

By Mr. FOGLIETTA:

—At the end of title 10 add the following new section on page 200, following line 4:

SEC. 1050. SDI OVERSIGHT COMMISSION.

(a) ESTABLISHMENT OF COMMISSION.—There is hereby established a commission to be known as the "Congressional Commission on Strategic Defense ". The Commission shall monitor the progress of Strategic Defense Initiative programs and particularly shall—

(1) study the feasibility and technology of SDI programs;

(2) study adherence of SDI programs to the 1972 ABM Treaty and any other treaty and the effect of such programs on any treaty; and

(3) review strategic defense programs of the Soviet Union.

(b) MEMBERSHIP.—(1) The Commission shall be composed of twelve members appointed for six-year terms. The members of the Commission shall be appointed as follows:

(A) Three members shall be appointed by the Speaker of the House of Representatives.

(B) Three members shall be appointed by the Minority Leader of the House of Representatives.

(C) Three members shall be appointed by the Majority Leader of the Senate.

(D) Three members shall be appointed by the Minority Leader of the Senate.

(2) Members of the Commission shall be appointed based upon recognized expertise in matters relating to the Strategic Defense Initiative and shall be selected from among persons who are particularly qualified by reason of training, experience, and knowledge for service on the Commission.

(3) In the event of a vacancy in the Commission, the vacancy shall be filled in the same manner as the original appointment.

(4) Of the members first appointed to the Commission, four shall serve for two years, four shall serve for four years, and four shall serve for six years, as determined by lots at the first meeting of the Commission.

(c) CHAIRMAN.—The members of the Commission shall select the chairman of the Commission.

(d) SUPPORT SERVICES.—The Commission shall receive necessary support services and funding from the Strategic Defense Initiative Organization of the Department of Defense. Each Commission member is entitled to appoint one staff person.

(e) REPORTS.—(1) The Commission shall submit an annual report to Congress on the Strategic Defense Initiative. The report shall be submitted in both a classified and unclassified form.

(2) The Commission shall submit to Congress such reports as it considers appropriate on any report to Congress by the Secretary of Defense concerning the Strategic Defense Initiative.

(3) Reports to Congress by the Commission shall be submitted without intervening review or approval within the Executive branch.

EXTENSIONS OF REMARKS

CLEVELAND, A GREAT PLACE TO VACATION

HON. MARY ROSE OAKAR

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Monday, May 13, 1985

● Ms. OAKAR. Mr. Speaker, one of the best kept travel secrets in the country is my hometown of Cleveland, OH. The May 12, 1985 travel section of the Washington Post has an excellent description of Cleveland's attractions. I ask that the article on Cleveland by David Beacom be printed in the RECORD. I hope the article will inspire my colleagues and their constituents to experience Cleveland for their vacation travel.

CLEVELAND: BEHIND THAT INDUSTRIAL FACADE THERE'S A CITY OF IMAGINATION—AND EVEN FUN

(By David Beacom)

Q. What's the difference between Cleveland and the Titanic?

A. Cleveland has a better orchestra.

The only lesson you might draw from a trip to Cleveland, many folks would predict, would be never, ever to repeat the experience. Surely that was the The Moral of the Story for the Titanic's grateful survivors. "Let's not and say we didn't," might be an even more common response. But it's the desire to avoid that common response, to seek out less predictable experience, that gets the curious traveler going and can make trekking even to Cleveland a capital notion.

Contrary to outsiders' expectations, the 600,000 souls who live in Cleveland (and their occasional guests) do manage to have fun. And it might happen to you in the gritty downtown neighborhood called the Flats or even in the more rarefied atmosphere of the Cleveland Play House, which bills itself as the nation's oldest resident theater company. What's more, meandering through Shaker Heights and other leafy suburbs, you could see rich people and some not-so living on a scale only dreamed of in many cities. And, encountering at every turn the efforts of Cleveland's proud leaders (a can-do crowd if ever was) to cast their town in a flattering light, you may pick up on an unexpected lesson—a reminder, really: Power always has its limits. Despite that intense boosterism, after all, how does the idea of a vacation in Cleveland strike you?

The simple truism about the limits of power is easily forgotten. On the Titanic, the decks had to start heaving before the corporate titans aboard got the same message. In that perilous situation, wealth and accomplishment lost much of their familiar reassuring force.

Unlike the Titanic, however, Cleveland is not necessarily doomed, though this doesn't hit the visitor full in the face—not at first, anyway. For that matter, neither do any of Cleveland's considerable pleasures.

Like so many cities on the Great Lakes, downtown Cleveland has a ragtag, gap-toothed look that results partly from an abundance of flat land along the shore: Towering, broad-shouldered buildings rise beside all-but-vacant lots. Venerable classical structures like City Hall open onto formal vistas that peter out in a desultory block or two.

Downtown tucks loosely into vast acreage formed by Lake Erie to the north, the Cuyahoga River to the west and a smoky encampment of factories to the south. As if even these spaciously arranged boundaries constituted too tight a confinement for a Midwestern town, Cleveland spills over unrestrainedly to the east—in which direction the city stretches nearly 200 blocks.

Within those blocks can be found most of black Cleveland and nearly all the city's prestige institutions: the Cleveland Museum of Art; Severance Hall, home of the city's daunting orchestra; the Cleveland Clinic, currently a favorite of King Hussein and other Middle Eastern potentates in need of repair. Then, too, the richest suburbs roll on out east—including Shaker, Pepper Pike and an almost ineffably lovely patch of New England, transported to Ohio and given the name Gates Mills.

On the other side of town, across the Cuyahoga, lies white Cleveland, resolutely ethnic. Beyond West 117th Street, Lakewood, Rocky River and other eminently presentable suburbs hug the shore.

At the heart of it all is Public Square, which forms a kind of front yard for Cleveland's tallest building—the 52-story Terminal Tower. ("Who would believe," inquires a song none too popular at the local Chamber of Commerce, "a city with a tower that's terminal overlooking a lake that's eerie?")

A Midwestern answer to Grand Central Station, the Terminal Tower went up in 1930 and brought offices, shops, and rapid-transit trains together under one roof at the hub of the city. Cleveland's version, however, is cheerier. Sheltered by gently arching white vaults, the shops beneath the Tower sparkle with tiny lights and a snappy array of merchandise. The Terminal complex also houses the city's best emporium, Higbee's. With its lofty ceilings and resplendent crystal chandeliers, Higbee's looks every bit the quintessential department store.

Next door to the Terminal is Stouffer's Inn on the Square, Cleveland's solitary attempt at a grand hotel in the traditional manner. Across the square rises Standard Oil of Ohio's high-stakes gamble on the city's future. The 45-story office building, a brown marble behemoth costing a quarter of a billion dollars and due to open this year, will also have a cluster of shops at its base.

Hereabouts, designers of the shopping centers of the 1980s do not have far to look for inspiration. There's no surpassing the Arcade, the 95-year-old shopping-street-under-glass one block east of Public Square. The Arcade is busiest at lunch. Inside the five-story Victorian confection, mainly cast iron but no less dainty for that, a block-long skylight pours sunshine into even the lowest levels. That's where stores and restaurants are located. The floors above house offices and a gallery or two, though an old-fashioned ladies' tearoom hangs on in the uppermost reaches. Very little compromises the perfection of the Arcade, which for honest charm puts recent limitators to shame.

Not so delicate-looking but quite as special is the Flats, hard by the Terminal Tower on the banks of the Cuyahoga. Here, factories that once fed much of the city stand moribund. Or they've been cleared out, giving way to condominiums, upscale restaurants, marine outfitters (Cleveland has lots of sailors) and a couple of costly antique shops. Saloons in the neighborhood have a studied raffishness about them.

This part of the city is a strange, and strangely evocative, place—a Depression-era landscape of idleness and waste and pockets of money. Every view has a lonely kind of beauty: gravel heaps and weedy gullies and weightly iron bridges leading nowhere in particular, all remnants of the more heavily industrial Cleveland of yore. Nowadays it's becoming the turf of the Yuppies, a sad fate but for the fact that grimly ambitious bunch seems a less blase, more winning group here than elsewhere.

An evening in the Flats surely promises no narrower a range of diversions than do equivalent spots for the young and reckless in other burgs. It may even offer a distinct emotional bonus. Amid the derelict railroad sidings, within the rosy brick walls of the commercial buildings of the last century, Cleveland has launched one of its customary, game attempts to adapt to reduced circumstances. For all but the most hardhearted, the determination that underlies such efforts can be down-right moving.

Even in Cleveland, however, some things don't require resuscitation. They go on as they always have—maybe better. That's the case with the West Side Market, in Ohio City. Local wags have modified signs leading to the community—just across the Cuyahoga from the Flats—so that they read "CHIC city." But in pinpointing the area's appeal that misses the mark.

Sure, a number of Ohio City's frame houses have been colorfully redone a la San Francisco's "Painted Ladies." Those in search of the funkier sort of antiques will feel right at home in the neighborhood's grimy shops. And area restaurants things have happened. But with aging cities, as with athletes in their dotage, such talk eventually arouses not respect but derision—or worse, blank disregard.

And yet creaky competitors sometimes do summon the strength for another victory. Better, still more manage to shift gears and make a success of something new. That's what Clevelanders are up to.

What's their plan?

First, they've decided to hope for the best, which helps explain why they stick around and try to make a go of it. Second, they've put on a happy face: Downtown has silvery new office towers and plenty of oversize abstract art, these days the most visible totems of a city on the go. Third, they'll work hard—witness the navy-suited armies on the corporate march up and down East 9th Street. Then, too, they're willing to take their lumps.

Finally, they'll strive to keep the world guessing. A comeback in the offing? Maybe, maybe not. But it's far too early to light the candles, strike up the hymns and gather

● This "bullet" symbol identifies statements or insertions which are not spoken by the Member on the floor.

'round the coffin. Considering the city's native assets, and allowing for the occasional comic misstep along the way, a dignified old age seems assured for Cleveland—with long-term prosperity a distinct possibility.

So the rest of us might stop crowing. Powerhouse or neon, we should all be so lucky.

AND THEY SPREAD THE FUN FROM CLEVELAND TO RESEDA, AND BACK

(By Morris D. Rosenberg)

Cleveland knows a good thing when it sees it—even though some people may have their doubts.

Consider what happened a few weeks ago when Ken Minyard and Bob Arthur—hosts of a morning "drive" show on radio station KABC in Los Angeles—told their listeners that the city of Reseda had become "the Cleveland of the San Fernando Valley." Suddenly, phone calls and letters began pouring in from Reseda citizens who felt insulted by the comparison.

Reseda, Minyard explained recently in a telephone interview is an older lower-middle-class town that once was lovely. "Who knows why certain communities get a certain kind of reputation, but Reseda has become the butt of jokes in much the same way as Cleveland."

So Minyard and Arthur responded to their irate listeners, "look, you're right, we're guilty." They decided—tongue still somewhat in cheek, however—to make amends by sponsoring a contest for a song about Reseda that would celebrate its virtues and best capture "the essence of the city." The prize? A round-trip bus ticket to Cleveland.

Enter Rocco Scotti, a Cleveland booster who sings "The Star Spangled Banner" at the Indians' home baseball games. Scotti had heard about the Reseda slur and contest from relatives in L.A., and he thought KABC had struck a sour note.

Cleveland, he felt—and city officials strongly agree—has become a much-maligned butt of columnists and one-liners. Scotti immediately contacted the station (he has sung the national anthem on earlier Ken and Bob shows to open the Dodgers' season) and thus became the link in an impromptu campaign by Cleveland to turn a negative joke into a positive boost.

The prize-winning song was submitted by Adrienne and Keith Follazay—singers, songwriters and Reseda residents—who performed it on the KABC program. Then Continental Airlines agreed to donate round-trip tickets to Cleveland to the Follazays, and the radio station provided spending money.

Cleveland civic organizations—the Convention and Visitors Bureau, the Greater Cleveland Growth Association, Cleveland magazine and city officials—joined together to plan a whirlwind week of escorted activities around town for the winning couple to make sure Resedans changed their tune about Cleveland.

Beginning April 7, the contest winners toured downtown; visited the Flats; went to the theater; watched the Indians play ball; sang their Reseda song ("In the heart of the Valley where the sun always shines/Reseda waits peacefully for me") at a downtown cafe; visited museums; took the Trolley Tour; saw the West Side Market; were driven to Shaker Heights; and flew home to Reseda on April 14, exhausted but delighted.

"We never had bad feelings about Cleveland," said Keith Follazay. "But everybody who heard we were going there asked us why," Adrienne added. Reflecting on their visit, Keith said, "I think they (Clevelanders) might be the warmest people in the United States."

KABC's irrepressible Minyard and Arthur now say "we're so impressed by what happened that we may set up the Ken and Bob Tour of Cleveland." They promptly invited Adrienne and Keith back on the show to sing their new song—about Cleveland: "We've got the best location/Cleveland is a new sensation." And radio station WJW in Cleveland agreed to rebroadcast that performance.

Reseda is also happy, claim Ken and Bob. "They've dedicated a mini-park to us—that's a bench and a couple of cement pots—in honor of what this did for them."

CLEVELAND WAYS AND MEANS

Getting there: Both United and Northwest Orient Airlines fly from Washington National to Cleveland Hopkins. The round-trip air fare ranges from $140 to $302, depending on the days of the week you travel.

Getting around: Although swift, convenient rail service links Hopkins and the Terminal Tower downtown, you will most likely need a car to make your way around Cleveland. Distances are great, and—except for the excellent trains to Shaker Heights—public transit seems too daunting for the outsider.

Taxi service, long abysmal in Cleveland, has in recent times improved—but not enough to make a big difference for the traveler on a schedule.

Where to stay: Stouffer's Inn on the Square (216-696-5600 or 800-HOTELS1), in the center of town, underwent extensive renovation several years ago and could once again profit from some fluffing up, but it still ranks as *the* big-deal old hotel. Rates are $103 to $113 double, with some weekend rates of $69 per night available.

More modern but less distinctive is the Bond Court Hotel (216-771-7600 or 800-321-1090), not far from Public Square at 777 St. Clair Ave., $100 double. Also nearby is the Hollenden House (216-621-0700 or 800-321-6728), at 610 Superior Ave., $90 double.

Where to eat: The best bet just might be Au Provence, at 2195 Lee Road in Cleveland Heights. Unprepossessing on the outside, warm and countrified in, Au Provence serves up French and Creole cooking and has been a Cleveland favorite for a decade. Earth by April, a few doors away at 2151 Lee, has during its 11-year existence made a reputation for well-prepared seafood.

More recent additions to the city's restaurants include Cuisines, set up in stylish Deco digs in the Hanna Building, near Playhouse Square. Sammy's, in the Flats, overlooks the Cuyahoga River—a more felicitous vista than you might imagine. The Ohio City Tavern is a popular spot in its neighborhood. So is Heck's, housed in a renovated movie theater in suburban Rocky River.

Information: Cleveland Magazine, published monthly, contains complete listings of cultural and sporting events. The city's daily newspaper, The Plain Dealer, has a "Friday" section designed to help readers plan the weekend.●

DR. KOSAKU UYEDA: VA SCIENTIFIC RESEARCH AT ITS BEST

HON. G.V. (SONNY) MONTGOMERY

OF MISSISSIPPI

IN THE HOUSE OF REPRESENTATIVES

Monday, May 13, 1985

● Mr. MONTGOMERY. Mr. Speaker, I am always proud to come before this great body to talk about the exceptional quality of the Veterans' Administration's health care delivery system and its medical research team—people and services that rank among the finest in the world.

Today, it is my honor to inform you of the achievements of an outstanding research scientist, Dr. Kosaku Uyeda of the Dallas VA Medical Center.

The Veterans' Administration recently presented Dr. Uyeda with the prestigious William S. Middleton Award, its highest scientific honor, for his research in the field of carbohydrate metabolism. The award is named for the late researcher, clinician, and educator who served as the VA's Chief Medical Director from 1955 to 1963.

Dr. Uyeda's discovery of the metabolite that controls glucose metabolism in the liver and in other tissues has been hailed by the scientific community as an achievement that revolutionizes the study of diabetes and obesity.

According to Dr. Roger H. Unger, a senior medical investigator at the Dallas VA Medical Center, it would not be surprising if Dr. Uyeda's discovery makes possible "new therapeutic approaches to correcting the abnormalities of diabetes."

Dr. Uyeda, who holds a Ph.D. from the University of California at Berkeley, has been with the VA since 1967 and has served as a research career scientist since 1979.

Mr. Speaker, Dr. Uyeda's work is an excellent example of the type of scientific research that is conducted within the VA's Department of Medicine and Surgery and of its high quality. This research team continues to draw worldwide attention for its advances and breakthroughs in medicine and science which have significantly improved the quality of life for all mankind.

We owe much to Dr. Uyeda and his fellow researchers who pursue medical knowledge with remarkable ingenuity and persistence.

Mr. Speaker, I know my colleagues will want to join with me in expressing deep appreciation to Dr. Uyeda for his major contributions to VA research, to the international medical community, and to his fellow man. I would also like to offer our congratulations to Dr. Uyeda as he receives much-deserved recognition for his outstanding work.●

HONORING NEW JERSEY FIREFIGHTERS

HON. JIM COURTER

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Monday, May 13, 1985

● Mr. COURTER. Mr. Speaker, I rise today to honor over 500 volunteer firefighters from 35 companies in the greater Middlesex County, NJ, area who recently valiantly pulled together to help combat one of the blazes ever in Monroe Township, NJ. This concerted effort helped to stem an impending disaster that threatened over 400 people who were forced to evacuate 200 homes in the area. Similar superb teamwork was previously displayed when the firefighers pulled together to fight a severe blaze earlier in February.

America grew to be great in large part because our people have consistently pulled together in times of adversity. The noble efforts of these firefighters in inspiring and encouraging to see. They are all heroes in the true sense of the word.

I commend to my colleagues' attention an editorial which appeared in the Home News, one of the region's finest papers, that expounds on this valiant effort:

VOLUNTEER ARMY GAVE 200 PERCENT

Monroe Fire Chief Van Applegate Jr. called it "the worst fire in the history of this township that I know."

Whipped by high, shifting winds, the fire swept through more than 700 acres of drought-parched grass and woodlands Friday, damaging a score of homes and destroying several garages, sheds, outbuildings and vehicles before an army of volunteer firefighters brought it under control.

At the height of the vast fire, more than 400 people were evacuated from about 200 homes in Inwood Estates and in the Outcalt, Old Forge and Matchaponix sections of the townships. At least 500 firefighters from about 35 companies through Middlesex and from parts of four other counties worked along with first-aid squad members, local residents and businesses to battle the blaze. The state Bureau of Forest Fire Management also joined the attack with bulldozers, trucks and a helicopter making water "bombing" runs.

"It frightened the devil out of us," says Monroe Mayor Peter Garibaldi.

But it could have been much worse.

If it hadn't been for the work of the volunteer fire companies—and all those other volunteers who were "running into the fire house, throwing on the gear and just going at it"—says Chief Applegate, "we'd have lost every house in there." Without this quick and concerted response to Monroe's call for help he says, "we would have been in trouble."

So this time it's Monore residents who have reason to be thankful for the courageous performance of volunteers who responded promptly and fought a well-coordinated battle against a big and dangerous fire. As they did in the face of the explosion and fire at a chemical plant in Middlesex Borough in February, the network of volunteer fire companies and aid squads swung into action on the fire lines and in backup roles at emptied fire houses according to prearranged emergency plans.

Spotswood Fire Chief Art Esposito, the information officer at the scene, says the volunteer fireman "gave absolutely 200 percent"—as usual. "The Southeastern and Middlesex County Fire Fighters Association did an outstanding job," he said, and New Jersey residents "should be very proud of their volunteer firefighters."

Indeed they did—and indeed we are.●

INAUGURAL BAND PARADE—ON TO WALT DISNEY WORLD, ORLANDO, FL

HON. GUY VANDER JAGT

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Monday, May 13, 1985

● Mr. VANDER JAGT. Mr. Speaker, it is with truly great pleasure and joy to take this opportunity to highlight a most happy turn of events involving that "parade that wasn't"—the 50th Inaugural Parade, canceled last January because of dangerously cold weather. It was a sad time for those of us from Michigan's Ninth Congressional District and, especially Holland, MI, because the tremendous Holland High School Marching Band was selected to represent our State of Michigan in the parade.

As the Holland Sentinel newspaper reported back then, it was a time of "Expecting the Unexpected."

The greatest surprise, as it turned out, was the weather in Washington, DC, on January 20-21. The parade had to be canceled because of serious concerns that frost-bite would take place, especially with mouthpieces of the musical instruments frozen to mouths. There was a windchill factor of 30° below zero.

But, now a wonderful turn of events. The Holland High School Marching Dutchmen are on the way to Walt Disney World in Orlando, FL, to march with Mickey Mouse in a "restaged Inaugural Parade on May 27.

That's not a bad consolation prize. And, there are strong indications that President Reagan will be on hand for the parade. At any rate, there's high confidence that cold weather will not force a postponement this time.

During our special Inaugural Week activities last January, it was my honor to meet and visit with the Holland band and have a great picture taken together in front of the U.S. Capitol Building. I never met a finer group from our district. They were disappointed but they handled the unique situation with great class. Now, this marvelous 171-member band has another opportunity. I can assure all that they will make the most of it and will present a marvelous presentation with their great music and appearance featuring their wooden shoes.

Mickey Mouse may lead the parade but I know that the Holland High School Marching Band will steal the show.

Mr. Speaker, permit me at this time to insert a recent article from the Holland Sentinel on the announcement of the upcoming Florida trip as well as a brief story from the same paper by Kristen Lidke highlighting some of the comments of band members during their Washington visit. The two news articles follow:

HOLLAND HIGH BAND HEADING FOR FLORIDA

(By Patti Eddington)

They're going to give it one more try.

The Holland High School Marching Dutchmen have accepted an invitation to march with Mickey Mouse in a "Restaged Inaugural Parade" May 27 at Walt Disney World in Orlando, Fla.

And band members think that's just ducky.

"They're extremely excited and very much looking forward to it," band director Charles Bullard said. "After the Washington trip in January I think they felt the chance of a lifetime went down the drain."

Because so many high school and college bands went home disappointed when the Inaugural Parade for President Ronald Reagan was canceled because of a January cold spell, Walt Disney World Officials decided to stage the special Memorial Day weekend event, according to Michael Eisner, chairman of the board of the organization.

While the Holland band has been aware of the invitation for several weeks, school officials have been trying to finalize details before committing the band to the trip.

Bullard said the 171 Holland band members and chaperones will leave Holland Saturday, May 25, on either charter or school buses and travel to O'Hare airport in Chicago. An American Trans Airlines plane will take the group, as well as two other bands which will perform in the parade, to Orlando.

During the three-day trip students will have an opportunity to visit Disney World and Epcot Center. They will perform in the Walt Disney World parade on Monday, May 27, before returning to Holland.

Indications are Reagan will attend the event, Bullard said.

"It is on his calendar and he has sanctioned the event. The Disney people are optimistic he will be there," Bullard said.

While a massive fund raising drive took place before the band traveled to Washington, band students will each pay their own $125 bill for the Florida trip.

Bullard said seven students have expressed difficulty in raising the funds necessary for the weekend journey, but unsolicited contributions which have been sent the school will cover expenses for three of the students.

The parade is being sponsored by Disney World, Days Inn, Greyhound and Burger King, according to officials at Disney World.

JUST A FEW THOUGHTS ENROUTE

(By Kristen Lidke)

Although the Holland High School Marching Band experienced its share of surprises and disappointments during its trip to the Washington area, the overall mood of the group remained positive throughout. Listed below are some examples of the spirit, humor and irony which pulled band

members through the historic "Parade that Wasn't" and made the trip a memorable one.

"Be perfect, and you'll be OK."—Band Director Charles Bullard, the day before leaving for Washington, D.C.

"During the trip, we must be prepared for anything and must be extremely adaptable for any performance situation."—Bullard, the day before leaving for Washington.

"This should be the last surprise we have."—Bullard, the day before departure, commenting on the initial change in flight itinerary.

"I thought the other day I had my last surprise."—Bullard, after learning a busload of band members and chaperones were stranded in Detroit overnight.

"My little heart is just a-beatin' and my arms are going numb."—Sophomore Tammy Edwards, flying for the first time since she was 6 years old.

"Above the clouds, I saw a strip of a rainbow while my ears were popping!"—Anonymous band member somewhere in the clouds en route to Washington.

"Hey, you guys! They have 'Trigger Burgers' on the menu at Roy Rogers Restaurant . . . and 'Trigger Chips,' too!"—Sophomore Karin Essenburg.

"I don't snore! I just breathe loud!"—Sophomore Michelle Konjer.

"I like wearing my uniform. It makes me feel like a person."—Junior Karen Allen.

"We could have worn our ear muffs and go . . . it's not that bad out there."—Junior Buffy Becker after learning of the parade cancellation.

"What a bummer. I wanted to see how old Nancy Reagan really looks in person."—Senior Julie Hirt, upon hearing of the scrapped parade.

"If I was Reagan, I would have voted the same way . . . I wouldn't want them (the parade musicians) to rip their lips off." Senior Regan Higgs, who was named after President Reagan. "My mother liked him when he was an actor," Higgs said. Higgs also happens to: be the band's drum major, just like Ronald Reagan was in his high school days; live in a white house; have a best friend with the last name Bush (senior Troy Bush) and be Republican. "Older women like both Reagan and I, too," he said, "because a woman from the Michigan Delegation who said she was Reagan's fan . . . gave me a hug and . . . kissed me on the cheek."

". . . I forgot something. I was supposed to introduce my roommate, who happens to be my husband, who happens to be the president of the United States."—First Lady Nancy Reagan, after forgetting to introduce her husband to the crowd during Monday's inaugural festivities.●

LEGISLATION TO AMEND THE HIGHER EDUCATION ACT OF 1985

HON. BERKLEY BEDELL

OF IOWA

IN THE HOUSE OF REPRESENTATIVES

Monday, May 13, 1985

● Mr. BEDELL. Mr. Speaker, today I am introducing legislation to amend the Higher Education Act of 1965. This legislation directs the Secretary of Education to issue regulations to provide fair treatment in the computation of family contributions in the Pell Grant program for students from farm families experiencing financial difficulties.

According to a recent report issued by the U.S. Department of Agriculture, some 17 percent of all farms are experiencing serious financial difficulties. Indeed, if we look only at family farms the percentage of those experiencing difficulties and facing foreclosure or bankruptcy increases dramatically. As more and more family farms are forced out of business, children from such families will be looking, in ever greater numbers, outside agriculture and to higher education for new employment opportunities.

However, the Pell Grant Program, which the Department of Education calls the foundation of financial aid, is currently denying Pell Grant eligibility for students from family farms because their parents have, as a result of a foreclosure or bankruptcy, sold property and assets that receive a capital gains tax exemption. Although this tax exemption creates a great deal of untaxed income, most farmers are unable to use it for any other purpose other than to retire debt.

According to the Department of Education, there is no regular or special procedure that currently exists through which ineligible applicants can request fair consideration of any special circumstances of this sort. Because many individuals in our rural areas are already experiencing great economic difficulties, it is my hope that during this session of Congress, we can work to ensure that the Pell Grant formula provides for the full consideration of the effects of foreclosure, bankruptcy, and taxation on the family farmer.

The text of my bill follows:

H.R. —

A bill to amend the Higher Education Act of 1965 to provide fair treatment, for purposes of computing family contributions in college student assistance, for students affected by the sale or forfeiture of family farm assets

Be it enacted by the Senate and House of Representatives of the United States of America in Congress, assembled, That section 482 of the Higher Education Act of 1965 (20 U.S.C.) is amended by adding at the end there of the following new subsection:

"(f) The Secretary shall, within 30 days after the date of enactment of this subsection, promulgate special regulations to prevent, in the computation of family contributions for any program under this title, the inclusion in family income of any proceeds of a sale of the farm assets of that family if such sale results from a voluntary or involuntary foreclosure, forfeiture, or bankruptcy."●

VETERANS' HEALTH CARE BUDGET CANNOT BE REDUCED FURTHER

HON. G.V. (SONNY) MONTGOMERY

OF MISSISSIPPI

IN THE HOUSE OF REPRESENTATIVES

Monday, May 13, 1985

● Mr. MONTGOMERY. Mr. Speaker, within the next few weeks, the House and Senate will be making major decisions on the budget for fiscal year 1986. Many Federal programs will be affected. The decisions we must make will not be easy. We all have different priorities.

A very high priority of mine is veterans' health care. I want my colleagues to fully understand the impact of any budget reductions in funds to operate the VA's health care system. Who is better able to relate the problems in the field than the people in the field?

According to the chiefs of staff at VA hospitals nationwide who responded to a recent survey, inadequate budgets are already taking their toll. More cuts in the budget will mean longer waiting lists, the turning away of certain non-service-connected veterans, and delays in many surgical procedures.

There follows a report from the chief of staff at the VA Medical Center in Fresno, CA:

VETERANS' ADMINISTRATION
MEDICAL CENTER,
Fresno, CA, February 1, 1985.

HOWARD H. GREEN, M.D.,
Chief of Staff, VA Medical Center, White River Junction, VT.

DEAR HOWARD: I have itemized below the information that you requested in your letter of January 2, 1985. In further support of the dismal picture detailed below, I would call your attention to the printouts of the new resource allocation model based on FY 1983 data. You will note that we are the second largest "winner" in the Western region. Unfortunately we can't eat that, and this really represents so much pie in the sky at this point. I certainly will be very interested in hearing the overall results of this survey.

(a) Size of hospital: 265 beds plus 60 bed NHCU to open June 1985.

(b) Affiliated: University of California, San Francisco; Central San Joaquin Valley Clinical Campus.

(c) Projected dollar deficit FY 1985: 1. Personnel service: $445,497 (actually this is a low figure because of the use of $512,202 unused NHCU personnel dollars for FY 85); 2. All other: $498,898.

(d) Impact of dollar deficit.

1. Personnel: We have been under some form of local freeze most of the time for several years, this has specifically involved professional personnel. There has recently been imposed a reduction of 23 RN positions by attrition in spite of the fact that by VA staffing standards we are currently approximately 18 RN positions short. We have numerous vacancies in patient care professional and support services and in administrative support services for which we do not have sufficient personnel dollars. Our catchment area is one of rapid population growth

and increasing demand for care. For example, we have over 2,000 outpatient visits per physician FTEE per year.

2. Supplies: Pharmacy depleted inventory; $185,000. As of this month pharmacy has already used 60% of its budgeted funds. SPD inventory depletion; $105,000.

3. Equipment: We have been unable to fund maintenance contracts for any of our major pieces of key equipment. Many major pieces of equipment (e.g. radiology) need replacement because much of it was obtained in the mid 70's at the time the affiliation began.

4. Backlog of surgical patients: TURP: 7 (3 months) total joint replacement: 22 (over one year).

(e) Solutions we have devised:

1. We have had enrollment controls on the "AC" category of outpatient for several years but this has not stemmed the tide of increased demand.

2. Computerized utilization review of expensive outpatient drugs. This also involves a peer chart review for appropriateness and a physician distribution matrix that is forwarded to the service chief.

3. We have recently instituted a 100% surveillance of all inpatient antibiotic orders.

4. We have sharply limited pharmacy services for patients who are being evaluated for care.

(f) Comments: I think the implications of a devastating impact on quality of patient care are obvious. There is little doubt that if this continues we will be forced to exclude more and more of the veteran population from care on a priority basis. For the most part these people have nowhere else to go because of diminishing community resources. They are indeed the "New Poor".

Sincerely,

JOHN B. THOMPSON, M.D.,
Chief of Staff, Fresno VAMC.●

A FAIR AND COMPLETE TAX FOR SOCIAL SECURITY

HON. EDWARD R. ROYBAL

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Monday, May 13, 1985

● Mr. ROYBAL. Mr. Speaker, in January, the President reaffirmed his promise not to cut the Social Security cost-of-living adjustment and, in February, the administration projected that the Social Security trust fund would accrue $51 billion in additional surpluses over the next 3 years even if full COLA's are paid. But then, in April, despite their promises and predictions the administration and their allies in the Senate unveiled a plan to reduce the cost-of-living adjustments by 2 percent per year which CBO reports would throw 370,000 elderly and 200,000 nonelderly into poverty.

Although the full Senate saved the COLA for the moment, the debate continued and the Senate leaders' objective was clear. Finally, they reduced benefits and kept tax rates high in order to build even greater Social Security surpluses to finance the deficits they created by excessive spending on weapons and tax loopholes for corporations and wealthy individuals.

Mr. Speaker, their plan is not fair to Social Security beneficiaries whose annual inflation protection is now cut in half by 6-month delays in their COLA's. And it's not fair to Social Security taxpayers whose tax rates have increased in 3 out of the last 5 years and which will increase three more times by 1990. Therefore, I am introducing today a legislative alternative which is fair both to beneficiaries and taxpayers and which will reduce next year's deficit by billions more than any COLA cut.

My plan, the fair and complete tax for Social Security [FACTSS], give those concerned with fairness and equity a better deficit reduction plan than those who are using the deficits to undermine Social Security.

FACTSS will preserve and protect the full COLA by a plan which:

First, reduces the Social Security tax burden by cutting the tax rate to 6.73 by 1988. Under current law, the tax rate is scheduled to rise from 7.05 in 1985 to 7.51 by 1988 and 7.65 in 1990. Therefore, FACTSS reduces tax rates by 10 percent by 1988 and 12 percent in 1990.

Second, reduces fiscal year 1986–88 deficits by over $30 billion by applying the reduced tax rates equally to all wage/salary income. Under current law, 1986 earnings above $41,600 will not be subject to the Social Security tax. The exemption level increases automatically every year and is projected to be over $50,000 by 1990.

Third, removes Social Security from future budget discussions by moving the old age and survivors and disability insurance [OASDI] trust funds off-budget in fiscal year 1989. Under current law, these trust funds and Medicare would be moved off-budget in fiscal year 1993.

Under current law, there are two Social Security tax brackets: 7.05 percent of the first $40,000 and zero percent of all earnings over $40,000. Therefore, the highest income earners pay lower effective Social Security tax rates than middle- and moderate-income workers. For instance, a $140,000 a year executive pays an effective Social Security tax rate of less than 2 percent compared to a more than 7-percent effective tax rate for the 9 out of 10 individual workers earning less than $40,000 a year.

If the 1 in 12 individuals earning over $40,000 paid the same effective tax rate as the majority who earn less than $40,000, the Social Security system's reserves would grow by an additional $90–$100 billion in just the next 3 years. Since the Social Security system does not need additional surpluses to cover currently projected benefits, extending the tax equally to all workers by repealing the zero tax bracket would enable us to pay the full cost-of-living adjustments, reduce tax rates and still reduce deficits by more than a 1-year COLA freeze or a 2-percent per year COLA cut.

Mr. Speaker, although I do not believe that Social Security should be used to balance the budget, the sad fact is that despite the deep cuts already made in benefits in 1977, 1980, 1981, and 1983, and despite the projected surpluses in the system, Social Security will remain in jeopardy because there are those who will insist on using Social Security to balance the deficits in the rest of Government. Therefore, I designed my legislation to produce more budget savings over the next 3 years than a 1-year COLA freeze or a 3-year COLA reduction.

FACTSS proves that we can reduce the deficits without cutting benefits and without raising tax rates. In fact, my plan actually reduces taxes for about 94 percent of all working Americans by making the Social Security tax system more equitable.

Here then is a clear choice for those who say that changes in Social Security must be a part of any deficit reduction package:

I offer a positive plan to pay the full COLA; cut taxes for 94 percent of working Americans; and, reduce fiscal year 1986–88 deficits by about $30 billion.

The administration/Senate leadership offer a punitive plan to cut the COLA; keep tax rates higher than they need to be on over 100 million younger workers; and, reduce fiscal year 1986–88 deficits by about $20 billion.

Mr. Speaker, if those who insist on using Social Security to balance the budget are truly concerned with fairness for seniors and tax equity for younger workers, then they should reject any deficit reduction plan which reduces benefits to the old and disabled and increases taxes on young and working Americans. Instead, they should join me and the other original cosponsors in supporting a fair and complete tax for Social Security.

I am including for the record, a short outline of the FACTSS proposal and a short comparison of the Social Security tax burden on various income groups.

EFFECT OF MAXIMUM TAXABLE WAGE CAP ON TAXES, SOCIAL SECURITY, AND THE DEFICIT

Under current law over 90 percent of all working Americans pay Social Security and Medicare Taxes on all of their earnings. The highest earners do not. This is because these taxes are levied only on earnings below $40,000. Therefore, while the 9 out 10 workers pay an effective tax rate of over 7 percent, a $140,000 a year executive pays an effective tax rate of less than two percent.

If every taxpayer paid Social Security/Medicare taxes on their entire salary, 1986 revenues would increase by about $27 billion. Tax rates could be reduced by 2 percent per year and revenues would still increase by approximately $33.9 billion over the next three years. This is about $11.3 billion more than the President/Senate Re-

publican Leadership's $22.6 billion proposal to reduce the COLA by 2 percent per year over the next three years.

A list of the Chief Executive Officers (CEOs) of the 796 largest corporations in America is attached. It gives an estimated date for their last Social Security/Medicare payroll deduction in 1985 and their estimated effective tax rate.[1] By April 15th, 788 of the 796 CEOs should have already earned more than $4,000 and stopped paying Social Security/Medicare taxes of the year.

By comparison, here is a list of more typical Amercians as contrasted with the average CEO.

	Cash pay	Date of last FICA deduction	Effective FICA tax rate
Minimum wage worker	$6,968	December 31	7.05
Average self-employed farmer [1]	8,568	do	11.80
Average self-employed individual [1]	10,153	do	11.80
Average individual wage earner	17,056	do	7.05
Median American family	27,000	do	7.05
Average of 796 CEO's	504,000	January 28	0.57

[1] Actual 1982 IRS figures for profitable business/farms. Business/farm losses are excluded.

Note.—Prepared for Chairman Roybal by Davis Smith, Committee on Aging. (202) 226-3335 (4/13/85).

WHAT WILL FACTS DO?

Repeal Social Security tax rate increases scheduled for 1988 and 1990.

Reduce the total tax rate by two percent per year in 1986, 1987 and 1988. The total reduction is applied to the Social Security tax rate while the Medicare rate of 1.45 percent remains constant. (See Summary Table 1).

By 1988, steps 1 and 2 result in a 10.4 percent reduction in the currently scheduled tax rates and a 12.0 percent reduction by 1990.

Re-establish the total self-employment tax rate at 150 percent of the employee/employer rate as reduced under 1 and 2 above. By 1988, this results in a 22.5 percent reduction in the currently scheduled effective tax rates and a 28.6 percent reduction by 1990. (See Summary Table 2).

Subject all wage/salary income and self-employment net profits above and below $40,000 to the Social Security/Medicare tax rates as reduced under 1, 2 and 3 above. (Under current law, 1985 earnings above $39,600 are exempt).

Guarantee long term fiscal stability and tax equity by establishing a floating tax rate beginning in 1990. Further decreases of 0.2 percentage points each in both the employer and employee tax rate would be automatically triggered when Trust Fund assets exceed a full one year reserve level. Increases of 0.2 percentage points would be triggered if assets fall below 90 percent of a full year's reserve level.

Exempt self employed persons, workers and their employers from Social Security taxes after age 65. This will encourage work by and employment of these older Americans. (Medicare HI taxes continue to apply). Effective in 1989.

Increase retirement earnings test for beneficiaries age 65 and over to: $10,000 in 1986; $15,000 in 1988; $20,000 in 1990; and, eliminate completely in 1992. (The current earnings test level is $7,320).

Remove Social Security from the unified budget in FY 89 instead of FY 92 as under current law.

[1] Assumes 1985 cash compensation identical to 1983 as reported in Forbes, June 4, 1984.

WHO WILL FACTSS APPEAL TO?

The 94 percent of individual workers who get a tax cut because they earn less than $44,000 year.

The 90+ percent of self-employed people, family farmers, small businessman, realtors, etc., who also get their taxes cut because they have net profits of less than $50,000 a year.

Small and large businesses whose average employees have salaries of less than $44,000 since their Social Security employer taxes will be reduced by FACTSS.

The almost four million workers age 65 or over who would get a 6 to 10 percent increase in their earnings by being exempted from Social Security taxes.

Over a million workers age 65 or older whose benefits are reduced or eliminated by the earnings tests and whose benefits will be increased and ultimately completely restored by the phasing out of the retirement earnings test.

Persons concerned about Medicare financing since the Hospital Insurance Fund receives a 10 percent increase in its funding (without an increase in the Medicare tax rate).

Persons concerned with reducing near-term budget deficits since FACTSS increases total Social Security/Medicare Revenues in FY 86-88 by about $33.9 Billion. This is 50 percent more than a 2 percent per year reduction in the COLA.●

THE PACIFIC RIM, AMERICA'S GOLDEN OPPORTUNITY

HON. TOBY ROTH

OF WISCONSIN

IN THE HOUSE OF REPRESENTATIVES

Monday, May 13, 1985

● Mr. ROTH. Mr. Speaker, in view of the increasing interest in U.S. trade opportunities in the Pacific Rim, I commend to the attention of my colleagues the following article from the President's Forum, a publication of the Milwaukee School of Engineering (MSOE). MSOE is a fine example of an institution taking aggressive action to move the State of Wisconsin to the forefront of international trade.

MSOE AT THE POINT

We at MSOE believe that the single most important consequence of the arrival of the Information Age is that it is catalyzing and forcing the US to emphasize quality, cooperation between government-business-labor and education, while hastening the process of world unification. We call it, on one hand, rediscovering our American roots, and world opportunities. On the other hand, "globalization."

Just imagine this example of the globalization process:

Soon you will be able to talk with almost any person in almost any spot on earth through the liquid-crystal screen of your TV/computer hanging on the wall. You'll be able to trade stocks and bonds, currencies and commodities; get the best interest rates or obtain loans, buy and sell anything worldwide. Your TV/computer will search the globe for you, find the best deals, show them to you visually, translate you and your addressee's voices into the appropriate foreign languages, and give you printed quotes, specifications, invoices and receipts, while debiting or crediting your bank account!

Many Asian computers are already "online" with Europe and America.

Couple this international telecommunications revolution with the very rapid increases in reciprocal foreign business investments among nations, and you can really feel the strength of this globalization process. It is a great centripetal force, relentlessly whirling humanity together toward a true "One World." We will live to see it.

It will also be a tremendous force for peace as it links peoples and prosperity. No wonder so many Asians welcome the future, confident that it will be golden for them.

They are prepared for it. Their strong family systems are intact; their educational systems keep improving; virtually all their young people are well educated, disciplined, responsible and motivated. They are good communicators and know foreign languages, science and math. They are world oriented.

We have much to do to catch up with them. America's biggest problem may not be the threat of nuclear war. More likely, it is this matter of education and the preparation of all young Americans for full participation in the abundant opportunities and life the Information Age offers to the educated.

For, unlike most Asian countries on the Pacific Rim, and much of Europe, where 90% of youth finishes high school with solid learning equal to several years of our college, we are permitting tens of millions of our youth to go virtually uneducated and become unemployable.

Can America continue to be a world leader if 30 to 40% of our population remains so poorly educated and an obsolete, permanent drag and burden on those of us left working? This is simply not being allowed to happen in the Japans of our world.

It is now well known that we at MSOE are extremely concerned by this problem of preparing Americans for full, worldwide cooperation and participation in the Information Age, and are addressing ourselves and all we influence to the great tasks of our time.

As a college located in an urban setting in a great midwestern metropolitan area in a major manufacturing and farm state, MSOE feels doubly challenged to alert and prepare the people in our region to exploit the opportunities of Asia.

If we virtually ignore these opportunities and hang back, the California's and Texas's of America will take the lead, and our local institutions and businesses will continue to wither. There will be no one to blame but ourselves.

AN IBSC

To forestall this, MSOE is studying and researching a possible globalization program as an integral part of its five-year, Action for Excellence expansion activity.

As now envisioned, a Globalization Program could be undertaken by a special nonprofit MSOE corporation know for example, as the International Business Service Center (IBSC). Its duties will include broadening the worldview and experience of MSOE's staff, faculty, students and community by curriculum orientation and additions, foreign exchanges of faculty and students, training for foreign work assignments, and all other practical means which will help assure a great broadening of the international and entrepreneurial perspectives of MSOE clientele.

IBSC could also serve as a clearing house and consulting resource for midwest and overseas business to provide information and assistance which would promote busi-

ness exchange and investments. Hopefully many of these services will be so valuable and vital as to attract fees and contributions sufficient to cover IBSC's expenses.

A small IBSC staff would be seasoned personnel, long experienced in Asia and other parts of the world. Two veteran U.S. State Department foreign service officers are donating their time for planning studies with MSOE personnel. These individuals are some of America's foremost Asian specialists with recent senior experience in our Asian and other area foreign assistance missions (AID), and have agreed to help assist MSOE faculty and staff to guide IBSC and provide foreign business contacts. We could also draw on the very considerable experience of some of those midwest businesses now doing well abroad.

We are confident that MSOE, one way or another, will do it's best in the least expensive way to help most of you who may wish to participate in booming Asia and other areas to prepare yourselves for success there.

We hope you will pass any insights you have learned from us on to others. We also urge you to provide us with your views and suggestions on how all of us can help Wisconsin and all of America be more relevant to our world and rejuvenate our business and trading instincts, as well as motivate and train our young people. We can also try to provide you with more information on the subjects presented here.

The Pacific Rim is America's golden opportunity and you can help our great country grasp it! ●

DENNIS RAHIM WASTON: AN ARTIST WITH A COMMITMENT TO HIS COMMUNITY

HON. EDOLPHUS TOWNS

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Monday, May 13, 1985

● Mr. TOWNS. Mr. Speaker, while the arts are an important part of our lives, we often take them for granted. To those Americans who cannot afford the price of theater or concert tickets, the arts can be a very closed world. That's why performers like Dennis Rahim Watson are so important in bringing arts to the community.

Dennis Rahim Watson is a young poet, comedian, and actor who was recently honored with a "Black Leadership Roundtable Youth Award" by the Avon Corp., during the 1984 Congressional Black Caucus Legislative Weekend. He just completed his 2,000th performance as an entertainer in New York City. Dennis has performed at numerous civic, religious, cultural and political events throughout New York. His uniqueness as a performer lies with his commitment to community service in the field of entertainment and education.

His work as an entertainer was recognized by the Drug Enforcement Administration in 1984 for outstanding contributions in the area of drug enforcement. Since his decision to combine academics and artistic interests in 1980, Dennis has used his talents to better the lives of others. New York State Department of Corrections rewarded his volunteer performances in several correctional facilities with their departmental award for volunteer services in 1983.

Dennis has never stopped his quest for excellence in entertainment for community organizations. As he pursues new and exciting ways to motivate minority youth toward service and high standards, he remains inspired by the creed that "each one of us can make a difference; if each one teaches one and each one reaches one." I believe that Dennis Rahim Watson is an inspiration to us all that we should share our talents in a way which will improve the lives of others. I want to congratulate Dennis on his 2,000 performances and his continuing commitment to bring the arts to the people.●

CHRIST UNITED PRESBYTERIAN CHURCH OF SAN FRANCISCO CELEBRATES ITS 100TH ANNIVERSARY

HON. SALA BURTON

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Monday, May 13, 1985

● Mrs. BURTON of California. Mr. Speaker, from April 28 through May 19 of this year, the Christ United Presbyterian Church of San Francisco will be celebrating their 100th anniversary.

The Christ United Presbyterian Church is the oldest existing Japanese American Presbyterian Church in the United States. I would like to share its unique history and experience with my colleagues.

The First Japanese Presbyterian Church had its origins in a nondenominational independent Japanese Christian organization called the Fuku-in Kai or the Gospel Society. This group, which was formed in 1877, served as a place of study and religious instruction, as well as a settlement establishment assisting newly arrived immigrants from Japan in employment, housing, English instruction and various types of charitable causes. Eight years later, on May 16, 1885, the first Japanese Presbyterian Church in the United States was formed which consisted of several members of the Fuki-in Kai. Within a few months after being organized, Jusuboro Morita and Kokichi Mitani were elected elders of the church with Rev. John Carrington as its moderator.

In the following year, Dr. Ernest Adolphus Sturge, a Presbyterian missionary, came to San Francisco to assist in the services of the newly organized church. Under Dr. Sturge's direction and inspiration, many members of the church of Japanese ancestry entered the ministry. Through these new ministers, churches were founded in the rural Japanese-American communities. By the turn of the century, Japanese Presbyterian churches were being established in Salines, Monterey, Watsonville, and Los Angeles by ministers who were associated with the San Francisco Japanese Presbyterian Church.

In 1906, the San Francisco earthquake and fire destroyed a major portion of the city, but the Japanese Presbyterian Church building, located on Haight Street survived the fire and it served as an emergency shelter for the victims of the disaster.

The 1920's marked a nadir in the history of the church for it was the period of many anti-Japanese agitations and activities. Anti-Japanese immigration acts prohibited the further immigration of Japanese to the United States and during this era, the church's role was to unify and serve as one of the spokespersons for the Japanese-American community and to combat the antagonism and prejudices of that period.

In the 1930's, under the leadership of Rev. Dr. Eiji Kawamorita who served as pastor for 20 years, the church's energy and efforts were channeled to establish more services for the Nisei or second-generation-born Japanese Americans. As the need for English speaking services increased, Donald Toriumi, then a student of the San Francisco Theological Seminary, was called on to perform the English language services. Koji Murata was the first Nisei to become an elder of the church.

When the Second World War was declared in December 1941, and Americans of Japanese descent were evacuated from the west coast because of the war, the church, under the direction of its first Nisei minister, Howard Toriumi, assisted those who were suffering from the economic and social hardships of the evacuation. Many members from the Japanese Church of Christ were incarcerated at the Tanforan Race Track, and later transferred to Topaz, UT, for the remainder of the Second World War.

While church members were in the relocation camps, the church was placed under the care of the San Francisco Presbytery. Meanwhile within the camps, the church members and pastors joined with Christians from other denominations to hold interdenominational worship services. After the war, the church building was returned to the Japanese-American congregation which then served as a hostel in the community so that the Japanese Americans could again reestablish themselves in the San Francisco area. Elders Dave Tatsuno and Kojuro Tanaka were an important part of this work in assisting the re-

turning evacuees in settling in the bay area.

During the 1950's, the church was involved in providing for the needs of the next generation, which was the Sansei, or third generation Japanese-American members.

In 1962, the Japanese Church of Christ, under the new leadership of Rev. Nicholas Ioya, was influential and active in civil rights activities.

Since 1975, the church has been under the leadership of Rev. David Nakagawa, who in line with the tradition of the Japanese-American Presbyterian Church of San Francisco, has been in the forefront in responding to the needs of the Japanese-American community and the community at large. Rev. Nakagawa serves as the minister of the church today, as it celebrates its 100th anniversary.

The past 100 years have been a century filled with many important and historical events for the Christ United Presbyterian Church. Throughout these years, not withstanding the various hardships, the members of the church enter the next century with thoughts and deeds based on the religious principles of discipleship. The theme of this 100th anniversary is "Go Ye Therefore" and in accordance with this theme, it is an honor and privilege for me to participate in this celebration as the devoted members of the Christ United Presbyterian Church continue their efforts to build a solid foundation for the future.●

LEGISLATION DENYING A DEDUCTION FOR AMOUNTS PAID AS RESTITUTION FOR ACTS OF FRAUD

HON. FORTNEY H. (PETE) STARK

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Monday, May 13, 1985

● Mr. STARK. Mr. Speaker, I am today introducing legislation that would deny a business expense deduction for amounts paid as restitution or other damages for violation of the law involving fraud. Mr. Speaker, we have recently seen unconscionable cases of corporate crimes and abuses, the most recent example was the fraudulent scheme by the E.F. Hutton Co., against many banks around this country. All too often the fines are not commensurate with the nature of the violation. Fines are not deductible business expenses; however, restitution payments generally are. The legislation I am introducing today would assure that the Federal Government does not through the Tax Code subsidize the restitution payments which companies, such as E.F. Hutton, make as part of a plea to fraud charges.

Mr. Speaker, I share the concerns of those 15 Senators who recently wrote to Ed Meese protesting the absence of any charges against individuals in the E.F. Hutton case. These decisions, however, are matters of prosecutorial discretion. However, we in the Congress can take this small step to assure that these types of acts are discouraged. I urge speedy enactment of my legislation.●

TRIBUTE TO DELTA COLLEGE

HON. NORMAN D. SHUMWAY

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Monday, May 13, 1985

● Mr. SHUMWAY. Mr. Speaker, I ask that my colleagues join with me in paying tribute to San Joaquin Delta College, in Stockton, CA, as it celebrates its 50th anniversary.

Thirty-one years ago, I was privileged not only to be graduating from Delta College, which was then called Stockton College, but also to be the commencement speaker. No doubt I considered it appropriate at the time to entitle my address "1954: This Is the Year."

For now—Delta College, 1985 is surely a year worth marking and remembering. For half a century, the college has offered an outstanding learning experience to young men and women in a beautiful setting conducive to the absorption of knowledge. The college has every reason to be proud of its fine faculty, varied curriculum, and enthusiastic student body. Having enjoyed the opportunities provided by the college, I can certainly attest to Delta's dedication to education, and to the memorable experiences which all of its graduates have to treasure.

Congratulations to Delta College, and every best wish for many more years of success.●

THE "JUSTICE" DEPARTMENT

HON. CARROLL HUBBARD, JR.

OF KENTUCKY

IN THE HOUSE OF REPRESENTATIVES

Monday, May 13, 1985

● Mr. HUBBARD. Mr. Speaker, I want to bring to my colleagues' attention another example of questionable justice by the U.S. Justice Department.

By way of background, on February 7 of this year, the First National Bank of Boston pleaded guilty to a charge of failing to report $1.2 billion in international currency transactions, as required by the Bank Secrecy Act.

The law and regulations serve as deterrents in the attempts to control money laundering and profits by the criminal element of our society.

The fine imposed upon the First National Bank of Boston for its disregard of Federal laws designed to prevent organized crime syndicates and drug traffickers from laundering large sums of cash was $500,000. During the April 3 hearing of the House Banking Subcommittee on Financial Institutions Supervision, of which I am a member, I questioned William L. Brown, chairman of the board of First National Bank of Boston, who conceded that First National Bank of Boston had made about $1 million in profits from the unreported transactions. Chairman Brown admitted that the bank was $500,000 ahead of the game after paying the fine imposed by the Justice Department.

While questioning the U.S. Treasury Department witness during the same April 3 hearing, I asked about the severity of the Bank of Boston fine. Under present law, the penalty for failure to report these cash transactions could have been as much as $500,000 per day. When asked why the fine was not more, the Treasury witness replied—and I quote from the hearing record:

> Mr. Congressman, the pre-arrangement was arranged by the U.S. Attorney's Office in Boston and, in fact, it was pretty well arranged without too much Treasury Department involvement. . . . It was a criminal case and that was the primary concern at the time.

I say to my colleagues that things are wrong with a system which allows a bank to make $1 million in profits after breaking the law and merely fines the institution $500,000.

This is another example of the just actions by the most politically conscious and active agency in our Federal Government—the U.S. Justice Department.

When will our constituents say the time has come for action with America's system of justice?●

CIA TERRORISM SQUADS

HON. DON EDWARDS

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Monday, May 13, 1985

● Mr. EDWARDS of California. Mr. Speaker, today, the gentlewoman from Colorado and I are introducing a resolution of inquiry to require the Director of Central Intelligence to provide to the House information relating to U.S. training and support for so-called antiterrorist groups operating in the Middle East. These units were allegedly set up for preemptive strikes against anti-American terrorists, presumably to protect U.S. facilities and personnel. In fact, they have turned into hit squads financed by the United States.

The use of proxies to avoid Executive order prohibitions against assassination is fraught with problems—as

witnessed by today's news accounts of an unauthorized car bombing in Lebanon by a group financed at least in part with U.S. dollars. Such groups are inherently uncontrollable. With a license to kill from the U.S. Government, they serve only to escalate the problems of international terrorism and to further tarnish our reputation abroad.●

DR. HERMAN I. ABROMOWITZ, NEXT PRESIDENT OF THE OHIO STATE MEDICAL ASSOCIATION

HON. TONY P. HALL

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Monday, May 13, 1985

● Mr. HALL of Ohio. Mr. Speaker, I rise in tribute to Dr. Herman I. Abromowitz, my constituent, friend, and personal physician, who will shortly be installed as president of the Ohio State Medical Association.

Few doctors have deeper roots in the Buckeye State as Dr. Abromowitz. He was born in Xenia, and attended both college and medical school at the Ohio State University. He served as an intern in the Miami Valley Hospital, and currently practices in Dayton.

Dr. Abromowitz' services to Ohio would be too long to list. Some of the highlights include serving as president of the Montgomery County Medical Society, clinical associate professor of the Wright State University School of Medicine, and president of Montgomery County's Combined Health District Board of Health.

Since entering public life, I have frequently relied on his views concerning health and public policy. And I have long since relied on his medical advice as my own doctor.

I offer my congratulations to Dr. Herman Abromowitz, and best wishes for success in his continued service to the people of Ohio.●

NEW JERSEY REACHES OUT FOR NEW TEACHERS

HON. MARGE ROUKEMA

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Monday, May 13, 1985

● Mrs. ROUKEMA. Mr. Speaker, it has been a little over 2 years since the United States was stunned by the report of the National Commission on Excellence in Education. That report, entitled "A Nation At Risk," and several which followed closely on its heels raise the consciousness of the Nation to the imperative need for reform of our public education system.

At the time, I felt considerable frustration as a legislator at the Federal level, because I believed then, as I do now, that the place where this rebuilding should begin was at the State and local level. I must admit that I had my doubts about whether there would be any substantive action.

I am delighted to say that I have been pleasantly surprised by what has taken place. Over the past 2 years, the State and local governments and school boards have undertaken numerous initiatives with a display of creativity and resourcefulness that has demonstrated that our Federal system is still working.

My own State of New Jersey has been singularly successful in its efforts in this respect. Under the leadership of Gov. Thomas Kean and commissioner of education, Saul Cooperman, New Jersey has adopted a far-reaching program of fundamental reforms that strike at the heart of the national problem.

We acted on the observation that a stable corps of competent teachers would be one of the essential elements of our rebuilding efforts. Governor Kean and Commissioner Cooperman were the first to recognize that this would require the education system to reach out to other professions to draw from experts in other fields who would be willing to pass their expertise on to our Nation's students.

I call the attention of my colleagues to an April 26, 1985, article in the Washington Post describing the new alternative system for teacher certification being implemented in New Jersey. While it is still too early to measure the success of this program, what is encouraging from the article is the fact that the program is attracting people to the teaching profession who may otherwise have been shut out. Governor Kean and Commissioner Cooperman are to be commended for this accomplishment and I wish them the best of luck in their efforts.

The article follows:

[From the Washington Post, Apr. 26, 1985]

NEW TEACHER CERTIFICATION PROGRAM BYPASSES TRADITIONAL EDUCATION DEGREE

(By Debbie Goldberg)

TRENTON, N.J.—When Jan Christian, sales representative for a New Jersey chemical company, talked to mathematics teachers at nearby Ramsey High School about her interest in teaching, she said they looked at her as if she were crazy.

Christian, 30, hopes to become one of the first teachers certified under New Jersey's new program that allows qualified persons to earn teaching credentials largely through on-the-job training—in her case, in front of the classroom.

Even as many educators express concern that teachers are being lost to jobs that offer higher pay and more prestige, New Jersey's program has attracted lawyers, accountants, artists, journalists, a band director and a telecommunications marketing official who say they want to become public school teachers.

Since January, more than 560 persons have applied for the program, according to Celeste Rorro, director of teachers certification and academic credentials in the state education department. "The response has been tremendous," she said.

Christian, who has a chemical engineering degree and almost nine years of work experience, said her salary' "will drop in half" if she switches to teaching. Because engineering and technical marketing has not been as satisfying as she expected, Christian said she "decided being happy in my work is worth more than salary."

Steven Schaffer of Fanwood, N.J., who has been practicing law for nine years, said he found the legal trade "aggravating" and applied for teaching certification because he is interested in coaching sports. "I don't think you need an education [degree] to be a good teacher," he said.

The alternate route to certification as the program is called, is a way into classrooms for those lacking a traditional education degree. Proponents, including Republican Gov. Thomas Kean, have said they hope to attract more and better teachers.

Half of the state's 73,500 teachers are expected to retire or leave for other jobs over the next decade, said Rorro, also citing a "precipitous decline" over the last 10 years in the quality of the teaching force.

The first 500 program applicants have earned 20 doctorates and 81 masters degrees, Rorro said, adding that the initial belief that the program would attract many older, retired persons is "absolutely not so."

Paul Contardi, 43, of Metuchen, said he hopes to use his PhD in biology as a ticket to teaching mathematics or science. Because of a scarcity of full-time university-level jobs, Contardi has been offered only temporary positions since he earned his degree several years ago.

Contardi, who taught while in graduate school and has been a substitute teacher for several months in junior highs and high schools, said that, if he had to obtain an education degree in order to gain a permanent teaching job, "I don't know if I would do it."

Compensating for what the newcomers lack in formal teaching training will be their maturity, experience in a specific field and "a real desire to be a teacher," said Tenafly School District Superintendent Harry Jaroslaw, who chaired the state commission that created the program.

Applicants must have a bachelor's degree and must pass the National Teachers Examination in a subject, or in general knowledge for those interested in teaching elementary grades. Armed with provisional state certification, they can then apply for teaching jobs.

Once on the job, provisional teachers must take 200 hours of formal teaching instruction, offered through the state education department or local school districts, said Ellen Schechter, director of New Jersey's teacher education office.

The newcomers are to be closely supervised and will work with an experienced "mentor" teacher. They are expected to be fully certified to teach in New Jersey's public schools after a year on the job.

Peter Zeigler, 25, of Trenton said he sees the alternate route as an "attractive option" after spending several frustrating years in the working world. He has held several security and law enforcement jobs since earning a college degree in English and political science.

"Until now, you had to have an education curriculum, take education courses and what not" to become a teacher, Zeigler said.

"A lot of people were left out by that structure."

The alternate route is the nation's only program that grants full teaching certification to those without education degrees, Schechter said. Although many states provide emergency or temporary certification to handle teacher shortages, she called these programs "substandard."

In fact, New Jersey's emergency-certification program was eliminated when the alternate route was approved last fall. Schechter said that there were "zippo standards" for emergency certification and that some teachers had no college degrees.

Jaroslaw said many of his fellow superintendents "are favorably inclined" about the new program but noted that hiring provisional teachers will require extra work, and perhaps funding, by school districts, some of which may not want to become involved.

Jaroslaw is leading a consortium of nine school districts near Tenafly that plans to hire as many as 10 provisional teachers for next fall.

Among the program's critics is Janice Weaver, dean of the state's largest teacher education program the School of Professional Studies at Glassboro State College.

Weaver said the disregard for formal teacher training indicates that teachers do not receive "the same kind of respect for specialized knowledge" as do plumbers.

But Henry Drewry, director of a small teacher-preparation program at Princeton University, said there is room for both avenues to certification, noting that parochial and other private schools usually do not require state certification.

Janis Martinson taught last summer at a private school and is to graduate from Princeton this spring. She recalls being discouraged "by everyone I talked to" from going into teaching.

Martinson said she is not worried about teaching without a degree and plans to teach at private school if she cannot go through the state's alternate program.

"I think I'm going to bring a lot of energy, enthusiasm and knowledge of my subject to the classroom," she said. "I really think you learn more about being a teacher in the classroom than [from lessons] in a book."●

A SALUTE TO "MEMPHIS IN MAY"

HON. HAROLD E. FORD

OF TENNESSEE

HON. DON SUNDQUIST

OF TENNESSEE

IN THE HOUSE OF REPRESENTATIVES

Monday, May 13, 1985

● Mr. FORD of Tennessee. Mr. Speaker, we would like to take a few moments and share with our colleagues information about an annual event in the great city that we represent, Memphis, TN. It's called "Memphis in May," a monthlong celebration that pairs the city of Memphis with another country. The purpose of "Memphis in May" is to promote friendship and commerce between the Mid-South and a different foreign country every year.

This mission is accomplished by celebrations in the areas of the arts, education, trade, and commerce, and unique special events which highlight the culture and traditions of the honored country. In the past, "Memphis in May" has honored the countries of Japan, Canada, Germany, Venezuela, Egypt, the Netherlands, Israel, and Mexico. This year, "Memphis in May" is saluting the "Land Down Under," the beautiful, majestic country of Australia.

If you ever have the opportunity to visit Memphis this month, you'll be able to experience the art, music, dance, theater, customs, food, sports, and traditions of Australia. You'll be able to browse through an Australian marketplace, taste Australian beer, and eat some of the best pork barbecue you've ever tasted.

In fact, the "Memphis in May International Barbecue Cooking Contest" this year will have more than 200 teams from the United States, Canada, and Australia. This event alone brings more than 300,000 people to the bluff of the mighty Mississippi River where they can watch the "Ms. Piggie Contest," listen to a "Hog Calling Contest," and enjoy 2 days of music and fun.

Other events in this year's "Memphis in May" Salute to Australia include an Australian film festival, the Great Wine Race, the Beale Street Music Festival, the Third Annual Memphis in May Triathlon, and the Sunset Symphony.

In addition to these activities, our city's historic past and promising future will be showcased through its many attractions such as Mud Island, the Beale Street Historic District, Libertyland, and Graceland, the home of the king of rock and roll, Elvis Presley.

This year's "Memphis in May" is a celebration that everyone should try to attend. If you have the opportunity you'll be joined by nearly 1 million other visitors who will participate in the 1985 Salute to Australia. It's an opportunity to enjoy the best of two colorful cultures, Memphis, TN, and the "Land Down Under," Australia.●

SENATE COMMITTEE MEETINGS

Title IV of Senate Resolution 4, agreed to by the Senate on February 4, 1977, calls for establishment of a system for a computerized schedule of all meetings and hearings of Senate committees, subcommittees, joint committees, and committees of conference. This title requires all such committees to notify the Office of the Senate Daily Digest—designated by the Rules Committee—of the time, place, and purpose of the meetings, when scheduled, and any cancellations or changes in the meetings as they occur.

As an additional procedure along with the computerization of this information, the Office of the Senate Daily Digest will prepare this information for printing in the Extensions of Remarks section of the CONGRESSIONAL RECORD on Monday and Wednesday of each week.

Any changes in committee scheduling will be indicated by placement of an asterisk to the left of the name of the unit conducting such meetings.

Meetings scheduled for Tuesday, May 14, 1985, may be found in the Daily Digest of today's RECORD.

MEETINGS SCHEDULED

MAY 15

9:00 a.m.

Armed Services

Closed business meeting, to consider a committee amendment to S. 1029, authorizing funds for fiscal year 1986 for the Department of Defense (pending on Senate calendar), and routine military nominations.

SR-222

Banking, Housing, and Urban Affairs

To continue hearings on recent changes in the financial services industry.

SD-538

Judiciary

Constitution Subcommittee

Business meeting, to mark up S.J. Res. 13, to propose an amendment to the Constitution relating to a Federal balanced budget and tax limitation, S. 40, to set forth procedures for holding constitution conventions for proposing amendments to the Constitution, S. 37, to provide for civil rights in public schools, and S. 150, to revise certain provisions of the Freedom of Information Act with respect to request procedures, time limits, fees, and exemptions.

SD-226

9:30 a.m.

Appropriations

Defense Subcommittee

To hold hearings on proposed budget estimates for fiscal year 1986 for certain defense programs, focusing on Army modernization.

SD-192

Appropriations

Labor, Health and Human Services, Education, and Related Agencies Subcommittee

To hold hearings on proposed budget estimates for fiscal year 1986 for the Departments of Labor, Health and Human Services, Education, and related agencies.

SD-116

10:00 a.m.

Agriculture, Nutrition, and Forestry

Business meeting, to mark up S. 501 and S. 616, bills to expand export markets for United States agricultural commodities, provide price and income protection for farmers, assure consumers an abundance of food and fiber at reasonable prices, and continue low-income food assistance programs, and related measures.

SR-328A

Energy and Natural Resources

Business meeting, to consider S. 979, to extend the expiration date of titles I and II of the Energy Policy and Conservation Act, and other pending calendar business.

SD-366

Foreign Relations
To continue joint hearings with the Committee on the Judiciary on international terrorism and narcotic trafficking
SD-419

Governmental Affairs
Permanent Subcommittee on Investigations
To continue oversight hearings on weight reduction products and plans, focusing on the safety and efficacy of diet products.
SD-342

Judiciary
To continue joint hearings with the Committee on Foreign Relations on international terrorism and narcotic trafficking.
SD-419

Joint Economic
Agriculture and Transportation Subcommittee
To hold hearings on rural economic development.
SD-562

10:30 a.m.
Judiciary
To hold hearings on pending nominations.
SD-226

2:00 p.m.
Appropriations
Interior and Related Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1986 for the Energy Information Administration, and the Economic Regulatory Administration, Department of Energy.
SD-138

Foreign Relations
To hold joint closed hearings with the Committee on the Judiciary on international terrorism and narcotic trafficking.
SD-116, Capitol

Judiciary
To hold joint closed hearings with the Committee on Foreign Relations on international terrorism and narcotic trafficking.
SD-116, Captiol

2:45 p.m.
Select on Intelligence
Closed briefing on intelligence matters.

MAY 16

9:30 a.m.
Banking, Housing, and Urban Affairs
International Finance and Monetary Policy Subcommittee
To hold hearings on S. 635, to express opposition of the United States to the system of apartheid in South Africa by prohibiting new U.S. bank loans to the Government of South Africa, prohibiting investment of U.S. firms in South Africa, prohibiting the importation of South African gold coins into the United States, and forbidding the sale of computers to the Government of South Africa.
SD-538

Commerce, Science, and Transportation
Business meeting, to consider pending calendar business.
SR-253

Judiciary
Patents, Copyrights and Trademarks Subcommittee
To hold hearings to examine whether the United States should participate in the Berne Convention, an international union for the protection of literary and artistic works.
SR-385

Labor and Human Resources
To hold joint hearings with the Committee on Veterans' Affairs on the nomination of Donald E. Shasteen, of Maryland, to be Assistant Secretary of Labor for Veterans' Employment.
SR-418

Labor and Human Resources
Handicapped Subcommittee
To hold hearings on S. 415, the Handicapped Children's Protection Act.
SD-430

Veterans' Affairs
To hold joint hearings with the Committee on Labor and Human Resources on the nomination of Donald E. Shasteen, of Maryland, to be Assistant Secretary of Labor for Veterans' Employment.
SR-418

10:00 a.m.
Agriculture, Nutrition, and Forestry
Business meeting, to mark up S. 501 and S. 616, bills to expand export markets for U.S. agricultural commodities, provide price and income protection for farmers, assure consumers an abundance of food and fiber at reasonable prices, and continue low-income food assistance programs, and related measures.
SR-328A

Appropriations
Defense Subcommittee
To continue hearings on proposed budget estimates for fiscal year 1986 for the Department of Defense, focusing on NATO programs.
SD-192

Appropriations
Interior and Related Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1986 for fossil energy.
SD-138

Appropriations
Legislative Branch Subcommittee
To resume hearings on proposed budget estimates for fiscal year 1986 for the Legislative Branch of the Federal Government, focusing on the Library of Congress and the Architect of the Capitol.
S-128, Capitol

Environment and Public Works
Water Resources Subcommittee
To resume hearings on S. 366, S. 534, and S. 967, bills to authorize the U.S. Army Corps of Engineers to construct various projects for improvements to rivers and harbors of the United States, and related proposals.
SD-406

Judiciary
Business meeting, to consider pending calendar business.
SD-226

10:30 a.m.
Select on Intelligence
Closed business meeting, to resume markup of proposed legislation authorizing funds for fiscal year 1986 for the intelligence community.
SH-219

2:00 p.m.
Energy and Natural Resources
Energy Research and Development Subcommittee
To hold hearings to discuss the Department of Energy's prospective report to Congress on emerging clean-coal technologies.
SD-366

MAY 17

9:30 a.m.
Commerce, Science, and Transportation
Surface Transportation Subcommittee
To hold hearings on the deregulation of surface freight forwarders.
SR-253

10:00 a.m.
Select on Intelligence
Closed briefing on intelligence matters.
SH-219

MAY 20

9:30 a.m.
Finance
Taxation and Debt Management Subcommittee
To hold hearings on S. 56, S. 71, S. 217, S. 251, and S. 729, bills to clarify the application of imputed interest and interest accrual rules of the Internal Revenue Code.
SD-215

10:00 a.m.
Judiciary
To hold hearings to examine civil suits under the Racketeer Influenced Corrupt Organizations Act (RICO).
SD-226

MAY 21

9:30 a.m.
Banking, Housing, and Urban Affairs
Business meeting, to consider the nomination of Martha R. Seger, of Michigan, to be a member of the Board of Governors of the Federal Reserve System.
SD-538

Environment and Public Works
Environment Pollution Subcommittee
To hold oversight hearings on the implementation of section 404 of the Clean Water Act, relating to the wetlands dredge and fill permit program.
SD-406

10:00 a.m.
Appropriations
Treasury, Postal Service, and General Government Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1986 for the Department of the Treasury.
SD-126

2:00 p.m.
Appropriations
Interior and Related Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1986 for the Holocaust Memorial Council, Minerals Management Service, Department of the Interior.
SD-138

Appropriations
Legislative Branch Subcommittee
To resume hearings on proposed budget estimates for fiscal year 1986 for the Legislative Branch of the Federal Government, focusing on the Congressional Budget Office, Office of Technology Assessment, General Accounting Office, and the Government Printing Office.
S-128, Capitol

MAY 22

9:30 a.m.
Labor and Human Resources
To hold hearings on S. 797, the Youth Employment Opportunity Wage Act of 1985. SD-430
Select on Intelligence
Closed briefing on intelligence matters. SH-219
10:00 a.m.
Foreign Relations
To resume hearings on American policy toward South Africa. SD-419
Governmental Affairs
Civil Service, Post Office, and General Services Subcommittee
To hold oversight hearings on a General Accounting Office report on Federal pay equity and classification system. SD-342
2:00 p.m.
Appropriations
Interior and Related Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1986 for Naval Petroleum Reserves, and fossil energy. SD-138
Governmental Affairs
Intergovernmental Relations Subcommittee
To hold hearings on S. 765, to provide for coordinated management and rehabilitation of the Great Lakes. SD-342
Small Business
Small Business: Family Farm Subcommittee
To hold hearings on small issue industrial development bonds as a source of capital for small business expansion. SR-428A

MAY 23

9:30 a.m.
Commerce, Science, and Transportation
Aviation Subcommittee
To hold hearings on S. 586, to provide for the review of certain authority in awarding international airline route certificates issued under the Federal Aviation Act. SR-253
Governmental Affairs
Oversight of Government Management Subcommittee
To hold hearings on the Civil Penalties Act, focusing on program fraud. SD-342
10:00 a.m.
Governmental Affairs
Civil Service, Post Office, and General Services Subcommittee
To continue oversight hearings on a General Accounting Office report on Federal pay equity and classification system. SD-138
Labor and Human Resources
Children, Family, Drugs, and Alcoholism Subcommittee
To hold hearings on efforts to locate missing children. SD-430

MAY 24

10:00 a.m.
Select on Intelligence
Closed briefing on intelligence matters. SH-219

JUNE 3

9:30 a.m.
Finance
Health Subcommittee
To hold hearings on proposed legislation to modify the Medicare direct medical education pass-through. SD-215

JUNE 4

9:30 a.m.
Energy and Natural Resources
Energy Regulation and Conservation Subcommittee
To hold oversight hearings on the impact of imported petroleum products on the domestic petroleum industry. SD-366
10:00 a.m.
Foreign Relations
Business meeting, to consider pending calendar business. SD-419

JUNE 5

9:30 a.m.
Finance
To hold hearings on S. 814, to make technical corrections to certain provisions of the Tax Reform Act of 1984, and proposed technical corrections to the Retirement Equity Act (P.L. 98-397). SD-215
Labor and Human Resources
To hold hearings on drug export reform. SD-430

JUNE 6

9:30 a.m.
Energy and Natural Resources
Natural Resources Development and Production Subcommittee
To hold oversight hearings on the impact of coal imports on the domestic coal industry. SD-366

JUNE 10

2:00 p.m.
Energy and Natural Resources
Energy Research and Development Subcommittee
To resume oversight hearings on proposed budget requests for fiscal year 1986 for programs of the Department of Energy, focusing on fossil energy programs. SD-366

JUNE 11

9:30 a.m.
Labor and Human Resources
To hold oversight hearings on the implementation of the Orphan Drug Act (P.L. 97-414), focusing on section 7(b) relating to radiation-cancer liability. SD-430
Labor and Human Resources
Handicapped Subcommittee
To hold oversight hearings on administrative activities of Gallaudet College and the National Technical Institute for the Deaf. SR-428A
10:00 a.m.
Energy and Natural Resources
Water and Power Subcommittee
To hold hearings on S. 403, to revise requirements with respect to the issuance of licenses for existing hydroelectric facilities, and S. 426, to provide for more protection to electric consumers. SD-366

JUNE 12

9:30 a.m.
Labor and Human Resources
To continue oversight hearings on the implementation of the Orphan Drug Act (P.L. 97-414), focusing on section 7(b) relating to radiation-cancer liability. SD-430

JUNE 13

9:30 a.m.
Labor and Human Resources
Labor Subcommittee
To hold hearings on S. 1105, to reform the Walsh-Healey Act to allow Federal contractors in the private sector to work flextime hours. SD-628

JUNE 14

9:30 a.m.
Finance
Health Subcommittee
To hold hearings on health promotion and disease prevention strategies for Medicare beneficiaries. SD-215

JUNE 17

9:30 a.m.
Labor and Human Resources
To hold hearings on home health care reform. SD-430

JUNE 18

9:30 a.m.
Energy and Natural Resources
Energy Regulation and Conservation Subcommittee
To hold oversight hearings on the current status of and factors affecting the natural gas market. SD-366
Labor and Human Resources
To continue hearings on home health care reform. SD-430

JUNE 20

10:00 a.m.
Labor and Human Resources
Children, Family, Drugs, and Alcoholism Subcommittee
To hold hearings to examine the problem of drugs in the military. SD-430

JUNE 25

9:30 a.m.
Labor and Human Resources
To hold oversight hearings to examine certain barriers to adoption. SD-430

JULY 10

9:30 a.m.
Labor and Human Resources
To resume oversight hearings to examine certain barriers to adoption. SD-430

JULY 16

9:30 a.m.
Labor and Human Resources
To hold oversight hearings to examine U.S. relations with the International Labor Organization (ILO). SD-430

JULY 17

9:00 a.m.
Labor and Human Resources
Business meeting, to consider pending calendar business. SD-430

JULY 31

9:30 a.m.
Labor and Human Resources
To hold hearings to examine certain barriers to health care. SD-430

OCTOBER 1

11:00 a.m.
Veterans' Affairs
To hold hearings to review the legislative priorities of the American Legion. SD-106

CANCELLATION

MAY 15

9:30 a.m.
Labor and Human Resources
Business meeting, to consider the nominations of Marshall B. Babson, of Connecticut, and Wilford W. Johansen of California, each to be a member of the National Labor Relations Board. SD-430

HOUSE OF REPRESENTATIVES—*Tuesday, May 14, 1985*

The House met at 12 o'clock noon.

The Chaplain, Rev. James David Ford, D.D., offered the following prayer:

In a world of darkness, we pray, O God, for light. We pray for light to illumine all evil in our world that it might be corrected; we pray for light to shine upon the hearts of people everywhere that we will find the paths of peace; we pray for light in our deliberations that we will serve the common good; we pray for light for those less fortunate than we that mercy and justice will be the blessings for every person and the gifts of grace our heritage. In Your name, we pray. Amen.

THE JOURNAL

The SPEAKER. The Chair has examined the Journal of the last day's proceedings and announces to the House his approval thereof.

Pursuant to clause 1, rule I, the Journal stands approved.

Mr. SLAUGHTER. Mr. Speaker, pursuant to clause 1, rule I, I demand a vote on agreeing to the Speaker's approval of the Journal.

The SPEAKER. The question is on the Chair's approval of the Journal.

The question was taken; and the Speaker announced that the ayes appeared to have it.

Mr. SLAUGHTER. Mr. Speaker, I object to the vote on the ground that a quorum is not present and make the point of order that a quorum is not present.

The SPEAKER. Evidently a quorum is not present.

The Sergeant at Arms will notify absent Members.

The vote was taken by electronic device, and there were—yeas 246, nays 156, answered "present" 1, not voting 31, as follows:

[Roll No. 108]

YEAS—246

Ackerman	Boggs	Callahan
Akaka	Boland	Carper
Alexander	Boner (TN)	Carr
Anderson	Bonior (MI)	Chappell
Andrews	Bonker	Coleman (TX)
Annunzio	Borski	Collins
Anthony	Bosco	Conyers
Archer	Boucher	Cooper
Aspin	Boxer	Coyne
Atkins	Breaux	Craig
Barnard	Brooks	Crockett
Barnes	Broomfield	Daniel
Bateman	Brown (CA)	Darden
Bates	Broyhill	Daschle
Bedell	Bruce	de la Garza
Beilenson	Bryant	Dellums
Bennett	Burton (CA)	Dicks
Berman	Bustamante	Donnelly
Bevill	Byron	Dorgan (ND)
Downey	Lantos	Rose
Duncan	Leath (TX)	Rostenkowski
Dwyer	Lehman (CA)	Roukema
Dyson	Lehman (FL)	Rowland (GA)
Early	Leland	Roybal
Eckart (OH)	Levin (MI)	Rudd
Edgar	Levine (CA)	Russo
Edwards (CA)	Lipinski	Sabo
Erdreich	Lloyd	Savage
Fascell	Long	Scheuer
Fazio	Lowry (WA)	Schumer
Feighan	Luken	Sharp
Flippo	Lundine	Shelby
Florio	MacKay	Sisisky
Foglietta	Manton	Skelton
Foley	Markey	Slattery
Ford (TN)	Martinez	Smith (FL)
Fowler	Matsui	Smith (IA)
Frank	Mavroules	Smith (NE)
Frost	Mazzoli	Snowe
Fuqua	McCain	Solarz
Garcia	McCloskey	Spence
Gaydos	McCurdy	Spratt
Gejdenson	McHugh	St Germain
Gibbons	Mica	Staggers
Glickman	Michel	Stallings
Gonzalez	Mikulski	Stark
Gordon	Miller (CA)	Stokes
Gradison	Mineta	Stratton
Gray (IL)	Moakley	Studds
Gray (PA)	Mollohan	Swift
Guarini	Montgomery	Synar
Hall (OH)	Moody	Tauzin
Hall, Ralph	Moore	Thomas (GA)
Hamilton	Morrison (CT)	Torres
Hammerschmidt	Mrazek	Torricelli
Hatcher	Murtha	Towns
Hawkins	Myers	Traficant
Hayes	Natcher	Traxler
Hefner	Neal	Udall
Heftel	Nelson	Valentine
Hertel	Nichols	Vento
Hopkins	Nowak	Visclosky
Horton	Oakar	Volkmer
Howard	Obey	Walgren
Hoyer	Olin	Watkins
Hubbard	Ortiz	Waxman
Hughes	Owens	Weaver
Hutto	Panetta	Weiss
Jenkins	Pease	Wheat
Johnson	Pepper	Whitley
Jones (NC)	Perkins	Williams
Jones (OK)	Petri	Wilson
Jones (TN)	Pickle	Wirth
Kanjorski	Price	Wise
Kaptur	Rangel	Wolpe
Kastenmeier	Regula	Wortley
Kennelly	Reid	Wright
Kildee	Richardson	Wyden
Kleczka	Rinaldo	Wylie
Kolter	Robinson	Yates
Kostmayer	Rodino	Yatron
LaFalce	Roe	Young (MO)

NAYS—156

Armey	Coble	Evans (IA)
Badham	Coleman (MO)	Fawell
Bartlett	Combest	Fiedler
Barton	Conte	Fields
Bereuter	Coughlin	Fish
Bilirakis	Courter	Franklin
Bliley	Crane	Gallo
Boehlert	Dannemeyer	Gekas
Boulter	Daub	Gilman
Brown (CO)	Davis	Gingrich
Burton (IN)	Delay	Goodling
Campbell	Derrick	Green
Carney	DeWine	Gregg
Chandler	Dickinson	Grotberg
Chappie	DioGuardi	Gunderson
Cheney	Dornan (CA)	Hansen
Clay	Dreier	Hartnett
Clinger	Durbin	Hendon
Coats	Eckert (NY)	Henry
Cobey	Emerson	Hiler
Hillis	McEwen	Schuette
Hunter	McGrath	Schulze
Hyde	McKernan	Sensenbrenner
Ireland	McKinney	Shaw
Jacobs	McMillan	Shumway
Jeffords	Meyers	Shuster
Kasich	Miller (OH)	Sikorski
Kemp	Miller (WA)	Siljander
Kindness	Mitchell	Skeen
Kolbe	Molinari	Slaughter
Kramer	Monson	Smith (NH)
Lagomarsino	Moorhead	Smith (NJ)
Latta	Morrison (WA)	Smith, Denny
Leach (IA)	Murphy	Smith, Robert
Lent	Nielson	Stangeland
Lewis (CA)	Oxley	Stenholm
Lewis (FL)	Packard	Strang
Lightfoot	Parris	Stump
Livingston	Penny	Sundquist
Loeffler	Porter	Sweeney
Lott	Pursell	Swindall
Lowery (CA)	Quillen	Tauke
Lujan	Ridge	Taylor
Lungren	Ritter	Thomas (CA)
Mack	Roemer	Vucanovich
Madigan	Rogers	Walker
Marlenee	Roth	Weber
Martin (IL)	Rowland (CT)	Whitehurst
Martin (NY)	Saxton	Wolf
McCandless	Schaefer	Young (AK)
McCollum	Schneider	Young (FL)
McDade	Schroeder	Zschau

ANSWERED "PRESENT"—1

Dymally

NOT VOTING—31

Addabbo	Evans (IL)	Ray
Applegate	Ford (MI)	Roberts
AuCoin	Frenzel	Seiberling
Bentley	Gephardt	Snyder
Biaggi	Hall, Sam	Solomon
Coelho	Holt	Tallon
Dingell	Huckaby	Vander Jagt
Dixon	O'Brien	Whittaker
Dowdy	Oberstar	Whitten
Edwards (OK)	Pashayan	
English	Rahall	

□ 1220

So the Journal was approved.

The result of the vote was announced as above recorded.

APPOINTMENT AS ADDITIONAL MEMBER OF TECHNOLOGY ASSESSMENT BOARD

The SPEAKER. Pursuant to the provisions of section 4(a), Public Law 92-484, the Chair appoints the gentleman from Tennessee [Mr. SUNDQUIST] as an additional member of the Technology Assessment Board.

APPOINTMENT AS MEMBERS OF COMMISSION ON THE UKRAINE FAMINE

The SPEAKER. Pursuant to section 136, Public Law 98-473, the Chair appoints as members of the Commission on the Ukraine Famine the following minority members on the part of the House:

Mr. BROOMFIELD of Michigan, and Mr. GILMAN of New York.

□ This symbol represents the time of day during the House proceedings, e.g., □ 1407 is 2:07 p.m.

● This "bullet" symbol identifies statements or insertions which are not spoken by the Member on the floor.

APPOINTMENT AS ADDITIONAL MEMBER OF COMMISSION ON SECURITY AND COOPERATION IN EUROPE

The SPEAKER. Pursuant to the provisions of section 3, Public Law 94-304, as amended by section 1, Public Law 99-7, the Chair appoints the gentleman from New Jersey [Mr. SMITH] as an additional member of the Commission on Security and Cooperation in Europe.

PERMISSION FOR COMMITTEE ON ARMED SERVICES TO HAVE UNTIL MIDNIGHT, WEDNESDAY, MAY 15, 1985, TO FILE REPORT ON H.R. 1409

Mr. PRICE. Mr. Speaker, I ask unanimous consent that the Committee on Armed Services have until midnight, Wednesday, May 15, 1985, to file a report on H.R. 1409, the fiscal year 1986 military construction bill.

The SPEAKER. Is there objection to the request of the gentleman from Illinois?

There was no objection.

PERMISSION FOR COMMITTEE ON ARMED SERVICES TO SIT TODAY DURING 5-MINUTE RULE

Mr. PRICE. Mr. Speaker, I ask unanimous consent that the Committee on Armed Services be allowed to sit today during any proceedings under the 5-minute rule.

The SPEAKER. Is there objection to the request of the gentleman from Illinois?

There was no objection.

PRESIDENT URGED TO APPOINT BOARD MEMBERS OF U.S. INSTITUTE OF PEACE

(Mr. GLICKMAN asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. GLICKMAN. Mr. Speaker, last year this Congress, with bipartisan help, authorized and appropriated funds for a new institution to promote the study of nonviolent conflict resolution, the U.S. Institute of Peace. By April 20, 1985, the President, who is to appoint the members of the Board, was to have submitted his names to the Senate for confirmation. He has not done so and is in technical violation of the law.

I would urge my colleagues to sign the "Dear Colleague" letter I am circulating through Friday which urges the President to comply with the law and submit his appointments forthwith. Over half this fiscal year is over, and this Institute, with a 2-year duration, has not even begun its activities. I urge my colleagues to sign my letter to the President so that the Institute of Peace can become a reality.

AGRICULTURAL TRADE ENHANCEMENT ACT OF 1985

(Mrs. SMITH of Nebraska asked and was given permission to address the House for 1 minute and to revise and extend her remarks.)

Mrs. SMITH of Nebraska. Mr. Speaker, today I am introducing the Agricultural Trade Enhancement Act of 1985.

In light of the European Economic Community's intransigence in recent discussions with President Reagan and their reluctance to conduct fair trade of agricultural commodities, it is necessary for the United States to take positive action both to initiate new multilateral trade negotiations and to develop new agricultural export programs. These measures must include export commodity bonus and intermediate export credit programs in order to both increase our farm exports and bring the Europeans to the negotiating table to discuss freer trade of agricultural products.

My bill addresses both of these key areas, calling for a new round of trade talks and authorizing these major new export promotion programs.

Also under this act, an Agricultural Trade Committee would be formed to identify unfair trade practices and recommend, within 6 months of the bill's enactment, concrete ways to eliminate or mitigate such practices.

This country cannot sit by while our export market share continues to dwindle. An estimated 1.1 million full-time jobs are related to the production, processing, and transportation of U.S. agricultural exports. Moreover, the overall U.S. trade deficit is expected to reach $140 billion this year. Farm exports, on the other hand, contributed a positive $112 billion to the balance of trade over the last 5 years.

Decisive action is needed now to challenge the forces that are steadily eroding our market share. By using our surplus commodities to move our grain overseas, we will bring the Europeans to the bargaining table to discuss freer trade for U.S. agricultural products. I urge my colleagues to join in cosponsoring this measure.

THE FEDERAL DEFICIT

(Mr. McKINNEY asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. McKINNEY. Mr. Speaker, today, 13 cents of every Federal dollar is used for debt service. That is over $360 million a day. If spending continues at this rate, just 4 years later, it will take one-fifth of every Federal tax dollar to in fact pay for the deficit.

This is no reason to use the deficit problems as a crutch or an excuse to destroy the Federal Government. I would advise all of my friends to take a very careful look at the 92d group budget which treats the entire spectrum of Federal spending fairly, which does not use the Federal deficit as an excuse to eliminate the Government itself, and I think it deserves every Member's fair attention.

THE ECONOMIC EQUITY ACT

(Mr. MINETA asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. MINETA. Mr. Speaker, I rise to speak in strong support of H.R. 2472, the 1985 Economic Equity Act. I am proud to be an original cosponsor of this most important and historic legislation that will help ensure economic equity to all women.

The act embodies the conviction that discriminating against individuals because of their sex is just as unacceptable and inequitable as discriminating on the basis of color, ethnic heritage, or religious beliefs.

In the last Congress, we were successful in enacting five provisions of the 1983 Economic Equity Act. This legislation has provided a beachhead in the fight for economic equity for women. H.R. 2472 seeks to extend this process and provide true equity for all. I look forward to working with my colleagues for passage of this important legislation, the Economic Equity Act.

AN ABUSE OF POWER

(Mr. GUNDERSON asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. GUNDERSON. Mr. Speaker, this is week No. 2.

It was 2 weeks ago that the House of Representatives completed one of the greatest abuses of power in the history of this institution. In considering the disputed election in Indiana's Eighth District, we chose to throw out Indiana State law. We chose to set up our own rules for counting. And then, on a 2-to-1 partisan basis, handled those most controversial decisions of which ballots to count and not to count. Yes, one could say that only when enough ballots were counted to give Mr. McCLOSKEY the victory did we stop counting. And as we all know, the Evansville Courier has since reported that had we counted the other absentee ballots, Mr. McIntyre would have won.

The purpose of this 1 minute and those that will follow each week is not to pick on Mr. McCLOSKEY. No. I just don't want this House, or the American public to forget the wrong we did. Justice was denied to Mr. McIntyre and the people of Indiana's Eighth District. Let us not forget.

INTRODUCTION OF THE ECONOMIC EQUITY ACT OF 1985

(Mrs. SCHROEDER asked and was given permission to address the House for 1 minute and to revise and extend her remarks.)

Mrs. SCHROEDER. Mr. Speaker, I am proud to announce the introduction of the Economic Equity Act of 1985. As cochairs of the congressional caucus for women's issues, I and Representative OLYMPIA SNOWE introduced the bill yesterday with 79 original cosponsors.

The economic role of women in American society is changing. Our public policy does not reflect this. It is geared toward the Norman Rockwell myth, not the 1980's reality. The Economic Equity Act tries to bring public policy in line with American women.

The Economic Equity Act of 1985 strikes a balance on many levels. It balances the needs of older women and younger women, wage earners and homemakers. It serves single heads of household as well as businesswomen. Women from all walks of life can look at the Equity Act for means to improve their economic condition.

THE BIRD OF STATE HAS RUFFLED FEATHERS

□ 1230

(Mr. BROOMFIELD asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. BROOMFIELD. Mr. Speaker, I am amazed that the Department of State is upset with my amendment to the State Department authorization bill. As my colleagues remember, I suggested that if the Soviets leadership did not apologize for the killing of Major Nicholson, the Soviet Ambassador should be asked to leave our country.

While I fully respect the finer points of diplomacy, I also know when enough is enough. You don't have to be a diplomat to know when you are having the wool pulled over your eyes. The Soviets took the life of Major Nicholson and have never formally apologized for that tragic and senseless murder. Our Government must do something to show our displeasure with the brutality of this act of the Kremlin.

I realize that the State Department's approach is different from mine. I assume that they would prefer to show our displeasure with Soviet actions by giving Ambassador Dobrynin one less cookie at the next diplomatic reception.

I don't believe in the State Department's policy of turning the other cheek in response to a Soviet act of brutality. History has shown that in dealing with the Russian bear, those who turned their cheek often lost their heads.

PERMISSION FOR SUBCOMMITTEE ON INVESTIGATIONS AND OVERSIGHT OF THE COMMITTEE ON PUBLIC WORKS AND TRANSPORTATION TO SIT TODAY AND TOMORROW DURING THE 5-MINUTE RULE

Mr. GRAY of Illinois. Mr. Speaker, I ask unanimous consent that the Subcommittee on Investigations and Oversight of the Committee on Public Works and Transportation be permitted to sit during the 5-minute rule in the House on Tuesday, May 14, 1985, and Wednesday, May 15, 1985.

The SPEAKER pro tempore (Mr. KILDEE). Is there objection to the request of the gentleman from Illinois?

There was no objection.

PERMISSION FOR COMMITTEE ON PUBLIC WORKS AND TRANSPORTATION TO SIT TOMORROW DURING 5-MINUTE RULE

Mr. GRAY of Illinois. Mr. Speaker, I ask unanimous consent that the Committee on Public Works and Transportation be permitted to sit during the 5-minute rule in the House on Wednesday, May 15, 1985.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Illinois?

There was no objection.

PERMISSION FOR SUBCOMMITTEE ON SURFACE TRANSPORTATION OF THE COMMITTEE ON PUBLIC WORKS AND TRANSPORTATION TO SIT TOMORROW, MAY 15, 1985, AND THURSDAY, MAY 16, 1985, DURING 5-MINUTE RULE

Mr. GRAY of Illinois. Mr. Speaker, I ask unanimous consent that the Subcommittee on Surface Transportation of the Committee on Public Works and Transportation be permitted to sit during the 5-minute rule in the House on Wednesday, May 15, 1985, and Thursday, May 16, 1985.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Illinois?

There was no objection.

ECONOMIC EQUITY

(Mrs. KENNELLY asked and was given permission to address the House for 1 minute and to revise and extend her remarks.)

Mrs. KENNELLY. Mr. Speaker, the 1985 Economic Equity Act was introduced yesterday. With the strides we made in the last session toward economic equity for women, I'm sure some Members are asking themselves—why this bill? That's a fair question and it deserves a fair answer:

Because, when the tax system discriminates against famale-headed households although they have five times the poverty rate of married couples, a fair answer is tax reform.

Because, when more than half the women with preschool children are employed a fair answer is dependable, responsible day care.

Because, when the work patterns of women are different than those of men, a fair answer is a pension system that doesn't discriminate against those differences.

Because, when many women college graduates make about the same as men who have not finished high school, and when women high school graduates earn less than men who have completed the eighth grade, a fair answer is pay equity.

Mr. Speaker, the economic needs of America's women deserve a fair answer. This bill will give them just that.

LEGISLATION FOR REAPPORTIONMENT OF CONGRESSIONAL TERMS OF SERVICE

(Mr. DURBIN asked and was given permission to address the House for 1 minute.)

Mr. DURBIN. Mr. Speaker, it has been 80 years since the House of Representatives voted on a resolution addressing a change in the length of terms for Members of Congress. I will soon be introducing a resolution for a constitutional amendment, calling on Members of Congress to be elected to one 2-year term and two 4-year terms in every 10-year period following reapportionment.

In a recent survey, more than 60 percent of my colleagues who responded expressed their support for this concept. In town meetings across my district, the support for this approach has been consistent and overwhelming. I believe extending congressional terms makes sense for four reasons.

First, it will reduce the number of political campaigns, providing our voters with a welcome respite from our engaging rhetoric.

Second, it will help to stem the uncontrollable spiral in the cost of campaigning.

Third, it will at least partially liberate Members from a constant preoccupation with fund raising and campaigning, and will give Congress a greater opportunity to govern.

Fourth, the original rationale in 1789 for 2-year terms was to force Members to keep in touch with their districts. With today's modern communications and the realization that a Member who forgets his district will soon lose his seat, this rationale does not fit the modern challenges facing Congress.

I urge my colleagues to join me in cosponsoring this timely and necessary congressional reform.

THE DEINDUSTRIALIZATION OF AMERICA

(Mr. MOLLOHAN asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. MOLLOHAN. Mr. Speaker, on the subject of international trade, it is time for the President to replace rhetoric with action.

For the last 4 years the President has labeled as "protectionists" those of us in Congress working for a reform of our outdated trade laws. He has told us to let the administration solve our trade difficulties.

Mr. Speaker, let's look at the success of the administration's trade program. Last week he returned from an economic summit in which he failed to initiate another round of trade talks that might ease our situation, and he returned to a Congress tired of empty promises. Other recent stories in the news:

Steel imports rose to 27 percent of our domestic market in the first 3 months of this year. The President's import restraint negotiations were supposed to limit this figure to about 20 percent.

Coal imports more than doubled from 1982 to 1983 and, barring corrective action, will be more than 10 times last year's level by 1990.

And, finally, today's Washington Post reports that April was a banner month—for the Japanese, who posted a record trade surplus of $3.46 billion with the United States. April was a good month for the Japanese largely because the President declined to renegotiate limits on Japanese automobile imports.

Mr. Speaker, I don't want to pick on the Japanese. They are guilty of nothing more than being the most adept at exploiting the President's trade program, which seems to have as its goal the deindustrialization of America.

BOUNDARY EXTENSION OF THE UINTA NATIONAL FOREST

(Mr. NIELSON of Utah asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. NIELSON of Utah. Mr. Speaker, I am introducing legislation that would modify the boundary of the Uinta National Forest in the State of Utah. This will provide for more efficient management of certain lands which are part of the Bonneville unit of the Central Utah project. The Central Utah project has been managed by the Bureau of Reclamation. It provides enhanced recreational opportunities which can best be managed by the U.S. Forest Service.

In these times of fiscal restraint it is imperative to find the most efficient means of utilizing our resources. Both the Bureau of Reclamation and the U.S. Forest Service agree that the Forest Service is best equipped to manage these lands for recreational purposes.

This boundary extension does not involve the purchasing of any private or State lands. It is simply a transfer of land from the Bureau of Reclamation to the U.S. Forest Service and the extension is necessary to enable the Forest Service to better manage the resources of the area and possibly facilitate future exchanges. The United States Forest Service plans to expand the fishing, boating, and camping opportunities available to the public and more fully utilize the recreational resources provided by this portion of the Bonneville unit of the Central Utah project.

The U.S. Forest Service is currently managing this land under a memorandum of understanding with the Bureau of Reclamation, contract No. 2-07-40-L3016. Under this agreement the Bureau of Reclamation has agreed to transfer funds to the U.S. Forest Service to cover the cost of management through fiscal year 1989. This legislation would permit this agreement to remain in effect and would facilitate better management of such lands under this agreement and within this act.

I wholeheartedly support this legislation and commend these two agencies for assisting in an attempt to provide expanded benefits to the taxpaying public in a more efficient, cost-saving manner.

□ 1240

CONGRATULATIONS TO NEWLY CROWNED MISS U.S.A., LAURA ELENA MARTINEZ HERRING

(Mr. COLEMAN of Texas asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. COLEMAN of Texas. Mr. Speaker, my speech this morning cuts across all partisan lines. It is a subject on which all of us can agree. It gives me great pleasure to congratulate the newly crowned Miss U.S.A., Laura Elena Martinez Herring, of El Paso, TX. Laura was selected as Miss El Paso in 1983 and went on to be chosen Miss Texas-U.S.A. in 1984.

Last night, Laura was successful once again as she captured not only the title of Miss U.S.A., but the hearts of all Americans as well.

Laura Elena Martinez Herring is the first Hispanic and naturalized citizen to wear the Miss U.S.A. crown. Originally born in Los Moches, Sinola, Mexico, before becoming an American citizen, Laura's selection last evening exemplifies the validity of the American dream come true. As she so aptly stated to the assembled news media last night, "the people of the United States have no limitation." When asked why she was proud to be an American, Laura responded, "because this is the land of freedom." Members, I suggest that says it all.

As a native El Pasoan, I see Laura's achievement as conferring a tremendous sense of pride and distinction on the city of El Paso and the State of Texas. Just as important, though, Laura's victory last night is a symbolic bridge which further strengthens the cultural bonds between the United States and Mexico. Today, the people of El Paso and Texas happily join with all Americans in being proudly represented by Laura at the Miss Universe pageant.

So that this body might express its true appreciation to Laura for the distinction she has brought to this Nation, I will be introducing legislation to express the sense of the House congratulating Laura on her selection as Miss U.S.A. I encourage my colleagues to join with me in this endeavor.

ECONOMIC EQUITY ACT

(Ms. SNOWE asked and was given permission to address the House for 1 minute and to revise and extend her remarks.)

Ms. SNOWE. Mr. Speaker, I am pleased to join the cochair of the congressional caucus on women's issues, the Congresswoman from Colorado [Mrs. SCHROEDER] and my other colleagues in the caucus as well in announcing the reintroduction of the Economic Equity Act. Since 1981, the Economic Equity Act has served as the primary vehicle for the consideration of legislation to guarantee economic fairness to women.

The package we have introduced this year represents a comprehensive, forward-looking approach to improving the economic health and well-being of American women and families. The five titles of this legislation—retirement security, dependent care, insurance, employment, and tax policy—provide a balance of short- and long-term strategies that touch the lives of virtually every woman in this country.

The Equity Act has established a proven track record over the past 4 years, which includes the enactment of legislation to reform the private pension system and strengthen child support enforcement laws. The two new titles on employment and tax policy included this year represent key areas of economic concern to women.

This Congress is again faced with a challenge of fairness to American women, and indeed, this legislation represents a step in that direction. I urge my colleagues to support this legislation.

GO AFTER THE CORPORATE CULPRITS

(Mr. ROBINSON asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. ROBINSON. Mr. Speaker, I rise in strong opposition today to the various proposals that are being bandied around in this House in reference to either eliminating or cutting the COLA's in our Social Security System.

Let me remind each of my colleagues that our senior citizens are not balls to be batted around at will in this House. The Social Security System is not a welfare system. Our senior citizens and our workers today have paid dearly through payroll taxes to be guaranteed a way of living once they retire.

I know my colleagues are well intended when they talk about the fact that we must do this to reduce the deficit. The truth of the matter is, if we really want to do something constructive, let us put a minimum corporate tax on our large corporations in this country. If we put a minimum 15 percent tax, the 65 largest corporations in this country would pay $10.2 billion into the Treasury.

Leave our senior citizens alone and start picking on the real culprits, the corporate people in this country.

TO CUT THE DEFICIT: LET'S FREEZE ALL SPENDING

(Mr. PORTER asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. PORTER. Mr. Speaker, these huge budget deficits are fiscal child abuse. We must cut them, sharply and quickly.

The best way to do this is a total freeze as my colleague from Minnesota, Congressman TIM PENNY, and I proposed today. A freeze on every program. On your favorite program. On my favorite program. We must also cut or eliminate programs that make no economic sense—or that are simply not important enough to the American people to warrant more deficit spending.

I hear support for a freeze every day, from defenders of all kinds of spending programs. The president of the National League of Cities recently said he would oppose cuts for the cities if the revenues saved went to the Pentagon. Otherwise, he would support these cuts.

"We are prepared to contribute an honest effort," he said. "But we want to make sure that every dollar cut from the cities is used for one—and only one—purpose: To cut the deficit."

I applaud the National League of Cities for this position. This shows how an across-the-board freeze, combined with sensible and fair budget cuts, can bring these deficits down.

FREEDOM FROM FAMINE

(Mr. HILLIS asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. HILLIS. Mr. Speaker, I want to share with you and this House of Representatives a beautiful story about a group of young people from Wabash, IN, who cared enough to make a difference. Theirs is a story of compassion, hard work, and sacrifice. It is the story of a group of young people who knew tears were not enough. And the story ends happily with the sights and sounds of happy children as they gather eagerly around a meal given to them by the young people of Wabash High School, Wabash, IN.

In the last several weeks, four high schools in the Fifth District of Indiana participated in my "Freedom From Famine" drive for the starving millions in sub-Sahara Africa. The 580 students of Wabash High School led the way, contributing $2,362.50 of the $3,932.88 collected.

Under the direction of Miss Katherine Geible, the French Club and student council cosponsored the Wabash efforts. Students used a variety of fundraising techniques including a penny pitch at the final home basketball game, daily classroom collections and school organization donations. In addition, the students involved the Wabash community by placing collection jars in businesses all over town.

Interaction, the charitable organization which will turn the $3,932.88 into live-sustaining food, estimates the efforts of Wabash, Kokomo, Taylor, and Hebron high schools will feed 2,420 people in starving African countries for an entire month.

My congratulations and heartfelt thanks to everyone who participated and helped to save a starving people.

SOCIAL SECURITY IS SELF-SUPPORTING RETIREMENT SYSTEM

(Mr. BRYANT asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. BRYANT. Mr. Speaker, in the Democratic caucus this morning, we discussed the proposals of the Republican majority in the other body to cut Social Security by changing the cost-of-living adjustment schedule.

Those who defend Social Security, as well as those who want to change it, focus in these types of debates almost entirely on the current generation of elderly Americans who are recipients of Social Security checks. I rise, however, to make the point that Social Security is not just a program for the elderly, for the current generation of elderly Americans. It is a permanent retirement system for all Americans, for all generations, young and old. It is not welfare.

It is a retirement system that is supported by a system of payroll deductions and it is, therefore, self-supporting and it is not contributing to the budget deficit.

I think it is very important to make the point this morning that proposals to cut Social Security by amending the cost-of-living schedule so very far toward undercutting the fundamental conceptual foundation of the Social Security system, which is that Social Security is a self-supporting retirement system for all generations of Americans, no matter where they are situated on the economic spectrum, young as well as old.

□ 1250

UNDERWORLD MAY LOSE ITS FAVORITE MEDIUM OF EXCHANGE—THE $100 BILL

(Mr. SCHULZE asked and was given permission to address the House for 1 minute.)

Mr. SCHULZE. Mr. Speaker, today, billions of dollars are involved in drug trafficking. One need only scan the front page of any newspaper to realize the phenomenal cash amounts involved. The figures are staggering. The illicit trafficking of drugs is estimated to be near $110 billion and the most common medium of exchange is the $100 bill.

In view of the underworld's reliance on the $100 bill, and the difficulty law enforcement agencies are having in containing the drug business, I am today introducing legislation which directs the Secretary of the Treasury, in consultation with the Federal Reserve Board, to retire all U.S. $100 notes, and further directs the Treasury to determine when these notes would cease to be legal tender.

This legislation is intended to immediately disrupt the dealings and money laundering tactics of drug traffickers. The violence and the phenomenally large amounts of cash involved in the illicit drug trade require that immediate measures be taken.

I urge your support of this measure.

OCS FUNDS COULD BE USED TO REDUCE DEFICIT

(Mr. BREAUX asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. BREAUX. Mr. Speaker, for all of my colleagues who have been wrestling with the very difficult problem of trying to find nickels and dimes in order to reduce our Federal deficit by a goal of some $50 billion or so, I would like to point out that there

exists right now here in Washington in an escrow account somewhere between $6 billion and $7 billion just sitting idly by. This money, which has accumulated since 1978 out of OCS oil and gas revenues, is not being used to reduce the deficit, nor is it being used to pay for new or existing programs, nor is it being used by any of our coastal States.

The simple problem is that because the Federal Government and the States have not been able to agree on what is a fair and equitable division of those funds, no one is getting them. I have offered legislation, H.R. 641, which would define "fair and equitable" to mean a 50-50 division of those sums, $6 billion or $7 billion, between the Federal Government and the coastal States.

Mr. Speaker, I think we should take this $3 billion to $3.5 billion out of Dave Stockman's shoe box and use it to reduce the deficit.

AN ALTERNATIVE BLUEPRINT FOR SPENDING REDUCTIONS

(Mr. RIDGE asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. RIDGE. Mr. Speaker, we have finally accepted our responsibility to bring Government spending under control and to reduce the enormous deficit which burdens present and future taxpayers. It is natural and understandable that special groups, constituencies for interests generally condemn the deficit but specifically plea for preservation of individual programs. This approach was uniquely explained by an older gentleman I recently met at a town meeting. He claimed most everyone was interested in going to heaven, but no one was particularly interested in dying to get there.

Any blueprint for a meaningful spending reduction must be fair and balanced and that's exactly the kind of budget alternative offered by the 92 group. I would like to commend this alternative to my colleagues. The budget plan, offers a $51 billion deficit reduction in fiscal year 1986, and a reduction plan of nearly $275 billion over the next 3 years. The blueprint for balance begins with a comprehensive freeze, including defense, and then distributes reductions among 75 programs. These reductions were needed without tax increases, and which preserving the cost-of-living adjustment for Social Security recipients. I encourage my colleagues to support this approach.

DOUBLING THE PERSONAL EXEMPTION—TAX FAIRNESS FOR FAMILIES

(Mr. COATS asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. COATS. Mr. Speaker, I would like to bring to the attention of my colleagues a very interesting development in the tax reform debate. Last Friday, a coalition of liberal and conservative organizations sent a letter to Treasury Secretary James Baker asking for an end to tax discrimination against families.

The more than 30 signers of this letter included Ralph Nader's Public Citizen, Paul Weyrich's National Pro-Family Coalition, Gov. Richard Lamm, who is chairman of the National Governor's Association Tax Policy Committee, and Phyllis Schlaffly's Eagle Forum.

Specifically, the letter requested that the revised Treasury proposal retain certain provisions of the original Treasury plan which directly affect families. The letter expressed particular concern that the revised Treasury proposal retain the doubled personal exemption.

Mr. Speaker, I am very much encouraged by this development. Until this moment, I would not have thought there was any issue on which you could get these groups to sit down to a table together. But here they are together requesting of Secretary Baker, in their words, that the family provisions of Treasury I "not be sacrificed for the sake of preserving loopholes and preferences for businesses and corporations."

Not long ago, I introduced H.R. 1551, the Tax Fairness for Families Act, the purpose of which is to show solid, bipartisan support for doubling the personal exemption as a necessary part of any acceptable tax reform. And I hope that the same spirit which inspired the liberal and conservative groups to work together for the common goal of fairness to families will also inspire Members of this body to do likewise and become cosponsors of H.R. 1551.

I believe that Senator MOYNIHAN hit the nail on the head when he spoke recently before our Select Committee on Children, Youth, and Families, and explained why increasing the personal exemption is an issue for both Democrats and Republicans. By taxing families more equitably, he explained, "we would not so much be changing things as restoring what was once in place, remembering answers we once thought obvious."

THE ECONOMIC EQUITY ACT

(Mrs. BOGGS asked and was given permission to address the House for 1 minute and to revise and extend her remarks.)

Mrs. BOGGS. Mr. Speaker, two of the bills included in the Economic Equity Act, introduced on yesterday, would assist women business owners, the fastest growing segment of the small business sector, who deserve our support.

One clarifies the application of the Equal Credit Opportunity Act to commercial credit. Although that 1974 law applied to both consumer and business transactions, certain implementing regulations by the Federal Reserve Board often prevent women and minorities from obtaining commercial credit.

The other would establish a National Commission on Women's Small Business Ownership. This nine-member bipartisan commission would review and evaluate the status of women business owners, make recommendations to Congress to improve financing and procurement opportunities, and examine the role of the Federal Government in promoting female entrepreneurs.

Mr. Speaker, I have discussed both bills with individual women business owners and associations of women's business owners, and they feel these bills will be most effective if enacted. I urge my colleagues' support of these and the other measures contained in the Economic Equity Act.

E.F. HUTTON'S CHECK-KITING SCHEME

(Mr. HUBBARD asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. HUBBARD. Mr. Speaker, former Attorney General William French Smith and Robert Fomon, chairman of the board and chief executive officer of E.F. Hutton & Co., Inc., discussed at a luncheon last fall the Federal investigation that had been going on for over 3 years into the massive check-kiting operation run by E.F. Hutton's employees.

The U.S. Justice Department, in my opinion the most politically conscious and politically active agency of the Federal Government, allowed the well-connected E.F. Hutton to cop a guilty plea to 2,000 counts and pay $2,700,000 in fines and costs. Of course, the politically motivated Justice Department is not prosecuting any of the individuals who managed the $4.35 billion check-kiting scheme at 400 American banks.

Justice Department officials were quoted yesterday in The New York Times as saying their "plea bargain helped save America's banking system." What a joke.

Recently, the Justice Department indicted, convicted, and sent to jail a Washington, DC, woman for shoplifting four sweaters worth less than $200.

Too bad this woman didn't have friends inside the Justice Department or didn't work at a big corporation as a cash management manipulator.

□ 1300

OMINOUS REPORTS ON TRADE BALANCE

(Mr. LUKEN asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. LUKEN. Mr. Speaker, in the news in the past day or two there have been some ominous reports. I think they call for action on the part of our Federal Government.

The Japanese trade deficit has increased in April to $3.46 billion. Automobile imports from Japan are now at the rate of $2 billion, up 20 percent since last year.

On the other side of the coin, Japan says that it plans to spend $100 billion in the next 5 years for it own defense, but that is only $20 billion a year, 1 percent of its GNP.

On the contrary, the United States now spends, it is estimated, $47 billion a year to defend East Asia, that is Japan and Korea. So, we are subsidizing Japan in many ways, including the trade deficit and defense outlays.

I am suggesting that it is time we do something about it. One way would be to tax Japanese imports in order to pay for the defense of Japan. In that way we would accomplish three things. We would reduce the U.S. military subsidy of Japan. We would reduce our own deficits without taxing the American people, and we would try to preserve a few of the remaining jobs in the United States.

IN COMMEMORATION OF V-J DAY

(Mr. STRATTON asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. STRATTON. Mr. Speaker, over the past year we have been witnessing a number of ceremonies commemorating the Second World War. Last June Chairman MONTGOMERY led a delegation of Members to France to commemorate the 40th anniversary of the D-Day landing in Normandy and earlier this month the United States participated in ceremonies in Germany and in France to commemorate V-E Day, the end of the Second World War in Europe.

Unfortunately, these ceremonies were marked with a measure of controversy, although it appears they did generate renewed feelings of comradship and reconciliation.

But, Mr. Speaker, let us not forget that millions of Americans in the course of the Second World War did not serve in the European Theater, but in the Pacific Theater and the real end of World War II did not come in Europe. It came on the 2d of September of 1945 aboard the U.S.S. *Missouri*, which incidentally is now refurbished and back in service, when General MacArthur accepted the Japanese surrender in Tokyo Bay.

I believe we should pay tribute to those brave soldiers, sailors, and marines who made that final victory possible and I urge that Congress and the executive branch get together on planning a suitable ceremony for V-J Day's 40th anniversary, September 2, 1985.

PRESIDENT REAGAN'S BROKEN PROMISES

(Mr. FRANK asked and was given permission to address the House for 1 minute.)

Mr. FRANK. Mr. Speaker, I just want to talk briefly about this pending Republican proposal to deny old people the cost of living increase they are legally entitled to.

It is one thing for President Reagan to tell the American people that he thinks it is more important to give military assistance to Marcos in the Philippines than to pay a cost-of-living increase to America's elderly; but it is even worse when this President made a solemn promise as a condition of getting votes and said, "I won't reduce the Social Security cost of living," among other things, and now blatantly breaks it.

The President when it came to taxes said, "I made a promise and if you try to break that promise, I will be Clint Eastwood."

Why with his promise to keep Social Security payments going on has he become the road runner?

When politicians made promises, and the President is one of us in that regard, and solicits votes on that basis, I think a solemn commitment has been made; so the President's preference for a bloated military budget over paying the cost of living is bad enough. It is compounded and confidence in our democratic system is eroded when the President of the United States makes a specific promise to the older people of America and then for reasons of convenience breaks it.

I hope that the House will not follow the example of the Republican leadership and help the President break that promise to America's elderly.

CANADA PASSES EQUAL RIGHTS AMENDMENT

(Mr. WHEAT asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. WHEAT. Mr. Speaker, I am distressed this morning that the United States, long the leading proponent of extending human rights throughout the world, must look northward for inspiration on the matter of equal rights for women. The nation of Canada has passed an equal rights amendment.

Mr. Speaker, when I first came to this House I had the good fortune to vote on one, but unfortunately, it did not pass. Now to extend equal rights to all people in the United States, I join with my colleagues in sorrow, and in pride, and with hope in introducing the Women's Equity Act; in sorrow, because the legislation is still needed some 200 years after the ratification of the Constitution when it was made clear that all men are given the right for life, liberty, and the pursuit of happiness, a right for all men, but unfortunately, not for women; in pride that it is clear that the American people believe in the values of extending the rights to all people, and in hope, Mr. Speaker, that finally 200 years after the ratification of the Constitution these rights will be extended, not only to all men, but to our mothers, our sisters, and our daughters.

FURTHER EVIDENCE OF SANDINISTA SUPPORT FOR SALVADORAN GUERRILLAS

(Mr. LAGOMARSINO asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. LAGOMARSINO. Mr. Speaker, ever since the Sandinista regime took over the Government in Nicaragua, those of us critical of the Sandinistas have pointed to their support for the guerrillas in El Salvador as evidence of their intent to spread subversion and Marxist-Leninism in this hemisphere.

For 6 years, there has been evidence of arms going to the Salvadoran guerrillas from Nicaragua and Cuba and of the command and control for the Salvadoran guerrillas being directed from Managua. The House Intelligence Committee in May 1983 even made that finding, yet there are some in this House who continue to refuse to recognize the evidence that has been placed before them of Sandinista support for the Salvadoran guerrillas.

Now, we have further information supporting the charges against the Sandinistas. Former Salvadoran guerrilla leader Napoleon Romero, who turned himself in several weeks ago, said that the guerrillas in El Salvador receive more than 70 percent of their arms shipments from Nicaragua. He is reported to have said, "We need from 20,000 to 30,000 rounds of ammunition and some 5,000 sticks of TNT every month. All of that comes from Nicaragua." He also added: "In some cases, I know this ammunition comes in small boats that leave Chinandega [Nicaragua] and arrive in Usulutan [El Salvador]." He concluded: "Seventy percent of all our arms, shipments, and supplies come from Nicaragua, and the

rest we buy on the black market or take from fallen government troops."

FIGHTING FIRES FROM SPACE

(Mr. NELSON of Florida asked and was given permission to address the House for 1 minute and to revise and extend his remarks.

Mr. NELSON of Florida. Mr. Speaker, today I would like to talk about one of the many ancillary benefits that have resulted from this country's space program.

Earlier this year, a fierce fire raged on one of the islands in the Galapagos chain threatening some of the worlds rarest wildlife.

Due to the dense smoke and the constant presence of strong winds, firefighters were unable to contain the fire after more than 2 weeks of constant battling.

The Government of Ecuador turned to this country for help. We responded with our Landsat remote sensing satellite which was orbiting in a path 440 miles above the fire.

Despite the heavy shroud of smoke, infrared sensors on these satellites were able to pinpoint the hidden hotspots driving the fires. This information enabled firefighters to set up strategic fire breaks which ultimately brought this potentially devastating blaze under control.

It is important to recognize that we are constantly discovering new and practical ways to put our space technology to work.

I think it is equally important to point out that this lifesaving application of the Landsat remote sensing system comes at a time when the future of Landsat is extremely tenuous. This is because the system is going to be transferred to the private sector and OMB refuses to release the startup funds necessary for the period of transition from Government to market-support operation.

□ 1310

REMOVAL OF NAME OF MEMBER AS COSPONSOR OF H.R. 1552

Mr. DENNY SMITH. Mr. Speaker, I ask unanimous consent that my name be removed from the list of cosponsors of H.R. 1552.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Oregon?

There was no objection.

GEORGE MILLIGAN CONTROL TOWER

Mr. MINETA. Mr. Speaker, I ask unanimous consent that the Committee on Public Works and Transportation be discharged from further consideration of the Senate bill (S. 661) entitled the "George Milligan Control Tower," and ask for its immediate consideration in the House.

The Clerk read the title of the Senate bill.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from California?

Mr. HAMMERSCHMIDT. Mr. Speaker, reserving the right to object, I do not plan to object, but I would like to yield to the very able chairman of the Subcommittee on Aviation of the Public Works and Transportation Committee, the gentleman from California [Mr. MINETA] for his explanation of his request.

Mr. MINETA. Mr. Speaker, I thank my distinguished colleague from Arkansas for yielding.

Mr. Speaker, the bill now before us, S. 661, would designate the air traffic control tower at Medford-Jackson County Airport in Oregon as the George Milligan control tower. This is to honor George Milligan who served the people of southern Oregon for many years with a nonprofit emergency air ambulance service. Mr. Milligan was recently killed in an airplane accident while transporting a patient for emergency medical care. Naming the control tower after Mr. Milligan is a fitting tribute to this fine man.

I urge my colleagues to join me in support of this measure.

Mr. HAMMERSCHMIDT. Mr. Speaker, I rise in support of S. 661, which would designate the air traffic control tower at the Medford-Jackson County Airport in Oregon as the George Milligan control tower.

George Milligan began his career in the southern Oregon area as a towerman for the old Civil Aeronautics Administration. While there, he saw a need for an air ambulance service to provide help to the many people who lived in areas that were inaccessible or hours away from any medical center by car. Starting with little more than an idea, and with great persistence, George managed to purchase a used Cessna and began the volunteer air ambulance service known as Mercy Flights. For more than 30 years Mercy Flights delivered relief to flood victims, brought accident victims to the hospital, and moved those needing specialized medical attention to locations where they could receive it. This past February George Milligan died on one of these mercy flights.

Mr. Speaker, S. 661 is a tribute to this fine American who gave so much of himself, and eventually his life, for the sake of others. I believe this bill deserves our full support and am proud to join my colleagues on the Public Works and Transportation Committee in urging its passage.

Mr. ROBERT F. SMITH. Mr. Speaker, will the gentleman yield?

Mr. HAMMERSCHMIDT. Further reserving the right to object, I yield to my colleague, the gentleman from Oregon.

Mr. ROBERT F. SMITH. Mr. Speaker, as the House considers S. 661, legislation to rename the air traffic control tower at the Medford (Oregon)/Jackson County Airport the George Milligan control tower, I rise in support of the bill.

Since 1949, when he founded Mercy Flights, a nonprofit air ambulance and emergency air service, George Milligan risked his life transporting the sick and injured from remote locations in northern California and southern Oregon to hospitals. On February 9, 1985, George Milligan gave his life when a Mercy Flight plane suffered mechanical failure and crashed on an approach to the Medford Airport, while transporting a patient for emergency medical service. Also killed in the tragic accident were a Medford physician, a paramedic, and Marjorie Olney, the patient.

It is true the efforts of one man can make a difference. When George Milligan came to Medford in 1949 as a Civil Aeronautics Administration towerman he soon realized the need for an air ambulance to serve the needs of those living in remote, wild places inaccessible by car and lengthy distances from medical facilities. Beginning with little but enthusiasm and concern for his fellow man, George created Mercy Flights to serve this need. We will never know how many lives George Milligan saved but he is missed by those he served and by his community. I know I miss George terribly.

In our own inadequate and unsatisfying way, we rename the control tower of the Medford/Jackson County Airport in George's memory. While it is fitting for us to do this, our act pales in comparison to the selfless dedication George demonstrated to his fellow man in time of need. Let the control tower be a constant reminder that we must strive to carry on the task so nobly advanced by George Milligan and his Mercy Flights.

● Mr. SNYDER. Mr. Speaker, I rise in support of S. 661 to designate the air traffic control tower at the Medford-Jackson County, OR, Airport as the George Milligan control tower.

Although I never had the pleasure of meeting George Milligan before his untimely death in February of this year, I have read with great interest and admiration of his contributions to the people of southern Oregon.

George Milligan was the founder of and driving forces behind Mercy Flights, a nonprofit air ambulance and emergency air service which through the years flew thousands of flights, transporting sick and injured patients to medical care facilities in the Northwest. Many of these flights were conducted under extremely adverse weather conditions, which combined with the hazardous terrain in the region, often made access by air a very

dangerous proposition. Nevertheless, George Milligan was determined to save lives in spite of the great personal risks, a goal he realized on countless occasions.

Tragically, George Milligan was killed when his aircraft suffered mechanical failure and crashed while on approach to the Medford-Jackson County Airport earlier this year. When he died, George Milligan was transporting a patient for emergency medical service as he had done so many times before.

Therefore, Mr. Speaker, I think it would be a fitting tribute to this great man that we designate the Medford, OR, tower as the George Milligan control tower.

For the foregoing reasons, I urge my colleagues to support S. 661.●

● Mr. HOWARD. Mr. Speaker, I rise in support of this legislation to name the air traffic control tower at Medford-Jackson County Airport after a true public servant, Mr. George Milligan. Mr. Milligan's emergency air ambulance service saved many lives and was an important facet of health care to the citizens of southern Oregon.

Mr. Speaker, this bill passed the Senate last month without objection. I urge my colleagues to adopt this measure to honor Mr. Milligan's selfless service to his fellow citizens.●

Mr. HAMMERSCHMIDT. Mr. Speaker, I withdraw my reservation of objection.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from California?

There was no objection.

The Clerk read the Senate bill, as follows:

S. 661

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the air traffic control tower at the Medford-Jackson County Airport is designated and shall hereafter be known as the "George Milligan Control Tower". Any reference in a law, map, regulation, document, or other paper of the United States to such control tower shall be held and considered to refer to the "George Milligan Control Tower".

The Senate bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

GENERAL LEAVE

Mr. MINETA. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on the Senate bill just passed.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from California?

There was no objection.

ANNOUNCEMENT BY THE SPEAKER PRO TEMPORE

The SPEAKER pro tempore. Pursuant to the provisions of clause 5 of rule I, the Chair announces that he will postpone further proceedings today on the motion to suspend the rules if a recorded vote or the yeas and nays are ordered, or if the vote is objected to under clause 4 of rule XV.

Such rollcall vote, if postponed, will be taken after 3 p.m. today.

SOCIAL SECURITY MINOR AND TECHNICAL CHANGES ACT OF 1985

Mr. ROSTENKOWSKI. Mr. Speaker, I move to suspend the rules and pass the bill (H.R. 2005) to amend title II of the Social Security Act and related provisions of law to make minor improvement and necessary technical changes, as amended.

The Clerk read as follows:

H.R. 2005

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the "Social Security Minor and Technical Changes Act of 1985".

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SEC. 2. DEMONSTRATION PROJECTS INVOLVING THE DISABILITY INSURANCE PROGRAM.

(a) EXTENSION OF WAIVER AUTHORITY.—Section 505(a)(3) of the Social Security Disability Amendments of 1980 is amended by inserting "which is initiated before June 10, 1990" after "demonstration project under paragraph (1)".

(b) INTERIM REPORTS.—Section 505(a)(4) of such Amendments is amended to read as follows:

"(4) On or before June 9, 1985, and on or before June 9 in each of the years 1986, 1987, 1988, and 1989, the Secretary shall submit to the Congress an interim report on the progress of the experiments and demonstration projects carried out under this subsection together with any related data and materials which the Secretary may consider appropriate.".

(c) FINAL REPORT.—Section 505(c) of such Amendments is amended by striking out "under this section no later than five years after the date of the enactment of this Act" and inserting in lieu thereof "under subsection (a) no later than June 9, 1990".

(d) INCORPORATION OF CERTAIN REPORTS INTO SECRETARY'S ANNUAL REPORT TO CONGRESS.—Section 1110(b) of the Social Security Act is amended by adding at the end thereof the following new paragraph:

"(3) All reports of the Secretary with respect to projects carried out under this subsection shall be incorporated into the Secretary's annual report to the Congress required by section 704.".

SECTION 3. DISABILITY ADVISORY COUNCIL.

(a) APPOINTMENT OF COUNCIL.--Within ninety days after the date of the enactment of this Act, the Secretary of Health and Human Services shall appoint a special Disability Advisory Council.

(b) MEMBERSHIP OF COUNCIL.—The Disability Advisory Council shall consist of a Chairman and not more than twelve other persons, appointed by the Secretary without regard to the provisions of title 5, United States Code, governing appointments in the competitive service. The appointed members shall, to the extent possible, represent organizations of employers and employees in equal numbers, medical and vocational experts from the public or private sector (or from both such sectors), organizations representing disabled people, and the public. The Council shall meet as often as may be necessary for the performance of its duties under this section, but not less often than quarterly.

(c) DUTIES OF COUNCIL.—(1) The Advisory Council shall conduct studies and make recommendations with respect to the medical and vocational aspects of disability under both title II and title XVI of the Social Security Act, including studies and recommendations relating to—

(A) the effectiveness of vocational rehabilitation programs for recipients of disability insurance benefits or supplemental security income benefits;

(B) the question of using specialists for completing medical and vocational evaluations at the State agency level in the disability determination process, including the question of requiring, in cases involving impairments other than mental impairments, that the medical portion of each case review (as well as any applicable assessment of residual functional capacity) be completed by an appropriate medical specialist employed by the appropriate State agency before any determination can be made with respect to the impairment involved;

(C) alternative approaches to work evaluation in the case of applicants for benefits based on disability and recipients of such benefits undergoing reviews of their cases, including immediate referral of any such applicant or recipient to a vocational rehabilitation agency for services at the same time he or she is referred to the appropriate State agency for a disability determination;

(D) the feasibility and appropriateness of providing work evaluation stipends for ap-

plicants for and recipients of benefits based on disability in cases where extended work evaluation is needed prior to the final determination of their eligibility for such benefits or for further rehabilitation and related services;

(E) the standards, policies, and procedures which are applied or used by the Secretary of Health and Human Services with respect to work evaluations in order to determine whether such standards, policies, and procedures will provide appropriate screening criteria for work evaluation referrals in the case of applicants for and recipients of benefits based on disability; and

(F) possible criteria for assessing the probability that an applicant for or recipient of benefits based on disability will benefit from rehabilitation services, taking into consideration not only whether the individual will be able after rehabilitation to engage in substantial gainful activity but also whether rehabilitation services can reasonably be expected to improve the individual's functioning so that he or she will be able to live independently or work in a sheltered environment.

(2) For purposes of this subsection, "work evaluation" includes (with respect to any individual) a determination of—

(A) such individual's skills,

(B) the work activities or types of work activity for which such individual's skills are insufficient or inadequate,

(C) the work activities or types of work activity for which such individual might potentially be trained or rehabilitated,

(D) the length of time for which such individual is capable of sustaining work (including, in the case of the mentally impaired, the ability to cope with the stress of competitive work), and

(E) any modifications which may be necessary, in work activities for which such individual might be trained or rehabilitated, in order to enable him or her to perform such activities.

(d) PROVISION OF ASSISTANCE TO COUNCIL; COMPENSATION OF MEMBERS.—(1) The Disability Advisory Council is authorized to engage such technical assistance, including actuarial services, as may be required to carry out its functions, and the Secretary of Health and Human Services shall, in addition, make available to the Council such secretarial, clerical, and other assistance and such actuarial and other pertinent data prepared by the Department of Health and Human Services as the Council may require to carry out such functions.

(2) Appointed members of the Council, while serving on business of the Council (inclusive of traveltime), shall receive compensation at rates fixed by the Secretary, but not exceeding $100 per day, and, while so serving away from their homes or regular places of business, they may be allowed travel expenses, including per diem in lieu of subsistence, as authorized by section 5703 of title 5, United States Code, for persons in the Government employed intermittently.

(e) REPORTS.—The Disability Advisory Council shall submit a report (including any interim reports the Council may have issued) of its findings and recommendations to the Secretary of Health and Human Services not later than December 31, 1986; and such report and recommendations shall thereupon be transmitted to the Congress and to the Board of Trustees of the Federal Disability Insurance Trust Fund.

(f) TERMINATION.—After the date of the transmittal to the Congress of the report required by subsection (e), the Disability Advisory Council shall cease to exist.

(g) CONFORMING AMENDMENTS.—(1) Section 706 of the Social Security Act is amended—

(A) by inserting "except as provided in subsection (e)," immediately before "the Secretary shall appoint" in subsection (a); and

(B) by adding at the end thereof the following new subsection:

"(e) No Advisory Council on Social Security shall be appointed under subsection (a) in 1985 (or in any subsequent year prior to 1989).".

(2) Section 12 of the Social Security Disability Benefits Reform Act of 1984 is repealed.

SEC. 4. TAXATION OF SOCIAL SECURITY BENEFITS RECEIVED BY CERTAIN CITIZENS OF POSSESSIONS OF THE UNITED STATES.

(a) GENERAL RULE.—Section 932 of the Internal Revenue Code of 1954 (relating to citizens of possessions of the United States) is amended by redesignating subsection (c) as subsection (d) and by inserting after subsection (b) the following new subsection:

"(c) TAXATION OF SOCIAL SECURITY BENEFITS.—If, for purposes of an income tax imposed in the possession, any social security benefit (as defined in section 86(d) received by an individual described in subsection (a) is treated in a manner equivalent to that provided by section 86, then—

"(1) such benefit shall be exempt from the tax imposed by section 871, and

"(2) no amount shall be deducted and withheld from such benefit under section 1441."

(b) CROSS REFERENCE.—Paragraph (3) of section 871(a) of such Code is amended by adding at the end thereof (after and below subparagraph (B)) the following new sentence:

"For treatment of certain citizens of possessions of the United States, see section 932(c)."

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to benefits received after December 31, 1983, in taxable years ending after such date.

SEC 5. APPLICATION OF DEPENDENCY TEST TO ADOPTED GREAT-GRANDCHILDREN FOR PURPOSES OF CHILD'S INSURANCE BENEFITS.

(a) TREATMENT OF GRANDCHILDREN AND GREAT GRANDCHILDREN ALIKE.—Section 202(d)(8)(D)(ii)(III) of the Social Security Act is amended by inserting "or greatgrandchild" after "grandchild".

(b) EFFECTIVE DATE.—The amendment made by subsection (a) shall apply with respect to benefits for which application is filed after the date of the enactment of this Act.

SEC. 6. ELIMINATION OF REQUIREMENT FOR PUBLICATION OF REVISIONS IN PRE-1979 BENEFIT TABLE.

Section 215(i)(4) of the Social Security Act is amended by striking out "the Secretary shall publish" and all that follows in the last sentence and inserting in lieu thereof the following: "the Secretary shall revise the table of benefits contained in subsection (a), as in effect in December 1978, in accordance with the requirements of paragraph (2)(D) of this subsection as then in effect, except that the requirement in such paragraph (2)(D) that the Secretary publish such revision of the table of benefits in the Federal Register shall not apply.".

SEC. 7. FAIL-SAFE FORMULA CLARIFICATION.

Section 709(b)(1) of the Social Security Act is amended to read as follows:

"(1) the balance in such Trust Fund as of the beginning of such year, including the taxes transferred under section 201(a) on the first day of such year and reduced by the outstanding amount of any loan (including interest thereon) theretofore made to such Trust Fund under section 201(l) or 1817(j), to".

SEC. 8. EXTENSION OF 15-MONTH REENTITLEMENT PERIOD TO CHILDHOOD DISABILITY BENEFICIARIES SUBSEQUENTLY ENTITLED.

(a) IN GENERAL.—Section 202(d)(6)(E) of the Social Security Act is amended by striking out "the third month following the month in which he ceases to be under such disability" and inserting in lieu thereof "the termination month (as defined in paragraph (1)(G)(i)), subject to section 223(e),".

(b) CONFORMING AMENDMENT.—Section 223(e) of such Act is amended by inserting "(d)(6)(A)(ii), (d)(6)(B)," after "(d)(1)(B)(ii),".

(c) EFFECTIVE DATE.—The amendments made by this section are effective December 1, 1980, and shall apply with respect to any individual who is under a disability (as defined in section 223(d) of the Social Security Act) on or after that date.

SEC. 9. CHARGING OF WORK DEDUCTIONS AGAINST AUXILIARY BENEFITS IN DISABILITY CASES.

(a) IN GENERAL.—(1) Section 203(a)(4) of the Social Security Act is amended by striking out "preceding" in the first sentence.

(2) Section 203(a)(6) of such Act is amended—

(A) by striking out "and (5)" and inserting in lieu thereof "(4), and (5)"; and

(B) by striking out ", whether or not" and all that follows down through "further reduced" and inserting in lieu thereof "shall be reduced".

(b) EFFECTIVE DATE.—The amendments made by subsection (a) shall apply with respect to benefits payable for months after December 1985.

SEC. 10. PERFECTING AMENDMENTS TO DISABILITY OFFSET PROVISION.

(a) IN GENERAL.—(1) Section 224(a)(2) of the Social Security Act is amended to read as follows:

"(2) such individual is entitled for such month to—

"(A) periodic benefits on account of his or her total or partial disability (whether or not permanent) under a workmen's compensation law or plan of the United States or a State, or

"(B) periodic benefits on account of his or her total or partial disability (whether or not permanent) under any other law or plan of the United States, a State, a political subdivision (as that term is used in section 218(b)(2), or an instrumentality of two or more States (as that term is used in section 218(k)), other than (i) benefits payable under title 38, United States Code, (ii) benefits payable under a program of assistance which is based on need, (iii) benefits based on service all or substantially all of which was included under an agreement entered into by a State and the Secretary under section 218, and (iv) benefits under a law or plan of the United States based on service all or part of which is employment as defined in section 210,".

(2) Section 224(a)(2) of such Act (as amended by paragraph (1) of this subsection) is further amended by striking out "all or part of which" in clause (iv) and inserting in lieu thereof "all or substantially all of which".

(b) EFFECTIVE DATES.—(1) The amendment made by subsection (a)(1) shall be effective as though it had been included or reflected in the amendment made by section

2208(a)(3) of the Omnibus Budget Reconciliation Act of 1981.

(2) The amendment made by subsection (a)(2) shall apply only with respect to monthly benefits payable on the basis of the wages and self-employment income of individuals who become disabled (within the meaning of section 223(d) of the Social Security Act) after the month in which this Act is enacted.

SEC. 11. STATE COVERAGE AGREEMENTS.

(a) MAXIMUM PERIOD OF RETROACTIVE COVERAGE.—Section 218(f)(1) of the Social Security Act is amended by striking out "is agreed to by the Secretary and the State" and inserting in lieu thereof "is mailed or delivered by other means to the Secretary".

(b) POSITIONS COMPENSATED SOLELY ON FEE BASIS.—Section 218(u)(3) of such Act is amended by striking out "is agreed to by the Secretary and the State" and inserting in lieu thereof "is mailed or delivered by other means to the Secretary".

(c) EFFECTIVE DATE.—The amendments made by this section shall apply with respect to agreements and modifications of agreements which are mailed or delivered to the Secretary of Health and Human Services (under section 218 of the Social Security Act) on or after the date of the enactment of this Act.

SEC. 12. EFFECT OF EARLY DELIVERY OF BENEFIT CHECKS.

(A) FOR OASDI PURPOSES.—Section 708 of the Social Security Act is amended by adding at the end thereof the following new subsection:

"(c) For purposes of computing the 'OASDI trust fund ratio' under section 201(l), the 'OASDI fund ratio' under section 215(i) and the 'balance ratio' under section 709(b), benefit checks delivered before the end of the month for which they are issued by reason of subsection (a) of this section shall be deemed to have been delivered on the regularly designated delivery date.".

(b) FOR INCOME TAX PURPOSES.—Section 86(d) of the Internal Revenue Code of 1954 (relating to taxation of social security and tier 1 railroad retirement benefits) is amended by adding at the end thereof the following new paragraph:

"(5) Effect of early delivery of benefit checks.—For purposes of subsection (a), in any case where section 708 of the Social Security Act causes social security benefit checks to be delivered before the end of the calendar month for which they are issued, the benefits involved shall be deemed to have been received in the succeeding calendar month.".

(c) EFFECTIVE DATE.—The amendments made by this section shall apply with respect to benefit checks issued for months ending after the date of the enactment of this Act.

SEC. 13. PRESERVATION OF BENEFIT STATUS FOR DISABLED WIDOWS AND WIDOWERS WHO LOST SSI BENEFITS BECAUSE OF 1983 CHANGES IN ACTUARIAL REDUCTION FORMULA

(a) IN GENERAL.—Section 1634 of the Social Security Act is amended—

(1) by inserting "(a)" after "SEC. 1984.", and

(2) by adding at the end the following new subsection:

"(b)(1) An eligible disabled widow or widower (described in paragraph (2)) who is entitled to a widow's or widower's insurance benefit based on a disability for any month under section 202(e) or (f) but is not eligible for benefits under this title in that month and who applies for the protection of this subsection under paragraph (3), shall be deemed for purposes of title XIX to be an individual with respect to whom benefits under this title are paid in that month if he or she—

"(A) has been continuously entitled to such widow's or widower's insurance benefits from the first month for which the increase described in paragaph (2)(C) was reflected in such benefits through the month involved, and

"(B) would be eligible for benefits under this title in the month involved if the amount of the increase described in paragraph (2)(C) in his or her widow's or widower's insurance benefits, and any subsequent cost-of-living adjustment in such benefits under section 215(i), were disregarded.

"(2) For purposes of paragraph (1), the term 'eligible disabled widow or widower' means an individual who—

"(A) was entitled to a monthly insurance benefit under title II for December 1983,

"(B) was entitled to a widow's or widower's insurance benefit based on a disability under section 202 (e) or (f) for January 1984 and with respect to whom a benefit under this title was paid in that month, and

"(C) because of the increase in the amount of his or her widow's or widower's insurance benefits which resulted from the amendments made by section 134 of the Social Security Amendments of 1983 (Public Law 98-21) (eliminating the additional reduction factor for disabled widows and widowers under age 60), was ineligible for benefits under this title in the first month in which such increase was paid to him or her (and in which a retroactive payment of such increase for prior months was not made).

"(3) This subsection shall only apply to an individual who files a written application for protection under this subsection, in such manner and form as the Secretary may prescribe, during the 12-month period beginning with the 3d month that begins after the date of the enactment of this subsection.

"(4) for purposes of this subsection, the term 'benefits under this title' includes payments of the type described in section 1616(a) or of the type described in section 212(a) of Public Law 93-66.".

(b) IDENTIFICATION OF BENEFICIARIES.—(1) As soon as possible after the date of the enactment of this Act, the Secretary of Health and Human Services shall provide each State with the names of all individuals receiving widow's or widower's insurance benefits under subsection (e) or (f) of section 202 of the Social Security Act based on a disability who might qualify for medical assistance under the plan of that State approved under title XIX of such Act by reason of the application of section 1634(b) of the Social Security Act.

(2) Each State shall—

(A) using the information so provided and any other information it may have, promptly notify all individuals who may qualify for medical assistance under its plan by reason of such section 1634(b) of their right to make application for such assistance,

(B) solicit their applications for such assistance, and

(C) make the necessary determination of such individuals' eligibility for such assistance under such section and under such title XIX.

(c) EFFECTIVE DATE.—The amendment made by subsection (a)(2) shall not have the effect of deeming an individual eligible for medical assistance for any month which begins less than two months after the date of the enactment of this Act.

SEC. 14. GENERAL EFFECTIVE DATE.

Except as otherwise specifically provided, this Act and the amendments made by this Act shall take effect on the first day of the month following the month in which this Act is enacted.

The SPEAKER pro tempore. Pursuant to the rule, a second is not required on this motion.

The gentleman from Illinois [Mr. ROSTENKOWSKI] will be recognized for 20 minutes and the gentleman from Texas [Mr. ARCHER] will be recognized for 20 minutes.

The Chair recognizes the gentleman from Illinois [Mr. ROSTENKOWSKI].

GENERAL LEAVE

Mr. ROSTENKOWSKI. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on H.R. 2005, the bill presently under consideration.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Illinois?

There was no objection.

Mr. ROSTENKOWSKI. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I rise today to present for the House's consideration H.R. 2005, the Social Security Minor and Technical Changes Act of 1985. This bill makes several needed technical changes in the Social Security Act, primarily to correct errors in the drafting of previous amendments. In addition, the bill contains an extension of the waiver authority necessary for the Social Security Administration to conduct demonstration projects on the vocational rehabilitation of disability beneficiaries. The bill also provides continued eligibility for disabled widows who were made ineligible for SSI and Medicaid benefits by an increase in their Social Security benefits in the 1983 Social Security Amendments. This bill contains no controversial or costly amendments, but simply makes necessary technical corrections to the act, as well as providing some additional relief for a very small group of disabled widows. I therefore urge my colleagues to support this legislation.

Mr. Speaker, I yield such time as he may consume to the chairman of the Subcommittee on Social Security, the gentleman from Oklahoma [Mr. JONES].

Mr. JONES of Oklahoma. Mr. Speaker, I rise in support of H.R. 2005, which was developed in my subcommittee to address certain very technical issues in the Social Security System which needed to be corrected. These corrections will eliminate unintended effects of earlier Social Security Amendments, as well as clarifying congressional intent with respect to other recent changes. This bill also provides much-needed relief for a lim-

ited group of about 4,000 disabled widows who were inadvertently made ineligible for SSI benefits and Medicaid by the 1983 Social Security Amendments. Finally, the bill insures, through extension of waiver authority for vocational rehabilitation experiments by the Social Security Administration, that the work begun in last year's 1984 disability amendments to straighten out the disability program, can continue with new research to find ways to encourage beneficiaries to return to work and productive activity if they are capable of it. This bill is noncontroversial, and has minimal cost. I urge its adoption by the House.

Mr. ROSTENKOWSKI. Mr. Speaker, I reserve the balance of my time.

Mr. ARCHER. Mr. President, I yield myself such time as I may consume.

Mr. Speaker, as a cosponsor of H.R. 2005, I wish to assure my colleagues that this bill, the Social Security Minor and Technical Changes Act of 1985 is a necessary yet thoroughly noncontroversial and unexciting piece of legislation. In part, the bill corrects certain anomalies introduced by the 1983 Social Security Amendments.

Let me cite an example. Ordinarily Social Security checks are delivered on the 3d of the month following the month for which payment is due. That means the December check is delivered on January 3. However, earlier delivery on the nearest preceding banking day is permitted when the 3d falls on Saturday, Sunday, or a holiday. In 1988, January 3 falls on Sunday, which means checks will be delivered on December 31. This timing—like the appearance of Halley's comet—occurs infrequently, but potentially is on a collision course with two provisions of the 1983 amendments. First, those beneficiaries subject to income tax on their benefits could be taxed on the basis of 13 checks in 1987 and 11 in 1988. Second, it would skew the January 1, computation of trust fund ratios, which in turn governs interfund borrowing et cetera. Consequently, in these two situations, H.R. 2005 would deem checks delivered on the third of the month.

To cite a second example, the 1983 amendments taxed benefits in one of two ways depending on a beneficary's status as resident of the United States, or nonresident alien. In implementing this provision, the Social Security Administration and the Internal Revenue Service determined that citizens of American Samoa—unlike citizens of Guam, Puerto Rico or the Virgin Islands—would be treated as aliens subject to a flat 15 percent withholding of benefits, regardless of total income. This bill would treat American Samoans in a manner similar to other citizens of possessions of the United States.

Not all of the bill's provisions are quite as "technical," but for the most part the combined impact will be a small one.

The most significant provision, and the one which costs three of the bill's estimated $4 million in fiscal 1986, would extend SSA's authority to conduct vocational rehabilitation demonstration projects to encourage disabled beneficiaries to return to work. The administration has been slow to implement the original authorization in the 1980 amendments. However, several projects are under way and it is important this authority be extended. I'm convinced—given the impact of the 1984 Disability Benefits Reform Act—that our committee must look more closely at vocational rehabilitation as an alternative to continuing disability benefits for the permanently handicapped.

In brief, Mr. Speaker, H.R. 2005 is a sound, necessary bill, which tidies up the loose ends of prior legislation. There should be nothing controversial, about its passage today.

□ 1320

Mr. ARCHER. Mr. Speaker, I yield such time as he may consume to the gentleman from Pennsylvania [Mr. WALKER].

Mr. WALKER. I thank the gentleman for yielding. This does seem like a meritorious bill, but I am a little concerned about the $4 million in outlays for fiscal year 1986.

I am trying to find out whether or not those outlays would in fact violate freeze levels under the 1985 spending levels. Is that $4 million of additional outlay over and above anything that we would have spent in 1985?

Mr. ARCHER. I am sorry, I am not sure that I can specifically answer the gentleman's question relative to the entire budget.

Mr. WALKER. Could the gentleman from Oklahoma [Mr. JONES] answer the question?

Mr. JONES of Oklahoma. Mr. Speaker, will the gentleman yield?

Mr. WALKER. I yield to the gentleman from Oklahoma.

Mr. JONES of Oklahoma. I thank the gentleman. I am not sure I caught the full thrust of his question, but I believe that it had to do with a waiver being required.

Mr. WALKER. No, it had to do with the freeze. We have had a series of votes out here where the House has proclaimed its undying allegiance to the concept of an outlay freeze in 1986. Now I see a bill before us that has $4 million in additional outlays in 1986 supposedly.

What I am asking is, is that $4 million over and above 1985 appropriated or outlay levels?

Mr. JONES of Oklahoma. Well, if the gentleman will yield, most of this would be a continuation of the demonstration project for vocational rehabilitation to allow beneficiaries to get back into the workplace sooner.

Most of that is budget authority and there is not necessarily any outlays that will happen. That will come from the Social Security trust fund as part of the administrative budget of the Secretary of HHS. So it really would not be affected in the budget freeze.

Mr. WALKER. Well, if the gentleman will yield further, I understand that the money comes from the trust fund. However, the trust fund is a part of our overall budget and you cannot separate out the fact that the unified budget includes the trust fund expenditures of Social Security. What I am trying to find out is whether or not this is additional money that is going to be spent over and above 1985 outlays and, therefore, is in violation of the freeze.

Mr. ARCHER. Mr. Speaker, will the gentleman yield to me?

Mr. WALKER. I yield to the gentleman from Texas.

Mr. ARCHER. Well, for a response to the gentleman's question, since these are trust funds and since they come out of the program which varies throughout the year, there has never been suggested a freeze on overall Social Security spending which is impossible to determine, particularly in the disability area, a year in advance.

There is no way that there can be with certainty a figure as to what moneys will be spent in the year 1986 on disability.

Mr. WALKER. Well, am I now understanding that therefore any of this talk that we have had out here on the floor about a freeze exempts, by nature, all trust funds and all Social Security programs, is that now the understanding that we have now exempted about $350 billion of the budget from this freeze thing that is running out here on the floor?

Mr. JONES of Oklahoma. Mr. Speaker, will the gentleman yield to me?

Mr. WALKER. I will be glad to yield to the gentleman from Oklahoma.

Mr. JONES of Oklahoma. I thank the gentleman for yielding.

Mr. Speaker, first of all, I think we need to put this in perspective. We are talking about $4 million out of $969 billion. But this is part of the Secretary's administrative budget. At the time the HHS appropriation comes forward, if you want to freeze the administrative budget, this would fit into that without any problem whatsoever.

Mr. WALKER. But we have not maintained that philosophy when it has come to authorizing other programs. We have had authorization bills out here on all kinds of programs NSF, NASA, a whole bunch of programs where we have voted to freeze authorization levels at 1985 appropriation levels. We have done that and we

have done it with great glee out here, and we have all taken this strong advocacy position.

What I am trying to find out is, we have a new authorization here before us, from everything I can tell, and it appears to be authorizing $4 million in additional outlays for 1986. I am trying to find out whether or not this is $4 million of add-on spending or whether or not it is $4 million that would be covered under the 1985 appropriation and outlay levels.

Mr. JONES of Oklahoma. Will the gentleman yield to me?

Mr. WALKER. I will be glad to yield to the gentleman from Oklahoma.

Mr. JONES of Oklahoma. I thank the gentleman for yielding.

I will be more than happy to join the gentleman in freezing the Secretary's administrative budget. It is not appropriate at this point. This will clearly fit into a freeze, however, if that answers the gentleman's question.

Mr. WALKER. Well, if I have the assurance of the gentleman that this money would certainly fit into a 1985 freeze context, then that alleviates my problem.

Mr. JONES of Oklahoma. This clearly can be accommodated in a freeze concept.

Mr. WALKER. I thank the gentleman.

Mr. Speaker, I thank the gentleman from Texas [Mr. ARCHER] for yielding.

Mr. ARCHER. Mr. Speaker, I have no further requests for time, and I yield back the balance of my time.

Mr. ROSTENKOWSKI. Mr. Speaker, I yield myself such time as I may consume.

Passage of this Social Security technical corrections bill marks a significant occasion for a member of the staff of the Committee on Ways and Means, Erv Hytner.

Mr. Speaker, it appears that this will be the last in a long series of legislative acts concerning the Medicare and Social Security Programs in which Erv has played a major role.

When I became chairman of the Ways and Means Subcommittee on Health, Erv Hytner was a senior member of the subcommittee staff. He played a major role in the development of the Medicare legislation enacted during my tenure as the Health Subcommittee chairman. He later transferred to the Subcommittee on Social Security where he has done an outstanding job as the subcommittee staff director. No one spent more time working on or made a larger contribution to the development and passage of the landmark Social Security Amendments of 1983 than Erv.

During his 10 years on the Ways and Means Committee staff, Erv also served as the staff director of the Oversight Subcommittee. Prior to joining the Ways and Means Committee, Erv work approximately 20 years at the Social Security Administration, beginning as claims representative, serving as a key staff member in the development and enactment of the Medicare and Medicaid Programs, and ending up as one of the key administrators of these Federal Health programs. For his service to our Social Security Programs, Erv has received two citations for outstanding service from the Social Security Commissioner, one when he left SSA and the other just recently.

We will miss Erv at Ways and Means. We have come to depend upon his experience, knowledge, and insight, and have thoroughly enjoyed his cooperative approach and optimistic outlook.

The sunny climate of Florida is very enticing, and we understand why he might want to move there. Erv certainly deserves the rest. He has worked hard and made outstanding contributions to the legislative process.

My final directive to Erv is, leave me your phone number. I want to know that I can reach you when I need assistance in Social Security, disability, or Medicare legislation.

Mr. JONES of Oklahoma. Mr. Speaker, will the gentleman yield to me?

Mr. ROSTENKOWSKI. I yield to the gentleman from Oklahoma [Mr. JONES].

Mr. JONES of Oklahoma. I thank the gentleman for yielding.

Mr. Speaker, I would like to add my commendation to Erv Hytner. I have only served as chairman of the Subcommittee on Social Security this year and this is the first opportunity I have gotten to know and work closely with Erv Hytner. But I think that we are not about to see the end of Erv's public policy contribution. I think he is going to join the ranks of people such as Wilbur Cohen, and Bob Ball, and others who have made so many contributions.

So his retirement is not going to be a retirement from public policy development. I have a feeling he is going to be on our backs keeping the Congress and the American people aware of those issues affecting senior citizens.

Mr. Speaker, we wish him the very best.

□ 1330

Mr. ARCHER. Will the gentleman yield?

Mr. ROSTENKOWSKI. I yield to the gentleman.

Mr. ARCHER. I would like to join with my colleagues from the majority side in expressing the views of the minority that Erv Hytner has been a true craftsman of legislative skill, in helping us to work with the very complex problems of Social Security over the years.

He has always been willing to give of his time and in a most objective way, help to bring about bipartisan treatment of these issues. I compliment him for his service. It has been a pleasure for me personally to work with him, and I wish him Godspeed in the years ahead.

Mr. ROSTENKOWSKI. Mr. Speaker, I yield back the balance of my time.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from Illinois [Mr. ROSTENKOWSKI] that the House suspend the rules and pass the bill, H.R. 2005, as amended.

The question was taken.

Mr. ROSTENKOWSKI. Mr. Speaker, on that I demand the yeas and nays.

The yeas and nays were ordered.

The SPEAKER pro tempore. Pursuant to the provisions of clause 5, rule I, and the Chair's prior announcement, further proceedings on this motion will be postponed.

COMMUNICATION FROM THE CLERK OF THE HOUSE

The SPEAKER pro tempore laid before the House the following communication from the Clerk of the House of Representatives:

Washington, DC, May 13, 1985.

Hon. THOMAS P. O'NEILL, Jr.,
The Speaker, House of Representatives, Washington, DC.

DEAR MR. SPEAKER: Pursuant to the permission granted in Clause 5, Rule III of the Rules of the U.S. House of Representatives, I have the honor to transmit sealed envelopes received from the White House as follows:

(1) At 4:00 p.m. on Monday, May 13, 1985 and said to contain a message from the President whereby he transmits the fourth annual report on the state of small business; and

(2) At 4:00 p.m. on Monday, May 13, 1985 and said to contain a message from the President whereby he transmits the fiscal year 1984 annual report of the Commodity Credit Corporation.

With kind regards, I am,

Sincerely,

BENJAMIN J. GUTHRIE,
Clerk, House of Representatives.

ANNUAL REPORT ON THE STATE OF SMALL BUSINESS—MESSAGE FROM THE PRESIDENT OF THE UNITED STATES

The SPEAKER pro tempore laid before the House the following message from the President of the United States; which was read and, together with the accompanying papers, without objection, referred to the Committee on Small Business and the Committee on Ways and Means:

(For message, see proceedings of the Senate of today, Tuesday, May 14, 1985.)

REPORT OF THE COMMODITY CREDIT CORPORATON FOR FISCAL YEAR 1984—MESSAGE FROM THE PRESIDENT OF THE UNITED STATES

The SPEAKER pro tempore laid before the House the following message from the President of the United States; which was read and, together with the accompanying papers, without objection, referred to the Committee on Agriculture:

(For message, see proceedings of the Senate of today, Tuesday, May 14, 1985.)

PROVIDING FOR CONSIDERATION OF H.R. 1157, AUTHORIZATIONS FOR APPROPRIATIONS OF MARITIME PROGRAMS FOR FISCAL YEAR 1986

Mr. MOAKLEY. Mr. Speaker, by direction of the Committee on Rules, I call up House Resolution 157, and ask for its immediate consideration.

The Clerk read the resolution as follows:

H. RES. 157

Resolved, That at any time after the adoption of this resolution the Speaker may, pursuant to clause 1(b) of rule XXIII, declare the House resolved into the Committee of the Whole House on the State of the Union for the consideration of the bill (H.R. 1157) to authorize appropriations for fiscal year 1986 for certain maritime programs of the Department of Transportation and the Federal Maritime Commission, and the first reading of the bill shall be dispensed with. After general debate, which shall be confined to the bill and shall continue not to exceed one hour, to be equally divided and controlled by the chairman and ranking minority member of the Committee on Merchant Marine and Fisheries, the bill shall be read for amendment under the five-minute rule. At the conclusion of the consideration of the bill for amendment, the Committee shall rise and report the bill to the House with such amendments as may have been adopted, and the previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommit.

The SPEAKER pro tempore. The gentleman from Massachusetts is recognized for 1 hour.

Mr. MOAKLEY. Mr. Speaker, for purposes of debate only, I yield 30 minutes to the gentleman from Mississippi [Mr. LOTT], and pending that, I yield myself such time as I may consume.

Mr. Speaker, House Resolution 157 is the rule providing for the consideration of H.R. 1157, the authorization of Appropriations for Maritime Programs for Fiscal Year 1986. It is an open rule that provides for 1 hour of general debate to be equally divided and controlled by the chairman and ranking minority member of the Committee on Merchant Marine and Fisheries. The bill shall be read for amendment under the 5 minute rule, there are no waivers of points of order and the rule provides for one motion to recommit.

Mr. Speaker, H.R. 1157 is an annual authorization that permits the appropriation for certain maritime programs administered by the Department of Transportation and the Federal Maritime Commission for fiscal year 1986. H.R. 1157 authorizes $417 million for the Maritime Administration, of this amount $335.1 million would go to the payment of operating differential subsidies. These subsidies are paid to U.S. companies to enable them to operate U.S.-flag ships competitively in the U.S foreign trade by offsetting the excess of U.S. ship operating costs over comparable foreign operating costs.

In addition, H.R. 1157 would authorize $9.9 million for research and development programs that are designed to develop information and technology to improve productivity and operating efficiency in U.S. shipbuilding and ship operating industries. Also, Mr. Speaker, H.R. 1157 would authorize $71.9 million for operating and training programs administered by the Maritime Administration. These funds would be used to pay salaries and other expenses for the operation of the U.S. Merchant Marine Academy and to the six State merchant marine academies. Also H.R. 1157 provides funding for Federal training programs and for national security support programs.

Mr. Speaker, as I stated earlier, this is an annual authorization for worthwhile programs that I have enthusiastically supported over the years. I urge adoption of House Resolution 1157 so that the House will have an opportunity to consider this legislation.

Mr. LOTT. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I send an amendment to the desk and ask unanimous consent for its immediate consideration.

Mr. MOAKLEY. Mr. Speaker, I object.

Mr. LOTT. Mr. Speaker, I wonder if the gentleman would suspend until the Clerk has read the amendment. He might like it.

The SPEAKER pro tempore. The gentleman from Massachusetts [Mr. MOAKLEY] did not yield for that purpose.

Mr. MOAKLEY. That is right, Mr. Speaker.

Mr. LOTT. This is a unanimous-consent request.

Mr. MOAKLEY. I object to the unanimous-consent request.

The SPEAKER pro tempore. Objection is heard.

Mr. LOTT. Mr. Speaker, are we not going to have the amendment read?

The SPEAKER pro tempore. The gentleman from Massachusetts objected.

Mr. MOAKLEY. I objected, Mr. Speaker.

The SPEAKER pro tempore. The gentleman from Massachusetts [Mr. MOAKLEY] yielded for purposes of debate only.

PARLIAMENTARY INQUIRY

Mr. WALKER. Parliamentary inquiry, Mr. Speaker.

The SPEAKER pro tempore. The gentleman will state his inquiry.

Mr. WALKER. What has the gentleman from Massachusetts objected to? The amendment has not been read at this point.

The SPEAKER pro tempore. He is objecting to the offering and consideration of the amendment, including the reading.

Mr. WALKER. It was my understanding that the gentleman from Mississippi [Mr. LOTT] simply asked unanimous consent that he be allowed to offer an amendment. The Clerk was about to read the amendment. Could not the gentleman withhold until the amendment at least was read?

Mr. MOAKLEY. Mr. Speaker, if the gentleman yields, I offered time to the gentleman from Mississippi [Mr. LOTT] for the purposes of debate only.

□ 1340

The SPEAKER pro tempore. The Chair has very clearly stated that the Clerk does not have to read the amendment. The gentleman from Massachusetts [Mr. MOAKLEY] objected to the offering of the amendment. The Clerk is under no obligation to read the amendment.

Mr. LOTT. Mr. Speaker, since I have yielded myself such time as I may consume, I would like to read the amendment that I had just sent to the desk and tried to have read and considered as part of this rule:

At the end of the resolution, add the following new paragraph:

SEC. 2. For the remainder of the 99th Congress, whenever the Committee on Rules reports a resolution providing a special order of business for the consideration of any measure or matter, and such resolution proposes to waive any provision of the Congressional Budget Act of 1974 (Public Law 93-344), the report accompanying such resolution shall include an explanation of and justification for any such waiver, and a summary of any comments received from the Committee on the Budget or its chairman with respect to any such waiver.".

Mr. Speaker, I realize that my unanimous-consent request to offer an amendment to this rule was a most unusual one. By way of explanation, let me point out that the proposal to require report language on any proposed waivers of the Budget Act in a rule is one of the items on our House Republican "McIntyre agenda." That agenda is our response to the recent travesty that took place in this House in denying a duly elected and certified Member his rightful seat as a Member. It is a constructive package of House reforms designed to clean up the

House rather than close it down. A better House is the legacy we want to greet Rick McIntyre when he returns to this body in January 1987.

I think this rule is a most appropriate vehicle for the House to make a stand on Budget Act waivers, since this is probably one of the last of the clean, open rules we will see in this session, if not this Congress. This rule is most notable for the fact that it contains no waivers of House rules or of the Budget Act.

But, after this week, all that will change as committees come in with late bills, reported after the May 15 Budget Act deadline for reporting authorization bills. And the Appropriations Committee will begin coming in with spending bills before final action has been completed on a budget resolution. Indeed, the House Budget Committee is already 1 month late in reporting a budget resolution, and this is the week Congress is supposed to have completed action on that resolution. So, we will begin seeing rules containing all manner of Budget Act waivers. We might just as well waive the Budget Act goodbye for all the ignoring, circumventing, and violating we will be doing.

Now, I realize that it would not be practical to impose a total ban on future Budget Act waivers in rules. There are times when technical waivers are necessary, such as when a committee has agreed to offer an amendment to clear up any Budget Act violations in its bill. There are times when more substantive waivers must be agreed to for emergency reasons. And, I suspect as has happened in the past, we will again be asked this year for permission to proceed with the appropriations bills, notwithstanding the lack of a budget resolution.

But it's easy to discern the escalating nature and degree of Budget Act circumvention that has been taking place in recent years—from technical to emergency justifications for waivers, to an outright setting aside of the Budget Act to take major actions. Indeed, in the last Congress, we granted a record high 133 Budget Act waivers, compared to 106 in the 95th Congress. That number represents 70 percent of all rules granted in the 98th Congress, compared with 41 percent in the 95th Congress.

My proposed amendment was designed to enable the House to understand just what is involved in a proposed budget waiver and better determine whether that waiver should be supported. It would require the Rules Committee to explain and justify the waiver in its report on the rule.

I don't think it is too much to ask that a committee justify in a report just what it is proposing the House adopt. After all, we require every other committee to issue a report containing an explanation of the legislation it reports. Why should the Rules Committee be any exception, especially when it comes to such an important matter as the congressional budget process and whether it will be waived or enforced?

I realize that the argument will be offered that the Rules Committee is different; it's a leadership committee; it must be unhindered so it can act with dispatch in an emergency. And on and on go the justifications for its privileged status and immunity from reporting requirements.

But surely the Rules Committee should already have available when it votes to report a rule the explanation and justification for any budget waivers along with any comments from the Budget Committee or its chairman. To put this information in the report on the rule should entail little additional time or effort.

That's all that is being asked by this "McIntyre agenda" amendment. Let's give ourselves better information on how a bill might be violating the Budget Act at the time we consider these rules containing waivers. Maybe—just maybe—committees will be a little more careful about violating the Budget Act in the first place. And maybe—just maybe—we will do a better job of implementing and enforcing a more meaningful and effective congressional budget once again.

COMPARISON OF RULES AND BUDGET WAIVERS GRANTED BY THE RULES COMMITTEE, 95TH THROUGH 98TH CONGRESSES (1977–84)

	Congress			
	95th	96th	97th	98th
Total rules granted (TRG)	256	259	152	190
Budget waivers granted (BWG)	106	127	98	133
BWG as percent of TRG	41	49	64	70
BWG by sections of Budget Act:[1]				
Sec. 303(a)	[2] 10	0	1	21
Sec. 303(a)(1)	([2])	0	2	14
Sec. 303(a)(4)	([2])	9	9	13
Sec. 305(a)(1)	0	0	1	1
Sec. 311(a)	0	5	15	12
Sec. 401(a)	[2] 43	23	21	6
Sec. 401(b)	([2])	13	7	10
Sec. 402(a)	53	77	42	54
Other	0	0	0	2
Total	106	127	98	133

[1] See attached "Explanation of Sections of the Congressional Budget Act Waived by the Rules Committee in Special Order Resolutions."
[2] No distinction made between subsections of the same section.

Sources: Survey of Activities of the House Committee on Rules, 95th-98th Congresses (H. Repts. 95–1814, 96–1566, 97–1007 and 98–1192).

EXPLANATION OF SECTIONS OF THE CONGRESSIONAL BUDGET ACT WAIVED BY THE RULES COMMITTEE IN SPECIAL ORDER RESOLUTIONS

(1) Sec. 303(a).—Prohibits the consideration of legislation providing new budget authority, new entitlement authority, or an increase or decrease in revenues or the public debt for a fiscal year, prior to the adoption of the first budget resolution for a fiscal year.

(2) Sec. 303(a)(1).—Prohibits the consideration of legislation providing new budget authority for a fiscal year prior to the adoption of the first budget resolution for that fiscal year.

(3) Sec. 303(a)(4).—Prohibits the consideration of legislation providing new entitlement authority for a fiscal year prior to the adoption of the first budget resolution for that fiscal year.

(4) Sec. 305(a)(1).—Requires a ten-day layover of a budget resolution prior to its consideration.

(5) Sec. 311(a).—Prohibits the consideration of legislation which would cause the new budget authority or outlay ceilings set in the budget resolution to be exceeded, or which would cause the revenue floor to be breached.

(6) Sec. 401(a).—Prohibits the consideration of legislation providing new spending authority unless such authority is effective only to the extent provided for in appropriations acts.

(7) Sec. 401(b)(1).—Prohibits the consideration of legislation providing new spending authority which becomes effective prior to October 1 of the year it was reported.

(8) Sec. 402(a).—Prohibits the consideration of legislation authorizing the enactment of new budget authority not reported by May 15 preceding the start of the fiscal year in which it is to become effective.

Mr. Speaker, it's always a pleasure to be a bearer of good rules, and the rule before us today is indeed a good rule. It's clean, it is open, and it's brief. And I shall attempt to do it the justice it deserves by being brief as well.

Mr. Speaker, the rule before us makes in order the consideration of H.R. 1157, the fiscal 1986 authorization for certain maritime programs in the Department of Transportation, and the Federal Maritime Commission. The rule provides for 1 hour of general debate followed by the consideration of the bill for amendment under the 5-minute rule. Finally, the rule allows for one motion to recommit.

Mr. Speaker, H.R. 1157 authorizes $416.9 million for fiscal year 1986. That's $48.2 million less than the fiscal 1985 appropriation, but it's still $48.2 million more than the administration request. In that regard, the administration's policy statement on this bill says that it does not object to House passage of the bill, but will seek amendments in the other body to bring the funding levels into conformity with the administration's request.

Mr. Speaker, I think it should be pointed out that there are no funds in this bill for construction differential subsidies. Instead, the bulk of the money, $335.1 million, would go for operating differential subsidies. These are moneys paid to U.S. companies to enable them to operate U.S. flagships competitively in the U.S. foreign trade. This is done by offsetting certain portions of the excess of U.S. ship operating costs compared to comparable foreign vessels.

In addition, the bill authorizes $9.9 million for research and development—the same amount requested by the administration; and $71.9 million for operations and training programs—$12.6 million more than requested by the administration for

those purposes. Finally, the bill authorizes $11.9 million for the Federal Maritime Commission which is responsible for administering the basic shipping statutes and settling claims which arise under those laws.

Mr. Speaker, as I mentioned earlier, this is a clean, 1-hour open rule, with no waivers or restrictions. The bill it makes in order was reported unanimously from the Committee on Merchant Marine and Fisheries Committee. I urge the adoption of this rule so that we might proceed with the consideration of the important maritime program authorization for fiscal year 1986.

Mr. Speaker, I have no further requests for time.

Mr. MOAKLEY. Mr. Speaker, yielding myself such time as I may consume, I thank the gentleman from Mississippi for speaking so favorably for our rule. I agree with him, it is a clean rule, it is a pure rule, and that is why I objected to his offering the amendment, because I know there will be other rules that he will not be happy with.

Mr. LOTT. Mr. Speaker, will the gentleman yield?

Mr. MOAKLEY. I yield to the gentleman from Mississippi.

Mr. LOTT. Mr. Speaker, I am sure that the distinguished member of the Rules Committee is very much concerned about the fact that we do not have a Budget Act yet this year, and we are now faced with the prospect of granting a whole number of waivers.

Would the gentleman support an effort in the future to get the Rules Committee to be very strict on these waivers and also include some explanation as to why it is being done?

Mr. MOAKLEY. I would like the gentleman from Mississippi to know that there have been certain amendments that had to be granted. I do not relish granting waivers in certain conditions. I would be glad to work with the gentleman and, in fact, the entire committee in the future, to see if we can tighten the amendment process as much as possible.

Mr. LOTT. I thank the gentleman for that.

Mr. MOAKLEY. Mr. Speaker, I have no further requests for time, and I move the previous question on the resolution.

The previous question was ordered.

The resolution was agreed to.

A motion to reconsider was laid on the table.

PROVIDING FOR CONSIDERATION OF H.R. 1784, PANAMA CANAL COMMISSION AUTHORIZATION ACT, FISCAL YEAR 1986

Mr. MOAKLEY. Mr. Speaker, by direction of the Committee on Rules, I call up House Resolution 158 and ask for its immediate consideration.

The Clerk read the resolution, as follows:

H. RES. 158

Resolved, That at any time after the adoption of this resolution the Speaker may, pursuant to clause 1(b) of rule XXII, declare the House resolved into the Committee of the Whole House on the State of the Union for the consideration of the bill (H.R. 1784) to authorize appropriations for fiscal year 1986 for the operation and maintenance of the Panama Canal, and for other purposes, and the first reading of the bill shall be dispensed with. After general debate, which shall be confined to the bill and to the amendment made in order by this resolution and which shall continue not to exceed one hour, to be equally divided and controlled by the chairman and ranking minority member of the Committee on Merchant Marine and Fisheries, the bill shall be considered for amendment under the five-minute rule. It shall be in order to consider the amendment in the nature of a substitute recommended by the Committee on Merchant Marine and Fisheries now printed in the bill as an original bill for the purpose of amendment under the five-minute rule, each section of said substitute shall be considered as having been read, and all points of order against said substitute for failure to comply with the provisions of clause 7 of rule XVI and clause 5(a) of rule XXI are hereby waived. At the conclusion of the consideration of the bill for amendment, the Committee shall rise and report the bill to the House with such amendments as may have been adopted, and any Member may demand a separate vote in the House on any amendment adopted in the Committee of the Whole to the bill or to the committee amendment in the nature of a substitute. The previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommit with or without instructions.

The SPEAKER pro tempore. The gentleman from Massachusetts [Mr. MOAKLEY] is recognized for 1 hour.

Mr. MOAKLEY. Mr. Speaker, for purposes of debate only, I yield 30 minutes to the gentleman from Mississippi [Mr. LOTT], pending which I yield myself such time as I may consume.

Mr. Speaker, House Resolution 158 is an open rule providing for the consideration of H.R. 1784, the Panama Canal Commission authorization for fiscal year 1986. The rule provides for 1 hour of general debate to be equally divided and controlled by the chairman and ranking minority member of the Committee on Merchant Marine and Fisheries.

When the bill is considered for amendment under the 5-minute rule, House Resolution 158 provides that it shall be in order to consider the amendment in the nature of a substitute now printed in the bill as original text for the purpose of amendment and that each section of the substitute shall be considered as having been read. The rule further provides waivers of points of order against the substitute for failure to comply with the provisions of clause 7, rule XVI, the germaneness rule, and clause 5, rule XXI, which prohibits appropriations in a legislative bill. Because certain provisions in the substitute reflect amendments adopted at the subcommittee and full committee level which are not germane to the bill as introduced, it is necessary to provide this waiver against the substitute. In addition, two committee amendments incorporated in the substitute also contain expanded uses of previously appropriated funds, thus necessitating the waiver of clause 5, rule XXI against the substitute.

The rule also provides that at the conclusion of the consideration of the bill for amendment, the committee shall rise and report the bill to the House with such amendments as may have been adopted and that any Member may demand a separate vote in the House on any amendment adopted in the Committee of the Whole to the bill or to the amendment in the nature of a substitute. Finally, House Resolution 158 provides that the previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion except for one motion to recommit with or without instructions.

Mr. Speaker, H.R. 1784 provides authorization for appropriations of $436.8 million from the Panama Canal Commission Fund for operating and capital expenses of the Panama Canal Commission in fiscal year 1986. This authorization level is $10 million less than requested by the administration, reflecting an amendment adopted by the subcommittee which provides for a direct payment of $10 million to the general U.S. Treasury from those portions of canal revenues collected to pay interest on the U.S. investment in the canal rather than allowing those funds to be deposited in the Canal Commission Fund. The provisions of this subcommittee amendment were adopted by the House last week when H.R. 664 was agreed to under suspension of the rules. In addition, the bill restores certain benefits lost to U.S. citizen employees of the canal upon enactment of the Panama Canal Act of 1979; provides compensation for the nongovernment members of the Panama Canal Commission Board; and finally, deletes a 180-day congressional notice waiting period for property transfers from the Commission to the Republic of Panama.

Mr. Speaker, H.R. 1784 was reported unanimously by the Merchant Marine and Fisheries Committee. The rule recommended by the Committee on Rules is an open rule and was noncontroversial during our committee hearing. I commend the work of the Merchant Marine Committee in bringing this authorization to the floor prior to the May 15 authorization deadline and

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for reporting a bill which enjoys such bipartisan support. Mr. Speaker, I urge adoption of the rule in order that the House may proceed to the consideration of H.R. 1784.

□ 1350

Mr. LOTT. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, House Resolution 158 is an open rule designed to facilitate consideration of a 1-year authorization for the Panama Canal Commission. The rule contains only the waivers necessary in order to permit the bill from the Committee on Merchant Marine and Fisheries to go forward.

Under the provisions of this rule, the amendment reported from the Merchant Marine Committee will be the original text for the purpose of amendment under the 5-minute rule.

The rule provides a waiver of our germaneness rule, clause 7 of rule XVI, against the substitute. The rule also provides a waiver of our rule prohibiting appropriations language in a legislative bill, clause 5 of rule XXI, against the substitute.

Mr. Speaker, there was no controversy about this procedure or the substance of the legislation reported from the Merchant Marine Committee during the hearing conducted by the Rules Committee on Tuesday.

The waivers provided by this rule are necessary because the Committee on Merchant Marine adopted three amendments recommended by the Subcommittee on the Panama Canal, and one amendment at the full committee markup, that are not germane to the bill as introduced.

Mr. Speaker, it is my understanding that the amendments in question were offered by the gentleman from Texas [Mr. FIELDS]; the gentleman from California [Mr. SHUMWAY]; the gentleman from Washington [Mr. LOWRY]; and the gentleman from New York [Mr. CARNEY]; and that they all were unanimously approved during the committee markup.

Mr. Speaker, since enactment of the Panama Canal Act of 1979, the operation of the canal has been under the jurisdiction of the Panama Canal Commission. The canal itself remains of vital importance to U.S. commercial shipping, and to the flow of imports and exports for our Nation's citizens.

The bill made in order by this rule, H.R. 1784, authorizes $436 million in appropriations from the Commission's fund for its activities in 1986.

In addition, the bill provides some very meaningful changes in benefits for the U.S. citizen employees of the Panama Canal Commission, dealing with health care, educational services, travel for vacation leave, and housing property transfers.

Mr. Speaker, I support this rule in order that the House may proceed to consider the legislation.

Mr. Speaker, I yield back the balance of my time.

Mr. MOAKLEY. Mr. Speaker, I have no further requests for time, and I move the previous question on the resolution.

The previous question was ordered.

The resolution was agreed to.

A motion to reconsider was laid on the table.

REPORT ON RESOLUTION PROVIDING FOR CONSIDERATION OF H.R. 1872, DEPARTMENT OF DEFENSE AUTHORIZATION ACT, 1986

Mr. FROST, from the Committee on Rules, submitted a privileged report (Rept. No. 99-88) on the resolution (H. Res. 169) providing for the consideration of the bill (H.R. 1872) to authorize appropriations for fiscal year 1986 for the Armed Forces for procurement, for research, development, test, and evaluation, for operation and maintenance, and for working capital funds, to prescribe personnel strengths for such fiscal year for the Armed Forces, and for other purposes, which was referred to the House Calendar and ordered to be printed.

PANAMA CANAL COMMISSION AUTHORIZATION ACT, FISCAL YEAR 1986

The SPEAKER pro tempore. Pursuant to House Resolution 158 and rule XXIII, the Chair declares the house in the Committee of the Whole House on the State of the Union for the consideration of the bill, H.R. 1784.

□ 1356

IN THE COMMITTEE OF THE WHOLE

Accordingly the House resolved itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H.R. 1784) to authorize appropriations for fiscal year 1986 for the operation and maintenance of the Panama Canal, and for other purposes, with Mr. LUKEN in the chair.

The Clerk read the title of the bill.

The CHAIRMAN. Pursuant to the rule, the first reading of the bill is dispensed with.

Under the rule, the gentleman from Washington [Mr. LOWRY] will be recognized for 30 minutes and the gentleman from Texas [Mr. FIELDS] will be recognized for 30 minutes.

The Chair recognizes the gentleman from Washington [Mr. LOWRY].

Mr. LOWRY of Washington. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, on March 28, 1985, I introduced H.R. 1784, which authorizes appropriations for fiscal year 1986 for the operation and maintenance of the Panama Canal. This bill was cosponsored by 13 other members of the Subcommittee on Panama Canal/Outer Continental Shelf from both sides of the aisle.

The subcommittee marked up H.R. 1784 on April 3 of this year and unanimously supported the bill with three amendments. The first amendment, offered by the Honorable JACK FIELDS, ranking minority member of the subcommittee, reduced the administration request by $10 million. This reduction corresponded with H.R. 664, a bill introduced by Mr. FIELDS, and passed by the House under suspension last Monday, which provides for a direct payment to the United States of $10 million, representing the portion of canal revenues collected to pay interest on the United States' investment in the canal.

The second amendment was offered by Congressman SHUMWAY of California. His amendment provides for certain benefits to American employees of the Panama Canal Commission who lost a number of privileges in October 1984 due to the provisions of the Panama Canal Treaty of 1977. The benefits provided for in section 5 of H.R. 1784 include health care, educational services, and vacation leave travel.

The final amendment was offered by myself and provided an exception to section 1102(b) of the Panama Canal Act of 1979 by allowing non-Government-paid members of the Board of the Panama Canal Commission to receive an allowance for each day during which they are traveling to and from and attending meetings of the board. All three amendments were unanimously approved.

On April 16, the Merchant Marine and Fisheries Committee unanimously approved H.R. 1784 with an amendment in the nature of a substitute incorporating amendments adopted by the subcommittee, along with one full committee amendment offered by Congressman BILL CARNEY of New York. Mr. CARNEY's amendment deleted a 180-day congressional notice waiting period for property transfers from the Commission. The President must still submit a report to Congress with the details of the property transfers, but without the 180-day notice period currently required. The amendment was unanimously approved.

Mr. Chairman, the Panama Canal Commission is unique in that it has its own specific fund in the Treasury. The intent of the Panama Canal Act of 1979 was to ensure that the Canal operate at no cost to the U.S. taxpayers, and it has an unblemished record of meeting that mandate. The canal must operate within a balanced budget and can only be appropriated the amount that it estimates will be collected as revenue by tolls and other fees levied on ships transiting the canal. Tolls are set to recover the costs of operating

and maintaining the canal and are paid into the Panama Canal Commission Fund established in the U.S. Treasury. The Chairman of the Panama Canal Commission Board, the Honorable Bill Gianelli, has expressed his confidence that no increases in tolls are expected through fiscal year 1986.

H.R. 1784 sets an overall funding level of $436,784,000, of which $26,500,000 is designated for capital improvements, and shall remain available until expended.

Passage of this authorization bill would permit the Panama Canal Commission to continue operating the canal efficiently and smoothly, thus benefiting the foreign commerce and national security of the United States.

I would especially like to congratulate the gentleman from Texas, JACK FIELDS, the ranking minority member of the subcommittee for his leadership and hard work on behalf of this authorizing legislation; and the gentleman from California, NORM SHUMWAY, who has demonstrated his concern for the morale and welfare of the American citizens who are employed in Panama by the Panama Canal Commission.

Mr. Chairman, I join with my colleagues on both sides of the aisle in urging passage of H.R. 1784 which was unanimously passed out of the Committee on Merchant Marine and Fisheries.

□ 1400

Mr. FIELDS. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, I rise in support of H.R. 1784 and compliment our new subcommittee chairman, Mr. LOWRY of Washington, for his leadership, dedication, and skill in crafting such a fine piece of legislation.

While the House of Representatives has on two separate occasions approved authorizing bills for the Panama Canal Commission, no authorizing legislation has been signed into law since the Commission was created in 1979.

Mr. Chairman, I am confident that this year we can reverse this trend because H.R. 1784 is a bill that can and should be supported by our colleagues.

As I indicated during our subcommittee hearing, I support an authorizing bill because it is important to the people of this Nation that we ensure that the Panama Canal remains an open and efficient waterway.

As a representative of our Nation's third largest port, the Port of Houston, I have a deep appreciation of the importance of the Panama Canal to the international shipping community. It has been estimated that nearly 70 percent of the ocean-going transits through the canal either originate or come from one of our U.S. ports. In many cases these are ports which are located, like Houston, along the gulf coast of the United States.

While there are many Members, including myself, who still have very negative feelings and reservations about the Panama Canal Treaties, we must recognize that the battle over those treaties is over and that the United States has a strategic interest in the Panama Canal.

With the passage of this authorizing legislation, we can ensure that the Panama Canal Commission will continue to operate the canal, at no expense to our taxpayers, smoothly and efficiently in the coming fiscal year.

The Panama Canal Commission is a unique Government agency which is prohibited by law from borrowing money or making a profit which would have to be paid to the Republic of Panama. In addition, the Panama Canal Act of 1979, Public Law 96-70, requires that canal tolls and other revenues cover all of the operating expenses of the Panama Canal Commission.

Mr. Chairman, during consideration of H.R. 1784 several amendments were offered and adopted to improve this proposal.

The first of these amendments, which I authored, reduce the operating budget of the Panama Canal Commission by $10 million. This amendment implemented the provisions of H.R. 664, a bill I have sponsored, which directs that the interest payment on our investment in the canal, which has been estimated at $10 million a year, be paid directly to the general fund of the U.S. Treasury.

Without going into great detail, let me just say that H.R. 664 corrects a serious flaw that exists in the Panama Canal Act of 1979.

Unfortunately, because of certain language contained in Public Law 96-70, our yearly interest payments have been deposited in the Panama Canal Commission Fund instead of the general fund of the U.S. Treasury.

As a result, the Federal Government has been unable to utilize these funds to reduce the deficit, and the level of our investment in the canal has been reduced by some $53.6 million.

H.R. 664 not only corrects this interest problem but it ensures that there will be no further erosion in our investment base.

Mr. Chairman, a second amendment was offered by our distinguished colleague from New York, Congressman BILL CARNEY. This amendment eliminated the 180-day waiting period which is now required before the Panama Canal Commission can transfer certain excess housing units to the Republic of Panama.

This amendment responds to various allegations of vandalism, looting, and unauthorized occupation of these housing facilities that has occurred during the existing statutory waiting period. It has been estimated that this amendment will save the Panama Canal Commission some $104,000 in fiscal year 1986 alone.

A third amendment was offered by our distinguished colleague from California, Congressman NORM SHUMWAY. This excellent amendment, which I strongly supported, implements the equity compensation package for U.S. employees of the Panama Canal Commission.

The recommendations contained within the PCC compensation package are reasonable and fair. While they will not fully offset the loss of commissary, post exchange, and APO postal privileges, the incorporation of this amendment within H.R. 1784 is a very positive benefit for the hard-working and dedicated U.S. employees of the Panama Canal Commission.

Finally, the chairman of the subcommittee offered an amendment which provided long overdue compensation for non-Government members of the PCC Board of Directors for each day during which they are either traveling or attending meetings of the board. This amendment is fully consistent with the way most Federal commissions and boards operate.

Mr. Chairman, because of our committee's action and specifically my amendment, H.R. 1784 is $10 million less than the administration's budget request.

H.R. 1784 is a good piece of legislation and I again compliment our subcommittee chairman, Mr. LOWRY, for his leadership, for his willingness to work with all members of our committee, and for bringing this bill to the House of Representatives in such a timely manner.

I would urge my colleagues to join with me in supporting this authorization bill.

Mr. Chairman, I reserve the balance of my time.

Mr. LOWRY of Washington. Mr. Chairman, I have no further requests for time, and I reserve the balance of my time.

Mr. FIELDS. Mr. Chairman, I yield 3 minutes to the ranking minority member of the full Committee on Merchant Marine and Fisheries, the gentleman from New York [Mr. LENT].

Mr. LENT. I thank the gentleman for yielding this time to me.

Mr. Chairman, I rise in support of H.R. 1784, the fiscal year 1986 Panamana Canal authorization bill.

As the former ranking minority member of the Subcommittee on Panama Canal/Outer Continental Shelf, and as the ranking minority member of the House Committee on Merchant Marine and Fisheries, I am fully aware of the issues surrounding the Panama Canal legislation. For this reason, I would like to commend the chairman of the subcommittee on the

Panama Canal and Outer Continental Shelf, the gentleman from Washington [Mr. LOWRY], and the ranking minority member, the gentleman from Texas [Mr. FIELDS], for their judicious action in marking up and reporting this bill.

While there were four amendments that were adopted in committee to the bill, there were no dissenting voices on the legislation and the bill was overwhelmingly reported by both the subcommittee and the full committee.

Mr. Chairman, H.R. 1784, as amended, is supported by the administration, and I urge my colleagues to join me in voting for its passage.

Mr. FIELDS. Mr. Chairman, I yield 5 minutes to the gentleman from California [Mr. SHUMWAY].

Mr. SHUMWAY. I thank the gentleman for yielding this time to me.

Mr. Chairman, as we all know, the Panama Canal Treaty terminated the U.S. commissary, PX, and APO mailing system privileges which our 900 U.S. Canal Commission employees have historically enjoyed. This termination, which took place last September 30 and the anticipation of this loss, has caused a great deal of anxiety for our U.S. employees. In so doing, our work force's morale has declined and, in many instances, the loss of these privileges has tempted our employees to leave their service in Panama.

The strategic importance of Panama and the canal to our country's national and commercial security is without question. As a result, we must do everything we can to both ensure that our highly skilled U.S. work force remains in place to help operate the canal and to make certain that this loss of privileges does not threaten the existence of our work force. The Merchant Marine and Fisheries Committee and the Congress have recognized this need in the past. For example, last year we passed the Panama Canal authorization bill which included a section specifically authorizing such "compensation as is determined necessary to offset the loss of services."

In response to this legislation, the Panama Canal Commission has put together a package of benefits which is designed to help offset this loss of privileges. My amendment, which I offered and which was accepted by the committee, gives the Panama Canal Commission the authority to implement much of this compensation package. Specifically, my amendment:

Increases the educational travel stateside—from one trip to two—for dependents of a U.S. employee of the Panama Canal Commission;

Provides the authority for the Commission to pay the expenses of vacation leave travel for a U.S. employee and his family from the employee's post in Panama to his residence in the United States;

Allows for the payment of health care services for elderly or disabled persons if they were eligible to receive such benefits prior to the effective date of the Panama Canal Act of 1979; and, finally,

Allows for the payment for educational services provided by schools in the Republic of Panama, which are not operated by the United States, to employees of the Commission who were receiving such services prior to the effective date of the Panama Canal Act of 1979.

Mr. Chairman, the estimated cost of these specific benefits to the Panama Canal Commission is approximately $1.65 million. However, it is important to note that this money comes from canal toll receipts, not from the General Treasury. I am also pleased to say that the administration officially supports this compensation package.

Mr. Chairman, I have recently been to Panama and observed, first hand, the positive effect that the announcement of this compensation package has had on our U.S. employees and am confident in saying that it will—and to a large degree already has—helped our national interest by helping our U.S. citizen employees. As a result, I strongly urge the retention of this amendment in the bill.

□ 1410

Mr. LOWRY of Washington. Mr. Chairman, I have no further requests for time, and I yield back the balance of my time.

Mr. FIELDS. Mr. Chairman, I have one further request for time. I yield 2 minutes to the gentleman from Alabama [Mr. CALLAHAN].

Mr. CALLAHAN. Mr. Chairman, I rise in support of the bill.

I know there are lingering deep feelings that the United States was wrong in ratifying the Panama Canal Treaties and giving up this strategic waterway. I, for one, feel strongly that we made a serious mistake. However, the treaties are a reality and we should not confuse this authorization bill with any perceived support of the treaties that are now past history.

The funds authorized by H.R. 1784 will not be drawn from general revenues but from tolls paid to the Panama Canal Commission. It is in the United States' best interest to see that the canal is properly maintained and operated. Some 70 percent of the traffic through the Panama Canal is destined to or traveling from U.S. ports. The canal's strategic importance to our military vessels is unquestionable.

I urge my colleagues to support America's interests in the canal and vote for H.R. 1784.

Mrs. BENTLEY. Mr. Chairman, I rise in support of H.R. 1784, the Panama Canal fiscal year 1986 authorization bill, and urge my colleagues to vote for final passage.

I would like to point out to my colleagues that not only is the Panama Canal of great importance militarily to the United States because of the passage of our military vessels, but that over 70 percent of the traffic through the canal is either bound for, or traveling from, U.S. ports. I would also like to point out to my colleagues from coastal States in the Gulf of Mexico and the east coast that further expansion of the capacity of the canal, which is currently undergoing a three-nation study, could result in significant increased traffic for our ports. For these reasons, the continued maintenance and smooth operation of the canal is in our vested interest.

The authorized appropriation of $436.8 million contained in H.R. 1784 for fiscal year 1986 is based solely on tolls and other fees collected by the Panama Canal Commission from its customers. This figure is $10 million less than requested by the administration because of a bill introduced by my friend from Texas [Mr. FIELDS]. His bill ensures that the interest payment on the U.S. investment in the Panama Canal of $10 million will automatically be deposited annually into the U.S. Treasury. It is not often that Congress passes legislation that increases revenues to the U.S. Treasury without increasing taxes.

Mr. Chairman, H.R. 1784 has been thoroughly studied by the Panama Canal/OCS Subcommittee of which I am a member, as well as by the full Merchant Marine and Fisheries Committee, and there was not a dissenting voice during its consideration.

The administration does not oppose this bill, and I urge my colleagues to join with me in voting for passage of H.R. 1784.

● Mr. FRANKLIN. Mr. Chairman, I rise in support of H.R. 1784, the Panama Canal authorization bill. I have joined my colleague from Washington, the distinguished chairman of the subcommittee [Mr. LOWRY] as a cosponsor of the bill, and I commend the gentleman for the expeditious manner in which the bill has been brought to the House.

In light of the ever-present deficit, I must point out to my colleagues that this authorization requires zero outlay from the Federal Treasury. According to the Panama Canal Act of 1979, the canal operates at no cost to the American taxpayer. Congress' role is to authorize the appropriation for the canal, but all of the revenues to fund that appropriation come from the tolls and fees that are collected from the ships who use the facility. Therefore, enactment of this legislation has no budgetary impact whatsoever.

Being from Mississippi, I recognize the special importance the canal has

to my State and to all of the ports along the gulf coast. In fiscal year 1984, over 50 percent of all ships that transited the canal were either departing from or destined to U.S. ports. These ships carry cargo ranging from iron and steel, crude oil, and food products to raw agricultural materials. The benefits realized from this trade are felt throughout the gulf coast region and the entire Nation.

I had the pleasure of visiting the Canal Zone for the first time late last year, and I was very impressed by the smooth and efficient operation of the canal as well as the relationship that exists between our American employees and the native Panamanians. It is imperative that these desirable conditions continue. An ongoing favorable working relationship with Panama is essential for economic as well as strategic considerations.

The canal must be kept in top working condition both for its day-to-day operation and for the important role it plays in the strategic defense of this country. The authorization in this legislation will allow the Panama Canal Commission to make many repairs and improvements that are vital to both interests.

Mr. Chairman, again I commend the chairman of the subcommittee [Mr. LOWRY] and the ranking minority member of the subcommittee [JACK FIELDS] for their work on this legislation and urge prompt approval of H.R. 1784.●

Mr. FIELDS. Mr. Chairman, I have no further requests for time.

The CHAIRMAN. The Chair understands that the gentleman from Washington [Mr. LOWRY] has yielded back the balance of his time.

Pursuant to the rule, the committee amendment in the nature of a substitute now printed in the reported bill shall be considered as an original bill for the purpose of amendment, and each section shall be considered as having been read.

The Clerk will designate section 1.

The text of section 1 is as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the "Panama Canal Commission Authorization Act, Fiscal Year 1986".

Mr. LOWRY of Washington. Mr. Chairman, I ask unanimous consent that the remainder of the committee amendment in the nature of a substitute be printed in the RECORD and open to amendment at any point.

The CHAIRMAN. Is there objection to the request of the gentleman from Washington?

There was no objection.

The text of the remainder of the committee amendment in the nature of a substitute, beginning with section 2, is as follows:

SEC. 2. OPERATING EXPENSES.

There is authorized to be appropriated from the Panama Canal Commission Fund to the Panama Canal Commission (hereafter in this Act referred to as the "Commission") for the fiscal year beginning October 1, 1985, not more than $436,748,000, for necessary expenses of the Commission incurred under the Panama Canal Act of 1979 (Public Law 96-70; 22 U.S.C. 3601 et seq.), including expenses for—

(1) the hire of passenger motor vehicles and aircraft;

(2) the purchase of passenger motor vehicles as may be necessary for fiscal year 1986, the number and price of which may not exceed the amount provided in appropriation Acts; except that large heavy duty passenger sedans used to transport employees of the Commission across the Isthmus of Panama may be purchased for the first year 1986 without regard to price limitations set forth in applicable regulations of any department or agency of the United States;

(3) official receptions and representation expenses, except that not more than $33,000 may be made available for such expenses, of which (A) not more than $8,000 may be made available for such expenses of the Supervisory Board of the Commission, and (B) not more than $25,000 may be made available for such expenses of the Administrator of the Commission;

(4) the procurement of expert and consultant services as provided in section 3109 of title 5, United States Code;

(5) a residence for the Administrator of the Commission;

(6) uniforms, or allowances therefor, as authorized by sections 5901 and 5902 of title 5, United States Code;

(7) disbursements by the Administrator of the Commission for employee recreation and community projects; and

(8) the operation of guide services.

SEC 3. CAPITAL OUTLAY.

Of any funds appropriated pursuant to section 2 of this Act, not more than $26,500,000 (which is authorized to remain available until expended) may be made available for the acquisition, construction, replacement, and improvement of facilities, structures, and equipment required by the Commission.

SEC. 4. AUTHORIZATION OF ADDITIONAL APPROPRIATIONS.

In addition to the amount authorized to be appropriated by section 2 of this Act, there are authorized to be appropriated to the Commission for the fiscal year 1986 such amounts may be necessary for—

(1) increases in salary, pay, retirement, and other employee benefits provided by law;

(2) covering payments to Panama under paragraph 4(a) of article XIII of the Panama Canal Treaty of 1977, as provided by section 1341(a) of the Panama Canal Act of 1979 (22 U.S.C. 3751(a)); and

(3) increased costs for fuel.

SEC 5. BENEFITS FOR CERTAIN EMPLOYEES.

(a) EDUCATIONAL TRAVEL BENEFITS.—Section 1207(b)(2) of the Panama Canal Act of 1979 (22 U.S.C. 3647(b)(2)) is amended by striking out "one round trip" and inserting in lieu thereof "two round trips".

(b) TRAVEL AND TRANSPORTATION EXPENSES.—

(1) EXPENSES ALLOWABLE.—Subchapter I of chapter 2 of title I of the Panama Canal Act of 1979 (22 U.S.C. 3641 et seq.) is amended by adding at the end thereof the following:

"TRAVEL AND TRANSPORTATION EXPENSES

"Sec. 1210. The Commission may pay the expenses of vacation leave travel for an employee of the Commission to whom section 1206 of this Act applies and for transportation of employee's family from the employee's post of duty in Panama to the place of the employee's actual residence at the time of appointment to the post of duty. The authorization of expenses under this section shall be in accordance with subchapter II of chapter 57 of title 5, United States Code, and the regulations issued under that subchapter, except that the Commission may prescribe required periods of service notwithstanding section 5722 of title 5, United States Code, and the regulations issued under subchapter II of chapter 57 of such title.".

(2) CLERICAL AMENDMENT.—The table of contents of the Panama Canal Act of 1979 is amended by inserting after the item relating to section 1209 the following:

"1210. Travel and transportation expenses.".

(c) USE OF APPROPRIATIONS FOR HEALTH CARE AND EDUCATIONAL SERVICES.—Section 1321(e) of the Panama Canal Act of 1979 (22 U.S.C. 3731(e)) is amended to read as follows:

"(e) The appropriations or funds of the Commission, or of any other department or agency of the United States conducting operations in the Republic of Panama, shall be available to defray the cost of—

"(1) health care services to elderly or disabled persons wo were eligible to receive such services before the effective date of this Act, less amounts payable by such persons, and

(2) educational services provided by schools in the Republic of Panama, which are not operated by the United States, to employees of the Commission who are citizens of the United States and persons who were receiving such services at the expense of the Canal Zone Government before the effective date of this Act.".

SEC. 6. COMPENSATION FOR NON-GOVERNMENT BOARD MEMBERS.

Section 1102(b) of the Panama Canal Act of 1979 (22 U.S.C. 3612(b)) is amended in the last sentence by inserting immediately before the period at the end thereof the following: ", except that, in addition to such travel or transportation expenses, members of the Board who hold no other office with either the Government of the United States or the Republic of Panama for which they receive pay are authorized to be compensated at the daily equivalent of the annual rate of basic pay in effect for grade GS-18 of the General Schedule under section 5332 of title 5, United States Code, for each day during which they are traveling to or from or attending meetings of the Board as provided in subsection (c) of this section".

SEC. 7. NOTIFICATION OF TRANSFER OF PROPERTY.

Section 1504(b) of the Panama Canal Act of 1979 (22 U.S.C. 3784(b)) is amended in the second sentence by striking out "At least 180 days before" and inserting in lieu thereof "Before".

AMENDMENT OFFERED BY MR. WALKER

Mr. WALKER. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. WALKER: At the end of the bill add the following new section:

SEC. 8. It is the sense of Congress that the fiscal year 1986 expenditures of the Panama

Canal Commission be frozen at the levels approved for fiscal year 1985 ($429,846,000) and that all possible steps be taken to assure that any savings resulting from this action accrue to the general funds of the Treasury as miscellaneous receipts.

Mr. WALKER. Mr. Chairman, for want of a better title, this is a freeze amendment, but it is a complicated freeze amendment, more so than we have faced in the past.

The problem with this particular bill, as I am now to understand it, is that if we froze the appropriation at the authorization level, at last year's 1985 level, as such with a straight amendment, we would end up giving $7 million in essence to the Government of Panama. That is not this gentleman's intent. I want to shave a little bit of money off the spending that the Federal Government does and try to give the taxpayers of this country a break.

So we have drafted the amendment as a sense-of-the-Congress kind of thing which is aimed at trying to get around the problem that evidently the treaties give to us here. There were a lot of us who thought the treaties were not such a good idea back several years ago when they were passed. When I run into complications like the one I found on the floor today when I attempted to offer a mere freeze, I become convinced that we were right at that point, that these treaties never should have been passed. And here is a good reason why, because what it amounts to is if we save money, if we in the Congress save some money here, we do not get the advantage of it; we give the money to Panama. That is crazy. We ought to be doing something to make certain that if we can save some money in this Congress out of the tolls being collected, we get the benefit of those savings and the taxpayer is the one that gets helped because of it. But we cannot do that on the floor this afternoon. I cannot offer an amendment that does that because that is a part of the treaties.

So what this particular amendment says is that we are expressing our sense that that is where the authorization level should be, at last year's freeze level, at $429 million, and that all steps should be taken to see to it that if we implement that level, we are in fact going to get the money back into the general Treasury and, therefore, help American taxpayers.

I have talked to the gentleman from Washington about this and I have talked to the gentleman from Texas about it, and both of them have told me—and I think it is absolutely right—that we are probably going to have to amend the treaty in order to carry out this amendment. I understand that, and I am fully prepared to have that done, I would tell both the gentleman from Washington and the gentleman from Texas. As a matter of fact, there are a lot of conservatives who would like to reopen the question of the treaties, and I think maybe it ought to be done, and if this is one vehicle aimed at doing that, I think that is just fine. If we can do it by the freeze and we can reopen the treaties with the idea of saving the American taxpayer some money, I think that is exactly the direction we ought to go.

But I think it is important that in this bill we address ourselves to the issue of a freeze in some way. That is what this amendment is aimed at doing, because we have come out here with bill after bill after bill and we have said, "Well, we are going to freeze." Then all of a sudden along comes the Panama Canal and we say, "Oh, no, that is complicated. We can't do it on that one."

I just do not buy that. I do not buy that, and I am personally not willing to tell my constituents or tell the American people that we can freeze money for NASA, we can freeze money for NSF, and we can freeze money here and we can freeze money there, but we cannot do it when it comes to the Panama Canal because we have some other things to consider there. I think at the very least we ought to say it is the sense of the Congress that we put in a freeze level and then take those steps that are necessary, and if that involves the President and the State Department going to Panama and saying that they have got that kind of command from Congress, then I think we ought to take that step, because if we are going to commit ourselves to a freeze, we ought to commit ourselves to a freeze, period, and not a freeze that is there when we do the easy things, but when it gets tough and it gets complicated, we back off.

So, Mr. Chairman, what we are doing with this amendment is saying that we should try it and we should take the steps that are necessary in order to try to implement a freeze at 1985 spending levels.

Mr. LENT. Mr. Chairman, will the gentleman yield?

Mr. WALKER. I am glad to yield to the gentleman from New York.

□ 1420

Mr. LENT. Mr. Chairman, I thank the gentleman for yielding.

I have read the gentleman's amendment. It seems to be harmless enough. I just would like to get assurances from the gentleman that if the amendment is adopted, it is not the gentleman's intention that any of the funds that might be saved as a result thereof would go to the Government of Panama, they would stay in the U.S. Treasury.

Mr. WALKER. Well, I want to assure the gentleman that that is absolutely correct. That is what this amendment is attempting to do.

It is my understanding that if we would have passed a mere freeze amendment, that the result of that could have been to give almost a bonus payment to the Government of Panama of $7 million. I do not want to do that.

I have drafted this amendment in a way to assure that if we are able to achieve this freeze, it is done in such a way that the money comes into the general fund of the U.S. Treasury and therefore benefits American taxpayers.

Mr. LOWRY of Washington. Mr. Chairman, will the gentleman yield?

Mr. WALKER. I would be glad to yield to the gentleman from Washington.

Mr. LOWRY of Washington. Mr. Chairman, the gentleman may be sincere in what he is saying to the ranking minority member from New York. There is no doubt but what it would result in $7 million more going to Panama and could not possibly go to the U.S. Treasury under the treaty.

The CHAIRMAN. The time of the gentleman from Pennsylvania has expired.

(By unanimous consent, Mr. WALKER was allowed to proceed for 2 additional minutes.)

Mr. WALKER. Well, I would say to the gentleman that is precisely the reason for stating the amendment the way it is. We say that is the sense of Congress that the expenditure level be frozen. It does not freeze them as such because it simply expresses that that is our sense and then it says that all possible steps be taken to ensure that any savings resulting from this action accrue to the general fund of the Treasury for miscellaneous receipts.

Those two are directly tied together in a sense-of-the-Congress type of approach.

I would say to the gentleman that we would expect that the gentleman's committee and the Department of State, the President and everybody else, would seek to implement this amendment as stated, that we are going to achieve a freeze level that in fact gives the benefits to the American taxpayers and not to Panama. That is what we are trying to achieve here.

Mr. LOWRY of Washington. Mr Chairman, will the gentleman yield further?

Mr. WALKER. I am glad to yield to the gentleman.

Mr. LOWRY of Washington. Mr. Chairman, I thank the gentleman for yielding.

Would the gentleman agree that the only way that could be done would be that the President renegotiate the Panama Canal Treaty, because under the existing Panama Canal Treaty this money would have to go to Panama, so in essence what the sense of Congress is doing is telling the President of the United States to go to Central America, renegotiate the Panama Canal

Treaty, which is something that the Panamanians would strongly oppose; so that this sense of Congress, to go along, that is what the gentleman is asking to do.

The gentleman is asking the President to go and make that negotiation; is that correct? Does the gentleman agree? First of all, can you change treaties without the President doing that?

Mr. WALKER. Well, Mr. Chairman, if the gentleman will allow me to answer, the President does not have to do anything about the whole Panama Canal Treaty. All he would have to renegotiate is that section which gives bonus payments to the Government of Panama. It seems to me that that is one of those things that we might want to take a look at.

We are faced with $200 billion worth of deficits. Why should we be a party to a treaty that is taking receipts that otherwise might come to the Federal Government and give bonus payments to the Government of Panama with them?

I think that some of that money ought to be coming back to the American taxpayers and if the President is instructed by Congress to negotiate in that manner, I think that is an extremely responsible way for Congress to proceed.

Mr. LOWRY of Washington. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, regardless of what is stated on that side of the aisle, section 13(c) of the Panama Canal Treaty specifically says that revenues from the tolls and fees—that is the only place they come from—from the tolls and fees that are in excess, go into a contingency that up to a maximum of $10 million will be paid directly to the Government of Panama.

So the effect of the amendment of the gentleman from Pennsylvania has only one effect, which is to increase the foreign aid of this country to Panama from the $500 million we are presently giving, by at least another $7 million. That is simply it.

Now, the gentleman states that the President may want to renegotiate the treaty. Well, it is pretty obvious when you look at the elements of the treaty, that the contingency payment to Panama was very important to Panama and we really would be asking the President of the United States to accomplish something that is absolutely impossible to accomplish and even more important, is wrong.

So what the effect of the amendment of the gentleman from Pennsylvania does is to take the tolls and the fees—there is not one dime of U.S. taxpayer money involvement—take the tolls and fees which are supposed to be used to maintain the efficiency of the Panama Canal; 80 percent of the traffic which originates or ends in U.S. ports—take that money and instead of using it for the maintenance of the canal, pay it to Panama.

Now, that is the only effect of the gentleman's amendment. I strongly urge the body to reject the gentleman's amendment.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Pennsylvania [Mr. WALKER].

The question was taken; and the Chairman announced that the noes appeared to have it.

Mr. WALKER. Mr. Chairman, I demand a recorded vote, and pending that, I make the point of order that a quorum is not present.

The CHAIRMAN. Evidently, a quorum is not present. Pursuant to the provisions of clause 2, rule XXIII, the Chair announces that he will reduce to a minimum of 5 minutes the period of time within which a vote by electronic device, if ordered, will be taken on the pending question following the quorum call. Members will record their presence by electronic device.

The call was taken by electronic device.

The following Members responded to their names:

[Roll No. 109]

Ackerman	Carney	Eckart (OH)
Akaka	Carper	Eckert (NY)
Alexander	Carr	Edgar
Anderson	Chandler	Edwards (CA)
Andrews	Chappell	Emerson
Annunzio	Chappie	Erdreich
Anthony	Cheney	Evans (IA)
Applegate	Clay	Fascell
Armey	Clinger	Fawell
Aspin	Coats	Fazio
Atkins	Cobey	Feighan
AuCoin	Coble	Fiedler
Badham	Coelho	Fields
Barnard	Coleman (MO)	Fish
Barnes	Coleman (TX)	Flippo
Bartlett	Collins	Florio
Barton	Combest	Foglietta
Bateman	Conte	Foley
Bates	Cooper	Ford (TN)
Bedell	Coughlin	Fowler
Bellenson	Courter	Frank
Bennett	Coyne	Franklin
Bereuter	Craig	Frost
Berman	Crane	Fuqua
Bevill	Crockett	Gallo
Biaggi	Daniel	Garcia
Bilirakis	Dannemeyer	Gaydos
Billey	Darden	Gejdenson
Boehlert	Daschle	Gekas
Boggs	Daub	Gephardt
Boland	Davis	Gibbons
Boner (TN)	de la Garza	Gilman
Bonior (MI)	Delay	Gingrich
Bonker	Dellums	Glickman
Borski	Derrick	Gonzalez
Bosco	DeWine	Goodling
Boucher	Dickinson	Gordon
Boulter	Dicks	Gradison
Boxer	Dingell	Gray (IL)
Breaux	DioGuardi	Gray (PA)
Brooks	Dixon	Green
Broomfield	Donnelly	Gregg
Brown (CA)	Dorgan (ND)	Grotberg
Brown (CO)	Dornan (CA)	Guarini
Broyhill	Dowdy	Gunderson
Bruce	Downey	Hall (OH)
Bryant	Dreier	Hall, Ralph
Burton (CA)	Duncan	Hall, Sam
Burton (IN)	Durbin	Hamilton
Bustamante	Dwyer	Hammerschmidt
Byron	Dymally	Hansen
Callahan	Dyson	Hartnett
Campbell	Early	Hatcher
Hawkins	McGrath	Schulze
Hayes	McHugh	Schumer
Hefner	McKernan	Sensenbrenner
Heftel	McKinney	Sharp
Henry	McMillan	Shaw
Hertel	Meyers	Shelby
Hiler	Mica	Shumway
Hillis	Michel	Shuster
Hopkins	Mikulski	Sikorski
Horton	Miller (CA)	Siljander
Howard	Miller (OH)	Sisisky
Hoyer	Miller (WA)	Skeen
Hubbard	Mineta	Skelton
Hughes	Mitchell	Slattery
Hunter	Moakley	Slaughter
Hutto	Molinari	Smith (FL)
Hyde	Mollohan	Smith (IA)
Ireland	Monson	Smith (NE)
Jacobs	Montgomery	Smith (NH)
Jeffords	Moody	Smith (NJ)
Jenkins	Moore	Smith, Denny
Johnson	Moorhead	Smith, Robert
Jones (NC)	Morrison (CT)	Snowe
Jones (OK)	Morrison (WA)	Snyder
Jones (TN)	Mrazek	Solarz
Kanjorski	Murphy	Spence
Kaptur	Murtha	Spratt
Kasich	Myers	St Germain
Kastenmeier	Natcher	Staggers
Kemp	Neal	Stallings
Kennelly	Nelson	Stangeland
Kildee	Nichols	Stenholm
Kindness	Nielson	Stokes
Kleczka	Nowak	Strang
Kolbe	Oakar	Stratton
Kolter	Oberstar	Studds
Kostmayer	Obey	Stump
Kramer	Olin	Sundquist
LaFalce	Ortiz	Sweeney
Lagomarsino	Owens	Swift
Lantos	Oxley	Swindall
Latta	Packard	Synar
Leach (IA)	Panetta	Tallon
Leath (TX)	Parris	Tauke
Lehman (CA)	Pashayan	Tauzin
Lehman (FL)	Pease	Taylor
Leland	Penny	Thomas (CA)
Lent	Perkins	Thomas (GA)
Levin (MI)	Petri	Torres
Levine (CA)	Pickle	Torricelli
Lewis (CA)	Porter	Towns
Lewis (FL)	Price	Traficant
Lightfoot	Pursell	Traxler
Lipinski	Quillen	Valentine
Livingston	Rangel	Vander Jagt
Lloyd	Ray	Vento
Loeffler	Regula	Visclosky
Long	Reid	Volkmer
Lott	Richardson	Vucanovich
Lowery (CA)	Ridge	Walgren
Lowry (WA)	Rinaldo	Walker
Lujan	Ritter	Watkins
Luken	Robinson	Weber
Lundine	Rodino	Weiss
Lungren	Roe	Wheat
Mack	Roemer	Whitehurst
MacKay	Rogers	Whitley
Madigan	Rose	Whittaker
Manton	Rostenkowski	Williams
Markey	Roth	Wilson
Marlenee	Roukema	Wirth
Martin (IL)	Rowland (CT)	Wise
Martin (NY)	Rowland (GA)	Wolf
Martinez	Roybal	Wolpe
Matsui	Rudd	Wortley
Mavroules	Russo	Wright
Mazzoli	Sabo	Wyden
McCain	Savage	Wylie
McCandless	Saxton	Yates
McCloskey	Schaefer	Yatron
McCollum	Scheuer	Young (AK)
McCurdy	Schneider	Young (FL)
McDade	Schroeder	Young (MO)
McEwen	Schuette	Zschau

□ 1440

The CHAIRMAN. Four hundred eleven Members have answered to their names, a quorum is present, and the Committee will resume its business.

RECORDED VOTE

The CHAIRMAN. The pending business is the demand of the gentleman from Pennsylvania [Mr. WALKER] for a recorded vote. Five minutes will be allowed for the vote.

A recorded vote was ordered.

The vote was taken by electronic device, and there were—ayes 241, noes 173, not voting 20, as follows:

[Roll No. 110]

AYES—241

Andrews	Gray (IL)	Parris
Applegate	Gregg	Pashayan
Archer	Grotberg	Penny
Armey	Hall, Ralph	Perkins
Badham	Hall, Sam	Petri
Barnard	Hammerschmidt	Porter
Bartlett	Hansen	Pursell
Barton	Hartnett	Quillen
Bateman	Hefner	Rangel
Bates	Heftel	Ray
Bennett	Hendon	Regula
Bereuter	Henry	Richardson
Bevill	Hiler	Ridge
Bilirakis	Hillis	Rinaldo
Bliley	Hopkins	Ritter
Boehlert	Horton	Roe
Boner (TN)	Hunter	Roemer
Boulter	Hutto	Rogers
Breaux	Ireland	Roth
Broomfield	Jenkins	Roukema
Brown (CA)	Johnson	Rowland (CT)
Brown (CO)	Jones (TN)	Rudd
Broyhill	Kanjorski	Saxton
Bruce	Kasich	Schaefer
Burton (IN)	Kemp	Schneider
Byron	Kindness	Schuette
Callahan	Kolbe	Schulze
Campbell	Kolter	Sensenbrenner
Carney	Kramer	Shaw
Carr	Lagomarsino	Shelby
Chappie	Latta	Shuster
Cheney	Leach (IA)	Sikorski
Clinger	Leath (TX)	Siljander
Coats	Lent	Sisisky
Cobey	Lewis (CA)	Skeen
Coble	Lewis (FL)	Skelton
Coleman (MO)	Lightfoot	Slattery
Combest	Livingston	Slaughter
Conte	Lloyd	Smith (FL)
Coughlin	Loeffler	Smith (NE)
Courter	Lott	Smith (NH)
Craig	Lowery (CA)	Smith (NJ)
Crane	Lujan	Smith, Denny
Daniel	Lungren	Smith, Robert
Dannemeyer	Mack	Snowe
Daschle	Madigan	Snyder
Daub	Marlenee	Spence
Davis	Martin (IL)	Staggers
Delay	Martin (NY)	Stangeland
DeWine	Mazzoli	Stenholm
Dickinson	McCain	Strang
DioGuardi	McCandless	Stratton
Dorgan (ND)	McCollum	Stump
Dornan (CA)	McDade	Sundquist
Dowdy	McEwen	Sweeney
Dreier	McGrath	Swindall
Duncan	McKernan	Tauke
Dyson	McKinney	Taylor
Eckart (OH)	McMillan	Thomas (CA)
Eckert (NY)	Meyers	Torricelli
Emerson	Mica	Traficant
Erdreich	Michel	Traxler
Evans (IA)	Miller (OH)	Valentine
Fawell	Molinari	Vander Jagt
Feighan	Mollohan	Volkmer
Fiedler	Monson	Vucanovich
Fields	Montgomery	Walker
Fish	Moore	Weber
Flippo	Moorhead	Whitehurst
Fowler	Morrison (WA)	Whitley
Franklin	Mrazek	Whittaker
Gallo	Murphy	Wolf
Gaydos	Myers	Wortley
Gekas	Natcher	Wyden
Gibbons	Neal	Wylie
Gilman	Nelson	Yatron
Gingrich	Nichols	Young (AK)
Glickman	Nielson	Young (FL)
Goodling	Oakar	Zschau
Gordon	Oxley	
Gradison	Packard	

NOES—173

Ackerman	Frank	Moakley
Akaka	Frost	Moody
Alexander	Fuqua	Morrison (CT)
Anderson	Garcia	Murtha
Annunzio	Gejdenson	Nowak
Anthony	Gephardt	Oberstar
Aspin	Gonzalez	Obey
Atkins	Gray (PA)	Olin
AuCoin	Green	Ortiz
Barnes	Guarini	Owens
Bedell	Gunderson	Panetta
Beilenson	Hall (OH)	Pease
Berman	Hamilton	Pickle
Biaggi	Hatcher	Price
Boggs	Hawkins	Reid
Boland	Hayes	Robinson
Bonior (MI)	Hertel	Rodino
Bonker	Howard	Rose
Borski	Hoyer	Rostenkowski
Bosco	Hubbard	Rowland (GA)
Boucher	Hughes	Roybal
Boxer	Hyde	Russo
Brooks	Jacobs	Sabo
Bryant	Jeffords	Savage
Burton (CA)	Jones (NC)	Scheuer
Bustamante	Jones (OK)	Schroeder
Carper	Kaptur	Schumer
Chandler	Kastenmeier	Sharp
Chappell	Kennelly	Shumway
Clay	Kildee	Smith (IA)
Coelho	Kleczka	Solarz
Coleman (TX)	Kostmayer	Spratt
Collins	LaFalce	St Germain
Cooper	Lantos	Stallings
Coyne	Lehman (CA)	Stark
Crockett	Lehman (FL)	Stokes
Darden	Leland	Studds
de la Garza	Levin (MI)	Swift
Dellums	Levine (CA)	Synar
Derrick	Lipinski	Tallon
Dicks	Long	Tauzin
Dingell	Lowry (WA)	Thomas (GA)
Dixon	Luken	Torres
Donnelly	Lundine	Towns
Downey	MacKay	Vento
Durbin	Manton	Visclosky
Dwyer	Markey	Walgren
Dymally	Martinez	Watkins
Early	Matsui	Weiss
Edgar	Mavroules	Wheat
Edwards (CA)	McCloskey	Williams
Fascell	McCurdy	Wilson
Fazio	McHugh	Wirth
Florio	Mikulski	Wise
Foglietta	Miller (CA)	Wolpe
Foley	Miller (WA)	Yates
Ford (MI)	Mineta	Young (MO)
Ford (TN)	Mitchell	

NOT VOTING—20

Addabbo	Holt	Solomon
Bentley	Huckaby	Udall
Conyers	O'Brien	Waxman
Edwards (OK)	Pepper	Weaver
English	Rahall	Whitten
Evans (IL)	Roberts	Wright
Frenzel	Seiberling	

□ 1450

Messrs. TRAXLER, CARNEY, and HUTTO changed their votes from "no" to "aye."

So the amendment was agreed to.

The result of the vote was announced as above recorded.

The CHAIRMAN. If there are no other amendments, the question is on the committee amendment in the nature of a substitute, as amended.

The committee amendment in the nature of a substitute, as amended, was agreed to.

The CHAIRMAN. Under the rule, the Committee rises.

Accordingly the Committee rose; and the Speaker pro tempore [Mr. GEPHARDT] having assumed the chair, Mr. LUKEN, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the bill (H.R. 1784) to authorize appropriations for fiscal year 1986 for the operation and maintenance of the Panama Canal, and for other purposes, pursuant to House Resolution 158, he reported the bill back to the House with an amendment adopted by the Committee of the Whole.

The SPEAKER pro tempore. Under the rule, the previous question is ordered.

Is a separate vote demanded on the amendment to the committee amendment adopted by the Committee of the Whole? If not, the question is on the amendment.

The amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

GENERAL LEAVE

Mr. LOWRY of Washington. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on H.R. 1784, the bill just passed.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Washington?

There was no objection.

AUTHORIZATION FOR APPROPRIATIONS OF MARITIME PROGRAMS FOR FISCAL YEAR 1985

The SPEAKER pro tempore. Pursuant to House Resolution 157 and rule XXIII, the Chair declares the House in the Committee of the Whole House on the State of the Union for the consideration of the bill, H.R. 1157.

□ 1455

IN THE COMMITTEE OF THE WHOLE

Accordingly the House resolved itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H.R. 1157) to authorize appropriations for fiscal year 1986 for certain maritime programs of the Department of Transportation and the Federal Maritime Commission, with Mr. SAM B. HALL, JR., in the chair.

The Clerk read the title of the bill.

The CHAIRMAN. Pursuant to the rule, the first reading of the bill is dispensed with.

Under the rule, the gentleman from North Carolina [Mr. JONES] will be recognized for 30 minutes and the gentleman from Kentucky [Mr. SNYDER] will be recognized for 30 minutes.

The Chair recognizes the gentleman from North Carolina [Mr. JONES].

Mr. JONES of North Carolina. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, I appreciate the promptness with which the leadership has scheduled consideration of the maritime authorization, H.R. 1157. I would also like to thank the Rules Committee for its expeditious and favorable treatment of our request for a rule making in order the consideration of this vital legislation.

H.R. 1157 is a bill to authorize appropriations for fiscal year 1986 for certain maritime programs of the Department of Transportation and the Federal Maritime Commission.

The Maritime Administration authorization is for just less than $417 million, a decrease of about $48 million from the fiscal 1985 appropriation. The Federal Maritime Commission authorization is for some $11.9 million, $352,000 less than appropriated for fiscal 1985. At the same time these authorizations are slightly higher than those proposed by the administration. The additions include, for both agencies, the restoration of the 5-percent salary cut for civil servants. The balance of the $48 million differences between the administration's and the committee's MARAD authorization reflects: First, restoration of speculative savings which would require legislation or rulemaking yet to be seen; second, the inclusion of previously authorized sums ($8.5 million) for State school training vessel replacement the administration seeks to defer; and third, $3 million for school ship fuel oil as previously mandated.

This bill is a true authorization, and does not and should not be burdened with any legislative proposals to affect substantive law. Since this is the fifth year in a row that authorization levels are lower than amounts appropriated in each of the previous years, we ask you to note, with us, that substantial changes are taking place in the maritime field, changes of such magnitudes that they require consideration as part of a complete review of maritime policy.

The Committee on Merchant Marine and Fisheries has embarked on a thorough investigation into all aspects of the promotional program administered by the Maritime Administration. With the cooperation of the other Members of this body and of the maritime industry itself, we hope to present to the House those changes which will make our merchant marine a more competitive and efficient fleet. In the meantime, the bill before us is the bare minimum for the continued operation of the U.S.-flag merchant marine, and I ask your support in authorizing those funds provided in H.R. 1157.

□ 1500

Mr. Chairman, I yield such time as he may consume to the gentleman from New York [Mr. BIAGGI], chairman of the subcommittee.

Mr. BIAGGI. I thank the chairman for yielding this time to me, and I commend him for his leadership in this matter, as well as the ranking minority members, the gentleman from Kentucky [Mr. SNYDER] and the gentleman from New York [Mr. LENT].

Mr. Chairman, I rise in support of H.R. 1157. This is a routine annual authorization bill that permits the appropriation of funds for certain maritime programs administered by the Maritime Administration, an agency within the Department of Transportation. The programs are related to the development of the foreign and domestic commerce of the United States and to the national defense through an adequate and capable U.S.-flag merchant marine.

This bill also authorizes funding for the Federal Maritime Commission, an independent agency, whose major responsibilities include the regulation of ocean carriers, shippers, terminal operators, and freight forwarders operating in the ocean commerce of the United States.

I am pleased to state that we have been able to report a bill free of nonfiscal amendments. It is my sincere desire—and those of us on the Committee on Merchant Marine and Fisheries on both sides of the aisle—to keep this legislation free of nonfiscal matters and controversial issues that require in-depth review and consideration.

The bill, as reported, includes the following amounts for the Maritime Administration: $335.1 million for operating-differential subsidies; $9.9 million for research and development; and $71.9 million for operations and training.

This totals $416.9 million—about 10 percent less than what was appropriated for fiscal year 1985.

In the Operating-Differential Subsidy Program, the committee's authorization is $35.6 million higher than the administration budget request. The administration presupposed that savings would be realized through the adoption of administrative, regulatory, or legislative changes in the ODS Program. Though the committee has not received detailed information concerning the changes to be proposed, it is apparent that their implementation is uncertain. Therefore, they are not reflected in the committee bill.

There are also several differences in the funding levels for the Operations and Training Program.

H.R. 1157 authorizes $3 million for fuel oil for State training vessels. This amount is not included in the President's budget.

The administration has requested deferral authority for $8.5 million to defray O&T costs in fiscal year 1986. This money was appropriated in the last Congress for replacement of the New York State Maritime Academy training ship. The committee bill assumes that the deferral request will be denied.

The administration's request presupposes that legislation will be enacted for a 5-percent reduction in Federal employee compensation beginning on January 1, 1986—with a projected $1.16 million in savings. Since approval of this measure is speculative, the committee bill does not reflect these cost reductions.

Section 2 of the bill contains an authorization of $11.9 million for the Federal Maritime Commission. This is $334,000 more than the administration's request. The difference can be attributed to the administration's assumption that a 5-percent reduction in Federal employee compensation will be achieved.

I believe this legislation is reasonable and enjoys bipartisan support. The programs being funded will provide economic benefits far in excess of the proposed expenditures. As a component of the Federal budget, it should have a positive impact upon our economy. It deserves your support.

Mr. JONES of North Carolina. Mr. Chairman, I yield 4 minutes to the gentleman from Massachusetts [Mr. DONNELLY].

Mr. DONNELLY. I thank the chairman for yielding time to me.

Mr. Chairman, I rise in support of H.R. 1157, which authorizes programs of the Maritime Administration and the Federal Maritime Commission. This bill is clean, and contains no controversies of which I am aware. It does not seek to change in any way existing Federal statutes.

The Maritime Administration is responsible for promoting, developing, and maintaining the American merchant marine for domestic and foreign trade and for defense requirements. Unfortunately, those lofty goals are totally divorced from the present reality.

American flagships carry an ever-shrinking share of our trade cargoes. A growing portion of American shipyards face mounting layoffs and the very real possibility of closure. These claims are not rhetorical. Less than 5 percent of U.S. exports and imports are carried in ships flying the American flag, and staffed by U.S. citizen crews. Vice Admiral Rowden, commander of the Military Sealift Command, recently stated that:

> As the 600-ship Navy becomes a reality, the privately owned U.S. Merchant Marine has slipped to just 500 ships, and almost one-quarter of them are laid up. For the first time in U.S. history, our gray-hulled Navy outnumbers the merchant fleet.

In the last 2 years, four major U.S. shipyards considered part of the Nation's active shipbuilding base have closed their gates. That base is determined by Navy planners as vital to our Nation's ability to construct and make extensive repairs and modifications to Navy and commercial sealift ships in time of war or national emergency.

Since 1982, our country's active shipbuilding base has shrunk from 27 to 23 yards. There is little doubt that base will decline even further as yards face stagnant demand for new commercial ships, and fierce competition for the few remaining near-term Navy noncombatant ship program. At present, there are no commercial foreign-trade ships under construction in American shipyards. By the end of this year, only five ships for coastwise carriage will still be under construction in U.S. yards.

The decline of America's seagoing and commercial shipbuilding industries is a national crisis. The major shipyards that have closed in the last 2 years have not been limited to one geographical region of the country. They have closed in Texas, Maryland, and in Ohio. Yards in Florida, Washington State, Maryland, and in my home district in Massachusetts, are nearing completion of their current construction and conversion projects. It is clearly in the national interest that a large, geographically dispersed shipbuilding base be maintained. It is clearly in the national interest that a skilled shipbuilding work force be maintained. Navy shipbuilding programs alone will not maintain those national assets, nor is it desirable for American flagships to be built in Korea and Japan. In time of national crisis, we should not have to rely on the uncertain shipbuilding and repair capabilities of other countries. I do not believe the American people will be comfortable with that scenario. They want American ships to be built in the United States and crewed by American citizens.

I raise these troubling facts because something must be done, and done soon, to reverse the dangerous decline of the U.S.-flag fleet and our domestic shipbuilding base. The Soviets have not lost sight of the critical importance of maintaining a large, diverse national flag fleet and shipyard base. In fact their fleet now consists of 1,750 ships, and their shipyards have dramatically increased their output and quality levels.

I commend Chairman JONES for his untiring advocacy on behalf of the American merchant marine, and I look forward to working with him and the committee in the months ahead to devise policies that will bring a resurgence in America's seagoing flag fleet and shipyards. If the administration and Congress fail to take decisive action to reverse the decline of our merchant marine, the consequences of such inaction could well be disastrous.

Mr. JONES of North Carolina. Mr. Chairman, I reserve the balance of my time.

Mr. SNYDER. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chariman, I rise in support of H.R. 1157, a bill to authorize appropriations for fiscal year 1986 for the Maritime Administration and the Federal Maritime Commission.

Mr. Chairman, H.R. 1157 is a straightforward, clean authorization bill, unencumbered by the types of legislative provisions which have led to controversy in 3 of the last 4 years. Members may recall that last year's bill was the first successfully enacted into law during that time period, and it is the committee's intent that H.R. 1157 follow suit.

H.R. 1157 contains a certain symmetry in the numbers for the Maritime Administration: $48 million above the President's fiscal year 1986 budget request; and $48 million below the fiscal year 1985 appropriation. The authorization figure for the Federal Maritime Commission is $334,000 above the President's request, but is likewise less than fiscal year 1985's appropriated amount.

The primary reason that this bill exceeds the President's budget request is that the committee has chosen not to legislate on blind faith—that is, in the belief that $35.6 million in savings in the Operating Differential Subsidy [ODS] Program which were assumed in the budget will, in fact, occur. There's little question that the committee supports, in concept, the idea of streamlining the ODS system and at the same time promoting a more competitive U.S. merchant marine in the foreign commerce. Yet, in this particular instance, the assumed savings are contingent upon variables outside the committee's control, and therefore are not incorporated into H.R. 1157.

The remainder of the dollar differences between the administration request and the committee bill have already been explained by the subcommittee chairman, the gentleman from New York, and I will not repeat them here.

I do admit to a certain sense of mystery as to why the Merchant Marine Subcommittee and the full Committee on Merchant Marine and Fisheries continue to insist upon reporting authorization bills with $3 million in fuel assistance funds for State maritime academy training vessels. Although this practice has become almost routine, I question its necessity when we in the Congress are fighting daily battles over deficit reduction measures while according to the Congressional Research Service, the five States in which the benefited academies are located show estimated end of fiscal year 1985 balances in their treasuries ranging from $22 to $985 million. Perhaps the Appropriations Committee will take notice during its deliberations.

Those reservations aside, Mr. Chairman, H.R. 1157 is responsible legislation worthy of Members' support, and I urge its adoption.

□ 1510

Mr. Chairman, I yield such time as he may consume to our ranking member of the full committee, the gentleman from New York [Mr. LENT].

Mr. LENT. I thank the gentleman for yielding time to me.

Mr. Chairman, it is a pleasure for me to rise on the floor of the House today in support of H.R. 1157, the maritime authorization bill. The chairman of our committee, the gentleman from North Carolina, Hon. WALTER B. JONES, explained to my colleagues this legislation before us today, so I do not propose to go into great detail about the programs that would be funded under this bill.

I do want to indicate my support of this legislation. It was thoroughly studied by the chairman of our Merchant Marine Subcommittee, the gentleman from New York, Hon. MARIO BIAGGI, and our ranking member of the subcommittee, the gentleman from Kentucky, Hon. GENE SNYDER. This legislation represents a bipartisan effort to address the needs of the Maritime Administration and the Federal Maritime Commission and the maritime industries that are dependent upon these two agencies.

The committee carefully considered the budget request of the administration and, with some exceptions, agreed that the President's budget was a realistic one for these maritime programs. Our committee did not accept three proposals that were suggested by the administration as a means of reducing the level of funding for the operating-differential subsidy program. I believe that the proposals which—according to the administration would save $36 million—need further study. Our reasons for not acting on these proposals is, quite simply, that the testimony received during our committee hearings and other supporting information do not confirm that, indeed, these savings would occur. The ideas appear to have some merit, but, in one case, at least, it is conceivable that reducing the funding level for operating subsidies could lead to bankruptcies for some vessel operating companies. If that occurred, it would require the Government to pay off guaranteed loans on vessels in amounts that could exceed any possible budget savings.

Even without making the program reductions proposed by the administration, this legislation is definitely financially responsible in the context of the economic problems that we have

before us. This bill authorizes almost $50 million less for the Maritime Administration than was enacted in fiscal year 1985, and approximately $685,000 less for the Federal Maritime Commission.

Mr. Chairman, I am pleased to support this legislation and urge all of my colleagues to do likewise.

Mr. SNYDER. Mr. Chairman, I have no further requests for time, and I yield back to the balance of my time.

Mr. JONES of North Carolina. Mr. Chairman, I have no further requests for time, and I yield back the balance of my time.

The CHAIRMAN. The Clerk will read.

The Clerk read as follows:

H.R. 1157

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That funds are authorized to be appropriated for the use of the Maritime Administration for fiscal year 1986 as follows:

(a) for payment of obligations incurred for operating differential subsidy, not to exceed $335,084,000;

(b) for expenses necessary for research and development activities, not to exceed $9,900,000; and

(c) for expenses necessary for operations and training activities, not to exceed $70,812,000 including not to exceed—

(1) $34,500,000 for maritime education and training expenses, including not to exceed $19,318,000 for maritime training at the Merchant Marine Academy at Kings Point, New York, $10,915,000 for financial assistance to State maritime academies, $3,000,000 for fuel oil assistance to State maritime academy training vessels, and $1,267,000 for expenses necessary for additional training;

(2) $9,047,000 for national security support capabilities, including not to exceed $7,748,000 for Reserve Fleet expenses and $1,299,000 for emergency planning operations; and

(3) $27,265,000 for other operations and training expenses.

SEC. 2. Funds are authorized to be appropriated for the use of the Federal Maritime Commission in the amount of $11,606,000 for fiscal year 1986.

Mr. JONES of North Carolina (during the reading). Mr. Chairman, I ask unanimous consent that the bill be considered as read, printed in the RECORD, and open to amendment at any point.

The CHAIRMAN. Is there objection to the request of the gentleman from North Carolina?

There was no objection.

COMMITTEE AMENDMENTS

The CHAIRMAN. The Clerk will report the first committee amendment.

The Clerk read as follows:

Committee amendment: page 2, line 6, strike "$70,812,000", and substitute "$71,967,000".

The committee amendment was agreed to.

The CHAIRMAN. The Clerk will report the next committee amendment.

Mr. JONES of North Carolina. Mr. Chairman, I ask unanimous consent that the remaining committee amendments be considered en bloc, considered as read, and printed in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from North Carolina?

There was no objection.

The text of the remaining committee amendments is as follows:

Committee amendments: Page 2, line 8, strike "$34,500,000", and substitute "$34,847,000";

Page 2, line 10, strike "$19,318,000", and substitute "$19,633,000";

Page 2, line 15, strike "$1,267,000", and substitute "$1,299,000";

Page 2, line 18, strike "$9,047,000", and substitute "$9,277,000";

Page 2, line 20, strike "$7,748,000", and substitute "$7,932,000";

Page 2, line 21, strike "$1,299,000", and substitute "$1,345,000";

Page 2, line 23, strike "$27,265,000", and substitute "$27,843,000";

Page 2, line 3, strike "$11,606,000", and substitute "$11,940,000";

The committee amendments were agreed to.

AMENDMENT OFFERED BY MR. WALKER

Mr. WALKER. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. WALKER: At the end of the bill, add the following new section:

"SEC. 3. All funds authorized by this act are hereby reduced by ten percentum."

Mr. WALKER. Mr. Chairman, I ask unanimous consent to change the word "all" in the amendment to "the."

The CHAIRMAN. Is there objection to the request of the gentleman from Pennsylvania?

Mr. JONES of North Carolina. Mr. Chairman, reserving the right to object, what was the unanimous-consent request?

Mr. WALKER. In the amendment where it says, "All funds authorized by this act," to make it, "The funds authorized by this act."

Mr. JONES of North Carolina. What would be the effect?

Mr. WALKER. In other words, it will allow more discretion in terms of the cuts that way. It is my intention to assure that the overall amount of funding in the bill is cut by 10 percent.

In talking to the gentleman from Kentucky, we felt that if I changed the word to "the," it will allow that kind of discretion and will assure that if this amendment passes, that we will not run into some of the problems that would be there that I did not intend for the committee to have.

Mr. SNYDER. If the gentleman will yield, the way the amendment is worded, it says "all funds," that it was going to introduce. It leaves it open, I think, to interpretation that if this amendment should be adopted, that the 10-percent cut would apply on each of the categories shown in the bill. Whereas, if you say "the funds," then you take the total and leave discretion to commissions as to where they would cut in the event it would be adopted.

I think that if it may be adopted, and if it is, then we are better off if they have discretion as to where they are going to take this money out of instead of each category having to take 10 percent. That is why I asked the gentleman to change the "all" to "the."

Mr. WALKER. Let me assure the gentleman from North Carolina that my intention is to give as much discretion as possible. It was worded in a way to assure that the committee priorities would be kept, and that as much discretion as possible.

The gentleman from Kentucky feels as though the language that I am suggesting in my unanimous consent would give more discretion and I am perfectly amendable to doing that if we can do it by unanimous consent.

Mr. JONES of North Carolina. Mr. Chairman, I withdraw my reservation of objection.

The CHAIRMAN. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

The text of the amendment, as modified, is as follows:

Amendment offered by Mr. WALKER, as modified: At the end of the bill add the following new section:

"SEC. 3. The funds authorized by this act are hereby reduced by ten per centum."

Mr. WALKER. I thank the chairman.

Mr. Chairman, this amendment would amount to about a $42-million cut. Let me explain the reason why I have approached it this way.

The committee has, in fact, come to the floor with a bill that is responsible and it comes in below last year's spending levels; about $48 million below last year's spending levels. However, it is also a bill that exceeded the administration's request by about $48 million. This amendment would not recover the whole of that $48 million, but would recover a good portion of it by cutting 10 percent.

The reason for doing that, it seems to me, is simply that if we are going to do something about deficits, we have to do more than simply freeze along the way. We agreed in the last bill to a sense-of-the-Congress kind of freeze; we have had some other freezes before, but if we are really going to begin to cut into a $180- to $200-billion deficit, we have got to look at some of the places where the administration says that they can save additional money over what was being spent in the previous year.

So this particular amendment would allow us to get about $42 million additional in cuts in the spending for the

Maritime Administration, and therefore, it seems to me, would get us in line with what the administration says they need, and be something which I think is probably going to come closer to the Senate.

□ 1520

In reading the administration's position on this bill, I understand that they were in support of the legislation; however, we are going to seek amendments in the Senate to get it closer to their appropriations level, and that is what this amendment does. It gets it closer to the appropriations level that the administration had originally suggested. So, therefore, I would urge my colleagues to accept this fairly simple but I think important amendment that would cut 10 percent out of the bill as brought forward by the committee.

Mr. GAYDOS. Mr. Chairman, I rise in opposition to the proposed amendment.

Mr. Chairman, regardless of what has been said as an explanation in the official record, there is always a question as to whether or not the proper interpretation or application of all funds or the funds will be made as suggested by the maker of the amendment.

Let us truly look at the impact of this amendment. A 10-percent cut would conceivably pertain to cargo preference, and in all truth, cargo-preference requirements affect neither the price that American farmers receive for their goods nor the price that overseas customers pay for these commodities. The cost differential between U.S. ships and foreign vessels is paid for by the American Government as part of a longstanding national policy of United States for the American maritime industry.

This is true in many, many other areas. We talk about the textile industry and talk, yes, about the coal industry, and the sugar problem we have in the country, and I can go on and on. All those directly and indirectly are involved. If you apply to one, you apply to the other.

What this amendment would do, and I suggest to you that there is a question as to what "all" and "the" funds means, is to have a severe and devastating effect on the U.S. merchant marine and would effectively penalize the U.S. fleet, what is left of the U.S. fleet.

According to recent figures from the U.S. Maritime Administration, the U.S.-flag dry bulk fleet, which virtually depends on preference cargoes for survival, now consists of only 21 vessels. Fortunately, it is a young fleet, with 11 ships of 4 years of age or less, and 19 of the 21 at 12 years or less. But even more, these new ships can carry more cargo tonnage and can operate with a smaller crew. Thus, the merchant fleet, what we have of it, with the help of the Seafarers' International Union, has been able to cut manning levels and lower wage structures to keep the fleet more competitive.

We have some fleet; better than nothing, but woefully ineffective and woefully low in numbers. Now we have this amendment which would and could possibly reduce the use of authorized funds, as I have already explained, to enforce cargo-preference requirements by at least 10 percent. This pertains to shipments of agricultural commodities and others.

The question that I think is reasonable to ask and which presents itself at this stage is: Is all the work that our maritime industry and the men and the various unions involved to go down the tube and be for naught? Are we telling another basic industry that is making an effort to compete in today's international world that we do not care?

The maritime industry is vital to this Nation. It fills an important defense need. It fills an important domestic need as well, and it is about time, I believe, that we in this body start making our actions known and our votes indicate that we do care and are concerned about our maritime fleet.

If we adopt this 10-percent amendment, we will be sending another signal to our shipbuilding industry and the other industries that service it, such as steel and areas of that nature, that we do not care what happens. Mr. Speaker, I do care, and I care as the chairman of the Steel Caucus executive committee in what we have done. I care for the merchant fleet. I care for the well-being and international competitive position of this country. We must defeat this 10-percent amendment.

Mr. BIAGGI. Mr. Chairman, I move to strike the last word.

Mr. Chairman, I rise in opposition to the amendment. I am not sure that the gentleman who offered this amendment listened to what was said in the opening comments. I do not think he was on the floor. It is unfortunate, because the fact of the matter is, the Merchant Marine and Fisheries Committee works in a bipartisan fashion. Ours is to preserve and enhance the quality and quantity of the merchant marine industry, an industry that has seen poor days, an industry that has seen steady decline since World War II, where hundreds of thousands of jobs have been lost in the industry. If it were to be reflected across all of the ancillary industries, it would run into the millions. The gentleman from Pennsylvania [Mr. GAYDOS] just made reference to his concern for the industry, as well as for the steel industry.

With the diminution of the maritime industry, with the reduction in our ability to compete, resulting in the disastrous consequence where our shipyards are not being occupied because any shipper cannot afford to build a ship in an American shipyard to compare with those built in foreign yards for the ability to transport cargo.

All we have seen, we have come upon woeful days and the administration, the President, has been very sympathetic. He passed the Shipping Act of 1985. He is mindful of the conditions of the maritime industry. He is trying to be helpful, and as a result, there is a bipartisan effort, especially in that committee. Rarely do we report out legislation that has not been ironed out, that has not been distilled and reconsidered so that when we bring it to the floor, we bring a product that both parties agree and all elements of the industry agree upon. For what purpose? To save the merchant marine, to save it. It is going down the tubes. Shipyards are going out of business. We have a 26-shipyard mobilization base that will be reduced even further. The gentleman from Massachusetts [Mr. DONNELLY] just told me that two other shipyards will be closing up in Massachusetts in the very near future.

We read the articles, we hear the stories, we recognize the fact, we know what is happening, and yet we are not in a position to do anything about it. The most significant thing that has happened in a long time was the Shipping Act of 1985, and that happened over a 6-year period with the administration's support and with a bipartisan approach. This committee finally came up with a maritime authorization bill, no fiscal matters, no controversial matters, and reported a bill out that was 10 percent less than the appropriation for 1985. We have done the job. We have been prudent. We have recognized the need, even on a fiscal basis.

We should be having more money come into the maritime agency. We should have more money coming into the maritime industry, not less, but we recognize the exigencies of the day, so we do respond in a responsible fashion, and then we are victimized with the 10-percent dogma doctrine, and that is what is it. It is a 10-percent dogma doctrine. Everything that comes up must be cut by 10 percent.

I am not even going to try to give you a case for building more money, but let me tell you, certainly this amendment should be rejected out of hand—out of hand.

□ 1530

Mrs. BENTLEY. Mr. Chairman, I move to strike the requisite number of words, and I rise in opposition to the amendment.

Mr. Chairman, I support all of the statement of my colleague, the gentleman from New York [Mr. BIAGGI], who emphasized the need for the American merchant marine today and the need to support this industry as much as possible.

This industry has suffered a great deal already, and it can ill afford to incur any more losses or we are going to have another very important industry disappear totally from our country.

We need a presence on the high seas. It is important that the American flag is out there. It is important not only to insure our shippers that vessels will be available when they need them but also to sell the United States of America. This is important. We need these ships to be available should an emergency arise. We are spending billions for the Defense Department, and yet our defense must be backed up by merchant vessels should an emergency arise. Of course, we pray to God that we never have to prove this.

The maritime industry is an important basic industry in the United States of America. We are losing enough of our industrial base as it is, and this is one that cannot suffer any more. I am very supportive of it. I oppose this amendment, and I hope it is defeated.

Mr. GAYDOS. Mr. Chairman, will the gentlewoman yield?

Mrs. BENTLEY. Yes; I yield to the gentleman from Pennsylvania.

Mr. GAYDOS. Mr. Chairman, I wish to go on record to commend the gentlewoman and her committee, and I think it is imperative that we emphasize at this point in the RECORD that here we have a responsible committee taking the time and the effort, based upon its experience, to make a 10-percent cut already and do it in good conscience.

But then we have an amendment, an irresponsible amendment, presented on the floor by a Member who is not a member of the committee and by a Member who is following almost a perfunctory type of amendatory process.

Mr. Chairman, I think it behooves all of us to take a look at that amendment and give recognition to the committee for its responsible work. I want to congratulate the gentlewoman from Maryland [Mrs. BENTLEY] and urge that we defeat this amendment resoundingly.

Mrs. BENTLEY. Mr. Chairman, I thank the gentleman. The committee did work very carefully, going over the budget, and came up with the amount. I just again want to emphasize that I do oppose the amendment.

AMENDMENT OFFERED BY MR. JONES OF NORTH CAROLINA AS A SUBSTITUTE FOR THE AMENDMENT OFFERED BY MR. WALKER, AS MODIFIED

Mr. JONES of North Carolina. Mr. Chairman, I offer an amendment as a substitute for the amendment.

The Clerk read as follows:

Amendment offered by Mr. JONES of North Carolina as a substitute for the amendment offered by Mr. WALKER, as modified: At the end of the bill add the following new section:

"SEC. 3. No funds authorized by this Act may exceed the amounts appropriated for the programs and operations of the Maritime administration and the Federal Maritime Commission for fiscal year 1985; *Provided,* That this section shall not be construed to increase any authorization in other sections of this Act".

Mr. JONES of North Carolina. Mr. Chairman, this is a real freeze amendment. This language is exactly the language that has been used on four or five other authorization bills, that no funds authorized by this act may exceed the amounts appropriated for 1985, et cetera.

I only ask that this committee, which came here today in good faith with an almost 10-percent reduction, be treated in the same manner as other committees have in the authorization process. We feel that this is truly a freeze amendment. We can go a step further and insure that should, by some mathematical miracle, the freeze section would be increased, we even eliminate that.

So, Mr. Chairman, I submit to those Members on the floor, as well as to those at their TV sets, that this is indeed a true freeze amendment to the maritime authorization bill.

Mr. LENT. Mr. Chairman, will the gentleman yield?

Mr. JONES of North Carolina. I am delighted to yield to the gentleman from New York.

Mr. LENT. Mr. Chairman, I wish to commend the gentleman and join in the language of the gentlewoman from Maryland [Mrs. BENTLEY] in support of the gentleman's amendment.

The committee has worked very hard on this bill, and as the gentleman has pointed out, the committee has already cut 10 percent from the fiscal year 1985 appropriation and this bill is over $48 million less than the fiscal year 1985 budget.

So the cutting has already been done. The freeze is already in there. To go back and cut another 10 percent on top of the 10 percent that the committee has already cut, I think would really get down into the bone and the sinew of our Nation's Ready Reserve Force and the U.S. sealift capacity. Certainly it would cut back on both the State and the Federal maritime academies, and it would be going too far.

Mr. JONES of North Carolina. Mr. Chairman, I thank the gentleman for his support.

PERFECTING AMENDMENT OFFERED BY MR. WALKER TO THE AMENDMENT OFFERED AS A SUBSTITUTE BY MR. JONES OF NORTH CAROLINA FOR THE AMENDMENT OFFERED BY MR. WALKER, AS MODIFIED

Mr. WALKER. Mr. Chairman, I offer an amendment.

The CHAIRMAN. The Clerk will report the amendment.

Mr. JONES of North Carolina. Mr. Chairman, may we have a copy of that, please?

Mr. WALKER. I just wrote it. It is the same thing over again.

Mr. JONES of North Carolina. The same what over again?

The CHAIRMAN. The Clerk will read.

The Clerk read as follows:

Perfecting amendment offered by Mr. WALKER to the amendment offered as a substitute by Mr. JONES of North Carolina for the amendment offered by Mr. WALKER as modified.

"SEC. 3. The funds authorized by this Act are hereby reduced by 10 per centum.

Mr. SNYDER. Mr. Chairman, I reserve a point of order on the amendment.

The CHAIRMAN. The gentleman from Kentucky [Mr. SNYDER] reserves a point of order on the amendment and the gentleman from Pennsylvania [Mr. WALKER] is recognized for 5 minutes in support of his amendment.

Mr. WALKER. Mr. Chairman, if we were to adopt the substitute amendment offered by the gentleman from North Carolina, what we would in effect be doing is adding about $50 million to the bill that the committee brought out here.

We just heard a discussion a few minutes ago about how responsible the committee had been on all of this, and now the committee is coming out and saying that is somebody is going to offer a 10-percent cut, then, by golly what are we going to do is we are going to go back up to the freeze level and we are going to add $50 million to what we brought out on the floor.

It does seem that is exactly what we ought to be doing in the work of a Congress that is aimed at trying to do something about deficits. I explained earlier when I came to the floor that indeed this was a cut below the committee's authorizing level that was in its bill. I said I thought the committee has been responsible, but the administration says that they can get along with about $48 million less than what the committee has come up with. They said they were going to try to get that position taken in the other body. All I am trying to do is to get this body to recognize that fact and work toward a real cut in this program beyond the cut that the committee has already had for 1985.

Mr. GAYDOS. Mr. Chairman, will the gentleman yield?

Mr. WALKER. If the gentleman will just wait a minute until I finish my

presentation, I will be very glad to yield to the gentleman.

This gentleman feels that the most responsible course of action for this Congress is to begin the process of not only freezing at 1985 levels but getting below 1985 levels wherever we can. This committee started that process by bringing its bill to the floor. I think we can take it further based upon the administration's projections.

That is what I am attempting to do. It seems to me that is responsible and responsive to what I hear my constituents telling me every week when I go home. I have got to say that if I tell my constituents that what we are trying to do is save an extra $40 million out of the Maritime Administration, most of them will think that is a place where we can probably find $40 million in order to do it.

Mr. GAYDOS. Mr. Chairman, will the gentleman yield?

Mr. WALKER. I will be very glad to yield in a moment when I finish my explanation.

Mr. Chairman, all my amendment that I have offered does is it gets back to the original language that I offered so we can get a vote on whether or not this House wants to reduce an additional 10 percent. That is all this amendment does. It just assures us that we get a vote on whether or not we are going to go 10 percent below what the committee brought out.

Mr. GAYDOS. Mr. Chairman, will the gentleman yield?

Mr. LENT. Mr. Chairman, will the gentleman yield?

Mr. WALKER. I am very glad to yield to the gentleman from New York, and then I will yield to the gentleman from Pennsylvania and the gentleman from North Carolina.

Mr. LENT. Mr. Chairman, the gentleman from New York is frankly confused by this particular amendment to the amendment that the gentleman is offering.

It is my understanding that when the gentleman offers a freeze amendment, he seeks to freeze at the level of authorization at the 1985 appropriation level?

Mr. WALKER. That is right.

Mr. LENT. Is that not correct? Is that not the kind of freeze the gentleman has traditionally offered?

Mr. WALKER. Traditionally, that has been the case, but the gentleman may remember that on a number of occasions I have come to the floor and explained that I think that we ought to go for a freeze or for the administration's budget, whichever is lower.

□ 1540

In this case the administration is lower, so we ought to go for that figure.

Mr. LENT. Well, in this case, the amendment offered by the gentleman from North Carolina is very similar, if not identical, to the usual garden variety amendment offered by the gentleman from Pennsylvania in that it would de facto freeze the level for the Maritime Administration at 1985 appropriation levels.

What the gentleman from Pennsylvania is seeking to do by this device is to cut even deeper by some 10 percent than the 1985 appropriation level; is that correct?

Mr. WALKER. Yes; that is exactly right.

Mr. LENT. So I understand it right then?

Mr. WALKER. Yes; that is right.

Mr. LENT. So this is not a freeze. This is a freeze less another 10 percent.

Mr. WALKER. The gentleman is absolutely correct.

As I said to the gentleman, the important thing here to recognize is that we ought to be using the freeze as a device to bring down spending levels, not raise spending levels.

You know, there is an attempt around here to write off the administration's budget and then say the administration is irresponsible for all these budget deficits they have.

I hear time and time again about the President's deficit. Well, the President has come in here and said here is an area where we can save.

I am trying to get us to go below that freeze level to come up with those savings that the President says we can achieve; so indeed, that is below the freeze, but I would tell the gentleman that in 1985 when we had the budget that we want to freeze at, we had $170 billion to $180 billion in deficits. We have to get those down some, too; so I am trying to get below that figure. And this is one place where we can attempt to achieve that.

The CHAIRMAN. The time of the gentleman from Pennsylvania has expired.

(By unanimous consent, Mr. WALKER was allowed to proceed for 2 additional minutes.)

Mr. JONES of North Carolina. Mr. Chairman, will the gentleman yield?

Mr. WALKER. I would be happy to yield to the gentleman from North Carolina.

Mr. JONES of North Carolina. Mr. Chairman, I am not sure the gentleman read the substitute amendment clearly. The gentleman talks about we are coming in the back door with increases.

No, sir; this is a true freeze, consistent with all the action we have taken with previous authorization bills.

We even go a step further to allay the fears of the gentleman, or perhaps at least try to.

It says, "Provided, this section shall not be construed to increase any authorization in other sections of this Act."

What more does the gentleman want?

Mr. WALKER. Well, the gentleman has brought in a freeze amendment. The freeze is about $90 million over what the administration requested.

My attempt is to get us down toward the administration's request, rather than back up to the 1985 request; so my amendment is aimed at getting us down toward that administration request and the gentleman's amendment, as I understand it, moving toward a freeze, moves us further away from the administration.

Mr. JONES of North Carolina. On the contrary, is it not true that the figures, if analyzed correctly, show that the amendment of the gentleman from Pennsylvania would invoke a 20-percent decrease, a cut in the authorization?

Mr. WALKER. From the 1985 levels, that is correct; but it would still not be as much a freeze——

Mr. JONES of North Carolina. Why did the gentleman not offer such an amendment in other authorizations?

Mr. WALKER. Well, in fact, I have offered such amendments on some other bills. When we had bills coming out of my Science and Technology Committee, I would say to the gentleman, I have offered amendments to bring it down to the administration levels that were below the freeze levels; so I would say to the gentleman that I have tried on those occasions to bring the spending underneath the freeze levels where the administration had less spending.

I think that is necessary. We are not going to deal with deficits simply by wishing them away and here is one place where we can begin the process of really reducing; so a 20-percent cut here may in fact be a very worthwhile cut, particularly since that is what the administration thinks that it can operate with in this particular fiscal year.

Mr. BIAGGI. Mr. Chairman, will the gentleman yield?

Mr. WALKER. I yield to the gentleman from New York.

Mr. BIAGGI. Mr. Chairman, I thank the gentleman for yielding.

By the gentleman's own admission, he is saying that his amendment would in effect bring about a 20-percent cut.

Mr. WALKER. Yes; that is less than the administration had. The administration had about a 25-percent cut.

The CHAIRMAN. The time of the gentleman from Pennsylvania has again expired.

(At the request of Mr. BIAGGI, and by unanimous consent, Mr. WALKER was allowed to proceed for an additional 2 minutes.)

Mr. BIAGGI. Mr. Chairman, will the gentleman yield further?

Mr. WALKER. I am happy to yield to the gentleman.

Mr. BIAGGI. But whether the administration requested a 25-percent

cut, the fact is that the gentleman's amendment would bring about a 20-percent cut. I think it is important for all Members to understand that, a 20-percent cut, not even 10 percent.

Understand, this committee has functioned in a very prudent manner in an area that is very, very critical. Notwithstanding the need for additional moneys, we have functioned on a bipartisan basis and we crafted this legislation to come in with a moderate proposal.

We are prepared to accept a freeze resolution. The chairman of the full committee, the gentleman from North Carolina [Mr. JONES], is offering that, a freeze, the type of freeze resolution that has been applied to many, many other committees.

Now, the gentleman from Pennsylvania [Mr. WALKER] has offered an amendment that would bring about not 10, but 20 percent.

Mr. WALKER. Well, let me say to the gentleman that the amendment that I have offered which is at the desk right now is a 10-percent cut on the bill that was brought to us by the committee.

Now, if the gentleman wants to characterize that as a 20-percent cut over last year, I would simply say to the gentleman that it is still at a spending level above what the administration says they need.

Now, I realize that here in Congress we like to spend money. That is one of the problems we have got around here. Then we like to blame it on the President when we do it, and that is just about what we are in the process of doing here again, is the fact that when someone proposes to cut, that is called irresponsible because we are getting far too deep in our cuts. We have got to get deep in some cuts around here. We have got to do a few things about ending the spending machine in this body or we are in big, big trouble.

The fact is the American public already knows we are in big, big trouble, with $200 billion deficits.

All this gentleman is asking is that we cut out in this bill around $80 million to $85 million. Somehow I do not think that is a tremendous sacrifice to have to make, given the magnitude of the problem we face nationally.

Mr. BIAGGI. Mr. Chairman, will the gentleman yield further?

Mr. WALKER. I would be glad to yield to the gentleman.

Mr. BIAGGI. I would like to get something straight.

The CHAIRMAN. The time of the gentleman from Pennsylvania has again expired.

(At the request of Mr. BIAGGI, and by unanimous consent, Mr. WALKER was allowed to proceed for an additional 2 minutes.)

Mr. BIAGGI. The gentleman makes reference to Members talking about the budget as the President's budget deficit. I can assure the gentleman that this gentleman has never attributed the deficit to the President, because we all know it is the sum total of many years of extravagance, if you will; so I do not know that any members of this committee have taken similar positions.

Mr. WALKER. Let me say to the gentleman, I said that is simply the case on the floor. Constantly in the 1-minute speeches we hear it referred to that way.

This gentleman does realize that most of the time that comes from his side of the aisle, but I would agree with the gentleman, I have never heard him make such a statement.

Mr. BIAGGI. Well, I think that is a significant point.

The fact is by the gentleman's own admission he has qualified it, whether it is 10 percent or 20 percent, but by the gentleman's own admission the net effect of the gentleman's amendment to this very moderate resolution, this authorization bill, is that there will be a 20-percent cut.

Mr. WALKER. I have not qualified anything, I would say to the gentleman. The amendment is at the desk and reads a 10-percent reduction in what the committee brought forward. I do not qualify that. That is exactly what I am offering. It is a 10-percent reduction in the committee bill and that results in a savings over what the committee brought to us of $41.7 million. I happen to think that is probably affordable and it is certainly in compliance with what the American public keeps saying time and time again that they want us to get our spending priorities in order. That is what I am attempting to do here.

Mr. LENT. Mr. Chairman, will the gentleman yield?

Mr. WALKER. I would be glad to yield to the gentleman from New York.

Mr. LENT. Mr. Chairman, I think this debate has been very illuminating because it demonstrates that in the case of this particular committee, the Committee on Merchant Marine and Fisheries, the committee already cut 10 percent from the 1985 appropriation level; so we did our job in the committee.

The committee put out, not a freeze, but 10 percent below the 1985 appropriation level.

Then the gentleman from Pennsylvania comes along and would cut another 10 percent on top of that 10 percent, resulting in what the gentleman from New York [Mr. BIAGGI] has properly calculated to be in effect a 20-percent cut below the 1985 appropriation.

Mr. WALKER. All I said to the gentleman is that the committee's reaction to that is to come back with a freeze amendment, that in effect if we accepted a true freeze would be instead of accepting a 10-percent cut, goes for a 10-percent increase over the bill that they brought to the floor.

Now, I do not think that is exactly in line with what I hear the gentleman telling us that we ought to do.

Mr. LENT. That is not correct. That would have been the case with respect to the amendment of the gentleman from North Carolina had it not had the last paragraph——

The CHAIRMAN. The time of the gentleman from Pennsylvania has again expired.

(At the request of Mr. LENT, and by unanimous consent, Mr. WALKER was allowed to proceed for 2 additional minutes.)

Mr. LENT. The last clause of the gentleman's amendment, which starts with the words, "Provided, that this section shall not be construed to increase any authorization in other sections of this Act."

So that preserves that language. The 10-percent cut below the 1985 appropriation level that the committee worked out after months of deliberations, hearings and hard work, and for the gentleman to come along and reward the committee which has worked so hard and come down 10 percent below the 1985 authorization level with another cut, 10 percent on top of that 10 percent, I really think erodes, and I have generally supported the gentleman's freeze amendments, but I think it erodes the integrity of the gentleman's efforts thus far.

□ 1550

I would hope that the gentleman might reconsider his amendment.

Mr. WALKER. I thank the gentleman.

I would simply say to the gentleman that there are many times on this House floor where we have decided to do things differently from what the committees did. We do that all the time with science and technology bills. We have had several science and technology authorizations that we worked very hard on in the Science and Technology Committee too, and the House decided they were going to change our work. That is not unusual around here.

I think that we have an obligation to look at things in a more general sense rather than some of the interests that the committees reflect. Here we are simply deciding whether or not we are going to spend the additional money or save the additional money, and that is what my amendment is aimed at doing.

Mr. GAYDOS. Will the gentleman yield to me?

Mr. WALKER. I will be glad to yield.

Mr. GAYDOS. I appreciate my good friend yielding. I am a little confused. The gentleman talked about the 10-percent cut as affected by the commit-

tee, called the committee a responsible committee. I think it would be basically essential that we spread upon the record right here as to why the gentleman feels that a 10 percent responsible cut is not responsible enough. Is it because he is following the administration's suggested budget?

The CHAIRMAN. The time of the gentleman from Pennsylvania [Mr. WALKER] has again expired.

(On request of Mr. GAYDOS and by unanimous consent, Mr. WALKER was allowed to proceed for 1 additional minute.)

Mr. GAYDOS. Or is there an authenticity in the gentleman's amendment? I did not do it frivolously earlier when I suggested that we just cannot in a perfunctory manner offer amendments 10 percent here and 10 percent there. It is only fair to the committee that has jurisdiction if the committee system is going to survive in this House, and I think it has justification for surviving, and if it is I think the gentleman has to back it up with facts.

Mr. WALKER. I would say to the gentleman one of the problems we have with the committee system around here, though, is that the committee system was created as a way of helping facilitate what happens on the floor, but it has now come to the point where we are using the committee system to dominate what happens on the floor by coming out and saying that, "We, the committee, decide, so you have to accept it."

I do not agree with that. I think 435 Members of Congress were elected to this body to do the general job of listening to their committees on specifics but also deciding where the committees have gone wrong.

In this case the administration indicates that they can administer the programs under this authorization for less money than the committee is indicating it wants to give. I am simply saying that if the administration can do the job for less, let us give them a change. Let us give them the opportunity to do the job for the money that they say they need to spend rather than overspending here in the House of Representatives.

The CHAIRMAN. Does the gentleman from Kentucky [Mr. SNYDER] insist on his point of order?

Mr. SNYDER. No, I do not, Mr. Chairman.

Mr. SMITH of Florida. Mr. Chairman, I move to strike the requisite number of words and I rise in opposition to the perfecting amendment.

Mr. Chairman, I do not serve on the Merchant Marine and Fisheries Committee. I have great respect for the chairman, the gentleman from North Carolina [Mr. JONES], and for the gentleman from New York [Mr. BIAGGI], and I find it a very, very enlightening debate. It just happens that it falls on the authorization bill of this committee.

The gentleman who is offering the perfecting amendment, which in essence cuts 10 percent more from an already 10 percent cut below the 1985 level done by the committee, the gentleman talks about this is where we can save money, and this is what the administration wants to do.

How interesting. It it not interesting that this administration, which wants to save this money, proposed a budget which had a level of funding which the gentleman from Pennsylvania wants to get to for this particular authorization, that that very administration budgeted a deficit of $185 billion? This is where we are going to save the money.

We think we can save the money.

They are peddling heifer dust to the American public and the gentleman from Pennsylvania is one of the leading purveyors. They do not think they are going to save any money. They are going to save money from this program so they can put it somewhere else, into their priorities. It does not save the American public one single dime. And as soon as the people of this country begin to understand that fact, maybe we will be able to deal more effectively on this floor.

I do not have any problem with the gentleman from Pennsylvania offering amendments to cut. I have even supported some of those where they were rational and appropriate, where the committees may have been a little bit too zealous in their effort to fund their own jurisdiction.

But here is a committee that have never been assaulted for being overly, overly expansive in terms of the money they deal with for a program that is so extremely important to the defense, to the economic well-being of this country. And it is in such poor condition. And the gentleman from Pennsylvania would have us believe that the administration in caressing it is helping it rather than killing it.

A 20-percent cut off last year will not, in fact, bring this industry to its life. It will bring it to its knees.

Is there anybody that wants to see the maritime industry in this country destroyed? Is there anybody that wants to see all of the other programs that have these cutting amendments attached to them destroyed?

We can use some good sense. We can use some good common sense. We can use some cutbacks on programs and reduce some of the things that we have done over the years. We all agree. The problem is going to be where.

But when a committee comes out with a responsible program, and again I have no pride of authorship, I do not even sit on that committee, but I am aware of the work that the maritime industry does, that the maritime industry in this country is performing, and the condition that it is in. And even if you are not from a port State, or even if you are not from a State where the maritime industry is extremely important, you know the relevance, all of my colleagues know the relevance of a maritime industry and this authorization bill to the economic well-being of this country.

We need to set the priorities. The gentleman from Pennsylvania has a right to try to cut, but he does not have a right to lecture us that this is where the administration wants to save money, because the administration ultimately is spending more than any of us want to be spending. They are just taking the savings from the left pocket and putting it into the other pocket so that they can spend it somewhere else.

That is the reality of what is going on. I urge you not to undo the balance between cutting and fiscal responsibility and dedication to the industry that this committee has crafted on this one.

This is an important issue. It is going to be debated over and over on different authorization bills as they come up, including the committees of jurisdiction on which I serve.

But this is only a beginning. If you keep wanting to cut to the level of the administration on all of these you are going to be seeing severe cuts. But remember, ultimately you will not save a dime, folks, because that money from those cuts is programmed into other things. And that is definitely wrong and the American public ought to know that.

I urge you to reject this amendment on the grounds that it is wrong and on the grounds that it sets a terrible precedent for this House to establish.

The CHAIRMAN. The time of the gentleman from Florida [Mr. SMITH] has expired.

(On request of Mr. GAYDOS and by unanimous consent, Mr. SMITH of Florida was allowed to proceed for 1 additional minute.)

Mr. GAYDOS. Mr. Chairman, will the gentleman yield?

Mr. SMITH of Florida. I am happy to yield.

Mr. GAYDOS. I hesitated to stand because I think the gentleman's argument is so crystal clear. I want to congratulate the gentleman. He has put the problem just as it exists. I think his analysis is cutting and goes right down to the core of the problem. I think he properly points out where the righteousness of the argument lies.

This is a responsible committee that has already made a 10-percent cut. When my colleague from Pennsylvania [Mr. WALKER] was in the well he mentioned the fact that he was worried, and we were going to be con-

cerned. I think we have a worry and we do have a concern, but it is for the merchant marine that is almost nonexistent in this country today.

I am not talking about how many ships we had or did not have. We have substantially less than 500 ships in this great maritime Nation of ours.

Somebody, somewhere, somehow, under some circumstances is going to have to take a look at this problem. And I think the Committee on Merchant Marine and Fisheries has and I think the gentleman explained it so clearly.

Mr. SMITH of Florida. Let me reclaim my time to say one thing in closing.

The CHAIRMAN. The time of the gentleman from Florida [Mr. SMITH] has again expired.

(By unanimous consent, Mr. SMITH of Florida was allowed to proceed for 1 additional minute.)

Mr. SMITH of Florida. One of the hallmarks, one of the key words of this administration has been, and I have heard it in my own committees, "We are going to do more with less." Ladies and gentlemen, you do not do more with less, not given the circumstances as we see them today.

It would be a great thing for this country to be able to reduce its spending and to keep getting better and better efficiency out of every program we have. Unfortunately, we know we cannot squeeze some of the programs like that. This is a perfect example. We are already cutting into and below last year's authorization level on this bill.

□ 1600

You go beyond that, you are not going to just be cutting money, you are going to be killing a whole industry.

Mr. Chairman, I yield back the balance of my time.

Mr. DANNEMEYER. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I rise in support of the clarification amendment offered by my colleague from Pennsylvania [Mr. WALKER]. I had not intended to speak on this matter. I am not a member of the Policy Committee. I would like to congratulate the members of the committee for the work product that they have brought to the floor. They are moving in the direction that the people of this country want us to move by bringing a bill that authorizes 10 percent less than was appropriated in 1985. That, to me, is a constructive alternative to take. But in this issue we have got that classic illustration that confounds us all, indeed has got this whole institution tied up in a knot.

When we look at this program in isolation we can say with every justification it makes sense to do what the committee has suggested because they have far more knowledge of the need than the rest of us. I accept that.

But the problem we have, my friends, is something we all know: We have a deficit that just boggles the mind to even think about. How much evidence do we need to bring to our collective attention that this country is in a serious crisis over the issue of overspending? In this morning's paper the second savings and loan in Maryland is in deep trouble.

What is happening? The Federal Reserve Board, the national banker of last resort, Mr. Volcker, has said the Fed will assist them. How many savings and loans in America can the Federal Reserve Board assist? I do not think we have got enough money in Christendom to save all the savings and loans in America.

So we who are the policymakers, who set the spending levels for this country through the Congress, have got to make up our minds whether we can remove ourselves from the narrow stricture of just this program to the broad picture.

I admit that is tought to do. I would submit to my colleagues that if the people of this country had the option of voting for a 20 percent cut on all of the programs of the Federal Government that they would vote "aye" by about two to one, because that, incidentally, would come close to balancing the budget, by cutting spending and not raising taxes.

So when you ask this Member from California about cutting this program by 20 percent, roughly, from what was spent last year, I am not bothered a bit. I am encouraged that the administration has the courage to come here and recommend to Congress that we cut this program by that amount. We all know the game: "Blame it on the President. He is spending all this money."

Well, here is the opportunity for we in Congress to suggest that we have a measure of responsibility by accepting the recommendation of our President for authorizing $368 million, even though $465 million was appropriated last year.

Now I admit that is a significant cut, but I encourage my colleagues to look at the broader picture and I hope we will have the intestinal fortitude to adopt this clarification amendment.

Mr. JONES of North Carolina. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, we have been here on this amendment for, I reckon, an hour or so, on the various amendments. I am surprised to learn the strength of the maritime profession, so that they can balance the budget, that they are responsible for American savings and loans' conditions and so forth and so on. But on a more serious note we have before us this afternoon a choice: Are we going to treat each and every committee in the same manner, out of the same spoon?

All we are asking is that you let us offer the freeze language, and I repeat, the pure freeze language that has been adopted by every single other authorizing committee that has been on this House floor during this calendar year, that is all we are asking.

We go a step further to provide that even in so doing that no authorization can be increased by virtue of this action above that which the freeze provides for.

Bear in mind the freeze carries with it a built-in 10-percent reduction.

Now, the gentleman from Pennsylvania, in good faith I am sure, and he almost convinced me at one time but not quite, he comes up with an additional 10 percent.

Now, here again, and in closing on behalf of the committee of which I am very proud, it is a hard working committee; the minority and the majority get along very well together.

We come to the floor unified, not with amendments fighting one another.

So I ask you to consider where we are and what we are doing.

The first vote, if we ever get around to voting, will be on Mr. WALKER's 10-percent additional cut.

If that is defeated, and I beg and plead with the Members to defeat that amendment, then the next vote will be on the committee language which is an amendment offered by the committee to the original Walker amendment and in that instance the second vote I hope and plead that it will be successful.

So with that, Mr. Chairman, I do not have much more to say. We have made a good case. We have come in with a good, clean bill, one that showed strength and showed proper care and concern about the deficit.

So with that, asking for a "no" vote on the first Walker motion, a "yes" vote on the committee substitute, with that I yield back the balance of my time.

Mr. CARNEY. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I stand opposed to the Walker amendment.

Mr. Chairman, I have a unique position inasmuch as I serve on the Subcommittee of Merchant Marine and the Subcommittee of Naval Seapower.

So I look at this from the standpoint of two committees, two committees that are very, very important to our national defense. I think it would be somewhat imprudent to support the Walker amendment at this period of time. I would like to remind the Members of this body that it was in 1790 the President of the United States, our first President, George Washing-

ton, addressed this Congress and told this Congress they should, at all price, avoid the embarrassment of relying upon foreign shippers for our commerce and agriculture.

With that advice rendered to this Congress in 1790, is an important day as it was then. There is no reason whatsoever that of all the commerce that goes back and forth over the oceans of the world from the United States that our flagships only carry 4 percent of it. There is no reason at all that we had a merchant marine of 5,500 vessels in 1946 and we are now below 500 vessels.

Ladies and gentlemen, Mr. Chairman, the security of our Nation rests with the fact that we have a merchant marine to support our armed services. We at this point in time, I suggest, are at a crossroads. We have to go forward, we have to strengthen our capability, we have to increase and improve our flagships that we have today.

We can ill afford to let this reverse. These cuts would affect the Federal Maritime Academy, these cuts will affect the six State maritime schools. We cannot afford to do that.

In times of crisis is not the time that we go forward to try to train young men and women to command the ships at sea; you can ill afford to do that at that period of time. We have to be prepared.

□ 1610

And if we were to cut this budget any further, we would perhaps have to close some of the State schools. We have already cut the enrollment at the Federal Maritime Academy 20 percent. We can ill-afford to do that, ladies and gentlemen.

This is a question of national security. This is a question of being able to conduct our commerce within the international community. This is not a question of budget. Ladies and gentlemen, I submit to you any further cuts would affect our ability to conduct commerce and would have an adverse effect on our economy, but more than that, any further cuts would make it necessary for us as a Nation to take this function over by our Navy. I am not in this well suggesting we should do that, but my God, we have to have the ships to support our security needs.

If we do not have them in the free enterprise system, then soon we will have to rely upon the Navy to provide them.

I suggest very strongly that we reject the Walker amendment, we go with the Jones amendment, and we pass this bill.

The CHAIRMAN. The question is on the perfecting amendment offered by the gentleman from Pennsylvania [Mr. WALKER] to the amendment offered by the gentleman from North Carolina [Mr. JONES] as a substitute for the amendment offered by the gentleman from Pennsylvania [Mr. WALKER], as modified.

The question was taken; and the Chairman announced that the noes appeared to have it.

RECORDED VOTE

Mr. WALKER. Mr. Chairman, I demand a recorded vote.

A recorded vote was ordered.

The vote was taken by electronic device, and there were—ayes 100, noes 318, not voting 16, as follows:

[Roll No. 111]

AYES—100

Archer	Hansen	Packard
Armey	Hendon	Pashayan
Badham	Hiler	Petri
Bartlett	Hillis	Porter
Barton	Hyde	Regula
Bereuter	Ireland	Ritter
Bliley	Jacobs	Rogers
Boulter	Johnson	Roth
Brown (CO)	Kasich	Rowland (CT)
Broyhill	Kastenmeier	Rudd
Burton (IN)	Kolbe	Schroeder
Cheney	Kramer	Sensenbrenner
Coats	Lagomarsino	Sharp
Cobey	Latta	Shumway
Coble	Leach (IA)	Shuster
Coleman (MO)	Lewis (FL)	Slaughter
Combest	Lightfoot	Smith (NE)
Courter	Lungren	Smith (NH)
Crane	Mack	Smith, Denny
Dannemeyer	Madigan	Spence
Delay	Marlenee	Stenholm
DeWine	Martin (IL)	Stump
Dorgan (ND)	McCain	Swindall
Dornan (CA)	McCandless	Tauke
Dreier	McCollum	Taylor
Eckert (NY)	McEwen	Walker
Fiedler	Meyers	Weber
Gekas	Miller (OH)	Whittaker
Gingrich	Monson	Wirth
Goodling	Moorhead	Wylie
Gradison	Myers	Young (FL)
Grotberg	Nielson	Zschau
Gunderson	Nowak	
Hammerschmidt	Oxley	

NOES—318

Ackerman	Burton (CA)	Durbin
Akaka	Bustamante	Dwyer
Alexander	Byron	Dymally
Anderson	Callahan	Dyson
Andrews	Campbell	Early
Annunzio	Carney	Eckart (OH)
Anthony	Carper	Edgar
Applegate	Carr	Edwards (CA)
Aspin	Chandler	Emerson
Atkins	Chappell	Erdreich
AuCoin	Chappie	Evans (IA)
Barnard	Clay	Fascell
Barnes	Clinger	Fawell
Bateman	Coelho	Fazio
Bates	Coleman (TX)	Feighan
Bedell	Collins	Fields
Beilenson	Conte	Fish
Bennett	Cooper	Flippo
Bentley	Coughlin	Florio
Berman	Coyne	Foglietta
Bevill	Craig	Foley
Biaggi	Crockett	Ford (MI)
Bilirakis	Daniel	Ford (TN)
Boehlert	Darden	Frank
Boggs	Daschle	Franklin
Boland	Daub	Frost
Boner (TN)	Davis	Fuqua
Bonior (MI)	de la Garza	Gallo
Bonker	Dellums	Garcia
Borski	Derrick	Gaydos
Bosco	Dickinson	Gejdenson
Boucher	Dicks	Gephardt
Boxer	Dingell	Gibbons
Breaux	DioGuardi	Gilman
Brooks	Dixon	Glickman
Broomfield	Donnelly	Gonzalez
Brown (CA)	Dowdy	Gordon
Bruce	Downey	Gray (IL)
Bryant	Duncan	Gray (PA)
Green	McCurdy	Schulze
Gregg	McDade	Schumer
Guarini	McGrath	Seiberling
Hall (OH)	McHugh	Shaw
Hall, Ralph	McKernan	Shelby
Hall, Sam	McKinney	Sikorski
Hamilton	McMillan	Siljander
Hartnett	Mica	Sisisky
Hatcher	Michel	Skeen
Hawkins	Mikulski	Skelton
Hayes	Miller (CA)	Slattery
Hefner	Miller (WA)	Smith (FL)
Heftel	Mineta	Smith (IA)
Henry	Mitchell	Smith (NJ)
Hertel	Moakley	Smith, Robert
Hopkins	Molinari	Snowe
Horton	Mollohan	Snyder
Howard	Montgomery	Solarz
Hoyer	Moody	Spratt
Hubbard	Moore	St Germain
Hughes	Morrison (CT)	Staggers
Hunter	Morrison (WA)	Stallings
Hutto	Mrazek	Stangeland
Jeffords	Murphy	Stokes
Jenkins	Murtha	Strang
Jones (NC)	Natcher	Stratton
Jones (OK)	Neal	Studds
Jones (TN)	Nelson	Sundquist
Kanjorski	Nichols	Sweeney
Kaptur	Oakar	Swift
Kemp	Oberstar	Synar
Kennelly	Obey	Tallon
Kildee	Olin	Tauzin
Kindness	Ortiz	Thomas (CA)
Kleczka	Owens	Thomas (GA)
Kolter	Panetta	Torres
Kostmayer	Parris	Torricelli
LaFalce	Pease	Towns
Lantos	Penny	Traficant
Leath (TX)	Perkins	Traxler
Lehman (CA)	Pickle	Valentine
Lehman (FL)	Price	Vander Jagt
Leland	Pursell	Vento
Lent	Quillen	Visclosky
Levin (MI)	Rangel	Volkmer
Levine (CA)	Ray	Vucanovich
Lewis (CA)	Reid	Walgren
Lipinski	Richardson	Watkins
Livingston	Ridge	Waxman
Lloyd	Rinaldo	Weaver
Loeffler	Robinson	Weiss
Long	Rodino	Wheat
Lott	Roe	Whitehurst
Lowery (CA)	Roemer	Whitley
Lowry (WA)	Rose	Whitten
Lujan	Rostenkowski	Williams
Luken	Roukema	Wilson
Lundine	Rowland (GA)	Wise
MacKay	Roybal	Wolf
Manton	Russo	Wolpe
Markey	Sabo	Wortley
Martin (NY)	Savage	Wright
Martinez	Saxton	Wyden
Matsui	Schaefer	Yates
Mavroules	Scheuer	Yatron
Mazzoli	Schneider	Young (AK)
McCloskey	Schuette	Young (MO)

NOT VOTING—16

Addabbo	Frenzel	Roberts
Conyers	Holt	Solomon
Edwards (OK)	Huckaby	Stark
English	O'Brien	Udall
Evans (IL)	Pepper	
Fowler	Rahall	

□ 1620

Messrs. HUNTER, FEIGHAN, and YATES changed their votes from "aye" to "no."

Mr. COATS and Mr. DELAY changed their votes from "no" to "aye."

So the perfecting amendment to the amendment offered as a substitute for the amendment, as modified, was rejected.

The CHAIRMAN. The question is on the amendment offered by the gentleman from North Carolina [Mr. JONES] as a substitute for the amendment of-

fered by the gentleman from Pennsylvania [Mr. WALKER], as modified.

The amendment offered as a substitute for the amendment, as modified, was agreed to.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Pennsylvania [Mr. WALKER], as amended.

The amendment, as amended, was agreed to.

□ 1630

The CHAIRMAN. Are there further amendments to be offered?

If not, under the rule, the Committee rises.

Accordingly, the Committee rose; and the Speaker pro tempore [Mr. BROWN of California] having assumed the chair, Mr. SAM B. HALL, Jr., Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the bill (H.R. 1157) to authorize appropriations for fiscal year 1986 for certain maritime programs of the Department of Transportation and the Federal Maritime Commission, pursuant to House Resolution 157, he reported the bill back to the House with sundry amendments adopted by the Committee of the Whole.

The SPEAKER pro tempore. Under the rule, the previous question is ordered.

Is a separate vote demanded on any amendment? If not, the Chair will put them en gros.

The amendments were agreed to.

The SPEAKER pro tempore. The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed and read a third time, and was read the third time.

The SPEAKER pro tempore. The question is on the passage of the bill.

The question was taken; and the Speaker pro tempore announced that the ayes appeared to have it.

Mr. DANNEMEYER. Mr. Speaker, on that I demand the yeas and nays.

The yeas and nays were ordered.

The vote was taken by electronic device, and there were—yeas 371, nays 46, not voting 17, as follows:

[Roll No. 112]

YEAS—371

Ackerman	Bennett	Breaux
Akaka	Bentley	Brooks
Alexander	Bereuter	Broomfield
Anderson	Berman	Brown (CA)
Andrews	Bevill	Bruce
Annunzio	Biaggi	Bryant
Anthony	Bilirakis	Burton (CA)
Applegate	Bliley	Burton (IN)
Aspin	Boehlert	Bustamante
Atkins	Boggs	Byron
AuCoin	Boland	Callahan
Badham	Boner (TN)	Campbell
Barnard	Bonior (MI)	Carney
Barnes	Borski	Carper
Bateman	Bosco	Carr
Bates	Boucher	Chandler
Bedell	Boulter	Chappell
Beilenson	Boxer	Chappie
Clay	Hiler	Natcher
Clinger	Hillis	Neal
Coats	Hopkins	Nelson
Coelho	Horton	Nichols
Coleman (MO)	Howard	Nowak
Coleman (TX)	Hoyer	Oakar
Collins	Hubbard	Oberstar
Conte	Hughes	Obey
Cooper	Hunter	Olin
Coughlin	Hutto	Ortiz
Courter	Hyde	Owens
Coyne	Ireland	Packard
Crockett	Jeffords	Panetta
Daniel	Jenkins	Parris
Darden	Johnson	Pashayan
Daschle	Jones (NC)	Pease
Daub	Jones (OK)	Penny
Davis	Jones (TN)	Perkins
de la Garza	Kanjorski	Pickle
Delay	Kaptur	Porter
Dellums	Kasich	Price
Derrick	Kemp	Pursell
DeWine	Kennelly	Quillen
Dickinson	Kildee	Rangel
Dicks	Kindness	Ray
Dingell	Kleczka	Regula
DioGuardi	Kolbe	Reid
Dixon	Kolter	Richardson
Donnelly	Kostmayer	Ridge
Dorgan (ND)	LaFalce	Rinaldo
Dowdy	Lagomarsino	Ritter
Downey	Lantos	Robinson
Duncan	Leath (TX)	Rodino
Durbin	Lehman (CA)	Roe
Dwyer	Lehman (FL)	Roemer
Dymally	Leland	Rogers
Dyson	Lent	Rose
Early	Levin (MI)	Rostenkowski
Eckart (OH)	Levine (CA)	Roukema
Eckert (NY)	Lewis (CA)	Rowland (CT)
Edgar	Lewis (FL)	Rowland (GA)
Edwards (CA)	Lipinski	Roybal
Emerson	Livingston	Russo
Erdreich	Lloyd	Sabo
Evans (IA)	Loeffler	Savage
Fascell	Long	Saxton
Fawell	Lott	Schaefer
Fazio	Lowery (CA)	Scheuer
Feighan	Lowry (WA)	Schneider
Fiedler	Lujan	Schuette
Fields	Luken	Schulze
Fish	Lundine	Schumer
Flippo	Mack	Seiberling
Florio	MacKay	Sharp
Foglietta	Manton	Shaw
Foley	Markey	Shelby
Ford (MI)	Marlenee	Shumway
Ford (TN)	Martin (NY)	Sikorski
Frank	Martinez	Siljander
Franklin	Matsui	Sisisky
Frost	Mavroules	Skeen
Fuqua	Mazzoli	Skelton
Gallo	McCain	Slattery
Garcia	McCandless	Slaughter
Gaydos	McCloskey	Smith (FL)
Gejdenson	McCollum	Smith (IA)
Gephardt	McCurdy	Smith (NJ)
Gibbons	McDade	Smith, Robert
Gilman	McEwen	Snowe
Gingrich	McGrath	Snyder
Glickman	McHugh	Solarz
Gonzalez	McKernan	Spence
Goodling	McKinney	Spratt
Gordon	McMillan	Staggers
Gradison	Meyers	Stallings
Gray (IL)	Mica	Stangeland
Gray (PA)	Michel	Stenholm
Green	Mikulski	Stokes
Gregg	Miller (CA)	Strang
Grotberg	Miller (OH)	Stratton
Guarini	Miller (WA)	Studds
Gunderson	Mineta	Sundquist
Hall (OH)	Mitchell	Sweeney
Hall, Ralph	Moakley	Swift
Hall, Sam	Molinari	Synar
Hamilton	Mollohan	Tallon
Hammerschmidt	Montgomery	Tauzin
Hartnett	Moody	Taylor
Hatcher	Moore	Thomas (CA)
Hawkins	Moorhead	Thomas (GA)
Hayes	Morrison (CT)	Torres
Hefner	Morrison (WA)	Torricelli
Heftel	Mrazek	Towns
Hendon	Murphy	Traficant
Henry	Murtha	Traxler
Hertel	Myers	Valentine
Vander Jagt	Wheat	Wortley
Vento	Whitehurst	Wright
Visclosky	Whitley	Wyden
Volkmer	Whitten	Wylie
Vucanovich	Williams	Yatron
Walgren	Wilson	Young (AK)
Watkins	Wirth	Young (FL)
Waxman	Wise	Young (MO)
Weaver	Wolf	Zschau
Weiss	Wolpe	

NAYS—46

Archer	Gekas	Rudd
Armey	Hansen	Schroeder
Bartlett	Jacobs	Sensenbrenner
Barton	Kastenmeier	Shuster
Brown (CO)	Kramer	Smith (NE)
Broyhill	Latta	Smith (NH)
Cheney	Leach (IA)	Smith, Denny
Cobey	Lightfoot	Stump
Coble	Lungren	Swindall
Combest	Madigan	Tauke
Craig	Martin (IL)	Walker
Crane	Monson	Weber
Dannemeyer	Nielson	Whittaker
Dornan (CA)	Oxley	Yates
Dreier	Petri	
Edwards (OK)	Roth	

NOT VOTING—17

Addabbo	Frenzel	Roberts
Bonker	Holt	Solomon
Conyers	Huckaby	St Germain
English	O'Brien	Stark
Evans (IL)	Pepper	Udall
Fowler	Rahall	

□ 1640

Mr. ARCHER and Mr. DORNAN of California changed their votes from "yea" to "nay."

So the bill was passed.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

REMOVAL OF NAME OF MEMBER AS COSPONSOR OF H.R. 1626

Mr. ST GERMAIN. Mr. Speaker, I ask unanimous consent that my name be deleted as a cosponsor of H.R. 1626, the Asbestos Workers Compensation Act.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Rhode Island?

There was no objection.

□ 1650

REMOVAL OF NAME OF MEMBER AS COSPONSOR OF H.R. 778

Mr. MILLER of Ohio. Mr. Speaker, I ask unanimous consent that my name be removed from the list of cosponsors of the bill, H.R. 778.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Ohio?

There was no objection.

SOCIAL SECURITY MINOR AND TECHNICAL CHANGES ACT OF 1985

The SPEAKER pro tempore. Pursuant to the provisions of clause 5 of rule I, the pending business is the question of suspending the rules and

passing the bill, H.R. 2005, as amended.

The Clerk read the title of the bill.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from Illinois [Mr. ROSTENKOWSKI] that the House suspend the rules and pass the bill, H.R. 2005, as amended, on which the yeas and nays are ordered.

The vote was taken by electronic device, and there were—yeas 413, nays 0, not voting 21, as follows:

[Roll No. 113]

YEAS—413

Ackerman	Crane	Hall (OH)
Akaka	Crockett	Hall, Ralph
Alexander	Daniel	Hall, Sam
Anderson	Dannemeyer	Hamilton
Andrews	Darden	Hammerschmidt
Annunzio	Daschle	Hansen
Anthony	Daub	Hartnett
Applegate	Davis	Hatcher
Archer	de la Garza	Hawkins
Armey	Delay	Hayes
Aspin	Dellums	Hefner
Atkins	Derrick	Heftel
AuCoin	DeWine	Hendon
Badham	Dickinson	Henry
Barnard	Dicks	Hertel
Barnes	Dingell	Hiler
Bartlett	DioGuardi	Hillis
Bateman	Dixon	Hopkins
Bates	Donnelly	Horton
Bedell	Dorgan (ND)	Howard
Beilenson	Dornan (CA)	Hoyer
Bennett	Dowdy	Hubbard
Bentley	Downey	Hughes
Bereuter	Dreier	Hunter
Berman	Duncan	Hutto
Bevill	Durbin	Hyde
Biaggi	Dwyer	Ireland
Bilirakis	Dymally	Jacobs
Bliley	Dyson	Jeffords
Boehlert	Early	Jenkins
Boggs	Eckart (OH)	Johnson
Boland	Eckert (NY)	Jones (OK)
Boner (TN)	Edgar	Jones (TN)
Bonior (MI)	Edwards (CA)	Kanjorski
Borski	Edwards (OK)	Kaptur
Bosco	Emerson	Kasich
Boucher	Erdreich	Kastenmeier
Boulter	Evans (IA)	Kennelly
Boxer	Fascell	Kildee
Breaux	Fawell	Kindness
Brooks	Fazio	Kleczka
Broomfield	Feighan	Kolbe
Brown (CA)	Fiedler	Kolter
Brown (CO)	Fields	Kostmayer
Broyhill	Fish	Kramer
Bruce	Flippo	LaFalce
Bryant	Florio	Lagomarsino
Burton (CA)	Foglietta	Lantos
Burton (IN)	Foley	Latta
Bustamante	Ford (MI)	Leach (IA)
Byron	Ford (TN)	Leath (TX)
Callahan	Frank	Lehman (CA)
Campbell	Franklin	Lehman (FL)
Carney	Frost	Leland
Carper	Fuqua	Lent
Carr	Gallo	Levin (MI)
Chandler	Garcia	Levine (CA)
Chappell	Gaydos	Lewis (CA)
Chappie	Gejdenson	Lewis (FL)
Cheney	Gekas	Lightfoot
Clay	Gephardt	Lipinski
Clinger	Gibbons	Livingston
Coats	Gilman	Lloyd
Cobey	Gingrich	Loeffler
Coble	Glickman	Long
Coelho	Gonzalez	Lott
Coleman (MO)	Goodling	Lowery (CA)
Coleman (TX)	Gordon	Lowry (WA)
Collins	Gradison	Lujan
Combest	Gray (IL)	Luken
Conte	Gray (PA)	Lundine
Cooper	Green	Lungren
Coughlin	Gregg	Mack
Courter	Grotberg	MacKay
Coyne	Guarini	Madigan
Craig	Gunderson	Manton
Markey	Perkins	Spratt
Marlenee	Petri	St Germain
Martin (IL)	Pickle	Staggers
Martin (NY)	Porter	Stallings
Martinez	Price	Stangeland
Matsui	Pursell	Stenholm
Mavroules	Quillen	Stokes
Mazzoli	Rangel	Strang
McCain	Regula	Stratton
McCandless	Reid	Studds
McCloskey	Richardson	Stump
McCollum	Ridge	Sundquist
McCurdy	Rinaldo	Sweeney
McDade	Ritter	Swift
McEwen	Robinson	Swindall
McGrath	Rodino	Synar
McHugh	Roe	Tallon
McKernan	Roemer	Tauke
McKinney	Rogers	Tauzin
McMillan	Rose	Taylor
Meyers	Rostenkowski	Thomas (CA)
Mica	Roth	Thomas (GA)
Michel	Roukema	Torres
Mikulski	Rowland (CT)	Torricelli
Miller (CA)	Rowland (GA)	Towns
Miller (OH)	Roybal	Traficant
Miller (WA)	Rudd	Traxler
Mineta	Russo	Valentine
Mitchell	Sabo	Vander Jagt
Moakley	Savage	Vento
Molinari	Saxton	Visclosky
Mollohan	Schaefer	Volkmer
Monson	Scheuer	Vucanovich
Montgomery	Schneider	Walgren
Moody	Schroeder	Walker
Moore	Schuette	Watkins
Moorhead	Schulze	Waxman
Morrison (CT)	Schumer	Weaver
Morrison (WA)	Sensenbrenner	Weber
Mrazek	Sharp	Weiss
Murphy	Shaw	Wheat
Murtha	Shelby	Whitehurst
Myers	Shumway	Whitley
Natcher	Shuster	Whittaker
Neal	Sikorski	Whitten
Nelson	Siljander	Williams
Nichols	Sisisky	Wilson
Nielson	Skeen	Wirth
Nowak	Skelton	Wise
Oakar	Slattery	Wolf
Oberstar	Slaughter	Wolpe
Obey	Smith (FL)	Wortley
Olin	Smith (IA)	Wright
Ortiz	Smith (NE)	Wyden
Owens	Smith (NH)	Wylie
Oxley	Smith (NJ)	Yates
Packard	Smith, Denny	Yatron
Panetta	Smith, Robert	Young (AK)
Parris	Snowe	Young (FL)
Pashayan	Snyder	Young (MO)
Pease	Solarz	Zschau
Penny	Spence	

NAYS—0

NOT VOTING—21

Addabbo	Frenzel	Rahall
Barton	Holt	Ray
Bonker	Huckaby	Roberts
Conyers	Jones (NC)	Seiberling
English	Kemp	Solomon
Evans (IL)	O'Brien	Stark
Fowler	Pepper	Udall

□ 1700

So (two-thirds having voted in favor thereof) the rules were suspended and the bill, as amended, was passed.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

PROVIDING FOR CONSIDERATION OF H.R. 1555, INTERNATIONAL SECURITY AND DEVELOPMENT COOPERATION ACT OF 1985

Mr. HALL of Ohio. Mr. Speaker, by direction of the Committee on Rules, I call up House Resolution 140 and ask for its immediate consideration.

The Clerk read the resolution as follows:

H. RES. 140

Resolved, That at any time after the adoption of this resolution, the Speaker may, pursuant to clause 1(b) of rule XXIII, declare the House resolved into the Committee of the Whole House on the State of the Union for the consideration of the bill (H.R. 1555) to amend the Foreign Assistance Act of 1961, the Arms Export Control Act, and the Agricultural Trade Development and Assistance Act of 1954, to authorize development and security assistance programs for fiscal year 1986, and for other purposes, and the first reading of the bill shall be dispensed with. All points of order against the consideration of the bill for failure to comply with the provisions of section 303(a)(1) of the Congressional Budget Act of 1974 (Public Law 93-344) are hereby waived. After general debate, which shall be confined to the bill and to the amendment made in order by this resolution, and which shall continue not to exceed one hour, to be equally divided and controlled by the chairman and ranking minority member of the Committee on Foreign Affairs, the bill shall be considered for amendment under the five-minute rule. It shall be in order to consider the amendment in the nature of a substitute recommended by the Committee on Foreign Affairs now printed in the bill as an original bill for the purpose of amendment under the five-minute rule, said substitute shall be considered for amendment by titles instead of by sections and each title shall be considered as having been read, and all points of order against said substitute for failure to comply with the provisions of clause 7 of rule XVI and clause 5(a) of rule XXI are hereby waived. Debate under the five-minute rule on the bill and on said substitute, except for consideration of the amendment provided for in the succeeding sentence, shall be limited to a total of ten hours of debate. After the bill has been considered for amendment in its entirety and all other amendments have been disposed of, it shall be in order to consider an amendment in the nature of a substitute printed in the Congressional Record of April 24, 1985, by, and if offered by, Representative Broomfield of Michigan. Said amendment shall not be subject to amendment but shall be debatable for not to exceed two hours, to be equally divided and controlled by Representative Broomfield and the chairman of the Committee on Foreign Affairs or his designee, said substitute shall be considered as having been read, and all points of order against said substitute for failure to comply with the provisions of clause 5(a) of rule XXI are hereby waived. After the disposition of said amendment, no further amendment to the bill or to the committee amendment in the nature of a substitute shall be in order. At the conclusion of the consideration of the bill for amendment, the Committee shall rise and report the bill to the House with such amendments as may have been adopted, and any Member may demand a separate vote in the House on any amendment adopted in the Committee of the Whole to the bill or to the committee amendment in the nature of a substitute. The previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommit with or without instructions.

□ 1710

The SPEAKER pro tempore. The gentleman from Ohio [Mr. HALL] is recognized for 1 hour.

Mr. HALL of Ohio. Mr. Speaker, I yield the customary 30 minutes to the gentleman from Tennessee [Mr. QUILLEN] for purposes of debate, only; pending which I yield myself such time as I may consume.

Mr. Speaker, House Resolution 140 is a modified open rule providing for the consideration of H.R. 1555, the International Security and Development Cooperation Act of 1985.

The rule provides for 1 hour of general debate to be equally divided and controlled by the chairman and ranking minority member of the Committee on Foreign Affairs. The bill shall be considered for amendment under the 5-minute rule.

It should be noted that the rule waives a point of order against the bill for failure to comply with section 303(a)(1) of the Congressional Budget Act. Section 303(a)(1) prohibits consideration of any measure which would provide new budget authority for a fiscal year before the adoption of the first concurrent resolution on the budget for such fiscal year.

Section 106 of H.R. 1555 as introduced would create new budget authority first effective in fiscal year 1986 by appropriating funds to pay claims under guarantees for which guarantee reserves are inadequate. Since the first budget resolution for fiscal year 1986 has not yet been adopted, the bill would violate section 303(a)(1) of the Budget Act. However, the Committee on Foreign Affairs, in marking up this legislation, amended section 106 to authorize rather than appropriate funds for fiscal 1986. Therefore, the committee amendment would cure this Budget Act violation.

The rule makes in order a committee amendment in the nature of a substitute now printed in the bill as original text for the purpose of amendment under the 5-minute rule. To expedite consideration, the rule provides that the substitute shall be considered by titles, instead of by sections, and each title shall be considered as read.

House Resolution 140 also waives all points of order against the committee substitute for failure to comply with the provisions of clause 7 of rule XVI. This is the prohibition against nongermane amendments. There are several provisions of the substitute which technically would be considered nongermane. For example, section 717 of the substitute concerns the expanded use of employee stock ownership plans in Central America and the Caribbean.

In addition, the rule waives clause 5(a) of rule XXI against the committee substitute. This waiver is necessary because several provisions of the substitute might technically be considered appropriations in a legislative bill. For example, section 115 permits the use of funds derived from charges for administrative services to be used each fiscal year for official reception and representation expenses.

The rule further limits debate on amendments to the bill and committee substitute to 10 hours, except for debate on the Broomfield substitute.

After all other amendments have been disposed of, an amendment in the nature of a substitute printed in the CONGRESSIONAL RECORD of April 24, 1985, by Mr. BROOMFIELD of Michigan shall be in order. The Broomfield substitute shall be considered as read, and shall not be subject to amendment.

Like the committee substitute, the Broomfield substitute is granted a waiver of clause 5(a) of rule XXI. This is the rule prohibiting appropriations in a legislative measure.

The rule provides 2 hours of debate on the Broomfield substitute, to be equally divided and controlled by Representative BROOMFIELD and the chairman of the Committee on Foreign Affairs or his designee.

Under the rule, no further amendments are in order after disposition of the Broomfield substitute. However, the rule provides one motion to recommit with or without instructions.

Mr. Speaker, H.R. 1555 is a comprehensive foreign aid bill which authorizes security and economic assistance programs for fiscal 1986 and fiscal 1987. Excluding the increases in the committee measure for Israel and Egypt, which were requested by the administration, the authorizations for fiscal 1986 are below the amounts contained in the continuing appropriations resolution for fiscal 1985. The amounts in the legislation for programs in fiscal 1987 are exactly the same as those for fiscal 1986, thus freezing funding.

The Foreign Affairs Committee deserves to be commended for its responsible approach to foreign aid funding. Except for increases for Egypt and Israel, the overall funding for military foreign aid is actually $200 million below the fiscal 1985 levels. FMS financing, grant military assistance, and grant military education and training programs have been reduced from the executive branch request by over $425 million. As the principal sponsor of the Human Needs and World Security Act in the 98th Congress, I am pleased that the committee has acted to restrain the growth of the military component of foreign aid. The committee's approach in this regard also reflects some of the concerns which were expressed during the debate on the Dorgan-Hall amendment to last year's Foreign Aid Authorization bill.

I also wish to commend Chairman FASCELL for section 124 of the committee bill. This provision requires the President to submit to Congress a report on conventional arms transfers. The points to be contained in the report reflect the concerns of my bill, H.R. 1415, the Conventional Arms Transfer Control Act. Through the reporting requirements of section 124, the committee is urging the administration to consider a multitrack approach to achieving conventional arms transfer limitations. The report will examine the prospects for conventional arms transfer talks with the Soviet Union, measures with the non-Communist arms suppliers to control conventional arms transfers, and discussions between global arms suppliers and arms recipients in the developing world. I am pleased that the committee shares my concern about the urgent need to address the matter of worldwide conventional arms transfers.

I particularly commend the committee for section 905 and section 906 of their legislation. Section 905 concerns multiyear commitments for agricultural commodities with private voluntary organizations. Section 906 amends three titles of Public Law 480 to give greater emphasis to child immunization among the activities authorized by that act. Both section 905 and section 906 are similar to provisions included in H.R. 1889, a bill I developed with the Select Committee on Hunger.

Section 906 would set a target for developing nations receiving U.S. food assistance to provide for the immunization of at least 3 million more children by 1987 above the number receiving immunizations against disease in 1985. For every 100 children in developing nations who are immunized against the major diseases of childhood, an average of 5 lives are saved, with an equal number of children spared from being crippled. Thus, if the target of immunizing 3 million children is met, about 300,000 children will be saved from fatal or crippling diseases. I wish to commend the gentleman from Connecticut [Mr. GEJDENSON] of offering the amendment which became section 906 and the gentleman from New York [Mr. GILMAN] for offering the amendment which became section 905.

In addition, I wish to thank Chairman FASCELL for recommending a 4-year extention of the Food Security Wheat Reserve, which falls under the jurisdiction of both the Committee on Foreign Affairs and the Committee on Agriculture. It is my hope that this recommendation, which is supported by the Select Committee on Hunger and was one of the provisions of H.R. 1889, will be acted upon favorably as part of the farm bill.

Finally, I commend the committee for increasing funding for the Peace Corps by $7.5 million above the fiscal 1985 appropriation. This increase is to be used to the maximum extent possible to support the agency's African

Food Systems Initiative Program. As both a former Peace Corps volunteer and the Chairman of the International Task Force of the Select Committee on Hunger, I believe that this program could contribute significantly to easing the hunger and suffering in the famine-afflicted regions of Africa.

In addition, I am pleased that the committee has set a target of an increase of 10,000 Peace Corps volunteers by the end of fiscal year 1989. This goal is similar to that of legislation I was pleased to cosponsor with the gentleman from Iowa [Mr. LEACH].

It is always difficult to craft a Foreign Aid authorization bill. The committee has handled this challenge admirably this year.

While there will be controversy over some of the provisions of this legislation, I am not aware of any opposition to this bipartisan rule. The Rules Committee was advised that both the minority and the majority support this equitable rule. I urge my colleagues to adopt it.

Mr. QUILLEN. Mr. Speaker, I yield myself as much time as I may use.

Mr. Speaker, the rule has been ably explained. It provides 1 hour of general debate, then 10 hours under the 5 minute rule and 2 additional hours for the Broomfield substitute.

Foreign aid has always been a controversial issue in the House of Representatives since I became a Member in 1963. I remember once in the early 1960's the foreign aid bill held up the House until Christmas eve and it is no different now. There has not been an authorization bill passed and signed into law for the last 3 years.

I think it is time that we got down to business and hammered out a bill that no doubt will be controversial when it is debated on the floor. But this rule gives the Members an opportunity to express their views and to vote as they see fit on the various amendments that might be offered and on final passage when it is presented.

Mr. Speaker, I urge that the House get down to business and hammer out a foreign aid bill one way or the other, either pro or con.

I have no requests for time but, Mr. Speaker, I reserve the balance of my time.

Mr. HALL of Ohio. Mr. Speaker, I have no requests for time, and I move the previous question on the resolution.

The previous question was ordered.

The SPEAKER pro tempore. The question is on the resolution.

The question was taken; and the Speaker pro tempore. announced that the ayes appeared to have it.

Mr. QUILLEN. Mr. Speaker, I object to the vote on the ground that a quorum is not present and make the point of order that a quorum is not present.

The SPEAKER pro tempore. Evidently a quorum is not present.

The Sergeant at Arms will notify absent Members.

The vote was taken by electronic device, and there were—yeas 400, nays 2, not voting 32, as follows:

[Roll No. 114]

YEAS—400

Ackerman	Dicks	Hutto
Akaka	Dingell	Hyde
Alexander	DioGuardi	Ireland
Anderson	Dixon	Jacobs
Andrews	Donnelly	Jeffords
Annunzio	Dorgan (ND)	Jenkins
Anthony	Dornan (CA)	Johnson
Applegate	Dowdy	Jones (NC)
Archer	Downey	Jones (OK)
Armey	Dreier	Jones (TN)
Aspin	Duncan	Kanjorski
Atkins	Durbin	Kaptur
AuCoin	Dwyer	Kasich
Badham	Dymally	Kastenmeier
Barnard	Dyson	Kennelly
Barnes	Early	Kildee
Bartlett	Eckart (OH)	Kindness
Bateman	Eckert (NY)	Kleczka
Bates	Edgar	Kolbe
Bedell	Edwards (CA)	Kolter
Beilenson	Edwards (OK)	Kostmayer
Bennett	Emerson	Kramer
Bentley	Erdreich	LaFalce
Bereuter	Evans (IA)	Lagomarsino
Berman	Fascell	Lantos
Bevill	Fawell	Latta
Biaggi	Fazio	Leach (IA)
Bilirakis	Feighan	Leath (TX)
Bliley	Fiedler	Lehman (CA)
Boehlert	Fields	Lehman (FL)
Boggs	Fish	Leland
Boland	Flippo	Lent
Boner (TN)	Florio	Levin (MI)
Borski	Foglietta	Levine (CA)
Bosco	Foley	Lewis (CA)
Boucher	Ford (MI)	Lewis (FL)
Boulter	Ford (TN)	Lightfoot
Boxer	Frank	Lipinski
Breaux	Franklin	Livingston
Brooks	Frost	Lloyd
Broomfield	Fuqua	Loeffler
Brown (CA)	Gallo	Long
Brown (CO)	Garcia	Lowery (CA)
Broyhill	Gaydos	Lowry (WA)
Bruce	Gejdenson	Lujan
Bryant	Gekas	Luken
Burton (CA)	Gephardt	Lundine
Burton (IN)	Gibbons	Lungren
Bustamante	Gilman	Mack
Byron	Gingrich	MacKay
Callahan	Glickman	Madigan
Campbell	Gonzalez	Manton
Carney	Goodling	Markey
Carper	Gordon	Marlenee
Carr	Gradison	Martin (IL)
Chandler	Gray (IL)	Martinez
Chappell	Gray (PA)	Matsui
Chappie	Green	Mazzoli
Cheney	Gregg	McCain
Clay	Grotberg	McCandless
Clinger	Guarini	McCloskey
Coats	Gunderson	McCollum
Cobey	Hall (OH)	McCurdy
Coble	Hall, Ralph	McDade
Coelho	Hall, Sam	McEwen
Coleman (MO)	Hamilton	McGrath
Coleman (TX)	Hammerschmidt	McHugh
Collins	Hansen	McKernan
Combest	Hartnett	McKinney
Conte	Hatcher	McMillan
Cooper	Hawkins	Meyers
Coughlin	Hayes	Mica
Courter	Hefner	Michel
Coyne	Heftel	Mikulski
Crane	Hendon	Miller (CA)
Crockett	Henry	Miller (OH)
Daniel	Hertel	Miller (WA)
Dannemeyer	Hiler	Mineta
Darden	Hillis	Mitchell
Daschle	Hopkins	Moakley
de la Garza	Horton	Molinari
Delay	Howard	Mollohan
Dellums	Hoyer	Monson
Derrick	Hubbard	Montgomery
DeWine	Hughes	Moody
Dickinson	Hunter	Moore
Moorhead	Rowland (CT)	Sundquist
Morrison (CT)	Rowland (GA)	Sweeney
Morrison (WA)	Roybal	Swift
Murphy	Rudd	Swindall
Murtha	Russo	Synar
Myers	Sabo	Tallon
Natcher	Saxton	Tauke
Neal	Schaefer	Tauzin
Nelson	Scheuer	Taylor
Nichols	Schneider	Thomas (CA)
Nielson	Schroeder	Thomas (GA)
Nowak	Schuette	Torres
Oakar	Schulze	Towns
Oberstar	Schumer	Traficant
Obey	Seiberling	Traxler
Olin	Sensenbrenner	Valentine
Ortiz	Sharp	Vander Jagt
Owens	Shaw	Vento
Packard	Shelby	Visclosky
Panetta	Shumway	Volkmer
Parris	Shuster	Vucanovich
Pashayan	Sikorski	Walgren
Pease	Siljander	Walker
Penny	Sisisky	Watkins
Perkins	Skeen	Waxman
Petri	Skelton	Weber
Pickle	Slattery	Weiss
Porter	Slaughter	Wheat
Price	Smith (FL)	Whitley
Pursell	Smith (IA)	Whittaker
Quillen	Smith (NE)	Whitten
Rangel	Smith (NH)	Williams
Ray	Smith (NJ)	Wilson
Regula	Smith, Denny	Wirth
Reid	Smith, Robert	Wise
Richardson	Snowe	Wolf
Ridge	Snyder	Wolpe
Rinaldo	Solarz	Wortley
Ritter	Spence	Wright
Robinson	Spratt	Wyden
Rodino	St Germain	Wylie
Roe	Stallings	Yates
Roemer	Stangeland	Yatron
Rogers	Stenholm	Young (FL)
Rose	Stokes	Young (MO)
Rostenkowski	Strang	Zschau
Roth	Stratton	
Roukema	Studds	

NAYS—2

Daub	Stump

NOT VOTING—32

Addabbo	Holt	Roberts
Barton	Huckaby	Savage
Bonior (MI)	Kemp	Solomon
Bonker	Lott	Staggers
Conyers	Martin (NY)	Stark
Craig	Mavroules	Torricelli
Davis	Mrazek	Udall
English	O'Brien	Weaver
Evans (IL)	Oxley	Whitehurst
Fowler	Pepper	Young (AK)
Frenzel	Rahall	

□ 1730

So the resolution was agreed to.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

COMMUNICATION FROM THE HONORABLE ED JONES OF TENNESSEE, MEMBER OF CONGRESS

The SPEAKER pro tempore laid before the House the following communication from Hon. ED JONES of Tennessee, Member of Congress:

HOUSE OF REPRESENTATIVES,
Washington, DC, May 10, 1985.

Hon. TIP O'NEILL,
The Speakers Office, H-202, Washington, DC.

DEAR MR. SPEAKER: This is to notify you, pursuant to Rule L(50) of the Rules of the House, that several present and former

members of my staff, the staff of the Subcommittee on Services, and the staff of the House Restaurant System have received subpoenas issued by the United States District Court for the District of Columbia.

In consultation with the General Counsel to the Clerk of the House, I have determined that it is consistent with the privileges and precedents of the House to comply with these subpoenas, under the guidance of counsel, and within the parameters established by the privileges and precedents of the House.

Sincerely,

ED JONES,
Member of Congress.

SACCHARIN STUDY AND LABELING ACT AMENDMENTS OF 1985

Mr. WAXMAN. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the Senate bill (S. 484) to amend the Saccharin Study and Labeling Act, and ask for its immediate consideration.

The Clerk read the title of the Senate bill.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from California?

Mr. BROYHILL. Mr. Speaker, reserving the right to object, I take this time for the purpose of asking the gentleman from California to give us a short explanation of what is contained in this legislation.

Mr. WAXMAN. I thank the gentleman for asking the question and yielding to me.

Mr. Speaker, this legislation extends the moratorium on FDA action regarding saccharin for 2 additional years. As in the case of the two previous extensions of this moratorium, S. 484 prohibits FDA from taking regulatory action based upon studies available prior to November 23, 1977. The legislation in no way affects the agency's authority to take regulatory action with respect to saccharin based on health studies that become available after that date.

Mr. BROYHILL. Mr. Speaker, I yield to the gentleman from Ohio [Mr. LUKEN].

Mr. LUKEN. I thank the gentleman for yielding to me, and I commend my colleague from California for urging extension of the saccharin moratorium. The ban of saccharin has a potential adverse effect on the health of some 60 to 80 million Americans. There are literally millions of diabetics across this country who use saccharin in managing their diets. There are thousands of Americans with heart disease who suffer from obesity but have few substitutes for saccharin in their diets. Despite the increasing use of aspartame, it cannot be used in processed foods, and its advent on the market has caused a precipitous drop in the use of saccharin, impeding FDA's efforts to quantify saccharin's potential cancer risks.

Since the FDA first proposed to ban saccharin as a food additive in 1977, the American public made clear to Congress and the FDA, through millions of letters, their preference that saccharin remain freely available as an additive in beverages and food. A thorough evaluation of the health risks of saccharin have not been completed, but none of the latest studies or assessments suggest that saccharin poses a major health hazard.

□ 1740

Therefore, while this evaluation is going on, I commend the gentleman from California and the gentleman from North Carolina on proceeding with this moratorium.

Mr. BROYHILL. I thank the gentleman for his comments.

Mr. FOLEY. Mr. Speaker, will the gentleman yield?

Mr. BROYHILL. I yield to the gentleman from Washington.

Mr. FOLEY. Mr. Speaker, I just want to join in thanking the chairman and the ranking minority member for taking this action in calling this legislation up before the House. I agree with the comments of the gentleman from Ohio [Mr. LUKEN] as to its value and importance.

Mr. BROYHILL. Mr. Speaker, I withdraw my reservation of objection.

The SPEAKER pro tempore (Mr. STALLINGS). Is there objection to the request of the gentleman from California?

There was no objection.

The Clerk read the Senate bill, as follows:

S. 484

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 3 of the Saccharin Study and Labeling Act (21 U.S.C. 348 nt.) is amended by striking out "During the period beginning on the date of enactment of this Act and ending twenty-four months after the date of enactment of the Saccharin Study and Labeling Act Amendment of 1983" and inserting in lieu thereof "During the period ending May 1, 1987".

The Senate bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

GENERAL LEAVE

Mr. WAXMAN. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on the Senate bill just considered and passed.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from California?

There was no objection.

KEVIN PRICE AND TIM MORRIS RECEIVE NATIONAL ALERT YOUTH AWARD

(Mr. DANIEL asked and was given permission to address the House for 1 minute and to revise and extend his remarks and include extraneous matter.)

Mr. DANIEL. Mr. Speaker, recently, two young men from Martinsville, VA, were honored for their rescue of a neighbor who, without their intervention, would have lost her life.

Late on a Sunday afternoon in March, Kevin Price, and Tim Morris reacted swiftly to the sight of smoke coming from the home of Mrs. Mildred Jones, a neighbor of Morris'. For this act of heroism, they will receive the National Alert Youth Award.

The Martinsville Bulletin carried a report of this act of heroism, and I respectfully request that it be printed in the RECORD at this point.

Price and Morris are outstanding examples of the kind of bravery often displayed but seldom reported when the principals are in their teens, and I am proud of them, as I am sure all of you will be, too.

[From the Martinsville Bulletin, Mar. 11, 1985]

YOUNGSTERS PULL WOMAN FROM FIRE

(By Philip Tyson)

Firefighters say Mildred Jones probably would have died Sunday, if two teenagers hadn't rescued her from her burning house.

Tim Morris and Kevin Price, both seniors at Martinsville High School, broke through her front door and carried the elderly woman from her house at 1003 A St. to Morris' home across the street.

Martinsville Assistant Fire Chief F. Buren Jamison said with the fire as intense as it was when firefighters arrived, he didn't think anyone still inside could have been saved.

Morris and Price, who lives at 826 New York Ave., were walking along A Street near Mrs. Jones home late Sunday afternoon when they saw smoke coming from the front of the one-story home. When they got closer they saw flames inside.

There were other people at the front calling to see if anyone was inside. No one answered, so the two young men began to hit the locked front door until it gave way.

Inside, they could see the flames in a bedroom just to the right of the door. That was the bedroom of James Jones, the woman's son, who had left the house just a few minutes before the fire started.

Choking black smoke quickly filled the hallway leading to the back of the house, as the two searched inside, they said.

Mrs. Jones is an invalid, who gets around with a walker.

In her bedroom in the rear of the house, Morris and Price found Mrs. Jones sitting on her bed, apparently unaware of the fire.

"She didn't know what was going on," Price said, "She kept asking what we were doing there, and she kept saying 'I'm not leaving.' "

The two young men picked her up and placed her on Price's shoulder and took her back through the smoky hallway. They carried her from the house to Morris' house

across the street. She was taken to the local hospital.

When they found her, the heavy smoke had not yet reached her room. Price said she was gasping for breath because of an asthma condition.

"If it had been three or four more minutes," Price said, "she would have been dead."

After taking Mrs. Jones from the burning house, Morris tried to go back in the home to check for others inside or to rescue some possessions. But by that time, he said the smoke and flames were too intense, and he could not get past the door. No one else was inside.

Jamison said firefighters could see the smoke from Fayette Street as they drove toward A Street. There were flames seen when they got there.

"We couldn't get in there" Jamison said. "I don't see how she could have gotten out" if the two men hadn't reached her.

Jamison said the fire probably was started by a fuse "blown all to pieces" by an overloaded circuit.

The flames caught near a television set mounted in the ceiling in James Jones' room.

The actual fire damage was confined to that room. But heavy smoke and heat damage to the rest of the home make it unlivable.

Firefighters set the total damage at about $10,000.

City Fire Chief J. Lloyd Gregory said Morris and Price were being nominated for an annual award from the Southwestern Virginia Firemen's Association recognizing their heroism. Martinsville volunteer fireman Danny Turner, is president of that organization.

And, about the hero treatment, "It feels real good, real nice," Morris said smiling.

Mrs. Jones was taken to the emergency room of Memorial Hospital of Martinsville and Henry County after the fire. She did not appear to suffer any serious injury, firefighters said.

INTRODUCTION OF PUBLIC BROADCASTING REAUTHORIZATION LEGISLATION

(Mr. OXLEY asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. OXLEY. Mr. Speaker, I am pleased to introduce legislation today which helps to preserve the long-term financial viability of our Nation's public broadcasting system by authorizing significant increases in Federal support for the system and by providing public broadcasting stations, on a voluntary basis, with the opportunity to earn supplemental income through ways that the law now prohibits.

My bill would authorize record Federal spending for the public broadcasting system. Federal funding for the Corporation for Public Broadcasting would be increased from $137.5 million last year to $240 million by fiscal year 1990, and Federal funding for the Public Telecommunications Facilities Program would be increased from $12 million last year to $20 million in fiscal year 1987. The following chart shows funding levels for each year covered by the bill:

Corporation for Public Broadcasting Program

	Millions
Fiscal year:	
1987	$200
1988	220
1989	230
1990	240

Public telecommunications facilities

Fiscal year:	
1985	$15
1986	18
1987	20

My bill also gives public broadcasting stations the opportunity, on a voluntary basis, to explore the possibility of earning supplemental revenues through the conduct of a second limited advertising test similar to the one that was carried out 3 years ago. As you know, an independent research firm concluded that the first test was highly successful, but the TCAF Commission, the group which conducted the experiment, found the positive results of the test to be inconclusive because it lasted less than a year. Thus, my bill will allow the experiment to resume for an additional 3 years under terms and conditions similar to those governing the first experiment.

My bill recognizes two fundamental principles. First, even with all of the revenue sources available to public broadcasting today, the industry is dangerously underfunded; it requires both a larger commitment of Federal dollars and a broader opportunity for stations to earn supplemental revenues from private sources.

Second, in light of two recent Presidential vetoes of public broadcasting legislation, the only way to ensure the full Federal funding provided in my bill is to include the provisions which allow stations to develop new sources of revenue. as we all remember, last year the President vetoed two public broadcasting funding bills which did not authorize new private revenue opportunities because he felt that the proposed Federal spending was too high. I know the President feels that the facilities funding provided in the bill I am introducing today is far too high. As a result, he may exercise his right to veto once again. The best way to guard against a veto is to include language in the bill giving stations significant new private sources of revenue because the President strongly supports these provisions. In fact, he has already hinted that he would sign legislation which provides increased Federal funding if the bill also opens up new supplemental private revenue opportunities. In his second veto message last year, the President stated:

> Legislation that provides for Federal support of public broadcasting at realistic and reasonable levels and that provides public broadcasters with the means and incentives to explore alternative revenue sources would be both appropriate and welcome.

Some may argue that my bill should provide for even larger Federal appropriations. However, I want to say quite candidly that I feel the public broadcasting industry will be lucky if my bill is enacted even though some may be disappointed that it does not authorize larger appropriations. There is a growing mood in Congress to freeze future Federal spending in all areas at existing levels because of soaring Federal deficits. As evidence, I would point out that the House of Representatives voted last month to freeze future spending at present levels for two popular programs—NASA and the National Science Foundation—despite the President's request for small spending increases. I feel that a freeze of public broadcasting funding at existing levels—$159 million—would jeopardize the financial viability of the entire system, and thus my bill seeks a realistic increase.

While some may be disappointed that my bill does not increase Federal spending even more rapidly, these people should take comfort in the fact that my bill would authorize Federal spending increases for public broadcasting that are greater than the increases which are likely to be enacted for any other Federal program. Spending for public broadcasting would be increased under my bill while most programs are fighting hard to avoid spending cuts!

An additional observation: It has been suggested that increased Federal funding will be jeopardized if the legislation also includes provisions allowing public broadcasting stations to seek supplemental revenues from private sources. I want to make it crystal clear that the opposite is true: President Reagan has already vetoed two public broadcasting funding bills that did not contain a provision allowing for supplemental private fund raising. I believe he may do the same thing again this year unless we include such provision.

One final point: Senator GOLDWATER and CPB Chairman Landau have been tireless champions of the public broadcasting industry. With their continued leadership, I am hopeful that we can enact a piece of legislation which provides, in the President's words, "for realistic and reasonable" Federal support, as well as "the means and incentives" for public broadcasting to "explore alternative revenue sources." If we succeed, Senator GOLDWATER and Mrs. Landau deserve much of the credit. It would be a remarkable achievement at a time when the Federal budget deficit is at an all time high!

THE PROCUREMENT INTEGRITY ACT OF 1985

(Mr. ROWLAND of Connecticut asked and was given permission to address the House for 1 minute and to revise and extend his remarks and to include extraneous material.)

Mr. ROWLAND of Connecticut. Mr. Speaker, I rise this morning to discuss H.R. 2441, the Procurement Integrity Act of 1985. This bill is designed to stop ripoffs without layoffs.

Very simply, this proposal would require the chief executive officer of corporations holding civilian and defense contracts with the Government to certify in writing that these claims submitted are valid. Under this legislation, the CEO would be personally responsible for false claims. Corporate fraud in America is a national disgrace.

My bill would not penalize the hard-working employees who have never played any part in this fraudulent activity. It would impose strict criminal and civil penalties of the individual responsible, the CEO.

Recent attempts by the Pentagon to crack down on fraud have gone by the wayside. In April, the Pentagon withdrew a get tough policy on procurement in just one month. It is obvious that the Pentagon buckled to severe pressure from defense contractors, but it is not the defense contractors who are responsible for our tax dollars; it is the Congress.

The American people are tired of picking up the newspaper and reading about $700 pliers and $1,700 coffee pots. It is time to stop this abuse. This legislation will act as a deterrent and offer a real solution to the problems that we face.

Following are my remarks at the State Capitol in Hartford, CT, and also H.R. 2441, "The Procurement Integrity Act of 1985":

STATEMENT OF CONGRESSMAN JOHN G. ROWLAND

I am here today to discuss new legislation I have just introduced that is called the "Procurement Integrity Act of 1985."

To put it simply, this bill is one of the toughest anticorporate fraud measures ever proposed. It's designed to stop ripoffs without layoffs.

My legislation would, for the first time, force the chief executive officers of large and medium-sized corporations to be personally responsible for submitting honest cost claims to the Government for military and civilian contracts. The CEO's of each company would have to certify in writing that all claims were valid.

No longer could the heads of these businesses hide behind the cloak of the corporate legal entity. No longer could they slough off the responsibility for fraudulent billings to some lower-level official. No longer could these chief executive officers make excuses to the taxpayers, the Congress, and the press that they had no way of knowing that their company was in effect stealing from the Government.

This bill would require CEO's to take hands-on involvement or be subject to severe criminal and civil penalties in cases where they knowingly submitted false claims or should have known they were false. The heads of these corporations would face prison terms of 5 years per violation and could wind up personally paying an unprecedented amount in fines.

I'm aware that all too often the elite avoid prison even if they are convicted of a criminal offense. Taking that into account, my bill calls for the imposition of as much as $750,000 in basic fines and added fines of an amount equal to two times the amount of the fraud. For example, if the fraud amounted to $500,000, the added fine would total $1 million.

Some may call those drastic measures and they are. Corporate fraud in America is nothing less than a national disgrace. One need only pick up the daily newspapers to read about the latest outrage that contractors, especially in the defense business, have committed.

Not only is this fraud an assault on the American taxpayer and a blow to deficit reduction, but it has the potential to seriously weaken our defense capability as long as the Pentagon is forced to pay $718 dollars for duckbill pliers and $1,700 for coffee pots.

Make no mistake about it, there is no difference between a common thief and a company that defrauds the Government.

I said before this bill was designed to stop ripoffs without layoffs. That brings me to the major reason why this bill is important. It would not penalize hard-working employees who have played no part in the fraud committed by their superiors.

I think the prosecution of the individuals directly responsible for fraud is a much better approach than suspension and debarment of the contractor. There is simply no reason to make hundreds or thousands of employees the losers because of crimes they did not commit. Of course, suspension and debarment may be the only ways to deal with some of the worst violators—but I would hope the passage of my bill would diminish the use of this penalty. Taking contracts away hurts the innocent employees, more than the CEO's.

Some people may argue, "why go after the chief executive officer? You can't possibly expect the heads of some of these large companies to personally certify all claims."

Well it's about time they did. And if not them, then who? The chief executive officers cannot be responsible for the actions of their companies in name only. They cannot be allowed to hide behind the corporate veil, particularly those who draw phenomenal salaries at the larger corporations.

CEO's whose salaries are in effect paid by the taxpayers should take direct responsibility for abuses by their companies. We've got to send a loud and clear message to these executives that if you want the title, you have to make a commitment to the taxpayers of this country.

Let me point out that my bill does not penalize a CEO where mathematical or technical errors are committed. I am not attempting to punish people who have committed honest mistakes or make a good-faith effort to weed out waste and fraud. I have no doubt that the vast majority of government contractors are decent and honest people.

The legislation also would not apply to smaller companies who do business with the Government. A company would have to do a minimum of $100,000 worth of business with the Government for the CEO to be criminally liable. That is the standard that currently exists and it appears to be reasonable. Therefore, I would keep it.

Ladies and gentlemen, I am not claiming that my approach is the only way to attack the problem of corporate fraud. But there is another very important reason why the particular piece of legislation I have introduced is necessary.

Recently, there was some very distressing news from Washington. It seems that the Pentagon for some strange reason has decided to withdraw a new get-tough policy on procurement and has resumed making overhead payments to contractors that refuse to certify their claims in advance. The modified policy says that a contractor must certify claims only after the end of a fiscal year and only after it has gotten advance payments for nearly all overhead expenses.

To me that is a policy of defeat. It is an approach that makes no sense from a department that has taken credit—with some justification—for uncovering a lot of the abuses we have heard so much about.

What my Proposal will do is reverse this defeatist approach to the problem of corporate fraud. There have been too many people talking about this problem. Enough talking! The taxpayers are demanding we do something.

Ladies and gentlemen, let me conclude by saying that the bill I am announcing today is the outgrowth of comments I made on March 6 when I introduced the Income Maintenance Integrity Act—which is my plan to weed out welfare fraud in all 50 States while helping the truly needy. I said at that time that while welfare fraud was and remains a serious problem, I was equally concerned with fraud committed by corporations doing business with the Government. My Procurement Integrity Act grew directly out of that concern. I am determined to push as hard as I can for passage of both pieces of legislation. On behalf of the taxpayers, I hope the Congress gives both bills very serious consideration.

Thank you very much. I would be happy to answer any questions.

H.R. 2441.—A bill to amend the Federal Property and Administrative Services Act of 1949 and title 10, United States Code, to provide for civil and criminal penalties for prime contractors and subcontractors who submit false cost data, and for certain officers of such prime contractors and subcontractors

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the "Procurement Integrity Act of 1985".

SEC. 2. PENALTIES FOR SUBMISSION OF FALSE COST OR PRICING DATA UNDER FEDERAL PROPERTY AND ADMINISTRATIVE SERVICES ACT OF 1949.

Section 304(d) of the Federal Property and Administrative Services Act of 1949 (41 U.S.C. 254(d)) is amended by adding at the end thereof the following new paragraphs:

"(6)(A) A civil action under section 3730 of title 31, United States Code, may be brought—

"(i) against any person who submits any false cost or pricing datum under paragraph (1) and who knew or should have known that such datum was false; and

"(ii) against the chief executive officer (or the equivalent of such officer), of any prime contractor (or subcontractor) that submits any false cost or pricing datum under paragraph (1), if such officer knew or, in the proper exercise of the authority of such of-

ficer, should have known that such datum was false.

"(B) Any person against whom a judgment is rendered in a civil action brought under section 3730 of title 31, United States Code, by reason of the provisions of subparagraph (A) shall be liable to the Government for—

"(i) a civil penalty of not more than $500,000;

"(ii) an amount equal to 2 times the amount of the damage the Government sustains because of the act of such person in submitting any false cost or pricing datum; and

"(iii) the cost of such civil action.

"(7)(A) If any person submits any false cost or pricing datum under paragraph (1), and knew or should have known that such datum was false, such action shall be considered to be a violation of section 287 of title 18, United States Code.

"(B) The chief executive officer (or the equivalent of such officer), of any prime contractor (or subcontractor) that submits any false cost or pricing datum under paragraph (1), shall be considered to have violated section 287 of title 18, United States Code, if such officer knew or, in the proper exercise of the authority of such officer, should have known that such datum was false."

SEC. 3. PENALTIES FOR SUBMISSION OF FALSE COST OR PRICING DATA UNDER TITLE 10, UNITED STATES CODE.

Section 2306(f) of title 10, United States Code, is amended by adding at the end thereof the following new paragraphs:

"(6)(A) A civil action under section 3730 of title 31, United States Code, may be brought—

"(i) against any person who submits any false cost or pricing datum under paragraph (1) and who knew or should have known that such datum was false; and

"(ii) against the chief executive officer (or the equivalent of such officer), or any prime contractor (or subcontractor) that submits any false cost or pricing datum under paragraph (1), if such officer knew or, in the proper exercise of the authority of such officer, should have known that such datum was false.

"(B) Any person against whom a judgment is rendered in a civil action brought under section 3730 of title 31, United States Code, by reason of the provisions of subparagraph (A) shall be liable to the Government for—

"(i) a civil penalty of not more than $500,000;

"(ii) an amount equal to 2 times the amount of the damage the Government sustains because of the act of such person in submitting any false cost or pricing datum; and

"(iii) the costs of such civil action.

"(7)(A) If any person submits any false cost or pricing datum under paragraph (1), and knew or should have known that such datum was false, such action shall be considered to be a violation of section 287 of title 18, United States Code.

"(B) The chief executive officer (or the equivalent of such officer), of any prime contractor (or subcontractor) that submits any false cost or pricing datum under paragraph (1), shall be considered to have violated section 287 of title 18, United States Code, if such officer knew or, in the proper exercise of the authority of such officer, should have known that such datum was false."

SEC. 4. APPLICABILITY.

The amendments made by this Act shall apply to submissions of cost or pricing data made on or after the date of the enactment of this Act.

JUNK BOND AND GREENMAIL TAX ACT OF 1985

(Mr. PICKLE asked and was given permission to address the House for 1 minute and to revise and extend his remarks and include extraneous matter.)

Mr. PICKLE. Mr. Speaker, today I am introducing the Junk Bond and Greenmail Tax Act of 1985 to discourage and limit business practices that threaten economic stability and occur mainly because of the present tax structure.

This is not an antimerger bill. It does not distinguish between hostile and friendly takeovers because Congress should not take sides in this controversy.

This is simply an attempt to bring some order to a chaotic situation by discouraging the excesses of both raiders and target companies.

Our Tax Code should not encourage corporate extortion called greenmail. Nor should we allow corporations to blatantly exploit tax provisions that give more favorable treatment to interest payments than dividend payments.

And we should not allow pension funds and federally insured financial institutions to play high risk games with junk bonds at taxpayer's risk.

We should protect our citizens against economic disasters by enacting reasonable limits on these excessive and abusive practices. I include with my remarks a summary of the bill and hope we can have your support.

SUMMARY OF THE JUNK BOND AND GREENMAIL TAX ACT OF 1985

JUNK BONDS

1. Deny the deduction for interest payments on junk bonds used for the acquisition of another corporation or the repurchase of a corporation's stock. Deduction for payments of commitment fees will also be disallowed and is applicable even if the bonds are not issued. A debt instrument is a junk bond if it meets any of these four tests and the total amount of the bond debt issued is in excess of $30 million:

(a) The instrument is subordinated to trade creditors or a substantial amount of unsecured indebtedness of the corporation.

(b) The instrument has a non-investment grade rating and that rating is at least two grades below the rating of other substantial debt of the corporation.

(c) The yield to maturity is in excess of 135 percent of the applicable Federal rate.

(d) The total amount of the debt issue exceeds four times the net value of the assets of the corporation.

2. Prohibit any federally insured financial institution from acquiring junk bonds (defined as those insured by FDIC, FSLIC, or the National Credit Union Administration). Also, the fiduciary requirements of ERISA (Section 404) would not be met if junk bonds are acquired by the pension plan.

GREENMAIL

1. Greenmail profit will be treated as ordinary income. This is designed to deny capital gain treatment for greenmail profits. Greenmail profit is gain realized by any shareholder who: (1) holds the stock for less than two years; (2) made, announced or proposed a public tender offer during the two year period preceding the sale of his stock; and (3) receives consideration which is materially different in timing, type or value from that available to other shareholders. This provision will operate to recognize gain upon any disposition of stock by such shareholder including transfers to related persons or to shell corporations.

2. No deduction will be allowed for any payments of greenmail. (Defined as any payments by a corporation in redemption of its stock.) This is a re-statement of present IRS rules.

TAX PROVISIONS OF THE ECONOMIC EQUITY ACT

(Mr. WILLIAMS asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. WILLIAMS. Mr. Speaker, I am pleased to join my colleagues in cosponsoring the Economic Equity Act to ensure economic equality for women across a broad range of policies. Among the many reforms in this bill, I wish to draw special attention to the tax reform provisions. During the last 4 years we have seen a dramatic shift in the tax burden onto the backs of low- and middle-income families who pay personal income tax. Increasingly, corporations and the wealthy have gotten away without paying their fair share. For example, in 1980 private citizens paid 55 percent of the taxes collected in this country, while in 1984 they paid 83 percent.

Within income tax there has also been an accompanying shift in the tax burden on lower income people who have ironically seen their taxes increase 10 percent at the same time as families with incomes over $80,000 have seen an 11-percent cut in their taxes. The amount of tax cut for these wealthy families alone was more than the total income of some poor families who paid taxes. In the 1960's and the 1970's the Congress and the President shared a commitment to eliminate taxation of those people who fell below the poverty line. Today families with incomes of $2,000 below poverty face taxation. Seventy percent of these poor are older women and women who are single heads of households. In 1983 more than a third of all families headed by women fell below the poverty line, while only 8 percent of married families did so. Again, ironically, this tax burden is greatest on single mothers and large families. For example, in 1984, a single-parent family of four at the poverty level paid $135 more in Federal taxes than a two-

parent family of four at the poverty level.

Not only have recent changes in the tax policy ignored and even increased the tax burden on the working poor, but current tax policies are still based on outdated notions of the economic reality for women. It has ignored the increasing number of single heads of families—often mothers with children who are one of the faster growing poverty groups; it has ignored that most women with children are working out of economic necessity—40 percent of working women have children and must purchase dependent care; and it has ignored the economic contribution of homemakers to their families by making them ineligible for spousal IRA's.

The Economic Equity Act proposes a variety of reforms to address these problems and attempts both to alleviate some of the current tax inequities and to establish priorities for women in the ongoing tax policy debate. First, the EEA would raise the zero bracket amount for single heads of households to that of married couples filing jointly. The EEA would index the earned income tax credit, the refundable tax credit that was enacted in 1975 exclusively for low-income workers with children, and would increase it from 11 to 16 percent of the first $5,000 of earned income. Finally, the EEA would expand and index the dependent care tax credit and would gradually increase the allowable IRA contribution for nonworking spouses based on the working spouse's income to implement a feasible plan for spousal IRA's.

The founding mothers and fathers of this country realized that economic justice was the most basic measure of opportunity and fairness in a society and that tax policies truly reflected a Government's commitment to economic justice. It is thus thoroughly appropriate that one of the key sections of the Economic Equity Act this year includes tax reform for women and families.

JOINT CHIEFS OF STAFF REFORM MEASURES IN THE MILITARY COMMAND REORGANIZATION ACT OF 1985

(Mr. SKELTON asked and was given permission to address the House for 1 minute.)

Mr. SKELTON. Mr. Speaker, recently we celebrated the 40th anniversary of V-E Day. Many national leaders utilized this historical juncture to reaffirm their pledge to maintain the existing peace we enjoy today. It is essential that we recognize how vital the health of our Armed Forces is in preserving this cherished peace. In the words of this Nation's Father, George Washington, given at his first inaugural address, "To be prepared for war is one of the most effectual means of preserving peace." As a result of my experience as a member of the Armed Services Committee I have identified serious problems that remain as impediments to an effective and efficiently run military, the first of which involves reform in the highest levels of our military command structure—the Joint Chiefs of Staff.

My bill to reorganize the Joint Chiefs of Staff includes the unpassed sections of last year's bill. It is my strong belief the groundwork completed in the 98th Congress will allow substantial portions of these changes to be enacted this session. We too, at this critical juncture, must reaffirm our pledge to strive on to finish the work we have begun in the area of the Joint Chiefs of Staff reform.

Let me briefly mention the fundamental flaws that still beleaguer the present Joint Chiefs of Staff structure.

The inherent conflict of interest caused by the dual hatting of the service chiefs.

The inability of the Joint Chiefs of Staff to provide clear, concise, timely, and responsive military advice.

The inability of the dual hatted service chiefs to do two jobs well—to be a member of the Joint Chiefs and to be a service chief.

Let me now address the major provisions of my bill that will eliminate those fundamental flaws:

My bill defines the National Command Authorities and establishes the military chain of command;

It abolishes the Joint Chiefs of Staff and the position of the Chairman of the Joint Chiefs of Staff;

It transfers the functions, powers, and duties of the Joint Chiefs of Staff and the Chairman, to a Chief of Staff of the National Command Authorities, and reconstitutes the present Joint Staff as the Joint Military Staff of the National Command Authorities.

It establishes the Chief of Staff as the principal military adviser to the President, the National Security Council and the Secretary of Defense on matters relating to current military policy, strategy, and major Department of Defense programs.

It establishes the National Military Council to provide the President and the Secretary of Defense with advice on matters pertaining to national security policy, national and military strategy, and independent assessments of the way in which national security policies and defense programs are carried out.

The Council will consist of five distinguished military leaders, either recalled from retirement or on their last assignment, and, at the discretion of the President, one civilian. They will hold four-star rank or equivalent while serving on the council.

This is probably the most important defense issue we will consider this year because it is one with the most enduring effect on our military posture. And I believe this Congress is performing a high service in continuing to address this topic now.

It is common knowledge that virtually every serious student and practitioner has recommended that the Joint Chiefs of Staff be strengthened. The near unanimity of their views can no longer be ignored. This has been a long, arduous trail for reform within the military and one can only look to the past and see the flaws of the past. It is up to us now to put an end to this history, as we did in commemoration of V-E Day. We must complete the reform of the Joint Chiefs of Staff. Thank you, Mr. Speaker.

VIEWS FROM BACK HOME

(Mr. WALGREN asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. WALGREN. Mr. Speaker, recently I asked Pittsburgh area residents of the district I am privileged to represent to give me their views on a number of important subjects by responding to my annual questionnaire. I am pleased to report that thousands—in fact, over 10,000 residents—took the time to answer. Many also wrote personal letters outlining their views in greater detail than is ever possible in multiple choice questionnaries.

I am grateful to each of the citizens who responded, and I would like to report the results of that survey to my colleagues in the U.S. House of Representatives.

(1) FAMILY ECONOMICS

Pennsylvania has been one of the areas hardest hit by the recent economic recession. Even in my generally well-off suburban district of Pittsburgh, hard times remain and many feel the national recovery has passed them by.

Over 37 percent of the responding residents said their family's overall economic situation now is "worse off than this time last year." Another 34 percent feel "about the same as this time last year," and only 29 percent feel "better off than this time last year."

When it comes to inflation in the family budget, western Pennsylvania residents are not fully convinced that "inflation is under control"—51 percent say it is, 49 percent disagree.

Pittsburgh still gets high marks as a place to live with 59 percent agreeing with the recent Rand-McNally assessment that Pittsburgh is the most livable city in America. But there is general pessimism about Pittsburgh's economy, with 55 percent believing that the next several years "under present

Government policies" will not be good for Pittsburgh.

A large part of the problem is the record trade deficit associated with the Reagan administration which has cost thousands of American manufacturing jobs that are concentrated in areas like Pittsburgh. By a 59- to 41-percent margin, western Pennsylvania residents think "Congress should protect American companies and workers from being harmed by foreign imports."

(2) CONGRESSIONAL PRIORITIES

Without question, cutting the Federal deficit is the No. 1 priority for Congress as far as the people from my area are concerned. Some 49 percent of the people picked that as their "most important priority for Congress."

Surprisingly, the next most frequently picked item was "improving the quality of life for senior citizens, the unemployed, and others who need the help of Government." Over 29 percent of the residents chose that as their No. 1 priority for Congress.

Only 9 percent checked "increasing our military defense," 7 percent checked "lowering the interest rates," and 6 percent picked "reducing Federal taxes" as their "most important priority."

(3) TAXES AND BALANCING THE BUDGET

While reducing that Federal deficit is the key problem western Pennsylvanians want Congress to address, opinion differs on how best to accomplish that.

Area residents recognize that the national debt has doubled during the Reagan administration with the Federal deficit rising from $28 billion in 1979 to annual deficits of over $200 billion. But only 40 percent believe "the deficit is so harmful to America's future that taxes should be raised to balance the budget."

Since the corporate tax contribution to Federal revenues has been cut from a high of 32 percent in 1952 to 6 percent in 1983, I asked what combination of taxes would be preferred "if taxes must go up to balance the budget." Some 53 percent of the residents said, if necessary, taxes should go up for both individuals and corporations. Another 40 percent would increase taxes on business alone, with 7 percent opting for individual tax increases instead.

On the specific question of how they would vote on the President's 1986 budget proposal, only 22 percent of western Pennsylvanians said they "support the President's plan to increase military spending, cut domestic spending, and not raise taxes."

The greatest number, some 45 percent, said they would cut the budget by "freezing all spending, including the military and Social Security, at current levels, but would not raise taxes." Another 33 percent said they would "support a combination of tax increases and reduced Federal spending to make a significant cut in this year's deficit."

When it comes to "protecting" specific programs from budget cuts, Social Security has the most popular support with 51 percent wanting to protect that from any cuts. Other programs frequently singled out for protection from budget cuts were Medicare—by 40 percent, veterans benefits—by 25 percent, and student loans—by 25 percent.

Surprisingly, despite the President's strong views to the contrary, only 11 percent would exempt the military from budget cuts. Other programs not picking up great support for protection from cuts include small business loans—by 16 percent, and transit aid—by 13 percent.

When it comes to tax reform, replacing the current system with a "modified flat tax, eliminating almost all deductions now available except charitable contributions, local taxes, and home mortgage interest," 18th District residents are clear—73 percent favor.

(4) HEALTH AND FAMILY ISSUES

Nearly three out of four area residents responding to our questionnaire believe that "the living standard for America's senior citizens has improved over the past decade." But there is concern about the cost of nursing home care which, unless you are a welfare recipient, is generally paid from the savings of individual families. Some 46 percent of those responding believe "the Federal Government should pay the cost of nursing home care for our parents and grandparents." With the aging of our population and increasing life expectancy, financing long-term health care will be a major future crisis for American families.

On the issue of abortion, a majority of 18th District residents—56 percent—believe "abortion is a private family matter or a matter between a woman and her doctor, and the Government should not be involved." An even stronger majority—60 percent—believe the U.S. Constitution should not be amended to restrict abortions.

However, a substantial part of the public believe in greater restrictions on abortion—22 percent identify with the view that "abortion is murder and should be prohibited by law" and another 22 percent believe "abortion should be permitted only when necessary to save the life of the woman or in cases of rape or incest."

(5) FOREIGN POLICY

I asked local residents to indicate what Reagan administration foreign policy initiatives they supported and listed four: Military aid to Nicaraguan rebels, American business investment in South Africa, the star wars project in outer space, and the deployment of MX missiles.

None of these administration objectives received majority support in the 18th District. In fact, when asked to check on the four foreign policy positions they support, 45 percent checked "none of the above."

On specifics, 85 percent oppose more MX missiles, 74 percent oppose support for American business investment in South Africa, 65 percent oppose military aid to Nicaraguan rebels, and 63 percent oppose the star wars project.

(6) CONCLUSION

Congressional surveys like this one are not scientific. Not every citizen responds. Still, along with the regular town meetings I hold and the letters I receive, these questionnaires help me to be a better representative.

Although people in the Pittsburgh suburbs do not feel their own economic situation has improved much, there is clear recognition that the Reagan administration is right to focus attention on the budget deficit. Yet, most residents do not believe the President has struck the right balance.

First, area residents want more budget cuts than the President recommended, particularly when it comes to the military budget which has doubled in 4 years. And there is strong support for a freeze in all spending, instead of the administration's piecemeal attempt to completely eliminate some programs while letting others go untouched. Ironically, the public's only real exception to budget cutting is Social Security benefits, which the President committed himself to maintaining during last year's election, but on which he has now reversed his position.

Second, a substantial number of citizens—although not yet a majority—recognize that budget cuts alone are not enough to offset annual deficits of $200 billion. Some 40 percent now say the deficit is so harmful to this country's future that we should increase tax revenue. And with many wealthy individuals and hundreds of American corporations paying absolutely no taxes at all, a tax bill requiring all Americans to pay their fair share could make an important contribution to reducing the deficit.

Mr. Speaker, I appreciate the guidance that my constitutents give me by responding to my annual questionnaire, and I will do my best to see to it that the House of Representatives takes our views into consideration.

JUNK BOND AND GREENMAIL TAX ACT

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Texas [Mr. PICKLE] is recognized for 5 minutes.

Mr. PICKLE. Mr. Speaker, earlier today, I introduced the Junk Bond and

Greenmail Tax Act of 1985 to address two serious and rapidly growing problems.

No area of business activity has received more attention or public debate in the past year than the subject of mergers and acquisitions. For the most part, it has been a very heated debate with very little middle ground. Some believe that takeovers are good for the economy because they foster efficiency in management and allocation of capital. Others believe that takeovers are disruptive and promote short-term gains while sacrificing long-term planning and development.

After extensive hearings on the tax aspects of mergers and acquisitions by the Ways and Means Oversight Subcommittee, I am convinced that Congress cannot and should not try to resolve the issue of whether mergers and acquisitions are good or bad. Nor can we say that all hostile takeover attempts are good or bad.

However, in the course of examining this issue, I have reached the conclusion that there are several practices that are flourishing that I find very disturbing in the areas of junk bonds and greenmail.

The Junk Bond and Greenmail Tax Act is an attempt to limit certain practices that I believe are beyond the scope of prudent and normal business activity—practices that are disruptive, nonproductive, threaten economic stability, and to a large degree only occur because of the present structure of the tax laws.

This is not an antimerger bill. It does not differentiate between hostile and friendly mergers. It does not favor management over raiders or vice versa. It is an attempt to limit or discourage tactics that have been used by both management and raiders.

There are four major provisions in this bill.

First, it would prohibit a target company from claiming a tax decision for greenmail payments that are made to buy off a raider. There is almost universal agreement that greenmail is a loathsome practice. It is almost a form of extortion payment. According to reports I've received, some corporations seem to believe there is a question of whether a corporation can deduct its greenmail payments as an ordinary and necessary business expense. My bill would make it clear that the present Tax Code rules do not provide for such deductions.

Second, the bill would tax greenmail profits that are received by anyone as ordinary income instead of as capital gains. In the course of our investigation of mergers and acquisitions, we found that in some hostile takeover attempts, maneuvers were taken involving shell corporations to evade the 6-month holding period required for capital gains treatment. As a result of this abusive practice and in an effort to discourage greenmail, the bill would deny the preferential capital gains treatment to all greenmail profits.

Third, in the area of junk bonds, the bill would deny the tax deduction for interest paid on junk bonds when the bond proceeds are used to purchase stock in a public corporation. Under the bill, junk bonds are defined as high-yield bonds that are below investment grade, unsecured or subordinated to trade creditors, or issued in amounts greatly in excess of the corporation's assets. The bill would not prohibit the use of all junk bonds because I believe there is a legitimate role for some junk bonds in our credit markets, particularly to provide venture capital and to provide financing for financially distressed corporations. My bill focuses on those junk bond issues, in excess of $30 million, that are used to purchase stock in publicly traded corporations pursuant to a plan of acquisition.

I have two concerns in this area. One is that we are seeing a number of large corporations becoming too highly leveraged by using junk bonds that carry an interest rate as high as 16 or 17 percent. In the event of an economic slowdown, many of these companies will be unable to meet their debt requirements. In addition, I am concerned from a tax policy standpoint. Many companies are using junk bonds to take advantage of the Tax Code's preferential treatment of debt versus equity financing. Since interest payments are tax deductible and dividends are not, more corporations are using junk bonds to replace equity—stock—and thus greatly reduce their tax liability.

This provision would affect the activities of both raiders and corporate management because both are currently using junk bonds to purchase stock. This provision would not affect the more conventional day-to-day borrowings to finance stock purchases. It simply denies the tax deduction for junk bonds issued in excessive amounts for what I consider to be the abusive practice of using junk bonds to finance takeovers and leveraged buyouts. It would not prevent hostile takeover or leveraged buyouts but would probably force more businesses to use conventional credit sources for these activities.

Fourth, the bill would prohibit pension funds and federally insured institutions from investing their assets in junk bonds. Because of the Federal guarantees and insurance underlying these funds, I believe Congress has a responsibility to protect the public against the disastrous effects that could result from defaults on junk bonds. The pressures of increased competition among banks and savings and loans are forcing more institutions to purchase into these high risk investments. Currently there is already a limitation on the amount of junk bonds that federally chartered institutions can hold. While some may say that junk bonds have not posed a serious investment risk thus far, I believe that is only because they have flourished during a period of economic expansion. In the event of a recession, junk bond failures are likely to occur at a very high rate and could lead to the closing of banks and thrift institutions that invest in them. In such an event, the taxpayers would be called in to pick up the pieces. We should act now to head off that potential economic disaster by preventing any federally insured institution from investing in these high risk bonds. In the area of pension funds, Congress has a responsibility to protect workers' pensions from investment practices that threaten the health of our Nation's pension system. While it is commendable that pension fund managers want to get the highest return possible on their investments, we cannot permit activities that place workers' pensions at risk.

In summary, I believe this bill is a modest and reasonable attempt to limit certain activities in the area of mergers and acquisitions. I welcome comments and discussion on my bill, recognizing that some fine tuning may be required, possibly with the effective dates.

Some will say this bill does not go far enough while others will say it is too restrictive. There are some who have called on Congress to put a halt to hostile takeovers. I do not think that such action is justified. Others have urged us to look the other way and allow business to engage in any tactics and maneuvers they devise. I do not think that would be responsible.

Mergers and acquisitions would continue under this bill but I believe it would be in a more orderly manner that would pose fewer risks to our economy and our taxpayers. This is not an attempt to settle the larger issue of whether mergers and acquisitions help or hurt our economy. With the limitations and tax disincentives in this bill, my hope is that takeovers would be structured in a more responsible manner while still allowing business the flexibility it needs.

I hope that my colleagues will join me in supporting this approach to a very difficult and troubling issue.

A brief summary of the legislation follows.

I submit the text of the bill for printing in the RECORD:

SUMMARY OF THE JUNK BOND AND GREENMAIL TAX ACT OF 1985

JUNK BONDS

1. Deny the deduction for interest payments on junk bonds used for the acquisition of another corporation or the repurchase of a corporation's stock. Deduction

for payments of commitment fees will also be disallowed and is applicable even if the bonds are not issued. A debt instrument is a junk bond if it meets any of these four tests and the total amount of the bond debt issued is in excess of $30 million:

(a) The instrument is subordinated to trade creditors or a substantial amount of unsecured indebtedness of the corporation.

(b) The instrument has a non-investment grade rating and that rating is at least two grades below the rating of other substantial debt of the corporation.

(c) The yield to maturity is in excess of 135 percent of the applicable Federal rate.

(d) The total amount of the debt issue exceeds four times the net value of the assets of the corporation.

2. Prohibit any federally insured financial institution from acquiring junk bonds (defined as those insured by FDIC, FSLIC, or the National Credit Union Administration). Also, the fiduciary requirements of ERISA (Section 404) would not be met if junk bonds are acquired by the pension plan.

GREENMAIL

1. Greenmail profit will be treated as ordinary income. This is designed to deny capital gain treatment for greenmail profits. Greenmail profit is gain realized by any shareholder who: (1) holds the stock for less than two years; (2) made, announced or proposed a public tender offer during the two year period preceding the sale of his stock; and (3) receives consideration which is materially different in timing, type or value from that available to other shareholders. This provision will operate to recognize gain upon any disposition of stock by such shareholder including transfers to related persons or to shell corporations.

2. No deduction will be allowed for any payments of greenmail. (Defined as any payments by a corporation in redemption of its stock.) This is a re-statement of present IRS rules.

H.R. 2476

A bill to amend the Internal Revenue Code of 1954 relating to the tax treatment of acquisition junk bonds and greenmail, and for other purposes

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE

This Act may be cited as the "Junk Bond and Greenmail Tax Act of 1985".

SEC. 2. ACQUISITION JUNK BONDS.

(a) TAX TREATMENT.—

(1) IN GENERAL.—Section 279 of the Internal Revenue Code of 1954 (relating to interest on indebtedness incurred by corporation to acquire stock or assets of another corporation) is amended to read as follows:

"SEC. 279. ACQUISITION JUNK BONDS.

"(a) DENIAL OF DEDUCTION FOR INTEREST.—No deduction shall be allowed under this chapter for interest paid or accrued with respect to any acquisition junk bond.

"(b) DENIAL OF DEDUCTION FOR COMMITMENT FEES, ETC.—

"(1) IN GENERAL.—No deduction shall be allowed under this chapter for any amount paid or incurred as an acquisition commitment fee in connection with a plan to issue, service, or continue any acquisition junk bond.

"(2) ACQUISITION COMMITMENT FEE.—For purposes of paragraph (1), the term 'acquisition commitment fee' means any commitment fee, standby fee, or similar fee for holding funds available in connection with a plan referred to in paragraph (1).

"(c) ACQUISITION JUNK BOND DEFINED.—For purposes of this section—

"(1) IN GENERAL.—The term 'acquisition junk bond' means any obligation evidenced by a bond, debenture, note, or certificate or other evidence of indebtedness issued—

"(A) after May 14, 1985, and

"(B) pursuant to a plan of acquisition,

if the requirements of paragraphs (2) and (3) are met.

"(2) BOND CHARACTERISTICS.—The requirements of this paragraph are met if the requirements of 1 of the following subparagraphs are met:

"(A) SUBORDINATION.—An obligation meets the requirements of this subparagraph if such obligation is—

"(i) subordinated to the claims of trade creditors of the issuer generally, or

"(ii) expressly subordinated in right of payment to the payment of any substantial amount of unsecured indeptedness (either outstanding or subsequently issued) of the issuer.

"(B) BOND RATING WHICH IS BELOW INVESTMENT GRADE AND SUBSTANTIALLY BELOW OTHER INDEBTEDNESS.—An obligation meets the requirements of this subparagraph if such obligation bears a rating from any nationally recognized rating agency which is—

"(i) below the rating for an investment grade obligation, and

(ii) at least 2 ratings below the rating for any other substantial indebtedness of the issuer.

"(C) HIGH YIELD.—An obligation meets the requirements of this subparagraph if such obligation has a yield to maturity of more than 135 percent of the applicable Federal rate under section 1274(d) with respect to such obligation.

"(D) BONDS EXCEED MORE THAN 4 TIMES NET ASSETS OF ISSUER.—The requirements of this subparagraph are met if the aggregate issue price of all obligations issued or to be issued (whether or not by the same person) under the plan of acquisition exceeds an amount equal to 4 times the value of the net assets of the issuer (determined immediately before such issuance).

"(3) AT LEAST $30,000,000 OF OBLIGATIONS INVOLVED.—The requirements of this paragraph are met if the aggregate issue price of all obligations issued or to be issued (whether or not by the same person) under the plan of acquisition is $30,000,000 or more.

"(4) SEPCIAL RULES FOR PARAGRAPH (2).—

"(A) RELATED PERSONS TAKEN INTO ACCOUNT IN DETERMINING SUBORDINATION OF CLAIMS, ETC.—For purposes of paragraph (2)(A), trade creditors and the unsecured indebtedness of all persons related to the issuer shall be treated as trade creditors and unsecured indebtedness of the issuer. For purposes of the preceding sentence, a person is related to another person if the relationship between such persons would result in the disallowance of losses under section 267 or 707(b).

"(B) DETERMINATION OF RATING.—The determination of the rating of any obligation shall be made for purposes of paragraph (2)(B) as of the date of the binding contract to make funds available with respect to the plan of acquisition.

"(C) RULES RELATING TO YIELD TO MATURITY.—For purposes of paragraph (2)(c)—

"(i) AGGREGATION OF OBLIGATIONS IN DETERMINING YIELD TO MATURITY.—All obligations issued under the plan of acquisition (whether or not by the same person) shall be treated as 1 obligation if, as a result of such treatment, such obligations are treated as acquisition junk bonds.

"(ii) COMPOUNDING.—Yield to maturity shall be determined on the basis of compounding semiannually.

"(d) PLAN OF ACQUISITION.—For purposes of this section—

"(1) IN GENERAL.—The term plan of acquisition means any plan by any person (or group of persons acting in concert)—

"(A) to acquire (by purchase, redemption, or otherwise) stock in a corporation (including the corporation issuing the obligation), or

"(B) to acquire at least 50 percent of the assets (by value) of a corporation.

"(2) ALL PLANS TREATED AS 1 PLAN.—All plans of acquisition by any person (or group of persons acting in concert) with respect to a corporation shall be treated as 1 plan.

"(e) SPECIAL RULES.—

"(1) DETERMINIATION OF DEDUCTION FOR COMMITMENT FEE, ETC., WHERE BONDS NOT ISSUED.—For purposes of determining whether an amount is allowable as a deduction under subsection (b) in the case of an obligation the potential issuance of which is announced but which is not issued—

"(A) the requirements of paragraph (2) of subsection (c) shall be treated as met if, under the terms and conditions governing the issuance of such obligation, such obligation could have met the requirements of any of the subparagraphs of such paragraph (2) when issued, and

"(B) the requirements of paragraph (3) of subsection (c) shall be treated as met if such requirements would have been met if all obligations which could potentially be issued were issued.

"(2) EXTENSIONS, ETC., OF ACQUISITION JUNK BONDS.—For purposes of this section, any extension, renewal, or refinancing of an acquisition junk bond shall be treated as an acquisition junk bond."

(2) CLERICAL AMENDMENT.—The table of sections for part IX of subchapter B of chapter 1 of such Code is amended by striking out the item relating to section 279 and inserting in lieu thereof the following:

"Sec. 279. Acquisition junk bonds."

(3) EFFECTIVE DATES.—The amendments made by this subsection shall apply to indebtedness issued after May 14, 1985, in taxable years ending after such date.

(b) FEDERALLY INSURED FINANCIAL INSITUTIONS PROHIBITED FROM ACQUIRING JUNK BONDS.—

(1) IN GENERAL.— No federally insured financial institution may acquire after May 14, 1985, any junk bond or any interest therein.

(2) JUNK BOND.—For purposes of this subsection, the term "junk bond" has the meaning given the term 'acquisition junk bond' by section 279(c) of the Internal Revenue Code of 1954 except that subparagraph (B) of paragraph (1) thereof, and paragraph (3) thereof, shall not apply.

(3) FEDERALLY INSURED FINANCIAL INSTITUTION.—For purposes of paragraph (1), the term "federally insured financial institution" means any financial institution the accounts or deposits in which are insured by—

(A) the Federal Deposit Insurance Corporation,

(B) the Federal Savings and Loan Insurance Corporation, or

(C) the National Credit Union Administration.

(c) EMPLOYER RETIREMENT PLANS MAY NOT ACQUIRE JUNK BONDS.—A fiduciary of a plan to which section 404 of the Employee Re-

tirement Income Security Act of 1974 applies shall be treated as not meeting the requirements of such section with respect to such plan if such plan acquires after May 14, 1985, any junk bond (as defined in subsection (b)(2) of this section) or any interest therein. For purposes of the preceding sentence, such section 404 shall be treated as applying to plans described in section 4(b) of such Act.

SEC. 3. GREENMAIL PROFIT TAXED AS ORDINARY INCOME.

(a) IN GENERAL.—Part IV of subchapter P of chapter 1 of the Internal Revenue Code of 1954 (relating to special rules for determining capital gains and losses) is amended by adding at the end thereof the following new section:

"SEC. 1257. GREENMAIL PROFIT TREATED AS ORDINARY INCOME.

"(a) ORDINARY INCOME TREATMENT.—Greenmail profit shall be treated as ordinary income.

"(b) GREENMAIL PROFIT.—For purposes of this section, the term 'greenmail profit' means any gain realized on the sale or exchange of any stock by any shareholder if—

"(1) such shareholder's holding period for such stock (as determined under section 1223) is less than 2 years,

"(2) at some time during the 2-year period ending on the date of the sale or exchange of the stock—

"(A) such shareholder,

"(B) any person acting in concert with such shareholder, or

"(C) any person who is related to such shareholder or person described in subparagraph (B).

announced that he is considering a public tender offer for stock in such corporation (or made a proposal to such corporation suggesting or setting forth a plan involving such a public tender offer), and

"(3) the consideration received (or to be received) by such shareholder is materially different as to timing, type, value, or otherwise from consideration generally available to any other shareholder with respect to stock in the same class as the stock sold or exchanged.

"(c) OTHER DEFINITIONS.—For purposes of this section—

"(1) PUBLIC TENDER OFFER.—The term 'public tender offer' means any offer to purchase (or otherwise acquire) stock or assets in a corporation if such offer was required to be filed or registered with any Federal or State agency regulating securities.

"(2) RELATED PERSON.—A person is related to another person if the relationship between such persons would result in the disallowance of losses under section 267 or 707(b).

"(d) SPECIAL RULES.—For purposes of this section—

"(1) SECTION TO APPLY WHERE STOCK HAVING GREENMAIL PROFIT HELD BY SHELL CORPORATION, ETC.—Except to the extent provided in regulations, this section shall apply to any sale or exchange of an interest in any entity a substantial portion of the assets of which consists of property with respect to which there is unrealized greenmail profit.

"(2) GREENMAIL PROFIT RECOGNIZED NOTWITHSTANDING NONRECOGNITION TREATMENT.—Greenmail profit shall be recognized on any sale or exchange notwithstanding any other provision of this subtitle.

"(3) AMOUNT TREATED AS ORDINARY INCOME.—For purposes of sections 163(d), 170(e), 341(e)(12), 453(i), 453B(d)(2), and 751(c), amounts treated as ordinary income under this section shall be treated in the same manner as amounts treated as ordinary income under section 1245."

(b) CLERICAL AMENDMENT.—The table of sections for part IV of subchapter P of chapter 1 of such Code is amended by adding at the end thereof the following new item:

"Sec. 1257. Greenmail profit treated as ordinary income."

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to stock acquired after May 14, 1985, in taxable years ending after such date.

SEC. 4. CLARIFICATION OF DISALLOWANCE OF DEDUCTIONS FOR REDEMPTION EXPENSES.

(a) IN GENERAL.—Part IX of subchapter B of chapter 1 of the Internal Revenue Code of 1954 (relating to items nondeductible) is amended by adding at the end thereof the following new section:

"SEC. 280H. STOCK REDEMPTION EXPENSES.

"Except as provided in section 83(h), no deduction shall be allowed under this chapter for any amount paid or incurred by a corporation in redemption of its stock."

(b) CLERICAL AMENDMENT.—The table of sections for such part IX is amended by adding at the end thereof the following new item:

"Sec. 280H. Stock redemption expenses."

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to amounts paid or incurred after May 14, 1985, in taxable years ending after such date.

AN ACT OF IRRESPONSIBILITY

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from New York [Mr. WEISS] is recognized for 5 minutes.

Mr. WEISS. Mr. Speaker, on Thursday of last week, at the instigation of radical Republican extremists, the House, in an abdication of responsibility, adopted a sense of the Congress resolution, as an amendment to the State Department Authorization Act, that unless the Soviet Union apologizes to the Government of the United States by June 1 of this year for the killing of Major Nicholson that we declare the senior Soviet Union diplomatic representative to the United States to be persona non grata.

In the course of the discussion, I pointed out that, not having checked at all with the State Department or the President or anyone at the White House before offering this resolution, was truly an act of irresponsibility.

□ 1750

On Saturday of this past week, May 11, 1985, the New York Post carried a brief story datelined Washington, headlined, "Don't boot Soviet envoy." The story, in its entirety, reads as follows:

WASHINGTON.—The Reagan administration yesterday criticized a congressional attempt to punish Soviet Ambassador Anatoly Dobrynin in retaliation for the killing of an American officer in East Germany.

State Dept. spokesman Edward Djerejian labeled a House resolution urging President Reagan to declare Dobrynin persona non-grata as "unwise and inappropriate."

"Conduct of diplomacy is the unique responsibility of the President," he said. "Attempting to codify a nuanced and complex policy is not an appropriate function of the legislative branch of government."

Such actions would not help resolve U.S. Soviet differences, said Djerejian.

That is the end of the story. There had been radio and television news reports of this statement by the State Department spokesman on behalf of the Reagan administration, as well, I am sure, as other stories in newspapers across the country. But because they appeared on the weekend some Members may have missed them.

I am entering the statement by the State Department spokesman on behalf of the Reagan administration into the RECORD, because I have been advised that in spite of that statement in an act of irresponsibility, compounding irresponsibility, the Republican Congressional Campaign Committee has been sending press releases into the districts of Democratic Members who voted in opposition to the resolution, criticizing the Members for having voted the responsible way in support of the Reagan administration position.

I believe that that kind of action, that is, of cynically seeking to take political advantage in spite of the fact that those Members on either side of the aisle who voted against that amendment, in fact did so not only in fulfillment of constitutional balances of power and separation of powers, but also in consonance with the position of the Reagan administration itself, is just so irresponsible and so politically cynical that I want to be sure that Members have the text and substance of this news story and the statement by the Reagan administration, so that in they can respond to inquiries that may come to them from local media or press.

I would hope that the response of the State Department, branding the action of the House in regard to this matter, not to be acceptable behavior because it is matter uniquely within the powers and responsibilities of the administration.

I would caution Members on both sides of the aisle not to fall prey to the instigation and the worst instincts of the small handful of the most irresponsible, radical extremists on the Republican side in this body.

I am convinced that responsible conduct in discharging our responsibilities is not only in the national security interests of the United States but will be so perceived by our constituents.

ISRAEL INDEPENDENCE DAY

The SPEAKER pro tempore. Under a previous order of the House, the gen-

tleman from Illinois [Mr. ANNUNZIO] is recognized for 5 minutes.

● Mr. ANNUNZIO. Mr. Speaker, at midnight, May 14-15, 1948, the fifth and sixth days of Iyar 5708 under the Jewish calendar, the British mandate for Palestine came to an end, and the independent State of Israel was born. I take great pleasure in saluting the people of Israel on the 37th anniversary commemoration of this historic event, when their country was proudly able to join the community of free nations in the world.

The creation of the State of Israel represented the outcome of centuries of struggle by the Jewish people to obtain political and religious freedom. Founded in difficult circumstances by a people who had suffered some of the most severe forms of persecution in the history of mankind, Israel's Government is based on the noble ideals of freedom, and Israel's people have worked hard and fought valiantly to make their nation strong and prosperous. Today, Israel is the only democracy in the Middle East.

The Jewish people who for centuries had experienced the bitterness and despair of an existence without even the most basic human rights, were finally able to declare proudly in their May 14, 1948, Declaration of the Establishment of the State of Israel that their new country:

> It will be based on freedom, justice and peace as envisaged by the prophets of Israel; it will ensure complete equality of social and political rights to all its inhabitants irrespective of religion, race or sex; it will guarantee freedom of religion, conscience, language, education and culture; it will safeguard the holy places of all religions; and it will be faithful to the principles of the charter of the United Nations.

Over the last 37 years, Israel's citizens have developed their nation with vigor and enthusiasm, and have accomplished in a few short years what most nations fail ever to achieve. This has all been done while under the constant threat of some hostile neighbors, who repeatedly have tried to destroy this tiny nation. Nevertheless, the commitment of the State of Israel to peace in the Middle East has never waivered, and the people of Israel have been willing to make great sacrifices to achieve this objective.

Mr. Speaker, it is with pride that I join the people of Israel in celebrating Israel Independence Day, and I extend to them my best wishes for peace and prosperity, and I send my greetings to Americans of Jewish descent in the 11th Congressional District of Illinois which I am honored to represent, and all over the world, as they join in celebrating this milestone in mankind's struggle for lasting peace and liberty.●

THE WEST SIDE HIGHWAY PROJECT

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from New Jersey [Mr. HOWARD] is recognized for 5 minutes.

● Mr. HOWARD. Mr. Speaker, today I am introducing legislation that I hope will put an end to a growing controversy in the New Jersey-New York region and produce a transportation solution that is in the best interests of all of the residents of the area. While my legislation may appear controversial at first, it is my feeling that if it is studied thoroughly it can be accepted as a measure that will resolve the dispute.

My legislation deals with I-478, the West Side Highway project in New York, which is commonly known as Westway. The project has developed into an extremely emotional issue with strong feelings on both sides of the issue. I hope that my proposal will overcome some of those emotional objections and allow some progress in developing the transportation system of the west side of Manhattan.

This segment of the Interstate Highway System is designed to replace the antiquated West Side Highway, an elevated structure along the Hudson River that has collapsed in parts and cannot serve the traffic needs of New York City. The new segment will run from the Brooklyn Battery Tunnel in the south to 42d Street in the north where it will connect with the remaining portion of the West Side Highway.

Unfortunately, Westway has grown from more than just a replacement for the West Side Highway. It has been transformed into a project to stimulate economic growth in Manhattan by expanding the island. The design now calls for filling 234 acres of the Hudson River and constructing a highway in a tunnel in the fill. On top, will be industrial, commercial, and recreational development. The use of the highway trust fund to pay for that type of massive landfill is unprecedented in the history of the highway program.

I-478 should remain as a highway project. Its costs and benefits should be calculated on the basis of transportation benefits, not some auxiliary issues like commercial or industrial development. We do not collect the 9-cent-a-gallon gas tax for development—we collect it for transportation.

This issue has arisen at a time when the highway trust fund is under severe financial constraints. At the current rate of revenue and spending, it is possible we may trigger the so-called Byrd amendment in fiscal year 1989 unless action is taken to cut spending.

Based on that background, I believe it is important to look at alternatives that might provide the same transportation benefits without using Federal highway funds for commercial and economic development. Even though the Federal Government might invest billions for highway construction on the West Side of Manhattan, there would be no additional money for transit, a much needed service in New York. Under my legislation, New York will receive the highway construction funds as well as being given the possibility of additional mass transit funds. There will be more transportation benefits for the same transportation dollars. Those same dollars will create as many, if not more, jobs.

Before proceeding, let me emphasize the generally acknowledged need for a highway on the West Side of Manhattan. There is no question that a connector of interstate standards is necessary to keep traffic flowing freely in the densely populated area. There are groups that do not want any highway built in that area but I consider that approach to be a disaster for the transportation needs of New York and the entire region.

I am not, however, prescribing an alternative that local officials must adopt. The Federal Government cannot do that and I would not want this Congress to become involved in that type of legislation for the first time in history.

Instead, what I am proposing to do is to prohibit the use of highway trust fund money for construction of a controversial project that has raised serious environmental questions and could adversely affect a neighboring state.

Westway is such a massive project and its nature is so unprecedented that it is almost impossible to calculate its effects. But there is scientific opinion that a landfill of that size will change the course of the Hudson River and produce harmful effects on the New Jersey side. It could also send the striped bass, whose spawning grounds on the New York side delayed action on a section 404 permit for 2 years, over to the New Jersey side. New Jersey would then be forced to consider the impacts on the striped bass for any development along the Hudson River.

My bill would prohibit the construction of the highway embedded in the massive landfill. That project, if it is ever constructed, could require additional billions of dollars above the estimated cost because of inflation and other factors. In fact, it has been under study for 12 years and may never be built.

There are strong objections to the environmental effects of Westway, a project that would fill in 234 acres of the Hudson River. The Army Corps of Engineers studied the effect on the striped bass in the river for 2 years. A Clean Water Act dredge-and-fill permit was issued, not because there was no adverse environmental effect but because the development benefits

outweighed the environmental effects. There have also been questions raised about the stirring up of the highly toxic bottom sediment in the Hudson River for the landfill. Prohibition of the landfill would erase all of those environmental questions.

Finally, there is the real estate development planned for the landfill. It should be emphasized that the highway trust fund is not for real estate development. If New York State or real estate developers in New York want to expand Manhattan to have more land to build on, let them pay for it.

My bill would prohibit construction of a highway through landfill. It would allow a highway "generally on existing land" and would allow landfill "necessary to preserve the existing character and facilities of the waterfront."

Under my legislation, New York could receive additional mass transit funds. The difference between what Westway would have cost to construct, using conservative estimates, and the cost of the alternative highway, would be available to New York beginning in 1992.

New York, therefore, would be receiving special treatment. Not only could an interstate highway be built but the State could also be eligible for additional mass transit funds. That sort of treatment is unprecedented.

For that cost determination, the Secretary of Transportation would take the most recent cost estimate—1985—for Westway and, assuming annual obligations in equal amounts, set the cost in 1992 using actual changes in the cost of construction. By doing that in 1992, there would be a basis for a fair determination of the entitlement.

Westway proponents point to the 12-year time that has already taken place to claim that development of an alternative will take an additional decade. I intend to prevent that. The bill authorizes expedited approvals for administrative actions for the development of the alternative. In addition, much of the research work on alternatives has been completed as part of the study process for Westway. That research can be used for the new alternative.

The longest delay was in obtaining the section 404 permit to fill in 234 acres of the Hudson River. It is reasonable to expect that a permit to fill in a minimal part of that acreage would be approved much more quickly.

The inboard alternative, as studied in the Westway approval process, is a partly depressed, partly covered and partly aboveground highway that would require only 20 acres of fill for construction and interchanges. It would also allow access to the waterfront for almost its entire length. While this bill does not require construction of the inboard alternative, it certainly appears to be an option worthy of further consideration.

There have been questions raised about the inboard alternative's ability to obtain a clean air permit from New York State. I hope that New York officials would also expedite that process.

The inboard alternative appears to be extremely attractive, especially when compared to the effects of other Westway legislation that has been introduced. That bill would prohibit Westway as planned but would also provide no alternative in an area that unquestionably needs highway capacity. That bill is, very simply, a "drop dead New York" bill.

It also should be noted that my bill originates in the Committee on Public Works and Transportation where we deal with these programs on a daily basis and understand them.

The bill, while prohibiting the massive landfill and the road though it, would not affect New York's ability to exercise the interstate transfer option before September 30. However, New York would not be able to use the $1.7 billion that could be obtained through interstate transfer for the landfill.

I urge my colleagues to give careful consideration to this legislation which I intend to offer in the Subcommittee on Surface Transportation next month as an amendment to the overall Surface Transportation Act.

This legislation should not be viewed as part of the well-publicized feud between New York and New Jersey. Instead, I hope this bill will resolve the conflict created over the highway.

The bill provides New Jersey with what it wants—the elimination of the massive Westway landfill. But it also leaves New York free to construct an alternative interstate highway, with the prospect of additional mass transit money. Construction of the alternative highway and the mass transit facilities should more than make up for the jobs by not building Westway. Therefore, I urge my colleagues, particularly those from New York, to study this bill carefully before taking a position on it.

There may be differences between New York and New Jersey on some issues but they should not affect the programs that are vital to our common interests. I hope we can all continue to work together in support of programs that are vital to our region, such as mass transit and highway funding, sewage treatment plants, port development and economic development assistance. As chairman of the Committee on Public Works and Transportation. I intend to keep working for these programs.

Finally, I want to note that I am being joined in introducing this bill by the gentlemen from New Jersey [Mr. ROE, Mr. FLORIO, Mr. GALLO, and Mr. COURTER] and the gentleman from New York [Mr. MOLINARI]. I appreciate their support on this issue.

A section-by-section analysis of the bill follows:

SECTION-BY-SECTION ANALYSIS

SECTION 1—PROHIBITION ON CONSTRUCTION OF CERTAIN INTERSTATE ROUTES IN LANDFILL

This section would prohibit the use of Federal funds for any project for the initial construction of an Interstate route of approximately 4 miles adjacent and parallel to an existing shoreline and located mainly in landfill placed in a river after May 1, 1985, to accommodate the project.

SECTION 2—LIMITATION ON LOCATION OF ALTERNATIVE PROJECTS

Subsection (a)(1) would authorize the use of Federal funds for the initial construction of an Interstate route which is an alternative for any project described in section 1 only if the alternative project is built on an alignment generally on existing land and does not include the construction of any landfill in a river, other than landfill necessary to preserve the existing character and facilities of the waterfront.

To permit the use of Interstate construction funds for an alternative project, paragraph (2) would set aside the application of an existing provision of law limiting the obligation of Interstate construction funds to the actual costs of only the design concepts, locations, geometrics, and other construction features included in the 1981 interstate cost estimate approved by Congress.

Subsection (b) would probihit the use of Federal funds for a highway or transit transfer project (authorized by section 103(e)(4) of title 23, United States Code) which is substituted for an Interstate route described in this section or section 1 if the transfer project includes construction of any landfill in a river, other than any landfill necessary to preserve the existing character and facilities of the waterfront.

Subsection (c) would require Federal officials to expedite a State request for action or approval which may be authorized or required for the construction of the alternative Interstate project authorized by subsection (a)(1).

SECTION 3—AVAILABILITY OF CERTAIN EXCESS FUNDS FOR TRANSIT PROJECTS

Subsection (a) prescribes the method of determining the amount of excess funds available for mass transit capital projects if an alternative Interstate project authorized by section 2(a)(1) is constructed. The amount available, to be determined by the Secretary of Transportation as soon as possible after September 30, 1992, or the last date on which Federal funds are obligated for construction of an alternative Interstate project, whichever is later, would be the excess, if any, of (1) the Federal share of the cost of completing the project described in section 1, as included in the 1985 interstate cost estimate, adjusted to reflect actual changes in construction costs through September 30, 1992, and assuming equal annual obligations of funds in each fiscal year through September 30, 1992; over (2) the cost incurred by the United States in constructing the alternative project.

Subsection (b) provides that the amount determined under subsection (a) would be available as provided in appropriations Acts, to incur obligations for the Federal share of public mass transit capital projects which would serve the area in which the Interstate

route is located, which are selected by responsible local officials and submitted by the Governor of the State in which the Interstate route is located. The Federal share of the pubic mass transit capital projects would be 85 percent of the cost thereof, and any sums appropriated to carry out the projcets would reamin available until expended.

Subsection (c) provides that the terms used in subsection (b) would have the same meanings the terms have as used in section 103(e)(4) of title 23, United States Code.

Subsection (d) authorizes for fiscal years beginning after September 30, 1992, such sums as may be necessary to carry out this section.●

A CONSENSUS HAS DEVELOPED THAT THE TIME IS RIPE FOR NUCLEAR LICENSING REFORM

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from North Carolina [Mr. BROYHILL] is recognized for 5 minutes.

● Mr. BROYHILL. Mr. Speaker, today I am pleased to introduce by request the nuclear licensing reform legislation submitted by the Department of Energy entitled the Nuclear Facility Standardization Act of 1985. This legislation illustrates the administration's firm commitment to preserving the nuclear option. The administration is not alone in recognizing the need for nuclear licensing reform. In March, my esteemed colleague from Arizona, [Mr. UDALL], introduced by request, H.R. 1447, licensing reform legislation developed by the Nuclear Regulatory Commission. Earlier this year, I was delighted to join with a bipartisan group of colleagues in introducing H.R. 1029, the Nuclear Powerplant Standardization Act. H.R. 1029 has now attracted more than 35 cosponsors. Over in the Senate, Senator SIMPSON, chairman of the Subcommittee on Nuclear Regulation, has long supported nuclear licensing reform and has assured me that such reform will be a top priority for his subcommittee this Congress.

Mr. Speaker, all of these initiatives are designed to achieve the same goal—the enactment of the legislation necessary to encourage regulatory stability and the development and use of standardized nuclear powerplant designs. There is almost unanimous agreement that the public will benefit from reforms which encouarge standardization, a more effective application of industry and NRC resources, more meaningful public participation, and a reduction in unnecessary costs.

The similarities between the various legislative proposals are striking, and document that a consensus has now developed as to the direction reform should take. I look forward to working with the administration on this crucial issue and welcome the Department of Energy's support. Attached to this statement is Secretary Herrington's transmittal letter and the section-by-section summary that accompanied the administration's bill. I urge my colleagues to review this material, and to join with us to fashion a solution to the problems plaguing the regulation and licensing of nuclear power.

THE SECRETARY OF ENERGY,
Washington, DC, May 7, 1985.

Hon. THOMAS P. O'NEILL, Jr.,
Speaker of the House of Representatives, Washington, DC.

DEAR MR. SPEAKER: Enclosed is proposed legislation entitled the "Nuclear Facility Standardization Act of 1985," a bill intended to improve the licensing of nuclear facilities. The Office of Management and Budget advises that enactment of this proposal would be in accord with the program of the President.

Reform of the system by which the United States licenses its nuclear powerplants is critical if the nuclear power option is to be part of our Nation's energy future. Nuclear power is already a key element of the Nation's energy base; it supplies about 15% of the Nation's electricity and is the second largest source of electricity in America. The continued expansion of the United States economy depends upon reliable and affordable energy, which can be achieved only by encouraging a well-balanced mix of all domestic energy sources. As the demand for electricity grows over the next few decades, so too will the opportunity for more nuclear power, inasmuch as uranium and coal seem likely to be by far the most economic energy sources that can be used in large electrical generators.

As past experience demonstrates, we have the technology to build and operate safe, economical, and environmentally-sound nuclear powerplants. Foreign nations have benefited by using American technology to build nuclear plants overseas; since 1978, the last time an American utility placed an order for a nuclear powerplant, more than 100 nuclear powerplants have been ordered by such countries as France, Japan, and Germany. Nuclear power in the U.S., however, faces a number of obstacles in helping to meet the energy needs of future generations. One major problem confronting the nuclear industry is a complex regulatory process that delays construction and increases costs. Without a comprehensive reform of U.S. nuclear licensing practices, America will continue to fall behind the rest of the world in nuclear power generation. This could cause a severe energy shortage if the demand for electricity increases with recent population growth and economic expansion.

I am today submitting legislation to increase stability and predictability in the process of constructing and operating nuclear power facilities, while continuing to provide health and safety assurances. This proposed legislation would permit the approval of standardized plant designs; it would allow licensing authorities to grant a combined construction and operating license after appropriate hearings; it would provide for the early approval of plant sites; and it would provide a centralized documented review process for changes required by the Nuclear Regulatory Commission. A section-by-section analysis is enclosed which provides greater detail on what the proposal would do. Enactment of this proposed legislation would allow utilities once again to consider the option of nuclear power on its economic and environmental merits.

Representative James T. Broyhill, along with more than 30 co-sponsors from both sides of the aisle, has already introduced important legislation that creates the framework for achieving these objectives. Mr. Broyhill's bill, H.R. 1029, provides for badly-needed improvements in the current nuclear regulatory process. I applaud his leadership. The Nuclear Regulatory Commission has also submitted proposed legislation, introduced as H.R. 1447, which contains necessary nuclear licensing reforms. I commend each of these efforts to the Congress for their consideration. From among our proposal and these approaches, I urge the Congress to find the legislative solutions to the nuclear licensing and regulatory problems facing us today.

By working together in a bi-partisan fashion, the Congress and the Administration can assure that safe and reliable nuclear energy continues to help assure the Nation's economic growth and energy security at reasonable cost to American consumers.

Yours truly,

JOHN S. HERRINGTON.

NUCLEAR FACILITY STANDARDIZATION ACT OF 1985—SECTION-BY-SECTION ANALYSIS

SECTION 1

This section sets forth the title of the bill.

SECTION 2. FINDINGS AND PURPOSES

This section would provide congressional findings and set forth the purposes of the Act.

SECTION 101. APPROVAL OF STANDARDIZED DESIGNS

This section would require the NRC to establish procedures under which it could approve facility or major facility subsystem designs for commercial production or utilization facilities. This approval would be independent of an application for a construction permit or a construction and operating license. A pre-approved design could then be incorporated into an application for a construction permit or a construction and operating license. Inasmuch as nuclear powerplant technology has matured and operational experience increased, the industry may wish to use this authority to obtain pre-approval of major subsystems and ultimately pre-approval of full facility designs.

A pre-approved design could be changed only in a design amendment proceeding. The NRC could incorporate this design amendment proceeding in other licensing proceedings. Review of an issue that had been considered and decided in a previously completed design proceeding would be strictly limited. Reexamination of such an issue in a hearing in a design amendment proceeding would be restricted to those instances when a material issue was in dispute that could only be resolved in a hearing. In addition, the issue could not have been considered and decided in an earlier design proceeding or a showing has been made that there is a nonconformance with the design approval that could materially and adversely affect the safe operation of the facility using the design. Reexamination of these issues by the NRC staff in its application review would be limited by the restrictions on modifications under section 104 of this Act.

The NRC would define the level of detail required in an application for a design approval. A design approval would be valid and effective for ten years from the date of issuance and could be renewed for additional ten-year periods. The costs for obtaining the approval could be allocated by the NRC among those proposing to use the pre-approved design. If the design were not includ-

ed in an application for a construction permit or a construction and operating license during its first ten-year term, the holder of the design approval would have to pay any applicable processing fees.

This section also would permit the holder of a permit, license, or approval to deviate from any aspect of the permit, license, or approval without NRC permission unless the deviation involved a change in technical specifications or an unreviewed safety question.

SECTION 102. EARLY SITE APPROVAL

This section would require the NRC to establish procedures under which it could approve a site or limited aspects of a site for a commercial production or utilization facility prior to filing an application to construct or operate a facility on the site. A site permit would be valid and effective for ten years and renewable for additional ten-year periods. A site permit could be modified as set forth in section 104 of this Act.

A pre-approved site could be incorporated into an application for a construction permit or a construction and operating license. Review of issues that had been considered and decided in the site permit proceeding would then be strictly limited. Reexamination of such issues in a hearing would be restricted in the same manner as set forth in section 101 of this Act. Reexamination of these issues by the NRC staff in its application review would be limited by the restrictions on modifications under section 104 of this Act.

SECTION 103. CONSTRUCTION PERMITS, OPERATING LICENSES, AND CONSTRUCTION AND OPERATING LICENSES

This section would continue to authorize the NRC to grant, individually, a construction permit and a subsequent operating license for a production or utilization facility. This section would provide the NRC new authority to grant, as a combination license, a construction and operating license (COL) for a commercial production or utilization facility. An application for a COL would be required to contain a level of detail sufficient to allow the NRC to make the determinations, concerning public health and safety and the common defense and security, required by the Atomic Energy Act and NRC rules and regulations. This section would not mandate the specific level of detail required in an application. That would be left to the NRC.

The NRC would be required to incorporate in the COL, however, a procedure for construction quality assurance that would provide for the approval of discrete phases of construction as the construction is completed. The NRC also would be required to set forth in the COL the inspections, tests, analyses, and acceptance criteria therefor that it will use in determining whether there is reasonable assurance that the plant has been constructed and will operate in accordance with its license. The COL also may provide for NRC consideration of inspections conducted by the licensee's quality assurance inspectors, NRC's inspectors, and other designated engineering and inspection representatives.

An expedited procedure for commencement of operation would be provided for facilities which have a COL. A holder of a COL would notify the NRC of its readiness to begin operations. Upon receipt, the NRC would publish a notice of intended operation in the Federal Register. A thirty day public comment period would then be provided. Anyone objecting to operation of the facility could request a hearing. If a hearing were requested, the review of issues that had been already considered and decided would be strictly limited. Reexamination of such issues in hearings would be restricted in the same manner as set forth in section 101 of this Act. The NRC would be required to determine if the hearing must be completed before facility operations may begin.

SECTION 104. MODIFICATIONS

This section would prohibit the NRC from requiring or requesting a licensee to make a change to a licensed facility unless the NRC determines, taking into consideration the remaining life of the facility, that the change would substantially improve the overall safety of facility operations. The determination of substantial improvement is to be based on a consideration of seven specific factors and such other factors as the NRC determines to be necessary.

The NRC would be required to establish a procedure for the centralized, systematic, and documented review and consideration of a proposed change to a facility. To avoid any ambiguity as to how the NRC may make a proposed change effective, the section would provide that a change may be required only by an amendment to the facility's license or by issuing a rule, regulation, order, or amendment thereof. In the event that conditions or practices necessitated immediate action to protect the public health and safety or the common defense and security, the NRC could impose a change without going through this review procedure.

TITLE II—CONFORMING AMENDMENTS

Sections 201–205 would amend several provisions and the table of contents of the Atomic Energy Act of 1954 to conform with the provisions of this Act.●

THE 92 GROUP BUDGET PROPOSAL

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from New York [Mr. BOEHLERT] is recognized for 60 minutes.

Mr. BOEHLERT. Mr. Speaker, As the deadline approaches for Congress to adopt a budget resolution, Members of this body are again wondering: How can we do it? It's easy to adopt a budget resolution, but we don't want and we can't afford just another budget resolution. We must come up with one that faces the reality of the deficit crisis and deals with it forthrightly. The President is correct—at a minimum we must approve a $50 billion deficit reduction. But in doing so we must use both our heads and our hearts.

The American people understand that drastic action must be taken. But they demand that the solution to the deficit crisis be fair. If there's a smile on my face, it's because I hold in my hand the proof that it is possible to come up with a budget that combines fiscal responsibility with social responsibility. I'm convinced that this document embodies an approach that will enage the hearts and the minds of the American people in a serious effort to defeat the deficit.

It is called "a Blueprint for Balance," and it was crafted by our House 92 Group Budget Task Force—a group, I might add, which represents a diverse array of districts from all across the country. In many hours of debate and discussion over the past 4 months, we sought to create a budget proposal which could be accepted by all Americans as being fair and balanced.

We believe that the "Blueprint for Balance" offers advantages over the other budget proposals that have been discussed, and my colleagues and I are here to tell you about those advantages.

First, we began with a comprehensive fiscal year 1986 budget authority freeze, including defense, as the only fair first step. Americans have been asked to sacrifice again and again in the past few years, but the sacrifice has not been spread evenly. Meanwhile, the deficit has grown even larger. We in the 92 group believe that at the very least, we should stop the growth of Government spending across the board, and then look for further budget savings which would increase Government efficiency while remaining responsive to national needs.

A comprehensive freeze at fiscal year 1985 levels results in a $32 billion cut in the projected budget deficit. We went even further. Let me say it again—we emphatically believe the deficit must come down through a sustained commitment to responsible government spending. But we are not willing—and we understand the American people are not willing—to make drastic cuts in programs which are productive, vital investments in our people and their future.

That is why, unlike the budget proposal approved by the other body, we do not cut into the amount of financial aid available to students. Likewise we trimmed, but did not eliminate, programs such as the economic development administration, Urban Development Action grants, or the Job Corps. These programs are investments, with productive results for all Americans. These programs link limited public resources with the power of private initiative, and easily produce more in tax revenues than they cost. It would be penny-wise but pound-foolish to make these kinds of programs bear the brunt of our deficit reduction efforts.

And by the way, allow me to nip in the bud any notion that this budget proposal selfishly protects the interests of particular regions of the country. Yes, it salvages some programs that keep distressed regions afloat—but at reduced levels that will require adjustments from constituents in our own districts. Furthermore, let's get this straight—just as a cancerous limb threatens a healthy body, a region in trouble holds back the entire economy

from achieving the kind of prosperity it could achieve.

The "Blueprint for Balance" package would cut the deficit just as deeply as any other plan proposed without touching Social Security cost-of-living-adjustments.

Finally, I want to take a moment and stress our recommendation for a freeze in defense budget authority. We recognize the imperative need to meet our global security challenges. We would not support a budget which left America unable to defend her interests. But we do not accept the notion that one particular department of the Government cannot be asked to be as efficient in its business as the others.

Our good friend and colleague from New York [Mr. KEMP], is fond of saying, "If you subsidize something you get more of it." Well, for too long now we have been subsidizing at incredible levels the kind of waste, bureaucratic inefficiency, and fiscal mismanagement that the Republican Party was sent to Washington to clean up. If we are going to continue to demand tight standards of accountability and performance from the civilian side of our Government, should we not also expect it from the greatest military organization in the world? It is time to remember what President Eisenhower warned us some years ago: That the prudent expenditure of defense dollars is even more important than what we spend our money on.

A Defense budget authority freeze at 1985 levels is an essential component of the fairness our plan provides. Moreover, a budget authority freeze will not, I repeat, will not undermine necessary efforts to modernize our forces. In fact, Defense outlays for procurement and other purposes will continue to rise during the coming years even with such a freeze. But we must begin to include the Defense Department in the overall campaign to reform Government's wasteful ways.

Mr. Speaker, the "Blueprint for Balance" is as sound as it is ambitious. It was prepared after hundreds of hours of discussion among Members from all across the country. It is backed up with calculations made by the Congressional Budget Office, in accordance with standards more realistic and rigorous than those used by the other body.

If enacted, our plan would save American taxpayers $274 billion in deficit reductions over 3 years, more than halving the deficit to a level of $111 billion by 1988.

But most important, our plan is equitable. We believe the American people will find it the fairest proposal offered. Fairness is not only an ethical imperative, but a political one. The board support of the American people will be essential if we are ever going to get cracking on deficit reduction. And while I'm sure there are parts of our budget which will make some less happy than others, we firmly believe it is a compromise package that all can support. I am very proud to have been part of the working group that put this budget together, and I look forward to working with my colleagues on both sides of the aisle to achieve a budget "Blueprint for Balance."

Mr. Speaker, I yield to the gentleman from Iowa [Mr. TAUKE].

Mr. TAUKE. I thank the gentleman for yielding.

Mr. Speaker, I commend the gentleman for taking this special order so that we might have an opportunity to acquaint our colleagues in the House of Representatives and others across the Nation with the product of our work over the past 4 months.

About 4 months ago, 30 Members of the Republican Party in the House formed the 92 Group, and we established a task force of about 16 Members of that group who have been responsible for going through the Federal budget on a program-by-program basis to try to determine what kind of budget package we can put together.

We have come up with a document which I believe is the most solid document that has been presented thus far to Members of the House on the budget question.

Our first objective in attempting to deal with this problem was to attempt to put together a budget that would reduce the deficit through spending reductions totally at least $50 billion. It was our judgment that a $50 billion deficit reduction was necessary in order to perpetuate the economic growth that we have had in the country over the last several years.

We have been fortunate to have this kind of growth. It is difficult to sustain it for a long period of time. We have not had sustained growth in our country for 5, 6, 7 years and running in our history. To sustain that kind of economic growth for the rest of this decade, as we hope to do, we have to nurture it along. One of the ways we do that is by reducing this deficit somewhat. We thought $50 billion was a minimum.

Second, we felt by reducing the deficit we would contribute to the trend toward declining interest rates, which is a part of maintaining that economic growth. We felt it would also lead to a more properly valued dollar in the world marketplace, which would contribute to the effort to solve our trade deficit problem, and make our goods more marketable in the world.

□ 1800

We also recognize when we set that $50 billion deficit reduction goal that at the current time we anticipate that this year's deficit, just this year's deficit, will cost our children in their lifetime about $10,000 to $15,000 in additional taxes.

Let me repeat that: That during the lifetime of our children, they will pay interest on this deficit, just this year's deficit, of about $10,000 to $15,000. So we believed that it was essential for economic growth and for the future that we reduce deficits through spending reductions.

Our second major objective was to attempt to do this in a fair and equitable way, so we looked at all the programs that we had at the Federal level and determined that there were six programs that should be terminated, including, for example, the Synthetic Fuels Corporation and part B of impact aid to education.

We then looked at 75 other programs that we felt could have some cuts in them. During the course of this special order, we will be talking about some of those cuts.

We froze every other program at current spending levels because we did not think it was fair to cut one program in order to fund increases in another program. So by freezing, by terminating where we could, and by reducing below a freeze, we were able to come up with $50 billion in spending cuts that we believed were fair and equitable.

We took half of our reductions from the defense segment of the budget, which has been growing very rapidly, and since we have been using as our bottom or baseline here in Congress the Rose Garden agreement of a year ago and projecting that as the current policy, we are reducing that spending roughly $25 billion from that level in the coming fiscal year in this budget.

We reduced domestic programs by roughly $25 billion and we provide for no tax increase.

So I think that our budget package, which is designed to achieve the goal of $50 billion in spending reductions and doing it fairly and equitably is one that can be acceptable to a majority of the Members of the House and I believe can garner broad support across the country. If we can pass this budget, we believe that we will have dealt fairly with the American people and we will have also assisted in the effort to promote economic growth in our country in the years ahead.

Mr. BOEHLERT. I thank my distinguished colleague and co-chair of our 92 Group for the excellent statement.

When you talk about the deficit being in crisis proportions, you put it into perspective and the American people begin to realize that each day, every 24-hour period, the U.S. Government is spending $265 million just in interest on the national debt. We understand that. We are committed to deficit reduction, and I thank my distinguished colleague from Iowa for the leadership he has provided.

Mr. TAUKE. And I thank the gentleman for taking this special order. I think when we do talk about the deficit, it is important for people to realize that this year we are expecting, if we do not change policy, that we would have deficits that would total about $1,000 per person in the country. So for every man, woman, and child, we would be spending about $1,000 more than we are taking in.

You do not have to be an economist to figure out that that causes you trouble down the road, so we are taking the tough action necessary to begin to get a handle on that handle.

I thank my colleague for his courage, and I hope that there are at least 218 others in the House who will have the kind of courage that he has demonstrated.

Mr. BOEHLERT. We are working very hard on that.

Mr. Speaker, I will be glad to yield to my distinguished colleague and my neighbor from Vermont [Mr. JEFFORDS].

Mr. JEFFORDS. I thank the gentleman for yielding and I want to commend him and also the previous speaker for all the work that they and many others have put into this budget.

I am pleased to be able to speak in support of the budget alternative developed by the 92 Group. What we are proposing is a responsible package of recommendations that strives to reach the required savings without doing irreparable damage to vital programs. We are not in opposition to the President in his attempt to achieve budget savings. We are willing to make our fair share of budget cuts. Our interest though, is in finding a middle ground which responsibly addresses the budget deficit problem, but which also incorporate a fair approach so that individuals served by these programs are not overlooked.

I have particular interest in two areas of this package which come under the jurisdiction of the Education and Labor Committee on which I am the ranking Republican member. These areas are the Child Nutrition Programs and the Guaranteed Student Loan Program.

First, in the area of child nutrition, the 92 Group proposal would save approximately $400 million in fiscal year 1986. These savings are achieved without destroying the current structure of the School Lunch Program. Specifically, the proposal calls for a 1-cent reduction in the section 4 cash support for the so-called paid student and a 1-cent reduction in commodity assistance. Together these reductions total approximately $38 million in savings without creating the likelihood of large-scale reduction in participation in the School Lunch Program by school districts across the Nation.

Additionally, $200 million can be saved by requiring documentation of a family's primary source of income with the submission of application for free and reduced priced school lunch benefits. This provision insures that only those children from eligible families will be served free and reduced price meals.

Finally, the proposal calls for a freeze in all reimbursement rates for all child nutrition programs effectively July 1, 1985, through June 30, 1986. This provision provides approximately $160 million in savings for fiscal year 1986. In each case, we are trying to preserve the integrity of the overall program while attempting to insure that eligible participants continue to receive a reasonable level of assistance.

In the Guaranteed Student Loan Program the savings that would be effected total approximately $200 million. This proposal essentially parallels the Senate recommendations. Specifically, savings can be achieved through program reform without reducing access to higher education by students who are currently being served under the program. These reforms include a universal needs analysis, reduction in the special allowances paid to lenders, mandatory multiple disbursements by lenders, reduction in the reinsurance provisions for State guarantee agencies, and tightening of the definition of "independent student." I would like to point out that none of these reform measures involves a cap on the amount of assistance or on the cost of attendance at any particular institution. They are legitimate savings which do not adversely affect students. Further, these are a list of possible areas that will not make it necessary to make all of those changes in order to accomplish the savings that we need to make in order to help bring this budget under control.

With these recommendations, I believe that the 92 Group has met its objective. The proposals are sound and based on clear understandings of the programs and the people they affect. Our effort should be to preserve the integrity of effective programs while sharing the burden of achieving necessary budget reductions. We must continue to look for responsible alternatives that have an eye toward the future.

Mr. BOEHLERT. I am so glad my colleague mentioned these two very critical programs, the Child Nutrition Program and the Guaranteed Student Loan Program. We have demonstrated by the manner in which we are handling our budget proposal that we can come up with a plan that is fiscally responsible and also socially responsible.

Many of us in this body would not even be here today if we did not have a Student Loan Program when we were going to college to borrow to pay our way through college and then we all did the same thing. When we graduated, we paid back the Government. The Government made a wise investment, and I just thank the gentleman for calling attention to this very important aspect of our blueprint for balance.

Mr. Speaker, I see that the chairman of our Budget Task Force is on his feet, and I would be glad to yield to the gentleman from Michigan [Mr. PURSELL] who has done such an outstanding job chairing the Budget Task Force of the 92 Group.

Mr. PURSELL. Mr. Speaker, I see we have the gentlewoman from Connecticut on my left who is waiting to be recognized. I would defer to her.

Mr. BOEHLERT. I would be pleased to yield to the gentlewoman from Connecticut [Mrs. JOHNSON].

Mrs. JOHNSON. I thank the gentlerman for yielding.

Mr. Speaker, I would just like to reiterate what my colleagues have made very clear, because I feel it is extremely important for all to recognize that we believe that the paramount function of this Congress is to reduce Federal spending by a minimum of $50 billion and thereby address the deficit problem that represents such a significant threat to our economic future.

A strong and productive economy is the cornerstone of American society and of our leadership in the world. It is, therefore, essential and the overriding responsibility of this Congress to get control of the deficit. Reducing spending is critical to assure our continued economic growth, expand job opportunities in our Nation, and equally important to reducing the trade deficit, restoring the competitive position of American industries abroad and preventing economic crisis for our trading partners in the developing countries of the world.

Large deficits affect every sector of the economy, every American, every business, every worker. The deficit crisis is a real threat and one that must be addressed and, therefore, no part of the budget, including defense, can or should escape scrutiny. Targets must be set for deficit reduction with the goal of eventual deficit elimination in mind.

There were two things that I would particularly like to point out about our package before my colleague from Michigan gives a more thorough presentation of its broad outline.

One is that those of us involved in developing this package do believe that government plays a constructive role in stimulating economic growth in America, and particularly has a responsibility to those regions of the Nation where unemployment is high, where growth has been difficult, where structural change is a real part of people's life and of their pain. So we have not eliminated very important

programs like the economic development grants, the UDAG grants, or the community development block grant moneys.

□ 1810

We have reduced them, but modestly. We have retained the power of this Federal Government to address the need for economic development in those areas so deeply affected by structural changes that are beyond our control.

Mr. BOEHLERT. Mr. Speaker, the gentlewoman from Connecticut makes a very good point, because when you are talking about deficit reduction, and the deficit crisis in America, we must always keep in mind the basic fact that every 1-percent increase in unemployment adds $30 billion to the deficit. So if we move in the other direction with the very programs you are talking about, the programs under the jurisdiction of the Economic Development Administration and the Urban Development Action Grants, those are programs designed to have the Federal Government in a partnership role with the private sector, but the private sector is the senior partner providing the guidance and hopefully creating new jobs.

Mrs. JOHNSON. Yes. Mr. Speaker, my colleague, the gentleman from New York, has made a very important point, that economic development is a partnership responsibility, and we recognized that in the decisions we have made in articulating this budget.

A second thing we have done that I think needs to be pointed out is that we have been sensitive to the human service needs of particularly people in urban areas, small urban communities and large urban communities throughout America, where in truth United Way agency services are not meeting the needs of low-income families. Community service block grant moneys are essential to address the needs of these families to complement a system which, as strong, viable, and important as it is, because of government's withdrawal from that sector, is ever more dependent on sliding fee-for-service scales which make it difficult for low-income families to participate fully.

So the Community Services Block Grant Program, which is eliminated by other budgeters in the Congress, is supported strongly in this budget, and I think that is important and worth noting. Human services are our concern. The stability and viability of that network is clearly a commitment that we have made in this budget.

Last, let me just say that every one of the decisions in this budget was the result of long and heated debate. These decisions represent tough compromises, but they are made with the knowledge that the Nation's future, our children's future, the free world's future, and in fact that of the global economy depend on the ability of the Members of this Congress to debate among themselves and make the kinds of decisions that we have made in order to achieve the all-important goal of addressing the deficits that threaten our economy and the well-being of the world.

Mr. BOEHLERT. Mr. Speaker, I thank the gentlewoman from Connecticut.

Mr. PURSELL. Mr. Speaker, I thank the gentlewoman from Connecticut, and I sometimes think that she is not so gentle as tough, because we did make tough decisions, and I commend her on her outstanding leadership in the budget process. That is an achievement in itself.

Mr. Speaker, we will next hear from the gentlewoman from Maine, Ms. OLYMPIA SNOWE, cochair of the 92 Group, and one of our outstanding leaders for many years.

Mr. BOEHLERT. Mr. Speaker, I yield to the gentlewoman from Maine.

Ms. SNOWE. Mr. Speaker, I want to thank the gentleman in the well for taking out this special order this evening. I commend him for his diligence, and I commend also the gentleman from Michigan [Mr. PURSELL] for his outstanding work and performance in developing and heading up our budget task force that is the result of our work here this evening and the one that we hope to work with in the legislative process to address the budget proposal.

The gentleman has raised a number of comments, and other members of the 92 Group, I think, have addressed the issue very well. But first I think it is important to emphasize that, as has been the case here, this is an even-handed approach to deficit reduction. It is never easy to reduce deficits by $50 billion in 1986 and $300 billion over the next 3 years without affecting many important programs to our constituencies and to all regions of the country.

That is the primary reason why we decided as a group at the outset to establish the minimum threshold at $50 billion but to do it in a fair and balanced way. So I think our budget-deficit proposal is rooted in fairness and equity. It is clear that a trillion dollar package is not 100 percent acceptable to any group of the House or the Senate, but nevertheless we can embrace this proposal because it does represent a sense of fairness.

We also recognized that we wanted to spread the burden of deficit reduction evenly among a number of programs that comprise the Federal budget, and that is essentially what we have done here today.

Finally, I might say that there is a difference. Although we can compare what happened in 1981 with the spirit that is taking hold in 1985 in our approach to deficit reduction, nevertheless I do think there is an important distinction. In 1981 we cut a number of domestic programs without really affecting defense expenditures. At that time defense, on the heels of the Carter administration, had been neglected in many respects. In fact, our national security was at the point of being in danger, so we had to make a significant investment in defense. But now it is a different story. We have made an investment of billions of dollars in defense, and we plan to do that in the years ahead, so now we think that defense can come in and take some of the cuts along with other domestic programs that have absorbed reductions in the past. We do not believe that any one program or any one group or any one region of the country should have to absorb and assume the burden of deficit reductions for any one program.

So we have attempted, I think, in a fair and evenhanded way to spread those reductions across the board. We recognize the importance of programs to our farmers, to crop subsidies, to trade adjustments, to those individuals who lose their jobs because of imports, and for student loans to the students who rely on them extensively in order to pursue an education.

So we think all these programs are essentially important. That is the way the Government pursues the common goal, by intervening and providing these services. So again I think that our budget represents that bottom lines of fairness and equity in every respect.

Mr. BOEHLERT. Mr. Speaker, the gentlewoman from Maine [Ms. SNOWE] brings up some very good points. I think the key test we applied as we went through this long deliberate process was: Does our proposed action pass the test of fairness? Is it evenhanded?

Our colleague, the gentlewoman from Connecticut, pointed out earlier that there are a number of programs and each of us has our favorite programs. There are some programs that I would like to regard as untouchable because I have seen them work very effectively in my particular district and my particular State. But we all "gave at the office," so to speak. We all looked at these programs and said that if we all take the basic position that everybody else has to be cut and we cannot cut our pet projects, we will never get anywhere. So we all yielded somewhat, and unlike some other alternatives on the public agenda today, we did not totally eliminate some of those programs like those under EDA or UDAG; we had a slight reduction. But we emphasized the importance of those Federal activities designed to preserve existing employment and create new jobs, and so we kept them.

Ms. SNOWE. Mr. Speaker, I think the gentleman makes a very important point, and that is that Congress on so many previous occasions has stated its support for many of the programs the gentleman has referred to. They are important to our constituencies, and they are important to provide economic development in so many regions of our country.

□ 1820

We also would recognize that our budget is not ideologically or regionally based. We did not approach the process with a premise of what programs we will protect. What we did do is approach the process through the premise that we are going to reduce budget deficits by the minimum threshold of $50 billion in 1986 and several hundred billion in the years beyond.

I think that is illustrated by the budget that we have produced here today and hopefully will meet with success here in the House of Representatives; but it is a product of many intensive hours of negotiations and compromise and consensus.

I guess we can appreciate the members of a Budget Committee and the process that they undergo in attempting to come up with a budget package.

So again I thank the gentleman for yielding and again I want to congratulate the gentleman from Michigan [Mr. PURSELL] for the outstanding work that he did on behalf of our group, and on behalf of the Congress, and on behalf of the Nation.

Mr. COUGHLIN. Mr. Speaker, will the gentleman yield?

Mr. BOEHLERT. I yield to the gentleman from Pennsylvania.

Mr. COUGHLIN. Mr. Speaker, I just want to say that I subscribe to what the gentlewoman from Maine [Ms. SNOWE] has said.

Mr. Speaker, as a sponsor of the budget proposal put forward last week by the 92 Group, I am pleased to participate in this special order.

The 92 Group budget proposal is a reasonable and balanced plan for cutting the Federal deficit in half in 3 years while meeting our Nation's most important needs. Without raising any new taxes—which would be counterproductive to economic growth—the 92 Group budget would cut $51 billion from the deficit in fiscal year 1986 and a total of $275 billion over 3 years.

This strong commitment to deficit reduction would be achieved with fairness. Based on a spending freeze across the board including defense, the 92 Group proposal goes further to recommend spending cuts and changes in 75 programs. Sacrifices would be required of many special interests but the burden does not fall disportionately on any single group. It is not perfect—no budget ever is—but the 92 Group budget package is the fairest and most politically feasible of the budget proposals advanced.

In the transportation area, the 92 Group budget calls for belt tightening and sacrifice as it does in all areas of spending. At the same time, the 92 Group budget allows for the maintenance of a balanced system of public transportation meeting differing local needs throughout the country.

In recognition of AMTRAK's essential role as our Nation's only national rail passenger service, the 92 Group budget rejects the administration's proposal to eliminate AMTRAK operating subsidies and restores 80 percent of the present funding level.

Similarly, the 92 Group's budget rejects deep reductions in mass transit assistance while calling for some contribution to deficit reduction in this area. The 70-percent cut in mass transit funding requested by the administration would be fatal to many local mass transit systems which are critical to urban areas like Philadelphia. The 92 Group budget would restore the bulk of mass transit funds although formula grants would be reduced by 20 percent in fiscal year 1986 as part of the across-the-board deficit reduction effort.

As a longtime champion of mass transit assistance because it is good social policy and makes economic and environmental sense, I recognize that any budget reduction will create problems for local mass transit systems. I wish that mass transit programs could be fully funded at present levels but the worsening deficit situation demands that we in Congress act responsibly by making the difficult but necessary decisions to restrain spending for programs we may personally favor.

Student assistance represents another example of the 92 Group's fair and moderate approach to trimming the defict. The Office of Management and Budget's proposal for student aid would have cut funding by 25 percent and imposed a $4,000 "mega-cap" on total annual Federal assistance to individual students. In addition, the OMB proposal would have disqualified students from families with incomes above $32,500 from eligibility for guaranteed student loans.

By contrast the 92 Group budget preserves the present strong Federal commitment to higher education by restoring most of the funds the administration's budget sought to cut. Under the 92 Group plan, student aid would be reduced by less than 5 percent overall. No cap on total Federal aid per student would be imposed nor would a ceiling be placed on family income. Instead, a needs analysis would be required for all students seeking Federal assistance, not just those with family incomes over $30,000 as is presently the case. In this way, the need for student aid would be assessed on a case-by-case basis rather than according to an inflexible family income rule which would not take into account individual family circumstances.

The 92 Group budget is a carefully thought out blueprint for achieving substantial deficit reduction. I am convinced that the American people will accept the call to sacrifice as long as the burden is shared equitably. The 92 Group budget achieves this goal.

Mr. BOEHLERT. Mr. Speaker, I yield to the gentleman from Michigan.

Mr. PURSELL. I think it is important here to understand the budget process. We have a Budget Act. I think it was written around 1973-74 by Senator Muskie and others, both in the Senate and in the House, who asked us to set targets because of the overspending and the rapid clip of spending generally in the House and in the Senate over the years.

So now we have set budget targets and we are happy to report, as the gentleman from New York knows, that this is the first budget that was completed on time in both the Senate and in the House and released to the press and will be introduced this week, meeting our May 15 deadline.

I think that in itself is an accomplishment, because I think the budget process over the years has eroded. We have had authorization bills, spending bills, concurrent resolutions, supplementals, and it gets rather confusing to the taxpayer out there and Members of Congress alike to look at this budget process and say: "My God, don't we have fiscal responsibility in Washington? Can't we keep our House in order?"

So the budget process is professionally a time process in which we have introduced our budget proposal. It has taken 1,000 man-hours on behalf of many outstanding members of our 92 Group.

I would like for the RECORD to read those people who participated in this task force. Our outstanding cochairman is TOM TAUKE, and OLYMPIA SNOWE you have heard from today.

We have had some outstanding senior members; HAM FISH from New York; STU MCKINNEY of Connecticut; MATTIE RINALDO of New Jersey; myself from Michigan; DOUG BEREUTER from Nebraska; STEVE GUNDERSON, who will speak in a few minutes on agriculture, from the State of Wisconsin; CLAUDINE SCHNEIDER from Rhode Island; ROD CHANDLER, outstanding Member from the State of Washington on defense. He has been an outstanding speaker in that area.

Then we have NANCY JOHNSON from Connecticut; JACK MCKERNAN, an outstanding young man from Maine, also a former captain of the Dartmouth tennis team. We can win on the Senate and House floor here maybe with this budget proposal, but I think he is unbeatable on the courts.

We have TOM RIDGE, a young man, a sophomore, I believe, a third-termer from Pennsylvania; ED ZSCHAU from California, an outstanding person, an entrepreneur in his own right; PAUL HENRY, a bright, young, talented Congressman from my State who replaced Hal Sawyer, formerly President Jerry Ford's district in Grand Rapids; and JOHN ROWLAND from Connecticut, participating in the budget process.

Regardless of the outcome of the budget process and the strategies and the battles yet to be fought, to be won, and to be lost, frankly the spinoff value of the Members learning what our national priorities are, and having the courage, and the intestinal fortitude to sit down and hammer a trillion budget and come with $50 billion in deficit reductions in the first year, $91 billion in the second year, and I believe the third year, if I am not mistaken, it is approximately $132.6 billion.

Mr. BOEHLERT. If my colleague will allow me at this point, I am so glad the gentleman listed the names and States of the members of this 92 Group, particularly those who served and worked so hard on the budget task force, because it is important for the American people to understand, this is not a regional document. This is a national document. From Maine to Washington State, from New York to California, and all the territory in between, we had diverse interests, we had Members who represent primarily agricultural districts, we had Members who represent districts with major urban centers and we had other Members who had a combination; so this is truly a representative document. I am particularly pleased that the gentleman listed those who have helped us so much.

Mr. PURSELL. Well, obviously there is a lot of quality there, I am sure.

I would like for one of the pages to take the charts here and assist us, if they would.

If you look at the chart on the floor, this is where we are standing today, with a major deficit of about $220 billion, some say $210 billion, but a deficit that staggers the imagination of every taxpayer in America. It affects our interest, our inflation, our monetary system, our trade balance, and so forth; so the Group 92 presents today the historical deficit from 1947 through 1985.

I think if you look at the chart you will see about 6 years of either a balanced budget or a minimal surplus and that is in about 37 years of legislative process by this Congress to have traditionally spent more than they have coming in in income. Fiscally, we consider that somewhat irresponsible, maybe a great deal of fiscal irresponsibility here, particularly if you look at those latter years.

Now, we do not have the time to assess who is to blame for that. The question is what are we going to do for the future in the next generation for our young people of the future who are with us today?

So if you go to the second chart, you will see that Group 92 has faced up to that realistic solution by recommending that we take $51 billion out of an almost trillion-dollar budget this year, $92.2 billion the second year, and $132.6 billion the third year.

Now, that trend downward to achieve a balanced budget, hopefully soon, will it trigger recovery, not only did it trigger the stock markets, what the Senate did this last week, but as the House takes its legitimate leadership here, either a Democratic platform and a program that they might present, or bipartisan, or a Republican substitute, or the Group 92 plan, I think it is important that we realize that we are developing for the first time a change of direction in the Congress of the United States to reduce spending and to achieve a balanced budget that we can feel proud of as Americans in this young generation in which we are basically about 200 years old.

The next chart gives us an idea that we are looking at really two major pieces of the budget; the defense budget basically when President Carter left office was 21 percent of the general fund. Today it is about 28 percent.

We have spent $1 trillion, 2 billion in the last 4 years on defense.

We have met our responsibilities at Geneva. We have met our responsibilities as being a leader of the free world; but at this point in time it is important I think for all of us to pause and take a look and reassess and reevaluate the defense budget of this Nation and to say to the Members of Congress and the taxpayers that we are going to take a look at reform. We are going to look at procurement, which is approximately $120 billion a year, regardless who the President is. So we are looking at the Defense Department with tough, hard numbers, and I think we have got a lot of people's attention because of that, and that is healthy in developing public policy and public debate.

The other piece of budget that you see in red is the nondefense. That is tough for a lot of us who have big universities, like the University of Michigan, when we look at student aid, financial aid for educational programs, agricultural programs, and others; the EDA economic programs which the gentleman has led so forcefully in our budget process, to look at those programs and say that we can take some money out of those programs and protect those that have produced economic growth and development for this Nation, the dollars that have been invested for the young people of America to be creative and to be talented.

So we have balanced this program off and that is the thesis of our budget proposal, a balanced budget for the future of this Nation, which we call the blueprint for balance.

So you see, we even pick up those savings of roughly $24 billion in defense and $24 billion in nondefense.

We also accumulate sort of a freebee along the way of $2.4 billion of interest on the national debt, which is now the second most expensive program in the Federal budget.

So every taxpayer in America will pay 15 cents of every dollar—15 cents of every dollar that comes to Washington goes to pay the interest on the national debt. The national debt today is $1,800 billion, rather staggering to a small businessman like myself some years ago to think that this young Nation has a staggering debt of a $1,800 billion.

Mr. BOEHLERT. Mr. Speaker, if the gentleman will yield back to me, we cannot emphasize that enough. We are paying as a nation, $265 million every 24-hour period of interest on the national debt. For the typical American family of four, that is $5 a day just for interest on the national debt.

Mr. PURSELL. So we in essence debate each other and fight over priorities here of $51 billion out of a trillion-dollar budget and we miss the big picture of what we can do for the future generation by achieving a balanced budget.

□ 1830

So I think $51 billion, maybe it is not enough, maybe we should be doing more, the trend and the position of Group 92 says it is constructive, it is a contructive alternative. We are complementary to the President, we are complementary to the other body, we are complementary to our Democratic opposition in the House. And I think it is constructive and positive that we provide leadership in this Nation and not sit back and react and be reactionary, defensive about what this Nation should have as a constructive budget for the future of this country.

So I yield back to the gentleman. There are other outstanding members of our group who are going to participate today and we will be doing more of this on the House floor. I congratulate the Group 92, Bob MICHEL, and our leadership. We have made a presentation to him and also to David Stockman and the White House which had a presentation. We met with BOB DOLE back in February and March to make a constructive alternative on our first draft.

So we have been up front, honest, with credibility, and for that I say thank you to the budget task force and to Group 92.

Mr. BOEHLERT. I thank the chairman of the budget task force. I think it is important to note that our group reached out to anyone and everyone that would provide a source of input. We dealt with the Congressional Budget Office, we dealt with the Office of Management and Budget, we dealt with the Congressional Research Service.

Ours was a mission in search of answers to very difficult questions, in search of solutions to a very difficult problem.

Mr. GUNDERSON. Will the gentleman yield?

Mr. BOEHLERT. At this point I see on his feet my distinguished colleague the gentleman from Wisconsin [Mr. GUNDERSON] and I will be glad to yield to him.

Mr. GUNDERSON. I appreciate the gentleman yielding and want to join with those who precede me, both in congratulating the gentleman for this special order and particularly for the leadership by the gentleman from Michigan [Mr. PURSELL], and the budget task force, and the gentleman from Iowa [Mr. TAUKE], and the gentlewoman from Maine [Ms. SNOWE], and generally the 92 Group, because I think what we have tried to do is not so much a philosophical thing as we have tried to recognize there are regional differences in this country.

We all represent diverse areas and what we want to try to do is put together a budget which is flexible, but a budget which is balanced and asks each and every American, each and every region of the country, to share equally in trying to make a contribution.

Along that line I would like to suggest from the agricultural perspective that No. 1 in our budget is that agriculture make those additional sacrifices that we are asking every other group, but at the same time I would suggest that we probably recognize the crisis in American agriculture more than any other budget documents that are before this Congress at the present time.

Let me just share with you some numbers, if I can, for fiscal year 1986. We probably have the most honest agricultural budget in the sense that we recognize that the fiscal year 1986 crop loans and deficiency payments are derived by the 1985 crop year. That crop is already in the ground and that crop will be harvested after October 1. So when all of these original budget proposals talk about making big savings in the Commodity Credit Corporation it is nothing more than smoke and mirrors because it cannot really happen because you have already constructed and construed by the 1981 farm bill and by the crop that is already in the ground.

But when you look at the different budget proposals in the agricultural area or budget function 350 area, our proposal will save $1.1 billion above and beyond a freeze in agriculture. That is compared with the budget that most recently passed the other body which will save $3.3 billion, or one of the earlier so-called compromises which would save over $4 billion in 1986.

So you can quickly get an idea of which budget, No. 1, cuts the least but which budget also is the most honest in its accounting. And, No. 2, I think most responsive to the credit and farm crisis that faces this country at the present time.

That is one of the things we are trying to emphasize I think in this entire budget proposal. There are ways in which you can meet that $50 billion target and also be responsive to the very legitimate role and responsibilities of Government, and that is really what we have done.

Actually, we make no savings in our budget in the Commodity Credit Corporation in 1986. As I said earlier, we think those are really nothing more than smoke and mirrors. We do, however, make rather significant savings in 1987 and 1988 where we go to a $9 billion cap on the Commodity Credit Corporation or Farm Support Programs, but that is telling the House and the other body's Agriculture Committees that as they write the 1985 farm bill to live within a $9 billion cap. And I think realistically agriculture can and should be exactly that.

What we do is we also go beyond that and we make various administrative savings in terms of user fees and that type of thing. We adopt about half of what the administration originally proposed because, quite honestly, again, their original proposal was unrealistic and something that just was unobtainable in the present atmosphere in which we deal.

One of the interesting differences between our budget and that budget which recently passed the other body is we actually go along with the President's proposal to actually phase out crop insurance over a period of time. Actually the budget proposal in the other body does not do that. They maintain that, but rather what they try to do is eliminate natural disaster loans.

The problem with what they have done is if you get into certain regions of the country where crop insurance is not a viable program today, or it does not exist for various crops, what do those farmers in that area do if they cannot get crop insurance because it is not made available or financially feasible, and we have eliminated the natural disaster loans?

We put these people in a real quandry.

So I think, again, we are more defensible in that particular area. We have probably come up with what I would suggest is the best proposal in farm credit that anyone has suggested around this Capitol in recent days and in recent weeks.

We do not save as much as the others do. We save only $988 million the first year, and a little over a billion in 1987, et cetera. But I think it is the most responsible.

It was not too long ago where we debated on the House floor the whole farm credit crisis. What we do is simply take 40 percent of our Farmers Home Administration direct loans and make them into guaranteed loans.

I think all of us would like to see less of a Government role in direct lending in the Farmers Home Administration, but we recognize the need for farm credit. By making that transfer we save over $850 million in this area alone.

So if you add it all up, each of these areas I have talked about, and a couple of other small ones such as research, which we do not touch, which other groups do in the agricultural area, as I said at the beginning, we save $1.1 billion in fiscal year 1986. We save up to $3.4 billion in fiscal year 1989.

And very interestingly, as you look at some of the other documents and compare our proposal with that which just passed the other body in the agricultural area, we save $8 billion in the first out year savings and they save $15 billion. So you can tell we were more on the right track, doing the right kind of thing.

I compliment the gentleman for his leadership and I yield back.

Mr. BOEHLERT. I thank the gentleman. I think that this 92 Group's budget submission evidences a sensitivity to the problems in American agriculture today, and I am so glad the gentleman enumerated just exactly what we did.

We are by far first of all the most honest budget on the table today because our figures are Congressional Budget Office figures. Second, I think we are the most sensitive budget to a very critical part of the American economy, the American farmer.

I thank my colleague for the outstanding leadership he has evidenced in this area.

Mr. McKERNAN. Will the gentleman yield?

Mr. BOEHLERT. I am glad to yield to my colleague from Maine.

Mr. McKERNAN. I, too, want to join those who have previously commended our colleague from New York [Mr. BOEHLERT] for taking out this special order. I can say as one Member from Maine that I certainly have enjoyed the opportunity to participate in what has not really been a pleasant task but I think has been one of the most important tasks that has taken place in the 99th session of Congress, and that

is a group getting together to address, in what I believe is a realistic way, the budget problems that face this country and try to develop a centrist, realist, moderate approach.

I would like to make just two points. The first deals with the fact that I believe this is a realistic budget, and I think that perhaps the correct term for it is representative budget. It is representative in that I believe it represents the views of people throughout this Nation and, after all, we serve in the House of Representatives. We are Representatives of approximately 500,000 people each. So we ought to be representing their views.

As we all know, I think, there is a fine line between following and leading, and we have to be sure that we are in fact representing the views of our constituents. But we also have to be sure and show the leadership that is so necessary, especially at a time when we are facing the kind of domestic problems that we face in this deficit that seems to continue to grow in spite of whatever action Congress attempts to take.

I think it is important to look at this budget because if really does address the views of the American people. It is a fair and equitable spreading of the burden. And there is no question that there is a burden. There is a burden because there is no way we can solve a budget deficit problem which is going to be over $200 billion if we do not do something about it without having that burden shared by those in our society.

The key for representative democracy is to continue to have the faith of the people and the support of the people that it is designed to serve and the way to accomplish that is to adopt policies which those people believe are fair and equitable.

□ 1840

I believe the 92 Group budget does that. As we all know, there is a lot of blood left on the floor of the room that we met in to try to determine the proper approach. But I think that we all gave. Many of us do not have, as the gentleman from New York said, programs that we had hoped to have full funding for. We all had to agree to some cuts. We have made an important contribution to the process of doing something finally about this budget.

I would like to digress for a minute to make my second point. It is one that I hope that the people who are watching and the people throughout this country can appreciate. I am certain that the people in Maine, the State that I represent, will definitely appreciate it, because I have been talking about it for 2½ years that I have been in Congress now.

That is, that something very important happened in Washington, DC, in 1985. That is, finally we have put some artificial parameters around the action of both the House and the Senate in dealing with the budget process.

As many of us know who came here and became frustrated by the budget process in the Congress, we do not have the type of initiative that is necessary to have parameters around our decisions, to set up an artificial framework within which we have to make difficult choices. We do not have a balanced budget amendment that requires us to balance our budget. We cannot even agree on pay-as-you-go, that says you ought to raise the money to pay for the programs that you are funding. In fact, we cannot even seem to be able to agree, at least until this year, to freeze spending. I think those types of artificial programs to force us to work within certain constraints are necessary. What has happened in 1985 is that for the first time Republicans and Democrats alike, the Reagan administration, the Senate and the House have all seemed to agree that $50 billion is the minimum that we can do. We have to find a way to cut $50 billion out of spending for 1986.

That is a monumental change in the way we have approached the budget process. I think that is what is so important about the 92 Group budget; that is, that we have taken that challenge of cutting $50 billion in 1986 and we have said: "How can we distribute the burden in the fairest possible way?"

We have done it by facing the political realities. The political reality, the most important political reality, is that the leadership on the majority side of the aisle has said that Social Security cost-of-living adjustments are off limits.

Well, it does not serve any purpose to say we will reach our $50 billion by including a freeze on cost of living for Social Security recipients. Instead, we ought to be looking at a program that could in fact get bipartisan support. That is what this budget document does. It says we can address the Social Security issue on our own, but the most important part is finding $50 billion. This budget, thanks to the leadership of the gentleman from Michigan [Mr. PURSELL] on our budget task force has found $50 billion without addressing the issue of the cost-of-living adjustment on Social Security. I think that that is an important part. We have frozen the defense authority. People who are concerned, as I am about our national security, about making sure we have sufficient defense for this country and we are spending the dollars that are necessary but spending them in the most efficient way, can rest assured that those of us who agree to freeze authority on defense realize that that still means we will spend another $17 billion more than we spent in 1985 because of funds previously authorized, funds that are in fact going to be spent in 1986.

So I just think that the 92 Group, especially the leadership of the 92 Group, ought to be praised for the work that they have initiated, and I just am pleased to be identified with this particular project because I believe it is a great step forward in solving what I view as the most important domestic problem that this country has to address.

And I thank the gentleman, Mr. BOEHLERT.

Mr. BOEHLERT. I thank the gentleman from Maine and indicate that he has made a very good point in that we are subordinating parochial interests to the national interest. The good news for all America is that Republican and Democrat alike agree that $50 billion in deficit reduction is the starting point. We are in dead earnest about this very important mission, and I think the 92 Group has come up with a very responsible document.

A large part of that document deals with the area of defense. For that we have looked to our distinguished colleague from Washington for some leadership.

Mr. Speaker, I am glad to yield to the gentleman form Washington at this time.

Mr. CHANDLER. I thank the gentleman for yielding, the gentleman from New York, and for organizing this special order today.

I cannot say enough about CARL PURSELL and his leadership, that of Mr. TAUKE and Ms. SNOWE as well.

Certainly one of the first decisions that was made, I think, in the 92 Group was that if you do not include defense as a part of the mix of reductions, you do not get enough reduction to get you to even close to the $50 billion goal that you have.

So the 92 Group did include defense.

The speaker just before me made a very important point and I want to reiterate it. When you see on that chart up there that defense has contributed 48 percent or $24.6 billion of the reduction in this deficit, that reduction is in the projected deficit, not in defense spending. It is reduced increases. We are freezing at a very high level. In the last 4 years defense spending has grown by 22 percent in real terms, in real dollars. Take out inflation and you have had 22 percent more dollars spent in defense. So it is very important that the American people who are concerned as we are about a strong national defense understand that when we freeze this budget authority for defense we are freezing it at a very high level. I think there is a considerable amount of concern around this

country about what is it we are buying with these increased defense dollars?

I think it appropriate that with the necessity for reducing the deficit that we pause for a moment and look at what are we getting for our defense dollar? Just a couple of statistics: We have had a 75-percent constant dollar increase in aircraft procurement in the last 4 years as compared to the 4 previous years. That is a 75-percent increase in constant dollars.

Yet we have purchased 11 percent fewer airplanes.

Now I understand, as you do, that those airplanes are more expensive, they are more sophisticated, and they cost more. But isn't it appropriate that at this moment we ought to take a look at the whole mix of what it is that we are buying? Are we getting that much more defense for that extra expenditure? Or are we just buying gold plating?

The same is true in shipbuilding and so forth.

I want to make a point that the Senate budget that was sent over just last week has within it a 3-percent pay raise for military personnel. It really seems to me that the $1.4 billion that it would take to fund that pay increase, while at the same time freezing the cost-of-living adjustments for Social Security recipients, would not be appropriate.

We do not take a position on Social Security. I personally favor freezing the cost-of-living adjustment for Social Security. But I certainly do not feel that we are justified in raising the pay of anybody else—Congressmen, civil service employees, or military personnel—while we are freezing the benefits of anyone else in this budget.

Mr. BOEHLERT. Mr. Speaker, I think it is very important that all understand that, on the subject of Social Security, we had extensive discussion and there was no agreement. Many of us feel very strongly that we should guarantee the cost-of-living increase for Social Security recipients on January 1, 1985. Others have a different opinion.

So what we decided in our group was to deal with that issue separately from this deficit-reduction package.

□ 1850

It is a very individual, it is a very personal matter, and we have differences of opinion.

Mr. CHANDLER. I think it is worthy to mention that many of us have worked with members of the other party, the majority party here in the House, and I am encouraged by the attitude expressed by them that they are willing to take a look at all of these areas of spending and that we really may be able to achieve a bipartisan approach to all of these areas.

Let me just conclude by saying that it is very difficult to know how much is enough, in anything, whether you are a city councilman in deciding how many police officers you need, or whether you are a Member of Congress and decide how many B-1 bombers, MX missiles, or M-1 tanks.

We are not looking at this cavalierly, not in any way whatsoever. We were challenged earlier today that is we are going to make this kind of proposal that we ought to come back with a recommendation of where those cuts will come.

We are going to take that challenge very seriously, and we are going to answer that question, but we are also going to ask the Defense Department that same question; if this were the budget that you were to have to implement, what would be the highest and what would be the lowest priorities?

I have not yet seen an answer come from the Pentagon to that question; it has been asked. I demand it. I think the Congress has a right to see it, and I insist upon it. I am going to ask for it tomorrow when we meet with the Secretary of Defense, and within a short time I expect that we ought to see that answer so that we and the American people can see what will be the result of the Defense budget such as the one we propose.

Mr. BOEHLERT. I thank my colleague, and I would like to point out that all during our deliberations there was unanimous agreement among our group that the first priority of the Government is to provide for the peace and security of the American people.

So one one suggested, among our 92 Group, that we drastically slash defense spending next year over this year, and as you have so eloquently pointed out in your remarks, we are freezing defense spending at a very high level.

As a matter of fact, in our proposal, while we freeze new budget authority, obligational authority will actually increase by some $17 billion because we already have in the pipeline—that is the Washington phrase for it—in the works, various programs that have been approved by previous Congresses.

I yield to my colleague from Connecticut.

Mr. ROWLAND of Connecticut. I thank the gentleman for yielding to me, and I, too, would like to echo my strong feelings about the leadership of the 92 Group, and perhaps I can add a little bit of a different perspective; and that is as a new Member of this distinguished body, it has been a great joy and relief to me to see this group formed, and working together to solve the budget problems that we are facing.

Mr. Speaker, for the last 6 months and indeed for the last year and a half we have heard talk from our constituents, from our colleagues, from special interest groups, continuously asking us to cut the budget.

We automatically hear: "Cut the budget, but don't cut my special programs." I think one of the greatest things about this particular budget, and one of the reasons why I like it so much, is that it does not benefit any one special interest group. It is a freeze across the board, as you have articulately outlined.

One of the terms that I used earlier, almost in jest, and I am going to use it this evening, is that it is a budget of reverse pork barrel. The reason I use that term is that over the last 50 years, we have seen the 435 Members of the House and the 100 members of the Senate continuously tacking on pork barrel legislation, continuing to increase spending for their special projects, their constituencies or their special interest groups that they happen to admire.

In this program, and this budget, and this blueprint, we have done the exact opposite. We have seen compromises made by members of the 92 Group, whether they be in agriculture, whether they be in defense, whether they be in urban job programs, whether they be in education. We have all sat down, looked at each other and said, "Yes; it's time to cut the budget. I'm willing to do my part if you're willing to do your part." That is why I use the term, reverse pork barrel.

There are a couple of things we have done in sharing the pain across the board. We have reduced our own legislative funds by 10 percent. We have reduced our own executive branch by 10 percent. We have phased out revenue sharing over 3 years, rather than total elimination of the program, and requiring our municipalities to go cold turkey.

We talked about Amtrak, reducing that by 20 percent rather than total elimination. We reduced UMTA discretionary grants by approximately 15 percent rather than elimination. We have reduced UDAG and Community Development Grants by 10 percent rather than elimination. We have tightened up on student loans, something that is very dear to my heart, rather then going with the $32,500 cap per family, which would have sent thousands and thousands of people back home, taken away their opportunities to go to school; we have just tightened up on those programs and required a needs test, which is already in effect.

We have capped agricultural price support at approximately $9 billion. We have reduced SBA programs, rather than total elimination. We reduced Federal employee leave costs by following some of the Grace Commission proposals.

There are no tax increases; there is no delay in the COLA for Social Secu-

rity recipients, and I think we realized in sharing that pain that we are presenting a very fair and a very equitable budget, a very moderate one.

Now, only time will tell whether our proposal will be passed in whole or in part, but I think the members of the 92 Group, especially some of the newer Members who are joining ranks, some of the newer Members who have been involved in rigorous campaign over the last year, saying they are going to reduce the deficit.

Yet when it comes time to pick certain programs, when it comes time to indicate specifics, we all tend to get a little weak-kneed. I think that the members of the 92 Group can be proud of the blueprint that we have offered to our colleagues. It is a moderate alternative; it does not raise taxes, and most importantly, we are not saying, "No; we can't reduce this deficit." We are saying, "Yes; we can; we're ready to do it, and we're ready to do it fairly."

I want to thank the leadership of the 92 committee, and I hope that our colleagues on both sides of the aisle will come to our side, and I think it is also important to note that this proposal is not in concrete; it is a blueprint. We hope to work with Members from both sides of the aisle to come to a clear conclusion on the budget.

● Mr. FISH. Mr. Speaker, I am pleased to join my colleagues from the 92 Group today to discuss our budget proposal. As a member of the budget task force, I admire the effort put into this endeavor by the chairman, CARL PURSELL, and the other members who overcame regional differences to present this blueprint for balance.

Mr. Speaker, I believe the 92 Group Budget should enjoy the support of not only our Republican colleagues, but those Democrats as well who seriously wish to reduce our huge Federal deficit. We have a thoroughly fair and rational approach to deficit reduction, starting with a comprehensive freeze on all Federal spending, including defense. This, to me, is the basis for freezing all other domestic programs and cost-of-living adjustments for Federal retirement programs except Social Security. Our national security will not be threatened in the least by freezing defense, even without adjustment for inflation. There is enough money in the pipeline to continue the buildup we have approved over the last 4 years. Our proposal would simply slow down this process. In regard to Social Security, we believe this is an issue which must be resolved in a bipartisan manner.

My colleagues in the 92 Group are to be congratulated for reaching the goal of $51 billion in deficit reduction without raising taxes. Each person supporting this package strongly favors our budget, but dislikes some portion of this proposal, indicating its overall balance and fairness.

Mr. Speaker, our budget is the first genuine effort in the House of Representatives to promote deficit reduction. I urge my colleagues on both sides of the aisle to join us as cosponsors of the 92 Group budget.●

The SPEAKER pro tempore. The time of the gentleman has expired.

THE PROPOSALS OF THE 92 GROUP

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Michigan [Mr. HENRY] is recognized for 5 minutes.

Mr. HENRY. Mr. Speaker, I want to add my commendations to the splendid work of the 92 Group, and simply say that as a freshman Member, it is an overwhelming experience to come to this body and suddenly stare in the face of a $960 billion budget and realize that almost $220 billion of that is being paid for with funny money.

It has been my pleasure to join and work with this group, but also the work has not been without its tears. The problem of recognizing how difficult it really is, to come up with $50 billion of real budget cuts; not paper gimmicks, not arbitrary funny figures that are simply put on a piece of paper, but real cuts.

The deficit right now, Mr. Speaker, is running at the rate of $1,000 additional each year for every man, woman, and child in America. Now if we are going to take $50 billion out of that deficit, that is equivalent of reducing Government services direct and indirect by $250 for every man, woman, and child in America.

When I go back to my district, I tell people as they say "Cut the deficit, cut the deficit" to realize that this is not going to be a painless endeavor, as necessary as it may be.

In my case, I have a wife, I have three children. If we are going to take $50 billion out of that deficit, it is five times $250 in terms of loss of direct and indirect Government services and supports for my family if this thing is spread equitably across the board and we all share the pain.

As I look at my oldest daughter, who turns 17 next week, and reflect on the fact that every additional borrowed dollar will cost her $32 in interest payments alone by the time she retires, if in fact we can reduce this budget deficit by $50 billion, equivalent of a cut of $250 for every man, woman, and child in this country, it saves each of those people, each of those children, those young people, the equivalent of $8,000 of interest payments that they will have to pay on the rest of their life unless this comes out.

This is the most cost-efficient, the most conscientious thing we can do on their behalf.

I am so pleased to be a part of a group that sought to make these cuts in such a way that they are spread more broadly, and therefore fall more equitably across the entire spectrum of American society then any of the other proposals henceforth put before this body.

I would also like to point out, because this has been overlooked by many—because we have talked about broadening the burden, and broadening the pain, as it were. We have also lost sight of the fact that this proposal has more real cuts than the original administration proposal, both in terms of its first year savings and its second year and third year savings.

This is the most serious budget cut in terms of the magnitude of the cut of any of the proposals put before this body this far in the 99th Congress.

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So, Mr. Speaker, I just wanted to express my appreciation for having the opportunity, as a younger Member of Congress, to participate in what I think is the most significant issue of this year's Congress.

Mr. TAUKE. Mr. Speaker, will the gentleman yield?

Mr. HENRY. I yield to the gentleman from Iowa.

Mr. TAUKE. As one of those who has been involved in the development of this budget and in the organization of the 92 Group, I want to commend the gentleman for the outstanding work he has done and the great contribution of his staff to this effort. He and others of the Members who have participated today in these special orders have all made an extraordinary commitment to tackle this problem. I know for a new Member, having been that once myself, that it is difficult to make that kind of commitment in time and energy. So I commend the gentleman and others for it.

Mr. HENRY. I thank the gentleman for his kind comments. I think, also, we ought to really be looking at the American people and thanking them for the support they are giving this body in fueling and encouraging our determination to address the issue of the deficit. I think all too often we face this whole effort with too much timidity and fear. As I have gone across my district, I have yet to have one person, in scores of town meetings, who has said, "Don't cut that deficit." They are all supporting the cut. They are all willing to share their burden, as long as the cuts fall equitably. And I am so pleased to have the help of these colleagues who gave us a package of balanced cuts in which the burden does indeed fall equitably.

AN ATTACK ON THE CONSTITUTION

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Texas [Mr. BROOKS] is recognized for 5 minutes.

● Mr. BROOKS. Mr. Speaker, yesterday's New York Times contains an interesting and thoughtful editorial regarding the administration's decision to unilaterally declare a portion of a public law unconstitutional and suspend its application. Last year, President Reagan signed into law the Competition in Contracting Act. At the same time, however, he declared provisions of the act to be unconstitutional and, relying on a memorandum from the Attorney General, ordered OMB Director David Stockman to direct all Federal officials to ignore the provisons of the act to which he objected.

In reaction to this radical and unsupported action on the part of the administration, which strikes at the very heart of our constitutional form of government, last week in the Judiciary Committee I offered an amendment to the Justice Department authorization bill that strikes all funds for the office of the Attorney General unless and until the Department of Justice instructs all executive officials to comply fully with the Competition in Contracting Act.

Mr. Speaker, I have one small quarrel with the New York Times editorial. While it suggests that denying funds for the office of the Attorney General "may be a bit theatrical," I believe that this issue raises such a major constitutional question that Congress must exercise its "Power of the purse" to direct the executive branch from its present course, if our system of free government and the rule of law is to endure.

I submit the New York Times editorial for the consideration of the Members:

CIVICS LESSON FOR MR. MEESE

The Secretary of Education, William Bennett, complained recently that schoolchildren don't know how a bill becomes law or that a President can't declare a law unconstitutional. Now it appears that the problem extends as high as the White House. President Reagan has declared unconstitutional a key provison of a law he signed last year, and Attorney General Meese has instructed Government agencies not to obey it.

As Representative Barney Frank has observed, the Administration is teaching by example, but the wrong lesson. The House Judiciary Committee has responded by denying funds for Mr. Meese's office until he gives out correct institutions. That may be a bit theatrical, but Congress has the better of this argument. Mr. Meese has a right to attack the law in court, but should meanwhile counsel compliance.

The law is the 1984 Competition in Contracts Act. It aims to encourage competition among Federal contractors by strengthening the hand of the General Accounting Office, Congress's investigative arm. The law suspends contract awards up to 90 days for unsuccessful bidders who request a G.A.O. advisory opinion about their bids.

Those G.A.O. opinions do not bind executive agencies but they are often persuasive. The Justice Department argues that the G.A.O.'s role is unconstitutional because it retains discretion to render advice at any time in the 90 days and thus trigger the time of contract execution. A rigid 90-day delay would be all right, says the department, but letting a Congressional agency set the timetable in each case amounts to impermissible overreaching.

This finespun argument has failed its only legal test, in the Federal District Court in Newark. Obeying the law would not prejudice Mr. Meese's right to test it further, but it would show more respect for Congress and the courts. The Attorney General should not have to learn that lesson from Congress. He should be teaching it.●

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted to:

Mr. RAHALL of West Virginia (at the request of Mr. WRIGHT), for today, on account of official business.

SPECIAL ORDERS GRANTED

By unanimous consent, permission to address the House, following the legislative program and any special orders heretofore entered, was granted to:

Mr. HENRY, for 5 minutes, today.

(The following Members (at the request of Mr. CHANDLER) to revise and extend their remarks and include extraneous material:)

Mr. LUNGREN, for 60 minutes, May 15.

Mr. BROYHILL, for 5 minutes, today.

(The following Members (at the request of Mr. WEISS) to revise and extend their remarks and include extraneous material:)

Mr. PICKLE, for 5 minutes, today.

Mr. WEISS, for 5 minutes, today.

Mr. ANNUNZIO, for 5 minutes, today.

Mr. HOWARD, for 5 minutes, today.

Mr. BEDELL, for 5 minutes, today.

Mr. STARK, for 5 minutes, today.

Mr. LOWRY of Washington, for 30 minutes, today.

Mr. GONZALEZ, for 60 minutes, today.

Mr. BROOKS (at the request of Mr. TAUKE), for 5 minutes, today.

EXTENSION OF REMARKS

By unanimous consent, permission to revise and extend remarks was granted to:

Mrs. BENTLEY, on the Panama Canal authorization bill in the Committee of the Whole today.

(The following Members (at the request of Mr. CHANDLER) and to include extraneous matter:)

Mr. BROYHILL.

Mr. DANNEMEYER.

Mr. BARTON of Texas in four instances.

Mr. DORNAN of California.

Mr. CRAIG.

Mr. MOLINARI.

Mr. NIELSON of Utah.

Mr. MCKERNAN.

Mr. SCHULZE.

Mr. CHENEY.

Mr. GEKAS in two instances.

Mr. COURTER in three instances.

Mr. LUJAN.

Ms. SNOWE.

Mr. FRANKLIN.

Mr. DAUB.

Mr. CONTE.

Mr. KEMP in two instances.

Mr. WOLF.

Mr. DUNCAN.

Mr. DREIER of California in three instances.

Mr. FIELDS.

(The following Members (at the request of Mr. WEISS) and to include extraneous matter:)

Mr. LANTOS.

Mr. GRAY of Pennsylvania.

Mr. COELHO.

Mr. PEPPER.

Mr. MILLER of California in two instances.

Mr. ASPIN.

Mrs. BURTON of California.

Mr. MOODY.

Mr. WAXMAN in two instances.

Mr. DOWNEY of New York in two instances.

Mr. RODINO.

Ms. MIKULSKI.

Mr. EDGAR in two instances.

Mr. FOWLER.

Mr. BATES.

Mr. DWYER of New Jersey.

Mr. MONTGOMERY in two instances.

Mr. LELAND in two instances.

Mr. KANJORSKI.

Mr. UDALL.

Mr. NOWAK.

Mr. FLORIO.

Mr. SKELTON.

Mr. PANETTA.

Mr. KOSTMAYER.

Mr. MANTON.

Mr. FRANK.

Mr. MATSUI.

Mr. SOLARZ.

Mr. FROST.

Mr. FUSTER.

Mr. STARK in three instances.

Mr. ACKERMAN in two instances.

Mr. HAMILTON.

Mr. BERMAN.

Mr. HUBBARD.

Mr. RANGEL.

Mr. ROE.

Mr. GUARINI.

Mr. JENKINS.

Mr. MARKEY in two instances.

SENATE ENROLLED JOINT RESOLUTION SIGNED

The SPEAKER announced his signature to an enrolled joint resolution of the Senate of the following title:

S.J. Res. 59. Joint resolution to designate "National Science Week."

ADJOURNMENT

Mr. TAUKE. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 7 o'clock and 2 minutes p.m.), the House adjourned until tomorrow, Wednesday, May 15, 1985, at 10 a.m.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

1280. A letter from the Director, Defense Security Assistance Agency, transmitting notice of the Army's proposed letter of offer to Switzerland for defense articles, pursuant to 10 U.S.C. 133b (96 Stat. 1288); to the Committee on Armed Services.

1281. A letter from the Chairman, District of Columbia Law Revision Commission, transmitting a copy of the 10th annual report of the Commission for the year ending December 31, 1984; to the Committee on the District of Columbia.

1282. A letter from the Director, Defense Security Assistance Agency, transmitting notice of the Army's proposed letter of offer to Switzerland (Transmittal No. 85-31) for defense articles and services, pursuant to 22 U.S.C. 2776(b); to the Committee on Foreign Affairs.

1283. A letter from the Director, U.S. Information Agency, transmitting a report of an independent evaluation of Cuba service programing, pursuant to Public Law 98-111, section 9; to the Committee on Foreign Affairs.

1284. A letter from the Secretary of Transportation, transmitting a report entitled, "The Transport of Methanol by Pipeline," pursuant to Public Law 98-464, section 4(c); jointly, to the Committees on Energy and Commerce and Public Works and Transportation.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. ROSTENKOWSKI: Committee on Ways and Means. H.R. 2475. A bill to amend the Internal Revenue Code of 1954 to simplify the imputed interest rules of sections 1274 and 483, and for other purposes (Rept. No. 99-87). Referred to the Committee on the Whole House on the State of the Union.

Mr. WHEAT: Committee on Rules. House Resolution 169. Resolution providing for the consideration of H.R. 1872 to authorize appropriations for fiscal year 1986 for the Armed Forces for procurement, for research, development, test, and evaluation, for operation and maintenance, and for working capital funds, to prescribe personnel strengths for such fiscal year for the Armed Forces, and for other purposes (Rept. No 99-88). Referred to the House Calendar.

Mr. ST GERMAIN: Committee on Banking, Finance and Urban Affairs. H.R. 1787. A bill to amend the Export-Import Bank Act of 1945; with an amendment (Rept. No. 99-89). Referred to the Committee of the Whole House on the State of the Union.

Mr. UDALL: Committee on Interior and Insular Affairs. S. 817. A bill to authorize appropriations under the Earthquake Hazards Reduction Act of 1977 for fiscal years 1986 and 1987, and for other purposes; with amendments (Rept. No 99-90 Pt. I). Ordered to be printed.

Mr. ST GERMAIN: Committee on Banking, Finance and Urban Affairs. House Concurrent Resolution 76. Resolution expressing the sense of the Congress that the Export-Import Bank of the United States of America should continue to provide preliminary and advanced commitment for loans which may require approval approval on or after October 1, 1985, in keeping with the Bank's mandate, unless and until the Congress of the United States changes that policy or directs the Bank to alter its programs (Rept. No. 99-91). Referred to the House Calendar.

Mr. FASCELL: Committee on Foreign Affairs. H.R. 2456. A bill to amend the Arms Control and Disarmament Act in order to increase the authorization of appropriations for the fiscal year 1985, to extend the authorization of appropriations for the fiscal years 1986 and 1987, and for other purposes (Rept. No. 99-92). Referred to the Committee of the Whole House on the State of the Union.

Mr. UDALL: Committee on Interior and Insular Affairs. H.R. 1426. A bill to authorize and amend the Indian Health Care Improvement act, and for other purposes; with an amendment (Rept. No. 99-94, Part I). Ordered to be printed.

SUBSEQUENT ACTION ON A REPORTED BILL

Under clause 5 of rule X the following action as taken by the Speaker:

The Committee on Interior and Insular Affairs discharged from further consideration of H.R. 1203; H.R. 1203 referred to the Committee of the Whole House on the State of the Union.

The Committee on Public Works and Transportation discharged from further consideration of H.R. 1931; H.R. 1931 referred to the Committee of the Whole House on the State of the Union.

REPORTED BILLS SEQUENTIALLY REFERRED

Under clause 5 of rule X, bills and reports were delivered to the Clerk for printing, and bills referred as follows:

Mr. UDALL: Committee on Interior and Insular Affairs. H.R. 1711. A bill to authorize appropriations for the Nuclear Regulatory Commission for fiscal year 1986 and fiscal year 1987; with amendments; referred to the Committee on Energy and Commerce for a period ending not later than June 28, 1985 for consideration of such provisions of the bill and amendments as fall within that committee's jurisdiction pursuant to clause 1(h), rule XI (Rept. No. 99-93, Pt. I). Ordered to be printed.

PUBLIC BILLS AND RESOLUTIONS

Under clause 5 of rule X and clause 4 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. DUNCAN:

H.R. 2474. A bill to continue until the close of September 30, 1988, the existing suspension of duties on color couplers and coupler intermediates used in the manufacture of photographic sensitized material; to the Committee on Ways and Means.

By Mr. ROSTENKOWSKI (for himself, Mr. PICKLE, Mr. RANGEL, Mr. STARK, Mr. JONES of Oklahoma, Mr. JACOBS, Mr. FORD of Tennessee, Mr. JENKINS, Mr. HEFTEL of Hawaii, Mr. FOWLER, Mr. GUARINI, Mr. MATSUI, Mr. ANTHONY, Mr. FLIPPO, Mr. DORGAN of North Dakota, Mrs. KENNELLY, Mr. COYNE, Mr. DUNCAN, Mr. VANDER JAGT, Mr. FRENZEL, Mr. GRADISON, Mr. MOORE, Mr. THOMAS of California, Mr. DAUB, Mr. GREGG, and Mr. DASCHLE):

H.R. 2475. A bill to amend the Internal Revenue Code of 1954 to simplify the imputed interest rules of sections 1274 and 483, and for other purposes; to the Committee on Ways and Means.

By Mr. PICKLE:

H.R. 2476. A bill to amend the Internal Revenue Code of 1954 relating to the tax treatment of acquisition junk bonds and greenmail, and for other purposes; to the Committee on Ways and Means.

By Mrs. KENNELLY:

H.R. 2477. A bill to amend the Internal Revenue Code of 1954 to provide that the zero bracket amount for heads of households shall be the same as the zero bracket amount for joint returns and surviving spouses; to the Committee on Ways and Means.

By Mr. DE LUGO:

H.R. 2478. A bill to amend the Revised Organic Act of the Virgin Islands, to amend the Covenant to Establish a Commonwealth of the Northern Mariana Islands, to provide for the governance of the insular areas of the United States, and for other purposes; to the Committee on Interior and Insular Affairs.

By Mr. BATES (for himself, Mr. WIRTH, Mr. LELAND, Mr. COATS, Mr. BRYANT, Mrs. JOHNSON, Mr. DENNY SMITH, Mr. DANNEMEYER, Mr. MOORHEAD, Mr. TAUZIN, Mr. NIELSON of Utah, Mr. SLATTERY, Mr. MARKEY, and Mr. WAXMAN):

H.R. 2479. A bill to amend the Communications Act of 1934 to prohibit willful or malicious interference to radio communications, and for other purposes; to the Committee on Energy and Commerce.

By Mr. RANGEL:

H.R. 2480. A bill to amend the Internal Revenue Code of 1954 to increase the earned income credit, to provide that needs based government benefits shall be disregarded in determining dependency status, and for other purposes; to the Committee on Ways and Means.

By Mr. BEDELL:

H.R. 2481. A bill to amend the Higher Education Act of 1965 to provide fair treatment, for purposes of computing family contributions in college student assistance, for students affected by the sale or forfeiture of family farm assets: to the Committee on Education and Labor.

By Mr. BEDELL (for himself and Mr. ROBERTS):

H.R. 2482. A bill to amend the Federal Insecticide, Fungicide, and Rodenticide Act, and for other purposes; to the Committee on Agriculture.

By Mr. BENNETT:

H.R. 2483. A bill authorizing the Secretary of the Interior to preserve the ecology of the Nassau River valley marshlands in the State of Florida, to enhance the protection and interpretation of important historic and prehistoric sites in the vicinity of the Nassau, St. Mary's and St. Johns River valleys, Florida, and for other purposes; to the Committee on Interior and Insular Affairs.

By Mr. BERMAN (for himself and Mr. BROWN of Colorado):

H.R. 2484. A bill to amend title 28, United States Code, to exempt States from the statue of limitations applicable to quiet title actions against the United States; to the Committee on the Judiciary.

By Mr. BIAGGI:

H.R. 2485. A bill to provide for the equitable repayment of construction-differential subsidy; to the Committee on Merchant Marine and Fisheries.

By Mr. BLILEY (for himself, Mr. DANNEMEYER, Mr. NIELSON of Utah, Mr. SMITH of New Jersey, and Mr. BOULTER):

H.R. 2486. A bill to amend the Public Health Service Act to extend title XX relating to adolescent pregnancy; to the Committee on Energy and Commerce.

By Mr. BOSCO:

H.R. 2487. A bill to provide for the restoration of the fish and wildlife in the Klamath and Trinity River basin areas, and for other purposes; jointly, to the Committees on Merchant Marine and Fisheries and Interior and Insular Affairs.

By Mr. BROYHILL (by request):

H.R. 2488. A bill to encourage the standardization of nuclear powerplants, to improve the nuclear licensing and regulatory process, to amend the Atomic Energy Act of 1954, and for other purposes; jointly, to the Committees on Energy and Commerce and Interior and Insular Affairs.

By Mr. CLAY (for himself and Mr. LOWRY of Washington):

H.R. 2489. A bill to amend the National Labor Relations Act to clarify the meaning of the term "guard" for the purpose of permitting certain labor organizations to be certified by the National Labor Relations Board as representatives of employees other than plant guards; to the Committee on Education and Labor.

By Mr. DAVIS:

H.R. 2490. A bill to specifically permit trapping in the Pictured Rocks National Lakeshore, subject to such reasonable rules and regulations as may be prescribed; to the Committee on Interior and Insular Affairs.

By Mr. DOWNEY of New York:

H.R. 2491. A bill to eliminate discrimination with regard to mental illness under Medicare; jointly, to the Committee on Ways and Means and Energy and Commerce.

By Mr. DUNCAN:

H.R. 2492. A bill to amend the Internal Revenue Code of 1954 to provide that an activity relating to the free distribution of low cost articles by certain nonprofit organizations and veterans' organizations in connection with the solicitation of charitable contributions does not constitute an unrelated trade or business of such organization; to the Committee on Ways and Means.

By Mr. HOWARD (for himself, Mr. ROE, Mr. SNYDER, and Mr. STANGELAND):

H.R. 2493. A bill to amend the Federal Water Pollution Control Act to authorize the appropriation of funds for fiscal year 1986; to the Committee on Public Works and Transportation.

H.R. 2494. A bill to authorize the appropriation of funds for fiscal year 1986 for construction, operation, and maintenance of water resources development projects under the jurisdiction of the Secretary of the Army, acting through the Chief of Engineers; to the Committee on Public Works and Transportation.

By Mr. HOWARD (for himself, Mr. ROE, Mr. MOLINARI, Mr. FLORIO, Mr. GALLO, and Mr. COURTER):

H.R. 2495. A bill to prohibit the obligation of Federal highway funds for construction of certain interstate routes in landfill, to limit the location of alternatives to those projects generally to existing land, and for other purposes; to the Committee on Public Works and Transportation.

By Mr. JENKINS (for himself and Mr. MITCHELL):

H.R. 2496. A bill to amend the Internal Revenue Code of 1954 to provide tax incentives to encourage entrepreneurial activity; to the Committee on Ways and Means.

By Mr. JONES of North Carolina (for himself, Ms. MIKULSKI, Mr. BIAGGI, Mr. LENT, Mr. BENNETT, Mr. BREAUX, Mr. DAVIS, Mr. STUDDS, Mr. HUGHES, Mr. LOWRY of Washington, Mr. HUTTO, Mr. TAUZIN, Mr. CARPER, Mr. BOSCO, Mr. TALLON, and Mr. MANTON):

H.R. 2497. A bill to amend the Coastal Zone Management Act to establish a planning and management process for estuaries of national significance; to the Committee on Merchant Marine and Fisheries.

By Mr. LUJAN:

H.R. 2498. A bill to amend the Internal Revenue Code of 1954 to extend the residential energy credit with respect to solar renewable energy source expenditures and to provide a credit for the production and sale of alternate energy; to the Committee on Ways and Means.

By Mr. NIELSON of Utah:

H.R. 2499. A bill to modify the boundary of the Uinta National Forest, UT, and for other purposes; to the Committee on Interior and Insular Affairs.

By Mr. OXLEY (for himself, Mr. TAUZIN, Mr. BROYHILL, and Mr. NIELSON of Utah):

H.R. 2500. A bill to amend the Communications Act of 1934 to improve the method of funding for public broadcasting, and for other purposes; to the Committee on Energy and Commerce.

By Mr. REGULA (for himself and Mr. TAUKE):

H.R. 2501. A bill to reform reimbursement under Medicare for medical education and to create a direct grant program to qualifying institutions for graduate medical education; jointly, to the Committees on Ways and Means and Energy and Commerce.

By Mr. SCHULZE:

H.R. 2502. A bill to provide for the retirement of all U.S. notes of the denomination of $100 and their replacement with new notes in such denomination; to the Committee on Banking, Finance and Urban Affairs.

By Mrs. SMITH of Nebraska:

H.R. 2503. A bill to amend the Reclamation Project Authorization Act of 1972 to authorize an increase in the appropriation for the North Loup Division, Pick-Sloan Missouri Basin Program, Nebraska; to the Committee on Interior and Insular Affairs.

By Mr. FRANK:

H.R. 2504. A bill to amend title XVIII of the Social Security Act to provide for direct medicare payment for services of registered nurse anesthetists; jointly, to the Committees on Energy and Commerce and Ways and Means.

By Mr. BROWN of California (for himself and Mr. KEMP):

H.J. Res. 287. Joint resolution to designate October 1985 as "Learning Disabilities Awareness Month", to the Committee on Post Office and Civil Service.

By Mr. PENNY (for himself, Mr. PORTER, Mr. JONES of Oklahoma, Mr. COOPER, Mr. KOLBE, Mr. BARTON of Texas, Mr. STALLINGS, and Mr. NIELSON of Utah):

H. Con. Res. 147. Concurrent resolution to provide for an across-the-board freeze of new budget authority, by major functional category, for fiscal year 1986; to the Committee on Rules.

By Mr. DE LA GARZA (for himself and Mr. MADIGAN):

H. Res. 170. Resolution to recognize the centennial anniversary of the Holstein-Friesian Association of America; to the Committee on Post Office and Civil Service.

By Mr. EDWARDS of California (for himself, Mrs. SCHROEDER, Mr. MINETA, and Mr. SEIBERLING):

H. Res. 171. Resolution requesting the President to provide to the House of Representatives documents and factual information in his possession or under his control relating to certain counterterrorist units which received covert training or other support from the United States; to the Permanent Select Committee on Intelligence.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. COBEY:

H.R. 2505. A bill for the relief of Kenneth David Franklin; to the Committee on the Judiciary.

By Mr. LENT:

H.R. 2506. A bill to provide for waiver of the requirement that proof of actual use be furnished within 3 years after the date an article is entered, and for reliquidation of certain entries of tubular tin products; to the Committee on Ways and Means.

By Mr. PANETTA:

H.R. 2507. A bill for the relief of Thomas J. Scanlon; to the Committee on the Judiciary.

ADDITIONAL SPONSORS

Under clause 4 of rule XXII, sponsors were added to public bills and resolutions as follows:

H.R. 6: Mr. PENNY.

H.R. 7: Mr. MOLLOHAN, Mr. PENNY, and Mr. RICHARDSON.

H.R. 10: Mr. NOWAK, Mr. HAMMERSCHMIDT, Mr. HOWARD, Mr. MCDADE, Mr. WHITTEN, Mr. GINGRICH, Mr. APPLEGATE, Mrs. JOHNSON, Mr. TOWNS, Mr. BOEHLERT, Mr. VISCLOSKY, Mr. GALLO, Mr. BORSKI, Mrs. BENTLEY, Mr. KOLTER, Mr. STANGELAND, Mr. PERKINS, Mr. MCEWEN, Mr. ANDERSON, Mr. PACKARD, Mr. WISE, Mr. JEFFORDS, Mr. ROE, Mr. FISH, Mr. MINETA, Mr. RIDGE, Mr. EDGAR, Mr. WALGREN, Mr. YOUNG of Missouri, Mr. GEKAS, Mr. RAHALL, Mr. DE LUGO, Mr. SAVAGE, Mr. SUNIA, Mr. BOSCO, Mr. ANDREWS, Mr. ROWLAND of Georgia, Mr. GRAY of Illinois, Mr. TRAFICANT, Mr. FLIPPO, Mr. PRICE, Mr. ADDABBO, Mr. ANNUNZIO, Mr. BARNES, Mr. BEVILL, Mrs. BOGGS, Mr. BONER of Tennes-

see, Mr. BONIOR of Michigan, Mr. BONKER, Mr. BOUCHER, Mrs. BURTON of California, Mrs. BYRON, Mr. CARR, Mr. CHAPPELL, Mr. CLAY, Mr. COELHO, Mrs. COLLINS, Mr. CONYERS, Mr. COOPER, Mr. COYNE, Mr. DASCHLE, Mr. DE LA GARZA, Mr. DELLUMS, Mr. DIXON, Mr. DONNELLY, Mr. DOWDY of Mississippi, Mr. DWYER of New Jersey, Mr. DYMALLY, Mr. EVANS of Illinois, Mr. FAUNTROY, Mr. FOGLIETTA, Mr. FORD of Tennessee, Mr. FRANK, Mr. FUSTER, Mr. FUQUA, Mr. GUARINI, Mr. HEFNER, Mr. HUBBARD, Mr. HUGHES, Mr. JENKINS, Mr. JONES of North Carolina, Mr. KANJORSKI, Mr. KILDEE, Mr. LANTOS, Mr. LEATH of Texas, Mr. LEHMAN of Florida, Mr. LEHMAN of California, Mr. LIPINSKI, Mr. LOWRY of Washington, Mrs. LLOYD, Mr. LUNDINE, Mr. MARTINEZ, Mr. MATSUI, Mr. MAVROULES, Mr. MOLLOHAN, Mr. MORRISON of Washington, Mr. MURPHY, Mr. MURTHA, Mr. NATCHER, Mr. OWENS, Mr. RANGEL, Mr. ROSE, Mr. SABO, Mr. SEIBERLING, Mr. SHELBY, Mr. SISISKY, Mr. STAGGERS, Mr. STOKES, Mr. STUDDS, Mr. SYNAR, Mr. TAUKE, Mr. THOMAS of Georgia, Mr. VENTO, Mr. WATKINS, Mr. WRIGHT, Mrs. KENNELLY, Mr. SHUSTER, Mr. BARNARD, Mr. TORRES, Mr. FORD of Michigan, Mr. WHITLEY, Mr. ERDREICH, Mr. VOLKMER, Mr. MOAKLEY, Mr. MOODY, Mr. GARCIA, Mr. WILLIAMS, Mr. WAXMAN, Mr. FLORIO, Mr. HORTON, Ms. OAKAR, Mr. YATRON, Mr. AKAKA, Mr. LELAND, Mr. ORTIZ, Mr. PANETTA, Mr. TALLON, Mr. EDWARDS of California, Mr. DICKS, Mr. RITTER, Mr. ROGERS, Ms. KAPTUR, Mr. VALENTINE, Mr. MARKEY, Mr. DARDEN, Mr. MCCLOSKEY, Mr. RICHARDSON, Mr. BROOKS, Mr. GONZALEZ, Mr. SIKORSKI, Mr. BEILENSON, Mr. WOLPE, Mr. WEAVER, Mr. ECKART of Ohio, Mr. MITCHELL, Mr. DUNCAN, Mr. LAFALCE, Mr. ACKERMAN, Mr. BIAGGI, Mr. ATKINS, Mrs. LONG, Mr. HAWKINS, and Mr. STRATTON.

H.R. 36: Mr. FEIGHAN.

H.R. 281: Mr. ACKERMAN, Mr. BARNES, Mr. MCDADE, Mr. MOAKLEY, Mr. LEHMAN of California, Mr. WAXMAN, and Mr. DOWNEY of New York.

H.R. 370: Mr. WILSON, Mrs. COLLINS, Mr. WHEAT, Mr. BARNES, Mr. FAUNTROY, Mr. ROE, Mr. LELAND, Ms. KAPTUR, Mr. MITCHELL, and Mr. CLINGER.

H.R. 505: Mr. MONTGOMERY, Mr. HAMMERSCHMIDT, Mr. EDWARDS of California, Mr. WYLIE, Mr. SAM B. HALL, JR., Mr. HILLIS, Mr. APPLEGATE, Mr. SOLOMON, Mr. SHELBY, Mr. MCEWEN, Mr. MICA, Mr. SMITH of New Jersey, Mr. DASCHLE, Mr. BURTON of Indiana, Mr. DOWDY of Mississippi, Mr. SUNDQUIST, Ms. KAPTUR, Mr. BILIRAKIS, Mr. MOLLOHAN, Mrs. JOHNSON, Mr. PENNY, Mr. MOLINARI, Mr. STAGGERS, Mr. RIDGE, Mr. ROWLAND of Georgia, Mr. HENDON, Mr. BRYANT, Mr. ROWLAND of Connecticut, Mr. FLORIO, Mr. GRAY of Illinois, Mr. KANJORSKI, Mr. ROBINSON, Mr. HEFNER, Mr. BONER of Tennessee, Mr. RICHARDSON, Mr. COELHO, Mr. NICHOLS, and Mr. LEHMAN of Florida.

H.R. 555: Mr. BARTLETT and Mr. DANIEL.

H.R. 598: Mr. DELAY, Mr. FEIGHAN, Mr. FAZIO, and Mr. ROYBAL.

H.R. 604: Mr. BIAGGI and Mr. MICHEL.

H.R. 650: Mr. HATCHER.

H.R. 695: Mr. GROTBERG.

H.R. 747: Mr. DE LA GARZA.

H.R. 822: Mr. JACOBS, Mr. MITCHELL, and Mr. MANTON.

H.R. 864: Mr. FEIGHAN, Mr. FISH, Ms. OAKAR, and Mr. STOKES.

H.R. 887: Mr. JEFFORDS.

H.R. 927: Mr. JEFFORDS, Mr. MCHUGH, Mr. MORRISON of Connecticut, and Mr. GREEN.

H.R. 1017: Mr. MANTON.

H.R. 1019: Mr. LENT.

H.R. 1123: Mr. LUJAN, Mr. SHELBY, Mr. CAMPBELL, Mr. WALKER, Mr. HAMMERSCHMIDT, Mr. QUILLEN, Mr. LOTT, Mr. GRADISON, Mr. RINALDO, Mr. COBLE, Mr. PARRIS, Mr. GALLO, Mr. MICHEL, and Mr. ORTIZ.

H.R. 1140: Mr. JONES of Oklahoma.

H.R. 1163: Mr. EDWARDS of Oklahoma and Mr. ARMEY.

H.R. 1197: Mr. ACKERMAN and Mrs. BENTLEY.

H.R. 1207: Mr. WEAVER, Mr. WYDEN, Mr. SWIFT, Mr. TALLON, Mr. DYMALLY, Mr. KOSTMAYER, Mr. CARPER, Mr. LUNDINE, and Mr. MCHUGH.

H.R. 1219: Mr. MURPHY and Mr. HILLIS.

H.R. 1272: Mr. WOLF, Mr. ACKERMAN, Mr. MYERS of Indiana, Mr. DARDEN, Mr. BONIOR of Michigan, Mr. BEILENSON, and Mr. UDALL.

H.R. 1287: Mr. WOLPE, Mr. LEHMAN of California, Mr. MORRISON of Connecticut, and Mr. WEISS.

H.R. 1294: Mr. MORRISON of Connecticut, Mr. FAZIO, Mr. MITCHELL, Mr. MCEWEN, and Mr. CROCKETT.

H.R. 1316: Mr. CLINGER, Mr. HEFTEL of Hawaii, and Mr. SKELTON.

H.R. 1379: Mr. MOLLOHAN.

H.R. 1392: Mr. CRANE.

H.R. 1405: Mr. BRYANT.

H.R. 1408: Mr. EDWARDS of California, Mr. HILLIS, Mr. SAM B. HALL, JR., Mr. SMITH of New Jersey, Mr. APPLEGATE, Mr. BURTON of Indiana, Mr. SHELBY, Mr. SUNDQUIST, Mr. MICA, Mr. BILIRAKIS, Mr. DOWDY of Mississippi, Mrs. JOHNSON, Mr. MOLLOHAN, Mr. RIDGE, Mr. PENNY, Mr. ROWLAND of Connecticut, Mr. ROWLAND of Georgia, Mr. KANJORSKI, and Mr. ROBINSON.

H.R. 1435: Mr. FAZIO, Mr. SHELBY, Mr. RICHARDSON, Mr. SLAUGHTER, Mr. BARNARD, Mr. DURBIN, Mr. SISISKY, Mr. HOYER, Mr. HAMILTON, Mrs. BENTLEY, Mrs. LLOYD, and Mr. DOWDY of Mississippi.

H.R. 1460: Mr. AUCOIN, Mr. BEDELL, Mr. BRYANT, Mr. DWYER of New Jersey, Mr. EARLY, Mr. FUQUA, Mr. GEJDENSON, Mr. GLICKMAN, Mr. HOWARD, Mr. JACOBS, Mrs. LLOYD, Mr. MAZZOLI, Mr. MOLLOHAN, Mr. NEAL, Mr. RAY, Mr. ROE, and Mr. SCHEUER.

H.R. 1482: Mr. REID.

H.R. 1511: Mr. HILLIS.

H.R. 1589: Mr. LAGOMARSINO, Mr. LENT, Mr. FAUNTROY, and Mr. MITCHELL.

H.R. 1615: Mr. TALLON, Mr. HATCHER, Mr. WILSON, Mr. FAZIO, Mr. CLINGER, Mr. DYSON, and Mr. ROBERTS.

H.R. 1650: Ms. SNOWE, Mr. SHAW, Mr. DURBIN, and Mr. MARTINEZ.

H.R. 1704: Mr. FAZIO and Mr. FAUNTROY.

H.R. 1722: Mr. CLINGER.

H.R. 1730: Mr. LEACH of Iowa, Mr. TALLON, Mr. LEWIS of Florida, Mr. KEMP, Ms. CRANE, Mr. CHAPPELL, and Mr. SHUMWAY.

H.R. 1768: Mr. ST GERMAIN, Mr. DUNCAN, Mr. DORNAN of California, Mr. DANIEL, Mr. FAUNTROY, Mr. KOSTMAYER, Mr. HAMILTON, Ms. SNOWE, Mr. LANTOS, and Mr. CROCKETT.

H.R. 1769: Mr. BOEHLERT, Mr. LOTT, Mr. SMITH of New Hampshire, Mr. GUNDERSON, and Mr. ROWLAND of Georgia.

H.R. 1776: Mr. MOLLOHAN.

H.R. 1811: Mr. DREIER of California, Mr. SCHUETTE, Mr. KOLBE, Mr. ROBERTS, and Mr. SHUMWAY.

H.R. 1819: Mr. CRAIG.

H.R. 1840: Mr. LOTT, Mr. TALLON, Mr. ROWLAND of Georgia, and Mr. WEBER.

H.R. 1907: Mrs. BENTLEY.

H.R. 1910: Mr. RICHARDSON and Mr. MARTINEZ.

H.R. 1946: Mr. BADHAM, Mrs. LLOYD, and Mr. MONSON.

H.R. 1969: Mrs. COLLINS, Mr. LEVINE of California, Mr. YATES, Mr. WILSON, and Mr. CROCKETT.

H.R. 1970: Mr. OWENS and Mr. SYNAR.

H.R. 1992: Mr. FOGLIETTA and Mr. FRANK.

H.R. 2015: Mr. BEVILL, Mr. KINDNESS, Ms. MIKULSKI, Ms. KAPTUR, and Mr. ECKART of Ohio.

H.R. 2024: Mr. FAUNTROY and Mr. DONNELLY.

H.R. 2034: Mr. WAXMAN.

H.R. 2111: Mr. CONYERS, Mr. DYMALLY, and Mr. OWENS.

H.R. 2116: Ms. SNOWE.

H.R. 2137: Ms. KAPTUR, Mr. MARTINEZ, Mr. HILLIS, and Mr. WATKINS.

H.R. 2172: Mr. MURPHY, Mr. HEFTEL of Hawaii, and Mr. ANDREWS.

H.R. 2190: Mr. MRAZEK, Mr. ROSE, Mr. ECKART of Ohio, Mr. SMITH of Florida, Mr. FAZIO, Mr. MITCHELL, and Mr. RAHALL.

H.R. 2211: Mr. NICHOLS, Mr. MARTINEZ, Mrs. LLOYD, Mr. ECKART of Ohio, Mr. DERRICK, and Mr. SLATTERY.

H.R. 2235: Mr. LEVIN of Michigan, Mr. MARTINEZ, Mr. RANGEL, and Mr. WILLIAMS.

H.R. 2262: Mr. COUGHLIN, Mr. DASCHLE, Mr. WORTLEY, Ms. MIKULSKI, Ms. KAPTUR, Mr. RICHARDSON, Mr. LEHMAN of California, Mr. DAUB, Mr. SMITH of Florida, Mr. DYMALLY, and Mr. ECKHART of Ohio.

H.R. 2277: Mr. LOTT and Mr. STANGELAND.

H.R. 2280: Mr. BONKER, Mr. FRANK, Mr. LEHMAN of Florida, Mr. HEFTEL of Hawaii, Mr. HUTTO, Mr. BORSKI, Mr. STARK, Mr. RAHALL, Mr. ROE, Mrs. BENTLEY, Mr. MITCHELL, Mr. SCHUMER, Ms. KAPTUR, Mr. CROCKETT, Mr. MURPHY, Mr. FROST, Mr. FLORIO, Mr. TOWNS, Mr. FAZIO, Mrs. COLLINS, Ms. MIKULSKI, Mr. HORTON, and Mr. MRAZEK.

H.R. 2301: Mr. SLATTERY.

H.R. 2343: Mr. EDWARDS of California, Mr. HILLIS, Mr. SHELBY, Mr. MCEWEN, Mr. DASCHLE, Mr. SMITH of New Jersey, Ms. KAPTUR, Mr. SUNDQUIST, Mr. MOLLOHAN, Mr. BILIRAKIS, Mr. PENNY, Mrs. JOHNSON, Mr. STAGGERS, Mr. RIDGE, Mr. ROWLAND of Georgia, Mr. HENDON, Mr. BRYANT, Mr. ROWLAND of Connecticut, Mr. FLORIO, Mr. GRAY of Illinois, Mr. KANJORSKI, Mr. HEFNER, Mr. BONER of Tennessee, and Mr. RICHARDSON.

H.R. 2344: Mr. EDWARDS of California, Mr. WYLIE, Mr. SAM B. HALL, JR., Mr. HILLIS, Mr. MICA, Mr. SOLOMON, Mr. DASCHLE, Mr. MCEWEN, Mr. DOWDY of Mississippi, Mr. BURTON of Indiana, Mr. EVANS of Illinois, Mrs. JOHNSON, Ms. KAPTUR, Mr. MOLINARI, Mr. PENNY, Mr. RIDGE, Mr. STAGGERS, Mr. ROWLAND of Georgia, Mr. HENDON, Mr. GRAY of Illinois, Mr. KANJORSKI, Mr. ROBINSON, Mr. HEFNER, Mr. BONER of Tennessee, Mr. RICHARDSON, Mr. COELHO, and Mr. BUSTAMANTE.

H.R. 2361: Mr. WEISS, Mr. KOSTMAYER, Mr. ACKERMAN, Mr. TOWNS, Mr. WHEAT, Mr. OWENS, Mr. HALL of Ohio, Mr. LEHMAN of Florida, Mr. MOODY, Mrs. COLLINS, and Mr. CROCKETT.

H.R. 2382: Mr. SKEEN, Mr. SHUMWAY, Mr. STANGELAND, and Mr. LOTT.

H.R. 2397: Mr. MONTGOMERY, Mr. SAVAGE, Mr. FOWLER, Mr. KANJORSKI, Mrs. COLLINS, Mr. TORRES, Mr. BEILENSON, Mrs. LLOYD, Mr. LEVIN of Michigan, Mr. HAMILTON, Mr. KASTENMEIER, Mr. MAVROULES, Mr. GEJDENSON, Mrs. SCHROEDER, Mr. SMITH of Florida, Mr. NOWAK, Mr. HUGHES, Mr. EDGAR, Mr. MILLER of California, Mr. BEVILL, Mr. COUGHLIN, Mr. SKELTON, Mr. BOUCHER, Mr. AUCOIN, Mr. DICKS, Mr. BEREUTER, and Mr. CONYERS.

H.J. Res. 64: Mr. BEDELL, Mr. COELHO, Mr. CONYERS, Mr. DASCHLE, Mr. DELAY, Mr. DIOGUARDI, Mr. DONNELLY, Mr. ERDREICH, Mr. FAUNTROY, Mr. HAMMERSCHMIDT, Mr. KEMP, Mr. LEVIN of Michigan, Mr. MOLLOHAN, Mr. MOORE, Mr. MOORHEAD, Mr. NOWAK, Mr.

ORTIZ, Mr. OWENS, Mr. ROBERTS, Mr. SCHAEFER, Mr. SHAW, Mr. SHELBY, Mr. SIKORSKI, Ms. SNOWE, Mr. SNYDER, Mr. SOLARZ, Mr. SPENCE, Mr. STALLINGS, Mr. WOLPE, Mr. BLAZ, Mr. BREAUX, Mr. BROYHILL, Mr. CAMPBELL, Mr. CRANE, Mr. DORNAN of California, Mr. FRENZEL, Mr. MARKEY, Mr. MICA, Mr. MURTHA, Mr. SAXTON, Mr. ROGERS, Mr. COATS, Mr. GEJDENSON, Mr. CROCKETT, Mr. GRAY of Pennsylvania, Mr. MCKERNAN, Mr. WHITLEY, Mr. MORRISON of Connecticut, Mr. NEAL, AND Mr. RICHARDSON.

H.J. Res. 79: Mrs. BOGGS, Mr. CLINGER, Mr. CHANDLER, Mr. CHENEY, Mr. HUTTO, Mr. MACKAY, Mr. LEWIS of Florida, Mr. HOYER, Mr. HEFNER, and Mr. FLORIO.

H.J. Res. 106: Mrs. KENNELLY, Mr. ECKERT of New York, Mr. BONER of Tennessee, Mr. CHENEY, Mrs. BENTLEY, Mr. GEKAS, Mr. GARCIA, Mr. WOLF, Mr. PORTER, Mr. COELHO, Mr. DICKINSON, Mr. DOWDY of Mississippi, Mr. ERDREICH, Mr. RALPH M. HALL, Mr. HAMMERSCHMIDT, Mr. HARTNETT, Mr. LATTA, Mr. PEPPER, Mr. SCHEUER, Mr. BROWN of Colorado, Mr. MARTIN of New York, Mr. OBERSTAR, Mr. CARR, Mr. GEJDENSON, Mr. WEISS, Mrs. BOXER, Mr. BEVILL, Mr. RICHARDSON, Mr. GREGG, Mr. BURTON of Indiana, Mr. STOKES, Mr. COATS, Mr. YOUNG of Alaska, Mr. REGULA, Mr. ACKERMAN, Mr. MOLINARI, Mr. MCMILLAN, Mr. SHUMWAY, Mr. ORTIZ, and Mr. DYSON.

H.J. Res. 182: Mr. VOLKMER, Mr. STANGELAND, Mr. LUNDINE, Mr. FROST, and Mr. FAUNTROY.

H.J. Res. 197: Mr. RICHARDSON, Mr. GREEN, Mrs. HOLT, Mr. DEWINE, Mr. VENTO, Mr. EDWARDS of Oklahoma, Mr. BOLAND, Mr. MURPHY, Mr. SAVAGE, Mr. JACOBS, Mr. HORTON, Mr. COYNE, Mr. CHAPPIE, Mr. OLIN, Mr. TOWNS, Mr. MARKEY, Mr. GINGRICH, Mr. KOLTER, Ms. OAKAR, Mr. EARLY, Mr. ORTIZ, Mr. GRAY of Illinois, Mr. RANGEL, Mr. STANGELAND, Mr. THOMAS of Georgia, Mr. DAUB, Mr. MAZZOLI, Mr. HOWARD, Mr. MARTINEZ, Mr. RAHALL, Mr. HOYER, Mr. WORTLEY, Mr. TORRES, Mr. BRYANT, Mrs. VUCANOVICH, Mr. YOUNG of Florida, Mr. DYSON, Mr. QUILLEN, Mr. ST GERMAIN, Mr. COOPER, Mr. FRENZEL, Mr. SNYDER, Mr. FRANKLIN, Mrs. ROUKEMA, Mr. MOORE, Mr. TAUZIN, Mr. SUNDQUIST, Mr. JEFFORDS, Mr. HAMMERSCHMIDT, Mr. MONTGOMERY, Mr. LOTT, Mr. BOSCO, Mr. MOAKLEY, Mrs. LLOYD, Mr. SKELTON, and Mr. JONES of Tennessee.

H.J. Res. 243: Mr. BATEMAN, Mr. WAXMAN, Mr. MURPHY, and Mr. YOUNG of Missouri.

H.J. Res. 245: Mr. BADHAM, Mr. DAUB, Mr. FAUNTROY, Mr. HORTON, Ms. KAPTUR, and Mrs. LLOYD.

H.J. Res. 267: Mr. COURTER, Mr. BARTON of Texas, Mr. KINDNESS, and Mr. ARMEY.

H.J. Res. 285: Mr. KANJORSKI, Mr. BLILEY, Mr. KLECZKA, Mr. HALL of Ohio, Mr. CARPER, Mr. LOEFFLER, Mr. BROOKS, Mr. FRENZEL, Mr. DURBIN, Mr. BOEHLERT, Mr. HILER, Mr. CHENEY, Mr. SKEEN, and Mr. COATS.

H. Con. Res. 37: Mr. BEREUTER, Mr. CHAPPELL, Mr. FEIGHAN, Mr. LOTT, Mr. LOEFFLER, and Mr. GONZALEZ.

H. Con. Res. 39: Mrs. BURTON of California, Mr. MARKEY, Mr. KOLTER, Mr. FOGLIETTA, Mr. SUNIA, Mr. FAUNTROY, Mr. SMITH of Florida, Mr. ROSE, Mr. LELAND, Mr. YOUNG of Florida, Mr. FLORIO, Mr. SAVAGE, Mr. HOWARD, Mr. SCHUMER, Mrs. BENTLEY, Mr. ORTIZ, Mr. MARTINEZ, Mr. LANTOS, Mr. LEHMAN of Florida, Mr. WHEAT, Mr. SYNAR, Mr. WALGREN, Mr. SHELBY, Mr. FORD of Michigan, Mr. RICHARDSON, and Mr. CLINGER.

H. Con. Res. 41: Mr. CLAY, Mr. SHUSTER, Mr. HAMILTON, Mr. ROGERS, Mr. DOWDY of Mississippi, Mr. ARMEY, Mr. FLORIO, Mr. BIAGGI, Mr. ROTH, and Mr. EDGAR.

H. Con. Res. 69: Mr. YATRON, Mr. LEHMAN of California, Mr. CRAIG, Mr. MADIGAN, Mr. JENKINS, Mr. TALLON, Mr. DYSON, Mrs. MEYERS of Kansas, Mr. LOEFFLER, Mr. BEVILL, Mr. DONNELLY, Mr. GUARINI, Mr. ROGERS, and Mr. LAGOMARSINO.

H. Con. Res. 83: Mrs. BENTLEY and Mr. ANDREWS.

H. Con. Res. 117: Mr. THOMAS of Georgia, Mr. FISH, Mr. YOUNG of Florida, and Mr. PORTER.

H. Con. Res. 121: Mr. SIKORSKI and Mr. WOLPE.

H. Con. Res. 133: Mr. HOWARD and Mr. FLORIO.

H. Res. 60: Mr. BLILEY.

H. Res. 131: Mr. ROBINSON, Mrs. JOHNSON, Mr. BUSTAMANTE, Mr. NIELSON of Utah, and Mr. OBERSTAR.

H. Res. 166: Mr. DIXON, Mr. ZSCHAU, Mr. BARNES, Mr. WOLPE, and Mr. ACKERMAN.

DELETIONS OF SPONSORS FROM PUBLIC BILLS AND RESOLUTIONS

Under clause 4 of rule XXII, sponsors were deleted from public bills and resolutions as follows:

H.R. 778: Mr. MILLER of Ohio.
H.R. 1552: Mr. DENNY SMITH.
H.R. 1626: Mr. ST GERMAIN.

AMENDMENTS

Under clause 6 of rule XXIII, proposed amendments were submitted as follows:

H.R. 1872

By Mr. HERTEL of Michigan:

—Insert the following at the appropriate place in the General Provisions title of the bill:

SEC. —. DEFENSE ENTERPRISE ZONE TEST PROGRAM.

(a) IN GENERAL.—For the purpose of enhancing diversity within the defense industrial base and increasing the number of contractors available for defense programs, the Secretary of Defense (hereinafter in this section referred to as the "Secretary") shall conduct a program during fiscal year 1986 to evaluate the effects of exempting certain contracts of the Defense Logistics Agency of the Department of Defense from the provisions of section 2392 of title 10, United States Code. Under such program, the Secretary may exempt from the provisions of such section any contract of the Defense Logistics Agency if the contract is to be awarded to an individual or firm in an area identified under subsection (b) as a test zone.

(b) CRITERIA.—To carry out the purpose of this section, the Secretary may identify test zones using any or all of the following criteria:

(1) Eligibility criteria—

(A) that is used by the Secretary of Labor to identify an area as a Labor Surplus Area;

(B) that is used to identify an area as eligible for assistance under the Urban Development Action Grant Program established under section 119 of the Housing and Community Development Act of 1974;

(C) that is used to identify an area as eligible for assistance through the Economic Development Administration; or

(D) that would identify any economically disadvantaged area as an area in which there is potential to develop a new defense industrial base, as determined by the Secretary.

(2) Criteria developed by the Secretary for the purpose of identifying economically undiversified areas in which the existing industrial base can be diversified, thus fostering competition in defense procurement and eventual procurement price reductions.

(c) PRICE ENHANCEMENTS.—The Secretary may authorize special price enhancements or incentives to be paid under a contract described in subsection (a) in a case in which there is a reasonable expectation that such enhancements or incentives will promote long term competition in defense procurement and eventual procurement price reduction.

(d) REPORT.—Not later than one year after implementation of the program carried out under this section, the Secretary shall transmit to Congress a report on the implementation and results of such program. The report shall include an accounting of the actions taken and an assessment of the degree to which such actions have met the goals of such program, especially—

(1) the diversification of the defense industrial base;

(2) the development of additional sources for defense procurement; and

(3) reductions in later procurements in the cost of items under contracts affected by this section.

—At the end of the bill add the following new section:

AUTHORITY OF INSPECTOR GENERAL OF DEPARTMENT OF DEFENSE WITH RESPECT TO CERTAIN CONTRACTS

SEC. —. Chapter 137 of title 10, United States Code, is amended by inserting after section 2312 the following new section:

"§ 2312a. Inspector General: authority with regard to contract payments

"(a) In the case of a contract of the Department of Defense with respect to which the Inspector General of the Department of Defense determines—

"(1) based upon audits of the Department of Defense, that there have been excessive charges to the United States by the contractor; and

"(2) that other remedies available to the United States by law and under the contract are insufficient to eliminate promptly waste, fraud, and abuse with respect to the contract;

the Inspector General may immediately suspend payments under the contract or revise the schedule for such payments in order to protect the interests of the United States.

"(b) The Secretary of Defense may, in the interest of national security, overrule any action of the Inspector General under subsection (a). Not later than 30 days after any action by the Secretary under this subsection, the Secretary shall submit a report to the Committees on Armed Services and Governmental Affairs of the Senate and the Committees on Armed Services and Government Operations of the House of Representatives describing the action of the Inspector General that is being overruled, the reason for the decision of the Secretary, and the actions being undertaken by the Secretary to eliminate waste, fraud, and abuse in connection with the contract concerned.".

(b) The table of sections at the beginning of such chapter is amended by inserting after the item relating to section 2312 the following new item:

"2312a. Inspector General: authority with regard to contract payments.".

SENATE—*Tuesday, May 14, 1985*

(Legislative day of Monday, April 15, 1985)

The Senate met at 2 p.m., on the expiration of the recess, and was called to order by the President pro tempore [Mr. THURMOND].

PRAYER

The Chaplain, the Reverend Richard C. Halverson, D.D., offered the following prayer:

Let us pray.

Holy Father in Heaven, here in this place—"this most exclusive club"—are the leaders of America. Give us grace to ask the hard question of ourselves as to what models we are as husbands and fathers. If the family is the foundation of an ordered society, how well do we strengthen that foundation? If everyone operated as we do with our families, what kind of society would we have? Gracious, Forgiving God, help us to take seriously our fundamental responsibility to our families. Help us to be leaders it is safe to follow. Forgive us for our failure, renew us in Your grace, and grant us strength to fulfill our priorities. In the name of Him who is love incarnate. Amen.

REOGNITION OF THE MAJORITY LEADER

The PRESIDENT pro tempore. The distinguished majority leader is recognized.

SCHEDULE

Mr. DOLE. Mr. President, under the standing order, the leaders have 10 minutes each, and then followed by a special order in favor of the Senator from Wisconsin [Mr. PROXMIRE] for not to exceed 15 minutes, followed by routine morning business not to extend beyond the hour of 3 p.m. with statements limited therein to 5 minutes each.

Following routine morning business, it will be the intention of the majority leader to begin consideration of Calendar No. 84, S. 960, the Foreign Assistance Authorization Act for fiscal year 1986.

There will be no rollcall votes before the hour of 5 p.m. today, but votes can be expected after 5 p.m. and on into the evening.

Mr. President, for the information of my colleagues who may be listening in their offices, or members of their staff, I also indicate it is the hope of the leadership and I understand the members on each side of the Foreign Relations Committee that we complete action on the Foreign Assistance Authorization Act, S. 960, tomorrow evening. It could be late tomorrow evening.

On Thursday it is my hope that we can turn to the consideration of Calendar No. 91, S. 1029, the DOD defense authorization bill.

Again, I think we can expect votes throughout the day into 7 or 8 o'clock Thursday evening.

I have discussed with the distinguished chairman of the committee, Senator GOLDWATER, the realities of doing a great deal on Friday. He indicates a strong desire to work throughout the day and into the evening on Friday.

Friday is not a convenient day for many Senators because, again, it is a commencement weekend and many colleagues, I assume on both sides, are being asked to give commencement addresses in their States.

But Senator GOLDWATER believes that he can still make progress on Friday and then back on that bill on Monday in an effort to finish it by the close of business on the following Friday.

If in fact that is a reality or can be a reality, I assume there will be a number of late night sessions next week.

We also hope to dispose of the conference report on IRS auto recordkeeping rules, H.R. 1869, tomorrow.

As far as I know, the only request for time on that is from the distinguished Senator from Ohio, Senator METZENBAUM.

Perhaps we could call it up early one morning and dispose of that conference report. I am not certain a rollcall vote will be required.

We also hope we can dispose of some nominations.

So, I say to the distinguished minority leader and others who may be interested, that is the tentative, hoped-for schedule between now and the Memorial Day recess.

PUBLIC FINANCIAL DISCLOSURE REPORTS DUE MAY 15, 1985

Mr. DOLE. Mr. President, I would like to take this opportunity to remind all Senators that public financial disclosure reports required by Senate Rule 34 and the Ethics in Government Act of 1978, as amended, must be filed no later than close of business on May 15, 1985. These reports should be delivered between the hours of 9 a.m. and 5:30 p.m. to the Senate Office of Public Records, Suite 232, Hart Senate Office Building, Washington, DC. Written acknowledgments will be provided automatically for Senators' reports. Acknowledgments for staff reports will be provided upon request. Written requests for extensions should be directed to the Select Committee on Ethics, Suite 220, Hart Senate Office Building (telephone: 202/224-2981).

The Public Records Office will simultaneously make available for release all Senators' reports on Monday, May 20. Advance requests for copies of these reports are now being accepted by that Office. Members of the press should be directed to the Public Records Office for further information in this regard. Questions should be directed to the Select Committee on Ethics (224-2981) or the Office of Public Records (224-0322).

THANKS FOR THE BUDGET EFFORT

Mr. DOLE. Mr. President, I would like to take a moment to thank the many, many people who were responsible for our budget victory last Friday morning.

Let me start out by offering special thanks to my Senate colleagues whose perseverance and patience over the past 5 months was instrumental in arriving at the final successful deficit-reduction package.

Without the expertise of Budget Committee Chairman PETE V. DOMENICI, the task would have been near impossible. The Senate Republican leadership, including my assistant majority leader, ALAN SIMPSON, JOHN CHAFEE, chairman of the Republican Conference, BILL ARMSTRONG, chairman of the Republican Policy Committee, and JOHN HEINZ, chairman of the Senatorial Committee, were supportive and helpful throughout the negotiations. I also want to note the active participation of PAUL LAXALT, who was present at most of the negotiating sessions, and JIM MCCLURE, who offered critical advice.

The knowledge of our committee chairmen, such as BOB PACKWOOD from Finance, MARK HATFIELD from Appropriations, and JESSE HELMS from Agriculture, was essential in arriving at the specifics of the budget package.

Finally, I want to offer my personal gratitude to three individuals who made the final outcome possible. To Senator PETE WILSON, whose strength

and courage leaving a hospital bed to cast his vote, will be recorded in the history books; to Senator ED ZORINSKY, the man who made the vote a bipartisan one; and to Vice President GEORGE BUSH, who cast the fateful tie-breaking vote. Without them we could not have done it.

SPECIAL THANKS TO STAFF

No feat of this complexity and magnitude can be achieved without prodigious effort by staff. So, Mr. President, I want to personally thank the members of my staff in the majority leader's office, the staff of the Senate Budget Committee, those who work here on the floor and in the cloakroom, as well as those from the White House and the Office of Management and Budget for their dedication and hard work during the long hours we worked developing and finally adopting the fiscal 1986 budget resolution.

From the receptionists at the front desk in the majority leader's office—Kate Rentschler and Pat Wade—who greeted dozens of Senators during countless meetings; to the Parliamentarian, Bob Dove, and his staff who provided essential guidance; to White House staffers Max Friedersdorf, Pam Turner, and M.B. Oglesby for their counsel and tireless efforts; to Steve Bell, Bill Hoagland, Nell Payne, Sid Brown, Tony McCann and all the rest of the staff on the Budget Committee for their expertise and diligence; to the excellent staff of assistant majority leader, ALAN SIMPSON, including Boyd Hollingsworth and Joe Radliff; and finally, my own staff, Rod DeArment, Sheila Burke, Rich Belas, George Pieler, John Gordley, Dean Burridge, Joyce McCluney, Judy Green, Laurie Rubiner, Marilyn Sayler, Margi Mannix, Walt Riker, and Dale Tate; they all played a special role in the ultimate success of the budget debate.

And last but not least, a very special word of praise to David A. Stockman, Director of the Office of Management and Budget, who has spent as much time in my office during the past few months as in his own. Without Dave's encyclopedic knowledge of the Federal budget and his drive, we would never have been able to achieve our goal. His aides—Fred Upton and Larry Burton—are to be commended as well.

It took all their work combined to take what some thought was an impossible dream and turn it into a reality. They are all truly public servants.

MOTHER'S DAY

Mr. DOLE. Mr. President, last Sunday was Mother's Day, the day we paid tribute to a vocation as revered and valued in this society as any other.

Motherhood is a profession which requires the skills of an educator, doctor, mechanic, philosopher, and psychologist all rolled into one. It is a job which entails everything from nursing bruised knees and young, sensitive egos, to fixing flat bicycle tires and broken hearts. It necessitates the patience to teach the basic necessities of life, be it tying a shoe, counting to 10, or crossing the street. And it requires the wisdom to teach the basic virtues of life, be it honesty, integrity, or respect for humankind.

Setting aside a special day to honor mothers is a time-honored practice—as it should be—dating back to the ancient Greeks and Romans. In this country, Julia Ward Howe, best known as the author of the Battle Hymn of the Republic, led the effort to establish a national Mother's Day. The movement was carried forward by Anna Reeves Jarvis, and then by her daughter, Anna M. Jarvis. Miss Jarvis' efforts successfully ended in 1914, when President Woodrow Wilson issued a proclamation setting aside the second Sunday in May as a day for "public expression of our love and reverence for the mothers of the country."

Today, Mother's Day is celebrated throughout the country, with special church services, community events, and family gatherings. Perhaps the most widely known event is the selection of a mother of the year, both nationally and in the various States. The 1985 recipient of this honor in Kansas is Wanda Woodring Westmoreland of Wichita—a woman who raised six children, went back to school in midlife and started a career in teaching. During the day, she teaches reading to special education students; during the evening, she teaches college students; and in her scarce, spare time, she helps foreign students learn the language and customs of this country. She is a mother who has devoted her life to helping and teaching the young, and the many students she has taught owe her a debt of gratitude for enriching their lives.

Mr. President, as children grow into adults and establish their own careers and families, they sometimes tend to lose contact with the mothers who prepared them for life. As marriages mature and settle into routines, husbands sometimes forget to tell the mother of their children how much they care. Every day should be Mother's Day; unfortunately, we too often make that special effort only once a year. I just hope that husbands, children, and grandchildren throughout the country made the special effort May 12, and it was one of the happiest days ever for the mothers in their lives.

FLORENCE NIGHTINGALE'S BIRTHDAY

Mr. DOLE. Mr. President, this week marks the anniversary of the birth of Florence Nightingale—a woman honored in history as the founder of modern day nursing.

She was born in Florence, Italy in 1820 to a wealthy and cultured British family. But she rejected the position of comfort and privilege she inherited for a life devoted to aiding the sick and infirm. Her expert administration of a small hospital on Harley Street in London brought her to the attention of British Secretary at War Sidney Herbert. He called upon her to take charge of a government plan to introduce female nurses into British Army hospitals which were overburdened with casualties from the Crimean War.

Within months of arriving at the frontlines, she instituted orderly administration in the Army's dilapidated, rat-infested hospitals, drastically reducing mortality rates. Her accomplishments captured the imagination of an entire world and prompted Longfellow's famous poetic account of her nightly inspections of the vast wards with a lamp in her hand. Even more importantly, her commitment to quality and high standards for care established the framework around which modern nursing schools throughout the world have designed their educational programs. Nurses and their patients alike, have a great deal for which to thank Florence Nightingale.

The week we commemorate and reflect upon this remarkable individual's contributions to human welfare is also the week we recognize a number of institutions in modern-day society that seek to continue her good work.

For many years, the American Hospital Association has sponsored special programs, exhibits, and community orientation projects throughout the country designed to inform the public about the services of hospitals. The American Health Care Association sponsors similar nationwide activities about the services provided by nursing homes.

This is also the week we honor the Salvation Army, an organization renowned for its selfless efforts on behalf of those who suffer from ill health, as well as poverty and downtrodden spirit. Most recently, we enacted legislation to recognize the contributions of senior centers—places that provide the elderly with hot food, warm friends, and recreation for their young hearts and active minds.

Florence Nightingale died in 1910 at the age of 90, but clearly, her spirit lives on. Florence Nightingale still stands as a source of inspiration and a shining symbol of courage, dedication, and good will.

RECOGNITION OF THE MINORITY LEADER

The PRESIDING OFFICER (Mr. PRESSLER). Under the previous order, the Democratic leader is recognized.

Mr. BYRD. Mr. President, I thank the Chair.

EAGLETON CITES TRUMAN COMMITMENT TO CIVIL RIGHTS UPON RECEIVING THE HARRY S. TRUMAN AWARD FOR PUBLIC SERVICE

Mr. BYRD. Mr. President, on Friday evening, May 9, 1985, Senator TOM EAGLETON was presented the 13th Annual Harry S. Truman Award for Public Service by the city of Independence, MO. He joins many other distinguished Americans who have received the award which is given in honor of our 33d President. Included among those distinguished recipients are such names as Henry Kissinger, Leon Jaworski, Stuart Symington, Hubert Humphrey, Clarence M. Kelley, W. Averell Harriman, Clark Clifford, Jimmy Carter, Matthew Ridgway, Coretta Scott King, and Margaret Truman Daniel.

In receiving the award, Senator EAGLETON paid tribute to the Truman qualities of character—the standard of fairness and commitment to do what is right—which resulted in the first significant steps toward full civil rights for all Americans since the Civil War. I ask unanimous consent that Senator EAGLETON's speech be printed in the RECORD as well as the citation from the city of Independence and additional citations from the city of Kansas City, Jackson County, MO, the Missouri House of Representatives and letters from Senator JOHN C. DANFORTH, Gov. John Ashcroft, and Representative IKE SKELTON.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

REMARKS BY SENATOR THOMAS F. EAGLETON

To study history, is to subject the lives of the great world players to microscopic inspection and analysis. But the price a great man pays for his place in history is also great. His official conduct and his far-reaching decisions are never left unstudied, even after he is departed. This is the case with Harry S. Truman of Independence, the 33rd President of the United States.

Eleven distinguished individuals have received the Harry S. Truman Public Service Award in past years. I have attended nine of those memorable ceremonies. I listened with pleasure as many speakers addressed President Truman's undeniable and remarkable leadership in foreign affairs and policy-making for international peace. One memorable speech—Mrs. Coretta Scott King's in 1983—dealt with Harry Truman's tremendous contribution toward guaranteeing civil rights for America's black people. Today, I too wish to pursue the theme of civil rights, because I deem it the field in which that Truman conscience and personality, that Truman courage and basic sense of fair play had the most telling, penetrating and lasting historical impact.

It is impossible to appreciate the Truman contribution to civil rights without recalling the political climate of his time. No president before or since faced a more fearsome array of challenges than befell Harry Truman in the closing days of World War II. His was a Presidency dogged by controversy, embattled on all sides, and forever shadowed by comparison with the fallen and deeply revered FDR.

As his political fortunes sank deeper and deeper in the polls, the very last thing Truman needed was to stir up a storm over civil rights with the risk of dividing his own party. A more calculating politician, but a lesser man, might have shrunk from the challenge.

Think back, too, to the social climate of 1945 when Harry Truman became President. The status of civil rights in this country was, to put it mildly, deplorable. Blacks were segregated in every facet of American life: education, housing, public facilities, employment, military service. You name the area and America was distinctly separate and distinctly unequal. We were the America of Jim Crow and malign neglect.

In St. Louis, as I grew up in the 1930s and 1940s, segregation was a totally accepted and accustomed way of life. Public swimming pools were segregated. Restrictive covenants were commonplace in deeds to property. In Sportsman's Park, one area was assigned to blacks—the right field pavilion—and blacks were not permitted elsewhere in the park. When Satchel Paige pitched in St. Louis, he pitched in the Negro League before a virtually all-black crowd. When Jackie Robinson played his first game for the Brooklyn Dodgers in St. Louis (May, 1947), blacks were still segregated to the right field pavilion. Enos Slaughter, perhaps the most popular player in St. Louis, threatened not to take the field for the Cardinals with Robinson in the opposing lineup.

Only a ringing statement by National League President Ford Frick prevented a players strike from happening. Even so, Robinson was mocked, ridiculed, spiked and spat upon whenever he played the St. Louis Cardinals in that season of anguish and advancement.

Why? Missouri is a border state with a legacy of tensions arising out of the Civil War and Reconstruction. Yet out of such an apparently unpromising heritage came the man who, more than any President since Abraham Lincoln, changed America from a land of racial isolation and rank discrimination to a country of equal access and equal opportunity. 1948 was not the first time Harry Truman risked his political future for what he believed was right.

Listen to a younger Harry Truman in 1940 speaking in Sedalia, Missouri (certainly no hotbed of liberalism then or now) at a time he was fighting for his political life in the famous Truman-Stark-Killigan Senatorial primary.

"I believe in the brotherhood of man, not merely the brotherhood of white men but the brotherhood of all men before law.

"I believe in the Constitution and the Declaration of Independence. In giving Negroes the rights which are theirs, we are only acting in accord with our own ideals of a true democracy.

"If any class or race can be permanently set apart from, or pushed down below the rest in political and civil rights, so may any other class or race when it shall incur the displeasure of its more powerful associates, and we may say farewell to the principles on which we count our safety.

"In the years past, lynching and mob violence, lack of schools, and countless other unfair conditions hastened the progress of the Negro from the country to the city. In these centers the Negroes never had much chance in regard to work or anything else. By and large they went to work mainly as unskilled laborers and domestic servants.

"They have been forced to live in segregated slums, neglected by the authorities. Negroes have been prayed upon by all types of exploiters from the installment salesmen of clothing, pianos, and furniture to the vendors of vice.

"The majority of our Negro people find cold comfort in shanties and tenements. Surely, as freemen, they are entitled to something better than this. . . . It is our duty to see that Negroes in our locality have increased opportunity to exercise their privilege as freemen . . ."

What moved a man with basically a small-town orientation to hold such views? The answer is Truman's profound sense of fairness. As I read the Truman record, he had one fundamental test he applied to public decision-making: Is it fair? I think that is the test he applied to civil rights. Harry Truman was no flaming crusader. He was first, last, and always a just man who knew in his heart and mind that blacks in America were not treated fairly.

On January 15, 1947, he launched the historic President's Commission on Civil Rights with these words:

"This country could very easily be faced with a situation similar to the one with which it was faced in 1922. That date was impressed on my mind because in 1922 I was running for my first elective office—county judge of Jackson County—and there was an organization in that county that met on hills and burned crosses and worked behind sheets. There is a tendency in this country for that situation to develop again unless we do something tangible to prevent it."

Later, on June 29, 1947, he said this to a meeting of the NAACP at the Lincoln Memorial.

"We cannot be content with a civil liberties program which emphasizes only the need of protection against the possibility of tyranny by the government.

"We must keep moving forward with new concepts of civil rights . . . The extension of civil rights today means not protection of the people against the government, but protection of the people by the government.

"We must make the Federal government a friendly, vigilant defender of the rights and equalities of all Americans. And again I mean all Americans."

And when the Commission came in with its historic report—a landmark civil rights document entitled "To Secure These Rights"—President Truman gave the report his blessing knowing full well it might further split an already splintered Democratic Party.

Henry Wallace had already indicated he was going to run for President and split off the Democratic Far Left. Now, by espousing a civil rights cause, Truman knew that he was putting his candidacy in grave peril in the Deep South. Yet he did it because it was the fair thing to do, the right thing to do.

Truman later described it this way:

"When 1948 was coming along, they said that if I didn't let up with my asking for a Fair Employment Practice Commission and asking for a permanent commission on civil rights and things of that kind, why, some of the Southerners would walk out.

"I said if that happened, it would be a pity, but I had no intention of running on a watered-down platform that said one thing and meant another. And the platform I did

run on and was elected on went straight down the line on civil rights."

"People said I ought to pussyfoot around, that I shouldn't say anything that would lose the Wallace vote and nothing that would lose the Southern vote.

"But I didn't pay any attention to that. I said what I thought had to be said. You can't divide the country up into sections and have one rule for one section and one rule for another, and you can't encourage people's prejudices. You have to appeal to people's best instincts, not their worst ones. You may win an election or so by doing the other, but it does a lot of harm to the country."

Every Democratic President following President Truman and three Republican successors (Eisenhower, Nixon and Ford) have followed the civil rights precepts of Harry Truman. His beliefs, his fundamental sense of fair play, have become the inviolable bipartisan conscience of America.

This, to me, is the greatest of the innumerable Truman legacies to America. Today, when the commitment to fairness and to equal rights and opportunities for all America is again being tested, Truman's example stands as an inspiration to us all. Let us never forget his unshakeable, unswerving call to action—"To Secure These Rights!"

THE CITY OF INDEPENDENCE, PRESENTS THE HARRY S. TRUMAN AWARD FOR PUBLIC SERVICE TO

THOMAS F. EAGLETON

Senator Tom Eagleton's twenty-five years of public service exemplify the qualities of dedication, integrity, and creative leadership which marked the career of President Harry S. Truman.

Furthermore, throughout his eminent political life, during which he rose from circuit attorney to senior senator, he has maintained a concern for the dignity of mankind and a zealous quest for world peace, characteristics shared in common with Harry Truman.

Upon retirement from public office and return to his native Missouri, the demand for his objectivity, expertise, exhuberant personality and caring for the welfare of the people will not cease.

The City of Independence salutes this distinguished American and statesman.

RESOLUTION HONORING THE HONORABLE THOMAS F. EAGLETON AS RECIPIENT OF THE PRESTIGIOUS HARRY S. TRUMAN PUBLIC SERVICE AWARD

Whereas, the Independence Harry S. Truman Award Commission annually honors a public servant possessing the dedication, industry, ability, honesty and integrity that distinguished President Truman by bestowing upon such public servant the Harry S. Truman public service award; and,

Whereas, the Honorable Thomas F. Eagleton, Senior United States Senator from Missouri, has devoted practically all of his adult life to the public service as Circuit Attorney for the City of St. Louis, Attorney General of Missouri, Lieutenant Governor of Missouri, and, for the past sixteen and one-half years, distinguished, able and dedicated United States Senator from Missouri; and,

Whereas, as an officer of the State and as a United States Senator his accomplishments and achievements on behalf of and to the benefit of the people of Missouri have been most numerous and extraordinary; and

Whereas, his contributions to Kansas City in particular are most beneficial and helpful to our progress and to the welfare of our citizens; and,

Whereas, the Independence Harry S. Truman Award Commission will on May 10, 1985, bestow upon the Honorable Thomas F. Eagleton its 1985 Harry S. Truman Public Service Award in recognition of his dedication, industry, ability, honesty and integrity as a public servant, the qualities that distinguished President Truman, himself, throughout his public life; now, therefore, be it

Resolved by the Council of Kansas City: That the Mayor and Council do hereby honor the Honorable Thomas F. Eagleton as recipient of the prestigious Harry S. Truman Public Service Award; and,

Be it further resolved, That this Resolution be spread upon the Minutes of the Council and that a copy hereof be presented to the Honorable Thomas F. Eagleton in token of the high regard and esteem in which he is held in the hearts and minds of the Mayor, Council and people of Kansas City, and in token of their best wishes for his future.

PROCLAMATION

Whereas, Senator Thomas F. Eagleton has been named as recipient of the 1985 Harry S. Truman Public Service Award; and,

Whereas, this award honoring a public servant exhibiting the same dedication, industry, ability, honesty, and integrity that characterized President Truman is made annually at a public presentation at the Truman Library and Museum; and,

Whereas, Senator Eagleton began his career in public service as Circuit Attorney in St. Louis at the age of 27, and has since served the citizens of Missouri as Attorney General, Lieutenant Governor, and as a Senator since 1968; and,

Whereas, Senator Eagleton's efforts were largely responsible for obtaining federal funding for preservation of the Truman Home and having the home declared a National Historic Site; and,

Whereas, Senator Eagleton's 30 year political career has earned him a reputation as being hard working, honest, and caring about his constituents in Missouri and Jackson County; and,

Whereas, the senator is the ranking minority leader of the Senate Governmental Affairs Committee, and the Select Committee on Intelligence; and,

Whereas, whatever political activity he is involved in, Senator Eagleton, as did Harry Truman, always places his concern for the welfare of his fellow Missourians foremost in his interest. Now, therefore,

I, Bill Waris, County Executive of Jackson County, Missouri, do hereby commend and congratulate Senator Thomas F. Eagleton on the honor of receiving the Harry S. Truman Public Service Award and join with the rest of my fellow citizens of Jackson County in expressing our pride and appreciation for his outstanding career in service to the citizens of Missouri and the United States.

MISSOURI HOUSE OF REPRESENTATIVES: RESOLUTION

Whereas, it is indeed a special honor for the members of the Missouri House of Representatives to pay tribute to a truly longstanding and prominent leader in both this state and in our nation, United States Senator Thomas F. Eagleton, whose lifelong record of achievement has greatly enhanced and will continue to enhance the quality of life for all his fellow Americans; and

Whereas, on May 10, 1985, Senator Thomas Eagleton will receive the prestigious Harry S Truman Public Service Award, an award which honors a public servant possessing the dedication, industry, ability, honesty and integrity that characterized Truman; and

Whereas, sponsored by the City of Independence, Missouri, this special award will be presented at the Harry S Truman Library and Museum, marking the most recent highlight of Senator Eagleton's long and illustrious career, during which time he has amassed numerous outstanding accomplishments and has received a great number of impressive awards and honors; and

Whereas, a native Missourian, Thomas F. Eagleton began his public service at age twenty-seven as a Circuit Attorney in St. Louis, and from this beginning he rose to prominence to become Missouri's Attorney General by age thirty-one and to become Lieutenant Governor in 1964, prior to his election to the United States Senate in 1968; and

Whereas, among his many other historic accomplishments, Senator Thomas Eagleton has been noted for the major role he played in such important legislative measures as the Amendment to Halt the Bombing in Cambodia, the War Powers Resolution, the Inspectors General Legislation, the Chrysler Corporation Loan Guarantees, the Clean Water Act, the Clean Air Act, the Older Americans Act, the Promotion of Agricultural Research, the fight against waste and abuse in military spending, fighting escalating energy prices for consumers, the preservation of the Truman home and the Revitalization of Kansas City's hometown; and

Whereas, throughout his thirty years as a key force in local, state and federal government, Senator Eagleton has continued to exemplify the qualities of Harry S Truman as a hard-working, down-to-earth, intelligent, genuine and frank public servant, who has always made the welfare of his fellow Missourians his personal and primary interest: Now, therefore, be it

Resolved That we, the members of the Missouri House of Representatives, Eighty-third General Assembly, hereby voice our highest regard for Senator Thomas F. Eagleton as he becomes the proud and deserving recipient of the 1985 Harry S Truman Public Service Award and further extend to him our very best wishes for happiness, prosperity and fulfillment as he continues to provide his invaluable leadership to promote the well-being of the citizens of our state and nation; and

Be it further resolved that the Chief Clerk of the Missouri House of Representatives be instructed to prepare a properly inscribed copy of this resolution for Senator Thomas F. Eagleton, as a measure of our respect, admiration and gratitude.

U.S. SENATE,
Washington, DC, May 10, 1985.

Hon. THOMAS F. EAGLETON,
Dirksen Senate Office Building,
Washington, DC.

DEAR TOM: I cannot conceive of a more deserving recipient of this year's Harry S. Truman Public Service Award. I did not know President Truman personally, but it has been my great honor and privilege to serve as your junior colleague. Your service to the people of Missouri has been marked by the same splendid ideals, strength of conviction, and courage that were the hallmarks of President Truman.

Your contributions to the cause of human rights and to the furtherance of individual dignity and economic justice are a source of great pride to all Missourians. I know that President Truman would applaud the recognition that your many years of public service are receiving here today.

Sally and I send to you our admiration and congratulations.

Sincerely,

JOHN C. DANFORTH.

EXECUTIVE OFFICE,
STATE OF MISSOURI,
Jefferson City, May 10, 1985.

Hon. THOMAS F. EAGLETON,
Mayor BARBARA J. POTTS, *Post Office Box 1019, Independence, MO.*

DEAR SENATOR EAGLETON: It is a pleasure for me to extend my congratulations upon your receipt of the Harry S. Truman Award for Public Service.

Your commitment to enhancing the quality of life and preserving liberty for your fellow Americans reflects your concern for your fellow man. I know you are proud to receive this award, which reflects the appreciation and esteem felt by your fellow Missourians for your many contributions.

My best wishes to you for health and happiness in the future.

Sincerely,

JOHN ASHCROFT,
Governor.

HOUSE OF REPRESENTATIVES,
Washington, DC, April 10, 1985.

Hon. BARBARA J. POTTS,
Mayor, City of Independence, Independence, MO.

DEAR MAYOR POTTS: It is with great regret that I inform you that I will not be able to attend the Harry S. Truman Award Ceremony when my good friend of many years, Senator Tom Eagleton, will be honored. A long-standing family commitment prevents me from being with you.

Senator Eagleton is truly a most worthy recipient, living up to the highest principles of public service. Throughout the years he has not only made all Missourians proud, but he has been a tremendous leader in the United States Senate.

Please express to Senator Eagleton and those present that I send my heartiest congratulations to him on his special evening.

Best regards.

Very truly yours,

IKE SKELTON,
Member of Congress.

HELEN DEWAR RECEIVES THE EVERETT McKINLEY DIRKSEN AWARD

Mr. BYRD. Mr. President, on May 14, 1985, which is today, Helen Dewar of the Washington Post will receive the Everett McKinley Dirksen Award. Her selection from among 13 nominees from national news organizations makes Helen the fifth reporter to receive this prestigious award.

I am sure that I speak for all of my colleagues in saying that we commend Helen for her outstanding congressional reporting, recognized by this award. The Senate—with its 100 Members, its divergent personalities, its seemingly endless rules and procedures—is not an easy body to cover. It is no secret that I am very interested in the Senate rules and procedures and that I love the Senate as an institution. It is also no secret that the world outside the Washington Beltway cares very little about the rules and procedures. So, I am always pleased to recognize a journalist who not only understands the intricacies of the rules, who understands this institution and its history, but who also is able to relate in layman's terms to her readers what is taking place here. Helen's outstanding coverage clearly shows the extent of her understanding.

From time to time there's been a lot of talk around here of the rights of the minority in the Senate.

Too many times the representatives of the media may think that we Senators only want a story to be written our way. What we have a right to desire is fairness and a balanced story. We in the minority have gotten that from Helen. Helen's readers are well served by her concise and readable coverage of Senate proceedings. Every day there are hundreds of thousands of words printed in the CONGRESSIONAL RECORD which she expertly reduces to a few column inches while still accurately expressing our somewhat voluminous thoughts. I congratulate Helen and, as I say, I know I speak the sentiments of my colleagues on both sides of the aisle in congratulating her on being honored with the Everett McKinley Dirksen Award and the $5,000 cash prize accompanying it.

Mr. President, I ask unanimous consent that I may reserve the balance of my time through to the end of the morning business period.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. BYRD. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The bill clerk proceeded to call the roll.

Mr. PROXMIRE. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

RECOGNITION OF SENATOR PROXMIRE

The PRESIDING OFFICER. Under the previous order, the Senator from Wisconsin [Mr. PROXMIRE] is recognized for not to exceed 15 minutes.

OUR EUROPEAN ALLIES BACK AWAY FROM STAR WARS

Mr. PROXMIRE. Mr. President, with each passing day it appears increasingly more obvious that the star wars, anti-ICBM defense is a loser in Europe. The Reagan administration threw its best pitch for NATO support of star wars in the first 2 weeks of May. It got some initial hearts and flowers. Prime Minister Thatcher told the Congress she favored star wars research. So did Chancellor Kohl of Germany. Defense Secretary Weinberger offered the Europeans some juicy star wars research contract opportunities to sweeten the pot. The President made star wars support a matter of deep personal concern. So how could the European NATO allies say "no?" In a story in the May 13 New York Times, William Broad documents the fact that in spite of the administration's full court press, star wars is not making it in Europe.

The article by Broad does not take into account what may be the most damaging recent European development on star wars. That occurred May 12. Chancellor Kohl of West Germany has made himself the principle and most unqualified supporter of the administration's proposed missile defense system. How did the West German electorate react? On May 12, the Chancellor's conservative Christian Democratic Party suffered a stinging defeat, in fact, according to the New York Times their worst defeat ever in the elections in North Rhine-Westphalia. This is the home of the industrial Ruhr Valley and the most populous state in West Germany. The state's 12½ million voters make up a third of the West German electorate. The timing of the election was one of the reasons President Reagan went to Germany earlier this month on an itinerary specifically designed to assist his close political ally—Chancellor Kohl. The opposition Social Democratic Party not only defeated Kohl's party, the opposition actually won more than a majority of the total votes. And the opposition made Kohl's support for star wars a central issue in the campaign. Obviously this defeat for star wars prime European supporter will make it much more difficult for elected European officials in the future to support the star wars project.

How about the support of star wars research by Prime Minister Thatcher of the United Kingdom when she addressed a joint session of the Congress? Mrs. Thatcher was at pains to delimit her star wars support by insisting that it meet four conditions: First, the Western aim must not be to achieve superiority. Second, development of a space-based defense system would be a matter of negotiation. Third, the overall aim must be to enhance, not undercut deterrence; and fourth, East-West negotiations should aim to reduce levels of offensive arms. Three of these four conditions are simply aims which the Reagan administration can and does avow. But many of our NATO allies understandably will not believe the Reagan avowal. The Europeans have also expressed skepticism about the other condition—

that deployment of star wars be negotiated. They question that after tens of billions of dollars have been expended on star wars research the United States will not proceed to deployment, negotiations, or no negotiations. At any rate, immediately after Prime Minister Thatcher's expressed support for star wars, she approved a statement by her Foreign Secretary Sir Geoffrey Howe that strongly challenged the merit of star wars on a long series of counts.

That leaves the other principle European nuclear power, the French. The French have been strongly and consistently negative on star wars. They have expressed their refusal to take part in the star wars research. They say they intend to engage in their own space-based research program.

What would that French program be? Another star wars? No, indeed. The French say they are actively pursuing their own research on space-based systems to find ways to outwit any Russian ballistic missile defense system. An official in the French Foreign Ministry has said:

> Now we believe it will always be possible to penetrate Soviet defensive systems, although perhaps with high costs, mostly by the multiplication of warheads.

The official said that France expected to expand their force from the current level of 100 warheads to 500 by the mid-1990's. That would be a five-fold increase in nuclear strategic weapons by the French in only 10 years.

Now Mr. President, why are the Europeans opposing this star wars program so strongly pushed by the President of the United States when the United States provides such a vital shield against Soviet military attack? The answers should be obvious. First, the simple fundamental fact on which the star wars defense is based is the high trajectory and long distance any ICBM attack from the Soviet Union would have to traverse to reach the United States. The distance is thousands of miles. The time is at least 20 minutes. The apogee of the trajectory would reach a height of hundreds of miles. Maybe an immensely expensive and ingenious defensive system would be able to stop many or most of the Russian ICBM's launched on such a mission. If so, the United States would be safeguarded from much of what is now about 70 percent of the Soviet strategic missile capability.

Where does that leave Western Europe? The Soviets could hit Western Europe with nuclear tipped missiles that could strike targets in West Germany, France, and even England in 5 minutes or less from the point of firing to target. The trajectory could be tree top. Obviously, star wars would be of little help to Europeans. The administration's star wars defenders dispute this. They argue that with a "layered" capability our European NATO allies could get effective protection against intermediate range and even short range missiles. But even if this technology should effectively supplement the more traditional intercontinental star wars defense, the Europeans argue that all a perfect antinuclear missile defense at its very best would do would be to make Europe and the rest of the world safe for conventional war. Having gone through the savage destruction of conventional World War II in Europe and recognizing the vast increase in conventional military destructive capacity in the 40 years since, the Europeans see little but heartbreak and total destruction in World War III, even if it were confined to conventional weapons. But they know it would not be confined to conventional weapons, certainly not in Europe. Tactical nuclear weapons can be carried by individual soldiers. They have immense destructive capacity. The desperation and ingenuity of another European war would surely push both sides to find ways to use tactical nuclear weapons. So even if star wars worked and worked to perfection, a World War III in Europe would mean total devastation. Europe has enjoyed its longest period of general peace in the past 40 years in modern history. I should say the past 40 years has resulted in the longest peace for Europe in modern history—certainly in many centuries. Why? The answer lies in the terrible threat of total destruction from nuclear war. The deterrence of assured mutual suicide has kept the peace. Star wars could smother that deterrence. The Europeans won't buy that grim possibility.

Mr. President, I ask unanimous consent that the article to which I have referred in the May 13 New York Times by William Broad be printed at this point in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

[From the New York Times, May 13, 1985]

ALLIES IN EUROPE ARE APPREHENSIVE ABOUT BENEFITS OF "STAR WARS" PLAN

(By William J. Broad)

BONN.—Allies in Western Europe seem increasingly worried by military and political dangers they see for their countries in President Reagan's strategic defense initiative, popularly known as "Star Wars."

In public many European leaders laud the project as a potent force that brought the Russians back to the negotiating table, and they hail its five-year, $26 billion research program—at least as a hedge against Soviet efforts in developing space-based defensive arms.

But dozens of interviews with European military experts and Government officials and a review of Government documents and official statements show deep and widespread apprehension about the "Star Wars" plan as it relates to Western Europe.

Some strategists do find value for Europe in President Reagan's concept, first set forth in a speech in March 1983, when he proposed a space shield to render all nuclear weapons "impotent and obsolete."

But the prevailing view, sometimes expressed openly, sometimes privately, is that American defensive space weapons would fail to protect Western Europe from Soviet missile attack, would probably bring on a threatening conventional-arms race, and could well split the North Atlantic Treaty Organization and increase the risk of war.

At the recent Bonn summit meeting, reservations came to the surface as France became the first major power to reject outright the Administration's offer for the allies to join in the research. So far no country in Western Europe has agreed to take part, although Prime Minister Margaret Thatcher of Britain has not ruled it out and Chancellor Helmut Kohl of West Germany has spoken favorably of the possibility of joining.

AN EYE TO POLITICAL FORTUNES

One of the attractions for Europe, apart from the merits or demerits of the defense plan itself, is the prospect of substantial nonmilitary applications of the high-technology research.

Government leaders may be apprehensive about their political fortunes if they tie themselves too closely to the American project, according to some analysts. Opposition political parties, especially in Britain and West Germany, have made a point of publicly denouncing "Star Wars" as dangerous for Europe. Election campaigns in the next two years will probably test the resolve of governing parties to publicly support the American program.

At the heart of European concern lies a key technical consideration—the short time in which Soviet warheads can reach Europe—and the military judgment that many of these weapons would slip underneath the most elaborate shield that the United States could place in space.

GAIN CALLED "ALMOST ZERO"

"The flight time for missiles traveling from the Soviet Union to Western Europe is less than half the time it takes to reach the United States," said Dr. Lawrence Freedman, head of war studies at King's College of the University of London and a leading British strategist. "For missiles launched from Eastern Europe, the flight time is even shorter. The task of intercepting the missiles is therefore correspondingly greater."

An official in the French Foreign Ministry asserted that this showed the futility of space-based defense. "The military gain for Europe is almost zero," he said. "We don't believe for a moment that it is useful."

Echoing that view, Col. Jonathan Alford, deputy director of the London-based International Institute for Strategic Studies, said, "No matter how good the system, we will be more exposed." The institute is a private organization known for its annual assessment of the global military balance.

In contrast to such skepticism, the Reagan Administration sees space-based weapons as potentially effective in defending the United States, essentially because of increases in available response time that might be provided by new technologies. Ground-based defenses in the past had only seconds in which to work and thus could easily be overwhelmed. But in space, a "layered" system of defensive arms would theoretically have many chances to destroy enemy missiles and warheads, even to attack one slipping through the first or second lines of defense.

EUROPE'S SPECIAL PROBLEMS: TIME AND DISTANCE

For the United States, space weapons would be intended particularly to counter Soviet SS-18 missiles, which have a range of about 7,000 miles. Under the 1979 treaty on strategic arms, which the United States Senate has not ratified, the missile is limited to 10 nuclear warheads; however, it is large enough to carry many more than that. According to Reagan Administration officials, space defenses might also destroy SS-20's, which have a range of aboaut 3,000 miles and present a threat to Western Europe.

But West European strategists, because of the proximity of the countries of the Warsaw Pact, are primarily worried about a different set of Soviet weapons—nuclear-armed bombers and smaller aircraft, cruise missiles, artillery shells and a variety of low-flying missiles. The missiles include SS-21's (with a range of about 70 miles), SS-22's (550 miles) and SS-23's (300 miles); as distinct from strategic missiles, which travel many thousands of miles, thesae are known as tactical missiles.

"In Europe we will always be vulnerable," said Yves Boyer, a researcher at the French Institute of International Relations in Paris. "We may get the bomber, but the airplane, the artillery and the tactical missiles will get through."

An emerging question in Europe is whether such Soviet weapons might be stopped by devising a new generation of anti-tactical missiles. Based on the ground rather than in space, these defensive weapons would fly rapidly to obliterate Soviet Warheads closing in on targets. One possible anti-tactical missile might be an advanced version of the Patriot, which is currently being deployed with American troops in Europe for defense against enemy planes.

The Pentagon has studied the possibility of designing new defenses against short-range Soviet missiles. In the months after President Reagan's "Star Wars" speech, a panel headed by the American strategist Fred S. Hoffman said such research "should reduce allied anxieties that our increased emphasis on defenses might indicate a weakening in our commitment to the defense of Europe."

European responses have tended to be skeptical. One fear is that ground-based anti-tactical missiles could easily be overwhelmed. Another is that "leaky" defenses, while theoretically beneficial for North America, would have few advantages for Europe.

"Airfields, storage facilities, and troop concentrations are always going to be more vulnerable than missile silos," said Dr. Dietrich Schroeer, a physicist at the International Institute for Strategic Studies. "There are problems even for the Pershings, which are out in the open, if a bomb goes off miles away. European targets are intrinsically soft and therefore hard to defent."

In contrast, some Administration officials have said that a "leaky" defense of the United States would be worthwhile because it would protect many missile silos—if not cities—thus discouraging Soviet planners from launching a pre-emptive raid.

To some European analysts, the technical difficulties of trying to protect Europe in no way lessen the allure of space defenses for the destruction of Soviet long-range missiles. The protection of North America alone, they say, would suffice to increase European security because the United States would be more willing to aid its allies in a war. In this view, the current American "nuclear guarantee" is a poor promise at best: No American President would order a nuclear strike to defend Bonn or Paris when to do so would mean the destruction of American cities.

"With the risks to America reduced by a system of defense, the policy would become more credible," said Gerald Frost, director of the Institute for European Defense and Strategic Studies in London. The institute is associated with the Heritage Foundation, a conservative research group in Washington.

The counterpoint to this view is that space-based defense might foster isolationism in that the United States, technically able to retreat behind a defensive shield, could abandon Europe to Soviet aggression. According to some analysts, this fear, whether real or imagined, might be enough to split the alliance.

EUROPE'S NUCLEAR ARSENAL: WOULD IT BE OBSOLETE?

Beyond the technical question of whether their land can be defended lies another contentious issue for Europeans: whether American and Soviet space shields would render "impotent and obsolete" not only American and Soviet nuclear missiles but Europe's as well. The question is of special moment for Britain and France, which have their own nuclear arsenals.

Here raw numbers are viewed as critical. The Soviet Union, with its large number of missiles and warheads, might easily overwhelm European ground defenses, while the more limited arms of the French and British might pose a weaker, but still significant, threat in return.

At stake are pride and prestige as well as military might. One fear of the French and British is that their status as world powers would be lost by a switch to expensive systems of space-based defense beyond the means of their national budgets.

"The nuclear game is the last opportunity for France to be a major power," said one French official. In his view, nuclear deterrence has worked, his country has played a role in that strategy and it, in turn, has enhanced his country's status.

"Europeans actually tend to like nuclear weapons," said Colonel Alford of the International Institute for Strategic Studies. "They don't say we want more and more of them, but they say it is nuclear weapons on the whole, their existence, the fear they induce, which has made it impossible to contemplate war."

Over the years, Europe has stockpiled nuclear weapons mainly to counter the numerical superiority of conventional forces in the nations of the Warsaw Pact, although a recent goal has also been to reply to deployment of Soviet SS-20's. Most recently, NATO countries have started to deploy cruise and Pershing 2 missiles, while the British and French have embarked on expensive programs to upgrade nuclear missiles on their submarines.

The financial and social costs of such deployments have been great. Over Easter weekend in West Germany, Britian and Italy, tens of thousands of people protested the stationing of United States missiles in Europe. Yet the price is often viewed as negligible compared to the consequences of not having nuclear weapons in Europe.

Benoît d'Aboville, an arms control official in the French Foreign Ministry, emphasized the point in a recent speech. "Making the world safe for conventional war," he said, "is not at all appealing for Europeans."

A MIXED REACTION FROM ALLIED LEADERS

Skeptical of space-based defenses, European leaders have tended to cautiously back the research while objecting to testing and deployment of defensive arms. In October 1983, the North Atlantic Assembly, which is composed of legislators from NATO countries, reluctantly endorsed President Reagan's research proposal.

"However, undesirable some feel an American ballistic missiles defense system would be," the statement said, "the presence of solely a Soviet system would be still less desirable. Thus, while Soviet missile defense research continues, there is every reason for American research to continue also."

But the next spring France publicly disparaged both the strategic goals and the research. At the Geneva disarmament conference of the United Nations, its Ambassador, Francois de La Gorce, said defensive weapons in space "could threaten the stability—and thus the peace—that has resulted so far from the invulnerability of the means of nuclear response." He added that Mr. Reagan's announcement alone of the intention to go forward with the research "constitutes in itself a spur to redouble the effort to build offensive systems" as a way to try to defeat any possible defense.

The British reaction was cool and legalistic. In a quid pro quo, Prime Minister Margaret Thatcher agreed to support the research in exchange for President Reagan's agreement to these four points: that the Western aim must not be to achieve superiority; that deployment of a space-based defense system would be a matter of negotiation; that the overall aim must be to enhance, not undercut, deterrence, and that East-West negotiations should aim to reduce levels of offensive arms.

In March, Sir Geoffrey Howe, the British Foreign Secretary, raised the level of tacit criticism by cautioning that "we must make sure we are not developing what might prove to be only a limited defense against weapons of devastating destructive force." In a major speech, he listed a host of questions and implied that answers to them might prove disappointing.

Sir Geoffrey's speech was made in the opening week of negotiations in Geneva between the United States and the Soviet Union, and it was answered by a volley of criticism from Reagan Administration officials and others. The Times of London blasted the speech as "mealy-mouthed, muddled in conception, negative, Luddite, informed and, in effect if not intention, a 'wrecking amendment' to the whole plan." Sir Geoffrey, it added, handed the Soviet Union "all the best lines" with which to oppose the missile defense plan "and drive that wedge between Europe and America."

On the other hand, a French diplomat said, "all the questions raised by Sir Geoffrey can be endorse by Europeans in general, and that betrays the intensity of concern."

In West Germany, initial reaction to the "Star Wars" plan was negative. In April, Defense Minister Manfred Wörner said the strategic goals "would lead not to stability, but just the opposite." But chancellor Helmut Kohl, in a speech to the West German Parliament, gave a warm endorsement to "Star Wars" research. He said his Government would "not let itself be rushed" into a decision but generally favored taking part in the program. "We're receptive to the American suggestion," he told Parliament.

THE AMERICAN INVITATION INTENSIFIES THE DEBATE

On March 26, Defense Secretary Caspar W. Weinberger formally invited the allies join in "Star Wars" research. He set a deadline for response of 60 days. The offer was widely characterized by West European officials an ultimatum and viewed by allied officials as a loyalty test. "Your country can do the job exactly by itself," a West German official said, "so what it is really looking for is political support."

Mr. Weinberger eventually backed down on the deadline, but debate on the cooperation issue has heated up. The main reason is that Europe feels it lags badly in high technology and sees "Star Wars" research as one way to catch up. Areas of application of the $26 billion research program are likely to include computers, optics, electronics, metallurgy, materials science and space transportation.

The head of the "Star Wars" research program, Lieut. Gen. James A. Abrahamson of the Air Force, told a group of American military contractors in April that he was "fully confident our allies will be able to participate." He added, "They will be bidding, in some cases, against you."

Indeed, some European companies have said they are interested in cooperation. "Americans are daredevils to go into new fields, and we are always interested in developing new technologies," said Wolf Wehran, a spokesman for Carl Zeiss, a large optical company in West Germany." But we do not need S.D.I. to fill our manufacturing capacity or to insure an innovative program of research into the next century. We can do quite well without it."

An official of a leading European military contractor was more enthusiastic, saying his company was ready to develop an anti-tactical missile for the defense of Europe. "It's just a matter of time and money," he said. He said his company also had a program research into high-energy lasers and was "willing and able" to cooperate with the Pentagon on advanced research in many areas.

Though intrigued, many West European companies have also voiced reservations. Fears include a scientific "brain drain" to the United States and Pentagon controls on the flow of "Star Wars" technologies. According to company officials, the Pentagon might want to limit the exchange of techniques between American and European researchers and to inhibit the export of military technologies by Europeans. In the past, the Reagan Administration has tightened such controls in an attempt to halt the flow of high technology to the Soviet bloc.

OVERCOMING THE BARRIERS: SHOULD EUROPE COMPETE?

According to Francois Heisbourg, a former international security adviser to the French Defense Minister, one way for European countries to overcome the barriers they fear is to form a consortium. "Being subcontractors is not so disagreeable," he said. "But it's not as exciting as working in the forefront of a major industrial venture."

Banded together, European companies might be able to work on such Pentagon projects as the quest for highspeed integrated circuits, he said. "These are going to be used in S.D.I. and everywhere else," Mr. Heisbourg said. "They have tremendous promise, but the program is completely closed to the allies. There's no access."

Partly in response to such concerns, the French Government in April proposed the founding of a European Research Coordination Agency, nicknamed Eureka. The agency would conduct peaceful scientific research in areas similar to those of "Star Wars." Some French officials describe it as a political and economic alternative to the American research program, while others see it as a way to better negotiate "Star Wars" contracts while avoiding a direct political endorsement of the American program.

So far the French proposal has not gained much European support. At an April meeting in Bonn of the Western European Union, the Defense and Foreign Ministers of Britain, France, West Germany, Italy, the Netherlands, Belgium and Luxembourg tried and failed to agree on a joint response to the Reagan Administration's research offer. Part of their debate centered on the merits of Eureka.

A European alternative to "Star Wars" is the last thing desired by American officials, who have criss-crossed Western Europe this year trying to muster support for space-based defenses. Originally, they hoped for a firm endorsement of the research plan at the Bonn summit meeting. Besieged by questions and hesitation, especially from the British and French, Administration officials then said they would settle for a vague supporting paragraph in the final communiqué.

But there was no such paragraph, and President Francois Mitterrand took the occasion to reject the American invitation to take part in the research. At a news conference, Mr. Mitterrand said Europeans should concentrate on a research program of their own rather than "wasting their talent" on a non-European undertaking.

According to an official in its Foreign Ministry, France is already pursuing its own research on space-based systems—but with the goal of finding ways to outwit them. "When we first heard the Reagan speech we were frightened," he said. "But now we believe it will always be possible to penetrate Soviet defensive systems, although perhaps with high costs, mostly by the multiplication of warheads."

In response to improved missile defenses around Moscow, France is already increasing the number of warheads carried by its submarines, according to a Defense Ministry official. The change is from single to multiple warheads on missiles. The force, he said, will be expanded from its current strength of about 100 warheads to 500 warheads by the mid-1990's. He added that the lightness of the new generation of warheads will allow them to carry more decoys to aid in the penetration of Soviet defenses.

THE FUTURE OF "STAR WARS": STRIKING A BALANCE

What the future holds for "Star Wars" in Europe is difficult to ascertain, according to most specialists. The issue is too volatile. Allied Governments are expected to try in equal measure to help the Americans in the Geneva arms talks with the Soviet Union, to fend off attacks from rival political parties and to evaluate the security issues for their own nations.

The immediate issue for countries other than France is whether to accept the American invitation. West Germany is widely considered likely to take part. In saying why he favored cooperation, Chancellor Kohl told the West German Parliament that joining in the research could increase Bonn's influence on questions of deployment and strategy.

But Karsten Voigt, the foreign policy spokesman for the opposition Social Democrats, dismissed the Chancellor's position as naive. "To participate in the research is to endorse the politics," he said in an interview. "We say don't take part in S.D.I. by means of public agreements or resources. We have nothing against participation on a private level, company to company. But to think you can buy influence by taking part in a research program is an illusion. And if you join the research, you are also part of possible East-West conflicts that arise."

An official in Chancellor Kohl's office disagreed, saying the stakes were too high to merely sit on the sidelines. Negotiations in Geneva promise radical reductions in the Soviet arsenal, he said, and therefore strong allied support of the American position is crucial. He added that successful negotiations might "paradoxically" eliminate altogether the need for the deployment of space-based defenses.

Beyond debates over arms talks and political expediency lies what appears to be a fundamental consensus. By all indications, European officials want nothing to do with the actual deployment of space-based defenses. Governments fear that—for Europe—space arms would be useless and costly.

In an era of "Star Wars," Europe would have to pay not only for exotic defenses but also for increased conventional arms with which to deter Soviet aggression. The alternative, nuclear deterrence, is often viewed not as an unspeakable evil but as a positive force for peace.

The difficulty is that the President keeps coming back with his vision," said Dr. Freedman of King's College in London. "There's no doubt about his sincerity. That's what makes it so difficult. But the vision he offers is one that makes Europeans uncomfortable. We don't believe in it.

"The only way your country can be hurt is with nuclear weapons. That's not true in Europe. If war came, the conventional side could dominate. And rightly or wrongly, nuclear weapons have been one of the ways that threat has been held back."

ANGELS OF MERCY

Mr. PROXMIRE. Mr. President, on September 21, 1984, the Wall Street Journal carried an article by Suzanne Garment entitled "The Real Mystery: Why Some Do a Righteous Deed." The article discussed a conference held that month called "Faith in Humankind: Rescuers of Jews During the Holocaust." The conference, which was sponsored by the U.S. Holocaust Memorial Council, featured a group of non-Jews whose courage and moral convictions impelled them to risk their lives for the sake of Jewish fugitives from the Nazis during World War II.

The heroic rescuers told their remarkable stories to the enthralled audience of conference participants. Among the individuals mentioned by Ms. Garment were the following:

Alice Schiffer, a Belgian who guarded 20 Jewish children from the Nazis and also smuggled supplies to Jews hiding in the countryside;

Peter Vlcko, a Czech army officer who provided Jews with phony documents that enabled them to avoid capture;

Martha Dreissen of Germany, who operated a business for her Jewish employer and then went underground with the Jewish woman after the bombing of her building; and

Herman Graebe, a construction worker for the German railroad, who saved 300 Jewish workers by guiding them through Nazi territory to the protective troops of the U.S. Army.

As Ms. Garment noted in her article, these were ordinary men and women who performed extraordinary acts of bravery. In her words, "An analyst searching this conference for what made these rescuers act differently from their fellow Europeans would have had a hard time of it. The meetings were not full of sparkling insights or powerful theories about the riddle. The stunning moments came in the heroic tales." The earthly angels of mercy simply felt a powerful moral obligation to follow the path of righteousness, an obligation which outweighed the possible dangers.

As a result of the fact that there are not nearly enough of these saintly individuals in the world, governments must devote their attention to the problematic task of genocide prevention. Thus, organizers allotted a portion of the conference time to a discussion on the role of public leadership in disasters like the Holocaust. During the discussion, Elliot Abrams, the Assistant Secretary of State for Human Rights, argued that free nations have a moral duty to restrain totalitarian nations because the latter would be most likely to provide a moral climate conducive to genocide. The Reverend Robert Drinan, on the other hand, argued for institutional innovation; specifically, the creation of a United Nations High Commissioner for Human Rights.

Undeniably, Mr. President, there are many possible avenues of experimentation open to us as we strive to ward off the Hitlers of tomorrow, in addition to the venerable tactic of combating totalitarianism. I am greatly distressed, however, by the fact that we have not taken what seems to be the obvious first step. The Genocide Convention has been pending before this Senate since 1949—36 years—and our approval of ratification must not be delayed further, for 96 nations have already joined this pact in an effort to make genocide an international, punishable crime, and they are waiting for the self-styled leader of the free world to reinforce the credibility of that title.

We all know President Reagan has called for ratification, and yet this body has failed to act, although we passed a resolution last year calling on the Senate to act early in our deliberations in the 99th Congress. Well, it is no longer as early as it should be. We have not yet seen the Genocide Convention emerge from the Foreign Relations Committee. And, that is a shame.

THE HEROES OF CONSUMER PROTECTION

Mr. PROXMIRE. Mr. President, consumer protection began to gather steam about 15 or 20 years ago, the Congress enacted a series of laws requiring firms marketing products to disclose information that could guide consumers not only to save money and secure higher quality products but also to safeguard their health and even their life. In recent years—especially with the advent of the Reagan administration—consumers have suffered not only neglect but downright regression. A few days ago I asked two of the outstanding consumer advocates to tell me what Member of the Congress has been most helpful in working with the consumer movement in the past few dark years. They said without hesitation that MICHAEL BARNES, the Congressman from Maryland, has been a highly effective advocate and leader. This Senator knows MICHAEL BARNES only slightly. We have met occasionally in conferences between the Senate and the House. But I have known BARNES primarily by reputation. I have heard much about BARNES' leadership in foreign policy matters affecting Central America. I have heard very little about BARNES in matters that help 230 million citizens of this country. That is surprising. Here is the outstanding Member of the Congress in consumer protection, an area that intimately affects the lives of every single American. We know his views on Nicaragua and El Salvador. We know little about the good work he has done for every American. Well, we should.

And while I am at it, Mr. President, I would like to salute that remarkable Queen of consumer protection, Esther Peterson. For many years Mrs. Peterson has worked in our Government and in the United Nations for consumer protection. She has probably done more to advance the fight for uncontaminated, healthy food and medicine in this country and throughout the world than anyone from any country. And then there is Joan Claybrook. Claybrook has been a real star out in front fighting for safer automobiles and fuller disclosure so the marketplace can work its discipline based on rigorous honesty. And finally, Mr. President, thank heavens we still have the supreme consumer advocate: Ralph Nader. If ever it could be said that you can judge a man by the enemies he makes in Congress and out that can be said of Ralph Nader. As we all know Nader started out by standing up to one of the Nation's richest, biggest, most powerful corporations: General Motors on auto safety in a classic David and Goliath clash. And Goliath—that is, General Motors—bit the dust. Nader has not stopped since then. Consider what this remarkable man has done. He has carried on his crusade with virtually no resources, except his excellent mind, his extraordinary energy, and his absolute integrity. He has pitted this one man operation with the assistance of a handful of enthusiastic idealists who work with him for little or no compensation against the biggest and most powerful corporate interests in the country.

The Nader fight is especially difficult now. The Reagan administration has become the firm and uncritical ally of big business in its clashes with Nader. The President not only has the nearly trillion dollar Federal budget and all the resources that commands on his side, but has the bully pulpit. The President has instant, total access to the American people and the President is a superb persuader. Reagan versus Nader is an elephant versus a very small gnat. The odds are great, but here is a bet on the gnat.

ROUTINE MORNING BUSINESS

The PRESIDING OFFICER. Under the previous order, there will now be a period for the transaction of routine morning business not to extend beyond the hour of 3 p.m. with statements therein limited to 5 minutes each.

THE OLDER AMERICANS ACT—20 YEARS OF SUCCESS

Mr. GORTON. Mr. President, I am pleased to be a cosponsor of Senate Concurrent Resolution 47, to mark the 20th anniversary of the enactment of the Older Americans Act. This commemoration is especially appropriate during the month of May, which the President has declared as Older Americans Month.

The theme of the 1985 Older Americans Month is "Help Yourself to Independence." For the past 20 years the Older Americans Act programs have been doing just that, helping seniors to live independently. The Older Americans Act, through the Federal Administration on Aging and a network of State area and local agencies has helped to foster economic and personal independence for millions of older persons. Since enactment of the programs in 1965, a complex network of 57 States and territorial units on aging and over 660 locally based area agencies on aging and thousands of senior centers have effectively provided a wide array of services to older Americans. The 1966 Older Americans Act budget was $5.7 million. This figure has jumped to more than $1 billion in 1985. This spending increase is indicative of Congress' commitment to our senior citizens.

The Older Americans Act created a coordinated system of services which touch many aspects of a senior's life. Available services include transportation and legal counseling, as well as more intensive home health and social services provided to the frail elderly. The popular nutrition programs serve millions of nutritious meals at senior centers, as well as to the homes of those who are not mobile. The senior centers also provide a gathering place for seniors from all walks of life. I have heard many stories about the warmth and friendships discovered at senior centers and nutrition sites across the Nation.

In 1984 Congress extended the Older Americans Act for an additional 3 years and added several new provisions to benefit senior citizens, their families, and their communities. Special priority in the 1984 reauthorization was given to the training of people who care for victims of Alzheimer's disease. Also, a greater emphasis was placed on general health awareness and disease prevention. Congress realized that with more information and training in their own health needs, seniors can prevent unnecessary illness. Funding for Senior Community Services Employment Program—title V—was increased so that additional low-income seniors can be employed in hospitals, senior centers, and schools.

Washington State's senior centers and nutrition sites are especially active. Washington State has 13 area agencies on aging, 160 senior centers, and annually serves 73,140 seniors through the congregate and home delivered nutrition programs, serving a total of almost 3 million meals. I am pleased to report that a number of the area agencies on aging and senior centers around Washington State are commemorating Older Americans Month and the 20th anniversary of the Older Americans Act along with Congress. As we look forward to many more years of successful services to seniors, I take this opportunity to pause and join with my colleagues in the Senate, as well as with the seniors of Washington State, to mark the 20th anniversary of the Older Americans Act.

AMERICAN WHEAT IN FOREIGN TRADE

Mr. MELCHER. Mr. President, it is discouraging to learn that the opportunities for the utilization of American wheat are thwarted by actions of our own Government. We have indeed witnessed the tragic circumstances where agriculture producers in general have received a sort of short shrift—I guess, to state it more accurately, have gotten very minimal hopes of reversing the situation where their net farm income continues to decline. With wheat producers, it may be worse or may be better than some other particular agricultural commodity producers, but it is the nature of wheat producers to grasp at every opportunity there is to improve their situation because the past several years have found them continually losing ground in their endeavors to make a living, first of all; and second, to improve their economic lot in terms of the debts they owe and the situation they have on their financial sheet that, year after year, shows declining assets and more debt.

Mr. President, I am sorry to have to discuss what I am about to proceed to discuss in light of the serious situation that wheat producers are faced with. I have asked the Department of Agriculture representatives at the markup session of the Agriculture Committee, as we had our first day of markup for the new farm bill, why applications for wheat under various programs that are available to be utilized by foreign countries have been turned down. I specifically mentioned Public Law 480 and section 416. They explained in terms of section 416 that, since that law had only been amended a little over 1 year ago, the regulations were not yet in place. In April of last year—as a matter of fact, a little more than 13 months ago—we modified section 416 so we could be eligible as an export commodity from this country upon application of friendly countries that we deal with both to alleviate any situation they found themselves in in terms of distressed economy in their own particular country and also from our side of it to build the opportunity for further trade expansion in the particular country that was applying.

There have not been any 416 Programs approved in this 13 months since the law was modified to include wheat from any country that we deal with, any country on the globe, for wheat. I find that delay intolerable.

I have been advised that, a few weeks ago, the Department of State had sent out a cable to their people in AID offices of various countries instructing them to refuse to accept any application for wheat under section 416. That is, indeed, true and I shall ask unanimous consent to have printed in the RECORD the cable signed by Secretary of State Shultz where the instruction went out. The cable is dated April 17 and it clearly is of a nature to instruct AID officials in various countries not to accept any application for wheat under section 416.

Section 416 allows the application for wheat for friendly countries, or dairy products, on the basis that the surplus commodities from this country will be sold at full price, reduced price, conditions of terms, all sorts of advantages for the applicant countries. The advantage to the United States is that we dispose of a commodity that is in surplus—wheat and dairy products are our two greatest surplus commodities—and that we have the opportunity to have some trade expansion, not just from that particular sale, but from followup sales.

It is an absolutely sound program. We have used section 416 for dairy products for a number of years, and we could be using wheat today and in the past 13 months had the Department of State and the Department of Agriculture found themselves capable of handling those types of applications.

Mr. President, I believe that this is a very serious shortcoming in the commonsense department. It obviously works to the detriment of the wheat producers of this country; I might add that it is part and parcel of the trade imbalance that we are now experiencing. It also is a very costly delay in reducing some of the surplus of wheat on which we pay storage costs.

Those storage costs for all commodities total about a half billion dollars per year. Now, that is not all wheat. It is for all the commodities. I have not tried to figure out exactly what it is for wheat, but nevertheless wheat storage costs are a part of that total. So refusing to accept applications for American wheat not only hurts wheat producers and our balance of trade, it also hurts the taxpayers of the United States.

Mr. President, I ask unanimous consent that the full copy of the cable from the State Department to the AID offices be printed in the RECORD.

There being no objection, the cablegram was ordered to be printed in the RECORD, as follows:

APRIL 1985.

AIDAC.

Subject: Section 416 food donations—Melcher amendment.

1. Section 416 of the Agricultural Act of 1949 was amended in 1984 to add subsection (b) known as the Melcher amendment.

2. The amendment provides that wheat, as well as dairy products, may be furnished by the Secretary of Agriculture for carrying out title II of Public Law 480. Availability of wheat for section 416 programs must be determined by the Secretary of Agriculture.

3. Second major feature of the amendment provides that "commodities and products furnished under this subsection may be sold or bartered, as approved by the Secretary, solely as follows: (1) Sales and barter which are merely incidental to the donation of the commodities or products, (2) sales and barter which are used to finance the distribution, handling, and processing costs of the donated commodities in the importing country of otherwise for activities that are consistent with providing food assistance to needy people, and (3) sales and barter of commodities and products donated to intergovernmental organizations, insofar as they are consistent with normal programming procedures in the distribution of commodities by those organizations. Except as provided in the foregoing sentence, no portion of the proceeds or services realized from such sale or after may be used to meet operating and overhead expenses."

4. The phrase "activities consistent with providing food assistance to needy people" is subject to a variety of interpretations. The availability of wheat and sale of commodities must be approved by the Secretary of Agriculture with the accord of the DCC working group. Several months have passed during which AID and USDA have sought approval of guidelines for both wheat and monetization. There is, however, no DCC agreement for either.

5. Action requested. Until such time, no new section 416 proposals involving wheat or sales should be submitted. Each USAID that has submitted a proposal under section 416 for either wheat or commodity sale should advise AID/W whether and how they would wish to proceed with only dairy products and no monetization.

SHULTZ.

CITIZENS AGAINST COCAINE

Mrs. HAWKINS. Mr. President, I would like to take an opportunity to commend the organization Citizens Against Cocaine for their drug control activities.

In a worthy effort to curb cocaine abuse in our Nation, Citizens Against Cocaine is being formed as an educational awareness program designed to counter the cocaine marketing strategy by utilizing statewide volunteer groups. This group has three primary goals: First, to diminish the current cocaine market by enlightening, extolling, and convincing as many as possible about the dangers and results of cocaine use; second, to limit the growth of the cocaine market by soliciting nonusers to pledge "Never to buy, sell, or use cocaine;" and third, to educate citizens to the need for support systems to aid those individuals addicted to cocaine and who are desirous of breaking the habit.

Membership in Citizens Against Cocaine is open to everyone—all citizens, business, political, and religious groups. Members are divided into three categories: First, sponsors are organizations initially identified in each region to spearhead the campaign in their region; second, cosponsors are those businesses and organizations who purchase the Citizens Against Cocaine promotional kit and who display the material for all to read and consider; and third, general members are all who join in the effort of the campaign and who pledge to "Never buy, sell, or use cocaine."

The long-range goal of this effort is to generate enough spirit and concern to develop a permanent anticocaine spirit.

Mr. President, as chairman of the U.S. Senate Subcommittee on Children, Family, Drugs, and Alcoholism, I am all too aware of the destructive power of this drug. In numerous hearings and investigations conducted by my subcommittee, more, and more, information reveals just how destructive cocaine really is. Cocaine can cause addiction, paranoia, permanent brain damage, and death. Cocaine ruins minds, marriages, finances, and lives.

One of the most difficult aspects of the fight against cocaine abuse is the popular misconception that it is a relatively harmless, recreational drug. Mr. President, the educational information provided by Citizens Against Cocaine is exactly what should be disseminated in order to counteract this dangerous misconception. I think this fine group is setting out to accomplish a difficult, but necessary task, and I applaud them for their commitment.

As Citizens Against Cocaine states in its strategy report:

This proposal is designed that * * * (we) * * * march together in a nationwide "citizens against cocaine" campaign, passing out literature, putting up posters, sharing information and concerns; enlightening, encouraging and extolling one another to pledge "Never to buy, sell, or use cocaine." For cocaine is America's public enemy No. 1 because cocaine destroys human potential. It enslaves the user; and changes his personality. Cocaine destroys physical health, cocaine divides families. Cocaine reduces productivity. Cocaine results in death. Cocaine is anti-American; antifamily; and antireligion. To be successful in solving America's cocaine problem, we must march together. And if our march is successful, these same feet will be able to dance a victory dance together in the joy and knowledge that once more the American people have demonstrated that the American spirit is unconquerable and indestructive. We would have shown our enemies that we are indeed, one Nation under God.

Mr. President, I think that says it very well. In making the effort we must to eradicate cocaine abuse, we must offer our support to fine organizations like Citizens Against Cocaine. I wish to commend this group's organizers and volunteers for their aspirations and goals. I wish Citizens Against Cocaine much success in their endeavors.

RUSSELL LONG

Mr. HOLLINGS. Mr. President, I call to the attention of my colleagues an article appearing in today's Washington Times. It's entitled "Russell Long's Legacy" and it's written by former Secretary of the Treasury William Simon.

Mr. Simon's words for our esteemed colleague from Louisiana are flattering, but far from fatuous. Indeed, they are words of praise that RUSSELL LONG has earned many times over during his distinguished 37-year tenure in the Senate.

This article does not sum up the outstanding career of my friend, nor will I attempt to do so with my short remarks. There will be ample time later for that. The article I commend to everyone's attention, Mr. President, comments on the vision of RUSSELL LONG and the considerable talents he has brought to this body. Given those abilities, his accomplishments have been notable. Perhaps that was to be expected from the son of Huey Long. His continuation of the populist teaching of his father are evident, but so is a creative wisdom that bears his own imprint. Mr. Simon points this out and outlines the legacy Senator LONG leaves Congress and the Nation.

Much will be said about RUSSELL before he calls it quits sometime next year. The Senate will miss his intelligence and leadership. He may be retiring from his seat in the Senate, but it is the hope of this Senator, and certainly that of his fellow Members, that he continue to contribute his abundant wisdom and talent to the Nation.

Mr. President, I ask that the article I mention appear following my remarks.

The article follows:

[From the Washington Times, May 14, 1985]

RUSSELL LONG'S LEGACY

(By William A. Simon)

When the 100th Congress arrives in Washington in 1987, one man will be conspicuously absent. After 38 years in the Senate, Russell Long, the senior senator from Louisiana, will retire. Those who, like myself, have had the privilege of working with Mr. Long can only consider this something of a minor tragedy.

In the media over the years, Mr. Long's name has most often been associated with resistance to civil-rights legislation in the 1960s, the advocacy of the agricultural and shipping interests of Louisiana, and, especially, his defense of tax provisions beneficial to the petroleum industry. And it's true that in his 14 years as chairman of the Senate Finance Committee, and now as its ranking Democrat, Mr. Long has taken care of those interests well.

But Mr. Long deserves to be remembered for far more than merely looking out for the citizens and industries of his state. He was one of the first to understand that the structure of our tax laws was strangling the capital formation so indispensable to sound economic growth.

Unable to persuade Congress to restructure the tax code to spur investment generally, Mr. Long did the next best thing. He pried open enough loopholes to keep the patient alive until public opinion was ready to accept a genuine cure. For that he took a lot of flack, but it ought to be clear now that what he did was a great public service.

But perhaps the most important reason why Americans should remember this great man with gratitude is that for many years, without much publicity, Mr. Long has been a dedicated and effective champion of expanding the distribution of private property ownership among the people of the United States.

The early statesmen of this country thought deeply about how a free republic could be maintained. Considering the experience of Europe, they argued that concentrated power is ever the enemy of liberty. Power follows property; thus, the concentration of property in the hands of a few would necessarily lead to either revolution or servility. James Madison observed that in the former instance, "The rights of property and public liberty would not be secure," and in the latter, those without property

would become "the tools of opulence and ambition."

But the case for a widespread distribution of property ownership did not rest entirely on the need to protect republican liberty. It was also clear that the opportunity to acquire and enjoy private property was a strong motivating factor in economic growth. In addition, the fact of ownership has a powerful positive effect on an individual's self-image. It encouraged him or her to take part in civic affairs, engage in works of charity and improvement, and stand in the front rank of patriots in time of war.

This emphasis on the importance of helping as many citizens as possible to become owners carried on in our political tradition until the days of the New Deal. Then, except for some continuing interest in promoting home ownership, it pretty much vanished.

The New Deal's interest lay in organizing capitalism, taxing away its profits, and redistributing them among the poor and property less.

The idea of expanding the ownership so that all might participate as owners in a free economic system was not of interest to Franklin D. Roosevelt and his Brain Trust. And except for the efforts of former President Richard Nixon and his secretary of commerce, Maurice Stans, to assist minority enterprise in the first Nixon term, the idea of expanding ownership largely receded from public discussion.

Then came Mr. Long, son of Huey Long—The Kingfish, as he was called—the populist governor and then senator from Louisiana, whose slogan was: "Every man a king."

Mr. Long instinctively grasped the importance of widespread property distribution. He saw clearly the benefits it would bring. And he recognized that the continual taxing and controlling of concentrated wealth to support the propertyless would in due course destroy the American economy.

Mr. Long set out to build a backfire against this trend. His best-known handiwork is the Employee Stock Ownership Plan (ESOP). Largely through his efforts an obscure technical provision in the tax code was widened and generalized to offer real incentives for the owners of corporations to share ownership with their employees.

Today, hundreds of American companies have created ESOPs to give their employees a stake in the business. Among the best known of these are People Express, Quad Graphics, Science Applications, Lowe's Stores, and Weirton Steel.

Since ESOPs became popular, the National Center for Employee Ownership has cataloged a number of studies that illuminate the economic consequences of expanding a firm's ownership to its employees. Without exception, these studies have shown that employee-owned firms show a higher growth in productivity, better ability to weather recessions, bigger returns on investment, and the creation of more jobs than similar firms that are not employee-owned. The reasons are not always clear, but from personal experience I can testify that employee-owned companies typically have fewer problems with inventory control, absenteeism, and labor relations. A realistic opportunity for workers to become owners has a powerful positive effect on employees' productivity, enthusiasm, commitment, and pride in their company.

ESOP refinancing has also been used frequently in recent years as part of rescue efforts for companies facing shutdowns. It is not a miracle cure by any means, but in many cases the productivity gains and positive attitudes flowing from employee ownership have made a viable business out of one that was marginal at best, to the great benefit of both the workers and their communities.

In introducing major ESOP legislation in late 1983, Mr. Long observed that, "If we want this private property system of ours to succeed, we simply must ensure that as many Americans as possible have an opportunity to earn an ownership stake in that system . . . the goal is to provide incentives for financing to be structured in such a way that, in the future, more Americans will have a chance to accummulate a capital estate."

It is a tribute to the power of this concept, as well as to Mr. Long's persuasive powers, that 46 other senators of both parties cosponsored his legislation, including conservatives like Sens. Laxalt, Hatch, and Denton, and liberals like Sens. Kennedy, Tsongas, and Pell. Most of that legislation was signed into law in 1984.

The idea of expanding the nation's capital-ownership base is a powerful one. But unlike so many ideas that capture the voters' minds—ideas like industrial policy, full employment, and price controls, to name a few—expanding ownership has demonstrable advantages for the American economy.

Whatever course his career may take after he leaves the Senate, Mr. Long's voice will doubtless continue to be heard on this subject. It's a voice that presidents and Treasury secretaries ought to be listening to, and there's no reason to wait until 1987 to begin.

NATIONAL ENDOWMENT FOR DEMOCRACY

Mr. MOYNIHAN. Mr. President, when the National Endowment for Democracy was established in 1983, a number of voices were heard in Congress expressing concern that the enterprise would unavoidably begin to develop aspects of official ideology.

Mine was not one of those voices. To the contrary, I spoke at some length and on a number of occasions in support of the experiment. There might have been a time, I argued, when Americans would have had difficulty spending Government money for avowed political purposes abroad, but it seemed to me that we had done a lot of learning in three decades and more of the cold war and could handle such an enterprise with poise and even deftness.

Those who took part in the debate will recall the further argument that absent some above board approach to the challenge of supporting democratic movements in various parts of the world, and of countering antidemocratic forces, we were repeatedly driven to other arrangements which were not suitable.

Last September, the endowment entered an agreement with the International Freedom to Publish Committee of the Association of American Publishers to mount a book exhibit, "America Through American Eyes," at the 1985 Moscow International Book Fair, with an annotated catalog in English and Russian editions, to demonstrate the diversity of American society and the strengths of its democratic institutions.

The committee, on its own, had mounted just such an exhibit at the 1979 Moscow Book Fair, which was thought to have been a huge success. Some 300 titles had been chosen by the New York Public Library, the Philadelphia Free Library, and a small committee of writers and critics headed by the author Mr. Kurt Vonnegut.

To avoid Soviet censorship the 1979 exhibit included an annotated catalog describing the books, in English and Russian, which was distributed in tens of thousands of copies, creating, in their view, an instant underground sensation distributed widely from hand to hand among Soviet citizens.

The same arrangements were followed this time, and Mr. Vonnegut headed up substantially the same selection committee.

Late last week, however, we learned that Mr. Carl Gershman, president of the endowment found the new book list ideologically unsatisfactory.

On May 8, Mr. Gershman wrote Mr. John Macrae III chairman of the publisher's committee, to report that he had obtained an expert opinion that:

> The list displays a unitary political point of view that gives no recognition to some of the most interesting and influential intellectual trends of the past five years.

Mr. President, I have scanned the list of books chosen for this particular exhibit, and recognize its difficulties. May I note in passing that some 180 publishers will be exhibiting their books in Moscow in a combined effort arranged by Baker and Taylor, the book wholesalers. The place will teem with American books, not simply these 300 odd. On the other hand, nothing could easily persuade me to speak ill of any selection of books that includes the work of Paul Horgan or Theodore H. White.

I could surely envision a different list. I was disappointed by the absence of serious, quantitative social science. It is useful to remember, or so I would think, that the Soviets persist in the belief that theirs is a society founded on principles of "scientific socialism," which is to say an accurate understanding of the processes of economic and social change. Well, of course, there is no such understanding: not here, not there. On the other hand, American social scientists look at "America Through American Eyes" with an increasing richness of data, and snatches of insight. I cannot but suppose that among those Muscovites that will attend the 1985 fair more than a few would be interested to find us doing what they can only pretend to be doing. To find, for example, how abundant our census data still is in

contrast to their official statistics which are fast becoming state secrets. So dismal the picture of life in the Soviet Union. Similarly, I would have liked to see a Manhattan telephone directory included on grounds that Muscovites have never seen a telephone directory.

But selections, as such, are beside the point. It is process that matters. The endowment signed a contract with the publishers to pay them $50,000 to pick a list of books and display it in Moscow. The contract says nothing about the endowment having the right to review the list. Consult, yes. Review, no.

One of the things about democracy is that we keep contracts. The notion of reciprocal and binding obligations is central to a constitutional society.

In any event, the inevitable reaction came from the publishers. In a letter yesterday to Mr. Gershman, asking that "this campaign of intimidation be halted"—I happen to believe they are right, that there has been one—they ask for an apology and say that failing an apology they will return the foundation's money, and proceed on their own. They have so far received some $12,000.

In response, Mr. Gershman is quoted in the New York Times as saying that for the publishers to take this position "without even defending the merits of the list, suggests that they must be particularly sensitive to the validity of our criticism."

Over the weekend, Mr. Macrae had to explain to the press that he did not even know the contents of the book lists when Mr. Gershman first questioned it. He himself is a publisher and wished to avoid any conflict of interest or appearance thereof.

This same sense of propriety has led the publishers to take the position they have done, or so I am disposed to believe. The "merits of the list" are precisely that it was chosen by an independent committee.

They voted.

Some of Mr. Gershman's ideological friends appear to have lost, and no doubt some of his opponents. Well, so did some of my friends. Come to think of it, so did I. Elections will do that.

How I wish this had not happened. The endowment owes the publishers the money it contracted to pay. On the other hand, the publishers probably should not accept. Let them go to Moscow under their own diverse and clashing colors.

Mr. Gershman is a young man with a fine desire for public service, and equally great promise. An apology need not be abject. Anybody can make mistakes; that too is another of the ideas that hover about a democracy.

But far, far more important a change in practice is in order. There is no more explicit and implicit provision of the National Endownment for Democracy Act that in no circumstances may the activities of the endowment to used to influence political opinion in this democracy. Indeed articles VIII and IX of the publisher's contract explicitly state:

ARTICLE VIII

LOBBYING

The Grantee agrees that none of the funds provided by this agreement shall be used by the grantee organization or its subgrantees, for lobbying or propaganda which is directed at influencing public policy decisions of the Government of the United States or any State or locality thereof.

ARTICLE IX

PROHIBITION OF POLITICAL ACTIVITY

The Endowment and its Grantees shall make no grants or other expenditures for the purpose of education, training, or informing U.S. audiences of any partisan policy or practice, or candidate for office.

Mr. Gershman, by stating what is ideologically balanced and not balanced, hazards the very condition he properly imposed upon the publishers. These are the conditions under which all moneys of the foundations are expended.

Mr. President, I ask unanimous consent that the booklist chosen for the "America Through American Eyes" and other related documents be reprinted in the RECORD at this place.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

GRANT AGREEMENT BETWEEN THE NATIONAL ENDOWMENT FOR DEMOCRACY, INCORPORATED, AND INTERNATIONAL FREEDOM TO PUBLISH COMMITTEE, ASSOCIATION OF AMERICAN PUBLISHERS

Memorandum of Agreement, made and entered into by and between the National Endowment for Democracy, Incorporated, a nonprofit corporation located at 1156 Fifteenth Street, N.W., Suite 304, Washington, D.C. 20005 (hereinafter referred to as the "Grantor" or the "Endowment") and the International Freedom To Publish Committee, Association of American Publishers located at 1 Park Avenue, New York, NY 10016 (hereinafter referred to as the "Grantee").

Whereas, the National Endowment for Democracy Act, P.L. 98-164 (hereinafter referred to as the "Act") and U.S. Information Agency Grant No. 1A-20955-19-G provide that the Endowment (shall) grant funds to carry out the purposes of the Endowment as specified in the act.

Now, Therefore, This Agreement Witnesseth:

ARTICLE I

Purpose

The Endowment hereby awards a grant of $50,000.00 to the International Freedom To Publish Committee, Association of American Publishers to enable the Committee to carry out program objectives, which are consistent with the purposes set forth in Section 502(b) of the Act, as follows:

To mount a book exhibit, "America Through American Eyes," at the 1985 Moscow International Book Fair, with annotated catalogue, in English and Russian editions, to demonstrate the diversity of American society and the strengths of its democratic institutions.

ARTICLE II

A. The period of this agreement shall be from September 17, 1984 through September 30, 1985.

B. The unexpended but obligated balance of funds provided under this grant agreement shall continue to be available to the Grantee until expended for the specific purposes authorized under this agreement.

C. Funds not obligated by the Grantee during the period specified in A above, shall not be available to the Grantee until expended for the purposes authorized under this agreement.

D. Use of unobligated funds for purposes other than those specified under this agreement, may only be made with the prior approval of the Endowment.

ARTICLE III

Payment, Items of Expenditure, and Accounting Data

A. The funds awarded pursuant to this agreement shall be used to further the objectives described in Article I; shall be paid to the Grantee in accordance with the provisions of Section B herein below; and shall be expended in accordance with the Items of Expenditure set forth in Section C herein below.

B. The Grantor shall disburse to the Grantee funds on an as needed basis. The expenditure projections set forth in Attachment B, Cash Flow Projections should reflect actual anticipated expenditures as closely as possible, although initially these may be estimates. Because of the extensive amount of time involved in overseas transactions, the Endowment will consider cash advances or "anticipated cash requirements" as expenditures for purposes of an expenditure estimate. The Grantee must request a drawdown from the Endowment in a prescribed written format at least five days in advance of a scheduled disbursement date in order to receive funds. All changes in cash flow requirements should be submitted in writing along with a revised cash flow schedule. The Grantee agrees to ensure that surplus funds do not accumulate in Grantee accounts in excess of regular expenditure requirements.

c. *Items of Expenditure.* All items of expenditure shall be in accordance with the following amounts.

Program costs

Salaries:	
Director—5 mos. at $2,000/month	$10,000
Secretary—5 mos. at $1,200/month	6,000
Communications and postage:	
Postage	4,000
Telephone	2,500
Subtotal	6,500
Contractual services:	
Translation of the catalog	2,500
Typesetting	3,500
Copy editing	2,000
Design and photo work	1,500
Paper and printing	17,250
Subtotal	26,500
Other direct costs: Meeting of selection committee	1,000
Total	50,000

D. Any transfer of funds between administrative and program categories shall require the prior written approval of the Endow-

ment. Transfers of funds between the above listed items that do not involve transfers between adminstrative and program categories and that exceed a fifteen percent increase or decrease in any one item may only be made after ten (10) days written notice to the Endowment of the intention to make such a transfer.

E. Allowability of costs incurred under this agreement will be determined generally in accordance with Office of Management and Budget Circular A-122 "Cost Principles for Nonprofit Organizations", Attachment C, as in effect on the date of this agreement, until the Endowment and USIA determine which, if any, are applicable to the Endowment.

F. Travel and per diem costs charged to this agreement by the Grantee and its subgrantees shall be limited to the per diem amounts provided for U.S. Government employees for staff and U.S. participants. Foreign participants may be provided per diem and allowances not in excess of the amounts provided for International Visitors under the programs of the U.S. Information Agency.

G. The grant made by the Endowment to the Grantee may include the costs of an accounting and reporting system established to meet the requirements of this grant.

H. Compensation made to consultants in amounts exceeding the federal daily maximum rate must be approved by the Endowment on the basis of salary history and standards of comparability.

ARTICLE IV

Responsibilities

In carrying out the purpose of this agreement, the Grantee shall be responsible for:

A. Planning, organizing and administering the program to carry out activities consistent with the purposes of the Endowment and the Act, Attachment D, and the program objectives in Article I, above.

B. Providing funds to other organizations only for activities which are consistent with the purposes set forth in section 502(b) of the Act.

C. Providing information to the Endowment on Grantee program activities on a timely basis in order to ensure the responsible implementation of the purposes of the Act.

D. The Grantee shall comply with the requirements of section 504 of the Act and further shall insure that the Institute and its grantees comply with the audit and reporting requirements of Section 504.

E. The Grantee shall be subject to the appropriate oversight procedures of the endowment and the Congress. These procedures include the following:

1. The Grantee agrees to keep such records as may be reasonably necessary to fully disclose the amount and the disposition by the Grantee of the funds granted under the terms of this agreement, the total cost of the project or undertaking in connection with which such funds are given or used, and the amount and nature of that portion of the cost of the project or undertaking supplied by other sources, and such other records as will facilitate an effective audit.

2. The accounts of the Grantee shall be audited annually in accordance with generally accepted auditing standards by independent certified public accountants or independent licensed public accountants certified or licensed by a regulatory authority of a State or other political subdivision of the United States. The audits shall be conducted at the place or places where the accounts of the Grantee are normally kept. All books, accounts, financial records, reports, files and all other papers, things or property belonging to or in use by the Grantee and necessary to facilitate the audits shall be made available to the person or persons conducting the audits; and full facilities for verifying the transactions with any assets held by depositories, fiscal agents, and custodians shall be afforded to such person or persons.

3. The report of each such independent audit shall be included in an annual report to the Endowment. The audit report shall set forth the scope of the audit and include such statements as are necessary to present fairly the Grantee's assets and liabilities, surplus or deficit, with an analysis of the changes therein during the year, supplemented in reasonable detail by a statement of the Grantee's income and expenses during the year, and a statement of the application of funds, together with the independent auditor's opinion of those statements.

4. The financial transactions of the Grantee for each fiscal year may be audited by the General Accounting Office in accordance with such principles and procedures and under such rules and regulations as may be prescribed by the Comptroller General of the United States. Any such audit shall be conducted at the place or places where accounts of the Grantee are normally kept. The representatives of the General Accounting Office shall have access to all books, accounts, records, reports, files and all other papers, things, or property belonging to or in use by the Grantee pertaining to its financial transactions and necessary to facilitate the audit; and they shall be afforded full facilities for verifying transactions with any assets held by depositories, fiscal agents and custodians. All such books, accounts, records, reports, files, paper, and property of Grantee shall remain in the possession and custody of the Grantee.

5. The Endowment reserves the right to conduct or have conducted its own audit of the Grantee's records in the exercise of its obligations under the Act and the USIA Grant.

6. Not later than October 31 of each year, the Grantee shall submit an annual report for the Endowment for incorporation in the Endowment's annual report to the President for transmittal to the Congress. The report shall include a comprehensive and detailed report of the Grantee's operations, activities, financial condition, and accomplishments under the Act and may include such recommendations as the Grantee deems appropriate.

7. The Board member(s) and officers of the Grantee shall be available to testify (together with Board members and officers of the Endowment) before appropriate committees of the Congress with respect to such report, the report of any audit made by the Comptroller General pursuant to the subsection 504(f) of the Act or any other matter which such committee may determine.

ARTICLE V

Reports

The Grant will retain in the permanent files the following written reports, copies of which will be sent to the Endowment.

A. Program—

1. The Grantee shall provide to the Endowment, on a regular basis, reports necessary to monitor the progress of program activity and ensure compliance with legislative requirements. Reports are to be in the form specified in Attachment E. Such reports on grantee program activities are to be provided on a quarterly basis.

2. The Grantee shall prepare an annual report of its program activity (Section IV E. 6. above) for submission to the Endowment in order that this report may be included in the Endowment's annual report to the President and Congress, as required under Section 504(h) of the Act.

B. *Financial*—The Grantee shall provide financial reports on a regular basis along with the program reports referred to in Sections A.1 and A.2. above. These reports are to be provided on a quarterly and annual basis. Reports are to be provided in the form specified in Attachment E.

C. *Expenditure Estimates*—The Grantee shall provide modifications to expenditure estimates to ensure that excess funds do not accumulate in Grantee accounts as set forth in Article III. B.

ARTICLE VI

General Liaison and Consultation

The Grantee agrees to consult with the Endowment on a regular basis regarding program implementation and evaluation.

ARTICLE VII

Nonexpendable Personal Property

The provisions of Office of Management and Budget Circular A-110 "Uniform Administrative Requirements, Attachment N," appended hereto as Attachment F, shall apply to any nonexpendable personal property purchased with funds provided by this agreement, except to the extent that the endowment and USIA determine that such provisions are not applicable.

ARTICLE VIII

Lobbying

The Grantee agrees that none of the funds provided by this agreement shall be used by the grantee organization or its subgrantees, for lobbying or propaganda which is directed at influencing public policy decisions of the Government of the United States or any State or locality thereof. This provision shall not be construed so as to abridge the right of any grantee organization to exercise the same freedom of speech as is protected by the first article of amendment of the United States Constitution, so long as such organization does not use funds provided under this grant in exercising such right.

ARTICLE IX

Prohibition of Political Activity

The Endowment and its Grantees shall make no grants or other expenditures for the purpose of education, training, or informing U.S. audiences of any partisan policy or practice, or candidate for office. This does not exclude making grants or expenditures for the purpose of educating, training, or informing audiences in other countries on the values of democracy that may incidentally educate, train, or inform American participants.

ARTICLE X

Discrimination

The Grantee agrees to comply with:

A. Title VI of the Civil Rights Act of 1964, as amended, 42 U.S.C. 2000d et seq., which prohibits discrimination on the basis of race, color, or national origin in programs and activities receiving federal financial assistance.

B. Section 504 of the Rehabilitation Act of 1973, as amended, 29 U.S.C. 794, which prohibits discrimination on the basis of handi-

cap in programs and activities receiving Federal financial assistance.

C. Title IX of the Education Amendments of 1972, as amended, 20 U.S.C. 1681 et. seq., which prohibits discrimination on the basis of sex in education programs and activities receiving Federal financial assistance.

D. The Age Discrimination Act of 1975, as amended, 42 U.S.C. 6101 et. seq., which prohibits discrimination on the basis of age in programs or activities receiving Federal financial assistance.

ARTICLE XI

Prohibited activities

A. The Grantee agrees not to engage in activities unlawful under the laws of the United States, its states, and any subdivisions thereof.

B. There shall be no expenditure by the Endowment or its grantees for the purpose of supporting physical violence by individuals, groups, or governments.

C. No person engaged in intelligence activity on behalf of the United States government or any other government shall be employed by the endowment or by any of its grantees.

D. No funds provided hereunder shall be used to finance the campaigns of candidates for public office.

ARTICLE XII

Indemnity

The Grantee agrees to indemnify the Endowment and its Officers and Directors, including costs of defense, for any claim made against them arising out of the grantee's performance of this grant agreement.

This indemnity shall be in excess of the Endowment's insurance policies, but not limited by the scope of such policies.

ARTICLE XIII

Amendments and Modifications

No amendment or modification of this agreement shall have any force or effect unless it is in writing and signed by an authorized representative of the Endowment and the authorized representative of the grantee organization.

Attachment A

ASSOCIATION OF AMERICAN PUBLISHERS, INC.,

New York, NY, January 23, 1984.

Mr. ALLEN WEINSTEIN,
National Endowment for Democracy, Washington, DC.

DEAR ALLEN: I am writing to you at the suggestion of Jeri Laber who has, I understand already mentioned to you the major book exhibit for which the Association of American Publishers is now seeking funds. It is our hope that the National Endowment for Democracy will be interested in funding this project, which is very much in keeping with the NED's mandate.

Our goal is to mount a 300-book exhibit, including a large number of picture books, at the 1985 Moscow Book Fair. The exhibit, entitled "America Through American Eyes," would subsequently be shown in other countries, especially in countries where freedom of expression is curtailed or suppressed. The concept is simple: to describe life and thought in the United States, its diversity and freedom, by displaying a wide variety of books written by Americans about the United States. The exhibit itself will be a testimony to the free speech and free press that exist in our democracy.

As you may know, the Association of American Publishers a good record in this matter. Its first "America Through American Eyes" exhibit, displayed at the 1979 Moscow Book Fair, was a huge success with the Soviet people. The roughly three hundred books were selected by the New York Public Library, the Philadelphia Free Library, and a small committee of writers and critics headed by Kurt Vonnegut. Most of the books had been published within the five years preceding the 1979 fair. In the words of Kurt Vonnegut, the aim was to give "Americans themselves and all those kind enough to be curious about them an opportunity . . . to discover something about how Americans see themselves as the nineteen-eighties are about to begin."

The exhibit was also a clever way to avoid Soviet censorship: it included an annotated catalogue describing the books, and the catalogue was distributed in tens of thousands of copies in English and in Russian, an instant underground sensation distributed widely from hand to hand among Soviet citizens.

A similar exhibit, supported in part by the USICA, was subsequently sent to the People's Republic of China for their May 1981 American Book Exhibit, with a catalogue in English and Chinese. It, too, was the main attraction of the event

The 1979 exhibit and the catalogues were made possible by the voluntary efforts and financial contributions of a large variety of people: writers, librarians, publishers, newspaper editors. We hoped at the time that the venture would subsequently receive regular U.S. government funding and become a traveling exhibit, updated every five years. Despite a good deal of enthusiasm in government circles and the obvious success of the exhibit in Moscow and in China, financial support from the U.S. government did not materialize and enthusiasm for the project within our Association began to wane as relations between East and West became more strained.

Now, however, there is a change in the feelings of our committee members and others who monitor the Soviet scene. We would like to try to reopen communication with the East in order to have some influence on the reactionary policies of those regimes. We are seeking contact with citizens living under repressive governments and looking for appropriate events to use as forums for protecting repressive policies.

For these reasons, our Association would like to mount a new "America Through American Eyes" exhibit. I enclose a tentative budget for the project, and I am eager to know whether the NED would be interested in providing the necessary funding. I also enclose catalogues and some photographs from the previous exhibits and, since our supply is very limited, request that you return them after you have had a chance to look them over.

Thank you for your attention and interest.

Sincerely,

JOHN MACRAE III,
Chairman, International Freedom to Publish Committee.

BUDGET: AMERICA THROUGH AMERICAN EYES EXHIBIT FOR MOSCOW BOOK FAIR IN SEPTEMBER 1985

This budget envisions an exhibit of 250 to 325 books and an annotated catalogue in both English- and Russian-language versions, available in large quantities, for distribution to the public.

Costs are based on costs incurred in assembling and exhibiting "America Through American Eyes" at the 1979 Moscow Book Fair.

As in the 1979 Exhibit, the books in the exhibit will be selected by a non-paid selection committee consisting of prominent authors and librarians.

The selection of books should begin no later than September 1984. Catalogues must be shipped by May 15, 1985. Books must be shipped no later than June 30, 1985.

We anticipated that publishers will donate the books selected and thus we have not allocated funds for the purchase of books.

AMERICA THROUGH AMERICAN EYES

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JUNK BONDS AND HOSTILE TAKEOVERS

Mr. EAGLETON. Mr. President, I would like to turn the Senate's attention to the worrisome trend of junk-financed hostile takeovers. Dramatic changes in takeover practices, as documented daily in the financial press, are robbing our financial market of its two most valuable assets: capital and credibility.

Junk bonds offer tremendous leverage to a raider and permit takeover bids that leave companies drained of equity and straddled with debt. Some financiers are comfortable moving full steam ahead into greater and greater corporate debt. I fear, however, in the absence of sensitive congressional action, many corporations will fall so deeply into debt as to find themselves unable to survive the next recession.

Our distinguished colleague Senator PETE DOMENICI started Congress on a wise and cautious path with his bill to place a moratorium on hostile takeovers using junk bonds. I am pleased to have my name associated with such a conscientious step. Senator DOMENICI has carried the intellectual ball one step further with his excellent piece featured in today's Wall Street Journal. His insights and guidance are much needed in the chaotic and frantic world of hostile takeovers.

Mr. President, I ask unanimous consent that his article be included in the RECORD at the conclusion of my remarks in the RECORD in full.

The PRESIDING OFFICER. Without objection, it is so ordered.

(See exhibit 1.)

Mr. EAGLETON. In addition, the discussion of changing corporate takeovers has been enlightened by two articles recently published.

Mr. President, I ask unanimous consent that Felix Rohatyn's piece title, "Junk Bond and Other Securities Swill" from the Wall Street Journal and Nicholas F. Brady's "Equity is Lost in Junk-Bondage" from the New York Times also be included in the RECORD.

I am hopeful that Congress will heed their wisdom and proceed with intelligent legislation in a timely fashion.

There being no objection, the articles were ordered to be printed in the RECORD, as follows:

[From the Wall Street Journal, Apr. 18, 1985]

JUNK BONDS AND OTHER SECURITIES SWILL

(By Felix G. Rohatyn)

Raids and takeovers, in many cases financed with junk bonds and other high-leverage, high-risk investments, are at an all-time high. The financial collapse of firms such as Drysdale Securities Corp., Lombard-Wall Inc., E.S.M. Government Securities Inc. and Bevill, Bresler & Schulman Asset Management Corp. menace the apparently safe world of government bond trading. Hundreds of millions of dollars have been lost by banks, cities and state agencies under the impression that they were making perfectly safe investments backed by government securities. And in the more staid world of commercial banking equally disturbing events have taken place. A small Oklahoma bank, Penn Square, was able to persuade large, reputable institutions such as Continental Illinois and SeaFirst Corp. to acquire enough bad loans to result in the collapse of these institutions.

The common thread running through such stories is the failure to assess risk on the part of financial institutions and fiduciaries eager to perform. There'd be no junk bonds—the name Wall Street has attached to high-yielding, often unsecured, debt securities rated double-B or lower by financial ratings services—if institutions weren't often willing to ignore substandard credit ratings in exchange for higher yields. There'd be no Drysdale Securities Corp., E.S.M., or similar situations if savings bank trustees asked themselves why they were getting higher yields on some government bonds if they were really as safe as Treasury bills. And there'd be no Continental Illinois or Penn Square if more emphasis were placed on credit and less on growth.

A GLANCE AT THE PAPERS

Under the banner of deregulation and total faith in the marketplace, we're impairing our greatest of assets: the credibility of our capital markets and the faith in our financial institutions. The basic strength of our capital markets has relied, as opposed to other markets around the world, on the principal of protecting investors. This protection, the result of securities legislation of 1933 and 1934, is based on disclosure, anti-manipulative and anti-insider trading regulations, and the ethical standards of securities firms. It can be argued that our capital markets were, in large part, responsible for the postwar boom in the U.S., carrying well into the 1970s. Of course, elements of speculation and merger fever (for example, in the "go-go" years of the 1960s) have always been present. But something very different is happening now.

The growing feeling today is that the capital markets have become the property of insiders and of speculators, of raiders and other professionals, to the detriment of the general public. Unfortunately, a simple glance at the daily pages of the financial press confirms this suspicion. In editions of The Wall Street Journal published in the first two weeks of April, a casual reader would have found the following transactions or proposals:

1. Lorimar, with a net worth of $105 million, proposes to acquire Multimedia Inc. for $1 billion, to be financed with junk bonds.

2. Sir James Goldsmith proposes to acquire Crown Zellerbach Corp. for $1.1 billion, to be financed by junk bonds.

3. Uniroyal Inc. asked shareholders to approve two anti-takeover measures to fend off takeover threats like Carl Icahn's proposal to acquire the company for $600 million in a package financed by junk bonds.

4. Golden Nugget Inc., with a net worth of $230 million, proposes to acquire Hilton Hotels for what appears to be $1.8 billion, to be financed by junk bonds.

5. Mesa Petroleum, et al., with a net worth of $500 million, proposes to acquire control of Unocal Corp. to be financed by junk bonds.

6. Triangle Industries, with a net worth of $65 million, proposes to acquire National Can for $428 million, to be financed by junk bonds.

7. Farley Industries, with an undisclosed net worth and earnings of $6 million, proposes to acquire Northwest Industries for $1 billion, financed by junk bonds.

These transactions all were to be financed with junk bonds carrying interest rates of 15% to 18%. They were all to be issued by acquirers with thin equity. And at the time they were made, all the proposals were subject to financing actually being completed.

The New York Times also yielded similar evidence in the same two-week period. It reported that Ivan Boesky, an arbitrager who had acquired 8.7% of CBS, might join Ted Turner (who was trying to borrow $50 million each from William Simon and MCI Inc.), to acquire all of CBS for $4 billion.

CBS stock was driven up to more than $110 a share by these speculative stories, including stores from unnamed sources indicating that GE would acquire CBS for $150 a share. Other unnamed experts opined that the breakup value of CBS might be $200 a share. On Tuesday the paper reported rumors that Mr. Turner had engaged E.F. Hutton & Co. to make a bid for CBS at $175 a share. Even if Mr. Turner makes his bid for CBS, as is expected today, the general public can be forgiven for believing that a massive touting operation was going on, fed by deliberate leaks to an all-too-willing press, in order to drive more stock into speculative hands and ultimately drive CBS into a merger.

The protective reaction to the speculative aspect of such takeover activity is, in some ways, equally unhealthy. Legislation is being proposed to outlaw hostile takeover bids completely. "Poison pill" securities that make such takeovers prohibitive have, so far, been upheld in the courts. The "one share, one vote" principle is being abandoned by the New York Stock Exchange in favor of securities carrying as much as a 10-to-1 differential in voting rights. "Shark repellents," "crown jewel options" and various other defensive tactics are being used. Extreme responses of this sort, which may disenfranchise public stockholders or entrench existing management structures regardless of their quality, are also harmful. It's hard to know which is worse: the vaccine or the disease?

Junk bonds, in amounts estimated at a total of between $50 billion and $70 billion, have now been placed as a result of takeover or other financing activities. In certain instances, the use of a reasonable amount of high-yield debt can be easily justified. If the assets and earnings are there to support it, sophisticated investors may well take greater risk for greater return. Increasingly, however the use of these instruments appears excessive. The interest rates they carry are mostly higher than the rates of return the underlying businesses are likely to earn in periods of economic downturn. These securities are therefore based on the ability of

new management to sell assets in order to service debt.

Whether such sales will be possible in a period of recession is questionable. Whether large corporations can be treated like artichokes and simply torn apart without any regard for employees, communities, or customers, solely in order to pay off speculative debt, is a further question for public policy.

The public should pay attention to these activities, because in the last analysis the public always pays. When savings institutions get into trouble with junk bonds or "repos," the public pays. When banks make careless loans, the public ultimately pays. This is particularly true when the amounts involved are huge, as they are today.

The answer to these excesses is intelligent *regulation*, as opposed to total deregulation or over-regulation. This is true of takeovers and junk bonds; it is true of "repos" and other excesses in the government securities markets; it is true of banks.

To curb excessive use of junk bonds, consider the following suggestions:

a) Federally and state-insured and regulated financial institutions should be sharply limited in their ability to invest in obligations carrying below-investment-grade credit ratings.

b) Tender offers "subject to financing" should be probibited and declared to be a manipulation of the public markets. Anyone making a tender offer should be required to have firm financing commitments in hand.

To curb the excesses of takeover activity both on offense and defense, consider the following:

a) Any acquisition of more than 20% of a company's stock should require an offer for 100%, at one price.

b) The minimum tender-offer period should be extended to 60 days.

c) Shareholder approval should be required by the acquirer's shareholders if the target represents more than 25% of the market value of the acquirer. Shareholder approval should also be required by the target's shareholders if the target proposes to reacquire more than 5% of its shares, to issue or option securities having more than 10% of its voting rights, or to sell or option assets having a value of more than 10% of its market value.

PART OF A TOTAL PACKAGE

To maintain the integrity of stock ownership we should:

a) Eliminate any form of "poison pill."

b) Delist companies with various classes of voting securities.

c) Eliminate "shark repellents," staggered bonds, "fair-price amendments" and similar devices.

These actions would be part of a total package of legislation and/or regulation. They are all interconnected. Public confidence in the integrity of our securities markets and our financial institutions is rapidly eroding. All takeovers don't have to be friendly, but they have to be fair and soundly financed. The appearance of excessive speculation in takeovers, as well as the repeated scandals in the government securities market and the lingering problems of many banks, is very much in the public's consciousness.

The word "credit" derives from the Latin *credere*: to believe. The belief in the integrity of our securities market is a national asset that we should not dissipate carelessly.

[From the New York Times, Apr. 25, 1985]

EQUITY IS LOST IN JUNK-BONDAGE

(By Nicholas F. Brady)

I believe strongly in shareholder democracy—including the rights of shareholders to rid themselves of slow-moving, entrenched management. I am not opposed to takeovers, hostile or friendly. But I oppose today's takeover frenzy, financed by junk bonds, which increasingly endangers our savings institutions and our system of corporate enterprise.

What is happening is similar in some ways to speculative abuses that led to the 1929 crash, and to the "Chinese wallpaper" craze of the late 60's, when the financial scene was flooded with poorly conceived takeovers financed by convertible debentures.

Many Wall Street Colleagues—indeed, my own firm—earn significant profits from sponsoring and defending against hostile junk-bond takeovers, so perhaps our interest is served by looking the other way. But we should not—because these activities represent an abuse of the system that is among the most serious I've seen in 30 years. Speculative, highly leveraged financing techniques involving junk takeover bonds, if unchecked, will leave misery in their wake.

Junk bonds—essentially high-risk, high-yield, less than investment-grade debt—have long been around. What is new, and dangerous, is the rapidly expanding use of such securities to finance highly leveraged hostile acquisitions. Junk takeover bonds most often take the form of unregistered, unrated or low-rated debt or quasi-debt securities. Usually, they are issued by a shell corporation created as the vehicle for a hostile takeover attempt. These bonds entail substantial risks to investors—risks that often have not been, and cannot be, adequately assessed.

Why do many raiders, insurance companies, foreign bankers, pension funds, savings-and-loan holding companies and a nationwide church join a junk takeover-bond syndicate? Because of substantial commitment fees, very high interest rates and the right to share in "greenmail" profits. The purchasers can compel the target company—which, when acquired, must assume the debt—to register the bonds for sale in the secondary market; they thereby try to make sure they can remarket the bonds quickly.

Junk takeover bonds only recently appeared as a mechanism for giving raiders access to funds over and above their own cash and conventional bank credit. To initiate a leveraged, hostile acquisition—or to set the stage for greenmail—a corporate raider must assemble an exceptionally large pool of funds. In today's overheated environment, this can be done fast, using a combination of bank credit and junk bonds.

The raider uses the borrowed funds to acquire the target company's stock. The second step of the takeover usually necessitates issuance by the target or raider of debt securities, which piles on a great deal more debt. This imprudent debt binge creates a mandate to lay off people and sell assets. Even in good economic times, the most likely result of the raider's quest for "enhanced stock values" is a "bust up" of the target. When the next economic downturn comes, many overleveraged companies find themselves in dire straits.

An avalanche of hostile takeover financings using junk bonds is rolling through the markets. For example:

$5.4 billion in junk takeover securities for Turner Broadcasting to take over CBS.

$3 billion in junk takeover securities for Mesa Partners II to take over the Unocal Corporation.

$400 million in junk takeover securities for Sir James Goldsmith to take over Crown Zellerbach.

What's worrisome is that junk takeover financing—which is largely devoted to unproductive purposes—dangerously threatens to destabilize America's national savings system. As we have seen in the collapse of ESM Government Securities Inc., when major investors reach for higher yields without regard for security and safety of principal, the results can be disastrous.

The purpose of our national savings system is to finance real economic growth and thus create new jobs and serve consumers by producing goods at the lowest possible price. I cannot see how the junk bond takeover frenzy fits this definition. The opposite is true: whether it's Unocal, Uniroyal, Crown Zellerbach or Hilton hotels, the financing arrangements connected with these takeovers mandate the opposite result.

EXHIBIT 1

[From the Wall Street Journal, May 14, 1985]

FOOLS AND THEIR TAKEOVER BONDS

(By Pete V. Domenici)

I have been fascinated by the intensity of the debate on this page over the risks of non-investment grade, or "junk," bonds, particularly in hostile takeovers. Literary flourishes reached a high point with the designation of junk bonds as "swill." But so far the debate has overlooked the two issues that will most likely result in a federal regulatory response.

The first of these is the recent and growing role of federally insured lending institutions and government-backed pension funds in purchasing junk bonds. The 1982 deregulation of financial markets and the Depository Institutions Deregulation and Monetary Act of 1980 were designed to give federally insured thrifts more elbow room in the financial marketplace to meet their commitment to provide home mortgages. Their involvement in the highstakes game of corporate takeovers has led Chairman Edwin Gray of the Federal Home Loan Bank Board to characterize the thrifts' participation as "heads I win, tails the FSLIC loses." Since 1981, more than 1,000 federally insured thrifts have been merged or liquidated.

The second issue that will prompt eventual federal action is the use of junk bonds to circumvent the Federal Reserve's margin requirement (Regulation G). This rule provides that loans for stock purchases cannot exceed 50% of the value of the stock being bought. In the military there is a saying that safety regulations are written in blood. The margin requirement is written in the blood of 1929.

Several of the recent hostile takeovers have made a mockery of the margin requirement. Shell corporations have issued junk bonds to finance stock purchases entirely with borrowed funds. Because there is no functional difference between bonds and loans in this situation, the margin requirement is unjustifiably circumvented.

I believe that responses by Congress and the Federal Reserve are inevitable. But we need to take care to craft legislation that preserves the advantages of hostile mergers, while limiting the risks of using junk bonds in such takeovers. Accordingly, I have proposed a temporary moratorium on hostile

mergers using junk bonds to give Congress and the regulatory agencies time to act.

Opponents of a moratorium, or for that matter, any federal action, have argued that hostile takovers using junk bonds are a healthy development. This conclusion is based on a three-part argument that (1) history has shown junk bonds are not inordinately risky; (2) the present round of takeover activity will lead to better management and healthier companies, and (3) buying out stockholders with junk bonds is the way the market makes more efficient use of capital. The first two arguments reflect more fancy than fact. Third has some superficial appeal but, under close scrutiny, proves irrelevant to the particular policy issues facing us.

1. THE RISKS OF JUNK BONDS

The past offers us no guide to the risks of recently issued junk bonds. In 1977, $1 billion of junk bonds was issued. In 1984, the market for junk bonds was more than $15 billion. In the past, these bonds were issued by growth companies or troubled industrial giants such as Chrysler Corp. In contrast, the junk bonds of today are being issued by shell corporations to finance highly leveraged acquisitions. In addition to these dramatic differences in volume, and the quality of the issuer, 80% of these bonds have never faced the test of an economic down-turn or a rise in interest rates. Comparing today's explosion of junk bonds with their use in the late 1970s is like comparing World War II with the Civil War simply because gunpowder was used in both.

The recent default of Sharon Steel Corp. on its two most recent payments on $426 million of these bonds and Metromedia Inc.'s decision to sell seven TV stations to service the debt on its junk bonds are timely reminders of the risks involved. Metromedia sold $1.3 billion of junk bonds in two hours only last year, even though the prospectus admitted: "Based on current levels of operations and anticipated growth, the company does not expect to be able to generate sufficient cash flow to make all of the principal payments due on the notes. . . ." It goes on to state, "Based on current levels of operations, the company's cash flow would be insufficient to make interest payments. . . ."

The importance of Metromedia lies in that it is not part of a declining industry, but rather part of the vibrant communications sector. Moreover, the Metromedia sale comes in good economic times, not bad. As for the future, we need only remember the observation of John Shad, chairman of the Securities and Exchange Commission: "The more leveraged takeovers and buyouts today, the more bankruptcies tomorrow."

2. THE MANAGEMENT SMOKE SCREEN

Talk of improving management is a smoke screen for the raiders' scorched-earth tactics in the energy industry. Phillips Petroleum Co. has more than 70% of its cash flow dedicated to debt service. Its exploration and development budget is down by 32% ($260 million). The last offer from Carl Icahn would have made the company's debt-to-equity ratio 14 to 1 (at 6 to 1 Chrysler came to the feds hat in hand).

By attacking Uniroyal Inc., whose stock has increased fivefold in the past three years, and Unocal Corp., whose cost of finding oil is the lowest of any major oil company ($6 a barrel vs. $14 for Mesa Petroleum Co. and $22 for Chevron Corp.), the raiders further belie any interest in improving management.

Documents unearthed during the Unocal takeover effort and reported in the press give a truer picture of raider intentions. They are looking for targets with two characteristics: strong cash flow and little debt. The quality of management is irrelevant. The court documents also undercut any contention that the raiders are concerned with the long-range health of the target company. In Unocal's case, the raider's plan for spending for exploration and development in the U.S. is scheduled to decline from $850 million a year in 1984 to $100 million a year in 1990. Foreign exploration would drop from $355 million a year in 1983 to zero in 1988. We are speaking not of restructuring, but of liquidation.

3. MARKETS AND PREDATORS

An argument with surface appeal contends that buying out stockholders at a premium with borrowed money (substituting debt for equity) frees up stockholders to take their money elsewhere and put it in industries that will yield a higher return. Just as nature has a role for predators, the argument continues, so the financial jungle has a use for them. The process is not for the squeamish, but ultimately benefits us all. All just because we may not like the personalities involved, whoever said sharks were friendly?

Although flawed—stockholders can sell anytime, not just during a takover, and much of the economic incentive comes from the tax advantages of using debt rather than putting capital to higher uses—this argument at least has the virtue of describing the motives of the participants.

But despite its descriptive value, this argument is devoid of policy consequences. Specifically:

It does not address whether the taxpayer should shoulder any of the risk of having federally insured institutions participate in corporate takeovers using junk bonds. Prior articles on this page have emphasized the savvy of participants such as the Belzberg family or Saul Steinberg, but not the liability of the taxpayer.

It has no impact on the need to enforce margin requirements. If it does, then proponents of junk-bond-financed takeovers are the ones asking for a major change.

It is also irrelevant to the issue of government intervention. The present takeover contests are being conducted within a long-established, elaborate framework of federal and state laws and regulations with many judges checking to see that every "i" is dotted.

A moratorium on hostile takeovers using junk bonds would give us the time needed to enact the minimal precautionary steps to preclude federally insured institutions from purchasing junk bonds and to scrutinize the present round of takeovers to ensure that the margin requirements are fully enforced. Timely action is needed to reduce the greatest risk of all, the risk to our nation's financial system. For more than five years the Federal Reserve has been navigating through a seemingly endless financial mine field. The debt volcano of the lesser-developed countries could erupt again. Savings and loan associations, as noted earlier, continue to succumb at alarming rates. And the Ohio banking crisis is not fully behind us. Into this fragile situation, junk-bond advocates are urging us to pump unprecedented amounts of high-risk corporate debt. Market theorists love to rhapsodize about the wisdom of markets. But part of this wisdom consists of dealing harshly with fools who believe that the good times are without end.

COORDINATING THE SEARCH FOR MENGELE

Mr. KENNEDY. Mr. President, last Friday the United States, Israel, and West Germany announced a coordinated new search for Joseph Mengele, the most infamous Nazi war criminal still at large. The joint action was announced after a 2-day meeting in Frankfurt, West Germany attended by Neal M. Sher of the Office of Special Investigations of the U.S. Department of Justice; Menachem Russek of the Israeli Police; M. Dennis Gouldman of the Israeli Ministry of Justice; Hans-Eberhard Klein of West Germany; and other officials. I commend this promising development because apprehension of Mengele has assumed a special importance in this 40th anniversary year of the liberation of the Nazi concentration camps and in the wake of President Reagan's trip to Bitburg.

The continued freedom of Mengele is an affront to the memory of the millions who died in the Holocaust and an outrage for all humanity. Mengele's direct responsibility for some of the most shocking atrocities of the Holocaust is indisputable. As the "Angel of Death" at Auschwitz, Mengele personified the brutality, the horror, and the inhuman cruelty of the Nazis.

Last month Congressman ROBERT MRAZEK of New York and I proposed that a reward of $1 million be authorized to be paid by the Department of Justice for information leading to the apprehension of Mengele. We believe that a substantial U.S. reward is not only appropriate as a means of enhancing the worldwide search for Mengele, but may prove to be an indispensable element for success in the effort to bring Mengele to justice for his heinous crimes.

As one of the three nations leading the search, it is especially fitting for the United States to contribute to the rewards that are already outstanding, especially in light of reports that our Government itself may have permitted Mengele to escape justice in the period immediately following World War II. Israel has recently offered a $1 million reward for the capture of Mengele, as have the Simon Wiesenthal Center in Los Angeles and the Washington Times newspaper. West Germany has offered a reward of 1 million marks, or about $300,000. A $1 million U.S. reward would bring the total amount of rewards to well over $4 million from public and private groups. With this substantial incentive, the authorities seeking Mengele are more likely to receive information essential to a breakthrough in the case.

I hope, therefore, that Congress will include a provision for a U.S. reward in the forthcoming supplemental appropriations bill for fiscal year 1985. I ask unanimous consent that an article

from the New York Times of May 12 on the coordinated search for Mengele by the United States, West Germany, and Israel may be printed in the RECORD, along with other related articles and letters to the editor of the New York Times, and the letter that Congressman MRAZEK and I sent on March 22 to the Senate and House Appropriations Committee.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

[From the New York Times, May 11, 1985]

THREE NATIONS JOINING TO HUNT MENGELE

U.S., WEST GERMANY AND ISRAEL COORDINATE EFFORT ON NAZI

(By Ralph Blumenthal)

The United States, West Germany and Israel announced yesterday a coordinated effort to track down and prosecute Josef Mengele, the elusive Nazi death-camp doctor.

After two days of meetings in Frankfurt, the Justice Department said, law enforcement officials of the three countries "resolved to open direct lines of communication at the prosecutorial and investigative levels" with the goal of bringing Dr. Mengele to trial for "crimes against humanity."

West German arrest papers charge him with selecting victims for gassing and medical experiments at the Auschwitz death camp.

RESURFACED AND DISAPPEARED

The agreement, the most ambitious international effort since World War II to hunt down a former Nazi, comes 40 years after Dr. Mengele shed his SS uniform and boldly resettled in his hometown in the American sector of Germany. Later he disappeared, to resurface in South America under his own name, selling the Mengele family's line of farm machinery, before going underground again.

The new international cooperation follows years of little official interest and only fitful moves to find Dr. Mengele, now regarded as the world's most wanted fugitive, with a price of nearly $4 million on his head.

Although Israel asked Interpol this week to join the search for Dr. Mengele, the multinational police agency has generally steered clear of Nazi cases. Officials could recall no previous case in which the three Governments pledged such close cooperation in searching for a Nazi war criminal.

Why the case, after lying dormant for so many years, should now assume such extraordinary proportions is unclear, but some officials say it has to do with the 40th anniversary of Germany's defeat and a long-delayed coming to grips with issues of the Holocaust.

Taking part in the meetings in Frankfurt this week were officials of the Marshal's Service and Office of Special Investigations of the Justice Department, the West German federal and state criminal police and the Israeli Ministry of Justice and the police.

The Justice Department said that because of the sensitivity of the investigation, no further details could be provided. But investigators and other experts interviewed in recent months said they believed that Dr. Mengele was still alive at age 74 and hiding in his longtime refuge of Paraguay, making occasional visits to neighboring countries and possibly some trips overseas.

The Paraguayan leader, Gen. Alfredo Stroessner, in a highly unusual television interview, recently denied knowing Dr. Mengele and told ABC News, "I don't know where he is, and we cannot find out where he is."

But accounts from admitted Mengele associates obtained by a New York lawyer place the former SS physician in Paraguay as recently as 1982—three years after the Paraguayan Government, under growing pressure, revoked Dr. Mengele's citizenship on the ground that he had been out of the country for at least five years.

Inquiries by The New York Times and interviews with those who conducted investigations have also brought out these disclosures:

For about four years after fleeing Auschwitz, Dr. Mengele lived, by all accounts openly, in or around his hometown of the Günzburg in Bavaria, a company town of the giant Mengele family farm-machinery factory. Günzburg was in the American occupation zone but the American authorities apparently never checked for his presence.

At some point, Dr. Mengele may have been taken into custody by American forces, according to ambiguous notations in Army records and recollections by former American soldiers.

In 1956 in Argentina, Dr. Mengele felt secure enough to abandon a longtime alias and resurface under his own name, under which he secured citizenship in Paraguay.

In Paraguay in the 1960's, officials of the Stroessner Government tipped Dr. Mengele that Israeli agents were looking for him.

While in Paraguay, Dr. Mengele traveled to German communities selling farm equipment and kept in touch with a Mengele company officer in Günzburg.

ISRAEL DID NOT PRESS

After Paraguay joined the United Nations Security Council in 1968, Israel took pains not to antagonize the Stroessner Government and did not press the Mengele case, according to Benno Weiser Varon, who was the Israeli Ambassador to Paraguay in 1968.

The worldwide interest in the Mengele case has produced a flood of misinformation and possibly deliberate disinformation that has clouded the search with bogus sightings and photographs—including, apparently, the pictures on widely circulated wanted posters.

"It's the third largest industry in Paraguay, information on Josef Mengele," said Allan A. Ryan Jr., former head of the Justice Department's special investigations unit for war-crimes cases.

The following account is based on Nazi records and postwar German documents, statements by members of the Mengele family, company officials and Auschwitz survivors, and interviews with investigators and private researchers.

FAMILY WAS WEALTHY

Josef Mengele was born in Günzburg on March 16, 1911, the year his father, Karl, bought a farm-machinery company that became the source of the family's substantial wealth. He had an older brother, Karl Jr., and a younger brother, Alois.

In 1933, the year of Hitler's rise to power, Josef Mengele joined the S.A., the extremist Nazi militia that was purged the following year. In 1937, as a young doctor, he joined the Nazi Party, and he married in 1939. After research at an institute for "racial purity" in Frankfurt, he joined military units, serving in the general SS and the Waffen SS on Russian front. After reaching the rank of major in the medical corps, he was assigned to duty at Auschwitz-Birkenau in Poland in May 1943.

He was not the chief doctor at Auschwitz, the Germans' largest death camp, where an estimated 4 million people, most of them Jews, were gassed and cremated.

But accounts of survivors—many of whom recall his hypnotic dark eyes and the distinctive triangular-shaped gap between his front teeth—place him constantly at the arrival ramp selecting those to be killed immediately and those to be put to work or to be used as guinea pigs for medical experiments. His obsession was twins and, the charges say, he killed and dissected many twin children in hopes of finding the secret to more quickly producing a "master race" of blue eyed Aryans.

One of the counts later filed by the West Germans charges: "At the end of 1944, he supposedly conducted experiments on a newborn baby of witness J., after which the eyes were not recognizable any more, but just formed a single red clump." The baby later died.

STRANGE FAREWELL RECALLED

By the time the Red Army liberated Auschwitz on Jan. 27, 1945. Dr. Mengele had disappeared. A survivor, Marc Berkowitz, recalls the doctor bidding him a strangely sentimental farewell at Christmas of 1944.

The doctor's movements over the next several months have not been traced, but Justice Department investigators are studying Army records suggesting that he may have been apprehended by American troops, a recollection shared by several former soldiers. If he was arrested, he may have escaped or been released, because the summer of 1945 found Dr. Mengele back in Güinzburg.

Gerald Posner, a New York lawyer who has documented much of Dr. Mengele's life on the run for a book he is writing, said a friend of the doctor's had recounted meeting him in Günzburg during this time. The friend, Julius Diesbach, who has since died, said Dr. Mengele was using his own name and working for the Mengele company, according to Mr. Posner.

Similar accounts were given to another writer, Flora Rheta Schreiber, who visited Günzberg for investigative articles on Dr. Mengele in 1975.

LIVED WITH FAMILY AFTER WAR

The Simon Wiesenthal Center, a Los Angeles Holocaust study institute named for the Vienna-based Nazi-hunter, also recently obtained declassified Army intelligence records indicating that after the war Dr. Mengele was known to be residing with his family in Autenreid, a village near Günzburg.

By 1947 Dr. Mengele had already been publicly identified by the Auschwitz camp commandant, Rudolf Höss, as being responsible for some of the medical atrocities.

In 1949, as the American occupation forces yielded sovereignty to a new West German Government, Dr. Mengele fled the Günzburg area. With a Red Cross passport bearing a picture of his brother, Alois, and issued in the name of Helmuth Gregor, he reached Buenos Aires.

Seven years later, with no indication that anyone was interested in finding him, Dr. Mengele resurfaced.

GOT ARGENTINE IDENTITY CARD

On Sept. 11, 1956, he visited the West German Embassy in Buenos Aires, announced he was really Jose Mengele and obtained a certificate that then enabled him to get a new Argentine identity card in the Mengele name. There is nothing to show

that the West Germans questioned his action or checked on the reason behind it.

By 1958, however, a West German prosecutor, Hermann Langbein, persuaded reluctant officials to authorize charges against Dr. Mengele and happened to discover his presence in Argentina, clearing the way for a 1959 West German order for his arrest and extradition.

In response, Dr. Mengele crossed the border to Paraguay, where a Government intelligence official, Col. Alejandro Von Eckstein, and a Former Nazi youth leader, Werner Jung, eased his way to citizenship by attesting that he had been a resident for Paraguay for five years.

Mr. Posner, who interviewed Colonel Von Eckstein recently in Paraguay, said the official defended his action as proper because he had known Dr. Mengele for five years. Mr. Jung died in the meantime in Spain.

[From the New York Times, Apr. 25, 1985]

WEST GERMANS BELIEVE MENGELE IS STILL LIVING

BONN, April 24—Two West German prosecutors said today that they were convinced that Josef Mengele, the Nazi camp doctor, is alive.

The two prosecutors—Hans-Eberhard Klein of Frankfurt and Afred Streim of Stuttgart—said in telephone interviews that the best indications were that Dr. Mengele is in Paraguay. The Government of Paraguay has denied that he lives there.

However, the prosecutors warned against exaggerated hopes that Dr. Mengele would be captured.

A $2.3 million reward has been posted for the doctor, who is wanted for selecting people for the Auschwitz gas chamber and for carrying out pseudo-medical experiments.

On Monday, Neal M. Sher, director of the Office of Special Investigations in the Justice Department, said in a Senate hearing in Philadelphia that he believed Dr. Mengele would be captured.

[From the New York Times, May 13, 1985]

SECRET NAZI SOCIETIES PROTECT MENGELE

To the Editor: The statement by Hans-Eberhard Klein, procurator general of Frankfurt, that he believes the "Butcher of Auschwitz," Dr. Josef Mengele, is in Paraguay warrants further comment ("West Germans Believe Mengele Is Still Living," news item, April 25).

If Dr. Mengele is in Paraguay, there can be no doubt of protection by Gen. Alfredo Strössner's regime and members of Nazi shadow organizations. The most powerful and far reaching of these Nazi groups has been Kameradenwerk, founded in April 1946 by Hitler's most decorated airman, Col. Hans-Ulrich Rudel. Colonel Rudel obtained postwar funds by pressuring West German companies and industrialists who were on lists of Nazis. He also acted, until his death in Rosenheim, as a funds courier to South America, was a crony of Juan Perón, Alfredo Strössner, et al., and was the driving force behind his organization until Dec. 20, 1982.

Although Odessa symbolized in the public mind the Nazi rescue organizations because of the novel "The Odessa File," it started as a file, but never reached the significance of Kameradenwerk or the other key worldwide group, Die Spinne (The Spider). Die Spinne was formed by a small group of fanatical SS prisoners in the Allied war-prisoner camp at Glasenbach, Germany, in 1948. The first head of Die Spinne was Gen. Paul Hausser of the SS, and it soon spread its web around the world, becoming La Araña in South America. Also strong in the Southern Hemisphere was Das Reich, largely centered in Chile at Valparaiso, Santiago and in the enclave of Die Kolonie or La Dignidad at Parral.

These groups operate mostly in the background and under cover. Their members do not need membership cards in the common sense, since they all know one another among the Nazis, neo- and pro-, in such countries as Paraguay. Protection of such key surviving refugees as Dr. Mengele has become one of the prime functions of these shadow groups. There is a list of Nazi hunters who have been assassinated when they got too close to Dr. Mengele. Thus, La Araña and groups like it compound the two-part problem of finding and arresting Nazis such as Dr. Mengele.

R. H. HODGES,
Pelham, NY, April 25, 1985.

The writer, a major in the Air Force Reserve, has researched and tracked the subject for over 30 years

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[From the New York Times, Mar. 13, 1984]

FLEEING NAZIS' FRIEND IN POSTWAR ROME

To the Editor: In reference to your Feb. 23 news articles about Nazis' post-World War II escape via Italy, I can give you some additional information.

In the 1950's, when I was working on the Eichmann case, I was in Rome and found out how this escape route operated after 1945. I never heard of Dr. Willi Nix, the focus of one of your articles, but I did hear about the German bishop in Rome, Alois Hudal. There is no evidence that Pope Pius XII ordered or knew about this escape route at the time it was run, but Bishop Hudal, in his diary published in 1969, had this to say:

". . . So the Allies' war against Germany had in its last consequence nothing to do with ideals. This was not a Crusade but the rivalry of economic complexes. . . . Slogans such as democracy, race, religious liberty and Christianity were used as bait for the masses. . . . (All this) led me after 1945 to devote my charitable efforts mainly to former National Socialists and Fascists, especially to the so-called 'war criminals,' who were being persecuted by Communists and 'Christian' Democrats."

The bishop recalled that among the Roman Curia he became known as the "Nazi, Fascist Bishop" and that eventually "Vatican politics" regarded him as no longer tolerable.

"But I thank God," he went on, "that He opened my eyes and gave me the undeserved gift to visit and comfort many victims of the postwar era in their prisons and concentration camps and to rescue not a few from their tormentors with the help of false identity papers, which allowed them to flee to happier lands." Another person who shed some light on the matter was Franz Stangl, commandant of the Treblinka concentration camp, whom I managed to find in Brazil and bring to trial in Germany. On the first day of his trial in Duesseldorf (May 13, 1970), Stangl told the court how he had escaped from an internment camp in Austria and, following a tip he had received in the camp, went to Rome to see Bishop Hudal. The bishop, he said, managed to get a Red Cross passport for him, and the Collegium Germanicum, the German theological seminary in Rome, found employment for him until his departure for Damascus six weeks later. With reference to the matter of Dr. Joseph Mengele, I might add that in 1979 I managed, with the help of then U.N. Secretary General Kurt Waldheim as well as a number of U.S. senators, to persuade the Paraguayan Government to revoke Dr. Mengele's citizenship and to issue an arrest order. On Jan. 5, 1983, people working with me in South America found out that Mengele was in Philadelphia, Paraguay, a Mennonite village. I immediately asked my colleagues to contact the Paraguayn police, in part to check whether Mengele was really on their wanted list. A police agent did indeed accompany my colleagues to Philadelphia, prepared to arrest Mengele, but unfortunately they arrived five days too late Mengele had left on Dec. 31, 1982.

SIMON WIESENTHAL,
Jewish Documentation Center Vienna.

U.S. SENATE,
Washington, DC, March 22, 1985.

Hon. MARK HATFIELD,
Chairman,
Hon. JOHN C. STENNIS,
Ranking Democratic Member, Senate Appropriations Committee, U.S. Senate.
Hon. JAMIE L. WHITTEN,
Chairman,
Hon. SILVIO O. CONTE,
Ranking Republican Member, House Appropriations Committee, House of Representatives.

DEAR MR. CHAIRMAN AND MR. RANKING MEMBER: We are writing to urge you to include in the next Appropriations bill a provision for the Department of Justice to pay a reward of one million dollars for information leading to the apprehension of Josef Mengele, the infamous Angel of Death at Auschwitz and the most wanted Nazi war criminal in the world today.

This year marks the fortieth anniversary of the liberation of Auschwitz, and an intensive new search is under way for Mengele, who personally sent more than 400,000 men, women, and children to the gas chambers and who conducted repulsive and sadistic human experiments on thousands of innocent victims at the concentration camps.

Experts at the Simon Wiesenthal Center in Los Angeles and other Nazi trackers believe that Mengele is alive and may be living in a remote area of Paraguay in South America. He is also reported to have been sighted in recent years in other countries in South America, as well as in Europe. Last month, the Reagan Administration joined the worldwide effort and opened its own investigation to locate Mengele; earlier this week, the Department of Justice, in testimony before the Senate Judiciary Committee, documented the effort it is coordinating with other federal agencies to bring Mengele to justice.

We believe that the offer of a federal reward is an appropriate and perhaps indispensable element for the success of the effort to apprehend Mengele and bring him to trial for his hideous crimes against humanity. We also feel that a reward by the United States Government is especially fitting, in light of reports that our Government itself may have permitted Mengele to escape justice in the period immediately following World War II.

At the present time, we are aware of two other large rewards for the apprehension of Mengele: one million dollars by a group affiliated with the Wiesenthal Center (one third to the persons responsible for Mengele's apprehension: one third to charity selected by cooperating law enforcement authorities in the country where he is appre-

hended: and one third to the Wiesenthal Center): and one million marks (about $300,000) by the West German Government. The one million dollar additional reward we are proposing would go to the person or persons responsible for Mengele's apprehension, nearly doubling the reward available to such persons, thereby providing a substantial new incentive for Mengele's capture.

Apart from an appropriation for the reward itself, we urge the Appropriations Committee to provide an additional amount to the Department of Justice to fund expenses of the coordinated effort by the federal agencies involved in the search for Mengele. We also urge you to include a provision specifically instructing the United States Information Agency in its overseas programming to give a high priority to publicizing the reward and other aspects of the search.

There are ample precedents in federal law for the payment of substantial rewards in appropriate circumstances. In the past Congress, for example, P.L. 98-151 appropriated $100,000 for the apprehension of the bomber of the Capitol in 1983; and P.L. 98-533 authorizes rewards up to $500,000 to be paid for information on terrorism.

The monstrous crimes committed by Josef Mengele are an affront to civilization, and we should leave no stone unturned in the effort to bring him to justice. Forty years after the closing of the infamous camps at Auschwitz, it it time to close this shameful chapter of their history.

Sincerely,

EDWARD M. KENNEDY,
United States Senate.
ROBERT J. MRAZEK,
House of Representatives.

JAMES L. MOODY, JR.

Mr. COHEN. Mr. President, I'd like to take this opportunity to pay tribute to one of Maine's leading entrepreneurs and a good friend, Jim Moody, on the occasion of his being elected chairman of the Food Marketing Institute [FMI].

Jim Moody began his distinguished career at Hannaford Bros. in south Portland more than 26 years ago. By 1971, he was elected president and is now the chairman of the firm, which is the largest food retailer in northern New England.

Throughout his career at Hannaford Bros., Jim Moody has held a number of the firm's key leadership offices including vice president (1966) and director of corporate development (1967), executive vice president (1969), president (1971), chief executive officer (1974), and chairman (1984). In addition to his duties at Hannaford, Jim Moody also serves on the boards of Penobscot Shoe Co. and Sobeys Stores Ltd. in Nova Scotia.

It has been a career marked by conspicious success. Under the leadership of Jim Moody, consolidated sales at Hannaford Bros. Co. stood at $142 million in 1971 and grew to $707 million in 1984. The company showed a $1.2 million profit in 1971 and by 1984 it had grown to $11.3 million.

Along with assuring profits for shareholders, Jim Moody has seen to it that Hannaford Bros. remains a step ahead of the competition. He has been able to read the future and spot the new trends. Hannaford Bros. was, for example, the first business in Maine to set up a combination supermarket and drugstore. At the same time, he has guided the company into two new areas—the retail pharmacy business and trucking.

But Jim Moody is much more than a resourceful businessman. He is a charitable, well-liked, modest individual who has given tremendous amounts of his time and energy to community service, particularly as chairman of the board of trustees at the Maine Medical Center and as a trustee at Bates College in Lewiston, his alma mater. Over the years, numerous groups have sought Jim Moody out for his fundraising expertise, organizational know-how and ability to get things done.

Jim Moody enjoys community service, but shuns the attention that so often accompanies such efforts. Just last year, for example, the Boy Scouts of America, Pine Tree Council, wanted to honor him with their Ninth Distinguished Citizens Award. But Jim refused to accept the award for himself, agreeing only to accept it on behalf of the company.

No doubt, the Food Marketing Institute, the national association of food retailers and wholesalers, will benefit from Jim's leadership. It is tribute to him and to the judgment of his professional peers that he has been elected to FMI's highest position.

DEATH OF PRESIDENT-ELECT TANCREDO NEVES OF BRAZIL

Mr. HART. Mr. President, I send to the desk a concurrent resolution and ask for its immediate consideration.

The PRESIDING OFFICER. The concurrent resolution will be stated by title.

The legislative clerk read as follows:

A concurrent resolution (S. Con. Res. 48) relating to the death of President-elect Tancredo Neves of Brazil.

The PRESIDING OFFICER. Is there objection to the present consideration of the concurrent resolution?

There being no objection, the Senate proceeded to consider the concurrent resolution.

Mr. HART. Mr. President, on behalf of myself and Senator ZORINSKY, as well as the distinguished chairman of the Senate Foreign Relations Committee, the Senator from Indiana [Mr. LUGAR]; the distinguished ranking Democrat on that committee, Senator PELL; and Senator CHAFEE, I should like the Senate to undertake consideration of this resolution under rather extraordinary circumstances.

Those circumstances have to do with a drama, the drama of what has just been taking place and is taking place in Brazil.

After 21 years of military rule, Brazil returned to democracy with the choice of a veteran, respected politician, Tancredo de Almeida Neves, elected President in January. But as Brazil struggles to return to democratic life, President-elect Neves struggled for his own life against an ultimately fatal illness.

Instead of being inaugurated to the applause of the nation, he underwent surgery on March 15. After seven operations over a period of 38 days, President-elect Neves finally lost his personal battle for survival.

Much of that life—50 of his 75 years—was devoted to the practice of democratic politics, including service in both houses of Brazil's legislature and as prime minister as well. Even Mr. Neves' last battle—the one he lost for his own survival—helped ensure the survival of Brazilian democracy.

During this time, the very crisis that might have challenged a fragile new democratic era, helped ensure its continuity. As Federal Deputy Del Bosco Amaral, a member of Neves' Brazilian Democratic Movement Party put it, "In a strange way, one of Tancredo's greatest achievements only took place after he died. His death left Brazil with only one path: democracy."

As Neves' body lay in state, it was visited by a Dominican friar jailed by the military government, a former leftist guerrilla who is now an opposition legislator, by Gen. Ernesto Geisel, who headed the junta for 5 years, and by a rightwing legislator who once helped lead the counterinsurgency campaign.

Vice-President-elect Jose Sarney is now sworn in as the new President, promising to continue Neves' policies. While the current mood of national reconciliation gives him the best possible start, he faces serious problems. There are major difficulties with debt, recession, and development. Brazil's $100 billion debt must be restructured. Inflation has surpassed 250 percent annually. Yet, while fighting inflation, the government cannot neglect high unemployment and desperate poverty.

Ironically, it has been the most developed countries of Latin America—Argentina, Brazil, and Mexico—that have been struck hardest by the problem of debt. They, and poorer countries as well, are caught in the cruel paradox: austerity is required to pay their debts and stop inflation. Yet, development and assistance to those most in need require government aid and action. Those who ignore the former problem may face a coup; those who ignore the latter danger may face a revolution.

To congratulate the Brazilian people for their efforts, to encourage President Jose Sarney in his difficult task, and to express our hope of further strengthening the historic ties between Brazil and America, I have presented this resolution with its cosponsors.

I appreciate the support of the chairman of the Foreign Relations Committee, Mr. LUGAR; the ranking minority member of the Foreign Relations Committee, Mr. PELL; the chairman of the Republican conference, Mr. CHAFEE; and the ranking member of the Western Hemisphere Subcommittee, Mr. ZORINSKY, and their assistance in drafting this measure.

To conclude, it has been said that there are two parties in Latin America—the military and the civilians. But the people, Mr. President, always vote for the civilians.

I hope the Senate will accept this resolution as a statement of Senate attitude and intent with regard to the future prospects of democracy in Brazil.

Mr. LUGAR. Mr. President, I commend the distinguished Senator from Colorado for a very thoughtful and important gesture.

It is a tragic circumstance that brings this resolution to the Chamber, namely, the death of the President-elect of Brazil, a man who many of us had an opportunity to visit with during his last stay in our country.

The distinguished ranking minority member of the Foreign Relations Committee, Senator PELL, and I were privileged to have an interview with President-elect Neves, and the charismatic personality which he brought to the leadership and common sense to Brazil's politics will be sorely missed.

We clearly wish the very best for the incoming President and for all of those in Brazil who are fostering strong democratic institutions, and we have ahead of us, it seems to me, great opportunities in the friendship between our countries.

With all of these thoughts, I appreciate the opportunity to commend the Senator from Colorado and to strongly endorse this resolution.

Mr. PELL. Mr. President, I think that this is an excellent resolution, and I hope very much indeed it will pass, and our chairman and I agree entirely on this matter.

Mr. HART. Mr. President, I thank the distinguished chairman and ranking minority member of the Foreign Relations Committee for their statements and their support.

The PRESIDING OFFICER. If there be no further debate, the question is on agreeing to the concurrent resolution.

The concurrent resolution (S. Con. Res. 48) was agreed to.

The preamble was agreed to.

The concurrent resolution, with its preamble, reads as follows:

S. CON. RES. 48

Whereas, after twenty years of military rule, Brazil returned to democracy with the election of Tancredo Neves;

Whereas tens of millions of Brazilians peacefully and freely voted for candidates of their choice for their nation's highest offices;

Whereas it should be the policy of the United States to support democratic institutions in Latin America and elsewhere and the right to peaceful opposition and basic human rights;

Whereas President-elect Neves courageously devoted his last measure of strength to uniting his country while suffering from a fatal illness;

Whereas the death of President Neves has saddened all Brazilians and well-wishers for Brazil's return to democracy;

Whereas Brazil strengthened its commitment to democratic structures by rapidly and peacefully dealing with the necessary transition of power;

Whereas Vice President Jose Sarney has succeeded President-elect Neves in office and pledges to continue his democratic policies; and

Whereas the Brazilian nation has united to support a calm and expeditious transition: Now, therefore, be it.

Resolved by the Senate (the House of Representatives concurring), That the Congress of the United States—

(1) extends its deepest and most sincere condolences to the people of Brazil and to the family of President Neves;

(2) sends its best wishes to President Jose Sarney for the success of his term in office;

(3) forwards its congratulations to the people of Brazil for their country's return to democracy and its handling of the presidential succession after the tragic death of President Neves; and

(4) expresses its hope that the long historical bonds and cooperation between Brazil and the United States be further developed and strengthened in the coming years.

Sec. 2. The Secretary of the Senate shall transmit a copy of this concurrent resolution to the Secretary of State for transmittal to President Jose Sarney of Brazil.

PUBLIC BUILDING ACT AMENDMENTS

Mr. STAFFORD. Mr. President, I call up Calendar No. 109, S. 709, Public Buildings Act amendments.

The PRESIDING OFFICER. The bill will be stated by title.

The legislative clerk read as follows:

A bill (S. 709) to amend the Public Buildings Act of 1959, and for other purposes.

The Senate proceeded to consider the bill which had been reported from the Committee on Environment and Public Works, with amendments, as follows:

(The parts of the bill intended to be stricken are shown in boldface brackets, and the parts of the bill intended to be inserted are shown in italics.)

S. 709

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That *(a)* the Public Buildings Act of 1959 (Public Law 86-249) is hereby amended by adding at the end thereof the following:

"SEC. 19. There is established in the General Services Administration the Public Buildings Service. The Public Buildings Service shall be administered by the Commissioner of Public Buildings, who shall be appointed by the President, by and with the advice and consent of the Senate.".

(b)(1) Section 5315 of title 5, United States Code, is amended by adding at the end thereof the following:

"Commissioner of Public Buildings, General Services Administration.".

(2) Section 5316 of such title is amended by striking out the item relating to the Commissioner, Public Buildings Service, General Services Administration.

SEC. 2. Section 3(b) of Public Law 98-1 is amended by striking out "within two years of enactment of this Act".

SEC. 3. The Act entitled "An Act to designate the United States Post Office and courthouse in Pendleton, Oregon, as the John F. Kilkenny United States Post Office and Courthouse" (Public Law 98-492; 98 Stat. 2271) is amended by striking out "Dorian" and inserting in lieu thereof "Dorion".

Mr. STAFFORD. Mr. President, I move the adoption of the committee amendments to the bill.

The PRESIDING OFFICER. Does the Senator move them en bloc?

Mr. STAFFORD. Yes, I do.

The PRESIDING OFFICER. The question is on agreeing to the committee amendments en bloc.

The committee amendments were agreed to en bloc.

AMENDMENT NO. 99

(Purpose: To specify the effective date of the first section)

Mr. STAFFORD. Mr. President, I have delivered a technical amendment to the reading clerk and I ask that it be stated.

The PRESIDING OFFICER. The amendment will be stated.

The legislative clerk read as follows:

The Senator from Vermont [Mr. STAFFORD] proposes an amendment numbered 99.

Mr. STAFFORD. Mr. President, I ask unanimous consent that the reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

On page 2, between lines 12 and 13, insert the following:

(c) The amendments made by subsections (a) and (b) shall take effect on the day on which the individual holding the office of Commissioner of the Public Buildings Service of the General Services Administration on the date of enactment of this Act ceases to hold such office.

Mr. STAFFORD. Mr. President, the amendment specifies the effective date for section 1 of the bill, S. 709. Section 1 specifies that the Commissioner of the Public Buildings Service shall be appointed by the President, with the advice and consent of the Senate. The amendment will specify that this provision will take effect on the date the

individual holding the office at the time of enactment ceases to hold such office. In other words, the bill will not apply to the incumbent.

Any costs incurred in fiscal year 1985 as a result of this bill are intended to be funded from existing appropriations. This bill is not intended to require the appropriation of additional funds in the fiscal year.

Mr. President, I move adoption of the amendment.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Vermont.

The amendment (No. 99) was agreed to.

Mr. STAFFORD. Mr. President, I know of no other speakers with respect to this legislation.

The PRESIDING OFFICER. The bill is open to further amendment. If there be no further amendment to be proposed, the question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed for a third reading and was read the third time.

The PRESIDING OFFICER. The bill, having been read the third time, the question is, Shall it pass?

So the bill (S. 709), as amended, was passed, as follows:

S. 709

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a) the Public Buildings Act of 1959 (Public Law 86-249) is hereby amended by adding at the end thereof the following:

"SEC. 19. There is established in the General Services Administration the Public Buildings Service. The Public Buildings Service shall be administered by the Commissioner of Public Buildings, who shall be appointed by the President, by and with the advice and consent of the Senate.".

(b)(1) Section 5315 of title 5, United States Code, is amended by adding at the end thereof the following:

"Commissioner of Public Buildings, General Services Administration.".

(2) Section 5316 of such title is amended by striking out the item relating to the Commissioner, Public Buildings Service, General Services Administration.

(c) The amendments made by subsections (a) and (b) shall take effect on the day on which the individual holding the office of Commissioner of the Public Buildings Service of the General Services Administration on the date of enactment of this Act ceases to hold such office.

SEC. 2. Section 3(b) of Public Law 98-1 is amended by striking out "within two years of enactment of this Act".

SEC. 3. The Act entitled "An Act to designate the United States Post Office and courthouse in Pendleton, Oregon, as the John F. Kilkenny United States Post Office and Courthouse" (Public Law 98-492; 98 Stat. 2271) is amended by striking out "Dorian" and inserting in lieu thereof "Dorion".

Mr. STAFFORD. Mr. President, I move to reconsider the vote by which the bill was passed.

Mr. LUGAR. Mr. President, I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. STAFFORD. Mr. President, I thank the Chair and I yield the floor.

CONCLUSION OF MORNING BUSINESS

The PRESIDING OFFICER. The Chair announces that morning business is closed.

FOREIGN AID AUTHORIZATION FISCAL YEAR 1986

Mr. LUGAR. Mr. President, I ask unanimous consent that the Senate turn to Calendar Order No. 84, S. 960, the foreign aid authorization bill.

The PRESIDING OFFICER. The bill will be stated by title.

The legislative clerk read as follows:

A bill (S. 960) to amend the Foreign Assistance Act of 1961, the Arms Export Control Act, and other Acts to authorize appropriations for the fiscal year 1986 for international security and development assistance, the Peace Corps, the Inter-American Foundation, and the African Development Foundation, and for other purposes.

There being no objection, the Senate proceeded to consider the bill.

Mr. LUGAR. Mr. President, we are considering today the International Security and Development Cooperation Act of 1985 at a time when we are taking serious steps to hold down Government spending. The Senate has just completed action on the Senate budget resolution in which we took substantial steps toward reducing the Federal budget deficit for fiscal year 1986 and beyond.

Mr. President, we are bringing this bill to the floor in that same spirit. This bill is fully within—indeed, it is well below—the level proposed for foreign assistance expenditures within the 150 account.

At the same time that we work to restrain Federal spending, we must be mindful of the fact that the security of the United States is tied to the security and well-being of our friends and allies throughout the world. This bill provides funds to assist other nations to improve their economies and to strengthen their security against opponents of freedom. If we are successful in furthering these foreign policy goals, we will enhance the economic and security needs of the United States.

Enactment of this bill is, therefore, very much in the national security interest of the United States of America. It provides security assistance for our allies to strengthen their defenses and to provide for local self-defense in areas of great strategic importance to the United States. It provides assistance for nations to address destabilizing economic problems and to allow them to get on with the task of internal economic growth. And it provides for assistance to less well-off nations to care for victims of natural and manmade disasters while planning for longer term remedies to problems.

Many Senators have been asked from time to time why it is important and necessary to provide assistance to other nations when there are so many pressing problems at home. Perhaps this question will be asked less and less for it is clear to many Americans that we simply cannot prosper as a nation if we turn in on ourselves. We cannot grow economically, we cannot remain secure as a nation with many international interests, and we cannot live up to our ideals and values as a free society if we turn our backs on problems outside our own boundaries.

If we ignore threats to friendly nations, for example, we will surely pay a steep price for doing so. The problems of today which are manageable will become deep and costly crises if they are ignored.

The amounts recommended for new authorization for fiscal year 1986 are essentially frozen at the 1985 level. Funding increases are confined to the Camp David countries, Israel and Egypt. We are recommending an authorization of $12.824 billion, which is some $416 million less than the administration's request. This recommendation amounts to between 1 and 2 percent of the total Senate budget resolution bottom line, a small amount for furthering such important foreign policy objectives of the United States. The bill includes proposals for international and security assistance, and the Peace Corps.

As I just mentioned, this bill contains funding increases for Israel and Egypt. All other military assistance has been held to the fiscal year 1985 levels or the President's request, whichever was lower. Both Israel and Egypt face severe economic problems, especially their international debt.

This bill will also help the United States to retain critical overseas military bases in NATO and the Far East, to retain important military access arrangements abroad and to assist countries on the frontlines of Soviet or Soviet-supported aggression. More than 80 percent of the security assistance proposed in this bill would go to the base rights countries, those providing U.S. military access or bordering on Soviet-supported clients and to Israel and Egypt. In most recipient nations, the economic and security assistance programs we are recommending are mutually reinforcing—the military assistance helps provide the basis for improved security that will help countries utilize their funds to spur economic development and growth. And, improved economic performance will help alleviate the causes of social and political turmoil and insecurity.

Mr. President, there is broad bipartisan support for this bill on the com-

mittee and we feel confident that it represents an appropriate mix of economic and military assistance that is tailored to both country needs and the national interests of the United States. We feel confident the bill also meets the need for fiscal restraint.

This bill will strengthen the President's ability to address the numerous and diverse security concerns around the world, the peace process in the Middle East, the struggle against oppression and the foes of democracy, the misfortunes of poverty and famine, and against instabilities that may be inspired by our adversaries. This bill is the most important vehicle of the United States for shaping the conduct of our foreign policy and for influencing events abroad, but we should not ignore the fact that this authorization includes funds that also have direct economic benefits to the U.S. economy. Virtually all the military assistance and economic assistance authorized in this bill would be spent in the United States, and a large portion of the military assistance funds will bring in revenues to the Treasury in the form of repayments on interest bearing loans. These programs are not giveaways. They derive important foreign policy and defense benefits for the United States. The foreign policy benefits far exceed the comparatively small resources we are proposing.

Let me reiterate, this bill is below the level provided for in the budget resolution.

It is the intention of the managers to proceed quickly and systematically through amendments. When no more amendments are presented, our intention will be to move to third reading.

Finally, Mr. President, I would like to reemphasize that the committee reached broad bipartisan agreement on this bill. We reached agreement without acrimony and discord and I want to take this occasion to thank the committee members on both sides of the aisle for their cooperation, time and energy in making this possible. I especially want to commend and thank my colleague, Senator CLAIBORNE PELL, the ranking minority member, whose counsel and wisdom helped bring about the wide support the bill has enjoyed in committee.

Mr. President, I yield now to my colleague, Senator PELL, for his opening statement.

Mr. PELL. Mr. President, I thank the chairman for his kind words. I was very glad indeed to work with him to try to bring up this bill. I am very pleased that the bill has strong bipartisan support and merits that support since the thoughts and concerns of all us had a chance to be considered and worked out and to be reflected in the body and text of the bill.

Mr. President, I am pleased to join with the distinguished chairman of the Foreign Relations Committee in urging the Senate to adopt S. 960, the International Security and Development Cooperation Act of 1985. Swift passage of this legislation, which was reported favorably by the committee in a 16-to-1 vote, will reaffirm the normal legislative process for these programs which have been without a regular authorization since fiscal year 1983 and that is calendar year 1981. It has been over 3 years since the Senate had considered the authorization legislation on this floor. This absence of authorization legislation has been due largely to a desire to limit or avoid lengthy and contentious debate on foreign policy matters and to a fear that foreign aid is a perennial political orphan lacking broad popular support at home.

I hope at this time that the contentious debate will not occur and that the amendments that come foward will be as germane and pertinent to the bill as is possible. The fewer amendments, the better.

As the ranking member of the Committee on Foreign Relations these past 4 years, I have fought for this legislation because I believe in regular legislative process—that is, an appropriation bill ought to be preceded by an authorization which sets policy—and, perhaps more importantly, because I believe that the Senate ought to have its chance to debate the major foreign policy issues confronting our Nation. In the past, the foreign aid bill has been the setpiece for annual foreign policy deliberations, and I believe that it has been invaluable in that regard. By debating our aims, policies, and programs, the Congress can forge the kind of bipartisan consensus that is essential to a successful foreign policy.

Unfortunately, since 1982, the Congress has folded the entire Foreign Assistance Program into the omnibus continuing resolution. Given the fact that so many other programs were also included in that catch-all funding bill—such as defense, or housing, or transportation—the debate on the merits of programs contained in the foreign assistance legislation was necessarily limited.

Mr. President, I am therefore most pleased to join with Senator LUGAR in recommending passage of this legislation, and I hope that our consideration of this bill augurs well for a return to normal legislative process in this body.

As the first item of business this afternoon, I intend to join with Senator LUGAR in moving adoption of a fiscal 1985 supplemental assistance package for Israel and Egypt as requested by the President. The Middle East Supplemental Assistance Act of 1985 is intended to provide badly needed funds for the ailing economies of Israel and Egypt, each of which has recently undertaken serious reform measures to improve its economic health. In approving this supplemental legislation, the Senate will reaffirm its strong support for the Camp David peace process, and will provide further evidence of our firm commitment to the governments of Prime Minister Shimon Peres and President Hosni Mabarak.

Mr. President, I want to conclude my opening remarks this afternoon by noting the care with which the Committee on Foreign Relations reviewed the President's fiscal 1986 request. As its first measure, the committee adopted the mark proposed by Senators LUGAR and DODD which reduced the President's overall request by a net $416 million. We accomplished this significant reduction through a formula of adopting the President's request or the current level of funding—whichever was less. With a few exceptions, such as increased military assistance for Israel and Egypt, or some restorations in smaller humanitarian aid accounts, the committee adhered to this formula in order to get as close as possible to a freeze in foreign aid for fiscal year 1986.

Of the $12.825 billion provided in this authorization legislation, $5.115 billion, or 40 percent is for the Camp David countries, Israel and Egypt; $2.64 billion, or 21 percent, is for countries according U.S. base rights as Turkey and Portugal. Another $1.25 billion, or almost 10 percent, is for Central America where the President has launched an ambitious multiyear program fashioned by the Kissinger Commission last year. The remaining $3.82 billion is to finance all of our international narcotics control programs, all of our bilateral development assistance efforts, all of our voluntary contributions to international organizations such as UNICEF and the OAS, all of remaining security assistance relationships such as those with Thailand, Pakistan, and the Caribbean, and all of our peacekeeping operations.

Mr. President, the Foreign Relations Committee held the line on foreign assistance programs because it was clearly imperative to help curb the onerous Federal deficit.

Mr. President, our foreign and security assistance programs give critical economic and military strength to friends and allies who need our support. This assistance program is a prudent and carefully wrought investment in America's future. America may stand tall, but it cannot stand alone.

Mr. LUGAR. Mr. President, let me say at the outset that Senator PELL and I hope that we might move rapidly this afternoon through amendments on which there appears to be little controversy. We understand that there may be other amendments that will come after the hour of 5 o'clock that might be controversial and will

perhaps require rollcall votes. But there will be no rollcall votes until after the hour of 5.

The majority leader has given us the opportunity to work into the early evening this evening so that we might make a lot of progress. Then, tomorrow, we hope to work until we complete action on the bill. We hope the momentum we generate today will carry us on to completion at what could be a fairly early hour, but may well be a late hour depending upon how many amendments are offered and how much controversy is generated.

But I would indicate before I offer the first amendment, which I shall do in a moment, that Senators who are listening to the debate might wish to come to the floor and get rapid consideration of their amendments this afternoon. We might make progress in that way.

Mr. SARBANES. Mr. President, will the Senator yield? Is the Senator preparing to offer an amendment?

Mr. LUGAR. Yes, I am preparing to offer the Middle East supplemental amendment at this stage.

Mr. SARBANES. I wonder if I could have just a few moments to comment on the bill generally before the Senator proceeds.

Mr. LUGAR. I am happy to yield to the Senator from Maryland.

Mr. SARBANES. Mr. President, for the first time in a number of years, the Senate has before it—with, I think, the prospect of passage—a comprehensive foreign aid bill.

The Committee on Foreign Relations has worked constructively and cooperatively to bring this about. There is a very strong desire within the committee to reestablish the regular authorization-appropriations sequence for foreign assistance; in other words, to return to the committee and to the full Senate membership the responsibility of making the basic decisions with respect to our foreign assistance program, rather than falling back on the device of a continuing resolution as the Congress moves toward adjournment in the closing days of a session.

I want to commend the chairman, the Senator from Indiana, and the ranking minority member, the Senator from Rhode Island, for their leadership in the effort to place us back on the traditional, appropriate and proper Senate authorization-appropriation track in this important policy area, from which we have unfortunately strayed in recent years. The recent practice has been of concern virtually every Member of this body who recognizes that it is really not the proper way to do business.

So from that point of view, this is an important measure that is now pending before the Senate. I hope Members will recognize it as such.

Second, this bill was dealt with in the context of a very tight Federal budget situation. The debate we concluded only last week throws into sharper perspective the importance of a prudent and responsible approach to the foreign assistance program. And the committee was mindful of that in its consideration of this measure. In fact, the committee significantly reduced the administration's request in order to make certain that the legislation brought to the floor would conform with the recommendation of the Senate Budget Committee, and that the 150 account would be kept at the levels of the 1985 fiscal continuing resolution. That was accomplished, as my colleague from Rhode Island has pointed out, by adopting essentially an approach of either freezing at the 1985 levels or taking the lower figure requested by the administration—when indeed the figure was lower—for various programs. As a consequence, a net reduction of over $400 million was achieved in the administration request, and at the same time the committee was able to restore some moneys in certain areas that had been cut very, very deeply by the administration proposal, particularly areas involving development assistance and humanitarian aid in which the Congress has traditionally been most supportive.

Another issue encompassed in this legislation—and it is not a new one—is one that has characterized the debate over foreign aid virtually since the inception of the program in the years following the Second World War. That is, of course, the widely differing views on the role foreign assistance can or should play in serving the national interest, on the proper role for foreign assistance in the conduct of foreign policy, on the question of the balance between security and development assistance and the role of economic assistance, which strictly speaking is neither security nor development assistance but is related to and affects both.

I do not intend to review the specific programs, but I do want to underscore the fact that the members of the committee tried to deal with the situation confronting us with great sensitivity to the budget pressures, while still recognizing some of our obligations and responsibilities.

I am frank to say that I think there has been a tendency in recent years in effect to militarize the foreign aid budget, with a pronounced shift of resources away from development programs and into military and security programs. If one compares the increases proposed by the administration—and in fact the increases that have taken place over the last few years—there have been very sharp rises in the military assistance program, particularly in the grant portion of that program which has increased fivefold in the last 3 fiscal years. Members will have to examine that aspect of the legislation before them very carefully. But it was an issue before the committee, and one to which members of the committee addressed themselves, in an effort to try to balance out these considerations. Obviously, the broad range of our foreign policy interests embraces a host of factors; the pressures with which we are confronted vary sharply in different regions of the world. We are also dealing with an historical record, and the committee has tried to take that into consideration as well; Members of the Senate will do the same. There is however no question that in the last few years there has been a falloff of in the commitment to development assistance and a sharp increase in the military component of the foreign assistance bill, and I would urge Members simply to keep that trend in mind as they consider the various aspects of the legislation that is now before us.

We will be considering shortly a supplemental proposal with respect to aid to Israel and Egypt, as I understand it. I want to point out that this aid is extremely important in terms of achieving the U.S. national interest. It has a dimension to it significantly different from the normal military or economic aid program. That dimension is, one, the longstanding nature of the United States-Israeli partnership, and, second, the critical importance of the Camp David accords and the Israeli-Egyptian peace treaty.

In moving in 1979 to end the state of war that had existed since 1948, and in moving since to maintain the peace in the face of arduous pressures, Israel and Egypt have created the only practicable basis for reaching a broader solution, a peaceful solution, in the Middle East, a solution which will clearly serve our national interest. Therefore, I think this aspect of the proposal from the committee needs to be viewed in that special perspective.

Mr. President, in closing, let me simply say that this legislation was constructed by the committee after careful consideration. It was brought to the floor of the Senate on a 16-to-1 vote within the committee. While I do not agree with all of the priorities set out in the legislation, I do believe that it is a responsible and constructive piece of work. It responds to the enormous problems which confront us around the world, and it marshals our economic, diplomatic, and security resources in the most effective manner for dealing with those problems. I am pleased to join with the distinguished chairman and the ranking minority member in bringing this legislation to the Senate for its consideration, and in particular I welcome the prospect that for the first time in a number of years we will have authorizing legislation for

the Foreign Aid Program, something we have not had now for a number of years. I am very frank to say I think that the absence of a foreign aid authorization constitutes a major defect in addressing responsibly this important issue, and is inconsistent with the procedures the Senate has established for dealing with matters of this import.

Mr. President, I yield the floor.

Mr. PRESSLER addressed the Chair.

The PRESIDING OFFICER. The Senator from South Dakota.

Mr. PRESSLER. Mr. President, I commend the chairman, ranking member, and all of the members of the Foreign Relations Committee for bringing this bill to the floor. As has been pointed out, this is the first time in recent years that we have brought a foreign relations authorization bill to the Senate floor with an authorization-appropriation approach. I believe very strongly in the committee system in the Senate of the United States. The major work, and the best thinking, and legislating is done in committees.

Mr. President, it is very important that this foreign relations authorization bill passes the Senate.

I hope that the House follows the same procedure. Mr. President, I think it has been a struggle to get a simpler bill to the House floor. As chairman of the European Subcommittee of the Foreign Relations Committee, I have a particular interest in European nations that receive U.S. aid, and our relationship with NATO.

I shall be making an indepth statement about the ratio between Greece and Turkey, which was discussed in the subcommittee, and some facts surrounding concessional loans in that part of the world.

I shall also submit for the RECORD a summary of the type of aid we are giving to the five nations in Europe which receive U.S. aid.

Let me also say, Mr. President, that although the Food for Peace Program is not entirely covered by this legislation, we must remember that our Food for Peace projects have developed some of our best customers in terms of agricultural export sales. There have been successes in the developmental area also. However, there have also been what I consider to be failures in many of our efforts in Africa and other locations. The failures have been caused by totalitarian governments, civil wars, and factors other than our efforts.

Due to the current budget deficits, many feel that this is a difficult bill to vote on. Why should the United States be giving foreign aid? It is easy to target. Indeed, in a survey in my State, it was the one area where people most wanted cuts in the budget. It is a bill is hard for many Members of the Senate to vote for because it is difficult back home to justify voting for concessional aid to certain countries while our farmers, small businessmen, and others are paying 13 and 14 percent interest on loans.

Indeed, we will be working on modifying some of those items in the next day or two.

I also look upon this bill as being in the strategic interest of the United States, both economically and militarily.

From the economic point of view, we have an interest in having prosperous allies for trading purposes as well as for our national security.

In terms of national security, we use much of this money for strategic purposes. Indeed, four of our European allies have U.S. bases on their soil. Those bases have been assigned by Republican and Democratic Presidents. It has been pointed out that significant economic benefits accrue to countries hosting a U.S. base.

Perhaps with the strategic defense initiative, these bases will not be as important in the future, but they certainly are important at present.

So with those points, I am pleased that the Senate has begun debate on this important bill. I offered most of my amendments in the committee. I will be presenting a statement regarding the European aid and regarding the Greek-Turkish package as has been agreed upon by the committee.

I will be inserting those later today or tomorrow.

Mr. President, I yield back the remainder of my time.

Mr. LUGAR. Mr. President, I thank the distinguished Senator from Maryland for his generous comments about the work of Senator PELL, myself, and our colleagues on the committee.

Likewise, I am equally grateful to my distinguished colleague from South Dakota [Senator PRESSLER] for his constructive work throughout our deliberations and for his comments about our progress to date.

AMENDMENT NO. 101

(Purpose: To provide supplemental economic support fund assistance for Israel, Egypt, and the Middle East Regional Program)

Mr. LUGAR. Mr. President, on behalf of Senator PELL, Senator MATHIAS, Senator HELMS, Senator BOSCHWITZ, Senator PRESSLER, Senator MURKOWSKI, Senator TRIBLE, Senator EVANS, Senator SARBANES, Senator BIDEN, Senator CRANSTON, Senator DODD, Senator KERRY, Senator EAGLETON, Senator LAUTENBERG, Senator SASSER, and myself, I send an amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows:

The Senator from Indiana [Mr. LUGAR], for himself, Mr. PELL, Mr. MATHIAS, Mr. HELMS, Mr. BOSCHWITZ, Mr. PRESSLER, Mr. MURKOWSKI, Mr. TRIBLE, Mr. EVANS, Mr. SARBANES, Mr. BIDEN, Mr. CRANSTON, Mr. DODD, Mr. KERRY, Mr. EAGLETON, Mr. SASSER, and Mr. LAUTENBERG, proposes an amendment numbered 101.

Mr. PELL. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

At the bottom of page 28, add the following:

SUPPLEMENTAL AUTHORIZATION OF APPROPRIATIONS

SEC. 202. (a) In addition to amounts otherwise authorized to be appropriated for the fiscal year 1985 to carry out the provisions of chapter 4 of part II of the Foreign Assistance Act of 1961, there are authorized to be appropriated $2,008,000,000, of which $1,500,000,000 shall be available only for Israel, $500,000,000 shall be available only for Egypt, and $8,000,000 shall be available only for the Middle East Regional Program.

(b) Amounts appropriated to carry out this section are authorized to remain available until September 30, 1986.

Mr. LUGAR. Mr. President, I have offered the Middle East supplemental amendment which deals with supplemental assistance for Israel, Egypt, and the West Bank and Gaza.

The amendment authorizes $1.5 billion in economic support funds [ESF] in assistance for Israel to be used in furtherance of the economic reform program of the Government of Israel. The funds would be disbursed at the discretion of the President, at such times as he finds helpful to the stability and growth of the Israeli economy. This decision is in recognition of Israel's progress on economic reform, and the Prime Minister's intention to further the economic program. These actions are a positive first step in a continuing process.

Over the past year, Egypt has begun making a serious effort to reduce consumer subsidies and to stimulate greater economic productivity. The politically sensitive bread subsidy was reduced and utility tariffs have been increased. The price of gasoline was recently raised. More needs to be done, especially now that foreign exchange income is being squeezed by falling crude oil prices. Consequently, this amendment also provides $500 million in supplemental ESF assistance for Egypt to support an expanding peace process and to further Egyptian economic reform efforts. It is intended that disbursement of this supplemental assistance be at the President's discretion so as to maximize its contribution to the achievement of these objectives.

The $8 million in supplemental ESF assistance to the Middle East Regional Program is to be used for development programs and for addressing chronic

unemployment for the 1.2 million residents of the West Bank and Gaza.

Mr. President, this is an important policy initiative. It is one that we have chosen to encompass in this legislation so that the authorizing procedure might be clear. We appreciate that at some point in the near future the Appropriations Committee of the Senate will be discussing this issue and indeed may bring a supplemental appropriations bill before the Senate.

In the spirit of the proper authorizing procedure, we feel that it is important there be a clear track of consideration through our committee and through the authorizing procedure of this body.

We appreciate that the timing of this supplemental has been a sensitive issue of importance to U.S. foreign policy. The Secretary of State asked in the Foreign Relations Committee at the time of our markup to give him additional weeks to work with Prime Minister Peres and other responsible officials in Israel, and to work with Prime Minister Mubarak and his associates in Egypt. We have acceded to that request in a responsible way.

We now have indications from the Department of State that these are the levels to be requested and these are the programs they would like to have.

So in that spirit, Senator PELL and I, and our associates on the Foreign Relations Committee whom I have named as cosponsors of the amendment bring this amendment to the Senate and ask if possible for unanimous support.

Mr. PELL. addressed the Chair.

The PRESIDING OFFICER. The Senator from Rhode Island.

Mr. PELL. Mr. President, I am pleased to join with Senator LUGAR in offering the Middle East Supplemental Assistance Act as an amendment to this legislation.

This legislation, which has been requested by the President, provides Israel and Egypt with badly needed economic assistance with which they can continue to implement important budget reforms, and rejuvenate their flagging economies generally.

Mr. President, we are all firmly committed to this economic assistance effort because I believe that the U.S. Government must act expeditiously to provide support for the coalition government of Prime Minister Shimon Peres in Israel, and his Camp David partner President Hosni Mubarak of Egypt.

The current economic difficulties besetting these two countries could jeopardize the carefully wrought peace agreement that was fashioned at Camp David. The United States has a direct stake in the preservation, indeed the expansion, of that peace process and we cannot afford to permit temporary economic difficulties to derail this important peace train.

This supplemental therefore represents an earnest, on our part, committing the United States to help reinvigorate these two economies, and, even more importantly, committing the United States to further the peace process we helped begin 7 years ago.

Mr. EAGLETON. Mr. President, I am pleased to join as a cosponsor of the pending amendment to authorize supplemental aid to Israel and Egypt, and the residents of the West Bank and Gaza Strip.

The Camp David accords which entailed a sizable commitment of U.S. aid to both Israel and Egypt remain the cornerstone of our foreign policy in the Middle East. Our country's longstanding and important security relationships with Israel and Egypt have, for over a decade, created unique circumstances surrounding American assistance. Both countries now receive all grant foreign military sales credits to help with the growing accumulation of FMS related debts which heavily burden both economies. Israel will, for the second year, receive its economic support funds on an expedited basis. Israel continues to be permitted to use U.S. funds toward the purchase of equipment in Israel rather than the United States and to finance military research and development projects in Israel with those funds.

The amendment before this body new embarks on a new phase of aid to Israel and Egypt, an emergency package designed to help cope with economic problems of our two financially strapped Middle Eastern allies. As we embark on this new phase of aid, it is imperative that we do so with the full understanding that U.S. aid can help mitigate their economic woes, but it cannot by itself pull either country out of its long-term economic dilemma.

Israel's economic crisis by far overshadows problems in Egypt. A November 1984 Senate Foreign Relations Committee report entitled "the Economic Crisis in Israel," is peppered with dire predictions. It states that "the economic crisis gripping Israel today * * * could pose as serious a threat to the security of Israel as any hostile neighbor in the region." It summarizes the problems as follows:

> Foreign exchange reserves have *declined precipitously* in recent months and have dropped below Israel's "red line" of funds sufficient to cover 3 months of imports. *Inflation* now *roars forward* at a *450 percent* annual rate, government budget deficits exceed earlier projections by *40 percent*, Israel's foreign debt is the highest per capita in the world, economic growth has slowed to a virtual standstill, exports have declined for 2 years—the first such declines in Israel's history—and unemployment is rising to very high rates by historic Israeli standards." (Emphasis added.)

A further recent report by the Congressional Research Service of the Library of Congress sums up Israel's economic problems as follows:

> Growing debt servicing costs, mounting government social services expenditures, perennial high defense spending levels, and a stagnant domestic economy combined with worldwide inflation and declining foreign markets for Israeli goods pushed the Israeli economy into a near crisis situation.

In testimony before the Senate Foreign Relations Committee on March 15, Secretary of State Shultz declined to make a recommendation for supplemental aid to Israel, stating that the Israeli Government would and should institute tough economic reforms prior to any additional infusion of U.S. aid.

The new National Unity government in Israel, elected last year, has made a start on economic reform. Prime Minister Shimon Peres has given us cautious hope that basic structural reform in the Israeli economy is under way. On March 28, the Knesset approved cuts of about $2 billion from the 1984 Government budget of more than $24 billion. The Knesset also adopted a budget for fiscal year 1985–86 that would reduce expenditures and the deficit below the actual level of 1984–85. An act designed to prevent budget overruns unless they had the approval of the government was also adopted. A second wage-price agreement between labor unions and manufacturers has been reached. Reductions of between 18 and 55 percent in subsidies for food, energy, and other items have been achieved. A 6-month ban on the import of certain luxury goods has been implemented. Foreign exchange control regulations have been tightened. Higher taxes for Israeli travelers have been imposed. The shekel was devalued by 8 percent and further devaluations are continuing.

These steps are, as I said earlier, encouraging, but much remains to be done.

In April of this year Secretary of State Shultz and Prime Minister Peres exchanged letters regarding the nature of the economic ills of Israel and what needs to be done about it. I applaud Secretary Schultz's initiative on the Israeli economy. Without his pushing and prodding, I doubt if Israel would have, on its own, taken some of the reforms it now pledges to initiate.

Israel now pledges to do the following.

First, the Government will adopt an inflation target as a commitment for fiscal year 1985–86 with an agreement of the social partners.

Second, the budget targets will be specified in real shekel terms for each quarter—dollar totals for each quarter plus monthly targets, will be provided as supplementary information.

Third, the budget law will be passed.

Fourth, the Bank of Israel law will be passed.

Fifth, the Bank of Israel will accept the Government's inflation target as its policy goal.

Sixth, the Bank of Israel will conduct monetary policy in accord with the inflation target using M-7 as its target, and M-2 as its operating target for policy.

Seventh, the effective real exchange rate will not be appreciated.

Eighth, the Government will express its intention to make Government debt tradable.

Ninth, the Government will express its intention to reduce the control and subsidation of credit.

Tenth, the Government's intention to reform the TAM system will be understood.

More may be needed. But, at least, a beginning has been made.

Finally, Mr. President, a word about the role the tragedy in Lebanon played in Israel's economic demise. Even with Israel's deep-seeded, deep-rooted economic ills, we still wouldn't be here at this moment seeking special supplemental aid but for the fiasco in Lebanon. This near economic collapse in Israel is in part another legacy of the Begin-Sharon blunder. Beyond the bodies, beyond the maiming, beyond the wounding, lies this economic devastation which the Prime Minister Begin and General Sharon inflicted on Israel when they marched to Beirut.

Israel, at this very moment, hastily withdraws its forces from Lebanon. All know a huge and catastrophic mistake has been made.

However, Mr. President, we can't rewrite the past. What's done—however poorly, however tragically—is done. Israel needs help. It needs it badly. It needs it now. It pledges to reform its economic ways.

I urge the adoption of the amendment.

Mr. LAUTENBERG. Mr. President, I rise today in support of the Lugar-Pell amendment to include $2.8 billion in additional economic assistance for Israel, Egypt, and the West Bank/Gaza Strip.

I strongly support the approval of $1.5 billion in emergency economic assistance for Israel. This aid would permit the Israeli economy to survive its current economic difficulties and give Israel the time it needs to implement its austerity program.

Prime Minister Peres has demonstrated real courage in doing what had to be done to restore growth and stability to Israel's economy. In a letter to Secretary of State Shultz, the Israeli Prime Minister provided detailed plans of the economic reforms he will implement in the coming months. First, the Israeli Government and the Bank of Israel will adopt quarterly inflation targets, and the Minister of Finance will set quarterly targets for expenditures, revenues, and deficits in accordance with such targets. Second, the Bank of Israel will gradually restrict the amount of loans granted to the government with a 3-year objective of ending such loans completely. It will set monetary targets consistent with inflation targets. Third, the Government will increase the competitiveness of Israel goods on the world market, and will strive to make Israel's debt tradeable by selling bonds similar to our own Treasury notes.

This program of stringent economic measures is a constructive step toward resolving Israel's economic difficulties. Coming on top of a 17-percent cut in Israeli Government expenditures, including $1 billion cut in subsidies on food and other staples, and a reduction in the defense budget, no one can doubt Israel's resolve to make the reforms necessary to put its economic house in order.

The Israeli people have also proven their willingness to sacrifice for the overall good of their country. A freeze has been put into effect on all public sector employment, and 15,000 public employees will lose their jobs because of budget cuts. Israelis have endured a nearly 20-percent cut in worker compensation, and the purchasing power of the Israeli citizen has been cut by 40 percent in the last 6 months. In light of Israel's willingness to undertake painful austerity measures, the supplemental economic assistance will ensure that Israel's economy can continue to function while the austerity program takes effect.

The United States has supported Israel in its drive to maintain its military strength. The need is no less urgent in the economic sphere. I urge my colleagues to approve this amendment, and give Israel the help it so desperately needs.

The PRESIDING OFFICER. If there is no further Senator seeking recognition, the question is on agreeing to the amendment.

The amendment (No. 101) was agreed to.

Mr. LUGAR. Mr. President, I move to reconsider the vote by which the amendment was agreed to.

Mr. PELL. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

AMENDMENT NO. 102

(Purpose: To make not less than $15,000,000 in each fiscal year available only for certain assistance to the Afghan people)

Mr. HUMPHREY. Mr. President, I send an amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The amendment will be stated.

The bill clerk read as follows:

The Senator from New Hampshire [Mr. HUMPHREY] proposes an amendment numbered 102.

On page 62, strike out lines 11 through 18 and insert in lieu thereof the following:

SEC. 910. (a) Of the funds authorized to be appropriated to carry out the provisions of chapter 4 of part II (relating to the economic support fund) of the Foreign Assistance Act of 1961, not less than $15,000,000 in each fiscal year shall be available only to the President for the provision of food, medicine, or other humanitarian assistance to the Afghan people, notwithstanding any other provision of law.

(b) This section shall take effect on the date of enactment of this Act.

Mr. HUMPHREY. Mr. President, this is an amendment that I have discussed with Senators on both sides. The effect of it is to earmark not less than $15 million from the economic support fund for assistance to the people of Afghanistan.

I think there are few issues, Mr. President, on which Members of this body and the House are more united than the issue of pressuring the Soviet Union to end its occupation and bludgeoning of the people of Afghanistan. The crimes the Soviets have committed in Afghanistan are unspeakable and the suffering of the people of Afghanistan has been massive.

One of the things we can do of a practical nature is provide funds to private voluntary organizations which will bring humanitarian aid in the form of medical care, medicines, food, and educational materials to the people of that stricken country.

I do not know of any opposition to the amendment, Mr. President. It is quite simple. It is very badly needed, in my view.

This does not represent a departure in terms of policy. During the last few years or so, the Department of State's reprogramming has made funds available for this purpose. We seek now to earmark funds and to specify the amount in terms as described.

Mr. President, I ask unanimous consent to add as cosponsors Senators KASTEN and D'AMATO.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. D'AMATO. Mr. President, I support the amendment offered by my good friend and colleague, the senior Senator from New Hampshire. I believe this amendment is long overdue and is just a beginning in our effort to help the valiant people of Afghanistan.

The tragedy of the Soviet war on the Afghans has been raging for over 5 years. Over a half million Afghans have perished, 3 million have been forced to flee their country, and the infrastructure of Afghanistan has been laid to ruin. Children have been deliberately maimed through use of "butterfly" bombs which look like toys, civilian populations have been killed, brutalized, and starved, and the country has been ravaged.

By providing $15 million in humanitarian aid to the Afghan peoples, we will send a strong signal not only to the heroic Afghan freedom fighters, but also to the Soviet Union as well.

The United States must demonstrate its iron will to resist the cancer of Communist despotism. In their effort to subjugate the Afghan peoples, the Soviet Army has destroyed crops, bombed medical centers, and leveled whole villages. Needless to say, Afghans are in desperate need for food, medical care, and humanitarian assistance.

We must never forget the heinous acts perpetrated by the Soviet Union and its satellites. The attempted assassination of the Pope in 1981, the downing of Korean Airlines Flight 007 in 1983, and the senseless murder of a U.S. major in East Germany are just some examples of the barbaric international behavior of the U.S.S.R. Its most savage act of current aggression, however, is the carnage it is now inflicting upon the people of Afghanistan. The acts of atrocities the Afghans have had to endure are overwhelming.

The Soviet Armies expected quick annexation of this Moslem nation. They did not count on the tenacity and fortitude of the Afghan freedom fighters. The Mujahidin, as they are called, deserve our support. They are not just a band of rebels who sporadically inflict casualties on the Soviet occupying forces. They are a spirited fighting force which has denied the Soviet Army 90 percent of Afghanistan and has withstood everything the Soviets could throw at them. To date, the freedom fighters have inflicted an estimated 20,000 Soviet casualties and the invasion has cost the U.S.S.R over $6 billion annually. We must provide the freedom fighters with adequate assistance to help them in their courageous struggle against tyranny.

Soviet global strategy clearly indicates expansion in this area in a quest for a warm water port. It is imperative that the nations in the region and the United States show their collective resolve to resist Soviet military domination. We have a moral imperative to assist the Afghan people in their monumental struggle for survival and their fight against Soviet incorporation. The United States would be remiss for not coming to their aid.

Mr. President, I commend the Senator from New Hampshire for his tireless efforts on this most important issue. I strongly urge my colleagues to join me in support of this amendment to aid the courageous people of Afghanistan.

Mr. LUGAR. Mr. President, I commend the distinguished senior Senator from the New Hampshire for this amendment. His leadership in drawing the attention of the Senate and, indeed, the country to the problems of Afghanistan and to the potential for our foreign policy is something that each one of us has reason to commend him for. His rising this afternoon to offer this amendment is timely and appropriate.

Mr. President, on our side of the aisle, we are prepared to accept the amendment. I am most hopeful that the amendment will receive the unanimous support of this body today.

Mr. PELL. Mr. President, I am glad to join with my chairman in complimenting the Senator from New Hampshire on this amendment. It is a good one and deserves support. Before acting on it, however, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The bill clerk proceeded to call the roll.

Mr. PELL. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. PELL. Mr. President, I ask unanimous consent that I may be added as an additional cosponsor.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. HUMPHREY. Mr. President, the United States as well as other nations have been very generous in supporting the Afghans as have other countries who are presently working with the Afghan refugees in Pakistan. This amendment, if adopted, we hope will serve to stem the flow of refugees out of Afghanistan by providing some humanitarian assistance which might, by easing the burden they bear, encourage them to remain within the country. I think that is an important point to consider in this matter.

If the floor managers have nothing further to say, I am ready to vote on the amendment at this time.

The PRESIDING OFFICER. Is there further debate?

Mr. BYRD. Mr. President, I ask unanimous consent that I may be added as a cosponsor.

The PRESIDING OFFICER. Without objection, it is so ordered.

The question is on agreeing to the amendment.

The amendment (No. 102) was agreed to.

Mr. LUGAR. Mr. President, I move to reconsider the vote by which the amendment was agreed to.

Mr. PELL. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

AMENDMENT NO. 103

(Purpose: To promote immunization and oral rehydration in developing countries)

Mr. BRADLEY. Mr. President, I send an amendment to the desk and ask for its immeidate consideration.

The PRESIDING OFFICER. The amendment will be stated.

The bill clerk read as follows:

The Senator from New Jersey [Mr. BRADLEY] offers an amendment numbered 103.

At the bottom of page 36, add the following:

PROMOTION OF IMMUNIZATION AND ORAL REHYDRATION

SEC. . (a) Section 104(c) of the Foreign Assistance Act of 1961 (22 U.S.C. 2151b.(c)) is amended—

(1) by inserting "(1)" before "In order"; and

(2) by adding at the end thereof the following new paragraph:

"(2) The Congress recognizes that the promotion of primary health care is a major objective of the foreign assistance program. The Congress further recognizes that simple, relatively low cost means already exist to reduce incidence of communicable disease among children, mothers, and infants. The promotion of vaccines for immunization, and salts for oral rehydration, therefore, is an essential feature of the health assistance program. To this end, the Congress expects the agency primarily responsible for carrying out the provisions of this part to set as a goal the protection of not less than 80 percent of all children, in those countries in which such agency has established development programs, from immunizable diseases by January 1, 1991.".

(b) Not later than 12 months after the date of enactment of this section, and at intervals of 12 months thereafter, the Administrator of the agency primarily responsible for carrying out part I of the Foreign Assistance Act of 1961 shall prepare and transmit to the Speaker of the House of Representatives and the chairman of the Committee on Foreign Relations a report describing the progress achieved during the preceding 12 months in carrying out section 104(c)(2) of such Act.

Mr. BRADLEY. Mr. President, the amendment I am introducing is to S. 960, the International Security Development Cooperation Act of 1985. It addresses the catastrophic problem of childhood diseases in developing countries in the most cost-effective manner known to health experts—by immunization.

Some sobering statistics have been published in a recent report by the Worldwatch Institute. More than 3 billion people in the world today will die at an earlier age than what we in the United States consider normal. Hundreds of millions live with the constant threat of hunger and a variety of debilitating diseases we in America are fortunate not to confront. Parasitic diseases affect 500 million people; malaria, alone, affects 300 million worldwide. A particularly sensitive group is the children of the Third World. Twenty-five percent of all deaths—13 million each year—occur among children under the age of 5. Of these, 95 percent are Third World children. What is more disturbing, a large percentage of those deaths are easily prevented. It is important to know that, of the 13 million childhood deaths previously cited, over 5 million are avoidable; these deaths are caused by immunizable diseases. Consider that within the hour, 600 children under the age of 5 will die; and this will con-

tinue every hour of every day until we act to stop it. The point is, we can.

But in a world of finite resources, the provision of comprehensive primary health care to everyone is an ambitious goal. Health experts agree that the most cost-effective component of comprehensive health care is vaccine development.

I applaud the efforts of the many domestic and international groups actively pursuing the control of communicable diseases among children. Rotary International is aiding in the worldwide fight against polio, while the Pan American Health Organization has pledged its efforts to erase this crippling disease from the Western Hemisphere. In addition, other international organizations such as UNICEF and the World Health Organization continue to push for the immunization of all the children of the world by 1990. Our own Agency for International Development has established immunization programs in parts of Africa and Indonesia protecting children from diseases such as polio, tetanus, measles, diphtheria, and whooping cough.

However, a troubling fact is that, while Congress has increased the funding level to AID to pursue primary health care, the Agency expects to reduce its staff thereby casting doubts on its ability to carry out much needed programs. Today, we must send a clear message to the Agency regarding priorities in international health—such is the nature of my amendment.

In summation, the temptation is great to increase the dollar amount to be used for the control of communicable children's diseases in the Third World; but in deference to budgetary restraint my amendment makes no reference to funding. Rather, I suggest incorporating new language in the International Security and Development Cooperation Act of 1985 which is consistent with, and in fact reemphasizes, the stated purpose of the Child Survival Fund. My amendment would set a goal for AID, to protect no less than 80 percent of all the children, within those countries where the Agency conducts development programs, from immunizable diseases by January 1, 1991. In addition, the Agency is ordered to report to the Congress, annually on the resources needed for and the progress toward achieving such a goal.

In the time it has taken me to deliver these remarks, 50 children have died. All it costs to immunize a child is less than $5. Congress has significantly raised the authorization level of the AID health account; let us use these resources in the simplest, most cost-effective manner available—by developing and delivering vaccines to the children of the Third World.

Mr. LUGAR. Mr. President, I commend the distinguished Senator from New Jersey for an excellent amendment dealing with a policy statement which is important and which I am hopeful will be promptly acted upon by the administration. We accept the amendment on our side.

Mr. PELL. Mr. President, I join with our chairman in recommending to my colleagues the acceptance of this amendment. It is a good initiative, beneficial, particularly to children, in the inhibition and restriction of the spreading of disease.

The PRESIDING OFFICER (Mr. DANFORTH). The question is on agreeing to the amendment of the Senator from New Jersey.

So the amendment (No. 103) was agreed to.

Mr. LUGAR. Mr. President, I move to reconsider the vote by which the amendment was agreed to.

Mr. BRADLEY. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

AMENDMENT NO. 104

Mr. LUGAR. Mr. President, on behalf of Senator BOSCHWITZ, I send an amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The amendment will be stated.

The bill clerk read as follows:

The Senator from Indiana [Mr. LUGAR], for Mr. BOSCHWITZ, proposes an amendment numbered 104: On page 27, line 8, strike out the comma after "efforts" and all that follows through "funds" on line 10.

Mr. LUGAR. Mr. President, the bill that was reported to the floor by the Senate Foreign Relations Committee and which we consider today authorizes the administration to provide to Egypt a cash transfer of between $165 and $200 million in fiscal year 1986. This amendment eliminates the requirement that these funds come solely from development projects. The amendment has been developed with the consent of the sponsor of the original provision and the administration. I know of no objection to it and I ask that Senator might comment on it. I hope the amendment will be accepted.

Mr. PELL. Mr. President, I am indeed very glad to join in approving this amendment. It has been approved by the original sponsor, the Senator from Nebraska.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Minnesota.

So the amendment (No. 104) was agreed to.

Mr. LUGAR. Mr. President, I move to reconsider the vote by which the amendment was agreed to.

Mr. PELL. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

AMENDMENT NO. 105

(Purpose: To authorize extended repayment terms with respect to foreign military sales credits for Spain.)

Mr. LUGAR. Mr. President, on behalf of Senator MATHIAS, I send an amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The amendment will be stated.

The bill clerk read as follows:

The Senator from Indiana [Mr. LUGAR], for Mr. MATHIAS, proposes an amendment numbered 105: on page 3, line 16, insert "Spain," after "Portugal,".

Mr. LUGAR. Mr. President, on behalf of Senator MATHIAS, I am proposing an amendment to S. 960 to include Spain among the countries that would be receiving extended repayment terms on their FMS market rate loans in fiscal year 1986.

Of the four NATO allies on the southern tier, Spain is the only country that is not scheduled to receive extended repayment terms for its market rate loans in fiscal year 1986.

The extended repayment terms authorizes a recipient of FMS market rate loans to repay these loans over a 30-year period, including 10 years grace and payment on interest only and 20 years payment on principal and interest.

Congress provided extended repayment terms to Spain in the fiscal year 1985 continuing resolution with the condition "as long as Spain remains a member of NATO." To include them in the list of countries that would receive these terms in fiscal year 1986 would be consistent with this past action.

Spain is scheduled to hold a national referendum on continued NATO membership and excluding them from these extended repayment terms could send a wrong signal.

The Spanish Government has informed us that these terms would be helpful as they enter into a difficult period of adjustment as they enter the European Economic Community.

Mr. PELL. Mr. President, the amendment of the Senator from Maryland is an excellent amendment, particularly pertinent at this time prior to the referendum that our chairman has mentioned will shortly take place in Spain as to whether it will retain membership in NATO. If this amendment were not passed, I think it would be a negative factor in that referendum that in addition to its other merits, is good reason this amendment should be supported and approved by the Senate.

Mr. SARBANES. Mr. President, I think the chairman and ranking member of the committee have very effectively set the case for this amendment. I support it. It is important to underscore that in last year's bill Spain was accorded the treatment this

amendment would provide, and therefore the amendment maintains consistent treatment with respect to Spain on this important issue at a time, as has been pointed out by my colleagues, when Spain is approaching some very basic decisions with respect to their orientation in the future. It seems to me that this amendment is important in establishing the most favorable context for those decisions, and I support it.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Maryland.

So the amendment (No. 105) was agreed to.

Mr. LUGAR. Mr. President, I move to reconsider the vote by which the amendment was agreed to.

Mr. PELL. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. LUGAR. Mr. President, I know Senators are working on additional amendments. I ask those who may be within the sound of my voice to come to the floor; this is an excellent opportunity to do business and to make progress on this bill.

For the moment, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The bill clerk proceeded to call the roll.

Mr. PROXMIRE. Mr. President, I ask unanimous consent that the order for a quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

AMENDMENT NO. 97

(Purpose: To prohibit the furnishing of certain assistance to the Khmer Rouge in Kampuchea)

Mr. PROXMIRE. Mr. President, I call up my amendment No. 97 and ask for its immediate consideration.

The PRESIDING OFFICER. The amendment will be stated.

The assistant legislative clerk read as follows:

The Senator from Wisconsin [Mr. PROXMIRE] proposes an amendment numbered 97.

Mr. PROXMIRE. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

On page 64, between lines 16 and 17, insert the following:

PROHIBITION ON CERTAIN ASSISTANCE TO THE KHMER ROUGE IN KAMPUCHEA

SEC. 914. (a) Notwithstanding any other provision of law, none of the funds authorized to be appropriated by this Act or any other Act may be obligated or expended for the purpose or with the effect of promoting, sustaining, or augmenting, directly or indirectly, the capacity of the Khmer Rouge or any of its members to conduct military or paramilitary operations in Kampuchea or elsewhere in Indochina.

(b) All funds appropriated before the date of enactment of this section which were obligated but not expended for activities having the purpose or effect described in subsection (a) shall be deobligated and shall be deposited in the Treasury of the United States as miscellaneous receipts.

(c) This section shall not be construed as limiting the provision of food, medicine, or other humanitarian assistance to the Kampuchean people.

On page 64, line 18, strike out "Sec. 914." and insert in lieu thereof "Sec. 915.".

Mr. PROXMIRE. Mr. President, I shall explain the amendment.

Mr. President, this amendment would bar all aid to the Khmer Rouge in Cambodia. The Khmer Rouge, as we all know, is the former ruthless, indeed, genocidal rulers of that unfortunate country.

The Khmer Rouge, led by Pol Pot, is currently one of three factions engaged in armed resistance to the Vietnamese occupation of Cambodia. In recent years, reports have suggested that the CIA has channeled assistance through China, Pol Pot's closest ally, to the Khmer Rouge. This Senator has no means to confirm these reports, but given the heinous record of the Khmer Rouge, it is imperative that the United States not support its activities in any way—no matter how great the temptation may be to counter Vietnamese aggression. Indeed, this temptation makes this amendment all the more necessary.

Recent Vietnamese successes have prompted observers to warn that the question of providing the rebels in Cambodia with arms may soon become critical. Recently, the Association of Southeast Asian Nations called for weapons for the Cambodian resistance. In view of this situation, the United States must do everything it can to insure that no aid goes to the Khmer Rouge and that nothing is done that can bring the Khmer Rouge back to power. Any other policy would be shortsighted.

For nearly 30 years, Prince Norodom Sihanouk ruled Cambodia, striving to chart a neutral course and to keep the Vietnam war from spilling into his country. In 1970, he was deposed in a military coup by an ardent anti-Communist, Marshall Lon Nol, who tacitly supported the U.S. incursion into Cambodia in that same year. Although the United States intended only to interdict the flow of arms from North to South Vietnam, its invasion increased support for the Communist opposition, let by Pol Pot and his Khmer Rouge. Shortly after the United States withdrew militarily from Southeast Asia in 1975, Pol Pot ousted Lon Nol and established one of the most vicious regimes that the world has ever known.

By conservative estimate, some 2 million Cambodians—out of a total population of only 6 million—perished during the 4 years of Pol Pot's reign; 1 million people succumbed to malnutrition, disease, exposure, and forced labor. Tens of thousands of these victims died in forced marches as the Khmer Rouge emptied the cities, including Pnomh Penh, with its 2 million residents.

Another 1 million people were systematically executed because they fell into undesirable categories. These included: Members of religious and ethnic minorities; former national civilian and military officials; lower ranking local government and military personnel; merchants and the educated; and teachers, students, and many workers. The details of these atrocities have been widely reported and I will not repeat them here. They are tales of incomprehensive torture, slaughter, and purposefully inflicted hardship.

The horror of these atrocities is surpassed in modern history only by Hitler's holocaust. It is fitting that on this 40th anniversary of the fall of Hitler and the liberation of the death camps, this country should reaffirm that it will never align itself with perpetrators of genocide.

Quickly after assuming power, the Khmer Rouge alienated the Soviet Union and its Vietnamese neighbors. Vietnam invaded Cambodia and overthrew Pol Pot in 1979. They replaced him with a puppet ruler, Heng Samrin, who still holds power.

Three rebel factions have formed a loose alliance to resist the Vietnamese occupation. They are the Khmer Rouge, reportedly the strongest militarily and still led by Pol Pot; a group that supports Prince Sihanouk; and the Khmer People's National Liberation Front, and anti-Communist group led by former prime minister Son Sann and supported by the Association of Southeast Asian Nations. Clearly, these groups are incompatible but have allied themselves temporarily to drive the foreign invaders from their land. How they would rule if successful is uncertain.

It is difficult not to be swayed by sympathy for the long-suffering Cambodian people to urge a more active role in the conflict. Such a role, however, would most certainly be a mistake for it would increase the chances that the dominant forces of Pol Pot would eventually suppress their temporary allies and reestablish the oppressive Khmer Rouge regime. No matter how much we may dislike the Vietnamese occupation of Cambodia, we must not do anything that threatens to subject the Cambodian people again to the brutal rule of the Khmer Rouge.

Mr. President, I am hopeful that the distinguished managers of the bill will accept the amendment.

Mr. LUGAR. Mr. President, I commend the distinguished Senator from Wisconsin on his constructive amend-

ment. Indeed, he has ably outlined reasons why aid should not go to the Khmer Rouge and the forces of Pol Pot. On our side, we are prepared to accept his amendment.

Mr. PELL. Mr. President, the amendment of the Senator from Wisconsin seems particularly apt and useful in view of the Solarz amendment on the House side setting forth $5 million will go to the resistance in Cambodia. That, combined with the Proxmire amendment, would ensure that that $5 million did not go to the Pol Pot group, the Khmer Rouge. For that reason, this is a very useful amendment indeed and I commend it to our colleagues.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Wisconsin [Mr. PROXMIRE].

The amendment (No. 97) was agreed to.

Mr. PROXMIRE. Mr. President, I move to reconsider the vote by which the amendment was agreed to.

Mr. LUGAR. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. PROXMIRE. Mr. President, I thank my good friends, the majority manager and the minority manager on this bill, very much for their cooperation.

Mr. LUGAR. I thank the Senator.

Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. HELMS. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

AMENDMENT NO. 106

(Purpose: To preserve protections contained in present law concerning the expenditure of foreign aid funds)

Mr. HELMS. Mr. President, I send an amendment to the desk and ask for its immediate consideration.

THE PRESIDING OFFICER. The clerk will report.

The assistant legislative clerk read as follows:

The Senator from North Carolina [Mr. HELMS] proposes an amendment numbered 106.

On page 47, strike line 5 through line 14, inclusive.

Mr. HELMS. Mr. President, I have discussed this amendment with the distinguished manager of the bill and chairman of the Foreign Relations Committee. I believe he is prepared to accept it.

Mr. President, since 1962 it has been illegal under section 620(g) of the Foreign Assistance Act for the United States to subsidize programs of nationalization and expropriation in foreign countries. Since 1980, section 740 of the same act has specifically prohibited the use of U.S. taxpayer funds for compensating those affected by Socialist programs of land seizures, bank nationalization, and other aspects of so-called "reform" measures.

This has proven to be good law. Not only does it protect the taxpayer from unwittingly subsidizing socialism abroad, it also sends a message to those countries receiving our aid that they should travel the road of socialism only at their own risk. The taxpayers of the United States will not be left holding the bag.

Section 403 of the bill before us contains a provision which was not discussed in committee deliberations. As chairman of the Subcommittee on Western Hemisphere Affairs, I reserved it for discussion by the full Senate. It is a provision which the Agency for International Development first proposed in 1984, without any prior consultation, as a panacea for the economic disaster which had been wrought by land seizures in El Salvador since 1980. Those seizures were a part of a so-called "land reform" program endorsed, even encouraged, by AID officials over the years.

In 1980, after 4 years of economic stagnation in the nationalized sector, AID could have faced the music and admitted that El Salvador was headed down the wrong road in choosing socialism in the agricultural sector. AID officials have acknowledged—in private—that the economic consequences of the land seizures have been disastrous. In contrast, Secretary Shultz, former Secretary Kissinger, and former Secretary Haig have all publicly endorsed before our committee the desirability of a free market, private-property based farm economy in El Salvador. Indeed, President Reagan has made the free market the foundation of his initiatives for growth and development as an alternative to the socialist practice of expropriation and redistribution which has passed for economic policy in the underdeveloped world. Often, sadly enough, these policies have been encouraged by our Government and even subsidized by the U.S. taxpayer.

Time and again, Mr. President, I have encouraged AID officials appearing before the Committee on Foreign Relations to share America's experience in the free market with our friends in El Salvador. Time and again I have asked them to advocate the same economic principles which are shared by most of the taxpayers in our own country. And time and again I have put to them the crucial question: What are you advising the Government of El Salvador to do with all this money we are giving them in aid?

Their answers, Mr. President, are disconcerting.

When I ask, "Are you advising the Government of El Salvador to denationalize its banking system and allow for competition?", I get a pained look, and muttered inconsistencies.

"Are you encouraging them to denationalize the export system, which is penalizing their own farmers?", I ask. Again, I get the same bureaucratic fog.

"Are you advising them to allow El Salvador's once-flourishing agricultural sector to produce without interference from the government?" As an answer to that question, Mr. President, we get a request for more money. Not only for more money, but for permission to spend it in a way which this country has held to be patently illegal for the past 20 years.

In 1980, the revolutionary junta in El Salvador expropriated over 250 of the largest, most productive farms in the country, and thousands of smaller tracts. The revolutionary junta promised to give these lands to the workers. They are still promising, Mr. President, because they have not delivered. What was supposed to be a simple transfer program has become a system of nationalized collectives, with staggering debts, subsidized by hundreds of millions of dollars of U.S. taxpayer funds since 1980.

But that does not seem to be enough, Mr. President. Because the Government of El Salvador nationalized land which, by conservative estimates, is worth over $1 billion—with a B—dollars. And now AID wants the U.S. taxpayer to be liable for that claim.

Mr. President, the Government of El Salvador has other options. It can begin by assessing the economic realities of agriculture in El Salvador, not in the light of some theory of class conflict and the myth of some "14 families" who never existed, but in the light of the rules of market economics.

The Agency for International Development can begin to recommend sensible economic approaches, instead of tired Socialist nostrums, to the Government of El Salvador. Mr. President, do the American people realize that the officials of our Embassy in El Salvador, and the officials of AID, have never even so much as recommended to the Government of El Salvador that they try denationalizing the banks and the export sector?

If they have, I wish they would tell me. When asked the question, they respond by describing some sort of new U.S.-sponsored program to start up a new banking system, alongside the nationalized one, funded by U.S. taxpayers, which would be "private"—or semi-private, anyway.

Mr. President, the answer to El Salvador's economic problems is not untold millions of U.S. aid funnelled into a nationalized economy. That is not going to solve anything. The answer lies in good old American know-how, applied in a free market

where property is respected by the law, and where investment is encouraged by the opportunity for making a reasonable return without being expropriated at U.S. taxpayer expense.

This is one bill that the U.S. taxpayer would not be stuck for.

Mr. LUGAR. Mr. President, the Senator from North Carolina has introduced an amendment that restates current law. It has been the will of the Senate time and time again to make the point that he has made eloquently in his statement. On this side of the aisle, we are prepared to accept the amendment.

Mr. PELL. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. PELL. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. PELL. Mr. President, with the utmost respect for the senior Senator from North Carolina, I must oppose this amendment because as I understand it, it would pretty well damage—if not destroy—the land reform program in El Salvador. As I think most of us are aware, the land reform program is really the main vehicle, and the main means of bringing those campesino that support the Government into that support. And if this program is allowed to dwindle away, we will see I think the campesino support for President Duarte diminished further than it is today. Basically for this reason, I urge my colleagues not to support this amendment.

I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. LUGAR. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. LUGAR. Mr. President, I will speak for just a moment in support of the Helms amendment, and then I will indicate a possible procedure. The majority leader has indicated that there would not be rollcall votes until 5 p.m. That hour is approaching. It appears that we will have a rollcall vote on this amendment. So Senators who are within the sound of my voice might be alerted that at about 5 o'clock it is very likely that a vote will occur. They will want to come to the floor.

In the meanwhile, Mr. President, I support the Helms amendment because the moneys we are going to be sending to El Salvador in this bill can be used for many purposes. There is clearly a philosophical objection that has been expressed before by this body to having American taxpayer funds used for land reform.

It is a situation in which clearly, if this country's resources such as farms, or banks, or other businesses were nationalized, many citizens would have objection. In fact, our whole tradition moves in a different direction. We appreciate that there are different traditions and different situations. It is a policy of our Government, as Senator PELL has stated, to support land reform. As a matter of fact, it has been the administration that has requested there not be a prohibition in this regard. But my understanding is that in the past, when the issue has arisen, the majority of Members have agreed with the position outlined by Senator HELMS in his amendment today. I think that it makes good sense, and we need not really have a controversy of this particular variety on the transfer of funds by the El Salvadorans. So I will support the Helms amendment and will suggest in a moment the absence of a quorum until the hour of 5 o'clock at which time I would ask the Chair to put the question before the body for a vote, unless we are able to find other business to transact in between now and 5 o'clock.

I request, before I yield, that any Senators who have business to transact might come to the floor between now and 5 o'clock, and we have 15 good minutes to utilize. And with the permission of the Senator from North Carolina, I will ask for a quorum call with the understanding that a vote on this amendment would occur at 5 o'clock.

Mr. HELMS. Mr. President, I do not believe the yeas and nays have been obtained yet.

I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

Mr. HELMS. I thank the Chair.

Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. LUGAR. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. LUGAR. Mr. President, I ask unanimous consent that the pending amendment be laid aside temporarily—Senators have been informed that a 5 p.m. vote might occur; that would mean that that vote would be delayed temporarily—and that the Senator from Kansas [Mrs. KASSEBAUM] be recognized to introduce an amendment.

The PRESIDING OFFICER. Is there objection? Without objection, it is so ordered.

AMENDMENT NO. 107

(Purpose: To remove $3.6 billion multiyear authorization of military and economic aid to Central America for fiscal years 1987-89)

The PRESIDING OFFICER. The Senator from Kansas.

Mrs. KASSEBAUM. Mr. President, I shall be sending forward to the desk in a few moments an amendment which would deal with the multiyear authorization of economic assistance to Central America. In the bill that has passed the Committee on Foreign Relations, we have authorized $1.2 billion in economic assistance for each of the fiscal years 1987, 1988, and 1989. This amounts to $3.6 billion for that 3-year period. The amendment would remove the entire authorization of funds for each of those 3 years.

My concern, Mr. President, is that we, as an authorizing committee, will have given up the opportunity in each of those years to discuss whether, indeed, that level is adequate, whether it should be less or whether it should be more. The intent is, really, certainly to keep us involved as an authorizing committee in looking at the question of economic assistance to Central America.

The purpose of it, as I state, is an important one with regard to the multiyear assistance, because in the past, we have not given a consistency of support which I think is important. Certainly, we should make clear and clearly state that we will be there in full support of economic assistance to Central America. I think that is important.

I do believe it is also a precedent which would be a mistake to follow. So the amendment which I shall be sending forward would only affect fiscal years 1987 to 1989. I think that aid should not be guaranteed to any region or country at a specific level as much as 4 years in advance.

Developments in Central America have proven very hard to predict. As I say, it may be that we would need, for the 1987 fiscal year, to provide more money than we have. Of course, we could always do that with a supplemental. But, at that point, we would have given up the opportunity for us as an authorizing committee to weigh the pros and cons.

Every Member of the Senate who advocates authorization of the committee overview of use of such funds by the administration should favor this amendment. To argue against this amendment really argues against congressional oversight. This in no way applies to military assistance. It is simply the multiyear authorization for economic assistance and I believe it has merit on that basis alone.

Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. PELL. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER (Mr. BOSCHWITZ). Without objection, it is so ordered.

Mr. PELL. Mr. President, I am very glad to support this initiative by Senator KASSEBAUM. It is cosponsored by Senator ZORINSKY. The vote in the committee was 8 to 8, a narrow defeat.

The authorization presently entails a substantial amount of money, some $3.6 billion, but without specificity as to the programs funded by this multiyear authorization. Essentially, the Committee on Foreign Relations, the committee charged with responsibility for making recommendations to this body on foreign economic matters, would be dropped out of the picture with respect to economic assistance for a singularly sensitive part of the world, Central America, for the next 3 years. Because of the sensitivity, the tenderness of the area with which we are dealing, I support this amendment. It is very important that the Committee have the opportunity and obligation to observe and assess what is going on there every year rather than every 3 years.

In normal circumstances, with most programs, traditionally, I like the idea of a longer authorization. In this case, I believe 1 year is correct and I urge my colleagues to support the Senator from Kansas.

Mr. HELMS. Mr. President, I support the adoption of the amendment proposed by the able Senators from Kansas and Nebraska, Mrs. KASSEBAUM and Mr. ZORINSKY. In fact, I congratulate them for their initiative in this matter because this amendment reflects our recognition of the role of the Committee on Foreign Relations and that of Congress is more than a symbolic one.

Yes, we are told by the advocates of the Kissinger Commission report that a multiyear authorization would be a symbol of support for democracies in Central America. But I ask, Mr. President, do we not abdicate our own oversight responsibilities embodied in the budget process and the oversight functions which accompany the annual deliberations of the authorizing process, by turning this very ambitious and cumbersome aid program loose for the rest of this decade, without recourse or oversight?

Mr. President, that is exactly what the language of the bill before us does, and it is exactly that which the Kassebaum-Zorinsky amendment seeks to redress. It should be clear to every Senator that the amount of $1.2 billion, authorized for fiscal years 1987, 1988, and 1989, is not a negligible sum, even in this age of government largesse. Does the Senate really want to say that we hereby delegate the conduct of our Central American development policy to the Agency for International Development and some quasi-international, totally unproven institution called CADO for the remainder of this decade? If that is the case, Mr. President, then those of us who maintain that the Senate is the body of responsibility and deliberation are liable for arrest under the truth-in-advertising statute.

Not only is a multiyear authorization an abdication of the Senate's responsibility, it also represents a sad misunderstanding of the nature of governmental agencies, in this case the Agency for International Development.

Mr. President, in recent months, Members of both parties have increasingly acknowledged the need for a thorough study of the Agency for International Development and its role in U.S. foreign policy. The Latin American and Caribbean Bureau of AID has demonstrated an especially profound need of such scrutiny. The directorship of that bureau has been a revolving door, and several glaring instances of poor administration have recently been revealed by inquiries from many committees in this body, including the Committee on Foreign Relations. I have in mind specific and extensive manifestations of such malfeasance in El Salvador, Costa Rica, and Grenada. Moreover, while instances of bureaucratic snafus proliferate, news accounts detail the junketeering of AID officials to points all over the globe, and the Administrator of AID tells Members of Congress that they did not know what their own legislation meant when they wrote it.

Mr. President, the Senate cannot unilaterally concede to anyone its oversight role, or its responsibility of advice and consent. I have no intention, as chairman of the Subcommittee on Western Hemisphere Affairs, to gavel out our proceedings until hearings are convened to discuss the authorizations for fiscal year 1990.

Mr. LUGAR. Mr. President, I oppose the amendment of the distinguished Senator from Kansas [Mrs. KASSEBAUM]. I appreciate the strength of her argument and likewise those arguments offered in support of her amendment by Senator PELL and Senator HELMS. I suspect that the closeness of the issue was reflected in our committee consideration of the amendment.

Senator KASSEBAUM offered this amendment during the markup in the Foreign Relations Committee, and it failed on a tie vote of 8 to 8. The vote was bipartisan in character, as Senators wrestled with the question that able Senators have already introduced in this debate this afternoon.

The basic construct for the 5-year proposition came from the Kissinger Commission idea that, nations could make the best use of the resources that would be forthcoming from the United States, if there was a period of time—5 years was suggested—that offers some certitude and stability for this general effort.

That 5-year idea runs contrary to the normal annual authorization and appropriation procedures of the Congress. These are procedures that Senators have guarded zealously. Occasionally, we have had 2-year authorization and there may be historical instances of more years than that, but the 5-year proposition, indeed, seemed audacious to many at the time and still seems that way.

But I simply say, Mr. President, the problems that Senator Henry Jackson found as he looked at Central America and that Secretary Kissinger and his Commission, which included able Senators from this body, found was a track record of fits and starts of assistance offered a very unpromising route for the future. They suggested that the type of building of infrastructure, the type of capital base building and confidence that was required could only come if there was a commitment that went beyond one administration. It clearly went beyond several Congresses, and thus the 5-year idea. That was in the original bill that we introduced for consideration in our committee and, as I have mentioned, was debated fully in the committee, and the idea of eliminating the 5 years lost on the tie vote. I hope Senators would give the process a chance. The 5-year authorization in this particular instance seems to me to be appropriate.

I understand other Senators will wish to express themselves on this amendment, specifically the distinguished Senator from New Mexico [Mr. DOMENICI] who has had a very considerable interest in this area. He was a part of the Commission's deliberations to begin with, and there may be other Senators who wish to be heard. Following that, we will proceed as expeditiously as we can to a vote so that all Senators may express themselves.

I see that the distinguished Senator from New Mexico is on the floor, and I think he knows the issue is the 5-year authorization period which Senator KASSEBAUM has offered as an amendment to eliminate that provision. I have spoken in favor of the 5-year authorization, and that is the committee's position as we get into this debate.

Mr. DOMENICI. Mr. President, might I first inquire of the distinguished floor manager what he contemplates with reference to disposition of the two amendments? Is it his in-

tention that we dispose of them this evening?

Mr. LUGAR. It is indeed. As a matter of fact, we were awaiting word from the Democratic side as to the possibility of having a vote on the previous amendment, and during that gap in time Senator KASSEBAUM was recognized to offer her amendment, and so in some sequence we will probably move to both of those votes at the conclusion of debate on this amendment.

Mr. DOMENICI. I do not intend to take very long. I am not usually involved in matters on foreign affairs that concern the committee of the distinguished Senator from Indiana and the distinguished Senator from Rhode Island, but I wish to take a few moments to speak with reference to the multiyear authorization. I was privileged to be one of the Senate advisers to the so-called Kissinger Commission that recommended a multiyear authorization.

Thinking back over the deliberations and then the final conclusions and recommendations of the Commission, I can assure the Senate that there probably was no issue more important than multiyear authorization of foreign aid for countries like El Salvador. Of course I understand this is for more than El Salvador, but I use it as a frame of reference for this discussion.

Time and time again in the Commission discussions, it was said that the United States had made mistakes by not consistently following a plan with reference to foreign assistance for underdeveloped countries. In particular this applies to those that are striving to move toward democracy as has El Salvador and some of the surrounding countries.

We go there quickly with some very elaborate approach, and nobody can rely upon a U.S. assistance program to continue for a reasonable period of time. As a matter of fact, that was such a concern about our lack of staying power that multiyear authorization of economic cuts was one of the strongest recommendations of the Bipartisan Commission.

I think everybody remembers the kind of people who were on that Bipartisan Commission. In addition to Chairman Kissinger and former chairman of the Democratic Party, Robert Strauss, it included a retired U.S. Supreme Court Justice, the president of the AFL-CIO, five or six citizens who were informed on the issue, and some academic people who were very informed.

The strongest of all recommendations was that if we are going to do something, then make sure it has a chance of working, make sure it is for more than 1 year or there will be a lack of credibility. Obviously, on the receiving end with such a commitment the Central Americans will not be able to accomplish what was originally intended, and once again U.S. and Central American policies will fail.

As one who is involved in budget work, the question might be asked, "Why would you be for a 4-year authorization?" The Senate does not need an explanation of that. The very word that it is an authorization incidates it does not have to be appropriated each and every year.

As a matter of fact, the Bipartisan Commission on Central America, not being informed on the work dynamics of the Congress, was hopeful that there could be something like a 5-year appropriation. They were told, obviously, you cannot do that because by its very nature you appropriate every year. So the unanimous sentiment was to make a multiyear commitment, even though Congress retains the purse strings, because you do have to fund it each and every year.

So I do not seen a multiyear commitment as something that is irretractable. It is still subject to appropriations, but in another sense it offers hope that a program and set of policies which were recommended unanimously by this bipartisan committee clearly might be carried out. Leaders in El Salvador, Honduras, and Costa Rica, Belize, and Panama can look to this congressional action and say, "the United States wants us to continue striving to be democratic, to move toward the kind of economic vitality that is absolutely essential if we are going to keep democracy alive, and in a very real sense they have made a commitment that is apt to do the job."

So, along with the distinguished chairman of the Foreign Relations Committee, I urge those who are worried about the dollars—and all of us are—that at least we provide the continuity for the policy implementers and for those in Central America to plan their development programs, to plan their economic situation in a way that is credible, in a way that is apt to get the job done. The dollar amount can be changed later if it is not right.

Authorizations frequently are modified and altered. But clearly I believe the heart of the recommendations for the continuing democratization and economic development in this area is a policy commitment that is favorable and meaningful, and that is a multiyear authorization.

Mr. ZORINSKY. Mr. President, I have joined Senator KASSEBAUM in offering this amendment to delete $3.6 billion in authorizations for economic assistance for fiscal years 1987–89 for Central America, because I do not believe that Congress should provide a blank check to the President to spend as he sees fit for the next 4 years.

You will note that the bill currently pending before this body is over 60 pages long. Page after page goes into detail as to how we believe authorized funds should be spent and how specific programs should be run. Yet almost as an after thought, in a little over half a page the committee recommends that the Senate authorize $3.6 billion for Central America for fiscal year 1987–89.

Last week, the Senate completed debate on the budget resolution. Many programs were eliminated or cut back because of the serious budget deficit which faces us. This is hardly the time to begin a new practice of outyear authorizations for one of the least popular accounts in the budget.

The American farmer has been and will continue to be the backbone of this Nation, yet the President is not prepared to assist him in his plight this year, let alone provide extended assistance so that farmers can make long-term plans.

Yet, we are being asked to do just that for the region of Central America. I do not need to tell my colleagues how quickly events change on the international scene. One moment we have a government in power which is the closest of allies, the next moment that government may be replaced by one hostile to U.S. interests. I think Members of this body recognize that they have been quoted as saying that events overtake us in many areas.

I see very little to be gained by doing extended authorizations which may or may not actually be funded in the fiscal year in question by the appropriations process. For these reasons, I urge my colleagues to support the Kassebaum/Zorinsky amendment to delete $3.6 billion in authorizations from this bill. Otherwise, Mr. President, the Senate will be endorsing a foreign aid package of over $16 billion. I do not think that, timing-wise, this is the time to concur in that type of authorization.

AMENDMENT NO. 107

Mrs. KASSEBAUM. Mr. President, I send to the desk an amendment on behalf of myself and the Senator from Nebraska [Mr. ZORINSKY], and ask for its immediate consideration.

The PRESIDING OFFICER. The amendment will be stated.

The legislative clerk read as follows:

The Senator from Kansas [Mrs. KASSEBAUM], for herself and Mr. ZORINSKY, proposes an amendment numbered 107.

Mrs. KASSEBAUM. Mr. President, I ask unanimous consent that reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

On page 44, line 21, through page 45, line 12, strike the entire section 465, and renumber the following section accordingly.

Mrs. KASSEBAUM. Mr. President, I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

Mr. LUGAR. Mr. President, I understand that the distinguished Senator from Maryland [Mr. MATHIAS] wishes to speak on this amendment.

Mr. MATHIAS. Mr. President, I doubt that there is very much I can add to the argument that has been made by the Senator from New Mexico. He and I shared the experience of serving on the National Bipartisan Commission on Central America, which was very educational so far as the problem of the Central American region is concerned.

One thing I came away from that service convinced of was the need to provide some sense of confidence and continuity in the people of Central America. They have had many promises over the years from many American administrations, many American Congresses, promises which I am sure were genuine and sincere when they were made, but promises that tended to recede into the past very rapidly as the crisis of the moment was dissipating. The result was that the interest and the sense of commitment that lay behind those promises seemed to dissolve, and the people of Central America became exceedingly discouraged with their experience under the various programs.

We are dealing with a case of deep, endemic poverty, poverty that has existed for generations, and that is not going to dissolve this problem and instantly develop a sense of prosperity and progress and economic uplift in Central America. It is going to be hard, grinding work. It is going to take a number of years; because, unlike the situation in Europe at the end of World War II, there is not an infrastructure, there is not a highly trained, technically educated population that merely has to have the tools placed in its hands so that it can go to work and rebuild the world. There has to be a lot of training; there has to be a lot of education. Some of it has begun at the primary levels of education.

So we are looking at a process of education alone which is going to take years. We will have to have the time in which to work.

The unfortunate aspect of the pending amendment is that I think it would delete from the bill the most important recommendation of the National Bipartisan Commission on Central America, which is that we finally believe that, without such large-scale assistance, economic recovery, social progress, and the development of democratic institutions in Central America will be set back. I am afraid that that will be the result of this amendment: It will set back these goals that are the real hope for the future.

Mr. President, I believe that we should maintain the multiyear funding proposal which has strong bipartisan support. It has the support of the President of the United States. It was supported in the Committee on Foreign Relations by the Senator from Connecticut [Mr. DODD], who not only has evidenced bipartisan support but also has strong personal knowledge of the conditions in Central America, not just as a Senator from Connecticut but as a veteran of the Peace Corps, who knows what he is talking about because he has worked on the ground, in the field, with the people.

The reason why the multiyear proposal has such bipartisan support is that it makes fundamental sense. It represents a commitment by the United States to the well-being of the people in Central America, and it gives them hope for the future.

As the Senator from New Mexico will recall, the President of El Salvador said that if we just give the people the sense that next year will be a little better for them than this year—not a lot better, but just a little—you give the people some hope and reason to struggle in the direction of democracy and stability.

I believe that the objection to multiyear funding is unfounded. In the first place, Congress does not take its hand off the wheel. Congress will have its hand on the wheel and its foot on the accelerator, all at the same time.

Mr. DOMENICI. And on the brake.

Mr. MATHIAS. As the Senator from New Mexico has just remarked, Congress can apply the brake at any time, because the funding is controlled by the language of the appropriations process. We provide the multiyear funding in a number of fields.

This is not a precedent. We do it all the time in both domestic and foreign assistance programs. This would be merely one particularly wise principle of applying multiyear authorization, but by multiyear authorization we retain full control of the program. We can slow it down. We can speed it up. We could terminate it entirely, if that were the will of Congress. By making it multiyear funding, you give the people for whose benefit it is intended the sense that we are serious, that we are going to be steadfast, that we will maintain our interest. Therefore, you encourage them to put their money into the program, to invest their money at home to expand their own economy, to put in the kind of sweat equity that will make the program ultimately a success.

So, Mr. President, I strongly urge that the Kassebaum amendment should be rejected.

Mr. DOMENICI. Mr. President, I shall ask the distinguished floor manager a question.

I ask the distinguished senior Senator from Indiana, the manager of the bill, am I correct that even though this is a multiyear authorization there is nothing in this multiyear authorization that creates an entitlement; it is subject to annual appropriation by the appropriations process and must be signed as an appropriation bill by the President each year to be funded; is this correct, Senator?

Mr. LUGAR. The Senator is correct.

As the Senator knows from his own distinguished work on the Commission in the crafting of the whole arrangement, annual appropriation is required and any fine tuning on the part of Congress obviously would occur each year.

Mr. DOMENICI. I ask the Senator one further question. This overall bill authorizes the foreign assistance programs. He and his committee have done such a wonderful job on this bill. We have not had a foreign assistance bill in a long time, leaving it exclusively to the appropriators, instead of the authorizing committee.

As I understand it, for the year 1986 if the programs within this authorization were funded, the dollar amount would be within the budget resolution adopted by the Senate last Friday morning when we voted it in. Is the Senator correct?

Mr. LUGAR. The Senator is absolutely correct. As a matter of fact, the Senator knows that the amount of money that we have asked for today in this authorization is approximately $194 million less than the budget resolution passed by the Senate last Friday morning.

Mr. DOMENICI. That means that if the appropriators fully fund this authorization and the others from this committee still on the Senate calendar, it would still be roughly $200 million in budget authority under the resolution total for international affairs if they fully funded the program.

Mr. LUGAR. The Senator is correct.

Mr. DOMENICI. Mr. President, I make the point that I have the deepest respect and admiration for the cosponsors of the amendment which seeks to make the principal tools for economic revitalization, in Central America a 1-year instead of a 5-year authorization. They know that.

I just say that any argument in the Chamber reducing it to 1 year as a fiscal matter is in the opinion of the Senator from New Mexico really untrue. That is not a matter of expenditure of funds because, as we have just established in the colloquy, in 1986 if it were fully funded, and it might not be, every program there would be within the budget; in 1987 we weill have the same situation before us.

It is the appropriation levels and budget authority and outlays that control the expenditures of this Government, not an authorization. An authorization is the policy map, the policy guidelines for the appropriators to fund or not fund.

Many Americans wonder when all of the deaths, turmoil, and commotion will end in Central America. There are those who are terribly worried, as I am, about the spread of Marxism and communism in that part of the world. Obviously there are many ways to inhibit it.

I do not think there is anyone who really believes we are going to help prevent revolution and civil strife in our neighboring Central American countries until there is some hope vested in the people for a little bit of economic prosperity, I repeat, they must have some hope for a better future.

That is why we are involved in Central America. That is why the bipartisan commission was so concerned that we put in place good policies with the continuity of commitment that had a reasonable expectation on the receiving side that the United States might consistently uphold some policy changes in our foreign assistance that might prove to be helpful.

I truly believe it is the least we can do for our Central American neighbors, and I hope we will do it.

Thank you, Mr. President.

Mr. ZORINSKY and Mr. MATHIAS addressed the Chair.

The PRESIDING OFFICER. The Senator from Nebraska.

Mr. ZORINSKY. Thank you, Mr. President.

I wish to ask the floor manager of the bill, the esteemed chairman of our Foreign Relations Committee, a question. If this authorization is approved for multiyears and, as the distinguished chairman of the Budget Committee pointed out, would it still be subject to the appropriation process annually for review? That would, in effect, mean that the Foreign Relations Committee would not necessarily have to become involved in it every year and the appropriations process would then take over our review process. Is that not correct?

Mr. LUGAR. Certainly the Senator from Nebraska has made an important point, and I suppose those who feel adversely about the whole procedure might feel that that is a reason to be opposed to it. I would simply argue that the authorizing committee can get involved annually, but we are attempting through our bill, which is about to be amended, to bring some continuity to this process.

We would hope that stability of funding would from our point of view, make a point. But clearly the Appropriations Committee does have an opportunity annually to review it and we have admitted this in response to the previous question.

Mr. ZORINSKY. I thank the floor manager. In carrying this philosophy a step further, then I would assume a substitute amendment to this amendment, ensuring our credibility for NATO in a multi-year authorization, and the Philippines in a multiyear authorization, and all those other countries that may be currently losing faith and credibility in our country, would be very appropriate to show them our real faith. Last week we were cutting budgets and this year we want to lock in multiyear spending.

If that is where we are going, Mr. President, I think there is one less member of the committee following that parade.

Mr. LUGAR. In response to the question, the fact is that the construct of this 5-year funding proposal comes from the Kissinger Commission, from the Jackson proposal. I do not know of comparable studies that are available for NATO or the Philippines or other similiar situations. I trust that the Senator will agree that this is a relatively unique situation in American foreign policy.

Mr. ZORINSKY. Is it not true that this proposal was never adopted by this body and last year we went with a continuing resolution and it was not included in the continuing resolution?

Mr. MATHIAS. Mr. President, will the Senator yield?

Mr. ZORINSKY. Certainly I yield to the Senator.

Mr. MATHIAS. I shall respond. It seems to me that the Senator raised a very important point. He raised the question of NATO. We have a track record of support of NATO, as the Senator from Mississippi knows, both in his role on the Armed Services Committee and his role in the Appropriations Committee.

We have never wavered in the support of our duties under NATO. We have a track record.

The people who are our allies in the NATO countries know that we are steadfast and loyal.

But let me tell you that the track record in Central America is very different and the track record in Central America is very unhappy because we have gotten a whole series of different programs started and we have waved the flag, played the band, and sent the diplomats and the experts off, and the whole thing has fizzled out time and again.

What we need to do this time is to make sure that the track record is a little better, and that is a cardinal point that the bipartisan commission made that in this situation we are dealing with endemic poverty of a level that is worse than almost anywhere else in the world. It is an area in which poverty is the enemy and in which the location is in our backyard.

So there are unusual and unique factors here that have to be dealt with.

So I think that it is useful to do, as the Senator from Nebraska has done, to look at varying situations, and you will find that this one is really unique and requires at this moment that we provide the added level of confidence, because the only way this can work is if the people of Central America put their own money in it, if the people of Central America are willing to make their commitment, and their commitment will be much more effective if they have a sense that we are going to be there over the long pull.

Scoop Jackson and I together introduced the original bipartisan resolution, which resulted in the work of the Kissinger Commission.

So, as cosponsors, we talked about this many times.

Scoop Jackson said, "We need a 50-year commitment." That is what he was talking about, a 50-year commitment. Well, a 50-year commitment would, I have to grant, even with all due respect to Scoop Jackson's memory, would be pretty hard to get, but a 5-year commitment is very modest. A 5-year commitment is only one-tenth of what Scoop Jackson was talking about. I think it is the least that will be required to inject that sense of confidence into Central America which is necessary in this situation.

Mr. ZORINSKY. Mr. President, I wish to say in closing that I certainly agree with my esteemed colleague and friend from Maryland that in certain areas we have track records. I do not want to put our track record up in the Middle East, because it is a little spotted. I do not want to put our track record up in Asia, because it is a little spotted. And I could mention many other places.

But the place our track record is miserable is to the farmers and agriculture of the United States of America. We gave them a 4-year farm bill, like we are going to give the people in Central America a multiyear bill, and 2 years after the farm bill is in effect we change the target price on a bushel of wheat from $4.65 to $4.38—overnight we change the rules of the ball game. And that is what, essentially, we will do to the people in Central America and exacerbate the erosion of our credibility that the Senator so correctly is speaking about.

Nothing is binding on a future Congress, I am told. So after the elections next year, another Congress could come in, change that, erode that, then what happens to our credibility in Central America? All we have done is proven what many people think to begin with.

So, Mr. President, I say that, at a time when we cannot even honor our commitments on our track record to the American people, it is no time to attempt to spend money that we do not have. And when we talk about cutting the deficit and the budget—we are praying and hoping that we reduce it by $300 billion in the next 3 years, not even balancing the budget—I think this sends a great signal to Central

America and a sorry signal to the taxpayers of this country in saying, "Here we go again. We are going to buy our way out of an international problem with your money that we do not have."

Mr. DODD. Mr. President, I would like to, if I may, very briefly address the two amendments.

Mr. President, a parliamentary inquiry. What is the amendment that is pending?

The PRESIDING OFFICER. The amendments of the Senator from Kansas is the pending question.

Mr. DODD. Mr. President, a further parliamentary inquiry. Has the amendment of the distinguished Senator from North Carolina been set aside temporarily, or is that pending the disposition of the Kassebaum amendment?

The PRESIDING OFFICER. That amendments has indeed been set aside for the consideration of the pending amendment.

Mr. DODD. I thank the Chair.

Mr. President, first of all, on the Kassebaum amendment, I rise to oppose, reluctantly, this amendment. I join with the chairman of the Foreign Relations Committee, the Senator from Indiana; the distinguished chairman of the Budget Committee, the Senator from New Mexico, who I see just walked into the Chamber; and the Senator from Maryland, Senator MATHIAS, in expressing my opposition to the amendment to cut these funds out.

All three of the Senators I have just mentioned have somewhat differing views on the present military conflict and how it ought to be resolved in Central America. But where there is some commonality is on the issue that this is an area that, while it is gripped with political and economic difficulties far beyond the comprehension of most Americans, the matter is not going to get better, it is going to get worse as the years roll on if we do not begin to focus some more concentrated attention on how we deal with the underlying problems that have created the very situation we are now wrestling with in terms of a resolution. As I have said, we have had some disagreements on how that ought to be handled.

As my colleagues certainly will note, this is an authorization bill. Clearly, in fiscal year 1987, if, for whatever reason, we are not satisfied with what is being done with the economic program, of course we can modify the amount in fiscal year 1988 or fiscal year 1989. That is really not the question. That power is not being abrogated in any way whatsoever by the language included in the committee bill.

What we are trying to do, by inclusion of these dollars in authorization language for the next 4 or 5 years, is to say to our friends in Central America that we are determined and committed to trying to improve the underlying problems that have given birth to all of this strife that is ripping these countries apart.

I am not sure, and I do not think anyone else can tell us exactly on the floor, how these dollars are spent. That is not spelled out in here. Obviously, we all have a keen interest and concern as to specifically what will be done with this economic assistance program.

But I do think it is vitally important, despite how much we may disagree with one another over how we ought to deal with the present political and military problems, that there ought to be as much unanimity as possible on the issue of economic assistance to Central America.

It has been noted, Mr. President, by some of our colleagues that during times of staggering deficits we can hardly afford to authorize these funds. Why not make that case about every other spending proposition in the foreign aid bill? I know of no quicker way to get a standing ovation in an audience from Maine to California than to announce you are going to oppose all foreign aid. That is usually a very appealing argument, particularly during times like this.

The fact of the matter is that our own economic security, long-term economic security, in no small measure depends upon the soundness and the stability of countries as close to us as Central America. That will have an economic impact on this country.

So while this money is certainly no small amount—and all of us recognize that—it is an amount which clearly ought to receive the support of this Congress if we are truly interested in resolving the problem of this region in the long term. If we just want to see a continuation and a perpetration of problems that have persisted for decades, then we can vote for this amendment, and we can stand up and give speeches year after year about what this part of the world needs is some stability. And yet, at the very hour we are asking for some funds over the next 5 years, which we can modify, we turn our backs on them, then our rhetoric becomes hollow, indeed.

With regard, Mr. President, to the amendment being sponsored by the distinguished Senator from North Carolina with regard to the land reform provisions of the committee bill, it may have already been pointed out by other colleagues, but I say to my good friend from North Carolina, who has raised this issue now on a number of occasions over the last several years, that I think what we have done, effectively, with this legislation is not to mandate the funding in this area but merely to give the President some flexibility and discretion in the use of these dollars to improve or to promote the Land Reform Program, which is an essential ingredient, I think, in terms of El Salvador's achieving some economic stability.

This language and legislation does not contradict existing provisions of law, but merely allows greater flexibility in the use of funds in this vital and important area of economic reform within that country.

So I would ask, with all due respect, that this amendment also be rejected.

Mr. President, I yield the floor.

Mr. LUGAR. Mr. President, I believe all Senators have spoken who wish to speak on these amendments. Therefore, I ask unanimous consent that a vote now occur on the Kassebaum amendment, to be followed immediately by a vote on the Helms amendment.

The PRESIDING OFFICER. Without objection, it is so ordered.

VOTE ON AMENDMENT NO. 107

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Kansas [Mrs. KASSEBAUM]. The yeas and nays have been ordered and the clerk will call the roll.

The legislative clerk called the roll.

Mr. SIMPSON. I announce that the Senator from Rhode Island [Mr. CHAFEE] and the Senator from Florida [Mrs. HAWKINS] are necessarily absent.

I also announce that the Senator from North Carolina [Mr. EAST] and the Senator from California [Mr. WILSON] are absent due to illness.

Mr. CRANSTON. I announce that the Senator from Oklahoma [Mr. BOREN] and the Senator from Michigan [Mr. RIEGLE] are necessarily absent.

I also announce that the Senator from Nebraska [Mr. EXON] is absent because of illness.

The PRESIDING OFFICER (Mr. WARNER). Are there any other Senators in the Chamber who wish to vote?

The result was announced—yeas 41, nays 52, as follows:

[Rollcall Vote No. 76 Leg.]

YEAS—41

Abdnor	Helms	Nickles
Andrews	Hollings	Pell
Baucus	Humphrey	Proxmire
Bumpers	Inouye	Pryor
Burdick	Kassebaum	Rockefeller
Byrd	Kennedy	Rudman
Cranston	Kerry	Sarbanes
DeConcini	Leahy	Sasser
Dixon	Levin	Specter
Ford	Matsunaga	Stennis
Harkin	Mattingly	Symms
Hart	McClure	Weicker
Hatfield	Melcher	Zorinsky
Heinz	Mitchell	

NAYS—52

Armstrong	Danforth	Goldwater
Bentsen	Denton	Gore
Biden	Dodd	Gorton
Bingaman	Dole	Gramm
Boschwitz	Domenici	Grassley
Bradley	Durenberger	Hatch
Chiles	Eagleton	Hecht
Cochran	Evans	Heflin
Cohen	Garn	Johnston
D'Amato	Glenn	Kasten

Lautenberg	Murkowski	Stafford
Laxalt	Nunn	Stevens
Long	Packwood	Thurmond
Lugar	Pressler	Trible
Mathias	Quayle	Wallop
McConnell	Roth	Warner
Metzenbaum	Simon	
Moynihan	Simpson	

NOT VOTING—7

Boren	Exon	Wilson
Chafee	Hawkins	
East	Riegle	

So the amendment (No. 107) was rejected.

Mr. LUGAR. Mr. President, I move to reconsider the vote.

Mr. QUAYLE. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. BYRD. Mr. President, if I may have the attention of the distinguished majority leader, could he tell us what his plans are for the rest of the day and tomorrow?

The PRESIDING OFFICER. The majority leader is recognized to respond to the minority leader.

Mr. DOLE. Mr. President, I can advise my colleagues that we would like to proceed for another hour or so. We are making good progress, and there is a possibility that we might even complete this bill this evening. The only reason I suggest we proceed is we were not in session yesterday. We accommodated Senators today and had no votes until 5 o'clock. We would like to finish this bill and move on to the DOD bill, if not tomorrow morning, at least tomorrow afternoon and, hopefully, finish that bill before the recess.

Let me indicate that as soon as we complete the DOD bill, we will start the recess.

Mr. BRADLEY. Will the majority leader yield for a question?

Mr. DOLE. The minority leader has the floor.

Mr. BYRD. Mr. President, I yield.

Mr. BRADLEY. Did the majority leader say he would like to finish the bill in the next hour?

Mr. DOLE. I would like to, Mr. President.

Mr. BRADLEY. The reason is that I do have an amendment that I think will take longer than the next hour.

Mr. DOLE. I assume we could have a window in here for about 1 hour, 1 hour and 15 or 20 minutes, to protect Members on both sides. But the manager of the bill, I think both managers—I discussed it with them earlier today. They feel they are making good progress. We would like to continue. We believe we have accommodated Senators all day today and yesterday and, if possible, maybe we can finish this bill—if not this evening, by noon tomorrow. We shall do as much as we can.

Mr. GLENN. Will the majority leader yield?

Mr. DOLE. The minority leader has the floor.

Mr. BYRD. Yes, Mr. President; I yield.

Mr. GLENN. Mr. President, I have two amendments on this bill. We were led today to believe we would not complete this tonight and we have been preparing amendments on it. If we are going to go a few hours tonight, maybe we can do that, but otherwise, if we could go over until tomorrow, we can consider those amendments.

Mr. DOLE. Obviously, I do not intend to stay late tonight. This is not like the budget resolution we had last week.

Mr. BRADLEY. It is history.

Mr. DOLE. Mr. President, the managers have been very cooperative. They have accommodated nearly everyone they could by accepting some amendments. We would be very happy if we could proceed for another hour or hour and a half.

There will be a vote right now. Then there will be an hour's window.

Mr. BRADLEY. I would simply like to assure the leader that I do not think I would be able to have my amendment ready this evening, but will be ready to go tomorrow early. I have no intention of delaying it.

Mr. DOLE. I thank the Senator.

Mr. NUNN. Mr. President, will the majority leader yield?

Mr. DOLE. Yes, Mr. President.

Mr. NUNN. While the Senator from Arizona is on the floor, since he is the chairman of the Armed Services Committee, let me say the majority leader said there is a possibility of bringing up the armed services bill tomorrow. We have a meeting tomorrow.

Mr. BYRD. Mr. President, may we have order in the Senate?

The PRESIDING OFFICER. The Senate will be in order.

Mr. NUNN. The committee will meet to mark up the zero level. I see no way to have the staff report ready in the morning. It might be possible to have a report on it by Thursday. I did not know whether the majority leader is thinking seriously about tomorrow afternoon or not. But from staff conversation, I think that would be almost impossible.

Mr. GOLDWATER. I might say to the distinguished majority leader, we have a meeting scheduled tomorrow morning at 9 o'clock to mark up this 0-3-3. That should not take too long. I would think that by 11 o'clock at the latest we could have that new bill—if they do finish the bill tonight, and we can accomplish that tomorrow morning, I would say that by possibly noon, but 1 o'clock at the latest, we could have a bill over on the floor and start to work on it.

Mr. NUNN. I would think we would have to have a committee report. Since we have $10 billion in changes, it seems to me we have to do something to accommodate. My conversation with staff on our side this morning—and I thought they were speaking for both sides—indicated it could probably not be done before Thursday just in simply writing up the amendment or whatever we have done.

Mr. GOLDWATER. I might say that we are the only committee that has completed its authorization markup, and we have done it on time.

Now, we have to change that write-up because the Senate changed the formula. I do not know if it would be necessary frankly—I would have to get a ruling from the Parliamentarian on that—but I do not know that it would be necessary to have a new report. The changes that will be made will be relatively small. I think we can point out on the floor where they are. I am going to try—I guess that is impossible now. I was going to try to have a meeting on the Republican side of all Senators interested to try to outline the new 0-3-3, and I thought maybe the Senator from Georgia could do the same, but why not see if we can, in keeping with parliamentary bounds, just go ahead with it.

Mr. DOLE. Mr. President, it seems to me it might be appropriate, if there is a meeting tomorrow, there could be a committee amendment offered to the bill that is pending. There is a report filed on the bill that is pending. You can offer a committee amendment to that and make the changes in the present legislation.

Mr. NUNN. I might say to the Senator from Kansas, I want to cooperate every way I can, and I think we have and will continue, but when you take $10 billion in changes, those are not little bookkeeping items. That, in fact, is bigger than most bills that come to the floor. So we are not talking about insignificant matters.

Mr. GOLDWATER. Will the Senator agree that we could offer the new figures in the form of amendments, make a committee amendment to the present bill?

Mr. NUNN. I think we have to see what is coming up tomorrow in the committee, whether we are simply going to go back to the zero level or make language changes. We do not really know what is coming up yet.

I wanted to serve notice that in my opinion it is extremely optimistic to believe we could get that bill to the floor tomorrow afternoon, although I will work toward that end.

Mr. GOLDWATER. It is an optimistic view on my part, but we have done some pretty peculiar things in this place in the last few weeks, and this would just be one more. Getting this bill passed before the recess, as the Senator knows, is extremely vital. Every day counts. I would much rather take it up tomorrow, if we can do it.

Would the Senator be willing to wait until tomorrow?

Mr. NUNN. Certainly. Yes. I thank the Senator.

The PRESIDING OFFICER. The majority leader is recognized.

Mr. DOLE. Mr. President, we will certainly work with Senators on both sides. It is a very important piece of legislation. We are not trying to rush it at all. We would like to finish this bill and the DOD bill before the Memorial Day recess, and the recess will start whenever we finish those two bills.

VOTE ON AMENDMENT NO 106

The PRESIDING OFFICER. Under the previous order, the Chair wishes to advise the Senate that a vote has been ordered on amendment No. 106 offered by the Senator from North Carolina. The yeas and nays have been ordered. The clerk will call the roll.

The assistant legislative clerk called the roll.

Mr. SIMPSON. I announce that the Senator from Rhode Island [Mr. CHAFEE] and the Senator from Florida [Mrs. HAWKINS] are necessarily absent.

I also announce that the Senator from North Carolina [Mr. EAST] and the Senator from California [Mr. WILSON] are absent due to illness.

I further announce that, if present and voting, the Senator from North Carolina [Mr. EAST] would vote "yea."

Mr. CRANSTON. I announce that the Senator from Oklahoma [Mr. BOREN] and the Senator from Michigan [Mr. RIEGLE] are necessarily absent.

I also announce that the Senator from Nebraska [Mr. EXON] is absent because of illness.

The PRESIDING OFFICER. Are there any other Senators in the Chamber desiring to vote.

The result was announced—yeas 33, nays 60, as follows:

[Rollcall vote No. 77 Leg.]

YEAS—33

Abdnor	Gramm	McConnell
Andrews	Hatch	Murkowski
Armstrong	Hecht	Nickles
Byrd	Heflin	Pressler
Cochran	Helms	Quayle
D'Amato	Humphrey	Roth
Denton	Kasten	Rudman
Dole	Laxalt	Simpson
Domenici	Lugar	Symms
Garn	Mattingly	Thurmond
Goldwater	McClure	Wallop

NAYS—60

Baucus	Evans	Leahy
Bentsen	Ford	Levin
Biden	Glenn	Long
Bingaman	Gore	Mathias
Boschwitz	Gorton	Matsunaga
Bradley	Grassley	Melcher
Bumpers	Harkin	Metzenbaum
Burdick	Hart	Mitchell
Chiles	Hatfield	Moynihan
Cohen	Heinz	Nunn
Cranston	Hollings	Packwood
Danforth	Inouye	Pell
DeConcini	Johnston	Proxmire
Dixon	Kassebaum	Pryor
Dodd	Kennedy	Rockefeller
Durenberger	Kerry	Sarbanes
Eagleton	Lautenberg	Sasser
Simon	Stennis	Warner
Specter	Stevens	Weicker
Stafford	Trible	Zorinsky

NOT VOTING—7

Boren	Exon	Wilson
Chafee	Hawkins	
East	Riegle	

So the amendment (No. 106) was rejected.

Mr. LUGAR. Mr. President, I move to reconsider the vote by which the amendment was rejected.

Mr. MATHIAS. Mr. President, I move to lay that motion on the table.

The motion to lay on the table was agreed to.

AMENDMENT NO. 108

(Purpose: To provide further for the control of international narcotics.)

Mr. CHILES. Mr. President, I send to the desk an amendment and ask for its immediate consideration, on behalf of myself, Senator BIDEN, and Senator NUNN.

The PRESIDING OFFICER. The amendment will be stated.

The bill clerk read as follows:

The Senator from Florida [Mr. CHILES], for himself and Mr. BIDEN and Mr. NUNN, proposes an amendment numbered 108.

Mr. CHILES. Mr. President, I ask unanimous consent that the reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

At the end of the bill, add the following new title:

TITLE X—INTERNATIONAL NARCOTICS CONTROL ACT OF 1985

SHORT TITLE

SEC. 1001. This title may be cited as the "International Narcotics Control Act of 1985".

LATIN AMERICAN REGIONAL NARCOTICS CONTROL ORGANIZATION

SEC. 1002. (a) The Secretary of State, with the assistance of the National Drug Enforcement Policy Board, shall conduct a study of the feasibility of establishing a regional organization in Latin America which would combat narcotics production and trafficking through regional information-sharing and a regional enforcement unit.

(b) No later than six months after the date of enactment of this title, the Chairman of the National Drug Enforcement Policy Board shall report to the Committee on Foreign Affairs and the Committee on the Judiciary of the House of Representatives and the Committee on Foreign Relations and the Committee on the Judiciary of the Senate on the advisability of encouraging the establishment of such an organization.

ANNUAL REPORTS ON INVOLVEMENT OF COMMUNIST COUNTRIES IN ILLICIT DRUG TRAFFIC

SEC. 1003. Section 481(e) of the Foreign Assistance Act of 1961 is amended by adding at the end thereof the following new paragraph:

"(6) Each report pursuant to this subsection shall describe the involvement, during the preceding fiscal year, of the governments of Communist countries (as defined for purposes of section 620(f) of this Act) in illicit drug trafficking, including—

"(A) the direct of indirect involvement of Communist governments in the production, processing, or shipment of narcotic and psychotropic drugs and other controlled substances, and

"(B) any other activities of Communist governments which have facilitated illicit drug tafficking.".

NARCOTICS CONTROL EFFORTS IN BRAZIL

SEC. 1004. (a) The Secretary of State shall enter into negotiations with the Government of Brazil in order to establish a bilateral narcotics control agreement. Such agreement shall have as a goal a 10 per centum reduction in illicit coca production in Brazil in calendar year 1986.

CONDITIONS ON ASSISTANCE TO BOLIVIA

SEC. 1005. United States assistance (as defined in section 481(i)(4) of the Foreign Assistance Act of 1961) may be provided to Bolivia for fiscal years 1986 and 1987 only under the following conditions:

(1) Of the aggregate amount of assistance allocated for Bolivia for fiscal year 1986—

(A) up to 25 per centum may be provided at any time after the President certifies to the Congress that the Government of Bolivia has enacted legislation which prohibits more than two hectares of coca production per family; and

(B) the remaining 75 per centum may be provided at any time subsequent to a certification pursuant to subparagraph (A) if the President certifies to the Congress that the Government of Bolivia achieved the eradication targets for the calendar year 1985 contained in its August 1983 narcotics control agreements with the United States.

(2) Of the aggregate amount of assistance allocated for Bolivia for fiscal year 1987—

(A) up to 50 per centum may be provided at any time after the President certifies to the Congress that during the first six months of calendar year 1986 the Government of Bolivia achieved at least half of the eradication targets for the calendar year 1986 contained in its August 1983 narcotics control agreements with the United States and

(B) the remaining 61 per centum may be provided at any time after the President certifies to the Congress that the Government of Bolivia fully achieved the eradication targets for the calendar year 1986 contained in its August 1983 narcotics control agreements with the United States.

UPPER HUALLAGA VALLEY PROJECT IN PERU

SEC. 1006. Funds authorized to be appropriated for fiscal year 1987 to carry out chapter 1 of part I of the Foreign Assistance Act of 1961 for the project of the Agency for International Development in the Upper Huallaga Valley of Peru may be made available for that project only if the Administrator of that Agency, after consultation with the Congress, determines that a comprehensive review of that project has been completed which establishes the effectiveness of that project in reducing and eradicating coca leaf production, distribution, and marketing in the Upper Huallaga Valley.

REALLOCATION OF FUNDS IF CONDITIONS NOT MET

SEC. 1007. If any of the funds described in sections 1005, 1006 of this title are not used for the country for which they were allocated because the conditions specified in those sections are not met, the President shall reprogram those funds in order to provide additional assistance to countries which have taken significant steps to halt illicit drug production or trafficking.

CONDITIONS ON UNITED STATES CONTRIBUTIONS TO THE UNITED NATIONS FUND FOR DRUG ABUSE CONTROL

SEC. 1008. Section 482(a) of the Foreign Assistance Act of 1961 is amended by adding at the end thereof the following new paragraph:

"(3) Funds authorized to be appropriated by this section for fiscal year 1986 and for fiscal year 1987 may be used for a contribution to the United Nations Fund for Drug Abuse Control only if that organization includes in its crop substitution projects a plan for cooperation with the law enforcement forces of the host country.".

PROHIBITION ON USE OF FOREIGN ASSISTANCE FOR REIMBURSEMENTS FOR DRUG CROP ERADICATIONS

SEC. 1009. Chapter 8 of part I of the Foreign Assistance Act of 1961 is amended by adding at the end thereof the following new section:

"SEC. 483. PROHIBITION ON USE OF FOREIGN ASSISTANCE FOR REIMBURSEMENTS FOR DRUG CROP ERADICATIONS.—Funds made available to carry out this Act may not be used to reimburse persons whose illicit drug crops are eradicated.".

REQUIREMENT FOR COST-SHARING IN INTERNATIONAL NARCOTICS CONTROL ASSISTANCE PROGRAMS

SEC. 1010. (a) Section 482 of the Foreign Assistance Act of 1961 is amended by adding at the end thereof the following new subsection:

"(d) Assistance may be provided under this chapter to a foreign country only if the country provides assurances to the President, and the President is satisfied, that the country will provide at least 26 per centum of the costs of any narcotics control program, project, or activity for which such assistance is to be provided. The costs borne by the country may include 'in-kind' contributions.".

(b) The amendments made by this section shall take effect on October 1, 1985.

EXTRADITION TREATIES

SEC. 1011. The Secretary of State with the assistance of the National Drug Enforcement Policy Board shall increase United States efforts to negotiate updated extradition treaties relating to narcotics offenses with each major drug-producing country, particularly those in Latin America.

Mr. CHILES. Mr. President, this is an amendment that I propose on behalf of myself, Senator BIDEN, and Senator NUNN. It speaks to the tremendous problem that we are seeing in Latin America in regard to drugs, and it gives some advice to the State Department on how to handle the problem.

Mr. NUNN. Mr. President, may we have order? This is a very important amendment.

The PRESIDING OFFICER. The Senator's observation is well taken. The Chair will respectfully request all conversations be conducted outside the Chamber.

Mr. CHILES. Mr. President, several years ago a Time magazine story characterized Florida as "Paradise Lost." That Time article crystallized for the Nation the terrible onslaught of crime that south Florida was suffering, mainly as a result of the flood of illegal narcotics from Latin America and the Caribbean.

Since that article's publication, Congress has taken a number of valuable steps to combat the drug traffickers and their deadly wares. The last Congress culminated with enactment of the Comprehensive Crime Control Act which is a major step toward assuring swift and certain punishment of these criminals.

This spring I picked up the Washington Post to read a page one story entitled, "Drugs Making Miami Synonymous With Crime." It brought home in very graphic terms that with all the efforts of the past few years we have barely made a dent in the drug trade. Record loads of cocaine, heroin, and marijuana continue to inundate our society spreading corruption, violence, and ruined, wasted lives. And for reasons mostly of geography, southern Florida remains a haven for the smugglers.

The State Department's "International Narcotics Control Strategy Report" for 1985 and a recent House Committee on Foreign Affairs staff report, "U.S. Narcotics Control Programs Overseas: An Assessment" provide ample evidence of our failure to contain the international drug trade. And our failure stems in large part from our problems in stopping drugs at their source. A consistent theme in every report and study, in every panel and hearing examining the narcotics problem is that the key to a successful drug law enforcement strategy is starting at the source of supply. All of the efforts to beef up drug interdiction forces, to break up organized crime drug rings, and to strengthen criminal penalties are undermined by a situation of ever increasing drug crops in foreign countries. With over 300,000 acres of coca fields now being cultivated in the major producing countries of Peru, Bolivia, Colombia, and Ecuador it is not difficult to understand why, with all our interdiction efforts, there is a glut of cocaine on the market.

Controlling the drug problem from foreign source countries is obivously a long term and difficult proposition. Success in one country often simply means development of new production in a neighboring country. Efforts by the governments of foreign source countries to destroy drug crops and narcotics production facilities range from sporadic bursts of activity, usually under U.S. pressure, to a passive acceptance of the drug trade. Efforts by the United States have involved dedication of significant financial resources, U.S. personnel, and even American lives with very limited results.

Mr. President, there are some who would conclude that we face an impossible mission in trying to eliminate narcotics production and trafficking in Latin America. I refuse to subscribe to that conclusion because the consequences are simply too deadly for our society. Rather my conclusion is it's time to get tough. It's time to rethink old approaches and caution and make it clearly understood that no issue has higher priority in our bilateral relations with each narcotics source country than the elimination of those narcotics. In fact, there can be no amicable relationship with any nation that fails to cooperate to the fullest extent in that task. That should be our message: We're serious about stopping drugs and we expect them to be equally serious.

This amendment aims to deliver the message that we are going to use every resource and lever at our disposal to shut down foreign drug production. It aims to make clear what we expect and demand of our neighbors to the south.

The major provisions of the amendment are:

LATIN AMERICAN REGIONAL NARCOTICS CONTROL

Latin America, international borders mean little to the drug traffickers. When the heat is on in one country they move next door. The recent crackdown in Colombia has resulted in Brazil's emergence as a major producer of cocaine and marijuana. What is needed is a regional approach to combat narcotics. The Secretary of State is required by the legislation to report to the Congress within 6 months on the feasibility of establishing a regional organization in Latin America which would combat narcotics production and trafficking through regional information sharing and a regional enforcement unit.

COMMUNIST COUNTRY INVOLVEMENT IN ILLICIT DRUG TRAFFIC

Current reporting requirements under the Foreign Assistance Act of 1961 shall be amended to require a description of the direct or indirect involvement of Communist countries in the production, processing, or shipment of narcotic and psychotropic drugs and other controlled substances and any other activities of Communist governments which facilitated illict drug trafficking.

FOREIGN ASSISTANCE PROGRAMS

BRAZIL

The Secretary of State is directed to enter into negotiations with the Government of Brazil to establish a bilateral narcotics control agreement with the goal of a 10-percent reduction in illicit coca production in calendar year 1986.

BOLIVIA

Bolivia has compiled a record of zero accomplishments in terms of eradicating coca and remains a principal source of the world's cocaine supply. Unless and until Bolivia demonstrates a serious commitment to drug eradication, including the enactment of legis-

lation to outlaw coca production except for traditional Bolivian medicinal uses, foreign assistance to that country will be terminated. A schedule is established for specified portions of that assistance to be restored when the President certifies that certain eradication targets are achieved by Bolivia.

PERU

Funds authorized for fiscal year 1987 shall be made available to the Agency for International Development project in the Upper Hallaga Valley in Peru only if the AID Administrator certifies to Congress that a comprehensive review of that project has been completed which establishes the effectiveness of that project in reducing and eradicating coca leaf production, distribution, and marketing in the Upper Hallaga Valley.

UNITED NATIONS FUND FOR DRUG ABUSE CONTROL

Funds authorized for the United States contribution to the United Nations Fund for Drug Abuse Control will be withheld until that organization includes in its crop substitution projects a plan for cooperation with the law enforcement forces of the host country.

PROHIBITION ON USE OF FOREIGN ASSISTANCE FOR DRUG CROP ERADICATION

Use of foreign assistance funds is prohibited for the purpose of reimbursing persons whose illicit drug crops are eradicated.

COST SHARING

U.S. international narcotics control assistance will accomplish its objectives only if the recipient government is equally serious about those objectives. As a demonstration of that seriousness of purpose, U.S. assistance shall be provided only if the country in question puts up 25 percent of the costs of any narcotics control program, project, or activity for which such assistance is made available.

EXTRADITION TREATIES

Secretary of State shall increase U.S. efforts to negotiate updated extradition treaties relating to narcotics offenses with each major drug producing country.

Mr. President, this is legislation that the chairman of the Foreign Affairs Committee in the House of Representatives DANTE FASCELL is sponsoring and a number of House Members, and we think it is a step forward in trying to see that we show these Latin American countries that we are very serious about the drug problem and we intend to make it a cornerstone of our foreign policy.

Mr. President, I am delighted to yield to the Senator from Georgia [Mr. NUNN].

Mr. NUNN. Mr. President, I congratulate the Senator from Florida for taking the lead in a very important area. This sends an unmistakable message that we intend to not only talk about drugs and have domestic law enforcement aimed toward drugs, but we are also making it a centerpiece of our national foreign policy in dealing with other countries, and we expect other countries to cooperate.

We know that this is a difficult problem. We know that our friends in Central America have problems in their own countries. But we have a crisis on our hands, and it is a continuing crisis. It is not one that just comes about. It has been with us some time, and there is no solution in sight.

This is not going to solve all the problems, but I think it does make it very clear to the nations of the world that this is not just a domestic U.S. problem. This is a problem that affects the entire area of the Americas, and we intend to really make it a serious part of our overall foreign policy.

So I congratulate the Senator from Florida, and I am delighted to join with him on this. I am hoping that the committee will accept it and the Senate will approve it, and I certainly think it is important that the chairman of the House Foreign Affairs Committee is already well-versed in this area and has taken a lead on the House side on this.

So I congratulate the Senator.

Mr. CHILES. I thank our colleague from Georgia who has done so much in the drug area.

Mr. FORD. Mr. President, will the distinguished Senator from Florida yield?

Mr. CHILES. I yield.

Mr. FORD. I compliment the Senator from Florida also on this fine piece of legislation. And I compliment the Senator from Georgia and others.

Mr. President, I ask the distinguished Senator from Florida if he will add me as a cosponsor to this amendment.

Mr. CHILES. I am happy to add the Senator from Kentucky as a cosponsor and the Senator from West Virginia, Senator BYRD, as a cosponsor to the amendment. I so ask unanimous consent.

The PRESIDING OFFICER. Without objection, it is so ordered.

INTERNATIONAL NARCOTICS CONTROL ACT OF 1985

Mr. BIDEN, Mr. President, I will join with Senator CHILES in offering this amendment because it is time to stop threatening to do something about countries that have been negligent in responding to narcotics production, and start demonstrating our seriousness about tying U.S. foreign aid to narcotics reduction.

As a member of the Senate Foreign Relations Committee and the ranking member of the Judiciary Committee I believe nothing is more important to the domestic security of this country than stemming the flow of drugs. Nothing bothers me more than continuing promises by the State Department that "things will get better next year."

Next year is now and countries like Bolivia, Brazil, Peru, and Jamaica are on notice that with U.S. foreign assistance funds and trade agreements, comes an expectation that there will be more than lip service paid to the cultivation, refining and trafficking of narcotics in their country.

The tragedy in Mexico this year when drug enforcement administration agent Enrique Camarena was brutally murdered should set the resolve for Congress, the President and the American people that we will not tolerate foreign countries ignoring our requests for help in stopping the flow of drugs to this country.

Four years ago I worked in the Foreign Relations Committee in developing a requirement that the State Department produce a report annually that describes the amount of narcotics being produced in foreign countries and provided for the suspension of all U.S. assistance except emergency aid, to those nations not showing positive results in reducing production of illicit narcotics. Two years ago with several of my Senate colleagues, we added additional language to the statute that required the State Department to set maximum achievable reductions for all source producing countries. These figures were intended to set a benchmark by which progress can be judged in stemming the flow of drugs in these countries and making determinations about foreign aid in the next fiscal year.

The State Department this year has made no recommendations to reduce foreign aid to any of the nations we know are doing little or nothing to reduce cultivation and production of narcotics within their borders. For example, the State Department recommends we give Bolivia, which produced an estimated 49 metric tons of coca, $57 million in foreign aid for fiscal year 1986 even though Bolivia didn't pull up one single coca plant last year. Also, the State Department has been telling us for years about the great cooperation with Mexico in destroying opium and marijuana. This year production of both are up, our DEA agent in murdered there and there has not been a major drug trafficker arrested in Mexico in 8 years.

Admittedly, we have made some progress in Mexico in the last month, but only after we had a travel advisory included in our State Department authorization bill and Mexico saw real quick what that would mean in U.S. tourist dollars.

This bill is a comprehensive approach to addressing the international aspects of narcotics. The approach is similar to the reform of the Federal Domestic Law Enforcement Program

we undertook last year in the Comprehensive Crime Control Act of 1984, the most encompassing revision of Federal criminal law to occur in decades. In that legislation we gave Federal authorities new tools to go after the assets of drug traffickers, detain them without bail pending trial and increase prison sentences for all drug trafficking crimes.

As a member of the Foreign Relations Committee I ask my colleagues to show their support for our domestic and international fight against narcotics and drugs. Vote for this amendment and show our friends abroad and drug traffickers everywhere we are committed to the difficult task of slowing the flow of drugs.

I submit for the RECORD a letter addressed to Senators by Senator CHILES, Senator NUNN, and myself, and also a memorandum relating to the International Narcotics Control Act of 1985.

U.S. SENATE,
May 14, 1985.

DEAR SENATOR: In the last several years we've made important strides in improving our illegal drug law enforcement capability. These have ranged from revision of the Posse Comitatus statute to passage of the Comprehensive Crime Control Act. We have added to the resources of the Customs Service, the Coast Guard and the Drug Enforcement Administration in an effort to fortify our drug interdiction effort and break up large-scale narcotics trafficking rings. All these steps were necessary and valuable and we should continue to press for aggressive implementation of these new statutes and full support of our law enforcement agencies.

Unfortunately, record loads of cocaine, heroin, and marijuana continue to inundate our society spreading corruption and violence and ruining thousands of lives. We have failed to significantly curtail the international drug trade and our failure stems in large measure from our inability to stop drugs at their source. With over 300,000 acres of coca fields now being cultivated in the major producing countries of Peru, Bolivia and Colombia, it is not hard to understand why, in the face of all our interdiction efforts, there is a glut of cocaine on the market.

It is time to make unmistakably clear to narcotics source countries that no issue has higher priority in our bilateral relationship than the elimination of illicit drugs. To deliver that message, we are proposing an amendment to S. 960, the foreign assistance authorization bill. Among its major provisions our amendment:

Conditions aid to Bolivia on passage of a law to prohibit illicit coca production and eradication of 4,000 hectares of coca per year.

Withholds $5 million in economic support funds to Jamaica, until Jamaica comes up with a strategy to fight narcotics production.

Prohibits funds in fiscal year 1987 for a crop substitution project in Peru unless aid can demonstrate that it's making concrete progress.

Tells the Secretary of State to negotiate an agreement with Brazil to reduce their coca production by 10 percent per year; if they don't, asks the President to consider reallocating 10 percent of Brazil's sugar quota.

Requires countries receiving U.S. narcotics control assistance to contribute 25 percent of the cost of the program.

Reallocates any aid which is cut off from non-cooperating nations to countries which have taken significant anti-narcotics steps.

Prohibits U.S. cash payments to reimburse farmers whose drug crops have been eradicated.

Ask the Secretary of State with the assistance of the National Drug Enforcement Policy Board to examine whether a regional anti-narcotics organization in Latin America can be established.

Directs the Secretary of State with the assistance of the National Drug Enforcement Policy Board to increase U.S. efforts to negotiate updated extradition treaties relating to narcotics offenses with each major drug-producing country, particularly those in Latin America.

Requires the State Department to report on Communist governments' involvement in drug trafficking.

We solicit your support for this amendment which signals that in our international relations we have no higher priority than defending American society from illicut drugs. Should you be interested in cosponsoring this amendment, please let us know or have your staff contact Rick Farrell at 45274.

Most sincerely,
SAM NUNN,
JOE BIDEN,
LAWTON CHILES.

INTERNATIONAL NARCOTICS CONTROL ACT OF 1985

Sec. 2. Latin American Regional Narcotics Control—

U.S. should encourage countries like Colombia, Brazil, Argentina, Mexico to organize a joint information sharing program to combat narcotics production. The U.S. should supply resources that help coordinate intelligence and provide equipment while the Latin Americans would supply manpower and salaries. The State Department is to report to Congress in 6 months on a plan for establishing such an organization.

Sec. 3. Travel Advisory on Mexico—

Recent murders of U.S. citizens and DEA agent constitutes a danger to the safety of U.S. citizens traveling there and a travel advisory should be put in effect until the conviction of those involved in the DEA agent murder.

Sec. 4. Greater Support from the Defense Department in Narcotics Control Efforts—

Report from the President in 60 days on why the U.S. Armed Forces cannot exert greater effort in the detection and interdiction of narcotics traffickers.

Sec. 5. Annual Report on Communist Countries Involvement in Narcotics Traffic—

The annual State Department report on narcotics will include a new section on direct or indirect involvement of communist governments in production, processing and shipment of narcotics.

Sec. 6. U.S. Personnel Involvement in Arrests Action and Interrogations Abroad—

Amends current restrictions against U.S. personnel being present at arrests if mutually agreed to by the host country, the Secretary of State and Congress.

Sec. 7. Narcotics Control Effors in Brazil—

Brazil has been slow to recognize increasing coca production in their country and with pressure on traffickers in Colombia, Brazil could surpass Colombia as a haven for cocaine transhipment.

Secretary of State will enter into a bilateral narcotics control agreement of a 10 percent reduction in coca production for calendar year 1986.

Sec. 14. Cost Sharing by Host Country—

U.S. assistance funds for narcotics control will only be provided if at least 25 percent of the cost of the program is borne by the host country.

Sec. 15. Weapons to Defend Aircraft Involved in Narcotics Control—

Would permit, upon approval of Congress, the procurement of weapons for defense purposes on aircraft used to eradicate or interdict narcotics.

Sec. 16. Creating Narcotic Specialist Positions in the State Department—

A report from the State Department on how improvement in the personnel in the Bureau of International Narcotics Matters can be made, with specific emphasis on creating a new category of Foreign Service Officers with an expertise in narcotics matters.

Sec. 17. Information Sharing between the Department of Justice and State Department—

A comprehensive information system on foreign nationals arrested for drug trafficking will be developed so that U.S. law enforcement and State Department Embassies can keep abreast of the status of foreign nationals involved in narcotics traffick.

Sec. 18. Extradition Treaties—

The U.S. should increase efforts to negotiate updated extradition treaties regarding narcotic offenses.

Mr. LUGAR. Mr. President, let me propound a question to the distinguished Senator from Florida.

Mr. CHILES. I did misspeak. We have taken out the sugar quota provision.

Mr. LUGAR. Mr. President, I appreciate the diligent work of the distinguished Senator from Florida in crafting an excellent amendment and working with the staff on both sides of the aisle to think through the implications of how we might be affected with regard to the drug traffic in these particular countries.

On our side we are prepared to accept the amendment, and we appreciate the cooperation of the distinguished Senator working with us to perfect an amendment that we believe will be significant.

Mr. CHILES. I thank the Senator from Indiana.

Mr. PELL. Mr. President, I think this amendment is an excellent one and the result of a great deal of discussion between the different parties as to its crafting. I recommend its passage to my colleagues.

The PRESIDING OFFICER. If there be no further debate, the question is on agreeing to the amendment of the Senator from Florida.

The amendment (No. 108) was agreed to.

Mr. LUGAR. Mr. President, I move to reconsider the vote by which the amendment was agreed to.

Mr. CHILES. Mr. President, I move to lay that motion on the table.

The motion to lay on the table was agreed to.

AMENDMENT NO. 109

(Purpose: Expressing the sense of the Senate with respect to the construction or rental of a new building in Geneva, Switzerland, to serve as space for all U.S. arms control negotiating teams and staff)

Mr. STEVENS. Mr. President, I send an amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report.

The bill clerk read as follows:

The Senator from Alaska [Mr. STEVENS] proposes an amendment numbered 109.

Mr. STEVENS. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

At the end of the bill insert:

Since the United States is party to vital talks on arms control in Geneva, Switzerland;

Since these talks include negotiations on strategic nuclear weapons, intermediate range nuclear weapons, space and defense systems, a bilateral U.S.-Soviet forum, called the Standing Consultative Commission, and a multilateral forum, called the Conference on Disarmament;

Since the U.S. delegations to these talks occupy buildings and spaces insufficiently secure, modernized or large enough to permit those delegations to conduct their work efficiently;

Since the U.S. delegations to the strategic, intermediate and space and defense talks in particular occupy space in the Botanic Building that is also occupied by offices of numerous other, non-U.S. organizations, and shares common walls and parking facilities with these delegations;

Since arms control negotiations require sophisticated security facilities, telecommunications equipment, simultaneous translation capabilities and other specialized services;

Since the Soviet Union, for its part, has made available for its negotiating team a modern, secure, well-equipped building dedicated for the use of its arms control negotiating teams: Now, therefore it is the sense of the Senate

That (a) in order to facilitate the effective work of the U.S. arms control negotiating teams, and to provide for them a dedicated structure capable of supporting their vital tasks on a permanent basis, it is the sense of the Senate that the Secretary of State should submit to the Congress a report on the feasibility, cost, location, and requirements of a structure to house the U.S. arms control negotiating teams in Geneva.

(b) It is further the sense of the Senate that this report should be submitted as soon as possible.

(c) It is further the sense of the Senate that, this matter be included in the consideration of the 1985 supplemental appropriation process.

Mr. STEVENS. Mr. President, I ask unanimous consent that the Senator from Georgia [Mr. NUNN] be added as a cosponsor of this amendment.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. STEVENS. Mr. President, this is an amendment that would express the sense of the Senate that there should be a new building in Geneva, either constructed or rented, to serve the purpose of providing space for the arms control negotiating team. We now have a series of negotiations going on there that are most important.

One of the things that struck some of us, as we visited the negotiations and discussed the problems with the delegations that are involved, is that the Botanic Building that we now use to house our delegations is a building that houses other organizations. They share parking facilities and there are common walls. The security of this arrangement is not good.

As a matter of fact, when the Russian negotiators come to meet with our negotiators in the U.S. facilities, at times it is even difficult to get the elevators to take the Russian negotiators to the designated place in the building where the negotiations will take place.

But even more important, I think, is the problem that we are dealing now in a long continuum of negotiations. I am very hopeful there will be success in these current negotiations, but success is going to have to be measured in incremental amounts.

I am one who believes we will be negotiating on arms control measures probably for the rest of the century. We just cannot go forward with the facilities that are so limited and so inadequate, really, as to meet the needs of the people that are involved.

There were, in this one negotiation that we were observing, three separate talks going on at the same time: The strategic, the INF, and the defense in space talks, all under the umbrella of the new arms control talks. And that means that there are a substantial number of people that have to be able to meet and confer each day and to have their counterparts from the Russian side involved, as the practice is, on every other occasion that they negotiate.

I have discussed this with the managers of the bill. I want to point out to the Senate that what it does is urges the Secretary of State to submit a report to Congress on the feasibility, cost, location, and requirements of a structure to house the U.S. arms control negotiating teams in Geneva, that it should be done as soon as possible and, if it is possible, that we consider this matter in connection with the 1985 supplemental appropriations process.

Mr. NUNN. Mr. President, I am pleased to coauthor this amendment with the Senator from Alaska. I congratulate him on taking the lead on this.

I have been in the building he makes reference to. It is a building that is totally inadequate for security purposes. It is totally inadequate for any kind of delegation. In visiting and waiting for the elevators, it takes a great deal of time. It also is simply not conducive to the business that has to be carried on by the arms control negotiators. I know the Senator from Virginia, the present occupant of the chair, has also been to that building and would concur in this.

It would be my hope that an existing building could be located in Geneva. But the Senator from Alaska has gone into it more than I have and he believes it will require construction of a new building. In any event, I am hopeful we can find satisfactory housing there for the important work of the arms control negotiating team.

I hope they will not be there for as long on the START talks as the Senator from Alaska indicated. I think he was indicating not just the START talks but the follow-on talks that will be coming in the future.

Mr. STEVENS. The Senator is correct. I am saying there will be ongoing talks there to the end of this century.

Mr. NUNN. I agree with the Senator on that. I think these talks will be continuing. Hopefully, we will have some agreements in the not-too-distant future on START, but certainly we are talking about a period of perhaps years before these negotiations are concluded. And then, if they are successful. It will require a continuation of negotiations into the long-distance future on follow-on agreements.

So I am pleased to support this amendment. I urge that the Senate approve it.

Mr. STEVENS. Mr. President, I am pleased the Senator from Georgia has articulated to a greater extent what we mean and at least what I meant by the comment that the United States will have negotiators in Geneva to the end of the century in arms control. I did not mean to imply this current negotiation will take that long to complete. But I do think, as the Senator from Georgia has stated, with follow-on talks to lead to a builddown and to lead a discussion on compliance and further understanding and further agreements as to the use of arms in the world, I think we ought to commit ourselves to the fact that arms limitations are that important that we should have a main structure there.

Mr. President, I ask unanimous consent that the present occupant of the chair, the Senator from Virginia [Mr. WARNER] be added as a cosponsor.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. STEVENS. Mr. President, I further ask unanimous consent that the amendment be modified in the form that the clerks have informed me it should be in order to make it an

amendment to the bill rather than a freestanding resolution.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. LUGAR. Mr. President, I deeply appreciate the leadership that the distinguished Senator from Alaska and the distinguished Senator from Georgia have been giving to our arms control observer group. My colleague in the management endeavor today, Senator PELL, and I are honored to share the cochairmanship with them. We all, as does the distinguished occupant of the chair, have an interest in the success of those efforts and particularly the support of our negotiating teams over the years.

Ordinarily, I would have encouraged the distinguished Senator from Alaska to attempt to have either a freestanding resolution or to amend the State Department bill. But I note that the urgency of what he is proposing suggests that action be taken in the 1985 supplemental appropriation process, which could occur fairly soon and that this is a sense-of-the-Senate resolution and a message to the leadership in the administration of the urgency of this project.

For these reasons, and especially because I believe that the desirability of the amendment is evident on its face and that the timeliness is important, we would be prepared to accept the amendment as a part of the foreign assistance bill, with the understanding that action may be urgent and that it is timely that this message be sent.

Mr. PELL. Mr. President, I think it was Winston Churchill who once said, "Jaw-jaw is preferable to war-war." This is what we hope to accomplish with the Soviets. As long as we are going to jaw-jaw, we might as well do it in a place that is secure, a place where people can work comfortably and effectively.

For all these reasons, I think this amendment points in the right direction. As one who has been an observer to these arms control talks for many years and has recently observed the conditions under which our delegations must presently operate, I think this is a very appropriate amendment.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Alaska [Mr. STEVENS].

The amendment (No. 109) was agreed to.

Mr. LUGAR. Mr. President, I move to reconsider the vote by which the amendment was agreed to.

Mr. STEVENS. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

AMENDMENT NO 110

Mr. SYMMS. Mr. President, I send an amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report.

The bill clerk read as follows:

The Senator from Idaho [Mr. SYMMS] proposes an amendment numbered 110.

At the appropriate place add the following:

That section 118 of the International Security and Development Cooperation Act of 1980 (22 U.S.C. 2293 note) is repealed.

Mr. SYMMS. Mr. President, South Africa has been in the news headlines since last November's elections, and the ground has been laid by protestors and grassroots activists to push disinvestment legislation through the Congress.

The professed concern of disinvestment advocates is the rights of South African blacks. Critics of South Africa contend that the way to bring political power to South Africa's blacks is to put them out of work. It does not seem to make any difference that the South African blacks with real backing and support among their people, like Zulu Chief Buthelezi of South Africa's largest tribe, and Lucy Mvubelo, head of one of South Africa's largest labor unions, adamantly oppose disinvestment. The enlightened beltway liberals are sure that they know better than South Africa's blacks, what is good for them.

Mr. President, no one supports apartheid. But the imposition of economic sanctions and disinvestment is no way to reverse apartheid. The issue is how best to help South Africa to dismantle apartheid, and bring equality and freedom to all its citizens. Despite media distortion, much progress has been made in South Africa since "constructive engagement" began with the Reagan administration.

In 1979, the current prime labor law, the Industrial Conciliation Amendment Act, was passed. This law removed racial restrictions on labor unions and legally allowed multiracial trade unions and associations. From this legislation many other benefits, legal, economic, and social, were achieved. There has been a dramatic rise in black disposable income, which has in turn released a consumer-driven relaxation of apartheid laws in retail trade, and has lead to the racial integration of the marketplace and the workplace. Much of these economic gains have been fueled by American businesses and their higher wages and nondiscriminatory hiring policies. Mr. President, investment in South Africa morally is a proper policy, and is contributing slowly but surely to the dismantling of apartheid, without violent upheaval, and economic chaos.

South Africa needs our continued encouragement and support for progressive change, and we should reward the progress that has already been made by increasing investment, and improving the political and economic status for South African blacks.

But South Africa's racial policies are only one aspect of the dynamic situation on the African Continent. There is a great struggle for freedom ongoing in Angola and in Monzambique, two areas of which the Soviets would rather the American people remain ignorant.

While the leftists in the media harp about South Africa's apartheid policy, they ignore the far worse human rights violations in Angola, in Zimbabwe, and in Mozambique. If you question my assertion, please take a look at the State Department's 1984 Country Reports on Human Rights Practices. I will also add that South Africa gets a rating from Freedom House of being "partly free," while Angola, Ethiopia, and Mozambique are rated "not free." Why is it then that a double standard is being applied in Africa on human rights? Is discrimination against blacks in South Africa more deplorable than the Ethiopian policy of starving enemies of the state? Is apartheid more appalling than the Mozambique concentration camps, and the Mozambique Government's selling of young slave laborers to labor in East German factories?

Mr. President, this amendment is the repeal of the Clark amendment, with which I know all Senators are very familiar, was overwhelmingly repealed in 1981 in the Senate. The Clark amendment lifts the prohibition against aid to the freedom fighters in Angola.

Mr. President, the reason I bring this issue before my colleagues—and I have spoken to many of my colleagues about this—is because I had the opportunity to witness the debate that went on in the other body on this subject back in the middle seventies when President Ford was in office. We lost in Angola because of our failure, for many reasons, to support Dr. Savimbi and his UNITA forces in Angola. We lost those votes. The Clark amendment was passed, became law, and the U.S. aid did not go to our friends. I think that was a mistake. I have a very firm, strong belief that if we want to be effective as the leader of the free world, and if we want to help preserve our own liberty, we must support our friends who aspire to the same goals that we do.

All you have to do is visit free Angola as I did in January 1984. I visited in Jamba and had the opportunity to see what Dr. Savimbi is doing. I think he is one of the greatest men in the world. He is leader in Africa who is a pro-Western, Christian, black nationalist. He does receive support from many other African states, from some in the Middle East, and from some Western European countries. I think we need to repeal this Clark amendment to get the leverage needed to force the MPLA to come to terms with

UNITA. Dr. Savimbi's stated goal is a government of national unity representing all the people of Angola.

I want to talk about a couple of things that are in this bill under discussion, Mr. President. This foreign aid bill that we are considering on the floor today proposes some $15 million for aid to Zimbabwe, a country which is on a fast and sure track toward a one-party Marxist state. The bill also has economic assistance for Mozambique. Mozambique is a Soviet client state which with the support of our State Department is attempting to snuff out their democratic opposition.

Mr. ARMSTRONG. Will the Senator yield?

Mr. SYMMS. I yield.

Mr. ARMSTRONG. Is the Senator saying that this bill contains an authorization for the appropriation of U.S. funds for that purpose, to aid the Government of Mozambique?

Mr. SYMMS. That is correct.

Mr. ARMSTRONG. I wonder if the chairman or the manager of the bill could explain why in the world we would do such a thing. I know that is not the main point of the amendment.

Mr. SYMMS. If the Senator will give me a moment, I will try to make the point of why I think this amendment is so important. I thank the Senator for his question.

Mozambique received in 1984 from the United States loans and grants of about $18 million. From international agencies to which the United States contributed substantially, some $45 million more went to Mozambique. Where does this money go? Mozambique has thousands of Soviet, Cuban, East German, North Korean, and Libyan advisers and is receiving vast amounts of military equipment from the Soviet bloc. I think, Mr. President, that it is safe to assume that considering the disastrous economic situation created by the Marxist government, our taxpayers' dollars are not going to the betterment of the living standards of the people of Mozambique.

The reason I make that point which obviously aroused the interest of my colleague from Colorado is that if the United States of America wants to make a positive contribution in Africa, we should be supporting the process of expanding freedom and opportunity for the people in Africa, and putting pressure on the Soviets and their proxies who are not interested in representative government. The Soviets are only interested in the exploitation and the destabilization of the continent, in subversion and terrorism, and ultimately, in political hegemony over the region and its critical strategic resources. That is why this issue is of interest to the United States, among other reasons.

Setting aside the moral issue of course, we are all interested in the immeasurable strategic importance to the United States of the African continent. Mr. President, with the critical minerals we depend upon across the mineral belt of central Africa, we need to be supporting our friends down there. There are viable, growing, pro-freedom revolutionary forces in Africa, in Angola, in Mozambique, and in Ethiopia that are fighting Soviet colonialism. Angola's freedom fighters, UNITA [the National Union for the Total Independence of Angola], is one such group in which I have, and the country should have, a great interest. I think it is worthy to mention again that Dr. Savimbi has had 10 years of experience in the bush. He is a great statesman. He is a soldier. He is a leader. He is building hospitals, and his people are farming. They are taking good care of their people as they grow in power, and UNITA now has absolute control of one-third of Angola. UNITA has virtual control of another third, and is threatening the power center of the Marxist MPLA, the capital city of Luanda. What I am saying, Mr. President, is that UNITA has been able to do this without our help so far, but we had better get on the bandwagon, and see what we can do to help carry the day.

Foreigners visiting Angola, if they go into Luanda, the capital city under the control of the MPLA, are warned not to travel outside of Luanda because of UNITA's operations, and the military situation from the Marxists' perspective is very precarious, despite the fact that Angola pays handsomely some 37,000 to 45,000 Cuban soldiers to keep its unelected government in control.

Now, in spite of the increasingly advantageous position of UNITA, and the imminent collapse of the illegitimate, pro-Soviet government, elements within the State Department are doing their best to salvage the MPLA, and to prevent the forces for democratic government from winning in Angola.

Just this morning, I had the opportunity to be briefed on the most recent proposition that the State Department presented to the MPLA, and to South Africa, the first time that State has directly brokered a proposed agreement between the two factions. This agreement could well have been devised in Moscow or Havana, because its terms were most advantageous to the Angolan Marxists. In my opinion, it is shocking that our State Department has kept the terms of this proposal under wraps despite inquiries from my office about its content.

What did the State Department tender? The thrust of the proposal was that the Angola Communists would have an 8-month timeframe in which to send home 12,000 Cuban troops. That is about a fourth of the estimated Cuban presence in the country, while South Africa would be required to, one, withdraw from Namibia with only 1,500 troops left behind, and, two, pledge to uphold the "territorial integrity" of Angola, which would prohibit them from preventing SWAPO incursions into Namibia or from lending support to UNITA. Furthermore, the plan required the implementation of U.N. Resolution 435 from Namibia, which former Ambassador Jeane Kirkpatrick labeled a formula for a SWAPO power grab in that country. After 12 months the plan still allowed for the MPLA to keep up to 15,000 Cuban troops in Angola, and the force could remain indefinitely as long as they were not used in an "offensive" manner.

Mr. President, in my opinion, this proposal is an outright sellout of the forces who are on our side in Africa. I do not think we should in the United States abide this treatment of those brave Africans who have fought for so long to break the stranglehold that the Soviets and their proxies have on their countries. Incredibly, the MPLA turned down this generous offer because they have consistently refused for the past 4 years to make any concessions whatsoever on the Cuban troop withdrawal.

That continual refusal to ship the Cubans back to Castro is to Savimbi's and UNITA's credit, because without the Cuban muscle, the MPLA, lacking support from the Angolan people, would collapse. Fortunately for the MPLA, their unpopularity among the Angolan people is more than compensated for by their strong support from important segments here at Foggy Bottom. Heaven knows it is no wonder we have problems around the world when the United States cannot decide which side it is on.

Mr. President, the Senate lifted the Clark amendment in 1981. The Clark amendment, which I referred to earlier, foolishly prohibited aid to Angola's freedom fighters back in 1975. That amendment was a backlash from the isolationism spawned by Vietnam.

Those that argued that American withdrawal from Southeast Asia would ensure peace were proved dead wrong, and now there is bipartisan support for efforts to help the Cambodia Democratic Resistance. Let us show some consistency here, and extend American diplomatic and material support to not only the Cambodians and the Afghans, but to UNITA as well. There is no place in Angola, nor will there be, until the government respects basic human rights and reflects the will of the people.

America needs to clarify what this country stands for, and to recognize our friends, and protect them from the enemies of democracy and the enemies of freedom. Our incomprehensible foreign policy in Africa has delighted our enemies, demoralized our

friends, and jeopardized our critical security interests in Southern Africa.

Mr. President, I would like to read to my colleagues a letter handed to me this morning dated April 24, 1985, Jamba, Angola.

JAMBA, ANGOLA, *April 24, 1985.*

Dear Senator SYMMS, I very much appreciated your letter of last November. Regrettably, due to lack of couriers, I am today writing you quite belatedly.

I take this opportunity, to sincerely thank you for all you have been doing to help Americans understand the Angolan problem and the significance of our resistance to the Soviet and Cuban occupation of our country, Angola. We ask you to keep up your efforts to bring about adequate United States' policies to help to solve the conflicts.

Since you visited us here one year ago, further tremendous progress has been made by our organization. Our Armed Forces have increased both in numbers and in quality. We have now extended our military activities to the entire country, while consolidating and expanding the territory we totally control.

Our preoccupation today, however, is no longer the military side of the equation, but rather the politico-diplomatic factor. We need, at the very least, a strong political and moral backing from the United States, to enhance the attainment of a just settlement and lasting peace in Angola, entailing a total withdrawal of the Cubans and the holding of free elections, so Angola may become truly independent and democratic; our people must have a say in the shaping of their future and in the running of the country.

We retain good memories of your last visit here. But we hope you will soon reconsider honoring us with another visit so you may reassess the situation especially in the light of the ongoing U.S. State Department diplomatic efforts which have not been moving in the encouraging direction, to say the least, notwithstanding the complexity of the conflicts here and the sincerity of the diplomats.

In the meantime, Jerry Chitunda, who was here with us since last March, will convey to you a comprehensive up-to-date briefing on the situation.

Wishing you good health and all the best,

Yours sincerely,

DR. JONAS MALHEIRO SVIMBI,
President.

Mr. President, I read that entire letter only for informational purposes for my colleagues, and to say that we have, in my view, a golden opportunity on the African Continent. It is my opinion, Mr. President, that if the United States would take the bold step forward to help these brave freedom fighters in Africa, we would have a strong leader in Angola who could, in fact, put into place a government that would recognize and respect human rights; that could be an example to other nations in Africa of how they could run their affairs; that would be the best single positive factor that could happen to help solve some of the problems in southern Africa.

I would just urge my colleagues to give this amendment every consideration. If it is not going to be included in this bill that we are discussing tonight, it certainly should be included in the State Department authorization bill.

I yield to my colleague from Colorado for a question.

(Mr. MATTINGLY assumed the chair.)

Mr. ARMSTRONG. Will the Senator yield for several questions? I understand that the purpose of the Senator's amendment is to repeal the so-called Clark amendment which forbids United States aid to the forces led by Dr. Savimbi.

Mr. SYMMS. That is correct.

Mr. ARMSTRONG. It is my further understanding, both from the Senator's statement and other information, that the amount of Soviet aid is enormous; that military aid alone has been very substantial, hundreds of millions of dollars. I do not have an exact figure, but there has been an enormous military as well as political support for the Marxist regime in Rwanda from the Soviet Union. Is that correct?

Mr. SYMMS. The Senator's understanding is absolutely correct.

Mr. ARMSTRONG. At the present time, we are supplying no support of any kind to the freedom fighters who are attempting to resist the consolidation of power by the Rwanda regime, that is to say the Communist regime. Is that also correct?

Mr. SYMMS. That is absolutely correct.

I might just say to the Senator that a Cuban soldier is costing $600 per month and there are somewhere between 35,000 and 45,000 Cubans, by my information, in Angola. So you can imagine what this foreign military presence is costing. The Cubans do not have the money. The MPLA is draining the economy with military expenditures.

Mr. ARMSTRONG. The thing that I find particularly important or significant about the case which has been made by the Senator from Idaho is the realization that the Soviet Union, through its protection, is extensively funding the military power of the central government. Out in the bush, for not just a few months or for a year or two, but for a decade, Dr. Savimbi and his supporters have been battling on without any help from the United States, with some help, I gather, from other sources, and not only are not being driven out or gradually subjugated, but my information—and I have not had the opportunity to visit that region as the Senator from Idaho has—the best information available to me, indicates that on the contrary, it is the Communist regime that is on the defensive, it is the Communist regime that is embattled, that the territory under control by Dr. Savimbi and his supporters is part of the country which is pacified, well-run, and organized.

Increasingly, the so-called rebels are turning from purely military means to political aspirations, and in fact to the pacification and economic and political development of their country.

Mr. SYMMS. The Senator is correct and right on target. As a matter of fact, when I was in Angola in 1984, at that time Dr. Savimbi's assessment of the situation was that UNITA probably, at best, could hope for a political stalemate.

I will repeat what he is saying in his letter. He actually says the military dilemma is no longer the problem. He said, "Our preoccupation today, however, is no longer the military side of the equation."

Mr. Chitunda, who visited me this morning, said they feel very positive about the military situation. They are gaining support from the populace, from the people, because they do have schools and hospitals; they are farming; people have opportunities, they are making headway.

It is just tragic in my view that the United States of America, the bastion of hope and liberty in the world, cannot help and support these brave people who are really fighting our war in Africa.

In my view, what will happen if we support them, and help Savimbi gain power in the government, and I remind my colleagues that he has stated repeatedly, that Angola will have a government of all the people, then you would have a leader, a black, Christian, pro-Western leader in Africa, who stands for those values of human rights that we all in this Chamber talk about all the time. Angola would become a model for those other countries across the mineral belt of Africa. I believe Zimbabwe, Zaire, and Mozambique, and in those countries in that region, that they would then turn to the West, and our constructive engagement policy would be tremendous success. I am not condemning those people who work for the U.S. State Department for the President or for Mr. Shultz. Chester Crocker, the Assistant Secretary for African Affairs, has met with me many times, and he is sincere in his efforts to secure peace and stability in the region. What I am saying is I think constructive engagement can be greatly enhanced if the Congress will give the State Department the tools it needs for strong, successful negotiations.

This is a golden opportunity, and we are standing here failing to seize that opportunity. I would like to see the U.S. Senate, if not tonight, in the very near future, repeal the Clark amendment and stand up and support our friends, and oppose our adversaries who are in control of the Marxist government of Angola today. That is really my case.

Mr. ARMSTRONG. Mr. President, I appreciate the Senator responding to my inquiry. If he would yield to me briefly, I have one observation, one unanimous-consent request and two additional brief questions.

My observation is that the Senator has done an extraordinarily useful service by bringing this matter to the attention of the Senate. I do not know what the disposition of this amendment will be tonight. But if it is not adopted tonight, as I hope it will be, I trust that the Senator will pursue this because I think he is raising an issue which has for too long been ignored by most of the Members of the Chamber and by most of the people at home.

It is hard to get excited about Angola. It is a long way away; it is a problem we do not want to look at. Yet what is happening in that far-off country is of significance to our country for many reasons, because the battle which goes on there is a battle which is not unlike that which our own country went through at one stage.

Mr. President, I ask unanimous consent that an article entitled "The Agony of Angola" by Mr. Edward B. Cain be printed in the RECORD at some point. It is a well-documented, well-footnoted explanation of the history of the Cuban-Soviet occupation of that tragic country, of the organization and political beliefs of those who are sometimes called the rebels—that is to say, Dr. Savimbi and his supporters.

That is my request, Mr. President, that following my remarks, that article be printed in the RECORD at this point.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

THE AGONY OF ANGOLA

(Edward P. Cain)

Angola has been torn by war since March 1961, when Bakongo Warriors—who live in tribal lands divided by the border—poured into northern Angola from the newly independent former Belgian Congo. More than 300 Portuguese and thousands of blacks died within a few weeks in that explosion of violence.

Stretching for 1600 kms. along Africa's west coast a little south of the equator, Angola was Portugal's largest and most prosperous colony, with enormous undeveloped wealth. Covering an area of 1,246,000 square kilometers, nearly twice the size of Texas, it is roughly quadrilateral with an enclave in the extreme northwest—Cabinda—cut off from the rest of the country by a tongue of Zaire. Although its climate and vegetation are quite varied, ranging from equatorial forest to harsh desert, the central plateau is healthy and fertile, so much so that the Portuguese used to boast that Angola could feed all of Africa. Though it was the world's fourth largest coffee producer, Angola's real wealth lay under the soil. Its diamond fields are the world's fifth largest; it exports high-grade iron ore from its rich deposits; its vast holdings of copper, manganese, gold, bauxite, and platinum are virtually untouched. But its real resource is oil: in 1983 it produced 135,000 barrels a day from deposits which are the envy even of the Persian Gulf.

Luanda, the capital, with its skyscrapers, wide avenues, a population of over 500,000, and its generally European appearance, was modern and dynamic. It also has one of the two finest natural harbors in West Africa (the other, Lobito, is in southern Angola). Angola's sparse population of 6.5 million is divided into many tribes speaking different languages. In 1973 the white population was 450,000.

Angola's war may be divided into three parts. From 1961 to 1974 three liberation movements fought against Portuguese colonialism. After a short period of peace following the left-wing military coup in Portugal during which the liberation movements conducted political campaigns, a civil war began which lasted from March 1975 to February 1976, when the MPLA, reinforced by enormous quantities of Soviet arms and by a Cuban expeditionary force of 13,000, overwhelmed the other movements. Finally in the third phase—continuing to the present—UNITA has challenged the Soviet-Cuban occupation of Angola with increasing success.

I. THE LIBERATION MOVEMENTS—THE MPLA

The Movemento Popular de Libertacao de Angola (People's Movement for the Liberation of Angola) was founded in Luanda on December 10, 1956. Its early leaders included Mario de Andrade and Agostinho Neto, both members of the Portuguese and French communist parties, and its initial financial support came from the Belgian, French and Portuguese communist parties. From the moment of its inception Moscow has viewed it as its instrument and has supported it in its propaganda publications. Indeed the official Soviet publication *Africa Today* claims that it was founded at the initiative of the Angolan communist party.

MPLA militants were responsible for the first acts of armed insurrection in Angola when they attacked prisons in Luanda on February 4, 1961. Agostinho Neto was in detention in Portugal at the time. He then escaped from house arrest and arrived in Kinshasha (then Leopoldville), Zaire, in the fall of 1962, to find the MPLA almost at an end. He took over the presidency from Andrade and set out to revitalize the movement. Neto, a member of the Kimbundu tribe, had compiled an excellent academic record, as a result of which he was one of the first blacks to be accepted as an *assimilado*, with the full rights and status of the whites. He had studied medicine at Coimbra University in Portugal, where he was arrested for subversive activities.

Prospects for the MPLA improved when it moved its headquarters to Brazzaville, Congo, in November 1963. Alphonse Massamba-Debat had seized power in the Congo only a few months earlier and begun transforming the country into a Marxist stronghold. In April of 1964 the first Chinese diplomats arrived in the Congo and built a training camp for the MPLA at Bouango. The MPLA began infiltrating the Cabinda enclave from the Congo in 1963-64, and when Zambia became independent in October 1964 Neto established bases there to support strikes into eastern Angola. By 1970 the MPLA was responsible for some 59% of guerrilla incidents in the country.

In March 1965 Neto visited Moscow under the auspices of Alvero Cunhal, the Portuguese communist leader who had been Neto's friend since his student days. In October the Organization of African Unity (OAU) switched its support to the MPLA from the rival FNLA. By November the MPLA was receiving support from the Soviet Union, Cuba and China. Neto received the Joliot-Curie award from the World Peace Council in 1966 and was Angola's representative to the Afro-Asia Solidarity Conference: both of these organizations were communist fronts.

By this time as well the MPLA had extensive bases in the Congo in which it stored its Soviet arms and supplies. Aside from offices, indoctrination centers and other facilities located in Brazzaville, it had three other installations in the country, and used Radio Brazzaville's powerful transmitter to beam its propaganda into Angola. Several thousand of its cadres had been trained by Russia, Czechoslovakia, and Bulgaria.

Inside Angola, however, the MPLA had only limited political support. Since it had been founded by Portuguese and *mestico* (people of mixed ancestry) Marxists with urban roots and secondary education, the MPLA had difficulty in dealing with rural issues. It constantly stressed the class struggle, using egalitarian, multiracial and anti-imperialist themes. This bias was reinforced by the views of the political and military cadres trained in the Soviet Union, Eastern Europe and Cuba. Its rural support came almost exclusively from the Kimbundus, Neto's tribe, representing about 22% of the population.

Several internal conflicts have convulsed the MPLA both before and after it seized power in Angola. For example, after an unsuccessful attempt on Neto's life in Brazzaville in May of 1973, a number of its members were executed, but one of those involved in the plot, Daniel Chipenda, fled to Zambia, where he rallied the majority of the guerillas around him. The dispute virtually paralyzed the MPLA, and by 1974 it had been all but eliminated by the Portuguese army in the eastern region of the country.

UNITA

The Uniao Nacional para a Independencia Total de Angola (National Union for the Total Independence of Angola) was founded on March 13, 1966, by Jonas Malheiro Savimbi at Mwangai, in Angola's Moxico province. The son of a station master who founded churches and opened schools all along the Benguela railroad in central Angola, Savimbi was born in 1934 and finished secondary schoool at the top of his class. He studied at Lisbon University until violence erupted in Angola in 1961, then moved to Switzerland and graduated from the University of Lausanne in political science. He served as the first foreign minister of the Angolan Revolutionary Government in Exile formed by Holden Roberto in March 1962, but resigned along with several others in July 1964 on the grounds that Roberto was a flagrant tribalist who gave his men no political training. When his call for a united front of all valid nationalists movements met with no response, he formed his own movement.

UNITA, the first group to benefit from Zambia's independence, sent militants into eastern Angola in 1966-67. However, after it sabotaged the Benguela railroad—the main export channel for Zambian copper—Svaimbi was expelled from Zambia in 1968, but later returned clandestinely, and then established his headquarters in eastern Angola. UNITA penetrated Angola on a

narrow front south of Luso and was active as far as the border with Bie. Though he initially enjoyed Chinese support, this faded after 1970, and Savimbi concentrated on building up a strong base among the people. Since UNITA operated in roughly the same area as the MPLA and had no representatives outside the country, at first MPLA was given credit for many of UNITA's actions. However, when the MPLA became inactive toward the end of 1973, guerrilla incidents in eastern Angola were correctly credited to UNITA. This at the time of the Lisbon coup, UNITA was the most active of the three movements, and the only one operating inside Angola.

FNLA

The Frente Nacional de Libertacao de Angola (National Front for the Liberation of Angola) was the successor to the UPA (Angolan People's Union), which was responsible for the bloody uprising of 1961 in the north of Angola. Led by Holden Roberto, brother-in-law of President Mobutu of Zaire, it drew its support from the Bakongo tribe, which comprises 13% of the population, and operated from bases in Zaire. Although it had been largely neutralized by the Portuguese by 1974, it still put up a strong showing in the civil war following the Lisbon coup. After he split from the MPLA in 1974 Daniel Chipenda joined the FNLA with 3,000 troops who had been fighting in eastern and central Angola, which gave the FNLA a presence in the southern half of the country. FNLA consisted mainly of a fighting force without a clear political program, and ceased to function in 1978 with the normalization of relations between Angola and Zaire. It will, therefore, receive only incidental mention in this study.

II. THE SOVIET-CUBAN OCCUPATION OF ANGOLA

A. The Civil War

The Portuguese coup of April 25, 1974, effectively ended army action against the Angolan insurgents. The new government almost immediately issued appeals to the liberation movements to lay down their arms, reconstitute themselves as political parties, and discuss the future of Portugal's colonies. On June 17, 1974, UNITA agreed to a ceasefire and Savimbi began moving through the country addressing political rallies.

The MPLA, still hopelessly divided, held a "unity conference" in Lusaka, Zambia, at which, surprisingly enough, Neto stormed out and allowed Chipenda to assume the presidency. Clearly Neto had learned from his friends in Moscow, in the Armed Forces Movement which initiated the coup, and the now legal Portuguese communist party, that he could seize power even without the MPLA guerrillas. He returned to Lunanda and began mobilizing and arming the unemployed and discontented city residents.

On November 25, 1975, the Johannesburg-based Portuguese-language weekly *O Seculo* reproduced a letter purportedly written to Neto on December 22, 1974, by his brother-in-law Rosa Coutinho, the first High Commissioner appointed to Angola by the new Portuguese government. Nicknamed the "Red Admiral," Coutinho warned "comrade" Neto against the "imperialist forces" of the FNLA and UNITA, which, he said, were seeking to frustrate attempts to "extend communism from Tangiers to the Cape and from Lisbon to Washington." He then told Neto to instruct the MPLA to "terrorize the whites by all means" in order to force them to flee the country. "We shall uproot the whites so completely," he wrote, "that with their fall the whole capitalistic structure will be demolished, making it possible to establish the new socialist society." Whether this letter was authentic or not—and Coutinho has never disputed its authenticity—it accurately foresaw the disaster which was to befall Angola.

On January 5, 1975, the MPLA, FNLA, and UNITA announced the formation of a common front to negotiate with Portugal. This was followed by the Alvor agreement of January 15, 1975, which established a quadripartite transitional government to exercise power until November 11, 1975, the date fixed for independence. The main task of the transitional government—whose ministries were divided equally among the movements and Portugal—was to organize general elections. By the terms of the agreement each nationalist movement would provide 8,000 men to be integrated with 24,000 Portuguese troops to produce a national army of 48,000 men. The Portuguese force would be a stabilizing presence and would not be withdrawn until February 29, 1976.

The Institute for the Study of Conflict has noted that the Portuguese adopted a policy of "neutrality" at a time when the influence of the Portuguese communist party was at its height in Lisbon, which meant that Lisbon gave tacit support to the MPLA as the preferred nationalist movement. During those critical spring and summer months of 1975 the Lisbon government acted as a broker between Moscow and the MPLA. The influence of the Portuguese communist party was only curbed with the information of the sixth Portuguese provisional government of September 19, 1975, but by that time the MPLA had already established military preponderance in Angola.

In the meantime Savimbi—who has always preferred political to military action—launched his nationwide election campaign. He proved a spellbinding orator, and soothed Portuguese anxieties with assurances that he considered all who had settled in Angola to be Angolans. He also promised blacks a new order under majority rule, free from domination by whites and *mesticos. Le Monde's* Gilbert Comte at the time described him as "intelligent, intuitive and gifted, with great personal charm, (offering) the anxious multitudes the reassuring words they (so) wanted to hear." Public opinion polls taken in March through May put UNITA clearly ahead of its rivals, with the MPLA drawing only 25% of the vote.

Soviet arms deliveries to the MPLA had accelerated steeply after October 1974, in line with the general Soviet policy of supporting national liberation struggles everywhere in the world. Neto mobilized and armed his newly acquired supporters with the assistance of East Germany, the Portuguese communist party, Yugoslavia and the Scandinavian countries: he literally had more guns than recruits for his mushrooming army and urban militia. In addition, the Soviet propaganda machine swung all its resources behind the MPLA.

Heavy fighting between the MPLA and the FNLA broke out in the Luanda region toward the end of March. The FNLA headquarters in the capital was demolished and the MPLA forces accomplished a priority objective of occupying the port region. During May the fighting spread to Caxito, 40 miles north of Luanda. Although Savimbi appealed to the Angolans to end the killing, neither the Portuguese military nor the transitional government issued a statement on the burgeoning conflict. At Savimbi's insistence the leaders of the three movements met in Kenya from June 16 to 21, 1975, and signed the Nakuru agreement by which they undertook to restore the workings of the transitional government, to end all violence, set up a single national army and disarm civilians. They also affirmed that elections would be held "sometime during October 1975." But Angola was being effectively partitioned, and fighting resumed within days of the conclusion of the Nakuru conference.

The MPLA's first priority was to establish its complete ascendancy in Luanda for military, political and psychological reasons. The FNLA forces retreated northward, while UNITA regrouped in southern Angola, but the MPLA advanced southward and by the end of August had occupied Lobito, Benguela and Mocamedes. A secondary MPLA objective was the control of the vital Benguela railroad running from Lobito through the middle of Angola to Teixeira de Sousa on the Angola-Zaire border, and on to the Zambian copper belt. By early October MPLA troops held Teixeira de Sousa and the western section of the line, but UNITA blocked it by retaining control of Nova Lisboa, Silva Porto and Luso.

By early August MPLA had achieved unchallenged ascendancy in Luanda. Its occupation of the ports not only facilitated the Soviet arms buildup, but also prevented the importation of food, fuel and supplies, which intensified the chaos on which MPLA throve. The widespread violence caused more than half the whites to flee the country, accelerating the administrative and economic breakdown. Meanwhile Soviet weapons continued to pour in. In its Angola after Independence: Struggle for Supremacy, the Institute for the Study of Conflict catalogues some of the arms shipments which reached the MPLA between March and October 1975. In addition to much increased quantities of infantry weapons, the new shipments included relatively sophisticated weapons such as light field artillery, tanks, armored vehicles, six-wheeled trucks, tracked armored anti-aircraft vehicles, armored personnel carriers, rocket launchers, and anti-tank wire-guided missiles. As none of the other nationalist movements possessed weapons of this type, the MPLA acquired both superior firepower and great mobility, which enabled it to gain an overwhelming military superiority. All this was, of course, in violation of the Alvor agreement, under whose terms all such aid should have gone to the transitional government, and not to an individual movement, a position reaffirmed in a OAU directive of June 1975 which also called for an end to foreign involvement in Angola.

The Cubans

Another new factor introduced into the conflict came in the form of Cuban combat troops. Fidel Castro had met MPLA leaders and subscribed to their ideals as far back as 1963, during his visit to Africa. Cuban military advisors and instructors began training MPLA guerrillas in the Congo under the terms of a 1966 military aid program, but this relationship was altered dramatically upon the arrival of 200 to 300 Cuban military advisers in April 1975. Preparations for greater Cuban involvement were made in July during a visit to Havana when Colonel Otelo de Carvalho, a Marxist member of the Armed Forces Movement, was asked to arrange permission for Cuban ships to dock in Luanda. The logistics for a full-scale war were being developed, and in addition Cuban war exercises that month seemed to

be aimed at an Angola-type war. By June the Cubans had set up military training centers in such widely scattered places as Benguela, Cabinda, Henrique de Carvalho (Saurimo) and Salazar (Dalatando). Troops were being prepared for Angola by mid-August, and the decision to send them was taken at the end of August or the beginning of September. By September leading members of the Cuban general staff and combat troops had begun arriving in Angola.

With the MPLA in control of Luanda, the transitional government also came under its effective control. To complete its ascendancy, in September the Portuguese High Commissioner announced that the Alvor agreement was suspended, that all Portuguese troops would be withdrawn from the country on November 11, and all Portuguese military equipment handed over to Angola. Holden Roberto complained that Portuguese Air Force planes were used to reconnoiter his military positions.

Thus by the eve of independence the MPLA had established both military ascendancy and *de facto* political legitimacy in Angola. Its position was further buttressed by the strenuous support it was receiving from the Soviet Union in such international forums as the OAU. At noon on November 10, 1975, the High Commissioner lowered the Portuguese flag in Luanda and sailed from the harbor, conferring independence on "the Angolan people who should decide the forms of its execution." At midnight Neto proclaimed the founding of the People's Republic of Angola, which was not recognized by Portugal. The elections promised in both the Alvor and Nakuru agreements were never held.

Operation Zulu

A new development in the civil war was the arrival of a small South African column, code-named "Operation Zulu," which entered the southern part of the country on October 14. It initially used only civilian vehicles, and consisted of a black FNLA battalion of 1,000 men, a battalion of Bushmen trackers with Portuguese ex-army officers, and a South African colonel with 6 officers and 7 NCO's. It was later joined by 25 Panhard armored cars and a 81mm mortar platoon.

South African involvement had begun a month earlier, when two groups of about 20 instructors were sent to train UNITA and FNLA troops at Calombo and Mapupa respectively. They were instructed to assist the troops of the two movements, now allied, to regain the areas of southern and central Angola where they enjoyed traditional ethnic support, in the hope that the MPLA and the Cubans would consent to an agreement with the anti-Soviet forces if the latter were obviously in a strong military position. At the time of the South African intervention pro-Soviet forces had seized all major towns except four in the center of the country and Holden Roberto's capital in the north.

Initially the South Africans planned to withdraw at the time of Angolan independence, but Savimbi flew to Pretoria to urge the South African Prime Minister to help the anti-Soviet forces sustain their position at least until the OAU summer meeting scheduled for December 9, when he hoped to obtain a majority vote in favor of a tripartite settlement in Angola. South Africa acceded to this and similar pleas reaching it from other sources, including Zaire and Washington. The OAU meeting, however, was postponed.

The South African troops were withdrawn after the vote of the United States Senate in December against military aid to any faction in Angola, and the further postponement of the OAU meeting. Only on December 22, after the Senate vote, did the Cubans admit their involvement in Angola. By the end of January 1976 Cuban troop strength in Angola had risen to 15,000. By contrast, South Africa never sent more than 1,500 troops to the country.

The depth of African distrust at the time for the Angolan Marxists and their allies was demonstrated by the voting at the OAU summit. Despite intensive Soviet lobbying, a resolution recognizing the MPLA as the legitimate government of Angola was not accepted, receiving the same number of votes as one calling for a "government of national reconciliation" in Angola.

Soviet Involvement

By using proxy forces from another continent, the Soviets had scored a major military victory, and an even greater psychological one. They successfully gambled on an American lack of resolve to resist communist expansion in an area of the world which the United States did not regard as vital. When Secretary of State Henry Kissinger failed to persuade the Soviets to cease their activities in Angola, he sought more U.S. military aid to the FNLA and UNITA from Congress. The refusal of the Senate to grant his request prevented deeper U.S. involvement in Angola, but simultaneously gave Moscow a green light to increase its military aid and fly in large numbers of Cuban troops. By their intervention in Angola the communist powers successfully placed in power in an African country a government of their choice, without heeding the requirements of free elections and majority rule which the West customarily demands in cases of self-determination.

Soviet military aid to the MPLA, valued at $280 million, included 12 MiG-21s and the devastating 122mm "Stalin organ" rocket launcher, to which UNITA and FNLA guerrillas had no answer. The MPLA was further assisted by its access to the oil revenues from Cabinda: Gulf Oil, the largest U.S. economic interest in Angola, switched its payments of oil royalties to a secret account held by the MPLA in Europe.

B. Development in the MPLA Since 1976

Even after the South African withdrawal Cuban troops and Soviet arms continued to pour into the country. The Cuban forces included 6,000 infantrymen, an armored regiment of 1,900 men equipped with 120 T-54 and T-34 tanks, an armored car regiment with 70 Soviet-built BRDM vehicles and 1,600 men, an anti-aircraft battalion and five regiments equipped with multi-barreled rocket launchers. Cubans also provided the key element in the new Angolan airforce, piloting all the MPLA's Soviet-supplied aircraft and commanding the airbases. They assumed major positions throughout the civil service, supervised the MPLA's program of political mobilization designed to drum up support for the "mass Marxist-Leninist party" the MPLA planned to found, and trained trade union leaders in Marxist philosophy and Cuban history.

During a visit to Moscow in October 1976, Neto signed a 20-year friendship and cooperation treaty with the Soviet Union providing for regular exchanges between the MPLA and the Communist Party of the Soviet Union. He and his Prime Minister both spoke of the importance to Angola of the relationship between the MLPA and the Soviet Union. The MPLA security force, DISA, was set up and directly controlled by the Cuban intelligence service, the DGI, and modelled on the KGB. Soon after Neto's return, the MPLA announced that Angola was to be described officially as a "Marxist-Leninist Republic," to be governed by a "democratic revoluntionary dictatorship" while preparations were made for the achievement of "scientific socialism." The MPLA would reorganize itself as a mass party by indoctrinating the peasantry. Private property would be abolished, and banks and other key sectors of the economy taken over by the state.

In 1977 the government introduced a new currency: Angolan families were allowed to exchange no more than 20,000 of the old escudos (about $670) for the new kwanzas. Anything beyond that become worthless paper. As the Finance Minister boasted at the time, "when the exchange operation is complete, we will virtually be able to declare that the middle class has ceased to exist in Angola. At the MPLA's first congress in December 1977, the MPLA- Workers' Party, a vanguard party dedicated to the "scientific ideology of the proletariat—Marxism-Leninism," was formed.

By the middle of 1977 an estimated 19,000 Cuban military personnel were in Angola, in addition to some 10,000 civilians. Eastern-bloc nations had delivered arms and equipment worth almost $500 million to Angola by 1978, and the cost to the Soviets of maintaining a Soviet/Cuban presence there had risen to more than $700 million annually. By 1979 the daily cost of maintaining this presence was estimated at $1.7 million. There were also some 500 Soviet soldiers backed by 5,000 military advisors actively involved in military planning. Estimates of the number of East German troops ranged up to 5,000, with more than 14,000 personnel from other Eastern bloc countries. Angola had signed cooperation agreements in various fields with Yugoslavia, Czechoslovakia, Hungary, Bulgaria and Poland.

The MPLA in power has continued to suffer from internal disputes. On May 27, 1977, a faction killed a number of important officials in an attempt to seize power: supported by white Portuguese communists, this group wanted closer ties with the Soviet Union, as well as more extensive nationalization, and appealed to black racist sentiment by calling for the dismissal of whites and mesticos. When Neto's supporters regained control of the Luanda radio station, he labeled the rebels "leftists and ultra-revolutionaries;" a subsequent statement claimed they displayed a "feigned dedication to some friendly countries," in an obvious reference to the Soviet Union. The propaganda line was soon changed, however, to avoid antagonizing the USSR; they were labelled "rightist bandits" instead. Moscow's view of the uprising was ambiguous. Although apparently aware of the plot, the Soviets neither warned Neto nor came to his aid. The Cubans, however, were clearly pro-Neto, and Cuban troops helped quell the uprising after a delay of several hours.

On September 10, 1979, Neto died at 56 while undergoing surgery in Moscow. Rumor in Luanda and elsewhere held that he had been murdered in retaliation for his attempts to steer a course independent of Moscow. Ten days later the central committee of the MPLA-Workers Party elected Jose Eduardo dos Santos, 37, its new president, which automatically made him president of Angola and commander-in-chief of

the armed forces as well. Dos Santos was reputed to be a principal member of a group opposing contact with the West and working for closer ties with the Soviet Union. He was trained in Moscow as a petroleum engineer and was married for a time to a Russian woman. He was responsible for another shake-up within the party when he removed 30 MPLA members from their posts in January of 1983.

The MPLA suffers from its narrow power base. Its top leadership is drawn overwhelmingly from the Kimbundus and the *mesticos* who make up 22% and 1% respectively of the population, although recently it has attracted more support from the Bakongo (13%), all located in the northwestern portion of the country. Moreover, the MPLA has a total membership of only 20,000, or 0.3% of the population. One reason is that its constitution forbids membership to anyone who "believes in any religious idea," and the Angolans are deeply religious.

Complaining about the difficulty of negotiating with the MPLA regime, a French government spokesman recently said: "We are not certain whom we are addressing there, as the Angolan President does not seem to have the power of decision expected of a head of state. There are obviously at least two brains masterminding his policies—in Havana and Moscow.

The Angolan economy has been in a very poor state, with coffee production dropping from 200,000 tons before the civil war to 26,000 tons in 1983 and diamond production plunging from 2.2 million carats to half a million: in 1983 a diamond smuggling operation costing the state diamond monopoly $150 million per year was uncovered, with several ranking MPLA officials implicated. The Angolan fishing industry—which in 1973 produced 470,000 tons of fish—has been ruthlessly exploited by the Russians, who took 248,000 tons in 1977 and gave Angola only 12%. Despite Angola's rich agricultural potential, it has been importing 90% of its commercial food supplies, while long lines formed outside food stores. The Soviet Union has provided Angola increasingly sophisticated weaponry, but next to nothing in economic aid. The only bright spot in the Angolan economy has been the oil produced by Gulf Oil in Cabinda, which accounted for 80% of the country's foreign exchange and enabled it to pay for Cuban troops and other foreign workers. A full 60% of Angola's income goes to military and security expenditure.

C. Angola's Army

At the conclusion of the civil war, the Forcas Armadas Populares para Libertacao de Angola (FAPLA)—the People's Armed Forces for the Liberation of Angola, the armed wing of the MPLA—became the national army, while remaining totally subservient to party control.

FAPLA is a strong, well-equipped regular army of 35,000 men consisting of two motorized infantry brigades, each with a tank battalion. Other units are largely organized into infantry brigades, although there are also a number of detached tank battalions. Its tank force consists of approximately 60 T-54/55, 30 T-34/85, 50 PT-76, 100 T-34, and an unspecified number of newly acquired T-62s. In 1983 FAPLA acquired substantial fresh supplies of arms, including T-62 tanks, additional BM-12 rocket launchers, and new air defense systems consisting of SAM-8 surface-to-air missiles. These complement the existing SAM-3 and the SAM-6 systems. As back-up FAPLA has 300,000 militiamen (30,000 armed and trained) and over 25,000 Cubans, who are mainly, though not exclusively, used for garrison duty, thus relieving the FAPLA troops for active duty.

The air force has 24 MiG-23, 10 MiG-17, 3 Fiat G91 jet fighters, 3 MiG-15 jet trainers, and 20 Alouette helicopters. It has 6 Antonov An-26 transports (one was shot down by UNITA in July 1977), 4 AN-12 and 3 C-47 as well as 2 Pilatus PC-6 Turbo-Porter utility transport and counter-insurgency aircraft. In early 1984 Angola acquired nearly 40 Dauphin helicopters from France. These versatile helicopters form a useful addition to the two helicopter squadrons which fly Soviet Mi-8 multi-role helicopters and Mi-24 assault gunships.

III. FIGHTING SOVIET-CUBAN INVOLVEMENT

On Independence Day—November 11, 1975—UNITA and its ally, the FNLA, established the "Democratic and Popular Republic of Angola" at Huambo (formerly Nova Lisboa), the country's second largest city. UNITA's annual conference—held in nearby Bie (Silva Porto) from December 28 to 31 with 300 participants—resolved to strengthen cooperation between UNITA and FNLA, demanded the "immediate and unconditional withdrawal" of all foreign forces, and blamed the Soviet Union's interference in Angolan internal affairs for the civil war. The conference called for an immediate ceasefire, a tripartite conference under OAU auspices, and a guarantee of free return for Portuguese who had fled. It warned that no party alone could impose its will on the people of Angola by sheer force.

In a booklet published the following month UNITA summarized its efforts since its inception to reconcile various nationalist movements, and called once again for a government of national unity. Appealing for an end to hostilities between "ourselves and our brothers in MPLA," it believed Angola could still extricate itself from "this externally induced war" and urged all forces to work for a political solution to the Angolan crisis. After recalling "repeated attacks" on UNITA offices and militants by the MPLA, the booklet notes that UNITA did not enter the civil war until "after the August 5 attack in Silva Porto on President Savimbi's plane." The booklet concludes:

"UNITA was not aligned to any world power, curried favor with none, received support from none, and thus owed allegiance to none. One of our basic founding principles, self-reliance, dictated that we depend primarily on the support and cooperation of the people. (Therefore) UNITA does not seek unity from a position of weakness. (Rather) the strength and determination of our people have given us the hope and courage to continue to fight for the goal of independence and self-determination for Angola. The same strength and determination inspires us to continue to seek a peaceful political settlement with our adversaries, who are also our people."

Huambo was "liberated" by a combined Cuban and MPLA force on February 8, 1976, and Savimbi withdrew once again to the bush of eastern Angola. UNITA's political base—the southern two-thirds of the country—remained largely intact, and despite strenuous efforts the MPLA has enjoyed little success in gaining support among the Ovimbundu peoples. On April 1, 1976, a Cuban-led MPLA offensive was launched against UNITA bases, but UNITA regained the initiative in early May and reoccupied the areas around Cuchi (Serpa Pinto) and Gago Coutinho, indispensable for its supply routes. By the latter half of 1976 Savimbi had established himself in the forests of the Bie plateau, where his men continued to disrupt traffic on the Benguela line between Luena (Luso) and Bie. Dominique de Roux, a French political advisor, said of him then: "He has seldom been so happy and has found his niche again; tightening the ranks of his army, invigorating his soldiers after their defeat. He is using this third war to set the political scene which tomorrow, when peace comes—not a false and hostile peace—will bring about the reconstruction of the country, with the two other parties, the FNLA and the MPLA." UNITA was on the attack: its morale was high. They mounted patrols, destroyed ambushes and harassed the Cubans. Their object was to foster a sense of insecurity in the built-up areas and blow up railroad lines. There were even occasional attacks in Huambo itself. Savimbi had no message for the world. His immediate problems were those of "people's war": food, medical supplies, adequate arms and ammunition for his fighters.

In an interview of late 1976, Savimbi said that UNITA did not have or wish bases outside Angola, since it would then be subject to political pressure from the host country. It had sufficient arms and ammunition, and was prepared to fight a protracted war which it was certain it could win. In the preceding nine months its operations had moved through a series of planned stages. First, its untried soldiers made contact with the enemy, so that they could "get used to the fire." Then it tested itself in confrontation with the MPLA-Cuban forces and directed its efforts toward "confusing the enemy." "If we pass the test of confusing the enemy, we will plan real operations," Savimbi said. Their objective was to wreck the economy so that the MPLA could not pay for the war and would lose what popular support it had. Bridges were blown up, roads made unsafe, and the vital Benguela railroad kept closed through sabotage.

Journalist Luis Rodrigues, who spent six months in 1976 with UNITA, has borne witness to their problems, their support from the people, and the ruthlessness of the Cubans which has caused thousands of refugees to flee to Namibia. Amid scenes of great jubilation, Savimbi marched into a village with his feet bleeding from a 3-day march almost non-stop. He told Rodrigues that except for two white former Portuguese officers from Angola, no outsiders were fighting with UNITA. UNITA was willing to fight its own war. It could use foreign aid, but would not depend on it, and was prepared to do without it. What UNITA needed most was Western recognition for what it was accomplishing.

During the next year the Cuban-MPLA forces launched five major mopping-up operations, but for all their savagery against the civilian population large sections of central Angola remained contested zones, and the Benguela railroad stayed closed. A journalist visiting central Angola in March 1977 confirmed that no trains were operating along the 400 kms. between Bie and Luena, and that UNITA had blown up a bridge in Luena. MPLA, however, played down the threat, dismissing UNITA as "desperate bandits" and confidently predicting that all Cubans, both military and civilian, would be out of the country within a year or two.

In May 1977 UNITA inflicted many casualties on the MPLA in heavy fighting south of the important military town of Menongue (Serpa Pinto). Many MPLA soldiers stationed there had received no pay, and were in a state of starvation and near mutiny. In central Angola UNITA was conducting mili-

tary operations near Andulo and Huambo and on the coastal road between Lobito and Sumbe (Novo Redondo). In eastern Angola UNITA ambushed MPLA-Cuban convoys on the road between Luena and Gago Coutinho, inflicting heavy casualties; it also captured an MPLA base at Caiundo, killing many troops, while others fled into the bush or drowned in the Cupango river while trying to escape. In southeastern Angola UNITA had such effective control of the countryside that FAPLA was forced to rely on air transport for re-supply. In southern Angola combined Cuban, FAPLA and SWAPO forces were still engaged in a genocidal "eradication" campaign along the Namibian border. Uncooperative tribesmen were either forced into controlled villages or shot, kraals were burned down and cattle removed or killed. Even families of FAPLA soldiers were not spared, which caused still greater disaffection in their ranks.

Calai, the last border town in southeast Angola, was captured by UNITA in August 1977 against almost nonexistent MPLA resistance, after it had already occupied the other border towns of Cuanger, Mucasso and Dcirico. None of these towns was of much strategic importance, but the campaign again demonstrated the MPLA's inability to impose its authority on the entire country. In a communique of late August UNITA claimed to have killed 403 Cuban and MPLA soldiers in addition to destroying three trains and 24 armored vehicles, with casualties of only six dead and several wounded. In the first reported action in the Melanje province UNITA captured the fortified village of Fungo, near Quirima, on August 14. Before that most activity had occurred in the central and southeastern provinces of Huambo, Bie, Moxico and Cuando Cubango. By the time some 30,000 Angolan refugees had been resettled in the Kavango district of Namibia.

Jorge Sangumbe, UNITA's secretary for foreign relations, told the journal *Africa* that UNITA had held its fourth congress in March 1977 at Sambu, 80 kms south of Huambo, with 5,300 delegates in attendance. The congress had decided it would not refuse arms from South Africa, nor the offer of "its expertise in transforming the Unita guerrills into a semi-regular force," but Sangumbe denied that some UNITA troops were being trained in northern Namibia. He claimed the UNITA was operating schools, cooperatives for food distribution, hospitals and a civil organization in the areas under its control. It had 12,000 armed soldiers and 8,000 more without proper arms.

A British peer, Lord Chalfont, has described Savimbi as follows: "The first impression is one of formidable strength. In his well-pressed jungle green uniform he looks, physically, even bigger than he really is, and when he talks it is easy to understand how he has captured the imagination and the loyalty of the 15,000 guerrillas who make up Unita." Savimbi said that eventually the MPLA would have to negotiate with him, and he would agree to negotiations on the essential condition that all Cuban troops be withdrawn. He regarded the southeastern Cuando Cubango province as completely "liberated," for UNITA troops traveled freely there and the MPLA did not even attempt to enter. In October a column of 5,570 men under Cuban command was deployed in the province to deal with UNITA, but their advance was held up for several weeks by fuel and food shortages which caused the desertion of unknown numbers of men. In its communique covering the period from November 22 to December 7, 1977, UNITA claimed to have fought 28 battles, killed 515 soldiers (including 26 Cubans), and captured 11 vehicles, destroyng 14 others and one train. Two railroad bridges were also destroyed, along with 1.4 kms of line. UNITA had captured 370 weapons, including 60 and 82mm mortars and a 75mm cannon, and freed 2,649 civilians.

Gerald Buthaud spent two months with UNITA in 1978, arriving in a four-engine DC-4 on a regular run. He walked 800 kms, was driven another 480 kms, and visited 10 large, permanent UNITA camps, some with more than 2,000 people each, and 15 smaller camps. He saw only two MPLA helicopters and a truck, which was successfully ambushed. At major rallies Savimbi commanded audiences of 20,000 or more. From its heartland in Bie, Moxico and Cuando Cubango, UNITA claimed to control half of Angola's 6 million people with 12,000 guerrillas, of whom only 8,000 were properly armed. Although it had a few Unimog trucks, UNITA usually walked to war.

In late 1979 Savimbi visited the United States to seek support. Lamenting the fact that the U.S. displayed a "total absence of resistance to Russian and Cuban aggression" in Africa, he complained about a "new style of slavery" on the continent. Commenting acidly on the lack of American support for Savimbi, the editor of the *National Catholic Register* noted that Savimbi was living proof of the United States' inability to distinguish its natural friends from its natural enemies.

Although UNITA operated primarily in the rural areas, it did not neglect the cities. In November 1979 124 alleged UNITA members were arrested for operating underground cells in major Angolan cities; of these 30 were sentenced and executed almost immediately.

Having slowly built up his forces in numbers, equipment and battlefied experience, Savimbi was ready to commit them to conventional battle. He chose Mavinga, second largest town in the Cuando Cubango province, which was guarded by an MPLA brigade of 2,000 men. UNITA attacked with some 2,500 men in four battalions on September 19, 1980, and after four hours routed the MPLA, inflicting over 1,000 casualties and capturing large quantities of arms, ammunition and equipment, including 70 trucks. Significantly, the 6,000 Cuban and MPLA troops at Menongue and 4,000 at Cuito Cuanavale, 80 kms away, refused to intervene. In March and July of 1981 the MPLA made major efforts to retake the town, but failed when UNITA killed 800 of its troops in an ambush 70 kms to the west. Mavinga was UNITA's most substantial victory to date.

It was also one of 13 "significant engagements" between UNITA and MPLA forces from 1979 to 1981 which resulted in 1,609 MPLA fatalities. It is difficult to overstate the importance of these engagements, for they proved that UNITA troops and commanders could function as a conventional army, not merely as hit-and-run guerrillas. They had built up a small command structure, logistics, communications, and the tactical skills to defeat forces with superior equipment and air support. They could not only take, but also hold, and exposed position in an area with heavy MPLA troop concentrations.

On November 22, 1980, UNITA shot down an Antonov 22 transport plane in southern Angola, capturing its Russian pilot and mechanic. Another plane was shot down on May 16, 1981, in Cuando Cubango province, killing 10 high-ranking Cuban officers. UNITA also claimed to have shot down 5 helicopters, destroyed 16 locomotives and two rail bridges, and captured the MPLA garrison at Galanga, killing 112 MPLA and 7 Cuban soldiers. At that stage UNITA had 15,000 guerrillas operating in fighting groups of 30 and 150 in every province of southern Angola. It had trained and equipped 10 conventional combat battalions and expected to have 15 by the end of the year. It claimed to hold most of the provinces of Moxico and Cuando Cubango and half of Cunene, and to control territory containing a total of 2.5 million people. The weapons in its inventory included SAM-7 ground to air missiles, 81 and 82mm mortars, recoilless cannon, anti-aircraft guns and "Stalin Organ" multiple missile launchers.

At the beginning of April 1982, UNITA hit the headlines by releasing a number of Portuguese, some of whom it had held for five years. They confirmed that the guerrillas were active in the whole of southern and eastern Angola except the western province of Mocamedes, which is largely desert. One man had been captured on the coastal road between Lobito and Sumbe, an area previously considered free of UNITA activity. They had never seen any signs of South African troops or advisors at UNITA camps. At that time UNITA was active in the provinces of Bie, Huambo, Benguela, Huila, Cunene and the southern parts of Cuanza Sul and Malanje. More prisoners were released in November, including a Dutch priest captured within 5 kms of Cubango in Huila province. They had been captured as a warning to foreigners to stay out of Angola because the MPLA could not guarantee their safety. UNITA claimed to have overrun the MPLA garrison at Candono, Malanje province, 270 kms from Luanda, on October 19, killing 24 MPLA soldiers and 6 Cubans. This is the closest it had come to the capital to that date.

In January 1983 Savimbi reported that UNITA had doubled the area under its control through a series of fierce battles over the previous 6 months. The capture of the strategic town of Gago Coutinho gave UNITA control of most of the border with Zambia, enabling it to take a line of small towns further north to within 32 kms of Luena, a major MPLA/Cuban garrison on the Benguela railroad. One of its main objectives for 1983 was to open a corridor right to the center of the country to provide a secure logistics route to a regular battalion and several companies of guerrillas already operating 320 kms north of the railroad. UNITA had extended its operations to Cuanza Norte, Malanje, and southern Luanda provinces, to within 200 kms of the capital; its "area of expansion" included the northern Uige province, home of the Bakongo tribesmen, who were being recruited to open a new front there. It was also recruiting among the Kimbundu, Seles and Songo tribes, traditional supporters of the MPLA. In the south, it was seeking to control the western half of the Benguela line and the railroad between Mocamedes and Menongue. Only one train every three months—and then only under heavy military escort—was reaching Menongue, while the last train had reached Huambo in September 1982. Though the latter had been escorted by 1,200 MPLA troops, half its consignment had been destroyed en route. As a result of UNITA's growing strength, the

Cubans had been taking a more active role since July 1982. UNITA had also established 45-men "special forces" units of well-proven soldiers who had received a nine-month intensive training course in sabotage and demolition. On January 17, one group blew up the Lomaoum dam, which supplied electricity to Huambo and Lobito, Angola's second and third largest cities.

In April UNITA captured the key road junction of Alto Cuita Tempue, Moxico province, giving "open motorized access" to the Benguela railroad from the south, after already taking the rail towns of Munhango and Cangonga, which were vital to its access corridor. By July, Savimbi claimed, the corridor was operating from Namibia to southern Zaire; he said that 3,000 troops—composed of 100-man guerrilla squads and a 600-man regular battalion—were operating in the Lunda province. This development gave UNITA direct access to three countries (Namibia, Zambia and Zaire) and widened its political options (it had already instituted its own passport procedures along the Zambian border). Long involved in selling diamonds to finance its operation, UNITA could now tap the diamond fields in Lunda. In May and June the MPLA and Cubans launched a major offensive to retake Gago Coutinho, but UNITA halted their advance midway from Luena.

Cangamba—defended by 2,800 MPLA troops and 200 Cubans, the last MPLA stronghold in UNITA territory—fell in August after an 11-day siege, during which UNITA had cut all overland supply routes and surrounded it with SAM-7 missiles. UNITA killed 709 defenders and 120 Cubans, taking 165 prisoners. This great victory caused UNITA morale to soar, and freed some 6,000 guerrillas for deployment elsewhere, while putting a considerable dent in MPLA morale.

UNITA's first "general offensive," launched in August 1983, led to the capture of Calulo, 200 kms southeast of Luanda, on September 4. A dozen priests and nuns were among the 27 foreigners captured then. UNITA was still holding the town of Mussende, 300 kms southeast of Luanda, which it captured in July with its new battle unit, a brigade of 2,000 men. Meanwhile foreign diplomats in Luanda were warned not to travel more than 50 kms from the capital because of the danger of guerrilla attacks, while hundreds of Cuban, Soviet and East German technicians were evacuated from outlying areas.

A new UNITA offensive launched at the beginning of November 1983 and intended to last 5 months resulted in the capture of Cazombo, which completed UNITA's control of the border with Zambia. Supplies for the offensive moved along the 800-km "Savimbi Trail" in a fleet of trucks which also carries UNITA "exports," including ivory, rhino horn, teak, leopard and antelope hides, and diamonds. In actions from November 16 to 24 UNITA claimed to have "neutralized" the railroad running from Luanda to Malanje, killing 284 soldiers, including 20 Cubans, and destroying 49 military vehicles. Alto Chicapa fell to UNITA on November 29 after a short battle in which 25 MPLA soldiers were killed. Resistance was minimal as MPLA morale was very low: they had little food, and water and electric supplies were gone. This victory opened the way to Saurimo, capital of the Lunda province, since the tarred road between Saurimo and Luanda has been under attack from UNITA guerrillas for the whole of 1983. The victory, together with the capture of Andulo, 270 kms to the west, the Cazombo to the east greatly enhanced the security of the "Savimbi Trial." The MPLA meanwhile launched a two-month offensive involving 20,000 troops against UNITA in the central provinces of Huambo, Bie and Cuanza Sul, and claimed to have killed 1,971 guerrillas.

Brigadier Genaldo Nuda, 31, commander of UNITA's northern military front, moved his three battalions 80 kms north of Alto Chicapa and overran the major town of Caculo on the main tarred road, the only land route from Luanda to Lunda. At least 10 UNITA battalions of between 600 and 800 men were by then north of the Benguela line with regulars operating at brigade strength of almost 3,000 in two areas. Many months and hundreds of kilometers ahead of the battalions, guerrilla units 15 to 200 were planting mines, blowing up bridges, ambushing convoys and attacking small outposts. In the meantime fighting continued in the provinces of Cuanza Sul, Cuanza Norte, and Luanda, which lie between the capital and the besieged Huambo. UNITA cut one of the roads between Huambo and Lobito and also the coastal road between Lobito and Luanda.

As a result of these operations, over the last two years UNITA has pushed forward by hundreds of kilometers, carrying the focus of the war from the south to the north. It also controlled the entire Angolan border with Zambia (1,100 kms) and also 320 kms of the border with Zaire, so that the MPLA could no longer dismiss it as a handful of "bandits." However, its forces were compelled to withdraw from the Calulo-Mussende area, 175 kms from Luanda, in late September and October by major offensives of Cuban-backed MPLA forces using armor and helicopter-gunships. UNITA claimed that a Soviet general and an East German general were directing the operation. UNITA harassed the flanks, and then engaged in direct battle once the enemy supply lines became extended along poor remote country roads.

At a special press conference held at UNITA headquarters in Jamba in southeastern Angola at the end of March, Savimbi announced that his forces had struck simultaneously at four points on March 22. It has attacked Luena and held Sumbe for 12 hours. Sumbe, defended by two MPLA and one Cuban battalions, was hit by 5,000 UNITA soldiers after a three-month buildup of supplies. UNITA claimed to have killed 8,000 Cubans since 1981, and 6,000 MPLA troops in 1983. Between December 1983 and March 1984, UNITA has sustained 103 attacks against it while launching 3,373 of its own, destroying 446 enemy trucks, 9 trains and 5 tanks. UNITA had 35,000 men under arms, of which 20,000 were guerrillas, the remainder regular troops, including an armored column and special sabotage commandos. It totally controlled one-third of Angola, was active in another third, and was pushing hard in the remaining areas. Its priorities were to make greater progress in the northeastern Lunda province, to attack (but not necessarily to hold) provincial capitals as part of a strategy of "returning to the towns," and to reinforce its political and administrative control over the areas under its influence.

Meanwhile UNITA had embarked upon another new policy: the taking of hostages. In a typical incident, it attacked the diamond-mining town of Cafunfo. Lunda province, only 100 kms from the Zaire border, at first light on February 23. The attack was over in 10 minutes, and within 2½ hours the foreign technicians—44 Portuguese, 17 Filipinos, and 16 British—were well on their way into the bush. They covered the 500 kms to the Benguela railroad in 32 days, from where they were taken by truck to Jamba. The Portuguese and Filipinos were released almost immediately. The only condition UNITA set for the release of the British subjects was that Britain acknowledge its existence by talking directly with it. Sir John Leahy, a British Under-Secretary, arrived on May 12, and the British prisoners were handed over after three hours of talks. All said they had been well treated and praised the discipline of the UNITA troops. The same procedure was followed in June, when 20 Czech prisoners were handed over to their country's deputy Foreign Minister, after they and their families had been captured on March 12, 1983, at Alto Catumbela, a "safe" area. The 43 wives and children had been released unconditionally the previous July. The taking of the hostages gave UNITA world-wide press coverage and the opportunity to put its case directly to the governments concerned, in addition to underlining the inability of the MPLA to protect foreigners in Angola.

Two Soviet lieutenant-colonels and a number of Cuban officers were killed on April 19, 1984, when UNITA exploded a bomb in Huambo. Afterwards MPLA troops fought a three-hour battle with Cubans which only ended with the intervention of the provincial governor. In May UNITA repelled an attack by 22,000 MPLA and Cuban troops (13 brigades) supported by at least 20 combat aircraft near the towns of Lewa, Lumenga and Mukuseegue, near the Benguela line. It overran the town of Quibala, Cuanza Sul, in June, taking a number of foreigners captive. In its first reported action in the northern Uige province, UNITA claimed to have "annihilated" a Cuban-backed MPLA battalion near Kinzala on June 28. UNITA scored a major victory when it blew up a major oil pipeline in the heavily fortified Cabinda enclave on July 13, killing 22 people and injuring another 50. With 80% of Angola's revenue coming from Cabinda oil, any disruption of that industry would deal a serious blow to the MPLA's hard-hit economy. A UNITA communique has warned foreign countries to review their positions or exert their influence for the removal of Cuban troops from Angola, thus opening the way for an Angolan government of national unity. UNITA claimed to be operating in every province except the desert province of Mocamedes.

IV. AN ASSESSMENT OF UNITA

A. UNITA's Theory of Guerrilla Warfare

Once the decision to resist the Soviet-Cuban occupation of Angola had been made, Savimbi set about assessing UNITA's situation and formulating future strategy. Realizing that the new war would require tens of thousands of troops, Savimbi decided to establish UNITA in the densely populated central plateau instead of returning to the extremely sparsely populated Moxico province, for only in this way could UNITA reach the people needed to provide its army with food, recruits and skills. This was the basis for Savimbi's "theory of big numbers." Coupled to this was the concept of the protracted nature of the struggle: UNITA would grow only gradually, and time was needed for this.

The support base for UNITA is within the rural population. By nature the peasants are traditionalist, conservative, fatalistic, generally disorganized, and mostly illiterate.

Hard work, time, and training were required to transform them into a reliable support base. In addition UNITA needed to acquire greater professionalism in military skills and political and administrative organization, which meant that a quick coup was out of the question. The bitterness of the people over the foreign armies in the country, along with the MPLA's brutal repression, political blunders, administative incompetence and chronic internal crises have made them responsive to UNITA, which already had a guerrilla army and years of political experience. It had access to substantial weapons caches and operated over a vast area, which made it difficult to combat. It had loyal friends in the international community, and neighboring countries soon realized that the Cubans were a threat to their own security as well. Although the military forces at the disposal of the MPLA made it tactically powerful, its lack of support among the people made it strategically weak.

UNITA therefore formulated its theory of guerrilla warfare.

1. The guerrilla organization must be guided by a well defined political philosophy, and should serve as an instrument to achieve certain specific political goals. Military problems must therefore be viewed from a political perspective.

2. The guerrilla organization must be rooted among the people. It must enjoy their support, and become a truly people's army in a people's war.

3. Guerrilla warfare constantly relates theory to practice, and vice-versa.

4. The guerrilla army must strive for strength and cohesion. Ultimately it must evolve into a regular or semi-regular army, or a combination of the two, to enable it to attack larger enemy targets.

5. The guerrilla army must avoid direct confrontation with the enemy's powerful regular forces, concentrating on surprise attacks by small, flexible, mobile guerrilla units which take advantage of the terrain, the weather, and the sentiments of the people. In the first stages it must strive simply for physical survival, avoiding acts to bravado against its powerful adversary.

6. The guerrilla army must retain high mobility, avoiding fixed positions.

7. Despite the difficulties it suffers, the guerrilla organization must seek to meet the needs of the local population for such things, as medicine, salt, clothing, schools, and defense.

8. The guerrilla army must know how to deal with enemy infiltration of its ranks, and be aware of the enemy's counter-guerrilla methods.

9. Strategically the guerrilla army is a defensive force, defending the country against foreign intruders. Tactically it is an offensive force, initiating most military actions against the enemy.

10. As soon as possible the guerrilla organization must establish a Rear Support Base, a vast, liberated section of national territory in which party and the army may move freely and develop an infrastructure for continuous expansion.

11. The guerrilla army must adhere strictly to the universally recognized elementary guerrilla tactical principles. These include: retreat when the enemy advances; harass him when he camps; pursue him when he flees; encircle him when he tires.

12. The guerrilla army's relationship with the people is of paramount importance for the organization's survival and success. Therefore, in his contacts with the local population the guerrilla must be beyond reproach at all times: he must be polite, honest, fair, and helpful.

13. The command structure of the guerrilla organization and the relationship between soldiers and officers should involve a strong sense of unity, compassion and authority. The guerrilla commander must be in permanent contact with his men. He must know how they feel and care about their difficulties. He must work to build up the *esprit de corps* of his troops, knowing that it is often their state of mind that makes his men good combatants. A good commander listens to the news on his transistor radio to keep abreast of national and international events, and shares that news with his subordinates.

Guerrilla units must know how to utilize and share their arms and ammunition, which are generally in short supply. The guerrilla commander must always think in terms of the whole army, the whole country, not just his own unit. Because they are few and united in their objectives, unity among the commanders and soldiers of the FALA (Forcas de Libertacao de Angola) is theoretically and practically attainable. By contrast, unity is completely unattainable on the MPLA side because it is an unwieldy and heterogeneous mass composed of, among others, Cuban, Russian, East German, and Portuguese troops.

Rear support base

UNITA defines its rear support base as the territory within which its people and armed forces can move freely. Guerrillas cannot be permanently on the move, as this would exhaust them and make them incapable of undertaking serious actions. The guerrilla organization needs a place where its soldiers can rest, recuperate and train while the organization sets up its political power organs, schools, clinics and agricultural projects. The rear support base must above all be relatively inaccessible to enemy forces: mountainous or in dense forests, and without roads. It must, however, have a population and a water supply.

Despite setbacks suffered when the enemy bombed schools, burned hospitals, and destroyed agricultural projects, UNITA has succeeded in establishing its rear support base in central Angola. Over the years this area has been consolidated and expanded until in May 1984 it covered more than one-third of the country—truly a magnificent achievement. UNITA's watchword is vigilance, for its knows that the enemy retains his superiority in firepower and in sophistication and abundance of weapons, and will continually seek to disrupt UNITA's efforts. There is a firm interrelationship between the creation of FALA's regular units, the establishment of the rear support base, and the protracted nature of the struggle. The protracted war requires a rear support base, for it is only there, under peaceful conditions, that the regular forces can be trained. Yet one can consolidate and stabilize the rear base only with regular forces.

Phases of resistance

UNITA identifies four stages of its resistance to the Soviet-Cuban occupation of Angola.

The START was a traumatic experience after the joy of the period when UNITA tasted political power and could campaign politically, even in the cities. It was a bitter experience to withdraw into the bush again in the face of overwhelming enemy firepower. In assessing the future, the UNITA leadership had to contend on the one hand with those who failed to appreciate the movement's weakness, and therefore could not chart a realistic course of action; and on the other, with those who viewed the Soviet-Cuban-MPLA coalition as invincible, and advocated capitulation. Certainly a challenge to Soviet imperialism at a time when Moscow enjoyed great influence among Western liberal intellectuals and in the Third World was unprecedented, and could easily be labelled "reactionary."

Survival was the first goal once the decision to resist had been made. UNITA had to take four steps immediately in order to survive the initial enemy offensive. It had to win the people's support by explaining the reasons behind the continuing struggle. It had to locate its dispersed forces and weld them into guerrilla units. It had to develop its strategy and divide the country into operational zones. And it faced the major problem of acquiring suitable weapons, especially infantry arms and light artillery to enhance mobility.

Militarily, UNITA concentrated on ambushes, sabotage (especially of the Benguela railroad), mine-laying and long-range mortar bombardments, with the objectives of dispersing the already thinly-stretched enemy forces, to cut their lines of communication and to confine them to the defense of major towns and strategic installations. At all costs it had to avoid conventional confrontation with the enemy, who had superior firepower as well as air support. At the same time, UNITA concentrated on improving its military hold on rural areas in the south, center and east of the country, and winning the support of the people.

Equilibrium of forces, the third stage, is the most difficult of achievement. Although its initial victories re-established the people's confidence in UNITA and boosted its morale, they also escalated the conflict. While UNITA's troop strength has increased four-fold over the past 5 years, Cuban troop strength has risen from 12,000 in 1976 to 30,000 in 1980 and to 40,000 in 1984, according to UNITA estimates. At the same time more sophisticated weapons such as MiG-23s and Mi-24 "flying tank" helicopters have been introduced. In this phase UNITA was able to establish its secure rear support base territories, which enabled it to move on to the next phase in certain areas.

Generalized counter-offensive. As UNITA gained military experience and strength, the impact of past victories and political and economic conditions unfavorable to the MPLA regime has enabled it to move to the strategic counter-offensive, which will eventually open the way for a generalized counter-offensive. Its semi-regular units have enabled it to adopt a far more offensive posture and to attack enemy strongpoints, heavily defended positions and even large towns. An example is the capture in August 1983 of the heavily defended town of Cangamba after a full-scale battle lasting several days. Previously UNITA abandoned captured towns in the face of inevitable MPLA or Cuban/MPLA counterattacks. Its current strategy of "capture and hold" indicates a dramatic reversal of the Angolan military situation.

UNITA is now in a position to dictate the nature and the pace of the war in Angola. It is expanding its operations in the northeast, in the north, and in the coastal areas just south of Luanda. Its purpose is to increase military pressure on the MPLA regime and the Cubans in order to bring about a Cuban withdrawal. Savimbi hopes that a combination of military reverses, mounting casual-

ties, the unpopularity of the war at home, its ever escalating cost, and diplomatic pressures will eventually force the Cubans to withdraw. Then the MPLA, faced with military defeat, will be forced, he believes, to negotiate with UNITA leading to free elections and a coalition government including UNITA, the MPLA, and the FNLA. Thus UNITA will have achieved the goals it set itself when it again took arms in 1975 after the breakdown of the Alvor accord.

The organizational structure of FALA

UNITA's armed wing FALA (Armed Forces for the Liberation of Angola) is a sophisticated force organized along conventional military lines with a rank structure resembling those of most Western armies. It has an officer corps ranging from lieutenant to general and a centralized staff structure incorporating the usual functional divisions of operations, intelligence, personnel, and logistics. Its High Command consists of the Supreme Commander with a Headquarters Staff headed by the Chief of Staff and consisting of the Chiefs of Intelligence, Personnel, Logistics, and Operations. It is responsible for the overall planning and coordination of the war.

UNITA has developed a system of dividing its forces into four levels, each one better trained and armed than the preceding level.

People's defense committees consist of local elements of the population, and are designed to safeguard the security of the villages. After they have been adequately politically mobilized to ensure their loyalty, they are trained in the handling of "rudimentary weapons" and are occasionally provided with rifles.

Dispersed guerrillas are small units whose function is to prevent the enemy from advancing into UNITA's rear support base area. They assist in gathering information, food production, and transport.

Compact guerrillas are company-size units which conduct guerrilla operations, such as ambushes, mine-laying, and sabotage, in a zone or fixed geographical area.

Regular and semi-regular forces operate in units up to battalion size, are trained to engage in frontal, conventional actions, and can be moved from one region to another. They operate as self-supporting formations, with offensive and defensive companies assisted by artillery, logistics, medical and intelligence supporting elements. At the beginning of 1984 FALA had 33 semi-regular battalions. The regular forces have anti-tank, anti-aircraft and support artillery capabilities and can conduct conventional warfare. These units give UNITA the ability to destroy relatively large enemy targets.

It is estimated that today FALA has 2,000 regular troops, 18,000 semi-regulars, 20,000 compact guerrillas, and possibly as many as 35,000 dispersed guerrillas. It is a highly motivated force which the MPLA's FAPLA is incapable of containing. UNITA has recently established a number of "special force" units trained in sabotage, demolition, tracking, intelligence, and reconnaissance. Regular force recruits are selected from the guerrilla units on the basis of combat record, age, and level of literacy. In its assaults on garrisons and towns UNITA attacks in overwhelming numbers (at least two to one) and keeps an avenue of escape open to the defenders: if trapped the defenders will make a last stand and inflict heavier casualties on UNITA. When losses are minimized, the morale of UNITA soldiers remains high.

Deployment of forces

UNITA has divided Angola into five military fronts (southern, western, eastern, central and northern), each headed by a front commander who holds the rank of Brigadier or Colonel. The fronts are divided into 24 military regions each headed by a regional Chief of Staff with the rank of Colonel or Lieutenant Colonel. In each region some 1,500 men are deployed in guerrilla or regular units. Each region consists of sectors—usually 3—headed by a Major, and they in turn are broken down into zones headed by a Captain or Lieutenant. Most daily guerrilla operations are undertaken at the zone level, with 50 or 100 troops. A number of Compact Guerrilla units may be assembled for a specific combat mission, with the men reverting to their original units upon completion of the mission. Several important enemy posts have been captured this way.

Political awareness

Political awareness is of paramount importance in FALA. In addition to their military training, troops are expected to know the political orientation of UNITA's struggle. FALA therefore has political commissars at all command levels, who are superior to the unit commanders. In addition to imparting military knowledge, the commissars can explain the political nature of UNITA's struggle.

B. UNITA's Political Structure

UNITA was founded in March 1966 in Angola as a broadbased political movement, and the constitution it adopted at that time called for a proportionally representative government. Armed struggle—first against the Portuguese, later against the MPLA—was viewed as the means of achieving this government through free elections. From its inception, therefore, UNITA has placed as least as much emphasis on the political education (or "mobilization") of the peasantry as on the armed struggle. Persuaded of the importance of the people, UNITA places a high priority on the welfare of the soldier, the cadre, the teacher, the nurse, the student, and the peasant. It sees military operations and political action as inseparable, so that in its eyes greater military successes bring greater political and social responsibilities. This has led the movement to create an extremely sophisticated political structure predating its military structure.

UNITA's most important legislative organ is its National Congress, which meets every four years and is attended by elected representatives of all the kimbo (village) committees in the areas controlled by UNITA. They elect the President, secretary-general, permanent secretary and chief of staff, as well as the 20 members of the Political Bureau and the 35 members who, together with the Political Bureau, comprise the Central Committee. The President—Savimbi since UNITA's inception—is automatically the commander-in-chief of the armed forces and the chairman of the Central Committee.

General administrative matters of national importance are dealt with at the annual conference, attended by members of the Political Bureau and the Central Committee. The President appoints the political commissars responsible for political affairs at the regional level. These regions coincide with UNITA's 24 military regions; the political commissar may also be the regional military commander. He acts as the link between the Political Bureau and the Central Committee on the national level, and the district and village committees which make up the region. Below the village is the cell, the smallest unit in the party.

The system works remarkably well. Despite the long chain of command, the party leadership maintains close contact with the interests and aspirations of its supporters at the grassroots level. UNITA has remained true to the democratic, populist principles on which it was founded, and has avoided the elitism which has plagued other African political movements.

UNITA's political ideology

UNITA's political ideology is difficult to define because it does not fit easily into one of the families Western patterns. Perhaps the closest would be the social democracy of Western Europe. It is clear the UNITA is resolutely opposed to communism, both on the grounds that is does not work and that it is a foreign ideology with no place in Africa. This does not mean, however, that UNITA is not socialist. Savimbi has often spoken of "democratic socialism," without defining precisely what this means. Recently UNITA has begun to use the even vaguer phrase "realistic socio-economic analysis." In contrast to the MPLA, which stresses the importance of intellectuals and industrial workers, UNITA believes that the peasants who make up 80% of the population should be the primary component of the new Angolan society.

Perhaps the key to an understanding of UNITA's political ideology may be found in the concept of "negritude," the central and constant theme of its political writings. This is not the same thing as the "black power" concept of an exclusive black nationalism; rather it is a generalized notion incorporating UNITA's most basic political beliefs and its political program. Savimbi has explained "negritude" as the recognition that ethnic and tribal groupings and systems must serve as the basis for any successful form of African government. The leadership must work toward compromise at all stages, and consensus must form the basis of government and all forms of political leadership. The deep-rooted African culture—subverted by various colonial powers to produce "rootless" African societies with no past—must form the basis of the present culture, though without being exclusive. Interstate relations in Africa must be based on practical cooperation between free countries, not on unrealistic ideals such as "Pan-Africanism." "Negritude," then, is not a political ideology in the proper sense, but rather a way of approaching the complex problem of governing multi-ethnic, ex-colonial societies.

UNITA's political views may be summed up as a moderate, democratic form of Afrocentric populism combining certain features of capitalism and socialism and based on the principles of compromise and consensus. UNITA sees non-alignment as a relative thing: "no one can be totally non-aligned," it holds. "UNITA's sympathy is with the West, in economy and politics. In other areas, national ideas must be followed."

Savimbi offers his followers the opportunity to decide their own future in a democratic way, free from foreign interference. UNITA's main aim is to get all "foreign troops out of Angola," as Savimbi says, "so that the Angolan people can decide their own destiny. The important point is that the people must have a say, i.e., the government must be accountable to the people."

A detailed outline of UNITA's political and economic program was published in the form of a 134-page book in Jamba in December 1983. Entitled *The Angola Road to National Recovery—Defining the Principles and the Objectives,* it deals with UNITA's economic development and its constitutional foundation.

Leadership

Clearly UNITA owes its formation, survival, growth and ultimate success to the talents and efforts of Jonas Savimbi, with whose life the history of UNITA is intimately intertwined. Perhaps no other political part or movement in modern times has been so dominated by a single individual. Savimbi has coordinated the entire range of UNITA's political and military activities as well as its internal security and information.

Savimbi has an extremely sharp intellect, great personal charm, and a stable yet charismatic personality: all the qualities of a great leader and statesman. As a politican he owes his success primarily to his pragmatism (he has been called the greatest survivalist of modern politics) and to his extraordinary oratorical powers. As a military leader he has a keen sense of history, especially military history, and a thorough grasp of the theory and practice of guerrilla warfare. In addition he has an incredible capacity for absorbing and recalling dates, personalities, places, facts and statistics. A writer and poet of note, he is also a remarkable polyglot: besides his mother tongue and other tribal languages, Savimbi is fluent in Portuguese, English, French, and German. Savimbi is a professing Christian with a strong sense of honor who abhors corruption and dishonesty and deals drastically with those found guilty of such things.

The long and arduous years of fighting in Angola have produced a capable second echelon of leaders around Savimbi. They are an extremely effective leadership by African standards, and make it possible for Savimbi to leave Angola for long tours abroad. UNITA's most influential and powerful figure after Savimbi is Secretary-General Miguel N'Zau Puna, who holds the rank of brigadier. A Cabindan with Tunisian training in agronomy, Puna is responsible for the civil administration of the Party as well as for the overall coordination of UNITA's logistic and communications network. Puna is also a superb orator, able to arouse the emotions of his audience. Although not a particularly good organizer, he is very intelligent, with a keen sense of humor. He communicates well in Portuguese and speaks passable English.

As Chief of Staff, Brigadier Demosthenos Chilingutila is the effective head of FALA and specifically responsible for training, accounting, mobilization and recruitment. A former corporal in the Portuguese artillery, Chilingutila is an Ovimbundu like Savimbi, but his rise through the UNITA hierarchy is not due merely to Savimbi's favor, but also to his enthusiasm, dedication, and willingness to learn. Ernest Mulatto, Permanent Secretary of the Political Bureau and Secretary of The Commission of Control, is a Bemba from northern Angola and an influential leader of long standing. His responsibilities include the arbitration of disputes within the party and the maintenance of good order and discipline. He has a very strong personality, and commands a great deal of respect. Jeremiah (Jerry) Chitunda, another leading personality and respected figure, is UNITA's Chief Foreign Representative, based in New York. Educated in the United States, he is extremely articulate and has built up an impressive network of influential contacts over the years. Brigadier Renato Campo Mateus, Chief of Staff Operations, is a former lieutenant in the Portuguese army. He is extremely able but handicapped by ill-health. Brigadier Samuel Epalongo, Commander of the HQ base, was for many years UNITA's chief logistic organizer. Brigadier Geraldo Nunda, Commander of UNITA's forces in northeastern Angola, is a relative newcomer. Colonel Dr. Vakulakuta Kashaka, Chief of Staff of Logistics, is a Kwanyama from southern Angola. He lost an arm in combat several years ago. Jorge Sangumba, Chief Political Administrator in Angola, was educated in the United States and was formerly UNITA's Chief Foreign Representative.

C. The SWAPO/South African Factor

The situation in Angola is complicated by the effects of another conflict. As soon as it became clear that the MPLA had won the civil war, SWAPO (South West African People's Organization), the Soviet-backed liberation movement fighting to replace the South African administration in Namibia (South West Africa), moved its bases from Zambia to Angola, bringing them closer to its operational area. Angola soon became the center of SWAPO activities, and the Cubans began training its members. As SWAPO guerrillas were infiltrated into Namibia, South African forces launched a number of "hot pursuit" operations against SWAPO bases in southern Angola, bringing them into conflict with MPLA and Cuban forces. Eventually South Africa established a permanent presence in the Cunene province of southern Angola.

Years of hostility between Angola and South Africa ended on February 16, 1984, when an agreement was signed in Lusaka, Zambia, by whose terms Angola banned both SWAPO and the Cubans from the border area while South Africa began withdrawing from Angola. It was hoped that the establishment of peace on the border would lead to the withdrawal of Cuban troops from Angola and the granting of independence to Namibia.

Two questions flow from the peace agreement. First, are the Cubans in Angola to protect that country from South African attack, as Luanda and Havana have consistently maintained, or are they there to prop up the unpopular MPLA regime against UNITA's growing strength? If the former is the case, then the peace with South Africa should clear the way for their departure.

The second question involves UNITA. Is it a South African "puppet" totally sustained and manipulated by Pretoria to destabilize Angola, or is it a self-motivated nationalist force which receives assistance from a number of countries, including South Africa? If the former is the case, will South Africa withdraw its support of UNITA—and could UNITA survive should that happen?

This question ignores two points. First, it is impossible for a medium-sized country like South Africa to sustain a military operation as large as UNITA has become, and which operates deep within Angola hundreds of kilometers from the Namibian border. UNITA has access to longer frontiers with Zambia and Zaire than with Namibia. Second, it overlooks Savimbi's philosophy of self-reliance, which he has successfully put into practice both in his war against the Portuguese and in the current one. He believed UNITA should base itself exclusively inside Angola, become self-reliant in economic and military matters, and follow Mao's precept that the enemy should be the principal source of guerrilla arms. Savimbi estimates that during the latter stages of the war against the Portuguese, 80% of UNITA's weapons were either captured or stolen from the enemy. Beginning in 1978, thanks chiefly to Savimbi's diplomatic and negotiating skills, UNITA began receiving financial assistance, arms and ammunition from a number of African and Middle Eastern countries, including Egypt, Iran (before the Shah's fall), Saudi Arabia, Morocco, Senegal, Zaire, Sudan, and South Africa.

Savimbi makes no secret of the support he has received from South Africa, and does not apologize for it either. "We had no choice other than to accept South Africa's help", he has said, "unless you consider accepting domination by the Russians and Cubans as a choice. We could either accept being crushed or we could resist. To resist we had to resist with the help of somebody." Asked what the South Africans demanded in return for their support, Savimbi replied: "Well, they have never asked me to sign any document. But we are conscious of the fact that since they are giving us aid they hope for cooperation in the future." What cooperation would he give them?

"Friendship, I think that is what they want. I would invite (the South African Prime Minister) Mr. Botha to my own capital and receive him as head of state. (The Zambian President) Kaunda meets him on other people's borders, but I will challenge him on my own ground. And when he visits me, I will not, I cannot, become less black than I am already. And because I am willing to talk with South Africa does not mean I believe in apartheid. I cannot. Things must change in South Africa. There are two ways things can change there—through reform or revolution. But a revolution will spill over into the rest of southern and central Africa in unpredictable ways. So I think reforms are better in South Africa."

More recently, following the peace agreements between South Africa and Angola and Mozambique, Savimbi was asked whether he as a black revolutionary leader was not embarrassed by his links with South Africa. To that he responded: "What's wrong with talking to South Africa? Ask them in Maputo. Ask the MPLA." He added that he had advocated dialogue with the white south as early as 1974, and now everyone was doing it. Moreover, when in 1976 the emergency session of the OAU demanded that all foreigners leave Angola, "the South Africans left at once—but the Cubans increased their numbers to 35,000."

Asked about the peace initiative in southern Africa which sees South Africa and the MPLA cooperating without reference to UNITA, Savimbi said he was enormously encouraged by it because it created a mood of optimism and positive thinking which could only work to UNITA's benefit. And if supplies from South Africa should be cut off, "we have alternatives. We will survive as long as need be."

Asked how a UNITA victory might alter the political situation of southern Africa, Savimbi replied:

"Very dramatically. Take Namibia. We're now drifting into a Middle East-like situation. But with a UNITA victory, SWAPO would no longer have a sanctuary in Angola, or anywhere else. They would have to abandon guerrilla war and subject themselves to a democratic process in Namibia. Thus, a solution to Namibia means a solution to Angola first. For once the Cubans and SWAPO are gone from Angola, South Africa will have no more excuses."

D. UNITA's Achievements

It is difficult to overstate UNITA's achievements. From a military point of view it has successfully challenged the Soviet-Cuban occupation of Angola and the puppet MPLA regime imposed on the Angolan people. When it accepted that challenge in

1976, it had virtually no outside support. The world took it for granted that Angola was irreversibly in the Soviet camp; anyone contesting that fact was contesting the irresistible forces of history and needlessly prolonging the suffering of the people.

Against overshelming odds, Savimbi regrouped his scattered, dejected followers and by a slow, deliberate process built them up into a disciplined, cohesive fighting force which has seized the initiative from the MPLA forces and their foreign commanders and is relentlessly forcing them into an ever-shrinking portion of the country, to the point where dos Santos now exercises control mostly over beleaguered large towns and cities. Now even those are threatened by UNITA, which is permanently and openly holding villages and small towns which the Marxist allies are incapable of retaking.

Even more impressive is the fact that UNITA has been able to blunt and roll back the major offensives launched against it. These, it must be remembered, are directed by Soviet and East German general, use T-54 and T-62 tanks, and have the aerial support of MiG-21s and 23s and of Mi-24 helicopter gunships, and now one of the latest western gunships, the Dauphin. Yet UNITA has stopped these offensives even without armor or air support. All this has been achieved without the overt or covert support of a superpower, or indeed of any major Western power, with very little publicity and none of the support groups to which Marxist "national liberation movements" have access in the West.

If anything, UNITA's achievements in the social and political areas are even more impressive than this. Savimbi has welded the illiterate peasants who provide most of his support and make up the overwhelming majority of Angola's population into a well-ordered community. Almost everyone visiting Jamba, Savimbi's capital, is impressed by its tidiness. All footpaths and huts are kept clean, and there is an abundance of hygienic latrines. There are no piles of garbage or foul odors so common in other African villages, or in Luanda itself. Jamba is a temporary town built of grass huts and sand paths, but it has a hospital as well as wood and metal working workshops. Other UNITA villages are just as orderly.

Savimbi has also been remarkably consistent in his views: from the time he joined Holden Roberto's Revolutionary Government in Exile in 1962, he has striven to unite Angola's different factions. Knowing the strength of Angola's tribal loyalties, he has contended that no one group can successfully govern the country: only a government of national unity which incorporates the different elements can do so. Thus even to the day UNITA is not fighting to overthrow the MPLA government but rather to drive out the foreign forces which brought strife to Angola. Once they are gone, the MPLA will have to talk to UNITA and form a coalition government to prepare for the elections promised by the almost forgotten Alvor agreement.

One final question needs to be answered. In view of the overwhelming support given the MPLA by Moscow, why has the West given Savimbi so little assistance? Savimbi has amply demonstrated that he is anti-communist and pro-Western; he has proven his leadership abilities and shown that he has widespread support within Angola. Why, therefore, are Western calls for the withdrawal of foreign troops, the formation of a coalition government, and the holding of free elections so remarkably muted? The question is not easily answered. Savimbi's response is:

"I think it must be the Third World that has to give the West the courage to oppose the Soviet Union and stand up for its ideals, not the other way around—to provide a cure for what Solzhenitsyn calls the 'western disease.' That is why, we say, 'UNITA is the key to Angola, Angola is the key to Africa, Africa is the key to the West.' "

Certainly Angola's UNITA presents the West with a unique opportunity to turn the tables on the Soviets and roll back Marxism's hitherto inexorable worldwide advance. Cuban troops have been in Angola for nearly 10 years, suffering high casualties: they are war-weary and eager to return home. Luanda could not have signed a peace agreement with Pretoria without a green light from Moscow. This would indicate that now the Soviet will to assert itself in Angola as it did in 1975 is lacking, perhaps because of its commitments to Afghanistan, or because of its uncertain leadership. Moscow therefore apparently wishes to freeze the current situation in Angola until it can be given more attention. The situation in Angola in 1984 is the reverse of what it was in 1975. The American will was weak; now Soviet will is weak. With concerted diplomatic and moral support from the United States, combined with only a fraction of the material aid which the Soviets poured in in 1975, UNITA could take a dominant role in a new Angolan government, with immediate and tangible advantages to the West in the diplomatic, political, economic, moral and strategic spheres. Such an opportunity may not present itself again in the forseeable future.

Mr. ARMSTRONG. Finally, Mr. President, my two questions are these of the Senator from Idaho: First, would he be willing to have me added as a cosponsor to his amendment?

Mr. SYMMS. Mr. President, I ask unanimous consent that the Senator from Colorado be added as a cosponsor.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. ARMSTRONG. Mr. President, I have listened to the discussion of the situation in Angola but I still am not clear on a point which the Senator made in passing about Mozambique. Do I understand correctly that this bill authorizes funding for support to that region?

Mr. SYMMS. That is correct, Mr. President.

Mr. ARMSTRONG. I still did not hear an explanation of why in the world we want to do that. As I understand it, that is not addressed in the Senator's amendment.

Mr. SYMMS. Let me read the answer of the State Department. There may be those here who are more knowledgeable on this than I am. The justification from State is they are trying to buy out their enemies, so to speak. It is the same old song we have heard before.

Mr. ARMSTRONG. Mr. President, I wonder if the managers of the bill could explain that. Surely there is a better rationale for sending money to a Marxist regime than that we are going to be able to capture them or buy them off or something. I admit this is something about which I am not particularly well informed, but I am really distressed by the notion that we would send money to a government as described by the Senator from Idaho under the conditions he has suggested.

Mr. SYMMS. Mr. President, I shall make just one comment, then I shall yield the floor for any comments the distinguished Senator may want to make.

Mr. President, I do not want to mislead my colleagues about what is in this bill because they have a difficult job to do. Before I yield the floor, Mr. President, I ask unanimous consent that, following my remarks, or at the appropriate place in the RECORD—perhaps with the letter from Dr. Savimbi—there be printed in the RECORD an article entitled "Negotiating the Cuban Withdrawal From Angola: A Strategy for Victory Versus a Diplomacy of Accommodation."

The PRESIDING OFFICER. Without objection, it is so ordered.

(See exhibit 1.)

Mr. SYMMS. Mr. President, I think, to go back to my good colleague from Colorado, one of the problems we have in trying to formulate a foreign policy is the lack of a definite goal of what our aims are in Africa. In my view, the African Continent is absolutely critical. There are some 12,000 ships a year, I think, that go past the Cape of Africa. We all know there has been a lot in the news recently with respect to South Africa, but not much in the news with respect to some of the terrible violations of human rights that are taking place in some of the other countries that have black minority rule which are tending toward a one-party government, drifting very rapidly, some already Marxist and others moving in that direction. In my view, we should really stand tall at this time and support our friends.

Frankly, Mr. President, I do not think there is too much the Russians could do about the Clark amendment repeal. Angola is a long way from the Soviet Union. The popular support is with Dr. Savimbi. All they need there is our moral support, maybe some slight improvement in the capability to shoot down the sophisticated Soviet helicopters and MIG 23's, which they might do if we could repeal the Clark amendment, and let those Africans resolve their own problem. I think a lot of good things could happen for the rest of the world in Africa, and that could send a signal to our allies around the globe. The policy toward Angola and Mozambique presently is a classic example of the U.S. Government helping our enemies in one country and not helping our friends in another

country. That is very hard for this Senator, at least, to accept. That is why I brought this amendment to the floor tonight. I am willing to work with the Foreign Relations Committee on this issue.

At this point, Mr. President, I thank my colleagues for their indulgence and I yield the floor.

EXHIBIT 1

NEGOTIATING THE CUBAN WITHDRAWAL FROM ANGOLA: A STRATEGY FOR VICTORY VERSUS A DIPLOMACY OF ACCOMMODATION

(By Jeremias K. Chitunda)

The Soviet-Cuban occupation of Angola is nine years old now. And sophisticated weapons, tanks and aircraft continue to pour in the country to equip the Soviet Surrogate forces made up of Cubans, North Koreans and others. The Soviet main objectives: to keep in power in Luanda the unelected Soviet surrogate government of the MPLA (the Popular Movement for the liberations of Angola). UNITA (the National Union for Total Independence of Angola) has been resisting this foreign occupation in the quest for freedom, true national independence and the Angolans' right to elect freely their legitimate governing institutions: it is for these same goals that we fought the Portuguese colonial rule which ended in 1975 to be, alas, replaced with another foreign domination.

It would be good if we could achieve these national goals of freedom by peaceful democratic ways. But, viewed the refusal of the other side to reason, UNITA has no choice but to pursue the armed resistance. We are fortunate to have the leadership of Dr Jonas Malheiro Savimbi as well as immense popular support which enabled UNITA to acquire strategic superiority in Angola's theatre of operations, notwithstanding the enemy's tactical advantage from tanks and aircraft.

Still the Cubans (numbering up to 45,000 men of which at least 30,000 are combat troops) and other Moscow surrogate forces constitute the most serious obstacle to peace in Angola and the whole region. If they leave, Angolans will be able to engage in the process of national reconciliation leading to stability, lasting peace and socio-economic progress.

This is why we appreciate the United States efforts to seek the Cuban withdrawal from Angola. Were these efforts to succeed, it could be the most valuable United States help to Angolans, Namibians and Southern Africans in general.

This region of Southern Africa, especially South Africa, produces much of the free world's platinum, gold, manganese, chrome, ferrochrome, palladium, cobalt, diamonds and asbestos. The United States imports all of its manganese and cobalt, much of its platinum group metals, and more than half of its chrome, ferrochrome and palladium from Southern Africa. The Soviet Union, by establishing pro-Moscow regimes in the region, could soon succeed to control this source of vital raw materials or deny their availability to the West. The Soviets could thus cripple the industrialzed Western economy and seriously undermine vital Western security interests. Added to its own wast domestic mineral resources, Moscow's dominance of Southern Africa would thus enable it to control almost all of the world's production of gold, chrome, platinum, manganese, vanadium, cobalt and diamonds.

Southern Africa's strategic location is equally vital to the West. About three ships an hour pass around the Cape of Good Hope in the southernmost tip of Africa, making it the World's busiest sea lane. Nearly two-thirds of Western Europe's and more than one-fifth of all United States oil imports go by supertanker around the Cape of Good Hope. The Panama Canal route would be 5,000 miles longer, Persian Gulf to New York, than the Cape route. The supertankers, on the other hand, are too large for the Suez Canal. The Soviet Union, over the years, has been deploying an increasing number of warships in the Indian Ocean with important base and/or mooring facilities in Yemen, Iraq, India, Bangladesh, Mauritus, Seychelles, Madagascar and the East African coast. And now with the establishment of an off-limits naval installation at Barra do Cuanza, about 30 km South of Luanda (Angola), the Soviets possess the capability to interfere with the security of these vital sea lanes around the Cape of Good Hope, from the Indian into the Atlantic Ocean.

While Angola has its own share of the potential wealth of strategic minerals (oil, diamonds, manganese, gold, etc.) in Southern Africa, it is, however, the country's strategic importance as an ongoing Soviet base of expansionism that should be underscored. The MPLA, gunned in power in 1975 in Angola with Soviet-Cuban military intervention, is Moscow's most dogmatic and most faithful African ally. Since 1975, the Soviets have already ostensibly made use of Angola to promote their expansionism in the world: intervention in the Horn of Africa in 1977 by airlifting Cuban troops from Angola to Ethiopia while waiting for reinforcements from Havana; armed invasion of Zaire's Shaba Province in 1977 and 1978 with Angola-based Cuban support; political and diplomatic support to the Soviet invasion of Afghanistan by the MPLA regime at the United Nations in January 1980; use of bases in Angola to fly reconnaissance missions against the British Royal Navy sailing in South Atlantic during the Falklands war in the Summer of 1982; MPLA's unquestioning support to the Soviet boycott of the 1984 Olympic Games held in Los Angeles (U.S.A.); use of Angola as a vast training camp for numerous Latin American, Asian and African subversive groups at the service of Soviet imperialism; and the exploitation of the region's political and social problems to consolidate Moscow's foothold, including the use of force to influence events and dim the prospects for negotiated Namibia independence settlement.

SWAPO (Southwest Africa People's Organization) has vowed to support ANC (African National Congress) in its armed struggle against the Republic of South Africa. The scenario would be as follows: SWAPO takes over in Namibia, whether by implementation of UNSCR 435/78 or some other means, and its government establishes guerrilla bases on the Namibian soil for the ANC to operate from against South Africa; the latter retaliates by bombing the guerrilla bases; the SWAPO government then invites its internationalist Soviet, East German and Cuban friends to intervene "to help to repel the South African aggression . . ."; and there you would have a new cycle of violence in the region, much closer to South Africa than today's round of confrontations against SWAPO based in Angola. With SWAPO's "internationalist friends" already camping and practicing in neighboring Angola, this scenario becomes most likely to take place. Hence the inevitability of "linkage" whereby the removal of Moscow's surrogate forces from Angola should become a preliminary step in order to ensure dialogue among all indigenous political forces and even the co-existence or cooperation among regimes with differing ideologies in Southern Africa.

It is abundantly clear that, given the geopolitico-economic importance of Southern Africa to the West, the Soviet-Cuban occupation of Angola cannot be an end in itself, but a means for Soviet penetration in the whole subcontinent, in total detriment to the Western interests. The withdrawal of Soviet surrogate forces from Angola could therefore prove to be a most important step in the protection of vital United States and Western strategic, economic and security interests in the region. President Ronald Reagan, in fact, has been unequivocal and consistent on this: he wants "the removal of the thousands of Cuban surrogates from Angola".

Unfortunately, efforts to seek the withdrawal of these Soviet surrogate forces by diplomatic means have not been successful. True, the failure of negotiations at the present stage should not, in principle, diminish the basic role of diplomacy in the overall search for lasting peace and stability. The failure should, instead, prompt a reassessment of the diplomatic strategy in use.

To begin with, there should be a strategy for victory rather than pure accommodation. Secondly, there must be a clear definition of the goals, some of which (i.e. democracy, freedom and true national independence) are not negotiable. And thirdly, one must recognize the limits of diplomacy in dealing with an adversary committed to achieve victory by hook or by crook. Diplomacy requires reciprocity and compromise, playing by the rules that are generally eschewed by Moscow and its allies.

For these and other reasons the concept of "negotiated Cuban withdrawal", plausible as it may appear, has not worked. Joint Cuban-MPLA declarations as well as MPLA's officials' statements have been categorical: the Cubans could leave only after, among other things, all outside support to UNITA ceases and there is no more internal or external threat to the MPLA regime. MPLA's aversion to democratically sharing power with other legitimate political forces in the country is total. The MPLA leaders profoundly believe that, political power being indivisible, it must be either the MPLA or UNITA—and never both of these parties—in power in Angola. As such, they are prepared to fight or to lose, and not to compromise.

In the actual negotiations that have been going on for four years between the United States, the MPLA and the South Africans, the MPLA's ploy has been characterized by endless procrastination regarding the so-called "agreement on a timetable for the Cuban withdrawal". The MPLA does not want to make any concessions to its negotiating counterparts, but it does not want to break off the negotiations either.

The MPLA procrastinates and takes full advantage of the known "stick and carrot diplomatic approach" by the United States. In this approach, the "carrot" is the massive financial support (through dealings with Gulf Oil Corporation and loans from U.S. Export-Import Bank) and humanitarian assistance to the Marxist MPLA as well as encouragement of U.S. private businessmen to invest in MPLA's Angola, while maintaining in force the Clark Amendment to prohibit United States help to UNITA. United States

diplomats thought with this "carrot" to lure the MPLA away from the Soviet grip and into the negotiations. But in reality the "carrot approach" has only been subsidizing the Soviet-Cuban occupation of Angola.

Some Western politicians argue that the MPLA, despite its anti-capitalist ideology, should be rewarded for its "pragmatism" of allowing the Western investor to do business in Angola. But "pragmatism" has always been the standard modus operandi of Soviet surrogate regimes around the world: faced with socio-economic crises, these regimes accept and seek temporary partnership with Western capitalists. Yet no true Marxist can sacrifice ideology to economic gains. They will accept your money to finance their anti-Western, anti-U.S. campaigns. Thus we hear the MPLA emphasizing in its domestic propaganda its favorite theme "U.S. imperialism and capitalism are the enemy number one of Angola", thereby fostering anti-American feelings among the people. Western analysts who always try to dismiss MPLA's anti-Western assertiveness as empty rhetoric, arguing that no one could do without Western money, are wrong because in Angola these Western resources are being effectively used to transform the country into a solid bastion of anti-United States struggle, at no cost to Moscow.

Nevertheless the MPLA now fears that its procrastination might just force the United States to reassess its options. The "flexibility" that we hear so much about these days—José Eduardo dos Santos' "willingness to talk about the Cuban withdrawal as part of an overall regional settlement . . .", if this is flexibility at all—is indeed MPLA's way of pleading for the extension of the "carrot" policy, even though no real concessions can ever the expected from the Luanda regime. In fact, after four years of intensive shuttle diplomacy by the United States, MPLA's acknowledgment of the fact that the Cuban withdrawal is an integral part of overall settlement could hardly be called a diplomatic breakthrough: the MPLA has always stated that the Cubans would be asked to leave only after all internal and external threat to its regime ends, outside support to UNITA stops and Namibia becomes independent. This is what the MPLA would view as "Cuban withdrawal within the context of an overall settlement in the region."

We trust that no U.S. diplomat would willfully be committed to undermine UNITA's interests and to save the Marxist MPLA regime from collapse; but many of these diplomats essentially conceive a negotiated settlement in Angola as one in which the MPLA might be persuaded to kindly allow in its government some participation of UNITA, instead of viewing the latter as the real legitimate force shaping the future of a free Angola. At the very least, Western negotiators should help Angolans to acquire and exercise their right to freely elect their governing institutions.

The United States actually may or may not wish to reconsider the alternative to the costly and fruitless "carrot approach". But the State Department acknowledges what has been accomplished by UNITA's military pressure on the MPLA. In fact, the degree of MPLA's willingness to talk to its U.S. and South African counterparts has been directly proportional to UNITA's military success. The Soviet-Cuban MPLA leaders readily understand the language of force which is, indeed, their vernacular. Obviously, negotiations to bring about the Cuban withdrawal will never succeed unless undertaken from a position of strength. Hence the validity of the original "stick and carrot concept", provided the "stick" is effectively in the equation. Paradoxically, while some State Department officials acknowledge the importance of our military efforts in forcing the MPLA to engage in the ongoing U.S.—MPLA—South African talks, others are nevertheless uneasy about UNITA's pursuit of military programs, arguing that the MPLA might never agree to send the Cubans away unless it is no longer threatened by UNITA. Little is said to the effect that reciprocity is fundamental in any cease-fire efforts, especially when our adversary is uncompromisingly committed to destroying UNITA, brutally taking advantage of any unilateral gesture of cease-fire by us.

There are also Western analysts and politicians who argue that UNITA's armed resistance is to be blamed for escalated Soviet military involvement in the region, and that since UNITA may never have the material means to match up to the MPLA's Soviet-Cuban backing, then UNITA should leave it up to the Western diplomats to decide the future of the region! Had we listened to this nine years ago, there would be no UNITA today in Angola, no more hope for democracy and freedom, and there would be nothing for the diplomats to negotiate about, since the Soviets would have irreversibly established their foothold in our country and the region. The bottom line is that we are winning, notwithstanding the apparently vast, unlimited Soviet material means at the MPLA's disposal; we are winning because in the Angolan conflict there are social and political factors overwhelmingly in UNITA's favor, enabling us to make up for much of our shortages, gain real strength and render our almighty adversary vulnerable. Nevertheless, UNITA's ultimate success, whether military or political, will not be possible without the Western understanding, sympathy and support.

It would be good if Western analysts could recognize and underscore the strategic importance of a Cuban military defeat in Angola which could enhance the options to cope with Fidel Castro's adventurism in this Hemisphere, including Latin America. In fact the Cubans gained notoriety as Soviet surrogates in the aftermath of their success in the 1975 Angolan civil war. Since then, the Cubans have been intervening with impunity in many more countries in Africa and Latin America. To reverse this trend, the Cubans ought to be defeated militarily somewhere—anywhere; it so happens that in Angola the conditions are excellent for this. As a result of such Cuban military defeat, (a) Russia could de-value Castro's mercenarism and Moscow would have to curb its aggressive expansionist programs; (b) weak nations would no longer be intimidated, co-opted or subverted; (c) other peoples around the world would feel encouraged to wage their own resistance to Cuban-backed tyrannies; (d) many of Moscow's surrogate regimes would be weakened because they would no longer be so eager to invite the Cuban "internationalists" to back them; and (e) most importantly for us, a negotiated settlement to Angola's problem would finally become attainable.

In arguing for a victory against the Cubans, we do not suggest United States military intervention in Angola. But we insist on that which the United States—and only the United States—could give decisively: political, moral and diplomatic help. Many countries that have been helping UNITA materially could do more, if they were encouraged by the United States; but, on the contrary, no country has actually ever been advised or encouraged by the United States to help us. The Clark Amendment, passed by the U.S. Congress in early 1976 to bar U.S. aid to UNITA, is, of course, evoked to justify the situation. But it might also be that the State Department, eager not to antagonize the MPLA and the Front Line States, might prefer the non-repeal of this legislation. But the Clark Amendment effectively reassures the MPLA of the fact that the United States "stick and carrot approach" will remain devoid of the "stick". MPLA dreads the possibility of U.S. aid to UNITA. The repeal of the Clark Amendment could not necessarily lead to U.S. help to UNITA, but it could most certainly increase enormously the United States options and diplomatic leverage.

Finally, it must be pointed out that the Cuban withdrawal must be total and verifiable. This entails the need to ascertain the exact number of Cubans in Angola. At the present, the discrepancy on the estimates of the Cuban force goes from 25,000 to 45,000 men. It would be deceiving to differentiate between "combat" and "civilian" Cuban personnel, since all Cubans are there to support essentially a military effort. Likewise, we should beware of Cubans "naturalized" Angolans under an MPLA's February 1983 legislation; with this legislative ploy, the MPLA wanted to eventually deceive its negotiating partners and say, for example, that of the 45,000 men that came from Havana only 30,000 should be subject to any withdrawal agreement, the rest having become "Angolan citizens". There has also been much talk about the so-called "phased Cuban withdrawal". We agree that it may be physically unwieldy to get 45,000 Cubans out at one time in a single batch, as opposed to their leaving in several boatloads over a pre-established period of time. The concept of "phased withdrawal" would certainly require clarification on the actual timetable before its applicability could be ascertained. Total withdrawal over a two-month period would be one thing; but phased withdrawal to be completed over a two-year period would most certainly be objectionable.

Furthermore, the Cuban withdrawal must not be an end in itself: the Soviets, committed to the protection of their surrogate MPLA regime, may well replace the tired, controversial Cubans with a new surrogate force from other countries such as North Korea. North Korean military personnel are already arriving in increasing numbers in Angola, and they claim higher expertise in counter-guerrilla insurgency than the Cubans. At a September 1984 banquet he hosted in Luanda, the North Korean Ambassador to Angola, Kim Chung Nam, underscored strongly, in his speech, North Korea's commitment to help MPLA's Angola defend its integrity. Kim Chung Nam went on declaring that the peoples of North Korea and Angola could no longer be set apart by geographical distance, and that the two countries "would from now on march hand in hand in the fight against American imperialism, colonialism and racism . . ." Realistically, however, given the specific geographical, geopolitical and socio-historical factors about our country, it is obvious that no other surrogate force can succeed where the Cubans have failed. Still we should bear in mind that we are dealing with Moscow's surrogate forces from various nationalities rather than the restrictive (albeit dominant) Cuban expeditionary corps.

In conclusion, the United States' role in Southern Africa is vital and indispensable. But a wrong U.S. policy can make Soviet expansionism cost-free to Moscow, save the Soviet surrogate MPLA regime from otherwise inevitable collapse, and penalize those resisting Soviet-fanned Communist oppression and fighting for national independence and freedom. A correct United States policy should take into account, among other things—

The need for strong, unambiguous U.S. support to the basic questions of national reconciliation, formation of a government of national unity and the holding of free, general elections in Angola;

The need to understand that the process of national reconciliation in Angola cannot be undertaken by Angolans alone; the conflict has been heavily internationalized, requiring overt U.S. participation to advance dialogue and peaceful overtures;

The need to seriously ascertain MPLA's unwillingness to embark on a course of political settlement, and to reassess realistically the difficulties of removing the Cubans from Angola;

The need to fully take advantage, for diplomatic and political purposes, of existing conditions for a Cuban military defeat in Angola;

Realization of the profound implications of the Clark Amendment in the international community; and

The need for fairness in making humanitarian assistance available to Angola, given the fact that a large portion of Angola's needy population is in UNITA-controlled part of the country where humanitarian help is sorely and legitimately needed.

Thank you.

Mr. ARMSTRONG. Mr. President, I do not want to labor the issue, but I still would like to hear why we are authorizing the appropriation of money to Mozambique. I have no amendment to offer or any proposed solution, but what the Senator has described is a situation that does not seem to me to be justified, at least based on the facts he has mentioned.

Mr. LUGAR. Mr. President, has the Senator from Idaho completed his argument, or does he wish for me to respond?

Mr. SYMMS. I yield the floor, Mr. President.

Mr. LUGAR. Mr. President, I appreciate the analysis that has been given by the distinguished Senator from Idaho, particularly of American foreign policy in Angola, and the colloquy in which the distinguished Senator from Colorado and he have engaged about African policy in general.

Let me respond that the policies we have adopted there have been formulated carefully by the Secretary of State and Mr. Crocker, the deputy secretary for Africa. They are difficult questions of effectiveness. The query of the Senator from Idaho with regard to procedures in Angola, at least in my judgment, are worth very serious consideration.

I am hopeful that, in the event the Senator from Idaho would not press his amendment this evening, he would accept my pledge to have a hearing promptly in the Foreign Relations Committee in order that we might take up specific action—I know the Senator from Idaho has that in mind—with regard to our foreign policy and proper procedures. Then we would have an opportunity to consider the issue as an amendment to the State Department authorization bill, perhaps, flowing from our committee in a fairly prompt way.

Let me respond for a moment, prior to a response from the Senator from Idaho on this idea, to my friend from Colorado. I think the question of foreign assistance to Mozambique is a very good question. I have queried the Secretary of State personally about this, because I think it is a serious issue.

Our Secretary of State has affirmed very strongly that he believes it is in the best interest of our foreign policy for the very small amounts of aid that are involved to continue in this fiscal year. He affirms his support for that. He has tried to reason with me and with other Senators about the course of activity of the Government of Mozambique as it has moved from a solid position in the Soviet orbit to one in which there is a fair degree of openness to our diplomacy and to our involvement, at least in that part of the world. The Secretary believes that there has been progress. I am inclined to agree with him.

I do not want to state the proposition more strongly than that because I think we have been disappointed on occasions when we thought we had an opening and the door closed. But I think a case can be made, at least marginally, that this is a situation in which the Secretary is willing to take a small and limited risk in full light of the analysis that both the Senator from Idaho and the Senator from Colorado have given of the Marxist orientation of the government, and the possibility we may be sorely disappointed. We once thought we had an opportunity. As it came to pass, it just did not work out. I think it is the best that can be said for the rational and is the one that can be accepted.

Mr. ARMSTRONG. Will the Senator yield for a little further discussion?

Mr. LUGAR. Of course.

Mr. ARMSTRONG. Before I say what is on my mind, let me acknowledge that the chairman is vastly better informed on this matter than I, and I defer to his leadership and his expertise and to his understanding of these matters, and in a general sort of way I make the same observation about the Secretary of State. I think it is a good idea for the Congress to give considerable latitude to the Secretary of State. When Secretary Shultz, or whoever the Secretary is, comes in, it is a good idea for us to give them quite a bit of running room and accommodate their point of view whenever we can.

But I must say that when it comes to authorizing appropriation of money to a Communist regime, I cannot help recall a question that was recently put to me, and the question was this: "If you paid Ronald Reagan enough money, would he become a Communist?

Now, that is a ridiculous question, isn't it. It is a ludicrous question, and yet that is the underlying premise, it seems to me, which so often is the intellectual foundation for our relationships with Marxist regimes; that somehow if we slip them a little trade, or slip them a little foreign aid, or we do this or do that, they will abandon their basic principles. I think that is an unlikely development. I think it is almost as laughable as the notion that somehow you could pay Ronald Reagan or STEVE SYMMS or DICK LUGAR or any of us to be something different than what we are. I do not necessarily say that is the case in question, but I must admit that it troubles me. I hope that at the right time we will have a chance to learn more about it. I am very grateful to the chairman for indicating that he would like to have a hearing on the Angola question because that is increasingly becoming a source of concern and needed action.

I thank the Senator for yielding.

Mr. SYMMS. Mr. President, I thank the distinguished chairman of the committee for what he has said with respect to hearings. I should like to make just an inquiry to confirm what he said, and then to make a couple of comments. I think the chairman is suggesting to me that we have a hearing on the subject of Angola and the Clark amendment and our policy toward the region as a whole. Then at that point we would have an opportunity to make a rational decision in this body as to whether or not we chose to repeal the Clark amendment.

Mr. LUGAR. The Senator is correct. As the Senator knows, in our discussion prior to this debate, the Senator from Idaho expressed a desire to have a debate, in fact this evening, on repeal of the Clark amendment, and it may be the pleasure of this body—as the Senator knows, it has been before—to want to repeal the Clark amendment. In order for the committee to have an opportunity to consider this and to make available to other Senators the benefit of those deliberations, I have proposed to the Senator that we would have a hearing promptly on Angola, specifically on the advisability of repealing the Clark amendment and that the deliberations be made public so that judgment could be made by the Senator from Idaho and others.

Mr. SYMMS. I express my appreciation, Mr. President, to the distinguished chairman of this committee. I have utmost confidence that if we

have a hearing, the State authorization bill then would be an appropriate vehicle to readdress this subject. Clark repeal might even be more appropriate legislatively on State authorization than on this foreign aid bill because we never know, when it goes to the other body, how it will fare.

So with that in mind, it will be my intention in just a moment, before I yield the floor, to withdraw the amendment. But I want to reiterate to my colleagues for whatever it is worth—the only way we are going to achieve peace in Angola is to help the UNITA forces achieve a clear-cut military victory. I say that because without it, if we allow the MPLA to keep the cancer of 15,000 Cuban troops or 10,000 Cuban troops, or whatever, in some kind of an agreement, ultimately we will be back facing the same problem that we have seen in so many other places in the world.

I think the chairman has made a very good offer. It makes a lot of sense. To Senators who were not here in 1981, who were not in the Congress back in the middle seventies when this was debated, when many of us had the opportunity to become familiar with the issue, it probably does make a lot of sense to discuss this at length, in the authorizing committee. In fact, to those interested Senators who have talked to me on the floor today and throughout the day since I mentioned I was considering offering this amendment, I say we would probably have a better opportunity to repeal the Clark amendment at an early date if it were part of the State authorization act than if it is part of this foreign aid authorization.

So, Mr. President, I withdraw the amendment.

The PRESIDING OFFICER. The Senator has that right.

The amendment is withdrawn.

ORDER OF PROCEDURE

The PRESIDING OFFICER. The majority leader is recognized.

Mr. DOLE. Mr. President, I advise Senators that there will be no more rollcall votes this evening. The rollcall that was to have developed I think now would be on the Kerry amendment, which will be laid down following, I guess, a couple of amendments, which will be accepted.

Mr. LUGAR. Yes.

Mr. DOLE. In any event, that will be the pending business tomorrow morning. So I notify all Senators there will be no more rollcall votes tonight. We will be in at 8:30 in the morning. We hope to take up the conference report on H.R. 1869, the repeal of the auto recordkeeping requirement. I would hope to dispose of that in less than 30 minutes with a voice vote. Following that, we will be back on S. 960, and I hope that will be not later than 10 a.m., maybe even earlier.

Then, as I understand it, the pending business will be the Kerry amendment to S. 960, the foreign assistance authorization bill, and that will require a rollcall, which could come as early as 10:30 a.m. I know the longer any bill continues the more staff prepare additional amendments. I have seen a couple in operation in the last few minutes.

But I hope that we could complete action on this bill by at least 2 o'clock tomorrow afternoon. Then we could turn to a couple other bills in the event the DOD bill is not available. I repeat again, the recess can start early next week if we complete action on those two major items.

Mr. PELL. Will the majority leader yield for a question? When then will be the first rollcall vote tomorrow?

Mr. DOLE. If there is a rollcall demanded on the auto recordkeeping conference report—and I hope that is not the case—it could come as early as 10 o'clock.

Mr. PELL. If it was the case, it might be rolled over a little bit.

Mr. DOLE. We might be able to do that, but I hate to trespass upon the time of the managers of this important bill.

AMENDMENT NO. 111

(Purpose: To express the sense of the Senate that the State Department should not interfere with the Government of the Philippines purchase of American wheat)

The PRESIDING OFFICER. The Senator from Montana is recognized.

Mr. MELCHER. Mr. President, a rather serious situation has come to light in the last few days concerning the sale of American wheat to the Philippines. While the Philippines need the wheat and are determined to purchase it from the United States, if possible, there have been conditions set down, or suggestions made by the State Department that interfere with the sale. The Government of the Philippines has purchased American wheat for a number of years, and they have purchased only from this country, for at least 7 years, the wheat they use. No other country has been able to sell wheat to the Philippines for that length of time or longer. They simply buy American wheat.

It also should be noted that the Philippines does not produce wheat and that, while not a large amount of wheat in terms of what we have to sell, it has been a growing market and one which we have some interest in further developing, as the Filipino people become used to wheat and want to see it in their daily diet.

The Government of the Philippines agreed to two suggestions made by the State Department during the past several months concerning wheat, and that is that the wheat would be milled and then the flour distributed under private enterprise.

Heretofore, for a number of years, the Government of the Philippines has controlled the milling of the wheat and also has controlled the distribution of the flour within the Philippines. The State Department, in their suggestion, wanted this opened up to free enterprise, and the Government of the Philippines agreed to that. But the Government of the Philippines could not acquiesce to the third suggestion of the State Department, that the Government of the Philippines not act as a purchasing entity of American wheat. That is not a strange position, since I know of no country that purchases American wheat and does not purchase it through a government entity.

So, while this is preventing wheat sales to the Philippines, we find that our wheat farmers are continually facing a declining wheat market.

We wonder sometimes, while we have all this abundance of agricultural commodities in the United States, why we cannot dispose of more of these commodities through the various programs we have; and here we have one that has been blocked by the State Department.

I find that to be a very sad situation, both from the standpoint of the United States and from the standpoint of the Philippines.

From the standpoint of the United States, our balance of trade is at a disastrous level. American wheat producers also find themselves in a disaster, due to the low price of the commodity they produce, and therefore do not have enough net income to pay all their bills. That is from our side; that is from the side of the United States in this matter.

In the Philippines, while they have agreed to two suggestions of the State Department as to how the wheat is handled after it gets to the Philippines, they find themselves in the very peculiar spot of being pressured by the State Department not to use the government as a purchasing entity. That is very peculiar. I repeat that I know of no other country that purchases American wheat and does not purchase that wheat through a government entity.

Meanwhile, flour is scant in the Philippines right now, and first-hand reports by some people who live there state that no flour is available in their area.

So, from the standpoint of the Filipino people, I think this State Department request should be modified or withdrawn or altered so that we do not prevent this sale of American wheat.

Mr. President, I hope we can express a sense of the Senate resolution that this matter be resolved, and I send to the desk an amendment for that purpose.

The PRESIDING OFFICER. The amendment will be stated.

The bill clerk read as follows:

The Senator from Montana [Mr. MELCHER] proposes an amendment numbered 111:

At the end of the bill add:

Since the Government of the Philippines has purchased American wheat for a number of years, and;

Since the Government of the Philippines has purchased wheat from no other country for at least 7 years, and;

Since the Government of the Philippines has agreed to the State Department's suggestion to both mill the wheat and distribute the flour under private enterprise, and;

Since the Government of the Philippines has stated that they cannot acquiesce to the suggestion of the State Department that the Government of the Philippines not act as the purchasing entity of American wheat, and;

Since most if not all American wheat sales are to government entities of the country purchasing the wheat;

Therefore, it is the sense of the Senate that the State Department should not prevent U.S. wheat sales to the government of the Philippines.

Mr. MELCHER. Mr. President, this amendment is a sense of the Senate resolution. I think the interference at this time, preventing this wheat sale, is an unfortunate circumstance. I believe we should present some guidance to the State Department in this matter.

Mr. LUGAR. Mr. President, will the Senator yield for a question?

Mr. MELCHER. I yield.

Mr. LUGAR. In the conclusion of the amendment, as I read the language, it states:

Therefore, it is the sense of the Senate that the State Department should not prevent U.S. wheat sales to the Government of the Philippines.

Is it the Senator's understanding that the State Department is currently attempting to prevent the sale of wheat?

Mr. MELCHER. Yes; I am sad to say that is true.

The State Department has successfully obtained agreement on the first two points and is pressuring the Government of the Philippines to agree to the third point—that is, that the sale from the United States not be to a government entity, that it be to private enterprise.

While those of us who admire private enterprise can feel that this is not too bad a deal, the fact is that I know of no government that does not purchase American wheat through a government entity. So I do not think we should reshape the Philippines into something that is not the case in all the other countries to which we sell.

Mr. LUGAR. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The bill clerk proceeded to call the roll.

Mr. LUGAR. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. LUGAR. Mr. President, the Senator from Montana has expressed in his resolution the thought that the Government of the United States, through our State Department, has worked with the Government of the Philippines to agree to arrangements by which the milling of wheat and the distribution of flour in the Philippines should be under private enterprise as opposed to the Government of the Philippines.

The understanding that I have of the amendment of the Senator from Montana, and I ask him to correct me if my understanding is in error, is that with regard to the sales of wheat the option be left open so that sales could be made to the Government of the Philippines.

The Senator from Montana, as I listened to the debate, has now affirmed that all sales would go to the Government of the Philippines, but he has offered language that the State Department should not prevent U.S. wheat sales to the Government of the Philippines. This is left as an option for the government-to-government sales, if this should appear to be in the best interests to both countries.

Is that interpretation a reasonable interpretation—I query the Senator from Montana—of his amendment?

Mr. MELCHER. Mr. President, if the Senator will yield to me, the Senator is absolutely correct.

Mr. LUGAR. Mr. President, on our side we are prepared to accept this sense of the Senate amendment and will be prepared to go forward.

Mr. PELL. Mr. President, I concur in this thought and suggest we move ahead and vote to approve.

The PRESIDING OFFICER. If there be no further debate, the question is on agreeing to the amendment of the Senator from Montana.

The amendment (No. 111) was agreed to.

Mr. LUGAR. Mr. President, I move to reconsider the vote by which the amendment was agreed to.

Mr. PELL. Mr. President, I move to lay that motion on the table.

The motion to lay on the table was agreed to.

AMENDMENT NO. 112

Mr. KERRY. Mr. President, I send the following amendment to the desk and ask that it be considered according to the order of the majority leader as the first matter of business tomorrow after morning business.

The PRESIDING OFFICER. The amendment will be stated.

The bill clerk read as follows:

The Senator from Massachusetts [Mr. KERRY], for himself, Mr. MURKOWSKI, and Mr. DODD proposes an amendment numbered 112.

Mr. KERRY. Mr. President, I ask unanimous consent that the reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

At the end of the bill, insert:

It is the Sense of the Senate that Congress should encourage the revitalization of democracy in the Philippines. To that end, the Congress affirms its intention to grant future aid to the Philippines according to the determination of the Congress that United States security interests are enhanced and sufficient progress is made by the regime of Ferdinand Marcos to:

(1) guarantee free, fair and honest elections in 1986 and 1987, or sooner should any such elections occur;

(2) ensure the full, fair and open prosecution of the murder of Benigno Aquino, including those involved in the cover-up;

(3) ensure freedom of speech and freedom of the press, and unrestricted access to the media on the part of all candidates for public office in the municipal elections of 1986 and the Presidential election of 1987;

(4) establish the writ of habeas corpus and the termination of the Presidential Detention Action and all other forms of detention without charge or trial;

(5) release all individuals detained or imprisoned for peaceful political activities; and

(6) make substantial progress in terminating extrajudicial killings by the Philippine military and security forces and the prosecution of those responsible for such killings in the past.

It is further the Sense of the Senate that Congress finds and declares that the primary purpose of United States assistance to the Philippines should be to maintain and foster friendly relations between the people of the Philippines and the people of the United States, and to encourage the restoration of internal security—both goals of which can be best served by the achievement of an open and stable democracy.

Mr. KERRY. I thank you, Mr. President, and I yield.

Mr. LUGAR. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. LUGAR. My understanding is that the amendment offered by the distinguished Senator from Massachusetts will be considered following consideration of the conference report on the automobile accounting question, is that correct?

The PRESIDING OFFICER. That will be the regular order of business, the Senator is correct.

Mr. LUGAR. My understanding is that the debate on the auto accounting procedure may or may not result in a rollcall vote. The majority leader has the word of the Senate that if a rollcall vote is required it can come as early as 10 a.m. in the morning and that following that vote or delay of that vote, as the case may be, we will proceed to the amendment laid before the Senate this evening by the distinguished Senator from Massachusetts, which we understand will call for a rollcall vote and that vote should be

anticipated some time around 10:30 a.m. or thereabouts tomorrow morning.

Mr. KERRY. Thank you, Mr. President, and I thank the distinguished chairman for clarification of that status.

SECURITY ASSISTANCE TO THE EUROPEAN REGION

Mr. LUGAR. Mr. President, a summary, entitled "Security Assistance to the European Region," has been prepared by Senator LARRY PRESSLER, chairman of the European Subcommittee, for the information of Members. I ask unanimous consent that Senator PRESSLER's summary be printed at this point in the RECORD.

There being no objection, the summary was ordered to be printed in the RECORD, as follows:

SECURITY ASSISTANCE TO THE EUROPEAN REGION

OVERVIEW

In reporting out the Fiscal Year 1986 Foreign Assistance Bill, the Senate Foreign Relations Committee has proposed for the four NATO allies in the southern tier—Portugal, Spain, Greece, and Turkey—a total assistance package of some $1.75 billion, mostly in FMS credits ($1.465 billion) and $242 million in Economic Support Funds. Nearly 70% of the proposed regional funds will go to Turkey and Greece. Apart from ESF, no other economic assistance is proposed for the region.

The United States has vital bases and military facilities in each country, and security assistance plays a central role in insuring that we retain these bases. Each recipient country has requested assistance for and has embarked on military modernization programs to help redress the military imbalance in the area.

TURKEY, GREECE, AND CYPRUS

The Committee accepted an amendment by Senator Pressler limiting grant MAP assistance to Turkey in fiscal year 1986 to $215 million, with the understanding that the U.S. Government is acting with urgency and determination to oppose the permanent bifurcation of Cyprus. The Pressler amendment also limited total FMS credits for Turkey in fiscal year 1986 to $500 million.

The Committee also accepted Senator Sarbanes' modification of the original Pressler amendment by recommending a $500 million FMS earmark for Greece and adding a provision that the concessional rate FMS credits extended to Greece shall be at the same interest rate and in the same proportion of the FMS credits extended to Turkey.

In taking the above actions, the Committee accepted the Administration's request of $500 million in military assistance to Greece but rejected the Administration's request of $785 million in military assistance to Turkey, agreeing instead on the $715 million figure. The Committee noted that the resulting 7:10 ratio in military assistance to Greece and Turkey and the equal proportion of concessional rates for Turkey and Greece were reflective of the traditional intent of Congress to provide a degree of balance in military assistance to the two countries and to demonstrate concerns over expanded Turkish-U.S. military cooperation in the absence of progress toward achieving a settlement of the Cyprus conflict.

The Committee also adopted an amendment by Senator Pell to increase the Economic Support Fund for Cyprus from the $3 million requested by the Administration for fiscal year 1986 to $15 million, an amount equal to that authorized by the Committee for fiscal year 1985. These funds are intended to be used for educational scholarships and refugee resettlement on Cyprus.

PORTUGAL

The Committee approved the Administration's requests for Portugal totaling some $218 million, $70 million of which is grant MAP, $65 million in FMS credits ($35 million in concessional and $30 million in market rate credits) and another $80 million in ESF. The Committee adopted an amendment offered by Senator Pell earmarking the $80 million in ESF for Portugal. These funds will assist Portugal in its military modernization program (including completion of a second squadron of A-7Ps, procurement of P-3 aircraft, etc.), provide a signal of support for its democratic government and help meet the goals committed by the United States in the 1983 bases agreement. Portugal, along with Greece and Turkey, is on the list of countries which receive extended terms for repayment of the FMS market rate loans.

SPAIN

The Committee supported the Administration's request for Spain totaling some $415 million, of which $400 million would be in FMS market rate credits and $12 million in Economic Support Funds ($3 million in IMET). These funds will help support the purchase of 72 F-18s agreed to earlier and generally bring the Spanish Armed Forces closer to NATO standards through additional acquisitions of helicopters, frigate construction, etc. These funds will also help insure U.S. access to military facilities in Spain and promote the goal of military modernization integral to a strong NATO.

SUMMARY OF AID LEVELS TO THE EUROPEAN REGION

The aid levels recommended by the Committee for the countries of the European region are summarized below:

RECOMMENDED AID LEVELS

[In millions of dollars]

	Fiscal year—		
	1985 actual	1986 administration request	1986 SFRC recommendation
Turkey:			
ESF	175	150	150
MAP	215	230	215
FMS concessional	250	345	500
FMS market rate	235	210	
Greece:			
FMS concessional	258	0	500
FMS market rate	242	500	
Cyprus: ESF	15	3	15
Portugal:			
ESF	80	80	80
MAP	70	70	70
FMS concessional	0	35	35
FMS market rate	55	30	30
Spain:			
ESF	12	12	12
FMS market rate	400	400	400

ROUTINE MORNING BUSINESS

Mr. LUGAR. Mr. President, I ask unanimous consent that there now be a period for the transaction of routine morning business not to extend beyond the hour of 8:15 p.m.

The PRESIDING OFFICER. Without objection, it is so ordered.

MESSAGES FROM THE PRESIDENT RECEIVED DURING THE RECESS

Under the authority of the order of the Senate of January 3, 1985, the Secretary of the Senate, on May 13, 1985, during the recess of the Senate, received messages from the President of the United States submitting sundry nominations which were referred to the appropriate committees.

(The nominations received on May 13, 1985, are printed in today's RECORD at the end of the Senate proceedings.)

MESSAGES FROM THE PRESIDENT

Messages from the President of the United States were communicated to the Senate by Mr. Chirdon, one of his secretaries.

EXECUTIVE MESSAGES REFERRED

As in executive session, the Acting President pro tempore laid before the Senate messages from the President of the United States submitting sundry nominations which were referred to the appropriate committees.

(The nominations received today are printed at the end of the Senate proceedings.)

ANNUAL REPORT OF THE COMMODITY CREDIT CORPORATION—MESSAGE FROM THE PRESIDENT—PM 44

The PRESIDING OFFICER laid before the Senate the following message from the President of the United States, together with an accompanying report; which was referred to the Committee on Agriculture, Nutrition, and Forestry:

To the Congress of the United States:

Pursuant to the provisions of Section 13, Public Law 806, 80th Congress, I hereby transmit the report of the Commodity Credit Corporation for the fiscal year ended September 30, 1984.

RONALD REAGAN.

THE WHITE HOUSE, *May 13, 1985.*

ANNUAL REPORT ON THE STATE OF SMALL BUSINESS—MESSAGE FROM THE PRESIDENT—PM 45

The PRESIDING OFFICER laid before the Senate the following message from the President of the United States, together with an accompanying report; which was referred to the Committee on Small Business:

To the Congress of the United States:

I am pleased to submit to the Congress my fourth annual report on the state of small business.

Nineteen eighty-four was a year of continued strong economic growth for the U.S. economy, and for small business. This success was achieved through the efforts of thousands of men and women who own, operate, and work in this Nation's small businesses. New businesses, new industries, and new jobs have been produced by millions of entrepreneurs free to test new ideas in open markets. This growing and dynamic small business role must be continued if we are to maintain our national strength in the world economy.

Actions that promote a vigorous small business sector have been and will continue to be at the heart of this Administration's economic plans. Low inflation, reduced and more equitable taxes, fewer regulatory burdens, and a sound monetary policy are the underpinnings of our current growth and will continue to be my primary tools for promoting small business success.

We have concluded that the lending programs of the Small Business Administration are unnecessary for the thriving small business sector. This decision will not diminish the voice of small business within the Executive branch. We will establish a new, independent organization within the Department of Commerce—the Administration for Enterprise Development and Opportunity (AEDO). AEDO will insure that small business interests are represented in the development of government policies and programs. It will also assume many of the nonlending functions of the Small Business Administration, including advocacy, procurement assistance, various small business and minority set-aside programs, and technical assistance and aid to minority firms.

In my three prior messages to the Congress, I have outlined specific small business policies and goals for this Administration and the Congress. These reports document the success of these policies measured by the extraordinary contribution that small firms made to our economy through a difficult recession and on a very strong recovery. In 1984, we made important progress toward these goals, building on the tax and regulatory reforms of our first three years.

In 1985, the opportunity for small business growth will continue, especially if we in the government reaffirm our intentions to let small business grow without distraction or interference by the government. Our stable economy will depend on more disciplined spending by the Federal government and the rejection of any calls for new taxes.

Congressional action on tax reform, however, is very much in order. Our efforts to lower the tax burden on small businesses are not complete as long as the tax code is so cumbersome and complicated. Businesses must be allowed to develop based on opportunities in the marketplace, not on their ability to weave around the various tax technicalities that have developed over the years. Our goal is a simplified tax system with the lowest possible burden for the individual and small business. Our goal in this reform is not to balance the concerns of various special interests, but to achieve a fairer and simpler tax system for all taxpayers, including our 14 million small businesses.

Our small business agenda for 1985 is broad. In addition to spending and tax reform, many other Federal policies affect the climate for small business growth. I urge Congress to act on my proposal for urban enterprise zones, which would provide tax incentives for job creation in distressed areas. Uniform laws governing liability for product defects are important to untangling the current maze of conflicting State rules. Control of health care costs is important to us all, and especially important to small business owners who employ half the Nation's work force.

Of course, many other actions by Federal officials affect small firms. I will continue to direct efforts by all departments and agencies to insure that the spirit of entrepreneurs and small business growth will continue, unhindered by the government.

RONALD REAGAN.

THE WHITE HOUSE, *May 13, 1985.*

MESSAGES FROM THE HOUSE

At 2:21 p.m., a message from the House of Representatives, delivered by Mr. Berry, one of its reading clerks, announced that the House has passed the following bills, in which it requests the concurrence of the Senate:

H.R. 105. An act to provide for the inclusion of the Washington Square area within Independence National Park, and for other purposes;

H.R. 439. An act to amend title 28, United States Code, to provide for the selection of the court of appeals to decide multiple appeals filed with respect to the same agency order;

H.R. 873. An act to amend title 5, United States Code, to provide that employee organizations which are not eligible to participate in the Federal employees health benefits program solely because of the requirement that applications for approval be filed before January 1, 1980, may apply to become so eligible, and for other purposes;

H.R. 897. An act to recognize the Army and Navy Union of the United States of America;

H.R. 934. An act to provide certain authority to reduce erosion within the Cuyahoga Valley National Recreation Area, and for other purposes;

H.R. 1042. An act to grant a Federal charter to the Pearl Harbor Survivors Association;

H.R. 1806. An act to recognize the organization known as the Daughters of Union Veterans of the Civil War 1861-1865; and

H.R. 2068. An act to authorize appropriations for fiscal years 1986 and 1987 for the Department of State, the United States Information Agency, the Board for International Broadcasting, and for other purposes.

The message also announced that the House has agreed to the following concurrent resolutions, in which it requests the concurrence of the Senate:

H. Con. Res. 95. A concurrent resolution commemorating the twentieth anniversary of Head Start; and

H. Con. Res. 132. A concurrent resolution observing the 20th anniversary of the enactment of the Older Americans Act of 1965.

ENROLLED JOINT RESOLUTION SIGNED

The message further announced that the Speaker has signed the following enrolled joint resolution:

S.J. Res. 59. Joint resolution to designate "National Science Week".

The enrolled joint resolution was subsequently signed by the President pro tempore [Mr. THURMOND].

MEASURES REFERRED

The following bills were read the first and second times by unanimous consent, and referred as indicated:

H.R. 105. An act to provide for the inclusion of the Washington Square area within Independence National Park, and for other purposes; to the Committee on Energy and Natural Resources.

H.R. 439. An act to amend title 28, United States Code, to provide for the selection of the court of appeals to decide multiple appeals filed with respect to the same agency order; to the Committee on the Judiciary.

H.R. 897. An act to recognize the Army and Navy Union of the United States of America; to the Committee on the Judiciary.

H.R. 934. An act to provide certain authority to reduce erosion within the Cuyahoga Valley National Recreation Area, and for other purposes; to the Committee on Energy and Natural Resources.

H.R. 1042. An act to grant a Federal charter to the Pearl Harbor Survivors Association; to the Committee on the Judiciary.

H.R. 1806. An act to recognize the organization know as the Daughters of Union Veterans of the Civil War 1861-1865; to the Committee on the Judiciary.

The following concurrent resolution was read, and referred as indicated:

H. Con. Res. 132. Concurrent resolution observing the 20th anniversary of the enactment of the Older Americans Act of 1965; to the Committee on Labor and Human Resources.

MEASURE PLACED ON THE CALENDAR

The following bill was read the first and second times by unanimous consent and placed on the calendar:

H.R. 2068. An act to authorize appropriations for fiscal years 1986 and 1987 for the Department of State, the United States Information Agency, the Board for International Broadcasting, and for other purposes.

MEASURES HELD AT THE DESK

The following measures were ordered held at the desk by unanimous consent pending further disposition:

H.R. 873. An act to amend title 5, United States Code, to provide that employee organizations which are not eligible to participate in the Federal employees health benefits program solely because of the requirement that applications for approval be filed before January 1, 1980, may apply to become so eligible, and for other purposes;

H. Con. Res. 95. Concurrent resolution commemorating the twentieth anniversary of Head Start;

ENROLLED JOINT RESOLUTION PRESENTED

The Secretary of the Senate announced that on today, May 14, 1985, she had presented to the President of the United States the following enrolled joint resolution:

S.J. Res. 59. Joint resoluton to designate "National Science Week."

EXECUTIVE AND OTHER COMMUNICATIONS

The following communications were laid before the Senate, together with accompanying papers, reports, and documents, which were referred as indicated:

EC-1110. A communication from the Director of the Office of Management and Budget, Executive Office of the President, transmitting, pursuant to law, a cumulative report on budget rescissions and deferrals dated May 1, 1985; pursuant to the order of January 30, 1975, referred jointly to the Committee on the Budget, the Committee on Appropriations, the Committee on Environment and Public Works, the Committee on Agriculture, Nutrition, and Forestry, the Committee on Commerce, Science, and Transportation, the Committee on Energy and Natural Resources, the Committee on Labor and Human Resources, the Committee on Foreign Relations, the Committee on Armed Services, the Committee on Banking, Housing, and Urban Affairs, the Committee on the Judiciary, the Committee on Finance, and the Committee on Governmental Affairs.

EC-1111. A communication from the Secretary of Defense, transmitting, pursuant to law, a report on United States expenditures in support of NATO; to the Committee on Armed Services.

EC-1112. A communication from the Acting Secretary of the Air Force, transmitting a draft of proposed legislation to authorize the retention in an active status until age 60 of certain Reserve officers employed as military technicians; to the Committee on Armed Services.

EC-1113. A communication from the Federal Inspector, Alaska Natural Gas Transportation System, transmitting, pursuant to law, a quarterly report on the status of the Alaska Natural Gas Transportation System covering January through March 1985; to the Committee on Energy and Natural Resources.

EC-1114. A communication from the Secretary of Energy, transmitting a draft of proposed legislation to encourage the standardization of nuclear powerplants, to improve the nuclear licensing and regulatory process, to amend the Atomic Energy Act of 1954, and for other purposes; to the Committee on Energy and Natural Resources.

EC-1115. A communication from the Chairman of the Pennsylvania Avenue Development Corporation transmitting, pursuant to law, an annual report for 1984; to the Committee on Energy and Natural Resources.

EC-1116. A communication from the Administrator, Energy Information Administration, Department of Energy transmitting, pursuant to law, a copy of the Annual Energy Review 1984; to the Committee on Energy and Natural Resources.

EC-1117. A communication from the Acting Administrator of General Service, transmitting, pursuant to law, the fiscal year 1986 GSA Public Buildings Service design program (Budget Activity 90) for Repair and Alteration projects; to the Committee on Environment and Public Works.

EC-1118. A communication from the Chairwoman of the United States International Trade Commission, transmitting a draft of proposed legislation to provide authorization of appropriations for the United States International Trade Commission for fiscal year 1987; to the Committee on Finance.

EC-1119. A communication from the Assistant Legal Advisor for Treaty Affairs, Department of State, transmitting, pursuant to law, a report on international agreements, other than treaties, entered into by the United States in the sixty day period prior to May 9, 1985; to the Committee on Foreign Relations.

EC-1120. A communication from the Senior Vice-President for Planning, Administration and Human Resources, Federal Home Loan Mortgage Corporation transmitting, pursuant to law, a financial report on the Federal Home Loan Corporation Employees' Pension Trust; to the Committee on Governmental Affairs.

EC-1121. A communication from the District of Columbia Auditor transmitting, pursuant to law, a copy of the annual report of the District of Columbia Auditor; to the Committee on Governmental Affairs.

EC-1122. A communication from the Secretary of Health and Human Services, transmitting, pursuant to law, a report on the Fiscal Year 1983 Low Income Home Energy Assistance Program; to the Committee on Labor and Human resources.

EC-1123. A communication from the Deputy Administrator of Veterans Affairs, transmitting a draft of proposed legislation to amend title 38, United States Code, to make certain improvements in the educational assistance programs for veterans and eligible persons; to repeal the education loan program; and for other purposes; to the Committee on Veterans' Affairs.

EC-1124. A communication from the Acting Administrator of General Services, transmitting a draft of proposed legislation to repeal section 905 of Public Law 98-525, Department of Defense Authorization Act, 1985; to the Committee on Armed Services.

EC-1125. A communication from the Secretary of Transportation, transmitting a draft of proposed legislation to amend the Urban Mass Transportation Act of 1964 to provide authorizations for appropriations and for other purposes; to the Committee on Banking, Housing, and Urban Affairs.

EC-1126. A communication from the Chairman of the Federal Energy Regulatory Commission, transmitting a draft of proposed legislation to authorize the Federal Energy Regulatory Commission to collect fees and charges for services, benefits, privileges, and authorizations granted in administering its regulatory programs, and for other purposes; to the Committee on Energy and Natural Resources.

EC-1127. A communication from the Administrator of the Environmental Protection Agency, transmitting, pursuant to law, proposed regulations for reportable quantity adjustments under the Comprehensive Environmental Response, Compensation, and Liability Act of 1980; to the Committee on Environment and Public Works.

REPORTS OF COMMITTEES

The following reports of committees were submitted:

By Mr. HUMPHREY, from the Committee on Environment and Public Works, without amendment:

S. 1023: A bill to extend authorizations for appropriations for the Disaster Relief Act of 1974, and for other purposes (Rept. No. 99-46).

By Mr. DANFORTH, from the Committee on Commerce, Science, and Transportation, without amendment:

S. 475: A bill to amend the Motor Vehicle Information and Cost Savings Act to require certain information to be filed in registering the title of motor vehicles, and for other purposes (Rept. No. 99-47).

By Mr. DANFORTH, from the Committee on Commerce, Science, and Transportation, with an amendment in the nature of a substitute:

S. 863: A bill to amend the National Traffic and Motor Vehicle Safety Act of 1966 and the Motor Vehicle Information and Cost Savings Act to authorize appropriations for fiscal years 1986 and 1987, and for other purposes (Rept. No. 99-48).

By Mr. GOLDWATER, from the Committee on Armed Services, without amendment and with a preamble:

S.J. Res. 108: Joint resolution authorizing the Secretary of Defense to provide to the Soviet Union, on a reimbursable basis, equipment and services necessary for an improved United States/Soviet Direct Communication Link for crisis control (Rept. No. 99-49).

By Mr. DOLE (for Mr. CHAFEE), from the Committee on Environment and Public Works, without amendment:

S. 1128: An original bill to amend the Clean Water Act, and for other purposes (Rept. No. 99-50).

By Mr. LUGAR, from the Committee on Foreign Relations, without amendment:

S. 1132: An original bill to amend the Arms Control and Disarmament Act to authorize supplemental appropriations for the fiscal year 1985 and to authorize appropriations for the fiscal years 1986 and 1987 for the Arms Control and Disarmament Agency, and for other purposes (Rept. No. 99-51).

S. Res. 161: An original resolution waiving section 402(a) of the Congressional Budget Act of 1974 with respect to the consideration of S. 1132.

By Mr. HATCH, from the Committee on Labor and Human Resources, without amendment and with a preamble:

S. Con. Res. 28: Concurrent resolution expressing the sense of the Congress that May 18, 1985, should be commemorated as the Twentieth Anniversary of the establishment of the Head Start program and reaffirming Congressional support for the Head Start program.

EXECUTIVE REPORTS OF COMMITTEES

The following reports of committees were submitted:

By Mr. HATCH, from the Committee on Labor and Human Resources:

Pauline Crowe Naftzger, of California, to be a Member of the National Museum Services Board for a term expiring December 6, 1988;

George S. Rosborough, Jr., of Missouri, to be a Member of the National Museum Services Board for a term expiring December 6, 1988; and

John H. Moore, of California, to be Deputy Director of the National Science Foundation.

(The above nominations were reported from the Committee on Labor and Human Resources with the recommendation that they be confirmed, subject to the nominees' commitment to respond to requests to appear and testify before any duly constituted committee of the Senate.)

INTRODUCTION OF BILLS AND JOINT RESOLUTIONS

The following bills and joint resolutions were introduced, read the first and second times by unanimous consent, and referred as indicated:

By Mr. PACKWOOD:

S. 1124. A bill to amend title 49, United States Code, to reduce regulation of surface freight forwarders, and for other purposes; to the Committee on Commerce, Science, and Transportation.

By Mr. D'AMATO:

S. 1125. A bill to amend the Internal Revenue Code of 1954 to provide a credit against tax for employers who provide on site dependent care assistance for dependents of their employees; to the Committee on Finance.

By Mr. GORTON (for himself, Mr. HEFLIN, Mr. EVANS, Mr. RIEGLE, and Mr. MATSUNAGA):

S. 1126. A bill to provide that certain activities performed in space, the use of certain property in space, and certain articles produced in space shall be treated as activities performed, property used, and articles produced within the United States for purposes of any tax laws of the United States; to the Committee on Finance.

By Mr. DIXON (for himself, Mr. SIMON, Mr. LEVIN, Mr. RIEGLE, and Mr. CRANSTON):

S. 1127. A bill to extend the Medicare prospective payment transition period; to the Committee on Finance.

By Mr. DOLE (for Mr. CHAFEE), from the Committee on Environment and Public Works:

S. 1128. An original bill to amend the Clean Water Act, and for other purposes; placed on the calendar.

By Mr. MATHIAS:

S. 1129. A bill to amend the Immigration and Nationality Act to permit the temporary admission to the United States of certain children, survivors, and retirees of staffs of international organizations; to the Committee on the Judiciary.

By Mr. SASSER (for himself, Mr. GRASSLEY, and Mr. GORE):

S. 1130. A bill to amend the Internal Revenue Code of 1954 to promote small businesses; to the Committee on Finance.

By Mr. ABDNOR (for himself and Mr. PRESSLER):

S. 1131. A bill to authorize the Secretary of the Interior to integrate the Hilltop and Gray Goose Units into the Pick-Sloan Missouri Basin Program, South Dakota; to the Committee on Energy and Natural Resources.

By Mr. LUGAR, from the Committee on Foreign Relations:

S. 1132. An original bill to amend the Arms Control and Disarmament Act to authorize supplemental appropriations for the fiscal year 1985 and to authorize appropriations for the fiscal years 1986 and 1987 for the Arms Control and Disarmament Agency, and for other purposes; placed on the calendar.

By Mr. RIEGLE (for himself, Mr. D'AMATO, Mr. SASSER, Mr. GRASSLEY, Mr. HEINZ, Mr. DODD, Mr. THURMOND, Mr. DURENBERGER, Mrs. HAWKINS, Mr. SPECTER, Mr. STENNIS, Mr. SARBANES and Mr. LEVIN):

S. 1133. A bill to amend section 119(d) of the Housing and Community Development Act of 1974; to the Committee on Banking, Housing, and Urban Affairs.

By Mr. KERRY:

S.J. Res. 135. Joint resolution to designate May 11, 1986, as "Mother's Peace Day"; to the Committee on the Judiciary.

SUBMISSION OF CONCURRENT AND SENATE RESOLUTIONS

The following concurrent resolutions and Senate resolutions were read, and referred (or acted upon), as indicated:

By Mr. LUGAR, from the Committee on Foreign Relations:

S. Res. 161. An original resolution waiving section 402(a) of the Congressional Budget Act of 1974 with respect to the consideration of S. 1132; to the Committee on the Budget.

By Mr. HART (for himself, Mr. LUGAR, Mr. CHAFEE, Mr. PELL, and Mr. ZORINSKY):

S. Con. Res. 48. A concurrent resolution relating to the death of President-elect Tancredo Neves of Brazil; considered and agreed to.

STATEMENTS ON INTRODUCED BILLS AND JOINT RESOLUTIONS

By Mr. PACKWOOD:

S. 1124. A bill to amend title 49, United States Code, to reduce regulation of surface freight forwarders, and for other purposes; to the Committee on Commerce, Science, and Transportation.

SURFACE FREIGHT FORWARDER DEREGULATION ACT

● Mr. PACKWOOD. Mr. President, today I am introducing the "Surface Freight Forwarder Deregulation Act of 1985." This legislation would remove Interstate Commerce Commission (ICC) regulations governing the operation of surface freight forwarders, thereby eliminating economic regulation of the surface freight forwarding industry in the United States.

The freight forwarding industry is an important part of our freight transportation system. A freight forwarder is a common carrier that contracts with shippers to transport freight. The forwarder then make transportation arrangements with other common carriers. Freight forwarders generally assemble small shipments for consolidation, then dispatch these shipments in full truckloads or rail carloads. By arranging for the transportation of these small shipments as part of larger loads, freight forwarders have been able historically to offer lower rates for small shipments than the rates the individual shippers could have obtained from trucking companies or railroads.

There is healthy competition in the freight forwarding industry as well as vigorous competition between and among freight forwarders and trucking companies, unregulated shipper associations, brokers, and railroads. Because of this degree of competition continued ICC regulation of freight forwarders is not necessary. In fact, many freight forwarders are eager to be deregulated because they believe they are currently at a competitive disadvantage with the trucking and rail industries. In 1980, the Motor Carrier Act and the Staggers Rail Act were enacted. These two pieces of legislation brought significant regulatory reform by providing greater pricing flexibility for carriers and encouraging increased competition in the trucking and rail industries. As a result, trucking companies and railroads now can compete much more effectively with freight forwarders for small shipments traffic than they could in the past.

Mr. President, it is time to remove the needless regulations which hamper the operations of surface freight forwarders. The bill I am introducing today eliminates ICC entry and rate regulation over freight forwarders and removes antitrust immunity for collective ratemaking activities in the freight forwarding industry. The reforms in this bill are intended to strengthen the freight forwarder industry and will lead to more effective competition between freight forwarders and the trucking and rail industries.

Mr. President, I ask unanimous consent that the text of the "Surface Freight Forwarder Deregulation Act of 1985" and a section-by-section analysis of this legislation be printed in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

S. 1124

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Surface Freight Forwarder Deregulation Act of 1985".

PURPOSE

SEC. 2. This Act is part of the continuing effort by Congress to reduce burdensome and unnecessary government regulations and to ensure the competitiveness and effi-

cacy of transportation services of surface freight forwarders in the United States.

FINDINGS

SEC. 3. The Congress finds that—

(1) a safe, sound and competitive surface freight forwarder industry is important to the national transportation system;

(2) the statutes governing Federal regulation of the freight forwarder industry are outdated and must be revised to reflect present and future transportation needs and realities;

(3) protective regulation has resulted in anticompetitive pricing and has restricted the range of price and service options available to shippers;

(4) in order to reduce the uncertainty experienced by the Nation's transportation industries, the Interstate Commerce Commission's remaining responsibilities for the regulation of surface freight forwarders should be eliminated by Act of Congress; and

(5) legislative and resulting changes should be implemented with the least amount of disruption consistent with achieving the reforms enacted.

DEFINITIONS

SEC. 4. Section 10102 of title 49, United States Code, is amended—

(1) in paragraph (2), by inserting ", and a freight forwarder" immediately before the period;

(2) in paragraph (6), by inserting ", and a freight forwarder" immediately before the period; and

(3) in paragraph (9)—

(A) by inserting "and" at the end of subparagraph (A);

(B) in subparagraph (B), by striking "; and" and inserting in lieu thereof a period; and

(C) by striking subparagraph (C).

INTERSTATE COMMERCE COMMISSION ADMINISTRATION

SEC. 5. (a) Section 10328(b)(2) of title 49, United States Code, is amended by striking "or freight forwarded".

(b) Section 10329 of title 49, United States Code, is amended—

(1) in subsection (a)(2)—

(A) by striking ", or a freight forwarder";

(B) by inserting "or" immediately after "broker"; and

(C) by striking "II, III, or IV" and inserting in lieu thereof "II or III";

(2) in subsection (c)(3), by striking "or freight forwarder" wherever it appears; and

(3) in subsection (d), by striking "(1)", and by striking "or (2) a freight forwarder,".

JURISDICTION

SEC. 6. (a) Section 10521(a) of title 49, United States Code, is amended by inserting ", except by a freight forwarder," immediately after "transportation" the second time it appears.

(b) Section 10523 of title 49, United States Code, is amended—

(1) in subsection (a)(1)(B)(i), by inserting "or" immediately after the semicolon;

(2) in subsection (a)(1)(B)(ii), by striking "or" and inserting in lieu thereof "and";

(3) by striking subsection (a)(1)(B)(iii);

(4) in subsection (a)(1)(C), by striking "or service provided by the freight forwarder";

(5) in subsection (a)(2), by inserting "and" immediately after "rail carrier,", and by striking ", and under subchapter IV of this chapter when provided by such a freight forwarder";

(6) in subsection (b)(1)(B)(ii), by inserting "or" immediately after the semicolon;

(7) in subsection (b)(1)(B)(iii), by striking "; or" and inserting in lieu thereof a period;

(8) by striking subsection (b)(1)(B)(iv); and

(9) in subsection (b)(2)—

(A) by striking "or service provided by the freight forwarder for whom the transportation was provided";

(B) by inserting "and" immediately after "for such a motor carrier,"; and

(C) by striking ", and under subchapter IV of this chapter when provided for such a freight forwarder".

(c)(1) Section 10561 of title 49, United States Code, is repealed.

(2) The section analysis of chapter 105 of title 49, United States Code, is amended by striking

"10561. General jurisdiction."

and inserting in lieu thereof

"10561. Repealed.".

(d)(1) Section 10562 of title 49, United States Code, is repealed.

(2) The section analysis of chapter 105 of title 49, United States Code, is amended by striking

"10562. Exempt freight forwarder service."

and inserting in lieu thereof

"10562. Repealed.".

RATES, TARIFFS, AND VALUATIONS

SEC. 7. (a) Section 10701(d) of title 49, United States Code, is amended by striking "II, III, or IV" and inserting in lieu thereof "II or III".

(b) Section 10704 of title 49, United States Code, is amended—

(1) in subsection (b)(1)(A), by inserting "or" immediately after the semicolon;

(2) in subsection (b)(1)(B), by striking "or";

(3) by striking subsection (b)(1)(C);

(4) in subsection (b)(3), by striking "or a freight forwarder"; and

(5) in subsection (b)(4), by striking "or a freight forwarder" and "or the inherent nature of freight forwarding, respectively".

(c) Section 10706 of title 49, United States Code, is amended—

(1) in subsection (a)(2)(A), by striking "(C)(1)(B)-(E)" and inserting in lieu thereof "(d)(1)(B)-(D)"; and

(2) by striking subsection (d)(1)(E).

(d) Section 10708 of title 49, United States Code, is amended—

(1) in subsection (d)(1), by striking "or freight forwarder"; and

(2) in subsection (d)(2), by striking "or freight forwarders" wherever it appears.

(e) Section 10722(d)(2) of title 49, United States Code, is amended by striking the second sentence.

(f)(1) Section 10725 of title 49, United States Code, is repealed.

(2) The section analysis of chapter 107 of title 49, United States Code, is amended by striking

"10725. Special freight forwarder rates."

and inserting in lieu thereof

"10725. Repealed.".

(g) Section 10730(a) of title 49, United States Code, is amended—

(1) by striking "I, II, or IV" and inserting in lieu thereof "I or II"; and

(2) by striking the last sentence.

(h) Section 10741 of title 49, United States Code, is amended—

(1) by striking subsection (c); and

(2) by redesignating subsections (d) through (f) as subsections (c) through (e), respectively.

(i) Section 10743(b)(2) of title 49, United States Code, is amended by striking "(including a motor common carrier being used by a freight forwarder)".

(j)(1)(A) The heading of section 10749 of title 49, United States Code, is amended by striking "and limitation on use of common carriers by freight forwarders".

(B) The item relating to section 10749 in the section analysis of chapter 107 of title 49, United States Code, is amended by striking "and limitation on use of common carriers by freight forwarders".

(2) Section 10749 of title 49, United States Code, is amended—

(A) by striking "(a)"; and

(B) by striking subsection (b).

(k) Section 10762 of title 49, United States Code, is amended—

(1) in subsection (a) (2)—

(A) by striking "II, III, or IV" wherever it appears and inserting in lieu thereof "II or III" in each such place; and

(B) by striking "or by a freight forwarder";

(2) in subsection (b)(1), by striking "I, III, or IV" and inserting in lieu thereof "I or III"; and

(3) in subsection (b)(1)(C), by striking "or IV".

(l) Section 10766 of title 49, United States Code, is amended—

(1) by striking subsection (a);

(2) in subsection (b)—

(A) by striking "(b)";

(B) by striking "providing service subject to the jurisdiction of the Commission under that subchapter";

(C) by striking the second sentence; and

(D) by striking the last two sentences; and

(3) by striking subsection (c).

LICENSING

SEC. 8. (a)(1)(A) The heading of section 10923 of title 49, United States Code, is amended by striking "and freight forwarders".

(B) The item relating to section 10923 in the section analysis of chapter 109 of title 49, United States Code, is amended by striking "and freight forwarders".

(b) Section 10923 of title 49, United States Code, is amended—

(1) in subsection (a)—

(A) by striking "or to provide service subject to that jurisdiction under subchapter IV of chapter 105 as a freight forwarder,"; and

(B) in paragraph (2), by striking "or service";

(2) in subsection (b)(1), by striking "or to provide service as a freight forwarder";

(3) by striking subsection (b)(7);

(4) in subsection (c)—

(A) in paragraph (1), by inserting "and" immediately after the semicolon;

(B) in paragraph (2), by striking "; and" and inserting in lieu thereof a period; and

(C) by striking paragraph (3);

(6) in subsection (d)(1), by striking "or freight forwarder"; and

(7) in subsection (d)(3)(B), by striking "or freight forwarder".

(b) Section 10925 of title 49, United States Code, is amended—

(1) in subsection (b)(1), by striking "broker, or freight forwarder," and inserting in lieu thereof "or broker,";

(2) in subsection (c)(1), by striking "or freight forwarder";

(3) in subsection (d)(1), by striking ", a permit of a freight forwarder,";

(4) in subsection (d)(1)(A)—

(A) by striking "; and" and inserting in lieu thereof a period; and

(B) by striking "(A)"; and

(5) by striking subsection (d)(1)(B).

(c) Section 10926 of title 49, United States Code, is amended—

(1) in paragraph (1), by inserting "and" immediately after the semicolon;

(2) in paragraph (2), by striking "; and" and inserting in lieu thereof a period; and

(3) by striking paragraph (3).

(d) Section 10927(c) of title 49, United States Code, is amended—

(1) by striking paragraph (1); and

(2) in paragraph (2)—

(A) by striking "(2)"; and

(B) by striking "providing service under a permit" and "under this subtitle".

(e) Section 10930 of title 49, United States Code, is amended—

(1) by striking "(a)"; and

(2) by striking subsection (b).

(f)(1) Section 10933 of title 49, United States Code, is repealed.

(2) The section analysis of chapter 109 of title 49, United States Code, is amended by striking

"10933. Authorizing abandonment of freight forwarder service."

and inserting in lieu thereof

"10933. Repealed.".

OPERATIONS OF CARRIERS

SEC. 9. (a) Section 11101(b) of title 49, United States Code, is amended—

(1) by striking "and freight forwarders";

(2) by striking "subchapters II and IV" and inserting in lieu thereof "subchapter II"; and

(3) by striking "and for" and inserting in lieu thereof "including".

(b)(1) Section 11127 of title 49, United States Code, is repealed.

(2) The section analysis of chapter III of title 49, United States Code, is amended by striking

"11127. Service of freight forwarders."

and inserting in lieu thereof

"11127. Repealed.".

(c) Section 11141(1) of title 49, United States Code, is amended by striking "(except a freight forwarder)".

(d) Section 11142 of title 49, United States Code, is amended by striking "II, III, and IV" and inserting in lieu thereof "subchapters II and III".

FINANCE

SEC. 10. (a) Section 11323 of title 49, United States Code, is repealed.

(b) The section analysis of chapter 113 of title 49, United States Code, is amended by striking

"11323. Limitation on ownership of other carriers by freight forwarders."

and inserting in lieu thereof

"11323. Repealed.".

FEDERAL-STATE RELATIONS

SEC. 11. (a) Section 11501 of title 49, United States Code, is amended—

(1) by striking subsection (a);

(2) by redesignating subsections (b) through (f) as subsection (a) through (e), respectively; and

(3) by adding at the end thereof the following new subsection:

"(f) No State or political subdivision thereof and no interstate agency or other political agency of two or more States shall enact or enforce any law, rule, regulation, standard, or other provision having the force and effect of law relating to interstate rates, interstate routes, or interstate services of any freight forwarder.".

(b) Section 11502 of title 49, United States Code, is amended—

(1) in subsection (a)(1), by striking "I, III, or IV" and inserting in lieu thereof "I or III"; and

(2) in subsection (b), by striking "or IV".

(c) Section 11505 of title 49, United States Code, is amended—

(1) in subsection (a), by striking "(a)"; and

(2) by striking subsection (b).

ENFORCEMENT: INVESTIGATIONS, RIGHTS, AND REMEDIES

SEC. 12. (a) Section 11702(a) of title 49, United States Code, is amended—

(1) in paragraph (1), by striking "or 10933";

(2) in paragraph (5), by striking "; and " and inserting in lieu thereof a period; and

(3) by striking paragraph (6).

(b)(1) Section 11704 of title 49, United States Code, is repealed.

(2) The section analysis of chapter 117 of title 49, United States Code, is amended by striking

"11704. Action by a private person to enjoin abandonment of service."

and inserting in lieu thereof

"11704. Repealed.".

(c) Section 11705(b)(3) of title 49, United States Code, is amended by striking "or IV".

(d) Section 11707(a) of title 49, United States Code, is amended—

(1) in paragraph (1) by striking "I, II, or IV" wherever it appears and inserting in lieu thereof"I or II" in each such place; and

(2) in paragraph (2), by striking "subject to this subtitle".

(e)(1)(A) The heading of section 11708 of title 49, United States Code, is amended by striking "and freight forwarder".

(B) The item relating to section 11708 of title 49, United States Code, is amended by striking "and freight forwarder".

(2) Section 11708(a) of title 49 United States Code, is amended by striking "or service of a freight forwarder".

CIVIL AND CRIMINAL PENALTIES

SEC. 13. (a) Section 11904 of title 49, United States Code, is amended by striking subsection (d).

(b)(1) Section 11908 of title 49, United States Code, is repealed.

(2) The section analysis of chapter 119 of title 49, United States Code, is amended by striking

"11908. Abandonment of service by freight forwarder."

and inserting in lieu thereof

"11908. Repealed.".

(c) Section 11908 of title 49, United States Code, is amended by striking subsection (d).

(d) Section 11910(a) of title 49, United States Code, is amended by striking paragraph (4).

(e) Section 11914 of title 49, United States Code, is amended by striking subsection (d).

EFFECTIVE DATE

SEC. 14. This Act shall become effective 60 days after the date of enactment of this Act.

SECTION-BY-SECTION ANALYSIS: THE "SURFACE FREIGHT FORWARDER DEREGULATION ACT OF 1985"

SECTION 2.—PURPOSE OF THE ACT

This section states that the purpose of this Act is to reduce unnecessary and burdensome government regulations and to ensure competitiveness and efficacy of the freight forwarder industry in the United States.

SECTION 3.—CONGRESSIONAL FINDINGS

This section states the following Congressional findings:

1. that a safe, sound, and competitive surface freight forwarder industry is important to the national transportation system;

2. that the statutes governing federal regulation of freight forwarders are outdated;

3. that protective regulation has resulted in anticompetitive pricing and has restricted price and service options available to shippers;

4. that the Interstate Commerce Commission's (ICC) remaining responsibilities for the regulation of surface freight forwarders should be legislatively eliminated; and

5. that legislative and resulting changes should be implemented with the least amount of disruption, consistent with achieving the reforms enacted.

SECTION 4.—DEFINITIONS

This section amends the definitions of "common carrier" and "contract carrier" in section 10102 of title 49, U.S. Code, to include freight forwarders.

SECTION 5.—INTERSTATE COMMERCE COMMISSION ADMINISTRATION

Subsection (a) of this section amends section 10328 of title 49, U.S.C., which allows the ICC to provide special notice procedures for operating authority applications. This subsection eliminates reference to freight forwarders since freight forwarders would be removed from ICC jurisdiction under this Act.

Subsection (b) of this section amends section 10329 of title 49, U.S.C., by deleting the requirement for designation of agents by freight forwarders, which will no longer be subject to ICC jurisdiction, as well as requirements for service of notice to those parties regarding Commission proceedings.

SECTION 6.—JURISDICTION

Subsection (a) of this section amends section 10521 of title 49, U.S.C. by removing Interstate Commerce Commission jurisdiction over the procurement of motor carrier transportation by freight forwarders.

Subsection (b) of this section amends section 10523 of title 49, U.S.C., by removing freight forwarders from the exemption from Interstate Commerce Commission jurisdiction over motor vehicle transportation in terminal areas.

Subsections (c) and (d) repeal section 10561, "General Jurisdiction," and section 10562, "Exempt freight forwarder service," respectively, of title 49, U.S.C. This removes all transportation by freight forwarders from ICC jurisdiction.

SECTION 7.—RATES, TARIFFS AND VALUATIONS

Subsection (a) of this section amends section 10701 of title 49, U.S.C., by eliminating freight forwarders from the provisions concerning standards for rates, classifications, through routes, rules and practices.

Subsection (b) of this section amends section 10704 of title 49, U.S.C., by removing Interstate Commerce Commission authority to prescribe rates, classifications, rules, or practices to be followed by freight forwarders.

Subsection (c) amends section 10706 of title 49, U.S.C., by removing freight forwarders from the class of carriers who are entitled to receive antitrust immunity from the Interstate Commerce Commission.

Subsection (d) amends section 10708 of title 49, U.S.C., by removing Interstate Commerce Commission jurisdiction to investigate, suspend, revise or revoke any rate of a freight forwarder on the grounds that such rate is unreasonably high or low. The zone of rate freedom established by the Motor

Carrier Act of 1980 will remain applicable only to motor carriers of property.

Subsection (e) amends section 10722 of title 49, U.S.C., "Special Passenger Rates," by removing freight forwarders from the special property rate provisions of this section.

Subsection (f) repeals section 10725 of title 49, U.S.C., "Special freight forwarder rates."

Subsection (g) amends section 10730 of title 49, U.S.C., by removing the Interstate Commerce Commission's jurisdiction to require or authorize freight forwarders to establish rates for transportation of property under which the liability of the freight forwarder for that property is limited to a value established by written declaration of the shipper or by written agreement. Freight forwarders will be subject to the common law, and the Uniform Commercial Code (Section 7-309(2) and state variants), which allows a freight forwarder to declare a limit to its liability as long as the consignor is afforded an opportunity to declare a higher value.

Subsection (h) amends section 10741 of title 49, U.S.C., by removing the general prohibition of rail, motor carrier, and motor discrimination against freight forwarder services. The effect of this amendment is to allow the general anti-discrimination provisions of the antitrust laws to apply to freight forwarders.

Subsection (i) amends section 10743 of title 49, U.S.C., "Payment of rates," by deleting the reference to freight forwarders.

Subsection (j) amends section 10749 of title 49, U.S.C., by deleting limitations on the exchange of services and use of common carriers by freight forwarders.

Subsection (k) amends section 10762 of title 49, U.S.C., by removing the requirement that freight forwarders publish, file, and keep tariffs open for public inspection.

Subsection (l) amends section 10766 of title 49, U.S.C., "Freight forwarder traffic agreements." This subsection removes the requirement to file contracts between freight forwarders and motor carriers with the Commission, removes requirements that such contracts establish reasonable conditions and compensation, and also removes Commission authority to prescribe such conditions and compensation when it finds them unreasonable.

SECTION 8.—LICENSING

Subsection (a) of this section amends section 10923 of title 49, U.S.C., by striking the language concerning entry requirements for freight forwarders.

Subsection (b) amends section 10925 of title 49, U.S.C., by removing language dealing with the effective periods and the conditions governing the operating authorities of freight forwarders.

Subsection (c) amends section 10926 of title 49, U.S.C., by deleting requirements concerning transfers of certificates for freight forwarders.

Subsection (d) amends section 10927 of title 49, U.S.C., to provide that the ICC may require freight forwarders to file with the ICC a bond, insurance policy, or other type of security to cover loss of or damage to property.

Subsection (e) amends section 10930 of title 49, U.S.C., by deleting the specified limits on who may simultaneously hold certificates and permits to provide freight forwarder transportation and rail, motor carrier, or water transportation.

Subsection (f) repeals section 10933 of title 49, U.S.C., "Authorizing abandonment of freight forwarder service."

SECTION 9.—OPERATIONS OF CARRIERS

Subsection (a) of this section amends section 11101 of title 49, U.S.C., by removing the authority of the ICC to prescribe requirements for continuous and adequate transportation service by freight forwarders.

Subsection (b) repeals section 11127 of title 49, U.S.C., "Service of freight forwarders." This deals with authority of the Interstate Commerce Commission to suspend service requirements for freight forwarders during emergencies, and to establish terms of compensation for freight forwarder service during such periods.

Subsection (c) amends section 11141 of title 49, U.S.C., by making a conforming change to the definition of "carrier."

Subsection (d) amends section 11142 of title 49, U.S.C., by removing Interstate Commerce Commission power to prescribe uniform accounting systems for freight forwarders.

SECTION 10.—FINANCE

This section repeals section 11323 of title 49, U.S.C., "Limitation on ownership of other carriers by freight forwarders", thereby removing the prohibition against freight forwarders owning or controlling motor carriers or rail carriers and/or vice versa.

SECTION 11.—FEDERAL-STATE RELATIONS

Subsection (a) of this section amends section 11501 of title 49, U.S.C., by removing the power of the ICC to prescribe rates, rules, classifications and practices of freight forwarders involved in both intrastate and interstate commerce, when it finds that state regulation is causing either unreasonable discrimination or is imposing an unreasonable burden on interstate commerce. This subsection also adds a new subsection (f) which prevents state and other political agencies from enacting or enforcing any regulations concerning interstate rates, routes or services that were subject to ICC jurisdiction prior to enactment of this Act. This subsection is intended to prevent states and other local governments from exercising regulatory authority over areas of interstate commerce that are being vacated by the Interstate Commerce Commission under this legislation.

Subsection (b) of this section amends section 11502 of title 49, U.S.C., by removing Interstate Commerce Commission power to confer and hold joint hearings with state authorities concerning freight forwarder matters.

Subsection (c) amends section 11505 of title 49, U.S.C., by removing the power of a state regulatory authority to bring civil action to enjoin the abandonment of service by a freight forwarder.

SECTION 12.—ENFORCEMENT: INVESTIGATIONS, RIGHTS, AND REMEDIES

Subsection (a) amends section 11702 of title 49, U.S.C., by eliminating ICC's power to enforce regulations against freight forwarders.

Subsection (b) repeals section 11704 of title 49, U.S.C., "Action by a private person to enjoin abandonment of service." This pertains to freight forwarders, controlled by or under common control with common carriers by rail, motor or water.

Subsection (c) amends section 11705 of title 49, U.S.C., by rescinding the rights of private parties to relief and damages sustained by them as a result of an act or omission of freight forwarders in violation of the Interstate Commerce Act. This will not reduce rights of private parties to sue carriers under state contract or tort law.

Subsection (d) amends section 11707 of title 49, U.S.C., which provides the legal standards of liability of common carriers under receipts and bills of lading.

Subsection (e) amends section 11708 of title 49, U.S.C., by deleting the reference to freight forwarders in private enforcement actions.

SECTION 13.—CIVIL AND CRIMINAL PENALTIES

Subsection (a) of this section amends section 11904 of title 49, U.S.C., by removing provisions for penalties against freight forwarders for rate and discrimination violations of the Interstate Commerce Act.

Subsection (b) repeals section 11908 of title 49, U.S.C., "Abandonment of Service by Freight Forwarder." This section provides penalties against freight forwarders controlled by or under common control with common carriers who abandon service in violation of Interstate Commerce Commission public interest findings.

Subsection (c) amends section 11909 of title 49, U.S.C., by removing freight forwarders from the provisions of this section which provide penalties for failure to make reports required by the Interstate Commerce Commission.

Subsection (d) amends section 11910 of title 49, U.S.C., by removing freight forwarders from the provisions of this section which provide penalties for unlawful disclosure of information.

Subsection (e) amends section 11914 of title 49, U.S.C., by removing freight forwarders from the general criminal penalties section of the Interstate Commerce Act.

SECTION 14.—EFFECTIVE DATE

This section provides that this Act shall take effect 60 days after enactment.●

By Mr. D'AMATO:

S. 1125. A bill to amend the Internal Revenue Code of 1954 to provide a credit against tax for employers who provide on-site dependent care assistance for dependents of their employees; to the Committee on Finance.

ON-SITE DAY CARE PRIVATIZATION ACT

● Mr. D'AMATO. Mr. President, I rise today to introduce the On-Site Child Care Privatization Act to remedy a problem confronted by millions of young families who must both raise a family and earn sufficient income to support their life styles. The question these couples face is how can both spouses in a family have fulfilling careers and be responsible parents? This problem is becoming even more severe as increasing numbers of women with children join the work force.

The number of women entering the work force has grown by mammoth proportions. The percentage of women in this country who work grew from 24 percent in 1970 to 44 percent in 1984. The percentage of women in the labor force with children under the age of six has risen from 37 percent in 1970 to 57 percent in 1984. This is no longer an indication of the sometimes employed mother, or partial employment of mothers, but the stark reality that 71 percent of all working mothers work 35 hours a week or more.

The benefits of full employment are known to many of us, and espoused

generally by all, but the responsibilities of providing private sector assistance for the needs of such an economy are all too often neglected. The advent of both parents being employed, or the single parent being employed, has meant that we have become a society with a burgeoning need for child day care.

Despite this need, the Treasury Department estimates that there are only 400 employer on-site day care centers in the United States. However, approximately 300 of these are hospitals, which are generally publicly owned institutions, and nonprofit organizations—leaving only about 120 day care centers provided by private industry. Private industry has only in rare circumstances become involved in establishing on-site day care facilities.

We have seen only scant attention given to the issue of private employer on-site day care. There is only one federally appropriated program that fully supports on-site day care services—Social Services Block Grants. After years of growth in social services and welfare expenditures, there was a slowing of the growth rate in 1981. Social Services Block Grants was not exempt from budget cuts. The Women's Bureau of the U.S. Department of Labor stated:

> Subsidies for full-day care for children from low income families is provided through Title XX of the Social Security Act, which was implemented in 1975. Partial and full subsidies were provided for 799,000 children under 13 years of age in 1977 with subsidies totaling $800 million (8). The total spent for child care in 1980 was $650 million, and budget cuts since then have eliminated child care services for approximately 150,000 children (9).

This may be further compounded by changes in the Dependent Child Care Tax Credit, the largest Federal program assisting with day care expenses. The Treasury Department's tax reform proposals would alter this tax provision by changing it from a tax credit to a tax deduction, thus making it less useful to the working poor and members of the middle class. The Treasury Department has estimated that this credit would save Americans $2.150 billion in 1986. If this credit is made a deduction, it may cost taxpayers up to $750 million in Federal support of child day care services.

Furthermore, the Treasury plan would eliminate the tax-exempt status of employer provided child day care fringe benefits to employees. Treasury has estimated that this employer benefit would assist parents raising children to the tune of $110 million in 1986. If the Treasury plan were enacted, this $110 million Federal support benefit would be lost.

In addition, the Treasury proposal would eliminate flexible spending plans more commonly called cafeteria plans or ZEBRA's. These plans allow employees to make tax deductable contributions to a plan to pay for, among other things, child care. Payments from the plan are tax free and do not count as income to the employee. These plans would provide child care benefits to individuals of $240 million in 1986, according to the Treasury Department. This benefit would disappear under the Treasury tax reform plan.

The Treasury tax plan coupled with the administration's fiscal year 1986 budget proposal would cut child day care benefits by $1.210 billion. Where will young families be able to get help in raising a child and working? The middle class currently cannot afford day care services. Where will they turn?

In an effort to confront this insidious dilemma for working parents trying to provide a decent life for their children, I am introducing the On-Site Child Care Privatization Act. This legislation would extend a 15-percent tax credit to businesses for all startup and on-going costs associated with employer operated on-site day care facilities during the facility's first year of operation. In the second year of operation, the employer would receive a 10-percent tax credit for all costs associated with salary expenses of workers at the day care facility. This act would take effect on January 1, 1987, and sunset December 31, 1989. My bill would encourage employers to build day care facilities on-site. In this way, a parent can be near their child and yet still be able to work.

I feel strongly that the private sector can effectively provide day care services that will pay for themsel es over time as studies indicate. Preliminary studies have shown that on-site day care centers have had a positive effect on employee attitudes, absenteeism, and productivity. The National Employer Supported Child Care Project found that, when on-site facilities were provided, there was a positive impact on several employee issues. There were reductions in turnover of 65 percent and absenteeism was reduced by 53 percent with increased results in recruitment of 85 percent and morale of 90 percent. There have been some even more astonishing prelimnary results. Dr. Deanne Tate of the University of Texas estimated that, for every $1 spent on an on-site facility, there was a potential profit increase of $3 to $6 due to increased productivity resulting from lower rates of turnover and absenteeism. These findings indicate that all stand to benefit from the on-site facilities: Happier employees, closer family ties, fewer employment interruptions, and a generally healthier economy. It is time that we approach the working family with practical solutions.

Private employers have hesitated to build on-site facilities despite these impressive findings. Start-up costs scare many companies. Also, employers suffer from a lack of understanding or sympathy confronting the problems of young parents, and a lack of information on the subject of on-site day care facilities.

My bill is intended to give companies a reason to explore on-site day care facilities. My legislation would partially offset the startup costs of an on-site day care facility. Once the facility has been established, the next largest expense is the salaries of the day care workers. This bill will partially offset this expense for the first 2 years.

I am convinced that, if done properly, employer on-site day care facilities can pay for themselves. Once the private sector realizes that on-site day care makes sense and promotes worker satisfaction and productivity, these facilities wil become commonplace, but the process must start. My bill will give private industry a reason to investigate day care facilities. I have decided to sunset the legislation after 3 years because I believe the private sector can provide on-site day care on a cost-effective basis. My bill is intended to heighten awareness of the problem.

I do not feel a multimillion or even billion dollar program to build day care facilities is the answer to the needs of millions of parents with young children. Rather, the private sector can take the initiative. However, a purely laissez-faire attitude to the problem would be tantamount to just turning our backs on this issue. My bill will encourage private sector development of employer provided on-site day care facilities.

Mr. President, I ask unanimous consent that this legislation be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 1125

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE

This Act may be cited as the "On-Site Day Care Privatization Act".

SEC. 2. ALLOWANCE OF CREDIT FOR EMPLOYER EXPENSES FOR CERTAIN ON-SITE DEPENDENT CARE EXPENSES.

(a) IN GENERAL.—Subpart D of part IV of subchapter A of chapter 1 of the Internal Revenue Code of 1954 (relating to business related credits) is amended by adding at the end thereof the following new section:

"SEC. 42. CERTAIN EMPLOYER ON-SITE DEPENDENT CARE EXPENSES.

"(a) GENERAL RULE.—The amount of the credit determined under this section for any taxable year shall be equal to the sum of—

"(1) 15 percent of the taxpayer's qualified first-year dependent care expenses for such taxable year, and

"(2) 10 percent of the taxpayer's qualified second-year dependent care expenses for such taxable year.

"(b) QUALIFIED FIRST AND SECOND YEAR DEPENDENT CARE EXPENSES DEFINED.—For purposes of this section—

"(1) QUALIFIED FIRST-YEAR DEPENDENT CARE EXPENSES.—The term 'qualified first-year dependent care expenses' means, with respect to any dependent care facility, the qualified dependent care expenses paid or incurred by an employer during the 1-year period beginning with the date on which such facility is first placed in service.

"(2) QUALIFIED SECOND-YEAR DEPENDENT CARE EXPENSES.—The term 'qualified second-year dependent care expenses' means, with respect to any dependent care facility, the amount paid or incurred by an employer—

"(A) for wages for individuals performing dependent care services at such facility, and

"(B) during the 1-year period following the period referred to in paragraph (1).

"(c) QUALIFIED DEPENDENT CARE.—For purposes of this section—

"(1) IN GENERAL.—The term 'qualified dependent care expenses' means any amount paid or incurred by an employer to provide dependent care assistance to dependents of employees of the employer—

"(A) at a facility located on, or adjacent to, the premises where such employees are employed, and

"(B) under a program which meets the requirements of—

"(i) any Federal, State or local law relating to such a facility, and

"(ii) paragraphs (2) and (3) of section 129(d) (relating to discrimination and eligibility requirements for dependent care assistance programs).

"(2) DEPENDENT CARE ASSISTANCE.—The term 'dependent care assistance' has the meaning given such term by section 129(c)(1).

"(3) PAYMENTS TO RELATED INDIVIDUALS.—No amount paid or incurred during the taxable year of the employer shall be treated as a qualified dependent care expense if such amount is paid or incurred to an individual—

"(A) with respect to whom a deduction is allowable under section 151(e) (relating to personal exemptions for dependents) to any employee of such employer for the taxable year of such employee ending with such taxable year, or

"(B) who is a child (within the meaning of section 151(e)(3)) of any employee and who is under the age of 19 at the close of the taxable year of the employee ending within such taxabale year of the employer.

"(d) WAGES.—For purposes of this section—

"(1) IN GENERAL.—The term 'wages' has the meaning given such term by subsection (b) of section 3326 (determined without regard to any dollar limitation contained in such section).

"(2) SPECIAL RULE FOR CONTRACTUAL ARRANGEMENTS.—If an employer contracts with another person to provide dependent care assistance at any dependent care facility, the term 'wages' shall include that portion of any amount paid or incurred by the employer with respect to such contract which is properly allocable to wages paid or incurred by such person to provide such assistance.

"(e) TERMINATION.—This section shall apply to taxable years beginning after December 31, 1986, and before January 1, 1990.".

(b) CONFORMING AMENDMENTS.—

(1) Section 38(b) of the Internal Revenue Code of 1954 (defining current year business year credit) is amended—

(B) by striking out "plus" at the end of paragraph (3),

(3) by striking out the period at the end of paragraph (4) and inserting in lieu thereof, "plus", and

(C) by adding at the end thereof the following new paragraph:

"(5) the dependent care assistance credit determined under section 42(a).".

(2) The table of sections for subpart D of part IV of subchapter A of chapter 1 of such Code is amended by adding at the end thereof the following item:

"SEC. 42. CERTAIN EMPLOYER ON-SITE DEPENDENT CARE EXPENSES.".

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years beginning after December 31, 1985.●

By Mr. GORTON (for himself, Mr. HEFLIN, Mr. EVANS, Mr. RIEGLE, Mr. MATSUNAGA, and Mr. DENTON):

S. 1126. A bill to provide that certain activities performed in space, the use of certain property in space and certain articles produced in space shall be treated as activities performed, property used and articles produced within the United States for purposes of any tax laws of the United States; to the Committee on Finance.

SPACE TAX INVESTMENT EQUITY ACT

Mr. GORTON. Mr. President, today, I join Senator HEFLIN, the former ranking member of the Subcommittee on Science, Technology, and Space, and our colleagues, Senators EVANS, RIEGLE, MATSUNAGA, and DENTON, in introducing the Space Tax Investment Equity Act of 1985, a bill which would give to commercial space activities and investments the same tax treatment as that enjoyed by similar terrestrial activities and investments.

It is becoming increasingly clear that the commercial development of space is on the doorstep of a wealth of opportunities, the magnitude of which we cannot begin to imagine. Not only will space commercialization help maintain our leadership in space, but it will also provide economic rewards and improve the quality of life for people the world over. The unique environment of space is a laboratory unlike any on Earth and offers, among other opportunities, the potential of developing new drugs to cure diseases, stronger and lighter alloys, and improved electronic technologies which could strengthen our industrial base.

The realization of these expectations will not occur overnight, however, and many companies are wary of the exotic nature of space-based manufacturing and R&D. Nevertheless, interest in commercial space activity is growing, and there are immediate issues that should be addressed if we are to take advantage of the opportunities before us.

Space activities are inherently expensive and filled with risks that are distinctly different from any on Earth. If companies are willing to assume these inherent disadvantages in their quest to explore and exploit this last frontier, the Government should ensure that the "playing field is level" and that these companies do not have to overcome unnecessary obstacles of inequity. Certain tax laws written years before commercial space activities were envisioned now represent unintentional and unforeseen discriminations against companies that are contemplating the high-risk, long-term stakes of commercial space activity. These barriers have discouraged and, unless removed, will continue to discourage companies from space-based manufacturing or R&D. For many companies, the decision not to invest in space activities is an easy one. These companies simply invest in activities with the higher internal rate of return. And as long as Tax Code discriminates against space-based activities and investments, the path to this exciting and promising arena will be an unnecessarily slow one.

Mr. President, the purpose of this legislation is to create an investment climate for space-based activities that is equal to that of land-based activities. Equitable tax treatment is critical to the realization of these new opportunities that await us in space. This bill that I am introducing today would eliminate several of these discriminatory barriers and provide commercial space entrepreneurs with tax treatment that is equal, not preferential, to that treatment enjoyed by those who do business on Earth. Also, the provisions in this bill are initiatives that are part of the President's National Policy on the Commercial Use of Space, a policy which evolved through the interagency review of the Cabinet Council on Commerce and Trade.

This legislation would:

First, permit the use of investment tax credits [ITC] and accelerated depreciation [ACRS] for U.S. investments in space as if on Earth;

Second, provide R&D tax credits for space-based ventures just as we currently do for land-based R&D; and

Third, allow income deried from U.S. space ventures to be treated as domestic income.

Mr. President, I am aware that consideration is being given to simplifying the Tax Code and that some of the provisions in this bill might be affected by such a rewrite of the Tax Code. My position is that as long as these provisions are included in the Tax Code for land-based activities and investments, they should, as matter of equity, be included as well for space-based activities and investments. And, any repeal or amendment of these provisions as they relate to land-based activities or investments should apply to space-based activities and investments. The issue is simply one of equity.

Mr. President, I look forward to working with the members of the Fi-

nance Committee on this legislation, which would provide a real shot in the arm to commercial space activity. I am hopeful that our efforts will lead to the creation of an investment climate that is conducive to the growth of this enterprising era of commercial space development.

Mr. HEFLIN. Mr. President, I am pleased to join with my good friend and colleague Senator SLADE GORTON in introducing the Space Tax Investment Equity Act of 1985. This legislation will go far toward maintaining our country's leadership in space commercialization for many years to come.

Mr. President, we are poised on the threshold of a new and exciting age in which valuable new products will be manufactured in the weightless environment of space. Materials processing in space, which includes the production of materials such as alloys, drugs, and crystals, holds great commercial potential as well as limitless benefits to the well being of mankind.

The advantage of materials processing in space as opposed to Earth bound experiments is that Earth's gravity influences every physical process. Materials processing in space could wield powerful drugs for treatment of diabetes, cancer, and other life threatening diseases. In space, metals of varying densities can be blended together to yield new and superior alloys. Materials processing in space could also produce greatly improved industrial crystals, glasses, electroplating, and countless other products.

Many American firms have expressed interest in pursuing the potential benefits of space-based manufacturing research and development. However, to ensure industry involvement in this area, the Federal Government must support a strong commercial space policy. Commercial space ventures of this type are high risk, long term in nature, and very costly. The bill Senator GORTON and I are introducing will take an important step toward encouraging companies to invest in materials processing in space.

Currently, U.S. tax laws do not allow U.S. firms the same tax advantages for space based activities as they get for similar activities on Earth. Thus, space activities by U.S. firms do not get investment tax credits, accelerated depreciation or research and development tax credits. Further, income from space ventures could be treated as foreign income. Clearly, this is an inequity in our Tax Code which must be corrected if the United States is to continue to go forward in this area. Our bill simply corrects this inequity by allowing U.S. companies involved in space ventures the same tax treatment enjoyed by those companies involved in such ventures on Earth. Preferential tax treatment would not be given to space-based activities.

The economic, medical, and other rewards the United States will reap from materials processing in space is immeasurable. Our investment in these ventures will be repaid many times over. We must move quickly to clarify our tax laws so that they do not discriminate against U.S. commercial space activities and therefore allow research and development in space to go forward. I urge my colleagues to support this important legislation.

By Mr. DIXON (for himself, Mr. SIMON, Mr. LEVIN, Mr. RIEGLE, and Mr. CRANSTON):

S. 1127. A bill to extend the Medicare prospective payment transition period; to the Committee on Finance.

EXTENSION OF MEDICARE PROSPECTIVE PAYMENT TRANSITION PERIOD

Mr. DIXON. Mr. President, today I am introducing—along with Senators SIMON, LEVIN, RIEGLE, and CRANSTON—legislation to freeze the transition to national Medicare prospective payment rates for at least 1 year, or for as long as the Medicare in-patient rates are frozen.

My colleagues may remember that on March 12 and April 12, 1984, I stood before this body calling attention to the wrinkles in the Medicare prospective payment system [PPS]. I pointed out the economic hardship posed for hospitals in my home State of Illinois and many other States due to the shift from the hospital-specific rates to national rates for Medicare reimbursements under PPS.

Today, I am again appealing to my colleagues to take a close look at this system which is arbitrarily creating groups of winner and loser hospitals, to the detriment of my State of Illinois and many other States.

The statute enacted by the Social Security Amendments of 1983 calls for a 3-year phase-in of PPS. Under the system, hospitals throughout the country are paid a fixed amount for in-patient services to Medicare patients according to a fixed schedule of rates assigned to each of 468 illnesses—diagnosis-related group or DRG.

PPS provides hospitals incentives for efficiency and cost containment since the hospital is paid the same amount for a particular diagnosis regardless of the resources consumed during the patient's treatment. Simply put, if a hospital's costs are less than the payment, it can retain the surplus; if its costs are higher, it loses. However, at the end of the transitional period, hospital payments will be based on national average urban or rural rates per DRG, adjusted only for local wage variance.

As you know, we are now into the second phase of PPS and it continues to have some wrinkles in it. As regional rates are phased toward national payment rates, hospitals in higher cost areas of the country, including Illinois and many other Northeast, Midwest, and Pacific States, will be adversely affected.

Additionally, the administration's budget proposal and the "Dole II" proposal would freeze the annual increase in hospital rates for fiscal year 1986. These budget proposals, coupled with the scheduled move to national rates, would create more of a financial burden than many of our hospitals could absorb.

According to the Illinois Hospital Association [IHA], Illinois hospitals will have already lost an estimated $78 million by the end of the current fiscal year as a result of the phasing in of national payment rates. In fiscal year 1985, according to IHA,

> Another $100 million will be drained from our health care system and diverted to become windfalls for institutions in States which experience costs below the national norm.

As an example of the inequity not accounted for in PPS, IHA points out that neither Illinois nor the hospital industry in Illinois is average. Therefore, hospital costs in Illinois are not average.

According to IHA, some characteristics that distinguish Illinois from the rest of the Nation which should be considered in PPS are as follows:

First, 82 percent of the population lives in urban areas—this is 30 percent more than the national average; second, there is 27 percent more unemployment in Illinois than the national average; third, Illinois has 6 percent higher energy expenses; and fourth, Illinois has above average construction costs.

I call this issue to the attention of my colleagues to highlight the fact that once again, Illinois is not getting a fair deal from the Federal Government, an all too familiar refrain.

It is laudable to contain hospital costs, but we must do so in a manner which does not create such a glaring dichotomy between the haves and the have-nots.

The legislation that I am introducing today would temporarily freeze the phase-in to national payment rates at the current formula, where hospital rates are comprised of 50 percent hospital specific—historical costs—and 50 percent combined national and regional DRG rates—25 percent national and 75 percent regional.

According to the Secretary of Health and Human Services [HHS] in her letter to me of March 20, 1985, it would take at least a year to produce a "reasonably responsive, research-based report" to the Congress on the results of studies concerning certain aspects of PPS.

I want to give HHS the time that is needed so that the Congress and HHS can make reasonable improvements in the system.

It is important to note that a freeze in the transitional period will not increase the Federal deficit. I understand that the Medicare distribution formula is budget neutral since the national rate issue is one of resouce distribution.

Mr. President, I ask unanimous consent that this bill be printed in the RECORD at the conclusion of my remarks.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 1127

Be is enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That—

(a) EXTENSION OF TRANSITION PERIOD.—Section 1886(d)(1) of the Social Security Act is amended—

(1) by striking out "October 1, 1986" in clauses (ii) and (iii) of subparagraph (A) and in subparagraph (C)(iii) and inserting in lieu thereof "the first day of the fiscal year of full implementation (as defined in subparagraph (F))",

(2) by striking out "October 1, 1985" in clauses (i) and (ii) of subparagraph (C) and inserting in lieu thereof "the first day of the transitional fiscal year (as defined in subparagraph (E))", and

(3) by adding at the end thereof the following new subparagraphs:

"(E) As used in this subsection, the term 'transitional fiscal year' means—

"(i) fiscal year 1987, or

"(ii) if the percentage change determined under subsection (e)(4) for fiscal year 1987 is zero, the first fiscal year (after fiscal year 1987) for which the percentage change determined under that subsection is greater than zero.

"(F) As used in this subsection, the term 'fiscal year of full implementation' means the first fiscal year after the transitional fiscal year.".

(b) EFFECTIVE DATE.—The amendments made by subsection (a) shall apply to cost reporting periods beginning, or discharges occurring, after September 30, 1984.

By Mr. MATHIAS:

S. 1129. A bill to amend the Immigration and Nationality Act to permit the temporary admission to the United States of certain children, survivors, and retirees of staffs of international organizations; to the Committee on the Judiciary.

INTERNATIONAL ORGANIZATION STAFFS' CHILDREN, SURVIVORS, AND RETIREES ACT

● Mr. MATHIAS. Mr. President, I am delighted to send to the desk a bill that would correct an injustice in the current immigration law that works a tremendous hardship on the employees of international organizations and their families. Present immigration law requires that if such an employee dies or retires, the family must leave the United States and return to its native land, often on very short notice. This is not only cruel and unfair, but it also runs counter to the interests of the international organizations concerned and to the interests of the United States.

In a world increasingly fragmented by conflict, these international organizations work toward the resolution of the common problems that divide us: hunger, disease, political, and social strife. Such international organizations include the World Bank, the International Monetary Fund, the Organization of American States, the United Nations and the Inter-American Development Bank. The United States plays a prominent role in the work of these organizations, and has always encouraged them to locate in our country.

Although small in number, the employees of these international organizations render a major service. While they are devoting their professional skills to the world community, they and their families are developing close social and cultural ties to this country. After working and living here, many come to regard America as their home.

Unfortunately, changes in the immigration laws during the past several years have inadvertently made it much more difficult for staff members and their families to stay here once their careers come to an end. Children, widows, widowers, and retired employees are forced to leave this country—no matter how long they have lived here. Many of them have been in this country more than two decades.

This situation is especially harsh for the children. After spending most of their lives growing up and going to school here, many of these children think of themselves as Americans and think of America as their home. The homeland of their parents is just another foreign country, and they often do not speak its language. But, as the law stands now, these children must leave this country when their parents die or retire.

Or they must leave when they reach maturity—leaving their families here in America—and return to a strange land where they are "citizens." This separation of families runs contrary to own own longstanding policy of family reunification.

The bill I introduce today would make it possible for some employees of international organizations and their immediate families—I expect no more than a few hundred a year—to remain in the United States after many years of service and residence in the United States. Such a law seems in the best interest of the United States, the international organizations, and the men, women, and children who would qualify for residence under its terms.

Former U.N. Secretary-General Kurt Waldheim has told me that a decision by the U.S. Government to extend such a privilege would represent "yet another expression of the humanitarian traditions of this great country."

The bill I introduce today has the same intent as the bills I introduced in the 96th and 97th Congresses. Last Congress both the Senate and House versions of the Simpson-Mazzoli immigration bill contained provisions correcting this problem. Although we negotiated a successful compromise in conference, the whole effort was lost when we failed to reach agreement on the larger bill in the final hours of the 98th Congress.

In this Congress, we will try again. My bill would lighten an emotional burden that now weighs heavily on both the parents and children who have become "Americanized." I urge its speedy adoption, and I ask unanimous consent that a copy of the bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 1129

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "International Organization Staffs' Children, Survivors, and Retirees Act of 1985."

SEC. 2. (a) Subsection (a)(15) of section 101 of the Immigration and Nationality Act (8 U.S.C. 1101) is amended—

(1) by striking out "or" at the end of subparagraph (L);

(2) by striking out the period at the end of subparagraph (M) and inserting in lieu thereof a semicolon and "or"; and

(3) by inserting after subparagraph (M) the following new paragraph:

"(N)(i) the parent of an alien accorded the status of a special immigrant under paragraph (27)(I)(i), but only if and while the alien is a child, or

"(ii) a child of such parent or of an alien accorded the status of a special immigrant under paragraph (27)(I)(ii), (iii), or (iv).".

(b) Subsection (a)(27) of section 101 of the Immigration and Nationality Act (8 U.S.C. 1101) is amended—

(1) by striking out "or" at the end of subparagraph (G);

(2) by striking out the period at the end of subparagraph (H) and inserting in lieu thereof a semicolon and "or"; and

(3) by inserting after subparagraph (H) the following new subparagraph:

"(I)(i) an immigrant who is the unmarried son or daughter of an officer or employee (or of a former officer or employee) of an international organization described in paragraph (15)(G)(i), and who—

"(I) while maintaining the status of a nonimmigrant under paragraph (15)(G)(iv) or paragraph (15)(N), has resided in the United States within seven years of the date of application for a visa or for adjustment of status to a status under this subparagraph and for a period or periods aggregating at least seven years between the ages of five and twenty-one years, and

"(II) applies for admission under this subparagraph no later than his twenty-fifth birthday or six months after the date this subparagraph is enacted, whichever is later;

"(ii) an immigrant who is the surviving spouse of a deceased officer or employee of such an international organization, and who—

"(I) while maintaining the status of a nonimmigrant under paragraph (15)(G)(iv) or paragraph (15)(N), has resided in the United

States within seven years of the date of application for a visa or for adjustment of status to a status under this subparagraph and for a period or periods aggregating at least fifteen years prior to the death of such officer or employee, and

"(II) applies for admission under this subparagraph no later than six months after the date of such death or six months after the date this subparagraph is enacted, whichever is later;

"(iii) an immigrant who is a retired officer or employee of such an international organization, and who—

"(I) while maintaining the status of a nonimmigrant under paragraph (15)(G)(iv), has resided in the United States within seen years of the date of application for a visa or for adjustment of status under this subparagraph and for a period or periods aggregating at least fifteen years prior to the officer or employee's retirement from any such international organization, and

"(II) applies for admission under this subparagraph before January 1, 1993 and no later than six months after the date of such retirement or six months after the date this subparagraph is enacted, whichever is later; or

"(iv) an immigrant who is the spouse of a retired officer or employee accorded the status of special immigrant under clause (iii), accompanying or following to join such retired officer or employee as a member of his immediate family.".●

By Mr. SASSER (for himself, Mr. GRASSLEY, and Mr. GORE):

S. 1130. A bill to amend the Internal Revenue Code of 1954 to promote small businesses; to the Committee on Finance.

SMALL BUSINESS TAX REFORM ACT

● Mr. SASSER. Mr. President, today, along with Senators GRASSLEY and GORE, I am introducing legislation designed to broaden the debate on comprehensive tax reform to include a very important segment of economic community, the small business owner. To date, little attention has been focused on how small business will fare under any of the major tax reform packages under consideration. Indeed, little thought has been given to just what tax equity means to small business.

This is a shocking omission when we consider the significant impact small business has on our economy. Small firms employ approximately 48 percent of the total nongovernment, nonfarm labor force in this country. These small firms account for 40 percent of the gross national product. And in 1983, they contributed 42 percent of the sales in America.

The tremendous impact of small business is even more vivid in my home State of Tennessee, Mr. President. Of the 89,000 business establishments in our State, 79,000 employ fewer than 100 persons and make up our small business community. In 1982, these small businesses produced half of Tennessee's $50 billion in goods and services and contributed nearly 45 percent of the State's payroll.

Small business at both the State and national level continues to be the most prolific job generator in this country. Last year's report on the state of small business noted that between 1980 and 1982, all net new jobs created in this country were generated by small business. That was some 984,000 nationwide.

To the men and women who make up our small business community, the Federal tax system can often determine whether or not a small firm will stay in business. This point has been underscored in the past three forums on small business capital formation sponsored by the Securities and Exchange Commission. Indeed, tax concerns have consistently been ranked among the top priority issues for most small business organizations.

Yet, when the Treasury Department unveiled its initial tax reform proposal late last year, it was clear that the tax concerns of small business had been overlooked once again. Nowhere was this more evident than in the recommendation to abolish the graduated system of corporate tax rates in favor of a flat 33 percent tax rate for all corporate taxpayers. This proposal would have a devastating effect on many small firms.

Arthur Anderson & Co., recently studied the impact of the proposed change in corporate tax rates on small business. This study reports that a small business with $25,000 taxable income would face a 120-percent increase in its tax rates under the original Treasury proposal. A company with $100,000 taxable income would shoulder a 28-percent increase. It is no exaggeration, Mr. President, to state that many firms simply could not bear such an increase and would be forced to close their business.

Other sections in the original Treasury proposal are also disconcerting to small business owners. Yet, thus far we have seen little discussion of such issues as direct expensing and capital gains as they relate to small business. And while some may be content to wait for the unveiling of the revised Treasury Department proposal to address small business issues, such a course leaves much to chance. This is particularly true in light of the President's recent remarks that tax reform will mean a less progressive tax system. This comment suggests that once again the tax concerns of small business may fall between the cracks, for it is the small business owners who will suffer under a more regressive tax system.

That is why I believe it is imperative that we raise several tax issues important to small business early in the tax reform debate. Such legislation will insure that small business is not overlooked in our haste to reform the Tax Code. Specifically, the legislation we introduced today will maintain a progressive rate schedule for small businesses filing as corporations. This is far and away the No. 1 tax reform concern of most small business owners. In addition, this bill extends the contemplated changes to our capital gains laws to incorporate small business interests. The bill also maintains direct expensing as a valuable tax tool for small firms.

This legislation would provide some security for small business owners when they retire by granting them a one-time exclusion of a percentage of the profits realized from selling the small business. Our bill would also apply the provisions of the Regulatory Flexibility Act to the Internal Revenue Service. Finally, we allow certain small businesses to make use of cash accounting without regard to inventory requirements.

Many of my colleagues who have followed small business issues for several years will recognize many of these proposals. Most have been the object of interest in the small business community for several years. These provisions, in a sense, reflect the collected wisdom of Members of this body on small business tax matters over the past decade. What our bill does is pull these various proposals together in one package at a critical time in the formation of tax legislation.

And while these issues have been explored in prior sessions, Mr. President, they remain timely topics. I chaired hearings of the Small Business Committee in my home State earlier this year on the issue of tax reform. At those hearings, witness after witness touched on these subjects. The importance attached to these matters has not diminished over the years. Rather, judging by the reaction of my Tennessee witnesses, the level of interest in these matters is growing as small business owners sense an opportunity to have some input in formulating a comprehensive tax reform package.

I wish to address one last concern I know will be on the minds of many who are interested in this measure, that is the revenue impact of this bill. Our legislative language is being reviewed by the Joint Committee on Taxation and I anticipate these provisions will be a net revenue loser. Yet, I hasten to point out that the elements of this bill are intended to be incorporated in a comprehensive tax reform bill, which will be revenue neutral.

It is not our intention to promote these small business concerns as a free-standing bill. Rather, we are raising points which we intend to discuss and debate in both the Small Business Committee and the Finance Committee as we formulate comprehensive tax reform legislation.

We will work diligently to ensure that these elements are included in such a revenue neutral bill, Mr. Presi-

dent, as we believe such steps are essential to promote the most dynamic sector of our economy. I urge my colleagues to join with us in our efforts to ensure that tax equity extends to small business by cosponsoring this measure. Mr. President, I ask unanimous consent that a copy of our small business tax reform legislation appear in the RECORD at this point.

There being no objection, this bill was ordered to be printed in the RECORD, as follows:

S. 1130

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the "Small Business Tax Reform Act of 1985".

SEC. 2. REDUCTION IN TAX RATES FOR CORPORATIONS WITH TAXABLE INCOME BELOW $125,000.

(a) IN GENERAL.—The first sentence of section 11(b) of the Internal Revenue Code of 1954 (relating to amount of tax on corporations) is amended by striking out paragraphs (1) through (5) and inserting in lieu thereof the following new paragraphs:

"(1) 12 percent of so much of the taxable income as does not exceed $25,000;

"(2) 15 percent of so much of the taxable income as exceeds $25,000 but does not exceed $50,000;

"(3) 25 percent of so much of the taxable income as exceeds $50,000 but does not exceed $75,000;

"(4) 30 percent of so much of the taxable income as exceeds $75,000 but does not exceed $100,000;

"(5) 33 percent of so much of the taxable income as exceeds $100,000 but does not exceed $125,000.

(b) EFFECTIVE DATE.—The amendment made by this section shall apply to taxable years beginning after December 31, 1985.

SEC. 3. INCREASE IN DIRECT EXPENSING OF CERTAIN DEPRECIABLE BUSINESS ASSETS.

The table in paragraph (1) of section 179(b) of the Internal Revenue Code of 1954 (relating to dollar limitation with regard to election to expense certain depreciable business assets) is amended to read as follows:

"If the taxable year begins in:	The applicable amount is:
1983, 1984, 1985, or 1986	$5,000
1987 or 1988	7,500
1989 or 1990	10,000
1991 or thereafter	12,500

SEC. 4. NONRECOGNITION OF GAIN ON ANY PROPERTY SOLD WHERE QUALIFIED SMALL BUSINESS INVESTMENT ACQUIRED.

(a) IN GENERAL.—Part III of subchapter O of chapter I of the Internal Revenue Code of 1954 (relating to nontaxable exchanges) is amended by adding at the end thereof the following new section:

"SEC. 1043. SALES OF PROPERTY WHERE QUALIFIED SMALL BUSINESS INVESTMENT ACQUIRED.

"(a) NONRECOGNITION OF GAIN.—

"(1) IN GENERAL.—If any property is sold by the taxpayer and, within the 1-year period beginning on the date of such sale, any qualified small business investment is purchased by the taxpayer, gain (if any) from such sale shall, at the election of the taxpayer, be recognized only to the extent that the amount realized on such sale exceeds the cost to the taxpayer of such investment.

"(2) ELECTION.—The election under paragraph (1) shall be made by filing, not later than the last day prescribed by law (including extensions thereof) for filing the return of tax imposed by this chapter for the taxable year in which the sale occurs, with the Secretary a statement (in such manner as the Secretary may by regulations prescribe) of such election.

"(b) QUALIFIED SMALL BUSINESS INVESTMENT.—For purposes of this section—

"(1) IN GENERAL.—The term 'qualified small business investment' means any equity stock in a domestic corporation if, at the time such stock is issued, such corporation was a qualified small business corporation.

"(2) EQUITY STOCK.—The term 'equity stock' means any common or preferred stock—

"(A) with respect to which the payment of money or other property is not required solely by reason of the passage of time,

"(B) the repurchase of which may not be required of the issuer any sooner than 3 years after the date of its purchase by the taxpayer, and

"(C) which was issued by the corporation to the taxpayer for money or other property (other than stock or securities).

"(3) QUALIFIED SMALL BUSINESS CORPORATION.—The term 'qualified small business corporation' means—

"(A) any small business investment company operating under the Small Business Investment Act of 1958,

"(B) any business development company (as defined by section 2(a)(48) of the Investment Company Act of 1940), and

"(C) any small business corporation (as defined in section 1244(c)(3)).

"(c) SPECIAL RULES.—For purposes of this section—

"(1) EXCHANGE TREATED AS SALE.—An exchange by the taxpayer of property for other property shall be treated as a sale of the first property, and the acquisition of any qualified small business investment on the exchange of property shall be treated as a purchase of such investment.

"(2) LIMITATION ON STOCK SALES.—In the case of any qualified small business investment (other than stock in an S corporation as defined in section 1361(a)), subsection (a) shall apply to the sale of such stock only if such sale would, if such stock had been purchased by the issuing corporation in such sale, be treated as a redemption within the meaning of paragraph (1), (2), or (3) of section 302(b), including the application of section 302(c).

"(d) REDUCTION OF BASIS.—Where the purchase of any qualified small business investment results under subsection (a) in the nonrecognition of gain on the sale of any property, the basis of such investment shall be reduced by an amount equal to the amount of gain not so recognized on the sale of such property. Where the purchase of more than one qualified small business investment is taken into account in the nonrecognition under subsection (a) of gain on the sale of a property, the preceding sentence shall be applied to each such investment in the order in which each such investment is purchased.

"(e) STATUTE OF LIMITATIONS.—If the taxpayer during any taxable year sells any property at a gain, then—

"(1) the statutory period for the assessment of any deficiency attributable to any part of such gain shall not expire before the expiration of the 3-year period beginning on the date the Secretary is notified by the taxpayer (in such manner as the Secretary may be regulations prescribe) of—

"(A) the taxpayer's cost of purchasing any qualified small business investment which the taxpayer claims results in nonrecognition of any part of such gain,

"(B) the taxpayer's intention not to purchase any such investment within the 1-year period described in subsection (a), or

"(C) the failure by the taxpayer to purchase any such investment within such period; and

"(2) such deficiency may be assessed before the expiration of such 3-year period notwithstanding the provisions of any other law or rule of law which would otherwise prevent such assessment.".

(b) TECHNICAL AMENDMENT.—Subsection (a) of section 1016 of such Code (relating to adjustments to basis) is amended by striking out "and" at the end of paragraph (26), by striking out the period at the end of paragraph (27) and inserting in lieu thereof "; and", and by adding at the end thereof the following new paragraph:

"(28) in the case of any qualified small business investment the acquisition of which resulted under section 1043 in the nonrecognition of gain on the sale or exchange of property, to the extent provided by section 1043(d).".

(c) CONFORMING AMENDMENT.—The table of sections of part III of subchapter O of chapter 1 of such Code is amended by adding at the end thereof the following new item:

"Sec. 1043. Sales of property where qualified small business investment acquired.".

(d) EFFECTIVE DATE.—The amendments made by this section shall apply only to sales and exchanges of property (the nonrecognition of gain on which is to be claimed under section 1043 of the Internal Revenue Code of 1954) in taxable years beginning after December 31, 1985.

SEC. 5. 80 PERCENT CAPITAL GAINS DEDUCTION ATTRIBUTABLE TO SMALL BUSINESS EQUITY INVESTMENTS HELD AT LEAST 4 YEARS.

(a) IN GENERAL.—Section 1202 of the Internal Revenue Code of 1954 (relating to deduction for capital gains) is amended—

(1) by amending subsection (a) to read as follows:

"(a) DEDUCTION ALLOWED.—

"(1) IN GENERAL.—If for any taxable year a taxpayer other than a corporation has a net capital gain, there shall be allowed as a deduction from gross income an amount equal to the sum of—

"(A) 80 percent of the lesser of—

"(i) the net capital gain, or

"(ii) the qualified net capital gain, plus

"(B) 60 percent of the excess (if any) of—

"(i) the net capital gain, over

"(ii) the amount of the qualified net capital gain taken into account under subparagraph (A)", and

(2) by inserting after subsection (c) the following new subsection:

"(d) QUALIFIED NET CAPITAL GAIN.—

"(1) IN GENERAL.—For purposes of subsection (a), the term 'qualified net capital gain' means the amount of net capital gain which would be computed for any taxable year if, in determining net long-term capital gain for such taxable year, only small business equity investments held by the taxpayer for at least 4 years at the time of the sale or exchange were taken into account.

"(2) SMALL BUSINESS EQUITY INVESTMENTS.—For purposes of this subsection—

"(A) IN GENERAL.—The term 'small business equity investment' means any common or preferred stock of a small business.

"(B) STOCK IN THE NATURE OF DEBT EXCLUDED.—Stock shall not be treated as a small business equity investment if—

"(i) the payment of money or other property is required with respect to such stock solely by reason of the passage of time, or

"(ii) the repurchase of such stock may be required of the issuer solely by reason of the passage of time.

"(C) SMALL BUSINESS.—For purposes of this paragraph—

"(i) IN GENERAL.—The term 'small business' means any small business corporation (within the meaning of section 1244(c)(3)).

"(ii) TIME FOR DETERMINING STATUS.—The determination of whether an equity investment is in a small business concern shall be made at the time when such investment is made.

"(3) REQUIREMENT OF 4-YEAR HOLDING PERIOD DETERMINED WITHOUT REGARD TO SECTION 1223.—The determination of whether a small business equity investment has been held for 4 years for purposes of this subsection shall be determined without regard to section 1223.

"(b) EFFECTIVE DATE.—The amendments made by this section shall apply to sales or exchanges after December 31, 1984.

SEC 6. ONE-TIME EXCLUSION OF GAIN FROM SALE OF SUBSTANTIAL EQUITY INTEREST IN SMALL BUSINESS BY INDIVIDUAL WHO HAS ATTAINED AGE 65.

(a) IN GENERAL.—Part III of subchapter B of chapter 1 of the Internal Revenue Code of 1954 (relating to items specifically excluded from gross income) is amended by redesignating section 134 as section 135 and inserting after section 133 the following new section.

"SEC. 134. ONE-TIME EXCLUSION OF GAIN FROM SALE OF SUBSTANTIAL EQUITY INTEREST IN SMALL BUSINESS BY INDIVIDUAL WHO HAS ATTAINED AGE 65.

"(a) GENERAL RULE.—At the election of the taxpayer, gross income does not include 75 percent of the long-term capital gain from the sale or exchange of property if—

"(1) the taxpayer has attained the age of 65 before the date of such sale or exchange, and

"(2) for the 10-year period ending on the date of the sale or exchange, such property has been a qualified small business investment held by the taxpayer

"(b) QUALIFIED SMALL BUSINESS INVESTMENT.—For purposes of this section—

"(1) IN GENERAL.—The term 'qualified small business investment' means any equity stock in a domestic corporation if, at the time such stock is issued, such corporation was a qualified small business corporation.

"(2) EQUITY STOCK.—The term 'equity stock' means any common or preferred stock—

"(A) with respect to which the payment of money or other property is not required solely by reason of the passage of time, and

"(B) which was issued by the corporation to the taxpayer for money or other property (other than stock or securities).

"(3) QUALIFIED SMALL BUSINESS CORPORATION.—The term 'qualified small business corporation' means—

"(A) any small business investment company operating under the Small Business Investment Act of 1958,

"(B) any business development company (as defined by section 2(a)(48) of the Investment Company Act of 1940), and

"(C) any small business corporation (as defined in section 1244(c)(3)).

"(c) LIMITATIONS.—

"(1) DOLLAR LIMITATION. The amount of the gain excluded from gross income under subsection (a) shall not exceed $175,000 ($87,500 in the case of a separate return by a married individual).

"(2) APPLICATION TO ONLY ONE SALE OR EXCHANGE.—Subsection (a) shall not apply to any sale or exchange by the taxpayer if an election by the taxpayer or his spouse under subsection (a) with respect to any other sale or exchange is in effect.

"(3) SALE OR EXCHANGE OF COMPLETE INTEREST.—Subsection (a) shall not apply to any sale or exchange by the taxpayer unless immediately after such sale or exchange the taxpayer no longer has any interest in the qualified small business corporation.

"(d) ELECTION.—An election under subsection (a) may be made or revoked at any time before the expiration of the period for making a claim for credit or refund of the tax imposed by this chapter for the taxable year in which the sale or exchange occurred, and shall be made or revoked in such manner as the Secretary shall be regulations prescribe. In the case of a taxpayer who is married, an election under subsection (a) or a revocation thereof may be made only if his spouse joins in such election or revocation.

"(e) SPECIAL RULES.—

"(1) PROPERTY HELD JOINTLY BY HUSBAND AND WIFE.—For purposes of this section, if—

"(A) property is held by a husband and wife as joint tenants, tenants by the entirely, or community property,

"(B) such husband and wife make a joint return under section 6013 for the taxable year of the sale or exchange, and

"(C) one spouse satisfies the age and holding requirements of subsection (a) with respect to such property,

then both husband and wife shall be treated as satisfying the age and holding requirements of subsection (a) with respect to such property.

"(2) PROPERTY OF DECEASED SPOUSE.—For purposes of this section, in the case of an unmarried individual whose spouse is deceased on the date of the sale or exchange of property, if—

"(A) the deceased spouse (during the 10-year period ending on the date of the sale or exchange) satisfied the holding requirement of subsection (a)(2) with respect to such property, and

"(B) no election by the deceased spouse under subsection (a) is in effect with respect to a prior sale or exchange,

then such individual shall be treated as satisfying the holding requirement of subsection (a)(2) with respect to such property.

"(3) DETERMINATION OF MARITAL STATUS.—In the case of any sale or exchange, for purposes of this section—

"(A) the determination of whether an individual is married shall be made as of the date of the sale or exchange; and

"(B) an individual legally separated from his spouse under a decree of divorce or of separate maintenance shall not be considered as married.".

"(b) CONFORMING AMENDMENT.—The table of sections of part III of subchapter B of chapter 1 of such Code is amended by striking out the item relating to section 134 and inserting in lieu thereof the following new tems:

"Sec. 134. One-time exclusion of gain from sale of substantial equity interest in small business by individual who has attained age 65.

"Sec. 135. Cross references to other Acts.".

"(c) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years beginning after December 31, 1985.

SEC. 7. CERTAIN SMALL BUSINESSES PERMITTED USE OF CASH RECEIPTS AND DISBURSEMENTS METHOD OF ACCOUNTING WITHOUT REGARD TO INVENTORIES.

(a) IN GENERAL.—Section 446 of the Internal Revenue Code of 1954 (relating to general rule for methods of accounting) is amended by adding at the end thereof the following new subsection:

"(g) ELECTION BY CERTAIN SMALL BUSINESSES TO USE CASH RECEIPTS AND DISBURSEMENTS METHOD OF ACCOUNTING.—

(1) IN GENERAL.—A taxpayer may elect for the taxable year the cash receipts and disbursements method of accounting for a trade or business of the taxpayer without regard to any requirement to use inventories under section 471 if—

"(A) the annual gross receipts of the taxpayer do not exceed $2,000,000 for each of the 3 taxable years ending with the taxable year, and

"(B) such taxpayer is a qualified small business for each of such 3 taxable years.

"(2) QUALIFIED SMALL BUSINESS DEFINED.—For purposes of this subsection, the term 'qualified small business' means a person engaged in a trade or business if, at all times during the taxable year, active participants in such trade or business own—

"(A) in the case of trade or business other than a corporation, at least 50 percent of the capital and profits interests in such trade or business, and

"(B) in the case of a corporation—

"(i) stock possessing at least 50 percent of the total combined voting power of all classes of stock of the corporation entitled to vote, and

"(ii) at least 50 percent of the total value of shares of all other classes of stock of the corporation.

"(3) ACTIVE PARTICIPANT.—For purposes of this subsection, the term 'active participant' means an individual—

"(A) who is actively involved in the management of the trade or business, and

"(B) whose principal business activity is such trade or business.

"(4) SPECIAL RULES.—For purposes of this subsection—

"(A) CONTROLLED GROUPS.—

"(i) IN GENERAL.—In the case of a taxpayer which is a member of a controlled group, all persons which are component members of such group at any time during the calendar year shall be treated as 1 taxpayer for such year for purposes of determining the gross receipts of the taxpayer.

"(ii) CONTROLLED GROUP DEFINED.—Persons shall be treated as being members of a controlled group if such persons would be treated as a single employer under the regulations prescribed under section 52.

"(B) COORDINATION WITH SECTION 481.—In the case of a taxpayer who changes its method of accounting by reason of an election under this subsection, under regulations prescribed by the Secretary, the net amount of adjustments required by section 481(a)(2) to be taken into account by the taxpayer in computing taxable income shall be so taken into account in each of the 10 taxable years beginning with the year of change.

"(C) ELECTION.—

"(i) IN GENERAL.—The election under this subsection may be made without the consent of the Secretary and shall be made at

such time and in such manner as the Secretary may by regulations prescribe.

"(ii) PERIOD TO WHICH ELECTION APPLIES.—The election under this subsection shall apply—

"(I) to the taxable year for which it is made, and

"(II) for all subsequent taxable years for which the taxpayer is a qualified small business and meets the requirements of subparagraphs (A) and (B) of paragraph (1), unless the taxpayer secures the consent of the Secretary to the revocation of such election.".

(b) EFFECTIVE DATE.—The amendment made by this section shall apply to taxable years beginning after December 31, 1985.

SEC. 8. APPLICATION OF THE REGULATORY FLEXIBILITY ACT TO THE INTERNAL REVENUE SERVICE.

(a) IN GENERAL.—

(1) Section 601(2) of title 5, United States Code, is amended by striking out "pursuant to section 553(b) of the this title, or any other law".

(2) Section 603(a) of such title is amended by striking out "is required by section 553 of this title, or any other law, to publish" and inserting in lieu thereof "publishes".

(3) Section 604(a) of such title is amended by striking out "under section 553 of this title, after being required by that section or any other law to publish" and inserting in lieu thereof a comma and "after publishing".

(b) EFFECTIVE DATE.—The amendments made by this section shall be effective on the date of enactment of this Act.●

By Mr. ABDNOR (for himself and Mr. PRESSLER):

S. 1131. A bill to authorize the Secretary of the Interior to integrate the Hilltop and Gray Goose Units into the Pick-Sloan Missouri Basin Program, South Dakota; to the Committee on Energy and Natural Resources.

HILLTOP AND GRAY GOOSE IRRIGATION PROJECTS

● Mr. ABDNOR. Mr. President, I am, along with Senator PRESSLER introducing legislation integrating the Hilltop and Gray Goose Irrigation Districts into the Pick-Sloan Missouri Basin Program. Representative DASCHLE is introducing identical legislation in the House of Representatives.

According to former Deputy Assistant Secretary of the Interior Dan Beard, over 170 megawatts of power and over 310 million kilowatt hours of energy are allocated to irrigation development for South Dakotans; however, as of this year, not 1 kilowatt hour has been delivered as promised.

It is getting irritating having constantly to remind the Federal Government of its commitment to our State. When is the commitment going to be honored? When will the people of South Dakota be able once again to trust the Federal Government's commitments?

This legislation represents an opportunity to answer these questions and begin to deliver on the promises. The Hilltop and Gray Goose irrigation projects are currently operational, but they are in need of the Pick-Sloan power. Power rates have increased drastically for the irrigation projects. The Hilltop Unit's power costs increased 300 percent since 1977, and the Gray Goose Unit's power costs increased over 112 percent. This legislation would allow these irrigation units to receive the promised low-cost power.

Mr. President, I urge my colleagues to support prompt enactment of this measure. This legislation will allow the Federal Government to begin to honor its Pick-Sloan promises and assist the Hilltop and Gray Goose Irrigation Districts to achieve financial stability.

I ask unanimous consent that the brief text of the bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 1131

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the existing irrigation projects known as the Hilltop Irrigation District, Brule County, South Dakota and the Gray Goose Irrigation District, Hughes County, South Dakota, are authorized as units of the Pick-Sloan Missouri Basin Program. As so authorized, the Hilltop Unit and the Gray Goose Unit shall be integrated physically and financially with the other Federal works constructed under the comprehensive plan approved by Section 9 of the Flood Control Act of December 22, 1944 (58 Stat. 887, 891), as amended and supplemented, and subject to Federal reclamation law (Act of June 17, 1902, 32 Stat. 388 and Acts amendatory thereof and supplemental thereto).

SEC. 2. Pick-Sloan Missouri Basin Program power shall be made available as soon as practicable for the Hilltop Unit and the Gray Goose Unit on the same basis as for other units of the Pick-Sloan Missouri Basin Program. The suballocated costs of the Pick-Sloan Missouri Basin Program assigned to the Hilltop Unit and the Gray Goose Unit shall be reimbursed by the water users as determined by the Secretary of the Interior in accordance with Federal reclamation law (Act of June 17, 1902, 32 Stat. 388 and Acts amendatory thereof and supplemental thereto.)

By Mr. RIEGLE (for himself, Mr. D'AMATO, Mr. SASSER, Mr. GRASSLEY, Mr. HEINZ, Mr. DODD, Mr. THURMOND, Mr. DURENBERGER, Mrs. HAWKINS, Mr. SPECTER, Mr. STENNIS, Mr. SARBANES, and Mr. LEVIN):

S. 1133. A bill to amend section 119(d) of the Housing and Community Development Act of 1974; to the Committee on Banking, Housing, and Urban Affairs.

HOUSING AND COMMUNITY DEVELOPMENT ACT AMENDMENTS

● Mr. RIEGLE. Mr. President, the legislation I introduce today for myself and Senators D'AMATO, SASSER, GRASSLEY, HEINZ, DODD, THURMOND, DURENBERGER, HAWKINS, SPECTER, STENNIS, SARBANES, and LEVIN will greatly improve the urban development action grant [UDAG] selection system, and we believe it will renew the broad base of support the UDAG Program has long enjoyed in the Senate.

During the past year, some Senators have expressed concern that the UDAG project selection system puts a number of communities at a disadvantage in the competition for funding.

The problem was created at the end of 1983 when HUD implemented a new project selection system because demand for UDAG began greatly to exceed the funds available. As a result, eligible cities that have relatively low measures of distress came to feel that they are unable to get a grant no matter how strong a project they submit.

I understand that concern, and I am sympathetic to it. A number of Senators have worked with me over the last 9 months to come up with an effective and fair solution. That effort has involved Senators from both parties, from all regions of the country, and who represent cities on both sides of this issue.

Our bill would improve local negotiations and give all eligible cities a fair chance to have outstanding projects approved. The bill would retain important aspects of the UDAG Program, such as the national competition and targeting on the most distressed cities, that have made it so successful. It would not change the type of projects that a city may submit for the competition.

First, our bill would improve the measures of project quality giving more recognition to the degree to which projects would help relieve economic distress in distressed cities. In addition to measures considered under existing law, the bill would recognize a project's ability to export goods or services from the local economy, retain jobs, help the city's more distressed neighborhoods, and relieve the city's most pressing residential or employment needs. Cities that had received no UDAG grant for the past 12 or 24 months would get extra consideration.

Second, the bill would give these improved project measures more weight. Funds in each round would be separated into two pots—two-thirds would first be awarded according to impaction (weighted 35), distress (weighted 35), and project specific measures (weighted 35). One-third would be awarded among the remaining projects according to project measures alone. This change would take effect as soon as the bill is enacted.

Our legislation has already been endorsed by the U.S. Conference of Mayors, the National League of Cities, the National Association of Counties, the National Association of Housing and Redevelopment Officials, the National Housing Conference, the Na-

tional Council for Urban Economic Development, the American Business Coalition, and the Coalition for UDAG.

I am confident that we can enact this major reform soon and remove any concerns regarding the UDAG selection system.

The UDAG Program has proven that the Federal and local governments can act in cooperation with the private sector to strengthen the economies of our Nation's most distressed cities.

UDAG is clearly a program that is working extremely well. It helps locate new industry in areas where there is the greatest need. It creates jobs. It makes fuller use of the Nation's enormous investment in existing roads, water, and sewer systems and other infrastructure.

Since it was enacted, UDAG has demonstrated solid results. Over 2,400 UDAG projects are projected to create or maintain 484,000 permanent new jobs. The 55 percent of those jobs are slated for low- and moderate-income persons.

UDAG has stimulated almost $7 in private investment for every Federal dollar. That's a total of $21 billion private investment dollars that UDAG has generated in just a few years. That's a real success story in private sector-Government cooperation.

UDAG projects are expected to contribute $491 million in annual tax revenues to hard-pressed local governments. At the end of 1983, local governments were already receiving $63 million annually in additional revenues as a result of UDAG projects. Repayments of loans made with UDAG funds have provided an additional $45 million.

At the end of last year, UDAG projects would produce almost 93,000 housing units, approximately one-third of which are for low- and moderate-income persons.

The UDAG Program generates more fiscal benefits in the form of increased revenues and reduced transfer payments than it costs. Conservative estimates place the increased Federal, State, and local revenues and cost savings at $991 million per year, compared to an annual appropriation of $440 million. Clearly UDAG has helped to build a solid new economic foundation in a number of hard pressed cities across the Nation. And it has done so while maximizing the return on scarce Federal dollars. Such a successful federal program should be continued.

In my own State of Michigan, the UDAG Program has allowed communities to help themselves in partnership with the private sector and with a minimum of Federal direction, red-tape, and bureaucracy. Since 1978, nearly 50 Michigan communities have received over $314 million from the Federal Government and over $2.5 billion from private investors for UDAG projects. Over 63,000 Michigan jobs have been created or saved.

I strongly support UDAG as an important and proven tool that enables private investors and local governments to carry out projects that help develop the economies of the Nation's most distressed cities. I urge my colleagues in the Senate to support this legislation.

Mr. President, I ask unanimous consent that the text of the bill be printed in the RECORD.

Mr. President, I ask unanimous consent that a short summary and a table of the bill be printed in the RECORD directly following the bill.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

S. 1133

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 119(d) of the Housing and Community Development Act of 1974 is amended—

(1) by indenting clauses (A) and (B) of paragraph (1);

(2) by striking out clause (C) of paragraph (1) and inserting in lieu thereof the following:

"(C) at least the following other criteria:

"(i) the extent to which the grant will stimulate economic recovery by leveraging private investment;

"(ii) the number of permanent jobs to be created and their relation to the amount of grant funds requested;

"(iii) the proportion of permanent jobs accessible to lower income persons and minorities, including persons who are unemployed;

"(iv) the extent to which State or local government funding or special economic incentives have been committed;

"(v) the extent to which the project is located in, and will improve the residential quality or employment base of, a census tract as defined by the United States Bureau of the Census (or a block group or enumeration district where census tracts are not defined) which the Secretary determines is predominantly residential in character and has a percentage of low- and moderate-income residents above the median percentage of such tracts in the applicant city or urban country; and

"(vi) the extent to which the project will produce goods or services the majority of which can be expected to be exported from the applicant's local economy;

"(D) additional consideration for projects with the following characteristics:

"(i) projects that the Secretary finds would retain jobs which would be lost without the provision of a grant under this section; and

"(ii) projects which address the applicant's most pressing employment needs, particularly where the project—

"(I) would reemploy workers in a skill that have recently suffered a sharp increase in unemployment locally,

"(II) would provide retraining in new skills for recently unemployed residents,

"(III) would provide training to increase the local pool of skilled labor; or

"(IV) would provide decent housing for low- and moderate-income persons in cases where such housing is in severe shortage in the applicant's area and where Federal assistance would not otherwise be available; and

"(E) additional consideration for projects with the following characteristics:

"(i) projects to be located within a city or urban county to which no grant under this section was made during the preceding year; and

"(ii) twice the amount of the additional consideration provided under clause (i) in the case of a grant for projects to be located in cities or urban counties to which no grant under this section was made during the preceding two years."; and

(3) by adding at the end thereof the following:

"(3) The Secretary may not award a grant under paragraph (1) unless he determines that the project would have a substantial impact on physical development and on the fiscal base of the city or urban county and its relation to the amount of the grant funds requested, that the proposed activites are likely to be accomplished in a timely fashion within the grant amount available, and that the city or urban county has demonstrated performance in housing and community development programs.

"(4) The Secretary shall award points to each application as follows:

"(A) not more than 35 points on the basis of the factors referred to in subparagraph (A) of paragraph (1);

"(B) not more than 35 points on the basis of the factors referred to in subparagraph (B) of paragraph (1);

"(C) not more than 30 points on the basis of the factors referred to in subparagraph (C) of paragraph (1), of which not more than 3 points shall be awarded for the factors referred to in clauses (v) and (vi) of subparagraph (C);

"(D) not more than 3 additional points as the Secretary deems appropriate for projects described in subparagraph (D) of paragraph (1); and

"(E) not more than 2 additional points as the Secretary deems appropriate for projects described in subparagraph (E) of paragraph (1).

"(5) The Secretary shall distribute grant funds under this section so that—

"(A) two-thirds of the funds are first made available utilizing all of the criteria set forth in paragraph (1); and

"(B) one-third of the funds is then made available solely on the basis of the factors referred to in subparagraphs (C), (D), and (E) of paragraph (1).".

SEC. 2. Section 119(f) of the Housing and Community Development Act of 1974 is amended by adding at the end thereof the following: "In any case where the project proposes the repayment to the applicant of the grant funds, such funds shall be made available by the applicant for other activities which are consistent with the purposes of this title. The applicant shall annually provide the Secretary with a statement of the projected receipt and use of repaid grant funds during the next year together with an audited report of the use of such funds during the most recent preceding full fiscal year of the applicant.".

SEC. 3. Not later than March 15, 1986, the Secretary shall prepare and submit to the Congress a report evaluating the Urban Development Action Grant standards for eligibility and project selection under section 119 of the Housing and Community Development Act of 1974. Such report shall include an evaluation of the effect of those standards taken individually and as a whole,

to target eligibility on the Nation's economically most distressed cities, as well as any legislative recommendations of the Secretary for improvement and the reasons for such recommendations.

SEC. 4. The provisions of paragraphs (1)(E), (4)(E), and (5) of section 119(d) of the Housing and Community Development Act of 1974, as amended by the first section of this Act, shall be effective on the date of enactment of this Act. The remainder of the amendments made by the first section of this Act shall be effective upon the issuance of implementing regulations, which the Secretary shall issue not later than October 1, 1985.

PROPOSED AMENDMENT TO CORRECT PROBLEMS WITH THE UDAG PROJECT SELECTION SYSTEM

Prior to December 1983, developers and local governments in all eligible cities were under relatively equal pressure to find the strongest possible deal for the city so that projects would be competitive. Since then, some less distressed cities feel they are unable to get a grant no matter how strong their project. The negotiating leverage of the most severely distressed cities should also be strengthened. The amendment would help reset the game at the local level, giving developers in all cities added incentive to put together the strongest possible deal.

A. Improve the project specific measures.

The amendment would give more recognition to the degree to which projects help relieve economic distress in distressed cities. The project ranking point system would be slightly refined—the amendment would leave most current categories untouched, but would allot up to 3 points for the following important considerations:

Creation of net jobs in enterprises that export goods or services from the applicant's local economy.

Location in and improvement of the residential quality and employment base of the applicant's more severely distressed neighborhoods.

A maximum of 5 bonus points would be added for the following factors, increasing a perfect score from 100 to 105 points.

Give more weight to a retained job where HUD is satisfied there is conclusive evidence that, without UDAG, the job would be lost.

Targeting on the city's most pressing residential or employment needs. Points would be awarded to projects that (1) reemploy workers in skill categories that have recently suffered a sharp increase in unemployment locally, (2) provide retraining in new skills for recently unemployed residents, (3) provide training to increase the local pool of skilled labor, or (4) provide decent housing for low- and moderate-income persons where it is in severe shortage and other Federal assistance is not available.

Location in a city that has not recently received a UDAG grant. 1 point would be awarded to cities that received no UDAG in the past 12 months, and 2 points would be awarded to those having received no UDAG in the past 24 months.

B. Give more weight to project measures as improved.

The amendment would give all eligible cities a chance to put together projects that have a reasonable chance to receive a UDAG. It would retain such important characteristics of UDAG as its national competition and targeting on distressed cities.

Funds available for each round would be divided into two pots. Two-thirds of the funds would first be awarded according to a ranking of all fundable projects based on impaction (35 points), distress (35 points), and the improved project specific measures (35 points, including 5 bonus points). One-third of the funds would be awarded according to a ranking of the fundable projects based solely on the improved project specific measures. The 2-pot method would be implemented immediately upon enactment.

C. Drop automatic points.

Under the current project ranking procedure, virtually every project automatically gets 3 points under several categories specified in the law: impact on physical development, impact on economic conditions, timeliness, and demonstrated performance.

Under the amendment, these items would become threshold conditions rather than bases for awarding-ranking points. The Secretary would have to find that they have been met before a project would be eligible for funding.

D. Require local plan for reuse of any UDAG payback.

A city could reuse any UDAG funds that are repaid but they would have to have a plan for reinvesting those funds in job-creating activities that are consistent with the purposes of UDAG. The city would have to submit an audited report on those reinvestment activities.

E. Require study of eligibility criteria.

The HUD Secretary would study the eligibility criteria and make recommendations for improving the targeting of UDAG on distressed cities across the nation.

COMPARISON OF UDAG SELECTION POINTS

	Current	Proposed	Difference
Impaction	40	35	−5
Distress	30	35	+5
Subtotal	70	70	0
Project measures:			
A. No change in 27 points:			
Leverage	10	10	0
Jobs	6	6	0
New permanent jobs	2	2	0
Tax benefits per UDAG	1	1	0
Minority participation	1	1	0
State and local funds	1	1	0
Percent low/mod; minority; and CETA jobs	3	3	0
Other	3	3	0
B. Drop 3 automatic points:			
Demonstrated performance	1	0	−1
Timeliness	1	0	−1
Physical development	0.5	0	−0.5
Financial impact	0.5	0	−0.5
C. Add 3 points:			
Export from region	0		
Distressed neighborhoods	0	3	+3
Subtotal	30	30	0
Bonus points:			
Retained jobs; most pressing housing and employment needs	0	3	+3
Not a recent recipient	0	2	+2
Total	100	105	+5

● Mr. D'AMATO. Mr. President, I am pleased to join my distinguished colleagues as a cosponsor of this legislation that changes the selection criteria for the Urban Development Action Grant Program [UDAG], administered by the U.S. Department of Housing and Urban Development.

I am pleased to have worked with Senators HEINZ, GRASSLEY, RIEGLE, and SASSER to improve the project selection system for the UDAG Program. This legislation broadens the criteria for the competitive urban development action grants. I firmly believe that this bill resolves concerns raised about the current selection system and that it significantly strengthens the UDAG Program.

This program has brought economic revitalization to New York State, as well as other States. UDAG funds have been used to create and expand commercial, industrial, and neighborhood projects. These projects have brought new jobs and economic gains to many communities in our great State.

The following statistics illustrate the benefits of this program to New York.

NEW YORK STATE UDAG STATISTICS

[Dollars in millions]

	Number of UDAGS	UDAG amount	Private investment	Local taxes	New jobs
1982	43	$43	$181	$3	5,631
1983	68	84	305	5	7,702
1984	65	108	490	12	10,594

Although New York and a host of cities have produced exceptional proposals which have been funded, our cities and urban counties have not completed their revitalization efforts. Our State, and other States, must continue to have the opportunity to promote private investment and to create new jobs and taxes for the benefit of our communities. This bill will provide that opportunity for New York, as well as other States throughout the country.

The bill no longer provides points for items such as timeliness and demonstrated performance, which every project now receives. These would become a requirement for approval, making points available for other measures. This bill also improves measures of project quality, giving more recognition to the degree to which projects help relieve economic distress in distressed cities; it recognizes a project's ability to export goods or services from the local economy, a city's distressed neighborhoods, the retention of jobs, and a city's most pressing residential or employment needs are also recognized. Cities that have not received a UDAG for the past 12 or 24 months would get extra consideration.

Funds in each round would be separated into two pots: Two-thirds would first be awarded according to impaction, distress and project specific measures; one-third would be awarded among the remaining projects according to project measures alone. The Secretary of the U.S. Department of Housing and Urban Development would be required to evaluate the current standards that determine eligibility of cities to apply for UDAG's and to submit a report by March 15, 1985,

with any recommendations for improvement.

The UDAG Program is intended to help revitalize cities and urban counties that have a combination of characteristics. These characteristics include aged housing, low per capita income change, high percentage of poverty, loss of population and jobs, unemployment, and designation as a labor surplus area. UDAG's encourage local goverments to work with the private sector to revitalize communities. The end result reflects the creative collaboration of both sectors.

The Urban Development Action Grant [UDAG] Program, administered by the Department of Housing and Urban Development, is a perfect example of a Federal program that helps our communities. It demonstrates that jobs can be created and that revenues can be generated to enhance the development of our communities. It is a perfect example of a great public private partnership.

I firmly believe that our communities are deserving of the Urban Development Action Grant [UDAG) Program. This bill has been endorsed by the National League of Cities, National Association of Counties, U.S. Conference of Mayors, National Association of Housing and Redevelopment Officials, National Housing Conference, National Conference for Urban Economic Development, the American Business Coalition, as well as others.

Mr. President, the Urban Development Action Grant Program, has helped create more than 479,170 new permanent jobs, 467,000 construction jobs, and has helped retain over 120,000 jobs. UDAG's have created at least $20 billion in private investments. As a result of this program, an additional $521 million has been raised in property taxes and other local taxes. UDAG's have assisted in more than 2,400 development projects in over 1,084 cities.

Mr. President, our communities must be encouraged to continue to carry out economic development activities vital for U.S. growth and prosperity. The UDAG success stories of our communities should not end. This bill gives all of our communities an opportunity to have UDAG success stories. Therefore, I urge my colleagues to join me in the speedy passage of this important legislation that will benefit our great Nation.●

By Mr. KERRY:

S.J. Res. 135. A joint resolution to designate May 11, 1986, as "Mother's Peace Day"; to the Committee on the Judiciary.

MOTHER'S PEACE DAY

Mr. KERRY. Mr. President, as every Member of this body knows, on the second Sunday of May each year, this Nation celebrates Mother's Day, in honor of the women who have given so much of their lives to their children, indeed, to all of us here.

What perhaps few of us were aware is that Mother's Day was originally called "Mother's Peace Day," by the woman who came up with the idea for a day honoring mothers—Julia Ward Howe, who wrote "The Battle Hymn of the Republic."

Mother's Day was Julia Ward Howe's original idea. By 1878, she was writing a "Mother's Day letter to friends . . . who help me celebrate this day."

But Mrs. Howe's idea was not the sending of flowers, gifts, and telegrams to mothers. Mother's Day, as she conceived it, was the day when everyone should be dedicated anew to the task of bringing about world peace.

She called the day, "Mother's Peace Day," honoring all who had lost sons in the Civil War and in other wars everywhere. She urged newspapers to publish articles stressing the means by which lasting peace could be brought about, and she wrote many such articles herself. She sent Mother's Day peace programs to women's clubs in answer to requests from all around the country.

In the early years, she held annual Mother's Day meetings in Boston. Then Mary Towles Sasseen, a Kentucky schoolteacher, took up the idea, and began conducting Mother's Day celebrations in Kentucky in 1887. Frank Hering of South Bend, IN, launched a campaign for the observance of Mother's Day in 1904.

Americans in many States continued to celebrate Mother's Peace Day early in this century. As late as 1912, the Pennsylvania Peace Society, in conjunction with the Universal Peace Union, held a celebration of Mother's Peace Day. The printed invitation to this festival read:

Thirty-nine years ago, Julia Ward Howe instituted this festival for peace—a time for the women and children to come together; to meet in the country; invite the public, and recite, speak, sing and pray for "those things that make for peace."

Mother's Day received national recognition on May 9, 1914. On that day, President Woodrow Wilson signed a joint resolution of Congress recommending that Congress and the executive departments of the Government observe Mother's Day. The following year, the President was authorized to proclaim Mother's Day as an annual national observance.

Since that time, Mother's Day has become an important American institution, a symbol of the love, affection, and respect we each have for our mothers. But the origins of Mother's Day as a day dedicated to peace have been somewhat obscured.

Today, more than ever, we need to think about the relationship of peace to our fundamental values—to the values of nurturing and of family, to preserving our Nation and all of its possibilities for our children and their children.

In this nuclear age, it is especially important to recall the connections between mothers and their families and the universal desire for peace.

For this reason, as Mother's Day 1985 is celebrated, I am submitting to this body a resolution to make Mother's Day in 1986 a day designated as "Mother's Peace Day," as in the original idea of Julia Ward Howe.

As organizations like Women's Action for Nuclear Disarmament and others are demonstrating, the connection between mothers and peace is stronger than ever. As the article from the Boston Globe on last year's Mother's Day demonstrates, "nobody hates war more than mothers."

I ask unanimous consent that the articles on the Mother's Day peace rally printed in the May 14, 1984, and April 29, 1984, Boston Globe be published in the RECORD, as well as a copy of this joint resolution.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

[From the Boston Globe, May 14, 1985]

PEACE RALLY WITH MOTHERS DAY TWIST

(By Terri Minsky)

"Nobody hates war more than mothers."

So said Mary Crittendon of North Reading, who celebrated Mothers Day by bringing her 10-year-old son to a rally for nuclear disarmament at Faneuil Hall yesterday.

"You want so much for your children to have a future, and I don't want my son to grow up thinking he might not," she said. "I couldn't think of a better way to spend Mothers Day than to work at changing that."

The rally, sponsored by Women's Action for Nuclear Disarmament (WAND), was attended by 500 mothers and some mothers-to-be, their husbands and their children. Some of the women carried their children in corduroy pouches against their chests, some in knapsacks on their backs, a few made leashes for their children from balloons which read: "My Mom Votes."

The rally's speakers, among them actress Margot Kidder and Dr. Helen Caldicott, founder of WAND and the author of the newly published book, "Missile Envy," exhorted those attending to lessen the threat of nuclear war by voting President Ronald Reagan out of office. "He's a nice man," said Caldicott, "I've met him, but unfortunately he doesn't understand what he's doing."

Mothers are the ones who historically had to send their children and husbands off to war, and had to suffer the loss but be proud and brave if they died," said Jan Williams, spokeswoman for WAND. "But instead of being brave, we think mothers could work to put an end to that." This year, the nationwide group held similar rallies in 30 US cities.

Ariela Gross, the Harvard University student who thanked Reagan for a presidential scholarship by handing him a nuclear freeze petition, told the assembled group. "What young people feel about nuclear war today

is powerlessness, like it was just handed to us and we can't do anything about it."

Indeed, that sentiment was echoed by 12-year-old Sarah Richardson from Brookline, who said, "I don't really think there's anything I could do to change it or stop it. I just think about it a lot." Rollin Crittendon, Mary Crittendon's 10-year-old son, said he has plans to be a theoretical scientist, "but I will refuse to do any work on nuclear bombs. The whole thought of that kind of explosion makes me angry."

"My 8-year-old daughter asks me questions like: 'Mom, if there is a nuclear war, will we be together?'" said Margot Kidder. Other parents at the rally said their children also raised similar fears. "Hers is the first generation which is growing up with this benign acceptance that something like this could happen, and they're so scared that it just makes my heart break," said Kidder said.

[From the Boston Globe, Apr. 29, 1984]

PEACE: A MOTHER'S DAY MISSION

(By Kay Longcope)

Jan Meriwether, 37, of Everett used to spend Mother's Day with her kids—Angela, 18, Erin, 11, and Ethan, 9. "They'd cook breakfast and given me special cards they made in school and other little mementos, depending upon what they could afford."

This year, with her oldest child in college in California and the other two, through a shared custody arrangement, with their father in Canada, Meriwether has other plans. Besides, she says, "I never really liked the sort of Hallmark appeal to commercialism on Mother's Day. I don't think I'm atypical."

On Sunday, May 13, she will join other mothers who have taken steps to "reclaim the day." Meriwether, who recently joined the Arlington-based staff of Women's Action for Nuclear Disarmament (WAND), will participate in a variety of activities scheduled from 2 to 4 p.m. at Boston's Faneuil Hall and attend a Mother's Day Ball at the Park Plaza Hotel that evening.

"Using Mother's Day as an educational forum and public way to discuss environmental and political issues is far more relevant for me now than a card or box of candy," she says. "I want to help ensure that my children have a future."

This year WAND, in concert with the Women's Vote Project in Washington, D.C., and the bipartisan Massachusetts Women in Politics, is urging mothers to throw Mother's Day traditions to the winds. All women, regardless of marital or motherhood status, are being asked to join a demonstration of support for nuclear disarmament. They also are being urged to register and vote in the 1984 presidential election to influence domestic and foreign policy.

Estimates from the 1980 US census place unregistered female voters at 31 million. "In 1980, 14 million women who were registered did not vote," Meriwether said. The clout of women is important, she says, "given the fact that Reagan Administration cuts in domestic programs have been felt most strongly by women, who now head one of every three families below the poverty line."

Meriwether says that fiscal 1985 budgetary projections place military spending at "nearly 30 percent of the total budget, or $279.8 billion, while the planned expenditures on human services will be cut to $166.7 billion, or 17.7 percent of the total."

So various women's organizations have linked arms and devised such slogans as "Women Vote for Survival '84," and "Children Ask the World of Us" and "It's a Man's World *Unless Women Vote.*"

WAND is a national organization founded in 1980 by Dr. Helen Caldicott of Newton, a pediatrician and prominent nuclear disarmament activist. Since it's inception, it has orchestrated a symphony of Mother's Day activities aimed at nuclear disarmament.

VOTER REGISTRATION DRIVE

The Women's Vote Project is a coalition of 65 national organizations representing millions of American women who belong to religious, professional, civic, political and educational groups. Its major thrust is to demonstrate "womanpower" at the polls next November.

Women in Politics is a bipartisan group that, on Mother's Day, will launch a statewide voter registration campaign. according to the 1983 US census, Massachusetts, with a total of 1.3 unregistered voters, is among 17 states that have at least 500,000 unregistered women. The Commonwealth has 538,000 unregistered women, of whom 63,107 live in Boston.

Voter registration efforts of such groups as WAND are part of a national effort.

"We want to reach millions of women, especially mothers, all over the country who are concerned about life and the threat to children brought on by the continued nuclear arms race," said Meriwether, WAND's director of special projects.

"Since 1984 may be the first year that women vote in numbers that reflect their true political position in society, we are encouraging women to use their vote to 'go public' with their feelings against proliferation of the nuclear mentality. With more than 31 million unregistered women voters, WAND has decided to make voter registration a 1984 priority through the 'Women Vote for Survival '84' campaign. That is part of our life-sustaining work."

FANEUIL HALL ACTIVITIES

The activities at Faneuil Hall on Mother's Day will celebrate the lives of women who contributed to important human-rights movements over the last two centuries. Guest speakers will include Caldicott, Elsie Frank (Rep. Barney Frank's mother) and Harvard student Ariela Gross, who last year received the first Helen Caldicott Leadership Award. Gross, upon presentation of a White House scholarship by President Reagan, presented him with a petition for nuclear disarmament.

Clowns will do mime and face-painting. Women in Politics will sell "My Mom Votes" balloons while registering voters. The children's chorus from the Black Ghetto Theater/Paige Academy will sing, and Kathryn J. Woods will read some of her poetry. Woods is a member of the Underground Railroad theater group in Cambridge. Members of community theater groups in Winchester and Arlington will dramatize the lives of Jeannette Rankin, Jane Addams and Emily Greene Balch of Jamaica Plain, who received the Nobel Peace Prize in 1946. Balch was an economic professor at Wellesley College whose avocation was the pursuit of peace.

At 7 p.m. several hundred people paying $100 a head will dance to the music of Peter Duchin and his orchestra at the Mother's Day Ball at the Park Plaza Hotel. The fundraising event is being sponsored by and will benefit Women's Action for Nuclear Disarmament and its voter registration program.

Actresses Meryl Streep and Jane Alexander, who will share this year's Helen Caldicott Leadership Award, will attend the ball. Also planning to attend is Margot Kilder, who played Lois Lane in the movie, "Superman."

Other types of events also are scheduled for May 13.

At the Newton Center for the Arts, an unusual art show will begin Friday, May 11, and run through Sunday, May 27. Called "Full Circle," the show features 46 artists (most of them from Massachusetts) who have created images of pregnancy and birth. Artists have used various media—oil, sculpture, drawing, tapestry, and collage—to portray the birth cycle.

Deborah Lisansky Beck, who is coordinating the Newton art exhibit, said that some of the artists "used pregnancy as a metaphor to illustrate creativity of adult growth and development, so it is not just birth of a particular baby but birth of the creative spirit within all of us."

Of the 46 artists selected for the exhibit, 38 are women. Art work reflects archiac fertility figures, as well as contemporary imaginative images of life on other planets and in outer space.

Beck, who is a psychiatric social worker specializing in counseling expectant couples and parents of young children, is curator of the Full Circle show. She says the theme reflects "the circle of the pregnancy process, history, the calendar year and the fertility cycle."

On Mother's Day throughout in the nation, offshoots of WAND and the Women's Vote Project will sponsor a number of other activities, all revolving around nuclear disarmament and voter registration. A "family picnic" in Cherry Hill, N.J., will feature a "race for peace," with participants designated "Americans" and "Russians." A Mother's March will be held in Sacramento, Calif., ending at Mather Air Force Base "to bring the healing energy of the home to nuclear mentality."

In Madison, Wis., a group called "Another Woman for Peace" will hold its second annual rally for peace with a silent walk to the state capitol. And again this year, Dr. Jack Meyer of Enosburg Falls, Vt., is encouraging bell ringing from noon to 1 p.m. "In each time zone around the world to declare peace."

In Denver on May 10, a Mother's Day march has been scheduled to coincide with a national "Women's Congressional Lobby Day." Voters especially mothers, are urged to visit state legislators and congressional representatives to emphasize their concern about nuclear disarmament.

In Ft. Collins, Colo., a picnic on May 13 will feature a 60-foot submarine sandwich and circulation of petitions calling for a nuclear freeze. Ft. Collins is located 40 miles from Cheyenne, home of the MX missile.

ALABAMA AND TEXAS

Mothers in Birmingham, Ala., will stage a baby buggy parade to emphasize pursuit of life. In Amarillo, Tex., site of the Pentax Co., a large contractor in the nuclear weapons industry, women will release helium-filled balloons suggesting the flow of radiation from the plant to wherever the balloons land. Other events will include letter writing parties urging congressmen to vote against increased allocation of funds for nuclear weapons.

Through Women's Action for Nuclear Disarmament, the major thrust of Mother's Day for the last three years has been to reinforce Julia Ward Howe's instigation of "a mother's day for peace." It was in 1872 that the author of the "The Battle Hymn of the

Republic" urged mothers to organize. She had traveled Europe and was horrified by the Franco-Prussian War.

Howe said then that "the ultimate mothering issue is the prevention of war . . . to prevent the waste of human life of which (we) alone bear and know the cost."

S.J. RES. 135

Whereas Mother's Day was Julia Ward Howe's original idea as a day when everyone should be dedicated to the task of securing world peace;

Whereas Julia Ward Howe called Mother's Day "Mother's Peace Day", in honor of all who had lost sons in the Civil War and in other wars everywhere;

Whereas Mother's Day received national recognition on May 9, 1914, when President Woodrow Wilson signed a joint resolution of Congress recommending that Congress and the executive departments of the Government observe Mother's Day;

Whereas Mother's Day has been an annual national observance since 1914;

Whereas world peace is an urgent goal of the United States and the American people; and

Whereas a day in honor of world peace and of the special role mothers have had in seeking peace throughout human history will help bring about renewed public thinking about the important issues of peace, motherhood, and the family: Now, therefore, be it

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That May 11, 1986, is hereby designated as "Mother's Peace Day", and the President is authorized and requested to issue a proclamation calling upon the people of the United States to observe such day with appropriate ceremonies and activities.

ADDITIONAL COSPONSORS

S. 8

At the request of Mr. CRANSTON, the name of the Senator from Michigan [Mr. RIEGLE] was added as a cosponsor of S. 8, a bill to grant a Federal charter to the Vietnam Veterans of America, Inc.

S. 49

At the request of Mr. MCCLURE, the name of the Senator from Colorado [Mr. ARMSTRONG] was added as a cosponsor of S. 49, a bill to protect firearm owners' constitutional rights, civil liberties, and rights to privacy.

S. 58

At the request of Mr. DANFORTH, the names of the Senator from South Dakota [Mr. ABDNOR], and the Senator from South Carolina [Mr. THURMOND] were added as cosponsors of S. 58, a bill to amend the Internal Revenue Code of 1954 to increase research activities, to foster university research and scientific training, and to encourage the contribution of scientific equipment to institutions of higher education.

S. 206

At the request of Mr. TRIBLE, the name of the Senator from Florida [Mrs. HAWKINS] was added as a cosponsor of S. 206, a bill to amend section 5155 of the Revised Statutes.

S. 300

At the request of Mr. GRASSLEY, the name of the Senator from Utah [Mr. GARN] was added as a cosponsor of S. 300, a bill to amend section 1951 of title 18 of the United States Code, and for other purposes.

S. 361

At the request of Mr. MOYNIHAN, the names of the Senator from North Dakota [Mr. ANDREWS], the Senator from Arizona [Mr. DECONCINI], the Senator from South Carolina [Mr. THURMOND], and the Senator from Oklahoma [Mr. NICKLES] were added as cosponsors of S. 361, a bill to amend the Internal Revenue Code of 1954 to make permanent the deduction for charitable contributions by nonitemizers.

S. 410

At the request of Mr. JOHNSTON, the name of the Senator from Oklahoma [Mr. NICKLES] was added as a cosponsor of S. 410, a bill to repeal the Commercial and Apartment Conservation Service, and for other purposes.

S. 419

At the request of Mr. GRASSLEY, the names of the Senator from Iowa [Mr. HARKIN], and the Senator from Pennsylvania [Mr. SPECTER] were added as cosponsors of S. 419, a bill to amend the Internal Revenue Code of 1954 to allow a deduction for one-half of the expenses paid by a self-employed taxpayer for individual health insurance premiums.

S. 426

At the request of Mr. WALLOP, the name of the Senator from Minnesota [Mr. DURENBERGER] was added as cosponsor of S. 426, a bill to amend the Federal Power Act to provide for more protection to electric consumers.

S. 454

At the request of Mr. GRASSLEY, the name of the Senator from Nebraska [Mr. ZORINSKY] was added as a cosponsor of S. 454, a bill to amend the Internal Revenue Code of 1954 to provide a 20-percent investment tax credit for certain soil or water conservation expenditures.

S. 502

At the request of Mr. TRIBLE, the names of the Senator from Virginia [Mr. WARNER], and the Senator from Nebraska [Mr. ZORINSKY] were added as cosponsors of S. 502, a bill to amend the Federal Financing Bank Act of 1973 to assure the proper budgetary treatment of credit transactions of Federal agencies.

S. 625

At the request of Mrs. HAWKINS, the name of the Senator from Utah [Mr. GARN], was added as cosponsor of S. 625, a bill to include the offenses relating to sexual exploitation of children under the provisions of RICO and authorize civil suits on behalf of victims of child pornography and prostitution.

S. 744

At the request of Mr. COCHRAN, the name of the Senator from California [Mr. WILSON], was added as a cosponsor of S. 744, a bill to amend the Agriculture and Food Act of 1981 to provide protection for agricultural purchasers of farm products.

S. 787

At the request of Mr. NUNN, the name of the Senator from Georgia [Mr. MATTINGLY], was added as cosponsor of S. 787, a bill to authorize the Secretary of the Army to accept and to operate a National Science Center for Communications and Electronics in order to enhance military training and to share technology development in the communications, electronics, and computer industries, and for other purposes.

S. 881

At the request of Mr. KENNEDY, the names of the Senator from Washington [Mr. EVANS], the Senator from Wisconsin [Mr. PROXMIRE], and the Senator from Maine [Mr. MITCHELL] were added as cosponsors of S. 881, a bill to extend title X of the Public Health Service Act for 3 years.

S. 885

At the request of Mr. KERRY, the names of the Senator from Massachusetts [Mr. KENNEDY], and the Senator from Michigan [Mr. RIEGLE] were added as cosponsors of S. 885, a bill to establish a moratorium during the fiscal years 1985 and 1986 on the testing of antisatellite weapons against objects in space.

S. 925

At the request of Mr. HUMPHREY, the names of the Senator from South Carolina [Mr. HOLLINGS], and the Senator from Utah [Mr. GARN] were added as cosponsors of S. 925, a bill to deny most-favored-nation trading status to Afghanistan.

S. 944

At the request of Mr. HELMS, the name of the Senator from Nebraska [Mr. ZORINSKY] was added as a cosponsor of S. 944, a bill to amend title II of the Social Security Act to restrict the payment of benefits to certain aliens.

S. 980

At the request of Mr. TRIBLE, the name of the Senator from New Jersey [Mr. LAUTENBERG] was added as a cosponsor of S. 980, a bill to amend title I of the Housing and Community Development Act of 1974.

S. 994

At the request of Mr. JOHNSTON, the name of the Senator from New Jersey [Mr. BRADLEY] was added as a cosponsor of S. 994, a bill to facilitate the national distribution and utilization of coal.

S. 1018

At the request of Mr. GORTON, the names of the Senator from Oregon [Mr. HATFIELD], and the Senator from Pennsylvania [Mr. HEINZ] were added as cosponsors of S. 1018, a bill to amend the National Labor Relations Act to clarify the meaning of the term "guard" for the purpose of permitting certain labor organizations to be certified by the National Labor Relations Board as representatives of employees other than plant guards.

S. 1022

At the request of Mr. LEVIN, the name of the Senator from Florida [Mr. CHILES] was added as a cosponsor of S. 1022, a bill to establish intergenerational education volunteer network programs which will provide opportunities for senior citizens to work in elementary and secondary schools and in the home with educationally disadvantaged children and their families.

S. 1054

At the request of Mr. HEINZ, the name of the Senator from Iowa [Mr. GRASSLEY] was added as a cosponsor of S. 1054, a bill to amend the Age Discrimination in Employment Act of 1967 to remove the maximum age limitation applicable to employees who are protected under such Act, and for other purposes.

SENATE JOINT RESOLUTION 47

At the request of Mr. CRANSTON, the name of the Senator from Massachusetts [Mr. KERRY] was added as a cosponsor of Senate Joint Resolution 47, joint resolution designating the week beginning November 10, 1985, as "National Women Veterans Recognition Week."

SENATE JOINT RESOLUTION 87

At the request of Mr. MURKOWSKI, the name of the Senator from Ohio [Mr. GLENN] was added as a cosponsor of Senate Joint Resolution 87, joint resolution to provide for the designation of July 19, 1985, as "National POW/MIA Recognition Day."

SENATE JOINT RESOLUTION 88

At the request of Mr. LEVIN, the name of the Senator from Nebraska [Mr. ZORINSKY] was added as a cosponsor of Senate Joint Resolution 88, joint resolution to designate the week beginning September 8, 1985, as "National Osteopathic Medicine Week."

SENATE JOINT RESOLUTION 91

At the request of Mr. HUMPHREY, the names of the Senator from West Virginia [Mr. BYRD], the Senator from Mississippi [Mr. COCHRAN], the Senator from North Carolina [Mr. EAST], the Senator from Alabama [Mr. HEFLIN], and the Senator from Oklahoma [Mr. NICKLES] were added as cosponsors of Senate Joint Resolution 91, joint resolution to designate March 21, 1985, as "Afghanistan Day."

SENATE JOINT RESOLUTION 107

At the request of Mrs. HAWKINS, the name of the Senator from Indiana [Mr. LUGAR] was added as a cosponsor of Senate Joint Resolution 107, joint resolution to designate the month of May 1985 as "Older Americans Month."

SENATE JOINT RESOLUTION 111

At the request of Mr. DIXON, the names of the Senator from Connecticut [Mr. WEICKER], the Senator from Massachusetts [Mr. KERRY], and the Senator from South Carolina [Mr. THURMOND] were added as cosponsors of Senate Joint Resolution 111, joint resolution to designate the month of October 1985 as "National Spina Bifida Month."

SENATE JOINT RESOLUTION 115

At the request of Mr. LEAHY, the names of the Senator from Rhode Island [Mr. PELL], the Senator from Oklahoma [Mr. NICKLES], the Senator from Maine [Mr. COHEN], and the Senator from Vermont [Mr. STAFFORD] were added as cosponsors of Senate Joint Resolution 115, joint resolution to designate 1985 as the "Oil Heat Centennial Year."

SENATE JOINT RESOLUTION 117

At the request of Mr. LEVIN, the names of the Senator from South Carolina [Mr. THURMOND], and the Senator from South Carolina [Mr. HOLLINGS] were added as cosponsors of Senate Joint Resolution 117, joint resolution designating the week beginning September 22, 1985, as "National Adult Day Care Center Week."

SENATE JOINT RESOLUTION 118

At the request of Mrs. HAWKINS, the name of the Senator from Nebraska [Mr. ZORINSKY] was added as a cosponsor of Senate Joint Resolution 118, joint resolution to designate May 25, 1985 as "Missing Children Day."

SENATE JOINT RESOLUTION 126

At the request of Mr. PRESSLER, the names of the Senator from Nebraska [Mr. EXON], and the Senator from South Carolina [Mr. THURMOND] were added as cosponsors of Senate Joint Resolution 126, joint resolution to condemn Bulgarian brutality toward their Turkish minority.

SENATE CONCURRENT RESOLUTION 6

At the request of Mr. GLENN, the name of the Senator from West Virginia [Mr. ROCKEFELLER] was added as a cosponsor of Senate Concurrent Resolution 6, a concurrent resolution expressing the sense of the Congress that the policy of separate development and the forced relocation of South African blacks to designated "homelands" is inconsistent with fundamental American values and internationally recognized principles of human rights and should be discontinued.

SENATE CONCURRENT RESOLUTION 20

At the request of Mr. CRANSTON, the names of the Senator from Texas [Mr. GRAMM], and the Senator from Ohio [Mr. GLENN] were added as cosponsors of Senate Concurrent Resolution 20, a concurrent resolution expressing the sense of the Congress that payments by the Veterans' Administration to veterans as compensation for service-connected disabilities should remain exempt from Federal income taxation.

SENATE CONCURRENT RESOLUTION 23

At the request of Mr. BAUCUS, the names of the Senator from Tennessee [Mr. GORE], and the Senator from Pennsylvania [Mr. HEINZ] were added as cosponsors of Senate Concurrent Resolution 23, a concurrent resolution expressing the sense of the Congress concerning the reduction of trade barriers by Japan.

SENATE CONCURRENT RESOLUTION 24

At the request of Mr. MATTINGLY, the name of the Senator from Arkansas [Mr. BUMPERS] was added as a cosponsor of Senate Concurrent Resolution 24, a concurrent resolution to direct the Commissioner of Social Security and the Secretary of Health and Human Services to develop a plan outlining the steps which might be taken to correct the social security benefit disparity known as the notch problem.

SENATE CONCURRENT RESOLUTION 36

At the request of Mr. PROXMIRE, the name of the Senator from Michigan [Mr. LEVIN] was added as a cosponsor of Senate Concurrent Resolution 36, a concurrent resolution expressing the sense of the Congress regarding the establishment of a joint commission between the United States and the Soviet Union to study the concept of nuclear winter and its impact for the national security of both nations.

SENATE CONCURRENT RESOLUTION 41

At the request of Mr. BAUCUS, the names of the Senator from Iowa [Mr. GRASSLEY], the Senator from South Carolina [Mr. HOLLINGS], and the Senator from Maine [Mr. MITCHELL] were added as cosponsors of Senate Concurrent Resolution 41, a concurrent resolution expressing the sense of the Congress that corporate income tax rates should remain graduated.

SENATE CONCURRENT RESOLUTION 45

At the request of Mr. D'AMATO, the names of the Senator from Utah [Mr. GARN], and the Senator from South Dakota [Mr. PRESSLER] were added as cosponsors of Senate Concurrent Resolution 45, a concurrent resolution condemning the actions of the Nicaraguan Government that hinder freedom of religion.

SENATE RESOLUTION 148

At the request of Mr. HELMS, the names of the Senator from South Dakota [Mr. ABDNOR], the Senator from Missouri [Mr. DANFORTH], the Senator from Nevada [Mr. HECHT], the Senator from Kansas [Mrs. KASSEBAUM], the Senator from Nevada [Mr. LAXALT], the Senator from Indiana [Mr. LUGAR], the Senator from Alaska [Mr. STEVENS], and the Senator from

Wyoming [Mr. WALLOP] were added as cosponsors of Senate Resolution 148, a resolution commemorating the 50th anniversary of the Rural Electrification Administration.

SENATE CONCURRENT RESOLUTION 48—RELATING TO THE DEATH OF PRESIDENT-ELECT TANCREDO NEVES OF BRAZIL

Mr. HART (for himself and Mr. ZORINSKY) submitted the following concurrent resolution; which was considered and agreed to:

S. CON RES. 48

Whereas, after twenty years of military rule, Brazil returned to democracy with the election of Tancredo Neves;

Whereas tens of millions of Brazilians peacefully and freely voted for candidates of their choice for their nation's highest offices;

Whereas it should be the policy of the United States to support democratic institutions in Latin America and elsewhere and the right to peaceful opposition and basic human rights;

Whereas President-elect Neves courageously devoted his last measure of strength to uniting his country while suffering from a fatal illness;

Whereas the death of President Neves has saddened all Brazilians and well-wishers for Brazil's return to democracy;

Whereas Brazil strengthened its commitment to democratic structures by rapidly and peacefully dealing with the necessary transition of power;

Whereas Vice President Jose Sarney has succeeded President-elect Neves in office and pledges to continue his democratic policies; and

Whereas the Brazilian nation has united to support a calm and expeditious transition: Now, therefore, be it

Resolved by the Senate (the House of Representatives concurring), That the Congress of the United States—

(1) extends its deepest and most sincere condolences to the people of Brazil and to the family of President Neves;

(2) sends its best wishes to President Jose Sarney for the success of his term in office;

(3) forwards its congratulations to the people of Brazil for their country's return to democracy and its handling of the presidential succession after the tragic death of President Neves; and

(4) expresses its hope that the long historical bonds and cooperation between Brazil and the United States be further developed and strengthened in the coming years.

SEC. 2. The Secretary of the Senate shall transmit a copy of this concurrent resolution to the Secretary of State for transmittal to President Jose Sarney of Brazil.

SENATE RESOLUTION 161—ORIGINAL RESOLUTION REPORTED WAIVING CONGRESSIONAL BUDGET ACT

Mr. LUGAR, from the Committee on Foreign Relations, reported the following original resolution; which was referred to the Committee on the Budget:

S. RES. 161

Resolved, That, pursuant to section 402(c) of the Congressional Budget Act of 1974, the provisions of section 402(a) of such Act are waived with respect to the consideration of S. 1132, a bill authorizing supplemental appropriations for the Arms Control and Disarmament Agency for fiscal year 1985 and authorizing appropriations for fiscal years 1986 and 1987. Such waiver is necessary to provide authority to spend $4,321,000 by the Agency in fiscal year 1985 to support the arms control negotiations between the United States and the Soviet Union now taking place in Geneva, Switzerland. At the time the Committee reported the legislation authorizing appropriations for the Agency for fiscal year 1985 the negotiations in Geneva had not been agreed to.

AMENDMENTS SUBMITTED

INTERNATIONAL SECURITY AND DEVELOPMENT COOPERATION ACT

PROXMIRE AMENDMENT NOS. 97 AND 98

(Ordered to lie on the table.)

Mr. PROXMIRE submitted an amendment intended to be proposed by him to the bill (S. 960) to amend the Foreign Assistance Act of 1961, the Arms Export Control Act, and other acts to authorize appropriations for the fiscal year 1986 for international security and development assistance, the Peace Corps, the Inter-American Foundation, and the African Development Foundation, and for other purposes; as follows:

AMENDMENT NO. 97

On page 64, between lines 16 and 17, insert the following:

PROHIBITION ON CERTAIN ASSISTANCE TO THE KHMER ROUGE IN KAMPUCHEA

SEC. 914. (a) Notwithstanding any other provision of law, none of the funds authorized to be appropriated by this Act or any other Act may be obligated or expended for the purpose or with the effect of promoting, sustaining, or augmenting, directly or indirectly, the capacity of the Khmer Rouge or any of its members to conduct military or paramilitary operations in Kampuchea or elsewhere in Indochina.

(b) All funds appropriated before the date of enactment of this section which were obligated but not expended for activities having the purpose or effect described in subsection (a) shall be deobligated and shall be deposited in the Treasury of the United States as miscellaneous receipts.

(c) This section shall not be construed as limiting the provision of food, medicine, or other humanitarian assistance to the Kampuchean people.

On page 64, line 18, strike out "Sec. 914." and insert in lieu thereof "Sec. 915.".

AMENDMENT NO. 98

On page 64, between lines 16 and 17, insert the following new section:

POLICY OF CONGRESS REGARDING THE ESTABLISHMENT OF A JOINT COMMISSION OF THE UNITED STATES AND THE SOVIET UNION TO STUDY THE CONSEQUENCES OF NUCLEAR WINTER

SEC. 914. It is the sense of the Congress that the President should propose to the Government of the Soviet Union during any arms control talks held with such Government—

(1) that the United States and the Soviet Union establish a joint commission to study the atmospheric, climatic, environmental, and biological consequences of nuclear explosions, sometimes known as "nuclear winter", and the impact that nuclear winter would have on the national security of both nations;

(2) that the work of such joint commission include the sharing and exchange of information and findings on the nuclear winter phenomena and the conduct of joint research projects that would benefit both nations; and

(3) that at some time after the establishment of the joint commission the other nuclear weapon nations—the United Kingdom, France, and the People's Republic of China—be involved in the work of the joint commission.

On page 64, line 18, strike out "Sec. 914." and insert in lieu thereof "Sec. 915.".

PUBLIC BUILDINGS ACT AMENDMENTS

STAFFORD AMENDMENT NO. 99

Mr. STAFFORD proposed an amendment to the bill (S. 709) to amend the Public Buildings Act of 1959 and for other purposes; as follows:

On page 2, between lines 12 and 13, insert the following:

(c) The amendments made by subsections (a) and (b) shall take effect on the day on which the individual holding the office of Commissioner of the Public Buildings Service of the General Services Administration on the date of enactment of this Act ceases to hold such office.

UNIFORM PRODUCT LIABILITY ACT

GORTON AMENDMENT NO. 100

(Ordered to be referred to the Committee on Commerce, Science, and Transportation.)

Mr. GORTON submitted an amendment intended to be proposed by him to the bill (S. 100) to regulate interstate commerce by providing for a uniform product liability law, and for other purposes; as follows:

Strike all after the enacting clause and insert in lieu thereof the following:

TITLE I

SHORT TITLE

SEC. 101. This Act may be cited as the "Product Liability and Compensation Act".

DEFINITIONS

SEC. 102. As used in this Act—

(1) "allowable expense" means reasonable expenses incurred for products, services, and accommodations reasonably needed for medical care, and other remedial treatment and care of a person harmed by a product, including reasonable expenses for rehabilitation treatment and occupational training;

(2) "claimant" means any person who brings a product liability action under title

II of this Act or who makes a claim under title III of this Act, and if such an action or claim is brought through or on behalf of an estate, the term includes the claimant's decedent, or if such an action or claim is brought through or on behalf of a minor, the term includes the minor's parent or guardian;

(3) "collateral benefits" means all benefits and advantages received or entitled to be received (regardless of any right any other person has or is entitled to assert for recoupment through subrogation, trust agreement, lien, or otherwise) by any person harmed or by any other person as reimbursement of loss because of harm to person or property payable or required to be paid, under—

(A) any Federal law or the laws of any State (other than through a claim for breach of an obligation or duty); or

(B) any life, health or accident insurance or plan, wage or salary continuation plan, or disability income or replacement service insurance or any benefit received or to be received as a result of participation in any pre-paid medical plan or Health Maintenance Organization;

except that "collateral benefits" payable with respect to harm for which a claim is brought under title II of this Act shall have the meaning given to such term under applicable State law;

(4) "commerce" means trade, traffic, commerce, or transportation (A) among the several States, between any foreign country or any territory or possession and any State or between points in the same State but through any other State or a foreign country; of (B) which affects trade, traffic, commerce or transportation described in clause (A);

(5) "compensation benefits" means the claimant's damages, less collateral benefits, which have been received by the claimant, together with reasonable attorney's fees, at such attorney's usual hourly rate or at the prevailing hourly rate for attorneys in the community in which such attorney has the attorney's principal practice, whichever is lower, for the actual hours spent by such attorney in the preparation of the claimant's claim;

(6) "damages" means (A) for the purposes of title II of this Act, damages as allowed by the law of the State in which an action is maintained; and (B) for the purposes of title III of this Act, damages for economic loss consisting only of—

(i) allowable expenses;

(ii) work loss;

(iii) replacement services loss;

(iv) property damage; and

(v) medical monitoring and preventative care;

(7) "harm" means (A) physical damage to property other than the product itself; (B) personal physical illness, injury, or death of the claimant or an increase in the likelihood of illness, injury, or death for the claimant; (C) mental or emotional harm of the claimant; or (D) any harm recognized under the law of the State in which the action is maintained, other than loss or damage caused to a product itself or commercial loss with respect to which recovery is available under the commercial or contract law of the State;

(8) "manufacturer" means (A) any person who is engaged in a business to design or formulate or to produce, create, make, assemble or construct any product (or component part of a product); (B) a product seller with respect to all aspects of a product (or component part thereof) which are created or affected when, before placing the product in the stream of commerce, the product seller designs or formulates, or produces, creates, makes, assembles or constructs an aspect of a product (or component part thereof) made by another; and (C) any product seller not described in clause (B) which holds itself out as a manufacturer to the user or consumer of the product;

(9) "medical monitoring and preventative care" means any reasonable medical monitoring, including an increase in the number of routine medical examinations, and any reasonably needed preventative care which is generally accepted as appropriate to decrease the risk of illness, injury or death to a person as a result of the use of, or exposure to, a product, or which is generally accepted as appropriate for early detection of an illness or injury which is more likely to occur because of the use of, or exposure to, a product;

(10) "product" means any object, substance, mixture or raw material in a gaseous, liquid or solid state which is capable of delivery itself, or as an assembled whole in a mixed or combined state or as a component part or ingredient, which is produced for introduction into trade or commerce, which has intrinsic economic value, and which is intended for sale or lease to persons for commercial or personal use; "product" does not include (A) for the purposes of title II of this Act, human tissue, blood, or organs unless specifically recognized as a product pursuant to State law; (B) a product used in the course of any trade or business which has been discarded, abandoned, or disposed of by such trade or business, unless such product is one which is customarily produced or distributed for sale, consumption or use, or is customarily stored by individuals, in or about an office or the household;

(11) "product seller" means a person who, in the course of a business conducted for that purpose, sells, distributes, leases, labels, or markets, or repairs or maintains (to the extent such repair or maintenance is alleged to have caused or contributed to any harm), or otherwise is directly involved in placing a product in the stream of commerce; "product seller" does not include—

(A) a seller of real property other than a builder or contractor;

(B) a provider of professional services in any case in which the sale or use of a product is incidental to the transaction and the essence of the transaction is the furnishing of judgment or skill; or

(C) any person who acts in only a financial capacity with respect to the sale or lease of a product;

(12) "product user" means any person who owns, leases, operates, uses, or has control of a product;

(13) "property damage" means damage to any person's property which was proximately caused by the product, without regard to whether the person was harmed;

(14) "replacement services loss" means reasonable expenses incurred in obtaining ordinary and necessary services in lieu of those the harmed person would have performed, not for income but for the benefit of the person or the person's family or dependents, if the person had not been harmed;

(15) "sale" means any change in ownership of a product, any intentional relinquishment of control of a product, and any lease of a product; "sale" includes any temporary transfer of control of a product in contemplation of the sale or lease of the product;

(16) "State" means any State of the United States, the District of Columbia, the Commonwealth of Puerto Rico, the Virgin Islands, Guam, American Samoa, the Northern Mariana Islands, the Trust Territory of the Pacific Islands, and any other territory or possession of the United States, or any political subdivision of any State; and

(17) "work loss" means all lost income from work the harmed individual would have performed if the individual had not been harmed, reduced by any income from substitute work actually performed by the individual or by income the individual would have earned in available appropriate substitute work the individual was capable of performing but unreasonably failed to undertake; "work loss" does not include that portion of such income which would otherwise have been paid to the Federal Government or to a State or local government as a tax on such income; damages for anticipated work loss shall be determined in accordance with generally recognized actuarial principles and projections, including any appropriate adjustment for inflation.

PREEMPTION OF OTHER LAWS

SEC. 103. (a) This Act governs any civil action brought against a manufacturer or seller for harm caused by a product, including any action which before the effective date of this Act would have been based on: (1) strict or absolute liability in tort; (2) negligence or gross negligence; (3) breach of express or implied warranty; (4) failure to discharge a duty to warn or instruct; or (5) any other theory that is the basis for an award for damages for harm caused by a product.

(b) A civil action for loss or damage caused to a product itself or for commercial loss with respect to which recovery is available under the commercial or contract law of the State is not a product liability action, and shall be governed by applicable commercial or contract law.

(c)(1) This Act supersedes any State law regarding recovery for any harm caused by a product to the extent that this Act establishes a rule of law applicable to any action for such recovery. Any issue arising under title II of this Act that is not governed by any such rule of law shall be governed by applicable State law. This Act shall not be construed to waive or affect any defense of sovereign immunity asserted by any State under any provision of law.

(2) Nothing in this Act shall be construed to supersede any Federal law, except the Federal Employees Compensation Act.

(3) Nothing in this Act shall be construed to waive or affect any defense of sovereign immunity asserted by the United States.

(4) Nothing in this Act shall be construed to affect the applicability of any provision of the Foreign Sovereign Immunities Act of 1976 (28 U.S.C. 1602 et seq.).

DUTY TO INFORM

SEC. 104. (a) When a potential claimant enters into an attorney-client relationship with any attorney or contacts any manufacturer or product seller with respect to harm caused by a product, such attorney, manufacturer or product seller must inform such claimant, in writing and in a clear and comprehensible manner, of his or her rights under titles II and III of this Act.

(b) The Attorney General shall, within 90 days of the effective date of this Act, promulgate model forms which, if provided by any attorney, manufacturer or product seller to a claimant, will discharge the duty imposed by subsection (a) of this section.

(c) Any person who intentionally or negligently fails to discharge the duty imposed by subsection (a) to this section shall be liable to the claimant for a total amount consisting of any compensation benefits to which such claimant would have been entitled pursuant to title III of this Act, together with any reasonable attorney's fees and costs incurred as a result of the failure to discharge such duty, and an additional amount not to exceed the amount of any damages or compensation benefits actually awarded to the claimant pursuant to this section or titles II or III of this Act.

(d) No award shall be made to any person pursuant to subsection (c) of this section if such person was aware of his or her rights under the Act and acted in bad faith in failing to pursue an action or claim under this Act.

(e) Any action brought pursuant to this section may be brought in any State court or district court of the United States which would otherwise have jurisdiction over any action under title II of this Act or claim under title III of this Act. An action brought pursuant to this section must be served and filed within one year from the time the claimant discovered, or in the exercise of reasonable diligence, should have discovered that the claimant's rights to recover under this Act had been impaired by the failure of an attorney, manufacturer or product seller to comply with subsection (a) of this section.

(f) In any action commenced under title II or III of this Act, a copy of any notice required by subsection (a) of this section and supplied by the attorney shall be attached to the plaintiff's complaint, together with an affidavit of service of such notice. A copy of any such notice supplied to the claimant by the defendant shall be attached to the defendant's answer, together with an affidavit of service of such notice.

ADMISSIBILITY OF CERTAIN EVIDENCE

SEC. 105. Evidence that a manufacturer or product seller has admitted liability, expressly or impliedly, to a claimant for harm caused by a product in the course of—

(1) making a payment under section 304 of this Act,

(2) rejecting a claim for compensation benefits under section 304 of this Act, or

(3) making a final offer of settlement under section 309 of this Act,

shall not be admissible in any other action brought under title II or III of this Act.

SEPARABILITY CLAUSE

SEC. 106. If any provision of this Act or the application of it to any person or circumstance is held invalid, the remainder of this Act and the application of the provision to any other person or circumstance shall not be affected by that invalidation.

EFFECTIVE DATE

SEC. 107. (a) This Act shall be effective 90 days after the date of its enactment. In accordance with sections 207 and 303 of this Act, this Act shall apply to all product liability actions or claims commenced or brought on or after that date, regardless of whether the conduct which caused the harm, or the exposure to the product which caused the harm, occurred before the effective date.

(b) If any provision of this Act would shorten the period during which a manufacturer or seller is exposed to liability under this Act, the claimant may, notwithstanding the otherwise applicable time period in section 207 or 303 of this Act, bring such action or claim within 1 year after the effective date of this Act.

TITLE II

PRODUCT LIABILITY ACTION

SEC. 201. Any claimant may bring a product liability action for damages against a product manufacturer or seller for harm caused by such product pursuant to applicable State law, except to the extent such law is superseded by this title.

JURISDICTION

SEC. 202. The district courts of the United States shall not have jurisdiction over any civil action subject to the provisions of this title, based on sections 1331, 1332 or 1337 of title 28, United States Code. The district courts of the United States shall have jurisdiction over any civil action with respect to which a motion and removal petition are filed in accordance with section 203 of this Act.

REMOVAL OF ACTIONS

SEC. 203. (a) A civil action brought in any State court which is subject to the provisions of this title may not be removed to any district court of the United States, except by motion and petition of a party in accordance with subsection (b) of this section.

(b)(1) When product liability actions involving one or more common questions of fact are pending in different States, such actions may be transferred to any district court of the United States for coordinated or consolidated pretrial or trial (or both) proceedings. Such transfers shall be made by the judicial panel on multidistrict litigation authorized by section 1407 of title 28, United States Code, upon its determination that transfers for such proceedings will be for the convenience of parties and witnesses and will promote the just and efficient conduct of such actions. Each such transferred action shall be remanded by the panel at or before the conclusion of such pretrial or trial proceedings to the State from which it was transferred, unless it shall have been previously terminated, except that the panel may separate any claim, cross-claim, counter-claim, or third-party claim and remand any of such claims before the remainder of the action is remanded.

(2)(A) Such coordinated or consolidated pretrial or trial proceedings shall be conducted by a judge or judges to whom such actions are assigned by the judicial panel on multidistrict litigation. For this purpose, upon request of the panel, a circuit judge or a district judge may be designated and assigned temporarily for service in the transferee district by the Chief Justice of the United States or the chief judge of the circuit, as may be required, in accordance with the provisions of chapter 13 of title 28, United States Code.

(B) In any case coordinated or consolidated for trial under this subsection, the State law to be applied to the action (except as otherwise specifically provided in this title) is the law of the State in which is located the district court of the United States to which such action was transferred.

(3)(A) Proceedings for the transfer of an action under this section may be initiated by motion filed with the panel by a party in any action in which transfer for coordinated or consolidated pretrial or trial proceedings under this section may be appropriate. A copy of such motion, together with a petition for removal, shall be filed in the district court of the United States for the district in which the moving party's State action is pending.

(B) The panel shall give notice to the parties in all actions in which transfers for coordinated or consolidated pretrial or trial proceedings are contemplated, and such notice shall specify the time and place of any hearing to determine whether such transfer shall be made. Orders of the panel to set a hearing and other orders of the panel issued prior to the order either directing or denying transfer shall be filed in the office of the clerk of the district court in which a transfer hearing is to be held or has been held. The panel's order of transfer shall be based upon a record of such hearing at which material evidence may be offered by any party to an action pending in any district or State court that would be affected by the proceedings under this subsection, and shall be supported by findings of fact and conclusions of law based upon such record.

(C) Orders of transfer and such other orders as the panel may make thereafter shall be filed in the office of the clerk of the district court of the transferee district and shall be effective when so filed. The clerk of the transferee district court shall immediately transmit a certified copy of the panel's order to transfer to the clerk of the State court in which the action was originally maintained and the district court from which the action is being transferred. An order denying transfer shall be filed in the State court from which the case was removed and the district court to which the case was removed.

(c) As used in this section, "State court" does not include a court in which questions of fact are subject to review de novo.

JURISDICTION AND VENUE

SEC. 204. (a) Under this title, a civil action may be brought in a State court in the State in which the defendant resides or has its principal place of business, in which the harm which is the subject of the action occurred, in which the product was sold to the plaintiff, or in which the plaintiff resides if the defendent is doing business in that State. For the purposes of this section, harm which is incurred due to prolonged or repeated exposure to a product or which remains latent for a period following exposure to the product is presumed to occur in any State in which any such exposure occurred or in which the claimant resided during such latent period.

(b) The summons and complaint in such an action shall be served as provided by the law of the State in which the action is brought, except that the delivery of the summons and complaint to the defendant or the defendant's agent as required by the law of such State may be made by certified mail beyond the territorial limits of the State in which the action is brought.

FORUM NON CONVENIENS

SEC. 205. Any court in which an action is commenced under this title may decline to exercise jurisdiction over ther claim if the court determines that the convenience of the parties and the interests of justice dictate that the action should proceed in another State or foreign jurisdiction.

CHOICE OF LAW

SEC. 206. In any civil action subject to the provisions of this title, the law to be applied to the action, except as otherwise specifically provided in this title, is the law of the State in which the action is maintained, except that no State law regarding the choice-of-law shall apply.

LIMITATION OF ACTIONS

SEC. 207. Notwithstanding the law of any State, a civil action subject to the provisions of this title shall be barred unless the complaint is served and filed within 3 years of the time in which the claimant discovered or, in the exercise of reasonable diligence, should have discovered the harm and its cause, except that any such action of a person under legal disability may be commenced within 3 years after the disability ceases. If the commencement of such an action is stayed or enjoined, the running of the statute of limitations under this section shall be suspended for the period of the stay or injunction.

LIMITATION ON DAMAGES

SEC. 208. In any action subject to the provision of this title, and notwithstanding the law of any State, no punitive damages and no damages to compensate for non-economic loss may be awarded in an action with respect to which liability for a defect in design or a failure to warn or instruct is established on a theory of strict or absolute liability, breach of implied warranty, failure to meet consumer expectations (unless such failure constitutes negligence) or any other theory which is based on the condition of the product without regard to the fault of the defendant.

JOINT AND SEVERAL LIABILITY

SEC. 209. (a) If more than one person is liable to a claimant on an indivisible claim for the same harm, the liability of such persons shall be joint and several.

(b) A right of contribution exists between or among two or more persons who are jointly and severally liable upon the same indivisable claim for the same harm, without regard to whether judgment has been recovered against all or any of such persons. Such right of contribution may be enforced either in the original action or by a separate action brought for that purpose. The basis for contribution among such liable persons is the comparative fault of each such person, except that the court may determine that two or more persons are to be treated as a single person for purposes of contribution.

(c) If the comparative responsibility of the parties jointly responsible for the same harm to the claimant has been established by the court in the original action, and one or more of the parties is not liable in contribution as a matter of law, any party liable to the claimant for a sum in addition to its percentage of responsibility pursuant to subsection (a) of this section may have such additional sum reduced by an amount equal to any collateral benefits which have been received by the claimant.

SUBSEQUENT REMEDIAL MEASURES

SEC. 210. Evidence of measures taken after an event, which if taken previously would have made the event less likely to occur, is not admissible to prove liability in any action subject to this title, in connection with the event. This section does not require the exclusion of evidence of subsequent measures when offered for another purpose, such as proving ownership, control, or feasibility of precautionary measures, if controverted, or impeachment.

ACTIONS AGAINST PRODUCT SELLERS

SEC. 211. (a) Except as provided in subsection (b) of this section, a product seller, other than a manufacturer, is not liable to the claimant where—

(1) the product is expected to and does reach the user or consumer without material change in the condition in which it left the control of the manufacturer; and

(2) any warnings or instructions about the product or its use made by the manufacturer were supplied by the product seller to the user or consumer.

(b) A product seller, other than a manufacturer, shall have the liability of a manufacturer to the claimant if—

(1) no solvent manufacturer who would be liable to the claimant is subject to service of process under the laws of any State in which such action may be maintained;

(2) the court determines that it is highly probable that the claimant would be unable to enforce a judgment against any manufacturer;

(3) the product seller is a controlled subsidiary of the manufacturer;

(4) the product seller provided the plans or specifications for the manufacture or preparation of the product and such plans or specifications were a proximate cause of the defect in the product; or

(5) the product was marketed under a trade name or brand name of the product seller.

(c) In any action in which a product seller is a defendant and asserts as a defense to the action that none of the factors set forth in subsections (a) and (b) of this section is applicable, the court may, based on the likelihood of the defendant prevailing on that defense, bifurcate and seriate any pretrial proceedings, including discovery, or the trial, or both, on the issues of liability or damages between the product seller and any other defendant.

TIME LIMITATION ON LIABILITY

SEC. 212. (a) Except as provided in subsection (b) of this section, a manufacturer or seller shall not be subject to liability to a claimant for harm caused by a product in any action subject to the provisions of this title if the manufacturer proves, by a preponderance of the evidence, that the harm was caused after the product's useful safe life.

(b) A manufacturer or product seller may be subject to liability for harm caused by a product after its useful safe life if—

(1) the manufacturer has warranted that the product can be utilized safely for a time longer than the useful safe life;

(2) the manufacturer intentionally misrepresents facts about the product or intentionally conceals information about the product and that concealment was the proximate cause of claimant's harm; or

(3) the harm was caused by exposure to a product, which exposure first occurred within the useful safe life of the product, even though the harm did not manifest itself until after the useful safe life.

(c)(1) In any action brought under this title, there is a presumption that the harm was caused after the useful safe life of the product—

(A) if, in the case of a capital good, the harm was caused more than 25 years after the time of delivery of the product; and

(B) if, in the case of a product which is not a capital good, the harm was caused more than 12 years after the time of delivery of the product.

Such presumption may be rebutted by a preponderance of the evidence.

(2) As used in this subsection, "capital good" means any product, other than a motor vehicle, or a vessel, aircraft, or railroad used primarily to transport passengers, or any component of any such product, if it is also of a character subject to allowance for depreciation under the Internal Revenue Code of 1954, and was—

(A) used in a trade or business;

(B) held for the production of income; or

(C) sold or donated to a governmental or private entity for the production of goods, for training, for demonstration, or other similar purposes.

(d) As used in this section—

(1) "time of delivery" means the time when a product is delivered to its first purchaser or lessee who was not involved in the business of manufacturing or selling such product or using it as a component part of another product to be sold; and

(2) a product's "useful safe life" begins at the time of the first use of the product following delivery and extends for the time during which the product would normally be likely to perform or be stored, or both, in a safe manner.

RECOVERY OF COMPENSATION BENEFITS IN STATE COURT

SEC. 213. (a) In any action brought subject to the provisions of this title in which the claimant alleges a defect in the design of a product or a failure to warn or instruct about a product or its use and in which the trier of fact finds that the claimant is not entitled to damages under applicable State law but would have been entitled to compensation benefits from the defendant had the claimant brought a claim pursuant to title III of this Act, the court shall enter judgment in favor of the claimant for the amount of compensation benefits (as determined by the trier of fact), except that such benefits shall not include any amount allocable to the attorney's fees and costs incurred in preparation for or during, trial.

(b) In any action brought under this title in which the claimant alleges a defect in the design of a product or a failure to warn or instruct about a product or its use and in which (before taking evidence from the defendant) the court, with respect to each cause of action not subject to the limitations in section 208 of this title, grants to the defendant a judgment on the pleadings, summary judgment, or a directed verdict, the claimant shall pay the reasonable attorney's fees and costs of the defendant in an amount not to exceed one-half of any recovery by the claimant under State law or under subsection (a) of this section. If no recovery by the claimant is permitted pursuant to State law or pursuant to subsection (a) of this section, the claimant shall pay all of the defendant's reasonable attorney's fees and costs.

(c) The court shall decline to assess attorney's fees and costs and shall reduce the amount of attorney's fees and costs for which a claimant is liable pursuant to subsection (b) of this section if the court determines that the presentation of the claimant's case was in good faith and presented an unsettled or novel but credible question of law.

TITLE III

PRODUCT LIABILITY COMPENSATION CLAIM

SEC. 301. (a) Any claimant who does not bring a product liability action under title II of this Act may file a claim in accordance with this title. The election to bring a civil action under title II of this Act, to accept compensation benefits tendered in accordance with this title, or to bring a civil action under this title shall be binding on the claimant. The remedy afforded by such binding election by the claimant shall constitute the claimant's exclusive remedy

under this Act for harm which is the subject of such claim and which is caused by the product.

(b)(1) A claimant may bring a claim against a manufacturer or seller pursuant to this title prior to the receipt by the claimant of any collateral benefits or the determination of the amount of any collateral benefits to which the claimant is entitled.

(2) An election to proceed under this title prior to such receipt or determination operates as an assignment to the manufacturer or seller of any cause of action relating to such benefits. The claimant shall cooperate with any such manufacturer or seller in the collection of payment of such benefits.

(3) A manufacturer or product seller to whom such a cause of action has been assigned shall be entitled to retain from amounts received as a result of such assignment the compensation benefits paid to or on behalf of the claimant, together with any expenses incurred in recovering such payment. After such payment to the manufacturer or product seller, any remaining balance of compensation benefits shall be paid to the claimant.

DUTY OF MANUFACTURER AND PRODUCT SELLER

SEC. 302. (a) For the purposes of this title, a manufacturer who manufacturcs or a product seller who selis any product in a condition unreasonably dangerous to a user or consumer of the product or to a bystander, to the property of a user, consumer or bystander, is liable for compensation benefits for harm caused by the product to such user or consumer, property, or bystander if the product is expected to and does reach such user or consumer without material change in the condition in which it left the control of the manufacturer or product seller, or in which it was sold. This subsection applies even if—

(1) the manufacturer or product seller has exercised all possible care in the preparation or sale of the product;

(2) such user or consumer has not brought the product from or entered into any contractual relation with the manufacturer or product seller; or

(3) the product is one which is unavoidably unsafe.

(b) For the purpose of this title, a manufacturer who manufactures or a product seller who sells any product who has not provided adquate warnings or instructions about the product or its use and thereby renders the product unreasonably dangerous to a user or consumer of the product or to a bystander, or to the property of a user, consumer or bystander, is liable for compensaton benefits for harm caused by the product to such user or consumer, property, or bystander if the product is expected to and does reach such user or consumer without material change in the condition in which it left the control of the manufacturer or product seller or in which it was sold. This subsection applies even if—

(1) the manufacturer or product seller has exercised all possible care in providing warnings or instructions with respect to the product or its use;

(2) such user or consumer has not brought the product from or entered into any contractual relation with the manufacturer or product seller;

(3) the product is one which is unavoidably unsafe; or

(4) prior to the occurrence of such harm, the manufacturer or product seller could not have known about the potential of the product to cause the harm.

(c)(1) As used in this section, "unavoidably unsafe" has the meaning given to such term in Comment K to s402A of the Restatement of the Law of Torts Second, American Law Institute (1966), except that a product may be unreasonably dangerous to a user, consumer or bystander, notwithstanding the fact that such product is not unreasonably dangerous to the general public.

(2) For the purposes of this section, a product is not unreasonably dangerous to a user of the product if such user or consumer—

(A) was aware of the danger and the magnitude of the harm which could result from such danger; and

(B) despite such awareness, voluntarily and unreasonably proceeded to encounter such danger.

LIMITATION OF CLAIM

SEC. 303. A claim brought against a product manufacturer or seller pursuant to this title shall be barred unless notice in accordance with section 304 of this title is served on the manufacturer or product seller within three years of the time in which the claimant discovered or, in the exercise of reasonable diligence, should have discovered the harm and its cause. This section shall not bar a claim against a product seller in accordance with section 311 of this title if the notice required by section 304 of this title is served on such subject seller within four years of the time in which the claimant discovered or, in the exercise of reasonable diligence, should have discovered, the harm and its cause, if a claim against the manufacturer had been brought within the three year limitation specified in this section.

OBLIGATION TO PAY COMPENSATION BENEFITS

SEC. 304. (a)(1) A manufacturer or product seller who is liable to any claimant pursuant to section 302 of this title shall pay to that claimant compensation benefits in accordance with subsection (b) of this section within 60 days of submission by the claim ant, or the claimant's authorized represent ative, of a claim consisting of notice that the claimant is (A) bringing a claim pursuant to this section, or (B) seeking only recovery for otherwise uncompensated economic loss, and reasonable proof of the fact of harm, a description of the circumstances under which the harm occurred, and amount of compensation benefits sought by the claimant.

(2) If compensation benefits are not paid on a timely basis under paragraph (1) of this subsection, a claimant entitled to such benefits shall be entitled to receive interest on the unpaid amount of such benefits at a rate equal to the coupon issue yield equivalent (as determined by the Secretary of the Treasury) of the average accepted auction price for the last auction of 52-week United States Treasury bills settled immediately prior to the expiration of the 60-day period established by this subsection.

(3) Payment of compensation benefits by a manufacturer or product seller pursuant to this section and acceptance of such benefits by the claimant shall discharge the manufacturer or product seller from any further liability to the claimant with respect to such harm, except to the extent that such a payment includes an obligation to pay benefits at a future time.

(b) An obligation to pay compensation benefits may be satisfied by—

(1) the payment of benefits previously accrued and an enforceable promise to pay future benefits as they accrue;

(2) an agreement to pay benefits by means of an annuity; or

(3) payment of a lump sum.

No such compromise and release shall be made if the claimant is not represented by counsel and the claim has a current value of damages, in excess of $5,000 unless, upon petition, a court which would otherwise have jurisdiction over the matter determines that the settlement is fair to the claimant.

(c) A manufacturer or product seller who disputes only that portion of the compensation benefits sought by the claimant which reflect the claimant's attorney's fees may, for the purposes of avoiding any penalty imposed by this title for failure to pay compensation benefits on a timely basis, pay such undisputed benefits directly to the claimant or to such claimant's attorney, in trust. Payment of such benefits to the claimant or attorney shall discharge the manufacturer or product seller for liability to the claimant for the claimant's damages and the provisions of this title shall apply to the remainder of the claim which reflect the claimant's attorney's fees.

(d) A manufacturer or product seller who rejects a claim for compensation benefits shall give to the claimant, within 60 days of submission of notice of such claim, written notice of the rejection and the reasons for such rejection.

(e) As used in this section, "harm" is that harm of which a claimant is aware or, in the exercise of reasonable diligence, should have been aware at the time a claim is made under this subsection.

PAYMENT OF COMPENSATION BENEFITS

SEC. 305. (a) Compensation benefits may be paid under section 304 of this title either to the claimant or, upon agreement by the claimant and the manufacturer or seller, to the person supplying the products, services, or accommodations to the claimant.

(b)(1) Except as otherwise provided in this subsection, compensation benefits shall be paid without deduction or setoff.

(2) Except as provided in section 301(b) of this title, an assignment or an agreement to assign any right to compensation benefits under this title for damages accruing in the future is unenforceable, except as to benefits for—

(A) work loss to secure payment of alimony, maintenance, or child support; or

(B) allowable expenses to the extent the benefits are for the cost of products, services, or accommodations provided or to be provided to the claimant.

(3)(A) Compensation benefits for allowable expenses are exempt from garnishment, attachment, execution, and any other process or claim, except upon a claim of a creditor who has provided products, services, or accommodations to the extend benefits are for allowable expense for those products, services, or accommodations.

(B) Compensation benefits other than those for allowable expense are exempt from garnishment, attachment, execution, and any other process or claim to the extent that wages or earnings are exempt under any applicable law exempting wages or earnings from process or claims.

(c)(1) A manufacturer or product seller who has paid compensation benefits under section 304 of this title may bring an action against a person to recover compensation benefits paid because of an intentional misrepresentation of a material fact by that person upon which the manufacturer or product seller relied. Such an action may not be brought against the claimant unless the claimant made or knew of the making of the misrepresentation. Any such action may only be brought in the district court of the

United States for the district in which the defendant resides or in which the claimant's harm occurred, and must be served and filed within one year of the date that the manufacturer or seller discovered or, in the exercise of reasonable diligence, should have discovered such misrepresentation.

(2) If a manufacturer or product seller prevails in an action under paragraph (1) of this subsection, the manufacturer or product seller may offset amounts it is entitled to recover as a result of such action against any compensation benefits otherwise due to such person. A manufacturer or product seller who prevails in an action under paragraph (1) of this subsection may receive interest on the amount the manufacturer or product seller is entitled to recover as a result of such action at the rate specified in section 304(a)(2) of this title, calculated from the date of payment of such compensation benefits, together with reasonable attorney's fees and costs.

DUTY TO DISCLOSE INFORMATION

SEC. 306. (a) To the extent permitted by any Federal or State law, and upon request of a claimant or a manufacturer or product seller, information relevant to payment of compensation benefits shall be disclosed as follows:

(1) The claimant shall furnish evidence of the claimant's earnings, if the claimant is self-employed.

(2) Any employer of the claimant shall furnish a statement of the relevant work record and earnings of the claimant who is or was an employee of the employer, for the period specified by the person making the request, which may include a reasonable period before, and the entire period after, the harm was incurred.

(3) The claimant shall, upon request, deliver to the manufacturer or product seller a copy of every written report made before or after the date of request which is available to the claimant and is not otherwise available to the person making the request, concerning any medical treatment or examination of the claimant. The claimant shall, upon request, deliver to the manufacturer and product seller the names and addresses of all physicians, hospitals and other persons and entities examining, diagnosing, treating, or providing accommodations to the claimant in regard to the harm or to a relevant past harm. The claimant shall authorize the person making such request to inspect and copy all relevant records made by such persons and entities.

(b) Any person (other than the claimant or a manufacturer or product seller) providing information under this subsection may charge the person making the request for information a reasonable charge for providing such information.

(c) If any person required to deliver information pursuant to subsection (a) of this section fails to deliver such information, the person who made the request for such information may petition any district court of the United States which would have jurisdiction over any action brought pursuant to section 308 of this title for an order requiring such delivery. The court shall impose such sanctions on the person failing to deliver the information as are appropriate and may lengthen any time period for action by any person under this title, as appropriate in the interests of justice.

ARBITRATION

SEC. 307. (a) If a manufacturer or product seller rejects a claim for compensation benefits and gives written notice of such rejection in accordance with section 304(d) of this title, the claimant and the manufacturer or product seller may submit the matter to arbitration on the items at issue as set forth in the notice, including the appropriate level of compensation benefits. The decision of the arbiter under this section shall be final and binding on the parties.

(b) If the arbiter determines that the manufacturer or product seller's rejection of the claim or refusal to agree to the level of compensation benefits was unreasonable or not in good faith, the arbiter may, in addition to interest due on the unpaid amount of such benefits (at the rate specified in section 304(a)(2) of this title), award the claimant an additional amount up to 25 percent of the amount of compensation benefits awarded.

ACTION TO RECOVER COMPENSATION BENEFITS

SEC. 308. (a)(1) If a manufacturer or product seller does not pay compensation benefits in a timely fashion as required by section 304 of this title, and the parties do not agree to submit the matter to arbitration as permitted under section 307 of this title, a claimant may commence, by service and filing, an action to recover such compensation benefits within one year of the expiration of the 60-day period for payment under section 304 of this title. Such an action must be brought in the district court of the United States for the district in which the defendant resides or has its principal place of business, in which the harm which is the subject of the claim occurred, in which the product was sold to the plaintiff, or in which the plaintiff resides if the defendant is doing business in that district.

(2) The summons and complaint in such an action shall be served as provided by the Federal Rules of Civil Procedure, except that the delivery of the summons and complaint to the defendant or the defendant's agent as required by the Rules may be made by certified mail beyond the territorial limits of the district in which the action is brought.

(b) If the manufacturer or seller fails to give the claimant the notice of rejection required by section 304(d) of this title or the notice required by section 309 of this title, the court shall, unless it determines otherwise in the interests of justice, direct a verdict in favor of the claimant. The court shall enter judgment in the amount set forth in the claimant's notice of claim previously submitted to the manufacturer or product seller pursuant to section 304 of this title, together with interest on such amount (at the rate specified in section 304(a)(2) of this title), and reasonable attorney's fees and costs associated with such civil action. The court shall also impose a civil penalty against the defendant for the benefit of the claimant in such amount (not to exceed twice the amount of compensation benefits) as the court may determine to be appropriate. In imposing such civil penalty, the court shall consider the nature of the defendant's conduct and the length of delay in the payment of compensation benefits to the claimant.

(c) If notice of rejection has been provided to the claimant in accordance with section 304(d) of this title, the issues at trial shall be limited to those set forth in such notice unless the issues are further limited by the notice provided pursuant to section 309 of this title. If the issues are limited by the notice provided pursuant to section 309 of this title, the issues at trial shall be limited to those set forth in such notice.

FINAL OFFER OF SETTLEMENT AND SETTLEMENT CONFERENCE

SEC. 309. (a) Not later than 30 days before a trial is scheduled to commence, the defendant shall serve on the claimant and the court a written notice of either an admission of liability for the harm caused by a product to the claimant and a final offer of settlement or a denial of liability for such harm. Such offer of settlement may take any form permitted by section 304(b) of this title.

(b) Where the defendant denies liability for such harm pursuant to subsection (a) of this section, and the trier of fact finds that liability exists, the court shall enter judgment for the claimant in an amount equal to the total of all compensation benefits, together with interest on such amount (at the rate specified in section 304(a)(2) of this title), and reasonable attorney's fees and costs associated with such civil action. If the court determines that the denial of liability was not in good faith, the court shall impose a civil penalty against the defendant for the benefit of the claimant in such amount (not to exceed twice the amount of compensation benefits) as the court may determine to be appropriate. In imposing such civil penalty, the court shall consider the nature of the defendant's conduct and the length of delay in the payment of compensation benefits to the claimant.

(c)(1) Where the defendant does not deny liability and the court determines that the defendant's failure to pay compensation benefits to the claimant in a timely manner in accordance with section 304 of this title was unreasonable or not in good faith, or that the defendant's final offer of settlement was not made in good faith, the court shall enter judgment for the claimant in an amount equal to the total of all compensation benefits, together with interest on such amount (at the rate specified in section 304(a)(2) of this title), and reasonable attorney's fees and costs associated with such civil action. The court shall also impose a civil penalty against the defendant for the benefit of the claimant in such amount (not to exceed twice the amount of compensation benefits) as the court may determine to be appropriate. In imposing such civil penalty, the court shall consider the nature of the defendant's conduct and the length of delay in the payment of compensation benefits to the claimant.

(2) For the purposes of paragraph (1) of this subsection, where the claimant's prayer for relief seeks a liquidated sum and the defendant has made a final offer of a liquidated sum, a determination by the trier of fact that a claimant is entitled to benefits of—

(A) 20 percent or more above the level of benefits in the defendant's final offer of settlement creates a presumption that the defendant's final offer of settlement was not made in good faith; and

(B) more than 20 percent below the level of benefits in the defendant's final offer of settlement creates a presumption that the claimant's rejection of such offer of settlement was not made in good faith.

Either such presumption may be rebutted by a preponderance of the evidence.

(d) If the court determines that maintenance of the action by the claimant or the refusal of the claimant to accept the defendant's final offer of settlement was not in good faith, the claimant shall pay the defendant's reasonable attorney's fees and costs incurred from the commencement of the action or the time of refusal of the final offer of settlement, as appropriate.

(e)(1) Not earlier than 30 days before a trial under this section commences, the Chief Judge of the district in which the case is to be heard shall appoint a judge of the district to conduct a settlement conference before trial. The clerk of the court shall notify all parties of the date, time, and place of the conference, and the name of the judge or judge pro tempore who will conduct the conference.

(2) The attorney for each party, and the party if the notice requires it, must attend the settlement conference on the date, time, and place specified in the clerk's notice.

(3) If the parties agree to a settlement, to limit further the issues in such trial, or to other matters to promote the prompt and fair disposition of the action, the judge conducting such conference may enter an order consistent with such agreement. If the settlement conference order fully settles the action, judgment shall immediately be entered as indicated in the order. In all other cases, the order is binding on the parties at trial, except to the extent the court otherwise directs on its own initiative or motion of a party for good cause shown.

(4) If a party or counsel for a party fails to comply with this subsection or fails to comply with a settlement conference order, the court may impose such sanctions as it deems appropriate.

(5) The judge conducting such conference may preside over the trial of the action unless (A) the judge decides it is in the interest of justice that the judge refrain from presiding over the trial; or (B) a party disqualifies the judge by request to the clerk of the court. A party may disqualify a judge without cause. Each clerk of the court shall adopt and implement a procedure to preserve the confidentiality of the identity of a party who disqualifies a judge.

LIMITATION ON FEES

SEC. 310. Notwithstanding any State law, no claimant proceeding under this title shall be liable to any person rendering legal assistance or representation to the claimant in pursuing a claim under this title for any amount which would exceed 50 percent of that portion of compensation benefits actually paid to, or accepted or claimed by, the claimant and which is allocable to attorney's fees, whichever is less.

CLAIM WHEN MANUFACTURER OR PRODUCT SELLER UNKNOWN

SEC. 311. (a)(1) Where a claimant is unable to identify the manufacturer or product seller of the product which caused the claimant's harm, a claimant under this title is entitled to recover from a manufacturer or product seller who had any share of the national market for the product which caused the claimant's harm at the time the harm occurred or at the time of the exposure to the product. Any such manufacturer or product seller is liable for the full measure of any compensation benefits to which the claimant may be entitled under this title, notwithstanding the fact that the claimant is unable to prove that the manufacturer or product seller against whom the claim is made was the manufacturer or product seller of the particular product which caused the claimant's harm.

(2) Any manufacturer or product seller who is able to establish, by a preponderance of the evidence, (A) the identity of the manufacturer or product seller of the particular product which caused the claimant's harm, or (B) that the manufacturer, as a matter of fact, could not have made the product which caused the claimant's harm, is not liable for such harm. Evidence that the manufacturer did not distribute its product in the claimant's local market shall not be admissible under this paragraph.

(b) Any manufacturer or product seller who makes payment to a claimant pursuant to this section shall be entitled to recover from any other manufacturer or product seller who had any share of the national market for the product which caused the claimant's harm at the time the harm occurred or at the time of the exposure to the product. Such recovery shall be in an amount equal to that percentage of the compensation benefits paid to the claimant which represents such other manufacturer's or product seller's share of the national market at the time the harm occurred or at the time of the exposure to the product. Any manufacturer or product seller who pays compensation benefits to a claimant pursuant to this section may proceed directly against any other manufacturer or product seller pursuant to this title as if such manufacturer or product seller is a claimant.

(c) A payment of compensation benefits to a claimant by any manufacturer or product seller pursuant to this section shall be final and binding on all other manufacturers or sellers on the issue of liability to the claimant and on the issue of the amount of benefits to which the claimant is entitled.

LIABILITY OF PRODUCT SELLER

SEC. 312. (a) No claimant may bring an action against a product seller under the provisions of this title unless such claimant has exhausted the claimant's remedies against the product manufacturer under this title where—

(1) the product is expected to and does reach the user or consumer without material change in the condition in which it left the control of the manufacturer; and

(2) any warnings or instructions about the product or its use made by the manufacturer were supplied by the product seller to the user or consumer.

(b) Notwithstanding the provisions of subsection (a) of this section, a claimant need not, prior to making a claim against a product seller, bring an action against the manufacturer pursuant to section 308 of this title if—

(1) no solvent manufacturer who would be liable to the claimant is subject to service of process in any district in which the action may be maintained;

(2) it is highly probable that the claimant would not be able to enforce a judgment against any manufacturer;

(3) the product seller is a controlled subsidiary of the manufacturer; or

(4) the product was marketed under a trade name or brand name of the product seller.

PENALTY

SEC. 313. Any person who knowingly makes a fraudulent claim under this title, or any person who knowingly makes an intentional misrepresentation of a material fact upon which a claimant, manufacturer or product seller relies or is entitled to rely with respect to any claim brought pursuant to this title, shall be fined not more than $1,000 or imprisoned not more than one year, or both.

JURISDICTION

SEC. 314. The district courts of the United States shall have exclusive jurisdiction over actions arising under this title without regard to the amount in controversy.

TREATMENT OF COMPENSATION BENEFITS FOR TAX PURPOSES

SEC. 315. Nothing in this Act shall be construed to render compensation benefits (other than that portion of compensation benefits which constitute attorney's fees and which are paid to an attorney) includable as gross income for the purposes of section 61 of the Internal Revenue Code of 1954.

RELATIONSHIP TO COLLATERAL BENEFITS

SEC. 316. The recovery permitted pursuant to this title is supplementary to any benefit or advantage to which the claimant is entitled pursuant to any collateral benefit. The recovery from the manufacturer or seller permitted by this title shall not be made primary by agreement, or by waiver by the claimant. Words or actions by any party in any form or context which seek to make recovery under this title primary shall have no force or effect.

TITLE IV

PRODUCT LIABILITY STUDY GROUP

SEC. 401. (a) In order to carry out the purposes of this title, there shall be established a Product Liability Study Group (hereinafter referred to as the "Study Group").

(b) The Chief Justice of the United States, and the President, Chairman, or Secretary of the American Bar Association, the Office of the Administrator of the Courts, the Department of Commerce, and the Consumer Product Safety Commission shall select three members from each organization or from the general public to be members of the Study Group. The Study Group shall select a Chairman from among its members.

(c) A member of the Study Group who is not an officer or employee of the Federal Government shall be entitled to receive compensation at a rate not to exceed the daily equivalent of the annual rate of basic pay in effect for grade GS-18 of the General Schedule pursuant to section 5332 of title 5, United States Code, for each day (including traveltime) during which the member is engaged in the actual performance of the duties of the Study Group. While away from the member's home or regular place of business, a member of the Study Group may be allowed travel or transportation expenses, including per diem in lieu of subsistence, as provided in section 5703 of title 5, United States Code, for persons in the Government service employed intermittently.

RESPONSIBILITIES OF THE STUDY GROUP

SEC. 402. (a) The Study Group shall conduct a study to determine the adequacy of—

(1) existing common law and statutory remedies in providing legal relief for harm caused to large numbers of individuals due to exposure to or use of a product; and

(2) judicial resources and procedures to resolve mass tort cases, including cases arising out of such exposure or use.

(b) In determining the adequacy of existing common law and statutory remedies to provide legal relief for harm caused to large numbers of individuals due to exposure to or use of a product, the Study Group shall evaluate—

(1) the nature, adequacy, and availability of remedies provided under current law (including this Act), in compensating for harm to individuals from exposure to or use of a product;

(2) the nature, adequacy, and availability of recovery for harm caused in the workplace due to the use of a product or for dis-

eases which are caused by individuals' occupations;

(3) the nature of barriers to recovery (particularly with respect to burdens of proof of going forward, proof of relevancy, and difficulties in proving causation) and the role of such barriers in the legal system; and

(4) whether there is a need to address the consequences of the cumulative effects of punitive damage awards in multiple tort cases brought against the same alleged tortfeasor.

(c) In determining the adequacy of judicial resources and procedures to resolve mass tort cases arising out of exposure or use of products, the Study Group shall evaluate—

(1) the adequacy of the multi-district litigation panel process to resolve the difficulties of mass tort litigation, including the convenience of the parties, judicial efficiency, and any other difficulties associated with cases involving multiple parties, multiple venues and a conflict of laws;

(2) the fairness to defendants and plaintiffs of applying different substantive standards of liability based on the location where the harm occurred or the choice of forum by plaintiffs whose claims arise out of the same transaction or alleged product defect;

(3) the adequacy of judicial systems and resources at the Federal and State levels to resolve mass tort actions;

(4) the advisability of establishing a new court or department within an existing court system to resolve such mass tort cases in a more efficient, less costly, and more expeditious fashion, as well as the feasibility and advisability of consolidating punitive damages actions in such a court or department; and

(5) whether the Congress should further study or take other action with respect to the adjudication of claims rising out of aviation accidents and the standards of liability relating to such accidents.

(d) In conducting such study, the Study Group may—

(1) to the extent provided in advance in appropriation Acts, contract with (A) nongovernmental entities that are competent to perform research or investigations in areas within the Study Group's responsibilities under this section; and (B) nonprofit technical and other organizations for the purpose of developing necessary information for the study required by this section; and

(2) hold public hearings, forums, and workshops, and take testimony to enable full public participation in such study.

(e) The results of the study required by this title shall be submitted to the Congress within 24 months after the date of enactment of this Act.

(f) To assist it in carrying out the study required by this title, the Study Group may, in accordance with the provisions of title 5, United States Code, appoint and fix the compensation of such staff as it considers necessary.

AUTHORIZATION OF APPROPRIATIONS

SEC. 403. For purposes of this title, there are authorized to be appropriated for fiscal years 1986 and 1987 such sums as may be necessary.

Amend the title so as to read: A bill to regulate interstate commerce by providing for a uniform product liability law that affords persons harmed by products equitable and expeditious payment of their damages, and for other purposes.

Mr. GORTON. Mr. President, today I am submitting an amendment in the nature of a substitute to S. 100, the product liability bill. The current state of the law of product liability does not serve either manufacturers, sellers, or consumers well. A protracted and uncertain process of litigation results in the courts awarding too many dollars to a few injured people and too few or no dollars to many other injured people. Moreover, many people who suffer catastrophic injury and are therefore most in need of immediate economic assistance are often those who, under our present system, must wait the longest to recover.

Manufacturers, wholesalers, and retailers spend enormous sums in litigation trying to determine the legal standard by which their conduct will be judged. In many States, unreasonably large verdicts are rendered against defendants who have exercised all possible care in the design of their products. These factors combine to make the process of insuring against product liability claims unnecessarily uncertain.

We can do better. I believe that we can design a system which will provide the proper incentive to reduce the number of avoidable accidents, better distribute limited resources to people injured by products, and accomplish these first two goals in a more efficient and predictable manner than does the current tort law. The result for manufacturers will be added certainty in the law, more predictability in insuring against claims, and lower legal fees.

The fatal flaw of S. 100 is that it will accomplish none of these goals. Strict liability concepts have developed, in part, because of the sense of judges of a need to compensate people injured by products and the view of the superior ability of manufacturers to provide compensation. That need will continue to be seen by judges who will merely interpret the text of S. 100 in a way to achieve the same results as the current system allows. Moreover, the haggling over choice of law and liability standards that takes place in litigation today will continue. Instead of arguing over which State's law should apply, however, the debate will simply refocus on the meaning of the language of S. 100. In sum, we will have only substituted one flawed system for another.

Mr. President, I supported the predecessors of S. 100. But I have become convinced that the bill ought not to become law for several reasons in addition to those mentioned above. First, I do not believe that it will better serve the goals of reducing accidents and compensating deserving injured parties than does the status quo. Second, it would mark a radical departure from a relationship between the States and the Federal Government which has existed since our nation was founded. I know of no other example of a Federal substantive rule of law with respect to which the Federal Government has declined to give the Federal courts any significant degree of jurisdiction. And, finally, in my view we can achieve most of the result that the proponents of S. 100 seek in a manner that will not result in the vociferous and unnecessary opposition of groups which ought to support a reform of the product liability system, such as consumers, organized labor, and representatives of State government.

For 4 years the Senate Commerce Committee has considered legislation on this issue. The debate has been a divisive one. It need not be. In my view, it should be possible for manufacturers, wholesalers, retailers, insurers, consumers, labor, and State representatives to find some common ground and join together to pursue passage of a bill which will benefit both industry and people injured by products.

The manufacturing community is right to want to bring more certainty to the tort system, to reduce transaction costs, and to place reasonable limits on liability in design and warning cases where no fault is involved. I believe, however, that those goals can be accomplished in large measure without imposing a Federal standard of liability on the States. Procedural mechanisms such as choice of law rules and limitations on damages could bring about substantially the same result but do not tread so heavily on legitimate and traditional State prerogatives.

The amendment which I am introducing today is one which I hope will address the legitimate concerns of the proponents of S. 100 and opponents as well. Reform of the law of product liability is essential. But I believe that giving due deference to the significant interests and governmental functions of the States is equally essential.

The amendment has been circulated in draft form to many interested parties, and I have received a number of thoughtful and helpful suggestions. I appreciate the input from people who are concerned about this subject. There are a number of issues and suggestions which I will continue to study and which will almost certainly result in changes in this proposal, such as the issues of punitive damages and foreign claims. I must submit the amendment as it stands today, however, in order to ensure that it is pending before the Commerce Committee prior to the committee taking action on S. 100, the bill it is intended to amend.

Mr. President, I believe we have an opportunity in this Congress to make a substantial improvement in product liability law in this country. I also believe that we can make those changes with the support of consumers, labor,

and State officials. To change the law of the 50 States and territories so fundamentally in an area of traditional State concern without the support of those groups is a questionable policy and an unlikely result in the mind of this Senator. I hope, therefore, that the proponents of S. 100 will start a dialog with these groups to see the extent of which their interests coincide. I think they may be surprised at the results of such an inquiry.

Mr. President, I ask unanimous consent that a summary of the amendment be printed in the RECORD.

There being no objection, the summary was ordered to be printed in the RECORD, as follows:

SUMMARY OF THE GORTON SUBSTITUTE AMENDMENT TO S. 100

During the Senate Commerce Committee's consideration of product liability reform during the 97th and 98th Congresses, it became clear that the existing legal system is not only unsatisfactory for the manufacturers, wholesalers, sellers and insurers who have supported the efforts of Senator Kasten, but also for consumers.

Under current law, recovery for harm caused by a product is neither swift nor sure. To a disturbingly great extent, a relatively few injured people get very large awards, while others get little or nothing. In most cases, the delay of litigation only adds to the injured party's costs and sense of injury. Many claimants must bear the financial burden of their injury for extended periods before they are reimbursed, and during that time they must live with the prospect that they may receive no reimbursement whatsoever. And many, for financial reasons, must retain attorneys on a contingency fee basis which can result in a significant reduction in any amount they may recover.

This amendment is an attempt to address the legitimate concerns of manufacturers, sellers, insurers and consumers. The two tiered system of recovery proposed in the amendment has four goals:

(1) to ensure fair compensation for people who are injured by unreasonably dangerous products;

(2) to encourage prudent behavior by manufacturers, wholesalers and sellers;

(3) to reduce the costs associated with product liability litigation and thus, hopefully, reduce the cost of consumer goods; and

(4) to accomplish the first three goals with a minimum impact on substantive state law.

The "Product Liability and Compensation Act" provides two methods by which an injured person may recover for harm caused by a product.

The amendment consists of three titles. The first contains definitions and other miscellaneous provisions. Title II provides that a person may proceed against a manufacturer or seller pursuant to applicable state law. The title includes several provisions designed to make procedures in such trials more uniform without trampling on substantive state law;

(1) a uniform venue provision,

(2) a uniform choice of law rule,

(3) a uniform statute of limitation,

(4) a uniform rule on joint and several liability,

(5) a uniform rule on evidence of subsequent remedial measures,

(6) a uniform rule on the liability of product sellers,

(7) a uniform statute of response, and

(8) a limitation on damages that may be awarded for non-economic loss in design defect and failure to warn cases premised on a theory of strict liability.

One of the legitimate concerns expressed by manufacturers and sellers has been that there ought to be a distinction made between the liability of a prudent manufacturer of what is nonetheless an unreasonably dangerous product, and a manufacturer whose product is unreasonably dangerous because of his or her negligence. As indicated by (8), above, Title II addresses this issue by limiting damages to economic loss in design defect and failure to warn cases which are not premised on the fault of the manufacturer.

This prohibition of Title II does not apply to cases alleging a construction defect (the product does not comply with the manufacturer's own specifications) or for a breach of an express warranty. There would be no limitation on damages under this bill if, for example, a case alleged that a tire was defective because it had a weak spot and in fact did not meet the manufacturer's own quality control standards. Nor would the amendment limit liability where the manufacturer expressly warranted that the product would perform in a way in which it did not perform and where that failure was the proximate cause of the claimant's injury.

One of the purposes of Title II is to encourage claimants in design defect and failure to warn or instruct cases who do not have a negligence claim against the manufacturer or seller to proceed pursuant to Title III, thereby avoiding extended litigation and receiving payment for their loss in a more expeditious fashion. Those claimants having colorable negligence claims or claims alleging a construction defect or breach of an express warranty may maintain their action in accordance with applicable state law with no limitation on the award of damages imposed by this amendment. The cumulative effect of the provisions of Title II should be a strong incentive for safety in the design and construction of products and a reduction in the uncertainty currently faced by all litigants in a product liability action, and thus transaction costs associated with such litigation.

Title III of the amendment deals with the issue of compensating injured people in a more expeditious way than the current system generally does. It creates a new federal right to receive payment for out-of-pocket economic loss from the manufacturer of an unreasonably dangerous product for harm caused by the product. Such payment is to be made within 60 days of the presentation of a documented claim to the manufacturer unless the manufacturer denies liability or disputes the amount of damages claimed by the injured party. If the claimant cannot identify with particularity the manufacturer of the product, he or she may make a claim against any manufacturer who had a share of the market for the product at the time of injury or exposure which caused the injury. The manufacturer against whom the claim is made may then proceed against any other manufacturer who had a share of the market at the relevant time in accordance with the procedure set forth in the amendment.

Title III also allows the award of damages for the otherwise uncompensated costs of medical monitoring and preventative care. Thus, even though there has not yet been an injury in fact, where exposure to the product has resulted in an out-of-pocket loss, which is considered to be a reasonable expense, the claimant would be compensated. In such a case, the claimant would present a claim to the manufacturer in the same manner as a claimant who has been injured in fact. Of course, if the claimant is later harmed by the exposure to the product, such as a DES son or daughter who develops cancer, a new and independent claim for that injury can be made against the manufacturer.

The remainder of the provisions of Title III are designed to encourage the prompt settlement of valid claims. Penalties are assessed against either party if the party is acting in bad faith. If a federal court action under Title III is commenced, there must be a mandatory pretrial settlement conference. Finally, a limit is placed on the total of attorney's fees which are recoverable from either the manufacturer or claimant.

By providing prompt compensation for out-of-pocket economic loss for persons injured by unreasonably dangerous products, Title III should benefit both consumers and manufacturers. Consumers would be made economically whole without the necessity for protracted litigation. Manufacturers would have many claims for seemingly unlimited recovery diverted to a system which provides for a more modest recovery which can be more easily estimated by insurance companies in their underwriting.

This amendment constitutes an attempt to recognize those aspects of the current system of adjudicating product liability claims that do not serve either the defendant, plaintiff, or other injured consumers and to offer alternatives. Different groups of interested parties may disagree with the choices which have been made in this draft. The question of whether the current system allocates judicial and monetary resources in the most equitable and efficient way, however, is one which will continue to be raised by manufacturers and consumers alike. It deserves our continued review and analysis. I am most willing to work with any person or group to advance the goals of this amendment, and I welcome any input that any interested party cares to offer.

INTERNATIONAL SECURITY AND DEVELOPMENT COOPERATION ACT

LUGAR (AND OTHERS) AMENDMENT NO. 101

Mr. LUGAR (for himself, Mr. PELL, Mr. MATHIAS, Mr. HELMS, Mr. BOSCHWITZ, Mr. MURKOWSKI, Mr. TRIBLE, Mr. EVANS, Mr. SARBANES, Mr. BIDEN, Mr. CRANSTON, Mr. DODD, Mr. KERRY, Mr. PRESSLER, Mr. EAGLETON, Mr. SASSER, and Mr. LAUTENBERG) proposed an amendment to the bill S. 960, supra; as follows:

At the bottom of page 28, add the following:

SUPPLEMENTAL AUTHORIZATION OF APPROPRIATIONS

SEC. 202. (a) In addition to amounts otherwise authorized to be appropriated for the fiscal year 1985 to carry out the provisions of chapter 4 of part II of the Foreign Assistance Act of 1961, there are authorized to be appropriated $2,008,000,000 of which

$1,500,000,000 shall be available only for Israel, $500,000,000 shall be available only for Egypt, and $8,000,000 shall be available only for the Middle East Regional Program.

(b) Amounts appropriated to carry out this section are authorized to remain available until September 30, 1986.

HUMPHREY (AND OTHERS) AMENDMENT NO. 102

Mr. HUMPHREY (for himself, Mr. KASTEN, Mr. D'AMATO, Mr. BYRD, and Mr. HUMPHREY) proposed an amendment to the bill S. 960, supra; as follows:

On page 62, strike out lines 11 through 18 and insert in lieu thereof the following:

SEC. 910. (a) Of the funds authorized to be appropriated to carry out the provisions of chapter 4 of part II (relating to the economic support fund) of the Foreign Assistance Act of 1961, not less than $15,000,000 in each fiscal year shall be available only to the President for the provision of food, medicine, or other humanitarian assistance to the Afghan people, notwithstanding any other provision of law.

(b) This section shall take effect on the date of enactment of this Act.

BRADLEY AMENDMENT NO. 103

Mr. BRADLEY proposed an amendment to the bill S. 960, supra; as follows:

At the bottom of page 36, add the following:

PROMOTION OF IMMUNIZATION AND ORAL REHYDRATION

SEC. . (a) Section 104(c) of the Foreign Assistance Act of 1961 (22 U.S.C. 2151b.(c)) is amended—

(1) by inserting "(1)" before "In order"; and

(2) by adding at the end thereof the following new paragraph:

"(2) The Congress recognizes that the promotion of primary health care is a major objective of the foreign assistance program. The Congress further recognizes that simple, relatively low cost means already exist to reduce incidence of communicable diseases among children, mothers, and infants. The promotion of vaccines for immunization, and salts for oral rehydration, therefore, is an essential feature of the health assistance program. To this end, the Congress expects the agency primarily responsible for carrying out the provisions of this part to set as a goal the protection of not less than 80 percent of all children, in those countries in which such agency has established development programs, from immunizable diseases by January 1, 1991.".

(b) Not later than 12 months after the date of enactment of this section, and at intervals of 12 months thereafter, the Administrator of the agency primarily responsible for carrying out part I of the Foreign Assistance Act of 1951 shall prepare and transmit to the Speaker of the House of Representatives and the chairman of the Committee on Foreign Relations a report describing the progress achieved during the preceding 12 months in carrying out section 104(c)(2) of such Act.

BOSCHWITZ AMENDMENT NO. 104

Mr. LUGAR (for Mr. BOSCHWITZ) proposed an amendment to the bill S. 960, supra; as follows:

On page 27, line 8, strike out the comma after "efforts" and all that follows through "funds" on line 10.

MATHIAS AMENDMENT NO. 105

Mr. LUGAR (for Mr. MATHIAS) proposed an amendment to the bill S. 960, supra; as follows:

On page 3, line 16, insert "Spain," after "Portugal,".

HELMS AMENDMENT NO. 106

Mr. HELMS proposed an amendment to the bill S. 960, supra; as follows:

On page 47, strike line 5 through line 14, inclusive.

KASSEBAUM (AND ZORINSKY) AMENDMENT NO. 107

Mrs. KASSEBAUM (for herself and Mr. ZORINSKY) proposed an amendment to the bill S. 960, supra; as follows:

On page 44, line 21, through page 45, line 12, strike the entire section 465, and renumber the following section accordingly.

CHILES (AND OTHERS) AMENDMENT NO. 108

Mr. CHILES (for himself, Mr. BIDEN, Mr. NUNN, Mr. FORD, and Mr. BYRD) proposed an amendment to the bill S. 960, supra; as follows:

At the end of the bill, add the following new title:

TITLE X—INTERNATIONAL NARCOTICS CONTROL ACT OF 1985

SHORT TITLE

SEC. 1001. This title may be cited as the "International Narcotics Control Act of 1985".

LATIN AMERICAN REGIONAL NARCOTICS CONTROL ORGANIZATION

SEC. 1002. (a) The Secretary of State, with the assistance of the National Drug Enforcement Policy Board, shall conduct a study of the feasibility of establishing a regional organization in Latin America which would combat narcotics production and trafficking through regional information-sharing and a regional enforcement unit.

(b) No later than six months after the date of enactment of this title, the Chairman of the National Drug Enforcement Policy Board shall report to the Committee on Foreign Affairs and the Committee on the Judiciary of the House of Representatives and the Committee on Foreign Relations and the Committee on the Judiciary of the Senate on the advisability of encouraging the establishment of such an organization.

ANNUAL REPORTS ON INVOLVEMENT OF COMMUNIST COUNTRIES IN ILLICIT DRUG TRAFFIC

SEC. 1003. Section 481(e) of the Foreign Assistance Act of 1961 is amended by adding at the end thereof the following new paragraph:

"(6) Each report pursuant to this subsection shall describe the involvement, during the preceding fiscal year, of the governments of Communist countries (as defined for purposes of section 620(f) of this Act) in illicit drug trafficking, including—

"(A) the direct or indirect involvement of Communist governments in the production, processing, or shipment of narcotic and psychotropic drugs and other controlled substances, and

"(B) any other activities of Communist governments which have facilitated illicit drug trafficking.".

NARCOTICS CONTROL EFFORTS IN BRAZIL

SEC. 1004. The Secretary of State shall enter into negotiations with the Government of Brazil in order to establish a bilateral narcotics control agreement. Such agreement shall have as a goal a 10 per centum reduction in illicit coca production in Brazil in calendar year 1986.

CONDITIONS ON ASSISTANCE TO BOLIVIA

SEC. 1005. United States assistance (as defined in section 482(i)(4) of the Foreign Assistance Act of 1961) may be provided to Bolivia for fiscal years 1986 and 1987 only under the following conditions:

(1) Of the aggregate amount of assistance allocated for Bolivia for fiscal year 1986—

(A) up to 25 per centum may be provided at any time after the President certifies to the Congress that the Government of Bolivia has enacted legislation which prohibits more than two hectares of coca production per family; and

(B) the remaining 75 per centum may be provided at any time subsequent to a certification pursuant to subparagraph (A) if the President certifies to the Congress that the Government of Bolivia achieved the eradication targets for the calendar year 1986 contained in its August 1983 narcotics control agreements with the United States.

(2) Of the aggregate amount of assistance allocated for Bolivia for fiscal year 1987—

(A) up to 50 per centum may be provided at any time after the President certifies to the Congress that during the first six months of calendar year 1986 the Government of Bolivia achieved at least half of the eradication targets for the calendar year 1986 contained in its August 1983 narcotics control agreements with the United States; and

(B) the remaining 61 per centum may be provided at any time after the President certifies to the Congress that the Government of Bolivia fully achieved the eradication targets for the calendar year 1986 contained in its August 1983 narcotics control agreements with the United States.

UPPER HUALLAGA VALLEY PROJECT IN PERU

SEC. 1006. Funds authorized to be appropriated for fiscal year 1987 to carry out chapter 1 of part I of the Foreign Assistance Act of 1961 for the project of the Agency for International Development in the Upper Huallaga Valley of Peru may be made available for that project only if the Administrator of that Agency, after consultation with the Congress, determines that a comprehensive review of that project has been completed which establishes the effectiveness of that project in reducing and eradicating coca leaf production, distribution, and marketing in the Upper Huallaga Valley.

REALLOCATION OF FUNDS IF CONDITIONS NOT MET

SEC. 1007. If any of the funds described in sections 1005, 1006, of this title are not used for the country for which they were allocated because the conditions specified in those sections are not met, the President shall re-

program those funds in order to provide additional assistance to countries which have taken significant steps to halt illicit drug production or trafficking.

CONDITIONS ON UNITED STATES CONTRIBUTIONS TO THE UNITED NATIONS FUND FOR DRUG ABUSE CONTROL

SEC. 1008. Section 482(a) of the Foreign Assistance Act of 1961 is amended by adding at the end thereof the following new paragraph:

"(3) Funds authorized to be appropriated by this section for fiscal year 1986 and for fiscal year 1987 may be used for a contribution to the United Nations Fund for Drug Abuse Control only if that organization includes in its crop substitution projects a plan for cooperation with the law enforcement forces of the host country.".

PROHIBITION ON USE OF FOREIGN ASSISTANCE FOR REIMBURSEMENTS FOR DRUG CROP ERADICATIONS

SEC. 1009. Chapter 8 of part I of the Foreign Assistance Act of 1961 is amended by adding at the end thereof the following new section:

"SEC. 488. Prohibition on Use of Foreign Assistance for Reimbursements for Drug Crop Eradications.—Funds made available to carry out this Act may not be used to reimburse persons whose illicit drug crops are eradicated.".

REQUIREMENT FOR COST-SHARING IN INTERNATIONAL NARCOTICS CONTROL ASSISTANCE PROGRAMS

SEC. 1010. (a) Section 482 of the Foreign Assistance Act of 1961 is amended by adding at the end thereof the following new subsection:

"(c) Assistance may be provided under this chapter to a foreign country only if the country provides assurances to the President, and the President is satisfied, that the country will provide at least 25 per centum of the costs of any narcotics control program, project, or activity for which such assistance is to be provided. The costs borne by the country may include 'in-kind' contributions.".

(b) The amendment made by this section shall take effect on October 1, 1985.

EXTRADITION TREATIES

SEC. 1011. The Secretary of State with the assistance of the National Drug Enforcement Policy Board shall increase United States efforts to negotiate updated extradition treaties relating to narcotics offenses with each major drug-producing country, particularly those in Latin America.

STEVENS (AND OTHERS) AMENDMENT NO. 109

Mr. STEVENS (for himself, Mr. NUNN, and Mr. WARNER) proposed an amendment to the bill S. 960, supra; as follows:

At the end of the bill insert:

Since the United States is party to vital talks on arms control in Geneva, Switzerland;

Since these talks include negotiations on strategic nuclear weapons, intermediate range nuclear weapons, space and defense systems, a bilateral U.S.-Soviet forum, called the Standing Consultative Commission, and a multilateral forum, called the Conference on Disarmament;

Since the U.S. delegations to these talks occupy buildings and spaces insufficiently secure, modernized or large enough to permit those delegations to conduct their work efficiently;

Since the U.S. delegations to the strategic, intermediate and space and defense talks in particular occupy space in the Botanic Building that is also occupied by offices of numerous other, non-U.S. organizations, and shares common walls and parking facilities with these delegations;

Since arms control negotiations require sophisticated security facilities, telecommunications equipment, simultaneous translation capabilities and other specialized services;

Since the Soviet Union, for its part, has made available for its negotiating team a modern, secure, well-equipped building dedicated for the use of its arms control negotiating teams: Now, therefore it is the sense of the Senate

That (a) in order to facilitate the effective work of the U.S. arms control negotiating teams, and to provide for them a dedicated structure capable of supporting their vital tasks on a permanent basis, it is the sense of the Senate that the Secretary of State should submit to the Congress a report on the feasibility, cost, location, and requirements of a structure to house the U.S. arms control negotiating teams in Geneva.

(b) It is further the sense of the Senate that this report should be submitted as soon as possible.

(c) It is further the sense of the Senate that, this matter be included in the consideration of the 1985 supplemental appropriation process.

SYMMS AMENDMENT NO. 110

Mr. SYMMS proposed an amendment to the bill S. 960, supra; as follows:

At the appropriate place add the following:

That section 118 of the International Security and Development Cooperation Act of 1980 (22 U.S.C. 2293 note) is repealed.

MELCHER AMENDMENT NO. 111

Mr. MELCHER proposed an amendment to the bill S. 960, supra, as follows:

At the end of the bill add:

Since the Government of the Philippines has purchased American wheat for a number of years, and;

Since the Government of the Philippines has purchased wheat from no other country for at least 7 years, and;

Since the Government of the Philippines has agreed to the State Department's suggestions to both mill the wheat and distribute the flour under private enterprise and;

Since the Government of the Philippines has stated that they cannot acquiesce to the suggestion of the State Department that the Government of the Philippines not act as the purchasing entity of American wheat, and;

Since most if not all American wheat sales are to government entities of the country purchasing the wheat;

Therefore, it is the sense of the Senate that the State Department should not present U.S. wheat sales to the Government of the Philippines.

KERRY (AND OTHERS) AMENDMENT NO. 112

Mr. KERRY (for himself, Mr. MURKOWSKI, and Mr. DODD) proposed an amendment to the bill S. 960, supra; as follows:

At the end of the bill, insert:

It is the Sense of the Senate that Congress should encourage the revitalization of democracy in the Philippines. To that end, the Congress affirms its intention to grant future aid to the Philippines according to the determination of the Congress that United States security interests are enhanced and sufficient progress is made by the regime of Ferdinand Marcos to:

(1) guarantee free, fair and honest elections in 1986 and 1987, or sooner should any such elections occur;

(2) ensure the full, fair and open prosecution of the murder of Benigno Aquino, including those involved in the cover-up;

(3) ensure freedom of speech and freedom of the press, and unrestricted access to the media on the part of all candidates for public office in the municipal elections of 1986 and the Presidential election of 1987;

(4) establish the writ of habeas corpus and the termination of the Presidential Detention Action and all other forms of detention without charge or trial;

(5) release all individuals detained or imprisoned for peaceful political activities; and

(6) make substantial progress in terminating extrajudicial killings by the Philippine military and security forces and the prosecution of those responsible for such killings in the past.

It is further the sense of the Senate that Congress finds and declares that the primary purpose of United States assistance to the Philippines should be to maintain and foster friendly relations between the people of the Philippines and the people of the United States, and to encourage the restoration of internal security—both goals of which can be best served by the achievement of an open and stable democracy.

AUTHORITY FOR COMMITTEES TO MEET

SUBCOMMITTEE ON INVESTIGATIONS

Mr. STAFFORD. Mr. President, I ask unanimous consent that the Permanent Subcommittee on Investigations of the Committee on Governmental Affairs be authorized to meet during the session of the Senate on Tuesday, May 14, to hold a hearing on weight reduction products and plans.

The PRESIDING OFFICER. Without objection, it is so ordered.

COMMITTEE ON AGRICULTURE, NUTRITION, AND FORESTRY

Mr. STAFFORD. Mr. President, I ask unanimous consent that the Committee on Agriculture, Nutrition and Forestry be authorized to meet during the session of the Senate on Tuesday, May 14, to mark up the 1985 farm bill.

The PRESIDING OFFICER. Without objection, it is so ordered.

SUBCOMMITTEE ON ENERGY RESEARCH AND DEVELOPMENT

Mr. STAFFORD. Mr. President, I ask unanimous consent that the Subcommittee on Energy Research and Development of the Committee on Energy and Natural Resources be authorized to meet during the session of the Senate on Tuesday, May 14, to

hold an oversight hearing on the President's proposed budget for fiscal year 1986 for the Department of Energy's Conservation and Renewable Programs.

The PRESIDING OFFICER. Without objection, it is so ordered.

SUBCOMMITTEE ON ENERGY REGULATION AND CONSERVATION

Mr. STAFFORD. Mr. President, I ask unanimous consent that the Subcommittee on Energy Regulation and Conservation of the Committee on Energy and Natural Resources be authorized to meet during the session of the Senate on Tuesday, May 14, to hold an oversight hearing on automobile fuel economy standards.

The PRESIDING OFFICER. Without objection, it so ordered.

SUBCOMMITTEE ON INTERGOVERNMENTAL RELATIONS

Mr. STAFFORD. Mr. President, I ask unanimous consent that the Subcommittee on Intergovernmental Relations, of the Committee on Governmental Affairs, be authorized to meet during the session of the Senate on Tuesday, May 14, 1985, to conduct a hearing on S. 483, the Intergovernmental Regulatory Relief Act.

The PRESIDING OFFICER. Without objection, it is so ordered.

ADDITIONAL STATEMENTS

NATIONAL SCIENCE WEEK

● Mr. GORTON. Mr. President, this week we are celebrating the first National Science Week. This week, events around the country are designed to increase the public's awareness and understanding of science and technology and their importance to our lives. All across the country, schools, libraries, businesses, government and community groups, and many others are holding contests, putting on exhibits, holding open houses, and doing other things to encourage young people to study science and to teach all of us more about science. We are entering an age in which our careers, as well as our day-to-day lives, will involve working with, understanding, and living comfortably with science, mathematics, and technology. What better way is there to give our young people a start in this exciting era than by celebrating science for a week?

In my State, Science Week brings with it a number of exciting events. For example, the Bellevue Public Schools are holding science fairs in the elementary schools, the Pacific Science Center in Seattle is sponsoring Pacific Science Days, and the Shelton Public Library is displaying books and posters. And four eighth grade students from my State, Joel Singer of Spokane, Jey-Shin Chen of Seattle, and Richard Buck, and Julie Kerr of Bellevue, will compete in the mathcounts national competition, sponsored by the National Society of Professional Engineers, this Saturday. I wish these fine, young mathematicians the best of luck, and commend them on their success in being the student team from Washington.

But of all the events of Science Week, the most exciting is the Second Great International Paper Airplane Contest, held in the State of Washington, and sponsored by the Museum of Flight in Seattle, the Smithsonian Institution's National Air and Space Museum, and Science 85 magazine.

The first International Paper Airplane Contest was held in 1967. Since then, the technology of aviation and aerodynamics have advanced dramatically, and we expect these advances to be reflected in the paper airplanes flown in the second contest.

To compete in this contest, paper airplane builders the world over have constructed and sent their paper airplanes to Seattle, where judges skilled in paper airplane flying will test the designs in the Kingdome. The Museum of Flight has received approximately 4,500 paper airplanes from 23 countries, from Sweden to Bangladesh. These airplanes are of every shape and size, ranging from simple folded pieces of paper, much like the model JAKE GARN flew in the space shuttle, to elaborate models built from laminated paper glued together. One plane, nicknamed the "Flying Lizard," has a wing span of 3 feet. The judges will fly them next week and pick winners in three categories: professional, nonprofessional, and junior; and four events: time aloft, distance, aerobatics, and esthetic design. The first place winners in each event and category will be flown to Seattle to fly their airplanes in the Kingdome at a special ceremony on June 9. And the winning airplanes will be displayed in the National Air and Space Museum, along with Senator GARN's paper airplane, which he presented to the museum yesterday.

I want to commend the sponsors, the participants, and all those involved in the Great International Paper Airplane Contest, as well as in the thousands of events in Washington and nationwide, celebrating National Science Week. We all experience the promise, the excitement, and the fun of science through your efforts.●

DOD AUTHORIZATIONS

● Mr. GOLDWATER. Mr. President, within a few days, we hope to see brought to the floor, the military authorization bill, prepared by the Armed Services Committee and placed on the calendar some time ago. I realize, not just as chairman of the Armed Services Committee, but as one who has had almost a lifetime concern about the defense of our country, that this piece of legislation is going to be attacked from every side on the floor.

Probably the real driving force behind the understandable desire on the part of all Senators and Congressmen to reduce defense expenditures is the tragic, uncalled for, unexplainable activity of some of our great corporations engaged in defense work and unscrupulously cheating the American public. I use that word advisedly. I probably would not have used it a few days ago, but when one of the biggest corporations in America, General Electric, is found guilty of this kind of malpractice, then I think I have to join forces, not to reduce further defense spending, but to try to impress upon the industries supporting defense, which defense in turn supports, that they had better clean up their act, or there are a lot of them that are not going to be doing business with the Federal Government.

How American businesses could bring themselves to the point of cheating the American people and the purpose of American defense, is beyond me. But it has been going on. And I just want my colleagues to know that those of us who serve you on the Armed Services Committee are just as violently opposed to these actions as you are. The committee has been trying, with every power it has to stop these things. The Defense Department has made an effort, although I have to say, not a great effort, to hold it down and penalize those who cheat. Written into our bill is an amendment offered by Senator GRAMM of Texas, which is a complete list of abuses that will not be tolerated any more. I hope everybody will support it.

So, as we go to work on this bill, I would ask my colleagues not to be overly influenced by what has been going on in the case of high priced toilet seats, pliers, stools, and so forth, but to join hands with all of us in our efforts to get this matter stopped, and stopped the way it should be stopped.

I ask that an editorial appearing in Aviation Week & Space Technology, written by William Gregory on this subject, be printed in the RECORD.

The editorial follows:

A $2,000 MISUNDERSTANDING

Still another horror story has emerged from military support equipment procurement. This one involves a couple of pairs of pliers bought through Boeing as prime contractor for the KC-135R program with a price originally proposed at $2,548 and later reduced to $80. Both prices were denounced as ripoffs even though the Air Force tried hard to explain how and why the reduction was done. After the explanation brought even more beating about the head and shoulders, the Air Force has almost given up trying.

Where explanations of these horror stories run into flak is that to understand them often takes the background of a lawyer or an accountant familiar with defense procurement. They thus reach a jaundiced

public, suspicious that lawyers, accountants and bureaucrats are complicating regulations to such an extent that the ordinary citizen has lost the ability to cope with them. Boeing put together a 1-hr. briefing to recite the facts to the pliers case. It gave the presentation to congressional committee staffs and to the Pentagon. It refused admantly to do the same in any more public forum. This kind of giveupmanship only reinforces the suspicion of those outside the favored circle that the military and the industry do have something to hide.

MORE DIFFICULT SITUATION

To delve thoroughly into the price of the pliers requires a thick sheaf of papers and a guide. Part of the reason for the uproar is that, in trying to avoid the cause of earlier horror stories, the Air Force skated into a situation that may well have been even more difficult to explain to anyone not familiar with government cost accounting methods and standards. In past support equipment pricing, engineering costs had been distributed on an equal basis for all items in a kit, no matter what value. These costs are direct engineering support, not overhead. Equal allocation of overhead has been the subject of heckling by self-appointed whistle blowers. The same allegation was made in this case, but simply confused the issue further since overhead costs were not involved at all in the price of the pliers. A year ago, USAF put out policy guidance calling for value-based price distribution, not equal allocation, and rejection if the final price looked unreasonable even on that basis.

In an earlier case of an Allen wrench for the General Dynamics F-16, an even higher price resulted when overhead was allocated as well as direct engineering hours. Direct engineering man-hours in the F-16 case came to 62 per item for those covered in the Allen wrench buy, or translated into dollars, $1,034.64. On top of the $1,034.64 came $503 in engineering overhead, $507 in fringe benefits, $149 in general and administrative costs and $388.79 in profit, plus some others like travel. Total price: $2,917.45.

Even without overhead, the price for the pliers in the Boeing case was $2,548 after equal allocation of direct management support costs on 66 items included in the contract. In line with the policy to avoid ridiculous prices, the Air Force separated out management support costs, proposed at $398,000, and negotiated them as a group. That figure was shaved down to $143,000 and the total contract price of $884,579 was trimmed to $557,500. Without any of the direct costs allocated, the unit price of the pliers came to the aforementioned $80.

To the layman, $80 is still a stiff price to pay for an ordinary pair of pliers. They were not quite as ordinary as the horror stories suggested, however. A small notch had to be cut in the nose since they were intended for use in picking up and inserting a small alignment pin. The pin was first bathed in a cryogenic liquid, and the pliers required a special coating to protect them for this kind of environment. Although neither modification was difficult, it meant an hour or two of direct labor to do the special work. A larger run would have meant little more direct labor, but a much lower unit cost, and is still one more example of the unfavorable economics of small production buys. By the time packing and handing costs had been added by the vendor or the industry buyer, plus markup, an $80 price for the pliers is not surprising.

A more important big-picture question involved is whether support costs for aerospace hardware have ballooned out of control. This is not a new issue. Controversies over the use of engineering manpower by aerospace contractors deal with the same question. Time is money and the performance of trivial tasks by graduate engineers rather than engineering aids or secretaries has been criticized before as wasteful. As long as contract awards depend, in part, on engineering staff strengths, the system generates incentives for pyramiding of this kind of expensive manpower.

PAPERWORK VICTORY

Related to manpower question is that of excess regulation and specification. One important reason for the management support costs for the horror-story pliers is the necessity to keep track of the paperwork, the status of the pliers and whether they met specification. In a little-noticed breakthrough in the pliers case, the Air Force cut out acceptance testing in the pliers contract, accounting for most of the saving, but got little credit for a victory in the battle of the paperwork.

As a result of cases like the pliers, the Air Force is cutting out the middleman and buying direct from the vendor. Eventually this may cut support costs, but there were advantages to having the prime contractor do the buying. The prime had the purchasing organization in place to deal with a variety of small vendors and had a book on who could perform and who could not. This service was paid for in management support and direct engineering costs in contracts like that for the pliers. It meant equipment was on hand to make an aircraft operational in the field. Direct buying has already resulted in disruptions in supply, but the impact on readiness rates will not likely be connected in the public mind to changes in buying practices brought about by horror stories.—William H. Gregory●

SOVIET HUMAN RIGHTS TREATY VIOLATIONS IN AFGHANISTAN

● Mr. HUMPHREY. Mr. President, a report in the Washington Post of May 9 states that the Reagan administration will provide $6 million openly in nonlethal aid to refugees and Afghan people remaining in Afghanistan.

This is a welcome and significant gesture on the part of the Reagan administration as well as a tacit acknowledgement of the legitimacy of the freedom fighters' struggle against an enemy who has violated every principle of customary international law in its planned and systematic destruction of a nation and its people, in many ways reminiscent of the Nazi Holocaust.

Because Afghanistan is the only place on Earth where the Soviet Army is engaged in direct military confrontation, it provides a showcase of Soviet military ethics and tactics from the use of poison gas, to the destruction of hospitals and farms, to the torture and murder of civilians and prisoners of war.

The Third Geneva Convention of 1949, dealing with the treatment of prisoners of war, was ratified by the U.S.S.R. in 1954. Article 13 of this convention specifically prohibits any unlawful act or omission causing death or seriously endangering the health of a prisoner of war. It further prohibits physical mutilation, acts of violence, insults and reprisals. In addition, the 1977 first protocol to the Geneva conventions guarantees due process to all political prisoners.

In flagrant violation of these human rights treaties to which the Soviet Union is a signatory, the Red Army and its puppet government in Kabul is engaged in obscene and brutal acts of torture to prisoners, including women prisoners, and summary executions, according to multiple reports from eyewitnesses.

Mr. President, I ask that a section of two very recent accounts of the torture and murder of political and war prisoners in Afghanistan, which appeared in editions of the Daily Report, a publication of the foreign Broadcast Information Service, appear in the RECORD following my statement.

The accounts follow:

AFGHAN GOVERNMENT REPORTEDLY EXECUTING MUJAHIDEEN

FBIS South Asia Daily Report, 4/14/85:

The Afghan Government, which 50,000 political prisoners without trial, is summarily executing captured mujahidin. Their torture is so commonplace that it has "almost assumed the character of administrative practice." A former Afghan security officer admits using eight techniques including electric shock and forcing prisoners to drink urine. He also disclosed how a husband was forced to witness the rape of his eight-month pregnant wife. (Quoted in KAYHAN, Tehran, Iran).

DEFECTOR AFGHAN JUDGE ON COUNTRY'S LEGAL SERVICE

FBIS South Asia Daily Report, 4/26/85:

A judge of the Supreme Court in Afghanistan who has fled to India said in New Delhi today that his country's legal system had been reduced to what he called organized terror by the Soviet-backed authorities.

Announcing his defection, Mr. Muhammad Yusuf Azim told newsmen that he slipped out of Afghanistan on a diplomatic passport because he felt he was in danger from Kabul regime's security and intelligence body known as the Khad. Mr. Azim said he will ask the United Nations for refuge.

He said special revolutionary courts have been set up to try political prisoners. There was no appeal. Trials are usually held in camera and the system cannot be challenged in the conventional legal system. This is an organization of terror, he added. He knew of at least 100 cases in which it had been announced that people had been sentenced to death by the special court.

Many others were executed and their sentences were recorded by the court after the execution. Many of these victims never appeared in courts and, in these instances, the special court did not even know them. (Reprinted from Karachi Domestic Service).)●

HELSINKI ACCORDS

● Mr. WALLOP. Mr. President, today I take my turn in the Congressional Call to Conscience, organized by my friend from Minnesota, Senator BOSCHWITZ. My purpose, and that of all who speak in this series, every day, is to remind the world of the plight of those who suffer in the Soviet Union for their insistence on worshiping God openly, for their identification with their religious community, whether Jewish, Catholic, or evangelical, or for their expressed desire to emigrate. These are prisoners of conscience. We forget them at the risk of losing our own.

It is our peculiar responsibility as part of the U.S. Government to remember those who suffer in the Soviet Union because of what we have done. I am referring to the people jailed for trying to monitor the Soviet Union's compliance with the Helsinki Accords, especially Anatoly Shcharansky. If we had not signed the Helsinki documents, if we had not given them the impression that their human rights are protected by an international agreement fully backed by the United States and 33 other countries, these sincere people might not have stood up for their religious and civil rights. They might not be in jail today had our Government not given them encouragement to speak out. But we did, and they are in trouble. We have a responsibility to them.

Ever since 1975, representatives of the U.S. Government have met with the Soviet dictators to ask that they live up to the Helsinki Accords they signed. But they have not. At a certain point, we must face up to this situation.

Mr. President, on Tuesday of this week, congressional members of the Helsinki Commission stood with Mrs. Avital Shcharansky to ask the Soviet Government, once again, to live up to its commitments. What I said then is worth repeating here.

The statement follows:

STATEMENT BY SENATOR MALCOLM WALLOP

Some 2 months ago, a majority of the Members of the U.S. Senate wrote to President Reagan to ask for his efforts on behalf of all those in the Soviet Union who wish to exercise the basic human right of emigration.

Until I called the White House last week, it had no intention of even sending a pro-forma reply. Last night, it sent the most pro-forma reply imaginable, signed by the legislative liaison man. The reply took note of the fact that the Soviet Union disregards its commitment under the Helsinki Final Act to allow people to live where they wish, and to allow the reunification of families. Then it said quite correctly that the Soviets summarily reject our requests to act differently. All of this is true.

But then we resist exercising what influence we have over the Soviets. I am aware of our Government having denied to the Soviet Union anything it really wanted from us, especially in the fields of trade and finance. In the context of this, the letter's statement that the level of emigration the Soviets allow is "unacceptable" rings hollow. Of course it is acceptable because we are accepting it. The letter also says that "substantial and sustained improvement in Soviet performance on human rights issues is integral to any improvement in overall United States-Soviet relations." Whom are we kidding? Does anyone know of any major move afoot to squeeze the Soviets militarily or to treat them internationally as South Africa is treated?

Finally, the letter quotes George Shultz saying that "the need for steady improvement of Soviet performance in the most important human rights categories is as central to the Soviet-American dialogue as any other theme." I would be interested to hear an explanation from the administration of why anyone would expect the Soviet Union to abide by the next arms control agreement, since it has not abided by the Helsinki Accords on human rights—or by the other arms control agreements it has signed, for that matter.

So, here we are, in the presence of his wife, asking the Soviet Union to treat Anatoly Shcharansky—and other Soviet citizens who took the Helsinki Accords at their word, according to Soviet law—which they are not doing. To encourage the Soviets to do this, some would have us speak of "continuing improvement in our relations, and reaffirmation of the Soviet Union's commitment." I think this is wrong.

We are responsible to the American people. The American people take agreements at their word, especially when they deal with basic human rights, especially emigration, which is so precious to this Nation of immigrants. Therefore I believe it is our responsibility to say that agreements are either to be observed in good faith or denounced as frauds.

It is politically pleasant to stand before the cameras time and again and to associate one's self with human rights. But I am concerned that at a certain point, this sort of thing becomes a convenient cover for the Soviet Union's unwavering commitment to totalitarianism.

AMBASSADOR FIELDS COMMENTS ON CHEMICAL WEAPONS ARMS CONTROL

● Mr. LUGAR. Mr. President, I would like to share with my colleagues a letter which I recently received from Ambassador Louis G. Fields, Jr., our former representative to the Geneva Conference on Disarmament. For 3 years his most important task was negotiation of an effective worldwide chemical weapons ban. Now Ambassador Fields writes to offer his experienced observations on the situation we face in chemical weapons arms control. Fields calls our military position hollow. Therefore, he suggests, the Soviet negotiating position at Geneva has been little more than an attempt to thwart American efforts at chemical modernization. Most importantly, he concludes that the binary modernization "would provide a meaningful incentive for the Soviet Union to pursue vigorously an effective ban."

Ambassador Fields' letter is well reasoned and insightful. I commend it to all my colleagues, and submit it to be printed in the RECORD.

The letter follows:

VANCE JOYCE CARBAUGH,
HUANG, FIELDS & CROMMELIN,
Washington, DC, May 2, 1985.

Hon. Richard G. Lugar,
Room 306, Hart Senate Office Building
Washington, DC.

DEAR MR. CHAIRMAN: As the former United States Ambassador to the Conference on Disarmament (CD) in Geneva, I have been closely following what has become the annual debate over funding for the chemical deterrent program. The CD is the forum in which negotiations are being conducted to achieve a complete and verifiable ban on chemical weapons and these negotiations are viewed by many in both the Senate and the House of Representatives as pivotal in their decision to fund or not to fund this program. I certainly share a belief that these negotiations are important to our national security and that they should influence our decision about modernizing our chemical deterrent, which has seriously degraded from our 1969 readiness posture.

I was in the forefront of the United States negotiating effort to ban these weapons from 1982 until 1985 and believe that I have as clear a feel for the status of these critical negotiations as almost anyone associated with this endeavor. We have rigorously pursued these negotiations during my tenure as the United States Ambassador to the CD and that posture continues undiminished today. There is a strong interest among the Western members and most of the Neutral and Non-aligned members of the CD to achieve an effective and verifiable ban on chemical weapons. The United States significantly advanced this effort last year when Vice President Bush tabled our draft treaty and this initiative has received the enthusiastic support of a majority of CD delegations.

Clearly, we have what had been regarded by many as "the high ground" in the negotiating sense. Unfortunately, we do not enjoy a similar position in the military sense, inasmuch as the Soviet Union has the only significant, modernized chemical arsenal in the world today. It is, therefore, the Soviet Union which holds the military "high ground" today.

While many Americans might prefer the "high ground" on which we stand in this matter, I cannot help but consider, even as a former negotiator, that ours is a somewhat hollow position when you take into account the thousands of American service personnel stationed in Europe and the millions of our allies whom our forces are helping to defend. Naturally, I fervently desire a negotiated ban on these repulsive weapons if one can be achieved with adequate assurances against violation or militarially significant circumvention. I must, however, recognize that my experience in Geneva leaves me with little optimism that such an agreement is at hand. The Soviet conduct at the Geneva negotiations has been hortative at best and dilatory in the main. Their effort can best be seen as a clever propagandistic ploy to keep our modernization program at bay while they relentlessly continue to improve their already dominant position in this critical weapons field. The thin veneer of the Soviet chemical negotiating position is becoming apparent to most of the CD membership, aided by their adamant refusal to consider any realistic approach to international on-site inspection—a sine qua non

to all who are seriously interested in a meaningful ban.

Well, Mr. Chairman, where does this leave us? On the high negotiating ground, to be sure; but is this any insurance against the possibility that our troops and our allies might become victims of these dreaded weapons? Some have suggested to me that there is little likelihood that these weapons will be used in the European theatre; but I have not heard one of our NATO military commanders—and I have discussed this with most of them—share this opinion. Indeed, all to whom I have spoken have the view that a military attack by the Warsaw Pace will likely include the initial or early use of tactical chemical weapons against NATO airfields, nuclear installations and general troop concentrations. For a supporting view see General Frederick J. Kroesen's Summary Report on his Chemical Warfare Study prepared by the Institute for Defense Analyses (February 1985). Would not a prudent nation seek a better insurance policy? I would have to answer in the affirmative. A modernized deterrent capability is the best interim insurance I can envision to bridge the gap until we achieve our ultimate goal of a complete and verifiable ban on chemical weapons, if, indeed, the Soviet negotiators are inclined to agree to such an effective ban.

Lastly, may I offer my view as to the effect of our modernization program, if enacted by the Congress, upon these negotiations. Many have suggested to me that the binary component of the modernization program would preclude future negotiations on a ban. I would emphatically demur from such a view. It would be my opinion that our development and deployment of a truly responsive and credible retaliatory capability in kind in the weapons area would provide a meaningful incentive for the Soviet Union to pursue rigorously an effective ban. In fact, I cannot conceive that the Soviet Politiburo, influenced as it is by the military leadership, would agree to permit a negotiation which would result effectively in a Soviet abandonment of a significant weapons monopoly. The Soviets have never been known to allow pragmatism to give way to altruism and, I submit, that they are certainly not going to do so on this issue.

Mr. Chairman, I do apologize for the length of these comments; however, I view this issue with much commitment and concern. Moreover, I feel constrained to share with you and your colleagues my personal insights as the former United States Negotiator in the Conference on Disarmament. I shall be delighted to discuss further my views and opinions with you, your colleagues and members of your staff. If you wish, please feel free to distribute this letter to your colleagues.

With warmest regards, I am

Respectfully yours,

LOUIS G. FIELDS, Jr.●

WESTWAY PRECEDENT

● Mr. HUMPHREY. Mr. President, in his March 17, 1985, article "Westway Precedent Perils Waterfronts Across the U.S.," Gordon Bishop of the Newark NJ, Sunday Star-Ledger raises some interesting points regarding the precedent set by the Westway real estate development and highway project.

In the column Mr. Bishop argues that:

By granting New York a permit to go ahead with Westway—a multibillion dollar private real estate project to be built over a federally financed highway in the Hudson River—the U.S. Army Corps of Engineers has established a national precedent for any city to fill in public waterways to create private residential, commercial, and industrial development.

The Westway project involves filling 4 miles of the Hudson River in order to create land for private development interests and a new highway. While the project is estimated to cost $4 to $6 billion, the final bill could be closer to $10 billion.

The Federal Government, by beginning to fund the project, will give other cities incentive for similar projects ignoring the fact that Westway violates the 1972 Clean Water Act and the 1899 Rivers and Harbors Act. These acts state that it is illegal to eliminate a portion of a public waterway and to destroy irreplaceable marine habitat. In addition, Westway violates the Federal Aid Highway Act of 1981 which contains language demonstrating that highway funds should be used for highways and not for additional amenities.

If allowed to proceed, the Westway project will give other cities incentive for similar projects. Government funds will be used for private real estate ventures, as in the case of Westway, throughout the country. We must stop Westway before the cities of America start following its misguided example. Federally funded projects must not become a medium for private gain.●

APPOINTMENT OF SPECIAL ENVOY—SENATE CONCURRENT RESOLUTION

● Mr. D'AMATO. Mr. President, I rise today to cosponsor the resolution introduced by my distinguished colleague from my home State of New York that recommends to the President that he appoint a special envoy to assist the people of the Republic of Ireland, Great Britain, and the communities of Northern Ireland achieve a lasting, peaceful, and fair solution to the problems of that area.

While the focus of the world centers upon the Middle East and Central America, the strife in Northern Ireland continues to be a major world problem. Up until the late 1960's, violence was only sporadic since the division of Ireland in 1921. In 1969, the year that British Armed Forces were again stationed in Northern Ireland, the level of violence escalated dramatically. Over 2,300 men, women, and children have been senselessly killed and another 20,000 have been seriously injured.

The United States has a unique bond with the nations and the communities involved in the conflict. The United States has also had a history of offering its diplomatic services in troubled areas of the world. The turmoil in Northern Ireland justifies close attention by our Nation. The problems of this area between allies must be solved by the nations involved. We can, however, offer our assistance in reaching accord.

The political stalemate in Ireland is becoming an enduring tragedy. The seeds of hostility are deeply rooted in Ulster. The United States can play a vital role in fostering negotiations for this troubled region. Senate Concurrent Resolution 4 would recommend to the President that he appoint a highly qualified and appropriately experienced special diplomatic envoy to investigate and report how best the United States could actively assist the governments involved in solving the conflict in Northern Ireland. This resolution is timely and I urge my colleagues to join me as cosponsors.●

THE CHEMICAL WARFARE REVIEW COMMISSION

● Mr. GOLDWATER. Mr. President, the modernization of the U.S. chemical deterrent with binary munitions is one of our highest national security priorities. The current lack of a credible chemical retaliatory capability may be the United States single most serious military deficiency. In acting on the fiscal year 1986 defense authorization bill, a strong bipartisan majority of the Committee on Armed Services approved initial production of binary weapons by a vote of 15 to 3.

In the conference report on the fiscal year 1985 defense authorization bill, the Congress directed the President to create an independent Chemical Warfare Review Commission. This Commission was to review the overall adequacy of the U.S. chemical deterrent posture, and to report its findings and recommendations to the Congress. The Commission's findings were briefed to President Reagan on April 26, and they were presented to the Committee on Armed Services on May 1.

The Chemical Warfare Review Commission performed an important service to this Nation. In view of the high caliber of the Commission's members, I expect its findings to play an important role in informing Congress' action on this important issue. I submit a copy of the Chairman of the Commission's testimony to the committee, as well as a summary of the Commission's findings and recommendations, and urge my colleagues to review this material carefully.

The material follows:

TESTIMONY BEFORE THE SENATE ARMED SERVICES COMMITTEE OF AMBASSADOR WALTER J. STOESSEL, JR., CHAIRMAN, CHEMICAL WARFARE REVIEW COMMISSION

Mr. Chairman, it is my privilege to present to the Committee the preliminary

findings of the bipartisan Chemical Warfare Review Commission, established by the President in Executive Order 12502 of January 28, 1985, in accordance with the provisions of Section 1511 of the Department of Defense Authorization Act of 1985.

Those appointed to serve on this Commission were, in addition to myself, Mr. Phillip John Bakes, President of Continental Airlines; Dr. Zbigniew Brzezinski, former Assistant to the President for National Security Affairs; General Richard E. Cavazos, whose last active-duty position was Commander, U.S. Army Forces Command; the Honorable Barber B. Conable, Jr., formerly a member of the House of Representatives from New York; the Honorable John N. Erlenborn, formerly a member of the House of Representatives from Illinois; General Alexander M. Haig, Jr., former U.S. Secretary of State and also former Supreme Allied Commander, Europe; and Mr. John G. Kester, a partner in the Washington law firm of Williams and Connolly and former Special Assistant to the Secretary of Defense.

The Congress directed this Commission to "review the overall adequacy of the chemical warfare posture of the United States with particular emphasis on the question of whether the United States should produce binary chemical munitions."

The Commission was further directed to consider the relationship of this matter to United States efforts for a multilateral, verifiable ban on chemical weapons; the adquacy of the current United States stockpile of chemical weapons in providing a credible deterrent to Soviet use of chemical weapons against United States and allied forces; whether the proposed binary program will provide a credible deterrent to chemical warfare; and, finally, whether defensive measures alone are adequate to meet the Soviet chemical warfare threat and whether current and projected funding of defensive measure programs is adequate.

The Commission has been meeting for two months, and has carefully studied all these matters. It began by considering United States policy with respect to chemical weapons. That policy has three elements:

Arms control. The United States will actively pursue the achievement of a multilateral, verifiable ban on the development, production, and stockpiling of chemical weapons.

Deterrence. Until such a ban is achieved and in effect, the United States will retain the capability to deter chemical attack by other powers.

No first use. The United States will never use chemical weapons except in retaliation for the use of chemical weapons against the United States or its allies.

The Commission has concluded the policy as stated continues to be appropriate. The members of the Commission wish to stress their conviction that achieving a multilateral, verifiable ban on chemical weapons should remain a priority aim of the United States.

In carrying out its work, the Commission reviewed the history of chemical weapons use, the scientific characteristics of modern chemical warfare agents, the technology of chemical of chemical defenses and chemical munitions, and the technology for demilitarizing obsolete and deteriorating munitions. The Commission has heard briefings by intelligence specialists on the Soviet Union's capability in both offense weaponry and defense, and also on the spread of chemical weapons possession and the authenticated use of these weapons in warfare in recent years.

Members of the Commission traveled to Europe, where we spoke with U.S. commanders and service men and women, and representatives of our NATO allies. We also viewed a portion of the current stockpile at several locations in the United States.

The Commission has reached a general consensus on the matters we were asked to consider, and I should now like to convey to you our findings to date, which I expect will appear in substantially this form in the final report.

On the matter of the relationship of stockpile modernization to the U.S. goal of achieving a multilateral, verifiable ban on the development, production, and stockpiling of chemical weapons, the Commission believes that modernization would be likely to increase the chances of achieving such a ban. The Commission has noted that in the 16 years since the unilateral renunciation by the U.S. of production of chemical munitions the Soviet Union has not progressed substantively toward acceptance of such a ban; on the contrary, it has continued its intensive program of production and research and development for chemical munitions.

On the matter of the adequacy of the existing stockpile to deter, this is what the Commission found:

The existing U.S. store of chemical weapons dates from the 1940's through 1960's and is in deteriorating condition. The bulk of it is militarily useless; a small fraction of the stockpile has deterrent value. All of it is potentially hazardous to handle.

Soviet chemical warfare capability is sizable and is increasing.

A more credible U.S. chemical retaliatory capability is needed in order to prevent either quick defeat or early escalation to a nuclear exchange in the event chemical weapons are used by the adversary.

Failure to acquire an effective chemical retaliatory capability could leave the United States with only nuclear retaliation to deter chemical attack.

The current stockpile should be destroyed at an accelerated rate.

The Commission carefully considered the proposed binary program, and came to the following conclusions:

The binary program will provide an adequate deterrent capability to meet our present needs and is necessary because of the deteriorating condition of the current stockpile.

The great advantage of the proposed binary munitions is safety.

The projected binary munitions program will not produce a more lethal generation of weapons. It provides, rather, a safer, separate packaging of nonlethal chemicals that combine to form lethal agents only when launched. The agents which would be formed after launching are identical to the lethal agents already produced and stored in the U.S. stockpile.

Substitution of these safer binary weapons to replace existing U.S. munitions filled with lethal nerve agent will provide much greater safety for U.S. personnel, and will simplify transport and handling. In addition, effective elimination of potential environmental hazards will be far easier and less expensive.

On the question of whether defensive measures alone are adequate to meet the Soviet threat, the Commission found:

The expectation that protective measures alone can offset the advantages to the Soviets from a chemical attack is not realistic.

Even if defensive equipment works, it severely handicaps personnel who must wear it. Without a retaliatory capability, this leads to an overwhelming military advantage for the attacker armed with chemical weapons.

In addition to its conclusions on the four matters it was specifically asked to address, the Commission reached several additional conclusions on the basis of its extensive review of this country's chemical warfare posture. Here are those additional conclusions:

On the matter of deployment of binary munitions, the Commission concluded that peacetime deployment of binary munitions in foreign countries is not essential, because of the safety and speed with which these munitions can be transported.

The Commission concluded that research and development efforts on both defensive items and detection equipment, as well as on retaliatory chemical agents and munitions, should be accelerated, both in order to deter the Soviet Union from using new agents and in order to develop countermeasures.

Finally, the Commission concluded that U.S. intelligence gathering and analysis regarding chemical warfare activities of the Soviet Union and other countries should be greatly improved.

A full report on the Commission's review of U.S. chemical warfare posture, which will amplify our views and may contain additional conclusions and recommendations, is now being prepared and will be ready for delivery to the President for transmission to Congress within a few weeks.

If, in the meantime, members of this committee have questions about the thinking or data that underlie the conclusions I have presented, I shall be happy to discuss these with you.

SUMMARY OF FINDINGS AND CONCLUSIONS

This Commission was directed by the Congress to review the overall adequacy of the chemical warfare posture of the United States. The Commission began by considering United States policy with respect to chemical weapons. That policy has three elements:

Arms control. The United States will actively pursue the achievement of a multilateral, verifiable ban on the development, production, and stockpiling of chemical weapons.

Deterrence. Until such a ban is achieved and in effect, the United States will retain the capability to deter chemical attack by other powers.

No first use. The United States will never use chemical weapons except in retaliation for the use of chemical weapons against the United States or its allies.

The Commission found that the policy as stated continues to be appropriate.

The Commission was directed by the Congress to consider four specific questions: [1]

1. The relationship of chemical stockpile modernization by the United States with the ultimate goal of the United States of achieving a multilateral, comprehensive, and verifiable ban on chemical weapons;

2. The adequacy of the existing United States stockpile of unitary chemical weapons in providing a credible deterrent to use by the Soviet Union of chemical weapons against the United States and allied forces;

3. Whether the binary chemical modernization program proposed by the Depart-

[1] These four questions were incorporated into the three tasks of Executive Order 12502, dated January 28, 1985.

ment of Defense is adequate to support United States national security policy by posing a credible deterrent to chemical warfare; and

4. The ability of defensive measures alone to meet the Soviet chemical warfare threat and adequacy of funding for current and projected defensive measure programs.

The following are the Commission's findings on each of the four points it was directed to address:

THE EFFECT OF MODERNIZATION OF ACHIEVING A CHEMICAL WEAPONS BAN

The Commission believes that modernization would likely increase the chances of achieving a multilateral, verifiable ban on chemical weapons. The Commission notes that in the 16 years since the unilateral renunciation by the U.S. of production of chemical munitions, the Soviet Union has not progressed toward acceptance of such a ban; on the contrary, it has continued its intensive program of production and research and development for chemical munitions.

ADEQUACY OF THE EXISTING STOCKPILE TO DETER

The Commission has found that:

The existing U.S. store of chemical weapons dates from the 1940's through 1960's and is in deteriorating condition. The bulk of it is militarily useless; a small fraction of the stockpile has deterrent value. All of it is potentially hazardous to handle.

Soviet chemical warfare capability is sizeable and increasing.

A more credible U.S. chemical retaliatory capability is needed in order to prevent either quick defeat or early escalation to a nuclear exchange in the event chemical weapons are used by the adversary.

Failure to acquire an effective chemical retaliatory capability could leave the United States with only nuclear retaliation to deter chemical attack.

The current stockpile should be destroyed at an accelerated rate.

THE BINARY CHEMICAL PROGRAM

The Commission has found that:

The proposed binary program will provide an adequate deterrent capability to meet our present needs and is necessary because of the deteriorating condition of the current stockpile.

The great advantage of the proposed binary munitions is safety.

The projected binary munitions program will not produce a more lethal generation of weapons. It provides, rather, a safer, separate packaging of nonlethal chemicals that combine to form lethal agents only when launched. The agents which would be formed after launching are identical to the lethal agents already produced and stored in the U.S. stockpile.

Substitution of these safer binary weapons for existing U.S. munitions filled with lethal nerve agent will provide much greater safety for U.S. personnel and will simplify transport and handling. In addition, effective elimination of potential environmental hazards will be far easier and less expensive.

DEFENSIVE MEASURES

The Commission has found that:

The expectation that protective measures alone can offset the advantages to the Soviets from a chemical attack is not realistic.

Even if defensive equipment works, it severely handicaps personnel who must wear it. Without a retaliatory capability, this leads to an overwhelming military advantage for the attacker armed with chemical weapons.

ADDITIONAL CONCLUSIONS

The Commission in the course of its deliberations has also arrived at these additional conclusions:

Deployment. The Commission does not consider peacetime deployment of binary munitions in foreign countries to be essential, because of the safety and speed with which these munitions can be transported.

Research and Development. The Commission believes that research and development efforts on both defensive items and detection equipment, as well as on retaliatory chemical agents and munitions, should be accelerated, both in order to deter the Soviet Union from using new agents and in order to develop countermeasures.

Intelligence. The Commission believes that U.S. intelligence gathering and analysis regarding chemical warfare activities of the Soviet Union and other countries should be greatly improved.●

ABORTION

● Mr. HUMPHREY. Mr. President, many women have reported experiencing post-abortion psychological trauma. Some have experienced painful remorse which, once again, points to the humanity of the child in the womb and to the bond it has to the family of man. In fact, an organization by the name of Women Exploited by Abortion continues to experience a tremendous growth in membership and currently has 44 State chapters with dozens of local chapters.

Many people assert that abortion helps women. We need to examine the warnings and experience of other women who say it does not. For this reason, Mr. President, I request that the January 1985 article appearing in the New England Correspondent (volume II, No. 1) entitled, "How It Feels To Have An Abortion," be printed at this point in the RECORD.

The article follows:

[From the New England Correspondent, January 1985]

HOW IT FEELS TO HAVE AN ABORTION

(Sandy Hahn)

If you had asked me a dozen years ago what my opinion was on abortion I probably would have told you something pat like, "Well, perhaps not for me, but anyone who wants one should be allowed to have one. It should be safe, convenient, cheap, easily obtainable, not just for the rich but for the poor also."

I hadn't given it much thought until I was confronted by a situation in my own life that was very hard to deal with. I had three children by a previous marriage and I was facing the very uncomfortable prospect of being a thirty-year-old unwed mother. I found I was pregnant after a session with a friend that had been very upsetting to me.

He had been acting very strangely and I didn't realize what the problem was. I found out later he had been experimenting with drugs. On this occasion, when I became pregnant, he was on drugs.

It was late in 1972. There had been a series of articles in local papers and women's magazines stating that a baby conceived by a parent who had been on certain drugs could have chromosomal breakdowns and defects such as retardation. I had read these articles and I was really frightened.

My oldest daughter was in special training because she was a cerebral palsy child with certain minimal handicaps, affecting leg motion, hand-eye coordination, and she was slightly retarded. I really had my hands full and now I had the prospect of giving birth to another child that would perhaps have graver problems than the child I already had.

I was very frightened. I went to a local hospital in Pittsburgh, West Penn Hospital, because I understood they had a genetic clinic that could give me some firm answers on what to expect. When I went to the genetic clinic I explained my situation to the counselor and the reason I was upset. She told me that they just did not know what drugs do to an unborn child, but she suggested that in my situation the best thing I could do was to have an abortion.

This was late 1972 remember, before the Supreme Court decision that a woman with her right to privacy could have an abortion on demand. I didn't think an abortion was all that easily obtainable, but the counselor assured me it was and moreover, it was really the modern thing to do, that any woman who didn't take control of her life just wasn't with it. That was the gist of the counseling session

She told me I would have to see a doctor whose primary job was to approve women for abortion. I didn't find out until many months later that he was a psychiatrist.

The way I found out he was a psychiatrist was that he testified at an abortionist trial in Pittsburgh of a doctor in that same hospital. This man had participated in a hysterotomy abortion of a twenty-four week pregnancy. In this kind of abortion the baby is taken by a kind of miniature Caesarean section and left to die. But this baby did not cooperate. It breathed and cried and started fussing.

The nurse attempted to take the baby to the newborn nursery to try to save its life. The doctor was extremely upset and ordered a shot of morphine to put the child away.

On the stand he testified that he had contracted for a dead fetus and that is what he intended to deliver. This was part of his defense.

The nurse was not successful in her efforts to save the baby. The baby died and the doctor was on trial for manslaughter.

The doctor who had given me the approval to have an abortion testified at this man's trial. He testified that every time he approved a woman for abortion in that hospital he received a $40 fee for his name on that piece of paper. That's how I knew I had seen a psychiatrist.

I did think at the time that his questions were rather odd. He asked how many children I had. I said three. He asked me how I got along with my father and I told him very well, except that my father was deceased. That was my psychiatric examination. He signed the paper and told me I could have my abortion.

I went back out to see the counselor. I had my three children with me. They were all quite small at the time and they were sitting on the floor rummaging in my purse which I had given them to keep them occupied. At one point the counselor gestured to the children and said, "You know, it would be more fair to them not to go through with this pregnancy."

I was really upset. I didn't really care to do this. There was something in me that just didn't want to do this. I told her I was

reconsidering and perhaps I wouldn't. Perhaps. I could have the baby and give it a try.

She threw her hands up in the air. "Baby! My dear, we're not talking about a baby, we're talking about a fetus! It's no bigger than the tip of my thumb. It's just a little blob of cells. This is not to be considered a baby."

I guess she was telling me what I wanted to hear. I really wanted to feel that there was a way for me to survive what I was going through. I think every woman who is pregnant and doesn't want to be basically wants to survive. She merely wants to come out of this situation as good as she was when she went into it and hopefully with noboby knowing about it.

Unplanned pregnancies are in the same ball of wax as promiscuity and of course neighbors have a way of talking, families have a way of hashing over things like that and everyone is a little bit concerned that this is going to come out.

After an abortion sometimes a woman is very upset, but she doesn't care to discuss her experience with anyone because she is afraid someone is going to say that she was not very discreet, that she was promiscuous. So you have a double whammy going against you. You can't discuss it with anyone because they would not understand. So I didn't discuss it with anyone.

"Well, all right, I think I will have the abortion," I said, "But I want to go home and talk with the baby's father."

The baby's father really did not want any children, period. He had asked me to marry him before that and I had refused. Now he said once again that he would marry me but he didn't want any kids. So I made preparations to go to the hospital the next day.

The next day was the Friday before Christmas, December 22. As I was leaving for the hospital he called me on the phone and said, "Before you have anything done, call me again and find out how I feel when you get there."

When I arrived at the hospital I called him on the phone. "What shall I do?"

"Do it," he said, just those two words and hung up.

I remember sitting there in the office and hearing the Christmas carols being played over the loudspeaker about the newborn baby and everybody joyous about this birth. It was very depressing.

Eventually they rounded up a doctor. The counselor apologized for the delay and explained that most of the doctors had taken a long holiday weekend and this was why there was no doctor available.

I was ushered into a little back processing room. A nurse was busily involved in her work and noticed me.

"You look so apprehensive," she said cheerily.

I said, "I really am. I don't know if I'm doing the right thing."

"Oh, you're making to much of this," she said. "We do this to twelve year old girls all the time and they don't carry on as much as you look like you're getting ready to."

I was prepared for the abortion and I had a million questions I would have liked to ask, but there was no one to ask. I asked the nurse a few questions but she seemed preoccupied with her work. I really wanted to talk to the doctor. But I never met the doctor until I was prepared and on the table.

When he came in he said. "Oh, it looks like you have a little problem here, but we'll fix you up and you can go out dancing tonight."

I was still very upset, unsure whether I had made the right decision, but I went through with the abortion.

The abortion I had was the commonest kind performed in the United States today which is the suction abortion. I guess the longest day I live I'll always remember the sight of the container filling up with what I knew was the remains of my baby.

I was told by the counselor that abortion is not painful. Well, it is. It was for me. There may be women who tell you it's no big deal, that they've gone through it several times and it wasn't painful for them. Perhaps not; for me it was.

I guess the mental pain I was going through was far worse than the physical pain. I just knew what I was doing was basically wrong. I knew it in my heart and yet I didn't have the strength or volition to get up and leave.

Abortion is quick. I was in and out in twelve minutes. They wanted me to sit there and rest a while, but I was so horribly upset I just couldn't wait to get out of there. I left very quickly.

I gathered my children back from my girl friend who was babysitting for me, went home, made a few last minute holiday preparations and then had to greet relatives and family that came in from different states for the holidays. I had to pretend that nothing had happened because none of my family had known that I had gone through this.

It was a tough Christmas. Somehow Christmas has never been the same to me since. Always Christmas had been something to look forward to many months in advance. Now when I see the first Christmas ornaments I have a feeling of dread like the dread I had the first Christmas after the abortion. It got worse and worse. I started getting very depressed. I started feeling sorry for myself.

Somehow I got through Christmas. I started feeling that I wasn't very much in control of my life. I would cry a lot. I would try to sleep. When I would get to sleep I would wake up with a start, thinking I had heard a baby cry.

Shortly after Christmas I got two phone calls from two very close friends. One told me very joyfully she was going to have a baby in the middle of July, and another friend told me she was going to have her baby in the middle of August. My baby would have been born right between them, around the first of August. It was tough to deal with that.

I thought, how can I still be friends with these women and associates with them and perhaps even visit them in the hospital when they give birth and looked at their babies when I know what happened to my baby?

I guess I always knew from the beginning that it was a baby. I thought in my heart it was a baby, but I wanted to push that out of my mind. I wanted to do what I thought was the best thing, the most expedient thing and the thing that would get me out of the situation I was in. But how do you deal with it?

After about four weeks of the self-pity, the distress, the nightmares, I went to a mental health clinic and discussed it with the counselor there who had helped me with my retarded daughter.

I told her how horrible I was feeling about the abortion, how depressed I was, how I thought I'd done the wrong thing. She quickly told me that there was no such thing as an abortion trauma. She had no idea what I was talking about. If I was feeling depressed or upset, it had to be something in my life I wasn't dealing with, not the abortion. Abortion would not do this to you.

I think the reasoning behind that was that abortion was so new that no one really wanted to deal with the outcome of a woman's abortion, no one was ready to handle that part of it.

One month after my abortion the Supreme Court made abortion on demand legal. Once we got that, everybody was enthralled with the idea of abortion. Everybody was going to control their own body and I think they just didn't want to hear too many outcries against it.

Well, I wasn't really making an outcry; I was making a cry for help, but I wasn't finding any help.

By the time I went back to hospital for my physical checkup I was so terribly depressed I was considering suicide. I just didn't think I could handle my life any more. Whether it was the abortion or something else I didn't know, but I just couldn't handle my life.

When I went in to see the doctor I was crying. I told him what I was feeling, that I had just done the worst thing I could possibly do. His reply was, "We've taken care of your problem. I don't really understand what you're talking about." Without any relief from the horrible feelings I was experiencing, I went home and tried to pull my life together.

A month or so later I got word that a close friend of the family who had once lived in our home had just committed suicide. I quickly called my sister in Chicago.

"Is it true?" I asked. "Did Dolly really kill herself?"

"Yes, she did."

My sister started crying. Choking back the sobs, she explained. "A while ago Dolly called me and told me that she was pregnant."

(Dolly was a very successful business woman who had just bought a new home. She had been going with a man for many years. She was in her early forties. She had a seventeen-year-old daughter. She had her life pretty much the way she wanted it, until she turned up pregnant.)

"She was absolutely petrified," my sister continued. "She didn't know how this was going to affect her business, her love life, her daughter or anything else." Every friend she went to, every person she turned to asked her, "Why not an abortion?"

"Dolly concurred and was going to have the abortion but first she called me and discussed it with me," my sister said. "I was extremely upset and told her, 'Please, whatever you do, don't have the abortion. I'll help you in any way I can, but please . . . don't have the abortion."

"But," Dolly said, "I have no choice." She hung up and had the abortion.

A while after this she called me and told me she was depressed, having nightmares and couldn't get her life together and asked me what she should do. I was so distraught I said, "Dolly, I can't deal with this," and hung up on her.

"Well, the month her baby would have been born she locked her garage, locked herself in the car and started the engine and sat there until she died."

Her death certificate, I'm sure, doesn't include the word abortion, and I'm quite sure a lot of people would say that the abortion had nothing to do with it. But you'll never convince me of that. I knew Dolly had to be

a stable person. The only thing that was out of kilter in her whole life was the abortion.

Since her death I have read that this is fairly common. The girls, if they're going to kill themselves, very often do it the month their baby would have been born.

I found in my own experience I began keeping strange anniversaries. I would keep the anniversary of the day of my abortion, and the day my baby would have been born. Even years later I find myself keeping anniversaries like the first day of school. I sometimes catch myself doing the same thing even now.

Mother's Day is especially tough to handle. I have a fifteen year old daughter and an eight year old daughter. Two years ago they got their nickles and dimes together and bought me a dear little heart pin that said "Mother of the Year." They asked me why I don't wear this pin. You can imagine why I don't wear the pin. I really don't feel like Mother of the Year.

It wasn't that I didn't love my baby. I was just scared, plain scared. I didn't know where to go. I didn't have anyone to turn to. If one person had handed me a pamphlet on the way into that clinic, if one person had said, "Come on, sit down and have a cup of coffee and let's talk about this or think about it for a few days before you make the decision," I think my life would have been completely different. Of course, Monday morning quarterbacking is always better than Sunday afternoon. I think my life could have been different. But perhaps not. Perhaps this is the way my life was meant to go.

The turning point came when I became convinced that what was happening in our country was wrong. I got started in the Pro-Life movement and I made up my mind that the only way to survive this experience was to have a baby.

In my mind I assumed that I would have ths same baby. Of course, we all know that is impossible. Every baby is a unique genetic pattern. Every baby has its own personal makeup; it can never be duplicated. But I wasn't thinking too straight. When I set out to have this baby I married the baby's father. On our first anniversary I found out I was indeed pregnant.

By this time we had so many hard times and so much fighting between the two of us that we decided it was better to split. The abortion was always coming up and he felt I was being nasty and nagging him and I felt he was being unreasonable and he had deserted me and there were a lot of hard feelings. So there I was once again in just about the same situation: three children, very little money, back on Medicaid and soon to be divorced, single.

When I went in for my first prenatal examination the doctor looked at my chart and saw my situation and immediately asked me if I was going to have a termination.

I was determined to have this baby no matter what. I told him, "No, I'm going to have this baby."

He treated me like a naughty little girl, but I was very much determined. I figures once I said no they would write it on my chart and that would be the end of it. But the way the clinic worked, every time you went in you got whatever doctor happened to be on duty. You never had a regular doctor. Every month a different doctor would read my chart about my financial and marital condition and assume that of course I wanted an abortion. The last time I was asked if I wanted an abortion I was seven and a half months pregnant and it was very obvious.

I said, "But I'm seven and a half months pregnant! I can't have an abortion."

He shrugged his shoulders. "It can be arranged," he said.

The more obvious it became that I was pregnant, the more upset I became when the doctor suggested an abortion. Then came the news that in certain circumstances delivery room infanticide was occurring when a baby was less than perfect or a doctor felt the baby should just be left to die.

I began to wonder, what if this is their philosophy also? What if someone in the delivery room once again reads my chart and decides that they're going to let my baby die—for my own good?! What if my baby doesn't breathe quickly enough? (One of my babies was slow to start breathing.) What happens then? Is anyone going to speak up for my baby?

The day I had my baby—I had to be induced because I was twenty-one days late—I was lying there in labor, attached to all those machines which monitor the baby's heartbeat and my heartbeat and other things, and I kept telling the nurse how anxious I was to have my baby. I was hoping if something went wrong and I were unconscious I would have an advocate in that room standing up for me and my baby. I prayed in my heart that it would be that way.

While I was lying there having the baby it occurred to me, what if God decides to lower the boom on me because of what I had done? Maybe my baby would be born dead or retarded of affected in some way and I would be made to pay for my terrible act of abortion.

But I guess God in His wisdom is a little smarter than all of us. My little girl came so quickly that I didn't have time for the anesthesia. She was as healthy as anyone could be and squalling and twice as beautiful as I had ever hoped she would be.

She was born on January 22, 1975, the third anniversary of the Supreme Court decision to legalize abortion on demand.

Very quickly thereafter, as soon as they would let me go, I left the hospital, baby in tow, and away I went. After a few weeks at home with the baby, trying to get adjusted to feeding schedules and whatever, I started mulling over everything I had gone through. At that point I started to realize that there must be other women who were feeling what I was feeling.

I can't speak for every other woman, but I have talked to a lot of them since I had my baby who have told me that their experience was very similar to mine: the portraying of abortion as something it isn't, the assurance that this is an easy way out, the feeling later on of having made a terrible mistake and having nowhere to turn and no one to talk to.

It was late in 1975 when I investigated the group I belong to today, "Women Exploited." The four women who founded the organization met at a Pro-Life convention in Chicago. They had gone to the convention to try to find out why they were feeling so bad after their abortions. They got together accidentally and started to compare notes: why they were there, what they were doing. They decided to form the group which they called Women Exploited.

At first I didn't like the name. It sounded so harsh. And yet, when I read what they had written about how women were exploited in abortion, I started feeling that maybe they had a good idea and maybe Women Exploited was a good term. Abortion very often exploits women.

Let's face it. As much as women may try to be equal with men, if a pregnancy occurs, very often it's the woman's choice as to what she's going to do. Many times a man panics as much as a woman does, and will say to a woman, "I'll give you X number of dollars if you want to have an abortion." It's an easy way out for him, too. It's less scary than looking forward to eighteen years of child support payments. Many times he is just as frightened for her health. Sometimes he has all the right reasons for doing what he does but it comes out all wrong in the end.

Very seldom have I ever talked to a woman who has had a relationship with a man, had a pregnancy, had an abortion, that the relationship remains the same. Often the relationship goes straight down the chute at that point. There is a breakdown in communication, a lot of fighting and bickering over the abortion.

Often that's compounded by the fact that it's very hard to carry a subsequent pregnancy after an abortion. I was one of the lucky ones. I was not that badly damaged by the abortion. I began to hemorrhage when I was six weeks into the pregnancy with my little daughter. I thought I might lose her. I was very lucky. I did not lose her. Many girls never conceive again after an abortion.

Sometimes there is damage to the tubes. Sometimes there is infection. Sometimes there is a tearing of the muscle tissue at the cervix and this makes subsequent pregnancies uncertain. If there is a multiple abortion (one, two or three abortions), your chances are all the less of coming out with a successful pregnancy.

A lot of women have an abortion for frivolous reasons (at least, I think they are frivolous), such as sex selection. It has always been amazing to me that women's movements come out so strongly behind abortion-on-demand in the case of sex selection. Most babies are aborted because they are female when sex selection is the reason for abortion. In effect, what it's doing is allowing for discrimination against very little women!

The part that hit me the most with my abortion occurred when I started reading material on prenatal development. I learned that the baby's nervous system is intact and functioning very early, often before the woman suspects she is pregnant.

So what I did to my baby, my baby felt! My baby felt everything that happened to it. I think that is the most horrible aspect of the whole thing. Not only did I put myself through that but I put another human being through that. It has affected my life in strange ways.

I remember after my little girl was a year old, my four children and I were going to the playground. We were walking up the street and there was a little crack in the sidewalk. Down in the crack was a little pansy. It was growing right in the sidewalk.

My girls were laughing with delight. "Mommy, look! The pansy is growing and nobody's even stepping on it!" They were laughing and I was overcome by a deep melancholy. Tears came to my eyes as I realized that another person would never enjoy a pansy growing in a crack in the sidewalk—because of me. You are overcome by a beautiful sunset and you know that a person you destroyed will never see a sunset.

Maybe some will accept abortion as something they have to do. I've never fully ac-

cepted it. I've never fully forgotten it. Here I am all these years later and it's still just as fresh in my mind as it ever was.

I try not to dwell on it because there's nothing I can do about it. But there is something I can do about people's attitudes. I try my best to talk to women before they have an abortion done. After all, when you hear people touting free choice, what does that infer? It infers that you have more than one way to go. If you don't hear both sides of the case, where's the choice?

When they get to an abortion clinic I really do not feel they get the other side of the coin, that there are agencies to help, there are ways to have the child, to give it up for adoption or keep it yourself or whatever. At least the child has a chance and the woman has a chance.

Many women are irreparably scarred by abortion. Many women harbor the guilt quietly. A woman in our group talked to a lady who had had an abortion sixty years ago. She was still carrying around the guilt. She felt at the time that either they would all starve or she would have an abortion. She still hadn't dealt with it. She had never talked about it until she found someone who has had an abortion and could not point the finger at her and say, "What you did was horrible!"

The girl she was talking to had had an abortion also. So she couldn't very well be judgmental. This was why she talked to her about it.

I don't know if I have the answers to many of these problems. I don't know if they even have an answer. But what we have to realize is that abortion is not ending a problem; it's just a whole new set of problems. If we don't admit that there are at least some women—in my estimation, many women—who are having a reaction after an abortion, then we are very shortsighted, because it is indeed happening.

I think we have to consider the idea of mental illness after an abortion. We have to consider that some women go off the deep end. I have an acquaintance who ended up in shock therapy. She couldn't deal with her life. She became sterile, never did have another child.

When she had the abortion she was in college. She had another year to go until she got her degree and she just didn't want to hassle herself with a baby. So she and her husband decided this was the best thing to do. But through the abortion she became sterile and when it was time to have their planned baby, there was no baby to be had.

We have a lot of victims along with the baby. I don't know if everyone will agree with me that it's a baby, but I think we're only fooling ourselves when we think people can deal more easily with a 'fetus' than with an 'unborn child'. Fetus is merely the Latin term for young one in the womb.

We have all kinds of strange terms. When I was in the hospital both times they rarely used the word abortion. They used neat little terms like 'termination of the pregnancy', or the 'removal of the conceptus'. They rarely used the word abortion and they never used the word baby.

I don't know if I don't go away from the whole experience with more questions than answers. I don't know where all these answers are going to come from. But we surely have to acknowledge that there are questions that need answering.

That's our obligation, because if we're going to experience a million and a half abortions a year, we had better fully realize that we're going to see a number of women who can't really handle the experience.

There are a lot of women who will tell you that they went through an abortion, they felt nothing, they had no regrets, they would do it again in a minute and it was no big deal. But that was not my experience.

I think you should investigate what you feel deep down inside about abortion. And if you are against this going on, perhaps you could be the person who hands out a leaflet or offers a cup of coffee or a shoulder to cry on to somebody who really, really needs that. Maybe you can save some woman and some baby from going through what I and my baby went through.●

TRIBUTE TO CHIEF IRV TALLEY

● Mr. DeCONCINI. Mr. President, I rise today to recognize a great American and fellow Arizonan, Irv Talley. Chief Irv Talley, fire chief for the volunteer fire department in Safford, AZ, has been named Fire Chief of the Year by the National Volunteer Fire Council. Last night he was honored by the citizens of the community he has served so diligently over the past 38 years.

There is no greater reward than being singled out by your peers for a job well done. Chief Talley's selection as Fire Chief of the Year brings national attention to what the residents of Safford have known for many years; Chief Talley is committed to protection of the lives and property of his fellow citizens. Under his direction, the Safford Fire Department is the only volunteer department in the Nation to have achieved a class 4 insurance rating.

Voluntary service is the cornerstone of our heritage as a Nation. Our independence was achieved with a volunteer militia. Chief Talley follows in this great tradition. I truly regret that I was unable to be with the citizens of Safford to personally express my gratitude of Chief Talley for his service to his community.

I am proud to have him as one of my constituents.●

DR. DUANE R. LUND, A MAN OF MANY TALENTS

● Mr. DURENBERGER. Mr. President, two weekends ago, I had the honor and pleasure of participating in the dedication of a major new addition to the Staples Area Vocational School and, also, a retirement reception in honor of Dr. Duane R. Lund, superintendent of the Staples Public Schools since 1960.

I first met Duane Lund almost 20 years ago, when I was working in the Governor's office in Minnesota and Duane was busy promoting his—then—relatively new area vocational technical school and hustling every State and Federal grant program in sight.

Duane was among those most active in attracting an AVTI to Staples in 1960, an institution which has contributed much to the economic viability of the community with 75 jobs and about 800 students.

In the early 1960's Duane's leadership in the Staples school system was evidenced in construction of a new North Elementary building. He was also deeply involved in the establishment of the Lincoln Model School with assistance from a variety of governmental agencies and grants.

In 1967, Duane's contacts from his days as executive secretary to U.S. Senator Edward Thye helped result in the location of a 3M Co. plant in Staples. During this same time, he received his doctorate from the University of Minnesota and helped strengthen the area's agricultural economy with the establishment of a Staples Demonstration-Research Irrigation Farm.

The early 1970's marked a host of special grants and new programming inspired by Duane in the Staples High School, including "New Roles in Education" which dealt with curriculum development and inservice training; a Community Concern for Youth Program, and Project Touch. In the elementary schools, Duane was instrumental in launching and obtaining outside funding for TransSCEPP, Project Smart, Tri-County Dental Health Program. Three other programs, inspired by Duane which served all the district's students, include the Staples Teacher Center, and the Right to Read and Rural Needs Assessment Programs.

Duane's influence as a State and national leader in education was felt through his membership on the National Vocational Advisory Council. He was appointed to two consecutive 3-year terms on the Council by President Nixon and served as the Council's Chairman in 1976.

During Duane's tenure, there have been five additions to the Staples Technical Institute. Educators numbering in the thousands have come from many States to observe programs in the Staples Lincoln Model School and unique vocational courses such as heavy equipment and, more recently, robotics and microcomputer repair.

Duane's ability to provide a cohesive leadership style was important in maintaining a sense of school "family" among students, faculty, and the school board. Staples' sports accomplishments are a legend in Minnesota and the school is also known for its arts and music programs and special education programming to meet individualized student needs.

Locally, Duane cochaired the Staples 75th anniversary celebration, served as president of the Staples Arts Council, and was a leader in the Staples United Fund and local Scouting program.

Duane's love for painting and sharing his gifts with others resulted in

Staples' first adult painting classes. In later years, his gift of communicating involved speeches on a variety of topics given through the United States and his authorship of 12 books.

My own respect for Duane—and for the larger Staples community—stems partly from the leadership which Duane and others have provided in making Staples the live and thriving community which it is today.

Not too many years ago, many people thought Staples was a dying town—destined to become just one more casualty of changing times in the railroad industry which had been the mainstay of the local economy for nearly a century.

Largely because of the influence of the Staples Area Vocational School—and the leadership of individuals like Duane Lund—Staples has met the challenge of change. Today, Staples stands as a model for communities throughout America which are struggling to adapt to changes on economic forces over which they have very little control.

A major reason for the success of the Staples AVTI comes from the kind of role which Duane Lund and others carved out for this outstanding educational institution.

From the very beginning the Staples AVTI has had a strong sense of mission not only to its students, but to the entire area which it serves. The school has had a strong commitment, for example, to training and retraining older workers for jobs with a future—when skills learned in the past may no longer be as marketable.

Particularly impressive has been the Staples AVTI's commitment to training workers of all ages in new skills for jobs which have not yet even reached their full potential in an ever changing world—programs like the new 22-month Robotics Program, for example, and the 11-month program to train workers in microcomputer and microprocessor repair.

But, even beyond the course offered to what might be regarded as a traditional clientele—the Staples AVTI has sensed the need to reach out to a large community and offer the kind of resources which will help determine whether the American institution known as the family farmer and his or her small town will survive into the next generation.

It's no secret that rural areas across America are not facing the best of times these days. As hard as it is to accept, farming will never again employ as many people as it has in times past.

No sensible politican is going to argue that we as a rural society should abandon agriculture. Farming must again be made an occupation and a way of life in which a family can earn a decent living.

But, just as Staples was forced to change due to declining employment in the railroad industry—farming communities that survive into the 21st century are going to have to diversify in ways which will guarantee that future graduates of schools like the Staples AVTI and others like it will find jobs in nearby communities and not have to all settle in the metropolitan areas of this country.

Duane Lund has done much over the past 25 years to make that kind of challenge achievable in Staples. Through his leadership, he has done much to ensure that Staples will continue to be a vital and attractive place to live and work and raise a family in the years and decades ahead.●

DOWN'S SYNDROME

● Mr. LUGAR. Mr. President, I would like to take a brief moment today to share with my colleagues a column published March 24 by my friend George Will in the Washington Post. George writes of something very personal for him, and something for which I also share a deep personal commitment. The issue of our concern is the lives of those Americans among us who have what is called Down's syndrome, a genetic defect that causes varying degrees of mental retardation and physical handicaps. George Will has a fine young son who has Down's syndrome. For the past several years, I have been the author of a resolution supported by a vast majority of Congress to designate a week in the year to focus on those who have Down's syndrome. Last year, I was happy to join George Will at the White House with President Reagan for the official signing of Down's Syndrome Week. A constituent of mine, Thomas O'Neill, of Fort Wayne, IN, who is president of the National Down's Syndrome Congress, was also in attendance.

I have visited a special school in Fort Wayne, where Tom O'Neill's young son is receiving the kind of personal education that can help him live in our society as a productive person. And that is the issue, I think George Will is addressing. For many years now, my wife Charlene and I have been involved in supporting the March of Dimes in Indiana to fight birth defects. Char has even started a special fund in her name to direct more attention to the fight against birth defects in our State. Yet while we continue our efforts to end birth defects, many children are born in our country with them. These children and adults as they grow older are full members of our Nation and deserving of all the rights and privileges of all Americans. In the past it was too easy to push those Americans with handicaps aside. That is not what this Nation is about now, but as George Will's article argues it is something we have to constantly affirm. I ask to include the article in the RECORD.

[From the Washington Post, Apr. 24, 1985]

MY SON AND "LIFE'S LOTTERY"

(By George F. Will)

In 1972 Jonathan Will, with a nice sense of family tradition, was born on May 4, his father's birthday. So in a few days he will attain the status of teen-ager, with all the prerogatives pertaining thereto. A wit has written that adolescence was first considered a phase, then a profession and now is a nationality. Jon's acquisition of citizenship in that nation comes on the heels of a recent ruckus here about people like him.

He has Down's syndrome, a genetic defect involving varying degrees of mental retardation and, sometimes, serious physical defects. When he was born we were bombarded with advice and information, much of it mistaken. Even 13 years ago there was more certitude than certainty in the prognoses, most of which were too pessimistic.

It is said we are all born brave, trusting and greedy, and remain greedy. I am pleased that Jon has been like that—like the rest of us, because it was depressing to be told, repeatedly, that children with Down's syndrome "are such happy children." That implied sub-human simplicity, a mindless cheerfulness of the sort racists once ascribed to blacks. Jon, like the rest of us, is not always nice or happy. Indeed, he has the special unhappiness of having more complicated feelings than he has the capacity to express. He certainly has enough problems without being badgered by bureaucrats telling him to quit avoiding the central issues of his life.

Recently two officials of the U.S. Department of Education resigned after stirring a storm with interesting metaphysical and political thoughts. One offical was a woman whom readers of this column met in 1983 when she was saying that a "key reason" for declining academic achievements is that the government has been catering to groups such as the handicapped "at the expense of those who have the highest potential to contribute positively to society." This struck me as a frivolous analysis of a complex phenomenon and a dangerous subordination of individual rights to calculations of social utility.

She wrote a response, just now circulating, in which she said (as the sympathetic Wall Street Journal phrased it) that, "We are on Earth not mainly to promote our secular equality but to use our varying Earthly circumstances to perfect ourselves morally."

Nice try, Journal. But what she really said was:

"They [the handicapped] falsely assume that the lottery of life has penalized them at random. This is not so. Nothing comes to an individual that he has not, at some point in his development, summoned. Each of us is responsible for his life situation." And, "There is no injustice in the universe. As unfair as it may seem, a person's external circumstances do fit his level of inner spiritual development. . . . Those of the handicapped constituency who seek to have others bear their burdens and eliminate their challenges are seeking to avoid the central issues of their lives."

Jon avoids making his bed, but is hot to confront central issues of his life, such as why the Baltimore Orioles start slowly. His father is trying to fathom how Jon "summoned" chromosomal problems.

Sen. Lowell Weicker, chairman of the Appropriations committee that deals with education, got very exercised about what the woman wrote, but Weicker probably gets exercised about oatmeal, "Gilligan's Island" reruns and rainy Tuesdays. Everything gets Weicker wrought up, and this issue would have done so even if he did not have a son with Down's syndrome.

The woman resigned as did another education department official, who favors repeal of, among other things, PL 94-142. That law guarantees handicapped children a free, appropriate public education. To millions of handicapped persons and their parents, it is as important, substantively and symbolically, as the Voting Rights Act is to black Americans. The official who advocated repeal was betraying a president who supports it.

The two resignations detonated The Wall Street Journal's editorialists. They issued another denunciation of us sinners who live within the Washington Beltway. The Journal said the two officials were victims of "the usual crazed antibodies," meaning "the Beltway white cells" in a "feeding frenzy" to destroy Ronald Reagan and redblooded conservatism.

The strain of manning the ramparts of right-wing purity may be getting to the Journal. We inside the Beltway no doubt have shortcomings unknown in south Manhattan, which the Journal considers the perfect place to take America's pulse. But we know some things including these:

Reagan opposes weakening PL 94-142. He has enough problems without being saddled with supporters who define conservatism in terms of dismantling such protections and who associate conservatism with crackpot metaphysics about (hey, cheer up, Ethiopians) the perfect justice of the universe.

If the Journal can believe that America does or should want such conservatism, then the Journal can believe anything—for example, that budget cuts and economic growth are going to balance the budget. The Journal believes that too.●

JAMES L. MOODY, JR., CHAIRMAN, FMI BOARD

● Mr. MITCHELL. Mr. President, it gives me great pleasure to announce that the newly elected chairman of the Food Marketing Institute Board is James L. Moody, Jr., an old friend and one of the foremost businessmen in the State of Maine.

Jim's career in Maine began with the Hannaford Brothers supermarkets in 1959. Hannaford's is one of Maine's leading corporations. Under Jim Moody's guidance since 1974, the company has grown and today reflects a level of service and quality that Maine has come to rely upon.

The Food Marketing Institute has been in the forefront of improving and modernizing the food distribution system in this country. On issues ranging from the anti-tampering packages that now routinely protect consumers against contaminated products to the universal price code, which has helped speed service and kept foods costs down, FMI has served the larger community as it has served its own constituency.

I am sure the experience of the new chairman will build on and strengthen that fine tradition at FMI. I am pleased to be able to extend my congratulations to Jim Moody and to FMI for an excellent choice.●

THE WISE USE OF CONSUMER CREDIT

● Mr. DANFORTH. Mr. President, in these times, when American consumers are spending more on goods and services than ever before, it is sometimes easy to forget the importance of using credit wisely. Since 1975, the Missouri Consumer Credit Association-Education Foundation has been actively involved in providing high school seniors throughout the State with a better understanding of consumer credit. As part of this education program, the foundation sponsors an annual essay contest.

This year, an essay by Mona M. Morgan, a student at Clopton High School in Clarksville, MO, has been awarded first place in the contest. Miss Morgan, her family and her friends can be proud of her efforts and to her I offer my most sincere congratulations.

Mr. President, the essay by Miss Morgan reflects a great deal of thought and effort. Her insights into the use of consumer credit are most certainly deserving of our attention. I ask that her essay be included in the RECORD.

The essay follows:

THE WISE USE OF CONSUMER CREDIT

A consumer is a user. Consumers use services as well as goods. Credit is trust allowing a consumer to pay later or gradually when he can. Consumer credit is a very important thing for every American. It is used in thousands of ways every day in the U.S.

Credit bureaus compile records as people establish their credit through loans, installment payments, credit cards and various other methods. These records are consulted whenever credit is needed and the creditor needs assurance of the person's trustworthiness and ability to pay. If someone is buying a new car, for example. If the dealer selling the car hasn't done any prior business with this person, the dealer as the creditor will need some assurance that allowing this person to buy on credit is a wise decision. The dealer can run a credit check and receive past credit information on this person. In many instances this is standard practice.

Good credit records are an essential in today's world. If your credit record is blemished it is very hard to recieve credit to restablish a good record. Most people today live beyond their means. It's a way of life. They buy their T.V., car, furniture, appliances and other items with credit in the form of credit cards, installment plans and bank loans. Then, when they have paid all the payments on time, the record of this is put on their parmanent credit record.

When students are in high school there are generally classes where they can learn about the intricacies of credit and its uses. This way students can learn to deal sensibly with credit before they've established a poor credit rating that will be nearly impossible to erase. Children are exposed to the uses of credit early in life. Sometimes they will get the misconception that credit is getting something without having to pay for it. This has to be disproven quickly before the concept sticks. Many people do actually grow up with this idea and get into serious trouble with collection agencies and, yes, with the law. This is just a lack of the proper education on credit.

Credit has been around for a long time. People aren't the only patrons to take advantage of it, though. Many government and countries get into trouble by using credit and spending beyond their means. Just look at our nation's deficit!

When you acquire credit cards you have a set limit on the amount that you can charge. It's a very good idea to make sure you spend a very small percentage of your income with credit. It's all too easy to think you'll be able to pay for anything, but it's different story when collection time comes. Over-spending can give you an affluent look but it will catch up. Most people don't realize this is illegal. They can't realize it is the same as attempting to steal something and that they could lose nearly everything they own to pay for their mistake. This doesn't occur to them until the repossession people arrive. Perhaps it doesn't even occur to them at that time.

Keeping accurate records of transactions and finances is one way of staying out of credit trouble. Realizing that there are limits on credit, and that these limits are your actual income is important also. Some people will take out a small bank loan and quickly pay the sum back in order to establish the beginning of a good credit record. This is a good idea. It establishes that a person can pay their debts promptly and their credit can be honored.

If people are rational and educated about consumer credit they are less likely to get burned with it. Some cities offer classes to educate people on the wise uses of credit, checks and savings plans, and bank employees are a useful source of information on this matter. People don't have to be overspenders. They can be careful consumers and handle their credit wisely with a little thought.●

MISSING CHILDREN HELP CENTER

● Mrs. HAWKINS. Mr. President, I would like to honor the Missing Children Help Center who has been working with law enforcement agencies as a nationwide clearinghouse for information leading to the recovery of children at risk. The center educates the public through service clubs and civic organizations throughout the State of Florida while compiling and distributing pictures nationwide of all missing children. The center has developed a free publication which they distribute to all schools, law enforcement agencies, and hospitals nationwide. And, not only do they work with the individual parents but a major portion of their time is spent on programs aimed at educating the general public through providing speakers to groups and organizations.

Mr. President, I ask that the goals of the Missing Children Help Center and

an outline of their Parents Taking Action Program be printed in the RECORD.

The material follows:

MISSING CHILDREN HELP CENTER

GOAL

In November, 1983, the Missing Children Help Center actively began an awareness campaign to over 500 Service Clubs, Civic Organizations, Chambers of Commerce, Schools, Churches, etc. In this memo we stress the following:

We believe that all Missing Children are important and must be found. We also believe that the physical protection of all of our children must be insured mandatorily and uniformally Nationwide.

There is no greater heartache than the loss of one's child. The families we work with have lost their children to rapists, murderers and people who profit from pornography and child prostitution. No one can cure this problem but us.

The Missing Children Help Center feels that the elimination of the word "Runaway" would certainly benefit those children who have been tricked, forced or lured . . . and are at risk; and those who leave because they are being physically, mentally or sexually abused at home. Every Missing Child must be our concern. All Missing Children are at risk and subject to violence and exploitation and must be given a voice in today's Society.

It is very important for us to recognize the needs of all our children—that they must be given physical protection—and that through the laws the protection of children must become the number one priority throughout America.

On May 16, 1983, Governor Bob Graham of Florida, signed into law the Missing Children's Act in the State of Florida, which mandates that all Law Enforcement Agencies in the state enter missing children into the FCIC, (Florida Crime Information Computer), however, we in the State of Florida lack Children's Bureaus and manpower that deals explicitly with the problem of missing and exploited children.

The Missing Children Help Center feels that it is extremely important at this time to educate the public that it is urgent for the sake of all children to provide a Crime Against Children's Bureau in every Law Enforcement Agency in our state as soon as possible. In this way the Law Enforcement Agency will be coordinating their resources through the FDLE, (Florida Department of Law Enforcement), to help all Florida Children mandatorily and uniformally.

Working with the Florida Department of Law Enforcement and other Law Enforcement Agencies has been our pleasure. We find that there is concern and dedication in all the agencies, and above all there is a desire on their part to establish such units. They fully realize the need—now it is up to the people to make certain that funds are appropriated and that adequate manpower is established.

Our work is just beginning. The "Parents Taking Action" Program must be started now and these children's units must also be established. Your group can make all the difference.

We have just scratched the surface of this problem involving our most precious possession—children!

PARENTS TAKING ACTION

VOLUNTARY FINGERPRINTING PROGRAM

The Missing Children Help Center strongly encourages parents to participate in the voluntary fingerprinting of their children. Parents should retain the fingerprints of their children to be used only in the case of an emergency.

BLOCK PARENT/CRIME WATCH PROGRAM

1. Hold a meeting to inform parents about neighborhood safeguards for children. Speakers from the Missing Children Help Center and local Law Enforcement Agencies should be asked to speak. They will alert your community of the problems that exist and how the Crime Watch Block Parent Program will help.

2. Select a Chairman and form a committee to decide the hours and the scope of your program. Invite input from everyone. (Many communities continue their programs throughout the summer months.)

3. Keep in touch with all Block Parents by phone or notices. Names and numbers should be provided for quick reference.

4. Provide signs for windows. Set up a publicity program among parents and children in your area about the Block Parent Program.

ABSENTEE REPORTING PROGRAM

1. Coordinate with school officials so that absentee lists may be obtained each and every school day.

2. Request school officials to send home (with each student) a letter requesting parental permission to be called if the child is not in school by a certain time. Make a central file with names and numbers for quick reference. This letter should also ask for volunteers to do the calling.

3. Set up volunteers to come in and call parents whose children are not in school. You will need back-up callers from time to time.

4. In most schools your group may need to supply a phone list to be used for this purpose. By placing this special line in the sick room, volunteers may serve in two jobs at once.

SCHOOL PSYCHOLOGIST/GUIDANCE COUNSELOR

1. Most elementary schools have Parent Support Organizations. The Missing Children Help Center encourages close cooperation with these organizations in recognizing that young children may find difficulty in expressing their needs. School psychologists are there as a friend, but they are there for a more specific purpose—help. They can spot children who may be abused or distressed. They are able to provide help for both the children and the family. If you know a child who needs help, alert the School Psychologist.

2. If your school does not provide a psychologist, work with your Parent/Teacher Organization to find ways of getting one.

3. If there is no Parent/Teacher Organization in your school study ways in which you can assist faculty members in their efforts.●

SECURITIES SAFETY AND SOUNDNESS ACT OF 1985

● Mr. DOMENICI. Mr. President, everyday we hear more and more about corporate raiders, poison pills, greenmail, shark repellant, fallen angels, crown jewels, and the scorched earth. It makes great headlines. In fact, it is worthy of a good screenwriter. Were it a soap opera, it could be called "The Roaring Eighties."

In "The Roaring Eighties" everyone gets rich quick. In "The Roaring Eighties" credit is there for the asking because the era's magic word—"leverage"—is always a good thing. In "The Roaring Eighties" there are no nervous Nellies at the SEC worrying about fraudulent or incomplete filings or insider tipping because, again, everyone is getting rich. In "The Roaring Eighties" 30- and 40-year-old money managers who think in time horizons of 2 hours to 2 weeks, control industrial America. In the Roaring Eighties" "independent" lawyers and investment bankers call people like Icahn extortionists and racketeers in one brief, then call him a hero in the next writing after he's hired them. But nobody cares much because, again, everyone is having a terrific time and getting filthy rich.

Yet even with all the fun and games, this soap opera is dead serious stuff, and it may not have a happy ending. Because what's really going on here—what went on in the Phillips brouhaha—is that the forces and people that shape American and world business are undergoing a fundamental shift and steering us into an uncertain future. Thus, among the characters in "The Roaring Eighties" are an insistent bunch of players who complain with what some think is annoying persuasiveness that "The Roaring Eighties" will end like the "Roaring Twenties"—specifically 1929.

I ask that today's episode, "Opening Bid From the Seductive Texan," and "The Rescue Squad" be printed in the RECORD.

I should tell you that the idea for the script isn't mine. The article appeared in the May issue of the American Lawyer.

The article follows:

OPENING BID FROM THE SEDUCTIVE TEXAN

On December 4, 1984, an affiliate of Mesa Petroleum, a small, Amarillo, Texas-based oil company run by a folksy character named T. Boone Pickens, announces that it has acquired 5.8 percent of the shares of Phillips Petroleum, and that it will soon begin a tender offer to buy another 14.9 percent of the shares for $60 each. The Phillips stock is selling today for $44. Although Mesa is about one-thirty-seventh the size of Phillips, its takeover threat seems to be real. Why? Leverage!

Pickens sits at Mesa behind a barbed-wire net of anti-takeover protection devices, plus a fabulous golden parachute at the ready should the protection fail. In other words, in a rational world he'd be cast as a selfish, entrenched manager. Yet he has instead become the media's favorite liberator of oil companies plagued by entrenched managers; and his bid is generally played in the press as a $60-per-share offer that will give Phillips shareholders the value that its management has withheld. This, we shall see, is a man who has managed to turn a Texas drawl, a gift for great quote, and

near-total press accessibility into near-total press credibility.

Pickens declares that once he buys the additional 14.9 percent he will try to gain control of Phillips, and that if he succeeds he will then propose a merger or some other combination, in which the remaining 79.3 percent of the shareholders will receive some unspecified combination of cash and securities having a value of "approximately equal" to $60 per share as determined by "independent bankers selected by [Mesa]." He goes on to say that Mesa has "not formulated any specific proposal" and that "there is no assurance that any such transaction will be proposed."

If that reads like a $60 offer for a $37 stock, read it again. Pickens is promising no transaction at all beyond his tender offer for 14.9 percent of the shares, and he's saying that if there is a transaction it will be one full of debentures that his "independent" bankers will value at approximately $60.

Nonetheless, based on Wall Street's belief in the Texan's magic touch the stock shoots up to $48 by the end of the day, and to $53.50 the next day.

Pickens also promises the press and the Street that he'll never take greenmail—a special buyout of his stock to get him to go away—because he's in this fight on behalf of all the shareholders.

THE RESCUE SQUAD

Phillips CEO William Douce, 65, is a gruff no-nonsense (and some say dictatorial) plodder who has worked his way up through the ranks. As Pickens is quick to point out. Douce presides over a company whose stock has been trading at an aggregate value of about $5 billion. Yet its book value—the value of its assets including its oil reserves—is something over $10 billion.

The stock has been trading low we will hear Pickens (and later Icahn) argue, because Phillips is a sleepy poorly run company that is deploying its assets badly.

The stock is down, we will hear Douce's team argue because oil exploration and other long-term ventures have their ups and downs and don't always show up in stock prices over the short term.

They're both probably right.

After hearing of Pickens' bid, Douce leaves the soon-to-be-celebrated Phillips headquarters town of Bartlesville, Oklahoma, and repairs to New York, where he assembles a fight team of bankers from Morgan Stanley and First Boston. Morgan Stanley is to get up to $20 million if Pickens is fended off, but only $2 million if he wins; First Boston is to get up to $15 million if Pickens is defeated and only $4 million if he isn't.

Counsel also need to be hired. But Douce finds he can't turn to Joseph Flom of Skadden, Arps, Slate, Meagher & Flom, whom he has long had on retainer, because Flom has also worked for Pickens. Citing the conflict, Flom bows out of the fight. (Investment bankers are obviously more in the swing of things in The Roaring Eighties than lawyers; Morgan Stanley gladly takes on the Phillips business and begins the attack on Pickens, who is a former client.)

Instead of Flom and Skadden, Arps, Douce hires Martin Lipton and his troops from Wachtell, Lipton, Rosen & Katz. This, we will see, is fortuitous to our plot development. In the past Lipton's and Flom's firms were seemingly interchangeable in takeover fights; neither seemed to care much which side it took. But now, with this fight, Lipton crowns his firm as a raider defense specialty house, the unquestioned market leader in such exotic wares as the "poison pill." Flom, on the other hand, hates the pill and say's he won't use it.

Lipton is like a quarterback calling audibles from scrimmage. State and federal suits are filed in Delaware, Oklahoma, and Louisiana. Complaints are filed with the Federal Trade Commission, the Securities and Exchange Commission, and the Department of Justice. None of it is likely to work, Lipton tells his numbed client, but it may buy some time. The claims include the charge that Pickens' "$60 offer" is fraudulently illusory—which it may be, but which no one from the Phillips side ever tests by agreeing to Pickens' repeated requests to sit down and discuss the details of his "back-end" offer to the remaining 79 percent of the shareholders. "We told them we could take the whole company out at $60" says Pickens. "But they were afraid to talk to us. They knew we could do it."

When a board meeting is held to reject the Pickens offer and adopt a slew of antitakeover bylaws, the minutes read quite a bit like the paper record that Lipton's how-to-do-it articles and memos recommend to boards fighting a takeover.

In fact, as we watch the team of bankers and lawyers going to work, it seems that Phillips has already been taken over—by them. As one Phillips executive will later recall. "From the minute Boone struck, Marty Lipton with help from Joe Fogg [of Morgan Stanley], and Arthur Reichstetter [of First Boston], were running this company. They were leading Bill [Douce] around by the nose. Writing his press releases. Telling him what kinds of stock and notes to issue. Telling him what to say and to whom. Telling him what to divest."

Lipton's people also claim in one suit that in the past Pickens has tipped off his friends at the Amarillo Country Club about some of his raids so that they could buy the stock beforehand. This claim, like the others, isn't likely to win an injunction, though it should be noted that when the Wachtell, Lipton lawyers, who had brought the suit only on rumor, begin taking depositions from Pickens' friends, they find two men who admit buying stock or options before Pickens announced raids. But the two maintain that the purchases weren't based on tips from Pickens, and Pickens vehemently denies that he tipped off any friends. "In Amarillo, Texas, there are as many amateur arbitrageurs as anyplace in the world," Pickens says. "I can't tell you that some people didn't buy any of those stocks. But why would I tip them off?"●

CONGRESSIONAL CALL TO CONSCIENCE

● Mr. DURENBERGER. Mr. President, I am pleased once again to join in the congressional call to conscience. As I have previously stated, I think that it's absolutely vital that we in the West not forget those who are being abused by the Soviet system. Today, I wish to present three humanitarian cases—one involves the cruel treatment of a Soviet refusenik while the other two are family reunification matters.

Yosif Berenshtein became a refusenik in 1980 when he applied to emigrate. His home in Kiev was searched on numerous occasions due to his active religious involvement. His daughter, moreover, teaches Hebrew. During the most recent search of his home, 80 Hebrew books were seized by Soviet authorities. Soviet police warned Mr. Berenshtein several times that they would "get him."

On November 12 of last year, Mr. Berenshtein traveled from his home to visit an aunt in Novograd Volynsk on business. That same night, he was arrested at the train station in Novograd Volynsk. Three days later, Soviet officials informed Berenshtein's aunt that he was being held on charges under article 182 of the Ukrainian Criminal Code: "Resisting the police in the execution of their duty," a charge which carries a maximum sentence of 5 years. At the trial on December 10, his uncle testified that, at no time did Mr. Berenshtein show any resistance. Two busdrivers, who were present and witnessed the whole incident, sent a written statement denying that they saw anything or that they were even at the station during the arrest. Mr. Berenshtein was sentenced to 4 years imprisonment at Zhitomir.

Two days after the completion of the trial, Mr. Berenshtein was placed in a punishment cell in Zhitomir with two hardened criminals, who beat him up and cut him with broken glass. According to the director of the prison's medical department, his right eye will never see again as the result of an injury to the optic nerve and due to fractured facial bones. The fate of his left eye is not yet clear. Soviet authorities insist that his mutilation was caused by a "self-inflicted attack." I would therefore strongly urge Soviet authorities to transfer Mr. Berenshtein to an ophthalmic hospital for proper treatment and that he be released at the soonest opportunity.

Mr. President, I also wish to bring two family reunification cases to the Senate's attention. The first of these concerns Carolyn Justice of Mountain View, CA. Carolyn wrote me recently to ask for my help in getting her husband out of the Soviet Union. I think that her words describe her predicament quite effectively:

While participating in a language and culture study program in the USSR in 1981, I met and fell in love with a Soviet citizen. We were married, with the blessings of Soviet authorities and in full accordance with Soviet laws, on June 29, 1981 in Leningrad. Since that day, my husband, Andrei Planson, has received six refusals for an exit visa to join me in the United States. I lived with my husband, at great professional sacrifice and expense, for a year, returning to the U.S. in the spring of 1983 to give birth to our son Nicholas. Father and son have never seen each other.

The Soviet position is simply that "It is not in the interests of the USSR" that Andrei join his wife and son. This violates international agreements (the Helsinki Accords) as well as the Soviet Constitution and

law (the Fundamental Legislation on Marriage and the Family). It has brought great suffering to us, damaged Andrei's health severely, and causes me constant financial difficulties. There is no legal justification for detaining Andrei: he has never had access to state security matters, has not served in and is exempt from the military, has never committed a crime, and is not a dissident or a public figure of any description. He is purely a victim of the poor relations that have dominated US-USSR affairs in the past several years.

Carolyn has indicated to me that she has been assisted in her reunification efforts by a wide range of organizations and individuals, including the Department of State, the Helsinki Commission to Congress, and the United Nations Commission on Human Rights.

A similar case concerns Keith Braun of Troy, MI. Keith traveled to the Soviet Union in 1984 where he met Svetlana Ilyinichna of Moscow. They fell in love and were married in a Soviet ceremony on August 9 of last year. She applied for the right to emigrate on November 23 but was refused by Soviet authorities. She intends to reapply this week. As in the Planson case, Mrs. Braun has violated no Soviet law and has no access to Soviet state secrets. I would therefore urge Soviet authorities to act in a humanitarian manner in these cases and allow these families to be reunited.●

EDUCATION AND BUDGET

● Mr. MOYNIHAN. Mr. President, last Thursday. I was pleased to join my distinguished colleague, Senator CHILES, in offering an amendment to the budget resolution for fiscal year 1986 to restore vital funds for education programs. This amendment was to signal, as clearly as we knew how, that the Senate was not yet ready to ignore its longstanding commitment to help millions of low- and middle-income students gain quality educations. Unfortunately, the Senate rejected our amendment by the narrow margin of 47 to 50. This was a most regrettable outcome.

The massive Federal budget deficit does pose a clear and present danger to the economy. A budget so far out of balance is unstable, and will weaken future economic growth. Prudent, equitable efforts must be made to cut the deficit; but it must not be used as a tool to achieve, under a veil of a national crisis, what could not be won directly. This is what the administration sought to do by reducing Federal support for education programs. The real issue has not been ink, black or red, but ideology.

Since 1980, the Federal share of total expenditures on education declined from 10.8 percent to 8.3 percent. In its budget for fiscal year 1986, the administration proposed to cut support for the Department of Education by 15 percent and elementary and secondary education programs by 9 percent. It sought to cut student financial aid by 25 percent and proposed restrictive and unrealistic eligibility requirements and aid caps on these programs, which would have placed heavy burdens on colleges and universities, and more importantly, on millions of students.

These proposals proved unacceptable even to the Senate Republican leadership, and so a compromise was agreed upon, which this body subsequently approved on April 30, by a single vote. This package claimed to ameliorate the harshest aspects of the administration's original budget request, but it still made deep cuts in education spending over the next 3 years. It still cut financial aid. It still reduced remedial education services for disadvantaged students. It still was unacceptable.

Our amendment would have restored $3.4 billion in fiscal year 1983 and $9.1 billion over the next 3 years for a number of essential education and employment training programs. We accepted a freeze in most programs, and for others restored funds only to the level necessary to provide current levels of service next year. But we rejected the administration's tacit assertion that those students most in need of Federal assistance should bear the brunt of the budget deficit.

The amendment would have funded the chapter 1 education program for the disadvantaged at a current services level. Since 1980, over 500,000 children have been dropped from the program because of reduction in funding. Today, chapter 1 remedial reading and math programs serve just over 40 percent of the children eligible to participate. Under the administration's proposal, as many as 200,000 additional children could have lost chapter 1 services.

The Republican compromise budget plan also incorporated the administration's proposal to eliminate impact aid "B" payments, which provide crucial assistance to school districts serving large numbers of children whose parents either live or work on nontaxable Federal property. Impact aid compensates these districts for their lost tax revenues.

At Fort Drum, NY, the U.S. Army is establishing a new 10th Mountain Division. When the expansion at Fort Drum is complete, school districts surrounding the base will be asked to absorb 10,000 new students. Almost all of these students will fall within the "B" category of impact aid. Under the compromise budget proposal, none of the school districts accommodating this influx of students would have received any Federal assistance. Our amendment ensured that all school districts affected by Federal activities would continue to receive fair compensation for lost tax revenues, and would have frozen impact aid if "B" payments at their fiscal year 1985 level.

In addition, our amendment provided a current services level of funding for Head Start—a program of indubitable value. Head Start's success can be attributed to the program's recognition that a child's education is a product of his or her total environment. Head Start children score better on standardized tests; they achieve more in school and are less likely to fail a grade, drop out, or require special education classes. They are more likely to receive adequate medical care and grow to normal heights and weights, with fewer absences due to illness and better performances on physical tests. Yet, the Republican budget plan threatened to eliminate preschool education and medical services for 20,000 of the 442,000 children currently served under the program.

The Republican budget package also would have unfairly restricted student financial aid programs. Last February, the newly confirmed Secretary of Education, William J. Bennett, observed that the proposed cuts would force students to make, "(a) stereo divestiture, automobile divestiture, 3 weeks at the beach divestiture." The Secretary made light of a serious situation. This budget would most seriously have affected students from moderate and low-income families, many with more than one child in college. These students don't take 3-week vacations at the beach; they work every summer to pay part of their tuition. These cuts would have forced them to make an education divestiture.

According to the Congressional Budget Office, the proposed changes in student financial aid included in the compromise budget plan would have eliminated over 400,000 loan and grant awards for undergraduate students. In New York, the State Higher Education Services Corp. reported that undergraduate and graduate students would have lost 160 million dollars' worth of loans. Colleges and universities, which have, in recent years, increased substantially institutional resources devoted to student assistance, cannot make up for these losses. Hundreds of thousands of students, many holding down jobs to help pay their education expenses, would have nowhere else to turn.

The authorizing committees can and should realize some administrative savings in the student financial aid programs. Our amendment accepted a $150 million reduction in the GSL program in fiscal year 1986, which could have been achieved by streamlining the payment procedures and implementing other modest changes. However, we unequivocally rejected cuts in direct aid provided to eligible and deserving students.

Might I add how pleased I was to see Federal support restored for public and research libraries in the Senate after having been eliminated in the original Republican budget plan. Of all the Federal funds spent on education and cultural activities, surely none has as far reaching an impact as those spent on libraries. Congress has encouraged their growth since the enactment of the Library Services and Construction Act of 1956. The Senate in my view, showed much good sense in continuing that support. But other vital education programs have no less claim on our support.

Mr. President, for two decades, Federal support for education has rested on the principle that the Federal Government has a proper responsibility to help each citizen develop his or her unique talents. Our amendment last week sought to reaffirm that principle, yet we could not summon a majority of this body to join us. The budget adopted last week by a one-vote margin restore some funds for education the compromise package would have cut, but it falls woefully short of our needs over the next 3 years. We must continue to seek responsible ways to reduce the deficit, but we must not allow the budget debate to obscure our obligation to provide educational opportunities to all Americans.●

SCHOOL INTEGRATION IN BUFFALO

● Mr. MOYNIHAN. Mr. President, the issue of court-ordered school desegregation arouses strong emotions from proponents and opponents alike. These emotions often prevent us from recognizing that, in some instances, school systems, and indeed, whole communities, benefit enormously from court-ordered desegregation.

One such community is Buffalo, NY, where the public schools, once beleaguered by problems of racial isolation and declining test scores, are now a source of civic pride. Writing in yeterday's edition of the New York Times, reporter Mike Winerip chronicles the successful integration of the Buffalo public schools, from the initial desegregation court-order 9 years ago to the current high levels of academic achievement.

Much of the credit for Buffalo's model desegregation program must go to two individuals: Federal District Court Judge, John T. Curtin, and Superintendent of Schools, Dr. Eugene Reville. It was Judge Curtin's commitment to upholding the constitutional rights of Buffalo's minority students that originally forced the school district to implement a desegregation plan. For his part, Dr. Reville provided the leadership necessary to make the plan work.

Another important factor was the Federal funding made available to the district to design and operate so-called magnet schools, each with a special curriculum, which became the focus of Buffalo's desegregation efforts. As noted by Mr. Winerip, Federal support for the Buffalo schoool district's magnet school program was drastically reduced in 1981. The loss of this support threatens to undermine the program's success.

In the last Congress, both the House and Senate overwhelmingly approved legislation to restore Federal support for magnet school programs used in voluntary and court-ordered desegregation plans. This legislation, the Magnet Schools Assistance Program, was incorporated as title VII of the Education for Economic Security Act (Public Law 98-377), and was signed by President Reagan on August 13. Subsequently, Congress appropriated the program's full authorization of $75 million for the current fiscal year.

Unfortunately, President Reagan's fiscal year 1986 budget proposal sought to rescind this year's appropriation and recommended that no funds be allocated next year. Although Congress has refused to act on the President's rescission request, the Department of Education has delayed the implementation of the program. Nine months have passed since title VII's enactment, yet no final regulations have been issued. And applications for funding were sent out only last week, after a bipartisan group of 43 Senators wrote Secretary Bennett to express concern about the Department's administration of the program.

The Buffalo desegregation experience can be repeated elsewhere. But this will not happen unless the Federal Government assists local school districts to implement similar programs. I would like to share Mr. Winerip's article on the Buffalo public schools with my colleagues in the Senate, and urge them to join me in seeking to ensure the prompt expenditure of Magnet Schools Assistance funding for the coming school year.

Mr. President, I ask to have the full text of Mr. Winerip's article printed in the RECORD.

The article follows:

[From the New York Times, May 13, 1985]

SCHOOL INTEGRATION IN BUFFALO IS HAILED AS A MODEL FOR U.S.

(By Michael Winerip)

BUFFALO.—Four years after a Federal judge ordered forced busing, the Buffalo public schools have come to be considered a national model of integration.

Moreover, educators say, the schools here are the better for integration.

"The best thing that's happened to Buffalo is court-ordered desegregation," said the Superintendent of Schools, Eugene Reville. "We've restored confidence in Buffalo public schools."

Of the 531 school desegregation programs that James Barnes has been involved with as director of the Hartford-based National Education Strategy Center, Buffalo, he said, "is right at the top, right at the very top."

Integration has worked, national educators said, because parents and teachers received a major role in designing the city's 22 magnet schools; because millions of dollars in extra Federal funds were available to make the magnet schools special, and because a Federal judge brandished a court order that kept things moving.

School officials sold integration in Buffalo, which is about 40 percent black, by promising a better school waiting for children at the end of the bus ride.

They spent tens of millions of dollars creating 43 full-day prekindergarten programs that hooked many parents on public schools early. And they set up magnet schools reflecting virtually every philosophy in education, from the progressive to the traditional.

The "velvet steamroller" is how it is described here, where school officials have crafted a system of magnet schools so appealing that of the 30,000 students who were bused four years ago, only 15 percent had to be ordered onto buses by the Federal judge. Nearly one of every three Buffalo schools is a magnet school.

The magnet-school idea was first tried in this country in the late 1960's to ease desegregation in Detroit. The goal was to create schools so special that students would be pulled—as if by magnets—from all parts of the city, even if it meant riding a bus.

Magnet schools have always worked best where there is the threat of court-ordered busing, said Gordon Foster, director of the Miami Desegregation Center, a nonprofit federally financed institute. "Buffalo's a prime example," he said.

Judge John T. Curtin of Federal District Court, who has presided over the integration case, said: "I'm distressed by people who make statements nationally that integration doesn't work. It does work. It's plain wrong to say it won't. It's worked in Buffalo."

Integration was a long time coming here. Twenty years ago the New York Commissioner of Education made the first of many unsuccessful attempts by the state to persuade the schools to desegregate.

Nine years ago, after black leaders filed a Federal suit, Judge Curtin stepped in and issued his first desegregation order; eventually there would be four. In the first phase, magnet schools were opened; in the last, the judge ordered busing to complete the integration.

And there are still some problems: Federal and local cuts in funds threaten magnet programs; teachers at nonmagnet schools complain that their programs are neglected, and a few of the city's 75 schools remain segregated.

IMPROVEMENTS IN SYSTEM SERVE AS MODEL FOR OTHERS

Today everyone, from the black leaders who filed the Federal suit to white parents who swore their children would never ride a bus, agrees the results are impressive.

Test scores are up. While in 1976 the average Buffalo third grader scored at the 45th percentile in mathematics on the state pupil evaluation test, the average score five years later was at the 69th percentile.

And this year Buffalo has the only educational system in New York with two schools on the State Education Commissioner's list of 20 top secondary schools. One of those Buffalo schools is the science magnet, or the Zoo School, which, no matter how it

sounds, is unique—a school at the Buffalo zoo with a curriculum built around zoo animals.

Several months ago two dozen Japanese educators flew to Buffalo to see how such magnet schools work, and they were followed last month by a dozen superintendents from southern school districts.

A few weeks ago, when a United States Justice Department lawyer involved in the prolonged school desegregation suit in Yonkers was looking for programs that might work there, he visited Buffalo.

Each year for the last five years, 300 to 400 white children have left private and parochial schools here to attend integrated public schools.

Those children have helped balance a slight growth in the city's black population. When Judge Curtin intervened nine years ago, the schools were 43 percent black; now they are 47 percent black. Integration has not caused the dramatic white flight experienced in other cities.

These days Buffalo school officials say their biggest worry is not protests about busing or racial conflict, but fighting the fund cuts that threaten magnet-school programs.

In 1981 Buffalo received $7.4 million in Federal desegregation funds, the most for each student of any system in the country. But that dropped to $950,000 the next year, with Reagan Administration budget cuts, and while the state has increased desegregation aid to Buffalo, it is still well below the 1981 level.

APPEAL OF MAGNET SCHOOLS STARTS WITH THEIR VARIETY

Variety has made the magnet schools work. Buffalo now has the largest public Montessori school in the country, and it has Traditional High, where there is mandatory nightly homework and a dress code (shirts with collars for boys, no earrings for boys, and no jogging suits for boys or girls).

Nor did Buffalo limit its magnet schools to the academic elite. Admission to the Zoo School is by lottery; 70 percent of the zoo students are considered poor and get federally subsidized lunches.

Officials took East High School, an all-black inner-city school once considered among Buffalo's most troubled and spent $4 million turning it into the Buffalo Vocational-Technical Center, which today is an integrated school with a long waiting list.

When Denise O'Mara, a white high school junior from the Irish section of town, heard she would be riding a bus to Voc-Tech, she was delighted—it meant she had been accepted to the word-processing computer course she wanted so badly. She does not remember the time in the late 1970's when there were no whites in the school.

But the principal, Bill Bennett, remembers. "This will only continue if we can keep our equipment up to date," he said. "You can't update unless you have bread. Money is everything, everything is money."

Judge Curtin remembers, too, and is openly critical of the Reagan Administration's recent attempts to block Federal funding for magnet programs. Last year Congress appropriated $225 million for magnet schools, but the money has not been allocated by the Federal Department of Education.

Last week Senators Daniel Patrick Moynihan, a Democrat from New York, and Orrin G. Hatch, a Republican from Utah, led a bipartisan protest that helped to get the application process for those funds going. But when the money will be available remains unclear, according to a spokesman for Senator Moynihan.

"Of course it's discouraging," Judge Curtin said in an interview in his chambers. "It could be a terribly disastrous thing."

The schools have been a bright spot for a city—New York State's second largest—that has had more than its share of troubles. Since the closing of the Bethlehem and Republic steel plants in the late 1970's, unemployment has been high, and many of those who could afford to left the area.

The population is 325,000 today, half what it was in the 1950's. And of the five largest cities in New York State, Buffalo has the highest percentage of people below the poverty level—$10,610 in yearly income for a family of four. Even with the extra desegregation aid, the spending for each pupil here is about 15 percent below the state average.

"In a community like ours, we've had a number of setbacks," Judge Curtin said. "The one thing I'm convinced, the school system is much better than 10 years ago or 20 years ago."

SMALL VICTORIES WON IN SCHOOLS AND AT HOME

It was the power of the magnet schools that converted Carol Holz from a leader of the South Buffalo Antibusers 10 years ago to an enthusiastic supporter of integration today.

For the longest time, Mrs. Holz said, she had prayed to St. Jude—the Roman Catholic patron saint of impossible causes—asking that her children never be bused out of their Irish working-class neighborhood. She and her husband, Dick, went to hundreds of meetings and promised trouble if their children were bused into black innercity and East Side neighborhoods.

And then one day several years ago, she said, one of her sons came home and told her about a new magnet school he wanted to attend. "It was devastating," Mrs. Holz said. "Here I was opposing busing, because I was trying to do what's best for my kids, and they were telling me something different."

In time, she said, she was willing to give the magnet schools a try, but she still had a problem: "My problem was, 'How will I tell Dick?' "

The day she broke the news to her husband, a steelworker, sitting right in the room with them, giving moral support, was the associate superintendent of schools, Joseph Murray.

"Dick said, 'We'll try it, but if one thing happensn kids to read," said the principal, William Fairlie, "but as a result of them being here in the new pre-K program, we saw they were ready."

Parents here can now go shopping for a school to suit their child's temperament. Nicole Skorka, a fifth grader, started at the Montessori school, where children are encouraged to develop at their own pace and to rove the halls freely and play on the floors.

This was the wrong place for Nicole, and she was miserable. She has since transferred to Campus East, another magnet school, where discipline and basics are the law. "Oh, this school is good," Nicole said. "All you do is sit in your seat and work."

Teachers, too, welcomed the magnet-school program. Suddenly they were being asked to create new courses to attract students.

Joe Carden had first tried to set up an advanced computer-accounting program 22 years ago, but not until the Buffalo Voc-Tech magnet school opened five years ago did he get the go-ahead. "If it wasn't for integration," Mr. Carden said, "I wouldn't have supplies, I wouldn't have equipment, I wouldn't have the motivated students."

In the first year of his business course, he now teaches what used to take two years.

Like the students, teachers apply to schools that suit their philosophies. A mathematics teacher, Mark J. Walter, who likes a structured setting, switched from a regular city high school to Buffalo Traditional five years ago. "I'm on safer ground here," he said, "just like the kids—they know what's expected and so do I."

At Buffalo Traditional he advises the math team and engineering club. At his previous school he was not involved in after-school clubs.

None of this is to say there are no problems. Though Buffalo has a higher proportion of magnet schools than most places, many students and teachers still find that the magnet schools they want are filled. This year 10,000 students applied for 2,200 openings.

Teachers at nonmagnet schools complain that their schools suffer to make the magnet schools shine. "The magnet programs are the finest anywhere," said the president of the Buffalo teachers union, Philip Rumore,

Many students wind up at city schools like Kensington High because they were not accepted into a magnet program. The school, which is two-thirds minority, has had difficulty attracting whites. "Sometimes students come here feeling they're the rejects," said Mary Grace Demarse, a guidance director.

Also, since the Federal cuts, school leaders and the Mayor, James Griffin, have fought over appropriating extra money for integration. Two years ago Judge Curtin ordered the city to give the schools an extra $7 million, and a request from school officials for $30 million more is before him.

School officials and the judge find that keeping the system racially balanced takes constant tinkering. The judge's order says the schools must be between 30 and 65 percent minority, and every year school officials add what they call "mini-magnet" programs to adjust the racial balance.

"Pleased?" said Judge Curtin. "Yes, but the school system is like most things in life; it calls for attention all the time. People want instant results. For heaven's sakes, it takes a while."

Though he still has jurisdiction in the case, the judge has not been yelled at by parents in a long time. They used to go to his home, write him notes and phone him in the middle of the night.

In the South Buffalo section, where the judge grew up, they called him the "little fool" for some time—he is not very tall. "But you don't hear that much any more, Mrs. Holz said. "I'd say people respect him now."

Occasionally someone even thanks the judge. Once in a while school children invite him for a visit or send him a gift. The Futures Academy magnet school, a career-oriented program, gave him the key to the school. The children at Early Childhood Center 90 made a bright yellow piggy bank for him. Both schools, once all black, are now integrated.

The judge said he found these school visits "a very moving experience."●

FINANCING SUPERFUND

● Mr. BENTSEN. Mr. President, the fear and misery posed by abandoned hazardous waste must be put to an end. There is widespread agreement in Congress and among the people of this Nation that we must respond to this issue aggressively and promptly.

We all know that the Superfund must be expanded to do the job. Congress must determine how to raise the needed revenues, and in doing this we must make our best effort to be fair.

When the Superfund was first enacted, Congress chose to utilize the current feedstock tax approach. It was, frankly, the easy way out because of administrative convenience.

The hope that most of the tax burden would be passed along the chain of production to the customer utilizing products made with these chemical feedstocks was a hope that failed. Estimates are that 12 companies pay 70 percent of the tax, and a substantial body of evidence exists that the feedstock tax has not been passed along.

It is time we face the reality that hazardous waste disposal is a societal problem, not just an industry problem. We all benefit from products like plastics and nylon, airplanes and autos, microchips and minicomputers, but each of these contributes to the waste problem.

I recently thumbed through the list of 291 potentially responsible parties at the Stringfellow hazardous waste site in California. Sure, I found petrochemical and oil companies like Atlantic Richfield on the list, but I also found Carrier, General Foods, Hughes Aircraft, Teledyne and others. I found plating companies and metal finishers and vacuum truck services.

In short, the disposers at Stringfellow were a wide cross section of the national economy—dramatically different from the narrow base of the current Superfund tax.

We must find an equitable tax base, but we are presented with difficult choices. We could turn to general revenues. This is the easiest, most frequently used revenue source when faced with societal problems. In the past, I have considered general revenues as a fair option. But faced with $200 billion deficits, I cannot endorse such an approach today.

We could increase the feedstock taxes, but even the current tax is not being passed on to consumers. Moreover, the American petrochemical industry which pays most of the feedstock tax is on the ropes. Sales and profits are weak despite the economic recovery because the basic structure of the industry is being altered by subsidized OPEC petrochemical production.

A recent Congressional Research Service analysis gave this description of the industry:

> In sharp contrast to its rapid growth during the 1960s and 1970s, the U.S. petrochemical industry—especially producers of primary petrochemicals—has been in decline during most of the period since 1979. Production, employment and operating rates were all notably lower in 1983 than in 1979. Profits appear to be down substantially as well. At the same time, the share of the U.S. market accounted for by imports has grown markedly.

To say that imports have grown markedly is an understatement. They have skyrocketed, cutting the petrochemical industry's net trade balance by nearly a quarter since 1980. Weak prices and profits are the predictable result. In product line after line, demand is up, but domestic prices and production are down.

In ammonia, for example, demand is projected to rise 2 percent this year. Yet production will fall 5 percent as imports surge to 20 percent of demand. Since 1982, imports have nearly doubled, causing 40 percent of all U.S. ammonia plants to shut down.

In urea, production this year is projected to fall more than 4 percent, with imports rising to 30 percent of the market. Since 1981, urea imports have increased 170 percent.

In methanol, domestic production will decline an estimated 8 percent this year, resulting in our entire industry operating at depression era 50 percent capacity. Despite this, imports have increased seven fold since 1981 to command 15 percent of the market.

Unemployment is rising across the entire industry. In the Golden Triangle area of Texas, which includes Beaumont and Port Arthur, one in six petrochemical industry jobs have been lost since 1981. Nationally, 43,000 jobs in petrochemicals have been lost since 1980.

The high dollar is hurting domestic manufacturing in general. But manufacturing employment is down only 1 percent since 1980—not 17 percent as in petrochemicals. The reason for this is simple: subsidized OPEC competition. OPEC nations are seeking to bypass the cartel's voluntary crude oil producing limits by moving from crude oil to petrochemicals.

Eight years ago, OPEC began to seriously limit each member's crude production to prop up prices. The only way OPEC nations could sell more oil was to sell oil products—like ammonia and ethanol. The results have been breathtaking.

The giant Saudi Arabia consortium Sabic is building 16 major new petrochemical plants in the Arabian Gulf and Red Sea. In 1984 and 1985, Sabic will have added over 5 percent to world ethylene capacity, even though excess capacity of 25 percent already exists.

Under normal conditions, this new output would have nowhere to go. But these new plats are government controlled. In Saudi Arabia, Libya, Nigeria, and Indonesia, the governments are ready, willing, and able to undercut existing producers and gain footholds in foreign markets by supplying dirt cheap oil and gas feedstocks to their own plants.

Texaco has found that OPEC is providing crude to government-owned refiners at $2.50 per barrel or more below world prices. We hear talk of the terribly effective Japanese targeting practices against U.S. semiconductors, TV's, and autos. OPEC wrote the book on government targeting—and they've taken aim at the U.S. market. No matter how efficient their management or new their plant, U.S. firms paying $2.50 per mcf or more for petrochemical natural gas feedstocks cannot compete with brand new OPEC plants paying only 50 cents per mcf.

The U.S. petrochemical industry and the jobs it produces are too important to this Nation to consider the possibility of an increased feedstock tax. The Congressional Research Service has evaluated the impact of such an increase, and I ask that the CRS report, "Proposed Superfund Tax Increases and the U.S. Petrochemical Industry: An Economic Analysis," be printed in the RECORD at the conclusion of these remarks.

As this report shows, an increased feedstock tax would result in the following:

Higher petrochemical costs and reduced sales.

Reduced profits and possibly even losses for U.S. petrochemical producers.

Further decline in domestic output and employment.

As the U.S. industry shrinks in size, imports will rise and foreign producers will be able to exploit the weak U.S. industry, and raise prices.

Production costs for the six major primary petrochemicals studied would increase 3 to 5 percent.

These products represent about 60 percent of all industry shipments in 1984, and had a 1.24 percent pre-tax profit on sales.

The CRS study also examined who would pay the higher tax. The CRS study is unequivocal in stating that the entire tax would be borne by primary producers and intermediate petrochemical producers, with chemical product consumers paying none of the increase:

> The domestic intermediate petrochemical industry will bear the burden of the proposed tax increases to the extent that primary producers shift the tax forward. They would not be able to shift the higher costs forward to their buyers, who have the option of buying imported intermediate products.

Since this report was published, most of the largest chemical producers have reported their first quarter earnings, and it appears they average 26 percent below last year. Among the

firms with the highest sales totals, earnings declined across the board. This includes a decrease of 17 percent in net income at Dow Chemical, 34 percent at Union Carbide, and 50 percent at Monsanto.

There are similar reports from diversified manufacturers with large chemical sales components. Du Pont, which has the highest volume of chemical sales of any U.S. company, dropped 41 percent in net earnings from the first quarter of 1984.

Mr. President, an unfair burden on one segment of our society—one already suffering from foreign-subsidized competition—is not the answer to financing the needed expansion in Superfund.

A Superfund tax should have a rational relationship to the problem and to chemical product customers. It should be fair. It should not encourage companies to move their operations abroad, or hurt the ability of U.S. companies to compete abroad nor cause domestic unemployment to rise. Above all, it should be workable.

I am drawn to the conclusion that a broad-based tax is the only workable answer. Several of my colleagues on the Finance Committee have proposed various ways to expand the tax base in an effort to reflect reality. Senator WALLOP and I have proposed what is essentially a tax on sales of manufactured goods and raw materials from the point of production.

Our Superfund excise tax would be passed through to customers, and this is fair. The simple fact is, chemicals find their way into almost all manufacturing processes and our proposal acknowledges that reality.

Another goal is to avoid aggravating the disadvantages now facing domestic petrochemicals in competition with foreign government plants. A higher feedstock tax doesn't do this. Indeed, it will do OPEC's dirty work. A third goal is to avoid placing U.S. firms which use petrochemicals to produce other products at a competitive disadvantage. Under the present tax, foreign firms evade this tax by exporting synthetic fabric, for example, to the United States rather than the taxed chemicals themselves. The fabric enters this country at a price that does not reflect the tax paid by competing U.S. intermediate producers when they buy the chemicals.

The proposal that Senator WALLOP and I have put together would solve the problem by applying the broad-based Superfund tax to imports of all manufactured and produced products. Foreign firms would no longer have a price advantage over U.S. competitors. We would also exempt our exports from the tax, so they can compete abroad.

One of the most serious problems with a tax of this type is to prevent cascading of tax liability when a product moves through a chain of production. We have inserted what we feel is a simple credit mechanism to solve this problem. Essentially, manufacturers will pay tax on their sales, and receive a credit for the tax paid on their material imputs. They will not have to keep invoices or other records to show the tax paid. It will be enough to show the purchases of the inputs, which is already a requirement for income tax purposes.

Another aspect of simplification in our proposal is that there are relatively few exceptions to what constitutes manufacturing. We did build in some exceptions—including farmers, who typically have only scant inventory records—but in general we do not think it will be necessary to grant numerous exemptions.

The rate will be very low, perhaps less than 10 cents per $100 of sales, so that we can necessarily avoid making some of the fine distinctions that we perhaps would make if the tax were designed to raise large amounts of general revenues.

I think this proposal is fair, simple, and advantageous to U.S. companies competing is world markets. On balance, our choices are harsh and limited. A major role for general revenues is impractical. Increases in the feedstock tax are inequitable and unwise. Waste taxes could only play a minor role.

The only real choice is development of a broad-based revenue source.

At this point, a number of members of the Finance Committee are working to meld the best features from the broad-based tax bills that have been introduced. I anticipate that I will be fully supportive of the result, and I look forward to marking up the proposal in the committee very soon.

The report follows:

[Report No. 85-81 E]

PROPOSED SUPERFUND TAX INCREASES AND THE U.S. PETROCHEMICAL INDUSTRY: AN ECONOMIC ANALYSIS

ABSTRACT

This report analyzes the expected economic impact of hypothesized large increases in Superfund taxes on the U.S. petrochemical industry. In general, it finds that the hypothesized tax increases would raise average production costs of six major primary petrochemicals by 3 to 5 percent, and that the resulting decline in industry profitability in the long-run would lead to a reduction in output and employment and to an increase in prices.

I. Introduction and summary

A. Background

On December 11, 1980, the Federal Government enacted the Comprehensive Environmental Response, Compensation and Liability Act of 1980 (CERCLA) [1] to authorize the expenditure of money for cleaning existing hazardous waste sites and to avert the threat of releasing new hazardous waste substances. This program, also known as Superfund, is largely financed by a system of excise taxes on 42 chemicals and on petroleum. In addition, a small proportion of the Superfund's revenues is appropriated from general tax revenues, and still smaller shares are obtained from other revenue sources.

Unless the Act is extended, the tax-collecting authority will expire at the end of fiscal year 1985. Various committees in the House and Senate are considering bills to extend and modify it. At this writing, two bills in the 99th Congress call for a large increase in the size of the Superfund, to be financed mainly by much higher taxes on the chemicals and petroleum covered by the present law. S. 51 (Stafford) would expand the Superfund program from $1.6 billion (over the five-year period) to $7.5 billion (over the five-year period). H.R. 2022 (Sikorski) would expand to $11.7 billion over a similar period. The latter is similar in dollar magnitude to H.R. 5640 passed by the House, but not the Senate, in the 98th Congress.[2]

B. Purpose and scope of report

The purpose of this report is to analyze the economic impact of large increases in Superfund taxes on the U.S. petrochemical industry. Section I.A. reviews the present structure of Superfund taxation and I.B. describes in greater detail than above, the proposed expansion of such taxation under H.R. 5640 as approved by the House in the 98th Congress. H.R. 5640 was selected because it provides for large tax increases and because a comparable bill had not been introduced in the 99th Congress until the analysis was nearly complete.

Section II describes the role of petrochemicals in the economy and recent industry trends. Section III addresses some of the economic issues, such as where the burden of the proposed tax increases is likely to fall, the potential effects on the industry's profitability and size, and the potential effects on the ability of the U.S. petrochemical industry to compete against foreign producers. The analysis focuses mainly on producers of six major primary petrochemicals. To the extent that other proposals are similar to H.R. 5640, the analysis probably will apply to those proposals as well.

The report concerns itself only with the tax provisions of the existing Superfund program reauthorization as passed by the House in the 98th Congress. There is no discussion of the expenditure side of the Superfund program, of the goals or objectives of the program, or of environmental policy in general.

C. Summary of findings

A previous CRS study on the effects of present Superfund taxation on petrochemicals found that the tax rates are too low to

[1] Public Law 96-510.

[2] It should be noted that a variety of funding options are being considered in the present debate: The Reagan Administration proposed a 5-year reauthorization which would raise $5.3 billion in part from a new waste-end tax; S. 51, introduced by Senator Stafford, is a $7.5 billion reauthorization which proposes a new waste-end tax, increased petroleum and feedstock taxes, and a surtax on corporate income; some industry proposals call for a value-added tax on manufacturing; Senator Bradley's S. 596 which provides for a continuation of present taxes would continue present taxes and impose taxes on hazardous wastes and on net receipts of corporations.

explain the recent poor industry performance relative to the long-term trend before the 1980s.[3] Tax increases of the size proposed in H.R. 5640 (98th Congress), however, would probably have a noticeable effect on the industry.

In general, we find that the proposed tax rates would raise the production costs of six major primary petrochemicals by 3 to 5 percent, and that the resulting decline in industry profitability in the long run would lead to a reduction in output and employment and to an increase in prices of primary petrochemicals.

It is difficult to estimate the magnitude of these impacts and the distribution of the effects upon different parts of the industry; and it is uncertain as to what would be the path of adjustment to the ultimate long-term outcome. The general long term results would depend mainly upon assumptions concerning the price elasticities of supply and demand for the primary chemicals. The short and medium term results would depend upon consumptions concerning industry structure, and the responses to the tax by the various buyers and sellers in the petrochemical market.

In the short run, domestic primary petrochemical producers and foreign suppliers probably would raise prices at least to some extent to cover the increase in costs represented by the proposed tax boosts. (a) Profit margins of domestic producers may not be large enough to absorb the proposed tax increase. (b) Imported products would also be faced with potential large decreases in profits. (c) The domestic intermediate petrochemical industry (users of the primary products) is composed of more firms and, therefore, may be more competitive than the primary petrochemical industry. Demand for and production of primary petrochemicals would decrease.

It is alternatively possible in the short run, but not likely, that (a) domestic producers individually will not raise prices in fear that other domestic producers and foreign suppliers will not follow suit, and (b), if foreign producers have wider profit margins than their domestic counterparts, the former would absorb much or all of the tax increase and raise prices very little or not at all. Depending upon domestic producers' profit margins, this could result in large operating losses in the short run.

In either short-run scenario, the long-run effect would be that the drop in profits (or incurrence or losses) would reduce (or eliminate) the rate of return to capital, and resources would leave the U.S. primary petrochemical industry. Domestic industry output and employment would decrease. And, aside from the direct effects of the tax increase, a smaller U.S. industry and greater demand for foreign products would tend to result in higher prices and more imports.

The domestic intermediate petrochemical industry will bear the burden of the proposed tax increases to the extent that primary producers shift the tax forward. They would not be able to shift the higher costs forward to their buyers, who have the option of buying imported intermediate products (which would be subject to Superfund taxes under H.R. 5640).

Because H.R. 5640 would increase Superfund taxes on crude oil, the U.S. petroleum refining industry, too, would experience increases in production costs. Moreover, the several intergrated oil companies (with petroleum refining divisions) that also produce taxable primary petrochemicals would be subject to higher Superfund taxation on the costs of both their inputs (crude oil) and on some of their outputs of primary petrochemicals. Given the present low profitability of the refinery industry in the United States, and the competitive nature of the world oil market, this may produce additional hardships. Some of these problems may spill over to oil producers.

In general, the findings of our analysis imply that part of the cost of cleaning up the environment consists of the economic costs of reduced industry profits, output, and employment. These costs should be part of the debate over environmental policy.

II. Present law and proposed changes

A. The 1980 act

The present Superfund program is funded largely by a system of excise taxes on 42 chemical substances and crude oil. In fiscal year 1983, the revenues generated by these taxes—$230 million—accounted for about 70 percent of total receipts of the Superfund program. In addition, Superfund monies came from general revenues (about 12 percent in Fiscal Year 1982), interest income (about 18 percent in FY 1982), and a tax on hazardous wastes received by a qualified disposal facility (about two percent in 1982). Authority to collect the taxes expires on September 30, 1985.

1. The Chemical Taxes:

The 1980 Act imposes a system of excise taxes on designated chemical substances, produced or used domestically, that are considered to be hazardous or (even if the taxable chemical is not inherently hazardous) that may be used in any production process that results in hazardous waste products. These taxes—often referred to as the feedstock taxes—are imposed on the use or on the sale of the designated chemicals. Thus, a substance need not be sold to be taxed. Where a taxable substance is used as an input into the production of another taxable substance, the amount of tax on the input substance is credited against the tax on the output substance. Imports are also subject to the tax, and there is, under present law, no rebate of the tax on exports.

Twelve primary petrochemicals and 30 inorganic chemicals constitute the designated chemical substances.[4] The rate of taxation is relatively low, ranging from 22 cents per ton for potassium hydroxide (an inorganic chemical) to $4.87 per ton on ten of the petrochemicals.

Under certain conditions, the designated substances may be exempt from the Superfund tax. The five following categories of chemicals are exempted because of their particular origin and/or purpose. (Some of the exemptions were added by the Deficit Reduction Act of 1984.)[5]

Chemical substances derived from coal;

Certain chemicals used as fuels or used in the manufacture of motor fuel, diesel fuel, aviation fuel, or jet fuel (this applies to all of the petrochemicals except ammonia);

Chemicals used to produce fertilizer (includes ammonia, methane used to produce ammonia, nitric acid and sulfuric acid);

Sulfuric acid that is a byproduct of air pollution control equipment;

Certain substances that may be produced as temporary byproducts of a metal refining process and may be incidental to that process, as long as they are not removed (this applies to lead oxide, zinc sulfate, zinc chloride, cupric oxide, cuprous oxide, and cupric sulfate).

2. The Petroleum Tax:

The second Superfund excise tax is a relatively minor tax of 0.79 cents ($.0079) on each barrel of crude oil received by a domestic refiner and on each barrel of petroleum products imported into the United States. In the case of domestic crude oil, the tax is imposed on the operation of the refinery that is receiving the oil. In the case of imported petroleum products, the tax is imposed on the person bringing the product(s) into the country. In situations where the crude oil is used or exported before the tax is imposed, the tax is levied on the user or exporter of the oil.

Taxable crude oil includes crude oil condensates and natural gasoline, nearly all of which is extracted from natural gas. Taxable imported petroleum products are defined as any hydrocarbon product derived from crude oil or natural gasoline that is imported in liquid form into the United States (this includes crude oil, oil condensate, natural and refined gasoline, and other products refined from crude oil).

There are several categories of hydrocarbon liquids that are explicitly exempted from the petroleum tax or, through omission in the statute, not subject to the tax:

Crude oil used to extract oil or natural gas, such as an injectant in a tertiary recovery process, on the premises where the crude oil was produced;

Natural gas liquids other than natural gasoline;

Synthetically produced oil such as oil from shale rock, tar sands, biomass, and coal;

Refined petroleum products that were produced in U.S. refineries.

3. Tax at Waste Disposal Facilities:

CERCLA also imposes a tax (effective October 1, 1983) of $2.13 per ton on hazardous wastes delivered to a permitted waste disposal facility. The revenues from this tax finance the Post-Closure Liability Trust Fund. The Fund assumes the liability of hazardous waste disposal facilities when they have been closed (in accordance with regulations) and have been monitored for up to five years to show there is no substantial likelihood of release of hazardous substances.

B. The House-passed bill (H.R. 5640, 98th Congress)

H.R. 5640 was a comprehensive Superfund reauthorization and reform bill. It would have increased tax rates and widened the scope of Superfund excise taxes, strengthened Federal enforcement and encouragement of pollution control activities in a variety of ways, and enhanced Federal ability to respond to hazardous waste occurrences and to assist victims of such occurrences.

1. The Chemical Tax::

The House-passed bill would have changed the taxes on chemicals in several ways. First, the number of substances subject to a Superfund tax would have been expanded from 42 to 56, with most of the additions coming from the inclusion of some coal-derived chemicals and of several elemental metals and metal compounds not previously taxable. One inorganic chemi-

[3] U.S. Library of Congress. Congressional Research Service. U.S. Primary Petrochemicals: The Superfund Taxes and Other Factors Shaping Recent Trends in Supply and Demand. Report No. 84-704E, by Bernard A. Gelb and Gary L. Guenther. Washington, 1984.

[4] The indicated 12 petrochemicals includes ammonia, virtually all of which is produced from natural gas. The 1980 Act follows usual practice and lists ammonia among the inorganics, because it contains no carbon.

[5] P.L. 98-369.

cal—lead oxide—would have been deleted from the list of chemicals that are presently subject to tax.

Second, the bill would have increased the chemical taxes several fold: in some cases, all at once in 1985, in other cases, by varying increments to be phased in over a five-year period. The tax rates would increase further if a waste-end tax is not enacted. For example, the highest present tax rate is $4.87 per ton (which applies to 10 of the 12 petrochemicals.) Under H.R. 5640, the highest rate would have increased to $30 per ton with a waste-end tax and to $35 per ton without a waste-end tax.

Third, the amounts of tax imposed would have been subject to an inflation adjustment in each year. The tax payable on each chemical in a given calendar year would have been adjusted by any percent increase in the producer price index for basic organic chemical or basic inorganic chemicals (as appropriate) between 1984 and the average for the 12 months ending on September 30 of the previous calendar year. No provision was made for adjusting the tax for price decreases.

Fourth, the bill would make several other changes regarding exemptions from the chemical taxes. Perhaps most important, exports of otherwise taxable substances would be exempt, and the blanket exemption of coal-derived chemicals would be removed.

In nearly all cases, the changes would have become effective January 1, 1985; the bill did not specify a termination date for the chemical taxes.

2. The Petroleum Tax:

H.R. 5640 would have increased the tax on petroleum from 0.79 cents per barrel to 7.86 cents per barrel, effective January 1, 1985. If a waste-end tax were not enacted before July 1, 1986, the tax on petroleum would have been increased to 9.65 cents per barrel on January 1, 1987. This tax (at either level) would remain in effect through September 30, 1990. No change would have been made in the categories of petroleum subject to the tax.

3. Proposed Waste-End Tax:

In effect, H.R. 5640 envisioned but did not mandate a waste-end tax. The bill would require the Secretary of the Treasury, in consultation with the Environmental Protection Agency and the International Trade Commission, to study various proposals for such a tax and their probable trade and other economic effects in order to develop a proposal for an excise tax on the disposal of hazardous substances. That proposal was to be designed to discourage, with maximum administrative feasibility, the disposal of hazardous wastes in environmentally unsound ways.

A report on the study and a legislative proposal for a Federal waste-end tax would have been submitted to Congress no later than April 1, 1985.

H.R. 5640 also would have repealed the present tax on disposal of hazardous waste through licensed facilities and the Post-Closure Liability Trust Fund, into which the waste-disposal taxes were deposited.

IV. Background on petrochemicals and the effects of present superfund taxes

As their name implies, petrochemicals are derived from petroleum and natural gas, in the form of petroleum liquids, natural gas liquids, and gases. Four chemicals that are identical in structure to four primary petrochemicals (benzene, naphthalene, toluene, and xylene) are also derived from coal tar and tar crudes, but in relatively small quantities. They constitute the materials from which plastics, synthetic fibers, synthetic rubber, most fertilizers and pesticides, numerous drugs, and many other products are made.

Primary petrochemicals are the initial direct chemical derivatives of those hydrocarbons. They are further processed into intermediate petrochemicals; these, in turn, are processed into petrochemical products, which are sold to a wide range of industries for further processing and incorporation into products for industrial, commercial, or household use. Industry, agriculture, and commerce use petroleum-derived items such as surfactants, pesticides, and detergents. Ultimately, petrochemicals are used, directly and indirectly, in the production of a large number of durable and nondurable consumer goods ranging from food, beverage containers, and cosmetics, to automobiles, home appliances, and furniture.

In 1984, U.S. production of primary petrochemicals totalled about 120 billion pounds; and, "true" petrochemicals accounted for 99 percent of U.S. output of primary petrochemicals plus their coal-derived counterparts.

During the two decades before 1979, production of petrochemicals by U.S. producers rose rapidly, as the ultimate products derived from petrochemicals replaced natural materials such as cotton, wood, rubber, metals, soap, manure, and natural solvents. The economic competitiveness of petrochemicals was enhanced by rapid technological advances in production processes and by stable prices of feedstocks and fuel. Production by the Industrial Organic Chemicals Industry—the industry that produces all primary and most intermediate petrochemicals—increased at an average annual rate of 10 percent between 1954 and 1967, and 7 percent between 1967 and 1979.

In sharp contrast to its rapid growth during the 1960s and 1970s, the U.S. petrochemical industry—especially producers of primary petrochemicals—has been in decline during most of the period since 1979. Production, employment, and operating rates were all notably lower in 1983 than in 1979. Profits appear to be down substantially as well. At the same time, the share of the U.S. market accounted for by imports has grown markedly.

Several major factors underlie this decline, according to a recent CRS analysis.[5] While the imposition of Superfund excise taxes on chemicals and petroleum about the time when the industry began to have difficulties did not help the industry, the tax levels are low enough so that their affects probably were very small compared with the other negative factors. Moreover, the Economic Recovery Tax Act of 1981 (P.L 97-34) substantially reduced the burden of corporate income taxes on U.S. corporations, including the petrochemical industry.

A recent study by the Environmental Protection Agency makes similar findings concerning the trade effect of present Superfund taxes: "Global recession, decontrol of U.S. crude oil prices, changes in exchange rates, and increase in foreign chemical production capacity overwhelm any potential effects of the excise taxes imposed by CERCLA on the U.S. balance of trade."[6] The study concluded that the effect of the law's excise tax on the trade deficit was probably not significant because both imported and domestically produced feedstock are taxed.

IV. Economic Analysis

A. Focus of the Analysis

This analysis focuses on six of the twelve primary petrochemicals that are subject to Superfund taxes, and on the producers of those substances. The six petrochemicals—benzene, butadiene, ethylene, propylene, toluene, and xylene—accounted for about 60 percent of U.S. production of primary petrochemicals in 1984. Between June 1981 and September 1982, 89 percent of Superfund tax receipts from primary petrochemicals and about 60 percent of all Superfund tax receipts were accounted for by the six chemicals.

Existing law imposes exactly the same absolute tax on each of the six substance: $4.87 per ton.[7] We have assumed that the tax for each of the chemicals rises from the present level to those specified by H.R. 5640 for 1987 and 1990, under a scenario of no waste-end tax (table 1). H.R. 5640 contained two sets of tax schedules that would raise the taxes, in step fashion, over five years, to as high as $26.11 per ton. (One set assumed eventual imposition of a waste-end tax; the other did not.) The rates of change and amounts were completely different for each of the six substances. With only one exception (among the six), taxes per ton would be higher in every year in the scenario with no waste-end tax. It should be noted that, also with one exception, the tax amounts for 1990 under the no waste-end tax case are one/third higher than those for 1987.

Economic analysis of the impact of the hypothesized Superfund tax increase requires knowledge of the prices of the commodities. We have estimated average current prices for each of the six substances, largely on the basis of price data made available to CRS by Chemical Marketing Associates, Inc. (Houston, Texas). These, also, are shown in table 1.

B. Questions of market structure and behavior

The economic effects of increases in Superfund taxes on the U.S. petrochemical industry would depend upon the structure of the primary petrochemical industry, the role of foreign suppliers (also sellers), and the structure of the intermediate chemical industry (the buyers). Additionally, the economic effects would depend on the type of competitive behavior of the sellers and buyers, and on the relative reaction of each to tax increases. Analysis is complicated, particularly in the short run, by uncertainty as to what analytical framework (in terms of market structure and seller and buyer behavior) would be appropriate.

The structure of the U.S. primary petrochemical industry seems to be characterized by relatively few producers of a homogeneous product. Producers tend to be large chemical companies or major integrated oil companies. In the cases of benzene and ethylene, for example, the largest ten producers account for 63 percent and 77 percent, respectively, of total U.S. production capacity for the two substances. The top four producers account for 30 percent and 42 per-

[5] See U.S. Library of Congress. Congressional Research Service. U.S. Primary Petrochemicals; The Superfund Taxes and Other Factors Shaping Recent Trends In Supply and Demand. Report No. 84-704E by Bernard A. Gelb and Gary L. Guenther, August 30, 1984. Washington, 1984.

[6] U.S. Environmental Protection Agency. Impact of the CERCLA Tax on the Nation's Balance of Trade, CERCLA Sec. 301(A)(1)(F). December 1984. Washington, 1984.

[7] Comprehensive Environmental Response, Compensation, and Liability Act of 1980 (P.L. 96-510)

cent of the respective capacity totals. (See table 2.)

An industry with such a structure often is characterized by interdependence among firms, where each firm's pricing and other decisions tend to depend upon how the firm anticipates its competitors will react. Accordingly, the economic effects of expanded Superfund taxation would depend upon how the various producers would react to the higher taxes and what they believe would be the reaction of their competitors including foreign competitors.

If there is such interdependence, prices tend to be more stable than they would be otherwise under pressure of cost increases.[8] Sellers fear that a price increase on their part will not be adopted by competitors, which would result in the price-booster losing market share. Thus, competitors view market share as an important goal in itself, and are willing to reduce profit margins to maintain or increase their share. Other things being equal, this kind of competitive behavior makes it unlikely that the companies will attempt to raise their prices (in order to shift some or all of a tax increase to the buyers. This "model" is appropriate if production costs do not vary widely among the various sellers.

It is not clear from movements in the prices of the six petrochemicals over the last five years that there has recently been or is now interdependence among sellers in the U.S. primary petrochemical market. Prices of the six substances have fluctuated considerably since early 1979. For example, the price of benzene increased about 25 percent between the third quarter of 1980 and the second quarter of 1981; and the price of ethylene fell 30 percent between June 1984 and March 1985. These observations are based on (a) monthly and quarterly average transaction prices of U.S. producers for 1980 through early 1985, made available to CRS by Chemical Marketing Associates, Inc. (Houston, Texas), and (b) monthly producer price indexes completed by the U.S. Bureau of Labor Statistics.[9]

These fluctuations may not necessarily rule out a condition of interdependence, however. First, it is common for the prices of homogeneous, commodity-type products such as primary petrochemicals to vary widely over phases of the business cycle; and the chemical industry experienced two recessions and recoveries during this period. Second, prices of crude oil and natural gas—the raw materials of these products—increased very steeply and, in the case of oil, then declined significantly.

Third, because some of these products are co-products or by-products in the process of producing others, swings in demand for the primarily intended product and in its production can result in shortfalls or excess supplies of co-products for which there are no similar swings in demand. Other things being equal, the shortfalls, or surpluses, will tend to raise, or reduce, prices of the co-products. Fourth, there may be an interdependence among domestic producers only, with foreign suppliers tending to set prices below what domestic producers would charge.

The circumstances described in the fourth item may well describe the situation now, although not uniformly for all six products. There is an indication that import prices are lower than domestic producers' prices for 4 of the 6 primary petrochemical substances.[10] Where foreign suppliers are charging prices lower than what domestic producers would charge, the latter—assuming they still pursue the same corporate goals—must keep prices as low as possible to avoid losing still more market share. There is nothing inherent in this situation, however, that predicts the reaction of foreign suppliers when a large tax increase is imposed.

Returning to the industry structure described initially, one can very reasonably also infer a mode of behavior different from that developed above. Other things being equal, a relatively small number of producers under cost pressure may well be able to raise prices. For example, producers of benzene were able to boost prices about 30 percent between 1979 and 1980 to cover (at least partly) the increase in the cost of crude oil even though production (and presumably demand) dropped about 25 percent. Over the same period, prices of propylene rose even faster (55 percent) in the face of a smaller drop in output (4 percent).

Domestic producers' ability to raise prices would be eased by the nature of demand for their products. Buyers, intermediate petrochemical producers, far outnumber the sellers, and thus constitute a more competitive industry than the primary petrochemical industry. In addition, substitution possibilities for primary petrochemicals are technologically limited in some cases, at least in the short run; demand for these substances is therefore likely to be price inelastic.

Finally, because imported primary petrochemicals would also be subject to tax increases under H.R. 5640, foreign producers selling in the U.S. market would have an incentive to increase prices, and would do so roughly to the extent that U.S. producers raise their prices.[11] Those foreign producers who, because of lower production costs or pressure of low capacity utilization undersell U.S. producers, presumably would not increase prices so far as to close the gap. It is possible that foreign producers would absorb the hypothesized increase in tax rates; this action would imply a decision to expand market share instead of maximizing profits (or minimizing losses) in at least the short run, if not longer.

In general, any reaction of U.S. primary producers to hypothesized Superfund tax increases would take into account the absence of Superfund taxes abroad, and the option of domestic as well as foreign purchasers of primary and of derived products to buy, at almost any point in the chain of production, such products made abroad from non-taxed feedstocks. Assuming that U.S. exports of the six primary substances would not be subject to the tax increase, the tax increase would not disadvantage U.S. products in export markets.[12]

In summary, there are at least a few responses to the hypothetical Superfund tax increases in the short run that one can reasonably expect; and there appears to be no preponderance of evidence that one is more likely than another. In addition, it is important to note that foreign suppliers, although free from Superfund taxation on production sold abroad (but not in the U.S.), and in some cases beneficiaries of lower raw material costs, are nevertheless subject to basically the same economic forces and constraints as domestic producers.

Because it is uncertain as to how U.S. producers and foreign suppliers would react in the short run, we present and analyze below two alternative behavioral "Scenarios" that more or less bracket the range of most likely behavioral combinations. They should not be regarded as the two most likely outcomes.

C. Impact on primary petrochemical producers

1. Scenario 1—Tax Absorbed by Producers in Short Run:

In this scenario of the industry and market, domestic producers are assumed to be "interdependent", as described in the previous section. Foreign suppliers are tending to charge lower prices than domestic producers, further deterring domestic producers from attempting to raise prices in order to pass forward all or part of the tax increase. It is assumed that foreign suppliers also do not attempt to increase prices.

To estimate the impact of the hypothesized increases in Superfund taxes on industry production, profits, and other operational aspects, we have followed a standard economic model that incorporates the relationship among costs, production levels, and profits. As seen in table 3, the hypothesized tax increases would, in the short run, raise estimated variable production costs (excludes depreciation, amortization, and overhead) of the six substances in 1987 by as little as 2.1 percent and as much as 6.6 percent. The corresponding increases for 1990 would be 3.4 percent and 7.0 percent.[13] (These percent increases in costs would be higher if prices decline. H.R. 5640 provides for adjusting the tax amounts in case of price increases, but not for price decreases.)

With prices unchanged under this Scenario, the quantities demanded for the six products would not change (other things being equal), but industry profits would decline by the full amount of the increase. Assuming production at the 1984 level is the amount used or sold domestically, annual industry profits on the six products would decrease by about $490 million, or 4.4 percent of sales, if the hypothesized 1987 tax level is fully absorbed. The corresponding decrease for the 1990 tax level would be about $630 million, or 5.6 percent of sales. In 1981 through 1983, before-tax profits on the six products averaged about 1.24 percent of sales for 26 companies that are large producers of those products according to a survey by Price Waterhouse.[14] Since that

[8] An excise tax on a producer is essentially equivalent to an increase in production costs.

[9] Chemical Marketing Associates provided contract prices for all six chemicals, except toluene, where spot prices were provided. The Bureau of Labor Statistics does not compile a price index for xylene.

[10] Average prices of imports were derived by dividing the total value by total quantity of imports for each of the products. Average domestic prices were calculated from the data provided by Chemical Marketing Associates, Inc.

[11] This does not imply that U.S. producers would be the first to increase prices.

[12] Under H.R. 5640 as passed by the House, exports are exempted and rebates would be given for Superfund taxes paid on products eventually exported.

[13] As discussed earlier, a per-unit excise tax is considered as an increase in the cost of production. The cost concept measured here is average variable cost. Analytically, the correct procedure is to determine the percentage of change in marginal costs. Data on marginal costs for each substance is not, to our knowledge, publicly available.

[14] Price Waterhouse, A Comparison of Sales to Earnings Ratios for Chemical Companies for Their Overall Sales and Sales of Products Subject to CERCLA Taxes (March 15, 1985). The survey was commissioned by the Chemical Manufacturers Association.

period, volume produced and sold has increased[15] and raw material costs have fallen,[16] but product prices have fallen as well.

Profit margins probably have widened somewhat since 1981-1983. But it is clear that the hypothesized Superfund tax increases could still generate industry losses.

Such substantial declines in profits are not likely to affect production levels in the short-run. But in the long-run, assuming production costs cannot be reduced elsewhere, capital resources would leave the domestic industry, since the rate of return after taxes would be lower than in other industries. The result would be reduced industry output and employment.

These long run effects would spill over onto other sectors; the decline in demand for oil and natural gas would affect oil and gas production. As the primary petrochemical industry contracts, prices to secondary users would increase as demand fell. Hence, even if producers absorbed the tax in the short run, in the long run, prices would still rise until equilibrium was restored.

Effects on Imports and Exports.—With everyone's prices unchanged, the share of the domestic market for the six primary petrochemicals accounted for by imported products would be maintained in the short run.

In the long run, shrinkage in the U.S. industry as a result of low profitability would lead to lower domestic output and a smaller share of the U.S. market. Foreign suppliers presumably would be absorbing the tax increase on only part of their production, and would not experience as sharp a drop in overall profitability as U.S. producers. Assuming no change in the total quantity sold in the market, the quantity of imports would increase.

Assuming exports of the six substances would be exempt from the hypothesized tax increases (as under H.R. 5640), U.S.-produced primary petrochemicals would not be at a competitive disadvantage in foreign markets. Sharply-reduced profitability on domestic sales, however, may well affect the ability of U.S. producers to compete worldwide. Also exports would decline to the extent that U.S. producers would relocate to foreign countries and focus on foreign markets.

2. Scenario 2—Tax Passed on by Producers:

Partly because of the severity of the potential impact on domestic primary producers under scenario 1, there are reasons to believe that domestic primary petrochemical producers will strive very hard, and probably would be able to shift forward part of the tax increase. (a) Profit levels of domestic producers may not be large enough to absorb the proposed tax increase. (b) Imported products would also be subject to the tax increases, and foreign suppliers would be faced with potential large decreases in profits. (c) The domestic intermediate petrochemical industry (users of the primary products) is composed of more firms and, therefore, probably is more competitive than the primary petrochemical industry. (d) As recently as the second oil price shock, domestic primary petrochemical producers were able to pass forward at least part of the large increase in costs through sharply increased prices.

Here, the price elasticity of demand as well as supply is a crucial element. Since there is little evidence as to what those elasticities are, we have used two assumptions for each: −0.3 and −2.0 for demand; and +1.0 and +8.5 for supply.

The results derived from the extreme alternative world where all the tax is passed forward—will differ from that in which all the tax is absorbed by at most 50 percent, according to established economic theory.[17]

While intended to be illustrative, these figures are based on both empirical and theoretical evidence. Regarding demand price elasticity, one recent study postulates a price elasticity of demand for four primary petrochemicals of from −0.14 to −0.53.[18]

Regarding, supply price elasticity, the same study referred to above includes a supply price elasticity for propylene of +8.5.[19] Because we were unable to find other supply price elasticities, it is difficult to know how well +8.5 approximates the actual elasticity. Estimated supply price elasticities for other industries, however, are generally much lower. Because of the greater uncertainty, we have set a wider range for supply price elasticity than for demand price elasticity.

Table 4 shows the effects under scenario 2. If the supply price elasticity is +1.0 and the demand price elasticity is −2.0, prices of the six primary petrochemicals would rise, on average, 1.1 percent under 1987 proposed tax levels; the total quantity demanded would decrease by 2.1 percent. If the supply price elasticity is +8.5 and the demand price elasticity −0.3, prices would rise 3.1 percent on average. The alternative elasticity assumptions would give results that lie between the above figures. These results reflect the fact that when supply is less elastic and demand more elastic, it is more difficult to shift the tax forward and producers bear relatively more of the tax.

Under the 1990 tax levels, prices would increase by larger percentages compared with 1987 and output would decrease more because the proposed tax rates in 1990 would be higher than in 1987.

Thus, under scenario 2, prices would rise and the quantity demanded would fall, leading to reduced domestic production and employment. The extent of these effects would depend upon the behavioral postulates concerning the price elasticities of supply and demand.

Effect on Imports and Exports.—Under scenario 2, foreign producers would probably increase their prices in the United States commensurate with the increase by domestic producers. This would preserve the market share. The level of imports would decline as prices increase but the relative proportion of domestic output and foreign imports should be maintained.

U.S. producers would not be at a competitive disadvantage in foreign markets except to the extent that the domestic tax would adversely affect the profitability of the industry in the United States.

D. Impact on intermediate petrochemical producers

As the previous discussions suggest, the effect of the proposed tax increases on producers of intermediate (secondary) petrochemicals depends upon the response of the primary petrochemcial industry to the tax increases.

If the primary petrochemical industry does not shift the taxes because interdependence among firms would not permit it or because of competition from foreign producers there would be little short-term impact on the intermediate petrochemical industy. Firms in the industry would continue to demand the same quantities of primary substances because the prices charged • • •.

In the long-run, however, a smaller U.S. primary petrochemical industry and greater demand for foreign products would tend to result in higher prices charged to intermediate producers, as well as greater imports of primary substances. This will affect the level of output and profitability of the secondary industry since they would be unable to pass on these higher costs to tertiary producers, or producers of final products (because imports of secondary substances are not and would not be subject to Superfund taxation).

If domestic primary petrochemical produces, along with foreign suppliers are able to increase prices (and reduce output), at least part of the short-run burden of the hypothesized tax increases would fall on intermediate producers. The extent of the short-run incidence depends on how much primary producers are able to raise prices, and on the elasticities of supply and demand for intermediate products. Because U.S. buyers of intermediate products can purchase materials made abroad from non-taxed feedstocks, it is likely that domestic intermediate producers will not be able to increase prices sufficiently to cover the increase in their costs.

In the long-run, if intermediate producers would not be able to increase prices sufficiently to cover the increase in costs, lower profitability would cause resources to leave the industry—and domestic production and employment would decrease.

E. Effect on the U.S. oil industry

Because H.R. 5640 would increase Superfund taxes on crude oil, the U.S. petroleum refining industry, too, would experience increases in production costs. Moreover, the several integrated oil companies will be subject to higher Superfund taxation on the costs of both their inputs (crude oil) and some of their outputs (primary petrochemicals). H.R. 5640 would raise the tax on crude oil from 0.79¢ ($.0079) per barrel to 9.65¢ ($.0965) per barrel, assuming no waste-end tax. This would increase oil tax liabilities from about $40 million per year to about $480 million per year.

As suggested by the data in table 1, most of the largest U.S. primary petrochemical producers are vertically integrated oil companies (with petroleum refining divisions or subsidiaries). Although these constitute a minority of the total number of producers, they apparently account for most the Superfund tax liability. Ten of the 12 companies that are believed to pay 70 percent of Superfund taxes are major integrated oil companies,[21] and taxes on petrochemicals

[15] Relatively small changes in production affect profitability by much larger relative amounts.

[16] Acquisition costs of crude oil currently average about 15 percent the average level for 1981-1983.

[17] More precisely the changes in price and in quantity under pure monopolistic conditions will be half those under competitive market conditions. See, for example, Richlard A. Musgrave and Peggy B. Musgrave. Public Finance in Theory and Practice. New York: McGraw-Hill Book Company, 1973. p. 436-438.

[18] Management Analysis Center, Inc. Superfund Financing: An Analysis of CERCLA Taxes and Alternative Revenue Approaches. Los Angeles, CA. March 6, 1984. The report does not explain how the elasiticities were arrived at.

[19] Superfund Financing: An Analysis of CERCLA Taxes and Alternative Revenue Approaches.

[21] Includes Conoco, a subsidiary of DuPont.

and petroleum combined account for 80–85 percent of total Superfund tax liability.

Therfore, the question of who would pay the expanded levels of Superfund taxation is also a question of the extent to which the major oil companies would pay the tax. The fact that they are vertically integrated from it complicates the analysis beyond the scope of this report. But it should be noted the hypothesized increase in the petroleum tax equals only 0.3 percent of U.S. refiners average crude oil acquisition cost in early 1985.

It is possible that the major oil companies would attempt to shift both the increase in the crude oil tax and in the taxes on primary substances backward onto factors of production. More specifically, they could lower the price they pay for crude oil. In this case, part of the burden of the hypothesized tax increases would be on independent oil products who sell to land owners (royalty owners) other than the companies themselves. To the extent that the companies shift the tax increase forward to downstream chemical producers or users other than themselves, those producers or users could end up paying part of the increase in the crude oil tax.

TABLE 1.—ESTIMATED PRICES AND HYPOTHESIZED SUPERFUND TAX RATES FOR 6 PRIMARY PETROCHEMICALS

[In dollars per ton]

Petrochemical	Estimated price [1]	Tax		
		Existing	1987	1990
Benzene	$320	$4.87	$13.20	$17.60
Butadiene [2]	590	4.87	19.58	26.11
Ethylene	310	4.87	13.78	18.37
Propylene [3]	315	4.87	11.74	15.65
Toluene	290	4.87	10.38	13.84
Xylene	275	4.78	21.30	22.35

[1] Average price as of early 1985.
[2] 1,3-Butadiene.
[3] Chemical grade.

Sources: CRS estimates, based on data provided by Chemical Marketing Associates, Inc.; Public Law 96–510; H.R. 5640, as passed by the House of Representatives, 98th Cong.

TABLE 2.—ANNUAL PRODUCTION CAPACITY AMONG TOP 10 PRODUCERS OF ETHYLENE AND BENZENE

Producer	Thousand metric tons	Percent of total
Ethylene:		
Shell	2,336	13.7
Dow	1,818	10.7
Union Carbide	1,764	10.3
Arco	1,271	7.5
Exxon	1,180	6.9
Gulf	1,162	6.8
Du Pont	1,057	6.2
Amoco	975	5.7
Phillips	972	5.7
Texaco	620	3.6
Subtotal	13,155	77.1
Total, United States	17,073	100.0
Benzene:		
Gulf	205	8.9
Shell	174	7.5
Exxon	168	7.3
Phillips [1]	142	6.1
Sun	133	5.8
Dow	130	5.6
Sohio	115	5.0
Arco	111	4.8
Du Pont	100	4.3
Amoco	95	4.1
Ashland	75	3.2
Subtotal	1,448	63.0
Total, United States	2,312	100.0

[1] Includes plants in Puerto Rico.

Sources: Chemical Week, Aug. 29, 1984, pp. 46–47; Oil & Gas Journal, Sept. 3, 1984, pp. 55–56.

TABLE 3.—ESTIMATED AVERAGE PRODUCTION COSTS AND HYPOTHESIZED SUPERFUND TAXES FOR 6 PRIMARY PETROCHEMICALS

Product	Estimated average per-unit variable cost	Tax per ton			Tax as a percent of average variable cost				
		Existing	Proposed		Existing	Proposed		Change	
			1987	1990		1987	1990	1987	1990
Benzene	$288	$4.87	$13.20	$17.60	1.7	4.6	6.1	2.9	4.4
1,3-Butadiene	531	4.87	19.58	26.11	.9	3.7	4.9	2.8	4.0
Ethylene	279	4.87	13.78	18.37	1.7	4.9	6.6	3.2	4.8
Propylene (chem.)	284	4.87	11.74	15.65	1.7	4.2	5.5	2.4	3.8
Toluene	261	4.87	10.38	13.84	1.9	4.0	5.3	2.1	3.4
Xylene	248	4.87	21.30	22.35	2.0	8.6	9.0	6.6	7.0

Note.—Average variable cost is estimated at 0.9 percent of price.

Sources: Table 2; Public Law 96–510; Congressional Record, Aug. 10, 1984; CRS estimates.

TABLE 4.—ESTIMATED CHANGES IN PRODUCTION AND PRICES UNDER SCENARIO 2

	Tax level (percent)							
	1987				1990			
Percent increase in costs	3.2	3.2	3.2	3.2	4.6	4.6	4.6	4.6
Assumed supply price elasticity	+1.0	+1.0	+8.5	+8.5	+1.0	+1.0	+8.5	+8.5
Assumed demand price elasticity	−.3	−2.0	−.3	−2.0	−.3	+2.0	−.3	−2.0
Percent change in quantity	−.7	−2.1	−.9	−5.2	−1.2	−3.1	−1.3	−7.5
Percent change in prices	+2.5	+1.1	+3.1	+2.6	+4.0	+1.5	+4.4	+3.7

Note.—Data are weighted averages for the six primary petrochemicals focused on in this report.

Source: Text; tables 1 and 3; U.S. International Trade Commission.

TRI-INDUSTRIES, INC.

● Mr. QUAYLE. Mr. President, President Reagan proclaimed last week National Small Business Week, to honor our country's 14.3 million small business owners. In keeping with this theme, I am especially proud today to recognize Tri-Industries, Inc. of Terre Haute, IN, as the regional small business prime contractor of the year for region V, which includes the Midwestern States of Indiana, Illinois, Michigan, Minnesota, Ohio, and Wisconsin.

Tri-Industries was selected by the Small Business Administration [SBA] for its outstanding record as a Federal procurement prime contractor in the area of gas turbine parts, manufacturing, and supply.

In nominating Tri-Industries for the award, Fort Benjamin Harrison in Indianapolis described this company as "a leader in the field of high technology manufacturing." As its "honeycomb" process has been accepted by other companies producing for the aerospace industry as the industry standard, Tri-Industries has grown from a single manufacturing concern employing 6 people in 1955, with first sales of $40,000 to a three divisional corporation employing over 100 people with several million dollars in sales. Tri-Industries is leading the way in the aerospace industry.

Tri-Industries is but one particularly notable small business that has proven itself highly capable of meeting the needs of our Nation. Small business is the backbone of our Nation, accounting for 60 percent of all private-sector employment and 90 percent of all newly created jobs. Small business is also a leader in implementing the main principles of the Job Training Partnership Act, which I authorized in 1982 to replace the ineffective Comprehensive Employment Training Act [CETA], to provide our youth and unskilled workers with the training and experience necessary to secure permanent, more fulfilling careers.

Small business also accounts for nearly half of all major U.S. innovations including the air conditioner, gasoline engine, and the electric light; and approximately half of the private sector's total production of goods and services.

Each of us is doing everything we can to advance the interests of small business. As chairman of the Senate Armed Services Subcommittee on Defense Acquisition Policy, I am fully aware of the urgent need for a more efficient acquisition system. In response, I have sponsored the Defense Procurement Improvement Act of 1985, S. 742, which is included in the 1986 defense authorization bill approved by the Armed Services Committee on April 4, 1985.

Provided in my bill are moneys to establish nationwide procurement outreach centers to assist businesses, especially smaller companies, in becoming defense contractors. These centers are designed to introduce new and

qualified businesses to the defense market, increase competition for defense contractors and subcontracts, broaden the industrial base of suppliers, and promote State and local economic development which in turn means new employment opportunities.

The livelihood of nearly 100 million Americans rely directly or indirectly on our Nation's small businesses, and we as consumers reap the benefits of the products and services they provide. It is essential that we recognize and protect the needs and interests of our small businesses, like Tri-Industries, Inc., so they can continue to contribute to the future well-being of our great country.●

OAKLAND CITY COLLEGE CELEBRATES ITS CENTENNIAL

● Mr. QUAYLE. Mr. President, I am pleased today to congratulate Oakland City College, a fine institution of higher education in Oakland City, IN, on their centennial celebration. Oakland City College was founded in 1885, and has, for a hundred years, provided thousands of students from Indiana and elsewhere in the Nation an education of excellence and of value.

Oakland City College, a Baptist-affiliated institution, has offered a 4-year liberal arts education from its inception, and has also expanded its educational offerings to keep pace with the demands of the day. Oakland City College has been responsive to the needs of the State, the needs of the community, and the needs of the students who attend.

The president and the trustees have recognized the value of a traditional, private, liberal arts education, and they have excelled at offering such an education. Along with the liberal arts, the college has offered degrees in business and in teaching, areas which are in great demand today.

Additionally, 10 years ago, Oakland City College established a vocational-technical school associated with the college to offer 1- and 2-year degrees in fields such as auto and diesel mechanics, welding, and heating, and air conditioning servicing. The college started these programs in response to the needs of southwest Indiana, where vocational-type training was limited. Oakland City College was one of the first church-related, liberal arts colleges in the United States to offer such vocational and technical training.

In the class of 1985, in addition to the 80 seniors who are graduating with a 4-year degree, almost 60 students from the vocational-technical school will be graduating.

Such a combination of liberal arts degrees and vocational degrees does not mean a lessening of purpose or loss of mission. Instead, it means that Oakland City College cares about the community it shares and wants to help maintain the economic and intellectual health of that community. Oakland City College is a dynamic college, one that looks forward to and one that is responsive to the future.

The past 100 years at Oakland City College have been good years, and the graduates have been well-prepared to take their place in society. The next 100 years at Oakland City College will, I am certain, be as exciting and rewarding for all involved. Oakland City College is not afraid to meet the future, and I wish them well in all they do.

My congratulations to Oakland City College as they celebrate their 100th birthday.●

● Mr. WEICKER. Mr. President, during the long days of deliberation on the budget, the process at times seemed reduced to a mathematical problem to be solved. In trying to deal with a complex issue, our focus often narrows to the point where we lose sight of the whole picture. Today I want to share with my colleagues an eloquent reminder of what our job here is all about. David Berke, a young man from Connecticut, wrote some poems expressing his concern for the future. He described very accurately the kind of decisions we are making here in Congress—decisions on the quality of life for our children and their children. David was killed in an automobile accident not long ago. We are fortunate to have his thoughts with us as we go about our job.

The poems follow:

POEMS OF DAVID BERKE

It is said this country was made great,
long ago by farsighted men,
who invested in their hope in the future,
for the benefit of their children's children.

Do you go with the short term investment,
that will make you very happy right now?
Or do you invest in and plan for the future,
which might not show up some how?

Your short term may even go sour,
it might not get into the black,
yet you might spark a new innovation,
which will turn the others all back.

To start the long term investment,
a very high price you will pay.
To give up the short run will cost you,
something you might even regret someday.

The question that will face us tomorrow,
is do we see the profits right now—
or forget the pleasure and sorrow
and think of the future somehow.

Now if these men had all lived today,
would they see the way that I see?
Is love just a short term benefit
or a long term investment for me?

I can't trust those around me
I don't like my race
We're crummy, we're cruel, we're dirty
and just plain two-faced.

I keep hearing of peace—
How the world should be run
Why can't we all be happy as one?

Yet we're building more planes
and building more guns,
hoping someday it won't have to come.

Missiles and bombers,
tanks and planes
Sometimes I think we're all just insane.

Someday we'll do it
the Die will be cast,
No one around to tell of our past.

It may be too late
someday you'll see
We'll all be just shadows
Including you, your neighbor and me.

It's finally happened
It's finally done,
There will be Peace on Earth
for all time to come.●

MATHOPESTAD

● Mr. KENNEDY. Mr. President, a recent article in the New York Times by Alan Cowell describes the continuing efforts of the South African Government to move the citizens of the town of Mathopestad from their land. They have owned this land since 1910. I visited Mathopestad in January and I met with the people of that town. It is called a black spot by the South African authorities because it is totally surrounded by white-owned farmland. As part of its program to separate the races, the South African Government has sought to eliminate these black spots by forcibly removing blacks from their traditional home and moving them to resettlement camps. This process is brutal, frequently violent, always wrenching.

In 1980 the people of Mathopestad learned that the South African Government planned to move them to Onderstepoort, to land which they consider infinitely inferior to Mathopestad. The Mathopestad landowners have steadfastly resisted the Government's efforts to remove them, but they fear that the Government will nevertheless force them to leave.

I raised the issue of Mathopestad with the Minister of Cooperation, Development and Education, Gerrit Viljoen, during my visit with him in January. Shortly after I left, Viljoen announced a suspension of forced removals to allow the Government to review its policy on this matter. Shortly thereafter Dr. Viljoen reported that the Government would not remove people without their consent, but, he added, the Government would continue to resettle black communities if "their leaders agreed," or if "health considerations" warranted such removals. This statement caused concern because the Government had long tried to install puppet "leaders" in place of these communities' real leaders.

Most recently, in reply to a question in Parliament on April 9, Mr. Viljoen said that the Government planned to go ahead with its plan to resettle the 1,500 residents of Mathopestad "in consultation with the residents." During the past 2 years the Government has never discussed the subject

with legitimate leaders of the community, but it has instead met secretly with a small group of residents, most of whom are tenants rather than landowners. A recent report on the state-owned television [SABC] stated that 100 of the 330 families living at Mathopestad have agreed to move. Now the fear is that, if a sufficient number of tenant families agree to move in the hope of obtaining their own land, the Government will use their consent to justify a wholesale removal of the community.

The legitimate leaders of Mathopestad—along with an overwhelming majority of the citizens—oppose any move, and 750 people have signed a petition opposing removal. But they have good reason to fear that the Government will forcibly remove them, as it did in nearby Magopa last year, if they refuse to leave voluntarily.

Mr. President, I request that the entire text of the May 7 New York Times article be inserted at this point in the RECORD, as well as the certain additional background material on Mathopestad: An April 22 Open Letter from Sub-Chief John Mathope to Secretary of State Shultz, an October 5, 1984 Newsletter published by the white South African civil rights organization Black Sash about Mathopestad, and a Black Sash Update on Forced Removals dated April 23, 1985.

The material follows:

[From the New York Times, May 7, 1985]

BLACK LANDOWNERS RESIST APARTHEID'S HARD SELL

(By Alan Cowell)

MATHOPESTAD, SOUTH AFRICA, May 1.—The wind. It is the wind, rustling the blue gum trees and building across wide plains, that seems to distinguish this place, where people have lived for decades, from another place 60 miles away, where the Government wants them to move.

Here, said John Mathope, subchief of the Bakubung tribe, there is wind all year, and the freshness of the highlands.

There, in Onderstepoort, a resettlement area marked out for 1,000 families, the sky was leaden today, holding warmth to land contested by thorns. The land is dotted with outhouses, arrayed in the empty bush, that symbolize the authorities' desire to build new locations for black people from elsewhere. Always, it seems, the outhouses are built first, baleful harbingers of enforced removal.

Mathopestad, 90 miles northwest of Johannesburg, is one of South Africa's best-known "black spots," a place where black families surrounded by white farmland hold freehold title that was granted before legislation made it impossible for most blacks to own land.

LETTER IS SENT TO SHULTZ

In January, Senator Edward M. Kennedy, Democrat of Massachusetts, came here during his tour of South Africa. Last week, Mr. Mathope wrote to Secretary of State George P. Shultz, asking him to intercede with the white authorities to prevent removal. But such courtship of prominent foreigners has not eroded the gnawing sense that the authorities wish to shift this community to Onderstepoort. And neither has the defiance diminished.

"We do not consent to move," said Mr. Mathope, a man in blue overalls and a stained trilby hat, who seems truculent with outsiders. "We do not trust the Government's intention."

In the last two decades, church groups say 3.5 million people have been resettled in pursuit of the policies of racial compartmentalization called apartheid. But, in January, Gerrit Viljoen, the white Cabinet minister responsible for the destinies of millions of blacks, announced a moratorium on forced removals while the policy was reviewed.

The announcement was greeted with skepticism by threatened communities, a skepticism that seemed reinforced when, on April 9, Mr. Viljoen was asked in Parliament whether the Government planned to resettle the 1,500 residents of Mathopestad.

The reply was, "Yes, in consultation with the residents." And there, the uncertainties and anomalies were illuminated.

"WE WILL NOT BE MOVED"

Mathopestad is not marked on roadmaps, and it is reached by dirt road, across the way from the village of Boons, where giant silos bear testimony to the agricultural richness of these lands. The residents are building a new high school here, hard by a sign that proclaims, "We will not be moved from Mathopestad."

The houses, many of them, are solid and built by stone, and the people say they are used to contentment. "This is the happiest place on earth," Mr. Mathope said.

In the authorities perspective, it is different. "Black spots" collide head-on with notions of separation. When people are moved, officials like to say, that they are moved for their own good, to more hygienic, more fertile places. Mr. Viljoen, for instance, said on April 9 that a move to Onderstepoort was "in the interest of all parties concerned."

That is disputed. "Here, we have a river that flows all year," Mr. Mathope said. "There, the river is dry, and the water comes from a dam. We have boreholes here. If we move there, we are moving straight to our graveyard."

The concern among civil rights groups over a move on Onderstepoort has grown with coverage of the community's affairs on the state-owned radio and television. The South African Broadcasting Corporation, for instance, used television coverage last Saturday to portray Onderstepoort as a luscious garden, focusing on an irrigation project there, and it called Mathopestad unhygienic. It noted, too, that Onderstepoort was close to Sun City, a luxury complex of hotels and casinos and sports facilities whose lushness offers a stark, sad constrast to the thorn and scrub of the resettlement site.

FAMILIAR TACTIC SEEN

The television report said more than 100 of the 330 families living at Mathopestad has agreed to move. For civil rights groups like Black Sash, which monitors removals, that statement smacked of familiar tactics.

Repeatedly, according to a Black Sash report dated April 23, the authorities have sought to make their own definition of a community's leadership and seek the agreement of puppet figures for removals.

Thus, the report says, the authorities have negotiated only with "the small group that the Government has met with clandestinely and which consists mostly of tenants."

"The leaders of Mathopestad and the majority of the landowners are clearly against the move," the report says.

The fear is that, if sufficient numbers of tenant families, lured by a hope of land that is unlikely to be redeemed, agree to the move—as many tenants seem to have done—their assent will be deemed by the authorities to be justification for a wholesale removal of the community.

Similar tactics were used last year, when the nearby community of Magopa was forcibly removed, despite the fact that the people living there had rejected the leader with whom the authorities negotiated the move.

LANDOWNERS DON'T WANT TO GO

Some Mathopestad residents say they expect to start moving within the next two weeks, but landowners—and members of the tribe who live in cities but regard Mathopestad as home—say they do not wish to go with them.

A further concern is that Onderstepoort lies close to the invisible frontier between South Africa and the nominally independent homeland of Bophuthatswana. If the relocation site is "incoporated" into Bophuthatswana, the people of Mathopestad will lose all claim to South African citizenship, and their tribal identity will be swamped in a community much larger than their existing settlement.

So far, according to Black Sash figures, 750 people have signed a petition opposing removal, which the authorities insist will not take place, in their language, before the Government "has discussed the settlement with them.

"We own our land," Mr. Mathope said in a statement on April 10. "We were born here and our parents were born here. We will not move."

[Open Letter, April 22, 1985]

BAKUBUNG TRIBE, MATHOPESTED.

Mr. G. SHULTZ,
Secretary of State,
United States of America.

DEAR MR. SHULTZ: I was very much surprised to hear that you said that there will be no more forced removals in South Africa. I think that you are mistaken because the Minister in our government, Mr. Viljoen, is still saying that we are going to be removed. It seems to us that they say one thing to you but they say altogether different things to us.

We have always said we are not prepared to move. Our forefathers bought this land in 1910 for their children and grandchildren until the last generation of man on earth. It is our land and we farm it well. It is our only home. We explained all these things to Senator Kennedy when he came to visit us in January.

But the government is still doing everything it can to persuade us to give up our land and go far away. They even say that many of our people are willing to go. But these people who say that they will go are not the landowners. They are our tenants, or people who have sought shelter here. They are welcome amongst us, but are also quite free to go if they want to. We the landowners will never go. We want to keep our land and are not interested in any other place they offer us.

On the 20th of April we held a tribal meeting to test the people's feelings about the removal. The Chief, the headmen of all the clans, the landowners, and all the people present signed a petition to say they

do not want to move. Even if the government still says the tenants are willing to go, everyone should know that we, the tribe who own this land, are determined to remain here.

What will the government do if we still refuse? We are very much afraid that the police will come in the night with guns and force us out. That is what happened last year in Magopa when the people refused to go from their place. Dr. Viljoen says the Magopa people agreed to go and this makes us even more afraid because we know about the police with guns.

I am writing to explain these things to you because we think a big man like you can try to speak to our government and stop them from taking away our land and forcing us to go. That is why we are asking you, Mr. Shultz, to help us. I would also like to put this letter in your newspapers so that all your people can also know what is happening in our village.

Yours faithfully,

JOHN MATHOPE,
Sub-Chief of Bakubung Tribe,
Acting for Chief Solomon Mathope●

HISTORIC PRESERVATION WEEK

● Mr. ABDNOR. Mr. President, thousands of communities, both large and small are celebrating National Preservation Week in countless ways during the week of May 12-18.

I am pleased that the National Trust for Historic Preservation has designated this year's celebration as "The Action's Back on Main Street." No theme could better summarize the broad public support which historic preservation efforts have gained over the past decade.

One need only look around this lovely city to see the progress that has been made in renovating and restoring our architectural past. These efforts are paying big dividends in bringing people back into our cities and prompting greater public awareness of the benefits of historic preservation.

Preservation efforts go beyond our large towns and cities. While "Main Street" preservation efforts are most visible in our large urban areas, I want you to know that they are underway in our small communities as well. Indeed, historic preservation probably plays a more important role on the main streets of rural America.

I need only travel around my own State of South Dakota to see the renewal of interest in protecting the heritage of my State. "Main Street" America has always been synonymous with small-town America.

Nearly 1,500 South Dakotans take an active role in promoting and protecting our historic sites, museums, parks, and historical attractions. A majority of these individuals are active in rural South Dakota. They make a difference in their communities and South Dakota benefits from their spirited dedication to our historical past.

It is fitting that we also salute the untiring efforts of the National Trust for Historic Preservation. No organization, in my opinion, has had the impact on preservation efforts as the Trust. Time after time, under often trying circumstances, the Trust has waged a constant battle to protect our historical past for the benefit of our future. I salute their continued efforts to heighten America's awareness in historical preservation and for improving "Main Streets" all across America.●

ELIMINATE LAMEDUCK SESSIONS AND PRESIDENCIES

● Mr. MATHIAS. Mr. President, on March 28, 1985, I joined my distinguished colleague, Senator PELL, to reintroduce a proposed consitutional amendment—Senate Joint Resolution 99—that would shorten the time between the election and the inauguration of the President and the Vice President and the convening of the Congress.

Under our amendment, the President and the Vice President would be inaugurated on November 20. Senators and Representatives would begin their terms of office on November 15.

I would like to call to your attention some of the major reasons for this constitutional amendment.

There is nothing sacred about the constitutional provisions fixing the terms of office, and we ought not hesitate to change them when change is warranted. Half a century ago, our predecessors recognized that technological changes made it not only possible but necessary to reduce the length of congressional lameduck sessions and to accelerate the transfer of Presidential power. They approved the 20th amendment, which moved the transfer of office from March 4 to January 20 for the executive branch and provided for the new Congress to convene on January 3 instead of on the first Monday in December.

The approaching bicentennial of our Constitution is certainly a good time to rid the fundamental charter of useless anachronisms. No doubt the lameduck sessions as well as the lameduck Presidency are curious antiquities. Also, we must realize that these transitional periods may be dangerous for our country, since they create policy vacuums and administrative interregnums.

Thanks to advancing technology, the will of the American electorate is known throughout the world within a few hours after the polls are closed, sometimes before they close. The people's decision should be implemented as soon as possible. Under the present system, politicians who have been denied a vote of confidence by their constituents are allowed to continue in the legislative process while newly elected legislators are excluded for several months. This anomaly has become more and more difficult to justify.

The adoption of our amendment also might have other political benefits. Shortening the lameduck periods would shrink the size and terms of transition staffs, which tend to be larger and serve longer than necessary and which cost a lot of taxpayers' money. It would allow the new Congress to make a faster start on its formidable agenda. With the reduced transition period, the choices of the Presidential candidates for the composition of the Cabinet and the major White House posts undoubtedly would be known sooner.

We ought not wait until we face a major crisis that proves we should have eliminated lameduck sessions and Presidencies earlier. On the contrary, we should act now to get in step with the times. Senate Joint Resolution 99 would limit as much as possible the delay between the elections and the transition of the leaders of the executive and legislative branches. The lameduck Congress and the lameduck President should go the way of the State legislators' election of the U.S. Senate.

Shortly after last January's inauguration, Michael Barone of the Washington Post wrote an interesting editorial entitled "Our Mixed-Up Political Calendar." Mr. Barone also advocates reducing the transition period between election and assumption of office—though not as drastically as Senate Joint Resolution 99 would do it—and suggests other changes in the scheduling of Presidential elections that are worth careful consideration as we think about bringing our Constitution up-to-date.

Mr. President, I ask that Mr. Barone's article appear in the RECORD at the conclusion of my remarks.

Mr. President, I commend the senior Senator from Rhode Island for his persistence in promoting the sensible ideas reflected in Senate Joint Resolution 99. I hope that it will attract support from many of our colleagues.

The article follows:

OUR MIXED-UP POLITICAL CALENDAR

(By Michael Barone)

The cancellation of the inaugural parade is evidence of a bigger problem: our whole political calendar is wacky. Everything is scheduled for the wrong seasons.

Item: The inauguration. Could there be a worse date for an outdoor ceremony and parade than Jan. 20? Maybe Feb. 3. Even the pre-1936 inaugural date, March 4, was too cold, to the point that it cost us one president. But March 4 was too long after Election Day, people decided after watching President Hoover and President-elect Roosevelt fail to cooperate for four long months in 1932 and 1933. You don't need more than two months for transition.

Item: Transition. What's the hardest time of year to get people on the phone? The time when they're trying to wrap up year-end business? The time when secretaries

and staff put in maybe two days a week? During the season from Thanksgiving to Christmas, which is when most of the real work has to be done by transition teams.

Item: The general election. In most of the country, the first Tuesday after the first Monday is often bitterly cold, which is all the more frustrating because the weather is usually pleasant only a couple of weeks before. Moreover, it gets dark awfully early on Election Day: the days are shorter since the nation has just gone off Daylight Saving Time.

Why do we have elections at such an unpropitious time? The answer is that elections were scheduled in most states in the 19th century to come after the harvest was over. Maine, a state with a short growing season, voted in September (hence the saying, "As Maine goes, so goes the nation"); elections in other states were scheduled for various times in October or November. So a nation in which 3 percent of the people live on farms is stuck with a dreadful election date to accommodate the harvest.

Item: The national conventions. They're held in the summer out of hoary tradition, because once upon a time it was easier to travel and interrupt your ordinary business for the week or two required during the summer. Nowadays that only means that conventions are conducted during dreadfully hot weather (it was 106° in Dallas last summer) and at a time when the potential audience is vastly reduced because people are on vacation, engaged in outdoor sports or just not in the mood.

Item: The primary campaign. A key part of the campaign—determining who is, in Fred Harris' words, winnowed in and winnowed out, takes place in frigid New Hampshire and Iowa almost a year before the winning candidates are inaugurated. This and the following primaries stretch the campaign to ridiculous lengths. Voters don't always focus on the same issues then that they consider in November, and increasingly they seem to be picking candidates who articulate their gripes, from Gary Hart to Jerry Brown to George Wallace, rather than those they're willing to vote for in November, when it really counts.

So, as the disappointed band members and float decorators have reason to know, the political calendar is out of whack. Here are a couple of modest proposals for getting it back in.

First, leave the early contests where they are. Iowa and New Hampshire will schedule early caucuses and primaries if their secretaries of state have to go to jail to do so. And even if they don't count toward the nomination, journalists will cover them as if they do. A prudent reformer knows what he can't change.

Second, schedule the national conventions for June. Late primaries can be rescheduled if necessary. June is a pleasant month when people are still at home in front of their televisions. Third, schedule the general election for late September. This will give voters a few weeks after Labor Day to focus on the candidates and the issues, and those who are at all interested will do so in the summer as well. Everyone always says the real campaign doesn't start until the World Series anyway, so this won't reduce the time that voters concentrate on the issues.

Fourth, schedule the inauguration for the first Tuesday after the first Monday in November. Congress could come into session then too: why have it convene 17 days before the inauguration, as it does now? The chances of decent weather are far greater in November than on Jan. 20, and there's at least as much daylight; anyway, it's fine if it gets dark early, since all you're having in the evening are inaugural balls.

The one drawback of this scheme is that a constitutional amendment putting it into effect would shorten the term of the incumbent president, presumably Ronald Reagan, and the terms of the members of the 100th Congress. But Franklin Roosevelt's first term was similar shortened by amendment, with no great loss for him or history. Reagan, who obviously admires Roosevelt and voted for him four times, undoubtedly remembers the precedent and, since he'll be nearing 78 on Jan. 20, 1989, may be more willing than some presidents to make the sacrifice. How about it?

MARIJA CERNECKYTE SIMS

● Mr. LEVIN. Mr. President, the Lithuanian community of this Nation recently lost a beloved friend.

Marija Cerneckyte Sims, a native of Lithuania, was a woman of enormous courage who quietly helped dozens of Lithuanians resettle in the United States after World War II.

Mrs. Sims died on April 9, 1985, in Grosse Pointe Farms, MI.

Marija Cerneckyte was born in Lithuania and remained in her native country until she graduated from the Kaunas College of Education. She moved to the United States in 1928. She settled in Detroit and married Dr. Jonas Sims.

In 1943, Marija Cerneckyte Sims became the first president of the Detroit Lithuanian Organizations Center. She and Dr. Sims helped more than 40 families move to the United States between 1946 and 1956. Working through the Red Cross and various international charitable organizations, the Sims would provide the families' passage to the United States and then provide lodging in their own home.

Mrs. Sims remained a vital, active member of the community for the remainder of her life. In additional to her community work, she published three books of poetry, and many of her poems were set to music by various composers.

I am pleased to take this occasion to remark Marija Cerneckyte Sims for the many contributions she made to so enrich the lives of others.●

ORDER TO HOLD HOUSE CONCURRENT RESOLUTION 95 AT THE DESK

Mr. LUGAR. Mr. President, I ask unanimous consent that once the Senate receives from the House, House Concurrent Resolution 95, commemorating the 20th anniversary of Head Start, it be held at the desk pending further disposition.

The PRESIDING OFFICER. Without objection, it is so ordered.

ORDER TO HOLD H.R. 873 AT THE DESK

Mr. LUGAR. Mr. President, I ask unanimous consent that once the Senate receives from the House H.R. 873, dealing with Federal employees health benefit programs, it be held at the desk pending further consideration.

The PRESIDING OFFICER. Without objection, it is so ordered.

ORDER FOR SEQUENTIAL REFERRAL OF S. 259

Mr. LUGAR. Mr. President, I ask unanimous consent that once the Committee on Commerce, Science and Transportation reports S. 259, the Professional Sports Community Protection Act of 1985, it be referred to the Committee on the Judiciary for the purpose of considering the antitrust issues in S. 259 only, for a period of not to exceed 45 calendar days; and that if at such time the Committee on the Judiciary has not reported S. 259, it be immediately discharged from further consideration thereof and the bill be placed on the calendar.

The PRESIDING OFFICER. Without objection, it is so ordered.

NATIONAL OSTEOPOROSIS AWARENESS WEEK

Mr. LUGAR. Mr. President, I ask that the chair lay before the Senate a message from the House on Senate Joint Resolution 61, to designate the week of May 1, 1985 through May 7, 1985, as "National Osteoporosis awareness Week."

The PRESIDING OFFICER laid before the Senate the following message from the House of Representatives:

Resolved, That the resolution from the Senate (S.J. Res. 61) entitled "Joint resolution to designate the week of May 1, 1985, through May 7, 1985, as 'National Osteoporosis Awareness Week' ", do pass with the following Amendments:

Page 2, line 3, strike out [May 1, 1985, through May 7, 1985,] and insert: *May 20, 1985, through May 26, 1985,*

Amend the title so as to read: "Joint resolution to designate the week of May 20, 1985, through May 26, 1985, as 'National Osteoporosis Awareness Week'.".

Mr. LUGAR. Mr. President, I move that the Senate concur in the House amendments.

The PRESIDING OFFICER. Without objection, the motion is agreed to.

EXTENSION OF DEADLINE FOR REPORTING AUTHORIZATION LEGISLATION

Mr. LUGAR. I ask unanimous consent that the deadline for the reporting of authorization legislation contained in section 402(a) of the Con-

gressional Budget Act be extended to June 14.

The PRESIDING OFFICER. Without objection, it is so ordered.

ORDERS FOR WEDNESDAY, MAY 15, 1985

ORDER FOR RECESS UNTIL 8:30 A.M.

Mr. LUGAR. Mr. President, I ask unanimous consent that once the Senate completes its business today it stand in recess until 8:30 a.m. on Wednesday, May 15, 1985.

The PRESIDING OFFICER. Without objection, it is so ordered.

ORDER FOR RECOGNITION OF SENATOR PROXMIRE

Mr. LUGAR. Mr. President, I ask unanimous consent that following the recognition of the two leaders under the standing order there be a special order in favor of the Senator from Wisconsin [Mr. PROXMIRE] for not to exceed 15 minutes.

The PRESIDING OFFICER. Without objection, it is so ordered.

ORDER FOR TRANSACTION OF ROUTINE MORNING BUSINESS

Mr. LUGAR. Mr. President, following the Proxmire special order, I ask unanimous consent that there be a period for the transaction of routine morning business not to extend beyond the hour of 9 a.m., with statements limited therein to 5 minutes.

The PRESIDING OFFICER. Without objection, it is so ordered.

SENATE SCHEDULE

Mr. LUGAR. Mr. President, following routine morning business it will be the intention of the majority leader to turn to the conference report to accompany H.R. 1869, repeal of auto recordkeeping. An hour or so of debate is expected, and a rollcall vote could occur.

Following conclusion of the conference report, the Senate will resume consideration of S. 960, the foreign assistance authorization bill. Rollcall votes can be expected throughout the day and into the evening. It is the intention of the majority leader to finish S. 960 by the close of business tomorrow.

RECESS UNTIL 8:30 A.M. TOMORROW

Mr. LUGAR. Mr. President, I move in accordance with the previous order that the Senate stand in recess until 8:30 a.m., Wednesday, May 15, 1985.

Thereupon, at 8:03 p.m., the Senate recessed until tomorrow, Wednesday, May 15, 1985, at 8:30 a.m.

NOMINATIONS

Executive nominations received by the Secretary of the Senate May 13, 1985, under authority of the order of the Senate of January 3, 1985:

THE JUDICIARY

John Montague Steadman, of the District of Columbia, to be an associate judge of the District of Columbia Court of Appeals for the term of 15 years, vice John W. Kern III, retired.

IN THE AIR FORCE

The following-named officer under the provisions of title 10, United States Code, secton 601, to be assigned to a position of importance and responsibility designated by the President under title 10, United States Code, section 601:

To be general

Lt. Gen. John L. Piotrowski, xxx-xx-xxxx FR U.S. Air Force.

The following-named officer under the provisions of title 10, United States Code, section 601, to be reassigned to a position of importance and responsibility:

To be general

Gen. Larry D. Welch, xxx-xx-xxxx FR, U.S. Air Force.

The following-named officer for appointment to the grade of general on the retired list pursuant to the provisions of Title 10, United States Code, section 1370:

Gen. Bennie L. Davis, xxx-xx-xxxx FR, U.S. Air Force.

IN THE ARMY

The following-named officer to be placed on the retired list in grade indicated under the provisions of title 10, United States Code, section 1370:

To be general

Gen. Roscoe Robinson, Jr., xxx-xx-xxxx age 56, U.S. Army.

The following-named officer under the provisions of title 10, United States Code, section 601, to be assigned to a position of importance and responsibility designated by the President under title 10, United States Code, section 601:

To be general

Lt. Gen. Jack N. Merritt, xxx-xx-xxxx, U.S. Army.

Executive nominations received by the Senate May 14, 1985:

DEPARTMENT OF STATE

J. William Middendorf II, of Virginia, to be the Representative of the United States of America to the European Communities, with the rank and status of Ambassador Extraordinary and Plenipotentiary.

Edward Joseph Perkins, of Oregon, a career member of the Senior Foreign Service, class of Minister-Counselor, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to the Republic of Liberia.

U.S. SYNTHETIC FUELS CORPORATION

Russell F. Miller, of Maryland, to be Deputy Inspector General of the U.S. Synthetic Fuels Corporation for a term of 7 years, vice Robert W. Gambino, resigned.

EXTENSIONS OF REMARKS

A REMARKABLE TALE ABOUT GRANBURY, TX

HON. JOE BARTON
OF TEXAS
IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 14, 1985

● Mr. BARTON of Texas. Mr. Speaker, Texas is well known for its tall tales, legends and folklore and recently ABC Television's "20/20" program spotlighted one of them.

The old folks in Hood and Somervell Counties will tell you their parents and grandparents told them that at one time one of the residents of that area was one of history's most despicable characters.

Some residents of Granbury, in the Sixth Congressional District, are convinced that John Wilkes Booth, the assassin of one of our greatest Presidents fled to that town shortly after taking President Lincoln's life.

Historians generally discount this theory, but the ABC program presented some very interesting information on whether it might have occurred.

I'd like to share with my colleagues the transcript of the ABC report as it was aired nationwide April 20:

JOHN WILKES BOOTH

You can spot the town of Granbury, Texas by the Seth Thomas clock on the courthouse tower and the statue of General H.B. Granbury, a Civil War hero, one of the silent keepers of this 19th Century Atmosphere. Families who have lived around here for generations still talk about a man who kept a saloon in this town square more than a hundred years ago. One merchant named an antique store for him: St. Helen . . . John St. Helen . . . and he left behind a strange legend.

JEANNE MACK. It's a good tale. It's as good a tale as Washington throwing a dollar across the Potomac.

BUDDY PEVELER. I really believe it. I mean, I'd heard it all my life and I think it's the truth.

MARGARET PHILLIPS. It's come down to us as truth, even though it is from oral history, but I see no reason not to believe it.

BOB BROWN. What they believe is that John St. Helen, whose faded photograph you see here, not only bears a resemblance to . . . but was in reality this man: John Wilkes Booth, the assassin of President Lincoln. And even if you still don't believe them when this story is over, you'll see how when you drill through a layer of American history you hit a gusher of folklore that continues to provide the fuel for our legends. Let's look first at what history tells us about Lincoln's assassination here at Ford's theater the night of April 14th, 1865.

TOM PEYTON. So the play started, and a little while later the Presidential party did arrive. . .

BOB BROWN. Guides who take tours around a restored Ford's theater today, tell how Booth, an actor with access to the theater, easily slipped through the Presidential box because Lincoln's guard had wandered off. Booth was familiar with the comedy that was playing, "Our American Cousin," and he waited for a burst of laughter.

TOM PEYTON. And when that funny line was delivered, he had a 44-caliber single shot derringer in his hand. Everybody started to laugh. Booth quietly opened the inner door to the Presidential box. The pistol was about eight inches from Lincoln's head when Booth pulled the trigger and Lincoln slumped forward, and he never regained consciousness again.

BOB BROWN. As this film version of the history shows, Booth leaped from the box to the stage, breaking his leg. But he managed to escape to a farm in Northern Virginia, where he and another conspirator were cornered in a barn by federal troops twelve days after the assassination. When they failed to smoke him out of the barn, they shot him dead. Afterwards, the first rumors arose from the government accounts of what happened to the body. Historian Terry Alford.

TERRY ALFORD. They informed some journalists that the body had been dropped into the Potomac River after being weighted, when in fact they had buried it. And that created mistrust.

BROWN. What eventually did happen to the body?

ALFORD. The body was buried in Washington for about four years and then it was turned over to Booth's family for reinterment, and it's buried in Greenmont Cemetary in Baltimore, Maryland.

BOB BROWN. And here at Georgetown University in Washington, D.C., those rumors have been substantially expanded by old newspaper clippings and affidavits the library has just finished cataloging. The papers were left to the library by the late Texas lawyer, E.H. Swaim . . . and they contain the stories of people who believe Booth wasn't killed by federal troops . . . but escaped to Granbury, Texas, and became that saloon keeper known as John St. Helen. Although the papers are valuable as legend, the library can't vouch for their content.

NICHOLAS SHEETZ: These are things that we make available to trained historians and it's for them to judge.

BOB BROWN. James Hall is an authority on the Lincoln assassination. What does he think of the papers?

JAMES HALL. Well of course, I'll say it gently. The whole thing is really nonsense. But I think there's some direct inverse arrangement there, that it . . . you have very little evidence. You have great beliefs that grow out of it.

BOB BROWN. Let's see, then, how those beliefs came about. We'll start with Jeanne Mack, who runs a small museum in Glen Rose, Texas, not far from Granbury. Glen Rose was the first place a man named John St. Helen showed up around 1870.

MRS. MACK. Well, it makes sense is all I can tell you because . . . well, now, I'll tell you what. Long time ago all these here desperadoes and killers and such as that all came down here and went to Indian Territory.

BOB BROWN. There's no doubt Texas *was* a place outlaws found convenient . . . where witnesses were few and far between, and most of them didn't talk. Mrs. Mack drove us to a farm near Glen Rose where she says John St. Helen lived alone for two or three years in this small log cabin . . . then left in a hurry when he heard a local woman had become engaged. He didn't even bother to pack . . .

MRS. MACK. He didn't pack. He left because she was marryin' a United States Marshal. And there was other United States Marshals comin'.

BOB BROWN. To the wedding . . .

MRS. MACK. To the wedding. And he didn't want to be recognized, so he went to Granbury.

BOB BROWN. When John St. Helen showed up in Granbury in the early 1870's, he got a reputation for being more cultured than your average saloon keeper. Buddy Peveler, Margaret Phillips, and Lola Sears, are all descendents of people who knew St. Helen . . . who passed along their memories as oral history.

BUDDY PEVELER. Kept to himself a lot, but he was nice and that's the way I always understood it . . .

MARGARET PHILLIPS. . . . and that he was a well educated man . . .

LOLA SEARS. We've always heard it that way.

MARGARET PHILLIPS. . . . and, uh, walked with a limp, I remember them saying that.

BOB BROWN. That would have been because . . .

MARGARET PHILLIPS. Of the wound he received when he . . .

BOB BROWN. Jumped onto the stage . . .

LOLA SEARS. I started to say, when he, he jumped or somethin' like that, he, he got this, yes, injury.

MARGARET PHILLIPS. It was a broken leg, I think.

BOB BROWN. Phillip Carter is the last living person who signed one of those affidavits given to the Georgetown Library by E.H. Swaim. In it, Mr. Carter gave his father's account of John St. Helen's secret.

PHILLIP CARTER. Yeah, yeah and dad told me. Well, of course, he had run off when he shot the President . . . and said he's still running. Get down . . .

BOB BROWN. According to Mary Kate Durham, who works at the Granbury Courthouse, St. Helen eventually made an ill-timed confession in front of a lot of witnesses.

MARY KATE DURHAM. He became very ill, and during his . . . what he thought were his last rites, he confessed that he actually was John Wilkes Booth and to support the story he told the priest and the people in the room that if they would look in a secret hiding place, they would find a small gun of the same caliber, supposedly, of the gun that killed Lincoln.

BOB BROWN. The problem was that after the death-bed confession, John St. Helen didn't die. He recovered, and then he disappeared from here forever. Where did he go? Well, in 1903, a man named David George died by suicide in Enid, Oklahoma . . . claiming to have been Lincoln's assassin.

Because of similarities in age and appearance, many people believed that the body of David George . . . seen in its funeral parlor

pose . . . was actually the body of John St. Helen. What happened next? Well, the body was mummified and taken on national carnival tour, billed as the assassin of Abraham Lincoln. And that's what led us to a Virginia mummy and curio collector, Lawrence Mooney, who has what he says are X-rays of the mummy showing it had such characteristics as a broken ankle . . .

LAWRENCE MOONEY. One X-ray alone would prob'ly have been enough to demonstrate that it was prob'ly Booth, 'cause these characteristics displayed in the X-rays were well known of him.

BOB BROWN. Now, is this mummy the same fellow who was known as John St. Helen in Texas?

LAWRENCE MOONEY. Yes, I believe it was prob'ly the same person.

BOB BROWN. We don't know where the mummy is now because its owner took off from the carnival sometime around 1937 and it was never seen publicly again. But we do know that before that unfortunate incident, the mummy did make it back to the source of the legend. Right here in the town square of Glen Rose, Texas, Jeanne Mack remembers seeing when she was a child.

JEANNE MACK. And then it had kind of a little ramp that was built up. And had the hand railin' on each side. And of course, somebody collects your money as you went through. And you could linger as long as you want to.

BOB BROWN. You walked up that ramp . . .

Mrs. MACK. Yes, sir . . .

BOB BROWN. And what did you see?

Mrs. MACK. Well, I saw this mummy layin' in this . . . whatever. This wooden box, like. He, it was in kinda like a wooden box. It wasn't nothin' fancy like, you know, a . . . what you call a store-bought casket. In my estimation, it wasn't.

BOB BROWN. What'd he look like?

Mrs. MACK. Well, he was just all dried up is all I can tell you. Kind of a . . . oh, kinda about the color of that earth there. Kind of a rusty brown.

BOB BROWN. If you could describe the John St. Helen legend in the best possible light, what would you call it?

JAMES O. HALL. A myth. But it's a wonderful myth.

BOB BROWN. And if you were to describe it in the worst possible light, how would you describe it?

JAMES O. HALL. Well, the . . . someone said that, "I don't mind a damn lie, but I hate inaccuracies." Does that answer your question?

BOB BROWN. Well, it does assign a place to it from a historian's point of view. But if you every take a tour down to Glen Rose or Granbury and stay around past sundown, it's best just to nod your head and smile politely if you don't believe in John St. Helen.●

DON LAMBRO WARNS OF AN ECONOMIC SLOWDOWN

HON. JIM COURTER

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 14, 1985

● Mr. COURTER. Mr. Speaker, columnist Don Lambro has written an excellent essay warning that, unless Congress and the administration take swift action, we are heading into a serious economic slowdown.

I have urged the President to make his second term goal the lowering of unemployment to below 5 percent, which can only be done by reigniting the recovery of 1983-84. A combination of tax reform, enterprise zones, and a price-oriented Federal Reserve policy would be the proper fiscal and monetary mix to achieve this end.

I commend Mr. Lambro's column to my colleagues, and urge them to support the goal of full employment, as embodied in the Humphrey-Hawkins Act.

The column follows:

[From the Washington Times, May 9, 1985]

COPING WITH THE ECONOMIC SLOWDOWN

(By Donald Lambro)

Congress has always been notoriously slow to respond to economic downturns, and it's doubtful that lawmakers will act quickly enough to pull the economy out of the doldrums.

With the nation's unemployment rate stuck at 7.3 percent (it stood at 7.5 percent when President Reagan took office in 1981) and the Commerce Department reporting a drop in the index of leading economic indicators, now is the time for bold new initiatives to make economic growth Washington's No. 1 priority again.

The White House will turn its attention to the economy fully when Mr. Reagan submits his tax-rate reduction and simplification proposals to Congress later this month.

That proposal and the continuing push to enact a major deficit-reduction bill are the centerpieces of the administration's effort to kick the economy into a higher orbit of growth. But the question is: Will that be enough, and will it come in time to avert a prolonged, revenue-draining economic slowdown?

The Commerce Department's latest announcement of an 0.2 percent drop in the index of economic indicators, along with a nearly 1 percent decline in new orders for factory goods, provides further evidence—if any is needed—that the recovery is losing steam.

Commerce Secretary Malcolm Baldrige's view is that in the long run the economy's temporary lag will be alleviated by a reduced budget deficit, lower trade barriers, and a pickup in economic growth abroad.

However, the Institute of Business Forecasting, which regularly surveys chief U.S. economists for banks, insurance companies, and brokerage houses. bearishly forecasts a weakening of the economy in the last half of the year and the first half of 1986.

Their consensus forecast calls for an annual growth rate of 3.2 percent in the real (inflation-adjusted) gross national product in the last six months of this year, dropping to a 2.1 percent GNP growth in the first half of 1986. This is in sharp contrast to last year's 4.9 percent annual rate in the fourth quarter and a robust 6.9 percent growth rate for the year—the best since the start of the Korean War.

Clearly, Congress can no longer afford to sit idly by and allow the economy to drift further into a "growth recession." It can take a number of steps now to spur the economic recovery forward. Among them:

Establish an Economic Growth Committee in each house of Congress to begin studying and proposing immediately new tax, regulatory, and monetary initiatives to expand the economy further and to spark new job creation.

Create a blue-ribbon commission to identify government obstacles and regulatory impediments to business expansion at home and increased trade abroad, reporting to the White House and relevant committees of Congress within six months.

Reactivate, by executive order, the 1981 Cabinet council headed by Vice President George Bush to reexamine the government's myriad regulations. The council would have instructions to eliminate all remaining regulations that unnecessarily add to the costs of doing business and prevent new businesses from being formed.

Move tax reform to the front burner of the Ways and Means and Finance Committees to ensure enactment of a rate-reducing growth-oriented package of reforms this year.

And, finally, declare a five-day-a-week, no vacation schedule in Congress until a $50 billion, fiscal 1986 deficit reduction package is passed and signed into law.●

VETERANS HEALTH CARE BUDGET CANNOT BE REDUCED FURTHER

HON. G.V. (SONNY) MONTGOMERY

OF MISSISSIPPI

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 14, 1985

● Mr. MONTGOMERY. Mr. Speaker, within the next few weeks, the House and Senate will be making decisions on the budget for fiscal year 1986. Many Federal programs will be affected. The decisions we must make will not be easy. We all have different priorities.

A very high priority of mine is veterans health care. I want my colleagues to fully understand the impact of any budget reductions in funds to operate the VA's health care system. Who is better able to relate the problems in the field than the people in the field?

According to the chief of staff at VA hospitals nationwide who responded to a recent survey, inadequate budgets are already taking their toll. More cuts in the budget will mean longer waiting lists, the turning away of certain nonservice-connected veterans, and delays in many surgical procedures.

There follows a report from the chief of staff at the VA Medical Center in Durham, NC:

VETERANS' ADMINISTRATION,
Durham, NC, January 29, 1985.

In reply refer to: 558/11.

HOWARD H. GREEN, M.D.,
Chief of Staff, VA Medical Center, White River Junction, VT.

DEAR DR. GREEN: This is in response to your questionnaire which I received recently.

We have 484 beds and are affiliated with Duke University. At the moment our deficit for personal services is approximately $400,000. All Other has a number of variables but a real need figure is $200,000.

The impact of a fixed budget is felt in all of the areas you mentioned. In Personnel, the greatest deficiency is apparent in the number of nurses we can keep on board. After a great deal of manipulation over the past two years, we have finally been able to

staff adequately our Intensive Care Units. The wards, however, are barely adequately staffed and deficiencies are particularly noted during the evening and night shifts. In addition, we had hoped to keep our Recovery Room open 24 hours for five days a week, but have been unable to obtain the nurses to do so. We believe that this would cut down the admissions to the Surgical Intensive Care Unit some place in the range of 40 or 50% as so many of our patients only require overnight monitoring. In addition, we have discussed the possibility of a step-down unit, particularly for the cardiac surgery patients, but this is clearly impossible for a nursing standpoint at the present time. Many of the other services in the hospital have had requests for personnel with varying degree of urgency. For example, the number of ward clerks we have been able to provide has been less than ideal, especially for evening and weekend coverage.

I am unable to anticipate what will be needed from a standpoint of additional physicians. The increasing requirements regarding resident supervision, operating room and clinic work, and quality assurance activities cannot be met by our limited staff. I have no disagreement with any of these measures but they are certainly going to take increased physician input on the bed services.

All of the Supply control points had to have their requests decreased this past year, essentially across the board. This has meant that some services, particularly Medicine and Surgery, have had to request supplemental money during the year. The requirements are many and even if the number of patients remain the same, the cost increases. Examples of expensive supplies which increased markedly in cost each year are obvious and includes such things as pacemakers, heart valves, and joint replacements. These items are, of course, just the tip of the iceberg although I have the general impression that their costs increase faster than many of the other items. Drugs, of course, as mentioned by Mark Walcott, are a tremendous problem both from the increased cost and from the amount of drugs which must be provided to outpatients.

Equipment is possibly the most serious problem which we currently have. This is partly a reflection of the age of the hospital in that items like the sterilizers in the operating rooms are now over thirty years old and are becoming unsafe for use. We also have the problem of having had more favorable years for purchase of equipment and now quite suddenly it is becoming beyond the state of repair. This applies to much of our monitoring equipment, for example.

One of the most disturbing factors with regard to both equipment and supplies concerns anticipated needs. If one reads a few medical journals and goes to occasional conferences at the affiliated hospital, some of the eventual needs are readily identified. Even given a reasonable lead time of even a year or so, it is frequently impossible to obtain the needed items within an acceptable time period.

With the exception of open heart I am unable to give exact numbers for the backlog on surgery. Currently, there are 17 patients on the waiting list for heart surgery. We regard 10 to 15 to be an acceptable number. The ophthalmologists have done an exceptional job in scheduling admissions and operations so that I do not believe they are behind. The orthopods are being very selective for joint replacement. The number and cost of coronary angioplasties continue to increase. All of these areas are underfunded.

A number of months ago we found ourselves with about 55 patients on the waiting list for open heart surgery. To resolve this problem, a number of the service-connected were sent to our affiliated hospital for operation and a few of the nonservice-connected were sent to another VA Medical Center. One of the interesting things which came out of this was the finding that a considerable number of patients had adequate resources to have their operation at private hospitals.

The only other problem area in which we have made even a start is the Ambulatory Care. The General Medical Clinic and a couple of the medical specialty clinics have worked very hard to decrease the number of patients on their rolls and the number of visits. This has not as yet occurred in any of the surgical clinics and we hope to work on this during the coming year.

Your statement "Any other comments germane to the issue of resources" appears to be a wide open invitation to all sorts of comments. Rather than attempt to cite specifics, I would only say that in the face of the federal deficit we should try to do a better job with what we have or even with less. I would be very much surprised if VA Medical Center personnel (administrators, chiefs of service, etc.) could not come up with a miniature Grace Report which would provide substantial savings with no compromise in the quality of patient care.

Sincerely yours,

R. W. POSTLETHWAIT, M.D.
Chief of Staff.●

DESIGNATING OCTOBER 1985 AS LEARNING DISABILITY AWARENESS MONTH

HON. GEORGE E. BROWN, JR.

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 14, 1985

● Mr. BROWN of California. Mr. Speaker, learning disabilities are among the least understood handicaps, and yet, millions of Americans—10 million children alone—suffer from them. For this reason, my colleague from New York, Representative JACK KEMP, and I are today introducing legislation to officially designate October 1985 as "Learning Disabilities Awareness Month." October has been recognized as the unofficial Learning Disability Awareness Month for many years. This legislation will give the learning disabled the national attention they deserve. Although Representative KEMP and I have differing opinions on many issues, on this issue we are in total agreement. I encourage my colleagues to join us in bringing about the speedy passage of this measure.

It is important for all of us to be more aware of the nature of learning disabilities. Some estimates suggest that as many as 5 percent of school-aged children are learning disabled. The learning disabled are as handicapped as a person in a wheelchair—but their's is an invisible handicap. It is a condition which is not immediately apparent and whose causes are not clearly defined—but to the person who must cope with the frustration of overcoming it, this handicap is very real. If parents, educators, professionals, and the learning disabled themselves are to become better able to deal with learning disabilities, increased awareness of the problem is essential.

The dark ages of learning disabilities were only a decade ago. It was the rare parent or educator who knew what a learning disability was or could recognize a learning disabled child. If a parent or teacher believed that a child was learning disabled, it was a struggle to find the proper diagnostic testing and then to set up a program to deal with the problem on a daily basis. Children with learning disabilities were often not identified as such, as were mislabled as "minimally brain damaged," "slow," "emotionally disturbed," or even "retarded."

Actually, the learning disabled are of normal or above average intelligence, but are not able to learn many things in the conventional manner. Learning disabilities encompass a broad range of neurological problems which are distinct from retardation or emotional disturbances. This includes such conditions as perceptual handicaps, dyslexia, and developmental aphasia. The learning disabled are likely to have difficulty with reading, writing, spelling, distinguishing letters of the alphabet, and performing other simple tasks involving language. They may also have difficulties with mathematics, concentration, memory, coordination, understanding time and planning, and distinguishing right from left. With early diagnosis and proper remediation, the learning disabled can overcome their disabilities. Few people realize that Albert Einstein, Thomas Edison, Nelson Rockefeller, Gen. George Patton, and Auguste Rodin, to name a just a few, all had some kind of learning disability.

It is hard for us to imagine the frustration of the learning disabled and of those who come in regular contact with them. Typically, the learning disabled excel in one area, yet are incapable of functioning on a level commensurate with their age and intelligence in another. An apparently bright and talkative child might not be able to memorize the alphabet or the months of the year. An otherwise intelligent person might find it difficult to distinguish between written words like "girl" and "grill," to spell correctly and consistently, to work with columns of numbers, to remember names easily, to write neatly, and/or to speak clearly.

The learning disabled need differing degrees of individual attention and a school program that offsets their diffi-

culties. It may be just a matter of allowing them extra time on a test or having them attend a special education program once a day. Or they may need some time at a school specially geared to them and special training from an optometrist, speech therapist, or other specialist. Whether they are adults or children, they need patience and understanding. If the learning disabled are not given the proper support, they often find themselves confronted with questions like "What is wrong with me? Why can't I function as well as my peers in class or at work? Am I stupid?" The frustration due to misunderstanding the cause of their problems can often lead them down a path of social isolation, behavioral problems, delinquency, and to feelings of inadequacy and self doubt.

With the passage of the Education For All Handicapped Children Act of 1975 (Public Law 94-142) and similar legislation, and with the formation of hundreds of national and local support groups, awareness of learning disabilities has increased. Now parents and teachers who need to know about learning disabilities can turn to many organizations for help. They can contact the National Information Center for Handicapped Children and Youth [NICHCY] set up by Congress (Public Law 98-199) to provide them with free information. They can also contact private organizations which provide a variety of services and publish hundreds of books and pamphlets, such as the "Foundation For Children With Learning Disabilities Guide for the Parents of Children With Learning Disabilities." Public schools are now required to provide special education for the learning disabled. Also, many colleges and private schools offer programs tailored for the learning disabled. Talking book records and tapes are among the national and local programs which currently insure that the learning disabled will have access to books.

We are fortunate to be out of the dark ages of learning disabilities, but we have much further to go to bring about a real renaissance. There are millions of children and adults who are not receiving special education or are not even aware that the cause of their troubles is a learning disability. There are parents who are confused about what to do with their children who have learning disabilities. There are children who are still being mislabeled and are not receiving the proper attention. The only way to solve these problems is to increase awareness. We applaud the courageous efforts of parents and children to lead productive and happy lives despite their handicaps. We must continue to stress the need to detect learning disabilities in children as early as possible and to give them the proper treatment. This is why I am proposing to make October 1985 Learning Disabilities Awareness Month. I strongly urge my colleagues to pass the bill. Below is the text of this commemorative bill:

H.J. RES. 287

Joint resolution to designate October 1985 as "Learning Disabilities Awareness Month"

Whereas millions of Americans suffer from 1 or more learning disabilities;

Whereas it is estimated that 10,000,000 American children have been diagnosed as suffering from learning disabilities;

Whereas most learning-disabled persons are of normal or above normal intelligence but cannot learn to read and write in the conventional manner;

Whereas it is important for parents, educators, physicians, and learning-disabled persons to be aware of the nature of learning disabilities and the resources available to help learning-disabled persons;

Whereas early diagnosis and treatment of learning-disabled children gives such children a better chance for a happy and productive adult life;

Whereas the courage necessary for learning-disabled persons to meet their special challenges should be recognized;

Whereas hundreds of national and local support groups for learning-disabled persons, parents of learning-disabled children, and professionals who work with learning-disabled persons have made important contributions to the treatment of learning disabilities;

Whereas research and study have contributed to public knowledge about learning disabilities, but much remains to be learned; and

Whereas public awareness of and concern about learning disabilities may encourage the establishment of the programs necessary to promote early diagnosis and treatment of learning disabilities and to help learning-disabled persons and their families cope with their learning disabilities: Now, therefore, be it

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That October 1985 hereby is designated "Learning Disabilities Awareness Month," and the President of the United States is authorized and requested to issue a proclamation calling upon all public officials and the people of the United States to observe such month with appropriate programs, ceremonies, and activities.●

A NATURAL GAS INDUSTRY

HON. JAMES T. BROYHILL

OF NORTH CAROLINA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 14, 1985

● Mr. BROYHILL. Mr. Speaker, the natural gas industry is undergoing profound change. With the partial deregulation of natural gas at the wellhead that occurred January 1, 1985, prices have fallen, not risen. Ample supplies and competition from alternative fuels have placed a new emphasis on efficiency and marketing. Mergers and acquisitions in the pipeline industry reflect this new emphasis.

Georgiana H. Sheldon, a member of the Federal Energy Regulatory Commission, discussed the new natural gas market in remarks made May 7, 1985, to the Natural Gas Roundtable. Her remarks provide valuable insight not only as to what is happening now, but how we came to this situation and what may lie ahead.

I insert Commissioner Sheldon's remarks in the RECORD at this point:

REMARKS BY GEORGIANA H. SHELDON, COMMISSIONER, FEDERAL ENERGY REGULATORY COMMISSION, BEFORE THE NATURAL GAS ROUNDTABLE LUNCHEON

I look at this august group and am reminded of the frightening, but thought provoking advice often given to college freshmen as they begin their academic journey.

They are told: "Look at the fellow freshmen seated to your left and to your right. One of them will not be around for graduation."

As your industry enters the age of competition and is caught-up in the mania of acquisition and merger, I ask each of you to look to your left and to your right.

I stood here in August 1983 and issued a challenge to the gas industry to take charge of its own destiny.

At that time, all but the most enlightened and astute industry participants were standing on the sidelines blindly arguing for the status quo while legislators, attuned to different voices, were busy attempting to impose a nonvoluntary restructuring on your industry.

I saw that situation, particularly with regard to access legislation, as reminiscent of the colorful scrimmage over oil between John D. Rockefeller, monopolist and Teddy Roosevelt, trust buster.

Much has happened since then. Some expected, some unexpected.

The 98th Congress, after all the hoopla, produced no new legislation.

The 99th Congress is relatively quiet. For the time being, legislators are content to watch and assess the action being provided by you, the industry, and the FERC.

Will each of us, on our own and together, take the kind of action that will defuse the need for legislative solutions?

That's anybody guess right now. In fact, who here would wager a bet on the outcome of almost any legislative debate?

Without a doubt, there has been plenty of action for our legislators to watch and assess. Also without a doubt—there is plenty of action still to come.

Changing market realities can no longer be ignored and have prompted various industry initiatives:

A host of special marketing and discount sales programs have been implemented.

Gas marketing firms have grown in number and gained the spotlight in the important spot sales market. (Producer initiated SMP's and marketing firms are particularly important in any analysis of a changing industry structure.)

Voluntary transportation is on the rise. Who here continues to view transportation as the ugly step-child of sales?

Hard fought and far reaching settlements have been agreed to and offered to the Commission for approval.

Tough contract renegotiations have been going on.

New contracting practices have surfaced.

Some of you would argue these initiatives are short-term responses to what are only temporary market dislocations.

I do not agree with this view.

The natural gas market and the industry which serves it, have been permanently al-

tered by: Conservation, rapidly developing fuel efficient technology, the shift away from smoke stack industries, the migration of companies to the Sun Belt, the advent of competitive Canadian imports, the NGPA playout, and the break in OPEC's pricing power.

These market realities have come together and given birth to competition. And, if allowed to flourish, competition has the potential to bring into being a gas industry none of us ever dreamed possible.

The advent of competition has caused intense debate among all sectors of the industry and gas consumers.

Those who oppose competition, even in its infancy, often look to the Commission for protection under its umbrella or traditional regulation.

Those who welcome the competition, also look to the Commission. But they look with an accusing eye. In their view, traditional regulation is the greatest impediment to flourishing competition. If true, should competition be allowed to flourish at the expense of traditional regulation?

If competition can equally or better serve the public interest, given the nature of today's gas industry, why not?

The premise is a simple one. Finding the optimal balance between a free-wheeling industry and a regulated one, is not.

This difficult balancing task was faced by the Commission in its minimum bill rulemaking. Also, throughout the evolution and application of its self-implementing procedures. And, more recently, in its adjustment to new Canadian pricing schemes.

The Commission faces its greatest challenge in its notice of inquiry proceeding.

At the heart of that proceeding is this fundamental question—how far can the Commission go legally with a hands-off policy and rely on a competitive gas industry to serve the public interest?

The answer to that question will come another day.

If competition is allowed to flourish in the gas industry, certain regulatory barriers to competition will have to be lowered or altogether removed.

I recently spoke elsewhere and identified: Fully allocated rates, minimum bills, take-or-pay provisions, PGA's, certain rate design methodologies, and restrictive transportation policies, as barriers to a competitive market.

Today, I will sidestep further statement on those issues and concentrate on the difficult job faced by the industry and the Commission in convincing the courts that any new regulatory approaches resulting form the NOI proceeding are economically and legally justified. Those opposing new policy ventures by the Commission will deluge the courts with case law in which the Commission and certain participants have successfully argued the equity and legality of current regulatory approaches.

What is important to remember, and to make clear in any FERC decision and before any reviewing court is the source of precedents under which the Commission is now working. Those precedents were established on the basis of an industry and marketplace very different from that which exists today.

The FPC was almost a promotional agency in the early days of the gas industry. Its principal task was to reduce the financial risk of building capital intensive projects to deliver a by-product of oil production from areas where its market price was trivial, to areas where its market price was much higher.

In fulfilling this function the FPC was satisfying the preferences of all actively interested parties.

The problems of appropriately pricing the services of pipelines were secondary.

After the *Phillips* decision of 1954, the FPC was given two major new responsibilities which conflicted with its earlier ones.

The Commission was expected to restrain the prices of gas at the wellhead for the benefit of end-users and to shoulder the responsibility for insuring an adequate supply of gas for the interstate market.

The *Phillips* decision effectively suppressed competitive markets for gas at the wellhead and went a long way in being responsible for the deep curtailments of the 1970's.

The nature of today's gas industry is in stark contrast to those earlier periods.

Today, a very large proportion of gas discovered is nonassociated gas. Therefore incentives must be an important part of any regulatory scheme for producing and delivering gas to consumers;

Today, the price of gas at the wellhead is a much larger proportion of the burner tip price than it ever has been. The principal risks of the industry, therefore, are no longer the risks associated with capital intensive pipelines.

Today, the pipeline industry is a mature one. Enormous assets are in place, markets are well established, and it is relatively easy to predict the size of gas markets and to make reasonable forecasts of who will use gas at alternative prices.

Today, competition among producers is vitally important. Changing supply and demand conditions must be quickly recognized and adjusted to by all parties in the industry.

Today, with the present promising outlook for supplies, it is not now a significant responsibility of the FERC to worry about long-term supplies.

Today, a great deal of competition between intrastate and interstate pipelines is inevitable. In many cases the two pipelines will compete for the same customer.

Today, there is not a well developed consensus on the purpose of regulation. Would the NOI proceeding be necessary, if there were a consensus?

It is this contrast between yesterday's industry and today's which allows one to argue that certain regulatory policies suitable for past periods are not suitable for current periods—and, most likely, not suitable for the future.

It appears inevitable that past models for regulating the interstate pipeline industry must be replaced by a model that emphasizes the presence of competition. As I stated earlier, the difficult, but required, task will be finding the optimal balance between competitive forces and regulation.

I believe two premises should be the basis of Commission action on the NOI's. Simplicity and flexibility. Keeping that in mind, one responsibility of a regulatory agency in time of changing circumstances is to act as quickly, and as responsibly as possible under the law.

It is my sincere hope that we will have something out by late summer or early fall. I am not ready to predict what it will be, but I suspect the decision on what we do will control the procedure used. It would be preferable to issue our decision in one package. However, the decisions may better lend themselves to be issued in stages—after the Commission evaluates its overall policy on competition.

The next few months will be difficult for us all. Each segment of the industry is needed to pull its own weight in a cooperative effort.

The Chairman and all members of the Commission are making a serious effort to find workable solutions to our present situation.

The precedents of the past will be of little or no use for the framework of the future. As Arlon Tussing said the other day "that which has not been expressly forbidden can be allowed."●

A TRIBUTE TO ALFONSE W. SCERBO

HON. JIM COURTER

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 14, 1985

● Mr. COURTER. Mr. Speaker, I would like to take a moment to recognize an outstanding citizen of New Jersey, the Honorable Alfonse W. Scerbo.

Mr. Scerbo has served Morris County, NJ, with dignity and pride as a member of the Board of Chosen Freeholders from 1971 to 1985, which included the position of deputy director and also director. His allegiance to his own boro was demonstrated by his terms as alderman and mayor.

All of the citizens of Morris County know "Al" for his sincerity and dedication and an example of empathy and honesty in the position that he was elected to by his peers. I know the family and friends of this outstanding American are most proud of his many fine achievements. Mr. Scerbo has earned the admiration of his colleagues.

I congratulate Freeholder Scerbo on an outstanding career and sincerely thank him for the many important things he has accomplished on behalf of the people of New Jersey.●

ELIE WIESEL INTERPRETS THE IMPORTANCE OF OUR VICTORY OVER NAZI GERMANY

HON. HOWARD L. BERMAN

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 14, 1985

● Mr. BERMAN. Mr. Speaker, this year freedom-loving people around the world are celebrating the anniversary of the victory of America and our allies over Nazi barbarism.

No one has so eloquently captured the eternal moral significance of that triumph as well as the poet and writer, Elie Wiesel.

Mr. Wiesel, a survivor of a Nazi death camp, made the following remarks in an impassioned appeal to President Reagan that the President cancel his visit to the military ceme-

tery in Bitburg. Mr. Wiesel's statement came at the White House after President Reagan presented him with the Congressional Gold Medal of Achievement.

Mr. Wiesel's statement, though unsuccessful in convincing Mr. Reagan to avoid Bitburg, is enormously moving in its assessment of the importance of allied victory in World War II. He measures well the debt we all owe to the 300,000 American soldiers who laid down their lives in the defense of civilization against the depravity of the Nazis. In that, Mr. Wiesel was as successful as any speaker I have ever heard. I wanted to share his statement with every Member of Congress and the American people.

Mr. Wiesel's remarks on that day follow:

ELIE WIESEL INTERPRETS WORLD WAR II ERA

Mr. President, speaking of the conciliation, I was very pleased that we met before, so a stage of the conciliation has been set in motion between us. But then, we were never on two sides. We were on the same side. We were always on the side of justice, always on the side of memory, against the SS and against what they represent.

It was good talking to you, and I am grateful to you for the medal. But this medal is not mine alone. It belongs to all those who remember what the SS killers have done to their victims.

It was given to me by the American people for my writings, teaching and for my testimony. When I write, I feel my invisible teachers standing over my shoulders, reading my words and judging their veracity. And while I feel responsible for the living, I feel equally responsible to the dead. Their memory dwells in my memory.

Forty years ago, a young man awoke and he found himself an orphan in an orphaned world. What have I learned in the last 40 years? Small things. I learned the perils of language and those of silence. I learned that in extreme situations when human lives and dignity are at stake, neutrality is a sin. It helps the killers, not the victims. I learned the meaning of solitude, Mr. President. We were alone, desperately alone.

IMPOSSIBLE TO COUNT ALL THE NAMES

Today is April 19 and April 19, 1943, the Warsaw Ghetto rose in arms against the onslaught of the Nazis. They were so few and so young and so helpless. And nobody came to their help. And they had to fight what was then the mightiest legion in Europe. Every underground received help except the Jewish underground. And yet they managed to fight and resist and push back those Nazis and their accomplices for six weeks. And yet the leaders of the free world, Mr. President, knew everything and did so little, or nothing, or at least nothing specifically to save Jewish children from death. You spoke of Jewish children, Mr. President. One million Jewish children perished. If I spent my entire life reciting their names, I would die before finishing the task.

Mr. President, I have seen children, I have seen them being thrown in the flames alive. Words, they died on my lips. So I have learned, I have learned, I have learned the fragility of the human condition.

And I am reminded of a great moral essayist. The gentle and forceful Abe Rosenthal, having visited Auschwitz, once wrote an extraordinary reportage about the persecution of Jews, and he called it, "Forgive them not Father, for they knew what they did."

OPPOSITE OF LOVE IS INDIFFERENCE

I have learned that the Holocaust was a unique and uniquely Jewish event, albeit with universal implications. Not all victims were Jews. But all Jews were victims. I have learned the danger of indifference, the crime of indifference. For the opposite of love, I have learned, is not hate, but indifference. Jews were killed by the enemy but betrayed by their so-called allies, who found political reasons to justify their indifference or passivity.

But I have also learned that suffering confers no privileges. It all depends what one does with it. And this is why survivors, of whom you spoke, Mr. President, have tried to each their contemporaries how to build on ruins, how to invent hope in a world that offers none, how to proclaim faith to a generation that has seen it shamed and mutilated. And I believe, we believe, that memory is the answer, perhaps the only answer.

TRIED TO CARRY THEM IN TRIUMPH

A few days ago, on the anniversary of the liberation of Buchenwald, all of us, Americans, watched with dismay and anger as the Soviet Union and East Germany distorted both past and present history.

Mr. President, I was there. I was there when American liberators arrived. And they gave us back our lives. And what I felt for them then nourishes me to the end of my days and will do so. If you only knew what we tried to do with them then. We who were so weak that we couldn't carry our own lives, we tried to carry them to triumph.

Mr. President, we are grateful to the American Army for liberating us. We have grateful to this country, the greatest democracy in the world, the freest nation in the world, the moral nation, the authority in the world. And we are grateful, especially, to this country for having offered haven and refuge, and grateful to its leadership for being so friendly to Israel.

And, Mr. President, do you know that the Ambassador of Israel, who sits next to you, who is my friend, and has been for so many years, is himself a survivor? And if you knew all the causes we fought together for the last 30 years, you should be prouder of him. And we are proud of him.

And we are grateful, of course, to Israel. We are eternally grateful to Israel for existing. We needed Israel in 1948 as we need it now. And we are grateful to Congress for its continuous philosophy of humanism and compassion for the underprivileged.

And as for yourself, Mr. President, we are so grateful to you for being a friend of the Jewish people, for trying to help the oppressed Jews in the Soviet Union. And to do whatever we can to save Shcharansky and Abe Stolar and Iosif Begun and Sakharov and all the dissidents who need freedom. And of course, we thank you for your support of the Jewish state of Israel.

But, Mr. President, I wouldn't be the person I am, and you wouldn't respect me for what I am, if I were not to tell you also of the sadness that is in my heart for what happened during the last week. And I am sure that you, too, are sad for the same reasons.

SPEAK TRUTH TO POWER

What can I do? I belong to a traumatized generation. And to us, as to you, symbols are important. And furthermore, following our ancient tradition, and we are speaking about Jewish heritage, our tradition commands us "to speak truth to power."

So may I speak to you, Mr. President, with respect and admiration, of the events that happened?

We have met four or five times. And each time I came away enriched, for I know of your commitment to humanity.

And therefore I am convinced, as you have told us earlier when we spoke, that you were not aware of the presence of SS graves in the Bitburg cemetery. Of course you didn't know. But now we all are aware.

May I, Mr. President, if it's possible at all, implore you to do something else, to find a way, to do something else, to find a way, to find another way, another site? That place, Mr. President, is not your place. Your place is with the victims of the SS.

Oh, we know there are political and strategic reasons, but this issue, as all issues related to that awesome event, transcends politics and diplomacy.

The issue here is not politics, but good and evil. And we must never confuse them.

For I have seen the SS at work. And I have seen their victims. They were my friends. They were my parents.

Mr. President, there was a degree of suffering and loneliness in the concentration camps that defies imagination. Cut off from the world with no refuge anywhere, sons watched helplessly their fathers being beaten to death. Mothers watched their children die of hunger. And then there was Mengele and his selections. Terror, fear, isolation, torture, gas chambers, flames, flames rising to the heavens.

ONLY THE KILLERS ARE GUILTY

But, Mr. President, I know and I understand, we all do, that you seek reconciliation, and so do I, so do we. And I too wish to attain true reconciliation with the German people. I do not believe in collective guilt, nor in collective responsibility. Only the killers were guilty. Their sons and daughters are not.

And I believe, Mr. President, that we can and we must work together with them and with all people. And we must work to bring peace and understanding to a tormented world that, as you know, is still awaiting redemption.

I thank you, Mr. President.●

CLEARING THE NAME OF A YUGOSLAV PATRIOT

HON. JOE BARTON

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 14, 1985

● Mr. BARTON of Texas. Mr. Speaker, at this period when the international community is reflecting on World War II, new information is surfacing changing how some key figures in that conflict will be remembered in history.

During the past 40 years, a group of American fliers have been attempting to clear the name of a Yugoslav general who saved their lives. We now know there was an organized effort to discredit Gen. Draza Mihailovic as a Nazi collaborator.

The following article from the National Security Record details this new

information and sets the record straight on General Mihailovic's heroic accomplishments.

SOVIET DISINFORMATION FORTY YEARS LATER

After four decades, the release of previously classified documents casts light on what may have been one of the most successful Soviet campaigns of disinformation ever conducted. The target was General Draza Mihailovic, leader of Yugoslavia's Chetnik guerrillas who rescued some 512 American airmen during World War II. For years many of those airmen have been trying to clear the name of the anti-Communist guerrilla leader who rescued them.

Initially hailed as a hero by the Anglo-American allies for his guerrilla campaign against the Nazis, Mihailovic was abandoned at Russian insistence at the Yalta Conference in favor of Tito, who was leading the communist Partisans in Yugoslavia. After the war, Tito executed Mihailovic on charges of collaborating with the Germans. But the American flyers, who lived with the Chetniks until they were evacuated, have been saying that Mihailovic was a Serbian patriot who fought hard against the Nazis in the hope of establishing a democratic government in Yugoslavia.

Now the release of formerly top secret intelligence reports from a team of OSS agents that spent ten weeks in Yugoslavia during World War II, together with the release of formerly classified British documents, confirms that the charges of collaboration were fabricated by Soviet agents. The central figure in this conspiracy was James Klugman, a member of the executive committee of the British Communist Party, considered the most brilliant of the "Cambridge Group" of Soviet agents organized by British master spy Kim Philby.

Early in 1942 Klugman gained assignment to the British Special Operations station in Cairo, where he was responsible for allied intelligence collection in Yugoslavia. In this key position, Klugman controlled intelligence reports from Yugoslavia, systematically suppressing those that were favorable to Mihailovic and the Chetniks. Klugman revised or misdirected airdrops of supplies to Chetnik forces, and with the help of Philby in London was instrumental in convincing the British Government that Mihailovic was a collaborator.

Klugman also suppressed reports of the rescue of American flyers by the Chetniks, but eventually word of their existence was picked up by a chance radio reception and an OSS mission was sent to evacuate them. In addition to the favorable testimony of the flyers, the official OSS report prepared in 1944 by team leader Lt. Col. Robert H. McDowell, a former university professor of Balkan studies, denies that there was any evidence of Chetnik collaboration and states "On the contrary, there was ample evidence that the General (Mihailovic), the field commanders and the Nationalist political leaders were filled with a burning hatred for the Germans much beyond that held by British and Americans."

Recent revelations by Milovan Djilas, once Tito's deputy, indicate that the principal aim of Tito's Partisans during World War II, as with communist resistance movements elsewhere, was to win the civil war against the nationalist Chetniks. The communist's victory was sealed when they executed Mihailovic, their rival for national leadership. Yet the disinformation campaign conducted by Klugman and Philby, and perpetuated by the Yugoslav communist government, was so successful that the belief persists forty years after the war that Gen. Mihailovic was a Nazi collaborator. The surviving American flyers now believe that the declassified documents finally have cleared the name of the Yugoslav patriot who saved them.●

MEDICARE MENTAL ILLNESS NONDISCRIMINATION ACT

HON. THOMAS J. DOWNEY

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 14, 1985

● Mr. DOWNEY of New York. Mr. Speaker, It has been estimated that 15 to 20 percent of our Nation's more than 22 million older citizens have significant mental health problems. Restrictions in the Medicare Program effectively prevent many of these individuals from receiving adequate mental health care.

The Medicare Mental Illness Nondiscrimination Act, which I am reintroducing today, is designed to provide access to mental health services through three basic changes in the Medicare Program.

First, the bill eliminates the discriminatory 50/50 copayment formula for mental health care in favor of the 80/20 copayment formula now used for physical health care. Second, the bill eliminates the discriminatory annual $250 maximum payment for outpatient care of nervous mental or emotional disorders. By eliminating the ceiling entirely, greater utilization of outpatient mental health services will occur. The third provision of the bill changes part A of Medicare by eliminating the discriminatory 190 day lifetime limit for inpatient psychiatric care and substitutes the "spell-of-illness" definition employed for physical health care.

By increasing mental health care coverage this bill will actually lower the cost of other health care services. Several studies attest to this phenomenon. In a study of a single Texas county—which spanned the years 1973–77—it was demonstrated that increased access to outpatient psychiatric care reduced the average hospital stay of patients 65 and older from 111 days to 53 days. This halving of hospital time resulted in savings of $1.1 million. When multiplied out over the entire population of seniors in need of mental health care services, it is quite possible that this effect will result in a significant reduction of overall Medicare costs.

Dr. Robert Butler, Director of the National Institute on Aging, helps to explain the reason for these savings in "Aging and Mental Health."

Medicare exclusions may actually increase the Government's bill by discouraging preventive and early rehabilitative care. Some old people get themselves checked into a hospital just to get a physical examination—basing it on some physical complaint—because this will not be paid for on an outpatient basis.

The same pattern holds true for mental health coverage. Physical complaints and symptoms often mask a psychiatric illness. In many of these cases, patients are inappropriately placed in skilled nursing homes or intermediate care facilities, because reimbursement is more easily available for care in these facilities. Generally, these places lack the resources to treat the emotionally disturbed, thereby prolonging the illness. This misuse of resources raises the cost of Medicare.

It has been noted that as many as 30 percent of those described as senile actually have reversible psychiatric conditions which, if treated, would allow these individuals to become more productive members of society and would save a substantial amount of Medicare dollars.

In 1979, in its report to the Budget Committee, the Ways and Means Committee stated that it is seeking "improvements in Medicare to close certain gaps in coverage—some of which create incentives for the use of more costly services—and to eliminate certain defects in the benefit structure that result in hardships for aged beneficiaries when they become sick."

The Medicare Mental Illness Nondiscrimination Act will achieve these goals.

It is time to make major strides to benefit the large and special population of elderly citizens in need of mental health care services. It is time that these suggestions be considered. At this time I insert the full text of the Medicare Mental Illness Nondiscrimination Act:

H.R. —

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Medicare Mental Illness Non-Discrimination Act".

FINDINGS AND DECLARATION OF PURPOSE

SEC. 2. (a) The Congress finds that—

(1) mental illness is more prevalent in elderly persons than in younger adults;

(2) in spite of potential benefits of treatment, elderly persons are not represented proportionately in the mental health care delivery system;

(3) medicare benefits must be equalized to better assure care in appropriate institutional settings for those elderly persons in need of such services;

(4) full outpatient care must be available for those elderly persons with mental, emotional, or nervous disorders which do not require institutional care;

(5) elderly persons comprise 10 per centum of the general population of the United States but account for 25 per centum of the suicides;

(6) 80 per centum of the elderly persons who need assistance for emotional disturbances by 1980 will not be able to receive assistance under the present system; and

(7) since its enactment seventeen years ago, those sections of title XVIII of the Social Security Act restricting coverage for mental illness have not been revised and inflation has, in effect, further reduced the limited coverage originally envisioned by Congress.

(b) It is the purpose of this Act to provide for coverage of mental illness on an equal basis with coverage of other illness.

MEDICARE PROVISIONS

SEC. 3. (a) Section 1812(b) of the Social Security Act is amended—

(1) by striking out "(subject to subsection (c))" in the matter preceding paragraph (1);

(2) by inserting "or" at the end of paragraph (1);

(3) by striking out "; or" at the end of paragraph (2) and inserting in lieu thereof a period; and

(4) by striking out paragraph (3).

(b)(1) Section 1812 of such Act is amended by striking out subsection (c) and redesignating subsections (d), (e), and (f) as subsections (c), (d), and (e), respectively.

(2) Section 1812(d) (as redesignated by paragraph (1)) is amended by striking out "(c) and (d)" and inserting in lieu thereof "and (c)".

(c)(1) Section 1833 of such Act is amended by striking out subsection (c) and redesignating subsections (d) through (h) as subsections (c) through (g), respectively..

(2) Section 1866(a)(2)(A) is amended by striking out the last sentence thereof.●

IN COMMEMORATION OF THE HEAD START PROGRAM

HON. MICKEY LELAND

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 14, 1985

● Mr. LELAND. Mr. Speaker, earlier this week the House approved House Concurrent Resolution 95, legislation commemorating the 20th anniversary of the Head Start Program. I support this resolution and commend the sponsors of this bill for providing us the opportunity to honor this program.

In 1964, at the request of the Federal Government, a panel of child development experts devised plans for a program which would address the needs of disadvantaged preschool children. A member of that panel, Dr. Robert Cooke, pediatrician-in-chief of Johns Hopkins Hospital, reported:

There is considerable evidence that the early years of childhood are a most critical point in the poverty cycle. During these years, the creation of learning patterns, emotional development, and the formation of individual expectations and aspirations take place at a very rapid pace. For the child of poverty, there are clearly observable deficiencies in these processes, which lay the foundation for a pattern of failure, and thus a pattern of poverty, throughout the child's entire life.

The report submitted by this panel facilitated the 1965 creation of Project Head Start—an 8-week summer program. Since that time, Head Start has evolved into a primarily year-round program which is located in rural areas, cities, and even U.S. territories. It is now a multi-faceted program which has provided a means for involving low-income parents in the education of their children; for offering nutrition education services to its preschool participants and their parents; for providing participating children with a comprehensive health care program; and creating a ladder for these children to climb upward toward excellence.

While the Head Start Program does not focus primarily on nutrition, as chairman of the Select Committee on Hunger, I am particularly interested in the impact of the program's nutritional component. A 1984 evaluation of the program prepared for the Department of Health and Human Services revealed that many children entering the program were poorly nourished. After a brief period of enrollment, these children were found to be more likely to eat adequate amounts of food than nonparticipating children. In addition, the nutritional quality of their diets improved significantly and were found to be far superior to those of non-Head Start low-income children. This study also examined the effect of Head Start on the nutritional status of the families of participating children. It was found that the nutrition education component of the program played a vital role in improving the diets available in their homes and in increasing their families' participating in food assistance programs as needed. Further, a comprehensive review of evaluations of the program by George Washington University reported that children in Head Start suffered fewer cases of anemia than a control group of poor children who were not enrolled in the program.

In June 1984, the Select Committee on Hunger held a hearing and field investigation in Greenwood, MI, on the effectiveness and availability of Federal food assistance programs in that region. One of our field visits afforded us the opportunity to meet with a group of Head Start participants, their parents, and teachers. It was heartwarming to witness the positive attitudes these children exuded. We learned firsthand the important role Head Start plays in their lives. Had I been able, I would have gladly spent the entire day with this group.

According to estimates I received from the administration for children, youth and families, a branch of the Department of Health and Human Services, fiscal year 1985 Head Start caseload will be 448,250—approximately 22 percent of the 2,505,000 preschoolers who are income-eligible to participate in the program. On April 1, I introduced H.R. 1856, the Comprehensive Nutrition Assistance Act, which includes language to further expand the program in fiscal year 1986 to reach one-quarter of those who are income-eligible.

We must not forget that today's children in poverty—those who are afforded the benefits of participating in Head Start and those who are denied this privilege—are tomorrow's adults. Investing in their future is the most valuable investment we can make.

Mr. Speaker, I support this legislation which commemorates the 20th anniversary of the Head Start and I hope that other proponents of the program will join me in working to assure that it remains in effect for as long as there are poor children who can reap its benefits.●

CORPORATE RAIDERS IGNORE LONG-TERM ENERGY NEEDS

HON. WILLIAM E. DANNEMEYER

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 14, 1985

● Mr. DANNEMEYER. Mr. Speaker, as the ranking minority member of the Energy and Commerce Subcommittee on Fossil and Synthetic Fuels, and as a member of the House Judiciary Subcommittee on Monopolies and Commercial Law, I have been monitoring the ongoing machinations in the oil industry with particular interest.

My primary concern continues to be how attempted takeovers, actual mergers, recapitalization plans, and other corporate restructuring activities will affect industry's overall ability to continue the search for domestic oil and natural gas. A common component of the various changes at specific companies has been an enormous increase in corporate debt. This reduces funds available for exploration and development, both by using up available credit and by diverting internally generated funds to the payment of interest on the new outstanding debt. While we are currently enjoying the price and supply benefits of a glut in the world market, the corporate activity today will adversely affect price and supply conditions in the not too distant future.

An excellent analysis of the situation by G. Henry M. Schuler of the Georgetown Center for Strategic and International Studies recently appeared in the trade publication, the Oil Daily, and I ask permission to insert it in the RECORD at this point:

CORPORATE RAIDERS IGNORE LONG-TERM ENERGY NEEDS

(By G. Henry M. Schuler)

The pattern which has emerged from raids against established American energy producers—Phillips Petroleum Co., Unocal Corp. and American Natural Resources Co.—raises disturbing questions about the nation's future energy security.

Although generalizations are never entirely accurate, Mesa Petroleum Co. Chairman T. Boone Pickens Jr. is directionally correct in asserting that failure by many companies

to replace their ongoing domestic production has left them vulnerable to unfriendly initiatives.

Regrettably, the nation as a whole is experiencing the same failure to find as much conventional oil and gas as it produces—and risks the same vulnerability.

From the end of 1970, when Alaskan reserves were added, through 1983, proved U.S. crude oil reserves declined from 39 billion barrels to 28 billion barrels, while natural gas reserves declined from 391 trillion cubic feet to 200 tcf. The overall 30 percent decline has been unbroken for oil and interrupted by positive natural gas blips only in 1978 and 1981.

There is every expectation that our companies will find additional deposits to extend U.S. oil and gas production beyond the nine to 13 years which current reserves will cover, but it will be an extremely challenging task when declining oil prices and threatened tax changes have shut down half the drillings rigs.

The remaining onshore prospects are smaller and more elusive while the larger prospects in Alaska and deep offshore areas are extremely uncertain and costly (1983's Mukluk dry hole cost $1 billion).

ABLE EXECUTIVES

Although much maligned by today's raiders, American managers have led the world in overcoming those geologic, operational and financial challenges. It was, in fact, Phillips which found the first North Sea oil field, Norway's Ekofisk in 1969, after dozens of companies had drilled scores of dry holes.

That discovery not only spurred activity which made the North Sea the most important new contributor to Free World energy security but also made Phillips the darling of Wall Street.

Similarly, Unocal was so successful in finding low cost reserves, that a $10,000 investment in its stock in 1960 is now worth $127,000.

There is no reason to doubt that such companies will continue to enhance the nation's energy security and their stockholders' equity investment if they can continue to pursue long-term strategies free of intimidation by short-term speculators.

Nonetheless, because any systematic search will start by drilling the largest structures, it is axiomatic that the prospects for finding giant oil fields outside the Middle East are not as great as they once were.

In that sense, Mr. Pickens is correct in describing the search for oil and gas as a "sunset industry," but the appropriate response to that geologic fact of life remains at issue.

NEW DIRECTIONS

Some can look no further than the "sunset", while others can see the "sunrise" which is sure to follow for those who position themselves to look in another direction.

Thus, those companies which led the search for the glamorous gushers of an era past have accepted the need to pursue more prosaic sources of energy in the era to come.

That pursuit is costly and time-consuming, but it has the potential for producing more oil and gas than have been produced to date.

Some companies, such as Phillips, have made massive investments to increase recovery from their existing fields, including Ekofisk, where a $2 billion water injection project will eventually yield 150 million to 200 million barrels of otherwise unrecoverable oil.

Such investments in the United States and other politically secure areas are extremely important because the average field will yield only 12 percent of the original oil in place through natural producing mechanisms.

Costly facilities to inject gas and water, called secondary recovery projects, can produce an additional 22 percent average.

So-called tertiary recovery calls for additional investments to inject heat, chemicals or carbon dioxide which currently appear capable of easing the flow of an additional 3 percent.

Even then, some 60 percent of the original oil will remain locked in the reservoirs—320 billion barrels in known U.S. fields—awaiting the development of new enhanced recovery technology.

BIG OPPORTUNITIES

Those companies which persevere in such long-term, unglamorous efforts have great opportunities, because every 1 percent increase in the average national recovery factor equals our entire 1984 production.

Large investments in gas processing plants have also enabled Phillips to become the country's leading producer of another promising but generally unnoticed form of petroleum: natural gas liquids (NGLs).

The products removed from associated gas include liquefied petroleum gas used for fuel and petrochemical feedstock and natural gasoline used as an octane enhancer to replace lead.

Because NGLs fall through a crack between crude oil and natural gas, few people recognize that the United States produced 1 barrel of NGLs for every five barrels of crude oil last year or that proved reserves of NGLs increased in 1983 while those of crude oil and dry gas continued their decline.

Other companies have concentrated on different technolgies to move into the next century. Unocal, Mr. Peckens' current target, has long believed that Western shale deposits hold great promise as future sources of synthetic oil.

Although that view has been shared by military strategists and energy researchers since the 1920's, only Unocal has persevered in attempting to develop actual production.

RISKY VENTURE

Undeterred by the fickleness of Wall Street and Capitol Hill, by the retreat of far larger energy companies or by the inevitable engineering and logistics problems of a pioneer plant, Unocal has spent over $600 million to bring the Parachute Creek, Colorado plant to the verge of regular production.

Anixious to prove the value of the Navy's own massive shale reserves, the departments of Defense and Energy have minimized the risk of an oil price collapse by agreeing to purchase Unocal's initial output at a guaranteed price; however, the company has had to bear the entire technological and financial risk of converting a laboratory process to a commercial scale operation.

The stakes are enormous for the nation, which has an estimated 600 billion barrels of shale oil, and for Unocal's long-term investors who could benefit from 1.5 billion barrels on company-owned leases.

Unocal is also the world's leading producer of geothermal energy, generating some 984,000 kilowatts of electricity in Northern California. While tapping a geyser may not be as glamorous as tapping a gusher, the company's geothermal reserves are the equivalent of 321 million barrels of secure and environmentally acceptable oil.

ANR'S VENTURE

American Natural Resources, the recent target of an unsolicited takeover by Coastal Corp. Chairman Oscar Wyatt, offers another example of a company which refused to limit its horizon to the search for conventional petroleum.

Fearing shortages of natural gas to supply its pipeline, ANR initiated the Great Plains Coal Gasification Project, the country's first large-scale coal gasification plant to process 14,000 tons per day at Beulah, N.D.

Although the Department of Energy guaranteed $1.5 billion of debt, ANR and a consortium of four other forward-looking companies risked an additional $525 million to demonstrate a process which may at last provide an environmentally acceptable way to utilize this country's estimated 245 billion tons of coal.

Since each ton of coal produces almost 10,000 cubic feet of gas, the participants in Great Plains will receive more than 1 trillion cubic feet over 25 years, and the nation could reap truely gigantic energy security benefits from its potential coal resources.

In summary then, Phillips, Unocal and ANR have each responded to the changing energy situation in an innovative but realistic manner, staking out leadership positions in unconventional areas which are calculated to enhance investors' equity well after nature's stock of presently undiscovered fields has been exhausted.

THE LIQUIDATORS

Moreover, they have done so while maintaining strong current earnings. In short, stockholders have every reason to retain confidence in their investments. And so they did until those with a different reaction to the increased difficulty of finding conventional petroleum appeared on the scene.

Instead of adapting to change in order to enhance the long-term equity position of investors, some suggest that companies might just as well liquidate—or at least take on massive debt burdens—in order to meet the immediate profit expectations of speculators and arbitrageurs.

With enough backing from peddlers of "junk bonds" and security analysts mesmerized by presently declining oil prices, the newcomers can buy out the investors who may be confused, exasperated or bedazzled by the hyped-up battle of press releases.

Even beyond the target companies, other energy producers will heed the warning, forsaking long-term investments in order to maximize their quarterly profits and stock values. Mr. Picken's prophecy of a "sunset industry" will have become self-fulfilling.

While that course of action will probably generate quick profits for the stock market players, it will more assuredly increase the future burden on American energy users and taxpayers who must bear the cost of allowing the nation to slip back into the degree of oil import vulnerability which prevailed a few years ago.

DISBURBING TRENDS

That trend has already begun. The government's indepedent Energy Information Administration currently forecasts that oil imports this year will represent as great a percentage of consumption as they did at the time of the embargo, that they will equal the worst year of the 1970s by 1990 and that they will exceed 50 percent by 1995.

That is the "good news": if oil prices fall or the Reagan administration's economic

targets are met, the EIA forecasts even higher imports.

We noted at the outset that the frequent failure of companies to replace their oil and gas resources left them vulnerable to unfriendly initiatives.

The same is true of the nation, for additional imports must come increasingly from the Middle East and North Africa which control 80 percent of presently unutilized production capacity and 75 percent of potentially available reserves.

That is a future which calls for consideration as oil company investors comtemplate not only the fate of the nation but also the prospect for enhanced value in their longer term investments in American energy resources.●

GREG FOSSEDAL ON THE STRATEGIC DEFENSE INITIATIVE

HON. JIM COURTER

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 14, 1985

● Mr. COURTER. Mr. Speaker, Greg Fossedal, an editorial page writer for the Wall Street Journal, recently outlined a persuasive case for pursuing President Reagan's strategic defense initiative.

Mr. Fossedal is also the coauthor of the book "A Defense That Defends" with Gen. Daniel Graham. I urge my colleagues to consider the thoughtful case he makes for moving away from the doctrine of mutual assured destruction and toward mutual assured defense—the promise of ending the nuclear balance of terror that the strategic defense initiative holds.

The essay by Mr. Fossedal follows:

BUILD A DOWN-TO-EARTH STAR WARS SYSTEM

(By Gregory A. Fossedal)

Soon a parade of experts will march through Capitol Hill hearing rooms to testify on President Reagan's "Star Wars" defense proposal. One band will say it can't work. Another will say it can. And they will both be right.

Star Wars opponents are correct that there is no perfect defense against nuclear weapons. There never will be. Supporters are correct that an effective defense can be built using available technologies—good enough, when recent breakthroughs are understood, to render nuclear weapons obsolete. Experts disagree about the ideal system but say a current-technology defense would look roughly as follows.

Layer one would be a fleet of 100 to 500 satellites armed with "smart rocks," or air-to-air missiles. Rather than zapping exotic laser beams, the satellites would, in effect, use smart rocks to home in and knock out Soviet missiles in their boost and immediate post-boost phase, while each missile still carried all its warheads. A second, similar fleet might then shoot at the missiles in the post-boost phase.

A third layer of defense would fire more smart rocks from the ground or from popup platforms into the upper atmosphere and beyond. One version was already tested last June, when the U.S. intercepted a mock Soviet missile 100 miles above the earth. Final layers would include anti-ballistic missiles on the ground, or ABMs.

COST-EFFECTIVENESS IS THE KEY

The above defense would not be leakproof. But it would be cost-effective. That is, every time the Soviets add to or alter their offense, we can respond with a cheaper addition to our defense. This, and not the straw-man debate over "leak-proof" defense, is the key to Star Wars. For even a leaky shield, if cost-effective, would render nuclear weapons impotent and obsolute. Ashton Carter writes for the Brookings Institution. Few generals want a weapon an opponent can more cheaply knock down.

Even crude, early estimates from Star Wars opponents suggest such favorable cost trade-offs are obtainable. In 1982, Sen. Larry Pressler said a (near-perfect, laser-style) defense could cost $200 billion to $300 billion. The Soviets, though, have invested roughly $500 billion in intercontinental missiles. Even by Sen. Pressler's figuring, Star Wars seems a good investment. And really, a smart-rock defense would cost roughly $50 billion, the Pentagon says.

More important, of course, are marginal costs: the next incremental bit of Soviet offense, against the next little bit of defense to knock it down. Here again, considering Moscow's options, technology seems to favor defense.

Overwhelm the defense. The Soviets might simply expand their missile force. But according to a Carter-era study led by Georgetown's R.H. Kupperman, for every two dollars Moscow spends on offense, the U.S. need only spend one dollar on defense in response. And the paper assumed the U.S. would deploy only a ground-based defense. An updated Pentagon analysis, soon to be declassified, taking account of early and available systems for defense in space, finds an advantage of between 3 to 1 and 5 to 1 in favor of the defense.

After all, the "rocks" to be used in early Star Wars systems, such as the Air Force anti-satellite weapon or various air-to-air missiles, will cost between $100,000 and $2 million apiece. A new Soviet nuclear warhead, by contrast, costs $5 million by a 1978 estimate, and probably $20 million to $40 million today.

Evade the defense. Moscow might therefore rebuild its missiles with radically different features.

One is the fast-burn booster, which, in effect, shoots right past a defense. But shifting an existing 6,000 to 12,000 Soviet warheads to fast-burn boosters would be a costly, 20-year project, according to the Los Alamos defense laboratory. If the Soviets make the investment, they will lose sufficient payload and accuracy to wipe out 40% to 80% of their hard-target capability. And when advances in Star Wars technology are accounted for, even a Soviet boost time of 60 seconds (the fast MX missile takes 180) could not shoot past a well-designed defense.

For what truly are becoming faster are not Soviet missiles, but the U.S. "kinetic kill vehicles" to knock them out. A few years ago, scientists at Heritage Foundation's High Frontier designed a workable defense using a kill vehicle weighing 100 to 200 pounds, moving at roughly a half-mile a second. Last month, Edwards Air Force Base requested bids on a "current technology" vehicle of five to 10 pounds, traveling at five miles a second. These advances derive from an inherent advantage of defense. For an ICBM must thrust up against gravity, through the thickest part of the atmosphere. A kill vehicle to knock it out has gravity as a friend. And it spends much of its journey in the vacuum of space and the thin upper atmosphere.

Critics say such advances in speed and miniaturization don't matter, since such vehicles will heat up once they enter the atmosphere—confusing their own heat-seeking targeting devices. New techniques, though, enable the vehicles to follow a low-energy laser to a target. End of heating problem. We use similar beams to guide smart bombs and antitank weapons. The method was tested for use in Star Wars in the 1984 Talon Gold research project.

Talon Gold advances also counter another countermeasure—the use of decoys to confuse a defense, or at least its later layers. Emerging technology would enable the U.S. to fire a beam at thousands of warheads and decoys. If decoys are lighter than real warheads (else there is no point in them) they will be pushed farther. Fast computers—perhaps the most important Star Wars advance of all—then "sort out" the decoys and dispatch kill vehicles to knock out the real warheads.

And that's not all. Faster kill vehicles and computers give defensive systems, from satellites in space to ground-based ABMs, a chance to see how their attacks on a given missile are doing. Each defensive layer might have two or more opportunities to knock down a given warhead: what the Pentagon calls shoot-look-shoot. With shoot-look-shoot, and some day, shoot-look-shoot-look-shoot, each layer becomes, in effect, several layers thick.

This layering concept itself is critical. For the countermeasures suggested by Star Wars critics are each effective only against certain kinds of technologies. Coating or spinning an ICBM evades one kind of laser but offers no protection against others, or against smart-rock defense, or ground-based ABMs. Fast-burn boosters can erode the effectiveness of boost-phase defenses, but not the later layers of a defense. Yet a countermeasure is only useful if it enables Soviet missiles to evade all layers of a defense that employs vastly different technologies.

So, finally, the Soviets might shift to bombers, cruise and submarine-launched missiles. Yet sub-launched missiles would not be able to fly under a well-designed multilayer defense. And the slow-moving cruises and bombers are arguably easier to shoot down than an ICBM.

Attack the defense. If satellites were immobile, incapable of self-defense, all in one spot, and clearly visible to an attacker, it would be easy to knock a U.S. Star Wars system out of the sky. But Star Wars satellites would be none of these things. In particular, since they can fire at missiles aimed at the U.S., they can fire at mines or missiles aimed at themselves.

They can also hide. Space systems can be camouflaged using some of the very electronic and shielding methods that Star Wars critics say could disguise a missile. One difference: A missile must shoot up through the atmosphere, leaving thermal, chemical and other tracks. burning up some disguises or coatings and zooming by others. Satellites are in no hurry to get anywhere. They leave no "signature." They can be armored (unlike an ICBM) without penalizing their effectiveness.

Oddly, the chief threat to the program described above may be not the Soviets, but the Reagan Star Wars program—a 10-year research effort to design a perfect, high-tech dome. The search for the Holy Grail of a leak-proof shield robs $30 billion that could already be building an effective de-

fense. Why not, instead, start deploying effective, low-tech systems now?

That question was pressed on Lt. Gen. James Abramson, head of the Strategic Defense Initiative Organization, in a recent Senate hearing. Interestingly, the presser was Sam Nunn, a military reformer. In Sen. Nunn's hand was a copy of the 1982 High Frontier Report calling for a low-tech, high-priority approach to Star Wars. Mr. Abramson, usually grilled by those who want Star Wars killed, not speeded up, fidgeted—but finally conceded that the general idea is sound.

Reformers Nunn, Gary Hart, and Les Aspin have always criticized systems that are researched to death. What if, instead of opposing strategic defense, they pushed for their own low-tech, high-priority version, built outside the Pentagon? This is the very model Mr. Hart admires for producing the Polaris submarine.

A close reading of Mr. Reagan's Star Wars comments suggests the reformers might find a receptive audience. And they would establish themselves as something more than nigglers, able only to kill bad weapons, not create good ones. The reformers, above all, ought to realize that Star Wars needn't be Star Wars. And they may now be the key to the Star Wars debate.●

STRAIGHT TALK ON THE BUDGET FROM ROGER J. BACCIGALUPPI

HON. ROBERT T. MATSUI

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 14, 1985

● Mr. MATSUI. Mr. Speaker, now that the Senate has passed a budget resolution the eyes of the Nation have turned to those of us who sit in this Chamber. We are being looked to for solutions to the problem of gigantic deficits which threaten our economic health.

I recently received a copy of a speech delivered by my constituent, Roger J. Baccigaluppi. Roger is one person who is not content to sit on the sidelines as a spectator while we in Congress grapple with the deficit. Roger, the president of the California Almond Growers Exchange, has been out on the stump delivering straight talk on the budget issue. His works reflect an enlightened, and I believe accurate, approach to our Federal budget deficit. I am pleased to share his thoughts with my colleagues.

AGRICULTURAL EXPORT: PROBLEMS AND A SOLUTION

A few weeks ago in Sacramento, I had the privilege of addressing the National Agri-Marketing Association on the occasion of National Agriculture Day—the first day of spring—March 20. I indicated to that group that it was a nice thought, National Ag Day, but that there was little to celebrate. Let me tell you why.

We have on our hands today the greatest agricultural depression of this century. All of those who still remain in agriculture should be congratulated. They have survived despite a government policy to encourage cheap food for the consumer. That means low prices to the farmer.

More recently, our federal fiscal and monetary policies have been devastating to agriculture, whether it be in California, Kansas, or Illinois. We continue to hear how robust our economy is—the leader in the world. But how long will it last?

You probably expect me to talk about the 1985 Farm Bill tonight. If you do, you are going to be disappointed. All I will say on that subject is that no matter what is enacted—the Administration's program, a much less costly program from the standpoint of the taxpayers, or a program that costs many times the Administration's proposal—no 1985 Farm Bill is going to solve the underlying problems in agriculture that have developed in this country in recent years. Whatever Farm Bill finally evolves is going to be little more than superficial first-aid by untrained paramedics who do not seem to understand that our injuries are not superficial, but potentially fatal to agriculture as we know it today. Our injuries need to be diagnosed carefully. Only then can we take the necessary surgical action to help agriculture truly recuperate. A box of bandaids patched all over a mortally wounded industry will not make agriculture any better or more able to survive.

We have a crisis in this country that must be addressed promptly if we are to save the economic future of this nation and the rest of the world. Very strong words, but I believe them and so do many others, Republicans and Democrats alike.

The problem begins with the public perception that the economy is doing well. Perhaps a few farmers and export industries are being hurt, but the economy in general is doing very well. Given this public perception, why should Congress take action?

They must take that action, ladies and gentlemen, because our economy—the greatest economy in the world—is in its decline. The decline began slowly, but has now accelerated. Just four years ago, in 1981, our merchandise trade deficit amounted to only $28 billion. That means we imported $28 billion more products than we exported. Three years later, in 1984, we were importing $130 billion more than we exported, and this year it is expected to reach about $150 billion.

Why does it matter that we are importing more than five times as many Toyotas, Sonys, agricultural products, and Airbuses, to name just a few products, than we did four years ago? It matters primarily because of the trend it represents. If five times as many products have been imported in the last four years, will there be ten times as many in the next four years, and 20 times as many in the next eight or ten years?

Let me take a moment to discuss some specifics.

First, the United States has fewer trade barriers, tariff and non-tariff, than anywhere in the world. Our trading partners, on the other hand, have any number of barriers to U.S. products. We in agriculture must continue working with our government to improve this problem.

Second, the economies of most of the countries of the world have suffered badly during recent years, tending to hurt our export sales. This situation has begun to improve, but remains a problem.

The two problems I have just mentioned, however, pale by comparison to those created by the grossly overvalued dollar. It is the dollar, more than any other factor, that is choking off our exports and stimulating imports.

Some have suggested that exporters in the United States are using the overvalued dollar as a crutch to explain why they are unable to export. I would urge them to consider the facts.

In August 1980, it took 2.37 dollars to purchase one British pound. By the end of February, it took 1.06 U.S. dollars to buy one British pound.

Apply this to the case of almonds. Assume for the moment that we were selling almonds for $1 per pound in 1980 and that our prices have not changd since then. If you disregard what inflation has done to our purchasing power, the dollars we are receiving from the British are the same as we received in 1980. The British consumer, though, because of the increase in the value of the dollar and the decrease in the value of the pound, is paying the equivalent in his currency of $2.23 per pound for those $1 per pound almonds. His price, in this case, has more than doubled. What we receive stays the same.

Similarly, the French buyer is paying the equivalent of $2.57 per pound, more than 2½ times as much as he paid in 1980. The German buyer is paying the equivalent of $1.95 per pound, or nearly twice as much for those $1 per pound almonds.

What has actually happened in almonds is that we have reduced our price by one-third from $1.88 per pound in 1980 to $1.30 per pound this year. That means our growers are getting one-third less money for their product, a disaster from their standpoint. But the British buyer, because of the grossly overvalued dollar/undervalued pound, is paying 56 percent more for our $1.30 product than he did for our $1.88 product in 1980. The French buyer is paying 78 percent more, and the German buyer is paying 35 percent more. Think about that. Our growers are getting one-third less, but our buyers are paying about 50 percent more. All of this is a result of the dollar relationship with other currencies, and nothing more.

Almond growers have adjusted to the grossly overvalued dollar by taking one-third less for their product. Many others in agriculture have done the same thing. But neither almond growers nor the growers of other crops, whether it be grapes, cotton, wheat, or soybeans can continue to operate year after year receiving less than the cost of production. The dollar must be brought down to a reasonable level, or agriculture, as we know it today, will not survive.

This prospect should not be taken lightly. Approximately one-third of all the agricultural land in this country is planted for export. This is true on a national basis, as well as here in California. For many crops, such as wheat, soybeans, almonds, rice and cotton, more than half of the crop must be exported. A recent USDA study shows that more than one out of every five jobs in the United States has its roots on the farm. More than 22.7 million Americans—22 percent of the work force—earn their living in agriculture.

I have told you how agriculture is trying to adjust to the grossly overvalued dollar. Perhaps we should take a moment and talk about how others are adjusting.

By mid-year 1984, two million of the best jobs in this country had been lost. Some industries, and this includes farmers, have made adjustments by simply closing down—going out of business. They are bankrupt.

Others are adjusting by moving their production out of this country and into areas where there is a weak currency. The great Caterpillar Tractor Company and John

Deere are two examples. The distortions created by the grossly overvalued dollar have forced them to produce their products overseas, rather than in the heartland of America. Caterpillar has cut its work force from 90,000 in 1979 to 60,000 today. This year, Caterpillar is consolidating its production of truck-type loaders—which have been made in both Davenport, Iowa and Glasgow, Scotland—in Glasgow, not in Davenport. Next year, Caterpillar is going to start production of its D-6 tractor in Genoble, France, laying off still more workers in Davenport, Iowa.

Chrysler and General Motors are not only importing finished cars at cheap prices, but are also importing more and more of the components they put in their so-called American car. Chrysler has cancelled their plan to build a new U.S. plant, which would have been worth billions and tens of thousands of jobs. They will do it overseas instead. Boeing is having difficulty competing with the Airbus. Recently, our largest international carrier, Pan Am, purchased the Airbus rather than a domestic product. Boeing is trying to adjust by buying more and more of the components they put in each finished Boeing aircraft from overseas suppliers.

At our own Blue Diamond facility in Sacramento, we have learned that a piece of packaging equipment that we formerly purchased from the manufacturer in Sheboygan, Wisconsin, for about $100,000 can be purchased from the Wisconsin manufacturer's Italian subsidiary for about $50,000. With the plight our farmers are in, where do you think we are purchasing that equipment?

We have also found that we can buy packaging material, like cellophane and foil, at about half the U.S. price from manufacturers in the United Kingdom or Brazil. We, too, are beginning to do some packing overseas.

Sun-Diamond, a major California cooperative, is moving a great deal of their processing from Stockton, California, to Tijuana, Mexico. Tri-Valley, California's largest canner, is considering doing some of its fruit processing in Japan.

And the list goes on and on. Two million jobs have already been lost in this country and the number is climbing rapidly.

This country has been known around the world as the most efficient world grain producer. Yet a few months ago, Cargill, this country's number one grain trader, found that they could land grain from Argentina in the United States cheaper than they could get it here in this country. A spokesman for USDA, commenting on this situation said, "When the river starts to flow backwards, there is something wrong with the plumbing." The "plumbing" problem, if you will, is the grossly overvalued dollar.

The same is true in my favorite food—almonds. California is the world's most efficient producer, we are highly mechanized, we have harnessed the water in the mountains to our advantage and we use all the most modern cultural practices. We outproduce our next largest competitor, Spain, at the rate of 10 times as many almonds per acre, producing 1,500 shelled pounds per acre versus an average of about 150 pounds per acre in Spain. But, because of the horrible distortions in the dollar/peseta relationship, growers are removing almonds from production in California, while growers are planting in Spain.

If these alarming trends continue, and I see every indication that they will, the day will soon come when this country will be unable to export anything. Our prices will simply be too high.

Some might argue that our industries can still depend on the domestic market. That would be a good idea except that our prices will be too higher here as well. As a result of the dollar relationship with other currencies, imported products can come in much more cheaply than we can produce them at home. That is why there has been a fivefold increase in imports in just the last four years.

What sort of an economy will we have if we can neither export what we produce, nor sell it here at home? I submit, we will not have any economy. We will be bankrupt as a nation.

Some people say we will be a service economy. If we do not have an agricultural industry, a tourism industry (foreigners cannot afford to come here, and Americans are finding it cheaper to vacation abroad), an automobile industry, a steel industry, a machine tool industry, an aircraft industry, an appliance industry, a TV industry, and a photographic industry, who are we going to be servicing? Our computer hardware and software cannot be expected to service the rest of the world. Some people say we will become a McDonald's economy. But, I ask, where are people going to get the income to buy those Big Mac's?

It should now be clear that something must be done to correct the grossly overvalued dollar. What, then, should be done?

Before answering that question, I would like to take a moment to explain why the dollar today has such an extremely high value in the world. There are two basic reasons. Number one, the United States is considered a "safe-harbor" for overseas investors—the safest harbor in the world. No other country in the world, in the view of the world, is less likely to suffer from a civil war, insurrection, overthrow by a foreign power, or any other major destabilizing event. The United States is the very best place you can invest your funds and not have any fear of losing them due to some unpredictable event. We are fortunate to live in such a great country. The world perception of this country as a safe harbor is not something any one of us would suggest should be changed.

The second reason for the strength of the dollar is the very high real interest rates currently being paid in this country. While nominal interest rates, the amount a big borrower pays for money, have come down from about 21 percent to the 11 percent range, the real interest rates, the difference between the rate of inflation and the nominal interest rates, or prime rates, are at an all-time high. This means that a foreign investor not only receives security and safety, he also enjoys the highest real interest rates in the world.

If we were in fact in the business of packaging investment opportunities for foreigners, we would either offer them high rates with little safety or low rates with a great deal of safety. We offer both. This has produced the influx into this country of foreign money, bolstering the dollar to new records relative to other major currencies.

It is our government that is responsible for the dollar's high value. In this environment, where too many people are trying to borrow too few dollars, the United States has been the biggest borrower of all. Real interest rates—in accordance with basic principles of supply and demand—are thus held at an all-time high.

In just three years, the United States has changed from the world's largest creditor nation to the world's largest debtor nation. A few years ago, Americans owned about $150 billion more abroad than foreigners owned in the United States. Now, we borrow $100 billion and more abroad to finance our national debt. During this year, the U.S. foreign debt will exceed that of Brazil and Mexico, places we formerly complained about as the world's largest debtors.

In 1974, just 11 years ago, people were alarmed that our annual federal budget had a deficit of just over $6 billion. Today, that number has grown by a factor of 33 times to more than $200 billion annually.

In 1974, again just 11 years ago, people were also alarmed by the debt that our federal government had accumulated in the first 198 years of our history—$486 billion. In the six years that followed, we managed to double that debt again to $914 billion. And by the end of this year, five years later, we will have doubled the $914 billion debt to $1 trillion, 807 million, This projection is probably understated, since it assumes a deficit this year of $190 billion when it is likely to be closer to $222 billion.

One of the problems we have with all these numbers is that none of us can visualize what a $222 billion deficit really is. Perhaps I can put it in perspective by asking you to think of this year's $222 billion federal deficit in some other terms. For example, the total number of seconds from the time Christ walked the earth until today is only 63 billion. The entire area of the earth's surface is a miniscule 197 million square miles—1/11 of a billion, compared to 222 billion

This year, $131 billion, or 14 percent, of the total outlays by our federal government, will be interest on the national debt. Put another way, 69 percent of our deficit will be interest on that national debt. Last year it was 59 percent, and the year before that it was 45 percent. Again, a very alarming trend.

Our problem, ladies and gentlemen, is that the budget proposed by the President for fiscal 1986 reduces the budget deficit by only about $40 billion—chicken feed when one talks about federal budgets.

The Senate talks in terms of a $60 billion reduction in the annual deficit. At the rate they are going in approving the continuation of various programs, there will be no reduction at all.

The President says we cannot touch defense and social security. Add those two together and then add in the interest on the national debt, something we cannot avoid until we have massive reductions on that debt, and it adds up to about $580 billion out of a $977 billion annual budget.

Given that these untouchable programs plus the interest on the national debt amount to 60 percent of our total federal outlays, can we realistically expect to get the necessary cuts from the 40 percent that is left? The cuts could be made from the farm programs, but that would only run about $10 billion to $12 billion a year. Similarly, they could come from Medicare or the Federal Highway Program, but when you get through cuts in all these programs, they are not enough to reduce the deficit by $50 to $60 billion this year, and more in the next few years.

The answer, then, is more revenue. The President, however, has rejected this approach and was able to use this view successfully as part of his platform for reelection last year. The Democrats, too, are un-

willing to propose a tax increase, since they lost the election in part because of Mr. Mondale's tax increase proposal.

All this adds up to a grim and perhaps hopeless situation, unless the American people speak out and demand action. A call should be made for across-the-board cuts in every single category of federal spending. Farm programs, social security, Medicare, defense, student loans, Small Business Administration programs, and every other program must be affected. The only way to bring about massive reductions in federal spending is to spread the cuts in a fair and equitable way over each person, interest group, and sector of the economy. No one should be spared except the absolutely destitute and those absolutely unable to help themselves.

Unfortunately, even if these cuts are made, we will still find ourselves short of our goal of a $50 to $60 billion reduction in the deficit in the next fiscal year, with greater reductions in the years following. We need, as a realistic goal, a balanced federal budget in four to six years. That simply cannot be attained with cuts in expenditures alone. More revenue is needed. This means a broadening of the tax base, a change in income tax rates, or perhaps a new form of tax for this country, such as a consumption tax or a value added tax. Time is running out. Next year is an election year. I know we just finished an election, but next year is another one. If action is not taken to obtain massive reductions in the deficit by mid-year, I am afraid our Congressmen are going to be too busy with their reelection to deal with the very tough decisions that massive deficit reductions will entail.

Drastic action by our federal government is needed now. The huge federal deficit has forced our dollar to an all-time high, making it impossible for us to sell our goods both abroad and at home. Two million American jobs have been lost since 1980. In steel, we have gone from 13.8 percent imported product in 1970 to 25 percent last year. In autos, we have gone from 15.2 percent imported product in 1970 to 23 percent in 1984, and that was with a voluntary auto import quota in place. In machine tools, we have gone from 9½ percent imported product in 1970 to a staggering 41½ percent in 1984. In wine, we imported 11 percent in 1970 (principally premium wines), doubled that in 1980, and by 1984 had increased our imports (now primarily bulk wine) to a whopping 26 percent. California wine producers can hardly buy the bottles and labels, let alone buy the grapes, produce the wine, and ship it for the price that many foreign producers are delivering their wine for in this country. As a result, consumption of U.S. produced wines has increased only 8 percent in the last four years, while consumption of foreign wines has increased 39 percent, nearly five times the growth of our own product.

What I have been talking about today is not a problem specific to agriculture, but rather a problem for this entire nation, for its industry and for its agriculture. It is a problem that must be solved if this nation is to remain economically viable. America, agriculture, the other industries I have mentioned, and many others I have not mentioned are in grave danger of extinction unless the dollar is brought down to more reasonable values. This is the major problem facing our nation.

If we do not bring about massive reductions in the federal deficit beginning with fiscal year 1986 and continuing for a number of years after that, I fear it may be too late. Four more years will have passed, a new Presidential election will have taken place, there will be many new faces in Congress, and industry and agriculture, as we have known it in the United States, will be a memory for all but a very, very few.●

THE ADMINISTRATION HAS NOT YET BEGUN TO FIGHT ON TAX REFORM—AND IT IS ALREADY RETREATING

HON. FORTNEY H. (PETE) STARK

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 14, 1985

● Mr. STARK. Mr. Speaker, reports oozing around town indicate that the Treasury Department's monumental tax reform proposals—known as Treasury I—are being nibbled to death.

Treasury I, taken as a whole, was perhaps the finest, bravest attempt at massive tax reform since the 16th amendment started our whole system of taxation. It provided a balanced package of massive rate reductions in exchange for the elimination of numerous credits and deductions—special provisions which all too often are manipulated to result in an unfair and inefficient tax system.

The package was immediately attacked—as piranhas would a cow crossing a river—by every group which stood to lose a credit or a deduction. None of these groups has paused to see if the Nation or their membership would be ahead if rates were lowered and the calculation of taxes was truly simplified. Only a handful of truly responsible, top-quality firms and organizations stood up for reform.

So under this lopsided lobbying frenzy, the administration is starting to throw parts of the reform away—depreciation reform, oil and gas reform, fringe benefit reform. Like hunks of meat they are being thrown to the piranhas in a vain effort to satisfy them.

But this just increases every other groups feeding frenzy for equal treatment. This is known as the double pickpocket theory of taxation: If one group has a loophole, all other groups want the same loophole or want to pick Treasury's pocket also.

Mr. Speaker, at this rate within a few weeks there will be no tax reform left. It will just be a torn carcass that will have the sad, sour reek of good intentions made rotten by special interest greed.

I am reminded of John Paul Jones' famous line: "I have not yet begun to fight." He went on to win in the face of terrible odds. When it comes to making a battle for true tax reform, the administration is saying: "I will not begin to fight."●

THE ALTERNATE ENERGY PRODUCTION TAX ACT OF 1985

HON. MANUEL LUJAN, JR.

OF NEW MEXICO

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 14, 1985

● Mr. LUJAN. Mr. Speaker, today I am introducing legislation to help our Nation tap the vast potential of our renewable energy resources. This legislation, the Alternate Energy Production Tax Act of 1985, would extend residential and business energy tax incentives for solar, wind, biomass, geothermal, and ocean thermal energy systems until December 31, 1990. Existing energy tax incentives, originally enacted as part of the Energy Tax Act of 1978 and the Crude Oil Windfall Profit Tax Act of 1980, are currently scheduled to expire at the end of this year.

Our present energy situation is certainly much brighter than it was when these incentives were originally passed into law. We are all aware of the present oil surplus and falling prices for various energy products in many parts of the United States.

But I hope that we will not be lulled into a false sense of complacency by our currency situation. Economic conditions have been very instrumental in influencing oil supply and demand in the past, and future economic conditions are always extremely difficult to predict. We still import a significant quantity of foreign oil, with imports recently averaging about 3.9 million barrels of oil per day. This level has begun to increase again since a low point earlier this year. Moreover, the constant remainder of the past unstable history of the Middle East serves notice that it is still in our Nation's best interests to reduce our dependence on uncertain foreign oil supplies.

Our overall national energy security requirements compel us to press forward with a well-balanced domestic energy program, emphasizing the development of promising reserves such as our vast renewable energy resources. I believe that the need for solar and other forms of alternative energy is just as real today as it was in 1974, when the Federal Government embarked on the development of those promising resources. Many well-known studies have indicated that these energy resources can play a significant role in meeting our future energy needs. According to several of these studies, alternate energy alone could, in fact, contribute between 5 to 25 percent of our energy needs by the year 2000, a substantial factor by any standard.

The Science and Technology Committee has spent a great deal of time investigating the means to help our Nation maintain its leadership in the

energy area, and in particular, in the development of promising renewable energy technologies. It has been most disturbing to hear on several occasions that many of our major foreign trading partners were increasing their support for these technologies at a time when the United States was curtailing its support in this area. The message from our hearings was very clear—it is certainly in our Nation's best interests to maintain a Balanced Energy Program. We cannot afford to forget the lessons learned from the past and put "all of our eggs in one basket," whether it be oil, gas, coal, or even nuclear energy. Rather, a diversified energy supply mix is critical to our economic future. This means that we must continue to push forward with the development of all of our promising energy technologies.

Over the past months the Science Committee has heard from many witnesses on the future of our domestic renewable energy industry. Many of these witnesses have stressed the importance of extending the current energy tax incentives beyond the end of this year. During hearings before our committee, several witnesses indicated that a post-1985 incentive was necessary in order to insure a stable near-term renewable energy industry and provide for an orderly transition to the full rigors of the marketplace. It was also stressed that these incentives would bring many other benefits in the form of a more competitive overall energy market and additional revenues to the U.S. Treasury.

The legislation I am introducing today would help us take advantage of these benefits. It would specifically provide residential and commercial renewable energy tax incentives through the end of the year 1990, effectively encouraging the development of these resources in the important residential and commercial sectors. In effect, the residential tax incentive would encourage an orderly transition to the private market by requiring an annual 5-percent reduction in existing credit levels beginning in the year 1986. In light of current market realities, a $6,000 total credit limitation would also be imposed on any investment in residential solar heating and cooling systems. Only residential solar hot water and active space heating systems that were certified in accordance with the specifications of this legislation would be eligible for this tax credit.

In order to encourage the commercial use of alternative energy, my legislation would also provide a tax incentive for the commercial production and sale of alternate energy. This tax credit would be in addition to the 10-percent investment tax credit now available in many instances. It will help the still infant alternate energy industry in the development of promising new commercial energy technologies and in raising the venture capital or third-party financing necessary for initial commercial projects. The credit will also provide industry manufacturers with more predictable markets and insure that these technologies would enter the marketplace at their appropriate time of commercialization.

Specifically, this proposal would provide tax credit for the domestic production and sale of alternative energy from qualified property to unrelated persons—unless such person was a member of an affiliated group of corporation. Under my proposal, this energy would have to be produced and sold after December 31, 1985, and before January 1, 1990. The credit would equal the following:

(i) Solar thermal and other solar equipment—$0.034 for each kilowatthour of electricity (or equivalent amount of energy) produced and sold from a solar project;

(ii) Solar photovoltaics equipment—$0.089 for each kilowatthour of electricity (or equivalent amount of energy) produced and sold from a solar photovoltaics project;

(iii) Wind equipment—$0.016 for each kilowatthour of electricity (or equivalent amount of energy) produced and sold from a wind project;

(iv) Geothermal equipment—$0.080 for each kilowatthour of electricity (or equivalent amount of energy) produced and sold from a geothermal project;

(v) Ocean thermal energy and tidal power equipment—$0.045 for each kilowatthour of electricity (or equivalent amount of energy) produced and sold from an ocean thermal energy or tidal power project; and

(vi) Biomass equipment—$0.074 for each kilowatthour of electricity (or equivalent amount of energy) produced and sold from a biomass project.

Since energy derived from alternative sources would compete with conventional energy supplies, my proposal recommends that production incentives should be linked to the market price of decontrolled oil. As a result, this proposal requires these production incentives to phase out as that price rises to the level where efficiently produced alternate energy would be able to compete effectively with oil. Recent evidence suggests that the appropriate phaseout range is when the uncontrolled price of domestic oil is between $29 and $35 in 1984 prices, and this range is set for the phaseout of the production credit. The production credit would thus essentially act as protection for producers of alternate energy against further oil price reductions.

While existing law currently provides business investment tax incentives to encourage the development of alternate energy, my proposal recognizes that a production, or performance-based, incentive might be the more appropriate tax tool for the future. This approach is recommended for several reasons. First, a production credit would only provide support to those projects that successfully produced energy. Thus, this approach would directly address the criticisms that have been raised in connection with various types of nonproductive tax shelter arrangements by requiring potential investors to base their investment decisions on the technical viability of a proposed project rather than on purely tax considerations. In addition, this approach would also be much less intrusive in the marketplace than other types of front-end support mechanisms.

In light of the critical importance attached to the development of our domestic alternate source of energy resources, I am introducing this legislation today to further stimulate discussion with regard to the most effective tax mechanism that will help our Nation achieve this goal. Even though Congress has previously passed a tax incentive in 1980, many alternate energy technologies are still in their infancy stage, and must overcome significant barriers before they will become commercialized. Without this extension, I am afraid that several new and exciting technologies, such as wind, solar photovoltaics, and ocean thermal energy systems will be unable to receive the market support that is needed to tap their potential.

Mr. Speaker, our Nation must prepare now for the day when petroleum will be a scarce resource. This legislation is a significant step in this direction. It is compatible with the well-recognized policy that the development of near-term technologies should be the responsibility of the private sector. Furthermore, I believe that it will encourage the private sector to move forward aggressively in the development of promising new energy technologies with minimal Federal involvement.●

PRIVATE LEGISLATION FOR THE RELIEF OF MR. THOMAS J. SCANLON

HON. LEON E. PANETTA

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 14, 1985

● Mr. PANETTA. Mr. Speaker, I rise today to introduce legislation for the relief of Mr. Thomas J. Scanlon for the loss of personal property while in the service of the U.S. Government.

Mr. Scanlon, who presently resides in my congressional district, served as an economic/commercial officer attached to the U.S. Embassy in Reykjavik, Iceland, in the fall of 1979. On September 10, 1979, Mr. Scanlon was directed by U.S. Ambassador Richard A. Ericson to meet two Federal Aviation Agency [FAA] consultants arriving at Keflavik Airport the following morning and transport them to the Embassy. The sole purpose of the trip was to pick up the FAA officials.

Unable to secure a Government car for the trip, Mr. Scanlon was forced to rely on his own car, A 1977 Mercedes-Benz sedan. On the morning of September 11, while on the way to Keflavik Airport, Mr. Scanlon's car struck a patch of ice, causing it to travel out of control and over an embankment. Damage to the car was beyond repair. The car, estimated to have been worth $9,400, was not insured against an accident of that kind.

Accordingly, Mr. Scanlon filed a claim with the claims section of the State Department's Office of Operations for the loss of his car. Investigations conducted by both local police and the State Department held that the accident was not the result of any negligence on the part of Mr. Scanlon. The claims section, however, denied Mr. Scanlon's claim on the basis of a provision (paragraph 315F of volume 6) of the Foreign Affairs Manual which states that employee claims are not payable for any damages or loss of a privately owned motor vehicle incident to its operation. The Department's employee grievance board dismissed an appeal filed by Mr. Scanlon, ruling that the board lacked jurisdiction.

Mr. Scanlon's request for compensation is miniscule against the backdrop of Federal budgets approaching a trillion dollars annually. Yet I hasten to add that the loss of a car represents a formidable setback for most American families. That Mr. Scanlon's car was lost while being used for the benefit of the U.S. Government and not as the results of negligence, makes his claim all the more compelling.

Mr. Speaker, this body has traditionally offered citizens, after all avenues of administrative recourse have been exhausted, a final means of resolving claims with the U.S. Government. We ought not to allow an arbitary regulation prevent a dedicated public servant from recovering the loss of personal property destroyed while in the service of the U.S. Government.

Accordingly, I am introducing private legislation authorizing the payment of $9,400 for the uncompensated loss of Mr. Scanlon's car.

Following is the text of my bill:

H.R. —

A bill for the relief of Thomas J. Scanlon

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a) the Secretary of the Treasury shall pay, out of any money in the Treasury not otherwise appropriated, to Thomas J. Scanlon of Monterey, California, the sum of $9,400, which sum represents the uncompensated loss of personal property sustained by Mr. Scanlon on September 11, 1979, while assigned to the United States Embassy in Reykjavik, Iceland.

(b) The payment made pursuant to subsection (a) shall be in full satisfaction of all claims which Mr. Scanlon has against the United States for compensation for the loss described in subsection (a).

SEC. 2. No part of the amount provided for in the first section of this Act in excess of 10 percent thereof shall be paid to or received by any agent or attorney on account of services rendered in connection with the claim described in the first section, and the payment or receipt in excess of 10 percent of the amount provided for in the first section shall be unlawful, any contract to the contrary notwithstanding. Violation of the provisions of this section is a misdemeanor punishable by a fine not to exceed $1,000.●

H.R. 1272

HON. WYCHE FOWLER, JR.

OF GEORGIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 14, 1985

● Mr. FOWLER. Mr. Speaker, on February 27, 1985, I introduced H.R. 1272, legislation to extend the business and residential tax credits for solar energy installations because I believe our increasing reliance on imported oil over the past 2 years has made the encouragement of alternative energy sources crucial to our national energy independence.

Reprinted below are two news commentaries regarding our Nation's energy situation.

The April 15, 1985, Washington Post editorial refers to the findings in a recent U.S. Geological Survey study which indicates that the world has roughly a 60-year supply of oil remaining, with the United States now accounting for one-fourth of the world's oil consumption but having less than one-tenth of its reserves. The study concludes that Americans would be imprudent to assume that OPEC has lost its influence over the oil market, and the Post concludes how dangerous it is to leave our energy transition wholly to the market with its falling prices—temporarily—sending misleading signals.

In the April 23, 1985, Wall Street Journal, a feature article reports that imports of oil rose last year for the first time since 1979. Many economists believe this trend will continue and the Energy Information Administration predicts that imports will climb to 40 percent of U.S. oil consumption by 1990. Meanwhile our Nation's capacity to refine oil is shrinking, down 16.1 percent from our peak in 1981.

The U.S. solar energy industries annual sales were $17 million in 1975 and now have grown to over $1 billion in 1984 for the solar heating, thermal power and photovoltaic industries. This growth was a direct result of Federal and State incentives in research and development and market incentives such as tax credits. These Federal tax credits are due to expire on December 31, 1985.

H.R. 1272 would phase out these credits over a 5-year period, coupled with certification requirements and lower expenditure limits. This bill has over 100 cosponsors including 12 Members of the House Ways and Means Committee.

[From the Wall Street Journal, Apr. 23, 1985]

U.S. DEPENDENCE ON OIL, GAS IMPORTS MAY GROW—DOMESTIC PRODUCTION ISN'T KEEPING PACE WITH DEMAND

(By Richard B. Schmitt)

During the 1977 mobilization for President Jimmy Carter's "moral equivalent of war," the Federal Energy Administration warned that U.S. oil imports would nearly double by 1985. The Organization of Petroleum Exporting Countries, the officials said, would have the country at its mercy.

But 1985 is here, and OPEC's hold on world oil prices has slipped. American motorists find low prices instead of long lines at gasoline stations. Has the U.S finally kicked the foreign energy habit?

Don't bet on it. After years of progress in cutting energy dependence, the U.S. is once again losing ground on several fronts:

Imports of oil rose last year for the first time since 1979, augmented by a new flood of imported refined products.

U.S. oil companies are cutting back sharply on exploration needed to assure future domestic supplies.

Efforts to switch from foreign oil to coal and nuclear power are bogged down in regulatory snarls and cost overruns.

Natural-gas demand is reviving, but imports are filling the need.

The Strategic Petroleum Reserve, the huge U.S government stockpile of crude oil stored for an emergency, stands far short of its planned goal.

Congress, once a champion of energy independence, has turned indifferent, if not downright hostile.

When it comes to energy policy, "this country vacillates between panic and complacency," says James Schlesinger, former secretary of energy in the Carter administration. "We're in a complacency period right now, and that is going to induce another panic."

NO PANIC SIGNS

To be sure, a notion of impending energy shortages stretches the imagination. Imports, which accounted for 47% of U.S. oil consumption in 1977, have shrunk to about 30%, and Saudi Arabia, once the country's leading source of foreign oil, has slipped to a poor sixth place, behind Mexico, Canada, Venezuela, Britain and Indonesia. Indeed, OPEC oil accounted for only 12.9%—and non-OPEC foreign oil only 21.4%—of U.S. oil supplies in 1984, according to the Energy Information Administration.

Since the 1979 Iranian revolution, which triggered a doubling of prices, U.S. oil demand has fallen about 15%.

"A lot of progress has been made," says Daniel Yergin, president of Cambridge Energy Research Associates. "But after what we've been through, it would be foolish (to ignore) recurrent questions about energy security."

Those questions recur around several recent developments. Weak prices and some major drilling disappointments are crimping U.S. oil production. A strong dollar favors development of foreign, rather than U.S., energy sources. And conservation appears to have just about run its course. "People are forgetting how much it costs to turn up the thermostat," says C.B. Wheeler, senior vice president of Exxon Corp.'s U.S. operating unit.

Last year's total 6.5% rise in oil imports illustrates another concern: the chronic inability of U.S. production to keep pace with demand. When demand was falling, the problem was masked. But last year, with oil demand up for the first time since 1978, imports rose and increased as a percentage of total consumption. Many economists believe that trend will continue.

The Energy Information Administration—the government's chief energy forecaster—predicts imports will climb to 40% of U.S. oil consumption in 1990. The agency says that percentage could approach 44%—or the highest since the 1977 peak—if world crude-oil prices fall to $25 a barrel. It projects even greater vulnerability by 1995.

SHRINKING REFINERY CAPACITY

Meanwhile, the nation's capacity to refine oil is shrinking. Total capacity now stands at 15.6 million barrels a day, down 16.1% from its peak in 1981, reflecting the one-third fewer refineries now in operation.

One result is that gasoline imports, rising even faster than imports of crude oil, jumped 30% last year. While that helped push prices at U.S. gasoline stations to five-year lows, it added to the woes of refiners already troubled by excess capacity.

Texaco Inc., which last year mothballed half its biggest refinery and had a $309 million loss from refining and marketing, ascribes its troubles largely to imports. Foreign refiners are setting prices at "whatever level it takes to gain entry," Texaco asserts.

Independent refiners, who are hurt without profitable crude-oil operations to cover their losses, are pressing hard in Congress for trade protection. They claim that a series of refineries now under construction by OPEC countries will encourage more imports by the U.S., and lead to more U.S. refinery closings.

OUTLOOK FOR INDEPENDENTS

Imported gasoline "will soon bury financially hard-pressed U.S. independents," says Matthew J. Talbot, chief executive officer of Tosco Corp. which, with combined losses of $588.8 million in 1983 and 1984, concedes it can't survive for long under such conditions.

The trend toward higher crude-oil imports could be checked with a surge in domestic production. But that prospect looks doubtful. Since peaking in 1970, U.S. production has dropped about 9.1% and reserves have fallen 28.9%. The 1980-81 drilling boom temporarily halted the downward trend. Now, it appears that U.S. oil production will hold steady "for another couple of years, and then we have every reason to expect continuing decline," says George M. Keller, Chevron Corp.'s chairman.

The decline could be severe. Weak oil prices are curtailing the search for U.S. oil. About one-third fewer U.S. drilling rigs are working now compared with mid-December. Drilling even has stalled in the Gulf of Mexico, once considered immune from occasional swings in oil prices.

Oil company mergers and the lure of bigger profit overseas also are hurting U.S. drilling. Texaco's capital and exploration spending this year won't exceed last year's level, which was more than $1 billion less than the original 1984 budgets of it and its Getty Oil Co. unit, according to George Friesen, an analyst for Dean Witter Reynolds Inc. Chevron says it is spending less, too, though it claims the cuts aren't any greater than if it hadn't bought Gulf Corp. Phillips Petroleum Co. says its spending will be flat, though analysts say the company's new high-debt restructuring plan will make it a more timid oil explorer.

Several oil companies, flinching at the high costs and risks of trying to make big oil strikes in the U.S. are spending more money on foreign ventures. In a recent survey of the industry's 1985 drilling plans, the Oil and Gas Journal found foreign budgets had increased 19.8% and U.S. budgets had fallen 12.3%.

Accommodating more of the nation's energy demands with alternatives to oil hasn't met early expectations, either.

After the 1973-74 Arab oil embargo, the government began championing coal as a means to future energy self-sufficiency. But coal production, after rising about a third during the 1970s, has been all but static in the past 4 years. One reason is that lower oil prices and reduced federal support have wiped out the once-promising market for coal-based synthetic fuels.

Nuclear power's share of the U.S. energy supply isn't expected to exceed its current 5 percent level in the next five years, according to the Atomic Industrial Forum, a trade group. Since 1975, more U.S. nuclear plant projects have been scrapped than the total number of plants currently operating commercially, reflecting the industry's struggle with cost overruns and rifts with regulators and environmentalists.

Demand for natural gas inched up in 1984, recovering some markets lost during the gas shortages of the late 1970s. But further increases are expected to be met by imports from Canada, which is greatly liberalizing its national energy export policy. The American Gas Association, a utility trade group, estimates that Canadian gas supplies to the U.S. will at least double by 1990, helping to hold down domestic prices.

While that may sound like good news for consumers, some aren't encouraged by the prospect. "Everyone wants to take advantage of the market here, but unless you have some tool for retaining supplies in tough times, you could well find yourself cut off," says New Hampshire Gov. John Sununu. Canada restricted oil and gas exports during the shortages of the 1970s.

The Reagan administration's proposal to cap, at least temporarily, the federal Strategic Petroleum Reserve also is undermining energy policy, some have charged. The reserve was conceived as a way of cushioning the blow of any oil import cutoff. Next Sept. 30, when the Reagan administration wants to halt additions to the reserve, it will hold about 500 million barrels of oil, equal to about 90 days of imports and about half the level envisioned during the oil-crisis years.

Furthermore, "there are all kinds of nuts and bolts problems that could really raise hell in an emergency," M.A. Adelman, professor of economics at Massachusetts Institute of Technology, says of the reserve.

Congress, meanwhile, is seriously considering eliminating tax breaks for oil producers, a move that the industry says would slash domestic production 10% in five years. But legislation that would tax imported oil to discourage demand is given little chance. "The urgency of this isn't exactly hitting people over the head," says its sponsor, Rep. James Weaver. "Up here, we only seem to act in crisis."

Still, balanced against concern about the bleak outlook hinted at by rising imports and falling domestic production, some people are questioning whether a national policy of energy self-sufficiency was misplaced from the start. Some, for example, argue that the high oil prices that go along with self-sufficiency can be harmful in the long run. "Do high prices and low imports make us secure even if they cause an economic recession?" asks Edwin Rothschild, assistant director of the Citizen/Labor Energy Coalition, a Washington consumer lobby.

Even the oil industry concedes "we can't cure" the U.S. dependence on foreign oil, says Charles DiBona, president of the American Petroleum Institute. Mr. DiBona says "evidence of trouble" could emerge by 1990. The present supply situation may be comfortable, he says, "but don't expect it to last."

[From the Washington Post, Apr. 15, 1985]

OIL TROUBLE AHEAD

The World is now burning up its oil at a rate of 900 billion gallons a year. The reserves still underground are vast, but at this rate they aren't going to last long. You have heard a lot about the current glut in the oil market and the possibility that prices will fall further. Neither the glut nor the falling prices are likely to continue forever.

The U.S. Geological Survey has been taking an inventory of worldwide oil resources, including estimates of the oil that remains to be discovered in the future. Using these estimates, scientists at the USGS arrive at two conclusions. First, the world has already burned about one-fourth of the recoverable oil that existed when the first well was drilled just over a century ago. Second, exploration has already found about two-thirds of the oil that it will ever discover. There will still be large and valuable discoveries in the years ahead, but it's not likely that any will be large enough to change this analysis significantly.

It means that, at the present rate of consumption, the world has roughly a 60-year supply of oil remaining. By the middle of the next century, for most uses, it must shift to other fuels.

But there's another implication here that will affect Americans long before the middle of the next century. It's spelled out in a recent paper by Charles D. Masters of USGS who, with his colleagues there, has been compiling these estimates. Most of the world's known oil reserves, he points out, are in the countries that touch the Persian Gulf, and the research at USGS indicates that future discoveries aren't likely to change that reality.

Most of the countries with oil—such as the United States and the Soviet Union—are producing it as fast as they can. The exceptions are OPEC countries, most of them in the Persian Gulf region. Iran and Iraq are constrained by their endless war. The others are holding down production deliberately, as a matter of national policy, to keep prices up and conserve supply. As the other countries rapidly consume their reserves, Mr. Masters of USGS point out, what's left of the world's oil will increasingly be concentrated in the Persian Gulf countries.

Americans would be imprudent to assume that the Saudis and OPEC have lost forever their influence over the oil market. The United States now accounts for one-fourth of the world's oil consumption, but has less than one-tenth of its oil reserves. It needs to move faster toward the alternatives to oil. Leaving this transition wholly to the market in the Reaganite manner is too perilous; the market, with its falling prices, is currently—temporarily—sending out misleading signals. For any period beyond the next several

years, geology provides a more realistic guide to the ultimate limits of the resources.●

HAYWARD POLICE DEPARTMENT RECEIVES NATIONAL ACCREDITATION

HON. FORTNEY H. (PETE) STARK

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 14, 1985

● Mr. STARK. Mr. Speaker, I am proud to inform my colleagues of the national accreditation of the Hayward, CA, Police Department. The Hayward Police Department is an outstanding example of effective law enforcement and community service.

The Hayward Police Department is the first law enforcement agency west of the Mississippi and the first in California to be accredited by the Commission on Accreditation for Law Enforcement Agencies. The Hayward police meet the over 800 required standards for accreditation in the areas of policy, management, operations, and support services.

The Hayward force is a well-trained and highly motivated group of professionals. The city of Hayward has been and continues to be well served by the Hayward police. The over 140 sworn officers and approximately 70 civilians are dedicated to providing a safe community for the citizens of Hayward.

The Hayward Police Department has been especially effective in dealing with the young people of the city. Their youth and family services bureau has a variety of programs from early detection of child abuse, crisis intervention in the schools, to trying to help delinquent juveniles adjust back into society. The programs the youth and family services bureau has implemented are working and proven programs.

Mr. Speaker, the Hayward Police Department under the leadership of Chief Charles Plummer is an efficient and effective law enforcement agency and provides important community outreach services. I commend the Hayward Police Department on this fine accomplishment.●

EL SALVADOR: COMMUNIST BLUEPRINT FOR INSURGENCY IN CENTRAL AMERICA

HON. ROBERT K. DORNAN

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 14, 1985

● Mr. DORNAN of California. Mr. Speaker, in our current concern with contemporary events in Nicaragua and the emphasis on the military side of the Sandinista versus Contra issue, it would be easy to ignore the long range, highly sophisticated, and professionally implemented strategic planning employed by the Communists to first initiate and then sustain revolutionary warfare.

An article has recently appeared in the professional journal Conflict, which examines and clearly describes the origins and concepts of Communist-initiated revolutionary warfare, using El Salvador as the example.

The standard Communist blueprint for insurgency—for that best describes it—is shown as falling into three recognizable stages, each accompanied by intensive political organization, propaganda, and eventually violent acts of terror and subversion.

The author of this article, Earl Young, is an Army Reserve colonel with personal participation in six conflicts that range from Vietnam and Laos to El Salvador. His professional competence has been noted in a number of well-known books including "The Best and the Brightest" and Stanley Karnow's "Vietnam History."

I would like to submit this article for inclusion in the CONGRESSIONAL RECORD because I believe it provides a clear warning and accurate description of the well-laid plans for Communist-directed revolution in Central America.

EL SALVADOR: COMMUNIST BLUEPRINT FOR INSURGENCY IN CENTRAL AMERICA

(By Earl J. Young)

An American reaction to Viet Cong guerrilla warfare in 1961–1965: We assumed the solution was simply some combination of military force and welfare work. . . . We assumed there was high correlation between helping villagers in economic aid programs and their hostility towards the guerrillas. . . . We assumed that methods used in other counterinsurgencies could be put to work in Vietnam. . . . All these assumptions, we discovered, were partially or wholly wrong.—Douglas Pike, Preface to Vietcong (Cambridge: MIT Press, 1966).

THE COMMUNIST INSURGENCY

Stripped of the emotional arguments and propagandist trappings, the insurgency in El Salvador stands revealed as a fundamental struggle for political power. On one side stands a freely elected civilian government; on the other, a small minority of Communist-led insurgents. In the middle are the uncommitted majority of the five million people of El Salvador.

The insurgents in El Salvador are following a revolutionary course of action laid out in Communist revolutionary doctrine. This doctrine by Marx and Lenin was transformed into an operationally-phased blueprint in China and Vietnam by Mao and Ho Chi Minh. It was later used to guide the successful insurgencies in Laos, Cambodia, Cuba, Angola, and Nicaragua.

Insurgency warfare as the United States experienced it in Vietnam has been significantly altered by the Communists based upon their victory in Southeast Asia. The subsequent introduction and employment of international terrorism by radical fringe groups has been incorporated into Communist revolutionary tactics while they at the same time have produced highly effective and sophisticated programs of propaganda and disinformation. These various tactics have served to move the location and increase the scope of Communist-backed insurgency warfare from a limited national conflict to the worldwide arena.

Western democracies supporting governments under attack from Communist insurgents must now be prepared to defend their own internal flanks against unexpected thrusts from the shadows.

Over a dozen guerrilla wars are currently underway around the world, ranging in location and political orientation from Northern Ireland to El Salvador. While new institutions and forces are being created to combat terrorism, little, if any, consideration is being given to combatting the most effective weapons in the Communist arsenal; propaganda and disinformation.

Psychological warfare and propaganda was first employed by the Communists in conjunction with an insurgency during the French Indochina War. The French Communist Party attempted to mobilize public opinion against French efforts to hold on to its colonies in Indochina. This effort had some success, but was overtaken by the French military defeat at Dien Bien Phu in 1954.

The next and more successful application was during the Vietnam War in the 1960s. When the indigenous South Vietnamese Viet Cong guerrillas were effectively neutralized by the massive introduction of American ground forces between 1965 and 1968, Hanoi sought to salvage the situation by sending its own regular forces to the South.

But unlike their earlier victory over the French, the North Vietnamese Army made little headway against the American troops. Stalled on the battlefield, the Communists turned from what had been transformed into a limited conventional war to major propaganda and disinformation activities.

Finding a receptive audience among Americans already caught up in the unique civil rights and anti-establishment causes that marked the 1960s, the Communists were able to promote and encourage anti-Vietnam programs through indirect channels. Using their "front" groups in Europe, and misguided and often naive public figures in the United States, the Communists happily provided their share of support to any group or faction which opposed the government's Vietnam programs.

As Vietnam became the major issue dominating American life and politics from 1965 until 1973, the electronic media projected into the American living room its own version of the first televised war in history. Using high-impact, simplistic, and emotion-filled scenes, television presented an often unrecognizable picture of the Vietnam War to those who had been there.

As the United States seemed unable to clearly define its goals and the casualties mounted, President Nixon, bowing to public opinion and *realpolitik*, ordered the withdrawal of American combat forces by 1973. Without ever having lost a battle, U.S. troops were withdrawn in what was quickly dubbed a "defeat," contrary to the facts.

This lesson of victory with no risk of a decisive military engagement was not lost upon the Kremlin. Unable to win on the battlefield, they struck into the American heartland with propaganda and disinformation duly transmitted by American media.

The aftermath of the Vietnam War found the United States military reviewing its tactics, weapons, and logistics. Lessons learned in Vietnam were duly recorded under the

heading of Counterinsurgency Warfare. In fact, for the five years of major American participation, from 1968 until 1973, there was little connection with counterinsurgency. American forces had first neutralized the Viet Cong through sheer mass, rather than through any fundamental application of anti-guerrilla warfare. Then they had forced the North into a limited conventional war, which it had no chance of winning. Thus, the lessons of Vietnam have little application to El Salvador in 1984. Only by going back to the late 1950s and early 1960s Vietnam would the real similarity between Vietnam and El Salvador become apparent.

The Communists, on the other hand, profited greatly by their experience with propaganda, disinformation, and political organization gained in the two Vietnams and on the international scene. Their blueprint for revolutionary warfare in a developing nation now incorporates appropriate psychological and political strategies carefully designed to neutralize an expected American assistance effort to support the target nation.

This paper intends to illustrate the employment of the Communist three-part insurgency blueprint in El Salvador: political organization, guerrilla warfare, and propaganda.

It is interesting that most objections by Americans to the Administration's efforts to aid the government of El Salvador seem based upon the moral qualities—or lack of them—displayed by previous governments in that nation for the past one hundred years. As the following pages explain, there have been, and are, great social inequities and injustices in El Salvador.

Emotionally-charged issues such as the "Death Squads, "killing of the Catholic nuns, corruption, and incompetence in the Salvadoran Armed Forces are hurled across the airwaves as justification for not aiding the people of El Salvador. These charges are quickly accepted as valid by those who oppose aid to El Salvador; repeated without verification and then often accepted by the public and the media who have no private means of validation or contradiction.

But to focus on these issues as if they should be, in fact, the measure by which we determine to aid or not to aid El Salvador ignores the most important question of all: is the defense of El Salvador against a Communist-led takeover in the national interests of the United States?

If Communist-sponsored propaganda is successful in supporting the thesis that an unjust society does not deserve American support, we must then concede the entire third world to the Communists; for conditions in almost every Latin American, Asian, and African nation still ridden by poverty, endemic corruption, and incompetence would preclude it from American assistance. This, of course, is precisely what the Communist propaganda effort is designed to accomplish.

If, on the other hand, we determine that El Salvador must not become another Cuba or Nicaragua, then the first task is to halt the insurgents' efforts to seize power by force. The second is to support and encourage the newly elected government to produce those changes which will cause El Salvador to accept the twentieth-century concept of social justice and equality. Demanding reforms from the new government before we continue our aid or implementing an economic assistance program without first halting guerrilla attacks will only provide the Communists with an even richer prize.

At the same time, those charged with training, advising, or supporting the armed forces of El Salvador in their battle against the insurgents must display an equal sophistican about the nature of unconventional warfare in the 1980s.

The basis for the present insurgency in El Salvador is a small but well-training and highly motivated Communist cadre. The leaders may operate from Managua, but the covert infrastructure that provides day-to-day command and control is in El Salvador. In an understandable concern for finding and fighting the armed guerrilla units, counterinsurgents too often ignore this political/military organization which recruits, indoctrinates, trains, and commands the insurgent movement. Destroying an enemy guerrilla unit is like cutting off one arm of an octopus; it may render it less dangerous, but doesn't kill it. Only effective police and counterintelligence work can get to the root of the problem.

If this infrastructure could be neutralized in its early organizational stage by effective counterintelligence and police work, it could never survive to create the mass of interlocking "front" groups, political organizations, and operational units that provide the recruits, supplies, intelligence, safe houses, propaganda apparatus, and financial operations that incite, direct, and support an insurgency.

Revoluntionary guerrilla war, to use the Communists's own term, is indeed very unconventional. Attempting to fight an insurgent with Vietnam-era tactics is as useless as employing the cavalry against tanks.

THE CREATION OF A BLUEPRINT FOR COMMUNIST-DIRECTED INSURGENCY

Current Communist techniques in El Salvador did not originate in 1984. There is a direct connection between El Salvador's insurgency and an earlier revolution that took place in the Soviet Union sixty-seven years ago.

In October 1917, V.I. Lenin led a small group of dedicated followers (Bolsheviks) in the overthrow of the caretaker Kerensky government in the Soviet Union. This was five months after the Czar had been overthrown and the entire nation was still in chaos and in the midst of a war with Germany.

Lenin and his followers formed the first Communist Party. The political and economic doctrine of Karl Marx guided the Party and was turned into operational strategy by Lenin in his quest for absolute power. This doctrine and its implementing strategy contained a prime directive which stated that neither the Communist movement nor the Soviet Union would be safe until capitalism had been totally destroyed. This belief has been paramount in all subsequent Soviet thinking and planning.

When capitalism failed to collapse and the world's workers failed to revolt against their governments as Marx had predicted in *Das Kapital*, and the Western powers led by the United States became even stronger economically and politically, the Soviet Communists were faced with a problem of considerable magnitude.

Their driving urge to export Communism to the world's working classes and through them to seize control of the capitalist governments was not only a product of Marxist doctrine, but also of the very real Russian feeling of insecurity. Repeated invasions by other European powers through the years included a joint U.S.-Allied Expeditionary Force to Siberia to aid the White Russian opponents of Lenin from 1918 to 1920. Two U.S. Infantry Regiments were in action and suffered thirty-six casualties.

Then the growing nuclear stalemate between 1950 and 1980 and the inability of the Soviets to project their considerable conventional military power outside the European landmass gave birth to a new Soviet strategy to expand Communism without direct military confrontation with the United States and other Western powers.

This new strategy employs indigenous Communist Parties to organize and orchestrate internal revolts. It utilizes a small but sufficient number each local population to conduct guerrilla warfare under external Communist guidance and with their support. This strategy was understood and applied by Mao Tse-tung in China and Ho Chi Minh and Giap in Vietnam; and later served the Communists well in Cuba, Laos, and Nicaragua.

The essence of the Communist success is their ability to produce a highly disciplined, well-trained, and well-motivated group of cadres who in turn increase their effectiveness ten-fold by further political organization, recruiting, and propaganda. While a host of local front groups may be formed over the years, and a larger but non-Communist organization may appear to be conducting the insurgency, the Communist cadres retain all real leadership positions and thus control the course of events and step into key roles in the new government when the insurgency has succeeded.

A certain sequence of steps and events are predicated by Communist revolutionary doctrine. These begin with the assumption that the target nations has an unstable society. The population will be disaffected from their government by the great inequalities in wealth, social status, land ownership, and privilege predicted by Marx and prevalent in almost all the developing nations.

While this instability does not exist in the industrialized and more democratic West, the Communists are reluctant to abandon Marx's original concept even here and continue to attempt to create dissent, unrest, and distrust by setting race against race, ethnic groups against the dominant majority and labor against management and government. Divide and conquer never had greater significance than in the Communist revolutionary strategy.

In the developing world, the popular disaffection anticipated by Marx will be exacerbated by repressive and indifferent governments, many still following the centuries-old traditions of their former colonial masters. A rising middle class, with more security and leisure, now becomes frustrated by the limits on their new-found status as they perceive their inability to rise into the impenetrable social and power elite structure still in place above them and based on extensive land ownership and its attendant political power. This frustrated middle class, especially its youth and intellectuals, usually are the first converts to Communism and revolution, not the poor and landless.

Stage one of a Communist-directed insurgency blueprint

A disciplined, militant Communist Party is created, usually from middle-class urban sources. Next "front" groups are organized to serve as the overt action agencies for the Communist plan while hiding Communist participation. At the same time, existing organizations of every type and description are infiltrated by Communist cadres: labor unions, student organizations, farmers' groups, political parties, any group whose

activities and efforts can be eventually employed to further the Communist strategy of either winning through political activity or by eventual revolutionary warfare.

It would be difficult to overestimate the effort, importance, and attention which the Communists give to this political organizing. Its results will be clearly demonstrated later in this discussion.

With a political base established, the Communists make their routine effort to win through the ballot box. If this fails, as it usually does, then they turn to the "armed struggle." The chief weapons in the armed struggle are propaganda, disinformation, subversion, extortion, infiltration, and terror or assassination when feasible. The armed struggle does not necessarily include actual guerrilla war.

Stage two

In this stage Party members and supporters move to the rural areas to organize the farmers and peasants. This is the clear distinction between Marx and Mao; Marx believed the urban workers would provide the force for revolution, but in non-industrial China of the 1950s, Mao turned instead to the rural farmers. This scenario has subsequently been employed in every revolution in the developing world.

The Communist village organizers will create the initial rural covert apparatus that will recruit, hide, supply, and support the armed guerrilla units to follow. The insurgents will listen sympathetically and carefully to village problems, desires, and complaints. They will "politically educate the masses" to the fact that all their problems are caused by an evil and corrupt government which must be overthrown. Communist doctrine and even participation may be hidden from the rural people while the insurgents rally support for "freedom, justice, land, and peace."

The farmers will be moved to demonstrate publicly against local government officials in order to force the issue. The government will be provoked, if possible, by clever insurgent activity to overreact and impose harsh retaliatory action. This gives the insurgents even greater opportunity to gain recruits and win popular support in response to the government's use of force.

As the rural organization grows, usually in those remote areas far from normal government activity, special areas are selected which will become the hiding places, training grounds, depots, and base camps for the armed guerrilla units. Usually in these remote regions, such as those selected in the mountains of El Salvador, the people have so little contact with government services in any case that they already harbor feelings of resentment and can be readily converted to pro-guerrilla support.

Armed guerrilla squads are formed and trained. They are combined into platoons and companies as men and equipment become available. This equipment may be supplied by external sources, captured or purchased locally. Small hit-and-run attacks are made on local militia or police to give the guerrillas experience and clear the area of government forces. Early successes result in more recruits.

International Communist propaganda efforts are greatly increased as the guerrillas can now cite victories over the government. The main objective of this propaganda is to picture the established government as evil and corrupt, and the guerrillas as the forerunners of a massive popular rebellion. Guerrilla spokesmen are often exfiltrated to other nonaligned nations to "prove their case" and to win support. A major effort is made to win international support for the insurgents' cause while demonstrating that the government deserves to be overthrown. Communist participation is hidden as much as possible, and denied whenever necessary. Selected media representatives are brought into guerrilla camps and given the most favorable view of insurgent objectives and government ineffectiveness.

Stage three

The preceding stages may last for months or even years. But now the guerrillas feel ready to confront the government militarily. The squads and platoons become companies and even battalions; heavier weapons have been obtained and key cadres are sent abroad to other Communist nations for special training.

The previous hit-and-run attacks on government forces are now expanded to become coordinated assaults on fixed installations. Major sabotage efforts are aimed at crippling the national economy and raising the level of disaffection of the general population. Guerrilla base areas are now renamed "liberated zones" and the guerrillas install their own administrative system to include tax collection and courts.

Intensive propaganda within the target nation attempts to convince the population that a guerrilla victory is inevitable. Efforts are made to obtain a mass uprising, or a general strike to demonstrate guerrilla power and authority. During this, or other stages, if the guerrillas are countered effectively or suffer severe losses, they simply fall back to an earlier stage and begin the entire process over again.

Hard hit by the ferocity and strength of the guerrilla attacks, the government forces now retreat to their safe urban compounds and only venture forth to fight set-piece battles, leaving the entire countryside to the insurgents. As transportation, communication, and food supplies are cut off from the cities, civilian and military morale crumbles from lack of belief in eventual victory by the government. Major Army units now begin to defect to the guerrillas. Soon only a few major urban areas remain in government hands. The existing government and the population now view the situation as hopeless.

At this point, Marxist doctrine offers the insurgents two alternatives; they can agree to negotiate with the government and gain control of key cabinet positions from which they can eventually control the entire government; or they can elect to continue the war and win absolutely. The government often surrenders at this point or simply abdicates and flees the country.

These three stages may extend over a considerable period of time, as they did in Vietnam and Laos, especially if an outside power should come to the aid of the government. But the Communists may also be able to cleverly "piggy-back" an ongoing, genuinely popular revolt against a corrupt government as they did in Nicaragua. With their vastly superior organizational techniques, existing covert infrastructure, and external support, the Communist Party simply takes over control of the revolution from its original, enthusiastic but unorganized and undisciplined members. This latter method saves a great deal of time and has the added advantage of disguising the Communist control from both the population and the world community until it is too late.●

51-059 O-86-22 (Pt. 9)

VOTING RECORD

HON. MORRIS K. UDALL

OF ARIZONA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 14, 1985

● Mr. UDALL. Mr. Speaker, it has become my practice from time to time to list my votes in the CONGRESSIONAL RECORD. I strongly believe that the people of the Second Congressional District of Arizona have a right to know where I stand on the issues decided by this body, and I have found that printing my record here is the best way to provide that information.

This is not an all-inclusive list. I have omitted noncontroversial votes such as quorum calls, motions to resolve into the Committee of the Whole House, and motions to approve the Journal of the previous day.

The descriptions are necessarily somewhat short, and I am sure that some of my constituents will have additional questions about the issues described here. So I invite them to write me for more specifics.

The votes are described as follows:

KEY

1. Rollcall Number;
2. Number of the bill or resolution;
3. Title of the bill or resolution;
4. A description of the vote;
5. The outcome of the vote;
6. The vote total;
7. My vote, in the form Y=yes, N=no, and NV=not voting;
8. The vote totals of the Arizona delegation (yes-no-not voting);
9. The date.

201. H.R. 5600. Preventive Health Services/Family Planning Block Grant Authorization. Waxman, D-Calif., motion to suspend the rules and pass the bill to authorize a total of $906.5 million for fiscal 1985–87 for preventive health services block grants, family planning and the adolescent family life programs. Motion agreed to 290–102: Y(3–3–0), June 11, 1984.

202. H.R. 5603. Alcohol, Drug Abuse and Mental Health Services Authorizations. Waxman, D-Calif., motion to suspend the rules and pass the bill to authorize $2.3 billion for fiscal 1985–87 for grants for alcohol, drug abuse and mental health programs, and for fiscal 1985–88 for developmental disabilities aid. Motion agreed to 360–33: Y(3–2–0), June 11, 1984.

203. H.R. 5496. Medical Technology Assessment. Waxman, D-Calif., motion to suspend the rules and pass the bill to authorize $240 million for the National Center for Health Services and the National Center for Health Services Research and Medical Technology Assessment to provide data on health programs. Motion agreed to 376–16: Y(4–1–0), June 11, 1984.

204. H.R. 1510. Immigration Reform and Control Act. Adoption of the rule (H. Res. 519) providing for House floor consideration of the bill to revise immigration laws to impose sanctions on employers who hire illegal aliens, provide legal status for many illegal aliens already in the United States, expand an existing temporary foreign worker program, and overhaul procedures for handling asylum, deportation and exclu-

sion cases. Adopted 291-111: Y(3-2-0), June 11, 1984.

205. H.R. 1510. Immigration Reform and Control Act. Education and Labor Committee amendment (offered by Hawkins, D-Calif.) to restructure provisions penalizing employers who knowingly hire illegal aliens, deleting the criminal sanctions and increasing the fines. The amendment also included a new procedure for handling cases of alleged employment discrimination. Rejected 166-253: Y(2-3-0), June 12, 1984.

206. H.R. 1510. Immigration Reform and Control Act. Lungren, R-Calif., amendment to delete from the bill language that required employers of four or more workers to check documents and keep records on their workers only after federal immigration officials find an illegal alien on the payroll. Adopted 321-97: Y(1-4-0), June 12, 1984.

207. H.R. 1510. Immigration Reform and Control Act. Frank, D-Mass., amendment to establish a new procedure for handling cases of alleged employment discrimination because of national origin or alienage, and to provide remedies for such discrimination. The amendment would create a "special counsel" within a newly created U.S. immigration Board to handle discrimination cases. Adopted 404-9: Y(4-1-0), June 12, 1984.

208. H.R. 1510. Immigration Reform and Control Act. Sam B. Hall Jr., D-Texas, amendment to require the federal government to establish a system for employers to validate a prospective employee's Social Security identification number by telephone as a check on the applicant's eligibility to work in the United States. Adopted 242-155: N(3-2-0), June 12, 1984.

209. H.R. 1510. Immigration Reform and Control Act. Schroeder, D-Colo., amendment to set a three-year expiration date for provisions that penalize employers who knowingly hire illegal aliens. Rejected 137-274: Y(4-1-0), June 13, 1984.

210. H.R. 1510. Immigration Reform and Control Act. Roybal, D-Calif., amendment to delete the bill's employer sanctions provisions and substitute new funding and requirements for enforcement of existing labor laws on wages, hours and working conditions. Rejected 120-304: N(2-3-0), June 13, 1984.

211. H.R. 1510. Immigration Reform and Control Act. Fish, R-N.Y., amendment to delete from the bill language requiring federal officials to obtain a warrant before searching "open fields" for illegal aliens. Rejected 133-285: Y(3-2-0), June 13, 1984.

212. H.R. 1510. Immigration Reform and Control Act. McCollum, R-Fla., amendment to streamline procedures for handling asylum deportation or exclusion cases by barring most "class action" lawsuits and by deleting a requirement that aliens be notified of certain procedural rights. Adopted 208-192: N(3-2-0), June 13, 1984.

213. H.R. 1510. Immigration Reform and Control Act. Moorhead, R-Calif., amendment to set a yearly cap of 450,000 on legal immigration into the United States. The cap would not include refugees, defined as those persons fleeing their homeland because of persecution. Rejected 168-231: NV(2-2-1), June 13, 1984.

214. H.R. 1510. Immigration Reform and Control Act. Roybal, D-Calif., amendment to clarify the meaning of "continuous physical presence" in the United States when the issue arises in connection with deportation proceedings. The purpose was to ensure that no alien would be deported because of a brief, emergency absence from the country. Adopted 411-4: Y(5-0-0), June 14, 1984.

215. H.R. 1510. Immigration Reform and Control Act. Education and Labor Committee amendment (offered by Miller, D-Calif.) to restore most provisions of current law regarding regulation of an existing temporary foreign worker program that would be expanded under the bill, to provide a three-year transition period to that expanded program, and to create a commission to study the subject of a temporary foreign worker program. Rejected 164-256: Y(1-4-0), June 14, 1984.

216. H.R. 1510. Immigration Reform and Control Act. Agriculture Committee amendment (offered by Panetta, D-Calif.) to create a new, flexible temporary foreign worker program for the agriculture industry permitting growers to apply to the attorney general for workers within 72 hours of need and allowing workers to move from employer to employer within a defined "agricultural region," remaining in the United States for up to 11 months. Adopted 228-172: N(3-2-0), June 14, 1984.

218. H.R. 3678. Water Resources Authorization. Adoption of the rule (H Res 515) providing for House floor consideration of the bill to authorize appropriations for water resource development and conservation. Adopted 286-7: Y(3-0-2), June 15, 1984.

219. H. Con. Res. 294. Non-delivery of International Mail in the Soviet Union. Clay, D-Mo., motion to suspend the rules and adopt the concurrent resolution stating disapproval of the Soviet Union's systematic non-delivery of mail originating in the United States and calling on the U.S. Postal Service to raise the issue at the Congress of the Universal Postal Union. Motion agreed to 403-0: Y(5-0-0), June 19, 1984.

220. H.R. 1510. Immigration Reform and Control Act. Lungren, R-Calif., amendment to authorize the attorney general to grant temporary resident status to aliens who could show they arrived in the United States prior to Jan. 1, 1980, and permanent resident status to aliens who could show they arrived in the United States prior to Jan. 1, 1980. Rejected 181-245: N(1-4-0), June 19, 1984.

221. H.R. 1510. Immigration Reform and Control Act. Shaw, R-Fla., amendment to authorize the attorney general to grant permanent resident status to aliens who could show they had arrived in the United States before Jan. 1, 1980. Rejected 177-246: N(1-4-0), June 19, 1984.

222. H.R. 1510. Immigration Reform and Control Act. Wright, D-Texas, amendment to authorize the attorney general to grant temporary resident status to aliens who could show they had arrived in the United States prior to Jan. 1, 1982. Such aliens could seek permanent resident status after two years, providing they could demonstrate an understanding of English and of U.S. history and government, or were enrolled in a course of study to learn these subjects. Adopted 247-170: N(1-3-1), June 19, 1984.

223. H.R. 1510. Immigration Reform and Control Act. Lungren, R-Calif., motion to limit debate on amendment to strike provisions from the bill providing legal status for illegal aliens already in the United States. Motion agreed to 245-169: Y(2-3-0), June 20, 1984.

224. H.R. 1510. Immigration Reform and Control Act. McCollum, R-Fla., amendment to strike provisions from the bill providing legal status for illegal aliens already in the country. Rejected 195-233: N(2-3-0), June 20, 1984.

225. H.R. 1510. Immigration Reform and Control Act. McCollum, R-Fla., amendment to streamline procedures for handling asylum, deportation and exclusion cases by barring most "class action" lawsuits and by deleting a requirement that aliens seeking to enter the country be notified of certain procedural rights. Adopted 219-208: N(3-2-0), June 20, 1984.

226. H.R. 1510. Immigration Reform and Control Act. Passage of the bill to revise immigration laws to impose sanctions on employers who knowingly hire illegal aliens, provide legal status for many illegal aliens already in the United States, expand an existing temporary foreign worker program, create a new guest-worker program and overhaul procedures for handling asylum, deportation and exclusion cases. Passed 216-211: N(0-5-0), June 20, 1984.

227. H.R. 5580. Organ Transplant Act. Dannemeyer, R-Calif., substitute to reduce the total authorization to $21 million over three years, dropping funding proposed for certain drugs used by transplant patients. Rejected 25-379: N(2-3-0), June 21, 1984.

228. H.R. 5580. Organ Transplant Act. Passage of the bill to facilitate organ transplant surgery by authorizing $78 million over four years for grants to local organ procurement agencies, funding for certain drugs used by transplant patients and a national computerized system for linking organ donors and patients. Passed 396-6: Y(4-1-0), June 21, 1984.

229. H.R. 5798. Treasury, Postal Service and General Government Appropriations, Fiscal 1985. Levitas, D-Ga., amendment to reduce fiscal 1985 spending for the Office of Administration in the Executive Office of the President by $1.5 million. Adopted 326-74: Y(2-3-0), June 21, 1984.

230. H.R. 5798. Treasury Postal Service and General Government Appropriations, Fiscal 1985. Lungren, R-Calif., amendment to eliminate $20 million designated for the construction of a federal building in Long Beach, Calif. Rejected 166-226: N(3-2-0), June 21, 1984.

231. H. Res. 531. Election of Speaker Pro Tempore. Adoption of the resolution to elect Rep. Jim Wright, D-Texas, Speaker pro tempore during the absence of the Speaker. Adopted 230-148 Y(2-3-0), June 21, 1984. (The resolution was necessary to allow Wright to name extra conferees on the defense authorization bill (HR 5167), in the absence of Speaker Thomas P. O'Neill, Jr., D-Mass. The extra conferees were appointed to deal with the MX and anti-satellite missiles.)

232. H.R. 5167. Defense Authorization. Price, D-Ill., motion to allow the conference committee on the bill to hold closed meetings. Motion agreed to 337-28: NV(3-1-1), June 21, 1984.

233. H.R. 5490. Civil Rights Act of 1984. Adoption of the rule (H Res 528) providing for House floor consideration of the bill to overturn a Feb. 28 Supreme Court ruling that narrowed the reach of a 1972 law banning sex discrimination by federally aided colleges and universities. The bill seeks to ensure broad application of four major civil rights laws, including the 1972 education law. Adopted 224-136: Y(2-2-1), June 21, 1984.

235. H.R. 5604. Military Construction Authorization. Passage of the bill to authorize $9.2 billion for military construction projects of the Department of Defense in fiscal 1985. Passed 312-49: NV(2-0-3), June 22, 1984.

236. H.R. 5680. Federal Pay Equity. Adoption of the rule (H. Res. 526) providing for House floor consideration of the bill to

reform the federal merit pay system and require a study of sex-based wage differentials within the federal work force. Adopted 276-58: NV(2-0-3), June 22, 1984.

238. H.R. 5885. Head Start/Human Services Amendments. Andrews, D-N.C., amendment to suspend the rules and pass the bill to reauthorize Head Start and other social services programs through fiscal 1986. Motion agreed to 409-10: Y(4-1-0), June 26, 1984.

239. H. Con. Res. 321. Early Projections of Election Results. Swift, D-Wash., motion to suspend the rules and adopt the concurrent resolution to ask the news media, particularly broadcasters, to refrain voluntarily from projecting election results until all polls are closed. Motion agreed to 352-65: Y(4-1-0), June 26, 1984.

240. H.R. 3282. Water Quality Renewal. Passage of the bill to reauthorize and revise programs under the Clean Water Act for fiscal 1985-88. Passed 405-11: Y(4-1-0), June 26 1984.

241. H.R. 5490. Civil Rights Act of 1984. Dannemeyer, R-Calif., appeal of the chair's ruling that the Bartlett, R-Texas, amendment declaring members of Congress to be recipients of federal assistance for coverage under the bill was out of order. Ruling of the chair upheld 277-125: Y(2-3-0), June 26, 1984.

242. H.R. 5490. Civil Rights Act of 1984. Siljander, R-Mich., amendment to define the word "person" under the Age Discrimination Act of 1975 to include unborn children from the moment of conception. Rejected 186-219: N(3-2-0), June 26, 1984.

243. H.R. 5490. Civil Rights Act of 1984. Passage of the bill to make clear that the bar to discrimination in Title IX of the 1972 Education Act, Title VI of the Civil Rights Act of 1964, Section 504 of the Rehabilitation Act of 1973 and the Age Discrimination Act of 1975 covers an entire institution if any program of activity within the institution receives federal assistance. Passed 375-32: Y(3-2-0), June 26, 1984.

245. H.R. 4170. Deficit Reduction Act. Adoption of the conference report on the bill to raise $50 billion in new taxes and to cut Medicare and other spending by about $13 billion through fiscal year 1987. Adopted 268-155: Y(2-3-0), June 27, 1984.

246. H.R. 5653. Energy and Water Development Appropriations, Fiscal 1985. Adopted of the conference report on the bill to appropriate $15,371,359,000 in fiscal 1985 for energy and water development. Adopted 400-23: Y(5-0-0), June 27, 1984.

247. H.R. 5798. Treasury, Postal Service and General Government Appropriations, Fiscal 1985. Boxer, D-Calif., amendment to strike language from the bill that would prohibit the use of federal employee health insurance to pay for an abortion except when the life of the mother is endangered. Rejected 156-261: Y(2-3-0), June 27, 1984.

248. H.R. 5798. Treasury, Postal Service and General Government Appropriations, Fiscal 1985. Ratchford, D-Conn., amendment to reduce appropriations in the bill by 1 percent across-the-board except for salaries and expenses for the White House, the Office of Administration and the Office of Management and Budget, all in the Executive Office of the President. Adopted 345-66: NV(4-0-1), June 27, 1984.

249. H.R. 5798. Treasury, Postal Service and General Government Appropriations, Fiscal 1985. Obey, D-Wis., amendment to reduce by 63 percent all appropriations in the bill not required by previously enacted law. Rejected 10-398: NV(0-4-1), June 27, 1984.

250. H.R. 5798. Treasury, Postal Service and General Government Appropriations, Fiscal 1985. Jacobs, D-Ind., amendment to reduce by $890,000 the $1.17 million appropriation in the bill for pension, salary and staff of former presidents. Rejected 180-232: N(2-3-0), June 27, 1984.●

ECONOMIC EQUITY ACT

HON. FORTNEY H. (PETE) STARK

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 14, 1985

● Mr. STARK. Mr. Speaker, it is with great pleasure that I join with other Members of the House in introducing the Economic Equity Act.

I am particularly pleased that my bill H.R. 21, to allow continued access to health insurance for certain women and their children, is a part of this important omnibus legislation.

Today, being without health insurance can mean having no medical care at all. Some 6 million widowed and divorced women and their children are faced with this situation when they are dropped from their spouses' health plans.

H.R. 21 means that these women will not have to seek individual policies which are far more expensive, offer less coverage and usually do not pay for preexisting conditions.

The beauty of this bill is that it doesn't increase the deficit or overburden employers or the insurance industry. The spouse pays both the employer and employee part of the premium.

It's nice to know that we can make for a healthier population without further burdening the American taxpayer.●

PORTER-PENNY FREEZE

HON. JOHN EDWARD PORTER

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 14, 1985

● Mr. PORTER. Mr. Speaker, I am pleased today to join with my Democratic colleague, Congressman TIM PENNY of Minnesota, in offering a bipartisan resolution calling for a freeze on all budget categories for fiscal year 1986.

This Porter-Penny resolution will freeze all spending. It will freeze defense at this year's level, with no adjustment for inflation. That will cut the budget by $10 billion more than the Senate recently did. It will freeze all cost-of-living adjustments, including Social Security. If we allow a full COLA for all those programs, we would lose $10 billion in budget savings.

Bipartisan momentum is building around this position. We are starting to see Republican support for a hard freeze in defense, and Democratic support for holding the line on COLA's. Congressman PENNY and I see a real opportunity to build a working coalition of fiscally responsible Members of both parties willing to take both these steps.

And what is the alternative? If the House fails to accept an across-the-board freeze, the tendency will be strong to allow increases in both defense and COLA's—and to restore funds for a number of program budgets recently cut by the Senate. This kind of big-spending compromise—the kind we have seen so often in the past—could easily push next year's deficit back above $200 billion.

This would perpetuate fiscal child abuse—the wholly irresponsible bucking of huge debts from one generation to the next. Every year we run another $200 billion deficit means another $10,000 in extra taxes that the average American child will have to pay, over his or her lifetime, just to pay the interest on what we borrow.

This is unconscionable. More and more Americans of all ages are coming to understand this. Earlier this year, I met with a group of high school students, visiting Washington as part of the Presidential Classroom Program. They were so upset about these deficits that they held a press conference and issued a statement which said, in part:

> Our parents won't let us run up a bill on their credit cards. So why should we sit quietly while our government runs up a huge bill on ours?

For the sake of our children and the future of America, it is time that we in the Congress set aside opportunities for partisan advantage, set aside special interest politics as usual, and take tough action to bring these deficits down.

Our proposal is tough, but it is fair to everyone. It calls for an equitable sharing of sacrifices. Both Congressman PENNY and I realize that more cuts will be necessary. I would like to see the House of Representatives cut spending by even more than the Senate did last week. The American people will support this, and share in the sacrifice so long as it is fair.

It is often more popular to boost spending than to freeze or cut it. But now is the time to do what must be done. Let me quote a former Democratic Senator, Gaylord Nelson—with whom I do not always agree, but this time I could not agree more:

> The ultimate test of man's conscience may be his willingness to sacrifice something today for future generations whose words of thanks will not be heard.●

EFFECTIVE USE OF RURAL CLEAN WATER ACT BRINGS AWARD TO RESIDENT OF WESTPORT, MA

HON. BARNEY FRANK

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 14, 1985

● Mr. FRANK. Mr. Speaker, each year the Bristol County, MA, Conservation District awards one of its members who has made an unusually outstanding contribution to environmentally sound soil conservation. This year, Mr. Howard Tripp of Westport, MA deserves special recognition as recipient of the "Cooperator of the Year" award for his use of a program made possible by the Rural Clean Water Act.

Mr. Speaker, Howard Tripp has installed a 1.1-million-gallon storage tank for manure and waste water on his dairy farm so that manure from his cows can be spread efficiently as fertilizer over his crops, rather than threatening nearby water sources with polluting amounts of manure.

Mr. Tripp's efforts are part of the Westport Clean Water Program in conjunction with the Rural Clean Water Act and will, in time, allow parts of the Westport River currently closed to shellfishing to be reopened again.

This program—and Mr. Tripp's use of it—is an excellent example of the productive partnership between government and agriculture, and I am pleased to bring two newspaper articles describing the project to the attention of my colleagues.

[From the Herald News, Apr. 20, 1985]

CONSERVATION DISTRICT CITES WESTPORT FARMER

A Westport dairy farmer was recently named "Cooperator of the Year" by the Bristol Conservation District for controlling a potential non-point pollution source by installing a 1.1 million-gallon storage tank for manure and waste water on his 125-cow dairy farm.

Howard Tripp and his son Jay, a cooperator since 1953, was chosen for his accomplishments in soil and water resource management particularly for controlling a potential pollution source in conjunction with the Rural Clean Water Act. The manure can now be spread on crop fields at the right time of the year and plowed in as a fertilizer, instead of creating a potential pollution problem.

The Westport Clean Water Program is designed to help reopen parts of the Westport River presently closed to shellfishing. Farmers are provided with technical assistance from the United States Department of Agriculture Soil Conservation Service, and up to $50,000 cost-share funds from the Agricultural Stabilization and Conservation Service, to install sound waste management system. Westport farmers have until July 1, 1986 to sign a contract to be eligible for the program and until 1992 to install their systems.

The Bristol Conservation District coordinates resource management assistance for residents of the county who agree to abide by a conservation plan indicating best land management strategies for their properties. The District also provides assistance to cities and towns in Bristol County on conservation and watershed land management, flood control sediment and erosion control, subdivision reviews and periodically runs workshops and other educational programs on natural resource issues. For more information about the district and its programs contact the office at 153 Broadway, Raynham, Mass. 02767.

[From the Chronicle, Apr. 24, 1985]

HOWARD TRIPP RECEIVES CONSERVATION AWARD

Howard Tripp, who operates a 125 cow dairy farm in Westport with his son Jay, was recently named "Cooperator of the Year" by the Bristol Conservation District.

Each year the District honors one of its cooperators who has taken the initiative to implement sound, cost-effective conservation techniques.

A cooperator since 1953, Mr. Tripp was chosen for his accomplishments in soil and water resource management, particularly for controlling a potential non-point pollution source in conjunction with the Rural Clean Water Program.

As part of this program, the Tripps installed a 1.1 million gallon tank to store manure and waste water from their dairy operation. The manure can now be spread on crop fields at the right time of the year and plowed in as a fertilizer, instead of creating a potential pollution problem.

The Westport Rural Clean Water Program is designed to help re-open parts of the Westport River presently closed to shellfishing and is one of 21 similar U.S. Department of Agriculture projects nationwide. Farmers are provided with technical assistance from the U.S.D.A. Soil Conservation Service, and up to $50,000 of cost-share funds from the Agricultural Stabilization and Conservation Service, to install sound waste management systems. Westport farmers have until July 1, 1986 to sign a contract to be eligible for the program and until 1992 to install their systems.

The Bristol Conservation District coordinates resource management assistance for residents of the county who agree to abide by a conservation plan indicating best land management strategies for their properties. The District also provides assistance to cities and towns in Bristol County on conservation and watershed land management, flood control, sediment and erosion control and subdivision reviews and periodically runs workshops and other educational programs on natural resource issues. For more information about the District and its programs contact the office at 153 Broadway, Raynham, MA 02767.●

STAN EVANS REVIEWS NEW RABUSHKA STUDY

HON. JACK F. KEMP

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 14, 1985

● Mr. KEMP. Mr. Speaker, one of the more foolish cliches trumpeted by the liberal left defenders of statism is that "supply-side economic policies don't work." This cliche was disproven in the very first full year President Reagan's tax rate reductions became effective, when tax revenues from upper income earners increased by 12 percent as a result of a 20-percent reduction in the top tax bracket. Results since then have strongly confirmed and deepened the demonstration of work and investment incentive increases from tax rate reduction.

Alvin Rabushka, an economist at the Hoover Institution, has now published an important case study of the effects of supply-side economic policies around the world. Stan Evans reviewed this book in the column reprinted below.

How much more evidence needs to be brought forth before the statists concede the truth? To the extent that they are open to the evidence of experience, Rabushka's book should be persuasive.

[From the Washington Times, May 8, 1985]

UNDERSTANDING HOW "SUPPLY SIDE" WORKS

(By M. Stanton Evans)

A supposed failing of Reaganomics is its reliance on the "supply-side" theory of taxation: The untested notion that lower tax rates spur economic growth, and thus, as a side effect, increase the public revenue.

In point of fact, the supply-side approach to taxes has been extensively tested on several occasions, and the data clearly indicate that it works. The trouble, given the statist mind-set of the modern world, is that it hasn't been tested often enough, so that most of those who pontificate about the subject are woefully ignorant of the facts.

The evidence has been assembled in a remarkable new study by economist Alvin Rabushka of the Hoover Institution. His survey, *From Adam Smith to the Wealth of America* (Transaction Books), is a series of case studies of the supply-side thesis, and the free-market, limited-government approach of which it is a part.

Here are some highlights:

Nineteenth-century England, under the influence of Adam Smith's ideas, moved steadily toward deregulation, reduction in tariff barriers, a shrinkage of the per-capita tax load, and strict economy in government. The result was to convert Great Britain from an overtaxed, debt-ridden agricultural economy into the leading industrial nation of the world, with rising productivity, falling prices, and a doubling of real per-capita income in half a century.

Because the volume of British trade increased so much, and because the economy grew so rapidly, the lower duties and tax rates adopted in the Victorian era were applied against a constantly expanding base. The result was to bring in more receipts instead of fewer, creating surpluses that a frugal government used from time to time to bestow still further tax cuts.

This stunning achievement was chiefly the work of Robert Peel and William Gladstone, and corresponded exactly to supply-side theory. As Mr. Gladstone's chancellor of the exchequer put it: "The seeming paradox, that a larger revenue might be obtained from smaller duties, had turned out to be the expression of an economic law, which appeared capable of more extensive application than it had yet received."

An anachronism in this respect and others, the British Crown Colony of Hong Kong has been run since World War II on

explicit supply-side principles held over from the Gladstone era. Since it has no natural resources to speak of and has had to absorb a massive refuge population, Hong Kong is forced to subsist on capital investment, high productivity, and energetic pursuit of exports.

To achieve these things, Hong Kong keeps taxes low, has an absolute minimum of labor and other regulations, and holds public outlay carefully in check. Result: An incredible expansion of investment, productivity, and jobs, a seven-fold increase in real per-capita income (from $180 U.S. in 1948 to $5,000 in 1981), and an exchequer that routinely runs up tidy surpluses.

The financial secretary of the colony put the matter this way in 1964: "That revenue has increased in this way is in no small measure, I am convinced, due to our low tax policy which has helped to generate an economic explosion. . . . I am convinced that low taxation can in general produce a greater growth in revenue than can tax increases."

Faced with circumstances much like those of Hong Kong, the island nation of Taiwan was compelled, after trying other policies, to pursue a similar course, geared to investment, productivity, and export. Again, low taxes as an incentive to capital formation, work, and consequent expansion of the economy were key ingredients in the successful change of strategy.

The result is that Taiwan has vaulted from the ranks of underdeveloped, overpopulated nations to the status of a modern economic power. Between 1952 and 1982, real GNP increased 11-fold, and real per-capita income rose from $70 at the end of World War II to $2,280 in 1980. Much the same has happened, with differences in detail, in Singapore and South Korea—as Mr. Rabushka also demonstrates.

None of this is all that great a mystery, except to minds befuddled by the theories of the welfare state. People respond to incentives, and when these are in favor of work, investment, and productivity, economies grow—and that means greater output, jobs, and an expanding tax base.

Henceforth, no one should be allowed to lecture us on this topic who hasn't read Mr. Rabushka's fascinating study.●

SOVIET ATROCITIES IN AFGHANISTAN

HON. DAVID DREIER

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 14, 1985

● Mr. DREIER of California. Mr. Speaker, this week I will join with Representative COURTER in introducing legislation which would deny Afghanistan most-favored-nation status.

I want to take this opportunity to decry the daily atrocities that take place in that foresaken nation, and express my sad disappointment with the world's apparent indifference to the brutal violation of Afghan sovereignty and freedom. The silence from the media and elected leaders of the West is deafening, and with each day, the Soviets escalate their systematic assault on the Afghan people and the mujahedeen, who are fighting a desperate battle for survival. They need our support. Most important, the Soviets must be confronted with world condemnation for their brutal occupation of Afghanistan. I implore all, particularly our leaders and popular advocacy groups who have raised our consciousness about violations of human rights in South Africa and Latin America, to add their voices to the Afghan struggle.

I submit for the RECORD an essay by Ernest Conine which appeared in the Los Angeles Times on May 6. Mr. Conine's article concisely documents the outrage that is taking place in Afghanistan:

SOVIET ATROCITIES IN AFGHANISTAN

(By Ernest Conine)

The uproar over President Reagan's visit to the Bitburg cemetery in West Germany makes one thing clear: The world has neither forgotten nor forgiven the terrible atrocities committed by the Nazis in World War II, when millions of men, women and children were slaughtered in concentration camps and whole villages were exterminated by firing squads.

The long memories are appropriate. But it would be nice if the continuing horror over what happened four decades ago would prevent the same sort of thing from happening again in other places. Unfortunately, that isn't the case.

One terrible case in point (though by no means the only one) is the situation in Afghanistan, which was invaded and occupied by the Soviet Union in late 1979. Five years later, a guerrilla war against the Soviet occupation forces is still going on.

Counterinsurgency operations are cruel by nature. Pilots of bombers and helicopter gunships can't always tell the difference between a harmless village and a nest of guerrillas—and the villagers don't get the benefit of the doubt. Isolated cases of savagery are committed by freightened soldiers avenging comrades whose throats were cut by guerrilla infiltrators.

Nobody claims that the mujahedeen in Afghanistan are angels, and the anti-Soviet guerrillas must expect rough treatment when they fall into Soviet hands.

However, there is never an excuse for the calculated, deliberate massacre of civilian non-combatants as a matter of policy. That's why the Nazis were universally condemned for obliterating the Czechoslovak town of Lidice and executing every male inhabitant. Yet the world seems hardly to notice (or care) that Soviets and their supporters are committing the same kind of deliberate atrocities in Afghanistan.

To quote a December report by the U.S. Helsinki Watch Committee: "Just about every conceivable human-rights violation is occurring in Afghanistan, and on an enormous scale. The crimes of indiscriminate warfare are combined with the worst excesses of state-sanctioned violence against civilians."

The committee said that, while the Soviet-run Afghan forces are heavily involved in the atrocities, "Soviet personnel have been taking an increasingly active role."

A study commissioned by the United Nations Human Rights Commission came to similar conclusions. Among the specifics was an operation in which three Afghan villages were destroyed and 505 civilians executed. Torture, it said, has become an "administrative practice." (It should be noted that Felix Ermacora, author of the U.N. report, is an Austrian who previously investigated human-rights abuses by the racist South African government and the military regime in Chile.)

Neither the U.N. study nor the Helsinki Watch report attracted much attention in the world press. Unlike Vietnam, Afghanistan is not a television war because the Russians and the Soviet-imposed government of Afghanistan take great care to keep cameras away from the action.

The door is virtually closed to major elements of the non-Communist media, as well as to humanitarian organizations. Firsthand reports of the war come mostly from a few intrepid scholars and journalists who go in from Pakistan with resistance groups, and from doctors managing to maintain a precarious permanent presence.

Both Helsinki Watch and the U.N. group were forced to rely mostly on extensive interviews with Afghan refugees, more than 4 million of whom have fled the country. But those interviewed included doctors, lawyers, professors and former government officials, as well as farmers and shepherds. The investigators are convinced that their informants are credible.

Helsinki Watch heard numerous accounts of incidents in which the Soviets bombed a village, then sent soldiers who killed women and children, burned crops and slaughtered livestock.

Lest the refugee accounts be too easily dismissed, supporting testimony comes from a group of Westerners with direct knowledge of the atrocities: The Paris-based Medecins sans Frontiers, which operates six hospitals inside Afghanistan. Its executive director, Dr. Claude Malhuret, charges that the Soviets have deliberately bombed and destroyed hospitals run by the European group, and routinely drop antipersonnel mines designed to maim rather than kill—because "an injured person is much more trouble (to the guerrillas) than a dead person."

The French doctor confirms that Soviet helicopters drop booby-trapped toys, in most cases plastic pens or small red trucks. In his words, "Their main targets are children whose hands and arms are blown off."

Malhuret and Helsinki Watch both conclude that the Soviets are following a counterguerrilla strategy aimed not at securing territory as such, but as using terror to empty the countryside of all but guerrilla fighters, who in theory can then be isolated and destroyed. The killing of innocent people isn't a byproduct of the strategy, but its very heart.

Virtually nobody in the outside world would seriously suggest that the United States and other Western powers should intervene militarily to throw the Soviets out of Afghanistan. But why isn't there at least a deafening worldwide demand for an end to the Soviet atrocities? Why are those who are so sensitive to the massive injustice of South African apartheid so silent in the face of the Soviet behavior in Afghanistan?

There are a number of explanations: Out of sight, out of mind. A reluctance to believe that the atrocities are really occurring because, once the reality was accepted, there would be an implicit responsibility among civilized people to do something about it. Concern that too much political pressure on the Soviets would interfere with the larger goal of nuclear-arms reduction.

"Never again" obviously doesn't apply to Afghanistan. It turns out to be more convenient to hurl thunderbolts at the perpe-

trators of atrocities that occurred more than 40 years ago than to be beastly to those who are committing such crimes in the here and now.●

AUTHORITATIVE VOICES RAISED IN DEFENSE OF SECTION 936 OF THE IRS CODE

HON. JAIME B. FUSTER

OF PUERTO RICO

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 14, 1985

● Mr. FUSTER. Mr. Speaker, President Reagan will soon send to Congress a tax reform bill which is likely to contain a proposal to repeal the current tax incentives for U.S. corporations doing business in Puerto Rico. I believe our colleagues who in the coming months will be considering that bill, should be aware of the growing sentiment in support of the retention of section 936 of the IRS Code.

During the past few weeks, my colleagues have received from me and others various communications pointing out that the repeal of section 936 of the IRS Code will cause severe economic and social hardships to Puerto Rico while producing no appreciable revenue gains and a significant net revenue loss for the U.S. Treasury. This point of view is increasingly gaining support from informed observers on the mainland who believe that the repeal of section 936 runs counter to the self-interest of the United States.

Two very authoritative voices have joined the growing number of such informed observers. One comes from the New York Times Editorial Board. The other is from the Center for Strategic and International Studies of Georgetown University.

The entire editorial published by the New York Times on May 13, 1985, and the executive summary of the report written by Georges Fauriol, a senior fellow the Center for Strategic and International Studies, both explaining why the repeal of section 936 would be contrary to the best interests of the United States and Puerto Rico, follow:

[The New York Times, May 13, 1985]

A BAD IDEA WORRIES PUERTO RICO

In the name of tax reform, the Treasury wants to eliminate a longstanding benefit to Puerto Rico that has generated more than half the manufacturing jobs on the island. Since the effect would make Puerto Rico poorer and more dependent on Federal aid, this seems only penny-wise.

Just as perversely, eliminating the benefit would doom an innovative Puerto Rican project for Caribbean development—establishing "twin plants" whose manufacturing would be shared between Puerto Rico and less-developed countries in the region.

At issue is Section 936 of the Internal Revenue Code, adopted in 1976 but building on earlier provisions. It frees U.S. corporations from Federal taxes on Puerto Rican earnings, and permits their return to the mainland, tax-free. This has been a boon to a labor-rich, resource-poor island. Studies show that Section 936 has generated 150,000 jobs, with an annual payroll of $1.8 billion. And they show that eliminating the benefit would virtually dry up new investment.

Puerto Rico's unemployment is now 20 percent, three times the mainland level. Average per capita income is less than half that in any of the states. But the investment incentives have put Puerto Rico on the takeoff tarmac; however low by mainland standards, its per capita income has more than tripled in 30 years. A skilled labor force had made the island a competitive workshop for specialized industries like pharmaceuticals.

Gov. Rafael Hernandez Colón imaginatively proposes pooling the benefit with neighbors covered by President Reagan's Caribbean Basin Initiative. Grenada is the likely first partner for a "twin plant" arrangement, splitting up skilled and unskilled work within one firm. Three pharmaceutical corporations want to try out the idea—but only if Section 936 remains on the books.

Preserving the provision means less tax income for the Treasury. But a reform that impoverishes Puerto Rico—and diverts offshore capital to Asia—hardly enriches the mainland. The island's commonwealth status rests on a bargain: Puerto Rico enjoys home rule and freedom from key Federal taxes, but has no vote in Presidential or Congressional elections. Whatever the anomalies of its status, Puerto Rico is stable, democratic and better off than any Caribbean neighbor.

Rooting out hidden subsidies and unfair tax breaks is a good idea. But removing this section is not. In one stroke, it would injure voteless American citizens and undermine Mr. Reagan's Caribbean initiative.

PUERTO RICO AND THE UNITED STATES: UNDERSTANDING THE FOUNDATIONS OF A STRATEGIC RELATIONSHIP

FINAL REPORT AND EXECUTIVE SUMMARY

EXECUTIVE SUMMARY

The health of the U.S.-Puerto Rican relationship may ultimately be the cornerstone of stability and progress in the Caribbean Basin region. Why? Geography has something to do with this. Situated more than half way down the arc of Caribbean island nations that stretches over 2,500 miles from the tip of Florida to the South America mainland, Puerto Rico is very much a pivot of the region. Waters adjacent to it have historically served as invasion routes and entry ports for mercantile warfare. Today, the island's democratic institutions and free market system reinforce the regional sense of commitment against radicalism and authoritarianism.

Together, Puerto Rico and the United States undoubtedly provide encouraging models for the weak parlimentary regimes of the Caribbean and the fledgling democracies of Central America. In the present cauldreon of global instability and regional Caribbean adventurism, this is a significant asset.

The island is not under any immediate threat. Yet, revolutionary upheaval in the Caribbean Basin only serves to highlight the geopolitical significance of Puerto Rico. From this flows the need to appreciate the means necessary to ensure the island's long term social and political stability and economic prosperity. Obviously, it would be a gross oversimplification to suggest that economic determinants are the sole causes of revolutions; but, continued prosperity does provide a strong and necessary foundation for open societies. Conversely, the absence of economic growth, be it in Puerto Rico or elsewhere in the Caribbean Basin, will increase the vulnerability to social and political instability. Cuba or other hostile powers would most likely exploit such an enviroment.

In the interim, political debate within Puerto Rico will, in all likelihood, continue to focus almost exclusively on the issues of U.S.-Puerto Rican relations, that is, the status issue. Presently, no clear consensus exists; clearly, any change would entail tough choices for the American people. On the economic front, much progress has yet to be accomplished, and at times a greater sensitivity demonstrates by state-side decision makers. The enactment of the Caribbean Basin Initiative (CBI) without consultation from San Juan, or attempts to tinker with varying corporate tax provisions (e.g. Section 936) in full view of local government opposition, are indicators of how fragile the U.S.-Puerto Rican relationship really can be.

Ultimately, Puerto Rico does remain a part of the United States because an overwhelming majority of Puerto Ricans choose it to be so. And the United States has likewise stated its commitment to a special relationship with Puerto Rico. Puerto Rican will and U.S. commitment can form a unique bond, serving mutual interests: the future viability of the island as a free society and a proud culture coupled with strategic considerations and immediate geopolitical interests of the United States. Roosevelt Roads, Ramey Air Force Base, and other resources are strategically located in the northeastern quadrant and entrance to the Caribbean Sea, and represent major capabilities. These might become even more salient if one takes into account Guantanamo Bay's uncertain future status, and the changing nature of U.S. sovereignty over the Panama Canal.

I hope my colleagues will have the time to read these very important documents.●

ECONOMIC EQUITY ACT OF 1985

HON. BRUCE A. MORRISON

OF CONNECTICUT

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 14, 1985

● Mr. MORRISON of Connecticut. Mr. Speaker, I am proud to join with my colleagues in cosponsoring the Economic Equity Act of 1985.

In the last two decades, women have made great progress in advancing their economic and social rights. The Federal Government has played an important role in the effort to eliminate the legal and structural barriers to self-fulfillment, independence, and equality for women. Despite this progress, however, women are still being shortchanged by employment, insurance, and pension policies, among others.

Women who work full time earn on the average only 59 cents for each dollar earned by men. Women with 4 or more years of college education had a median income—$20,251—slightly above that of men who had only 1 to 3

years of high school—$17,685. Women high school graduates—with no college—had a median income—$13,787—that was lower than that of men who had completed less than 8 years of elementary school—$14,093.

The principle of pay equity is the only way to correct the wage gap that exists between men and women. Pay equity will eliminate sex and race discrimination from the wage-setting process and pay women and men according to their jobs' worth. It requires that wages be based on the skill, effort, responsibility, working conditions, and other factors related to job content, rather than based on historical patterns of discrimination.

Insurance companies use sex-distinct actuarial tables and statistics to determine pricing and payment schemes in auto, life, health, disability, pension, and annuity coverage. Common insurance policies discriminate against women in availability of options. Redlining—the practice of denying insurance or varying the terms of insurance for inner-city residents and business owners—has been reported to be an ongoing practice of property and casualty insurers in certain areas of the country. This has a disproportionate impact on racial and ethnic minorities as well as women and can preclude its victims from purchasing property. H.R. 1793 would prohibit discrimination in insurance on the basis of race, color, religion, national origin, or sex.

Pension plans have traditionally rewarded long and continuous service. As a result, the greater mobility of women has meant low benefits for the few women who do receive private pensions. In 1983, older women had a median income of $5,559, as compared with the median income of older men of $9,766; 44 percent of these women had incomes of less than $5,000 in 1983. Less than 1 in 5 men had an income of less than $5,000. In 1983, more than 2.6 million older women had incomes below the poverty level.

The VIP—vesting, integration, and portability—requirements of this bill will address some of these problems. Some of these include reducing from 10 to 5 the number of years a person must work to be vested; requiring plans to provide a minimum pension benefit above the Social Security benefit; and allowing small vested pension benefits accumulated over short 5-year periods to be rolled over into portable pension accounts.

I am proud to support an act that will demonstrate the Federal Government's commitment to eliminating widespread economic discrimination against women. This legislation is long overdue.●

IN DEBATE ON SBA'S SURVIVAL, SOME SAY IT DESERVES TO DIE

HON. DAVID DREIER

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 14, 1985

● Mr. DREIER of California. Mr. Speaker, today I am submitting for the RECORD the last part of a five-part series on publicly financed small business loans, printed in the May 9 issue of Newsday. This last part provides a good overview of the issues being raised today regarding the Small Business Administration and its impact on the small business community. My reasons for printing this series in the RECORD are not to highlight the individuals who committed wrongdoings against the SBA, but to raise questions about the agency's effectiveness in promoting and expanding the interests of small business. At no other time in history has the SBA and its credit program come under such intense fire from its critics and the constituency it is designed to serve—small business. With Federal deficits threatening economic growth for small business, SBA lending programs are clearly a luxury we can no longer afford.

[From Newsday, May 9, 1985]

IN DEBATE ON SBA'S SURVIVAL, SOME SAY IT DESERVES TO DIE

(This is the last in a series on publicly financed small-business loans, the result of a 13-month investigation by reporters Brian Donovan and Bob Porterfield of the Newsday investigative team. More than 5,000 documents were examined and 120 persons interviewed. The series was written by Donovan.)

During the coming weeks in Washington, the Small Business Administration will be virtually fighting for its life and some powerful enemies say it deserves to lose.

The Reagan administration and Republican Senate leaders have proposed drastic cuts in the SBA's budget—and an end to its long-time role as a maker and guarantor of federal loans to private companies.

The agency has been attacked before, sometimes as a congressional pork barrel, sometimes for default rates as high as 29 percent, sometimes for alleged incompetence and corruption.

But this year marks the most serious challenge ever posed for the SBA—a direct assault on its main function, lending money—and the president's proposal is certain to provoke a major debate in Congress in coming weeks.

Much of that debate will center on whether the agency's lending programs are fair and whether the program's impact on the nation's economy is worth the money.

The programs' supporters, who include the chairmen of the House and Senate small business committees, say that the SBA is still fulfilling its original purpose as a lender of last resort to entrepreneurs unable to convince cautious bankers that their business plans deserve support. To cut the program as drastically as the president proposes, they say, would cost thousands of jobs and stifle individual initiative in a segment of the business economy they say produces much innovation and creativity.

The administration, however, says that the SBA helps only a small fraction of America's small businesses, that it unfairly subsidizes that small group against competitors who are also small businesses, and that many of its loans go to businesses that create few jobs, such as car lots and liquor stores, and contribute nothing to the basic competitiveness of the United States in the world economy.

The agency's critics challenge SBA loans to wealthy professionals such as doctors, lawyers and architects who can clearly finance their own needs, and they say the SBA is poorly run, makes repeated loans to prop up some shaky businesses and too often finds itself stuck with no collateral or inadequate collateral when loans go bad.

Newsday's investigation found that SBA loan programs on Long Island offer examples of some of the same problems that have troubled SBA programs across the country: loans to companies connected to underworld figures, loans to companies that made questionable payments to influential consultants, loans that were not backed by adequate collateral.

The investigation has also raised questions about the ethical sensitivity of some officials involved in the SBA program of loans granted through local development corporations—quasi-governmental boards of local citizens and officials who screen loan applicants. The SBA's counterpart in state government, the Job Development Authority, also delegates considerable authority to development corporations. In both cases, the idea is to move decision-making into the communities and away from a centralized bureaucracy, and to take advantage of the expertise of local officials and businessmen who serve on the corporations' boards. The SBA development corporation program, which would end under the administration's proposed bill, has some powerful support on Capitol Hill, and will not go gently into oblivion. One of its strongest boosters has been Sen. Alfonso D'Amato (R-NY), chairman of a Senate small business subcommittee.

D'Amato has worked closely with officials of the Long Island Development Corp., one of the country's most active, in efforts to expand the program and cut red tape. LIDC executive director Steven Gurian and board member Donald Gallagher testified at a 1982 hearing organized by D'Amato, and he praised both the overall program and the LIDC. "Projects like yours go a long way toward alleviating much of the economic distress that we have today by creating new jobs and retaining them," D'Amato said.

The SBA's lending programs also have influential allies in Sen. Lowell Weicker (R-Conn.), chairman of the Senate Small Business Committee, and Rep. Parren Mitchell (D-Maryland), chairman of the House Small Business Committee. One federal official who is closely watching the legislative tussle says, "This legislation could have 200 amendments tacked onto it before this is over. This could go on for weeks."

Among other things, the Newsday investigation found that Gurian has been involved in consulting deals and other business arrangements with borrowers that senior SBA officials said were improper, that Gallagher has had similar deals termed improper by the JDA's president, and that Suffolk Economic Development Commissioner Joseph Giacalone voted as a development corporation member for a JDA loan without disclosing that he was a partner in the real estate company selling the borrower its land.

Gurian and Giacalone have denied any conflict; Gallagher has refused to comment.

Some critics say that delegating loan authority to development corporations invites conflicts of interest, and that the corporations are inadequately policed. "A lot of federal money is put into private hands and there aren't enough checks and balances,' says Mark Smolonsky, a former Senate investigator who has uncovered numerous scandals involving SBA credit. "They are not really monitored."

But officials of other major development corporations and their professional organization say that the rules are clear and that the situations found by Newsday on Long Island are not typical of the whole system. There are 540 SBA-certified development corporations in the program under which the LIDC operates, the so-called 503 program, created in 1980.

The National Association of Development Corporation's ethics code says no certified development corporation "may be used or permit itself to be used to promote the welfare of or assist its officers . . . except insofar as they may benefit from the success" of the development corporation. Any personal deals with borrowers, the code says, must be cleared in writing by the board of directors and the SBA.

"None of our employees are permitted to have any outside jobs that are even remotely connected with real estate or financing," said Arthur Goodman, executive director of the San Diego County Local Development Crop., the nation's largest SBA affiliated loan operation.

David King, vice president of the Bay Colony Development Corp. in Newton Centre, Mass., says his agency takes great care to distance itself from borrowers. "I would never have a side contract with a company," King said. "I would consider that a direct conflict of interest. I would certainly frown upon it in anybody. Our reputation is extremely important to us. One hint of scandal and forget it, we're out of business."

The most likely casualty in the congressional fight over SBA, officials agree, is the agency's direct-loan program, which is responsible for the bulk of the loans to such businesses as car washes, restaurants and others characterized by the administration as economically unproductive. In contrast, the SBA development corporation program, like the state JDA program, at least has the advantage of having an overall philosophy behind its lending. Both programs target their loans to manufacturers who want to expand their businesses and create new jobs, and targets are set for how many new jobs will be created.

Even some liberal economists agree with Reagan budget director David Stockman that the SBA concept of handing out loans to private companies is simply bad economic policy. As a claim on the public treasury that siphons funds from worthier programs, they say, it is as discriminatory against the poor as the administration's cuts in welfare programs.

One of them is Charles Schultze. As budget director in the Johnson administration, he was one of the architects of the free-spending Great Society. Among economists he is, on most issues, a leading liberal critic of Reagan administration economic policy. "I don't see any justification for making routine loans to routine small businesses," says Schultze. "They [the SBA] are making bankable loans at less than bankable rates . . . I can't conceive that they affect more than a small fraction of small business. The process of who gets the loans becomes arbitrary."

If the administration gets its way, the SBA will lose about 2,000 of its 4,000 employees. It would be left with its functions of small business advocacy, procurement assistance, minority set-aside programs and technical assistance to small companies through a program that uses retired executives.

"As a matter of pure economics, SBA does not enlarge the national pool of business credit resources," says Stockman. "It just reallocates funds away from more credit worthy to less credit worthy firms. By definition, therefore, it reduces marketplace efficiency and national investment, job creation and economic growth by substituting political and bureaucratic judgments of profitability and risk for market judgments."

Moreover, says Stockman, SBA loans too often tend to go to the very sectors of the economy where they're needed least. Claiming that the vast majority of small businesses are formed by people who can obtain private financing, Stockman argues that SBA loans unfairly subsidize some small businesses at the expense of others.

"The overwhelming bulk of SBA credit resources, 60 percent, flow to a tiny fraction of non-credit worthy firms in mainstream service, retail and wholesale sectors," says Stockman. "These markets are abundantly populated with efficient, profitable, credit worthy small businesses which satisfy a plethora of consumer needs at competitive prices while paying the going bank rate for loans."

The business demographics of Nassau and Suffolk counties, where Newsday concentrated its investigation, would appear to support Stockman's argument. Close to 90 percent of the businesses on Long Island are classified as small businesses—a figure that has led enthusiasts to call it "the small-business capitol of the world." And Robert Cox, small business director of the Long Island Association, reports that approximately 95 percent of these businesses were started with privately generated money.

Stockman makes a classic free-market argument: Get government out of the marketplace, let companies compete, and devil take the hindmost. But to supporters of the SBA like Sen. Weicker, that position lacks compassion and is shortsighted economics. He recently told a gathering of small-business owners in Washington, "What it shows is that they are willing to trade off in a political way these ideals of entrepreneurship and competition and employment that bring you together and are responsible for the success of our economy."

A recent report by Weicker's committee concluded: "The SBA has an impressive record of providing critical assistance to large numbers of small business owners." At a hearing, he sympathetically questioned a string of successful small-business people who testified that only the SBA had been willing to help them when they were starting out, that banks had been unwilling to take the risk.

While the SBA has been the focus of the national debate, the state JDA also has some critics. Recently Newsday surveyed more than 200 companies that got JDA loans and found that two-thirds of them added fewer jobs than they projected when they got their loans. And although most JDA loans have gone to manufacturing companies that fit the authority's lending philosophy, there have been some exceptions.

Records show that the JDA helped finance a law firm and an interior decorator that bought space in an office condominium at 200 Motor Parkway, Hauppauge, that was built by Racanelli Associates, a company that has paid Gallagher as a consultant. JDA officials say those loans were approved because of support from the local development corporations that brought them to JDA: the LIDC and the Bi-County Development Corp. Gallagher is a director of both. But the JDA's president, Robert Dormer, said the authority is now discouraging such applications because he believes that such businesses don't create enough new jobs. "We've been very careful to eliminate them from consideration," he said, "not initially but now."

The JDA's critics in the state Legislature echo a theme often expressed by those who criticize federal lending programs: that there is too little attention paid to what public benefit is produced by the loans. Assemb. Arthur Kremer (D-Long Beach), chairman of the Assembly Ways and Means Committee, says there hasn't been enough analysis of these programs' economic benefits. "I think no state agency has looked at how these programs are succeeding or not succeeding in generating jobs. It is time now to look back and decide whether we are moving in the right direction."

Richard Pomp, head of the state legislature's Tax Study Commission, calls the state's job creation programs "abysmal failures," saying they "don't do what they're supposed to do and no one goes back and looks them over." Pomp added: "We should never institute a spending program without periodically, certainly annually, going back and asking is it worth continuing, did the taxpayers get what they paid for, what were the results and did the right companies get the benefits?"●

THE 70TH ANNIVERSARY OF MIDDLESEX COUNTY VOCATIONAL-TECHNICAL SCHOOLS

HON. BERNARD J. DWYER

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 14, 1985

● Mr. DWYER of New Jersey. Mr. Speaker, it is an honor for me to bring to the attention of the House the 70th anniversary of the first county vocational school in the United States: the Middlesex County, NJ, Vocational-Technical Schools.

The programs of the Middlesex County Vocational-Technical Schools are recognized both nationally and internationally as model programs, and have helped to motivate and prepare thousands of youth and adults for careers. The school system's placement rate is truly outstanding; for the class graduating in June 1983, 83 percent were placed in jobs in the trade or occupations for which they were trained.

As the 70th anniversary of these exemplary educational programs is observed, I would like to share with my colleagues a resolution by the New Jersey Department of Education and

the Middlesex County Superintendent of Schools, paying tribute to this fine vocational education system:

RESOLUTION

A National Model Vocational-Technical Education Program for preparing youth and adults for careers.

The 70th anniversary of Middlesex County Vocational-Technical Schools 1914–15—1984-85.

Whereas, in 1914, the first county vocational school in the United States was established in Middlesex County, New Jersey; and

Whereas, the Middlesex County Vocational-Technical Schools have motivated, encouraged and prepared thousands of youths and adults for careers; and

Whereas, Middlesex County Vocational-Technical Schools have developed industrial and labor leaders; and

Whereas, labor organizations and industrial firms have contributed significantly to the growth and development of Middlesex County, the State of New Jersey, and the United States of America; and

Whereas, New Jersey and the United States are high technology oriented and recognize the need for trained employees; and

Whereas, the continued cooperation between labor, the industial/business community, and education is imperative for the continued growth of America; and

Whereas the Middlesex County Vocational-Technical Schools are highly successful in preparing young people and adults for careers and leadership roles in labor and industry;

Now, therefore, be it resolved that the United States House of Representatives recognizes the 70th Anniversary of Middlesex County Vocational-Technical Schools as the first County Vocational Schools in the United States and it is a model program for preparing young people and adults for careers as well as a model partnership program of cooperation between business, industry, labor and education that has immediate and residual benefits for students, the State New Jersey and the Nation.●

THE MEN I NEVER KNEW

HON. STAN PARRIS

OF VIRGINIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 14, 1985

● Mr. PARRIS. Mr. Speaker, I would like to respectfully submit the following poem entitled "The Men I Never Knew," into the CONGRESSIONAL RECORD. The poem was written by a 13-year-old constituent from northern Virginia, Tom Kelly. The poem is beautifully written and I appreciate the opportunity to share it with my colleagues.

THE MEN I NEVER KNEW

As I walk down the small stone path,
beyond the names
I see my reflection on the marble wall
I contemplate 58,000 names of men I never knew
Men who the enemy slew
To some, friends
To some, sons
To some, fathers
To some, husbands
To me, names
In my mind a silent moan
For men I've never known
Like a game with a very high score
The result of this terrible war
Near the memorial lies a wreath, on the ground
For a friend slained
For nothing gained
Among the names, my own, a man I've never known
Across the ocean in a country which is not free
Lives, with his gun, a boy like me
Let's hope our names will never be on stone
Or listed as unknown
A letter, near the bottom, of the wall
From a boy to his family, I love you all.

Through—my sorrow came a thought
That these men for freedom fought
Now their names are carved in stone
Names of the men I've never known.

With a sigh and a groan a man walks alone
To a name of a friend once known
In his mind a small voice, cries out
It could have been you
He is one of the men I've never known
Inside my mind a thought
Regarding those who fought
They were the men I've never known.

During my walk along the naming wall,
A veteran reading the name of a friend, with a sigh
He asks why did he die?
At the end of the wall a small group of veterans in green
Thinking of the friends never more to be seen.

The listing on the wall a tribute to courage shown
By these men I've never known.●

PROVIDE FUNDS FOR THE AGENCY FOR TOXIC SUBSTANCE AND DISEASE REGISTRY

HON. GUY V. MOLINARI

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 14, 1985

● Mr. MOLINARI. Mr. Speaker, I have introduced a bill which would provide adequate funds for the purposes of carrying out the health effects studies mandated by section 104(i) of the Comprehensive Environmental Response and Liability Act [CERCLA]. Specifically, the bill requires that an amount equal to the lesser of 5 percent expended from the Superfund Trust Fund or $50 million, be earmarked annually to the Agency for Toxic Substances and Disease Registry [ATSDR], the Federal agency which was established, but has since been severely underfunded, to study the health effects of hazardous waste dumps. Senators HUMPHREY and CRANSTON have sponsored similar legislation as an amendment to CERCLA, both during the 98th Congress and currently as section 110 of the Senate CERCLA reauthorization bill, S. 51.

The intrinsic goal of the Superfund Program is to protect public health and the environment from exposure to toxic wastes. In our cleanup and prevention efforts, it is obviously critical that we have at least a working knowledge of the health effects which result from such exposure. We can prevent future illness and death with better scientific understanding of the dangers posed by hazardous substances. The original CERCLA legislation recognized this and established the Agency for Toxic Substance and Disease Registry, commonly referred to as ATSDR. However, this Agency has not come close to fulfilling its mandate or its potential. The bill I have introduced will reverse this trend and provide the Agency the resources necessary to carry out its objectives.

When CERCLA was enacted in 1980, section 104(i) of the act established the ATSDR to execute the act's health-related activities. The required activities were clear: health effect assessments; medical advice at toxic sites; research on the toxicological effects of human exposure to chemicals; guidelines for dump site workers; registries of exposed individuals for followup purposes; and inventories of toxic research literature. The Agency's mandate was, therefore, twofold: To provide immediate health-effect assessments and advice and, to develop a comprehensive body of data analysis on the extent of the health threat posed by NPL sites.

To date, the ATSDR has been unable to fulfill these directives. Indeed, the agency was not even established until an out-of-court settlement forced the Department of Health and Human Services to create a separate agency in April 1983.

The ATSDR has repeatedly been obstructed from achieving its goals. Virtually every fiscal year since its inception the Agency has been denied by OMB the funds necessary to do its job. For example, for fiscal year 1983, the Agency requested from HHS a budget of $21 million dollars. By the time the request reached the Congress, OMB had cut that request by 84 percent, down to $3.2 million. In fiscal year 1984, ATSDR requested $6.4 million, only to have that request reduced to by 71.4 percent, to $1.9 million; in fiscal year 1985 the Agency's funding request was cut by 56.8 percent—from $22 million to $9.5 million.

Consequently, ATSDR has fallen far short of its goals:

The Agency has not yet established registries of persons exposed to toxic substances. Exposure registries are essential for detecting changes in health, particularly over the long term.

Only eight site-specific epidemiological studies have been completed since the inception of ATSDR and three of these studies had already begun long before the Superfund was enacted.

ATSDR has yet to list areas closed to the public or otherwise restricted due to toxic contamination.

No new research on the toxicological effects of human exposure to chemicals has been undertaken.

Such performance was certainly not the intent of Congress in establishing a separate agency to carry out the vital role of studying the health effects of toxic exposure.

While ATSDR's past funding requests were merely for startup costs and to keep the Agency going, the Agency now projects that its costs will substantially increase as it attempts to carry out health assessments and epidemiological studies at the ever-growing number of Superfund sites. ATSDR estimates that for 1986 it will need about $25 million for its daily in-house activities such as the basic operations associated with responding to day-to-day requests and emergency situations, testing, inventories, registries and other programs outlined under 104(i). Additionally, ATSDR must conduct more extensive, separate long-term health effects studies. The agency estimates the cost of these studies to be about $15 million. Currently, for these separate studies, ATSDR must submit separate requests to EPA for funding. Consequently, reimbursement for such ongoing research has consistently been withheld or only partial. This has precluded the Agency from pursuing further and more extensive research so crucial toward understanding the relationship between exposures to toxic substances and illness. On top of these responsibilities, the Agency must also conduct many new health assessment studies under the recently enacted RCRA statute. Let me also point out that the EPA predicts that by the end of 1990, emergency cleanup actions at over 1,700 sites will have been undertaken. Health effects studies will be needed around these sites. In light of these accelerated activities and the fact that a full epidemiological study costs approximately $0.5 million, the funds earmarked by this bill seem modest.

The ATSDR is operated by responsible individuals with a strong commitment to protecting public health. It is time that we provide them with the resources to fulfill that commitment. This bill would ensure the Agency adequate resources to do its job and I urge my colleagues to work with me to obtain its passage.●

DISMANTLE THE SMALL BUSINESS ADMINISTRATION

HON. DAVID DREIER

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 14, 1985

● Mr. DREIER of California. Mr. Speaker, in recent weeks I've made mention of the enormous groundswell of support in my California district for my efforts to dismantle the Small Business Administration. This support has come from community business leaders, as well as a considerable number of small business owners who see the Federal deficit as the overwhelming issue which threatens economic growth and stability for small business.

Because there are still many of my colleagues here in Congress who continue to argue that the small business community depends on SBA or is better off because of it, I would like to submit for the RECORD the following three letters I recently received from local business leaders in and around my district. The first one is from Beverly Hall, legislative chairperson for the Walnut Valley Area Chamber of Commerce. The second is from Steve Miller, president of the Covina Chamber of Commerce. These two chambers are among the many that have contacted me to add their support to my bill, H.R. 1461, to eliminate SBA credit programs and transfer the agency's noncredit programs to the Department of Commerce. The third letter is from Rich Jett, president of Empire Bank, an independent bank in Rancho Cucamonga, located outside my district.

These are just three more examples of the community support I have received for discontinuing the SBA and its inefficient loan programs. We should heed their words because they are the true representatives of small business, not the local bureaucrats who insist that they know what's best for small business.

WALNUT VALLEY AREA
CHAMBER OF COMMERCE,
Walnut, CA, April 25, 1985.

Congressman DAVID DREIER,
112 North Second Avenue,
Covina, CA.

DEAR CONGRESSMAN DREIER: On behalf of the membership of the Walnut Valley Area Chamber of Commerce, I would like to add our support to your bill H.R. 1461, the Small Business Advancement Act of 1985.

We agree with your position that eliminating the credit programs of the Small Business Administration will not impact the majority of our nation's small business sector. In fact, we believe that the direct and guaranteed loan programs of the SBA benefit a very, very nominal sector of the business community while bringing a significant cost to our federal budget.

As members of the business community, we endorse your introduction of H.R. 1461 and will encourage our membership to lend their collective and individual support.

Sincerely,

BEVERLY HALL,
Legislative Chairperson.

COVINA CHAMBER OF COMMERCE,
Covina, CA, April 18, 1985.

U.S. Congressman DAVID DREIER,
Covina, CA.

DEAR CONGRESSMAN DREIER: The Covina Chamber of Commerce has studied the proposal contained in your Bill HR 1461 concerning the transfer of the S.B.A. functions to the Treasury and Commerce Departments. We feel it is very important to reduce the growth in federal spending and reduce the federal deficit without additional tax increases.

We support the elimination of the Direct Loan Program and the Loan Guarantee Program. We feel that the S.B.A.'s non-lending programs can still be effective in the Dept. of Commerce, as a result we feel HR 1461 will make progress in that direction.

Sincerely,

STEVE MILLER,
President.

EMPIRE BANK,
April 30, 1985.

Hon. DAVID DREIER,
U.S. House of Representatives, Cannon Building, Washington, DC.

DEAR DAVID: Personally, as a banker and a consumer, I believe our nation must get its financial house in order during the 80's, or the 90's will see greater economic disarray than can be imagined. And the S.B.A. is most definitely an unnecessary and wasteful example of bureaucracy that should be abolished. Although I am sure the original intent was noble and worthwhile, it has subsequently developed into a "source of government guarantees for loans which should never have been nor should be made." And I speak from experience, for I must ashamedly admit that I possibly might have unintentionally used the system for just such reasons.

Thanks again for all that you are doing to reduce the Federal Budget deficit.

Sincerely,

RICH JETT,
President.●

WITHOUT CONSERVATION, WASHINGTON AND OREGON WILL END UP WITH IDAHO'S BEST SOIL

HON. LARRY E. CRAIG

OF IDAHO

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 14, 1985

● Mr. CRAIG. Mr. Speaker, Senator STEVE SYMMS of Idaho wrote an article concerning the importance of soil conservation programs to the nation and to the farmer. The article appeared in the Idahonian Daily News on April 3, 1985, which appears below:

[From the Idahonian Daily News, Apr. 3, 1985]

WITHOUT CONSERVATION, WASHINGTON AND OREGON WILL END UP WITH IDAHO'S BEST SOIL

(By Steve Symms)

Our agricultural lands and soils are being lost to erosion at an alarming rate.

According to the Soil Conservation Service, erosion in Idaho since 1960 is directly responsible for a $60-million loss in production in 1984 alone. The present value of that lost production over the next 25 years is $198 million, if erosion doesn't worsen in the next two or three decades.

In part, this soil loss has resulted from intensive cultivation practices encouraged by our government farm policies and current market conditions. These policies must be addressed by Congress.

If you have ever seen our rich northern Idaho top siols being washed by rain down a highway, you will understand why I am concerned. For some 45 years, Washington has cooperated with farmers to solve this problem and although the Soil Conservation Service and other agencies are to be commended, we must do more.

Today, much of our needed soil conservation work involves maintenance. The problem is not solved once conservation practices and programs are instituted—maintenance is an ongoing chore. In fact, much of the cost of soil conservation merely helps keep existing programs in place.

As an Idaho farmer, I realize that the current economic squeeze makes it difficult to carry out long-term conservation programs. The federal government must bear much of the blame for the sad state of our farm economy. Closed foreign markets, unrealistic interest rates, and poor credit policies have resulted in widespread farm depression.

If this situation continues, the bankers may own Idaho's farms, but Oregon and Washington will own our soils.

Among the important issues Congress will debate this year will be a new Farm Bill and lowering interest rates by reducing the deficit. Without a doubt, the importance of soil conservation will be reflected in the debates over both these issues.

Much of the work in Washington this year will be to keep our Idaho soil conservation efforts from losing ground.●

REPAYMENT OF CONSTRUCTION-DIFFERENTIAL SUBSIDY

HON. MARIO BIAGGI

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 14, 1985

● Mr. BIAGGI. Mr. Speaker, I rise to introduce legislation dealing with the repayment of construction-differential subsidy.

From 1936 to 1981, this program subsidized the cost of constructing vessels for the foreign trade so that U.S. operators could obtain their vessels at approximately the same cost as their foreign competitors. Since there is no foreign competition for the carriage of goods between U.S. ports, these subsidized vessels were excluded from the domestic trade, except in very narrow circumstances for short periods of time.

In the 1970's, the Maritime Administration approved a proposal by a subsidized company that permitted the company to repay its construction-differential subsidy and permanently operate in the domestic trade. That decision gave rise to numerous lawsuits, including a trip to the U.S. Supreme Court. However, the authority of the Government to accept repayment and permit an operator to permanently enter the trade was eventually upheld.

Last week, the Department of Transportation issued regulations that will permit all subsidized tankers to repay their construction-differential subsidy and permanently enter the coastwise trade. These subsidized tankers are suffering because of the worldwide oversupply of oil tankers. They need additional income from the domestic trade if they are to survive, however, if these vessels are permitted to enter the trade en masse the domestic operators presently in the trade allege there will be substantial overcapacity, which will drive them out of business.

In light of these very serious claims, I have scheduled a hearing of the Merchant Marine Subcommittee on May 23 to examine this matter. As a possible compromise, I am today introducing legislation that would grant the subsidized operators authority to engage in the trade for 1 year out of every 2. My hope is that by admitting the ships for limited periods of time we will minimize the damage to the domestic operators. This legislation will also benefit subsidized operators by reducing the amount they must pay by one-half and by eliminating the costly and complex ad hoc adjudicatory hearings that precede a temporary entry into the trade.

There are numerous benefits to the Federal Government and general public. The primary benefit is the payment of $200 million, which will reduce the need for additional appropriations for maritime programs. Additionally, this will reduce the Government's regulatory responsibility and ODS [operating differential subsidy] payments. Hopefully, it will result in lower transportation cost of Alaskan oil.

The Department of Transportation has expended a great deal of time and funds to develop this rule. They view it as a reasonable compromise, which takes into account the needs of both the subsidized and domestic operators. Despite their efforts to balance the competing interests, domestic operators are still objecting to the regulation, the scheduled hearing will offer an opportunity to develop an approach acceptable to all affected parties. The time to act is limited since the rulemaking will take effect in early June. As the committee deals with contruction-differential subsidy repayment our goal is to develop a fair system meeting the needs of CDS and domestic operators.●

ALCOHOL CONSUMPTION; KNOWING THE FACTS

HON. STEPHEN J. SOLARZ

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 14, 1985

● Mr. SOLARZ. Mr. Speaker, the need for comprehensive public awareness about the effects of alcohol use is clear. In recent years, numerous organizations and public interest groups have promoted vigorously the importance of responsible alcohol consumption. As a result, increasing numbers of people have benefited from a wealth of information detailing the potential devastation that can be wrought by the excessive use of alcohol. Deaths have been prevented, and disrupted families have been reunited as a direct result of an increase in alcohol awareness. I believe it is vital to the health and well-being of all those who use alcohol products that a balanced and complete message be conveyed to the general public so that people will be able to make informed choices with regard to alcohol use.

I recently learned that an effort by Joseph Seagram, Inc., to contribute to this public service campaign was thwarted by the three major television networks. Each refused to air a message about the relative intoxicating effects of beer, wine, and distilled spirits. Claiming that such an airing would violate laws prohibiting the advertisement of spirits, the networks declined to sell Seagram's airtime despite the company's willingness to remove their name entirely from the commercials. Seagram's made it perfectly clear that the purpose of the advertisements was not to promote their products but to participate in the public spirited effort to provide as much information as possible about alcohol products.

The advertisement brings to light the fact that one standard serving of beer (12 oz.), wine (4 oz.) and distilled spirits (1¼ oz.) contains the same amount of alcohol and, therefore, have exactly the same intoxicating effect. The common misconception among the majority of the American people is that one drink of gin or whisky is far more harmful than a similar serving of beer or wine. In order to drink responsibly, everyone must know that no matter what type of alcohol they consume the consequences are the same.

Given the dangers of excessive use, it is essential that the American public receive all the facts about alcohol. By clarifying misconceptions and increasing awareness, we can be assured that alcohol users will be able to make more responsible decisions about what and how much they drink. The networks are doing a tremendous disservice by preventing the dissemination of information pertinent to the current public awareness effort. It is in the best interest of us all to be in possession of the most complete information as possible.

It is my hope that the networks reconsider their decision not to broadcast these commercials. Similar advertisements have appeared in numerous responsible publications including Time, Newsweek and U.S. News and World Report. Since Seagram's does not seek to promote its products through this message, the result of

airing the commercials can only be a positive one and well within the restrictions of broadcasting requirements. The failure to elucidate any misconceptions about alcohol can only contribute to the public misunderstanding that hampers the goal of responsible drinking by all.●

A CALL FOR CHANGE IN TEACHER EDUCATION

HON. HOWARD C. NIELSON

OF UTAH

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 14, 1985

● Mr. NIELSON of Utah. Mr. Speaker, last February the National Commission for Excellence in Teacher Education released a report entitled "A Call for Change in Teacher Education." The commission, which was administered by the American Association of Colleges for Teacher Education [AACTE] was funded in part by the U.S. Department of Education. It was formed to asses the status of teacher education and to make recommendations for changes in teacher education programs, the overall system for teacher preparation and certification, and in the teaching profession itself. I was the only Member of Congress to serve as a member of the Commission which included Governor Graham of Florida, Mary Futiell of the National Education Association, Ablert Shanker of the American Federation of Teachers, Joan Parent of the School Boards Association and many professional educators. Although the backgrounds and positions of the members of the commission were diverse, there was a consensus among the members that it is time to reassess and improve our Nation's teacher education programs. Because of the expense of entering the entire report in the CONGRESSIONAL RECORD I am submitting the 16 recommendations. I urge the members to read the entire report. The recommendation follow:

First, admission to and graduation from teacher education programs should be based upon rigorous academic and performance standards.

Second, the State, in concert with the Federal Government, should launch a nationwide campaign to recruit qualified candidates into the teaching profession.

Third, special programs should be developed to attract capable minority teacher candidates.

Fourth, each teacher education program should be an exacting, intellectually challenging integration of liberal studies, subject specialization from which school curricula are drawn, and content and skills of progressional education.

Fifth, following their completion of a teacher education program and the awarding of a provisional certificate, new teachers should complete an induction period or internship of at least 1 year's duration for which compensation is provided.

Sixth, States should encourage and assist the development and evaluation of experimental teacher education programs.

Seventh, certification and program approval standards and decisions should continue to be State responsibilities in consultation with the profession.

Eighth, States should maintain and strictly enforce rigorous standards for program review. Voluntary national accreditation should be strengthened and made to serve as a means for improving teacher education.

Ninth, teacher education programs should continue to be located in colleges and universities.

Tenth, sufficient resources must be assigned to teacher education to provide thorough, rigorous programs.

Eleventh, Federal and State governments should provide support and encouragement for the further development, dissemination, and use of research information in education and teacher education.

Twelfth, a National Academy for Teacher Education should be established, to which promising teacher educators could be nominated for postgraduate traineeships.

Thirteenth, teachers' salaries should be increased at the beginning of and throughout their careers to levels commensurate with other professionals requiring comparable training and expertise.

Fourteenth, teachers' responsibilities and working conditions should be commensurate with the requirements of the job.

Fifteenth, teachers should be provided professional development opportunities and incentives so that they can consistently improve their practice.

Sixteenth, administrator preparation should be extended, focusing on instructional leadership and on the creation of conditions for professional practice for teachers.●

ANNUAL BANQUET OF THE YESHIVA OHR ELCHANON-CHABAD

HON. HENRY A. WAXMAN

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 14, 1985

● Mr. WAXMAN. Mr. Speaker, on June 3, 1985, the Yeshiva Ohr Elchanon-Chabad will hold its annual banquet. This year the guests of honor will be two outstanding philanthropists, Bernard and Eva Raab. I want to bring to the attention of my colleagues and the American public some highlights of the tragedies and triumphs through which Mr. and Mrs. Raab have passed in their long journey from prewar Poland to Los Angeles.

As we prepare to honor Bernie and Eva Raab, we should reflect for a moment on who they are and how they became such dedicated members of the Chabad family and the Los Angeles Jewish community.

Bernie was born in Szczahowa, a part of Poland historically considered German by German leaders. He was the youngest of three sons born to Emil and Bertha Raab. He studied in the Radomsker Yeshiva until the start of World War II. He tried to escape the Nazi onslaught by running to the eastern front, but was captured and sent to a labor camp along with hundreds of other able-bodied young men whom the Germans considered to be ethnic Germans.

The Raab family was nearly destroyed during the Holocaust. Bernie's parents perished in Auschwitz; his oldest brother was murdered by the Germans in eastern Poland. His younger brother survived the war with Bernie's help but did not live to reach the promised land.

After the war, Bernie returned to his home region in Poland in search of close relatives. He found no one. He did, however, meet Eva Nussenfeld, his future bride.

Eva was born in Jaroslaw, Poland, the youngest of three brothers and two sisters. When the war overtook her family, all were sent to Novosibirsk, Siberia, where they remained until 1945. After the war, they briefly resettled in Breslau, Poland, then Ebensei, Austria, and finally in Munich, under U.S. control. She enrolled in a trade school run by the Organization for Rehabilitation and Training [ORT], which is where she met Bernie. They married, and 3 months later came to the United States, settling in Los Angeles.

Postwar life in America was difficult. Once reestablished, however, they began what has become nearly four decades of helping people less fortunate than themselves. In the face of the Holocaust, they determined to rebuild the Jewish community by advancing the education of children and improving community relations and standards. Both Bernie's and Eva's parents were pious and generous, imbuing their children with the concept of Tzedekah, of helping their fellow human beings. Both Bernie and Eva strive to foster the same feelings and attitudes in the children of generations to come.

The Raabs have been married for 36 years and have two children. Dr. Mel Raab is an engineer; he and his wife Jan have a 1-month-old daughter. Dr. Giselle Raab is a dentist.

Among Bernie's many organizational affiliations, he is vice president of Beth Jacob Congregation where he is a former vice president, board member, and chair of the House Committee. He is a member of the Prime Minister's Club of the Israel Bonds Organization. Both Bernie and Eva are among the founders of the Simon Wiesenthal Center. Bernie has also served on the boards of the Hillel Hebrew Academy, Rambam Torah Institute, and Judea Congregation.

Through their family owned business, they have constructed food service facilities for the Westwood Chabad House, Yeshiva Ohr Elchanon-Chabad, B'nai Akiva—Camp Moshava, Yeshiva University of Los Angeles, and Kfar Pines—Israel. The Raabs also financially support the National Conference of Synagogue Youth, Yeshiva University of Los Angeles, Bais Yaakov, Yeshiva Rav Isaacson, the Religious Zionist Association, and the Jewish Federation-Council of Greater Los Angeles.

By building Chabad House kitchens, the Raab's helped students and visitors study their heritage in a modern and comfortable atmosphere.

All of these projects were undertaken by the Raabs in order to perpetuate the names and memory of Mr. Raab's parents—Melech and Bluma Raab—and his brothers—Chaim Moshe and Avrohom Yaakov—who perished in the Holocaust.

Through their acts of tzedakah, they honor, preserve and protect the past; they create the present; and they ensure the future.●

THE ECONOMIC EQUITY ACT OF 1985

HON. JAMES J. FLORIO

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 14, 1985

● Mr. FLORIO. Mr. Speaker, I am pleased to join my colleagues, PATRICIA SCHROEDER and OLYMPIA SNOWE, as an original cosponsor of H.R. 2472, the Economic Equity Act of 1985. This comprehensive legislative package seeks to address several of the most basic forms of discrimination against women on the basis of their gender.

Increasingly, financial security is becoming a dream of the past for more and more women. The instability of the marketplace and the cuts in social services over the past 4 years have certainly contributed their share to decreased opportunities for women in the labor force and in the home. Discrimination on the basis of sex is rampant in the insurance industry, in the tax structure, in retirement security, in dependent care, and in employment. Currently, a woman earns 59 cents for every dollar a man will earn in the labor force.

The Economic Equity Act of 1985 includes legislation that will ensure economic equity for women by providing retirement security for women as workers and as divorced or surviving spouses. It would make quality dependent care available to all working families. It would improve health care coverage for displaced homemakers and provide for equal opportunity employment and pay equity for women. This package also proposes changes in our tax structure to treat women and low-income families more equitably.

I would like to call the attention of my colleagues to one particular component of the Economic Equity Act of 1985 which addresses the unfair discrimination of women in the insurance industry. As chairman of the House Energy and Commerce Subcommittee on Commerce, Transportation, and Tourism, I have had numerous opportunities to review the inequities present in common insurance policies because of gender-based rates.

Because insurance companies use sex-distinct actuarial tables and statistics to determine pricing and payment schemes in insurance coverage, the average American woman will end up paying $16,000 more in her lifetime than the average male for the typical forms of auto, medical, disability, life, and pension insurance coverage. Most frustrating of all, sex discrimination in insurance policies persists despite court cases indicating that it constitutes unfair discrimination. In September 1984, the Pennsylvania Supreme Court ruled that gender-based insurance rates rely on and perpetuate stereotypes and violate the State Equal Rights Amendment. Despite this ruling, the Pennsylvania insurance commissioner has declined to implement the decision and has opted instead to hold public hearings on the issue. The four States of North Carolina, Massachusetts, Hawaii, and Michigan have already implemented unisex auto rates with no disastrous consequences for consumers and no major marketplace disruptions. They are to be commended.

These are the facts: men over 25 years old drive, on the average, 30 percent more miles per year than women over 25. Men over 25 have 38 percent more accidents per year than women over 25. Despite this, women over 25 pay the same rates that men over 25 do. The women are, in effect, subsidizing the unsafe driving habits of the men that have this larger number of accidents.

Men over 25 years of age drive 87 percent more miles than women between the ages of 16 and 24. Men over 25 have 10 percent more accidents than women in the 16 to 24 age bracket. And yet, women in this age bracket pay more than men over 25.

Logic would indicate that insurance rates in the auto industry should be based on the driving record of the individual and the mileage performed. However, logic is replaced by discriminatory actuarial tables and statistics.

This Congress, I joined Energy and Commerce Committee Chairman JOHN DINGELL and Representative BARBARA MIKULSKI in introducing H.R. 1793, the Nondiscrimination in Insurance Act. This legislation prohibits discrimination in insurance on the basis of race, color, religion, national orgin, and sex. I am pleased to note that this legislation has been included in the 1985 Economic Equity Act.

Only when we begin to address the fundamental inequalities built into our economic system can we eradicate the practice of discrimination on the basis of gender. I am proud to be a cosponsor of this far-reaching legislation and urge the support of my colleagues in this effort.●

FISHERY RESOURCE CRISIS ON THE KLAMATH RIVER

HON. DOUGLAS H. BOSCO

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 14, 1985

● Mr. BOSCO. Mr. Speaker, today I am introducing legislation aimed at addressing the fishery resource crisis on the Klamath River in California. This measure is designed to take a comprehensive approach to the problem by authorizing both a $73 million river restoration program and the creation of a new harvest regulatory and enforcement authority on the Klamath River.

Last year Congress approved and President Reagan signed a $57 million fish and wildlife restoration program for the Trinity River, the major tributary to the Klamath River. Designed to help mitigate the serious effects of water diversions, inadequate erosion control, and other practices, the Trinity Fish and Wildlife Restoration Program when fully implemented should help restore much of the environmental and economic health of the Trinity River Basin. However, much work remains to be done in the entire Klamath River Basin—which includes the Trinity Basin—if the salmon and steelhead populations are to be restored to a level which can sustain a healthy in-river and ocean fishery.

The Klamath and Trinity Rivers provide fishery resources necessary for Indian subsistence and ceremonial purposes, as well as for ocean commercial harvest and recreational fishing. The health of many local economies is inextricably tied to the health of the basin's salmon and steelhead resources. Unfortunately, the Klamath-Trinity salmon and steelhead populations have declined by nearly 80 percent from optimum historic levels. In

fact, the total number of chinook salmon spawning in the Klamath system in 1984 dropped to an estimated 22,500 fish—less than 20 percent of the goal established by the Pacific Fishery Management Council.

The reasons behind this major decline are many. First, the construction and operation of dams, diversions, and hydroelectric projects as well as past mining, timber harvest practices, and roadbuilding have all contributed to a significant reduction in fishery habitat. In addition, ineffective management of the in-river Indian gill net fishery, inadequate enforcement of fishery harvest regulations, and overlapping Federal, State, and local jurisdictions have severely hampered efforts to conserve and enhance the rivers' fishery resources. Last year Indian gill net fishermen caught nearly one-half of the salmon attempting to make their way up river to spawn. In several important respects, the legislation that I am introducing today will, I believe, go a long way toward ameliorating many of these problems by recognizing that habitat restoration, and more effective harvest management and enforcement go hand in hand.

First, this legislation would establish a 20-year fisheries restoration program based on a recent plan prepared for the Bureau of Indian Affairs. Priority in hiring for the restoration work would be given to unemployed area Indians and ocean commercial fisherman.

Second, a new Klamath River Basin Fisheries Task Force would be established to oversee the restoration program and to develop a comprehensive management plan for in-river fisheries. The task force would have exclusive regulation of the Indian in-river net fishery while recommending in-river sport fishing regulations to the California Fish and Game Commission. The task force is also required to coordinate its actions with the Pacific Fishery Management Council to prevent overfishing.

Last, in order to strengthen and facilitate the enforcement of Klamath fishery harvest regulations, the Secretary of the Interior would be directed to enter into an agreement with the State of California establishing a more effective and responsive means for joint enforcement. The Bureau of Indian Affairs current enforcement role on the river would be eliminated.

Mr. Speaker, dwindling fishery habitat and ineffective management and enforcement of harvest regulations have created crisis resource conditions on the Klamath. This in turn has exacerbated tensions between the user groups and made agreement on possible solutions that much more difficult. I am convinced that only an immediate, comprehensive approach can reverse this trend and lead to a restoration of the Klamath's fishery resources. I believe that this legislation does this, and I urge my colleagues to pass it without delay.●

CLEAR COMMUNICATION

HON. JIM BATES

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 14, 1985

● Mr. BATES. Mr. Speaker, today I am introducing legislation to statutorily prohibit willful or malicious interference to radio communications or signals. This bill prohibits such interference by any person to any station or signal authorized under or by the act and authorizes the FCC to prevent continued interference. The bill clarifies and strengthens existing law.

Recently the Federal Communications Commission [FCC] has noted a significant increase in the number of complaints concerning willful or malicious interference to radio signals. Constituents in my district have experienced severe problems with willful and malicious interference. Just one individual can prevent effective communication by many other persons wishing to use a channel.

This willful interference to authorized communications is not only annoying to radio operators, it can be very dangerous: a call to an ambulance may not be received because of interference on the line, or the pilot of a plane may not receive necessary instructions for landing at a crowded airport.

Existing communications law must be clarified and strengthened so that such interference can be stopped in a timely fashion and properly penalized. For that reason, I have introduced legislation to prohibit such willful and malicious interference to radio communications or signals. This bill is supported by the Federal Communications Commission and the American Radio Relay League. Senator BARRY GOLDWATER has introduced similar legislation in the Senate, S. 66.

This bill is desirable because the present law is not comprehensive or clear. Although section 303(m)(1)(E) of the Communications Act appears to prohibit willful or malicious interference, it may only apply to FCC licensees and only authorize suspension of an operator's license. Therefore, my introduction of this bill is not to be interpreted as evidence that such activities are not now prohibited under domestic law. The purpose of this bill simply is to clarify and strengthen existing law because even a little uncertainty inhibits the desirable protective effect of a clear prohibition.

Mr. Speaker, I think the enactment of this bill also would substantially assist the Commission in curtailing willful and malicious interference by elevating such activity to a criminal offense.

Section 1 of this bill assigns this criminal penalty to any person willfully and maliciously interfering with any radio communication or any station licensed or authorized by or under this act or operated by the U.S. Government. In the event that a licensed or authorized station were interfering with a pirate station or a signal from a foreign country, the licensed or authorized domestic station would not be subject to prosecution under this section.

Section 2 of this bill is merely a technical amendment to correct a section number of the Communications Act. It would renumber one of two identically numbered sections passed 2 years ago.

Mr. Speaker, let me say that I hope that word of this legislation and its passage will be sufficient to convince those that engage in these objectionable activities to cease doing so. Otherwise, I expect the FCC to use these provisions aggressively to eliminate the increasing number of willful and malicious interference problems which are seriously impairing effective communications.●

SCHOOL INTEGRATION IN BUFFALO IS HAILED AS A MODEL FOR THE UNITED STATES

HON. HENRY J. NOWAK

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 14, 1985

● Mr. NOWAK. Mr. Speaker, last year Congress enacted and the President signed legislation providing for a modified Emergency School Aid Act continuation. This program had proven invaluable in aiding local schools districts struggling to conform to court-ordered integration with limited local resources.

Although $75 million was appropriated last fall for the Magnet Schools Program under this act, the Department of Education has been dragging its heels on providing these much-needed funds to qualifying school districts. After considerable congressional pressure, DOE just this month began mailing forms to applicants, and still has not issued final regulations.

Magnet schools have been demonstrated to be one of the most effective tools available in achieving the twin goals of school desegregation and excellence in education. Schools like those in Buffalo, NY, are cited as models for the magnet school concept, yet they are suffering from the lack of Federal support to implement Federal policies.

The Department of Education should end this delay promptly, and

distribute the funds that have commanded bipartisan support. The following article from the New York Times of May 13, 1985, describes the merits of the program in Buffalo.

SCHOOL INTEGRATION IN BUFFALO IS HAILED AS A MODEL FOR UNITED STATES

(By Michael Winerip)

BUFFALO.—Four years after a Federal judge ordered forced busing, the Buffalo public schools have come to be considered a national model of integration.

Moreover, educators say, the schools here are the better for integration.

"The best thing that's happened to Buffalo is court-ordered desegregation," said the Superintendent of Schools, Eugene Reville. "We've restored confidence in Buffalo public schools."

Of the 531 school desegregation programs that James Barnes has been involved with as director of the Hartford-based National Education Strategy Center, Buffalo, he said, "is right at the top, right at the very top."

Integration has worked, national educators said, because parents and teachers received a major role in designing the city's 22 magnet schools; because millions of dollars in extra Federal funds were available to make the magnet schools special, and because a Federal judge brandished a court order that kept things moving.

School officials sold integration in Buffalo, which is about 40 percent black, by promising a better school waiting for children at the end of the bus ride.

They spent tens of millions of dollars creating 43 full-day prekindergarten programs that hooked many parents on public schools early. And they set up magnet schools reflecting virtually every philosophy in education, from the progressive to the traditional.

The "velvet steamroller" is how it is described here, where school officials have crafted a system of magnet schools so appealing that of the 30,000 students who were bused four years ago, only 15 percent had to be ordered onto buses by the Federal judge. Nearly one of every three Buffalo schools is a magnet school.

The magnet-school idea was first tried in this country in the late 1960's to ease desegregation in Detroit. The goal was to create schools so special that students would be pulled—as if by magnets—from all parts of the city, even if it meant riding a bus.

Magnet schools have always worked best where there is the threat of court-ordered busing, said Gordon Foster, director of the Miami Desegregation Center, a nonprofit federally financed institute. "Buffalo's a prime example," he said.

Judge John T. Curtin of Federal District Court, who has presided over the integration case, said: "I'm distressed by people who make statements nationally that integration doesn't work. It does work. It's plain wrong to say it won't. It's worked in Buffalo."

Integration was a long time coming here. Twenty years ago the New York Commissioner of Education made the first of many unsuccessful attempts by the state to persuade the schools to desegregate.

Nine years ago, after black leaders filed a Federal suit, Judge Curtin stepped in and issued his first desegregation order; eventually there would be four. In the first phase, magnet schools were opened; in the last, the judge ordered busing to complete the integration.

And there are still some problems: Federal and local cuts in funds threaten magnet programs; teachers at nonmagnet schools complain that their programs are neglected, and a few of the city's 75 schools remain segregated.

IMPROVEMENTS IN SYSTEM SERVE AS MODEL FOR OTHERS

Today everyone, from the black leaders who filed the Federal suit to white parents who swore their children would never ride a bus, agrees the results are impressive.

Test scores are up. While in 1976 the average Buffalo third grader scored at the 45th percentile in mathematics on the state pupil evaluation test, the average score five years later was at the 69th percentile.

And this year Buffalo has the only educational system in New York with two schools on the State Education Commissioner's list of 20 top secondary schools. One of those Buffalo schools, is the science magnet, or the Zoo School, which, no matter how it sounds, is unique—a school at the Buffalo zoo with a curriculum built around zoo animals.

Several months ago two dozen Japanese educators flew to Buffalo to see how such magnet schools work, and they were followed last month by a dozen superintendents from southern school districts.

A few weeks ago, when a United States Justice Department lawyer involved in the prolonged school desegregation suit in Yonkers was looking for programs that might work there, he visited Buffalo.

Each year for the last five years, 300 to 400 white children have left private and parochial schools here to attend integrated public schools.

Those children have helped balance a slight growth in the city's black population. When Judge Curtin intervened nine years ago, the schools were 43 percent black; now they are 47 percent black. Integration has not caused the dramatic white flight experienced in other cities.

These days Buffalo school officials say their biggest worry is not protests about busing or racial conflict, but fighting the fund cuts that threaten magnet-school programs.

In 1981 Buffalo received $7.4 million in Federal desegregation funds, the most of each student of any system in the country. But that dropped to $950,000 the next year, with Reagan Administration budget cuts, and while the state has increased desegregation aid to Buffalo, it is still well below the 1981 level.

APPEAL OF MAGNET SCHOOLS STARTS WITH THEIR VARIETY

Variety has made the magnet schools work. Buffalo now has the largest public Montessori school in the country, and it has Traditional High, where there is mandatory nightly homework and a dress code (shirts with collars for boys, no earrings for boys, and no jogging suits for boys or girls).

Nor did Buffalo limit its magnet schools to the academic elite. Admission to the Zoo School is by lottery; 70 percent of the zoo students are considered poor and get federally subsidized lunches.

Officials took East High School, an all-black inner-city school once considered among Buffalo's most troubled and spent $4 million turning it into the Buffalo Vocational-Technical Center, which today is an integrated school with a long waiting list.

When Denise O'Mara, a white high-school junior from the Irish section of town, heard she would be riding a bus to Voc-Tech, she was delighted—it meant she had been accepted to the word-processing computer course she wanted so badly. She does not remember the time in the late 1970's when there were no whites in the school.

But the principal, Bill Bennett, remembers. "This will only continue if we can keep our equipment up to date," he said, "You can't update unless you have bread. Money is everything, everything is money."

Judge Curtin remembers, too, and is openly critical of the Reagan Administration's recent attempts to block Federal funding for magnet programs. Last year Congress appropriated $225 million for magnet schools, but the money has not been allocated by the Federal Department of Education.

Last week Senators Daniel Patrick Moynihan, a Democrat from New York, and Orrin G. Hatch, a Republican from Utah, led a bipartisan protest that helped to get the application process for those funds going. But when the money will be available remains unclear, according to a spokesman for Senator Moynihan.

"Of course it's discouraging," Judge Curtin said in an interview in his chambers. "It could be a terribly disastrous thing."

The schools have been a bright spot for a city—New York State's second largest—that has had more than its share of troubles. Since the closing of the Bethlehem and Republic steel plants in the late 1970's, unemployment has been high, and many of those who could afford to left the area.

The population is 325,000 today, half what it was in the 1950's. And of the five largest cities in New York State, Buffalo has the highest percentage of people below the poverty level—$10,610 in yearly income for a family of four. Even with the extra desegregation aid, the spending for each pupil here is about 15 percent below the state average.

"In a community like ours, we've had a number of setbacks," Judge Curtin said. "The one thing I'm convinced, the school system is much better than 10 years ago or 20 years ago."

SMALL VICTORIES WON IN SCHOOLS AND AT HOME

It was the power of the magnet schools that converted Carol Holz from a leader of the South Buffalo Antibusers 10 years ago to an enthusiastic supporter of integration today.

For the longest time, Mrs. Holz said, she had prayed to St. Jude—the Roman Catholic patron saint of impossible causes—asking that her children never be bused out of their Irish working-class neighborhood. She and her husband, Dick, went to hundreds of meetings and promised trouble if their children were bused into black innercity and East Side neighborhoods.

And then one day several years ago, she said, one of her sons came home and told her about a new magnet school he wanted to attend. "It was devastating," Mrs. Holz said. "Here I was opposing busing, because I was trying to do what's best for my kids, and they were telling me something different."

In time, she said, she was willing to give the magnet schools a try, but she still had a problem: "My problem was 'How will I tell Dick?' "

The day she broke the news to her husband, a steelworker, sitting right in the room with them, giving moral support, was the associate superintendent of schools, Joseph Murray.

"Dick said, 'We'll try it, but if one thing happens to my kids. . . .' " Mrs. Holz recalled.

Mr. Murray knew how important this little husband-wife talk was for Buffalo. "Carol Holz was a big win," he said.

Mrs. Holz's son went from an all white neighborhood school in South Buffalo with 30 in a class to an integrated inner-city magnet school with 18 in a class.

"He was getting hot lunches," she said. "We never had that in South Buffalo. There were brand-new books and materials—and a library you wouldn't believe."

School officials acknowledge that the court order gave them extra money and a built-in political excuse to modernize an aging, deteriorating system.

The general school-age population was shrinking in Buffalo—as it has been nationally—and two dozen old neighborhood schools needed to be closed. That would have caused political turmoil even without integration.

"This way," Judge Curtin said, "they pointed to the judge and said, 'He's a tyrant; he's making us do it.' "

In remaking their schools, leaders picked and chose among innovative methods that had proved successful elsewhere.

In 1980 the Early Childhood Centers opened, for children too young for kindergarten through second grade. These schools used new screening, reading and math programs suggested by the Federal Education Department—programs tried in Peotone, Ill.; Mobile, Ala., and Boulder, Colo. For each teacher at the centers, an aide was provided.

There have been successes never anticipated. Of the 186 kindergarten pupils this year at Early Childhood Center 54, for example, all but 21 are reading. "It wasn't our intention to teach kindergarten kids to read," said the principal, William Fairlie, "but as a result of them being here in the new pre-K program, we saw they were ready."

Parents here can now go shopping for a school to suit their child's temperament. Nicole Skorka, a fifth grader, started at the Montessori school, where children are encouraged to develop at their own pace and to rove the halls freely and play on the floors.

This was the wrong place for Nicole, and she was miserable. She has since transferred to Campus East, another magnet school, where discipline and basics are the law. "Oh, this school is good," Nicole said. "All you do is sit in your seat and work."

Teachers, too, welcomed the magnet-school program. sudenly they were being asked to create new courses to attract students.

Joe Carden had first tried to set up an advanced computer-accounting program 22 years ago, but not until the Buffalo Voc-Tech magnet school opened five years ago did he get the go-ahead. "If it wasn't for integration," Mr. Carden said, "I wouldn't have supplies, I wouldn't have equipment, I wouldn't have the motivated students."

In the first year of his business course, he now teaches what used to take two years.

Like the students, teachers apply to schools that suit their philosophies. A mathematics teach, Mark J. Walter, who likes a structured setting, switched from a regular city high school to Buffalo Traditional five years ago. "I'm on safer ground here," he said, "just like the kids—they know what's expected and so do I."

At Buffalo Traditional he advises the math team and engineering club. At his previous school he was not involved in after-school clubs.

None of this is to say there are no problems. Though Buffalo has a higher proportion of magnet schools than most places, many students and teachers still find that the magnet schools they want are filled. This year 10,000 students applied for 2,200 openings.

Teachers at nonmagnet schools complain that their schools suffer to make the magnet schools shine. "The magnet programs are the finest anywhere," said the president of the Buffalo teachers union, Philip Rumore, "but it's time to stop creating new magnets and start building up neighborhood schools."

Many students wind up at city schools like Kensington High because they were not accepted into a magnet program. The school, which is two-thirds minority, has had difficulty attracting whites. "Sometimes students come here feeling they're the rejects," said Mary Grace Demarse, a guidance director.

Also, since the Federal cuts, school leaders and the Mayor, James Griffin, have fought over appropriating extra money for integration. Two years ago Judge Curtin ordered the city to give the schools an extra $7 million, and a request from school officials for $30 million more is before him.

School officials and the judge find that keeping the system racially balanced takes constant tinkering. The judge's order says the schools must be between 30 and 65 percent minority, and every year school officials add what they call "mini-magnet" programs to adjust the racial balance.

"Pleased?" said Judge Curtin. "Yes, but the school system is like most things in life; it calls for attention all the time. People want instant results. For heaven's sakes, it takes a while."

Though he still has jurisdiction in the case, the judge has not been yelled at by parents in a long time. They used to go to his home, write him notes and phone him in the middle of the night.

In the South Buffalo section, where the judge grew up, they called him the "little fool" for some time—he is not very tall. "But you don't hear that much any more," Mrs. Holz said. "I'd say people respect him now."

Occasionally someone even thanks the judge. Once in a while school children invite him for a visit or send him a gift. The Futures Academy magnet school, a career-oriented program, gave him the key to the school. The children at Early Childhood Center 90 made a bright yellow piggy bank for him. Both schools, once all black, are now integrated.

The judge said he found these school visits "a very moving experience."●

SENATOR J. WILLIAM FULBRIGHT

HON. BILL ALEXANDER

OF ARKANSAS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 14, 1985

● Mr. ALEXANDER. Mr. Speaker, Senator J. William Fulbright's distinguished career in Congress spanned an era of 32 years in which the Arkansas statesman won a reputation as one of the great foreign policy analysts in the history of the American Republic. His congressional career began in 1942 with an election to the House of Representatives and after serving one term in the House he was elected in 1944 to the Senate where he served for 30 years. Fulbright acquired fame while still a freshman Congressman in 1943 when he sponsored the Fulbright resolution which stated that the House supported the creation of and American participation in a future U.N. organization. The administration of Franklin Delano Roosevelt supported the Fulbright resolution in 1943 and when the United States adopted the U.N. Charter in 1945, President Harry S. Truman observed that the House had played an important role in the charter's creation through its passage of the Fulbright resolution. That resolution earned for Fulbright recognition as one of the founders of the United Nations.

In 1946, Fulbright fashioned another historic achievement by sponsoring legislation that established the Fulbright scholarship exchange program. Over the decades, the Fulbright scholarship program has led to the movement of tens of thousands of scholars across the Earth and contributed to mutual understanding between the United States and the more than 100 countries that took part in the program and promoted scholarly pursuits throughout most of the world. The program was based upon the premise in Fulbright's words. "That America has much to teach in the world but it also has much to learn and that the greater our intellectual involvement in the world beyond our frontiers the greater the gain for both America and the world." That premise blossomed into a program that has been praised by the State Department as "the most fabulously profitable investment ever authorized by Congress." President John F. Kennedy delivered the most memorable accolade to the program which he lauded as "the classic modern example of beating swords into plow shares."

Throughout the fifties, sixties, and seventies, Fulbright appealed for moderation and realism in U.S. foreign policy and opposed the most rigid and extreme forms of anticommunism in the United States. The Arkansan was one of the few American leaders who opposed the demogogical witch hunts of Joe McCarthy from the beginning of McCarthy's tirades in the early 1950's. In February 1954, Fulbright cast a lone dissenting vote against the appropriations for McCarthy's Permanent Investigations Subcommittee while 85 Senators supported McCarthy. The Arkansas Senator maintained throughout the early 1950's that McCarthy was vilifying many State Department officials and other eminent Americans by his unfounded accusations that they were Communists or Communist sympathizers. In Fulbright's view, McCarthyism was poi-

soning the Nation's intellectual atmosphere and stifling the spirit of free and critical inquiry. Fulbright played an indispensible role in eventually persuading his colleagues to censure McCarthy in December 1954. In retrospect, scholars, journalists and Members of Congress alike have commended Fulbright's resistance to McCarthyism as one of the great acts of political courage in American history.

From 1959 to 1974, Fulbright was chairman of the Senate Foreign Relations Committee—the longest chairmanship over that prestigious committee in the annals of the U.S. Senate.

Fulbright's plea for moderation and his opposition to extreme anticommunism culminated in his dissent against the U.S. intervention in the Vietnamese civil war. Although Fulbright did not oppose American involvement in Vietnam in its early stages; he was flexible enough to admit error and change his position, and he eventually became one of the most celebrated critics of the war. As chairman of the Foreign Relations Committee, he conducted a series of widely publicized hearings on the southeast Asian conflict beginning with the Vietnam hearings in 1966. Throughout the late sixties and early seventies, Fulbright exerted a crucial influence in marshaling the forces of public opinion against the war. During the war, as well as afterward, Fulbright urged Americans to realize that there were several principal lessons that the Nation should have learned from its tragic involvement in Vietnam. One of those lessons was that the United States should never intervene in regions such as Southeast Asia where no vital American interests are threatened. Another lesson was that America should avoid going to war in support of corrupt, unpopular and authoritarian regimes such as that in South Vietnam. The Senator further contended that the war was inflicting grave damage upon America's domestic life, fueling a skyrocketing inflation rate and devouring funds that could have been channeled into social programs at home. A final lesson was Fulbright's repudiation of the cold warriors notion that China, North Vietnam and all Communist states were part of a monolithic conspiracy to conquer not only South Vietnam but the world. The Senator argued that in reality China was not a malevolent aggressor nation and the improvement in Sino-American relations since that time has confirmed the accuracy of Fulbright's view. Fulbright was one of the driving forces in the passage of the 1972 War Powers Act which was intended to prevent future Vietnams by prohibiting unauthorized Presidential use of the Armed Forces for 60-day periods except in certain emergency conditions. During the Johnson and Nixon administrations many Americans came to see the wisdom in Fulbright's ideas, and in 1973 Fulbright and his allies in Congress succeeded in cutting off the funds for the Nixon administration's bombing of Cambodia thus ending the last phase of the U.S. military intervention and finally extracating America from the quagmire of southeast Asia.

Throughout the sixties and seventies Fulbright supported détente with the great Communist powers and opposed military adventurism in the Third World. In 1963 he guided the nuclear test ban treaty through the Senate and in the early 1970's he was one of the champions of the SALT I treaty with the U.S.S.R. and of the normalization of American relations with China. In his role as elder statesman in more recent years he has warned the country against the dangers in military expeditions in Lebanon and Central America and in continuing escalation of the Soviet-American arms race. He has consistently advocated amelioration of relations with the Soviet Union maintaining that the arms race leads to massive defense expenditures that are devastating the economy's of both super powers and that Soviet American animosities will lead only to the proliferation of nuclear weapons that cannot be defended against and that possess the power to destroy civilization on this planet. In his fundamental contributions to American foreign policy Fulbright has been recognized by Walter Lippman, John Kenneth Galbraith, John F. Kennedy, Martin Luther King and many other statesmen as one of the world's premier advocates for international understanding and peace.

The great statemanship of Senator Fulbright is recalled in a recent book entitled J. William Fulbright and America's Lost Crusade: Fulbright's Opposition to the Vietnam War, written by Lee Powell and published by Rose Publishing Co., Little Rock, AR.●

THE 50TH ANNIVERSARY OF REA

HON. LEE H. HAMILTON

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Monday, May 13, 1985

● Mr. HAMILTON. Mr. Speaker, I rise to commend the efforts over the past 50 years of the Rural Electrification Administration, an agency which has been at the forefront of rural economic development since it was created by President Roosevelt on May 11, 1935.

No group has contributed more to rural development, improving the lives of rural members and making their communities more attractive to business and industry, than the REA and the State and local cooperatives.

Fifty years ago the Indiana Rural Electric Membership Act was signed into law by Gov. Paul V. McNutt. Since then, Hoosier REMC's have covered 99 percent of the State's rural areas with central station power, 323,000 Hoosiers are REMC members.

The officers and members of rural electric cooperatives in Indiana rarely limit their public service to supplying electricity. They are community leaders, working in their spare time for the advancement of the community. It has been a singular privilege for me to join with members of the Indiana REMC's in working to make Indiana a better place to live. The history of rural electrification is a story of both individual achievement and collective effort. It is a peculiarly American story, people working together with their co-believers in a common enterprise for the common good.

Happy anniversary and future success to REA and rural electrification.●

LET ACTRESSES BE ACTRESSES; LET REAGAN BE REAGAN

HON. JACK FIELDS

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 14, 1985

● Mr. FIELDS. Mr. Speaker, many Democrats in this Chamber have transformed criticizing President Reagan's "Hollywood extravaganza" White House style into a cottage industry. But some of those same Democrats found it necessary recently to consult Jane Fonda, Sissy Spacek, and Jessica Lange on their views on national agricultural policy.

Mr. Speaker, while Ms. Fonda may fancy herself as an expert in the fields of foreign policy, nuclear disarmament, economic collectivism and, now, agriculture, I find it difficult to take her seriously on any subject other than aerobics and the effective use of North Vietnamese antiaircraft guns. And I question whether or not Ms. Spacek and Ms. Lange have much more knowledge than Ms. Fonda on the direction our Nation's agricultural policy should take.

That's why I want to include an editorial from the May 8 Houston Chronicle here in the CONGRESSIONAL RECORD. The editorial concludes:

> But surely somewhere out there in farmland there must be three women who operate farms, or three wives of farmers, who could testify first hand on farm policies. Their words would have to be taken seriously. We would know they weren't playacting.

Democrats in this Chamber interested in attacking President Reagan's farm policies solely for partisan, political purposes have, as the Houston

Chronicle correctly observes, taken "a step back from reality."

Thank you, Mr. Speaker.

A STEP BACK FROM REALITY

A hearing in the House this week took one step back from reality.

The topic was the plight faced by America's farmers. The target was President Reagan's farm policy.

To testify on the subject, the congressmen heard from three women. Not three farmers' wives who are beset by adversity. But three actresses who have played the role of farm wives beset by adversity.

Jessica Lange, Jane Fonda and Sissy Spacek appeared, attracting a throng of photographers and reporters. Ms. Lange shed tears. Ms. Fonda said Reagan was subsiding defense contractors instead of farmers. Ms. Spacek, who at least lives on a farm, said the solid core of our agriculture is threatened.

All fine and dandy. But surely somewhere out there in farmland there must be three women who operate farms, or three wives of farmers, who could testify first hand on farm policies. Their words would have to be taken seriously. We would know they weren't playacting.●

THE LEAGUERS OF NEWARK

HON. PETER W. RODINO, JR.

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 14, 1985

● Mr. RODINO. Mr. Speaker, I would like to call my colleagues' attention to an article which appeared in Sunday's Newark Star-Ledger about an organization in Newark called "The Leaguers."

Under the inspirational leadership of Dr. Reynold and Mary Burch, The Leaguers have given hope and guidance to young people in Newark for the past 40 years. They have provided educational and cultural opportunities, and set goals for young people, encouraging them to be the best they can possibly be.

I have had the privilege of knowing the Burches for many years, and have the deepest admiration for this truly remakable couple. In addition, The Leaguers have been fortunate in attracting many outstanding people to offer their time and energy to the organization, such as Executive Director Sheila Oliver and President Everett Jennings.

Mr. Speaker, this article sums up the way many of us in the Newark area feel about The Leaguers. I am very proud to share it with my colleagues.

The article follows:

[From the Sunday's Newark Star-Ledger, May 12, 1985]

THE LEAGUERS BRING HOPE, GUIDANCE TO NEWARK YOUTHS FOR 4 DECADES

(By Edna M. Bailey)

There are many ways to tell the tale of The Leaguers.

Established in 1946, the group has often been called the best kept secret in Newark although its alumni includes lawyers, judges, entertainers, educators, physicans, elected officials and professionals from every field.

The group has always had an educational thrust. According to its founder, Mary Burch, education quickly became a priority because "at the time, we were very concerned because not too many (blacks) students were graduating from high school.

"And even though the opportunities weren't there for them in 1946, we preached 'Go to college, and get prepared so that when the opportunity comes you will be ready to step into it,'" she recalled.

She quickly explained that she believes "The Leaguers cannot be responsible for all the good, or bad, that has happened to them. But we are responsible for them learning to be responsible for themselves."

At the Leaguers' headquarters on Clinton Avenue, an alcove above the second floor stairwell is adorned with plaques and certificates of appreciation, inscribed with such words as selfless, dedication, sacrifice, teacher, leader and "in pursuit of." These citations are dedicated to Mary and Dr. Reynold Burch.

Next year this organization, which has committed itself to the cultural and social enrichment of youths in the greater Newark area, will have been around for 40 years.

Four decades affords much time to shape the thinking and lifestyles of young people. In Newark and New Jersey, it appears as though former Leaguers are everywhere, and they all have a tale to tell.

"Other than the church, there were very few role models for young black people," explained Newark South Ward Councilman Donald Payne, a former Leaguers' officer. "There weren't even any black professional athletes. They were just beginning to break the color barrier.

"But The Leaguers brought us to a higher level. It told us we were somebody, just like Jesse Jackson is trying to do today.

"Mrs. Burch was really ahead of her time. She took us to the Statehouse in 1949, and we attended the swearing-in of the mayor (of Newark) in 1953," he added. "These things simply weren't 'normal' for black teenagers in the city of Newark."

There are many people who cannot tell you anything about the educational and cultural objectives of The Leaguers, but it would be difficult, if not impossible, to find someone who cannot tell you about its cotillions.

Initiated in 1951, The Leaguers Debutante Cotillion Ball for high school seniors was as much a part of Newark as Broad Street. It has also been misunderstood throughout the years.

As the organization enters its 40th year, it has managed to retain its philosophy, aimed at addressing the educational and social development of youth.

The 1985 version of The Leaguers, headed by Executive Director Sheila Oliver, is slightly different from the one that took root in the late '40s and early '50s.

Many of the earlier activities were privately funded and staffed by volunteers, and although the organization still receives private donations, today many of its programs are made possible through philanthropic foundations such as the Victoria and Turrell funds.

The Leaguers operates nine social service programs, some of which are funded by the State Division of Youth and Family Services, Essex County, United Way and the U.S. Department of Health and Human Services.

The group has come a long way since the time when Mrs. Burch would meet with youngsters in her living room.

According to the executive director, the annual operating budget of The Leaguers is $950,000. Within the next few months, several of the programs housed in the two-story building at 750 Clinton Ave. will be moved across the street to an annex.

The converted former supermarket will house an auditorium for community meetings and the performing arts, as well as classrooms for The Leaguers' After School Program, which is basically a tutorial service.

It also offers a Social Adjustment Program, which, according to Oliver, is a prototype of the original Leaguers' group.

"The Social Adjustment Program recruits high school age students to engage them in career guidance and employment planning activities. We also involve them in civic awareness and field trips to broaden their horizons and make them aware of communities outside of their own."

"The Leaguers were sort of a finishing school for us," said James Moore, principal of Newark's University High School.

"We were introduced to cultural activities that in many instances were closed to us because of economics, or exposure."

Many former Leaguers speak fondly of an exchange program that was set up with a similiar youth enrichment group in Philadelphia, Burch's hometown.

"Going to Philadelphia to stay with other people like us was really the first time I had an opportunity to stay in another town," said Payne. "It was a highlight that I remember well."

James Spellman, who joined The Leaguers in 1958, recalls that "at the time, you just didn't realize the importance of education. But Mrs. Burch instilled in us to never give up, and to shoot for your highest goals, and that if you persevere you can be nothing but successful."

"When I listened to lectures as a Leaguer, I never thought I would travel around the world several times," said the vice president of a security firm and president of Newark's Penn Station Committee. "I always remembered the things she instilled in me, and it helped."

The Leaguers have attempted to build solid human foundations for 40 years.

"The reason for success?" asked Everett Jennings, who heads the group's 25-member board of trustees.

"Mary and Buster Burch. Make no mistake about it. They are the anchor to the stability of The Leaguers. They have dispelled any doubt in the minds of the business community. They (donors) know the money will be spent well."

The Burchs know a lot about spending money, especially when it comes to The Leaguers.

"The only reason Dr. Burch is not a millionaire is because he put his money into this organization," said Jennings, "He could have just as easily invested in stocks and bonds."

Stocks and bonds, however, do not make you feel like "the grandfather of half the city of Newark," as Dr. Burch does. "So many youngsters knew me, I felt like a grandfather when I was much younger."

In the early '50s, Dr. Burch purchased the current site of The Leaguers to establish a comprehensive professional building for black physicians and dentists.

One day, at 3 in morning, after having just delivered a baby, Dr. Burch spotted the

building, and inquired about it with the intention of purchasing it for professional use. But "Mary stole it.," he joked.

"At that time, they were always getting kicked out of places because of the sheer numbers," he explained.

In a short time, The Leaguers grew from a small group of youngsters eating ice cream in the Burchs' home to a bonafide organization meeting in schools and eventually its own headquarters.

Although it has been perceived by some as an elitist group, those who participated argue against that concept.

Sesser Peoples, a trainer for special education instructors in the Newark public school system, prides himself on being "an original Leaguer."

"The question of elitism is an interesting phenomenon," he said. "At the time when some of us were living in the projects in Newark, we didn't even know we were poor. I think the element of elitism came about when people saw some of the projects we were involved in.

"Who ever heard of kids from the projects getting dressed up in gowns and tuxedoes and going to a cotillion at the Robert Treat?" he asked. "It was a big thing, especially at a time when many people didn't even know what a cotillion was."

Payne recalls the event as "very interesting because at the time going downtown in the city of Newark was like going to the East Side of Manhattan. Just having an occasion to wear a tuxedo to was kind of impressive."

The cotillion still remains the organization's main fund-raising event, and an opportunity to honor deserving students with scholarships.

"As students, we were never encouraged to attend college," said Peoples. "But at The Leaguers we were able to see the possibilities."

Moore, who "wasn't one of the originals, but I was real close," remembers the "constant interaction with college people, and Dr. and 'Ma' Burch's colleagues and friends."

"Under normal circumstances, you wouldn't have been interacting with these people. I imagine there was a certain bourgoise attitude that existed," he said, "but I was part of it, and I don't see it as negative, but as a positive boot strap situation. It was a goal. Something to strive for. It was important to many of us to become Leaguers.

"In my case, it meant finding a new set of friends," he recalled. "My running partners became Leaguers. And today, we are constantly interacting with each other, socially and professionally."

Mrs. Burch said she always wanted to change the concept that the group was and is "just a cotillion."

In addressing the social and economic schisms within the black community in the '40s and '50s, Mrs. Burch prefers to remember the group as one that crossed lines.

"Differences," she said, "were never mentioned.

"Together they built up an organization. They understood each other better, and had more tolerance for each other," she said. "They married."

According to Dr. Burch, The Leaguers began because "we wanted to create an appreciation for the arts, education and a spirit of camaraderie."

"It was fascinating to us to watch what was happening to these youngsters who had some guidance," he said.

"The Leaguers was like a finishing school to us," said Moore. "Not that my parents weren't interested. It was just that they were limited in their own education. As youngsters, we came back week, after week, after week."

Peoples, a member of The Leaguers' alumni group, explained that former members have "reached a point where we are saying, 'Let's give something back.' The Leaguers was an opportunity at the time to broaden our perspective and our horizons about what the possibilities were for the future."

Payne added: "The Newark school system was good, and we were in the system, so we were privileged to have a good education, but guidance counselors would place black students in general and vocational courses."

"In a paternalistic way, the guidance counselors actually thought they were doing us a favor leading us to vocations because we couldn't afford to go to college," he said. "They believed there was no sense in preparing. But Mrs. Burch would counsel us and say, 'Take the CP courses, and when the time comes we'll find a way.'"●

A RECESSION WARNING

HON. JACK F. KEMP

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 14, 1985

● Mr. KEMP. Mr. Speaker, is the Fed engineering another recession? Economics columnist Warren Brookes warns in a recent Washington Times article that the Federal Reserve Board's stringent monetary policy, if continued, threatens to cripple the economic expansion and raise unemployment.

Many justify the tight monetary policy to keep inflation under wraps. But, as Brookes points out, it is actually causing inflation to sharply rise—by 5.2 percent in the first quarter—because stringent monetary policy is choking down production and productivity. The major problem is that the Fed considers growth to be inflationary, so it tightens up every time the economy shows vibrant growth.

The really distressing implication of Brookes' article is that Congress currently shows little understanding of this clear and present threat to our economy. Congress is fixated on the budget, almost oblivious to the fact that the Fed is endangering the economy, jobs, and price stability.

Ironically, this single-minded focus on the budget deficit may actually thwart our best hopes of getting the deficit down to its lowest level. The near stagnant economy of the last three quarters will sharply increase our budget deficit projections by lowering production, profits, and wages. Indeed, a balanced budget is just impossible, no matter how much Congress cuts the defense budget, except with a strong and sustained expansion accompanied by lower interest rates.

I commend this article to my colleagues. Warren Brookes is clearly sounding an important warning to Congress, the President, and the Fed: Relax monetary policy to stabilize prices, stop the deflation, and permit the economy to grow. Mr. Volcker, are you listening?

IS STAGFLATION TAKING SHAPE?

(By Warren T. Brookes)

More than a year ago, this column began warning, repeatedly, that the Federal Reserve's excessive tight-money policy would not only stop the strong recovery, but actually make inflation worse by reducing productivity and raising unit labor costs.

The economic news of the last few weeks has completely vindicated that warning. As a direct result of zero monetary (M-1) growth from May to November 1984, the first quarter of 1985 came very close to zero GHP growth: 1.3 percent.

What stunned everyone—including those in the Federal Reserve bureaucracy—is that GNP inflation in the first quarter soared to 5.2 percent, even as commodity prices were falling.

The April 25 release on the productivity and unit labor costs for the first quarter revealed the reason for this. The reason? Because the Fed has choked down production, total productivity dropped 1.2 percent, the sharpest decline since '82.

That, in turn, drove unit labor costs up a whopping 7.3 percent, the worst figure since early 1982. This was a clear threat to both future inflation and to the heretofore booming job market, as the spread between labor costs and final sales suddenly turned 5 points negative (costs exceeding sales), compared with 6 points positive over the previous eight quarters.

This brought a front-page outcry from Vice Chairman Preston Martin, President Reagan's only confirmed appointee to the Carter administration-dominated Federal Reserve Board, that the central bank's own policies were threatening a "growth recession."

Mr. Martin is the only board member who correctly and consistently warned the nation in 1984 of what the Fed was doing to stop economic recovery, with its mindless pursuit of tighter money, even as commodity prices were falling.

The only thing that staved off the current GNP drop-off was the 1983-'84 average 3 percent growth in productivity, and low labor costs which fueled the huge 9 million-job boom from December 1982 to April 1985, and which was created nearly 2 million new jobs just since October.

That strong job growth led several economists to believe the weak first-quarter GNP report was wrong, particularly since the GNP inflation figure was a full point above the actual Consumer Price Index figure for the quarter and 5 points above the Producer Price Index.

If that GNP inflation figure is revised downward by 1 or 2 points, as some say is likely, the real GNP for the quarter would be revised upward to 3 percent. Such corrections are frequent.

For example, in January 1982, it was reported that the third quarter of 1981 registered only 1.4 percent growth rate. A year later this had been revised to 2.2, and by January 1984 to 3.6—a 157 percent upward revision.

In January 1984, it was reported that in the fourth quarter of 1983 it rose only 3.5 percent, "a sharp slowing from the previous two quarters." But, by January 1985 that 1983 fourth quarter was "revised" to 5.9 per-

cent, a 69 percent upward revision, while the first quarter 1983 figure was jumped from 0.6 to 3.3 percent.

Ironically, the (possibly misleadingly) sluggish GNP report may have been just what the administration needed to keep the Fed from slamming on the credit brakes again, as they have done so often.

Instead, the Fed suddenly allowed short-term rates to fall 100 basis points, to the 7.5 percent level last month—causing one of the best forecasters, H.C. Wainwright Co., to predict a very strong 5 percent growth for '86.

That view is essentially supported by a "model" issued by economists Vedder and Gallaway of the Joint Economic Committee of Congress in 1984, which argued that whenever final unit sales (productivity plus inflation) are rising a lot faster than unit labor costs employers have a strong incentive to expand hiring and production. The higher the "positive" spread, the stronger the job growth.

All through 1984 this "spread" continued to be profoundly favorable by almost 5 points, as it was throughout 1983. This explains why, although the Federal Reserve's 1984 tight-money policies dragged the GNP down sharply from 10 percent to less than 2 percent, the employment picture has remained strong. Since December, the economy has created nearly 1.2 million civilian jobs. A near-record 1.1 million joined the labor force in those four months.

More important, the employment ratio (the percentage of all adults over age 16 with jobs) reached what the Wall Street Journal called, "the highest level in U.S. history," 60.3 percent.

The danger is that because of the Fed's excessive 1984 tightening, the "spread" between labor costs and sales has suddenly turned very unfavorable. If this continues, it could abort both economic and job growth for the balance of 1985—and, ironically, make both inflation and the federal deficit much worse.

Thanks, Mr. Volcker.●

HERNDON CITIZEN OF THE YEAR—THOMAS D. RUST

HON. FRANK R. WOLF

OF VIRGINIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 14, 1985

● Mr. WOLF. Mr. Speaker, the Rotary Club in the town of Herndon in the 10th District of Virginia will present its "Citizen of the Year" award on May 15 and it is my pleasure to cite Thomas D. Rust as this year's Herndon "Citizen of the Year."

Tom Rust, who served as mayor of Herndon from 1976 to 1984, was selected for this honor because of his outstanding community service and his guiding influence on orderly growth and planning policy during a period of rapid expansion in Herndon, which serves as the gateway to Washington Dulles International Airport, and the surrounding Dulles corridor area.

Before his term as mayor, Tom Rust served on the Herndon Town Council between 1971 and 1976 and was a member of the Herndon Planning Commission from 1971 to 1973. He returned to private life this year and is a partner and engineer in the firm of Patton, Harris & Rust Associates.

His activities and honors extend beyond his local community as well. He is a director of the NOVA Community Foundation and also serves as a rector and chairman of the Longwood College Board of Visitors. His past achievements include a listing in the "Personalities of the South" in 1972; "Who's Who in Virginia" in 1974; "Who's Who in Engineering" in 1981, and the "Virginia Tech Committee of 100" in 1982.

In addition, he was cited in 1983 as "One of the Most Influential People of the Year" in Reston, VA, and in 1984, Reston named Tom Rust as "One of the Most Influential People of the Century."

Tom Rust has served the Herndon community with distinction, guiding and shaping the town during its growth years when it needed a person of vision. He has earned the honor of "Citizen of the Year" in Herndon and on behalf of the people of Herndon, I salute his accomplishment and express sincere appreciation for his outstanding public service.●

TROOP 88 CELEBRATES 50TH ANNIVERSARY

HON. JOHN J. DUNCAN

OF TENNESSEE

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 14, 1985

● Mr. DUNCAN. Mr. Speaker, as the Boy Scouts of America celebrates its 75th anniversary, troop 88 of Maryville TN, will be marking a half century of service in Blount County. This Saturday, May 18, members of troop 88, both past and present will gather to recall their heritage and look forward to the future.

In keeping with the theme of this diamond anniversary of the Boy Scouts of America, troop 88 will honor past Scoutmasters and seven new Eagle Scouts. I can think of no better way of upholding the theme of this year which is "Pride in the Past—Footsteps in the Future."

The celebration will include a luncheon followed by an open house at William Blount High School, and a buffet dinner. The open house will consist of eight exhibit centers showing photograhs, uniforms, equipment, Scouts, and Scoutmasters from eras of the past 50 years.

The highlight of the evening will be the rollcall of the past 22 Scoutmasters, from Belt Keathley of 1935 to Chuck Conner of 1985. Six former Scoutmasters will be specially honored. These are Elisha Moore, Joe Studley, Jack Murphy, David Eagleton, and Henry Callaway. These gentleman have contributed between 15 and 22 years apiece to scouting, and will be honored for their dedication to our Nation's youth.

In addition, a plaque listing the names of all of the Eagle Scouts who have served in troop 88 will be presented to New Providence Presbyterian Church. The church has been the sponsor for the troop as these 118 young men have taken the Eagle rank.

Finally, seven new Eagle Scouts will be presented their awards. As a former Eagle Scout I am sure this will be a very special occasion for Chris White, Ross Eriksson, Chris Conner, Tripp Buckley, Charles Finney, Mark McCloud, and Steve Cox. These young men represent the first footsteps into the future for troop 88, and they will carry with them pride of the past 50 years.●

CONGRESSMAN GEORGE MILLER ENDORSES ECONOMIC EQUITY ACT

HON. GEORGE MILLER

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 14, 1985

● Mr. MILLER of California. Mr. Speaker, the 1985 Economic Equity Act says to millions of American women, mothers, and future mothers, that Congress wants to assist their struggle for true equality in this society.

Over the past 2 years, the Select Committee on Children, Youth, and Families, which I chair, has taken a close look at American children and their mothers and fathers.

What we have seen convinces me that this legislation is needed because it will do much to strengthen the American family.

We are living during a period when nearly 50 percent of women with children under the age of 1 are in the labor force.

Married women with children under age 6 who live with their husbands are also entering the work force at a rapid rate. The Congressional Budget Office estimates that by 1990, over 55 percent of these women will be in the labor force.

There has also been a steady growth in the number of single parents, most of whom are women. Nearly 1 in 4 children will live in a single-parent household by 1990, double the 1970 rate.

Times have changed, and with this change women face new, and greater challenges to support their children.

Parents must work in order to support their children. They need salaries sufficient to pay for the cost of raising a family.

This bill will insure that low-income women have the opportunity either to work, or get the education they need

in order to find employment, by providing them with child care assistance.

Even when they do work, however, women still earn only 64 cents for every dollar earned by men. The Economic Equity Act addresses this gross inequity by charging the Equal Employment Opportunity Commission with enforcing current laws, and with developing an educational program on eliminating sex-based discrimination.

This bill makes changes in our retirement system to provide better protection and to improve coverage for working women. It also reforms the tax code to eliminate imbalances in the treatment of husbands and wives, and single, and married persons.

This Equity Act recognizes the profound changes that are occurring in the American work force and the American family. It includes reforms that will have a long term, significant impact on the women in this country, and the families they live in.

The Caucus for Women's Issues, of which I am a member, has done a fine job in developing a thoughtful bill which enjoys wide bipartisan support.

Mr. Chairman, I am pleased to be an original cosponsor of this bill, and I look forward to its speedy consideration. I urge my colleagues to join me in this effort to improve the economic well-being of American women and their children.●

MILT KERZNER, EDITOR, JERSEY JOURNAL, RETIRING AFTER 43 YEARS' SERVICE

HON. FRANK J. GUARINI

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 14, 1985

● Mr. GUARINI. Mr. Speaker, a skilled newspaperman, Milt Kerzner, of Jersey City, has announced his retirement on May 17, 1985, after 43 years of service at the Jersey Journal.

Truly a man for all seasons, Milt is a symbol of true professionalism who worked his way from copy boy to editor with Hudson County's largest newspaper.

Recently he was honored by the Hudson County Newspaper Guild at its Page One Ball held Saturday, April 20, 1985, at the Villa Nova in Bayonne.

Writing about a newspaperman is extremely difficult, so with this view in mind, I am going to present the statement made in the Page One Ball publication from those who worked with Milt for many years.

The first is by Conrad Wolfson, now an editor for the Jersey Journal:

MILT KERZNER: A PERSONAL REMINISCENCE

With due respect . . .

Listen to Milt Kerzner over a period of time—and I have for a long time—and you will note that recurring prelude to many a kindly guiding thought.

It is characteristic of a barrel-chested, diminutive, balding fellow with a sunny smile, few harsh words, and a firmness mellowed by sensitivity and understanding.

Those of us who have had the pleasure, the honor, or working with him in the Sports Department and Editorial Department of The Jersey Journal can remember some upper-decibel harangues, but never a sign of grudge-holding.

Those of us who have ended any disagreements with him know that they have always been gentlemanly disagreements.

As for those of us in The Guild who have dealt with him: his counsel as a former president and a long term treasurer is remembered as wise and practical with just the right amount of militance in behalf of labor's cause.

Milt is always the one for fair compromise without being a pushover.

As for those who have come to our craft unskilled and ended up journeymen journalists under Milton's benign hand—their number is legion.

This Page One Ball is dedicated to a fond farewell to Milt, who has decided to quit the game and divide his time between Belmar and Florida.

We who have come to know him and like—make it "love" him—wish him endless years enjoying the retirement he has earned by hard work and being nice.

But, Milton, with due respect, we hate to see you leave.

And by Jack Powers, sportswriter:

UNCLE MILTIE: FATHERLY TEACHER TO MANY—PAL TO ALL

Our gracious doyenne of the city room, Jackie Farrell, informs us that Milt Kerzner, the Hudson County Newspaper Guild's "Man of the Year" is retiring after more than 43 years of service to The Jersey Journal on May 17.

A man of inspiration with an infectious facility for teaching young reporters, Kerzner leaves in his wake a corps of skilled newspapermen who learned their trade under his direction.

They include Ed Grant, editor of the Catholic Advocate; Pete Wevurski, deputy sports editor of the Los Angeles Herald-Examiner; Fred Cranwell, day editor of the New York News sports department; Al Maurer, a national editor of The New York Times; Neil Melibert, racing editor of the Chicago Tribune; Cas Rakowski, public relations director for Hudson County; and Fred Korber, versatile Daily News reporter.

They are but a handful of the men who received the stentorian wrath of Kerzner when vexed. However, his temper had a short fuse and all hands appreciated this great skill as a copy reader. He had a unique power for turning out just the apt phrases that toned up the pressured writers.

I joined the Journal as sports editor in February of 1952 and upon the advice of our perspicacious editor-in-chief, Eugene Farrell, named Milt assistant sports editor. It was a good decision inasmuch as Milt ran the paper at night while I fended off the periodic wrath of Mr. Farrell who, at one time, was a sports editor himself.

A lifelong resident of Jersey City, Kerzner had a unique distinction. He never mixed in politics so everyone regarded him as their friend. John Kenny, Bernie Berry, Charley Witkowski, Paul Jordan, Tommie Smith and Gerry McCann always talked freely with him even though the subject was not at the arcane political jabber.

Milt even was a friend of Frank Sinatra when the singer was a "star" at Hoboken High . . . his army of friends included such Hudson Giants as Joe Coviello, Bill Cochrane, Gerry Mally and hundreds of others.

Kerzner started his rewarding career at The Jersey Journal in March of 1942 as a copy boy in the advertising department. He switched to the editorial department in April and entered sports in June.

He joined the Army in March, 1943, and returned to The Journal in April 1946. He was appointed night editor in 1951. In 1977, Milt was appointed managing editor.

He has won numerous awards for excellence during his years as sports writer. For more than five years, he worked part-time at Jersey City State College as director of public relations. He is past president of The Guild, the North Jersey Press Club and former vice president of New Jersey Boxing Writers.

His beautiful wife Ruth is a graduate of Jersey City State, while Milt earned his diploma from New York University in 1948. He also took graduate courses at Seton Hall.

Milt and Ruth have two married children, Stuart and Nina. Stuart is a hydrogeolist with the Federal government and Nina, a writer with Buck Lab Volt in Farmingdale, L.I.

Steve Newhouse, editor of The Jersey Journal, said Milt's leadership in the newsroom would be deeply missed.

Milt's news judgment and knowledge of the community are unsurpassed. I will miss him because of his excellence as a newsman and because he's such a terrific person, too." said Newhouse.

And of course, that goes double for The Guild members who treasured his advice through the years.

And from those in the composing room the following salute to Milt and Ray Kierce, a veteran guildsman of Hudson County Newspaper Guild #42 for many years:

At a recent printers' meeting the composing room boys were trying to figure out when retirees Ray Kierce and Milt Kerzner came to work for the Journal. None of the printers claimed to be old enough to remember. So we posed the question to some gray-haired retired members who were in attendance. All of them declared it was before their time. Washy Mead chimed in that Ray and Milt were there before he started his apprenticeship.

Then came the rumors. One printer said he'd heard that Ray was a boyhood chum of Horace Greeley and that he began working for this paper just prior to the Linotype revolution. One of Milt's comp room buddies offered that the ex-sportswriter's first Journal assignment was an interview with rookie Babe Ruth.

Suspicious that all this might merely be some friendly printers' banter, the next day we presented this heresay about Ray and Milt to some of their cronies in editorial. Well, of course, they gleefully corroborated the stories.

We're still skeptical. Our good friends Ray and Milt are much too youthful to have stepped out of history books. In fact, we think both are hanging up their pencils much too soon.

What we printers know for certain about these two honored retirees is that they are first-class gentleman. In our years of working with them we've found them always to be friendly, competent and conscientious. Ray, despite the pressures of nightside makeup, never failed to show his gratitude

to the printer alongside him. "Thanks for expediting the page," was his familiar comment to the printer who assisted him.

On the occasion of their retirement, we of the composing room wish to add our salute to Ray and Milt. We wish them the best.

Milt Kerzner will be sorely missed. He is one of the disappearing group of local boys who made good at the Jersey Journal. He tells all of us that he is going to retire to his homes in Florida and Belmar, NJ, "taking it easy, doing absolutely nothing." This is extremely difficult for those who know and love Milt Kerzner to believe.

As Milt Kerzner writes his last "30" on May 17, we are reminded of Oscar Wilde's observation:

CONTENTMENT

Contentment lies not in the enjoyment of ease—a life of luxury—but comes only to him that labors and overcomes—to him that performs the task in hand and reaps the satisfaction of work well done.

I am certain that my colleagues here in the House of Representatives of the Congress of the United States join me in this salute to Milt Kerzner, who has shown deep love for his profession, his God, his country, and his family.

May he live as long as he wants, and never want as long as he lives.●

ECONOMIC EQUITY ACT

HON. HOWARD WOLPE

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 14, 1985

● Mr. WOLPE. Mr. Speaker, I am delighted to have the opportunity to join my colleagues in the introduction of the Economic Equity Act and to applaud the excellent leadership provided on this issue by Congresswoman SCHROEDER and others who have introduced the individual components that make up this comprehensive equity package.

I am encouraged by the passage of several elements of prior Economic Equity Acts in the 97th and 98th Congresses and by this current legislative package that addresses the spectrum of economic problems faced by all women.

But today, equality for most women remains illusive. We cannot sit back and be content with a few small victories; we must continue to fight to reverse all discriminatory practices that deny women equal access to economic opportunities. Until Congress passes the equal rights amendment, our only recourse is to address these injustices statute by statute.

The EEA presents to Congress a comprehensive legislative package that addresses both the short-term and long-range needs of women in all walks of life—homemakers and working women, single heads of households and elderly women, widows, and divorcees. Comprised of 22 individual bills, the EEA targets 5 legislative areas in need of reform: retirement security, dependent care, insurance, employment, and tax reform.

As the longevity of America's population continues to increase and the median age of our citizens rises, it becomes increasingly important to focus on the financial security of older Americans. A close look reveals that seniors as a group are not very well off and older women in particular are in dire straits. In 1983 more than 2.6 million older women had incomes below the poverty level. Forty-four percent of these women had incomes of less than $5,000. Only 14 percent of all women retirees—both homemakers and workers—receive any pension benefits other than Social Security.

The Economic Equity Act seeks to reverse these bleak statistics through a number of initiatives that address all three components of the three-legged stool of retirement security: private pensions, social security, and private savings. Only through equitable treatment in all three areas can we create a stable support system for our elderly, particularly older single women.

As we move toward the remaining decade of the 20th century, another area in dire need of reform is that of dependent care. The economic injustices that are perpetuated in our laws not only affect women but extend to their children and families. Women contribute significantly to the economic security of their families. The majority of women working outside the home do so out of necessity. Projections indicate that by 1995, 60 percent of the labor force will be comprised of women. An ever increasing number of these women are mothers, most of whom are often solely or largely responsible for the care of their children or other dependent family members. It is crucial that affordable and accessible day care services be made available if they are to compete in the job market on an even footing with men. In addition, the lack of reasonably priced child care perpetuates poverty for many women with families who cannot economically afford to work. Here, again, the EEA provides a well thought out, long-term approach to providing adequate dependent care for working women.

Other provisions of the Economic Equity Act concerned with nondiscrimination in insurance, tax reform for single head of households, and equal credit for business loans also represent important steps in helping women gain economic equality.

The time has come for Congress to take a serious look at all the problem areas outlined in this package. It is in the best interest of all Americans that we revise these antiquated and discriminatory practices now. I strongly urge my colleagues to support the Economic Equity Act and help speed its passage.●

VICTOR ZABBO—HERO

HON. GEORGE MILLER

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 14, 1985

● Mr. MILLER of California. Mr. Speaker, I want to direct the attention of the entire Congress to a constituent of mine, Victor Zabbo of Concord, CA, who is a hero in the fullest meaning of that word.

On January 31, 1984, Mr. Zabbo was in Folsom, CA, and saw Mrs. Cheryl C. Cook and her son, Shawn, 5, being swept down the middle of the 85-foot deep American River.

Without regard for his own safety, Mr. Zabbo dived into the river, which was flowing extremely swiftly, and swam about 150 feet to Shawn and Mrs. Cook. Grabbing them both, he turned on his back and swam toward the opposite bank.

After swimming about 120 feet, Mr. Zabbo became tired. He swam with Shawn the remaining 30 feet to the shore, handed him to other rescuers, then returned for Mrs. Cook and brought her to the bank, too.

Both Mrs. Cook and Shawn were treated at a local hospital for hypothermia, and have fully recovered.

For this act of uncommon bravery, Mr. Zabbo has been awarded a medal and a $2,500 check from the Carnegie Hero Fund Commission. He is one of only 15 people throughout the Nation who were recognized by Carnegie for their heroism.

I know that all Members of the House will join me in applauding Victor Zabbo for his courage and bravery, and I am proud that he is one of my own constituents in Contra Costa County.●

TRIBUTE TO IVY LEAF SCHOOL'S 20TH ANNIVERSARY

HON. WILLIAM H. GRAY III

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 14, 1985

● Mr. GRAY of Pennsylvania. Mr. Speaker, on Saturday, May 25, 1985, at 2 p.m., Ivy Leaf School will celebrate its 20th anniversary. The festivities will be held at the Philadelphia Civic Center.

The Ivy Leaf School is committed to academic excellence, and for the past two decades has provided a challenging and intensive educational experience for thousands of students. Ivy Leaf students, in national tests, pass or exceed, national norms and are recruited by the city's most prestigious public and private schools.

The commitment to excellence was initiated in 1965 when 17 students

were enrolled in their nursery-kindergarten class. Ivy Leaf School is the oldest and largest black private academic school in Philadelphia.

Mr. Speaker, I am very pleased with the Ivy Leaf School, and call their accomplishments to the attention of my colleagues in the House of Representatives, so that they, too, can be aware of such an outstanding educational institution.●

DENNIS RAHIIM WATSON

HON. MAJOR R. OWENS

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 14, 1985

● Mr. OWENS. Mr. Speaker, we are often forced by the nature of our profession to consider the disparate needs of the hungry, the poor, and the elderly. Our lives as political leaders remain on a roller coaster of concerns and issues from the war in Central America to the advent of star wars. Yet amidst the plethora of concerns which command our attention, special situations emerge and we learn of rare people who restore joy to the heart, who lift the spirit and who enable us to understand and touch again the meaning and purpose of life.

I rise today to pay homage to a young man of talent and a generous spirit. I speak of Dennis Rahiim Watson, an actor, poet, and comedian. In the last decade, he has unselfishly cared and shared with his community, State, and Nation the gifts of his mind, the dynamism of his talent, the laughter of the heart, and compassion of his soul.

Not long ago he was awarded the prestigious National Black Leadership Roundtable Avon Youth Award in recognition of exemplary achievements and outstanding community services. Soon this rising star will begin his one-man production, the Positive State of Black America. Dennis has performed for more than 2,000 community, religious, and cultural groups throughout New York and the Nation. He has used his life and talents to motivate and inspire the young, the elderly, the imprisoned, and the addicted. Dennis has sought to enhance the lives of others and to serve as a positive role model to young people.

On May 15, friends and associates will salute this young community activist and talented entertainer in a gala tribute in the Art Gallery of the Adam Clayton Powell, Jr. State Office Building. They will acknowledge his many efforts to touch and enhance the lives and spirits of others.

Already, Dennis has been honored by the Department of Justice Drug Enforcement Administration for his significant contributions. Additionally, the New York State Department of Corrections has saluted him for his volunteer services. He was also named and received the Outstanding Young Man of America in 1982. I share in the applause of this gifted young man who has lived by the credo, "Each one of us can make a difference if each one teaches one and each one reaches one."●

NATIONAL NURSING HOME WEEK

HON. CLAUDE PEPPER

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 14, 1985

● Mr. PEPPER. Mr. Speaker, National Nursing Home Week is being observed this week, May 12–18, 1985, with the theme, "Celebrate Lifetime Achievements," to mark the significant accomplishments of our 1.5 million nursing home residents.

It is fitting during the week-long observance that we also recognize the unstinting dedication of the 800,000 employees in nursing homes without whom there would be no care for those in need. Few realize the critical role these caregivers serve in providing not only for the basic needs of patients, but many times in serving as their substitute family and as their friend.

Anna Kempe, a patient at Fort Atkinson Health Care Center in Fort Atkinson, WI, expressed in a poem her gratitude for nurses and nurse aids:

Like butterflies,
They flit around,
From bed to bed,
Without a sound!

Imagine when,
Their nimble wings,
Contagious smiles,
To patients bring.

I like sunshine rays,
For souls uplift,
Wrapped in love's charm.
Heaven's noblest gift.

Thanks be to God,
For handmaids such,
Who can and do,
Love's heartstrings touch!

It is very fitting that in marking the observance of National Nursing Home Week, we also salute the invaluable contributions of the thousands of employees in our Nation's nursing homes.●

THE AIDS EPIDEMIC

HON. HENRY A. WAXMAN

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 14, 1985

● Mr. WAXMAN. Mr. Speaker, last week I brought word to the House that the Nation had reached the tragic record of 10,000 cases of AIDS. Today I would like my colleagues to note that more than 5,000 Americans have died of this disease. Eighty-five percent of the cases and almost 90 percent of these deaths occurred in the last 2 years.

Yet it was 2 years ago that the Secretary of the Department of Health and Human Services declared that AIDS was the "Public Health Service's No. 1 priority."

The numbers make clear that this was a hollow promise and a cynical abuse of the trust that Americans have come to place in the Public Health Service. Those who work on what is ostensibly the No. 1 priority have been forced to beg, borrow, and steal from other budget line items and personnel ceilings. In the 2 years since her declaration, as thousands of Americans became terminally ill and died, the Secretary has turned down the budget requests of the Reagan-appointed Assistant Secretary for Health, the Reagan-appointed Director of the Centers for Disease Control, the Reagan-appointed Director of the National Institutes of Health, the Reagan-appointed Commissioner of Food and Drugs, and the Reagan-appointed Director of the Alcohol, Drug Abuse, and Mental Health Administration.

These budget requests for urgent needs did not originate with spendthrifts; they came from research and public health experts, conservative men who were team players of the Reagan administration, but team players who knew epidemiology and science. These scientists and medical doctors had made a careful evaluation of their resources to combat an epidemic and found them underfunded by half.

But the Secretary, after months of silence on these urgent needs for the No. 1 priority, turned down these requests of public health officers, without explanation.

We cannot afford such misplaced frugality. This Congress looks to the NIH, the CDC, the FDA, and the ADAMHA for recommendations regarding the resource needs of the Public Health Service. Even in such difficult budgetary times, I cannot believe that my most fiscally minded colleagues would refuse the funding that the CDC or the NIH might say is necessary to control the epidemic.

But, I must add, trusted scientists and Reagan officials will have to speak out to persuade both Houses to increase funding. With the administration arguing officially that all domestic budgets should be frozen or cut, it unfortunately seems that not even the eloquent testimony of the diagnoses and deaths of American citizens will be sufficient to produce new resources.

Mr. Speaker, I submit the following statistics for the week ending May 12:

ACQUIRED IMMUNE DEFICIENCY SYNDROME [AIDS] WEEKLY SURVEILLANCE REPORT, MAY 13, 1985, U.S. CASES

	Reported cases	Reported deaths
Adult/adolescent	10,105	4,921
Pediatric (under 13 at diagnosis)	121	87
Total	10,226	5,008
Age of AIDS patients:		
Under 13	121	
13 to 19	55	
20 to 29	2,167	
30 to 39	4,835	
40 to 49	2,128	
Over 49	920	
Total	10,226	
Residence:		
New York	3,779	
California	2,349	
Florida	706	
New Jersey	625	
Texas	512	
Pennsylvania	211	
Illinois	203	
Massachusetts	180	
District of Columbia	152	
Georgia	146	
Puerto Rico	123	
Maryland	122	
Connecticut	110	
Louisiana	107	
Washington	106	
Virginia	89	
Colorado	75	
Ohio	67	
Michigan	66	
Missouri	51	
Arizona	44	
North Carolina	43	
Hawaii	35	
Indiana	33	
Oregon	33	
Minnesota	25	
Wisconsin	25	
Kentucky	23	
South Carolina	23	
Alabama	20	
Oklahoma	17	
Nevada	15	
Delaware	14	
Rhode Island	14	
Tennessee	12	
Utah	11	
Other States (12)	60	
Total	10,226	●

H.R. 2480

HON. CHARLES B. RANGEL

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 14, 1985

● Mr. RANGEL. Mr. Speaker, today I am proud to introduce H.R. 2480, a bill to lower Federal tax burdens on the working poor. The bill expands the earned income tax credit [EITC] and is identical to the EITC provision which I introduced last year as part of the Omnibus Anti-Poverty Act of 1984. I am also pleased that this provision has been included as part of the 1985 Economic Equity Act, introduced yesterday.

We may judge the fairness of our Tax Code by many criteria, but one of the most compelling considerations is how the tax laws treat the working poor. Most would agree with the contention that it is not fair to tax people who are in poverty. Yet our tax laws do just that, and in recent years the tax burden on the working poor has increased dramatically. Consider the case of a mother with two dependent children who earns poverty level wages. In 1978 she would have paid a total of $35 in taxes to the Federal Government. In 1984 her tax burden has increased to $675 and by 1986 she will pay $758 out of her poverty level income.

The administration's tax cut program has contributed to the problem. Through the 1960's and 1970's in several tax reduction bills, attempts were made to eliminate the tax burden on families whose incomes were below the poverty line. Provisions of tax law which kept the level of income at which a family begins to pay income tax—the tax entry point—above the poverty level where changed. No such provisions were contained in the administration's 1981 Economic Recovery Tax Act.

The administration has recognized this fact and in the Treasury tax reform proposal, they increased the tax entry point substantially by increasing the zero bracket and personal exemption amounts. In addition, they indexed the EITC parameters. I trust that the administration's new tax reform proposal will keep faith with the working poor of this country and will lower tax burdens by an equal or greater amount.

Contrary to popular perception, most female-headed families have earnings. In 1983, approximately 72 percent of the 7 million female-headed families had earnings. Unfortunately, nearly 48 percent of these families were below poverty. Nevertheless, even for those families near poverty—with incomes between 75 and 100 percent of poverty—70 percent had earnings. These earnings represented 46 percent of the total income of these families. In contrast, public assistance represented only 29 percent of their total income.

Yet these families are literally being taxed into poverty. A mother with three children who earned poverty level wages in 1984 owed Federal taxes of $1,209 or 11.4 percent of income. This family owed $134 more than a husband, wife, family with two children even though their earning capacity was presumably less and their child care needs greater.

Last year, at an oversight hearing of the Committee on Ways and Means, which I chaired, the Census Bureau provided information on how many families we taxed into poverty. They estimated that in 1982, some 3.2 million individuals would be counted as poor if net income (after-tax cash income) was used to define poverty. In contrast, in 1979, 1.9 million additional individuals would be counted as poor if tax policy was taken into account in defining poverty. Thus, changes in tax policy made an additional 1.3 million individuals poor in the 3 years between 1979 and 1982.

The Economic Equity Act redresses the unfair tax increases on low-income workers by expanding the earned income tax credit. This proposal allows a 16 percent refundable, credit on the first $5,000 of earnings, to be phased out at a 16 percent rate between $11,000 and $16,000 of earnings. The eligibility levels would be indexed for inflation in the future. The 1985 Economic Equity Act would also raise the zero bracket amount for heads of households to the same level as for married couples—$3,540 in 1985. This provision has been introduced separately by Congresswoman KENNELLY.

Both of these proposals will create a Tax Code which is more equitable for the millions of poor working women. These provisions would mean that a woman with two children with poverty line earnings and no day care expenses would now pay a total of $81 in Federal taxes—$677 less than under current law.

HEAD OF HOUSEHOLD AND TWO CHILDREN—POVERTY LINE EARNINGS

	Current law		Economic Equity Act
	1978	1986	1986
Wages	$5,201	$8,973	$8,973
Payroll tax	315	642	642
Federal income tax	0	365	239
EITC (– indicates refund)	–280	–248	–800
Total taxes paid	35	758	81
Taxes as a percent of income	0.7	8.5	0.9

This is only one step in the direction of a fair Tax Code. These proposals ought to be enacted in conjunction with a comprehensive tax simplification package. Equity demands that we tax people on the basis of their ability to pay. In my judgment, the tax reform proposals do not go far enough in reducing tax burdens on the working poor. Expansion of the EITC should be coupled with comprehensive tax reform. In this sense, the 1985 economic equity bill and the movement for comprehensive tax reform both embrace the same ideal of tax fairness.

SUMMARY OF H.R. 2480

CURRENT LAW

Eligible taxpayers are those with earnings below $11,000 with dependent children at home. The Earned Income Tax Credit (EITC) is computed on 11 percent of the first $5,000 of earned income for a maximum credit of $550. The credit is refundable; i.e., eligible taxpayers receive a check back from the Treasury for the amount that their qualified EITC exceeds federal income tax liability. For families with adjusted gross income (AGI) above $6,500, the EITC phases down until it equals zero at the AGI of $11,000.

RANGEL PROPOSAL—INCREASE AND INDEX THE EITC

In FY 1985, increase the maximum credit from $550 to $800 by raising the credit to 16% of the first $5,000 of earned income.

In FY 1986, phase out the credit at a rate of 16% for incomes between $11,000 and $16,000.

In FY 1987 and thereafter, index the maximum credit and the phase-out thresholds. Under the proposal, for purposes of determining support or the maintenance of household test. Federally funded means-tested programs will not be taken into account. In addition, the credit would not be counted in determining AFDC or SSI eligibility or benefits.

Joint Committee on Taxation revenue estimates

[In billions of dollars]

Fiscal year:	
1986	−.11
1987	−3.22
1988	−3.44

Mr. Speaker, two recent editorials in the Washington Post by Judy Mann and William Raspberry eloquently state the reason why tax burdens on the poor have increased and why those tax burdens should be lowered.

[From the Washington Post, Apr. 22, 1985]

TAXING THE POOR

(By William Raspberry)

Poor people—those officially defined by the government as living in poverty—should not have to pay federal income taxes. The near-poor should not be burdened with taxes that would pull them down into poverty.

The two propositions seem so obvious that most Americans probably think they are already a part of the tax code.

They aren't. Not only are the officially poor taxed, and many near-poor taxed into poverty: their tax burden has actually grown during the years of the Reagan tax cuts.

Don't feel bad. I didn't know it either until I read the Children's Defense Fund's new report, "The Impact of Federal Taxes on Poor Families." Mary Bourdette and Jim Weill, authors of the report, look at one working mother:

Jane Doe is a single mother with three children. In 1979, her income from her job was $8,000, a little above the federal poverty line. Jane, like most other low-income workers, had no unusual tax deductions or tax "breaks," so her federal income and Social Security taxes were $481, leaving her family with $7,519 to live on after federal taxes, still a tiny bit above the official poverty line in 1979 ($7,412 for a family of four).

And what has happened to the struggling Jane Doe since then? Inflation has increased the cost of living by 43.2 percent, but, luckily, her income also has increased by 43.2 percent, so that her 1984 income was $11,456.

But she didn't break even. Besides losing some of her government-paid benefits to the Reagan budget cuts, she also saw her federal taxes increase by nearly 300 percent—from $481 to $1,384—so that instead of being a little bit above the poverty line after taxes, she wound up below the poverty level, which by then was $10,613.

What happened to Jane Doe's and millions of other low-income families was probably more the result of oversight and neglect than of conscious design. To begin with, there was the increase in the amount of earning on which Social Security taxes are paid, to the point where even poverty-level wages required the payment of $743 in Social Security taxes in 1984. In addition, inflation drove up the wages on which the poor are taxed without any compensating adjustments. The personal exemption, for instance, remains at $1,000 per person, and the standard deduction—crucial to taxpayers who (like nearly all poor families) do not itemize their deductions—also went unchanged.

The result is that even those poor families whose wages kept abreast of inflation lost enough spending power to more than offset the effect of a cut in tax rates, in effect shifting the tax burden away from the well-off (who did benefit from the tax cuts) to the poor. Between 1980 and 1982, the study notes, the "aggregate federal taxes paid by poor families increased by 58 percent . . . while taxes on the well-to-do and on profitable corporations declined dramatically."

The study points out what too many of us have not understood: that there is no automatic link between the poverty line and the tax tables. It is true that in the late 1970s, poor people paid little or no income tax. But this was because, between 1975 and 1980, the threshold at which a family became liable for taxes was higher than the poverty line. By 1981, the tax threshold had dropped below the poverty line, and the gap has been growing since then.

The study examines the current tax reform proposals and makes some sensible recommendations for reversing the damage the poor have suffered in recent years. But its chief value is in its clear statement of the increased tax burden on the poor in the past four years.

Even in these cynical times, when everybody is fighting to save his favorite tax break, most Americans would acknowledge that it makes no sense—politically, morally or in terms of elemental fairness—to impose an income tax on those we define officially as already in poverty.

[From the Washington Post, Apr. 24, 1985]

CRUSHING TAX BURDEN OF THE POOR

(By Judy Mann)

The Children's Defense Fund, an organization that lobbies for poor, minority and handicapped children, has issued a report that demonstrates yet another way in which the poor or near poor are being badly hurt by current federal policies.

It is a report that deserves the attention of everyone moved by the goals and sense of compassion that marked the Great Society. It is a document that deserves attention, not only because it talks about the kind of tax policies we have developed as a nation but because it talks about what kind of people we have become—or are becoming. It portrays in graphic statistical detail the human economic deprivation that it would be most comfortable to forget—just as we forgot or ignored the kind of human economic deprivation and suffering that preceded the Great Society.

The paper, written by Mary Bourdette and Jim Weill, opens with a description of Jane Doe, a single mother of three children. "In 1979 her income from her job was $8,000, a little above the federal poverty line. Jane, like most other low-income workers, had no unusual tax deductions or tax 'breaks,' so her federal income and Social Security taxes were $481, leaving her family with $7,519 to live on after federal taxes, still a tiny bit above the official poverty line in 1979 ($7,412 for a single family of four.)

"From 1979 to 1984 inflation increased the cost of living by 43.2 percent. The poverty line also, of course, rose at that rate, from $7,412 in 1979 to $10,613 in 1984 for a family of four. Despite the recession, Jane kept her job and received salary increases equal to the cost-of-living change. Her 1984 salary was $11,456.

"Jane would be in the same financial situation as she was in during 1979, except for two things. First, many of the small governmental benefits that used to go to some working poor parents and their children have been reduced or eliminated since then. Second, her taxes have skyrocketed. In 1984, her federal taxes were $1,384 on her $11,456 income. While Jane's salary went up 43.2 percent, her taxes nearly tripled from 1979 levels. Instead of being slightly above the poverty line, her 1984 after federal tax spendable income was cut by taxes to only 95 percent of the poverty level. Increases in her federal taxes have literally impoverished her and her children. After taxes, her spendable income had dropped to $10,072—or $541 below the official poverty line."

In contrast, the CDF report notes, "Jane Doe paid more federal taxes than Boeing, General Electric, Dupont, Texaco, Mobil and AT&T altogether paid in federal taxes in 1983, although these huge corporations earned $13.7 billion in profits."

There are an estimated 35 million people living in poverty now, 6 million more than in 1980, and nearly half of the families headed by women were poor in 1982. The number of poor people paying taxes more than doubled between 1980 and 1982, at the same time that budget cuts reduced programs designed to help them.

Also hard hit were the two income-earning adults and two children with a poverty line income of $10,613. "This family's combined federal tax burden as a percentage of income more than quintupled during this period. Needless to say, no income group other than the poor has suffered such an increasing tax burden during this period of time."

"Needless to say" is absolutely correct. Had the middle class, the wealthy and the corporations found their income tax quintupling or even tripling in a five-year period, the howls of protest would have been enough to empty the halls of Congress, literally, and the members know it. For proof of that, one needs only to look at the swift remedial action Congress took after taxpayers (read voters) deluged it with protests over tightened Internal Revenue Service rules on business use of cars—rules that required onerous record keeping, but which did not involve huge tax increases.

But the poor are quite another matter. They don't have fancy law firms to analyze the impact of proposed legislation for them or to lobby their cause on the Hill. A single mother of three trying to raise her children on $10,000 a year is facing a task of such crushing proportions that she probably has no idea what's hit her—just that she's got less money to feed, clothe and shelter her children. How these mothers manage is a testament to their fortitude; that they have to is testament to a system that has gone awry. And it is testament to the fact that the Great Society isn't even trying to be good, anymore.

And we are all the poorer for that.●

LEWISBURG RESTAURANT WINS AWARD AT NATIONAL COMPETITION

HON. GEORGE W. GEKAS

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 14, 1985

● Mr. GEKAS. Mr. Speaker, when we visit our favorite restaurants and sit down to order a meal, many times we see the menu only as a list of dishes that may be ordered. What many of us fail to notice is the menu's graphic design and copy which many times tells us a great deal about a community's heritage.

I am happy to report to my colleagues that someone did notice the menu when Country Cupboard Restaurant and Shops of Lewisburg, PA, was among the winners of the 1985 Great Menu Award competition sponsored by the National Restaurant Association held recently in Washington, DC.

Country Cupboard Restaurant and Shops' menu took second place in the category of 5-to-10-dollar average check in which the judges noted that the menu's copy and graphics skillfully interpreted the rich agricultural heritage of Country Cupboard's locale; the heartlands of Pennsylvania.

The menu's copy was prepared by David Phillips, Country Cupboard marketing manager. Constance Timm, Lewisburg, created the graphic design and Paulhamus Litho, Montoursville printed the menu.

Country Cupboard's winning menu will be exhibited at the 66th Annual National Restaurant Association Hotel-Motel Show in Chicago's McCormick Place, May 18–22. Not only will Country Cupboard receive a commemorative plaque, but the menu will also be featured in a special volume to be published by the NRA later this year.

I wish to extend my congratulations to Country Cupboard Restaurant and Shops with the backing of the entire Congress concerning its recent menu winning accomplishment.●

JAMES MOODY ELECTED FMI CHAIRMAN

HON. JOHN R. McKERNAN, JR.

OF MAINE

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 14, 1985

● Mr. McKERNAN. Mr. Speaker, I am proud to call the attention of my colleagues to a respected businessman and civic leader, James L. Moody, Jr., of South Portland, ME, who has been elected chairman of the board of the Food Marketing Institute, an international association with 1,500 member companies.

In the past quarter century, Jim Moody has risen through the ranks of a large, Maine-based food retailer, Hannaford Bros. Co., to become chairman of the board and chief executive officer.

During this time, he has developed a reputation as an outstanding community leader. He has not only contributed his own time to many civic boards and projects, but also has been instrumental in making in making his company a good corporate citizen.

Under his direction, Hannaford Bros. has supported many cultural and community projects which have enriched the lives of Maine citizens. I hope you will join me in congratulating Jim Moody on his past successes, and wishing him well in his newest endeavor.●

MRS. JENNIE TATE ANDERSON, CIVIC LEADER

HON. GEORGE (BUDDY) DARDEN

OF GEORGIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 14, 1985

● Mr. DARDEN. Mr. Speaker, I wish to inform this body of the outstanding lifetime achievements of a Georgian, an historian, a theater enthusiast, an arts patron, an entrepreneur, and an innovator who lived in the Seventh District of Georgia. Mrs. Jennie Tate Anderson, known to all as "Miss Jennie," exuded life and created her self-portrait for us to view. This self-portrait is not sketched or painted. It cannot be framed. It is a profile which illustrates the abundance of opportunity in life.

Her presence and energy were the catalysts in creating and establishing the Cobb County Parks and Recreation Department, the Botanical Gardens at the University of Georgia, a fine arts program for Marietta City Schools, and a local fine arts lecture series.

She was a valuable public servant. Gov. Jimmy Carter appointed her to the Georgia Historic Trust and Gov. George Busbee named her as chairman of the trust. In 1983, she was awarded the Georgia Volunteer Services Leadership Award. In 1975, she received the Cobb Bar Association's Liberty Bell Award for promoting a better understanding of law and democracy. The first Lillian Sullivan Award was given to her by the Cobb Arts Council.

Her seemingly endless vitality allowed her to contribute to and participate in many organizations. The many groups she influenced included the Georgia Trust for Historic Preservation; the Historic Preservation Committee of the Marietta Downtown Development Authority; the Cobb Landmarks Historical Society, which she cofounded; the Cobb County Bicentennial Celebration Committee, which she chaired; State and local garden clubs; Theatre in the Square of Marietta; Atlanta Historical Society; the Cobb Community Symphony; Cobb-Marietta Ballet; Colonial Dames; International YMCA World Service; Junior League of Cobb-Marietta; National Society of the Daughters of the American Revolution; and the Northwest Georgia Girl Scouts.

Mrs. Jennie Tate Anderson died on January 20, 1985. It is my intention to view the unframed portrait of her life often. As she would want, we must encourage others to participate in their communities creating brighter illustrations from the abundance life offers us all.●

A BILL TO ESTABLISH A NATIONAL ESTUARINE PROGRAM

HON. WALTER B. JONES

OF NORTH CAROLINA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 14, 1985

● Mr. JONES of North Carolina. Mr. Speaker, today the distinguished Oceanography Subcommittee chairwoman, Congresswoman BARBARA MIKULSKI, and I, along with 14 of our colleagues, introduced a bill to establish a National Estuarine Program. The legislation is an amendment to the Coastal Zone Management Act [CZMA] of 1972 and is based on the comprehensive land and water use management concept inherent in the CZMA.

Mr. Speaker, by any measure, whether it be the value of the goods and services produced by them or the productivity of their environment, estuaries are of enormous importance to society. Their borders support ever-growing coastal populations; their waters provide increased recreational and economic opportunities; and their environments play a critical role in the coastal and marine ecosystem.

The most biologically productive of our coastal areas, these estuaries are extraordinarily important for commercial and recreational fisheries. Some species of fish are caught within the estuaries themselves while others, although captured outside an estuary, utilize the estuarine system for spawning, survival and growth. The National Marine Fisheries Service estimates that, in 1983, estuarine-dependent fish that were caught in the United States totaled more than 2 million metric tons, with a dockside value of over $1.8 billion and a capitalized annual value of over $35 million. Of the total U.S. commercial landings in the 1983, estuarine dependent species accounted for 68 percent of the total catch and 58 percent of the dollar value.

Mr. Speaker, there are approximately 850 estuaries in the United States, many of which are being directly threatened by increasing coastal population, pollution, and unwise develop-

ment. The time has come for thoughtful planning and management efforts, on the part of both the Federal Government and individual State governments, to enhance and protect the productivity of these sensitive estuarine areas.

The Jones-Mikulski National Estuarine Program bill would utilize the orderly intergovernmental planning and management processes in the CZMA to restore degraded or threatened estuaries. It would do this by encouraging a Federal-State effort to develop special area management plans for estuaries of national significance.

Candidate estuaries would be nominated by the Governor of the State in which they are located. The Secretary of Commerce, in consultation with the Administrator of EPA, would review the nominations and designate those determined to be estuaries of national significance, for which special area management plans would be developed under the CZMA. The designation would be based upon the ecological significance of the estuary, its biological productivity, the degree to which development activities have impaired its health and ecological integrity, and the degree to which comprehensive planning would contribute to its wise use.

The Secretary, with the concurrence of the Governor, would be authorized to convene a management conference for each estuary so designated. The members of the conference for each estuary so designated. The members of the conference would include the Secretary, the Administrator of EPA, and other Federal, regional, State, and local officials, as appropriate. At the successful conclusion of a management conference, the Secretary and each participating Governor shall review the plan and approve it by consensus. To implement the plan developed by the conference, participating States would be required to incorporate the plan into their federally approved Coastal Zone Management Program.

Based upon existing authorizations of the Coastal Zone Management Act, the Secretary may make grants to States for an amount not to exceed 50 percent of the cost of participating in the management conference.

We believe that the CZMA represents the most appropriate Federal authority under which to conduct these important efforts. First, the comprehensive planning and management approach of the CZMA involves the full range of land use and pollution issues that affect these areas. Further, the planning processes of the CZMA have been founded upon the concept of the Federal-State partnership in coastal management, which is the heart of the effort to rejuvinate our important estuarine areas. Moreover, the administrative mechanisms and the regulatory framework for developing these estuarine plans now exists at both the Federal and State levels and should be utilized in the interest of efficiency. For these reasons, the special area management planning authority within the CZMA is the proper mechanism for this joint Federal-State effort to protect our important estuaries.

At the same time, we want to make it clear to our colleagues on the Committee on Public Works and Transportation that we applaud their efforts along similar lines, and we support wholeheartedly their objectives. In particular, Chairman HOWARD and Chairman ROE deserve our praise for their diligent efforts and leadership in bringing these matters to national attention. In introducing this legislation today, Ms. MIKULSKI and I intend to commit ourselves to working with our colleagues on the Committee on Public Works and Transportation and to our other colleagues in the House and Senate on developing a sensible and cost-effective approach for the balanced management and conservation of our Nation's estuaries.

The Committee on Merchant Marine and Fisheries intends to conduct hearings on the National Estuarine Program bill this summer. We ask our colleagues to review our legislation and similar proposals now being considered in both Chambers, and work with us on developing a modest, reasonable program for the protection of this Nation's threatened estuarine areas.●

THE 50TH ANNIVERSARY OF THE CITY OF DOS PALOS

HON. TONY COELHO

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 14, 1985

● Mr. COELHO. Mr. Speaker, this month, the City of Dos Palos, CA, will celebrate the 50th anniversary of its founding in 1935.

Dos Palos was incorporated at a special election of its residents on May 14, 1935, which was certified by the Merced County Board of Supervisors on May 20, and accepted by the duly elected city council on May 24, 1935.

Since that time, the city's population has grown from 700 citizens to now over 3,500. Located in the Nation's agricultural heartland, the San Joaquin Valley, it is natural that most of the city's residents are involved in the agriculture industry. Dos Palos is a special town filled with hard-working and dedicated people—they are warm and caring individuals. I feel privileged to have attended elementary and high school in Dos Palos.

I would like to congratulate the citizens of Dos Palos on this important anniversary of their city, and I wish them continued growth and prosperity in the years to come.●

ECONOMIC EQUITY ACT

HON. JIM MOODY

OF WISCONSIN

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 14, 1985

● Mr. MOODY. Mr. Speaker, today I am pleased to join my colleagues in the Congressional Caucus for Women's Issues as an original cosponsor of the Economic Equity Act, H.R. 2472.

The legislation covers a wide range of issues important to women, including comparable worth, child care, pay equity, and pension rights. This year, the act also includes a plank to address the employment and business problems faced by women. H.R. 887, a bill I introduced with Representative LINDY BOGGS and Representative PARREN MITCHELL, is a provision of the employment section.

H.R. 887 is a bill to create a 2-year National Commission on Women's Business Ownership. The Commission would conduct a comprehensive review of the status of women business owners. It would also make recommendations to the President and Congress regarding improving Federal procurement practices and access to credit for women entrepreneurs.

The creation of the Commission is a necessary and long-overdue step toward a coordinated national effort to improve opportunities for women business owners. By including H.R. 887 in the Economic Equity Act, the caucus has helped to bring the problems faced by women business owners into sharper focus and identified them as additional obstacles to social and economic equality.●

THE NEED FOR CONGRESSIONAL ACCOUNTABILITY

HON. HAL DAUB

OF NEBRASKA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 14, 1985

● Mr. DAUB. Mr. Speaker, as a member of the House Rules Committee Task Force on the Budget Process, I had the opportunity to develop a real appreciation for the budget process in detail. During the course of my work on that task force, however, I became very concerned about several problems in that process, not the least being the rising number of rules which are granted containing budget act waivers. During the 98th Congress, 70 percent of the rules granted contained a budget act waiver. In this environment, it is very difficult to assign any

degree of congressional accountability to the process.

Without question, the dominant issue before Congress today is that of the Federal deficit calamity. A full 72 percent of the constituents in my district share this sentiment. Because of this situation, I have frequently voted against such rules which would provide for spending in excess of authorized budget levels. Without some change in existing procedures, I see that I have little opportunity to do much else in light of the scope of our deficit calamity. By 1986, the Federal deficit will likely reach $2 trillion and the interest on that debt will approach 20 percent of the Federal budget. How can any of us fail to act on this issue?

A change to the House Rules has been proposed by colleague, Mr. LOTT, which would go a long ways in solving the accountability question. The proposed rule change would not preclude budget waivers, it would only require this body to provide an explanation and justification for any waiver. It seems to me that this is the least that the American taxpayer can expect.

I would like to commend my colleague, the gentleman from Mississippi, for his leadership on this important issue and would urge that the appropriate change to the House Rules be made soon, given the nature of the problem and the fact that we are about to take up the fiscal year 1986 budget.●

THE 50TH ANNIVERSARY OF REA

HON. PETER H. KOSTMAYER

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Monday, May 13, 1985

● Mr. KOSTMAYER. Mr. Speaker, during this commemoration of the 50th anniversary of the establishment of the Rural Electrification Administration, much will be said about the contributions REA and rural electric cooperatives have made to our Nation. Probably no other Government agency or program has done so much for so many people in such a short period of time. Rural electrification is not just a program, however, it is a spirit; a spirit of people working with other people, of people working with their Government, to do the impossible.

Fifty years ago, less than 10 percent of the farms and rural residences in our Nation enjoyed the benefits of central station electric service. Today, thanks in large measure to cooperative rural electrification, virtually everyone in our Nation who wants electric service has it. This is not the case in many parts of the world, however. In vast parts of the world, electric service ends at city and town boundaries, just as was the case in the United States a half century ago.

Countless millions of people in developing countries are still living in the 18th century. They live like their ancestors did, without the most modest of modern conveniences. Because they lack electric lights, the length of their days is governed by the Sun. Because they lack electricity for pumps, they draw water from shallow wells or streams that are often polluted. Muscle power, both human and animal, does the work that could be done with electric motors and equipment. Without electricity, they have no television, or radio, or telephone, the vital communications links that are necessary to bind a nation together.

During the early 1960's, when the job of rural electrification was not yet completed in this Nation, leaders of the Rural Electrification Program in the United States recognized the plight of their brothers in other lands and decided to extend the spirit of rural electrification beyond the shores of our land. On November 1, 1962, leaders of the National Rural Electric Cooperative Association and President Kennedy signed a historic agreement designed to export rural electrification.

Since then, rural electrification programs, based on the American model, have been established in almost two dozen nations around the world. Hundreds of American cooperative employees and directors have volunteered to serve overseas and thousands of people associated with the rural electrification programs of Asia, Africa, and Latin America have traveled to this country to work and learn side-by-side with their American counterparts.

It's a long way from Bangladesh to Adams County, PA, or from the Philippines to Huntingdon County in the south-central part of the Commonwealth. But rural electric cooperative workers in all of these areas share the same mission: to help improve the standard of living of the people they serve. Rural electrification is playing a crucial role in improving the lives of the people of developing nations just as it did here. Rural electrification in the Third World means clean water and sanitary facilities. It means communications with the outside world. It means improved agricultural production and, as a result, a more nutritious diet for millions of people. And it means an end to the backbreaking drudgery of human labor that has marked work for centuries in countries around the world.

Beginning in the 1930's and extending through the early 1960's, millions of Americans celebrated, both privately and in groups, the day the lights went on for the first time. Today, those celebrations are being repeated thousands of times a day throughout the world as a result of the work of rural electric cooperatives. The spirit that caused neighbor to help neighbor in the American Rural Electrification Program, is now encouraging neighbor to help neighbor in our world community. What F.D.R. started 50 years ago to improve the lives of America's rural residents is now serving the cause of world understanding and peace. American's rural electric cooperatives are to be commended for what they have done for our Nation and for what they are doing today throughout the world. Their dedication and service is a model for all of us.●

ALBERT SEENO, BUILDER, CIVIC LEADER

HON. GEORGE MILLER

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 14, 1985

● Mr. MILLER of California. Mr. Speaker, I know that all Members of the U.S. House of Representatives will want to join me in honoring Albert D. Seeno, Sr., on the occasion of his 70th birthday this May 26.

I have known Al nearly my whole life, and there are thousands of others throughout Contra Costa County who can make an identical claim. We also all know of his enormous contributions to our community—as a builder of homes, a supporter of church, fraternal, and civic activities, and as a civic leader.

Albert Seeno, Sr., is certainly one of the leading citizens of Pittsburg and of the State of California, and I am proud to call him a friend of mine.

Albert D. Seeno, Sr., born May 26, 1915, in Pittsburg, CA, one of four children of the former Rosa DiMaggio, who was also born in Pittsburg and Gaetano Seeno who immigrated from Italy. His sisters, Edith Davi, Helen Evola, and Alvera Carey are now deceased.

On April 17, 1938, Al married the former Rose Ann Russo in Monterey, CA. They have five children, Thomas A. Seeno, Patricia Brookshire, Albert D. Seeno, Jr., Richard B. Seeno and Karen Kafetas, and nine grandchildren.

Al attended school in Pittsburg and after graduation from high school joined his father in the construction business. In 1936 he was awarded his contractor's license from the State of California and since that date has actively been engaged in the construction business, specializing in, but not limited to, construction of single family homes in many areas, including Pittsburg, Antioch, Brentwood, Oakley, Concord, Walnut Creek, Fairfield, Monterey, Marina, and Reno, NV. He has been involved in boat building, commercial construction,

shopping centers, warehouses, and highrise structures. He serves as chairman of the board of several companies, including Albert D. Seeno Construction Co., Inc. and Diablo Construction Co., Inc.

Under his guidance the various companies he has formed have built more than 20,000 single family homes, which have had a positive impact upon the growth and prosperity of these communities and have directly and indirectly created employment for thousands.

He has made invaluable contributions of his time, money, and efforts to the betterment of his city, church, civic and social groups. Perhaps more than any resident, past or present, he has helped perpetuate the positive future of Pittsburg.

Mr. Speaker, Members of the Congress, please join me in congratulating Al Seeno, not just on his 70th birthday, but on being a dedicated and patriotic citizen whose good works and contributions are readily seen throughout the county he has helped to build, and which I am privileged to represent in the U.S. Congress.●

JOHN J. LEITCH, RETIRING SUPERINTENDENT OF CENTRAL ISLIP SCHOOL DISTRICT

HON. THOMAS J. DOWNEY

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 14, 1985

● Mr. DOWNEY of New York. Mr. Speaker, today I am privileged to pay tribute to Mr. John J. Leitch, who will retire this June after 33 years as an educator on Long Island. Mr. Leitch has served as the superintendent of the Central Islip School District since 1970.

Mr. Leitch began his career as a teacher in the Elmont School District and progressed to the position of superintendent of the Central Islip School District. John has also held the positions of president of both the Islip Town Chief School Administrator's Association and the Suffolk County School Superintendents' Association. His dedication and enthusiasm in the field of education are outstanding and deserve special recognition. He has earned the respect and admiration of his colleagues and the members of the Central Islip community for his many years of service.

I am honored today to express my personal thanks to John Leitch for his very special contribution to our educational system and our community.●

THE $100 DRUG BILL

HON. RICHARD T. SCHULZE

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 14, 1985

● Mr. SCHULZE. Mr. Speaker, today, billions of dollars are tied up in drug trafficking. One need only to scan the front page of any newspaper to realize the phenomenal cash amounts involved. The figures are staggering. The IRS, DEA, and the Treasury estimate that the dollar amounts involved in the illicit trafficking of drugs is near $110 billion, and those figures keep climbing. Most of these million dollar transactions are made in cash, and the most common medium of exchange is the $100 note.

The $100 note is the note most often used in the illicit sale and purchase of drugs and money laundering. The average American seldom carries such amounts on his person and seldom makes cash purchases in amounts of $100 notes or more.

In view of the underworld's reliance on the $100 notes and the difficulty law enforcement agencies are having containing the drug business, I am introducing legislation which directs the Secretary of the Treasury, in consultation with the Federal Reserve Board, to retire all U.S. $100 notes. It also directs the Treasury to determine when such notes would cease to be legal tender, and prescribes a grace period in which old $100 notes be returned and new dollar instruments then be issued by the Treasury.

This legislation is intended to immediately disrupt the dealings and money laundering tactics of drug traffickers. The crime and the phenomenally large amounts of cash involved in the illicit drug trade require that immediate measures be taken. My bill would provide such action.●

SUPPORT FOR H.R. 281, A BILL TO PROTECT THE RIGHTS OF WORKERS IN THE BUILDING TRADES TO BENEFIT FROM COLLECTIVE BARGAINING

HON. BARBARA A. MIKULSKI

OF MARYLAND

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 14, 1985

● Ms. MIKULSKI. Mr. Speaker, I am proud to be a cosponsor of H.R. 281, the Construction Industry Labor Law Amendments of 1985.

Recent decisions of the National Labor Relations Board and the courts have drawn a blueprint for the avoidance of lawful union agreements. The decision allows a construction contractor to establish a second nonunion operation with no practical difference from the original except it is not covered by a union contract. The employer is then free to transfer work from it's union shop to it's nonunion shop. That is called "double breasting." It has flourished because this new loophole allows employers to escape contractual obligations to their work force.

Furthermore, these NLRB decisions undermine collectively bargained prehire agreements entered into by the employers and unions prior to the hiring of a full compliment of employees. These prehire agreements had served to assist the employers by providing a pool of skilled employees and to assist the unions by having the employer agree to perform in accordance with a union contract.

Under the new interpretation of the law, an employer who has signed a collectively bargained prehire agreement can act as if no contract exists unless the union can prove the employer has a stable work force with majority union support or the union can demonstrate majority support on every separate job site. Because of the nature of the work force, it is extremely impractical, if not impossible, for the union to meet either of these tests. This is precisely what led Congress 25 years ago to enact a prehire provision of the National Labor Relations Act.

H.R. 281 proposes to do the following:

Eliminate the use of "double breasting" as a means to avoiding the requirements of collective-bargaining agreements by making such agreements applicable to all business operated by a single employer within the geographical area covered by the agreement.

It provides that the prehire agreements are binding unless the union is decertified.

This legislation is critical to reverse the erosion of construction worker's rights and restore stability to labor relations in the construction industry. I urge my colleagues here in the House of Representatives to join me in cosponsoring this vital legislation.●

THE DEATH OF GERALD D. STURGES

HON. DICK CHENEY

OF WYOMING

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 14, 1985

● Mr. CHENEY. Mr. Speaker, I rise today in sorrow.

On Thursday, May 2, Gerald D. Sturges passed away after a brave fight against a severely debilitating illness.

Gerry and I first met in 1968, when we both first came to Washington as congressional fellows sponsored by the American Political Science Association. I was an aspiring academic. He

was a newsman from Oakland already on his way up in California journalism. The aim of the Fellowship Program is to give such people a year's real life experience working staff jobs in Congress.

As is often the case neither of us went home again.

From our first meeting it was obvious that Gerry was a Democrat, while I was a Republican. Yet we respected each other and, I like to think, learned much from each other.

Gerry spent his fellowship working with Mr. OBEY, then just entering the House after a special election. Gerry stayed on to join his permanent staff, later working for Senators Nelson and Moss. At the time of his death he was working a top job for an international consulting firm.

Despite his wide-ranging congressional duties, Gerry was proof that those in the congressional process can and should have outside interests as well.

Due to such an interest, he became one of this country's leading lay experts on sharks, an animal which remains wrapped in scientific mystery and is surrounded by a multitude of fears among the public. Gerry helped dispel those mysteries and fears by continuing to write on a free-lance basis for scientific and popular journals.

He will be missed by many in this city and across the country.

Mr. Speaker, our sympathies go out to his wife, Claudia, his three children, his parents, and his sisters.●

THE ECONOMIC EQUITY ACT OF 1985

HON. BOB EDGAR

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 14, 1985

● Mr. EDGAR. Mr. Speaker, I rise today to encourage my colleagues to join me and many others in cosponsorship of the Economic Equity Act of 1985 [EEA]. As an original cosponsor, I am very pleased that we are introducing a comprehensive package which will help improve the economic equality of women and men alike. This bill represents an attempt to address both short-term and long-range inequities faced by women in every walk of life, from single mothers trying to stay off public assistance to widows facing inadequate retirement income. It is imperative that we move this package through the House as quickly as possible. When we finally pass each and every component of this bill, our laws will be in tandem with a basic truth: Women are an integral and vital part of our economy and should be treated as such.

The first section of EEA deals with retirement security. Inequities in our retirement systems are often a direct cause of the poverty level among our elderly female population. I find it telling that in 1983, older women had a median income $4,167 less than that of older men.

Many workers, especially women, do not remain in the same job long enough to build up the necessary years to be eligible for a pension. Our plan would allow workers employed at a specific workplace to count each year starting with the first year toward his or her pension. In other words, the preestablished amount of years for pension eligibility would be abolished. EEA would allow married couples to have the records of their earnings added together and divided equally. In the event that one spouse retires, each would receive equal Social Security benefits, regardless of how many years each spouse had spent in the workforce. The Social Security reforms also provide for disabled widows or widowers to receive full benefits regardless of age.

EEA addresses care of dependent children in its second section. Roughly 47 percent of women with children under age 1 are working. Moreover, of mothers currently not working, and whose family income is less than $15,000, 36 percent report that they would work if adequate day care were available. If we can enable more women to hold down jobs by improving the day care network, then they could better provide themselves and their children with the roots of a life of dignity.

EEA would increase funding for social services block grants, including $300 million specifically earmarked for child care. It includes establishment of grant programs to make child care available to low income, first generation college students and to set up child care programs in public housing projects. The latter would encourage the direct involvement of public housing residents, especially elderly individuals, by employing them in the day care programs.

Section 3 of EEA focuses on insurance. Premiums often vary according to the age, sex, race, and religion of the person insured. I concur with the Supreme Court's ruling in both the Manhart and Norris decisions that people should be treated as individuals and not as members of a racial, ethnic, religious, or sexual class. As such, we have proposed reforms to stop such discrimination. A second problem is that many women obtain their health care coverage through their spouse's employer. If they become widowed or divorced, it is often quite costly to convert such coverage to a private plan; 6 million widows and divorced women are unable to obtain any health coverage at all. Our bill would require insurers to extend health coverage to the divorced or widowed woman and her dependent for 5 years.

Employment is another key area of EEA. Women currently earn only $0.63 for every dollar earned by men. Our legislation begins to address this inequity by mandating studies of pay practices in both the Federal branch and the Library of Congress. EEA also sets up education programs for single AFDC mothers in order to help them obtain high school diplomas and formulate career plans. Day care would be provided for the mothers while they attend class. The final provision in the employment section amends the Equal Credit Opportunity Act to protect women from credit discrimination.

The last section of the EEA addresses tax reform. The Tax Code is now based on conception of the family structure which often does not hold true: A male head of the household with a dependent woman and dependent children. Our legislation increases the zero bracket amount, or minimum amount of allowed tax free deduction, for single head of households until it equals the ZBA of married couples. EEA expands the dependent care tax credit and indexes and increases the earned income tax credit, which helps to keep poor families above the poverty line. Our bill will also raise the level of allowable contributions to "spousal IRA's." Current IRA requirements discriminate against married couples with one nonworking spouse.

All the reforms in the 1985 Economic Act have been carefully designed to improve the present and future economic equality of women. It is imperative that we enact these pieces of legislation quickly so that women can receive the economic benefits and opportunities they deserve.●

ECONOMIC EQUITY ACT OF 1985

HON. SALA BURTON

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 14, 1985

● Mrs. BURTON of California. Mr. Speaker, I rise today in enthusiastic support of the Economic Equity Act of 1985.

Mr. Speaker, the timing of the introduction of this package is very important. The House has begun consideration of the budget proposal which has recently been passed by the other body. This budget has been hailed as a compromise and indeed, that is exactly what it does. It compromises a huge segment of our population—our women and children.

Let me speak plainly; this budget proposal is terribly unbalanced. I strongly believe that the various proposals within the Economic Equity Act will restore a sense of fairness, and of true equity.

This proposal contains a measure which reflects one of my primary con-

cerns—the lack of child care for those who most need a ticket to economic self-sufficiency. My legislation, which amends the Higher Education Act, addresses the child care needs of low-income, first generation college students; students who are the first generation within their family to attend college. It is an inexpensive and innovative grant program which makes child care available to these students and provides some training, in the form of part-time employment, in child care programs.

This is a progressive and balanced proposal. It increases access to higher education by eliminating yet another barrier—lack of appropriate child care. It will also increase the pool of trained professionals in the child care field for the future.

I urge all my colleagues to contact my office to cosponsor this constructive proposal and to look carefully at all the other proposals contained in the Economic Equity Act, which are urgently needed by a great majority of the people we have been elected to govern.●

MIKLOS DURAY FREED

HON. TOM LANTOS

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 14, 1985

● Mr. LANTOS. Mr. Speaker, I wish to comment once again on Miklos Duray, the ethnic Hungarian arrested by the government of Czechoslovakia last year on charges of sedition and slander. I have made several remarks on his case in this House, the most recent being a special order I called on March 5 of this year. I am pleased to announce that I have recently learned that Mr. Duray was released this weekend as part of a general amnesty.

I would like to call attention to his release to point out the significance of his imprisonment to all ethnic Hungarians in Czechoslovakia. Mr. Duray—a leader in the ethnic Hungarian community and a member of Charter 77—organized a successful petition campaign to protest the proposed abolition of Hungarian-language courses in many schools attended largely by ethnic Hungarian students. Largely due to this campaign, he was arrested on May 10, 1984, and has been imprisoned awaiting trial until his recent release.

Repression of the individual cannot be left to occur unnoticed. This is not interference in the internal affairs of other countries, as some nations claim when their human rights record is held up to public scrutiny. This type of examination is, in fact, required by the Universal Declaration of Human Rights, adopted by the United Nations 37 years ago, which states, "Member States have pledged themselves to achieve, in co-operation with the United Nations, the promotion of universal respect for and observance of human rights and fundamental freedoms." In addition, the Helsinki Final Act clearly mandated the signatory nations to respect the rights of national minorities, along with a wide range of other human rights, including freedom of expression, religion, and association.

No, Mr. Speaker, we are not interfering in the internal affairs of Czechoslovakia when we attempt to hold them accountable to the treaties they have signed. And we are not interfering when we take note and rejoice that this courageous man is now free. I salute Miklos Duray for his integrity and his strong sense of justice, and I trust that his resumption of normal life will not be hindered by obstacles to his contact with others or to his career and livelihood.●

MS. WALMAR GRAY CELEBRATES 50 YEARS OF SERVICE WITH AMERICAN RE-INSURANCE COMPANY IN NEW YORK

HON. GARY L. ACKERMAN

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 14, 1985

● Mr. ACKERMAN. Mr. Speaker, I would like to take this opportunity to recognize the accomplishments of Ms. Walmar Gray of New York, who on May 13, 1985, will celebrate her 50th year of service with American Re-Insurance Co.

Mr. Speaker, American Re-Insurance Co. is a subsidiary of the Aetna Casualty & Surety Co. and is a well-respected firm in New York. The company has reaped many benefits from Ms. Gray's years of service and the enthusiasm with which she approaches her job. As the retrospective premium accountant in the underwriting accounting department, "Wally" performs the vital task of accumulating data needed for corporate financial reports, as well as servicing clients on an individual basis. Her topnotch work has made a significant contribution to the smooth and efficient operation of the underwriting accounting department, in conjunction with the leadership and direction of Assistant Vice President Kenneth Shefcik and the company's other fine officers.

Mr. Speaker, one of the many talents Ms. Gray has brought to American Re-Insurance is her skill in dealing with people. All of us have had occasion, in our interactions with businesses and institutions, to be put off or experience frustration with the system. But clients of American Re-Insurance who work with Ms. Gray have had a very different experience. Her people-oriented approach to doing business has served the company well, and has been of great benefit to many New Yorkers. Walmar Gray, who is preparing to retire after 50 years of invaluable service, will be greatly missed by American Re-Insurance and its clients.

I would like to congratulate Ms. Gray on her 50th anniversary with the company, and extend to her my best wishes for the future. She has made an important contribution to the city of New York, and I ask all of my colleagues in the U.S. House of Representatives to join me in celebrating with her 50 years of service with American Re-Insurance Co.●

THE GENTLEMAN FROM MASSACHUSETTS: A TRUE FRIEND OF THE VETERAN

HON. G.V. (SONNY) MONTGOMERY

OF MISSISSIPPI

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 14, 1985

● Mr. MONTGOMERY. Mr. Speaker, today, the Speaker of the House hosted, as he does each year, the fourth annual conference on the concerns of Vietnam veterans.

This important conference, held here in the Capitol, provides a forum for discussion of the issues particular to the Vietnam war and to the readjustment of its veterans.

This year's conference focused primarily on six areas: Agent orange, education, minority concerns, the Postal Service, programs and appropriations, and small business.

If we look back at the record of this great body in carrying out the Nation's commitment to caring for its veterans, we can plainly see that, through his strong leadership and initiative, our Speaker has played a major role in the development of veterans' benefits and services.

The conference that the Speaker hosts each year to address issues of concern to Vietnam veterans, as well as his record of achievement in the area of veterans' affairs, show a deep concern for and commitment to all veterans.

I just thought my colleagues should know of this event. It is an excellent example of why American veterans of all wars owe a great deal to the distinguished gentleman from Massachusetts.●

MUHAMMAD ALI COMMENDATION

HON. MICKEY LELAND

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 14, 1985

● Mr. LELAND. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following:

Whereas, he was born Cassius Marcellus Clay, Jr., but has come to be known the world over as Muhammad Ali;

Whereas, he has striven to be a model for excellence, as both an amateur and a professional achieving the world's highest honors for athletic competition; and

Whereas, this giant of a man has taken the time to touch the lives of even the most weak and vulnerable among us—bringing hope where there has been only hopelessness and building dreams out of desperation: Now, therefore, be it

Resolved, that we, the members of the Congressional Black Caucus, do express to the Congress of the United States of America our collective resolve to advance efforts for prevention of injury in sports and take note of the tribute by the World Boxing Council's Sports Medicine Foundation to take place on May 22, 1985, in Los Angeles, CA to a man who will live forever in the sports annals of the world as "The Greatest."●

SECTION 226 OF THE 1984 MOTOR CARRIER SAFETY ACT

HON. GLENN M. ANDERSON

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 14, 1985

● Mr. ANDERSON. Mr. Speaker, an important and badly needed provision was contained in section 226 of the Motor Carrier Safety Act of 1984 which was signed into law on October 30. This provision requires some motor carriers domiciled in certain foreign countries contiguous to the United States to apply for a new type of operating certificate from the Interstate Commerce Commission before they can enter this country.

Some question has arisen as to the effect of this law on transportation by motor carriers domiciled in Mexico into the commercial zones of cities in the United States which are located along our Nation's southern border.

It is the clear intent of this law that effective July 1, 1985, Mexican owned and domiciled private carriers and carriers of specified exempt commodities will have to hold a certificate of registration before they can enter a U.S. commercial zone. Their operation will be restricted to the commercial zone. A Mexican domiciled private carrier or carrier of specified exempt commodities which is owned or controlled by a U.S. citizen will be able to operate throughout the United States.

For hire carriers of regulated goods that are domiciled in Mexico will continue to be able to enter the United States and serve our commercial zones without applying for a certificate of registration. Such carriers will be unable to legally operate outside of the commercial zone unless they had previously obtained operating authority from the Interstate Commerce Commission.

The net result is that all motor carriers domiciled in Mexico either now can operate or will be able to acquire the necessary authority to operate in the commercial zones of cities located in the United States which border on Mexico.

This provision was crafted with the full cooperation and concurrence of the U.S. Special Trade Representative, the Departments of Commerce, State, and Transportation, and the Interstate Commerce Commission. It is the intent of this law that at such time as U.S. carriers are able to operate throughout Mexico on the same basis as Mexican carriers, that the requirement for certain Mexican carriers to obtain the new operating certificates will be waived.●

MOST PRECIOUS NATIONAL RESOURCE

HON. BOB EDGAR

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 14, 1985

● Mr. EDGAR. Mr. Speaker, I would like to take this opportunity to applaud those 540 outstanding college students who have been selected to receive fellowships for graduate study in the natural and social sciences, as well as in mathematics and engineering. What represents a great source of pride to me, is the fact that the State of Pennsylvania alone, received 35 of these highly prestigious awards. Hence, out of all the States in the Union, Pennsylvania has enjoyed the third highest success rate in application acceptance for this nationwide competition of graduate fellowships sponsored by the National Science Foundation.

These bright, ambitious students are a credit to themselves and their community, and represent a source of inspiration and pride for the State as a whole. These scholars make us realize the tremendous academic potential of our youth in Pennsylvania. If knowledge is power, then these students clearly demonstrate the potential for action that will benefit our State and Nation for years to come. And the main source of fuel that successfully feeds that "driving forward" force is our greatest resource of all—the minds of our young. Below are listed the names of the Pennsylvania high schools and the students who have instilled in us this glowing enthusiasm for what the future promises to bring:

Abel, Edwin George—Springfield, Delaware County.
Barth, Ginger A.—Souderton.
Beaumariage, Terrence G.—Canon McMillan.
Bollag, Brigitte B. (Foreign).
Brady, Kathryn Rose—Lock Haven.
Caldwell, Barrett S.—Friend's Central.
Crawford, Eric Thayer—Mount Lebanon.
Crescimanno, Michael J.—Bethel Park.
Freyd, Gwendolyn—Friends Select.
Glascow, Michele Ann—Bald Eagle-Nittany.
Harper, Rebecca Ann—Penncrest.
Harrar, David L. II—Abington.
Ignizio, Laura Suzanne—State College Area.
Iyengar, Arun Kwangil—Harriton.
Jaffe, Ondria Gay—Lower Moreland.
Jones, David Thomas—Upper St. Clair.
Jones, Lucille Ann S.—Upper Dublin Sr.
Karapin, Roger S.—York Suburban.
Kniss, Fred LaMar—Lancaster Mennonite.
Kochanek, Christopher S.—State College Area.
Lee, Kyu-Ho—State College Area.
Long, Jeffrey Keith—Wilmington Area.
O'Donnel, James R., Jr.—North Hills.
Olds, Emily Jean—Manheim Township.
Powell, Edward T.—Penncrest.
Ryan, Wendy Lou H.—St. Benedict Academy.
Scharpf, Eric William—Pennsbury.
Skwarecki, Edward John—Mount Lebanon.
Swanson, Daniel Scott—Bethel Park.
Viavant, Steven—Westtown.
Wagner, Norman Joseph—Upper St. Clair.
Warner, Frederick James—Manheim Township.
Wilkinson, Lynn Odette—Friends' Central.
Yedidia, Jonathan Samuel—Gateway.
Yost, Gregg Richard—Chartiers-Houston.●

THE 1985 ECONOMIC EQUITY ACT

HON. BARBARA A. MIKULSKI

OF MARYLAND

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 14, 1985

● Ms. MIKULSKI. Mr. Speaker, today I am proud to join 80 of my colleagues in introducing the 1985 Economic Equity Act. This act is an omnibus vehicle for women's rights legislation. It will improve women's economic status in the areas of retirement security, taxes, dependent care, employment, and insurance.

The Economic Equity Act has been introduced in the last two Congresses. The 1985 act continues our commitment to remove the obstacles to economic security for American women. The 22 separate bills in the act make clear that every issue truly is a

women's issue. Not only are women affected by every law, but there is a "women's component" to every policy analysis. Unfortunately, that perspective is too often absent. The Economic Equity Act puts forth a "women's analysis" to some of the major issues of the 99th Congress: Tax reform, retirement security, employment policy, dependent care, and insurance.

I am particularly excited by the provisions which address the needs of older women. The gendered wage gap continues into old age. Seventy-four percent of the elderly poor in America are women, and more than 2.6 million older women subsist on incomes below the poverty line. Reforms of the Social Security and pension systems will make a dent in the inequities older women face.

The employment and dependent care titles of the Economic Equity Act will work to eliminate the discrimination women workers face. The issue of dependent care is especially important. Without the availability of quality, affordable child care, all families suffer. Women struggling to become self-sufficient are unable to take advantage of opportunities for education and training unless they can find acceptable day care. Women are also the primary caregivers of the disabled and the elderly. We need to make dependent care available and affordable, both for the dependents and for the women who have traditionally been responsible for their care.

The 1985 Economic Equity Act is a balanced approach to achieving change. The policies in the act reflect the fact that women today are denied economic equity. This is true of younger women starting in the work force, working mothers who are struggling to be superwomen, displaced homemakers who need the same kinds of assistance as displaced steelworkers, and older women relying on insufficient retirement income. The Equity Act speaks to all women.

Last Sunday we celebrated Mothers Day. I hope that next year at this time I will be able to give my mother the gift of a new law that will allow her to live with dignity and security. As the Older Women's League reminds us all, "Your mother didn't bring you up so you could let other mothers down." And I would add to that, that all women need our help to enable them to attain economic equity. I urge all of my colleagues to respond to the needs of millions of American women and become cosponsors of the 1985 Economic Equity Act.●

THE ECONOMIC EQUITY ACT

HON. MARTIN FROST

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 14, 1985

● Mr. FROST. Mr. Speaker, I am pleased to join today with more than 80 of my colleagues in becoming an original cosponsor of the Economic Equity Act. As was the case in the 98th Congress, this much needed legislation is aimed at improving the economic status of women in several key areas. It is not, however, an identical bill to the one that was put before us last year for two reasons. First, because we had such great success in passing some of the provisions in last year's bill, including some landmark legislation dealing with child support enforcement and pension equity. And, second, because the bill has had to take on new provisions and adopt a new form to remain responsive to the constantly changing roles and needs of women. The basic principal, though, remains unchanged—a commitment to removing the barriers to economic security for American women.

By now, we are all very familiar with the popular advertising slogan, "You've come a long way, baby." Indeed, American women have come a long way in the past two decades. We must not, however, let past success cloud our vision. We must not lose sight of the great distance that remains to be traveled. Financial security is simply not even a realistic goal for far too many women in the world's richest nation.

In 1984, there were 9.9 million families headed by single women in the United States and 36 percent of them lived in poverty. In fact, two out of every three poor adults in the United States are women. Women continue to flood into the job market, the vast majority because of economic need, but remain segregated in traditionally female jobs. The wage gap between men and women refuses to narrow—in 1983 the median income for a woman working full time was only 64 percent of that for a man.

Clearly, there is a great deal of work to be done and passage of this bill would represent a good, solid step toward our ultimate goal—true economic equity. While we may not totally agree with every provision of the act, we can all unite behind its basic premise. This legislation represents a reasonable and comprehensive agenda for attaining women's equity through both short and long term initiatives. It addresses the day-to-day concerns and needs of all women—young and old, homemaker and wage earner.

It has become painfully apparent that women will not assume the place in our society that is rightfully theirs until we have corrected the great economic disparity that exists between men and women. I urge all of you to join with me in cosponsoring this extremely important piece of legislation. I look forward to working with you all in a bipartisan, bicameral effort on behalf of American women and their families.●

CONGRESSIONAL SALUTE TO HON. GUSTAVE F. PERNA OF NEW JERSEY, ESTEEMED EDUCATOR, COMMUNITY LEADER AND GREAT AMERICAN

HON. ROBERT A. ROE

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 14, 1985

● Mr. ROE. Mr. Speaker, on Friday, May 17, the residents of my Congressional District and State of New Jersey will join together at a testimonial dinner honoring a distinguished citizen, esteemed educator, and good friend, the Honorable Gustave F. Perna, who is retiring from his high office of public trust as superintendent of schools in the county of Passaic, NJ. I know that you and our colleagues here in the Congress will want to join with me in extending our deepest of appreciation to Mr. Perna and share the pride of his family in the success of his many achievements, nationally and internationally, in the field of education.

Mr. Speaker, the cultural, historical, and economic achievements—even the basic health, well-being, and longevity of a State and nation—depend in a large measure upon how well we educate each generation charged with the trust of carrying out its responsibilities and traditions. Gustave Perna has indeed earned the greatest respect and esteem of all of us for his leadership and personal commitment in seeking to improve the quality of education for our young people. His exemplary record of performance as an educator over the past three decades plus is applauded by all of us.

Gustave F. Perna was born in West New York, NJ. He attained his bachelor of science degree in education from State Teachers College, Plattsburgh, NY; business certificate, Champlain College, Plattsburgh, NY; master of education degree in school administration from Rutgers, the State University of New Jersey. He also studied at the University of London, England and George Washington University, Washington, DC. He pursued other graduate work at Seton Hall University, Yeshiva University, William Paterson College, and Fairleigh Dickinson University.

His first teaching assignment commenced in 1952 at Meadow Lawn School, East Meadow, Long Island, NY. In 1954 he left New York to

become a member of the faculty of Hahn American School, Hahn, Germany for 1 year. During the period 1955 to 1959 he was employed at the Forrest Sherman School, Naples, Italy serving 1 year as teacher and 3 years as assistant principal. In August 1958 as a consultant, he established a new school on the Island of Malta, grades 1 through 11. Between 1959 and 1961 he was superintendent of schools on behalf of the Department of Defense, U.S. Navy, Stephen Decatur School, grades 1 through 12, in Catania, Sicily.

In 1961 Mr. Perna returned to the United States and until 1963 was a teacher at Sommerville School, Ridgewood, NJ. Between 1963 and 1967 he was principal of Roosevelt School, Ridgefield Park, NJ. In 1967 he was appointed superintendent of schools in Rockaway, NJ until his appointment to his current position as superintendent of schools for the county of Passaic, NJ. It is important to note that as county superintendent his area of responsibility encompassed 20 school districts, 118 schools with a total enrollment of 75,000 students and 4,358 professional staff and a budget for 1983–84 school year of close to $234 million. He has served as adjunct professor of the following New Jersey institutions of higher learning: William Paterson College, 1966–68, Fairleigh Dickinson University, 1968–71; and Kean College, 1979–80.

Mr. Speaker, in civic and charitable endeavors, Gustave Perna has extended the richness of his wisdom and versatile talents—always giving willingly and unselfishly of his time—in helping others. In college he was elected campus citizen, outstanding athlete, and senior class president. He received a 1-year institute award of the National Science Foundation at Yeshiva University, NY. Mr. Perna was invited by Secretary of State Dean Rusk to attend the U.S. Department of National Foreign Policy Conference for Educators in Washington, DC, and was one of the members of the discussion group that met with President Lyndon Baines Johnson. He was 1 of 30 superintendents of schools selected by the American Association of School Administrators from 21 States to participate in an educational tour of the USSR in 1970. He built a school to accommodate students in grades 1 through 12 on the Island of Sicily for the dependents of U.S. servicemen stationed at the U.S. Naval Air Station, Sigonella, Sicily. It is little wonder that he was invited to have his interesting lifetime of achievements inscribed in the most prestigious publication, "Who's Who in the East."

In 1969 Gustave Perna was a member of the Chief of Naval Air Reserve training orientation cruise at the Naval Air Training Command, Pensacola, FL. As a member of the American Association of School Administrators, he participated in the following seminars of the National Academy for School Executives: May 1967, Pittsburgh, PA, Evaluating Teacher Effectiveness: The Administrator on the Spot; August 1971, Santa Barbara, CA, Communication Strategies: Building Top Management Effectiveness; August 1972, Toronto, Canada, Alternative Schooling: New Patterns in Education; July 1973, San Francisco, CA, P.P.B.S.: Getting Priorities and Allocations Resources; and April 1974, New Brunswick, NJ, Evaluating the Instructional Staff.

He also participated in the I/D/E/A Academy of Fellows Program, Charles F. Kettering Foundation—1978, 1981, 1982, 1983, and 1984. He initiated the organization of the Presidents' Council—superintendents, high school principals, elementary principals and school business administrators—in 1976 and has been president since its inception. He was instrumental in providing the impetus for the construction of two special needs buildings for handicapped high school students. He was appointed by Gov. Brendan Byrne, confirmed by the New Jersey senate, to serve on the New Jersey Battleship Commission. He is member, board of trustees, Passaic County Community College since 1976; board of education, Passaic County Technical-Vocational High School since 1976; secretary and member, executive board, Passaic County Audio Visual Aids Commission since 1976; past president and member for 9 years, Community Library Board, Rockaway Borough; past president, Rotary Club of the Rockaways; chairman, advisory committee, Paterson Education Foundation, Inc.; life member, National P.T.A.; life member, N.E.A.

Mr. Speaker, Mr. Perna has served our people and our country with honor and distinction. He is an outstanding administrator, educator, and good friend whose standards of excellence in his daily pursuits have touched the lives of many, many people in my congressional district. I appreciate the opportunity to publicly acclaim all of his good works in dedicated public service which have truly enriched our community, State, and Nation. We do indeed salute an esteemed educator, community leader, and great American—the Honorable Gustave F. Perna of New Jersey.●

BANK OF LOLETA

HON. DOUGLAS H. BOSCO

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 14, 1985

● Mr. BOSCO. Mr. Speaker, it gives me a great deal of pleasure to take this opportunity to commemorate the 75 years the Bank of Loleta has served the people and businesses of Humboldt County, CA.

It is truly a measure of the bank's success, and its strong commitment to the well-being of the community, that what started out as a small, community-oriented service in the back of Dickson's General Store in 1910 remains in 1985 the only community-owned and operated bank headquartered in Humboldt County. Only 12 other banks in California have had longer, continuously operating charters. While much larger today, the Bank of Loleta still retains its strong commitment to the growth and vitality of the Humboldt community.

It is an honor for me to have this opportunity to note the Bank of Loleta's 75th year of outstanding service and commitment to the residents of Humboldt County. We truly appreciate the role the Bank of Loleta has had in helping Humboldt County prosper in the past, and I am grateful for the role the Bank of Loleta will have in the prosperity of the future.●

THE 25TH WEDDING ANNIVERSARY OF MR. AND MRS. RAYMOND DUDA OF EASTHAMPTON, MA

HON. SILVIO O. CONTE

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 14, 1985

● Mr. CONTE. Mr. Speaker, I rise to give recognition to Mr. and Mrs. Raymond Duda of Easthampton, MA, as they prepare to celebrate their 25th wedding anniversary. Ray and Jo Duda are dear friends of my wife, Corinne, and mine, and therefore, it is with great joy that I make this presentation.

Ray and Jo are special people and their silver anniversary is a special occasion for their family and all their friends. To me, Ray and Jo represent all that is good about American life. The Duda's own and operate the Lazy D Farms, one of the most productive dairy enterprises in the Commonwealth of Massachusetts.

For many years now, Ray has used his expertise to provide direction and inspiration to the farming community. He has done so through such roles as director of the Hampshire County Farm Bureau, chairman of the Massachusetts Dairy Committee, and executive director of the Massachusetts Agricultural Stabilization and Conservation Service—a position appointed by the U.S. Secretary of Agriculture.

My association with Ray and Jo goes back many years, so I know first hand when I speak of the joy and happiness they have generated for so many. They are the proud parents of two exceptional children, Mary and Ray, Jr. I had the pleasure of observing the

product of Ray's and Jo's love and guidance when Mary worked as an intern in my Washington office. She did a wonderful job.

I want to extend all of my best wishes and my warmest regards to Ray and Jo on this wonderful occasion, and to wish them the same for another 25 years.●

QUEENS SPEECH AND HEARING SERVICE CENTER, INC. CELEBRATES ITS 25TH ANNIVERSARY, HONORS ITS PAST PRESIDENTS

HON. GARY L. ACKERMAN

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 14, 1985

● Mr. ACKERMAN. Mr. Speaker, I rise today to pay tribute to the many clinicians, staff, and board members of the Queens Speech and Hearing Service Center, on the momentous occasion of the center's 25th anniversary, which will be celebrated on May 18, 1985.

Mr. Speaker, the miracles wrought at the Speech and Hearing Center have had a profound effect on many individuals and families in Queens County and in the Greater New York City area.

The center, which will mark its silver anniversary by honoring its past presidents at a gala ball at the North Hills Country Club, has given many people reason to celebrate its outstanding work. Over the past 25 years, the Speech and Hearing Service Center's dedicated staff members have enabled many people with speech and language problems to break out of the isolation imposed by their disabilities.

One of the center's unique programs does this for the severely physically handicapped. Children with cerebral palsy, and adults suffering from deteriorating motor control often are unable to communicate their thoughts and feelings to their families, loved ones, and others. Their minds are trapped inside bodies that can't obey their pressing need to interact with other people, to be understood and to communicate their own understanding. But a program at the center that is specially designed for disabled citizens trains them to use technological and other tools to communicate. Staff members make it possible for people with hearing and language problems, and other physical handicaps, to begin a new way of life. No longer must they stand alone in silence. During the past quarter of a century, the research, training, and therapy conducted at the center have led countless individuals out of their isolation, and into a new fellowship with society.

Mr. Speaker, we in Queens are privileged to have one of the finest speech and hearing centers in the country. In addition to all the many benefits the center provides to its clients, it also serves as a valuable training ground for future speech pathologists and audiologists. Graduate students at Queens College, where the center is headquartered, gain vital experience by working and learning at the center.

The dedication and skill of the center's staff members, students, clinicians and members of the board of trustees have had a tremendous impact on the residents of New York. I would like to publicly acknowledge Bess Fleisher, who has been the center's executive secretary for 25 years; Director Joel Stark, Associate Director Robert Rosenbaum, Board President Paul Belloff, and the former board presidents, whose generosity and humanity have benefited so many. They are: the late Charles Colden, Chester Schwimmer, Richard Geist, Stewart Gilbert, the late Anthony Savarese, Nat Hentel, Joseph Albanese, Norman Gould, the late Samuel Gertz, Vincent Albanese, the late Morton Roberts, and Irving Klein.

I would like to ask all of my colleagues in the U.S. House of Representatives to join with me now in congratulating all of the people who have made possible the Queens Speech and Hearing Service Center's fine work, upon the momentous occasion of its 25th anniversary.●

TRIBUTE TO JUDGE HARRY F. GLADISH, SR.

HON. IKE SKELTON

OF MISSOURI

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 14, 1985

● Mr. SKELTON. Mr. Speaker, Last Wednesday, May 8, 1985, a dear friend of mine, Judge Harry F. Gladish, Sr., of Higginsville, MO passed away at the age of 85.

I first met Judge Gladish early in my life, but it was in my days as the prosecuting attorney for Lafayette County, while he served as Lafayette County Magistrate, that our friendship blossomed. Harry Gladish was a fine judge, one who could always be counted on to render a fair and impartial decision. He was a man of great intergrity, and a dedicated servant to the cherished principles upon which our Nation was founded.

His distinguished career serving both his country and the community in which he lived all of his 85 years will not soon be forgotten. Judge Gladish was a veteran of the First World War, in which he braved gas attacks while serving with distinction in the 35th Division. He was a member of the American Legion and a former post commander. He served in the Missouri House of Representatives from 1936-42, and was a former mayor of Higginsville, MO. As I previously mentioned, he also served for a time as a Lafayette County Magistrate. Judge Gladish was a member of the Higginsville Lions Club, the Lafayette County Bar Association, and the First Baptist Church of Higginsville.

Over the years, Judge Gladish exhibited a great capacity for friendship. As my career took me to the Missouri Senate, and later to this House, Judge Gladish always remained close. My frequent returns to the Higginsville area were always brightened by his presence. He was as good a friend as a man could have, and I know that I am not alone in saying that he will truly be missed.

I know that all my colleagues join me in offering heartfelt condolences to his family and to his many friends and colleagues throughout the State of Missouri.●

A TRIBUTE TO LT. COL. RUTH L. NANCARROW

HON. GEORGE W. GEKAS

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 14, 1985

● Mr. GEKAS. Mr. Speaker, recently a constituent of mine from Harrisburg, PA, captured one of the four most prestigious awards presented annually at the U.S. Air Force School of Aerospace Medicine.

Lt. Col. Ruth L. Nancarrow, deputy chief of the environmental health branch, Education Division, was awarded the Docere Award for her contribution in furthering the School of Aerospace Medicine [SAM] teaching mission.

In an article written by Discovery editor Bill Graham, Colonel Nancarrow was cited as a recognized authority on environmental health and preventive medicine and was specifically selected for assignment to SAM to develop training programs for the newly created Environmental Health career field. She teaches 425 hours in seven officer and enlisted courses and she wrote the course training standard and plan of instruction for the Environmental Health Interim Training [DVM] Course and personally presents 30 lectures (56) hours in this 3-week course.

In addition, Colonel Nancarrow serves as course supervisor for the Current Environmental Health Services Programs and Policies Symposium for senior environmental health service officers and has written a major portion of the new Environmental Medicine Career Development Course that will be used in a base-level education of 908X0 specialists.

I would like the RECORD to reflect my own personal pride in the accom-

plishment of Colonel Nancarrow, our constituent from Harrisburg, PA.●

THE "JUSTICE" DEPARTMENT

HON. CARROLL HUBBARD, JR.

OF KENTUCKY

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 14, 1985

● Mr. HUBBARD. Mr. Speaker, former Attorney General William French Smith and Robert Fomon, chairman of the board and chief executive officer of E.F. Hutton & Co., Inc., discussed at a luncheon last fall the Federal investigation that had been going on for over 3 years into the massive check-kiting operation run by E.F. Hutton's employees.

The U.S. Justice Department, in my opinion, the most politically conscious and politically active agency of the Federal Government, allowed the well-connected E.F. Hutton to cop a guilty plea to 2,000 counts and pay $2,750,000 in fines and costs. Of course, the politically motivated Justice Department is not prosecuting any of the individuals who managed the $4.35 billion check-kiting scheme at 400 American banks.

Justice Department officals were quoted yesterday in the New York Times as saying their "plea bargain helped save America's banking system." What a joke.

Recently, the Justice Department indicted, convicted and sent to jail a Washington, DC, woman for shoplifting four sweaters worth less than $200.

Too bad this woman didn't have friends inside the Justice Department or didn't work at a big corporation as a cash management manipulator.●

OUTLAYS OUT OF SORTS

HON. LES ASPIN

OF WISCONSIN

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 14, 1985

● Mr. ASPIN. Mr. Speaker, the defense budget is not just a collection of defense issues—weapons, end strengths, operating tempos. The defense budget is also packed with economic issues—economic assumptions, economic policies, economic consequences.

As chairman of the House Armed Services Committee, I look forward in the coming months to exploring those questions. I do so, Mr. Speaker, for two reasons. First, as Red Buttons used to say, strange things are happening. Some of the ways we've done business for many years no longer work. The old assumptions can no longer be relied on. Second the volume of money that is involved is simply staggering. The single issue I want to focus on today—an issue hardly anyone has ever heard of—involves figures that surpass the sums we have been haggling over in this year's budget since January.

Mr. Speaker, I wish to report to the House today that the Defense Department's outlays are out of sorts.

The computer calculations we have been relying on for many years to project the level of Defense Department outlays are not working. Defense outlays are running well below those projected by the administration's computers.

I am not charging the administration with any wrong doing, and I am not the bearer of bad news of a bigger deficit. On the contrary, what I am about to explain to you is how the deficit for fiscal year 1986 will probably be billions of dollars less than anyone is currently estimating.

First, for new initiates to the wonderful world of Federal budgeting, a little explanation is in order—namely, the difference between budget authority and outlays. Congress votes on budget authority; that is, this year, we are voting to give the administration in fiscal year 1986 the authority to spend x number of dollars. But Federal agencies won't spend it all in 1986. They will exercise some of that authority in 1986, some in 1987, and some in later years. When they actually spend the money—that is, issue checks—you have outlays.

Congress does not really determine outlays through its votes. The outlays for next year, 1986, are estimated from amounts Congress votes in budget authority for 1986, 1985, 1984, and so forth.

For example, shipbuilding money spends very slowly. For every hundred dollars in budget authority we vote for shipbuilding, $6 will be spent in the first year, $20 will be spent in the second year, $25 in the third year, and the remainder spread out over the next few years. Thus, to calculate the shipbuilding outlays for fiscal year 1986, we add 6 percent of the 1986 shipbuilding appropriations, 20 percent of the 1985 shipbuilding appropriations, 25 percent of the 1984 shipbuilding appropriations, and so forth.

To estimate outlays, we apply simple formulas such as these to the budget authority voted by Congress.

But no one really knows for certain what outlays are until the fiscal year is over and the auditors tabulate all the checks that were issued. Yet, outlays are very important, for it is outlays that determine the size of the deficit. The deficit in any year is based on what the Government spends, not on the level of budget authority Congress votes to give the administration that year.

These outlays projections have never been perfect. Until recently, they came reasonably close. Now, however, something has gone haywire.

Defense Department outlays for 1984 were $10.2 billion below the estimate made in January 1984, 3 months into the fiscal year.

For the current fiscal year, 1985, defense outlays are already running $16.3 billion below what the computer calculations estimated only 5 months ago in January. This is $16.3 billion that will not turn up in the 1985 deficit.

Table 1 shows the experience with outlay projections since 1977.

TABLE 1.—COMPARISON OF FORMULA ESTIMATES WITH ACTUAL DEFENSE OUTLAYS

[Dollars in billions]

	Fiscal years—								
	1977	1978	1979	1980	1981	1982	1983	1984	1985
January estimate	$98.1	$105.3	$111.9	$127.4	$158.6	$180.7	$208.3	$231.0	$256.3
Actual outlays	$95.7	$103.0	$115.0	$132.8	$156.1	$180.7	$204.4	$220.8	[1] $240.0
Percent change relative to estimate	−2.5	−2.2	+2.7	+4.1	−1.6	0	−1.9	−4.6	6.8
Dollar error	−$2.4	−$2.3	+$3.1	+$5.4	−$2.5	0	−$3.9	−$10.2	$16.3

[1] Congressional Budget Office staff projections as of Apr. 30, 1985.

As the bottom line of table 1 shows, the total error for last year and so far this year—$26.5 billion—exceeds the total error of the preceeding 7 years—$19.6 billion—by more than a third. The error is even more dramatic when one nets out the pluses and minuses. Then the 1984-85 error of minus $26.5 billion is 10 times greater than the minus $2.6 billion of the preceeding 7 years.

Officials in the administration understand that something has gone haywire with these outlay projections.

and they have tried to correct for it. Since actual outlays were $10 billion lower than the formulas forecast for 1984, for 1985 the Pentagon and the White House Office of Management and Budget [OMB] arbitrarily lopped $10 billion off the formula projection before publishing their estimates. But that is not enough. Outlay rates so far are running even lower, by more than $6 billion, than the officials anticipated even with the $10 billion chop. Thus, as table 1 shows, the outlay rate for fiscal year 1985, which is only barely half over, is running $16.3 billion below what the formulas say should be spent.

What is causing this? I cannot give you a precise answer, but there are several possibilities.

One possible explanation is that Pentagon budget authority has been based on inflation estimates that were much too high. In other words, we provided more budget authority than was needed, and some authority went unspent.

Another possible explanation stems from a change in government cash management practices. Where previously the policy was to pay bills upon receipt, the policy is now to pay in 30 days.

Other explanations are possible, but require more research. The key question before us, however, is this: What is the implication of this outlay slowdown for the fiscal year 1986 budget that we are now trying to put together? The Pentagon and OMB have again lopped $10 billion off the estimated outlays for 1986—just as they lopped an identical amount off their January estimate of 1985 outlays.

But experience shows that $10 billion is not enough. What's more, there is yet a new factor to slow defense outlays even further. In April, the Pentagon lowered the progress payments it makes to contractors. Previously, it was paying 90 percent of the costs contractors incurred as they went about manufacturing equipment, with the remaining amount paid upon delivery. Now the Pentagon pays 80 percent. It is estimated that this payment stretchout will cut spending by $2 billion to $3 billion over a full year.

Table 2 tracks the estimating errors through fiscal year 1986. The table shows that outlays will be $18.5 billion—$18 billion to $19 billion—lower than projected by the standard formula, whether we end up with a no-growth budget or an inflation-growth-only budget.

TABLE 2.—BUDGET OUTLAY ESTIMATING ERRORS

[Fiscal years in billions of dollars]

	1984	1985	1986	
			Inflation growth	No growth
Budget authority	$258.2	$284.7	$296.1	$284.7
Formula-projected outlays	231.0	256.3	278.2	271.8
Actual or current best outlay estimate	220.8	240.0	259.7	253.3
Dollar error	10.2	16.3	18.5	18.5

The administration has already cut $10 billion off the projected outlays for 1986. It is reasonable for us to reduce the estimates by a further $8 billion to $9 billion—by $2 billion to $3 billion for the progress payment stretchout, and $6 billion to reflect the experience of this year that I explained earlier.

When you look at the budget issues that have been dominating page 1 the last few months, that $8 billion to $9 billion looms very large.

It exceeds the $7.7 billion the President says we could save by terminating 18 Federal programs, including Amtrak support, the Job Corps, the Small Business Administration, postal subsidies, rural electrification, urban development action grants, and others.

It matches the $8.2 billion we would save by eliminating all Federal COLA's.

It dwarfs the $5.6 billion we could save by eliminating Social Security COLA's.

To paraphrase the late Senator Everett Dirksen, this is real money we're talking about.●

NATO IN GERMANY

HON. ALFRED A. (AL) McCANDLESS

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 14, 1985

● Mr. McCANDLESS. Mr. Speaker, this past weekend, I accepted the invitation of the Secretary of the Army to join the U.S. Army's Germany "Quick-Look" Program. We left Andrews AFB Thursday night on a regularly scheduled Air Force C5 cargo plane, and flew home Sunday night on another regularly scheduled C5 flight, after 3 intensive days in Germany.

The schedule began with a visit to the commanding general of the U.S. Army in Europe, and a briefing from him and his staff. From there, we went on to observe the training of the 1st Armored Division, the 2d Armored Calvary Regiment, the 10th Special Forces, the 21st Support Command, and the 59th Ordnance Brigade. I had an opportunity to inspect the 7th Army Training Center, and to become familiar with the organization and maintenance of thousands of U.S. troops abroad.

Consistently, the massive storage capacity necessary to feed, clothe, house, transport, and maintain in combat readiness all these personnel was well organized. The trip was an exceptional opportunity to observe the border activity one hears about between East and West Germany, and to speak with officers, noncommissioned and enlisted personnel. The level of readiness appeared to be very good.

As a member of the body that authorizes and appropriates the funds that go to our Armed Forces in Germany, it is illuminating to see how they are used once they get there, and I would urge my colleagues to take a "quick look" at one important use of our defense budget.●

JAMES L. MOODY OF MAINE

HON. OLYMPIA J. SNOWE

OF MAINE

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 14, 1985

● Ms. SNOWE. Mr. Speaker, our State of Maine has long brought forth into the Nation leaders in both public and private life. We are very proud of that tradition, and are very conscious of the debt we owe to those individuals who have worked hard for the benefit of Maine.

I am very proud today of Jim Moody, chairman of the board and chief executive officer of Hannaford Bros. Co. of South Portland, ME. He has been elected to serve as chairman of the board of the Food Marketing Institute, a 2-year position atop the international association that represents over 1,500 food retailers, wholesalers, and their customers.

The same talent and sense of purpose which have marked Jim's career at Hannaford will be the base for a creative stewardship at FMI. His new chairmanship is a reflection of the esteem and admiration of his colleagues in the food retailing industry, an esteem and admiration shared by many of us throughout the State of Maine. Hannaford sets a high standard of service and attentiveness to its customers and patrons, which I believe bears the strong mark of Jim Moody.

Mr. Speaker, I would just like to add my voice of congratulations to Jim Moody, and to commend him for carrying on in the tradition of leadership and service by the State of Maine.●

NOTICE OF RULE REQUEST ON BUDGET RESOLUTION

HON. WILLIAM H. GRAY III

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 14, 1985

● Mr. GRAY of Pennsylvania. Mr. Speaker, pursuant to Democratic Caucus rule 35, I would like to advise

the Members that I may request, on the behalf of the Committee on the Budget, a modified closed rule for the consideration of the first concurrent resolution on the budget for fiscal year 1986.●

HOUSE OF REPRESENTATIVES—*Wednesday, May 15, 1985*

The House met at 10 a.m. and was called to order by the Speaker pro tempore [Mr. WRIGHT].

DESIGNATION OF SPEAKER PRO TEMPORE

The SPEAKER pro tempore laid before the House the following communication from the Speaker:

WASHINGTON, DC,
May 14, 1985.

I hereby designate the Honorable JIM WRIGHT to act as Speaker pro tempore on Wednesday, May 15, 1985.

THOMAS P. O'NEILL, Jr.,
Speaker of the House of Representatives.

PRAYER

The Chaplain, Rev. James David Ford, D.D., offered the following prayer:

We remember, O gracious God, those who fill their lives with good works, reaching out to people whose names we do not know, but whose needs are great. Each of us knows people who devote themselves to helping others along life's way, whose acts of generosity and kindness are never reported and who look for no reward. We thank You, O God, for those who do their acts of mercy in a quiet and faithful way. In silent prayer we mention their names before You in appreciation for their loving concern. Amen.

THE JOURNAL

The SPEAKER pro tempore. The Chair has examined the Journal of the last day's proceedings and announces to the House his approval thereof.

Pursuant to clause 1, rule I, the Journal stands approved.

Mr. LOTT. Mr. Speaker, pursuant to clause 1, rule I, I demand a vote on agreeing to the Chair's approval of the Journal.

The SPEAKER pro tempore. The question is on the Chair's approval of the Journal.

The question was taken; and the Speaker pro tempore announced that the ayes appeared to have it.

Mr. LOTT. Mr. Speaker, I object to the vote on the ground that a quorum is not present and make the point of order that a quorum is not present.

The SPEAKER pro tempore. Evidently a quorum is not present.

The Sergeant at Arms will inform absent Members.

The vote was taken by electronic device, and there were—yeas 213, nays 158, answered "present" 1, not voting 62, as follows:

[Roll No. 115]

YEAS—213

Ackerman	Gonzalez	Nowak
Anderson	Goodling	Oberstar
Andrews	Gordon	Obey
Annunzio	Gray (IL)	Olin
Anthony	Gray (PA)	Ortiz
Archer	Guarini	Owens
Atkins	Hall (OH)	Panetta
Barnard	Hall, Ralph	Pease
Barnes	Hall, Sam	Perkins
Bateman	Hamilton	Price
Bates	Hammerschmidt	Ray
Bedell	Hatcher	Reid
Bennett	Hawkins	Richardson
Berman	Hayes	Rinaldo
Bevill	Hefner	Robinson
Boggs	Heftel	Rodino
Boland	Hertel	Roe
Boner (TN)	Howard	Rose
Borski	Hoyer	Rostenkowski
Bosco	Hubbard	Roukema
Boucher	Hughes	Rowland (GA)
Boxer	Jenkins	Roybal
Breaux	Johnson	Russo
Brooks	Jones (NC)	Sabo
Brown (CA)	Jones (OK)	Savage
Broyhill	Jones (TN)	Schumer
Bruce	Kanjorski	Seiberling
Burton (CA)	Kaptur	Sharp
Bustamante	Kastenmeier	Shelby
Byron	Kennelly	Sisisky
Callahan	Kildee	Skelton
Carper	Kleczka	Slattery
Coleman (TX)	Kolter	Smith (IA)
Collins	Kostmayer	Snyder
Cooper	Lantos	Solarz
Coyne	Leath (TX)	Spratt
Crockett	Lehman (CA)	Staggers
Daniel	Lehman (FL)	Stallings
Darden	Levin (MI)	Stark
Daschle	Levine (CA)	Stratton
Davis	Lipinski	Studds
de la Garza	Lloyd	Swift
Dellums	Long	Tallon
Dicks	Lowry (WA)	Tauzin
Dingell	Luken	Thomas (GA)
Donnelly	Lundine	Torres
Dorgan (ND)	MacKay	Torricelli
Dowdy	Markey	Towns
Dwyer	Matsui	Traficant
Dyson	Mavroules	Traxler
Early	Mazzoli	Udall
Eckart (OH)	McCloskey	Valentine
Edgar	McHugh	Vento
Edwards (CA)	McKinney	Visclosky
English	Meyers	Volkmer
Erdreich	Mica	Walgren
Fascell	Mikulski	Watkins
Fazio	Miller (CA)	Waxman
Feighan	Mineta	Weaver
Flippo	Moakley	Weiss
Florio	Mollohan	Wheat
Foglietta	Montgomery	Whitley
Foley	Moody	Whitten
Ford (TN)	Moore	Wise
Frank	Morrison (CT)	Wolpe
Frost	Mrazek	Wright
Garcia	Murphy	Wyden
Gaydos	Murtha	Wylie
Gejdenson	Myers	Yates
Gephardt	Natcher	Yatron
Glickman	Nichols	Young (MO)

NAYS—158

Armey	Billey	Campbell
Badham	Boehlert	Carney
Bartlett	Boulter	Chandler
Bentley	Broomfield	Chappie
Bereuter	Brown (CO)	Cheney
Bilirakis	Burton (IN)	Clinger
Coats	Jacobs	Ritter
Cobey	Jeffords	Roberts
Coble	Kasich	Roemer
Coleman (MO)	Kindness	Rogers
Combest	Kolbe	Roth
Coughlin	Kramer	Rowland (CT)
Courter	Lagomarsino	Rudd
Craig	Latta	Saxton
Crane	Leach (IA)	Schaefer
Dannemeyer	Lent	Schneider
Daub	Lewis (CA)	Schroeder
DeLay	Lewis (FL)	Schulze
Derrick	Lightfoot	Sensenbrenner
DeWine	Livingston	Shumway
Dickinson	Loeffler	Shuster
DioGuardi	Lott	Sikorski
Dornan (CA)	Lowery (CA)	Siljander
Dreier	Lujan	Skeen
Duncan	Lungren	Slaughter
Edwards (OK)	Mack	Smith (NE)
Emerson	Marlenee	Smith (NH)
Evans (IA)	Martin (IL)	Smith (NJ)
Fawell	Martin (NY)	Smith, Denny
Fiedler	McCain	Smith, Robert
Franklin	McCandless	Snowe
Frenzel	McCollum	Solomon
Gallo	McDade	Spence
Gekas	McEwen	Stangeland
Gilman	McGrath	Stenholm
Gingrich	McMillan	Strang
Gradison	Michel	Stump
Green	Miller (OH)	Sundquist
Gregg	Miller (WA)	Sweeney
Grotberg	Molinari	Swindall
Gunderson	Monson	Tauke
Hansen	Moorhead	Thomas (CA)
Hartnett	Nielson	Vucanovich
Hendon	Oxley	Walker
Henry	Packard	Weber
Hiler	Parris	Whitehurst
Hillis	Pashayan	Whittaker
Hopkins	Penny	Wolf
Horton	Petri	Wortley
Huckaby	Porter	Young (AK)
Hunter	Pursell	Young (FL)
Hyde	Quillen	Zschau
Ireland	Ridge	

ANSWERED "PRESENT"—1

Dymally

NOT VOTING—62

Addabbo	Eckert (NY)	Nelson
Akaka	Evans (IL)	O'Brien
Alexander	Fields	Oakar
Applegate	Fish	Pepper
Aspin	Ford (MI)	Pickle
AuCoin	Fowler	Rahall
Barton	Fuqua	Rangel
Beilenson	Gibbons	Regula
Biaggi	Holt	Scheuer
Bonior (MI)	Hutto	Schuette
Bonker	Kemp	Shaw
Bryant	LaFalce	Smith (FL)
Carr	Leland	St Germain
Chappell	Madigan	Stokes
Clay	Manton	Synar
Coelho	Martinez	Taylor
Conte	McCurdy	Vander Jagt
Conyers	McKernan	Williams
Dixon	Mitchell	Wilson
Downey	Morrison (WA)	Wirth
Durbin	Neal	

□ 1020

The Clerk announced the following pair:

On this vote:

Mr. Nelson for, with Mr. Shaw against.

Mr. WORTLEY changed his vote from "yea" to "nay."

□ This symbol represents the time of day during the House proceedings, e.g., □ 1407 is 2:07 p.m.

● This "bullet" symbol identifies statements or insertions which are not spoken by the Member on the floor.

Mr. LOWRY of Washington changed his vote from "nay" to "yea."

So the Journal was approved.

The result of the vote was announced as above recorded.

EQUIPMENT INITIATIVE

(Mr. MONTGOMERY asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. MONTGOMERY. Mr. Speaker, the sixth in a series of National Guard and Reserve initiatives I am pursuing deals with the problem of equipment shortages. I have recommended legislation to the Committee on Armed Services which will expand upon and reinforce an amendment to the fiscal year 1982 defense authorization bill authored by the distinguished senior Senator from Mississippi, JOHN C. STENNIS. That earlier legislation required the Secretary of Defense to make an annual report providing the Congress with important information on the existing and future equipment needs of the Guard and Reserve.

Mr. Speaker, the equipment posture of the Guard and Reserve continues to be not good and not at all consistent with the total force missions assigned to them. The Assistant Secretary of Defense for Reserve Affairs has noted that the Army Guard and Army Reserve have only 52 percent of the equipment needed for their roles in a major war. I believe my legislation will help find that solution.

COMMUNIST EXPANSION IN CENTRAL AMERICA CAN BE STOPPED

(Mr. McCOLLUM asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. McCOLLUM. Mr. Speaker, a couple of weeks ago, after we voted to deny any aid to the Contras in their efforts against the Communist Sandinistas in Nicaragua, Ortega responded by saying he would send home 100 Cubans of the 8,000 advisers there, and immediately went to Moscow to reaffirm his relationship with the Soviet Union.

Since then, seven Communist Sandinista operatives have been arrested or apprehended in supplying arms across the border to Honduras.

On May 2, we had an incursion of combat-size units into Honduras by Communist Sandinistas. On May 10, we had an engagement with elements of the Honduran Army and shelling that went across the border and killed one and injured several more and caused the evacuation of several towns and villages. Just this past Saturday we had more combat-size units of Communist Sandinistas entering Honduras.

I have changed my mind about how we should deal with the Communist Sandinistas down there. I do not think any amount of pressure we bring is going to cause them to change, and in my judgment the United States should immediately break diplomatic relations with the Nicaraguan Government. We should recognize the Contras as a government in exile, and we should immediately proceed to supply $50 million, $100 million, or whatever amount is necessary to assure the overthrow of the Communist Sandinista regime in Nicaragua. If we do anything less, we will not succeed. If we do this, we can stop Communist expansion in Central America.

VUCANOVICH OBJECTS TO COMPARABLE WORTH CONCEPT

(Mrs. VUCANOVICH asked and was given permission to address the House for 1 minute and to revise and extend her remarks.)

Mrs. VUCANOVICH. Mr. Speaker, I rise today to speak on the issue of comparable worth. I do not believe that "comparable worth"—the notion that different jobs can be rated equal, and therefore paid equally is a workable concept.

While I am very much against the "comparable worth" proposal, I hasten to add that I do support "equal pay for equal work." I feel strongly that when an individual completes a job, he or she should be paid the market rate, without regard to the gender of the worker. Unfortunately, I fear that the "equal pay" concept has been distorted by the "comparable worth" advocates.

The concept of "comparable worth" is completely unworkable, and in my opinion detracts from the worthwhile issue of equal pay for equal work. Additionally, it is unneeded. While no one can disagree that sex discrimination still exists in some employment situations, "comparable worth" is not the answer to alleviating the problems that exist. It would only serve to create more.

Employers should be held accountable for any discriminatory acts or policies, and laws for this purpose already exist. Sex discrimination can best be remedied through legislation already enacted—the Equal Pay Act and title VII of the Civil Rights Act of 1964, which prohibits job discrimination based on sex or race. We do not need any extraneous, costly legislation.

JOINT REFERRAL OF H.R. 1893 TO COMMITTEE ON EDUCATION AND LABOR AND COMMITTEE ON THE JUDICIARY

Mr. HAWKINS. Mr. Speaker, I ask unanimous consent that the bill, H.R. 1893, heretofore referred only to the Committee on Education and Labor be jointly referred to the Committee on the Judiciary on a joint referral basis.

This bill, which amends the Walsh-Healey Act, has always been referred to both committees. The Parliamentarian's office has advised the Committee on the Judiciary that the referral of the bill solely to the Committee on Education and Labor was a mistake and that it should have been jointly referred to both committees. My unanimous-consent request is that that joint referral be made.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from California?

There was no objection.

□ 1030

HOUSE RULES SHOULD BE CHANGED TO PROHIBIT SELF-APPOINTED CONGRESSIONAL AMBASSADORS FROM CONDUCTING CONFERENCES WITHOUT DIPLOMATIC PERSONNEL

(Mr. LIVINGSTON asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. LIVINGSTON. Mr. Speaker, the Evans-Novak column today in the Washington Post charges that two Members of the House recently traveled to Nicaragua to consult with leaders of the Communist government there, out of the presence of U.S. diplomatic personnel. Their message presumably charged that the Nicaraguan Government had embarrassed the Democratic Party by the Ortega trip to Moscow, and it charged if changes did not occur, some more members of the Democratic Party would be forced to vote for support for the freedom fighters.

Mr. Speaker, as an outspoken advocate for military support for the freedom fighters, I personally hope their feared alternative comes to pass. But I question the wisdom of the Members engaging in closed negotiations with an openly hostile power, and I call upon both gentlemen to make totally public the full substance of their confidential discussions.

Further, Mr. Speaker, I propose the House consider changes in the House rules to prohibit self-appointed congressional ambassadors from conducting conferences out of earshot of authorized diplomatic personnel.

CONGRESS MUST BE READY TO MEET THE TRADE CHALLENGE

(Ms. KAPTUR asked and was given permission to address the House for 1 minute and to revise and extend her remarks.)

Ms. KAPTUR. Mr. Speaker, there are a lot of records being broken these days in the area of U.S. trade with Japan. The problem is that the United

States is constantly on the short end of the stick. In March, our trade deficit with Japan hit a record level but Japan posted a record trade surplus with the United States which hit record highs. Japan's auto exports to the United States are up more than 20 percent over a year ago, thanks to President Reagan's misguided decision to lift the ceiling on auto import restraints that expired last April 1. He said when he did that, he wanted to leave it up to the Japanese to decide how many cars they wanted to ship into U.S. markets. How about that.

Mr. Speaker, this is not a game. Decisions based on a fantasy land belief that free trade with Japan still exists has cost America 130,000 manufacturing jobs since January of this year; 45,000 jobs were lost this past March alone. The people in my district are paying the price for this administration's inaction on trade. Imports are flooding our markets and eroding our manufacturing base. We get nothing from the White House but hollow cliches. We need leadership to protect American jobs and American business. If the President isn't ready to meet the trade challenge, then the Congress must.

THANK YOU, MR. PRESIDENT

(Mr. SOLOMON asked and was given permission to address the House for 1 minute and to extend his remarks.)

Mr. SOLOMON. Thank you, Mr. Speaker, and thank you, President Reagan, for being a great President. Thank you, President Reagan, for giving us strong leadership, and thank you, Mr. President for giving us a budget with your ideas of how to cut that budget.

You know, my colleagues, I came back to Washington Monday morning, and laying on my desk was a summary of all of the "Dear Colleague" letters and all the resolutions that individual Members are offering for us to cosponsor that would restore this cut and that cut. Maybe it is for local tax exemptions to be restored. Maybe it is for restoring revenue sharing and those are all pretty good ideas, and I know the Members are well intentioned in offering them.

But no place in that "Dear Colleague" letter, no place in that resolution did I read any recommendation that would replace the lost revenue in maintaining the needed deficit reduction of $50 billion. As a matter of fact if all of those recommendations to restore cuts were adopted, we would end up with no reduction in the deficit at all, and if that happens, you will see interest rates going back up to Jimmy Carter levels of 22.5 percent and inflation going back up to Jimmy Carter levels of 14 percent, which literally broke the backs of all Americans in this country. Therefore, I've desisted to oppose all restoration of cuts, no matter how good or necessary they may be, unless there is a specific recommendation to cut elsewhere.

My recommendation for some of those good ideas that my colleagues have for restoring some of those cuts is to take it out of foreign aid; take it out of the U.N. budget and some other places.

I say to you, gentlemen and ladies: Let me hear your recommendations for restoring those cuts with like savings in the budget, and I will be glad to consider and maybe even support some of your suggestions, but don't stand up here on this floor of Congress and say "don't cut this" without also saying "cut this." Be responsible!

IRRESPONSIBLE BUDGETS

(Mr. DORGAN of North Dakota asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. DORGAN of North Dakota. Mr. Speaker, it seems to me that if President Reagan is truly a leader for this country, he will begin developing fiscal policies that provide some balance. When people say, "Thanks, Mr. President, for your leadership," let us review the leadership.

This is the President who says, "I want to spend $980 billion, but I only want revenues collected from the American people of $180 billion less than that." He wants to give us a dollar's worth of government but only tax for 80 cents. He has added $600 billion to the Federal debt in his short time as President.

No, I do not think that is leadership; I think we all ought to have the courage to require the taxpayers to ante up money for that which we want to spend money for in this House of Representatives. Leadership would be a budget from the White House that is more in line with what the American people want: More closely matching revenues and expenditures.

It is not leadership to lead toward the biggest deficits in the history of civilization. Both sides of this political aisle ought to have the courage to say no to this President. Budgets that call for these kinds of deficits are irresponsible budgets.

THE 92 GROUP DESERVES SERIOUS ATTENTION FROM THE MEMBERS OF THE HOUSE

(Mrs. ROUKEMA asked and was given permission to address the House for 1 minute and to revise and extend her remarks.)

Mrs. ROUKEMA. Mr. Speaker, yesterday, our colleague, Congressman BOEHLERT, held a special order on the subject of the "92 Group Budget: A Blueprint for Balance." It was an informative and useful discussion which focused on how we can reduce the deficit by $50 billion and achieve those reductions equitably and rationally.

Central to this deficit reduction plan is a freeze on defense spending; the only rational way, in my opinion, for us to begin to make structural changes in the deficit in fiscal 1986 and beyond. This is a timely subject since the defense authorization bill is to be debated today.

For those who fear that we are holding defense to dangerously low levels, I would direct your attention to some interesting analyses of defense spendout; one from the Washington Post of May 12 and the series in the New York Times beginning May 14. Both of these articles point out that DOD has record backlogs—$280 billion by reputable estimates. Even the Senate's so-called 3-percent-inflation freeze will boost spending $61 billion—or 24 percent—between now and 1988.

Is this equity? Is it rational? When we are extracting reductions in most domestic spending areas?

That is why the 92 Group Budget with its defense freeze deserves the serious attention of the Members of this body.

CARGO PREFERENCE AND A STRONG MERCHANT MARINE?

(Mrs. SMITH of Nebraska asked and was given permission to address the House for 1 minute and to revise and extend her remarks.)

Mrs. SMITH of Nebraska. Mr. Speaker, the issue of cargo preference has received increasing attention over the past several months. The debate reached its highest pitch in recent years after maritime interests successfully petitioned a U.S. district court to expand cargo preference requirements to the Department of Agriculture's blended credit program. In fact, today I am adding the names of 12 additional colleagues to H.R. 1517, which would overturn the court decision, thus bringing the total of sponsors of this legislation to 53.

Mr. Speaker, advocates of cargo preference have accused its opponents of endangering the future vitality of our merchant marine. Let me take just one moment to summarize the fruits of 31 years of cargo preference requirements:

Shrinkage of our merchant marine fleet from 3,000 to about 650, including 150 of the World War II vintage;

A merchant fleet with an average age nearing that of the normal useful lifespan of merchant vessels; and, last but not least,

A merchant fleet two to four times as expensive as its foreign counterparts.

Mr. Speaker, is this the best we can expect for the hundreds of millions of

dollars we expend on our merchant marine each year? It's high time that we adopt a policy to promote a strong merchant marine, not to keep a rust-bucket fleet above water.

LET US REINSTATE THE BADLY NEEDED R&D DOLLARS TO THE STRATEGIC DEFENSE INITIATIVE

(Mr. COURTER asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. COURTER. Mr. Speaker, the Depertment of Defense authorization bill is going to be debated this afternoon; general debate about 3 hours. The strategic defense initiative is a $26 billion research and development program that is supposed to extend over a 5-year period of time, about 2 percent of the Department of Defense authorization over the 5-year period of time.

The request that the administration had for the important strategic defense initiative was $3.7 billion for 1986.

□ 1040

The purpose of this program, the research and development into SDI, is to see if we can move away from the destabilizing doctrine of mutually assured destruction where we threaten to annihilate civilian populations, to a defense that is based on defenses, the ability to defend ourselves and to defend human life.

It was, therefore, very discouraging to find that the Armed Services Committee cut the SDI budget by one-third for 1986, and I hope my colleagues recognize the fact that that was a mistake and as we go under the 5-minute rule, we reinstate some of the badly needed R&D dollars in that worthwhile initiative.

VIOLENCE CAUSED BY ABSENCE OF EFFECTIVE DIPLOMACY

(Mr. RUDD asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. RUDD. Mr. Speaker, last week this body passed an amendment to the State Department authorization bill expressing the sense of the Congress that the Soviet Ambassador should be declared persona non grata, unless his Government apologized for the brutal and unwarranted murder of Major Nicholson in East Germany.

In passing this amendment, offered by my distinguished colleague from Michigan [Mr. BROOMFIELD], we were sharing the sense of outrage felt by the American people and suggesting that our Government must do something to show our displeasure with this brutal act.

And what has been the reaction of our Department of State? The State Department has issued a press statement labeling last week's House action unwise and inappropriate.

Every student of foreign relations knows that violence is caused by the absence of effective diplomacy. But we also know the tragedy of Neville Chamberlain's diplomatic course of appeasement caused World War II.

The Soviet's action in East Germany demands both an apology on their part and a solid diplomatic response from our Government. I hope the Neville Chamberlains at the State Department realize very soon that a policy of appeasement toward the Soviets only invites more aggression and less diplomacy.

BEWARE OF WOLVES IN SHEEP'S CLOTHING

(Mr. BURTON of Indiana asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. BURTON of Indiana. Mr. Speaker, last night on Dan Rather's early evening news, Mr. Rather interviewed Daniel Ortega and I noticed for the first time that Mr. Ortega was wearing a conservative business suit and not his military garb. Mr. Ortega just came back from a trip to the Soviet Union and to Eastern bloc countries asking for military and economic aid, and now he is dressing like one of us.

It leads me to believe that we must be very concerned. His tones have moderated, his dress has changed, and now he is talking in a conciliatory tone toward the United States of America. It brings to memory what Castro said in the 1950's when he said:.

No, I am not a Communist. I want to work with the United States of America.

Two years later he said:

I am a Marxist-Leninist and have been all my life and will be to the day I die.

That is a Communist, folks. Today Mr. Ortega is sounding more like a reasonable man. We know that is not the case. He wants revolution like Mr. Castro and Mr. Gorbachev throughout Central America.

We must be wary of wolves in sheeps' clothing. That is exactly what Mr. Ortega has become.

SOMETHING ROTTEN GROWING IN THE CONGRESS

(Mr. DORNAN of California asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. DORNAN of California. Mr. Speaker, Daniel Ortega is now making his pro-Communist case throughout Scandinavia, but there is not something rotten in the state of Denmark, there is something rotten that is starting to stink right here in the Congress of the United States. That rottenness is the spectacle of Members from the other body and Members of this great legislative body who travel to give counsel in the capital cities of Communist states like Managua, where repressive governments are holding political prisoners in underground cells, still torturing people, persecuting religion and crushing labor unions and a free press * * * governments that export revolution and terror around this world.

To have two of our Members, Mr. GEORGE MILLER of California and Mr. DAVID BONIOR of Michigan travel down to Managua within days of this Congress turning down assistance to the democratic resistance forces is, in this Member's opinion, a disgusting turn of events.

When U.S. Senators refuse to let the diplomatic staff of our overseas foreign embassies sit in and take notes on meetings with hostile governments, it is a sad day in the history of this Nation, and in the case of the two Members of the other body, not even reporting to our diplomatic staff in Managua before they left the country. We have now reached a new low point in Members of Congress trying to negotiate according to their own foreign policy schemes.

Mr. Speaker, there were some sanctimonious speeches before this House this week, one just yesterday by the gentleman from New York [Mr. WEISS] that said foreign policy is the purview of the executive branch of Government. The majority can't be hypocritical and have it both ways. What a disgusting display, to have Members of Congress groveling in foreign capitals to repressive regimes that bootlick Havana and the Kremlin.

I keep on my desk the May 9 Washington Post Associated Press photograph of Ortega with Gen. Wojciech Jaruzelski. Some Democrats are embarrassed, others know no shame.

I submit for our record of history today's Evans and Novak column as published in the Washington Post.

[From the Washington Post, May 15, 1985]

DASH TO MANAGUA

(By Rowland Evans and Robert Novak)

No sooner had President Daniel Ortega flown off to Moscow than two Democratic congressmen arrived in Managua for the weekend to plead according to U.S. diplomatic cables, for help from the Marxist-Leninist regime in calming the congressional uproar over the Nicaraguan's telltale trip.

Reps. George Miller of California and David Bonior of Michigan say "no comment" on their "private conversations" with Sandinista leaders, from which U.S. Embassy officials were excluded. But cables reporting on their talks have surfaced on Capitol Hill, where we obtained them. They describe the congressmen as making the trip to "see what the [Nicaraguan] government could do to help them out of a difficult political situation in the House."

An unnamed member of the congressional delegation is quoted as advising Foreign

Ministry officials that the regime should try and hold out for three more years because things back in Washington might radically change by then, meaning a new administration in power. Departing from his "no comment" rule, Miller told us that no such statements were made.

A House Democratic leader, who did not want his name used, said he was "uncomfortable" that their weekend in Managua brought Miller-Bonior "dangerously close to negotiations." But beyond the impropriety of congressmen playing diplomat is a grosser spectacle: a symbiotic relationship between American politicians and the Nicaraguan dictatorship.

Miller and Bonior dashed off to Managua as many Democratic colleagues fretted over Ortega's mission to Moscow immediately after the House vetoed any aid to anti-Sandinista guerrillas. Miller is one of the Nicaraguan regime's most energetic supporters in Congress. He was accompanied by a staffer, Cynthia Arnson, a prominent champion of the Sandinistas, formerly employed by the left-wing Institute for Policy Studies.

The two congressmen were accorded less than red-carpet treatment. They were not satisified by a session with Deputy Foreign Minister Victor Hugo Tinoco and failed to get an appointment with Interior Minister Tomas Borge. But they did meet Vice President Sergio Ramirez; *Comandante* Bayardo Arce, the regime's chief ideologist as coordinator of the Sandinista Political Committee, and Carlos Tunnermann, ambassador to the United States.

In a departure from tradition but true to the latest fashion of pro-Sandinista congressmen, U.S. Embassy officials were barred from the meetings. Miller informed the embassy he had told Ramirez the regime would have to ease censorship and allow what were termed democratic activities to keep the support of Democrats in Washington.

But reports from Nicaraguan sources, as reflected in cables being read on Capitol Hill, suggested the congressman were less interested in liberalization for its own sake than in getting themselves off the political hook back home.

One well-placed source had the congressmen warning that unless the Nicaraguan government took steps toward pluralism, congressional Democrats would switch and vote aid for the contras. It was a second such source that quoted the congressmen asking the Sandinistas to "help them out of a difficult political situation."

The one meeting embassy officials attended was with Jaime Chamorro, editor of the anti-Sandinista *La Prensa*. Miller told the embattled newspaperman that he had urged on government officials the necessity of freedom of the press. Chamorro was not impressed. *La Prensa* would not accept a separate agreement with the government, he said, insisting that freedom of the press must be part of a national "dialogue."

The Miller-Bonior weekend in Managua follows a pattern. When Democratic Sens. John Kerry of Massachusetts and Tom Harkin of Iowa conferred with Ortega in Managua before the House vote, they not only barred U.S. diplomats but did not even report to them after the fact, as Miller and Bonior did. The Sandinista regime's offer to sent 100 (out of 2,000) Cubans back home followed secret negotiations not with U.S. diplomats but with congressional staffers.

The pattern may be breaking, partly because free-lance congressional diplomacy is stirring bipartisan distaste. Bernard Aronson, a Democratic insider and campaign adviser to Geraldine Ferraro last fall, writes in the current New Republic that his party should promise military support for the armed democratic resistance if all other efforts fail. That advice is the antithesis of Democrats, pursuing cosmetic Sandinista "pluralism" while urging the *comandantes* to hang tough until the next American presidential election.

THE NATIONAL ESTUARY PROGRAM

(Mr. CARPER asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. CARPER. Mr. Speaker, I rise in strong support of a bill which would establish a national program to address severe threats to one of our Nation's most valuable national assets—our estuaries, those areas where rivers meet the sea.

Like many of my colleagues, I represent a State that is intimately tied to its marine environment. Indeed, there is no part of Delaware which is more than 35 miles from its coastal waters. Our Nation's estuaries are the prime nursery grounds for commercial and recreational fisheries; they provide unmeasurable recreational benefits; and, if properly managed, represent tremendous economic opportunities.

Yet, the pressures on estuaries around the country are staggering—many of us want to live near the water, industry wants access to cheaper marine transportation, utilities need large volumes of water to cool their reactors, and many folks, unfortunately, dump their waste into our water, hoping that nature will flush the mess out of sight and out of mind.

This bill would coordinate Federal, State, and local efforts to identify and properly manage estuaries of prime importance.

I urge my colleagues to study and hopefully support this worthy environmental initiative.

STATE DEPARTMENT SHOULD GET MAD AT SOVIET UNION

(Mr. WALKER asked and was given permission to address the House for 1 minute.)

Mr. WALKER. Mr. Speaker, the State Department has finally gotten tough. They have finally gotten mad enough at somebody to use some tough language against them, and who did they get mad at? They got mad at the over 300 Representatives in the House who voted the other week to have a resolution, an amendment, that would force the Soviets to apologize for shooting Major Nicholson or have Ambassador Dobrynin thrown out of the country.

That made the State Department mad. I find this hard to understand, that they would endorse in the same press release where they got mad the toothless resolution we had on the floor before. Yet we had a resolution out here that condemned the murder of Major Nicholson. It was absolutely toothless, but you end up with a resolution that does something and says we ought to do something about it and then the State Department gets mad.

It seems to me that what we need is a State Department that gets mad at the Soviet Union and not at the House of Representatives.

PROVIDING FOR CONSIDERATION OF H.R. 1872, DEPARTMENT OF DEFENSE AUTHORIZATION ACT, 1986

Mr. WHEAT. Mr. Speaker, by direction of the Committee on Rules, I call up House Resolution 169 and ask for its immediate consideration.

The Clerk read the resolution, as follows:

H. RES. 169

Resolved, That at any time after the adoption of this resolution the Speaker may, pursuant to clause 1(b) of rule XXIII, declare the House resolved into the Committee of the Whole House on the State of the Union for the consideration of the bill (H.R. 1872) to authorize appropriations for fiscal year 1986 for the Armed Forces for procurement, for research, development, test, and evaluation, for operation and maintenance, and for working capital funds, to prescribe personnel strengths for such fiscal year for the Armed Forces, and for other purposes, and the first reading of the bill shall be dispensed with. All points of order against the consideration of the bill for failure to comply with the provisions of section 402(a) of the Congressional Budget Act of 1974 (Public Law 93-344) are hereby waived. After general debate, which shall be confined to the bill and to the amendment made in order by this resolution and which shall continue not to exceed three hours, to be equally divided and controlled by the chairman and ranking minority member of the Committee on Armed Services, the bill shall be considered for amendment under the five-minute rule. It shall be in order to consider the amendment in the nature of a substitute recommended by the Committee on Armed Services now printed in the bill as an original bill for the purpose of amendment under the five-minute rule, said substitute shall be considered for amendment by titles instead of by sections, and each title shall be considered as having been read. All points of order against said substitute for failure to comply with the provisions of clause 7 of rule XVI, clause 5(a) of rule XXI, and section 401(a) of the Congressional Budget Act of 1974 (Public Law 93-344) are hereby waived. No amendment to the bill or said substitute shall be in order except amendments printed in the CONGRESSIONAL RECORD. After the bill has been considered for amendment in its entirety, it shall be in order to consider the amendment in the nature of a substitute printed in the CONGRESSIONAL RECORD of May 16, 1985, by, and if offered by, Representative DELLUMS of California, said amendment in the nature of a substitute, if offered, shall be debatable before consideration of amendments thereto for not to exceed one hour, to be equally di-

vided and controlled by Representative DELLUMS and a Member opposed thereto, said substitute shall be considered as having been read, and all points of order against said substitute for failure to comply with the provisions of clause 5(a) of rule XXI, are hereby waived. At the conclusion of the consideration of the bill for amendment, the Committee shall rise and report the bill to the House with such amendments as may have been adopted, and any Member may demand a separate vote in the House on any amendment adopted in the Committee of the Whole to the bill or to the committee amendment in the nature of a substitute. The previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommit with or without instructions.

The SPEAKER pro tempore. The gentleman from Missouri [Mr. WHEAT] is recognized for 1 hour.

Mr. WHEAT. Mr. Speaker, for the purposes of debate only, I yield the customary 30 minutes to the gentleman from Tennessee [Mr. QUILLEN], pending which I yield myself such time as I may consume.

Mr. Speaker, House Resolution 169 is an open rule providing for the consideration of H.R. 1872, the Department of Defense Authorization Act for fiscal year 1986. The resolution provides for 3 hours of general debate to be equally divided and controlled by the chairman and ranking minority member of the Committee on Armed Services.

The resolution makes in order consideration of the Armed Services Committee amendment in the nature of a substitute now printed in the bill as original text for the purposes of amendment. The substitute is to be considered by title rather than by section and each title shall be considered as read. Germane amendments to the bill are in order as long as they have been printed in the RECORD prior to being offered and do not otherwise violate the rules of the House or of the Budget Act.

Section 402(a) of the Congressional Budget Act of 1974, which prohibits consideration of legislation which authorizes appropriations for a fiscal year unless the bill has been reported by May 15 preceding the beginning of such fiscal year, has been waived.

The waiver was necessary because section 902 of H.R. 1872, as introduced, authorized the appropriation of an additional $100 million from the special defense acquisition fund, effective in fiscal year 1985. Since H.R. 1872 was not reported by May 15, 1984, section 902 of the bill causes the bill to be in violation of section 402(a) of the Budget Act.

The substitute reported by the Armed Services Committee deletes the provisions of section 902; however, the waiver is still necessary in order that the bill and the proposed committee amendment be considered.

The rule also waives clause 7 of rule XVI against consideration of the committee substitute. Clause 7 of rule XVI prohibits consideration of nongermane amendments. The committee amendment in the nature of a substitute expanded the scope of the bill as originally introduced. The bill as originally introduced was a 1-year Department of Defense authorization for fiscal year 1986. The committee substitute, however, proposes numerous amendments to permanent law and contains authorizations for the Department of Energy's national security programs which were not included in the introduced bill. Therefore, the Committee on Rules recommends waiving the germaneness rule to allow for the consideration of the Armed Services Committee substitute.

Section 401(a) of the Budget Act is also waived by the rule. Section 401(a) of the Budget Act prohibits consideration of any legislation which provides new contract authority unless such authority is limited to amounts stipulated in appropriation acts. Section 107 of the committee substitute provides the Secretary of Defense with authority to enter into a contract for the procurement of 5-ton trucks. Since this new contract authority is not limited by advance appropriations, a waiver of section 401(a) of the Budget Act is necessary.

However, Mr. Speaker, this waiver is merely technical in nature. The Armed Services Committee intends to offer an amendment to the substitute which would limit the Secretary's contract authority to amounts provided for in appropriation acts.

House Resolution 169 also waives any points of order which may be raised against the bill for failure to comply with clause 5(a) of rule XXI. Clause 5(a) of rule XXI prohibits consideration of measures containing appropriations which are reported by authorizing committees. Several provisions of the bill provide for new uses of previously appropriated funds, waive limitations on outstanding funds, or might otherwise be construed to be an appropriation.

Mr. Speaker, following the consideration of all other amendments to the bill, the rule specifically provides for consideration of an amendment in the nature of a substitute printed in the CONGRESSIONAL RECORD of May 16, 1985, by Mr. DELLUMS of California, with the substitute to be considered as read. To permit an adequate opportunity for debate on this alternative national defense policy, the rule provides 1 hour of debate to be equally divided between Mr. DELLUMS and a Member opposed to his substitute. All points of order against the amendment for failure to comply with clause 5(a) of rule XXI, that is, the rule prohibiting appropriations in a legislative bill, have been waived. The committee had been informed that this waiver was necessary. Subsequent to reporting this rule, however, we have been informed that the Dellums substitute does not violate clause 5(a) of rule XXI.

Finally, Mr. Speaker, the rule provides for one motion to recommit, with or without instructions.

Mr. Speaker, H.R. 1872 authorizes appropriations for fiscal year 1986 for the Armed Forces for weapons systems procurement; ammunition and other procurement; research and development; testing and evaluation; and operation and maintenance. It also authorizes appropriations for working capital funds; civil defense; the Department of Energy's national security programs; personnel and military training. A 3-percent basic pay increase effective January 1, 1986, is included in the bill, as is a requirement for the Secretary of Defense to submit a proposal to change the nondisability retirement system for new entrants.

Mr. Speaker, while H.R. 1872 may be somewhat controversial, House Resolution 169 provides for a fair debate of issues raised by the bill. I urge that Members adopt the rule so that we may proceed to consideration of this important measure.

□ 1100

Mr. QUILLEN. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I thank the gentleman for yielding.

Mr. Speaker, this is a very important measure. The Defense Department authorization needs to be passed. But since I have been on the Rules Committee, I have never seen a rule granted in this fashion. The Rules Committee granted this rule knowing full well that after the general debate and after consideration of the budget resolution that they would have to come back and get a waiver, which will be a second rule on the same bill. If that sounds confusing, it certainly is.

I know, in the past, the Rules Committee has reported out rules that have passed on the floor and then come back to the Rules Committee to make a correction in what they did, but never knowing in advance that a second rule would be required.

As I said, this is an important measure. I think our defense posture should be second to none in this world of ours.

I understand that the Budget Committee is going to make further cuts than the Senate made in the defense area.

In the debate under the 5-minute rule, I think there will be ample time to resolve the differences.

Mr. Speaker, I have one request for time, but before yielding 5 minutes to the gentleman from Oregon [Mr. DENNY SMITH], I would like to urge the adoption of this rule.

Mr. Speaker, I yield 5 minutes to the gentleman from Oregon [Mr. DENNY SMITH].

THE BUDGET DOCUMENT

Mr. DENNY SMITH. Mr. Speaker, I thank the gentleman for yielding.

Mr. Speaker, I am a brandnew member on the Budget Committee this term. I am just here to express my real disgust and unhappiness with what is happening today. It is just shortly after 11 o'clock this morning and we have no document from the majority side on the budget. We understand that we are supposed to go into markup at 1 o'clock, having been given a caucus-directed position, apparently, the Democrat leadership.

I just would like to read a letter that I was sent by the chairman of the Budget Committee, our colleague, the gentleman from Pennsylvania [Mr. GRAY], and he said:

> It remains my hope that we will be able to complete our work by the April 15 deadline, but the current week and early Easter are working against us. As we sit down and actually begin to polish the budget resolution, I truly hope that you and some of your colleagues on your side of the dias will join me and some of those on my side in a bipartisan resolution that will truly make a beginning at getting this deficit down over a period of three years or so.

Now, I do not really think that this is going to work together, not having a document, being called into the Budget Committee at 1 o'clock to start a markup. This is more business as usual. I just think it is important that the American people understand that here we are with this kind of a situation, facing 2 hours with no documentation. That is not exactly working together.

Mr. MACK. Mr. Speaker, will the gentleman yield?

Mr. DENNY SMITH. I would be happy to yield to the gentleman from Florida.

Mr. MACK. Mr. Speaker, the gentleman mentioned that this is his first year on the committee. He has done a tremendous amount of work in preparation for the debate that hopefully will take place at some point in the committee.

This is now my third year on the committee and what we are getting ready to do, or at least what we have been told, is an instant replay of the last 2 years. It seems like Chairman GRAY is going to really begin the same process that Chairman JONES did a couple years ago.

I think maybe it would be helpful, I keep getting mixed signals that we are going to meet at 1 o'clock and then someone said we are going to meet at 2 o'clock; someone indicated that we would have the markup document 45 minutes ago.

I would suggest that before we get involved in a markup of the budget of the United States, that is probably the question that is most concerning people today, that we ought to at least have a little time to look and see what is in that before we even go into the process of debating it; which leads me to my final point.

Maybe there is not any intent that there be any debate to take place on that document. Really what is going to happen is that it is going to be put down in front of us about an hour before markup. It is going to be passed by the majority party and swept out of the way and on we go with business and we are going to bring the Defense Department authorization bill up before the Budget Committee even has a chance to act.

It seems to me that there is total disregard, not only for what the minority rights are, but for the entire process around here.

I thank the gentleman for yielding.

Mr. DENNY SMITH. I certainly agree. Certainly this is not working together to try to accomplish the best thing for this country and this budget.

Ms. FIEDLER. Mr. Speaker, will the gentleman yield?

Mr. DENNY SMITH. I would be happy to yield to my colleague, the gentlewoman from California.

Ms. FIEDLER. Mr. Speaker, I think the thing that disturbs me so much as a member of the Budget Committee is that we are dealing with nearly a trillion-dollar budget. There are a tremendous number of components to it. There are thousands and thousands of provisions that are involved in it and yet we are going to be asked to vote without even having had a chance to read the various components of this budget.

It is no wonder that we find ourselves in the situation of deficits to the level that we have, because nobody knows what is going on. Here we are waiting for a budget which could have been produced days ago; instead, just a few minutes before we are actually going to have to vote on this. If we are lucky, it is going to be put into our hands.

Well, that is part of the irresponsibility that is tradition around this House, controlled by the majority. They do not want anybody to know what they are going to do until the last minute. In fact, I am not certain that they know what they are going to do until their budget is actually put into print.

They ask the rest of the Members of Congress who have to make these decisions to be involved in the decisionmaking process without giving us any information.

Well, I would call on the chairman of the Budget Committee, Chairman GRAY, to come to the floor to tell us what is included in his document, to give it to the members of the committee and to give us until perhaps next week to actually have a chance to sit down and go through it.

I mean, it is no wonder that we have the disarray that we do.

Mr. DENNY SMITH. I thank my colleague.

I would be happy to yield to the gentleman from Ohio [Mr. LATTA] for an update on this situation.

When is the last time we had a meeting, I would ask the gentleman from Ohio [Mr. LATTA], of the Budget Committee?

Mr. LATTA. Well, it has been some time.

Mr. Speaker, let me just say that the American people who ought to know what is going to happen to them in this body, the House of Representatives, here for months now the Democratic majority has been lying in the bushes, shooting at every reduction proposal that the administration or the Republican-controlled Senate has proposed in the budget. They have had a field day. They have not had to show their hand.

The SPEAKER pro tempore. The time of the gentleman from Oregon has expired.

Mr. QUILLEN. Mr. Speaker, I yield an additional 5 minutes to the gentleman from Oregon [Mr. DENNY SMITH].

Mr. DENNY SMITH. Mr. Speaker, I yield to the gentleman from Ohio [Mr. LATTA].

Mr. LATTA. Mr. Speaker, we have had all this time for our Democratic friends to examine every proposal that has been made by the administration on budget reduction; the same with the Senate, but now they hand us a document that was conceived in the nighttime on the Democratic side and say that at 1 o'clock today we are going to start markup on a $970-plus billion document.

Mr. Speaker, let me repeat that, $970 billion in this one document, and they say we start markup at 2 o'clock—or 1 o'clock. Whether the time might be 1 or 2, what makes the difference? We have not had an opportunity to examine it. The American people have not had a chance to know what is in it, but they are calling on us, and we only have 13 members, we are outnumbered 20 to 13 on that committee, to examine the document and say: "We want you to vote on it function by function this afternoon."

Now, I think the American people deserve better treatment in this, their House, their House of Representatives. I do not care whether the Democrats control it or whether the Republicans control it. Better treatment is deserved in this, the people's House, and what we are getting in a $970 billion document.

Oh they are saying: "Yes, we are coming up with $56 billion in reductions."

Out of what? Two hundred thirty billion dollars of planned deficits for

fiscal year 1986, to be heaped on top of a $1 trillion, 800 billion worth of debt?

This budget presented to us is taking 15 cents out of every dollar of taxpayers' money just to fund the deficit. Yes, they want us to start marking up this document, the budget document of $970 billion this afternoon, when we get it 2 hours in advance.

□ 1110

Now, I don't think that is treating the American people in the right and proper way. I would call on our friend, and I do not know who is controlling the time other than the chairman, but for the Democratic majority to do this to the American people—but this is their House. They are going to pay the price. Our grandchildren are going to pay the price for what they have been doing: Lying in the bushes, as I mentioned earlier, for months, shooting at every proposal that has been put forward to reduce this deficit. And now they come forth with their plan and say we are going to vote on it this afternoon, item by item.

I just do not think that is proper, and I think it is high time we shine the spotlight of public attention on what is happening.

Mr. DENNY SMITH. I thank the gentleman from Ohio [Mr. LATTA], the ranking member on the Budget Committee.

Mr. WEBER. Will the gentleman yield?

Mr. DENNY SMITH. I yield to the gentleman from Minnesota.

Mr. WEBER. I thank the gentleman for yielding. I think the ranking member from Ohio [Mr. LATTA] has made an important point.

But it is even worse than that because not only have the Democrats decided that they are going to bring the budget to us without virtually any prior consideration at all but, as we understand it, it is all going to be passed through the committee this afternoon. There is not going to be several days of deliberations. We are not going to have a great deal of debate on any of the different functions. It is slam, bam, thank you, ma'am, and we are going to be all done with it, and the Congress is going to go home over the weekend and we will never discuss the budget. We do not know what the assumptions are. We do not know how you get the $56 billion. We do not know what the impact is of making a further reduction in the national defense, and we are never going to find out because it is all going to be pushed through this afternoon.

Is that the understanding of the gentleman from Oregon?

Mr. DENNY SMITH. That is what we have been told so far. I think that we are due an explanation from the majority side.

In that regard, Mr. Speaker, I wonder if I could move for a call of the House.

Mr. Speaker, I move a call of the House.

The SPEAKER pro tempore. The gentleman was not recognized for that purpose. As I understand it, the gentleman from Tennessee [Mr. QUILLEN] still has the time.

Mr. WEBER. No; he yielded to the gentleman from Oregon [Mr. DENNY SMITH].

Mr. DENNY SMITH. Mr. Speaker, I move a call of the House.

The SPEAKER pro tempore. The Chair does not recognize the gentleman for that purpose. There is no requirement that the Chair recognize a Member for a call of the House during general debate.

Mr. DENNY SMITH. Mr. Speaker, I was proceeding out of order under unanimous consent.

Ms. FIEDLER. Mr. Speaker, this is not general debate. Mr. Speaker, the gentleman is speaking out of order under a unanimous-consent request, and the Speaker did recognize him before. So, therefore, it is not a part of general debate.

The SPEAKER pro tempore. The time of the gentleman has expired.

MOTION TO ADJOURN

Mr. DENNY SMITH. Mr. Speaker, I move that the House do now adjourn.

The question was taken; and on a division (demanded by Mr. DENNY SMITH) there were—yeas 12, nays 14.

Mr. WALKER. Mr. Speaker, I object to the vote on the ground that a quorum is not present and make the point of order that a quorum is not present.

The SPEAKER pro tempore. Evidently a quorum is not present.

The Sergeant at Arms will notify absent Members.

The vote was taken by electronic device, and there were—yeas 65, nays 331, not voting, 38 as follows:

[Roll No. 116]

YEAS—65

Archer	Goodling	Michel
Badham	Gradison	Murphy
Broomfield	Green	Myers
Campbell	Gregg	Pashayan
Chappie	Grotberg	Quillen
Cheney	Hiler	Rinaldo
Cobey	Hunter	Rogers
Coble	Jeffords	Schneider
Coleman (MO)	Lagomarsino	Sensenbrenner
Conte	Latta	Shumway
Coughlin	Lewis (CA)	Shuster
Courter	Livingston	Siljander
Craig	Loeffler	Skeen
Crane	Lowery (CA)	Smith (NE)
Daub	Lujan	Solomon
DeWine	Lungren	Sweeney
Dickinson	Madigan	Thomas (CA)
Dornan (CA)	Marlenee	Walker
Dreier	Martin (IL)	Whitehurst
Eckert (NY)	McCain	Young (AK)
Emerson	McCandless	Young (FL)
Fields	McGrath	

NAYS—331

Ackerman	Aspin	Bates
Anderson	Atkins	Bedell
Andrews	AuCoin	Bennett
Annunzio	Barnes	Bentley
Anthony	Bartlett	Bereuter
Armey	Bateman	Berman
Bevill	Gunderson	Mrazek
Biaggi	Hall (OH)	Murtha
Bilirakis	Hall, Ralph	Natcher
Bliley	Hall, Sam	Neal
Boehlert	Hamilton	Nichols
Boggs	Hammerschmidt	Nielson
Boland	Hansen	Nowak
Boner (TN)	Hartnett	Oberstar
Borski	Hatcher	Obey
Bosco	Hayes	Olin
Boucher	Hefner	Ortiz
Boulter	Heftel	Owens
Boxer	Hendon	Oxley
Breaux	Henry	Packard
Brooks	Hertel	Panetta
Brown (CA)	Hillis	Parris
Brown (CO)	Holt	Pease
Broyhill	Hopkins	Penny
Bruce	Horton	Perkins
Bryant	Howard	Petri
Burton (CA)	Hoyer	Porter
Burton (IN)	Hubbard	Price
Bustamante	Huckaby	Pursell
Byron	Hughes	Rahall
Callahan	Hyde	Rangel
Carney	Ireland	Ray
Carper	Jacobs	Reid
Carr	Jenkins	Richardson
Chandler	Johnson	Ridge
Clay	Jones (NC)	Ritter
Clinger	Jones (OK)	Roberts
Coats	Jones (TN)	Robinson
Coelho	Kanjorski	Rodino
Coleman (TX)	Kaptur	Roe
Collins	Kasich	Roemer
Combest	Kastenmeier	Rose
Conyers	Kemp	Rostenkowski
Cooper	Kennelly	Roth
Coyne	Kildee	Roukema
Crockett	Kindness	Rowland (CT)
Daniel	Kleczka	Rowland (GA)
Dannemeyer	Kolbe	Roybal
Darden	Kolter	Rudd
Daschle	Kostmayer	Russo
Davis	Kramer	Sabo
de la Garza	Lantos	Savage
DeLay	Leach (IA)	Saxton
Dellums	Leath (TX)	Schaefer
Derrick	Lehman (CA)	Schroeder
Dingell	Lehman (FL)	Schuette
DioGuardi	Leland	Schulze
Dixon	Lent	Schumer
Donnelly	Levin (MI)	Seiberling
Dorgan (ND)	Levine (CA)	Sharp
Dowdy	Lewis (FL)	Shelby
Dwyer	Lightfoot	Sikorski
Dymally	Lipinski	Sisisky
Dyson	Lloyd	Skelton
Early	Long	Slattery
Eckart (OH)	Lott	Slaughter
Edgar	Lowry (WA)	Smith (IA)
Edwards (CA)	Luken	Smith (NH)
Edwards (OK)	Lundine	Smith (NJ)
English	Mack	Smith, Denny
Erdreich	MacKay	Smith, Robert
Evans (IA)	Markey	Snowe
Fascell	Martin (NY)	Snyder
Fawell	Martinez	Solarz
Fazio	Matsui	Spence
Feighan	Mavroules	Spratt
Fiedler	Mazzoli	St Germain
Flippo	McCloskey	Staggers
Florio	McCollum	Stallings
Foglietta	McDade	Stangeland
Foley	McEwen	Stark
Ford (MI)	McHugh	Stenholm
Ford (TN)	McKernan	Strang
Frank	McKinney	Stratton
Franklin	McMillan	Studds
Frenzel	Meyers	Stump
Frost	Mica	Sundquist
Gallo	Mikulski	Swift
Garcia	Miller (CA)	Swindall
Gaydos	Miller (OH)	Tallon
Gejdenson	Miller (WA)	Tauke
Gekas	Mitchell	Tauzin
Gephardt	Moakley	Thomas (GA)
Gibbons	Molinari	Torres
Gilman	Mollohan	Torricelli
Gingrich	Monson	Towns
Glickman	Montgomery	Traficant
Gonzalez	Moody	Traxler
Gordon	Moore	Udall
Gray (IL)	Moorhead	Valentine
Gray (PA)	Morrison (CT)	Vento
Guarini	Morrison (WA)	Visclosky

Volkmer	Whitley	Wright
Vucanovich	Whittaker	Wyden
Walgren	Whitten	Wylie
Watkins	Williams	Yates
Waxman	Wilson	Yatron
Weaver	Wise	Young (MO)
Weber	Wolf	Zschau
Weiss	Wolpe	
Wheat	Wortley	

NOT VOTING—38

Addabbo	Durbin	Oakar
Akaka	Evans (IL)	Pepper
Alexander	Fish	Pickle
Applegate	Fowler	Regula
Barnard	Fuqua	Scheuer
Barton	Hawkins	Shaw
Beilenson	Hutto	Smith (FL)
Bonior (MI)	LaFalce	Stokes
Bonker	Manton	Synar
Chappell	McCurdy	Taylor
Dicks	Mineta	Vander Jagt
Downey	Nelson	Wirth
Duncan	O'Brien	

□ 1130

Messrs. SCHAEFER, PARRIS, McKINNEY, LIPINSKI, DAVIS, ROSE, PEASE, GONZALEZ, and KASICH changed their votes from "yea" to "nay."

Messrs. ECKERT of New York, SOLOMON, EMERSON, LOWERY of California, and CRAIG changed their votes from "nay" to "yea."

So the motion to adjourn was rejected.

The result of the vote was announced as above recorded.

The SPEAKER pro tempore. The Chair will announce that the gentleman from Tennessee [Mr. QUILLEN] has 18 minutes left. The gentleman from Missouri [Mr. WHEAT] has 24 minutes left.

The Chair recognizes the gentleman from Missouri [Mr. WHEAT].

Mr. WHEAT. Mr. Speaker, though there appears to be contention on a number of things in the House of Representatives, one of them does not appear to be this rule.

Mr. Speaker, I have no further requests for time. I would ask the gentleman from Tennessee if he has further requests for time.

Mr. QUILLEN. Mr. Speaker, I do have one request for time.

Before yielding to the gentleman from Illinois, I would like to emphasize a statement I made earlier. This is an open rule, with 3 hours of general debate, and there is no time limit under the 5-minute rule.

At this time, I yield 5 minutes to the gentleman from Illinois [Mr. MICHEL].

(By unanimous consent, Mr. MICHEL was allowed to speak out of order.)

PROCEEDINGS OF THE BUDGET COMMITTEE

Mr. MICHEL. Mr. Speaker, I have asked for this time because the Chairman of the Budget Committee is on the floor to express my own personal outrage at what I have perceived to be happening here: An attempt to prevent an adequate debate and airing of the whole budget process.

It is my understanding that there was to be a markup of the Budget Committee this week, and that was perfectly in order, although that had been somewhat expedited because the other body had moved along a little bit more expeditiously than some people might have thought. Then when I find out while there is very little to be discussed here on the floor of the House, or really to take up the time of the House, that we are having our Members called to a Budget Committee markup meeting for I think 1 o'clock with no document available; not even gone through the process of CBO. To think that they are supposed to begin the markup of this thing at 1 o'clock with the expectation of concluding by tonight on a $900 billion document. I just think that is outrageous.

Now, we are going to have an opportunity, surely to debate that measure here on the floor of the House I would hope extensively, and there are groups that would like to offer their amendments, but we must subvert or completely do away with the committee process here. I would like to hear from our Budget Committee members—I would like some kind of explanation of what is going on here.

□ 1140

Mr. GRAY of Pennsylvania. If the gentleman will yield, I will be glad to try to answer some of the questions he has raised.

First of all, let me just say that, as chairman of the Budget Committee, we certainly are not trying to subvert the process. I think most of the Members from the gentleman's side of the aisle would clearly say that, over the last 4 months, we have had a very good, open relationship. We may not agree on certain aspects of the budget priority or process. But my office has been available, my door has been open, and particularly to the ranking minority leader from the gentleman's side of the aisle. In fact, last night, when the Chair finally came to the point of knowing what his mark would be, which was approximately 9:30, he went over and met with the gentleman from Ohio [Mr. LATTA] to talk about a markup procedure, a time. One of the things that I was not able to provide, which the gentleman from Ohio [Mr. LATTA] asked for, was a chairman's marked document. I informed the gentleman from Ohio [Mr. LATTA] that it was being printed, that the staff had just left my office, and we would put it together and it was my hope that by 10:15 this morning it would be finished and the gentleman would have have copies of it. It was not finished until about 10:45, and I asked the staff to bring it over to a meeting where the gentleman from Ohio [Mr. LATTA] was meeting.

The second thing, the gentleman from Ohio [Mr. LATTA] and I discussed the markup time, going to markup. And he advised me that this morning there was a meeting of the Republican leadership and that there was no possibility of doing a markup, starting that process this morning, and that we would have to go in the afternoon. It was my understanding, when I left Mr. LATTA's office at about 10 or 10:15, after being there over 30 minutes, that we had agreed on 1 o'clock as the beginning of the markup procedure. As the distinguished leader knows, that procedure begins with an overview of the mark by staff, questions being raised, the economic assumptions, and that usually goes on for a minimum of an hour before we even turn to the actual markup of function by function.

Now, if the minority side is making a request to me as chairman of the Committee on the Budget to delay that markup so that they can have more time, I would simply say to the distinguished leader that there is no need for that request to be made on the floor of the House; I would have welcomed a telephone call or a visit from the distinguished ranking minority Member and would have considered that request.

So if the minority side is saying to the Chair, "We would like a little more time," as I understand it, the gentleman from Ohio has just said to me that he believed that he had agreed to 2 o'clock, then, fine, let us begin at 2 o'clock.

Let me describe to the gentleman the markup procedure so that we will all be clear: Usually, the Chair gives a 1-minute introductory comment. We ask the professional staff to sit at the witness table, to go through the Chairman's mark, and Members of both sides of the aisle are allowed to ask questions of the staff about that mark and then, after about an hour or so of doing that, we than move to the markup, starting with function 050, defense, moving through function 150, all the way to function 950.

I would simply say that I cannot, for the life of me, in light of the very cordial relationship that I have had with the minority members of the Budget Committee, and particularly the close relationship that I have had with the gentleman from Ohio [Mr. LATTA], where we have taken the committee out across the country on 12 hearings, why there would be such a public commotion, when all that was needed was a private telephone call for us to agree to the needs of the minority.

So if you want to start at 2 o'clock, I will be glad to start at 2 o'clock.

The SPEAKER pro tempore. The time of the gentleman from Illinois [Mr. MICHEL] has expired.

Mr. QUILLEN. Mr. Speaker, I yield the gentleman from Illinois an additional 5 minutes.

Mr. MICHEL. I thank the gentleman.

Mr. Speaker, let me say to the gentleman from Pennsylvania, for whom I have the highest regard, and he and I have talked about this long ago in private, frankly, I was given to understand, within just a day or so, from my ranking Member, that it was going to be rather a deliberate markup, one that would give Members an opportunity to air their differences of opinion. I guess this gentleman, along with some others who have some responsibility for attempting to orchestrate the procedure by which we consider this on the floor, that we would know what kind of amendments or substitutes ought to be considered or in order, and that normally does not get aired well enough unless you have got a decent period of markup during the committee.

Mr. GRAY of Pennsylvania. If the gentleman will yield further, I would just simply say that there would be ample opportunity for Members on the minority side to offer their amendments in the markup process, going function by function, and at the end of the markup to even do omnibus amendments.

This chairman has, I believe, consistently set forth a standard of fairness, which I think the majority of the Members on the minority side can attest to.

Mr. MICHEL. I will take the gentleman at his word.

Mr. GRAY of Pennsylvania. I pledge myself to continue fairness and openness in the markup process. However, I would like to just say that the Senate has acted. I commend Mr. DOLE and Mr. DOMENICI for their action. They have come foward with a significant reduction package. I believe that what we ought to be doing, rather than debating publicly, let us work together, let us move quickly, expeditiously, to a markup, and bring to the floor a budget which I hope will be bipartisan in nature, and what we will do if we rapidly do that, rather than the kind of unfortunate circumstance today, we will show America that we in the House, like the Senate, are prepared to move forward and reduce these tremendous deficits that have increased the national debt from $914 billion in 1980 to $1.8 trillion today. That is the Chair's goal. I am sure the gentleman shares that, and I will be glad to delay until 2 o'clock and work to provide the opportunity for the minority side to offer whatever amendments they would like to offer.

Mr. MICHEL. I thank the gentleman.

Let me reclaim my time to yield to the gentleman from Ohio [Mr. LATTA] for whatever observations he wishes to make.

Mr. LATTA. I thank the gentleman for yielding.

Mr. Speaker, I want to concur in the relationship that the Chair has expressed, as far as the minority is concerned, and especially with this Member and the meetings we have had. As far as the vote we just had here, I had nothing to do with that.

Let me just say that, in view of the fact that there is $970 billion in the document that is being put forward that came out last night, I just kind of think that we ought to have a little bit more time.

The gentleman has stated that he did promise, that last night he did indicate we were going to get it at 10:15. We got it approximately at 11 o'clock. I had to make I do not know how many calls, and I ended up talking with the chairman himself, to finally get the document at 11 o'clock. In the call before I called the chairman, I was talking to the chief staff person and he said it was going to be an hour, it was going to be 12 o'clock, and they were saying we were going into session at 1 o'clock to mark up the document.

Mr. GRAY of Pennsylvania. If the gentleman will yield, how much additional time would the gentleman need before going to markup? Is the gentleman talking about 15 minutes, 30 minutes, 1 hour, 2 hours? The gentleman made a request to me just a moment ago that he wanted 2 o'clock. I have now bowed to that request that the gentleman wanted 2 o'clock. Now I hear another request. Could I ask, what is the request that is being made and what is the reason why accomplished, skilled legislators whom you have elected to serve on the leadership committee of the budget, who know this process well, are not able with their professional staff, their associate staff, to be able to grasp the budget questions and work off the chairman's mark?

The SPEAKER pro tempore. The time of the gentleman from Illinois [Mr. MICHEL] has again expired.

Mr. QUILLEN. Mr. Speaker, I yield 2 additional minutes to the gentleman from Illinois [Mr. MICHEL].

□ 1150

Mr. LATTA. Mr. Speaker, let me just say, sure, we can mark this budget up; we are familiar with the process. We could go in at 12 o'clock and start marking it up. But there are the American people out there who are interested in this budget, and as far as I know, this has not been submitted to CBO. Has it, Mr. Chairman? Has this budget been submitted to CBO, and we have required every budget that is presented to be submitted to CBO?

How I ask the gentleman to answer the question: Has the product that you came out with last night been submitted to CBO?

I yield to the gentleman for his response.

Mr. GRAY of Pennsylvania. I would respond to the gentleman from Ohio by saying, no, it has not. But neither was the budget on the Senate side, before they went to markup. I did not know that the budget rule now requires that we submit a chairman's mark to CBO before we go to markup.

In fact, I never knew that applied to Mr. DOMENICI on the other side. The question that I would wonder about, in light of the fact that the No. 2 leader on your side of the aisle, I think just this week or last week, was on the floor publicly saying that we were moving too slow on the budget last week.

Now, I will be glad to get his remarks out of the RECORD, but Mr. LOTT, the distinguished gentleman from Mississippi, last week was urging the majority to move forward on the budget. We are trying to comply with Mr. LOTT's request. We are trying to send a message to America that we want to reduce the deficit. I do not understand what the problem is.

Mr. MICHEL. Mr. Speaker, I continue to yield to the gentleman from Ohio [Mr. LATTA].

Mr. LATTA. Mr. Speaker, since the chairman has taken most of my time, I would like to say that even though we can mark this up in committee; we know the process; we know what is involved, but do the people know?

You are not going to release it until 1 o'clock to the press. You know, they shot at every proposal that has been made by the administration, every proposal that has been made over in the Senate.

The SPEAKER pro tempore. The time of the gentleman from Illinois [Mr. MICHEL] has expired.

Mr. QUILLEN. Mr. Speaker, I yield 2 additional minutes to the gentleman from Illinois [Mr. MICHEL].

Mr. MICHEL. Mr. Speaker, I yield to the gentleman from Ohio [Mr. LATTA].

Mr. LATTA. I think in all fairness we ought to have an opportunity. We still have that free press; maybe they just might print something that is in there. Even in the morning Post they indicated that they did not know what was in it. I think in all fairness we ought to go a little slower.

Sure, we could turn the product out tonight.

Mr. GRAY of Pennsylvania. Mr. Speaker, will the gentleman yield?

Mr. LATTA. No, I am not going to yield further. You have used a lot of my time, Mr. Chairman, and we only have 2 minutes.

But certainly tomorrow, you know, we will have another day tomorrow, hopefully. What is wrong with coming in tomorrow and not rushing this thing through tonight into markup stage?

Mr. GRAY of Pennsylvania. If the gentleman will yield, I would just say to the gentleman that if we could stop this rather unnecessary discussion, maybe he could go and study the docu-

ment and be prepared to talk about it, rather than for us to go through this unnecessary discussion.

It seems to me that the minority side has selected 13 people of outstanding ability; people like Mr. LATTA, the author of Gramm-Latta, which came to the floor overnight with telephone numbers in it.

Mr. MICHEL. Mr. Speaker, I am on my own time now, and I only have a couple of minutes.

You have got a 20-to-13 ratio in that committee. If any motion is made, and it falls on party lines, we know what the outcome is going to be, and that means a limit of time, shutting off of debate, and jamming that thing through within a very constricted period of time. I am aware of that.

I see the smile on the majority leader's face; I am reminded of him taking the floor down here with a big document called "Reconciliation;" you do not know what is in it.

Well, I will tell you, that cuts both ways. Do you really know what is in that document over there, the 20 of you who have got to mark up this afternoon, if that is what you are going to do?

I am just saying I think it deserves the public light of attention on just what your mark is going to be.

Mr. Speaker, I yield to the gentleman from Texas [Mr. LOEFFLER].

Mr. LOEFFLER. I thank the gentleman for yielding to me.

Mr. Speaker, I would like to respond for just a moment to say to the majority that today is May 15.

The SPEAKER pro tempore. The time of the gentleman from Illinois [Mr. MICHEL] has expired.

The Chair wants to advise the Members that the gentleman from Tennessee [Mr. QUILLEN] has 3½ minutes left and the gentleman from Missouri [Mr. WHEAT] has 23½ minutes left.

The Chair recognizes the gentleman from Missouri [Mr. WHEAT].

Mr. WHEAT. Mr. Speaker, though I hesitate to cut off this very interesting debate on the rule for the Department of Defense authorization, I now yield 2 minutes to the gentleman from New York [Mr. BIAGGI].

NATIONAL PEACE OFFICERS MEMORIAL DAY

Mr. BIAGGI. Mr. Speaker, today is National Peace Officers Memorial Day, a time to pay a special tribute to those courageous members of our law enforcement community who have died in the line of duty. The day will be marked by a ceremony in Senate Park at noon today that will bring together the survivors of the 137 police officers who died in 1984. I am hopeful that many of my colleagues will join me today in attending that event, especially since one of those officers killed last year was U.S. Capitol Police Sgt. Christopher Eney, who for 12 years served us in an admirable fashion.

Mr. Speaker, over the last 10 years, some 1,600 brave police men and women, like Sergeant Eney, have died in the line of duty. That is nearly one police death every 2 days. Just yesterday, in fact, a 23-year veteran North Carolina State trooper, Raymond Earl Worley, was shot to death by the occupants of a van he had stopped along an interstate highway. Tragically, it seems that the frequency of these senseless killings has turned us into a society that has come to expect police deaths, and all too often, expectance breeds acceptance. But, that is wrong!

Last year, this Congress enacted a law I was proud to author, that allowed a national law enforcement heroes memorial to be built in Washington, DC. Efforts are now underway to erect that memorial. The memorial will pay a richly deserved and long overdue tribute to all Federal, State, and local law enforcement officers killed in the line of duty. It will also serve as a constant reminder of the critical need to better protect those who continue to protect us.

□ 1200

Mr. WHEAT. Mr. Speaker, while there appears to be ample controversy this morning, there has been none on this rule for the Department of Defense authorization. I would, therefore, move the previous question on the resolution.

The previous question was ordered.

The SPEAKER pro tempore. The question is on the resolution.

The question was taken; and the Speaker pro tempore announced that the ayes appeared to have it.

Mr. WALKER. Mr. Speaker, I object to the vote on the ground that a quorum is not present and make the point of order that a quorum is not present.

The SPEAKER pro tempore. Evidently a quorum is not present.

The Sergeant at Arms will notify absent Members.

The vote was taken by electronic device, and there were—yeas 366, nays 25, not voting 43, as follows:

[Roll No. 117]

YEAS—366

Ackerman	Biaggi	Campbell
Anderson	Billirakis	Carney
Andrews	Bliley	Carper
Annunzio	Boehlert	Carr
Anthony	Boland	Chandler
Applegate	Boner (TN)	Chappie
Archer	Borski	Cheney
Armey	Bosco	Clay
Aspin	Boucher	Clinger
Atkins	Boulter	Coats
Badham	Boxer	Coble
Barnard	Breaux	Coelho
Barnes	Brooks	Coleman (MO)
Bartlett	Broomfield	Coleman (TX)
Bateman	Brown (CA)	Collins
Bates	Broyhill	Combest
Bedell	Bruce	Conte
Bennett	Bryant	Cooper
Bentley	Burton (CA)	Coughlin
Bereuter	Bustamante	Courter
Berman	Byron	Coyne
Bevill	Callahan	Craig
Crockett	Jones (TN)	Pursell
Daniel	Kanjorski	Quillen
Dannemeyer	Kaptur	Rangel
Darden	Kasich	Ray
Daschle	Kastenmeier	Reid
Davis	Kemp	Richardson
de la Garza	Kennelly	Ridge
DeLay	Kildee	Rinaldo
Dellums	Kindness	Ritter
Derrick	Kleczka	Roberts
DeWine	Kolbe	Robinson
Dickinson	Kolter	Rodino
Dicks	Kostmayer	Roe
Dingell	Kramer	Roemer
DioGuardi	Lagomarsino	Rogers
Dixon	Lantos	Rose
Donnelly	Leach (IA)	Rostenkowski
Dorgan (ND)	Leath (TX)	Roth
Dowdy	Lehman (CA)	Roukema
Dwyer	Lehman (FL)	Rowland (CT)
Dymally	Leland	Rowland (GA)
Dyson	Lent	Roybal
Early	Levin (MI)	Rudd
Eckart (OH)	Levine (CA)	Russo
Edgar	Lightfoot	Sabo
Edwards (CA)	Lipinski	Savage
Edwards (OK)	Lloyd	Schaefer
Emerson	Loeffler	Schneider
English	Long	Schroeder
Erdreich	Lott	Schuette
Evans (IA)	Lowery (CA)	Schulze
Fascell	Lowry (WA)	Schumer
Fawell	Lujan	Seiberling
Fazio	Luken	Sensenbrenner
Feighan	Lundine	Sharp
Fiedler	Lungren	Shelby
Flippo	MacKay	Shumway
Florio	Madigan	Shuster
Foglietta	Manton	Sikorski
Foley	Markey	Sisisky
Ford (MI)	Marlenee	Skeen
Ford (TN)	Martin (NY)	Skelton
Frank	Martinez	Slattery
Franklin	Matsui	Slaughter
Frost	Mavroules	Smith (IA)
Gallo	Mazzoli	Smith (NE)
Garcia	McCain	Smith (NJ)
Gaydos	McCloskey	Smith, Denny
Gejdenson	McCollum	Smith, Robert
Gephardt	McDade	Snowe
Gilman	McEwen	Snyder
Gingrich	McGrath	Solarz
Glickman	McHugh	Solomon
Gonzalez	McKernan	Spence
Goodling	McKinney	Spratt
Gordon	Meyers	St Germain
Gradison	Mica	Staggers
Gray (IL)	Michel	Stallings
Gray (PA)	Mikulski	Stangeland
Green	Miller (CA)	Stark
Gregg	Miller (OH)	Stenholm
Grotberg	Miller (WA)	Strang
Guarini	Mitchell	Stratton
Gunderson	Moakley	Studds
Hall (OH)	Molinari	Stump
Hall, Ralph	Mollohan	Sundquist
Hall, Sam	Monson	Sweeney
Hamilton	Montgomery	Swift
Hammerschmidt	Moody	Tallon
Hansen	Moore	Tauke
Hartnett	Moorhead	Tauzin
Hatcher	Morrison (CT)	Thomas (CA)
Hayes	Morrison (WA)	Thomas (GA)
Hefner	Murphy	Torres
Heftel	Murtha	Torricelli
Hendon	Myers	Towns
Henry	Natcher	Traficant
Hertel	Neal	Traxler
Hiler	Nichols	Udall
Hillis	Nowak	Valentine
Holt	Oberstar	Vento
Hopkins	Obey	Visclosky
Horton	Olin	Volkmer
Howard	Ortiz	Vucanovich
Hoyer	Owens	Walgren
Hubbard	Oxley	Watkins
Huckaby	Packard	Waxman
Hughes	Panetta	Weaver
Hyde	Parris	Weiss
Ireland	Pashayan	Wheat
Jacobs	Pease	Whitehurst
Jeffords	Penny	Whitley
Jenkins	Perkins	Whittaker
Johnson	Petri	Whitten
Jones (NC)	Porter	Williams
Jones (OK)	Price	Wilson

Wise	Wright	Yatron
Wolf	Wyden	Young (AK)
Wolpe	Wylie	Young (FL)
Wortley	Yates	Young (MO)

NAYS—25

Brown (CO)	Frenzel	Saxton
Burton (IN)	Gekas	Siljander
Cobey	Hunter	Smith (NH)
Crane	Latta	Swindall
Daub	Mack	Walker
Dornan (CA)	Martin (IL)	Weber
Dreier	McCandless	Zschau
Eckert (NY)	McMillan	
Fields	Nielson	

NOT VOTING—43

Addabbo	Fish	Oakar
Akaka	Fowler	Pepper
Alexander	Fuqua	Pickle
AuCoin	Gibbons	Rahall
Barton	Hawkins	Regula
Beilenson	Hutto	Scheuer
Boggs	LaFalce	Shaw
Bonior (MI)	Lewis (CA)	Smith (FL)
Bonker	Lewis (FL)	Stokes
Chappell	Livingston	Synar
Conyers	McCurdy	Taylor
Downey	Mineta	Vander Jagt
Duncan	Mrazek	Wirth
Durbin	Nelson	
Evans (IL)	O'Brien	

□ 1210

Mr. COBEY, Mr. NIELSON of Utah, and Mrs. MARTIN of Illinois changed their votes from "yea" to "nay."

So the resolution was agreed to.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

□ 1220

HANDICAPPED AWARENESS WEEK

Mr. GARCIA. Mr. Speaker, I ask unanimous consent that the Committee on Post Office and Civil Service be discharged from further consideration of the joint resolution (H.J. Res. 285) designating the week of May 11, 1985, through May 17, 1985, as "Handicapped Awareness Week," and ask for its immediate consideration.

The Clerk read the title of the joint resolution.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from New York?

Mr. HANSEN. Reserving the right to object, Mr. Speaker, I do not object, but simply would like to inform the House that the minority has no objection to the legislation being considered.

Mr. Speaker, I withdraw my reservation of objection.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from New York?

There was no objection.

The Clerk read the joint resolution, as follows:

H.J. RES. 285

Whereas the 1980's has been proclaimed by the Congress as the "Decade of Disabled Persons";

Whereas there are approximately 36,000,000 handicapped individuals in the United States;

Whereas the handicapped have proved that they can become useful members of society; and

Whereas the handicapped are patriotic citizens and deserve greater opportunities to become productive members of society: Now, therefore, be it

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That the week of May 11, 1985, through May 17, 1985, is designated as "Handicapped Awareness Week", and the President is authorized and requested to issue a proclamation calling upon the people of the United States to observe such week with appropriate ceremonies and activities.

The joint resolution was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

FAMILY REUNION MONTH

Mr. GARCIA. Mr. Speaker, I ask unanimous consent that the Committee on Post Office and Civil Service be discharged from further consideration of the joint resolution (H.J. Res. 64) designating Mother's Day, May 12, 1985, to Father's Day, June 16, 1985 as "Family Reunion Month," and ask for its immediate consideration.

The Clerk read the title of the joint resolution.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from New York?

Mr. HANSEN. Mr. Speaker, reserving the right to object, I do not object, but simply would like to inform the House that the minority has no objection to the legislation now being considered.

Mr. Speaker, under my reservation, I would like to yield to the gentleman from Georgia [Mr. RAY] who is the chief sponsor of House Joint Resolution 64.

Mr. RAY. Mr. Speaker, I thank the gentleman for yielding.

Mr. Speaker, I am pleased to bring to the floor of the House of Representatives today a resolution which I sponsored and strongly support.

Generally, I am very hesitant to lend my name to commemorative legislation. However, I felt that Family Reunion Month deserved special attention by myself and the entire Congress. I want to thank the 225 cosponsors who joined me in bringing this legislation to the floor and those who will support it now.

The purpose of this legislaiton is to encourage the unity of our Nation's families. Too often we have the tendency to drift apart and the period between Mother's Day and Father's Day is a perfect time to urge people to be reunited.

However, this legislation has come to have a broader scope. In this time of national focus on the problems of missing children and the plight of their families, we must work toward ending their uncertainty and suffering. Concrete steps were taken last year when this legislation first passed the House and Senate, and I am told many of these actions will be taken again this year.

Trailways Bus Lines offered free passes home to those who were runaways or estranged from their families and who wanted to return.

The TV movie, "Adam" was shown, graphically portraying to the American people the suffering and uncertainty faced by families with a missing member.

Private sector and charitable donations were made to facilitate the transfer of information from State, local, and private agencies to the then-proposed National Clearinghouse for Missing Children.

President Reagan had a bill signing ceremony for this legislation, which is rare for this type of resolution, because he knew that it would point to the concerns of families with missing loved ones.

Since Family Reunion Month 1984, we have seen a dramatic increase in the recognition by everyone that we must all work together to end the suffering of families with missing children.

Milk cartons and shopping bags bear the pictures and "last known facts" about those that are missing.

Several independent stations, such as WTBS-Turner Broadcasting, and cable networks have produced and broadcast programs detailing case histories and what families have done to search for their loved ones.

In my own district, Louise and John Clinckscales of LaGrange, GA, whose son, Kyle, has been missing for 9 years, have turned their sorrow into positive action which helps countless others. They wrote a book several years ago, "Kyle's Story; Friday Never Came," which details their search for their son who was leaving for college when he disappeared. This book is still considered to be one of the best discussions of the problems one will encounter while searching for missing loved ones.

The National Clearinghouse for Missing Children provides information access for searches which reach beyond a locale or State lines. This is particularly critical when foul play is suspected and every minute counts toward finding the loved one.

In conclusion, I would like to urge all my colleagues to support this measure on the floor and out in their districts because only through recognition of the problem can we work to correct it.

Mr. HANSEN. Mr. Speaker, I withdraw my reservation of objection.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from New York?

There was no objection.

The Clerk read the joint resolution, as follows:

H.J. RES. 64

Whereas the family is and has traditionally been recognized as the foundation of our society;

Whereas thousands of families in our Nation experience sorrow each year because of runaway, missing, or estranged members;

Whereas organizations exist which can assist families and missing members in establishing contact with one another;

Whereas estranged and missing individuals should be encouraged to use the services furnished by these organizations or to contact their families directly;

Whereas the strength of our Nation can be increased through the reunion of families and the reaffirmation of family ties; and

Whereas Mother's Day and Father's Day are times when our citizens celebrate the importance of families: Now, therefore, be it

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That the President of the United States is authorized and requested to issue a proclamation designating Mother's Day, May 12, 1985, to Father's Day, June 16, 1985, as "Family Reunion Month", and calling upon the people of the United States to observe the day with appropriate programs and activities.

The joint resolution was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

NATIONAL HIGH-TECH MONTH

Mr. GARCIA. Mr. Speaker, I ask unanimous consent that the Committee on Post Office and Civil Service be discharged from further consideration of the joint resolution (H.J. Res. 128) designating the month of October 1985 as "National High-Tech Month," and ask for its immediate consideration.

The Clerk read the title of the joint resolution.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from New York?

Mr. HANSEN. Mr. Speaker, reserving the right to object, I do not object, but simply would like to inform the House that the minority has no objection to the legislation now being considered.

Mr. Speaker, I withdraw my reservation of objection.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from New York?

There was no objection.

The Clerk read the joint resolution, as follows:

H.J. RES. 128

Whereas the economy of this Nation is closely tied to technological advances;

Whereas the United States has long been a leader in high technology development;

Whereas it is of the highest national interest to focus our collective abilities to maintain this leadership;

Whereas the national commitment to high technology development has been called into doubt;

Whereas the youth of the Nation need to have educational opportunities to grow and develop in a high technology environment; and

Whereas our youth should have a national focus on their high technology future: Now, therefore, be it

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That the month of October 1985 is designated as "National High-Tech Month". The President is requested to issue a proclamation calling upon the people of the United States to observe such week with appropriate ceremonies and activites, including programs aimed at educating the Nation's youth about high technology.

AMENDMENT OFFERED BY MR. GARCIA

Mr. GARCIA. Mr. Speaker, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. GARCIA: Page 2, line 6, strike out "week" and insert in lieu thereof "month."

The SPEAKER pro tempore. The question is on the amendment offered by the gentleman from New York [Mr. GARCIA].

The amendment was agreed to.

The joint resolution was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

VERY SPECIAL ARTS U.S.A. MONTH

Mr. GARCIA. Mr. Speaker, I ask unanimous consent that the Committee on Post Office and Civil Service be discharged from further consideration of the Senate joint resolution (S.J. Res. 103) to designate the month of May 1985, as "Very Special Arts U.S.A. Month," and ask for its immediate consideration.

The Clerk read the title of the Senate joint resolution.

The SPEAKER pro tempre. Is there objection to the request of the gentleman from New York?

Mr. HANSEN. Mr. Speaker, reserving the right to object, I do not object, but simply would like to inform the House that the minority has no objection to the legislation now being considered.

Mr. Speaker, I yield to the gentleman from New York [Mr. GARCIA].

Mr. GARCIA. Mr. Speaker, I would like to take one quick second on this last resolution and just state that Very Special Arts U.S.A. Month is really designated for those who are handicapped.

I have always maintained, Mr. Speaker, that the body may be handicapped, but the spirit is never handicapped.

I think this particular resolution is one that is very appropriate, because we must help and support those people who are not as fortunate as others.

Mr. HANSEN. Mr. Speaker, I concur with the gentleman's remarks and withdraw my reservation of objection.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from New York?

There was no objection.

The Clerk read the Senate joint resolution, as follows:

S.J. RES. 103

Whereas programs involving the arts enhance the learning and enrich the lives of disabled individuals;

Whereas arts with the handicapped is a means of integrating disabled individuals into the mainstream of education and cultural society;

Whereas programs bringing arts to the handicapped inform the general public, parents, volunteers, and the business community of the value of arts to the disabled;

Whereas the emphasis is needed to expand support for arts programs with the handicapped and to increase participation and commitment of the community and educators to these activities;

Whereas the National Committee, Arts with the Handicapped, an educational affiliate of the John F. Kennedy Center for the Performing Arts has successfully entered into its eleventh year as the coordinating agency for arts programs for disabled children, youth, and adults; and

Whereas the National Committee conducts education programs in all fifty States, the District of Columbia, and the Commonwealth of Puerto Rico to assure that all disabled individuals have access to programs which bring the arts into their lives: Now, therefore, be it

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That the month of May 1985, is designated as "Very Special Arts U.S.A. Month", and the President is authorized and requested to issue a proclamation calling upon the people of the United States to observe the month with appropriate programs, ceremonies, and activities.

● Mr. JEFFORDS. Mr. Speaker, I am very pleased to see the House consider House Joint Resolution 204 to designate May 1985 as Very Special Arts U.S.A. Month. This official designation recognizes the fine job of the National Committee, Arts with the Handicapped [NCAH] in providing opportunities for disabled children and adults to participate in art education programs.

NCAH, an educational affiliate of the John F. Kennedy Center for the Performing Arts, is our Nation's coordinating agency for arts programs for disabled people. With vibrant leadership, NCAH has pioneered the arts with the handicapped movement. The committee continues to develop innovative projects and through the events of their Very Special Arts Festival conducts a nationwide educational program unlike any other in the country.

The arts festival programs serve as a catalyst for the development of qual-

ity, ongoing programs integrating the arts into the education of disabled children in all 50 States, Puerto Rico, and the District of Columbia. The impact of the arts in education is demonstrated in year-round programming and training for disabled and nondisabled children, educators, parents, and friends. These programs are instrumental in helping disabled students enter the mainstream of society.

Entering its 11th year, NCAH will change its name to Very Special Arts U.S.A. By proclaiming this May as Very Special Arts U.S.A. Month, we will herald in this important organization's second decade of service to more than 36 million Americans. I want to thank and commend all my colleagues who have joined me in supporting this resolution.●

The Senate joint resolution was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

GENERAL LEAVE

Mr. GARCIA. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days within which to revise and extend their remarks on the joint resolutions just passed.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from New York?

There was no objection.

A FOND FAREWELL

(Mr. SAM B. HALL, JR. asked and was given permission to address the House for 1 minute.)

Mr. SAM B. HALL, JR. Mr. Speaker, this is a day I have always regretted that would come. I am going to miss all of you people very much.

I am glad that my friend, Joe Waggonner, is here today, a distinguished ex-Member of this House and a dear friend of mine.

I hope that the future for all of you people is as bright as it can be. I want to thank all of those who have been so kind to me over the past 9 years, those dear people who I am looking at now who have been so helpful, both Members and non-Members, and I hope that if you are ever in the east Texas area, that you will come visit with me.

God bless all of you.

DEPARTMENT OF DEFENSE AUTHORIZATION ACT, 1986

The SPEAKER pro tempore. Pursuant to House Resolution 169 and rule XXIII, the Chair declares the House in the Committee of the Whole House on the State of the Union for the consideration of the bill, H.R. 1872.

The Chair designates the gentleman from Illinois [Mr. ROSTENKOWSKI] as chairman of the Committee of the Whole, and requests the gentleman from Ohio [Mr. ECKART] to assume the chair temporarily.

□ 1227

IN THE COMMITTEE OF THE WHOLE

Accordingly, the House resolved itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H.R. 1782) to authorize appropriations for fiscal year 1986 for the Armed Forces for procurement, for research, development, test, and evaluation, for operation and maintenance, and for working capital funds, to prescribe personnel strengths for such fiscal year for the Armed Forces, and for other purposes, with Mr. ECKART of Ohio (chairman pro tempore) in the chair.

The Clerk read the title of the bill.

The CHAIRMAN pro tempore. Pursuant to the rule, the first reading of the bill is dispensed with.

Under the rule, the gentleman from Wisconsin [Mr. ASPIN] will be recognized for 1½ hours and the gentleman from Virginia [Mr. WHITEHURST] will be recognized of 1½ hours.

The Chair recognizes the gentleman from Wisconsin [Mr. ASPIN].

Mr. ASPIN. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, on behalf of the Committee on Armed Services, I present the bill, H.R. 1872, the Department of Defense Authorization Act, for fiscal year 1986.

The bill authorizes $216.1 billion for all procurement, research, development, test and evaluation (RDT&E), operation and maintenance (O&M) for the Department of Defense and for civil defense for the fiscal year beginning next October 1. In addition, the bill authorizes the strength levels for both Active and Reserve military personnel and the civilian employees of the Department of Defense for fiscal year 1986. H.R. 1872 reflects cuts of $14.3 billion from the President's request—an $18.9 billion cut if the dollar implications of the committee's personnel actions are included.

The committee this year also included authorization of $7.718 billion for the Department of Energy national security programs for a total authorization of $223.8 billion.

DOLLAR AUTHORIZATIONS

By major categories, the authorization totals (exclusive of Department of Energy national security programs) recommended are as follows:

Procurement—$99.4 billion;

Research, Development, Test and Evaluation—$34.2 billion;

Operation and Maintenance—$82.4 billion; and

Civil Defense—$141 million.

Although the bill sets the numerical ceilings on personnel, it does not actually provide dollar authorizations in the personnel accounts as it does for procurement, RDT&E, and O&M.

For the national defense function as a whole, $302.6 billion would be provided for defense in fiscal year 1986 when all elements, including the military construction bill reported by the committee, are totaled.

REDUCTIONS

As reported by the committee, the $18.9 billion cut in the President's budget request includes net reductions of $7.3 billion in procurement; $5.1 billion in RDT&E; $1.9 billion in O&M; $241 million in Department of Energy national security programs; and $4.3 billion in the personnel area.

As you recall, the President's request would have provided nearly 6-percent real growth for fiscal year 1986. The committee felt that no real growth was a much more realistic level than the 6-percent real growth requested by the President. The bill the committee has reported, therefore, provides no real growth.

Overall, Mr. Chairman, the committee took a somewhat new approach to its review of the budget this year. In approaching the necessary reductions, the Members decided the prudent course would be to take the bulk of the reductions in the investment accounts—procurement and R&D—rather than in the operating accounts—O&M and personnel.

In fact, over 65 percent of the committee's reductions are in the investment accounts. Thirty procurement programs were terminated. That is the largest number of procurement programs ever killed in the committee's history. These actions alone resulted in a cut of almost $2 billion, and a real cut of more than 2 percent in weapons procurement.

In the areas that have received the most attention, the committee contains the following:

MX missile: An authorization of 21 missiles instead of the 48 requested by the administration—a reduction of $1.1 billion. The committee defeated an amendment to cap deployment of the MX at 40 missiles by a rollcall vote of 13 to 32 and an amendment to delete all MX procurement money by a voice vote.

Chemical weapons: The committee approved the procurement request of $124.5 million after defeating an amendment by voice vote to delete all funds for building binary weapons.

Strategic Defense Initiative: The committee approved funding of $2.5 billion for SDI—a reduction of $1.2 billion from the Administration request. Amendments were defeated that would have increased funding to $3.1 billion and reduced funding to $0.9 and $1.4 billion.

Military retirement: The committee deleted $4 billion from the funds requested for military pay and pensions

and directed the Defense Department to draft and submit a change to the retirement system that would apply only to those joining the military after the effective date of the change.

AMRAAM: The principal weapon system killed by the committee was the Joint Air Force/Navy Advanced Medium Range Air-to-Air Missile (AMRAAM), which was designed as a follow-on missile to the Sparrow. The committee believes that projected costs have risen excessively, warranting termination. Although the Defense Department had requested authorization to buy the first 90 of the missiles in fiscal year 1986, AMRAAM would still require another half-billion dollars to complete R&D. The committee estimated that unit costs for the AMRAAM could end up at triple the original projected cost. Additionally, the program schedule has slipped by almost 2 years.

In all, the committee made changes to 266 programs in the procurement area and to 249 programs in R&D.

As chairman of the Subcommittee on Military Personnel and Compensation, I would like to address the personnel-related areas of H.R. 1872. We propose a substantial reallocation of benefits in H.R. 1872 made possible by inclusion of the direction to the Secretary of Defense to submit a proposal to change the military retirement system. The savings from this change permitted us to approve substantial benefit improvements for Active, Reserve, and retired members and their families.

Generally, the committee's major actions with respect to personnel fall into three categories.

First, we recommend placing a ceiling on the amount of money the Department of Defense has available to make required payments for the retirement program. We also direct the Secretary of Defense to develop—and to submit for congressional approval—a proposal for saving $4 billion by changing the military nondisability retirement system for individuals who enter active duty after the date of the change. This can be accomplished because the Department of Defense currently sets aside each year, in a fund, enough money to pay for all future retirement benefits for the individuals who enter active duty in that year. Therefore, if a change to retirement benefits for individuals who enter active duty next year is enacted, less money needs to be set aside in the fund next year to pay for their future benefits. Consequently, the saving to the Defense budget is immediate.

Second, we propose modest changes to the President's requested increases in the number of personnel and pay. For active duty end strength, the committee reduced by 5,000 the requested increase of 15,000 for the Navy and reduced by 3,000 the requested increase of 9,400 for the Air Force. For full-time support in the Selected Reserve, the committee cut 2,400 from the requested increase of 14,000 for the Army National Guard and the Army Reserve. In spite of the tight budget constraints facing us, the committee recommended that military personnel receive a 3-percent military pay raise next year that would be effective in January 1986.

Third, we propose a very substantial package of benefit improvements.

In the area of military families, the committee proposes approval of nearly every item requested (including improved travel and transportation benefits, improved medical benefits, and authorization of a cost-shared dental program for active duty dependents). We also recommend that the current dislocation allowance be increased.

In the area of retiree benefits, we propose improving the Survivor Benefit Plan and placing a $3,000 cap on out-of-pocket expenses under CHAMPUS.

In the area of Active and Reserve incentives, the committee recommends approval of nearly all items in the President's request, as well as a number of enhancements that will assist in recruiting and retaining high quality personnel.

I should also point out that H.R. 1872 contains a number of provisions related to the Coast Guard which we included at the request of the Merchant Marine and Fisheries Committee. I received a letter from Mr. JONES, the committee chairman, noting the Merchant Marine and Fisheries Committee's jurisdiction over these matters and waiving sequential referral. I ask unanimous consent that this letter be included in the RECORD.

In closing, Mr. Chairman, H.R. 1872 represents one step down the road we must travel to tighten up the military budget.

It demonstrates that we want more defense, not more production lines.

It demonstrates that we seek to fund military requirements, not bureaucratic wish lists.

It demonstrates that our hope for today and for the future is to provide fair compensation for all military personnel and their families through a reasonable pay and benefits program while they are in uniform rather than through an inefficient, costly retirement system that benefits only the 13 percent of the force that reaches retirement eligibility.

In short, H.R. 1872 represents prudent defense choices for fiscal year 1986. I urge my colleagues to approve this bill.

Mr. Chairman. I include the following letter:

COMMITTEE ON
MERCHANT MARINE AND FISHERIES,
Washington, DC, May 6, 1985.

Hon. LES ASPIN, *Chairman,*
Committee on Armed Services, 2120 Rayburn House Office Building, Washington, DC.

DEAR MR. CHAIRMAN: I understand your Committee proposes to include in the fiscal 1986 Defense Authorization Act language affecting the jurisdiction of the House Committee on Merchant Marine and Fisheries. The items involve operations of the United States Coast Guard and the National Oceanic and Atmospheric Administration and can be summarized as:

1. Change the name of the 0-7 flag grade in the naval services, which includes the Coast Guard and NOAA, from Commodore to Rear Admiral (lower half)—this includes changes to Title 14 (Coast Guard) and the Coast and Geodetic Survey Commissioned Officers Act of 1948, as well as conforming amendments in Title 10 and 37 which are under the jurisdiction of the Armed Services Committee.

2. Amend the debt collection authority to apply to all of the uniformed services, which would therefore include NOAA, instead of just the Armed Services, as is now the case. In addition, a new authority to collect for dishonored checks has also been included.

3. Amend Section 660 of Title 14 to provide for a driver for the Commandant of the Coast Guard.

4. Amend Section 1588 of Title 10 to authorize the coast guard to accept voluntary services in support of museums or Family Support Programs.

These changes are noncontroversial. Our Committee agrees that including them in the Defense Authorization bill is the most expeditious way to accomplish them. Therefore, I do not intend to exercise our Committee's jurisdictional prerogative to request a sequential referral of the legislation. I do request a letter from you acknowledging our jurisdiction over these items and ask that copies of our correspondence be included in the Congressional Record as part of general debate on the bill.

With kind regards, I remain,
Sincerely,

WALTER B. JONES,
Chairman.

Mr. WHITEHURST. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, I would like to make a few comments in general about this year's Defense bill, as well as some particular comments concerning the operation and maintenance area contained in title III.

Let me begin by reemphasizing a point several of our colleagues have already alluded to concerning this year's Defense authorization bill. To characterize something as bare bones is becoming sort of shopworn these days. However, in my view that descriptive term really does apply to H.R. 1872. The bill before us is more than $18 billion below the amount requested by the administration. It is almost $30 billion below the level we in the Congress included in last year's budget resolution as an estimate of the fiscal year 1986 Defense requirement. This bill contains essentially no real growth

over last year's Defense levels. It is indeed a bare-bones Defense budget.

Less anyone misunderstand, let me hasten to say that I support the bill that our committee has reported. Like the majority of the members of our committee—both Republicans and Democrats—I feel very strongly about the need to maintain a vigorous National Defense Program. Individually we may disagree on particular issues, but we agree on that bottom line position of a strong defense.

I also recognize—again like the majority of our committee members—that there are many nondefense issues to be considered when deciding a level to recommend for the Pentagon's budget. I want to assure my fellow Members of this House that our committee most definitely kept nondefense factors in mind as we went through the long process of hearings and deliberations before crafting the bill under consideration today. I feel it is my responsibility to insure that you understand what we did and why I can say that our bill represents a bare-bones budget.

If you think my remarks tend to sound like those of an alarmist, you're right. I am alarmed. I'm alarmed about a number of things. For instance:

The continually increasing Soviet military threat.

The increasing requirements on our Defense Department to deal with that threat.

The growing cost of that Defense Program.

The decreasing share of national resources being devoted to that Defense Program.

The size of the Federal budget deficit to sustain that Defense Program, as well as all our vital and necessary domestic programs.

OK, so WHITEHURST is alarmed, you may say to yourself, so what, I am, too. My colleagues, I think all of us should be alarmed. We have some enormously important financial and budgetary decisions to make, decisions that are going to have a profound effect on every aspect of our society and our great Nation. We must make these decisions now before fiscal circumstances get any further beyond our control. As our committee chairman, Mr. ASPIN, the gentleman from Wisconsin, recently stated:

> This budget is but one step down the road we must travel to tighten up the military budget.

I agree with our chairman and the majority of the members of our committee who voted to report the pending bill to your consideration. I believe it's a good bill and one that will not only help to maintain a strong national defense, but that will also allow a substantial defense contribution to reducing the deficit problem underlying the whole Federal budget.

I'd like to turn now to an area of the Defense budget that I consider to be very important—if not the most important. Title III of the bill contains the authorization details for operation and maintenance, as well as for the working capital funds. Another somewhat more descriptive and succinct name for this area is "readiness."

Perhaps some of my colleagues have heard references to a deliberate effort on the part of our committee to protect the O&M or readiness account. Let me put to rest any questions you may have in that regard. Yes, we are trying to protect readiness. I am very pleased to report to you that the decision to protect readiness was a clear and conscious one on the part of the committee. Without going into great detail concerning the myriad aspects of the readiness account, let me just say that it is up to all of us to be the guardians of readiness. The $80.7 billion that the committee is recommending for operation and maintenance is a significant reduction from the administration's request of $82.5 billion. It represents approximately 1 percent growth above inflation. And as pointed out in the detailed information in the report accompanying the committee's bill, this level of funding is the very minimum necessary to maintain military readiness.

The operation and maintenance readiness accounts are not very glamorous or sexy. There aren't the same kinds of pressures that we all know and understand in connection with the high visibility procurement and investment type accounts. Navy and Air Force flying hours, ship steaming days, Army and Marine battalion training days, maintenance of real property, and a whole host of other vital readiness items don't even begin to get the same kind of attention that one new class of ship, a flashy fighter plane, or a powerful new tank receives. But let me tell you, my colleagues, readiness items are the very heart of what makes our National Defense Program work.

I am not going to repeat all the various details of the information included in the explanatory language of the O&M portion of our report. Rather, let me urge you to read that information if you haven't already done so. Study it carefully. The overview and major policy issues sections in particular have information that is extremely important for every one of us to understand.

Our country has the best trained, best equipped, best supported, and brightest young men and women in the military services that we have ever had. The wide range of activities funded in the operation and maintenance account is fundamental to keeping readiness as good as it is and to improving it whenever possible. As I'm sure each of you knows, readiness is the key to winning should we ever become involved in a conflict. But more importantly, readiness is also the key to effective deterrence.

In closing, I want to share two quotations with you. The first is by Winston Churchill, and I quote:

> Politically ability is the ability to foretell what is going to happen tomorrow, next week, next month, and next year. And to have the ability afterwards to explain why it didn't happen.

The second quote is from Boris Marshalov who said:

> Congress is so strange. A man gets up to speak and says nothing. Nobody listens—and then everybody disagrees.

Mr. Chairman, I hope we can prove both Churchill and Marshalov wrong. I hope that we can plan and provide accurately and adequately for the future defense of our country. And, I hope that we don't find ourselves trying to explain why something different happened. So far as Marshalov is concerned, I hope each of us does listen and participate in the debate and discussion on this bill. And if we disagree on some points, so be it. But let's also make sure that the final outcome is a Defense authorization bill that will strengthen our National Defense Program and keep us the great nation we are.

My colleagues, I urge your support for H.R. 1872.

□ 1230

The CHAIRMAN pro tempore. The gentleman from Virginia [Mr. WHITEHURST] has consumed 8½ minutes.

Mr. STRATTON. Mr. Chairman, I take such time as I may require.

Members may be somewhat surprised that the chairman of the committee and the ranking minority member are not controlling the time. Let me just point out that under the new leadership of our dynamic young chairman we have developed the kind of well-trained, experienced, and professional legislators that the chairman of the Budget Committee, Mr. GRAY of Pennsylvania, was referring to a few minutes ago on the floor; so we junior members are taking over the load during this debate.

Mr. Chairman, as chairman of the Armed Services Subcommittee on Procurement and Military Nuclear Systems, I wish to highlight some of the committee's major actions and recommendations concerning procurement that are included in title I and the general provisions in title X. Also, I will discuss the Department of Energy programs covered in title IX.

At the outset, I want to compliment the gentlelady from Maryland [Mrs. HOLT], the ranking Republican on the subcommittee, for her leadership and cooperation. Also, I want to thank the other members of the subcommittee for their work and contribution.

Our task was not an easy one this year. Based on the guidance of the committee leadership, the committee marked to zero percent real growth. This level translated into an overall $7.1 billion reduction in programs under the purview of the Procurement Subcommittee. This reduction meant that all of the real growth in procurement over fiscal year 1985, or $5.2 billion, plus an additional $1.2 billion would be cut in fiscal year 1986. As a result, procurement will have 2 percent negative real growth in fiscal year 1986.

To meet our objectives, we adopted a number of guidelines in order to make the necessary reductions.

First, reductions in programs would be made where fact of life changes occurred with production schedules, inventory adjustment, availability of prior year funds and contract savings;

Second, we would avoid decrementing logistics support, the spares base, and munitions programs to the extent possible and thereby protect readiness and sustainability;

Third, new procurements, particularly marginal programs, would be deferred where possible and increases in major programs would be constrained; as a consequence, 30 procurement programs are zeroed in H.R. 1872.

Fourth, at the same time, we would try to maintain steady production rates and move closer to buying out procurements, if possible; thus reducing the number of production lines;

Fifth, we would continue to support Guard and Reserve modernization efforts through either selected add-ons or earmarking of requested procurements;

Sixth, we would maintain committee initiatives, such as the Cooperative Airbase Defense Program for NATO; and

Seventh, finally, the respective service reductions would be based on their percent of real growth and budget share. As a result, the Air Force has absorbed the largest share of the reduction, or $4.5 billion.

In the interest of time, I will simply highlight some of the major actions taken in each of the respective military departments.

ARMY

For the Army, the committee reduced the requested amount in aircraft procurement by $216.4 million, primarily through contract savings and availability of prior year funds.

Following review of Army missiles, the committee agreed to:

Delete $45 million for 530 Stinger air defense missiles;

Delete $35 million for 5,100 TOW antitank missiles.

Under Army weapons and tracked combat vehicles, the committee recommends:

Deletion of $196.5 million to reduce the Sergeant York air defense gun to 72 fire units.

The Committee recommends two major changes in Army other procurement as follows:

Deletion of $50 million for 500 5-ton trucks; and

Deletion of $68.9 million in the Aquila Remotely Piloted Vehicle Program.

For programs established solely for the motorized division, the committee recommends:

Deletion of $10.5 million to terminate the Fast Attack Vehicle Program, and

Deletion of $15 million in the Stinger Missile Program to defer the initiation of the Pedestal-Mounted Stinger Program.

NAVY

In the Navy, the committee took the following major actions:

Reduced the requested FA-18 advance procurement from 102 to 84 aircraft for savings of $63.0 million;

Denied the request for 9-3C Orion ASW patrol aircraft for savings of $493.4 million;

Denied the E-6A TACAMO request for a savings of $400.2 million;

Deferred the VH-60 helicopter request by 1 year thus saving $101.0 million; and

Reduced the aircraft modification line request by $105.2 million.

AIR FORCE

In the Air Force, the committee took the following major actions:

Approved 21 of the 48 MX missiles requested for savings of $1 billion;

Disapproved the requested $438.8 million for the AMRAAM Missile Program;

Instituted an annual, ongoing competitive procurement program for the tactical fighter aircraft beginning in fiscal year 1986;

Maintained the production rate of F-15's at 42 aircraft instead of the requested 48 for savings of $306.3 million;

Reduced the F-16 request from 180 aircraft to 150 for savings of $642.7 million;

Deferred approval of the MC-130 Combat Talon aircraft because of cost growth, thus saving $79.5 million; and

Approved the Air Force plan to terminate the Low Level Laser Bomb Program, for a reduction of $103.7 million.

DEFENSE AGENCIES

Additionally, following up on the committee's concern about the national problem of poor communications security, the subcommittee added $15 million for the National Security Agency to procure secure voice equipment.

DOD/NATO COOPERATIVE PROGRAMS

For DOD cooperative NATO programs, the subcommittee is recommending authorization of $125.0 million to continue the airbase defense initiatives in the Federal Republic of Germany and Turkey, and to initiate similar cooperative programs in Italy and Belgium.

RESERVE COMPONENTS

In terms of National Guard/Reserve initiatives, in addition to approving most of the requested items the committee is recommending the following items that total some $730.4 million in authorization.

For the Army National Guard and Reserve forces: $12.0 million for six C-12D aircraft; $158.6 million for 18 of the requested 144 Apache attack helicopters; $87 million for 36 Chaparral air defense fire units; $30 million for 138 improved TOW vehicles; $64.8 million for 12 of the recommended 72 Sergeant York air defense systems; and $50 million for nonsystem training devices.

For the Navy and Marine Corps Reserve, the committee recommends the following: $90.7 million for 5 A-6E aircraft for the first Naval Reserve medium attack capability and advance procurement for 11 aircraft in fiscal year 1987 to complete the reserve carrier air wing squadrons; $23.0 million for four UH-60 sea rescue helicopters; $40.0 million for two KC-130 tankers; and $4.3 million for the Mobile Van Helicopter Kit Support Program.

For the Air Force Reserve and Air National Guard: $18 million for six C-12J aircraft; and $150 million for eight C-130H airlift aircraft for the Air Force Reserves.

In addition, the committee is recommending the adoption of a legislative provision (section 1012) that is designed to implement a systematic approach for meeting the equipment shortfalls and requirements of the Guard and Reserve forces, particularly those units with early deployments or with critical missions.

LEGISLATIVE PROVISIONS

Other language initiatives, including the following items:

Authorization of six multiyear contract requests, provided at least 10 percent savings are realized; strengthening selected acquisition reports [SARS] on procurement by requiring life cycle cost estimates on new acquisition programs;

Requiring compliance with testing standards and performance guarantees of the Sergeant York [Divad] system before obligation of any funds is permitted;

Directing 20,000 miles of testing of competitive truck/engine combinations prior to award of a new contract for the 5-ton truck; and authorization of a 5/year multiyear contract, provided at least 10 percent savings are realized;

Establishing a no cost warranty for the wing of the A-6E aircraft that

guarantees at least 4,000 flying hours; and

Directing that F-14 aircraft procured in fiscal year 1986 be configured so as to incorporate the F-110 engine.

Mr. Chairman, I will turn now to the Department of Energy defense authorization programs.

□ 1250

The CHAIRMAN pro tempore. The gentleman from New York [Mr. STRATTON] has consumed 14 minutes.

Mr. BADHAM. Mr. Chairman, I yield myself 9 minutes.

Mr. Chairman, I have served on the Committee on Armed Services now for the past 9 years, and I enjoy the service on that committee, because I think it is a committee that is not only well represented throughout this country, but we have a staff that is superb, and the committee works hard, and I find the work at the same time interesting and yet frustrating.

It is a pleasure to serve on that committee, recognizing the responsibility that this committee has, not only to the House, but to the people of this country.

There I find some frustrations and some fears that I would express to you and the membership today. I fear that we are in an era where the perception of the need for national defense of this country is somehow waning among some Members of this body, and the people we represent, while we carry out our responsibility as sworn to uphold the Constitution and provide for the common defense.

I fear for that because we are in an era where we are suffering from what I refer to as overclassification, and the fallout from that. By overclassification, I mean that the members of the House Armed Services Committee and members of other committees; Intelligence being one, Foreign Affairs being another, are constantly made aware by our intelligence community of the status of forces in the world, and what we understand and what we are given to see, we do not appreciate, and we of necessity therefore must try to convey to the people and to the others Members of this body and the other body, the necessity of preserving a strong defense.

We are in some regards losing that battle because the perception of the true threat as it does exist simply is not getting across to the American people, and this is because, and I lament this, that the people of the United States, by our system of overclassification, are denied the proper information that they should have on what is really going on in this world military, particularly with our potential adversary, the Soviet Union.

This I think is unfortunate, and it is extemely important because it lulls not only Members of Congress who do not avail themselves of the classified briefings that are available, but the people of this country themselves, into thinking there really is not that big a threat, so why do we need to spend all this money for defense.

That brings us to the bill at hand. It is a good bill; I intend to support it; it is as good a bill as the efforts of our staff and our membership on the committee have been able to put together in the time allotted and with the political exigencies of the day as they exist.

We nevertheless do have before us a bill, and I have some fears about this bill and the future that it will project. Since the late 1970's and 1980, we have increased the pay and the well-being of our people in the uniformed service of our country; we have increased the amount of training each and every individual receives; we have increased flying hours; we have increased steaming days; we have increased the procurements, and yet we have spent strangely, surprisingly little additional money compared to the outlays of the previous administration.

For an example, in fiscal year 1985, the outlays for our defense, even though we have the increases in morale and benefits and procurement and readiness and steaming and flying, we spent $24 billion less than was projected by the previous administration back in 1981.

How were we able to do this? Partially we were able to do this by better controls, better purchasing habits, better business-like operation despite the criticism that the Pentagon has received, from ferreting out some of the waste, fraud, and abuse; we have actually gotten more bang for less than the projected buck of the previous administration.

Why does this, therefore, cause me fear? The fear that I have is that we are falling now by necessity, political necessity, into the same pattern that we had during the late 1970's. If we cannot afford to buy something in an efficient manner today, we do not buy it; we do not field it; this and that, but what actually happens, we stretch it out.

From the late 1970's, we know that when you start stretching out programs, you are not buying efficiently. When we stretch out these buys, we buy less efficiently, and the price goes up and the program is strung out, and all the pertinent efficiencies are taken away.

We are going to be strong in fiscal year 1986. We are strong in fiscal year 1985, but the future is ganging up on us again, and we are going into another dip necessitated by the political exigencies of the day.

We have had to discontinue some, and we have had to not fund other multiyear procurements, as the chairman of our Subcommittee on Procurement has said, because we cannot afford the 1986 fiscal year dollar. This is dangerous, and this bodes ill for us and for our relationship with our allies.

That is the bad news that I see in the future, but as far as this bill is concerned, it is a good bill, and it is the best we have been able to do.

I would like to say that with what we have been able to do for our personnel, which is one of our largest military costs, and larger per capita than probably any other country in the world, our instances of unauthorized absence and desertion are way, way down; our reenlistment rates are up; our training is up; our quality of personnel is up. We will have to keep this up, and this will only be done by future expenditures in a meaningful way.

We are in a place now where our personnel costs are pretty much set; our procurements are pretty much established by contracts made during previous years; our creature comforts for the well-being of our personnel are pretty much dictated and in the budget, and so the only place we can cut is by stretching our programs; making each item for our defense cost more and by taking out of readiness, taking it out of training and the intangibles.

I caution this body against this; I will support this, and I hope we will have a return to a more popular and supported defense in the years to come.

Mr. Chairman, I yield back the balance of my time.

Mr. STRATTON. Mr. Chairman, I yield 13 minutes to the gentleman from California [Mr. DELLUMS].

□ 1300

Mr. DELLUMS. I thank the gentleman for yielding.

Mr. Chairman, in rising to speak in general debate on the Department of Defense authorization bill for fiscal year 1986, I choose to make three points.

First, I would like to inform the body that at the appropriate time I will be offering a substitute to the defense authorization bill for fiscal year 1986 on behalf of myself, members of the Congressional Black Caucus and other Members of this body who view the world in different terms than this administration and the majority of the Members of the Armed Services Committee and have a very different version of the nature of the problems in the world and the nature of our role in this world.

Second, Mr. Chairman, I would like to also indicate that at the appropriate point during the markup of the Department of Defense authorization bill for fiscal year 1986 I will be offering an amendment to limit the funding for the so-called strategic defense initiative, or more euphemistically re-

ferred to as the star wars program. What we would do in this proposal, Mr. Chairman, is to limit the funding to basic research. We have communicated with members of the organization known as the Union of Concerned Scientists and the Federation of American Scientists, who tell us that there is need for some basic research in order to not allow a breakout on the part of the Soviet Union or at least that we understand what is going on in the area. But what we would not allow to go forward in the category of basic research is any basic research that would move us toward the development of a nuclear weapon to be stationed in space. We oppose that and we would prohibit it by zeroing out that category.

Second, Mr. Chairman, we would also exclude from the category of basic research that research designed to develop an energy conversion mechanism in space. Simply stated, we opposed nuclear powerplants on Earth. We do not want to see nuclear powerplants in space. But we would allow, with those two major and, in my estimation, significantly important exceptions, basic research to go forward.

We would, under our proposal, prohibit any demonstration projects, any major experiments that we believe would move us toward violation of our ABM Treaty and would result in a major escalation of our antisatellite arms race which I perceive to be extremely dangerous.

Mr. Chairman, the third point that I would like to make is a few comments on the bill before us, the authorization bill approved by the Committee on Armed Services.

This year, Mr. Chairman, the committee has brought forward an authorization bill which freezes new authority at last year's level in real terms adjusted for inflation.

Now, while this is an important improvement over previous years, let me remind my colleagues that this zero percent real growth continues massive defense spending buildup. It does not reduce it at all. I repeat, for the purposes of emphasis: It does not reduce it at all. The only reductions are for hoped for increases. They asked for major increases. All we did was reduce the hoped for increases. We have not reduced real spending.

This bill, indeed, increases authorization by some 4 to 5 percent over last year's level.

Now, what most Members do not seem to understand, Mr. Chairman, is that the defense spending that contributes to the deficit in not only this new authorization but the authorization from prior years—and this is terribly important—that is being spent this year. In the language of the budget, we call these outlays.

For example, the committee is authorizing a figure of $99.4 billion for all procurement for fiscal year 1986. Actual spending for procurement in fiscal year 1986 will be approximately $82 billion. However, all but $10 billion of that $82 billion will be for prior year authorization, Mr. Chairman.

Now, stated a different way, even if we zeroed out this category, even if we brought a bill to the floor of Congress and said in procurement 1986 we would zero out all authorization, you would still have to place $72 billion in that procurement category; $72 billion, even if you zeroed it out. And I do not think many Members clearly understand that what has been done here is to front load this military budget with an incredible escalation that will have impact over a variety of years. It is almost bizarre, when one considers that we could zero out this category and only $10 billion of the $82 billion we will actually spend for fiscal year 1986 will be for new authorization; the other $72 billion, because what was done in fiscal year 1985, 1984, 1983, 1982, 1981, et cetera.

The point is that spending figures will continue rapidly upward for the rest of this decade even if we have real growth freezes during that time. It still escalates even if you have a freeze. So this notion of a freeze is no magic. It does not engage in saving us tremendous amounts of money because even if you freeze it, this military budget will escalate.

Mr. Chairman, even if we freeze without any real growth—and hear me out—without any real growth, as recommended by our Budget Committee—we heard the gentleman from Pennsylvania [Mr. GRAY] point that out in the last couple of days—the spending will continue to increase rapidly. Actual spending for the present fiscal year 1985 will be about $250 billion. Even if we freeze for this next year, the year after that and the year after that, Mr. Chairman, actual spending outlays will still be over $300 billion in fiscal year 1988. This is an increase of over $50 billion in 3 years, even with the freeze.

Under the President's budget, this figure would be about $350 billion, $350 billion by 1988, an increase of $100 billion.

Now, all this data that I am laying out to you is data that we derived from the House Budget Committee in February of this year.

Mr. Chairman, we must begin to seriously begin to reduce what we are now authorizing before our economy is completely consumed by the military budget.

Mr. Chairman, now that I have laid that out, the reason why we choose to offer a substitute at the appropriate time is that we believe that it is important to not make reductions arbitrarily. Rather, we must rethink our policies so that they are coherent and rational and reflect the best interests of our Nation.

Mr. Chairman, the real growth issue before us is not whether it is zero percent growth or any other figure. The real issue is what is the proper national security policy and what are the requirements for the defense of our country. This should be the main focus of the debate. But, Mr. Chairman, as you and I very well know, unfortunately in the past, little debate of this kind has taken place on the floor of this House on policy matters. The administration's view and the moneys being authorized in this bill, which basically support the administration's view, are not correct assessments of our national security requirements as this gentleman assesses them. The national security role of the United States should be to assert international leadership necessary to bring the world closer to peace, Mr. Chairman. Military tensions must be eased, détente must be revived, and the threat of nuclear war must be removed from our lives. The only real use of nuclear weaponry is to prevent war and to prevent the use of such heinous and devastating weapons. Our focus should be deterring war and spending billions of dollars to arm ourselves to fight tactical nuclear wars around the globe or to build vast strategic weaponry whose only function would be to make nuclear devastation even more devastating, nor need we spend additional tens of billions of dollars to prepare for a protracted, so-called, conventional land war in Europe with the Soviet Union.

□ 1310

Mr. Chairman, we need to fundamentally reassess our defense policies, and determine whether alternatives may make more sense than those proposed by the administration or my respected and distinguished members of the Armed Services Committee.

The alternative vision we would offer in our substitute in pursuit of such a fundamental discussion of basic Armed Services Committee policy, is based on our assessment of what would be a proper defense strategy for this Nation. I will discuss these issues at length at the appropriate time. So for the moment, let me simply outline the major themes of the proposal.

First, to lessen the threat of nuclear war through support of a nuclear freeze, and for arms control initiatives which would lead to prompt reductions in major weapons systems.

Second, a noninterventionist, national security policy.

Third, a reduced U.S. role in Europe and in Asia.

Fourth, a redirection of procurement policies to reduce waste, fraud, abuse, and massive cost overruns.

And fifth, a stronger national security through a policy of conversion to an

economy less dependent upon military spending.

Mr. Chairman, while substantial reductions are made from the administration's proposal, it should be noted that even with these large cuts that this gentleman would propose, spending under this proposal will still continue at recent levels.

For example, in fiscal 1986, spending will still be more, unfortunately, more than $9 billion above the spending levels of fiscal year 1985 Defense appropriations, and will constitute a real growth of 39 percent; over 8.5 percent per year since fiscal 1980.

In large measure, Mr. Chairman, this is due to the lengthy spendout period of the major procurement increases approved over the past years that I alluded to earlier in my presentation.

Finally, Mr. Chairman, in addition to making our defense more secure, implementation of these themes that I have alluded to earlier would result in authorization savings of some $286 billion over the next 3 years. These savings are sufficient both to reduce significantly the unprecedented budget deficits that we are confronted with, and make resources available for selected increases in desperately needed social programs to address the human misery of our people in this Nation.

I thank the Chair and I thank the distinguished chairman of the Armed Services Committee for his generosity.

Mr. HILLIS. Mr. Chairman, I yield 10 minutes to the gentleman from South Carolina [Mr. SPENCE].

Mr. SPENCE. I thank the gentleman for yielding me this time.

Mr. Chairman, I rise in support of H.R. 1872, the fiscal year 1986 Department of Defense authorization bill, and will address primarily those aspects of the bill that deal with seapower and naval shipbuilding.

Mr. Chairman, I have often heard it said that the primary reason for the existence of a Federal Government or a central government is to do those things for its people that they cannot do for themselves, either as individuals or as States or units of government.

The main thing that people cannot do themselves and that the States cannot do for their people, is to protect them from foreign aggression. In recent years, we have seen this country's military decline to a point that was a fearsome thing for many people who are concerned about our defense.

Mr. Chairman, 4 years ago, President Reagan set a course for a naval recovery program for this Nation, a program designed to restore this country's waning maritime superiority. Our naval recovery program is working, in spite of some ups and downs in the annual budgetary battles. We have seen a dramatic increase in the quality, training, and morale of our naval personnel; a substantial improvement in the readiness of our forces, and in their ability to sustain themselves in combat; and a growing number of high-quality ships entering the fleet as we move towards our goal of the "600-ship Navy."

The cornerstone of our efforts to rebuild the Navy is a clear statement of a realistic, effective maritime strategy for the employment of naval forces both in peacetime and, if need be, in time of conflict. Simple in concept, but more complex in its execution, this maritime strategy is made up of two main tasks. Described before our committee earlier this year by Navy Secretary John Lehman, those tasks are: First, to prevent the seas from becoming a hostile medium of attack against the United States and its allies; and second, to ensure that we have unimpeded use of the ocean lifelines to our allies, our forward deployed forces in peace and war, our energy and mineral resources, and our trading partners; to be able to project force from the seas in support of our national security objectives short of war; and to be able to bring force to bear directly in support of combat ashore should deterrence fail.

Translating this maritime strategy into the day-to-day workings of the Navy is a somewhat more difficult job. Our Navy is deployed around the world every day of the year in support of our national goals and commitments.

Adm. James Watkins, the Chief of Naval Operations, aptly describes the world in which we live as being in a state of "violent peace." The United States is at peace with its neighbors, but armed actions and mounting tensions are a fact of daily life.

Our naval forces would likely be caught up in the early stages of any conflict involving the United States and which could possibly erupt from the 30 conflicts currently underway in various parts of the globe. Admiral Watkins summarized this situation very well when he said, "Naval forces must be prepared to encounter high technology, combined arms threats in virtually every ocean of the world."

Mr. Chairman, I believe that the Navy program contained in the bill before us today will go a long way toward the effective implementation of our maritime strategy. It has the numbers and quality of ships needed to maintain the forward deployment and flexibility that are characteristic of the Navy's contribution to deterrence. The 23 new construction ships and 5 conversions recommended by the committee are a balanced, prudent request in light of the fiscal restraints we face in this year's defense budget. Let me briefly touch upon a few of the major types of ships in this year's bill.

AEGIS CRUISER

The Aegis guided missile cruisers of the Ticonderoga class recommended in the committee bill are truly the state of the art in antiair warfare protection for our carrier battle groups. Less expensive by over $200 million than the three ships authorized last year, these three ships—with their sophisticated but highly reliable radars—will be capable of effectively countering the numbers and sophistication of the Soviet AAW threat well into the future. In fact, 1984 was a banner year for the Aegis system and the first ship of the class, the U.S.S. *Ticonderoga*. She was at sea over 80 percent of the time during her initial 6-month deployment to the North Atlantic and the Mediterranean, a deployment that began on much shorter notice than usually given a new ship. During this cruise, she operated with two carrier battle groups, conducting over 2,500 intercepts with their aircraft and maintaining an overview of the air activity over the entire eastern Mediterranean of unprecedented quality, for any type of ship, ever. Following this highly successful cruise, she returned to the Caribbean weapons test range where she downed 10 of 11 target drones simulating multiple missile attacks in a highly stressing operational test. As Admiral Watkins summarized the ship's performance after her cruise and test firings, "Aegis * * * is the best antiair warfare system the Navy has ever had."

LOS ANGELES CLASS ATTACK SUBMARINES

The four Los Angeles class SSN-688 attack submarines in the committee bill are a vital step in reaching the Navy's force goal of 100 nuclear attack submarines by 1990. The Soviet Union continues to outbuild us in nuclear submarines at the rate of 3 to 1; they are also getting better at incorporating the technologies that have traditionally given the United States an edge in submarine warfare. The ships in this year's bill will do three things to redress this situation: First, they will help to make up for the dangerously low attack submarine building rate of the late 1970's; second, they will incorporate a series of modifications to the earlier 688 class design that will make them the world's quietest nuclear submarines, capable of performing multiple missions in a superb manner; and third, they will provide an orderly transition in both numbers and technology to the next generation of attack submarine, the SSN-21.

LHD-1 MULTIPURPOSE AMPHIBIOUS ASSAULT SHIP

The committee bill would also authorize funds for the second of the WASP class multipurpose amphibious assault ships so essential in providing adequate mobility for our Marine Corps forces. The LHD-1 is impressive in its capabilities to move men and equipment: nearly 2,000 troops, 23,000 square feet of vehicles, 109,000 cubic feet of cargo, 400,000 gallons of fuel,

three air cushion landing craft, and 42 CH-46 helicopters, can be delivered by this ship on short notice anywhere in the world. The LHD is also capable of acting as a minicarrier in a sea-control mission, handling up to 6 LAMPS Mark III antisubmarine warfare helicopters and 20 AV-8B short/vertical-takeoff jet aircraft. The committee bill would authorize the Navy to buy the next three of these vitally needed ships on a multiyear basis, thus saving money and adding these ships to the fleet sooner.

Multiyear procurement of ships is but one of the ways the Navy is saving money in the shipbuilding program. Increased competition among multiple sources in the shipbuilding budget—used in just 16 percent of ship procurements in 1980, but used in over 84 percent this year—has done much to lower the cost of our ships. This year, the committee was able to take advantage of nearly one-half billion dollars in such savings achieved in the 1981-1984 shipbuilding budgets; with continued prudent management by the Navy, and increased competition, we hope to achieve more savings in the future. I would also point out that Navy shipbuilding and repair work accounts for over 80 percent of all employement in that industry in the United States today.

Let me add one final word about the threat posed by the Soviet Navy. As President Reagan has pointed out, we, in this country don't have the luxury of formulating our defense budget in a vacuum; we must constantly be aware of Soviet activities and programs that seek to undermine our ability to meet our national objectives in the use of the world's oceans. The Soviets work hard at denying us those objectives. During the past year, for example, they continued to maintain about 2,400 ships and craft in their inventory, including nearly 300 major surface combatants and 380 submarines. They were building, or fitting out, six classes of major surface combatants and seven classes of submarines in 1984. The Soviet Navy now operates on a worldwide scale, increasing the number of ship-days spent out of home waters every year. In short, we face a formidable foe, one apparently willing to spend heavily on its Navy in an attempt to gain leverage over the United States.

Mr. Chairman, we must regain the maritime superiority this Nation needs for its survival. Although modest in size, the recommendation before us today will do much to help reach that goal. I strongly urge my colleagues to join me in supporting this bill.

□ 1320

Mr. PURSELL. Mr. Chairman, would the gentleman yield for a brief colloquy?

Mr. SPENCE. I yield to the gentleman from Michigan.

Mr. PURSELL. I thank the gentleman for yielding.

Mr. Chairman, I served in the military as an infantry commander, so I am not briefed totally on the development of our naval program of 600 ships, but I did read Secretary Lehman's full report when he testified before the Senate outlining the long-term goals of the Navy.

I happen to personally support that. I have, in the appropriations process and debate here with amendments over the years. I just wanted to ask the gentleman if he is confident that within our existing appropriation authorized levels this year and past years that we are getting not only the ships themselves, but the training on those ships and the additional equipment necessary so that our mission around the world is met adequately in terms of meeting the goals of national security?

Does the gentleman feel that the Navy is sort of recovering and coming back to a proper level of funding under our existing budget?

Mr. SPENCE. Yes, I do. As a matter of fact, I said earlier we had slipped dangerously low, I think, in our commitments throughout the world because of our lack of ships and training and personnel and all the rest, up until about 1980.

Under the new programs we have instituted since that time, we have begun construction on many ships. We have taken possession of others. Our training is in a better state right now, and I think we are better able to meet our commitments throughout the world and the objectives therein.

Mr. PURSELL. Secretary Lehman also indicated in his testimony—and I recommend its reading to every Member of the House—that the morale of the troops is up, that the training and recruitment is up in respect to higher high school graduates, and the percentage has increased dramatically in which there are better trained seamen than before.

I am confident that maybe we have moved to that higher standard of vigilance and training on behalf of our national security and have met that level of responsibility that I think we have committed ourselves to the last few years.

Financially and budgetwise, I do not know if we are at the right level, maintaining the existing appropriation and authorization. I think that should be fully debated within the context of this committee and the Committee on Appropriations in respect to the naval budget. I think that has not been fully debated in public in terms of the strategy and mission but I am confident we have made some big gains over the last few years. I agree with the gentleman in the well.

Mr. SPENCE. I thank the gentleman and I appreciate his contribution.

Mr. SKELTON. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, we have before us the fiscal year 1986 defense budget. This has come about as a result of many, many days and hours of hearings in the subcommittee and committee in the Committee on Armed Services, and I wish to take this opportunity to commend the chairman for his leadership, to the members for the tireless work they have put in, and the staff, the finest staff, I think, in this area in the world. I compliment them for the work that they have done.

This is a very responsible piece of work that has been brought, and it is as a result of compromises, as a result of amendments both defeated and passed, but it is one that we can all be proud of as a final product. It is one where $18.9 billion has been cut from the President's request and some 30 procurement programs have been terminated. On the other hand, it is a very strong national defense proposal, one that is responsible to our Nation as a proper defense for the days and years ahead, and also responsible to the people of our country for doing the best that we can to maintain a fiscally respectable position.

I would like to comment first on an item that was mentioned by the gentleman from California a few moments ago, and that was regarding the policy decisions in the Committee on Armed Services.

I think that we are seeing for the first time long-range policy decisions and determination being made, rather than counting beans or tanks or airplanes or bullets. In addition to that very difficult and arduous task, we are looking down the road as to what our defense needs must be, what our commitments are, and where we are going as a nation. I think that for the first time we have recognized the long-range necessity and we are doing that, as a result, not just in our subcommittee and committee work, but in the policy panel that our chairman has established and I think that this is a step in the right direction and you will see better decisions in the long run as a result of this work.

This defense bill has, as many know, cuts that are too much for some and not enough for others. We have a problem with the $200-plus billion deficits in our Nation, but everyone has to pay his or her fair share, and also there is a perception on the part of the American public that fairness is what we need, and that is why I say this is a responsible work, one where we did take the cuts but in a manner which does not lessen our deterrent capability, but one that keeps us strong.

In reshaping this budget, I think one of the most important things that we did was to continue to strengthen the Reserve Forces of our Nation. The Reserves of all of our forces, plus the National Guard have benefited from substantial add-ons; to name a few, the Chaparral air defense missile system, the UH-60 utility helicopters, the C-130 transport aircraft, and many others.

Unfortunately, through the years, as a result of the nature of the animal, there has been a bias in the Pentagon that seems to neglect the Reserve Forces in favor of the Active Forces, but today, in today's military situation, we see that many of our units that could be deployed in combat come from our Reserve Forces, the Reserves and the National Guard. As a result, we in our committee have added some emphasis on those Reserve Forces, which has been needed for quite some time.

Mr. Chairman, this is not just a leaner defense; it is a better defense. It is one that has been a collective effort on our committee and it is one that deserves the support of the Members of this body.

In every bill there is an issue or two of controversy, and there is one that is of controversial nature that I wish to mention that is so clear to me that were we to omit it from this bill that it would be, in the terms of one of our distinguished retired military leaders, criminal negligence, and that is the inclusive within this bill of the need to have a proper deterrent capability in the area of chemical warfare. It is controversial, it is not pleasant to talk about, it is one that would be easier to shove behind us, but it is one that we must face and this is the year that we must face it directly.

We know what the Soviet capability is regarding chemicals. We know the research and development that they have been involved with.

□ 1330

We also know that they have the ability in their Warsaw Pact forces and among their army in Eastern Europe to use these measures to the detriment of the Western World.

One of the most controversial measures is the inclusion of this in our bill, but it is terribly important. We had a special hearing on this issue, and I am convinced and driven irresistibly to the conclusion that we must have a proper deterrent of offensive chemical weaponry, for not to do so would be to invite disaster. It would also be to lower the nuclear threshold and make the use of nuclear weapons much more likely should there be a conflict.

First, let me say that the report of the Presidential Commission, which included the very fine gentleman who just retired recently, Barber Conable, favors the production of this type of system.

Second, we have a new way of producing this type of weaponry in a safe manner, which is in what we call a binary type of weaponry where the two ingredients are not mixed together. They are not used together until they are fully deployed.

We all know, third, that defensive measures are not enough, that we would be at a disadvantage if we only take defensive measures, and we need a deterrent measure in the area of chemical warfare.

For this reason I very strongly urge that what we have in the bill remain there, and I hope we can convince others of this wisdom because not to do so would be certainly wrong and a disservice to those who wear the uniform.

Mr. Chairman, the most important part of our national defense is the men and women who wear the uniform, the people of our armed services. In passing this bill, we will have taken care of them, and in so doing we hope to encourage them to continue the fine careers that so many of them have started. We have included a 3-percent pay raise. We need to take care of those people who do the tough, the dirty, and the difficult jobs of defending our interests in this world.

We have also allowed an increase in the permanent change-of-stations allowance. Some of these people are taking money out of their own pockets when they are transferred from place to place.

Mr. Chairman, I commend this bill to the Members of this body and urge its passage. It is a lean bill. It is a responsible bill. It is a bill that will keep us with a high deterrence in this very dangerous world in which we live.

Mrs. HOLT. Mr. Chairman, I yield myself 5 minutes.

Mr. Chairman, as ranking member of the Subcommittee on Procurement and Military Nuclear Systems, I would like to say a few words about the subcommittee's action on H.R. 1872.

As the chairman stated, the subcommittee reduced the procurement request by $6.7 billion, a 7-percent cut in the request.

The chairman, the gentleman from New York, did a superb job in making these tough decisions, and I would like to second the remarks of the gentleman from Missouri. We do have an outstanding staff on this committee, and they did a wonderful job in supporting us in our efforts to try to make these reductions.

Mr. Chairman, this leaves the procurement account—less shipbuilding—with a real decrease of about 2 percent over the appropriation of fiscal year 1985.

This severe cut was made necessary in part by the full committee's decision to support a reasonable rate of growth in the operations and maintenance account. This is the second year the committee has agreed to protect the O&M account which has been subject to severe cuts in the past.

We made some tough decisions in the procurement subcommittee which were upheld in full committee. We deleted the total procurement request of $438.8 million for the advanced medium-range air-to-air missile [AMRAAM]. We did this after the committee had learned that the projected unit cost of this system had tripled, and the schedule for the program had slipped by almost 2 years.

We eliminated all funding for the E-6A Navy aircraft. This committee believes that in this tough budget climate it would be inappropriate to start a program of this magnitude. Additionally, we directed DOD to restructure the development schedule to comply with the law. The program as proposed was much too concurrent with little or no development preceding production.

Recognizing the contribution of the National Guard on Reserve forces, the committee added more than $700 million for new equipment for those components.

With respect to the current deficit problem, I recognize the need for defense to contribute a fair share toward reducing the deficit, but I have great concern about cutting the rate of improvement of our national defense force structure. This administration has made great strides in repairing the damage to our defense capability caused by years of fiscal neglect.

We have come a long way. Recruitment and retention are up. First quarter 1985 reenlistments rates are up 11 percent since 1980.

In the areas of readiness our pilots are getting 30 percent more flying time than they were in 1980 and aircraft ready rates have improved 7 percent in that time. Munitions inventories have increased by an average of 39 percent across all four services. We are fielding more and better items of equipment to our combat ready forces.

I am greatly concerned that the cuts over and above what we have in this bill could turn this remarkable improvement around and could send us back to the bleak days of the 1970's and early 1980's.

The President's defense request would have required about 6.4 percent of the gross national product. I don't think this is an unreasonable level for the leader of the free world to devote to its national defense.

Let me quote what Alice Rivlin, the former Director of the Congressional Budget Office, told this committee 2 years ago on February 16, 1983:

Clearly the U.S. economy can support the defense buildup proposed by the administration. Under that buildup defense in 1988

would take about 7.7 percent of GNP, similar to the level in the early 1970's.

While the cuts we are describing today were painful to most of us and resulted in the loss of real capabilities, further cuts of the magnitude suggested by some Members would be absolutely devastating to readiness, sustainability, and modernization. We would most certainly have to cut deeply into O&M—which this committee has protected over the last 2 years. These cuts would abort the improvements in defense that Members of Congress have fought so hard to obtain.

I urge Members to oppose any further cuts in the defense account beyond those that are in our bill.

Mr. STRATTON. Mr. Chairman, I yield 10 minutes to the gentleman from Georgia [Mr. DARDEN].

Mr. DARDEN. Mr. Chairman, title II of H.R. 1872, as reported by the Committee on Armed Services, provides authorization of $34.1 billion for the fiscal year 1986 Research, Development, Test and Evaluation [RDT&E] Program.

The Department of Defense requested $39.2 billion for fiscal year 1986. The committee's action results in a reduction of $5.1 billion.

Mr. Chairman, the research, development, test and evaluation account has grown by 100 percent in less than 4 years. While some of this growth was absolutely essential, the committee believed that the Pentagon placed too much emphasis on developing new systems rather than on advancing the state of technology. There can be no question that if the committee were to approve every weapon system on the Pentagon agenda, we would have serious affordability problems in the post-1990 period. We simply cannot do it all and accordingly, the committee terminated many programs—52—in all.

I would emphasize, Mr. Chairman, that the committee paid strict attention to fulfilling military requirements to the maximum practical extent. We did it by providing fewer systems. For example, we are asking the Pentagon to choose between a Navy version of a data system called the Joint Tactical Information Distribution System—JTIDS—and the Air Force version. There is no good reason, during this period of austerity, for the services to have both systems. One will do the job very well.

We terminated the Joint Surveillance Targeting and Attack Radar System—JSTARS—but we provided a less costly alternative to do the job.

Mr. Chairman, we are all concerned about the size of the Federal deficit. Defense must contribute its fair share toward the reduction of this deficit. The contribution must not, however, jeopardize our national security. The budget for the RDT&E function as recommended by the committee is a responsive and a responsible authorization, fulfills the greatest majority of all military requirements, does not jeopardize in any way our national security objectives, provides for the revitalization of our science and technology program in American universities, and streamlines the Pentagon's weapons development process.

Mr. Chairman, title II of H.R. 1872 contains a very significant addition—$175 million for university research. I would like to explain to the members why this is vital given the fact that we had to make sizable reductions in other defense accounts.

The purpose of this university research initiative is to maintain an adequate science and technology base essential to our national security objectives. The maintenance of an adequate technology base within the universities throughout the country is the responsibility of all Federal agencies including the Department of Defense and the National Science Foundation.

The committee is concerned that the enrollment of U.S. university graduate schools in critical areas consists principally of foreign nationals. U.S. industrial salaries offered to scientists, engineers, and others in critical skills are so attractive that little incentive exists for those with bachelor degrees to continue in graduate education. The U.S. university base has been on the decline; university facilities and instrumentation are in many instances antiquated; graduate students are not exposed to many high technology areas until they begin their industrial careers; and the exchange of innovative ideas between the universities and the Federal laboratories has declined.

The committee believes that the Department of Defense must contribute its fair share toward preserving our industrial base and ensuring a future talent pool from which to draw. Accordingly, the committee recommended an addition of $175 million to the Department's request for $25 million to begin the university research initiative. This recommendation has been strongly supported by the President's Science Adviser, the American Association of Universities, and representatives from the Department of Defense. The committee intends that the authorization be used as follows:

To extend the research fellowship program for U.S. students to encourage graduate study;

To modernize university laboratories and instrumentation;

To infuse as early as possible high technology programs such as tunable free electronic lasers for medical application, very high speed integrated circuit technology and other areas that a graduate student would not normally encounter until he or she entered industry; and

To establish a greater exchange of ideas and to enhance the working relationship between Federal research centers and laboratories and the universities.

The committee was advised by the President's Science Adviser that the recommended level of authorization is essential and that it was to be included in the Department of Defense fiscal year 1986 budget request but was inadvertently deleted during the budget process. The committee expects that the Department of Defense will request the appropriate level of authorization for fiscal year 1987.

I ask your support and that of my colleagues for title II of H.R. 1872 as reported by the Committee on Armed Services.

□ 1340

Mr. HILLIS. Mr. Chairman, I yield 5 minutes to the gentleman from Virginia [Mr. BATEMAN].

Mr. BATEMAN. Mr. Chairman, today we consider the authorization of funds for the Defense Foundation, it is unfortunate that we are operating under artificial budgetary constraints, rather than proposing the authorization of levels of manpower, equipment and research, which are truly equal to the threat posed by our adversaries in the world, which should be the proper measure of our Nation's security needs. What we have authorized under these fiscal constraints are bare-bone measures which do not fully meet the range of likely threats and are at best marginally capable of defending our Nation, honoring our commitments to our allies and, most importantly, deterring aggression.

In my view, the fiscal year 1986 Department of Defense authorization bill which has frozen defense spending at fiscal year 1985 plus inflation levels is the minimum that prudence will support. To do less places us at an unacceptable risk in a very uncertain world. We have seen no evidence of diminishing Soviet buildup of strategic nuclear or conventional weapons. They continue notwithstanding their lead to develop new weapons at an undiminishing pace. They have devoted immense resources to developing strategic defense systems; yet they insist that the United States should not. They would have themselves defended and have us leave ourselves undefended from their massive strategic nuclear first-strike capability.

This Department of Defense authorization bill has reduced our efforts in this strategic defense response, and I regard that as certainly undesirable.

As we weigh our defensive needs against the necessities of reducing spending levels and shrinking the level of deficits, we should be aware that for every $1 billion spent for defense, there are 35,000 jobs created.

Now, I certainly would not advocate that we spend money for defense un-

necessarily as a jobs program, but it is not without significance that money spent for the defensive needs of the country do, in fact, have positive economic benefits. They reduce the negatives on the public purse by diminished unemployment compensation and other social benefits that are necessary through unemployment. They increase the revenues to the Treasury, making it possible for the Nation to try to meet its minimal needs.

So certainly dollars spent for legitimate defense needs are in a different category from dollars spent for programs and activities that have no positive economic implications for the total economy.

Before concluding, let me as some of my colleagues have done address the critical necessity for this Nation to develop a viable chemical warfare deterrent. This Nation has produced no chemical weapon now for over 16 years. During that unilateral moratorium on our part, the Soviet Union has developed massive chemical weapons stocks and we invite in the event of war virtually their using it without any meaningful deterrent to their doing so, save the possibility of our being forced to resort to a nuclear response. That as a strategy for the United States and our NATO allies is I think the height of folly.

We will never use them first. It is our declared policy in this Nation. We will stand behind that declared non-first use policy, but for emotional or for lack of knowledge of the facts, it would be in my judgment a disgrace for us to leave our forces in the field unprotected against an invited use of chemical weapons by our adversaries.

□ 1350

I hope that my colleagues will, before making any judgment on this issue in this session of Congress, take the time to read the recommendations and findings of the Crossen Report and of the Stoessel Commission. I do not think you can scrutinize these reports, the facts set out therein, and the conclusions that flow from them without being convinced of the necessity of a viable chemical weaponry deterrent.

Mr. STRATTON. Mr. Chairman, I yield 10 minutes to the gentleman from Virginia [Mr. DANIEL].

Mr. DANIEL. Mr. Chairman, the four pillars upon which military capability stands are force structure, modernization, readiness, and sustainability.

In 1981, some Members of the Congress concluded that this segment of our preparedness needed a constituency, so a Military Readiness Subcommittee was formed.

Today I wish, however, to emphasize relative spending for our national security, and touch briefly on two other matters.

It is the judgment of many Members of Congress that we are not applying our resources to the contingencies with which we may be faced for the balance of this century; in short, preparedness to address the lower end of the threat spectrum. It is the judgment of this Member that our primary concerns will be with what has become known as brushfire wars, insurgencies, and state-supported terrorism. I therefore wish to call to the attention of the Members the work which we are doing, along with the Intelligence Committee, on special operations.

After 16 years in Congress—all of which have been spent on the House Committee on Armed Services—and 4 years as chairman of the Readiness Subcommittee, I feel reasonably well qualified to comment on defense issues. The Pentagon's expanding budget, while certainly a factor, is not financially responsible for our outrageous budget deficits.

To put this issue into perspective, let's look at some trends in public spending over the last 30 years:

[In billions of current dollars]

Category	1955	1960	1965	1970	1975	1980	1985
Defense Department	35.1	41.5	45.9	77.1	84.9	132.8	246.3
Debt interest	4.8	6.9	8.5	14.4	23.2	52.5	130.4
Social and economic	17.0	32.5	47.6	88.8	203.3	374.1	554.1

This table reflects actual dollars spent in those years, unadjusted for inflation. But it doesn't take an expert or a mathematician to see at a glance where the lion's share of the growth is occurring in the Federal budget. Spending on social and economic programs is 32 times greater than it was 30 years ago. Interest on the debt is 27 times greater; and defense spending is 7 times the level of 1955.

Another helpful way of putting defense spending into perspective is to look at it as a percentage of net public spending at the Federal, State, and local levels:

Defense Department as percent of net public spending

1955	35.5
1960	30.3
1965	25.2
1970	25.4
1975	16.5
1980	15.3
1985	17.8

As taxpayers, we have only so much to spend to support Government services. As the foregoing indicates, defense is taking a far smaller proportion of our tax dollars than it did in the Eisenhower, Kennedy, and Johnson years. When John Kennedy came into office, one of every three public employees was in the Armed Forces. Today, it is only one in six. And we should place the 1980 figure into perspective by recalling that President Reagan was elected with a mandate to reverse the deterioration in our military capabilities because it was generally recognized that defense spending was too low.

The fact that we have rebuilt our defenses in just 5 short years and that the readiness and morale of our men in uniform is at an all-time high is cause for comfort, not alarm. But we must not look in isolation at statistics cited to the effect that defense spending has increased from 23 percent to 29 percent of Federal spending in the last 6 years. Let us at least put those figures into perspective by recalling that it was 47.7 percent of Federal spending in John Kennedy's first year in office and 43.2 percent when Lyndon Johnson left office. And in 1985, Defense represents 25.7 percent of the Federal budget, not 29 percent.

The basis of our current budget crisis is simple: We are spending $200 billion a year more than we take in taxes. And the simplest solution is to raise taxes. But as was demonstrated last November, the American people do not see themselves as undertaxed. Part of the reason for that, as I pointed out earlier, is that they are now spending more than $550 billion a year to support Government services at the State and local levels. If we are not to raise taxes, then the Federal budget has to be cut. The House Armed Services Committee has voted to reduce defense spending by almost $21 billion in fiscal year 1986. This means there will be no real growth in defense in 1986. After adjusting for inflation, the defense budget will be frozen at the 1985 level. If we go below that, we will begin to undo all our efforts of the past 5 years.

But now we come to the hard part. Cutting $21 billion out of defense this year and restraining growth over the next 5 years will still leave us with three-fourths of the deficit problem unsolved.

It seems fashionable these days to attack defense spending and to generalize about waste from a few isolated but sensational examples of abuse as hammers and toilet seats—and they are outrageous and unacceptable. But from my vantage point, I think the military procurement agencies are populated largely by dedicated people trying conscientiously to manage our funds responsibly. It is vitally important that we get our facts straight before commenting about defense spending, because careless comments impugn the integrity of the dedicated men and women who serve within that system. For this reason, I counsel my colleagues, not to rely too much on consultants and legislative aides as they develop expertise on defense matters. For example, a recent newspaper article stated that "adjusted for inflation, defense spending has increased from about $120 billion in 1980 to a proposed level of $300 billion in 1986."

The actual figures in constant 1986 dollars—that is, after adjustment for inflation—are $188.7 billion for 1980 and $256.2 billion for 1985 with the same $256.2 billion expected for fiscal year 1986 after congressional action. Thus, the 6-year real growth is about $68 billion, not $180 billion.

I understand how easy it is to fall into the trap of quoting figures inaccurately. And, occasionally I get caught doing it even though I sit through about a thousand hours a year of briefings, hearings, and personal meetings on defense programs. Perhaps the following table will help place historic defense budgets into focus and dispel the myth that they are out of control.

Defense budget authority (constant 1986 dollars in billions)

1951	248.8
1956	174.7
1961	185.6
1966	236.4
1971	203.8
1976	185.8
1981	221.9
1986	296.1

I submit that, in terms of historical trends over the past 35 years, defense is neither uncontrolled nor a budget buster. Obviously, there are things we can do to improve procurement practices and abuses, but if the Congress and the American people are serious about eliminating $200 billion from the deficit without raising taxes, defense spending is only a small part of the answer. Unless, of course, we decide to adopt article 9 of the Japanese Constitution.

Three years of subcommittee and panel hearings on our special operations forces have begun to have a perceptible impact.

We have cooperated with our sister subcommittees in revamping the special operations R&D effort, and having it elevated to the Under Secretary of Research and Engineering level at DOD.

We have addressed the No. 1 procurement priority for SOF—the provision of adequate long-range infiltration and exfiltration aircraft through a reemphasis and restructuring of the MC-130 Combat Talon Program, and the authorization recommendation of 12 PAVE low helicopter modifications in this bill.

We have continued the momentum of the past year in seeing the successful activation of an additional active duty Special Forces group in the Army, and a third naval special warfare group, thanks to the cooperation of our colleagues in the Personnel Subcommittee, with additional personnel programmed.

We have initiated a close working relationship between the committee and the Intelligence Committee to assure adequate, sustained, and detailed oversight over our SOF units and activities.

In all, Mr. Chairman, permanent oversight and the enhancement effort for our Special Operations Forces has been extremely successful.

The panel on special operations headed by the distinguished Member from Florida will reconvene in June in order to complete its work for the first major report on SOF readiness and oversight.

Our next major initiative will be to consider readiness improvements which will stem from more effective command, control, and coordination of our joint SOS effort.

This year has been a productive one in SOF oversight and authorization, Mr. Chairman, and the matters dealing with fiscal year 1987 provise even more improvement.

Mr. HILLIS. Mr. Chairman, I yield 7 minutes to the gentleman from Illinois [Mr. PORTER].

Mr. PORTER. Mr. Chairman, in the face of $200 billion deficits stretching out as far as the eye can see, the committee, in their infinite wisdom, has had the temerity to include in the authorization a new spending program that will ultimately cost the American people at least $2.3 billion, more likely $6 billion, before it would be punished. Mr. Chairman, I am not on the committee, and I have the highest regard and respect for those who serve on it. I have been a consistent supporter of our defense authorization, a supporter of the MX missile, and I think I know an unnecessary expenditure when I see one.

This is the same program that has been defeated each time it has been offered since 1981. Last year it was defeated by 68 votes in the House and that includes, I might add, 53 votes from my side of the aisle. And this year there is a slightly new twist. There was appointed a Presidential commission headed by Ambassador Walter Stoessel, another gentleman for whom I have the highest regard and respect. That commission met first in mid-March and, I might say Mr. Chairman, that it had no one appointed to it that had previously taken a position opposed to binary nerve gas production. However, it was composed of a larger number of people who had taken a public position, in support of nerve gas production.

□ 1400

Although the chairman of the House Committee on Foreign Affairs, the gentleman from Florida, and myself had joined in a letter to the President urging the appointment of our former colleague from the State of Arkansas, former Congressman Ed Bethune, that appointment was not made. Rather, this commission was staffed by officers on leave from the Pentagon; indeed the executive secretary of the commission was the gentleman whose responsibility it is to convince the House that we ought to produce new nerve gas weapons, Dr. Thomas Welsh. I found it amazing that this commission met for about 40 days and came out with a unanimous conclusion that we ought to do exactly what the Pentagon says we ought to do, and that is produce a new generation of nerve gas weapons after 16 years of forbearing to do exactly that.

I called the report a 40-day wonder; it is a wonder that in 40 days the commission could come to a conclusion on an issue that divided this House for many years. There was no dissent, not one word of dissent in that report.

Mr. Chairman, we do need a credible chemical deterrent. Many of the remarks made on the floor of this House by those who preceded me are correct, we do need a chemical deterrent, but the fact is that we have one, and we have had it for a long time. It is not perfect. This is not a perfect world. We have huge deficits, and if we are going to create any new spending program in this Department, it seems to me there is a tremendous burden upon those who advocate it to tell us why we should pass on to our children a tremendous additional cost that we cannot afford.

If our stockpile seriously deteriorates, and we get our fiscal house in order, we may need new chemical, even binary, weapons. I think they may be safer and better than unitary. It seems to me also that we might want to have a different mix. We might want to have more persistent agent for long-range ordnance, and more nonpersistent agent for short-range ordnance, and the mix may not be quite right in the deterrent that we have but, again, this is not a perfect world. The question is: Is this stockpile an adequate deterrent? The answer to that is yes, it is adequate, and yes, we don't need to produce new binarys this year.

Even if we were today to embark upon a new program of producing binary weapons even if we were to produce new binary weapons today our allies would not take them.

I sat down with the West Germans in my office and talked with people from their Department of Defense, and they did not even want to discuss it. It would create a split in the NATO alliance if we were to try to force these weapons upon them. The political crisis would be far greater, it seems to me, than the one we already have had with the Pershing II and the cruise missile. We could not forward deploy them. Why, then should we produce them?

Finally, let me say that I have spent a good deal of time since last year visiting various chemcial warfare facilities across the country. I went to China Lake in the Mojave Desert, in California to look at the Naval Weap-

ons Testing Center there where they test the Bigeye bomb. I went to Van Nuys where the Marquards Corp. produces it. I went to the Tooele Army Depot in Utah and looked at our stockpile physically. I might say the safety that is used to make certain that we do not have terrorist attacks or problems with our stockpile is extraordinary. I went out to the Dugway Proving Ground. And I will tell my colleagues that I now have a plaque on my wall that says I am the only Member of Congress ever to stay overnight at this remote base out in the middle of Utah.

I was treated very well and I commend Dr. Welsh and his staff and the people from the Department of Defense. They certainly gave me a very good look at all this. My conclusion, is that we have an adequate stockpile, not perfect, but adequate. And that the bottom line is that there is no way that we can afford a new $2 billion to $6 billion program this year in a budget that is already $200 billion out of balance.

Mr. HILLIS. Mr. Chairman, I yield 4 minutes to the gentleman from California [Mr. HUNTER].

Mr. HUNTER. I thank the chairman.

Mr. Chairman, I thank the gentleman for yielding me this time and allowing me to follow my colleague from Illinois who spoke out against the production of binary systems.

I think this is a very important debate that takes place every year in Congress, but I think it is one debate in which most Members of Congress have not realized the full implications of the program that the Committee on Armed Services wants to go forward with.

Let me say that I think the most compelling argument is one of safety. Now we have nerve gas right now and the gentleman from Illinois conceded that we have nerve gas deposited at locations throughout this Nation, and that it would be used perhaps in retaliation to an aggressive movement and similar use by Warsaw Pact nations, and that nerve gas is separated from the communities where it is housed by thin containers and by barriers.

So you have deadly nerve gas which is kept from the community, from contact with human beings only by certain safety systems and precautionary systems that we put in place.

Now I would ask every Member of this House if you had the opportunity of taking that deadly nerve gas, for example in Arkansas, and destroying it, and putting in its place regular sulfur like a lot of Members have on the ends of their matches, and taking another element that was no more harmful than regular pesticide which many farmers use daily throughout the United States and putting that element in Utah, for example, where you did not even have the two elements in the same State or at least had them many miles from each other, would that be preferable to having deadly nerve gas in each of those locations?

Of course the answer would have to come back from those communities and from the Members of this House a resounding yes.

We would replace deadly nerve gas with a harmless element like epoxy glue, where the two elements do not have the desired effect until they are combined. In fact the best safety measure would be to have these elements not even in the same aircraft until they go to a forward area, should we, God forbid, have to employ this binary system.

But the compelling argument for binaries is one of safety for people. By the same token if you have a forward airbase in a combat area and you have armed services personnel who have to guard those particular bunkers and ammunition dumps and you have an incoming round that destroys one of those bunkers and ruptures the canisters or the containers that that nerve gas is in, it would be much better to have a binary element in there like a pesticide or like sulfur or like common alochol that in itself is not dangerous, that would not kill those personnel who were in that forward area than to have nerve gas.

So the compelling argument is one of safety and it is one that every Member of the House should undertake to understand this year before this debate is finished. I think if you do you are going to vote with the committee to replace deadly nerve gas throughout the United States and in forward areas with a harmless binary system that is much safer not only for our communities but for the personnel who wear the uniform of this country.

Mr. DICKS. Mr. Chairman, will the gentleman yield to me?

Mr. HUNTER. I yield to the gentleman from Washington.

Mr. DICKS. Mr. Chairman, I want to take this opportunity to compliment the new committee chairman, Mr. ASPIN, for his work in bringing this bill to the floor today. I believe that he has taken very positive steps in providing opportunities to the committee to examine in more detail the important policy questions relating to the programs under its jurisdiction. I hope that he will continue this trend to insure that the Congress can exercise proper oversight over defense policy.

I would also like to compliment the committee for its aggressive investigation of the defense procurement process and abuses in that process, and hope that we will be able to address this issue through separate legislation in the near future.

We will be debating again the question of what the proper overall spending level for defense should be in the coming fiscal year next week during consideration of the budget resolution. But I do think one thing is clear. The Congress is not going to support major real increases in defense for fiscal year 1986. We are going to enact some version of a spending freeze. Doing so is going to require some difficult decisions. The Armed Services Committee has recommended cuts from the President's budget totaling $18.9 billion. I do not agree with all of these cuts. And there are areas where I think further reductions could be made without jeopardizing national security. But overall I believe that the committee has allocated their reductions in a reasonable manner and have not put undue focus on readiness accounts while trying to preserve all the procurement and R&D programs.

In my judgment there are three reasons why the Congress and American public see the need to level off on defense spending growth. And let there be no mistake that the American public has cooled to defense spending increases. When the Reagan administration first entered office 61 percent of those responding to a New York Times/CBS News poll said they thought defense spending should be increased. By last February that figure had shrunk to 16 percent.

The first reason I think this has occurred is a realization that we the defense budget has more than doubled in the last 5 years, and has increased 51 percent in real terms. Those people, including myself, who in 1981 felt that defense spending increases were required have seen that desire fulfilled. The concerns expressed 5 years ago were not a license for an unrestrained arms race.

The second factor is, of course, the massive Federal deficits that we face now and for the forseeable future. If we do not bring them under control, our long term economic and fiscal health are in serious jeopardy. In my area, budget deficits are already producing real and serious consequences. The strong dollar they have produced has made imports more attractive and exports more difficult. The timber, aerospace, and wheat industries in Washington State are only three examples of the pinch we are feeling today, and the problem will only get worse if it is not addressed. Defense spending, which represents nearly one-third of the overall budget has to play a role in those efforts, no matter what Mr. Weinberger says.

The third factor is a perception that the problem is not so much lack of money, it is that we are not spending that money wisely. This perception is fueled by press reports on $600 toilet seats, and overcharges by Government contractors. The American taxpayer

cannot and will not tolerate such waste of his tax dollars.

There are many facets to the question of "Are we getting what we have paid for?" As one of the founding members of the military reform caucus I know that there are many areas from the type of systems we design to interservice rivalry that lead to questions about waste and inefficiency.

There have been some steps taken to address the issue which have had a positive impact. We have established the selected acquisition report system with the Nunn-McCurdy amendment to highlight areas of major cost growth. I note with approval that the committee would extend the SAR's to include life cycle costs of the systems we are buying.

We have adopted warranty legislation and spare parts reforms that can help alleviate some of the problems in the systems. I am disappointed that some of these efforts, particularly in the area of warranties, have been watered down subsequent to House action and I hope we can restore the original direction we provided in this area.

The House has passed on two occassions reforms in the Joint Chiefs of Staff. I am proud to be a cosponsor once again of Mr. SKELTON's legislation and anticipate positive congressional action on these efforts to overcome interservice rivalries and to provide more timely military advice to the President.

Perhaps most important was the establishment at congressional insistence of an independent inspector general for the Department. It is through these IG reports that many of the problems in the procurement process have been uncovered.

But I think there is more that needs to be done. We need to do more than to try to point fingers at contractors, the Pentagon, or the Congress for that matter. There is plenty of blame to go around. Many of the problems are systematic. They require a thorough review of the Federal acquisition regulations and the DOD supplements to them with the objective of cutting down on excessive paperwork and overspecification.

Legislatively, there is more we can do as well. I am cosponsoring the legislation developed by Mr. BENNETT and Mr. NICHOLS, H.R. 2397, the Allowable Cost Reform Act. This legislation will help define what is in fact allowable, provide increased penalties for abuses, and help address areas of potential cozy relationships between contractor and Government contracting officer.

I have also joined in endorsing a series of amendments that the military reform caucus is presenting. The most significant of these is a requirement for dual sourcing of defense programs unless there is clear and compelling justification for not maintaining this important continuing competition. We have achieved major successes in the limited instances where this has been applied. We have saved nearly $2 billion in aircraft engines through the competition on the F-100 and F-101. Just the threat of competition paid major dividends on the M-1 tank engine. The Navy Shipbuilding Program has achieved major savings when they have had more than one shipyard involved in construction of a class of ships.

A second amendment deals with the issue of quality and builds on the warranty amendment adopted last year. Under this amendment we would increase training for DOD and contractor quality control inspectors and require contractors to bear the costs of equipment that is defective because of poor quality control.

A third amendment is the so called revolving door amendment that is designed to strengthen protections against DOD personnel going from supervising a contractor to working for him.

A fourth amendment will shift the burden of proof on reasonableness of contract costs from the Government to the contractor, based on what would be considered reasonable in the private sector.

Finally, I note that the committee has recommended going to a 2-year authorization and budgeting cycle for defense. This is a step that I think will allow us the needed opportunity to take time to consider overall policy direction and provide needed continuity to the defense program. It is one that will not be easy to accomplish but it is essential in my view to having Congress play its own part in needed defense procurement reforms.

Mr. HUNTER. Mr. Chairman, I thank the gentleman for yielding me this time.

□ 1410

Mr. STRATTON. Mr. Chairman, I yield 10 minutes to the gentleman from Florida [Mr. BENNETT].

Mr. BENNETT. On H.R. 1872, the 1986 Department of Defense authorization bill, as recommended by the Committee on Armed Services reflects the careful application of judgment as to what is necessary for the defense of our country, and what the Nation is willing and able to support at a time when Federal deficits are projected to reach $200 billion.

As a part of the overall committee consideration the Seapower Subcommittee recommended reductions of more than $800 million. These reductions were recommended because it was clear that the House would not support a defense budget of the size requested by the President. As chairman of the Seapower Subcommittee, I will focus my remarks today on the committees's actions and recommendations for that portion of the budget.

The seapower reductions will result in a slower rate of modernization for existing ships, and a slower construction pace for one major ship acquisition program, the amphibious assault ship. Additional reductions were possible because ship prices have actually declined in some instances, and have generally risen slower that anticipated, so that money authorized and appropriated for ships in previous years could be used to pay for a portion of the fiscal year 1986 ship building request.

The recommendations of the committee would provide for the construction of 23 ships and the conversion of 5 ships, a total of 28. In addition the bill would authorize the construction of 12 air cushion landing craft and other small craft. Included in the bill are authorization for the 13th Trident ballistic missile submarine and long lead authorization for continued construction of one Trident submarine per year. The bill would authorize construction of four SSN-688 class nuclear attack submarines and the acquisition of long leadtime components to allow construction of four attack submarines per year in subsequent years. That is a pace we should keep up. A total of eight mine warfare ships would be authorized by the bill, four coastal minesweepers that are to be constructed of glass reinforced plastic and utilize the surface effect ship [SES] technology, and four larger mine countermeasure ships that utilize traditional displacement hulls and are constructed of wood.

Three types of vessels would be authorized for the amphibious mission, an LHD amphibious assault ship, 2 LSD-41 class landing ship docks, and 12 air cushioned landing craft. Sealift forces would be strengthened by the three auxiliary crane ships and the aviation logistics ship authorized. In addition the bill would authorize $203 million for the acquisition of cargo vessels for the sealift ready reserve force. The bill would also authorize two fleet oilers, two ocean surveillance ships, and an acoustic research vessel.

The budget level authorized for shipbuilding, $10.8 billion, is below the level authorized last year. In fact, it is lower than the level authorized each year since 1980 when previous authorizations are adjusted for inflation. The low dollar level of the recommended authorization this year is a result of the previously mentioned favorable prices for ships, and the fact that the 1986 shipbuilding program contains a large number of relatively small and inexpensive ships.

The 28 new construction and conversion ships authorized by the bill would support the maintenance of a naval fleet of about 600 ships. While there is

nothing magical about a fleet of 600 ships, as compared to a fleet of 590 ships or a fleet of 610 ships, testimony before the committee has shown that a fleet of about 600 ships is the minimum necessary to carry out those military tasks that could be reasonably anticipated in a major war.

Much of the news about the procurement of ships has been very favorable. Through prudent management and an aggressive program to introduce competition in nearly all ship building programs the Navy has been able to stabilize and frequently reduce the prices of the ships being built. Only the Trident submarine and aircraft carriers are presently excluded. Deliveries of ships are generally ontime and the problems with claims in the shipbuilding industry that were so prevelant in the 1970's are behind us. However, evidence of a number of problems has come to light. These problems, which affect not ony shipbuilding but defense procurement more generally, must be dealt with promptly if the American people are to retain their faith in the ability of Government to spend their tax dollars wisely.

For example, there has been wide publicity concerning the giving and receiving of gifts at ship launchings. While there is a long history and tradition associated with gifts at ship launchings, it is clearly in the public interest that such gifts be strictly limited. The bill includes a provision prohibiting a Government employee from accepting a gift valued in excess of $100 at any event marking a ship construction milestone.

The so-called revolving door between Government employment and private industry is another area that present legislation does not adequately address. There have been cases, recently publicized, where former Government officials have accepted post-Government employment with firms with which they have had business dealings while employed by the Government. Legislation has been introduced and passed in subcommittee to deal with this abuse. It will be offered as an amendment to the defense authorization bill when the bill is considered for amendment.

A third area where additional legislation is clearly required is in the area of costs that are properly chargeable to the Government under a Government contract. Congressman NICHOLS and I have conducted investigations about this problem, and have drafted legislation to correct the problems we have found. This will probably also be introduced as an amendment to this bill, in addition to being a freestanding bill.

Mr. Chairman, solutions to the problems of defense procurement are being found and acted on. The shipbuilding authorization recommended for 1986 is a prudent level that will support the maintenance of a strong Navy and deserves the support of the House.

Mr. HILLIS. Mr. Chairman I yield 5 minutes to the gentleman from New Jersey [Mr. COURTER].

Mr. COURTER. I thank the gentleman for yielding to me.

Mr. Chairman, the Department of Defense authorization budget is one that I am not enamored with; one that we will probably have to live with, there is no doubt about that. I have real problems with the level of spending, but nevertheless one of the areas that I have the greatest problem with is the stratetic defense initiative.

I think probably one of the biggest, if not clearly the biggest technical and strategic and moral issues of the day is, what are we going to do with offensive weapons? What are we going to do with our strategic relations with the Soviet Union?

So far, during the last 15 or 20 years, ever since we moved from the time of clear strategic superiority by the United States over the Soviet Union, we have existed with a shared doctrine with the Soviet Union called mutually assured destruction. That doctrine is based on a paradox, and the paradox is the fact that there is safety in vulnerability; that provided that the Soviet Union and the United States both keep their civilian populations vulnerable to a retaliatory offensive strike, both sides would then be deterred from venturing down that road.

Some people will argue that the doctrine of mutually assured destruction works and has worked so far, and therefore we should not tamper with it. For those people that advocate that particular doctrine, for those people that believe it is the moral doctrine to have, for those people that believe that from now and into the future, states will always act rationally, I commend them. They can vote zero money for defensive research and development.

The doctrine of mutually assured destruction is based on some assumptions. Some of those assumptions, when you analyze them, frigthen you.

First, it is based on the assumption that states and nations, both now and forever in the future, will act rationally, there will be no irrational acts by the Soviet Union, no irrational acts by any country in the future that will have nuclear weapons and the means to deliver them; through the air, ICBM's, or sea-launched ballistic missiles.

But I ask the question: Do you really believe that from now for the next 1,000 years always, nations will act rationally? I suggest they will not. I suggest there will be a day when some nation, for whatever reason, will act irrationally. And if they do, how can the doctrine of assured destruction prevent anything? Indeed, it cannot. Deterrence is over, and the assured destruction of civilization as we know it in the world will happen.

Mr. ROTH. Mr. Chairman, will the gentleman yield?

Mr. COURTER. I yield to the gentleman from Wisconsin.

Mr. ROTH. Mr. Chairman, I want to commend the gentleman in the well for his remarks, as they are most appropriate. This is the key issue. I want to compliment him also for the tremendous speech he gave downtown and the recent booklet that I had a chance to see, a blue pamphlet. I wish every Member and every American could read that, because it is the best work on this subject. I would like to suggest that the gentleman share this with all the Members of the House and the Members of the other body and also the people who are making decisions around the country on this very important topic, because I think all the key issues are addressed and the gentleman goes into great detail and in very logical order and comes to, I think, the proper conclusions.

I want to thank the gentleman in the well for all of his work on this very important topic.

Mr. DICKS. Mr. Chairman, will the gentleman yield?

Mr. COURTER. I yield to the gentleman from Washington.

Mr. DICKS. I certainly understand the gentleman's willingness to consider the strategic defense initiative, and we are underway with an R&D program that will be funded over the next 5, 10, maybe 15 years. But even the most optimistic individual I think recognizes that it is going to be a while before we can make a judgment about how to implement an SDI should we decide that that is the correct way to go.

So I am troubled by the gentleman's statement that deterrence is over. Deterrence is not over. We are going to have to rely on deterrence for 15, 20, or 30 additional years. I would caution my good friend, the gentleman from New Jersey, that we maybe do not want to say that deterrence is over, because we are going to have to rely on deterrence for the foreseeable future.

I would like to ask the gentleman what he thinks about that.

Mr. COURTER. I would be happy to respond to the gentleman's comments. Deterrence is not over today. Deterrence would not be over even if both sides or everybody had deployed defensive systems. You could have deterrence based on offensive threats and also deterrence based on being able to defend yourself. So deterrence is not going to be over.

The CHAIRMAN. The time of the gentleman from New Jersey [Mr. COURTER] has expired.

Mr. HILER. Mr. Chairman, I yield 2 additional minutes to the gentleman from New Jersey.

Mr. COURTER. I thank the gentleman for yielding this additional time.

Mr. Chairman, to suggest that it will take 25 or 30 years to move toward defensive systems I think is wrong. We could move toward defensive systems much more quickly than that.

I am not suggesting that what we should do today is to eliminate the doctrine of mutually assured destruction. That is the only thing we can at the present time have. What I am suggesting, if I were to have my full 5 or 10 minutes to myself, is that we should fully and robustly research and develop the ideas of defensive systems so that we could make that very important and crucial decision in 4 or 5 years as to whether we want to start deploying defensive systems. I would argue that we should fully fund it. I would argue that research and development is going to show that we can have effective defenses and we should sooner rather than later start the gradual shift from deterrence based on the threat of retaliation, the threat of murder, the threat of killing civilians, toward a doctrine where you are actually defending yourself and civilian populations.

Mr. DICKS. If the gentleman will just yield briefly, I want to say I am glad that the gentleman agrees that we still must rely on the policy of deterrence, which has worked up to this point, because I think it is essential.

Mr. COURTER. If the gentleman will permit me to take back my time, my point is that there is probably something better, that I would ask anybody in this body, they will have a hard time defending the doctrine of mutually assured destruction as the doctrine that we should adopt as a nation for the next 100 years or 500 years, because it is based on some assumptions, and when you analyze those assumptions, they give you a great deal of concern. One of the assumptions is that states will always be deterred, states will always act rationally, and that is basically one of my first points.

I thank the gentleman for his contribution.

My time is rapidly going, and I wanted to mention a number of things.

The CHAIRMAN. The time of the gentleman from New Jersey [Mr. COURTER] has again expired.

Mr. DICKINSON. Mr. Chairman, I yield 2 additional minutes to the gentleman from New Jersey.

Mr. COURTER. I thank the gentleman.

The concept of deterrence with the concept of retaliatory offensive forces assumes also that no mistakes will ever occur, that they are not going to be launched by an irate or irrational admiral in a submarine someplace in the world that would launch ICBM's. Deterrence based on offensive threats, we are certainly not going to stop that. It is based on the assumption that it will never fail, because if you have deterrence based on mutually assured destruction and if you do fail, if it does break down, you have nothing, but if you have deterrence based on deployed defensive systems and it breaks down, at least you can defend yourself.

The fate of the world, therefore, today relies on the theory that assumes that there will be no irrational act, assumes that no mistakes will ever occur, and assumes that the theory will never fail. And I think we can do better. And what we are going to do and what we should do is fully fund the research and development effort in strategic defenses.

And that leads me, basically, to my main point, and I will be able, I am sure, to discuss it more fully under the 5-minute rule.

The Research and Development Subcommittee of the Armed Services Committee and the full Armed Services Committee cut one-third the amount of money that we need in order to do proper types of research and development in strategic defense. That one-third cut will shove off the day that this body can make the rational decision as to whether you want to deploy for an additional 2 years. That one-third cut of better than $1.2 billion is on top of a cut of about $300 million last year and, as sure as I am standing here, probably is going to be cut by a similar cut in the future, 1986 or 1987.

The point I am trying to make is that most people agree that we should do the research and development, and if we are going to do that, we are going to have to pay for it. And it is not a great deal of money. It is a great deal of money in static terms, it is a great deal of money when you are looking at the individual state. But we are talking in terms of about 2 percent of the entire DOD budget for the next 5 years. I do not think that is much. I think that is essential. I would urge my colleagues, when we go under the 5-minute rule, to think carefully about whether this is the proper level of spending in this area. I think it is not.

Mr. STRATTON. Mr. Chairman, I yield 10 minutes to the gentleman from Mississippi [Mr. MONTGOMERY].

Mr. MONTGOMERY. I would like to thank the acting chairman of the Committee today for yielding me this time.

Mr. Chairman, I would like to associate myself with the comments of my distinguished colleagues and state that we on the Armed Services Committee labored long and hard to make what we believe are the least damaging reductions to the fiscal year 1986 defense budget.

This was not an easy task, Mr. Chairman. Many of us regularly attend defense briefings on Soviet activities around the world—thus, we know that the threat to the United States is real and that this Nation's defense is our first and foremost duty as elected representatives. Nevertheless, we did find areas in the President's budget where significant savings could be made.

Although I am not altogether satisfied with some of the bill's provisions, I wish to commend my colleagues for working diligently to resolve the difficult issues we faced and for setting priorities for next year's defense spending.

I am particularly leased with the efforts of the Military Personnel and Compensation Subcommittee. Not only were we able to reduce the administration's overall personnel request of $73.4 billion by $4.3 billion, we were able to recommend a number of benefit enhancements for active duty, retired, and Reserve members and their families. In addition, we included several measures designed to improve the effectiveness of the reserves.

For example, the current legislative authority for the package of incentives for enlistment and reenlistment in the reserves expires on September 30, 1985. The committee approved an extension and enhancement of these programs while also making clear that the new GI bill approved last year is to be the primary recruiting tool for the guard and reserve. And the committee would like to commend the Army and the other services for moving ahead to implement the GI education bill for the Active Force on July 1.

H.R. 1872 proposes several improvements that will impact on the Nation's mobilization resource: the individual Ready Reserve. I have for many years been deeply troubled about the status of the individual Ready Reserve. Many questions remain unanswered. How up to date are the addresses? How many individuals would respond? What is their physical condition and the recency of their skill training? Some type of muster test or annual training requirement would go a long way toward providing answers to these questions, and H.R. 1872 contains several initiatives to start the ball rolling.

Another initiative of major importance is the new program to increase the number of health professionals in critical combat medical skills in the Guard and Reserve. Seventy percent of the health professionals required to provide combat casualty care under a full mobilization situation would come from the Reserve components. Yet, there are critical shortages of surgeons and operating room nurses. Defense health officials have estimated

that three-quarters of those wounded during the first few days of a major conflict would not receive life-saving surgical care. H.R. 1872 proposes a loan repayment program and limited utilization of the Armed Forces Health Professions Scholarship Program to attract health professionals in criteria combat medical skills to the reserves.

As a long-time advocate of increased utilization for the reserve components, I urge my colleagues to support the initiatives contained in H.R. 1872 designed to increase the effectiveness of the Reserves. My colleagues will remember that the Armed Services Committee has emphasized its belief for a number of years that Reserve personnel should be considered as a means of manning future force structure increases.

Today, there is no doubt that a well-equipped, well-trained and adequately manned Reserve or Guard unit can get the job done. Reserve forces currently perform critical mobilization missions as well as some day-to-day operational missions—for example, Air Force strategic refueling and strategic airlift.

I recently had the pleasure of traveling to Central America with Lieutenant General Walker, Chief National Guard Bureau, to observe firsthand National Guard participation in joint exercises with Panamanian and Honduran forces. I was uniformly impressed with the capabilities, dedication, and enthusiasm of the National Guardsmen with whom I met. The Reserves have certainly come a long way since the days of strength shortfalls, thanks to the Reserve recruiting and retention incentives approved by Congress.

I urge my colleagues to continue to work to improve the readiness and effectiveness of the Reserves in the future—and this bill is a step in the right direction.

□ 1430

Mr. STRATTON. Mr. Chairman, I yield such time as he may consume to the gentleman from Illinois [Mr. PRICE].

Mr. PRICE. I thank the gentleman for yielding time to me.

Mr. Chairman, it is my privilege to present title IX of H.R. 1827. This title contains the fiscal year 1986 authorization for seven Department of Energy defense programs that are under the jurisdiction of the Armed Services Committee. The vote to approve title IX by the subcommittee was 14 yeas to 3 nays. The subcommittee held hearings on H.R. 1987, which is now title IX, on February 20, 21, 22, 25, and 27. The full committee reported this title by voice vote.

The Department of Energy budget request for defense programs—approximately $8 billion—amounted to about 2½ percent of the total fiscal year budget request for national defense. We have reduced that to approximately $7.7 billion. In marking up the bill, the subcommittee was aware that substantial reductions would have to be made in order to meet the committee's authorization target of no growth beyond inflation. The committee has done this by reducing the authorization request by about $241 million.

In recommending reductions from the request, the committee has followed several principles:

First, we made allowances in some areas, but not all, for inflation.

Second, we allowed for the full authorization of almost all increases requested that are necessary for safeguards and security of facilities, weapons and weapons components, nuclear materials, and nuclear weapons information. The Department had budgeted an increase of $55 million above fiscal year 1984 for this purpose.

Third, it was necessary to authorize projects and activities that are necessary to comply with over 50 Federal laws such as the Clean Water Act, Clean Air Act, and Occupational Health and Safety [OSHA] regulations imposed by the EPA and other Federal and State agencies. The fiscal year 1986 DOE request contained $360 million for environmental, safety, and health programs. It was also necessary to provide for payment of recently imposed State sales and use taxes. These items require estimated increases of $75 million to $100 million over last year.

Fourth, there are some 44 ongoing construction projects requiring additional incremental funding in fiscal year 1985. Many of these projects are necessary to restore and replace facilities and equipment that have been operated for periods of 30 to 40 years.

We have also recognized the need for program growth in some areas that will be necessary to handle in increased workload. An example of this is the increase in demand for naval nuclear reactor fuels.

And finally, we found it necessary to recomment that certain research and development programs such as the Inertial Confinement Fusion [ICF] Program and the Plasma Separation Process Program be restored since they can make important economic and military contributions to national security in the future.

After the above mandatory items and the committee's recommendations have been added and subtracted, there is no real program growth in the Department of Energy area.

In summary, the budget request was for $7,958.7 million. The subcommittee is recommending authorizations that total to $7,718.1 million—a net reduction of $240.6 million. This allows an increase of $384 million, of which: $134 million—10 percent—of the increase is for waste management: $168 million—44 percent—is for materials production, and there are relatively small increases in weapons research and development, testing and production, averaging 4.9 percent.

I would point out that this bill supports seven programs that are vital to national security, such as: the Navy's nuclear propulsion capability; the technical basis for U.S. deterrent capabilities; and the only U.S. scientific and technical capability for verification and monitoring several arms control agreements, including nuclear testing and nuclear nonproliferation treaties. These programs also provide nuclear materials for defense and civilian uses, and the recycle of naval nuclear fuels for reuse. In addition, these DOE programs also provide for the continuing management and permanent disposal of radioactive wastes that have been generated for defense purposes since the 1940's. This same waste management technology is being applied to future solutions to civilian waste management and disposal.

The committee has recommended very few additions to the request. As I mentioned previously, we are recommending the restoration of $75 million for additional operating expenses and $10 million for additional equipment in order to fully utilize the capabilities of recently completed inertial confinement fusion research facilities during the next fiscal year. These facilities have been expensive to build and offer great promise only if the required experimental activites can be continued. This would not be possible at the budget level requested by the administration. Even with the additional amounts recommended, there will be a reduction of 10 percent or more in the Inertial Confinement Fusion Program during the next fiscal year. This increase has been more than offset by reductions in other areas.

In another area, the subcommittee is recommending the addition of $13.3 million in operating expenses to continue the development of a plasma separation process to purify, at a much lower cost, uranium and other special metal assets now in the inventory. This uranium cannot be utilized in its present form. Closely connected with this effort, the committee has added $8 million to begin design of a plant project for the refinement of plutonium through the special isotope separation process. These two processes will more than pay for themselves through the recovery of uranium and plutonium that cannot otherwise be used, or which could be made usable only at much greater expense.

Title IX, as reported, contains 14 general provisions. The first nine general provisions—sections 921 through 929—deal with housekeeping items such as reprogrammings, limitations

on the use of funds, transfer authority, and other matters that have been contained in similar authorization bills since 1977.

The five new general provisions—sections 931 through 935—adopted by the committee would:

First, section 931 imposes general reductions totaling $32.3 million on the total amounts that would be authorized;

Second, section 932 authorizes the Secretary of Energy to carry out a contract that would provide a final financial settlement with the city of Oak Ridge, and Roane and Anderson Counties, TN, under the Atomic Energy Assistance Act of 1955;

Third, section 933 authorizes the Secretary of Energy to obligate not more than $5 million of funds otherwise available to the Department to renovate a Department of Energy-owned building at the Oak Ridge Reservation, but only if this renovation is necessary to the requirements that Department of Energy may have in connection with the Strategic Defense Initiatives Program;

Fourth, section 934 prohibits the use of funds authorized for appropriation for propaganda, certain advertising, lobbying, and for other purposes that are not necessary for a Department of Energy contractor's operation in support of Department of Energy defense programs. Although most of these prohibitions have been included in annual Department of Defense appropriations language, those appropriations acts have not applied to Department of Energy contractors; and

Fifth, section 935 technically amends the fiscal year 1985 authorization act.

As the committee reports shows, the committee has recommended numerous monetary changes in order to arrive at the required overall reductions, while keeping DOE's defense programs in balance with those authorized for the Department of Defense. The sole purpose of DOE's defense programs are to support DOD's requirements. For example, DOE helps support some 144 operating Navy combatant ships and submarines, with 24 additional ships authorized and funded. DOE also supports the Trident submarine, Trident I and Trident II missile programs, the Pershing II and ground-launched cruise missile programs, and other programs long supported by the Congress. DOE's research and development laboratories also do important work on advanced conventional weapons and support the infrastructure for advanced energy research.

Title IX represents a balanced, no real growth budget for fiscal year 1986 and should be supported in connection with the remainder of H.R. 1872.

Mr. DICKINSON. Mr. Chairman, I yield 5 minutes to the gentleman from Washington [Mr. CHANDLER].

Mr. CHANDLER. I thank the gentleman for yielding me this time.

Mr. Chairman, I do not recall the year, but sometime in the 1950's, when President Eisenhower and the Nation were facing unprecedented deficits of something like $5 or $10 billion a year, and inflation rates somewhere in the range of 1.5 or 2 percent, he made the statement that we are more likely to succumb to an internal fiscal foe than we are to a foreign aggressor.

Well, if that was true in the 1950's, and a former general like President Eisenhower could make a statement like that, I certainly believe that that is the case today.

I will be offering an amendment to the Defense authorization bill along with my colleague, BRUCE MORRISON of Connecticut, that will freeze fiscal year 1986 defense funding at the fiscal year 1985 appropriations level. I believe this freeze is a necessary step if Congress is to responsibly address the deficit in a fair manner.

I have in the past supported the President's defense modernization program, and I commend the President for his efforts to build up our national security. My commitment to a strong national security system has not been diminished with my support of a freeze. I know that the President recognizes the importance of addressing our rising deficits. If Congress fails to bring the deficits under control, our economic stability will be threatened. But a strong defense is not possible without a strong economy.

Reducing the Federal budget is not an easy undertaking. Those of us in the 92 Group agonized over many of the specific cuts and freezes that had to be made to arrive at what we feel is an equitable budget. We concluded that any budget, if it is to win the support of the American people, needs to spread its savings across-the-board. Defense can be no exception, particularly when the public perception is one of a Pentagon spending out of control.

In freezing the Pentagon budget, national security would not be jeopardized. A substantial defense buildup has already taken place in the 1980's with more than $1 trillion spent on defense over the past 5 years. Defense spending has grown at an annual real rate of 8.3 percent over those 5 years, pushing military spending to higher levels, in constant dollars, than prevailed during the Vietnam war. If a freeze were implemented, the defense budget would be frozen at a very high level.

Mr. STRATTON. Mr. Chairman, will the gentleman yield?

Mr. CHANDLER. I yield to the gentleman.

Mr. STRATTON. I thank the gentleman for yielding.

Did I understand the gentleman to say that his desire and his motion was to freeze at the 1985 level; is that correct?

Mr. CHANDLER. That is correct, sir.

Mr. STRATTON. That is precisely what the committee has done. It is a little strange, it seems to me, that a committee that ordinarily has been gung-ho for increasing the budget should come in with a freeze at the 1985 level and then we get attacked for it. We do not even get any credit for it.

Does the gentleman want to freeze the programs that are carried out in Connecticut or in his own State?

Mr. CHANDLER. The difference between the 92 budget that is proposed and this one is that yours recognizes inflation and ours does not; that is the difference between the two budgets.

Mr. STRATTON. Four little percent of inflation for the entire year. That is hardly considered inflation at all.

It seems to me that we somehow lose sight of exactly what the committee has done, and when we come in with the kind of a bill that we think the House wants, then we are criticized.

Mr. CHANDLER. Well, I think what we can do is put this amendment up and we will find out if this amendment or the committee's budget is what the House wants. This is a constructive alternative; it is not, my remarks were not meant nor are they an attack on the committee's work. I have been respectful to the gentleman and to all of the others. I am simply stating my opinion, which I have a perfect right to do.

Mr. HERTEL of Michigan. Mr. Chairman, will the gentleman yield?

Mr. CHANDLER. I yield to the gentleman.

Mr. HERTEL of Michigan. I thank the gentleman.

I think what we are talking about is the gentleman's proposal talks about an absolute freeze; the acting chairman was talking about 4 percent inflation.

We are talking about 12 billion real dollars here; difference at the very least.

Mr. CHANDLER. That is correct.

Mrs. BYRON. Mr. Chairman, will the gentleman yield?

Mr. CHANDLER. I yield to the gentlewoman.

Mrs. BYRON. I thank the gentleman for yielding.

Basically what you are really doing is cutting. Because I think in this day and age, when we look at our proposals, if you do not take the inflation factor in, then basically, from last year, you are offering a cut.

Mr. CHANDLER. What you would in effect end up with, I would say, is about a minus 4 in fiscal 1986, and

then our proposal would be a zero, zero on into the outyears.

The CHAIRMAN pro tempore. The time of the gentleman from Washington [Mr. CHANDLER] has expired.

Mr. STRATTON. Mr. Chairman, I yield 2 minutes to the gentleman from Washington [Mr. CHANDLER].

Mr. CHANDLER. I thank the gentleman for the additional time.

Mr. Chairman, I would just like to say that over a period of time, as I have been a member of the Military Reform Caucus, a group that tries to thoughtfully look at this, and made up of Members of both sides of the aisle, conservatives as well as liberals, one of the questions that has often been asked of the Pentagon is, "Would you prioritize for us what you want, and in light of facing budget reductions, what would be your lowest priority?" We have never really received an answer to that question. It is one that I think deserves to be answered. It is one that we are going to continue to ask.

In light of the lack of confidence that I sense among the American people for what is going on in the Defense Establishment, it is an answer that I think not only they deserve, but certainly the Members of Congress who have to make these decisions.

Mr. Chairman, our armed services can actually be made more effective by freezing the Pentagon budget at its already very high level and closely examining the way the military does business. Congress needs to look at reforms that will give us greater security for the tax dollars that are invested in defense.

We have learned over the past few years that money alone cannot provide us with the security we need. Increased defense budgets have brought high costs and overhead, contracting abuses and improprieties, and stories of $400 hammers and $600 toilet seats. I have found in my discussions with constituents that the strong consensus of a couple of years ago for increased defense budgets has been undermined by the highly publicized accounts of waste, mismanagement, and abuse. My constituents don't feel they are getting their money's worth, and they want to see a more accountable Department of Defense.

In many cases, we find that we are getting less bang for the buck out of Pentagon spending. One example I find especially incredible comes in the area of aircraft procurement. Taken together, the Air Force and Navy procurement budgets amount to about 36 percent of the total procurement budget between fiscal year 1982 and 1985. Even though the aircraft budget increased 75 percent in constant dollars from the fiscal year 1978–81 level, 11 fewer airplanes were purchased.

The Air Force is not alone. The Navy budget for new shipbuilding went up 47 percent during the same timeframe, but we got 17 percent fewer major combatants. Even in cases when procurement quantities increase, they increase at a much slower rate than procurement budgets. Clearly, quantity increases have not kept pace with budget increases.

Even with a freeze, congressional analysis shows that outlays would still go up by about $15 billion. With proper reforms, the defense budget would still be more than enough for deterrence and arms control leverage.

The Armed Services Committee would be charged with finding the ways to freeze the defense budget if the Morrison-Chandler amendment is passed. We need to implement concrete management improvements designed to reduce today's excessive costs, increase readiness and procure large quantities of effective, reasonably priced weapons.

Support for this freeze is not limited to Democrats and liberal Republicans. I consider myself a conservative on defense issues, and I would not support such a freeze if it undermined our national security. I am convinced, however, that this proposal is supported by the American people and that our national interests would best be served through a defense freeze that is part of a comprehensive effort to deal with rising deficits.

Mr. DICKINSON. Mr. Chairman, I yield 3 minutes to the gentleman from Wisconsin [Mr. ROTH].

□ 1440

Mr. ROTH. I thank the gentleman for yielding this time to me.

Mr. Chairman, I have had a chance to take a look at this legislation and I want to congratulate the committee in at least one instance for a really terrific job. The committee made the right decisions on the MCM, so I want to compliment the gentleman from Florida [Mr. BENNETT], and the best military mind in the House, the gentleman from New York [Mr. STRATTON], for their work in this area. I also commend my very good friend and the gentleman we all admire, the gentleman from Alabama [Mr. DICKINSON], for his work. Without the mine countermeasure ships we could not move our Navy.

No matter how many ships we build, if they are bottled up in the harbors they are not going to be of much avail to our country. So I compliment this committee for going along and authorizing all four MCM's, requested by the Navy.

I have had a chance to take a look at the construction of these ships. The job, in my opinion and that of others who are familiar with these ships, is being very well done. These 224-ft long, ships are meeting their scheduled delivery date, which is something that cannot be said for every project the Government is involved in.

These ships are being built on the Great Lakes, on Lake Michigan, by Peterson Builders and Marinette Marine, both respected shipbuilders which consistently deliver a quality product to the Navy. In addition some 25 other States are vendors and contributing to the MCM's. As I have said before, without the MCM's, we could not move our Navy. This is a very good investment for the American people, and that is why I commend this committee for the work that they have done in this area.

The production of the four ships in 1986 will have several distinct advantages for the taxpayer, for the Navy, and for the local economy. It will maintain the planned delivery schedule, thus holding down costs. There are no Government projects that I am aware of that are holding down the costs like the MCM Program, and it is going to be, I think, a real advantage for our Navy. It will maintain a steady shipyard workload. It will maintain a steady vendor production line. And it will provide good competition between the contractors.

So I commend the committee for their insight and for their intelligence in this matter, and it gives me a renewed sense of confidence, and I think the American people, too, when they see a subcommittee like this looking at how every dollar is spent; that we get a return for every dollar that is spent. I think that is what the American taxpayers are asking for and I think that is what this subcommittee is delivering, especially in this instance.

Mr. STRATTON. Mr. Chairman, I yield 7½ minutes to the gentlewoman from Maryland [Mrs. BYRON].

Mrs. BYRON. I thank the gentleman for yielding this time to me.

Mr. Chairman, I rise today as a member of the Committee on Armed Services, and I wish to highlight some of the action that this committee has taken on this bill.

As has been already mentioned by several of my colleagues, the Armed Services Committee is recommending a bill that authorizes no real growth in the defense budget. Essentially, this means returning to the levels appropriated by the Congress for the fiscal year 1985 defense budget and allowing for inflation. As such, the committee recommends reducing by $19.6 billion the total defense budget request of $322 billion. Because the committee determined that it was necessary to ensure adequate growth in the readiness accounts, the largest reductions unfortunately were made in the investment accounts, and in particular, the procurement accounts of the military services.

H.R. 1872 provides a 2-percent negative real growth for fiscal year 1986 for the procurement programs under the purview of the Subcommittee on

Procurement and Military Nuclear Systems. This level of spending translates into a reduction of $7.1 billion, and means that we are recommending reductions in the amount of inflation provided for the procurement accounts. Our task was not easy—setting defense priorities while bringing the defense budget into line with our other national priorities. I believe that the committee has done a very responsible job in establishing a balanced, affordable set of national defense priorities.

To meet these fiscal constraints while providing for a credible U.S. defense posture, the committee established several policy guidelines. First, the committee decided to continue ongoing programs, at steady production rates before ambitious new programs were initiated. For example, the committee maintained the production rate of 840 M-1 tanks for fiscal year 1986. Because of contract savings and transfer of funds from foreign military sales of M-48-A5 tanks, the committee authorized the procurement of 840 M-1 tanks and reduced the budget request by almost $80 million. Reducing the procurement quantities of M-1 tanks would have been an easy way to provide savings in the overall defense budget but that approach would only delay the time required to complete the Army's modernization program for M-1 tanks.

Second, the committee decided to defer or terminate 30 costly procurement programs. This historic action resulted in savings of almost $2 billion in this budget and will provide additional savings in future years. In some cases, such as the E-6A Tacamo strategic communications aircraft, the committee decided that costly new starts were not affordable this year and recommended deferral. In other cases, such as the P-3C Orion submarine hunting aircraft, the committee deleted procurement funds because of concern regarding escalating unit costs.

The committee also examined closely the major acquisition programs in the defense budget, and undertook several management initiatives to reduce potential risks to the Government and the taxpayer. The Army's Sergeant York air defense Divad system is a good example where the committee exercised leadership and provided stringent limitations on the obligation of procurement funds.

The committee reduced the budget request for this system by almost $200 million. The committee also recommends language in the bill that fences the obligation of funds until and unless the Secretary of Defense certifies that testing has demonstrated conclusively that the system fulfills the performance specifications of the contract. The contractor must also provide a warranty to that effect. With these provisions, and this cutback the committee guarantees that the Army will purchase a weapon system that performs according to the original specifications—with no additional cost to the taxpayer.

One of the major priorities preserved by the committee was its continued commitment to the modernization of our Guard and Reserve Forces. The committee believes very strongly that providing modern equipment to the Guard and Reserve Forces is essential. Many of these units will be among the first to deploy in the event of a conflict. To continue these initiatives, the committee recommends authorization of almost $700 million to purchase equipment specifically for the Guard and Reserve. Some of the key initiatives include: Increased emphasis on air defense capabilities for the Army National Guard, additional airlift assets for the Air National Guard, and additional medium attack aircraft for the Naval Reserve.

Finally, I would like to highlight one of the major initiatives undertaken in H.R. 1872 that will strengthen the management of procurement programs. The committee recommends strengthening the selected acquisition reports [SAR]—the main vehicle for alerting Congress to potential problems in weapons systems. The SAR have been trimmed in recent years to the point where they have become useless documents for congressional oversight. H.R. 1872 also directs the Department to provide full life-cycle costs for each aquisition program included in the SAR after the first quarter of fiscal year 1985. This initiative will allow the Congress to judge new acquisition programs not only on the basis of investment, but also on the basis of ownership costs.

Mr. Chairman, I think some of these recommendations are long overdue. I also believe very strongly that we cannot cut our defense any further. I think this committee has acted rationally, with a great deal of thought and consideration, with a package that meets our national security requirements and also meets our fiscal restraints.

□ 1450

Mr. DICKINSON. Mr. Chairman, I yield 6 minutes to the very distinguished gentleman from Indiana [Mr. HILLIS].

Mr. HILLIS. Mr. Chairman, I thank the gentleman for yielding me this time.

I would like to begin by commending my colleague who just spoke on the remarks she has made about the bill. I think she was very, very accurate in stressing the fact that this is a very austere measure. It has had very close scrutiny by the committee and all the subcommittees, and every action that could be taken to save money and to get more defense for the dollar has been taken by the committee, there are cuts there of well over $18 billion from the proposals originally submitted, and, as the gentlewoman mentioned, 30-some procurement programs have been terminated.

This is a complicated bill. There are some 200 pages in the legislation, H.R. 1872, and in the committee report that accompanies it there are almost 500 pages. So there is a good day's reading for anybody who wants to sit down and go through this.

I again stress that this is a well-drafted bill. Each of the subcommittees of the full committee, I think, has done a good job. For many years I have been a member of the Personnel Subcommittee, and I would like to talk a few minutes about the action taken by that subcommittee as a part of the full bill.

Our chairman of the subcommittee is also the chairman of the full committee, the gentleman from Wisconsin [Mr. ASPIN], and as a rule, I find myself in substantial agreement with the distinguished chairman of the Subcommittee on Military Personnel and Compensation. On this occasion, however, I have very mixed emotions.

I am very troubled by the decision of the committee to reduce the authorization level for military personnel by $4 billion in order to force the Department of Defense to submit a proposal to restructure the military retirement system.

Although I am not opposed to consideration of alternatives to change the system and support a mandate to the Department of Defense to submit a proposal for prospective and cost-effective changes, I do not agree that a $4 billion reduction in the retirement accrual account should be made before the committee has received a proposal to consider.

There is simply too much uncertainty attached to this course of action. We are putting the cart before the horse.

I am pleased that the committee approved a number of long overdue personnel enhancements such as improvements in the level of reimbursement for out-of-pocket expenses incurred by military members when moving on Government orders.

It is ridiculous that military families must often go into debt in order to complete such moves. The improvements proposed by the committee still do not go nearly as far as the benefits currently provided to Federal civil service workers, but they are an important step in the right direction.

In addition to restructuring the mileage and per diem allowances payable on a Government-ordered move to parallel the reimbursements provided to Federal civilian employees, the committee also strongly recommended three permanent change of station ini-

tiatives included in the President's budget: Increasing the household goods weight allowances, funding a temporary lodging expense of up to 4 days, and reimbursing travel expenses for dependents of junior enlisted personnel within the continental United States.

One of the recurring themes that emerged from subcommittee hearings was the serious strain on the family budget—particularly for lower ranking enlisted personnel—of having to set up a household in very high cost areas like Fort Ord, for example. In such cases, young families may be forced to turn to charity for food and other necessities in order to have sufficient upfront cash to pay security deposits for housing.

H.R. 1872 contains two provisions to address this problem. First, it authorizes the payment in advance of both the basic allowance for quarters and variable housing allowance. Second, it doubles the current dislocation allowance, which may also be paid in advance. These two improvements should go a long way toward easing the cash flow problem many families face when they arrive at the new duty station.

All military families making a Government-ordered move will be better off as a result of the comprehensive package of improvements included in H.R. 1872. I am particularly pleased to note that those who will benefit most are those in the greatest need: junior enlisted personnel.

We must not overlook another vital element of military compensation: pay. The committee decided to defer the 3-percent pay raise—until January 1, 1986—in anticipation of similar action for Federal civilian workers.

We must be very careful about the pay issue in the future, however, to ensure that we do not have a reoccurrence of the recruitment and retention problems of the late 1970's.

The disparity between military pay and private sector wages is already precariously close to the pay disparity of those days. As the economy improves, pay levels will become an increasingly important factor in the career decisions for our Nation's men and women in uniform.

With the exception of the retirement proposal, H.R. 1872 takes a giant step forward in terms of personnel benefits and I urge my colleagues to consider the bill favorably.

Mr. STRATTON. Mr. Chairman, I yield 5 minutes to the gentleman from Michigan [Mr. HERTEL].

Mr. HERTEL of Michigan. Mr. Chairman, I want to discuss the issue in this defense bill that I think is the No. 1 problem facing us in this House, and that is to make some firm decisions to stop the waste, fraud, and abuse that is going on in our Pentagon. Contractors are stealing taxpayers' money and ripping off this Nation to the detriment of the fighting men and women of this Nation.

In 1981, when I first came on the Armed Services Committee, my first speech was in regard to a massive supplemental that we were passing that day. I pointed out that we were increasing the defense budget much too quickly, and that, while we at that time had the American people behind us to have a stronger and a better defense and to spend more on defense, it was clear that if we accelerated the spending too fast, we could not keep control of it and the money would not be spent properly. Unfortunately, it was not all spent properly.

We have seen public opinion shift from 1981, when the vast majority of the people wanted an increase in defense spending, to today, 1985, when the vast majority of the people want a decrease in defense spending.

Why is that? Well, it is our responsibility to make sure that the money is spent right, and I have to commend my colleagues on the Committee on Armed Services, particularly the gentleman from Alabama [Mr. NICHOLS], the gentleman from Florida [Mr. BENNETT], who spoke earlier today, and also my colleague and brother, the gentleman from Michigan [Mr. DINGELL], because they have uncovered much of this waste, abuse, and fraud. In fact, the subcommittees of the Committee on Armed Services under the direction of Chairmen NICHOLS and BENNETT have turned up $1.07 billion in questionable expenses by seven defense contractors. In the audit they performed they found $1 in every $33 was illegal. Let us discuss what some of this money was wasted upon and stolen from, referring to the taxpayers' money in this defense spending, money that was improperly spent. They found that $10,710 in charges from one firm was put in to recover losses from an executive barber shop. They found that $12,333 was spent for two season tickets for the Los Angeles Forum for hockey and basketball games. They found $160 in taxes paid to a foreign government in connection with overseas sales of commercial products. They found $959 for golf fees for 1 single day. They found $1,099,000 in charges to recover the losses of an employee cafeteria. They found $62,000 for public relations costs after one firm's aircraft had crashed.

□ 1500

This is the tip of the iceberg. This is money that was spent wrongly. This is taxpayer money that did not go to defense, but went to these other projects that have nothing to do with defense.

The GAO has found that 11 top contractors routinely charged the Pentagon for public relations, personal travel, and promotional giveaways.

To make matters worse, Pentagon auditors generally questioned these costs, but less than one-half of the charges were disallowed by its negotiators; so even when they questioned them and found them, they still let half go on to be charged to the taxpayers, when they had nothing to do with our defense.

The Inspector General of the Department of Defense, is responsible for recommending penalties for defense procurement officials, but he has no authority to stop these payments. Inspector General Sherick has said in testimony before the Energy and Commerce Committee that if he had the power, he would suspend or debar the individuals who had committed these acts and stolen this money from the American people. He testified that his office is investigating dozens of major defense contractors, but that the Justice Department has been reluctant to prosecute many of these cases where he has discovered the evidence.

To stop these abuses, I have introduced H.R. 2262, which I will put in the form of an amendment to this bill, this authorization. That bill authorizes the inspector general to stop payments in the case of waste, fraud or abuse or excessive charges when the routine Pentagon audit procedures have failed to protect the interest or the security of the United States.

I brought this bill up last year on the floor. Unfortunately, there was not a great deal of interest. Now we have a lot of cosponsors, because the American people are sick of it and they are not going to take it anymore. That money should go to the defense of this Nation. If it is not needed there, it should go back in the taxpayers' pockets, because we are talking about billions of dollars. We are talking about eroding the confidence of the American people in how their money is being spent.

I cannot say enough as I conclude about the fact that I know the other members of this House Armed Services Committee share my concern about this. We have decided as a committee to bring these questions to the floor and decide those questions here before the full House because of their great importance.

Mr. DICKINSON. Mr. Chairman, I yield 4 minutes to the very distinguished gentleman from New York [Mr. CARNEY].

Mr. CARNEY. Mr. Chairman, as we discuss this budget, I would like to first start off by commending my colleagues who are indeed here on the floor. When we consider that this budget authorization will make up one-third of the entire Federal budget and look around and see how few people are here to listen to it, it makes you wonder.

What I am somewhat concerned about and I think it was very eloquently described by our colleague, the gentleman from Virginia [Mr. BATEMAN], is the fact that we were almost compelled as a committee to target a budget to what will be anticipated as the budget coming out of the Budget Committee. That made it rather difficult for us to present to our colleagues a budget that should be designed by examining the threat, examining the requirement to meet the threat, examining the requirement to meet the over 40 treaty obligations we have with our friends around the globe. That is to me somewhat disconcerting.

Back during the season between September and November of last year, the candidate for the Presidency, Mr. Mondale, called for a 3-percent real growth in the defense budget. Obviously, the President submitted a budget that has a 5.9-percent real growth factor in it and we, the committee, were compelled to come out with a budget that has zero percent real growth.

I would hope that the Members of the whole House recognize that the committee worked extremely hard to bring in a budget that would be acceptable to everyone.

I would hope that the attitude will not be that the Armed Services Committee historically bloats a budget with the knowledge that it will be pared back on the floor of the House, because that is not the case at all.

In fact, speaking for many of my colleagues, they are as frustrated as I am that we were constrained to come in with the budget at the level that it comes in at.

One of the issues in the budget that I would like to caution all my colleagues on is the issue of the retirement aspect. We removed $4 billion from the request for the retirement program and in doing so we did not present to our colleagues a change in the retirement system. Indeed, we asked the Defense Department to make proposals that we could scrutinize and accept that would meet that $4 billion reduction, but we do not have that in hand today.

I only point out to my colleagues that back in April 1983 we made changes to the Federal retirement system. We said, yes, we can cut back, change the Federal retirement system and at a later date we will rewrite the bill and we will be able to present a retirement system.

To date, Mr. Chairman, we do not have a Federal retirement system. We cannot offer a new employee coming into the Federal Government a retirement system. I am fearful that this will happen to those who will join the military after October 1 of this year, the beginning of the fiscal year 1986.

The CHAIRMAN pro tempore. The time of the gentleman from New York has expired.

Mr. DICKINSON. Mr. Chairman, I yield 1 additional minute to the gentleman from New York [Mr. CARNEY].

Mr. CARNEY. Mr. Chairman, I appreciate that.

I am fearful that this might have an adverse effect on new recruits coming in. They will not know what their retirement system will look like. Why would they join the military?

One of the incentives traditionally to bring people into the military was the retirement system.

Now, understand, I believe we have to correct the retirement system, but I believe very strongly we should make the correction before we make the financial deduction, because as I said, we have an established track record in this area and it is one that does not show well for this body.

So I would hope that the members of the full committee will look at that particular area of the budget and be careful when they cast their votes pertaining to it.

Mr. STRATTON. Mr. Chairman, I yield 6 minutes to the distinguished gentleman from Georgia [Mr RAY].

Mr. RAY. Mr. Chairman, I rise today in strong support of the DOD authorization bill reported out by the Armed Services Committee.

I particularly want to commend our colleague, the gentleman from New York [Mr. CARNEY] for his fine remarks that he just made and I concur with those.

I want to commend our committee chairman, the gentleman from Wisconsin, Mr. LES ASPIN, the subcommittee chairman and the members who worked so hard, the members of the committee and especially the committee staff for their diligent and effective work which went on into the night and on weekends at some point in time.

Although, Mr. Chairman, we waited patiently for a recommendation from our colleagues on the House Budget Committee, we did not receive one in time for our markup, which in effect to me indicates a serious need to rework, update and streamline the budgetary process; so we chose our own target of no real growth for defense, and we met it.

Our bill cuts $18.5 billion from the administration request, and actually terminates 30 procurement programs.

Mr. Chairman, overall, in addition to allowing no real growth, we have actually cut weapons system procurement by 2 percent.

Although I don't agree with every line of the committee bill, I think that we have not only cut to about the right level—I think we have cut the right things.

We resisted the temptation to place our cuts in the personnel and operations accounts—which have been the target of too many cuts in the past, because cutting those accounts results in instant savings in outlays—and that is good politics.

Instead, we protected those accounts and concentrated most of our cuts in the investment accounts—procurement and R&D.

I might add that seven of the nine weapons systems to which we added funds were earmarked for the National Guard and Reserve. Anyone who follows defense knows that the Pentagon always underfunds the Guard and Reserve because they know the Congress will bail them out.

There is a lot of talk on the floor, Mr. Chairman about the budget that will be recommended to us by our colleagues on the House Budget Committee, and much of it troubles me.

I hear, for example that they may recommend a nominal freeze for defense—which allows no growth for inflation—and that they will then ask for $8 billion in cuts below that.

They want to do this at the same time they are leaving social security COLA's, revenue sharing, UDAG grants, and many other domestic programs untouched.

Mr. Chairman I think the key to responsible cuts in spending is balance. We have to be fair. We cannot load all the cuts on those forces which are responsible for defending our freedom any more than we can ask the domestic programs to accept them all.

I have said on past occasions that I might be willing to accept a nominal freeze in defense. But I would only do this if that same nominal freeze was applied to every other spending program, and some program eliminations were added on top of that.

I recently had the high honor of being invited to speak before a group of internal defense auditors. These are knowledgeable people who serve on the front line in our war against the deficit.

In those remarks, I indicated that Americans are willing to pay for a strong defense if they believe there is a credible reason for doing so. I still believe that.

In order to maintain that credibility, Mr. Chairman, I think we are going to have to take a hard look at the way we are doing business in defense today. Recent headlines cry out for reforms in some of our procurement practices—and those reforms are needed. We are taking a look at this issue on the Armed Services Committee at the present time.

I think we are going to have to work hard to make sure that we are completely costing out all the programs that are being created. Whenever we start up a new weapons system, we are going to have to make sure that we realize how many troops will be needed

to support it, what the spare parts requirement will be and what we will need in the way of military construction.

If we don't we will be building a hidden overhead into these systems that may cause them not to be supported as they should be in the years to come.

Our budget problems are not going away, Mr. Chairman. The "good old days" are gone forever—in defense, as well as in every other area of Federal spending.

Those of us in this body are going to have to have the political courage to make sure that we pay for every bit of government that we are giving the people. If we can't afford it, we are going to have to be brave enough to say so. If we aren't our children will pay a high, high price for our failure to do our duty.

The House Armed Services Committee has reported out a good budget to you, ladies and gentlemen. I hope you will resist the temptation to play politics with it.

Mr. Chairman, I insert into the RECORD the complete text of the speech that I made before the internal auditors:

DEFENSE BALANCE SHEET—BLACK INK WANTED

(By Congressman Richard Ray)

I feel extremely fortunate to have this opportunity to speak to you.

Just about any time we converse or gather in these times, it doesn't take very long for us to begin discussing the problems of America.

I'm going to touch on one of my major concerns today, which is the cost of our Defense Program, but first, I want to comment on "what's right about America". Too often, we get so wrapped up in obstacles and problems and fears about the prospects for the future that we lose sight of what we really have.

I'm proud to be an American and we can be grateful for the heritage which our forefathers left us. The philosophy and achievements of those great leaders built our country, and thousands of Americans have died to guarantee that we can continue to live under those principles.

As Americans, we have the freedom to say what we think, to condemn the Government without fear of being hauled away in the middle of the night to prison as happens in many countries, to worship as we please, to enter into the free enterprise system and to succeed or to fail.

We can vote into or out of office representatives of Government without fear of reprisal, and we only have to watch the evening news to realize its not that way in many areas of the world.

My friends, there are many countries in this world who have lost these rights, and we have to remember that ours did not come to our forefathers without risk and must never be taken for granted.

One of the first things that I learned after being sworn into office was that the Congress is a deliberative body with highly diffused power. It's very difficult to get the 435 Members of the House of Representatives together on major issues, some which are critical to the well being of America.

Congress often times focuses too much on flash points or headlines and it gets overly preoccupied with reelection, particularly during election years. Sometimes, this preoccupation reaches the point that being reelected overshadows the reason for being elected.

We are enamored with our importance and I am reminded of former Congressman Charlie Crisp, from my district in Georgia. [Joke.]

I always try to keep in mind that we were elected to serve the constituency and to legislatively serve the best interests of the country.

Despite the problems that we all complain about, the checks and balances system which our Founding Fathers developed does work to our best interest.

As Winston Churchill said in 1947: ". . . democracy is the worst form of government except all those other forms that have been tried from time to time."

However, as great as our form of government is, I agree with the French writer, De Tocqueville who said:

"I sought for the greatness and genius of America in her commodious harbors and her ample rivers—and it was not there . . . in her fertile fields and boundless forests—and it was not there . . . in her rich mines and her vast world commerce—and it was not there . . . in her democratic Congress and her matchless Constitution—and it was not there. Not until I went into the churches of America and heard her pulpits flame with righteousness did I understand the secret of her genius and power. America is great because she is good, and if America ever ceases to be good, America will cease to be great."

As I mentioned earlier, we worry in America about a number of things, such as health care, the aged population, our agriculture, the unemployed, the deterioration of the moral fiber of America, the national debt and other quality of life issues.

These things are important to us all, but I would imagine that if you asked the people of Afghanistan, or Poland, or Hungary which was more important, these items or their independence and freedom, they would tell you that nothing is more precious than the freedom to govern themselves.

I will tell you today that we do have many concerns, but they are secondary to the threat that America—sometime in the future—might not have the ability to deter aggression. Without a strong defense, we might be intimidated or forced into a neutral posture where we would not be in a position to help the free world remain free, or to remain free ourselves.

Therefore it goes without question that America must have a strong, reasonable and affordable defense.

I want to discuss with you my views on the cost of such a defense.

At the outset, I want to make it clear that I am strongly pro defense, and am even considered to be hawkish to some degree.

Maintaining a strong defense does not mean matching the Russians gun for gun, bullet for bullet, or soldier for soldier. It does mean that we have to stay on the cutting edge of technology and we have to be better.

It also means that we must update, rework and reorganize our procurement and accounting procedures—as well as weeding out those programs which have outgrown their usefulness.

In my opinion, we are going to have to take a close look at the procedures and practices we use to purchase our weapons and equipment, and the investments that we are making in military construction. I am afraid that we may be confronting some serious problems in the capital accounts area of the Defense budget as well as the operating and maintenance account.

While I am no expert in this area, I do sit on the Procurement Subcommittee, and I recognize that the $292 billion Defense budget we had in fiscal year 1985 represented the largest single part of our overall budget for that year (26 percent). These expenditures mean that Defense carries an enormous inventory of goods and services.

All this means that even a small error in calculation or projection can turn into a billion dollar problem in the years ahead.

Later on in my remarks, I am going to deal with our huge national debt and what it means for all of us. But, for the moment, just let me say that all areas of government are going to have to learn to live within their means, and this includes Defense.

This means that we are going to have to start making affordable and common sense purchases, control our overhead, and utilize dependable accounting systems and procedures.

But I am afraid that as we begin to realize the overhead and costs that we are building into the next ten years and thereafter—a time when we are going to be trying to pay down our huge national debt—it is going to become clear that we are creating a dangerous situation for ourselves with overhead which is resembling more and more entitlement programs.

As accountants, you are all aware of the cost of debt servicing, and I know that you share my concern over the fact that interest on the national debt, alone, amounted to 104 billion dollars last year.

I believe that the principles of our monetary system which has worked well through the years, and which must fund the defense budget, is in jeopardy.

Presently we owe an enormous national debt:

A debt which from George Washington to Jimmy Carter accumulated to the staggering sum of $906 billion,

A debt which has almost doubled in the last four years.

A debt which carries an interest bill of 13 cents on each tax dollar for 1984 (104 billion dollars) and will go to 15 cents by 1986.

Our philosophy of spending more than our income, year after year, having paid our operating expenses no more than ten times since 1924, threatens to drown us in a sea of red ink.

This practice threatens our entire system and especially our Defense Program.

Our defense cost is 28 percent of our overall budget in fiscal year 1986, and 6.8 percent of our GNP. This represents a request by the administration for 322.2 billion dollars, but is not likely to be funded in that amount by the Congress.

Americans are willing to pay for defense when they believe that we have a credible reason for doing so. For example, at the peak of defense spending during World War II, we spent as much as 89.5 percent of our budget dollars on defense.

There are many people in this country who believe that to spend 28 percent of our overall budget on defense, while borrowing 23 percent, in order to fund the deficit, doesn't make sense, particularly when cuts may be made in programs that determine our quality of life such as health care, education and social security.

The storm of criticism which has surrounded our defense industry because of overpricing of spare parts and military equipment, purchasing practices and overhead padding, has not done much to generate support from the American people. They tend to think that where there is this much smoke, there is bound to be a little fire.

Another concern is defense planning. As we look at our world wide strategy for the future, the cost of future overhead simply boggles the mind.

Let me give you an example of just one of those commitments. For the past 40 years, we have made a substantial commitment to NATO, and that commitment has resulted in the freedom of Europe for that period of time.

But that commitment has not been a cheap one. At the present time, we have more than 320,000 troops stationed in Europe, and our NATO commitment costs us around $90 billion per year.

In addition to commitments like this, we are building in an overhead in the form of long term leases and military construction projects which will last well into the next century.

Defense "experts" are beginning to question our overall defense strategy, particularly in the areas of readiness, affordability, and the ability to make it work.

This strategy dictates that we procure the manpower, weapons and support capability necessary to wage simultaneous war along three fronts . . . NATO, Southeast Asia and Southwest Asia.

It is enormously expensive to create that capability. But when you think about the costs involved in sustaining it for years into the future, you are talking about some really frightening numbers.

For the past four years, we have been building toward that capability. In fact our procurement account has grown by 61 percent during that time frame.

Many observers of the defense scene are now questioning whether we have spent these dollars in a prudent way and gotten the maximum benefit out of them.

There are some who say that we purchased too many highly sophisticated systems too quickly. Then when it became apparent that we were not going to be able to generate the budget dollars that it would take to keep all these programs moving ahead at full throttle, DOD responded by stretching many of them out.

As all of you know, when DOD enters into a contract, they project the number of years that it will take to move through research and development to the end of the production cycle. Overhead and production costs are then estimated on the basis of those projections, and this leads us to a number which represents a unit cost for each of the weapons which will be produced.

The explosion of new programs which I mentioned earlier has forced DOD to stretch out 47 of their programs.

This practice has a serious effect on unit costs.

When a defense contractor builds fewer units than he had planned during a year, his unit costs have to go up, because his overhead costs are going to remain the same.

So it is safe to say that the closer a plant comes to operating at 100 percent capacity, the lower the unit costs are going to be.

I mentioned earlier that 47 programs have been stretched out. In those programs which belong to the Navy, the plants affected are currently operating at 38 percent of capacity; the plants which are producing the Air Force programs are at 58 percent, and the Army plants are at 72 percent.

This means that unit costs in all of these programs are going to be higher, and the total cost of each of these programs will therefore exceed those that were planned. In short, stretching out is false economy.

So we have to operate within sound business principles so as to avoid this type of situation.

This probably means that we are going to be faced with the unpleasant alternative of cancelling some programs.

Over the past few years, Congress has reacted to the criticism that has erupted over some of the DOD procurement practices by passing complicated laws which have resulted in huge stacks of regulations. This effort was well-intentioned, but I am convinced that in some cases it has made things worse rather than better. In fact, I am told that some of our procurement regulations are thicker and more complicated than those which are put out by IRS.

Complying with these regulations, of course, requires more manpower and hamstrings rapid and orderly procurement. It also takes the actual operation of these processes out of the hands of those who are supposed to be the experts.

Whether we like it or not, the harsh realities of America's deficit are going to have a permanent effect on defense spending. Those of us who support a strong defense are going to need to take the lead in arriving at responsible measures which are so desperately needed.

I don't pretend to have all the answers. But I do have some suggestions that I would like to share with you today.

First, I think we are going to have to do something which will be taken as a clear signal that we are resolved to do something about the situation . . . not only next year, but for the years to come.

I think we should give serious consideration to a spending blueprint which would cut out all real growth in defense for the next three fiscal years. Increases during that period would be limited to inflation, alone.

All of us know that defense spending has a long pipeline. This size of this year's outlays was determined by decisions which were made several years ago. So we have to undertake a steady and predictable policy which will have a meaningful effect on that pipeline.

Secondly, I think we are going to have to undertake a serious program that will take some meaningful looks at our procurement practices.

The House Armed Services Committee is already considering several such proposals. I think you will see some changes made in the expenses which have been allowed, in the past, to be charged off as costs, which is receiving so much criticism in the press and particularly in the Energy and Commerce hearings which Congressman Dingell is conducting.

The committee may take a look at the so-called, "revolving door" and enact some restrictions which make it harder for people who have played a meaningful part in the procurement process to move right out of Government service and get jobs with the private firms they were dealing with as Government employees.

The House Armed Services Committee is conducting random audits presently of the costs submitted by seven firms, and I expect that this will occur more frequently in the future.

I am not necessarily suggesting that these are the exact reforms we need. But I don't think the public has a lot of confidence in the way we procure our defense systems, and I think we are going to have to take the steps that are necessary to restore that confidence.

One of the things which encourages me is the practice which has recently developed in the Armed Services of paying incentive bonuses to employees who come up with innovative ideas to increase efficiency and save the taxpayers money. We should encourage and recognize that this is a helpful program and accelerate it.

At the same time, we must consider penalties to confront practices which lead to waste and mismanagement.

Finally, ladies and gentlemen, we need to realize that there is a substantial gap between our mission and our ability to meet that mission. In the past, we have drawn up missions which we knew would be difficult to accomplish, perhaps hoping that defining the mission will help generate the necessary funds.

Please don't misunderstand me. I believe the threat has to be the single force which determines the size of our commitment to defense. But once we have defined the threat, we should not lay out missions unless we have and are prepared to commit the resources to accomplish them.

In closing, let me say that it is always easier to indentify a problem than it is to suggest the solutions.

But in this case, it is crucial that all those who play an important part in the military, the Congress and the defense industry realize that the country simply cannot afford business as usual.

Many of you in this room are already playing a key role in this whole process. It is you who help to assure that programs in defense and other Government activities are effectively and efficiently executed. I commend you for your efforts.

I understand that the defense internal audit and review groups have submitted recommendations identifying $2.7 billion in savings during fiscal year 1984.

Notwithstanding these good efforts, many opportunities remain for auditors to help their parent organizations make more efficient use of the resources they have been provided.

There are no easy ways to go, but there is no doubt in my mind that we can do it. I am not in a senior leadership position on the committee, but I promise you that I am going to exert my total efforts toward devising and implementing a defense program that will keep us free without crushing us under a rapidly growing overhead that we cannot afford.

I will do this not because I am anti-defense, but because I am strongly pro-defense. If the friends of defense don't take the lead in this effort, it will only be a question of time before the effort will be undertaken and completed by others. And that would be a sad day for this country.

I want to thank you for the privilege of speaking before you. Those of you in this room have the expertise that we are going to have to rely on heavily during the coming years. But working together we can and must accomplish our goal.

□ 1510

Mr. STRATTON. Mr. Chairman, our next speaker is the distinguished gentleman from Arkansas [Mr. ROBINSON] who was the anchorman on the committee and is a very capable freshman Member. I yield the gentleman 6 minutes.

Mr. ROBINSON. I thank the acting chairman of our committee and the ranking minority member.

Before I start into my brief presentation with reference to the chemical warfare deterrent today, I would like to commend the gentleman from Illinois [Mr. PRICE] and all of my fine colleagues that serve on the Armed Services Committee. As the gentleman from New York [Mr. STRATTON] observed, I am only a freshman but I can stand here with pride today that we have provided the leadership that this House has long needed to start the process of reducing the enormous Federal deficit that we have in this Government.

It really does bother me that some are talking about they are going to amend our bill. I would like to remind them that we started out with the possibilities of a 5.6-percent real growth increase. We whittled that down to 3 percent and now we are down to a freeze. I think that we have done our part and now it is time for others to do their part.

I rise briefly today to address our authorization of $1.275 million for the Chemical Retaliatory Stockpile Modernization Program, better known to some of the liberals and some of the liberal editorial writers as the great nerve gas controversy, including what they call the Bigeye bomb which opens up their eyes very widely each time we present this.

But I am going to avoid demagoguing on this issue because I think we should address the basic facts. The facts are that out of his money 74 percent of these funds or $936 million will be used for protective measures. Yes, my colleagues, for protective measures. For the modernization of our chemical retaliatory capabilities we will use 16 percent or $207 million. And for the demilitarization of the stockpile of unitary weapons we will use 10 percent or $132 million.

The modernization program includes funding for binary munitions to complete facilities for the Bigeye bomb, to start procurement of both the M687GB2, 155 millimeter artillery projectile, and the Bigeye and continued research, development, test and evaluation of the XM135BC with multiple launch rocket system projectile.

I say all of that because most that argue against chemical warfare do not know what they are talking about. They read some of the more liberal editorials in this country, and if the editorial writers, who put out far more dangerous gas then what we are putting out, say that they ought to come down here and demagogue and vote against chemical warfare deterrent, then they should go down and do it, and I say that that is absolutely wrong. In fact, this administration maintains that the present chemical munitions stockpile is inadequate, and I happen to agree with that, and that binary munitions must be produced.

Testimony provided to the committee overwhelmingly supports this position.

Let me close by reminding my colleagues that history has demonstrated that nations whose military forces possessed the ability to function while under chemical attack and retaliate in kind are less likely to experience such an attack.

I would like to say, unlike my predecessor who was one of the leading opponents of chemical warfare, I intend to be one of the leading proponents and I have a stack of facts, not rhetoric. I am not demagoguing, but I stand here to let my colleagues know, and all you liberal editorial writers, including probably some in my own home town of Little Rock, AR, that you had better have your facts together when you come down here under the 5-minute rule.

I yield back the balance of my time.

Mr. STRATTON. Mr. Chairman, I yield my remaining 5 minutes to the gentlewoman from Maryland [Mrs. BYRON].

Mrs. BYRON. Mr. Chairman, I rise in closing for our side with a few areas that I think we have missed covering in the dialog we have had today. We have talked about reductions, we have talked about increases, we have talked about freeze, we have talked about real growth, and I think we also have to look at a commitment we have made to those in our military. And one of the accounts that has not been discussed too much is the $4 billion that has been cut out of the retirement account.

I think this is an area that the Personnel and Compensation Subcommittee debated long and hard and felt very strongly that there should be some cuts in that area because we were cutting in all other areas.

I also feel very strongly that the commitment that we made to our military several years ago when addressing the retention problem, and addressing the military pay problem, addressing the equipment problem and the spare parts problem, has turned around a situation that we found to be very, very difficult at that time in the security and our national defense.

□ 1520

Mrs. LLOYD. Mr. Chairman, will the gentlewoman yield to me?

Mrs. BYRON. I yield to the gentlewoman from Tennessee.

Mrs. LLOYD. Mr. Chairman, I rise in strong support of this legislation and compliment our chairman Mr. ASPIN on his leadership. However, we must recognize that the overall budget climate has constrained the level of funding for the DOD and DOE defense programs severely and the recent Senate budget action has further precluded the possibility for any real growth in defense spending for fiscal year 1986. The committee has done the best job it can to provide a bill that has good prospects of getting through the House. We must recognize that we are challenged by the required allocation of resources. The significant cut from the Reagan request should not be misinterpreted by friend or foe alike. We still intend to meet strategic and conventional threats to our national security, but the DOE planners must recognize that that period of significant real growth is over.

This budget cycle has provided the House Armed Services Committee a real opportunity to begin to rationally shape defense policy. I am particularly pleased at the committee report language on deterrence policy, including discussion of strategic modernization and the strategic defense initiative [SDI]. We have a pressing responsibility to catalyze the DOD to improve procurement practices drastically to avoid unwarranted contract charges and to improve quality assurance.

The RDT&E budget is clearly a key to ultimate control of the procurement process. While I do not support the extensive cuts in the RDT&E programs or the specific nature of certain cuts such as in SDI, I do support this principle. We must avoid premature introduction of weapons systems into the procurement cycle, when they have not undergone sufficient test and evaluation. I also believe that it is important to recognize the committee's concern about the Navy procurement getting out of phase with Navy requirements so that the projected naval aircraft mix simply does not make sense. I am sympathetic to the Air Force's critical needs to modernize its tactical aircraft wings as rapidly as possible, but the cost of the F-15 and F-16 appear to be too great to allow the type of real growth the Air Force needs to meet their rather ambitious timetable.

In the area of procurement, I could go so far as to say that I hope that the committee will consider a 3-year authorization of all programs, since DOD requires many multiyear procurements. This approach would free up the committee members and staff for extensive oversight activity rather than tying them down to an open-ended budget process, year in and year out.

I have been a strong supporter of the SDI Program since its inception and I still believe that it has the potential of serving to reduce the number of offensive weapons. I find some of the scientific community's technological pessimism to be rather surprising, but in many instances the underlying concern seems to be that the program itself raises questions about the merits of the United States staying wed to the MAD doctrine. I am very familiar with the space power requirements for SDI systems and I am very concerned about what a 30-percent cut would do to DOD efforts on multimegawatt systems. I hope that the SDI cuts can be adjusted in conference so that the authorization bill does not preclude the possibility of achievement of solid milestones in the next several years. I do not believe that we should get into splitting hairs of definitions such as the term "development" with respect to SDI. I am pleased that the committee has sustained the procurement of F-15E's and hope that the supporting funds for Lantirn testing are restored to a level that allows this promising system to stay on course. I have a particular concern about the Navy RDT&E program and believe that if the SSN-21 activity is in any way representative these programs require additional scrutiny. The absence of competitive procurement for the SSN-21 may be just the "tip of the iceberg" in terms of the policy thrust of Navy RDT&E.

The DOE National Security Program companion measure, H.R. 1873, has been incorporated in this defense programs bill as title IV. All seven programs under the DOE defense function will receive measureable growth, even though the overall request was reduced by $240 million. I have a keen Member interest in the community assistance provisions under weapons activities and was pleased that the subcommittee accepted my amendment to restore the funding for Oak Ridge assistance payments, which had been included in the DOE request as a one time, final liquidation of the Department's program. I have been most supportive of the unique DOE national laboratory role in SDI because they bring unparalleled R&D skills to this important strategic program. However, I do partly share my colleague's, Mr. FOGLIETTA, concern in that I do believe x ray laser systems should be a last resort tool for SDI. The "pop-up" aspects of these systems make their timely use a technological challenge and regardless of semantic arguments, these systems will be viewed as nuclear weapons drive, not simply nuclear powered. The SDI Program cannot afford the negative perception that will result from a thrust on developing nuclear weapons for space-based purposes, albeit defensive in nature.

I am pleased the committee has recognized the potential role which the Oak Ridge National Laboratory might play in the SDI Program through DOE because of its strong strength in basic science and energy storage systems, which in turn complements the DOE role in space nuclear power.

I am pleased that the DOE request for continued enhancement of environmental programs and safeguards activities at weapons facilities are being supported. I share the committee's concern which prompted the restoration of significant funding for the Inertial Confinement Fusion Program which still offers a unique route to weapons simulation data, as well as potential prospects for civilian power applications. The Special Isotope Separation Program, which is a companion to the civilian AVLIS Program authorized by my ERP Subcommittee, is also deserving of the recommended funding.

Under the pressing budget circumstances, the committee has done a very good job of reallocating resources. I will strongly support the committee to hold the line on the budget levels in this bill. The bill suggests some policy directions with which I am not in complete agreement. However, these are minor compared to the need to set priorities within a rational spending cap, something the administration has simply refused to do.

Mrs. BYRON. Mr. Chairman, it is never easy, when we are looking at a defense authorization bill and we are trying to put it into a proper prespective, to put it into proper guidelines that we get from the Committee on the Budget. This year we did not have the guidelines from the Committee on the Budget to work with. Yet we had a responsibility to make our cuts; 19.6 billion dollars' worth of cuts from the initial $322 billion request.

So what we have done in the retirement account by cutting that $4 billion, we have put the emphasis right back into the Department of Defense. It is going to be their responsibility to find out where those cuts are going to be made. It concerns me because I am worried about the retention issue which we have turned around; it concerns me because I am worried about the quality of our military which we have seen grow by leaps and bounds over the last few years.

I just want to say that I certainly hope in this day and age because of the constraints, financial constraints that we are not going to lose that edge that we have in moving forward for our national defense.

So as we close with a discussion and a dialog on the defense authorization bill today, we have had some hard choices to make. It has not always been our choice.

In the case of the Retirement Program we have put it back in the Department of Defense. Time and time again when the Pentagon comes over and testifies and you ask any of the individuals services: "If we have to cut a program, what program should we cut," I have never yet heard them say there is one program that needed to be cut.

Yet we found in cases this year 19.6 billion dollars' worth of cuts that we feel as a committee can be made without jeopardizing our national defense.

So I urge my colleagues when we come to the floor next week and on final passage of this bill to take into consideration the enormous amount of work that has gone into this bill, the enormous amount of work and consideration that the Committee on Armed Services has done in marking up this bill.

Mr. Chairman, I urge support of this bill.

Mr. DICKINSON. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, I am pleased to appear today with our chairman before the House in support of H.R. 1872, the Department of Defense authorization bill for fiscal year 1986.

As many of my colleagues know, the administration submitted a request that would have supported almost 6 percent real growth in defense. However, they said on economic factors and the situation as it exists politically in this body, it was felt by the members of the committee that we were going to have to reduce this amount, which we did.

As has been pointed out by previous speakers, instead of a 6-percent real growth we felt that 3 percent real growth might be doable, at least the Senate did, and we went along with that concept. Then, in talking to our colleagues, particularly those on the Committee on the Budget, we realized that in today's political atmosphere and with the constraints we were faced with, probably zero percent plus inflation was a doable figure insofar as the House is concerned. Then we would have the opportunity of going into conference with the Senate with them at a higher figure and working some compromise between our low figure and their higher figure.

Then I was surprised, after we finished marking up our bill, the Senate announced they were going to undo their agreement and that the Committee on the Budget in the other body were going to mark to the same figure that the House had marked to, which is zero percent growth plus inflation. That hardly gives us any wiggle room in our conference with the Senate.

So these are some of the facts of life.

Now I understand that our Budget Committee is probably going to recom-

mend zero percent growth and zero percent inflation. So we are really between a rock and a hard place insofar as our recommendations of the committee to this House, and what we will be able to get from the Senate.

Mr. KASICH. Mr. Chairman, will the gentleman yield to me?

Mr. DICKINSON. I yield to the gentleman from Ohio.

Mr. KASICH. I appreciate the gentleman from Alabama yielding me some time, and I will be very brief and would look forward to further discussion as the bill moves through the Congress.

I want to say initially, Mr. Chairman, that I was one who went to Mr. DICKINSON and even Chairman ASPIN early on and said that I thought that we needed to reduce the defense budget. I've served for 2 years on the Armed Services Committee where we have, to the largest degree, met the requests and demands of the Pentagon. So I am excited, and I think the committee and the Congress ought to be excited because on the committee cut $18 billion from that Pentagon request with some true military reform. That included the elimination of TACAMO, which will save us probably several billion dollars, Mr. STRATTON'S amendment; the PC-3, the AMRAAM Program, we fenced in money on the controversial DIVAD Program, we fenced in money on the Aquila, we changed the Lantirn Program, we made changes in the research development and testing, which would otherwise have received a 100-percent increase. We reduced that dramatically. We addressed the retirement program.

There is a new era in the Committee on Armed Services. We addressed this budget as true military reformers, from that person who has been in Congress for 30 years all the way down to the new freshman.

We have brought in a budget that is lean, tight, and well-thought through. I have to give credit to the chairman, Mr. ASPIN, because he provided the direction, with Mr. DICKINSON, the ranking minority member. We did not take any guff from anybody. We did not accept all the numbers or all the figures from any of the so-called experts. We looked at them all and we made some hard, tough decisions that brought us $18 billion in deficit reductions. That's 3 percent less than what Walter Mondale said we needed and 6 percent less than what this President said we needed.

We have made a contribution. Remember, John Kennedy spent 50 percent of our national budget on defense, and this President is spending 26 percent. In GNP terms we are at about 6.6 percent of GNP as compared to nondefense areas of 15 percent.

For those people who want to go less than a zero percent increase, I tell them: "You come in and tell us where. Don't come in and give us some bland budget figure. You tell us where you are going to take the money." From 1977 to 1983 the Soviets built 15,000 tanks, we built 5,000; they built 5,000 fighter aircraft, we built 3,000. In the same period of 1977 to 1983 they built 1,500 ICBM's to our several hundred.

In bombers, they built 250 strategic bombers, we had none.

If you want to save money, tell us where you are going to save it, tell us the programs where we are going to go. We have addressed personnel, we have addressed the conventional systems, we have reformed them like military reformers want us to do. We have report language that makes procurement more competitive. We saved $18 billion, a responsible contribution to the budget deficit reduction program.

So I think we should be proud of what the Committee on Armed Services did because it is revolutionary, considering where we have been. We ought to feel good about it. I am excited about it, and I think my constituents are, Mr. DICKINSON. I thank the gentleman for yielding me the time.

Mr. DICKINSON. I thank the gentleman for his observations, Mr. Chairman. I think he makes a very good and telling point.

In conclusion, Mr. Chairman, let me say that I, too, am pleased with what our committee was willing to do, what we did. I do not think there was anybody on the committee that was satisfied that we had done as much as we should. I think in bowing to reality we recognized what we could do and within the parameters of the framework of what we could get funded on the floor we did a very prudent and responsible job.

The question is, Do we really need this much defense? What is our adversary doing, our potential adversary? Is there really a threat out there? Or are we just rattling sabers, hearing a drumbeat that really does not exist? Are we really just priming the pump for something for which there is no real genuine need?

Mr. Chairman, last year at this time during floor debate I stated that the Soviets had deployed 378 SS-20 missiles.

Now, an SS-20 is an intermediate range ballistic missile with three warheads with a range of 5,000 kilometers approximately.

□ 1530

At that time, I said they had deployed 378, keeping in mind that each one has one backup; they come in pairs.

Well, today instead of a freeze by the Soviet Union, today they have deloyed 414. It is amusing that a year or so ago I met with the other members of our Committee on Armed Services with our counterparts from the European community, the North Atlantic Assembly. We meet over there once a year; they come over and meet with us once a year, and they are parliamentarians from Great Britain; some from France, occasionally from the Netherlands, from Belgium, from Germany.

So we were sitting around the table talking and one of our colleagues said: "Well, why don't you negotiate with the Russians? Why don't we just have a freeze and negotiate?"

Peter Peterson, who is in the Bundestag of the Federal Republic of Germany said, "Congressman, we do negotiate. In 1978 we negotiated and debated with the Soviets, and they deployed. In 1979 we debated, and they deployed. In 1980 we debated, and they deployed. And we have not deployed one single nuclear system until this year"—talking about the Pershing and the GLCM—"and all the time we were debating they were deploying at the rate of one per week since 1977, to the point where today they have over 400 of them in place, and we are still debating."

The same is true with the MX. We have the Minuteman III; this is our last ICBM. Since then the Soviets have built and deployed two new systems, and we're still debating the MX. We start off asking for 200 MX, now we've cut it to 100, now in this budget cycle instead of the 48 requested, we have recommended 21. I think we will be doing well in the final analysis if we get half of the 100 that was already agreed to.

So whether we are talking about the B1—we started out to build 200 of those and now we say we will build 100; we say we were going to build 200 MX, now we are going to build perhaps 50. We are going to build—all the weapons systems that have started out to build, we keep building less and less and funding it less and less, and I think it is time that the American people recognize that we are not crying wolf; there is a potential adversary there that is very technically efficient, that is very well armed, and who means us no good will at all.

If he, the potential adversary, was sincere, he would be building defensive weapons, not offensive. If we look at the buildup he has of the intercontinental ballistic missiles, of the intermediate range ballistic missiles he is deploying on a regular basis; he is building newer and modern and more intercontinental bombers.

So the nuclear subs he is building, they outbuild us in numbers and in size and in capability and performance quite often. So I think we are deluding ourselves to think that we have some great big, benign, charitable, potential adversary out there that really means us no harm, and all we need to do is sit down and talk with him, because if we are friendly he will be friendly in

return, and we do not have to worry about him doing us any harm in the future.

I think that is shortsighted, I think it is foolish. I think it is what we have offered here in terms of this year's House defense authorization bill is the minimum we should do, and I would certainly urge my colleagues to support it, and I would hope that the next time we get back to the floor to finish the debate on this, we would have more than seven Members present, all of whom belong on this committee, and no other Members in the Chamber, when we are discussing a bill that is close to $300 billion, that has to do with the life and death of this country in the long run.

Mr. Chairman, I am pleased to appear today with our chairman of the committee to bring before the House H.R. 1872, the Department of Defense Authorization Act for fiscal year 1986.

As many of my colleagues know, the administration submitted a defense request that would have supported almost 6 percent real growth in the defense accounts.

However, based on the economic situation, the committee felt that such a growth rate was unsupportable. In a more normal economic environment, that is about the correct rate of growth given the unrelenting Soviet military buildup.

But we felt that the defense sector should contribute its fair share to deficit reduction. Consequently, we have marked up and reported a bill that represents no real dollar growth over last year.

To meet this level, the defense authorization request was cut by $14.3 billion. Further cuts in personnel, military construction, and defense programs in the Department of Energy resulted in total cuts of about $19.6 billion.

This bill is a milestone of sorts for the country and the Congress. For the first time in 6 years we are recommending no growth in the rate of improvement for our Nation's defense forces.

I think it's worth noting some representative improvements that we have seen over the past few years in our defense force structure.

Since 1980 we have made remarkable progress in modernizing our forces and improving their readiness. Recruitment and retention are up. First quarter 1985 reenlistments rates are up 11 percent since 1980.

In the areas of readiness, our pilots are getting 30 percent more flying time than they were in 1980 and aircraft ready rates have improved 7 percent in that time. Munitions inventories have increased by an average of 39 percent across all four services. We are fielding more and better items equipment to our forces.

However, we recognized the probability of a budget resolution that would also recommend reduction of the President's request. Subsequently, most committee members agreed that zero percent real growth would preserve most of the defense improvements the Congress has approved to date.

The committee set some ground rules to guide us in our surgery: The initiation of new weapons systems was slowed by large cutbacks in research and development because every dollar spent on R&D generates $3 to $5 later in procurement; and operations and maintenance accounts were protected to the extent possible within the overall zero percent real growth level.

I want to hasten to add that I don't believe the threat to our security has lessened one iota. On the contrary, the Soviet Union continues to field massive amounts of military hardware. Let me cite a few examples:

Last year at this time during floor debate I stated the Soviets had deployed 378 SS-20 intermediate range ballistic missiles. This year now—today—they have 414 deployed—an increase of 108 warheads as each missile carries 3 warheads capable of a 3,000-mile range.

Many of us are aware of the recent test firing of the new SS-X-24 and SS-X-25 fifth generation Soviet intercontinental ballistic missiles. Both systems are nearing deployment, with the SS-X-25 closest to operational capability.

Two ships of a new Delta IV class of ballistic missile submarines were launched.

Another Typhoon class ballistic missile submarine completed sea trials—making three of these subs now operational.

Blackjack strategic bombers were produced at a rate of 30 per year.

I could go on and on about Soviet deployments of large numbers of new weapons, but the point is I don't believe the threat has eased one bit.

To that end, we did fund many of the President's strategic programs at the levels he requested. Over $5.8 billion is recommended for R&D and procurement of the last 48 B-1 aircraft. This has been an exceptionally well run Air Force program. It is coming in on cost and on schedule.

We are funding the Trident II missile system [D-5] for the Trident sub at $2.6 billion.

The ground launched cruise missile [GLCM]—the system designed to deter the Soviets' massive force of SS-20's was funded at $545 million for 95 missiles.

The committee believes strongly that we must develop a chemical weapon deterrent force. If we don't, we may open our forces to chemical strikes in future conflicts.

We have not produced chemical weapons for over 15 years while we have listened to the Soviets' propaganda and stalling tactics at the talks in Geneva. We have proposed a chemical warfare treaty with the Soviets, and they have not responded in a meaningful way.

History has demonstrated that only those nations with a strong chemical deterrent are least likely to experience a chemical attack.

We must provide our men in uniform a chemical weapon deterrent. To that end, this bill contains funding for the Big Eye chemical bomb and the 155-millimeter chemical artillery shell.

Let me now turn to the research and development portion of the bill. I serve as ranking member of that subcommittee.

The reduction of $5 billion in research and development is the largest cut that our committee has ever recommended. I was not in total agreement with all of the specific reductions, but I do agree with the level that we have reduced. The committee recommendation of $34 billion represents a $3-billion increase over last year's level or a 4½-percent real growth in the account.

Congress has provided for major real increases in research and development every year since fiscal year 1980, primarily to make up for a 10-year period of no growth in this account. I believe we have reached the point where we cannot continue to make major increases in this area. We need to carefully examine the impact of the programs now in R&D on the future force structure. We clearly cannot afford to field them all. In the strategic area alone we have MX, Midgetman, Trident II [D-5], B-1, ATB, SRAM II, E-6A, advanced cruise missile, SDI and ASAT, all in R&D and all with a large price tag—over $10 billion in fiscal year 1986. In tactical air we are doing major R&D on the ATF, ATA, F-15E, F-16F, F-14D, A-6E, C-17, JVX, LHX, T-46, AV-8B and F/A-18—$2.8 billion in fiscal year 1986.

I'd like to say we have put a significant dent in this problem, but the reality is that most of these programs have a very firm political life. The committee has eliminated a number of programs in research and development and made efficiency reductions in others.

The major research and development reduction made by the committee was in the strategic defense initiatives program. The committee, although it strongly supports the SDI Program, was not prepared to recommend the full authorization of $3.7 billion requested by the Department of Defense for fiscal year 1986. Extensive debate occurred in the committee on the appropriate level of authorization for SDI.

The committee believes that major efficiency reductions can be made in the various program elements without seriously jeopardizing the overall SDI goals. The committee was not convinced that the 100- to 200-percent increases in many program elements could be efficiently accommodated. We believe that through better program definition and elimination of lower priority efforts, the $1.24 billion overall reduction would not severely affect the SDI Program.

The committee did make some tough decisions and terminated over 30 programs.

One program that was recommended for termination was the advanced medium range air-to-air missile [AMRAAM]. The committee has closely followed the development cycle of this missile through special staff reviews and increased oversight. This year we concluded that the projected unit cost of the missile had increased by a factor of 3, and the schedule has slipped by almost 2 years. We felt that the system had become unaffordable.

In summary then, the committee was faced with a very difficult task of reducing the administration's request of almost 6 percent real growth down to zero percent.

We structured these reductions—to the extent possible—to protect the areas of readiness and force sustainability that the Congress has approved in the past.

I urge my colleagues to resist further cuts and to support this bill. To cut further would reverse the improvements the Congress has made in force modernization and readiness.

Mr. STRATTON. Mr. Chairman, I believe we have remaining a minute and a half and yield myself the remaining time.

I would just like to join in seconding what Mr. DICKINSON has said. I think the committee has done an outstanding job in bringing this bill to the floor in this particular form.

At the beginning of the year, it was said that Defense would not contribute anything toward trying to eliminate the budget deficit. We have in fact in our committee initiated the effort, and we were the ones that brought down to the 1985 figures, and then the Senate, as Mr. DICKINSON has pointed out, came down to our figure.

As the gentleman from Alabama has pointed out, let us not forget that there is a threat, a serious threat; certainly the new leader of the Soviet Union has not indicated any particularly benign character, and I think we have got to keep our powder dry and we have got to continue to maintain a strong defense.

This is what we hope that the House, when we go back under the 5-minute rule, will support us on.

● Mr. SHUMWAY. Mr. Chairman, I rise today to support the general intent of H.R. 1872, The Department of Defense Authorization Act for fiscal year 1986. I continue to be firmly committed to the strengthening and modernization of our national defense capability—maintaining the security of our Nation is a primary responsibility that we, as Federal legislators, must fulfill. Over the past 4 years, I believe we have begun to make substantial progress toward overcoming deficiencies in our defense posture and redressing the strategic imbalance resulting from the long, and continuing, Soviet military buildup. This progress must not be jeopardized now; we must continue to provide the necessary resources for sustaining a strong and effective national defense.

Nevertheless, I recognize that one element of national security is a strong and stable economy—until we bring the Federal deficit firmly under control, we leave the Nation vulnerable to external pressures and weakened in its ability to respond to external threats. I therefore support many of the efforts made by the House Armed Services Committee to impose the same fiscal discipline on the defense budget as we must impose on all programs contained in the Federal budget. In my view, reduced defense expenditures as recommended in H.R. 1872 can serve as an important contribution to an overall deficit-reduction package encompassing all areas of Federal spending.

Still, as we attempt to trim waste, eliminate inefficiencies, and improve the cost effectiveness of the defense programs we pursue, it is vital, Mr. Chairman, that we not lose sight of the nature of the threat to which our Armed Forces must answer. The Soviet Union, in spite of a significant slowdown in economic growth in recent years, has consistently increased its spending for defense and now is reported to spend 15 to 17 percent of its GNP on the military sector. It has continued to modernize and expand its strategic forces, deploying new generations of nuclear missiles; it has developed an alarming chemical warfare capability and demonstrated it in Afghanistan; it is developing antisatellite weaponry and ballistic missile defense systems. These are the developments to which our defense budget must respond; if we are to preserve peace, we must maintain a credible deterrent.

In this respect, Mr. Chairman, I support provisions in H.R. 1872 to continue development of a small, mobile ICBM, to complete the procurement of 100 B-1 bombers, to acquire 23 new ships, including a Trident submarine, and to convert 5 others, and to provide funding for the procurement of binary chemical weapons which will replace the more dangerous and outdated stockpile we currently maintain. Furthermore, despite substantial reductions in the funding for space defense research, the legislation before us still provides for a 75 percent increase over last year in funding for the SDI. In my view, this represents an increase which is consistent with both our determination and our ability to explore further the feasibility of developing defensive systems.

Mr. Chairman, while I remain concerned about certain economies made in this bill, particularly the authorization of only 21 MX missiles instead of the 48 requested by the President, I commend the Committee on Armed Services for its inclusion of provisions to address waste and inefficiency in defense procurement. By recommending that the Air Force initiate a competitive procurement program for tactical fighter aircraft and by placing performance conditions on the release of funds for the troubled DIVAD Program, I believe that H.R. 1872 builds on the positive procurement reforms begun during the 98th Congress and moves us closer to a competitive, cost-effective approach to defense procurement.

Overall, the Defense Authorization Act for fiscal year 1986 provides a reasonable balance of concern for fiscal restraint and recognition of security requirements. Even though the staggering Federal deficit demands our attention and influences every one of our budgetary decisions, we cannot forget that without a strong national defense we leave our freedom and security at risk. Our first priority must be to ensure a sound, solid and complete defense of our Nation.●

● Mr. BROWN of California. Mr. Chairman, when the fiscal year 1986 Department of Defense authorization is considered on the House floor, Congressman COUGHLIN and I will offer an amendment to continue the limitation on antisatellite [ASAT] testing adopted by the House last year. The Brown-Coughlin amendment would again prohibit testing of the U.S. F-15-launched ASAT against an object in space as long as the Soviet Union does not conduct such a test. The amendment would not cut ASAT funding or prevent any tests other than tests against actual targets in space.

The arguments which persuaded the House to adopt the ASAT test ban last year by a substantial margin are as compelling today as they were then. The Soviet ASAT is crude and unreliable, and based on technology the United States abandoned many years ago. The Soviets have not tested their ASAT since 1982. The U.S. F-15 system, a generation beyond the Soviet ASAT, has been tested against points in space.

Testing of the U.S. ASAT against targets in space is now planned. The

Soviets are likely to respond to such tests by attempting to match our superior technology. Now is the time to negotiate an agreement to limit ASAT's before it is too late to avert a costly and destabilizing arms race in space.

Our most important military satellites are presently beyond Soviet ASAT range. Testing of this sophisticated weapon against space targets will lead to an unrestrained ASAT competition. Because the United States depends more heavily on satellites than the Soviet Union, our own national security interests would thus be best served by limiting the Soviet capability to destroy our satellites.

I urge the support of my colleagues for the Brown-Coughlin ASAT amendment.

Thank you Mr. Chairman.

The text of the amendment appears below:

AMENDMENT TO H.R. 1872, AS REPORTED OFFERED BY MR. BROWN OF CALIFORNIA

At the end of title II (page 29, after line 14) add the following new sentence:

SEC. 207. LIMITATION ON TESTING OF ANTISATELLITE WEAPONS.

The Secretary of Defense may not carry out a test of the Space Defense System (antisatellite weapon) against an object in space until the President certifies to Congress that the Soviet Union has conducted, after the date of the enactment of this Act, a test against an object in space of a dedicated antisatellite weapon. The prohibition in this section expires on October 1, 1986.●

● Mr. GREEN. Mr. Chairman, there may not be a more important authorization bill that we will be asked to consider in this Congress or indeed in any Congress. Not only must we authorize programs to build our national security, but we must also act immediately to halt wreckless defense spending or share the blame for the state of this country's economy.

Mr. Chairman, I am beginning to feel like a broken record. In January 1983 I wrote in the New York Times that "large increases in defense spending are dangerous to the economy. They make it impossible to reduce the Federal Government's excessive deficits predicted for fiscal 1984 and 1985."

In May 1984 I stood on the floor of this House and stressed that "we have a grave duty in this year of a potential $200 billion deficit to see that every dollar in the defense spending portion of the budget is spent wisely * * *. It is foolish to plunge ahead with unsustainable procurement programs, when we know that they are inevitably going to have to be stretched out, with higher per unit costs, so that ultimately we shall get fewer and fewer weapons at higher and higher costs."

But I am more optimistic this year; not optimistic that the Pentagon has seen the light but that my colleagues in this House have. I have heard many of you say, "Yes, this or that weapons system would be nice but we have to begin making choices." And I have heard many of you using the words "defense freeze."

The alternatives are really not acceptable. If we don't start cutting the big ticket items—saying no to 48 or even 21 more MX missiles and no to any increase in star wars funding—we will continue to pay both in terms of defense readiness and the national economy. What that will mean is a continual black eye for the U.S. defense capabilities—such as we earned in Iran, in Lebanon, even in Grenada—and a possible return to the 1979 high inflation, high interest rate economy that we all remember.

We don't owe the Pentagon a blank check, we owe our constituencies a prudent defense program. We have a chance to deliver it by cutting responsibly on this DOD authorization.●

Mr. STRATTON. Mr. Chairman, I yield back the balance of my time.

Mr. Chairman, I move that the Committee do now rise.

The motion was agreed to.

Accordingly the Committee rose and the Speaker pro tempore (Mr. GONZALEZ) having assumed the chair, Mr. OLIN, Chairman pro tempore of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the bill (H.R. 1872) to authorize appropriations for fiscal year 1986 for the Armed Forces for procurement, for research, development, test, and evaluation, for operation and maintenance, and for working capital funds, to prescribe personnel strengths for such fiscal year for the Armed Forces and for other purposes, had come to no resolution thereon.

GENERAL LEAVE

Mr. STRATTON. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on H.R. 1872, the bill just under consideration.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from New York?

There was no objection.

GOOD ADVICE TO CONGRESS FROM ALABAMIANS

(Mr. ERDREICH asked and was given permission to address the House for 1 minute and to revise and extend his remarks and include extraneous matter.)

Mr. ERDREICH. Mr. Speaker, during the early part of the first session of this 99th Congress, I asked the people of the Sixth District of Alabama, as I did during both sessions of the 98th Congress, to respond to my annual congressional questionnaire and share their opinions on two major priorities facing our Nation: deficit reduction and tax reform.

Almost 14,000 people took the time to answer the questionnaire, and I would like to thank them for their valuable input and share their views with my colleagues in Congress.

If there was one overriding message in the questionnaire responses I received, it was a demand for action in Congress to bring Federal spending under control and reduce the budget deficit that threatens to reverse the economic gains we have made. A strong majority made it clear that they were willing to accept a budget freeze in order to reduce the deficit.

Two-thirds of those who responded favored an across-the-board freeze on all Federal spending. As well, two-thirds supported a combination of restraint on all Federal spending and new tax increases to reduce the deficits. In addition, an overwhelming 89 percent supported a "pay-as-you-go" budget proposal that would require the Federal Government to pay—not borrow—for any spending above last year's level.

Those responding to my 1985 Congressional Questionnaire also felt strongly that the Tax Code should be restructured to make it less complex and fairer. While only 19 percent of respondents favored eliminating all tax deductions, an overwhelming 91 percent believed that the Tax Code should be reformed. Seventy-four percent believed that deductions for charitable contributions should be retained, and 85 percent supported retaining the deduction for home mortgage interest.

When asked their views on overall spending policies, over 60 percent of those responding believed that the current level of domestic spending was too much, while 84 percent felt that the current level of defense spending was either about right or too much.

Again, I would like to thank the almost 14,000 Jefferson County residents who answered my third annual congressional questionnaire. The opinions of the people of the Sixth District of Alabama are a valuable guide to me and the entire Congress as we face the tough choices that lie ahead. These opinions will help me do a better job of representing Jefferson County thinking in Washington.

The total "yes" and "no" response percentages on some questions do not equal 100 percent because a small number of respondents did not answer all the questions.

The questions included in the questionnaire and response percentages follow:

CONGRESSMAN BEN ERDREICH'S CONGRESSIONAL QUESTIONNAIRE

Federal deficit spending has grown dramatically since 1980. The budget chart below outlines the policies which have been in place since 1980 and is converted into 1984 dollars to give a picture of where the growth in spending has occurred. While

some $50 billion has been cut from non-defense domestic programs, other areas grew. Further, the impact of the 1981 tax cut reduces federal revenues by $117 billion in 1985 alone.

The President has submitted a budget to Congress that has a $180 billion deficit. It reduces domestic spending by $40 billion over last year, excluding Social Security, and increases defense spending by $32 billion.

	Percentage	
	Yes	No
1. Do you agree with the Administration's proposal to reduce federal spending in all other areas except Social Security and Defense?	60	40
In order to further reduce the deficit, would you favor:		
2. A reduction in defense spending?	54	46
3. A freeze on Social Security?	49	51
4. Increasing costs to Medicare beneficiaries?	38	61
5. A combination of restraint on all Federal spending and new tax increases?	67	33
6. An across-the-board freeze on all Federal spending?	67	33
7. Would you favor an amendment to the U.S. Constitution requiring the Federal budget to be balanced except in times of national emergency?	84	16
8. Would you support a "pay-as-you-go" budget proposal that would require the Federal government to pay (not borrow) for any spending above last year's level?	89	11
The Department of the Treasury and a variety of national leaders have proposed a change in the way we pay our Federal income taxes. The Treasury plan would end many special tax preferences in order to reduce overall tax rates. An individual may lost a particular tax benefit under the plan, such as the deduction for state and local taxes, but that would be offset by a lower tax rate in most cases. Further, business taxes would be increased.		
9. Do you believe that the tax code should be reformed?	91	9
10. Do you believe that a new plan similar to the one proposed by the Treasury Department should be adopted?	64	33
11. If a new tax law were adopted, would you favor retaining the medical and dental tax deduction?	66	34
12. Do you believe that deductions for charitable contributions should be retained?	74	26
13. Would you favor retaining the deduction for home mortgage interest?	85	15
14. Should employer-provided benefits, such as health and life insurance and education benefits, be included as taxable income?	36	64
15. Should credit card and other interest deductions be retained?	51	49
16. Would you favor eliminating all tax deductions?	19	81
Take a moment to think about the Federal budget again and give me your thoughts on overall spending policies.		
17. Do you think the current level of domestic spending is: a. about right? 22%; b. too much? 62%; c. too little? 8%.		
18. Do you think the current level of defense spending is: a. about right? 42%; b. too much? 42%; c. too little? 8%.		

INJUSTICE TO INDIANA'S EIGHTH DISTRICT WILL NOT BE FORGOTTEN

(Mr. COBEY asked and was given permission to address the House for 1 minute and to include extraneous material.)

Mr. COBEY. Mr. Speaker, lest anybody in this body think that the American people are going to quickly forget the injustice that has been done to the people of the Eighth District of Indiana, I bring to the House two recent editorials from local papers in North Carolina. I am going to read the opening and the closing paragraph of each and include the rest of the editorials in the RECORD.

The first is from the Durham Morning Herald, entitled "Congress Crushes Good Will."

The U.S. House of Representatives committed the unpardonable sin last week. It blasphemed Indiana's right to representative government of, for, and by the people.

* * * * *

In this case, rather than seating the certified loser, the House should have called for another election.

From the Courier-Tribune in Asheboro, "What Good Did It Do?" is the title.

The Democrats have forced an illegal Representative down the throats of the people of Indiana's Eighth District.

* * * * *

The course for Republicans now is in the courts. They must demand a special election—it is the only proper thing to do.

Mr. Speaker, we are not going to forget about this injustice.

The full editorials follow:

[From the Durham (NC) Morning Herald, May 5, 1985]

CONGRESS CRUSHES GOOD WILL

The U.S. House of Representatives committed the unpardonable sin last week. It blasphemed Indiana's right to representative government of, for and by the people.

In denying Indiana's certified election winner, Republican Richard D. McIntyre, his rightful seat in the House from the 8th District of Indiana, the Democratic majority crushed the good will and bipartisanship that Congress desperately needs.

The action made little sense. The recommendation of a task force that investigated the Indiana election results was blatantly biased. To assure that the Democratic candidate would win in the task force's recount, the Democrats simply refused to count all the ballots.

The Indiana election results are, indeed, confusing. The Democrat, Frank McCloskey, held a slim lead election night. Mr. McIntyre got the lead in a recount—first by a 34-vote margin, later by 418 votes. But the House refused to seat him.

Then the House appointed a three-member committee to recount the ballots. The committee's 2-1 Democratic majority decided that Mr. McCloskey won by four votes—the margin by which Mr. McCloskey was ahead when the count stopped.

In defense of the Democrats, there were questions about the absentee ballots that were not counted. Although postmarked before the election, they had arrived a week later. But there were other absentee ballots that had been counted that might have been questioned for the same reason.

Furthermore, there were precincts with more ballots than voters who signed the rolls. So the Indiana election, the closest House race this century, is suspect from either side.

The Constitution gives the House the right to refuse to seat a member—even if properly elected. But it has never before turned back the certified winner because a race was close.

In this case, rather than seating the certified loser, the House should have called for another election.

[From the Courier-Tribune (Asheboro, NC), May 3, 1985]

WHAT GOOD DID IT DO?

What good did it do?

The Democrats have forced an illegal representative down the throats of the people of Indiana's 8th District.

The end of the long battle climaxed with a brief walkout by Republican members of the U.S. House.

The Democrats have deprived people of the Hoosier State of their rightful lawmaker and have driven a wedge between themselves and the Republican minority that may not be removed for a long time. All for one lawmaker.

The infamous vote was 236-190, with 10 brave Democrats voting justly with the GOP.

One sad Republican noted "The Democrat majority was willing to exercise ruthlessly whatever power it has in sheer numbers."

What has happened to bipartisanship? What has happended to sound reasoning?

There was a time when lawmakers served their people before their party; they were citizens of their state before members of their party.

Is there no more room for compromise in the halls of Congress? What happened to just and honorable men?

The facts of this sad case have been stated over and over. Everyone knows of votes, recounts and thefts of votes.

What good has it done?

We do not blame Democrat Frank McCloskey for following the course of his party.

We feel for Republican Richard McIntyre who deserved and did not get an honest shake from the Democrat Party.

The course for Republicans now is in the courts. They must demand a special election—it is the only proper thing to do.—J.G.S.

DASH TO MANAGUA

(Mr. RITTER asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. RITTER. Mr. Speaker, in today's Washington Post, there is an article by Evans and Novak entitled "Dash To Managua."

We have heard a great deal about the Democratic Party seeking to move back into the mainstream of American politics, seeking to recapture that center that wins Presidential elections, seeking to reestablish its links with the moderate Democratic South, Southwest, and West.

"Dash to Managua" has our colleagues, Mr. MILLER of California and Mr. BONIOR of Michigan, essentially conducting foreign policy with the Marxist government of Nicaragua. It has two U.S. Congressmen, following on the heels of Ortega's trip to Moscow, going off to Managua to plead with the Sandinista government, essentially seeking a way out of their difficult political situation deriving from the vote in this House to give no assistance whatsoever to democratic forces in Nicaragua and the immediate departure of Mr. Ortega to Moscow to discuss a $200 million Soviet aid package.

□ 1050

It says, the Evans and Novak article had "the Congressmen warning that unless the Nicaraguan Government

took steps toward pluralism, congressional Democrats would switch and vote aid for the Contras. It was a second such source that quoted the Congressmen asking the Sandinistas to 'help them out of a difficult political situation.' "

Mr. Speaker, what in the world are U.S. Congressmen conducting personal foreign affairs with the Soviet-Cuban backed Marxist government of Nicaragua?

Mr. Speaker, I say, let us leave foreign policy to the Secretary of State.

The Evans and Novak editorial in today's Washington Post follows:

DASH TO MANAGUA

No sooner had President Daniel Ortega flown off to Moscow than two Democratic congressmen arrived in Managua for the weekend to plead, according to U.S. diplomatic cables, for help from the Marxist-Leninist regime in calming the congressional uproar over the Nicaraguan's telltale trip.

Reps. George Miller of California and David Bonior of Michigan say "no comment" on their "private conversations" with Sandinista leaders, from which U.S. Embassy officials were excluded. But cables reporting on their talks have surfaced on Capitol Hill, where we obtained them. They describe the congressmen as making the trip to "see what the [Nicaraguan] government could do to help them out of a difficult political situation in the House."

An unnamed member of the congressional delegation is quoted as advising Foreign Ministry officials that the regime should try and hold out for three more years because things back in Washington might radically change by then, meaning a new administration in power. Departing from his "no comment" rule, Miller told us that no such statements were made.

A House Democratic leader, who did not want his name used, said he was "uncomfortable" that their weekend in Managua brought Miller-Bonior "dangerously close to negotiations." But beyond the impropriety of congressmen playing diplomat is a grosser spectacle: a symbiotic relationship between American politicians and the Nicaraguan dictatorship.

Miller and Bonior dashed off to Managua as many Democratic colleagues fretted over Ortega's mission to Moscow immediately after the House vetoed any aid to anti-Sandinista guerrillas. Miller is one of the Nicaraguan regime's most energetic supporters in Congress. He was accompanied by a staffer, Cynthia Arnson, a prominent champion of the Sandinistas, formerly employed by the left-wing Institute for Policy Studies.

The two congressmen were accorded less than red-carpet treatment. They were not satisified by a session with Deputy Foreign Minister Victor Hugo Tinoco and failed to get an appointment with Interior Minister Tomas Borge. But they did meet Vice President Sergio Ramirez; Comandante Bayardo Arce, the regime's chief ideologist as coordinator of the Sandinista Political Committee, and Carlos Tunnermann, ambassador to the United States.

In a departure from tradition but true to the latest fashion of pro-Sandinista congressmen, U.S. Embassy officials were barred from the meetings. Miller informed the embassy he had told Ramirez the regime would have to ease censorship and allow what were termed democratic activities to keep the support of Democrats in Washington.

But reports from Nicaraguan sources, as reflected in cables being read on Capitol Hill, suggested the congressmen were less interested in liberalization for its own sake than in getting themselves off the political hook back home.

One well-placed source had the congressmen warning that unless the Nicaraguan government took steps toward pluralism, congressional Democrats would switch and vote aid for the contras. It was a second such source that quoted the congressmen asking the Sandinistas to "help them out of a difficult political situation."

The one meeting embassy officials attended was with Jaime Chamorro, editor of the anti-Sandinista La Prensa. Miller told the embattled newspaperman that he had urged on government officials the necessity of freedom of the press. Chamorro was not impressed. La Prensa would not accept a separate agreement with the government, he said, insisting that freedom of the press must be part of a national "dialogue."

The Miller-Bonior weekend in Managua follows a pattern. When Demorcatic Sens. John Kerry of Massachusetts and Tom Harkin of Iowa conferred with Ortega in Managua before the House vote, they not only barred U.S. diplomats but did not even report to them after the fact, as Miller and Bonior did. The Sandinista regime's offer to send 100 (out of 2,000) Cubans back home followed secret negotiations not with U.S. diplomats but with congressional staffers.

The pattern may be breaking, partly because free-lance congressional diplomacy is stirring bipartisan distaste. Bernard Aronson, a Democratic insider and campaign adviser to Geraldine Ferraro last fall, writes in the current New Republic that his party should promise military support for the armed democratic resistance if all other efforts fail. That advice is the antithesis of Democrats, pursuing cosmetic Sandinista "pluralism" while urging the comandantes to hang tough until the next American presidential election.

□ 1540

THE RURAL ELECTRIFICATION ACT

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Georgia [Mr. DARDEN] is recognized for 5 minutes.

● Mr. DARDEN. Mr. Speaker, because the Armed Services Committee, on which I serve, was involved in a very important mark last week, I was unable to participate in the special orders held by the gentlemen from Texas [Mr. DE LA GARZA and Mr. PICKLE] to commemorate the 50th anniversary of the Rural Electrification Administration. Consequently, I would like to take this opportunity today to say a few words about this important program.

Last Saturday, May 11, marked the 50th anniversary of President Franklin Roosevelt's signing of the Excutive order creating the Rural Electrification Administration. That signing was celebrated at the Little White House in Warm Springs, GA, last Saturday. One year and ten days after the original order was signed, on May 21, 1936, the The Rural Electrification Act was signed into law, giving the REA full status as a Federal agency.

To many, this may have seemed like the creation of just another Federal agency, but it was actually much, much more. As a boy growing up on a dairy farm in rural Hancock County, GA, I saw first hand the benefits which electricity brought to rural America. My family was a member of the Washington Electric Membership Corp. and the electric power we received ran not only lights but water pumps, electric milkers, radios, and television. Quite literally, it afforded us the opportunity to be part of the 20th century.

Today, those who live in rural areas are able to enjoy the same benefits as those who live in cities because of the REA and electric membership corporations [EMC's], a primary user of REA financing. The Georgia EMC has more customers than any other State, and the two largest EMC's in Georgia—Cobb EMC with more than 65,000 customers and North Georgia EMC with almost 60,000 customers—are located in my district.

Mr. Speaker, I want to commend the two EMC's, their general managers—Paul Weatherby of Cobb EMC and Elvin Farrar of the North Georgia EMC—and all of their employees for the service which they perform for the people of the Seventh District. I also want to point out, especially at this time when Congress is reevaluating so many programs that are not working, that the REA is one program which has helped people help themselves as Atlanta Journal editorial page editor, Durwood McAlister, wrote in a column entitled "REA Was Different; A Partner, Not a Handout."

Mr. Speaker, I submit Mr. McAlister's column for insertion into the RECORD.

[From the Atlanta Journal, May 9, 1985]

REA WAS DIFFERENT; A PARTNERSHIP, NOT A HANDOUT

(By Durwood McAlister)

Electricity, like everything else but hard times, came late to the McAlip's Chapel community of McNairy County, Tenn. The house in which I grew up sat almost in the shadow of high-power TVA transmission lines less than 30 miles from one of TVA's power-generating dams; but when I left to join the Navy in World War II our home was still being lighted by kerosene lamps.

By the time I returned, a remarkable transformation had taken place. I had missed the magic moment when the power came on, the dramatic leap from one age to another, but the evidences of a new way of life were everywhere.

McAlip's Chapel had left its primitive past behind.

Farm women who had spent their lives over wood stoves and washboards delighted in new electric ranges and automatic washing machines. Along unpaved country roads, on the strengthened front porches of un-

painted houses, gleaming new refrigerators and washing machines were proudly displayed for passers-by to appreciate.

Electric pumps had taken over the laborious task of drawing water from deep wells, bringing the comfort and convenience of indoor plumbing and doing away with the health hazard of open outdoor privies.

And rural breadwinners found themselves, for the first time, contemplating the possibility of jobs in light industry made possible by the availability of power.

The same thing was happening all across the country. And most of it came about as a result of an executive order signed by President Franklin D. Roosevelt creating the Rural Electrification Administration.

The story of how that came about, being recalled this week as the REA celebrates its 50th anniversary, is worth remembering.

During the mid-1920s, Roosevelt divided his time between his huge mansion at Hyde Park, N.Y., and a small cottage in rural Warm Springs, Ga. He later said that he became increasingly resentful of the fact that his electricity bill at the Warm Springs cottage "was about four times what I paid at Hyde Park."

His pique over that electric bill, he said, eventually led to the executive order, signed on May 11, 1935. The order provided for loan funds to be used on an areawide basis to build power lines into rural areas.

It took more than presidential pique and an executive order, however, to bring power to the boondocks.

Existing power companies showed little interest in the REA plan and it got off to a shaky start. In the end, it was the farmers themselves who formed the non-profit cooperatives which applied for, and got, the loans which enabled them to get the power they wanted.

A lot of government programs, including many of those initiated by Roosevelt, have been properly condemned by succeeding generations saddled with the debts they created.

But the REA program was different. It became not a handout, but a true partnership which electrified rural America and it still stands as a remarkable achievement in cooperative economic democracy.

For those of us old enough to remember the dark days, electricity is, indeed, a miracle. So too was the program which brought it to the backwoods of America.●

MESSAGE FROM THE SENATE

A message from the Senate, by Mr. Sparrow, one of its clerks, announced that the Senate had passed a bill and concurrent resolution of the following titles, in which the concurrence of the House is requested:

S. 709. An act to amend the Public Buildings Act of 1959 and for other purposes; and

S. Con. Res. 48. Concurrent resolution relating to the death of President-elect Tancredo Neves of Brazil.

The message also announced that the Senate agrees to the amendments of the House to a joint resolution (S.J. Res. 61) of the Senate of the following title: "Joint resolution to designate the week of May 1, 1985, through May 7, 1985, as 'National Osteoporosis Awareness Week.'"

TRIBUTE TO SENATOR FRANK H. BASSETT, JR.

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Kentucky [Mr. HUBBARD] is recognized for 5 minutes.

Mr. HUBBARD. Mr. Speaker, I speak today in tribute to and in memory of a longtime friend and constituent of mine, Senator Frank H. Bassett, Jr., of Hopkinsville, KY, who died on April 19, 1985, at the age of 78 at Jennie Stuart Medical Center in Hopkinsville, KY.

A native of Pembroke, KY, Senator Bassett was the son of the late Mamie Thompson Bassett and Dr. Frank H. Bassett, former Christian County court clerk.

From 1944 to 1946, Frank H. Bassett, Jr., served in the Kentucky House of Representatives. While in the house, Representative Bassett served on the legislative research commission. From 1958 to 1960, Frank H. Bassett, Jr., served in the Kentucky State Senate.

Senator Bassett was an inspiration to me, even during the years prior to my entering politics on the State level as a State senator in 1967. Indeed, Senator Bassett was a supporter of mine when I decided to run for the U.S. House of Representatives in 1974. Senator Frank Bassett was a dear friend of mine, and he was active in affairs of the Democratic Party on both the local and State levels for a number of years.

Frank Bassett was actively involved in his community. He retired as coowner of Area Supply Co. in Hopkinsville and was also co-owner of the Blue Flame Coal Co. at White Plains, KY, in Hopkins County.

His interests were many in Hopkinsville. He was on the committee for the restoration and preservation of Riverside Chapel, a charter member of the Hopkinsville Community Concert Association, a former Kiwanian, and a member of the Chamber of Commerce and Elks Lodge.

Senator Bassett was a member of the First Baptist Church of Hopkinsville, where he was a deacon and a Sunday school teacher. A devoted son, he worked for his father as a deputy court clerk, and later served as a clerk in the State auditor's office during the administration of Kentucky Gov. Ruby Laffoon.

His career was also distinguished when he served for 5 years with the U.S. Department of Justice as a deputy U.S. marshal in the Panama Canal Zone. A loving husband and devoted father, Frank H. Bassett, Jr., is survived by his lovely wife Sara Belle McPherson Bassett; a son, Dr. Frank H. Bassett III of Durham, NC; a daughter, Betty June Bassett Clark of Hopkinsville; five grandchildren, and one great grandchild.

My wife Carol joins me in extending our sympathy to the survivors and friends of this outstanding Kentuckian who was truly an inspiration to those of us who knew and loved him.

PERSONAL EXPLANATION

The SPEAKER pro tempore. Under a previous order of the House the gentleman from West Virginia [Mr. RAHALL] is recognized for 5 minutes.

● Mr. RAHALL. Mr. Speaker, due to official business, on May 14, 1985, I was unable to be present to cast my votes on rollcall Nos. 108, 109, 110, 111, 112, 113, and 114. In my capacity as chairman of the Mining and Natural Resources Subcommitee, I was touring the Bureau of Mines in Pittsburgh, PA, whose jurisdiction falls under my subcommittee.

Had I been present, I would have voted in the following manner: "yea" on roll No. 108, "present" on roll No. 109, "yea" on roll No. 110, "nay" on roll No. 111, "yea" on roll No. 112, "yea" on roll No. 113, and "yea" on roll No. 114.●

LEGISLATION INTRODUCED TO REGULATE TRANSFER OF FUNDS FOR HUMANITARIAN PURPOSES TO INDIVIDUALS LIVING IN SOCIALIST REPUBLIC OF VIETNAM

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from California [Mr. LUNGREN] is recognized for 60 minutes.

Mr. LUNGREN. Mr. Speaker, there is no doubt that the tradition of America to assist relatives, friends, and others in distress in other countries regardless of the state of relations between this country and that foreign country is longstanding. Senator BILL ARMSTRONG and I have introduced legislation to regulate the transfer of funds for humanitarian purposes to individuals residing in the Socialist Repulic of Vietnam.

The Office of Foreign Assets Control, through section 505,565 of the foreign assets control regulations, allows the transfer of not more than $300 in any consecutive 3 month period to any one payee in Vietnam or $12,000 per year. An additional one-time transfer of $750 is permitted for the purpose of enabling the payee to emigrate from Vietnam. Our Government gave this permission because we believed that most recipients had direct or indirect connections with the U.S. Government or the deposed Government of South Vietnam.

We are all well aware by now of the limitations placed on people with pro-American backgrounds by the present Vietnamese regime. They are making it extremely difficult for them to maintain even minimal standards under the current economic conditions in Vietnam.

Thus our intention has been to permit people to send money to their families in the Socialist Republic of Vietnam on humanitarian grounds. But even the greatest of intentions, as we all know, pave a well-traveled road often leading in directions we might otherwise take. There is currently strong evidence that suggests that Vietnamese refugees in this country are the victims of a systematic program of economic exploitation directed against them by that Socialist Republic of Vietnam. According to testimony delivered last year before the Senate Banking Committee's Subcommittee on Financial Institutions, coerced appeals for money from Vietnamese refugees living in the United States are not uncommon. Witnesses and experts revealed this little known but alarming story at the 1984 hearing:

In 1981, Socialist Republic of Vietnam [SRVN] Government authorities created an organized and efficient exploitation system "to exhaust the foreign exchange capabilities of overseas Vietnamese."

This exploitation system targets a list of all individuals in Vietnam who have relatives in the United States. Vietnamese cadremen periodically contact people living in Vietnam and encourage them to write to their relatives to request money.

To transfer the money, a network of underground currency collection centers have been established in the United States. In response to these orchestrated appeals, Vietnamese refugees have taken U.S. currency to the centers. The U.S. currency is consolidated at periodic intervals and then smuggled out of the United States to the State Bank of Vietnam. The intended recipients are given a very small amount of Vietnamese currency which is immediately subject to regressive taxation or outright confiscation.

In many American cities, there are sizeable Vietnamese communities which are vulnerable to these appeals. Some 13 collection centers from Los Angeles to New Orleans to Arlington, VA, reportedly are funneling an estimated $18 million per month to the hands of the SRVN.

When one considers the weakness of Vietnam's economy, the reasons for exploitation of overseas Vietnamese becomes increasingly clear. A terribly poor country with a per capita income lower than India's nonetheless, it has the fourth largest army in the world. With a population that has exploded from some 38 million in the early 1970's to more than 60 million today, Vietnam is often afflicted by severe shortages of food, raw materials, and spare parts. Its foreign currency reserves, according to an International Monetary Fund team that visited Vietnam in April 1983 are approximately $16 million.

We cannot permit millions of dollars to leave this country on an annual basis to uncertain destinations somewhere in Southeast Asia; money which is likely to be used to finance the military adventurism of this bellicose regime. Despite continuing international condemnation and a failing economy, Hanoi consistently refuses to negotiate a Cambodian settlement that might alter its own hegemony. Since the late 1970's, Hanoi has sought to impose on Cambodia a totalitarian regime in its own mold, and to serve Vietnamese needs. Moscow's estimated $1 billion a year in economic and military assistance to Vietnam subsidizes its occupation of Cambodia.

Mr. Speaker, I believe we need to guard against the building of a clandestine currency transfer network influenced by that government of which I speak which is unregulated, invites exploitation by criminal elements, and which presents our law enforcement agencies with a complicated web of deception and intrigue. A 1984 Department of Treasury study of Vietnamese involvement in clandestine international currency transfer invested approximately 2,000 man hours of active involvement in travel, informant handling, and street-level collection work, operating in Vietnamese communities in Los Angeles, San Francisco, San Jose, Houston, and in my own district the city of Westminister. The study, formally known as Project VICTOR, concluded that approximately $18,000,000 leaves the United States monthly for Vietnam. Of this $18,000,000, approximately $9,000,000 per month is tranferred by clandestine methods and the remainder by banks.

□ 1550

Project VICTOR has exposed that day after day, in cities all across this country where there are significant concentrations of Vietnamese refugees, they are given no alternative than to take their money to storefronts and backrooms. They must entrust their family's welfare to unregulated currency transfer operators who not only skim off a substantial percentage of the funds, at least that is the testimony. But may also may be acting in the interests of a hostile foreign power. Evidence suggests that just one minor operation can account for as much as a quarter million dollars per year. In U.S. cities with significantly larger Southeast Asian populations there are cases under investigation that may involve of as much as a quarter million dollars per month from Vietnamese refugees.

Mr. Speaker, I believe that Vietnamese people in the United States need to have some means of transferring a reasonable level of funds for humanitarian purposes to family members in Vietnam, without enriching a regime they dislike, and in fact despise. We need to protect them against insidiously involved shadowy underground practices designed soley to bolster the SRVN's insatiable need for hard, a substantially hard currency reserve.

Vietnamese refugees, like other immigrants who have come to the United States, feel a great responsiblity to those relatives still in their homeland. They send money home because of their deepest commitment to their families. This is a natural outgrowth of a 3,000-year-old veneration of the family as a divine principle. It is easy to see why it would be difficult to enjoy the comforts of their new country while the families they had to leave behind are often subject to repressive economic and political conditions.

It is tragic to hear a refugee lament that when he sends $100 to his wife, she will actually get very little of it. Yet he keeps sending the money because, even if she gets just $10, that is of some assistance. Or to hear a refugee's sad story that his 9-year-old daughter, gravely ill with rheumatic fever, receives a cable from his wife for money, but the little girl died 4 days later before the money arrived.

The 1984 Treasury study concluded that:

> The problems under examination are not simple problems and there are no simple answers to the many questions we have raised. Indeed, the only simplicity we can find is our simple, moral duty to protect the Vietnamese people in the United States from exploitation originating both from within their community and abroad.

Mr. Speaker, we in the United States should not allow cold, cynical manipulation of those Vietnamese refugees who have sought the protection that our democracy affords. Nor should we permit the continued operation of underground centers which exist for the sole purpose of abusing our new neighbors. Moreover, in light of the high welfare dependency rate among these newly arrived refugees, the Federal Government has additional interest in stopping this intolerable problem.

The legislation that Senator ARMSTRONG and I have introduced proposes that there be established in the Treasury of the United States the Vietnam Humanitarian Remittance Fund, consisting soley of money paid in by Vietnamese refugees who wish to send such sums to their relatives abroad.

Upon implementation the Secretary of the Treasury shall issue notes drawn on amounts held in the fund which are payable to designated individual recipients in Vietnam. No note thus issued may be redeemed out of the Treasury unless it is accompanied by a declaration signed by both the recipient and a responsible official of the State Bank of the Socialist Republic of Vietnam which attests to the amount of funds actually received by the designated recipient; that the re-

cipient has actual use of all the funds which were sent; that no duress was employed in soliciting the funds or in obtaining the recipient's signature, and the lack of any special taxation or denial of human rights imposed on the recipient in connection with the redemption of this note.

Our legislation proposes that clandestine money be unlawful and suggests that it be the sense of Congress that the President of the United States seek to negotiate with the Socialist Republic of Vietnam for random monitoring of our humanitarian remittance program by a U.S. or multilateral team of inspectors in Vietnam.

Our bill proposes that in the event inspection teams report a pattern or practice of abuse of the procedures thus established for the sending of humanitarian remittances to Vietnam, all such remittances will be curtailed.

Our proposal does not intend to usurp or upset our current foreign policy direction with respect to Vietnam. It merely suggests that we demonstrate a commitment to restoring the integrity of humanitarian assistance for people in this country who desire to send currency to their relatives in Vietnam. It would seem that principles of equity require nothing less. I urge all my colleagues to study the suggestions embodied in the bill, and hopefully to cosponsor this bill.

Mr. Speaker, some have suggested that maybe this would not work because it would require the active participation of the Government of the Socialist Republic of Vietnam, and I understand that. But the point is that we need to make a gesture; set up some sort of system, which, if we do get their cooperation, will work.

Right now, unfortunately, many of our Vietnamese members of the community throughout this country, those who are citizen and noncitizen alike who have fled tyranny in their home country, are being beset by requests for money. Money they know which can help their people and their relatives in their homeland, but they have to bring that money through a system which allows for fraud and abuse and is skimming both on this side of the ocean as well as the other.

Certainly we ought to take some steps in this country to establish that system. I would suggest that if the Vietnamese Government does need hard currency, and the currency that is sent over for the benefit of individuals who live in their country can only be redeemed in this manner, that there would be a tremendous incentive for them to cooperate with us.

I hold out no hopes for the humanitarian gesture, or the humanitarian nature of the response that we would get from the Socialist Republic of Vietnam's Government, but I would hold out hope that this would create an environment, an environment of incentives for them to work with us.

In any event, Mr. Speaker, it must be better than the present situation which besets so many of our Vietnamese friends and neighbors in communities across this Nation.

Mr. Speaker, I yield back the balance of my time.

DETERRENCE, MODERNIZATION, AND THE NUCLEAR FREEZE II—SOVIET ICBM'S VERSUS U.S. SILOS

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Oregon [Mr. AuCoin] is recognized for 60 minutes.

Mr. AuCoin. Mr. Speaker, The Defense authorization bill has been reported from the Armed Services Committee and will shortly be before the House for amendments. In this period of calm before the storm, we should pause to consider more than the expense of that bill, massive and mammoth as it may be.

We also need to consider the strategy, the fundamental rationale, behind our Nation's military program.

That's why I am today taking the second in what will be a series of special orders to examine the military danger into which the Republican administration's national security policy is taking our Nation.

I will contrast this perilous program with the emerging democratic concept for America's military security—a concept that is as superior to its Republican counterpart as the Trident submarine is superior to the Maginot Line.

Today I will discuss one specific threat: The growing ability of Soviet ICBM's to destroy U.S. ICBM silos in a first-strike surprise attack, a nuclear, Pearl Harbor. I will show how the weak Republican program will allow this Soviet threat to escalate without limit, while providing this country with no military countermeasures of any value. And I will show how the strong democratic plan—to freeze Soviet accuracy and to harden our silos—is the superior military solution the American people are looking for at this time.

Mr. Speaker, the controversy over the Bitburg Cemetery has shown us how this Republican administration can make an abominable, miserably wrong decision—and persist in the blunder, no matter what.

Is it possible that the administration could be as wrong on strategic policy as it has been wrong on SS graves? Is it possible that the Government of a great power can make such a monumental error in a matter affecting its very national survival?

Of course it's possible. Just because someone has reached high office doesn't mean he can't make mistakes—immense mistakes with terrible consequences.

The French made a mistake with the Maginot Line. Our own Government made one in the 1940's at Pearl Harbor. Every nation concerned made a grave mistake at the beginning of the First World War.

Today, the Republican administration is making a similar mistake.

□ 1600

The mistake we are on the verge of making and in the course of making today with this administration does not involve, as in the case of World War I, tanks and Gatling guns, it involves doomsday weapons, weapons which put at risk the whole human race. As I will demonstrate this afternoon, the administration's strategic nuclear programs—both weapons and arms control—are irrelevant to the threat that America faces today.

In a recent news conference, Ronald Reagan said it was "the most ridiculous thing he'd ever heard" to say we have military parity with the Soviet Union. As evidence, he said the Soviets have more conventional weapons and more nuclear megatonnage than we do.

Mr. Speaker, with all due respect to the gentleman in the Oval Office, he missed the point by a country mile. The danger isn't from Soviet megatons, which are actually declining as they follow in the course we have chosen—namely, moving toward smaller and higher quality warheads. And the greatest danger isn't in their numbers of conventional weapons. We have chosen quality above quantity, and the outcome of the various Mideast conflicts suggest we've chosen the right course.

The more serious danger we face is from Soviet strategic nuclear weapons that are becoming ever quicker and more accurate. The Republican policymakers seem completely blind to this fact. We should all be disturbed that Mr. Reagan, and the entire Republican Party, are sailing along blissfully unaware of the most serious military threat our Nation has ever faced.

Today I am going to look very closely at the oncoming increase in the speed and accuracy of Soviet strategic nuclear weapons, and their significance for America's national survival.

Two months ago the House voted to continue production of the MX Glassjaw missile. Members made this decision by the narrowest of margins—if only three of my colleagues had voted otherwise, the decision would have gone the other way and the MX Glassjaw would have been canceled.

Ironically, the House took this action largely for reasons of arms control. If it were not for the belief that the Glassjaw MX will somehow bring us closer to arms control at some time

in the distant future, this missile would have been soundly defeated—probably in the other body as well as on this floor.

I do not doubt the sincerity of those who oppose the MX Glassjaw on its merits, but who reluctantly supported it in sincere hope that it would lead to arms control.

But at the same time, there are questions I must put to my colleagues who took that position: My questions are these:

Do you know what the arms control proposals now being put forth by our negotiators in Geneva actually say? Do you?

Do you know the specific details of the plan in whose name you have voted to spend billions of dollars for a missile you know to be useless from a military standpoint?

Do you know if the Republican administration has any plan whatever to keep Soviet missiles from becoming more accurate? Are we working for that in Geneva? Do you know that?

Do you know if the Republican administration has any plan to keep Soviet missiles from becoming quicker and more dangerous in that respect, and more capable of surprise?

Do you know if the Republican administration has any plan to lower the number of quick accurate warheads the Soviets will have ready to attack each and every one of our silos?

And do you know the nature of the war plans under which the Glassjaw MX and our other nuclear weapons would be used? Do you know these things? Have you been briefed on the SIOP, the Single Integrated Operational Plan that governs the way this country would employ its strategic nuclear weapons?

In almost all conversations I have had with my colleagues, I have found the answer to be no. Almost without exception, the administration's support comes from those who say, and may even believe, they support arms control—but who would be unable to tell us exactly what it is they are supporting.

Recently I received a briefing, at my request, from the Arms Control and Disarmament Agency on the Reagan administration's position at Geneva. Since the details of that briefing are classified I will, of course, not discuss them on the floor of the House. Instead, I'll base the remainder of my remarks on those aspects of the administration's START position, which have been previously released.

But I recommend to each Member of this House, each Member who may be watching on the video monitors, and those who will read the CONGRESSIONAL RECORD tomorrow, that you receive this briefing yourselves. It is crucial that you do.

You need not worry about taking much time out of your busy schedules to do it. I say this because the Reagan administration's entire negotiating position can be laid out for you in approximately 30 seconds, or perhaps 40 seconds if the briefer talks slowly. And short as it is on detail, you will find it even shorter on substance.

Most of all, no one will find an arms control reason after seeing or hearing this briefing to support a vote for the MX Glassjaw. And no one will find a reason to give credence to our negotiators when they return to Washington as they always do, to once again peddle new nuclear weapons, as surely they will when the next Glassjaw vote approaches here in the Congress.

Before we go any further down this road, this Orwellian path on which arms race means arms control, I say we should take a very good look at where it will take us.

To take such a look: this is the purpose of this series of special orders which I began on March 20, and which I continue today.

When I began on March 20, I told the House that the Republican administration's national security policies—arms control and weapons combined—are, in strictly military terms, leading our Nation to disaster.

I pointed out how the Republican administration is worshipping at the altar of the false god of weapons "modernization." I pointed out how the Republican administration has failed to consider the other side of the coin; it has turned its eyes away from the unpleasant fact that there is no way we can modernize our nuclear and space weapons without allowing the Soviet Union to do precisely the same thing.

I pointed out how the end result of the next decade of bilateral weapons modernization on both sides will be a radical increase in the Soviet Union's ability to conduct a disarming first strike against us, and a corresponding decrease in our ability to deter such a strike. All this will happen because this administration refuses to give up, under any circumstances, the weapons it desires—even though these weapons will, in light of Soviet countermoves, leave us militarily weaker than we were at the outset.

I pointed out how there is a far better alternative: We can stop Soviet weapons from getting quicker and from getting more accurate. We can do this by shutting off their ballistic missile flight testing as part of a mutual, verifiable negotiated nuclear freeze.

And while I subjected the administration's national security policies to the condemnation they so richly deserve, at the same time I emphasized that none of my criticism was pointed at the hardy band of courageous Republicans who have voted for national security again and again, by casting their votes for the nuclear freeze and against the MX Glassjaw missile. I say it once more: These men and women have voted their consciences in the face of the most intense political pressure, and they have earned the Nation's thanks.

But Ronald Reagan and those who now make national security policy have not earned the Nation's thanks. On the contrary, they have set us on a road leading to ever weaker and weaker deterrence, and ever higher and higher risk of nuclear war.

I know these are serious charges. This afternoon, and in the days to follow, I will document them.

Today I'll begin with the problem of Soviet ICBM attack on our own ICBM silos. We need to understand this in order to judge not only the MX Glassjaw, but the general question of nuclear deterrence.

FREEZING ICBM'S

Our Nation has just over 1,000 ICBM silos scattered across the North Central States. Traditionally, these silos have achieved survivability by the combination of three assets: numbers, dispersion, and hardness.

When we originally built our ICBM silos in the 1960's, we made them so numerous and widely dispersed that the Soviet single-warhead missiles of that time would have had to exhaust themselves had they attempted to attack us. That is, the Soviets would have had to use up at least one of their ICBM's to destroy one of ours. This was clearly an unattractive proposition for the attacker, and contributed to deterrence by discouraging attack.

But we lost the protection of numbers in the mid-1970's, when the Soviets began to put several warheads on each missile. This is the multiple-warhead technology called MIRV. It allows them to threaten to take out several of our missiles while using up only one of theirs.

Under the Nixon administration, in SALT I, we had the chance to keep the Soviets from getting MIRV missiles. We could have prohibited MIRV flight tests, which the Soviets had not yet conducted successfully. But we blew the opportunity.

Acting on precisely the same shortsighted and foolish principles which motivate the Reagan administration today, the Nixon administration was then so determined to build its own MIRV's that it was willing to let the Soviets get theirs as well. As a result, our ICBM silos lost one of their key protections, and our ability to deter attack decreased accordingly.

Years later, Henry Kissinger would say to a congressional committee: "I wish I'd never heard of MIRV."

Mr. Kissinger's hindsight is nice, but foresight would have been better—and safer for America.

Of course, multiple warheads themselves aren't enough to destroy our

silos. These silos are hardened to perhaps 2,000 pounds per square inch, which means they can survive the shock of a nuclear blast unless the explosion is very close—that is, unless the attacking weapon is very accurate.

So America and the Soviet Union are now engaged in a race, pitting the hardness of our silos against the accuracy of their ICBM's.

We're losing this race.

As General Scowcroft, the father of the MX Glassjaw himself, said recently: "In a race between hardness and accuracy, accuracy will always win."

But America doesn't have to run this losing race.

The nuclear freeze the Democrats want can redefine the rules. The freeze produces real military security by locking Soviet first-strike accuracy in place and permitting American silo hardness to move ahead.

In short, the nuclear freeze can preserve and actually increase the survivability of our ICBM silos. And survivability is the very essence of deterrence.

This is how we can halt and even reverse the insecurity through modernization the Reagan administration is imposing on America.

What can we do? Here's our opportunity:

It is a fact that further improvement in Soviet ICBM accuracy will require either new missiles or major improvements to existing models. A Soviet program to develop a new ICBM would require between 20 and 30 flight tests before a war planner would have enough confidence in it to use it in a surprise attack first strike.

But it's also a fact that new missiles cannot be developed without flight testing.

We Democrats seek to prevent that flight testing. We want to do it through a bilateral, verifiable, negotiated nuclear freeze.

And unlike the fantastic trillion-dollar concoction called star wars, the nuclear freeze is free.

Verifying Soviet compliance with a flight-test ban under a freeze would be easy. ICBM flight tests need large, visible preparations; they are easily detected by various types of satellite, aircraft, shipboard, and land-based monitors.

Under the freeze, there would be no way new Soviet ICBM's could be developed to the point at which they could be deployed.

Of course, it is unlikely that no flight tests will mean no change in missile performance forever. A completely static freeze isn't realistic. But neither is it necessary.

Small improvements in the accuracy of existing ICBM's are possible without flight testing. For example, the uncertainty regarding the position of both target and launch point can be decreased by more accurate satellite measurements. And irregularities in the Earth's gravitational field can be further measured and compensated for.

But militarily significant accuracy improvements will require major upgrades in such things as guidance hardware and software, in multiple warhead separation techniques, and in reentry vehicle design. These cannot be deployed untested without the risk of catastrophic failure. Thus, radical Soviet guidance changes that would lead to very high accuracy will be out of the question under the freeze.

Missiles are complex devices, pushing the state of technology to the limit—and sometimes beyond. Without full-system flight testing it's impossible to know with confidence how one component will interact with another. Computer analysis and captive testing are marvelous techniques, but they cannot fully simulate the acceleration, the vibration, the temperature changes, and the component interaction of real flight.

This has been demonstrated by the five new large ballistic missiles which have seen their first test in this decade: the Soviet SS-X-24, SS-X-25, and SS-N-20, and the U.S. MX Pershing 2. Four of these five missiles failed their first flight test.

It's true that some missile components could be secretly tested in military or civilian space vehicles.

But this wouldn't be of much use, since there are differences between such things as the trajectories, the reentry phenomena, and so forth of a space flight on the one hand and a ballistic missile on the other hand.

Moreover, there is the key problem of what weapons designers call the interfaces. That is, experience shows that two component parts of a missile may work fine by themselves, but when you put them together you may find they interact in a way that creates a problem nobody could have predicted. This is why it is impossible to have confidence in the reliability of components which have never been tested together. A guidance system might work fine in a space probe, but fail completely when put into a ballistic missile. This is why both we and the Soviets do so many tests—and why so many early tests fail.

Soviet war planners fully understand that installing a new guidance upgrade and having it fail in the midst of an actual strategic nuclear first strike surprise attack would spoil their whole day. It would leave them vulnerable to devastating U.S. retaliation.

Under the freeze, a Soviet missile designer would have to choose either proven reliability or theoretical accuracy; he could not have both. He could stick with his present force, which is adequate for deterrence and retaliation but not accurate enough for a comprehensive first strike. Alternatively, he could install new, theoretically better but untested components—and risk catastrophic failure.

Neither course leads to a high-confidence first strike. This is precisely the predicament in which Democrats seek to place the Soviets. The freeze will do it.

I repeat: The freeze will make a Soviet surprise attack first strike against our silos far more difficult than any other course we can choose. This is the essence of the national security case for the freeze.

By preventing new Soviet ICBM's and drastically limiting accuracy improvements on present Soviet ICBM's, the freeze will soon stop the decline in the survivability of American ICBM warheads. Even better, the freeze can enable us to harden our targets against frozen Soviet accuracy. In this way, we can dramatically increase the number of American ICBM warheads that would survive a Soviet surprise attack.

That, and only that, is deterrence.

That, and only that, will reduce the danger of nuclear war.

The better our weapons are able to survive attack, the less the chance that they will ever need to do so. The better Mr. Gorbachev knows our weapons can survive, the less the chance that he will be tempted to attack.

At this point, I'm going to insert in the RECORD a table. Using standard calculation methods, this table contrasts U.S. silo-based ICBM warhead survivability under the Republican modernization with that under the freeze that we Democrats support. The table illustrates two modernization cases: with and without satellite guidance. It also shows two freeze cases: with and without the small accuracy improvement that might be possible under a flight-test ban.

The table doesn't deal with cratering effects, because if the missile can crater the silo, as Soviet missiles will be able to do under the Republican modernization but not under the Democratic freeze, survivability will be so low it will be unmeasurable.

The table follows:

TABLE I.—U.S. RELIABLE ICBM WARHEADS SURVIVING WITH MODERNIZATION

[Mid-1990's]

U.S. silo hardness	MX-quality attack	Satellite-guided attack
2,000 psi (present U.S.)	10	<10
6,000 psi (present Soviet)	40	<10
10,000 psi	100	<10
20,000	260	<10

U.S. RELIABLE ICBM WARHEADS SURVIVING WITH A FREEZE

[Mid-1990's]

U.S. silo hardness	Worst case (10 pct Soviet accuracy gain)	Static freeze (no change from 1984)	Rusting missiles (1 pct annual accuracy and reliability loss for 20 years)
2,000 psi (present U.S.)	330	440	660
6,000 psi (present Soviet)	780	910	1,020
10,000 psi	940	1,130	1,160
20,000 psi	1,210	1,370	1,310

Mr. AuCOIN. The table shows that even the theoretical worst case under the freeze will leave us better off than the best we could expect under this thing the Republicans call modernization. And at any given level of silo hardness, the freeze will give us many times more surviving silo-based warheads than we could get from modernization.

Moreover, while this is difficult to quantify, it appears certain that the accuracy and reliability of both sides will decline without flight testing.

Because testing existing ballistic missiles as well as new types will be prohibited, problems in component aging and design will inevitably arise. Some component aging problems can be detected and the components replaced. But high-confidence fixes, especially of design problems, will be impossible without flight testing. And because of the ever-present possibility of defects which will be undetectable and unknown if there is no testing, confidence in accuracy and reliability will decline even more than real capability. General Vessey, the Chairman of the Joint Chiefs of Staff and a Reagan appointee, made this point in testimony before the Defense Appropriations Subcommittee earlier this year.

While loss of confidence in untested weapons will affect both us and the Soviets, it won't affect us equally. For both technical and psychological reasons, loss of confidence in existing weapons will help deterrence and further discourage a Soviet surprise first strike.

Let's look at the technical reasons first.

The fine edge of state-of-the-art accuracy and reliability is essential for a first strike against hard ICBM silos. but this is not what America needs, because we are not a first-strike nation. What we need is a deterrent that can survive, retaliate, and devastate any aggressor, no matter what the aggressor does to stop us. This mission needs weapons that can survive anything the other side can throw at them. It does not need superhigh reliability and accuracy.

The best way to shift the nuclear balance away from first-strike and toward deterrence is to force both sides to let their weapons sit untested.

Whenever I suggest this, I am always asked how we can keep our missiles reliable if we don't test them. This is a good question, but it's only half the question we need to ask.

The other half is this: How can the Soviets keep their missiles reliable if they don't test them?

The answer is, of course, that they can't. If neither side can flight test its missiles, over the years the reliability of these missiles will go down.

At first glance, this might seem to be a bad thing. After all, if we are going to reduce our numbers of nuclear weapons, isn't it essential that those which remain be highly reliable devices in which we have the highest confidence?

Again, this is only half of the essential question. The other half is this: Do we want the Soviet missiles to be highly reliable devices in which they have the highest confidence? Or do we want Soviet missiles to sit and rust?

Putting the two halves of the question together, we must ask ourselves this: Do we want to have reliable weapons so badly that we are willing to let the other side have them too? Or can we gain so much from Soviet weapons unreliability that it's worth letting our own missiles lose reliability as well?

The more you look at these questions, the more clear it becomes that missile unreliability is stabilizing, provided it occurs on both sides.

Here's why:

A first-strike surprise attack is an extremely difficult mission. Everything has to work just right for the aggressor. His targets are difficult to hit, and there are a lot of them. If only a small proportion of the aggressor's weapons fail, he will receive devastating retaliation from the other side's surviving weapons.

In contrast, deterrence by threat of retaliation is an easy mission. The major targets are relatively few, and they're not well protected. We can easily send many warheads against every major economic target in the Soviet Union. If one warhead fails, the target will be destroyed by the second, or the third.

So if we drive reliability down on both sides, if we force both sides to make do with rusty missiles, surprise attack first strike will become more difficult, and deterrence will become easier. This is precisely what we need to do.

Now let's look at the psychological implications of unreliable missiles.

Psychologists tell us that uncertainty has its greatest effect when a choice is available.

Suppose I am in a third-story room in a burning building. There are some bushes underneath my window but I'm not sure how thick they are and I'm not sure I can survive the jump. If the fire is two rooms away, rather than risk the uncertainly of the leap, I'll probably stay where I am. But if the fire is lapping at my feet, I'll have no choice and I'll take my chances with the jump.

The nuclear standoff is just like that.

It is the first striker who has the free choice of whether to use nuclear weapons or not to use them. So he will be deterred by lack of confidence in his untested weapons—and by the prospect of enemy weapons surviving to retaliate. But the victim finds himself with very little choice; he must retaliate, and will do it with whatever weapons he has, whether they have first-strike reliability or not.

General Vessey confirmed this when I asked him about it last year. He agreed that we couldn't have high confidence in our weapons if they hadn't been tested for years. But if the enemy attacks, this won't be a factor. As he put it, we'll just "go with what we have."

So the freeze will let us do what we need to do: we'll be able to deter by threat of retaliation. But it will stop the Russians from doing what we're afraid they might do, which is a Pearl Harbor type surprise attack first strike.

In order to do this, it is essential that the freeze prohibit testing and deployment of all ballistic missiles, not merely of new types. This is necessary both to lower confidence in existing weapons, and to prevent their upgrading.

I don't have much enthusiasm for a freeze that applies only to new types of weapons.

If, for example, testing of the present Soviet SS-18 and SS-19 ICBM's were permitted to continue, there would be little to be gained by shutting off tests of the new SS-24 and SS-25. Although the SS-18 and SS-19 are less reliable because of their liquid fuel, if we let them be tested without restriction, their guidance systems can be upgraded without limit. They can become nearly as effective first-strike devices as any new-type missile. The same applies to submarine-launched ballistic missiles.

This brings me to the next threat we need to look at: the threat of Soviet submarine-launched ballistic missiles attacking our silos. I will examine these in my next special order.

For now, the summary of the two positions on the threat of Soviet ICBM's is clear:

We Democrats have a workable plan to protect our ICBM's from Soviet ICBM's: By shutting off Soviet flight testing through a mutual, verifiable, negotiated freeze we will prevent Soviet ICBM's from becoming more accurate, and we will make them less reliable. Soviet first-strike capability will go down, and U.S. deterrence will

go up as we increase the hardness of our silos and our number of survivable ICBM warheads rises from the present 400 up to well above 1,000.

In contrast, the Republican plan is no plan at all. If the Republican National Security Program is carried out exactly as proposed by Mr. Reagan, America's survivable silo-based ICBM warheads, regardless of hardening, will drop to near zero.

And this is only the beginning. When we consider the threat from Soviet submarine-launched ballistic missiles, which can strike with less warning than can their ICBM's, the military inadequacy of the Republican defense posture is even more dramatic. It stands in stark contrast to the obnoxious chest pounding and nonsensical talk we hear from Republican slogan-writers about America standing tall.

I will examine this in detail during my next special order, which will be 2 weeks from today.

□ 1630

ADVICE TO THE PRIVILEGED ORDERS

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Texas [Mr. GONZALEZ] is recognized for 60 minutes.

Mr. GONZALEZ. Mr. Speaker, once again I rise in pursuit of what I started several months ago here in this forum in my advice to the privileged orders, in this case of America.

I again for the record indicate a little bit of explanation, the historical initial beginning of this phrase, "the advice to privileged orders." As I have said before, it is based upon the exact track or essay that was written by the great revolutionary American, Revolutionary War hero at the time. He was also a chaplain for George Washington's Revolutionary Army. He was also an intellect, and literary figure, internationally established and a poet. He wrote very significant verse and prose which is as apt to us today as it was when it was written in the context of the world as it then existed.

□ 1640

His different appeal was based on his visit to the privileged orders of Europe for the need of revolutionary changes.

Being that at that point the French Revolution was in its beginning phases, because we must never forget that the French Revolution almost quite coincidental with the American Revolution, it was the American Revolution that gave birth to the most radical concept of all in terms of that world and the governments existing, and the form of governments that prevailed in the world at that time.

I think, as I have said before, that is very well reflected in the first five or seven words in the preamble of our U.S. Constitution. It had never been thought that a power, or what is called sovereignty in formal words, would ever be from anybody but a king or a potentate who, in turn, attributed his source of power to God, a divine right. And when the Americans evolved the concept which is still supposedly prevailing with us because our Constitution is supposed to be still in force, and that was that all power emanated from the people, the people of the United States who were forming the Constitution. And in the preamble it sets out the basic reasons for its enactment.

But that was a very revolutionary thought in that world.

Incidentally it was today. As a matter of fact, when the words are used, "We the people" today, we usually read them in the context of what we defined as socialistic or communistic endeavors or movements. But they in turn, even though they are doing so and appealing in the name of the people, usually are appealing so in the name of authoritarian terms, such as the working class, the dictatorship of the proletariat. Then the obverse of that medal, being the fascist corporate type of state which I have always felt would be the greatest source of danger to us in the United States than a communistic or socialistic type of endeavor. On that obverse side we see the actual source of power. And we must remember, and I say by way of parenthesis, Adolph Hitler was the ruling head or standard-bearer of the National Socialistic Party, and Benito Mussolini—now, of course, those names here I think the overwhelming majority, I would say at least 65 percent of the membership of my colleagues in the House, these words have only historical and intellectual significance—but to those of us still around who lived and breathed in the atmosphere and context of that world, very different images are conveyed to us. Whether it was Benito Mussolini, whom today seldom is referred to, and the beginning of what he called the Fascist state or the corporate state, the power, even though he arose on the backs of the laboring class. When Benito Mussolini got started, he got started as a labor union leader. He developed his power on the basis of the working-class element in Italy that catapulted him into power. What happened both in his case as well as in Hitler's, and, of course, in 1917 and 1918 with the advent of the Bolshevik sector of the Russian political parties in power and the evolvement of the Soviet Socialist representatives, in turn predicated on what the jargon or the dialecticians which have always been difficult for me to understand, have predicated on the rule of the working people, the dictatorship of the proletariat; all involved the very antithesis of the concept that the people themselves in the long run are the best judges as to what is best for them. To the extent that we have strayed from that in the United States, we have gotten into very difficult straits.

In my advice to the privileged orders, and as I have said before this includes primarily now my colleagues, because those of us calling ourselves Representatives are now, as a collective body in the Congress of the United States, a rather select, a privileged, if you please, group. Economically the rate of pay places us in that upper apex of the 7 to 10 percent in the United States. And I think this is very, very indicative of why certain things have been happening, why other things have been permitted to happen unquestioned, and why some things are happening now that the Congress should be considering, in my opinion, as matters of first priority, and are not.

I think it is significant to reflect on the fact that with the state of being, where better than one-third of the Members in the other body are calculated to be in the millionaire class, and now a very substantial number of those in the House are in the upper 5 percent stratum of our society as far as income is concerned, and with the corollary advent of the so-called political action PAC's which have invested in the last congressional races more than $130 million, that we now have, in my opinion, the impact of all of these three various current forces now impinging on our political and democratic processes reflected in the legislation and in the quality of legislation, but more importantly in the frustration to obtain action on what is unquestionably vital areas of consideration.

In my appeal to the privileged orders of America, I have said that the greatest and foremost need is for us to remember our revolutionary heritage. Instead we are frigntened at the word "revolution."

And this terrible misconception, as to what the real world is, in our immediate vicinity, to the south of us, particularly and forgetting about the far distances in the other sections of the globe, that it is such a fatal error that as I see the irreversible course of President Ronald Reagan in the judgment decisions made thus far that seem to indicate an irreversible course of action that I see leads us to catastrophe and in what will be a terrible loss, in my opinion an unnecessary loss, of treasury and blood flower of our youth.

□ 1650

More importantly, and I think the most ominous aspect as I see it, is that it will be pitting our children and grandchildren and great-grandchildren into eras of eternal enmity and hostility in this what we call new world.

We will have learned nothing from the experience of the older world, where we have these ancient and preterit hatreds and rivalries, carrying over even to this day and time in which we have, on several occasions, so blithely immersed ourselves, ignoring the history and ignoring the facts involved in that real world.

So that when I hear some of my colleagues express concern about the question of the basic predicate upon which we are now constructing not only our domestic budgetary edifice but our international and above all, our defense.

I have pointed out before to the same privileged orders, because now what Eisenhower called, President Eisenhower called the military-industrial complex is in total sway of these great corporate panjandrums that are interlocked now with all of our vast and powerful international, multinational now, banking and financial corporate structures that the power there now is so vast that as I have said before, and this is not idle talk, and I have always been very conscious in my selection of words, as to their meaning and the gravity of the significance of their use, and have never, never used a word unless very carefully preselected and with a very well-honed idea and thought as to the impact of the significance and the meaning of these words or phrases.

So that when I say that these forces now are in total control of the powers of decision that are basic to a nation's economic, that is, fiscal and monetary well-being, that we really should, here in the Congress, finally, somehow, even if it is perhaps later than we realize, rise and at least try to interpose some of the interests of the greatest number of our citizens in this country; the true and the greatest interests of the greatest number.

I have pointed out that, given this type of control by forces and individuals and collections of individuals who are not accountable to the people; they are not elected; they do not have to be: They control the processes, why should they bother?

As I have pointed out repeatedly, these factors, particularly the financial and banking, have now acquired the power that such men as Thomas Jeffereson and subsequent great Presidents; the one immediately after Thomas Jefferson expressing his great concern that these vested interests not be given the power of what they called the allocation of the nation's credit resources, have indeed now reached the point where for at least two decades, maybe a little bit more but at least two decades, they have been.

In every one of these steps leading to this total acquisition of power, the Congress has either wittingly or unwittingly aided and abetted.

I have pointed out that the biggest fear of such great leaders as Thomas Jefferson and Andrew Jackson and the next, Abraham Lincoln who, on the very week that he died, had this uppermost in his mind of the utmost concern, and said so explicitly in words that those classes of powerful entities surely do not want to recall and kind of shudder at anybody recalling much less uttering them.

Then next, after the 1907-08 depression and financial catastrophe, and the 1913 resulting enactment by the Congress of the Federal Reserve Act of 1913, President Woodrow Wilson, even before the entry of the United States into World War I, was quick to express his apprehension about how the intent had been even in the beginning distorted.

Now when we read the history of the enactment of the Federal Reserve Board Act of 1913, we have to read the history of the activities of what was known as the Pujo Committee, named after a Member of the House of Representatives, Chairman Pujo, who began the initial investigatory and oversight hearings after the fiscal-financial depression in 1908 in this country, the Panic of 1907 and the continuing crisis.

Precisely for the same reason of the panic of the 1860's, the panic of 1837, for example, basically the same reasons, but the difference being that during that period of growth the country had what one thinker called a safety valve, the frontier. We do not have that any longer.

This is why I always thought that President John Kennedy's adoption of his slogan of the day, "the new frontier" was so apt, because this is exactly the terms that we should be using in constructing our concepts of what has to be done in order to bring economic justice to the American people, which certainly nobody can say we really have.

Now at this moment we are being beset by some of the headlines in some cases, and some of the back page stories, with respect to the peculiar class of savings and loan institutions that have a rather disappointing and alarming remembrance of what some of us lived through during the depression era, as we were growing up but still recall vividly.

We are puzzled. Even members of the Committee on Banking—of which I have been a member for 24 years, since I first came up—and actually, I do not know whether to laugh or cry, because it reflects the very things that some of us have been talking out on since 1965. It was obvious then to anybody that studied carefully and just did not let his mind be influenced by special pleading of the special interests, that America was headed for serious trouble.

Also, it would require, not only a reading of but a remembrance of history. History is a seamless web. It is not a neatly compartmentalized series of events. The events today are only the results of things that have anteceded this present day and time.

So that it was obvious in the beginning of the decades of the sixties that the world had changed, that the Europe of the forties and the fifties was a vastly different world.

My first year in this body I had the privilege of sitting in on the first so-called debates on what turned out to be the Kennedy rounds and the adoption of the General Agreement on Tariffs and Trade.

As strong a supporter of President Kennedy, I did not vote for that one gem of legislative program that he presented to the Congress.

□ 1700

And the reason I did not was because of clauses that were incorporated into that agreement that reflected that American interests were going to be very vulnerable and that there would be no way that those manufacturing industrial complexes of our Nation would find themselves competitive, no way. No matter how much they modernized, no matter what innovations were inaugurated for production, and the like, it would be an impossible competitive world. But at that time there were no symptoms overtly, and when I asked the question as to why a certain clause was included in that bill, I received no answer.

My practice and principle ever since I have held a representative elective office—and I might remind my colleagues that that began 33 years ago in the City Council of the city of San Antonio, and then later 5 years in the State senate of the State of Texas, and now about 24 years here on this level—that my principle of behavior has been that if questions of a serious nature cannot be answered satisfactorily, that action that is sought of my vote will not be forthcoming, and either I will vote "no" or I will vote "present."

I might point out for the benefit of the Members here that have not been here this long that I was considered the originator of this concept of voting "present." That vote was unheard of when I came here to the House. But when I saw that bills were brought up from the Ways and Means Committee, tax bills, with a closed rule, that is, nobody could offer amendments, you could not do anything much other than either vote up or vote down, I did not feel that I could support a closed

rule, and I voted no. And then when the bill—at that time we had very few recorded votes—was brought up anyway and passed out on a voice vote, I could not find a way to register my voice as "no" and when they did have a recorded vote, not being able to answer a constituent who might have subsequently asked me, "Well, why did you vote yes?" or "Why did you vote no?" and I not being able to explain, I just voted "present." And for the first year and a half I was here they called me "Mr. Present."

Now, today that is taken for granted, and there are several votes on which we will see that orange light lit up during the yea and nay vote, just a Member recording his vote as "present." I vote that way when I cannot answer exactly why I would vote another way. And that has been a practice of mine, right or wrong.

In this case, I also reflected on the fact that in all of the 9 of 10 volumes of the collected speeches and addresses and writings of President Dwight Eisenhower there is not, and there was not then, one line reflecting the fact that Europe was emerging into what was known as the Common Market or the European Economic Community. And yet my interpretation of the GATT or the Kennedy round or the U.S. Congress' approval of the general agreement of trade and tariff was that it was there because of the realization that Europe was developing this competitive status.

So then, in the 1960's and certainly by the 1970's, the statistics showed me—on my request I obtained these statistics—that whereas the United States had been supplying for the world over 35 percent of food and fiber, Europe soon displaced the United States and the proportion of the European Community was approaching the reduced level of the world share of the United States. So that when I see the continued neglect of these most vital though sometimes they seem to be complex and esoteric, the reality is, my collegues, that they really are not. These are not things that only a selected handful of geniuses can understand. Yes, if you want to follow all of the gobbley-gook or what Shakespeare called hyperbole, 3-plied hyperbole, silken terms—imprecise, I would say, rather than precise—yes, if we want that, then, of course, you will be obfuscated because you will be reading obfuscation. But if you look at the plain meaning of simple words, you will find that these matters are not that complex and that each and every one of us should be responsible for a minimal functional ability to discern and therefore evaluate the issues as they are hitting us.

Now, one other thing is that if the Congress is not informed, then the people cannot be either, and the truth of the matter is that the American people are not informed, and of course we are the delegated agents of the people. Ignorance is no excuse for us and it should not be. But the fact is that if we want to make this a complex area it can become. Anything can.

I remember when I first went to school I did not know a word of English, so I had to stay a whole year in what they used to call the low first. But it was not long before I felt the challenge, mostly inspired by a great public school teacher in the third grade by the name of Miss Mason, and I decided to compete and do the best I could, and I ended up being the spelling champion and later the arithmetic champion. But I remember one teacher, later in high school, when I asked to be given the privilege of taking more than three math courses, and I wanted to take what they called then—I do not know what they call it now—solid geometry, the teacher said, "Well, you have to have a special mind. The trouble with all of these kids going into that class is that the only reasons they are taking it is because they have got to have something, and then after they are in there the teacher has to pass them mostly because of kindness but not because they have learned anything." And that phrase struck me, "You have to have a special kind of mind.'

Well, I developed into a pretty good mathematician. I ended up studying engineering and went through college. I first studied engineering and then studied law and went to law school. But in engineering, the reason I kind of got sucked into that was because of my facination with mathematics. And so I had the equivalent of 4 years of college mathematics at that time. Of course, since then we have had such an explosion in knowledge in mathematics and engineering that I would say every one of us would have to go back to school for at least another 4 years.

Nevertheless, the point I am trying to make is that it is not true anymore than in government we have to have a select chosen few to lead us because they know better. The eternal truth is that always mankind has had two general thoughts with respect to that. One holds that there is a saving remnant, in the words of the English writer Matthew Arnold, and then the other is predicated on what I feel is the basic American concept, and that is that the people themselves in the mass and generally are the best judges as to what is best for them. Yes, maybe a leader will emerge who temporarily may seem to be having the answers, but in the long run it has not worked that way. We in the 20th century should be the greatest witnesses to that, and especially now, but certainly after vast world conflagrations, which some of these so-called misbegotten leaders indulge their nations in, to their catastrophic end, as we are still witnessing, so that when I see that some of these events are not reported to the American people either fully or understandably, such as the recent visit and the address of the British Prime Minister, Mrs. Thatcher, to this joint body, but particularly her visit with our Chief Executive, President Ronald Reagan, to read our press we would have concluded that the only purpose of Mrs. Thatcher's visit was to pronounce her approval of what has been known as President Ronald Reagan's star wars proposition or the strategic defense instrumentality.

□ 1710

The truth is that that was not even a matter of serious discussion. The headlines were not accurate. Mrs. Thatcher had just prior to that made a visit to Moscow, in which she denounced the concept of the eventual use or deployment of such a thing as whatever it is, is meant by star wars.

What she did tell the President and the American public and us here was that she had nothing against studying the proposition. Research, not development. Research and study. But the most important, impelling reason for her visit was economics; international, and the fact that the United States had reached a point where its leaders in Government, whether the Secretary of the Treasury or the President under this current administration, it appears to be the President. But who in turn appears to be making his decision on the basis of a coterie of very close and intimate advisers, who, in turn, through the years have reflected a very definite philosophy of government that is not exactly democratic.

So that all of that was lost. Then came the trip to the so-called economic summit meeting in Bonn. This year, it was the turn for the West German Government to be the host, as it was in 1979, when President Jimmy Carter made the trip to Bonn for the same purpose. It was one of the first so-called economic summit meetings.

But what is the real purpose? National leaders from these other countries do not make those trips in order to exchange pleasantries; they do not make those trips in order to have the President have the opportunity to put on his boots and ride horseback in Buckingham Palace. They have very definite purposes. Because all the time these nations and their leaders have first and foremost the national interests of their constituencies first and foremost.

In our case, we do not even report to the American people any more than the secret meetings between the Chairman of the Federal Reserve Board and the President of the United States are communicated to the

people. Certainly not to the Congress; much less to the people. Yet, these are of vital significance.

For example, in 1979, as I have been saying here, and, incidentally, and I might say for the record, that the only voice that has even mentioned such things as the ECU, the European currency unit; or the EMS, the European monetary system, has been this voice, in the entire American Congress.

Now, I do not take pride in that; it disturbs me. I am concerned, as I have been very worried; and I have been very worried since 1965, and particularly 1966 and the credit crunch of that year in the summer of 1966. It was self-evident to me that unless our leaders, whether it was in the White House or in the Congress, took cognizance of what was plainly the handwriting on the wall that we were headed for very turbulent and very disastrous involvements.

Money, trade, exchange rates, most of us have a good idea or a fair idea of what money, trade, international trade, exchange rates, international exchange rates, may be a little bit more, what the professors call esoteric. That is, mysterious or not generally understood.

Interest rates. Most of us think we know what we are talking about when we say interest rates. But unless we have occasion to have real need for a line of credit in business, even a $1,000 or a $3,000 line of credit for say, a small, small businessman's inventory. Unless you do and realize that you are going to have to work awfully hard and you are going to have to be almost working for the bank that lends you that money, if you have to pay back back at a 16-percent, 17-percent, 15-percent, even an 11.5-percent rate. Always through history these were considered usurious, extortionate, illegal.

I am sure that many of my colleagues, and I know many of the citizens that I come into contact with over the years, whether in my own district or in the State or outside of the State, seem to think that there are laws on the books that protect them against usury. When I explain to them that there is no such thing, they cannot quite understand. They say, "When did this happen?"

Well, I have gone into that so many times I will not go into it now. I just want to make the point that money, interest rates, trade, exchange rates all are inseparable. They are like history: A seamless web of economic activity. Interest rates, I have defined. I have not seen an economist define it that way. So I will take full responsibility, as I say I always do, for my words. I believe that any man that is in an activity in which words are the indispensable tool, should be very responsible for every word uttered, and that, I have tried to be. In, as I have said, 33 years of elective office experience.

So that when I point out that these things are a seamless web, and I have pointed out some of the impact of what we call the external, that is, those things that are happening outside our shores, those forces, whether in Europe or in Japan or in Asia, or in the New World; North and South America. It makes no difference. We now are impacted to such a point that no matter what we do domestically, we can talk all we want to about balancing the budget. We can talk all we want to and we can, through jiggery-pokery say, well, here is a balanced budget or here is a budget resolution that will reduce the deficit. Nobody is even talking any more about a balanced budget. They are talking about reducing a domestic budget forgetting that the really big issue is that international trade and what they call current payments and interest deficit that is costing American jobs every day in the thousands.

We ended up, December 1984 with the most monstrous international trade deficit in the history of any country or combination of countries; $140 billion. I estimate that for every $10 billion of that $140 billion American have lost one-quarter of a million jobs permanently.

When the President was going over to the summit and arrived in Bonn, our newspapers had, some had it front page; some had it in inside pages, the announcement that unemployment had not gone down; that, as a matter of fact, they said it in a reverse sort of a way. It had gone up, but the most significant thing that I never thought under this new, jiggery-pokery way of figuring out the statistics would be admitted to, was that we had a total number of jobs less than before.

□ 1720

I am sure this had an impact in Europe because the President was going over to say how Reaganomics had brought prosperity, but at the same time, the week before, the Vice Chairman, or the equivalent of the Vice Chairman of the Federal Reserve Board, Preston Martin, in weasel words was saying we have now a depression in recovery, we have a depressed recovery. I have never heard a more contradictory use of words than that one. I marveled at the Vice Chairman's use of words.

What he was saying was that now you cannot hide the fact. The so-called Reagan recovery, which I have said all along was a delusion, the so-called control of inflation. Where has inflation been deflated? In the basic cost of living? Have rents gone down? Are they deflated? What I read is that they go up constantly, and I am chairman of the Subcommittee on Housing and Community Development, so I think I ought to know these statistics.

Has the price of groceries gone down? Are we paying less for groceries? Well, I will tell you that I would have a hard time, as I did when the colleagues from the other side were boasting about a recovery and inflation having been controlled, I defy them to go home and explain to my wife where the groceries have gone down; in fact, prove that they had not gone up.

The truth is that when it comes to the basic cost of living, we are in a constant and an inflationary situation. Wages, and the median average wages received by American workers, have gone down, not stabilized. It is less than it was in 1981, certainly less than it was in 1975, and this was when we were coming out of the then so-called dip or recession.

The significant thing is that at the bottom of this is this question of interest rates. I define interest as that mechanism by virtue of which wealth is transferred within a society. This fact was known as far back as 7,000 years before Christ, in the Code of Hammurabi. We read absolute, strict prohibitions on what we define as usury. At the time of Jesus Christ himself, usury was punishable, in certain areas by death.

So all through history that particular force which we call interest rates is something that has had to be controlled, and the reason is simple. The reason we have government is that those forces in our human existence that would destroy others needed the control of the collective defense of the people. This is why we have government. If government ceases to protect the people in their personal safety, and we have areas in our country today, I have some in my district that I have gone to the grand jury since 1970 because of the fear in which entire neigborhoods have lived and with no adequate police protection, that is, no State protection, no governmental assurance that they are safe in life and limb in their own homes.

These things do not occur happenstance. There are causes, and the basic cause, for most if not every one of the maladjustments we read about are predicated on the extortionate, sinful, I say criminal interest rates that have flagellated America now for quite a few years unbelievably. In 1966, when I first addressed a letter to the then President of the United States, I did not get much attention because interest rates were not much over 6 percent and nobody seemed to think that there was any reason to be concerned. It was to no avail that I reminded my colleagues then, and the President, that there was no force that would be around to prevent an inordinate increase. I remember the chairman of

the full Committee on Banking then saying, "Henry, you are overexercised. I cannot see interest rates ever going even as high as 7 percent." Well, I am sure he has turned over in his grave 50 times since 1980 when the prime interest rate went to 21 percent.

Now, what happened in the interval? The statistics are a sorry, sorry story. We have had as great or a greater number of businessess go broke, disappear, than ever since the depression. Our international trade balance, which means jobs to America, permanent jobs have been lost. For the first time, as of 1984, since Teddy Roosevelt's days, the United States is a debtor nation. We were not and had not been since about 1914. As a matter of fact, when Teddy Roosevelt did bring about the construction of the Panama Canal after the French failure, we had to go to Paris, France, to get the capital, about $40 million, in order to be able to construct the canal.

We are now a debtor nation for the first time since 1914, but more importantly, we are back in what I say is the equivalent of what was happening during the time of the American Revolution, and one of the basic reasons for the American Revolution was the mercantile system, where the colonies were supposed to be the dumping ground, the consumer, and any kind of manufactured article or goods would have to come from the mother country at a price that was so high that it finally led to revolution. American merchants and beginning manufacturers could not see why, with the use of the materials that we were sending to the mother country, that we, ourselves, could not manufacture, although in the beginning they may have been of a little bit more inferior quality, at about one-tenth of the price of what was having to be paid for this imported goods from the mother country.

We are in that situation now with respect to Europe. As I have pointed out, in 1979, the communique that came out of the economic summit meeting of 1979, the last sentence of that communique, I doubt that anybody in the general public or in the Congress paid attention to it, but it had one significant sentence. It said the signatories agreed to the development of the ECU, the European currency unit, and the EMS, the European monetary system.

Even though everything we read about President Reagan's trip to the Bonn economic summit meeting earlier this month had to do with the controversy about the visit to Bitburg, and then the big headline on the Sunday at the conclusion of the conference that France single handedly had not agreed to go along with what—with some vaguely reported trade agreements as to free trade and the like, and that kind of stuff.

But the real thing, as I reported to my colleagues in the RECORD before the summit meeting, late last month and the first week of this month, was that the finance ministers of the Group of 6 or Group of 10, depending on what you want to call the real powers of the European Community had had a meeting.

□ 1730

I am the only one that I know that reported this meeting, either in the American press or, much less, to the Congress, and that was that on April 13 and April 14, in Palermo, Sicily, the finance ministers of these six countries met and agreed to carry out the agreement they had reached sometime before April 13 and April 14 in Basel, Switzerland. And that was to put real significance and meaning into the European currency unit and to, therefore, put life into the European monetary system in order to decouple Western Europe from the U.S. economy.

Now, at the Palermo meeting the six ministers definitely decided to convert the ECU [European currency unit] into an international reserve instrument to compete with the dollar. The ECU, in short, is the accounting unit for the Eurpoean currencies. Their collateral action taken with respect to the EMS [European monetary system] was to provide for the first expansion of EMS, which would allow non-European central banks to hold ECU's [European currency units] which means then that the dollar is done in as the international currency unit.

What does that mean to us? Well, I think we have to go back and see what the catastrophic and monstrous international trade deficit has already done to us. The report that we saw the same day the President left for Bonn was that unemployment in effect, they were saying, has increased. It has not gone down any, and the President's story about how many jobs had been produced was fallacious; it was in error. We have lost jobs, most of them permanently, because of the fact that we have become a consumer, not a producing nation.

Who would have thought, for instance, that the American machine tool industry was in such a state of defunction as was presented to us in the Small Business Committee early last year by one of the spokesmen for the American machine tool industry? Well, let us see why. Designs for machine tools come from abroad, the parts are made in several countries, they are assembled in several others, and then the United States markets them with brand name firms. What that means is that all those jobs which we used to have in our machine tool industry, which used to be the leader, the pride of the world—this was what Franklin Roosevelt called the "arsenal of democracy" during World War II—are gone.

Another item is research and development. Pratt & Whitney joined Rolls Royce. For what? For new engine technology.

The almost totally nationalized nation of France signed agreements with 17 universities in our country to research robotics and the so-called artificial intelligence, and, therefore, France now has outcompeted us in such things as satellite communication, in which we were first, in which we had initial leadership until this year. France's and West Germany's imports into the United States just in 6 months of last year, the last 6 months, increased incrementally 20 percent. AT&T, ITT, and IBM compete for hookup with foreign firms, with Japan's Nippon Telephone and Telegraphic and Italy's Olivetti on their terms.

The reason? Again we go back to that old devil, interest rates.

Why are the S&L's in Ohio and, after that, in Maryland, in trouble? And there is one other State that has this kind of unique, S&L, State-initiated, State-supported, ostensibly State-regulated system. What is the condition of what we call our regular S&L's? Well, I would say at this point that over 70 percent of them are in serious trouble.

Why is that? Why does it appear to have happened all of a sudden? We have been trying to address this issue since 1966, and very specifically since the 1970's, and more specifically just 3 years ago, in 1982, when the Congress approved what now is called the Garn-St Germain bill, which was supposed to be almost exclusively for the purpose of saving the S&L's then.

I had the very distasteful lot to appear before the Rules Committee in opposition to my chairman, whom I respect highly and of whom I am glad to be a loyal supporter, as the ranking member of the Banking Committee. But why did I do so? Because in that bill Congress was enabled to really seal their fate. We no longer have a savings and loan system in our country.

Savings and loans were especially created along about 1940 for the purpose of housing Americans, constructing homes, and enabling Americans to purchase those homes at affordable prices through the use of a special credit allocation mechanism known as a savings and loan. They had certain privileges and subsidies that set them apart. But then came the advent of the money manias of the 1970's and the 1980's, the so-called real estate investment trusts, which today are one prime cause of this instability of the S&L's but which are now a demon because, instead of the old REIT's, the real estate investment trusts that were the scandals 10 years ago that were in

the private area, now they have mixed in the Government through the Government securities speculative markets, and we are really facing real, real serious problems and dilemmas, with nobody that I know specifically addressing the issue except as a post mortem—like after the Penn Square failure in Oklahoma and the Continental Illinois.

I do not know what any responsible Member of this Congress or any American leader is waiting for, but we have now more than the handwriting. We had the handwriting on the wall, as I saw it, in 1966. What we have now is the fulfillment of a rather direful and sorrowful prediction that we so unhappily felt compelled to make in the 1960's, the 1970's, and later in the 1980's. And what we have is this: We have the taxpayer investing $6 billion in order to save the Continental Illinois but in effect nationalizing the bank. We like to think that does not happen in the United States, that happens in other countries, that we do not nationalize. But we in effect did.

But look at the sorrowful tale. Even the post mortem here I deplore. I feel that we do not need post mortems unless they can lead to actions. Rather than post mortem actions, I like anticipatory actions. This is what I have been advocating, because not only have I been pointing out dangers and problems and deplored situations, I have offered specific suggestions by way of legislative proposals and other suggestions. I am on the record on that, and this is the reason I am on the record today, because, as I see it, we are on the verge of a teetering situation that we should anticipate.

The SPEAKER pro tempore. The time of the distinguished gentleman from Texas [Mr. GONZALEZ] has expired.

□ 1740

INTRODUCTION OF NUCLEAR WASTE LIABILITY LEGISLATION

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Washington [Mr. MORRISON] is recognized for 30 minutes.

● Mr. MORRISON of Washington. Mr. Speaker, today, I am introducing important legislation which establishes liability and indemnification for nuclear incidents arising out of Federal storage, disposal, and transportation of high-level radioactive waste and spent nuclear fuel. This bill amends the Price-Anderson Act to ensure that the Federal Government, through its Federal contractors, assumes responsibility to provide total indemnification for public liability claims resulting from nuclear waste disposal activities.

The original cosponsors of this legislation are: NORMAN DICKS, ROD CHANDLER, BARBARA VUCANOVICH, HARRY REID, BEAU BOULTER, and LARRY COMBEST.

This bill, "The Federal Nuclear Waste Disposal Liability Act of 1985," addresses a troubling concern voiced by the States now involved in the site selection process for disposal of high-level nuclear waste and spent nuclear fuel. That concern simply expressed is: "Who has liability in the event of an accident and for how much?" While most authorities acknowledge only the remote risk of a nuclear waste incident resulting in substantial damages, that risk is ever present and is a driving force in any negotiations on nuclear waste. This is why we need to resolve the nuclear waste liability issue now as the affected States and the Federal Government work together to make the critical decisions on site selection.

However, the current laws governing nuclear waste and nuclear liability matters—the Nuclear Waste Policy Act of 1982 and the Price-Anderson Act of 1957 as amended—do not clearly settle who is responsible for such nuclear waste incidents and to what extent. The bill I am introducing today is intended to clarify this ambiguity by putting the brunt of the responsibility where it belongs—squarely on the Federal Government.

My bill accomplishes this objective by making two fundamental statutory changes.

First, the Price-Anderson Act is amended to eliminate the current $500 million liability ceiling for those Federal contractors engaged in nuclear waste disposal activities. With the existing liability cap, those parties injured from incidents related to the disposal of nuclear waste could not recover directly more than $500 million under the Price-Anderson mechanism. This limited notion of liability is an anathema to the States and other affected parties. The liability cap has become one of the major roadblocks threatening to sidetrack cooperation between the affected States and the Federal Government in the site selection process. In my mind, it is irresponsible for the Federal Government not to accept unlimited liability when they are taking title to spent nuclear fuel, managing its storage and disposal, and selecting and siting permanent repository sites.

Second, the bill sets up a two-tier system for payment of liability claims. The initial source for payment of liability claims—up to $5 billion—will be the nuclear waste trust fund established in the Nuclear Waste Policy Act of 1982. This fund, which can be adjusted accordingly, represents a ready pool of cash for paying claims. The fund is the appropriate source for payment of initial liability claims since it is essentially a user fee made up of revenues received from the generators of high-level nuclear waste. The second compensation tier for those liability claims in excess of $5 billion will be general Federal revenues.

I hope this legislation and other good-faith efforts to resolve the liability question will be a symbol of the continuing willingness of the Federal Government and the affected States to work out in a cooperative fashion potential areas of conflict and disagreement. For if the cooperation between the various entities—a hallmark of the act—is lost, the complete unravelling of the nuclear waste site selection process is not far behind.

A section-by-section summary of the bill as well as a copy of the legislation follow:

SECTION-BY-SECTION SUMMARY OF NUCLEAR WASTE LIABILITY BILL

SECTION 1.—SHORT TITLE

The bill is called "The Federal Nuclear Waste Disposal Liability Act of 1985".

SECTION 2.—FINDINGS AND PURPOSE

The Congress finds that the Federal Government currently does not, but should, assume the responsibility to provide total indemnification for public liability claims arising out nuclear waste disposal activities, including interim storage, transportation, and ultimate repository disposal. The Congress also finds that such indemnification should in part be paid out the Nuclear Waste Fund which consists of revenues obtained on a ratable basis from the generators of hgh-level nuclear waste and spent nuclear fuel.

The purpose of this Act is to amend the Price-Anderson Act to ensure that the federal government assumes the responsibility to provide, in part through the use of the Nuclear Waste Fund, total indemnification for public liability claims resulting from nuclear waste disposal activities.

SECTION 3.—FEDERAL NUCLEAR WASTE LIABILITY AND INDEMNIFICATION

A new paragraph (2) is added to Section 170d. of the Atomic Energy Act of 1954 (42 U.S.C. 2210(d)) which mandates that:

(a) the Secretary of energy shall enter into indemnification agreements with all federal contractors carrying out nuclear waste disposal activities outlined in the Nuclear Waste Policy Act of 1982;

(b) in these nuclear waste federal contractor indemnification agreements, there shall be no cap on the amount of liability for which the federal government is responsible; and

(c) such payments required under the indemnification agreements shall be paid from amounts available in the Nuclear Waste Fund established in section 302 of the Nuclear Waste Policy Act, except that the amount available from the fund shall not exceed $5 billion per incident. Liability amounts in excess of $5 billion will be provided directly from general federal revenues.

Finally, the bill amends section 170n(1)(c) of the Atomic Energy Act sc that the waiver of defenses available for extraordinary nuclear occurrences are also applicable to those activities related to the disposal of nuclear byproduct material.

H.R. 2524

A bill to amend the Price-Anderson provisions of the Atomic Energy Act of 1954 to establish liability and indemnification for nuclear incidents arising out of Federal storage, disposal, or related transportation of high-level radioactive waste and spent nuclear fuel

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as "The Federal Nuclear Waste Disposal Liability Act of 1985".

SEC. 2. FINDINGS AND PURPOSE.

(a) FINDINGS.—The Congress finds that—

(1) the Federal Government currently does not, but should, assume the responsibility to provide total indemnification for public liability claims arising out of nuclear incidents relating to Federal storage, disposal, and related transportation of high-level radioactive waste and spent nuclear fuel; and

(2) such indemnification should be made in part from amounts available through the Nuclear Waste Fund established in section 302 of the Nuclear Waste Policy Act of 1982 (42 U.S.C. 10222).

(b) PURPOSE.—The purpose of this Act is to amend the Price-Anderson provisions of the Atomic Energy Act of 1954 (42 U.S.C. 2011 et seq.) to ensure that the Federal Government assumes the resonsibility to provide, in part through the use of the Nuclear Waste Fund, total indemnification for public liability claims arising out of nuclear incidents relating to Federal storage, disposal, and related transportation of high-level radioactive waste and spent nuclear fuel.

SEC. 3. FEDERAL NUCLEAR WASTE LIABILITY AND INDEMNIFICATION.

(a) LIABILITY AND INDEMNIFICATION FOR ACTIVITIES UNDER NUCLEAR WASTE POLICY ACT OF 1982.—Section 170 d. of the Atomic Energy Act of 1954 (42 U.S.C. 2210(d)) is amended—

(1) by inserting "(1)" after the subsection designation; and

(2) by adding at the end thereof the following new paragraph:

"(2 (A) The Secretary of Energy shall enter into agreements of indemnification with each contractor of the Secretary carrying out contractual activities pursuant to the Nuclear Waste Policy Act of 1982 (42 U.S.C. 10101 et seq.).

"(B) In such agreements of indemnification, the Secretary of Energy shall, notwithstanding the provisions of subsection e., indemnify the persons indemnified against claims for public liability for nuclear incidents arising out of or in connection with contractual activities pursuant to the Nuclear Waste Policy Act of 1982 (42 U.S.C. 10101 et seq.), including the storage, disposal, and related transportation of high-level radioactive waste and spent nuclear fuel.

"(C) The Secretary of Energy shall make any payments required under an agreement of indemnification entered into under this paragraph from amounts available through the Nuclear Waste Fund established in section 302 of the Nuclear Waste Policy Act of 1982 (42 U.S.C. 10222), except that the aggregate amount of payments made from amounts available through the Nuclear Waste Fund shall not exceed $5,000,000,000 in connection with each nuclear incident.".

(b) APPLICABILITY OF WAIVER OF DEFENSES REQUIREMENT TO LIABILITY FOR FEDERAL NUCLEAR WASTE ACTIVITIES.—Section 170n.(1)(c) of the Atomic Energy Act of 1954 (42 U.S.C. 2210(n)(1)(c)) is amended by striking out "a device utilizing".●

SOCIAL SECURITY COLA'S SHOULD NOT BE ELIMINATED

The SPEAKER pro tempore. Under a previous order of the House, the gentlewoman from California [Mrs. BURTON] is recognized for 10 minutes.

● Mrs. BURTON of California. Mr. Speaker, like many of my colleagues, I was deeply disturbed that the President decided to retreat from his promise not to reduce Social Security benefits. The budget resolution passed by the other body, and supported by President Reagan, eliminates Social Security COLA's for 1 year. According to the Congressional Budget Office, over 600,000 senior citizens would fall below the poverty line as a result of such an action. We cannot let that happen.

In our efforts to reduce the deficit, there are those who have spoken forcefully against any cuts in defense spending. Yesterday, our colleague LES ASPIN informed us that defense spending has been overestimated by $9 billion. I think it is clear that we could hold down defense spending without weakening our national defense. The same is not true for Social Security cuts. Hundreds of thousands of people will suffer from such an action. Our elderly and disabled populations are least able to bear the financial burden of the President's deficit reduction plans.

LEGISLATION TO ACCELERATE PUBLIC RELEASE OF PROCEEDINGS OF INVESTIGATION OF ASSASSINATIONS OF PRESIDENT KENNEDY AND MARTIN LUTHER KING, JR.

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Connecticut [Mr. MCKINNEY] is recognized for 15 minutes.

● Mr. MCKINNEY. Mr. Speaker, today I am joining my colleagues from the former House Select Committee on Assassinations [SCOA] and many other Members to introduce a bill to accelerate the public release of the proceedings of the committee's investigation into the assassinations of President John F. Kennedy and Dr. Martin Luther King, Jr. The release of these carefully screened documents will complete the job the committee originally set out to do—shed light on all aspects of the assassinations and put to rest public speculation on these tragic events.

Because of time and funding constraints, the select committee did not meet to oversee the release of its records after submitting the final report on its findings, and the records became embargoed for 50 years in accordance with House tradition. Our resolution simply would direct the Clerk of the House to permit the Archivist of the United States to release, for public use, the committee proceedings, in accordance with the intent of the committee.

The proceedings of the Select Committee on Assassinations currently are the only collection of investigatory records on the Kennedy and King cases which have not been reviewed and released for public access. Over 90 percent of the proceeding of the President's Commission on the Assassination of President Kennedy, better known as the Warren Commission, have been available for years to scholars, historians, journalists, and the interested public. These records were made available by a special direction of President Johnson which waived the 75-year National Archives holding rule. My colleagues and I believe that the House of Representatives should show the same respect for open government and freedom of information and begin the release of appropriate Select Committee on Assassinations' records.

I can assure my colleagues that sensitive material would not be made public under this resolution, as it explicitly adopts guidelines used by the National Archives for processing the Warren Commission's records. These guidelines prevent the release of information that:

Would be detrimental to enforcement of U.S. law; might reveal the identity of confidential sources or jeopardize future investigations; or might embarrass innocent individuals.

This resolution also prohibits the release of records from any proceedings that the committee voted to keep secret or where confidentiality was guaranteed to a witness in executive session. The committee had strict and explicit rules regarding the designation and segregation of classified material, and these rules would be honored, without exception.

Last session, a similar resolution (H. Res. 160) was reviewed by the full Committee on House Administration. The suggestions made by the committee at that time have been incorporated into the resolution I am now introducing. In response to concerns raised, authority to disapprove the release of any record will remain with the Clerk of the House, who is directed to apply the standards established by the Warren Commission. This session's resolution also exempts records inconsistent with the privileges of the House from release, so as not to prejudice the House as an institution.

The opening up of these important documents would serve two purposes: It would assist those with a scholarly or personal interest in the lives of these two men; and it would allow the public to assess the performance and

conclusions of the Select Committee on Assassinations. I believe that the unique nature of this committee lends itself to a special consideration of the benefits of making these proceedings public, without jeopardizing those who testified under guarantee of confidentiality.

Finally, I hardly need to remind my colleagues that President John F. Kennedy and Dr. Martin Luther King, Jr., both were eloquent advocates of honest government and the value of an educated citizenry. Passing this resolution and releasing the records of the Select Committee on Assassinations would be a most worthy testament to the ideals for which these two men stood.●

DASH TO MANAGUA

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Pennsylvania [Mr. RITTER] is recognized for 60 minutes.

Mr. RITTER. Mr. Speaker, my colleagues and those who are watching this program, I would like to introduce an item that was published in today's Washington Post. It is an editorial by Rowland Evans and Robert Novak. It is entitled "Dash to Managua."

This editorial is disturbing. It is disturbing for reasons that are both constitutional and political. It is disturbing for reasons that are also related to the safety of the United States of America.

The constitutional question involves the Logan Act, the idea that the President and the executive branch makes foreign policy.

The political question involves the idea that Members of Congress are conducting foreign policy with a government hostile to the United States of America. Let me just read a little bit from this editorial today:

No sooner had President Daniel Ortega flown off to Moscow than two Democratic congressmen arrived in Managua for the weekend to plead, according to U.S. diplomatic cables, for help from the Marxist-Leninist regime in calming the congressional uproar over the Nicaraguan's telltale trip.

I ask you, what in the world are two Members of the United States House of Representatives doing in Managua, Nicaragua, pleading for help on a sensitive political issue from government leaders with expressed hostility to the Government of the United States?

Representatives GEORGE MILLER of California and DAVID BONIOR of Michigan, I might add, two individuals for whom I have respect and whose patriotism I do not question, going on with the quote:

Reps. George Miller of California and David Bonior of Michigan say "no comment" on their "private conversations" with Sandinista leaders, from which U.S. Embassy officials were excluded. But cables reporting on their talks have surfaced on Capitol Hill, where we obtained them. They describe the congressmen as making the trip to "see what the [Nicaraguan] government could do to help them out of a difficult political situation in the House."

Again, one has to ask the question, what in the world are two Democratic—or any Members of this House of Representatives—doing asking a Marxist-Leninist dictatorship for assistance in helping them to solve a difficult political situation in the House?

An unnamed member of the congressional delegation is quoted as advising Foreign Ministry officials that the regime should try and hold out for three more years because things back in Washington might radically change by then, meaning a new administration in power. Departing from his "no comment" rule, Miller told us that no such statements were made.

I think we have to question those kinds of comments. For two U.S. Congressmen to essentially hold out hope that in another political time, at another political day this Marxist-Leninist Soviet-backed regime would receive a much more favorable review from the administration, supposedly I guess a Democratic administration at that point in the future, I think is ludicrous.

As a matter of fact, I am outraged. I think the American people are outraged.

Going back to the article:

A House Democratic leader, who did not want his name used, said he was "uncomfortable" that their weekend in Managua brought Miller-Bonior "dangerously close to negotiations."

The Logan Act expressly prohibits the carrying on of foreign policy by citizens outside of the executive branch. It states as follows:

Any citizen of the United States, wherever he may be, who, without authority of the United States—

And I would suspect that the authority of the United States is referring to either the President or perhaps a Presidential congressional mandate—

directly or indirectly commences or carries on any correspondence or intercourse with any foreign government or any officer or agent thereof, with intent to influence the measures or conduct of any foreign government or any officer or agent thereof, in relation to any disputes or controversies with the United States, or defeat the measures of the United States, shall be fined not more than $5,000 or imprisoned not more than 3 years, or both.

Now, I think these gentlemen, whom I respect, are perilously close to violating the Logan Act, if not having already violated it.

Going back to the Evans and Novak article, it states:

But beyond the impropriety of congressmen playing diplomat is a grosser spectacle: a symbiotic relationship between American politicians and the Nicaraguan dictatorship.

Miller and Bonior dashed off to Managua as many Democratic colleagues fretted over Ortega's mission to Moscow immediately after the House vetoed any aid to anti-Sandinista guerrillas.

Now, I am not sure whether they fretted over Ortega's visit to Moscow and his intimate relations with the Soviet Union or whether they fretted over Ortega's timing.

Frankly, I would hope and I would suspect that most Members of this House fretted over the fact that we had just turned down $14 million in nonlethal assistance to the democratic—with a small "d"—forces fighting the Marxist-Leninists in Nicaragua and Ortega the next day is off to collect $200 million from his Soviet allies, including not only economic aid but heavy equipment and hardware and the kind of things that most certainly can be characterized as military aid. In any event, we do not know the details of the $200 million agreement and Mr. Ortega or Mr. Ortega's if not supporters in this Congress, those who voted against his opponents, have certainly not stated what is in that $200 million aid package.

□ 1750

Miller was accompanied by a staffer, Cynthia Arnson, "a prominent champion of the Sandinistas." I am quoting the Evans and Novak column. "* * * formerly employed by the" according to Evans and Novak, "left-wing Institute for Policy Studies."

I am going on to another paragraph in the article. It says, "In a departure from tradition but true to the latest fashion of pro-Sandinista Congressmen, U.S. Embassy officials were barred from the meetings."

For the life of me I cannot understand how in discussions with a hostile foreign power our own Members of this House are barring our own public service diplomats who are on the scene in this area.

"Miller informed the Embassy he had told Ramirez," Sergio Ramirez is the Vice President, "that he had told Ramirez the regime would have to ease censorship and allow what were termed democratic activities to keep the support of Democrats in Washington."

You know, I think we have to be careful here. I am all for substantive changes that conform to the promises that the Sandinistas made to the Organization of American States. I am all for those kinds of democratic, small "d," promises that the Sandinistas made to their own people in coming to power in 1979.

But I have to seriously question cosmetic changes that somehow are designed to gain 3 years of breathing space until a new administration is in Washington.

But reports from Nicaraguan sources, as reflected in tables being read on Capitol Hill, suggested the Congressmen were less interested in liberalization for its own sake than in getting themselves off the political hook back home.

One well placed source had the Congressmen warning that unless the Nicaraguan Government took steps toward pluralism, Congressional Democrats would switch and vote aid for the Contras. It was a second such source that quoted the Congressmen asking the Sandinistas to "help them out of a difficult political situation."

We, the Representatives of the American people, are interested in a pluralistic democratic Nicaragua that is not a threat to its neighbors, that will not destabilize the region, that is not flying off after a favorable vote in the United States Congress to gain $200 million in assistance from our Soviet adversaries. That is what we are interested in.

We are not interested in cosmetic changes to "help us out of a difficult political situation."

"The one meeting Embassy officials attended was with Jaime Chamorro, editor of the anti-Sandinista La Prensa. Miller told the embattled newspaperman that he had urged on government officials the necessity of freedom of the press. Chamorro was not impressed. La Prensa would not accept a separate agreement with the government, he said, insisting that freedom of the press must be part of a national 'dialog.'"

Again, the conflict between cosmetic changes to help U.S. Congressmen out of a political jam, and substantive changes designed to promote a free, open, and democratic and pluralistic Nicaragua.

"The MILLER-BONIOR weekend in Managua follows a pattern."

I will not mention Members of the other body, but two Democratic Members of the other body conferred with Ortega in Managua before the House vote. "* * * they not only barred U.S. diplomats but did not even report to them after the fact, as MILLER and BONIOR did." And I commend my colleagues for at least reporting back to their own Government officials.

"The Sandinista regime's offer to send 100—out of 2,000—Cubans back home followed secret negotiations not with U.S. diplomats but with congressional staffers."

I am sorry, but the way I look at it, congressional staffers should not be negotiating with hostile foreign powers. I frankly do not believe, and I do not think the American people believe either that U.S. Congressman separately should be negotiating with hostile foreign powers. Congressional staffers are to give information and provide research, and to do leg work for Congressmen. They are not to act as diplomats.

"The pattern may be breaking," it goes on to say in the Evans and Novak article, "partly because freelance congressional diplomacy is stirring bipartisan distate, Bernard Aronson, a Democratic insider and campaign adviser to Geraldine Ferraro last fall, writes in the current New Republic that his party should promise military support for the armed democratic resistance if all other efforts fail. That advice is the antithesis of Democrats, pursuing cosmetic Sandinista 'pluralism' while urging the comandantes to hang tough until the next American Presidential election."

I think what is at stake here is something much broader than this one incident. Aside from the conduct of American foreign policy in some reasonably unified fashion, what is at stake is the future of the Democratic Party.

Since the defeat of Mr. Mondale in the fall elections, a variety of Democrats have been holding meetings, conducting seminars, speaking publicly and amongst themselves on how to move their party back into the mainstream of American politics, how to move their party back into the broad center of American politics that wins national elections, that wins Presidential elections. These discussions have focused in many cases on the economy and the management of the economy and how Democrats must cease to be perceived, and really must cease to be simply the voice of fractionated special interest groups seeking their own advantage in Washington, DC.

These discussions have ranged to defense policy and to foreign policy. I can think of no greater symbol of the continuing dominance of a fringe element in democratic foreign policy than this recent vote in the House on the denial of assistance to the freedom fighters in Nicaragua and the subsequent reaction of those who stimulated the defeat in the wake of the Ortega visit to Moscow.

I urge my democratic colleagues, who I believe are similarly outraged by this disintegration of the foreign policy process in this country, to atone for the transgression, to see the handwriting on the wall, and when the next opportunity arises to speak on behalf of the forces of democracy in Central America.

□ 1800

Also to do something about promoting those forces in the form of assistance, that they would vote to provide that assistance, and not only help the forces of freedom in this hemisphere, the security of the United States, but their own party as well. Franklin Delano Roosevelt, Harry Truman, John F. Kennedy, Hubert Humphrey, and Henry Jackson are watching.

Mr. Speaker. I yield back the balance of my time.

ORDER OF BUSINESS

The SPEAKER pro tempore. For what purpose does the gentleman from Texas rise?

Mr. DE LA GARZA. Mr. Speaker, I ask unanimous consent that I may be allowed to proceed under special orders for 1 hour.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Texas?

There was no objection.

UNITED STATES-MEXICO INTERPARLIAMENTARY EXCHANGE

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Texas [Mr. DE LA GARZA] is recognized for 60 minutes.

Mr. DE LA GARZA. Mr. Speaker, and my colleagues, I take this time to inform the Members of the House that under the law we have established an interparliamentary exchange between the United States and Mexico wherein Parliamentarians from our country, both House and Senate, meet with our counterparts in the Mexican Congress. That occurs one year in the United States and the next year in Mexico.

This exchange was initiated 25 years ago and the initial exchange or meeting was held in Guadalajara, Talisco, Mexico, 25 years ago. We have just returned from Mexico City where we arrived for this meeting. Now, although the meeting was held in the city of Queretaro, State of Queretaro, Mexico, I must say, and not because I was the leader for the House delegation—and, by the way, my colleague from Texas, Senator PHIL GRAMM, led the Senate delegation—I must say that I think it has been one of the most successful meetings that we have had. Although it is of short duration, only 2½ days, we held three sessions of 3 to 4 hours, and one went about 5 hours, of sessions.

We discussed all of the issues that impact upon our relations as two neighboring countries, as two friendly countries. I must say that I think for the first time the discussions were spontaneous, a general back and forth discussion, rather than just reading position papers on one side or the other.

We were received in the inaugural session, and this is very interesting and prior to that let me go back into a bit of history of the area: The State of Queretaro and the city of Queretaro are almost the equivalent in the Mexican independence movements as what Philadelphia and Boston were to our independence movement.

It was there in the city of Queretaro that the plot, if you can call it that, of the independence movement was discovered by the Spanish forces who then occupied Mexico, and a lady, Josefa Ortiz de Dominquez, was the one that gave the signal or sounded the alarm to the mexican independence forces that the plot had been discovered, and that initiated the fighting part of the independence movement, not too distant, in a village called Dolores Hidalgo. This is in

effect what Paul Revere had done on our side when he came through the countryside announcing that the British were coming and the ensuing battles that were to follow, and he gave the signal.

Also there in Queretaro was the culmination of the French occupation of Mexico.

Not too many days ago I spoke about the battle of Puebla which is where the Mexican troops defeated the French troops and began the final process of eliminating the French rule over Mexico. But it was at Queretaro that they finally captured Archduke Maximilian who had been declared Emperor of Mexico. He was executed at a small hill near Queretaro. This was of interest, I think, to us here because of all of the Americas we were the first to declare independence from a foreign sovereign, which was Great Britain. But at Queretaro, with the execution of Maximilian, that ended the reign of the European designs for any of the Americas. This was the last of the European sovereigns to reign in the Americas. Maximilian, along with two Mexicans who had supported his endeavor, were executed there. So with that background we met not too far from the city of Queretaro and we discussed narcotics traffic, its use, its abuse, its control, in depth. We reached agreement on a resolution committing ourselves and our countries to a more forceful fight of narcotics traffic, use, abuse, and control, for its control. We discussed the Law of the Sea which to many of our areas is important, areas in the West with tuna fishing concerns, in the gulf with its shrimping off Mexican waters, where we have had problems not only because of the Law of the Sea but territorial expansion, both ours and theirs.

We discussed, of course, border problems. We have 2,000 miles of border between the United States and Mexico. We discussed those in depth. There is always the Rio Grande which is part of the boundary; Texas, the rest of the boundary, New Mexico, Arizona, into California.

We discussed environmental impact on the border. There are mines, smelting mines on either side of the border, there are problems in Mexico, more in Mexico than on our side, with respect to discharges of waters into the area of Tijuana, or down in Texas, that impact upon the quality of the water. We discussed border crossings, that traffic that we on our side would like to have more crossings to facilitate commerce and tourism.

□ 1810

I might add that Mexico's reply was that—and I can sympathize with that, that they have monetary problems, not only opening up a border crossing, but the staffing for customs, immigration, public health, agriculture, entails a lot of finances, and not all of that is recouped from charges that you might make for those who cross back and forth.

So we discussed that in depth, and particular crossings that we would like to have in my congressional district, and in adjoining districts. My home town of Mission, the city of Pharr, the city of Donna, Harlingen, San Benito.

We discussed all of those in depth, and what could we do together? How could one complement the other? We had extensive discussions related to our involvement in the Americas, both Mexico and us, in Central America, Salvador, Nicaragua in particular. We have some mutual concerns which are equal. We have some concerns that are not alike. We have some basic philosophy which is not similar in some areas to Mexico, but in the end, we resolved that we are all aiming for the same final conclusion; which would be peace, freedom, justice, equality, prosperity for the people of the individual nations of Central America and South America.

It was a very interesting, very forceful and frank conversation because there are some valid, indepth disagreements as to our concept as to what entails internal security and what entails protection of a basic territorial security.

The leader of the Mexican delegation for the House was Lic. Humberto Lugo Gil and for the Mexican Senate was former Ambassador to Washington Hugo B. Margin, who is now a member of the senate in Mexico.

In the beginning of the inaugural session, as I stated, we were received by the President of Mexico, Miguel de la Madrid, who came to our initial opening ceremony to open the session, which to us was very important and, of course, an honor and distinction that the President of the great Republic of Mexico would come out of Mexico City to begin the sessions that we were to continue for several days after.

He welcomed us, and pronounced some of the desires and intentions of Mexico, for their people, their relations to us, and to the rest of the hemisphere. It was a very impressive ceremony because with him were his Secretary of State, Bernardo Sepulveda, and they have a different Cabinet post that we do not have; it translates as Ministry of Interior. They call it "Gobernacion."

That Cabinet post is basically what we know as the upper echelon of the White House. The White House Chief of Staff, and the Executive Office of the Presidency, that is what "Governacion" or Interior Ministry would be in Mexico. He is of Cabinet rank.

Also we were received by the Governor of the state of Coahuila and the mayor of the city of Queretaro—the Governor of the state of Queretaro; not Coahuila, and the mayor of the city of Queretaro, and several of the mayors of the surrounding villages and small towns in that area.

We also were able to visit the surrounding countryside. Let me tell you that some people say that these visits are junkets; that you go off and have a good time.

Well, we managed to do both, because we would work all morning and then have a nice luncheon at a beautiful hacienda. In the evening after a late session they would honor us with a beautiful dinner. We had one of the most beautiful experiences that I have ever had in that Saturday evening, prior to the conclusion of the session, we were invited to the city of Queretaro where we were received by the populace of Queretaro in their main plaza. The whole town came out to greet us and to those of you that may not be acquainted, the Mexican towns are laid out in the old Spanish tradition, where there is a center plaza, or square with the cathedral or the church on one side, the municipal authorities on another side, the military compound on another side—this is a traditional Spanish Colonial or Mexican center plaza, or downtown square.

Well, this evening we walked right into the entire population of Queretaro almost, greeting us and wanting to touch and say hello and greet us, and then the cathedral—or church, I really do not know if it is a cathedral—but the Catholic church was all lit up in one of the most beautiful sights that you would want to see or experience.

Then they had a fireworks display from the ceiling of the church that looked fire was just raining down in front of that beautiful edifice. It was one of the most thrilling experiences, I assure you, any one of us have ever experienced or witnesses.

Then off to one side they had this beautiful fireworks that they do in Mexico—they rig a bamboo into a beautiful structure, that you cannot see it when it is in the dark, but then it lights up with wheels that turn and fireworks that shoot out, and then—in the colors; red, white, and blue and green, white and red, then both flags light up and then it says "Welcome, Parliamentarians, U.S. and Mexico."

If you can visualize that against a dark sky, lit up in all the beautiful colors with fireworks with the twisting, making a whistling sound, wheels at all of the extremes—and we were there in the plaza with the people of Queretaro, looking and observing that.

It sort of adds substance to your work, that you are able to visualize something like that. It was indeed a beautiful experience. While the bells of the church were ringing, at the same time.

Then the—this is an area of basic Indian population, and the leaders of the Indian tribes of that area came to do their dances and perform for us, and to each member of the delegation, of the leaders of the delegation, they presented us with one of their shields, that are made of feathers, of canary feathers and ostrich feathers—I guess any kind of feathered animal or bird that they gave this beautiful shield and welcome us on behalf of the Indian population of that area.

□ 1820

It was, to me, very exciting. And the connection that we have with our basic native Americans and to Mexico, which has probably more history before than ours, all pre-Colombian, and there were the different tribes there that evening to do the dances with us or for us. led by the Governor of the state and the different mayors of the area.

We continued with our meetings. We discussed anxieties, migrant workers, undocumented or illegals, whichever way you would want to call them. Mexicans presented their viewpoint as to the integrity of the individual. Basically, they have a different concept than we do as to the integrity, territorial integrity, because their position is that a human creature of God has a basic inherent right to travel.

We know that in a civilized world, where you have territorial integrity, you do not just have people coming and going. The people themselves call themselves Mexican or Argentinan or French or Italian, the people themselves designate what their basic territorial group is. So we have a difference there, but we do not have a difference that the individual is deserving of the protection of the law and should be treated as a creature of God, which we observe in this country nonetheless. Regardless of whether they are here legally or illegally, they come under the cloak of the Constitution and receive all of the protections afforded by law. But this is, to them, a very important factor.

We also discussed the monetary problems, world monetary problems, how they impact upon us here in the United States, how they impact upon Mexico, how trade and commerce between us and third countries impact on one or the other and the areas of concern, the areas of agreement, the areas of possible cooperation, and I assure you that this was a very fruitful, constructive discussion.

For many of us who live on the border and who know the situation, we live with it. But for some of our colleagues not from the border, it is very helpful to know that what we could do here, even without thinking, could have a very negative impact on Mexico economically or monetarywise. So it is for us to be concerned, which we are, as to the stability of the economy of Mexico, and they are, after Japan, our next best customer and we of them. We buy a tremendous amount of Mexican oil and gas, and a lot of the other things that Mexico has to sell in foreign commerce with us, and this is a very critical area both for our side and their side because we have a tremendous deficit, we have a horrendous debt. Just paying interest on the debt takes a large share of our budget and impacts on our deficit every year. They have an external debt, which is very critical, of some $80 billion, and it is very critical because they need foreign earnings, they need dollars to come into Mexico to pay out in dollars to the banks, to Europe and here, and to our Government or the Monetary Fund, whomever they owe the money, both the public debt and the private debt. They need the foreign earnings, otherwise to pay in pesos would be devastating. They have had a very difficult time.

In my inaugural talk in the inaugural session I commended the President of Mexico and my Mexican colleagues and the people because they have, to the best of their ability, grasped the situation and they are making headway by an austerity program where they are reducing expenditures and then increasing income by increasing revenues either through higher prices for items or taxes and a combination, and this would be very interesting to us and those who deal in that area that they said, "You can't balance your budget or reduce your inflation or reduce your debts solely by decreases, but you have to combine some with decreasing and some with increasing revenue, if necessary taxes." And I would commend that to those who work with the budget on our side of the border. But they have basically been successful in slowly reducing inflation and reducing their deficit. They have been more successful in reducing their deficit than we have been. And for this we commend them, and we are trying to do on our side, of course, our share. But this was a very interesting and, for me, a very productive area of discussion.

We went into areas of cultural exchange, of how we can better work, universities, groups, scientists, and it is very interesting to know that some of the things we are doing now we can verify. For example, not too long ago we started a dairy goat research center at Prairie View A&M in the State of Texas, and some of the Mexican colleagues knew about that and some universities from Mexico have now worked with Prairie View A&M in doing research and promoting dairy goat expansion and upgrading the dairy goat breeds, for the dairy goat is very important because you not only get milk and cheese, it can also be used for meat, you can use the hide, and you can raise maybe 20 or 30 dairy goats where you could have only one cow. So it is very important for developing countries. And those are the things we discussed.

On the border from Brownsville to Tijuana either the Mexican holiday or the American U.S. holiday is celebrated jointly, so on the border we have no problem, but it is going out that we were discussing exchanges, and so on, because on the border I guess we celebrate every chance we get, but it is jointly. Washington's birthday celebration in Laredo and Nuevo Laredo is a joint celebration. In Brownsville-Matamoros, we celebrate Washington, Lincoln, something called Charro Days, and they have a Mr. Amigo celebration during which the American side of the river honors a distinguished Mexican for his contribution to better relations as Mr. Amigo. And of course we know "amigo" means friend, Mr. Friend. And we have honored people from former Presidents of Mexico to movie actors to singers, distinguished ladies.

In our area, in McAllen where we live, Mission and McAllen, we have joint celebrations. The Mexican Independence Day, September 15, is celebrated on both sides of the border in many of our communities along the border.

So we discussed that, nuclear disarmament, and what it means to both sides. Mexico does not have the capability for atomic power or hydrogen power or nuclear power, but yet they were the leaders in the treaty of Thatelolco where the Americans initiated the concept of nuclear free area and began there in Mexico. This is a very important step.

We agreed that this was not only a major concern for both our two countries but for the world, and they sometimes feel that we do not go fast enough, that we do not put a sufficient emphasis on disarmament and nuclear nonproliferation. But we are. It is just that the other side has not been as cooperative. And we explained that.

□ 1830

I told them that as one American, and I thought that I spoke for every American, that I did not want our country or any other country to disappear from this planet in a ball of flame, and our ashes in the cloud that would fertilize a planet with no humans. That is the interest, I am satisfied, of every American. I would prefer that we take every cannon and every ship and every tank and melt them into plows and hammers and picks and shovels to build up our two countries, and to help build up the world.

Later I will have another special order and invite members of the dele-

gation who accompanied me so that we might have a broader discussion. I give this as a preliminary discussion so that they might be apprised of my report, and then, with the other members, we will have a much broader report.

With that, Mr. Speaker, I thank the Members for their attention and yield back the balance of my time.

SPECIAL ORDERS GRANTED

By unanimous consent, permission to address the House, following the legislative program and any special orders heretofore entered, was granted to:

Mr. GONZALEZ, for 60 minutes, May 16.

Mr. GONZALEZ, for 60 minutes, May 20.

Mr. GONZALEZ, for 60 minutes, May 23.

Mr. DE LA GARZA, for 60 minutes, today.

(The following Members (at the request of Mr. SLAUGHTER) to revise and extend their remarks and include extraneous material:)

Mr. GINGRICH, for 60 minutes, today.

Mr. GINGRICH, for 60 minutes, May 16.

Mr. GINGRICH, for 60 minutes, May 20.

Mr. GINGRICH, for 60 minutes, May 21.

Mr. BROWN of Colorado, for 60 minutes, today.

Mr. MORRISON of Washington, for 30 minutes, today.

Mr. MCKINNEY, for 15 minutes, today.

Mr. RITTER, for 60 minutes, May 15.

Mr. WALKER, for 60 minutes, May 16.

(The following Members (at the request of Mr. DARDEN) to revise and extend their remarks and include extraneous material:)

Mr. DARDEN, for 5 minutes, today.

Mr. FORD of Michigan, for 5 minutes, today.

Mr. HUBBARD, for 5 minutes, today.

Mr. ANNUNZIO, for 5 minutes, today.

Mr. RAHALL, for 5 minutes, today.

Mrs. BURTON of California, for 10 minutes, today.

EXTENSION OF REMARKS

By unanimous consent, permission to revise and extend remarks was granted to:

(The following Members (at the request of Mr. SLAUGHTER) and to include extraneous matter:)

Mr. COURTER.

Mr. BROOMFIELD.

Mr. DORNAN of California.

Mr. GREEN.

Mr. COLEMAN of Missouri in two instances.

Mrs. ROUKEMA.

Mr. COATS.

Ms. SNOWE.

Mr. SHUMWAY.

Mr. MCDADE.

Mr. SPENCE.

Mr. O'BRIEN in two instances.

(The following Members (at the request of Mr. DARDEN) and to include extraneous matter:)

Mr. KOSTMAYER.

Mr. COELHO.

Mr. FORD of Michigan.

Mr. LIPINSKI.

Mr. PENNY.

Mrs. BURTON of California in three instances.

Mr. STARK in two instances.

Mr. VENTO in two instances.

Mr. BARNES.

Mr. MONTGOMERY in two instances.

Mr. LEHMAN of Florida in two instances.

Mr. ORTIZ.

Mr. MURTHA in two instances.

Mr. SMITH of Florida in two instances.

Mr. ROE in two instances.

Mr. RAY.

Mr. HUBBARD.

Mr. RODINO in two instances.

Mr. EDWARDS of California.

Mrs. BOXER.

Mr. OBERSTAR.

Mr. FASCELL in two instances.

Mr. HOWARD.

Mr. CLAY.

Mrs. LONG.

Mr. SOLARZ.

SENATE CONCURRENT RESOLUTION REFERRED

A concurrent resolution of the Senate of the following title was taken from the Speaker's table and, under the rule, referred as follows:

S. Con. Res. 48. Concurrent resolution relating to the death of President-elect Tancredo Neves of Brazil; referred to the Committee on Foreign Affairs.

ADJOURNMENT

Mr. DE LA GARZA. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 6 o'clock and 31 minutes p.m.), the House adjourned until tomorrow, Thursday, May 16, 1985, at 10 a.m.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

1285. A communication from the President of the United States, transmitting a request for supplemental appropriations for fiscal year 1985 and an amendment to the request for appropriations for fiscal year 1986, pursuant to 31 U.S.C. 1107 (H. Doc. No. 99-67); to the Committee on Appropriations and ordered to be printed.

1286. A letter from the General Counsel, General Accounting Office, transmitting a report on the status of budget authority proposed for rescission in the President's fifth special message, but for which Congress failed to pass a rescission bill, pursuant to 2 U.S.C. 885; to the Committee on Appropriations.

1287. A letter from the Deputy Secretary of Defense, transmitting a report on defense contractors and consultants who during the past 3 years held positions of GS-13 or above within the Department covering fiscal year 1984, pursuant to 10 U.S.C. 2397(e) (96 Stat. 1293) to the Committee on Armed Services.

1288. A letter from the General Counsel, Department of Defense, transmitting a draft of proposed legislation to amend title 10, United states Code, to authorize the United States to collect health plan benefits for medical and dental care provided to dependents of active duty members, former members, and their dependents in facilities of the uniformed services; to the Committee on Armed Services.

1289. A letter from the General Counsel, Department of Defense, transmitting a draft of proposed legislation to eliminate general or flag officer grade requirements from certain statutory positions, and for other purposes; to the Committee on Armed Services.

1290. A letter from the Auditor, District of Columbia, transmitting a copy of the Auditor's "Annual Report for Fiscal Year 1984", pursuant to Public Law 93-198, section 455(d); to the Committee on the District of Columbia.

1291. A letter from the Assistant Secretary of State for Legislative and Intergovernmental Affairs, transmitting notification of the addition of three further countries to the 63 named previously: India, Israel, and Pakistan to the Antiterrorism Assistance Program, pursuant to FAA, section 574(a)(1) (97 Stat. 972); to the Committee on Foreign Affairs.

1292. A letter from the President, Overseas Private Investment Corporation, transmitting the Corporation's development and audit report for fiscal year 1984, pursuant to FAA, section 240A (92 Stat. 216; 95 Stat. 1024); to the Committee on Foreign Affairs.

1293. A letter from the Secretary of the Interior, transmitting a report of the Department's activities under the Freedom of Information Act during calendar year 1984, pursuant to 5 U.S.C. 552(d); to the Committee on Government Operations.

1294. A letter from the Department of Commerce and the Department of the Interior, transmitting the fourth report on activities with respect to the emergency striped bass research study, for the year 1984, pursuant to Public Law 89-304, section 7(b) (93 Stat. 859); to the Committee on Merchant Marine and Fisheries.

1295. A letter from the Acting Assistant Secretary (Civil Works), Department of the Army, transmitting a report from the Chief of Engineers, Department of the Army, on Cape Fear River from Acme to FAyetteville, NC, together with other pertinent reports; to the Committee on Public Works and Transportation.

1296. A letter from the Acting United States Trade Representative, transmitting a copy of the March 22, 1984, "Decision of the Committee on Trade in Civil Aircraft," including the Consolidated Annex to the 1979 Agreement on Trade in Civil Aircraft attached to the decision; to the Committee on Ways and Means.

1297. A letter from the Secretary of Energy, transmitting a report on the study by the Advisory Panel on Alternative Means

of Financing and Managing Radioactive Waste Facilities entitled, "Managing Nuclear Waste—A Better Idea", pursuant to Public Law 97-425, section 303; jointly, to the Committees on Energy and Commerce and Interior and Insular Affairs.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. OBEY: Joint Economic Committee. Report on February 1985 Economic Report of the President (Rept. No. 99-95). Referred to the Committee of the Whole House on the State of the Union.

Mr. HAWKINS: Committee on Education and Labor. H.R. 7. A bill to extend and improve the National School Lunch Act and the Child Nutrition Act of 1966; with an amendment (Rept. No. 99-96). Referred to the Committee of the Whole House on the State of the Union.

Mr. HAWKINS: Committee on Education and Labor. H.R. 2245. A bill to authorize appropriations for fiscal year 1986 for the National Endowment for the Arts and the National Endownment for the Humanities, and for other purposes; with an amendment (Rept. No. 99-97). Referred to the Committee of the Whole House on the State of the Union.

Mr. HAWKINS: Committee on Educaton and Labor. H.R. 1997. A bill to make certain technical and conforming amendments to the Library Services and Construction Act, and for other purposes; with an amendment (Rept. No. 99-98). Referred to the Committee of the Whole House on the State of the Union.

Mr. FUQUA: Committee on Science and Technology. H.R. 2319. A bill to authorize appropriations for environmental research, development, and demonstration for the fiscal year 1986, and for other purposes (Rept. No. 99-99). Referred to the Committee of the Whole House on the State of the Union.

Mr. JONES of North Carolina: Committee on Merchant Marine and Fisheries. H.R. 1789. A bill relating to the authorization of appropriations for certain components of the National Wildlife Refuge System; with an amendment (Rept. 99-100). Referred to the Committee of the Whole House on the State of the Union.

Mr. JONES of North Carolina: Committee on Merchant Marine and Fisheries. H.R. 1958. A bill to authorize appropriations for the National Ocean Pollution Planning Act of 1978 and title II of the Marine Protection, Research, and Sanctuaries Act of 1972 for the fiscal years 1986 and 1987, and for other purposes; with amendments (Rept. 99-101, Pt. I). Ordered to be printed.

Mr. SAM B. HALL, JR: Committee on the Judiciary. H.R. 1890. A bill to provide for an equitable waiver in the compromise and collection of Federal claims (Rept. No. 99-102). Referred to the Committee on the Whole House on the State of the Union.

Mr. JONES of North Carolina: Committee on Merchant Marine and Fisheries. H.R. 2121. A bill to provide for the reauthorization of the Coastal Zone Management Act of 1972, and for other purposes; with an amendment (Rept. No. 99-103). Referred to the Committee of the Whole House on the State of the Union.

Mr. KASTENMEIER: Committee on the Judiciary. H.R. 2434. A bill to authorize appropriations for the Patent and Trademark Office in the Department of Commerce, and for other purposes; with an amendment (Rept. No. 99-104). Referred to the Committee of the Whole House on the State of the Union.

Mr. MONTGOMERY: Committee on Veterans' Affairs. H.R. 1408. A bill to amend the Emergency Veterans' Job Training Act of 1983 and title 38, United States Code, with respect to certain veterans' employment programs; with an amendment (Rept. No. 99-108). Referred to the Committee of the Whole House on the State of the Union.

Mr. MONTGOMERY: Committee on Veterans' Affairs. H.R. 2344. A bill to amend title 38, United States Code, to make improvements in the National Cemetery System and in the Veterans' Administration program that provides assistance to certain disabled veterans in acquiring specially adapted residences, and to express the sense of Congress with respect to the Veterans' Administration home loan origination fee (Rept. No. 99-109). Referred to the Committee of the Whole House on the State of the Union.

Mr. MONTGOMERY: Committee on Veterans' Affairs. H.R. 2343. A bill to amend title 38, United States Code, to make certain improvements in veteran's compensation programs, and for other purposes; with amendments (Rept. No. 99-110). Referred to the Committee of the Whole House on the State of the Union.

Mr. HOWARD: Committee on Public Works and Transportation. H.R. 2494. A bill to authorize the appropriation of funds for fiscal year 1986 for construction, operation, and maintenance of water resources development projects under the jurisdiction of the Secretary of the Army, acting through the Chief of Engineers (Rept. No. 99-111). Referred to the Committee of the Whole House on the State of the Union.

Mr. HOWARD: Committee on Public Works and Transportation. H.R. 2493. A bill to amend the Federal Water Pollution Control Act to authorize the appropriation of funds for fiscal year 1986 (Rept. No. 99-112). Referred to the Committee of the Whole House on the State of the Union.

Mr. RODINO: Committee on Judiciary. H.R. 2348. A bill to authorize appropriations to carry out the activities of the Department of Justice for fiscal year 1986, and for other purposes; with an amendment (Rept. No. 99-113). Referred to the Committee of the Whole House on the State of the Union.

Mr. MONTGOMERY: Committee on Veterans' Affairs. H.R. 505. A bill to amend title 38, United States Code, to improve the delivery of health care services by the Veterans' Administration; with an amendment (Rept. No. 99-114). Referred to the Committee of the Whole House on the State of the Union.

Mr. HOWARD: Committee on Public Works and Transportaton. H.R. 10. A bill to amend the Public Works and Economic Development Act of 1965 and the Appalachian Regional Development Act of 1965. (Rept. No. 99-115, Pt. I). Ordered to be printed.

Mr. UDALL: Committee on Interior and Insular Affairs. H.R. 2478. A bill to amend the Revised Organic Act of the Virgin Islands, to amend the Covenant to Establish a Commonwealth of the Northern Mariana Islands, to provide for the governance of the insular areas of the United States, and for other purposes; with an amendment (Rept. No. 99-116). Referred to the Committee of the Whole House on the State of the Union.

Mr. UDALL: Committee on Interior and Insular Affairs. H.R. 1905. A bill to offset the competitive advantage which foreign coal producers have as a result of not having to meet environmental, health, welfare and safety requirements of the kinds imposed on U.S. coal producers, and for other purposes; with an amendment (Rept. No. 99-117, Pt. I). Ordered to be printed.

Mr. UDALL: Committee on Interior and Insular Affairs. H.R. 2041. A bill to authorize appropriations to the Department of Energy for civilian energy programs for fiscal year 1986 and fiscal year 1987, and for other purposes; with amendments (Rept. No. 99-118, Pt. I). Ordered to be printed.

Mr. HOWARD: Committee on Public Works and Transportation. H.R. 2416. A bill to direct the Architect of the Capitol to construct a building on the U.S. Capitol Grounds to provide office space for the judicial branch of the Federal Government, and for other purposes; with an amendment (Rept. No. 99-119). Referred to the Committee of the Whole House on the State of the Union.

Mr. KASTENMEIER: Committee on the Judiciary. H.R. 2378. A bill to amend section 504 of title 5, United States Code, and section 2412 of title 28, United States Code, with respect to awards of expenses of certain agency and court proceedings, and for other purposes; with an amendment (Rept. No. 99-120). Referred to the Committee of the Whole House on the State of the Union.

Mr. HOWARD: Committee on Public Works and Transportation. H.R. 2092. A bill to amend the Natural Gas Pipeline Safety Act of 1968 and the Hazardous Liquid Pipeline Safety Act of 1979 to authorize appropriations for fiscal years 1986 and 1987, and for other purposes; with an amendment (Rept. No. 99-121, Pt. I). Ordered to be printed.

Mr. ST GERMAIN: Committee on Banking, Finance and Urban Affairs. H.R. 2253. A bill to provide for increased participation by the United States in the Special Facility for Sub-Saharan Africa, the International Bank for Reconstruction and Development, the International Finance Corporation, and the African Development Fund; with an amendment (Rept. No. 99-122). Referred to the Committee of the Whole House on the State of the Union.

Mr. SAM B. HALL, JR.: Committee on the Judiciary. H.R. 441. A bill to provide for the recovery by the United States of the costs of hospital and medical care and treatment furnished by the United States in certain circumstances, and for other purposes; with an amendment (Rept. No. 99-123). Referred to the Committee of the Whole House on the State of the Union.

Mr. JONES of North Carolina: Committee on Merchant Marine and Fisheries. H.R. 1027. A bill to authorize appropriations to carry out the Endangered Species Act of 1973 during fiscal years 1986, 1987, and 1988; with amendments (Rept. No. 99-124). Referred to the Committee of the Whole House on the State of the Union.

Mr. BROOKS: Committee on Government Operations. H.R. 1349. A bill to reduce the costs of operating Presidential libraries, and for other purposes; with amendments (Rept. No. 99-125). Referred to the Committee of the Whole House on the State of the Union.

Mr. DE LA GARZA: Committee on Agriculture. H.R. 1383. A bill to direct the Secretary of Agriculture to take certain actions to improve the productivity of American farmers, and for other purposes; with an amend-

ment (Rept. No. 99-126). Referred to the Committee of the Whole House on the State of the Union.

Mr. DE LA GARZA: Committee on Agriculture. H.R. 2355. A bill to extend the Federal Insecticide, Fungicide, and Rodenticide Act, as amended, for 1 year; with amendments (Rept. No. 99-127). Referred to the Committee of the Whole House on the State of the Union.

REPORTED BILLS SEQUENTIALLY REFERRED

Under clause 5 of rule X, bills and reports were delivered to the Clerk for printing, and bills referred as follows:

Mr. JONES of North Carolina: Committee on Merchant Marine and Fisheries. H.R. 1544. A bill to authorize appropriations to carry out the National Aquaculture Act of 1980 during fiscal years 1986, 1987, and 1988; with amendments; referred to the Committee on Agriculture for a period ending not later than May 31, 1985, for consideration of such provisions of the bill and amendment as fall within the jurisdiction of that committee pursuant to clause 1(a), rule XI (Rept. No. 99-105, Pt. I). Ordered to be printed.

Mr. HAMILTON: Permanent Select Committee on Intelligence. H.R. 2419. A bill to authorize appropriations for fiscal year 1986 for intelligence and intelligence-related activities of the U.S. Government, the Intelligence Community Staff, and the Central Intelligence Agency Retirement and Disability System, and for other purposes; with amendments; referred to the Committee on Armed Services for a period ending not later than May 24, 1985, for consideration of such provisions of the bill and amendments as fall within the jurisdiction of that committee pursuant to clause 1(c), rule XI (Rept. No. 99-106, Pt. I). Ordered to be printed.

Mr. JONES of North Carolina: Committee on Merchant Marine and Fisheries. H.R. 1957. A bill to amend title I of the Marine Protection, Research, and Sanctuaries Act of 1972; with an amendment; referred to the Committee on Public Works and Transportation for a period ending not later than July 19, 1985, for consideration of such provisions of the bill and amendment as fall within the jurisdiction of that committee pursuant to clause 1(p), rule XI (Rept. No. 99-107, Pt. I). Ordered to be printed.

PUBLIC BILLS AND RESOLUTIONS

Under clause 5 of rule X and clause 4 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. OBERSTAR (for himself, Mr. RUSSO, Mr. OWENS, Mr. STAGGERS and Mr. FRANK):

H.R. 2508. A bill to amend the Railroad Retirement Act of 1974 to provide survivor's annuities to certain employees' survivors not currently eligible for such annuities, and to provide for reductions in annuities otherwise due to persons likely to become such survivors and employees; to the Committee on Energy and Commerce.

By Mr. OBERSTAR (for himself and Mr. FRANK):

H.R. 2509. A bill to amend the Railroad Retirement Act of 1974 to eliminate the "last employer" rule, and certain related rules, as they affect the portion of certain annuities commonly referred to as "tier I" and to provide that certain deductions for work be made from such portion; to the Committee on Energy and Commerce.

H.R. 2510. A bill to amend the Railroad Retirement Act of 1974 to provide eligibility for annuities to divorced wives, not currently eligible, who would be eligible for a benefit under section 202(b) of the Social Security Act if their former husbands railroad service were included in employment for the purpose of the Social Security Act; to the Committee on Energy and Commerce.

By Mr. OBERSTAR (for himself, Mr. STAGGERS, and Mr. FRANK):

H.R. 2511. A bill to amend the Railroad Retirement Act of 1974 to provide that any worker with 25 years of service or more shall have a current connection for certain purposes; to the Committee on Energy and Commerce.

By Mr. OBERSTAR (for himself and Mr. FRANK):

H.R. 2512. A bill to amend the Railroad Retirement Act of 1974 to increase the earnings limit for recipients of certain disability annuities; to the Committee on Energy and Commerce.

H.R. 2513. A bill to amend the Railroad Retirement Act of 1974 to provide for a trial work period in disability situations similar to that provided under the Social Security system; to the Committee on Energy and Commerce.

By Mr. OBERSTAR (for himself, Mr. STAGGERS, Mr. FRANK, and Mr. HERTEL of Michigan):

H.R. 2514. A bill to amend the Railroad Retirement Act of 1974 to provide benefits for certain disabled spouses of railroad employees and for certain spouses of disabled railroad employees; to the Committee on Energy and Commerce.

H.R. 2515. A bill to amend the Railroad Retirement Act of 1974 to modify the "years of service" credit for military service; to the Committee on Energy and Commerce.

H.R. 2516. A bill to amend the Railroad Unemployment Insurance Act to provide that unemployment benefits of railroad employees will not be reduced by reason of the receipt of certain unrelated social insurance benefits; to the Committee on Energy and Commerce.

By Mr. CONYERS:

H.R. 2517. A bill to amend chapter 96 of title 18, United States Code; to the Committee on the Judiciary.

By Mr. BROOKS (by request):

H.R. 2518. A bill to discontinue or amend certain requirements for agency reports to Congress; to the Committee on Government Operations.

H.R. 2519. A bill to discontinue or amend certain requirements for agency reports to Congress; to the Committee on Government Operations.

By Mr. COURTER (for himself, Mr. DREIER of California, Mr. LAGOMARSINO, Mr. KASICH, Mr. RUDD, Mr. DENNY SMITH, Mr. HILER, Mr. BLILEY, Mr. WHITEHURST, Mr. STANGELAND, Mr. DELAY, Mrs. BENTLEY, Mr. SMITH of New Hampshire, Ms. FIEDLER, Mr. STRATTON, Mr. GINGRICH, Mr. DORNAN of California, Mr. BEDELL, Mr. WEBER, Mr. COATS, Mr. FISH, Mr. LOWERY of California, Mr. CONTE, Mr. KINDNESS, Mr. SMITH of New Jersey, Mr. STUDDS, Mr. DIOGUARDI, Mr. ARMEY, Mr. WORTLEY, Mr. SMITH of Florida, Mr. LEVIN of Michigan, Mr. RITTER, Mr. BURTON of Indiana, Mr. MONSON, Mr. BADHAM, Mr. BARTON of Texas, and Mr. MOORHEAD):

H.R. 2520. A bill to deny most-favored-nation trading status to Afghanistan; to the Committee on Ways and Means.

By Mr. FAUNTROY:

H.R. 2521. A bill to authorize the Board of Governors of the Federal Reserve System to regulate the market for Government securities; to the Committee on Banking, Finance and Urban Affairs.

By Mr. LIPINSKI:

H.R. 2522. A bill to amend the Urban Mass Transportation Act of 1964 to allow certain grants to be used for the overhaul of rolling stock and for reconstruction of equipment and materials on rolling stock, and for other purposes; to the Committee on Public Works and Transportation.

By Mr. McDADE:

H.R. 2523. A bill to amend title XIX of the Social Security Act to assist severely disabled individuals to attain or maintain their maximum potential for independence and capacity to participate in community and family life; to the Committee on Energy and Commerce.

By Mr. MORRISON of Washington (for himself, Mr. DICKS, Mr. CHANDLER, Mrs. VUCANOVICH, Mr. REID, Mr. BOULTER, and Mr. COMBEST):

H.R. 2524. A bill to amend the Price-Anderson provisions of the Atomic Energy Act of 1954 to establish liability and indemnification for nuclear incidents arising out of Federal storage, disposal, or related transportation of high-level radioactive waste and spent nuclear fuel; jointly, to the Committees on Energy and Commerce and Interior and Insular Affairs.

By Mr. SCHUMER (for himself and Mr. OWENS):

H.R. 2525. A bill to amend the Fair Credit Reporting Act to establish certain requirements and restrictions respecting the retention and furnishing of information by consumer reporting agencies on individuals renting residential property; to the Committee on Banking, Finance and Urban Affairs.

By Mr. SEIBERLING:

H.R. 2526. A bill to amend the Communications Act of 1934 to require that, when any alcoholic beverage is advertised on television, radio, or cable, equivalent time shall be provided for public service announcements and programming regarding alcohol consumption and misuse; to the Committee on Energy and Commerce.

By Ms. SNOWE (for herself and Mr. CONTE):

H.R. 2527. A bill to amend the Internal Revenue Code of 1954 to increase the amount of the credit for dependent care expenses, to make such credit refundable, and to provide that certain respite care expenses are eligible for such credit; to the Committee on Ways and Means.

By Mr. STARK:

H.R. 2528. A bill to amend the Internal Revenue Code of 1954 to provide that research and experimental expenditures of corporations, including personal holding companies, shall not be treated as items of tax preference for purposes of the minimum tax; to the Committee on Ways and Means.

H.R. 2529. A bill to amend the Internal Revenue Code of 1954 to deny a deduction for amounts paid as restitution for other damages for violations of law involving fraud; to the Committee on Ways and Means.

By Mr. GRADISON (for himself, Mr. PANETTA, Mr. LEHMAN of Florida, Mr. HEFNER, Mr. BOLAND, Mrs. KENNELLY,

Mr. BARNES, Mr. RODINO, Mr. HAMMERSCHMIDT, Mr. WEISS, Mrs. BOXER, Ms. KAPTUR, Mr. FUQUA, Mr. DASCHLE, Mr. REGULA, Mr. STARK, Mr. WORTLEY, Mr. BUSTAMANTE, Mr. BORSKI, Mr. BEILENSON, Mr. SOLARZ, Mr. MCCAIN, Mr. CROCKETT, Mr. GUARINI, Mr. BOEHLERT, Mr. GROTBERG, Mr. VANDER JAGT, Mr. QUILLEN, Mr. BERMAN, Mr. HORTON, Mr. BONIOR of Michigan, Mr. SCHEUER, Mr. JONES of Tennessee, Mr. DARDEN, Mr. TORRICELLI, Mr. BILIRAKIS, Mr. BEDELL, Mr. KLECZKA, Mr. CHAPPIE, Mrs. ROUKEMA, Mr. LEWIS of California, Ms. MIKULSKI, Mr. WOLF, Mr. HUGHES, Mr. SHAW, Mr. ROE, Mr. WAXMAN, Mr. DEWINE, Mr. DICKS, Mr. DAUB, Mr. SAVAGE, Mr. THOMAS of Georgia, Mr. OWENS, Mr. FROST, Mr. HEFTEL of Hawaii, Mr. EDGAR, Mr. RICHARDSON, Mr. FAZIO, Mr. MARTINEZ, Mr. PASHAYAN, Mr. SABO, Mr. BIAGGI, and Mr. SMITH of Florida):

H.J. Res. 288. Joint resolution to designate the month of November 1985 as "National Hospice Month"; to the Committee on Post Office and Civil Service.

By Mr. CONYERS:

H. Con. Res. 148. Concurrent resolution expressing the sense of the Congress with respect to the enfranchisement of pretrial detainees, convicted misdemeanants, and persons appealing their convictions of crime; jointly, to the Committees on the Judiciary and House Administration.

By Mr. DE LA GARZA (for himself and Mr. MADIGAN):

H. Res. 172. Resolution to recognize the Centennial Anniversary of the Holstein-Friesian Association of America, A Premier Dairy Cattle Breed Organization; jointly, to the Committees on Agriculture and Post Office and Civil Service.

By Mr. MCKINNEY (for himself, Mr. FAUNTROY, Mr. FORD of Tennessee, Mr. EDGAR, Mr. HUGHES, Mr. DYMALLY, Mr. LAGOMARSINO, Mr. GREEN, Mr. HORTON, Mr. SMITH of Florida, Mr. LAFALCE, Mr. BEREUTER, Mr. DELLUMS, Mr. BATES, Mr. ACKERMAN, Mr. MORRISON of Connecticut, Mr. FRANK, Ms. KAPTUR, Mrs. BOXER, and Mr. BOEHLERT):

H. Res. 173. Resolution providing for accelerated release for public use of certain records of the former Select Committee on Assassinations; to the Committee on House Administration.

MEMORIALS

Under clause 4 of rule XXII, memorials were presented and referred as follows:

124. By the SPEAKER: Memorial of the Legislature of the State of Hawaii, relative to the services of the U.S. Soil Conservation Service; to the Committee on Agriculture.

125. By Mr. RUDD: Memorial of the Legislature of the State of Arizona, relative to the prohibitions on commercial homework; to the Committee on Education and Labor.

126. By the SPEAKER: Memorial of the House of Representatives of the State of Hawaii, relative to a moratorium on nuclear weapons; to the Committee on Foreign Affairs.

127. Also, memorial of the House of Representatives of the State of Hawaii, relative to a policy of no-first-use of nuclear weapons; to the Committee on Foreign Affairs.

128. Also, memorial of the House of Representatives of the State of Hawaii, relative to the end to apartheid in South Africa; to the Committee on Foreign Affairs.

129. Also, memorial of the House of Representatives of the State of Hawaii, relative to peaceful uses of space; to the Committee on Foreign Affairs.

130. By Mr. RUDD: Memorial of the Legislature of the State of Arizona, relative to the Juan Bautista De Anza Trail; to the Committee on Interior and Insular Affairs.

131. By the SPEAKER: Memorial of the Senate of the Commonweath of the State of Pennsylvania, relative to the issuance of a commemorative stamp; to the Committee on Post Office and Civil Service.

132. Also, memorial of the Legislature of the State of Hawaii, relative to actions to assist schizophrenics; jointly, to the Committees on Energy and Commerce; Education and Labor; Banking, Finance and Urban Affairs; and Ways and Means.

ADDITIONAL SPONSORS

Under clause 4 of rule XXII, sponsors were added to public bills and resolutions as follows:

H.R. 10: Mr. FAZIO.

H.R. 44: Mr. REGULA.

H.R. 512: Mr. CARPER.

H.R. 526: Mr. RODINO, Mr. FLORIO, Ms. MIKULSKI, Mr. BUSTAMANTE, Mr. YOUNG of Florida, Mrs. BENTLEY, Mr. GEJDENSON, Mr. EDGAR, and Mr. DURBIN.

H.R. 556: Mr. BEDELL.

H.R. 587: Mr. BREAUX, Mr. GUARINI, Mr. GRAY of Illinois, Mr. MARLENEE, Mr. MOLINARI, Mr. MARKEY, Mr. HILLIS, Mr. KEMP, Mr. BIAGGI, Mr. MOLLOHAN, Mr. GEKAS, Mr. KRAMER, and Mr. BROWN of California.

H.R. 622: Mr. LANTOS.

H.R. 696: Mr. LUJAN, Mr. RUDD, Mr. HUGHES, Mr. OLIN, Mr. DICKS, Mr. THOMAS of California, Mr. SKELTON, Mr. MARLENEE, Ms. KAPTUR, Mr. MILLER of Washington, Mr. RITTER, Mr. KOLTER, Mrs. SMITH of Nebraska, Mr. PACKARD, Mr. NIELSON of Utah, Mr. EMERSON, Mr. DREIER of California, Mr. LOWERY of California, and Mr. ECKART of Ohio.

H.R. 930: Mr. SKELTON, Mr. WILLIAMS, and Mr. CLINGER.

H.R. 1017: Mrs. BOXER.

H.R. 1027: Mr. HUGHES.

H.R. 1123: Mr. SILJANDER, Mr. PACKARD, Mr. HUTTO, Mr. GUNDERSON, Mr. LIGHTFOOT, and Mr. SCHUETTE.

H.R. 1142: Mr. COURTER.

H.R. 1202: Mr. HUTTO and Mr. YOUNG of Alaska.

H.R. 1208: Mr. GLICKMAN.

H.R. 1294: Mr. FLORIO and Mr. SAXTON.

H.R. 1436: Mr. GRAY of Illinois.

H.R. 1517: Mr. KINDNESS, Mr. SENSENBRENNER, Mr. HOPKINS, Mr. MILLER of Ohio, Mr. MADIGAN, Mr. O'BRIEN, Mr. CAMPBELL, Mr. EDWARDS of Oklahoma, Mr. HYDE, Mr. DURBIN, Mr. SCHUETTE, and Mr. BEVILL.

H.R. 1550: Mr. YATRON, Mr. HAMMERSCHMIDT, Mr. EVANS of Iowa, and Mr. LUNDINE.

H.R. 1591: Mr. LEWIS of Florida, Mr. MONTGOMERY, Mr. MCDADE, Mr. IRELAND, Mr. CHAPPIE, Mr. LUKEN, Mr. LOTT, Mr. EVANS of Iowa, Mr. LUNDINE, and Mr. BUSTAMANTE.

H.R. 1666: Mr. DIOGUARDI and Mr. BOEHLERT.

H.R. 1760: Mr. ARMEY, Mr. GINGRICH, Mr. HOPKINS, and Mrs. MARTIN of Illinois.

H.R. 1893: Mr. SHAW, Mr. BOEHLERT, Mr. FRANKLIN, Mr. KOSTMAYER, Mr. MICA, Mr. RUDD, Mr. BEREUTER, Mr. BROWN of Colorado, and Mr. DAUB.

H.R. 1957: Mr. JONES of North Carolina, Mr. LENT, Mr. CARNEY, Mr. HUGHES, Mr. SAXTON, Mr. SMITH of New Jersey, Mr. CARPER, and Mr. BREAUX.

H.R. 1958: Mr. JONES of North Carolina, Mr. SAXTON, Mr. LOWRY of Washington, and Mr. HERTEL of Michigan.

H.R. 1997: Mr. DE LA GARZA, Mrs. COLLINS, Mr. GUNDERSON, Mr. SMITH of Florida, Mr. RANGEL, Mr. MCGRATH, Mr. KOLTER, Mr. MATSUI, Mr. VENTO, Mrs. BOXER, and Mr. CROCKETT.

H.R. 2106: Mr. CONYERS, Mrs. COLLINS, Mr. DELLUMS, Mr. TOWNS, Mr. HAYES, Mr. LELAND, Mr. WEISS, Mr. ROYBAL, Mr. STOKES, Mr. LUNDINE, Mr. CROCKETT, Mr. SAVAGE, Mr. FRANK, and Mr. RANGEL.

H.R. 2121. Mr. JONES of North Carolina, Mr. MOODY, Mr. RANGEL, Mr. MATSUI, Mr. TORRES, Mr. CARPER, Mr. DYMALLY, Mr. WEISS, Mr. STUDDS, Mr. SMITH of Florida, Mr. FUQUA, Mr. SAXTON, Mr. MCKINNEY, Mr. MOAKLEY, Mr. LENT, Mr. BONKER, Mr. HERTEL of Michigan, Mrs. BENTLEY, Mr. ORTIZ, Mr. MILLER of Washington, Mr. MCKERNAN, Mr. BIAGGI, Mr. MANTON, and Mr. ROSE.

H.R. 2124: Mr. EDWARDS of California, Mr. VENTO, Mr. SABO, Mr. DURBIN, Mrs. BURTON of California, and Mr. BEDELL.

H.R. 2161: Mr. ROYBAL, Mr. MATSUI, Mr. ROBINSON, Mr. RANGEL, Mr. WHEAT, Mr. HAYES, Ms. KAPTUR, Mr. MOODY, Ms. MIKULSKI, Mr. BARNES, Mr. JONES of North Carolina, Mr. FRANK, Mr. BEDELL, Mr. CROCKETT, Mr. SAVAGE, and Mr. BUSTAMANTE.

H.R. 2226: Mr. APPLEGATE, Mr. BEVILL, Mr. DUNCAN, Mr. HAYES, Mr. KINDNESS, and Mr. ROE.

H.R. 2502: Mr. BEILENSON.

H.J. Res. 41: Mr. PACKARD.

H.J. Res. 64: Mr. PANETTA and Mr. WHITTEN.

H.J. Res. 76: Mr. LUKEN, Mr. BURTON of Indiana, Mr. GRAY of Illinois, Mr. EVANS of Illinois, Mr. GEKAS, Mr. ANDREWS, Mr. ATKINS, Mr. HOYER, Mr. LEVIN of Michigan, Mr. MARTINEZ, Mr. MOODY, Mr. RICHARDSON, Mr. WISE, and Mr. STANGELAND.

H.J. Res. 133: Mr. RINALDO, Mr. GALLO, and Mr. GUARINI.

H.J. Res. 151: Mr. CLINGER.

H.J. Res. 204: Mr. PERKINS, Ms. KAPTUR, and Mr. FLORIO.

H.J. Res. 222: Mr. HAYES and Mr. JEFFORDS.

H.J. Res. 281: Mr. LEWIS of Florida, Mr. LOWERY of California, Mr. FEIGHAN, Mr. YOUNG of Missouri, Mrs. COLLINS, Mr. HAYES, Mr. DAUB, Mr. DARDEN, Mr. LEWIS of California, Mr. LANTOS, Mr. BILIRAKIS, Mr. SCHAEFER, Mr. ADDABBO, Mr. DIXON, Mr. BURTON of California, Mr. CAMPBELL, Mr. HUTTO, Mr. BORSKI, Mrs. HOLT, Mr. HALL of Ohio, Mr. KOSTMAYER, Mr. JENKINS, Mr. JONES of North Carolina, Mr. REID, Mr. KASICH, Mr. HAMMERSCHMIDT, Mr. MOAKLEY, Mr. MOODY, Mr. MACK, Mr. RINALDO, Mr. ROSTENKOWSKI, Mr. SAVAGE, Mr. TALLON, Mr. WATKINS, Mr. SHAW, Mr. DEWINE, Mr. FRENZEL, Mr. ROWLAND of Connecticut, Mr. WIRTH, Mr. SMITH of Florida, Mr. YATES, Mr. LIGHTFOOT, Mr. SILJANDER, Mr. FORD of Tennessee, Mr. MURPHY, Mr. HILER, Mr. TAUKE, Mr. LEHMAN of Florida, Mr. DURBIN, Mr. PANETTA, Mr. FROST, Mr. WYDEN, Mr. WALGREN, Mr. ROSE, Mrs. SCHROEDER, Mr. VOLKMER, Mr. BENNETT, Mr. NEAL, Mr. GREGG, and Mr. FOLEY.

H. Con. Res. 90: Mr. FORD of Tennessee and Mr. TALLON.

H. Con. Res. 131: Mr. BOEHLERT and Mr. BONER of Tennessee.

PETITIONS, ETC.

Under clause 1 of rule XXII:

107. The SPEAKER presented a petition of Pastor Martin Hoover, Kempner, TX, relative to a redress of grievances; which was referred to the Committee on the Judiciary.

AMENDMENTS

Under clause 6 of rule XXIII, proposed amendments were submitted as follows:

H.R. 1555

By Mr. WALKER:

—On page 146, after line 4, add the following section:

SEC. 1112. PROHIBITION ON ASSISTANCE TO COUNTRIES OPPOSING UNITED STATES FOREIGN POLICY.

(a) REPORT.—Not later than January 31 of each year, or at the time of the transmittal by the President to the Congress of the annual presentation of materials on foreign assistance, whichever is earlier, the President shall submit to the Speaker of the House of Representatives and the President of the Senate a full and complete report which assesses, with respect to each foreign country, the degree of support by the government of each such country during the preceding twelve-month period for the foreign policy of the United States. Such report shall include, with respect to each such country which is a member of the United Nations, information to be compiled and supplied by the Permanent Representative of the United States to the United Nations, consisting of a comparison of the overall voting practices in the principal bodies of the United Nations during the preceding twelve-month period of such country and the United States, with special note of the voting and speaking records of such country on issues of major importance to the United States in the General Assembly and the Security Council, and shall also include a report on actions with regard to the United States in important related documents such as the Non-Aligned Communique. A full compilation of the information supplied by the Permanent Representative of the United States to the United Nations for inclusion in such report shall be provided as an addendum to such report.

(b) PROHIBITION.—The United States shall not provide any foreign assistance to any country which the President finds, based on the contents of the report required to be transmitted under subsection (a), is engaged in a consistent pattern of opposition to the foreign policy of the United States.

(c) CERTIFICATION.—The United States shall not provide any foreign assistance to any country whose votes in the most recent session of the United Nations General Assembly differed from the United States position by more than 85 percent, based on the contents of the report required to be transmitted under subsection (a), unless the President certifies to the Congress that national security or humanitarian reasons justify a waiver of the application of this section to a country. The President shall submit each waiver certification to the Congress.

(d) DEFINITION OF FOREIGN ASSISTANCE.—As used in this section, the term "foreign assistance" means any assistance provided under—

(1) the Foreign Assistance Act of 1961 (22 U.S.C. 2151 et seq.),

(2) the Arms Export Control Act (22 U.S.C. 2751 et seq.).

H.R. 1872

By Mr. BROWN of California:

—At the end of title II (page 29, after line 14) add the following new section:

SEC. 207. LIMITATION ON TESTING OF ANTI-SATELLITE WEAPONS.

The Secretary of Defense may not carry out a test of the Space Defense System (anti-satellite weapon) against an object in space until the President certifies to Congress that the Soviet Union has conducted, after the date of the enactment of this Act, a test against an object in space of a dedicated anti-satellite weapon. The prohibition in this section expires on October 1, 1986.

SENATE—*Wednesday, May 15, 1985*

(Legislative day of Monday, April 15, 1985)

The Senate met at 8:30 a.m., on the expiration of the recess, and was called to order by the President pro tempore [Mr. THURMOND].

PRAYER

The Chaplain, the Reverend Richard C. Halverson, D.D., offered the following prayer:

** * * when they knew God, they glorified Him not as God, neither were thankful * * *.*—Romans 1:21.

God of love and mercy, forgive us for ingratitude—for taking for granted daily, common blessings. We slept last night in clean, comfortable beds. Many slept in the streets or without shelter. We awakened this morning—many did not. We had reasons to get out of bed—many had no incentive to arise. We wasted water in showers and tubs—many had no water, not even to drink. We sat down to sumptuous breakfasts—many had nothing to eat this morning—nor yesterday—nor tomorrow. Dear God, we always have more than enough of everything—many never have enough of anything. Forgive us for ingratitude and the sin of presumption—receive our thanks for all of Your blessings—and make us mindful, compassionate, and responsive to those who never have the luxury of shelter, clean beds, full stomachs, and incentive to live. Thank You, gracious Lord. Amen.

RECOGNITION OF THE MAJORITY LEADER

The PRESIDENT pro tempore. The distinguished majority leader is recognized.

SCHEDULE

Mr. DOLE. Mr. President, under the standing order, the leaders have 10 minutes each, followed by a special order in favor of the distinguished Senator from Wisconsin, Senator PROXMIRE.

Then we will have routine morning business, not to extend beyond the hour of 9 a.m., with statements limited therein to 5 minutes each.

Following that, I do intend to call up the conference report on H.R. 1869, repeal of the auto recordkeeping. I do not think that will take any great deal of time, but I wish to alert Members who may want to include statements or make statements on that rather important matter.

Then we will resume consideration of S. 960, the foreign aid authorization bill. I am advised by the managers on each side that unless something unforeseen happens, they feel certain they can finish it fairly early today, hopefully even earlier than they anticipate, perhaps by 2 o'clock.

Mr. President, we could then turn to the DOD authorization, if it is available. I will instruct the staff to see if there might be other possibilities such as clean air, clean water. There are a couple of other bills we might be able to take up.

I know the distinguished Senator from Connecticut is prepared to take up S. 407. We will see if we can clear that for action this afternoon.

Mr. President, I have been reminded that there is an amendment pending by the Senator from Massachusetts [Mr. KERRY], dealing with the Philippines. I am not familiar with all the details. It is anticipated that there will be a rollcall vote. That vote could come as early as 10:30 a.m.

It is also possible there could be a rollcall vote on the auto recordkeeping conference report. If that should occur, I would plan to postpone that vote until immediately preceding the vote on the Kerry amendment.

PEACE OFFICERS' MEMORIAL DAY/NATIONAL POLICE WEEK

Mr. DOLE. Mr. President, just last week this Nation and its allies and foes of World War II paused to remember the close of hostilities in Europe 40 years ago. In another 2 weeks we will again honor those who made the supreme sacrifice in defense of their country in our annual Memorial Day observances.

Yet today is also a day of remembrance, Mr. President, I refer to those who have made the supreme sacrifice in defense of their country to preserve domestic tranquillity. I refer to our peace officers who have fallen in the line of duty. Today is set aside by appropriate commemorative resolution as National Peace Officers' Memorial Day. It is the capstone of National Police Week. Now in its fourth year with congressional endorsement, this observance brings to a high level of public awareness the commitment and sacrifices of the more than half million men and women of more than 15,000 police organizations who lay their lives on the line of duty every day to protect us from the ravages of criminal activity.

More than a decade ago, a national study of our police was conducted by the Police Task Force of the National Advisory Commission on Criminal Justice Standards and Goals. This document, developed and written by police officials for use by police officials in their planning and operational activities, describes, with simple yet eloquent terms, what policing is about. I quote selectively from its first chapter:

> The police in the United States are not separate from the people. They draw their authority from the will and consent of the people, and they recruit their officers from them. The police are the instrument of the people to achieve and maintain order; their efforts are founded on principles of public service and ultimate responsibility to the public. . . .
>
> To a police officer, public service is more than a vague concept. When people need help, it is to a police officer that they are most likely to turn. He responds—immediately—without first ascertaining the status of the person in need. It does not matter if that person is rich or poor; he need not meet complicated criteria to qualify as a recipient of aid or as a potential client.
>
> Police officers are decisionmakers. A decision—whether to arrest, to make a referral, to seek prosecution, or to use force—has a profound effect on those a police officer serves. Most of these decisions must be made within the span of a few moments and within the physical context of the most aggravated social problems. Yet, the police officer is just as accountable for these decisions as the judge or corrections official is for decisions deliberated for months.
>
> The role the police officer plays in society is a difficult one; he must clearly understand complex social relationships to be effective. He is not only a part of the community he serves, and a part of the government that provides his formal base of authority, he is also a part of the criminal justice system that determines what course society will pursue to deter lawbreakers or rehabilitate offenders in the interest of public order. . . .
>
> Although local government provides many services the police are its most visible representatives. Because they are the agents of government who are most frequently in contact with the public, and because they are accessible around-the-clock, police are often contacted regarding services provided by other municipal, county, State, and Federal agencies. . . .
>
> The police are the criminal justice element in closest contact with the public; as a result, they are often blamed for failures in other parts of the system. In like manner, public confidence in the criminal justice system depends to a large extent on the trust that the people have in their police.

We, who ply the political sciences often think that we are the consumate public servants, that we are the true guardians of the public trust. However, Mr. President, I must stand aside in more than a little humility to contem-

plate the implications of the role of the police officer in the terms described above. What an opportunity for service—what a setting for sacrifice.

This week more than a 100 survivors are gathered here in Washington at a survivors seminar aimed at focusing attention upon some often overlooked victims of crime—the families of the slain officers. This gathering was sponsored jointly by the National Institute of Justice and Concerns for Police Survivors [COPS]. The aim of the seminar is to develop a clearer sense of the problems faced by the survivors and to find ways of helping and supporting the families in dealing with those problems.

In addressing this group, Lois Herrington, Assistant Attorney General for Justice Assistance, rightly observed:

> The loss of a loved one is always terrible. For the survivor of slain officers, the pain is compounded by society's callous assumption that death is simply an occupational hazard of law enforcement.

Mr. President, hundreds of people gathered today in the Senate park to pay tribute to the law enforcement officers who died in the line of duty over the past year. The memorial service was sponsored by the Grand Lodge Ladies Auxiliary of the Fraternal Order of Police, which has sponsored a similar service every year since 1982. I ask unanimous consent that the names of those officers honored at today's ceremony be placed in the RECORD at this point.

There being no objection, the names were ordered to be printed in the RECORD, as follows:

ROLLCALL OF HEROES

ALABAMA

David W. Campbell, Simmie L. Jeffries, Marcus L. Reid, Sharon K. Robinson, William O. Wilson.

ALASKA

Troy L. Duncan.

ARIZONA

Kenneth E. Campbell, Kevin W. Forsythe, Errol C. Hawkins, Robert L. Polmanteer, John A. Robertson.

ARKANSAS

Charles E. Barnes, Sr., Roy M. Brewer, Louis P. Bryant, Leonard E. Cross, William R. Gilham, Joseph Hutchins, Herman E. Jones, Sr., Robert W. Klein, Roy L. Leon, Jr., William T. Mills, Boyce Norwood.

CALIFORNIA

Edward J. Burch, Beauford L. Brooks, Ronald H. Fuller, David Holquin, Howard S. W. Huang, Duane C. Johnson, Arthur W. Koch, Michael W. McClung, Morley L. Miller, Errol J. Rogers, Timothy J. Ruopp, Chesley A. Stephens, Kimberly S. Tonahill, William C. Whitty.

COLORADO

Edgar B. Rains, Jr., Clifton Browning, Jr.

FLORIDA

Joel V. Broome, Mark C. Caperton, Jose R. DeLeon, Robert D. Edwards, Frederick J. Groves, Jr., Donald B. Kramer, Margaret E. Park, Eric B. Streeter, William A. Wilkerson, Anthony Yanniello.

GEORGIA

Thomas M. Bowen, Lee A. Crews, Stacy M. Fuller, James C. Haupfear, Ronald E. O'Neal.

ILLINOIS

Curtis Baker, Dorelle C. Brandon, Martin P. Clarke, John J. Collins, Fred Eckles, Jr., Bryan A. Keeney, Martin S. Murrin, Robert C. Reimann, Jr.

INDIANA

Ernest J. Malatinka, Harold L. Rogers.

IOWA

Bret N. Sunner.

KANSAS

James L. Reynolds.

KENTUCKY

Carnie F. Hopkins, Anthony E. Jansen, Donald R. Williams.

LOUISIANA

Harland M. Bonner, Carl R. D'Abadie, Warren Narcisse, Jr., Noel A. Smith, Edward Toefield, Jr., Sherman R. Walker.

MAINE

Donald E. Davey.

MARYLAND

Robert J. King, Marcellus Ward.

MASSACHUSETTS

Robert P. Dana, John J. Gilbert.

MICHIGAN

President Hinton, Jr., James S. Johnson, Robert J. Mihalik.

MISSISSIPPI

Jerry Bryant, Steven K. Gardner, William E. Lott, Jr., Jacquelyn K. Sherrill, James S. Wood.

MISSOURI

William H. Givens, Kenneth Koch.

MONTANA

Allen L. Kimery.

NEBRASKA

Robert J. Chab.

NEVADA

George T. Rice.

NEW JERSEY

William L. Carroll, Jr., Edward R. Errickson, Anthony J. Garaffa, Robert S. Heacock, Carlos M. Negron, Daniel J. Smith.

NEW MEXICO

Lowell D. Howard, Bruce A. Richard, David M. Smith.

NEW YORK

Juan E. Andino, Angelo E. Brown, James W. Carozza, Jr., John C. Hawley, Irma Lozada, Thomas P. Ruotolo, Ronald J. Siver, Richard B. Snyder.

NORTH CAROLINA

William K. Horne, Dennis L. Sheffield.

OHIO

Thomas E. Bryant, Ralph J. DeSalle, Jr., Jerry E. Dragosin, Stephen M. Kovach, Phillip J. Pence, Larry J. Safreed.

OKLAHOMA

Mark O. Harris, Guy D. Nalley, Kenneth W. Stump.

OREGON

David Foster, Robert L. Talburt.

PENNSYLVANIA

George R. Banfield, Delbert R. Flowers, Ernest J. Gray, Jr., Carl H. Whippo.

RHODE ISLAND

Doreen A. Tomlinson.

TENNESSEE

James K. Kennedy.

TEXAS

Ruben T. Almanza, Alfred F. Burden, Robert L. Cormier, Randy L. Davis, John E. Hollingsworth, Richard M. Latham, Victor P. Serna, James C. Taylor, James R. Wulf.

UTAH

Charles H. Dickey, Jr., Rodney W. Schreurs.

VIRGINIA

James L. Biggs, George M. Brown, Sr., Douglas E. Drye, Lonnie L. Freeman, Robert T. Hicks, Donald A. Stillman, John C. Thomas III.

WASHINGTON

Nicholas N. Davis, Winfield S. Edie, Terry L. Hoffer, Michael L. Raburn.

WEST VIRGINIA

Harry G. Lucas, Jr.

WISCONSIN

Stuart J. Searles.

DISTRICT OF COLUMBIA

Christopher S. Eney.

PUERTO RICO

Carlos J. Andaluz Mendez, Dario Figueroa Rodriguez, Hilarino Silva Rosario.

Mr. DOLE. Mr. President, as we honor the memories of these men and women who sacrificed their lives, let us be mindful of their survivors as well. We pay our highest honor to these heroes, extend our deepest sympathies to their survivors, and give our lasting gratitude to them.

Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER (Mr. WEICKER). The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. PROXMIRE. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

RECOGNITION OF THE ACTING MINORITY LEADER

The PRESIDING OFFICER. The acting minority leader is recognized.

Mr. PROXMIRE. Mr. President, I ask unanimous consent that the time of the minority leader be reserved for his use later in the day.

The PRESIDING OFFICER. Without objection, it is so ordered.

RECOGNITION OF SENATOR PROXMIRE

The PRESIDING OFFICER. Under the previous order, the Senator from Wisconsin [Mr. PROXMIRE] is recognized for not to exceed 15 minutes.

CONGRESS SHOULD ACT NOW TO PRESERVE ASAT TEST MORATORIUM

Mr. PROXMIRE. Mr. President, there is one issue that more clearly and clearly divides those who believe

in arms control as the principal salvation of a peaceful world from those who believe that the deterrence of sheer military power provides the realistic way to peace. That issue is the testing of antisatellite weapons. This is an urgent issue. The Senate must act on it in the next few weeks or even days. The President with all of the immense power and prestige of his status as Commander in Chief of the Armed Forces and as the Nation's No. 1 legislator seems firmly on the side of proceeding with antisatellite testing. Some of us in the Congress strongly disagree. Unless the Congress adopts legislation to continue the moratorium on ASAT testing, the fragile, tacit restraint both superpowers have pursued since August 1983 in refraining from ASAT testing against targets in space will probably end next month. Our Air Force has engaged in testing against a point in space. That testing has not provoked the Soviets to resume ASAT testing and development. Testing against targets, however, is very likely to provoke advanced Soviet testing ASAT and the arms race would be on.

Why does the administration want to shatter this moratorium? The Air Force has developed a new American ASAT—a two stage missile to be launched from an F-15 jet fighter. It uses a special infrared homing device. It is tipped with a small nonexplosive warhead. The warhead is not nuclear. Once it has been sufficiently tested and has become operational, it would be far in advance of the relatively primitive ASAT system now used by the Soviets. Such a U.S. development would very likely trigger a vigorous Soviet response to match or surpass the ASAT technology. This would make it very hard to stop an ASAT arms race. ASAT arms control would be dead.

Now Mr. President, if ever there were an arms race that no one could win, this would be it. Both superpowers would lose. Which, if either, superpower would be the bigger loser? Answer: Ultimately, the United States would be the biggest and surest loser. Why? First we have an open society. American newspapers and technical journals are full of our latest and newest military developments. Movement in and around this country by anyone is virtually unrestricted. Hundreds of thousands of people swarm around this country every day with cameras taking pictures of everything from children at play, young women in bathing suits to our missiles, our bomber bases, our submarine pens and much of our military establishment. So the Soviet Union is clearly less dependent on satellite photographic capability than the United States. Satellites are helpful to Soviet intelligence. But they are absolutely critical to the United States. If both countries should lose their satellites to antisatellite attack, can there be any doubt which country would suffer the greater loss?

How can the United States monitor military developments in the Soviet Union without satellite intelligence? A few weeks ago a young American officer was murdered by a Soviet soldier. Why? Because the American officer was taking a picture that the Soviets feared might provide this country with military information about Soviet military power.

Mr. President, that murdered American officer was not even taking pictures in the Soviet Union. He was taking pictures in East Germany. When an American plane wandered off course into Soviet territory a couple of years ago, the Soviets feared it might be on an intelligence mission. They shot it down. Travel in the Soviet Union, even by native Russians, is rigorously restricted. As we know, there is no free, inquiring, investigative press in the Soviet Union that lets all the world in on Soviet military activities. The central Communist Government controls every word printed in every newspaper, book, pamphlet, or technical report. Nothing, but nothing, useful about the Soviet military is revealed except with the approval and knowledge of the Kremlin. Radio, television, virtually any kind of speech to more than a tiny handful of people is carefully controlled and limited in that police state. So how does the United States derive its knowledge of the Soviet Union? The answer, Mr. President, is by satellite. William Colby, the former head of our Central Intelligence Agency, has told the Defense Appropriations Subcommittee of this body of the marvels of information about the Soviet Union that we can determine in astonishing detail by our satellites. Colby has called the satellite reconnaissance far more reliable, accurate, timely and useful than the information we can get from personal observers.

So, who loses if we violate the tacit restraint both superpowers have pursued for nearly 2 years in antisatellite testing? Can there be any question that the United States is bound to be the ultimate loser? Both nations lose. Both lose because we destroy the prime technological necessity of an effective arms control agreement—technological verification—a verification that can only come from satellites.

Mr. President, what is the answer to this? Those who favor moving ahead with our ASAT program contend that the Soviets have a deployed ASAT system right now that we must counter. The fact is that the Soviets do indeed have an ASAT system deployed. It is similar to the system we had deployed about 15 years ago. It is a ground-launched weapon that can only reach low-orbit satellites. It could not touch most of our command, control, and communications satellites. They are in high orbit far out of reach of the Soviet ASAT. The new, untested F-15 American ASAT is low-orbit, but so are the Soviets' command, control, communications and their intelligence satellites, too.

The testing and operational deployment of our new ASAT's would give this country military superiority in space. So why not seize and exploit that superiority? The answer, Mr. President, is that we should not push ahead with this arms race even though we win the first lap, going away. Unless we expect to be at war with the Soviet Union in the next 5 or 6 years or so, this ASAT race would be a big loser for our country. The race would move swiftly to the development of high-orbit satellite killers by both superpowers. And there goes the present invulnerability of our vital command, control, and communications satellites and what was left of our intelligence satellites.

With our satellites dead, our eyes in the skies would be blinded. We would be shut out from knowledge of military developments in our adversary, the super-closed society of the Soviet Union. They would lose their satellite intelligence, too. But the Soviets would still have the ability to learn a great deal about the military activities of our wide-open country. So if we cut loose with ASAT testing against targets in space next month, as the Air Force plans, we lose and we lose big.

Mr. President, I ask unanimous consent that an excellent statement set forth by the Council for a Livable World in support of preserving the ASAT test moratorium be printed at this point in the RECORD.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

COUNCIL FOR A LIVABLE WORLD REPORT—PRESERVE THE ASAT TEST MORATORIUM

Last year, Congress mandated a moratorium on U.S. anti-satellite (ASAT) weapon testing against objects in space at least until March 1, 1985. The moratorium remains in effect today. Congress enacted this measure last October in the hope that mutual U.S.-Soviet restraint would enhance the prospects for a negotiated treaty banning or strictly limiting these space-directed systems. The Soviets had earlier adopted a policy of restraint in August 1983 when Yuri Andropov announced that the Soviet Union would not conduct ASAT tests for as long as the United States reciprocated.

THE U.S. ASAT PROGRAM

The U.S. Air Force has developed and begun initial testing of a highly sophisticated anti-satellite weapon, the third American ASAT system. The two previous U.S. ASATs were developed and deployed in the 1960s and early 1970s; these earlier versions consisted of ground-launched, nuclear-tipped missiles that would explode within close range of an orbiting target satellite.

The new American ASAT, however, is not a ground-launched weapon and it is non-nuclear. It is an 18-foot two-stage missile carried beneath and launched from an F-15 jet fighter. This new ASAT, often called the F-15 ASAT, is tipped with a small non-explosive warhead that separates from the missile to destroy a satellite target by impact. The warhead uses a special infrared homing device and is commonly referred to as the Miniature Homing Vehicle (MHV). In January 1984, the Air Force conducted a flight test of the F-15 ASAT that successfully demonstrated separation of the two stages of the ASAT missile. In a later flight test, conducted in November 1984, the ASAT was fired successfully at a point in space. The F-15 ASAT has not been tested since then, and has never been tested against a target in space.

According to Administration officials, the Air Force plans to conduct its first test against a target in space this June. Despite the initial flight tests of the U.S. F-15 ASAT last year, the Soviets still have not conducted any ASAT tests since Andropov's declaration in August 1983. In fact, the last Soviet ASAT test occurred in June 1982. However, the Soviets have indicated that they may resume ASAT testing if the United States proceeds with further testing.

Two important factors should be underscored—first, the United States has not begun testing the new F-15 ASAT against targets in space, and second, the Air Force is preparing to begin such tests later this year. The F-15 ASAT, like any newly-developed weapon system, must undergo a series of tests in simulation of its intended military role before it can be declared operational. This is a critical consideration in the current ASAT debate because once a sufficient number of such tests has been completed the Soviets must assume and act as if the ASAT system is fully operational.

If the F-15 ASAT reaches an operational state, given the missile's small size and hidden deployment position beneath the F-15, the Soviets would find it difficult—if not impossible—to locate and monitor deployed U.S. ASATs by satellite reconnaisance. An ASAT ban or even strict limitations would be extremely difficult to achieve without such verification capability. Moreover, this new weapon system, unlike the ASATs deployed by the United States in the past, would pose a very credible threat to the Soviets' strategic satellites because of its range, speed and accuracy. In sum, a successful ASAT test program by the United States will trigger a determined and intensive Soviet effort to match this advanced ASAT technology, and diminish the potential for ASTA arms control.

IMPLICATIONS OF A U.S.-SOVIET ASAT COMPETITION

The most frequently used argument in favor of testing and deployment of the new U.S. ASAT is that the Soviets have a deployed ASAT system which we must counter. The Soviets, ASAT is similar to the second U.S. ASAT which was deployed during the late 60s and early 70s. It is a ground-launched weapon, launched from a massive booster. The Soviet ASAT succeeds by entering orbit, circling the earth until within striking distance of its target, and then exploding a non-nuclear warhead which sprays the target satellite with shrapnel. This Soviet ASAT can only strike low orbit satellites; it is recognized to be a primitive system which poses virtually no threat to our vital, high orbit military satellites. With our reconnaissance satellites, we can readily determine when and where Soviet ASATs are deployed.

The vast majority of our military command, control, communications and intelligence (C^3I) satellites are in high orbit, out of reach for the low orbit Soviet ASAT. The U.S. F-15 ASAT is also a low orbit system. However, it would be highly effective against the Soviets, C^3I system because most of their vital strategic satellites are in low orbit. In the near term, therefore, the F-15 ASAT would give the United States a significant ASAT edge—a tempting proposition if immediate, military superiority in space is our goal.

In the long term, however, an escalating U.S.-Soviet ASAT competition would be extremely detrimental to our military security. Under the conditions of competing and unrestrained ASAT advances, U.S. and Soviet research and development are likely to produce high orbit ASATs. This means that in the future, our most vital strategic satellites would be threatened by Soviet ASATs. The security of our strategic military forces would then be jeopardized. Moreover, the United States relies far more on satellites for communications and intelligence operations than does the Soviet Union. For example, the United States must use satellites to gather the type of Soviet information that is frequently unclassified in the United States and available to Congress, the public, and therefore the Soviets. It would be extreme folly for the United States to be seduced by the short-term prospect of an edge in ASAT technology when, in the long run, the United States will have far more to lose in an unrestrained ASAT race. The time is now to avoid the trap of inevitable U.S. and Soviet ASAT developments that would put both low and high orbit satellites at risk.

U.S. ASAT POLICY: RECOMMENDATION FOR IMMEDIATE ACTION

Recognizing the gravity of the long-term ramifications of a U.S.-Soviet ASAT competition, the United States in 1978 adopted a "dual-track" policy for this type of weaponry. That year, the United States launched a two-pronged effort—to develop a new weapon (to become the F-15 ASAT), and to negotiate an agreement with the Soviet Union to ban these weapons. The threat posed by the advancing weapon program, it was argued, would give the United States valuable bargaining leverage. Pressure on the Soviets to head off testing and deployment of the forthcoming U.S. ASAT was expected to motivate them to agree to dismantle their ASAT system and, more importantly, not to deploy new ASATs. U.S.-Soviet ASAT negotiations began in June 1978 and continued until July of 1979. After the Soviet invasion of Afghanistan later that year the talks were called off.

The U.S. ASAT program as it stands—on the verge of testing against targets in space—offers a valuable bargaining tool for the U.S. negotiators who have begun space weaponry discussions in Geneva. The Soviets have made it very clear that they are willing and anxious to bargain seriously on ASATs; it is now vitally in their national security interests, as it is in ours. The United States can take full advantage of this leverage by proposing an ASAT treaty to halt the burgeoning ASAT race. A U.S. decision to proceed with tests against targets in space will seriously undermine the chances for success at Geneva.

The ASAT amendment legislated by Congress last fall stipulated that the United States could not conduct ASAT tests against targets in space before March 1, 1985. To begin such tests, the President must report to Congress on U.S. ASAT policy and wait 15 days; the United States may then conduct up to three tests during this fiscal year, which ends on October 1.

Without further legislative action, the decision to proceed or not to proceed with these crucial tests against targets in space is left entirely in the hands of the President. The report requirement poses no obstacle—Reagan will more than likely submit the report to Congress about 15 days before the first test is scheduled, giving proponents of the moratorium the least possible time to react. If Reagan remains committed to the current plans to begin the tests in this fiscal year, it is up to Congress to adopt legislation that would bar the tests.

On April 3, 1985, Senators John Kerry (D-Mass.), John Chafee (R-R.I.) and Charles McC. Mathias (R-Md.) introduced S. 885, a bill which mandates a continuation of the ASAT test moratorium at least until the end of fiscal 1986. This resolution is binding legislation. If enacted, it would prohibit U.S. ASAT tests against objects in space unless the Soviets (1) refuse to continue negotiating on anti-satellite weaponry or (2) conduct an ASAT test against an object in space.

Adoption of the Kerry-Chafee-Mathias bill would demonstrate sound judgement and strategic foresight. The success of the Geneva discussion on defensive weapons may depend on the willingness of both sides to refrain from technological advances in space weaponry that will provoke a breakdown of the negotiations and launch a spiraling space arms race. If the Reagan Administration genuinely wants to enhance our national security and negotiate a treaty to ban or strictly limit ASATs, the ASAT test moratorium currently being observed by both nations must be preserved. A U.S. decision to conduct ASAT tests would increase U.S.-Soviet tensions, complicate the negotiations, and significantly reduce the prospects for an ASAT treaty. At the very best, a U.S. policy of pushing ahead with testing of the F-15 ASAT, before reaching any bilateral ASAT agreement, would create extremely inauspicious circumstances for the recently renewed negotiations on space weapons—if not across the arms control board.

THE GENOCIDE CONVENTION WILL NOT OVERRIDE THE CONSTITUTION

Mr. PROXMIRE. Mr. President, recently, opponents of the Genocide Convention have once again started claiming that the treaty would override the U.S. Constitution.

The answer to these allegations is a resounding "no way!" The Genocide Convention is completely constitutional. Not just in my view. That is a position shared by the American Bar Association, the Reagan administration, and experts ranging from the American Civil Liberties Union, on the left of our political spectrum, to William Rehnquist, one of the most conservative Supreme Court Justices.

In fact, William Rehnquist testified before the Senate Foreign Relations Committee on behalf of the Nixon administration in 1970. He was then serv-

ing as an assistant attorney general, Office of Legal Counsel, and his testimony resoundingly repudiates these allegations.

First, he made it clear that "the treaty is entirely constitutional."

Second, he noted that "the Constitution is superior to any treaty no matter how interpreted." He noted that the controlling Supreme Court case was Reid versus Covert (1957) whose language is straightforward on this point. He testified:

There is nothing in this language (the supremacy clause) which intimates that treaties and laws enacted pursuant to them do not have to comply with the provisions of the Constitution. Nor is there anything in the debates which accompanied the drafting and ratification of the Constitution which even suggest such a result. It would be manifestly contrary to the objectives of those who created the Constitution, as well as those who were responsible for the Bill of Rights—let alone alien to our entire constitutional history and tradition—to construe Article VI as permitting the United States to exercise power under an international agreement without observing constitutional prohibitions.

The prohibitions of the Constitution were designed to apply to all branches of the National Government and they cannot be nullified by the Executive or by the Executive and the Senate combined.

Third, when asked whether treaties became the supreme law of the land, implying that they would be superior to domestic Federal law, Mr. Rehnquist responded:

Senator, I do not think that is a full statement.

The Constitution says all laws made in pursuance thereof, and all treaties made under the authority of the United States shall be the supreme law of the land. I am paraphrasing, but it puts laws and treaties of equal dignity.

Fourth, Mr. Rehnquist reaffirmed that Americans' right of free speech could not be affected by a treaty and would not be affected by this treaty in any way. Racial slurs or ethnic jokes do not constitute genocide under the plain language of the treaty. Moreover, only actions taken with intent to physically destroy the group constitute genocide.

Finally, Mr. Rehnquist killed two birds with one stone by describing the impact that any opinion of the world court might have on American citizens and the role of treaties vis-a-vis the Constitution when he notes that:

• • • nothing the ICJ [International Court of Justice] said on the subject would have any bearing on the rights of Americans because the Constitution is superior to any Treaty no matter how interpreted.

Without question, no treaty or domestic Federal law is valid unless it is consonant with the provisions of the Constitution and both must bow before any constitutional prohibitions. That is the way it should be.

Mr. President, this body regularly approves treaties which protect the lives of migratory birds and whales. How can we refuse to ratify a treaty which protects the all-important right of groups of people to live without the fear of extinction? How can we fail to speak out against genocide, the most horrible crime attributed to man?

Since every constitutional argument raised against the Genocide Convention has been refuted, what is this body waiting for? Mr. President, I once again urge my colleagues to ratify the treaty.

DON LAMBRO'S 10 WORST BOONDOGGLES

Mr. PROXMIRE. Mr. President, the first issue of a new publication, "The Taxpayer's Lobbyist"—that is volume 1, No. 1 carries a lead article by Donald Lambro. He has written an article titled: "Washington's 10 Worst Boondoggles." Lambro has made himself the supreme expert on waste in Government. No widely read columnist in America has so consistently and effectively exposed, highlighted, documented and raised such unshirted hades about wasting the taxpayer's money as Donald Lambro. The article in the Taxpayer's Lobbyist is terse and simple. Most, but not all of these boondoggles survived the recently passed Senate budget resolution. Some were eliminated. Some were trimmed. Some were frozen. But all of them may be revived later, possibly later this year in the House of Representatives.

Mr. President, I ask unanimous consent that the article to which I have referred by Donald Lambro be printed at this point in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

[From the Taxpayer's Lobbyist, April 1985]

WASHINGTON'S 10 WORST BOONDOGGLES

(By Donald Lambro)

"You haven't any suggestions, have you, of more places that we can find to cut the budget?" President Reagan once asked me during an Oval Office interview.

Indeed I had. Finding ways to shrink the bloated federal budget is one of my principal jobs as an investigative reporter. My twice-weekly, nationally syndicated column regularly roots out and exposes wasteful federal spending. And I'm especially pleased that many of the budget-cutting recommendations I've made in my column, and in my new book *Washington—City of Scandals*, have been adopted by President Reagan in his latest budget proposals to Congress.

Now the ball is in Congress's court as lawmakers battle over how to trim between $40 and $50 billion from next year's estimated deficit of $200 billion. But enacting a meaningful deficit-cutting bill isn't going to be easy. It's going to take an aroused, highly-motivated and well-informed army of concerned tax-payers to put the pressure on Congress to *stop runaway spending now.*

That's why I eagerly agreed to a request from *The Taxpayer's Lobbyist* to name what I consider the most wasteful federal spending programs in existence. It's a tough assignment, because out of the hundreds of programs and expenditures I have investigated, dozens immediately come to mind as among the worst.

But after considerable thought, I've picked the following federal boondoggles as the 10 *most* indefensible. Here is spending that cries out to be abolished:

1. *Revenue Sharing.* How does Congress justify giving $4.6 billion a year in no-strings-attached revenue-sharing checks to over 39,000 localities, thousands of which regularly run up budget surpluses?

Bear in mind that the deficit-ridden U.S. Treasury must borrow the money for revenue-sharing programs, in order to give it away to every community in America. Who gets this money? A lot of communities that by no stretch of the imagination deserve it. Wealthy Palm Springs, California gets $660,000 each year. Ritzy Beverly Hills pockets $220,000. And Grosse Point, Michigan, where the median family income is nearly $70,000 a year, also gets an annual subsidy from Uncle Sam. Thousands of similarly upper-crust communities receive yearly checks from the federal government.

2. *Urban Development Action Grants.* This heavily politicized, $444 million discretionary slush fund in the Department of Housing and Urban Development gives most of its money to a handful of cities. Twenty big municipalities scoop up 44 percent of all UDAG dollars—and use the money to assist downtown corporate development. UDAGs have helped to build 262 luxury hotels; to subsidize upper and middle class housing projects; and, to enrich giant businesses like the Hyatt Corporation, Sherwin-Williams, and General Motors.

UDAG supporters claim that the grants create new jobs. But the Office of Management and Budget disagrees, saying UDAGs "do not add to national investment or job creation. Federal economic development subsidies politically reshuffle the national economic pie—not expand it."

3. *National Institute of Education.* For years this $48 million research arm of the Department of Education has been handing out esoteric and wasteful research grants that have done nothing to improve the education of our children.

Among NIE's useless research projects: A catalogue on early American textbooks, costing $34,000; a legal history of American colleges, with a price tag of $80,000; and a study on "Sex Role Attitudes in Young Women and Men", which cost $102,000.

4. *Small Business Administration.* This scandal-plagued program assists very few of America's 14.3 million small businesses. Indeed, a full *98 percent* of the nearly 600,000 new businesses born each year are created without any SBA help. The recipients of SBA's loans and 8 (a) assistance programs are often determined by political and congressional pressure on the agency, not by sound business decisions.

OMB explains that most of SBA's loan subsidies "go to economic strap hangers—weak businesses who get repeated SBA loans." Indeed, 77 percent of all SBA borrowers in the first half of 1983 were repeat customers. Eliminating the agency would save $576 million next year. President Reagan has asked Congress to do so, but faces great opposition from legislators who put the demands of inefficient businesses ahead of the national interest.

5. *Export-Import Bank.* A handful of big corporations reap most of the benefits of subsidized Ex-Im loans. Out of more than $3.1 billion issued in such loans in 1982, 44 percent benefited just 10 corporations,

seven of which are Fortune 500 companies! The list includes Boeing, General Electric and Westinghouse—corporations that need no federal handouts to compete in world markets. Terminating Ex-Im's direct-loan program would save $400 million next year, and more than $1.4 *billion* in 1987.

6. *Coast Guard User Fees.* Almost all of the Coast Guard's services are provided free of charge to private and commercial boat owners—including over 9 million recreational boats—at great cost to taxpayers. Levying a reasonable system of user fees, as proposed by the Administration, would raise more than $1 billion over a three-year period.

7. *Community Development Block Grants.* Thousands of well-to-do upper and middle class communities are now cashing in on this $3.5 billion grant program, which was originally set up to help low-income people. My investigation shows CDBGs going to middle-class localities like Newport Beach, California, and Stamford, Connecticut. The program has also provided $88 million to oil-rich Dallas, and $2.3 million to Arlington County, VA., one of the nation's wealthiest counties.

If it keeps this program at all, Congress should restrict CDBGs to America's poorest communities. Minimum savings: $1 billion.

8. *Military Commissaries.* America's 238 military commissaries are selling subsidized cut-rate groceries to active-duty personnel, as well as to military retirees in second-career jobs. By modestly raising their prices, these stores could still pass a hefty 10-15 percent savings on to their customers. Eliminating the subsidies would save $758 million a year.

9. *Rural Electrification Administration.* Can *you* get a loan at 5 percent, with 35 years to pay it off? These are REA's taxpayer-subsidized terms for direct loans to electric cooperatives and telephone utilities, which are owned by big, tax-exempt cooperatives or indepentent corporations.

REA subsidies will total $2.6 billion next year. Many of the agency's once-rural customers have become big businesses and suburban residential users who profit from substantially reduced electric rates, courtesy of the federal taxpayer. Savings from an REA phase-out: $5.1 billion over the next five years.

10. *Airline Subsidies.* Since 1978, taxpayers have shelled out nearly a half-billion dollars in subsidies to air carriers, in order to preserve allegedly "essential service" to smaller communities during the transition into airline deregulation. Today, with deregulation giving birth to many new, smaller airlines, these subsidies are no longer needed.

Nearly half of the subsidized markets are within 100 miles of a major airport. Thus, the federal handouts fund inefficient and unfair competition with cheaper transportation alternatives, such as buses and passenger vans. For example, the Office of Management and Budget found that the per person, roundtrip subsidy to fly from Los Angeles to Blythe, Calif. was $1,096. "At 80 cents per mile," OMB says, "the same passenger could have used the subsidy to take a taxi to Las Vegas, lose $500 at blackjack, and take a taxi home, with cash to spare."

(Donald Lambro is a nationally syndicated Washington columnist, author and radio commentator. His twice-weekly investigative column, which appears in newspapers from coast to coast, is distributed by United Feature Syndicate. Mr. Lambro has achieved a national reputation for his aggressive investigations into federal spending programs. The author of four books on the government, Mr. Lambro's most recent book is Washington—City of Scandals, published by Little, Brown and Company.)

Mr. PROXMIRE. Mr. President, I yield the floor.

ROUTINE MORNING BUSINESS

The PRESIDING OFFICER. Under the previous order, there will now be a period for the transaction of routine morning business not to extend beyond the hour of 9 a.m., with statements therein limited to 5 minutes each.

THE PROBLEMS OF THE AMERICAN FARMER

Mr. MELCHER. Mr. President, American farmers are not receiving enough for the products that they produce in order to show a profit. For many of the agricultural producers in America, that means this may be their last year as farmers and ranchers. The prices that they receive for their commodities are lower now than they were in 1980, and 1980 was no particularly good year.

I do believe that this tragedy of continuing foreclosure or liquidation of farms and ranches throughout the country is one that must be reversed. Part of the reason that the agricultural producers are having so much problem in net farm income is that the American dollar is very strong and there is a great disparity between our money and the value of money in other countries, which makes our exports very high, based on the strong dollar, and imports relatively cheap.

A particular case in point is Canada where the disparity between their dollar and ours is about 32 to 34 percent. Cattle and hogs from Canada yield much more for Canadian producers if they are sold in the United States than if they are sold in Canada. Because of that, American buyers for packing companies are, of course, going to Canada and buying as much supply as they can, bringing them into the United States and having them slaughtered.

The devastation which that causes for the cattle and hog feeders cannot be overly exaggerated. They are simply going broke very quickly. Agricultural producers in short are getting the very dirty end of the stick.

During the consideration of S. 960 I think we should discuss the disparity of our dollar versus the Canadian dollar and seek some restraint by the Canadian Government, that is, to restrict the movement of Canadian cattle and hogs to U.S. markets and thereby exacerbating the very serious situation in which our pork and beef producers find themselves today.

There is another bill that is being considered in the Senate Agriculture Committee. It is in the initial stages of markup. That is a new farm bill. The first section of that bill is trade expansion, and I think that bodes well for agriculture producers in this country, providing we act quickly and with some meaning and purpose to expand exports of U.S. agriculture products.

We cannot forget about those who are hungry in the United States and I do not believe we will. At least this is the first indication we have had that the committee is sensitive to this point and that we will be careful in looking at food stamps, school lunches, and women and children nutrition programs that come under the jurisdiction of our committee.

But beyond that, if we are going to give any hope to the hard-pressed agricultural producers of this country, we must look at the export-import side, try to expand our exports and limit imports when they are extremely damaging to domestic producers.

That is our first task, and I am encouraged that the committee has decided the trade section of the bill will be that part first marked up.

TRIBUTE TO DAVID BERKE

Mr. WEICKER. Mr. President, during the long days of deliberation on the budget, the process of times seemed reduced to a mathematical problem to be solved. In trying to deal with a complex issue, our focus often narrows to the point where we lose sight of the whole picture. Today I want to share with my colleagues an eloquent reminder of what our job here is all about. David Berke, a young man from Connecticut, wrote some poems expressing his concern for the future. He described very accurately the kind of decisions we are making here in Congress—decisions on the quality of life for our children and their children. David was killed in an automobile accident not long ago. We are fortunate to have his thoughts with us as we go about our job.

The poems follow:

POEMS OF DAVID BERKE

It is said this country was made great,
long ago by farsighted men,
who invested in their hope in the future,
for the benefit of their children's children.

Do you go with the short term investment,
that will make you very happy right now?
Or do you invest in and plan for the future,
which might not show up some how?

Your short term may even go sour,
it might not get into the black,
yet you might spark a new innovation,
which will turn the others all back.

To start the long term investment,
a very high price you will pay.
To give up the short run will cost you,
something you might even regret someday.

The question that will face us tomorrow,
is do we see the profits right now—
or forget the pleasure and sorrow
and think of the future somehow.

Now if these men had all lived today,
would they see the way that I see?
Is love just a short term benefit
or a long term investment for me?

I can't trust those around me
I don't like my race
We're crummy, we're cruel, we're dirty
and just plain two-faced.

I keep hearing a peace—
How the world should be run
Why can't we all be happy as one?

Yet we're building more planes
and building more guns,
hoping someday it won't have to come.

Missiles and bombers,
tanks and planes
Sometimes I think we're all just insane.

Someday we'll do it
the Die will be cast,
No one around to tell of our past.

It may be too late
someday you'll see
We'll all be just shadows
Including you, your neighbor and me.

It's finally happened
It's finally done,
There will be Peace on Earth
for all time to come.●

CHILDREN'S HOME SOCIETY OF FLORIDA

Mrs. HAWKINS. Mr. President, the Children's Home Society of Florida employs a very simple statement which embodies the focus of their work and their single objective over the years: "For every child the kind of care he needs."

This worthy organization is 82 years old but their programs are even more needed today. I would like to take this opportunity to draw attention to just a few of the programs supported by the Children's Home Society.

Plans are presently underway for the society's newest and largest facility for previously hospitalized, abused children, the McLamore Center in Miami, FL. The center will care for children who are able to leave the hospital but may otherwise have no safe place to go.

They have also joined with the Kugelman Foundation to establish the Kugelman Family Counseling Center in Pensacola, FL. The center attempts to solve problems that can destroy family unity.

The center also provides foster parents for children awaiting adoption. Other CHS homes provide therapeutic services and training for retarded children. In addition, the Children's Home Society operates a number of outstanding residential care facilities for children.

Other CHS foster homes provide therapeutic services and training for retarded children. Professional counselors work with the families of retarded youngsters with the goal of keeping them at home and out of an institution. CHS also operates a number of outstanding residential care facilities for children. The Thad and Loca Lee Buckner Division offers a home, counseling and educational opportunities for pregnant young women while they await childbirth. Additionally, Buckner Manor serves as a shelter for abused young women who need protection and care.

Keeping families together has been a primary goal of the society. Through counseling and direct assistance in home life, their staff of professional family counselors help parents solve problems that can, if solved, disrupt the family and lead to the removal of the children from their homes.

The society also offers counseling and training programs designed to keep pregnant teens and young parents from dropping out of school. CHS programs have been acclaimed by school and community leaders for success in breaking the pattern of welfare dependency and child abuse for thousands of young people.

VETERANS JOB BANK

Mr. PRESSLER. Mr. President, I speak today on an important program for increasing the employment prospects of our Nation's veterans. Over the past several years, much work has been done in developing a computerized job bank that will allow veterans to locate jobs for which they are qualified from coast to coast. Currently, most employment notices are sent to job service offices across the country by mail and the lag time can be up to 2 weeks. Often, by the time a person responds to the notice, the job has long since been filled.

Recently, I joined Senator KERRY in introducing legislation which would extend and reorganize the Emergency Veterans Job Training Act of 1983. An important part of this bill would provide funding for a veterans national job bank. Earlier this year, Partnerships Data Net received an ACTION grant to develop such a system. The concept for the job bank was formed by the Vietnam Veterans Leadership Program [VVLP], an ACTION project.

The veterans national job bank will have the capability to operate effectively on the local, State, and national levels, with the basis for communication being CompuServe mainframe computers. The computer network will provide millions of employers with access to a bank of qualified veterans applicants for employment and training, as well as provide veteran small businesses with procurement opportunities. The system will reduce the time necessary to process paperwork, exchange information, market programs, develop jobs, post listings, and match veterans with job and training openings from days and weeks, down to a few minutes.

The veterans job bank will have the following capabilities:

Assess a veteran by education, past work experience, military training and experience, and/or aptitude tests and match that veteran with an appropriate occupation out of the 12,375 occupations defined in the Dictionary of Occupational Titles [DOT];

Match civilian and military occupations, training and work experience to industries and specific employers that would employ those occupations. The system will have information supplied by Dun & Bradstreet on 6 million employers;

Assist veterans affirmative action programs required by section 2012 of title 38 United States Code, by listing all suitable openings by Federal contractors and subcontractors;

Develop good career and training opportunities in the large segments of the private sector traditionally not accessed by Federal employment and training programs;

Enable private sector employers to post job and training openings directly to the computer;

Match employers and employees to special programs such as the Emergency Veterans Job Training Act [EVJTA]; and

Match recently separated servicemen and military reservists and guardsmen to civilian occupations that will utilize their military skills, enhancing not only recruiting job promises, but also military readiness.

The computerized veterans job bank would be invaluable to the Department of Labor's Job Service Local Veterans Employment representatives and Disabled Veterans Outreach Program personnel, as well as the Veterans' Administration's rehabilitation counseling offices, vet center facilities, and VA regional offices.

Also, any public or private sector employer with a computer and modem could utilize this system, making it far easier and faster for employers to post jobs and receive qualified applicant referrals than do current job service practices. The Veterans Service Organization and service officers, military recruiting and separation points, and educational institutions would also be positively affected.

The following is a list of those organizations which are currently participating in the development of the veterans job bank:

1. Partnerships Data Net (PDN). PDN is a 501(c)(3) not-for-profit organization whose mission is to facilitate and to implement partnerships between the public and private sectors. Organized in part by the White House Office of Private Sector Initiatives, PDN is intended to be a network of networks. Its membership includes the National Association of Manufacturers, and the Young Presidents Organization, as well as federal, state, and local governments and civil and community organizations. The Job Bank will fall under the overall umbrella of PDN and will involve the active participation and interaction of much of its membership through computer linkages.

2. The Vietnam Veterans Leadership Program (VVLP). VVLP will use its network of successful Vietnam veteran volunteers to market the computer network to the private sector and to develop employment and training opportunities using the system. VVLP, in certain instances, will also counsel, prescreen, and provide supportive services to veterans participating in the Job Bank. Some chapters of the Vietnam Veterans of America will participate in the system in a similar capacity.

3. CompuServe. Partnerships Data Net has a contract with CompuServe, Inc. CompuServe has the nationwide telecommunications network, computing services, software and other resources to implement the system within four months. Using CompuServe's network services, all parties participating in the program can do assessments, exchange information, post jobs and match veterans with employers by using a wide variety of computer hardware and software.

4. PESCO Data Base. The system will use the PESCO (Progressive Evaluation Systems Company) data base which contains all 12,375 occupations defined in the federal government Dictionary of Occupational Titles. Each occupation has a narrative description of the occupation broken down into specific tasks which can be used as a training outline. Each occupation contains 112 separate categories of information on the educational level, physical demands, temperaments, and aptitudes necessary, as well as the length and type of training required to become proficient in a specific occupation.

5. Dun and Bradstreet. This firm is the largest compiler of business information in the world. The Dun and Bradstreet data base contains information on five million American employers. The Job Service accesses only about ten percent of the employers in the country. The Dun and Bradstreet data base will identify almost every employer in the country, along with the major occupations they employ, thus facilitating highly targeted job development. The Dun and Bradstreet data base can readily identify high tech and growth industries. The data base will also provide information on federal procurement requests and federal contractors. The Job Bank will be able to identify federal contractors subject to affirmative action requirements for veterans. The system will also serve as the basis for veteran small businesses to obtain subcontracts and bid on a timely basis on procurement notices.

6. Booz Allen and Hamilton, Inc. This firm is one of the nation's largest management consulting firms. Its data base correlates 8,000 Military Occupational Specialties (MOS) to over 1000 civilian occupations, as well as civilian training and apprenticeship programs. This data base will enable recently separated servicepersons to make maximum use of their military training and experience in starting a civilian career. It will also enhance National Guard and Reserve recruiting and readiness by providing civilian careers which are compatible with the military mission and training.

The veterans job bank is initially for veterans, but can be readily adapted to serve the entire labor market. By fulfilling statutory responsibilities exclusively for veterans and ensuring critical quality control, employers will be more likely to post good career opportunities for veterans than they would if the system were initially wide open to all clients. The appropriate careers for the majority of unemployed and underemployed veterans are often very different than the low paying, entry level jobs traditionally available through Federal employment, training, and placement systems.

All the resources to develop the comprehensive national job bank and assessment system exist in the private sector, as stated earlier. The system will be programmed and on-line for demonstration purposes in 4 or 5 months.

Operational cost for the first year of use of the system will be approximately $4 million. The Department of Labor has requested $800,000 for computer hardware in its offices. Most other end users already have the necessary computer hardware. Local employment service offices can purchase terminals and printers—under $3,000—out of the $9 million authorized under title IV C veterans national programs grants to the States.

Mr. President, I would urge my colleagues to take a careful look at the merits of the veterans national job bank system. We still are faced with a large group of veterans in the 30 to 34 age bracket who are struggling to fit into the job market. The cost for this program is minimal compared to the increased taxes that a higher veterans employment rate would bring. This small investment should be seen as an investment in a more productive veteran population, and potentially, a more productive American citizenry.

TOGO INTERPARLIAMENTARY UNION CONFERENCE

Mr. STAFFORD. Mr. President, I take this opportunity to report on the recent meeting of the Interparliamentary Union held in Lome, Togo, March 25-30 of this year. Unfortunately because of the schedule in the U.S. Congress during that week—particularly because of the MX vote in the House—very few of our colleagues were able to attend this important session at which parliamentarians from 84 countries participated. Senator QUENTIN BURDICK and I were required therefore to devote extra time and energy to the tasks of representing the U.S. Congress at the session.

The conference considered three main issues: First, disarmament and the promotion of peace and security in various parts of the world, particularly the Mideast, second, the burden of international debt, and finally the famine, desertification and drought in Africa. This last issue was particularly timely given the tragic human suffering occurring on the African continent at the time of our conference and at the present time.

During the plenary debate, I was able to explain to delegates about U.S. action to help alleviate the tragic famine in Africa. This provided an opportunity to show the record of service and support of independent American citizens as well as the generosity of the U.S. Government. Senator BURDICK, in his plenary statement, drew particular attention to ways our parliaments can help alleviate the problem of debt burden. He pointed to the need for realism and stressed that countries with the financial means and countries facing serious debt need to adopt measures to overcome this problem. I ask that these two plenary statements be included at the end of my remarks.

Senator BURDICK also took upon himself the particularly difficult job of working in the political drafting committee assigned to negotiate on the very controversial matters of disarmament and the Mideast. Despite his efforts and the good faith efforts of others, the IPU adopted a final resolution considerably opposed to U.S. policy and the policies we have supported in the Senate. Therefore, our delegation, together with many other delegations, did not support the final resolution. At the meeting, we indicated some of our objections, and I ask that the statement I made on behalf of our group be included in the RECORD at the end of my remarks.

Despite the arduous negotiations and sometimes heated discussions on disarmament and Mideast issues, I do believe that increased understanding was promoted in the IPU Conference in Togo. Particularly valuable were the frequent caucuses with our European friends and allies and the many bilateral discussions with parliamentarians from other regions in the world. This coming fall, the IPU will hold its next session in Ottawa. There Members of the U.S. Congress can build upon the understandings already achieved.

I ask unanimous consent that the statements of myself and Senator BURDICK be made a part of the RECORD at this point.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

STATEMENT OF THE HONORABLE ROBERT T. STAFFORD—MARCH 26, 1985

Fellow delegates: My American colleagues and I wish to express our heartfelt gratitude to President Eyadema, President of the Togolese National Assembly, Apeido-Amah, and to the Government and citizens of Togo.

Meeting here in Africa, I feel impelled to comment on the dimensions of famine in vast areas of this continent. Tens of thousands have died in Ethiopia alone, and the continent-wide death toll now may be approaching the one million mark. In human terms television has brought us countless dramatic and heart-rending scenes of helplessness as mothers anxiously search for food for their children.

The United Nations Food and Agricultural Organization (FAO) estimates that 1984

grain production in 21 drought affected countries of Africa will drop another 12 percent below the already drought-reduced output of 1983. The U.S. Department of Agriculture estimates that per capita food production in sub-Saharan Africa has fallen 20 percent since 1960. What makes the famine situation especially serious this year is the cumulative effect of three years of sparse rainfall throughout vast areas of the continent. Poor economic conservation and agricultural policies have also contributed substantially to the problem.

What is to be done?

We, as parliamentarians, should persuade our governments to cooperate in a worldwide outpouring of generosity directed to Africa and other areas of the world which are in desperate need. Let us no longer compete in megatons of nuclear destruction but rather turn our energies to food for the hungry, and medicine for the sick.

The United States has made a beginning. Independent American citizens, on a strictly private voluntary basis, have contributed $81 million for famine relief in Ethiopia alone. We in the Congress have just authorized over $800 million in special aid for Africa. It is clear that our famine-relief for Africa this year will exceed one billion U.S. dollars.

At a special U.N. conference on Africa famine in Geneva this month, Vice President Bush pledged that the United States would meet 50 percent of Africa's food needs. President Reagan has released 300,000 tons of wheat from the U.S. Food Security Reserve—the first time that has been done for overseas famine—and the U.S. Agency for International Development (AID) is providing $50 million to process and transport it.

Moreover, U.S. emergency food aid to Africa has totalled 793,000 metric tons of grain to the nations of Ethiopia, Sudan, Kenya, Niger, Mozambique, Chad, and Mali.

We are proud of our record of service and support in behalf of the desperate needs of the countless millions of African men, women and children suffering from the ravages of hunger and pestilence. The challenge to assuage the hardships of much of the African continent is a challenge which all parliamentarians must assume—with the expectation that we will respond appropriately in timely fashion.

In future years let it be said that the end of hunger in Africa began at the 73rd Conference of the Interparliamentary Union meeting in Lome, Togo.

Turning next to the subjects of arms control and disarmament, I must emphasize that the United States places the highest priority on the control of nuclear weapons and the eventual reduction of all armaments—even their elimination. The United States deeply regretted the suspension of arms control negotiations with the Soviet Union in 1983 and we are happy that talks have now resumed in Geneva. I feel confident that our U.S. representatives will demonstrate flexibility and good will. If our Soviet counterparts do likewise we believe that an agreement can be reached.

We should caution our fellow parliamentarians and ask you to understand that these negotiations will be long and complicated. Some of the issues involved are very technical, and many different considerations must be taken into account to assure the security of both the Soviet Union and the United States and our respective allies.

The current negotiations in Geneva have one element which is relatively new to arms control negotiations. That issue is the inclusion of space weapons, a Strategic Defense Initiative. In March 1983, President Reagan proposed that the United States begin a research program to examine the feasibility of building such a defense capability against ballistic missile attack. While there is considerable debate within the United States and elsewhere about the technical and strategic merits of such a defensive system, there is substantial support for some level of research if only to determine the feasibility of a purely defensive system which would render offensive nuclear weapons useless.

The United States believes that the use of chemical weapons must cease. A draft treaty has been proposed by the United States, and we invite the Soviet Union and other nations of the world to endorse it.

Parliamentarians must make it clear that international terrorism is a major inhibiting factor to the promotion of peace and security in the world. No one is safe. Within a week, a Soviet diplomat was shot dead in front of his horrified wife. Whether it be officially supported state terrorism such as the machine gun murder of a British policewoman by criminal elements of the Libyan Government or random attacks on Turkish diplomats, the destabilizing result is the same. It is incumbent upon all governments to deny terrorists sanctuary and to assist in legitimate investigations.

The United States condemns the mining of the Red Sea and appeals to States which manufacture marine mines not to sell them to those who would use them there.

The recent military disaster suffered by Iran shows that only stalemate is likely to result from either sides' effort to defeat the other. With this prospect before them, the parties have but one reasonable course—to initiate and pursue dialogue to end the war.

The U.S. delegation joins with the U.N. Secretary General and the President of the Interparliamentary Council in condemning the inhuman practice of apartheid. South Africa must change its policies, eliminate apartheid and begin to respect the rights of all its citizens.

The United States also urges that all foreign forces withdraw from Lebanon and all efforts to undermine the sovereignty of the Lebanon Government cease. We continue to support U.N. Security Council Resolution 242 and encourage all parties in the region to do likewise.

Finally, as Chairman of the U.S. Senate Committee on the Environment and Public Works, I would like to commend the work of the Interparliamentary Conference on Environment held in Nairobi in November 1984. The conclusions and recommendations for legislation and incentives for environmental protection make eminent sense. Pollution does not respect national boundaries and more and more is seen as an international problem.

We are conscious of our critical role in world affairs. Members of our U.S. House of Representatives and Senate involve ourselves in every appropriate way to promote arms control and disarmament and to encourage those actions in international affairs that can contribute best to the peace and welfare of the citizens of the world.

STATEMENT OF THE HONORABLE QUENTIN N. BURDICK—MARCH 28, 1985

Mr. Chairman, fellow delegates: On behalf of my colleagues in the United States delegation, let me express how we welcome this debate opportunity. Our own Congress has directed attention to the problem of international debt and we are seriously—at this very moment—grappling with the problems of our economic and financial situation. IPU consideration of this issue at this time may give positive impetus to concrete actions by our respective parliaments.

Parliaments and governments must take action, but they alone cannot solve the problem. Many actors are involved, ranging from the international banks and corporations to small entrepreneurs and peasant farmers in the debtor countries. To overcome the negative impact of debt on development, governments need the active cooperation of all involved parties. This cooperation cannot and should not be coerced. Indeed, policies in the developing and developed countries which distort marketplace incentives are a contributing cause to the current crisis. Parliaments need to enact legislation which provides the proper incentives and guidance to secure fruitful cooperation by all the actors involved. We should also encourage our governments to seek solutions, in the meetings next month of the World Bank Interim and Development Committees, which endorse the case-by-case approach to the debt problem, with solutions appropriate to the interests and conditions of each country.

There is great danger that the issue of debt and poverty will be politicized. To the extent that governments begin using each other as scapegoats, playing on the passions of their constituents rather than coping seriously with the issues, the problem will be compounded. In the present situation, Parliaments should seek to help educate their constituencies to the difficult choices which lie ahead. This will not be easy, for in many cases it goes against the grain to ask sacrifices of one's constituents and the immediate self-interest of powerful local groups.

The debtor countries have diverse interests, and no single formula can possibly fit all their needs. The problems we are now seeing are the result of the major changes in the world economy which occurred during the 1970s, particularly after 1979. Some middle income countries adjusted their economies early and were reasonably prepared to cope with the strains which occurred after 1979. Other middle income countries postponed the adjustment process by borrowing heavily abroad. They now find themselves in very difficult economic straits, with a very large portion of their export earnings mortgaged to service their commercial debts. A third group of countries, mainly the poorest nations, have limited commercial debts but their capacity to service their existing debt is limited by the basic weakness of their economies and by changes in the economic environment. In many cases, these countries have compounded their problems by misguided economic policies. The appropriate prescriptions for the three groups of countries differ considerably.

Countries with the financial means need to be prepared to provide foreign aid and other forms of official financing to the neediest countries for humanitarian reasons, and also to help them acquire the capacity to make the necessary changes in their domestic policies. The middle-income developing countries require continued access to world capital markets, as well as opportunities for increased exports. This may place pressure on the political leaders of the developed countries—already under pressure because of high interest rates, unemployment, and budget deficits—to limit

access to their capital markets or to erect trade barriers against increased imports from developing nations.

The debtor countries need to be prepared to make major changes in their national economic policies. Subsidies need to be reduced, production incentives need to be improved, domestic budget deficits and monetary expansion need to be limited, and many other potentially unpopular steps need to be taken if the debtor countries are to adjust their economies and lay the foundation for future growth.

Indeed, the long-term interests of the debtor countries would not be served by adopting a policy of debt repudiation or blanket cancellation. This would cut off the middle income countries from new international credit, thus crippling their capacity to finance their trade and frustrating their future growth. Meanwhile, for the poorer countries, a widespread cancellation of their outstanding official credits would probably have such a negative impact on public opinion as to make it a very dubious proposition as far as future aid is concerned.

It is the policy of the United States that it is neither wise nor feasible for the governments of the industrial countries to cancel the developing countries' foreign debts. Neither is it realistic to expect these debts to be paid off with the funds of taxpayers in the developed countries. In the long run, the debts must be serviced and paid off by the borrowers themselves.

This having been said, let me make it clear that the U.S. Government strongly supports actions which will alleviate the debt burden and facilitate needed structural economic changes. The United States provides most of its aid to the poorer countries on grant terms, for example, and it is willing to refinance the official debt of countries which are taking realistic steps to adjust their economic policies.

Along with the World Bank and the IMF, the United States holds that economic adjustment by the debtor nations must be the foundation for any successful effort to manage the debt crisis. The United States also believes that the existing international financial institutions—the IMF and World Bank—must be the centerpiece of any program to deal with the international debt crisis. The United States also believes that a program of sustainable noninflationary growth and more open markets is needed, in all countries, in order to provide the basis for the ultimate resolution of the crisis.

Although countries with heavy burdens of debt service may have prolonged periods of adjustment ahead, the worst of the world debt problem may be behind us. We have proven that the major industrialized nations, working in cooperation with the IMF and major international banks, are able to coordinate their policies to assist those nations unable to service their debts.

Let me underscore the fact that there is no short-term, quick-fix solution on the debt problem. The real solution depends on the ability of debtors and creditors to adopt and stay with policies which best assure sustainable, noninflationary growth, continued adjustment in debtor countries to increase their capacity to export, and action by all to enhance the openness of markets for trade and direct investment.

Nevertheless, delegates to this conference should know that the United States has approved substantial flows of U.S. economic aid. Last year's figure was a 35 percent increase over the appropriation for two years before. This has been done at a time when the principal focus of political debate in our legislature was on ways to trim federal expenditures in order to lessen the U.S. Government's budget deficit. In 1983, during the midst of the worst part of the debt crisis, Congress enacted legislation to approve U.S. participation in the recent expansion of IMF resources. It also approved several rules which sought to lessen some of the cost of rescheduling commercial bank debt.

The prospects of the developing countries depend very much on whether a U.S. economic recovery can be sustained. It is perhaps a sign of the increased interconnectedness of the world economy that our country's ability to cope with its own economic and budgetary situation is the single most important thing we can do to promote the development of the Third World and the consequent alleviation of poverty in the developing nations.

STATEMENT OF THE HONORABLE ROBERT T. STAFFORD—MARCH 29, 1985

The draft resolution presented by the drafting committee has unfortunately very many deficiencies:

1. It calls for a world disarmament conference despite the fact that there are already very many arms control and disarmament discussions going on. Following the Helsinki Final Act, parties have been meeting in Stockholm to improve confidence building measures in Europe. In Vienna, both sides have presented proposals on conventional weapons that could lead to a positive conclusion. As members here will recall, in Geneva the Committee on Disarmament under the United Nations is a forum for comprehensive arms discussions. The United States is in fact pushing chemical weapons negotiations there.

The IPU should be encouraging these discussions rather than calling for another meeting that just will delay the real confrontation of the issues.

2. The resolution distorts the objectives of U.S.-Soviet talks. Both the United States and the Soviet Union are undertaking complex and difficult negotiations on strategic nuclear weapons, intermediate range nuclear weapons and space. These negotiations do not merely point to the problems of space. Yet, this resolution gives way too much emphasis on the space aspect. Perhaps this is understandable because of the newness of the issue. However, delegates should consider that the Soviet Union itself is very much experimenting with space weapons, some even believe they are ahead of the United States in certain space weapons. But the main point is that the United States and the Soviet Union need to proceed on all fronts, not just with space.

3. The resolution discusses aspects of strategic doctrine which, if we took the resolution seriously, would undermine the deterrence that has helped maintain peace in Europe since the last world war. I find it hard to believe that the IPU seriously wants to undermine NATO or Warsaw Pact doctrines which, although they contemplate the possibility of war, have served so well in preserving the peace.

4. Let me mention the Mideast. Unfortunately the resolution restates much that has been said on this issue before. Here the IPU is showing just how out of touch it is with world realities. Just at this moment, there are several developments in Mideast diplomacy, involving Jordan, Egypt, Palestinians and many other actors. Everyone knows that the only way to true peace is full implementation of UN Security Council Resolutions 242 and 338, yet the drafting committee has refused to plainly state this fact. The draft resolution endorses the PLO, as other IPU documents have, and thereby ignores the discussions currently underway in the Mideast that might really give the Palestinians a substantive role in the negotiations. The draft resolution indicates little progress has been made, thereby ignoring the fact that Israel and Egypt are at peace.

Finally, the draft calls for a Mideast peace conference which in my view will only set back prospects for peace. Imagine, with due respect, the 103 members of the IPU sitting to negotiate about the very vital interests of the states in the Mideast. Do you really believe that the whole world will move with any more determination than an effective negotiation group of the parties most directly involved. The IPU should endorse respect of the rights of the states and peoples in the Mideast region. It should not endorse a world Mideast peace conference.

"NEW" SS WREATHS, OLD ANTI-SEMITISM

Mr. KENNEDY. Mr. President, 10 days ago, over the strong objections of many of us in Congress and large numbers of Americans across the country, President Reagan went through with his controversial visit to the Nazi SS cemetery in Bitburg, a visit that reopened old wounds from World War II and dishonored the 6 million innocent victims of the Holocaust.

Bitburg was no ordinary military cemetery, because World War II was unlike any other war. The sheer depravity of the Nazi attempt to exterminate the Jews has set that war apart from any other conflict in recorded history.

We are all aware today of the fanatical hatreds that threaten the security of Israel and that are poisoning the hopes for peace in the Middle East. And we are also aware of the long and unhappy history of intolerance which still flourishes at the extremist fringe of American politics. In recent years, I have spoken on many occasions about the importance of tolerance and the fragile relationship between faith and freedom in our society and in every other nation on Earth. When discrimination is permitted to flourish anywhere, liberty is diminished everywhere.

Sadly, one of the consequences of the Bitburg visit has been a new stirring of the ancient evil of anti-Semitism. I read with deep concern the extraordinary article by Marvin Kalb in yesterday's New York Times about his personal encounters with anti-Semitism in Germany in the days immediately following the President's trip to Bitburg.

Thomas Jefferson taught us that eternal vigilance is the price of liberty. And in this troubled time of controversy over the meaning of reconciliation and remembrance, it is clear that eternal vigilance against anti-Semitism is

one of the most important guarantees of liberty in our own day and generation.

Mr. President, I ask unanimous consent that the article by Marvin Kalb may be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

[From the New York Times, May 14, 1985]

NEW SS WREATHS, OLD ANTI-SEMITISM

(By Marvin Kalb)

WASHINGTON.—The controversy over the Reagan visit to Bitburg is receding, no longer a front-page embarrassment. But do you hear an echo from the past?

I visited the cemetery the morning after President Reagan and Chancellor Helmut Kohl placed wreaths of reconciliation in front of its chapel. For years, the cemetery had been largely ignored; now, it was an instant shrine, a focus of political debate. Small flower pots marked many flat graves, 49 of them honoring Waffen SS troops. By the end of my visit, many hundreds of Germans and occasional Americans from the nearby Air Force base paused before the wreaths. Some took pictures. Mothers hushed children. A religious air seemed to saturate the scene.

But look and listen: all around there were the sights and sounds of the new Germany—and old. Six feet to the left of the President's wreath stood an equally impressive one. Across its banner: "To the Waffen SS who fell at Leningrad." No more than a foot to the right of the Chancellor's was another wreath: "For the fallen comrades of the Waffen SS."

These two wreaths had been placed in the chapel, out of sight, hours before the President arrived. They were restored to their original places of honor only hours after he left. In the ensuing tranquility, the Waffen SS could again be honored in the springtime sun.

A middle-aged visitor from Nuremberg said the Waffen SS were simply soldiers—young conscripts doing their duty. "Let them rest in peace. For us, a dead soldier is a dead soldier, not a hero."

A native of Bitburg, who looked to be in his 20's, expressed a view I was to hear with disturbing regularity. "We Germans and Americans had been cooperating very well"—he lowered his voice—"until the Jews began to make trouble."

Another Bitburger zeroed in on Elie Wiesel. "Imagine the nerve of a Jew lecturing President Reagan. I saw him on television, making trouble the way they all do."

An old woman complained that Mr. Reagan had spent only eight minutes at the cemetery. "You know why the visit has to be cut back? Because of the Jews." She stalked away to join a group of friends nodding in agreement.

A man with a cane stopped and said: "If they don't like it here, the Jews, let them go away. We were better off without them in Germany." There are only 28,000 left, he was reminded. "Too many," he replied.

The people of Bitburg are pleased that Mr. Reagan came to visit, that he didn't yield to pressure. But it's clear they resent their new notoriety—and equally clear whom they consider responsible for the unwelcome change: the Jews and the media. The Jews are seen as a group separate from Germans and Americans—an indigestible lump, a foreign body. The media are seen as intrusive and irresponsible and, somehow, controlled by the Jews.

So it went. A few days later, a Munich newspaper editor explained that anti-Semitism is an "anthropological phenomenon" in Germany. The controversy seems only to have uncorked the venom once again. There is a sad irony. Bitburgers consider themselves remarkably enlightened. In 1933, when Hitler won a critical election, this conservative Catholic town voted overwhelmingly against him.

Is Bitburg an aberration? It is impossible to judge and dangerous to generalize. But a number of leading West German politician and professors—several close to Mr. Kohl—think anti-Semitism was on the rise even before Bitburg. "The Jews were getting too impertinent," one politician said, citing, among other things, their opposition to West German tank sales to Saudi Arabia. "We've listened to them much too long. It's enough."

The pursuit of reconciliation by way of Bitburg has been a failure. What should have been obvious from the beginning is that reconciliation is a long process—not a single photo opportunity, an event, a moment frozen in time. Bitburg, exposing clumsiness and poor political judgment in Bonn and Washington, in the process lifted the scab on dark coners of recent German history. There is a time to know when to leave well enough alone.

As I entered the cemetery, I noticed a sign: "Please do not disturb the peace and rest of the dead." Too late.

[Marvin Kalb is an NBC News correspondent.]

COOL PAPA BELL

Mr. EAGLETON. Mr. President, in St. Louis, MO, there is a street named after a great baseball player—James "Cool Papa" Bell Avenue. On that street, there lives a great man—that same James "Cool Papa" Bell. If I may, I would like to take just a few minutes today to pay tribute to this outstanding man.

It was once said that Cool Papa Bell was the only man who could turn out the lights and be in bed before the room got dark. Fast he was, indeed. At the age of 45 he scored from first base on a bunt. Bell may reign forever as the king of base bandits. How many did he steal? Surprisingly, nobody knows, not even Bell, but he remembers stealing 175 bases in a 200-game season one year. He was once timed circling the bases in 12 seconds.

Cool Papa Bell was more than just a speedburner, though. He could do it all. He was a knuckleball pitcher who moved to centerfield where he played outstandingly. At the plate, he was a consistently excellent batter, never hitting below .308 in any of his 29 seasons. He hit an astonishing .480 in one season.

In 1974, Bell was voted into the Baseball Hall of Fame. At that time, he was asked if getting into Cooperstown was his biggest thrill. "No," Cool Papa responded, "it's my biggest honor, but not my biggest thrill." In disbelief, his questioner asked what could have been a bigger thrill than the Hall of Fame? "When they opened the door in the majors for the black players," Cool Papa Bell replied, "that was my biggest thrill."

You see, Cool Papa Bell is black, and during his career the only way for a talented black ballplayer to play baseball was through the Negro leagues—leagues totally segregated from the all-white major leagues. Not until 1947 did Jackie Robinson break that color barrier.

As foreign as it may seem to us today, it was just that recently when skin color was judged so important that it was the determinant of much of a man's life. Skin color determined his educational opportunities, what jobs were open, even what baseball field the man could play on. Not ability, not talent, but skin color.

In the St. Louis of my youth, segregation was a totally accepted and accustomed way of life. In Sportsman's Park, one area was assigned to blacks—the right field pavilion—and blacks were not permitted elsewhere in the park. When the Negro League teams played in St. Louis, they competed before a virtually all-black crowd, received pennies for their performance, and found it rare if their heroics were mentioned in the papers or even acknowledged by contemporary white society.

The history of the Negro Leagues is rich with heroes enough for any dozen epic tales, but much of the lore has been lost to time. The all-white leagues attracted the lion's share of the attention of the press and the fans, and thus while we have millions of feet of film of the Yankees and the other major league teams, and billions of words written about the Dodgers, the Browns, and others, we have so little to review for the legacy of the Stars, the Monarchs, and the Homestead Grays. Statistics, the grist of every baseball fan's conversation and the yardstick of comparison, were haphazardly kept, if at all, in the Negro Leagues. All of this contributed to a tendency to overlook the accomplishments of these remarkable men who surely must have played the game for the love of it.

Under these circumstances, it is easy to see how you would be frustrated, and then embittered, by this discrimination by omission. It is easy to understand how you would want to lash out at society, to return some of the hurt inflicted on yourself. Cool Papa Bell has never allowed himself to give into those emotions. In their place he has enormous dignity and grace. He has humiliated those who kept him from major league ball parks by rising above their indignities and injustices. With his stamina and strength, he has triumphed in life as he did on the ballfield.

I invite my colleagues to join with me in saluting Cool Papa Bell, the

ballplayer and the man. I am proud to represent him in this body.

ANDREI SAKHAROV DAY

Mr. SYMMS. Mr. President, today I would like to join my colleagues in honoring the Nobel Peace Laureate Andrei Sakharov.

In 1970, Dr. Sakharov and other Soviet physicists founded the Committee for Human Rights, an organization dedicated to promoting in the Soviet Union the principles expressed in the Universal Declaration of Human Rights. These principles guarantee to all the rights of freedom of thought, religion, and expression. Because of Dr. Sakharov's active role on the committee and his courageous stand for freedom, he was arrested and banished to internal exile by the Soviets.

In this country we believe in human rights and human dignity. When the Soviets became members of the Helsinki accords, the situation in the Soviet Union appeared to be undergoing positive change. There can be no doubt, however, that the Soviet Union has engaged in deliberate violation of those accords and has persecuted the man who stands as a symbol of man's struggle for freedom.

We must not lose sight of the fact that human rights and peace are inseparable. Sakharov often warned that the Soviet failure to observe basic human freedoms is a grave threat to peace because it silences voices of dissent within the Soviet Union. Human rights is not, and cannot be an entirely internal matter. The denial of fundamental human rights to any group of people—anywhere in the world—is a threat to the liberties of all. Sakharov understands this, and I think it appropriate that we remember and rededicate ourselves to this principle on this day.

Mr. Sakharov's example gives hope to the millions around the world who are fighting for their human rights. Dr. Andrei Sakharov has achieved the highest of honors within the world scientific community. He has earned a place of respect among the people of the world as a man of peace. We in the United States honor Dr. Sakharov with receptions, concerts, and even a Sakharov Day, while the Soviet Union honors him with silence and exile. Let us join together to remember and honor this great and nobel man and the principles he stands for.

APPOINTMENTS BY THE VICE PRESIDENT

The PRESIDING OFFICER. The Chair, on behalf of the Vice President, in accordance with title 22, United States Code 1928(a)-1928(d), as amended, appoints the Senator from Tennessee [Mr. GORE] as a member of the Senate delegation to the North Atlantic Assembly spring meeting to be held in Stuttgart, Germany, May 17 to 20, 1985; and, in accordance with title 22, United States Code 276(d)-276(g), as amended, appoints the Senator from Montana [Mr. BAUCUS] and the Senator from Alabama [Mr. HEFLIN] as members of the Senate delegation to the Canada-United States Interparliamentary Group during the first session of the 99th Congress, to be held in Niagara-on-the-Lake, ON, Canada, on May 17 to 20, 1985.

AMBASSADOR FUNDERBURK'S COURAGEOUS ANALYSIS OF POLICY FAILURE

Mr. HELMS. Mr. President, this morning's Washington Post carries a full accounting of the untenable position in which our Ambassador to Romania, David Funderburk, has been forced to endure over the past 3½ years.

Despite Ambassador Funderburk's repeated pleas to toughen U.S. policy toward Romania because of Romania's continued and flagrant human rights violations, senior policy makers were not concerned with the seriousness of the abuses in Romania. Even the evidence Ambassador Funderburk sent to the State Department, in support of his repeated request for policy change, was repressed and ignored.

Ambassador Funderburk was diplomatic in citing names of senior policy advisers who refused even to examine the facts of the abuses in Romania. But I feel no such reticence. Our Romanian policy has been in the hands of Richard Burt, Assistant Secretary of State for European Affairs. It is Mr. Burt who is ultimately responsible for this fiasco. As Assistant Secretary of State for European Affairs, Mr. Burt has consistently favored Most Favored Nation trade status not only for Romania, but for all Eastern European countries, no matter what the price to freedom. Assistant Secretary of State Burt appears to have an ambition to excuse the failures of Communist countries, and build a closer relationship at any cost. For example, Mr. Burt is well known inside the administration for:

Opposition to raising the issue of all Soviet arms control treaty violations at the Standing Consultative Commission in Geneva, finally agreeing to raising these issues only because of strong pressure from other administration officials;

Down-playing the issue of Vietnamese and soviet slave labor in the building of the Soviet pipeline;

Opposing implementation of the provisions of the Taiwan Relations Act, including writing memoranda on how to evade the intent of Congress with respect to this act, as well as opposing all arms sales to our ally, the Republic of China;

Collaborating with the Soviets on covering up aspects of the Major Nicolson murder, reportedly including his advising the Soviets on press relations.

Mr. President, there has been a great deal of careful scrutiny going on with regard to Mr. Burt's record. I know that many other points will be brought out in the future.

Ambassador Funderburk's critique of our policy in Eastern Europe shows that it is time for the United States to have an Assistant Secretary of State for European Affairs who will work toward the best interests of the United States and our allies, and who will represent the views of the President in dealings with Communist countries, including Romania.

Mr. President, I commend Ambassador Funderburk for his candid—and courageous—critique of the failures of our policymaking apparatus. His temperate and factual analysis will assist all those involved in foreign policy to understand the failures of our Government.

Mr. President, I ask unanimous consent that the article appearing in today's Washington Post concerning the situation in Romania be inserted in the RECORD at the conclusion of my remarks.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

ENVOY QUITS, FAULTS POLICY—FUNDERBURK SEES ROMANIA CODDLED

(By Bradley Graham)

MUNICH.—After 3½ years of trying to persuade officials in Washington to toughen their approach to Romania, David Funderburk has resigned as the U.S. ambassador to Bucharest and decided to publicize the policy dispute he has waged with senior administration officials. Funderburk argues that U.S. policy toward Romania at present is largely misconceived and ineffective.

Funderburk, in an interview here Monday, called for a revision of U.S. policy and a possible end to the most-favored-nation trading status and other concessions Washington grants the Bucharest government.

Romania has received preferential U.S. treatment since the late 1960s on the basis of a foreign policy that often diverges from Moscow's. But Funderburk contends that Romania's independence is exaggerated and its ties to the Soviet Union are more extensive than Washington policy makers are willing to recognize. Moreover, he says, Romania's abysmal record on human rights and its lack of internal reforms are a mockery of declared U.S. policy goals.

For example, he said, on the surface, it looked recently as if the Romanians were complying with U.S. wishes to relax emigration constraints. Hundreds were being granted permission to leave Romania and were flooding the U.S. Embassy requesting visas.

But on closer examination, U.S. officials found they had been outwitted by Romanian President Nicolae Ceausescu, he said. Many Romanians being let go turned out to be unqualified for admission to the United States.

"We were outfoxed by Ceausescu," Funderburk said. "He in effect dumped people on us like a mini-Mariel," a reference to the massive boatlift of Cubans to the United States in 1980. "Hundreds of those approved for emigration were undesirables. Meantime, many of those we wanted out are still waiting for official permission.

"This situation has created a dilemma for us," Funderburk said. "We have this long list of people asking to come to the States. About 30 or 40 of them protested outside the embassy several weeks ago. They were put up to it by Romanian authorities at the passport office.

"Ceausescu is trying to turn the tables on us. At human rights conferences, to defuse the emigration issues, the Romanians now say to us, look, you can't criticize us for not letting enough people out because many of those we've already approved to go have yet to be let into the United States."

Funderburk tells the story as an example of what he says is the need to be wary of the Romanian regime. He thinks the Reagan administration has not been wary enough.

There is a street term the Romanians use, *smecher,* meaning someone who is sneaky, crafty, a wheeler-dealer," he said. "That applies to the government in Bucharest."

Funderburk, 41, a former university professor of history with links to conservative Sen. Jesse Helms (R-N. Car.), was appointed ambassador in 1981. He speaks Romanian and studied in Romania for two years in the 1970s on a Fulbright and other foundation grants.

In a letter accepting his resignation "with deep regret," President Reagan expressed appreciation for Funderburk's "efforts to improve the human rights situation in Romania" and commended him for "steadfast support of our national security interests in Europe."

Funderburk's 1981 Senate confirmation hearing was marked by controversy over illtempered statements he had authored in a 1978 pamphlet alleging the "misteaching of communism" in U.S. universities and accusing the State Department of whitewashing human rights reports on eastern Europe.

Such remarks strained his relations with some foreign service professionals from the start. But he said he is not alone among U.S. diplomats in advocating a harder line on Romania.

He said his views are supported by a majority of the principal officers at the Bucharest embassy, and he spoke of efforts by senior State Department officials to curb such nonconformist thinking.

Accusing the State Department of disapproving of dissent in its own ranks, Funderburk said a handful of embassy officers due for reassignment are being transferred to lesser posts than they deserve in apparent retribution for having challenged current policy on Romania.

"Two at the embassy, for instance, were recently moved to out-of-the-way positions back in Washington where they will be out of the limelight," he said. "They have been put in places where they can't step out publicly and where they can be monitored. It looks like a dead end for their careers."

[State Department spokesman Ed Djerejian, responding to Funderburk's charges, said that under a "longstanding policy" in effect since the 1970s, "constructive and creative dissent is something encouraged by the State Department." Djerejian said that in addition to regular channels for diplomats abroad to make dissenting views known to Washington, there are special channels "if they feel stymied," and the "dissent-channel messages go to the top." Djerejian said the State Department had no further comment on Funderburk's allegations.]

Funderburk referred to a "network" of administration officials, primarily at the departments of State and Commerce and including some at the Central Intelligence Agency, who, he said, have dismissed or belittled evidence the embassy in Bucharest has collected documenting Romania's growing economic ties with the Soviet Union, the presence of large numbers of nonmilitary Soviet personnel in the country, the transfer to the Soviet Union of technology Romania has obtained from the West, and Bucharest's position as a major exporter of arms.

"Much evidence we sent in was overlooked and ignored," he said. "They scrambled to denigrate a lot of the material we put forward."

He complained of a tendency among some administration officials to soften criticism of human rights abuses in Romania and to lavish praise on the Bucharest government for foreign policy positions which, in Funderburk's view, often have more form than substance.

Funderburk said he raised some of his concerns directly with President Reagan in an August 1983 meeting at the White House that was attended also by Vice President Bush, then-national security adviser William P. Clark and then-presidential aide Edwin Meese III. "All seemed interested in and sympathetic with what I had to say," Funderburk said.

The problem, he alleged, rests mainly with others in the administration. "There's a difference between Reagan's stated goals and our policy as implemented," he said. "What I would like to see is the State Department implementing policy more consistently with Reagan's declared ideals."

He said he decided to speak out now after becoming free of the constraints of serving as an ambassador and after leaving a country as keenly sensitive to criticism as Romania is.

"When I went to Romania, I wasn't aware how much our policy needed change," he said. "When I realized it did, I thought that by working through the U.S. government system, we could have a major impact on policy.

"But I found that the people who we had to report to directly were unsympathetic to change or to new information. It's difficult to get anyone's attention at State if you have a view that's different because their minds are made up. That's what I found disappointing."

U.S. policy toward Romania has been based on the premise that the public displays of independence from Moscow by Ceausescu, who has ruled Romania since 1965, are a genuine irritant to the Soviet Union and a positive example to other East Bloc states, and therefore should be encouraged.

Ceausescu has criticized the Soviet invasions of Czechoslovakia and Afghanistan. His country is the only Warsaw Pact member that refuses to let Soviet troops on its territory for maneuvers and that does not send troops to joint pact training exercises. He defied the Soviet-led boycott of the Olympic Games in Los Angeles last year, and he has scolded the Soviet Union as well as the United States for raising tensions in Europe over nuclear weapons.

Additionally, Ceausescu's ties with China and his relations with all parties in the Middle East have proved useful back channels for U.S. policy makers. Romania is the only East European nation to have maintained diplomatic contacts with Israel since 1967.

The U.S. position was spelled out by Bush in a 1983 speech explaining the basis on which Washington differentiates among East European regimes.

"We look to what degree countries pursue autonomous foreign policies, independent of Moscow's direction, and to what degree they foster domestic liberalization—politically, economically and in their respect for human rights," he said. "The United States will engage in closer political, economic and cultural relations with those countries such as Hungary and Romania which assert greater openness or independence. We will strengthen our dialog and cooperation with such countries."

Referring to the Bush speech, Funderburk said: "If you take the two goals he mentioned and measure what success we've had in Romania, we've gone backward. We've been unable to effect any reform in terms of the economy, the standard of living or human rights with the exception of a few individual cases."

He said he would "like to see a policy that brings about greater Romanian independence for the Soviet, internal reforms and improved human rights," or, failing that, a reduction of U.S. support, "including the possible withdrawal of MFN status, fewer high-level official visits and reduced economic assistance."

But standing in the way of a policy revision, according to Funderburk, are some senior U.S. officials with a vested interest in sustaining the image of Romania as a Soviet Bloc maverick deserving of U.S. concessions.

"There are people back in Washington will go the limit to make excuses for and to defend Ceausescu, because their jobs, promotion, careers depend on proving they were right about Romania," he said.

"So every three or four weeks we give something —a high-level visit, a trade concessions, whatever. We ought to get more from these people for the confessions we make."

Funderburk said other western countries are ahead of the United States in reassessing formerly positive approaches to Romania. He said he had seen diplomiatic reports describing increasingly negative views of Romania among several Western European states and a report by an official of a neutral European country who, after visiting most East Bloc countries recently, concluded Romania ranked worst in observance of human rights and general conditions.

To support his charges against Washington officials, Funderburk cited several instances in which he said administration members sought to refute material contrary to Romania's independent image or to temper public criticism of Romania.

On Soviet presence: "Our guys observed a large Soviet presence in Romania that was not welcome news to some officials in Washington. On our own initiative, we looked in registries, checked schools, traced license plates and came up with an ungodly number of resident Soviets, including Soviet agents in factories monitoring Romanian exports to the Soviet Union. This should have been an indication that Soviet-Romanian cooperation is closer than had been reported previously and a sign that Romania is a more reliable Warsaw Pact partner than is

commonly thought. Instead, the information was ignored."

On Soviet-Romanian trade: "I've reported that Soviet-Romanian trade relations are getting closer. But this was downplayed by some in Washington who found ways of juggling figures to suggest the increase doesn't have much meaning. Part of my argument was that the Soviet percentage in overall Romanian trade has risen. They answered me with the argument that this was only a statistical aberration resulting from a drastic cutback of Romania's imports from the West."

On technology transfers: There is evidence reported by various sources that Romania has transferred to the Soviet Union technology it obtained from the West, although it denies this. Those at State concerned about maintaining or improving good relations with Romania have tended to make light of such information. In virtually every case when the sale to Romania of a particular U.S. product has been disputed among American agencies, State has argued for the sale.

"To facilitate one deal, I was asked to reconsider a negative opinion I had sent in. We were considering selling the Romanians a ground station to receive geological and agricultural data from a Landsat satellite. I didn't change my mind, and the sale hasn't yet been approved.

On arms exports: Figures prepared by the U.S. Arms Control and Disarmament Agency on the world's leading arms exporters were published last October in Business Week. They listed Romania as the fifth largest exporter in 1982. Funderburk said Deputy Defense Minister Ilie Ceausescu, Nicolae's brother, denied that Romania exported weaponry.

"When we reported the fact of Romania's ranking to Washington, they went bananas," Funderburk said. "Agencies scrambled and said it couldn't be true. But we hadn't fabricated a thing. We were just reading from ACDA figures. The first response from Washington came back to us saying, you nasty guys, Romania couldn't have been fifth. Weeks later, we got an acknowledgment, a short and quiet one, conceding that perhaps Romania ranked within a notch or two of the published figure."

On human rights: Funderburk said the European Bureau at the State Department has shown a willingness to water down or delete criticism of Romania's human rights abuses, although State's own Human Rights Bureau has forcefully condemned Romanian oppression.

Funderburk said he resigned not for political reasons but out of personal and family considerations and to reture to Campbell University in North Carolina to teach government studies. He agreed to meet here with this reporter, whom Romania denied entry last week because of past articles.

Funderburk said his conflicts with some senior policy makers in Washington had been compounded by the cloud under which he began as a diplomat.

"From the beginning I was branded an unseasoned, naive political appointee, a Helmsite and a radical," he said. "Efforts were made to try to isolate me and this embassy from the policy-making process.

"Word filtered back to me that Eagleburger [Lawrence Eagleburger, undersecretary of state, who retire last year] thought I was carrying on a parallel policy. At one point, he sent me an eyes-only cable which I interpreted as saying, why are you calling so much attention to human rights and let's not allow it to get in the way of a good thing."

He said he sees "Eagleburger proteges; in the State Department's European Bureau as most responsible for the policy he faults.

CONCLUSION OF MORNING BUSINESS

The PRESIDING OFFICER (Mr. MURKOWSKI). Morning business is closed.

REPEAL OF CONTEMPORANEOUS RECORDKEEPING REQUIREMENTS—CONFERENCE REPORT

Mr. PACKWOOD. Mr. President, I submit a report of the Committee of Conference on H.R. 1869 and ask for its immediate consideration.

The PRESIDING OFFICER. The report will be stated.

The legislative clerk read as follows:

The committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H.R. 1869) to repeal the contemporaneous recordkeeping requirements added by the Tax Reform Act of 1984, and for other purposes, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses this report, signed by all of the conferees.

Mr. METZENBAUM. Mr. President, I demand the report be read.

The PRESIDING OFFICER. The clerk will read the report.

The legislative clerk read as follows:

The committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H.R. 1869) to repeal the contemporaneous recordkeeping requirements added by the Tax Reform Act of 1984, and for other purposes, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the House recede from its disagreement to the amendment of the Senate to the text of the bill and agree to the same with an amendment as follows:

In lieu of the matter proposed to be inserted by the Senate amendment insert the following:

SECTION 1. REPEAL OF CONTEMPORANEOUS RECORDKEEPING REQUIREMENTS, ETC.

(a) CONTEMPORANEOUS RECORDKEEPING REQUIREMENTS.—Subsection (d) of section 274 of the Internal Revenue Code of 1954 (relating to substantiation requirements for certain deductions and credits) is amended by striking out "adequate contemporaneous records" and inserting in lieu thereof "adequate records or by sufficient evidence corroborating the taxpayer's own statement ", and the Internal Revenue Code of 1954 shall be applied and administered as if the word "contemporaneous" had not been added to such subsection (d).

(b) PROVISIONS RELATING TO RETURN PREPARERS AND NEGLIGENCE PENALTY.—Paragraphs (2) and (3) of section 179(b) of the Tax Reform Act of 1984 are hereby repealed, and the Internal Revenue Code of 1954 shall be applied and administered as if such paragraphs (and the amendments made by such paragraphs) had not been enacted.

(c) REPEAL OF REGULATIONS.—Regulations issued before the date of the enactment of this Act to carry out the amendments made by paragraphs (1)(C), (2), and (3) of section 179(b) of the Tax Reform Act of 1984 shall have no force and effect.

SEC. 2. SUBSTANTIATION REQUIREMENTS NOT TO APPLY TO CERTAIN VEHICLES WITH LITTLE PERSONAL USE.

(a) IN GENERAL.—Subsection (d) of section 274 of the Internal Revenue Code of 1954 (relating to substantiation required) is amended by adding at the end thereof the following new sentence: "This subsection shall not apply to any qualified nonpersonal use vehicle (as defined in subsection (i))."

(b) QUALIFIED NONPERSONAL USE VEHICLE DEFINED.—Section 274 of such Code is amended by redesignating subsection (i) as subsection (j) and by inserting after subsection (h) the following new subsection:

"(i) QUALIFIED NONPERSONAL USE VEHICLE.—For purposes of subsection (d), the term 'qualified nonpersonal use vehicle means any vehicle which, by reason of its nature, is not likely to be used more than a de minimus amount for personal purposes."

SEC. 3. EXEMPTION FROM REQUIRED INCOME TAX WITHHOLDING FOR CERTAIN FRINGE BENEFITS.

Section 3402 of the Internal Revenue Code of 1954 (relating to income tax collected at source) is amended by adding at the end thereof the following new subsection:

"(s) EXEMPTION FROM WITHHOLDING FOR ANY VEHICLE FRINGE BENEFIT.—

"(1) EMPLOYER ELECTION NOT TO WITHHOLD.—The employer may elect not to deduct and withhold any tax under this chapter with respect to any vehicle fringe benefit provided to any employee if such employee is notified by the employer of such election (at such time and in such manner as the Secretary shall by regulations prescribe). The preceding sentence shall not apply to any vehicle fringe benefit unless the amount of such benefit is included by the employer on a statement timely furnished under section 6051.

"(2) EMPLOYER MUST FURNISH W-2.—Any vehicle fringe benefit shall be treated as wages from which amounts are required to be deducted and withheld under this chapter for purposes of section 6051.

"(3) VEHICLE FRINGE BENEFIT.—For purposes of this subsection, the term 'vehicle fringe benefit' means any fringe benefit—

"(A) which constitutes wages (as defined in section 3401), and

"(B) which consists of providing a highway motor vehicle for the use of the employee."

SEC. 4. REDUCTION IN LIMITATIONS ON INVESTMENT TAX CREDIT AND DEPRECIATION FOR LUXURY AUTOMOBILES.

(a) GENERAL RULE.—

(1) INVESTMENT TAX CREDIT.—Paragraph (1) of section 280F(a) of the Internal Revenue Code of 1954 (relating to investment tax credit) is amended by striking out "$1,000" and inserting in lieu thereof "$675".

(2) DEPRECIATION.—Paragraph (2) of section 280F(a) of such Code (relating to depreciation) is amended—

(A) by striking out "$4,000" in subparagraph (A)(i) and inserting in lieu thereof "$3,200", and

(B) by striking out "$6,000" each place it appears in subparagraphs (A)(ii) and (B)(ii) and inserting in lieu thereof "$4,800".

(b) 4-YEAR DEFERRAL OF INFLATION ADJUSTMENT.—

(1) ADJUSTMENT AFTER 1988.—Subparagraph (A) of section 280F(d)(7) of such Code (relating to automobile price inflation adjustment) is amended by striking out "pas-

senger automobile" and inserting in lieu thereof "passenger automobile placed in service after 1988".

(2) 1987 BASE PERIOD.—Subclause (II) of section 280F(d)(7)(B)(i) of such Code is amended by striking out "1983" and inserting in lieu thereof "1987".

(3) TECHNICAL AMENDMENT.—Clause (i) of section 280F(d)(7)(B) of such Code is amended by striking out the last sentence.

SEC. 5. NEW REGULATIONS.

Not later than October 1, 1985, the Secretary of the Treasury or his delegate shall prescribe regulations to carry out the provisions of this Act which shall fully reflect such provisions

SEC. 6. EFFECTIVE DATES.

(a) REPEALS.—The amendment and repeals made by subsections (a) and (b) of section 1 shall take effect as if included in the amendments made by section 179(b) of the Tax Reform Act of 1984.

(b) RESTORATION OF PRIOR LAW FOR 1985.—For taxable years beginning in 1985, section 274(d) of the Internal Revenue Code of 1954 shall apply as it read before the amendments made by section 179(b)(1) of the Tax Reform Act of 1984.

(c) EXCEPTION FROM SUBSTANTIATION REQUIREMENTS FOR QUALIFIED NONPERSONAL USE VEHICLES.—The amendments made by section 2 shall apply to taxable years beginning after December 31, 1985.

(d) WITHHOLDING AMENDMENT.—The amendment made by section 3 shall take effect on January 1, 1985.

(e) REDUCTION IN LIMITATIONS ON INVESTMENT TAX CREDIT AND DEPRECIATION.—

(1) Except as provided in paragraph (2), the amendments made by section 4 shall apply to—

(A) property placed in service after April 2, 1985, in taxable years ending after such date, and

(B) property leased after April 2, 1985, in taxable years ending after such date.

(2) The amendments made by section 4 shall not apply to any property—

(A) acquired by the taxpayer pursuant to a binding contract in effect on April 1, 1985, and at all times thereafter, but only if the property is placed in service before August 1, 1985, or

(B) of which the taxpayer is the lessee, but only if the lease is pursuant to a binding contract in effect on April 1, 1985, and at all times thereafter, and only if the taxpayer first uses such property under the lease before August 1, 1985.

And the Senate agree to the same.

That the House recede from its disagreement to the amendment of the Senate to the title of the bill and agree to the same.

Signed by the managers on the part of the Senate: Senators Packwood, Dole, Roth, Danforth, Long, Bentsen, and Matsunaga; and managers on the part of the House: Mr. Rostenkowski, Mr. Gibbons, Mr. Pickle, Mr. Rangel, Mr. Stark, Mr. Duncan, Mr. Archer, and Mr. Vander Jagt.

The PRESIDING OFFICER. The question is on proceeding to the conference report.

Mr. METZENBAUM. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator from Ohio will state his parliamentary inquiry.

Mr. METZENBAUM. Has the entire conference report been read, including all of the additions and addendums to it, including the statutory language which, it is my understanding, is a part of the conference report?

The PRESIDING OFFICER. The entire conference report has been read.

The question on proceeding to it is not debatable.

All in favor, say "aye."

Mr. METZENBAUM. A parliamentary inquiry.

The PRESIDING OFFICER. The Senator from Ohio will state his parliamentary inquiry.

Mr. METZENBAUM. Mr. President, I understand the ruling of the Chair is that the question of proceeding to the conference report is not debatable but the conference report itself is debatable.

The PRESIDING OFFICER. The Senator is correct.

All in favor of proceeding to the conference report——

Mr. METZENBAUM addressed the Chair.

The PRESIDING OFFICER. The Senator from Ohio.

Mr. PACKWOOD. Mr. President, I am ready to proceed unless the Senator from Ohio is raising a point of order.

Mr. METZENBAUM. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. METZENBAUM. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. PACKWOOD. Mr. President, are we now on the conference report?

The PRESIDING OFFICER. We are not on the conference report at this time.

Mr. PACKWOOD. Mr. President, I move to proceed to the consideration of the conference report.

The PRESIDING OFFICER. The question is on the motion.

There being no objection, the Senate proceeded to the consideration of the conference report.

Mr. PACKWOOD. Mr. President, the Senate and House conferees met on Wednesday, May 1 and resolved the differences between the Senate-passed and House-passed versions of H.R. 1869, which repeals the contemporaneous recordkeeping requirements of the Tax Reform Act of 1984.

As businesses and individuals sought to understand and comply with the contemporaneous recordkeeping requirements, it became clear that the requirement swept too broadly and generally imposed excessive recordkeeping burdens on many taxpayers. The conference agreement adopts the Senate-passed version of H.R. 1869 with respect to the substantiation requirements and reinstates the prior-law substantiation rules of Code section 274(d). In addition, the conference report requires the Internal Revenue Service to issue regulations not later than October 1, 1985, and the regulations must fully reflect all the amendments made by this conference agreement.

EXPLANATION OF PROVISIONS

REPEAL OF CONTEMPORANEOUS REQUIREMENTS

Under the conference agreement, the requirement of "contemporaneous" records to substantiate certain deductions or credits is repealed.

The conference agreement adopts the Senate provision on substantiation, which permits taxpayers to substantiate deductions and credits for expenses by sufficient evidence corroborating their own statements as well as adequate records. Thus, there will be no statutory requirement that such evidence be in writing. In addition, the conference agreement directs the Internal Revenue Service to request specific information on tax returns concerning mileage and business use of vehicles and other listed property, effective for 1985 tax returns.

REPEAL OF REGULATIONS, RETURN PREPARERS' PENALTY AND SPECIAL NEGLIGENCE PENALTY; NEW REGULATIONS

Under the conference agreement, the contemporaneous recordkeeping regulations issued to carry out the amendments made by the Tax Reform Act of 1984 are repealed. In addition, the conference agreement repeals the return preparers' penalty and special negligence penalty added by the Tax Reform Act.

EXCEPTIONS FROM SUBSTANTIATION RULES AND EXCLUSION FROM INCOME FOR CERTAIN VEHICLES

The conference agreement exempts from the substantiation rules vehicles which, by reason of their nature, are not likely to be used more than a very minimal amount for personal purposes and excludes such minimal personal use from the employee's income. The exemption from these substantiation requirements is effective January 1, 1986.

In addition, the conference agreement authorizes the Treasury Department to issue regulations exempting from the substantiation and income exclusion requirements certain officially authorized uses of unmarked vehicles by certain law enforcement officers.

WITHHOLDING ELECTION

The conference agreement permits employers an election not to withhold income taxes with respect to noncash fringe benefits attributable to commuting or other personal uses of a highway motor vehicle.

In addition, the conference agreement allows employers to elect to withhold income taxes and employment taxes on all noncash fringe benefits on the following basis:

First, by pay period; second, quarterly; third, semiannually; or fourth, annually.

REDUCTION IN LIMITS ON INVESTMENT TAX CREDIT AND DEPRECIATION FOR LUXURY AUTOMOBILES

The conference agreement reduces the limits on the investment tax credit and depreciation for automobiles. The maximum investment tax credit is $675. Maximum depreciation (cost recovery) deductions are reduced to $3,200 in the first year, and $4,800 per year thereafter. In addition, indexing of the limits for automobile price inflation is delayed until 1989.

Mr. President, the conference agreement achieves the purposes of the Senate-passed version of H.R. 1869 and fully incorporates all of the provisions which the Senate unanimously supported.

I would like to thank Senator ABDNOR, Senator HEINZ, and Senator WALLOP for the leadership roles they have played in repealing the contemporaneous recordkeeping rules. I hope all of my colleagues will join me in supporting the conference agreement.

Basically—and this is a generalization but it is 99 percent true—what we have done, as far as automobile recordkeeping, is return to the law prior to the passage of the Tax Reform Act last year. There are some very minor changes, but I think we can say to everyone in this country, "If you were able to live with the law prior to the passage of the act last year, you will be able to live equally well with the law as it is corrected by this conference report."

I would therefore encourage the adoption of the conference report to rectify this mistake that we made a year ago.

Mr. LONG. Mr. President, the conference action represents a workable balance between the necessity that deductions be proved and the desire that taxpayers not be unduly burdened. It recognizes the common sense fact that there is more than one acceptable way to prove business use.

I hope that the Treasury Department recognizes the balance the conferees have struck, and will not repeat its previous mistake of forgetting that reasonableness is an important part of our tax system.

I am pleased that we have acted both promptly and responsively. I urge my colleagues to support the conference action.

Mr. METZENBAUM. Mr. President, I rise to speak on this issue under unusual circumstances. I want to start off by saying that I have been in the U.S. Senate, 1 year in 1974 and then since 1977 I have served here continuously. To the best of my knowledge and recollection, this is the first time that I—and I think it applies to others as well—have been called to the floor in connection with an issue where I had a hold, a hold only indicating that I wanted to be on the floor when the matter came to the floor.

As soon as the conference report was completed, my staff indicated to the staff of the majority leader, as well as the staff of the Finance Committee chairman, that I wished to be on the floor to discuss this conference committee report as well as a sideline issue having to do with a Treasury action. That Treasury action was prompted by the action of the majority leader and the action of the report language that came out of the Senate committee but actually never was technically before the Senate, on a subject really unrelated or only somewhat related to this issue having to do with the manner in which executives report the value of their airline passage on corporate jets or corporate planes.

I said that I wanted to point out to the Senate what this issue was all about, that I had no intention to filibustering or trying to delay the matter, that I was prepared to come to the Senate floor at a time agreeable to the chairman of the Finance Committee, and that I was willing to agree to a limited time for debate. I proceeded on the assumption that we would have no difficulty in working out that arrangement.

Last evening, when I arrived home, having picked up my wife at the airport and came home at approximately 11 o'clock, I received a call from my office saying that they have scheduled the conference report for 9 o'clock this morning. I asked if they were not made aware of the fact that that was not convenient for me and how would that come about since that never is normally done in this body and we certainly are not in the closing hours of a session where one might have to use emergency procedures by reason of the exigencies of the moment. That did not seem to matter and apparently the majority leader knew the situation but was determined to go forward. I am not angry. I am disappointed, and I am concerned as to whether or not this new leadership in the Senate—with whom I feel I have had a good working relationship even prior to the time the new leadership took over the leadership of the Senate—is going to change the procedures that have been operable and have worked so well in the past.

All the Senator from Ohio had indicated was that he wished to work out a time mutually convenient with the chairman of the Finance Committee, and there was not any doubt in my mind—and I do not think there was any doubt in the mind of the chairman of the Finance Committee—that we could work out such a time. My staff had further advised the staff of the chairman of the Finance Committee that we were not talking about sometime 1 month or 2 months from now, but that we were talking about some day this week.

I do not believe that the chairman of the Finance Committee was aware of this issue, this side issue of scheduling of this matter, and I think it was a leadership decision; a leadership decision that I do not believe was the kind that should be made. I do not think that when this side of the aisle was in control of the Senate such occurrence became a fact, and I do not have any recollection of it being a fact any time since I have been here.

I think that all we are really doing is taking up far more time than otherwise would have been necessary in order to dispose of this issue.

The Senator from Ohio has great concerns about the issue itself. The issue is a simple one. While everybody is jumping up and down about balancing the budget and everybody is talking about closing tax loopholes, in effect this is opening another tax loophole or reopening one that had heretofore been closed. We are doing it without a piece of legislation, and we are doing it with the full cooperation of the Treasury Department which advised me within the last 24 to 48 hours that it was not able to respond to a letter that I wrote to it on the issue more fully than it did because it was so busy with the President's tax program.

I do not have any problem about that. I understand their first priority. And I understand that issue is far more important than this. But I also understand that this issue, simple as it may be, makes it possible for a great many corporate executives to get off scot-free when they take the corporate plane on a vacation or to a baseball game, or they take their family with them. It just means that they will pay a very, very small amount taxwise as compared to what the law presently is. There has been a lot of push for this, so much push that the schedule is for 9 o'clock in the morning without a whole lot of concern for Members of this body, particularly for this Member.

Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The bill clerk proceeded to call the roll.

Mr. METZENBAUM. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. PRYOR addressed the Chair.

The PRESIDING OFFICER. The Senator from Arkansas.

Mr. PRYOR. Mr. President, I would like to commend this morning the chairman of the Finance Committee, Senator PACKWOOD, and also the rank-

ing member of the committee, Senator LONG, and the conferees for their efforts in repealing a very onerous contemporaneous recordkeeping requirement, and I hope that the conference report that we are going to adopt will solve these problems once and for all, will allow businessmen and farmers to continue in their business endeavors without having to fill out a massive amount of paperwork.

Before we adopt the conference report, however, I would like to ask the chairman of the committee a couple of questions. As the chairman is aware, I was very interested in the issue of whether or not policemen and other public safety employees would be taxable on the use of certain specially equipped vehicles. When we considered the bill in the Finance Committee, the chairman of the committee will recall that we included report language stating that certain vehicles, like police cars, ambulances, school buses, and others, would not give rise to any income imputed when driven by certain employees. The chairman was very helpful in this effort, and I appreciate his help.

Then, when the bill was on the floor of the Senate, I raised an issue about unmarked police cars. At that time, it is my recollection that the chairman stated that the IRS would be instructed to exempt these vehicles as well, so that our law enforcement officers would not have any income when they drove these vehicles for legitimate law enforcement reasons.

It is my understanding, Mr. President, that when the conferees met on this bill, there was quite a bit of discussion on the issue of the tax treatment of unmarked cars. From what I have heard, the chairman did indeed argue for similar treatment, and to a large extent, prevailed. I thank him for this.

Mr. President, I have two questions I would like to respectfully pose to the distinguished chairman of the Finance Committee. The first of those questions is that I would like to make certain that unmarked police cars will not be treated any worse than marked police cars. If, for example, all of the tests for unmarked cars are met, then is it the chairman's intent that commuting use and other de minimis use should be considered a working condition fringe?

Mr. PACKWOOD. The Senator from Arkansas is correct.

Mr. PRYOR. The second question, Mr. President, I have for the distinguished chairman is this: When the tests are listed for exclusion of the use of an unmarked car, the statement of the managers refers to activities such as undercover work, stakeout activity or responding to emergencies. Is it the chairman's intent, and do you consider it to be the intent of the Congress, that this list is not all-inclusive and that if other legitimate law enforcement reasons exist for the use of an unmarked car, this use would also qualify?

Mr. PACKWOOD. The Senator is again correct, and I want to thank him for calling this issue to our attention. As he recalls when this bill went through the Finance Committee, we simply overlooked the issue of the unmarked police cars. The Treasury has indicated they will be able to accommodate the concerns of the Senator from Arkansas but I think had he not raised them they might not have been raised.

Mr. PRYOR. I do appreciate the distinguished chairman's comments on that and also his dedication to see to it that these unmarked police cars and other public service vehicles are not going to be subject to the imputed income to the drivers.

Mr. PACKWOOD. Absolutely.

Mr. PRYOR. I did thank the chairman of the committee. As I have stated earlier, I appreciate all of his help and concern in this area. I thank the chairman and the ranking member, Senator LONG, and those conferees who have sent this conference report to the floor this morning. I thank the Chair.

Mr. METZENBAUM addressed the Chair.

The PRESIDING OFFICER. The Senator from Ohio.

Mr. METZENBAUM. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll

The bill clerk proceeded to call the roll.

Mr. MATSUNAGA. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. MATSUNAGA. Mr. President, I rise in strong support of the conference report on the bill, H.R. 1869, which repeals the contemporaneous recordkeeping requirements, earlier adopted as part of the Deficit Reduction Act of 1984, and which also sets a substantiation standard for the business use of property.

As a member of the Senate conference committee, I had the opportunity to work with other conferees in an effort to establish reasonable recordkeeping rules for the business use of vehicles and other business property. The objectives of the conferees in addressing this issue were twofold: First, to ensure compliance with our tax laws; and second, to ensure that the rules set forth to accomplish this goal are not overly burdensome to the taxpayer.

The repeal of the contemporaneous recordkeeping requirement, as approved by both the House and the Senate bills and as set forth in the conference agreement, should remove the unintended onerous recordkeeping burden foisted on the taxpayer by the Deficit Reduction Act of 1984. As a replacement for the contemporaneous recordkeeping standard, the conferees agreed to a substantiation standard, which in large measure had been in effect prior to the 1984 act. Under the conference agreement, taxpayers would be allowed to substantiate tax deductions for the business use of property by "adequate records or by sufficient evidence corroborating the taxpayer's own statement." I am confident that this substantiation standard, which has been interpreted by the Internal Revenue Service through regulations since 1962, will provide a reasonable compliance standard for the taxpaying public without inhibiting the Government's ability to enforce compliance with our Federal income tax rules pertaining to the business use of property. I, therefore, urge my colleagues to approve the conference report.

Mr. ZORINSKY. Mr. President, thank you for giving me the opportunity to speak on behalf of thousands of Nebraskans who urge swift passage and enactment of the legislation before us today. I strongly support this much needed measure, which will relieve millions of taxpayers across the Nation from the excessive burden of maintaining detailed records for every trip taken in a business vehicle.

Like all of my colleagues here in the Senate, I have heard from hundreds of outraged constituents. Their message is as clear as it is consistent: Repeal this burdensome, ridiculous recordkeeping requirement immediately. They rightly blame Congress as the originator of their problem, and now look to Congress to act and to act quickly to provide a solution.

I strongly opposed the adequate contemporaneous records rules when they were under consideration last year. I wrote the members of the House-Senate conference and urged that these regulations be deleted. I came to Congress to get Government off the backs of the private sector, not to increase the paperwork requirements, and these rules run completely counter to those goals. Unfortunately, my advice was not heeded.

Particularly hard hit by these autolog rules is the farm and the small business sector. Over 2 million farmers filed individual tax returns during 1983. Because of the nature of their business, most, if not all, of these individuals are affected by the recordkeeping requirements. Adding to the difficulties already facing the farm communities, as well as the small businesses around my State, is entirely inappropriate.

Quickly action is now warranted to remove this burden. I am pleased to have cosponsored S. 245 and S. 260,

measures aimed at repealing these excessive tax provisions. The thrust of these bills is embodied in the proposal before us today. They would eradicate the requirement which one of my constituents from Broken Bow called, "* * * the greatest waste of productive time that has ever been put upon us * * *."

This bill gets us back on track. It provides a uniform standard for deductibility of business expenses, and, more importantly, will get people out of the business of filling out forms and back into the business that gives them jobs and income. The broadbased, bipartisan support for the repeal of vehicle recordkeeping requirements serves as testimony to the strength of the American people when they are moved to take action. I hope that my Senate colleagues will join me today in voting with the overwhelming wishes of this country to pass H.R. 1869 and to repeal once and for all these recordkeeping requirements.

Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The bill clerk proceeded to call the roll.

Mr. PACKWOOD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. PACKWOOD. Mr. President, I ask unanimous consent to set this business aside and have it become the pending business when we dispose of the foreign aid bill.

The PRESIDING OFFICER. Is there objection?

Without objection, it is so ordered.

TIME LIMITATION AGREEMENT

Mr. PACKWOOD. Mr. President, I ask further unanimous consent that there be a time limit not to exceed 40 minutes, with 30 minutes under the control of the Senator from Ohio [Mr. METZENBAUM] and 10 minutes under my control.

The PRESIDING OFFICER. Without objection, the time limitation is agreed to.

Mr. PACKWOOD. I thank the Chair.

FOREIGN AID AUTHORIZATION, FISCAL YEAR 1986

The PRESIDING OFFICER. The clerk will state the pending business.

The bill clerk read as follows:

A bill (S. 960) to amend the Foreign Assistance Act of 1961, the Arms Export Control Act, and other Acts to authorize appropriations for the fiscal year 1986 for international security and development assistance, the Peace Corps, the Inter-American Foundation, and the African Development Foundation, and for other purposes.

The Senate resumed consideration of the bill.

Pending:

Kerry Amendment No. 112, to express the sense of the Senate that Congress should encourage the revitalization of democracy in the Philippines.

Mr. PACKWOOD. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The bill clerk proceeded to call the roll.

Mr. LUGAR. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. LUGAR. Mr. President, at this time I yield to Senator KERRY for a discussion of his amendment.

The PRESIDING OFFICER. The Senator from Massachusetts.

AMENDMENT NO. 112, AS MODIFIED

Mr. KERRY. Mr. President, I have not yet asked for the yeas and nays on my amendment, and at this time I send to the desk a modification of the amendment which was submitted last night.

The PRESIDING OFFICER. The amendment is so modified.

The modified amendment is as follows:

At the appropriate place in the bill, add the following:

It is the sense of the Senate that Congress should encourage the revitalization of democracy in the Philippines. To that end, the Congress affirms its intention to grant future aid to the Philippines according to the determination of the Congress that United States security interests are enhanced and sufficient progress is made by the government of the Philippines in:

(1) guaranteeing free, fair and honest elections in 1986 and 1987, or sooner should any such elections occur;

(2) ensuring the full, fair and open prosecution of the murder of Benigno Aguino, including those involved in the cover-up;

(3) ensuring freedom of speech and freedom of the press, and unrestricted access to the media on the part of all candidates for public office in the municipal elections of 1986 and the Presidential election of 1987;

(4) establishing the writ of habeas corpus and the termination of the Presidential Detention Action and all other forms of detention without charge or trial;

(5) releasing all individuals detained or imprisoned for peaceful political activities; and

(6) making substantial progress in terminating extrajudicial killings by the Philippine military and security forces and the prosecution of those responsible for such killings in the past.

It is further the sense of the Senate that Congress finds and declares that the primary purpose of United States assistance to the Philippines should be to maintain and foster friendly relations between the people of the Philippines and the people of the United States, and to encourage the restoration of internal security—both of which goals can be best served by the achievement of an open and stable democracy.

Mr. KERRY. Mr. President, I ask for the yeas and nays on the amendment as submitted.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

Mr. KERRY. Mr. President, the pending amendment is jointly sponsored by me, the distinguished Senator from Alaska [Mr. MURKOWSKI], the distinguished Senator from Connecticut [Mr. DODD], and the Presiding Officer [Mr. BOSCHWITZ].

I want to express my appreciation to Senator MURKOWSKI, who, as chairman of the East Asian and Pacific Affairs Subcommittee of the Foreign Relations Committee, was more than cooperative with and helpful to me by joining in an effort to try to reach a compromise which would be acceptable to both sides of the aisle, and which, at the same time, would make the kind of strong statement we believe the U.S. Senate should be making with respect to this issue.

I also express my gratitude to the distinguished chairman of the Foreign Relations Committee, Senator LUGAR, for his assistance in this matter as well and for his willingness to accept this compromise.

Mr. President, while I would have preferred a stronger version of the amendment currently before this body, I do believe that what Senator MURKOWSKI and I have worked out sends a strong signal from the U.S. Senate that the revitalization of democracy in the Philippines is of paramount concern to us as a nation and of paramount concern to our foreign policy.

It is the belief of those of us who sponsor this amendment that the security interests of the United States will be enhanced in the Philippines only by a return to democracy at the earliest possible moment.

I know the distinguished chairman of the Foreign Relations Committee and the other sponsors of this amendment share with me a belief that the United States has important security interests in that region which include access to the vital sealanes in the South China Sea. We do have bases there which attract a significant amount of attention and which are vital to our ability to service our fleet in the Indian Ocean, and vital to protecting our interests in the Persian Gulf and elsewhere in that part of the world.

But we also have very, very important interests which stem from years of a unique relationship with the Filipino people. It is a relationship that goes back to 1898 and progressed through difficult periods of a war, a difficult period of the development of democratic institutions, through World War II, and subsequent to World War II the emergence, with the help of the United States, of democracy, of a constitution modeled on our

own Constitution, and of democratic institutions in which, though there might have been some imperfections, the United States can take great pride.

Mr. President, today as we hear much rhetoric in the U.S. Senate about the spread of communism throughout the world and the need of the United States to make efforts to try to respond to that so-called threat. I believe we have a unique opportunity to, in fact, respond to that threat. And I think if the Senate is not willing to go on record and if we are not willing down the road to hold accountable those whom we help with our aid to certain standards of behavior, then we may in fact be helping inadvertently the opportunity for communism to spread and to succeed.

I share with all Members of this body an abhorrence for the way in which people would have to live if they lose the rights that they could lose in the Philippines. But we must take note of the fact that there is a growing insurgency and that insurgency is able to grow and able to flourish to a large degree because it can draw on the frustration that people feel, and for which there is not any political outlet, as a consequence of the policies of the current government in the Philippines.

From April 6 through April 11 of this year I was in the Philippines where I held lengthy discussions with President Ferdinand Marcos, other Philippine Government officials, members of the opposition from all walks of life—business, professional, political, the church, academia—and the U.S. Embassy and military personnel.

During nearly 3 hours of private discussions with President Marcos, I raised a host of issues which I believe concern the Congress of the United States, including the absence of free and open and honest elections, the arbitrary and capricious use of Presidential detainment actions used to imprison people without charge or trial, human rights abuses on the part of the Filipino Army and security forces and, in particular, a practice which is known as salvaging, whereby those people who are in opposition to the government simply disappear from the face of this Earth.

I raised the issue of an independent and impartial Committee on Elections which is an essential ingredient for monitoring and setting up a process to guarantee free and honest elections. On many issues, the President promised that some reform would be undertaken. On others he was either noncommittal or he explained why he could not, or did not feel compelled to, take action.

For the record at this point, I wish to express my appreciation to President Marcos for the directness and candor with which he spoke and for according me, and I think through me the Senate Foreign Relations Committee, the courtesy of listening to our concerns and of responding to them.

I came away from this trip with a deep concern that unless there is a rapid restoration of democracy in the Philippines the chances for success of the Communist insurgency will be greatly strengthened.

In briefings by our military officials at the Subic Bay Naval Base, I was told that out of a population of 54 million people only 12 million or so, by their estimates, staunchly oppose the New Peoples Army, with 12 million people susceptible to NPA influence; the balance of the population some 30 million people remain indifferent; if the NPA does not bother them they do not seem to care.

Mr. President, I was alarmed by this estimate, alarmed that 22 percent of the population in the Philippines could easily be fully supportive of the efforts now of the NPA. But more than that statistic, the fact that 55 percent of the population of the Philippines is indifferent to the struggle going on between the government and the NPA is cause for concern not only to that government but to the United States.

The fact that the present regime can count on support from only 12 million Filipinos, or only 22 percent of the population, in order to deal with this effective growing insurgency is, I think, a point that ought to underscore our concern. And if nearly 78 percent of the population of the Philippines is supportive of or susceptible to NPA influence or controls or are neutral in this struggle, then that seems to me to be a stark statement about the loss of legitimacy of the current government.

Yet I also found, Mr. President, that while the Marcos regime continues to lose support among the population and the NPA continues to gain increasing control over the countryside, and even our own Defense Department has pointed to the fact that at the current rate of growth of the NPA there is the possibility of a military stalemate within the short period of perhaps 4 or 5 years, even though that is the situation, I believe there is room for hope. That hope stems from what I saw and I think others who have visited the region have seen, which is a ground swell of popular pressure to bring about political change in the Philippines through elections. Local elections scheduled for May 1986 are the key to the possibility of genuinely contested Presidential elections in 1987. If these elections are not free, then the chances for an electoral route for political and economic change in the Philippines may be lost, or at a minimum they will be seriously jeopardized.

That is why I believe it is imperative for Congress to go on record and to warn the present regime in the Philippines that it is our intention to grant future aid only if sufficient progress is made on the following:

First, a guarantee of fair and free and honest elections in 1986 or 1987, or sooner, should for any reason elections occur sooner;

Second, the full, fair and open prosecution of the murderer of Benigno Aquino, including those indicated and involved in the cover up;

Third, a restoration of the full freedom of speech and freedom of the press and unrestrained access to the media on the part of all candidates for public office in the local elections of 1986 and the Presidential election of 1987;

Fourth, the establishment of the writ of habeas corpus and the termination of the Presidential detention action and all other forms of detention without trial or charge;

Fifth, the release of all individuals detained or imprisoned for peaceful political activities and;

Sixth, that substantial progress is being made in terminating extrajudicial killings by the Philippine military and security forces and the prosecution of those responsible for such killings in the past.

I also believe it is imperative for Congress to go on record declaring that it is the primary purpose of our assistance to the Philippines to maintain and foster friendly relations between the people of the Philippines and the people of the United States, and to encourage the restoration of internal security—both of which goals can best be served by the achievement of an open and stable democracy.

I believe, Mr. President, these are important signals for the Congress of the United States to send.

In my discussions with the wide spectrum of groups in the Philippines, it was evident that a prevailing view among an increasing number of people in the Philippines is that the United States is not acting as strongly as it might to encourage democratic revitalization. In other words, Mr. President, the United States is—viewed as being only—interested in is the bases, not the Filipino people, not the record of democracy in that region, not the boarder interest of the U.S. foreign policy, but only the bases.

Now I would in no way diminish the importance of those bases. Yes; they are important to the United States. But, if we value them and if we want access to them in the future and if there is another government 5 years from now in the Philippines and that government remembers adversely what the United States has done during this difficult period, then I would respectfully suggest to this

great institution that our ability to be able then to negotiate our access to those bases may be diminished.

So if we are truly interested and truly want to protect the security interests of the United States, I believe we do so by moving to strongly advocate, and pressure, and leverage the the government of Ferdinand Marcos to change now. And we have to prove to the people of the Philippines that there is something beyond the bases that is important to us. We have to demonstrated our primary concern is for the people of the Philippines themselves.

As one opposition member of Parliament put it to me, "The United States has two military bases in search of a policy in the Philippines, and that is why you are caught in a bind supporting a dictator like Marcos."

This trip brought home to me the fact that our strategic interests in the Philippines must be more solidly based on our support of a democratic government and social and economic progress in that country. It is not simply because the United States had colonial responsibility in the Philippines for nearly half a century, or that Filipinos and Americans fought side by side during World War II, or that our country has an obligation to support the popular aspirations of the Filipino people for democracy. What is even more important is that there remains, even after 13 years of martial law and authoritarian rule, or perhaps because of that experience, there remains a tremendous popular desire in the Philippines for the kind of freedom and pluralism for which the United States should fight and should support and nurture as the primary element of our foreign policy.

At great risks to themselves, and at great odds, millions of Filipinos have shown by their actions this past year-and-a-half that they want a democratic system with free elections, checks and balances, a return to free enterprise, and a government that is accountable to them. There are very few third world countries where the opportunity to support a genuine democratic alternative is as clear and as compelling as that in the Philippines. We strive to find nations that would give us the opportunity to win the kind of victory we could win for democracy in the Philippines. We have that opportunity now.

So I believe, Mr. President, we can choose to make a bona fide effort to affect the course of events there or not. But in choosing not to, we would be turning our backs not only on millions of Filipinos who look to us for leadership and for a sustained effort to foster democracy, we would be turning our backs ourselves on our own best interests.

Mr. President, I met very many remarkable and committed people in the Philippines during my brief visit. I was impressed with their commitment to democracy in the face of 13 years of martial law that has done great injury to the very institutions which we should be supporting. I made a commitment to those people that I and others would return here to do all we could to support them and their efforts to bring freedom and democracy back to their homeland.

It is time for us to act now to begin support of those aspirations before it is too late. I believe we owe it to the people of the Philippines to support with our actions as well as with our words the restoration of democratic institutions.

That is the message we will be sending with this amendment. I do not believe that this amendment does all it might in terms of setting up that leverage. But I believe that if the Senate, for the first time—and this will be the first time—if the Senate will go on record stating its intention to watch what happens there and stating its willingness to be able to exert that kind of leverage at a future moment in the event that appropriate actions are not taken, then we will have begun a process which I think is important for the millions of people who look to us for that leadership; important to protecting the security interests of the United States of America; and important to giving our foreign policy the force that I think every Member of the U.S. Senate wants it to have.

So I am honored to join with the distinguished chairman of the subcommittee, the distinguished Senator from Alaska, Senator DODD and others in the effort to try to see that the Senate will begin that process and that we will at least hold ourselves accountable for our own actions.

Mr. President, I yield back my time.

Mr. MURKOWSKI. Mr. President, I rise on behalf of the sense-of-the Senate resolution introduced by my colleague from Massachusetts, Senator KERRY. I wish to compliment him on the eloquence of his statement. I feel that the proposed amendment reflects an obligation of the United States to the nation of the Philippines. That obligation goes to the nation and to the people.

The particular expression given in the amendment relates fairly to the concerns of the United States with regard to the very difficult situation occurring in the Philippines at this time. I think it is a responsible amendment in expressing the concern of the Senate with regard to some of the very basic issues, as indicated by the statement of my colleague from Massachusetts. And I think it represents certainly an effort, in expressing this concern, to recognize the full independence of the nation of the Philippines.

We are not engaging ourselves, by the intent of this resolution, in their internal affairs. We are not involving ourselves in their election process. What we are doing is sending a clear signal from the Senate of the United States of our interest in seeing that the Philippine Government or any successor government conduct free, fair and honest elections in the future, either in 1986 or 1987, to ensure the full prosecution of all those implicated in the Aquino affair, and other points covered in the six specific statements in the sense-of-the-Senate resolution.

As the chairman of the Subcommittee on Pacific and East Asian Affairs, I want to assure my many friends in the Philippines that the U.S. Senate, in expressing its views in this sense-of-the-Senate resolution, does not intend to involve itself in Philippine internal affairs. It simply represents an attitude and a feeling of commitment to the recognition of human rights and free elections and to encouraging a climate where democracy can continue to grow and flourish. And with the tenor and tone of the amendment, I think it fairly represents the concern in the United States and certainly in this body to ensure that the basic constitutional foundation of the Philippines is strengthened and encouraged by the amendment itself.

I have no further comments with regard to the sense-of-the-Senate resolution. I yield my time to Senator PELL.

Mr. PELL. Mr. President, in my mind this is an excellent amendment. It indicates to the Philippines and to the world as a whole the fact that the United States is looking at what goes on there more closely than it has in the past, that we are concerned about certain drifts in certain directions that the Government seems to be leading its people, and it gives us the foundations from which to examine our policy in the Philippines in the future.

The great pressure will not only be what the amendment does itself but also it serves as an earmark or a point of reference to what progress they make in the future.

If we look ahead a year or 2, we are sitting in this body, and we see that little progress is being made along these lines, it will then give us a basis at that time to have a more radical look at the situation and then perhaps a more harsh change of policy.

I commend the Senator from Massachusetts on the amendment and look forward very much indeed to supporting him.

Mr. LUGAR addressed the Chair.

The PRESIDING OFFICER. The Senator from Indiana.

Mr. LUGAR. I join Senator PELL in commending Senator KERRY for his diligence in crafting the amendment, and his personal involvement through

visits with responsible authorities in the Philippines for a first-hand view prior to crafting the amendment. I appreciate the work of the subcommittee chairman, Senator MURKOWSKI, and the comments which he has made about the amendment.

Mr. INOUYE. Mr. President, I intend to vote for the amendment offered by Senator KERRY, but I shall do so with strong reservations.

We are, all of us, concerned with the future of democracy in the Philippines. We are, all of us, supportive of efforts to support and encourage the revitalization of democracy in the Philippines. I do not believe that anyone in this Chamber would object to the statement that the primary purpose of U.S. assistance to the Philippines should be—as the text of the amendment itself states—"to maintain and foster friendly relations between the people of the Philippines and the people of the United States * * *."

I do, however, believe there is reason to be concerned that this amendment, if read literally, could undermine rather than revitalize democracy in that very troubled Republic. We are agreed that free and fair elections must not only be guaranteed, but also that such guarantees must be enforced. We are agreed that there must be a "full, fair, and open prosecution of the murder of Benigno Aquino."

But it must be asked, Mr. President, who is going to enforce those electoral guarantees? Who is going to prosecute the murderers of Aquino? I would submit that in both instances it will be the Government and the military of the Republic of the Philippines which will assume and carry out these responsibilities. Because of that, I would submit that it is not only presumptuous but counter to our purposes to issue, in this sense of the Senate provision, a blanket accusation of the Government of the Philippines and the military of murder, euphemistically referred to as "extrajudicial killings."

Mr. President, why does this amendment make no reference to the dedicated and courageous men and women who are working from within the Government and the military to preserve the integrity of their institutions, to protect the rights of their fellow citizens, to ensure the rule of law. It is not necessary to be blind to abuse, to be ignorant of the ultra vires exercise of power, to wish to be supportive of those who are presently conducting themselves with honor in the Government and military establishments in the Philippines. There have been abuses, that is beyond question. There have been unlawful acts perpetrated by some in the Government and the military—and not just at the lower ranks.

It is also true—and I would assert that the future of democracy rests on this fact and not on sense-of-the-Senate provisions, however well intentioned that there are people who each day put their lives and their futures at risk to preserve democracy in the Philippines. Some of those people serve in the Government, some serve in the military, some serve in private life—but they are numerous and they should be recognized. Many fought with us in the Second World War, alongside our troops in combat. Can we presume to instruct them on how they should defend democracy in their homeland? Can we assume that they have given up the struggle? Should we not recognize their continuing contribution to freedom and democracy?

Mr. President, I shall vote in favor of this amendment to support those in the Government and the military—in all walks of life—in the Philippines who are dedicated to democratic government and individual freedoms. I will not turn my back on those who have been my friends and comrades in arms. I reject any suggestion that all who serve in the military or Government are guilty of wrongdoing. On the contrary, I assert that many are the champions of Democracy.

Mr. KENNEDY. Mr. President, I support the amendment offered by Senator KERRY. An increase of 150 percent in military aid to the Philippines may be seen by the Filipino people as support for the Marcos regime and might therefore endanger U.S. strategic interests in the long term, unless we make clear that our aid is intended to strengthen democracy and human rights rather than to prop up an unpopular regime.

The continuing crisis in the Philippines is one of the most serious foreign policy problems currently faced by the United States in the Asian and Pacific region. The impatience of the Filipino people for a return to democracy, the unpopularity and isolation of the Marcos regime, the deteriorating economy and living standards, official corruption and human rights abuses by the armed forces are undermining the stability of this key friend and ally in the Pacific. This situation also fuels a growing Communist insurgency, which could threaten important U.S. strategic interests unless the Philippines Government and armed forces significantly improve their ability and will to deal with its causes.

I believe that American economic and military assistance to the Philippines is one necessary element for an effective effort against the NPA insurgency. But I also believe that our assistance will be ineffective and wasted unless it encourages political, economic and military reforms that address the root causes of the insurgency and promote a democratic alternative to the Communist NPA. Moreover, I am concerned that U.S. assistance to the Philippines not be seen by the Filipino people as support for the Marcos regime, lest our own interests in the Philippines become captive to Marcos' fate.

This amendment would not affect the level of economic or military aid for the Philippines for fiscal year 1986, but it would spell out clearly the reasons for U.S. assistance to the Philippines. It would also send a message to the Philippines Government and people that future U.S. aid will depend on progress toward democracy and human rights. Without progress toward these objectives, our assistance to the Philippines will at the very least be ineffective against the insurgency, and it could very well be detrimental to the preservation of a close U.S. relationship with the Philippines in the future. This amendment deserves our support.

TO SUPPORT DEMOCRACY IN THE PHILIPPNES

Mr. CRANSTON. Mr. President, the Senate has an important opportunity to send a strong message to Manila today.

This message should be clear. And this message should be unequivocal.

We will not continue however funding of the corrupt Marcos regime unless meaningful reform in forthcoming. We will not provide exorbitant amounts of military aid if that regime continues to thwart democratic development.

Mr. President, prior to the repressive reign of Ferdinand Marcos, the people of the Philippines had a proud tradition of free elections and peaceful government transition. And their principal opposition forces have been loyal, patriotic, and democratic. But unless change is forthcoming, the future for democracy in the Philippines is bleak.

Someday in the not-to-distant future, Marcos will be gone and the U.S. Government will then have to answer to opposition forces for its past policies.

Will we be part of the problem in the Philippines? Or will we be part of the solution, a solution which thwarts repression on the right and Communist insurgency on the left?

The amendment before us today, though not as strong as I would like, would make clear that U.S. interests require a rapid release of the stifling grip with which the Marcos regime throttles democracy. He would also make clear the importance with which the Senate views the obligation of the Philippines judicial system to prosecute those involved in the assassination of Benigno Aquino, and its subsequent cover up.

I support this amendment and urge its adoption by a strong vote.

Mr. LUGAR. My judgment is that the amendment probably will receive overwhelming support. A rollcall vote has been called. I know of no other Senators who wish to speak, and suggest that we proceed to vote.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Massachusetts. On this question, the yeas and nays have been ordered, and the clerk will call the roll.

Mr. BYRD. Mr. President, I suggest the absence of a quorum.

THE PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. BYRD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

The question is on agreeing to the amendment of the Senator from Massachusetts. On this question, the yeas and nays have been ordered, and the clerk will call the roll.

The assistant legislative clerk called the roll.

Mr. SIMPSON. I announce that the Senator from North Carolina [Mr. EAST] and the Senator from California [Mr. WILSON] are absent due to illness.

Mr. CRANSTON. I announce that the Senator from Nebraska, [Mr. EXON] is absent because of illness.

The PRESIDING OFFICER. (Mrs. KASSEBAUM) are there any other Senators in the Chamber desiring to vote.

The result was announced—yeas 89, nays 8, as follows:

[Rollcall Vote No. 78 Leg.]

YEAS—89

Abdnor	Garn	Melcher
Andrews	Glenn	Metzenbaum
Armstrong	Goldwater	Mitchell
Baucus	Gore	Moynihan
Bentsen	Gorton	Murkowski
Biden	Gramm	Nickles
Bingaman	Grassley	Nunn
Boren	Harkin	Packwood
Boschwitz	Hart	Pell
Bradley	Hatch	Pressler
Bumpers	Hatfield	Proxmire
Burdick	Hawkins	Pryor
Byrd	Heinz	Quayle
Chafee	Hollings	Riegle
Chiles	Humphrey	Rockefeller
Cochran	Inouye	Roth
Cohen	Johnston	Rudman
Cranston	Kassebaum	Sarbanes
D'Amato	Kasten	Sasser
Danforth	Kennedy	Simon
DeConcini	Kerry	Specter
Denton	Lautenberg	Stafford
Dixon	Leahy	Stennis
Dodd	Levin	Stevens
Dole	Long	Thurmond
Domenici	Lugar	Trible
Durenberger	Mathias	Warner
Eagleton	Matsunaga	Weicker
Evans	Mattingly	Zorinsky
Ford	McConnell	

NAYS—8

Hecht	Laxalt	Symms
Heflin	McClure	Wallop
Helms	Simpson	

NOT VOTING—3

East	Exon	Wilson

So the amendment (No. 112), as modified, was agreed to.

Mr. LUGAR. Madam President, I move to reconsider the vote by which the amendment was agreed to.

Mr. PELL. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

AMENDMENT NO. 114

(Purpose: To terminate the prohibition relating to participation by U.S. officers or employees in foreign police arrest actions or interrogations)

The PRESIDING OFFICER. The Senator from Arizona is recognized.

Mr. DECONCINI. Madam President, I send to the desk and amendment and ask for its immediate consideration.

The PRESIDING OFFICER. The amendment will be stated.

The legislative clerk read as follows:

The Senator from Arizona [Mr. DECONCINI], for himself, Mr. CHILES, Mrs. HAWKINS, and Mr. DENTON, proposes an amendment numbered 114:

On page 54, between lines 14 and 15, insert the following:

PARTICIPATION IN FOREIGN POLICE ARREST ACTION AND INTERROGATION

SEC. 509. Section 481(c)(1) of the Foreign Assistance Act of 1961 (22 U.S.C. (c)(1)) is amended to read as follows:

"(c) The head of any department or agency of the United States employing individuals who are authorized to engage or participate in any direct police arrest action in any foreign country with respect to narcotics control efforts, or any interrogation in connection with such efforts, shall prescribe regulations for the conduct of, and the procedures used by, such individuals.".

Mr. DECONCINI. Madam President, the amendment that I am offering today for myself, Senator HAWKINS and Senator CHILES would effectively repeal section 481(c)(1) of the Foreign Assistance Act of 1961 (22 U.S.C. 2291(c)) commonly known in law enforcement circles as the Mansfield amendment. As the war on narcotics traffickers, both overseas and in the United States, escalates this amendment will remove one more impediment to effective law enforcement overseas. If approved, this amendment will allow our law enforcement officers in foreign countries to better assist foreign agencies with their own domestic drug trafficking problems as well as help eradicate the drug smuggling threat that plagues our Nation.

Madam President, unless you are a hermit or live in a cave in the Grand Canyon, it is common knowledge that this country is under seige by the drug trafficker. The tragic, brutal murder of one of our finest Drug Enforcement Administration [DEA] agents in Mexico and the threat against our Customs and Immigration officers along the Mexican borders by members of the drug community have focused renewed attention on the need to attack the drug menace at the source. The Mansfield amendment is viewed by most law enforcement agencies as an impediment to allowing our drug enforcement agents in source and transit countries to assist host government law enforcement efforts to go after the narcotics trafficker in those countries that are plagued with a serious drug threat. What was born nearly 10 years ago in response to a preceived overzealousness by our drug enforcement agents in Thailand has remained on the books since 1975, weakening enforcement efforts overseas and frustrating our civilian law enforcement agents here at home. The amendment we are introducing today would take the shackles off our drug enforcement agents in foreign countries, while at the same time directing our civilian law enforcement agencies to promulgate appropriate regulations to assure proper conduct of our individual agents overseas.

Madam President, I ask unanimous consent to have printed in the RECORD at this point an outline of some of the history surrounding the adoption of the so-called Mansfield amendment nearly a decade ago.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

A BRIEF LEGISLATIVE HISTORY OF THE MANSFIELD AMENDMENT

In a report by Senator Mike Mansfield dated October 1975, entitled "Winds of Change: Evolving Relations and Interests in Southeast Asia," the Senator stated that the day before his arrival in Thailand, U.S. Drug Enforcement Administration agents and Thai police had carried out a joint raid on an opium refinery. His opinion of that activity was as follows:

This sort of U.S. anti-drug activities in Thailand seems to be highly dubious. Quite apart from the expenditure of U.S. funds, the direct participation by U.S. agents in police activities within Thailand amounts to involvement in internal Thai affairs. While it undoubtedly is meritorious in objective, it is a foot-in-the-door, a joint of entry which could lead to extensions and in the end, renewed entrapment in the internal affairs of that nation at renewed cost to the people of the United States. The sorry history of military and economic aid and other activity in Indochina and Thailand over the past two decades should serve as a precaution in this respect. Police actions, including local drug enforcement, are functions of indigenous governments. If there is a U.S. role, it should be limited to the exchange of information and intelligence with appropriate Thai or other officials. Beyond that point U.S. financial assistance for anti-drug operations at whatever level may be set by the Congress, in my judgment, is best channeled through international or regional organizations.

Regrettably, the briefing Senator Mansfield received in Thailand may have been unclear as to DEA's involvement in the seizure of a large heroin laboratory by Thai police on August 10, 1975, at Songkhla, Thailand. The fact is that DEA agents were only supportive, they furnished reliable information, they did not accompany the Thai police during the arrests and seizure of the laboratory, and arrived on the scene about 1½ hours after the Thai police had the situation under control.

Similarly regrettable, was that after Senator Mansfield made his report, DEA did not arrange for a full briefing of the Senator to explain not only the pertinent facts regarding the case in Songkhla, Thailand, but also to fully inform the Senator of DEA's oper-

ations and guidelines in foreign countries. This erroneous, uncorrected impression on the part of Senator Mansfield let to his submission of an amendment aimed at limiting DEA's activities in foreign countries.

The committee print of S. 2662, dated December 18, 1975, a bill to amend the Foreign Assistance Act of 1961 and the Foreign Military Sales Act, and for other purposes, contained the following provision in section 303(c)(1):

Notwithstanding any other provision of law, no officer or employee of the United States may engage in any police actions in any foreign country with respect to narcotics control efforts.

DEA envisioned the provision as virtually obviating its operations in foreign countries and made its views known to various levels of the Government.

On February 6, 1976, President Ford sent a letter to Senator Mansfield indicating concern with the amendment, and that he believed any excesses can be avoided by careful and continuous scrutiny by the Executive branch and by promulgation of appropriate operating guidelines.

During Senate debate on February 5, 1976, Senators Percy and Mansfield engaged in a dialog attempting to explain the meaning of the provision. Senator Percy said that—

This amendment does not preclude American narcotics agents from engaging in other activities which are permissible under the law of the host nation and which would be of great help in the enforcement of Federal drug laws here in the United States. These include principally:

Undercover operations or other information-gathering methods, not involving the use of force, for acquiring tactical and strategic intelligence;

The handling and development of informants;

Evaluating intelligence, information-gathering, and drug law enforcement operations of foreign police officials;

Training foreign police officials to undertake special surveillance assignments, or contracting with private parties and informants to undertake such activities.

The Senate also had before it the report of the Senate Committee on Foreign Relations, which stated in part as follows:

In adopting this restriction, the Committee seeks to reconcile two important U.S. interests; motivating foreign governments to cooperate to the fullest degree in stopping drugs from reaching the U.S. and avoiding excessive U.S. intervention in the internal affairs of other nations. The range of actions carried out by U.S. narcotic agents overseas covers a wide spectrum—from the innocuous (exchanging information and intelligence) to the clearly objectionable (actions involving the use of force and actions involving arrest of foreign nationals).

It is the Committee's intent that "police action," as used in this provision, is meant to prohibit U.S. narcotics agents abroad from engaging in actions involving the use of force and actions involving the arrest of foreign nationals—whether unilaterally (acting on their own) or as members of teams involving agents or officials of other foreign governments. And more broadly, it is the Committee's intent that the Drug Enforcement Administration and Chiefs of U.S. narcotics agents overseas not engage in any types of actions in which there is a reasonable risk of embroiling the U.S. in the internal af' 'rs of other countries by tending to lead them into situations involving the use of force or the arrest of foreign nationals. On February 18, 1976, the Senate passed S. 2662 by a vote of 60 yeas and 30 nays.

The House of Repesentatives had not included a similar provision in the House bill. Consequently, the committee of conference proceeded to rewrite the Senate provision in S. 2662. The conference committee adopted a substitute provision which would prohibit U.S. personnel from engaging or participating in direct police arrest actions in any foreign country in connection with narcotics control efforts. Essentially, the conference committee added the words "direct" and "arrest" to the Senate provision. The conference committee explained the intent of the provision as follows:

In adopting the provision the committee of conference seeks to insure that U.S. narcotics control efforts abroad are conducted in such a manner as to avoid involvement by U.S. personnel in foreign police operations where violence or the use of force could reasonably be anticipated. By "arrest actions" the committee of conference means any police action which, under normal circumstances, would involve the arrest of individuals whether or not arrests, in fact, are actually made. The committee of conference intends that the U.S. Ambassador in any country where U.S. narcotics control activities are being carried out shall exercise close supervision over such activities to insure that U.S. personnel do not become involved in sensitive, internal law enforcement operations which could adversely affect U.S. relationships with that country.

The committee of conference emphasizes that this provision is not intended to prohibit U.S. government agencies from assisting laws on narcotics trafficking by providing such assistance as training, technical equipment, and intelligence.

On March 24, 1976, DEA Administrator Peter B. Bensinger directed that specific DEA foreign guidelines be prepared in anticipation that eventually the Mansfield amendment would become law. Mr. Bensinger assigned DEA's Chief Counsel Donald E. Miller to draft the guidelines in coordination with other concerned DEA offices and the Department of State. Mr. Bensinger directed that the final paper would include DEA's general foreign mission and guidelines as to what DEA's representatives can and cannot do in foreign countries.

The provision as finally enacted by the Senate and House of Representatives in S. 2662 was as follows:

SEC. 504 * * *

* * * * * *

(c)(1) Notwithstanding any other provision of law, no officer or employee of the United States may engage or participate in any direct police arrest action in any foreign country with respect to narcotics control efforts.

On May 7, 1976, President Ford sent a message returning S. 2662 without his approval. He gave as his reason that "the bill would seriously obstruct the exercise of the President's constitutional responsibilities for the conduct of foreign affairs." The veto message did not make any reference to the restrictions imposed on DEA's activities.

Subsequently, S. 3439 was introduced in the Senate and H.R. 13680 was introduced in the House with compromises in attempt to respond to the President's veto. H.R. 13680 was passed by the House on June 2, 1976, and includes the same language effecting DEA's foreign operations as did S. 2662. Senate bill S. 3439 was passed on June 25, and it too, contains the same provision affecting DEA.

On June 4, 1976, DEA Administrator Bensinger issued "DEA Functions and Guidelines Relating to Operation in Foreign Countries" to all affected DEA personnel, with instructions to insure that all employees are in full compliance as of June 21, 1976.

Mr. DECONCINI. Madam President, one only needs to look 50 to 60 miles off the Florida coast to see that the Mansfield amendment is hurting our drug interdiction efforts. I am referring to both Bimini and the Bahamas. For example, if a Customs aircraft is pursuing a drug smuggler who has been profiled as suspect, or who has actually been seen offloading contraband, or air-dropping drugs to marine vessels, the smuggler can fly into the friendly confines of Bimini or the Bahamas leaving the Customs air officer with no alternative but to return to port. If the Mansfield amendment were repealed, arrangements could be worked out with the Bahamian Government to allow Customs to continue its pursuit and interdiction into the Bahamas, to assist Bahamian police make an arrest and seizure of the pilot, the plane and, hopefully, the contraband itself. Right now the Bahamian Government is unable to mount sophisticated air or marine drug interdiction operations. By working closely with Bahamian enforcement officials, our DEA, Customs, and Coast Guard personnel could assist in interdicting large drug shipments before they are broken down and scattered among hundreds of small speedboats.

Madam President, let me cite one very recent, clear example of the frustration U.S. law enforcement officers face in tracking drug smugglers coming out of foreign countries and returning with impunity. On May 3, the Customs Air Branch in Albuquerque picked up a twin engine aircraft flying from Mexico through New Mexico and into the vicinity of Morenci, AZ. There the suspect aircraft airdropped marijuana to waiting vehicles and then retreated toward Mexico with the Customs Citation II in pursuit. The aircraft retreated into Mexican airspace and ultimately landed in Mexico—again, with impunity. If the Mansfield amendment were repealed, arrangements could be worked out with the Mexican Government to allow Customs to follow the suspect aircraft into Mexico and, with the help of Mexican law enforcement agents, arrest the suspect.

Finally, Madam President, I am convinced that if the Mansfield amendment had not been on the books during the tragic, painful weeks of speculation about the fate of Mr. Camarena, our kidnaped DEA agent in Mexico, our drug enforcement agents would have been less constrained to aggressively pursue the arrest and interrogation of suspects in the case. We

need to take the gloves off of our drug enforcement agents overseas so that they can protect their associates and better pursue the drug trafficker who threatens their lives and ours.

Madam President, the Mansfield amendment has outlived its usefulness. It is no longer needed. I understand that former Senator Mansfield even told Senator HAWKINS on a trip to China that the amendment was no longer needed. I am confident that our law enforcement agents will conduct themselves appropriately overseas. I know of no abuses of power or discretion by these men and women overseas. And the time has come to unite their hands in helping slam the door on the drug trafficker who works overseas and sells his deadly poison here in the United States.

Madam President, there has been some discussion with staff—and I appreciate the majority staff of the Foreign Relations Committee bringing it to our attention—about constitutional rights and protections. I call to the attention of the Senate the fact that the amendment provides that the appropriate law enforcement agencies would prescribe regulations for the conduct and the procedures of such American agents overseas, which certainly would include being sure that the constitutional rights are preserved.

I thank the ranking minority member and the chairman of the committee for their consideration of this amendment, and I urge its adoption by the Senate.

Mr. LUGAR. Madam President, I congratulate the distinguished Senator from Arizona for his thoughtful amendment. It is indeed one on which the staff of the majority and the minority have worked with the distinguished Senator, and we are prepared to accept the amendment.

Mr. DECONCINI. I thank the distinguished chairman and the ranking minority member.

The PRESIDING OFFICER. Is there further debate? If there is no further debate, the question is on agreeing to the amendment.

The amendment (No. 114) was agreed to.

Mr. DECONCINI. Madam President, I move to reconsider the vote by which the amendment was agreed to.

Mr. LUGAR. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

AMENDMENT NO. 115

(Purpose: To provide for a study of ways to increase use of private and voluntary organizations and cooperatives)

Mr. LUGAR. Madam President, I send an amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The amendment will be stated.

The bill clerk read as follows:

The Senator from Indiana [Mr. LUGAR], on behalf of Mr. DANFORTH, propose an amendment numbered 115:

At an appropriate point in the bill, insert the following new section:

SEC. . Use of private and voluntary organizations, cooperatives, and the private sector.

"(a) The Administrator of the Agency for International Development is directed to undertake a comprehensive study of additional ways to provide development assistance through non-governmental organizations (including United States and indigenous private and voluntary organizations, cooperatives, and other private entities). Such study shall include:

"(1) an analysis of the percentage of development assistance allocated to governmental and non-governmental programs;

"(2) an analysis of structural impediments, within both the United States and foreign governments, to additional use of non-governmental programs; and

"(3) an analysis of the comparative economic benefits of governmental and non-governmental programs.

"(b) the Administrator is directed to conduct the study using available funds and to prepare a final report to the Congress no later than September 30, 1986.".

Mr. DANFORTH. Madam President, during a recent trip to Africa I visited a dry land research project in Somalia where local Somali farmers had been taught to grow healthy stands of sorghum without irrigation, without complicated equipment and without expensive fertilizers simply by changing the time of planting and adjusting the spacing between the planted seeds. The American agriculture experts who had developed these techniques emphasized two points. First, the African farmer, properly schooled through extension techniques common in our own country, has excellent skills and is highly motivated. Second, the most successful way to transfer the knowledge necessary to increase Africa's food production will come through people-to-people programs. "A major obstacle to more people-to-people programming is our overreliance on bilateral, government-to-government assistance. The Agency for International Development does have authority through the use of its existing 106 account to provide matching grants to private and voluntary organizations [PVO's] and direct funding to other private sector programs which can bypass government. The question is whether Congress should require greater utilization of this authority.

The purpose of my amendment is to direct AID to undertake a comprehensive study on how it could shift development programs away from governments and more toward PVO's and the private sector.

In Africa, far too often, farm cooperatives are created and operated by the African governments themselves. The centralized planning and marketing of African Parastatals is a well-known failure. It is possible that American farm co-ops and PVO's can be more effective in encouraging the spread of truly private sector cooperatives.

Mr. LUGAR. Madam President, I know of no opposition to the amendment, and I support it.

Mr. PELL. Madam President, I understand that this amendment does not in any way cut into the money that is available for the private organization.

Mr. LUGAR. That is correct.

Mr. PELL. There is no objection to the amendment. I think it is a good amendment.

The PRESIDING OFFICER. The question is on agreeing to the amendment.

The amendment (No. 115) was agreed to.

Mr. LUGAR. Madam President, I move to reconsider the vote by which the amendment was agreed to.

Mr. PELL. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

AMENDMENT NO. 116

(Purpose: To terminate United States assistance for Bolivia unless Bolivia eradicates 10 percent of its coca production, and for other purposes)

Mrs. HAWKINS. Madam President, I wish to offer an amendment to the Foreign Assistance Act to call for the termination of U.S. assistance to Bolivia unless that nation eradicates 10 percent of its coca production.

I send an amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The amendment will be stated.

The legislative clerk read as follows:

The Senator from Florida [Mrs. HAWKINS] proposes an amendment numbered 116.

Mrs. HAWKINS. Madam President, I ask unanimous consent that the reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

On page 64, between lines 16 and 17, insert the following:

RESTRICTIONS ON ASSISTANCE FOR BOLIVIA

SEC. 914. (a) The Congress finds that—

(1) cocaine has had a severe negative impact on productivity, public health, education, and the quality of life in the United States and on the national security of the United States;

(2) Bolivia is the source of more than 50 percent of the world's cocaine, and Bolivian production of cocaine continues to rise;

(3) 50 percent of the population of Bolivia is under 19 years of age, and cocaine production has had a severe, negative impact on the youth of Bolivia;

(4) the production of, and trafficking in, cocaine by Bolivia has contributed significantly to Bolivia's 1,000 percent rate of inflation.

(5) the failure of the Government of Bolivia to take steps to curb the production of

coca in Bolivia during 1984 was cited in the report of the Department of State entitled "International Narcotics Control Strategy Report" as a major disappointment in its review of drug producing countries; and

(6) Bolivia received more than $37,000,000 in United States assistance during the fiscal year 1984 and during such fiscal year did not eradicate a single coca bush.

(b)(1) Beginning with the fiscal year 1986 and for each fiscal year thereafter, no United States assistance may be provided Bolivia unless the President certifies to the Committee on Foreign Affairs of the House of Representatives and the Committee on Foreign Relations of the Senate that the amount of coca that was produced in Bolivia during the preceding fiscal year is at least 10 percent less than the amount produced in Bolivia during the fiscal year which preceded such preceding fiscal year.

(2) Whenever the President certifies under paragraph (1) that the amount of coca that is produced in Bolivia is reduced by more than 10 percent from one fiscal year to the next, the amount of any such additional reduction shall be carried over and counted as if it has occurred in the fiscal year following the year in which it actually occurred.

(3) The Secretary of the Treasury shall instruct each United States Executive Director of the International Bank for Reconstruction and Development, the International Development Association, the International Finance Corporation, and the Inter-American Development Bank to oppose actively the extension of any loan or the furnishing of any financial assistance or technical assistance during the fiscal year 1986 or any fiscal year thereafter by the respective international financial institution to Bolivia, unless the President certifies under paragraph (1) that the amount of coca that was produced in Bolivia during the preceding fiscal year is at least 10 percent less than the amount produced in Bolivia during the fiscal year which preceded such fiscal year.

(4) In carrying out this section, coca produced solely for pharmaceutical purposes shall not be counted in determining amounts of production.

(5) As used in this section—

(A) the term "coca" means cocaine hydorchloride; and

(B) the term "United States assistance" includes any assistance of any kind (other than assistance involving only the provision of food or medicine) which is provided by grant, sale, loan, lease, credit, guaranty, or insurance, or by any other means, by any agency or instrumentality of the United States Government to or for the benefit of any foreign country, including—

(i) assistance under the Foreign Assistance Act of 1961 (including programs under title IV of chapter 2 of part I, relating to the Overseas Private Investment Corporation, but excluding programs under chapter 8 of part I, relating to international narcotic control assistance);

(ii) sales, credits, and guaranties under the Arms Export Control Act;

(iii) sales under title I (including title III) of the Agricultural Trade Development and Assistance Act of 1954 and donations under title II of such Act of nonfood commodities;

(iv) financing programs of the Commodity Credit Corporation for export sales of nonfood commodities;

(v) financing under the Export-Import Bank Act of 1945;

(vi) assistance under the Migration and Refugee Assistance Act of 1962;

(vii) programs under the Peace Corps Act;

(viii) assistance under the Inter-American Foundation Act;

(ix) assistance under the African Development Foundation Act;

(x) financial assistance for foreign persons or groups under the Mutual Educational and Cultural Exchange Act of 1961; and

(xi) assistance of any kind under any other Act.

CONDITIONS OF ESF ASSISTANCE TO JAMAICA

SEC. 915. Of the funds allocated for Jamaica for fiscal year 1987 under chapter 4 of part II of the Foreign Assistance Act of 1961, $5,000,000 shall be withheld from obligation until the President certifies to the Congress that the Government of Jamaica has prepared, presented, and committed itself to a comprehensive plan or strategy for the control and reduction of illicit cultivation, production, processing, transportation, and distribution of marijuana within a specifically stated period of time.

On page 64, line 18 strike out "Sec. 914." and insert in lieu thereof "Sec. 916.".

Mrs. HAWKINS. Madam President, we have given the Bolivians time, we have given them support, we have given them notice, and we have given them money, lots of money—$57 million in U.S. aid in 1984, $4 million earmarked for eradication alone. And what did we receive for the investment? We received a 10- to 15-percent increase in the production of cocaine.

This year the Foreign Assistance Act allocates almost $50 million in U.S. aid for Bolivia for the next fiscal year. It is time that this Government stopped funding our own destruction.

Last year, with 16 of my colleagues, I introduced a bill to cut off all U.S. foreign aid to Bolivia until that nation reduces its illegal crop by 10 percent. I have 16 cosponsors.

I have made numerous efforts, personally, to try to convince the Government of Bolivia to take steps to curb its drug production. I went to Bolivia and met with authorities there to make sure that they knew how destructive is their major crop of export; I sponsored a Western Hemisphere Conference on Narcotics Control in Washington and included Bolivian representatives for them to witness the drug control efforts of their fellow Western Hemisphere nations; I introduced the diplomancy against drugs amendment to give notice to drug producing nations that their involvement in the narcotics trade was intolerable; and I conducted a hearing into the State Department's international narcotics control strategy report on the compliance of drug-producing nations to the diplomacy against drug laws. The results of this report were for me the last straw.

As most of my colleagues know, I am chairman of the Subcommittee on Children, Family, Drugs and Alcoholism. In a recent hearing we discovered that Bolivia is doing nothing. Before this State Department report was released, it was acknowledged that Bolivia now providing fully half of the world's cocaine, but its production has actually increased dramatically. This report contained the following fact: Bolivia has not eradicated a single coca bush in the last year.

The diplomacy-against-drugs law passed in the Senate by a vote of 96 to nothting. Every one of my colleagues thereby acknowledged that use of this economic and diplomatic leverage could be effective in stopping drugs at the source. Then why not use it? Isn't 2 years for a nation with a strong army, alternate agricultural possibilities, and massive direct and indirect aid from the United States, enough time to pull up one coca bush?

I think it is time, Madam President. As a matter of fact, I am sure it is time. American parents have waited long enough. While waiting for Bolivia to take the action that it must, I have seen too many children go through the hell of narcotics addiction; too many young adults ruin their careers and their marriages before they have even started; too many people suffer financial calamity; too much drug-related criminal activity; and too much death and destruction—all because of cocaine.

Madam President, this morning's Washington Post has an article headlined "Recent Cocaine Use Seen in 30 percent of D.C. Arrestees," in the month of July. I ask unanimous consent that the article be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

RECENT COCAINE USE SEEN IN 30 PERCENT OF D.C. ARRESTEES

(By Sandra Evans)

About 30 percent of all persons arrested in the District of Columbia have used cocaine recently, more than double the level of cocaine use among criminal defendants recorded just last July, according to the most recent tests in D.C. Superior Court.

The use of PCP among defendants now just barely outstrips cocaine use, at between 30 and 32 percent, said John A. Carver, director of D.C. Pretrial Services Agency, which does the testing.

"We are seeing some significant changes in the drug use patterns in the District," with cocaine use rising sharply among defendants, Carver said at hearings yesterday before the House Appropriations D.C. subcommittee on the city's proposed 1986 budget.

Last July, 14 percent of those arrested in the city tested positive for cocaine. That figure jumped to 22 percent by December and now has jumped another 8 percentage points in five months, according to the Pretrial Services Agency.

Carver said he did not know the reason for the sharp rise, though he said police have reported that the price of cocaine has dropped.

Two-thirds of all arrestees now either admit drug use or test positive for one or more of the five drugs the agency looks for, Carver said.

Defendants held in the court's cell block before arraignment are required to give a

urine sample that is tested for traces of heroin, PCP, cocaine, methadone and barbiturates as part of a program begun in March 1984 to examine how drug use affects criminal behavior.

The agency does not bother to test for marijuana use among those arrested. Carver said after the hearing, because "nobody cares about it."

Later during yesterday's hearing, Rep. Julian C. Dixon (D-Calif.), the subcommittee chairman, criticized D.C. Department of Corrections Director James Palmer for a "cavalier" attitude toward testing for drug use at Lorton Reformatory.

After Palmer and officials accompanying him were unable to provide recent figures on drug use at the city's prison, Dixon responded incredulously: "This is a major issue, and nobody here knows how many in any given month are tested and what the results of the test are?" Palmer promised to provide figures for the record.

In early 1984, after press reports about drug use at Lorton, officials tested the entire prison population and found evidence that about 10 percent had recently used drugs. The mayor announced a crackdown on drug smuggling into the prison, which was to include random drug tests.

In other testimony, officials of the D.C. Public Defender Service said that District judges now are issuing longer sentences, with 80 percent of persons convicted of serious crimes being incarcerated for some period.

Charles Ogletree, PDS deputy director, said that judges have given out harsher sentences in part because of sentencing guidelines being developed by a judicial commission, which Ogletree said has resulted in "peer pressure." Some convicted persons who in the past would have received probation are now getting jail terms, he said.

One knowledgeable law enforcement official, who asked not to be named, said that view had to be "pure speculation," however.

One issue that continues to receive intense interest on Capitol Hill is the construction of a new prison in the District, currently under study, which Mayor Marion Barry agreed to under pressure earlier this year.

William D. Golightly, D.C. assistant director for administrative services in the corrections department, said the city is considering a 500-bed prison facility. This is a significantly lower figure than advocates of a new prison have discussed informally.

Five hundred beds would not take care of current prison and jail overcrowding in the District, said one law enforcement source.

Mrs. HAWKINS. Madam President, Bolivia must be forced to accept its responsibility in this situation, and I am convinced the only way to make them understand is in economic terms and they must be strong economic terms.

Very simply, we in the United States must not accept this situation from Bolivia. With the enactment of this legislation, we would be saying to the Bolivians: You continue to produce and market your coca crop, you will lose U.S. aid, all of it.

Even with this proposed amendment, we are giving the Bolivians even more time, time that I do not personally feel they deserve. All they have to do to show that they are making an effort is to eliminate 10 percent of their coca crop. And this action would even benefit this troubled nation directly. They are currently operating at an astounding 2,200 inflation rate—caused in large part by the false economic atmosphere created by their illegal narcotics industry.

Madam President, I ask my colleagues to join me in this necessary amending of the Foreign Assistance Act to stop the flow of drugs into our country and to help parents in this country, the citizens of our Nation, by taking whatever steps are necessary to enact this legislation with all possible speed.

Madam President, I ask unanimous consent that Senators MATTINGLY, CHAFEE, FORD, HOLLINGS, DECONCINI, GARN, and MOYNIHAN be added as cosponsors.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. LUGAR. Madam President, I commend the distinguished Senator from Florida for her leadership in the whole area of worldwide flight against drug abuse. She has been an eloquent and effective spokesperson for a point of view which is shared I believe by a large majority of the people of this country. We are grateful to her for her leadership.

Therefore, I think we all listen carefully when she speaks to these issues.

The specific point of this amendment has been the very regrettable activity of the Government of Bolivia in particular, and I support the amendment on our side.

We are prepared to accept the amendment.

Mr. PELL. Madam President, this is an excellent objective, one with which we can all agree.

I only have one question for the junior Senator from Florida. In what way does this differentiate or differ from the amendment we passed last night of Senator CHILES also dealing with Bolivia?

Mrs. HAWKINS. As soon as the bill is signed, all aid will be cut off until they eradicate 10 percent of the present crop. I do not believe there are any direct numbers in the language passed last night. It was just no standard, just discretionary—you can eradicate whatever you want, is what I read in.

Mr. PELL. Does the amendment of the junior Senator from Florida go farther?

Mrs. HAWKINS. Yes. It is tougher. It gives a standard of 10 percent eradication. It says immediately eradicate 10 percent and we will start giving them their allowance again.

Mr. PELL. The junior Senator from Florida sees no conflict between her amendment and the one passed last night?

Mrs. HAWKINS. Mine is much tougher.

Mr. PELL. I thank the Senator.

There is no objection.

The PRESIDING OFFICER. If there be no further debate, the question is on agreeing to the amendment of the Senator from Florida.

The amendment (No. 116) was agreed to.

Mr. LUGAR. Madam President, I move to reconsider the vote by which the amendment was agreed to.

Mr. PELL. Madam President, I move to lay that motion on the table.

The motion to lay on the table was agreed to.

AMENDMENT NO. 117

(Purpose: To express the sense of the Congress regarding foreign exchange intervention)

Mr. BRADLEY. Madam President, I send an amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The amendment will be stated.

The bill clerk read as follows:

The Senator from New Jersey [Mr. BRADLEY] on behalf of himself, Mr. BENTSEN, Mr. MELCHER, Mr. MOYNIHAN, Mr. KERRY, Mr. BUMPERS, Mr. BINGAMAN, and Mr. HARKIN, proposes an amendment numbered 117.

Mr. BRADLEY. Madam President, I ask unanimous consent that the reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

On page 64, between lines 16 and 17, insert the following:

POLICY REGARDING FOREIGN EXCHANGE INTERVENTION

SEC. 914. (a) The Congress finds and declares that—

(1) the trade deficit looms larger than any other threat to the ability of the United States to generate jobs and create economic well-being;

(2) the trade deficit continues to deteriorate even from the 1984 level of $123 billion;

(3) the trade deficit will continue to deteriorate until the value of the dollar declines on foreign exchange markets;

(4) the dollar's rise may slow down but is unlikely to fall sufficiently as a result of Congress' contemplated budget deficit reduction measures;

(5) the dollar would probably fall under a number of tax reform proposals but industries losing market share due to the exchange rate may not be able to wait for a complete tax package;

(6) the only remaining timely option for lowering the dollar is intervention in foreign exchange markets by the Treasury or the Federal Reserve;

(7) any such intervention must be strong enough to achieve the Congress' intent of lowering the dollar's value but sufficiently moderate to prevent a sudden drop in its value;

(8) any such intervention in order to assure a gradual decline and protect against too large a drop in the value of the dollar; will require coordinated action by the central banks of Europe and Japan as well as the United States; and

(9) such coordination is especially important to strengthen economic and political ties with the allies of the United States and

to promote consistent macroeconomic policies to the mutual benefit of all.

(b) Therefore, it is the sense of the Congress that—

(1) the Secretary of the Treasury and the Chairman of the Federal Reserve Board, in concert with our allies and coordinated with the central banks of the Group of Five or other major central banks, should take steps as are necessary to lower gradually the value of the dollar;

(2) such steps should not exclude intervention in the foreign exchange markets;

(3) the Secretary of the Treasury and the Chairman of the Federal Reserve Board should work to ensure that the domestic macroeconomic policies of the United States and its allies are forged to reinforce rather than oppose one another.

Mr. BRADLEY. Madam President, my amendment calls on the Chairman of the Federal Reserve Board and Secretary of the Treasury, in concert with our allies, to take such steps as are necessary to lower the value of the dollar.

Such steps should not exclude moderate intervention in the foreign exchange markets.

Madam President, the purpose of the intervention would be to bring the dollar down gradually from its current astronomical rate of exchange with foreign currencies.

Any action taken by the Chairman of the Federal Reserve and the Secretary of the Treasury should be coordinated with the central banks of our major trading partners.

In addition, it is important that the dollar not be allowed to drop without limit.

The purpose of the intervention is to contribute to the stability, not the volatility, of international trade and finance.

The trade deficit has become our most immediate economic problem. Last year's $100 billion deficit in goods and services reflected a terrible loss of market share in every sector open to foreign competition. That was just the culmination of a process that had been going on for 3 years. For example, in early 1983, we crossed an important threshold. For the first time we imported more machinery and transport equipment than we exported.

Now I am not talking about portable radios here; I am talking about machine tools, tractors, and construction equipment.

It is a threshold that frankly I hope we will cross in the other direction at some time in the near future.

Mr. President, some people question the importance of the trade deficit. They point out that although our imports increased 26 percent in 1984, our exports increased 9 percent, reflecting substantial growth for American producers. There are two answers why we should take little comfort from that fact.

First of all, the increase of both imports and exports arises from the opportunities created by world economic growth and our trading system. But that does not mean that we are in good shape so long as our exports do not actually fall.

Our import-sensitive industries are taking a beating. More generally, all of our trade-sensitive sectors are losing their share in the world market. Their proportion of the pie is shrinking even though the size of their slice, like the size of the whole pie, may be growing. The importance of market share comes from the fact that in many manufacturing industries and information-based services, the future success of an enterprise depends on its size relative to its competitors, rather than its absolute size. Our loss of market share is just one more factor contributing to the competitive disadvantage of U.S. companies competing in world markets.

The second reason we should be concerned about the explosion of the trade deficit even if our exports continue to grow is that the net increase of imports over exports has been financed by foreign credit. In fact, the average U.S. citizen purchased over $400 more in foreign goods than he or she produced for foreign consumption in 1984. That difference was financed by foreign credit, mostly to the Government, which allowed us to keep our taxes down. So the end result of this is the same as a $400 consumer loan made by foreign banks to every man, woman, and child in the United States that they do not even know they received. This foreign credit would be a boon to the economy if it were all financing economic development. But since a large portion is going to finance the Federal budget deficit, thereby releasing taxpayer dollars for consumption of foreign goods, it is no surprise we have not experienced the shot in the arm to the economy that foreign credit usually delivers to the private sector.

The reason to worry is that we will have to pay off those loans without having had the full developmental benefit of the credit. The trade deficit is a serious problem whether or not our overall exports are up.

Madam President, the key to reducing the trade deficit is the value of the dollar. The value of the dollar rose 30 percent against foreign currencies between 1981 and 1983 and rose the same amount again in 1984. Compare that with the dollar's stability, within a 10-percent range, during the 6 years from 1975 to 1981.

The level of the dollar is killing jobs, business plans, and future economic opportunity. Unless we immediately address the problem posed by the value of the dollar, we will be putting U.S. industry into an economic hole out of which it will be incredibly hard to grow.

Perhaps the only long-term solution to the pressure raising the dollar is budget deficit reduction. Only by eliminating the demand for capital created by the budget deficit will we be able to stop the capital inflows from abroad in the long run. And only by stopping those capital inflows will we create natural downward pressure on the dollar.

Tax reform is another positive long-term solution. A broader based tax would make the economy more efficient and better able to grow out of its deficits. But neither budget deficit reduction nor tax reform promises any relief for the American worker in the short run. Both are slowed down by the political process, which is necessary to guarantee the integrity of Government and generate consensus.

The only immediate option for bringing down the value of the dollar and relieving the competitive disadvantage under which U.S. industry is now operating is moderate intervention in foreign exchange markets. Through moderate intervention the Federal Reserve and the Treasury can send a signal to the market that at least our central bank believes the value of the dollar is too high to sustain.

The crucial advantage of foreign exchange intervention is the speed of its effects. A reduction in capital inflows will immediately reduce the value of the dollar. But for that very reason it is important that the Federal Reserve and the Treasury proceed with caution and do not permit the dollar to fall without limit. Sustained, moderate intervention is most likely to produce the gradual decline in the dollar that we need.

It is important for the Federal Reserve to have considerable freedom in its response to foreign exchange intervention.

For example, the Federal Reserve should be free to choose not to cover the whole value of any sale of dollars abroad by raising cash in the Government bond market. Such a choice would reflect the importance of coordinating our monetary and foreign exchange policies so that they do not work against each other. If the Federal Reserve believes it is constrained to finance every sale of dollars by selling Treasury bills, it will be constrained to counteract any intervention that the Treasury might undertake. We should increase rather than limit our options.

Madam President, equally important, we must coordinate any foreign exchange intervention we undertake with the actions of the central banks of our major trading partners. If the central banks of Germany and Japan were to sell dollars the same day the Treasury did, we would weaken the Treasury's portfolio without having any impact on the value of the dollar. Conversely, if the dollar began to fall and the foreign banks refused to buy

dollars, it could indeed fall precipitously.

The world trade system cries out for greater coordination of economic policies of its major players. This is a first and necessary step in the direction of greater coordination. Our willingness to consider coordinated foreign exchange intervention should have a positive effect on our relations with our most important allies, as well as bringing them to the table for trade negotiations.

Madam President, in summary, our economy suffers from horrendously high trade deficits. One of the central causes of those deficits is the value of the dollar. To reject intervention as a means of getting the value of the dollar down is to embrace the kind of yo-yo exchange rates that we have experienced in the last 4 to 5 years.

Madam President, I hope that if the Senate were to adopt this amendment, it would send a clear message to the chairman of the Federal Reserve and to the Treasury that we are concerned about what the dollar's value is doing to our export sector and to the import-sensitive sectors of the economy; and that, given a range of options, the Federal Reserve and the Treasury should consider an active policy of intervention to get the dollar down and prevent speculators from keeping it high as opposed to a policy that is passive and says we have no control over the price of our exports or the price of imports that flood this country and take away American jobs.

This is a sense-of-the-Senate resolution. It indicates a feeling on the part of the Senate. I think it is an important message for us to send.

Mr. SIMON addressed the Chair.

The PRESIDING OFFICER. The Senator from Illinois.

Mr. SIMON. Thank you, Madam President.

I frankly am not sure whether I want to support this amendment or not. If the Senator will yield, I am not among those who are critics of the Federal Reserve Board for not printing more money in general. Our basic problem is a fiscal problem rather than a monetary problem.

At the same time, I think some limited intervention in the currency market may very well be justified. How do you resolve this dilemma for those who are in my situation? I may be describing your own situation. I am not sure.

Mr. BRADLEY. I say to the distinguished Senator from Illinois that certainly in the long run there is no doubt that both deficit reduction and tax reform are central to keeping a currency near where its true value should be. In the short run, some sense of currency intervention has the possibility of weighing against speculative pressures that put the value of the dollar up. As the Senator points out, one way you do this is by printing money, and another way of doing it is by simply selling Treasury bills. You can do that without increasing the money supply, and therefore, help control inflationary pressures that I am sure you are concerned about. So my short answer to you is to say that right now the policy of this Government is to say absent deficit reduction there is nothing that can be done about the value of the dollar. As a matter of principle, we refuse to do anything actively to get the value of the dollar down.

From my perspective, that is a choice that locks you in not only to the excessively high exchange rates of the last several years, but into a real possibility that the yo-yo exchange rates of today will continue ad infinitum, make the trading system almost untenable, and unleash strong pressures for protection that I think would not be in our long-term interest.

Mr. SIMON. I thank the Senator.

I am concerned about that very principle, that yo-yo situation. How can a person in business in Illinois or New Jersey possibly make long-term commitments when you do not know what the pound, the franc, the yen, the deutsche mark, or anything else is going to be?

It also strikes me as at least a possibility that if the Federal Reserve Board as a result of the adoption of this amendment were simply to announce we are going to consider intervention almost overnight, you would see the dollar take some drop and you would diminish speculation. Am I making a correct assumption here?

Mr. BRADLEY. The Senator is exactly correct, and there has been a recent case in point. That is the case of Great Britain. As a conservative Government it has been on record now for the last 6 or 7 years as being absolutely opposed to any kind of intervention whatsoever in the foreign exchange market as a matter of conservative principle. That conservative principle was given up when the pound got down to about $1.05 at which point, as it is commonly reported in the financial press, Margaret Thatcher called President Reagan and said "Help. Intervene. Help us out." The very statement the following day that the Government might intervene was responsible for a dramatic increase in the next week in the value of the pound.

So the Senator is exactly correct. One might not even have to intervene, but the prospect that one might intervene or at least had not excluded the possibility of intervening could have a very salutary effect on the value of the dollar in the sense of getting it lower so that our goods would be more competitive abroad and foreign goods would be more expensive here at home.

As the Senator knows, as a Senator who represents Illinois, 1983 was the first year in the country's history that we imported more tractors and machine tools than we exported. I do not believe that was related to the quality of our workers, nor to the quality of our management. It was related instead to the relative price differential that stemmed primarily from the value of the dollar.

So the Senator is exactly correct. This is a moderate first step in the direction of saying we have to control our financial circumstances. To abdicate that is irresponsible.

Mr. SIMON. I thank the Senator from New Jersey. It seems to me this is an amendment that ought to be weighed carefully by the Members of the Senate. If, frankly, we had a Federal Reserve Board that was capricious and whose judgment I did not think was fundamentally good and sound, I would probably vote against this amendment. Again, I do not consider my vote for this amendment as a criticism of the Federal Reserve Board. I think the Federal Reserve Board's policies have been basically sound. The problem has been here in Congress. But the Senator from New Jersey offers an amendment that gives us the possibility of bringing the value of the dollar down almost overnight. And I think it could be a real help in this massive trade deficit problem that we face.

So unless I hear some argument to the contrary that is persuasive to me, my strong inclination is to believe that the gentleman from New Jersey has a small tool here that without jeopardizing the monetary policy of this country can move us in a short term toward some better answers while we get our fiscal house in order.

I thank the Senator from New Jersey.

I yield back my time.

Mr. BAUCUS. Madam President, I rise in support of the resolution offered by the Senator from New Jersey. This amendment follows on a resolution I offered just before the Bonn Summit regarding the problems caused by the high value of the U.S. dollar.

I have spoken frequently about the damage to our industries, to our farmers, to our workers by the appreciation of the dollar. In the Finance Committee we heard 2 days of testimony about the problems caused by the appreciation of the dollar.

There appears to be nearly universal agreement that the dollar's appreciation—and its volatility—is a major contributor to our trade imbalance. I say nearly universal agreement because the President of the United States does not agree. The President sees no problem. He says the high dollar should be a source of pride!

Well, Madam President, Eastman Kodak increased its productivity 13 percent last year but saw that improvement swamped by an appreciation in the dollar. Ask them if they are proud of the high dollar.

Ask the American wheat farmer, whose productivity is the miracle of the modern world, if he is proud of an escalating dollar.

Ask the people in my friend from Illinois' State who work for Caterpillar Tractor if they think the overvalued dollar is a source of pride.

All of these people, Madam President, will say no.

Madam President, the Finance Committee held hearings on the question of currency values and the volatility of exchange rates. We found unanimous agreement that there was a problem. We did not find unanimous agreement on how to solve this problem. But we did find agreement on two steps: reducing the Federal deficit and some form of coordinated intervention in currency markets.

Madam President—the President of the United States must recognize the problem and allow the Federal Reserve to act.

INTERNATIONAL MONETARY STABILIZATION

Mr. BENTSEN. Madam President, I support Senator BRADLEY'S amendment. Its purpose is straightforward and certainly reflects the sentiment of many close observers of international economics and trade that the dollar is overvalued.

I chair the Senate Democratic Working Group on Trade. Several weeks ago, the group issued its initial report in which we made two specific points about our present trading system: First, that currency rather than trade flows determine exchange rates; and second, that a much closer coordination of economic policies between nations is needed to rein in currency fluctuations.

Let me explain.

The report noted that foreign exchange rates are set today by speculative currency flows, not trade flows. This revolutionary situation has its roots in the March 11, 1973, breakup of the Bretton Woods system of regulated exchange rates. In place of Bretton Woods, a new flexible exchange rate market was born, a world market in currencies enormously different from what preceded it. Today, world currency flows are about 25 times the size of world trade, $50 trillion a year versus $2 trillion a year in trade.

Thus, the tail now wags the dog: Instead of competitive prowess or relative resource attributes driving exchange rates, exchange rates determine whether the world's most efficient farmers or manufacturers can find a buyer. This is all the difference in the world. Now the price of goods is influenced by whatever currency speculators and investors look to; one day it may be the safety and security of the United States or Germany, the next, America's deepening budget deficit or Japan's burgeoning trade surplus; the third day, record U.S. real interest rates or sagging French exports.

GLOBAL INTERDEPENDENCE

A second change has been the growing interdependence of world trade. The explosion in world trade since the sixties has meant a larger share of jobs and income than ever before in most nations inextricably linked to foreign trade. Domestic economic health is determined by a host of variables originating abroad, many beyond the reach of domestic economic discussions and decisions.

In combination with flexible exchange rates, this interdependence has added a striking degree of volatility to domestic economies. Foreign economic policies are no longer muted by inflexible exchange rates. Quite the opposite, in fact. They have become magnified by flexible rates. And domestic macroeconomic policies have become less potent in the near term.

This volatility can be reduced or even eliminated in a variety of ways. For one, the world could return to a regime of fixed exchange rates. Another unappealing option is to simply reduce the volume of trade itself. The preferable course is to minimize exchange rate volatility by closer coordination of fiscal and monetary policies between the major trading countries. As Paul Volcker said in Houston on March 30:

> The exchange rate today is too important an economic variable to ignore in our policymaking.

Such coordination might have prevented the unbalanced combination of tight monetary and flat-out fiscal policies adopted by the administration in 1981, which gave such a lopsided cast to the recovery. In doubling and redoubling the budget deficit, the administration sent real interest rates to record levels, luring tens of billions from abroad, sending the dollar up 40 percent and more on foreign exchange markets. Since that time, the bloated dollar has eviscerated American farmers and manufacturers, imperiling rural Americans and American industry, and cast serious doubt on this Nation's ability to compete internationally.

International consultations could have prevented this needless economic trauma.

Moreover, with exchange rates driving trade flows, it is dawning on businessmen, farmers, and workers that they may never be able to become competitive. American firms report cutting costs by 50 percent in 1 year, only to find they must locate abroad. Workers settle for pay freezes, and learn new technologies, only to find the exchange rate has made their product more expensive than productivity growth cheapened it.

MODERATING EXCHANGE RATE SWINGS

The amendment before us makes the same point made by the Working Group: the dollar is bloated for reasons that have nothing to do with relative American economic prowess. It is bloated due to budget deficits. And the bloated dollar alone is responsible for about 45 percent of our trade deficit—a deficit that threatens to humble the economic recovery by diverting badly needed consumer spending abroad.

The dollar is still hobbling our economy despite its decline in recent weeks. And it will continue to do so until the budget deficit is reduced. In the meanwhile, the price being paid by American industry for the bloated dollar continues rising. Data Resources found that the dollar alone has lopped about 1 percentage point off economic growth in recent years, and cost us 2 million jobs.

As the trade deficit has widened, the impact of the bloated dollar has spread. The household data survey in April found that 174,000 jobs were lost that month, about half in manufacturing. Since January, 132,000 manufacturing jobs have been lost and sectoral unemployment there has jumped to 8 percent in April from 7.2 percent in December. More broadly, the number of jobs in the goods-producing sector has stagnated for about a year now with employment still far below the prerecession employment peak. And the foreign trade imbalance has destroyed nearly 700,000 highly paid manufacturing jobs since 1981 despite the recovery. The imbalanced nature of that recovery is vividly portrayed by the contrasting creation of nearly 5.8 million jobs in the lower paid service sector over the same period.

The trade deficit has inhibited growth sufficiently to leave unemployment stalled higher than any recovery in history. It is hovering far above the low point of 5.7 percent attained in the previous extended recovery from the 1974 recession. And it has even stalled above the trough of 7 percent attained by the mini-1981 recovery. Indeed, while growth has been good in 3 of the preceding 4 years, unemployment from 1981 through 1984 has averaged 8.8 percent—nearly 40 percent above the 6.2 percent average unemployment rate during the seventies. Virtually all of that shortfall rests squarely with the more than 2 million jobs lost in recent years by our eroding foreign trade sector. The failure of the recovery to return the economy to a lower unemployment path can be laid at the feet of the high-flying dollar.

The high-flying dollar needs to be reined in. Congress is moving to cut the deficit, a good first step. The administration and Federal Reserve should ensure that they, in turn, leave

no stone unturned in taking actions to bring the dollar down, as well.

For the longer term, the major trading nations—the United States, Japan, and the Economic Community countries—need to collaborate more closely to prevent a recurrence of the soaring dollar. They must conduct much more extensive discussions designed to ensure that our fiscal and monetary policies are not out of kilter. Such discussions can help avoid situations like the administration's decision to clamp down on monetary policy while turning the deficit-spending faucet wide open. That cockeyed policy pitted the two major government economic policy tools against one another. They were in conflict rather than working as a team. International consultations may have inhibited this unbalanced policy approach and the bloated dollar it created.

So it is my hope that this amendment will send a strong signal to the administration and the Federal Reserve. I want them to hear that it's time to get off their hands and join Congress with actions to move the dollar to more resonable levels. And, it is time to listen to what other nations are saying.

Mr. LUGAR addressed the Chair.

The PRESIDING OFFICER. The Senator from Indiana.

Mr. LUGAR. Madam President, the Senator from New Jersey presented a very important analysis of the problems. I appreciate the colloquy that the Senator was conducting with the distinguished Senator from Illinois. The manager of this bill would state frankly that the problem I have as I listened to the colloquy, and as I read the resolution offered as an amendment to the Foreign Assistance Act, is that the parliamentary situation under which we are considering this bill does not have a germaneness element. As a result, it is not going to be useful for this Senator or any other to lodge a point of order because the Chair would find that we do not have a germaneness situation at all.

I mention that because this legislation is fair game for almost any consideration that comes before the attention of any Senator today. It could be a general discussion of life, times, and the problems that beset our country and almost any condition.

We have had a good spirited discussion. I suspect Senators might be stimulated to come to the floor and discuss the trade problem and the currency exchange problem at some length. It is not in any sense of detriment to the merits of the amendment because I really do not want to get into the that, although some important comments have been made on the face of the amendment. First of all, the Congress finds and declares that the trade deficit looms larger than any other threat to the ability of the United States to generate jobs and create economic well-being.

Perhaps that statement could be proven. One can think of other factors that are very important likewise. I doubt whether the Congress will come to that finding as a free-standing economic assumption without considerable debate and study.

I would suggest to the Senator from New Jersey very respectfully that I am prepared to move to table this amendment simply because of the economy of time. It would be without prejudice to the amendment. I wanted to signal that intent and rationale for doing so before bringing debate to an end.

I hope the Senator understands and will be prepared either to accept that judgment or to withdraw the amendment. I yield to him for his response.

Mr. BRADLEY. Let me say to the distinguished chairman of the Foreign Relations Committee that it is perfectly within is right to move to table the amendment, with which he disagrees. I suspect that is what he will do, and we will take a vote on this resolution.

I do not believe that this resolution will be the last time we will visit this issue. The fact of the matter is that if we are serious about bringing our economy away from the abyss out there, it will require not only deficit reduction and tax reform, but also a willingness actually to pursue a policy to lower the value of the dollar.

Frankly, although it is not in this amendment, if you want to know my personal view, it will also require us to be a little more aggressive in getting more of the Third World debt rescheduled.

I would say to the Senator from Indiana that this issue will be revisited as long as we continue to have these enormous trade deficits. The point will be made again and again until there is at least an awareness on the part of the authorities that active intervention is preferable to excessively high values of the dollar and it is preferable to yo-yo exchange rates.

To say you do nothing, which is the present policy, is to lock yourself into a position that I think endangers not only the economic health of our country today and in the next several years, but the very structure of the world trading and financial system.

So I say to the distinguished chairman of the Foreign Relations Committee that he will do what he will do and we will proceed and move ahead.

Mr. LUGAR. I thank the Senator from New Jersey for his gracious statement and for his constructive analysis.

For the reasons I have suggested earlier, since we are making a strong attempt today to complete a very complex piece of legislation, and I know of many amendments that deal directly with the foreign assistance situation, Madam President, I move to table the amendment.

Mr. BRADLEY. I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from Indiana to lay on the table the amendment of the Senator from New Jersey. The yeas and nays have been ordered and the clerk will call the roll.

The bill clerk called the roll.

Mr. SIMPSON. I announce that the Senator from Nevada [Mr. LAXALT] is necessarily absent.

I also announce that the Senator from North Carolina [Mr. EAST] and the Senator from California [Mr. WILSON] are absent due to illness.

Mr. CRANSTON. I announce that the Senator from Mississippi [Mr. STENNIS] is necessarily absent.

I also announce the the Senator from Nebraska [Mr. EXON] is absent because of illness.

The PRESIDING OFFICER (Mr. NICKLES). Are there any other Senators in the Chamber desiring to vote?

The result was announced—yeas 39, nays 56, as follows:

[Rollcall Vote No. 79 Leg.]

YEAS—39

Abdnor	Gramm	Pressler
Andrews	Grassley	Quayle
Armstrong	Hatch	Roth
Chafee	Hawkins	Rudman
Cochran	Hecht	Simpson
Denton	Helms	Stafford
Dole	Humphrey	Stevens
Domenici	Kassebaum	Symms
Durenberger	Lugar	Thurmond
Evans	Mattingly	Trible
Garn	McClure	Wallop
Goldwater	McConnell	Warner
Gorton	Murkowski	Weicker

NAYS—56

Baucus	Ford	Matsunaga
Bentsen	Glenn	Melcher
Biden	Gore	Metzenbaum
Bingaman	Harkin	Mitchell
Boren	Hart	Moynihan
Boschwitz	Hatfield	Nickles
Bradley	Heflin	Nunn
Bumpers	Heinz	Packwood
Burdick	Hollings	Pell
Byrd	Inouye	Proxmire
Chiles	Johnston	Pryor
Cohen	Kasten	Riegle
Cranston	Kennedy	Rockefeller
D'Amato	Kerry	Sarbanes
Danforth	Lautenberg	Sasser
DeConcini	Leahy	Simon
Dixon	Levin	Specter
Dodd	Long	Zorinsky
Eagleton	Mathias	

NOT VOTING—5

East	Laxalt	Wilson
Exon	Stennis	

So the motion to lay on the table amendment (No. 117) was rejected.

The PRESIDING OFFICER. The Senator from Indiana.

Mr. LUGAR. Mr. President, the Senate has spoken clearly on this issue, and for my part I propose that the amendment be accepted; that we

move to a favorable vote and, if it is the pleasure of the distinguished Senator from New Jersey, the proposer of the amendment, we do so by a voice vote.

Mr. BRADLEY. Mr. President, I think this body has spoken very clearly. I think the message will be loud and clear that we should not exclude intervention, and I hope that this encourages the new Secretary of the Treasury and Chairman Volcker at least to hold it out as a possiblity to lower the value of the dollar and to make our exports more competitive and prevent the import flooding we have experienced.

I have no objection to a voice vote on the amendment.

The PRESIDING OFFICER. Is there further debate? If not, the question is on agreeing to the amendment.

The amendment (No. 117) was agreed to.

Mr. LUGAR. Mr. President, I move to reconsider the vote by which the amendment was agreed to.

Mr. BRADLEY. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. LUGAR. Mr. President, I ask unanimous consent that section 915 of the Hawkins amendment, which was just adopted, be stricken. This has been agreed to by all parties, including Senator HAWKINS.

The PRESIDING OFFICER. Without objection, it is so ordered.

AMENDMENT NO. 118

(Purpose: To establish the International Narcotics Control Commission)

Mr. LUGAR. Mr. President, on behalf of Senator HAWKINS and Senator PELL, I send an amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The amendment will be stated.

The assistant legislative clerk read as follows:

The Senator from Indiana [Mr. LUGAR], for Mrs. HAWKINS and Mr. PELL, proposes an amendment numbered 118.

Mr. LUGAR. Mr. President, I ask unanimous consent that reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

On page 64, between lines 16 and 17, insert the following:

INTERNATIONAL NARCOTICS CONTROL COMMISSION

SEC. 914. (a) There is established the International Narcotics Control Commission (hereafter in this section referred to as the "Commission").

(b) The Commission is authorized and directed—

(1) to monitor and promote international compliance with narcotics control treaties, including eradication, money laundering, and narco-terrorism; and

(2) to monitor and encourage United States Government and private programs seeking to expand international cooperation against drug abuse and narcotics trafficking.

(c)(1) The Commission shall be composed of twenty-three members as follows:

(A) Seven Members of the House of Representatives appointed by the Speaker of the House of Representatives. Four Members shall be selected from the majority party and three shall be selected, after consultation with the minority leader of the House, from the minority party.

(B) Seven Members of the Senate appointed by the President of the Senate. Four members shall be selected from the majority party of the Senate, after consultation with the majority leader, and three shall be selected, after consultation with the minority leader of the Senate, from the minority party.

(C) One member of the Department of State appointed by the President.

(D) One member of the Department of Justice appointed by the President.

(E) One member of the Department of the Treasury appointed by the President.

(F) Five members of the public to be appointed by the President after consultation with the members of the appropriate congressional committees.

(2) There shall be a Chairman and a Cochairman of the Commission.

(3) On the date of enactment of this section and at the beginning of each odd-numbered Congress, the President of the Senate, on the recommendation of the majority leader, shall designate one of the Senate Members as Chairman of the Commission. At the beginning of each even-numbered Congress, the Speaker of the House of Representatives shall designate one of the House Members as Chairman of the Commission.

(4) At the beginning of each odd-numbered Congress, the Speaker of the House of Representatives shall designate one of the House Members as Cochairman of the Commission. At the beginning of each even-numbered Congress, the President of the Senate, on the recommendation of the majority leader, shall designate one of the Senate Members as Cochairman of the Commission.

(d) In carrying out this section, the Commission may require, by subpena or otherwise, the attendance and testimony of such witnesses and the production of such books, records, correspondence, memorandums, papers, and documents as it deems necessary. Subpenas may be issued over the signature of the Chairman of the Commission or any member designated by him, and may be served by any person designated by the Chairman or such member. The Chairman of the Commission, or any member designated by him, may administer oaths to any witness.

(e) In order to assist the Commission in carrying out its duties, the President shall submit to the Commission a semiannual report regarding the status of compliance with narcotics control treaties, the first one to be submitted six months after the date of enactment of this section.

(f) The Commission is authorized and directed to report to the House of Representatives and the Senate with respect to the matters covered by this section on a periodic basis and to provide information to Members of the House of Representatives and the Senate as requested. For each fiscal year for which an appropriation is made the Commission shall submit to the Congress a report on its expenditures under such appropriation.

(g)(1) There are authorized to be appropriated to the Commission for each fiscal year and to remain available until expended $550,000 to assist in meeting the expenses of the Commission for the purpose of carrying out the provisions of this section, such appropriation to be disbursed on a voucher to be approved by the Chairman of the Commission.

(2) For purposes of section 502(b) of the Mutual Security Act of 1954, the Commission shall be deemed to be a standing committee of the Congress and shall be entitled to the use of funds in accordance with such sections.

(3) Not to exceed $6,000 of the funds appropriated to the Commission for each fiscal year may be used for official reception and representational expenses.

(h) The Commission may appoint and fix the pay of such staff personnel as it deems desirable, without regard to the provisions of title 5, United States Code, governing appointments in the competitive service, and without regard to the provisions of chapter 51 and subchapter III of chapter 53 of such title relating to classification and general schedule pay rates.

On page 64, line 18, strike out "Sec. 914." and insert in lieu thereof "Sec. 916.".

Mr. LUGAR. Mr. President, the amendment calls for a commission on narcotics. For the reasons stated in the amendment, we on this side are in favor of the amendment and support its adoption.

Mr. PELL. Mr. President, this is an excellent amendment. The structure of the commission is modeled somewhat along the lines of the Helsinki Commission, which has proved to be so successful over the years. I think this will focus attention on this matter and will bring greater cooperation between the various elements involved. I hope the amendment is adopted.

The PRESIDING OFFICER. The question is on agreeing to the amendment.

The amendment (No. 118) was agreed to.

Mr. LUGAR. Mr. President, I move to reconsider the vote by which the amendment was agreed to.

Mr. MATTINGLY. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

AMENDMENT NO. 119

(Purpose: To provide restrictions on the furnishing of assistance for Peru)

Mr. MATTINGLY. Mr. President, I send an amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The amendment will be stated.

The assistant legislative clerk read as follows:

The Senator from Georgia [Mr. MATTINGLY] proposes an amendment numbered 119.

Mr. MATTINGLY. Mr. President, I ask unanimous consent that reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

On page 54, between lines 14 and 15, insert the following:

RESTRICTION ON ASSISTANCE TO PERU

SEC. 509. United States assistance, as defined by section 481(1)(4), may be provided to Peru for the fiscal year 1986 only if the President certifies to Congress that the Government of Peru has demonstrated substantive progress in developing a plan, in accordance with the Single Convention on Narcotic Drugs of 1961, that will establish its legal coca requirements, license the number of hectares necessary to produce the legal requirement, and eliminate illicit and unlicensed coca production.

Mr. MATTINGLY. Mr. President, I have long been concerned about the international drug trafficking problem and have sought and supported measures designed to deal with it. An international problem requires an international solution. The governments of a number of nations, such as Columbia and more recently the Bahamas, have made deliberate and specifc efforts to cooperate with United States. Others, like the Peruvian Government, have not. In the past two decades, coca production in Peru has increased dramatically, and today coca leaves grown in Peru provide the raw materials for approximately 45 percent of the cocaine which enters the United States. This production is in clear violation of the single Convention on Narcotic Drugs of 1961 to which Peru agreed and which came into force in Peru in 1964. That treaty requires Peru to license its coca cultivation. It also obligates the Peruvian Government to establish its legal coca requirement, necessary to meet the demands of its coca leaf chewing population, while it phases out this leaf chewing practice by 1989. The production of coca leaves is to be abolished simultaneously with the reduction in leaf chewing. Despite the treaty, the Peruvian Government has not implemented and enforced an effective licensing program. It has not forced decreased production, even though it is obligated under the treaty to uproot wild coca bushes and destroy illegally cultivated coca. In fact, as I mentioned a moment ago, coca production has increased radically. In 1966, annual production was less than 10,000 metric tons. By 1981, production had grown to 50,000 metric tons and it continues to increase today.

The amendment I offer today says to the Government of Peru that the United States is serious about seeing the influx of illegal drugs into this Nation curbed. It makes clear that the United States will no longer tolerate Peru's indifference to this Nation's efforts and the provisions of a treaty to which it has agreed. Specifically, my amendment states that U.S. assistance to Peru may be provided for fiscal year 1986 when the President certifies to Congress that the Government of Peru has demonstrated substantive progress in developing a plan, in accordance with the single Convention on Narcotic Drugs of 1961, that will establish its legal coca requirements, license the number of hectares necessary to produce the legal requirement, and eliminate illicit and unlicensed production. As my colleagues are aware, current law allows for the suspension of assistance to any nation which the President reports to Congress is failing to progressively eliminate the illicit production of narcotic crops. This amendment is similar. But instead of relying on the administration to report failure to cooperate, it requires the President to act, to certify that Peru is making a real effort, and progress, before the assistance is released. It specifically requires that this progress should be measured in reference to three specific provisions of the 1961 convention.

It is my belief that the amendment will result in positive action, in serious negotiations between the two nations if that is necessary, to determine a plan to eliminate illicit coca production. I urge the adoption of the amendment. I believe it has been cleared on both sides.

Mr. LUGAR. Mr. President, I commend the distinguished Senator from Georgia for a very constructive amendment. He is correct that the amendment has been cleared on this side, and we are prepared to proceed to a vote on the amendment.

Mr. PELL. Mr. President, the Senator is correct. The amendment has been cleared on this side of the aisle. We urge its adoption.

The PRESIDING OFFICER. The question is on agreeing to the amendment.

The amendment (No. 119) was agreed to.

Mr. LUGAR. Mr. President, I move to reconsider the vote by which the amendment was agreed to.

Mr. MATTINGLY. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

AMENDMENT NO. 120

(Purpose: To reduce the military assistance program and increase funds for the donation of agricultural commodity sales abroad)

Mr. BINGAMAN. Mr. President, I send an amendment to the desk.

The PRESIDING OFFICER. The amendment will be stated.

The assistant legislative clerk read as follows:

The Senator from New Mexico [Mr. BINGAMAN] proposes an amendment numbered 120.

Mr. BINGAMAN. Mr. President, I ask unanimous consent that reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

On page 2, line 12, strike out "5,464,500,000" and insert in lieu thereof "5,364,500,000".

On page 54, between lines 14 and 15, insert the following:

PL-480 FUNDS

SEC. 509. In addition to funds otherwise available for such purpose, there are authorized to be appropriated $100,000,000 to be used to carry out title II of the Agricultural Trade and Development Act of 1954.

Mr. BINGAMAN. Mr. President, this is a very simple amendment, but I believe it responds to several pressing needs now facing us.

The amendment calls for a reduction of $100 million in military assistance, excluding aid to Israel, Egypt, Greece, and Turkey, and it transfers that $100 million to funds authorized by Public Law 480, the Food for Peace Program. It does not add money to the foreign aid authorization. It simply allocates the funding.

Mr. President, this amendment is necessary, in my view, for several reasons. It is needed to address the serious famine problems which exist in Africa, the surplus grain situations we have in this country and the effect that surplus is having on our farmers, and the need to bring the Military Assistance Program into reasonable austerity budgetary alignment.

The amendment is also needed to restore funding for the successful Food for Peace Program. For these reasons, the amendment should be adopted.

Despite the international recognition of the drought problems and the resulting famine in Africa, little progress has been made toward a humane solution in this troubled part of the world. Unfortunately, this problem does not exist only in Africa. It is a serious worldwide problem.

According to recent statistics, yesterday 40,000 children around the world below the age of 5 died of undernourishment and associated causes; 40,000 more will be dead before today ends, and another 40,000 will die tomorrow. According to UNICEF, a total of 13 million to 17 million children die each year before reaching their fifth birthday. What can be done to help these children and solve the world hunger problem?

I think a lot can be done. The problems of world hunger exist not because the world has a food shortage. While the last decade has seen the greatest world population growth in history, world food production has grown even faster, but unfortunately, as we debate our foreign policies in this country, we have not recognized this fact. Instead of efficient, productive, and even lifesaving use of U.S. farm products, we find inefficiency, forced underproduction, and even waste and spoilage.

These bad policies have led to serious problems for the American farmer, threatening the future of many family-run small farms in my home State of New Mexico and throughout this country.

We now have a situation where farmers are fighting off foreclosure by overproducing. As a result, the price of 22 of 28 major farm commodities is below what it cost to produce those commodities. This has put 1,600 farmers out of business every week.

Also as a result of our inefficiencies we have created a situation where over 85 million metric tons of grain and powdered milk are left in storage elevators and warehouses of America at a time when the world adds 79 million more people to feed every year.

In my State of New Mexico, I have had farmers come up to me who want to give food away. They are seriously interested in donating food and grain to African drought victims, but unable to do so without great expense to themselves. I am working with these farmers to make low-cost transfers possible; however, we must also act to increase U.S. food aid to higher levels.

One of the best ways to increase food aid is through the Food for Peace Program which was created in 1954. Since then it has proven its success by providing food assistance to famine victims in every corner of the world.

Food for peace provided a record 18.3 million metric tons of grain in 1965 when America donated nearly 20 percent of its total wheat production for 2 consecutive years to help drought-stricken India. The expanded Food for Peace Program should now again be used to help drought-stricken Africa. it should be used to reduce the U.S. 4-year average stored food grain reserves from a 20-year high of 53 percent of annual use to a much more acceptable and traditional 35 percent.

This action would not cause any increase in consumer food prices because we would still have 35 percent reserves at home.

My amendment targets the $100 million in increased aid to title II of the program which is used for food donation to foreign nations to combat malnutrition and to meet emergency food requests.

Government-owned commodities are donated under government-to-government agreements and through the U.N. World Food Program and nonprofit voluntary relief agencies.

From 1954 through 1984, approximately 8.9 billion dollars' worth of commodities have been donated under title II. It is time we use this authority again to help famine victims in Africa. Adding $100 million to the Food for Peace Program should simply add to the $640 million requested by the administration and bring the level up to the fiscal year 1984 level of some $750 million, which was agreed to as a result of the 1984 supplemental.

This amendment would also bring our military assistance to a more reasonable level. Foreign military sales have increased dramatically from $1.096 billion to a recommended $2.364 billion under the current foreign aid authorization.

The emphasis on security buildup at the cost of development and technical assistance program is shortsighted. In 1985, some $650 million was authorized for title II of Public Law 480. The supplemental appropriation approved by Congress earlier this year to assist famine-stricken Africa makes clear that the 1985 authorization was woefully inadequate to meet the emergency that we faced.

We cannot continue to increase security assistance while droughts in Africa continue and 40,000 children die each day.

Since 1981 military assistance has increased 109 percent in current dollars while economic support has increased 91 percent and bilateral development and food assistance, 11.8 percent.

During this same time Public Law 480 funds increased a mere 6.5 percent and multilateral assistance increased 27.2 percent.

The $100 million reduction of foreign military assistance would not do harm to our commitments to our allies. The reduction is a small fraction of the $5.4 billion foreign military assistance figure, and it excepts Israel, Egypt, Greece, and Turkey.

Finally, this amendment gives the President flexibility to allocate funds among those countries which receive our military assistance.

The amendment is clearly reasonable. It is badly needed. It helps our farmers, it helps famine victims in Africa, and it does not break any commitments to our world partners.

I urge the adoption of the amendment.

Mr. President, I also ask unanimous consent that Senators HATFIELD, ROCKEFELLER, BUMPERS, PRYOR, and DECONCINI be added as cosponsors.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. BINGAMAN. Mr. President, I urge the adoption of the amendment.

Mr. President, I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second?

There is a sufficient second.

The yeas and nays were ordered.

Mr. LUGAR. Mr. President, the amendment offered by the distinguished Senator from New Mexico is unfortunate in these respects, and I say this most respectfully.

First of all, Public Law 480, the Food for Peace Program, does not appear in this bill. In due course, the Committee on Agriculture, Nutrition, and Forestry will be discussing the levels of that assistance this year, and I have no doubt that they will be generous levels.

The Senate has already acted, in fact acted on several occasions, to try to provide famine relief to Africa this year.

The poignant situation the Senator has brought to our attention has been raised already in several committees and on several instances.

I know of no dispute over the need for our country to take a stronger humanitarian role, and indeed, Public Law 480 is a means of moving substantial amounts of our agricultural surpluses.

I think we are mindful of that aspect of the program. The Senator from Indiana is mindful of it every time I visit with colleagues on the Agriculture Committee. They are in process of marking up legislation even today to address the issue of reducing surpluses.

The Senator from New Mexico has mentioned the extremely desperate problem of farmers in New Mexico who have lost employment, and who probably are in jeopardy of losing farms. The same situational exists in Indiana and across the country.

So I understand the desirability of having a tradeoff that would be helpful to our general agricultural surpluses as well as providing a way to manifest our humanitarian desires.

But I must say that in a technical sense there are real problems in doing this type of transfer within the foreign assistance bill.

Mr. President, the more substantial objection that I have to this amendment is based on the fact that $100 million is to be taken from foreign military sales, foreign military assistance.

This issue already been raised in debate on the Foreign Assistance Act. There can indeed be substantial differences of opinion as to the emphasis we should have on economic as opposed to security assistance.

But I must say to my colleagues that the administration has pointed out through a letter to Senator PELL and to me and perhaps to other Members of this body a very strong desire that we increase the military assistance aspect of the bill by $194 million.

The facts are that the budget that we passed last week in the Senate has a cap which would allow addition of this $194 million, which represents reductions already made by the Foreign Relations Committee.

There is a strong desire on the part of the administration that the Senate move to restore these funds for military assistance. This position is not based on any fear that the administration is somehow misguided or has mismanaged the allocation of resources, as the distinguished Senator from New Mexico has recognized, in exempting certain situations: Israel, Egypt, Greece, and Turkey.

There are other countries that also have very considerable ties to the United States of America and which are important to our foreign policy.

These countries unfortunately are at the end of the allocation line. As the military funding is taken out of the bill or not restored, they may be out of luck altogether. The problems of reallocation become much more intense.

Throughout the management of this bill in committee and in the Chamber, we have tried to maintain support from several constituencies.

It is obviously very important that we have strong bipartisan support on this floor for foreign assistance. It often has been a very difficult area for Senators to support and I am heartened that a majority appear to be in support of this legislation as we are moving along. We had a 16-to-1 vote in the committee.

But I think we also have to be mindful that we need to attempt to make certain that strong administration support remains for this legislation. It is a fact that in the past one reason the authorization bill did not pass in the Senate was that the administration, whether it was Democratic or Republican, decided that they really did not need to go to bat for this particular authorization. Ultimately, all that we are now in the process of trying to work out in an aboveboard, meticulous way happened in the dead of the night at the end of a session, in the continuing resolution or in some obscure appropriations process.

So I am mindful of the need for keeping onboard strong administration support, in addition to the bipartisan support we have fashioned thus far for the legislation.

I would simply plead with Senators that the administration request already exceeds by a long shot what we have provided in this bill. We, as managers of the bill, do not plan to ask for the additional $194 million that the administration has requested. But to accede to a request that we cut the already low level by another $100 million seems to me to be inadvisable and precarious if we hope to retain the administration's support. I believe we need that support if the bill is going to ultimately move through both Houses and finally to reestablish the authorization procedure that most of us want.

I would point out, once more, that we will have a Public Law 480 authorization that will undoubtedly be very generous. Money has been allocated in the budget process to the agricultural function that will allow both famine relief and Food for Peace as well as various other developmental efforts. That legislation will be proceeding through the Agriculture Committee and there is plenty of latitude in the bill and a lot of support for a generous authorization.

There is not any latitude left in this bill. And even if technically it were possible to make this sort of transfer, I would advise the Senate that it would not be a good idea in terms of our relationship and the trust that other countries have in us, countries such as Israel, Egypt, Turkey, and Greece.

I will in due course entertain debate from other Senators. There may be some who are on the floor who want to speak. My understanding is that we have at least another speaker on our side.

If Senator PRYOR wishes to speak on this bill, I will yield the floor.

Mr. PRYOR. I thank my friend from Indiana very much for yielding the floor at this time. I do not have prepared remarks.

First, I commend the Senator from New Mexico, Senator BINGAMAN, for offering this amendment at this time.

Second, I wish to commend the chairman of the Foreign Relations Committee, Senator LUGAR. I think in his approach this year in the matters of relationships with countries around the world, I think the Senator from Indiana, the distinguished chairman of the Foreign Relations Committee, has been prudent. I think he has exercised restraint and I think that the distinguished chairman has exercised an awful lot of common sense.

Third, it is my understanding that the chairman of the Foreign Relations Committee and the committee members have recommended a freeze on military arms sales, or the MAP program, for fiscal year 1986. And I commend the chairman and his colleagues for that.

However, I wish to state that it is my understanding that the military arms sale program, perhaps during the last 4 years, has been the fastest growing program of our Government. I know that last year I offered an amendment to cut back the funding level, if I am not mistaken, to either the 1983 or 1982 fiscal year levels. This amendment was accepted, I might say, with modified rapture. In other words, I did not get many votes, Mr. President, for that amendment. But I think it is time we take a look at this program.

I am proud to be a cosponsor of the amendment of the Senator from New Mexico. I think he is going to the real soul of what this debate is all about, and that is whether we are going to try to arm the world or whether we are going to try to use the bountiful products of our farmers and help feed the world. This Senator would say that I want to help feed the world rather than try to harm it.

I strongly believe that in this particular program, it is not sales, these are grant funds and they have increased by over 500 percent from the 1981–82 levels. Once again, the fastest growing program in our Federal function. I think the amendment of the Senator from New Mexico is right on target. I think this is the least we could do in removing at least a minimum amount of $500 million and transferring that to the Food for Peace Program to help feed the hungry and the starving throughout our world.

Finally, Mr. President, I would just like to say that a later time during the course of this afternoon, if the chairman of the Foreign Relations Committee would yield to me for some questions about the MAP program, I will deem it a good opportunity to discuss a few items I would like to pose to the Senator from Indiana, the chairman of the Foreign Relations Committee.

I thank the Senator for yielding.

Mr. BINGAMAN. Mr. President, I ask unanimous consent that the distinguished Senator from Montana, Mr. BAUCUS, be added as a cosponsor.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. BINGAMAN. Mr. President, I appreciate the comments of the distinguished chairman of the committee and the manager of the bill. I think this is a question simply of priorities. I do not doubt that the administration perhaps has a different set of priorities than I do as to where they think this money should be spent. I do not doubt that they would like to see an increase over what is presently represented in this bill for military assistance.

My view is that in the last several years we have seen a dramatic increase in military assistance. With the hunger problems we have worldwide and the problems we have in our own farm sector, it is time for us as a nation to reassess those priorities. I think this amendment is a small step in doing that.

One hundred million dollars is not a major item when you compare it to the size of the military assistance budget. I think that this would certainly be an improvement in the bill pending before the Senate and I do not believe it in any way destroys or prejudices the bipartisan support for the foreign aid bill.

Mr. President, I will conclude my remarks at this point. I believe the yeas and nays have been requested and I would urge everyone to support this amendment.

Mr. LUGAR. Mr. President, Senator HELMS wishes to speak on this amendment. Pending his arrival, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. SIMON. I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. SIMON. Mr. President, I would like to ask unanimous consent first of all to be added as a cosponsor to the amendment.

The PRESIDING OFFICER (Mr. COCHRAN). Without objection, it is so ordered.

Mr. SIMON. I want to commend my colleague from New Mexico. Let me say to the chairman of the Foreign Relations Committee that there has been restraint in this budget relative to where we were 2 years ago on the foreign military sales. But as I look at the overall picture—for example, in fiscal year 1970, 17.7 percent of foreign aid authorizations were for military aid—we are now up in this authorization to 49.6 percent.

It is true that as of 2 years ago—fiscal year 1984—we were at 56.5 percent. So there has been a slight drop. But it does seem to me that what the Senator from New Mexico is suggesting is something that just makes an awful lot of sense. My own instinct and belief from some years of travel abroad and observance of these issues is that we have put much too much emphasis on the military side of things. The security of the world, and the future for my children and your children is not only going to be with bombers, submarines, and other things, but it is going to be with people who have food in their stomach, and who have an opportunity.

I think the Senator from New Mexico addresses that. The appeal of Marxism—that is really what we are talking about to a great extent when we talk about the political impact of all of this—is not what it stands for but what it is against. If we give people an opportunity, and this is an amendment that will given them a little more opportunity, I think we will do a lot more good than that extra $100 million on foreign military sales.

I commend my colleagues. I appreciate what he is doing here.

I yield back the floor.

Mr. LUGAR addressed the Chair.

The PRESIDING OFFICER. The Senator from Indiana.

Mr. LUGAR. Mr. President, I appreciate the good debate we have raising the merits and objections to this amendment. Earlier in the debate I indicated that I felt it unfortunate that Public Law 480 was being brought into this consideration of the foreign assistance bill at this point. During the Budget Act we suggested transfers of funds between various accounts. I do not think that such transfers will work in this particular situation.

It is for this reason, I believe, that a point of order lies against this amendment in that it strikes the bill in more than one place. I raise the point of order with regard to the amendment of the distinguished Senator from New Mexico.

Mr. BINGAMAN. Mr. President, I make a motion to divide my amendment, and ask for the yeas and nays on each of the provisions of the amendment.

The PRESIDING OFFICER. The Senator is permitted to divide his amendment.

Mr. BINGAMAN. Mr. President, I hereby divide my amendment, and ask for the yeas and nays on each of the portions.

The PRESIDING OFFICER. Is there further debate on the first portion? The request is made for the yeas and nays. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

The PRESIDING OFFICER. Is there further debate?

Mr. LUGAR. Mr. President, a point of inquiry with regard to the division of the amendment into two sections. I appreciate that the first portion of the amendment strikes $100 million out of the military assistance part of the Foreign Assistance Act. But as a matter of inquiry, how does the second portion stand at this point as a freestanding motion? How can it stand?

The PRESIDING OFFICER. The second portion of the amendment stands without the necessity of being connected with the first portion of the amendment. It is grammatically correct.

Mr. LUGAR. Mr. President, a further question: Is it possible to authorize appropriations for Public Law 480 within the confines of this bill?

The PRESIDING OFFICER. It is possible to do so with a floor amendment.

Mr. LUGAR. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. HELMS. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. HELMS. Mr. President, as the distinguished occupant of the Chair knows, we are deeply immersed at this moment in the Agriculture Committee in the consideration of the farm bill. That explains my absence from the floor.

This amendment troubles me in several aspects.

Let me ask the distinguished manager of the bill, the able chairman of the Senate Foreign Relations Committee, what was the military assistance figure requested by the administration?

Mr. LUGAR. The administration requested figure approximately $400 million more for military assistance than the committee provided.

Mr. HELMS. And this was with the full understanding and, indeed, the approval of the Foreign Relations Committee?

Mr. LUGAR. That is correct.

The administration, I must tell the able Senator from North Carolina, initiated the economy of the Foreign Relations Committee in the overall emphasis upon deficit reduction. They are delighted we were budget-minded this year, but they pleaded with the Budget Committee that the committee provide for a cap that would allow restoration of the $194 million. In the administration's judgment the Foreign Relations Committee had simply gone too far in cutting the request.

We understand the emphasis upon deficit reduction, but in providing for the security interests of our country—and that is what these foreign military sales represent—some of us agree that we are going to need $190 million more. But there has been no motion to restore that money. The amendment that comes to me from the distinguished Senator from New Mexico, in fact, goes the other way. It cuts another $100 million.

Mr. HELMS. Let me tell the Senator the problem I have with the amendment. I dislike holding up the amendment of the distinguished Senator from New Mexico. We are, right now, working on a farm bill in our committee, which has the relevant jurisdiction for Public Law 480. I wish the amendment had not been offered, but I certainly do not fault the Senator for offering any amendment that he wishes. However, Public Law 480 is under the purview of the Committee on Agriculture and we in committee are all aware of the same concern he has.

Further than that, Mr. President, there is the question of the compromise on military spending we came to in the Foreign Relations Committee. If this agreement is broken, I ask the able chairman, does that leave it open to me or to other Senators to raise or lower amounts that may seem right to us?

Mr. LUGAR. I would not encourage the Senator to begin that process. Up to this moment, we have had a tenuous truce. I speak quite frankly, there are Senators in favor of taking apart this bill limb by limb.

Mr. HELMS. Like developmental aid.

Mr. LUGAR. Yes, a lot of Senators are not keen on developmental funds. Some do not like other funds. We have come to a reasonable compromise thus far. The administration, as I have indicated, has not signed off on the compromises. They are very unhappy; the military side of the bill is low. But at least on this side of the aisle, we have tried to maintain this tenuous truce and I have the feeling that cuts on the military side will lead to cuts on the development side.

That is a good reason, it seems to me, to try to keep things roughly as they are if we possibly can do so.

Mr. HELMS. I think we may experience an unraveling if an amendment of this sort is approved.

I thank the Senator from Indiana.

Mr. LUGAR. Mr. President, I thank the distinguished Senator from North Carolina for coming to the floor.

I know of no one else who wishes to debate this issue. I have spoken, I think, as strenuously as I can and still keep some peace within our family in the committee on this tenuous truce. I hope the amendment will be defeated.

I move to lay the amendment of the distinguished Senator from New Mexico on the table. I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

The PRESIDING OFFICER. The question is on agreeing to the motion to table division 1 of the Bingaman amendment.

The yeas and nays have been ordered. The clerk will call the roll.

The legislative clerk called the roll.

Mr. SIMPSON. I announce that the Senator from Utah [Mr. GARN] is necessarily absent.

I also announce that the Senator from North Carolina [Mr. EAST] and the Senator from California [Mr. WILSON] are absent due to illness.

Mr. CRANSTON. I announce that the Senator from Mississippi [Mr. STENNIS] is necessarily absent.

I also announce that the Senator from Nebraska [Mr. EXON] is absent because of illness.

The PRESIDING OFFICER. Are there any other Senators in the Chamber desiring to vote.

The result was announced—yeas 56, nays 39, as follows:

[Rollcall Vote No. 80 Leg.]

YEAS—56

Abdnor	Gramm	Nunn
Andrews	Hatch	Packwood
Armstrong	Hawkins	Pell
Biden	Hecht	Pressler
Boschwitz	Heflin	Quayle
Chafee	Heinz	Roth
Cochran	Helms	Rudman
Cohen	Humphrey	Sarbanes
D'Amato	Kassebaum	Simpson
Danforth	Kasten	Specter
Denton	Lautenberg	Stafford
Dodd	Laxalt	Stevens
Dole	Lugar	Symms
Domenici	Mathias	Thurmond
Durenberger	Mattingly	Trible
Evans	McClure	Wallop
Glenn	McConnell	Warner
Goldwater	Murkowski	Weicker
Gorton	Nickles	

NAYS—39

Baucus	Ford	Long
Bentsen	Gore	Matsunaga
Bingaman	Grassley	Melcher
Boren	Harkin	Metzenbaum
Bradley	Hart	Mitchell
Bumpers	Hatfield	Moynihan
Burdick	Hollings	Proxmire
Byrd	Inouye	Pryor
Chiles	Johnston	Riegle
Cranston	Kennedy	Rockefeller
DeConcini	Kerry	Sasser
Dixon	Leahy	Simon
Eagleton	Levin	Zorinsky

NOT VOTING—5

East	Garn	Wilson
Exon	Stennis	

So the motion to lay on the table division 1 of the amendment (No. 120) was agreed to.

Mr. LUGAR. Mr. President, I move to reconsider the vote by which the motion was agreed to.

Mr. CHAFEE. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. BINGAMAN. Mr. President, in light of the vote, I ask unanimous consent that the order for the yeas and nays on the second division of the amendment be vitiated.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. BINGAMAN. I also ask unanimous consent that I be allowed to withdraw the second division of the amendment.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. BINGAMAN. Mr. President, before I yield the floor, let me say that the second part of this amendment would have added $100 million to the Food for Peace Program.

We did have the assurance of the manager of the bill and the distinguished Senator from North Carolina, the chairman of the Agriculture Committee, that the Public Law 480 Food for Peace Program would be funded at a very substantial level, an adequate level, in the farm bill which will come to the floor of the Senate later this year. So I will be eager to see what level that is funded at.

If there is need for additional funding, I hope to get the support of the Senate at that time in adding additional funds. I do not think it is appropriate to go forward with the second division of the amendment, in light of the disposition of the first division.

Mr. LUGAR. Mr. President, I thank the distinguished Senator from New Mexico for his discussion of this issue.

I offer assurances that indeed this Senator and many others will be active in the discussion of Public Law 480 in the Agriculture Committee and in the Chamber and many of the aims that he had today will still be fulfilled, in my judgment, as we proceed through the legislation this year.

I appreciate likewise his expediting our consideration of the bill through the vitiation of the additional rollcall vote.

Mr. PELL. Mr. President, I commend the Senator from New Mexico for his amendment and for his objectives, with which I wholeheartedly agree.

However as ranking minority member of the Foreign Relations Committee and comanager of this bill I regret that I will have to support the chairman in this matter on procedural grounds. I do hope, however, that the Senator from New Mexico will keep pursuing the goals and direction of this amendment, and I look forward to giving support to him on another occasion.

AMENDMENT NO. 121

(Purpose: To establish a Peace Corps National Advisory Council and to provide for nonpartisan appointments)

Mr. CRANSTON. Mr. President, on behalf of the Senator from Kansas [Mrs. KASSEBAUM] and myself, I send to the desk an uncontroversial amendment dealing with the Peace Corps and I ask for its immediate consideration.

The PRESIDING OFFICER. The amendment will be stated.

The legislative clerk read as follows:

The Senator from California [Mr. CRANSTON], for himself and Mrs. KASSEBAUM, proposes an amendment numbered 121.

Mr. CRANSTON. Mr. President, I ask unanimous consent that the reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

On page 54, below line 21, insert the following new sections:

SEC. 602. (a) The Peace Corps Act (22 U.S.C. 2501 et seq.) is amended by inserting after section 11 the following new section:

"PEACE CORPS NATIONAL ADVISORY COUNCIL

"SEC. 12. (a) A Peace Corps National Advisory Council (hereinafter in this section referred to as the 'Council') shall be established in accordance with the provisions of this section.

"(b)(1) The Council shall advise and consult with the President and the Director of the Peace Corps with regard to policies and programs designed to further the purposes of this Act and shall periodically report to the Congress.

"(2) Members of the Council shall visit, examine, and inspect the Peace Corps' activities in the United States and in other countries in order to, among other things—

"(A) evaluate the accomplishments of the Peace Corps;

"(B) assess the potential capabilities and the future role of the Peace Corps; and

"(C) make recommendations to the President, the Director of the Peace Corps, and the Congress to guide the future direction of the Peace Corps and to help ensure that the purposes and programs of the Peace Corps are carried out in ways that are economical, efficient, responsive to changing needs in developing countries and to changing relationships among peoples, and in accordance with law.

"(3) The Council may provide for public participation in its activities.

"(c)(1) Persons appointed as members of the Council shall be broadly representative, including representation of educational institutions, private volunteer agencies, private industry, farm organizations, labor unions, different regions of the United States, different educational, economic, racial, and national backgrounds and age groupings, and both sexes.

"(2)(A) Subject to the succeeding sentence, fifteen members of the Council shall be appointed by the President by and with the advice and consent of the Senate. At least seven of such members shall be former

Peace Corps volunteers, and no more than eight of such members shall be members of the same political party.

"(B) The first appointments of members of the Council under this paragraph shall be made not more than sixty days after the date of the enactment of this section and, solely for purposes of determining the expiration of their terms, shall be deemed to take effect on the sixtieth day after such enactment date.

"(C) No member appointed under this paragraph shall be an officer or employee of the United States Government.

"(D) Of the members initially appointed under this paragraph, eight shall be appointed to one-year terms and seven to two-year terms. Thereafter, all appointed members shall be appointed to two-year terms.

"(E) A member of the Council appointed to fill a vacancy occurring before the expiration of the term for which the member's predecessor was appointed shall be appointed only for the remainder of that term.

"(F) No member of the Council may serve for more than two consecutive two-year terms.

"(G) Members of the Council shall serve at the pleasure of the President.

"(H) An appointed member of the Council may be removed by a vote of nine members for malfeasance in office, for persistent neglect of or inability to discharge duties, or for offenses involving moral turpitude, and for no other cause.

"(I) Any vacancy in the Office of an appointed member of the Council shall be filled by the President within thirty days after such vacancy occurs.

"(3) The Secretary of State shall be a voting member, ex officio, of the Council. The Secretary may designate any officer in the Department of State compensated at level II or III of the Executive Schedule under section 5313 or 5314 of title 5, United States Code, to act for the Secretary under this section.

"(4) The Director and Deputy Director of the Peace Corps shall be non-voting members, ex officio, of the Council.

"(d)(1) Except as provided in paragraph (2), a member of the Council who is not an officer or employee of the United States Government shall be (A) paid compensation out of funds made available for the purposes of this Act at the daily equivalent of the highest rate payable under section 5332 of title 5, United States Code, for each day (including travel-time) during which the member is engaged in the actual performance of duties as a Council member, and (B) while away from his or her home or regular place of business on necessary travel, as determined by the Director of the Peace Corps, for actual performance of such duties, paid per diem, travel, and transportation expenses in the same manner as provided for under subchapter I of chapter 57 of title 5, United States Code.

"(2) A member of the Council may not be paid compensation under paragraph (1)(A) for more than twenty days in any calendar year.

"(c) A majority of the voting members of the Council shall constitute a quorum for the purposes of transacting any business.

"(f) A member of the Council shall disclose to the Council the existence of any direct or indirect financial interest of that member in any particular matter before the Council and shall not vote or otherwise participate as a Council member with respect to that particular matter.

"(g) At its first meeting and at its first regular meeting in each calendar year thereafter, the Council shall elect a Chair and Vice Chair from among its appointed members who are citizens of the United States. The Chair and Vice Chair shall not both be members of the same political party.

"(h)(1) The Council shall hold a regular meeting during each calendar quarter and shall meet at the call of the President, the Director of the Peace Corps, the Council's Chair, or one-fourth of its members.

"(2) The Council shall prescribe such bylaws and regulations as it considers necessary to carry out its functions. Such bylaws and regulations shall include procedures for fixing the time and place of meetings, giving or waiving of notice of meetings, and keeping of minutes of meetings.

"(i) No later than January 1, 1988, and not later than January 1 of each second year thereafter, the Council shall submit to the President and the Director of the Peace Corps a report of its views on the programs and activities of the Peace Corps. Each report shall contain a summary of the advice and recommendations provided by the Council to the President and the Director the period covered by the report and such recommendations (including recommendations for administrative or legislative action) as the Council considers appropriate to make to the Congress. Within 90 days after receiving each such report, the President shall submit to the Congress a copy of the report, together with any comments concerning the report that the President or the Director considers appropriate.

"(j) The Director of the Peace Corps shall make available to the Council such personnel, administrative support services, and technical assistance as are necessary to carry out effectively its functions.".

(b) Sixty days after the date of the enactment of this Act, any advisory body carrying out functions similar to those assigned to the Peace Corps National Advisory Council provided for by subsection (a) shall cease to operate and shall become defunct.

NONPARTISAN APPOINTMENTS

SEC. 603. The Peace Corps Act is amended—

(1) by redesignating sections 25, 26, and 27 as sections 26, 27, and 28, respectively; and

(2) by inserting after section 24 the following new section:

"NONPARTISAN APPOINTMENTS

"SEC. 25. In carrying out this Act, there shall be no political test or political qualification used in (1) selecting any person for enrollment as a volunteer or for appointment to a position at, or for assignment to (or for employment for assignment to), a duty station located abroad, or (2) promoting or taking any other action with respect to any volunteer or any person assigned to such a station."; and

(3) in subsection (a) of section 5, by amending the final sentence to read as follows: "In carrying out this subsection, there shall be no discrimination against any person on account of race, sex, creed, or color.".

Mr. CRANSTON. Mr. President, briefly, let me state that this amendment is derived from legislation, S. 882, that I introduced on April 3, cosponsored by Senators MATHIAS, PELL, KASSEBAUM, and DODD.

Mr. President, this amendment is intended to help continue the revitalization of the Peace Corps as it celebrates next year, its 25th anniversary.

For almost a quarter of a century, Americans of all ages have volunteered for the Peace Corps. In all, over 100,000 Americans have served as Peace Corps volunteers. They have established throughout the world a record of service of which every one of us can and should be proud.

Former Peace Corps volunteers are continuing to contribute in a multitude of ways, from activities in small communities to national leadership. Two former Peace Corps volunteers, the Senator from Connecticut [Mr. DODD] and former Senator Tsongas from Massachusetts have been elected to this body. Four former volunteers currently serve in the House of Representatives.

Mr. President, the 25th anniversary of this unique program presents us with a special opportunity to reflect upon the Peace Corps and on where it should be going in the next 25 years.

Despite the renewed sense of interest in and a much greater public awareness of the Peace Corps since Congress granted it independence in 1981, the Peace Corps today is one-third the size it was in 1966 when more than 15,000 Peace Corps volunteers were serving throughout the world. Today, we have barely 5,000 volunteers. Concerns over the utilization of overseas Peace Corps staff posts as political patronage plums continue to plague the program. The resources, talents, and ideas of the thousands and thousands of former Peace Corps volunteers bearing on the future direction of the Peace Corps Program are not used as a part of the formal structure within which Peace Corps planning and programming decisions are made.

The amendment I am offering is derived from legislation, S. 882, I introduced on April 3, cosponsored by Senators MATHIAS, PELL, KASSEBAUM, and DODD. The amendment would do two things: First, it would mandate the establishment of a Peace Corps National Advisory Council which would be directed to evaluate the accomplishments of the Peace Corps, assess the potential capabilities and future role of the Peace Corps, and make recommendations to the Director of the Peace Corps, the President, and the Congress. The Council's recommendations would serve to help guide the future direction of the Peace Corps and ensure that the purposes and programs of the Peace Corps are carried out in ways that are economical, efficient, responsive to changing needs in host and potential host countries, and to changing relationships among peoples, and in accordance with law. The Council would consist of 16 voting members.

Mr. President, after discussions with the distinguished chairman of the Foreign Relations Committee, the Sena-

tor from Indiana [Mr. LUGAR], this provision has been modified somewhat from the proposal contained in S. 882. The membership of the Advisory Council as provided for under S. 882 would have been comprised of eight members appointed by congressional leaders and seven by the President. Under the amendment I have offered today, all appointments would be made by the President, but with the advice and consent of the Senate. At least seven of these appointed members would at all times be required to be former Peace Corps volunteers and not more than eight could ever be members of the same political party. The other requirements in S. 882 regarding qualifications of those appointed are also included in this amendment. The Secretary of State would serve as an ex officio, voting member.

This Council would serve as a real, working group, not a perfunctory rubberstamp.

Mr. President, our amendment provides specifically that the Council may provide for public participation in its activities. This provision thus makes clear that members of the public may be permitted actually to participate in the meetings and other activities of the Council. Of course, pursuant to section 10(a) of the Federal Advisory Committee Act [FACA] the Council's meetings would be open to the public. In this connection, I would also like to note that provisions of our amendment require regular meetings each calendar quarter, establish procedures for the election of the Chair, and give to the President, the Director of the Peace Corps, the Council's Chair, and one-fourth of the Council members each the authority to call meetings. These provisions are intended to override the provisions of section 10 (e) and (f) of FACA which require the administrative designation of an officer or employee of the Federal Government to chair or attend meetings, prohibit meetings to be conducted in that officer's or employee's absence, authorize that individual to adjourn meetings, and require his or her approval for the holding of a meeting. In addition, I would note that, since this new Council would advise the President, it would not be subject to the provision in FACA section 10(f) requiring a designated officer's or employee's approval of its agenda.

Mr. President, there is a nonstatutory Advisory Council to the Peace Corps. However, as far as we can tell from the scant information available about it, it contains no former Peace Corps volunteers and does not have the type of mission, responsibilities, scope, or experience and representative membership as the Advisory Council which would be established under this legislation.

I am convinced that this is the right point in the history of the Peace Corps to create this kind of specialized, representative, bipartisan body, to bring together individuals with relevant experience and insights about the role that the Peace Corps should play in the world during its next quarter of a century.

Second, Mr. President, this legislation would amend the Peace Corps Act to provide that overseas staff appointments must be nonpartisan. This provision deals with a problem that has plagued the Peace Corps through both Republican and Democratic administrations. Unfortunately, Peace Corps country directorships have sometimes been viewed as political patronage prizes. These posts are too important to be handed out to unqualified persons. A Peace Corps country director is a vital link both to the Government of the host country and to scores of volunteers in the field who must depend on the country director's good judgment and sensitivity on numerous occasions.

Peace Corps volunteers often serve in precarious positions, hundreds of miles from any governmental—ours or the host country's—support mechanism or protection. They don't live, as do most Foreign Service Officers, in American compounds or foreigners' enclaves with special commissary and diplomatic privileges. Peace Corps volunteers live generally at the level and in the communities of the people they come to serve and help.

They deserve to know that their country director and support staff were chosen specifically because of the capacity to be of help to Peace Corps volunteers and not as a regard for political contributions or campaign work.

Unlike overseas diplomatic missions of the U.S. Government which are supported by a cadre of career, professional Foreign Service staff, the Peace Corps overseas programs are staffed by very small numbers of American employees serving in the Peace Corps for statutorily limited periods, generally no more than 5 years. Under these circumstances, missteps or miscalculations by an unqualified Peace Corps country director or other staff person could have dire consequences. Each overseas Peace Corps staff member must be competent and dedicated to the goals of the Peace Corps and to the well-being and success of the volunteers and should be expressly selected because of and only because of those attributes.

This provision is not intended to interfere with the proper exercise of the President's authority to appoint or employ personnel for overseas assignments. The selection of individuals for such assignments appropriately entails substantial discretion. This legislation is designed to ensure that political considerations are not among those taken into account in making these important personnel decisions.

Mr. President, I wish to clarify that, with respect to individuals appointed or seeking appointment pursuant to Foreign Service Act authorities, the protection afforded by this provision is intended to be in addition to any protections afforded by provisions of the Foreign Service Act of 1980, such as the section 105 prohibition against discrimination based on political affiliation. Of course, the protections afforded by current law to persons applying for or employed in stateside positions would be unaffected by our amendment.

I would also note that the prohibition in our amendment against the use of any political test or qualification is much broader than the Foreign Service Act prohibition, which applies only to discrimination based on political affiliation. Thus, in addition to any qualification or test based on party membership, our amendment would preclude consideration of such matters as how an individual has voted or intends to vote; whether the individual has contributed or plans to contribute to a political organization or to a campaign fund; and whether the individual has worked for or plans to work for a particular candidate or candidates for public office. Likewise, our amendment would preclude the use of a screening test gauging the individual's political philosophy.

Mr. President, the amendment does not contain a third provision which was included in S. 882. That provision would have established a goal of having, to the extent appropriate, a Peace Corps volunteer strength of 10,000 individuals. In 1984, there were about 5,200 Peace Corps volunteers serving in 60 countries around the world. For the past 18 years, however, the number of Peace Corps volunteers has steadily declined, from its height of more than 15,000 in 1966, to 9,000 in 1970, and 6,000 in 1980.

Obviously, an increase in the size of the Peace Corps must be carefully planned and executed. Expansion must be tailored to, first, the needs of and requests for assistance from host countries, second, the pool of qualified volunteers, and, third, the capacity of the Peace Corps to provide adequate training and support to and placement of volunteers. But I believe there is little doubt that a goal of a total volunteer strength of at least 10,000 is attainable and worthwhile.

I would certainly have preferred that this provision be retained in the bill, but the chairman was not receptive to it and we thus agreed to delete it. A similar but more specific 10,000-volunteer corps goal is contained in H.R. 1555, the foreign assistance bill reported by the House Foreign Affairs Committee. Thus, it will be an issue in

conference and the chairman has agreed to take another, very close look at our formulation of this provison in connection with the House provision.

CONCLUSION

Mr. President, the peace corps has always been a very special program for me. In the midsixties, I had the honor of serving as a Peace Corps program evaluator, visiting volunteers on the job in Ghana. Seeing first hand the tremendous work being done by these dedicated Americans left me with an enduring commitment to this truly outstanding endeavor.

Peace Corps volunteers have contributed in countless ways to the goal of world peace and understanding. Both America and the world have much to gain from an expanded, rededicated, and nonpartisan Peace Corps. I believe that enactment of this legislation will provide an opportunity to reinforce and strengthen the bipartisan support for this program and help make the next 25 years the best they can be for this unique people-to-people effort.

Mr. LUGAR. Mr. President, I congratulate the distinguished senior Senator from the State of California for a very constructive amendment. Clearly, he has been a student of Peace Corps activities for many years, a very strong booster. This amendment, in my judgment, will strengthen the Peace Corps and strengthen this legislation.

We are prepared to accept the amendment on our side.

Mr. CRANSTON. I thank the chairman.

Mr. PELL. Mr. President, I am delighted to join in commending the Senator from California on this legislation and all that it does to strengthen and enhance the Peace Corps. I urge my colleagues to support it.

Mr. CRANSTON. I thank the Senator from Rhode Island.

The PRESIDING OFFICER. If there be no further debate, the question is on agreeing to the amendment of the Senator from California.

The amendment (No. 121) was agreed to.

Mr. LUGAR. Mr. President, I move to reconsider the bill by which the amendment was agreed to.

Mr. CRANSTON. Mr. President, I move to lay that motion on the table.

The motion to lay on the table was agreed to.

AMENDMENT NO. 122

Mr. BUMPERS. Mr. President, I send an amendment to the desk.

The PRESIDING OFFICER. The amendment will be stated.

The bill clerk read as follows:

The Senator from Arkansas [Mr. BUMPERS] proposes an amendment numbered 122.

Mr. BUMPERS. Mr. President, I ask unanimous consent that reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

At the appropriate place in the bill, add the following:

"Sec. . The Senate finds that:

A free and democratic El Salvador is in the security interests of the United States; and

Jose Napoleon Duarte was elected President of El Salvador last year in the most democratic election held in El Salvador in many years; and

Political violence in El Salvador has declined dramatically under President Duarte's leadership; and

President Duarte's policies of respect for human rights, political pluralism, dialogue and reconciliation with the Salvadoran guerrilla forces, legal and social reform, and effective defense against the violent overthrow of the Salvadoran government are deserving of praise from all who believe in a democratic form of government; and

The March 31 legislative and municipal elections were successfully carried out, with 64 percent of the electorate defying guerrilla attacks to vote; and

The victory of President Duarte's Christian Democratic Party reaffirms the support for these policies by his fellow citizens, the essential test of any government or movement; and

In spite of the state of seige technically in effect due to the insurgent threat, observance of free speech, free press, and free assembly are widely enjoyed in El Salvador and permit public airing of opposing political views; and

President Duarte is firmly committed to judicial reform and prosecution of cases involving "death squads";

His leadership and popular support has notably weakened the popular support given the guerrillas, as evidenced by the high levels of voter participation in the free elections held in El Salvador since 1982, the reduction in territory in which the guerrillas can freely operate, their inability to mount frontal military attacks, and their resort to economic sabotage, ambushes, political assassination, and urban terrorism with blatant disregard for basic human rights; and

He has succeeded in reversing the decline in his country's economy which, though still weak, has better prospects than in recent years;

Based upon the above findings, it is the sense of the Senate that:

President Duarte is to be congratulated for his outstanding leadership under difficult circumstances and for his efforts to foster democratic government and institutions in his country, and he is encouraged to continue his efforts to promote political pluralism, democratic institutions, and respect for human rights in his country; and

The armed services of El Salvador are to be congratulated for their improved performance and professionalism in defending Salvadoran citizens and their democratically elected government from attack by armed insurgents, and especially for their role in helping to protect and uphold the electoral process; and

The Senate reaffirms the importance of continued support for democratic principles and institutions and respect for human rights by the various sectors of Salvadoran society, which is a major factor in U.S. support for El Salvador.

Mr. BUMPERS. Mr. President, I have submitted copies of this amendment to both the distinguished floor managers, and it is a very simple amendment.

Today, President Duarte of El Salvador is coming to the United States. He is going to be here and visit with Members of this body both this week and next.

This amendment is a finding by the Senate that President Duarte has done a really outstanding job of trying to provide for judicial reform, bringing human rights to El Salvador, raising the morale of the people of El Salvador, that he has moved that country toward free speech, freedom of the press, and open assembly, and has apparently convinced the military that they should be subservient to civilian command. Furthermore, he has done everything in his power to bring the death squads to an end so that, while the civilian violence still exists there, it is at a much reduced rate.

All of us who have had the opportunity to visit with President Duarte find him to be a very engaging person, but more than anything else he is also a very courageous man who is totally dedicated to his country.

In this particular case, it is most fortuitous that we have had strong bipartisan support for the Salvadoran Government, and that the people of El Salvador have found a man of outstanding leadership capacities in Napoleon Jose Duarte.

I think it is only proper in light of all of that—I do not want to open wounds or anything—but this is quite different from the situation in Nicaragua. We have strong differences of opinion in this body about what our position on Nicaragua should be, whether or not to aid the Contras, and how to deal with Ortega. I must say that we have received bipartisan support in this body for El Salvador in no small part because of the atrocities of the Marxist guerrillas there against civilians, against the farmers, by burning their crops, by the slaughter of innocent men, women, and children. We have deplored that. That is one of the reasons we have been so supportive of the Salvadoran Government.

On the other hand, we continue to receive reports that the Contras are engaging in the very same kinds of activities in Nicaragua that we deplore in El Salvador. But that is another subject, a subject of another debate, and right now I think it is altogether fitting and proper that the Senate go on record while President Duarte is in this country, commending him for his courage and his outstanding work in El Salvador.

Mr. President, this amendment was drafted in my office in consultation with the State Department, who has expressed their support for it, and I have submitted a copy of it to each of the floor managers.

I hope the amendment will be accepted.

Mr. LUGAR. Mr. President, I deeply appreciate the amendment of the Senator from Arkansas. It is timely. The distinguished President of El Salvador will be with many of us in the next few days. He will have an opportunity to address students at the University of Notre Dame in my State on Saturday, and there will be many people in my State and throughout the country who will wish him well.

This amendment clearly puts us on record and I think we all share the feeling of joy in his success and our success with him in El Salvador.

On our side, we are pleased to accept the amendment.

Mr. PELL. Mr. President, I think all of us in this Chamber have high regard for the ability, objectives, and character of Mr. Duarte, and it is particularly fortuitous that this amendment is coming up at this time when he is soon to visit the United States.

I recommend we support this amendment.

Mr. BUMPERS. Mr. President, I move adoption of the amendment.

The PRESIDING OFFICER. If there be no further debate, the question is on agreeing to the amendment of the Senator from Arkansas.

The amendment (No. 122) was agreed to.

Mr. LUGAR. Mr. President, I move to reconsider the vote by which the amendment was agreed to.

Mr. PELL. Mr. President, I move to lay that motion on the table.

The motion to lay on the table was agreed to.

AMENDMENT NO. 123

Mr. MURKOWSKI. Mr. President, I send an amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The amendment will be stated.

The bill clerk read as follows:

The Senator from Alaska [Mr. MURKOWSKI] proposes an amendment numbered 123.

Mr. MURKOWSKI. Mr. President, I ask unanimous consent that the reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

At the appropriate place, insert:

Of the funds authorized to be appropriated in this Act to carry out Chapter 2 or Chapter 4 of Part II of the Foreign Assistance Act of 1961, up to $5 million for FY 1986 may be made available to noncommunist resistance forces in Cambodia, provided that the Secretary of State finds that the Association of Southeast Asian Nations has acknowledged that material assistance to the noncommunist resistance is also being supplied by members of that Association.

(Mr. MATTINGLY assumed the chair.)

Mr. MURKOWSKI. Mr. President, the purpose of this amendment is to address specifically the role of the U.S. Senate with regard to the issue that was brought up in the House of Representatives and referred to more commonly as the Solarz amendment. Basically, Mr. President, the bill as proposed in the House would provide $5 million in aid to the non-Communist resistance in Cambodia. This matter came up for consideration before the Foreign Relations Committee but was not formally acted upon.

At one of the hearings which I held as chairman of the Subcommittee on East Asian and Pacific Affairs, there was discussion with various witnesses of the administration, including Paul Wolfowitz, Assistant Secretary for Pacific and East Asian Affairs at the State Department.

I think it is fair to reflect on the policy implications of aid to the non-Communist Cambodian resistance groups. First of all, U.S. aid would be an important signal to Hanoi regarding congressional and public attitudes toward Vietnam's illegal occupation of Cambodia and the consequent military threat to the region.

The aid would allow our country to provide either economic or military assistance to the non-Communist resistance and would supplement our political and humanitarian assistance. It would also confirm our support for our friends in the Association of Southeast Asian Nations, the ASEAN group, who have been playing and will continue to play a leading role in the strategy to obtain a political solution in Cambodia.

The United States would continue to play a supportive secondary role. I understand that the non-Communist resistance does not need arms now. But U.S. economic aid could be helpful to this valiant group of Cambodian nationalists struggling to make their country free and independent. I would like to emphasize, Mr. President, that no U.S. aid—I repeat, no U.S. aid—would go to the Communist Khmer Rouge.

I think that it is important to examine at some length the implications of just what U.S. aid would mean. First of all, I would like to emphasize that I do support the idea of funding aid to the non-Communist Cambodian resistance.

However, I think that the United States should not be the only country which openly pledges aid to the non-Communist resistance. The ASEAN countries have taken a political lead at the United Nations and elsewhere, but ASEAN, I feel, must also come out openly and confirm that it basically approves material aid as well.

The question, Mr. President, is why should the United States be alone on this crucial point? I think we must avoid being placed in a vulnerable position. I think ASEAN is willing to share responsibility for overt assistance. Unless ASEAN—which, after all, is a major portion of Southeast Asia, and the area most directly affected by the Cambodian situation—unless ASEAN is willing to identify itself, then the appropriate question comes up: Why should the United States shoulder the public reaction and the political risks associated with aid?

I would point out to my colleagues the reality of just what the American presence in Southeast Asia means. It adds tremendously to the stability in Southeast Asia and obviously the benefactors, in addition to the United States, are the ASEAN countries. I would urge that any aid to the non-Communist resistance be in effect conditioned, in a general form, so that ASEAN clearly plays a visible role materially and in all ways.

Mr. President, one only has to reflect on a few years back when in this body there was a good deal of debate on just what our role should be in Southeast Asia and Indochina. And I go back to the 1960's. We got far out in front in Indochina in the sixties. We picked up the ball, literally, and we carried the burdens—and carried them and carried them. Should not ASEAN now in the eighties, when ASEAN has prospered—they are confident; their standard of living has increased—should not ASEAN also step up and take an open responsibility for the Cambodian strategy that is now underway?

I know there are differences of views within ASEAN in how best to deal with the Vietnam situation, and I respect these differences. I have had an opportunity to meet with various leaders in ASEAN, including the Prime Minister of Singapore and others. But the question is, should the United States be asked to do what ASEAN itself is reluctant to do openly, and that is to come out in front on the matter of overt assistance?

Make no mistake about it, Mr. President, the appropriation of $5 million is not a significant amount. However, the principle of what that aid stands for, in the sense of the United States indicating its willingness to assume a responsible effort to aid the non-Communist Cambodian resistance, is a very meaningful one.

Mr. President, I think that we should reflect on the memory of what occurred in the sixties, our role in Indochina at that time, a reflection on the attitude of the liberal press in the United States toward our role, and the significance of just what this amendment means in the sense of stability to the ASEAN region. We should not go it alone. We should not be asked to go it alone.

I am personally convinced that there is a willingness of support from ASEAN to the resistance. We are all aware that ASEAN has made substantial contributions. But there is a sig-

nificance as to whether or not these contributions are openly acknowledged in an overt manner.

Mr. President, the amendment that I offer today, make no mistake about it, represents an overt intention. The $5 million in assistance for fiscal 1986 may be made available to the non-Communist resistance forces in Cambodia provided specifically that the Secretary of State finds that the Association of Southeast Asian Nations has acknowledged that material assistance to the non-Communist resistance is also being supplied by members of that association.

Mr. President, that is the crux of my amendment. I think it represents a responsible commitment by the United States to stand by our intention to assist in the security and stability of that part of the world through an appropriate role, and that is by indicating a significant policy change as represented in the Solarz amendment which is in the House foreign aid bill.

Again I would like to reemphasize, Mr. President, the significance of what this policy statement means and the realities associated with having an acknowledgement by the ASEAN countries of their willingness to assist in this regard.

I am not going to belabor the amendment any further. I will be happy to respond to any questions that my colleagues may have, or enter into a colloquy. I know the concern that the administration has expressed over the appropriateness of there being any acknowledgement on behalf of the ASEAN countries. But I think this is significant enough from the standpoint of a policy change that indeed it should be connected with some recognition and willingness from the ASEAN countries to indicate their willingness openly to involve themselves in a formal acknowledgement.

I yield the floor.

Mr. LUGAR addressed the Chair.

The PRESIDING OFFICER. The Senator from Indiana.

Mr. LUGAR. Mr. President, there is considerable sentiment in this body in the judgment of this Senator for adoption of $5 million of assistance to the resistance forces in Cambodia. Clearly, as the Senator from Alaska has pointed out, there has been discussion, at least on this side of the aisle, about the result of the amendment he has proposed: namely, that the Secretary of State needs to find that the Association of the Southeast Asian Nations has acknowledged assistance to the non-Communist resistance also being supplied by members of that association. There are, I suspect, Senators who are prepared to proceed without that assurance. The Senator from Alaska, however, has made an excellent point. For our part on this side of the aisle we are prepared to accept the amendment, and hope it will be adopted.

Mr. MURKOWSKI. Mr. President, I therefore thank my colleague, Senator LUGAR, and ask that the amendment be adopted.

Mr. PELL addressed the Chair.

The PRESIDING OFFICER. The Senator from Rhode Island.

Mr. PELL. We have no objection to its adoption. It is a good amendment, and we recommend support.

The PRESIDING OFFICER. Is there further debate on the amendment? If not, the question is on agreeing to the amendment of the Senator from Alaska [Mr. MURKOWSKI].

The amendment (No. 123) was agreed to.

Mr. LUGAR. Mr. President, I move to reconsider the vote by which the amendment was agreed to.

Mr. DODD. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

AMENDMENT NO. 124

(Purpose: To provide further for the availability of funds for Israel)

Mr. HELMS addressed the Chair.

The PRESIDING OFFICER. The Senator from North Carolina is recognized.

Mr. HELMS. Mr. President, I send an amendment to the desk, and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report.

The assistant legislative clerk read as follows:

The Senator from North Carolina [Mr. HELMS] proposes an amendment numbered 124.

Mr. HELMS. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

On page 64, between lines 16 and 17, insert the following:

AVAILABILITY OF FUNDS FOR ISRAEL

SEC. 914. (a) Funds authorized to be appropriated by this Act which are made available for the purpose of improving living and employment conditions of the residents in the territories of Gaza, Judea, and Samaria under the control of the Ministry of Defense of Israel shall be allocated for projects which benefit all residents of such territories; provided that those projects which benefit Israeli citizens residing in such territories shall receive funds allocated in the proportion which the number of such Israeli citizens bears to the total number of the residents of such territories.

(b) Funds authorized to be appropriated by this Act which are made available for Israel shall be available for use within any of the territory administered by Israel on the date of enactment of this Act.

On page 64, line 18, strike out "Sec. 914." and insert in lieu thereof "Sec. 915.".

Mr. HELMS. Mr. President, this amendment would ensure that humanitarian assistance funds provided for the so-called West Bank and Gaza Strip territories would be available to all residents of those areas, regardless of ethnic or religious origin.

The administration has asked for $17 million—$8 million for the fiscal year 1985 supplemental and $9 million for fiscal year 1986—for the purpose of improving living and employment conditions of the residents of Judea, Samaria, and Gaza. Yet even though 50,000 of these residents are Israeli citizens, the administration has chosen to limit its request to benefit only residents of Palestinian background.

At the same time, the Department of State has a second policy which requires Israel to agree that none of the aid provided to Israel may be spent in the territories added to Israeli administration after 1967. There is no statutory basis for this second policy, yet State Department officials routinely include such a restrictive clause in every aid agreement signed with Israel. When I asked the State Department the basis for such action, the Department made the following written reply:

It is the policy of the U.S. Government to require that foreign assistance funds provided Israel shall only be used in the geographic areas which were subject to the Government of Israel's administration prior to June 5, 1967, and Congress has traditionally made this clear in its consideration of legislation. This requirement is normally written into agreements between the U.S. and Israel which disburse the funds.

Mr. President, such a requirement was news to me, as I find it is with most of my colleagues with whom I have talked. Nor do I ever recall it being discussed on this floor during consideration of this legislation. It may have been discussed in 1 year or other for 30 seconds, but it certainly escaped my attention. There is definitely no statutory basis for this requirement whatsoever. If there were, the State Department would have been quick to give the citation.

Mr. President, I think it would be useful for all my colleagues to see a copy of the most recent aid agreement with Israel, and I ask unanimous consent that it be printed at this point in the RECORD.

There being no objection, the agreement was ordered to be printed in the RECORD, as follows:

AGREEMENT BETWEEN THE GOVERNMENT OF ISRAEL AND THE GOVERNMENT OF THE UNITED STATES OF AMERICA ACTING THROUGH THE AGENCY FOR INTERNATIONAL DEVELOPMENT

Agreement, dated October 31, 1984 between the Government of Israel ("Israel") and the Government of the United States of America, acting through the Agency for International Development ("A.I.D."), together referred to as the "Parties."

ARTICLE I

The Grant

To support the economic and political stability of Israel, A.I.D., pursuant to the Foreign Assistance Act of 1961, as amended, agrees to grant to Israel under the terms of this Agreement not to exceed One Billion Two Hundred Million United States Dollars ($1,200,000,000) (the "Grant").

ARTICLE II

Conditions Precedent to Disbursement

SECTION 2.1. Conditions Precedent to Disbursement

Prior to the disbursement of the Grant, or to the issuance by A.I.D. of documentation pursuant to which disbursement will be made, Israel will, except as the Parties may otherwise agree in writing, furnish to A.I.D., in form and substance satisfactory to A.I.D., a statement of the name of the person holding or acting in the office specified in Section 6.2, and of any additional representatives, together with a specimen signature of each person specified in such section.

SECTION 2.2. Notification

When A.I.D. has determined that the conditions precedent specified in Section 2.1 have been met, it will promptly notify Israel.

SECTION 2.3. Terminal Dates for Conditions Precedent

If all of the conditions specified in Section 2.1 have not been met within ninety (90) days from the date of this Agreement, or such later date as A.I.D. may agree in writing, A.I.D., at its option, may terminate this Agreement by written notice to Israel.

ARTICLE III

Disbursement

SECTION 3.1. Disbursement of the Grant

After satisfaction of the conditions precedent, A.I.D. will deposit in a bank designated by Israel the sum of One Billion Two Hundred Million United States Dollars ($1,200,000,000).

SECTION 3.2. Date of Disbursement

Disbursement by A.I.D. will be deemed to occur on the date A.I.D. makes deposit to the bank designated by Israel in accordance with Section 3.1.

ARTICLE IV

Covenant

SECTION 4.1. Binational Foundations

Israel agrees to contribute not less than sixty-five million United States Dollars ($65,000,000) of this Grant to four existing United States-Israeli binational foundations, organized for industrial research and development, science, agricultural research and education, for the purpose of capitalizing endowments in such foundations. The endowments shall be established on terms and conditions, including interest rates and Israeli matching funds, mutually acceptable to Israel and A.I.D. Israel shall provide A.I.D. a written report providing evidence of the capitalization of the endowments, including the terms and conditions thereof, within 6 months of this agreement. Should Israel fail to comply with this covenant, A.I.D., at its option, may require Israel to refund to A.I.D. all or part of the amount provided hereunder for the binational foundations in U.S. dollars within sixty (60) days after receipt of a request therefor.

ARTICLE V

Special Covenants

SECTION 5.1. No Use for Military Purpose

It is the understanding of the Parties that the Grant will not be used for financing military requirements of any kind, including the procurement of commodities or services for military purposes.

SECTION 5.2. Use Only Within Pre-1967 Boundaries

Program uses of the Grant shall be restricted to the geographic areas which were subject to the Government of Israel's administration prior to June 5, 1967.

ARTICLE VI

Miscellaneous

SECTION 6.1. Communications

Any notice, request, document, or other communication submitted by either Party to the other under this Agreement will be in writing or by telegram or cable, and will be deemed duly given or sent when delivered to such Party at the following address:

To Israel: Economic Minister, Embassy of Israel, 3514 International Drive, NW., Washington, D.C. 20008.

To A.I.D.: Director, Office of Project Development, Bureau for Near East, Agency for International Development, Washington, D.C. 20523.

All such communications will be in English, unless the Parties otherwise agree in writing. Other addresses may be substituted for the above upon the giving of written notice.

SECTION 6.2. Representatives

For all purposes relevant to this Agreement, Israel will be represented by the individual holding or acting in the office of Economic Minister, Embassy of Israel and A.I.D. will be represented by the individual holding or acting in the office of Director, Office of Project Development, Bureau for Near East, each of whom, by written notice, may designate additional representatives for all purposes.

The names of the representatives of Israel, with specimen signatures, will be provided to A.I.D., which may accept as duly authorized any instrument signed by such representatives in implementation of this Agreement, until receipt of written notice of revocation of their authority.

SECTION 6.3. Amendment

This Agreement may be amended by the execution of written amendments by the authorized representatives of both the Parties.

In witness whereof, Israel and the United States of America, each acting through its duly authorized representative, have caused this Agreement to be signed in their names and delivered as of the day and year first above written.

Mr. HELMS. Mr. President, I further call attention to section 5.2 of this agreement, which reads as follows: "Use Only Within Pre-1967 Boundaries: Program uses of the Grant shall be restricted to the geographic areas which were subject to the Government of Israel's administration prior to June 5, 1967."

Mr. President, despite the State Department's grasping at the straw of alleged congressional coconspiracy in this policy, I think it is important that the Senate be given an opportunity to speak on the issue. For when you put the two policies together—the structuring of humanitarian aid on the West Bank and Gaza so it only benefits Palestinians, while at the same time blocking aid to Israeli citizens on the West Bank—you have a concerted effort to discriminate against Israeli citizens living in Judea, Samaria, and Gaza.

But it is even worse. Much of the U.S. aid to Palestinian Arabs resident in Judea, Samaria, and Gaza is provided through private voluntary organizations that channel funds to a number of groups that support the goal of the Palestinian Liberation Organization in destroying Israel. Although the work of these groups is ostensibly humanitarian—providing child care, health, and education, for example—the structure of the aid sets up a network of PLO loyalists working to subvert Israel.

For example, one of the recipients of this aid in the past has been the Arab Palestinian Women's Union, which operates PLO institutions in the 1967 territories and in Lebanon. One such is an institution known as the School for Children's Happiness. Now who could be against children's happiness? Well, it all depends upon how children's happiness is defined.

According to a brochure published for this school, this is the way the school day begins:

> When morning breaks, the first lesson our children grasp is always Palestine, they respectfully salute the rising Palestinian Flag. While the Palestinian National Anthem fills the new day with its words and lyrics, you can then see on our children's faces, smiles of hope, awaiting impatiently a future of groves of roses that will be Palestine.

Now I can understand why people involved in a revolutionary struggle would attempt to instill their ideals in the children. But these children are being prepared for an actual revolution. The pamphlet states: "The Arab Palestinian Women's Union is an industrious institute which hopes to be an important effective tool in the hands of the revolution." Indeed, one goal of the school has been to care for the children of PLO fighters who died in the 1967 attack on Israel. Obviously, it is a work of charity to care for and educate orphans; but do they have to be inculcated with hate propaganda through the assistance of U.S. aid funds? The School for Children's Happiness states quite plainly that "the one way to achieve our aims is the return to the whole of our Palestinian land."

There are many examples of U.S. aid assisting similar projects. Another prime example is Bir Zeit University, which is supposed to be for the education of Palestinian young men and women. But Bir Zeit also happens to be a hot bed of PLO agitation and terrorism. The school has had to be closed numerous times because of the disruptive and subversive activity which takes place at Bir Zeit. It is almost impossible to be a student or professor at Bir Zeit without being part of the PLO network. Yet scholarships to Bir Zeit are funded through U.S. aid.

What has happened is that, many times in the past, the humanitarian

intent of the grants has been subverted by giving the grant to institutions which use the funds to support and reward a PLO-oriented infrastructure working for a Palestinian state on the West Bank and Gaza. It is hard to conceive that the State Department is not aware of this. It is also true that, to a certain extent, it would be hard to assist any Palestinians without touching people who are sympathizers with the PLO cause. But the problem specifically is in putting the money in the hands of a leadership elite that uses the funds to reward PLO followers and deny assistance to those who are not. This is not just a case of humanitarian aid; it is building the PLO infrastructure.

I know that the Israeli Government has raised questions about some of the grants; and recently there has been more cooperation by AID, particularly when the projects involve construction and other actions which require permits and approval. But the net effect of the State Department policy is to say that the United States has taken sides in the dispute over the future of the West Bank. We are saying on the one hand that we are in favor of negotiations over the future, but on the other we expect that the negotiations will have a specific outcome that will result in Arab control of Judea, Samaria, and Gaza.

If we lived in a simple world, I would move to strike all of the funds intended for this purpose. But we don't live in a simple world. We live in a world where people have needs and problems, as well as political goals. I think that the grants could be restructured, with good will on both sides, so that they resulted only in humanitarian projects and benefits.

But we must eliminate the perception that the United States—with the explicit consent of Congress—has cast its lot with one side in the West Bank dispute. We must eliminate the perception that it is all right to give humanitarian assistance to Palestinians living on the West Bank, but not to Jews. The proportion of Jewish citizens living in Judea, Samaria, and Gaza is small—from 5 to 8 percent. But it is the symbolism that counts, not the dollars involved.

I believe that U.S. assistance, no matter where it is given, should be available to all the needy inhabitants of the territory that is being served, without discrimination as to race, creed, or color. I think that it is unconscionable that our policy affirmatively permits Palestinians to receive benefits, but effectively prevents Israeli citizens in the same area from being eligible, just because of ethnic and religious differences.

If we do not eliminate this discrepancy, we are saying, in effect, that Israeli citizens have no right to live in Judea, Samaria, and Gaza. We are prejudging the outcome of the negotiations as to the future.

Yet it is not the policy of the United States that the Israeli settlements in Judea, Samaria, and Gaza are illegal. The territories involved were never Jordanian. They were part of the Palestine mandate administered by Great Britain. Jordan invaded and seized the territories illegally in 1948. The present so-called green line was a line marking the farthest extent of Jordan's invasion. No countries in the world recognized this illegal seizure, except Great Britain and Pakistan. In 1967, Jordan invaded Israel proper, and in self-defense, Israel drove the invader back beyond the Jordan. Israel's position in the territory is at least as good as Jordan's was, if not better, under international law. At the present time, the legal regime in Judea, Samaria, and Gaza remains the same as it was after June 1967, administered by the Israeli Ministry of Defense.

The only difference in that intervening period is that the GNP of Judea and Samaria increased threefold in that period, and the GNP of Samaria 3.4-fold. Private per capita income has more than doubled in that time, in real terms. A welfare economy—in Gaza up to 70 percent were on welfare—has been exchanged for an economy in which unemployment has dwindled to rates less than in many advanced industrial economies. New housing starts have increased six times; the number of automobiles has increased from 1,900 to 27,000 in Judea-Samaria and from 1,200 to 14,800 in Gaza.

That is why this administration believes that it is not illegal for Israeli citizens to settle in the areas outside the 1967 borders. President Reagan reiterated that over and over again as a candidate in 1980. He pointed out:

> Israel has never tried to annex the West Bank and the (Carter) Administration is dead wrong when it says Israel's West Bank settlements are "illegal." Jewish and Arab Palestinians have a right to settle there until Jordan and Israel between them decide on secure and recognized borders.

In October 1980, he said:

> The charge by the (Carter) Administration at the time those settlements first started that they were illegal is false • • • all people—Moslem, Jews and Christian—are entitled to live on the West Bank.

As President, President Reagan has never retreated from that position on the legality of the settlements. And Secretary of State Shultz has reaffirmed their legality.

So why not treat all residents of the 1967 territories on the same basis? Why not reject discrimination in our treatment of Israeli citizens in those areas?

Mr. President, the stock answer, reiterated over and over again, is that the settlements are an "obstacle to peace." Of course, that depends on what you think "peace" may be. If you think that the outcome of negotiations will only bring peace if the settlers withdraw, then you are saying that the Israeli citizens have to give up their rights to live on those lands. If their presence there is not illegal, then they give up their rights if they are forced to withdraw. If they remain under a new administration, obtained as a result of negotiations, they must expect to be able to live under the new administration. And we can assume that Israel will not negotiate away their rights or accept an arrangement that is not viable.

I think it follows, Mr. President, that those who say the settlements are an obstacle to negotiations are saying that there can only be one outcome—an outcome totally acceptable to the Palestinians and the PLO leaders. The United States is therefore not neutral in the outcome, but committed to a specific outcome.

That is what this amendment is all about. It is not about money as such; it is an attempt to move U.S. policy from a policy committed to the Palestinian side—to a policy that treats both sides the same. In other words, it moves the United States from partisanship for the Palestinians to neutrality. It suggests that the United States will accept more than one outcome from the negotiations.

What this amendment does, Mr. President, is to recognize that all the peoples in the area have historic and religious rights in Judea, Samaria, and Gaza. It also recognizes that the territories in question have important consequences for the strategic defense of Israel. It suggests that Israel is not forestalled by U.S. pressure from adopting a negotiated solution that allows proper military and security measures to be adopted for the protection of Israel proper.

What it does not do, Mr. President, is to predetermine the future of these territories. It is my personal view that Israel would make a grave error if it gave up military and security control of these areas. The internal arrangements are open to negotiations, but not security considerations. I do not retreat from that position. But this amendment does not go that far. It does not say that Israel has the right to annex the territories in question, or to ignore the legitimate aspirations of the Palestinians. It does not mean that the historic land rights and cultural life of the Palestinians can be suppressed. Nor is it contrary to the Camp David agreements.

I repeat, Mr. President, that my amendment returns the United States to a position of neutrality in the outcome, allowing the future to be decided by Jordan, the Palestinians, and the Israelis themselves. It is noteworthy, Mr. President, that Israel has al-

ready given up 90 percent of the territory occupied in the 1967 war—territories that were seized for security reasons when Israel was invaded. The good faith of Israel has been demonstrated; but Jordan and the Palestinians have not even agreed to negotiate.

Finally, Mr. President, this amendment would restore equity to our program of humanitarian aid to residents of the West Bank and Gaza by requiring proportionality of benefits to everyone. It would not cut the amount of aid intended for those territories, but would see that it is distributed equitably to all groups, regardless of ethnic or religious origin. In conclusion, it would make it clear that there is no congressional authority for blocking the use of humanitarian U.S. aid funds in any of the territories currently being administered by the Israeli Government.

Mr. LUGAR. Mr. President, the Senator from North Carolina has raised in this amendment a very interesting and important point of equity and justice. Indeed, there are funds available to residents of the area, and I will not try to demarcate the precise division of those funds, but such funds do exist in the bill.

At the same time, I hope the Senator from North Carolina appreciates that this amendment raises a very complex subject in our foreign policy. It is a subject that has not been considered to the best of my knowledge by the Subcommittee on the Middle East, nor the full Foreign Relations Committee for that matter. It is something that I hope the Senator from North Carolina will appreciate ought to have at least the benefit of a hearing and some response by the administration as to how our general foreign policy will be affected in the event we try to address the issue.

So I would appreciate it if the Senator would not persist in pressing a vote on the amendment today but would accept the assurances of the chairman that a hearing will be held. I will work in particular with Senator BOSCHWITZ. I know he has a deep interest in this issue as subcommittee chairman. The Senator from North Carolina himself would probably want to be a part of that hearing process. There will be other opportunities, I suspect, to rectify an injustice if there is one, but I would appreciate it if the Senator would accept these assurances of a hearing and a study at this point.

Mr. HELMS. Mr. President, I thank the Senator. As he obviously knows, I merely wanted to raise the question today and lay out my thoughts on the subject so that they can be considered in the coming days and weeks, not only by members of the Foreign Relations Committee, but by the entire Senate and by the administration. I think the subject is one whose time has come. I thank the Senator very much for assuring us that hearings will be held.

In addition, I will say to my friend, I am frankly disturbed by the position and attitude of the State Department on this matter. I understand that some Members of this body and others interested in the subject have been told by the administration that if this amendment were to pass, it would be necessary to ask that the bill be brought down and removed from the calendar. I certainly would not want to do that to my good friend from Indiana, nor to the ranking minority member of the Foreign Relations Committee, Mr. PELL. But it is clear that the State Department by that message was threatening to jeopardize the entire foreign aid bill, and in particular the aid to the Middle East, just so that they could avoid the principle of nondiscrimination in the distribution of aid benefits on the West Bank.

Mr. President, is it such a great change of policy to establish the principle of nondiscrimination? Is the administration really saying that only Palestinians have the right to live on the West Bank? Does the administration really think that it would jeopardize the peace process to take a neutral position in the dispute over the future of the territory?

Mr. President, I would like to know why the Israeli settlements are an obstacle to peace. If Israeli citizens have the legal right to be there, how can it be an obstacle to accommodate their right? Is the administration saying that the only way to peace is for those Israeli citizens rightfully residents in the territories to surrender their rights? Is the administration saying that the security of Israel can only be safeguarded by the concession of territories that are strategic to the defense of Israel? I do not see how Israeli military and strategic control can be given up. It seems to me that there is plenty of room for negotiation between the concept of a total Palestinian State on the West Bank associated with Jordan on the one hand, and the concept of total incorporation of the territory into the State of Israel.

I can see a lot of solutions that fall in between those two extremes, but I would leave it to the Palestinians, the Jordanians, and the Israelis to make the decisions. I do not see why the U.S. State Department should adopt a policy which excludes all solutions except the one which totally adopts Palestinian-Jordanian control over the territories.

If, in the popular slogan, Israel were to be so foolish as to exchange "territories for peace," I think what we would have is an exchange of territories for a piece of paper. There were no settlements in 1948 to constitute an obstacle to peace; yet the Jordanians invaded. There were no settlements in 1967 to constitute an obstacle to peace; yet the Jordanians invaded again. Does anyone really believe that the settlements are preventing good faith negotiations? I rather think that the settlements are a principle reason that Jordan has not invaded Israel for the past 18 years. The settlements are an obstacle to war.

Mr. President, it is my personal view that the Israeli settlements on the West Bank are not an obstacle to peace; rather they provide the basis for a meaningful negotiation protecting the interests of both parties to the dispute. There is no reason, therefore that we should not adopt a nondiscrimination policy as to the beneficiaries of our aid projects in those areas.

However, Mr. President, we should not allow the State Department to jeopardize the aid program to Israel and Egypt just so that they can avoid the principle of nondiscrimination.

I thank the Chair. I thank the Senator from Indiana and I thank the Senator from Rhode Island.

I yield the floor.

Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. MURKOWSKI. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. MURKOWSKI addressed the Chair.

The PRESIDING OFFICER. The Senator from Alaska.

Mr. MURKOWSKI. Mr. President, I thank my colleague from North Carolina.

AMENDMENT NO. 125

Mr. MURKOWSKI. Mr. President, I send an amendment to the desk, and ask for its immediate consideration.

The PRESIDING OFFICER. The amendment of the Senator from North Carolina, Mr. HELMS, is still pending.

Mr. MURKOWSKI. Mr. President, I withdraw the request.

Mr. President, may I make an inquiry as to the pending business before the Chair?

Mr. HELMS. Mr. President, I withdraw my amendment.

The PRESIDING OFFICER. The amendment is withdrawn.

The Senator from Alaska.

Mr. MURKOWSKI. Mr. President, I send an amendment to the desk, and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report.

The bill clerk read as follows:

The Senator from Alaska [Mr. MURKOWSKI] proposes an amendment numbered 125.

Mr. MURKOWSKI. Mr. President, I ask unanimous consent that further

reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

On page 3, beginning on line 9 with (d) strike all through the end of line 19.

Mr. MURKOWSKI. Mr. President, the purpose of this amendment is to terminate the Extended Repayment Loan Program under FMS, foreign military sales.

The current Extended Repayment Loan Program is a rather unique, rather innovative, and fairly recent extension of our Federal military sales policy. It provides for a 10-year grace period and a 20-year amortization period basically for a 30-year loan term. I think you will agree, Mr. President, that is a rather generous term for repayment.

In my comments, I will be more specific about why this unfortunate program is really adding dramatically to the debt which our friends and neighbors are assuming.

This program has been in existence since the mid 1970's. Prior to that, the term for FMS loans was 5 and 7, 5-year grace—when I say grace I mean interest only—and amortization beginning in the 7th, for a 12-year period. Mr. President, that was much more realistic and acceptable.

Before I go on, I would note that in my dear colleague letters on the issue, there were references to Greece. I would like to offer clarification to my colleagues. Greece was recently switched from the extended payment program to a different category, concessional. So in my discussion here, Greece will be excluded.

However, I want to make it clear that this does not change my position because my amendment is not country specific but program specific. That is the reason for which I rise on this occasion to elaborate a little more fully on the implications of just what this extended repayment loan program does and why it must be abolished.

I would note, to begin, that the debate on the foreign assistance bill is timely in the sense that it comes on the heels of successful deliberations on a budget package which I believe can finally start us on the road to fiscal solvency and declining Federal budget deficits. I think, however, we can all realize that as usual, one inevitable result of debate concerning foreign assistance will be that some in this Chamber will call for reductions or freezes in foreign assistance. We have seen that already. However, the chairman of the Foreign Relations Committee, Senator LUGAR, has, I think, done an extraordinary job in moving this legislation and recognizing that indeed it is not in our best interest to reduce foreign assistance program levels as agreed in our committee.

However, we are at a time when it is crucial to recognize what our priorities are, whether it be to our senior citizens, to our veterans, or others. The upshot is that I, for one, do not plan, at least in the traditional way to object to the agreed levels of foreign assistance. I want to make that very clear to my colleagues. This proposed amendment does not affect the assistance levels which the administration has recommended and the Foreign Relations Committee has passed. Rather, it specifically reflects the payback procedure.

For that reason, what I propose to do with this amendment is to refine the bill, without assistance level directly. However the refinement would at the same time achieve goals—and savings—which I think we can support. For that reason, I would like to emphasize again that this bill is responsible. It bears out the willingness of the Foreign Relations Committee as well as the administration to live by our commitments.

The goals of my amendment are to, first, cut the budget deficit as much as we can in the Foreign Relations Committee; second, to simplify our military assistance program; third, and I emphasize this, to save ourselves and our friends and allies a considerable amount of money; and, finally, to institute fiscal responsibility and honest oversight.

One of the unique features of this particular type of amendment is that few of my colleagues understand it in all its complexities. This was evidenced in the committee markup and in the various discussions that went on at that time.

What this amendment does is to strike that part of the Arms Control Export Act which allows the President to negotiate foreign military sales loans on the favorable extended repayment terms of 30 years, with the first 10 years involving interest-only repayment.

As I stated earlier, this is in contrast with the normal FMS loan, which is for a 12-year term with a 5-year grace period, a loan term which makes considerable economic and political sense.

I emphasize economic and political sense.

As I will point out further in my remarks, the Extended Payment Program which we have adopted really establishes a horrendous and a very burdensome potential debt which all of these countries will have incurred as a consequence of our willingness to extend the repayment period. This is as opposed to realistic fiscal responsibility which would dictate that a country, by its own determination, would ascertain what it can afford to borrow and pay back. And it always has the option of refusing to accept a loan if it feels it cannot meet a debt obligation.

The administration has proposed a total of $1.03 billion for six countries under this program. As I have indicated, Greece has been removed from the Extended Loan Program to concessional. So I am not discussing Greece. But I am discussing the countries of Turkey, Portugal, Korea, Thailand, and the Philippines, as well as Spain.

These are the countries that will be affected specifically if the Extended Repayment Program is terminated.

On the surface, it would appear that allowing the 30-year repayment with a 10-year grace period may be advantageous and may be a creative mechanism to help our allies and friends who are in some temporary economic difficulty to spread out their repayments. The truth is far different, and I think the citizens of our country can appreciate the staggering debt implications of what occurs as a consequence of simply extending repayments under such a program.

A country may be able to live with and to meet an individual payment. But when you consider the conglomeration of payments, they still have the realities associated with whether or not they can pay their total debt.

The fact is that because 30-year loans are by definition far more costly than 12-year loans in the long term, extended repayment loans will inevitably force our friends and allies into a never-ending debt spiral from which they may never emerge. I can illustrate that point, but I think it has been made clear through the general awareness of the financial difficulties of various countries throughout the world.

I want to make it very clear for the record, Mr. President that I do not criticize at all aid to these countries—Turkey, Portugal, Korea, Thailand, the Philippines, and Spain. These are our allies. Korea probably is the most significant single example of the workability of our foreign policy, a country that established a democracy, a country that has established the recognition of human rights, truly one of the outstanding examples of an effective American foreign policy.

What I object to is the formula. I want to reemphasize that to my friends in these various countries and to my colleagues.

Let me make my point specifically of just what a 30-year loan means and why it adds to the never-ending debt spiral.

If a nation bought a $50,000 military truck with a 10-year life in year 1, it probably would have to buy two or three over the 30-year term of the loan to meet the same capability. Let us say because of the inflation the second and third truck sold for $60,000 and $70,000 respectively. If these three trucks were financed by a 30-year extended repayment FMS loan which

would then have a 10-year grace period, the country would have paid us some $440,000 by year 30.

It will then still owe us some $280,000. And in year 31, it will once again have to finance a new truck since the other three are no longer usable. So much for financing a 10-year item, a typical usable life of such items, for 30 years.

Contrast this with doing the same transaction by furnishing the same three trucks using a series of normal FMS 12-year market loans with a generous 5-year grace period over the same 30-year period. Using that method, the payback by the country would be some $287,000, $157,000 less than under extended repayment. And it would owe us only $105,000—that is, $175,000 less than under extended repayment. The fact that at the same time we are denying ourselves a return on the principal of the loan for 5 additional years under extended repayments loans, which have a 10-year grace period as opposed to the normal 5-year grace, is another aspect which, in these tight budgetary times, is totally unacceptable.

Mr. President, my example was of a $50,000 truck. If you multiply that figure for much more costly things—tanks and various airplanes—and extrapolate the numbers for the over $1 billion proposed for this program this year, you can see that the inevitable result is less return for us and a far greater long-term debt burden for our allies, all in the name of giving our allies and friends a "break."

I contend that the only breaks involved in this program are broken economies. These are the broken economies of our allies as a consequence of too much debt. We will continue to contribute to this if we continue this program.

Let us look at some of the examples of the current debt problems of countries with whom we have Extended Repayment Programs.

The administration proposes a total military assistance program for Turkey of $785 million for fiscal year 1986 when that country is going to have to repay us over the amount we are providing them, $406 million in fiscal year 1986, from previous FMS loans. That is the inconsistency of the program, Mr. President.

Another clear example of this can be expressed in the case of Korea. The administration proposed a program of $228 million in fiscal 1986 FMS extended repayment loans, when we will be receiving a larger amount—a larger amount, Mr. President—$231 million in FMS loan repayments during the same time. You might use the argument that you are not taking it out of the same pocket. But the fact remains that at the same time we give Korea $228 million in fiscal year 1986, they will be paying us back $231 million on outstanding FMS loan balances that have been made previously.

I ask you, Mr. President, what have we accomplished for Korea? We have accomplished absolutely nothing. We have simply added to their long-term debt.

The practicability of having a program that does not do what it is designed to do, but simply extends the repayment term to an unrealistic length, is really questionable, especially as to whether it provides any significant benefits for the recipient countries—if doesn't.

Yesterday the Senate included Spain's FMS Program under extended repayment. We should know that, whereas we would be lending Spain some $400 million under FMS extended repayment fiscal year 1986, they will be paying us back $291 million for FMS loans during the same period of time. So, actually, out of the $400 million provided Spain, they are paying us about $300 million. So there is a net of $100 million for the FMS Program for Spain as a consequence of this heavy indebtedness.

Mr. President, I can project and I am sure my colleague, the chairman of the Committee on Foreign Relations, would agree, that if we keep extending this program, within a few years each country will inevitably be paying us back each year more dollars than we provide them with as a consequence of interest on accumulated debt. The sense of that, very frankly, escapes me.

I have discussed it with the administration. They indicate that it appears to be in each country's best interest. But, Mr. President, I respectfully suggest that we have an obligation in providing assistance that we not add to the tremendous financial burden of our friends and neighbors, including the six countries in question who are the only recipients of FMS under the extended repayment programs that I am seeking to curtail.

I think it is interesting to reflect on another matter that concerns me. That is fairness. How do we determine whether or not a country should have an extended repayment, a 30-year repayment, as compared to a country that has a 12-year repayment? Obviously, the administration and the Department of State must have some formula that is applicable, but it is pretty hard to justify that formula.

Further, if you look at the facts and the history of the program, we see that there are more and more countries that are asking for extended repayment loans simply because they ease their financial burdens until tomorrow.

But, as we all know, this is not a program that results in anything of lasting value. Recognize, Mr. President, if you buy an automobile, the financial institution will not extend your payment program beyond the reasonable life of that automobile. As a consequence, you have to pay a car off in 5 to 7 years, perhaps on the more expensive models 8 or 9. But what we are doing under this FMS program is to stimulate sales of various military hardware and equipment and to provide 30-year repayment schedules on equipment that has a life of about 10 years. There are some exceptions to that, but that is certainly the average.

I have before me a list of the various items proposed for purchase under the 30-year extended repayment program. I think if we look at Portugal, it wishes P-3 aircraft as well as spares and repair parts, and support for existing weapons systems; Turkey—ships, M48-A5 tanks, F-16 aircraft; Thailand—Bell 206 helicopters, A-36 aircraft, F-16 aircraft; Philippines—communications equipment, vehicle, aircraft, ship spares, and 2½-ton cargo trucks.

I ask you, Mr. President, are those trucks going to be around in 30 years? We know they are not. These things generally have a life of less than 10 years, but I am certainly willing to recognize 10 to 15.

We have in existence an entirely appropriate FMS Program with terms including a 5-year grace, and a 7-year payback on principal, that is a 12-year term, for these items. The justification for going 30 years instead of 12 is one, again, that simply does not recognize the reality that this equipment will be worn out before one-third of the loan is paid back. I defy the administration to indicate otherwise. Even if the equipment does not wear out, in general terms it is going to be obsolete in terms of technology.

The point is, and I have perhaps emphasized this too extensive—but I think it is very basic—we are doing a disservice here. If we feel these countries should be recipients of a grant, we should sit down with the administration and recognize that we should change these loans into grants if it is in our own national and best interest. But to simply add to the debt and hope that somehow this will work out does not, I think, represent fiscally responsible action by this body.

Remember, Mr. President, the situation exists now when the extended repayment program is comparatively young. But this program is growing. I have already indicated the long-term implication of the debt burden on our friends and allies. It can only grow and grow. As I have indicated, inevitably some day several of the countries may not be able to pay us back. Then they will come to us for debt forgiveness.

What does this mean for us, Mr. President? Simply that, whereas the extended repayments we are now engaging in via a small-scale diplomatic sleight-of-hand—as I have indicated,

taking money from our left hand and giving it to our right—we will be doing it more frequently and in more ridiculous proportions in years to come. This is especially true if we keep adding more countries. And they have every right to ask to be added to the extended repayment list. In fact, if all the countries designated for are given it this year, only $450 million of a total $2.5 billion of FMS loans, excluding Israel and Egypt, which I would have treated separately and not touched by the amendment at all, would be granted normal FMS market rate loans.

In short, what used to be normal will become the exception. It already has. This will be because as country after country continues to carry a growing debt load, they will seek relief. It will thus inevitably mean, and I predict comparatively soon, these nations, simply because of the realities of the staggering growth of their debt, will be requesting forgiveness of repayment. They simply will not be able to pay their debts. And they will be right. And it will be our fault, Mr. President, for not correcting the problem now and avoiding having to do so in the future when the problem will be much worse.

For all these reasons, I believe it important that the Senate start right now to bring some truth in lending into our FMS loan program while at the same time benefiting ourselves and our friends at no additional cost to either in our assistance levels by abolishing the extended FMS loan program.

Mr. President, again I would like to reiterate that I support FMS loans to these countries. I feel we are doing a disservice to them not in the loans themselves, but in the manner in which we have proposed repayment simply because of the tremendous resultant debt burden, and I have so indicated in the case of both Spain and Korea, and others. I would like to repeat again that in the case of Korea, the administration proposes $228 million in FMS for fiscal 1986, yet they will be paying back $231 million. In other words, they will be paying $3 million more than we are providing.

As a consequence of this, Mr. President, I think my proposed amendment gives this body an opportunity to look realistically at a program which needs changing. I think by doing so we will be correcting a disservice to the affected countries here, Spain, Philippines, Turkey, Portugal, Thailand, and Korea.

Mr. President, I suggest that those countries have the option of not accepting these loan terms, and they also, I think should recognize, that we should accept the responsibility, if we deem it in our national interest, to openly come forth with other kinds of programs which are viable and as a consequence should be addressed.

If we look at the extended repayment proposal further, we can see more visibly the inconsistencies that exist. Let me give you an example, Mr. President, of some of these inconsistencies as we compare our friends, the Pakistanis and the Koreans. We provide to Korea extended repayment, but we do not provide it for Pakistan. We are providing Korea, as I have indicated, $228 million worth of FMS loans, but we are providing Pakistan $325 million worth of FMS loans. The FMS payment for fiscal year 1986 for Korea, as I have indicated, is $231 million; Pakistan is $8.7 million. We have a trade imbalance with Korea. We have a positive trade balance with Pakistan. My point is not to be critical of Korea and its trade imbalance. Korea is actively trying to resolve its trade imbalance by having procurement missions come to the United States. But the point is there is an inconsistency. We provide Korea 30 years payback, and we do not provide Pakistan with 30 years. We give them 12.

Let's look at Jordan and Portugal. We do not provide extended repayment for Jordan. We do for Portugal. The FMS loan levels, $30 million, are the same for each country. Again, here we have two countries with similar size programs, yet only Portugal, which has probably a stronger economy than Jordan, is getting the extended repayment loans.

If we look at Thailand and Oman, again there is an inconsistency. The amount provided under the FMS loan program is $58 million for each country. The FMS repayments are 5.6 for Thailand and 3.3 for Oman. The point is, we provide extended repayment, 30 years, for Thailand; Oman, 12. The inconsistency is, Mr. President, that the two countries with similar debt situations and exactly the same amount of FMS loans proposed are treated differently. Presumably the difference, as I have indicated, is in a stronger economy in Oman. But as shown above, the weaker the economy, the more it should not be given the extended repayment.

I emphasize this because it is a basic fallacy within the administration's policy and, I think, something that many of my colleagues on the Foreign Relations Committee have missed. The weaker the economy, the more it should not be given the extended repayment, since it will simply weaken the economy, reduce the country's credit rating, and only hurt that state more in the long term.

I think you would agree, Mr. President, that no country should have or obtain more debt than it can service. Those countries have to make judgments about their economies. As a consequence, to provide an extended loan program of 30 years is too much of a "short-term temptation" for them, and more often than not they would think that there will be two or three changes of administration in the country over the 30 years, and the problem of repayment, Mr. President, will be somebody else's as opposed to those who are borrowing at that time.

Another interesting point is the reality that we might as well realize that a 30-year loan contains some element of a grant. If you figure the inflation factor at 4 or 5 percent over 30 years, obviously they are paying that back with very, very cheap dollars, and as a consequence maybe we should examine the program in its true light as proposed by the administration and recognize that it contains a small grant element.

I cannot understand, Mr. President, why we continue to kid ourselves and kid the American public about another aspect of this problem. We have cases where we can buy commitments in the sense of funding to various countries in return for consideration on use of military bases. This is no secret. It is well known in the Foreign Relations Committee and throughout the administration. But, for reasons unknown, it is not acknowledged.

In the case of the Philippines, we have bases; in Spain, we have bases. The realities of why we should not enter into an open, forthright consideration on lease terms for those bases instead of hiding it within a foreign assistance program, whether it be at the FMS level or otherwise, is something, Mr. President, that totally escapes me.

Mr. President, I intend to continue to make every effort to educate my colleagues within the committee on the significance of having a realistic foreign assistance program that calls a spade a spade, that directly reflects what is in the best interests of the United States and our friends and allies, and that recognizes the realities of just what is a loan and what is not. A loan is obviously a commitment and an agreement for terms of repayment. But when it is for a specific purpose such as military sales and when those items bought in military sales have a realistic lifespan of 10 years, yet we go on and extend the repayment program to 30 years, why, we are doing a grave disservice to ourselves—and we are being less than honest with our friends and allies.

As a consequence, Mr. President, I should like to make sure that my colleagues understand what this amendment would do. It would simply strike the 30-year repayment schedule for those countries that we are proposing to receive it. It would not be retroactive to those countries that already receive it. That would be grossly unfair. This would just address an inconsistency from this date forward.

I look forward to any questions on my amendment with regard to the realistic fact that we are creating for more long-term debt for these countries through this program than we would with the conventional term repayment, which is 12 years, as well as my contention that it is an obligation of our committee and our Government and our administration to make appropriate grants when it is in our best interests.

I should also like to point out, so that there is no misunderstanding, that this amendment will not reduce the dollar levels to these countries at all. I do not address that. I think the recommendations of the administration in that regard are appropriate, and I support as well the action taken by the Foreign Relations Committee in its markup. It is simply an effort to rectify a program that has gotten way out of hand.

I hope my colleagues will support me in this amendment.

Mr. LUGAR. Mr. President, the distinguished Senator from Alaska has attempted to bring the attention of all Senators to the very difficult problems that are faced by countries that have extended foreign military sales repayment terms.

He is correct that the burden of interest over the long-term may exceed the capacity of the country to meet those obligations. As a result, there are pleas from these countries for extenuating circumstances.

However, the problem I see with the amendment of the distinguished Senator is that no one forces a country to take the 30-year repayment terms on their market rate loans.

It is fair to say that it is comparable to situations we all know, of individuals who have financial problems. Many countries we are attempting to work with, our friends and allies, need our support and have financial problems. Frequently, people in this condition will ask for longer repayment terms on their individual loans. I suppose a good portion of the Members in this Chamber have often thought in terms other than 25- or 30-year home mortgages. We are not obligated to do this. Indeed, we would borrow less in principal and interest if we just went for a 10-year mortgage to begin with, and called it quits at that.

Maybe the Senator is saying that this degree of indulgence nationally on our part, in letting countries have 30-year repayment terms, is bad for them and bad for us, and he may be right. But I think the dilemma is a fairly simple one.

Essentially, we are trying to help countries which are attempting to help us. We listen to them carefully, and they want extended repayment terms. We are prepared to offer them. A 10-year grace period, as the Senator from Alaska has pointed out, with 20 years after that, are very extended terms.

We anticipate, in all realism, that the value of the dollar in 30 years will depreciate, and in some periods of our history it has depreciated very rapidly. So, even if payments are made, they will be made in depreciated currency. We go into that with our eyes wide open.

This bill is not about charity; it is about the security of our country. It is about relationships we have with other nation-states that we think will be valuable to us as well as to them. It is about arms in their Armed Forces because we would prefer not to send American men and women in uniform there. We prefer that they defend themselves and thus help defend us. That is the hardheaded reality of this situation. If we were to make the changes the Senator has suggested, we would not know the implications in each of those relationships. I think we will need to know that before we take such far-reaching action.

The Senator pointed out that his amendment is not retroactive, that it is prospective, and so presumably it could be argued that a country that enters into one of these FMS loans knows it is 12 years for repayment, not a 10-year grace period and 20 years after that.

Perhaps all the countries we are dealing with can make that kind of adjustment. Perhaps they can go back into their councils and say, "We thought we were going to go for 30 years, but it turns out that we are going to be in for 12 years." Maybe they can make those adjustments without difficulty, but we do not know that.

It seems to me prudent in this instance to study a great deal more carefully, country by country, what the effects of this amendment would be, what the effects of abruptly changing the expectations a country might anticipate, and the effects it could have upon our relationship with that country and on our military security, if we have guessed wrong.

There is no latitude for error in terms of our national security, quite apart from the security of the countries with which we deal.

I simply rest the case with that thought: that we need to know a great deal more before acting on such a far-reaching amendment. It is an interesting proposition, but its time has not yet come in my judgment.

I hope the Senator will accept assurances from the chairman that we will be prepared to work with him in terms of studies that are required to come to better judgments. But in the event he wishes to press on to a vote on the amendment today, I would have to oppose it and ask my colleagues to oppose it. Having done so, in the event that my position should prevail, I would still say that it is an idea that must be studied.

The difficulties the Senator has pointed out are real—I do not claim they are illusory—but this is not the appropriate moment to make major changes, prior to knowing where we are headed.

Mr. MURKOWSKI. Mr. President, will the Senator yield for a question?

Mr. LUGAR. I yield.

Mr. MURKOWSKI. I thank the chairman of the Foreign Relations Committee, my friend from Indiana.

I am wondering how he would reflect on the military grant program, which the administration prepares in recommendations before our committee. Subjective decisions have to be made on the issue of what we will loan and what we will provide in the form of grant assistance.

I agree that we help those nations that help us with military assistance and that we have our own national security interests as our primary guiding consideration. But my question is this: Why do we not recognize the grant process on its merits, and debate the recommendations of the administration on the issues of grant?

I do not think the Senator would agree, but perhaps he would not disagree totally, that in this 30-year repayment program there is more than just an indication of a grant feature.

Mr. LUGAR. As I said, the depreciation of currency in 30 years, in practical effect, may make it closer to a grant.

I guess the difference is simply a common sense one—that with some countries, we anticipate their ability to make payments on the loans we offer to them. We are not prepared to make a gift right off the bat. We believe that we are making something a bit less than a gift and that they may contribute to paying some interest on the money. We may be in error in our judgment as to the benefits from that income, and maybe it is not worth it. But, as a practical matter, I think that is why we lend some people money, as opposed to granting them money straight off.

Mr. MURKOWSKI. The Senator indicates that sometimes it is justificable to make an extended-term loan simply because of the financial needs of a country, just as we all have financial needs. I think the Senator used the analogy of a 30-year mortgage.

I totally agree with the chairman, if indeed that was an analogy that was applicable in the sense of him and me buying a home. We have a 30-year mortgage, and at the end of 30 years we have a home, and 9 chances out of 10 that home would have appreciated and would have something positive.

But I asked whether or not the chairman agrees that this program is designed for purchases that have life

spans of 7 to 10 to 12 years? In making a 30-year loan, does not that directly involve the reality that the equipment is going to be worn out and replaced two or three times before the loan is paid off and that as a consequence the countries are going to have to make other purchases, and does not that just add to the debt spiral at an alarming rate?

Mr. LUGAR. The point with regard to collateral is well taken, and much of the material that is purchased in a military sense will not last 30 years; whereas, we hope most residences will.

I really have no argument on that point. I still suggest that the financial need problems might be comparable regardless of what the collateral is, and that is one reason we get in the 30-year repayment period. Another reason, as the Senator knows, is that some countries plead that they have short-term financial difficulties and that a period of grace of 10 years, might get them over difficulties so that they are in a better position to repay.

I admit the answer to my own argument is simply very rapidly we begin to get close to a grant in terms of the real value of dollars in the present sense, is that in some cases countries prefer not to have grants, or we prefer not to give the money away. We prefer at least to have a chance at earning some return in terms of interest on it.

Mr. MURKOWSKI. I wonder if I could pose one additional question to my friend from Indiana, and recognize I am not at all being critical of our relationship or our many friends in Korea. I have the utmost regard for the Koreans and what they stand for.

Again my point is to give an example of the inconsistency of the program. What possible contributions are we making to Korea when we are making them a loan of $228 million for the 1986 fiscal FMS and they are required to pay us back $231 million in repayments on the outstanding accrued principal?

Mr. LUGAR. We may be making life very difficult for Korea in the instance that the Senator suggested. But I suppose the common sense answer is also that we could forgive the $231 million if we wished to do so. For various reasons, primarily our own revenue needs, we have not chosen to do that.

I think the Senator's whole point is an interesting one concerning what is our best national interest as well as the interests of our allies we are attempting to help.

Mr. MURKOWSKI. I thank the chairman, and I agree with him.

I would be pleased to debate the merits of perhaps forgiving the accrued balance that Korea owes if that were the question. I am not necessarily suggesting that.

But the reality that they are paying us $3 million more than they are getting points out my concern on this issue.

I do believe this is my last question. When we consider the question of changing abruptly the program, I am sensitive to that and can understand the Senator's reluctance and perhaps the concern of the administration to dramatic change. I point out that there are only six countries that are receiving loans under this program at this time. But we have already seen within the last few days a change of two countries. Greece has switched, quite appropriately so—and I am not being critical at all—from an extended payment loan to a concessionary loan. And Spain has been added as a recipient of an extended repayment loan.

This was done just with some communication. But it points out that there is the capability for abrupt changes.

So I ask the chairman, does this seem too great a change when one recognizes that a third of the countries considered have already been changed from one category to the other? Why is it so unsuitable for us to consider changes when there are only four remaining countries that have not had a very recent change? If we are ever going to correct a program, we should correct it as we go along and recognize the inconsistencies of it. We do have inconsistency in this FMS program because of the extended term.

Mr. LUGAR. Let me just respond to the distinguished Senator by saying that indeed the news of these changes did come swiftly. My best information is that considerable discussion preceded that news and that the decisions were not reached abruptly. The point I have tried to make is that through study and discussion with the four remaining countries—and there may be others that we do not know about where arrangements are being contemplated—we should have time for the policymakers in those governments and in our own to think through what is going to happen.

It may very well be that the Senator has information of discussions with the remainder of the countries. Maybe we will be surprised by unusual announcements.

But I think that is unlikely, and I think the need for consultation and for some timely study of this issue is important.

Mr. MURKOWSKI. I thank my colleague, the chairman of the Foreign Relations Committee, and I do agree.

I wish to close by making one reference to a sensitivity that I think is very apparent.

As we have debated the merits of the recent reduction in the budget, the commitment to try and reduce the greater growth of our deficit, all our citizens have been called upon to make sacrifices. I suppose we could generalize by saying sacrifices have been made in the sense that the foreign assistance budget is lower than the level the administration has proposed. But we are not talking about dollars here. What we are talking about is a principle. We must recognize when a program has gone askew. We see our elderly asked to make sacrifices on Social Security COLA's, our veterans asked to make sacrifices on veterans COLA's, our farmers, on and on and on. Obviously, we must be sensitive to these concerns when we review the foreign assistance budget.

Again, while I recognize we are not disagreeing about assistance levels, we are talking about a sensitivity to a program, there indeed is a relationship in the sense of what it is for, specifically, that is the acquisition of equipment from our private sector through loans made by the Government. that equipment has a life span of 10 to 12 years. By a country borrowing for 30-year repayment, we are forcing them to get into a debt cycle that I think if we had an opportunity to sit down and talk to their treasurer, he would openly acknowledge that this is not in the long-term best interests of that country. We know it is not in the long-term best interests of our own country to make this available. I agree with the chairman that these countries are going to ask for it because it puts off their problem into the future.

But our resonsibility I think is a real one in the sense that the United States does not buy friendships with money. The United States depends on relationships built on a foundation of other than just monetary considerations.

I want to think that in the spirit of offering this amendment those particular countries that are the proposed recipients of the extended repayment will consider the intention of the Senator from Alaska. That intention is simply to recognize that virtually every country in the world has a staggering debt problem because the governments are not facing up to the realities associated with that accumulated debt. The private sector, whether it be the private banks of this country or others, have not faced up to the realities of how much debt a country can have, and here we are today debating the very same principle.

And that principle, Mr. President, is one of fiscal responsibility. And to make available extended debt that countries cannot possibly repay is a fiscal irresponsibility that I would much prefer to debate with the chairman of the Foreign Relations Committee on the merits, including whether we should give them a simple grant based on our understanding of what that grant should mean to our Nation and our own national security. But since we do not have that opportunity and we are forced to relate to what is

before us, Mr. President, I can only ask for your support and that of my colleagues in the sense of recognizing the purpose of my amendment.

Again, I appreciate and want to thank my colleague, the senior Senator from Indiana, who has obliged me in giving me an opportunity to present fully the merits of my amendment. For that I am most thankful.

Again, I trust that those nations that will have an opportunity to reflect on this debate will recognize the intention for which the amendment was offered.

Mr. President, I ask for the yeas and nays.

The PRESIDING OFFICER [Mr. QUAYLE]. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

Mr. PELL. Mr. President, I, too, must join the chairman of the Foreign Relations Committee in opposing this amendment. If it were passed at this time it would cause a good deal of confusion and difficulty. For that reason, I am compelled to oppose its adoption.

The PRESIDING OFFICER. Is there further debate?

If not, the question is on agreeing to the amendment of the Senator from Alaska [Mr. MURKOWSKI]. The yeas and nays have been ordered, and the clerk will call the roll.

The legislative clerk called the roll.

Mr. SIMPSON. I announce that the Senator from North Carolina [Mr. EAST] the Senator from California [Mr. WILSON] are absent due to illness.

Mr. CRANSTON. I announce that the senator from Nebraska [Mr. EXON] is absent because of illness.

The PRESIDING OFFICER [Mr. HELMS] Are there any other Senators in the Chamber wishing to vote?

The result was announced—yeas 27, nays 70, as follows:

[Rollcall Vote No. 81 Leg.]

YEAS—27

Abdnor	Harkin	Pressler
Andrews	Hatfield	Proxmire
Bingaman	Hollings	Roth
Burdick	Kassebaum	Specter
DeConcini	Mattingly	Stevens
Garn	McClure	Symms
Goldwater	Melcher	Thurmond
Gramm	Murkowski	Wallop
Grassley	Nickles	Zorinsky

NAYS—70

Armstrong	Dole	Kasten
Baucus	Domenici	Kennedy
Bentsen	Durenberger	Kerry
Biden	Eagleton	Lautenberg
Boren	Evans	Laxalt
Boschwitz	Ford	Leahy
Bradley	Glenn	Levin
Bumpers	Gore	Long
Byrd	Gorton	Lugar
Chafee	Hart	Mathias
Chiles	Hatch	Matsunaga
Cochran	Hawkins	McConnell
Cohen	Hecht	Metzenbaum
Cranston	Heflin	Mitchell
D'Amato	Heinz	Moynihan
Danforth	Helms	Nunn
Denton	Humphrey	Packwood
Dixon	Inouye	Pell
Dodd	Johnston	Pryor
Quayle	Sasser	Trible
Riegle	Simon	Warner
Rockefeller	Simpson	Weicker
Rudman	Stafford	
Sarbanes	Stennis	

NOT VOTING—3

East	Exon	Wilson

So the amendment (No. 125) was rejected.

Mr. LUGAR. Mr. President, I move to reconsider the vote by which the amendment was rejected.

Mr. PELL. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. SPECTER, Mr. TRIBLE, and Mr. MURKOWSKI addressed the Chair.

The PRESIDING OFFICER. The Senator from Pennsylvania sought recognition first, and I believe he wishes to yield to the Senator from Virginia. Is that correct?

Mr. SPECTER. I ask unanimous consent that I might yield to the Senator from Virginia without losing my right to the floor.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. TRIBLE. Mr. President, I rise in support of this year's bill to authorize foreign assistance for fiscal year 1986.

This legislation will enable the United States to meet its international commitments in a manner consistent with the need to restrain Federal spending. In fact, the amounts authorized in this bill represents a virtual freeze in budget authority. I want to commend the distinguished chairman of the committee [Mr. LUGAR], for his exceptional effort at balancing the demand for funds with the need to reduce the Federal deficit.

The chairman and the distinguished Senator from Rhode Island [Mr. PELL] at forging legislation that commanded broad support in the committee. Largely as a result of his efforts, it is likely that the Senate will approve foreign assistance legislation for the first time in several years.

There is much to recommend this bill to the Senate. It sustains our commitment to peace in the Middle East, it lends support to those nations that protect NATO's Southeastern flank; it continues our efforts to foster peace and prosperity in Central America, and it aids those countries that enhance American security either by granting us basing rights or by furthering American foreign policy objectives.

As in the past, the largest amounts are provided to the signatories of the Camp David accords, Egypt and Israel. The Camp David accords remain the foundation on which a wider Mideast peace must be built. By assisting the two nations who have made peace, we demonstrate our assurance of aid to other nations willing to pursue the path of peace.

For Israel, the committee approved economic assistance of $1.2 billion and military assistance of $1.8. The amounts for Egypt are $815 million and $1.3 billion. These sums are for fiscal 1986.

Both Israel and Egypt are experiencing severe economic difficulties and both have taken steps to reinvigorate their economies.

Israel has curbed its policy of indexation, agreed to restraints on wage increases, and slowed the growth of government spending. This reform and austerity program is showing signs of success.

Egypt, too, has taken a number of steps to eliminate subsidies, and is reportedly planning to take additional steps in the future.

In light of the current economic distress and the efforts of Egypt and Israel, I am pleased that the authorization of supplemental economic assistance for 1985 has been included in this bill. The additional $1.5 billion for Israel and $500 million for Egypt will enable these two countries to cope with their current difficulties.

The committee's bill provides concessional military assistance to Greece and Turkey, maintaining the 7:10 ratio which has characterized previous American aid, and which provides the necessary balance in military support for our two NATO allies.

Like many of my colleagues I remain concerned about the apparent lack of progress in achieving a peaceful reunification of the Island of Cyprus. It would be my hope that discussions could take place at the highest level to being stability and self-rule to Cyprus at the earliest possible date.

In addition, the committee affirmed its support for the recommendations of the Bipartisan Commission on Central America. Fostering democracy improving living conditions and restoring peace are essential not only to U.S. security but to the entire hemisphere. We can achieve these goals only through a long range and forward looking policy, one that maintains an adequate level of economic and military support. In this way we can confront successfully the complex humanitarian, economic, political, social and security issues of the region.

Finally, the legislation provides for a significant effort to meet basic human issues. The plight of sub-Saharan Africa—particularly of Ethiopia and the Sudan—must stand in the forefront of our concern. The needs remain immense, the threat to life still hangs over millions.

The short-term aid provided by this Congress must be supplemented by a long-term strategy intended to ameliorate the problem of hunger. In its report the committee urges AID to devise such a strategy. This cannot come soon enough.

Mr. President, this bill makes a substantial contribution to the security of our Nation, to the cause of peace and freedom, and to the well-being of millions around the world. I urge my colleagues to support it.

I yield to the distinguished Senator from Pennsylvania and thank him for this time he yielded to me.

AMENDMENT NO. 126

(Purpose: To prohibit trade with Libya and other countries engaged in terrorism)

Mr. SPECTER. Mr. President, I send an amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The amendment will be stated.

The bill clerk read as follows:

The Senator from Pennsylvania [Mr. SPECTER] proposes an amendment numbered 126.

Mr. SPECTER. Mr. President, I ask unanimous consent that further reading be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

On p. 64 at the end of the bill, add the following new section:

SEC. (a) Notwithstanding any other provision of law, the President may prohibit any article grown, produced, extracted, or manufactured in Libya or any other country determined by the President to be engaged in terrorism from being imported into the United States.

(b) Notwithstanding any other provision of law, the President may prohibit any goods or technology, including technical data or other information subject to the jurisdiction of the United States or exported by any person subject to the jurisdiction of the United States, from being exported to Libya or any other country determined by the President to be engaged in terrorism.

(c) For purposes of this Act, the term "United States" includes territories and possessions of the United States.

(d) Any action taken pursuant to this section shall conform to the requirements of section 204 of the International Emergency Economic Powers Act (50 U.S.C. App. §17).

Mr. SPECTER. Mr. President, this amendment seeks to provide to the President of the United States the authority to stop all trade with Libya and, further, to terminate trade with any other country which is engaging in acts of terrorism.

The amendment provides that any action taken pursuant to this section shall conform to requirements of section 204, the International Emergency Economic Powers Act, which requires consultation and generally congressional interaction between the executive branch and Congress.

Mr. President, I submit that legislation of this sort is vitally necessary as a minimal approach to deal with the problems of international terrorism. The situation with Libya sank to an incredible low last year when the British policewoman was brutally murdered outside the Libyan Embassy in Great Britain. Under the guise of diplomatic immunity, the murderers were permitted to leave Great Britain.

Libya has carried on a course of international terrorism in a very flagrant and outrageous way. It is apparent, listening to the words of Muammar Qadhafi, the dictator of Libya. In a speech marking the seventh anniversary of his revolution, he spoke about the Beirut bombings that claimed the lives of over 260 U.S. Marines and bragged that:

The defeat the Americans suffered in Lebanon is not less than its defeat in Vietnam * * * the Marines, who can land and occupy any place in the world—they were dealt a powerful blow by the blowing up of the U.S. and French headquarters and were forced to leave.

Qadhafi went on:

If we are able—we the revolutionary forces, the Libyans, the steadfast Syrians, and Palestinian resistance—to overthrow the May 17 Agreement (the Lebanese-Israeli disengagement agreement) it would mean we have the power to overthrow the Camp David Agreement by the Liberation of Egypt.

Qadhafi is clearly bent on the destruction of Egyptian President Mubarak and President Nimeiri of Sudan. "They are the agents of America," he said in his speech.

The ones who enter Camp David and those who welcome Mubarak, who is head-to-toe sinking in treason. They entered the list of Sadat, the Camp of Shame, which must be liquidated either individually or in the form of a revolution against their regime.

It may come as a surprise to many Americans that between 1981 and 1984, the United States exported over 1½ billion dollars' worth of goods to Libya and imported more than 6 billion dollars' worth of goods from Libya. Trade with Libya actually increased in 1984 over 1983 levels. Exports for 1984 were up to $200 million from $190.9 million in 1983, and imports rose from less than $1 million—$.9 million—in 1983 to $10 million in 1984. So far, in 1985, U.S. exports to Libya total $41.9 million and U.S. imports from Libya are $1.5 million.

This subject came up when Secretary of State George Shultz appeared before the Foreign Operations Subcommittee on March 7, 1985.

This is a portion of his testimony:

Senator SPECTER. Mr. Secretary, on the subject of terrorism, this is a vast subject, and I am going only to touch one phase of it. You and I had a number of discussions about it in the past, but I would like to pursue one line.

Qadhafi has this week been reported or stated that he is prepared to carry out Lybia's policy of assassination worldwide. There is a real issue here about his conduct requiring some very, very forceful response in line with the conduct of so many of the terrorists calling for some forceful response, but that is a question really for another day.

You and I had occasion to discuss informally the issue of our trade with Lybia, and I have gotton the updated figures and confirmed them again this morning from the Department of Commerce about our trade with Lybia, and in 1983, we had $190.9 million in exports and $900,000 imports. In 1984, $200 million in exports; $10 million in imports. And in the context of the murder of an English policewoman last year and Lybia's continuing course, why do we continue to trade with them?

Secretary SHULTZ. From the government standpoint, we do everything we can to discourage and stop trade and discourage Americans from being there. We are not in a position to prohibit people from going there nor can we literally stop all trade.

Senator SPECTER. You do not have the authority under existing law to stop all trade?

Secretary SHULTZ. No.

Secretary SPECTER. Would you support legislation? I am prepared to introduce it promptly, giving you congressional authorization. It will have to be approved by the President——

Secretary SHULTZ [interposing]. As far as I am concerned, we are better off if we don't have any trade with Libya under the circumstances, as you described them, and I don't quarrel with them at all. I agree with you. I don't say that thinking that by cutting off our trade that puts some special crimp on their capacities because other countries do trade with them, and it is replaceable.

So the business of the sanctions will work in the sense of putting an economic squeeze on Libya, but I think that from our standpoint, we just shouldn't want to deal with them.

Senator SPECTER. I am glad to hear your view on that and your support for such legislation. As I say, I will introduce it promptly.

Secretary SHULTZ. I don't want to give a blanket endorsement to some legislation that my lawyers haven't read, but subject to that qualification, I will be delighted to look at it.

Senator SPECTER. I have heard an endorsement of a bill to stop U.S. trade with Lybia; do I hear correctly?

Secretary SHULTZ. Yes, sir.

Senator SPECTER. Wonderful. The second part of that subject, I can't understand why Great Britain deals with Lybia, and I don't expect you to answer that question, but I would hope that we would take leadership with other nations to boycott Lybia economically. I think we could make a real change in Qadhafi's policies if we at least went that far.

Would you be willing to undertake an initiative to encourage Great Britain and other Western democracies not to trade with Lybia?

Secretary SHULTZ. Well, we have tried, but we haven't succeeded because their economic stakes and numbers of people, and so forth, persuade them that they shouldn't do it.

Senator SPECTER. Like you say, on so many of the other lines, it is something we ought to keep trying.

Mr. President, when Secretary of State Shultz raises the point that action by the United States will not necessarily cut off Libya's access to materials which are exported there, it is undoubtedly true, but I believe that our Government should take the leadership and say to the world that an outlaw nation like Libya ought not to be traded with. If we take this position, then it would be a motivation for the British to do the same thing. Actually, in my judgment, the British

should have taken the lead on this kind of sanction, since it was their policewoman who was the victim and the coldblooded murder occurred in British territory. If we do not take the lead, then it will be business as usual with Libya and we will continue to do business with an international criminal.

In terms of purchases from Libya, there is absolutely no justification for our buying anything from Libya. When we talk about having action by the United States of America in authorizing retaliatory action; as came to light during the course of the past week, it may be necessary to undertake some action in the future which will have to be very carefully thought through. But an economic sanction is much less forceful in its terms, much easier to carry out successfully, much easier to formulate, and can be effectuated without the great risk of having any retaliatory forceful action.

Mr. President, it is my view that the United States and the world authorities ought to be doing a great deal more on the subject of terrorism than we are.

Pursuant to that, this Senator has submitted a sense-of-the-Senate resolution calling for a revision of the Vienna Convention with respect to diplomatic immunity. This Senator has also introduced legislation which would make it a violation of the laws of the United States for any diplomat to use a firearm. There is no justification for diplomatic immunity to extend to acts of violence, to murder, and assault with intent to kill, and to assaultive conduct with a firearm.

I believe further, Mr. President, as encompassed in my sense-of-the-Senate resolution, that the United States should take the leadership on the world scene to have terrorism classified as an international crime, so that terrorists could be prosecuted wherever they are found.

Under the normal principles of criminal procedure, someone accused can only be tried in the jurisdiction where the offense was committed, as a basic requirement of venue.

There was an exception to international law under the doctrine of piracy, where a pirate could be prosecuted wherever he was found. Some authority exists in terms of the offense of torture, for making and classifying torture an international offense. It is my sense that terrorism should be an international crime, so that terrorists could be prosecuted wherever they could be found.

Mr. President, I further believe, supported by legislation which this Senator has introduced, that the United States should enact legislation which would make it a crime for anyone to assault an officer, an agent, or an employee of the United States in the performance of official duties anywhere in the world.

We have authority to have that kind of extraterritorial jurisdiction.

There is the case of *Kerr* versus *Illinois*, which set a very important principle under a doctrine articulated by the Supreme Court of the United States, going back to 1886.

In the *Kerr* case, the State of Illinois routed out Kerr in Peru and brought him back to Illinois for trial. Kerr defended the case all the way up to the Supreme Court of the United States on the ground that he was abducted and brought back to Illinois for trial, without appropriate extradition. The Supreme Court of the United States said that the Kerr conviction was proper and that the court could have acquired jurisdiction even if it amounted to abduction.

The principles of *Kerr* have been repeatedly upheld in courts of the United States, including a learned opinion by Justice Hugo Black in a Supreme Court decision in 1950. Few Justices in the history of our Supreme Court have been more noted for their concern about civil liberties than Justice Black.

The principles of *Kerr* have been affirmed by courts of appeals within the past few years. So that there is precedence for taking terrorists into custody through the process of arrest worldwide, should we choose to take that action.

Mr. President, I have discussed some of those aspects of what we might do to deal with international terrorism which would be much more drastic than simply a provision to cut off trade with Libya or with other countries that are engaged in terroristic activities. In formulating this legislation, I had considered enumerating a number of countries, such as Iran, or Syria, or other countries which support terrorism, and I decided not to do so because it might interfere with negotiations which are currently under way in the Mideast. But I did think it appropriate, while directing this legislation principally against Libya, to include a provision that the President of the United States might prohibit imports or exports from other countries where there is a determination made by the President that those countries are engaged in terrorism, as it is obvious that Libya is so engaged in acts of terrorism.

Mr. MATHIAS. Mr. President, will the Senator yield for a question on that point?

Mr. SPECTER. I yield.

Mr. MATHIAS. Mr. President, I want to salute the Senator for his vigorous opposition to terrorism. As he has told the Senate, he has been consistent, and persistent, and totally dedicated in his opposition. I agree with the thrust of what the Senator proposes to do in the amendment before the Senate.

One of the problems, however, with terrorism—in fact, one of the most pernicious evils of terrorism—is that it forces innocent people to live in an armed camp, to surround ourselves with all kinds of weapons that we would not normally choose to employ, and that includes legal weapons.

My question to the Senator is this: Would it not be desirable, on line 5 of his amendment, to substitute the words "the President" for the words "the joint resolution"?

In other words, it would make that determination of the addition of other countries a matter in which Congress participates in the decision. This would make Congress and the President coordinate partners, as I believe the Constitution intended them to be, in important decisions of foreign policy. It would give an extra thrust to any determination that another country was to be added to the list. It would give Congress an opportunity to speak, and to speak for the American people, and I believe it would add something to the Senator's original proposal.

Mr. SPECTER. I thank the distinguished Senator from Maryland for his question.

I am not committed to the precise language or every comma in what I have sent to the desk, but I have concerns with what the Senator from Maryland has suggested, in terms of the practicality of getting that kind of congressional input. It would require a joint resolution by Congress identifying some nation as a nation which is engaged in acts of terrorism.

It seems to me that the requirements of section 204, the Emergency Economic Powers Act, to which I referred earlier, do contain some significant limitation on the President.

I call the Senator's attention to the specific language, which provides that "the President, in every possible instance, shall consult with the Congress before exercising any authorities granted by this chapter, and shall consult regularly with the Congress so long as such authorities are exercised."

Section (b) provides:

> Whenever the President exercises any of the authorities granted by this chapter, he shall immediately transmit to the congress a report specifying—
>
> (1) the circumstances which necessitate such exercise of authority;
>
> (2) why the President believes those circumstances constitute and unusual and extraordinary threat, which has its source in whole or substantial part outside the United States, to the national security, foreign policy, or economy of the United States;
>
> (3) the authorities to be exercised and the actions to be taken in the exercise of those authorities to deal with those circumstances;

(4) why the President believes such actions are necessary to deal with those circumstances; and

(5) any foreign countries with respect to which such actions are to be taken and why such actions are to be taken with respect to those countries.

Then there is section (c), which I shall not read, relating to periodic followup reports, and (d), supplemental requirements.

So Congress has powers analogous to those of the executive branch, and we do have these requirements of executive responsibility.

I am just concerned that if we have to come back to Congress for this type of determination, we will not act. It is very surprising to me that the President does not have the authority today. When I first discussed this matter informally with the Secretary of State, he was surprised that we trade with Libya. When I talked with my colleagues there was surprise.

Mr. MATHIAS. Mr. President, will the Senator yield for a question?

Mr. SPECTER. I yield.

Mr. MATHIAS. The Senator has made his purpose in citing the provisions of section 204 very clear, and I have a copy of that statute before me.

The Senator is a distinguished Philadelphia lawyer, and I hesitate to even pose a legal question to a Philadelphia lawyer. But would it not take more than a mere reference to section 204 of the International Emergency Economic Powers Act to accomplish what the Senator wants to do? Would it not be necessary to provide that in exercising the authorities granted by this section, the President shall adhere to the consultation and reporting requirements contained in section 204 of the International Emergency Economic Powers Act?

It seems to me that it is necessary to do a little more than simply reference that provision of law.

However, I still revert to my earlier suggestion that the Senator reconsider, to provide that you could add a new country—I am not talking about Libya now. Once we have acted on this, the President's power would be whole and complete to deal with Libya.

But to say that a President could simply look at a map, pick out a new country without any reference to any other provision of law is, it seems to me, aggrandizing power of the Presidency in a fashion that is unnecessary for the problem.

What you might do is to include it within the emergency powers concept so that the President declares an emergency as he did in the case of Nicaragua and then exercise emergency powers or you can set it up in that framework in which there is some ultimate review by Congress.

But if you simply grant this power to the President without my review by Congress, without any kind of guideline under which he may exercise this authority, we are in fact doing exactly what terrorists would like us to do, disrupting our own system of government and our own sense of values in order to cope with the kind of problems that they are presenting.

So I urge those two suggestions upon the Senator and hope that he might accept them as amendments to his amendment.

Mr. SPECTER. As to the first suggestion, the language currently reads that "any action taken pursuant to this section shall confrom to the requirements of section 204 of the International Emergency Economic Powers Act."

But I would be willing to adopt the language suggested by the Senator from Maryland. Would he repeat the language?

Mr. MATHIAS. "In exercising the authority granted by this section, the President shall adhere to the consultation and reporting requirements contained in section 204 of the International Emergency Economic Powers Act."

Mr. SPECTER. I would be willing to accept that modification.

Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. SPECTER. How may that be accomplished most directly?

Mr. MATHIAS. By sending it to the desk.

The PRESIDING OFFICER. The Senator may, of course, modify the amendment and I assume the Senator from Maryland will send the modification to the desk.

Mr. SPECTER. Mr. President, I ask that my amendment be modified in accordance with the language submitted by the Senator from Maryland.

The PRESIDING OFFICER. The Chair so authorizes the modification.

Mr. SPECTER. It is so modified, Mr. President?

The PRESIDING OFFICER. Yes.

Mr. SPECTER. I thank the Presiding Officer.

The modified amendment is as follows:

On p. 64 at the end of the bill, add the following new section:

SEC. (a) Notwithstanding any other provision of law, the President may prohibit any article grown, produced, extracted, or manufactured in Libya or any other country determined by the President to be engaged in terrorism from being imported into the United States.

(b) Notwithstanding any other provision of law, the President may prohibit any goods or technology, including technical data or other information, subject to the jurisdiction of the United States or exported by any person subject to the jurisdiction of the United States, from being exported to Libya or any other country determined by the President to be engaged in terrorism.

(c) For purposes of this Act, the term "United States" includes territories and possessions of the United States.

(d) Any action taken pursuant to this section shall conform to the requirements of Section 204 of the International Emergency Economic Powers Act (50 U.S.C. App. § 1703).

(e) In exercising the authorities granted by this section, the President shall adhere to the consultation and reporting requirements contained in Section 204 of the International Emergency Economic Powers Act (50 U.S.C. App. 17).

Mr. SPECTER. Mr. President, with respect to the second suggestion, the President could make a determination with respect to Libya or other countries under existing law by declaring a national emergency as the President did recently with respect to Nicaragua.

Mr. MATHIAS. And the importance there would be having declared a national emergency it becomes subject to the review of the Emergency Powers Act and Congress in the fullness of time has an opportunity to look at it, to debate it, and perhaps to support it or to modify it or if Congress is in violent disagreement, to change it. I cannot imagine that would be the case in reference to a terrorist activity. But, nonetheless, there is at least a kind of review that will be important in the larger scheme of things in keeping the Government of the United States in some sort of equilibrium in which we do not allow any one branch to gain disproportionate power over the other.

Mr. SPECTER. While the discussion is continuing, I will take a look at this language and will consider the point which Senator MATHIAS has made.

Mr. MATHIAS. I thank the Senator.

Mr. SPECTER. I indeed will consider it.

Mr. President, at this stage, I yield the floor. Perhaps there is other debate.

But I do ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

Mr. PELL. Mr. President, I wish to ask the Senator from Pennsylvania one question, which is whether his definition of "terrorism" is the definition found currently in law in the Foreign Intelligence Surveillance Act of 1978.

(c) "International terrorism" means activities that—

(1) involve violent acts or acts dangerous to human life that are a violation of the criminal laws of the United States or of any State, or that would be a criminal violation if committed within the jurisdiction of the United States or any State;

(2) appear to be intended—

(A) to intimidate or coerce a civilian population;

(B) to influence the policy of a government by intimidation or coercion; or

(C) to affect the conduct of a government by assassination or kidnapping; and

(3) occur totally outside the United States, or transcend national boundaries in terms of the means by which they are accomplished, the persons they appear intended

to coerce or intimidate, or the locale in which their perpetrators operate or seek asylum.

My understanding is that this is the standard definition of "terrorism." Does that accord with the views of the Senator from Pennsylvania?

Mr. SPECTER. I believe that the distinguished Senator from Rhode Island has read the language under existing law as to the definition of "terrorism."

Mr. PELL. The Senator is correct.

Mr. SPECTER. Will the Senator cite the source for me?

Mr. PELL. The Foreign Intelligence Surveillance Act of 1978 (50 U.S.C. section 1801(c)).

Mr. SPECTER. The answer to the Senator's question is yes.

Mr. PELL. I thank the Senator very much.

Mr. LUGAR. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. SPECTER. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. SPECTER. Mr. President, after conferring with the distinguished chairman of the Foreign Relations Committee, Senator LUGAR, and the distinguished ranking member of the committee, Senator PELL, I am prepared to accept a modification to the amendment which will strike the words "the President" and insert in place thereof "joint resolution", so that the provision would now have the effect of prohibiting trade absolutely, giving the President the authority to prohibit trade absolutely as to Libya and any other country so designated by joint resolution.

The PRESIDING OFFICER. The Chair would advise the Senator of two things. One is it would require unanimous consent and the second would be to send the proposed modification to the desk.

Mr. SPECTER. Mr. President, I do at this time send the proposed modification to the desk and ask unanimous consent that the proposed modification be permitted.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and it is so ordered.

The amendment (No. 126) as further modified is as follows:

On p. 64 at the end of the bill, add the following new section:

SEC. (a) Notwithstanding any other provision of law, the President may prohibit any article grown, produced, extracted, or manufactured in Libya or any other country determined by joint resolution to be engaged in terrorism from being imported into the United States.

(b) Notwithstanding any other provision of law, the President may prohibit any goods or technology, including technical data or other information, subject to the jurisdiction of the United States or exported by any person subject to the jurisdiction of the United States, from being exported to Libya or any other country determined by joint resolution to be engaged in terrorism.

(c) For purposes of this Act, the term "United States" includes territories and possessions of the United States.

(d) Any action taken pursuant to this section shall conform to the requirements of section 204 of the International Emergency Economic Powers Act (50 U.S.C. App. 1703).

(e) In exercising the authorities granted by this section, the President shall adhere to the consultation and reporting requirements contained in Section 204 of the International Emergency Economic Powers Act (50 U.S.C. App. 17).

Mr. SPECTER. Mr. President, in providing for this modification, there will be a significant advance in the present law in that this amendment does achieve the principal objective of this Senator, and that is that the President shall have the authority to stop all trade with Libya. So that is what was in mind at this time.

As stated earlier in the discussion, this Senator had decided not to enumerate other countries at this time for reasons which I mentioned. We will have an opportunity at a later time to revisit this issue in terms of perhaps at a later date proceeding with the amendment in its original text and some of the after-the-fact consideration in considering the provisions of the use of powers under the declaration of a national emergency. There is a problem of the Chadha decision as to how we would handle that. That is a complicated factor which seems to me to warrant proceeding with this matter by a joint resolution. We will be achieving the desired objective as to Libya. Other nations can be added by joint resolution, and we can consider perhaps another modification in the law at a later date.

So with that modification, it is my understanding that the amendment, as modified, is agreeable. If that is so, then I ask unanimous consent that the yeas and nays be vitiated.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and it is so ordered.

Mr. LUGAR. Mr. President, I would like to ask the distinguished Senator from Pennsylvania whether the term "joint resolution" replacing "the President" occurs in both line 5 and line 11 of the amendment?

Mr. SPECTER. It does.

Mr. LUGAR. I thank the Senator.

Mr. SPECTER. The document just sent to the desk has that modification in both places.

Mr. LUGAR. Mr. President, I appreciate very much the constructive work of the Senator from Pennsylvania and other Senators on this amendment. It is an important amendment. It will strengthen our legislation. We are prepared to accept it. I personally support it.

Mr. PELL. Mr. President, I join the chairman in supporting this legislation. It serves a useful purpose. I commend the Senator from Pennsylvania on it.

Mr. SPECTER. Mr. President, I move the adoption of the amendment.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Pennsylvania [Mr. SPECTER].

The amendment (No. 126), as modified, was agreed to.

Mr. LUGAR. Mr. President, I move to reconsider the vote by which the amendment was agreed to.

Mr. PELL. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

(Later the following occurred:)

Mr. LUGAR. Mr. President, earlier this afternoon, the distinguished Senator from Pennsylvania [Mr. SPECTER] offered an amendment (No. 126) on terrorism, which was subsequently modified. I have the corrected text of that amendment before me, and I ask unanimous consent that this corrected text be submitted for the amendment.

The PRESIDING OFFICER. Without objection, it is so ordered.

On p. 64 at the end of the bill, add the following new section:

SEC. (a) Notwithstanding any other provision of law, the President may prohibit any article grown, produced, extracted, or manufactured in Libya, or in any other country determined by joint resolution of Congress to be engaged in terrorism, from being imported into the United States.

(b) Notwithstanding any other provision of law, the President may prohibit any goods or technology, including technical data or other information, subject to the jurisdiction of the United States or exported by any person subject to the jurisdiction of the United States, from the being exported to Libya, or to any other country determined by a joint resolution of Congress to be engaged in terrorism.

(c) For purposes of this Act, the term "United States" includes territories and possessions of the United States.

(d) In exercising the authorities granted by this section, the President shall adhere to the consultation and reporting requirements contained in section 204 of the International Emergency Economic Powers Act (50 U.S.C. App. § 1703).

(Conclusion of later proceedings.)

Mr. DOLE. Mr. President, I want to indicate for many of my colleagues who have asked me about this evening that I understand the manager is making excellent progress on the bill, and we do hope to finish it. But again I do not know how quickly that will come. Hopefully those who have amendments will notify the managers on each side that they have amendments, and that those who will offer amendments will do so rather quickly.

There are a number of Members who have commitments that begin as early as 6:30. It is my hope that we can

complete action by 6:30. If we complete action on this bill tonight, that will be all we will do this evening. We will not bring up the DOD authorization bill. In fact, they are still in markup I understand. We do have the recordkeeping conference report. But I understand there will not be a rollcall on that.

Mr. HART. Mr. President, will the distinguished majority leader yield for a question?

Mr. DOLE. I am happy to yield for a question.

Mr. HART. What would be the leader's intention if we do not finish by 6:30 this evening?

Mr. DOLE. To have a little, 1-hour intermission and come back after that. It is up to the managers. I assume the managers would like to complete this. I am getting a firm response from both sides.

Mr. HART. I thank the distinguished majority leader.

Mr. DOLE. I thank the distinguished Senator.

I thank the Chair.

AMENDMENT NO 127

Mr. MURKOWSKI. Mr. President, I send an amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report.

The bill clerk read as follows:

The Senator from Alaska [Mr. MURKOWSKI] proposes an amendment numbered 127.

Mr. MURKOWSKI. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

On page 6, beginning on line 5 with "Notwithstanding" strike out all through the end of line 7.

On page 2, line 12, strike out "$5,464,500,000" and insert in lieu thereof $5,269,300,000".

On page 14, line 18, strike out "$805,100,000" and insert in lieu thereof $1,000,300,000".

Mr. MURKOWSKI. Mr. President, I wish to place before the Senate an amendment on the FMS Program which further refines the excellent bill that Senator LUGAR has placed before the Senate. This proposed amendment eliminates the legal fiction known as the Foreign Military Sales Concessionary Loan Program and proposes to replace it with a combination of market rate loans and MAP grants.

While there would be no gain or loss in the amount of military assistance, through this amendment, presuming the Senate increases the MAP level accordingly, we would, by adopting this amendment, simplify and rationalize our military assistance program and be honest with ourselves and our allies and our friends.

Mr. President, I would ask that we consider for just a moment the reality of what this concessionary loan currently provides to the recipients. It provides a preferential loan rate of 5 percent. I ask you, Mr. President, where in this country can Americans get a loan of any kind for a rate of 5 percent?

The proposal is that this program be abolished and that only the standard loan rate be available to FMS recipient countries.

I would like to add for my colleagues' consideration that the normal FMS rate structure offered is roughly 12 percent, or the rate at which the Federal Government is able to borrow. Mr. President, that is the most preferred rate available.

Let me again reiterate very briefly the significance of concessionary rate loans to certain of our friends and allies at a rate of 5 percent—when the regular program is made available to another group of countries at the very best rate which our Nation is able to borrow, approximately 12 percent. I think my colleagues will agree that the latter in itself certainly is a favorable rate structure and much lower than any at which American citizens or the American business community can borrow.

That is not the point, Mr. President. The point is simply that we are not recognizing the grant feature in the concessional loan program. Obviously, there is a consideration of grant between the general program which is at 12 percent, and the preferred concessionary program which is at 5 percent. What we do not recognize is that the difference in rates is a grant and it should be recognized as a grant.

The administration originally proposed a total of $650 million in concessionary loans, that is, a 5-percent rate on the borrowings over 12 years for 15 countries in the fiscal year 1986 fiscal year proposal. This represents approximately 25 percent of all FMS loans for countries other than Egypt and Israel which are quite correctly treated differently and left out of my concessionary loan discussion.

Because of the reduced interest rates, the U.S. Treasury, that is, our tax dollars, Mr. President, must pay the difference in the receipt of interest of 5 percent and the market rate currently at 12 percent. This represents the grant, or the subsidy, or whatever you want to call it, element of this program. To suggest that is anything but a grant is inappropriate in the view of the Senator from Alaska. What this simply means is that we are increasing our budget deficit through yet another diplomatic device that over the course of the loan will mean that the nation, involved will pay back 30 percent less than if it were paying at the rate of 12 percent. That is, over the 12-year term that countries would, for the $650 million proposed, pay us back a total of $874 million at a rate of 5-percent interest and some $1.24 billion if the rate was 12 percent. The difference in payback is approximately 30 percent.

I would like to make this very clear to my colleagues, and emphasize to the chairman, and to the distinguished ranking member of the Foreign Relations Committee, that, as I noted at the beginning of the debate, I do not propose to decrease aid levels for any country or for the overall program. The aid levels as recommended by the administration and modified by the Foreign Relations Committee should remain. However, what I do propose is that since the concessionary loan program contains a grant element of 30 percent—this is the amount of money the Treasury has to make up in any case—then let us call it a grant and be done with it. That is, let us take the amount of money involved in a typical program of concessionary loans and give the country 70 percent of the money at the current market rate, 12 percent, which is the best rate the Federal Government can borrow at, with a 5-year grace period and 7-year repayment as usual. But the remaining 30 percent I am suggesting not be retained as a loan but rather should be given on a country-by-country basis under the MAP Program as a grant under the discretion of the State Department. This is a true grant program and it is appropriate since that is what it is. But now we do not call it a grant. We call it something else. We call it preferred interest of concessionary rate.

I suggest that by granting this differentiation between 5 and 12 percent we are honestly recognizing our responsibility in the legislative process.

Mr. President, I note again that the net effect in terms of payback under my proprosal and the current program would be the same. But we would again institute the truth in lending into our FMS Program, have a more streamlined, honest, and rational military assistance loan program, and be able to recognize and utilize grants when appropriate.

Mr. President, in a time of budgetary austerity it is essential that we in the Congress be honest and frank with the American people as well as our friends and allies. This proposal achieves that objective while also opening the way for the future use of this means when necessary to achieve our foreign policy objectives of furthering the security of our friends and allies.

I trust my colleagues will see it in that light also and vote into law the abolition of this misguided program as well as the appropriate increase in the amount of MAP.

Mr. President, as regards the countries that are affected here—it is not the intent of the Senator from Alaska

to eliminate anything that is recommended to these countries. I would simply recognize the differentiation between 5 and 12 percent and make that a grant at the discretion of the State Department.

Mr. President, we must recognize that Americans are sacrificing to meet the obligation to try and reduce the rate of growth of our deficit, a deficit which in this fiscal year is going to approach $180 to $220 billion. And we must realize, Mr. President, that probably next year the interest on our total debt of $1.8 trillion will be in excess of next year's anticipated deficit.

Most Americans are aware that 18 cents out of every dollar spent by the Federal Government goes for interest on the accumulated debt of $1.8 trillion. My point simply is, Mr. President, to recognize that it is time to examine all our subsidized loan programs and to suggest that we should not be granting loans at 5 percent under our FMS programs. I think this is an unintentionally deceptive effort in not being totally honest with the taxpayers of this country. The taxpayers of this country are not able to borrow at 5 percent. Yet I totally agree that we should be making grants to countries that are deserving of those grants and if it is in our own national interest. My amendment will allow us to achieve those objectives.

Mr. President, this proposed amendment also gives us the opportunity to be open and forthright, and to make grants to appropriate countries that are acting reciprocally to further our mutual best interests. It also puts the responsibility on determining which countries should get grants where it should be, with the Secretary of State.

Mr. President, there are 16 countries involved in this program, including Greece. The total amount is now some $1.150 billion. But the essential facts are that at a 5-percent rate over 12 years the recipient country pays back 30 percent less than under a 12-year market rate, the repayment over the first 5 years would be slightly higher under the 12-year loan for 70 percent of the assistance figure, which would be to an short-term benefit. But the reality is that we would be offering these countries the same amount of aid and each country would be receiving the same recommended amount. The only difference would be that the 30-percent portion would be recognized as a grant. I think that is a responsible judgment as to just what our responsibility is, as opposed to a concessionary loan program which is unjustified, as well as pretty hard for the American taxpayer to support let alone understand. There is an old cliche, Mr. President, that charity begins at home. I do not think it is necessarily applicable in all instances. But when we consider the realities of being anything less than forthright in the manner in which we make military assistance grants and when we attempt to hide the grants under a concessionary loan differential, the difference between 5 and 12 percent, these actions I think, Mr. President, bear the scrutiny of this body. This was the purpose of the amendment. I urge my colleagues to examine it closely and judge its merits. I would be happy to respond to any questions.

Mr. LUGAR. Mr. President, the Senator from Alaska has brought to our attention another problem of loans and grants at concessionary rates, and these subjects are complex. I congratulate the Senator on attempting to frame the issue in ways that we might understand. I shall try to refine the process a little further to indicate what I believe is the basic dilemma we face in the financing of foreign military sales. I know the sincerity of the Senator from Alaska and his desire to pursue this amendment. I would hope that he would not press this amendment to a vote again, but if he does, I would have to oppose it because, once again, we are faced with a very substantial change in the way we conduct our financing of foreign military sales.

As the Senator has pointed out, there are more countries involved than there are in the last amendment the Senator proposed. And there are substantial problems in terms of our relationships with all of these countries and their expectations about funding levels in the future.

Leaving aside what I believe to be the abruptness of change that approval of this amendment would create, I appreciate there could be an honest contention that it is better to go with 70 percent of the concessional rate loans at 12 percent and 30 percent for zero, that is, at grant levels, as opposed to having a 5-percent loan rate. There clearly is a differential between 5-percent and 12-percent interest rates. The Senator has made the point that currently this may be hidden in the concessional rate loans. The same point could be made with regard to rural electrification loans offered for many years at 5 percent. Many persons would point out that this has been a grant to a very substantial number of people in the country, one that Congress decided to do and apparently the Congress will persist in doing. That is the judgment that we are trying to make presently: Is it in the best interests of the United States to make loans at 5 percent, at 12 percent or at zero percent or at some combination of these amounts or at some point in between.

The system is hardly perfect, but each of the countries recommended for concessional rate loans has come about because there was a desire on our part in the United States to make certain that our ally or friend, was well equipped and prepared to help us.

This is not simply a business transaction. This is a situation of improving our alliances, and our national security. It is also a question of what these countries feel they can afford, what we feel we can afford, and some evaluation of the costs involved.

To the extent we need to be more candid about the low interest rates, I would ask Senators to allow the Foreign Relations Committee and the administration some more time and latitude in thinking through the ability of various countries to bear more of the cost and, likewise, the advisability of sorting out the effects of various interest rates. The Senator from Alaska may be correct that we would be better off to lend the money at market terms, perhaps better off as he suggested in the last amendment to do it in a shorter period of time, but none of these propositions are obvious, to say the least. Each has considerable risk in terms of the country relationships involved. I respect the Senator's diligence in pursuing this. He has brought a very valid point to our attention, but I must oppose the amendment and ask Senators to assist me in that opposition.

Mr. MURKOWSKI. I wonder if my friend, the senior Senator from Indiana, will yield for a question?

Mr. LUGAR. Of course.

Mr. MURKOWSKI. One of the points that was made, of course, was that a domestic subsidy program such as REA was designed for the rural electrification of America. There was a good deal of debate in the Budget Committee and on the floor about the eventual disposition of REA in America. Those of us out West are still in the process of transition, not necessarily from the whale oil lamp in Alaska, but many areas are very dependent on REA. And yet there was a great deal of scrutiny given the program and whether or not it should be phased out. I think there is a proposal pending in the House with regard to an 8-year phaseout.

We recognize, Mr. Chairman, when we consider an REA loan or any other domestic loan program, that we have an obligation from the point of return to our citizens. Now, there is a return here in the FMS programs to our national security and our national interests. I do not dispute that. I think it has been very eloquently stated in the Senator's rebuttal. But in reality, how can we possibly curb the movement of countries toward these more generous programs?

I am told that there are 16 countries now that have met the requirements, whatever they might be, of concessional interest rates, which means 5 percent—that is 7 percent less than the best rate at which our country can

borrow. Yet there are some 12 countries that are not on concession rates. Each year, I think it fair to generalize, there is more and more pressure by countries to switch over to the subsidized rate.

How can we stop this effort and still be responsible without addressing the question? Because I think the Senator as well as I has asked the administration, "How do you come to this conclusion?" It is kind of fuzzy. So I would ask the Senator, how can we get a curb on this?

Mr. LUGAR. I am not certain, Mr. President, in response to the distinguished Senator's question, that we want to get a curb on interest rate loans. I think the Secretary of State ought to have the widest degree of latitude in making determinations on interest-bearing loans. Not to express the rural electrification analogy again, because it is an imperfect one, the return to our citizens of that lighting is substantial; that is why we have persisted in a subsidized loan. I should add that the return to the American people of foreign loan assistance in terms of foreign policy and national security is a very substantial one, also.

As I have pointed out previously, this is not a charitable exercise we are engaged in. We are attempting to make certain that our allies are prepared to help us at the frontlines of conflict, so we want to make sure the programs work. The Secretary of State ought to have the latitude to try to make sure that they do work.

I grant the point is valid that if the interest rate is less than 12 percent at the market rate, or just higher than zero, people may be misled as to what is being offered and how much it is costing. But I am not certain that that misleading aspect is substantial in terms of anyone appreciating the actual cost. It seems to me that one could calculate, as the Senator has, that 70 percent of all concessional rate loans at 12 percent or 30 percent of these loans at zero percent as opposed to all of it at 5 percent come to something that appears to be truth in lending, as the Senator has said.

I hope that the Senator would not press the issue beyond this point simply because I am not sure the 70-30 formula is any more perfect, although it is an attempt, as the Senator has said, to simplify the process.

I think it is a complex process. I think flexibility is desirable in the furtherance of our needs; therefore, I am not certain that the formula the Senator sees as necessary I see at all.

Mr. MURKOWSKI. Mr. President, the Senator indicated when we were discussing the extended payment, his acknowledgement that some type of study should be undertaken. This has come up previously at various discussions in the committee. The Senator indicated, I think, a general concern over the wide discrepancy, whether it be 70-0, 70-30, or whatever. Does the Senator not feel we should adopt some realistic guidelines somewhere along the way so we can all understand just how accounting generally fits into one category or another? Or should we not perhaps put a little more emphasis on sitting down and deciding who gets a grant vis-a-vis who can best be supported for concessionary or a subsidized rate?

Mr. LUGAR. The Senator's question is a good one. I would feel more comfortable, as would the Senator from Alaska, if we did have better criteria and if we had an opportunity to discuss with the administration to see if such criteria could be found.

I must confess that this is difficult to work out on the floor this afternoon. I would be hopeful that the Senator would be willing to take some leadership and would be willing to participate in dialog with the administration—in hearings, if necessary—to explore if it is possible to have guidelines that are simpler and more equitable.

Mr. MURKOWSKI. Mr. President, this was the next question for my colleague, the distinguished chairman of the Committee on Foreign Relations, the senior Senator from Indiana: Would he entertain, during a reasonable timeframe based on his other priorities, the idea of holding hearings specifically on the formulas applicable to our Foreign Assistance Program?

Also, there is another program which I have not addressed here. It is the guaranteed reserve fund. Though it is inappropriate that I go into it now, I think my colleague would agree that that also is a program that has had a history of defaults. There is no reserve account adequately set up based on past performance.

As a consequence, of our deliberations on the GRF, we, in the committee, had the opportunity for the first time to hear from Office of Management and Budget Director David Stockman that we do not even bother with reserve account funds. What we do is just go to the Treasury for our shortfall.

The fiscally responsible attitude toward that issue is that it has no rationale, because that is just like going to the bank and saying, "Give me what I need" at any given time. We have seen fit within the committee to request an appropriation for GRF for whatever that shortfall may be. But I think if the Senator and I were to examine it, we would find that it would be totally inadequate based on the experience of defaults within the loan program.

Mr. President, to get back to the other issue, FMS financing, I would accept the offer of my colleague to hold some hearings on the formula process so that not only can Members better understand it, but became I think it is time for the administration to have an opportunity to have some legitimate input on how this determination is made.

I think it would also ease the pain of those who are responsible for representing their governments in this country to be able to understand the system. I am told, and I think both Senator LUGAR and Senator PELL would agree to a certain extent, that often these representatives see one country getting favorable attention and they feel it is their job and obligation to see that their country should get the same favorable treatment. So maybe as a consequence of trying to avoid this problem, we can establish some general policies that will enable us all to better understand the FMS programs.

I think the concessional loan system we use now is really only a device. While I believe my amendment would eliminate this device and achieve the same end with a more honest approach, I do not disagree with my chairman that it is difficult to expect our colleagues to follow the complexities of this now. As a consequence, I am not going to ask for the yeas and nays on my amendment.

I do appreciate the opportunity to have had the time allotted to me to enlighten our colleagues as well as the RECORD on the inconsistencies in this program.

I thank the chairman and the chair for this time.

I yield back to the chairman.

Mr. LUGAR. Mr. President, let me ask the Senator if he is prepared to withdraw the amendment. I pledge to the Senator that the Foreign Relations Committee will have a hearing or hearings on the subjects, and I shall ask the guidance of the Senator from Alaska on the topics that ought to be covered so that the hearings help produce a better policy.

Mr. MURKOWSKI. I thank the chairman, the distinguished senior Senator from Indiana. I do withdraw my amendment and look forward to participating with the other Members in the discussion and the examination of these matters. Again, I thank him for allowing me the opportunity to bring them to light.

The PRESIDING OFFICER. The Senator has the right to withdraw his amendment.

The amendment (No. 127) was withdrawn.

THAI-CAMBODIAN BORDER PROBLEMS

Mr. GLENN. Mr. President, I have two amendments. I believe the language of these amendments has been resolved so that we will not have to have a rollcall vote on them. Before we address them, however, I would like to briefly discuss another issue for a couple of minutes.

I apologize to the distinguished chairman of the Committee on Foreign Relations for not bringing this particular item up in advance, but I want to make a statement on a matter of great interest. I am concerned with what is going on along the Thai-Cambodian border. While this problem comes under the immigration function of the Committee on the Judiciary, I think it can also be mentioned here and now because we have foreign relations matters on the floor.

A while ago, Secretary of State Cyrus Vance made a commitment to the Thai Government, as I understand it, that difficulties with refugees along the Thai-Cambodian border would be addressed jointly by Thailand and the United States. To date, we have done that. We have had resettlement of these unfortunate people. I believe we have resettled a total of between 300,000 and 400,000 refugees from Southeast Asia in this country.

We have lived up to that commitment with the Thais and have worked to resettle these people and tried to get families that were split up reunified. We have done very well on this issue.

We thought this whole issue would be settled by now, but something unforseen has happened. With the Vietnamese incursions into Cambodia, there recently have been some 250,000 to 300,000 Khmer people forced out of their homes across the border into Thailand.

The reason I bring this up now is this: Our plan now, as I understand it, is to close our screening process in Thailand by the end of May. The original plan was to end by late June. We did not foresee the complexities of this new wave of people, and I am not suggesting that we wait until all of the new refugees are taken care of. But, there is still a nucleus of original refugees that we have been working with who have family reunification problems. And, because of this recent wave of people across the border, the original group is not able to get satisfactory screening and rescreening which has been necessary for many of them.

I have a number of Khmer people as constituents in Ohio who have relatives in Thailand that are waiting for resettlement. Because of this interest, my daughter, Lyn Freedman, recently spent a month in Thailand and the Far East. She talked to many of those relatives, and she went to the border camps to visit with the new refugees. I know secondhand from her about the refugee situation there.

The reason I bring this matter up, is that while we are taking up foreign policy matters, I hope the administration can be convinced that we should keep our State Department and INS screening teams in Thailand long enough to get the original refugee groups screened and rescreened, so every effort is made to be certain that families are reunified where it is justified. Let me make it very clear, I do not want any Khmer Rouge to be processed, but I am concerned that many Khmer have been wrongly branded as Khmer Rouge.

The original commitment Cy Vance made was a commitment by the United States of America. I think we have carried it out fairly well through the years. It has not gone perfectly, but I would hate to see us end this screening process at a time when we have an opportunity to bring it to a more satisfactory conclusion.

I know that we cannot keep our State Department and INS people out there forever, and I know that we have resource demands in other parts of the world. But I say to the chairman of the Foreign Relations Committee, Senator LUGAR, who is the floor manager of this bill, that I hope that whatever representations need to be made to the Immigration and Naturalization Service are made, so that our people will be kept in Thailand until the processing is brought to a satisfactory conclusion.

Senator SIMPSON has worked on this issue in the Judiciary Committee, as has Senator KENNEDY. They have worked very hard on it, and I appreciate their efforts.

I would be remiss, however, knowing the situation out there perhaps a little better than most Senators, in not bringing this matter up when we are considering foreign relations issues.

I think we have a commitment to that part of the world, and we have fulfilled it up to now. But let us not end it prematurely. I urge the Immigration and Naturalization Service and the State Department to keep those teams there longer, so we can get the screening completed.

I thank the distinguished floor manager for bearing with me, and for allowing me to bring this matter to his attention and to the attention of all those who read the RECORD, as well as the Immigration and Naturalization Service, to whom I will talk tomorrow.

I hope this screening service is not terminated preemptorily at the end of May, no matter what the situation is, just because we said a year ago that it was going to end. The situation has changed, and I think the termination date deserves to be extended.

AMENDMENT NO. 128

(Purpose: To express the sense of the Congress that the policy of separate development and the forced relocation of South African blacks to designated "homelands" is inconsistent with fundamental American values and internationally recognized principles of human rights and should be discontinued)

Mr. GLENN. Mr. President, I send an amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The amendment will be stated.

The assistant legislative clerk read as follows:

The Senator from Ohio [Mr. GLENN], for himself and Mrs. KASSEBAUM, proposes an amendment numbered 128.

Mr. GLENN. Mr. President, I ask unanimous consent that reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

On page 64, between lines 16 and 17, insert the following:

POLICY TOWARD SOUTH AFRICAN "HOMELANDS"

SEC. 914. (a) The Congress finds that—

(1) the sanctity of the family, individual liberty, maximum freedom of choice, ownership of private property, and equal treatment of all citizens, regardless of race, are principles which are fully supported by the American people;

(2) the forced relocation of blacks by the Government of the Republic of South Africa to designated "homelands" divides families, as families are required to remain in the "homelands" while fathers seek work in the so-called "white areas";

(3) the forced removal of persons living in so-called "black spots" in "white" rural areas in South Africa denies them the fundamental right to live and to farm on land they have legally occupied for years, and subjects them to arbitrary arrest and detention when they seek these rights;

(4) compared to "white" South Africa, the designated "homelands," which are meant to accommodate the largest South African population group on a fraction of South African territory and were established without the consent of the vast majority of the governed, are characterized by high rates of infant mortality, unemployment, and malnutrition and by a severe shortage of medical services;

(5) the policy of the Government of the Republic of South Africa denies blacks their rightful claim to full South African citizenship; and

(6) the recent violence in South Africa must be seen as an inevitable result of the denial of the full rights of citizenship.

(b) It is the sense of the Congress that—

(1) the policy of separate development and the forced relocation of the people of the Government of the Republic of South Africa are inconsistent with fundamental American values and internationally recognized principles of human rights;

(2) the Government of the United States should continue to regard as citizens of South Africa all persons born within the internationally recognized boundaries of the Republic of South Africa, and not differentiate among these citizens on the basis of the South African Government's claim to have granted independence to various "homelands";

(3) at such times that any "homeland" official applies for a visa for travel to the United States, no such visa should be granted to such official unless such official holds a passport which is recognized as valid by the Government of the United States; and

(4) the Government of the United States should urge that the forced relocation of South African citizens be discontinued and that policies be adopted for all South Africa's citizens which protect the sanctity of the family, individual liberty, maximum

freedom of choice, ownership of private property, and equal treatment of all citizens, regardless of race.

On page 64, line 18, strike out "SEC. 914." and insert in lieu thereof "SEC. 915.".

Mr. GLENN. Mr. President, this amendment is submitted on behalf of myself and Senator KASSEBAUM. It tracks the language of Senate Concurrent Resolution 6 which has been cosponsored by Senators MATSUNAGA, BRADLEY, CHAFEE, HART, KENNEDY, MATHIAS, SARBANES, DURENBERER, KERRY, and ROCKEFELLER. It is the same language that the Senate approved on October 3 of last year but which did not receive final House approval in the waning days of the last Congress.

I believe it is vitally important that we in the Congress speak out strongly and with a united voice against South African apartheid. U.S. policy toward South Africa is deservedly receiving increased scrutiny today. During this session we will undoubtedly be debating at length the merits of "constructive engagement" and the several proposed alternatives which would serve to demonstrate concretely our distaste for apartheid and allow us to distance ourselves from the regime which enforces it. Today, however, I am offering a simple proposal on which I trust we can all agree: that the policy of separate development and the forced relocation of South African blacks to designated "homelands" is inconsistent with fundamental American values and internationally recognized principles of human rights and should cease. Homelands they have never seen. Homelands they are forced to. Homelands where there is no water. Homelands where no one else wants to live. Homelands, indeed:

Relatively, the South African Government announced a "suspension" of forced removals. I say that a suspension is not good enough, it must be permanently discontinued and revoked. We have a responsibility to raise our voices in united protest over this blatant abuse of human rights and I hope my colleagues will join me in cause and conscience to reject and condemn South Africa's homelands policy. The purpose of this resolution is simple. It expresses the great concern of the Congress over South Africa's policy of forcibly removing black South Africans to desolate "homelands." I believe that all Americans are appalled by the South African policy of denying any voice in government to the majority of South Africans. That policy is completely alien to values we Americans cherish, and it is completely contrary to the principles upon which our Nation was founded.

The homelands policy is an integral part of the noxious scheme known as apartheid. And let there be no mistake over what the purpose of apartheid really is. It is to deny citizenship and basic political rights to the entire black population of that nation. In the words of a recent report of the South African Council of Churches and the Southern African Catholic Bishop's Conference, the goal of apartheid is:

> A South Africa in which there are no black South African citizens or nationals but only black "aliens" working in South Africa who bear the nationality of one of the "independent" Bantustans. For in this way, the Nationalist Government seeks to escape its moral obligation to extend political rights to all South African citizens or nationals.

And how is this to be brought about in a country whose population is over 70 percent black and only 16 percent white? The answer lies in the homelands policy. Under that policy, black South Africans are denied citizenship within South Africa, and instead are assigned citizenship in 1 of 10 homelands based very loosely on old tribal reserves. In 1913, the South African Parliament passed the Native Lands Act assigning 10 percent of South Africa's total area for African occupation and prohibiting Africans from purchasing land outside the reserves. The Native Trust and Land Act of 1936 increased the total land area of the reserves to about 14 percent of the territory of South Africa. But since these acquisitions have yet to be fully realized the homelands now comprise just 13 percent of the total land area of South Africa.

What is life like in these homelands to which over 70 percent of South Africa's people are to be assigned citizenship? Again, according to the Council of Churches report:

> Today, the Bantustans are characterized by mass unemployment; by proverty so desperate that the position of the residents is worse than that of the inhabitants of any other part of Africa except perhaps the "Sahel" countries. They are characterized by outbreaks of diseases such as cholera, bubonic plague and typhoid, and malnutrition so far advanced that about a fifth or more of the children die before the age of 5.

One especially repugnant aspect of the homelands policy concerns what the South African Government refers to as "blackspots." My original resolution was focused on "blackspots"—and I think it deserves a moment of our time. Blackspots are areas occupied by Africans but surrounded by whites. Most of them are either African freehold land purchased before passage of the Native Land Act of 1913 or church owned land occupied and used by Africans. Since blackspots are inconveniently located in white areas, the South African Government has determined that they have to go. And since blackspots are, by definition, outside the reserves, the Government says blackspot inhabitants must be removed to the homelands in order to make way for white development. To date, a total of some 3.5 million black South Africans have been removed from white-designated areas. The relocated people come from farming and urban areas as well as the so-called blackspots. It is estimated that some 2 million more still face removal, over 1 million from the blackspots alone.

What does this removal policy mean in human terms? According to an excellent 1981 study sponsored by the Rockefeller Foundation, the "forced resettlement of Africans from white South Africa to the homelands has caused as much human suffering, hardship, and despair as any other apartheid measure." To prove it, we need only look at one recent example.

One hundred and twenty miles west of Johannesburg was the village of Mogope. Here 300 peasant families lived in relative stability and prosperity on farmland which the Bakwena tribe owned and worked for 72 years. This village of 300 families contained homes, churches, and schools built by the community. Declared a blackspot by the Government of South Africa, the community was informed that its town would be leveled and its people relocated to the homeland known as Bophuthatswana. Since most of them had never set foot in Bophuthatswana, they quite naturally objected to this decree. Led by a member of the community, a farmer named Saul Mkhize, the people of Mogope peacefully attempted to voice their objections. During the course of a demonstration the unarmed Saul Mkhize was shot dead by the South African police. The families of his village were forcibly removed, and their homes, schools, and churches were bulldozed. Tragically the tale of Mogope is not unique. Thousands of black South Africans are threatened by the same fate that befell the people of Mogope.

Mr. President, I think every single Member of this body would agree that the scheme of grand apartheid is appalling, unhumane, and unjust. But simply agreeing with that assessment is not enough. I believe we also have a responsibility to raise our voices in protest over this blatant abuse of human rights. If we oppose only those human rights violations committed by our enemies—and ignore those perpetrated by real or imagined friends, then all the world will soon know our human rights policy for the hypocrisy it is. So let us no longer stand silent in the face of this outrage. Let us resolve never to use "quiet diplomacy" as an excuse for closing our ears to the cries of those who suffer. And let us join together in cause and conscience to reject and condemn South Africa's homelands policy. I urge my colleagues to adopt this amendment unanimously.

Mr. LUGAR. Mr. President, I commend the Senator from Ohio on a very constructive amendment, and we are prepared to accept the amendment.

The PRESIDING OFFICER. Is there further debate on the amendment? If not, the question is on agreeing to the amendment.

The amendment (No. 128) was agreed to.

Mr. LUGAR. Mr. President, I move to reconsider the vote by which the amendment was agreed to.

Mr. GLENN. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

AMENDMENT NO. 129

(Purpose: To require a report on enhancements in technology of defense articles and defense services made after sale but before delivery to a foreign country)

Mr. GLENN. Mr. President, I send an amendment to the desk.

The PRESIDING OFFICER. The amendment will be stated.

The assistant legislative clerk read as follows:

The Senator from Ohio [Mr. GLENN] proposes an amendment numbered 129.

Mr. GLENN. Mr. President, I ask unanimous consent that reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

On page 24, between lines 9 and 10, insert the following:

SENSITIVE TECHNOLOGY

SEC. 128. Section 36(b) of the Arms Export Control Act (22 U.S.C. 2776(b)) is amended—

(1) by inserting before the period at the end of the second sentence of paragraph (1) the following: "and a detailed justification of the reasons necessitating the sale of such articles or services in view of the sensitivity of such technology"; and

(2) by adding at the end thereof the following new paragraph:

"(5) (A) II, before the delivery of any major defense article or major defense equipment, or the furnishing of any defense service or design and construction service, sold pursuant to a letter of offer described in paragraph (1), the sensitivity of technology or the capability of the article, equipment, or service is enhanced or upgraded from the level of sensitivity or capability described in the numbered certification with respect to an offer to sell such article, equipment, or service, then, at least forty-five days before the delivery of such article or equipment or the furnishing of such service, the President shall prepare and transmit to the chairman of the Committee on Foreign Affairs of the House of Representatives and the chairman of the Committee on Foreign Relations of the Senate a report—

"(i) describing the manner in which the technology or capability has been enhanced or upgraded and describing the significance of such enhancement or upgrade; and

"(ii) setting forth a detailed justification for such enhancement or upgrade.

"(B) The provisions of subparagraph (A) apply to an article or equipment delivered, or a service furnished, within ten years of the transmittal to the Congress of a numbered certification with respect to the sale of such article, equipment, or service.

"(C) If the enhancement or upgrade in the sensitivity of technology or the capability of major defense equipment, defense articles, defense services, or design and construction services described in a numbered certification submitted under this subsection costs $14,000,000 or more in the case of any major defense equipment, $50,000,000 or more in the case of defense articles or defense services, or $200,000,000 or more in the case of design or construction services, then the President shall submit to the Speaker of the House of Representatives and the chairman of the Committee on Foreign Relations of the Senate a new numbered certification which relates to such enhancement or upgrade and which shall be considered for purposes of this subsection as if it were a separate letter of offer to sell defense equipment, articles, or services, subject to all of the requirements, restrictions, and conditions set forth in this subsection. For purposes of this subparagraph, references in this subsection to sales shall be deemed to be references to enhancements or upgrades in the sensitivity of technology or the capability of major defense equipment, articles, or services, as the case may be.".

"(D) For the purposes of subsection b(5)(A), major defense article shall be construed to include electronic devices, which if upgraded, will enhance the mission capability of a weapons system"

Mr. GLENN. Mr. President, this amendment, I am sure, will shock many of my colleagues to find out that it is even necessary.

As we approve sales of military equipment and technology to be sent to different countries around the world, we also approve the level of technology and level of complexity for that equipment, so that we make certain that the more sensitive technolgy does not fall into the hands of those who might compromise our national security. We set those levels very carefully in committee and on the floor of the Congress.

From then on, whatever the administration, either Democratic or Republican, wants to do in upgrading that equipment can be done with no further reports being made to Congress.

An example of this is the AWACS airplane. We approve it for a certain level of complexity and technology. We do not wish to exceed that level. But any administration that wanted to can upgrade the boxes, add new equipment, triple the range of the radar, if possible—and none of this would have to be reported back to Congress.

That loophole is a major fault of section 36(b) of the Arms Export Control Act.

My amendment is very simple. It will require that Congress be notified in the event that capability or substantive technology of a previously approved arms sale is upgraded, without regard to the dollar amount of the upgrade.

A similar but more stringent amendment was passed unanimously by the Senate Foreign Relations Committee during the last two sessions of Congress.

Under current law Congress need not be notified of any equipment changes, increases in capability, or upgrade of technology unless these upgrades exceed the $14/$50/$200 million thresholds contained in the Arms Export Control Act. This is an unlikely event for any upgrade.

This loophole, in my view, is a very significant circumvention of the intent of the Arms Export Control Act for several reasons. First, it allows the executive branch to change the technology of most arms sales without notifying Congress. Second, this loophole denies Congress its legitimate role in the review of arms sales and therefore bypasses our system of checks and balances. Finally, it denies the Congress its role in shaping U.S. foreign policy.

The effect of the amendment that I am proposing today is very clear and simple. When enhancements are made to defense items or services after Congress has approved the sale, Congress should always be notified. When I say enhancement made to defense items or services, we do not want to see every nut and bolt change that does not change combat capability. What we do want to know is where enhancements are made that change combat capability. As long as the executive branch provides only what Congress has approved, there will be few notifications. Alternatively, if the executive branch makes a large number of upgrades, then the reporting requirement and the resulting paperwork will be extensive, and rightly so.

For example, several years ago the sale of F-16's to Pakistan was approved in the Foreign Relations Committee by one vote. I was on the Foreign Relations Committee at that time. That vote to send the F-16's was approved by one vote. I voted to approve that sale since I was convinced that the aircraft had a downgraded avionics package which, if lost or transferred to a third country, would not be a serious loss of technology. However, as you are aware, subsequent to the approval of that sale, a more advanced avionics package was put into that aircraft without the notification to Congress.

I submit, Mr. President, that had I known of the plans for that upgrade, my vote might very well have been different and the approval of that sale would not have been voted by the committee. It might even have been turned down by Congress.

Mr. President, another sale of continuing concern is that of the Saudi AWACS—a very controversial sale. Congress approved that sale in 1981, yet today, 4 years later these aircraft have yet to be delivered. I opposed the sale of AWACS planes to Saudi Arabia because of my deep and longstanding concern that the United States should not transfer such highly sensitive technology to other countries without direct American control, especially to

countries in such an unstable region of the world as the Middle East. How certain can we be that when the AWACS are delivered in 1986, these aircraft will indeed be limited to the same technology and the same capability that Congress narrrowly approved 4 years ago? As the law is currently written, there is simply no assurance that we will even know about it, because the administration has no requirement to notify us of any upgrades they may be making.

Is this idle speculation? No, it is not because there apparently has been an upgrade in the Saudi AWACS system. This past January, I wrote Secretary of Defense Weinberger asking him if the technology in the Saudi AWACS was being upgraded. The response I received from Lt. Gen. Philip Gast of the Defense Security Assistance Agency indicates that there have five configuration changes made to the Saudi AWACS since the program was first approved in 1981.

At this point, I ask unanimous consent that my letter to Secretary of Defense Weinberger and the response from General Gast be printed in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

U.S. SENATE,
Washington, DC, January 17, 1985.

Hon. CASPAR WEINBERGER,
Secretary of Defense,
The Pentagon, Washington, DC.

DEAR MR. SECRETARY: It has come to my attention that there is reason to believe that the E-3A Airborne Warning and Control System (AWACS) units that the United States is selling to Saudi Arabia may be upgraded to a level that enhances their capability. I am writing to inquire as to whether or not any upgrade of the technology or capability of the AWACS units scheduled for delivery to Saudi Arabia is planned or currently underway. If so, specifically what type of modifications are planned or underway for the Saudi AWACS?

As you may know, I oppose the sale of AWACS planes to Saudi Arabia because of my deep and long-standing concern that the United States should not transfer such highly sensitive technology to other countries outside of direct American control, especially to countries in such an unstable region of the world as the Middle East. I fear that the introduction of AWACS planes into the volatile Middle East, upgraded above the level of their capability at the time of their approved sale on October 28, 1981, could have a potentially detrimental effect on American national security interest.

I strongly feel that upgrading can significantly alter the character of an arms sale and should therefore be subject to congressional review procedures pursuant to the spirit, if not the letter of Section 36(b) of the Arms Export Control Act. I hope you share my view on the importance of consultation between the Executive and Legislative branches on this issue.

I look forward to your response to my inquiry at your earliest convenience. Thank you for your attention to this important matter.

Best regards.

Sincerely,

JOHN GLENN,
U.S. Senator.

DEFENSE SECURITY ASSISTANCE AGENCY,
Washington, DC, February 15, 1985.

In reply refer to: I-006934/85.

Hon. JOHN GLENN,
U.S. Senate,
Washington, DC.

DEAR SENATOR GLENN: In your letter of January 17, 1985, to Secretary Weinberger, you asked if any upgrade of the technology or capability of the AWACS units scheduled for delivery to Saudi Arabia is planned or currently underway.

There have been five noteworthy configuration changes made to the Saudi AWACS since the program was initially approved in 1981:

The TF33-PW-100A engine has been replaced by the commercial CFM-56 engine. This replacement provides better fuel efficiency and increased engine thrust for the AWACS aircraft and results in improved takeoff performance, increased time-on-station without refueling and slightly higher optimal cruising altitude. The developmental costs for the replacement were fully funded by the Saudi Arabian Government. As a result of this development, the U.S. Navy will save an estimated $50-$60 million in nonrecurring costs on its E-6 program. Authorization for this change was provided in October 1983.

A secure teletype capability was approval in May 1983. This is a system similar to that used on the NATO E-3A which allows for the transmission and receipt of radio teletype messages. Commercial security equipment and lack of NATO unique software preclude operation on the NATO teletype data link.

A UHF radio relay capability was also approved in May 1983. These radios can function only in the relay mode and are not accessible to the mission crew. The original Saudi E-3A baseline configuration included a relay capability using existing mission radios.

Color monitors were approved in September 1984. This enhances displays on the mission consoles and is common with USAF change to color systems. Mission avionics performance is not affected.

Infrared countermeasure (IRCM) sets were approved for installation on the E-3A aircraft in August 1984. Similar IRCM sets have been installed on other Saudi aircraft, and the Saudi E-3A IRCM sets are based on sets which have previously been approved for release to other foreign countries. The sets will provide enhanced survivability of AWACS by protecting it from attack during critical phases of flight.

Some other minor changes have been made to the baseline configuration to keep USAF and Royal Saudi Air Force systems common when feasible and to substitute for equipment that is no longer manufactured.

While there have been some other technology upgrades and capability enhancements requested by the Saudis, we have not approved those which went beyond that configuration notified to Congress and have remained faithful to the specific exclusions that were proposed for the Saudi AWACS.

From the foregoing, I believe you will agree that the changes made to the original configuration notified to the Congress are improvements which do not represent significant technological upgrades related to mission avionics or other sensitive systems. In most cases, these hardware changes are related to improved safety, reliability, or communications capabilities of the basic airframe. These changes do not significantly alter the character or scope of the arms sale as submitted to Congress under Section 36(b) AECA. Accordingly, no amended notification was made in this case.

Sincerely,

PHILIP C. GAST, *Director.*

Mr. GLENN. Mr. President, General Gast stated in his letter that "the changes made to the original configuration notified to the Congress are improvements which do not represent significant technological upgrades related to mission avionics or other sensitive systems." This is clearly a subjective judgment that is not in keeping with the spirit of effective consultation between the executive and legislative branches. We only received that, Mr. President, because I took the initiative in inquiring. This notification was not sent over to us automatically. I do not believe Congress should rely on the judgment call of an administration official to say if an upgrade is significant or not.

Congress should be able to review all upgrades and decide for itself, under out Government system of balance of powers, whether or not the upgrades are significant.

Mr. President, colleagues from both sides of the aisle who share my concern about the transfer of sensitive technology and about the legitimate right of Congress to participate fully in the arms sale review process have expressed strong interest in the passage of this legislation. I ask that the Senate approve this important amendment to section 36(b) of the Arms Export Control Act which will reaffirm the legitimate role of Congress in the foreign policymaking process.

The PRESIDING OFFICER. (Mr. GORTON). The Senator from Indiana.

Mr. LUGAR. Mr. President, first of all, I commend Senator GLENN on the earlier comments he made on the Thailand border situation and the special notice he gave to the administration and to all who might see his remark in the RECORD. The remarks were well taken.

For our side, we approve and support and commend the amendment the Senator has just spoken to, and we will be pleased to proceed with it expeditiously.

Mr. PELL. Mr. President, this is an excellent amendment. It has been approved unanimously twice in the past by the Foreign Relations Committee in 1983 and 1984.

I hope that we in the Senate will now do exactly the same.

I know how much we in the committee miss the voice of the Senator from Ohio, especially for his expertise on questions of sensitive technology and nuclear matters.

Mr. GLENN. Mr. President, I thank both the chairman and ranking minority member for their remarks. I appreciate them.

Mr. President, it is my understanding that with the additions of the word "major" before "defense article" on line (1), and a change from 60 days to 45 days on line (9), we have an agreement on the language of this amendment.

There is one further point that I wish to make, Mr. President. I wish to ensure that electronic devices, which commonly we call "black boxes" for lack of better wording, if not specifically included on the list of major defense equipment as defined by the Department of Defense, are to be included as major defense articles for purposes of this amendment and, therefore, any upgrades of "black boxes" must be reported.

Thus, at the end of the amendment I have added a new subsection (d) which states:

For the purposes of subsection b(5)(A) "major defense article" shall be construed to include electronic devices which, if upgraded, will enhance the mission capability of the weapons system.

It is my understanding, Mr. President, that the distinguished floor manager of the bill is prepared to accept that language, and I move the amendment.

The PRESIDING OFFICER. Is there further debate on the amendment?

Mr. GLENN. Mr. President, I am prepared to yield the floor if the distinguished floor managers are prepared to vote.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Ohio [Mr. GLENN].

The amendment (No. 129) was agreed to.

Mr. LUGAR. Mr. President, I move to reconsider the vote by which the amendment was agreed to.

Mr. PELL. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

AMENDMENT NO. 130

(Purpose: To strengthen United States programs to protect endangered species)

Mr. PELL. Mr. President, I send an amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows:

The Senator from Rhode Island [Mr. PELL], for himself and Mr. Cranston, proposes an amendment numbered 130.

Mr. PELL. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

On page 36, add the following at the end:

Section 314A: The Foreign Assistance Act of 1961, as amended, is amended by adding at the end of section 119 the following new subsections:

"(e) Each Country Development Strategy Statement (country plan) shall include a detailed and specific plan to assist the recipient country in the conservation of biological diversity. Each such plan shall include, as appropriate, assistance to countries in the identification, acquisition, and protection of wildlife habitats, of representative ecosystems, and of significant or unique natural areas. Each Country Development Strategy Statement shall take account of the information derived from the activity undertaken pursuant to subsection (h).

(f) The Administrator of the Agency for International Development, and the Directors of other appropriate United States agencies, are authorized and directed to enter into long-term agreements with recipient countries to protect wildlife habitats, representative ecoysystems, and significant or unique natural areas in the recipient country.

(g) Of the amount by which funds appropriated to the Agency for International Development for agriculture and forestry exceeds the amounts appropriated for agriculture and forestry in fiscal year 1986, at least fifty percent shall be available only for countries which enter into long-term agreements pursuant to subsection (f). Funds made available by this subsection may be used in support of the long-term agreements.

(h) The Administrator of the Agency for International Development is authorized and directed to support the creation of biological inventory programs in recipient countries, to support programs to identify critical ecosystems in developing countries, and to make surveys of national parks and proposed protected areas where such surveys will enhance the protection of endangered species or the protection of critical ecosystems."

(B) In subsection (d) of Section 119 of the Foreign Assistance Act of 1961, as amended, strike "subsection" and insert in lieu thereof "section"

Mr. PELL. Mr. President, I offer this amendment to strengthen the existing provisions of law to protect endangered species.

In 1983 Congress enacted the International Environmental Protection Act of which I am proud to have been the principal sponsor. Among other issues, that law authorized U.S. assistance to developing countries "in protecting and maintaining wildlife habitats and in developing sound wildlife management and plant conservation programs."

In response to this provision, AID has, in conjunction with other Federal agencies, devised a strategy to conserve biological diversity. The amendment I am proposing follows up on that strategy.

The amendment has four principal components:

First, it requires that each AID country plan include assistance to protect wildlife habitats, representative ecosystems, and unique natural areas;

Second, it directs AID to enter into long-term agreements to protect wildlife habitats and representative ecosystems;

Third, it rewards countries that enter into long-term agreements to preserve endangered species by channeling one-half of the increase in AID funding over fiscal year 1986 levels for agriculture and forestry to these countries;

Fourth, it directs AID to assist countries in making inventories of critical ecosystems and in making surveys of protected areas.

The costs of this amendment are minimal. The issues however are very basic.

It is estimated that more than 1,000 plant and animal species will become extinct each year and that if present rates of tropical deforestation and ecosystem disruption continue into the next century, 20 percent of all species on Earth may become extinct within the next human generation.

The extinctions projected in the coming decades will be largely due to human activities. They will occur on a scale that render natural biological extinction trivial by comparison. This loss of species and ecosystems due to human activities is resulting in the progressive impoverishment of the Earth's biological systems. This, in turn, reduces the ability of natural systems to support human populations.

For example, the center of origin of many food plants are in the tropics. As tropical areas are converted, ancestral stocks of these plants are jeopardized or lost. Only three species—corn, wheat, and rice—produce two-thirds of the total world grain crop. The food supply of the entire world now depends on maintaining a balance between the genetic systems of these and a few additional crops, and their pests and diseases. In the future, new sources of food may need to be developed from as yet undiscovered germplasm.

The U.S. Government is in a unique position of world leadership to help conserve biological diversity. Most of the areas that need to be protected are in developing countries. There is a clear and close relationship between the poverty of the people of those countries and biological impoverishment—and this will intensify if current trends are not altered. Through its own aid programs and through the multilateral assistance programs it can influence, the U.S. Government can play a major role in reversing these negative trends which affect our economic and security interests as surely as they affect the well-being of people in the developing world.

Mr. President, I ask unanimous consent that a letter from Brent Blackwelder of the Environmental Policy Institute, on behalf of a coalition of

environmental groups, be printed in the RECORD at this point.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

ENVIRONMENTAL POLICY INSTITUTE,
Washington, DC, May 15, 1985.

Senator CLAIBORNE PELL,
Senator ALAN CRANSTON,
U.S. Capitol, Washington, DC.

DEAR SENATOR PELL AND SENATOR CRANSTON: We commend you for your efforts to address a serious global resource issue, the loss of biological diversity, as the Foreign Assistance Act is debated this week. The rapid disappearance of species this century is depriving civilization of a vast genetic pool. A significant percentage of prescription medicine now comes from species found in tropical moist forests which are rapidly vanishing.

Your amendment to Section 119 is a welcome and much needed step toward solving this problem. Your amendment would provide each country's development strategy plan to include measures to conserve biological diversity and would provide for A.I.D. to enter into long-term agreements with recipient countries to protect wildlife habitats and unique natural areas. By offering financial incentives for protection of critical habitats out of amounts appropriated for forestry and agriculture, your amendment offers the hope of succeeding in its objective.

The Natural Resources Defense Council, the Environmental Policy Institute, the National Audubon Society, and the National Wildlife Federation support these legislative initiatives in your amendment.

Sincerely,

BRENT BLACKWELDER, *Director, International Resources Project.*

Mr. LUGAR. Mr. President, the Senator from Rhode Island, my distinguished colleague, has presented a number of important and interesting ideas in this amendment. It is an amendment which I know from personal experience is important and in fact is being pressed by a number of important environmental organizations in our country that have an interest in international aspects of the environment.

Unhappily, and I say this respectfully to my colleague, this amendment arises late in the game; namely, during the course of this debate. The full implications of this amendment cannot clearly be foreseen, and they are important.

I have expressed these views privately to my colleague. I would hope to explore much more fully those implications and hold a committee hearing.

I would like to suggest, respectfully, to my colleague that the Foreign Relations Committee conduct a hearing, or hearings, on the Pell amendment, and I would pledge to work with him on having a markup so that we would have definitive action on the amendment. In that way, the public policy interests might be better served in refinement of those ideas, but I must confess I am not able to comprehend them on first impression.

Mr. PELL. Mr. President, I appreciate very much indeed the words of the Senator from Indiana. I concur in his generous offer and ask that my amendment be withdrawn.

The PRESIDING OFFICER. Without objection, it is so ordered.

AMENDMENT NO. 131

(Purpose: To require reports to the Congress on the foreign debt crisis in Latin America)

Mr. KENNEDY. Mr. President, I send an amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows:

The Senator from Massachusetts [Mr. KENNEDY] proposes an amendment numbered 131.

Mr. KENNEDY. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

On page 64, between lines 16 and 17, insert the following:

REPORTS ON FOREIGN DEBT IN LATIN AMERICA

SEC. 914. (a) The Congress finds that—

(1) the foreign debt of Latin American countries has soared from $27 billion in 1970 to over $350 billion in 1983;

(2) the foreign debt of Latin American countries is a serious obstacle to their economic progress, threatens their stability, and endangers the democratic processes in those nations;

(3) the economic and political futures of many of the Latin American countries hang in the balance and depend upon a successful resolution of the foreign debt crisis; and

(4) the confidence of the American people in the United States system of banking is also involved in a successful resolution of the foreign debt crisis.

(b)(1) Not later than October 1, 1985, the Secretary of State shall prepare and transmit to the Congress a report on—

(A) the magnitude of the foreign debt crisis in this hemisphere;

(B) the impact of the foreign debt crisis on the economies of the nations of Latin America;

(C) the degree to which the national security interests of the United States are implicated in this crisis; and

(D) the steps being taken and the policy being pursued by the United States aimed at dealing with this crisis.

(2) Not later than October 1, 1985, the Secretary of the Treasury shall prepare and transmit to the Congress a report on—

(A) the degree to which the foreign debt crisis affects the system of banking in the United States; and

(B) the steps being taken and the policy being pursued by the Department of the Treasury aimed at dealing with this crisis.

On page 64, line 18, strike out "Sec. 914." and insert in lieu thereof "Sec. 915."

Mr. KENNEDY. Mr. President, this amendment requests the Secretary of State and the Secretary of the Treasury to report to the Congress on the magnitude of the foreign debt crisis and on the implications of the crisis for U.S. national security interests and on what steps the United States is taking to deal with the crisis.

Mr. President, perhaps the most perplexing and troubling aspect of Congress never-ending debate about Nicaragua is that, in our fixation with the Sandinistas, we have lost sight of what is, without doubt, one of the most serious threats to democracy in this hemisphere in the past 25 years, the foreign debt crisis. According to the report of the Inter-American Dialogue published a year ago:

No single year in the last 50 was more disastrous for the economies of Latin America and the Caribbean than 1983 * * * The very economic and political futures of many of the Latin American countries are in the balance.

In the face of such a serious threat to the stability of our hemisphere and to the future of democracy in Latin America, there seems to be little if any sense of urgency, either in Congress or in the administration. One searches in vain, for example, for any mention of the foreign debt crisis in the foreign aid bill.

It is time that we acknowledged the following facts:

This crisis is unique in our history. The foreign debt crisis has no analog in the history of our hemisphere. It is not simply a problem of working out a series of repayment schedules or of rolling over the debt ad infinitum. The magnitude and the complexity of this crisis are simply too great to treat it with a business as usual attitude. Developments inside the United States have, in fact, made the problem much worse, not better. As the report of the Inter-American Dialogue put it:

The present combination of large public sector deficits (in the United States), high interest rates, and an overvalued dollar overwhelms the efforts of Latin American countries to emerge from the debt crisis and to restore sustainable growth * * * Unless the United States puts it financial accounts in order, its own economic prosperity and that of the whole hemisphere will be at risk.

Which brings me to the next point.

The stakes are high. Vital interests of the United States—at home and abroad—are seriously implicated in the foreign debt crisis. If the new democracies of Argentina, Brazil, Uruguay, and Peru are not permitted to succeed, Nicaragua may be just a taste of what the future holds for countries that are of far greater importance to the United States than Nicaragua could ever be. And it is of no less importance to hundreds of U.S. banks whose very survival may be in the balance if these loans go bad. Our banking institutions are precarious enough as it is. It would be no exaggeration to suggest that a default on over $350 billion in loans could have a catastrophic effect on our entire system of banking.

People are suffering today. Last week, I met with the Governor of the State of Rio de Janeiro, Lionel Brizola, who told me that millions of people are going hungry today because of the

pressure on the central Government of Brazil to make regular payments on its debt. This kind of hardship can only lead to the kind of political instability that will undermine the fledgling democracy in Brazil.

Both Congress and the administration must recognize that the crisis of the foreign debt in Latin America is not just a technical banking problem; it is quintessentially a problem of foreign policy. Our Nation's vital interests are at stake,

This amendment is a modest effort to focus our attention and to focus the attention of the administration on this crisis. This amendment simply requests the Secretary of State to report to the Congress, before the end of this fiscal year, on the following matters:

The magnitude of the foreign debt crisis in this hemisphere; the impact of the foreign debt crisis on the economics of the nations of Latin America; the degree to which the national security interests of the United States are implicated in this crisis; and the step being taken and the policy being pursued at the present time by the United States to deal with this crisis.

This amendment also requests the Secretary of the Treasury to submit a comparable report to Congress on the degree to which the foreign debt crisis affects the system of banking in the United States; and the steps being taken and the policy being pursued by the Department of the Treasury aimed at dealing with this crisis.

Mr. President, this is an extremely important matter, one of enormous significance to the countries in Central and South America, many of which have moved now toward democratic institutions and democracies: Argentina with Alfonsin, Brazil, and other countries in the hemisphere. The problems are very deep and they do affect American banking institutions.

It seems to me that it would be wise for us, as a matter of public policy, to have information of this nature available to the Members of the Senate, the Congress, and the American people.

I have had the opportunity to talk this over briefly with the floor manager and the ranking minority member. I hope they would be willing to accept this amendment.

Mr. CHILES. Mr. President, I rise to echo the concerns expressed by my colleague from Massachusetts on the present debt crisis in Latin America. The debt problems of the Latin American region have not been solved and, indeed, demand the attention of this country.

Equally, Congress must begin to examine whether proposed U.S. assistance programs to the region represent appropriate measures for dealing with the region's deteriorating economic situation; a deterioration reflected in the growing security concerns we have in the region and the accelerated political changes we are seeing all over Latin America. To date, I do not believe that the State Department has adequately addressed this problem.

For example, Bolivia, which is $3.7 billion in debt and faces a debt service ratio in excess of 100 percent, has an economy which has been described as imploding. Bolivia has an annual inflation rate in excess of 1,000 percent; a fiscal deficit in excess of 28 percent of its gross domestic product, and unemployment reportedly as high as 40 percent. Bolivia is over $1 billion in arrears on its debt service. The government has all but repudiated its external debts and an IMF stabilization program is out of the question. Nonetheless, the State Department response is to offer $10 million in cash transfer. I cannot understand how $10 million can substantially help a country over $1 billion in arrears on its debt service.

Bolivia is not the only country in trouble. Peru is also in arrears on its debt service. Argentina recently fell out of compliance with its agreement with the International Monetary Fund.

This crisis is real. It affects all of us, and it is getting worse.

Last November we sent a staff group from the Budget and Appropriations Committees to the Dominican Republic, Panama, Colombia, Peru, Bolivia, and Argentina to look into the debt crisis. Their report is very illuminating and I commend it to the attention of all my colleagues. I ask unanimous consent it be printed in the RECORD.

There being no objection, the report was ordered to be printed in the RECORD, as follows:

FIELD SURVEY: UNITED STATES ASSISTANCE PROGRAMS—LATIN AMERICA

ASSISTANCE OBJECTIVES

Congress has appropriated for fiscal year 1985 $909 million in economic and developmental aid and $280 million in security assistance to Latin American nations. The President's 1986 budget request is expected to include increased assistance to the region, and possibly a request for supplemental funding for FY 1985. These figures may be compared with fiscal year 1980 assistance levels of $272 million for economic and developmental aid and $22 million for security assistance. Such dramatic increases reflect broad acceptance of the underlying premise of U.S. foreign assistance programs. Specifically, foreign economic aid is justified as contributing to a stable world order both by blunting short-term political unrest arising from economic and financial instability and by promoting long-term social and economic development. Military aid is justified as improving America's defense capabilities and improving relationships with regional friends and allies. Foreign assistance, both security and developmental, are said to be major factors in our ability to help friends and allies meet economic, political and social challenges. These are the stated objectives of the Reagan Administration's foreign assistance programs as articulated to the Congress.

Consequently, it is highly appropriate to review current U.S. foreign assistance programs in Latin America, as well as the Administration's proposals for continuing and expanding that assistance, both in terms of the actual conditions which exist in the region and the contribution these programs make to the larger goals which such assistance programs are intended to serve. To do otherwise, to consider these proposals without reference to the political, economic and military realities of Latin America, would make it impossible to evaluate the ability of U.S. foreign assistance programs to effect these stated objectives. Today, in Latin America, this means that one must examine whether proposed U.S. foreign assistance programs represent appropriate measures for dealing with the region's deteriorating economic situation; a deterioration which is reflected in the heightened security concerns and accelerated political changes which characterize the region.

COMMON FACTORS AFFECTING STABILITY

U.S. economic and security assistance program for Latin America are seen as contributing to political stability and economic development by responding to the following disruptive influences:

International debt as a contributing factor in economic and political destabilization;

Internal economic conditions and insurgent political movements as threats to nascent democracies; and

Illicit narcotics production and trafficking as a corrosive influence on the economy and polity of certain countries in Latin America.

To examine the accuracy of this view, in November 1984, we travelled to Latin America, visiting a total of seven countries. The countries visited were carefully chosen because they all have certain commonalities which commend them to a comparative review, although it is also true that they have many other characteristics which distinguish one from another. The countries visited were the Dominican Republic, Panama, Colombia, Peru, Bolivia, and Argentina. These countries are all nascent democracies burdened by heavy external debts. Each is considered important to U.S. foreign and security interests. Moreover, each of these countries represent a different stage of political and economic development along a continuum. Without drawing too fine a distinction, it can be said that they represent different points along a continuum measuring political and economic stability. As will be seen, we found that U.S. foreign assistance programs are often blind to these differences and give too great an emphasis to the promotion of short-term stability. Furthermore, we believe this misplaced emphasis frequently occurs at the expense of the larger goal of helping countries move along the continuum towards the greater stability and development which is the mark of mature democracies.

DIVERGENT POLICIES

In our visits to these seven nations, we were struck by the increasing divergence between rational long-term economic policies and short-term political demands. Bolivia represents the most extreme example, where short-term political dynamics have completely captured the decision-making process, thereby rendering the government incapable of halting a marked economic decline. This has left Bolivia with an annual inflation rate in excess of 1,000 percent, debt payments which exceed export earn-

ings, a fiscal deficit in excess of 28% of gross domestic product (GDP) and virtually unchecked growth in the money supply. As will be discussed more fully in the section of this report which deals with Bolivia, we found that current and proposed assistance to Bolivia is recognized by knowledgeable U.S. officials to be wholly inadequate with respect to the magnitude of the amounts required to restore economic order. Furthermore, continued U.S. assistance does not respond to the inability of the Bolivian government as presently constituted to make any meaningful use of such assistance. Increased U.S. assistance, specifically, recent and projected cash transfers, will provide little ecomonic benefit, but may well serve to extend ineffective government in Boliva. Nevertheless, we learned that the U.S. Agency for International Development and the State Department propose to provide Bolivia $20 million in economic support funds in 1986.

Colombia, on the other hand, presented a more favorable picture. It is likely to be successful in controlling this political-economic divergence, providing the government does not succumb to increasing domestic political pressures. The government of President Belisario Betancur Cuartas has been attempting to pursue economic policies aimed at encouraging long-term development. Rapidly increasing debt service requirements, however, have hampered the government's ability to finance development projects. Because he has been unable to respond to political pressure from groups demanding continued high government spending for development, President Betancur's popularity has declined sharply. In time, perhaps in short order, this may force the Colombian government to take politically popular, but economically undesirable, decisions. While at present the United States provides no economic assistance to Colombia; the United States, may want to consider, working through multilateral institutions, such as the Inter-American Development Bank or the IMF, assisting the Colombian government in its efforts to achieve economic reform.

CURRENT ECONOMIC AND POLITICAL PRESSURES

The situation facing the Betancur government is not unique. Political stability and economic development in the countries we visited is being hindered by the burden of heavy external debt and the insatiable demands of historically deprived and violatile electorates. These debt burdens were incurred during the late 1970s and early 1980s by governments attempting to ease economic and political pressures and maintain standards of living in the face of global recession. Repayment difficulties were further exacerbated by the increasing prices of imported energy and the falling prices for exported commodities in this same period. While South American economies continued to grow in this period, this growth was largely financed with borrowed capital from Western banks.

At present, each of the countries we visited is simultaneously confronted by:

Global economic conditions which impose varying degrees of hardship on their respective national economies;

The harmful after-effects of economic mistakes and burdens incurred by previous governments; and,

The demands of electorates which assume that their present governments, though newly established and imperfect democracies, should be able to satisfy immediately both political and economic needs.

These conditions and expectations undercut the ability of the governments in the region to pursue rational economic policies. In consequence, sound political responses, which take into account economic realities and lay the groundwork for stable government, are often swept away by the flood of competing demands.

PARADOX OF CAPITAL EXPORTS

While these influences are strongly felt in the United States and other developed nations, in Latin America their effect is compounded by such factors as a marked decline in capital inflow and a marked increase in capital outflow from Latin America to the United States and Western Europe. In Latin America, we find the paradox that developing countries, which in accordance with classical economic theory, should be importing capital to offset a chronic lack of sufficient investment to spur economic growth, are currently net exporters of capital. This outflow has occurred as investors take advantage of the high returns on investment opportunities and interest rates in the industrialized nations. In 1981, capital inflow to Latin America (largely borrowings) was at a record $38 billion; in 1984, Latin America became a net exporter of capital—at a time when payments for interest and principal on a large volume of previously contracted foreign debts were accelerating. Additionally, the monetary and budget policies of the United States and other industrialized countries made access to additional external credit too costly. Simply put, Latin American countries were no longer able to borrow sufficient funds to finance development and debt service.

EXPECTATIONS OF U.S. ASSISTANCE

It is ironic that countries which undertook political reform with the encouragement of the United States and Western Europe, and with the expectation that the adoption of democratic institutions would be rewarded by increasing flows of financial assistance, now find that the economic policies of the industrialized nations work to their disadvantage. This has led many of these countries to conclude that their economic futures are at the mercy of international financial institutions and private banks which appear quite willing to sacrifice new and fragile political institutions on the alter of economic austerity. The expectation on the part of these countries that the Western democracies, particularly the United States, would soften the impact of austerity and support an extended period of adjustment has not been realized. In point of fact, it is questionable whether U.S. economic assistance programs, which also include U.S.-supported multilateral programs, could approach what is required to finance such a transition. It is evident that the strength of private banking would have to carry the largest share of any such financing program.

"MUDDLING THROUGH"

While it is commonly recognized that austerity measures are required to reverse economic decline, in the absence of a comprehensive program to finance what may be termed graduated austerity, the unfortunate political tendency in these countries is to try to "muddle through." Obviously this is not a workable solution and only exacerbates fundamental economic problems. The ability of many of these nations to strike a balance between political and economic imperatives is being tested as never before. The answer, however, must be found; and soon, for the longer these issues are put off, the more acute the economic situation will become and, consequently, the more difficult the political choices.

EXERTING U.S. INFLUENCE

Equally, delaying decisions needed to deal with deteriorating economic conditions makes it more difficult and more costly for the United States to effectively contribute to the development of stable and economically viable democracies. If at present, it is costly and difficult to make this contribution—and it is—in time it will be even more so. We must recognize the means available to exert U.S. influence are limited. The U.S. can:

Undertake domestic economic policies which reduce the export of capital to the United States and which create a favorable trade environment;

Take a more active role within multilateral institutions, such as the IMF, to ensure that adjustment programs are appropriate;

Adopt regulatory changes which would more directly involve private banking in the adjustment process; and,

Structure and implement bilateral aid programs which are supportive of, and not a substitute for, an integrated structural adjustment program.

Clearly, U.S. domestic economic policies could be structured to have an enormously beneficial impact on the situation. However, we learned that U.S. domestic economic policies are having an extremely detrimental impact on Latin American economies. It must be noted, that two-thirds of the total debt of the Latin American region has been contracted at floating interest rates. Knowledgeable officials in several of the capitals we visited told us that current U.S. policies, associated with high interest rates, are responsible for unanticipated and increasingly burdensome debt service costs. This problem, they told us, is compounded by the acceleration of outward capital flows encouraged by the same economic policies. The willingness of the United States to accept large trade imbalances, and thus increase the export incomes of foreign countries has but a marginal effect in these countries which, apart from Argentina, have relatively little of value to export. In the views of these officials, U.S. trade imbalances do not adequately compensate for the high interest rates and capital flight being experienced in the region.

ROLE OF PRIVATE BANKING

Since the largest portion of Latin America's debt, is held by the IMF and private banks, the U.S. role in multilateral institutions and in exercising influence over the private banks offers great potential to bring positive change. However, U.S. participation in multinational banking is often in conflict with the goal of achieving stable and economically viable democracies. In its relationships with the IMF, the multilateral development banks and commercial banking, the U.S. too often succumbs to the overriding objective of these institutions, namely the preservation of the Bretton Woods system. The banks and the IMF seek, with active U.S. participation, to enforce the repayment norms which are part of that system. The private banks and the IMF are by their charters indifferent to the nature or form of the governments which participate in sovereign borrowing. Their sole objective is to maintain the existing international financial system. In consequence, nascent democracies, such as Argentina, which have succeeded "borrow-and-spend" authoritarian governments, are held to repayment sched-

ules which bear little relationship to the new government's stability or its capacity to meet such repayment schedules. As the IMF and the banks adhere to the code of austerity and rigidly insist upon prompt repayment, they effect a gradual but certain impoverishment of these countries. Under conditions of rigid austerity, there is no opportunity for growth, for an increase in capacities to service debt and to satisfy consumer demands; there is only the requirement that governments somewhow achieve a revenue surplus which can be used to repay existing debt—a requirement that wealth be transferred from poor in the developing countries to the rich in the developed.

Earlier in this paper, we noted that there is common recognition of the need for austerity measures to halt economic decline in Latin America. There is equally broad agreement that austerity measures will fail if taken without regard to differences in the capacities of the respective countries to withstand the rigors of austerity. Furthermore, such measures will fail if they are not constructed so as to visibly enhance prospects for positive economic growth. This is what we mean by the term graduated austerity.

The rigid application of IMF inspired austerity measures has two predictable results: (1) it leads to failures to achieve the provisions of the structural adjustment programs and, thus, their subsequent collapse; and, (2) as a corollary, if all countries were to pursue austerity, the global economy would collapse inward and, rather than preserving the Bretton Woods system, austerity would lead to its demise.

Thus, powerful arguments exist for easier repayment terms. Not only did the present democratic governments not contract the debt, to a large extent they also never received much long-term benefit from it since much of borrowing was squandered on unwarranted military purchases and ill-conceived development programs. Furthermore, authoritarian governments which faced no serious monitoring by legal oppositions allowed, and in some cases encouraged, the flight of capital abroad. Equally, lending institutions did not place responsible constraints on the amounts and terms of the loans made to these governments. In an effort to recycle "petrodollars" in the late 1970s and early 1980s, banks, through unconstrained lending, allowed these authoritarian regimes to mortgage their countries' economic futures.

CONSTRAINTS OF THE BRETTON WOODS SYSTEM

Not withstanding these arguments, the banks appear anxious to maintain the existing arrangements for dealing with countries facing debt crises (specifically, using the IMF as the primary agent for establishing economic conditionality by using the Fund agreements with individual governments as precursors to the renegotiation of privately held loans). Neither the Administration, the IMF nor the private banks appear to the undertaking positive action adequate to deal with the potential unraveling of that system. There are, however, increasing signs that the countries of the region are no longer willing to blindly adhere to a system which is increasingly at odds with their political and economic aspirations. While we would not want to place too great an emphasis upon this point, nonetheless it is significant that officials of various governments in the region talk of establishing a "debtor's cartel" (the Cartegena Group) as a means of protecting the interests of debtors.

Moreover, this newfound resolve on the part of debtors to question the existing system is echoed in expressions of concern by IMF and bank representatives that certain governments are apparently unwilling or unable to negotiate in good faith. Questions as to the continued viability of IMF agreements as a means of guaranteeing economic adjustment are being raised. Indeed, it is broadly accepted that the value of IMF adjustment programs is being debased as debtor countries attempt to cope with the difference between what they are required to say they will do to secure further financing and what they know will be beyond their capacity after thay have obtained such financing. This is demonstrated by the increasing incidence of renegotiation of IMF adjustment programs before they have run their course. These unrealistic requirements for policy change have prompted officials in the Dominican Republic, Colombia, Peru and Bolivia to express desires to circumvent IMF agreements as prerequisites to further U.S. economic aid or the renegotiation of debts held by private banks. The Dominican Republic, for example, recently secured the disbursement of $50 million in U.S. economic support fund financing prior to final agreement on an IMF approved economic plan.

A POLICY OF INSUFFICIENCY

The Dominican Republic secured this extraordinary infusion of U.S. bilateral aid by successfully arguing that these funds were needed to avoid a recurrence of the riots and political unrest which followed last April's efforts to implement an IMF approved program for economic stabilization. It remains to be seen whether this extraordinary assistance will enable the Dominican Republic to undertake a revived and more realistic IMF adjustment program, or whether the $50 million, because it is insufficient or inappropriate, will have no beneficial impact. What must be proven is that the disbursement of this $50 million, if it is to be considered sufficient and appropriate, is linked to a sustainable program of adjustment which corresponds to the concept of graduated austerity.

Current U.S. economic assistance funding often functions as a placebo. Because these programs are driven by the foreign policy objectives of demonstrating support to nascent democracies and short-term considerations relating to the maintenance of political relationships with various governments, more often than not they simply subsidize failing economies. However, the level of subsidy is insufficient to gain any real economic policy advantage or to substantially alleviate the human suffering associated with deteriorating economic conditions. For example, internal State Department proposals to give Bolivia a $20 million cash transfer in the context of a country which, at the end of 1984, was well over $1 billion in arrears on its public and private sector debt, are, in our judgment, so politically and economically irrelevant as to be absurd.

The United States must develop a systematic and cohesive approach for dealing with the region's economic crisis. Such an approach would have to recognize the weaknesses of the current system of debt management. The present system remains heedless to internal political dynamics; provides insufficient assurance that these countries actually implement the economic reforms agreed to as part of debt management proposals; does not afford positive opportunities for these countries to improve their own economic conditions while meeting past debt obligations; and, finally, does not shield these countries from the unintentional negative impacts of the economic policies of the industrialized world, particularly the United States. Since there is not a concerted approach, the benefits from one set of activities are frequently nullified by the damage caused by other actions.

It is critically important that proposals for future U.S. aid programs to the region be evaluated as to their potential to actually contribute to economic recovery and give full consideration to the recipient nation's economic woes. Palliatives, such as the proposed cash transfer to Bolivia or further balance of payments support to Peru while foreign military purchases continue unabated, only contribute to the continued deferral of necessary economic and political choices.

The United States is appropriately favoring democratic governments in the region over authoritarian alternatives, even though some of these alternatives offer the illusion of being more able to survive the political repercussions of harsh but necessary economic reforms. While this democratic preference is a worthy consideration, the United States cannot base continued economic support to countries in the region simply because they maintain a facade of "democracy." Governments which seek to lay claim to that title must demonstrate that they are prepared to manage government finances through civilian institutions which are accountable to the people through their elected representatives. Democracies which are unable to build solid economic foundations will not be able to develop long-term political stability. In this sense, the United States can best promote democracy by nurturing "good government" and by supporting those governments that are willing to consistently undertake rational economic policies within realistic political frameworks. To finance failure not only wastes U.S. tax dollars, but also raises questions in the region as to the desirability of democratic governments and the ability of the United States to act as an intelligent and capable ally.

NARCOTICS

As an adjunct to our review of U.S. economic and security assistance programs, we also examined the effectiveness of U.S. supported activities to counter the corrosive influence of illicit narcotics production and trafficking on political and economic stability in certain of the countries we visited.

Clearly the control and suppression of narcotics is of significance not only to Latin American countries, who wish to free themselves from the corruption and violence associated with the drug trade, but also to the United States, which in addition to corruption and violence, suffers enormously from the destructive influence of narcotics on our youth. It should not be forgotten, that while Latin American countries are the producers of illicit narcotics, it is we who are the consumers.

U.S. narcotics control assistance has registered dramatic successes in the control and eradication of narcotics substances in many regions of Latin-America, especially in Mexico and Colombia. At great personal risk, anti-narcotics officers of the United States and local governments have tirelessly pursued those who profit from this trade. Unhappily, the narcotics traffickers continue to flourish and interdiction and eradication efforts in the region appear to have passed the point of diminishing returns. Al-

though recent efforts directed against concaine processing laboratories in the region have resulted in several spectacular and well-publicized cocaine seizures, the Miami police department's vice and narcotics squad reports that wholesale prices of cocaine dropped from $60,000 a kilo to just over $20,000 a kilo in 1984. A major increase in street prices should have occurred if cocaine imports were significantly constrained or disrupted by a the Colombian seizures. Yet, as noted, the price continued to drop following the large seizures of Colombian cocaine.

In meetings with knowledgeable U.S. and local officials, we learned that the amount of money derived from illicit narcotics trafficking, which flows into the national economies of Latin America is vastly overstated. This is not to say that substantial money flows are not associated with the narcotics trade. Rather, the money which comes from the production and sale of narcotics remains largely outside the producting nation. For example, Colombia, which produces 75 percent of the cocaine and 66 percent of the marijuana entering the United States, is estimated to see only $400 million returned to the national economy. U.S. officials in Colombia estimate that if the drug trade were to be completely eradicated, the economic impact would be less than one-and-a-half of Colombia's GDP. The impact of narcotics money on the economies of Latin America is further diluted because narcotics traffickers seldom use their repatriated profits for capital investment, but rather for conspicuous consumption.

Furthermore, while we note that on a national level the economic impact of the narcotics trade is negligible, many Latin American economies are so unevenly distributed that in impoverished regions, the money derived from illicit trafficking can have a disproportionate if not controlling influence. Invariably, it is in these regions that narcotics trafficking is most deeply entrenched. Crop substitution or eradication programs are stymied by the undeniable evidence that production of narcotics is the most profitable cash crop and that narcotics producing plants are among the heartiest found in nature and grow virtually everywhere. This makes it prohibitively costly to "buy off" the small producer or to completely destroy the crop.

New approaches need to be developed which would directly attack the incentive structure for dealing in narcotics. Specifically, new approaches are needed to:

Lower the demand for illicit drugs;

Disrupt the enormous money flow associated with these activities (much of which flows through reputable banking institutions); and,

Arrest, extradite and imprison major narcotics traffickers.

In the absence of such measures, sizeable new investments in narcotics interdiction and eradication should be limited since their overall impact on the problem is likely to be negligible.

DOMINICAN REPUBLIC

Economic Situation

With prudent management, and some outside assistance, the Dominican Republic should be able to arrest the decline in its economic situation. This Caribbean country has managed to substain modest real growth (+3.9 percent in 1983) despite continued depressed prices in the international markets for its primary exports (sugar and ferronickel) and an overvalued currency. U.S. Embassy and Dominican officials, as well as private bank representatives, all agree that if the government takes appropriate measures to establish a hospitable environment, significant potential exists for outside investment in non-traditional areas, such as specialty fruits for export to the United States.

The depth of the economic crisis facing the Dominican Republic should not be underestimated. The Gross Domestic Product (GDP) is not expected to grow significantly in 1984 and per capita GDP is forecast to decline. Unemployment now exceeds 24 percent of the workforce and is projected to grow in 1985. Per capita income stands at around $525 per year, nearly one-half 1980 levels. Inflation in 1984 was approximately 30 percent and is forecast to be even higher in 1985.

As of December 1984, the Dominican Republic's external liabilities, including accumulated debt arrearages, exceeded $3 billion. That this debt places an extraordinary burden on the economy is shown by the fact that debt service requirements for 1984 will total $729 million, almost one-third of the total 1983 GDP. This problem has been growing at least since 1978 when balance-of-payments difficulties began to worsen. For 1984, cash flow analysis forecast Central Bank reserve losses of some $400 million. Accelerating losses are demonstrated by the fact that while 1984 losses alone will total some $400 million, the cumulative deficit accured during the 1978-1982 period was $768 million. The balance-of-payments situation had become so acute that by December 1984, the Dominican Republic effectively suspended external debt service payments pending an IMF stand-by agreement and a hoped for rescheduling of debts held by private banks.

To recover control of its economy, it is estimated that the Dominican Republic must reschedule in 1985 about $570 million in debts on commercial bank and government loans. A substantial portion of this $570 million is in arrears from 1983 and 1984 and consequently renegotiation will be costly because, in accordance with customary practice, past due interest must be paid.

Negotiations on a new IMF agreement have been protracted. The Dominican government has claimed that IMF conditionality is politically unacceptable. This assessment has been based in part on the government's fear of a recurrence of the April 1984 riots which followed an earlier IMF agreement. These riots, which left 60 people dead, were triggered by the government's decision to raise cooking oil prices to market levels, pursuant to conditionality provisions which required a reduction in government subsidies. In August 1984, the Dominican government produced an Economic Policy Statement outlining a comprehensive adjustment program. This document has served as the basis for current negotiations toward a 1985 agreement with the IMF, leading to additional IMF adjustment financing.

Larely in anticipation that an agreement with the IMF would be reached, the United States, in December 1984, disbursed $50 million in economic support fund grants. These funds were part of the $95 million programmed for the Dominican Republic in accordance with Congressional directives. It must be underscored that this disbursement was made prior to the conclusion of an IMF agreement. It was made with the expectation that the Dominican Republic would institute economic reforms, to include unification of the exchange rate, reduction of fiscal imbalances and a rescheduling of debt payments. Since the United States disbursed these funds to support a government prior to conclusion of an IMF agreement, this action marks somewhat of a departure. In contrast to established practice, the United States advanced these funds with the understanding that doing so would encourage the Dominican Republic to follow through on its announced intentions for economic reform. The unintended effect of this infusion of cash, however, may be to make it easier for the Dominican government to defer action on the more difficult policy reforms required by the IMF and the private banks. Therefore, unless the United States acts to ensure that this funding facilitates a comprehensive effort by all parties involved to assist the Dominican Republic in extricating itself from its economic prediciment, it may actually be counterproductive.

Political Situation

The government of President Salvador Jorge Blanco appears to be committed to economic reform. However, since 1983, splits within the ruling Revolutionary Democratic Party (PRD) appear to be limiting Jorge's ability to move ahead with economic adjustment measures, especially those designed to increase tax revenues. This situation is exacerbated further by elections scheduled for this year and the search for a successor to Jorge Blanco.

The willingness of the Dominican legislature to act positively and promptly on an austerity package will be a crucial factor in the Dominican Republic's ability to meet any new conditions imposed by an IMF agreement. While the executive has demonstrated the political will to carry out an adjustment program, the willingness of the Dominican congress to support budget cuts and tax increases in an election year is unclear.

Not to be forgotten is the fact that there is a violatile electorate in the Dominican Republic. Some 40 percent of the population lives below the poverty line. As a result of economic reforms, prices of basic staples have steadily risen at a time when real wages were declining. Of necessity, conditionality is likely to force further increases in prices, which hit hard on the poorest sectors of society. Consequently, if the United States expects to see the Dominican Republic successfully implement appropriate economic policies, it must make every effort to ease the political costs of implementing those policies.

PANAMA

Economic Situation

The overall Panamanian situation appears to be one of slow but continued deterioration. The Panamanian economy has been at a virtual standstill since 1983. This be attributed largely to a slackening of world trade brought on by the global recession and a sharp decline in the demand for traditional exports of goods and services. The economic outlook will worsen in 1985 and 1986 because projected government revenues will fail to keep pace with scheduled increases in debt service costs. This will limit the government's ability to maintain current services and could arouse resistance to necessary austerity measures.

Panama is facing a public debt of some $3.4 billion, of which $700 million was due at the end of 1984. With IMF financing, it is expected that Panama will experience only a shortfall of $35 million in financing 1984 expenditures. In 1985, the gap between gov-

ernment obligations and revenues is projected to grow to $75 million.

The Administration is considering a $40 million cash transfer to help fill this gap; although, obviously, this amount is insufficient to meet Panama's projected need. We do not know of any decision to condition future economic support fund disbursements on the maintenance of an economic reform program by the new Panamanian President and legislature which was convened in November 1984. In December 1984, in response to widespread public protest, President Nicholas Barletta announced he would withdraw his government's economic reform program. Unless a meaningful economic reform program in instituted, and soon, U.S. assistance funds will be among those lost to the perpetuation of inefficient and ineffective economic policies.

Panama's ability to adjust monetary policy to meet short-term political needs is constrained because the Panamanian currency is the U.S. dollar. Since Panama cannot print money to finance the government's budget deficit, certain political choices are more painful. For example, Panama's ability to create jobs through currency inflation is limited; yet, job creation is very important to maintaining social and political stability. The key benefit to maintaining the dollar as the unit of currency, is that a weak government is prevented from moving the country into an inflationary spiral.

Political Situation

This year's Panamanian election is generally acknowledged to have been "flawed." There is universal recognition in Panama that the Presidential elections were not fair, and that President Barletta was installed in office by the National Guard. Nonetheless, many people (including Barletta opponents) believe that Barletta did receive nearly 50% of the vote and this represents some kind of mandate. Equally, many believe that if his opponent, Arnulfo Arias, had been elected, he would not have been allowed to take office.

Barletta is seen by some to be freer from National Guard influence than previously thought. Questions relating to the conduct of the election may weaken his ability to carry-out broad-scale and unpopular economic reforms. In this context, it does not seem appropriate for the United States to initiate cash transfers until policy reforms are fully articulated and actually underway. Then, it would be appropriate for the United States to step in and provide visible support to President Barletta through assistance which moderates the impact of austerity on the most vulnerable elements of Panamanian society.

COLOMBIA

Economic Situation

Although the current state of the Colombia's economy appears healthy, many observers believe that external debt service requirements may precipitate an economic crisis in the next two to three years. Colombia is facing very heavy capital payments in this period. In 1982 debt service payments were $250 million. In 1985, these payments will climb steeply to $730 million. Consequently, in 1985, a balance-of-payments shortfall exceeding $1 billion is expected to wipe out Colombia's remaining hard currency reserves. This balance-of-payments situation is expected to improve over time, but projections of current trends suggest an additional $500 million draw on hard currency reserves will come in 1986 and Colombia will be forced to seek external financing.

The next two years will be critical, Colombia must integrate a long-term development strategy (based on opening new coal and oil deposits which will be exploitable in the late 1980s) and, short-term policies designed to halt the erosion of hard currency reserves. This will be extremely difficult, because it appears that Colombia is mortgaging future income potential to meet the costs of short-term stabilization. For example, our conversations led us to believe that Colombia is considering selling coal futures in order to finance current budget shortfalls. If so, it is probable that they will be selling their future development potential at rock-bottom prices because current market prices for coal are depressed. Since much of the future income of these projects is already obligated to pay back development and production costs, the benefits of such a scheme are likely to marginal.

Over the years, Colombia has been conservative in its handling fiscal matters. Hence, Colombia has a relatively small external debt. In recent years, however, Colombia has been hurt by high interest rates which the Colombian Ministry of Finance has linked to the record U.S. budget deficit which it asserts have cost Colombia some $1.5 billion in increased interest payments. Additionally, Colombian government finances have been weakened by slow economic growth and reduced revenues from tax evasion.

Colombia does not presently have an IMF program. It does not receive economic assistance from the United States. Currently, Colombia is seeking to reschedule its commercial debts in the absence of an IMF agreement. Colombia intends to convince the commercial banks of its credit-worthiness by unilaterally undertaking an IMF-like economic austerity program. However, the banks have resisted and already indicated that they will not reschedule Colombia's debt in the absence of the legitimacy ascribed to an IMF sanctioned adjustment program. It is not clear whether the banks will continue to maintain this hardline position.

Political Situation

Colombia's political stability seems predicated on Betancur's ability to balance competing political interests—which range from a conservative establishment opposed to social change to leftist insurgencies demanding a fundamental re-ordering of society. Betancur's continuing ability to maintain this equilibrium will be challenged by new outside forces, particularly in the form of pressure exerted by the banks and the IMF as they seek to instill economic reforms in return for continued credit and eased debt service requirements.

Colombia's efforts to rationalize its economy could be disrupted by internal security considerations. Growing pressures for budget austerity have reduced the 1984 Colombian military budget to a level 30 percent less than the 1983 budget and the 1985 budget is expected to be 40 percent less than the 1984 budget. The total impact of these reductions is not clear, since the 1983 budget totals were unusually high and the potential remains for 1985 supplemental funding. However, this could be disastrous if the current truce with the insurgents breaks down and the level of fighting increases (requiring higher defense expenditures). In that case, increases in military expenditures would be driven by urgent requirements which would override budgetary considerations for austerity. Thus, in the Colombian situation, where spending on military items has been relatively modest, U.S. security assistance could meaningfully contribute to shielding economic reforms from the legitimate demands for increased military spending. Of course, Colombian military requirements would need to be carefully reviewed.

PERU

Economic Situation

Peru's economy is in a state of imminent collapse. This is largely due to the sharp contraction in international markets for Peru's main export commodities, a series of devastating natural disasters, and continued government mismanagement of the economy through interventions and subsidies, as well as excessive spending on capital investment projects of dubious value.

GDP, which had averaged approximately 4 percent growth in 1980-1981, fell by 12 percent in 1983 alone and continued to decline in 1984. As a result, by 1984, massive unemployment and the collapse of entire sectors of the economy had driven real per capita income to below 1963 levels. The public sector deficit, which was 1 percent of GDP in 1979 had grown to 11 percent of GDP in 1983. Under Peru's short-lived 1982 stand-by agreement with the IMF, the public sector deficit was not to exceed 4.1 percent of GDP in 1984. Nonetheless, the deficit was larger and is forecast to grow to 15 percent in 1985. By the end of 1984, Peru, having suspended payments on principal in March 1983, was some $400 million in arrears on interest payments to its $13.3 billion foreign debt. Including unpaid interest, Peru is scheduled to pay $1.6 billion to foreign creditors in 1985.

No one knows how this will be done. At present, because the government has financed on-going activities through the sale of dollar-denominated certificates, which are liquid claims, Peru actually has net negative reserves. Being a resource poor country, which has mortgaged the major portion of its foreign exchange-earning fishing industry to the Soviet Union to pay for arms purchases, it is highly unlikely that Peru can expand its remaining exports sufficiently to obtain the hard currency required to meet its overdue interest payments, let alone retire any principal. Beleaguered officials in the Peruvian government, told us that because of Peru's unfavorable reserve position, and the demands for foreign exchange to meet existing overdue obligations of interest and principal, a "mere rescheduling" would not ease the financial crisis. Peru needs "fresh" money, and in substantial amounts.

It is in this context that U.S. proposals to provide additional economic support funding must be evaluated.

It is questionable that additional U.S. assistance could have any utility. The government of President Fernando Belaunde Terry shows little sign of fiscal responsibility, and appears unable to set and enforce priorities. For example, in a declining economy with some 75 percent of government revenues already being spent on interest payments and military spending, the government has signed newly negotiated contracts with France for the purchase of 26 Mirage 2000 interceptor aircraft for the Peruvian air force. This $600 million deal is said to represent a victory for the armed forces over civilians who would have preferred to dedicate this hard currency to managing the present debt. It is indicative of the weakness of democratic institutions in Peru that, some four years after civilian rule was said to have replaced military control, the armed

forces are able to unilaterally commit government resources.

The ability of the IMF to secure Peruvian commitment to economic reform is questionable. Peru's former Prime Minister, Manuel Ulloa, resigned in late 1982, at least partially over disputes with President Belaunde over the government's commitment to maintaining the economic reforms which were conditions of their 1982 stand-by agreement with the IMF. Negotiations with the IMF have broken down completely, effectively precluding refinancing and rescheduling agreements with the private banks which will be necessary to stabilize Peru's economy. Such economic decisions have been put off until after a new president is installed in June.

Political Situation

The first round of Peruvian national elections are scheduled for April 1984. The political parties of the ruling center-right coalition have failed to build a coalition and, as a result, have splintered into three factions. This favors the prospects of the center-left APRA party, led by Alan Garcia, in the run-off election scheduled for May. Peru's electoral system, providing for run-off elections, virtually guarantees that the party of whomever is elected President will not have a majority in the legislature. Obviously, this could have negative implication for the new president's ability to implement economic reforms.

BOLIVIA

Economic Situation

Bolivia's economy has been described as "imploding". Inflation has surpassed an annual rate of 1,000 percent. Per capita income is the lowest in Latin America and declining. The country is $3.7 billion in debt and faces a debt service ratio over 100 percent. Bolivia is in its fourth year of real economic decline (real GDP fell 1.5 percent in 1981; 8.7 percent in 1982; 7.7 percent in 1983; and is expected to continue its decline in 1984 and 1985). The fiscal deficit is in excess of 28 percent of GDP; the Bolivian peso is overvalued by some 200 percent (in spite of a 75 percent devaluation in April 1984). Official unemployment is 12 percent, but real unemployment is reportedly as high as 40 percent in the cities. The money supply is growing at 100 billion pesos per month.

Even if the country had not been the victim of declining world commodity prices and the Andean drought, the economy would still be deteriorating because of ineffective economic policies that, for example, subsidize fuel prices to a level of $0.06 per gallon. In reference to this policy, a Bolivian cabinet minister noted that liter of gasoline costs less than the price of a cigarette. Tax rates are based on a 1970 census and peso rate. The government of President Hernan Siles Zuazo appears incapable of implementing economic reform. The real economy has shifted almost completely to the unofficial side.

The government has all but repudiated its external debts and has stopped payments since May 1984. An IMF stabilization program is out of the question at this point. Moreover, negotiations with the private banks have been suspended. Banks have disbanded groups formed for the purpose of negotiating with the government. The few U.S. banks which remain in La Paz are reduced to skelatal staffs and remain only to monitor the situation.

In this context, the State Department is considering granting a $20 million cash transfer to Bolivia, a country well over $1 billion in arrears on its debt service.

Political Situation

The Bolivian political scene is dominated by continuing conflict between the original leaders of Bolivia's 1952 revolution. These men include: Victor Paz Estenssoro, leader of Bolivia's largest opposition party; Siles Zuazo, the President; Juan Lechin, the leading trade unionist; and, Guillermo Lora, the Trotskyite theoretician of the powerful Bolivian worker's union. Their continued fractious approach to government has effectively frozen the decision-making process in Bolivia.

Perhaps the most surprising thing about the government of President Hernan Siles Zuazo is that it survived for two years. Siles Zuazo's National Revolutionary Movement of the Left and its allies won three successive elections in 1978, 1979 and 1980, but were prevented from taking office each time by military action or electoral fraud. Bolivia had ten different governments between 1977 and 1982. Since Siles Zuazo came to power in October 1982 there have been seven known coup attempts.

This instability and continued strangulation of the government, while preventing the effective day-to-day functioning of the government, has at least created pressures for change. A positive sign may be found in the decision, by consensus, to advance presidential elections to June 1985. It is, of course, questionable whether these elections will lead to the creation of a government capable of undertaking the painful steps of restructuring Bolvia's economy. In any case, the United States should husband scarce foreign assistance resources until it becomes clear that the new government is willing to undertake substantive reforms.

ARGENTINA

Economic Situation

The Argentine economy began a modest recovery in 1983, with GDP growing by 2.5 percent after a cumulative decline in 1981-1982 of 11 percent. This has been taken by some as a sign that the recession in Argentina has bottomed out. Nonetheless, while Argentina's economy is more robust than that of other Latin American countries, it still faces a $43 billion external debt; annual inflation of over 300 percent; declining government revenues (down by 1.5 percent of GDP in 1983) and a growing government budget deficit.

Moreover, the legacy of the previous military government, which had presided over an increase in external debt from $8 billion in 1975 to nearly $45 billion in late 1983, without a significant addition to the nation's capital base and infrastructure, has severely constrained the present democratic government's ability to deal with contemporary economic difficulties. Furthermore, the military, through incompetent management of the economy, brought disorganization and disruption to the entire system for producing goods and services. This legacy has made it extraordinary difficult for the present government to effectively use Argentina's economic strengths to produce and export in sufficient quantities to meet debt service requirements, and promote vigorous economic growth.

Argentina's economic problems appear resolvable. It has a broadly-based economy and is well-endowed with human and natural resources. If the country is not subjected to economic disasters (such as a collapse in commodity prices) and the government remains committed to maintaining its economic reform program sustained recovery and growth is possible. This will be tested by its adherence to the austerity plan associated with the latest IMF stand-by agreement which will require squeezing government wages.

Political Situation

Alfonsin's most powerful adversaries are the labor unions, particularly the Peronist-dominated labor federation. The unions have already expressed their reluctance to accept economic austerity measures. The unions claim that almost any alternative would be preferable to an IMF agreement and, as a consequence, they will not cooperate in wage reductions.

Furthermore, the unions will probably move to protect the jobs of rank and file members threatened by budget reductions. For example, Alfonsin is planning substantial cuts in Argentina's military budget. While in the wake of the Falklands/Malvinas debacle, the country might be willing to accept these reductions, Argentina has over 26,000 people employed in domestic arms industries. These workers are unionized and likely to have great influence on whether the government is able to follow through with the proposed cuts.

Alfonsin's government appears stable for now. Labor groups are expected to grow more resistive over the summer months, particularly if the government maintains its austerity program. Although the political role of the military has been limited since the elections, observers of the Argentine military question whether Alfonsin's impact has been more than superficial.

Mr. LUGAR. Mr. President, I commend the distinguished Senator from Massachusetts for a very useful amendment. It strengthens our bill. We are prepared to accept it on this side.

Mr. PELL. Mr. President, I think it is an excellent amendment. I am very glad to accept it for the Democrats.

Mr. HELMS. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The bill clerk proceeded to call the roll.

Mr. HELMS. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Is there further debate on the amendment of the Senator from Massachusetts? If not, the question is on agreeing to the amendment.

The amendment (No. 131) was agreed to.

Mr. LUGAR. Mr. President, I move to reconsider the vote by which the amendment was agreed to.

Mr. PELL. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

AMENDMENT NO. 132

(Purpose: To authorize appropriations to pay charges on shipments by certain private and voluntary organizations.)

Mr. KENNEDY. Mr. President, I send an amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report.

The bill clerk read as follows:

The Senator from Massachusetts [Mr. KENNEDY] proposes an amendment numbered 132.

Mr. KENNEDY. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

On page 36, after line 26, add the following:

OCEAN FREIGHT REIMBURSEMENT

SEC. 314. Section 123(b) of the Foreign Assistance Act of 1961 (22 U.S.C. 2151u(b)) is amended—

(1) by inserting "(1)" immediately after "(b)"; and

(2) by adding at the end thereof the following new paragraph:

"(2) In addition to funds otherwise available for such purpose, there are authorized to be appropriated to the President $20,000,000 to pay charges on shipments described in paragraph (1).".

Mr. KENNEDY. Mr. President, this amendment would add some $13 million to the $6.5 million requested by the administration in support of the ocean freight reimbursement, and earmarks it.

This is necessary because the administration has cut back by a half-million dollars on this account, precisely at the time when the voluntary agencies need it most. Also, the administration is refusing to use any of the supplemental appropriations we just passed for Africa to support ocean freight costs of the voluntary agencies, despite the strong legislative history that they should.

The tragedy in Africa has produced an extraordinary outpouring of generosity from the American people, much of it in terms of donated goods, food, and medicine and other essential items for the relief operation. Without some help in meeting the shipping costs, these goods will be lost.

Just a few miles from where we are this afternoon, in a warehouse in Maryland, there is $1.5 million in dated medicines that have been given to the Church World Service and they are sitting there because of the lack of ocean freight support.

This is one of AID's most cost-effective programs. For every $10 in essential good donated by the private sector, the Government only spends $1 to provide ocean shipping. These essential goods related to the relief efforts, not canned goods and luxury items.

I would like to inquire of the chairman and ranking minority member of the committee about their attitude on this issue.

Mr. LUGAR. Mr. President, as the distinguished Senator from Massachusetts knows, we are sympathetic to the needs of the voluntary agencies he has outlined, but we must oppose any additional funding in this bill. I agree that additional resources ought to be given to the ocean freight account to handle donations by Americans for the famine relief effort in Africa. And I also agree that AID should use some of the funds we have authorized recently in the emergency supplemental for Africa to cover ocean freight reimbursement as well as the inland transportation costs of voluntary agency programs.

On behalf of the Foreign Relations Committee, I would be pleased to write to the Administrator of AID to express my concern that AID should utilize the resources it has in a supplemental to respond to the ocean freight needs of the voluntary agencies. Would that be an acceptable course of action for the Senator?

Mr. KENNEDY. I want to thank the chairman of the Foreign Relations Committee for his response. It seems to me with the urging of the chairman of the Foreign Relations Committee and the ranking minority member that we could get some positive response for this fiscal year, and to have an opportunity if there was not a positive response to address this issue later at the time of the supplemental down the line. So I thank the chairman of the committee and the ranking minority member. With those assurances, Mr. President, I withdraw the amendment.

Mr. PELL addressed the Chair.

The PRESIDING OFFICER. The Senator from Rhode Island.

Mr. PELL. I would like to assure the Senator from Massachusetts that I would most gladly associate myself with the chairman in doing whatever we can to be of help in pressing along with this idea. It is a good idea, and one that I hope is achieved before too long.

The PRESIDING OFFICER. Without objection, the amendment is withdrawn.

AMENDMENT NO. 133

(Purpose: To encourage the preservation and protection of the cemeteries, monuments, and historic buildings associated with the foreign heritage of United States citizens)

Mr. KENNEDY. Mr. President, I send an amendment to the desk, and I ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report.

The bill clerk read as follows:

The Senator from Massachusetts [Mr. KENNEDY] for himself and Mr. MATHIAS, proposes an amendment numbered 133.

Mr. KENNEDY. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

That because the fabric of a society is strengthened by visible reminders of the historical roots of the society, it is in the national interest of the United States to preserve and protect the cemeteries, monuments, and historic buildings associated with the foreign heritage of United States citizens.

SEC. 2. There is established a commission to be known as the Commission for the Preservation of America's Heritage Abroad (hereafter in this Act referred to as the "Commission").

SEC. 3. The Commission shall—

(1) identify and publish a list of those cemeteries, monuments, and historic buildings located abroad which are associated with the foreign heritage of United States citizens, particularly those cemeteries, monuments, and buildings which are in danger of deterioration or destruction;

(2) encourage the preservation and protection of such cemeteries, monuments, and historic buildings by obtaining, where appropriate and in concurrence with the Department of State, assurances from foreign governments that the cemeteries, monuments, and buildings will be preserved and protected;

(3) sponsor or otherwise support demonstration projects to help preserve and protect such cemeteries, monuments, and historic buildings;

(4) prepare and disseminate reports on the condition of and the progress toward preserving and protecting such cemeteries, monuments, and historic buildings; and

(5) coordinate its efforts with the United States International Council on Monuments and Sites.

SEC. 4. (a) The Commission shall consist of five members appointed by the President.

(b) Members shall be appointed for terms of three years except—

(1) of such members first appointed—

(A) two shall be appointed for two years; and

(B) three shall be appointed for three years;

(2) a member appointed to fill a vacancy on the Commission shall serve for the remainder of the term for which the member's predecessor was appointed; and

(3) a member may retain membership on the Commission until the member's successor has been appointed.

(c) The President shall designate the chairman of the Commission from among its members.

(d) The Commission shall meet at least once every three months.

SEC. 5. (a) Members of the Commission shall receive no pay on account of their service on the Commission.

(b) While away from their homes or regular places of business in the performance of services for the Commission, members of the Commission shall be allowed travel expenses, including per diem in lieu of subsistence, in the same manner as persons employed intermittently in the Government service are allowed expenses under section 5703 of title 5 of the United States Code.

SEC. 6. (a) The Commission may appoint such personnel (subject to the provisions of title 5 of the United States Code which govern appointments in the competitive service) and may fix the pay of such personnel (subject to the provisions of chapter 51 and subchapter III of chapter 53 of such title, relating to classification and General Schedule pay rates) as the Commission deems desirable.

(b) The Commission may procure temporary and intermittent services to the same

extent as is authorized by section 3109(b) of title 5 of the United States Code, but at rates for individuals not to exceed the daily equivalent of the maximum annual rate of basic pay then in effect for grade GS-18 of the General Schedule (5 U.S.C. 5332(a)).

(c) Upon request of the Commission, the head of any Federal department or agency, including the Secretary of State, is authorized to detail, on a reimbursable basis, any of the personnel of such department or agency to the Commission to assist it in carrying out its duties under this Act.

SEC. 7. (a) The Commission may secure directly from any department or agency of the United States, including the Department of State, any information necessary to enable it to carry out this Act. Upon the request of the Chairman of the Commission, the head of such department or agency shall furnish such information to the Commission.

(b) The Commission may accept, use, and dispose of gifts or donations of money or property.

(c) The Commission may use the United States mails in the same manner and upon the same conditions as other departments and agencies of the United States.

(d) The Administrator of General Services shall provide to the Commission on a reimbursable basis such administration support services as the Commission may request.

SEC. 8. The Commission shall transmit an annual report to the President and to each House of Congress as soon as practicable after the end of each fiscal year. Each report shall include a detailed statement of the activities and accomplishments of the Commission during the preceding fiscal year and any recommendations by the Commission for legislation and administrative actions.

SEC. 9. This Act shall take effect on October 1, 1985.

On page 64, line 18 strike "SEC. 914." in lieu therefore "SEC. 915."

Mr. KENNEDY. Mr. President, I offer this amendment, with the Senator from Maryland, Senator MATHIAS.

Today, with Senator MATHIAS, I am introducing this legislation that will establish a commission for the preservation of America's heritage abroad.

We are a nation of immigrants. Almost all Americans can find roots abroad. And those roots are important to remember and respect. In many cases, cemeteries, monuments, and historic buildings are all that is left of the communities from which our ancestors emigrated.

Since the 1970's I have worked with Americans interested in preserving their heritage abroad. I discovered a distressing fact—many of these reminders of our ancestors are in danger of deterioration or destruction. Simple neglect over the years has taken its toll in some cases. Deliberate Government actions have been responsible in others.

Many cemeteries throughout Eastern Europe and the Soviet Union, representing communities of diverse religious faiths, have not been well cared for. In Poland, for example, only some 400 Jewish cemeteries remain out of 800 before World War II. Only a small portion of those are in decent condition.

The U.S. Government is in a position to assist Americans to preserve their heritage abroad. However, there is no one point in the Government to which Americans can turn. This problem deserves ongoing and sustained attention.

The Commission on the Holocaust recognized this problem and proposed a solution in its report to the President. The Commission recommended:

That in recommendation of the sanctity of the physical remains of the Jewish communities of Eastern Europe and the right of the dead to a final resting place, the State Department should continue to express its concern over the destruction of cemeteries, urging that they be maintained in a suitably respectable manner.

Hence the concept of a commission. The Commission proposed in this legislation would identify foreign cemeteries—to which Americans have ancestral ties—that are in jeopardy and to propose policies for encouraging foreign governments in whose countries such monuments are located to take steps to protect them.

Specifically, the Commission would:

Identify and publish a list of cemeteries, monuments, and historic buildings located abroad and associated with the foreign heritage of U.S. citizens which are in danger of deterioration:

Encourage their preservation by working in concurrence with the Department of State to obtain assurances from foreign governments that the landmarks will be protected;

Sponsor or support demonstration projects to help preserve and protect such cemeteries, monuments, and historic buildings;

Prepare and disseminate reports on the conditions of and progress toward preserving and protecting these landmarks;

Coordinate with the U.S. International Council on Monuments and Sites.

The Commission will consist of five members appointed by the President. Commissioners shall receive no pay for their service to the Commission.

I have had the opportunity to review this again with the chairman of the committee, and the ranking member of the subcommittee. It involves no additional funding.

It is a simple amendment but it is I think important. I hope that the Senate will be willing to give it favorable consideration.

Mr. MATHIAS. Mr. President, President Reagan has recently returned from Europe where among other things he participated in ceremonies commemorating the 40th anniversary of V-E Day. Throughout the world there are many cemeteries and monuments which also commemorate the sacrifices of Americans. Many of these cemeteries and monuments are in danger of deterioration or destruction. If these landmarks are allowed to perish, the memory of our ancestors, their triumphs, and the lessons to be learned from their failures will also perish.

Today I am introducing an amendment with Senator KENNEDY to establish a Presidential Commission to preserve these landmarks, as part of America's heritage abroad. The Commission will identify cemeteries, monuments, and historical buildings located abroad that are associated with the foreign heritage of U.S. citizens, particularly those sites which are in danger of deterioration or destruction. It will recommend policies to the State Department to encourage the governments, in countries where the cemeteries and buildings are located, to preserve them. In addition, the Commission will sponsor and support projects to help this effort.

The Commission would consist of five members appointed by the President. They will receive no compensation for their services, although travel expenses incurred will be covered, and a support staff will be provided. The Commission will meet at least once every 3 months and will submit to the President and to both Houses of Congress an annual report.

These historic landmarks can have a very powerful emotional impact. On this, I can speak from personal experience. A few years ago, I traveled to the Soviet Union to open America's "Agriculture USA" exhibit in the city of Kishinev in Modavia. In the course of my travels, I stopped briefly in Kiev to lay a wreath at Babi-Yar, in memory of the hundreds of thousands of Jews who were massacred there by the Nazis when they occupied the Ukraine.

It was a humbling and moving experience to stand at the edge of that fatal ravine, under a bleak winter sky, and pay my respects to the dead. The ravine's harsh, tragic outlines are softened now by landscaping and the scene, after years of official neglect, is dominated by a powerful monument.

But not a single word in the inscription on the monument tells you that it was Jews who were massacred there—that it is Jews who lie in the mass grave at Babi-Yar. The omission is significant. It is not accidental. It underscores the need for this Commission.

Elsewhere in the world the memory of the Holocaust is kept alive so that successive generations may learn its lesson: That man's fate is in his own hands—that by remembering the past, we may shape a better future.

It is in this spirit of remembrance that I am proposing the Commission for the Preservation of America's Heritage Abroad.

Mr. LUGAR. Mr. President, the amendment is an excellent one. We are prepared to accept it on this side.

Mr. PELL. Mr. President, I think this amendment fills a very real need. This Commission will fill actually a vacuum. I think it is an excellent one and we are glad to support it.

The PRESIDING OFFICER. Is there further debate on the amendment? If not, the question is on agreeing to the amendment of the Senator from Massachusetts [Mr. KENNEDY].

The amendment (No. 133) was agreed to.

Mr. LUGAR. Mr. President, I move to reconsider the vote by which the amendment was agreed to.

Mr. KENNEDY. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

AMENDMENT NO. 134

(Purpose: Calling upon the President to initiate discussions with the Soviet Union and France to foster negotiations to limit and control arms control transfers to developing nations)

Mr. HATFIELD addressed the Chair.

The PRESIDING OFFICER. The Senator from Oregon.

Mr. HATFIELD. Mr. President, I send an amendment to the desk, and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report.

The bill clerk read as follows:

The Senator from Oregon [Mr. HATFIELD] for himself and Mr. PELL, proposes an amendment numbered 134.

Mr. HATFIELD. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

At the end of the bill, add the following new section:

"The Control of Conventional Arms Transfers

"SEC. —— (a) The Congress recognizes that conventional arms transfer agreements with the Third World by all suppliers from 1981-1984 totaled $153.2 billion (in constant 1984 dollars); in which non-communist suppliers accounted for $94.1 billion and communist suppliers accounted for $59.1 billion. The United States, the Soviet Union and France have been the three predominant arms suppliers to the Third World from 1977-1984 and collectively accounted for 83% of all conventional arms transfer agreements with the Third World in 1984.

"There is grave concern for the effect conventional arms transfers may have on regional stability, arms races and the economic needs of Third World nations, including their development, and ability to meet basic human needs. There is further concern about the effect of conventional arms transfers on regional stability, and ultimately on United States and Soviet security. Conventional arms transfer agreements made by the U.S., the Soviet Union and France are at levels closer to rough equivalence than at any time in history. This could be a significant factor in facilitating progress to limit and control arms transfers. Since new arms transfers are unpredictable, and since new cycles of arms purchases by the less developed nations could occur at any time, the U.S. should re-evaluate its conventional arms transfer policies and practices and seek to achieve negotiated conventional arms control agreements which enhance the national interest at the earliest possible date.

"(b) Therefore,

"(1) The President should, at the earliest possible date, in consultation with our allies, initiate discussions with the Soviet Union and France aimed at beginning multilateral negotiations to limit and control the transfer of conventional arms to the less developed world.

"(2) Within one year of the date of enactment of this section, the President shall submit to Congress a report to the Speaker of the House of Representatives and the Chairman of the Committee on Foreign Relations which examines and analyzes United States policies concerning the transfer of conventional arms, especially sophisticated weapons, and including a review of measures being taken to fulfill the objectives stated above. This report shall also examine and analyze—

"(A) the lessons of earlier efforts to negotiate restraints on the export of conventional arms;

"(B) the evolution of supplier practices and policies;

"(C) the evolution of recipient country attitudes regarding conventional arms transfers;

"(D) the effect upon regional stability and security of conventional arms transfers by the United States and its allies and the Soviet Union and its allies in recent years;

"(E) the relationship between arms exports by major suppliers and the needs of those countries to support their domestic military procurement programs;

"(F) the relationship between arms imports and the external debt of recipient countries allocation of internal resources, and their economic well-being.

"(G) the relationship between arms transfers and regional military stability.

"(3) The report provided for in subsection (2) shall be submitted in unclassified form, with an unclassified summary and with classified appendices, as appropriate and necessary.

Mr. HATFIELD. Mr. President, there has been rather extended negotiation today between the majority and minority staff of the Foreign Relations Committee, and my staff to work out an agreement on this amendment. I believe we have reached a consensus upon which we can adopt the amendment.

Let me explain it. The Congressional Research Service has recently produced a document that I requested sometime back indicating trends in the transfer of arms by the three major world suppliers—the United States, the Soviet Union, and France—to Third World countries. I think one of the very significant factors to emerge is that between 1981 and 1984, there has been a total of $153 billion of arms that have been peddled throughout the world. I need not indicate the significant economic impact this has on the recipient countries, and on those countries which are the producers. But be that as it may, it seems to me that because of the erratic trend line that has been established through the year-by-year analyses it is indeed significant that this year the three major suppliers are roughly at parity in the value of their respective arms transfer agreements. This is a prime time, it seems to me, to urge and direct the administration, which this amendment does, to undertake discussions with France and the Soviet Union regarding some kind of control over this constant peddling of arms.

We then require a report back to the Congress in the resolve section of the amendment so that we will have better knowledge of the relationship between arms and economics in the recipient countries, we also require a report on steps which are being taken to fulfill the central purpose of the amendment. Other types of data are also requested.

Earlier today we had some discussion on the kind of indebtedness that these countries are experiencing. It is going to create some very serious, very cataclysmic economic problems for them down the road. I am not going to take the time of the Senate right now to get into a lot of detail on that except to say that this is a resolution that would indicate the sense of the Senate that the President shall do this.

President Carter made some attempt in the late 1970's, but only on a bilateral basis. It failed. Even if a bilateral miracle had been worked out between the United States and the Soviet Union, France would have remained a major supplier. So this is a different path in that it requires a trilateral approach which I think ultimately has to be obtained in order to get an effective agreement or an effective program. I think this is a very significant and historic document that has been produced, and this is a very significant and historic action of the Senate to take at this time. It gives meaning to the data and the information in the CRS document.

I urge its adoption.

Mr. President, I ask unanimous consent that the Senator from Rhode Island, Mr. PELL, be made a cosponsor of this amendment.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. LUGAR. Mr. President, I commend the distinguished Senator from Oregon for his thoughtfulness in this area. He has been a long-time champion of reason and commonsense in an area which needs a great deal more of that. We believe that his amendment is well drafted. It would be a most constructive addition to our bill. We support it on this side.

Mr. PELL. Mr. President, I am very glad to be a cosponsor of this bill. I think it is an excellent proposal and hope very much that it will be passed.

Mr. HATFIELD. Mr. President, I thank the chairman of the Senate Foreign Relations Committee and the ranking minority member, Mr. PELL, for their cooperation.

I want to pay a special tribute to staff. Under conditions of this kind where bills are being amended on the floor, there is a tremendous amount of energy and stress put upon the staff. The staff of the Foreign Relations Committee has been most courteous and most cooperative in working with my staff on this, amongst many of the other chores that they have on a day of this kind.

In addition to Rick Rolf and Pat Reiten of my staff I want to pay a special tribute to Bill Ashworth, Dave Smith, on the staff of the Foreign Relations Committee. Andy Semmel and Graeme Bannerman deserve special praise. Finally, Dick Grimmet of the Congressional Research Service for his excellent and scholarly work in the area of arms statistics. He has made an invaluable and objective contribution.

The PRESIDING OFFICER. Is there further debate on the amendment? If not, the question is on agreeing to the amendment of the Senator from Oregon [Mr. HATFIELD].

The amendment (No. 134) was agreed to.

Mr. LUGAR. Mr. President, I move to reconsider the vote by which the amendment was agreed to.

Mr. HATFIELD. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

AMENDMENT NO. 135

(Purpose: Expressing the sense of the Senate that Republic of China (Taiwan) should retain full membership in the Asian Development Bank and that its status and designation should not be a precondition for membership in that body by the People's Republic of China)

Mr. KASTEN. Mr. President, I send an amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will state the amendment.

The legislative clerk read as follows:

The Senator from Wisconsin [Mr. KASTEN] proposes an amendment numbered 135.

At the appropriate place in the bill add the following:

Since the People's Republic of China is seeking to apply for admission to the Asian Development Bank, conditioning its application upon administrative changes affecting the status and designation of the Republic of China (Taiwan) within that body;

Since the Republic of China (Taiwan) is a founding member of the Asian Development Bank, actively participating in the Bank's activities and faithfully fulfilling its obligations since the Bank's establishment in December 1966;

Since the Republic of China's (Taiwan's) subscription to the initial capital stock of the Bank was determined on the basis of the area, population, and economic condition of the island of Taiwan;

Since neither the relationship between the Republic of China (Taiwan) and the Bank, nor the circumstances under which these relations were established, have changed since 1966;

Since the Asian Development Bank agreement specifically prohibits the Bank from being influenced in its decision by politics;

Since it was the strong conviction of the founders of the Asian Development Bank that the introduction of political considerations would undermine the ability of the Bank to carry out its mission, namely to further economic growth and cooperation in the region; and

Since the Republic of China (Taiwan) has assisted in carrying out the mission of the Asian Development Bank over the years, moving from borrower to donor: Now, therefore,

It is the sense of the Senate that—

(1) Republic of China (Taiwan) should remain a full member of the Asian Development Bank, and that its status and designation within that body should remain unaltered no matter how the issue of the People's Republic of China's application for membership is disposed of; and

(2) the President and the Secretary of State should express support of the Republic of China (Taiwan), making it clear that the United States will not countenance attempts to make administrative changes affecting the status and designation of another member without that member's full knowledge and consent.

Mr. KASTEN. Mr. President, the amendment I am introducing expresses the sense of the Senate that the Republic of China [ROC]—Taiwan—should retain full membership in the Asian Development Bank, and administrative changes affecting its status and designation should not be a precondition for membership in that body by the People's Republic of China [PRC].

Over a decade ago, the United States and the PRC began the process of normalizing political and economic ties. This process culminated in the U.S. recognition of the PRC in 1979. There are excellent strategic and political reasons for this normalization process to continue. But in our effort to establish new friends, we should not abandon old ones. We should never allow those old friends to be sacrificed for political reasons, no matter what the short-term advantage may be.

This is precisely the issue that faces us now as the PRC seeks to join the Asian Development Bank. On the one hand, the administration has expressed its support for the PRC's membership in the Asian Development Bank. This support can be seen as a part of the process of normalization, leading to better relations. On the other hand, the PRC has demanded that, as a precondition for its membership in the Asian Development Bank, ROC—Taiwan—must change its status and designation. Regardless of whether or not one believes the PRC ought to be allowed to join this body, there is no justification at all for ROC—Taiwan—to change its status and designation as a member of the Asian Development Bank.

The argument put forward by the PRC in the past, to the effect that there cannot be two governments claiming to represent the Chinese people, does not apply in this case. This argument has allowed the PRC to replace ROC—Tawian—in the United Nations, the International Monetary Fund, and the World Bank.

But when ROC—Taiwan—helped to found the Asian Development Bank in 1966, it was not in control of the Chinese mainland and did not claim to represent all the people of China in the Asian Development Bank. ROC's—Taiwan's—subscription to the initial capital stock of the Bank was determined on the basis of the area, population and economic conditions of the island of ROC—Taiwan. Neither the relationship between ROC—Taiwan—and the Bank, nor the circumstances under which these relations were established have changed since 1966. Therefore, the question of who is the sole, legal government of China and the representative of the Chinese people in international organizations cannot provide any basis for action here. And even if there were merit to the PRC's claim, there is no provision within the Asian Development Bank charter for downgrading the status and designation of a country which is already a member in good standing.

The Asian Development Bank is a nonpolitical regional financial organization. Its sole purpose is to provide the developing member countries with financial and technical assistance for their economic development. Article 36 of the Asian Development Bank Agreement specifically prohibits the influence of political considerations on the decisions of the Bank: "Only economic considerations shall be relevant to their decisions—in order to achieve and carry out the purpose and functions of the Bank." Political influences, of the sort being brought to bear by the PRC, undermine the ability of the Asian Development Bank to carry out its mission; namely to foster economic growth and cooperation in the region.

In conclusion, let me reemphasize that improved relations with the PRC should not be sought at the price of abandoning our oldest Asian ally. No matter how strongly we desire to normalize our relations with the PRC, the United Stated is morally obligated, at a minimum, to ensure that ROC—Taiwan—is not sacrificed. This is certainly the case with respect to ROC's—Taiwan's—status and designation in the Asian Development Bank. I ask that all my colleagues join me in

this effort to protect the status and designation of ROC—Taiwan—in the Asian Development Bank.

The PRESIDING OFFICER. The Senator from Indiana.

Mr. LUGAR. Mr. President, on our side, we believe the amendment presented by the distinguished Senator from Wisconsin has been well drafted. It certainly offers the sense of the Senate as we understand it, and he ought to be commended. Therefore, we support it and ask for its adoption.

The PRESIDING OFFICER. Is there further debate on the amendment?

Mr. PELL. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The bill clerk proceeded to call the roll.

Mr. PELL. Mr. President, I ask unanimous consent that the order for the quroum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

The question is on agreeing to the amendment of the Senator from Wisconsin.

The amendment (No. 135) was agreed to.

Mr. LUGAR. I move to reconsider the vote by which the amendment was agreed to.

Mr. KASTEN. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. LUGAR. Mr. President, while there is a moment as the Senators are regrouping, let me indicate to all who may be listening to this debate in offices that we are very close to completing the bill. There is a sense of urgency on the part of most Senators, and the managers are only too well aware of that. There is a hope that this bill can be completed by 6:30 p.m. I think that is fully within the range of possibility, if Senators would come to the floor and make certain that the last few amendments are presented and, hopefully, make short arguments. I know of no amendments at the moment that might call for rollcall votes, but I am prepared to be surprised if somebody should walk through the door with such amendments. We would like the attention of all Senators within the hour to complete this bill.

AMENDMENT NO. 136

Purpose: To establish Presidential certification on aid to the People's Republic of Mozambique

The PRESIDING OFFICER. The Senator from North Carolina.

Mr. HELMS. Mr. President, I have an amendment at the desk. I ask for its immediate consideration.

The PRESIDING OFFICER. The amendment will be stated.

The legislative clerk read as follows:

The Senator from North Carolina [Mr. Helms] proposes an amendment numbered 136.

At the appropriate place in the bill, insert the following new section:

SEC. ( ). (a) None of the funds authorized to be appropriated for fiscal year 1986 under chapter 2 and 5 of Part II of the Foreign Assistance Act of 1961 shall be made available to the People's Republic of Mozambique unless the President makes a certification in accordance with subsection (a) within thirty days of the enactment of this section and every one hundred and eighty days thereafter.

(b) The certification required by subsection (a) is a certification by the President to the Speaker of the House of Representatives and to the chairman of the Senate Committee on Foreign Relations that the Government of the People's Republic of Mozambique—

(1) is making a concerted and significant effort to comply with internationally recognized human rights;

(2) is making continued progress in implementing essential economic and political reforms, including the restoration of private property and respect for the right to engage in free enterprise in all sectors of the economy;

(3) has implemented a plan to reduce the number of foreign military personnel to no more than 55 by September 30, 1986.

(4) is committed to holding free elections at a date no later than September 30, 1986, and to that end has demonstrated its good faith efforts to begin discussions with all major political factions in Mozambique which have declared their willingness to find and implement an equitable political solution to the conflict, with such solution to involve a commitment to—

(A) the electoral process with internationally recognized observers; and

(B) the elimination of all restrictions on the formation and activities of opposition policial parties.

Mr. HELMS. Mr. President, this amendment is quite simple. I believe the leadership and the managers on both sides are willing to accept it. It requires Presidential certification as a condition for aid to the Communist regime of the People's Republic of Mozambique. This certification is a minimum requirement should we decide to embark on a program of largesse to communism in Mozambique.

Mr. President, my amendment requires the President to certify the following in order for Mozambique to receive U.S. aid which this year is at a level of $18,150,000. First, the President must certify that Mozambique is making a concerted and significant effort to comply with internationally recognized human rights.

Second, the President must certify that Mozambique is making continued progress in implementing essential economic and political reforms, including the restoration of private property and respect for the right to engage in free enterprise in all sectors of the economy.

Third, the President must certify that Mozambique has reduced the number of foreign military advisers to 55 by September 30, 1986.

Fourth, the President must certify that Mozambique is committed to holding free elections at a date no later than September 30, 1986, and to that end has demonstrated its good-faith efforts to begin discussions with all major political factions in Mozambique which have declared their willingness to find and implement an equitable political solution to the conflict, with such solution to involve a commitment to, first, the electoral process with internationally recognized observers and, second, the elimination of all restrictions on the formation and activities of opposition political parties.

Mr. President, here is the point: It is inconceivable, at least to this Senator, that the United States is allocating $18,150,000 for the Communist regime of Mozambique in this year's foreign aid bill, $3 million to be allocated for a military assistance program and an additional $150,000 are for a military education and training program.

The ruling Communist Party of Mozambique, Frelimo, was founded in 1962. The leftist coup in Portugal in 1974 facilitated the rise to power of Communist National Liberation Movements in the Portuguese territories in Africa. Mozambique became independent in 1974 and under the Communist Frelimo regime proceeded to place a Soviet AK-47 assault rifle as part of the national flag.

At the Third Party Congress of Frelimo in February 1977, Frelimo was officially designated a Marxist-Leninist "vanguard party." The transformation of this National Liberation Movement into an orthodox Marxist-Leninist Party was effected through cooperation with the Communist Party of the Soviet Union. The process of this Moscow-guided transformation is paralleled to the Angolan case and the case in Nicaragua.

The Chairman of the Frelimo Party and President of the People's Republic of Mozambique, Samora Machel paid an official state visit to Moscow in November 1980. Following this official state visit, a "Joint Soviet-Mozambican Statement" was released. A review of its contents reveals the true nature of the Machel regime.

The Soviet-Mozambican statement declares:

During the exchange of opinions of cooperation between the CPSU (Communist Party of the Soviet Union) and the Frelimo, it was reaffirmed that the development of the fraternal ties between the two parties, based on the principles of Marxist-Leninism and proletarian internationalism, is of important significance for the whole complex of the revolutionary movement.

Mozambique's attitude toward the Soviet Union and its rule in the world was clarified as follows in the joint statement:

The Mozambican side welcomed the big successes scored by the Soviet people under

the leadership of the Communist Party of the Soviet Union in building a developed Socialist society and creating the material and technical basis of communism. It stressed the big role which the country of Lenin is playing in the preservation of peace in the entire world. In the struggle for an end to the arms race, for détente and disarmament, for the victory of the revolutionary forces of today.

Mr. President, it is no secret that the Mozambican economy is in a complete shambles after 10 years of Communist rule. Hunger and starvation haunt the land. The Mozambican GNP had risen from a 4.2-percent growth rate in 1967 to a 9.5-percent growth rate in 1971. Prior to independence in 1974, the country was poised to attain an annual growth rate of 10 percent and its prospects were bright. Communism has plunged the country into chaos.

Shortly after the Communist Frelimo regime rose to power in 1975, the country was set on a course of internal Sovietization. The Communist regime nationalized land, nationalized rented property, nationalized schools, nationalized banking institutions, nationalized insurance institutions, and provided no compensation for nationalized private property. Over 250,000 whites fled the country as did thousands of blacks. Tribesmen were forcibly shifted from ancient ancestral areas to collectivized settlements. Political indoctrination was combined with other schemes of mass mobilization. A network of concentration camps has honeycombed the country. The economy went into a collapse. By 1978, agricultural and industrial production had dropped by 70 percent.

Mr. President, this is the Communist economy that we are being asked to bale out to the tune of some $15 million. It has been estimated that Machel's Communist regime spent over $175 million per year in assisting Robert Mugabe's Communist movement come into power in Rhodesia. Some 30 percent of the Mozambican national budget was diverted to assist Mugabe install communism in Rhodesia. Now, the American taxpayer is being asked to bail out the Communist regime in Mozambique.

Mr. President, Samora Machel's Communist Frelimo regime in the face of complete economic disintegration, massive social disintegration and unrest, and armed internal opposition, has consistently tightened its relations with the Soviet bloc. Some argue that the barbaric Machel regime can be moderated through economic inducements. To the contrary, Mr. President, such largesse makes it easier for Machel to maintain his dictatorship and continue to have close relations with the Communist world. To vote for aid to prop up this Communist regime, aid which includes military supplies and training, at a time when a major freedom fighter movement is trying to liberate Mozambique from communism, is not only immoral but simply wrong.

Mr. President, the Mozambican National Resistance Movement is struggling for freedom in Mozambique. It is exactly the same type of movement as Jonas Savimbi's UNITA in Angola: the FDN and ARDE freedom fighters in Nicaragua; and the Afghan freedom fighters.

Mr. President, we have given over $120 million in aid to the Communist regime in Nicaragua. This money was supposed to have moderated the Communists in Managua and made them friendly to the United States. We do that all the time. As all the world has seen, the Communist regime in Nicaragua has increased its own internal system of terror and repression and has spread the flames of war and destruction throughout Central America. It makes no sense to embark on the same policy with regard to Communist Mozambique in order to build communism.

Mr. President, I hope that my colleagues will reflect on our failed policy toward the Communists of Nicaragua and support this amendment against aid to the Communist dictators of Mozambique.

Mr. President, I yield the floor.

The PRESIDING OFFICER. The Senator from Indiana.

Mr. LUGAR. Mr. President, if the Senator from North Carolina is willing to indulge in a short colloquy, I will appreciate his responses to these thoughts.

In the amendment he has suggested, the number of military advisers is to be reduced to no more than 55 by September 30, 1986. It occurs at least to this Senator that if there are maybe as many as 1,600 persons involved—and I am advised there might be that number—that type of withdrawal and those numbers by that date may be very difficult for the administration to determine.

I am sympathetic to the amendment but trying to think through it is practical terms. I appreciate the parallel situation with El Salvador, and 55 is sort of an historic goal. But will the Senator entertain any modification that would give a feeling of substantial reduction without getting to the number of 55 and the specific date of September 30, 1986?

Mr. HELMS. Mr. President, if the Senator will yield, my feeling is that we ought to tighten the screws on all situations involving U.S. aid to Communist regimes, and particularly this one that involves a Communist regime where the Soviet Union is doing exactly what it is in Syria and elsewhere. What number does the Senator have in mind?

Mr. LUGAR. I would prefer not to state a number but to speak in terms of a substantial reduction. I appreciate this approach has a necessary vagueness to it, but without being able to consult with the administration, I am not certain what kind of tactical problems they have in fulfilling this reduction in the event that it should become the law of the land.

Mr. HELMS. The Senator knows that I will cooperate, because I understand the difficulty of moving bills of this magnitude through the Chamber. But at the same time, I am loath to accept language that the State Department and others might use to their advantage in terms of not achieving what I hope to achieve by this amendment.

Now, if we could have some idea, for legislative history, what is meant by "reducing substantially," then I would be willing to consider that.

Mr. President, in this connection, while Senators are conferring, I will ask unanimous consent to insert in the RECORD an article from Human Events entitled "Will U.S. Bail Out Communist Mozambique?"

The Soviet bloc military presence in Mozambique this day, as we stand on the Senate floor, is at an alltime high. A noted authority, Dr. Jack Wheeler, stated recently that:

> Mozambique's government is formally Marxist-Leninist with an official Memorandum of Friendship with the Soviet Union. It is kept in power by Marxist mercenaries: some 1,000 to 2,000 Cuban troops and advisors, 500 East Germans, 1,000 Russians, 3,000 to 5,000 Zimbabwean and 3,000 Tanzanian soldiers, plus 80 North Korean military specialists.

This adds up, Mr. President, according to my arithmetic, to between 8,000 and 10,000 military personnel.

I ask unanimous consent that the article by Mr. Wheeler from Human Events dated April 27, 1985, be printed in the RECORD.

There being no objection, the article was orderd to be printed in the RECORD, as follows:

WILL U.S. BAIL OUT COMMUNIST MOZAMBIQUE?

Conservative Caucus Chairman Howard Phillips has been waging a bitter campaign against Assistant Secretary of State for African Affairs, Chester Crocker, particularly zeroing in on Crocker's policy toward Mozambique. One of Phillips' key charges—carried in newspaper ads around the country—boils down to this: Why is the Administration bailing out Samora Machel's communist regime?

Phillips has drawn some blood. No less an Administration official than Vice President George Bush felt impelled to dispatch a letter to Phillips on March 27 arguing that the President himself approved the policy.

"President Reagan," Bush told Phillips, "believes that a military assistance program with Mozambique is in our national interest and essential to the pursuit of policies that have thus far been highly successful in asserting U.S. influence in the region."

Bush pointed out that Machel—with U.S. assistance—signed the 1984 Nkomati non-aggression pact with South Africa (thus closing down anti-South African guerrilla bases

operating in Mozambique), has joined the IMF and the World Bank and has made a major new effort to attract Western investors.

Bush went on: "The Soviet Union has publicly attacked these moves. Our provision of a modest military assistance program ($1.15 million proposed in FY 85) will help demonstrate that the Mozambicans need not rely on the East Bloc for their total security. Bringing some military officers to the United States for training will broaden our contact with this key element of Mozambican society and improve how we are viewed within the military."

Phillips replied on April 8, stressing that conservative opposition to military assistance "is premised on the grounds that it [Mozambique] continues to be an unfriendly government." Phillips then cited former United Nations Ambassador Jeane Kirkpatrick as a source.

Before the Committee for the Free World in London on March 19, Kirkpatrick chastised the United States for approving food aid and $10 million in supplementary military assistance to anti-Western Mozambique in the same week that 17 Soviet MiG fighters arrived in Mozambique's capital.

Phillips pointed to other evidence suggesting that Crocker had not yet been able to bribe Machel into the capitalist world. For instance:

The Foreign Broadcast Information Service (FBIS), which monitors foreign broadcasts, reported on December 3, 1984, that "The Frelimo [Machel's party] and the Communist party of Cuba (PCC) signed in Havana yesterday an accord of cooperation in the field of propaganda."

FBIS disclosed on February 20 of this year that the governments of Communist Mozambique and Communist North Korea renewed their pledge of mutual assistance in a ceremony in Maputo. Said Machel: " * * * As socialist nations and members of the Nonaligned Movement, our countries have engaged themselves in the struggle against imperialism, for peace and liberation of humankind. It is in this context that our country gives its political, moral and diplomatic support to the ANC [African National Congress] of South Africa, SWAPO, the Polisario Front, the Revolutionary Front for an Independent East-Timor, and all people who in the various parts of the world, particularly in Latin America, the Caribbean, and Asia, struggle for independence."

On February 27, FBIS reported that "The Bulgarian ambassador to Mozambique said at a press conference in Maputo yesterday that there has been a new upsurge in Mozambican-Bulgarian cooperation since the fifth session of the two countries' joint commission was held last year."

FBIS also reported on March 5, 1985, the arrival in Mozambique of "over 15,000 tons of diesel from the Soviet Union * * * being unloaded at the Mozambican port of Matola from the Soviet tanker Kerch." A second Soviet tanker. "the Friendship Among Peoples, was currently taking * * * 18,000 tons of diesel to the ports of Beira, in the center of Mozambique, and Nacala, in the north of the country."

What, Phillips would like to know, are we getting for our money? In a splendid new book called Combat on Communist Territory, edited by Prof. Charles Moser, chairman of the Department of Slavic Languages at George Washington University, there is a lengthy chapter on Mozambique which suggests an answer: that U.S. assistance is preventing this strategically placed African nation from falling directly into the Western camp.

Machel, according to the book, is currently cooperating with the West, making deals with South Africa, etc., because his country suffers serious economic difficulties and he fears he will be overthrown by a powerful anti-Communist insurgency, the Mozambique National Resistance, also known as RENAMO.

Machel signed the Nkomati Accord or nonaggression pact with South Africa not because he wanted to close down African National Congress guerrilla bases, but because South Africa agreed to stop helping the increasingly successful insurgency.

The most immediate impact of the accord was the shutting down of RENAMO's Voice of Free Africa. The day following the signing, Machel called on Mozambicans to "finish off the rebels." Speaking to a rally of 70,000 in Maputo, he said the pact meant that South Africa had accepted responsibility for ending training of the RENAMO bandits."

Machel confirmed to the Wall Street Journal after he signed the accord, moreover, that Marxism-Leninism "can't be stopped, because science does not stop. It keeps developing, unlike the Bible or Koran, which can't produce anything new."

Journalist Jack Wheeler, an expert on anti-Communist insurgencies who has talked extensively with the RENAMO forces, has been insensed by Crocker's actions. In a lively speech before the Conservative Political Action Conference in Washington, D.C., on March 2, he said:

"Mozambique's government is formally Marxist-Leninist with an official Memorandum of Friendship with the Soviet Union. It is kept in power by Marxist mercenaries; some 1,000 to 2,000 Cuban troops and advisers, 500 East Germans, 1,000 Russians, 3,000 to 5,000 Zimbabwean and 3,000 Tanzanian soldiers, plus 80 North Korean military specialists."

Given this and Machel's oppressive regime, he added, it is no surprise that RENAMO, led by Alfonso Dhlakama, now "has over 20,000 trained and equipped guerrillas operating in all 10 provinces of Mozambique, and is getting nearer to the capital of Maputo every day. . . .

"When I interviewed Afonso Dhlakama in Africa last fall, I asked him what he and RENAMO were fighting for. He replied: 'First is to free ourselves from Soviet colonialism * * *. Second is to free ourselves from the tyranny of Marxism. There are no freedoms of any kind in Mozambique—of religion, of speech, of the press, of assembly, none * * *.

" 'Our demands, then, are (1) withdrawal of all foreign troops and advisers from our country, especially the Cubans, East Germans, and Soviets; and (2) the dismantling of the current Marxist-Leninist system, with a democratic, multi-party system and free election in its place.' "

Dhlakama, adds Wheeler, "wants RENAMO to be the first democratic liberation movement in history to overthrow a Soviet-backed Marxist-Leninist regime."

So, asked Wheeler, "who tries to come to Machel's rescue just in the nick of time? Of course: the reactionary, elitist invertebrates of the State Department who pathetically whimper about how they can 'win Machel over,' who equate cynicism with sophistication in foreign policy, and 'peace and stability' with the consolidation of Marxist tyranny.

"What these spiritually eviscerated souls must realize is that, the morally repugnant spectacle of America militarily protecting a murderous Communist dictator from pro-Western liberation forces aside, in terms of hard-headed Realpolitik, they are backing a loser. Instead of seizing the situation as an opportunity to advance democracy and freedom by insisting Machel accede to RENAMO's two basic demands, they frantically try and prop him up when he is on his last legs.

"So I want to ask Ronald Reagan, and I'd like all of you to ask him with me, 'When, Mr. President, are you going to lose your temper with the breathtaking naivete responsible for such a contemptible farce, and demand its eviction from Foggy Bottom?' "

What Phillips and Wheeler and plenty of other conservatives seem to be shouting at the Administration, in short, is an old Goldwater slogan: Why not victory?

Mr. LUGAR. Mr. President, some consultation is going to be required. For the moment, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The bill clerk proceeded to call the roll.

Mr. HELMS. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. HELMS. Mr. President, we had a slight syntax problem here which we worked out with the distinguished manager of the bill, Mr. LUGAR.

I am going to send this modification to the desk, but let me read it so there will be no mistake about it.

At the bottom of the page, lines 21 and 22, make it read:

(3) has implemented a plan by September 30, 1986, to reduce the number of foreign military personnel to no more than 55.

I send the modification to the desk.

The PRESIDING OFFICER. The amendment is so modified.

The modified amendment reads as follows:

At the appropriate place in the bill, insert the following new section:

SEC. . (a) None of the funds authorized to be appropriated for fiscal year 1986 under chapter 2 and 5 of Part II of the Foreign Assistance Act of 1961 shall be made available to the People's Republic of Mozambique unless the President makes a certification in accordance with subsection (a) within thirty days of the enactment of this section and every one hundred and eighty days thereafter.

(b) The certification required by subsection (a) is a certification by the President to the Speaker of the House of Representatives and to the chairman of the Senate Committee on Foreign Relations that the Government of the People's Republic of Mozambique—

(1) is making a concerted and significant effort to comply with internationally recognized human rights;

(2) is making continued progress in implementing essential economic and political reforms, including the restoration of private property and respect for the right to engage

in free enterprise in all sectors of the economy;

(3) has implemented a plan by September 30, 1986 to reduce the number of foreign military personnel to no more than 55.

(4) is committed to holding free elections at a date not later than September 30, 1986, and to that end has demonstrated its good faith efforts to begin discussions with all major political factions in Mozambique which have declared their willingness to find and implement an equitable political solution to the conflict, with such solution to involve a commitment to—

(A) the electoral process with internationally recognized observers; and

(B) the elimination of all restrictions on the formation and activities of opposition political parties.

Mr. LUGAR. Mr. President, on our side we are prepared to accept the amendment with the modification made by the distinguished Senator from North Carolina, which we believe strengthens the language.

The PRESIDING OFFICER. Is there further debate? If not, the question is on agreeing to the amendment.

The amendment (No. 136) was agreed to.

Mr. HELMS. Mr. President, I move to reconsider the vote by which the amendment was agreed to.

Mr. LUGAR. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

AMENDMENT NO. 137

(Purpose: To provide funding for Africa famine recovery and development)

Mr. KASTEN. Mr. President, I send an amendment to the desk, on behalf of myself and Senator KENNEDY, and ask for its immediate consideration.

The PRESIDING OFFICER. The amendment will be stated.

The bill clerk read as follows:

The Senator from Wisconsin [Mr. KASTEN], for himself and Mr. KENNEDY, proposes an amendment numbered 137.

Mr. KASTEN. Mr. President, I ask unanimous consent that reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

On page 34, between lines 8 and 9, insert the following new section:

AFRICA FAMINE RECOVERY AND DEVELOPMENT FUND

SECTION 308. Chapter 1 of the Foreign Assistance Act of 1961 is amended by adding at the end thereof the following new section:

"SEC. 129. Africa Famine Recovery and Development Fund.—(a) The Congress reaffirms the commitment of the American people to assist the countries of Sub-Saharan Africa in dealing with drought and famine conditions which threaten the lives of millions of its people. The Congress reaffirms the commitment of the United States Government to continue its support, in concert with other nations and in cooperation with the affected nations in Africa, of the international relief, rehabilitation, and recovery program to assist these nations in dealing more effectively with drought and achieving self-sufficiency in agricultural production, eliminating forever the threat of famine.

"(b) The President is authorized to furnish assistance, on such terms and conditions as he may determine, for the long-term agricultural recovery and development of the Sub-Saharan Africa region. particularly for support of policy reform and agricultural support and research for small farmers. Assistance furnished under this section shall be in accordance with a long-term, multidonor development plan which calls for equitable burdensharing with other donors and shall be furnished, whenever appropriate, in cooperation with in international coordinating mechanism or international agency.

"(c)(1) There are authorized to be appropriated to the President up to $100 million, which sums shall be derived from any funds authorized by this Act to carry out the purposes of this section

"(2) Amounts appropriated under this section are authorized to remain available until expended.".

Mr. KASTEN. Mr. President, it is a pleasure to join once again with the senior Senator from Massachusetts on an initiative which seeks to alleviate the pain and suffering in sub-Saharan Africa, a situation which in the short term has been met with an overwhelming response of generosity from the American people and the American Government.

The initiative now before the Senate is an effort to address long-term relief, rehabilitation and recovery programs in that part of the world. I would especially like to emphasize, and I know that the senior Senator from Massachusetts is also going to emphasize, the importance of agricultural and other policy reforms, which this legislation encourages in order to minimize the affects of drought in the future. Ideally, of course, such policy reforms will also help to ensure that that part of the world can in the future feed itself.

Mr. President, Senator KENNEDY and I are sensitive to the position taken by the leadership of the Senate Foreign Relations Committee that we not add more funds to this legislation, and, therefore, we have fashioned our initiative so that those funds which are authorized for this purpose are available from other funds already authorized by this legislation. The important thing is to get the fund authorized and in place, and in the future if more resources and new resources are necessary, we would expect that the administration would request such funds under this authority.

Mr. President, a lot of debate on this subject is not necessary. We are all aware of the need, and I hope my colleagues will respond to that need by supporting this amendment.

Mr. KENNEDY. Mr. President, I am pleased to join Senator KASTEN in offering today an amendment that will establish within the Foreign Assistance Act a long-term authority for African famine recovery and development. It is patterned along the lines of legislation I offered in 1974, with the late Senator Hubert Humphrey, in establishing the original Sahel drought fund—which has, and which continues to do so much to assist the countries in that region to cope with drought and famine, and to develop their agricultural resources.

Regrettably, Mr. President, we now need to do this for the other countries of sub-Sahara Africa who are facing today one of the greatest human tragedies of this century. Drought and famine have spread across the African Continent, affecting more than a dozen countries and threatening the lives of millions.

All Americans can be proud of what our country has done so far to help the starving peoples of Ethiopia, Sudan, and other parts of Africa. In this terrible time of crisis, it is literally true that "We are the world; we are the children."

United States aid—contributions from the church agencies, and private donations—have already saved millions of lives. But we cannot afford to relax now. We must keep the pipeline filled with food, and keep the pressure on, so that help gets where it is needed most.

Equally important, we must begin to prepare now for the longer term. The central challenge today is whether the nations now suffering recurrent drought and famine in Africa can ever feed themselves again. Two decades ago, the same question was posed—and answered affirmatively—in Asia. In the 1960's the United States acted to avert repeated famine in India, but today India feeds itself, thanks to international assistance and agricultural reforms.

Mr. President, that is the purpose of the amendment we are offering today. As in the Sahel a decade ago, this amendment will help us move from an emergency relief effort to programs for rehabilitation and recovery to longer-term agricultural development. As in the Sahel, we need a longer term authority in our foreign assistance program to launch this longer-term effort to help the African nations recover from drought and famine, to achieve agricultural development and, hopefully, to become self-sufficient in food production.

Our amendment simply establishes an "African Famine Recovery and Development Fund" to allow the President to seek appropriations for long-term agricultural recovery and development programs, particularly for support of policy reforms and for agricultural support and research for small farmers. These goals of the Fund are specified because all agree today that they are central to Africa's effort to achieve self-sufficiency in food.

The key to avoiding future famines, and to minimizing the effect of droughts when they do occur, is to pursue broad agricultural reforms. Ultimately, the African nations themselves must make a commitment to reform. However, they can do so only if they obtain help from other countries. The United States should make clear that it is ready to respond generously to nations that pursue policy reforms, and to reward them with additional assistance when they do.

Unfortunately, many governments in Africa still maintain economic and agricultural policies that favor urban consumers to the detriment of rural farmers. Prices paid to farmers are kept artifically low. Currencies are inflated, and with loans from abroad, urban citizens are able to purchase inexpensive foods and goods from overseas at the expense of their own farmers. Sometimes cash crops have been promoted to support food imports at the expense of domestic crops. It will take political courage for any of these nations to reverse their policies, but we should be prepared to help those that begin the effort.

Second, the Fund's authorizing language also emphasizes agricultural research and support for small farmers. There is widespread agreement that the best method to increase food production in Africa is to strengthen rural farmers, who are frequently neglected or ignored in current government programs and agricultural extension services. Recently, for example, the Office of Technology Assessment released a study concluding that "farmers and herders with little access to economic and natural resources hold the key to increasing food production in Africa." As the OTA report notes, we must help promote technologies in Africa that are "low risk, resource-conserving, small-scale and adapted to local labor conditions, and which are consistent with traditional agricultural methods."

Mr. President, it is impossible today for us to establish an exact dollar level for these programs, even for the coming fiscal year, much less for the years ahead. We are still involved in an emergency operation, with emergency needs still growing in several countries.

But we must begin now to plan for the future, and to authorize longer-term recovery and development programs, even through the exact funding levels cannot be clearly established at this time.

Mr. President, the lesson of past experience is that a self-sustaining future for nations dealing with drought and famine is possible only through agricultural reform. In recent years, per capita food production has been rising steadily in Asia and Latin America, but it is sharply down in Africa. Unless this basic trend is reversed, there will be no long-term progress. There is hope for Ethiopia and Sudan and other hard-hit nations if the United States and the West are willing to help—not just today, but tomorrow, too. That is the goal of the special fund we are establishing by this amendment, and I urge the Senate to support it.

Mr. KASTEN. Mr. President, this amendment has been cleared by both sides, and I hope it will be adopted.

Mr. LUGAR. Mr. President, we do support the amendment, and I urge its adoption.

Mr. PELL. Mr. President, this amendment has been cleared on this side as well, and we urge its adoption.

The PRESIDING OFFICER. The question is on agreeing to the amendment.

The amendment (No. 173) was agreed to.

Mr. LUGAR. Mr. President, I move to reconsider the vote by which the amendment was agreed to.

Mr. HELMS. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

AMENDMENT NO. 138

Mr. KASTEN. Mr. President, I send an amendment to the desk.

The PRESIDING OFFICER. The amendment will be stated.

The assistant legislative clerk read as follows:

The Senator from Wisconsin [Mr. KASTEN], for himself and Mr. INOUYE, proposes an amendment numbered 138:

On Page 50, line 19, after the word funds insert: "authorized to be".

Mr. KASTEN. Mr. President, the amendment seeks to correct what may well be a drafting error wherein the text earmarking authorized funding under the international organizations and programs account actually earmarks funds appropriated, rather than funds authorized to be appropriated.

The amendment Senator INOUYE and I have introduced simply corrects this error and places it in the usual form.

Mr. President, some day we are going to all have to face the issue of earmarkings in both authorizing and appropriations legislation. That is, earmarkings can be disruptive, especially in the case where the authorizing committee has earmarked more than might be appropriated—this action simply requires us—I repeat, requires us—to earmark funds in the appropriations legislation. It is not, however, my intention to get into this issue at this time, but merely to correct a technical drafting error.

Mr. President, I believe this has been cleared on both sides, and I hope it will be accepted.

Mr. LUGAR. Mr. President, we support the amendment and urge its adoption.

Mr. PELL. Mr. President, I concur and support the amendment, and I urge its adoption.

The PRESIDING OFFICER. The question is on agreeing to the amendment.

The amendment (No. 138) was agreed to.

Mr. KASTEN. Mr. President, I move to reconsider the vote by which the amendment was agreed to.

Mr. LUGAR. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

AMENDMENT NO. 139

(Purpose; Expressing the sense of the Congress that Josef Mengele be brought to justice and with reference to the need for the cooperation of the Government of Paraguay)

Mr. SPECTER. Mr. President, I send an amendment to the desk.

The PRESIDING OFFICER. The amendment will be stated.

The assistant legislative clerk read as follows:

The Senator from Pennsylvania [Mr. SPECTER] proposes an amendment numbered 139.

Mr. SPECTER. Mr. President, I ask unanimous consent that reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

At the end of the bill add the following new sections:

SEC. . (a) The Congress finds that—

(1) Josef Mengele was the selecting physician at the Nazi concentration camp of Auschwitz-Birkenau during the Second World War where he personally sent more than four hundred thousand Jews, including close to two hundred thousand children, to the gas chambers and conducted unspeakable pseudo-scientific experiments on many of the inmates of Auschwitz;

(2) Josef Mengele has lived in freedom since the end of the Second World War, initially, it is thought, in Germany and, thereafter, for the past thirty-five years, in South America;

(3) Josef Mengele became a naturalized citizen of Paraguay in 1959, and is believed still to be living in the region; and

(4) the Minister of the Interior of Paraguay has promised that the Paraguayan Government would undertake a nationwide investigation to locate Josef Mengele and allow foreign observers to participate in such investigation.

(b) It is therefore the sense of Congress that—

(1) the United States Government should undertake all possible efforts to ensure that Josef Mengele is brought to justice;

(2) the Government of Paraguay should, consistent with its previous commitments, carry out an immediate investigation to locate Josef Mengele and, if he is to be found in that country, arrest him and extradite him to a country where a warrant is outstanding for the arrest of Josef Mengele for crimes against humanity.

(3) the United States Government should seek to enlist similar efforts on the part of other regional governments; and

(4) in pursuance of these ends, the United States Government should send representatives to Paraguay and such other regional states as appropriate to participate in these investigations;

(c) Report to Congress on efforts of the Government of Paraguay to apprehend Josef Mengele.

SEC. The President shall submit a report to the Speaker of the House of Representatives and the President Pro Tempore of the Senate on the efforts made by the Government of Paraguay to apprehend Josef Mengele. Such report shall be submitted no later than October 1, 1985 and shall include—

(1) a detailing of the efforts made by the Government of Paraguay to locate Josef Mengele;

(2) the degree to which other countries have cooperated with the investigation; and

(3) the results of the Government of Paraguay's efforts to locate and apprehend Josef Mengele.

Mr. SPECTER. Mr. President, I have sent this amendment to the desk on behalf of myself and Senators MOYNIHAN, D'AMATO, KENNEDY, and PELL. This is a sense-of-Congress resolution which calls for action with respect to the Josef Mengele case.

Josef Mengele was the selecting physician at the Nazi concentration camp of Auschwitz-Birkenau during the Second World War where he personally sent more than 400,000 Jews, including close to 200,000 children, to the gas chambers and conducted unspeakable pseudo-scientific experiments on many of the inmates of Auschwitz.

Josef Mengele has lived in freedom since the end of the Second World War, initially, it is thought, in Germany and, thereafter, for the past 35 years, in South America.

Josef Mengele became a naturalized citizen of Paraguay in 1959, and is believed still to be living in the region.

The Minister of the Interior of Paraguay has promised that the Paraguayan Government would undertake a nationwide investigation to locate Josef Mengele and allow foreign observers to participate in such investigation.

The sense of the Senate resolution calls for action by the U.S. Government to undertake all possible efforts to ensure that Josef Mengele is apprehended and prosecuted.

The Government of Paraguay should, consistent with its previous commitments, carry out an immediate investigation to locate Josef Mengele and, if he is to be found in that country, arrest him and extradite him to a country where a warrant is outstanding for the arrest of Josef Mengele for crimes against humanity.

The U.S. Government should seek to enlist similar efforts on the part of other regional governments; and

In pursuance of these ends, the U.S. Government should send representatives to Paraguay and such other regional states as appropriate to participate in these investigations, and report to Congress on efforts of the Government of Paraguay to apprehend Josef Mengele.

The President shall submit a report to the Speaker of the House of Representatives and the President pro tempore of the Senate on the efforts made by the Government of Paraguay to apprehend Josef Mengele. Such report shall be submitted no later than October 1, 1985, and shall specify the efforts made by the Government of Paraguay to locate Josef Mengele, the degree to which other countries have cooperated with the investigation, and the results of the Government of Paraguay's efforts to locate and apprehend Josef Mengele.

Mr. KASTEN. Mr. President, will the Senator yield?

Mr. SPECTER. I yield.

Mr. KASTEN. I commend the Senator for his resolution. I rise in strong support of the resolution, and I ask to be named as cosponsor.

Mr. SPECTER. I thank the distinguished Senator from Wisconsin.

Mr. President, I ask unanimous consent that the name of Senator KASTEN be added as an original cosponsor of the amendment.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. SPECTER. Mr. President, a series of hearings have been held in the Committee on the Judiciary, the Subcommittee on Juvenile Justice, in light of the fact that so many of the victims were children.

Very intensive efforts are being undertaken now by the Department of Justice and the Department of the Army. Secretary Shultz, appearing before the Foreign Operations Subcommittee, responded to questions from Senator D'AMATO and myself that every effort will be made by the Department of State to cooperate in the investigation. This sense-of-the-Senate resolution is an effort to achieve that objective and to provide for certain reporting on the efforts to be made worldwide.

Mr. President, it is my understanding that this amendment has been cleared on both sides.

Mr. D'AMATO. Mr. President, I rise to support this amendment which expresses the sense of the Congress that the Government of Paraguay should immediately carry out its investigation into the whereabouts of Dr. Josef Mengele, do all in its power to locate and arrest Josef Mengele, and extradite him to the Federal Republic of Germany. This amendment calls on the United States to send representatives to Paraguay to observe and participate in this investigation to the extent possible and reasonable. Finally, this amendment requires a report to Congress by the President on Paraguay's efforts to apprehend Mengele.

It is important that the United States send this strong signal to the Government of Paraguay that we consider their harboring of the world's most heinous criminal an affront to our relations with them and a mark on their standing in the international community. Currently, Paraguay receives military aid from the United States. We must use this assistance as a weapon to make Paraguay more responsive to the world's efforts to bring Dr. Mengele, the butcher of Auschwitz, to justice.

Dr. Josef Mengele served as the selecting physician at Auschwitz, the Nazi extermination camp in Poland. While there, he became one of history's worst mass murderers. He is responsible for the murders of more than 400,000 innocent men, women, and children. He was the officer who stood on the train platform where the arriving cattle cars delivered their cargoes of freezing and starving captives. He determined with a gesture of his hand who was to live and who was to go to the gas chambers.

At Auschwitz, Mengele also turned his medical skills into tools of evil. He personally conducted barbaric and often fatal "experiments" on innocent captives. His particular favorites were twins. Mengele would administer a drug, or attempt a surgical procedure, on one twin and, when that twin died, he would kill the other so he could perform autopsies and compare the results.

I have joined my colleagues in making the capture of Mengele a personal priority. We are actively pursuing every lead. At our request, the Army, the CIA, and other U.S. agencies are searching their records for documents that pertain to Mengele and that may lead to his capture and punishment. In the past few weeks dozens of such documents have been released as the result of those efforts.

In January, I called upon the President's National Security Adviser, the Director of Central Intelligence, and the Secretary of the Army to form a special task force to seek any and all information concerning Mengele that may exist in our files. I asked for swift release of any information they may locate, so that this war criminal can be apprehended.

These efforts are starting to pay off. We are making progress; a worldwide search is now underway. But we can, and must, do more.

We must continue to press our agencies for a rapid and thorough search of all U.S. records. Walter Kempthorne, a retired engineer, and Richard A. Schwartz, a retired attorney, both of whom served as guards at a U.S. civilian internment camp at Idar-Oberstein in Germany immediately after World War II, came forward to help us with our investigation. Mr. Kempthorne reported seeing Mengele in that camp. Mr. Schwartz recalled a "sterilization doctor" as one of the prisoners in the war criminal section there. I have asked the army to swiftly search their

records for any information which would confirm or deny this story.

If we had Mengele in our custody, then we would have a special moral obligation to bring him to justice. He has now enjoyed 40 years of liberty when he should have remained in custody to face the Nuremburg tribunal with the rest of his associates. Now, we must act before it is too late.

To make certain no one could ever believe he could safely commit genocide again, we must never rest in our pursuit of the bloody-handed directors of Hitler's holocaust. Mengele must be found, and he must be found now.

I urge my colleagues to support this amendment and send a message to Paraguay and to the world that perpetrators of genocide will not be allowed to live free forever.

Thank you, Mr. President.

Mr. KENNEDY. Mr. President, today I am pleased to join Senators SPECTER, MOYNIHAN, and others in introducing this amendment urging the Government of Paraguay to bring Josef Mengele to justice.

As my colleagues are aware, this year marks the 40th anniversary of the end of World War II. An intensive search is underway for Josef Mengele who personally sent more than 400,000 men, women, and children to the gas chambers and who conducted repulsive and sadistic human experiments on thousands of innocent victims at the concentration camps.

Last February, the Reagan administration joined the worldwide effort and opened its own investigation to locate Mengele. Last March, I proposed that a reward of $1 million be authorized to be paid by the Department of Justice for information leading to the apprehension of Mengele. To date, the Governments of Israel and West Germany, the Washington Times, as well as the Simon Wiesenthal Center in Los Angeles have set aside a total of about $3.3 million as a reward to persons responsible for Mengele's capture—bringing the total amount of rewards to well over $4 million from public and private groups. Such a substantial amount will most likely induce those with information concerning Mengele to come forward.

Experts at the Simon Wiesenthal Center in Los Angeles and other Nazi tracks believe that Mengele is alive and may be living in a remote area of Paraguay. He is also reported to have been sighted in recent years in other countries in South America, as well as in Europe.

The amendment we introduce today urges Paraguay, the United States, and other governments in the region to join these efforts to locate Mengele. It places the Senate on record as asking Paraguay to carry out an immediate investigation to locate Mengele and extradite him to a country where a warrant for his arrest is outstanding for his crimes against humanity.

This amendment also asks the U.S. Government to undertake all possible efforts to ensure that Josef Mengele is brought to justice and requests that the President submit to Congress a report on the efforts made by Paraguay and other countries to locate Mengele.

The sadistic and barbarous crimes committed by Josef Mengele are an affront to civilization and we must urge all those who have the capacity to locate him to join in our efforts to locate Mengele. His abominable crime must not go unpunished.

I urge my colleagues to support our amendment.

Mr. LUGAR. Mr. President, we find this amendment to be one that has great merit. It is timely, obviously. The eyes of the world are on this situation. We appreciate the diligence of the Senator from Pennsylvania in crafting this amendment, and we are prepared to accept it.

Mr. PELL. Mr. President, I, too, think it is an excellent amendment and urge its adoption.

The PRESIDING OFFICER. The question is on agreeing to the amendment.

The amendment (No. 139) was agreed to.

Mr. LUGAR. Mr. President, I move to reconsider the vote by which the amendment was agreed to.

Mr. PELL. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. MOYNIHAN. Mr. President, I thank my colleagues for agreeing to this amendment respecting the search for Josef Mengele.

With adoption of this amendment, the Senate has agreed that both the Paraguayan and the United States Governments should undertake greater efforts to find the notorious Dr. Josef Mengele and see that he is brought to the justice he has for 40 years evaded.

Despite a promise made to an American delegation last November that the Paraguayan authorities would cooperate with Americans in this search, no progress on this front has yet been realized. It is time to reiterate, and emphasize, the deep concern that exists in this country that Paraguay fulfill its obligations, both under customary international law and bilaterally.

This amendment requires that the President provide to Congress a report next October on the progress that hopefully will have been made by that time. That report surely will be instrumental in this body's deliberations about whether and how much foreign aid to provide to Paraguay next year.

On February 18, 1985, I introduced Senate Concurrent Resolution 14, expressing the sense of Congress that Josef Mengele should be brought to justice. Since then, 21 Senators have joined as cosponsors, and have similarly expressed their outrage that, after 6 months, the Paraguayan Government has not yet begun its investigation into the whereabouts of Josef Mengele.

Josef Mengele was the chief doctor at the Nazi concentration camp of Auschwitz-Birkenau during the Second World War where he personally ordered more than 400,000 Jews—including close to 200,000 children—to the gas chambers after, in many cases, conducting barbarous, unspeakable pseudoscientific experiments on many of them. Despite this vast criminality, Mengele has lived in freedom since the end of the Second World War and, for the past 35 years, in South America.

Mengele apparently became a naturalized citizen of Paraguay in 1959, and is generally believed to be living there still. The Paraguayan Minister of Interior promised a private American group on November 22, 1984, that the Paraguayan Government would undertake a nationwide investigation to ascertain the whereabouts of Josef Mengele and that it would allow foreign observers to participate in the investigation. But still, now 6 months later there has been no investigation.

The civilized peoples of the world ought no longer allow Josef Mengele's crimes to go unpunished, and to allow him to live, untried, in freedom. The world community and the United States must ensure that justice is done.

I would like to thank the distinguished chairman of the Senate Committee on Foreign Relations, Mr. LUGAR, and the distinguished ranking minority member of the committee, Mr. PELL, for their assistance in the passage of this amendment. Mr. President, again the U.S. Senate has shown that it stands on the side of moral right and justice. Let us hope that there is no further delay in bringing Josef Mengele to trial.

Mr. President, I ask unanimous consent to have printed in the RECORD the text of Senate Concurrent Resolution 14, a list of the cosponsors of the concurrent resolution; and an article from the New York Times of November 27, 1984.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

S. CON. RES. 14

Whereas Josef Mengele was the chief doctor at the Nazi concentration camp of Auschwitz-Birkenau during the Second World War where he personally sent more than four hundred thousand Jews, including close to two hundred thousand children to the gas chambers and conducted unspeakable pseudo-scientific experiments on many of the inmates of Auschwitz;

Whereas Josef Mengele has lived in freedom since the end of the Second World

War, initially in his hometown of Gunzburg, in the American zone of Germany, and thereafter, for the past thirty-five, years, in South America;

Whereas Josef Mengele became a naturalized citizen of Paraguay in 1959, and is believed still to be living there; and

Whereas the Minister of the Interior of Paraguay has promised the members of a delegation sponsored by the International Network of Children of Jewish Holocaust Survivors that the Paraguayan Government would undertake a nationwide investigation to locate Josef Mengele and allow foreign observers to participate in such investigation: Now, therefore, be it

Resolved by the Senate (the House of Representatives concurring), That it is the sense of Congress that—

(1) the Government of Paraguay should immediately carry out an investigation to locate and arrest Josef Mengele and extradite him to the Federal Republic of Germany;

(2) the United States should send representatives to Paraguay to observe and participate in such an investigation; and

(3) the United States should take all possible actions to ensure that Josef Mengele is brought to justice.

LIST OF COSPONSORS OF SENATE CONCURRENT RESOLUTION 14

Senators Sarbanes, Proxmire, Exon, Kennedy, Chafee, Quayle, Stennis, Lautenberg, Hollings, Simon, Boren, Cranston, Mattingly, Levin, Durenberger, DeConcini, Kerry, Dodd, Bradley, Biden, and Dixon.

[From the New York Times, Nov. 27, 1984]

PARAGUAY PLEDGES TO HUNT FOR NAZI—PRIVATE AMERICAN GROUP SAYS AUTHORITIES DENY KNOWING MENGELE WHEREABOUTS

(By Ralph Blumenthal)

A delegation that traveled to Paraguay seeking information and publicity in a hunt for the Nazi fugitive Josef Mengele reported yesterday that officals still denied knowing the whereabouts of the notorious Auschwitz doctor but had pledged to search for him.

The four-member private group, which returned to New York on Sunday, said the Paraguayan Government had agreed for the first time to allow foreign observers to monitor its investigation and to answer written questions about it. It also agreed to consider allowing a Paraguayan newspaper to run an advertisement offering a $25,000 reward for information leading to the capture of Dr. Mengele, 74 years old.

District Attorney Elizabeth Holtzman of Brooklyn, one of the team, called the agreements an important breakthrough, but she and others also admitted to doubts over the Government's sincerity. Miss Holtzman said she went as a former member of Congress who had pursued cases of former Nazi war criminals living in the United States.

Another member of the delegation, Menachem Z. Rosensaft, a lawyer whose mother was a prisoner at Auschwitz, said he was convinced that the Paraguayan authorities, if they wanted to, would be able "rather easily to put their hands on him."

Mr. Rosensaft, founding chairman of the International Network of Children of Holocaust Survivors, said the visit was intended in part to focus public attention on the search for the Nazi doctor, who he said had selected up to 400,000 Jews, including 200,000 children, for the gas chambers at the Auschwitz-Birkenau death camp and conducted pseudoscientific medical experiments on prisoners.

OTHER MEMBERS OF DELEGATION

The other members of the delegation were Beate Klarsfeld, a West German woman who was pursued Nazi war criminals around the world, and Bishop Rene Valero of the Brooklyn Archdiocese.

They said that from last Thursday to Saturday in Asuncion, the Paraguayan capital, they had met with Eugenio Jacquet, Minister of Justice and Labor; Luis Maria Argana, president of the Supreme Court, and Sabino Augusto Montanaro, Minister of the Interior.

They said they had been unable to arrange a meeting with President Alfredo Stroessner, who was said to have been out of the city.

Efforts to find and arrest Dr. Mengele in Paraguay go back more than 20 years, shortly after his flight there from Argentina, where he had escaped after World War II. He was granted Paraguayan citizenship in 1959 but the Government revoked it in 1979, maintaining he had been absent from the country for more than two years. Witnesses, however, told of seeing him in a remote region of Paraguay in 1978.

Since 1962, the West German Government has been seeking to extradite him to stand trial for Nazi killings.

Miss Holtzman said the United States Government could also put pressure on Paraguay.

AMENDMENT NO. 140

(Purpose: To fund International organization and programs at the level requested by the President)

Mr. HELMS. Mr. President, I send an amendment to the desk.

THE PRESIDING OFFICER. The amendment will be stated. The bill clerk read as follows:

The Senator from North Carolina [Mr. HELMS] proposes an amendment numbered 140:

On page 50, strike line 15 through line 26, inclusive, and insert in lieu thereof the following: "There are authorized to be appropriated to the President for grants to carry out the purposes of this chapter, in addition to funds available under any other Acts for such purposes, $196,211,000 for the fiscal year 1986."

Mr. HELMS. Mr. President, this is an amendment that will save the American taxpayers $71,475,000, according to my calculation, and will make the vast majority of the American people happy.

Here is the point, Mr. President: This amendment reduces spending for international development programs of the United Nations to the amount requested by the President. In other words, the $196,211,000 specified in the amendment is what the President asked for. The committee in its wisdom added $71,475,000 to that.

Last week, Mr. President, the Senate voted to carry out a number of adjustments in our domestic spending programs and voted to freeze defense spending, and the question arises, can we exempt the United Nations from this process of scrutiny and judicious management?

Let me give a few facts which are never reported, to my knowledge, by any of the major news media. They are silent in seven languages about it. I wonder how many Americans know that voluntary contributions by American taxpayers to the United Nations supply from 22 percent to over 40 percent of the total funding of the various United Nations agencies?

The Soviet Union voluntary contributions, on the other hand, supply less than 1 percent of the funding of these agencies.

The United States pays assessed contributions to the United Nations at a fixed rate of 25 percent of the total received by the United Nations, while the Soviet Union with two of its puppet members, Byelorussia and the Ukraine, contribute 12 percent of the total.

Moreover, the Soviets are not even paying that. They are $200 million in arrears. So Uncle Sam has been translated into Uncle Sucker.

In 1983 the State Department reports that the United States paid a total of $961.5 million to the United Nations, a conservative figure which does not include several other contributions. Let me repeat that figure for emphasis: $961.5 million. The Soviet Union, on the other hand paid approximately $60 million the same year.

The figures are fuzzy because there is a certain tendency in this town to protect the U.N. account from excessive scrutiny by Members of Congress and the American people. Article XIX of the U.N. Charter requires that a member more than 2 years in arrears of assessed contributions should lose its vote in the General Assembly. Yet the United States, acting on a precedent established by Ambassador Goldberg in 1965, has never demanded that this rule be applied to the Soviet Union, which is now, of course, liable under the rule.

Let us move along and see what is being done to the American taxpayer by the United Nations.

I wonder how many Americans, who have to cough up all this money, after all, are aware that the heads of these various U.N. agencies have a net after-tax income of $110,000 a year. This is far in excess of the salaries paid to any U.S. Government employee. In real terms it is pretty close to what the President of the United States gets. Bear in mind that, of the $110,000 which these yo-yos at the United Nations draw, 25 percent comes from the American taxpayer. These U.N. bureaucrats have an after-tax income of $110,000 a year.

Midlevel personnel of the agencies addressed by my amendment get between $40,000 and $60,000 a year tax free. This is more than the heads of U.S. executive agencies take home from their job.

To describe the retirement packages for these organizations, generous is too modest a term. After 30 years with

the U.N. development agencies, for instance, the higher ranks receive a lump sum tax free of $300,000 plus an annuity of $50,000 a year.

By bringing their U.N. salaries in line with the U.S. civil service salary levels, the agencies will be able to maintain their programs without a reduction in humanitarian service.

I am going to shorten this, Mr. President, and briefly address the question of espionage. From time to time I have been in correspondence with the distinguished Director of the Federal Bureau of Investigation. I believe he will tell any Senator who inquires that the United Nations is a hotbed of spies. If you want to consult the distinguished former Ambassador from the United States to the United Nations, Jeane Kirkpatrick, ask her for her assessment.

All in all, Mr. President, I would feel that I had failed my responsibility if I did not try at least to reduce the amount of funding of the United Nations to what the President of the United States requested. That means a cut of $71,475,000 from what the committee recommended, but it meets precisely the $196,211,000 that the President of the United States requested.

I think I need to say no more, Mr. President. This is a matter of great concern to citizens all across this land. For years and years they have seen what has happened to U.S. interests in the United Nations.

Now, when the United Nations was established there were all sorts of great hopes for what it would render to mankind and I submit that it has been a total failure.

I yield the floor.

The PRESIDING OFFICER (Mr. DURENBERGER). The Senator from Indiana.

Mr. LUGAR. Mr. President, the distinguished Senator from North Carolina has made a number of insightful comments in regard to the problems of the international organizations. Indeed, this body has addressed many of the difficulties that we have with the United Nations particularly and the Senator has revisited those.

I really do not propose at this hour to debate with the Senator on the quality of service of the salary levels, or what have you.

There are a number of thoughts that come to mind that distress many Americans about the international organizations.

But let me just say that earlier in the day we had a very important vote and it went to a rollcall vote. We have not had many issues that went that far during consideration of the bill, but this one did, an important amendment by the distinguished Senator from New Mexico [Mr. BINGAMAN] who felt that the foreign military assistance sales ought to be decreased by $100 million.

At that time this Senator mentioned that we had within the committee tried to come to some agreement, and it was not easy to do so, between the Senators who felt very strongly that more foreign military assistance was required and others who felt that more development funds should be required. But all members of the committee were constrained by the fact that we were attempting to freeze the levels of activity and that gave us a low ceiling under which to operate.

We succeeded in our general budgetary purpose and we succeeded, I think, in fashioning a compromise between those who favored essentially the military development and those the economic development.

Part of that compromise was the figure for international organizations, the figure that comes into play in the Senator's present amendment. The Senator proposes to reduce the budget for international organizations and programs by a substantial amount, by an amount that would take it down to the amount that was requested by the administration. We started at that amount and deliberately increased the amount as a part of the general compromise worked out with all members of the committee. I support that compromise. I support that budget.

I think that looking at these items line by line would be a project in which all of us could indulge, and indeed, the Senate might wish to do that. I hope not, because I believe that we have struck a balance. We have tested that balance once before today by defeating an amendment from the other side.

The Senator from North Carolina is aware of that process. He feels deeply, I know, about the difficulties in the international organizations and wants to express that feeling in the form of an amendment and at the same time move substantively to reduce the total expenditures. I appreciate those points of view.

But I would ask the Senate to affirm once again the general outline reached by a very large bipartisan consensus within the Foreign Relations Committee, within the purview of the committee that had time to explore each of these items and test them out for size, at least in their relationship to each other. So for that reason, I respectfully must oppose the amendment by the distinguished Senator from North Carolina and ask that the general committee compromise be affirmed once again.

Mr. KENNEDY. Mr. President, I would like to speak very briefly. I do not know what the desire is of the chairman of the committee.

I might just mention some brief statistics, Mr. President. Today over 40,000 children die a day in the world, and most of them die from preventable diseases. Over 15,700,000 die a year under the age of 5.

Yesterday, I had the opportunity to attend with five Nobel laureates, Dr. Salk and Dr. Sabin, and others at the Pan American Health Organization to help launch a program for the immunization of children in Central America and South America against polio. Rotary International has pledged over $100 million to help purchase those vaccines over the next 6 years. We have the private sector involved.

And two of the United Nations organizations which the Senator from North Carolina has identified for program cuts were instrumental in providing the infrastructure and support for that program which can hopefully have some impact in lessening the possibility of polio and other childhood diseases in Central America and South America. He would cut the outstanding work of those U.N. agencies.

In El Salvador this past year, thanks in part to WHO support, there was a total ceasefire by both government troops and by the guerrillas to allow for a countrywide immunization program for the first time in years. For what program? For immunizing children against polio—for children's health programs, originated by the religious groups in that country with the support of U.N. agencies. And the organizations which were dealing with this are the two organizations which the Senator from North Carolina has identified for reduction in funding. The first time there has been a silence in gunfire in El Salvador dealt with children and with the support for children's immunization programs.

None of us hold a brief for overstaffed organizations filled with bureaucrats. But I think that the chairman of the Foreign Relations Committee has already given this body ample assurances that he is going to review that particular issue. He has demonstrated in the past his desire to do so and to ensure that the American taxpayers' dollars that go to those organizations are, to the maximum extent possible, going to have some impact on children's well-being.

I commend the position that has been taken by the chairman of the Foreign Relations Committee. I know how strongly the Senator from Indiana believes in this program. UNICEF at this time supports the Children's Immunization Program which I have outlined. The Oral Rehydration Program, which was established in Dhaka, Bangladesh, which I have had the opportunity to visit, is probably the most effective program for dealing with the principal killer of children in Third World countries and it is supported by the United Nations. That program costs only a few million dollars, but it has had an extraordinary impact in

saving the lives of children throughout the Third World.

The other programs which would be affected by his amendment are the water program—and we understand the importance of that, particularly when water is used in terms of infant formula—and also the support for children's programs as a result of the famine in Africa.

So, the case, I think, as been well made by the chairman of the Foreign Relations Committee. I think with his assurance that we are going to maximize every tax dollar that goes through those organizations, I cannot think of an amendment that deserves to be defeated as much as this one. It is a gratuitous slap at U.N. agencies who are doing outstanding work.

Mr. PELL. Mr. President, I think the arguments against this amendment have been presented very rationally and very eloquently, both by the chairman of the committee and by the senior Senator from Massachusetts. I think what some of us do not realize is that the programs that would be affected are those very same programs that have the highest public approval in the United States. Here I am thinking of the UNICEF, the U.N. Children Fund; U.N. Development Program; World Heritage Trust; U.N. Torture Fund; the Trust Fund to Combat Poverty and Hunger in Africa; World Food Program; U.S. Trust Fund for South Africa; and the Institute for Training and Research.

These are all good and successful programs, and they are voluntary programs depending on voluntary contributions. They do not derive their funds from the regular assessment.

I join in hoping that these programs will not be disturbed.

Mr. HELMS. Mr. President, we have just heard a recitation of the argument that occurs every time a proposal is made to cut Federal spending. It is the argument that could be boiled down to one line: "Throw money at problems; that is the way to solve them."

I thought I made clear in my opening remarks that the United Nations is rampant with mismanagement, but nobody around this place wants to pay any attention to that. It is going on throughout the Federal Government and that is why the American people are upset with this Congress, because they think we are not listening.

Time and time again, we hear the same old argument, "If you don't spend more money for this, you are in favor of cholera or smallpox." Bosh. It just is not so, and those who say it know it is not so.

I am addressing the mismanagement and the waste, which is so obvious in the United Nations. And I dare say that no Senator wants to take me on in debating that subject with respect to this amendment or others that I could offer.

Now, I want to talk with the distinguished manager of this bill for a moment and I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The bill clerk proceeded to call the roll.

Mr. LUGAR. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. LUGAR. Mr. President, I would like to suggest, respectfully, to the distinguished Senator from North Carolina this formula for resolution of this difficulty, because it appears to me that we have two different procedures, two different tracks. We are in the authorization process now, but, as the Senator knows, we will be proceeding in due course to the appropriations process. Another group will examine that and ultimately all of us will have to examine it again.

It would occur to the Senator from Indiana that between this time and that time there might be an examination by our committee, by the Appproriations Committee, and by all Senators who are interested, of the actual facts of operations in these international organizations.

The Senator has made a number of points, and I suspect many Senators will be intrigued to find out more in trying to make those judgments. With that in mind, I would ask the Senator's cooperation, at least on this occasion, to retain the formula of cooperation and bipartisan support that we have in the committee for figures that we have in the authorization but with the full understanding that the facts will be out, that the Senators may reach other judgments at a different point, and that we will have another revisiting of this project during the appropriation process.

Mr. HELMS. Mr. President, I am grateful to my friend from Indiana and I respect him. Let me say at this point that the distinguished Senator does a remarkable job as chairman of the Foreign Relations Committee, and it is not easy to be chairman of any committee, let alone the Foreign Relations Committee.

Having said that, the Senator has made me an offer I cannot refuse. As a matter of fact, it is one that I hoped the Senator might offer when I submitted the amendment. The Senator is exactly right, Mr. President. This is an authorization bill. The real spending of the money occurred on the appropriation bill.

What I am trying to do with this amendment—and what I intended to do—was to buy a little time to have this matter explored, examined and studied by Senators. We may or may not come up with a majority who agree with me. If I lose, I lose. But I think I am right about it. On the other hand, I have no desire whatsoever to frustrate the distinguished chairman in his efforts to reach a conclusion of the consideration of this bill.

So with that in mind, Mr. President, and with the understanding that everybody will be on notice that when the appropriations bill comes, this matter will be reviewed; and with the further understanding that the distinguished chairman of the Foreign Relations Committee and the Senator from North Carolina will work together to achieve a study that is fair, equitable, and objective on the whole matter, I am inclined to withdraw the amendment. But before I do so, I want to thank the distinguished chairman for his customary courtesy, and to express again my admiration for the great job he is doing as chairman of the Foreign Relations Committee.

Mr. President, I withdraw the amendment.

The PRESIDING OFFICER. The amendment is withdrawn.

Mr. LUGAR. Mr. President, I thank the Senator for his thoughtful remarks on this occasion, and for his great cooperation in handling this bill.

AMENDMENT NO. 141

(Purpose: To urge discussions with the Canadian Government to aggressively pursue immediate reduction in the Canadian export of cattle and hogs to the United States.)

Mr. MELCHER addressed the Chair.

The PRESIDING OFFICER. The Senator from Montana.

Mr. MELCHER. Mr. President, I send an amendment to the desk for myself and Mr. PRESSLER, and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report.

The bill clerk read as follows:

The Senator from Montana [Mr. MELCHER], for himself and Mr. PRESSLER, proposes an amendment numbered 141.

At the end of the bill, add the following new section:

SEC. . Since, livestock prices have been in decline for some time due to excessive supply partially caused by dramatic increases in importation of live cattle and hogs from Canada, which has increased by 1,000 percent in the last decade in the case of hogs alone; and

Since, American livestock producers are suffering from the same general economic crisis affecting all of agriculture, and many will face liquidation or foreclosure in the near future; and

Since, the disparity between the U.S. and the Canadian dollar amounts to 32%-34% and results in even further increases in Canadian hogs and cattle being imported into the United States;

Therefore, it is the sense of the Congress that the President should direct appropriate members of the Administration, including the United States Trade Representative, the Secretary of Agriculture, and the Secretary

of Commerce, to aggressively pursue discussions with the Canadian Government directed toward immediate reduction in the Canadian export of cattle and hogs to the United States.

Mr. MELCHER. Mr. President, I am offering this amendment on behalf of myself and the Senator from South Dakota, Senator PRESSLER. I am offering it as an effort to get some agreement between ourselves and the Canadians on the situation that we are finding ourselves in right now—principally because of the disparity of the Canadian dollar as compared to the American dollar.

The packer buyers from the United States are offering the Canadian hog and cattle producers more than what Canadian markets can offer, and, therefore, there is a heavy importation at this time of both Canadian cattle and hogs.

The disparity—the differential, as I understand it—between the value of the Canadian dollar as compared to the U.S. dollar is approximately somewhere between 30 to 34 percent. Obviously, this makes our markets down here much more attractive to those Canadian livestock producers. Again, I do not blame them for the situation. I only ask in the sense-of-the-Congress resolution that the mechanism that we employ when there is some economic catastrophe affecting either our good neighbor, Canada, or ourselves be ironed out as quickly as possible.

This suggests to me that restraint on the part of the Canadian shipments into the United States of both cattle and hogs should be reduced, and it should be reduced immediately.

That is the only purpose on an economic basis. But there is one other matter that I should draw to the attention of my colleagues. That is this: About a year ago the use of choloranphenicol, which is an antibiotic, was banned in this country for food producing livestock because it can develop into or cause development of aplastic anemia when it is consumed by humans. The Canadians, however, have not banned the use of the drug in their country. Three States have banned the importation of animals treated with this drug. Those States are Nebraska, South Dakota and Iowa. The Governor of South Dakota, Governor Janklow, has required that all Canadian hog shipments into South Dakota must provide a stringent certification that the animals were never treated with choloranphenicol. The certifications are very strict, and the Canadian hog importation into South Dakota has been stopped.

The Canadian Government has announced that a 60-day exemption period has begun to reevaluate the further use of this particular drug. The main problem with it is that it is hard to identify in residue samples, and hence there is the rather stringent action taken by the Governor of South Dakota requiring the certification on the part of the shipper that this drug was not used in the production of those hogs that entered South Dakota from Canada.

I mention this, Mr. President, in relation with the sense-of-the-Congress resolution that I am offering in behalf of myself and Senator PRESSLER. I mention it because it, too, has a bearing on our concern about hogs coming in from Canada. I repeat, our relationship with our Canadian neighbors has been ideal, one where we have generally been able to work out problems that exist between the two countries in terms of imports or exports. I hope that this particular problem can be worked out quickly. I offer the amendment on that basis to urge on the President and appropriate members of the administration that they engage immediately in discussion with Canadian officials.

Mr. SYMMS. Mr. President, will the Senator yield?

Mr. MELCHER. I shall be delighted to yield.

Mr. SYMMS. I thank the distinguished Senator for yielding.

Mr. President, I cannot help recalling that in my first term in the other body, the distinguished Senator from Montana was then chairman of the forestry subcommittee, on which we worked very closely for 4 years in formulating some very important legislation which affected the National Forest System and the timber supply in the Pacific Northwest and the intermountain region in Montana, Wyoming, and other States. I was wondering if the Senator had given any thought, in this sense-of-the-Senate resolution, which is asking the administration to make immediate aggressive pursuit of the discussions, to including timber in the sense-of-the-Senate resolution, or did he feel it would confuse the issue too much?

If the Senator would want to modify his amendment, I think that, since timber producers are in a similar situation, it could be added right at the end of the beginning clause, where it says "Since, the disparity." He could add "Since timber producers are in a similar situation." At the end he could, if he wanted to modify it, make it read "cattle, hogs, and timber."

I wonder if that would not be an appropriate place to put it or what the Senator would feel on that.

Mr. MELCHER. Mr. President, I thank my friend from Idaho for bringing this point up. I believe it would be inappropriate on this particular amendment, but I must confess that, although we have gone through the process with the Canadians regarding the logs and the lumber products that come into the United States from Canada, principally from the point of view of the disparity in the value of their money compared to ours, I would only say this: It would be inappropriate in this particular sense-of-the-Senate resolution, but I would be glad to cooperate with my friend from Idaho on a certain one because a parallel situation does exist.

We have had a longer time to look at the log and lumber situation where approximately 30 to 35 percent of the lumber products that we use in this country that are made from soft wood are from Canada, which is very damaging for our mills here in the United States. So we have not put a stop to it, but perhaps it would be time to have another look at it.

Mr. SYMMS. I just make the suggestion; I do not wish to interfere in any way with the Senator's amendment because it does speak to a problem that is of great interest to all agricultural States.

I see the other distinguished Senator from Montana on the floor. He has led a great deal of the discussion on this subject in the Finance Committee on the problem of Canadian timber products in this country. It might just be that we can let the record show, which it will show, to the administration in this sense-of-the-Senate resolution that the same problem exists with respect to timber and an aggressive immediate response is needed with respect to timber, also.

I think the distinguished Senator, as I know him—none of us is asking for a trade war with our friends from the north in Canada, but we do have an immediate problem on which we wish we could get some redress, to somehow soften the pressures which we feel in the wood processing industry.

I thank the Senator very much for his comment. I appreciate his answer.

Mr. MELCHER. I thank my friend from Idaho for his question. I think he is correct that the colloquy which has transpired perhaps will push our administration officials even further in discussions with Canada on this situation.

Mr. PRESSLER. Will my colleague from Montana yield?

Mr. MELCHER. I am glad to yield.

Mr. PRESSLER. Mr. President, the Senator from Montana and I have worked for the last 2 years on this subject in terms of trying to get the Canadians to limit their export of hogs and to change their rules on the use of the antibiotic, chloramphemical. I understand that on May 7 the Canadian Government issued an informational letter to their bureaucracy, with a 60 day comment period. Without question, the governments of the three States are attempting to protect the health of the people involved by banning Canadian livestock imports.

There are a number of other international trade issues that have arisen on the importation of hogs. A prelimi-

nary International Trade Commission investigation has found that Canada provided their hog producers an 18-percent subsidy. As a result of this finding, bonds must now be posted when Canadian hogs come into the United States.

I was told by the Canadian Ambassador just a couple of days ago that the health concern would be solved shortly by Canada bringing its regulations into line with U.S. regulations.

I think this is a very important amendment, because it raises the question of importation of food products that do not meet the same health requirements as food raised in the United States. It is something we must be very vigilant on. We must protect our consumers. I think it is a very important subject.

Mr. President, I join this effort and have worked on it for several years. I have testified before various committees, written letters, and participated at meetings during the last 2 years. It is of great importance, and I do hope we will see it resolved in the near future. If it is not resolved, our U.S. Government should declare a moratorium on the importation of Canadian livestock until the same drug standard is met.

I thank my colleague very much.

Mr. LUGAR. Mr. President, we are prepared to accept the Melcher amendment and we recommend its passage.

Mr. PELL. Mr. President, I am glad, too, from the minority side to accept the amendment.

The PRESIDING OFFICER. The question is on agreeing to the amendment.

The amendment (No. 141) was agreed to.

Mr. LUGAR. I move to reconsider the vote by which the amendment was agreed to.

Mr. PELL. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

AMENDMENT NO. 142

(Purpose: To condition security assistance to Guatemala on the inauguration of a civilian government and significant improvements in human rights abuses; and to prohibit the use of U.S. funds for the Guatemala rural resettlement program)

Mr. KENNEDY. Mr. President, I send an amendment for myself and Mr. DODD to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The amendment will be stated.

The assistant legislative clerk read as follows:

The Senator from Massachusetts [Mr. KENNEDY] for himself and Mr. Dodd proposes an amendment numbered 142.

(a) CONDITIONS ON MILITARY ASSISTANCE AND SALES.—For fiscal year 1986, assistance may be provided for Guatemala under chapter 2 (relating to grant military assistance) or chapter 5 (relating to international military education and training) of part II of the Foreign Assistance Act of 1961 and sales may be made and financing may be provided for Guatemala under the Arms Export Control Act (relating to foreign military sales) only if the President makes the following certifications to the Congress:

(1) For fiscal year 1986, an elected civilian government is in power in Guatemala and has submitted a formal written request to the United States for the assistance, sales, or financing to be provided.

(2) For fiscal year 1986, the Government of Guatemala made demonstrated progress during the preceding year (A) in achieving control over its military and security forces, and (B) toward eliminating kidnapings and disappearances, forced recruitment into the civil defense patrols, and other abuses by such forces of internationally recognized human rights.

(b) CONTINUATION OF IMET PROGRAMS UPON ELECTION.—Notwithstanding subsection (a), up to 30 percent of the amount allocated for Guatemala for fiscal year 1986 for assistance under chapter 5 of part II of the Foreign Assistance Act of 1961 may be provided, upon the election of a civilian government in Guatemala, for the continuation of existing programs under that chapter.

(c) CONSTRUCTION EQUIPMENT AND MOBILE MEDICAL FACILITIES AND RELATED TRAINING.—If the conditions specified in subsection (a) are met, Guatemala may be provided with the following for fiscal year 1986 (in addition to such other assistance, sales, or financing as may be provided for Guatemala):

(1) Sales of construction equipment and mobile medical facilities to assist in development programs that will directly assist the poor in Guatemala.

(2) Sales of training, to be provided outside of Guatemala, which is related to the sales described in paragraph (1).

(3) A total for fiscal year 1986 of no more than $10,000,000 in credits under the Arms Export Control Act for sales described in paragraphs (1) and (2). Such sales and credits shall be provided only to enable the military forces of Guatemala to obtain equipment and training for civilian engineering and construction projects and mobile medical teams, which would not be used in the rural resettlement program.

(d) PROHIBITION ON FURNISHING WEAPONS.—Funds authorized to be appropriated by title I of this Act may not be used for the procurement by Guatemala of any weapons or ammunition.

(e) SUSPENSION OF ASSISTANCE IF A MILITARY COUP OCCURS.—All assistance authorized by this Act which is allocated for Guatemala shall be suspended if the elected civilian government of that country is deposed by military coup or decree.

(f) RURAL RESETTLEMENT PROGRAM.—Assistance provided for Guatemala for the fiscal year 1986 under chapter 1 of part I (relating to development assistance) or under chapter 4 of part II (relating to the economic support fund) of the Foreign Assistance Act of 1961—

(1) may not be provided to the Government of Guatemala for use in its rural resettlement programs; and

(2) shall be provided through private and voluntary organizations to the maximum extent possible.

(g) INVITATION FOR ICRC TO VISIT GUATEMALA.—The Congress calls upon the President to urge the Government of Guatemala to allow the International Committee of the Red Cross—

(1) to conduct an unimpeded visit to Guatemala in order to investigate humanitarian needs in that country, and

(2) to investigate the possibilities of its providing humanitarian services in that country.

(h) RELATIONS BETWEEN BELIZE AND GUATEMALA.—It is the sense of the Congress that the United States should use its good offices and influence to encourage the Government of Guatemala to recognize the independence of Belize and to enter into a mutual nonaggression treaty with Belize.

Mr. KENNEDY. Mr. President, the issue of Guatemala is a matter that has been before the Foreign Relations Committee, raised by my friend and colleague from Connecticut [Mr. DODD], and I think it is appropriate to address this issue even in the final moments of consideration of this foreign aid bill.

The bill, for the first time since 1977, offers $10 million in military assistance to Guatemala. This amendment would postpone or delay that assistance until the President certifies that there has been a transition from military to civilian rule and that the human rights abuses of the security forces have been significantly reduced if not totally eliminated.

The human rights record of the Government of Guatemala has been appalling and there continue to be gross abuses of human rights—kidnapings continue, murders continue, disappearances continue. Over 50 people a month are disappearing today. Over 38,000 Guatemalans have disappeared in the last 38 years.

Just this last spring, two leaders of a human rights group were murdered in cold blood.

In 1983, three U.S. citizens, employees of AID, were kidnaped and murdered, and there have been no prosecutions. In 1984, the Guatemalan Human Rights Commission reported 713 killings and 506 disappearances had occurred—just last year.

Mr. President, this amendment has three major parts.

First, it prohibits military assistance and FMS credits to Guatemala until an elected civilian government is in power and until the Government of Guatemala has made demonstrable progress in controlling its military and security forces, and in elimination certain human rights abuses.

Second, no more than $10 million may be provided for the military forces of Guatemala to obtain equipment and training for civilian engineering and construction projects and mobile medical teams. No funds may be used for the procurement of weapons or ammunition, and all assistance will be suspended in the event of a military coup.

Third, all additional assistance shall be provided through private and voluntary organizations to the maximum extent possible.

The Reagan administration has asked for an increase in military assistance to Guatemala from $300,000 to $10.3 million. Until last year's $300,000, we had given no military assistance to Guatemala since 1977, when the military government withdrew their request for assistance rather than comply with President Carter's requirements for human rights certification.

The administration justifies military aid on the basis of the Guatemalan Government's plan to hold presidential elections this fall and to inaugurate a constitutional government early next year.

But there is no democractic government today.

A presidential election has not yet been held.

The ballots have not yet been counted.

The military has not yet allowed the future constitutional government to be inaugurated.

Military aid now to a de facto military government is putting the cart before the horse. Let us wait for a democratic government to be inaugurated before we approve military aid.

That degree of caution is not merely desirable; it is essential if we want to truly support democracy in Guatemala.

We have also been told that the human rights situation has improved dramatically. They conclude that the relaxation is real, that unconditional assistance is needed by the government to protect the electoral process against guerrilla attacks, and that the prohibition on providing weapons and ammunition is "highly undesirable" in view of the "democractic" role of the armed forces.

But the human rights situation in Guatemala is still bad, and the number of victims of violence in Guatemala is staggering. America's Watch, a widely recognized human rights organization, reported in February 1985:

> Torture, killings, and disappearances continue at an extraordinary rate, and millions of persons remain under the strict scrutiny and control of the government through the use of civil patrols and "model villages". Guatemala remains, in short, a nation of prisoners.

The UNHCR has put the number of Guatemalan refugees in Mexico at 40,000, and the number in Honduras at 1,500. We cannot even begin to guess at the number in this country. In late 1984, an official census supervised by the supreme court stunned the nation when it found that there were over 51,000 orphans in three provinces of the highlands—and that estimates indicated the figure would rise to 100,000 if the other highland provinces and the refugees in Mexico were included.

Over 50 people a month are disappearing, a rate higher than that of the bloodiest years of 1981-82. The Guatemalan bishops stated in September of 1984 that over 38,000 Guatemalans have disappeared in the last 30 years since the CIA aided coup that deposed the last civilian government. Time has shown that the pace and degree of human rights violations have been severest when the democratic challenge to those in power is the greatest, and in 1982 especially the army showed its willingness to kill large numbers of noncombatants, including whole villages, in order to eliminate the guerrillas' popular support.

This spring saw the murders of two leaders of the Mutural Support Group. Their crime—an effort to discover the fate of their loved ones who had disappeared. The Kissinger Commission captured the situation clearly when it wrote of "the brutal behavior" of the Guatemalan security forces: "In the cities they have murdered those even suspected of dissent. In the countryside, they have at times killed indiscriminately to repress any sign of support for the guerrillas." This is what the Kissinger Commission said about these people, and we should know that these are the people still in power today in Guatemala; these are the people who will receive these millions of dollars of U.S. assistance.

The history of the military in Guatemala demands that we wait. They have ruled with force, violence, and total disregard for human rights. In the first years of this decade they killed not hundreds but thousands of rural peasants in a scorched earth policy aimed at defeating the small guerrilla opposition. It was a policy which had no respect for human life. It was a policy that produced an estimated 100,000 refugees and 500,000 displaced persons.

In 1983, three Guatemalan linguists employed by USAID were kidnaped and murdered. No one has ever been prosecuted and no one has ever been punished for those crimes. Last year the Guatemalan Human Rights Commission reported 713 killings and 506 disappearances during the first 9 months of the year. The British Parliamentary Human Rights Group reported on disappearances and killings of university students. The Inter-American Commission on Human Rights, the official agency of the Organization of American States, reported in November 1984 that "death squads" had been reactivated under the government of General Mejia and reported an average of almost 80 disappearances per month.

At one point last year America's Watch reported that the "entire Executive Council of the Student Association at San Carlos University disappeared. Subsequently, some of the students reappeared, tortured; others remain 'disappeared'."

These are not the signs of a government that has seen the error of its ways and is intent on reform. There is no reason yet to reverse the position Congress has held since 1977. Mr. President, this brief history is a strong argument against providing military aid to the Government of Guatemala at this time. It is a strong argument against providing military aid to the armed forces of that country while they continue to engage in brutal human rights abuses of the kind I have cited. It is a strong argument that the United States should await the inauguration of a democratic government before it considers approving any military aid to the Government of Guatemala. And it is a strong argument that this administration has failed to give adequate consideration either to human rights in Guatemala or to democracy in Guatemala.

Mr. President, I have talked to the chairman of the committee as well as the ranking minority member about his issue, as well as the Senator from Connecticut. I yield to the Senator from Connecticut at this time.

Mr. DODD. Mr. President, I commend my colleague from Massachusetts. As he rightfully pointed out, I raised this amendment in the committee. We did not prevail, but the Senator has accurately pointed out the serious conditions which exist in Guatemala. I said at the time of the debate in the committee, and I repeat again, there have been some indications that the Guatemalans are pursuing a policy to improve the human rights conditions in that country and are talking seriously today about civilian elections. But it is only in the talking stage at this particular point. Nothing concrete has happened. I for one, and I think others, would be willing to provide Guatemala with assistance in the future provided they demonstrate a concrete determination to have a civilian government determined through a democratic process in that country. I think to provide this kind of assistance at this juncture, short of that clear demonstration, would be a mistake, so I am pleased to join with my colleague from Massachusetts in this amendment and urge its adoption.

Mr. INOUYE. Mr. President, I strongly urge the adoption of the amendment proposed by the Senator from Massachusetts.

While I certainly do not dismiss Guatemala's vaunted move toward democracy, I remain skeptical. The results of the July 1, 1984 Constituent Assembly election gave a greater percentage of seats to the rightist party—the MLN—than it received in voter support. This was due in part to a proportional representation scheme which skewed the election results to the right. It is this rightist party which has been accused of the bloody

repression of Indian demands for political freedom and democratic expression.

Furthermore, it should be noted that power has not passed from the military. The July election, which is so often cited as evidence of the movement toward democracy, did not elect those who would rule Guatemala; it elected who would draft a new constitution. I might note, Mr. President, that Guatemala is not noted for abiding by a constitution, having had six different versions in its history. Some of the worst excesses of violence and repression have taken place under the existing constitution, drafted in 1965.

In any case, the question has not been one of an improperly or imprecisely drafted constitution; it has been the failure of successive governments to abide by and have a respect for basic human rights. The present chief of state cannot be said to have an unbroken record of service to constitutional authority—Gen. Oscar Mejia Victores came to power in a coup against another general (Rios Montt) who had himself come to power through a coup.

Since seizing power, Mejia's "campaign against subversion" has, if anything, been more brutal and repressive. Mejia himself has been implicated in the coverup of the murder of three AID contract employees working on a linguistics program with indigenous Mam indians. It is Mejia's regime which would receive military assistance from the United States under the proposed bill.

I remind my colleagues that it was the Mejia regime and its security forces which was characterized by the Kissinger Commission as having exhibited brutal behavior. The Commission report has been cited in the debate on this bill; it has been quoted as an authoritative statement of what American policy ought to be. Its descriptive commentary on the Guatemalan security forces is illuminating:

> In the cities they have murdered those even suspected of dissent. In the countryside, they have at times killed indiscriminately to repress any sign of support for the guerrillas. Such actions are morally unacceptable.

Mr. President, these are the security forces which would receive U.S. military assistance under the committee bill. They remain under the same leadership which they had at the time the Kissinger Commission issued its report.

The provision of military assistance to this regime is morally unacceptable. I urge my colleagues to support this amendment.

Mr. LUGAR. Mr. President, I appreciate the amendment and the spirit in which it is offered, and the comments of my colleague from Connecticut. Both Senators have been strong advocates of constructive thinking about the human rights situation in Central America and have directed specific attention from time to time to Guatemala.

Let me make these points, Mr. President, and I do so respectfully. We have successfully to this point moved on consideration at least for this day away from the Central American region. There are any number of ways we could have visited that region today. Senators have been off the floor consulting with one another. They are thinking carefully about responses, maybe ultimately fairly strong bipartisan responses.

In truth, Guatemala is not Nicaragua and is not El Salvador, but it is a very important question. I make this proposal to the distinguished Senator from Massachusetts.

I suggest that I write a letter to the Secretary of State indicating the very strong concern I have about the human rights situation in Guatemala, and specifically whether the elections which are now scheduled for this fall—in October, as I recall—will help achieve civilian government in Guatemala. I would include in this letter, in addition to my own personal concern, my thought that if the human rights situation in Guatemala does not improve, that I would have to recommend to the Secretary that the aid we are now giving not be favorably considered again. In short, that we would have to reconsider in the strongest terms the good will that is expressed in this respect.

If we are able to use this approach, we will not have to get into conditionality, into a set of fences. I visited with the distinguished Senator from Massachusetts. I know of his concern, and I have discussed with him a number of the violations which he has mentioned.

But I hope this letter might be helpful and lead the Senator to withdraw his amendment at this time given these assurances.

Mr. KENNEDY. I thank the Senator from Indiana, the chairman of the committee, for a very positive response. The strong commitment of the Senator on this issue, and indicating such to the Secretary of State, I think, is a very constructive and positive step. I am hopeful it will elicit the kind of response we would have had if this amendment had been accepted.

I ask the Senator from Rhode Island, the ranking minority member, whether he, too, could join in such an expression. I believe that it is important to get an expression of concern about these violations.

I also ask my colleague from Connecticut, who has been working in this area, whether he agrees with me that this would be a very substantial step forward.

Mr. DODD. If my colleague from Massachusetts will yield, I, too, commend the chairman of the committee for a number of reasons, not the least of which is how he has generally handled this bill. I think he has done a masterful job. His consideration on this particular issue is very worthwhile.

I presume the distinguished Senator from Indiana would have no objection if such a letter as suggested would be cosigned by the ranking minority member. I think it would serve us all very well.

I thank the Senator from Massachusetts for that suggestion. I certainly agree that, with that kind of alternative, I would have no objection to the amendment being withdrawn. I think it is an excellent step.

Mr. PELL. Mr. President, it seems to me this is an excellent resolution to the original proposal of the Senator from Massachusetts. I will be delighted to work with the chairman and cosign the letter. I recognize very much, indeed, that the human rights situation in Guatemala is still one with serious problems, and it may be that this action will do something to reverse it.

Mr. LUGAR. I welcome the Senator in signing the letter with me, and we will be prepared to draft it shortly.

Mr. MELCHER. Mr. President, I commend the Senator from Massachusetts and the Senator from Connecticut for raising these points. The Guatemalan refugees, in Mexico have come to escape brutalization, most of them to save their lives and the lives of their families. The fact that we have not been more positive in searching out the reasons for Guatemalan terrorism of its own people, indeed, is a blot on our efforts to help stabilize and bring progress to the Western Hemisphere. I viewed the Guatemalan refugee camps in Mexico from the air. At that time they were not allowing Americans to enter the camp. The situation is one that demands more attention and cooperation from us and our Mexican counterparts, who are doing an outstanding job in providing a haven for Guatemalan people who are persecuted in their own country.

Mr. KENNEDY. I thank the chairman and ranking member of the committee. I look forward to working with both of them on this issue. I know they are very deeply committed to the cause of human rights in Guatemala. With that understanding, I withdraw my amendment.

The PRESIDING OFFICER. The amendment is withdrawn.

The Senator from Indiana.

AMENDMENT NO. 143

Mr. LUGAR. Mr. President, on behalf of Senator DOLE and Senator KASSEBAUM, I send an amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The amendment will be stated.

The assistant legislative clerk read as follows:

The Senator from Indiana [Mr. LUGAR], for Mr. DOLE, Mr. DENTON, and Mr. KASTEN, proposes an amendment numbered 143.

Mr. LUGAR. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

On page 64, between lines 16 and 17, insert the following:

ASSISTANCE FOR THE CAMBODIAN PEOPLE

SEC. 914. The President may make available to the noncommunist resistance forces in Cambodia up to $5,000,000 for fiscal year 1986 of the funds authorized to be appropriated to carry out chapter 2 or chapter 4 of part II of the Foreign Assistance Act of 1961, notwithstanding any other provision of law.

On page 64, line 18, strike out "Sec. 914." and insert in lieu thereof "Sec. 915.".

Mr. DOLE. Mr. President, I am pleased to join Senators KASTEN and DENTON in offering an amendment to provide up to $5 million in 1986 in support of the non-Communist resistance forces in Cambodia.

In the years since the Vietnamese invasion of Cambodia, the brave people of that country have continued to risk their lives in a desperate struggle for national sovereignty and national identity. They have confronted the full force of the Vietnamese war machine, vastly superior in manpower and equipment. They have indirectly faced the might of the Soviet Union, which has lavishly bankrolled and equipped the Vietnamese aggression, to the tune of about $4 to $5 million per day—about $1.5 billion per year.

Fortunately, the people of Cambodia have not had to struggle entirely alone. They have had the strong backing of their immediate neighbors in Southeast Asia, particularly the free States of ASEAN, who have provided vital support. They have had the strong political backing of free nations everywhere, who have refused to recognize—either bilaterally or in the UN—the illegal regime that Hanoi has installed in Phnom Penh. And they have had the sympathy and prayers of free people everywhere.

We, too, have backed those resistance forces which aim to reinstitute a democratic, nonaligned government in Cambodia. We have provided them unqualified political support, following the lead of the ASEAN States.

Now, I believe, we must do a bit more.

The Vietnamese this year launched an unusually massive, brutal dry season offensive. This offensive, like all Communist military operations, was as much political as military in intent. It was aimed primarily at the democratic elements of the resistance coalition, seeking to destroy them as an effective barrier to Vietnam's occupation and, equally important, to destroy them as a strong element of the resistance forces. The Vietnamese recognize clearly that a resistance totally dominated by the Khmer Rouge will have far less credibility and appeal both within and without Cambodia than one in which the democratic resistance forces play a central role.

So this amendment aims to do two things. First, to aid the resistance to Vietnam's aggression, to help ensure that it will not succeed. And, second, to aid the democratic elements of the resistance, so that they remain a viable and effective alternative for the people of Cambodia. And I might add, the Proxmire amendment we passed yesterday further ensures none of these funds can reach the Khmer Rouge.

Ours is a flexible amendment, befitting the fluid nature of the situation in Cambodia. By authorizing use of either MAP or ESF funds, and by giving the administration some latitude in administering the funds, it will permit the creation of a support package which can best meet the needs of the democratic resistance.

But this amendment does not represent the nose of any camel. It is offered, and will be used, above board, with the clearly stated intent of providing support to the non-Communist resistance. This is not the first installment of anything, or an open-ended commitment to do anything. It is an ad hoc provision of support to people who need it and who deserve it. Any decision to continue or extend this aid—and no such need is now envisioned—would have to be fully considered and approved by the Congress, under all normal procedures and safeguards.

I might also add, as the Senate knows, that the House is now considering similar amendments on its version of the foreign aid authorization bill.

Mr. President, no nation's struggle against aggression has ever been easy or painless, either physically or emotionally. But no nation, perhaps, has ever suffered pain on any greater scale than the nation of Cambodia. We cannot directly ease that pain—only the aggressors, the Vietnamese and the Soviets, can accomplish that, by ending their aggression—but we can lend our support to those whose nation, whose culture, whose lives are in jeopardy.

Mr. President, I strongly urge all of my colleagues to join Senators KASTEN, DENTON, and me in adopting this amendment.

Mr. DENTON. Mr. President, the amendment that I have jointly sponsored with Senators DOLE and KASTEN authorizes $5 million in aid in fiscal year 1986 to the non-Communist resistance forces in Cambodia. The aid would be provided through the regular grant Military Assistance Program [MAP] and the Economic Support Fund [ESF].

The provision of direct aid is not intended to chart a new course or role for the United States in Southeast Asia, but continues our policy of following the lead of the ASEAN nations. On February 7, in response to the latest dry season offensive against the Cambodian resistance, the ASEAN nations issued a public call for the international community to increase "support and assistance to the Kampuchean people in their political and military struggle to liberate their homeland from foreign occupation."

I believe that the amendment is a measured and timely response to the current situation in Cambodia, reflecting not only a concern for the security of our ASEAN allies but also an awareness of where the real hope for a free, prosperous, and peaceful future for the Cambodian people lies.

The Khmer people of Cambodia have endured 10 years of brutal Communist tyranny. Under the Chinese-backed Khmer Rouge regime, a regime that came to power with the active support of the North Vietnamese and the Viet Cong, at least a million and a half people died from disease, starvation, or execution. The actual number may have been as high as 3 million. I must point out that the brutal policies that produced those deaths were either dismissed or defended before the United Nations by both the Soviet Union and Vietnam.

The Communist Khmer Rouge resisted political domination by the Vietnamese, and the Vietnamese Army invaded on Christmas Day 1978 to assert its hegemony. Two weeks later, Pol Pot and his ruthless cohorts were in the mountains, and Heng Samrin, a former division commander in the Khmer Rouge, was in power as a wholly owned subsidiary of the Vietnamese. Then 200,000 Vietnamese troops occupied the country, and current estimates place the occupation troop strength at 170,000.

Although the Heng Samrin regime cannot and has not been accused of the wanton brutality that characterized the Pol Pot years, its own human rights record is appalling. Nearly a quarter of a million people have fled to the Thai-Kampuchean border to live under the protection of the Thai government or one of the armed resistance groups. Reports suggest that thousands of political prisoners are held for indeterminate periods, and many are tortured. Civilians are often conscripted to labor on military-related projects near the border, where their lives are at risk.

What survived of Khmer culture following the Khmer Rouge effort to communize the country is now being

threatened by Vietnamese aggrandizement and colonization. In July 1983, the Kampuchean Foreign Minister signed an agreement with Hanoi legalizing the Vietnamese annexation of Cambodian territory and islands. Thousands of Vietnamese settlers are in Cambodia, receiving more favorable treatment from the Heng Samrin regime than it accords to its own people. Cambodian natural resources are routinely exploited by the Soviet Union and Vietnam. Scarce food resources go first to the occupying army.

There are now three armed groups resisting Vietnamese occupation. The first and largest of them is the Communist Khmer Rouge, which numbers 35,000 to 40,000. Pol Pot is now commander-in-chief of the army, and it is well-supplied by Communist China. Although the Khmer Rouge claims to have changed its policies since being thrown out in 1979, refugee reports indicate that it still has an appalling human rights record.

The other two groups are non-Communist: the Khmer People's National Liberation Front (KPNLF) led by Son Sann, a former prime minister, and the Sihanouk National Army (ANS) under Prince Sihanouk. The growing troop strength of the KPNLF is 15,000 to 20,000, and Prince Sihanouk's men number 8,000. Their numbers continue to grow.

In 1982, under pressure from China, the ASEAN nations, and the United States, the non-Communist forces formed a coalition with the Khmer Rouge. The principal backer for the Coalition Government of Democratic Kampuchea (CGDK) is China, but much of the PRC's aid does directly to the Communist Khmer Rouge.

Recognizing the greater inherent danger posed by the non-Communist resistance forces, the Vietnamese army successfully directed its latest dry season offensive against them first. That offensive included substantial incursions into Thailand, with some of the Vietnamese forces even electing to remain inside the Thai border.

The Vietnamese troops were ultimately repelled by Thai troops, but the nature of the incursions represented a clear escalation in Vietnam's aggressive posture and caused grave concern to Thailand and its ASEAN neighbors. That concern, in conjunction with Vietnam's continuing failure to enter serious negotiations about its occupation of Cambodia, compelled the ASEAN nations to issue their public plea for international material support for the armed resistance.

I believe that there are at least four good reasons for supporting the non-Communist resistance forces in Cambodia:

First, the aid will represent an important counterweight to Chinese aid for the Khmer Rouge. Under no circumstance can we permit the Khmer Rouge and Pol Pot to return to exclusive power. To date, much of the strength of the Khmer Rouge stems from the fact that it receives consistent and abundant support from the PRC. Should a Vietnamese withdrawal be negotiated and a political settlement reached, it is critical that the non-Communist forces be able to field sufficient forces to ensure their continued participation in the internal political affairs of their country.

Second, the provision of aid to the non-Communist resistance would further isolate both Vietnam and the Heng Samrin regime, which has yet to receive international recognition. By raising the cost of Vietnam's occupation, the aid would apply further pressure on Vietnam to settle the conflict in Cambodia peaceably.

Already Vietnam has paid a stiff economic price for its adventurism in terms of lost aid and trade opportunities, and it is heavily dependent upon the Soviet Union for support. The Heng Samrin government remains in power only by force. Recent reports indicate that mid-level defections from the regime are increasing and that Vietnamese efforts to assert its control over the country will become more difficult. The ability of the non-Communist forces to present themselves as legitimate alternatives to Heng Samrin and the Khmer Rouge will further undermine the legitimacy of Heng Samrin and his Vietnamese advisers.

Third, aid to the non-Communist resistance will lend additional support to our ASEAN friends who must live next door to a regime that shares with its principal backer a totalitarian ideology that is inherently expansionist. The Vietnamese presence in Cambodia is viewed by the ASEAN nations as a significant threat. They believe that the Soviet Union's willingness consistently to back Vietnam's imperialist designs in the region provides the Soviets with greater leverage over Vietnam and increases Soviet influence in the region.

Moscow provides an estimated $1 billion a year in economic and military aid to Vietnam. Some of it is used in Cambodia for the development of infrastructure: roads, airports, port facilities, and communications. In return, the Soviet Union receives base rights in Vietnam—20 to 25 Soviet Navy ships, 16 nuclear capable TU-16 Badger medium bombers, and a squadron of Mig-23 fighter bombers are currently located in Cam Ranh Bay.

Those forces threaten key sealanes and United States bases in the Philippines. Should the Soviets complete the port facility at Kompon Som in Cambodia, they will be able for the first time to establish a presence on the Gulf of Siam.

The resistance forces are a buffer for the ASEAN nations, particularly Thailand, against Soviet expansion and Vietnamese adventurism. The ASEAN nations—the Philippines, Thailand, Malaysia, Indonesia, Singapore, and Brunei—are one of our bulwarks to preserve the free world.

Finally, many refugees live in camps inside Cambodia and under the protecton of the various resistance groups. The Vietnamese Army has attacked the camps in the past, and I am certain that it will do so again in the future. Aid to the non-Communist resistance affords greater protection to people who have fled the policies of the Heng Samrin regime.

I have heard some people argue that we should not do anything to alter the current situation in Cambodia if it could lead to a return of the Khmer Rouge to power. I suggest to my colleagues that there is another alternative in Cambodia to continued foreign occupation or the return of the Khmer Rouge. That alternative is a non-Communist political movement.

I urge my colleagues to support the amendment. It will enable the United States to support the ASEAN nations and the non-Communist resistance in Cambodia, and to help free the people of Cambodia from the tyranny of the last 10 years.

Mr. KASTEN. Mr. President, this amendment, cosponsored by myself, the majority leader, and Senator DENTON, is a variation of the Solarz amendment authorizing assistance to the non-Communist resistance movements which are engaged in battling the occupying forces of Vietnam in Cambodia. We have made some changes to that amendment in order to overcome some objections which have been made against the Solarz amendment that a bad precedent would be set by allowing economic support funds to be used for military assistance. My amendment authorizes either economic or military assistance, but requires that military assistance be provided under the Military Assistance Program.

Mr. President, on May 8 the Foreign Operations Subcommittee of the Committee on Appropriations, which I chair, held a hearing on the general topic of providing assistance to the non-Communist insurgents. It is my belief that we as Americans are compelled by our own traditions and history to support such movements, and that we must, therefore, send a signal to all freedom fighters that we support the ideals they fight for.

The hearing, I think, represented a good beginning in developing a bipartisan policy on the overall question of assistance to non-Communist insurgencies. While I have started to develop legislation along these lines, much work remains to be done, and I doubt that such legislation will be ready for inclusion in the legislation currently

before the Senate. Nonetheless, with the amendment previously offered and accepted by the senior Senator from New Hampshire, with this amendment and the amendment in the House version by Congressman SOLARZ, the debate on this question has already begun. I am hopeful that this is just a beginning, and that in the very near future we can, in fact, produce bipartisan legislation which will be helpful to all those who are fighting for democratic principles against Communist governments around the world.

In the meantime, I would urge that my colleagues support this amendment for the Cambodian non-Communist insurgencies. It is my understanding that the amendment is acceptable to both managers of the bill.

Mr. LUGAR. Mr. President, this is an amendment calling for $5 million of aid to Cambodia under certain conditions. It has been accepted on both sides, to the best of my knowledge. It has been anticipated for some time. We support the amendment.

Mr. PELL. Mr. President, this is an excellent amendment which fits in with an amendment we adopted yesterday. I recommend its adoption.

The PRESIDING OFFICER. The question is on agreeing to the amendment.

The amendment (No. 143) was agreed to.

Mr. DOLE. Mr. President, it is my understanding that we could provide a window between 7 and 8 o'clock. It appears that we cannot finish the bill prior to that time. It is my understanding that we are near the end, and we hope we can dispose of additional amendments.

AMENDMENT NO 144

Mr. DOLE. Mr. President, I send an amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The amendment will be stated.

The assistant legislative clerk read as follows:

The Senator from Kansas [Mr. DOLE] proposes an amendment numbered 144.

Mr. DOLE. Mr. President, I ask unanimous consent that reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

On page 51, lines 8 and 9, strike out "Cuba, or Syria" and insert in lieu thereof "or Cuba".

Mr. DOLE. Mr. President, this amendment would delete the addition of Syria to the list of countries and organizations excluded from receiving any U.S. aid under section 302 of the Foreign Assistance Act.

Until now, that list has included, such countries and organizations as Libya, Iran, and the PLO. Syria was added to the list through an amendment narrowly adopted during Foreign Relations Committee markup.

Let me make clear what my amendment does. It does not change anything in our law or policies. In fact, it preserves the status quo. By contrast, the action taken in markup by the Foreign Relations Committee would have the effect of altering our policy toward one of the key countries of the Middle East, at a particularly delicate time.

Let me also stress that, by offering this amendment, I am not expressing any particular sympathy for the Government or the Policies of Syria. In fact, I oppose many of the policies of that Government, which have complicated our search for a Middle East peace.

However, the fact is that Syria is just not in the same geopolitical league with Libya, Iran, and the PLO. Libya and Iran are the only two nations I know of which practice terrorism as a central tenet of state policy. The PLO, of course, has refused to denounce the use of terror as a political weapon and vows the destruction of our ally and friend, Israel. It is not necessary to be an admirer of Syria to recognize that it has undertaken a different course.

In recognition of that, we have maintained full diplomatic relations with Syria, and engage its leaders regularly in important diplomatic exchanges.

And that policy is in our own self-interest. Whether we approve of its policies or not, we have to acknowledge and act on the fact that Syria has a key role to play in the Middle East, especially in Lebanon and in the search for a secure peace for Israel.

It does not appear, unfortunately, that any real progress has been made toward a Middle East breakthrough. But we intend and should continue our efforts, and we must include Syria in those efforts. Now is not the time to complicate our task by lumping Syria with Libya and Iran.

Mr. President, I believe we should adopt this amendment, not because we like Syria but because it is the wrong action at the wrong time. We may not like Syria, but Syria is not Libya or Iran, and it is a country with which we shall have to deal as we continue our search for peace in the Middle East.

The PRESIDING OFFICER. The question is on agreeing to the amendment.

The amendment (No. 144) was agreed to.

AMENDMENT NO. 145

(Purpose: To urge discussions with the Canadian Government to aggressively pursue immediate reduction in the Canadian softwood timber to the United States)

Mr. SYMMS. Mr. President, I send an amendment to the desk.

The PRESIDING OFFICER. The amendment will be stated.

The assistant legislative clerk read as follows:

The Senator from Idaho [Mr. SIMMS] proposes an amendment numbered 145.

Mr. SYMMS. Mr. President, I ask unanimous consent that reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

At the end of the bill, add the following new section:

SEC. . Since, softwood timber prices have been in decline for some time due to excessive supply partially caused by dramatic increases in importation of processed softwood timber from Canada, which has increased from 18 percent of U.S. market in the last 2 years to 35 to 40 percent today.

Since, American timber producers are suffering from this economic crisis and the difficulty in requiring timber from the National Forest system.

Since, the disparity between the United States and the Canadian dollar amounts to 32 percent to 34 percent and results in even further increases in processed softwood timber being imported into the United States.

Therefore, it is the sense of the Congress that the President should direct appropriate members of the Administration, including the United States Trade Representative, the Secretary of Agriculture, and the Secretary of Commerce, to aggressively pursue discussions with the Canadian Government directed toward immediate reduction in the Canadian export of softwood timber to the United States.

Mr. SYMMS. Mr. President, this amendment has been cleared by the chairman of the Finance Committee and the ranking minority member.

It involves a problem that exists in the softwood timber industry in the Pacific Northwest, and is similar to the argument made by the distinguished Senator from Montana with respect to hogs and livestock.

I ask that the amendment be adopted.

Mr. LUGAR. Mr. President, we accept the amendment.

Mr. PELL. Mr. President, the amendment is accepted on this side.

The PRESIDING OFFICER. The question is on agreeing to the amendment.

The amendment (No. 145) was agreed to.

Mr. DANFORTH. Mr. President, as we consider the fiscal year 1986 foreign aid authorization bill, I would like to compliment the Foreign Relations Committee on its inclusion of provision for U.S. participation in the second replenishment of the International Fund for Agriculture Development [IFAD].

I am also pleased with a sympathetic reference in the committee's report to "a strong U.S. role in establishing a possible special fund for Africa within IFAD." I know from my own experience that long-term solutions to the current famine affecting so many people in Africa lie in increasing food production in those very countries.

From all accounts, IFAD has already made a contribution to that process and deserves the resources necessary to continue its efforts with small farmers and landless laborers.

As some of my colleagues are aware, on Thursday and Friday of this week negotiations will resume in Rome on the replenishment of IFAD resources to cover its activities for the years 1985–87. It is my hope and expectation that the meetings will be successful and that IFAD will receive a new lease on life for another 3 years.

Because of the importance of the meetings, I would like to insert into the RECORD an editorial in yesterday's Los Angeles Times entitled "Quibbling in the Face of Crisis." The editorial states that "a quibble over burden-sharing now jeopardizes [IFAD's] future."

The editorial concludes that:

The real risk is that the United States will remain rigid on burden-sharing, and in this way kill the organization at the very moment that it could play an increasingly important role in development—particularly in crisis-ridden Africa.

Mr. President, I ask that the Times editorial be printed in today's RECORD.

The editorial follows.

[From the Los Angeles Times, May 14, 1985]

QUIBBLING IN THE FACE OF CRISIS

A quibble over burden-sharing now jeopardizes the future of the International Fund for Agricultural Development. But an appropriate compromise is in sight if the government of the United States will accept the payment formula that the other major donors have already approved, and if the oil-producing nations make an adequate pledge.

Survival of this innovative fund is important for two reasons. With its establishment in 1977, IFAD provided an international foreign-aid organization that attracted for the first time substantial support from the Organization of Petroleum Exporting Countries. And the fund has filled an important aid gap by targeting its assistance on the poorest farmers of the Third World, helping directly those most in need of help.

The controversy now centers on OPEC's declining support—a decline due in part to reduced earnings as oil production has been cut back, and in part to the Iran-Iraq war and the revolution in Iran, which have led Tehran to renege on all commitments and Baghdad to reduce support for the fund. In this circumstance the OPEC share, originally 43 percent of the total, then 42 percent, is now proposed at 40 percent. This has been accepted by all the contributing nations except the United States.

American resistance has been all the more damaging because it has been matched by declining U.S. contributions, down from 20 percent of the original funding to 17 percent.

Another effort to resolve the controversy will be made at the end of this week at IFAD headquarters in Rome. The project may collapse because of a failure of OPEC to promise an adequate level of funds. The OPEC commitment is still a secret, but it is expected to be adequate to assure continuation of the program. The real risk is that the United States will remain rigid on burden-sharing, and in this way kill the organization at the very moment that it could play an increasingly important role in development—particularly in crisis-ridden Africa.

Mr. MATHIAS. Mr. President, I was pleased that the Foreign Relations Committee included a provision in S. 960 which supports continued U.S. participation in the International Fund for Agricultural Development [IFAD] and encourages a strong leadership role for the United States in establishing a special fund for Africa within IFAD.

IFAD is highly regarded within the international development community. It has succeeded in mobilizing substantial amounts of resources from the OPEC nations which makes it a remarkable institution within the family of international organizations.

IFAD focuses its activities on increasing the food production of small farmers in the poorest countries by involving farmers directly in the planning and carrying out of development projects. The largest share of its resources is committed to Africa, which as we all know needs all the help it can get on the reconstruction and development front.

I am aware that certain difficulties remain to be resolved before IFAD's basic replenishment for 1985–87 is finalized. I am pleased that negotiations are taking place in Rome this week and hope and expect that they will prove successful.

Discussions are also proceeding about establishing a special fund within IFAD for Africa. This would be a mechanism for IFAD to provide additional resources to deal with the long-term famine problem in Africa. Without such a long-term program to solve this problem, we will be faced with a continuing food crisis in Africa, and a continuing need to provide emergency food assistance.

I urge the President to pay particular attention to this section of S. 960 and to take a leadership role in the creation of the special fund for Africa.

THE 7-TO-10 RATIO AND SECURITY ASSISTANCE TO TURKEY AND GREECE

Mr. PRESSLER. Mr. President, in reporting out the fiscal year 1986 foreign assistance bill, the Senate Foreign Relations Committee has chosen not to resort to the type of restrictions on United States aid to Turkey that were imposed last year through my amendment and which aimed at a peaceful resolution of the Cyprus conflict. My amendment this year, approved with modifications by the committee by a 9-to-4 vote, limits grant assistance for Turkey in fiscal year 1986 to $215 million, with the understanding that the availability of this grant military assistance total for Turkey be accompanied by urgent and determined U.S. actions to prevent the permanent bifurcation of Cyprus. It further limits the total credits to be extended to Turkey in fiscal year 1986 to $500 million and limits the total credits to be extended to Greece in fiscal year 1986 to $500 million. Thus, the resulting committee recommendations on assistance levels to Greece and Turkey were fully consistent with the so-called 7-to-10 ratio.

Greece and Turkey, both NATO members yet neighbors with long-standing bilateral problems, have received U.S. military and economic assistance since 1947. For the past several years, Congress has developed informally the practice of granting military aid to these two nations on a 7-to-10—Greece-Turkey—basis. This approach reflects a compromise forged from competing domestic and foreign policy concerns and recognizes a long-standing difference in congressional and executive perspectives on the two nations, their bilateral disputes, the Cyprus conflict, and on the intended link between U.S. aid and U.S. policy in general toward the eastern Mediterranean.

The context in which Congress has considered military aid to Greece and Turkey has been colored since 1974 by the Turkish intervention in Cyprus. An estimated 20,000 Turkish troops remain on that divided island, and efforts to obtain a withdrawal as part of an overall solution of the crisis have failed to date. A major part of the American approach to the Cyprus conflict was the congressional vote in February 1975 to place an embargo on military aid to Turkey.

Although the embargo was lifted completely in 1978—with the Senate voting 57 to 42 in favor of its repeal, there never emerged in the Congress or between the Congress and the Executive a clear consensus regarding the effectiveness of the embargo as leverage on Turkey to remove its troops from Cyprus. Many Members felt that the lifting of the embargo deprived the United States of any leverage on Turkey, thus relieving any pressure on Turkey to alter its policy toward Cyprus. Thus, the seeds of the 7-to-10 ratio were planted in the legislative language lifting the arms embargo against Turkey in 1978, wherein security assistance to Greece and Turkey was henceforth to be designed in part to ensure that:

". . . the present balance of military strength among the countries in the region, including Greece and Turkey, is preserved. Nothing in this paragraph shall be construed to prohibit the transfer of defense articles to Greece and Turkey for legitimate self-defense or to enable Greece and Turkey to fulfill their NATO obligations." (Sec. 620 C of the Foreign Assistance Act of 1961).

While this language remains in force, subsequent debates in the Congress have not clarified with precision the meaning of present balance.

Two defense and cooperation agreements discussed but never implemented between the United States and

Turkey and Greece in 1976 may provide the key to the origin of the 7-to-10 ratio. In March 1976, the United States and Turkey signed an agreement which called for "defense support consisting of grants, credits, and loan guarantees at $1 billion during the first 4 years this agreement shall remain in effect." The very next month, April 1976, the Department of State released "Principles to Guide Future United States-Greek Defense Cooperation," which referenced "a 4-year commitment to Greece of military assistance totaling $700,000,000, a part of which will be grant aid."

Despite the inherent difficulties of relating such a ratio to a fair balance in military strength between the two countries, the ratio has since 1979 been used by its congressional supporters as a formula for aid levels to Greece and Turkey. Initially little more than a guideline used informally by Members, the ratio has never been incorporated into law and, until the aid debate in 1983, was not explicitly mentioned in the authorization committees' reports on the aid bills.

In the past few years, the debate between the legislative and executive branches has broadened to include other factors: First, the quality of the respective aid programs has come under scrutiny since Greece has sought a portion of its military aid also on a grant basis and FMS credits at concessionary rates; second, new issues have come to the fore including Turkey's transition from military to civilian rule, the stormy course of U.S. talks with Greece on the terms and duration of base access and agreements, and anti-American statements and actions on the part of the current Greek Government; and third, the Unilateral Declaration of Independence by the Turkish Cypriots in 1983 and the convocation of proximity talks between Turkish and Greek Cypriots under the auspices of the U.N. Secretary General.

The Reagan administration and its immediate predecessor have presented arguments against the congressional practice of utilizing the 7-to-10 ratio in apportioning military assistance to Greece and Turkey. It has been argued that the ratio idea is unnecessary to fulfill the present balance mandate; in particular, the notion that a balance could result directly from a financial ratio has been attacked. Nonetheless, while expressing that they recognize no legally binding ratio, executive branch officials have not wanted to oppose strenuously congressional action to maintain the 7-to-10 ratio, lest such opposition jeopardize the entire aid program for the eastern Mediterranean.

This year the committee continued the informal practice of utilizing the 7-to-10 ratio as a guideline in recommending levels of military assistance to Greece and Turkey. The committee accepted the administration's request of $500 million in military assistance for Greece but rejected the administration's request of $785 million in military assistance to Turkey, agreeing instead on $715 million. The committee also added a provision that the concessional rate FMS credits extended to Greece shall be at the same interest and in the same proportion of the FMS credits extended to Turkey. Thus, some 60 percent of FMS credits to both Turkey and Greece would be at congressional rates—that is, loans at a concessional rate of approximately 5 percent.

The committee discussed the economic criteria by which the administration determines whether a country is eligible for concessionary terms. GNP per capita is the major criteria, and $2,190 is the highest level GNP per capita that currently qualifies a country for concessionary rates. At the present time, GNP per capita for Turkey is estimated to be $1,230, while that for Greece is $4,290—that is, three times that of Turkey. Thus, the administration did not request concessionary terms for military assistance to Greece. The committee, however, decided otherwise, believing that the 7-to-10 ratio in military assistance to Greece and Turkey and the equal proportion of concessional rates for Greece and Turkey were reflective of the traditional intent of Congress to provide a degree of balance in military assistance to the two countries.

Countries which provide the United States with the right to utilize territory to maintain bases are critical to the forward projection of the American global defense posture. Security assistance for those countries is essential to sustain confidence in the best effort pledges which underpin all U.S. base agreements.

Although a larger amount of security assistance to Turkey might be justifiable on programmatic grounds, the amount recommended by the committee is sufficient to assist Turkey to meet its NATO commitments through force modernization, including purchase of F-16 aircraft. Furthermore, a large portion of the Turkey program is on a concessional basis to avoid undercutting that country's stringent economic stabilization program which has helped to turn the economy around. Nonetheless, some improvements in Turkey's economic performance have permitted a reduction in the amount of economic support funds.

The committee recommendation for Greece is identical to last year's. U.S. security assistance to Greece assists in the modernization of the armed forces to meet both Greek and NATO defense needs and has helped to ensure continued use of four U.S. military facilities and a number of smaller installations.

In short, security assistance supports key NATO allies and has the dual result of providing the United States with continued access to important military bases and helping these countries modernize their own military capabilities. By so doing, U.S. security assistance sustains confidence in U.S. best efforts commitments which are the foundation of base agreements.

Succeeding administrations have generally presented strategic arguments for increased military aid to Turkey. The Congress, for its part, has made clear the need for U.S. policy to focus on a settlement of the Cyprus problem. The 7-to-10 ratio has served us well as a vehicle for demonstrating the limits to which United States-Turkish military cooperation can expand in the absence of progress on Cyprus.

The committee actions this year stand in contrast to last year's actions when the committee voted to condition the grant MAP portion of military assistance to Turkey on the return by the Turkish Cypriots of Famagusta/Varosha to the Greek Cypriots for the purposes of refugee resettlement under U.N. auspices. However, my amendment this year should not be interpreted as a lack of resolve to take any and all steps necessary to promote a peaceful settlement of the Cyprus dispute. It was instead a sign of support for the recent good-faith efforts of the Turkish Cypriots and Greek Cypriots to bring about the U.S.-sponsored proximity talks between President Kyprianou and Rauf Denktash. Although these talks have ended inconclusively for the moment, they were an important step toward resolution of the Cyprus conflict and their resumption should be encouraged. The Foreign Relations Committee will be monitoring the situation closely with the hope that all parties will continue to engage in good-faith discussions and return to the summit table in the near future. If such good-faith efforts by all parties do not continue, I will be prepared to consider appropriate restrictive actions to signal congressional disappointment.

But, ultimately, the true test of the utility of the 7-to-10 ratio in apportioning military assistance to Greece and Turkey is whether it serves American security interests. The actions and behavior of Greece and Turkey, both in their relationships with one another and toward the United States, must be judged in terms of their impact on American interests. If such actions and behavior come to be perceived as contrary to American interests, then the 7-to-10 ratio loses whatever utility it has and pressures may build for major reductions in military assistance to both countries.

Mr. DECONCINI. Mr. President, I will cast my vote against the S. 960, the foreign aid authorization bill for fiscal year 1986. I recall very clearly that when Ronald Reagan was running for the Presidency against President Carter he spoke out loud and long against foreign assistance programs. Yet during the recent campaign, President Reagan was silent on the issue of spending U.S. tax dollars on foreign aid during a time of financial hardship for most Americans. Let us take a look at the Reagan record on foreign aid. Since President Reagan took office:

Military assistance grants have grown by 632 percent.

The Economic Support Fund increased by 78 percent.

Foreign military sales credits and grants grew by 153 percent.

State Department salaries, expenses and building acquisition funds have increased by 99 percent.

The administration's budget request for fiscal year 1986 also included substantial growth in major foreign aid accounts such as:

An 18-percent increase in the Military Assistance Program.

A 14-percent increase in foreign military sales credits.

At least a 7-percent increase in the Economic Support Fund.

A 13-percent increase in State Department salaries, expenses, and building acquisition funds.

To its credit, the Foreign Relations Committee has trimmed the President's foreign aid budget request by $416.9 million. Without doubt, there are some portions of this bill that I strongly support, such as assistance for Israel and Egypt, funding for antiterrorist programs, and support for international narcotics control. In fact, I appreciate the decision of the distinguished managers of the bill to accept my amendment which will permit U.S. law enforcement personnel to participate in narcotics arrest actions in foreign nations. However, I believe it is long past time for our foreign aid programs to be subjected to the same budgetary stringency that our domestic programs have endured year after year after year. Until President Reagan returns to that campaign promise that he made not so many years ago to pare back our foreign aid programs, I cannot justify supporting foreign aid levels such as that which is contained in the bill before us today.

Mr. PELL. Mr. President, I would like to commend Geryld Christianson, Gerald Connolly, William Ashworth, and the various members of the minority staff for their tremendous help in weaving the warp and woof of this bill.

Mr. SYMMS. Mr. President, I cannot in good conscience support passage of this foreign aid authorization bill. There are many items in this bill which I wholeheartedly support, particularly the vital military assistance which we are providing to our allies around the world. But, there are also many items which I believe to be extraneous, unnecessarily expensive, and some of which I think are downright immoral. I remain deeply concerned about the obvious, longstanding failures of American foreign policy, of massive amounts of taxpayer dollars being poured into socialized economies, which show no positive results in response to American largesse.

Last night I spoke on the floor about my concerns for our strategic interests in Africa, about our failure to support democratic resistance movements, and our unwarranted support for unelected, illegitimate, Marxist governments on that continent.

Africa reflects the ravages of state planning, the lack of the incentives of capitalism, and the turmoil of malevolent foreign intervention. The massive aid that America has poured into Africa has been largely ineffective, and America and other Western powers should promote policies that could make Africans self-reliant and able to defend themselves from outside aggression. A Time magazine article of January 1984 pointed out the fact that foreign aid to Africa had fostered the proliferation of "technological white elephants." One Nigerian noted that "We build palaces but can't run them, we import cars we can't repair, we are attracted by everything that glitters." U.S. citizens will always be asked to reach deep into their pockets, until we help other nations to adopt policies that promote, rather than inhibit growth, and until we provide adequate military assistance so that Africans can free themselves from the shackles of Soviet, Cuban, and Eastern bloc imperialism and exploitation. We should export the ideas of freedom and capitalism—that would reduce poverty.

The failures of our foreign policy are not apparent solely in Africa; they are evident in Central America, with costly and ineffectual land reform in El Salvador, and in Bolivia, where millions in economic assistance have been expended with no improvements in public living standards. Mr. President, the list goes on—we are expending billions of dollars in "economic" aid that has become gratuitous, that is feeding greedy and bloated bureaucracies and not its intended beneficiaries, and which remains a drain on our own economy.

Another concern is U.N. funding. Americans insist on accountability, but the United Nations has flagrantly abused American funding, and spurned our complaints about improper use of funds. One blatant example of the U.N.'s disregard for human needs was the appropriation earlier this year, for a $73 million conference center in Addis Ababa, Ethiopia's capital city, at the height of public outcry in the United States over the Marxist-induced famine in Ethiopia. While the American people were contributing generously to alleviate the famine, U.N. bureaucrats were voting for a plush new office complex in the midst of Ethiopia's deprivation.

Despite the well-documented abuse of U.N. funding, this bill adds an additional $71.5 million above the administration's request for international organizations and programs.

Mr. President, we have important foreign policy and defense commitments abroad which deserve support and funding, but there are too many items in this legislation which do not merit our support. Charity, it is often said, begins at home. When the Congress is cutting back on domestic spending, similar restraint must be shown in foreign aid programs, particularly when they do not serve pressing national security or humanitarian objectives.

I ask unanimous consent to include the following article—by our distinguished colleague, Senator ARMSTRONG.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

NEEDED: FOREIGN AID PROGRAM AMERICANS WILL SUPPORT

(By Senator William L. Armstrong)

Foreign aid is about as popular as a classical string quartet at a Michael Jackson concert. For most Americans, it's at the top of the list for cutting federal spending. Whenever I get together with constituents to discuss issues, I can count on someone—Republican or Democrat, young or old—to ask me why with our own staggering deficit, we are giving many billions of dollars in foreign economic and financial assistance.

They've got a point. It seems that the United States gives to a particular country this year simply because we gave last year, and that's the rationale for doing it next year, too.

And yet, those Americans who gripe about overseas giveaways have a remarkable record, unique in the world really, of selfless sharing to aid the needy everywhere. Let there be famine in Africa, earthquake in the Andes, explosion in Mexico, a disaster anywhere our charity can reach, and the American people are first to send help. Their private organizations, particularly church groups, routinely send thousands of volunteers and millions of dollars to heal, teach and build around the globe. Hardly a corner of the earth has not been touched by their dedication and by the private giving that backs them up.

Those two seemingly divergent responses are not at all schizophrenic. There is no contradiction between the altruism of our people and their skepticism about foreign aid. What brings the two into focus is the fact that their personal contributions for foreign assistance are made through organizations they know and trust. They feel a sense of identification with those charities which bear the brunt of international relief work. Even allowing for necessary overhead,

they feel their dollars go a long way in the private sector, and go to the right people.

Can I tell them the same is true of their tax dollars in governmental foreign aid? The taxpayers are too wise, and I hope I'm too candid for that. We know too much about the way many, perhaps most, governments function in the developing world. We understand how things are controlled by, and often for, small elites concentrated in the subsidized capitals of those needy nations. We don't know what we're getting for our money, apart from official assurances that it's for a worthy cause.

What's worse, it seems the more foreign aid we give, the more we are told will be needed. The main justification for foreign aid is that it helps recipient nations, over time, to become economically self-sustaining. But where has that been the case?

In Western Europe after World War II, when our Marshall Plan expedited the rebirth of a devastated continent; in Korea and the Republic of China, where a powerful work ethic and national will have wrought economic miracles; and in some OPEC countries, where spurting oil revenues have brought artifical prosperity to otherwise backward lands.

But where else? Certainly not in the score of Third World countries where Western aid has become a permanent line item in their budgets. The mixture of U.S. money with Socialist economic planning has been as bad a combination as drinking and driving. It has enabled governments bankrupt both financially and intellectually to persist in economic follies without suffering their ruinous consequences. With his customary candor, President Reagan explained, in his policy paper for the United Nations Conference on World Population in 1984, the conditions our assistance has been subsidizing:

"The post-war experience consistently demonstrated that, as economic decision-making was concentrated in the hands of planners and public officials, the ability of average men and women to work towards a better future was impaired, and sometime crippled. In many cases, agriculture was devastated by government price-fixing that wiped out rewards for labor. Job creation in infant industries was hampered by confiscatory taxes. Personal industry and thrift were penalized, while dependency on the state was encouraged. Political considerations made it difficult for an economy to adjust to changes in supply and demand or to disruptions in world trade and finance.

That declaration was a quarter of a century overdue, but it was worth waiting for.

If the foreign aid program is ever to regain public support, our government will have to set some things straight with recipient nations. In the first place, they will have to junk the offensive notion, fashionable in some quarters in this country as well as in tropical capitals, that we owe them this assistance. Americans have never demanded craven appreciation, but they will not tolerate rude demands for more as a substitute for thanks.

Another idea that needs to be discarded is that the Third World's backwardness is due to America's prosperity. Some say we use too much of the earth's resources. (We pay for them and thereby help others prosper.) Some say we exploit overseas labor. (Foreigners beg us to invest in their communities.) And some cling to Lenin's antique theory that capitalism necessarily involves economic imperialism.

That simple brew sometimes comes in fancy bottles. For example, there is a superficially elaborate argument now popular to the effect that poor nations are being ruined by the strength of the American dollar. Therefore, the U.S. has a moral obligation to inflate its currency, adjust its interest rates, and abort the Republican recovery of the last three years. Incredibly, that line is repeated by people who can read and write, including French President Mitterand and other European sages, who use it to explain the disastrous effects of their own statist economic policies.

Another theory for the reject file is the contention that the U.S. doesn't do its fair share in international assistance, compared to France or Sweden or Germany, in proportion to our Gross National Product. But if anyone doubts whether the American people do their share, let them add to our official, foreign aid budget the enormous contributions in cash, in kind, and in manpower made through the private sector.

Another myth is that our dollars work better when channeled through multilateral aid arrangements, rather than as direct donations. That dodge wouldn't fool a kid on a skateboard. Our money doesn't become more efficacious when laundered through the U.N., the World Bank, or the bureaucracies of regional development agencies. But multilateral funding does reduce the credit we receive for providing it and the leverage we can exert over its expenditure.

There's nothing wrong with a developing nation's people's knowing that the money for their new factory, irrigation projet, fertilizer plant, or health clinic came from the people of Baltimore, Boston and Beaumont. We owe it to ourselves to tell them.

If this assessment of foreign aid appears a trifle negative, I hasten to add that there is a very positive side. Or there could be, if the program were restructured. Imagine a new American effort to aid those developing countries—only those—which commit to economic freedom for their people by rejecting state planning and controls.

Right off the bat, our dollars would be concentrated in fewer nations, where they would make a much larger impact. Imagine that all foreign aid went directly to recipient countries, not through multilateral institutions, so that the American people received full credit for their benevolence.

Now, to go a step farther, imagine that the aid would be given, not to foreign governments, but to self-help groups, indigenous charities, and private institutions, thereby strengthening the private sector and keeping economic decisions out of the hand of politicians.

Finally, to take this a giant step ahead, imagine that our government channeled a major portion of foreign aid through those private American groups which already do so much on their own to share our way of life with others.

The resulting program, leaner and more targeted, largely in private hands here and overseas, would be an instrument of both our country's ideals and our country's interests. Most important, it would spark enthusiasm among the American people. Their good hearts and willing hands have not weakened from the task of helping the rest of the world. Challenge them to do more, and they will. But first, we must replace a time-worn foreign aid program with one that merits generosity.

ECONOMIC AND MILITARY ASSISTANCE FOR ISRAEL

Mr. WARNER. Mr. President, I rise today to indicate my strong support for the foreign assistance funds we are now considering for the State of Israel.

Israel has been a consistent and staunch ally and consistently supports the United States in the United Nations and other international forums.

At a time when all of us are searching for ways to reduce the Federal deficit, it is tempting at times to look to foreign aid programs for some of these needed cuts—and perhaps funds for some of these countries should be reduced.

But, I strongly recommend that this body fully fund the foreign aid request for Israel.

I have an editorial which appeared in the Richmond News Leader on February 26, 1985.

This article expresses very clearly the case for supporting the foreign aid package for Israel, and I ask unanimous consent that it be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

EVERY CENT

Every year the United States spends billions—on foreign aid. Much of the money goes to countries that do not deserve it, much of it goes to countries that waste it, and much of it goes to countries that seldom support the U.S. in international forums. A healthy chunk, however, does go to deserving countries. And no country deserves U.S. military and financial assistance more than Israel.

The money the U.S. spends on Israel is money spent well. Israel cooperates with the U.S. It votes with the U.S.—and against the Communist bloc and its Third-World waterbearers in the UN. When American officials visit Jerusalem and Tel Aviv, crowds do not mass in front of their hotels chanting, "Yankee go home!" or "U.S. out of [fill in the blank]."

Foreign aid ought to go to countries reflecting America's commitment to liberty. Israel represents democratic ideals. It is the Middle East's only legitimate democracy. Palestinian Arabs living in Israel enjoy far more rights than Palestinian Arabs living in Saudi Arabia, Syria, or under any other Arab regime.

Israel also needs U.S. support. It is a small country confronting clear and present dangers. It has fought five major wars and countless skirmishes since its rebirth in 1948. With the exception of Egypt, none of its neighbors concedes its right to exist. Although the Middle Eastern situation is relatively quiet now, Israel's defense forces never can sleep soundly.

Despite its own severe economic problems, Israel has not abandoned Jews facing persecution or enduring distress in other countries. Israel helps people who need help. It also needs help from others. High inflation and assorted problems are sapping its economic strength President Reagan rightly has proposed a $1.5 billion boost in economic aid to help carry Israel through its tough times.

Socialism causes many of Israel's economic problems. High taxation and a confusing array of subsidies spur inflation. A fragile coalition government is enjoying some success in bringing inflation down, but it has not come down enough. Eventually Israel

will have to dismantle huge portions of its welfare state. It will have to cut spending and taxes. Although the U.S. should not interfere with Israel's economy, it can use its aid to encourage Israel to rely more fully on the free market.

The citizenry's list of favorite programs probably puts subsidies for "artists" who drop confetti from airplanes ahead of foreign aid. And much of the foreign aid package could be cut. But the money marked for Israel ought to be off-limits to the budget shears. Israel's foreign aid allotment comes to about $4.5 billion. It deserves every cent.

Mr. HELMS. Mr. President, as the author of section 303(c) of S. 960, adopted in the Foreign Relations Committee on a strong bipartisan vote of 13 to 3, I want to make sure that it is clearly understood.

Mr. President, section 303(c) of the bill before us adds a new restriction to section 104(f) of the Foreign Assistance Act. This new restriction will prohibit the use of U.S. population assistance, directly or indirectly, either: First, in any country which permits, officially or in practice, infanticide or coerced abortion; or second, by any organization which provides funds, directly or indirectly, with respect to such a country.

This new restriction should be an effective barrier to any U.S. support for the crimes of infanticide or coerced abortion around the world. It stops U.S. population funds from being used in any country permitting such crimes—either by the government or by any other entity—and by any organization assisting such a country—wherever the organization may operate. With this restriction, the United States will send a signal to the world that we have no tolerance for infanticide and coerced abortion.

Mr. President, my amendment is intended to be very broad in order to deal with what is a fundamental violation of human rights now existing in Communist China but which could occur in other countries as well. It employes the principle of the Reagan administration policy on population, announced in July 1984 in connection with the Mexico City Conference, in that it conditions receipt of U.S. funds on an organization not engaging in certain activity, even with its own resources. In this case, the proscribed activity is providing funds, directly or indirectly, with respect to a country permitting, officially or in practice, infanticide or coerced abortion. Thus, an organization renders itself ineligible for U.S. population funds if is provides assistance to or in a country allowing the proscribed activity.

By "infanticide" is meant the killing of an infant, and by "coerced abortion" is meant undergoing an abortion under pressure—physical, emotional, economic, penal, or otherwise—from the Government or any other source.

Mr. President, I ask unanimous consent that an article from the May 13, 1985, Wall Street Journal by Stephen W. Mosher, entitled "How China Uses U.S. Aid for Forced Abortion," be printed in the RECORD at the conclusion of my remarks.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

HOW CHINA USES U.N. AID FOR FORCED ABORTIONS

(By Stephen W. Mosher)

By Peking's own calculation, a staggering 53 million abortions have been performed in China over the past five years as part of a rigorous campaign to limit population growth. Through money provided to the United Nations Fund for Population Activities (UNFPA), the U.S. government has supported this campaign.

The Chinese government claims that the guiding principle of this abortion program is "voluntarism," but there was nothing voluntary about the process I observed when living in a Chinese village in 1980. It involved subjecting pregnant women, many very close to term, to exhausting morning-to-night "study sessions," levying heavy penalties on them and their families, and the actual incarceration of those who still proved recalcitrant. Nor does the description "voluntary" adequately encompass the reports that have come out of China in the years since then of pregnant women being handcuffed, thrown into hog cages and taken to the operating tables of rural clinics.

I estimate that 90 percent of the abortions performed in China are forced upon women who, if they were truly free to choose, would bear the children. Under the "one child per family" law, abortion in China is for all practical purposes mandatory for women who become pregnant outside the state-assigned quota. Not only are the pregnancies of married women who already have one child terminated under this law, so are the pregnancies of many who do not yet have a child.

Many of these abortions are done late in term and in a way that can only be described as brutal. Induced stillbirth and murders of newborns are common. I observed full-term unborn children being injected with a Western drug the Chinese called Rivalor, which causes the unborn child's death within 24 to 48 hours and in most cases its post-mortem ejection from the womb.

In other cases the child is killed at the time of parturition, sometimes by using forceps to crush the child's skull when it is still in the birth canal, other times by injecting formaldehyde into the soft spot of the head or by strangling as the child emerges. Since the baby is still partly in the womb at this time, this is not considered to be infanticide but merely abortion. Moreover, late or full-term abortions are carried out despite a regulation forbidding the termination of pregnancy after the 6th month. Officials anxious to meet the strict birth quotas set by higher-ups order doctors to ignore this proscription.

The Chinese government has loudly and repeatedly protested that these "excesses" are not government policy and that those who take part in them will be punished according to law. In fact, however, aside from a handful of halfhearted prosecutions of peasant parents for killing their infant daughters, no official in China to date has been publicly punished for mandating late abortions, for using coercion or for ordering doctors to kill infants at birth.

The only conclusion that can be drawn from these appalling facts is that Peking's assurances are merely a smoke screen. It is the birth quotas that officials enforce, not the written guideline advising no abortion after 6 months. And it is this quota the officials are held accountable for, not paper exhortations for "voluntarism." The Chinese officials who say the opposite are, at best, naive. At worst, they are consciously duplicitous.

To date, UNFPA seems to have taken at face value these Chinese assurances. A recent UNFPA report on its aid quotes official Chinese denials of government coercion and infanticide. Because of the unsatisfactory UNFPA response, the U.S. Agency for International Development recently asked Congress to rescind $10 million of the $46 million earmarked for that organization this year. The remaining $36 million would be put in a separate account for projects in other countries.

An investigation is under way in Congress to determine what further action, if any, should be taken. In this review, particular care should be given to examining UNFPA's admission that "the bulk of our program is provided for inputs requiring foreign currency" and "the provision of modern technology." Clearly, among the "inputs requiring foreign currency" would be drugs such as Rivalor and the latest in abortion technology.

It is, of course, highly unlikely that any investigation would be able to uncover evidence that U.S. funds were or are being used for infanticide and forced abortions in China. Nor should this be made a precondition of further cutting back of aid. Not only has UNFPA admitted that it has been "instrumental in setting up the infrastructure of the Chinese program," it has unconditionally committed $50 million in aid over the next four years to the program's continuance. The fact that U.S. aid continues to go to an organization that supports a program so tainted with abuses makes Americans silent accomplices to that program. The United States ought to distance itself from forced abortion and infanticide completely, morally and monetarily.

A total cutoff of indirect U.S. aid would not end the Chinese population-control program. But there is a good chance such a move would goad Peking into correcting the worst abuses of its program.

NEW MULTILATERAL BANK AID

Mr. DOMENICI. Mr. President, it seems like only yesterday that we, as a body were wrestling with the question of how to achieve 53 billion dollars' worth of budget restraint in order to reduce the Federal deficit.

We all know that going through the budget process is a very difficult undertaking, and I think that last week proved two things. First, that the United States as a country has reached the point where it can no longer afford many programs that have merit and serve the people of this great Nation. Second, that the United States as a country can no longer sign up for every new program and can no longer make commitments for every foreign aid proposal that comes along.

Last week I emphasized that while the choices we were making were very difficult, the most prudent course that the Senate could chart was to keep our economy healthy and vibrant by reducing the deficit. I detailed the benefits that we all enjoy when our economy performs well—low-interest rates, high employment, growth, and prosperity.

The benefits I outlined last week, also should be kept in mind today as we discuss foreign aid. Some members of the Foreign Relations Committee wanted to bring up as an amendment the authorization for an additional $1.5 billion for the World Bank. Increasing the U.S. participation in the World Bank by an additional $1.5 billion, and increasing our commitment to the International Finance Corporation over the next 5 years by $685 million does not seem consistent with the shared sacrifice of the budget resolution. The United States already contributes substantial assistance to the MDBS.

Almost all of the members of the copper caucus, which I cochair objected to considering the multilateral bank aid increase in conjunction with the foreign aid bill. We will continue to object until we see some postive action to remedy the worldwide copper problem—a problem that the multilateral banks have exacerbated.

When the Congress approved the $8.5 billion IMF quota increase, I voted against it. I know that many of my colleagues voted for the IMF increase believing that this would be sufficient for future multilateral lending.

That was merely 18 months ago. The MDBS are back today asking us to approve what they refer to as "parallelism," that is, an increase in the World Bank and IFC to mirror the IMF increase. I thought the IMF increase was a bad idea, and I think this parallelism is a bad idea, as well.

The report for this bill claims that the World Bank is the world's preeminent multilateral financial intermediary operating in developing countries. It had an estimated $11 billion lending program in fiscal year 1985.

Let me ask, what kind of economic development has this preeminent multilateral financial intermediary helped create? At a hearing before the International Monetary Policy Subcommittee of the Foreign Relations Committee, Dr. Anibal Pinto, an economist with the Economic Commission for Latin America was quoted. He characterized Chile as experiencing severe declining terms of trade, that is, declining prices for Chile's copper exports—65 cents instead of $1.15 per pound; increasing prices of Chile's imports—between the third quarter 1981 and the third quarter of 1984, the Chilean peso depreciated 145 percent against the dollar. This means that although Chile sells more copper each year, it can buy less of everything else. Chile's predicament, according to Dr. Pinto's analysis reminded him of Alice in Wonderland.

"Here you see," the Red Queen told Alice, "You have to run as fast as you can simply to stay in the same place. If you want to get somewhere else, you must run at least twice as fast as that."

What Dr. Pinto meant was that when copper was $1.15—the historical price in constant terms of copper this century—the copper producing countries were barely making their international debt commitments. In 1984 copper prices have ranged from as low as 55 cents a pound to an annual average of 65 cents.

Dr. Pinto's observations were made in 1978. The Bureau of Mines has been making predictions about the low growth prospects for world copper consumption for years. The International Trade Commission has twice found that there is excess copper production in the world and yet the World Bank continues to make loans for copper projects, and foreign producers continue to expand production.

The major copper producing countries' economies are less diversified than they were a decade ago and the assistance they have received from the World Bank has helped very little to develop beyond the monoproduct stage of copper, more copper and still more copper. I ask unanimous consent that the list of copper and other mining projects financed through the World Bank and the International Finance Corporation be printed in the RECORD at this point.

There being no objection, the list was ordered to be printed in the RECORD, as follows:

WORLD BANK GROUP ASSISTANCE TO NON-FUEL MINERAL PROJECTS 1979 TO MID–1984

[In millions of dollars]

Country	Source [1]	Purpose	Amount of loan	Total project cost
1984:				
Zambia	IBRD	Copper	75.0	300.0
Peru	IFC	Zinc	4.0	16.1
1983:				
Chile	IFC	Copper	44.5	71.3
Peru	IFC	Silver	4.0	22.1
Senegal	IDA	Phosphate	7.7	9.6
Thailand	IFC	Tantalum	57.4	90.0
Tunisia	IBRD	Iron and steel.	16.8	54.1
Tunisia	IBRD	Phosphate, potash.	13.4	24.6
Zaire	IDA	Copper, cobalt and zinc technology assistance.	7.0	9.3
1982:				
Brazil	IBRD	Iron ore	304.5	4,926.6
Chile	IFC	Lithium	10.0	61.0
Liberia	IBRD	Iron ore	11.7	67.1
Nepal	IFC	Magnesite	6.2	24.9
Uganda	IDA	Phosphate technology assistance.	4.0	4.5
Zambia	IFC	Copper	30.0	250.0

WORLD BANK GROUP ASSISTANCE TO NON-FUEL MINERAL PROJECTS 1979 TO MID–1984—Continued

[In millions of dollars]

Country	Source [1]	Purpose	Amount of loan	Total project cost
1981:				
Burundi	IDA	Nickel explora-tion.	4.0	7.3
Morocco	IBRD	Lead and zinc.	9.5	15.2
Philippines	IFC	Copper smelting.	5.0	435.0
Thailand	IFC	Tin explora-tion.	0.6	3.8
Thailand	IBRD	Potash	8.9	10.4
Togo	IDA	Phosphate	5.7	8.9
1980:				
Ecuador	IFC	Copper, zinc, silver, and gold.	1.3	5.2
Greece	IFC	Asbestos	10.9	85.0
Mexico	IFC	Silver, lead, and zinc.	30.0	146.9
Morocco	IFC	Copper	15.3	65.0
Peru	IFC	Zinc	3.2	12.9
Peru	IBRD	Phosphate	7.5	9.5
Zambia	IFC	Cobalt	30.0	202.0
1979:				
Bolivia	IDA	Minerals	7.5	16.5
Colombia	IBRD	Ferronickel	80.0	340.0
Egypt	IBRD	Phosphate	11.0	13.0
Mauritania	IBRD	Iron ore	60.0	500.7
Peru	IFC	Silver	2.5	10.0

[1] IBRD—International Bank for Reconstruction and Development. IDA—International Development Association. IFC—International Finance Corp.

Mr. DOMENICI. I also ask unanimous consent that the list of 15 additional copper projects that the developing countries would like to finance at the World Bank be printed in the RECORD at this point.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

MAJOR MINE DEVELOPMENTS/EXPANSIONS BEING CONTEMPLATED

Deposit/mine	Country	Prospective output/year (thousand tons)	Start date
Carro Colorado	Panama	175	1990?
Roxby Downs	Australia	150	1990?
El Pachon	Argentina	100	1986
Carajas	Brazil	160	?
Pelambres	Chile	125	1986?
Andacolla	Chile	75	1984?
El Teniente (x)	Chile	80	1980's
Disputada (x)	Chile	200	1986?
Quebrada Blanca	Chile	100	1986?
Toromocho	Peru	83	?
Quellaveco	Peru	56	?
Tintaya	Peru	68	1984
Toquepala (x)	Peru	40	1980's
Ok Tedi	Papua, New Guinea	100	1980's
Sar Cheshmeh	Iran	130	1980's

Mr. DOMENICI. Mr. President, we have seen a lot of money spent on World Bank copper development loans. Additionally, the IMF has provided $4.4 billion to the major copper producers. In spite of this assistance Chile is now negotiating with the IMF to reschedule its debt. The emergency financing package was reported in the Wall Street Journal on May 9, 1985. The article describes a package for Chile which includes plans for a $250 million guarantee by the World Bank. This proposal is significant for a number of reasons. First, it is the ultimate shocking example of the multi-

lateral lending institutions' flagrant disregard for economic discipline as applied to the copper exporting countries. Chile is forced to renegotiate a new IMF standby agreement that includes $800 million in new financing in order to make the next year's interest payments—largely because the Chilean Government has virtually used up its available funds under the compensatory financing facility and because Chile has caused the prolonged crisis in the international copper market by overproduction in 1981, 1982, 1983, and 1984. In the face of all this, we now have the World Bank offering an unprecedented guarantee of $250 million in order to make the whole package possible.

Officials from Chile are firmly on record as opposing any production restraint. They will adamently tell you that they are the world's low cost producer. However, they don't mention that the IMF has set a target price for their copper of 75 cents per pound, and that for every cent the price of copper sells for below that price, it costs the Chilean Government $26 million in lost revenue. That means in 1984 with an average price of 65 cents, the copper glut cost Chile $260 million which they now have to borrow.

Let me take it one step further. That same depressed price of copper meant losses for the U.S. producers of more than $2.5 billion over the last 4 years. Employment in the copper mining industry has dropped from 28,000 in 1979 to an estimated 13,000 in 1984. Those figures do not include the recent closure of the Kennecott Mine in Utah.

As far as I am concerned, the United States has already paid the price for the foreign producer's excessive copper production policies. Nonetheless, there is a bill on the calendar which was going to be brought up as an amendment today to the foreign aid bill. If enacted that legislation would authorize more money for the World Bank and the International Finance Corporation.

Thus far, I have kept my remarks specific to copper, however, the same type of development is going on in the entire mining sector. This same type of development is threatening the entire world mining sector.

In 1981, U.S. metals mining was a $8.9 billion enterprise. By 1983 it had shrunk to just $5.9 billion. The jobs provided exceeded 109,000 in 1981. At the beginning of this year what remains of a workforce of about 44,800. The prognosis is a further reduction of another 30 percent.

Given the overall state of the mining industry in the United States, is it really in our best interest to double the resources of the World Bank and the International Finance Corporation when we know that the World Bank according to John Strongman, senior mineral economist, mining and nonferrous metal division of the World Bank, states that World Bank lending for mining accounts for about 10.3 percent of the banks loans? I believe that copper was just the beginning. Unless the Congress takes some definitive action we will see excess capability and surpluses for all kinds of metals.

New Mexico is a preeminent extractive industry state and it really suffers from all of the World Bank and International Finance Corporation "development."

The experience of the copper market is instructive. First, new production is financed by the World Bank or other multilateral lending institutions. Projects are funded regardless of the world demand for such minerals. Once the production is online, the law of supply and demand is disregarded by foreign producers. These development projects continue to produce at full capacity regardless of market conditions. This causes a commodity glut that further depresses the price. Market conditions cannot correct themselves even though U.S. producers cut back to reflect the decreased demand. When the price stays below cost of production for prolonged periods the U.S. producers go broke. When government owned foreign producers derive a substantial amount of their export income from the commodity in surplus the IMF insulates these producers from the impact of their production policies. The governments can go to another multilateral institution, the compensatory financing facility at the IMF and borrow the difference between what they actually earned and what they would have earned if the price had not been depressed. It does not matter that the "export income shortfall" was attributable to a producer contributing to the market glut. Actually, the IMF requires that the shortfall not be the countries' fault and cutting production could be construed as being the countries' fault. The practical effect is that the IMF's policies encourage these countries to disregard the supply and demand by pursuing full capacity production regardless of price. Such disregard for the market leads to low prices. Ironically the developing countries are also exploiting their resources when the price falls.

The copper caucus has introduced a resolution to do away with the compensatory financing facility. I hope that sometime soon this body will pass that resolution.

I have several amendments that I may offer at the appropriate time.

I respect my colleague, Senator MATHIAS, and I appreciate his willingness to work with me and other members of the copper caucus regarding amendments. I sincerely hope that at the appropriate time we can all come to an understanding about the problem and the appropriate response through the amendment process. I also look forward to working with the new U.S. Trade Representative to urge that a production restraint agreement for copper be negotiated.

Mr. HELMS. Mr. President, although the able manager of this bill has worked long and hard, and has done an excellent job, I cannot support final passage of this bill because it contains onerous provisions relating to Central America—provisions which I am confident will rise to haunt this Nation in the future.

As chairman of the Western Hemisphere Subcommittee, I have spent as much time—and possibly more time—than any other Member of this body studying Central American issues.

In this bill the Senate is approving multiyear funding for Central America—a unique approach to foreign affairs which removes our policy from congressional scrutiny. This is a sword which cuts both ways—Senators of opposite philosophical persuasions should have united to defeat this end-run around the Constitution. I know that our constituents will be wondering why we have abdicated our Senatorial responsibility. This Senator declines to abdicate that responsibility.

In the same way, the provisions for prohibiting the use of U.S. funds for compensation for land expropriation in El Salvador will put the U.S. Treasury behind a program of socialism which has nearly destroyed El Salvador and make further assistance impossible. The irony is that the compensation will probably end up in the bank accounts of fat cats in Miami, rather than strengthening El Salvador.

Finally, Mr. President, this bill contains highly restrictive language which penalizes Nicaraguan freedom fighters. What has happened to this Nation, when we refuse to help those oppressed by Marxist totalitarianism? Does this body not have the will to protect freedom? Mark my words: If this language survives in the conference, this Nation will rue the day that we turned our backs on freedom. That is why I cannot vote for this bill.

Mr. LUGAR. Mr. President, I have two comments to make before asking for final passage.

First, I have been in communication with the Secretary of State, and he has indicated to me that the administration will support this bill as amended to this point. But, at the same time, the administration hopes, and I have given assurances to them, that there will be other opportunities to take a look at the funding levels.

The administration is specifically concerned about the foreign military assistance part of our bill today, and that has been the subject of discussion.

The distinguished Senator from New Mexico offered an amendment which led to substantial discussion about it, and the distinguished Senator from North Carolina had another amendment on it.

In essence, Senator PELL and I indicated the bipartisan spirit that had permeated our committee discussions, and Senators respected that and maintained that spirit of bipartisanship. The arguments that have been made will be given further hearing by Senators as we proceed through the appropriations procedure.

Second, I say to my colleagues, very frankly, that I had considered today an attempt to repeal an amendment that had been offered by Senator PELL successfully in the committee. It was a close vote in the committee, and it was a question of some importance—namely, that we would have no understandings on aid to the Contras in Nicaragua with other nations with which we had military assistance or sales dealings under foreign assistance.

I have chosen not to offer that amendment in the same spirit that other Senators have agreed, and I appreciate very much not getting into a substantial revisiting of Nicaragua or Central American questions in this bill.

I am aware that many Senators have been interested in those questions. I think it is appropriate that both our committee and the Senate discuss Nicaragua and other Central American questions in due course, and I will want to participate in that debate. I simply want to express appreciation and indicate my reticence to offer an amendment I had planned to offer and on which I had some feeling.

Mr. President, I know of no other amendments, and I say that tentatively and hopefully.

I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. LUGAR. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

The bill is open to further amendment. If there be no further amendment to be proposed, the question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed for a third reading and was read the third time.

The PRESIDING OFFICER. The bill having been read the third time, the question is, Shall it pass? On this question the yeas and nays have been ordered, and the clerk will call the roll.

The legislative clerk called the roll.

Mr. SIMPSON. I announce that the Senator from Arizona [Mr. GOLDWATER], the Senator from Maryland [Mr. MATHIAS], and the Senator from Virginia [Mr. TRIBLE] are necessarily absent.

I also announce that the Senator from North Carolina [Mr. EAST] and the Senator from California [Mr. WILSON] are absent due to illness.

Mr. CRANSTON. I announce that the Senator from Nebraska [Mr. EXON] is absent because of illness.

The PRESIDING OFFICER (Mr. ANDREWS). Are there any other Senators in the Chamber desiring to vote?

The result was announced—yeas 75, nays 19, as follows:

[Rollcall Vote No. 82 Leg.]

YEAS—75

Andrews	Gore	Mattingly
Armstrong	Gorton	McConnell
Bentsen	Gramm	Metzenbaum
Biden	Grassley	Mitchell
Bingaman	Harkin	Moynihan
Boschwitz	Hart	Murkowski
Bradley	Hatch	Nunn
Bumpers	Hatfield	Packwood
Chafee	Hawkins	Pell
Chiles	Hecht	Pressler
Cochran	Heflin	Quayle
Cohen	Heinz	Riegle
Cranston	Humphrey	Rockefeller
D'Amato	Inouye	Rudman
Danforth	Johnston	Sarbanes
Denton	Kassebaum	Sasser
Dixon	Kasten	Simon
Dodd	Kennedy	Simpson
Dole	Kerry	Specter
Domenici	Lautenberg	Stafford
Durenberger	Leahy	Stennis
Eagleton	Levin	Stevens
Evans	Long	Thurmond
Garn	Lugar	Warner
Glenn	Matsunaga	Weicker

NAYS—19

Abdnor	Helms	Pryor
Baucus	Hollings	Roth
Boren	Laxalt	Symms
Burdick	McClure	Wallop
Byrd	Melcher	Zorinsky
DeConcini	Nickles	
Ford	Proxmire	

NOT VOTING—6

East	Goldwater	Trible
Exon	Mathias	Wilson

So the bill (S. 960), as amended, was passed, as follows:

S. 960

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SHORT TITLE

SECTION 1. This Act may be cited as the "International Security and Development Cooperation Act of 1985".

TITLE I—MILITARY SALES AND RELATED PROGRAMS

FOREIGN MILITARY SALES CREDIT AUTHORIZATION AND AGGREGATE CEILINGS

SEC. 101. (a) The first sentence of section 31(a) of the Arms Export Control Act (22 U.S.C. 2771(a)) is amended to read as follows: "There are authorized to be appropriated to the President to carry out section 23 of this Act $5,464,500,000 for the fiscal year 1986.".

(b) Section 31(b)(1) of such Act (22 U.S.C. 2771(b)(1)) is amended to read as follows:

"(b)(1) The total amount of credits extended under section 23 of this Act shall not exceed $5,464,500,000 for the fiscal year 1986."

(c) Section 31(b)(3) of such Act (22 U.S.C. 2771(b)(3)) is amended to read as follows:

"(3)(A) Of the total amount of credits extended under section 23 of this Act, not less than $1,800,000,000 for the fiscal year 1986 shall be available only for Israel, and Israel shall be released from its contractual liability to repay the United States Government with respect to such credits.

"(B) If the Government of Israel requests that funds be used for such purposes, up to $150,000,000 of the amount of credits available only for Israel under subparagraph (A) shall be available for research and development activities in the United States for the Lavi program and not less than $250,000,000 of such credits shall be available for the procurement in Israel of defense articles and defense services, including research and development.".

(d) Section 31(b)(5) of such Act (22 U.S.C. 2771(b)(5)) is amended to read as follows:

"(5) The principal amount of credits provided under section 23 at interest rates equivalent to the current average interest rate for United States Government obligations of comparable maturity, or under section 24(a) if provided by the Federal Financing Bank, with respect to Greece, Korea, the Philippines, Portugal, Spain, Thailand, and Turkey, shall (if and to the extent each country so desires) be repaid in not more than twenty years, following a grace period of ten years on repayment of principal.".

(e) Section 31(b)(6) of such Act (22 U.S.C. 2771(b)(6)) is amended to read as follows:

"(6) Of the total amount of credits extended under section 23 of this Act, not less than $1,300,000,000 for the fiscal year 1986 shall be available only for Egypt, and Egypt shall be released from its contractual liability to repay the United States Government with respect to such credits.".

(f) Sections 31(b)(7) and 31(c) of such Act (22 U.S.C. 2771 (b)(7) and (c)) are repealed.

VALUATION OF CERTAIN DEFENSE ARTICLES

SEC. 102. (a) Section 21(a) of the Arms Export Control Act (22 U.S.C. 2761(a)) is amended—

(1) by redesignating paragraphs (1), (2) and (3) as clauses (A), (B), and (C), respectively;

(2) by inserting "(1)" immediately after "(a); and

(3) by adding at the end thereof the following new paragraph:

"(2) For purposes of clause (A) of paragraph (1), the actual value of a naval vessel of 3,000 tons or less and 20 years or more of age shall be considered to be not less than the greater of the scrap value or fair value (including conversion costs) of such vessel, as determined by the Secretary of Defense.".

(b) Section 47 of such Act (22 U.S.C. 2794) is amended in paragraph (2) by inserting "except as otherwise provided in section 21(a)" after "excess defense articles".

ADMINISTRATIVE SURCHARGE

SEC. 103. Clause (A) of section 21(e)(1) of the Arms Export Control Act (22 U.S.C. 2761(e)(1)) is amended by inserting "(excluding a pro rata share of fixed base operation costs)" immediately after "full estimated costs".

CATALOG DATA AND SERVICES

SEC. 104. Section 21(h) of the Arms Export Control Act (22 U.S.C. 2761(h)) is amended—

(1) by inserting "(1)" immediately after "(h)";

(2) by redesignating clauses (1) and (2) as clauses (A) and (B), respectively; and

(3) by adding at the end thereof the following:

"(2) In carrying out the objectives of this section, the President is authorized to provide cataloging data and cataloging services, without charge, to the North Atlantic Treaty Organization or to any member government thereof, if such Organization or member government provides such data and services in accordance with an agreement on a reciprocal basis, without charge, to the United States Government.".

CONTRACT ADMINISTRATION SERVICES

SEC. 105. Section 21(h)(1) of the Arms Export Control Act (22 U.S.C. 2761(h)(1)) is amended by inserting "contract administration services," immediately after "inspection," in the text above clause (A).

SALES CREDITS

SEC. 106. Section 23 of the Arms Export Control Act (22 U.S.C. 2763) is amended to read as follows:

"SEC. 23. SALES CREDITS.—The President is authorized to finance procurement of defense articles, defense services, and design and construction services by friendly foreign countries and international organizations, on such terms and conditions as he may determine. The President shall charge interest at a rate determined by the Secretary of the Treasury taking into consideration the current market yields on outstanding marketable obligations of the United States of comparable maturities. Notwithstanding the preceding sentence, the President may charge a lesser rate of interest if he determines that the national interest requires a lesser rate. Loan agreements under this section shall require repayment in United States dollars within a period of not to exceed twelve years after the loan agreement is signed on behalf of the United States Government, unless a longer period is specifically authorized by law for such country or international organization.".

REPORT ON REPLENISHMENT OF THE GUARANTY RESERVE FUND

SEC. 107. (a) For the purpose of providing recommendations for improving the security interests of the United States and the friends and allies of the United States, the President shall prepare and transmit to the Congress within ninety days of the date of enactment of this Act a report which sets forth the history of United States financing under the Foreign Assistance Act and the Arms Export Control Act. Such report shall include recommendations on replenishing the Guaranty Reserve Fund under section 24 of the Arms Export Control Act and recommendations on other matters agreed to in consultation with the chairman and ranking minority member of the Committee on Foreign Relations of the Senate.

(b) Section 24(c) of the Arms Export Control Act (22 U.S.C. 2764(c)) is amended by adding at the end thereof the following: "The single reserve described in this subsection may, on and after the date of enactment of the International Security and Development Cooperation Act of 1985, be referred to as the 'Guaranty Reserve Fund'.".

REPORTING REQUIREMENT

SEC. 108. (a) Section 25(a) of the Arms Export Control Act (22 U.S.C. 2765(a)) is amended in the text preceding paragraph (1) by inserting "or, in the case of paragraph (4), no later than April 1 of each year" immediately after "each year".

(b) Section 25(a) of such Act (22 U.S.C. 2765(a)) is amended by amending paragraph (4) to read as follows:

"(4) an estimate of the amount of sales and deliveries of weapons and weapons-related defense equipment by all major arms suppliers to all major recipient countries in the developing world during the preceding calendar year;".

REPORT ON CASH FLOW FINANCING

SEC. 109. Section 25(a) of the Arms Export Control Act (22 U.S.C. 2765(a)), as amended by section 108, is further amended by—

(1) inserting "(A)" immediately after "(5)";

(2) adding "and" after the semicolon in paragraph (5); and

(3) adding at the end of paragraph (5) the following new subparagraphs:

"(B) for each country that is proposed to be furnished credits or guaranties under this Act in the next fiscal year and that has been approved for cash flow financing, as defined in subparagraph (C) of this paragraph, in excess of $100,000,000 as of October 1 of the current fiscal year—

"(i) the amount of such approved cash flow financing;

"(ii) a description of administrative ceilings and controls applied; and

"(iii) a description of the financial resources otherwise available to such country to pay such approved cash flow financing; and

"(C) the term 'cash flow financing' means, for the purposes of subparagraph (B) of this paragraph, the dollar amount of the difference between the total estimated price of a Letter of Offer and Acceptance or other purchase agreement that has been approved for financing under this Act or under section 503(a)(3) of the Foreign Assistance Act of 1961 and the amount of the financing that has been approved therefor;".

COOPERATIVE AGREEMENTS ON AIR DEFENSE IN CENTRAL EUROPE

SEC. 110. (a) The Secretary of Defense is authorized to carry out the European air defense agreements. In carrying out those agreements, the Secretary—

(1) may provide, without monetary charge, to the Federal Republic of Germany articles and services as specified in the agreements; and

(2) may accept from the Federal Republic of Germany (in return for the articles and services provided under paragraph (1)) articles and services as specified in the agreements.

(b) In connection with the administration of the European air defense agreements, the Secretary of Defense may—

(1) waive any surcharge for administrative services otherwise chargeable under section 21(e)(1)(A) of the Arms Export Control Act (22 U.S.C. 2761(e)(1)(A));

(2) waive any charge not otherwise waived for services associated with contract administration for the sale under the Arms Export Control Act of Patriot air defense missile fire units to the Federal Republic of Germany contemplated in the agreements;

(3) use, to the extent comtemplated in the agreements, the NATO Maintenance and Supply Agency—

(A) for the supply of logistical support in Europe for the Patriot missile system; and

(B) for the acquisition of such logistical support, to the extent that the Secretary determines that the procedures of that Agency governing such supply and acquisition are appropriate;

(4) share, to the extent contemplated in the agreements, the costs of set-up charges of facilities for use by that Agency to perform depot-level support of Patriot missile fire units in Europe; and

(5) deliver to the Federal Republic of Germany one Patriot missile fire unit configured for training, to be purchased by the Federal Republic of Germany under the Arms Export Control Act as contemplated in the agreements, without regard to the requirement in section 22 of that Act for payment in advance of delivery for any purchase under this Act.

(c) Notwithstanding the rate required to be charged under section 21 of the Arms Export Control Act (22 U.S.C. 2761) for services furnished by the United States, in the case of 14 Patriot missile fire units which the Federal Republic of Germany purchases from the United States under the Arms Export Control Act as contemplated in the European air defense agreements, the rate charged by the Secretary of Defense for packing, crating, handling, and transportation services associated with that purchase may not exceed the established Department of Defense rate for such services.

(d) For the purposes of this section, the term "European air defense agreements" means—

(1) the agreement entitled "Agreement between the Secretary of Defense of the United States of America and the Minister of Defense of the Federal Republic of Germany on Cooperative Measures for Enhancing Air Defense for Central Europe", signed on December 6, 1983; and

(2) the agreement entitled "Agreement between the Secretary of Defense of the United States of America and the Minister of Defense of the Federal Republic of Germany in implementation of the 6 December 1983 Agreement on Cooperative Measures for Enhancing Air Defense for Central Europe", signed on July 12, 1984.

(e) The authority of the Secretary of Defense to enter into contracts under the European air defense agreements is available only to the extent that appropriated funds, other than those made available under section 31 of the Arms Export Control Act (22 U.S.C. 2771), are available for that purpose.

INCREASE IN CRIMINAL PENALTIES FOR CERTAIN VIOLATIONS OF THE ARMS EXPORT CONTROL ACT

SEC. 111. (a) Section 38(c) of the Arms Export Control Act (22 U.S.C. 2778(c)) is amended by striking out "not more than $100,000 or imprisoned not more than two years, or both" and inserting in lieu thereof "for each violation not more than $1,000,000 or imprisoned not more than ten years, or both".

(b) Section 38(e) of such Act (22 U.S.C. 2778(e)) is amended by adding at the end thereof the following: "Notwithstanding section 11(c) of the Export Administration Act of 1979, the civil penalty for each violation involving controls imposed on the export of defense articles and defense services under this section may not exceed $500,000.".

(c) This section shall take effect upon the date of enactment of this Act or October 1, 1985, whichever is later. The amendments made by this section shall apply to violations occurring after the effective date of this section.

OFFICIAL RECEPTION AND REPRESENTATION EXPENSES

SEC. 112. Section 43 of the Arms Export Control Act (22 U.S.C. 2792) is amended—

(1) in subsection (b) by inserting "and official reception and representation expenses"

immediately after "administrative expenses"; and

(2) by adding at the end thereof the following new subsection:

"(c) Not more than $72,500 of the funds derived from charges for administrative services pursuant to section 21(e)(1)(A) of this Act may be used each fiscal year for official reception and representation expenses.".

SPECIAL DEFENSE ACQUISITION FUND

SEC. 113. Section 51(a) of the Arms Export Control Act (22 U.S.C. 2795(a)) is amended by adding at the end thereof the following new paragraphs:

"(3) In order to maintain the readiness of the Armed Forces of the United States while facilitating the transfer of less advanced weapons systems in the inventory of the Department of Defense to foreign countries and international organizations in accordance with the provisions of this Act, the Foreign Assistance Act of 1961, or as otherwise authorized by law, instead of the transfer of more advanced weapons systems from procurement, the Fund may be used to acquire defense articles and defense services in anticipation of their transfer, on a reimbursable basis, to the Department of Defense to replace items transferred from the inventory of that Department to foreign countries and international organizations if such items are no longer in production for use by the Armed Forces of the United States.

"(4) The Fund may be used to keep on continuous order such defense articles and defense services as are assigned by the Department of Defense for integrated management by a single agency thereof for the common use of all military departments in anticipation of the transfer of similar defense articles and defense services to foreign countries and international organizations authorized by this Act, the Foreign Assistance Act of 1961, or other law.".

MILITARY ASSISTANCE COSTS

SEC. 114. Section 503(a) of the Foreign Assistance Act of 1961 (22 U.S.C. 2311(a)) is amended by adding the following sentence at the end of paragraph (3) thereof: "Sales which are wholly paid from funds so transferred shall be priced to exclude the costs of salaries of members of the Armed Forces of the United States.".

MILITARY ASSISTANCE

SEC. 115. Section 504(a)(1) of the Foreign Assistance Act of 1961 (22 U.S.C. 2312(a)(1)) is amended to read as follows:

"(a)(1) There are authorized to be appropriated to the President to carry out the purposes of this chapter $805,100,000 for the fiscal year 1986, of which amount not less than $15,000,000 shall be available only for Tunisia.".

STOCKPILING OF DEFENSE ARTICLES FOR FOREIGN COUNTRIES

SEC. 116. Section 514(b)(2) of the Foreign Assistance Act of 1961 (22 U.S.C. 2321h(b)(2)) is amended to read as follows:

"(2) The value of such additions to stockpiles in foreign countries shall not exceed $360,000,000 for the fiscal year 1986.".

SECURITY ASSISTANCE ORGANIZATIONS

SEC. 117. Section 515(c)(1) of the Foreign Assistance Act of 1961 (22 U.S.C. 2321i(c)(1) is amended by striking out "For the fiscal year 1982 and the fiscal year 1983" and inserting in lieu thereof "For the fiscal year 1986, Pakistan, Tunisia, Sudan, El Salvador, Honduras".

INTERNATIONAL MILITARY EDUCATION AND TRAINING

SEC. 118. Section 542 of the Foreign Assistance Act of 1961 (22 U.S.C. 2347a) is amended to read as follows:

"SEC. 542. AUTHORIZATION.—There are authorized to be appropriated to the President to carry out the purposes of this chapter $56,221,000 for the fiscal year 1986.".

EXCHANGE TRAINING

SEC. 119. Chapter 5 of part II of the Foreign Assistance Act of 1961 (22 U.S.C. 2347 et seq.) is amended by adding at the end thereof the following new section:

"SEC. 544. EXCHANGE TRAINING.—In carrying out this chapter, the President is authorized to provide for attendance of foreign military personnel at professional military education institutions in the United States (other than Service academies) without charge, and without charge to funds available to carry out this chapter (notwithstanding section 632(d) of this Act), if such attendance is pursuant to an agreement providing for the exchange of students on a one-for-one, reciprocal basis each fiscal year between those United States professional military education institutions and comparable institutions of foreign countries and international organizations.".

TRAINING IN MARITIME SKILLS

SEC. 120. (a) Chapter 5 of part II of the Foreign Assistance Act of 1961 (22 U.S.C. 2347 et seq.), as amended by section 119, is further amended by adding at the end thereof the following new section:

"SEC. 545. TRAINING IN MARITIME SKILLS.—The President is encouraged to allocate a portion of the funds made available each fiscal year to carry out this chapter for use in providing education and maintenance in maritime search and rescue, operation and maintenance of aids to navigation, port security, at-sea law enforcement, international maritime law, and general maritime skills."; and

(b) Section 660(b) of such Act (22 U.S.C. 2420(b)) is amended—

(1) by striking out "or" at the end of clause (1);

(2) by striking out the period at the end of clause (2) and inserting in lieu thereof "; or"; and

(3) by adding the following new clause after clause (2);

"(3) with respect to assistance, including training, in maritime law enforcement.".

AUTHORIZATION FOR PEACEKEEPING OPERATIONS

SEC. 121. Section 552(a) of the Foreign Assistance Act of 1961 (22 U.S.C. 2348a) is amended to read as follows:

"(a) There are authorized to be appropriated to the President to carry out the purposes of this chapter, in addition to amounts otherwise available for such purposes, $37,000,000 for the fiscal year 1986.".

PEACEKEEPING OPERATIONS EMERGENCIES

SEC. 122. (a) Section 552 of the Foreign Assistance Act of 1961 (22 U.S.C. 2348), as amended by section 121, is further amended—

(1) by inserting in subsection (c) "(1)" immediately after "the President may";

(2) by inserting in subsection (c) immediately before the period at the end of the subsection "; and (2) in the event the President also determines that such unforeseen emergency requires the immediate provision of assistance under this chapter, direct the drawdown of commodities and services from the inventory and resources of any agency of the United States Government of an aggregate value not to exceed $25,000,000 in any fiscal year"; and

(3) by inserting at the end thereof the following new subsection:

"(d) There are authorized to be appropriated to the President such sums as may be necessary to reimburse the applicable appropriation, fund, or account for commodities and services provided under subsection (c)(2).".

(b) Section 652 of such Act (22 U.S.C. 2411) is amended by inserting ", 552(c)(2)," immediately after "under section 506(a)".

SECURITY ASSISTANCE FOR TURKEY AND GREECE

SEC. 123. (a) Of the amounts provided to carry out chapter 2 of part II of the Foreign Assistance Act of 1961 (22 U.S.C. 2311 et seq.) for the fiscal year 1986, up to $215,000,000 may be made available for Turkey with the understanding that the United States Government is acting with urgency and determination to oppose any actions aimed at effecting a permanent bifurcation of Cyprus.

(b) Of the amounts provided for credits under section 23 of the Arms Export Control Act (22 U.S.C. 2763) for the fiscal year 1986, up to $500,000,000 may be extended to Turkey, and $500,000,000 shall be available only for Greece.

(c)(1) The amount of credits under the Arms Export Control Act for Greece for the fiscal year 1986 which shall be extended at a rate described in paragraph (2) is the amount which bears the same proportion to the aggregate amount of credits extended under such Act for Greece for such fiscal year as the amount of credits extended under such Act at such a rate for Turkey for such fiscal year bears to the aggregate amount of credits extended under such Act for Turkey for such fiscal year.

(2) The rate described in paragraph (1) is any rate less than the current average interest rate (as of the last day of the month preceding the financing of the procurement) that the United States pays on outstanding marketable obligations of comparable maturity.

PROHIBITION ON THE PROVISION OF FOREIGN MILITARY SALES CREDITS FOR LEBANON

SEC. 124. For the fiscal year 1986, no credits may be extended under section 23 of the Arms Export Control Act (22 U.S.C. 2763) with respect to Lebanon.

EXEMPTION OF CERTAIN SAFETY-RELATED EQUIPMENT FROM PROHIBITION ON MILITARY SALES TO CHILE

SEC. 125. Section 726 of the International Security and Development Cooperation Act of 1981 is amended by adding at the end thereof the following new subsection:

"(c) The prohibition contained in subsection (b) does not prohibit the sale, or the licensing for export, of cartridge-actuated devices, propellant-actuated devices, or technical manuals for aircraft of the F-5E/F or A/T-37 type which were sold to the Chilean Air Force by the United States before January 1, 1976, so long as the devices or manuals are provided only for purposes of enhancing the safety of the aircraft crew.".

LEASING AUTHORITY

SEC. 126. Section 7307(b)(1) of title 10, United States Code, is amended by inserting before the period at the end thereof a comma and the following: "except that any lease or loan of such a vessel under such a law shall be made only in accordance with the provisions of chapter 6 of the Arms Export Control Act or chapter 2 of part II of the Foreign Assistance Act of 1961".

CERTIFICATION CONCERNING AWACS SOLD TO SAUDI ARABIA

SEC. 127. (a)(1) The Congress finds that in his October 28, 1981, communication to the Senate concerning the proposed sale of AWACS aircraft and F-15 enhancement items to Saudi Arabia which was then being reviewed by the Congress (hereafter in this section referred to as the "1981 AWACS communication"), the President stated the following:

"Transfer of the AWACS will take place . . . only after the Congress has received in writing a Presidential certification, containing agreements with Saudi Arabia, that the following conditions have been met:

"1. SECURITY OF TECHNOLOGY

"A. That a detailed plan for the security of equipment, technology, information, and supporting documentation has been agreed to by the United States and Saudi Arabia and is in place; and

"B. The security provisions are no less stringent than measures employed by the United States for protection and control of its equipment of like kind outside the continental United States; and

"C. The United States has the right of continual on-site inspection and surveillance by United States personnel of security arrangements for all operations during the useful life of the AWACS. It is further provided that security arrangements will be supplemented by additional United States personnel if it is deemed necessary by the two parties; and

"D. Saudi Arabia will not permit citizens of third nations either to perform maintenance on the AWACS or to modify any such equipment without prior, explicit mutual consent of the two governments; and

"E. Computer software, as designated by the United States Government, will remain the property of the United States Government.

"2. ACCESS TO INFORMATION

"That Saudi Arabia has agreed to share with the United States continuously and completely the information that it acquires from use of the AWACS.

"3. CONTROL OVER THIRD-COUNTRY PARTICIPATION

"A. That Saudi Arabia has agreed not to share access to AWACS equipment, technology, documentation, or any information developed from such equipment or technology with any nation other than the United States without the prior, explicit mutual consent of both governments; and

"B. There are in place adequate and effective procedures requiring the screening and security clearance of citizens of Saudi Arabia and that only cleared Saudi citizens and cleared United States nationals will have access to AWACS equipment, technology, or documentation, or information derived therefrom, without the prior, explicit mutual consent of the two governments.

"4. AWACS FLIGHT OPERATIONS

"That the Saudi AWACS will be operated solely within the boundaries of Saudi Arabia, except with the prior, explicit mutual consent of the two governments, and solely for defensive purposes as defined by the United States, in order to maintain security and regional stability.

"5. COMMAND STRUCTURE

"That agreements as they concern organizational command and control structure for the operation of AWACS are of such a nature to guarantee that the commitments above will be honored.

"6. REGIONAL PEACE AND SECURITY

"That the sale contributes directly to the stability and security of the area, enhances the atmosphere and prospects for progress toward peace, and that initiates toward the peaceful resolution of disputes in the region have either been successfully completed or that significant progress toward that goal has been accomplished with the substantial assistance of Saudi Arabia.".

(2) The Congress finds that the President also stated in the 1981 AWACS communication that should circumstances arise that might require changes in the arrangements described in that communication "they would be made only with Congressional participation".

(b) As provided in the 1981 AWACS communication, before the E-3A airborne warning and control system (AWACS) aircraft which were the subject of that communication are transferred to Saudi Arabia, the President shall submit to the Congress a written Presidential certification, containtion agreements with Saudi Arabia, that the conditions set forth in that communication have been met.

(c) In order to facilitate the congressional participation provided for in the 1981 AWACS communication, the President shall notify the Congress promptly of any changes being considered by the United States in the arrangements described in that communication.

SENSITIVE TECHNOLOGY

SEC. 128. Section 36(b) of the Arms Export Control Act (22 U.S.C. 2776(b)) is amended—

(1) by inserting before the period at the end of the second sentence of paragraph (1) the following: "and a detailed justification of the reasons necessitating the sale of such articles or services in view of the sensitivity of such technology"; and

(2) by adding at the end thereof the following new paragraphs:

(5)(A) If, before the delivery of any major defense article or major defense equipment, or the furnishing of any defense service or design and construction service, sold pursuant to a letter of offer described in paragraph (1), the sensitivity of technology or the capability of the article, equipment, or service is enhanced or upgraded from the level of sensitivity or capability described in the numbered certification with respect to an offer to sell such article, equipment, or service, then, at least forty-five days before the delivery of such article or equipment or the furnishing of such service, the President shall prepare and transmit to the chairman of the Committee on Foreign Affairs of the House of Representatives and the chairman of the Committee on Foreign Relations of the Senate a report—

"(i) describing the manner in which the technology or capability has been enhanced or upgraded and describing the significance of such enhancement or upgrade; and

"(ii) setting forth a detailed justification for such enhancement or upgrade.

"(B) The provisions of subparagraph (A) apply to an article or equipment delivered, or a service furnished, within ten years of the transmittal to the Congress of a numbered certification with respect to the sale of such article, equipment, or service.

"(C) If the enhancement or upgrade in the sensitivity of technology or the capability of major defense equipment, defense articles, defense services, or design and construction services described in a numbered certification submitted under this subsection costs $14,000,000 or more in the case of any major defense equipment, $50,000,000 or more in the case of defense articles or defense services, or $200,000,000 or more in the case of design or construction services, then the President shall submit to the Speaker of the House of Representatives and the chairman of the Committee on Foreign Relations of the Senate a new numbered certification which relates to such enhancement or upgrade and which shall be considered for purposes of this subsection as if it were a separate letter of offer to sell defense equipment, articles, or services, subject to all of the requirements, restrictions, and conditions set forth in this subsection. For purposes of this subparagraph, references in this subsection to sales shall be deemed to be references to enhancements or upgrades in the sensitivity of technology or the capability of major defense equipment, articles, or services, as the case may be.

"(D) For the purposes of subsection (b)(5)(A), major defense article shall be construed to include electronic devices, which if upgraded, will enhance the mission capability of a weapons system."

TITLE II—ECONOMIC SUPPORT FUND

AUTHORIZATION OF APPROPRIATIONS

SEC. 201. (a) Section 531 of the Foreign Assistance Act of 1961 (22 U.S.C. 2346) is amended to read as follows:

"SEC. 531. AUTHORITY.—(a)(1) the Congress recognizes that under special economic, political, or security conditions the national interests of the United States may require economic support for countries or in amounts which could not be justified solely under chapter 1 of part I. In such cases, the President is authorized to furnish assistance to countries and organizations, on such terms and conditions as he may determine, in order to promote economic or political stability. To the maximum extent feasible, the President shall provide assistance under this chapter consistent with the policy directions, purposes, and programs of part I of this Act.

"(2) To the maximum extent feasible, funds made available pursuant to this chapter for commodity import programs or other program assistance shall be used to generate local currencies, not less than 50 per centum of which shall be available to support activities consistent with the objectives of section is 103 through 106 of this Act, and administered by the agency primarily responsible for administering part I of this Act.

"(3) The Secretary of State shall be responsible for policy decisions and justifications for economic support programs under this chapter, including determinations of whether there will be an economic support program for a country and the amount of the program for each country. The Secretary shall exercise this responsibility in cooperation with the Administrator of the agency primarily responsible for administering part I.

"(4) As part of the annual presentation materials for foreign assistance submitted to the Congress, the agency primarily responsible for administering this chapter shall provide a detailed justification for the uses and the purposes of the funds provided under this chapter. Such material shall include, but not be limited to, information concerning the amounts and kinds of cash grant transfers, the amounts and kinds of budgetary and balance-of-payments support provided, and the amounts and kinds of projectized assistance provided with funds made available under this chapter.

"(b)(1) there are authorized to be appropriated to the President to carry out the purposes of this chapter—

"(A) $2,015,000,000 for the fiscal year 1986 for the following countries signing the Camp David agreement: Israel and Egypt, of which amount $1,200,000,000 shall be available only for Israel and $815,000,000 shall be available only for Egypt; and

"(B) $1,826,000,000 for the fiscal year 1986 for countries other than the countries referred to in clause (A), of which amount—

"(i) $15,000,000 shall be available only for Cyprus;

"(ii) not less than $20,000,000 shall be available only for Tunisia; and

"(iii) $80,000,000 shall be available only for Portugal.".

"(2) Amounts appropriated to carry out this chapter are authorized to remain available until expended.

"(c)(1) All of the funds made available to Israel and to Egypt under this chapter for the fiscal year 1986 shall be provided on a grant basis.

"(2) The total amount of funds allocated for Israel under this chapter for the fiscal year 1986 shall be made available as a cash transfer on an expedited basis within the first thirty days of the fiscal year.

"(3) Of the total amount of funds made available for Egypt under this chapter, up to $200,000,000 of such funds may be obligated, but not less than $165,000,000 shall be obligated, in the form of a cash transfer to help and encourage economic reforms and Egypt's own developmental efforts.

"(d) Amounts appropriated to carry out this chapter shall be available for economic programs only and may not be used for military or paramilitary purposes.

"(e) The President shall use an amount equal to not less than 20 percent of the funds which are appropriated to carry out this chapter and which are made available for commodity import programs for the purchase of agricultural commodities which are of United States origin.".

(b) Section 535(a) of such Act (22 U.S.C. 2346d(a)) is amended—

(1) by striking out "1982" and inserting in lieu thereof "1986"; and

(2) by striking out "and up to $75,000,000 for the fiscal year 1983".

(c) Chapter 4 of part II of such Act (22 U.S.C. 2346 et seq.) is amended—

(1) by striking out sections 532, 533, 534, 536, 537, 538, 539, and 540; and

(2) by redesignating section 535, as amended by subsection (b), as section 532.

(d) Chapter 4 of part II of such Act (22 U.S.C. 2346 et seq.), as amended by this section, is further amended by adding at the end thereof the following new sections:

"SEC. 533. PROHIBITION ON USE OF FUNDS FOR NUCLEAR FACILITIES.—Funds available to carry out this chapter for the fiscal year 1986 may not be used to finance the construction of, the operation or maintenance of, or the supplying of fuel for, any nuclear facility in a foreign country unless the President certifies to the Congress that the country in question is a party to the Non-Proliferation Treaty, cooperates fully with the International Atomic Energy Agency, and pursues nuclear non-proliferation policies consistent with those of the United States.

"SEC. 534. PROHIBITION ON USE OF FUNDS FOR LEBANON.—None of the funds authorized to be appropriated to carry out this chapter for the fiscal year 1986 may be available for Lebanon.".

SUPPLEMENTAL AUTHORIZATION OF APPROPRIATIONS

SEC. 202. (a) In addition to amounts otherwise authorized to be appropriated for the fiscal year 1985 to carry out the provisions of chapter 4 of part II of the Foreign Assistance Act of 1961, there are authorized to be appropriated $2,008,000,000, of which $1,500,000,000 shall be available only for Israel, $500,000,000 shall be available only for Egypt and $8,000,000 shall be available only for the Middle East Regional Program.

(b) Amounts appropriated to carry out this section are authorized to remain available until September 30, 1986.

TITLE III—DEVELOPMENT ASSISTANCE

DEVELOPMENT ASSISTANCE POLICY

SEC. 301. Section 102(b) of the Foreign Assistance Act of 1961 (22 U.S.C. 2151-1(b)) is amended by adding at the end thereof the following new paragraphs:

"(13) United States encouragement of policy reforms is necessary if developing countries are to achieve economic growth and equity.

"(14) Development assistance should, as a fundamental objective, promote private sector activity in open and competitive markets in developing countries, recognizing such activity to be a productive and efficient means of achieving equitable and long-term economic growth.

"(15) United States cooperation in development should recognize as essential the need of developing countries to have access to appropriate technology in order to improve food and water, health and housing, education and employment, and agriculture and industry.

"(16) United States assistance should focus on establishing and upgrading the insitutional capacities of developing countries in order to promote long-term development. An important component of institution building involves training to expand the human resource potential of people in developing countries.".

AGRICULTURE, RURAL DEVELOPMENT, AND NUTRITION

SEC. 302. (a) The first sentence of section 103(a)(2) of the Foreign Assistance Act of 1961 (22 U.S.C. 2151a(a)(2)) is amended to read as follows: "There are authorized to be appropriated to the President for purposes of this section, in addition to funds otherwise available for such purposes, $755,551,000 for the fiscal year 1986, of which the President may use such amounts as he deems appropriate to carry out the provisions of section 316 of the International Security and Development Cooperation Act of 1980.".

(b) Section 103(g) of such Act (22 U.S.C. 2151a(g)) is amended to read as follows:

"(g) It is the sense of the Congress that—

"(1) the President should continue United States participation in the International Fund for Agricultural Development, and that funds for the Second Replenishment for that organization will be authorized to be appropriated upon receipt of a recommendation from the President;

"(2) the United States should provide a special contribution to the International Fund for Agricultural Development for a special fund for Sub-Saharan African Countries affected by drought and decertification, and the United States should take a leadership role in the creation of such a special fund and should make a substantial contribution to this fund; and

"(3) such objectives should be accomplished through a reprogramming of existing appropriations or through some other such procedure designed to guarantee that overall funding levels for programs within the international affairs function of the budget are consistent with targets set by the applicable congressional budget resolution.".

POPULATION AND HEALTH

SEC. 303. (a)(1) Section 104(g) of the Foreign Assistance Act of 1961 (22 U.S.C. 2151b(g)) is amended to read as follows:

"(g) AUTHORIZATION OF APPROPRIATIONS—There are authorized to be appropriated to the President, in addition to funds otherwise available for such purposes—

"(1) $270,017,000 for fiscal year 1986 to carry out subsection (b) of this section; and

"(2) $186,427,000 for fiscal year 1986 to carry out subsection (c) of this section.

Funds appropriated under this subsection are authorized to remain available until expended.".

(2) Section 104(c)(2)(B) of such Act (22 U.S.C. 2151b(c)(2)(B) is amended in the first sentence by inserting "for the fiscal year 1986" after "$25,000,000".

(b) Section 104(b) of such Act (22 U.S.C. 2151b(b)) is amended by adding at the end thereof the following: "In determining eligibility for assistance under this subsection, the Administrator of the agency primarily responsible for administering this part shall not subject any nongovernmental or multilateral organization to any requirement more restrictive than any requirement applicable to a foreign government for such assistance.".

(c) Section 104(f) of such Act (22 U.S.C. 2151b(f) is amended by adding at the end thereof the following:

"(4) None of the funds made available to carry out subsection (b) may be used, directly or indirectly—

"(A) in any country which permits, officially or in practice, infanticide or coerced abortion; or

"(B) by any organization which provides funds, directly or indirectly, with respect to such a country.".

(d) None of the funds made available to carry out part I of the Foreign Assistance Act of 1961 may be available to carry out any program for population planning in the People's Republic of China, including any of those funds provided for such a program through any private and voluntary organization or any international organization.

(e) The President shall instruct each United States representative to an international organization to which the United States makes a financial contribution to oppose the extension of assistance by such organization for any program for population planning in the People's Republic of China.

EDUCATION AND HUMAN RESOURCES DEVELOPMENT

SEC. 304. (a) The second sentence of section 105(a) of the Foreign Assistance Act of 1961 (22 U.S.C. 2151c(a)) is amended to read as follows: "There are authorized to be appropriated to the President for the purposes of this section, in addition to funds otherwise available for such purposes, $177,100,000 for the fiscal year 1986, which are authorized to remain available until expended.".

(b) The third sentence of such section is repealed.

ENERGY, PRIVATE VOLUNTARY ORGANIZATIONS, AND SELECTED DEVELOPMENT ACTIVITIES

SEC. 305. Section 106(e)(1) of the Foreign Assistance Act of 1961 (22 U.S.C. 2151d(e)(1)) is amended to read as follows:

"(e)(1) There are authorized to be appropriated to the President for purposes of this section, in addition to funds otherwise available for such purposes, $200,000,000 for the fiscal year 1986.".

PRIVATE SECTOR REVOLVING FUND

SEC. 306. The first sentence of section 108(b) of the Foreign Assistance Act of 1961 (22 U.S.C. 2151f(b)) is amended by striking out "1984, up to $20,000,000" and inserting in lieu thereof "1986, up to $16,000,000".

SAHEL DEVELOPMENT PROGRAM

SEC. 307. The third sentence of section 121(c) of the Foreign Assistance Act of 1961 (22 U.S.C. 2151s(c)) is amended to read as follows: "In addition to the amounts authorized to be appropriated by the preceding sentences and to funds otherwise available for such purposes, there are authorized to be appropriated to the President for purposes of this section $80,500,000 for the fiscal year 1986.".

AFRICA FAMINE RECOVERY AND DEVELOPMENT FUND

SEC. 308. Chapter 1 of the Foreign Assistance Act of 1961 is amended by adding at the end thereof the following new section:

"SEC. 129. AFRICA FAMINE RECOVERY AND DEVELOPMENT FUND.—(a) The Congress reaffirms the commitment of the American people to assist the countries of Sub-Saharan Africa in dealing with drought and famine conditions which threaten the lives of millions of its people. The Congress reaffirms the commitment of the United States Government to continue its support, in concert with other nations and in cooperation with the affected nations in Africa, of the international relief, rehabilitation, and recovery program to assist these nations in dealing more effectively with drought and achieving self-sufficiency in agricultural production, eliminating forever the threat of famine.

"(b) The President is authorized to furnish assistance, on such terms and conditions as he may determine, for the long-term agricultural recovery and development of the Sub-Saharan Africa region, particularly for support of policy reform and agricultural support and research for small farmers. Assistance furnished under this section shall be in accordance with a long-term, multidonor development plan which calls for equitable burdensharing with other donors and shall be furnished, whenever appropriate, in cooperation with an international coordinating mechanism or international agency.

"(c)(1) There are authorized to be appropriated to the President up to $100,000,000 which sums shall be derived from any funds authorized by this Act, to carry out the purposes of this section.

"(2) Amounts appropriated under this section are authorized to remain available until expended.".

PRIVATE AND VOLUNTARY ORGANIZATIONS AND COOPERATIVES IN OVERSEAS DEVELOPMENT

SEC. 309. (a) Section 123(e) of the Foreign Assistance Act of 1961 (22 U.S.C. 2151u(e)) is amended—

(1) in the first sentence by inserting "on which it is determined" immediately after "prior to the date"; and

(2) in the third sentence by striking out "such date" wherever it occurs and inserting in lieu thereof "the date on which a decision is made to continue such support".

(b) Section 123 of the Foreign Assistance Act of 1961 (22 U.S.C. 2151u) is amended by amending subsection (f) to read as follows:

"(f) In addition to funds otherwise available for such purposes, not less than 15 percent of the aggregate amount appropriated for any fiscal year to carry out sections 103(a), 104(b), 104(c), 105, 106, 121, and 491 of this Act shall be made available for the activities of private and voluntary organizations. Funds made available under section 531 of this Act for the activities of private and voluntary organizations may be considered in determining compliance with the requirements of the previous sentence.".

PROMOTION OF DEMOCRATIC COOPERATIVES

SEC. 310. Section 123 of the Foreign Assistance Act of 1961 (22 U.S.C. 2151u), as amended by section 308, is further amended by adding at the end thereof the following new subsection:

"(h) The Congress recognizes that, in addition to their role in social and economic development, cooperatives provide an opportunity for people to participate directly in democratic decision-making. Therefore, assistance under this chapter may be provided to rural and urban cooperatives which offer large numbers of low and middle income people in developing countries an opportunity to participate directly in democratic decision-making. Such assistance shall be designed to encourage the adoption of self-help, private sector cooperative techniques and practices which have been successful in the United States.".

DEVELOPMENT AND ILLICIT NARCOTICS PRODUCTION

SEC. 311. Section 126(b) of the Foreign Assistance Act of 1961 (22 U.S.C. 2151x(b)) is amended—

(1) by inserting "and under chapter 4 of part II" immediately after "this chapter"; and

(2) by adding at the end thereof the following:

"The agency primarily responsible for administering this part may utilize resources for activities aimed at increasing awareness of the effects of production and trafficking illicit narcotics on source and transit countries.".

HOUSING GUARANTY PROGRAM

SEC. 312. (a) Section 222(a) of the Foreign Assistance Act of 1961 (22 U.S.C. 2182(a)) is amended—

(1) in the second sentence, by striking out "$1,958,000,000" and inserting in lieu thereof "$2,003,000,000"; and

(2) in the third sentence, by striking out "1986" and inserting in lieu thereof "1987".

(b) Section 223(j) of such Act (22 U.S.C. 2183(j)) is amended in the third sentence by striking out ", and the average face value of guaranties issued in any fiscal year shall not exceed $15,000,000".

TRADE CREDIT INSURANCE PROGRAM

SEC. 313. Section 224(e) of the Foreign Assistance Act of 1961 (22 U.S.C. 2184(e)) is amended by striking out "fiscal year 1985" and inserting in lieu thereof "fiscal years 1985 and 1986".

DISADVANTAGED CHILDREN IN ASIA

SEC. 314. Section 241(b) of the Foreign Assistance Act of 1961 (22 U.S.C. 2201(b)) is amended by striking out "$2,000,000" and inserting in lieu thereof "$3,000,000".

PROMOTION OF IMMUNIZATION AND ORAL REHYDRATION

SEC. 315. (a) Section 104(c) of the Foreign Assistance Act of 1961 (22 U.S.C. 2151b(c)) is amended—

(1) by inserting "(1)" before "In order"; and

(2) by adding at the end thereof the following new paragraph:

"(2) The Congress recognizes that the promotion of primary health care is a major objective of the foreign assistance program. The Congress further recognizes that simple, relatively low cost means already exist to reduce incidence of communicable diseases among children, mothers, and infants. The promotion of vaccines for immunization, and salts for oral rehydration, therefore, is an essential feature of the health assistance program. To this end, the Congress expects the agency primarily responsible for carrying out the provisions of this part to set as a goal the protection of not less than 80 per centum of all children, in those countries in which such agency has established development programs, from immunizable diseases by January 1, 1991.".

(b) Not later than twelve months after the date of enactment of this section, and at intervals of twelve months thereafter, the Administrator of the agency primarily responsible for carrying out part I of the Foreign Assistance Act of 1961 shall prepare and transmit to the Speaker of the House of Representatives and the chairman of the Committee on Foreign Relations a report describing the progress achieved during the preceding twelve months in carrying out section 104(c)(2) of such Act.

TITLE IV—CENTRAL AMERICA DEMOCRACY, PEACE, AND DEVELOPMENT INITIATIVE

SEC. 401. Part I of the Foreign Assistance Act of 1961 is amended by adding after chapter 5 the following new chapter:

CHAPTER 6—CENTRAL AMERICA DEMOCRACY, PEACE, AND DEVELOPMENT INITIATIVE

"SEC. 461. STATEMENT OF POLICY.—(a) The Congress finds that the building of democracy, the restoration of peace, the improvement of living conditions, and the application of equal justice under law in Central America are important to the interests of the United States and the community of American States. The Congress further finds that the interrelated issues of social and human progress, economic growth, political reform, and regional security must be effectively dealt with to assure a democratic and economically and politically secure Central America.

"(b)(1) The achievement of democracy, human rights, peace, and equitable economic growth depends primarily on the cooperation and the human and economic resources of the people and governments of Central America. The Congress recognizes that the United States can make a significant contribution to such peaceful and democratic development through a consistent and coherent policy which includes a long-term commitment of assistance. This policy should be designed to support actively—

"(A) democracy and political reform, including opening the political process to all members of society;

"(B) human rights, including free elections, freedom of the press, freedom of association, and the elimination of the violent abuse of human rights;

"(C) leadership development, including training and educational programs to improve public administration and the administration of justice;

"(D) land reform;

"(E) the establishment of the rule of law and an effective judicial system; and

"(F) the termination of extremist violence by both the left and the right as well as vigorous action to prosecute those guilty of crimes and the prosecution to the extent possible of past offenders.

"(2) The policy referred to in paragraph (1) should also promote equitable economic growth and development, including controlling the flight of capital and the effective use of foreign assistance and adherence to approved programs for economic stabilization and fiscal responsibility. Finally, this policy should foster dialog and negotiations to achieve peace based upon the objectives of democratization, reduction of armament, an end to subversion, and the withdrawal of foreign military forces and advisers; and to provide a security shield against violence and intimidation. It is the purpose of this chapter to establish the statutory framework and to authorize the appropriations and financing necessary to carry out the policy described in this section.

"(c) The Congress finds therefore that the people of the United States are willing to sustain and expand a program of economic and military assistance in Central America if the recipient countries can demonstrate progress toward and a commitment to these goals.

"SEC. 462. CONDITIONS ON FURNISHING ASSISTANCE.—(a) The President shall ensure that assistance authorized by this Act and the Arms Export Control Act to Central American countries is furnished in a manner which fosters demonstrated progress toward and commitment to the objectives set forth in section 461. Where necessary to achieve this purpose, the President shall impose conditions on the furnishing of such assistance. In carrying out this section, the President shall consult with the Congress in regard to progress toward the objectives set forth in section 461, and any conditions imposed on the furnishing of assistance in furtherance of those objectives.

"(b) The reporting requirements with respect to El Salvador contained in—

"(1) the last proviso of the paragraph under the heading 'MILITARY ASSISTANCE' contained in the joint resolution entitled "joint resolution making an urgent supplemental appropriation for the fiscal year ending September 30, 1984, for the Department of Agriculture", approved July 2, 1984 (Public Law 98-332); and

"(2) section 533 of the Foreign Assistance and Related Programs Appropriations Act, 1985, as enacted by the joint resolution entitled "Joint resolution making continuing appropriations for the fiscal year 1985, and for other purposes", approved October 12, 1984 (Public Law 98-473; 98 Stat. 1837),

shall not apply after the date of enactment of this section.

"SEC. 463. PEACE PROCESS IN CENTRAL AMERICA.—The Congress—

"(1) strongly supports the initiatives taken by the Contadora group and the resulting Document of Objectives which has been agreed to by Costa Rica, El Salvador, Guatemala, Honduras, and Nicaragua and which sets forth a framework for negotiating a peaceful settlement to the conflict and turmoil in the region; and

"(2) finds that the United States should provide such assistance and support as may be appropriate in helping to reach comprehensive and verifiable final agreements, based on the Document of Objectives, which will ensure peaceful and enduring solutions to the Central American conflicts.

"SEC. 464. ECONOMIC ASSISTANCE COORDINATION.—(A) The Congress finds that participation by Central American countries in an effective forum for dialog on, and the continuous review and advancement of, Central America's political, economic, and social development would foster cooperation between the United States and Central American countries.

"(b) It is the sense of the Congress that—

"(1) the President should enter into negotiations with the countries of Central America to establish a Central American Development Organization (hereafter in this section referred to as the 'Organization') to help provide a continuous and coherent approach to the development of the Central American region; and

"(2) the establishment of the Central American Development Organization should be based upon the following principles:

"(A) that participation in the Organization be open to the United States, other donors, and those Central American countries that commit themselves to, among other things, progress on human rights, building democracy, and encouraging equitable economic growth through policy reforms;

"(B) that the Organization be structured to include representatives from both the public and private sectors, including representatives from the labor, agriculture, and business communities;

"(C) that the Organization meet periodically to carry out the functions described in subparagraphs (D) and (E) of this paragraph and should be supported by a limited professional secretariat;

"(D) that the Organization make recommendations affecting Central American countries on such matters as—

"(i) political, economic, and social development objectives, including the strengthening of democratic pluralism and the safeguarding of human rights;

"(ii) mobilization of resources and external assistance needs; and

"(iii) reform of economic policies and structures;

"(E) that the Organization have the capacity for monitoring country performance on recommendations issued in accordance with subparagraph (D) of this paragraph and for evaluating progress toward meeting such country objectives;

"(F) that to the maximum extent practicable, the United States follow the recommendations of the Organization in disbursing bilateral economic assistance for any Central American country. No more than 75 per centum of such United States assistance in any fiscal year should be disbursed until the recommendations of the Organization for that fiscal year have been made final and communicated to the donor countries. The limitation on disbursements contained in the preceding sentence should apply only to recommendations made final and communicated to donor countries prior to the fourth quarter of such fiscal year. The United States representative to the Organization should urge other donor countries to similarly implement the recommendations of the Organization; and

"(G) that the administrator of the agency primarily responsible for administering part I of this Act, or his designee, represent the United States Government in the Organization and should carry out his functions in that capacity under the continuous supervision and general direction of the Secretary of State.

"(c) Subject to subsection (d)(2), the President is authorized to participate in the Organization.

"(d)(1) The administrator of the agency primarily responsible for administering part I of this Act, under the supervision and direction of the Secretary of State, shall prepare a detailed proposal to carry out this section and shall keep the Committee on Foreign Affairs of the House of Representatives and the Committee on Foreign Relations of the Senate fully and currently informed concerning the development of this proposal.

"(2) The President shall transmit to the Committee on Foreign Affairs of the House of Representatives and the Committee on Foreign Relations of the Senate a copy of the text of any agreement which he proposes to sign providing for the establishment of and United States participation in the Organization no less than sixty days prior to his signature. During that sixty-day period there shall be full and formal consultations with and review by those committees in accordance with procedures applicable to reprogramming notifications pursuant to section 634A of this Act.

"SEC. 465. AUTHORIZATIONS FOR FISCAL YEARS 1987 THROUGH 1989.—In addition to amounts otherwise available for such purposes, there are authorized to be appropriated to the President, for the purpose of furnishing nonmilitary assistance for Central American countries, $1,200,000,000 for each of the fiscal years 1987 through 1989, to remain available until expended. For the purpose of providing the assistance described in the preceding sentence, funds appropriated under this section are authorized to be transferred by the President for obligation in accordance with the authorities of part I of this Act (including chapter 4 of part II of such Act), the Peace Corps Act, the Migration and Refugee Assistance Act of 1962, the United States Information and Education Exchange Act of 1984, the Mutual Educational and Cultural Exchange Act of 1961, the National Endowment for Democracy Act, and the State Department Basic Authorities Act of 1956.

"SEC. 466. DEFINITIONS.—For the purposes of this chapter, the term 'Central American countries' shall be deemed to include Belize, Costa Rica, El Salvador, Guatemala, Honduras, Nicaragua, Panama, and regional programs which benefit such countries.".

ADMINISTRATION OF JUSTICE

SEC. 402. Chapter 4 of part II of the Foreign Assistance Act of 1961 (22 U.S.C. 2346 et seq.), as amended by section 201 of this Act, is further amended by adding at the end thereof the following new section:

"SEC. 535. ADMINISTRATION OF JUSTICE.—(a) The President may furnish assistance to countries and organizations, including national and regional institutions, in order to strengthen the administration of justice in Latin America and the Caribbean. Assistance under this section may include—

"(1) support for specialized professional training, scholarships, and exchanges for continuing legal education;

"(2) programs to enhance judicial, prosecutorial, investigative and enforcement capabilities, and to provide protection for participants in judicial cases;

"(3) strengthening professional organizations to promote services to members and

the role of the bar in judicial selection, enforcement of ethical standards, and legal reform;

"(4) increasing the availability of legal materials and publications;

"(5) seminars, conferences, training and educational programs to improve the administration of justice and to strengthen respect for the rule of law and human rights; and

"(6) revision and modernization of legal codes and procedures.

"(b) The assistance specified in this section may be provided notwithstanding section 660 of this Act. The President shall notify the Committee on Foreign Affairs of the House of Representatives and the Committee on Foreign Relations of the Senate not less than fifteen days in advance of obligating funds pursuant to this section for programs or activities under this section which would otherwise be subject to section 660 of this Act.".

LAND REFORM

SEC. 403. Section 620(g) of the Foreign Assistance Act of 1961 (22 U.S.C. 2370(g)) is amended by adding at the end thereof the following sentence: "The prohibition contained in this subsection shall not apply to monetary assistance made available for use by a government or political subdivision or agency of such government to compensate nationals of that country in accordance with a land reform program, if the President determines that monetary assistance for such land reform program will further the national interests of the United States.".

USE OF EMPLOYEE STOCK OWNERSHIP PLANS IN DEVELOPMENT EFFORTS

SEC. 404. (a) The Congress declares that—

(1) employee stock ownership plans in industrial, farming, banking, and other enterprises in Central America and the Caribbean can be an important component in achieving United States goals in Central America and the Caribbean; and

(2) employee stock ownership plans should be used as an instrument in financing growth and transfers of equity in the region, in reorganizing State-owned enterprises into viable employee-owned businesses, in expanding political and economic pluralism, and in strengthening democratic institutions in the region.

(b) The President is urged to develop a plan for the expanded use of employee stock ownership plans in development efforts of the United States in Central America and the Caribbean, with an emphasis on policy and infrastructural changes needed to encourage voluntary employee stock ownership initiatives by multinational corporations and other private sector enterprises which have investments, are considering making new investments, or are interested in management contracts and joint ventures in the region.

(c)(1) To assist in this effort, there is established a Presidential Task Force on Project Economic Justice (hereafter in this subsection referred to as the "Task Force"), which shall consist of individuals appointed by the President who are distinguished leaders of the private sector of the United States, including significant representation of union representatives of workers in successful companies with employee stock ownership and of nationally recognized experts in all phases of design, implementation, and operation of employee stock ownership plans. The President shall designate one of the members of the Task Force to serve as Chairman. The Chairman of the Task Force shall appoint a volunteer fundraising committee, and all the expenses of the Task Force shall be paid without the use of public funds.

(2) Not later than December 31, 1985, the Task Force shall prepare and transmit to the President and the Congress a report on the expanded use of employee stock ownership plans in the development efforts of the United States in Central America and the Caribbean, including specific recommendations on strategies for using employee stock ownership plans as a means of accelerating the rate of private sector capital formation in Central America and the Caribbean that is systematically likened to expanding ownership and profit-sharing opportunities for all employees.

PROHIBITIONS RELATING TO MILITARY OR PARAMILITARY OPERATIONS IN NICARAGUA

SEC. 405. Notwithstanding any other provision of law, no funds authorized to be appropriated or otherwise made available by this Act, by the Foreign Assistance Act of 1961, as amended, or by the Arms Export Control Act, as amended, shall be used to provide assistance of any kind, either directly or indirectly, to any person or group engaging in an insurgency or other act of rebellion against the government of Nicaragua. The United States shall make no agreement and shall enter into no understanding, either formal or informal, under which a recipient of United States economic or military assistance or a purchaser of United States military equipment shall provide assistance of any kind to persons to groups engaging in an insurgency or other act of rebellion against the government of Nicaragua.

TITLE V—OTHER ASSISTANCE PROGRAMS

AMERICAN SCHOOLS AND HOSPITALS ABROAD

SEC. 501. Section 214(c) of the Foreign Assistance Act of 1961 (22 U.S.C. 2174(c)) is amended to read as follows:

"(c) To carry out the purposes of this section, there are authorized to be appropriated to the President $30,000,000 for the fiscal year 1986 which are authorized to remain available until expended.".

INTERNATIONAL ORGANIZATIONS AND PROGRAMS

SEC. 502. (a) Section 302(a)(1) of the Foreign Assistance Act of 1961 (22 U.S.C. 2222(a)(1)) is amended to read as follows:

"(a)(1) There are authorized to be appropriated to the President for grants to carry out the purposes of this chapter, in addition to funds available under any other Acts for such purposes, $267,675,500 for the fiscal year 1986. Of the funds authorized to be appropriated under this paragraph for the fiscal year 1986—

"(A) $165,000,000 shall be available only for the United Nations Development Program;

"(B) $53,500,000 shall be available only for the United Nation's Children's Fund (UNICEF); and

"(C) $10,000,000 shall be available only for the United Nations Environment Program."

(b) Section 302 of such Act (22 U.S.C. 2222), as amended by subsection (a), is further amended by inserting after subsection (c) the following new subsection:

"(d) Notwithstanding any other provision of law, none of the funds authorized to be appropriated by this section shall be available for the United States proportionate share for any programs for the Palestine Liberation Organization, the Southwest Africa Peoples Organization, Libya, Iran, or Cuba.".

(c)(1) Notwithstanding section 614 of the Foreign Assistance Act of 1961 (22 U.S.C. 2364) or any other provision of law, of the funds appropriated to carry out chapter 3 of part I of the Foreign Assistance Act of 1961 (22 U.S.C. 2221 et seq.) for the fiscal year 1985, $10,000,000 shall be available only for the United Nations Environmental Program.

(2) The provisions of paragraph (1) shall take effect on the date of enactment of this Act.

NARCOTICS REPORTING REQUIREMENT

SEC. 503. Section 481(b) of the Foreign Assistance Act of 1961 (22 U.S.C. 2291(b)) is amended to read as follows:

"(b)(1) Not later than forty-five days after the end of each calendar quarter, the President shall transmit to the Speaker of the House of Representatives, and to the Committee on Foreign Relations of the Senate, a report on the programming and obligation, on a calendar basis, of funds under this chapter prior to the end of that quarter. The last such report for each fiscal year shall include the aggregate obligations and expenditures made, and the types and quantity of equipment provided, on a calendar quarter basis, prior to the end of that fiscal year—

"(A) to carry out the purposes of this chapter with respect to each country and each international organization receiving assistance under this chapter, including the cost of the United States personnel engaged in carrying out such purposes in each such country and with each such international organization;

"(B) to carry out each program conducted under this chapter in each country and by each international organization, including the cost of United States personnel engaged in carrying out each such program; and

"(C) for administrative support services within the United States to carry out the purposes of this chapter, including the cost of United States personnel engaged in carrying out such purposes in the United States.

"(2) Not later than August 1 of each year, the President shall transmit to the Speaker of the House of Representatives, and to the Committee on Foreign Relations of the Senate, a complete and detailed midyear report on the activities and operations carried out under this chapter prior to such date. Such midyear report shall include, but not be limited to, the status of each agreement concluded prior to such date with other countries to carry out the purposes of this chapter.".

INTERNATIONAL NARCOTICS CONTROL

SEC. 504. Section 482(a)(1) of the Foreign Assistance Act of 1961 (22 U.S.C. 2291a(a)(1)) is amended to read as follows:

"(a)(1) To carry out the purposes of section 481, there are authorized to be appropriated to the President $50,217,000 for the fiscal year 1986."

INTERNATIONAL DISASTER ASSISTANCE

SEC. 505. The first sentence of section 492(a) of the Foreign Assistance Act of 1961 (22 U.S.C. 2292a(a)) is amended to read as follows: "There are authorized to be appropriated to the President to carry out section 491, $25,000,000 for the fiscal year 1986.".

ANTI-TERRORISM ASSISTANCE PROGRAM

SEC. 506. (a) The first sentence of section 575 of the Foreign Assistance Act of 1961 (22 U.S.C. 2349aa-4) is amended to read as follows: "There are authorized to be appro-

priated to the President to carry out this chapter $5,000,000 for the fiscal year 1986.".

(b) Section 577 of such Act (22 U.S.C. 2349aa-6) is amended by striking out "1985" and inserting in lieu thereof "1987".

TRADE AND DEVELOPMENT PROGRAM

SEC. 507. The first sentence of section 661(b) of the Foreign Assistance Act of 1961 (22 U.S.C. 2421(b)) is amended to read as follows: "There are authorized to be appropriated to the President for purposes of this section, in addition to funds otherwise available for such purposes, $20,000,000 for the fiscal year 1986.".

OPERATING EXPENSES

SEC. 508. Section 667(a)(1) of the Foreign Assistance Act of 1961 (22 U.S.C. 2427(a)(1)) is amended to read as follows:

"(1) $387,000,000 for the fiscal year 1986 for necessary operating expenses of the agency primarily responsible for administering part I of this Act; and".

PARTICIPATION IN FOREIGN POLICE ARREST ACTION AND INTERROGATION

SEC. 509. Section 481(c)(1) of the Foreign Assistance Act of 1961 (22 U.S.C. (c)(1)) is amended to read as follows:

"(c) The head of any department or agency of the United States employing individuals who are authorized to engage or participate in any direct police arrest action in any foreign country with respect to narcotics control efforts, or any interrogation in connection with such efforts, shall prescribe regulations for the conduct of, and the procedures used by, such individuals.".

RESTRICTION ON ASSISTANCE TO PERU

SEC. 510. United States assistance, as defined by section 481(1)(4), may be provided to Peru for the fiscal year 1985 only if the President certifies to Congress that the Government of Peru has demonstrated substantive progress in developing a plan, in accordance with the Single Convention on Narcotic Drugs of 1961, that will establish its legal coca requirements, license the number of hectares necessary to produce the legal requirements, and eliminate illicit and unlicensed coca production.

TITLE VI—PEACE CORPS

AUTHORIZATION OF APPROPRIATIONS

SEC. 601. Section 3(b) of the Peace Corps Act (22 U.S.C. 1502(b)) is amended by amending the first sentence to read as follows: "There are authorized to be appropriated to carry out the purposes of this Act not to exceed $128,600,000 for the fiscal year 1986.".

PEACE CORPS NATIONAL ADVISORY COUNCIL

SEC. 602. (a) The Peace Corps Act (22 U.S.C. 2501 et seq.) is amended by inserting after section 11 the following new section:

"PEACE CORPS NATIONAL ADVISORY COUNCIL

"SEC. 12. (a) A Peace Corps National Advisory Council (hereinafter in this section referred to as the 'Council') shall be established in accordance with the provisions of this section.

"(b)(1) The Council shall advise and consult with the President and the Director of the Peace Corps with regard to policies and programs designed to further the purposes of this Act and shall periodically report to the Congress.

"(2) Members of the Council shall visit, examine, and inspect the Peace Corps' activities in the United States and in other countries in order to, among other things—

"(A) evaluate the accomplishments of the Peace Corps;

"(B) assess the potential capabilities and the future role of the Peace Corps; and

"(C) make recommendations to the President, the Director of the Peace Corps, and the Congress to guide the future direction of the Peace Corps and to help ensure that the purposes and programs of the Peace Corps are carried out in ways that are economical, efficient, responsive to changing needs in developing countries and to changing relationships among peoples, and in accordance with law.

"(3) The Council may provide for public participation in its activities.

"(c)(1) Persons appointed as members of the Council shall be broadly representative, including representation of educational institutions, private volunteer agencies, private industry, farm organizations, labor unions, different regions of the United States, different educational, economic, racial, and national backgrounds and age groupings, and both sexes.

"(2)(A) Subject to the succeeding sentence, fifteen members of the Council shall be appointed by the President by and with the advice and consent of the Senate. At least seven of such members shall be former Peace Corps volunteers, and no more than eight of such members shall be members of the same political party.

"(B) The first appointments of members of the Council under this paragraph shall be made not more than sixty days after the date of the enactment of this section and, solely for purposes of determining the expiration of their terms, shall be deemed to take effect on the sixtieth day after such enactment date.

"(C) No member appointed under this paragraph shall be an officer or employee of the United States Government.

"(D) Of the members initially appointed under this paragraph, eight shall be appointed to one-year terms and seven to two-year terms. Thereafter, all appointed members shall be appointed to two-year terms.

"(E) A member of the Council appointed to fill a vacancy occurring before the expiration of the term for which the member's predecessor was appointed shall be appointed only for the remainder of that term.

"(F) No member of the Council may serve for more than two consecutive two-year terms.

"(G) Members of the Council shall serve at the pleasure of the President.

"(H) An appointed member of the Council may be removed by a vote of nine members for malfeasance in office, for persistent neglect of or inability to discharge duties, or for offenses involving moral turpitude, and for no other cause.

"(I) Any vacancy in the office of an appointed member of the Council shall be filled by the President within thirty days after such vacancy occurs.

"(3) The Secretary of State shall be a voting member, ex officio, of the Council. The Secretary may designate any officer in the Department of State compensated at level II or III of the Executive Schedule under section 5313 or 5314 of title 5, United States Code, to act for the Secretary under this section.

"(4) The Director and Deputy Director of the Peace Corps shall be non-voting members, ex officio, of the Council.

"(d)(1) Except as provided in paragraph (2), a member of the Council who is not an officer or employee of the United States Government shall be (A) paid compensation out of funds made available for the purposes of this Act at the daily equivalent of the highest rate payable under section 5332 of title 5, United States Code, for each day (including traveltime) during which the member is engaged in the actual performance of duties as a Council member, and (B) while away from his or her home or regular place of business on necessary travel, as determined by the Director of the Peace Corps, for actual performance of such duties, paid per diem, travel, and transportation expenses in the same manner as provided for under subchapter I of chapter 57 of title 5, United States Code.

"(2) A member of the Council may not be paid compensation under paragraph (1)(A) for more than twenty days in any calendar year.

"(e) A majority of the voting members of the Council shall constitute a quorum for the purposes of transacting any business.

"(f) A member of the Council shall disclose to the Council the existence of any direct or indirect financial interest of that member in any particular matter before the Council and shall not vote or otherwise participate as a Council member with respect to that particular matter.

"(g) At its first meeting and at its first regular meeting in each calendar year thereafter, the Council shall elect a Chair and Vice Chair from among its appointed members who are citizens of the United States. The Chair and Vice Chair shall not both be members of the same political party.

"(h)(1) The Council shall hold a regular meeting during each calendar quarter and shall meet at the call of the President, the Director of the Peace Corps, the Council's Chair, or one-fourth of its members.

"(2) The Council shall prescribe such bylaws and regulations as it considers necessary to carry out its functions. Such bylaws and regulations shall include procedures for fixing the time and place of meetings, giving or waiving of notice of meetings, and keeping of minutes of meetings.

"(i) Not later than January 1, 1988, and not later than January 1 of each second year thereafter, the Council shall submit to the President and the Director of the Peace Corps a report of its views on the programs and activities of the Peace Corps. Each report shall contain a summary of the advice and recommendations provided by the Council to the President and the Director during the period covered by the report and such recommendations (including recommendations for administrative or legislative action) as the Council considers appropriate to make to the Congress. Within 90 days after receiving each such report, the President shall submit to the Congress a copy of the report, together with any comments concerning the report that the President or the Director considers appropriate.

"(j) The Director of the Peace Corps shall make available to the Council such personnel, administrative support services, and technical assistance as are necessary to carry out effectively its functions.".

(b) Sixty days after the date of the enactment of this Act, any advisory body carrying out functions similar to those assigned to the Peace Corps National Advisory Council provided for by subsection (a) shall cease to operate and shall become defunct.

"NONPARTISAN APPOINTMENTS

SEC. 603. The Peace Corps Act is amended—

(1) by redesignating sections 25, 26, and 27 as sections 26, 27, and 28, respectively; and

(2) by inserting after section 24 the following new section:

NONPARTISAN APPOINTMENTS

"SEC. 25. In carrying out this Act, there shall be no political test or political qualification used in (1) selecting any person for enrollment as a volunteer or for appointment to a position at, or for assignment to (or for employment for assignment to), a duty station located abroad, or (2) promoting or taking any other action with respect to any volunteer or any person assigned to such a station."; and

(3) in subsection (a) of section 5, by amending the final sentence to read as follows: "In carrying out this subsection, there shall be no discrimination against any person on account of race, sex, creed, or color."

TITLE VII—AFRICAN DEVELOPMENT FOUNDATION

AUTHORIZATION OF APPROPRIATIONS

SEC. 701. Section 510 of the African Development Foundation Act (22 U.S.C. 290h-8) is amended to read as follows:

"AUTHORIZATION OF APPROPRIATIONS

"SEC. 510. There are authorized to be apropriated to the President to carry out this title, in addition to funds otherwise available for such purpose, $1,000,000 for the fiscal year 1986. Amounts appropriated under this section are authorized to remain available until expended.".

EXTENSION OF AUTHORITIES

SEC. 702. Section 511 of the African Development Foundation Act (22 U.S.C. 290h-9) is amended by striking out "September 30, 1985" and inserting in lieu thereof "September 30, 1990".

TITLE VIII—INTER-AMERICAN FOUNDATION

AUTHORIZATION OF APPROPRIATIONS

SEC. 801. Section 401(s)(2) of the Foreign Assistance Act of 1969 (22 U.S.C. 290f(s)) is amended by striking out "$16,000,000 for the fiscal year 1984 and $16,000,000 for the fiscal year 1985" and inserting in lieu thereof "$11,969,000 for the fiscal year 1986".

TITLE IX—GENERAL PROVISIONS

PROCUREMENT OF CONSTRUCTION AND ENGINEERING SERVICES

SEC. 901. Section 604(g) of the Foreign Assistance Act of 1961 (22 U.S.C. 2354(g)) is amended by inserting immediately before the period at the end thereof "and which are not receiving any direct assistance under chapter 1 of part I or chapter 4 of part II of this Act".

COMPLETION OF PLANS AND COST ESTIMATES

SEC. 902. (a) Section 611(a) of the Foreign Assistance Act of 1961 (22 U.S.C. 2361(a)) is amended—

(1) by striking out "$100,000" and inserting in lieu thereof "$500,000"; and

(2) by striking out "section 1311 of the Supplemental Appropriation Act, 1955 as amended (31 U.S.C. 200)" and inserting in lieu thereof "section 1501 of title 31, United States Code".

(b) Section 611(b) of such Act (22 U.S.C. 2361(b)) is amended by striking out "the procedures set forth in the Principles and Standards for Planning Water and Related Land Resources, dated October 25, 1973, with respect to such computations" and inserting in lieu thereof "the principles, standards, and procedures established pursuant to the Water Resources Planning Act (42 U.S.C. 1962 et seq.) or Acts amendatory or supplementary thereto".

PROHIBITIONS AGAINST ASSISTANCE

SEC. 903. Section 620(f) of the Foreign Assistance Act of 1961 (22 U.S.C. 2370(f)) is amended—

(1) by inserting "(1)" immediately after "(f)";

(2) by redesignating clauses (1), (2), and (3) as clauses (A), (B), and (C), respectively; and

(3) by adding at the end thereof the following new paragraph:

"(2) Notwithstanding the provisions of paragraph (1) of this subsection, the President may remove a country, for such period as the President determines, from the application of this subsection, and other provisions which reference this subsection, if the President determines and reports to the Congress that such action is important to the national interest of the United States.".

NUCLEAR NON-PROLIFERATION CONDITIONS ON ASSISTANCE FOR PAKISTAN

SEC. 904. Section 620E of the Foreign Assistance Act of 1961 (22 U.S.C. 2375) is amended by adding at the end thereof the following new subsection:

"(e) No assistance shall be furnished to Pakistan and no military equipment or technology shall be sold or transferred to Pakistan pursuant to the authorities contained in this Act or any other Act unless the President shall have certified in writing to the chairman of the Committee on Foreign Relations of the Senate and the Speaker of the House of Representatives, during the fiscal year in which assistance is to be furnished or military equipment or technology is to be sold or transferred, that Pakistan does not possess a nuclear explosive device and that the proposed United States assistance program will reduce significantly the risk that Pakistan will possess a nuclear explosive device.".

STREAMLINING OF REPROGRAMMING REQUIREMENTS

SEC. 905. (a) Section 634A of the Foreign Assistance Act of 1961 (22 U.S.C. 2394-1) is amended—

(1) by inserting "(a)" immediately before "None";

(2) by inserting "or the Arms Export Control Act" after "disaster relief and rehabilitation)" and after "this Act" the second place it appears;

(3) by inserting before the period at the end of the first sentence a comma and the following: "except that such notification shall not be required for funds appropriated to carry out the purposes of chapter 1 of part I if the obligations for an activity, program, or project would be in excess of the amount justified for such activity, program, or project for a fiscal year by not more than 10 per centum"; and

(4) by adding at the end thereof the following new subsection:

"(b) The notification requirement of this section does not apply to the reprogramming of less than $25,000 for use under chapter 8 of part I or for use under chapter 5 of part II, for a country for which a program under that chapter for that fiscal year was justified to the Congress.".

(b) Section 653 of the Foreign Assistance Act of 1961 (22 U.S.C. 2413) is amended—

(1) by inserting in subsection (a) "or the Arms Export Control Act" immediately after "section 451 or 6370";

(2) by striking out subsection (b); and

(3) by redesignating subsection (c) as subsection (b).

(c) Section 36(a) of the Arms Export Control Act (22 U.S.C. 2776(a)) is amended—

(1) in paragraph (5) by striking out "cash sales expected to be made under sections 21 and 22, credits to be extended under section 23, and guaranty agreements to be made under section 24" and inserting in lieu thereof "sales expected to be made under sections 21 and 22"; and

(2) in paragraph (6) by striking out "cash sales expected to be made and credits expected to be extended" and inserting in lieu thereof "sales expected to be made".

TRAINING ASSISTANCE

SEC. 906. Section 638 of the Foreign Assistance Act of 1961 (22 U.S.C. 2398) is amended—

(1) by inserting "(a)" before "No"; and

(2) by adding at the end thereof the following:

"(b) No provision of this Act or any other provision of law shall be construed to prohibit assistance for any training activity which is funded under this Act for Brazil or Argentina as long as such country continues to have a democratically elected government and which is consistent with sections 116, 502B, and 660 of this Act.".

SUSPENSION OF ASSISTANCE TO COUNTRIES VIOLATING UNITED STATES EXPORT LAWS IN ORDER TO MANUFACTURE A NUCLEAR EXPLOSIVE DEVICE

SEC. 907. (a) Subsection (a)(1) of section 670 of the Foreign Assistance Act of 1961 (22 U.S.C. 2429a(a)(1)) is amended—

(1) by inserting "(A)" after "country which";

(2) by inserting immediately before the period at the end thereof ", or (B) is a non-nuclear-weapon state which, on or after the date of enactment of the International Security and Development Cooperation Act of 1985, exports illegally (or attempts to export illegally) from the United States any material, equipment, or technology which would contribute significantly to the ability of such country to manufacture a nuclear explosive device, if the President determines that the material, equipment, or technology was to be used by such country in the manufacture of a nuclear explosive device"; and

(3) by adding at the end thereof the following: "For purposes of clause (B), an export (or attempted export) by a person who is an agent of, or is otherwise acting on behalf of or in the interests of, a country shall be considered to be an export (or attempted export) by that country.".

(b) Such section 670 (22 U.S.C. 2429a) is amended—

(1) in the section caption, by inserting ", ILLEGAL EXPORTS FOR NUCLEAR EXPLOSIVE DEVICES," after "TRANSFERS,";

(2) by redesignating paragraph (5) of subsection (b) as subsection (c); and

(3) by striking out in subsection (c), as redesignated by paragraph (2), "As used in this subsection" and inserting in lieu thereof "For purposes of this section".

ILLEGAL EMIGRATION FROM HAITI

SEC. 908. Notwithstanding the limitations of section 660 of the Foreign Assistance Act of 1961 (22 U.S.C. 2420), funds made available under such Act may be used for programs with Haiti, which shall be consistent with prevailing United States refugee policies, to assist in halting significant illegal emigration from Haiti to the United States.

PARTICIPANT TRAINEE GRANTS

SEC. 909. Section 1441(c) of the Internal Revenue Code of 1954 (26 U.S.C. 1441(c)(6)) is amended by amending paragraph (6) to read as follows:

"(6) SCHOLARSHIPS, PER DIEM, ETC, OF CERTAIN ALIENS.—No education or withholding under subsection (a) shall be required in the case of amounts of scholarships or fellowship grants, or per diem for subsistence paid by the United States Government (directly or by contract) to any nonresident alien individual who is engaged in any program of training in the United States under the Foreign Assistance Act of 1961.".

ASSISTANCE FOR AFGHANISTAN

SEC. 910. (a) Of the funds authorized to be appropriated to carry out the provisions of chapter 4 of part II (relating to the economic support fund) of the Foreign Assistance Act of 1961, not less than $15,000,000 in each fiscal year shall be available only to the President for the provision of food, medicine, or other humanitarian assistance to the Afghan people, notwithstanding any other provision of law.

(b) This section shall take effect on the date of enactment of this Act.

REPEAL OF PROVISIONS; TECHNICAL AMENDMENTS

SEC. 911. (a)(1) The Foreign Assistance Act of 1961 is amended—

(A) in section 106(b)(1), by striking out "(A)" and by striking out subparagraph (B);

(B) in section 110, by striking out "(a)" and by striking out subsection (b); and

(C) in section 306, by striking out "(a)" and by striking out subsection (b).

(2) Chapter 10 of part I of such Act (22 U.S.C. 2293 et seq.) is repealed.

(b) Section 636(a)(14) of the Foreign Assistance Act of 1961 (22 U.S.C. 2396(a)(14)) is amended by striking out "the Foreign Service Act of 1946, as amended (22 U.S.C. 801 et seq.)" and inserting in lieu thereof" the Foreign Service Act of 1980 (22 U.S.C. 3901 et seq.)".

(c) Section 47(6) of the Arms Export Control Act (22 U.S.C. 2794(6)) is amended by striking out "combat" and inserting in lieu thereof "military".

CODIFICATION OF POLICY PROHIBITING NEGOTIATIONS WITH THE PALESTINE LIBERATION ORGANIZATION

SEC. 912. (a) The Congress finds that the United States in 1975 declared in a memorandum of agreement with Israel, and has reaffirmed since, that "The United States will continue to adhere to its present policy with respect to the Palestine Liberation Organization, whereby it will not recognize or negotiate with the Palestine Liberation Organization so long as the Palestine Liberation Organization does not recognize Israel's right to exist and does not accept Security Council Resolutions 242 and 338.".

(b) The United States hereby reaffirms that policy. In accordance with that policy, no officer or employes of the United States Government and no agent or other individual acting on behalf of the United States Government shall negotiate with the Palestine Liberation Organization, except in emergency or humanitarian situations, unless and until the Palestine Liberation Organization recognizes Israel's right to exist, accepts Security Council Resolutions 242 and 338, and renounces the use of terrorism.

LONG-TERM AGRICULTURAL COMMODITY AGREEMENTS WITH FOOD DEFICIT COUNTRIES

SEC. 913. As part of the United States foreign assistance program, the President should explore the possibility of concluding long-term agricultural commodity agreements to help stabilize and increase the flow of concessional and commercial food stuffs with food deficit countries. The President shall prepare and transmit to the Congress a report on his efforts to achieve such long-term agreements by June 1, 1986.

PROHIBITION ON CERTAIN ASSISTANCE TO THE KHMER ROUGE IN KAMPUCHEA

SEC. 914. (a) Notwithstanding any other provision of law, none of the funds authorized to be appropriated by this Act or any other Act may be obligated or expended for the purpose or with the effect of promoting, sustaining, or augmenting, directly or indirectly, the capacity of the Khmer Rouge or any of its members to conduct military or paramilitary operations in Kampuchea or elsewhere in Indochina.

(b) All funds appropriated before the date of enactment of this section which were obligated but not expended for activities having the purpose or effect described in subsection (a) shall be deobligated and shall be deposited in the Treasury of the United States as miscellaneous receipts.

(c) This section shall not be construed as limiting the provision of food, medicine, or other humanitarian assistance to the Kampuchean people.

NEW BUILDING IN GENEVA FOR THE USE OF THE UNITED STATES ARMS CONTROL NEGOTIATING TEAMS

SEC. 915. Since the United States is party to vital talks on arms control in Geneva, Switzerland;

Since these talks include negotiations on strategic nuclear weapons, intermediate range nuclear weapons, space and defense systems, a bilateral United States-Soviet forum, called the Standing Consultative Commission, and a multilateral forum, called the Conference on Disarmament;

Since the United States delegations to these talks occupy buildings and spaces insufficiently secure, modernized or large enough to permit those delegations to conduct their work efficiently;

Since the United States delegations to the strategic, intermediate and space and defense talks in particular occupy space in the Botanic Building that is also occupied by offices of numerous other, non-United States organizations, and shares common walls and parking facilities with these delegations;

Since arms control negotiations require sophisticated security facilities, telecommunications equipment, simultaneous translation capabilities and other specialized services;

Since the Soviet Union, for its part, has made available for its negotiating team a modern, secure, well-equipped building dedicated for the use of its arms control negotiating teams: Now, therefore it is the sense of the Senate that—

(a) In order to facilitate the effective work of the United States arms control negotiating teams, and to provide for them a dedicated structure capable of supporting their vital tasks on a permanent basis, it is the sense of the Senate that the Secretary of State should submit to the Congress a report on the feasibility, cost, location, and requirements of a structure to house the United States arms control negotiating teams in Geneva.

(b) It is further the sense of the Senate that this report should be submitted as soon as possible.

(c) It is further the sense of the Senate that, this matter be included in the consideration of the 1985 supplemental appropriation process.

PURCHASE OF AMERICAN WHEAT BY THE GOVERNMENT OF THE PHILIPPINES

SEC. 916. Since the Government of the Philippines has purchased American wheat for a number of years; and

Since the Government of the Philippines has purchased wheat from no other country for at least seven years; and

Since the Government of the Philippines has agreed to the State Department's suggestion to both mill the wheat and distribute the flour under private enterprise; and

Since the Government of the Philippines has stated that they cannot acquiesce to the suggestion of the State Department that the Government of the Philippines not act as the purchasing entity of American wheat; and

Since most if not all American wheat sales are to government entities of the country purchasing the wheat: therefore

It is the sense of the Senate that the State Department should not prevent United States wheat sales to the Government of the Philippines

DEMOCRACY IN THE PHILIPPINES

SEC. 917. (a) It is the sense of the Senate that Congress should encourage the revitalization of democracy in the Philippines. To that end, the Congress affirms its intention to grant future aid to the Philippines according to the determination of the Congress that United States security interests are enhanced and sufficient progress is made by the Government of the Philippines in—

(1) guaranteeing free, fair and honest elections in 1986 and 1987, or sooner should any such elections occur;

(2) ensuring the full, fair and open prosecution of the murder of Benigno Aquino, including those involved in the coverup;

(3) ensuring freedom of speech and freedom of the press, and unrestricted access to the media on the part of all candidates for public office in the municipal elections of 1986 and the Presidential election of 1987;

(4) establishing the writ of habeas corpus and the termination of the Presidential Detention Action and all other forms of detention without charge or trial;

(5) releasing all individuals detained or imprisoned for peaceful political activities; and

(6) making substantial progress in terminating extrajudicial killings by the Philippine military and security forces and the prosecution of those responsible for such killings in the past.

It is further the Sense of the Senate that Congress finds and declares that the primary purpose of United States assistance to the Philippines should be to maintain and foster friendly relations between the people of the Philippines and the people of the United States, and to encourage the restoration of internal security—both of which goals can be best served by the achievement of an open and stable democracy.

USE OF PRIVATE AND VOLUNTARY ORGANIZATIONS, COOPERATIVES, AND THE PRIVATE SECTOR

SEC. 918. (a) The Administrator of the Agency for International Development is directed to undertake a comprehensive study of additional ways to provide development assistance through non-governmental organizations (including United States and indigenous private and voluntary organizations, cooperatives, and other private entities). Such study shall include—

(1) an analysis of the percentage of development assistance allocated to governmental and nongovernmental programs;

(2) an analysis of structural impediments, within both the United States and foreign governments, to additional use of nongovernmental programs; and

(3) an analysis of the comparative economic benefits of governmental and nongovernmental programs.

(b) The Administrator is directed to conduct the study using available funds and to prepare a final report to the Congress no later than September 30, 1986.

RESTRICTIONS ON ASSISTANCE FOR BOLIVIA

SEC. 919. (a) The Congress finds that—

(1) cocaine has had a severe negative impact on productivity, public health, education, and the quality of life in the United States and on the national security of the United States;

(2) Bolivia is the source of more than 50 per centum of the world's cocaine, and Bolivian production of cocaine continues to rise;

(3) 50 per centum of the population of Bolivia is under 19 years of age, and cocaine production has had a severe, negative impact on the youth of Bolivia;

(4) the production of, and trafficking in, cocaine by Bolivia has contributed significantly to Bolivia's 1,000 per centum rate of inflation;

(5) the failure of the Government of Bolivia to take steps to curb the production of coca in Bolivia during 1984 was cited in the report of the Department of State entitled "International Narcotics Control Strategy Report" as a major disappointment in its review of drug producing countries; and

(6) Bolivia received more than $37,000,000 in United States assistance during the fiscal year 1984 and during such fiscal year did not eradicate a single coca bush.

(b)(1) beginning with the fiscal year 1986 and for each fiscal year thereafter, no United States assistance may be provided Bolivia unless the President certifies to the Committee on Foreign Affairs of the House of Representatives and the Committee on Foreign Relations of the Senate that the amount of coca that was produced in Bolivia during the preceding fiscal year is at least 10 per centum less than the amount produced in Bolivia during the fiscal year which preceded such preceding fiscal year.

(2) Whenever the President certifies under paragraph (1) that the amount of coca that is produced in Bolivia is reduced by more than 10 per centum from one fiscal year to the next, the amount of any such additional reduction shall be carried over and counted as if it had occurred in the fiscal year following the year in which it actually occurred.

(3) The Secretary of the Treasury shall instruct each United States Executive Director of the International Bank for Reconstruction and Development, the International Development Association, the International Finance Corporation, and the Inter-American Development Bank to oppose actively the extension of any loan or the furnishing of any financial assistance or technical assistance during the fiscal year 1986 or any fiscal year thereafter by the respective international financial institution to Bolivia, unless the President certifies under paragraph (1) that the amount of coca that was produced in Bolivia during the preceding fiscal year is at least 10 percent less than the amount produced in Bolivia during the fiscal year which preceded such fiscal year.

(4) In carrying out this section, coca produced solely for pharmaceutical purposes shall not be counted in determining amounts of production.

(5) As used in this section—

(A) the term "coca" means hydrochloride; and

(a) the term "United States assistance" includes any assistance of any kind (other than assistance involving only the provision of food or medicine) which is provided by grant, sale, loan, lease, credit, guaranty, or insurance, or by any other means, by any agency or instrumentality of the United States Government to or for the benefit of any foreign country, including—

(1) assistance under the Foreign Assistance Act of 1961 (including programs under title IV of chapter 2 of part I, relating to the Overseas Private Investment Corporation, but excluding programs under chapter 8 of part I, relating to international narcotic control assistance);

(ii) sales, credits, and guaranties under the Arms Export Control Act;

(iii) sales under title I (including title III) of the Agricultural Trade Development and Assistance Act of 1954 and donations under title II of such Act of nonfood commodities;

(iv) financing programs of the Commodity Credit Corporation for export sales of nonfood commodities;

(v) financing under the Export-Import Bank Act of 1945;

(vi) assistance under the Migration and Refugee Assistance Act of 1962:

(vii) programs under the Peace Corps Act;

(viii) assistance under the Inter-American Foundation Act;

(ix) assistance under the African Development Foundation Act;

(x) financial assistance for foreign persons or groups under the Mutual Educational and Cultural Exchange Act of 1961; and

(xi) assistance of any kind under any other Act.

CONDITIONS ON ESF ASSISTANCE TO JAMAICA

SEC. 920. Of the funds allocated for Jamaica for fiscal year 1987 under chapter 4 of part II of the Foreign Assistance Act of 1961, $5,000,000 shall be withheld from obligation until the President certifies to the Congress that the Government of Jamaica has prepared, presented, and committed itself to a comprehensive plan or strategy for the control and reduction of illicit cultivation, production, processing, transportation, and distribution of marijuana within a specifically stated period of time.

POLICY REGARDING FOREIGN EXCHANGE INTERVENTION

SEC. 921. (a) The Congress finds and declares that—

(1) the trade deficit looms larger than any other threat to the ability of the United States to generate jobs and create economic well-being;

(2) the trade deficit continues to deteriorate even from the 1984 level of $123,000,000,000;

(3) the trade deficit will continue to deteriorate until the value of the dollar declines on foreign exchange markets;

(4) the dollar's rise may slow down but is unlikely to fall sufficiently as a result of Congress' contemplated budget deficit reduction measures;

(5) the dollar would probably fall under a number of tax reform proposals but industries losing market share due to the exchange rate may not be able to wait for a complete tax package;

(6) the only remaining timely option for lowering the dollar is intervention in foreign exchange markets by the Treasury or the Federal Reserve;

(7) any such intervention must be strong enough to achieve the Congress' intent of lowering the dollar's value but sufficiently moderate to prevent a sudden drop in its value;

(8) any such intervention in order to assure a gradual decline and protect against too large a drop in the value of the dollar, will require coordinated action by the central banks of Europe and Japan as well as the United States; and

(9) such coordination is especially important to strengthen economic and political ties with the allies of the United States and to promote consistent macroeconomic policies to the mutual benefit of all.

(b) Therefore, it is the sense of the Congress that—

(1) the Secretary of the Treasury and the Chairman of the Federal Reserve Board, in concert with our allies and coordinated with the central banks of the Group of Five or other major central banks, should take steps as are necessary to lower gradually the value of the dollar;

(2) such steps should not exclude intervention in the foreign exchange markets;

(3) the Secretary of the Treasury and the Chairman of the Federal Reserve Board should work to ensure that the domestic macroeconomic policies of the United States and its allies are forged to reinforce rather than oppose one another.

INTERNATIONAL NARCOTICS CONTROL COMMISSION

SEC. 922. (a) There is established the International Narcotics Control Commission (hereafter in this section referred to as the "Commission").

(b) The Commission is authorized and directed—

(1) to monitor and promote international compliance with narcotics control treaties, including eradication, money laundering, and narco-terrorism; and

(2) to monitor and encourage United States Government and private programs seeking to expand international cooperation against drug abuse and narcotics trafficking.

(c)(1) The Commission shall be composed of twenty-three members as follows:

(A) Seven Members of the House of Representatives appointed by the Speaker of the House of Representatives. Four members shall be selected from the majority party and three shall be selected, after consultation with the minority leader of the House, from the minority party.

(B) Seven Members of the Senate appointed by the President of the Senate. Four members shall be selected from the majority party of the Senate, after consultation with the majority leader, and three shall be selected, after consultation with the minority leader of the Senate, from the minority party.

(C) One member of the Department of State appointed by the President.

(D) One member of the Department of Justice appointed by the President.

(E) One member of the Department of the Treasury appointed by the President.

(F) Five members of the public to be appointed by the President after consultation with the members of the appropriate congressional committees.

(2) There shall be a Chairman and a Cochairman of the Commission.

(3) On the date of enactment of this section and at the beginning of each odd-numbered Congress, the President of the Senate,

on the recommendation of the majority leader, shall designate one of the Senate Members as Chairman of the Commission. At the beginning of each even-numbered Congress, the Speaker of the House of Representatives shall designate one of the House Members as Chairman of the Commission.

(4) At the beginning of each odd-numbered Congress, the Speaker of the House of Representatives shall designate one of the House Members as Cochairman of the Commission. At the beginning of each even-numbered Congress, the President of the Senate, on the recommendation of the majority leader, shall designate one of the Senate Members as Cochairman of the Commission.

(d) In carrying out this section, the Commission may require, by subpena or otherwise, the attendance and testimony of such witnesses and the production of such books, records, correspondence, memorandums, papers, and documents as it deems necessary. Subpenas may be issued over the signature of the Chairman of the Commission or any member designated by him, and may be served by any person designated by the Chairman or such member. The Chairman of the Commission, or any member designated by him, may administer oaths to any witness.

(e) In order to assist the Commission in carrying out its duties, the President shall submit to the Commission a semiannual report regarding the status of compliance with narcotics control treaties, the first one to be submitted six months after the date of enactment of this section.

(f) The Commission is authorized and directed to report to the House of Representatives and the Senate with respect to the matters covered by this section on a periodic basis and to provide information to Members of the House of Representatives and the Senate as requested. For each fiscal year for which an appropriation is made the Commission shall submit to the Congress a report on its expenditures under such appropriation.

(g)(1) There are authorized to be appropriated to the Commission for each fiscal year and to remain available until expended $550,000 to assist in meeting the expenses of the Commission for the purpose of carrying out the provisions of this section, such appropriation to be disbursed on a voucher to be approved by the Chairman of the Commission.

(2) For purposes of section 502(b) of the Mutual Security Act of 1954, the Commission shall be deemed to be a standing committee of the Congress and shall be entitled to the use of funds in accordance with such sections.

(3) Not to exceed $6,000 of the funds appropriated to the Commission for each fiscal year may be used for official reception and representational expenses.

(h) The Commission may appoint and fix the pay of such staff personnel as it deems desirable, without regard to the provisions of title 5, United States Code, governing appointments in the competitive service, and without regard to the provisions of chapter 51 and subchapter III of chapter 53 of such title relating to classification and General Schedule pay rates.

SUPPORT FOR EL SALVADOR

SEC. 923. The Senate finds that:

A free and democratic El Salvador is in the security interest of the United States; and

Jose Napoleon Duarte was elected President of El Salvador last year in the most democratic election held in El Salvador in many years; and

Political violence in El Salvador has declined dramatically under President Duarte's leadership; and

President Duarte's policies of respect for human rights, political pluralism, dialogue and reconciliation with the Salvadoran guerrilla forces, legal and social reform, and effective defense against the violent overthrow of the Salvadoran government are deserving of praise from all who believe in a democratic form of government; and

The March 31 legislative and municipal elections were successfully carried out, with 64 per centum of the electorate defying guerrilla attacks to vote; and

The victory of President Duarte's Christian Democratic Party reaffirms the support for these policies by his fellow citizens, the essential test of any government or movement; and

In spite of the state of seige technically in effect due to the insurgent threat, observance of free speech, free press, and free assembly are widely enjoyed in El Salvador and permit public airing of opposing political views; and

President Duarte is firmly committed to judicial reform and prosecution of cases involving "death squads";

His leadership and popular support has notably weakened the popular support given the guerrillas, as evidenced by the high levels of voter participation in the free elections held in El Salvador since 1982, the reduction in territory in which the guerrillas can freely operate, their inability to mount frontal military attacks, and their resort to economic sabotage, ambushes, political assassination, and urban terrorism with blatant disregard for basic human rights; and

He has succeeded in reversing the decline in his country's economy which, though still weak, has better prospects than in recent years;

Based upon the above findings, it is the sense of the Senate that:

President Duarte is to be congratulated for his outstanding leadership under difficult circumstances and for his efforts to foster democratic government and institutions in his country, and he is encouraged to continue his efforts to promote political pluralism, democratic institutions, and respect for human rights in his country; and

The armed services of El Salvador are to be congratulated for their improved performance and professionalism in defending Salvadoran citizens and their democratically elected government from attack by armed insurgents, and especially for their role in helping to protect and uphold the electoral process; and

The Senate reaffirms the importance of continued support for democratic principles and institutions and respect for human rights by the various sectors of Salvadoran society, which is a major factor in United States support for El Salvador.

FUNDS TO NONCOMMUNIST RESISTANCE FORCES IN CAMBODIA

SEC. 924. Of the funds authorized to be appropriated in this Act to carry out chapter 2 or chapter 4 of part II of the Foreign Assistance Act of 1961, up to $5,000,000 for Fiscal Year 1986 may be made available to noncommunist resistance forces in Cambodia, provided that the Secretary of State finds that the Association of Southeast Asian Nations has acknowledged that material assistance to the noncommunist resistance is also being supplied by members of that Association.

TRADE PROHIBITION WITH LIBYA AND COUNTRIES ENGAGED IN TERRORISM

SEC. 925. (a) Notwithstanding any other provision of law, the President may prohibit any article grown, produced, extracted, or manufactured in Libya or in any other country determined by joint resolution of Congress to be engaged in terrorism, from being imported into the United States.

(b) Notwithstanding any other provision of law, the President may prohibit any goods or technology, including technical data or other information, subject to the jurisdiction of the United States or exported by any person subject to the jurisdiction of the United States, from being exported to Libya, or to any other country determined by a joint resolution of Congress to be engaged in terrorism.

(c) For purposes of this section, the term "United States" includes territories and possessions of the United States.

(d) In exercising the authorities granted by this section, the President shall adhere to the consultation and reporting requirements contained in section 204 of the International Emergency Economic Powers Act (50 U.S.C. 1703).

POLICY TOWARD SOUTH AFRICAN "HOMELANDS"

SEC. 926. (a) The Congress finds that—

(1) the sanctity of the family, individual liberty, maximum freedom of choice, ownership of private property, and equal treatment of all citizens, regardless of race, are principles which are fully supported by the American people;

(2) the forced relocation of blacks by the Government of the Republic of South Africa to be designated "homelands" divides families, as families are required to remain in the "homelands" while fathers seek work in the so-called "white areas";

(3) the forced removal of persons living in so-called "black spots" in "white" rural areas in South Africa denies them the fundamental right to live and to farm on land they have legally occupied for years, and subjects them to arbitrary arrest and detention when they seek these rights;

(4) compared to "white" South Africa, the designated "homelands," which are meant to accommodate the largest South African population group on a fraction of South African territory and were established without the consent of the vast majority of the governed, are characterized by high rates of infant mortality, unemployment, and malnutrition and by a severe shortage of medical services;

(5) the policy of the Government of the Republic of South Africa denies blacks their rightful claim to full South African citizenship; and

(6) the recent violence in South Africa must be seen as an inevitable result of the denial of the full rights of citizenship.

(b) It is the sense of the Congress that—

(1) the policy of separate development and the forced relocation of the people of the Government of the Republic of South Africa are inconsistent with fundamental American values and internationally recognized principles of human rights;

(2) the Government of the United States should continue to regard as citizens of South Africa all persons born within the internationally recognized boundaries of the Republic of South Africa, and not differentiate among these citizens on the basis of the South African Government's claim to have granted independence to various "homelands";

(3) at such times that any "homeland" official applies for a visa for travel to the United States, no such visa should be granted to such official unless such official holds a passport which is recognized as valid by the Government of the United States; and

(4) the Government of the United States should urge that the forced relocation of South African citizens be discontinued and that policies be adopted for all South Africa's citizens which protect the sanctity of the family, individual liberty, maximum freedom of choice, ownership of private property, and equal treatment of all citizens, regardless of race.

REPORTS ON FOREIGN DEBT IN LATIN AMERICA

SEC. 927. (a) The Congress finds that—

(1) the foreign debt of Latin American countries has soared from $27,000,000,000 in 1970 to over $350,000,000,000 in 1983;

(2) the foreign debt of Latin American countries is a serious obstacle to their economic progress, threatens their stability, and endangers the democratic processes in those nations;

(3) the economic and political futures of many of the Latin American countries hang in the balance and depend upon a successful resolution of the foreign debt crisis; and

(4) the confidence of the American people in the United States system of banking is also involved in a successful resolution of the foreign debt crisis.

(b)(1) Not later than October 1, 1985, the Secretary of State shall prepare and transmit to the Congress a report on—

(A) the magnitude of the foreign debt crisis in this hemisphere;

(B) the impact of the foreign debt crisis on the economies of the nations of Latin America;

(C) the degree to which the national security interests of the United States are implicated in this crisis; and

(D) the steps being taken and the policy being pursued by the United States aimed at dealing with this crisis.

(2) Not later than October 1, 1985, the Secretary of the Treasury shall prepare and transmit to the Congress a report on—

(A) the degree to which the foreign debt crisis affects the system of banking in the United States; and

(B) the steps being taken and the policy being pursued by the Department of the Treasury aimed at dealing with this crisis.

COMMISSION FOR THE PRESERVATION OF AMERICA'S HERITAGE ABROAD

SEC. 928. (a) Because the fabric of a society is strengthened by visible reminders of the historical roots of the society, it is in the national interest of the United States to preserve and protect the cemeteries, monuments, and historic buildings associated with the foreign heritage of United States citizens.

(b) There is established a commission to be known as the Commission for the Preservation of America's Heritage Abroad (hereafter in this section referred to as the "Commission").

(c) The Commission shall—

(1) identify and publish a list of those cemeteries, monuments, and historic buildings located abroad which are associated with the foreign heritage of United States citizens, particularly those cemeteries, monuments, and buildings which are in danger of deterioration or destruction;

(2) encourage the preservation and protection of such cemeteries, monuments, and historic buildings by obtaining, where appropriate and in concurrence with the Department of State, assurances from foreign governments that the cemeteries, monuments, and buildings will be preserved and protected;

(3) sponsor or otherwise support demonstration projects to help preserve and protect such cemeteries, monuments, and historic buildings;

(4) prepare and disseminate reports on the condition of and the progress toward preserving and protecting such cemeteries, monuments, and historic buildings; and

(5) coordinate its efforts with the United States International Council on Monuments and Sites.

(d)(1) The Commission shall consist of five members appointed by the President.

(2) Members shall be appointed for terms of three years except—

(A) of such members first appointed—

(i) two shall be appointed for two years; and

(ii) three shall be appointed for three years;

(B) a member appointed to fill a vacancy on the Commission shall serve for the remainder of the term for which the member's predecessor was appointed; and

(C) a member may retain membership on the Commission until the member's successor has been appointed.

(3) The President shall designate the Chairman of the Commission from among its members.

(4) The Commission shall meet at least once every three months.

(e)(1) Members of the Commission shall receive no pay on account of their service on the Commission.

(2) While away from their homes or regular places of business in the performance of services for the Commission, members of the Commission shall be allowed travel expenses, including per diem in lieu of subsistence, in the same manner as persons employed intermittently in the Government service are allowed expenses under section 5703 of title 5 of the United States Code.

(f)(1) The Commission may appoint such personnel (subject to the provisions of title 5 of the United States Code which governs appointments in the competitive service) and may fix the pay of such personnel (subject to the provisions of chapter 51 and subchapter III of chapter 53 of such title, relating to classification and General Schedule pay rates) as the Commission deems desirable.

(2) The Commission may procure temporary and intermittent services to the same extent as is authorized by section 3109(b) of title 5 of the United States Code, but at rates for individuals not to exceed the daily equivalent of the maximum annual rate of basic pay then in effect for grade GS-18 of the General Schedule (5 U.S.C. 5332(a)).

(3) Upon request of the Commission, may head of any Federal department or agency, including the Secretary of State, is authorized to detail, on a reimbursable basis, any of the personnel of such department or agency to the Commission to assist it in carrying out its duties under this section.

(g)(1) The Commission may secure directly from any department or agency of the United States, including the Department of State, any information necessary to enable it to carry out this section. Upon the request of the Chairman of the Commission, the head of such department or agency shall furnish such information to the Commission.

(2) The Commission may accept, use, and dispose of gifts or donations of money or property.

(3) The Commission may use the United States mails in the same manner and upon the same conditions as other departments and agencies of the United States.

(4) The Administrator of General Services shall provide to the Commission on a reimbursable basis such administrative support services as the Commission may request.

(h) The Commission shall transmit an annual report to the President and to each House of Congress as soon as practicable after the end of each fiscal year. Each report shall include a detailed statement of the activities and accomplishments of the Commission during the preceding fiscal year and any recommendations by the Commission for legislation and administrative actions.

(i) This section shall take effect on October 1, 1985.

THE CONTROL OF CONVENTIONAL ARMS TRANSFERS

SEC. 929. (a) The Congress recognizes the conventional arms transfer agreements with the Third World by all suppliers from 1981-1984 totaled $153,200,000,000 (in constant 1984 dollars); in which noncommunist suppliers accounted for $94,100,000,000 and communist suppliers accounted for $59,100,000,000. The United States, the Soviet Union and France have been the three predominant arms suppliers to the third World from 1977-1984 and collectively accounted for 83 per centum of all conventional arms transfer agreements with the Third World in 1984. There is grave concern for the effect conventional arms transfers may have on regional stability, arms races and the economic needs of Third World nations, including their development, and ability to meet basic human needs. There is further concern about the effect of conventional arms transfers on regional stability, and ultimately on United States and Soviet security. Conventional arms transfer agreements made by the United States, the Soviet Union and France are at levels closer to rought equivalence than at any time in history. This could be a significant factor in facilitating progress to limit and control arms transfers. Since new arms transfers are unpredictable and since new cycles of arms purchases by the less developed nations could occur at any time, the United States should reevaluate its conventional arms transfer policies and practices and seek to achieve negotiated conventional arms control agreements which enhance the National interest at the earliest possible date.

(b) Therefore—

(1) The President should, at the earliest possible date, in consultation with our allies, initiate discussions with the Soviet Union and France aimed at beginning multilateral negotiation to limit and control the transfer of conventional arms to the less developed world.

(2) Within one year of the date of enactment of this section, the President shall submit to Congress a report to the Speaker of the House of Representatives and the Chairman of the Committee on Foreign Relations which examines and analyzes United States policies concerning the transfer of conventional arms, especially sophisticated weapons, and including a review of measures being take to fulfill the objectives stated above. This report shall also examine and analyze—

(A) the lessons of earlier efforts to negotiate restraints on the export of conventional arms;

(B) the evolution of supplier practices and policies;

(C) the evolution of recipient country attitudes regarding conventional arms transfers;

(D) the effect upon regional stability and security of conventional arms transfers by the United States and its allies and the Soviet Union and its allies in recent years;

(E) the relationship between arms exports by major suppliers and the needs of those countries to support their domestic military procurement programs;

(F) the relationship between arms imports and the external debt of recipient countries, allocation of internal resources, and their economic will-being.

(G) the relationship between arms transfers and regional military stability.

(3) The report provided for in subsection (2) shall be submitted in inclassified form, with an unclassified summary and with classified appendices, as appropriate and necessary.

REPUBLIC OF CHINA (TAIWAN) RETAINING FULL MEMBERSHIP IN THE ASIAN DEVELOPMENT BANK

SEC. 930. Since the People's Republic of China is seeking to apply for admission to the Asian Development Bank, conditioning its application upon administrative changes affecting the status and designation of the Republic of China (Taiwan) within that body;

Since the Republic of China (Taiwan) is a founding member of the Asian Development Bank, actively participating in the Bank's activities and faithfully fulfilling its obligations since the Bank's establishment in December 1966;

Since the Republic of China's (Taiwan's) subscription to the initial capital stock of the Bank was determined on the basis of the area, population, and economic condition of the island of Taiwan;

Since neither the relationship between the Republic of China (Taiwan) and the Bank, nor the circumstances under which these relations were established, have changed since 1966;

Since the Asian Development Bank agreement specifically prohibits the Bank from being influenced in its decision by politics;

Since it was the strong conviction of the founders of the Asian Development Bank that the introduction of political considerations would undermine the ability of the Bank to carry out its mission, namely to further economic growth and cooperation in the region; and

Since the Republic of China (Taiwan) has assisted in carrying out the mission of the Asian Development Bank over the years, moving from borrower to donor: Now, therefore,

It is the sense of the Senate that—

(1) Republic of China (Taiwan) should remain a full member of the Asian Development Bank, and that its status and designation within that body should remain unaltered no matter how the issue of the People's Republic of China's application for membership is disposed of; and

(2) the President and the Secretary of State should express support of the Republic of China (Taiwan), making it clear that the United States will not countenance attempts to make administrative changes affecting the status and designation of another member without that member's full knowledge and consent.

AID TO THE PEOPLE'S REPUBLIC OF MOZAMBIQUE

SEC. 931. (a) None of the funds authorized to be appropriated for fiscal year 1986 under chapter 2 and 5 of part II of the Foreign Assistance Act of 1961 shall be made available to the People's Republic of Mozambique unless the President makes a certification in accordance with subsection (a) within thirty days of the enactment of this section and every one hundred and eighty days thereafter.

(b) The certification required by subsection (a) is a certification by the President to the Speaker of the House of Representatives and to the chairman of the Senate Committee on Foreign Relations that the Government of the People's Republic of Mozambique—

(1) is making a concerted and significant effort to comply with internationally recognized human rights;

(2) is making continued progress in implementing essential economic and political reforms, including the restoration of private property and respect for the right to engage in free enterprise in all sectors of the economy;

(3) has implemented a plan by September 30, 1986, to reduce the number of foreign military personnel to no more than 55.

(4) is committed to holding free elections at a date no later than September 30, 1986, and to that end has demonstrated its good faith efforts to begin discussions with all major political factions in Mozambique which have declared their willingness to find and implement an equitable political solution to the conflict, with such solution to involve a commitment to—

(A) the electoral process with internationally recognized observers; and

(B) the elimination of all restrictions on the formation and activities of opposition political parties.

CANADIAN CATTLE AND HOGS EXPORTS

SEC. 932. Since, livestock prices have been in decline for some time due to excessive supply partially caused by dramatic increases in importation of live cattle and hogs from Canada, which has increased by 1,000 per centum in the last decade in the case of hogs alone; and

Since, American livestock producers are suffering from the same general economic crisis affecting all of agriculture, and many will face liquidation or foreclosure in the near future; and

Since, the disparity between the United States and the Canadian dollar amounts to 32 per centum to 34 per centum and results in even further increases in Canadian hogs and cattle being imported into the United States: Therefore,

It is the sense of the Congress that the President should direct appropriate members of the Administration, including the United States Trade Representative, the Secretary of Agriculture, and the Secretary of Commerce, to aggressively pursue discussions with the Canadian Government directed toward immediate reduction in the Canadian export of cattle and hogs to the United States.

ASSISTANCE FOR THE CAMBODIAN PEOPLE

SEC. 933. The President may make available to the non-communist resistance forces in Cambodia up to $5,000,000 for fiscal year 1986 of the funds authorized to be appropriated to carry out chapter 2 or chapter 4 of part II of the Foreign Assistance Act of 1961, notwithstanding any other provision of law.

JOSEF MENGELE

SEC. 934. (a)(1) The Congress finds that—

(A) Josef Mengele was the selecting physician at the Nazi concentration camp of Auschwitz-Birkenau during the Second World War where he personally sent more than four hundred thousand Jews, including close to two hundred thousand children, to the gas chambers and conducted unspeakable pseudo-scientific experiments on many of the inmates of Auschwitz;

(B) Josef Mengele has lived in freedom since the end of the Second World War, initially, it is thought, in Germany and, thereafter, for the past thirty-five years, in South America;

(C) Josef Mengele became a naturalized citizen of Paraguay in 1959, and is believed still to be living in the region; and

(D) the Minister of the Interior of Paraguay has promised that the Paraguayan Government would undertake a nationwide investigation to locate Josef Mengele and allow foreign observers to participate in such investigation.

(2) It is therefore the sense of Congress that—

(A) the United States Government should undertake all possible efforts to ensure that Josef Mengele is brought to justice;

(B) the Government of Paraguay should, consistent with its previous commitments, carry out an immediate investigation to locate Josef Mengele and, if he is to be found in that country, arrest him and extradite him to a country where a warrant is outstanding for the arrest of Josef Mengele for crimes against humanity;

(C) the United States Government should seek to enlist similar efforts on the part of other regional governments; and

(D) in pursuance of these ends, the United States Government should send representatives to Paraguay and such other regional states as appropriate to participate in these investigations;

(3) Report to Congress on efforts of the Government of Paraguay to apprehend Josef Mengele.

(b) The President shall submit a report to the Speaker of the House of Representatives and the President Pro Tempore of the Senate on the efforts made by the Government of Paraguay to apprehend Josef Mengele. Such report shall be submitted no later than October 1, 1985 and shall include—

(1) a detailing of the efforts made by the Government of Paraguay to locate Josef Mengele;

(2) the degree to which other countries have cooperated with the investigation; and

(3) the results of the Government of Paraguay's efforts to locate and apprehend Josef Mengele.

SOFTWOOD TIMBER

SEC. 935. Since, softwood timber prices have been in decline for some time due to excessive supply partially caused by dramatic increases in importation of processed softwood timber from Canada, which has increased from 18 per centum of the United States market in the last two years to 35 to 40 per centum today;

Since, American timber producers are suffering from this economic crisis, and the difficulty in acquiring timber from the National Forest System;

Since, the disparity between the United States and the Canadian dollar amounts to 32 to 34 per centum and results in even further increases in processed softwood timber being imported into the United States: Therefore,

It is the sense of the Congress that the President should direct appropriate members of the Administration, including the United States Trade Representative, the

Secretary of Agriculture, and the Secretary of Commerce, to aggressively pursue discussions with the Canadian Government directed toward immediate reduction in the Canadian export of softwood timber to the United States.

TITLE X—INTERNATIONAL NARCOTICS CONTROL ACT OF 1985

SHORT TITLE

SEC. 1001. This title may be cited as the "International Narcotics Control Act of 1985".

LATIN AMERICAN REGIONAL NARCOTICS CONTROL ORGANIZATION

SEC. 1002. (a) The Secretary of State, with the assistance of the National Drug Enforcement Policy Board, shall conduct a study of the feasibility of establishing a regional organization in Latin America which would combat narcotics production and trafficking through regional information-sharing and a regional enforcement unit.

(b) No later than six months after the date of enactment of this title, the Chairman of the National Drug Enforcement Policy Board shall report to the Committee on Foreign Affairs and the Committee on the Judiciary of the House of Representatives and the Committee on Foreign Relations and the Committee on the Judiciary of the Senate on the advisability of encouraging the establishment of such an organization.

ANNUAL REPORTS ON INVOLVEMENT OF COMMUNIST COUNTRIES IN ILLICIT DRUG TRAFFIC

SEC. 1003. Section 481(e) of the Foreign Assistance Act of 1961 is amended by adding at the end thereof the following new paragraph:

"(6) Each report pursuant to this subsection shall describe the involvement, during the preceding fiscal year, of the governments of Communist countries (as defined for purposes of section 620(f) of this Act) in illicit drug trafficking, including—

"(A) the direct or indirect involvement of Communist governments in the production, processing, or shipment of narcotic and psychotropic drugs and other controlled substances, and

"(B) any other activities of Communist governments which have facilitated illicit drug trafficking.".

NARCOTICS CONTROL EFFORTS IN BRAZIL

SEC. 1004. The Secretary of State shall enter into negotiations with the Government of Brazil in order to establish a bilateral narcotics control agreement. Such agreement shall have as a goal of 10 per centum reduction in illicit coca production in Brazil in calendar year 1986.

CONDITIONS ON ASSISTANCE TO BOLIVIA

SEC. 1005. United States assistance (as defined in section 481(i)(4) of the Foreign Assistance Act of 1961) may be provided to Bolivia for fiscal years 1986 and 1987 only under the following conditions.

(1) Of the aggregate amount of assistance allocated for Bolivia for fiscal year 1986—

(A) up to 25 per centum may be provided at any time after the President certifies to the Congress that the Government of Bolivia has enacted legislation which prohibits more than two hectares of coca production per family; and

(B) the remaining 75 per centum may be provided at any time subsequent to a certification pursuant to subparagraph (A) if the President certifies to the Congress that the Government of Bolivia achieved the eradication targets for the calendar year 1985 contained in its August 1983 narcotics control agreements with the United States.

(2) Of the aggregate amount of assistance allocated for Bolivia for fiscal year 1987—

(A) up to 50 per centum may be provided at any time after the President certifies to the Congress that during the first six months of calendar year 1986 the Government of Bolivia achieved at least half of the eradication targets for the calendar year 1986 contained in its August 1983 narcotics control agreements with the United States; and

(B) the remaining 50 per centum may be provided at any time after the President certifies to the Congress that the Government of Bolivia fully achieved the eradication targets for the calendar year 1986 contained in its August 1983 narcotics control agreements with the United States.

UPPER HUALLAGA VALLEY PROJECT IN PERU

SEC. 1006. Funds authorized to be appropriated for fiscal year 1987 to carry out chapter 1 of part I of the Foreign Assistance Act of 1961 for the project of the Agency for International Development in the Upper Huallaga Valley of Peru may be made available for that project only if the Administrator of that Agency, after consultation with the Congress, determines that a comprehensive review of that project has been completed which establishes the effectiveness of that project in reducing and eradicating coca leaf production, distribution, and marketing in the Upper Huallaga Valley.

REALLOCATION OF FUNDS IF CONDITIONS NOT MET

SEC. 1007. If any of the funds described in sections 1005, and 1006, of this title are not used for the country for which they were allocated because the conditions specified in those sections are not met, the President shall reprogram those funds in order to provide additional assistance to countries which have taken significant steps to halt illicit drug production or trafficking.

CONDITIONS ON UNITED STATES CONTRIBUTIONS TO THE UNITED NATIONS FUND FOR DRUG ABUSE CONTROL

SEC. 1008. Section 482(a) of the Foreign Assistance Act of 1961 is amended by adding at the end thereof the following new paragraph:

"(3) Funds authorized to be appropriated by this section for fiscal year 1986 and for fiscal year 1987 may be used for a contribution to the United Nations Fund for Drug Abuse Control only if that organization includes in its crop substitution projects a plan for cooperation with the law enforcement forces of the host country.".

PROHIBITION ON USE OF FOREIGN ASSISTANCE FOR REIMBURSEMENTS FOR DRUG CROP ERADICATIONS

SEC. 1009. Chapter 8 of part I of the Foreign Assistance Act of 1961 is amended by adding at the end thereof the following new section:

"SEC. 483. PROHIBITION ON USE OF FOREIGN ASSISTANCE FOR REIMBURSEMENTS FOR DRUG CROP ERADICATIONS.—Funds made available to carry out this Act may not be used to reimburse persons whose illicit drug crops are eradicated.".

REQUIREMENT FOR COST-SHARING IN INTERNATIONAL NARCOTICS CONTROL ASSISTANCE PROGRAMS

SEC. 1010. (a) Section 482 of the Foreign Assistance Act of 1961 is amended by adding at the end thereof the following new subsection:

"(d) Assistance may be provided under this chapter to a foreign country only if the country provides assurances to the President, and the President is satisfied, that the country will provide at least 25 per centum of the costs of any narcotics control program, project, or activity for which such assistance is to be provided. The costs borne by the country may include 'in-kind' contributions.".

(b) The amendment made by this section shall take effect on October 1, 1985.

EXTRADITION TREATIES

SEC. 1011. The Secretary of State with the assistance of the National Drug Enforcement Policy Board shall increase United States efforts to negotiate updated extradition treaties relating to narcotics offenses with each major drug-producing country, particularly those in Latin America.

EFFECTIVE DATE

SEC. 1012. Except where otherwise stated in this Act or in the amendments made by this Act, this Act and the amendments made by this Act, shall take effect on October 1, 1985.

Mr. LUGAR. I move to reconsider the vote by which the bill was agreed to.

Mr. PELL. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. LUGAR. Mr. President, I ask unanimous consent that the Secretary of the Senate be authorized, in the engrossment of the amendments to S. 960, to make any necessary technical and clerical changes.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. LUGAR. Mr. President, I thank my colleague Mr. PELL the distinguished comanager of this bill, the staffs on the majority and minority side, and all Senators for their extraordinary cooperation in making this event possible.

Mr. PELL. Mr. President, I would like to really compliment the chairman of the committee for doing what many of us thought was impossible—getting this bill through, much less getting it through in 2 days. I think the spirit in which we all worked together and the staffs worked together is most commendable and I hope it will continue not only throughout this Congress but for many more.

The PRESIDING OFFICER. The majority leader.

Mr. DOLE. Mr. President, I thank both managers of the bill.

As we complete work on this important bill, I want to offer just a few brief comments.

When I became majority leader, one of my highest priorities was to get the Senate back into a pattern of orderly consideration of major legislation. The history of this bill in the Senate shows the three requirements for that kind of orderly legislative process.

First, it takes hard work. All of those who have been involved in this bill—Members and staff alike—have labored long hours to bring to the floor the legislation we have just passed.

Second, it demands a certain spirit of reasonableness. This does not mean that we abandon our principles or forget all of our policy differences, either as individuals or as Members of our two parties. But it does mean that we always keep in mind that ours is a system of give-and-take and compromise. On both sides of the aisle, both in committee and here on the floor, we have had to give in at times as we moved this bill forward, but out of it we have a compromise that I think all of us can live with.

Finally, it takes leadership. The distinguished chairman of the Foreign Relations Committee, Mr. LUGAR, the principal architect of this bill, has provided just that quality of leadership. He has been tough when necessary, accommodating when possible, and fair always. That is why we have gotten this bill to the floor and passed it, for the first time in several years.

His committee colleague, the distinguished senior Senator from Rhode Island and ranking minority member [Mr. PELL], deserves equal praise for his important contributions to this bill and his willingness to work constructively to develop a product that could be passed.

I do appreciate their leadership. They worked out a very difficult bill. I am advised that we have only been on the bill really about a day and a half. There have been about 14 hours in total, with 7 rollcall votes. We considered 46 amendments; 34 were agreed to, 3 rejected, 1 tabled, and 8 were withdrawn. That takes care of the 46, if someone's arithmetic is correct.

I do believe that the distinguished chairman (Mr. LUGAR), the principal architect of this bill, has obviously provided leadership, along with his distinguished colleague, the senior Senator from Rhode Island [Mr. PELL]. I extend my thanks and appreciation.

I am hopeful now that we can conclude the defense authorization bill between now and next Thursday night, then commence the Memorial Day recess.

Mr. SIMPSON. Mr. President, I commend Senator LUGAR for his superb handling of this measure and extend my commendation to Senator PELL for his cooperation. They make an ideal pair. They have taken one of the most difficult hot potatoes we deal with in this place and, with an exhibition of fairness, they have given us an excellent example of comity and partnership, for which I commend them.

To Senator LUGAR, whom I know so well, I commend him for his outstanding effort. That is certainly the essence of his ability. We have not considered a foreign aid authorization bill since 1981 as the result of the difficulties we have had in balancing these divergent issues. Senator LUGAR indeed and Senator PELL should be recognized for their accomplishment in this area. It is most impressive.

Mr. MURKOWSKI. Mr. President, if the Senator will yield, I also wish to express my enthusiastic support for the manner in which this foreign assistance authorization bill was guided to passage so successfully by Senator LUGAR and Senator PELL. As one who took up a good deal of time on the issue of extended repayment rates, I am delighted that the Foreign Relations Committee will be holding hearings on that problem. I think that is something meaningful. I again compliment those Senators responsible for this legislation.

ORDER FOR CONSIDERATION OF H.R. 1869 AT 11:30 A.M. TOMORROW

Mr. DOLE. Mr. President, I ask unanimous consent that notwithstanding the previous unanimous-consent agreement, the Senate resume the conference report on H.R. 1869, repeal of auto recordkeeping, at 11:30 a.m. tomorrow under the same terms and conditions as previously ordered.

The PRESIDING OFFICER. Without objection, it is so ordered.

The text of the agreement follows:

Ordered, That at 11:30 a.m. on Thursday, May 16, 1985, the Senate turn to the consideration of the conference report on H.R. 1869, repealing contemporaneous recordkeeping requirements, with the time to be limited to 40 minutes, with 30 minutes under the control of the Senator from Ohio [Mr. METZENBAUM] and 10 minutes under the control of the Senator from Oregon [Mr. PACKWOOD], or his designee.

EXECUTIVE SESSION

Mr. DOLE. Mr. President, I ask unanimous consent that the Senate go into executive session to consider a number of calendar items.

Mr. BYRD. There is no objection, Mr. President.

Mr. DOLE. Mr. President, I ask unanimous consent that we consider the following items: Calendar Orders No. 100, 129, 145, 146, 147, 148, 149, 150, and 151, through 159, 160, 161, 162, 163, and 165.

Mr. BYRD. Mr. President, I want to see if I accurately heard the distinguished majority leader. On this side, Calendar Orders numbered 100, 120, 121, 129, 145, 146, 147, 148, 149, 150, 151, through 159, 160, 161, 162, 163, 165, and Nominations Placed on the Secretary's Desk on page 10 are cleared.

There being no objection, the Senate proceeded to the consideration of executive business.

Mr. DOLE. Mr. President, I ask unanimous consent that those items, including Calendar 120 and 121 just referred to, be considered en bloc and confirmed en bloc.

The PRESIDING OFFICER (Mr. MURKOWSKI). Without objection, the nominations are considered and confirmed en bloc.

The nominations confirmed en bloc are as follows:

DEPARTMENT OF AGRICULTURE

John R. Norton III, of Arizona, to be Deputy Secretary of Agriculture.

DEPARTMENT OF ENERGY

J. Michael Farrell, of the District of Columbia, to be General Counsel of the Department of Energy.

Joseph F. Salgado, of California, to be Under Secretary of Energy.

DEPARTMENT OF JUSTICE

Herbert M. Rutherford III, of Virginia, to be U.S. Marshal for the District of Columbia.

DEPARTMENT OF COMMERCE

Douglas A. Riggs, of Alaska, to be General Counsel of the Department of Commerce.

DEPARTMENT OF AGRICULTURE

Peter C. Myers, of Missouri, to be an Assistant Secretary of Agriculture.

Robert L. Thompson, of Indiana, to be an Assistant Secretary of Agriculture.

IN THE ARMY

The following-named officer to be placed on the retired list in grade indicated under the provisions of title 10, United States Code, section 1370:

To be lieutenant general

Lt. Gen. John B. Blount, [redacted] (age 56), U.S. Army.

The following-named officer under the provisions of title 10, United States Code, section 601, to be assigned to a position of importance and responsibility designated by the President under title 10, United States Code, section 601:

To be lieutenant general

Maj. Gen. Thomas F. Healy, [redacted], U.S. Army.

The following-named officer to be placed on the retired list in grade indicated under the provisions of title 10, United States Code, section 1370:

To be lieutenant general

Lt. Gen. Howard F. Stone, [redacted] (age 53), U.S. Army.

The following-named officer under the provisions of title 10, United States Code, section 601, to be assigned to a position of importance and responsibility designated by the President under title 10, United States Code, section 601:

To be lieutenant general

Maj. Gen. Howard G. Crowell, Jr., [redacted], U.S. Army.

The following-named officer for appointment as a Reserve commissioned officer in the Adjutant General's Corps, Army National Guard of the United States, Reserve of the Army, under the provisions of title 10, United States Code, section 593(a) and 3392:

To be brigadier general

Col. Frank C. Torres, Jr., [redacted].

IN THE MARINE CORPS

The following-named officer to be placed on the retired list in the grade indicated under the provisions of title 10, United States Code, section 1370:

To be lieutenant general

Lt. Gen. Charles G. Cooper, [redacted] U.S. Marine Corps.

The following-named officer to be placed on the retired list in the grade indicated under the provisions of title 10, United States Code, section 1370:

To be lieutenant general

Lt. Gen. William R. Maloney, xxx-xx-xxxx U.S. Marine Corps.

The following-named officer to be placed on the retired list in the grade indicated under the provisions of title 10, United States Code, section 1370:

To be lieutenant general

Lt. Gen. Bernard E. Trainor, xxx-xx-xxxx U.S. Marine Corps.

The following-named officer, under the provisions of title 10, United States Code, section 601, to be assigned to a position of importance and responsibility designated by the President under title 10, United States Code, section 601:

To be lieutenant general

Lt. Gen. George B. Crist, xxx-xx-xxxx, U.S. Marine Corps.

The following-named officer, under the provisions of title 10, United States Code, section 601, to be assigned to a position of importance and responsibility designated by the President under title 10, United States Code, section 601:

To be lieutenant general

Maj. Gen. Ernest C. Cheatham, Jr., xxx-xx..., U.S. Marine Corps.

The following-named officer, under the provisions of title 10, United States Code, section 601, to be assigned to a position of importance and responsibility designated by the President under title 10, United States Code, section 601:

To be lieutenant general

Maj. Gen. Thomas R. Morgan, xxx-xx-..., U.S. Marine Corps.

The following-named officer, under the provisions of title 10, United States Code, section 601, to be assigned to a position of importance and responsibility designated by the President under title 10, United States Code, section 601:

To be lieutenant general

Maj. Gen. Joseph J. Went, xxx-xx-xxxx, U.S. Marine Corps.

The following named brigadier general of the Marine Corps Reserve for promotion to the permanent grade of major general, under provisions of title 10, United States Code, sections 5902 and 5912:

Constantine Sangalis.

The following-named colonel of the Marine Corps Reserve for promotion to the permanent grade of brigadier general, under provisions of title 10, United States Code, sections 5902 and and 5912:

George R. Omrod.

IN THE NAVY

The following-named officer, under the provisions of title 10, United States Code, section 601, to be assigned to a position of importance and responsibility designated by the President under title 10, United States Code, section 601:

To be vice admiral

Vice Adm. John M. Poindexter, xxx-xx-x.../1110, U.S. Navy.

DEPARTMENT OF THE TREASURY

John F.W. Rogers, of New York, to be an Assistant Secretary of the Treasury. (New position—Public Law 98-594 of October 30, 1984.)

Margaret DeBardeleben Tutwiler, of Alabama, to be an Assistant Secretary of the Treasury. (New position—Public Law 98-594 of October 30, 1984.)

THE JUDICIARY

Samuel B. Sterrett, of Maryland, to be a judge of the U.S. Tax Court.

DEPARTMENT OF JUSTICE

William H. Opel, of Alaska, to be U.S. Marshal for the District of Alaska.

NOMINATIONS PLACED ON THE SECRETARY'S DESK IN THE AIR FORCE

Air Force nominations beginning Maj. James H. Applegate, Jr., and ending Maj. Michael R. Conners, which nominations were received by the Senate and appeared in the CONGRESSIONAL RECORD of April 29, 1985.

Air Force nominations beginning John H. Barnhart, and ending Jerry W. Brackett, which nominations were received by the Senate and appeared in the CONGRESSIONAL RECORD of April 29, 1985.

NOMINATIONS OF ROBERT L. THOMPSON AND PETER C. MYERS

Mr. HELMS. Mr. President, I am pleased to bring before the Senate the nominations of Mr. Robert L. Thompson and Mr. Peter C. Myers to be Assistant Secretary of Agriculture for Economics and Assistant Secretary of Agriculture for Natural Resources and Environment, respectively.

Both gentlemen are highly qualified for their respective posts. The Committee on Agriculture, Nutrition, and Forestry held hearings on April 22, 1985, and voted unanimously, to favorably report these nominations.

The committee has carefully reviewed all details of their professional qualifications and experience, as well as the appropriate information relating to their personal finances and obligations.

Both gentlemen are of the highest character and integrity. They have the respect of their peers, their colleagues, and their associates. I know each will do an outstanding job, and I commend each to the Senate. I urge the Senate to consent to their nominations and confirm them in their posts.

NOMINATION OF MARGARET TUTWILER

Mr. DENTON. Mr. President, I rise to support the confirmation of Miss Margaret Tutwiler for the position of Assistant Secretary for Public Affairs and Public Liaison in the Department of the Treasury.

Miss Tutwiler's credentials speak for themselves. Recently she has served as Deputy Assistant to the President for Political Affairs in the White House. She was also Special Assistant to the President and Executive Assistant to the Chief of Staff. There is no question as to her professional qualification for the job. During the past years, she has proved herself to be an effective and articulate spokeswoman.

Equally important, she happens to be from the great State of Alabama. Miss Tutwiler hails from the magic city, Birmingham, and graduated from the University of Alabama. As you know, Alabama has nurtured many fine Americans. This in itself should prove her worthiness.

Our Government is in urgent need of qualified men and women whose capabilities are matched by their depth of commitment. Miss Tutwiler is an ideal representative of this type of individual. I urge that her appointment as Assistant Secretary-designate for Public Affairs and Public Liaison be made permanent.

NOMINATION OF JOHN R. NORTON

Mr. HELMS. Mr. President, I am pleased to bring before the Senate the nomination of Mr. John R. Norton of Paradise Valley, AZ for the position of Deputy Secretary of Agriculture.

The Committee on Agriculture, Nutrition, and Forestry held a detailed hearing on Mr. Norton's nomination for this post on March 27, 1985. On April 4, the committee ordered reported, without objection, with one abstention, this nomination.

During this confirmation process I have come to know John Norton, and to respect him immensely. I am impressed with his sound character, his integrity, and his good humor and disposition. He will be a credit to the President, to the Senate, and to the American people whom he will serve.

Mr. President, John Norton is a farmer. He knows the difficulties farmers face from a sometimes hostile environment and from Government policies—and actions that are often capricious. And, he knows the rewards, both material and spiritual, which can accrue to those who are successful in their endeavors. Mr. Norton is one of the outstanding citizens of his State. No nominee has ever come before the Senate as well recommended by his fellow citizens as has John Norton. It gives me genuine pleasure to commend him to the Senate and to the American people. I urge the Senate to consent to his nomination.

NOMINATION OF MARGARET TUTWILER

Mr. HEFLIN. Mr. President, it is a great pleasure for me to rise in support of the nomination of a fellow Alabamian, Margaret DeBardeleben Tutwiler of Birmingham, to serve as Assistant Secretary of the Treasury for Public Affairs and Public Liaison.

I am certain that most of my colleagues have come to know Margaret Tutwiler during the first term of the Reagan administration, when she served first as Special Assistant to the President and Executive Assistant to the Chief of Staff, and most recently as Deputy Assistant to the President for Political Affairs. Since February, she has moved across the street from the White House to serve as Assistant Secretary-designate in the position we are now confirming her. In addition, she recently served as Director of Public Liaison of the Committee for the 50th American Presidential Inaugural.

Mr. President, for someone so young, Margaret Tutwiler already has an unbelievably long record of service. Her involvement with politics began a little

more than 10 years ago, when, after graduating from the University of Alabama, she worked as office manager of the Alabama Republican Party. After moving to Washington in 1975, she worked with the committee working to reelect President Gerald Ford for a year, and was then named executive director of the President Ford Committee for Alabama.

From 1978 until May of 1980, Ms. Tutwiler was director of scheduling for the primary campaign of Ambassador George Bush. After the Republican National Convention, she continued her activity, as director of scheduling for the then Vice-Presidential candidate.

While her party politics are different from mine, nevertheless, I am not blind. She is an individual possessing the highest qualities of intellect, integrity, and industry. Besides, she is a great lady.

Mr. President, Margaret Tutwiler has built an outstanding record of accomplishments, and I am certain that she will do a fine job in her new capacity at the Treasury Department. I commend the President on the quality of this nomination.

Margaret comes from a fine Alabama family, Mr. President. I knew her late parents, Temple and Margaret DeBardeleben Tutwiler, and know that they would be tremendously proud of her accomplishments and this recognition of her abilities by the President. I am also certain that her brother and sister, Temple and Ann, are very proud of Margaret.

Mr. President, I appreciate the opportunity to make these comments relative to this nomination, and urge my colleagues to vote in confirmation.

Mr. DOLE. Mr. President, I move to reconsider the vote by which the nominations were confirmed.

Mr. BYRD. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. DOLE. Mr. President, I ask unanimous consent that the President be immediately notified of the confirmation of these nominations.

The PRESIDING OFFICER. Without objection, it is so ordered.

LEGISLATIVE SESSION

Mr. DOLE. Mr. President, I ask unanimous consent that the Senate now return to legislative session.

The PRESIDING OFFICER. Without objection, it is so ordered.

ORPHAN DRUG ACT AMENDMENTS

MEASURE PLACED ON CALENDAR

Mr. DOLE. Mr. President, I send the enclosed bill to the desk on behalf of Senators HATCH, KENNEDY, and others, and ask unanimous consent it be placed on the Calendar.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. DOLE. I ask also unanimous consent that the statements by Senators HATCH, HAWKINS, WEICKER, and KASSEBAUM be made a part of the RECORD.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. BYRD. I make the same request with reference to a statement by Mr. KENNEDY.

The PRESIDING OFFICER. Without objection, it is so ordered.

ORPHAN DRUG ACT AMENDMENTS

Mr. HATCH. Mr. President, I am today introducing the Orphan Drug Act Amendments of 1985, which will extend funding authority for research and development of drugs for rare diseases, improve the current situation with respect to research costs and marketing of such drugs, and establish a National Commission on Orphan Diseases.

Largely as a result of the incentive provided by enactment of the Orphan Drug Act in the 97th Congress, there has been very encouraging progress in bringing to market existing drugs and in developing new drugs to alleviate suffering from a number of so-called orphan diseases. The name "orphan" was coined to reflect a perceived lack of concern about diseases which affect relatively small numbers of people; a perception that is being altered in part as a result of the positive impact of the Orphan Drug Act. Continued cooperation between the Government and the private sector, spurred by clear congressional interest, provides hope for individuals who suffer from such rare but devastating conditions as tourette syndrome, Huntington's disease, Friedrich's ataxia, neurofibromatosis, and amyotrophic lateral sclerosis. While the number of individuals suffering from any one of these orphan diseases is small, in the aggregate orphan conditions affect several million Americans. All of us in the Senate are well aware of the efforts of our former colleague, Senator Jacob Javits of New York, on behalf of research in amyotrophic lateral sclerosis, a condition with which he himself is heroically struggling.

The bill I am introducing will extend for 3 years authority for the grant and contract program for research and development of orphan drugs, maintaining the funding authority at the level in current law—$4 million per year. In addition, the bill makes two technical changes in the Federal Food, Drug, and Cosmetic Act, to: First, allow Federal funding of both preclinical and human clinical testing of orphan drugs; and second, remove the current stipulation that exclusive marketing rights may only be granted to an orphan drug if the drug is not patentable. Finally, the bill will establish a National Commission on Orphan Diseases to assess needs and opportunities for rare disease research and to recommend necessary changes. A comparable commission was approved by the Senate last year as part of S. 540, the Biomedical Research Extension Act.

There is broad consensus among the Government, the pharmaceutical industry, and the public that enactment of the Orphan Drug Act was a major reason for the progress that has been made in research and development of orphan drugs. This progress was enhanced by congressional action last year to clarify the definition of "orphan drug," to make clear that a drug could qualify for this designation if it was intended for a patient population of fewer than 200,000 or, if for a larger population, that it was a drug from which a firm could not reasonably expect to profit. This clarification was part of the health promotion and disease prevention amendments passed by the Congress and signed into law in October 1984. The Food and Drug Administration has reported that, as a result of this simple provision defining orphan drugs, there have been 31 requests for designation of a drug as an orphan product in just 4½ months, compared with 22 such requests in the previous year.

Many drugs designated as orphan drugs have a much smaller potential market than even the 200,000 patients referred to in the definition—often they are for conditions that affect fewer than 50,000 persons in the United States. This means that there is simply no possibility that a firm willing to develop and market such a product stands to profit from that decision. The tax credit and exclusive marketing provisions of the Orphan Drug Act have therefore been important incentives for private sector participation in this endeavor. In this regard, I am pleased that the Treasury Department has recently issued its proposed regulations, under which developers or sponsors of orphan drugs may apply for the tax credit for expenses of clinical studies prerequisite to FDA approval of an orphan drug.

It is critical when faced with success that we not succumb to our instinct to rest on our laurels. It is essential that we continue to encourage the development and marketing of drugs on which the basic research is essentially complete, and, perhaps even more critical at this juncture, make a strong effort to urge and support the basic research needed to get new drugs ready for testing and marketing. It is for this reason that I am proposing not only to reauthorize the program of grants and contracts for orphan drug development but also to make two small changes in the Orphan Drug Act that will improve the current situation for researchers and for developers bringing drugs to market.

The first change will authorize Federal funding for the preclinical testing of these drugs, as well as for the human clinical testing. Current law permits the awarding of grants and contracts only for human clinical testing. This change will serve as incentive for earlier, and costly, research on drugs that have not yet reached the stage of readiness for clinical tests.

In addition, the bill will provide that the current 7-year exclusive marketing rights for an orphan drug be available whether the drug is patentable or not. Current law allows an exclusive license to be issued only in cases where a letter of patent cannot be issued.

Finally, the bill will establish a National Commission on Orphan Diseases in the Department of Health and Human Services. This Commission, composed of nongovernment members, will assess the needs and opportunities for research in the cause, prevention, and treatment of orphan diseases, and make recommendations for either legislative or administrative actions that would enhance this research effort. The fine research already underway at the National Institutes of Health will serve as a springboard for this Commission's efforts. The Commission is time-limited, with a termination date shortly after their final report is submitted to the Congress.

Some interest has been expressed in extending the provisions of this act to medical devices. We have decided not to make such a change at this time because we believe that more information is needed to determine the necessity for a change and the best way to approach the orphan device issue. We anticipate receiving information shortly from the Food and Drug Administration, pursuant to an informal study they are conducting. Accordingly, we plan to deal with device matters at some later date.

Mr. President, I want to take this moment to congratulate the Food and Drug Administration, especially the Orphan Products Board and the Office of Orphan Products; the pharmaceutical industry; participating clinical investigators; and voluntary and professional disease organizations for their excellent efforts to help alleviate the suffering of our citizens who just a few years ago despaired of finding an understanding ear and a helping hand.

In particular, I am proud of the studies being conducted in my home State of Utah with regard to autism. The coordinated efforts of the University of California at Los Angeles, the University of Utah, the Utah Society for Autistic Children, and the A.H. Robins Co. hold great promise.

I think the progress that has been made in finding sponsors for orphan drugs, and in getting these products to market, illustrates well what private sector-government cooperation can produce. This progress also illustrates the strength of Americans who join together for a cause that has merit; there surely is strength in numbers in America, and the National Organization for Rare Diseases has shown us that there is also tremendous strength in dedication and commitment.

Another aspect of this bill is a section which would correct a drafting error in the fiscal year 1985 Department of Education Appropriations Act. This act provides $61 million for personnel training through part D of the Education of the Handicapped Act but, inadvertently, does not allow the expenditure of these moneys prior to July 1, 1985. The administration has informed us that over $50 million of this total amount was supposed to be awarded to institutions across the country on June 1 and that they support this technical amendment. Unless this error is corrected immediately, 750 applications will be delayed affecting 10,000 students directly and 5,000 to 10,000 indirectly. The institutions involved expected to receive their money on June 1 and otherwise would have allocated other resources to temporarily bridge the funding gap. I appreciate the efforts of my distinguished colleague, Senator WEICKER, chairman of the Labor-HHS-Education Subcommittee of the Appropriations Committee, in bringing this matter to my attention.

I urge my colleagues in the Senate to join me in sponsoring this legislation, which will further the positive results that have been generated by the Orphan Drug Act.

Mrs. HAWKINS. Mr. President, I would like to join Senator HATCH, the distinguished chairman of the Senate Labor and Human Resources Committee, in cosponsoring this legislation to reauthorize the Orphan Drug Act.

The passage of the original Orphan Drug Act in the 97th Congress has resulted in very encouraging progress in developing new drugs to those suffering from so-called orphan diseases. Individuals who suffer from relatively rare diseases and conditions find themselves fighting another battle within the pharmaceutical industry because the drugs that they need to alleviate their suffering are not profitable and thus are not being pursued by pharmaceutical manufacturers.

The Orphan Drug Act, with its tax credit and exclusive marketing provisions, provides important incentive for research and development of drugs for patient populations under 200,000. The legislation that we are offering today will enhance this progress by extending the authority for the grant and contract program for research and development of orphan drugs, allow Federal funding of both preclinical and human clinical testing of orphan drugs and remove the current stipulation that exclusive marketing rights may only be granted to an orphan drug if the drug is not patentable. The legislation will also establish a Commission on Orphan Diseases to assess the needs and opportunities for rare disease research and recommend necessary changes.

Mr. President, often those of us who are blessed with good health in their families don't realize the desperation of families whose members suffer from a rare illness or condition. I ask unanimous consent that an article from the Playground News Press regarding one Florida family's struggle with their rare "orphan" illness be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

NEUROFIBROMATOSIS: OBSCURE DISORDER AFFECTS YOUNG MOTHER, DAUGHTERS

(By Evie Fox)

The disorder happens to one in 3,000 people. Yet few have ever heard of it and even fewer can pronounce it.

Neurofibromatosis. The name itself sounds ominous.

Devra Williams was one of the many who had never heard of the disorder—until last November, when a doctor in Pensacola finally put a name to the lumps and spots appearing on her 18 month old daughter's body. It was the culmination to a long frustrating search for a diagnosis.

Neurofibromatosis is characterized by the presence of many small tumors which appear just under the skin, or larger tumors often along the course of peripheral nerves. It can affect all body systems and can cause disfigurement. No cure is known and the only effective treatment is surgery on the tumors. Often, after surgery, the tumors grow back. Death can occur when the tumors cannot be contained and involve vital organs.

The cause is known. NF is caused by a mutant gene, either inherited from a parent who has the disorder or the result of a new or spontaneous mutation in the developing fetus. Each child of an affected parent has a 50 percent chance of inheriting the gene and developing NF. The disorder was first fully documented in medical literature by Dr. Frederic Von Recklinghausen in 1832 and was known by his name for many years.

Approximately 100,000 people of both sexes and all national origins and races are afflicted with NF in the United States alone, placing neurofibromatosis among the most common hereditary disorders.

Devra was shocked to discover that she herself had the disorder, confirmed by the presense on her body of six or more "cafe-au-lait" spots, and had transmitted it not only to Nicole but to her younger daughter Natasha as well.

The nightmare for Devra and her husband, Billy, started when they first discovered a "little lump" on Nicole, an inquisitive child with bright blue eyes and fine light brown hair that frames her face in soft curls.

Concerned, Devra took her to a doctor, then another and another. "First they said it was a bug bite," Devra explains. When the "bite" didn't go away, it was declared a Vitamin C deficiency. One doctor even told her that all her daughter needed was a good bath—the little girl was simply dirty.

After the diagnosis, surgery was performed on the painful tumors. One doctor told the Williamses that all the abdominal tumors had been removed. Later they found that only some had and others were still growing.

Even after the diagnosis, most doctors were familiar with the disorder in older people but ruled it out in Nicole's case because it usually is not so advanced in such a young child. Nicole's case is rare in its severity—she is not expected to have a long life.

It was at the time of Nicole's surgery that Fort Walton Beach resident Betty Travers entered the picture. Travers' nephew was in the hospital at the same time as Nicole and his mother (Travers' sister-in-law) became acquainted with the Williamses. She learned that they were in desperate need of a babysitter to watch little Tasha while Devra stayed at the hospital with Nicole, and Billy worked as a construction supervisor. She suggested Betty, who started babysitting for the young couple.

But babysitting wasn't enough for Betty. "My problem is that I'm too soft hearted," Betty says. A better description would be "caring." She saw the tremendous strain the family was under and offered her help, and now is like a grandmother to the children and a mother to Devra, whose own mother lives in Arkansas.

"I don't have any grandchildren," Betty explains. "Neither of my sons is married. I didn't intend to get so involved with the Williamses and would never interfere in someone else's life. But when someone is in trouble, I just have to see if I can help."

Since neither she nor Devra knew much about NF, Betty decided to do a little research. The library had only a paragraph in a medical encyclopedia, and there seemed to be little information available elsewhere.

Finally they tried the American Cancer Society. While NF is not a form of cancer, it was listed in the Cancer Society's reference material.

Finding comfort and strength in their new found knowledge, they contacted the National Neurofibromatosis Foundation, which supplied more information.

"I was just amazed at what we were learning about NF," Betty explains. "It really isn't all that rare and yet no one knows about it." From the beginning, Betty says, Devra's greatest hope was that no one else would have to go through what they were going through just to find out about NF and get a proper diagnosis.

Learning about the disorder does not diminish the anguish of living with the knowledge. Even though Devra knows it is irrational, she feels responsible for her children's plight. "Yes, I feel guilty, that I gave my children something like this," she says, carefully controlling the deep well of emotion that would flood forth if given the chance. "I just go from day to day and pray a lot."

Billy is holding his own too. "He tries to be strong for me," Devra says. "Mainly," she says, "he's angry."

The one ray of hope for the Williams family came as a result of Devra's and Betty's call to the American Cancer Society. They were told that the National Institutes of Health in Bethesda, Md. is researching NF.

When they received this information, Betty insisted that Devra call immediately. She did and Devra, Nicole and Natasha were accepted by the institute and the three of them left last Wednesday for Bethesda.

Although they were cautioned not to be hopeful of a treatment, this was good news. Like other young couples they live on a tight budget, and although their own doctor has been very understanding, expensive hospital care is not within their means.

Because the three of them are contributing to the research, there is no charge for the services in Bethesda, and the American Cancer Society has provided transportation.

The hope for the future of the Williams family, and others with NF, lies in research. A bill appropriating federal funds for research was introduced in Congress during the last session, but failed to pass and is currently being reintroduced.

Not much for a young family, but right now, it's all they have.

Mr. WEICKER. Mr. President, I am pleased to cosponsor the Orphan Drug Amendments of 1985, which will extend authority for the research and development of drugs for so-called orphan diseases.

The incentive provided by the Orphan Drug Act first passed by the 97th Congress has already increased the efforts being made in research for, and the bringing to market of, new drugs which will alleviate the suffering of people who are afflicted by relatively rare diseases.

This reauthorization will extend the cooperation between Government and the private sector for 3 years, providing authority for the grant and contract program for the research and development of these drugs. The bill also establishes a National Commission on Orphan Diseases that will assess the needs and opportunities for research on rare diseases.

I also want to voice my particular support for my amendment to this bill which will correct a seemingly minor, but very important, drafting error in the fiscal year 1985 Department of Education Appropriations Act. This correction will require no new money, but will allow money already appropriated to be spent on June 1, 1985, instead of July 1, 1985. Unless this correction is made, 705 applications to train personnel involved in providing services to handicapped children will be unnecessarily delayed.

This delay would disrupt training programs, require additional resources, and ultimately impair the quality of services offered to special education children. I commend my colleague from Utah [Mr. HATCH], chairman of the Labor and Human Resources Committee, for assisting in correcting this error.

Mrs. KASSEBAUM. Mr. President, I am extremely pleased to join the chairman of the Senate Labor and Human Resources Committee, Mr. HATCH, in sponsoring the Orphan Drug Amendments of 1985. This legislation will extend a program which has proven to be of enormous benefit to those Americans who suffer from rare diseases and conditions.

As the Senate sponsor of the original Orphan Drug Act, signed into law during the 97th Congress, I am acutely aware of the many problems experienced by victims of rare diseases. The purpose of the Orphan Drug Act is to encourage the development of drugs for the treatment of rare diseases and conditions. These drugs are commonly known as orphan drugs due to the fact that high development and drug approval costs coupled with a small market for their use give these drugs limited commercial value. In the past, even when a promising treatment had been discovered, it was not always made generally available because of the substantial financial loss which would be incurred by its manufacturer.

Fortunately, the situation has now changed. It is gratifying to be associated with a program that works, and I don't think there is any doubt about the success of this act. Since it was signed into law in January 1983, 50 drugs have been designated as drugs for rare diseases. The law itself, while an important component of the progress that has been made, is only a part of the story. The gains we have made thus far could not have been achieved without the aggressive and dedicated support of individuals in both the private and public sectors. There has been so much activity in this area that it becomes difficult to do justice in describing it all. However, I do want to mention some of the contributions which have been made.

The Office for Orphan Products Development of the Food and Drug Administration has sought sponsors for orphan drugs and has provided grant support for clinical trials of orphan products. The National Institutes of Health have also encouraged the submission of research proposals. In addition, the Orphan Products Board within the Department of Health and Human Services has been working diligently in an effort to coordinate activity in this area and to define future policy directions. A National Information Center for Orphan Drugs and Rare Diseases was recently established as a component of the National Health Information Clearinghouse. Last month, the Internal Revenue Service issued proposed regulations to implement the tax credit provisions of the act.

The pharmaceutical industry has also maintained efforts in this area through the Commission on Rare Diseases of the Pharmaceutical Manufacturers Association and the Foundation of the Generic Pharmaceutical Industry Association. A National Orphan Drugs and Devices Foundation has been established to raise private funds for the support of orphan drug research. In addition, rare disease groups and researchers have combined forces under the aegis of the National Organization for Rare Diseases.

The Orphan Drug Amendments of 1985 will both continue and improve

the exciting work which is underway. It will extend for an additional 3 years the authorization of funds for rare disease research. Moreover, this authorization will be expanded to include research at the preclinical stage. It will also amend the act to permit 7-year exclusive marketing rights for all designated orphan drugs. Currently, such exclusive rights are granted only in cases where a drug is not patentable.

Finally, it will establish a National Commission on Orphan Diseases. Composed of research scientists, consumers, and health professionals familiar with rare diseases, the Commission would review activities of the National Institutes of Health, the Food and Drug Administration, and the Alcohol, Mental Health, and Drug Abuse Administration in this area. The purpose of the Commission is to evaluate current research activities in the area of orphan diseases and the use, application, and dissemination of the information gained from the research. In addition, the Commission will examine current processes for offering research support in the area of rare diseases. Due to small research populations and a general lack of familiarity with many rare conditions, researchers face unique problems in conducting and obtaining support for rare disease work.

Thus far, most activity has focused on the further development of drugs which demonstrate promise as a treatment for specific rare diseases. This is an area which deserves priority attention. At the same time, it must be recognized that it does not reflect the full depth of the problem. For a substantial number of rare diseases and conditions, the incentives offered by the Orphan Drug Act are of no immediate value simply because there are no drugs at all known to hold promise for their treatment. There is a great need for research which will enhance scientific understanding of these conditions, thereby establishing a basis upon which appropriate treatments might be developed.

So, our work is cut out for us, but the momentum on behalf of greater strides is clearly present. I urge the support of my colleagues for this effort and hope that the Senate will act quickly in approving it.

Mr. KENNEDY. Mr. President, today, we are introducing amendments to the orphan drug provisions of the Food, Drug, and Cosmetic Act. Since 1982, when these provisions were added, they have been effective in increasing the number of orphan drugs available for the public. With the availability of these drugs has come new hope to those people who suffer from rare diseases. Though none of these rare diseases affect large numbers of people, some are well-known, disabling illnesses. They include cystic fibrosis, amyotropic lateral sclerosis—Lou Gehrig's disease, Huntington's disease, and neurofibromatosis.

The amendments we are now introducing will broaden the existing orphan drug sections of the Food, Drug, and Cosmetic Act, and will create a new commission to study the status of national research efforts into rare disorders. Broadening these sections will complete the task begun in 1982. Under these provisions, the FDA designates orphan drugs and offers technical assistance to companies who wish to research, develop, and market them.

Before 1982, the availability of these medicines was deficient. Because the market for these therapeutic medications was limited, few companies could make the investment necessary to bring such products to market. These orphan products needed to be adopted by companies which would complete research and development and make them commercially available. Since 1982, the mechanisms established by the Orphan Drug Act to stimulate the availability of such drugs have functioned effectively. More products are available to people who need them. Under current law, however, this assistance is limited to unpatented drugs. Our amendments will broaden this provision so it also extends to patented drugs. Under current law, technical assistance from the FDA is available to companies for clinical testing of these products. This legislation will extend that assistance to the preclinical phase of testing.

The amendments we now introduce will also establish a 20-member National Commission on Orphan Diseases to be selected by the Secretary of the Department of Health and Human Services. This Commission will review and assess the research effort on rare diseases made by public and private agencies including the Food and Drug Administration, the National Institutes of Health, and the Alcohol, Drug Abuse, and Mental Health Agency. The Commission will also review the coordination between these agencies, the appropriateness of research priorities, and the effectiveness of grants and contracts used to fund research relating to rare diseases.

Commissioners will include researchers and health care providers, as well as victims of rare disorders or their representatives. One million dollars will be appropriated from the Department of Health and Human Services budget based on an authorization of $4 million in 1986 for this Commission. The Commission will report in 1987 and will terminate 90 days after the submission of its report.

This legislation should extend the work begun in 1982. It says to those victims of rare diseases and to their families that this country will not abandon its commitment to those who suffer from illness because they are burdened with an uncommon affliction. With these amendments, the coordination which was started between the Food and Drug Administration and American industry to provide treatment for the sufferers, will continue and expand. The National Commission will examine the efforts of our researchers, health providers and educators, and will lead the way to future success in solving the mysteries of these disorders and disseminating that information to our citizens.

REMOVAL OF INJUNCTION OF SECRECY

Mr. DOLE. Mr. President, as in executive session, I ask unanimous consent that the injunction of secrecy be removed from the International Telecommunication Convention (Nairobi, 1982) (Treaty Document No. 99-6), which was transmitted to the Senate today by the President of the United States.

I also ask that the treaty be considered as having been read the first time; that it be referred, with accompanying papers, to the Committee on Foreign Relations and ordered to be printed; and that the President's message be printed in the RECORD.

Mr. BYRD. Mr. President, reserving the right to object——

The PRESIDING OFFICER. Is there objection?

Mr. BYRD. Mr. President, I remove my reservation.

The PRESIDING OFFICER. Without objection, it is so ordered.

The message from the President reads as follows:

To the Senate of the United States:

With a view to receiving the advice and consent of the Senate to ratification, I transmit herewith the International Telecommunication Convention, with annexes, and a Final Protocol, signed at Nairobi on November 6, 1982.

I transmit also, for the information of the Senate, the report of the Department of State with respect to the Convention.

The International Telecommunication Convention (Nairobi, 1982) abrogates and replaces, in relations between Contracting Governments, the International Telecommunication Convention (Malaga-Torremolinos, 1973) to which the United States is a party.

The International Telecommunication Convention is the basic instrument of the International Telecommunication Union, which provides the framework for the orderly conduct of international telecommunications. It is in the public and commercial interest of the United States to continue to play an active role within this framework.

The International Telecommunication Convention entered into force on

January 1, 1984, for governments that have deposited their instrument of ratification or accession, by diplomatic channel through the intermediary of the Government of Switzerland, with the Secretary General of the International Telecommunication Union.

I believe that the United States should become a party to the International Telecommunication Convention (Nairobi, 1982), and it is my hope that the Senate will take timely action on this matter and give its advice and consent to ratification.

RONALD REAGAN.

THE WHITE HOUSE, *May 15, 1985.*

REPRESENTATION BY SENATE LEGAL COUNSEL IN CRIMINAL ACTION

Mr. DOLE. Mr. President, I send a resolution to the desk, on behalf of myself and the distinguished minority leader, Mr. BYRD, and ask for its immediate consideration.

The PRESIDING OFFICER. The resolution will be stated by title.

The legislative clerk read as follows:

A resolution (S. Res. 164) to authorize the representation by the Senate Legal Counsel of former Senate employees in the case of *United States* v. *Joseph Matranga, et al.,* Criminal Action No. 84-0569-E.

Mr. DOLE. Mr. President, this is a resolution relating to subpoenas to two former Senate staff members and representation by the Senate Legal Counsel.

Philip R. Manuel, a former member of the staff of the Permanent Subcommittee on Investigations, has received a subpoena to testify and to provide documents at a motion for a new trial in the case of *United States* v. *Matranga, et al.,* Criminal Action No. 84-0569-E, in the U.S. District Court for the Southern District of California. The Senate Legal Counsel has been advised that a second former staff member of the Permanent Subcommittee on Investigations, William B. Gallinaro, is expected to be served with a subpoena for testimony and documents in the same matter.

The defendant is seeking the testimony of Mr. Manuel and Mr. Gallinaro concerning investigations they conducted for the Permanent Subcommittee on Investigations. Senate Resolution 147 of the 99th Congress, 131 Cong. Rec. S4924 (daily ed. April 26, 1985), authorized the Senate Legal Counsel to represent Mr. Manuel and Mr. Gallinaro in a related proceeding. The resolution authorizes the Senate Legal Counsel to represent Mr. Manuel and Mr. Gallinaro in this additional proceeding.

The PRESIDING OFFICER. The question is on agreeing to the resolution.

The resolution (S. Res. 164) was agreed to, as follows:

S. RES. 164

Whereas, the case of *United States* v. *Joseph Matranga, et al.,* Criminal Action No. 84-0569-E, is pending in the United States District Court for the Southern District of California;

Whereas, the defendant Joseph Matranga has moved for a new trial in that case and has subpoenaed Philip R. Manuel, a former member of the staff of the Permanent Subcommittee in Investigations, to testify and to produce documents;

Whereas, William B. Gallinaro, another former employee of the Permanent Subcommittee on Investigations, is also expected to be served with a subpoena to testify and to produce documents;

Whereas, by the privileges of the Senate of the United States and Rule XI of the Standing Rules of the Senate, no evidence under the control or in the possession of the Senate can, by the judicial process, be taken from such control or possession but by permission of the Senate;

Whereas, pursuant to sections 703(a) and 704(a)(2) of the Ethics in Government Act of 1978, 2 U.S.C. §§ 288b(a) and 288c(a)(2) (1982), the Senate may direct the Senate Legal Counsel to defend former employees of the Senate in any proceeding with respect to any subpoena or order directed to them in their former official capacity; Now, therefore be it

Resolved, That the Senate Legal Counsel is directed to defend Philip R. Manuel and William B. Gallinaro with respect to the subpoenas to them in the case of *United States* v. *Joseph Matranga, et al.,* Criminal Action No. 84-0569-E, in the Southern District of California.

Mr. DOLE. Mr. President, I move to reconsider the vote by which the resolution was agreed to.

Mr. BYRD. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

TWENTIETH ANNIVERSARY OF HEAD START

Mr. DOLE. Mr. President, I ask unanimous consent that the Senate proceed to the consideration of House Concurrent Resolution 95, commemorating the 20th anniversary of Head Start, which is now being held at the desk.

The PRESIDING OFFICER. The resolution will be stated by title.

The legislative clerk read as follows:

A concurrent resolution (H. Con. Res. 95) commemorating the 20th anniversary of Head Start.

The PRESIDING OFFICER. Is there objection to the present consideration of the resolution?

There being no objection, the Senate proceeded to consider the concurrent resolution.

Mr. CRANSTON. Mr. President, on March 7, 1985, I introduced Senate Concurrent Resolution 28, commemorating May 18 as the 20th anniversary of the establishment of the Head Start Program and reaffirming congressional support for this highly cost-effective and successful program. That resolution has been cosponsored by 28 Members of the Senate: Senators STAFFORD, DODD, HATFIELD, KENNEDY, SPECTER, EAGLETON, DURENBERGER, BENTSEN, HOLLINGS, RIEGLE, WEICKER, INOUYE, ANDREWS, CHILES, SARBANES, DOLE, BRADLEY, KERRY, LUGAR, SASSER, NUNN, COCHRAN, METZENBAUM, GORE, DOMENICI, LEVIN, CHAFEE, and STEVENS.

I am pleased to note that Senate Concurrent Resolution 28 was favorably reported yesterday by the Senate Labor and Human Resources Committee.

A companion measure, House Concurrent Resolution 95, was introduced on March 21 by my good friend and colleague from California, the chairman of the House Education and Labor Committee, Representative AUGUSTUS HAWKINS and passed on Monday of this week by the House of Representatives.

I am delighted that the Senate will now be proceeding to consideration of this resolution.

Mr. President, Head Start is clearly one of the most successful, cost-effective, and popular programs ever established by the Federal Government. I am proud to have been closely associated with this program since I first came to the Senate and have sponsored a number of measures to protect and improve this fine program.

HEAD START, ITS BEGINNINGS IN 1965

Mr. President, the history behind the creation of the Head Start Program is as remarkable as the program itself. The original steering committee began its work in January 1965. In a world where committees take months and even years to formulate plans, the Head Start steering committee produced a report and plan of action in 6 weeks. On May 18, 1965, President Johnson held a press conference in the Rose Garden of the White House to announce the new program. President Johnson said on that day:

I believe that this is one of the most constructive, and one of the most sensible, and also one of the most exciting programs that this Nation has ever undertaken.

We have taken up the age-old challenge of poverty and we don't intend to lose generations of our children to this enemy of the human race.

Mr. President, by the end of the summer of 1965, nearly 560,000 low-income preschoolers had been enrolled at some 13,400 Head Start centers in 2,500 communities throughout the country. The launching of a nationwide program in this span of time took the creative contributions of numerous individuals. A group of congressional wives spent hours on the telephone locating organizations in the 300 poorest counties in the United States to sponsor the initial Head Start Programs. Substitute teachers from the District of Columbia school system were brought in to process the

more than 3,000 grant applications which were submitted and to help select the initial sites. Thousands of volunteers throughout the country worked to make the program a success.

KEY ELEMENTS

Mr. President, what began in the summer of 1965 as a 6- to 8-week Summer Demonstration Program soon was transformed into the Head Start Program that we know today—a comprehensive preschool child development program which has served some 9 million low-income preschool children since its creation. Today, more than 400,000 children are enrolled in Head Start programs throughout the Nation. Head Start has been a resounding success. The program's profound impact on the physical, social, and cognitive development of its participating children has been documented by numerous independent evaluations. Head Start's impact has been demonstrated to continue long after the preschool experience. A report prepared as part of the 15th anniversary of the Head Start Program indicated that when such factors as reduced cost of special education and remedial services were considered, Head Start's benefits outweighed its costs by 236 percent. Head Start students have been found to be less likely to need special education and to be less likely to fail a grade, they score significantly higher on mathematics achievement tests and tend to score higher on reading tests, and they show stronger achievement orientation and have higher levels of self-esteem than non-Head Start children.

Although Head Start has made impressive contributions to educational achievement, it has been equally important as a resource of health care and nutritional services. Head Start has always recognized the interrelationship between the health and physical development of a young child and the child's overall development. Head Start's tremendous success has been based, in large part, upon the comprehensiveness of its approach.

Critical to that success has also been the emphasis in Head Start on parental participation. Head Start programs seek to reinforce the ability and responsibility of parents to foster their children's development and have consistently made parental participation a key element in program operation. This has resulted in program operation. This has resulted in an extraordinarily strong involvement of Head Start parents. For every 15 children enrolled in Head Start, 10 parents provide volunteer services to the program. This parental participation has had both an immediate and long-term impact on parents' behavior and attitudes toward their children.

Studies have found that Head Start parents allow their children to help more with household tasks, read to their preschool children more, and show more interest in the development of their children's reading and writing skills. Head Start participation increases the parents' confidence in their own child-rearing abilities, their verbal communication and praise of their children, and their interest in their children's educational future.

Participation in Head Start also provides important benefits for the parents themselves. More than 12,000 Head Start parents have received college training for credit through the Head Start Program. Over the years that I have worked with Head Start programs in California. I have seen parents grow tremendously as a result of their experience with this program and, in turn, make tremendous contributions to society.

CONGRESSIONAL CELEBRATION ON THURSDAY

Mr. President, I want to note that tomorrow evening there will be a congressional reception honoring the Head Start Program and its 20 years of service. The Honorary Chairperson of this event is Mrs. Lyndon B. Johnson, who played such an important role in getting Head Start established. One of the honored guests will be Ms. Luci Baines Johnson who will be there not only as a representative of the Johnson family, but also as a Head Start volunteer for some 20 years. Luci Johnson began her volunteer work in the Head Start Program in Washington, DC, in 1965, working on vision screening of Head Start children. She continued to work with Head Start programs after she returned to Texas.

Sargent Shriver, the first Director of the Office of Economic Opportunity, and one of the catalysts behind the Head Start Program, is the chairman of the reception. He will be introducing many of the people who helped get the Head Start Program started and those who have worked over the years to strengthen and preserve Head Start. We will also be having six honored guests representing former Head Start students and parents. Each of these individuals exemplifies how Head Start has made a real and lasting difference in the lives it has touched.

I am particularly proud to have one of my own constituents, Clara Godbouldt of south central Los Angeles among these honored guests. Clara is a true Head Start success story. When she became a Head Start volunteer 20 years ago, she was an 8th grade dropout with 10 children. Today, through Head Start's college credit and work assistance program, she has a college diploma, a teaching credential, 2 years work toward a law degree and a career in adult education. She speaks from firsthand experience when she has said, "Head Start helps the family by renewing the parents' sense of responsibility to the children and by showing the parents how much they can achieve." Today she teaches the victims of Alzheimer's disease and stroke how to cope with the cruel changes taking place in their minds and bodies. When asked why she went into such difficult and often depressing work, Clara has said, "I wanted to give back to the community what it had given to me through Head Start. All people need is a little help to make it on their own."

Mr. President, that is what Head Start is all about—providing a little help so that people can make it on their own.

CONCLUSION

Mr. President, Head Start is a program which we all can be proud of. It is a program which has fulfilled its promise. It deserves the continued strong support of the Congress.

Mr. KENNEDY. Mr. President, I am pleased that the Senate is acting swiftly and favorably on this resolution to commemorate the 20th anniversary of the Head Start Program. With adoption of this resolution, Congress reaffirms its commitment and support for Head Start and recognizes its success.

Head Start is a comprehensive child development program for disadvantaged children 3 and 4 years old that involves parents, teachers, and volunteers. It provides these children with the necessary health and supportive services they need to get an even start with other children in school. And, it provides parents the resources they need to insure that their children are healthy, physically and developmentally.

Head Start has a proven track record and is cost effective. A recently released 20-year followup of students who attended a preschool program like Head Start showed the positive results of preschool programs. This study told us that compared to their peers who did not have a similar experience, preschool graduates were much more likely to do better on standardized achievement tests, graduate from high school, and go on to college. These preschool graduates were more likely to be working, to spend more time employed after graduation, and to have better paying jobs.

We know that programs such as Head Start work. We know that investment in our children is an investment in our society, a much less costly investment than the one needed when children grow up with health, social, and educational problems. So as we commemorate the anniversary of this successful program for disadvantaged children and celebrate with the program's graduates their success in life, I would hope at the same time that we think about the almost 2 million more children in this country who need the Head Start Program and who are eligible for its services but cannot benefit from it because funding is limited.

The PRESIDING OFFICER. The question is on agreeing to the concurrent resolution.

The concurrent resolution was agreed to.

The preamble was agreed to.

Mr. DOLE. Mr. President, I move to reconsider the vote by which the concurrent resolution was agreed to.

Mr. BYRD. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

NATIONAL DOWN SYNDROME MONTH

Mr. DOLE. Mr. President, I ask unanimous consent that the Senate proceed to the consideration of Senate Joint Resolution 40.

The PRESIDING OFFICER. The joint resolution will be stated by title.

The legislative clerk read as follows:

A joint resolution (S.J. Res. 40) to designate the month of October 1985 as "National Down Syndrome Month."

The PRESIDING OFFICER. Is there objection to the present consideration of the joint resolution?

There being no objection, the joint resolution was considered, ordered to be engrossed for a third reading, read the third time and passed.

The preamble was agreed to.

The joint resolution, and the preamble, are as follows:

S.J. RES. 40

Whereas the past decade has brought a greater and more enlightened attitude in the care and training of the developmentally disabled;

Whereas one such condition which has undergone considerable reevaluation is that of Down syndrome—a problem which, just a short time ago, was often stigmatized as a mentally retarded condition which relegated its victims to lives of passivity in institutions and back rooms;

Whereas, through the efforts of concerned physicians, teachers and parent groups such as the National Down Syndrome Congress, programs are being put in place to educate new parents of babies with Down syndrome; to develop special education classes within mainstreamed programs in schools; the provision for vocational training in preparation for competitive employment in the work force and to prepare young adults with Down syndrome for independent living in the community;

Whereas the cost of such services designed to help individuals with Down syndrome move into their rightful place in our society is but a tiny fraction of the cost of institutionalization;

Whereas along with this improvement in educational opportunities for those with Down syndrome is the advancement in medical science which is adding to a more brightened outlook for individuals born with this chromosomal configuration; and

Whereas public awareness and acceptance of the capabilities of children with Down syndrome can greatly facilitate their being mainstreamed in our society: Now, therefore, be it

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That October 1985 is designated "National Down Syndrome Month" and that the President of the United States is authorized and requested to issue a proclamation calling upon the people of the United States to observe the designated month with appropriate programs, ceremonies and activities.

Mr. DOLE. Mr. President, I move to reconsider the vote by which the joint resolution was passed.

Mr. BYRD. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

LUPUS AWARENESS WEEK

Mr. DOLE. Mr. President, I ask unanimous consent that the Senate proceed to the consideration of Senate Joint Resolution 57.

The PRESIDING OFFICER. The joint resolution will be stated by title.

The legislative clerk read as follows:

A joint resolution (S.J. Res. 57) to designate the week of October 20, 1985, through October 26, 1985, as "Lupus Awareness Week."

The PRESIDING OFFICER. Is there objection to the present consideration of the joint resolution?

There being no objection, the joint resolution was considered, ordered to be engrossed for a third reading, read the third time and passed.

The preamble was agreed to.

The joint resolution, and the preamble, are as follows:

S.J. RES. 57

Whereas Lupus Erythematosus is a disease of unknown cause that affects over five-hundred thousand people in the United States, 90 percent of whom are women in their childbearing years;

Whereas Lupus Erythematosus, though not a rare disease, is unfamiliar even to some physicians which may result in the disease being misdiagnosed or diagnosed too late;

Whereas Lupus Erythematosus in the most severe form can be fatal;

Whereas The Lupus Foundation of America, Inc., its constituent chapters, and other voluntary health organizations are established throughout the United States to serve and support victims of lupus and their families, encourage funding for research, and increase public awareness; and

Whereas the public and the Federal Government are not sufficiently aware of the incidence of Lupus Erythematosus: Now, therefore, be it

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That the week of October 20, 1985, through October 26, 1985, is designated as "Lupus Awareness Week" and the President is authorized and requested to issue a proclamation calling upon the people of the United States to observe the week with appropriate programs, ceremonies, and activities.

Mr. DOLE. Mr. President, I move to reconsider the vote by which the joint resolution was passed.

Mr. BYRD. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

SENATE RESOLUTION 125 INDEFINITELY POSTPONED

Mr. DOLE. Mr. President, I ask unanimous consent that Calendar No. 70, Senate Resolution 125, a resolution authorizing expenditures by the Committee on Rules and Administration, be indefinitely postponed.

Mr. BYRD. There is no objection.

The PRESIDING OFFICER. Without objection, it is so ordered.

HOUSE CONCURRENT RESOLUTION 130 INDEFINITELY POSTPONED

Mr. DOLE. Mr. President, I ask unanimous consent that Calendar No. 107, House Concurrent Resolution 130, a concurrent resolution expressing the sense of the Congress with respect to the President's visit to the Federal Republic of Germany in May 1985, be indefinitely postponed.

Mr. BYRD. There is no objection, Mr. President.

The PRESIDING OFFICER. Without objection, it is so ordered.

SENATE CONCURRENT RESOLUTION 28 INDEFINITELY POSTPONED

Mr. DOLE. Mr. President, I ask unanimous consent that Calendar No. 126, Senate Concurrent Resolution 28, a concurrent resolution expressing the sense of Congress that May 18, 1985, should be commemorated as the 20th anniversary of the establishment of the Head Start Program and reaffirming congressional support for the Head Start Program, be indefinitely postponed.

Mr. BYRD. Mr. President, there is no objection.

The PRESIDING OFFICER. Without objection, it is so ordered.

ROUTINE MORNING BUSINESS

(During the day routine morning business was transacted and statements were submitted, as follows:)

MESSAGES FROM THE PRESIDENT

Messages from the President of the United States were communicated to the Senate by Mr. Chirdon, one of his secretaries.

EXECUTIVE MESSAGES REFERRED

As in executive session, the Acting President pro tempore laid before the Senate messages from the President of the United States submitting sundry nominations and a treaty which were referred to the appropriate committees.

(The nominations received today are printed at the end of the Senate proceedings.)

MESSAGES FROM THE HOUSE

At 1:21 p.m., a message from the House of Representatives, delivered by Mr. Berry, one of its reading clerks, announced that the House has passed the following bills, without amendment:

S. 484. An act to amend the Saccharin Study and Labeling Act; and

S. 661. An act entitled the "George Milligan Control Tower".

The message also announced that the House has passed the following bills, in which it requests the concurrence of the Senate:

H.R. 1157. An Act to authorize appropriations for fiscal year 1986 for certain maritime programs of the Department of Commerce and the Federal Maritime Commission;

H.R. 1784. An Act to authorize appropriations for fiscal year 1986 for the operation and maintenance of the Panama Canal, and for other purposes; and

H.R. 2005. An Act to amend title II of the Social Security Act and related provisions of law to make minor improvements and necessary technical changes.

The message further announced that pursuant to section 136, Public Law 98-473, the Speaker appoints the following minority Members as members of the Commission on the Ukraine Famine on the part of the House: Mr. BROOMFIELD and Mr. GILMAN.

The message also announced that pursuant to the provisions of section 3 of Public Law 94-304, as amended by section 1 of Public Law 99-7, the Speaker appoints Mr. SMITH of New Jersey as an additional member of the Commission on Security and Cooperation in Europe on the part of the House.

The message further announced that pursuant to the provisions of section 4(a) of Public Law 92-484, the Speaker appoints Mr. SUNDQUIST as an additional member of the Technology Assessment Board on the part of the House.

At 3:54 p.m., a message from the House of Representatives, delivered by Mr. Berry, one of its reading clerks, announced that the House has passed the following Joint resolution, without amendment:

S.J. Res. 103. Joint resolution to designate the month of May 1985, as "Very Special Arts U.S.A. Month".

The message further announced that the House has passed the following joint resolutions, in which it requests the concurrence of the Senate:

H.J. Res. 64. Joint resolution designating Mother's Day, May 12, 1985, to Father's Day, June 16, 1985, as "Family Reunion Month"; and

H.J. Res. 285. Joint resolution designating the week of May 11, 1985, through May 17, 1985, as "Handicapped Awareness Week".

MEASURES REFERRED

The following bills and joint resolutions were read the first and second times by unanimous consent, and referred as indicated:

H.R. 1157. An act to authorize appropriations for fiscal year 1986 for certain maritime programs of the Department of Commerce and the Federal Maritime Commission; to the Committee on Commerce, Science, and Transportation.

H.R. 1784. An act to authorize appropriations for fiscal year 1986 for the operation and maintenance of the Panama Canal, and for other purposes; to the Committee on Armed Services.

H.R. 2005. An act to amend title II of the Social Security Act and related provisions of law to make minor improvements and necessary technical changes; to the Committee on Finance.

H.J. Res. 64. Joint resolution designating Mother's Day, May 12, 1985, to Father's Day, June 16, 1985, as "Family Reunion Month"; to the Committee on the Judiciary.

H.J. Res. 285. Joint resolution designating the week of May 11, 1985, through May 17, 1985, as "Handicapped Awareness Week"; to the Committee on the Judiciary.

EXECUTIVE AND OTHER COMMUNICATIONS

The following communications were laid before the Senate, together with accompanying papers, reports, and documents, which were referred as indicated:

EC-1128. A communication from the Director of the Defense Security Assistance Agency transmitting, pursuant to law, a report on a foreign military assistance sale to Switzerland; to the Committee on Armed Services.

EC-1129. A communication from the General Counsel of the Department of Defense transmitting a draft of proposed legislation to eliminate general or flag grade requirements from certain statutory positions; to the Committee on Armed Services.

EC-1130. A communication from the Secretary of Commerce transmitting, pursuant to law, a report on activities respecting the Emergency Striped Bass Research Study; to the Committee on Environment and Public Works.9

EC-1131. A communication from the president of the Overseas Private Investment Corp. transmitting, pursuant to law, the Development and Audit Report of OPIC for fiscal year 1984; to the Committee on Foreign Relations.

EC-1132. A communication from the Director of the U.S. Information Agency transmitting, pursuant to law, an independent evaluation of Cuba service programming; to the Committee on Foreign Relations.

EC-1133. A communication from the Secretary of the Interior transmitting, pursuant to law, the Department's 1984 Freedom of Information Act report; to the Committee on the Judiciary.

EC-1134. A communication from the Director of ACTION transmitting, pursuant to law, ACTION's 1984 annual report; to the Committee on Labor and Human Resources.

EC-1135. A communication from the General Counsel of the General Accounting Office transmitting, pursuant to law, a report on the status of budget authority proposed for rescission but for which a rescission bill has not been passed; jointly, pursuant to the order of January 30, 1975, to the Committees on Appropriations, Budget, Agriculture, Nutrition, and Forestry, Foreign Relations, Commerce, Science, and Transportation, Armed Services, Labor and Human Resources, Energy and Natural Resources, Small Business, Banking, Housing, and Urban Affairs, the Judiciary, Governmental Affairs, Finance, Environment and Public Works, and Veterans' Affairs.

EC-1136. A communication from the Secretary of Commerce transmitting a draft of proposed legislation to repeal the Salmon Vessel Buy-Back Program; to the Committee on Commerce, Science, and Transportation.

EC-1137. A communication from the Acting U.S. Trade Representative transmitting, pursuant to law, a copy of the Decision of the Committee on Trade in Civil Aircraft; to the Committee on Finance.

EC-1138. A communication from the Secretary of the Navy transmitting, pursuant to law, a report on two of the Navy's programs that exceed their baseline unit cost by more than 15 percent; to the Committee on Armed Services.

EC-1139. A communication from the General Counsel of the Department of Defense transmitting a draft of proposed legislation to authorize the United States to collect health plan benefits for medical and dental care provided to dependents, former members, and their dependents in facilities of the uniformed services; to the Committee on Armed Services.

EC-1140. A communication from the Chairman of the Federal Energy Regulatory Commission transmitting, pursuant to law, the Commission's annual report for 1984 on the Government in the Sunshine Act; to the Committee on Governmental Affairs.

EC-1141. A communication from the Chairman of the District of Columbia Law Revision Commission transmitting, pursuant to law, the Commission's 10th annual report; to the Committee on Governmental Affairs.

REPORTS OF COMMITTEES

The following reports of committees were submitted:

By Mr. MATHIAS, from the Committee on Rules and Administration, without amendment:

S. 1141. An original bill relating to certain telephone services for Senators (Rept. No. 99-52).

By Mr. STAFFORD, from the Committee on Environment and Public Works, without amendment:

S. 710. A bill authorizing appropriations to the Secretary of the Interior for services necessary to the nonperforming arts functions of the John F. Kennedy Center for the Performing Arts (Rept. No. 99-53).

By Mr. SIMPSON, from the Committee on Environment and Public Works, with an amendment in the nature of a substitute:

S. 895. A bill to authorize appropriations to the Nuclear Regulatory Commission in accordance with section 261 of the Atomic Energy Act of 1954, as amended, and section 305 of the Energy Reorganization Act of 1974, as amended, and for other purposes (Rept. No. 99-54).

By Mr. PACKWOOD, from the Committee on Finance.

Report to accompany the bill (S. 1114) to approve a trade agreement with Israel nego-

tiated pursuant to the trade agreements program of the United States, and for other purposes (Rept. No. 99-55).

By Mr. GOLDWATER, from the Committee on Armed Services, without amendment:

S. Res. 162. An original resolution waiving section 303(a) of the Congressional Budget Act of 1974 with respect to the consideration of S. 1029; referred to the Committee on the Budget.

By Mr. DURENBERGER, from the Committee on Environment and Public Works, with amendments:

S. 124. A bill entitled the "Safe Drinking Water Amendments of 1985" (Rept. No. 99-56).

By Mr. DURENBERGER, from the Committee on Environment and Public Works, without amendment:

S. 1143. An original bill to amend the Toxic Substances Control Act to authorize appropriations for fiscal year 1986 (Rept. 99-57); and

S. 1144. An original bill to authorize appropriations for environmental research, development, and demonstrations for the fiscal year 1986 (Rept. No. 99-58).

By Mr. PACKWOOD, from the Committee on Finance, without amendment:

S. 1146. An original bill to authorize appropriations for the United States International Trade Commission, the U.S. Customs Service, and the Office of the U.S. Trade Representative for fiscal year 1986 (Rept. No. 99-59).

EXECUTIVE REPORTS OF COMMITTEES

The following executive reports of committees were submitted:

By Mr. HATCH, from the Committee on Labor and Human Resources:

The following-named persons to be members of the National Council on the Handicapped for the terms indicated:

For a term expiring September 17, 1986:

Jeremiah Milbank, of Connecticut, vice Carmine R. Lavieri, deceased.

For a term expiring September 17, 1987:

Justin W. Dart, Jr., of Texas. (Reappointment.)

Roxanne S. Vierra, of Colorado, to be a member of the National Council on the Handicapped for a term expiring September 17, 1987.

(The above nominations were reported from the Committee on Labor and Human Resources with the recommendation that they be confirmed, subject to the nominees' commitment to respond to requests to appear and testify before any duly constituted committee of the Senate.)

Mr. GOLDWATER. Mr. President, from the Committee on Armed Services, I report favorably the following nominations and ask that they be placed on the Executive Calendar.

ROUTINE MILITARY NOMINATIONS WHICH HAVE BEEN PENDING WITH THE SENATE ARMED SERVICES COMMITTEE THE REQUIRED LENGTH OF TIME AND TO WHICH NO OBJECTIONS HAVE BEEN RAISED

1. Lt. Gen. Alexander M. Weyand, U.S. Army (age 56), to be retired; and

2. Maj. Gen. Charles W. Dyke, U.S. Army, to be lieutenant general. (Ref. #257.)

3. Vice Adm. James A. Sagerholm, U.S. Navy (age 57), to be retired. (Ref. #258.)

4. Rear Adm. Kendall E. Moranville, U.S. Navy, to be vice admiral. (Ref. #259.)

INTRODUCTION OF BILLS AND JOINT RESOLUTIONS

The following bills and joint resolutions were introduced, read the first and second time by unanimous consent, and referred as indicated:

By Mr. COHEN (for himself, Mr. ROTH, Mr. NUNN, Mr. LEVIN, and Mr. CHILES):

S. 1134. A bill to amend title 5, United States Code, to provide administrative civil penalties for false claims and statements made to the United States by certain recipients of property, services, or money from the United States, by parties to contracts with the United States, or by Federal employees, and for other purposes; to the Committee on Governmental Affairs.

By Mr. COHEN:

S. 1135. A bill to amend section 3729 of title 31, United States Code, to increase the amount of the civil penalty authorized for false claims; to the Committee on the Judiciary.

By Mr. STAFFORD (for himself and Mr. LEAHY):

S. 1136. A bill to authorize the U.S. Army Corps of Engineers to undertake certain activities at dams operated by the Corps of Engineers in the State of Vermont; to the Committee on Environment and Public Works.

By Mr. SPECTER:

S. 1137. A bill entitled the "Conrail Public Offering Act of 1985"; to the Committee on Commerce, Science, and Transportation.

By Mr. GRASSLEY (for himself, Mr. DOMENICI, Mr. METZENBAUM, Mr. HEFLIN, and Mr. DECONCINI):

S. 1138. A bill to reenact and amend former section 504 of title 5, United States Code, and former section 2412(d) of title 28, United States Code, with respect to awards of expenses of certain agency and court proceedings, and for other purposes: to the Committee on the Judiciary.

By Mr. BURDICK (for himself and Mr. ANDREWS):

S. 1139. A bill to authorize construction of a combined Sheyenne and Maple River Flood Control Project; to the Committee on Environment and Public Works.

By Mr. METZENBAUM (for himself, Mr. THURMOND, and Mr. DECONCINI):

S. 1140. A bill to amend the antitrust laws in order to preserve and promote wholesale and retail competition in the retail gasoline market and to protect the motoring safety of the American public; to the Committee on the Judiciary.

By Mr. MATHIAS, from the Committee on Rules and Administration:

S. 1141. An original bill relating to certain telephone services for Senators; placed on the calendar.

By Mr. DOLE (for himself, Mr. BOSCHWITZ, Mr. LEAHY, Mr. DANFORTH, and Mr. ANDREWS):

S. 1142. A bill to improve and extend certain domestic food assistance programs, and for other purposes; to the Committee on Agriculture, Nutrition, and Forestry.

By Mr. DURENBERGER, from the Committee on Environment and Public Works:

S. 1143. An original bill to amend the Toxic Substances Control Act to authorize appropriations for fiscal year 1986; placed on the calendar.

S. 1144. An original bill to authorize appropriations for environmental research, development, and demonstrations for the fiscal year 1986; placed on the calendar.

By Mr. LEVIN (for himself, Mr. GRASSLEY, Mr. DOLE, Mr. BOREN, Mr. THURMOND, Mr. LAXALT, Mr. HATCH, Mr. SIMPSON, Mr. DENTON, and Mr. DECONCINI):

S. 1145. A bill to increase the accountability of, policy coordination by, and management of priorities by agencies through an improved mechanism for congressional oversight of the rules of agencies; to the Committee on the Judiciary.

By Mr. PACKWOOD, from the Committee on Finance:

S. 1146. An original bill to authorize appropriations for the U.S. International Trade Commission, the U.S. Customs Service, and the Office of the United States Trade Representative for fiscal year 1986; placed on the calendar.

By Mr. DOLE (for Mr. HATCH (for himself, Mr. KENNEDY, Mrs. KASSEBAUM, Mr. QUAYLE, Mr. WEICKER, Mr. STAFFORD, Mr. DENTON, Mr. SARBANES, Mr. WALLOP, Mr. METZENBAUM, Mr. HEINZ, Mr. LEAHY, Mr. INOUYE, Mr. SIMON, Mr. COHEN, Mr. THURMOND, Mr. CRANSTON, Mr. KERRY, Mrs. HAWKINS, Mr. ROTH, Mr. RIEGLE, Mr. NICKLES, Mr. PELL, and Mr. MATSUNAGA)):

S. 1147. A bill to amend the orphan drug provisions of the Federal Food, Drug, and Cosmetic Act and related laws; placed on the calendar.

By Mr. HATFIELD (for himself, Mr. FORD, Mr. DOLE, Mr. JOHNSTON, Mr. MCCLURE, Mr. HOLLINGS, Mr. ABDNOR, Mr. METZENBAUM, Mr. BUMPERS, Mr. MOYNIHAN, Mr. PACKWOOD, Mr. COCHRAN, Mr. THURMOND, Mr. BURDICK, Mr. CRANSTON, Mr. WALLOP, Mr. LAUTENBERG, and Mr. ZORINSKY):

S.J. Res. 136. Joint resolution to authorize and request the President to issue a proclamation designating the calendar week beginning with Sunday, April 13, 1986, as "National Garden Week"; to the Committee on the Judiciary.

SUBMISSION OF CONCURRENT AND SENATE RESOLUTIONS

The following concurrent resolutions and Senate resolutions were read, and referred (or acted upon), as indicated:

By Mr. GOLDWATER, from the Committee on Armed Services:

S. Res. 162. An original resolution waiving section 303(a) of the Congressional Budget Act of 1974 with respect to the consideration of S. 1029; to the Committee on the Budget.

By Mr. HUMPHREY:

S. Res. 163. A resolution expressing the sense of the Senate with respect to the protection of the human fetus from organic pain experienced during abortion procedures which do not utilize anesthetics or analgesics; to the Committee on the Judiciary.

By Mr. DOLE (for himself and Mr. BYRD):

S. Res. 164. A resolution to authorize the representation by the Senate Legal Counsel of former Senate employees in the case of *"United States* v. *Joseph Matranga, et al."* Criminal Action No. 84-0569-E; considered and agreed to.

By Mr. HEINZ (for himself, Mr. PRYOR, Mr. SYMMS, and Mr. MATSUNAGA):

S. Res. 165. A resolution to urge the President of the United States and the Secretary of the Treasury to reject any tax reform proposal which would impose a tax on the annual increase in the value of permanent life insurance; to the Committee on Finance.

STATEMENT ON INTRODUCED BILLS AND JOINT RESOLUTIONS

By Mr. COHEN (for himself, Mr. ROTH, Mr. NUNN, Mr. LEVIN, and Mr. CHILES):

S. 1134. A bill to amend title 5, United States Code, to provide administrative civil penalties for false claims and statements made to the United States by certain recipients of property services, or money from the United States, by parties to contracts with the United States, or by Federal employees, and for other purposes; to the Committee on Governmental Affairs.

PROGRAM FRAUD CIVIL PENALTIES ACT

● Mr. COHEN. Mr. President, today Senator ROTH, who is a leader in the Senate in the fight against waste and fraud in government, and I are introducing the Program Fraud Civil Penalties Act of 1985. This legislation provides agencies with an administrative remedy for false, fictitious, or fraudulent claims and statements under $100,000 that the Justice Department has declined to prosecute. We are pleased to the have Senators LEVIN, NUNN, AND CHILES as cosponsors.

Present law provides criminal and civil penalties for false claims and criminal penalties for false statements. The imposition of these sanctions, however, requires the Justice Department to initiate and conclude a criminal or civil suit in Federal court. Because the Justice Department focuses its prosecutorial efforts on those false claim and statement cases in which the Government has suffered a substantial and identifiable monetary loss, the Government is often left without an adequate remedy for small-dollar false claims and statements.

In fact, the General Accounting Office found that many such cases fall through the cracks of our judicial system. According to a 1981 GAO report, entitled "Fraud in Government Programs: How Extensive Is It? How Can It Be Controlled?," over 77,000 fraud cases allegedly were committed against the Government during a 3-year period. Of those cases referred to the Justice Department, however, less than 40 percent were prosecuted. GAO further noted that the Justice Department, when it did take action, failed to consider appropriate civil remedies to make the Government whole for the loss suffered.

By failing to prosecute nearly 60 percent of its false claim and statement cases, the Government not only loses money but also public confidence in its programs. Even when no money is actually lost as the result of a false claim or statement, such as when food stamps are used to purchase-prohibited items or a nonveteran obtains a VA guaranteed home loan, the integrity of the program is seriously undermined.

Worse yet, GAO found that fraud is not limited to any one program or agency, but is pervasive Government-wide—ranging from fraud in benefit and assistance programs, such as food stamps, welfare, and student loans, to mortgage insurance programs, corp subsidy programs, disaster relief programs, and the like.

Fraud is also endemic to Government contracting, according to Joseph Sherrick, the Defense Department Inspector General, who recently testified that 45 of the Nation's 100 largest defense contractors are under investigation by the Defense Department. Mr. Sherrick has characterized the industry's attitude as "we stole it fair and square." Last year, Mr. Sherrick estimated that his Department alone loses more than $1 billion a year through fraudulent billing practices, the most common being improper overhead expenses charged against Government contracts.

While the indictment of General Electric and the continuing saga of General Dynamics are visible examples of the problems in Government contracting, the more typical fraud case involves fewer dollars, draws little public attention, and is therefore less likely to be prosecuted.

This failure to prosecute, some believe, is the result of a prosecutorial resource problem; that is, the Justice Department needs more resources to investigate and prosecute these false claim and statement cases under existing laws. But providing more resources to DOJ would not, alone, solve the problem. From a cost-benefit perspective, the cost of litigating a small-dollar fraud case will almost always exceed the benefits of recovery, thus making it economically impractical for the Justice Department to go to court.

An example is the case of the DOD contracting officer who falsified the need to award a sole-source contract and, in collusion with the contractor, wrote the Department's sole-source justification for the award. The Justice Department declined prosecution, primarily because the Defense Department discovered the scheme before the contract was actually awarded, even though a conspiracy to defraud the Government was clearly evident.

In another case, the Naval Investigative Service identified over $600,000 in fraudulent overpayments on a base maintenance contract. The contractor was found to have deliberately overbilled the Navy on numerous items, but because of evidentiary problems, a decision was made to seek criminal prosecution on only $25,000 in false claims. The Justice Department subsequently determined that $25,000 was too small an amount to justify prosecution, and the case was declined for both criminal and civil action.

These are examples of cases that typically fall through the judicial cracks and would be subject to the administrative remedy authorized by the Program Fraud Civil Penalties Act. The purposes of the act are to recompense agencies for losses resulting from false claims and statements that would not otherwise be prosecuted, to penalize those who submit false claims and statements, and to deter such fraudulent behavior in the future.

In my judgment, and in the judgment of the Justice Department, Inspectors General, and the General Accounting Office, such an administrative remedy for small-dollar fraud cases is long overdue.

Under the Program Fraud Civil Penalties Act, a typical case would begin with an investigation conducted by the agency's investigating official (the Inspector General, where statutorily authorized). Any findings would be transmitted to the agency's reviewing official, who would be designated by the agency head to determine whether there is probable cause to conclude that a false, fictitious, or fraudulent claim or statement has been submitted.

If so, the matter would be referred to the Justice Department for consideration. The allegations of liability would then be referred to the agency's hearing examiner (usually an administrative law judge) for a hearing only if the Attorney General or a designated Assistant Attorney General either approves the referral or takes no action to disapprove it. Once the Justice Department in effect declines prosecution, the reviewing official would notify the person alleged to be liable that a hearing will be held. Short of going through with a hearing, however, the reviewing official would be authorized under the bill to compromise or settle any allegations of liability against a person up to the time that the hearing examiner issues a decision.

After the matter has gone through these requisite steps, a hearing would be conducted to determine whether or not the person is liable and the amount of penalty and assessment to be imposed, if any. A person is found liable under the bill if he or she "knows or has reason to know" that the claim or statement submitted is false, fictitious, or fraudulent. The hearing examiner's determination is based on a "preponderance of the evidence," the standard applied in most civil litigation and administrative proceedings. The penalty, if the person is found liable, would be up to $10,000 for each false claim or statement plus double the amount claimed.

The hearing itself will be conducted "on the record," which brings into

play the due process safeguards of the Administrative Procedure Act (APA). A person alleged to be liable under the bill is entitled to written notice of the allegations, as well as an opportunity to be heard. At the hearing, the person has the right to be present, to be represented by counsel, and to present evidence in his or her own behalf. The separation of investigatory and review functions provided for in the bill ensures impartiality.

In addition to the APA protections, persons alleged to be liable under the bill would also be afforded limited discovery rights to the extent that the hearing examiner determines that such discovery is necessary for the expeditious, fair, and reasonable consideration of the issues. Finally, the person would have the right of judicial review by the U.S. Court of Appeals.

The beauty of this administrative mechanism is that we already know it can work—both expeditiously and fairly. Under the Civil Monetary Penalties Law [CMPL], enacted as part of the 1981 Omnibus Budget Reconciliation Act, the Department of Health and Human Services is authorized to impose penalties and assessments against health-care providers who knowingly or with reason to know submit claims for services not provided as claimed.

The HHS inspector general, Richard Kusserow, has testified that, prior to the enactment of the CMPL, there was simply no effective sanction in many Medicare and Medicaid fraud cases, particularly when it appeared that the cost of pursuing these cases through the courts exceeded the amount of damages or the probable recovery by the Government. Since implementation of the CMPL, HHS has been able to recoup over $11 million resulting from 117 settlements. Last month, in the first decided case under CMPL, an administrative law judge imposed a civil penalty and assessment of $156,136 against a person found liable for filing false Medicaid claims.

In past years, major defense contractors and the Public Contract Law Section of the American Bar Association have successfully resisted efforts to establish a governmentwide administrative proceeding for handling small-dollar false claims and statements. In drafting the Program Fraud Civil Penalties Act, we endeavored to accommodate those of their concerns which we felt were legitimate. The most significant revisions include: First, rewriting the liability section to link the knowledge requirement with the falsity of the claims and statements and to exclude legitimate contract disputes; Second, strengthening the due process protections afforded to persons subject to the administrative proceedings by spelling out the specific protections provided by the Administrative Procedure Act and by providing limited discovery rights to the affected party; and Third, including a section to clarify that a determination of probable cause or liability resulting from the administrative proceeding may be grounds for commencing a subsequent administrative action, that is; debarment, suspension, or other disciplinary action, but will not serve as an automatic trigger for taking such an action.

On this last point, major Government contractors and the contract section of the ABA have been particularly concerned with the connection between the Program Fraud Civil Penalties Act proceeding and suspension or debarment proceedings. Since this issue will no doubt be subject to much debate over the coming months, I thought that I would explain how our legislation attempts to deal with this issue.

The first policy question we addressed is whether an agency should be able to commence debarment or suspension proceedings based on a determination of probable cause or liability pursuant to the Program Fraud Civil Penalties Act. I believe so. The second, and more pertinent, question is whether a determination of probable cause or liability should trigger—in effect, be the sole determinant of—a suspension or debarment. Definitely not. As the Federal Acquisition Regulations on debarment state, the existence of a cause for debarment does not necessarily require that the contractor be debarred.

A suspension or debarment proceeding, while also administrative, is separate and distinct from the Program Fraud Civil Penalties Act proceeding. Agencies impose debarments or suspensions to protect the Government's interests, not for the purpose of punishment. In a suspension or debarment proceeding, the contractor's present responsibility, mitigating factors, and the seriousness of the offense are all considered by the debarring official. In other words, the determination of probable cause or liability pursuant to the Program Fraud Civil Penalties Act may be considered in a suspension or debarment proceeding, but by no means would be the only factor considered.

On May 23, the Governmental Affairs Subcommittee on Oversight of Government Management has scheduled a hearing to consider the Program Fraud Civil Penalties Act. We plan to receive testimony from the Justice Department, the Inspectors General of the Department of Defense and the Department of Health and Human Services, the Public Contract Law Section of the American Bar Association, and a defense contracting association. I am hopeful that, given this balanced presentation, we will be able to resolve the issues that have hampered past efforts to establish a much-needed administrative mechanism for handling small-dollar false claims and statements.

On a final note, I believe that it is critical to emphasize that the Program Fraud Civil Penalties Act would not penalize conduct which currently is regarded as proper—only fraudulent conduct which should be penalized but is not. As long as the Government continues to tolerate these "nickel and dime" frauds, the problem will only worsen. And, as we all know, nickels and dimes add up to big dollars, as well as subtract from the integrity of our programs. The Program Fraud Civil Penalties Act represents our effort to halt these small-dollar frauds, and I urge my colleagues to lend their support.

Mr. President, I ask unanimous consent that the bill and a fact sheet on the Program Fraud Civil Penalties Act be included in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 1134

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Program Fraud Civil Penalties Act of 1985".

SEC. 2. (a) The Congress finds that—

(1) false, fictitious, and fraudulent claims and statements in Government programs are a serious problem;

(2) false, fictitious, and fraudulent claims and statements in Government programs result in the loss of millions of dollars annually by allowing ineligible persons to receive Federal funds to which they are not entitled;

(3) false, fictitious, and fraudulent claims and statements in Government programs undermine the integrity of such programs by allowing ineligible persons to participate in such programs; and

(4) present civil and criminal remedies for such claims and statements are not sufficiently responsive.

(b) The purposes of this Act are—

(1) to provide Federal agencies which are the victims of false, fictitious, and fraudulent claims and statements with an administrative remedy to recompense such agencies for losses resulting from such claims and statements, to penalize persons who make, present, or submit such claims and statements, and to deter the making, presenting, and submitting of such claims and statements in the future; and

(2) to provide due process protections to all persons who are subject to the adjudication of administrative penalties for false, fictitious, or fraudulent claims or statements.

SEC. 3. (a) Title 5, United States Code, is amended by inserting after chapter 7 the following new chapter:

"CHAPTER 8—ADMINISTRATIVE PENALTIES AND ASSESSMENTS FOR FALSE CLAIMS AND STATEMENTS

"Sec.
"801. Definitions.
"802. False claims and statements; liability.
"803. Hearing and determinations.
"804. Subpoena authority.
"805. Judicial review.

"806. Collection of civil penalties and assessments.
"807. Limitations.
"808. Regulations.
"809. Reports.

"§ 801. Definitions

"(a) For purposes of this chapter—

"(1) 'authority' means—

"(A) an executive department;

"(B) an establishment (as such term is defined in section 11(2) of the Inspector General Act of 1978) which is not an executive department; and

"(C) the United States Postal Service;

"(2) 'authority head' means—

"(A) the head of an authority; or

"(B) an official or employee of the authority designated, in regulations promulgated by the head of the authority, to act on behalf of the head of the authority;

"(3) 'claim' means any request or demand—

"(A) made to an authority for property, services, or money (including money representing grants, loans, insurance, or benefits); or

"(B) made to a recipient of property, services, or money from an authority or to a party to a contract with an authority—

"(i) for property or services if the United States—

"(I) provided such property or services;

"(II) provided any portion of the funds for the purchase of such property or services; or

"(III) will reimburse such recipient or party for the purchase of such property or services; or

"(ii) for the payment of money (including money representing grants, loans, insurance, or benefits) if the United States—

"(I) provided any portion of the money requested or demanded; or

"(II) will reimburse such recipient for any portion of the money paid on such request or demand;

"(4) 'statement' includes any written representation, certification, document, record, or accounting or bookkeeping entry—

"(A) with respect to a claim; or

"(B) with respect to—

"(i) a contract with, or a bid or proposal for a contract with;

"(ii) a grant, loan, or benefit from;

"(iii) an application for insurance from; or

"(iv) an application for employment with,

an authority, or any State, political subdivision of a State, or other party acting on behalf of, or based upon the credit or guarantee of, an authority;

"(5) 'person' means any individual, partnership, corporation, association, or private organization;

"(6) 'investigating official' means—

"(A) in the case of an authority in which an Office of Inspector General is established by the Inspector General Act of 1978 or by any other Federal law, the Inspector General of that authority; or

"(B) in the case of an authority in which an Office of Inspector General is not established by the Inspector General Act of 1978 or by any other Federal law, any officer or employee of the authority designated by the authority head to conduct investigations under section 803(a)(1) of this title;

"(7) 'reviewing official' means any officer or employee of an authority—

"(A) who is designated by the authority head to make the determination required under section 803(a)(2) of this title; and

"(B) who, if a member of the armed forces on active duty, is serving in grade O–7 or above or, if a civilian, is serving in a position for which the rate of basic pay is not less than the minimum rate of basic pay for grade GS-16 or above under the General Schedule; and

"(8) 'hearing examiner' means any officer or employee of an authority—

"(A) who is appointed by the authority head in the same manner as administrative law judges are appointed pursuant to section 3105 of this title; and

"(B) who, if a member of the armed forces on active duty, is serving in grade O–7 or above or, if a civilian, is serving in a position for which the rate of basic pay is not less than the minimum rate of basic pay for grade GS-16 or above under the General Schedule.

"(b) For purposes of paragraph (3) of subsection (a)—

"(1) each voucher, invoice, claim form, or other individual request or demand for property, services, or money constitutes a separate claim whether made, presented, or submitted separately or together with other claims;

"(2) each request or demand for property, services, or money constitutes a claim regardless of whether such property, services, or money is actually delivered or paid; and

"(3) a claim shall be considered made, presented, or submitted to an authority, recipient, or party when such claim is made to an agent, fiscal intermediary, or other entity, including any State or political subdivision thereof, acting for or on behalf of such authority, recipient, or party.

"(c) For purposes of paragraph (4) of subsection (a)—

"(1) each written representation or certification constitutes a separate statement whether made, presented, or submitted separately or together with other statements; and

"(2) a statement shall be considered made, presented, or submitted to an authority although such statement is actually made to an agent, fiscal intermediary, or other entity, including any State or political subdivision thereof, acting for or on behalf of such authority.

"§ 802. False claims and statements; liability

"(a)(1) Any person who, on or after the effective date of this chapter, makes, presents, or submits, or causes to be made, presented, or submitted, a claim that the person knows or has reason to know—

"(A) is false, fictitious, or fraudulent;

"(B) includes or is supported by any statement which violates paragraph (2) of this subsection; or

"(C) is for payment for the provision of property or services which the person has not provided as claimed,

shall be subject to, in addition to any other penalty that may be prescribed by law, a civil penalty of not more than $10,000 for each such claim. Such person shall also be subject to an assessment, in lieu of damages sustained by the United States because of such claim, of not more than twice the amount of such claim.

"(2) Any person who, on or after the effective date of this chapter, makes, presents, or submits, or causes to be made, presented, or submitted, a statement that the person knows or has reason to know—

"(A) asserts a material fact which is false, fictitious, or fraudulent; or

"(B)(i) omits a material fact,

"(ii) as a result of such omission, such statement is false, fictitious, or fraudulent, and

"(iii) the person making, presenting, or submitting such statement has a duty to include such material fact in the statement,

shall be subject to, in addition to any other penalty that may be prescribed by law, a civil penalty of not more than $10,000 for each such statement. In the case of a statement relating to a claim for money, such person shall also be subject to an assessment, in lieu of damages sustained by the United States because of such statement, of not more than twice the amount of such claim.

"(b)(1) Except as provided in paragraph (2) of this subsection, a determination of—

"(A) probable cause that a person is liable under section 803(a)(2) of this title, or

"(B) liability under section 803 of this title,

may provide the authority with grounds for commencing any administrative or contractual action against such person which is authorized by law and which is in addition to any action against such person under this chapter.

"(2) A determination referred to in paragraph (1) of this subsection may be used by the authority, but shall not require such authority, to commence any administrative or contractual action which is authorized by law.

"§ 803. Hearing and determinations

"(a)(1) The investigating official of an authority may investigate allegations that a person is liable under section 802 of this title and shall report the findings and conclusions of such investigation to the reviewing official of the authority.

"(2) If the reviewing official of an authority determines, based upon the report of the investigating official under paragraph (1) of this subsection, that there is probable cause to believe that a person is liable under section 802 of this title, the reviewing official may, in accordance with the provisions of subsections (b) and (c) of this section, refer the allegations of such liability to a hearing examiner of such authority for a hearing.

"(b)(1) Prior to referring allegations of liability to a hearing examiner under paragraph (1) of subsection (a), the reviewing official of an authority shall transmit to the Attorney General a written notice of the intention of such official to refer such allegations and a statement of the reasons for such intention.

"(2) A reviewing official may refer allegations of liability to a hearing examiner under paragraph (1) of subsection (a) if—

"(A) the Attorney General or an Assistant Attorney General designated by the Attorney General approves the referral of such allegations; or

"(B) the Attorney General or an Assistant Attorney General designated by the Attorney General takes no action to disapprove the referral of such allegations within—

"(i) ninety days after the date on which the Attorney General receives the notice required by paragraph (1) of this subsection; or

"(ii) such period as may be provided in a memorandum of understanding entered into by the authority head and the Attorney General with respect to such allegations.

"(3) A reviewing official shall not refer allegations to a hearing examiner under paragraph (1) of subsection (a) if the Attorney General or an Assistant Attorney General designated by the Attorney General transmits a written statement to the reviewing official which specifies that the Attorney General or such Assistant Attorney General disapproves the referral of such allegations and states the reasons for such disapproval.

"(4) If the Attorney General or an Assistant Attorney General designated by the At-

torney General transmits to an authority head a written finding that the continuation of any hearing under section 803 of this title may adversely affect any pending or potential criminal or civil action related to an alleged false, fictitious, or fraudulent claim or statement under consideration in such hearing, such hearing shall be immediately stayed and may be resumed only upon written authorization of the Attorney General.

"(c) No allegations of liability under section 802 of this title with respect to any claim or statement, made, presented, or submitted by any person shall be referred to a hearing examiner under paragraph (1) of subsection (a) if the reviewing official determines that the amount of money or the value of property or services falsely, fictitiously, or fraudulently requested or demanded in such claim or statement exceeds $100,000.

"(d) A reviewing official shall commence a hearing under subsection (e) of this section by mailing by registered or certified mail, or by delivery, of a notice which complies with the provisions of paragraph (2)(A) of subsection (f) to the person alleged to be liable under section 802 of this title.

"(e) The hearing examiner shall conduct a hearing on the record regarding any allegation referred to the hearing examiner by the reviewing official pursuant to subsection (a) of this section to determine—

"(1) the liability of a person under section 802 of this title; and

"(2) the amount of any penalty and assessment to be imposed on such person.

Any such determination shall be based on the preponderance of the evidence.

"(f)(1) Each hearing under subsection (e) of this section shall be conducted in accordance with—

"(A) the provisions of subchapter II of chapter 5 of this title (to the extent that such provisions are not inconsistent with the provisions of this chapter); or

"(B) procedures promulgated by the authority head under paragraph (2) of this subsection.

"(2) An authority head shall by regulation promulgate procedures for the conduct of hearings under this chapter. Such procedures shall include:

"(A) The provision of written notice of the hearing to any person alleged to be liable under section 802 of this title, including written notice of—

"(i) the time, place, and nature of the hearing;

"(ii) the legal authority and jurisdiction under which the hearing is to be held;

"(iii) the matters of facts and law to be asserted; and

"(iv) a description of the procedures for the conduct of hearing established under this paragraph or established under subchapter II of chapter 5 of this title, as the case may be.

"(B) The provision to any person alleged to be liable under section 802 of this title of opportunities for the submission of facts, arguments, offers of settlement, or proposals of adjustment when time, the nature of the hearing, and the public interest permit.

"(C) Procedures to ensure that the hearing examiner shall not, except to the extent required for the disposition of ex parte matters as authorized by law—

"(i) consult a person or party on a fact in issue, unless on notice and opportunity for all parties to the hearing to participate; or

"(ii) be responsible to or subject to the supervision or direction of the investigating official or the reviewing official.

"(D) Procedures to ensure that the investigating official and the reviewing official do not participate or advise in the decision required under subsection (g) of this section or the review of the decision by the authority head under subsection (h) of this section, except as provided in subsection (i) of this section.

"(E) The provision to any person alleged to be liable under section 802 of this title of opportunities to present such person's case through oral or documentary evidence, to submit rebuttal evidence, and to conduct such cross-examination as may be required for a full and true disclosure of the facts.

"(F) Procedures to permit discovery by any person alleged to be liable under section 802 of this title only to the extent that the hearing examiner determines that such discovery is necessary for the expeditious, fair, and reasonable consideration of the issues.

"(G) Procedures to permit any person alleged to be liable under section 802 of this title to be accompanied, represented, and advised by counsel or such other qualified representative as the authority head may specify in such regulations.

"(H) Procedures to ensure that the hearing is conducted in an impartial manner, including procedures to—

"(i) permit the hearing examiner to at any time disqualify himself;

"(ii) permit the filing, in good faith, of a timely and sufficient affidavit of personal bias or other disqualification of a hearing examiner or reviewing official; and

"(iii) provide for the determination by the authority head of a matter filed pursuant to clause (ii) of this subparagraph as a part of the record and decision in the hearing.

"(g) The hearing examiner shall issue a written decision, including findings and determinations, after the conclusion of the hearing. The hearing examiner shall promptly send to each party to the hearing a copy of such decision and a statement describing the right of any person determined to be liable under section 802 of this title to appeal the decision of the hearing examiner to the authority head under paragraph (2) of subsection (h).

"(h)(1) Except as provided in paragraph (2) of this subsection and section 805 of this title, the decision, including the findings and determinations, of the hearing examiner issued under subsection (g) of this section are final.

"(2) Within thirty days after the hearing examiner issues a decision under subsection (g) of this section, any person determined in such decision to be liable under section 802 of this title may appeal such decision to the authority head. The authority head may affirm, reduce, compromise, remand, or settle any penalty and assessment determined by the hearing examiner pursuant to this section. The authority head shall promptly send to each party to the appeal a copy of the decision of the authority head and a statement describing the right of any person determined to be liable under section 802 of this title to judicial review under section 805 of this title.

"(i) The reviewing official has the exclusive authority to compromise or settle any allegations of liability under section 802 of this title against a person without the consent of the hearing examiner at any time prior to the date in which the hearing examiner issues a decision under subsection (g) of this section. Any such compromise or settlement shall be in writing.

"§ 804. Subpoena authority

"(a) For the purposes of an investigation under section 803(a) of this title, an investigating official is authorized—

"(1) to administer oaths or affirmations;

"(2) to require by subpoena the production of all information, documents, reports, answers, records, accounts, papers, and data not otherwise reasonably available to the authority; or

"(3) after notifying the Attorney General, to require by subpena the attendance and testimony of witnesses necessary to the conduct of such investigation.

"(b) For the purposes of conducting a hearing under section 803(e) of this title, a hearing examiner is authorized—

"(1) to administer oaths or affirmations; and

"(2) to require by subpena the attendance and testimony of witnesses and the production of all information, documents, reports, answers, records, accounts, papers, and other data and documentary evidence which the hearing examiner considers relevant and material to the hearing.

"(c) In the case of contumacy or refusal to obey a subpena issued pursuant to subsection (a) or (b) of this section, an investigating official or a hearing examiner, as the case may be, may invoke the aid of any district court of the United States in the district in which such investigation or hearing is being conducted, or where the person receiving the subpena resides or conducts business. The district courts of the United States shall have jurisdiction to issue an appropriate order for the enforcement of any such subpena. Any failure to obey such order of the court is punishable by such court as contempt.

"§ 805. Judicial review

"(a) Unless a petition is filed under this section, a determination of liability under section 803 of this title shall be final and shall not be subject to judicial review.

"(b)(1) Any person for whom a determination of liability under section 802 of this title has been made pursuant to section 803 of this title may obtain review of such determination in the United States Court of Appeals for the circuit in which such person resides or in which the claim or statement upon which the determination of liability is based was made, presented, or submitted, or in the United States Court of Appeals for the District of Columbia Circuit. Such review may be obtained by filing in any such court a written petition that such determination be modified or set aside. Such petition shall be filed—

"(A) only after such person has exhausted all administrative remedies under this chapter; and

"(B) within sixty days after the date on which the authority head sends such person a copy of the decision of such authority head under section 803(h)(2) of this title.

"(2) The clerk of the court shall transmit a copy of a petition filed under paragraph (1) of this subsection to the authority head and to the Attorney General. Upon receipt of the copy of such petition, the authority head shall transmit to the Attorney General the record in the proceeding resulting in the determination of liability under section 802 of this title. Except as otherwise provided in this section, the courts of appeals of the United States shall have jurisdiction to review the decision, findings, and determinations in issue and to affirm, modify, remand for further consideration, or set aside, in whole or in part, the decision, find-

ings, and determinations of the hearing examiner, and to enforce such decision, findings, and determinations to the extent that such decision, findings, and determinations are affirmed or modified.

"(c) The findings of the hearing examiner with respect to questions of fact, if supported by substantial evidence on the record considered as a whole, shall be conclusive.

"(d) Any court of appeals reviewing under this section the decision, findings, and determinations of a hearing examiner shall not consider any objection that was not raised in the hearing conducted pursuant to section 803(e) of this title unless a demonstration is made of extraordinary circumstances causing the failure to raise the objection. If any party demonstrates to the satisfaction of the court that additional evidence not presented at such hearing is material and that there were reasonable grounds for the failure to present such evidence at such hearing, the court shall remand the matter to the hearing examiner for consideration of such additional evidence.

"(e) Upon a final determination by the court of appeals that a person is liable under section 802 of this title, the court shall enter a final judgment for the appropriate amount in favor of the United States, and such judgment may be recorded and enforced by the Attorney General to the same extent and in the same manner as a judgment entered by any United States district court.

"§ 806. Collection of civil penalties and assessments

"(a) The Attorney General shall be responsible for judicial enforcement of any civil penalty or assessment imposed pursuant to the provisions of this chapter.

"(b) Any penalty or assessment imposed in a determination which has become final pursuant to section 803 of this title may be recovered in a civil action brought by the Attorney General. In any such action, no matter that was raised or that could have been raised in a hearing conducted under section 803(e) of this title or pursuant to judicial review under section 805 of this title may be raised as a defense, and the determination of liability and the determination of amounts of penalties and assessments shall not be subject to review.

"(c) The district courts of the United States and of any territory or possession of the United States shall have jurisdiction of any action commenced by the United States under subsection (b) of this section.

"(d) Any action under subsection (b) of this section may, without regard to venue requirements, be joined and consolidated with or asserted as a counterclaim, crossclaim, or setoff by the United States in any other civil action which includes as parties the United States and the person against whom such action may be brought.

"(e)(1) The United States Claims Court shall have jurisdiction of any action under subsection (b) of this section to recover any penalty and assessment if the cause of action is asserted by the United States as a counterclaim in a matter pending in such court. The United States may join as additional parties in such counterclaim all persons who may be jointly and severally liable with the person against whom such counterclaim is asserted.

"(2) No cross-claims or third-party claims not otherwise within the jurisdiction of the United States Claims Court shall be asserted among additional parties joined under paragraph (1) of this subsection.

"(f) The Attorney General shall have exclusive authority to compromise or settle any penalty and assessment the determination of which is the subject of a pending petition pursuant to section 805 of this title or a pending action to recover such penalty or assessment pursuant to this section.

"(g) Any amount of penalty and assessment collected under this chapter shall be deposited as miscellaneous receipts in the Treasury of the United States.

"§ 807. Limitations

"(a) No claim or statement alleged to be a false, fictitious, or fraudulent claim or statement shall be subject to liability under section 802 of this title at any time after six years after the date on which such claim or statement is made, presented, or submitted.

"(b) A civil action to recover a penalty and assessment under section 806 of this title shall be commenced within three years after the date on which the determination of liability for such penalty and assessment becomes final.

"(c) If at any time during the course of proceedings brought pursuant to this chapter the authority head receives or discovers any specific information regarding bribery, gratuities, conflict of interest, or other corruption or similar activity in relation to a false claim or statement, the authority head shall immediately report such information to the Attorney General, and in the case of an authority in which an Office of Inspector General is established by the Inspector General Act of 1978 or by any other Federal law, to the Inspector General of that authority.

"§ 808. Regulations

"(a) Each authority head shall promulgate rules and regulations necessary to implement the provisions of this chapter. Such rules and regulations shall insure that investigating officials are not responsible for conducting the hearing required in section 803(e) of this title, making the determinations required by subsections (e) and (g) of section 803 of this title, or making the collections under section 806 of this title.

"(b) The Attorney General may enter into a memorandum of understanding with the head of any authority to provide expeditious procedures for approving or disapproving the referral of allegations under section 803(b) of this title and for referral of matters for action under sections 805, 806, and 807(d) of this title. Such memorandum of understanding may provide advanced authorization to refer allegations under section 803(b) of this title with respect to any particular type or class of alleged false claims or statements if not otherwise barred by section 807 of this title.

"§ 809. Reports

"(a) Not later than October 31 of each year, each investigating official shall prepare and transmit to the authority head an annual report summarizing actions taken under this chapter during the most recent twelve-month period ending the previous September 30. Such report shall include—

"(1) a summary of matters referred to the reviewing official under section 803(a)(2) of this title during such period;

"(2) a summary of matters transmitted to the Attorney General under section 803(b)(1) of this title during such period;

"(3) a summary of all hearings conducted by hearing examiners under section 803(e) of this title, and the results of such hearings, during such period; and

"(4) a summary of the actions taken during such period to collect any civil penalty or assessment imposed under this chapter.

"(b) The authority head shall transmit each report received under subsection (a) of this section to the appropriate committees and subcommittees of Congress in the same manner as the reports of Inspectors General are transmitted under section 5(b) of the Inspector General Act of 1978 on October 31 of each year.".

(b) The table of chapters for part I of title 5, United States Code, is amended by inserting after the item relating to chapter 7 the following new item:

"8. Administrative Penalties and Assessments for False Claims and Statements ..... 801.".

SEC. 4. (a) Except as provided in subsection (b), this Act and the amendments made by this Act shall take effect 180 days after the date of enactment of this Act.

(b) Section 808(a) of title 5, United States Code (as added by section 3(a) of this Act) shall take effect on the date of enactment of this Act. Regulations required to be promulgated under such section 808(a) shall take effect 180 days after the date of enactment of this Act.

PROGRAM FRAUD CIVIL PENALTIES ACT FACTSHEET

The Program Fraud Civil Penalties Act provides agencies with an administrative remedy for handling false, fictitious, or fraudulent claims and statements under $100,000 that the Justice Department has declined to prosecute.

PROBLEM

While present law provides criminal and civil penalties for false claims and statements, the imposition of these penalties requires the Justice Department to file suit in federal court. Of the cases referred to DoJ, however, a 1981 GAO study found that less than 40 percent were prosecuted.

By failing to prosecute these cases, the government not only loses money but also public confidence in its programs. Even when no money is actually lost as the result of a false claim or statement, the integrity of the program is seriously undermined.

The GAO found that fraud is pervasive government-wide—ranging from fraud in benefit and assistance programs, such as food stamps, welfare, and student loans, to mortgage insurance programs, crop subsidy programs, and disaster relief programs.

Fraud is also endemic to government contracting, according to Joseph Sherrick, DoD IG, who recently testified that 45 of the nation's largest 100 defense contractors are under investigation by the Defense Department. Mr. Sherrick has estimated that his Department loses more than $1 billion a year through fraudulent billing practices.

DoJ's failure to prosecute is not a resource problem as much as it's a cost-benefit problem: the cost of litigating a small-dollar fraud case will almost always exceed the benefits of recovery, thus making it economically impractical for DoJ to go to court.

SOLUTION

The Justice Department, Inspectors General and the General Accounting Office all agree that an administrative remedy for handling false claim and statement cases under $100,000, as provided by the Program Fraud Civil Penalties Act, is long overdue.

The purposes of the Act are to recompense agencies for losses resulting from false claims and statements that would not

otherwise be prosecuted, to penalize those who submit false claims and statements, and to deter such fraudulent behavior in the future.

Under the Act, a typical case would begin with an investigation by the agency's investigatory official (the Inspector General, where statutorily authorized). Any findings would be transmitted to the agency's reviewing official, who is designated by the agency head to determine whether there is probable cause to conclude that a false claim or statement has been submitted.

If so, the matter would be referred to the Justice Department for consideration. The allegations of liability would only then be referred to the agency's hearing examiner (usually an administrative law judge) for a hearing if the Attorney General (or his designee) declines prosecution.

After the matter has gone through these requisite steps, a hearing would be conducted to determine whether or not the person is liable and the amount of the penalty and assessment to be imposed, if any.

A person is found liable under the bill if he or she "knows or has reason to know" that the claim or statement submitted is false. The hearing examiner's determination is based on a "preponderance of the evidence," the standard applied in most civil litigation and administrative proceedings. The penalty, if the person is found liable, would be up to $10,000 for each false claim or statement plus double the amount claimed.

A similar administrative mechanism has already been proven effective. Under the 1981 Civil Monetary Penalties Law, the Department of Health and Human Services is authorized to impose penalties and assessments against health-care providers who knowingly or with reason to know submit claims for services not provided as claimed. Since 1981, HHS has been able to recoup over $11 million resulting from 117 settlements.●

● Mr. ROTH. Mr. President, today Senator COHEN and I are introducing the Program Fraud Civil Penalties Act, a bill I introduced in the 98th Congress, which will provide the tools needed by Federal agencies to crack down on those who attempt to defraud the taxpayers by submitting false claims and false statements to the Government.

As chairman of the Committee on Governmental Affairs and the Permanent Subcommittee on Investigations, I have observed over and over again the extent to which unscrupulous individuals and companies have bilked the U.S. Treasury out of many thousands of dollars at a time through the use of fraudulent claims and statements. But when I have asked what was being done to punish the responsible persons and to deter others from similar actions, I have been told that often the answer is "nothing." I have gotten this response not only from the agencies themselves, but also from the various inspectors general, the General Accounting Office, and even from the Department of Justice.

The problem, Mr. President, is that current Federal efforts to control fraud against the Government are primarily directed toward those cases involving the filing of criminal and civil actions by the Justice Department. Unfortunately, the costs involved in prosecuting such cases are high, and the resources available are limited, so that only those cases which have the greatest potential for recovery are given attention. Most of the false claim and false statement cases involving program benefit and contract fraud, even though collectively adding up to many thousands of dollars, are simply allowed to fall through the cracks because of limited funds and time to pursue them.

Let me cite just two examples of cases investigated by agency inspectors general which would be covered by this legislation:

Recently an employee of the Federal Aviation Administration was accused of submitting false information in connection with a worker's compensation claim which resulted in his receiving some $48,000 more than he was entitled to. He was investigated and charged with violating the Criminal False Claims and False Statements Acts. The responsible U.S. attorney's office, however, declined to prosecute the case because of a lack of case law in the area.

In another case, a Government contractor responsible for providing painting services on a Defense Department installation charged the Government thousands of dollars for work which was not performed. Because the fraud was discovered before the contractor received payment, the Justice Department chose not to prosecute the contractor for submission of false claims to the Government.

The Program Fraud Civil Penalties Act is designed to create an administrative mechanism which provides full due process for the accused but which also enables Federal agencies to impose monetary penalties against those who submit false claims and false statements.

Mr. President, the American public is, quite frankly, fed up with a system which allows Federal beneficiaries and contractors to knowingly cheat and deceive the Government and yet, if caught, escape with no more punishment than having to pay back what they stole from the taxpayers. The people deserve a system that works effectively to deter such fraud and to penalize it when it does occur.

This legislation will create such a system. It will enable agencies to swiftly and justly deal with cases of false claims and false statements. Under this bill, those found guilty of submitting false, fictitious, or fraudulent claims or statements in amounts of less than $100,000 can be fined not more than $10,000 for each claim or statement and, in addition, can be assessed an amount equal to double the amount fraudulently claimed.

Mr. President, this legislation is long overdue. When enacted, it will save the taxpayers countless thousands of dollars, and it will substantially increase the integrity of virtually every program administered by the Federal Government. I urge my colleagues to join with Senator COHEN and myself in supporting the Program Fraud Civil Penalties Act.●

● Mr. LEVIN. Mr. President, I am pleased today to join with Senator COHEN and Senator ROTH as a cosponsor of the Program Fraud Civil Penalties Act.

This legislation is very much needed. As was mentioned by Senators COHEN and ROTH, a GAO study conducted in 1981 revealed that Government program fraud has become a serious problem pervading all areas of Government operation. In addition, we are all too familiar with the fraud problems that sometimes appear to permeate Government contracting.

Although the Justice Department, under current law, can pursue cases of fraud in Federal court, for several reasons, the Justice Department has not been able to pursue a significant number of these cases. As a result many cases valued at less than $100,000 are not prosecuted. Further, the agencies involved in these cases do not have the authority to pursue these cases in Federal court, nor do they have an adequate administrative remedy available to them to address these cases.

The failure to pursue these cases results in a financial loss to the Government and the public. And although many of the cases involve relatively small-dollar amounts, cumulatively these cases account for millions of dollars.

In a time when everyone is looking for ways to reduce the budget deficit and cut the cost of operating the Government, legislation that would save money by reducing and deterring fraud without affecting the quality of service provided to the Government and the public is vitally important and very timely. The Program Fraud Civil Penalties Act is such a piece of legislation. The act would provide agencies with an administrative procedure to pursue fraud cases with a dollar value under $100,000. The agencies would also have the authority to impose a penalty of not more than $10,000, for each false claim or statement, plus double the amount claimed.

While the act provides agencies with a remedy to address fraud cases, it also provides due process protection to any party prosecuted under its provisions.

The Program Fraud Civil Penalties Act, if enacted, will be an effective weapon against not only reducing and deterring fraud in Government programs and contracts, but saving millions of dollars that are needlessly

adding to an enormous budget deficit.●

By Mr. COHEN:

S. 1135. A bill to amend section 3729 of title 31, United States Code, to increase the amount of the civil penalty authorized for false claims; to the Committee on the Judiciary

FALSE CLAIMS ACT AMENDMENTS

● Mr. COHEN. Mr. President, today I am also proposing, as a separate measure, an amendment to the civil False Claims Act that would increase the forfeiture liability under the act from $2,000 to $10,000.

Presently, the False Claims Act authorizes the United States to recover $2,000, plus double damages, from those persons who knowingly submit a false or fraudulent claim for money or property to the United States, or from those who knowingly submit false information in support of a false or fraudulent claim.

The $2,000 forfeiture amount has remained unchanged since it was set by Congress in 1863. According to the Bureau of Labor Statistics, the current value of $2,000 in 1863 dollars is $16,816. I therefore believe that the penalty should be modestly increased to $10,000 to reflect the inflationary impact over the past 120 years.●

By Mr. STAFFORD (for himself and Mr. LEAHY):

S. 1136. A bill to authorize the U.S. Army Corps of Engineers to undertake certain activities at dams operated by the Corps of Engineers in the State of Vermont; to the Committee on Environment and Public Works.

SALMON LADDER LEGISLATION

● Mr. STAFFORD. Mr. President, I am today introducing legislation that will direct the U.S. Army Corps of Engineers to construct certain facilities on the West River in Vermont. These facilities are essential if we are to allow Atlantic salmon to swim up and down the West River, bypassing two large Corps of Engineers dams on that river during a life-cycle that takes the salmon from fresh water to the sea and back.

I am particularly honored that my distinguished colleague [Mr. LEAHY] has agreed to cosponsor this bill.

Mr. President, the history of the Atlantic salmon in the Connecticut River Valley is a most interesting one. Salmon were driven from the Connecticut River almost two centuries ago, when a dam was built across the river at Turners Falls, MA. That occurred in 1798.

An effort was made to reintroduce salmon to the Connecticut River following the Civil War. That effort failed, leaving this great river devoid of this wonderful species of fish.

But as a result of Federal legislation 20 years ago, the Atlantic salmon has been brought back to the Connecticut River. This is good news for the ecology of the Connecticut River; it is good news for sportsmen.

Yet the situation is far more complicated than it was in 1798, or during the 19th century. Many dams have been built on the Connecticut and its tributaries. Without modification, each of these dams blocks the salmon from their natural and historic spawning grounds, then blocks young salmon from swimming back to the sea. Two of these dams—these barriers—are located on the West River in Vermont; both are operated by the Army Corps of Engineers. This bill makes it possible for man to help the salmon get around those man-built barriers.

As I mentioned, the latest effort to return salmon to the Connecticut River began with passage of the Anadromous Fish Act in 1965. By 1967, a fisheries agency was set up for the Connecticut River, consisting of representatives of the four States—Vermont, New Hampshire, Massachusetts, and Connecticut—together with the regional directors of two Federal fisheries agencies. Since last year, their work has been carried on by the 10-member Connecticut River Atlantic Salmon Commission, which was established by Public Law 98-138 to oversee the revival of the salmon, as well as the revival of a shad population.

The commission's goal: Restore the Atlantic salmon to five key Connecticut River tributaries. Two of these are in Connecticut, one is in New Hampshire, and two—the West and the White Rivers—are in Vermont. The commission's second goal is to return the American shad to its historic spawning grounds below Bellows Falls VT.

As a result of several agreements, two private power companies have modified their large hydropower dams on the mainstem of the Connecticut, allowing both species of fish to migrate upstream.

The first dam that required work is located at Holyoke, MA. Two large fish lifts were put into operation there in 1976. A fish lift, incidentally, is just what it sounds like. It is a large hopper, about 6 feet across, with a device to attract the fish. When the fish reach the lift, an operator closes a gate, and the hopper lifts 2,000 gallons of water, plus dozens and dozens of fish, about 50 feet to a sluiceway, where the fish swim over the top of the dam into the reservoir beyond.

At Turners Falls, MA., conventional fish ladders were completed in 1980. New England Power completed a fish ladder at its dam at Vernon, VT, in 1981. The utilities, which have done a fine job, are still working with fisheries officials to improve the efficiency of these projects. By 1984, a new fish ladder had been completed at Bellows Falls, VT.

Thus, by this spring, Atlantic salmon have been able to reach the mouths of both the White and the West Rivers.

The White, which is a somewhat larger and more fertile river, poses no real problem. There are dams on tributaries of the White, but salmon have access to the main stem, as well as several unobstructed tributaries. All of these stretches show promise as spawning grounds.

And the salmon have access to the mouth of the West River. Unfortunately, the salmon cannot reach the shallower stretches of the West and its tributaries that would serve as spawning grounds. The reason is the prescence of Townshend and Ball Mountain Dams.

Following a good deal of study, Federal and State fish and wildlife experts have determined that the best solution is this:

Install a fish trap on the downstream side of Townshend Dam. Remove the migrant fish from the river, then transport them by truck to points above Townshend Dam and above Ball Mountain Dam. Years earlier, fish and game officials will have marked the baby salmon, so the lift operator will know where to place the fish so their instinct will allow them to reach their proper spawning ground.

The design of the dams make construction of conventional fish ladders quite difficult; the fish trap appear to be a far more cost-effective approach. I understand further that the baby salmon can migrate out of the West to the sea without too much danger, although some modifications in the sluiceways at both dams will be necessary, and is authorized in this bill.

In preparation for this work, and the changes already in place downstream, fish and game officials began to stock salmon into parts of the West River in 1981. The salmon fingerlings were able to move downriver to the sea, despite sluiceways that caused some deaths. This population of salmon, now in the Atlantic, is expected to return to the West River within a year or two. Unless something is done quickly, these adult salmon will reach the base of Townshend Dam and confront an impossible barrier to those stretches of the river where instinct draws them to spawn. This bill will, in effect, remove that unnatural barrier.

Fisheries experts calculate that the West River can annually handle about 630 adult salmon, out of 5,570 salmon expected to return to spawn annually throughout the entire Connecticut River system by the year 1992.

While fishing is not permitted now, I should point out that sports fisherman may evantually be allowed to hook up to 25 percent of the year run.

The program I have outlines in this bill takes this cost-effective approach. I am advised that a fish-trap system at

Townshend and downstream facilities, particularly at Ball Mountain, will have a total cost of about $1 million, and that it will cost about $20,000 a year to operate.

My bill authorized construction of the fish trap system, as well as the operation and maintenance of that facility. Such costs are a legitimate Federal responsibility, since the project was constructed originally by the Federal Government.

The State of Vermont is presently discussing the possible development of hydropower facilities at both dams. It would certainly be appropriate if, as a part of the licensing process, the responsibility for operating the salmon transportation program, once it is in place, is transferred to any power licensee. For now, the responsibility for operations and maintenance will be assumed by the corps.

Mr. President, I ask unanimous consent that the bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 1136

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the comprehenisve plan for the control of floodwaters in the Connecticut River Basin, Vermont, New Hampshire, Massachusetts, and Connecticut, authorized by Section 5 of the Flood Control Act of 1936 (49 Stat. 1570, 1572), as amended, is amended further to authorize and direct the Secretary of the Army, acting through the Chief of Engineers, to design, construct, operate, and maintain facilities at Townshend Dam, West River, Vermont, to enable upstream migrant adult Atlantic salmon to bypass that dam and Ball Mountain Dam, Vermont, and to provide at both Townshend and Ball Mountain Dams facilities as necessary for the downstream passage of juvenile Atlantic salmon.

SEC. 2. Prior to construction of the work authorized by this Act, non-Federal interests shall agree to hold and save the United States harmless for any damages incurred in the construction and operation of such fish-passage facilities, and provide all lands, easements, rights-of-way, and relocations as may be reasonably necessary for the construction and operation of the fish-passage facilities.

SEC. 3. There is authorized to be appropriated to the Secretary of the Army, acting through the Chief of Engineers, in the fiscal year ending September 30, 1986, or thereafter, the sum of $1,000,000 for the construction of facilities authorized by Section 1 of this Act, such sums to remain available until expended.●

By Mr. SPECTER:

S. 1137. A bill entitled the "Conrail Public Offering Act of 1985;" to the Committee on Commerce, Science, and Transportation.

CONRAIL PUBLIC OFFERING ACT

Mr. SPECTER. Mr. President, today I am introducing the Conrail Public Offering Act of 1985. This bill provides that any disposition of the Government's 85-percent interest in the Consolidated Rail Corporation shall proceed by public stock offering in accordance with the proposal presented by Morgan Stanley & Co., Inc., on May 14, 1985.

The Morgan Stanley proposal to return Conrail to broad public ownership—an alternative which I have supported for almost 1 year—provides the most effective assurance for the long-term viability of Conrail's rail system. The proposal avoids the anticompetitive problems contained within the proposed sale/merger of Conrail/Norfolk Southern, ensures a greater return to the Government and taxpayers—who have already invested in excess of $7 billion in the modernization of the Conrail system—and allows all taxpayers the opportunity to invest in Conrail's future, as opposed to giving away the system to Norfolk Southern.

I have been concerned about the sale of Conrail since June 1984 when final proposals were submitted by private bidders. I believed then that these proposals had potentially serious consequences for my State, the Commonwealth of Pennsylvania. Through exhaustive analysis over the last year, I have become convinced that a sale of Conrail to Norfolk Southern will also have harmful consequences for the entire Nation.

I reached my conclusions after a lengthy and detailed investigation. This investigation included extensive consultations with labor and business leaders; numerous discussions with the Secretary of Transportation, Elizabeth Dole; review of voluminous documents; and seven hearings that I have conducted on this subject. These hearings were held in Harrisburg in October, Philadelphia in December and March, Pittsburgh in January and February, and in Washington, DC, with Senator DIXON and the Northeast-Midwest Senate coalition in January and February. I heard the testimony of more than 55 witnesses, including shippers, public officials, competing bidders, investment bankers, union leaders, and Conrail management and financial officers.

I have also visited Conrail car repair shops and shipping facilities throughout Pennsylvania—the hundreds of concerned workers and union officials with whom I spoke on these visits further convinced me that it would be strongly contrary to the national interest, as well as the best interest in Pennsylvania, to proceed with the proposed sale of Conrail to Norfolk Southern.

The proposed purchase price by Norfolk Southern of $1.2 billion for the Government's 85-percent interest in Conrail represents a huge giveaway of taxpayers' money—Norfolk Southern will be able, through tax benefits, to recoup that minor investment in a few short years. Given the taxpayers' expenditure of over $7 billion in Conrail, Conrail's present book value of $4 billion, and the fact that Conrail has in excess of $1 billion in cash and annual profits of over $500 million, the Norfolk Southern sale price is outrageous. The Morgan Stanley proposal guarantees at least the $1.2 billion, which will be to the benefit of the public investors, rather than one private interest group, and further provides that up to $600 million more will be realized by the government, through elimination of the tax losses which would result from the Norfolk Southern offer.

Further, the anticompetitive problems raised by combining Conrail's 15,000 miles of track with Norfolk Southern's 18,000 miles, thereby creating the Nation's largest rail system, are insurmountable. The Senate Judiciary Committee, on which I serve, has conducted several hearings on this topic, and plans to investigate the subject even further. The divestiture plan proposed by the Department of Justice as a remedy to specified antitrust violations is not feasible. It is unrealistic to divert key lines to small carriers such as Guilford Transportation or the Pittsburgh & Lake Erie Railroad, which will be unable to provide effective competition for the combined rail giant of the Conrail/Norfolk Southern system. No such anticompetitive problems exist with the Morgan Stanley public offering proposal.

The Morgan Stanley proposal, involving approximately 25 "blue-chip" investors—such as Citicorp, Columbia, Harvard and Princeton Universities, United States Steel, and Rockefeller & Co.—is a commitment which represents the strongest testimony to the economic viability of Conrail and its future as a major independent rail carrier. The investors have accepted public interest covenants equivalent to those negotiated by the Department of Transportation and Norfolk Southern, including provisions relating to cash balances, dividends, and capital expenditures. One of the major investors, CSX Corp., is a major rail system, but it will place its stock interest in trust to ensure that it will not participate in the management or control of Conrail, and that no antitrust problems will arise.

Over a period of time, not to exceed 5 years following the purchase, the investor group will resell to the public a majority of its interest in Conrail through one or more public stock offerings. The Government will bear no market risk associated with future sales of Conrail stock. At the conclusion of such offerings, the investor group will own no more than 40 percent of an independent, financially secure Conrail, with no single investor owning more than 10 percent. Conrail employees will receive a comprehen-

sive financial package valued at approximately $440 million as compared to $375 million contained in the Norfolk Southern offer, and will also receive two seats on Conrail's board of directors.

This proposal provides taxpayers with a superior return for their investment in Conrail and, at the same time, preserves effective rail competition in the Northeast and Midwest without creating any complex antitrust issues requiring legislative resolution. This proposal will result in a financially strong and independent Conrail, thus ensuring long-term employment opportunities for Conrail workers. This proposal will better meet the interests of taxpayers, Conrail current and former employees, shippers, and consumers. Further, it satisfies the financial and public interest factors identified by the Department of Transportation in establishing a process for the sale of Conrail under the Northeast Rail Service Act of 1981.

For these reasons, I introduce this bill today and ask unanimous consent that the bill be printed in the RECORD. There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 1137

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the Congress finds that—

(1) the United States has invested more than $7,000,000,000 in the Consolidated Rail Corporation since April 1, 1976;

(2) the Consolidated Rail Corporation generated over $500,000,000 in profits in 1984;

(3) the Consolidated Rail Corporation has a book value in excess of $4,000,000,000;

(4) the Consolidated Rail Corporation has cash assets in excess of $1,000,000,000; and

(5) the United States Railway Association has determined that the Consolidated Rail Corporation is a profitable carrier as defined in section 403(a)(2) of the Regional Rail Reorganization Act of 1973 (45 U.S.C. 763(a)(2)).

SEC. 2. (a) Notwithstanding any provision of law, any disposition of the government's interest in the Consolidated Rail Corporation shall proceed by public stock offering in accordance with the proposal presented by Morgan Stanley & Co., Incorporated on May 14, 1985.

By Mr. GRASSLEY (for himself, Mr. DOMENICI, Mr. METZENBAUM, Mr. HEFLIN, and Mr. DECONCINI):

S. 1138. A bill to reenact and amend former section 504 of title 5, United States Code, and former section 2412(d) of title 28, United States Code, with respect to awards of expenses of certain agency and court proceedings, and for other purposes; to the Committee on the Judiciary.

EQUAL ACCESS TO JUSTICE ACT

Mr. GRASSLEY. Mr. President, it is my pleasure today to introduce a bipartisan bill I am cosponsoring with Senators DOMENICI, METZENBAUM, HEFLIN and DECONCINI, to reauthorize and make permanent the Equal Access to Justice Act [EAJA]. This important regulatory reform measure expired on October 1, 1984 and needs urgent reenactment. As you may recall, efforts to reauthorize this law were unanimously passed in this body near the end of the 98th Congress. However, much to my disappointment, the President vetoed the measure on November 8 after Congress had adjourned.

As you know, the EAJA allows eligible individuals and small businesses to recover attorney fees up to $75 per hour, and other expenses when they prevail in litigation with the Federal Government, unless the Government can prove that its conduct was substantially justified, or that special circumstances make a fee award unjust.

The EAJA has provided a critical avenue of redress for small businesses and individuals with limited assets who are forced to litigate against the vast resources of the Federal Government. Before this landmark legislation was first enacted in 1980, these parties were faced with a "Hobson's" choice—either to fight unjustified Government enforcement or regulatory actions at great personal or financial cost, or to simply capitulate in the face of the meritless action. The law has worked rather well in its 3-year test period, and has done so at minimal cost to the Government. For example, in its first 3-years, the EAJA has allowed about $3 million in fee awards, about 1 percent of the law's original cost estimate. Additionally, there is evidence that the law has had a positive effect on the regulatory and enforcement actions of the Federal bureaucracy.

This particular bill is the product of much thoughtful negotiation between Members of Congress, the administration, and interested parties. The Justice Department has testified in support of a nearly identical bill, H.R. 2223, in the other body. Thus we are assured that this is a bill that the President will sign into law. The EAJA reauthorization also makes a number of important clarifications and improvements in the law. First, the bill clarifies that when deciding whether a prevailing party shall be awarded fees, a court or adjudicative officer shall evaluate both the Government's arguments made in the litigation and the agency action that made it necessary for the private party to seek relief. This clarification resolves a judicial conflict that had developed over the meaning of the term "position of the United States" in the EAJA. Some Federal courts had in effect ruled that the Government could insulate itself from attorney fee liability simply by conceding its error on the merits at the time of trial. An action that is always a justified litigation position. Of course, such a restrictive interpretation of the law removes the very incentive for careful agency action that Congress hoped to create in 1980. At the same time, this bill adequately addresses the administration's stated concerns over unbridled discovery of the agency's deliberative processes. As a safeguard against excessive discovery, the bill directs courts considering fee applications to look only to the record developed on the merits of the case. Second, the bill makes the EAJA applicable to cases litigated before agency boards of contract appeals. Third, the bill makes clear that the U.S. Claims Court is a court with jurisdiction to make a fee award. Fourth, the bill makes EAJA's coverage retroactive to October 1, 1984, thus ensuring that no meritorious claimant is left without redress, simply due to last year's failure at EAJA reauthorization.

The one difference between this EAJA reauthorization and the bill introduced in the other body is purely a technical one. Since the EAJA expired, it is necessary for us to reenact the entire measure rather than to simply make amendments to the 1980 law, as the other bill does. I expect that the other body will make this necessary clarification in its EAJA bill as it moves through the markup process.

Although it is critical that we move quickly to reauthorize and make permanent the EAJA, we should also be mindful of other areas where further reform is necessary, to redress the imbalance of litigation resources between private citizens and the Government. For example, the actions of the Internal Revenue Service are not covered by EAJA, and are not covered by this bill. Instead, the attorney fee provisions of the 1982 Tax Equity and Fiscal Responsibility Act [TEFRA] apply. The TEFRA fees provision differs from the EAJA in three critical ways: TEFRA allows evaluation of only the Government's litigation conduct, rather than the IRS action that led to the lawsuit; it allows the Government to avoid a fee award of its conduct was merely reasonable rather than substantially justified, and it places the burden of proof in the fee case on the prevailing taxpayer to provide that the Government was not only wrong, but also unreasonable. In my view, the TEFRA provisions are too easily applied to deny a meritorious taxpayer of attorney fee award, after he or she has proven the IRS wrong. Making the IRS live up to the standards of conduct that all other Federal agencies must live up to is an issue that I will address in the Finance Committee. The TEFRA fee provision expires at the end of 1985.

Also, I am concerned about the consistently low number of cases at the administrative adjudication level that

result in fee awards. In fiscal year 1984 for example, only 13 awards were made, out of 143 fee applications filed by prevailing parties. In the previous year, there were only 8 awards, out of 88 petitions filed. The chances of a fee recovery at the agency level have been much lower than that in the Federal courts. The reasons for this need to be explored. There has been a further complaint that certain agencies have engaged in a policy of unnecessary litigation tactics, designed solely to force concessions on the fee issue. This is an area in which I plan continued oversight.

In summary, Mr. President, this bill continues, and indeed improves upon, a working initiative first passed in the 96th Congress. I urge its speedy enactment.

Mr. President, I ask that the bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 1138

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a) subchapter I of chapter 5 of title 5, United States Code, is amended by reenacting section 504, repealed by Public Law 96-481, between section 503 and section 505 and amending such section to read as follows:

"§ 504. Costs and fees of parties

"(a)(1) An agency that conducts an adversary adjudication shall award, to a prevailing party other than the United States, fees and other expenses incurred by that party in connection with that proceeding, unless the adjudicative officer of the agency finds that the position of the agency was substantially justified or that special circumstances make an award unjust. Whether or not the position of the agency was substantially justified shall be determined on the basis of the administrative record, as a whole, which is made in the adversary adjudication for which fees and other expenses are sought.

"(2) A party seeking an award of fees and other expenses shall, within thirty days after a final disposition in the adversary adjudication, submit to the agency an application which shows that the party is a prevailing party and is eligible to receive an award under this section, and the amount sought, including an itemized statement from any attorney, agent, or expert witness representing or appearing in behalf of the party stating the actual time expended and the rate at which fees and other expenses were computed. The party shall also allege that the position of the agency was not substantially justified. When the United States appeals the underlying merits of an adversary adjudication, no decision on an application for fees and other expenses in connection with that adversary adjudication shall be made under this section until a final and unreviewable decision is rendered by the court on the appeal or until the underlying merits of the case have been finally determined pursuant to the appeal.

"(3) The adjudicative officer of the agency may reduce the amount to be awarded, or deny an award, to the extent that the party during the course of the proceedings engaged in conduct which unduly and unreasonably protracted the final resolution of the matter in controversy. The decision of the adjudicative officer of the agency under this section shall be made a part of the record containing the final decision of the agency and shall include written findings and conclusions and the reason or basis therefor. The decision of the agency on the application for fees and other expenses shall be the final administrative decision under this section.

"(b)(1) For the purposes of this section—

"(A) 'fees and other expenses' includes the reasonable expenses of expert witnesses, the reasonable cost of any study, analysis, engineering report, test, or project which is found by the agency to be necessary for the preparation of the party's case, and reasonable attorney or agent fees. The amount of fees awarded under this section shall be based upon prevailing market rates for the kind and quality of the services furnished, except that (1) no expert witness shall be compensated at a rate in excess of the highest rate of compensation for expert witnesses paid by the agency involved, and (ii) attorney or agent fees shall not be awarded in excess of $75 per hour unless the agency determines by regulation that an increase in the cost of living or a special factor, such as the limited availability of qualified attorneys or agents for the proceedings involved, justifies a higher fee;

"(B) 'party' means a party, as defined in section 551(3) of this title, who is (i) an individual whose net worth did not exceed $2,000,000 at the time the adversary adjudication was initiated, or (ii) any owner of an unincorporated business, or any partnership, corporation, association, unit of local government, or organization, the net worth of which did not exceed $7,000,000 at the time the adversary adjudication was initiated, and which had not more than 500 employees at the time the adversary adjudication was initiated; except that an organization described insection 501(c)(3) of the Internal Revenue Code of 1954 (26 U.S.C. 501(c)(3)) exempt from taxation under section 501(a) of such Code, or a cooperative association as defined in section 15(a) of the Agricultural Marketing Act (12 U.S.C. 1171j(a)), may be a party regardless of the net worth of such organization or cooperative association;

"(C) 'adversary adjudication' means (i) an adjudication under section 554 of this title in which the position of the Untied States is represented by counsel or otherwise, but excludes an adjudication for the purpose of establishing or fixing a rate or for the purpose of granting or renewing a license, and (ii) any appeal of a decision made pursuant to section 6 of the Contract Disputes Act of 1978 (41 U.S.C. 605) before an agency board of contract appeals as provided in section 8 of that Act (41 U.S.C. 607);

"(D) 'adjudicative officer' means the deciding official, without regard to whether the official is designated as an administrative law judge, a hearing officer or examiner, or otherwise, who presided at the adversary adjudication; and

"(E) 'position of the agency' means, in addition to the position taken by the agency in the adversary adjudication, the action or failure to act by the agency upon which the adversary adjudication is based; except that fees and other expenses may not be awarded to a party for any portion of the adversary adjudication in which the party has unreasonably protracted the proceedings.

"(2) Except as otherwise provided in paragraph (1), the definitions provided in section 551 of this title apply to this section.

"(c)(1) After consultation with the Chairman of the Administrative Conference of the United States, each agency shall by rule establish uniform procedures for the submission and consideration of applications for an award of fees and other expenses. If a court reviews the underlying decision of the adversary adjudication, an award for fees and other expenses may be made only pursuant to section 2412(d)(3) of title 28, United States Code.

"(2) If a party other than the United States is dissatisfied with a determination of fees and other expenses made under subsection (a), that party may, within 30 days after the determination is made, appeal the determination to the court of the United States having jurisdiction to review the merits of the underlying decision of the agency adversary adjudication. The court's determination on any appeal heard under this paragraph shall be based solely on the factual record made before the agency. The court may modify the determination of fees and other expenses only if the court finds that the failure to make an award of fees and other expenses, or the calculation of the amount of the award, was unsupported by substantial evidence.

"(d) Fees and other expenses awarded under this subsection shall be paid by any agency over which the party prevails from any funds made available to the agency by appropriation or otherwise.

"(e) The Chairman of the Administrative Conference of the United States, after consultation with the Chief Counsel for Advocacy of the Small Business Administration, shall report annually to the Congress on the amount of fees and other expenses awarded during the preceding fiscal year pursuant to this section. The report shall describe the number, nature, and amount of the awards, the claims involved in the controversy, and any other relevant information which may aid the Congress in evaluating the scope and impact of such awards. Each agency shall provide the Chairman with such information as is necessary for the Chairman to comply with the requirements of this subsection.".

(b) The table of sections for subchapter I of chapter 5, of title 5, United States Code, is amended by adding after the item relating to section 503 the following:

"504. Costs and fees of parties.".

SEC. 2. Section 2412 of title 28, United States Code, is amended—

(1) in subsections (a) and (b) by striking out "or any agency and any official of the United States" each place it appears and inserting in lieu thereof "or any agency or any official of the United States";

(2) by reenacting subsection (d), repealed by section 204(c) of Public Law 96-481, and amending such subsection to read as follows:

"(d)(1)(A) Except as otherwise specifically provided by statute, a court shall award to a prevailing party other than the United States fees and other expenses, in addition to any costs awarded pursuant to subsection (a), incurred by that party in any civil action (other than cases sounding in tort), including proceedings for judicial review of agency action, brought by or against the United States in any court having jurisdiction of that action, unless the court finds that the position of the United States was substantially justified or that special circumstances make an award unjust.

"(B) A party seeking an award of fees and other expenses shall, within thirty days

after final judgment in the action, submit to the court an application for fees and other expenses which shows that the party is a prevailing party and is eligible to receive an award under this subsection, and the amount sought, including an itemized statement from any attorney or expert witness representing or appearing in behalf of the party stating the actual time expended and the rate at which fees and other expenses were computed. The party shall also allege that the position of the United States was not substantially justified. Whether or not the position of the United States was substantially justified shall be determined on the basis of the record (including the record with respect to the action or failure to act by the agency upon which the civil action is based) which is made in the civil action for which fees and other expenses are sought.

"(C) The court, in its discretion, may reduce the amount to be awarded pursuant to this subsection, or deny an award, to the extent that the prevailing party during the course of the proceedings engaged in conduct which unduly and unreasonably protracted the final resolution of the matter in controversy.

"(2) For the purposes of this subsection—

"(A) 'fees and other expenses' includes the reasonable expenses of expert witnesses, the reasonable cost of any study, analysis, engineering report, test, or project which is found by the court to be necessary for the preparation of the party's case, and reasonable attorney fees. The amount of fees awarded under this subsection shall be based upon prevailing market rates for the kind and quality of the services furnished, except that (i) no expert witness shall be compensated at a rate in excess of the highest rate of compensation for expert witnesses paid by the United States; and (ii) attorney fees shall not be awarded in excess of $75 per hour unless the court determines that an increase in the cost of living or a special factor, such as the limited availability of qualified attorneys for the proceedings involved, justifies a higher fee;

"(B) 'party' means (i) an individual whose net worth did not exceed $2,000,000 at the time the civil action was filed, or (ii) any owner of an unincorporated business, or any partnership, corporation, association, unit of local government, or organization, the net worth of which did not exceed $7,000,000 at the time the civil action was filed, and which had not more than 500 employees at the time the civil action was filed; except that an organization described in section 501(c)(3) of the Internal Revenue Code of 1954 (26 U.S.C. 501(c)(3)) exempt from taxation under section 501(a) of such Code, or a cooperative association as defined in section 15(a) of the Agricultural Marketing Act (12 U.S.C. 1141j(a)), may be party regardless of the net worth of such organization or cooperative association;

"(C) 'United States' includes any agency and any official of the United States acting in his or her official capacity;

"(D) 'position of the United States' means, in addition to the position taken by the United States in the civil action, the action or failure to act by the agency upon which the civil action is based; except that fees and expenses may not be awarded to a party for any portion of the litigation in which the party has unreasonably protracted the proceedings;

"(E) 'civil action brought by or against the United States' includes an appeal by a party, other than the United States, from a decision of a contracting officer rendered pursuant to a disputes clause in a contract with the Government or pursuant to the Contract Disputes Act of 1978;

"(F) 'court' includes the United States Claims Court;

"(G) 'final judgment' means a judgment that is final and not appealable, and includes an order of settlement; and

"(H) 'prevailing party', in the case of eminent domain proceedings, means a party who obtains a final judgment (other than by settlement), exclusive of interest, the amount of which is at least as close to the highest valuation of the property involved that is attested to at trial on behalf of the property owner as it is to the highest valuation of the property involved that is attested to at trial on behalf of the Government.

"(3) In awarding fees and other expenses under this subsection to a prevailing party in any action for judicial review of an adversary adjudication, as defined in subsection (b)(1)(C) of section 504 of title 5, United States Code, or an adversary adjudication subject to the Contract Disputes Act of 1978, the court shall include in that award fees and other expenses to the same extent authorized in subsection (a) of such section, unless the court finds that during such adversary adjudication the position of the United States was substantially justified, or that special circumstances make an award unjust.

"(4) Fees and other expenses awarded under this subsection to a party shall be paid by any agency over which the party prevails from any funds made available to the agency, by appropriation or otherwise.

"(5) The Director of the Administrative Office of the United States Courts shall include in the annual report prepared pursuant to section 604 of this title, the amount of fees and other expenses awarded during the preceding fiscal year pursuant to this subsection. The report shall describe the number, nature, and amount of the awards, the claims involved in the controversy, and any other relevant information which may aid the Congress in evaluating the scope and impact of such awards."; and

(3) by adding at the end thereof the following new subsection:

"(f) If the United States appeals an award of costs or fees and other expenses made against the United States under this section and the award is affirmed in whole or in part, interest shall be paid on the amount of the award as affirmed. Such interest shall be computed at the rate determined under section 1961(a) of this title, and shall run from the date of the award through the day before the date of the mandate of affirmance.".

SEC. 3. Section 206 of the Equal Access to Justice Act is amended to read as follows:

"EFFECT AND OTHER LAWS

"SEC. 206. (a) Except as provided in subsection (b), nothing in section 2412(d) of title 28, United States Code, as reenacted and amended by this Act or by Public Law 96-481, alters, modifies, repeals, invalidates, or supersedes any other provision of Federal law which authorizes an award of such fees and other expenses to any party other than the United States that prevails in any civil action brought by or against the United States.

"(b) Section 206(b) of the Social Security Act (42 U.S.C. 406(b)(1)) shall not prevent an award of fees and other expenses under section 2412(d) of title 28, United States Code. Section 206(b)(2) of the Social Security Act shall not apply with respect to any such award but only if, where the claimant's attorney receives fees for the same work under both section 206(b) of such Act and section 2412(d) of title 28, United States Code, the claimant's attorney refunds to the claimant the amount of the smaller fee.".

SEC. 4. Section 207 of the Equal Access to Justice Act is hereby repealed.

SEC. 5. Section 208 of the Equal Access to Justice Act is amended by adding at the end the following: "Awards may be made for fees and other expenses incurred before October 1, 1981, in any such adversary adjudication or civil action.".

SEC. 6. (a) Except as provided in subsection (b), the amendments made by this Act apply to cases pending on or commenced on or after October 1, 1984, including any case commenced on or after October 1, 1984, and finally disposed of before the date of the enactment of this Act, except that in any such case, the 30-day period referred to in section 504(a)(2) of title 5, United States Code, or section 2412(d)(1)(B) of title 28, United States Code, as the case may be, shall be deemed to commence on the date of the enactment of this Act.

(b) Section 504(b)(1)(C)(ii) of title 5, United States Code, as added by this Act, and section 2412(d)(2)(E) of title 28, United States Code, as added by this Act, shall apply to any adversary adjudication pending on or commenced on or after October 1, 1981, in which applications for fees and other expenses were timely filed and were dismissed for lack of jurisdiction.

By Mr. BURDICK (for himself and Mr. ANDREWS):

S. 1139. A bill to authorize construction of a combined Sheyenne and Maple River flood control project; to the Committee on Environment and Public Works.

SHEYENNE AND MAPLE RIVER FLOOD CONTROL PROJECT

Mr. BURDICK. Mr. President, I rise today to introduce for myself and my colleague, Mr. ANDREWS, a combined Sheyenne and Maple River flood control project.

The Sheyenne and Maple River flood control projects are the result of Federal, State, and local efforts to develop acceptable alternatives to the Kindred Lake project which was authorized in the 1970 Flood Control Act. The Army Corps of Engineers recommends that Congress deauthorize Kindred Lake and authorize the Sheyenne flood control project in its place. The project consists of levees and diversion channels at West Fargo and Riverside; a flood diversion channel from Horace to West Fargo; and raising the Lake Ashtabula reservoir pool level 5 feet behind the existing Baldhill Dam.

The Federal cost is estimated at $26.2 million with $15.1 million for the levees and channels and the remaining $11.1 million for raising the pool reservoir. Non-Federal interests will cover approximately 45 percent of the project which has a 6- to 7-cost benefit ratio.

The public has voiced considerable objection to raising the Lake Ashtabula pool reservoir. The State and the

corps have agreed to separate the pool reservoir portion of the project, and proceed with the levees and channels. According to the corps, project separation will not affect the integrity of the urban flood protection design. A final decision on the pool reservoir is not expected until 1990. The State and the Army corps have agreed to review alternative plans to be developed and presented by the Upper Sheyenne Joint Water Resources District. The district supports authorization of the entire project; however, it reserves the right to object to raising the pool reservoir. As a safeguard to the compromise, I will request appropriate report language which will prohibit the use of corps planning funds for raising the reservoir pool until the State of North Dakota agrees to sponsor that portion of the project.

We intend that the final decision on the reservoir pool should not delay the Chief of Engineers' plan to modify the Baldhill Dam for dam safety considerations. The modifications will address only the current deficiencies of an inadequate spillway capacity, and the stability of the embankment, which has shown distress.

Besides the corps-recommended flood control project on the Sheyenne, this bill includes the Maple River project. The Maple River empties into the Sheyenne River 3 miles north of West Fargo. From this point, the two flow north and east to join the Red River 5 miles northeast of Harwood.

The corps, the State water commission, and local water resource districts have analyzed the Maple River Watershed. It is clear that a dam on the main stream of the Maple River north of Enderlin would be of significant benefit in reducing flood damages on the lower Sheyenne. The corps has not been able to come up with the cost/benefit ratio required to justify Federal participation. A corps project requires each individual component of a plan to stand on its own before it can be included in an overall flood control project.

In the case of the Maple River project, the corps did not consider the economic impact of agricultural losses. This is indeed unfortunate. The Federal Government must consider the major reductions in flood levels or flood damages on agricultural lands. In 1975, the President twice announced disaster declarations for eastern North Dakota. The spring flood was declared on May 24; the summer flood on July 11. Losses to both public and private properties in the eastern part of the State were estimated at $550 million. The greatest losses occurred to crops destroyed in the summer flood.

The 1975 floods had the following impact on Cass County, the primary beneficiary from the proposed Sheyenne and Maple River project.

Agricultural Stabilization and Conservation Service [ASCS] annual report showed a $1.8 million disaster payment for crop damage estimated at $62,029,385 over 426,400 acreas.

North Dakota crop and livestock reporting service statistics showed 169,000 crop acres abandoned due to flooding.

Losses to public property, roads, bridges, and so forth, were estimated at $2.5 million. The State disaster emergency services distributed $1,740,491.45 to Cass County political subdivisions for emergency repair.

Other government funding included an estimated $280,000 by the corps for flood-fighting activities; $40 million in emergency loans through the Farmers Home Administration and Small Business Administration; $250,000 by the U.S. Department of Agriculture for emergency conservation measures; and $200,000 for mosquito spraying through the Federal Emergency Management Agency.

Ring dikes were built following the flood to protect urban property: $75,000 for the historic village of Bonanzaville; $1 million corps project for Argusville City; and $45,000 in Raymond Township to protect 80 acres.

The communities and farmers along the Sheyenne and Maple Rivers are interested in a 100-year flood protection project. It is estimated that a flood in this area could cause $700 million in damages, with the greatest impact in the area where the Sheyenne and Maple Rivers flow together to join the Red River. In light of the potential damage, and the role of the Federal Government in helping communities and States recover from flood disasters, I think that $15 million spent on a dam now would be a sound and wise investment.

I would ask unanimous consent that the bill be printed in full following my remarks.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 1139

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the Secretary of the Army, acting through the Chief of Engineers, is authorized and directed to proceed with the planning, designing, engineering, and construction of the plan for flood protection and related purposes on the Sheyenne River, North Dakota, as described and recommended in the Report of the Chief of Engineers dated August 22, 1984, at an estimated federal cost of $26,200,000 (October 1984 price levels), and to proceed with the planning, design and construction, at full federal expense, of a dam and a reservoir of about 35,000 acre-feet of storage in the vicinity of Enderlin, North Dakota, on the Maple River to provide the downstream communities and adjacent environs protection against flooding, at an estimated cost of $15,000,000 (October 1984 price levels).

SEC. 2. Congress finds that the benefits attributable to the flood control measures provided by the Maple River project exceed the cost of such measures and further economic analysis is not required.

SEC. 3. The plan of the Chief of Engineers to modify the Baldhill Dam (authorized by Public Law 78-534) for dam safety considerations shall not preclude implementation of those components of the Sheyenne River, North Dakota, project not dependent on such safety modifications.

Mr. ANDREWS. Mr. President, I am pleased to join my distinguished colleague from North Dakota in introducing legislation to provide for the Sheyenne and Maple River control project. Completion of this long overdue project will protect and reassure residents of both the farms and cities that have been devastated by flooding from both spring runoff from thawing snow and from heavy rains later in the season. The threat of flooding along these rivers is not seasonal or predictable, it can occur at any time, in any season other than the winter.

The Nation's East-West Continental Divide crosses North Dakota. The drainage basin to the east and north of that divide puts water into the Red River of the north, which flows from south to north, into Canada and ultimately into the Hudson Bay. The whole area, once a prehistoric lake called Lake Agassiz, has some of the richest farm land in the world and is the site of the most metropolitan developments in North Dakota. The Sheyenne and Maple River flood control project not only provides long overdue protection to the immediately affected communities, but also provides water management capability for the whole area of the Red River Valley in North Dakota and Minnesota.

For too long the local, State, and Federal response to the threat and reality of flooding in this area has been piecemeal and spot repair. Small dikes, emergency evacuation, and later reseeded crops, with remodeled and redecorated dwellings and businesses assisted by disaster aid have been the last ditch emergency response to and from the flooding of the past. It is time to put that behind us and provide these residents of farm and city the protection and assurance of safety they deserve and desire.

My colleague has set forth the costs of the Sheyenne and Maple River control project. It seems a small price to pay for the benefits and assurances for which our friends and neighbors have waited so long. It is cost effective to implement the cooperative plans of the local and State planning groups and those of the Army Corps of Engineers to solve the problem and resolve the threat once and for all. Every level of involved government, from township, to county, to city to State has given its encouragement and approval

to this Sheyenne and Maple River control project.

I am convinced this provides the best and most effective overall solution to the serious flooding from the Sheyenne and Maple Rivers.

This project has my unqualified support and enthusiastic endorsement.

By Mr. METZENBAUM (for himself, Mr. THURMOND, and Mr. DECONCINI):

S. 1140. A bill to amend the antitrust laws in order to preserve and promote wholesale and retail competition in the retail gasoline market and to protect the motoring safety of the American public; to the Committee on the Judiciary.

MOTOR FUEL SALES COMPETITION IMPROVEMENT ACT

● Mr. METZENBAUM. Mr. President, today I am pleased to introduce, along with Senator THURMOND and Senator DECONCINI, the Motor Fuel Sales Competition Improvement Act of 1985. This bill will dramatically improve competition in the sale of gasoline at the retail and wholesale levels. It will benefit consumers as well as insure independent service station dealers have a fair opportunity to compete in the sale of gasoline.

This bill has two basic components. First, it prohibits refiners from requiring that service stations purchase all or almost all of their supplies of gasoline from a single source. Oil companies could not require independent dealers to purchase more than 70 percent of their supplies from the companies' refineries. Consequently, dealers would be free to go elsewhere to buy gasoline supplies when they could find a better price. The result would be to inject competition into what is now a system that freezes out competition. Under this bill, if an oil company tries to squeeze its dealers by charging prices for supplies that are not competitive, the dealer could respond by looking around for supplies from other refiners or wholesalers.

This provision is consistent with the settlement of recent antitrust litigation between independent dealers and 15 major oil companies. In this case, Bogosion versus Gulf Oil Corp., et al., the independent dealers claimed that the oil companies, among other things, had restricted their ability to buy gasoline from other suppliers. The settlement with almost all the defendants allows dealers to have greater freedom to buy supplies from others if they can get a better deal. This settlement, if the dealers are allowed to put it in practice, will reduce gasoline prices for consumers and allow service station dealers to be more competitive.

The terms of this settlement, however, expire after 5 years. In addition, the provision of each settlement are somewhat different and in some cases oil companies can impose greater restrictions on their dealers than in others. Finally, there is legitimate fear by some dealers that the economic leverage wielded by the oil companies, who in most cases, own the station and lease it to the dealer, will prevent the dealer from taking advantage of the settlement. As one dealer put it when the settlement was announced, the settlement "grants a theoretical right. But it doesn't address the fact that the oil company is landlord, banker, giver of wholesale and retail credit and supplier of maintenance."

The settlement shows that giving dealers greater freedom to purchase supplies from others does not present a serious burden for the major oil companies. This greater flexibility in purchasing supplies will be implemented through conversion of one or more pumps or addition of new pumps to dispense gasoline supplied by someone other than the company whose brand is displayed at the station. The bill requires that the dealer provide notice at the point of sale that gasoline supplied by someone else is being dispensed at a particular pump.

By making the terms of this settlement permanent, and by insuring that dealers can take advantage of the greater freedom to buy supplies, the consumer will save and dealers will have some economic leverage to use against the big oil companies that supply them.

The second part of this bill prohibits large integrated refiners from controlling the operations of gasoline service stations. No company which owns refining capacity over 175,000 barrels per day and which produces more than 30 percent of the crude oil supplied to its own refineries would be allowed to set prices and control the operations of service stations, although they would be permitted to own the station property and lease it to the dealer who runs the station.

This provision would prevent approximately the 20 largest oil companies in this country from controlling retail operations. It would not prevent the scores of other refiners in operation today or any other type of company from operating service stations.

This provision of the bill would allow retail service stations to compete on a fair basis. Large oil companies would not be allowed to extend their dominance any longer into the sale of gasoline at retail.

Mr. President, independent service stations are in trouble. Their numbers are shrinking at an alarming pace. And there seems no end in sight.

It is no accident that these independent businesses are struggling for their existence. They are up against major oil companies that already control the production of domestic crude oil, crude oil pipelines, refining, and marketing. Not only do the major oil companies own most of the assets in each of these levels of production, but their market share understates the degree to which they are able to cooperate to control the market.

Big oil controls pipelines throughout the Nation through joint ownership agreements. Offshore exploration is typically done through joint ventures. Crude oil is traded among the major oil companies through complex exchange agreements.

In addition to this powerful tendency for the oil companies to cooperate rather than compete, in recent years we have witnessed a decline in the independent companies operating in this industry. Over 90 refineries have closed since 1981, almost all of them independents. Big oil companies have tried to buy up their midsize competitors in order to have access to crude oil supplies for less than the cost of drilling for them.

In short, the major oil companies' ability to manipulate prices and control all levels of the industry, already enormous, is expanding. By dominating the retailing level, big oil is able to control the industry from taking it out of the ground to putting it in the consumer's gas tank.

Day by day, the oil companies are using their vast financial power to eliminate competition from independent gasoline dealers. Retailing used to be the area in which we saw the greatest amount of competition, because of the role played by the independent dealers. But increasingly, as the numbers starkly demonstrate, the big oil companies have been driving out the independents. And the tactics that have sometimes been used cannot be described as fair and reasonable.

While some dealers may have failed because of poor management and changing market conditions, many appear to have been the victims of unfair pricing and marketing practices by the major integrated oil companies that continue unabated today. Hearings in past Congresses revealed a vast array of tactics used by the major integrated refiners against these small and independent businesses. Such tactics, according to extensive testimony from present and former dealers, have included excessive rent increases, abrupt changes in credit terms, delays in credit card processing, subsidization by refiners of their own directly operated stations, refusals to provide routine maintenance service to dealers, reduced gasoline allocation to the independents when supplies are short, and unreasonable quotas when the market is flooded.

It is clear that the major integrated refiners have reaped the benefits of such economic eviction techniques. At the same time that independent dealerships have been declining by the tens of thousands, integrated refiners have expanded their sales of gasoline

through stations that they themselves owned and operated.

Ed Rothschild, director of the Citizen/Labor Energy Coalition, an organization representing consumers' interests on energy matters, has advocated divestiture by oil companies of retail operations:

We know that once the dust settles, that once the major oil companies have restructured the gasoline market to their oligopolistic advantage, the competition that now exists will disappear. The majors, with their access to lower-priced crude oil will have a significant economic advantage over non-integrated refiners and will be in a position (particularly in a declining market) to become even more dominant. They will use the power of vertical integration to further restrict the competition at the refining and marketing levels and consumers will be forced to pay monopoly prices for gasoline and other petroleum products.

The legislation we are proposing today will restore the competitiveness of small businesses engaged in gasoline marketing in part by eliminating the incentives that lead to such inequitable practices by the major refiners.

Mr. President, I ask unanimous consent that a more detailed statement of the bill be included in the RECORD.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

MOTOR FUEL SALES COMPETITION IMPROVEMENT ACT OF 1985: SUMMARY OF PROVISIONS

WHOLESALE PURCHASE OF GASOLINE

Section 2(a) prohibits producers or refiners from requiring service station dealers to purchase more than 70 percent of their gasoline supplies from the producer or refiner and allows the dealer to convert existing tanks and dispensers or install new ones to sell gasoline supplies by someone other than company whose brand is displayed.

Section 2(b) prohibits producers or refiners from conspiring to violate Section 2. For example, one oil company could not conspire with another company to refuse to supply a dealer in order to force the dealer to buy all its supplies from one of the oil companies.

Section 2(c) requires branded dealers who sell gasoline supplied by companies other than the company owning the brand to disclose to the public that sales of gasoline from particular pumps are not supplied by the brand-name company. In order to comply with this provision, a dealer could install new pumps and tanks or convert existing facilities, as long as clear notice was made at the point of sale.

OPERATION OF SERVICE STATIONS

Section 3 prohibits large integrated oil refiners from operating service stations. Large integrated refiners are defined as companies with refining capacity exceeding 175,000 barrels per day and which supply 30% or more of their own crude oil to their refineries. This prohibition on operation of stations applies to approximately the 20 largest oil companies.

Section 4 allows large integrated refiners to own the station facilities as long as they do not control the operation through employees or in other ways.

Section 5 provides definitions of terms. Section 6(a) provides for enforcement by the Justice Department and the Federal Trade Commission. Section 6(b) provides for private enforcement. Section 6(c) provides for an effective date one year from enactment.●

By Mr. DOLE (for himself, Mr. BOSCHWITZ, Mr. LEAHY, Mr. DANFORTH, and Mr. ANDREWS):

S. 1142. A bill to improve and extend certain domestic food assistance programs, and for other purposes; to the Committee on Agriculture, Nutrition, and Forestry.

DOMESTIC FOOD ASSISTANCE ACT

Mr. DOLE. Mr. President, today, as chairman of the Nutrition Subcommittee, I am introducing the Domestic Food Assistance Act of 1985, which includes a 4-year reauthorization of the Food Stamp Program, Commodity Supplemental Food Program, and Temporary Emergency Food Assistance Program. I am pleased to be joined in the introduction of this legislation by Senators BOSCHWITZ, LEAHY, DANFORTH, and ANDREWS.

We are committed to fulfilling the nutritional needs of low-income Americans, while maintaining an approach that is consistent with current budget constraints. It is significant that this reauthorization is a bipartisan effort, and I welcome the support of Senator LEAHY, with whom I worked very closely during the last food stamp reauthorization process in 1981, when he was then ranking minority member of the Nutrition Subcommittee. This coalition was also very productive during the budget process the following year.

Mr. President, this week, the Committee on Agriculture, Nutrition, and Forestry will begin markup of the 1985 farm bill, which includes the reauthorization of the Food Stamp Program. There are those who believe that this program should undergo another round of budget cuts to the extent of a billion dollars or more. Then, there are those who believe that increasing spending by that amount will make domestic hunger problems go away.

This legislation achieves $79 million in savings for fiscal year 1986, while the Senate-passed budget resolution requires $78 million in savings, including $40 million in regular Food Stamp Program spending reductions, and $38 million for Puerto Rico. In the outyears, this bill would save significantly more than what is required in the current budget resolution. I ask unanimous consent that a comparison chart showing budget savings be included in the record at this point.

There being no objection, the chart was ordered to be printed as follows:

[Budget savings in millions of dollars]

	Fiscal year—		
	1986	1987	1988
Senate Budget resolution:			
Regular Food Stamp Program	−40	−78	−109
Puerto Rico block grant	−38	−77	−115
Total	−78	−155	−224
Domestic Food Assistance Act:			
Regular Food Assistance Program	−41	−112	−119
Puerto Rico block grant	−38	−77	−115
Total	−79	−189	−234

This Domestic Food Assistance Act will expand accessibility to the Food Stamp Program through various noncost provisions. Benefits to the working poor will be increased by raising the earned income disregard from 18 percent to 20 percent. Further, administrative savings are achieved by some other provisions. Although we may be spending additional Federal funds to increase benefits to food stamp recipients, we are also eliminating a free revenue ride that States have been getting as a result of State sales taxes on food. These taxes erode the purchasing power of food stamp beneficiaries, while the States are able to collect revenues from what should be food dollars. The major savings provision included in this legislation would save over $100 million a year after it is fully implemented—$132 million in fiscal year 1987, and $139 million in fiscal year 1988.

Mr. President, we believe that this Food Assistance Act of 1985 represents a responsible approach to reauthorization of the Food Stamp Program, Commodity Supplemental Food Program, and Temporary Emergency Food Assistance Program. In this legislation, we make many changes in the current Food Stamp Program that will enhance program accessibility to those who meet the eligibility criteria. At the same time, we are able to meet the constraints of the current budget resolution.

These are difficult times for the American people and Members of Congress—we are no longer in a create-a-new-program spending mode. Tough decisions have to be made. We have a great responsibility to the taxpayer, as well as to those in our society who are genuinely in need and require help from the Government. During the budget processes of 1981 and 1982, we were able to reduce Food Stamp Program spending by $7 billion during the 3-year fiscal period 1982–85. Although we can still achieve some further spending cuts, this should not be accomplished at the expense of low-income Americans. Poor people do not have strong voices in the Halls of Congress—they can't hire fancy lobbyists to protect their interests, and they don't attend fundraisers. They have to depend upon Members of Congress themselves to be sensitive to their needs.

Mr. President, it is our hope that the Domestic Food Assistance Act of 1985 will provide a basis for consideration of issues relating to reauthorization of the Food Stamp, Commodity Supplemental and Temporary Emergency Food Assistance Programs.

I ask unanimous consent that a section-by-section summary of this legislation appear in the RECORD immediately following my statement, as well as the bill itself.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

S. 1142

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Domestic Food Assistance Act of 1985".

DECLARATION OF POLICY

SEC. 2. (a) The Congress finds that—

(1) existing hunger and malnutrition in the United States are deplorable and without justification; and

(2) hunger and malnutrition are complex, social and human resource problems which require the coordinated efforts of Federal, state, and local government, public and private for profit and nonprofit organizations, and affected families and individuals.

(b) It is the policy of the Congress—

(1) to review periodically all federal domestic food assistance programs;

(2) to make any necessary changes in such programs in a manner which will diminish hunger and malnutrition; and

(3) to provide the maximum amount of assistance under such programs to individuals with particular nutritional needs.

TITLE I—FOOD STAMP PROGRAM

EARNED INCOME DEDUCTION

SEC. 101. The third sentence of section 5(e) of the Food Stamp Act of 1977 (7 U.S.C. 2014(e)) is amended by striking out "18 per centum" and inserting in lieu thereof "20 per centum".

INCOME EXCLUSIONS

SEC. 102. Section 5 of the Food Stamp Act of 1977 (7 U.S.C. 2014) is amended—

(1) in subsection (d)—

(A) by inserting "except as provided in subsection (k) of this section," after the comma at the end of clause (1);

(B) by inserting "and no portion of any federal educational grant, to the extent it provides assistance beyond that used for tuition and mandatory school fees," after "expenses," in the proviso of clause (5); and

(C) by inserting "except as otherwise provided in subsection (l) of this section" after the comma at the end of clause (10); and

(2) by adding at the end thereof the following new subsection:

"(k)(1) For purposes of subsection (d)(1), except as provided in paragraph (2), assistance provided to a third party on behalf of a household by a State or local government shall be considered money payable directly to the household if the assistance is provided in lieu of a regular benefit payable to a household for living expenses under part A of title IV of the Social Security Act (42 U.S.C. 601 et seq.) or a State or local general assistance program.

"(2) Paragraph (1) of this subsection shall not apply to—

"(A) medical assistance;

"(B) child care assistance;

"(C) energy assistance; and

"(D) emergency and special assistance, to the extent excluded in regulations prescribed by the Secretary.

"(l) Notwithstanding section 142(b) of the Job Training Partnership Act (29 U.S.C. 1552(b)), income of individuals earned as a result of participation in a program authorized under such Act shall be considered earned income for purposes of the food stamp program.".

DEDUCTION OF ENERGY ASSISTANCE PAYMENTS

SEC. 103. Section 5(e) of the Food Stamp Act of 1977 (7 U.S.C. 2014(e)) is amended—

(1) by inserting ", excluding expenses paid on behalf of the household under the Low-Income Home Energy Assistance Act of 1981 (42 U.S.C. 8621 et seq.)," after "by a household for shelter" each place it appears in clause (2) of the fourth sentence and subclause (C) of the last sentence; and

(2) by inserting after the seventh sentence the following new sentence: "A State agency may use a standard utility allowance for a household on behalf of whom a payment is made under the Low-Income Home Energy Assistance Act of 1981 (42 U.S.C. 8621 et seq.) if such household incurs out-of-pocket heating or cooling expenses.".

MONTHLY REPORTING AND RETROSPECTIVE BUDGETING SIMPLIFICATION

SEC. 104. (a) Section 5(f)(2) of the Food Stamp Act of 1977 (7 U.S.C. 2014(f)(2)) is amended—

(1) by amending subparagraph (A) to read as follows:

"(A) Household income for—

"(i) migrant farmworker households; and

"(ii) households—

"(I) that have no earned income; and

"(II) in which all adult members are elderly or disabled members;

shall be calculated on a prospective basis, as provided in paragraph (3)(A).";

(2) in subparagraph (B)—

(A) in clause (i)—

(i) by inserting "under the first sentence of section 6(c)(1)" after "permitted"; and

(ii) by striking out "under section 6(c)(1) of this Act,";

(B) by striking out clause (ii); and

(C) in clause (iii)—

(i) by striking out "(iii)" and inserting in lieu thereof "(ii)";

(ii) by striking out "other than a migrant household" and inserting in lieu thereof "other than households specified in subparagraph (A)";

(iii) by inserting "under the first sentence of section 6(c)(1)" after "not required"; and

(iv) by striking out "under section 6(c)(1) of this Act"; and

(3) by striking out subparagraph (C) and inserting in lieu thereof the following new subparagraphs:

"(C) Except as provided in subparagraphs (A) and (B), household income for households which have earned income, and for households which include any member who has recent work history, shall be calculated on a retrospective basis, as provided in paragraph (3)(B).

"(D) Household income for all other households may be calculated, at the option of the State agency, on a prospective basis as provided in paragraph (3)(A) or on a retrospective basis as provided in paragraph (3)(B).".

(b) Section 6(c)(1) of such Act (7 U.S.C. 2015(c)(1)) is amended—

(1) in the first sentence, by striking out "certain categories of households" and all that follows through "disabled members," and inserting in lieu thereof "households with respect to which household income is required by section 5(f)(2)(C) to be determined on a retrospective basis"; and

(2) by inserting after the second sentence the following new sentence: "State agencies may require households, other than households with respect to which household income is required by section 5(f)(2)(A) to be calculated on a prospective basis, to file periodic reports of household circumstances in accordance with the standards prescribed under the preceding provisions of this paragraph by the Secretary.".

CATEGORICAL ELIGIBILITY

SEC. 105. (a) Subsection (j) of section 5 of the Food Stamp Act of 1977 (7 U.S.C. 2014(j)) is amended to read as follows:

"(j) Notwithstanding subsections (a) through (i), a State agency shall consider a household in which each member of the household receives either benefits under a State plan approved under part A of title IV of the Social Security Act (42 U.S.C. 601 et seq.) or supplemental security income benefits under title XVI of such Act (42 U.S.C. 1380 et seq.) to have satisfied the income and resource limitations for participation in the food stamp program prescribed under this section.".

(b) Section 11(i) of such Act (7 U.S.C. 2020(i)) is amended by adding at the end thereof the following new sentence: "A State agency may not deny or terminate benefits to a household under the food stamp program solely on the basis of the denial or termination of benefits to such household under the aid to families with dependent children program established under part A of title IV of the Social Security Act (42 U.S.C. 601 et seq.) or the supplemental security income program established under title XVI of such Act (42 U.S.C. 1381 et seq.) without a separate determination by such agency that such household has failed to satisfy the eligibility requirements for participation in the food stamp program.".

JOB SEARCH PROGRAM

SEC. 106. Section 6(d) of the Food Stamp Act of 1977 (7 U.S.C. 2015(d)) is amended—

(1) in paragraph (1)—

(A) by designating the first and second sentences as subparagraphs (A) and (B), respectively;

(B) by amending clause (ii) of subparagraph (A) (as designated by clause (A)) to read as follows: "(ii) refuses without good cause to fulfill the job search requirements prescribed by paragraph (4) and whatever reasonable job search requirements are prescribed by the State agency in accordance with paragraph (4), which may, at the option of the State agency, provide that such requirements apply to applicants at the time of application, except that the period of ineligibility under this clause shall be two months;";

(C) by adding at the end thereof the following new subparagraphs:

"(C) A period of ineligibility of a household for a violation of a requirement of this paragraph shall terminate when the household member who committed the violation complies with such requirement.

"(D) If a household member who commits such violation leaves the household during the period of ineligibility, such household—

"(i) shall not be ineligible for assistance under this Act as a result of such violation; and

"(ii) if it is otherwise eligible, may resume participation in the program.

"(E) A household of which such person thereafter becomes a member shall be ineligible for the balance of the period of ineligibility."; and

(2) by adding at the end thereof the following new paragraph:

"(4)(A) As used in the paragraph, the term 'job search program' means a program that contains—

"(i) terms and conditions comparable to those prescribed for employment search under sections 402(a)(35)(A) and (B) of the Social Security Act (42 U.S.C. 602(a)(35)(A) and (B)), except that a State agency may not be required to incur costs for a program participant in excess of $25 per month and may exercise the option provided in paragraph (1)(ii); and

"(ii) to the extent determined appropriate by the State agency, reasonable job search training and support activities, including jobs skills assessments, job finding clubs, training in techniques of employability, job placement services, or other direct training or support activities determined by the State agency to expand the job search abilities or employability of program participants.

"(B) A State agency shall conduct a job search program in accordance with this paragraph.

"(C) A State agency may provide that participation in the training and support activities referred in in subparagraph (A)(ii) may supplement or supplant other requirements imposed by this Act on program participants.

"(D) A State agency shall exempt from the job search program—

"(i) a category of household members to which the State agency determines that the application of such program is impracticable as the result of the unavailability of work opportunities, the cost effectiveness of job search activities, or other factors; and

"(ii) an individual household member not included in such category to whom the State agency determines that the application of such program is impracticable as the result of personal circumstances of the member such as the lack of job readiness and employability, the remote location of work opportunities, the unavailability of dependent care, or other factors.

"(E) In making a determination under subparagraph (D)(i), a State agency may include in a category all household members residing in a specified area of the State.".

(b) Section 11(e) of the Food Stamp Act of 1977 (7 U.S.C. 2020(e)) is amended—

(1) by striking out "and" at the end of paragraph (20);

(2) by striking out the period at the end of paragraph (21) and inserting in lieu thereof a semicolon and "and"; and

(3) by adding at the end thereof the following new paragraph:

"(22) that the State agency shall conduct a job search program in accordance with section 6(d)(4) and describe such program in the State plan of operation.".

(c) Section 16 of the Food Stamp Act of 1977 (7 U.S.C. 2025) is amended by adding at the end thereof the following new subsection:

"(h)(1) In order to pay each State agency the full cost of carrying out the job search program required under section 6(d)(4), except as otherwise provided in this subsection, the Secretary shall allocate from funds appropriated under section 18(a)(1) an amount of $40,000,000 for the fiscal year ending September 30, 1986, and $50,000,000 for the fiscal year ending September 30, 1987 and each fiscal year thereafter.

"(2) If a State agency incurs costs in carrying out such program that exceed the amount payable to the State agency under paragraph (1), the Secretary shall pay such State agency in accordance with subsection (a) an amount equal to 50 per centum of such additional costs.

"(3) The Secretary shall reimburse each State agency, in accordance with subsection (a), in an amount equal to 50 per centum of the total amount of payments made or costs incurred by the State agency in connection with transportation costs and other expenses reasonably incurred in the job search program required by section 6(d)(4), except that the total amount of such payments or costs for a program participant may not exceed $25 per month.

"(4) The Secretary shall monitor the job search programs carried out by State agencies under section 6(d)(4) in order to measure the effectiveness of such programs in increasing the number of household members who obtain and retain employment as the result of participation in such programs.".

(d) No later than April 1, 1988, the Secretary of Agriculture shall submit a report on the effectiveness of the job search programs conducted by State agencies under section 6(d)(4) of the Food Stamp Act of 1977 (7 U.S.C. 2015(d)(4)) to the Committee on Agriculture of the House of Representatives and the Committee on Agriculture, Nutrition, and Forestry of the Senate.

ISSUANCE OF COUPONS

SEC. 107. (a) Section 7(a) of the Food Stamp Act of 1977 (7 U.S.C. 2016(a)) is amended by adding at the end thereof the following new sentence: "A coupon issuer may issue coupons to eligible households at various times during a month.".

(b) The first proviso of section 7(b) of such Act is amended by inserting before the colon at the end thereof the following: ", except that a participating retail food store or wholesale food concern which is located in an area in which food stamps are commonly used (as determined by the Secretary) may not increase the price of food at any time during a month if the increase is the result of the issuance of coupons to customers of the store or concern".

ALTERNATIVE MEANS OF COUPON ISSUANCE

SEC. 108. Section 7(g)(1) of the Food Stamp Act of 1977 (7 U.S.C. 2016(g)(1)) is amended by striking out "may" in the matter preceding clause (A) and inserting in lieu thereof "shall".

REDEMPTION OF COUPONS

SEC. 109. Section 10 of the Food Stamp Act of 1977 (7 U.S.C. 2019) is amended by adding at the end thereof the following new sentence: "A financial institution may not impose on, or collect from, a retail food store a fee or other charge for the redemption of coupons that are submitted to the financial institution in order to defray the costs of complying with a requirement, other than a requirement relating to the cancellation of coupons, for the presentation of coupons by the financial institution to a Federal Reserve bank.".

HOURS OF OPERATION

SEC. 110. Section 11(e)(2) of the Food Stamp Act of 1977 (7 U.S.C. 2020(e)(2)) is amended—

(1) by striking out the semicolon at the end thereof and inserting in lieu thereof a period; and

(2) by adding at the end thereof the following new sentence: "The State agency shall assess, from time to time, the need for operating food stamp offices within the State during evening and weekend hours.".

ELIGIBILITY OF THE HOMELESS

SEC. 111. Section 11(e)(2) of the Food Stamp Act of 1977 (7 U.S.C. 2020(e)(2)) (as amended by section 110 of this Act) is further amended by adding at the end thereof the following: "The State agency shall provide a method of certifying and issuing coupons to eligible households who do not reside in permanent dwellings or who do not have fixed mailing addresses. In carrying out the preceding sentence, the State agency shall take such steps as are necessary to assure that participation in the food stamp program is limited to eligible households;".

DISQUALIFICATION OF RETAIL FOOD STORES AND CIVIL MONEY PENALTIES

SEC. 112. Section 12 of the Food Stamp Act of 1977 (7 U.S.C. 2021) is amended by adding at the end thereof the following new subsection:

"(e)(1)(A) If a retail food store or wholesale food concern disqualified under subsection (a) is sold or otherwise transferred, the person who sold or transferred such store or concern shall be subject to a civil money penalty.

"(B) The amount of such penalty shall—

"(i) be established by the Secretary through regulations; and

"(ii) reflect that portion of the disqualification period which has not yet expired.

"(C) If such store or concern has been disqualified permanently, the amount of such penalty shall be double the penalty imposed for a ten-year disqualification period, as determined under regulations issued by the Secretary.

"(D) Notwithstanding the imposition of such penalty, the disqualification period imposed under subsection (b) shall continue in effect as to the person who sold or transferred such store or concern.

"(2)(A) After a civil money penalty imposed against a person under paragraph (1) has become final pursuant to section 14(a), the Secretary may request the Attorney General to institute a civil action against such person to collect such penalty in a district court of the United States for any district in which such person is found, resides, or transacts business.

"(B) Such court shall have jurisdiction to hear and decide such action.

"(C) The validity and amount of such penalty shall not be subject to review in such action.".

AUTHORIZATION FOR APPROPRIATIONS

SEC. 113. The first sentence of section 18(a)(1) of the Food Stamp Act of 1977 (7 U.S.C. 2027(a)(1)) is amended—

(1) by striking out "and" after "1984"; and

(2) by inserting before the period at the end thereof the following: "; not in excess of $13,217,000,000 for the fiscal year ending September 30, 1986; not in excess of $14,034,000,000 for the fiscal year ending September 30, 1987; not in excess of $14,841,000,000 for the fiscal year ending September 30, 1988; and not in excess of $15,702,000,000 for the fiscal year ending September 30, 1989".

PROHIBITION AGAINST THE TRANSFER OF FUNDS TO OFFICE OF THE INSPECTOR GENERAL

SEC. 114. Section 18 of the Food Stamp Act of 1977 (7 U.S.C. 2027) is amended by adding at the end thereof the following new subsection:

"(f) No funds appropriated to carry out this Act may be transferred to the Office of

the Inspector General of the Department of Agriculture.".

TRANSFER OF SALES TAX IMPOSED ON FOOD PURCHASED WITH FOOD STAMPS

SEC. 115. Section 18 of the Food Stamp Act of 1977 (7 U.S.C. 2027) (as amended by section 114 of this Act) is amended by adding at the end thereof the following new subsection:

"(g)(1) As used in this subsection, the term 'program period' means the three-month period beginning on April 1, 1986, and each three-month period thereafter.

"(2) If a State participated in the food stamp program in any program period and in such program period the State or any political subdivision thereof imposed a tax on the sale of food purchased with coupons, the State shall transfer to the Secretary of the Treasury as soon as practicable, but not later than sixty days, after the end of such program period, an amount equal to the sum of—

"(A) the product obtained by multiplying—

"(i) the total value of coupons issued by the State agency of the State to all households during such program period; by

"(ii) the rate of tax imposed by such State on the sale of food purchased with coupons during such program period (as determined by the Secretary of Agriculture); and

"(B) the product obtained by multiplying—

"(i) the total value of coupons issued by the State agency of the State to all households within such political subdivision during such program period; by

"(ii) the rate of tax imposed by such political subdivision on the sale of food purchased with coupons during such program period (as determined by the Secretary of Agriculture).

"(3) If a State fails to transfer to the Secretary of the Treasury the amount of funds described in paragraph (2)—

"(A) the Secretary of the Treasury shall notify the Secretary of Agriculture of such failure; and

"(B) the Secretary of Agriculture may withhold, from funds which the State would otherwise be entitled to receive under section 16(a), the amount which the State failed to pay.".

(b) The amendment made by subsection (a) of this section shall become effective on April 1, 1986.

PUERTO RICO BLOCK GRANT

SEC. 116. Section 19 of the Food Stamp Act of 1977 (7 U.S.C. 2026) is amended—

(1) in subsection (a)(1)(A)—

(A) by inserting "through the fiscal year ending September 30, 1989," after "for each fiscal year";

(B) by striking out "noncash"; and

(C) by striking out ", and" and all that follows through the period and inserting in lieu thereof a period;

(2) by striking out "50 per centum of the" in subsection (a)(1)(B); and

(3) by striking out "a single agency which shall be" in subsection (b)(1)(A)(i) and inserting in lieu thereof "the agency or agencies directly".

COMMUNITY WORK AND TRAINING PROGRAM

SEC. 117. (a) The Food Stamp Act of 1977 (7 U.S.C. 2011 et seq.) is amended by adding at the end thereof the following new section:

"COMMUNITY WORK AND TRAINING PROGRAM

"SEC. 21. (a) A State agency may establish a community work experience program in accordance with this section.

"(b)(1) The purpose of a community work experience program shall be to provide experience and training for individuals not otherwise able to obtain employment in order to assist them to become regularly employed.

"(2) Such program shall be designed to improve the employability of participants through actual work experience and training and to enable individuals employed under such program to become employed promptly in the public or private sector.

"(3) Such program shall be limited to projects which serve a useful public purpose in fields such as health, social service, environmental protection, education, urban and rural development and redevelopment, welfare, recreation, public facilities, public safety, and day care.

"(c) In carrying out a community work experience program under this section, a State agency shall—

"(1) utilize, to the extent possible, the prior training, experience, and skills of a participant in making appropriate work experience assignments;

"(2) prescribe appropriate standards for health, safety, and other conditions applicable to the performance of work;

"(3) take such steps as may be necessary to assure that the program does not result in the displacement of employed persons or the filling of established unfilled position vacancies;

"(4) provide reasonable conditions of work, taking into account the geographic region, residence, and proficiency of the participants;

"(5) not require participants, without their consent, to travel an unreasonable distance from their homes or remain away from their homes overnight;

"(6) provide that the maximum number of hours in any month that a participant may be required to work is that number which equals the value of the allotment of the household of which such individual is a member divided by the greater of the Federal or the applicable state minimum wage; and

"(7) provide for the payment of transportation and other costs, not in excess of an amount established by the Secretary, reasonably necessary and directly related to participation in the program.

"(d) The facilities of State public employment offices may be used to find employment opportunities for participants in the community work experience program.

"(e)(1) A State agency may not use funds provided to carry out the community work experience program under section 16(a) to compensate participants for the performance of work.

"(2) A participant in such program shall not be entitled to a salary or to any other work or training expense provided under any other provision of law by reason of participation in such program.

"(3) Nothing in this Act shall prevent a State agency from operating a community work experience program in accordance with this section and in accordance with such other terms and conditions as the State agency may determine to be necessary, whether or not consistent with section 6(d)(1)).

"(f)(1) Each person who is required to comply with section 6(d)(1) or is described in section 6(d)(2)(A) shall participate in a community work experience program, upon referral by the State agency, unless such person is currently employed at least eighty hours a month and is earning an amount not less than the applicable minimum wage for such employment.

"(2) In addition to a person described in paragraph (1), a State agency may also require to participate in such program a person who would be required to comply with section 6(d)(1) but for the exception contained in section 6(d)(2)(B) if the person is caring for a child over three years of age or an incapacitated person and care for such child or incapacitated person is available.

"(g) The State agency shall coordinate a community work experience program operated under this section, the requirements prescribed under section 6(d) (1) and (4), and a pilot program operated under section 17(e) so as to assure that job placement will have priority over participation in the community work experience program.

"(h) Section 6(d)(1) shall apply to any individual referred to a community work experience program who fails to participate in such program in the same manner that such section applies to an individual who is required to comply with section 6(d)(1).

"(i) Funds provided to carry out the community work experience program under section 16(a) may not be used—

"(1) to make or acquire materials or equipment in connection with the work performed under such program;

"(2) to pay the cost of supervision of work under such program; or

"(3) to pay other costs unless such costs are attributable to such program and the payment of such costs is approved by the Secretary.".

(b) Section 16(a) of such Act (7 U.S.C. 2025(a)) is amended—

(1) by striking out "and" at the end of clause (3); and

(2) by inserting ", and (5) a community work experience program" after "(4) fair hearings".

TITLE II—NUTRITION SURVEILLANCE

NUTRITIONAL STATUS MONITORING

SEC. 201. Section 1428 of the National Agricultural Research, Extension, and Teaching Policy Act of 1977 (7 U.S.C. 3178) is amended to read as follows:

"NUTRITIONAL STATUS MONITORING

"SEC. 1428. (a) The Secretary and the Secretary of Health and Human Services shall establish a comprehensive nutritional status monitoring program which shall include the following:

"(1) An assessment system consisting of periodic surveys and continuous monitoring to determine the extent of risk of nutrition-related health problems in the United States, which population groups or areas of the country face the greatest risks of such problems, and the likely causes of risk and changes in such risk factors over time.

"(2) A surveillance system to identify remediable nutrition-related health risks to individuals or for local areas, in such a manner as to tie detection to direct intervention and treatment.

"(3) Program evaluations to determine the adequacy, efficiency, effectiveness, and effects of nutrition-related programs in reducing health risks to individuals and populations.

"(4) Periodic special surveys to determine the health and nutritional status of particularly vulnerable low-income population groups, including low-income mothers; single parent, pregnant mothers; single, elderly person households; and homeless individuals.

"(b) In carrying out the monitoring system required under subsection (a), the Secretary and the Secretary of Health and Human Services shall conduct longitudinal surveys in order to determine the status over time of nutrition-related health problems in the United States.

"(c) In carrying out the surveillance system required under subsection (a)(2), the Secretary and the Secretary of Health and Human Services shall use screening and other information available from other health programs, including programs funded under titles V, XVIII, and XIX of the Social Security Act (42 U.S.C. 701 et seq.) and section 330 of the Public Health Service Act (42 U.S.C. 254c).".

TITLE III—FOOD DISTRIBUTION AND EMERGENCY SHELTERS

TRANSFER OF SECTION 32 COMMODITIES

SEC. 301. Section 32 of the Act entitled "An Act to amend the Agricultural Adjustment Act, and for other purposes", approved August 24, 1935 (7 U.S.C. 612c), is amended by adding at the end thereof the following new sentence: "A public or private nonprofit organization which receives agricultural commodities or products under clause (2) of the second sentence of this section may transfer such commodities or products to another public or private nonprofit organization which agrees to use such commodities or products to provide, without cost or waste, nutrition assistance to individuals in low-income groups.".

COMMODITY SUPPLEMENTAL FOOD PROGRAM

SEC. 302. (a) Section 4(a) of the Agriculture and Consumer Protection Act of 1973 (7 U.S.C. 612c note) is amended by striking out "1982, 1983, 1984, and 1985" and inserting in lieu thereof "1986, 1987, 1988, and 1989".

(b) Section 5(a) of such Act (7 U.S.C. 612c note) is amended—

(1) by amending clause (1) to read as follows:

"(1) shall conduct the pilot projects directed at low-income elderly persons (including, where feasible, distribution of commodities to such persons in their homes) which were in existence on the date of enactment of the Domestic Food Assistance Act of 1985, and"; and

(2) by striking out "1982 through 1985" in clause (2) and inserting in lieu thereof "1986 through 1989".

TEMPORARY EMERGENCY FOOD ASSISTANCE PROGRAM

SEC. 303. (a) Section 202 of the Temporary Emergency Food Assistance Act of 1983 (7 U.S.C. 612c note) is amended by adding at the end thereof the following new subsection:

"(c) In addition to any commodities described in subsections (a) and (b), the Secretary may use to carry out this Act agricultural commodities and products made available under clause (2) of the second sentence of section 32 of the Act entitled 'An Act to amend the Agricultural Adjustment Act, and for other purposes', approved August 24, 1935 (7 U.S.C. 612c).".

(b) Section 204(b) of such Act (7 U.S.C. 612c note) is amended by striking out "September 30, 1984, and September 30, 1985" and inserting in lieu thereof "September 30, 1986, September 30, 1987, September 30, 1988, and September 30, 1989".

(c) Section 212 of such Act (7 U.S.C. 612c note) is amended by striking out "1985" and inserting in lieu thereof "1989".

DONATIONS BY MILITARY COMMISSARIES

SEC. 304. (a) Section 2482 of title 10, United States Code, is amended—

(1) by inserting "(a)" after the section designation; and

(2) by adding at the end thereof the following new subsection:

"(b) A commissary store of the Department of Defense may donate surplus, unmarketable food to a local food bank.".

(b) The caption of section 2482 of such title is amended by striking out ": private operation".

TITLE IV—EFFECTIVE DATES

EFFECTIVE DATES

SEC. 401. (a) Except as provided in subsections (b) and (c) of this section, this Act and the amendments made by this Act shall become effective on such dates as the Secretary of Agriculture shall prescribe, taking into account the need for orderly and expeditious implementation, but in no event later than one year after the date of enactment of this Act.

(b) The amendments made by sections 102, 103, 111, 116, 302, 303, and 304 of this Act shall become effective on October 1, 1985.

(c) The amendments made by sections 101 and 115 of this Act shall become effective on April 1, 1986.

SECTION-BY-SECTION DESCRIPTION OF THE DOMESTIC FOOD ASSISTANCE ACT OF 1985

Section 1 provides that this Act may be cited as the "Domestic Food Assistance Act of 1985."

Section 2 sets forth findings of the Congress that: existing hunger and malnutrition are deplorable and without justification; and hunger and malnutrition are complex social and human resource problems requiring coordinated efforts of Federal, State, and local government, public and private organizations, and affected families and individuals.

It also states that it is the policy of the Congress to: periodically review all Federal domestic food assistance programs; make necessary changes to diminish hunger and malnutrition; and provide maximum assistance through domestic food assistance programs to individuals with particular nutritional needs.

TITLE I—THE FOOD STAMP PROGRAM

Earned income deduction

Section 101 amends section 5(e) of the Food Stamp Act to increase the proportion of earned income disregarded for food stamp eligibility and benefit purposes—from 18 to 20 percent effective April 1, 1986. This repeals a reduction from 20 to 18 percent legislated in 1981.

Income exclusions

Section 102 amends section 5 of the Food Stamp Act to make 3 changes in the rules governing income that must be disregarded for food stamp eligibility and benefit purposes.

It would require that Federal educational grants be counted as income for food stamp purposes, to the extent that they are not used for tuition and mandatory school fees and regardless of whether they may be earmarked as "reimbursements" for expenses. Existing law has been interpreted to allow the portion of some grants to be disregarded as reimbursements. The amendment would retain the existing-law disregard of the portion of any grant that is used for tuition and mandatory school fees.

It would require that payments for living expenses made to third parties ("vendor payments") on behalf of a household by State or local governments be counted as money payable directly to the household—if the aid is provided in place of a regular Aid to Families with Dependent Children [AFDC] benefit or a State or local general assistance benefit. However, medical assistance, child care assistance, energy assistance, and emergency and special assistance would continue not to be counted if made as a vendor payment. Under existing law, vendor payments are, in general, disregarded.

It would require that the earnings of participants in Job Training Partnership Act [JTPA] programs be counted as earned income for food stamp purposes. Under existing law, they are disregarded.

Deduction of energy assistance payments

Section 103 amends section 5(e) of the Food Stamp Act to make clear that energy assistance payments made to energy suppliers under the Low-Income Home Energy Assistance Program [LIHEAP] cannot be counted when determining a household's shelter expense deduction for food stamp purposes. It would also allow States to use a "standard utility allowance" for households for whom a LIHEAP payment has been made to a supplier, but who still have out-of-pocket home energy expenses.

Monthly reporting and retrospective budgeting simplification

Section 104 amends sections 5(f) and 6(c) of the Food Stamp Act to require that States use "monthly reporting and retrospective budgeting" for households having earned income or any recent work history, unless the Secretary waives the requirement and allows less frequent reporting or "prospective budgeting." Elderly or disabled households with no earned income, and migrant households, would be subject to prospective budgeting and a requirement to report changes in household circumstances when they occur (rather than monthly). States would have the option of whether to apply monthly reporting and retrospective budgeting to other types of households. Under existing law, migrant households are exempt from both monthly reporting and retrospective budgeting, and elderly or disabled households are exempt from monthly reporting. In all other instances, a State must obtain a waiver if it feels that monthly reporting and retrospective budgeting are not cost-effective for a given recipient group. The proposed amendment would conform food stamp practice with the monthly reporting and retrospective budgeting rules in the Aid to Families with Dependent Children [AFDC] program. It would also conform food stamp law with the general result of the existing "waiver" system—e.g., waivers limiting application of monthly reporting and retrospective budgeting to households with earned income or recent work history.

Categorical eligibility

Section 105 amends sections 5 and 11 of the Food Stamp Act to grant "categorical" (automatic) food stamp eligibility to households in which all members receive either Aid to Families with Dependent Children [AFDC] or Supplemental Security Income [SSI] benefits. It would also stipulate that eligibility for food stamps may not be denied or terminated solely on the basis of an AFDC or SSI eligibility determination. Under existing law, AFDC recipients must pass all food stamp eligibility tests, except for the assets test; SSI recipients must pass

all food stamp tests. The President's Task Force on Food Assistance recommended categorical eligibility for AFDC and SSI recipients and pilot projects on categorical eligibility are currently authorized.

Job search program

Section 106 amends section 6, 11, and 16 of the Food Stamp Act to require that all States operate a "job search program" for food stamp recipients and to provide additional Federal funds to help finance the programs. It also provides that disqualification for failure to meet any of the food stamp program's work requirements is to be for 2 months, or until the requirement is complied with, and that disqualification of a household ends if the member who failed to comply leaves. Under existing law and regulations, enforcement of job search requirements is a State option, Federal funding is limited to the State's share of a $30-million allocation, the length of work-related disqualifications is not specified in law, and disqualification of a household continues even if the non-complying member leaves.

The job search programs that States would be required to operate would be up to them to design, and job search programs could include required job contacts, training and support activities such as job skills assessments, job finding clubs, and job placement services, and payment of job search related expenses such as transportation (although there would be no obligation to pay more than $25 per participant per month). States would also have the authority to limit the applicability of job search requirements by exempting recipients for whom it feels the requirements would be impracticable. Barring State decisions to limit the coverage of their job search programs, job search would be required of all unemployed or underemployed adult (between ages 18 and 60) able-bodied recipients, unless they are caring for a child under age 6 or a disabled person, are students otherwise eligible (i.e., working or with dependent young children), subject to and complying with another program's work requirement, or residents of a drug addiction or alcohlic treatment program.

Increased Federal funding for job search activities would consist of an increase in the basic allocation (from $30 to $40 million in fiscal year 1986, and to $50 million in later fiscal years), and a requirement that the Federal government share in half the cost of any efforts beyond a State's share of the basic allocation.

Issuance of coupons

Section 107 amends section 7 of the Food Stamp Act to allow "staggered" issuance of food stamps throughout the month, rather than at set times every month. It also would prohibit food-price increases relating to the issuance of food stamps. Existing law does not specifically allow for the staggered issuance of food stamps and the President's Task Force on Food Assistance recommended that specific permission be adopted.

Alternative means of coupon issuance

Section 108 amends section 7 of the Food Stamp Act to require the Secretary to have States use alternative means of issuing food stamps if it is determined, in consultation with the Inspector General, that it would improve program integrity. Alternative methods of issuance include using automatic data processing and information retrieval systems, or issuing, instead of food stamps, reusable documents (similar to credit or bank cards).

Redemption of coupons

Section 109 amends section 10 of the Food Stamp Act to prohibit financial institutions accepting ("redeeming") food stamps from retailers from charging a fee for redemption if the food stamps are submitted in accordance with Federal Reserve Board requirements (other than requirements for cancellation). Existing law contains no such prohibition.

Hours of operation

Section 110 amends section 11(e) of the Food Stamp Act to require that State agencies periodically assess the need for extended hours of operation—during evening and weekend hours. Existing law contains no specific provisions in this regard and the President's Task Force on Food Assistance recommended that States be encouraged to keep food stamp offices open during some non-business hours.

Eligibility of the homeless

Section 111 amends section 11(e) of the Food Stamp Act to require that States provide a method of certifying land issuing food stamps to eligible households not residing in a permanent dwelling or without a fixed mailing address. In carrying out this requirement, States would have to take necessary steps to ensure that food stamp participation is limited to eligible households. Existing law contains no specific provisions in this regard and the President's Task Force on Food Assistance recommended that procedures be put in place to ensure that those not having fixed addresses are served by the food stamp program.

Disqualification of retail food stores and civil money penalties

Section 112 amends section 12 of the Food Stamp Act to convert any disqualification of a retail food store into a civil money penalty when the disqualified store is sold or transferred before the disqualification period is completed. The amount of the payment would be calculated in a manner similar to the manner civil money penalties in lieu of disqualifications are now determined: i.e., multiply 10 percent of monthly food stamp redemptions times the number of months remaining in the disqualification period. Disqualification ends on sale of a store under existing law.

Authorization for appropriations

Section 113 amends section 18(a) of the Food Stamp Act to extend the authorization for appropriations through fiscal year 1989, with the following "caps": $13,217,000,000 for fiscal year 1986; $14,034,000,000 for fiscal year 1987; $14,841,000,000 for fiscal year 1988; and $15,702,000,000 for fiscal year 1989.

Prohibition against transfer of funds to the Office of the Inspector General

Section 114 amends section 18 of the Food Stamp Act to prohibit any funds appropriated under the authority of the Food Stamp Act from being transferred to the Agriculture Department's Office of the Inspector General, thereby requiring a separate appropriation. Under present practice, a portion of each year's food stamp appropriation is transferred to the Inspector General's office for use in food-stamp-related investigative activities. A separate appropriation is not sought or made.

Transfer of sales tax imposed on food purchased with food stamps

Section 115 amends section 18 of the Food Stamp Act to require that States transfer to the Federal government an estimated amount equal to the sales taxes collected on food stamp purchases in the State, if such State or local taxes are charged. The requirement would be effective beginning with the April–June quarter of 1986 and the transfers would be required quarterly (within 60 days of the end of a quarter). If a State fails to transfer the appropriate amount, the Secretary would be authorized to withhold amounts otherwise due the State (i.e., the Federal share of State and local administrative costs).

Puerto Rico block grant

Section 116 amends section 19 of the Food Stamp Act to authorize $825 million annually for the Puerto Rico Block Grant for nutrition assistance through fiscal year 1989. It would also revise 3 existing provisions of law affecting the operations of the block grant: The current noncash assistance requirement, now scheduled to be implement in October 1985, would be repealed, allowing the Commonwealth to continue to determine the form of assistance under its block grant; the current requirement that the Commonwealth pay 50 percent of administrative costs matched under the block grant would be deleted; and the current requirement that the Commonwealth use a single State agency to administer its nutrition assistance program would be deleted.

Community work and training program

Section 117 amends the Food Stamp act to add a new section (21) giving States the option to establish community work experience programs, in addition to other work-related activities. States would be allowed to initiate activities providing work experience and limited training to food stamp recipients, or strengthen similar existing efforts. The authority for and limitations on these optional work experience programs would be similar to the authority granted to states for their Aid to Families with Dependent Children [AFDC] recipients in 1981. However, the food stamp work experience programs could, in addition to work in return for benefits, provide for a broader range of work experience and training activities than provided for under workfare or other authorities, and States could limit participation to specific recipient groups most likely to benefit. Each program would be State-designed and would be aimed at improving the employability of participants through actual work experience and training, in order to enable participants to become employed promptly. As with existing food stamp workfare authority, the number of hours of work experience or training would be limited to the value of the household's food stamp allotment divided by the minimum wage, protection for recipients and against displacement of existing employees would be required, and States would receive a reimbursement of half of their administrative and limited participant support costs.

This amendment would allow States to pursue food stamp employment and training programs that are more flexible than under current law, which limits them to either job search activities (requiring a specific number of job contacts) or workfare. It would also complement the requirement, in this bill (section 106), for a job search program that can include training and support components.

TITLE II—NUTRITION SURVEILLANCE

Nutritional status monitoring

Section 201 amends section 1428 of the National Agricultural Research, Extension,

and Teaching Policy Act of 1977 to require that, as a part of our comprehensive nutritional status monitoring program, periodic special surveys be included to determine the nutritional status of particularly vulnerable low-income groups (including low-income mothers, single parents, pregnant women, single elderly persons, and homeless individuals). It would also require: (1) assessment and monitoring of nutrition-related health problems, who faces the greatest risks, and the likely causes of nutrition-related health risks; (2) development of a surveillance system that can tie detection of nutrition-related health risks to means of direct intervention and treatment; and (3) program evaluations to determine the adequacy, efficiency, effectiveness, and effects of nutrition programs in reducing nutrition-related health risks.

The President's Task Force on Food Assistance recommended that the Federal government devote more effort to developing standards and means to measure nutritional status.

TITLE III—FOOD DISTRIBUTION

Transfer of "section 32" commodities

Section 301 would amend section 32 of the Act of August 24, 1935, to allow public or private nonprofit agencies receiving "section 32" commodities to transfer those commodities to other public or private nonprofit organizations that agree to use the commodities to assist low-income groups without cost or waste.

Commodity Supplemental Food Program

Section 302 would amend section 4(a) of the Agriculture and Consumer Protection Act of 1973 by extending, through fiscal year 1989, the suthority for appropriations to obtain commodities for the commodity supplemental food program and other commodity distribution programs. It would also amend section 5(a) of that Act to extend, through fiscal year 1989, the current-law requirement for the provision of Federal funds for State and local administrative operating costs. Finally, it would require the continuation of pilot commodity supplemental food projects for the elderly in existence at the date of enactment.

Temporary Emergency Food Assistance Program [TEFAP]

Section 303 would amend the Temporary Emergency food Assistance Act of 1983 to extend the Temporary Emergency Food Assistance Program [TEFAP] through fiscal year 1989, and to extend the $50 million annual appropriation authorization for costs associated with the provision of commodities to needy persons served by food banks, charitable institutions, hunger centers, soup kitchens, and similar public or private nonprofit agencies, nonprofit public or private agencies. It would also authorize the Secretary of Agriculture to make "section 32" commodities available to carry out the purposes of the Temporary Emergency Food Assistance Act.

Donations by military commissaries

Section 304 would amend section 2482 of title 10 of the United States Code to allow commissary stores of the Department of Defense to donate surplus, unmarketable food to local food banks.

TITLE IV—EFFECTIVE DATES

Section 401 provides that the effective date of the following sections would be October 1, 1985: sections 102, 103, 111, 116, 302, 303, and 304—dealing with income exclusions, deduction of energy assistance payments, eligibility of the homeless, the Puerto Rico block grant, the commodity supplemental food program, the temporary emergency food assistance program, and donations by military commissaries. It also provides that the effective date of sections 101 and 115—dealing with the earned income deduction and the transfer of sales tax imposed on food purchased with food stamps—would be April 1, 1986. All other amendments would be effective on such dates as the Secretary of Agriculture prescribes, taking into account the need for orderly and expeditious implementation—but in no event later than one year after enactment.

Mr. BOSCHWITZ. Mr. President, I am pleased to join Senator DOLE in introducing the Domestic Food Assistance Act of 1985. The purpose of this legislation is to reauthorize and improve the Food Stamp Program. The Domestic Food Assistance Act of 1985 will be a positive and effective step toward alleviating hunger in the United States while being fiscally responsible. The costs of the Food Stamp Program under this bill, will be within the constraints imposed by the budget resolution.

The improvements we make in the program include raising the earned income deduction from 18 to 20 percent and strengthening the job search and work requirements. Increasing the earned income deduction to 20 percent increases the incentive for food stamp recipients to work. Increasing the States' grants for the job search and work requirements will help States provide incentives to food stamp recipients to return to work.

In this bill we pay for these improvements and get the cost of the program within the budget resolution by freezing the block grant to Puerto Rico for food assistance and by requiring States to repay the sales tax collected on food paid for with food stamps.

Once again, with Senator DOLE's leadership, I think we have come up with a pragmatic, responsible approach to reauthorizing the Food Stamp Program.

By Mr. LEVIN (for himself, Mr. GRASSLEY, Mr. DOLE, Mr. THURMOND, Mr. LAXALT, Mr. HATCH, Mr. SIMPSON, Mr. DENTON, and Mr. DECONCINI):

S. 1145. A bill to increase the accountability of, policy coordination by, and management of priorities by agencies through an improved mechanism for congressional oversight of the rules of agencies; to the Committee on the Judiciary.

RULEMAKING PROCEDURES REFORM ACT

Mr. LEVIN. Mr. President, I am today joining with my colleague Senator GRASSLEY, the current chairman of the Administrative Practices Subcommittee of the Senate Judiciary Committee, in introducing the Agency Accountability Act of 1985. Senators DOLE, BOREN, THURMOND, LAXALT, HATCH, SIMPSON, DENTON, and DECONCINI are also cosponsoring this measure, which we believe is a responsible answer to the Supreme Court's Chadha decision in which one and two House legislative vetoes were so sweepingly overturned.

Although the Supreme Court struck down through the breadth of its opinion the existing legislative vetoes over agency rulemaking, as well as legislative veto mechanisms in other areas such as foreign policy, budget and reorganization, the need for this shared-power mechanism has not diminished. Our attention has been focused on, and this bill addresses the area of, agency rulemaking. The executive branch and independent agencies continue to churn out thousands of regulations, directly and significantly affecting our lives, without the politically accountable involvement of the Congress. The reason and need for the legislative veto over agency rulemaking has not changed, only—because of the Supreme Court's decision—the mechanics of its procedures. The bill we are introducing meets the constitutional tests laid out by the Supreme Court in Chadha and at the same time gives Congress the power over these regulations which it should have to assure agency accountability to the public—without creating an unmanageable workload.

The Levin-Grassley legislative bill is similar in some respects to earlier versions, except that it provides for a prohibition on the appropriation of funds for the implementation of any rule for which a joint resolution of disapproval has been passed by both houses of Congress. It uses the constitutional mechanisms of a joint resolution of disapproval which was contained in the earlier versions of the Levin-Boren legislative veto, which means that both houses of Congress and the President are required to pass and sign, respectively, the disapproval resolution. This meets the essential elements of the Chadha decision, which requires involvement by both houses of Congress and presentment to the President.

The bill categorize rules into two areas—major and nonmajor. These are terms with which the agencies and Congress have been familiar over the past several years. The definition of a major rule is contained in the bill, and is the same definition as that contained in S. 1080, which passed the Senate by a vote of 96 to 0 in the 97th Congress.

The reason for distinguishing between major and nonmajor rules is to avoid any unnecessary delay in the implementation of noncontroversial rules. Major rules require more time for analysis because of their likely complexity, but it would be unfortunate to submit other rules which are simpler and less important to the same timeframe. Thus the bill establishes a

90-day delay period from the time the rule is sent to the Federal Register for publication as final and a 45-day delay period for nonmajor rules. "Days" are defined as legislative days. A rule may take effect during either the 90- or 45-day time periods if either House of Congress defeats a joint resolution of disapproval. Expedited procedures are included for the prompt consideration of a resolution of disapproval.

The bill adds the new and important provision establishing an internal mechanism for controlling the appropriation of funds for the implementation or administration of a controversial rule. If both Houses of Congress have passed a joint resolution of disapproval, but the President has vetoed the resolution and Congress has not overturned the veto, the appropriation of funds for that rule is restricted. In that situation a point of order will lie against final passage of any appropriations bill or resolution involving the agency with responsibility for the rule, unless the appropriations bill or resolution has a specific restriction in it which prohibits the use of any of the appropriated funds for the administration or enforcement of the subject rule. This provision is constitutional because it is a housekeeping measure, internal to the Congress. It is not a legislative act requiring presentment to the President; it is merely a statement of Congress' internal rule of procedures with regard to regulations which have been disapproved by both Houses.

Mr. President, Senator GRASSLEY and our other cosponsors have given a great deal of thought to the subject of an appropriate response to the Chadha decision. In the interests of achieving a governmentwide legislative veto mechanism over agency rulemaking we have engaged in a lot of give and take. We are proud of this final product, because it is effective, constitutional and reasonable. I hope our colleagues will join us in support of this measure.

I ask unanimous consent that a copy of the legislation be printed following my remarks.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 1145

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Rulemaking Procedures Reform Act of 1985".

SEC. 2. (a) Section 551 of title 5, United States Code, is amended—

(1) by striking out paragraph (4) and inserting in lieu thereof the following:

"(4) 'rule' means the whole or part of an agency statement of general or particular applicability designed to implement, interpret, or prescribe law or policy or to describe the organization, procedure, or practice requirements of an agency and includes—

"(A) the approval or prescription for the future of rates, wages, corporate or financial structures or reorganizations thereof, prices, facilities, appliances, services or allowances therefor, or of valuations, costs, or accounting, or practices bearing on any of the foregoing; and

"(B) any amendment, revision, or repeal of such an agency statement.";

(2) by striking out the word "and" in paragraph (13);

(3) by striking out the period at the end of paragraph (14) and inserting a semicolon and the word "and"; and

(4) by inserting immediately after paragraph (14) the following new paragraph:

"(15) 'emergency rule' means a rule which is temporarily effective prior to the expiration of the otherwise specified periods of time for public notice and comment under this subchapter and which was duly promulgated by an agency pursuant to a finding that delay in the effective date thereof would—

"(A) seriously injure an important public interest,

"(B) substantially frustrate legislative policy and intent, or

"(C) seriously damage a person or class of persons without serving any important public interest.".

(b) Section 553(b) of such title is amended by striking out clause (B) and inserting in lieu thereof the following:

"(B) when the agency for good cause finds that public notice and comment are unnecessary due to the routine nature or matter or insignificant impact of the rule, or that an emergency rule should be promulgated.

An agency which finds that clause (A) or (B) of this subsection applies to a rule shall publish in the Federal Register with the final rule a statement of such finding and a brief description of reasons for such finding. The provisions of clauses (A) and (B) of this subsection shall not preclude an agency from—

"(i) inviting persons representing different points of view to submit comments,

"(ii) creating an advisory committee to report, or

"(iii) using such other devices to obtain suggestions,

regarding the content of proposed rules prior to notice of rule making.".

(c) Section 553 of such title is amended—

(1) by striking out subsection (c) and inserting in lieu thereof the following:

"(c) Except as provided in subsection (e) with respect to an emergency rule, and after notice required by this section, the agency shall give interested persons not less than 60 days to participate in the rule making through submission of written data, views, or arguments with or without opportunity for oral presentation. The agency may extend the 60-day period if the agency determines that such period is insufficient to permit diligent interested persons to prepare comments or that other circumstances justify an extension of such period. After consideration of the relevant matter presented, the agency shall incorporate in the rules adopted a concise general statement of their basis and purpose. When rules are required by statute to be made on the record after opportunity for an agency hearing, sections 556 and 557 of this title apply instead of this subsection.";

(2) by redesignating subsection (e) as subsection (f); and

(3) by inserting after subsection (d) the following new subsection:

"(e) Unless earlier withdrawn by the agency, earlier disapproved by a joint resolution of Congress pursuant to chapter 8 of this title, or earlier set aside by court action, an emergency rule shall terminate 120 days after the date on which it is promulgated.".

SEC. 3. (a) Title 5, United States Code, is amended by inserting after chapter 7 the following new chapter:

"CHAPTER 8—AGENCY ACCOUNTABILITY

"Sec.
"801. Findings and purposes.
"802. Definitions.
"803. Agenda; transmission of rules.
"804. Review of agency rules.
"805. Procedures for consideration of joint resolutions.
"806. Relationship to other law.
"807. Enforcement.

"§ 801. Findings and purposes

"(a) The Congress finds and declares that—

"(1) agencies issue a large number of rules that have a significant impact on the Nation;

"(2) these agencies are staffed by persons who are not elected and who are therefore not directly accountable to the public;

"(3) some of the rules issued by these agencies may conflict with or duplicate other rules or may not conform with legislative intent;

"(4) conflicting or duplicative rules may contribute to governmental inefficiency, and rules which do not conform with legislative intent may frustrate the purposes and implementation of congressionally mandated programs; and

"(5) conflicting or duplicative rules and rules which do not conform with legislative intent may also impose unnecessary burdens on State and local governments.

"(b) Therefore, it is the purpose of this chapter to assure increased agency accountability to the public through their elected officials and through adherence to legislative intent in the issuance of agency rules.

"§ 802. Definitions

"For purposes of this chapter:

"(1) The term 'agency' has the same meaning as in section 551(1) of this title.

"(2) The term 'rule' has the same meaning as in section 551(4) of this title, except that such term does not include—

"(A) a rule or statement described in section 553(b)(A) of this title, unless such rule or statement has general applicability and substantially alters or creates rights or obligations of persons outside the agency;

"(B) a rule of particular applicability that approves or prescribes for the future rates, wages, prices, services, or allowances therefor, corporate or financial structures, reorganizations, mergers, or acquisitions thereof, or accounting practices or disclosures bearing on any of the foregoing; and

"(C) a rule if—

"(i) the agency made a finding with respect to such rule under section 553(b)(B) of this title; and

"(ii) on the date on which the agency promulgates the rule, the head of the agency submits a copy of the statement required to be published in the Federal Register under such section to the chairman and ranking minority member of the appropriate committees.

"(3) The term 'joint resolution' means only an unamendable joint resolution which contains no preamble and the matter after the resolving clause of which is as follows: 'That the Senate and the House of Repre-

sentatives disapprove the recommended final rule issued by dealing with the matter of , which rule was transmitted to the Congress on .', the first blank being filled with the name of the agency issuing the rule, the second blank being filled with the title of the rule and such further description as may be necessary to identify it, and the third blank being filled with the date of transmittal of the rule to the Congress.

"(4) The term 'appropriate committee' means the committee of the House of Representatives and the committee of the Senate which has primary legislative jurisdiction over the statute pursuant to which an agency issues a rule.

"(5) The term 'major rule' means—

"(A) a rule or a group of closely related rules that the agency, the President, or an officer of the Government designated by the President reasonably determines is likely to have an annual effect on the economy of $100,000,000 or more in reasonably quantifiable direct and indirect costs; or

"(B) a rule or a group of closely related rules that is otherwise designated a major rule by the agency proposing the rule, or is so designated by the President or an officer of the Government designated by the President, on the ground that the rule is likely to result in—

"(i) a substantial increase in costs or prices for wage earners, consumers, individual industries, nonprofit organizations, Federal, State, or local government agencies, or geographic regions; or

"(ii) significant adverse effects on competition, employment, investment, productivity, innovation, the environment, public health or safety, or the ability of enterprises whose principal places of business are in the United States to compete in domestic or export markets.

"(6) The term 'emergency rule' has the same meaning as in section 551(15) of this title.

"§ 803. Agenda; transmission of rules

"(a) Each agency shall prepare an agenda listing all areas in which the agency intends to propose rules within the following twelve-month period. The agency shall transmit such agenda or relevant portion thereof to the appropriate committee of the Senate and the appropriate committee of the House of Representatives. Failure to list an area of possible rule making on an agenda shall not preclude an agency from proposing or issuing any rule. The agenda, or relevant portion thereof, shall be transmitted to the appropriate committees within one hundred and eighty days after the effective date of this chapter and semiannually thereafter.

"(b) On the day an agency forwards to the Federal Register for publication a recommended final rule, the agency shall transmit to the Secretary of the Senate and the Clerk of the House of Representatives a copy of such rule and a copy of any other materials transmitted to the Federal Register for publication with respect to such rule. The Secretary of the Senate and the Clerk of the House of Representatives are authorized to receive a recommended final rule under this subsection whether the appropriate House is in session, recess, or adjournment.

"(c) On the day on which the Secretary of the Senate and the Clerk of the House of Representatives receive a recommended final rule, the Secretary and the Clerk shall transmit a copy of such rule and any materials received with respect to such rule to the appropriate committees.

"§ 804. Review of agency rules

"(a) For purposes of this section and section 805 of this title—

"(1) 'days' means only days of continuous session of Congress;

"(2) continuity of session is broken only by an adjournment sine die at the end of a Congress; and

"(3) the days on which either House is not in session for more than three days because of an adjournment or recess to a day certain shall be excluded in the computation of days of continuous session of Congress.

"(b) Notwithstanding any other provision of law, any final rule shall be considered a recommendation of the agency to the Congress and shall have no force and effect as a rule unless such rule has become effective in accordance with this chapter.

"(c)(1) Notwithstanding any other provision of law, a recommended final rule shall become effective in accordance with its terms unless—

"(A) in the case of a recommended final major rule, a joint resolution is enacted into law within 90 days after the first day of continuous session of Congress after the day on which such rule is received by the Secretary of the Senate and the Clerk of the House of Representatives under section 803(b) of this title; or

"(B) in the case of a recommended final nonmajor rule, a joint resolution is enacted into law within 45 days after the first day of continuous session of Congress after the day on which such rule is received by such Secretary and such Clerk under such section.

"(2) Whenever an appropriate committee reports a joint resolution pursuant to this chapter, the joint resolution shall be accompanied by a committee report specifying the reasons for the committee's action.

"(d) Notwithstanding paragraph (1) of subsection (c), a recommended final rule may become effective at any time after the day on which either House of Congress defeats a joint resolution, and, in the case of the Senate, a motion to reconsider such joint resolution is disposed of.

"(e) If Congress adjourns sine die at the end of a Congress prior to the expiration of the period specified in subparagraph (A) of subsection (c)(1) with respect to a recommended final major rule, or prior to the expiration of the period specified in subparagraph (B) of such subsection with respect to a recommended final nonmajor rule, as the case may be, the rule shall not become effective during that Congress. The agency which issued such recommended final rule may transmit such rule at any time after the first day of the following Congress in accordance with section 803(b) of this title, and the period specified in subparagraph (A) or (B) of subsection (c)(1), as the case may be, with respect to such rule shall begin on the day such rule is transmitted to the Congress.

"(f)(1) If a recommended final rule of an agency does not become effective under this chapter, the agency may issue a recommended final rule which relates to the same acts or practices as the rule which did not become effective under this chapter. Such recommended final rule—

"(A) shall be based upon—

"(i) the rule making record of the recommended final rule which did not become effective under this chapter; or

"(ii) such rule making record and the record established in supplemental rule making proceedings conducted by the agency in accordance with section 553 of this title, in any case in which the agency determines that it is necessary to supplement the existing rule making record; and

"(B) may reflect such changes as the agency considers necessary or appropriate including such changes as may be appropriate in light of congressional debate and consideration of the joint resolution with respect to the rule.

"(2) An agency, after issuing a recommended final rule under this subsection, shall transmit such rule to the Secretary of the Senate and the Clerk of the House of Representatives in accordance with section 803(b) of this title, and such rule shall only become effective in accordance with this chapter.

"(g) Congressional inaction on or rejection of a joint resolution with respect to a recommended final rule shall not be deemed an expression of approval of such rule.

"§ 805. Procedures for consideration of joint resolutions

"(a) The provisions of this section and sections 802(3), 803(c), and 804(c)(2) of this title are enacted by Congress—

"(1) as an exercise of the rulemaking power of the Senate and the House of Representatives, respectively, and as such they are deemed a part of the rules of each House, respectively, but applicable only with respect to the procedure to be followed in that House in the case of joint resolutions; and they supersede other rules only to the extent that they are inconsistent therewith; and

"(2) with full recognition of the constitutional right of either House to change the rules (so far as relating to the procedure of that House) at any time, in the same manner and to the same extent as in the case of any other rule of that House.

"(b) Except as provided in subsection (e) of this section, joint resolutions shall, upon introduction or receipt from the other House of Congress, be immediately referred by the presiding officer of the Senate or the House of Representatives to the appropriate committee of the Senate or the House of Representatives, as the case may be.

"(c)(1)(A) Except as provided in subparagraph (B) of this paragraph, if the committee to which a joint resolution has been referred does not report such joint resolution—

"(i) in the case of a joint resolution with respect to a recommended final major rule, within 60 days after the first day of continuous session of Congress after the day on which such rule is received by the Secretary of the Senate and the Clerk of the House of Representatives under section 803(b) of this title;

"(ii) in the case of a joint resolution with respect to a recommended final nonmajor rule, within 30 days after the first day of continuous session of Congress after the day on which such rule is received by such Secretary and such Clerk under such section,

it shall be in order to move to discharge the committee from further consideration of such joint resolution.

"(B) If the committee to which a joint resolution transmitted from the other House has been referred does not report such joint resolution—

"(i) in the case of a joint resolution with respect to a recommended final major rule, within 20 days after the date of transmittal of such joint resolution from the other House; or

"(ii) in the case of a joint resolution with respect to a recommended final nonmajor

rule, within 10 days after the date of transmittal of such joint resolution from the other House,

it shall be in order to move to discharge such committee from further consideration of such joint resolution.

"(2)(A) Any motion to discharge under paragraph (1) of this subsection in the Senate may be made by one Senator and is privileged (except that it may not be made after a joint resolution has been reported with respect to the same rule).

"(B) Any motion to discharge under paragraph (1) of this subsection in the House of Representatives must be supported in writing by one-fifth of the Members of the House of Representatives, duly chosen and sworn, is highly privileged, and may be filed—

"(i) in the case of a joint resolution with respect to a recommended final major rule, 20 days after the first day of continuous session of Congress after the day on which the Secretary of the Senate and the Clerk of the House of Representatives receive such rule under section 803(b) of this title; or

"(ii) in the case of a joint resolution with respect to a recommended final nonmajor rule, 10 days after the first day of continuous session of Congress after the day on which such Secretary and such Clerk receive such rule under such section.

"(C) Debate on any motion to discharge under paragraph (1) of this subsection in the Senate or the House of Representatives shall be limited to not more than one hour, the time to be divided in the Senate equally between, and controlled, by the majority leader and the minority leader or their designees, and to be divided in the House of Representatives equally between those favoring and those opposing the motion to discharge. An amendment to the motion is not in order.

"(d)(1) Except as provided in paragraphs (2) and (3) of this subsection, consideration of a joint resolution shall be in accord with the rules of the Senate and of the House of Representatives, respectively.

"(2) When a committee has reported or has been discharged from further consideration of a joint resolution, or when the companion joint resolution from the other House has been placed on the calendar of the first House, it shall be in order, notwithstanding the provisions of rule XXII of the Standing Rules of the Senate or any other rule of the Senate or the House of Representatives, at any time thereafter (even though a previous motion to the same effect has been disagreed to) to move to proceed to the immediate consideration of either such joint resolution. The motion is highly privileged in the House and privileged in the Senate and is not debatable. An amendment to the motion is not in order.

"(3) Debate on a joint resolution shall be limited to not more than two hours (except that when one House has debated its joint resolution, the companion joint resolution shall not be debatable), which shall be divided in the House of Representatives equally between those favoring and those opposing the joint resolution and which shall be divided in the Senate equally between, and controlled, by the majority leader and the minority leader or their designees. A motion further to limit debate is not in order. An amendment to, or motion to recommit, the joint resolution is not in order. A motion to reconsider shall be in order only on the day on which occurs the vote on adoption of the joint resolution, and shall not be debatable. Any other motions shall be decided without debate.

"(e) If a joint resolution has been ordered reported or discharged from the committee of the House to which it was referred, and that House receives a joint resolution with respect to the same rule from the other House, the joint resolution of the other House shall be placed on the appropriate calendar of the first House. If prior to the disposition of a joint resolution of one House, that House receives the companion joint resolution from the other House, the vote in the first House shall occur on the joint resolution of the other House.

"§ 806. Relationship to other law

"The provisions of this chapter supersede any other provision of law requiring action by one or both Houses of Congress for congressional review or disapproval of agency rules to the extent such other provisions are inconsistent with this chapter.

"§ 807. Enforcement

"(a) This section is adopted as an exercise of the power of each House of Congress to determine the rules of its proceedings. The Congress specifically finds that the provisions of this section are essential to the Congress in exercising its constitutional responsibility to monitor and to review exercises by the Executive of delegated powers of a legislative character.

"(b) Except as provided in subsection (c) of this section, after the Senate and the House of Representatives adopt a joint resolution with respect to a rule pursuant to this chapter, it shall not be in order in the Senate or the House to vote on final passage of any bill or resolution making appropriations for the agency which issued such rule unless such bill or resolution contains provisions which prohibit the use of any funds appropriated by such bill or resolution to issue, promulgate, enforce, or otherwise carry out such rule.

"(c) In any case in which, prior to the effective date of this chapter, Federal law provided that a rule subject to this chapter could not take effect if such rule was disapproved by action of only one House of Congress, the provisions of subsection (b) of this section shall apply to such rule on and after the date on which either the Senate or the House of Representatives passes a joint resolution under this chapter with respect to such rule.

"(d) An appeal of a ruling of the presiding officer sustaining a point of order raised under this section shall require the approval of a majority of members of the Senate or the House of Representatives, as the case may be, present and voting, to overrule the ruling of the Presiding Officer. On all appeals under this section there shall be one hour of debate equally divided.".

(b) The table of chapters for part I of such title is amended by inserting after the item relating to chapter 7 the following new item:

"8. Agency Accountability ..... 801.".

SEC. 4. This Act and the amendments made by this Act shall take effect on the first day of the One Hundredth Congress.

Mr. GRASSLEY. Mr. President, 4 years ago, a new administration and a new Senate majority took office, pledged to reduce the pervasive role of Government in the everyday lives of Americans.

Our targets were a tax system which punished initiative and investment, wasteful Government spending which crowded out private sector activity, and pernicious Federal regulation which increased costs for businesses and consumers alike, while intruding on the prerogatives of families and communities.

In these 4 years, Congress has joined with the administration in reforming that tax system. And while we have yet to face squarely the inevitable consequences of mammoth deficits, we have at least slowed the growth of Federal spending.

Yet as we begin a second Reagan administration, and the third Congress since that shift in the Senate, Congress remains, a seemingly hapless bystander in that third, equally vital, area of limiting Government power: regulatory reform. Though the Senate-passed comprehensive regulatory reform legislation in 1982—by a 94 to 0 vote—Congress has not advanced at all since that high point in our effort.

In fact, Congress has suffered a setback in its participation in the regulatory reform process. That setback revolves around what I consider the centerpiece of the congressional role in the regulatory reform process: the legislative veto.

A large piece of the blame for the growth of the Federal regulatory morass falls on Congress for its willingness to abandon its oversight and legislative function in favor of a mass of faceless bureaucrats.

However, Congress had begun to reassert some of its control over the workings of Government through its use of the legislative veto of agency actions—and seemed prepared to flex its muscles still further by expanding its use of the device to all major agency rules—until the Supreme Court stepped into the breach in Chadha versus Immigration and Naturalization Service.

In Chadha, the Court struck down the use of the legislation veto in more than 120 statutes, ruling that the device upset the constitutional scheme dividing powers between the executive and legislative branches.

Because of the difficulties encountered to date in passing comprehensive regulatory reform legislation—and because I believe that the revival and expansion of the legislative veto is crucial to our efforts to make the operations of Government subject once again to the consent of the governed—I have joined with my distinguished colleague, Senator LEVIN, in fashioning separate legislation creating a congressional veto which comports with the requirements of Chadha.

Our legislation creates a two-step process for halting agency action. First, major agency rules, as defined under the bill, will be considered recommendations only until 90 days after they have been reported to Congress. The waiting period for nonmajor bills is 45 days. During that waiting period,

the appropriate committee may commence a joint resolution of disapproval, and the bill establishes procedures for expedited floor consideration of such a resolution.

After 60 days for major rules, and 30 days for a nonmajor bill, the committee may be discharged from consideration of the legislation by a vote of one-fifth of the Members of that House of Congress. If Congress has not acted by the end of the waiting period, the rule may take effect.

Second, the passage of the joint resolution by both Houses of Congress gives rise to a point of order for any appropriations bill involving the relevant agency which does not bar use of Government funds to implement the rule. For rules previously subject by law to a one-House veto, the passage of a joint resolution by either House of Congress would give rise to this point of order. Therefore, even if the President does not sign the joint resolution of disapproval mandated by Chadha, the agency in question will still be prevented from going forward with the rule by lack of funds.

As Senator LEVIN and I come forward with this legislation, I recognize that the regulatory reform fervor within Congress has waned somewhat. For one thing, the need to act now on reducing the budget deficit has dwarfed all other economic issues. And in fact, administration officials, engaged in an experiment with prior review of agency action under Executive Order 12498, have encouraged Congress to hold off until they have had a chance to review that process.

While I agree that a resolution of our budget crisis is the paramount issue of this Congress, I also believe that we can find time to move forward on an issue which has been a focus of congressional attention now for nearly 10 years. A voluminous hearing record—including 10 days of hearings before the Judiciary Committee and 11 days before the Government Affairs Committee—proceeded Senate passage of our comprehensive regulatory reform proposal in 1982, further hearings followed my reintroduction of that proposal as S. 1080 in the 98th Congress, and specific hearings on the legislative veto question followed the Chadha decision. And let me add that the experiment of the administration in tightening its own internal control of the regulatory process, while welcome, is no substitute for Congress' reestablishing its own prerogative to direct and oversee the operations of the executive branch.

Mr. President, this proposal is a reasonable and workable way for Congress to reassert itself in setting the policies that Americans must abide by at home, in the workplace, and in the community. We cannot afford to let another session go by without taking action on this vital issue involving not just the interrelationship of the coequal branches of Government, but the fundamental right of Americans to control their Government through the actions of their elected leaders.

Mr. President, I ask that a summary of the legislation be printed in the RECORD.

There being no objection, the summary was ordered to be printed in the RECORD, as follows:

SUMMARY OF LEVIN-GRASSLEY LEGISLATIVE VETO BILL

The Levin-Grassley legislative veto bill for the 99th Congress is similar to earlier versions, except that it provides for a prohibition on the appropriation of funds for the implementation of any rule for which a joint resolution of disapproval has passed both houses of Congress. It continues to use the constitutional mechanism of a joint resolution of disapproval, which means that both houses of Congress and the President are required to pass and sign, respectively, the disapproval resolution. This meets the essential elements of the Chadha decision. Two timetables are established by the bill—one for major rules and one for non-major rules. Non-major rules would not take effect for 45 days and major rules would not take effect for 90 days after they are sent to Congress, which is the same day on which they are sent to the Federal Register for publication as final. "Days" are defined as "legislative days." A rule may take effect during either the 45 or 90 day time periods if either house of Congress defeats a joint resolution of disapproval. There are expedited procedures for the consideration of a resolution of disapproval.

A short summary of each section of the bill follows:

SECTION 1. The title of the bill.

SEC. 2. Definition of the term "rule" and extension of the notice and comment period from 30 days to 60 days.

SEC. 3. Other definitions. The veto provisions pertain to most rules of general applicability. Provision is made for the immediate implementation of a rule without the legislative veto procedure where an emergency or other exigent circumstance exists. Such rules, however, can remain effective for no more than 120 days.

PROCEDURES. Each agency is to semiannually prepare a list of the areas in which it intends to propose rules in the following 12 months and transmit that list to the Congress. On the day the agency forwards a rule to the Federal Register for publication in final, the agency shall also send a copy of the rule and accompanying documents to each house of Congress. The rule is then referred immediately to the committee having jurisdiction over the program under which the rule is being promulgated.

THE VETO. Any rule subject to the legislative veto procedure shall be considered a recommended final rule and cannot take effect before the end of a period of 45 legislative days with respect to non-major rules and 90 legislative days with respect to major rules, from the day on which it was submitted, excluding from the count any recess or adjournment of more than three days. However, a rule may take effect, regardless of the 45 or 90 day period, if either House of Congress votes to reject a joint resolution of disapproval. If a recommended final rule is subject to a joint resolution of disapproval enacted into law, the agency may issue another rule relating to the same subject and following the same legislative veto procedure required by this bill. Congressional inaction on or rejection of a joint resolution of disapproval is not to be viewed as an expression of approval of the subject rule.

EXPEDITED PROCEDURES. Expedited procedures are provided for consideration of a resolution of disapproval in both the House and the Senate.

POINT OF ORDER ON APPROPRIATIONS. If the Senate and House have passed a joint resolution of disapproval pursuant to this Act, then a point of order will lie against any appropriations bill, amendment or resolution, providing money for the relevant agency, unless such bill, amendment, or resolution contains an express prohibition on the use of any of the appropriated funds for the implementation of the subject rule. This point of order will lie regardless of whether or not the joint resolution of disapproval has been enacted into law.

SEC. 4. This act will take effect on the first day of the 100th Congress.

Mr. BOREN. Mr. President, I am pleased to again join my colleague from Michigan, Senator LEVIN, in introducing a bill, known as the Agency Accountability Act of 1985, to allow for a legislative veto of Federal agency regulations.

This act would allow both Houses of Congress the opportunity to consider agency recommendations before such regulations would go into effect. In the case of a major rule, one which has an economic impact of $100 million or more, the Congress would have 90 days while in session to consider such a new regulation before it could take effect. This will ensure that our elected Representatives have a final check on major governmental policies set down by bureaucratic officials.

In the case of a rule that does not have as large an impact, Congress would have 45 days to consider a possible veto of the new regulation. In both cases, the House and Senate committees, with primary legislative jurisdiction in that particular area, have a time limit to consider the regulation prior to its effective date. If it is justified by the committee to be in the public's best interest and the intent of Congress, no action would be required. If, however, the regulation is met with opposition, the committee may recommend a joint resolution to veto the rule, requiring a two-thirds vote of each House.

Congress has a constitutional responsibility to monitor and review mandates of our Government agencies. While we delegate a great deal of the implementation of such policy to these agencies, it is our job to see that this is carried out with congressional intent.

Our Government is a government of the people. Laws should not be made by bureaucrats who are not elected by and accountable to the people.

Many of the rules and regulations which agencies issue not only cause redtape, frustration, lengthy delays, and paperwork, but often cause severe economic hardships on individuals and

businesses in this country. It only seems right, that the elected and accountable representation in our Congress should have the responsibility and opportunity to intervene before some of these kinds of rules produced by our appointed agencies come into effect.

Often, intervention after the fact can be too late to prevent the expenditure of large amounts of money by the private sector to comply with the unneeded regulations. The duty of oversight by the Congress is a very important responsibility.

The Code of Federal Regulations at present fills over 111,830 pages contained in 191 volumes which take up a staggering 18 feet in shelf length. This represents a tremendous time and economic burden being placed upon the people, often without advance review by their own elected officials.

Senator LEVIN, whom I greatly admire and appreciate for his untiring efforts in again bringing this proposal before the Senate, has detailed the purpose and workings of the bill. I will not reiterate those points, but rather close with this very basic thought.

The Declaration of Independence sets forth that our rights are secured by, "governments instituted among men, deriving their just powers from the consent of the governed." The power is in the people and the people exercise that power through their elected representatives. That power is not meant to be subdivided by anyone, especially by a nonelected bureaucracy.

By Mr. HATFIELD (for himself, Mr. FORD, Mr. DOLE, Mr. JOHNSTON, Mr. MCCLURE, Mr. HOLLINGS, Mr. ABDNOR, Mr. METZENBAUM, Mr. BUMPERS, Mr. MOYNIHAN, Mr. PACKWOOD, Mr. COCHRAN, Mr. THURMOND, Mr. BURDICK, Mr. ZORINSKY, Mr. CRANSTON, Mr. WALLOP, and Mr. LAUTENBERG):

S.J. Res. 136. Joint resolution to authorize and request the President to issue a proclamation designating the calendar week beginning with Sunday, April 13, 1986, as "National Garden Week"; to the Committee on the Judiciary.

NATIONAL GARDEN WEEK

● Mr. HATFIELD. Mr. President, today I am introducing a joint resolution requesting and authorizing President Reagan to designate the calendar week of April 13, 1986, as "National Garden Week."

The contributions of American gardeners range from the beautification of our environment to the production of fresh fruits and vegetables. Gardening provides a healthy, relaxing hobby for both young and old Americans. I find gardening to be an enjoyable and rewarding pastime.

As I walked across the Capitol Grounds this week, I was greatly impressed by the well-tended flower beds that add so much to the esthetic beauty of our Capitol. In other parts of America, flower gardens and window boxes bring enjoyment and satisfaction to many, beautifying neighborhoods and apartment buildings.

Throughout our Nation's history, gardeners have made invaluable contributions to the quality of life in our country. Many famous Americans have been avid gardeners. Thomas Jefferson, an enthusiastic practitioner of scientific farming and gardening, conducted numerous experiments at Monticello. Contemporaries said that he was always looking for new plants and seed with which to experiment. In a letter to a friend he remarked, "But though an old man, I am but a young gardener."

Henry Mitchell, one of my favorite authors, wrote a book entitled "The Essential Earthman," in which he describes the art of gardening quite succintly:

Leisure, slowness, contemplation: In an age of presumed efficiency and professionalism, these amateur virtues are perhaps despised, but they may underlie the greatest joys of gardening, and of life. There are no green thumbs or black thumbs. There are only gardeners and nongardeners. Gardeners are the ones who ruin after ruin get on with the high defiance of nature herself, creating, in the very face of mere chaos and tornado, the bower of roses and the pride of irises. * * * Patience, and freedom from fretting, are supreme gardening virtues.

Gardening instills in us a greater appreciation and respect for the natural beauty of our country. It inspires us to take greater care in preserving and protecting our precious natural resources, of which trees and plants are vital elements.

Gardening contributes to our Nation's economic health, as well. The production and sale of seeds, plants, and gardening tools provide thousands of jobs across the country, and constitute an active and growing industry.

By designating the third week in April as "National Garden Week," we will provide the stimulus for Federal, State, and local government agencies, as well as private citizens and organizations, to recognize the important contributions that have been made toward preserving traditional American values of individual initiative and caring concern for our environment.●

ADDITIONAL COSPONSORS

S. 54

At the request of Mr. D'AMATO, the name of the Senator from Michigan [Mr. LEVIN] was added as a cosponsor of S. 54, a bill to establish a Federal annuity program to compensate participants in private pension plans which terminated before July 1, 1984, for nonforfeitable pension benefits which were lost by reason of the termination, and for other purposes.

S. 361

At the request of Mr. MOYNIHAN, the name of the Senator from Hawaii [Mr. INOUYE] was added as a cosponsor of S. 361, a bill to amend the Internal Revenue Code of 1954 to make permanent the deduction for charitable contributions by nonitemizers.

S. 408

At the request of Mr. WEICKER, the name of the Senator from Oregon [Mr. HATFIELD] was added as a cosponsor of S. 408, a bill to amend the Small Business Act to provide program levels, salary and expense levels, and authorizations for the Small Business Administration's programs for fiscal years 1986, 1987, and 1988, and for other purposes.

S. 523

At the request of Mr. ARMSTRONG, the names of the Senator from Oklahoma [Mr. BOREN], and the Senator from Florida [Mrs. HAWKINS] were added as cosponsors of S. 523, a bill to prohibit the payment of certain agricultural incentive payments to persons who produce certain agricultural commodities on highly erodible land.

S. 531

At the request of Mr. DECONCINI, the name of the Senator from Texas [Mr. BENTSEN] was added as a cosponsor of S. 531, a bill to authorize the appropriation of funds for the operation and maintenance of a Special Operations Wing of the Air Force Reserve, to authorize the appropriation of funds for the operation and maintenance of the Directorate of the Department of Defense Task Force on Drug Enforcement, and to require certain reports.

S. 538

At the request of Mr. METZENBAUM, the name of the Senator from North Dakota [Mr. ANDREWS] was added as a cosponsor of S. 538, a bill to amend the Federal Food, Drug, and Cosmetic Act to provide for warnings concerning the use by children of drugs containing aspirin, and for other purposes.

S. 680

At the request of Mr. THURMOND, the name of the Senator from Montana [Mr. MELCHER] was added as a cosponsor of S. 680, a bill to achieve the objectives of the multifiber arrangement and to promote the economic recovery of the U.S. textile aand apparel industry and its workers.

S. 729

At the request of Mr. DURENBERGER, the name of the Senator from North Carolina [Mr. HELMS] was added as a cosponsor of S. 729, a bill to amend the Internal Revenue Code of 1954 to make permanent the rules relating to imputed interest and assumption of loans, and for other purposes.

S. 797

At the request of Mr. HATCH, the names of the Senator from Florida [Mrs. HAWKINS] and the Senator from North Carolina [Mr. HELMS] were added as cosponsors of S. 797, a bill to authorize an employer to pay a youth employment opportunity wage to a person under 20 years of age from May through September under the Fair Labor Standards Act of 1938 which shall terminate on September 30, 1987, and for other purposes.

S. 882

At the request of Mr. CRANSTON, the name of the Senator from Tennessee [Mr. SASSER] was added as a cosponsor of S. 882, a bill to amend the Peace Corps Act to establish a Peace Corps National Advisory Council, to establish a policy of providing opportunities for a volunteer corps of at least 10,000, and to provide for nonpartisan appointments.

S. 908

At the request of Mr. MCCONNELL, the name of the Senator from Utah [Mr. HATCH] was added as a cosponsor of S. 908, a bill to provide market expansion and income protection for farmers, assure consumers an abundance of food and fiber at reasonable prices, and for other purposes.

S. 945

At the request of Mr. THURMOND, the name of the Senator from North Dakota [Mr. ANDREWS] was added as a cosponsor of S. 945, a bill to recognize the organization known as the National Association of State Director of Veterans' Affairs, Inc.

S. 959

At the request of Mr. DANFORTH, the name of the Senator from South Carolina [Mr. THURMOND] was added as a cosponsor of S. 959, a bill to amend the Coastal Zone Management Act of 1972 to provide authorization of appropriations, and for other purposes.

S. 1093

At the request of Mr. MATHIAS, the name of the Senator from Missouri [Mr. DANFORTH] was added as a cosponsor of S. 1093, a bill to amend the patent law to restore the term of the patent grant in the case of certain products for the time of the regulatory review period preventing the marketing of the product claimed in a patent.

SENATE JOINT RESOLUTION 10

At the request of Mr. KENNEDY, the name of the Senator from Pennsylvania [Mr. HEINZ] was added as a cosponsor of Senate Joint Resolution 10, a joint resolution proposing an amendment to the Constitution of the United States relative to equal rights for women and men.

SENATE JOINT RESOLUTION 24

At the request of Mr. BRADLEY, the names of the Senator from California [Mr. CRANSTON] and the Senator from Pennsylvania [Mr. SPECTER] were added as cosponsors of Senate Joint Resolution 24, a joint resolution to designate the month of October 1985 as "National Make-A-Wish Month."

SENATE JOINT RESOLUTION 93

At the request of Mr. METZENBAUM, the names of the Senator from New Mexico [Mr. DOMENICI], the Senator from Delaware [Mr. ROTH], the Senator from Illinois [Mr. SIMON], the Senator from Nebraska [Mr. EXON], the Senator from Vermont [Mr. LEAHY], the Senator from West Virginia [Mr. ROCKEFELLER], and the Senator from Alabama [Mr. HEFLIN] were added as cosponsors of Senate Joint Resolution 93, a joint resolution to designate the month of May 1985 as "Better Hearing and Speech Month."

SENATE JOINT RESOLUTION 122

At the request of Mr. BRADLEY, the names of the Senator from South Carolina [Mr. HOLLINGS], and the Senator from Nevada [Mr. LAXALT] were added as cosponsors of Senate Joint Resolution 122, a joint resolution to authorize the President to proclaim the last Friday of April each year as "National Arbor Day."

SENATE JOINT RESOLUTION 125

At the request of Mr. LEAHY, the names of the Senator from Arkansas [Mr. PRYOR], the Senator from West Virginia [Mr. ROCKEFELLER], the Senator from South Carolina [Mr. THURMOND], and the Senator from South Carolina [Mr. HOLLINGS] were added as cosponsors of Senate Joint Resolution 125, a joint resolution designating the week of June 23, 1985, through June 29, 1985, as "Helen Keller Deaf-Blind Awareness Week."

SENATE CONCURRENT RESOLUTION 41

At the request of Mr. ARMSTRONG, the name of the Senator from Washington [Mr. GORTON] was added as a cosponsor of Senate Concurrent Resolution 41, a concurrent resolution expressing the sense of the Congress that corporate income tax rates should remain graduated.

SENATE CONCURRENT RESOLUTION 47

At the request of Mr. HEINZ, the names of the Senator from Nebraska [Mr. ZORINSKY], the Senator from Virginia [Mr. WARNER], the Senator from Georgia [Mr. NUNN], the Senator from South Carolina [Mr. THURMOND], and the Senator from West Virginia [Mr. ROCKEFELLER] were added as cosponsors of Senate Concurrent Resolution 47, a concurrent resolution observing the 20th anniversary of the enactment of the Older Americans Act of 1965.

SENATE RESOLUTION 82

At the request of Mr. D'AMATO, the name of the Senator from North Dakota [Mr. ANDREWS] was added as a cosponsor of Senate Resolution 82, a resolution to preserve the deduction for State and local taxes.

SENATE RESOLUTION 112

At the request of Mr. COHEN, the name of the Senator from Georgia [Mr. NUNN] was added as a cosponsor of Senate Resolution 112, a resolution relating to bilateral discussions between the United States and the Soviet Union to ban chemical weapons.

SENATE RESOLUTION 148

At the request of Mr. ZORINSKY, the name of the Senator from Arkansas [Mr. BUMPERS] was added as a cosponsor of Senate Resolution 148, a resolution commemorating the 50th anniversary of the Rural Electrification Administration.

SENATE RESOLUTION 162—ORIGINAL RESOLUTION REPORTED WAIVING CONGRESSIONAL BUDGET ACT

Mr. GOLDWATER, from the Committee on Armed Services, reported the following original resolution; which was referred to the Committee on the Budget:

S. RES. 162

Resolved, That pursuant to section 303(c) of the Congressional Budget Act of 1974, the provisions of section 303(a) of such Act was waived with respect to the consideration of S. 1029, a bill to authorize appropriations for the military functions of the Department of Defense and to prescribe personnel levels for the Department of Defense for fiscal year 1986, and for other purposes.

Such a waiver is necessary because section 303(a) of the Congressional Budget Act of 1974 provides that is shall not be in order in either House of Representatives or the Senate to consider any bill or resolution (or amendment thereto) which provides new spending authority described in section 401(c)(2)(C) of such Act to become effective during a fiscal year until the first concurrent resolution on the budget for such year has been agreed to pursuant to section 301 of such Act.

For the foregoing reasons, pursuant to section 303(c) of the Congressional Budget Act of 1974, the provisions of section 303(a) of such Act are waived with respect to S. 1029.

SENATE RESOLUTION 163—EXPRESSING CONCERN OVER FETAL PAIN

Mr. HUMPHREY submitted the following resolution; which was referred to the Committee on the Judiciary:

S. RES. 163

Whereas medical evidence provides convincing proof that the human fetus is capable of sensing organic pain at stages in gestation prior to birth;

Whereas scientific advances have brought about a growing awarness that the human fetus is a distinct and separate human life;

Whereas in standard medical practice, physicians use anesthetics and analgesics to prevent pain when performing operations on a human fetus;

Whereas organic pain, as is suffered by the human fetus during abortion procedures, is cruel and inhuman; and

Whereas the Federal Government and State governments, within their respective

jurisdictions, have a compelling interest in preserving the dignity of all human life and therefore have an interest in protecting the human fetus from organic pain experienced during abortion procedures that do not utilize anesthetics or analgesics: Now, therefore, be it

Resolved, That the Senate encourages the Congress to seek the appropriate methods of giving the human fetus the protection of the Constitution and the laws of the United States from organic pain experienced during abortion procedures that do not utilize anesthetics or analgesics.

SEC. 2. The Senate encourages the States to seek appropriate methods to protect the human fetus from organic pain experienced during such procedures.

Mr. HUMPHREY. Mr. President, scientific advances have brought about a growing awareness that the human fetus is a distinct and separate human life. Medical technology has provided convincing proof that the human fetus is capable of sensing organic pain prior to birth. All of the body parts needed to experience pain are in place as early as 8 weeks, and are already well-developed in a 12-week-old fetus. Scientific evidence also shows that the fetus reacts to pain and moves away from painful stimuli. By the end of the fifth week, a tap on the mouth of the fetus will cause the lips to draw back. By 10 weeks, the palms of the hands are sensitive to touch, and at 11 weeks, the face and extremities respond to tactile stimuli. Just as in an adult, the motions to get away originate at the spinal cord level and not in the cortex of the brain.

In standard medical practice, physicians use analgesics and anesthetics to prevent pain when performing operations on a human fetus.

Mr. President, in cases where anesthetics or analgesics are not administered during abortion procedures, the organic pain suffered by the human fetus is cruel and inhuman. This Congress has the responsibility to preserve the dignity of all human life, and therefore has a compelling interest in protecting the human fetus from organic pain experienced during abortions that do not utilize anesthetics or analgesics.

Mr. President, today I am introducing legislation that declares that Congress should seek the appropriate methods of giving the human fetus the protection of the Constitution and the laws of the United States from organic pain experienced during abortion procedures that do not utilize anesthetics or analgesics. We cannot measure the sum agony of these human beings during abortion procedures. We can only know that it was real. This legislation recognizes that truth, and provides for the unborn human being the same dignity we bestow upon all other human beings.

SENATE RESOLUTION 164—AUTHORIZING REPRESENTATION BY THE SENATE LEGAL COUNSEL IN THE CASE OF UNITED STATES V. JOSEPH MATRANGA

Mr. DOLE (for himself and Mr. BYRD) submitted the following resolution; which was considered and agreed to.

S. RES. 164

Whereas, the case of *United States* v. *Joseph Matranga, et al.,* Criminal Action No. 84-0569-E, is pending in the United States District Court for the Southern District of California;

Whereas, the defendant Joseph Matranga has moved for a new trial in that case and has subpoenaed Philip R. Manuel, a former member of the staff of the Permanent Subcommittee on Investigations, to testify and to produce documents;

Whereas, William B. Gallinaro, another former employee of the Permanent Subcommittee on Investigations, is also expected to be served with a subpoena to testify and to produce documents;

Whereas, by the privileges of the Senate of the United States and Rule XI of the Standing Rules of the Senate, no evidence under the control or in the possession of the Senate can, by the judicial process, be taken from such control or possession but by permission of the Senate;

Whereas, pursuant to sections 703(a) and 704(a)(2) of the Ethics in Government Act of 1978, 2 U.S.C. §§ 288b(a) and 288c (a)(2) (1982), the Senate may direct the Senate Legal Counsel to defend former employees of the Senate in any proceeding with respect to any subpoena or order directed to them in their former official capacity; Now, therefore be it

Resolved, That the Senate Legal Counsel is directed to defend Philip R. Manuel and William B. Gallinaro with respect to the subpoenas to them in the case of *United States* v. *Joseph Matranga, et al.,* Criminal Action No. 84-0569-E, in the Southern District of California.

SENATE RESOLUTION 165—REGARDING TAX INCREASES IN THE VALUE OF LIFE INSURANCE

Mr. HEINZ (for himself, Mr. PRYOR, Mr. SYMMS, and Mr. MATSUNAGA) submitted the following resolution; which was referred to the Committee on Finance.

S. RES. 165

Whereas the President of the United States and the Congress are engaged in an effort to reform the tax code to achieve greater simplicity and fairness along with lower marginal tax rates;

Whereas various proposals would impose a tax on the annual increase in the value of permanent life insurance policies either on a current or prospective basis;

Whereas permanent life insurance policies feature level premium payment plans which allow policyholders to space the cost of their insurance protection evenly over their lifetime and cash values are simply a by-product of this level premium feature;

Whereas a tax on the annual increase in the value of permanent life insurance would violate the basic tax principle that tax should be imposed only on amounts actually or constructively received, because life insurance policy cash values are not realized until the policy is reduced or surrendered;

Whereas a tax on the annual increase in the value of permanent life insurance would substantially undercut the market for permanent life insurance, thereby diminishing the capital provided to the economy by the life insurance industry;

Whereas a tax on the annual increase in the value of permanent life insurance would discourage the purchase of adequate amounts of life insurance, would result in an underinsured population, and would therefore create pressure on the Federal Government to provide more expensive Government funded economic protection;

Whereas a tax on the annual increase in the value of permanent life insurance would have its greatest impact on older policyholders whose income may have been reduced because of retirement, and would therefore be discriminatory against older and retired Americans;

Whereas the Congress and the President of the United States concluded less than one year ago a complete revision of life insurance company and product taxation, with Congress and the President having reached agreement with each other and with the industry on the appropriate tax law applicable to the increase in the value of permanent life insurance policies;

Whereas continued debate on, and scrutiny of, these recently settled issues could chill the American public's ability and desire to purchase adequate life insurance protection: now therefore, be it

Resolved, That it is the sense of the Senate to urge the President and the Secretary of the Treasury to exclude from any tax reform plan any proposal to impose a tax on the annual increase in the value of permanent life insurance.

● Mr. HEINZ. Mr. President, today I am submitting a resolution to express the sense of the Senate that would urge the President of the United States and the Secretary of the Treasury to reject any tax reform proposal which would impose a tax on the annual increase in the value of permanent life insurance.

Most of the tax reform proposals now before Congress, including Bradley-Gephardt (S. 409) and Kemp-Kasten (S. 325) would, either directly or indirectly, include annual increases in the value of ordinary life insurance policies in the taxable interest income of policyholders. The Treasury Department tax reform proposal released last November would not only tax this cash value, which is called inside buildup, but would also treat borrowing against life insurance policies not as loans which must be paid back with interest, but as current income taxable to policyholders.

Taxing life insurance in this manner would be a radical departure from current policy which recognizes taxable income only in the event of actual or constructive receipt. Annual increases in the cash surrender value of whole life insurance are not income to the policyholder because he or she cannot gain access to these moneys without surrendering the contract in whole or in part, thereby sacrificing the death

protection provided. Advocacy of such a tax reflects a misunderstanding of the nature and purpose of whole life insurance. Whole life insurance is not now and was never intended to be a tax loophole. In fact, it predated the income tax by about 200 years. The concept of whole life insurance evolved in 18th-century England because of widespread dissatisfaction with term insurance. Most insureds were forced to let their term policies lapse because they couldn't afford the rapidly escalating premiums as they got older. This is still true today; 99 percent of all term insurance is allowed to lapse before any claim can be made against it.

To remedy this problem, whole life was structured so that the premiums would remain level over the duration of the policy. Companies accomplished this by collecting higher premiums than needed to cover the risk of death in the early years, and investing the difference. Earnings on these investments—inside buildup—funded the eventual death benefit without raising costs to policyholders as they aged. This system enabled people of modest means to provide for the economic security of their families.

Taxing inside buildup would be unsound social and economic policy. Many current and prospective policyholders would be forced either to surrender their contracts or to try to make do with less insurance than they need. The elderly would be hit the hardest of all because the cash value of whole life increases most rapidly in old age so that the premium can stay level. Taxes on this unrealized appreciation would escalate steeply just when people most need the insurance they have paid for over 30 or more years. Ironically, whole life would end up with all of the disadvantages of term insurance.

The U.S. economy is also likely to suffer adverse consequences if inside buildup is taxed. Aside from being a pillar of economic security to many millions of average American families, the assets which buildup in whole life policies to eventually fund death benefits are a major source of capital formation in our economy. In 1983 alone, life insurance contributed $56.6 billion to U.S. capital markets including Government securities, corporate stocks and bonds, public utility railroad bonds, and real properties of all kinds.

Any temptation by wealthy individuals to abuse the system by disguising tax-sheltered investments as life insurance was effectively removed by this Congress just last summer as part of the Deficit Reduction Act of 1984. The comprehensive life insurance tax reform provisions contained in that legislation were the result of over 2 years of intensive study. After careful deliberation, Congress saw no need to change the taxation of life insurance products any further.

In light of these facts, the cosponsors of this resolution seriously question whether any worthwhile tax reform goal would be served by taxing inside buildup. The income of 61 percent of those who own life insurance is less than $25,000 per year. These are the very people who already pay their fair share of taxes and can least afford either the increased costs which would accompany the enactment of such a proposal, or the consequences of inadequate coverage.

Mr. President, I will not dwell at length on the other costs this shortsighted proposal could inflict, such as the long-range hidden costs placed on social service and welfare programs of the Federal Government to provide what individuals have heretofore been able to provide for themselves. It should be obvious that Government programs to replace the individual initiatives which have been recognized and encouraged since the earliest days of the Tax Code would be a far more costly alternative in the long run.

For all these reasons, Mr. President, I urge all our colleagues to join in sponsoring this resolution.●

● Mr. PRYOR. Mr. President, I'm pleased to join my colleague from Pennsylvania, Mr. HEINZ, and others in submitting this sense-of-the-Senate resolution expressing our support for the continuation of the present tax treatment of the inside buildup of life insurance policies. This is an extremely important issue, Mr. President, and I hope other Senators will join in this effort.

Mr. President, since the inception of the Federal income tax, in 1913, the annual increase in the cash surrender value of life insurance products has not been taxed. This tax and social policy has served us well, and people have been encouraged to provide for their families through the purchase of life insurance. The purchase of insurance is not principally an investment, Mr. President, but is instead made for other reassons, primarily the protection of family in the event of the death of the policyholder.

Under current law, the policyholder is not taxed on the annual increase in the cash surrender value, or inside buildup. In its November 1984 tax reform proposal, however, the Department of the Treasury proposed that the inside buildup be taxed annually to the policyholder. This proposal, if enacted, would require that taxpayers include in their income each year the increase in the cash surrender value over the basis in their life insurance contract. The taxation of the inside buildup is unwise for several reasons, Mr. President, and I hope we can adopt this sense-of-the-Senate resolution, and reject this proposal.

First, as I've stated earlier, life insurance is purchased primarily to protect one's family in the event of the death of the insured. It is not thought of as an investment vehicle by most people. When most people think of investing money they usually look to savings accounts, CD's, real estate, IRA's, or other forms of investment where the returns are usually better, and there is much more liquidity.

Second, permanent life insurance coverage is purchased primarily by middle-income taxpayers. It's not something that the very wealthy use to shelter income from taxes. These people use tax-exempt bonds and other investments. In fact, a recent study showed that about two-thirds of all permanent life insurance was purchased by persons with family incomes of $25,000 a year or less.

Third, a life insurance contract is different than other types of investments. The cash surrender value is really an ancillary part of the thing purchased. What you are really purchasing is protection against the risk of death, and much of the cost of the policy goes toward this end, whereas in other types of products the entire interest earned, plus the initial contribution, can be recovered.

Fourth, Mr. President, the Congress made significant changes just last year in the Tax Reform Act of 1984 with respect to insurance. We completely changed the taxation of life insurance companies, and more importantly for purposes of this debate, we put strict definitions in the Tax Code (section 7702) of a life insurance contract. The reason these definitions were put into the code was to ensure that products receiving tax treatment as life insurance policies were indeed life insurance policies, and not some other type of investment disguised as life insurance. These changes will prevent products with a significant investment portion from qualifying as life insurance. Since these changes have only been in effect a few months, it seems we shouldn't legislate in this area again.

Finally, Mr. President, this isn't a simplification proposal. It is complex. If we are serious about simplifying the tax system, and want to make it easier to comply with, we should work in other areas, rather than trying to pass a provision that will only add to the complexity.

For all of these reasons, Mr. President, I would hope that this provision is not included in the final package of the Treasury Department. I urge my colleagues to join in this resolution, and I commend the efforts of my colleague from Pennsylvania.●

AMENDMENTS SUBMITTED

INTERNATIONAL SECURITY AND COOPERATION ACT

HAWKINS AMENDMENT NO. 113

(Ordered to lie on the table.)

Mrs. HAWKINS submitted an amendment intended to be proposed by her to the bill (S. 960) to amend the Foreign Assistance Act of 1961, the Arms Export Control Act, and other acts to authorize appropriations for the fiscal year 1986 for international security and development assistance, the Peace Corps, the Inter-American Foundation, and the African Development Foundation, and for other purposes; as follows:

On page 64, between lines 16 and 17, insert the following:

INTERNATIONAL NARCOTICS CONTROL COMMISSION

SEC. 914. (a) There is established the International Narcotics Control Commission (hereafter in this section referred to as the "Commission").

(b) The Commission is authorized and directed—

(1) to monitor and promote international compliance with narcotics control treaties, including eradication, money laundering, and narco-terrorism; and

(2) to monitor and encourage United States Government and private programs seeking to expand international cooperation against drug abuse and narcotics trafficking.

(c)(1) The Commission shall be composed of fifteen members as follows:

(A) Six Members of the House of Representatives appointed by the Speaker of the House of Representatives. Four members shall be selected from the majority party and two shall be selected, after consultation with the minority leader of the House, from the minority party.

(B) Six Members of the Senate appointed by the President of the Senate. Four members shall be selected from the majority party of the Senate, after consultation with the majority leader, and two shall be selected, after consultation with the minority leader of the Senate, from the minority party.

(C) One member of the Department of State appointed by the President.

(D) One member of the Department of Justice appointed by the President.

(E) One member of the Department of the Treasury appointed by the President.

(2) There shall be a Chairman and a Cochairman of the Commission.

(3) On the date of enactment of this section and at the beginning of each odd-numbered Congress, the President of the Senate, on the recommendation of the majority leader, shall designate one of the Senate Members as Chairman of the Commission. At the beginning of each even-numbered Congress, the Speaker of the House of Representatives shall designate one of the House Members as Chairman of the Commission.

(4) At the beginning of each odd-numbered Congress, the Speaker of the House of Representatives shall designate one of the House Members as Cochairman of the Commission. At the beginning of each even-numbered Congress, the President of the Senate, on the recommendation of the majority leader, shall designate one of the Senate Members as Cochairman of the Commission.

(d) In carrying out this section, the Commission may require, by subpena or otherwise, the attendance and testimony of such witnesses and the production of such books, records, correspondence, memorandums, papers, and documents as it deems necessary. Subpenas may be issued over the signature of the Chairman of the Commission or any member designated by him, and may be served by any person designated by the Chairman or such member. The Chairman of the Commission, or any member designated by him, may administer oaths to any witness.

(e) In order to assist the Commission in carrying out its duties, the President shall submit to the Commission a semiannual report regarding the status of compliance with narcotics control treaties, the first one to be submitted six months after the date of enactment of this section.

(f) The Commission is authorized and directed to report to the House of Representatives and the Senate with respect to the matters covered by this section on a periodic basis and to provide information to Members of the House of Representatives and the Senate as requested. For each fiscal year for which an appropriation is made the Commission shall submit to the Congress a report on its expenditures under such appropriation.

(g)(1) There are authorized to be appropriated to the Commission for each fiscal year and to remain available until expended $550,000 to assist in meeting the expenses of the Commission for the purpose of carrying out the provisions of this section, such appropriation to be disbursed on a voucher to be approved by the Chairman of the Commission.

(2) For purposes of section 502(b) of the Mutual Security Act of 1954, the Commission shall be deemed to be a standing committee of the Congress and shall be entitled to the use of funds in accordance with such sections.

(3) Not to exceed $6,000 of the funds appropriated to the Commission for each fiscal year may be used for official reception and representational expenses.

(h) The Commission may appoint and fix the pay of such staff personnel as it deems desirable, without regard to the provisions of title 5, United States Code, governing appointments in the competitive service, and without regard to the provisions of chapter 51 and subchapter III of chapter 53 of such title relating to classification and general schedule pay rates.

On page 64, line 18, strike out "Sec. 914." and insert in lieu thereof "SEC. 915.".

● Mrs. HAWKINS. Mr. President, I wish to submit today an amendment to the Foreign Assistance Act to establish the International Narcotics Control Commission.

No threat strikes America as savagely and as frequently as that of illicit narcotics. Its deadly impact is felt in failed education, lowered productivity, impaired national defense, increased violent crime, addiction, and death.

To combat this threat effectively, we must use a three-pronged approach: we must eradicate, we must educate, and we must cut off drugs at the source. In order to achieve the eradication of drug abuse, we must fight the battle against drug abuse simultaneously on all three fronts, and in doing so we must use every weapon at our disposal.

A most useful weapon, using as an example the successful Helsinki Commission, would be an International Narcotics Control Commission, designed to monitor and promote international compliance with narcotics control treaties, including eradication, money laundering, and narcoterrorism. This Commission would also monitor and encourage U.S. Government and private programs seeking to expand international cooperation against drug abuse and narcotics trafficking.

The composition of the Commission would be as follows: six Members of the House of Representatives appointed by the Speaker, four of whom would be from the majority party, and two of whom would be from the minority party; six Members of the Senate appointed by the President of the Senate, with identical majority and minority representation; one member of the Department of State appointed by the President; one member of the Department of Justice similarly appointed by the President; and one member of the Department of the Treasury also appointed by the President. There will be a Chairman and a Cochairman of the Commission.

There will be a rotating system of the designation of Chairman of the International Narcotics Control Commission, with the President of the Senate designating one of the Senate Members as Chairman in even-numbered Congresses, and the Speaker of the House designating one of the House Members as Chairman during odd-numbered Congresses. The Commission would also be provided with subpoena power.

The President of the United States will participate in the activities of the Commission by submitting a semiannual report regarding the status of compliance with narcotics control treaties, the initial report to be submitted 6 months after the date of enactment of this proposal. In turn, the Commission is authorized and directed to report to the Congress on a periodic basis, and at the end of each fiscal year the Commission will submit to the Congress a report on its expenditures.

Mr. President, a well-structured and well-supported entity such as the International Narcotics Control Commission would be of invaluable help in the battle against drug abuse. Enactment of this legislation would provide an international forum for consideration of narcotics control efforts worldwide, and would enable my colleagues in the U.S. Congress to express their concern in this most vital

of issues. Mr. President, as we all work together to achieve the eradication of drug abuse, I wish to take this opportunity to urge speedy adoption of this amendment.●

DECONCINI (AND OTHERS) AMENDMENT NO. 114

Mr. DECONCINI (for himself, Mr. CHILES, Mrs. HAWKINS, and Mr. DENTON) proposed an amendment to the bill S. 960, supra; as follows:

On page 54, between lines 14 and 15, insert the following:

PARTICIPATION IN FOREIGN POLICE ARREST ACTION AND INTERROGATION

SEC. 509. Section 481(c)(1) of the Foreign Assistance Act of 1961 (22 U.S.C. (c)(1)) is amended to read as follows:

"(c) The head of any department or agency of the United States employing individuals who are authorized to engage or participate in any direct police arrest action in any foreign country with respect to narcotics control efforts, or any interrogation in connection with such efforts, shall prescribe regulations for the conduct of, and the procedures used by, such individuals.".

DANFORTH AMENDMENT NO. 115

Mr. LUGAR (for Mr. DANFORTH) proposed an amendment to the bill S. 960, supra; as follows:

At an appropriate point in the bill, insert the following new section:

"SEC. . USE OF PRIVATE AND VOLUNTARY ORGANIZATIONS, COOPERATIVES, AND THE PRIVATE SECTOR.

"(a) The Administrator of the Agency for International Development is directed to undertake a comprehensive study of additional ways to provide development asssitance through nongovernmental organizations (including United States and indigenous private and voluntary organizations, cooperatives, and other private entitites). Such study shall include:

"(1) an analysis of the percentage of development assistance allocated to governmental and non-governmental programs;

"(2) an analysis of structural impediments, within both the United States and foreign governments, to additional use of nongovernmental programs; and

"(3) an analysis of the comparative economic benefits of governmental and nongovernmental programs.

"(b) The Administrator is directed to conduct the study using available funds and to prepare a final report to the Congress no later than September 30, 1986.".

HAWKINS (AND OTHERS) AMENDMENT NO. 116

Mrs. HAWKINS (for herself, Mr. MATTINGLY, Mr. CHAFEE, Mr. FORD, Mr. HOLLINGS, Mr. DECONCINI, Mr. GARN, and Mr. MOYNIHAN) proposed an amendment to the bill S. 960, supra; as follows:

On page 64, between lines 16 and 17, insert the following:

RESTRICTIONS ON ASSISTANCE FOR BOLIVIA

SEC. 914. (a) The Congress finds that—

(1) cocaine has had a severe negative impact on productivity, public health, education, and the quality of life in the United States and on the national security of the United States;

(2) Bolivia is the source of more than 50 percent of the world's cocaine, and Bolivian production of cocaine continues to rise;

(3) 50 percent of the population of Bolivia is under 19 years of age, and cocaine production has had a severe, negative impact on the youth of Bolivia;

(4) the production of, and trafficking in, cocaine by Bolivia has contributed significantly to Bolivia's 1,000 percent rate of inflation;

(5) the failure of the Government of Bolivia to take steps to curb the production of coca in Bolivia during 1984 was cited in the report of the Department of State entitled "International Narcotics Control Strategy Report" as a major disappointment in its review of drug producing countries; and

(6) Bolivia received more than $37,000,000 in United States assistance during the fiscal year 1984 and during such fiscal year did not eradicate a single coca bush.

(b)(1) Beginning with the fiscal year 1986 and for each fiscal year thereafter, no United States assistance may be provided Bolivia unless the President certifies to the Committee on Foreign Affairs of the House of Representatives and the Committee on Foreign Relations of the Senate that the amount of coca that was produced in Bolivia during the preceding fiscal year is at least 10 percent less than the amount produced in Bolivia during the fiscal year which preceded such preceding fiscal year.

(2) Whenever the President certifies under paragraph (1) that the amount of coca that is produced in Bolivia is reduced by more than 10 percent from one fiscal year to the next, the amount of any such additional reduction shall be carried over and counted as if it had occurred in the fiscal year following the year in which it actually occurred.

(3) The Secretary of the Treasury shall instruct each United States Executive Director of the International Bank for Reconstruction and Development, the International Development Association, the International Finance Corporation, and the Inter-American Development Bank to oppose actively the extension of any loan or the furnishing of any financial assistance or technical assistance during the fiscal year 1986 or any fiscal year thereafter by the respective international financial institution to Bolivia, unless the President certifies under paragraph (1) that the amount of coca that was produced in Bolivia during the preceding fiscal year is at least 10 percent less than the amount produced in Bolivia during the fiscal year which preceded such fiscal year.

(4) In carrying out this section, coca produced solely for pharmaceutical purposes shall not be counted in determining amounts of production.

(5) As used in this section—

(A) the term "coca" means cocaine hydrochloride;

(B) the term "United States assistance" includes any assistance of any kind (other than assistance involving only the provision of food or medicine) which is provided by grant, sale, loan, lease, credit, guaranty, or insurance, or by any other means, by any agency or instrumentality of the United States Government to or for the benefit of any foreign country, including—

(i) assistance under the Foreign Assistance Act of 1961 (including programs under title IV of chapter 2 of part I, relating to the Overseas Private Investment Corporation, but excluding programs under chapter 8 of part I, relating to international narcotic control assistance);

(ii) sales, credits, and guaranties under the Arms Export Control Act;

(iii) sales under title I (including title III) of the Agricultural Trade Development and Assistance Act of 1954 and donations under title II of such Act of nonfood commodities;

(iv) financing programs of the Commodity Credit Corporation for export sales of nonfood commodities;

(v) financing under the Export-Import Bank Act of 1945;

(vi) assistance under the Migration and Refugee Assistance Act of 1962;

(vii) programs under the Peace Corps Act;

(viii) assistance under the Inter-American Foundation Act;

(ix) assistance under the African Development Foundation Act;

(x) financial assistance for foreign persons or groups under the Mutual Educational and Cultural Exchange Act of 1961; and

(xi) assistance of any kind under any other Act.

CONDITIONS ON ESF ASSISTANCE TO JAMAICA

SEC. 915. Of the funds allocated for Jamaica for fiscal year 1987 under chapter 4 of part II of the Foreign Assistance Act of 1961, $5,000,000 shall be withheld from obligation until the President certifies to the Congress that the Government of Jamaica has prepared, presented, and committed itself to a comprehensive plan or strategy for the control and reduction of illicit cultivation, production, processing, transportation, and distribution of marijuana within a specifically stated period of time.

On page 64, line 18 strike out "SEC. 914." and insert in lieu thereof "SEC. 916.".

BRADLEY (AND OTHERS) AMENDMENT NO. 117

Mr. BRADLEY (for himself, Mr. BENTSEN, Mr. MELCHER, Mr. MOYNIHAN, Mr. KERRY, Mr. BUMPERS, Mr. BINGAMAN, AND Mr. HARKIN) proposed an amendment to the bill S. 970, supra; as follows:

On page 64, between lines 16 and 17, insert the following:

POLICY REGARDING FOREIGN EXCHANGE INTERVENTION

SEC. 914. (a) The Congress finds and declares that—

(1) the trade deficit looms larger than any other threat to the ability of the United States to generate jobs and create economic well-being;

(2) the trade deficit continues to deteriorate even from the 1984 level of $123 billion;

(3) the trade deficit will continue to deteriorate until the value of the dollar declines on foreign exchange markets;

(4) the dollar's rise may slow down but is unlikely to fall sufficiently as a result of Congress' contemplated budget deficit reduction measures;

(5) the dollar would probably fall under a number of tax reform proposals but industries losing market share due to the exchange rate may not be able to wait for a complete tax package;

(6) the only remaining timely option for lowering the dollar is intervention in foreign exchange markets by the Treasury or the Federal Reserve;

(7) any such intervention must be strong enough to achieve the Congress' intent of lowering the dollar's value but sufficiently moderate to prevent a sudden drop in its value;

(8) any such intervention in order to assure a gradual decline and protect against too large a drop in the value of the dollar, will require coordinated action by the central banks of Europe and Japan as well as the United States; and

(9) such coordination is especially important to strengthen economic and political ties with the allies of the United States and to promote consistent macroeconomic policies to the mutual benefit of all.

(b) Therefore, it is the sense of the Congress that—

(1) the Secretary of the Treasury and the Chairman of the Federal Reserve Board, in concert with our allies and coordinated with the central banks of the Group of Five or other major central banks, should take steps as are necessary to lower gradually the value of the dollar;

(2) such steps should not exclude intervention in the foreign exchange markets;

(3) the Secretary of the Treasury and the Chairman of the Federal Reserve Board should work to ensure that the domestic macroeconomic policies of the United States and its allies are forged to reinforce rather than oppose one another.

HAWKINS (AND PELL) AMENDMENT NO. 118

Mr. LUGAR (for Mrs. HAWKINS, for herself and Mr. PELL) proposed an amendment to the bill S. 960, supra; as follows:

On page 64, between lines 16 and 17, insert the following:

INTERNATIONAL NARCOTICS CONTROL COMMISSION

SEC. 914. (a) There is established the International Narcotics Control Commission (hereafter in this section referred to as the "Commission").

(b) The Commission is authorized and directed—

(1) to monitor and promote international compliance with narcotics control treaties, including eradication, money laundering, and narco-terrorism; and

(2) to monitor and encourage United States Government and private programs seeking to expand international cooperation against drug abuse and narcotics trafficking.

(c)(1) The Commission shall be composed of twenty-two members as follows:

(A) Seven Members of the House of Representatives appointed by the Speaker of the House of Representatives. Four members shall be selected from the majority party and three shall be selected, after consultation with the minority leader of the House, from the minority party.

(B) Seven Members of the Senate appointed by the President of the Senate. Four members shall be selected from the majority party of the Senate, after consultation with the majority leader, and three shall be selected, after consultation with the minority leader of the Senate, from the minority party.

(C) One member of the Department of State appointed by the President.

(D) One member of the Department of Justice appointed by the President.

(E) One member of the Department of the Treasury appointed by the President.

(F) Five members of the public to be appointed by the President after consultation with the members of the appropriate congressional committees.

(2) There shall be a Chairman and a Cochairman of the Commission.

(3) On the date of enactment of this section and at the beginning of each odd-numbered Congress, the President of the Senate, on the recommendation of the majority leader, shall designate one of the Senate Members as Chairman of the Commission. At the beginning of each even-numbered Congress, the Speaker of the House of Representatives shall designate one of the House Members as Chairman of the Commission.

(4) At the beginning of each off-numbered Congress, the Speaker of the House of Representatives shall designate one of the House Members as Cochairman of the Commission. At the beginning of each even-numbered Congress, the President of the Senate, on the recommendation of the majority leader, shall designate one of the Senate Members as Cochairman of the Commission.

(d) In carrying out this section, the Commission may require, by subpena or otherwise, the attendance and testimony of such witnesses and the production of such books, records, correspondence, memorandums, papers, and documents as it deems necessary. Subpenas may be issued over the signature of the Chairman of the Commission or any member designated by him, and may be served by any person designated by the Chairman or such member. The Chairman of the Commission, or any member designated by him, may administer oaths to any witness.

(e) In order to assist the Commission in carrying out its duties, the President shall submit to the Commission a semiannual report regarding the status of compliance with narcotics control treaties, the first one to be submitted six months after the date of enactment of this section.

(f) The Commission is authorized and directed to report to the House of Representatives and the Senate with respect to the matters covered by this section on a periodic basis and to provide information to Members of the House of Representatives and the Senate as requested. For each fiscal year for which an appropriation is made the Commission shall submit to the Congress a report on its expenditures under such appropriation.

(g)(1) There are authorized to be appropriated to the Commission for each fiscal year and to remain available until expended $550,000 to assist in meeting the expenses of the Commission for the purpose of carrying out the provisions of this section, such appropriation to be disbursed on a voucher to be approved by the Chairman of the Commission.

(2) For purposes of section 502(b) of the Mutual Security Act of 1954, the Commission shall be deemed to be a standing committee of the Congress and shall be entitled to the use of funds in accordance with such sections.

(3) Not to exceed $6,000 of the funds appropriated to the Commission for each fiscal year may be used for official reception and representational expenses.

(h) The Commission may appoint and fix the pay of such staff personnel as it deems desirable, without regard to the provisions of title 5, United States Code, governing appointments in the competitive service, and without regard to the provisions of chapter 51 and subchapter III of chapter 53 of such title relating to classification and general schedule pay rates.

On page 64, line 18, strike out "SEC. 914." and insert in lieu thereof "SEC. 915.".

MATTINGLY AMENDMENT NO. 119

Mr. MATTINGLY proposed an amendment to the bill S. 960, supra; as follows:

On page 54, between lines 14 and 15, insert the following:

RESTRICTION ON ASSISTANCE TO PERU

SEC. 509. United States assistance, as defined by section 481(i)(4), may be provided to Peru for the fiscal year 1986 only if the President certifies to Congress that the Government of Peru has demonstrated substantive progress in developing a plan, in accordance with the Single Convention on Narcotic Drugs of 1961, that will establish its legal coca requirements, license the number of hectares necessary to produce the legal requirement, and eliminate illicit and unlicensed coca production.

BINGAMAN (AND OTHERS) AMENDMENT NO. 120

Mr. BINGAMAN (for himself, Mr. HATFIELD, Mr. ROCKEFELLER, Mr. BUMPERS, Mr. PRYOR, Mr. DECONCINI, Mr. BAUCUS, and Mr. SIMON) proposed an amendment to the bill S. 960, supra; as follows:

On page 2, line 12, strike out "5,464,500,000" and insert in lieu thereof "5,364,500,000".

On page 54, between lines 14 and 15, insert the following:

PUBLIC LAW 480 FUNDS

SEC. 509. In addition to funds otherwise available for such purpose, there are authorized to be appropriated $100,000,000 to be used to carry out title II of the Agricultural Trade and Development Act of 1954.

CRANSTON (AND KASSEBAUM) AMENDMENT NO. 121

Mr. CRANSTON (for himself and Mrs. KASSEBAUM) proposed an amendment to the bill S. 960, supra; as follows:

On page 54, below line 21, insert the following new sections:

SEC. 602. (a) The Peace Corps Act (22 U.S.C. 2501 et seq.) is amended by inserting after section 11 the following new section:

"PEACE CORPS NATIONAL ADVISORY COUNCIL

"SEC. 12. (a) A Peace Corps National Advisory Council (hereinafter in this section referred to as the 'Council') shall be established in accordance with the provisions of this section.

"(b)(1) The Council shall advise and consult with the President and the Director of the Peace Corps with regard to policies and programs designed to further the purposes of this Act and shall periodically report to the Congress.

"(2) Members of the Council shall visit, examine, and inspect the Peace Corps' activities in the United States and in other countries in order to, among other things—

"(A) evaluate the accomplishments of the Peace Corps;

"(B) assess the potential capabilities and the future role of the Peace Corps; and

"(C) make recommendations to the President, the Director of the Peace Corps, and the Congress to guide the future direction of the Peace Corps and to help ensure that the purposes and programs of the Peace

Corps are carried out in ways that are economical, efficient, responsive to changing needs in developing countries and to changing relationships among peoples, and in accordance with law.

"(3) The Council may provide for public participation in its activities.

"(c)(1) Persons appointed as members of the Council shall be broadly respresentative, including representation of educational institutions, private volunteer agencies, private industry, farm organizations, labor unions, different regions of the United States, different educational, economic, racial, and national backgrounds and age grouping, and both sexes.

"(2)(A) Subject to the succeeding sentence, fifteen members of the Council shall be appointed by the President by and with the advice and consent of the Senate. At least seven of such members shall be former Peace Corps volunteers, and no more than eight of such members shall be members of the same political party.

"(B) The first appointments of members of the Council under this paragraph shall be made not more than sixty days after the date of the enactment of this section and, solely for purposes of determining the expiration of their terms, shall be deemed to take effect on the sixtieth day after such enactment date.

"(C) No member appointed under this paragraph shall be an officer or employee of the United States Government.

"(D) Of the members initially appointed under this paragraph, eight shall be appointed to one-year terms and seven to two-year terms. There after, all appointed members shall be appointed to two-year terms.

"(E) A member of the Council appointed to fill a vacancy occurring before the expiration of the term for which the member's predecessor was appointed shall be appointed only for the remainder of the term.

"(F) No member of the Council may serve for more than two consecutive two-year terms.

"(G) Members of the Council shall serve at the pleasure of the President.

"(H) An appointed member of the Council may be removed by a vote of nine members for malfeasance in office, for persistent neglect of or inability to discharge duties, or for offenses involving moral turpitude, and for no other cause.

"(I) Any vacancy in the office of an appointed member of the Council shall be filled by the President within thirty days after such vacancy occurs.

"(3) The Secretary of State shall be a voting member, ex officio, of the Council. The Secretary may designate any officer in the Department of State compensated at level II or III of the Executive Schedule under section 5313 or 5314 of title 5, United States Code, to act for the Secretary under this section.

"(4) The Director and Deputy Director of the Peace Corps shall be non-voting members, ex officio, of the Council.

"(d)(1) Except as provided in paragraph (2), a member of the Council who is not officer or employee of the United States Government shall be (A) paid compensation out of funds made available for the purposes of this Act at the daily equivalent of the highest rate payable under section 5332 of title 5, United States Code, for each day (including travel-time) during which the member is engaged in the actual performance of duties as a Council member, and (B) while away0 from his or her home or regular place of business on necessary travel, as determined by the Director of the Peace Corps, for actual performance of such duties, paid per diem, travel, and transportation expenses in the same manner as provided for under subchapter I of chapter 57 of title 5, United States Code.

"(2) A member of the Council may not be paid compensation under paragraph (1)(A) for more than twenty days in any calendar year.

"(e) A majority of the voting members of the Council shall constitute a quorum for the purposes of transacting any business.

"(f) A member of the Council shall disclose to the Council the existence of any direct or indirect financial interest of that member in any particular matter before the Council and shall not vote or otherwise participate as a Council member with respect to that particular matter.

"(g) At its first meeting and at its first regular meeting in each calendar year thereafter, the Council shall elect a Chair and Vice Chair from among its appointed members who are citizens of the United States. The Chair and Vice Chair shall not both be members of the same political party.

"(h)(1) The Council shall hold a regular meeting during each calendar quarter and shall meet at the call of the President, the Director of the Peace Corps, the Council's Chair, or one-fourth of its members.

"(2) The Council shall prescribe such bylaws and regulations as it considers necessary to carry out its functions. Such bylaws and regulations shall include procedures for fixing the time and place of meetings, giving or waiving of notice of meetings, and keeping of minutes of meetings.

"(i) Not later than January 1, 1988, and not later than January 1 of each second year thereafter, the Council shall submit to the President and the Director of the Peace Corps a report of its views on the programs and activities of the Peace Corps. Each report shall contain a summary of the advice and recommendations provided by the Council to the President and the Director during the period covered by the report and such recommendations (including recommendations for administrative or legislative action) as the Council considers appropriate to make to the Congress. Within 90 days after receiving each such report, the President shall submit to the Congress a copy of the report, together with any comments concerning the report that the President or the Director considers appropriate.

(j) The Director of the Peace Corps shall make available to the Council such personnel, administrative support services, and technical assistance as are necessary to carry out effectively its functions.".

(b) Sixty days after the date of the enactment of this Act, any advisory body carrying out functions similar to those assigned to the Peace Corps National Advisory Council provided for by subsection (a) shall cease to operate and shall become defunct.

NONPARTISAN APPOINTMENTS

SEC. 603. The Peace Corps Act is amended—

(1) by redesignating sections 25, 26, and 27 as sections 26, 27, and 28, respectively; and

(2) by inserting after section 24 the following new section:

"NONPARTISAN APPOINTMENTS

"SEC. 25. In carrying out this Act, there shall be no political test or political qualification used in (1) selecting any person for enrollment as a volunteer or for appointment to a position at, or for assignment to (or for employment for assignment to), a duty station located abroad, or (2) promoting or taking any other action with respect to any volunteer or any person assigned to such a station."; and

(3) in subsection (a) of section 5, by amending the final sentence to read as follows: "In carrying out this subsection, there shall be no discrimination against any person on account of race, sex, creed, or color.".

BUMPERS AMENDMENT NO. 122

Mr. BUMPERS proposed an amendment to the bill S. 960, supra; as follows:

At the appropriate place in the bill, add the following:

"SEC. . The Senate finds that:

A free and democratic El Salvador is in the security interest of the United States; and

Jose Napoleon Duarte was elected President of El Salvador last year in the most democratic election held in El Salvador in many years; and

Political violence in El Salvador has declined dramatically under President Duarte's leadership; and

President Duarte's policies of respect for human rights, political pluralism, dialogue and reconciliation with the Salvadoran guerrilla forces, legal and social reform, and effective defense against the violent overthrow of the Salvadoran government are deserving of praise from all who believe in a democratic form of government; and

The March 31 legislative and municipal elections were successfully carried out, with 64 percent of the electorate defying guerrilla attacks to vote; and

The victory of President Duarte's Christian Democratic Party reaffirms the support for these policies by his fellow citizens, the essential test of any government or movement; and

In spite of the state of seige technically in effect due to the insurgent threat, observance of free speech, free press, and free assembly are widely enjoyed in El Salvador and permit public airing of opposing political views; and

President Duarte is firmly committed to judicial reform and prosecution of cases involving "death squads";

His leadership and popular support has notably weakened the popular support given the guerrillas, as evidenced by the high levels of voter participation in the free elections held in El Salvador since 1982, the reduction in territory in which the guerrillas can freely operate, their inability to mount frontal military attacks, and their resort to economic sabotage, ambushes, political assassination, and urban terrorism with blatant disregard for basic human rights; and

He has succeeded in reversing the decline in his country's economy which, though still weak, has better prospects than in recent years;

Based upon the above findings, it is the sense of the Senate that:

President Duarte is to be congratulated for his outstanding leadership under difficult circumstances and for his efforts to foster democratic government and institutions in his country, and he is encouraged to continue his efforts to promote political pluralism, democratic institutions, and respect for human rights in his country; and

The armed services of El Salvador are to be congratulated for their improved per-

formance and professionalism in defending Salvadoran citizens and their democratically elected government from attack by armed insurgents, and especially for their role in helping to protect and uphold the electoral process; and

The Senate reaffirms the importance of contained support for democratic principles and institutions and respect for human rights by the various sectors of Salvadoran society, which is a major factor in U.S. support for El Salvador.

MURKOWSKI AMENDMENT NO. 123

Mr. MURKOWSKI proposed an amendment to the bill S. 960, supra; as follows:

At the appropriate place, insert:

Of the funds authorized to be appropriated in this Act to carry out Chapter 2 or Chapter 4 of Part II of the Foreign Assistance Act of 1961, up to $5 million for FY 1986 may be made available to noncommunist resistance forces in Cambodia, provided that the Secretary of State finds that the Association of Southeast Asian Nations has acknowledged that material assistance to the noncommunist resistance is also being supplied by members of that Association.

HELMS AMENDMENT NO. 124

Mr. HELMS proposed an amendment to the bill S. 960, supra; as follows:

On page 64, between lines 16 and 17, insert the following:

AVAILABILITY OF FUNDS FOR ISRAEL

SEC. 914. (a) Funds authorized to be appropriated by this Act which are made available for the purpose of improving living and employment conditions of the residents in the territories of Gaza, Judea, and Samaria under the control of the Ministry of Defense of Israel shall be allocated for projects which benefit all residents of such territories; provided that those projects which benefit Israeli citizens residing in such territories shall receive funds allocated in the proportion which the number of such Israeli citizens bears to the total number of the residents of such territories.

(b) Funds authorized to be appropriated by this Act which are made available for Israel shall be available for use within any of the territory administered by Israel on the date of enactment of this Act.

On page 64, line 18, strike out "SEC. 914." and insert in lieu thereof "SEC. 915.".

MURKOWSKI AMENDMENT NO. 125

Mr. MURKOWSKI proposed an amendment to the bill S. 960, supra; as follows:

On page 3, beginning on line 9 with (d) strike all through the end of line 19.

SPECTER AMENDMENT NO. 126

Mr. SPECTER proposed an amendment (which was modified and subsequently further modified) to the bill S. 960, supra; as follows:

On page 64 at the end of the bill, add the following new section:

SEC. . (a) Notwithstanding any other provision of law, the President may prohibit any article grown, produced, extracted, or manufactured in Libya or any other country determined by joint resolution to be engaged in terrorism from being imported into the United States.

(b) Notwithstanding any other provision of law, the President may prohibit any goods or technology, including technical data or other information, subject to the jurisdiction of the United States or exported by any person subject to the jurisdiction of the United States, from being exported to Libya or any other country determined by joint resolution to be engaged in terrorism.

(c) For purposes of this Act, the term "United States" includes territories and possessions of the United States.

(d) In exercising the authorities granted by this section, the President shall adhere to the consultation and reporting requirements contained in section 204 of the International Emergency Economic Powers Act (50 U.S.C. App. 17).

MURKOWSKI AMENDMENT NO. 127

Mr. MURKOWSKI proposed an amendment to the bill S. 960, supra; as follows:

On page 6, beginning on line 5 with "Notwithstanding" strike out all through the end of line 7.

On page 2, line 12, strike out "$5,464,500,000" and insert in lieu thereof "$5,269,300,000."

On page 14, line 18, strike out "$805,100,000" and insert in lieu thereof "$1,000,300,000."

GLENN (AND KASSEBAUM) AMENDMENT NO. 128

Mr. GLENN (for himself and Mrs. KASSEBAUM) proposed an amendment to the bill S. 960, supra; as follows:

On page 64, between lines 16 and 17, insert the following:

POLICY TOWARD SOUTH AFRICAN "HOMELANDS"

SEC. 914. (a) The Congress finds that—

(1) the sanctity of the family, individual liberty, maximum freedom of choice, ownership of private property, and equal treatment of all citizens, regardless of race, are principles which are fully supported by the American people;

(2) the forced relocation of blacks by the Government of the Republic of South Africa to designated "homelands" divides families, as families are required to remain in the "homelands" while fathers seek work in the so-called "white areas";

(3) the forced removal of persons living in so-called "black spots" in "white" rural areas in South Africa denies them the fundamental right to live and to farm on land they have legally occupied for years, and subjects them to arbitrary arrest and detention when they seek these rights;

(4) compared to "white" South Africa, the designated "homelands," which are meant to accommodate the largest South African population group on a fraction of South African territory and were established without the consent of the vast majority of the governed, are characterized by high rates of infant mortality, unemployment, and malnutrition and by a severe shortage of medical services;

(5) the policy of the Government of the Republic of South Africa denies blacks their rightful claim to full South African citizenship; and

(6) the recent violence in South Africa must be seen as an inevitable result of the denial of the full rights of citizenship.

(b) It is the sense of the Congress that—

(1) the policy of separate development and the forced relocation of the people of the Government of the Republic of South Africa are inconsistent with fundamental American values and internationally recognized principles of human rights;

(2) the Government of the United States should continue to regard as citizens of South Africa all persons born within the internationally recognized boundaries of the Republic of South Africa, and not differentiate among these citizens on the basis of the South African Government's claim to have granted independence to various "homelands";

(3) at such times that any "homeland" official applies for a visa for travel to the United States, no such visa should be granted to such official unless such official holds a passport which is recognized as valid by the Government of the United States; and

(4) the Government of the United States should urge that the forced relocation of South African citizens be discontinued and that policies be adopted for all South Africa's citizens which protect the sanctity of the family, individual liberty, maximum freedom of choice, ownership of private property, and equal treatment of all citizens, regardless of race.

On page 64, line 18, strike out "SEC. 914." and insert in lieu thereof "SEC. 915.".

GLENN AMENDMENT NO. 129

Mr. GLENN proposed an amendment to the bill S. 960, supra; as follows:

On page 24, between lines 9 and 10, insert the following:

SENSITIVE TECHNOLOGY

SEC. 128. Section 36(b) of the Arms Export Control Act (22 U.S.C. 2776(b)) is amended—

(1) by inserting before the period at the end of the second sentence of paragraph (1) the following: "and a detailed justification of the reasons necessitating the sale of such articles or services in view of the sensitivity of such technology"; and

(2) by adding at the end thereof the following new paragraph:

"(5)(A) If, before the delivery of my major defense article or major defense equipment, or the furnishing of any defense service or design and construction service, sold pursuant to a letter of offer described in paragraph (1), the sensitivity of technology or the capability of the article, equipment, or service is enhanced or upgraded from the level of sensitivity or capability described in the numbered certification with respect to an offer to sell such article, equipment, or service, then, at least forty-five days before the delivery of such article or equipment or the furnishing of such service, the President shall prepare and transmit to the chairman of the Committee on Foreign Affairs of the House of Representatives and the chairman of the Committee on Foreign Relations of the Senate a report—

"(i) describing the manner in which the technology or capability has been enhanced or upgraded and describing the significance of such enhancement or upgrade; and

"(ii) setting forth a detailed justification for such enhancement or upgrade.

"(B) The provisions of subparagraph (A) apply to an article or equipment delivered,

or a service furnished, within ten years of the transmittal to the Congress of a numbered certification with respect to the sale of such article, equipment, or service.

"(C) If the enhancement or upgrade in the sensitivity of technology or the capability of major defense equipment, defense articles, defense services, or design and construction services described in a numbered certification submitted under this subsection costs $14,000,000 or more in the case of any major defense equipment, $50,000,000 or more in the case of defense articles or defense services, or $200,000,000 or more in the case of design or construction services, then the President shall submit to the Speaker of the House of Representatives and the chairman of the Committee on Foreign Relations of the Senate a new numbered certification which relates to such enhancement or upgrade and which shall be considered for purposes of this subsection as if it were a separate letter of offer to sell defense equipment, articles, or services, subject to all of the requirements, restrictions, and conditions set forth in this subsection. For purposes of this subparagraph, references in this subsection to sales shall be deemed to be references to enhancements or upgrades in the sensitivity of technology or the capability of major defense equipment, articles, or services, as the case may be.".

"(D) For the purposes of subsection b(5)(A), major defense article shall be construed to include electronic devices, which if upgraded, will enhance the mission capability of a weapons system.".

PELL (AND CRANSTON) AMENDMENT NO. 130

Mr. PELL (for himself and Mr. CRANSTON) proposed an amendment to the bill S. 960, supra; as follows:

On page 36, add the following at the end:

SEC. 314 (A): The Foreign Assistance Act of 1961, as amended, is amended by adding at the end of section 119 the following new subsections:

"(e) Each Country Development Strategy Statement (country plan) shall include a detailed and specific plan to assist the recipient country in the conservation of biological diversity. Each such plan shall include, as appropriate, assistance to countries in the identification, acquisition, and protection of wildlife habitats, of representative ecosystems, and of significant or unique natural areas. Each Country Development Strategy Statement shall take account of the information derived from the activity undertaken pursuant to subsection (h).

"(f) The Administrator of the Agency for International Development, and the Directors of other appropriate United States agencies, are authorized and directed to enter into long-term agreements with recipient countries to protect wildlife habitats, representative ecosystems, and significant or unique natural areas in the recipient country.

"(g) Of the amount by which funds appropriated to the Agency for International Development for agriculture and forestry exceeds the amounts appropriated for agriculture and forestry in fiscal year 1986, at least fifty percent shall be available only for countries which enter into long-term agreements pursuant to subsection (f). Funds made available by this subsection may be used in support of the long-term agreements.

"(h) The Administrator of the Agency for International Development is authorized and directed to support the creation of biological inventory programs in recipient countries, to support programs to identify critical ecosystems in developing countries, and to make surveys of national parks and proposed protected areas where such surveys will enhance the protection of endangered species or the protection of critical ecosystems."

(B) In subsection (d) of section 119 of the Foreign Assistance Act of 1961, as amended, strike "subsection" and insert in lieu thereof "section".

KENNEDY AMENDMENTS NOS. 131 THROUGH 133

Mr. KENNEDY proposed three amendments to the bill S. 960, supra; as follows:

On page 64, between lines 16 and 17, insert the following:

REPORTS ON FOREIGN DEBT IN LATIN AMERICA

SEC. 914. (a) The Congress finds that—

(1) the foreign debt of Latin American countries has soared from $27 billion in 1970 to over $350 billion in 1983;

(2) the foreign debt of Latin American countries is a serious obstacle to their economic progress, threatens their stability, and endangers the democratic processes in those nations;

(3) the economic and political futures of many of the Latin American countries hang in the balance and depend upon a successful resolution of the foreign debt crisis; and

(4) the confidence of the American people in the United States system of banking is also involved in a successful resolution of the foreign debt crisis.

(b)(1) Not later than October 1, 1985, the Secretary of State shall prepare and transmit to the Congress a report on—

(A) the magnitude of the foreign debt crisis in this hemisphere;

(B) the impact of the foreign debt crisis on the economies of the nations of Latin America;

(C) the degree to which the national security interests of the United States are implicated in this crisis; and

(D) the steps being taken and the policy being pursued by the United States with this crisis.

(2) Not later than October 1, 1985, the Secretary of the Treasury shall prepare and transmit to the Congress a report on—

(A) the degree to which the foreign debt crisis affects the system of banking in the United States; and

(B) the steps being taken and the policy being pursued by the Department of the Treasury aimed at dealing with this crisis.

On page 64, line 18, strike out "SEC. 914." and insert in lieu thereof "SEC. 915."

On page 36, after line 26, add the following:

OCEAN FREIGHT REIMBURSEMENT

SEC. 314. Section 123(b) of the Foreign Assistance Act of 1961 (22 U.S.C. 2151u(b)) is amended—

(1) by inserting "(1)" immediately after "(b)"; and

"(2) In addition to funds otherwise available for such purpose, there are authorized to be appropriated to the President $20,000,000 to pay charges on shipments described in paragraph (1).".

On page 64, between lines 16 and 17, insert the following:

That, because the fabric of a society is strengthened by visible reminders of the historical roots of the society, it is in the national interest of the United States to preserve and protect the cemeteries, monuments, and historic buildings associated with the foreign heritage of United States citizens.

SEC. 2. There is established a commission to be known as the Commission for the Preservation of America's Heritage Abroad (hereafter in this Act referred to as the "Commission").

SEC. 3. The Commission shall—

(1) identify and publish a list of those cemeteries, monuments, and historic buildings located abroad which are associated with the foreign heritage of United States citizens, particularly those cemeteries, monuments, and buildings which are in danger of deterioration or destruction;

(2) encourage the preservation and protection of such cemeteries, monuments, and historic buildings by obtaining, where appropriate and in concurrence with the Department of State, assurances from foreign governments that the cemeteries, monuments, and buildings will be preserved and protected;

(3) sponsor or otherwise support demonstration projects to help preserve and protect such cemeteries, monuments, and historic buildings;

(4) prepare and disseminate reports on the condition of and the progress toward preserving and protecting cemeteries, monuments, and historical buildings; and

(5) coordinate its efforts with the United States International Council on Monuments and Sites.

SEC. 4. (a) The Commission shall consist of five members appointed by the President.

(b) Members shall be appointed for terms of three years except—

(1) of such members first appointed—

(A) two shall be appointed for two years; and

(B) three shall be appointed for three years;

(2) a member appointed to fill a vacancy on the Commission shall serve for the remainder of the term for which the member's predecessor was appointed; and

(3) a member may retain membership on the Commission until the member's successor has been appointed.

(c) The President shall designate the Chairman of the Commission from among its members.

(d) The Commission shall meet at least once every three months.

SEC. 5. (a) Members of the Commission shall receive no pay on account of their service on the Commission.

(b) While away from their homes or regular places of business in the performance of services for the Commission, members of the Commission shall be allowed travel expenses, including per diem in lieu of subsistence, in the same manner as persons employed intermittently in the Government service are allowed expenses under section 5703 of title 5 of the United States Code.

SEC. 6. (a) The Commission may appoint such personnel (subject to the provisions of title 5 of the United States Code which govern appointments in the competitive service) and may fix the pay of such personnel (subject to the provisions of chapter 51 and subchapter III of chapter 53 of such title, relating to classification and General Schedule pay rates) as the Commission deems desirable.

(b) The Commission may procure temporary and intermittent services to the same extent as is authorized by section 3109(b) of title 5 of the United States Code, but at

rates for individuals not to exceed the daily equivalent of the maximum annual rate of basic pay then in effect for grade GS-18 of the General Schedule (5 U.S.C. 5332(a)).

(c) Upon request of the Commission, the head of any Federal department or agency, including the Secretary of State, is authorized to detail, on a reimbursable basis, any of the personnel of such department or agency to the Commission to assist it in carrying out its duties under this Act.

SEC. 7. (a) The Commission may secure directly from any department or agency of the United States, including the Department of State, any information necessary to enable it to carry out this Act. Upon the request of the Chairman of the Commission, the head of such department or agency shall furnish such information to the Commission.

(b) The Commission may accept, use, and dispose of gifts or donations of money or property.

(c) The Commission may use the United States mails in the same manner and upon the same conditions as other departments and agencies of the United States.

(d) The Administrator of General Services shall provide to the Commission on a reimbursable basis such administrative support services as the Commission may request.

SEC. 8. The Commission shall transmit an annual report to the President and to each House of Congress as soon as practicable after the end of each fiscal year. Each report shall include a detailed statement of the activities and accomplishments of the Commission during the preceding fiscal year and any recommendations by the Commission for legislation and administrative actions.

SEC. 9. This act shall take effect on October 1, 1985.

On page 64, line 18 strike "SEC. 914." in lieu therefore "SEC. 915."

HATFIELD (AND PELL) AMENDMENT NO. 134

Mr. HATFIELD (for himself and Mr. PELL) proposed an amendment to the bill S. 960, supra; as follows:

At the end of the bill, add the following new section:

THE CONTROL OF CONVENTIONAL ARMS TRANSFERS

SEC. . (a) The Congress recognizes that conventional arms transfer agreements with the Third World by all suppliers from 1981-1984 totaled $153.2 billion (in constant 1984 dollars); in which non-communist suppliers accounted for $94.1 billion and communist suppliers accounted for $59.1 billion. The United States, the Soviet Union and France have been the three predominant arms suppliers to the Third World from 1977-1984 and collectively accounted for 83% of all conventional arms transfer agreements with the Third World in 1984.

There is grave concern for the effect Conventional Arms Transfers may have on regional stability, arms races and the economic needs of third world nations, including their development, and ability to meet basic human needs. There is further concern about the effect of conventional arms transfers on regional stability, and ultimately on United States and Soviet security. Conventional arms transfer agreements made by the U.S., the Soviet Union and France are at levels closer to rough equivalence than at any time in history. This could be a significant factor in facilitating progress to limit and control arms transfers. Since new arms transfers are unpredictable, and, since new cycles of arms purchases by the less developed nations could occur at any time, the U.S. should re-evaluate its conventional arms transfer policies and practices and seek to achieve negotiated conventional arms control agreements which enhance the national interest at the earliest possible date.

"(b) Therefore—

"(1) The President should, at the earliest possible date, in consultation with our allies, initiate discussions with the Soviet Union and France aimed at beginning multilateral negotiation to limit and control the transfer of conventional arms to the less developed world.

"(2) Within one year of the date of enactment of this section, the President shall submit to Congress a report to the Speaker of the House of Representatives and the Chairman of the Committee on Foreign Relations which examines and analyzes United States policies concerning the transfer of conventional arms, especially sophisticated weapons, and including a review of measures being taken to fulfill the objectives stated above. This report shall also examine and analyze—

"(A) the lessons of earlier efforts to negotiate restraints on the export of conventional arms;

"(B) the evolution of supplier practices and policies;

"(C) the evolution of recipient country attitudes regarding conventional arms transfers;

"(D) the effect upon regional stability and security of conventional arms transfers by the United States and its allies and the Soviet Union and its allies in recent years;

"(E) the relationship between arms exports by major suppliers and the needs of those countries to support their domestic military procurement programs;

"(F) the relationship between arms imports and the external debt of recipient countries, allocation of internal resources, and their economic well-being; and

"(G) the relationship between arms transfers and regional military stability.

"(3) The report provided for in subsection (2) shall be submitted in unclassified form, with an unclassified summary and with classified appendices, as appropriate and necessary.

KASTEN AMENDMENT NO. 135

Mr. KASTEN proposed an amendment to the bill S. 960, supra; as follows:

At the appropriate place in the bill add the following:

Since the People's Republic of China is seeking to apply for admission to the Asian Development Bank, conditioning its application upon administrative changes affecting the status and designation of the Republic of China (Taiwan) within that body;

Since the Republic of China (Taiwan) is a founding member of the Asian Development Bank, actively participating in the Bank's activities and faithfully fulfilling its obligations since the Bank's establishment in December 1966;

Since the Republic of China's (Taiwan's) subscription to the initial capital stock of the Bank was determined on the basis of the area, population, and economic condition of the island of Taiwan;

Since neither the relationship between the Republic of China (Taiwan) and the Bank, nor the circumstances under which these relations were established, have changed since 1966;

Since the Asian Development Bank agreement specifically prohibits the Bank from being influenced in its decision by politics;

Since it was the strong conviction of the founders of the Asian Development Bank that the introduction of political considerations would undermine the ability of the Bank to carry out its mission, namely to further economic growth and cooperation in the region; and

Since the Republic of China (Taiwan) has assisted in carrying out the mission of the Asian Development Bank over the years, moving from borrower to donor: Now, therefore,

It is the sense of the Senate that—

(1) Republic of China (Taiwan) should remain a full member of the Asian Development Bank, and that its status and designation within that body should remain unaltered no matter how the issue of the People's Republic of China's application for membership is disposed of; and

(2) the President and the Secretary of State should express support of the Republic of China (Taiwan), making it clear that the United States will not countenance attempts to make administrative changes affecting the status and designation of another member without that member's full knowledge and consent.

HELMS AMENDMENT NO. 136

Mr. HELMS proposed an amendment (which was subsequently modified) to the bill S. 960, supra; as follows:

At the appropriate place in the bill, insert the following new section:

SEC. . (a) None of the funds authorized to be appropriated for fiscal year 1986 under chapter 2 and 5 of Part II of the Foreign Assistance Act of 1961 shall be made available to the People's Republic of Mozambique unless the President makes a certification in accordance with subsection (a) within thirty days of the enactment of this section and every one hundred and eighty days thereafter.

(b) The certification required by subsection (a) is a certification by the President to the Speaker of the House of Representatives and to the chairman of the Senate Committee on Foreign Relations that the Government of the People's Republic of Mozambique—

(1) is making a concerted and significant effort to comply with internationally recognized human rights;

(2) is making continued progress in implementing essential economic and political reforms, including the restoration of private property and respect for the right to engage in free enterprise in all sectors of the economy:

(3) has implemented a plan and Sept. 30, 1986 to reduce the number of foreign military personnel to no more than 55.

(i) is committed to holding free elections at a date not later than September 30, 1986, and to that end has demonstrated its good faith efforts to begin discussions with all major political factions in Mozambique which have declared their willingness to find and implement an equitable political solution to the conflict, with such solution to involve a commitment to—

(A) the electoral process with internationally recognized observers; and

(B) the elimination of all restrictions on the formation and activities of opposition political parties.

KASTEN (AND KENNEDY) AMENDMENT NO. 137

Mr. KASTEN (for himself and Mr. KENNEDY) proposed an amendment to the bill S. 960, supra; as follows:

On page 34, between lines 8 and 9, insert the following new section:

AFRICA FAMINE RECOVERY AND DEVELOPMENT FUND

SEC. 308. Chapter 1 of the Foreign Assistance Act of 1961 is amended by adding at the end thereof the following new section:

"SEC. 129. Africa Famine Recovery and Development Fund.—(a) The Congress reaffirms the commitment of the American people to assist the countries of Sub-Saharan Africa in dealing with drought and famine conditions which threaten the lives of millions of its people. The Congress reaffirms the commitment of the United States Government to continue its support, in concert with other nations and in cooperation with the affected nations in Africa, of the International relief, rehabilitation, and recovery program to assist these nations in dealing more effectively with drought and achieving self-sufficiency in agricultural production, eliminating forever the threat of famine.

"(b) The President is authorized to furnish assistance, on such terms and conditions as he may determine, for the long-term agricultural recovery and development of the Sub-Saharan Africa region, particularly for support of policy reform and agricultural support and research for small farmers. Assistance furnished under this section shall be in accordance with a long-term, multidonor development plan which calls for equitable burdensharing with other donors and shall be furnished, whenever appropriate, in cooperation with an international coordinating mechanism or international agency.

"(c)(1) There are authorized to be appropriated to the President up to $100 million, which sums shall be derived from any funds, authorized by this act to carry out the purposes of this section.

"(2) Amounts appropriated under this section are authorized to remain available until expended.".

KASTEN (AND INOUYE) AMENDMENT NO. 138

Mr. KASTEN (for himself and Mr. INOUYE) proposed an amendment to the bill S. 960, supra; as follows:

On page 50, line 19, after the word funds insert: "authorized to be".

SPECTER (AND KASTEN) AMENDMENT NO. 139

Mr. SPECTER (for himself and Mr. KASTEN) proposed an amendment to the bill S. 960, supra; as follows:

At the end of the bill add the following new sections:

SEC. . (a) The Congress finds that—

(1) Josef Mengele was the selecting physician at the Nazi concentration camp of Auschwitz-Birkenau during the Second World War where he personally sent more than four hundred thousand Jews, including close to two hundred thousand children, to the gas chambers and conducted unspeakable pseudo-scientific experiments on many of the inmates of Auschwitz;

(2) Josef Mengele has lived in freedom since the end of the Second World War, initially, it is thought, in Germany and, thereafter, for the past thirty-five years, in South America;

(3) Josef Mengele became a naturalized citizen of Paraguay in 1959, and is believed still to be living in the region; and

(4) the Minister of the Interior of Paraguay has promised that the Paraguayan Government would undertake a nationwide investigation to locate Josef Mengele and allow foreign observers to participate in such investigation.

(b) It is therefore the sense of Congress that—

(1) the United States Government should undertake all possible efforts to ensure that Josef Mengele is brought to justice;

(2) the Government of Paraguay should, consistent with its previous commitments, carry out an immediate investigation to locate Josef Mengele and, if he is to be found in that country, arrest him and extradite him to a country where a warrant is outstanding for the arrest of Josef Mengele for crimes against humanity;

(3) the United States Government should seek to enlist similar efforts on the part of other regional governments; and

(4) in pursuance of these ends, the United States Government should send representatives to Paraguay and such other regional states as appropriate to participate in these investigations.

(c) Report to Congress on efforts of the Government of Paraguay to apprehend Josef Mengele.

SEC. . The President shall submit a report to the Speaker of the House of Representatives and the President Pro Tempore of the Senate on the efforts made by the Government of Paraguay to apprehend Josef Mengele. Such report shall be submitted no later than October 1, 1985 and shall include—

(1) a detailing of the efforts made by the Government of Paraguay to locate Josef Mengele;

(2) the degree to which other countries have cooperated with the investigation; and

(3) the results of the Government of Paraguay's efforts to locate and apprehend Josef Mengele.

HELMS AMENDMENT NO. 140

Mr. HELMS proposed an amendment to the bill S. 960, supra; as follows:

On page 50, strike line 15 through line 26, inclusive, and insert in lieu thereof the following: "There are authorized to be appropriated to the President for grants to carry out the purposes of this chapter, in addition to funds available under any other Acts for such purposes, $196,211,000 for the fiscal year 1986."

MELCHER (AND PRESSLER) AMENDMENT NO. 141

Mr. MELCHER (for himself and Mr. PRESSLER) proposed an amendment to the bill S. 960, supra; as follows:

At the end of the bill, add the following new section:

SEC. . Since, livestock prices have been in decline for some time due to excessive supply partially caused by dramatic increases in importation of live cattle and hogs from Canada, which has increased by 1,000 percent in the last decade in the case of hogs alone; and

Since, American livestock producers are suffering from the same general economic crisis affecting all of agriculture, and many will face liquidation or foreclosure in the near future; and

Since, the disparity between the U.S. and the Canadian dollar amounts to 32%-34% and results in even further increases in Canadian hogs and cattle being imported into the United States;

Therefore, it is the sense of the Congress that the President should direct appropriate members of the Administration, including the United States Trade Representative, the Secretary of Agriculture, and the Secretary of Commerce, to aggressively pursue discussions with the Canadian Government directed toward immediate reduction in the Canadian export of cattle and hogs to the United States.

KENNEDY (AND DODD) AMENDMENT NO. 142

Mr. KENNEDY (for himself and Mr. DODD) proposed an amendment to the bill S. 960, supra; as follows:

(a) CONDITIONS ON MILITARY ASSISTANCE AND SALES.—For fiscal year 1986, assistance may be provided for Guatemala under chapter 2 (relating to grant military assistance) or chapter 5 (relating to international military education and training) of part II of the Foreign Assistance Act of 1961 and sales may be made and financing may be provided for Guatemala under the Arms Export Control Act (relating to foreign military sales) only if the President makes the following certifications to the Congress:

(1) For fiscal year 1986, an elected civilian government is in power in Guatemala and has submitted a formal written request to the United States for the assistance, sales, or financing to be provided.

(2) For fiscal year 1986, the Government of Guatemala made demonstrated progress during the preceding year (A) in achieving control over its military and security forces, and (B) toward eliminating kidnappings and disappearances, forced recruitment into the civil defense patrols, and other abuses by such forces of internationally recognized human rights.

(b) CONTINUATION OF IMET PROGRAMS UPON ELECTION.—Notwithstanding subsection (a), up to 30 percent of the amount allocated for Guatemala for fiscal year 1986 for assistance under chapter 5 of part II of the Foreign Assistance Act of 1961 may be provided, upon the election of a civilian government in Guatemala, for the continuation of existing programs under that chapter.

(c) CONSTRUCTION EQUIPMENT AND MOBILE MEDICAL FACILITIES AND RELATED TRAINING.—If the conditions specified in subsection (a) are met, Guatemala may be provided with the following for fiscal year 1986 (in addition to such other assistance, sales, or financing as may be provided for Guatemala):

(1) Sales of construction equipment and mobile medical facilities to assist in development programs that will directly assist the poor in Guatemala.

(2) Sales of training, to be provided outside of Guatemala, which is related to the sales described in paragraph (1).

(3) A total for fiscal year 1986 of no more than $5,000,000 in credits under the Arms

Export Control Act for sales described in paragraphs (1) and (2). Such sales and credits shall be provided only to enable the military forces of Guatemala to obtain equipment and training for civilian engineering and construction projects and mobile medical teams, which would not be used in the rural resettlement program.

(d) PROHIBITION ON FURNISHING WEAPONS.—Funds authorized to be appropriated by title I of this Act may not be used for the procurement by Guatemala of any weapons or ammunition.

(e) SUSPENSION OF ASSISTANCE IF A MILITARY COUP OCCURS.—All assistance authorized by this Act which is allocated for Guatemala shall be suspended if the elected civilian government of that country is deposed by military coup or decree.

(f) RURAL RESETTLEMENT PROGRAM.—Assistance provided for Guatemala for the fiscal year 1986 under chapter 1 of part I (relating to development assistance) or under chapter 4 of part II (relating to the economic support fund) of the Foreign Assistance Act of 1961—

(1) may not be provided to the Government of Guatemala for use in its rural resettlement programs; and

(2) shall be provided through private and voluntary organizations to the maximum extent possible.

(g) INVITATION FOR ICRC TO VISIT GUATEMALA.—The Congress calls upon the President to urge the Government of Guatemala to allow the International Committee of the Red Cross—

(1) to conduct an unimpeded visit to Guatemala in order to investigate humanitarian needs in that country, and

(2) to investigate the possibilities of its providing humanitarian services in that country.

(h) RELATIONS BETWEEN BELIZE AND GUATEMALA.—It is the sense of the Congress that the United States should use its good offices and influence to encourage the Government of Guatemala to recognize the independence of Belize and to enter into a mutual nonaggression treaty with Belize.

DOLE AMENDMENT NO. 143

Mr. LUGAR (for Mr. DOLE) proposed an amendment to the bill S. 960, supra; as follows:

On page 64, between lines 16 and 17, insert the following:

ASSISTANCE FOR THE CAMBODIAN PEOPLE

SEC. 914. The President may make available to the non-communist resistance forces in Cambodia up to $5,000,000 for fiscal year 1986 of the funds authorized to be appropriated to carry out chapter 2 or chapter 4 of Part II of the Foreign Assistance Act of 1961, notwithstanding any other provision of law.

On page 64, line 18, strike out "SEC. 914." and insert in lieu thereof "SEC. 915."

DOLE AMENDMENT NO. 144

Mr. DOLE proposed an amendment to the bill S. 960, supra; as follows:

On page 51, lines 8 and 9, strike out "Cuba, or Syria" and insert in lieu thereof "or Cuba".

SYMMS AMENDMENT NO. 145

Mr. SYMMS proposed an amendment to the bill S. 960, supra; as follows:

At the end of the bill, add the following new section:

SEC. . Since, softwood timber prices have been in decline for some time due to excessive supply partially caused by dramatic increases in importation of processed softwood timber from Canada, which has increased from 18 percent of U.S. market in the last 2 years to 35 to 40% today—

Since, American timber producers are suffering from this economic crisis and the difficulty in acquiring timber from the National Forest System;

Since, the disparity between the U.S. and the Canadian dollar amounts to 32%-34% and results in even further increases in processed softwood timber being imported into the United States;

Therefore, it is the sense of the Congress that the President should direct appropriate members of the Administration, including the United States Trade Representative, the Secretary of Agriculture, and the Secretary of Commerce, to aggressively pursue discussions with the Canadian Government directed toward immediate reduction in the Canadian export of softwood timber to the United States.

NOTICES OF HEARINGS

SUBCOMMITTEE ON OVERSIGHT OF GOVERNMENT MANAGEMENT

Mr. COHEN. Mr. President, I wish to announce that the Senate Oversight of Government Management Subcommittee will hold a hearing on the Program Fraud Civil Penalties Act of 1985 (S. 1134) on Thursday, May 23, at 9:30 a.m., in room 342 of the Dirksen Senate Office Building.

AUTHORITY FOR COMMITTEES TO MEET

COMMITTEE ON ARMED SERVICES

Mr. LUGAR. Mr. President, I ask unanimous consent that the Committee on Armed Services be authorized to meet during the session of the Senate on Wednesday, May 15, 1985, in order to mark up S. 1029, a bill to authorize appropriations for the military function of the Department of Defense for fiscal year 1986.

The PRESIDING OFFICER. Without objection, it is so ordered.

SELECT COMMITTEE ON INTELLIGENCE

Mr. LUGAR. Mr. President, I ask unanimous consent that the Select Committee on Intelligence be authorized to meet during the session of the Senate on Wednesday, May 15, 1985, in closed executive session, to hold a briefing on intelligence matters.

The PRESIDING OFFICER. Without objection, it is so ordered.

SUBCOMMITTEE ON INVESTIGATIONS

Mr. LUGAR. Mr. President, I ask unanimous consent that the Permanent Subcommittee on Investigations of the Committee on Governmental Affairs be authorized to meet during the session of the Senate on Wednesday, May 15, to hold a hearing on weight reduction products and plans.

The PRESIDING OFFICER. Without objection, it is so ordered.

COMMITTEE ON AGRICULTURE, NUTRITION, AND FORESTRY

Mr. LUGAR. Mr. President, I ask unanimous consent that the Committee on Agriculture, Nutrition and Forestry be authorized to meet during the session of the Senate on Wednesday, May 15, to markup the 1985 farm bill, and that the meeting conclude at the hour of 12:30 today.

The PRESIDING OFFICER. Without objection, it is so ordered.

COMMITTEE ON THE JUDICIARY

Mr. LUGAR. Mr. President, I ask unanimous consent that the Committee on the Judiciary be authorized to meet during the session of the Senate on Wednesday, May 15, to hold a hearing to consider the nomination of D. Lowell Jensen, of Virginia, to be Deputy Attorney General of the United States.

The PRESIDING OFFICER. Without objection, it is so ordered.

ADDITIONAL STATEMENTS

REA ANNIVERSARY

● Mr. KASTEN. Mr. President, I rise today to take note of an important anniversary. Last Saturday, May 11, marked the 50th anniversary of rural electrification, one of the most forward-looking and successful programs in our Nation's history.

Those of my colleagues who are not familiar with Wisconsin should know that it is a largely rural State. Most of its western half is serviced by rural electric cooperatives who throughout the last half-century have received an invaluable helping hand from the Rural Electrification Administration.

Mr. President, in a very real sense REA helped bring rural Wisconsin—and rural America—into the 20th century. Nowadays we tend to take electricity for granted. But in areas where the population is widely dispersed and the terrain rugged, commercial utilities 50 years ago were unwilling to accept the risk and expense that went along with installing power generating and transmission facilities.

REA, working with the rural electric co-ops, helped save these areas from being left behind. Today, rural electrics are able to offer their customers electricity at reasonable rates. In many cases, this fact makes the difference between families being able to afford life in the country, and on the farm, and being forced to move to already overcrowded cities.

Rural electrification has contributed to a productive and diversified agriculture and to the growth and vitality of thousands of rural communities in Wisconsin and across the Nation. The employees of REA, through their hard work and dedication, have done much to make this contribution possible, and

their efforts should receive the recognition they deserve.

The task of the Rural Electrification Program is not yet complete. Many areas of the country would not have access to electric and telephone service even today were it not for the lending programs and technical assistance available through REA. We must all look together to ensure that rural electrification continues to play its important role in sustaining a prosperous rural America.

Mr. President, I am proud to be a cosponsor of Senate Resolution 148, and urge my colleagues to support this measure honoring the Rural Electrification Program on its 50th anniversary.●

SECURITIES SAFETY AND SOUNDNESS ACT

● Mr. DOMENICI. Mr. President, yesterday, I placed in the RECORD the first episode of the Roaring Eighties. The article was written by Steven Brill and appeared in the May edition of the American Lawyer. The name, Roaring Eighties brings to mind the speculative fervor that was all the rage in the twenties. Many of us are concerned that, unless Congress acts swiftly, this current wave of mergers/liquidations will end just like 1929.

Few of us remember first-hand the speculation that was the capstone of the Roaring Twenties. However, on May 10, 1985, Jacques Coe of Cowen & Co., wrote to the Wall Street Journal about his recollections of the events leading up to the great crash. He draws a parallel between activities in the 1920's and activities taking place now. He writes:

I doubt very much whether you get mail from people [who have been] actively engaged on Wall Street [for] as long as this writer. In my 92 year and still active as a limited partner of Cowen & Co., I have gone through many cycles of ups and downs.

I have read Felix Rohatyn's warning article on "junk bonds" etc. Whether it will have a sobering effect is questionable but, it does bring to mind a similar warning in different phraseology by Paul Warburg when he was a partner in Kuhn Loeb and, I believe, a governor of the Federal Reserve. This took place in March 1929 and was greeted by a temporary short decline followed by another bullish thrust ending in what happened in September 1929.

The old saying that "those who disregard the past are bound to be punished by the future" still is valid.

JACQUES COE,
Wall Street Journal, May 10, 1985.

Given that perspective, let us rejoin our cast of characters. As you recall in the last episode we watched with anxious anticipation the opening bid from the seductive Texan and left our characters right after the rescue squad arrived. Please refer to the RECORD of yesterday's date.

Today I ask that the "Rescue Plan," "Enter Icahn," and "The Group," and "Icahn's Magic Offer" be printed in the RECORD. Tomorrow, the Junkman cometh.

The material follows:

[From Roaring Eighties, II, American Lawyer, May 1985]

THE RESCUE PLAN

It is Sunday, December 23. After more than a week of meetings and negotiations with Pickens (in which Flom acts as an intermediary), Lipton and crew come up with a complicated plan that the Phillips board dutifully approves.

The scheme, called a recapitalization plan, would give shareholders a new package of debentures supposedly worth $60 a share for 38 percent of their stock and allow them to sell $1 billion worth of other shares back to the company for as much as $50 per share, in cash. Moreover, new shares totaling 32 percent of the stock would be issued—in lieu of some future employee wage increases—to an employee stock ownership trust, which presumably would forever vote in favor of management. When combined with other friendly shares, this employee stock trust would give management effective control over the company.

Where's Phillips going to get the money to buy back those shares and support all that new debt? Easy: The company is going to sell $2 billion worth of unspecified assets and cut capital expenditures—this from a company that had attacked Pickens's bid because it would cause Phillips to sell off assets and cut long-term capital expenditures, and a company that had spent more than $3 billion in recent years to make Douce and crew's empire bigger, by buying General American Oil and R.J. Reynolds's Aminoil subsidiary.

Phillips also announces that although it's not interested in a sale to anyone, it will put aside its recapitalization plan and take $62 a share in cash for all shares if anyone is interested.

When Phillips announces the plan, it claims the package is worth $53 a share—which is better than Pickens's $60, they say, because his bid is illusory.

As for Pickens, there's an announcement about him, too: He's agreed to take a $53 deal from Phillips for the stock he's already bought. Only there's one catch: Pickens, despite his repeated protests that he'll never take greenmail or any other deal not offered to all the shareholders, is guaranteed the $53 in cash. Plus he's been given $25 million in "expenses" he's supposedly incurred in mounting his now-aborted effort.

Thus, Pickens has made a quick $89-million profit on his purchase of Phillips stock. Moreover, because he has also bargained for all litigation to be dropped, he has avoided any possible embarrassment from wide disclosure of the depositions suggesting tipping or insider trading.

On the heels of the announcement of the Pickens buyout and the recapitalization plan. Phillips stock plummets from $54.88 to $45.25.

Although Wall Street analysts quickly set a value of $45 to $50 on the recapitalization package and the stock hovers at $45 to $46. Pickens maintains, with a straight face, that his $53 cash sellout is not greenmail but only a different form of the same deal offered all the shareholders. (One of the great features of our soap opera is the ability of so many people to keep straight faces in situations like these.)

Phillips and Pickens are quickly sued in a shareholder class action. Among the complaint's more persuasive points is that the Phillips board had said it would take $62, yet when Pickens offered $60 for some of the shares, the board was not willing even to sit down with him to see if it could get him to offer $60 (or $61 or $62) in cash of its verifiable equivalent for all the shares. In effect, as one arbitrageur later put it, the board had instead said to the shareholders, "We think the stock is worth $62, we won't listen to his $60 to see if it's real; and we want to force you to take what we say is $53 from us in a package that the market says is really worth $45 and that, with the employee trust getting so much stock, forever forecloses the possibility of another bid."

But the suit in Delaware state court is doomed; the law there is that a board of directors can exercise its "business judgment" pretty much as it sees fit as long as it's not grossly negligent.

ENTER ICAHN

In *The Raring Eighties* Carl Icahn's résumé reads like the model career path. He srarted out as a stock trader, graduated to arbitrage, and then decided that rather than take arbitrage risks anticipating other people's raids he'd gamble on a sure thing—that *he* would do a raid. That is, he'd buy stock and watch it jump as he threatened a takeover.

As Icahn enters center stage, the camera flashes back to a confidential memo he wrote in order to recruit prospective partners in 1980 (which was one of the exhibits in a court record recently unsealed at the request of *The American Lawyer).* In the memo Icahn summarizes his *modus operandi:*

It is our opinion that the elements in today's economic environment have combined in a unique was to create large profit-making opportunities with relatively little risk. . . . It is our contention that sizale profits can be earned by taking large positions in "under valued" stocks and then attempting to control the destinies of the companies in question by:

(a) trying to convince management to liquidate or sell the company to a "white knight':

(b) waging a proxy contest, or;

(c) making a tender offer and/or;

(d) selling back our position to the company.

"Icahn & Co., Inc., has already utilized these maneuvers successfully three times during the past two years," the memo continues, pointing out that the returns on capital from these "maneuvers" had so far been 100 to 250 percent.

By now, five years later, the several dozen partners whom Icahn recruited for various forays with memos like this one include a small circle of ever-richer relatives, close friends active in garment-center and other small businesses in New York, and other stock speculators—including Cincinnati-based Marvin Warner. (Warner's Home State Savings Bank set off a near-disastrous chain reaction when it failed in March.) There's also one foundation among Icahn's partners, The Carl C. Icahn Foundation. Drawing on tax-deductible contributions from Icahn and an Icahn-controlled corporation, the foundation—which, according to its publicly available tax filings, has contributed only minor portions of its assets or income to charity—has invested in at least one of its namesake's limited partnerships, a practice that, depending on regulatory interpretations, might violate Internal Reve-

nue Service regulations limiting such self-dealing.

With these partners in tow, Icahn has now gone after 14 different companies. And he has taken option d)—greenmail or some variation of it, such as selling to a third party whose purchase was arranged by the target company—nine times. He has forced the target into the clutches of a white knight three times. In the two cases where he gained control, he quickly achieved partial liquidations.

So in the reception area at Icahn's Sixth Avenue office, we fine 14 neatly framed covers of annual reports—among them those of Marshall Field, Gulf & Western, Dan River Mills, Owens Illinois, and Simplicity Pattern—each trumpeting a quick money triumph.

Icahn could also have another wall full of framed documents: SEC consent decrees he has collected in earlier fights for five of the 14 target companies. And if even a fraction of the additional charges of securities law transgressions made against him in court by his targets before they'd caved were true, he arguably deserved a few more. If the wall were large enough, he could also include a slew of demerits from his earlier days as a stock trader and arbitrageur, a consent order from the New Jersey Bureau of Securities, a censure from the New York Stock Exchange, a consent agreement with the New York Stock Exchange, an Assurance of Discontinuance from the New York state attorney general's office, and four decisions by the Chicago Board Options Exchange fining Icahn's company for options trading irregularities.

By all accounts, including those of his executive quarry, Icahn is relentlessly single-minded once he starts a fight. In many instances, he unabashedly asks for greenmail. He is always willing to bargain through all hours of the day and night down to the last dollar, frequently seeming to go along with one price, and then prolonging things for hours, claiming he has changed his mind. And he prides himself on negotiating without lawyers, thinking he can best any of his target CEOs one on one (which he probably can). In one deposition, Icahn recalled that when Marshall Field's chairman didn't call him back to agree to a negotiating session, he himself called again because he was "beginning in some way to sort of feel that surge of battle a little bit."

Yet there's something appealing about Ichan—perhaps his obvious, sheer intelligence and confidence in himself as a lone player in an arena where everyone has layers of advisers. There's also his candor. If, as enemies and even friends say, he is one of the greediest men on the planet, he is also in his way delightfully greedy, stripped of all pomposity and pretense. In one suit over his fight for Dan River (which bought him out and went private), Icahn testified, when asked about his prior greenmail payoffs, "I'm not a Robin Hood."

On December 27, 1984, two days after the announcement of the Phillips recapitalization plan and the accompanying buyout of Pickens, Icahn and his web of partnerships and corporations began buying Phillips stock. The price is about $45.

"I got into it," Icahan will later explain in an interview, "just because I figured something would happen. I thought there really wasn't much risk because the board's offer was too low. They'd have to raise it, or someone would have to come in and better it," Icahn would soon be that someone.

THE GROUP

The scene shifts to northern Westchester County and the Bedford, New York, estate of Ivan Boesky, the fabled arbitrageur. It's a Saturday in January. We are about to see that arbitrage in The Roaring Eighties may not be as risky as it's cut out to be.

Boesky, like most arbs, has had a horrible Christmas season. Boone Picken's sellout has threatened to cost Boesky millions; he reportedly bought Phillips stock in the $50s in anticipation of Pickens's deal—or a better one—going through, only to watch the stock drop to the mid-$40s when Pickens was bought out.

Boesky has invited Icahn, who has an estate nearby, to discuss the Phillips fight.

According to Icahn's later deposition, Boesky had called him a few days earlier and said, "I hear you are involved in Phillips." At the time, Icahn's stock purchases were supposedly secret and certainly not a matter of public record; and the information would be gold to Boesky, who presumably could be buying back Phillips stock at its now-lowered price in hopes of evening out his position should a new Phillips suitor appear.

"I think I said, 'Yes, I bought some stock.' but I really don't recall," Icahn testified.

Boesky told me in a February interview that he had "never, ever" spoken to Icahn "about any deals or stocks we're involved in." He otherwise declined all comment about his Phillips trading.

Icahn further testified that during their telephone conversation Boesky said he felt the Phillips situation was ripe for a proxy fight. The two then decided to set the Saturday meeting.

At this meeting (attended by three other people—an Icahn aide, a Boesky assistant, and a broker from Shearson Lehman/American Express—according to Icahn's testimony), Boesky shies away from joining Icahn in a Phillips fight, but urges him on. Icahn replies that he doesn't like simple proxy fights, rather, he prefers tender offers combined with proxy fights, because while they may be riskier, they put more pressure on the target.

"Did you discuss at what price a tender offer should be made?" Icahn was asked in the subsequent deposition.

"I don't remember going into that. Maybe, but I don't remember it," he replied.

"Did you discuss how much money would be needed for a successful tender offer for Phillips?" he was asked.

"All of this must have come up," he answered. "I remember generally we talked about all of these things, but I don't remember any more.

"Then later on, Ivan [Boesky] kept calling me," Icahn added.

According to Icahn's deposition, "a few other" arbitrageurs were in contact with him, either before he announced a bid for Phillips or soon thereafter. But the clannishness doesn't stop there. When asked in the deposition about whether the subject of financing a Phillips tender offer came up in his chat with Boesky, Icahn replied, "The name Drexel came up."

Drexel, of course, is Drexel Burnham Lambert Incorporated, America's preeminent junk-bond dealer. (More on that later.) And, according to one Drexel banker and to other deposition testimony, it was Boesky who brought up Drexel's name to Icahn. Indeed, Drexel, according to other deposition testimony, had thought up a leveraged junk-bond scheme for a Phillips tender offer and "was looking for someone to do it," says the Drexel banker.

"One guy we started with was Ivan, because we knew he'd been burned by Pickens and figured he might try to sell it to someone else even if he didn't take it himself, which is just what happened with Icahn."

"Yes, we talked to Boesky before we talked to Icahn about a financial package for a Phillips takeover," confirms David Kay, head of mergers and acquisitions at Drexel. "It was our package, and we were trying to interest someone in it. . . . I probably talk to Ivan everyday," he says.

In short, Boesky, an arbitrageur with a need for inside information (Is there any other word for secret information about a possible tender offer?) was out discussing, perhaps even encouraging, an Icahn tender offer formulated by Drexel. And Drexel, of course, could have been passing that same information on to any of its other stock speculator clients, too—not in the traditional and black-letter sense of tipping someone off with inside information, but in the context of asking people to consider the deal for themselves, while mentioning that Icahn was seriously considering it.

"These arbitrageurs and takeover entrepreneurs, and people from Drexel are a ring, pure and simple," asserts one takeover adviser. "They feed on their own inside information and cooperation, and to believe anything to the contrary is to be ridiculously naive."

According to Icahn's deposition testimony, Boesky sold him 2.74 million shares of Phillips on January 28. But, his testimony continues, 11 days later, on February 9—five days after Icahn announced his bid for Phillips—he and Boesky met again, this time over dinner at Icahn's house. At that meeting they discussed the fact that Boesky had bought another 4 million Phillips shares.

Had Boesky bought the shares before Icahn's bid, but after their January discussions when he had learned that Icahn was contemplating a bid, thereby taking advantage of that information? Had Boesky done any trading *at all* in Phillips stock during the time he was discussing with Icahn and Drexel the plan for a tender offer? Asked these specific question. Boesky again declined all comment on his trading activities, citing longstanding "Boesky company policy," except to say, "I seem to detect an insinuation that such trading would in some way be wrong . . . or improper, which I find kind of unattractive . . . and offensive coming from a responsible publication." Was Icahn's deposition about their discussions accurate? "I really don't think I should comment on that," Boesky replied, "except to say that I wonder whether it is proper or legal for you to publish something like [the deposition], and that it would be foolish and not nice of me to sit here and take potshots at what a friend of mine has said under oath, whether its true or not."

According to Icahn's testimony, after that February 9 meeting at Icahn's house, Boesky "was on the phone with me every day." The arbitrageur, of course, had a big stake in knowing what Icahn was doing and how he was faring.

It is about this time, according to Icahn's deposition, that Icahn gets those mysterious late-night phone calls cheering him on in the Phillips fight. Is it an arbitrageur? Is it someone from Drexel Burnham? Is it someone else?

ICAHN'S MAGIC OFFER

It is now February 4, 1985. A messenger delivers a letter from Icahn to Douce, via

Morgan Stanley. Icahn begins by telling Douce that he owns 7.5 million shares of Phillips—or about 5 percent, purchased for about $350 million—"which makes me one of the company's largest shareholders.

"I have examined the material you have sent me concerning [the recapitalization plan] and find it grossly inadequate." Icahn's letter continues. Icahn then proposes that he acquire all of Phillips for what he calls $55 per share—$27.50 in cash and $27.50 in a subordinated note. Icahn goes on to say that the financing will be provided by Drexel Burnham Lambert Inc., which is, he says, "highly confident" it can raise the money. Icahn also threatens an alternative: If Douce and his board don't withdraw their recapitalization plan in favor of his offer, he intends to begin a proxy fight to defeat the recapitalization scheduled to be voted on at a shareholders' meeting in Bartlesville on February 22, and to begin a tender offer for 51 percent of the share at $55 in cash and what he says will be $55 in debt securities for the remaining 49 percent.

At face value, a $55 bid for the Phillips shares is an $8.1-billion offer for the company. And face value is exactly how the press plays it: Icahn's offer is called a $55 offer.

An attached letter from Drexel Burnham corporate managing director Leon Black repeats the "highly confident" claim and reveals that the financing to be arranged amounts to $4.05 billion, which will cover all of the cash portion of the offer to the shareholders. When all the numbers are added up, this means that if Icahn's plan goes through the company will have just $800 million in stock and about $11 billion in debt. Even considering Icahn's stated plan to sell $3.7 billion in unspecified Phillips assets, this debt-to-equity ratio seems to leave the company hopelessly mired in interest payments, with nothing to invest in research or oil exploration and in grave trouble if cash flow should slow.

After going through the motions of asking Icahn to answer written questions about the offer, Douce and the Phillips board reject it. They also sue Icahn, claiming among other things that his letter to Douce, which he knew the company would have to make public, constituted the sending of proxy material without prior SEC clearance, and that it was false and fraudulent proxy material because of its supposedly unfounded criticism of the board's recapitalization plan.

A few days later, Phillips puts the lie to the bona fides of its first recapitalization offer by sweetening it so that the shareholders get a package the company says is worth $3 more. (The market soon pegs its value at about a dollar more.) More important, the company announces that its board has passed a poison pill.

The dreaded poison pill. It is a Lipton creation of almost diabolical repute. In its various incarnations, it gives shareholders a right to demand all kinds of extra money in the form of debentures, or rights to sell their stock to an acquiring company, or rights to buy an acquiring company's stock if an acquirer buys more than 20 percent (or, in some cases, 30 percent) of a company. Its stated purpose is to prevent partial two-tier takeover bids by allowing the remaining shareholders to make life miserably expensive for the acquirer, a problem eliminated in most of the pills if the acquirer buys out all the shareholders, because then the acquirer owns whatever misery-causing rights that shareholder had been given.

In this incarnation, Lipton's pill allows shareholders to redeem their shares for $62 in debentures the moment anyone buys more than 30 percent of the company. In other words, Icahn would be buying into a company where everyone—except him, because the 30 percent buyer somehow is discriminated against and doesn't get these rights—would have a $62 debt package. Depending on your point of view (or your stock position), Lipton's pill is an ingenious way to make sure the shareholders get what the company is worth, and aren't stampeded into selling out cheap; or it's an outrageous usurpation by management of the shareholders' rights to decide on Icahn's offer for themselves, with management having set an unrealistically high price—$62—and having cleverly come up with a way (this pill) to make all the shareholders stick to it, just so management can't be thrown out in a takeover.

This pill is adopted less than three weeks after a Delaware court has decided that a similarly intended, though differently configured, Lipton pill aimed at saving Household International from a possible raid is perfectly legal.

The camera now shifts to any February morning at the Regency Hotel in New York, where Joe Flom or others from Skadden, Arps can be found arguing, persuasively, that Lipton's pill is a patently illegal usurpation of shareholder rights, and that unless the Delaware appellate court (where Skadden will be arguing against the Household pill) overturns the lower court decision, the takeover game may be frozen by this Rube Goldberg monstrosity.

Indeed, at almost every table at the Regency, lawyers, investment bankers, CEOs, and their clients are talking about the pill: and most seem awed by its ominous impact.

"Marty comes up with a new trick, and it's like someone passed legislation," comments takeover expert Arthur Fleischer, Jr., of Fried, Frank, Harris, Shriver & Jacobson one morning over an omelet. "Don't they realize it's a passing fad that has ten antidotes?"

Fleischer doesn't realize how right he is, and how soon we'll all find out that in The Roaring Eighties fads like the pill pass quickly indeed.

Underlying the pill and other Phillips defenses is the company's attack on Icahn's offer as unreal because the financing has not been lined up and Icahn won't be able to get it.●

IN SUPPORT OF JOB CORPS

● Mr. DECONCINI. Mr. President, early in the morning of May 10, 1985, the Senate adopted by the narrowest of margins a budget package that included a 30-percent cut in the Job Corps Program.

I am a 100-percent supporter of Job Corps, and I have given this fine program my strong support throughout my years in the Senate. Arizona has two excellent Job Corps centers, one in Phoenix and one in Tucson. I have been appalled at the administration's tactics in trying to seek termination of this program. In order to hide Job Corps' fine record of achievement in helping poor and disadvantaged individuals, OMB Director Stockman and others have sunk to the level of using manufactured statistics to over estimate Job Corps costs and to downplay its successes. To the embarrassment of the administration, independent studies conducted at the request of the Department of Labor have been released which truly portray the costs and benefits of Job Corps. Let me briefly review the key facts that these studies and others have revealed:

For every tax dollar spent on Job Corps, $1.46 was repaid to the Treasury in increased tax revenues from the higher earnings of program participants and from the decreased burdens which Job Corps graduates placed on Government programs.

The "slot cost" for participants in the Job Corps is approximately $6,000 per participant, not the $15,000 that the administration estimates.

Considering that Job Corps enrollees come from the most disadvantaged sectors of our economy and that 4 out of 10 new enrollees in Job Corps have prior arrest records, the cost of the Job Corps ia a bargain. It should also be noted that costs to incarcerate an individual range from $22,000 to $30,000 per year.

Mr. President, although I am pleased that the Senate did not bow to the misinformation disseminated by the Reagan administration by terminating Job Corps, let there be no doubt that the 30-percent cut will, if approved by the House of Representatives, severely damage the effectiveness of this program and therefore harm the many, many low-income, hard-core unemployed people who could benefit from the training that Job Corps offers. Even if a freeze were imposed on Job Corps funding, the Department of Labor projects that between one and six centers would close and training slots would be reduced by 4 percent. The hardships that would be caused by a 30-percent cut is unacceptable to this Senator.

In sum, Mr. President, I hope that our colleagues in the House of Representatives have a chance to visit the Job Corps centers in their districts prior to making a decision on the budgetary status of Job Corps. I have no doubt that such a visit will renew their confidence in a program that is not only a good dollar value but has helped so many poor people become working and contributing members of American society.●

TRADE POLICY AND FOREIGN POLICY

● Mr. LEAHY. Mr. President, the balance between U.S. trade promotion and the importance of protecting our vital technology is an issue that continues to be debated within the Reagan administration and in Congress.

In a recent issue of the Washington Quarterly, Dr. Jan Feldman of the University of Vermont has written an article entitled "Trade Policy and For-

eign Policy." It is a sober and thoughtful assessment of the impact of export controls on our national security. I urge my colleagues and members of their staff to study Dr. Feldman's recommendations before we once again turn to the Export Administration Act.

I ask that Dr. Feldman's article be printed in the RECORD.

The article follows:

TRADE POLICY AND FOREIGN POLICY

(By Jan Feldman)

The recent furor over the alleged expansion of KGB industrial espionage activities is creating a tension between the traditional U.S. commitment to trade promotion and the protection of U.S. technology.

The tension between these goals came to a head as the reauthorization of the expired Export Administration Act of 1979 (EAA) was debated. After a full year of haggling, in which the House and Senate could not come to an agreement, the EAA has now expired. But Senate backers of more stringent control on export technology plan to reintroduce their bill with its strong controls intact. They are confident that the House will bend and accept their new, tougher EAA. Regardless of the final form that the bill takes, the tension between export promotion and technology control, as well as the problems inherent in the use of trade as an instrument of foreign policy, promise to be perennial.

This article evaluates the threat to our technological lead and national security and the measures that have been proposed to counter that threat, concluding that any strategy which undermines our export-dependent economy is hardly likely to be a boon for national security.

Little Ruth sits cross-legged on the floor playing with her "Speak-and-Spell." It is a teaching toy, but within its innocuous plastic casing can be found sophisticated components not all that different from the ones housed in the Pentagon's computer. Ruth's parents bought it for her birthday at the local department store but, had they been Soviet diplomats, they could have bought the toy just as easily—maybe for little Vladimir's birthday or maybe for more nefarious purpose.

An amusing hyperbole? Perhaps, but such a scenario seems plausible enough to several members of Congress and the Department of Defense (DOD) to have prompted strong countermeasures. A new protectionism may be emerging. Unlike the traditional brand, it is not intended to protect a declining industry from foreign competition but, instead, to protect our "cutting edge" technologies for reasons of national security.

Behind this impulse toward technological isolationism is the fear that our free and open trade policies have enhanced the military capabilities for our adversaries, especially the Soviet bloc. This perspective has influential supporters who, with the president's backing, have introduced amendments to strengthen the restrictions on technology exports authorized by the Export Administration Act (EAA) of 1979. The Act expired September 30, 1983, and is still in conference a year later, attesting to its controversial nature. An executive order is currently maintaining the EAA's controls in place, as the debate over the Act is likely to drag on at least until the end of this congressional session. In addition to empowering the president and the Department of Defense to restrict the export of U.S. technologies to foe and friend alike, it encourages the use of trade sanctions to bring recalcitrant trading partners around to a more conservative way of thinking. It may soon become harder for U.S. firms to export commodities containing advanced technologies.

In addition, the Department of Defense has recently reconstituted a tough directive limiting the transfer of technology which occurs under the auspices of DOD programs. The DOD's assistant secretary for international security policy, Richard Perle, is calling the "hemorrhage of technology" to hostile nations one of the most serious problems facing the United States, asserting that we are in the midst of a "quiet war" for technological supremacy.

At no previous time in history has one nation [the USSR] been able to prey so deeply and systematically on the fruits of its adversary's genius and labor.[1]

But these knee-jerk responses misperceive the threat and misconceive the solution. A well-considered policy must combine an analysis of the price we pay in national security because of technology leakage, with a realistic assessment of the costs of implementing the proposed solutions.

We must conclude that the proposed solutions will be as ineffectual as they are expensive, and will not heighten U.S. security significantly but, on the contrary, are likely to erode it. By restricting the exchange of scientific know-how and technology between the United States and NATO allies, improvements in the common defense capability will be inhibited, while tensions in an already fragile alliance will be exacerbated.

Failure to draw the distinction between U.S. general foreign policy goals and specific national security interests has contributed to the current tendency to use trade policy in an ad hoc and counterproductive way, reducing U.S. credibility with allies and adversaries alike. This, in combination with the inability to specify which technologies deserve special protection, reduces the likelihood of achieving agreement with allies on the enforcement of multilateral controls. Controls imposed unilaterally by the U.S. government would only serve to burden U.S. exporters, and erode the export-based economy on which our national security is surely also dependent.

Although it has currently reached an all-time critical mass, the concern over the leakage of technology to the enemy is nothing new. Neither is the commingling of trade policy and foreign policy, nor the use of trade as leverage against the behavior of other countries. The Export Control Act of 1949 allowed the president to compile a list of controlled technologies, a power that was reinforced by Congress in 1962.

But by the mid-1960s, the emphasis had shifted from control to promotion as commercial ties began to be seen as a way of lessening Cold War tensions. President Johnson spoke of "building bridges" with the USSR and Nixon talked of "cooperation rather than confrontation." Accordingly, the Export Administration Act of 1969 declared that U.S. policy was to "encourage trade with all countries with which we had diplomatic relations," and directed the secretary of commerce to revise and shorten the list of controlled items.

But Soviet actions in Angola, Afghanistan and Poland gave rise to the perception that détente had backfired and that the United States had been had. All the while, the Soviet Union had been availing itself of Western technology, boosting its own military capability.

Unquestionably, the USSR has acquired or would like to acquire U.S. technology with potential military application, such as high speed computers, microprocessors, semiconductors, inertial navigation systems, fiber optics composite metals and precision machine tools, but the extent to which a hemorrhage is occurring is not completely clear.

Another point more often taken for granted than proved is that the U.S. technological lead is so narrow or fragile that any further erosion will create an immediate threat to national security. Appraisals of the Soviets' ability to reverse engineer and assimilate these technologies to their manufacturing infrastructure are questionable. Yet policies currently proposed to counteract this putative threat have strong backing in the Department of Defense and Congress and could make it tougher to export products which contain advanced technology.

Likely to be especially hard-hit by these policies are aerospace and advanced electronics manufacturers who export sophisticated weapons systems. Ironically, these manufacturers had thought that things were looking up when Reagan took office, signaling a reversal in the adversarial relationship that had existed between weapons exporters and the Carter administration. Reagan immediately rescinded the "leprosy" letter—Carter's prohibition against contact between U.S. weapons salesmen and U.S. embassy personnel, letting it be known that actively promoting the sales of U.S. arms abroad would no longer be frowned upon. In his Arms Transfer Policy Directive of July 8, 1983, Reagan announced that:

The United States views the transfer of conventional arms and other defense articles and services as an essential element of its global defense posture and an indispensable component of its foreign policy. . . . We will deal with the world the way it is, rather than as we would like it to be.[2]

Industry's sigh of relief was to be short-lived. As an international sales representative of a major weapons manufacturer expressed it. "Reagan came on board and things were great . . . except for the technology transfer policy."[3] Much to the consternation of industry, the Reagan administration's encouragement of arms sales is somewhat counteracted by its discouragement of technology transfer. The president sent a letter to House and Senate leaders last Spring strongly backing amendments to stiffen the export control provisions of the Export Administration Act.[4]

As every weapons exporter knows, technology transfer is often an inevitable ingredient of international sales these days. Almost no country can afford to buy a sophisticated item off-the-shelf and, as a condition of purchase, more and more are demanding compensatory benefits or offsets, which frequently take the form of requests for participation in production. Coproduction is fast becoming a necessary modern marketing tool which gives U.S. firms the flexibility to compete internationally. The purchaser desires coproduction arrangements because they provide access to advanced technology and manufacturing know-how, thus strengthening the industrial base and labor skills of the purchasing country. Where weapons are roughly commensurate in price and quality, it is likely to be the offset package offered by the competing firms that will clinch the deal for one

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Footnotes at end of article.

of them. Firms often end up in offset auctions, committing themselves to coproduce the weapon with the purchaser. A recent Treasury Department survey of the U.S. aerospace industry indicated that 75 percent of sales would not have been made had offsets not been offered.[5]

Willingness to let the purchaser participate in the production of the item almost always necessitates sharing technology. Because technology transfer is an inherent part of collaborative weapons production, these cooperative ventures, whether arranged between private firms or initiated by governments (i.e., in the context of NATO), will be particularly susceptible to proposed new controls.

"A NEW PROTECTIONISM MAY BE EMERGING . . . TO PROTECT OUR 'CUTTING EDGE' TECHNOLOGIES FOR REASONS OF NATIONAL SECURITY"

U.S. firms feel that if comparable controls are not enacted by other countries, those controls imposed unilaterally by the U.S. government will have no significant impact on the availability of technology to the Soviets, but will allow foreign firms to jump in and replace U.S. firms in the sale of sophisticated equipment. This happened in 1979 when the government held up a license for Sperry Univac to sell a computer-driven word processing system to Tass. By the time the U.S. government finally granted the license Tass had signed with a French firm.[6]

U.S. firms are not lobbying for the elimination of export regulations. Regulation has been a fact of life for exporters of technology for a long time. Instead, industry is arguing that a vast network of regulations already exists, complete with red-tape and long delays which will only be compounded by adding another layer of regulations.

In a large number of defense-related transactions, the U.S. government is itself a party, usually as an intermediary between U.S. contractors and foreign governments and, therefore, can regulate the transfer of technology through government-to-government memoranda of understanding (MOUs). But even in private international transactions to which the U.S. government is not a party, all exports of technology must be licensed by the Department of State or Commerce. Statutory export regulations such as the International Traffic in Arms Regulations (ITAR, Title 22, CFR parts 121-128) authorized under the Arms Export Control Act and administered by the Department of State's Office of Munitions Control, and the Commodity Control List (CCL) authorized by the Export Administration Act and administered by the Department of Commerce, already provide labyrinthine licensing procedures for different classes of articles.

Other existing mechanisms for protecting technologies against inadvisable transfer include:

The government system of classifying material and the Department of Defense's strict regulations regarding the industrial security of its private contractors. Additionally, the National Policy and Procedures for the Disclosure of Classified Military Information to Foreign Governments and International Organization (NDP) requires DOD to weigh the costs and benefits of sharing sensitive technologies with allies. Recently, concern is being expressed over unclassified technologies and know-how. Much of this material cannot be classified for a variety of reasons: it may still be in the research of emerging phase, or it may be intended for commercial rather than military use, or it may simply not meet the damage standard that would immunize it against the Freedom of Information Act.

Company protection of properietary expertise, argues industry, provides an internal mechanism for the protection of sensitive material. The self-interest of the firm is a sufficiently strong motive for keeping its advanced technologies out of the hands of its domestic and foreign competitors. But economic sensitivity and strategic sensitivity are not necessarily synonymous, giving rise to some skepticism about leaving the regulation up to industry.

The Coordinating Committee for Multilateral Export Controls (COCOM) agreements provide the only multinational mechanism for regulating the transfer of technology. COCOM was formed in 1949 to combat the flow of sensitive technology to the USSR and is composed of the NATO countries (minus Iceland, plus Japan). COCOM is actually only a loose aggregation of countries with diverse trade and foreign policies. Its list of restricted technologies is much shorter than the United State's own CCL, and additions can only be made by consensus. Similarly, the list can only be enforced by a gentlemen's agreement as there is no provision for punishing violators. The only way to restrict the flow of sensitive military technology to the Soviet Union is through international consensus and voluntary enforcement. The best chance for achieving consensus is to identify a lean list of technologies and manufacturing processes, the transfer of which truly pose immediate national security threats. Europeans have signaled that they are unwilling to have COCOM used by the United States for partisan or nebulous foreign policy goals, as is evidenced by COCOM's recent rejection of the U.S. bid to add several newly-emerged technologies to the list of already restricted ones.

COCOM's most recent meeting, held in Paris in July 1984, was characterized by trench warfare and endless infighting. Against U.S. objectives, COCOM agreed to decontrol eight-bit personal computers and main-frame computers except for those with a data-processing rate of faster than 48 million bits of information per second. The United States, however, managed to add to the list of restricted items electronic-grade silicon, printed circuit boards and other components of computer-making technology. While the July meeting demonstrates that compromise can be achieved, the key concern remains how to keep COCOM from doing more harm to its members and the alliance than to the Soviets.

While there is agreement between government and industry that these existing mechanisms are not perfect and that some level of protection of critical technology is desirable, there is disagreement as to how this protection is to be applied and to which technologies. The complex nature of technology and the fact that sophisticated technologies can be embedded in innocuous end products exacerbates the difficulties of control. The most problematic area for policymakers is the nebulous category of dual-use technologies which have potential military as well as commercial application.

How many Americans would want to have to produce a permit to enter their local Radio Shack and buy a Pac-Man game? Yet many such video and computer games are prime examples of dual-use technology because, just like the lining of coffee pots which can also be used on the nose-cones of aircraft, they embody technology which has potential military application. Is it absurd to treat these technologies as militarily strategic? Not completely, for Krushchev liked to point out, even the buttons on a soldier's trousers are strategic, since without them, he would be forced to hold his trousers up with his hands in battle.

In an effort to sort out this problem, the Export Administration Act of 1979 directed that military critical items be placed on a Militarily Critical Technologies List (MCTL) which, on the recommendation of the respected Defense Science Board Task Force on the Export of U.S. Technology's report to the Department of Defense (the Bucy Report), would have strictly controlled a select group of revolutionary processes (rather than products) while deregulating low-level technological processes and products.[8] Accordingly the resulting MCTL was supposed to simplify the lives of Commerce Department officials, but instead, caught on the conceptual snag of dual-use, it has become a nightmare of complexity. Still classified and not officially published, this unwieldy three-volume document is tantamount to a modern technologies shopping list and defies both incorporation into CCL and application by Commerce and Customs personnel.

Detractors within government claim it is nearly useless in its present form and business complains that in spite of the fact that the MCTL was originally intended to regulate East-West trade, it promises to have a real, though restrictive, impact on West-West trade as well. The MCTL is a potentially useful document and should be formulated in such a way as to make it the cornerstone of technology export regulations—specifying a concise list of truly critical technologies and processes the export of which would directly contribute to Soviet military capability.

Nor have our European trading partners failed to realize the implications of the proposed restrictions for U.S.-European trade. They don't see why we can't be friends even if our friends aren't friends. In spite of recent expulsions of Soviet diplomats by several European nations as part of a drive against illegal acquisition of information, most European nations do not share the magnitude of current U.S. concern, partly because they perceive the Soviet threat differently and partly because they reject in principle linking foreign policy with trade policy.

The European Economic Community (EEC) recently registered a formal complaint with the U.S. government over proposed amendments to the Export Administration Act of 1979 which would give the president authority to terminate imports from countries that failed to comply with U.S. restrictions or embargoes. Such punitive measures are seen as extraterritorial attempts by the United States to define other nation's sales territories and foreign policies. Such threats are viewed as an infringement on national sovereignty and a sign of U.S. distrust of our allies.

The EEC sees these strong-arm policies as self-serving on the part of the United States, especially in light of the willingness of the U.S. government to bend to domestic economic pressures and resume grain sales and initiate the sale of oil and gas exploration equipment to the USSR. During periods of economic recession all countries, the United States not excluded are more likely to take heed of the economic costs of trade restrictions, exercising what the French call "commercial prudence."

Proposed amendments to the Export Administration Act are not the only things ruffling European feathers. A controversial directive governing all mechanisms of technology transfer under the aegis of the Department of Defense threatens to have a serious impact on U.S.-NATO collaborative weapons production programs. This directive, 2040.2, signed by Defense Secretary Caspar Weinberger on January 17, 1984, applies to all mechanisms of technology transfer, including strategic trade licensing, munitions licensing, security assistance and DOD collaborative research and development programs. It firmly expresses the view that technology is a national security asset: It shall be DOD policy to treat defense related technology as a valuable and limited national security resource to be husbanded and invested prudently in the pursuit of national security objectives.[9]

The man whose imprint is clearest on 2040.2 is the assistant secretary of defense for international security policy, Richard Perle. A forceful personality, influential beyond what his official rank would suggest, he has been characterized by his detractors, even within the Pentagon, as everything from a "Cold-Warrior" overreacting to the USSR, to a turf-builder, overzealous in his approach to technology control in the interests of self-aggrandizement.[10]

In addition to militarily critical technologies, sensitive technologies are now being slated for control. This is likely to put a damper on NATO collaborative programs, which just happen to be the rice bowl of another Pentagon office, the undersecretary of defense for research and engineering.

Support for these collaborative programs comes from other quarters as well. Congress gave the green-light to the programs under the banner of NATO rationalization, standardization and interoperability (RSI) in order to eliminate duplicative research and development which resulted in our buckle not fitting their belt. The Culver-Nunn amendment to the 1975, 1976, and 1977 DOD Appropriation Authorization Acts and the Glenn-Roth-Nunn amendment to the 1983 DOD Appropriation Authorization Act affirm Congress' general support for NATO RSI and acceptance of the technology transfer that it entails. Moreover, NATO collaboration has the official endorsement, if not heartfelt support, of Secretary of Defense Weinberger in the "Ninth Report to Congress on the Standardization of Equipment within NATO."[11]

Sponsors of tougher legislation feel that the extraterritorial reach of U.S. policy is necessary and that the threat of sanctions is needed in order "to help the Europeans learn their lesson".[12] But the lesson that our allies and trading partners are learning is that U.S. commitment to alliance defense may not extend to the sharing of the technology that makes this defense possible. Accordingly, European nations are now taking measures to assure their technological independence—a policy which, even if uneconomical, they will eventually achieve through sheer political will. The European reading of the intent of the Export Administration Act and DOD Directive 2040.2 is that the United States would rather close down the shop than give it away.

Before new restrictions on technology transfer are imposed, we should know whether the benefits of these new controls will be commensurate with the costs of enforcement and the loss of trade, and whether stricter controls will succeed where the network of existing controls have apparently failed.

Technology passes through many channels. According to the CIA, the Soviets have a systematic and coordinated approach to the acquisition of Western technology, employing legal and illegal means.[13]

Legal transfers are made possible by the open nature of our society and include open access to trade journals, technical reports, trade fairs, exhibitions and academic exchanges. The National Academy of Sciences recently released a report assessing the technology transfer issue, deemphasizing the danger posed by the leakage of technology that occurs in the process of scientific and academic exchange of information, and advocating instead of more restrictions, a greater emphasis on, and encouragement of, scientific research to protect our technological lead.[14]

Technology also leaves the country through legal purchases under general or validated licenses, or between U.S. corporations and their overseas subsidiaries. An interesting case of such a sale is the now controversial Kama River truck facility which the United States sold to the Soviet Union at the height of détente. Subsequently, it was discovered that in violation of the agreement, the Soviets were deploying these trucks in Afghanistan. While the current administration uses this as an illustration of what it is trying to prevent through stricter export regulations, this case is distinctly not an example of the failure of existing regulations. Rather, it is a case of a well-considered, political decision which at the time seemed appropriate and expedient to an administration which was guided by different principles.

Illegal purchases are also made on behalf of the Soviets by agents and dummy corporations. These purchases often leave the country under legal validated licenses, but once the goods leave the United States they are almost impossible to safeguard from illegal reexport. An example of this sort of illegal transfer is the Bruchausen-Maluta case in which a non-covert purchase of regulated equipment was labeled falsely and exported through normal channels, only to be diverted from its destination (a dummy corporation in a Western European nation) to the Soviet Union.

"NEBULOUS FOREIGN POLICY GOALS . . . PURSUED THROUGH INDIRECT MEASURES, USING TRADE AS A CARROT OR STICK, ARE LIKELY TO BE AS CONTROVERSIAL AND INEFFECTIVE AS THE GRAIN AND PIPELINE EMBARGOES"

Illegal transfers can also be accomplished by smuggling or industrial espionage. A rather notorious example of the latter is the Bell case. William Bell, a radar project engineer for Hughes Aircraft, provided for the sum of $110,000 more than twenty classified reports on future U.S. weapons systems to a bogus Polish businessman.

Soviet efforts may have netted them some valuable savings in research and development (R&D) funds and time, but the best way of short-circuiting this predatory relationship is less obvious. Restricting the free exchange of information is a high price to pay for the protection of technology. While our commitment to an open society allowed Soviets to back a truck up to the National Technology Information Service of the Department of Commerce in 1980, and to legally load more than 80,000 documents detailing many of the latest technological advances, many people would be willing to accept such things as the price we pay for the freedoms we cherish.

Significantly, few of the cases cited by the CIA actually support the contention that existing export regulations are inadequate or that augmenting them in the proposed ways will solve the problem. Generally technology transfers are carried out overtly and do not violate U.S. laws, or they are carried out covertly and would probably continue to evade stricter regulations as well. The FBI estimates that 90 percent of the technology which finds its way into Soviet hands passes through noncommercial channels, meaning that only 10 percent of the leakage, which is the major target of the proposed regulations, can be attributed to the failure of the export control system.

The costs of enforcing these regulations have not been estimated, but a DOD official averred that the cost of such programs as the new "Operation Exodus" is likely to be very high.[15] What will these controls accomplish for national security? The same DOD official admitted that the goal of stopping leaks altogether is unrealistic.[16] The best we can hope to do is to delay the Soviets' acquisition of the technologies they target, and to increase the cost and effort required.

U.S. technology-exporting firms, represented by the Aerospace Industries Association and The Electronics Industries Association, are asking "why us?" They are voicing three major objections to the proposed regulations. First, they maintain that the net contribution of high-technology exports to the U.S. economy far outweighs the risk to national security. Second, the regulations are over-broad and the technologies to be regulated are too vaguely defined. Third, because there are a variety of conduits through which technology reaches the USSR, and multiple international suppliers of most technologies, imposing additional regulatory burdens on U.S. exporters is inappropriate and unfair.

According to the estimates of the United States Trade Representative and the Department of Commerce, trade generates 22 percent of our GNP and every $1 billion worth of exports creates 25,000-40,000 jobs. From 1977-1980, 80 percent of new jobs in manufacturing were export related.[17] One corporation with extensive international experience testified that:

Technology transfer has brought significant monetary income to the United States and has provided many additional jobs for the U.S. workforce. To unreasonably restrain technology transfer when the situation demands it in competition with overseas sources, can often result in the loss of product markets to foreign competitors.[18]

Moreover, a representative of General Electric claimed that transferring technology stimulates sales, the profits of which are plowed back into research, which increases rather than decreases our technological lead.[19]

Both the proposed amendments to the Export Administration Act and DOD directive 2040.2 "contain language which could adversely affect billions of dollars in exports and limit U.S. companies' opportunities to compete for foreign markets or participate in multi-national ventures," according to Karl Harr, Jr., president of the Aerospace Industries Association.[20]

Industry's second objection is that the technologies to be regulated should be specifically defined: "The very knowledge that something can be done is itself a transfer of technology. Scientists and engineers in a great number and countries are quite competent to work out the details," claims Joseph Gavin, president of Grumman Corporation.[21]

Industry's third objection is to being forced to bear the brunt of regulations that would create uncertainties at home and abroad regarding U.S. trade policy and undermine the reputation for reliability of U.S. firms.

Senator Jake Garn (R-Utah), a strong proponent of stiffer export controls, is unmoved by these complaints. He seems to fear that the profit motive may blind U.S. firms to the priority of national security. In last February's hearings on the Export Administration Act, Senator Garn commented:

I have been a friend of the business community . . . but not at the expense of the security of this country. If industry wants to come in and blindly approve the status quo and continue this hemorrhage, solely for the purpose of profits, then you are going to find an adversary.[22]

Neither does Defense Secretary Weinberger find the economic arguments compelling. In his February Report to Congress on the Technology Transfer Control Program he stated that:

It is our assessment that it is more cost effective . . . to control technology that would otherwise contribute to the Soviet military build-up, even counting the "profits" that might accrue to the private sector if exports were not controlled.[23]

In the estimation of Richard Perle: A major effort is needed to persuade the U.S. business community that the potential consequences of these transfers are intolerable. . . . It is possible to control unwarranted legal sales. Here the principle factor is the profit motive, or to put it more precisely, greed.[24]

Lenin's adage that "when the Communists get ready to hang the capitalists, the capitalists will sell them the rope," ironically seems to characterize feelings in quarters where the profit motive has generally been ranked as highly as the American way of life.

The tension between the competing goals of export promotion and technology control is coming to a head in the debates on the reauthorization of the Export Administration Act of 1979, but will provide a persistent dilemma for U.S. policymakers. Although it is undesirable, it is probably inevitable that, in the absence of a coherent foreign industrial trade policy, national security policy will occasionally fill the vacuum in a surrogate fashion. Using trade as an instrument of foreign policy has long been thought a good way of affecting the behavior of other countries. But the danger of linking trade and foreign policy is manifest in Carter's grain embargo and Reagan's West Siberian pipeline policy. Both alienated friends without perceptibly altering Soviet behavior.

The Export Administration Act of 1979 allows the president to restrict exports for reasons of national security and foreign policy. Though at times one can shade into the other, the distinction between foreign policy and national security policy should be maintained as far as possible. Measures taken in the interests of national security which bear a direct relationship to the goal they seek to achieve will be more likely to gain consensus at home and abroad. Nebulous foreign policy goals, however, which are pursued through indirect measures, using trade as a carrot or stick, are likely to be as controversial and ineffective as the grain and pipeline embargoes. As long as the distinction between national security and foreign policy is blurred, trade will be subject to current sentiments about the nature of the Soviet threat, and exporters had better apprise themselves constantly of which way the wind is blowing.

If our technological lead is envisioned as a bucket with holes in the bottom through which technology and know-how leak, we can preserve our edge by plugging the holes, or we can refill the bucket at a faster rate.[25] The former strategy requires that we compile a lean list of only the most critical technologies for control, while the latter calls for greater R&D expenditures. Whichever mix we choose, undermining our export-dependent economy is hardly likely to be a boon for national security.

FOOTNOTES

[1] Richard Perle. "Technology and the Quiet War," *Strategic Review*, Winter 1983, p. 35.

[2] Text of President Ronald Reagan's July 8, 1981 Arms Transfer Policy Directive. The White House, July 8, 1981.

[3] Interview conducted with director of procurement, Raytheon. Washington, D.C., June 21, 1983.

[4] President Reagan's letter to House and Senate leaders transmitting proposed bill to amend the Export Administration Act, April 4, 1983.

[5] "Offset/Coproduction Requirements in the Aerospace and Electronics Trade," Report of a Survey of Industry, Department of the Treasury, May 24, 1983, p. 2.

[6] "How Defense Will Handle Critical Technology Exports—and Why," *National Security*, May 1979, p. 16.

[7] "COCOM Rejects Bid to Ban New Technologies to Eastern Bloc," *Electronic News*, May 16, 1983.

[8] "An Analysis of Export Control of U.S. technology—A D.O.D. Perspective," Report of the Defense Science Board Task Force on Export of U.S. Technology, February 4, 1976, Washington, D.C.

[9] "International Transfer of Technology, Goods, Services and Munitions," Department of Defense Directive, January 17, 1984, No. 2040.2, p. 2.

[10] Interviews with various government officials and private contractors conducted in Washington, D.C., June 1983. Not for attribution.

[11] "Standardization of Equipment Within NATO," Ninth Report to Congress, January 1983, Caspar Weinberger, Secretary of Defense.

[12] "Congress Draws Itself into Foreign Policy Formulation." Clyde Farnsworth, *New York Times*, March 25, 1984.

[13] "Soviet Acquisition of Western Technology," CIA, April 1982.

[14] "Scientific Communication and National Security." National Academy of Sciences (Washington, National Academy Press, 1982).

[15] Secretary of Defense Caspar Weinberger, Department of Defense, Technology Control Program Report to the 98th Congress, February 1983—requested funding of $11.6 million and 157 personnel for technology control program for fiscal year 1984. In 1983, DOD made a one time transfer of $20 million to U.S. Customs Service's Operation Exodus.

[16] Interview with official in the office of the deputy assistant secretary of defense (international economic, trade and security policy), June 20, 1983. Not for attribution.

[17] Joint statement by Secretary Baldridge and Ambassador Brock, Spring, 1983. Office of the United States Trade Representative, Washington, D.C. (These figures are constantly cited, yet source and derivation are not.)

[18] Comments of a U.S. corporation with extensive and varied experience in international production. Internal memo, not for attribution.

[19] Report to the House of Representatives Committee on Armed Services, Special Subcommittee on NATO. "Standardization interoperability Readiness, June 22, 1978.

[20] Karl Hau, Jr., president of the Aerospace Industrial Association of America Inc. Letter to Deputy Secretary of Defense Paul Thayer, March 4, 1983.

[21] Joseph Gavin, Jr., president of Grumman Corporation, in personal correspondence with the author, April 27, 1983.

[22] Export Administration Act Hearings before the Committee on Banking, Housing and Urban Affairs, United States Senate, February 3, 1983, p. 3.

[23] Caspar Weinberger, "Department of Defense: The Technology Transfer Control Program," Report to the 98th Congress, February 1983, p. 9.

[24] Richard Perle, "Technology and the Quiet War," *Strategic Review*, Winter 1983, p. 35.

[25] I am grateful to Brigadier General H. V. Larson (USAF-Ret.) for the "bucket" analogy.●

ST. PATRICK'S DAY SERMON BY ARCHBISHOP O'CONNOR

● Mr. D'AMATO. Mr. President, I rise today to insert in the RECORD the sermon given by my dear friend, Archbishop O'Connor, at St. Patrick's Day Mass.

I am grateful for this opportunity to share with my colleagues the remarks of Archbishop O'Connor.

The sermon follows:

ST. PATRICK'S DAY MASS, MARCH 16, 1985,
ARCHBISHOP JOHN J. O'CONNOR

Once again there are far too many distinguished visitors here to risk singling out any. I want to thank my brother Bishops for being here and my brother priests. I am very happy that the Scriptures today were read by two Christian Brothers since I owe so much of my vocation to the Christian Brothers and we are particularly pleased that our senior Archbishop, Archbishop Maguire, retired Coadjutor of this Archdiocese, is here and Bishop Furlong, one of the most senior and beloved bishops in the United States.

Many a tourist passes him by today without a glance and even the New Yorkers, aware of his presence, are dwindling in numbers. But Father Francis Duffy still stands watch in Times Square, a symbol of the 165th Regiment of New York, the famous Fighting 69th, of whom could well be said what was said of the Marines at Iwo Jima, that among them uncommon valor was a common virtue. The legendary 69th was highly instrumental in bringing the St. Patrick's Day Parade through its years of infancy. They are with us today and we are grateful that they are. We shall be remembering them and particularly their fallen numbers in a very special way in this Mass. The statue of the extraordinarily legendary Father Francis P. Duffy is the only statue dedicated to a priest in the history of New York that stands on public property and well deserved the honor.

We are equally grateful for the presence of the Ancient Order of Hibernians who did so much for the early Church of New York and so very much to launch the St. Patrick's

Day Parade from the outset. I'm wearing today beneath my vestments, the Cross of Archbishop John Hughes of the County of Tyrone, the first Archbishop of New York. And when the old St. Patrick's Cathedral was in danger of being burned and looted during the nativist riots of 1844, Archbishop Hughes called one thousand men of the Ancient Order of Hibernians to protect the Cathedral and so they did. A plaque still stands in the Old St. Patrick's Cathedral that they defended and it reads—"Erected to the memory of members of the Ancient Order of Hibernians of the City of New York who in April 1844, at the call of the Most Reverend John Hughes, rallied to the defense of the Cathedral when it was threatened by the forces of bigotry and intolerance." Many years later the AOH gave a magnificent chalice to Cardinal Farley, Archbishop of New York, and that is the chalice that I will be using in the Mass today.

Now having with us both members of the Fighting 69th, whose heroism symbolizes that of millions of Americans who have served our country so well and of the thousands of Chaplains who have served those who have served—and having here the AOH, symbolic of the tremendous contributions made to our country not only by Irish Catholics and others but by all Catholics and many others, including those in the Military, all this provides and exceptionally appropriate setting for an announcement of historic import that I wish to make on this Saint Patrick's Day of 1985.

On November 24, 1917, because of World War I, Pope Benedict XV appointed another Patrick, Archbishop Patrick Hayes, then Archbishop of New York, as the first Bishop Ordinary, as it was called, for the Roman Catholic Armed Forces of the United States. From that day until today, through Cardinal Spellman, Cardinal Cooke and myself, the Archbishop of New York has had responsibility for all of our Catholic Armed Forces and Veterans Administration all over the world. I formally announce today, with humility, with great pleasure, that our Holy Father, Pope John Paul II, has decreed that His Excellency, here with us today, Archbishop Joseph T. Ryan, has been appointed Military Prelate or Bishop Ordinary of the Armed Forces in my place. For the first time since its birth in 1917, the Military Vicariate will cease to be associated with the Archbishop of New York. This announcement was decreed by the Holy See to be made public today, effective date will be March 25th, one week from Monday and one week and one year after I assumed the Archbishopric of New York. It is obvious that the Holy Father, recognizing my lack of familiarity with the Military, determined that the mantle should pass to another. I warmly congratulate my good friend and loyal comrade, Archbishop Joseph T. Ryan. As I told him before Mass, he is still my subject for one more week.

I have selected today's Gospel reading with deliberation. "Simon, son of John, Simon Peter, do you love me?" "Yes Lord, you know that I love you." "Simon, Simon, son of John, do you love me?" "Yes Lord, you know that I love you." "Simon, John's son, Simon, Simon whom I have called Peter, do you love me?" "Lord, you know everything, you know well that I love you."

There are marvelously profound analyses of these words to be found in the works of our scripture scholars and they give us solid foundation for explaining some of the most important teachings of our faith. But for our purposes today I suggest one very simple explanation of our Lord's questioning Peter three times. He simply wanted Peter to say over and over and then over again, I love you. For Our Lord knew so very well the healing power of words as He knew the destructive power of words. He knew how devastated Peter had been when in bitter words he had three times denied even knowing Our Lord, much less being his friend. Now Our Lord would begin the healing process—let words of love restore what words of bitterness had destroyed. Let words of loyalty begin the process of reconciliation ruptured by words of betrayal.

There has been horrible pain in Ireland for a long, long time. There has been bitter suffering there has been oppression met with violence and violence met with further oppression. Men and women, and whole families, teenagers and little children of all political positions and all religious persuasions have paid dearly for months, for years, for generations. The Holy Father has pleaded passionately for an end to it all—to the injustice, the oppression, the indignity and to the violence and the terrorism and the paralysis of fear. And he has called for the use of the word, the healing word, the reconciling word, the word of reasoned dialogue.

Today the majority of us in the Cathedral of Saint Patrick will receive the Living Word, the Son of God in Holy Communion. Before we do so, after I have held His Body aloft with the words, "Behold the Lamb of God, Behold Him Who Takes Away the Sins of the World", all will say the time-honored words, "Lord, I am not Worthy to receive you but only say the Word and I shall be healed." I know it is said that talk is cheap—it's not cheap when we use words of love for these are reflections of the Divine Word, the Living Word who is Jesus the personification of love itself. Words are not cheap when we use the words of love because they demand of us so much sacrifice, make us so vulnerable.

I know it is argued by each party that other parties won't listen but it is terribly difficult to hear over the sound of guns or tanks. I know that willingness to talk mere words can be perceived as a sign of weakness. Christ was at His strongest, not His weakest, despite all appearances to the contrary, when He cried out from the Cross, "Father forgive them for they know not what they do." And the good thief hanging on the Cross, who had seemed to have been at his strongest when he was pillaging others, now at what appeared to be his weakest, was clearly stronger than ever before in his life when he asked forgiveness of Christ, the Son of God.

I know that sometimes the powerful of the world turn back conciliatory words with public scorn. Then the words must be repeated and repeated until the shallowness of the rebuff defeats itself. The whole world recognizes that the weak are strong in their initiatives for peace and the strong are weak in the rejection of those initiatives.

My words today may please few and displease many. They are spoken from the depths of my being. They are a passionate plea to all. My actions today may please some and displease others. For allowing this Mass, as Archbishop of New York, having carefully and prayerfully conferred with hosts of advisors and listening to an exceptional number of validly concerned parties, I shall review the Parade from the steps in front of the Cathedral in honor of Saint Patrick and of all Irish everywhere of whatever religious persuasion. I will do this with profound respect for my beloved predecessor, His Eminence, Cardinal Cooke, who two years ago made in honor and all integrity, with malice toward none and charity toward all, the judgment which he deemed appropriate for the circumstances of the day. In that same spirit I will do today what I believe should be done. There are those good and sincere people who will be pained by my decision and who believe it implies support for violence and terrorism. Nothing could be farther from the truth. I reiterate and reemphasize publicly what I have said repeatedly before, I cannot accept, I cannot support or encourage support of the violence in Ireland by whomever perpetrated. And that includes both physical violence and moral violence. The violence of those who shed blood and engage in acts of terrorism, the violence of those who rob a people of justice, deprive them of their birthright and inflict on them continuing indignities. I cannot and I will not condemn or indict the legitimate struggle of Ireland for justice and human rights. But I must condemn and I do condemn once again in the strongest terms, all acts of violence by whomever or against whomever they are perpetrated and all acts of terrorism as well.

And finally, it is not for me to determine the political procedures for ending the conflict. I am a bishop, not a politician. But the moral course is clear, the time has come and is long overdue for those great nations of the world, truly dedicated to liberty and justice for all, to raise their voices loudly and clearly and unmistakably in the forums of the world or privately and quietly but persuasively, as they see fit, to demand that the oppression end, the slaughter cease. Which nation should lead the way but our own!

Now let us pray—let us pray this Feast Day of Saint Patrick, that all parties to the conflict and we ourselves, will one day see in one another what Saint Patrick saw wherever he looked—You will recall the legend on his breastplate, "Christ above me, Christ beneath me, Christ beside me, Christ before me, Christ behind me, Christ all around me, Christ in the mouth of friend and stranger." God bless you all.●

RETTA BROWN ELEMENTARY STUDENTS ARE PLAY IT SAFE WINNERS

● Mr. PRYOR. Mr. President, I am pleased to advise my colleagues that a group of students from Retta Brown Elementary School in El Dorado, AR, have been named winners in the Play It Safe Program.

This national competition, jointly sponsored by General Foods Corp. and the National Highway Traffic Safety Administration, is designed to teach elementary children about traffic safety and the media.

The students—Mark Golden, Chris Jennings, Bruce Jernigan, and Eric Moree—along with their teacher, Mrs. Karen Greer, will come to Washington May 18 to 20 to receive a plaque for their efforts.

In winning the competition, the students submitted a 30-second radio spot, a TV public service announce-

ment, and a print ad—all on the subject of seatbelt safety.

To apprise my colleagues of this fine program, I would ask that a news release advertising this program be printedg in the RECORD.

I look forward to meeting these deserving students and their teacher when they are in Washington next week.

PLAY IT SAFE NATIONAL WINNERS ANNOUNCED

WHITE PLAINS, NY, May 6—An important educational tool placed in more than 75,000 classrooms nationwide by Kool-Aid brand soft drink mix ended its competitive portion today with the announcement of twenty elementary school winners of the "Play It Safe" program.

Designed to instill a deeper appreciation of transportation safety issues and an understanding of the use and power of the media, the project affords teachers with a new way to add a significant component to the curriculum in elementary grades.

"Play It Safe" is sponsored by Kool-Aid and the National Highway Traffic Safety Administration. These organizations developed the program and established the competition to provide incentives and challenges for participation and reward learning.

The winning teams and students are from Poquoson Elementary School in Poquoson, Virginia, Retta Brown Elementary School in El Dorado, Arkansas, Brandon Elementary School in Columbus, Mississippi and Mark Twain Elementary School in Albuquerque, New Mexico.

Local student teams of four competed at the state level. State winners were judged by panels of media and traffic safety professionals in final selection rounds in Washington, D.C. and New York City.

General Foods Corporation, maker of Kool-Aid brand soft drink mix, is providing an all-expense paid trip to Washington, D.C. for winning student teams and their teachers May 18-20. The highlight of the three-day visit will be an awards presentation at the Capitol, Monday morning, May 20th at 9:00 a.m., with the winning states' senators and congressmen on hand to confer the awards and congratulate the students and teachers.

The special Master of Ceremonies of the awards breakfast will be Joey Lawrence, young star of NBC-TV's "Gimme A Break." Kool-Aid Man, popular children's media character, will also be present.

The "Play It Safe" program teaches children about traffic safety and the media in the context of a public service media campaign. As part of the competition, each team submitted a print advertisement, copy for a 30-second radio spot and a storyboard for a television public service announcement, the subject of which was t affic safety, with special emphasis on the importance of seat belts.

At the local level, support was provided by advertising clubs and agencies, state broadcasters' associations, state newspaper associations, education associations and state safety councils.

Beside the 3-day all expense trip to Washington, the four winning teachers will win cash awards and the four schools will receive audio-visual equipment and wall plaques.●

THE 20TH ANNIVERSARY OF OAA

● Mr. PRESSLER. Mr. President, I rise today to express my support for the senior citizen programs put into motion by the passage of the Older Americans Act. This year marks the celebration of the 20th anniversary of this important act. I am pleased to join my colleagues on the Senate Aging Committee in cosponsoring the Senate Joint Resolution paying special tribute to the work of the aging network and recognizing the tremendous achievements of the Older Americans Act.

South Dakotans are most grateful for the programs which have been initiated because of this act. Our senior citizens now enjoy their senior citizen centers which provide fellowship and recreation. More importantly, because of this act, thousands of our elderly citizens have nutritional meals at congregate facilities or participate in the Meals on Wheels Program which provides the nutritional meals in their homes.

This act not only provides social and human services but promotes greater independence and allows the elderly to remain in their own homes much longer.

I am proud to be a cosponsor of a resolution recognizing the 20th anniversary of the Older Americans Act and am reaffirming my support for this legislation which provides services to maintain the dignity and promote the independence of our country's senior citizens.●

CONGRESSIONAL DIRECTORY

● Mr. MATHIAS. Mr. President, the Joint Committee on Printing has authorized the printing and distribution of the "Congressional Directory" for the 99th Congress. A letter has been mailed to all congressional offices explaining the details for distribution.

Participants in and followers of activities in and around the Capitol may add this volume to their collection of important reference tools. The current edition provides biographical information about Members of Congress, the President and his cabinet, and the Judiciary. In addition, the Directory contains statistical data about congressional districts, terms of service, subcommittee memberships, and lengths of previous congressional sessions.

The "Congressional Directory" was first printed privately during the 17th Congress, in 1821. After the creation of the Government Printing Office in 1865, the publication was compiled under the direction of the Joint Committee on Printing. For more than 120 years, it has been a reliable resource tool for the Congress, the Federal Government, and the American public.

The current edition offers an additional reminder to the Congress as we approach the bicentennial of our national legislature. On the cover of the paper edition is a facsimile of the Articles of Confederation. The original document, consisting of six leaves of vellum sewn together in a 12-foot-long scroll, is stored in the National Archives. While clearly exhibiting the stamp of its age, the 200-year-old document, bearing the signatures of the delegates to the 1778 Continental Congress, is still quite legible. Although 7 of the 13 States ratified the Articles in 1778, the last delegation, from my own State of Maryland, did not sign until March 1781. Some of the issues that delayed complete support of the Articles included territorial disputes to western lands, the right of government to raise money and to build an army, and the right of individual States to control trade and commerce. But despite those difficulties, the States agreed to ratify the Articles because an instrument of one united government was needed to establish the credibility of a new America among a world of nations.

The unresolved dilemmas of the early years became more and more evident, and as time marched on, it was apparent that the Articles of Confederation were not broad enough to meet the needs of a growing democracy. The struggle for independence had ended and America was free to govern itself and to control her own destiny. Following unsuccessful conferences at Mount Vernon in 1785, and at Annapolis in 1786, the newly elected delegates adjourned to Philadelphia to debate the worthiness of the Articles of Confederation. That session, held in 1787, produced the Constitution of the United States.

Today's historians, unlike some of their predecessors, are more charitable to the document that appears on the cover of the new "Congressional Directory." it is now widely acknowledged as a product of a nation that was searching for legitimacy among other nations; and, although shortsighted on matters of finance and internal administration, the Articles of Confederation are now universally recognized as the instrument that reflected the ideas and aspirations of a young America bent on independence.●

CHARLIE: "THE INDEPENDENT WHITE COLLAR WORKER"

● Mr. PRYOR. Mr. President, recently a young Arkansas man, Mack Keown of Hot Springs, AR, won a trip to the Nation's Capital for an award-winning essay he wrote as part of a program sponsored by the President's Commission on the Employment of the Handicapped.

I want to commend this fine young man who refuses to let prejudice and fear interrupt his efforts as an individ-

ual with a handicap to lead a full and normal life.

I commend Mack's fine essay to my colleagues.

I ask that Mack's essay be printed in the RECORD.

The essay follows:

CHARLIE: "THE INDEPENDENT WHITE COLLAR WORKER"

(By Mack Keown)

Do you know Charlie? I do and am willing to bet there is a Charlie in your town, too. Charlie is my inspiration. He is unique by anyone's standards, yet he laughs and smiles a lot, is sensitive to others, is loving and caring, and in every way a normal human being. Charlie is an attorney, and a great one at that. At this pont you are probably wondering what makes Charlie so special. Aside from the fact that I am an aspiring young man determined to become a "Big Time" criminal lawyer, Charlie's influence is more personal than academic. Charlie had polio as a young man and fought against seemingly unsurmountable odds to become one of the best attorneys a person could ever meet. Charlie is a "Handicapable" person whose wheelchair is his chariot. He is not the only person like this I know, unfortunately they all cannot achieve Charlie's station in life, not because they lack determination, rather because they face prejudice and fear by people who close their eyes to the abilities the Charlies of the world are more than willing to offer the town and community.

Times are changing, but like all other major changes that are accomplished, it takes time and lots of work. Charlie went to school before there were ramps for his chariot or special parking spaces for his car. Recent legislation has required these facilities for access to public buildings, which is a step in the right direction. Even though, it will take more than legislation to open the eyes of the public in general, not to mention the employers of the world.

Our town has one of the largest rehabilitation centers anywhere. People from not only our state, but others fortunate enough to be accepted, come from everywhere to receive training and education to prepare them for their independence and a chance to make their own way in the job market. Give credit where credit is due, the Rehabilitation Center does a marvelous job on a limited budget. The sad part is for all their hard work, the prejudice and fear begin after the training when Charlie goes to apply for a job. Too often those who have good jobs or happen to be in position to hire Charlie turn their heads and close their eyes to his abilities and justify these actions by believing someone else such as Abilities Unlimited or other organizations of this nature are better suited to his needs. These organizations are fine and every town has them, but they also are strapped by limited budgets and too few jobs available.

Mainstreaming Charlie has become common in schools all over the country, yet that in itself has become a source of separation. The classes are different and not an integral part of the educational system. Nobody seems to realize that these students often work harder to achieve their goals than students who are in regular courses of study. The inter-action of students is extremely limited socially. One such person I happen to know can remember the dates, scores, and names of games and players that most people have never heard of. He is also able to recall the words to countless country and western songs and the names of each of the singers who recorded them. He is interesting and eager to work and apply himself to the best of his abilities, but who will hire him to work for their company or business. His attitude is great despite the obstacles placed in the path he must follow.

Another friend was lost in the system and has since found a new lease on life, a new job, and a loving family. The system that lost my friend was the adoption service in our state. Long years of foster care, never a permanent home or family, put this friend on the streets upon reaching his eighteenth birthday. Without proper education and preparation, he was left to sleep on benches, under bridges, and to sell blood or beg for meals the best way he knew how. Determined not to make this his life's destiny, he sought help and found a family that gave him encouragement and support. He now has a job and recently got a promotion and a raise in pay. He is so grateful that he works harder than most people to make his employer proud of him.

Living in our community is a major accomplishment. There are those who have spent much time and energy to provide a housing complex to give independence and pride to my friend Charlie. Everyone thought a complex for the special people in our community would be a great idea until they learned that it would be built in their community and then load cries about decreasing property values, danger to the community, and danger to the children by being exposed to handicapped people. The only handicapped people are those blind to their own prejudice and fear. There are those who could accept the complex, but only if it were surrounded by tall fences with locked gates. Charlie is not a criminal. He is a friend who would love to have a chance in life.

All of my friends are very real people, not a figment of a vivid imagination. Each one has experienced one or all of the above obstacles and has coped with them in his own way, for all of my friends are individuals like no other. Admittedly they are each exceptions to the rule, but one day they will be the rule and the world will be the one to profit. I would love to give the real name of Charlie, my inspiration, and all of my other "Handicapable" friends, but the times have not changed enough to allow them real independence. To be able to work is independence and independence is freedom to become a functioning member of society.

Thanks Charlie, for being my inspiration. You made it and you have given hope to all the Charlies of the world. I will make my mark in time and space too, because if you can do it so can I!●

INTERNATIONAL YOUTH YEAR IN ARKANSAS

● Mr. PRYOR. Mr. President, on March 7 of this year Governor Clinton of Arkansas issued a proclamation declaring the year 1985 as International Youth Year in Arkansas. This coincides with the celebration of youth proclaimed at the same time by the United Nations.

We are all aware, Mr. President, of those occasions when our young people impress us with their work and commitment, and with the magnificent results their actions achieve. I am thinking of the senior class that donates the money for its graduation trip to pay for the funeral of a classmate. I am thinking of the teenager who volunteers in the drug center that keeps her friends alive and well, and of the 12th-grader who supports his family while finishing high school.

I want to encourage my colleagues to recognize the youth of our country, Mr. President. Surely they constitute the chief natural resource of our Nation and our world. I am proud that Arkansas has joined in this recognition and ask that the Governor's proclamation be inserted at this point in the RECORD.

The proclamation follows:

PROCLAMATION

To all to whom these presents shall come—Greetings:

Whereas, The youth between 15 and 24 years of age represents one of Arkansas' most valuable resources; and

Whereas, Their involvement in educational, recreational and spiritual matters is critical to the development of responsible citizens in creating a positive future for Arkansas; and

Whereas, It is our intention to bring to the awareness of Arkansans the contributions that young people make in our society in hopes that parents, educators, business and religious leaders will provide encouragement and support to increase and promote their endeavors; and

Whereas, 1985 has been declared International Youth Year by the United Nations;

Now, therefore, I, Bill Clinton, Governor of the State of Arkansas, do hereby proclaim 1985, as International Youth Year in Arkansas.●

TRIBUTE TO MUHAMMAD ALI

● Mr. FORD. Mr. President, on May 22, the World Boxing Council Sports Medicine Foundation is paying tribute to Muhammad Ali. The proceeds from the dinner will go to the WBC/UCLA Sports Medicine Foundation. The funds will be used to conduct ongoing research for the prevention of injury in sports.

Muhammad Ali was born in the State of Kentucky and has always been a favorite son since his days of growing up in Louisville. He has won the highest honors in the world of boxing from Olympic champion to world heavyweight champion.

The champion in boxing has also been active in his community and across the Nation. His participation in various charitable events has made him famous as a compassionate, caring person. This extraordinary man has sought to touch the lives of people in every walk of life.

I am pleased on behalf of the people of Kentucky to recognize before the Senate of the United States his many achievements and efforts for prevention of injury in sports and take note of the tribute he is to receive on May 22, 1985, in Los Angeles, CA. This man will live forever in the sports annals of the world as "The Greatest."●

REDUCTION OF RISK OF CONFRONTATION

● Mr. D'AMATO. Mr. President, I rise today in support of Senate Joint Resolution 108, introduced by my esteemed colleague, Senator WARNER. I am pleased to cosponsor this legislation to reduce the risk of confrontation or conflict between the United States and the Soviet Union as a result of an accident or miscalculation.

This legislation will expeditiously implement the July 1984 agreement between the United States and the Soviet Union to upgrade the direct communications link for crisis control. This upgrade will provide for a faster, more capable means of communication for our leaders. The increase in speed of communication and the ability to relay graphic materials when seconds count could be especially crucial in some future crisis.

I urge my colleagues to support this vital step in our continuing efforts to secure a more peaceful world. This legislation builds confidence between the leaders of our Nation and the Soviet Union critical to crisis prevention and demonstrates our commitment to strengthen controls over the nuclear weapons we ultimately seek to eliminate.●

TRADE-IN OF WESTWAY FUNDS

● Mr. HUMPHREY. Mr. President, today I would like to discuss the advantages of a trade-in of Westway funds for a combined renovation of New York's mass transit system and west side highway.

Currently, Westway's trade-in value is estimated at $1.71 billion in Federal funds. Not only is this approximately one-third of the cost of Westway but it involves money for renovation of the mass transit system as well as a new highway. Unlike Westway, this alternate project would not use Federal highway funds for real estate development purposes.

Another advantage of a trade-in is that no landfill would be needed in order to renovate the west side highway. In light of this, the striped bass would be able to keep the Hudson River as their main spawning area. Not only would a landfill destroy this aquatic habitat, but it would also destroy piers which could be reused for recreation, housing, ships, and commercial uses. Altogether, the nonlandfill alternative would be more efficient, cheaper, and faster to build because no landfill permit or dredging, filling, tunneling, or tunnel reinforcement would be necessary.

One of the arguments in favor of Westway is that the project would create a large number of jobs through the construction work involved. The alternate project would create just as many construction jobs through the renovations of the transit system and the existing highway. Moreover, it would not destroy the existing jobs on the west side such as jobs in printing, warehousing, garment, and other industries. If Westway is allowed to proceed, these industries will be eliminated through construction disruption and highway ramps.

Mr. President, the exorbitant cost of Westway, the elimination of the mating area of the stiped bass, and the destruction of factories employing hundreds of people are just a few of the reasons why Westway must be stopped. The project is a waste of Federal funds at a time of high budget deficits and cutbacks in important programs. We cannot afford to grant $4 to $6 billion in highway funds to what is mainly a private real estate venture.●

THE SUGAR PROGRAM

● Mr. BOSCHWITZ. Mr. President, the State of Minnesota has an ongoing interest in the continuation of the sugar program. Minnesota produces more sugar beets than any other State in the country.

The provisions relating to sugar in the 1981 farm bill have provided the Nation with a significant amount of domestic production at reasonable prices. Moreover, it has enabled the U.S producer of sugar beets and sugar cane to survive in an otherwise hostile atmosphere.

I use the term hostile atmosphere because the world sugar price has been artificially depressed to less than 4 cents per pound by use of export subsidies. Our domestic industry would have been wiped out without the program.

On December 3 in a speech to the 1985 USDA Agricultural Outlook Conference, Daniel B. Amstutz, Under Secretary for International Affairs and Commodity Programs, stated:

"EC policies that encourage sugar production and export of the surplus by using subsidies contribute to sugar oversupplies and depressed world prices, which are particularly damaging to developing countries that depend on sugar exports to earn much of their foreign exchange.

It is probably realistic to say that for the past three years, the price impact [of the EC's actions] has been . . . 10 to 12 cents. This means that EC sugar policies have cost the sugar exporting developing countries about $2 billion a year in lost export earnings.

A study recently completed by the respected analysts at Economic Perspectives, Inc., of McLean, VA, reveals that in the absence of EC subsidized exports there would not be a need for the current sugar program since market prices would be above current U.S. levels. This report also reveals that had 1984 beginning world stocks been at a normal level, tropical sugar exporters' revenues would have been higher by $6.5 billion. Also, the need for U.S. foreign aid would have been sharply reduced and the economies of the developing countries would be much improved.

I am greatly impressed by the results of the study and commend the following summary to the attention of my colleagues. I ask that it be printed in the RECORD.

The summary follows:

IMPACT OF EEC SWEETENER POLICIES ON U.S. AND WORLD PRODUCERS

SUMMARY

The European Economic Community (EEC) only recently has become a major sugar exporter. From a net importer in 1975, it now is the dominant exporter in the world free market. As a result, EEC policies have vast impacts on sugar prices, and on sweetener producers in the United States and the world.

This study is an analysis of some of the major effects on EEC's sugar policy. It is less a prediction of an outcome than an illustration of the relative importance of EEC policies on world sugar markets and on domestic producers of sugar, HFS, and corn. It recognizes that the market impacts of such a policy have accumulated over many years and are impossible to measure in their totality. Nevertheless, the study examines economic conditions at one point in time, and attempts to measure the impacts of the policy by measuring changes that reasonably could be expected in the absence of EEC exports.

The EEC's current sugar regime reflects a policy of maintaining and protecting high internal sugar prices initially begun to insure self-sufficiency in production. However, that policy has resulted in the EEC's shift from a traditional importer to a large and growing exporter (Chart 1 and Table 1). [Chart 1 not reproducible for RECORD.] Because it has high production costs and no economic advantage in production relative to the major sugar producing regions of the world, its position as a dominant world exporter has been achieved only at great expense.

The EEC policy has three important economic effects. Its extremely high price structure (which must be protected by very high import levies) has led to production far above amounts that otherwise would be forthcoming. At the same time, the high consumer prices have discouraged consumption. These two effects in combination have resulted in production of substantial quantities of sugar in excess of consumption requirements. To avoid holding the large surpluses that are generated, the EEC must provide large export subsidies to move sugar into world markets. By that means, and in spite of the lack of an advantage in production, the EEC has greatly increased its share of the world "free" sugar market from zero in 1975 to more than 27 percent in 1984.

In 1984, the huge world surplus sugar stocks were more than 50 percent of expected consumption, the result of recent policy changes in the EEC and elsewhere. The world price of raw sugar fell below four cents per pound during the year and averaged only 5.4 cents per pound (raw value). However, the EEC exported more than 5.5 mmt during the year. Had they expected no sugar in 1984, the world price would have been substantially higher, perhaps more than 15 cents per pound even with the large world sugar stocks. Such a change could have been expected to allow the United

States to drop the import quotas imposed in 1982 and return to the use of fees and duties to protect the loan program and hold prices at about the actual 1984 levels.

Had world sugar stocks been near trend levels at the beginning of 1984, the absence of EEC exports from the market would have meant world refined sugar prices about 24 cents per pound higher, and U.S. refined sugar prices about 9.43 cents higher than the 1984 average (Table 2). U.S. sweeterner producers' revenues would have been more than $2.1 billion higher and corn sweetener producers' revenues $1.2 billion above the 1984 levels. U.S. quota restrictions would have been unnecessary.

The EEC sugar policy significantly affects HFCS production and corn prices as well. With world sugar stocks at trend, the absence of EEC exports would have been associated with U.S. refined sugar prices 9.43 cents per pound higher than the 1984 average. Over the intermediate term, such an increase would have the potential to facilitate increased HFCS competition. By the end of the decade production likely could be as much as 53.4 million cwt above 1983 output. Such an increase would mean about 160 million bushels more corn used in HFCS production annually and higher corn grower sales of as much as $1.2 billion each year.

A 160 million bushel increase in the commercial use of corn would substantially reduce government program costs. Under FY 1985 crop conditions, it could reduce the cost of CCC loans by $281 million, storage payments by $33 million, and target prices by $200 million, a total of $514 million.

The absence of EEC exports from the world sugar market would have a major impact on traditional sugar exporters, especially the developing nations in Central America and the Caribbean (Table 3). Even with the large 1984 stocks, revenues of traditional sugar exporters would have been $2.6 billion higher had the EEC not been in the market in 1984. Had 1984 beginning world stocks been a normal level, their export revenues would have approached $6.7 billion. For the Central American and Caribbean nations alone, annual revenues could have been $600 million higher, for South America $2.1 billion, and for Africa more than $728 million.

TABLE 1.—NET EXPORTS OF SUGAR TO THE WORLD FREE MARKET

Exporting country	1975	1976	1977	1978	1979	1980	1981	1982	1983	1984	1985
	Million metric tons, raw value										
EEC		1.2	2.4	3.3	3.4	4.3	5.4	5.6	4.9	5.5	4.4
Brazil	1.7	1.3	2.5	1.9	1.9	2.7	2.7	2.8	2.8	2.9	3.0
Australia	2.0	2.6	3.0	2.0	2.0	2.4	3.0	2.5	2.4	2.6	2.8
Cuba	1.7	1.4	1.5	2.0	2.1	2.2	2.2	1.7	1.7	1.7	1.7
Philippines	1.0	1.5	2.6	1.1	1.1	1.8	1.3	1.3	1.0	1.0	1.0
Thailand	.7	1.1	1.7	1.0	1.2	.5	1.2	2.0	1.4	1.4	1.4
Others	6.3	6.4	7.2	6.2	6.6	5.8	5.0	5.8	6.4	5.4	6.2
Total	13.4	15.5	20.7	17.5	18.3	19.4	20.6	21.6	20.5	20.5	20.5
	Percent of free market										
EEC	0	8	11	19	19	22	26	25	24	27	21
Brazil	13	8	12	11	10	14	13	13	14	14	15
Australia	15	17	14	12	11	12	14	12	12	13	14
Cuba	13	9	7	12	12	11	11	8	8	8	8
Philippines	7	10	12	6	6	9	6	6	4	5	5
Thailand	5	7	8	6	7	2	6	9	7	7	7
Others	47	41	34	35	36	30	24	27	31	26	30
Total	100	100	100	100	100	100	100	100	100	100	100

Source: Historical data from ISO.

TABLE 2.—IMPACT OF EEC EXPORTS, 1984

Item	1984 stock levels		World stocks at trend [1]	
	Actual	Absent EEC exports	With EEC exports	Absent EEC exports [2]
World sugar prices (cents per pound):				
Refined	9.40	19.19	21.60	33.80
Raw	5.43	15.15	17.20	28.50
U.S. sugar prices (cents per pound):				
Refined	28.04	28.04	28.04	37.47
Raw	21.80	21.80	[3] 21.80	[4] 30.53
Difference from 1984 average				9.43
On U.S. producers (in millions of dollars):				([5])
Sugar (5.18 mst)				$977
HFCS (4.30 mst)				811
Other corn sweetener (2.54 mst)				347
Minor caloric sweetener (0.17 mst)				14
				2,149

[1] 45.2 mmt, raw value, in 1984.
[2] Comparison assuming equilibrium following the changes specified, reflecting normal stock levels at the beginning of the year and the absence of EEC exports.
[3] World raw sugar price, duty, and 1.4 cents per pound freight, insurance, and handling, plus fees as necessary to protect the loan program.
[4] World raw sugar price plus minimum duty of 0.625 cents per pound and 1.4 cents per pound freight, insurance and handling.
[5] Assumes spread between sugar and HFCS is unchanged, and other sweetener prices increase proportionally less than sugar.

TABLE 3.—VALUE OF SUGAR TRADE, 1984, NORMAL BEGINNING STOCKS

[In millions of dollars]

Origin	Total		Change
	Actual	No EEC exports	
EEC	$699		—$699
Other Caribbean	362	$686	324
Central America	306	574	268
Canada-Mexico	14	62	48
South America	781	2,870	2,089
Africa	522	1,250	728
Oceania	460	1,816	1,356
Asia	508	2,085	1,577
Other	137	917	780
Total World	3,789	10,260	6,471●

NATIONAL OSTEOPOROSIS AWARENESS WEEK

● Mr. GRASSLEY. Mr. President, I am happy to have sponsored legislation to designate the week of May 20, 1985 through May 26, 1985, as "National Osteoporosis Awareness Week."

My goal in sponsoring this legislation is to promote and support the education of the American population on the preventive measures available to fight this debilitating disease.

Osteoporosis is a condition in which bone mass decreases causing bones to be more susceptible to fracture. Between 2 and 5 million Americans seek medical help each year for some problem linked to osteoporosis. It afflicts approximately 15 million Americans overall, beginning as early as age 35, and is particularly a threat to thinboned, light-skinned women, women who undergo an early menopause and women whose female relatives have osteoporosis. In fact, 88 percent of osteoporosis victims are women. But this is not to say that it is a disease that afflicts only women. As the aging process progresses, the risk of developing osteoporosis increases and, for that reason, our older Americans, male and female, must become aware of this disease.

Every year about 1.3 million persons 45 years and older suffer from fractures attributable to osteoporosis. Fractures of the spine, hip and wrist are most common. The dowager's hump is the result of a spine fracture. It is estimated that 150,000 hip fractures occur each year as a consequence of osteoporosis and about 12 percent of these people will die of related complications. I know from visits with older Iowans that these fractures are debilitating and, for many, incapacitating, resulting in a loss of independence and freedom.

When I look at statistics stating that 19.6 percent of our population consists of women over 40; 11.6 percent of our population is 65 years and older; 13.1 percent of our population will be over

65 by the year 2000, that figure will increase to 21.7 percent by 2050; and a statistic that I have a personal interest in, 13.3 percent of Iowa's population is over 65, I become concerned about the possible increase in the number of Americans suffering from osteoporosis.

In light of the importance of reducing the budget deficit, I am concerned that the short-term direct costs for osteoporosis patient's care are projected to exceed $1 billion annually without considering indirect long-term costs of extended nursing care. These statistics are what have prompted me to sponsor this legislation.

Research is being done to find the cause of osteoporosis, a method of detecting it and a treatment. Presently, however, once osteoporosis has developed, there is no cure.

There are steps that can be taken to prevent osteoporosis. The amount of calcium intake has been noted as a major link in the development of this disease. Bone contains 99 percent of the calcium of the body, the other 1 percent is used for the heart beat, muscles to contract and relax, for blood to clot and for nerves to transmit messages. The body does not make its own calcium, therefore, it is necessary to maintain a rich-in-calcium diet, particularly if you are at high risk of developing osteoporosis. Through the years, when the body does not have enough calcium to put into the blood, it will take it from the bones. If this continues, the bones will become weak and brittle to the point that they will fracture under everyday common stresses. That is osteoporosis.

Milk and other dairy products such as cheese and yogurt are a main source of calcium in our diet. The average calcium intake is 450 to 550 milligrams a day. This is one-half the amount recommended by a special panel, the Consensus Development Conference on Osteoporosis, convened by the National Institutes of Health [NIH] last April.

For women, the decrease in the production of estrogen after menopause increases the risk of developing osteoporosis because estrogen is necessary in preserving bone in women. Oral doses of estrogen, known as estrogen replacement therapy, compensate for the natural decline in estrogen production and has proven an effective means of preventing osteoporosis.

Moderate weight-bearing exercise such as jogging, walking and biking is another preventive measure. This is important because exercise stimulates the formation of new bone. Americans who are at risk should, with the help of their doctors, become aware of and implement the necessary precautions which might decrease their chances of developing osteoporosis.

I would like to conclude by commending the National Dairy Council [NDC] for their efforts in alerting Americans to the effects of osteoporosis and calcium intake. I understand that between January 1 and April 30 of this year, the National Dairy Council held 2,000 1-hour consumer workshops to create awareness of calcium needs, risks, benefits, and sources. The National Institutes of Health also offer many pamphlets on osteoporosis and I would urge everyone to take advantage of these materials and workshops.

Hopefully, this resolution as well as other legislation such as the recently passed Older Americans Act Amendments of 1984, a reauthorization of the 1965 law, will support and promote the education of osteoporosis. I feel that it is particularly appropriate that "National Osteoporosis Awareness Week" will occur during a month of commemoration and celebration of our older Americans. I am happy to be a part of the passage of "National Osteoporosis Awareness Week".●

ORDERS FOR THURSDAY

ORDER FOR RECESS UNTIL 10 A.M.

Mr. DOLE. Mr. President, I ask unanimous consent that when the Senate completes its business today, it stand in recess until 10 a.m. on Thursday, May 16, 1985.

The PRESIDING OFFICER. Without objection, it is so ordered.

ORDER FOR RECOGNITION OF CERTAIN SENATORS

Mr. DOLE. Mr. President, I ask unanimous consent that after the recognition of the two leaders under the standing order on tomorrow, there be special orders in favor of the following Senators for not to exceed 15 minutes each: Senators PROXMIRE, DIXON, BUMPERS, and PRYOR.

The PRESIDING OFFICER. Without objection, it is so ordered.

ORDER FOR ROUTINE MORNING BUSINESS

Mr. DOLE. Mr. President, I ask unanimous consent that on tomorrow, following the special orders just identified, there be a period for the transaction of routine morning business, not to extend beyond 11:30 a.m., with statements therein limited to 5 minutes each.

The PRESIDING OFFICER. Without objection, it is so ordered.

PROGRAM

Mr. DOLE. Mr. President, we have obtained unanimous consent to resume at 11:30 a.m. tomorrow the conference report to accompany H.R. 1869, under a time agreement of 40 minutes, 30 minutes under the control of the distinguished Senator from Ohio [Mr. METZENBAUM] and 10 minutes under the control of the distinguished Senator from Oregon [Mr. PACKWOOD] or his designee.

It is my understanding the Senator from Ohio [Mr. METZENBAUM] would not demand a rollcall vote, but in the event a rollcall vote should be requested, it will follow immediately.

Also, the Senate can turn to Calendar No. 47, S. 408, small business. We are also working on a coinage bill that both Senators MCCLURE and CRANSTON have an interest in, and there is a possibility that we could dispose of the Safe Drinking Water Act some time tomorrow afternoon.

I understand now from both the chairman of the Armed Services Committee and the ranking minority member that they will not be in a position to take up their bill tomorrow. They would like to take it up on Friday, and I will be discussing that with the distinguished minority leader tomorrow.

Mr. President, while we are waiting, I suggest that it is still my hope that we can complete action on the DOD authorization bill by Thursday next on or before 6 p.m. on that day.

I know the distinguished chairman of the committee, Senator GOLDWATER, is very anxious to complete action. I think it is particularly important we do that in view of the preliminary budget figures in the House Budget Committee markup. It might be of some help to Members on both sides of the House if there were some expression from the Senate on that legislation.

But in any event, I can discuss that tomorrow with the distinguished minority leader.

RECESS UNTIL 10 A.M. TOMORROW

Mr. DOLE. Mr. President, there being no further business to come before the Senate, I move that the Senate stand in recess until 10 a.m. tomorrow.

The motion was agreed to; and, at 7:49 p.m., the Senate recessed until Thursday, May 16, 1985, at 10 a.m.

NOMINATIONS

Executive nominations received by the Senate May 15, 1985:

DEPARTMENT OF STATE

Lewis Arthur Tambs, of Arizona, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to the Republic of Costa Rica.

Lannon Walker, of Maryland, a career member of the Senior Foreign Service, class of Minister-Counselor, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to the Republic of Senegal.

THE JUDICIARY

Loren A. Smith, of Virginia, to be a judge of the U.S. Claims Court for a term of 15 years vice Joseph V. Colaianni, resigned.

Robert C. Broomfield, of Arizona, to be U.S. district judge for the district of Arizona vice Valdemar A. Cordova.

Donald E. Walter, of Louisiana, to be U.S. district judge for the western district of

Louisiana, vice a new position created by Public Law 98-353, approved July 10, 1984.

Claude M. Hilton, of Virginia, to be U.S. district judge for the eastern district of Virginia, vice a new position created by Public Law 98-353, approved July 10, 1984.

U.S. INFORMATION AGENCY

Marvin L. Stone, of Virginia, to be Deputy Director of the U.S. Information Agency, vice Leslie Lenkowsky, resigned.

SPECIAL PANEL OF APPEALS

Barbara Jean Mahone, of Ohio, to be chairman of the Special Panel on Appeals for a term of 6 years, new position—Public Law 95-454 of October 13, 1978.

IN THE AIR FORCE

The following-named officer under the provisions of title 10, United States Code, section 601, to be assigned to a position of importance and responsibility designated by the President under title 10, United States Code, section 601:

To be general

Lt. Gen. Robert D. Russ, xxx-xx-xxxx FR, U.S. Air Force.

The following-named officer under the provisions of title 10, United States Code, section 601, to be assigned to a position of importance and responsibility designated by the President under title 10, United States Code, section 601:

To be lieutenant general

Maj. Gen. Merrill A. McPeak, xxx-xx-... FR, U.S. Air Force.

The following-named officer under the provisions of title 10, United States Code, section 601, to be reassigned to a position of importance and responsibility designated by the President under title 10, United States Code, section 601:

To be lieutenant general

Lt. Gen. Bernard P. Randolph, xxx-xx-x... FR, U.S. Air Force.

The following-named officer under the provisions of title 10, United States Code, section 601, to be assigned to a position of importance and responsibility designated by the President under title 10, United States Code, section 601:

To be lieutenant general

Maj. Gen. William E. Thurman, xxx-xx-... xxx-... FR, U.S. Air Force.

The following-named officer under the provisions of title 10, United States Code, section 601, to be reassigned to a position of importance and responsibility designated by the President under title 10, United States Code, section 601:

To be lieutenant general

Lt. Gen. Charles J. Cunningham, Jr., xxx... xxx-xx-... FR, U.S. Air Force.

IN THE NAVY

The following-named officer to be placed on the retired list in the grade indicated under the provisions of title 10, United States Code, section 1370:

To be vice admiral

Vice Adm. Earl B. Fowler, Jr., xxx-xx-... /1440, U.S. Navy.

IN THE AIR FORCE

The following persons for Reserve of the Air Force appointment, in grade indicated, under the provisions of section 593, title 10, United States Code, with a view to designation under the provisions of section 8067, title 10, United States Code, to perform the duties indicated:

MEDICAL CORPS

To be colonel

Christian, Charles B., Jr., xxx-xx-xxxx
Howard, Cleve W., xxx-xx-xxxx

To be lieutenant colonel

Duffy, Adrian D., xxx-xx-xxxx
Wagman, Edward, xxx-xx-xxxx
Holt, Gilbert A., Jr., xxx-xx-xxxx
Maso, Eugene C., xxx-xx-xxxx
McDonald, Edward C., xxx-xx-xxxx
McKiernan, Thomas L., xxx-xx-xxxx
Ross, Gerald W., xxx-xx-xxxx

DENTAL CORPS

To be lieutenant colonel

Peluso, Joseph R., xxx-xx-xxxx
Crichton, David D., III, xxx-xx-xxxx
Matsumoto, Terry S., xxx-xx-xxxx
Saunders, Timothy R., xxx-xx-xxxx
Fairbourn, Dennis R., xxx-xx-xxxx
Withers, James A., xxx-xx-xxxx

The following officers for Reserve of the Air Force (non-EAD) promotion in the grade indicated, under the provisions of section 8366, title 10, United States Code:

LINE

To be lieutenant colonel

Bowen, Kingston, xxx-xx-xxxx
Lewis, Palmer B., xxx-xx-xxxx
Samuels, James D., xxx-xx-xxxx

IN THE ARMY

The following-named officers for promotion in the Reserve of the Army of the United States, under the provisions of title 10, United States Code, section 3383:

ARMY PROMOTION LIST

To be colonel

Chaffin, Richard E., xxx-xx-xxxx
Chitwood, Michael R., xxx-xx-xxxx
Evans, Thomas N., xxx-xx-xxxx
Griffiths, Kenneth, xxx-xx-xxxx
Kho, Franklin Y.C., xxx-xx-xxxx
Lunde, Raymond H., xxx-xx-xxxx
MacDonald, John W., xxx-xx-xxxx
McLennan, Thomas D., xxx-xx-xxxx
Rude, Carl E., Jr., xxx-xx-xxxx

CHAPLAIN

To be colonel

Luljak, Louis P., xxx-xx-xxxx

MEDICAL CORPS

To be colonel

Andres, Dale F., xxx-xx-xxxx
Dilallo, Chester A., xxx-xx-xxxx

ARMY PROMOTION LIST

To be lieutenant colonel

Abel, Daniel W., xxx-xx-xxxx
Allen, Robert E., xxx-xx-xxxx
Altshuler, Herbert, xxx-xx-xxxx
Au, Alvin K.C., xxx-xx-xxxx
Cagley, Thomas R., xxx-xx-xxxx
Carter, Leslie W., xxx-xx-xxxx
Chang, Gerald Y.Y., xxx-xx-xxxx
Cook, Gerald J., xxx-xx-xxxx
Crosson, William D., xxx-xx-xxxx
Cullinane, Murdock, xxx-xx-xxxx
Dahoney, Richard H., xxx-xx-xxxx
Ford, Dean C., xxx-xx-xxxx
Fuller, Tyrice E., xxx-xx-xxxx
Gatzke, James F., xxx-xx-xxxx
Green, Stephen R., xxx-xx-xxxx
Harris, James B., xxx-xx-xxxx
Kawahara, Bert H., xxx-xx-xxxx
Lingerfelt, Larry R., xxx-xx-xxxx
Maher, Michael D., xxx-xx-xxxx
Milan, Lawrence, xxx-xx-xxxx
Montgomery, Jimmy G., xxx-xx-xxxx
Moore, Harry J., xxx-xx-xxxx
Parker, Alton B., Jr., xxx-xx-xxxx
Petersen, Rene J., xxx-xx-xxxx
Powell, Calvin S., xxx-xx-xxxx
Romero, Lee J., Jr., xxx-xx-xxxx
Sears, Marlyn T., xxx-xx-xxxx
Shirley, Daniel T., xxx-xx-xxxx
Smith, Laurin G., xxx-xx-xxxx
Sollars, Frederick, xxx-xx-xxxx
Sommer, Anthony J., xxx-xx-xxxx
Steck, Larry J., xxx-xx-xxxx
Stephen, Lowndes F., xxx-xx-xxxx
Thompson, John S., xxx-xx-xxxx
Townsend, John G., xxx-xx-xxxx
Trowbridge, Emery H., xxx-xx-xxxx
Varhola, Michael H., xxx-xx-xxxx
Vath, Michael B., xxx-xx-xxxx
Wanko, Harry C., xxx-xx-xxxx
Wilkes, Howard E., xxx-xx-xxxx
Williams, Roy D., II, xxx-xx-xxxx
Wilson, Charles E., xxx-xx-xxxx
Woods, Jimmy N., xxx-xx-xxxx
Yoshida, Calvin, xxx-xx-xxxx
Zak, Frederick J., xxx-xx-xxxx

CHAPLAIN

To be lieutentant colonel

Santiago, Manuel A., xxx-xx-xxxx

DENTAL CORPS

To be lieutenant colonel

Weed, Roger, M., xxx-xx-xxxx

MEDICAL CORPS

To be lieutenant colonel

Porter, David L., xxx-xx-xxxx
Vista, Reynaldo B., xxx-xx-xxxx

The following-named officers for appointment in the Reserve of the Army of the United States, under the provisions of title 10, U.S.C., sections 593 and 3353:

MEDICAL CORPS

To be colonel

Markey, Keith L., xxx-xx-xxxx

MEDICAL CORPS

To be lieutenant colonel

Alderson, Gerald G., xxx-xx-xxxx
Altman, Ivan S., xxx-xx-xxxx
Briggs, William A., xxx-xx-xxxx
Burch, Garry R., xxx-xx-xxxx
Cavanaugh, Richard C., xxx-xx-xxxx
Dalton, Martin L., Jr., xxx-xx-xxxx
Eachempati, Rama G., xxx-xx-xxxx
Eisen, Howard B., xxx-xx-xxxx
Ferois, Gilbert N., xxx-xx-xxxx
Gallan, Thomas W., xxx-xx-xxxx
Kendle, Ellis M., xxx-xx-xxxx
Kitridou, Rodanthi, xxx-xx-xxxx
Lancaster, Lamar L., xxx-xx-xxxx
LaVerde, Philip S., xxx-xx-xxxx
Levy, Benjamin, xxx-xx-xxxx
Lewis, George N., III, xxx-xx-xxxx
Lubritz, Ronald R., xxx-xx-xxxx
Martin, Wayne R., xxx-xx-xxxx
Podell, Barry D., xxx-xx-xxxx
Pointer, Robert W., xxx-xx-xxxx
Ramirez, Antonio, xxx-xx-xxxx
Ramirez, Jose S., xxx-xx-xxxx
RigauMarques, Jose, xxx-xx-xxxx
Sadler, John E., Jr., xxx-xx-xxxx
Smith, Joseph I., xxx-xx-xxxx
Stecher, William A., xxx-xx-xxxx
Tarpley, Harold I., xxx-xx-xxxx
Vondrell, John J., xxx-xx-xxxx
Weber, Ralph, xxx-xx-xxxx

The following-named Army National Guard of the United States officers for promotion in the Reserve of the Army of the United States, under the provisions of title 10, United States Code, section 3385:

ARMY PROMOTION LIST

To be colonel

Alford, Paul D., xxx-xx-xxxx
Bacon, Roger A., Sr., xxx-xx-xxxx
Barlow, Gregory P., xxx-xx-xxxx

Baxley, Dexter E., xxx-xx-xxxx
Bortolin, Richard J., xxx-xx-xxxx
Brock, Clifton H., Jr., xxx-xx-xxxx
Brown, James L., xxx-xx-xxxx
Brown, Richard G., xxx-xx-xxxx
Burbury, John L., xxx-xx-xxxx
Chavanne, John E., xxx-xx-xxxx
Crawford, Carroll E., xxx-xx-xxxx
Faust, Ramon B., xxx-xx-xxxx
Ferguson, James W., xxx-xx-xxxx
Francis, Rudolph A., xxx-xx-xxxx
Gillaspie, Russell, xxx-xx-xxxx
Hanson, David B., xxx-xx-xxxx
Hanson, David L., xxx-xx-xxxx
Harrison, David G., xxx-xx-xxxx
Hayes, Edison O., xxx-xx-xxxx
Hovda, Clayton A., xxx-xx-xxxx
Hurley, Joseph V., xxx-xx-xxxx
James, Nathaniel, xxx-xx-xxxx
Jensen, Donald E., xxx-xx-xxxx
Jones, Willie F., xxx-xx-xx...
LopezTorres, Javier, xxx-xx-xxxx
Masterjoseph, Joseph, xxx-xx-xxxx
McCullough, James E., xxx-xx-xxxx
McNinch, David H., xxx-xx-xxxx
Michael, Robert J., xxx-xx-xxxx
Miller, Gerald A., xxx-xx-xxxx
Mongolo, William T., xxx-xx-xxxx
Morris, James M., xxx-xx-xxxx
Morris, Kenneth C., xxx-xx-xxxx
Norton, Richard A., xxx-xx-xxxx
Oakeley, William A., xxx-xx-xxxx
Pannell, Jerrell L., xxx-xx-xxxx
Schultz, Roger C., xxx-xx-xxxx
Sessoms, Charlie C., xxx-xx-xxxx
Sims, Herbert J., xxx-xx-xxxx
Slaton, Maurice V., xxx-xx-xxxx
Smith, Richard A., xxx-xx-xxxx
Snell, Robert S., xxx-xx-xxxx
Spor, Francis X., xxx-xx-xxxx
Stack, Robert J., xxx-xx-xxxx
Stevens, Velton R., xxx-xx-xxxx
Stultz, Stuart G., xxx-xx-xxxx
Underwood, John T., xxx-xx-xxxx
Velasquez, Refugio, xxx-xx-xxxx
Venticinque, Carmen, xxx-xx-xxxx
Vontrott, John T., xxx-xx-xxxx
Walsh, Milton C., xxx-xx-xxxx
Walters, Bobby G., xxx-xx-xxxx
Warren, Duane C., xxx-xx-xxxx
Wilson, William H., xxx-xx-xxxx
Yeager, Jack E., xxx-xx-xxxx

ARMY PROMOTION LIST

To be lieutenant colonel

Amme, Richard C., xxx-xx-xxxx
Armstrong, Elmo G., xxx-xx-xxxx
Avila, John, Jr., xxx-xx-xxxx
BanchNegron, Hector, xxx-xx-xxxx
Bannon, Michael J., xxx-xx-xxxx
Barnette, John E., xxx-xx-xxxx
Bierbower, Park P., xxx-xx-xxxx
Bode, Robert L., xxx-xx-xxxx
Bora, Rodney H., xxx-xx-xxxx
Bruckbauer, James L., xxx-xx-xxxx
Buffington, Ronald, xxx-xx-xxxx
Burpee, William L., xxx-xx-xxxx
Cable, Vincent L., xxx-xx-xxxx
Chainey, Hendrick J., xxx-xx-xxxx
Chavez, Arthur G., xxx-xx-xxxx
Cleary, Robert J., xxx-xx-xxxx
Cochran, Norman V., xxx-xx-xxxx
Cockrum, Randy L., xxx-xx-xxxx
Combes, George S., xxx-xx-xxxx
Conley, Michael D., xxx-xx-xxxx
Cornelison, John W., xxx-xx-xxxx
Costello, Robert H., xxx-xx-xxxx
Crites, Harold F., xxx-xx-xxxx
Cruickshank, Edward, xxx-xx-xxxx
Dadak, Gregory J., xxx-xx-xxxx
Degatina, James C., xxx-xx-xxxx
Denton, Charles R., xxx-xx-xxxx
Fiedler, David M., xxx-xx-xxxx
Fritz, Richard R., xxx-xx-xxxx
Goodman, John C., xxx-xx-xxxx
Goodwin, Howard L., xxx-xx-xxxx
Greene, Patricia A., xxx-xx-xxxx
Guerrein, Joseph H., xxx-xx-xxxx
Haenn, William F., III, xxx-xx-xxxx
Haney, Merritt W., xxx-xx-xxxx
Hannula, Rodney R., xxx-xx-xxxx
Hansen, Michael H., xxx-xx-xxxx
Heji, Theodore W., xxx-xx-xxxx
Hessman, Daniel L., xxx-xx-xxxx
Hickman, Wilton R., xxx-xx-xxxx
Hock, Larry L., xxx-xx-xxxx
Hurst, William C., xxx-xx-xxxx
Intini, Frank P., Jr., xxx-xx-xxxx
Jave, Lennie, J., xxx-xx-xxxx
Joens, Gary L., xxx-xx-xxxx
Johnson, George R., xxx-xx-xxxx
Jones, Ira K., xxx-xx-xxxx
Kaneshi, Emerick Y., xxx-xx-xxxx
Kennedy, Michael T., xxx-xx-xxxx
Krsnak, Dennis D., xxx-xx-xxxx
Lackey, Joseph A., xxx-xx-xxxx
Latimore, Paul B., xxx-xx-xxxx
Leppink, Allen R., xxx-xx-xxxx
Loewenkamp, Stanley, xxx-xx-xxxx
Madden, Richard B., xxx-xx-xxxx
Mahan, Thomas K., Jr., xxx-xx-xxxx
Mansfield, William, xxx-xx-xxxx
Martin, Charles E., xxx-xx-xxxx
Masker, Willard H., xxx-xx-xxxx
Maynard, Gary D., xxx-xx-xxxx
Minetti, Gerald P., xxx-xx-xxxx
Miyamoto, Richard Y., xxx-xx-xxxx
Morrow, Don C., xxx-xx-xxxx
Moss, Richard S., xxx-xx-xxxx
Mullen, Edward W., xxx-xx-xxxx
Murrell, Stanley A., xxx-xx-xxxx
O'Neill, William E., xxx-xx-xxxx
Paisley, Duane D., xxx-xx-xxxx
Paluda, Michael L., xxx-xx-xxxx
Pearson, David W., xxx-xx-xxxx
Pool, Robert H., xxx-xx-xxxx
Popham, David G., xxx-xx-xxxx
Pyeatt, Dale M., xxx-xx-xxxx
Rawlins, Michael E., xxx-xx-xxxx
Robbins, David W., xxx-xx-xxxx
Robinson, Randal M., xxx-xx-xxxx
Rodrigue, Thomas J., xxx-xx-xxxx
Saito, Chester I., xxx-xx-xxxx
Sattur, Theodore W., xxx-xx-xxxx
Sawyer, Richard P., xxx-xx-xxxx
Schofield, Kenneth, xxx-xx-xxxx
Schuster, Andrew M., xxx-xx-xxxx
Sedillo, Cruz M., II, xxx-xx-xxxx
Smit, Rayburn G., xxx-xx-xxxx
Spann, Foy R., xxx-xx-xxxx
Spence, Russell J., xxx-xx-xxxx
Stenzel, Michael J., xxx-xx-xxxx
Stokes, Clare H., xxx-xx-xxxx
Tipa, Ronald J., xxx-xx-xxxx
Treland, Robert G., xxx-xx-xxxx
Wagers, Nollie W., xxx-xx-xxxx
Wallace, Raymond R., xxx-xx-xxxx
Washabaugh, Frank J., xxx-xx-xxxx
Weaver, Larry D., xxx-x...
Whitten, Jesse M., xxx-xx-xxxx
Wissell, George P., xxx-xx-xxxx
Wood, Marvin L., Jr., xxx-xx-xxxx
Yingst, Thomas P., xxx-xx-xxxx

DENTAL CORPS

To be lieutenant colonel

Barton, Eric B., Jr., xxx-xx-xxxx

MEDICAL CORPS

To be lieutenant colonel

Burgos Vasquez, F., xxx-xx-xxxx
Ferguson, John D., xxx-xx-xxxx
Lovell, Richard K., xxx-xx-xxxx
Nesbitt, Leslie B., xxx-xx-xxxx

MEDICAL SERVICE CORPS

To be lieutenant colonel

Waltman, Jerry N., xxx-xx-xxxx

IN THE AIR FORCE

The following Air National Guard of the United States officers for promotion in the Reserve of the Air Force under the provisions of section 593(a) title 10 of the United States Code, as amended:

LINE OF THE AIR FORCE

To be lieutenant colonel

Maj. Reginald C. Ameele, xxx-xx-xxxx
Maj. Eugene R. Andreotti, xxx-xx-xxxx
Maj. Peter W. C. Barnhart, xxx-xx-xxxx
Maj. Diane Buckley, xxx-xx-xxxx
Maj. Marion R. Dangelo, xxx-xx-xxxx
Maj. Thomas R. Ebner, xxx-xx-xxxx
Maj. William J. Frahm, xxx-xx-xxxx
Maj. James H. Frederick, xxx-xx-xxxx
Maj. John F. Frey, xxx-xx-xxxx
Maj. Varnell C. Hart, xxx-xx-xxxx
Maj. Thomas Ingargiola, xxx-xx-xxxx
Maj. James F. Klimback, xxx-xx-xxxx
Maj. William F. Lyle Jr., xxx-xx-xxxx
Maj. Richard A. Nester, xxx-xx-xxxx
Maj. Stephen C. Robertson, xxx-xx-xxxx
Maj. Ronald A. Sailor, xxx-xx-xxxx
Maj. Sidney L. Shoemaker, Jr., xxx-xx-xxxx
Maj. Robert C. Smith, xxx-xx-xxxx
Maj. David J. Tanke, xxx-xx-xxxx
Maj. Frank E. Tobel, xxx-xx-xxxx
Maj. Donald L. Whitehead, xxx-xx-xxxx
Maj. Donald E. Worden, xxx-xx-xxxx

LEGAL

Maj. Wilbert L. Sawyer, Jr., xxx-xx-xxxx
Maj. Robert C. Ward, Jr., xxx-xx-xxxx

MEDICAL CORPS

Maj. Hari S. Kapur, xxx-xx-xxxx
Maj. Leonora K. Petty, xxx-xx-xxxx

DENTAL CORPS

Maj. David B. Pierce, xxx-xx-xxxx

IN THE ARMY

The following-named officers for permanent promotion in the U.S. Army in accordance with the appropriate provisions of title 10, United States Code, sections 624 and 628:

ARMY

To be lieutenant colonel

James L. Brazell, xxx-xx-xxxx
George A. Flowers II., xxx-xx-xxxx
Gary E. Jewett, xxx-xx-xxxx
Armand O. Pepin, Jr., xxx-xx-xxxx
Charles M. Piper IV., xxx-xx-xxxx
Richard R. Ryan, xxx-xx-xxxx
Gary F. Smith, xxx-xx-xxxx

CHAPLAIN CORPS

To be major

Richard A. Cooper, xxx-xx-xxxx

IN THE MARINE CORPS

The following-named officers of the Marine Corps Reserve for permanent appointment to the grade of colonel under provisions of title 10, United States Code, section 5912:

Baer, Clarence L., Jr., xxxx
Bailey, James M., xxxx
Ballentine, David A., xxxx
Barrios, James V., xxxx
Beavis, Robert L., xxxx
Biangardi, Otto xxxx
Braun, George F., xxxx
Calef, Marshall M., II, xxxx
Campbell, William S., xxxx
Carberry, Michael G., xxxx
Carpenter, Albert E., Jr., xxxx
Cercone, Edward A., xxxx
Connors, John R., Jr., xxxx
Coti, William A., xxxx
Coyle, Edward H., xxxx
Davis, Robert R., Jr., xxxx
Delong, Terry L., xxxx
Dickerson, Alexander C., xxxx
Earnest, Keith I., xxxx
Ewton, Thomas D., xxxx
Farro, Jerry J., xxxx

Fischbach, John T., xxxx
Flanagan, James E., xxxx
Furr, Kenneth R., xxxx
Gallaspy, Donald S., Jr., xxxx
Gould, David W., xxxx
Gruggel, John, S., Jr., xxxx
Herring, Dewey L., xxxx
Hobbs, William W., Jr., xxxx
Iorio, William E., xxxx
Johnson, Kari xxxx
Jonic, George A., Jr., xxxx
Kirk, Alexander xxxx
Kissling, Robert G., xxxx
Knight, William S., xxxx
Luciano, Thomas J., xxxx
Luy, Walter M., xxxx
Manning, Clifford H., xxxx
Marchand, David M., xxxx
Martin, Kenneth E., xxxx
McCollum, Michael G., xxxx
Mori, Stanley M., xxxx
Nelson, John J. Jr., xxxx
O'Connell, George J. Jr., xxxx
Olivas, George S., xxxx
Parnell, Robert E. Jr., xxxx
Pechalonis, Stanley J., xxxx
Pickett, Jeffrey C., xxxx
Prichard, Don E., xxxx
Quilter, Charles J. Jr., xxxx
Rich, Wayne A. Jr., xxxx
Robb, Robert M., xxxx
Rumsey, David K., xxxx
Sandlin, Michael E., xxxx
Shea, Thomas M. xxxx
Shearer, Robert C., xxxx
Shortal, Denis L., xxxx
Smith, Douglas L., xxxx
Smith, Frederick J. III, xxxx
Smith, Norman W. Jr., xxxx
Snider, Neil A., xxxx
Somerville, John T., xxxx
Speed, Billy L., xxxx
Stout, David M., xxxx
Talent, Robert M., xxxx
Tifford, Arthur W., xxxx
Till, Quentin T., xxxx
Treichler, Donald R., xxxx
Tutt, Charles S., xxxx
Vogel, Frederick J., xxxx
Wilson, Steven C., xxxx
Wolfe, Joseph C. Jr., xxxx
Zimmermann, Jack B., xxxx

IN THE MARINE CORPS

The following-named officers of the Marine Corps and Marine Corps Reserve for permanent appointment to the grade of major, under provisions of title 10, United States Code, section 624:

Ahlers, Shauna E., xxxx
Ahle, Dirk R., xxxx
Alexander, Joseph A., Jr., xxxx
Andriko, Stephen W., xxxx
Balash, Paul, III, xxxx
Ballas, Mark J., xxxx
Bambrick, Philip M., xxxx
Barrett, John P. Jr., xxxx
Barthold, William G., xxxx
Bechtol, Barbara L., xxxx
Benefield, Johnie W., xxxx
Blair, John E., xxxx
Blanche, John F., xxxx
Block, Thomas J., xxxx
Bohon, David W., xxxx
Bordeaux, John C., Jr., xxxx
Brammer, Christopher J., xxxx
Brandenburg, David J., xxxx
Brann, Ronald W., xxxx
Breithaupt, Terry L., xxxx
Brennan, Francis P., xxxx
Bridgers, Robert L., xxxx
Brush, Laura J., xxxx
Buckhaults, Alvin T., xxxx
Burchnall, Richard K., xxxx
Burns, Michael R., xxxx
Cahill, Paul J., xxxx
Cameron, Stewart D., xxxx
Campbell, Andrew H., II, xxxx
Carey, Patrick L., xxxx
Carpenter, Steven C., xxxx
Carroll, Robert M., xxxx
Cassidy, Benjamin L., xxxx
Centner, Roy T., xxxx
Cerney, Robert W., xxxx
Chase, Paul J., xxxx
Chrostowski, Lee A., xxxx
Cole, Eugene J., xxxx
Connally, Patrick D., xxxx
Cook, William H., xxxx
Crebbin, Anthony M., xxxx
Crooks, Michael O., xxxx
Culver, Marsha L., xxxx
Cuny, Terrence J., xxxx
Cushman, Daniel D., xxxx
Darden, Sampson D., xxxx
Davenport, Jennings M., Jr., xxxx
Davidson, Jeffrey L., xxxx
Davis, Ira S. xxxx
Day, Steven F., xxxx
Dixon, Kenneth W., xxxx
Donaleski, Devin G., xxxx
Dorris, Brian C., xxxx
Duke, Scott G., xxxx
Duncan, Douglas C., xxxx
Durrant, Jerry L., xxxx
Dykstra, Daniel M. xxxx
Eastman, Candace G., xxxx
Eberhart, George A., Jr., xxxx
Edmundson, Richard S., xxxx
Ellis, Robert W., Jr., xxxx
Elwell, John P., xxxx
Estilow, Rex A., xxxx
Favors, John D., xxxx
Felder, Allie C., III, xxxx
Ferlet, Michael R., xxxx
Finer, Robert M., xxxx
Finsterle, Steve J., xxxx
Fisher, Donald K., xxxx
Flock, James F., xxxx
Flores, Susan J., xxxx
Flynn, George J., xxxx
Ford, Barry M., xxxx
Gallaher, Dennis P., xxxx
Garrabrants, William M., xxxx
Gates, Bradley M., xxxx
Gerlaugh, Robert E., xxxx
Gilliland, Mark D., xxxx
Gologanoff, Christ G., xxxx
Goodale, Richard W., Jr., xxxx
Goodman, Gregory L., xxxx
Goold, David F., xxxx
Griffin, Otis, Jr., xxxx
Grundy, Dennis E., xxxx
Gurley, Gary P., xxxx
Guthrie, Charles E., Jr., xxxx
Hale, Gerald M., xxxx
Hale, Glenn A., xxxx
Hamilton, Edward J., xxxx
Hamilton, John A., xxxx
Hammes, Thomas X., xxxx
Hanson, Robert M., xxxx
Hardt, Charles H., xxxx
Harmon, Gloria J., xxxx
Harney, William W., xxxx
Hartley, George S., xxxx
Harvey, Charles W., III, xxxx
Hebert, Stanley M., xxxx
Heisinger, Michael J., xxxx
Hejlik, Dennis J., xxxx
Henson, Frank L., xxxx
Hicks, Mary L., xxxx
Hitchcock, Norman E., xxxx
Hobbs, Richard A., Jr., xxxx
Hogg, Danny L., xxxx
Holden, Herbert T., xxxx
Holland, Charles G., xxxx
Holland, Trenton F., xxxx
Horvath, Rick L., xxxx
Hubert, Robert J., xxxx
Hudson, Carolyn A., xxxx
Hug, David C., xxxx
Hughes, Carl L., Jr., xxxx
Humphrey, Robert L., xxxx
Iaquinto, Christopher J., xxxx
Inghram, Jonathan D., xxxx
Jackson, Gilda A., xxxx
Jacocks, Mary V., xxxx
Jensen, Carl B., xxxx
Jinnett, Michael J., xxxx
Jones, Peter L., xxxx
Jukich, William, xxxx
Katzberg, Allan A., xxxx
Kennedy, Frank B., xxxx
Kenney, James R., xxxx
Kerr, Charles E., xxxx
Knox, Raymond M., Jr., xxxx
Koper, Paul J., xxxx
Koreis, Phillip E., Jr., xxxx
Kouri, Norman F., xxxx
Kramer, Michael J., xxxx
Krider, Frank F., xxxx
Krusadossin, Mary A., xxxx
Lackner, Robert A., xxxx
Lafleur, Michael H., xxxx
Langford, Kenneth R., xxxx
Lawson, Henderson, Jr., xxxx
Leitch, Roderick W., xxxx
Lenderman, James E., Jr., xxxx
Libbey, David S., xxxx
Lilly, Ritchie M., xxxx
Lindemann, Joel G., xxxx
Linnebur, David G., xxxx
Lovely, James M., xxxx
Lundy, Michael E., xxxx
Lynn, Steven J., xxxx
Macklin, Gilbert A., xxxx
Mackrell, Patrick J., xxxx
Maguire, Edward J., xxxx
Marazzini, Michael J., xxxx
Marron, Joseph J., Jr., xxxx
Martin, Alton L., xxxx
Martin, Bobbie J., Jr., xxxx
Matejov, Frances C., xxxx
McCarthy, Thomas G., xxxx
McClain, James V., xxxx
McClair, Ronald L., xxxx
McDonough, Richard F., xxxx
McGohey, Charles H., xxxx
McQuerry, Thomas O., xxxx
Meckel, Robert J., xxxx
Merritt, Dennis L., xxxx
Metler, Terry D., xxxx
Miller, Richard C., xxxx
Miller, Richard E., xxxx
Mirra, David R., xxxx
Monreal, Richard, xxxx
Moog, William C., xxxx
Motes, Michael J., xxxx
Murray, William R., xxxx
Neller, Robert B., xxxx
Nelson, James D., xxxx
Newbold, Mark A., xxxx
Newton, Johnnie L., xxxx
O'Connor, Mark H., xxxx
Paul, Kenneth C., xxxx
Peery, James C., xxxx
Pendleton, Alan C., xxxx
Phillips, Maxie W., xxxx
Phillips, Timothy L., xxxx
Pillar, Mark A., xxxx
Plum, Randall A., xxxx
Potocki, Mark L., xxxx
Powell, William J., xxxx
Powers, Jessica L., xxxx
Pratt, William F., xxxx
Raley, Joel T., xxxx
Rann, David P., xxxx
Rapp, Daniel E., xxxx
Raths, Gregory G., xxxx
Rea, Robert S., xxxx
Reintjes, David J., xxxx
Richardson, Robert S., xxxx
Rickard, James xxxx

Riley, Timothy M., xxxx
Rodecker, Richard L., xxxx
Rogers, John S., III, xxxx
Rushworth, Charles T., III, xxxx
Rutledge, Robert D., xxxx
Sadler, David W., xxxx
Sandal, Arne L., xxxx
Sandkuhler, Kevin M., xxxx
Seegers, Harvey F., Jr., xxxx
Shores, William B., xxxx
Sickinger, Daniel L., xxxx
Sides, Robin D., xxxx
Sides, Ernest E., III, xxxx
Siwicki, Bernard A., xxxx
Smith, Ellett M., xxxx
Smith, Jackie B., xxxx
Smith, Richard J., xxxx
Steffensen, Robert E., xxxx
Stevens, Michael H., xxxx
Stewart, Grant R., xxxx
Stewart, Michael E., xxxx
Stidham, Kenneth N., xxxx
Strawn, Jerrell N., xxxx
Streeter, Douglas G., xxxx
Strock, Frederick T., xxxx
Suetos, Vincent G., xxxx
Taglieri, Fabio xxxx
Taxeras, John R., xxxx
Taylor, John M., xxxx
Thrash, Gary D., xxxx
Toepfer, Michael A., xxxx
Tritchler, William K., xxxx
Tully, Paul A., xxxx
Turk, Carl D., xxxx
Turner, John H., xxxx
Tussing, Bert B., xxxx
Vizina, Jonathan N., xxxx
Walker, Andrew D., xxxx
Watson, Paul H., xxxx
Watts, Robert M., xxxx
Wavinak, Jon A., xxxx
Wehrle, Daniel A., xxxx
Welborn, Franklin W., II, xxxx
Wells, Buford G., xxxx
Weston, Ronald C., xxxx
Wierzbicki, Walter J., xxxx
Wilcox, Robert G., xxxx
Wilk, Christopher A., xxxx
Wilson, James H., xxxx
Wirsig, David E., xxxx
Wolfe, Stanley C., xxxx
Wuest, Charles S., xxxx
Yanello, Gerald L., xxxx
Yff, Philip N., xxxx
Zimmeck, Steven M., xxxx

IN THE NAVY

The following-named lieutenant commanders of the staff corps of the Navy for promotion to the permanent grade of commander, pursuant to title 10, United States Code, section 624, subject to qualifications therefor as provided by law:

MEDICAL CORPS

Adams, Clinton E.
Allport, Edgar Lamb
Amundson, Dennis E.
Anderson, Michael Jon
Anderson, Thomas Gordon
Andrada, Rosalia Corres
Arthur, Donald C., Jr.
Atwell, George Willard
Austin, Robert Marshall
Aznar, Sonia Ferry
Barnebee, James Hosea
Bean, Robert R.
Beecham, Harry James, II
Bibro, Mary Catherine
Blacharski, Paul A.
Blankenship, Charles L.
Block, Robert
Blumberg, Andrey I.
Bond, Douglas M.
Bonner, Robert Emmett
Brilli, Richard J.
Brown, Edward W.
Bryan, Curtis Russell
Burkhard, Thomas K.
Campbell, Stephen E.
Cardello, Frank Patrick
Cassaday, Michael A.
Cattau, Edward LeRoy, Jr.
Cecil, James A., II
Cella, John A.
Chang, Charles Shih C.
Chinnery, Martha Steele
Choplin, Neil Todd
Coddington, Charles C.
Croslin, Artis R.
Crudale, Angelo S.
Cunningham, Glenn D., Jr.
Cunningham, William J.
Curran, James Joseph
Cusack, John Robert
Dalton, Jon N.
Davis, James E.
Deline, Carol Compton
Dennett, Douglas E.
Depry, Dennis Lee
Dicapua, Lawrence
Donegan, Elizabeth A.
Dutka, Andrew J.
Evans, Kurt J.
Fagan, Steven Joseph
Fagerlund, Robert W.
Fellenbaum, Theodore L.
Fetchero, John A., Jr.
Fichman, Kaye Ruth
Field, David R.
Gellman, Michael Daniel
Ghiselli, Guido Robert
Gibbin, Candace Lynn
Goodman, David L.
Gray, Charles Glenn
Grey, Carlile, Robert, II
Haden, Keith W.
Haerr, Robert W.
Hall, Richard Benfield
Halloran, Thomas Joseph
Hamilton, William C.
Hamlett, Frank Burnette
Harris, Martin H.
Hart, Steven Edward
Hawley, Thomas Arthur
Healy, Grant F.
Herdener, Richard S.
Hilaman, Brad L.
Hill, David Michael
Hinz, Thomas Walter
Hoffman, Janaleigh
Hogan, Kevin P.
Holden, Randall William
Howard, Douglas Chapman
Hurst, David B.
Hyden, Ralph Donald
Jones, Bluett Emery
Kao, Yi H.
Katona, Ildy Margaret
Keyes, Booker T., Jr.
Kidd, Donald David
King, Lonnie T.
Kitagawa, Seiji
Klein, Michael K.
Klingelberger, Carl E.
Lancaster, Danny Joe
Lathen, Donald Frank
Lebenson, Bernard S.
Lee, Charles Keith
Lehner, William Edward
Ley, Carl E.
Livingston, John M.
Loch, James Robert
Maano, Rio Rita Mastril
Macivor, Duncan C.
Malick, Jewell Ethel
Mandel, Lee Richard
Manzione, James V., Jr.
Mayer, Frederick W.
McPhee, Hugh T.
Mellon, Monte Tim
Messersmith, Donald P.
Minteer, William E., III
Mosley, Coleman A., Jr.
Moss, Richard L.
Meyers, E. Ann
Nelson, William Max, III
Ofarrell, Kathleen Anne
Ogrady, Terence Charles
Oldfield, Baird Dewes
Paden, Lindsay Bernard
Page, Caleb Wesley, Jr.
Parker, Gregg S.
Pedrotty, John Richard
Perry, Donna Ruth
Peterson, Noel Rae
Petrochko, Nicholas, Jr.
Porter, Charles Thomas
Powers, Bernard Joseph
Powers, William E., Jr.
Puckett, Ralph Arthur
Raeber, Kirk John
Ramey, Jack M.
Rash, Francis C.
Reams, Gary Glenn
Robinson, Adam M., Jr.
Ronan, William Vincent
Ropes, Milton B.
Rowley, Dennis Alan
Rjffer, James A.
Sanchez, Phillip L.
Sargeant, William O.
Schwartz, John C., Jr.
Scott, William, Jr.
Shaffer, William Orlon
Shapiro, Alan I.
Sharma, Suresht Paul
Shipton, William E.
Silverman, Eugene David
Simkovich, Joan
Sintek, Colleen Flint
Sise, Michael Joseph
Sladek, Gary G.
Smith, Dennis E.
Smith, Gary Wayne
Smith, Robert W.
Sobel, Douglas Owen
Solomon, William Curtis
Soper, David E.
Spurling, Timothy J.
Stafford, Perry W.
Sweeney, John R.
Tauber, William Bernard
Thomas, Raymond Milton
Thompson, Douglas F.
Tobias, Imelda Victoria
Tobiason, Joel E.
Tuddenham, Margert A. O.
Vidmar, Dennis Alan
Vincent, Michael Paul
Waack, Timothy C.
Wade, Lloyd Robert, Jr.
Walter, Arthur Lee
Weiser, Edward B.
Whalen, Thomas V., Jr.
Whitten, George Brine
Wilkerson, Stephen Y.
Wolcott, Hugh Dixon
Woods, Edward Lawson
Wurzel, William David
Zable, Elizabeth Helen
Zahller, Mary C.
Zajdowicz, Thaddeus R.

SUPPLY CORPS

Adams, Roy Stilz, Jr.
Allion, Dennis G.
Argue, Arthur Clark, III
Banghart, Allan Andrew
Bender, Danny Arthur
Bird, Robert Ralph
Bock, John Henry, III
Bullock, David Richard

Burdon, William Henry
Callaway, Michael Patrick
Capizzi, David Alan
Cassano, Anthony John, Jr.
Conover, Richard Philip
Crowley, Indy Charles
Cummings, Patrick William
Dawson, Rosemary Nelson
Delaurentis, Michael Joseph
Dewell, Kenneth George
Douglas, David Bruce
Duffey, Thomas Owen
Durnan, Robert Emmett
Easton, Mark Edward
Eller, Jeffrey Michael
Emerson, Jimmie Darrell
Evans, Michael W.
Feltes, Dale Joseph
Finley, Michael Edward
Flanagan, John Edward, Jr.
Forney, Robert Allen
Fredericks, Kenneth David
Gift, Wendell Jay, II
Gilbert, Robert Roy
Hammond, Richard Coleman, Jr.
Hammons, Thomas Joel, III
Hannaford, Philip Stephen
Hayes, Bryan Francis
Hickman, Ronald William
Hickson, Edward Earl
Hoffman, Lee David
Hoffman, Thomas Lewis
Huddleston, Ronald Duane
Hurley, Joseph Francis, Jr.
Huss, Boyce Wayne
Jackson, John Edward
Jamrisko, Steven Francis
Jenkins, Michael Lynn
Kaloupek, William Thomas
Kern, Thomas Marshall
King, Wallace Vernon
Kirk, John Robert
Koehler, Jay Barry
Lawrence, Robert Craig
Lindsay, David A.
Main, Archibald Macnicol, III
Marczynski, Alfons Carl
Marquez, Ernest B., II
Matsushima, Rodney Fujio
Miller, Felton
Miller, Raymond Lee
Monahan, Barbara Bull
Moore, Robert Tolmie, III
Moran, Michael Dann
Nielsen, Gerald Thomas
Nogosek, John
Ohagan, Michael George
Oshier, Daniel Raymond
Owen, Wayne Allen
Pearce, Richard Leeroy
Perkins, George Warren, Jr.
Perkins, Robert Morris
Pledger, John David
Powell, Jeffrey Philip
Reeve, Robert Eugene
Reily, James Donald, Jr.
Rova, Bruce Wayne
Seebeck, Robert Niels
Selby, Theodore Joseph
Shepherd, Robert Myrick, Jr.
Sheppard, Theodore James
Shiffman, Robert Lawrence
Shubert, Tommy Lawrence
Simm, Donald Booth, Jr.
Solis, Armando Raul
Standen, Eric Allen
Stephens, John Harold
Tabb, Donald Cameron, Jr.
Teipel, Mark Allen
Tinker, William Marshall
Tufts, John Emory
Vedder, Hellmuth
Vinagre, Eduardo Gerardo
Walton, David Winfield
Werthmuller, Roy Walter
Willis, Roger Allen
Wimett, William Thomas
Wingfield, George Russia
Worrall, Eric Hamilton
Wright, Dennis Lloyd
Yates, David Stephen
Zychowski, Thaddeus Frank

CHAPLAIN CORPS

Bebee, Roy L.
Bruce, Gerald Ronald
Burke, Ronald John
Chadwick, Thomas K.
Eis, Charles Richard
Grogan, Gerald Robert
Ha Young Chang
Herndon, James Nelson
Jayne, Bruce C.
Jukam, Donald C.
Langhorne, George A.
Livojevich, Ronald
Masse, Edward Joseph, Jr.
Milas, Throdore P.
Pearcy, David L.
Rector, Roscoe E., Jr.

CIVIL ENGINEER CORPS

Allen, James Richard
Allshouse, Clare Ray
Bukoski, Thomas John
Chamberlin, Paul Douglas
Cherry, John Marshal
Christensen, Thomas Holm
Clough, Paul Leroy
Craft, Gary Myers,
Dean, Joseph Clay
Dew, Fred Warren
Digeorge, Frank Peter, III
Foster, Michael Earl
Fulgham, James G.
Gebert, David Kirk
Hall, William Michael
Hanes, Samuel Houston, Jr.
Hill, Jerry David
Hocker, Robert Gerad, Jr.
Kechter, Ronald Arnold
Keifer, John Michael
Kotz, John Stanley
Laboon, Thomas Alcuin, Jr.
Lappano, Gilbert Christopher
Macnamara, Timothy Charles
Mann, Douglas Edward
Morris, Donald Edward
Morris, Donald Gene
Morrow, James Franklin, III
Murphy, Bernard Francis, Jr.
Parisi, Anthony Michael
Parsons, Robert Charles
Perry, Michael, J.
Pizzano, Robert Carl
Rabold, Bernard Louis, Jr.
Rigby, William Herman, Jr.
Scullion, Leonard Paul
Terry, Ronald Elton
Tull, Terrence William
Vanderels, David Michael
Wong, Jack Jerry, Jr.

JUDGE ADVOCATE GENERAL'S CORPS

Bennett, John C.W.
Bergstrom, Alan Lee
Boudewyns, Timothy M.
Carney, Patrick J.
Dalesio, Daniel, J., Jr.
Dawson, Mark Reed
Dirks, John A.
Kelley, Patrick W.
Martin, Thomas Latimer
Meadows, Robert W.
Montgomery, John Bernar
Rockwell, James D.
Scranton, Joseph Douglas
Sheehan, Patrick J.
Villemez, Clyde Joseph

DENTAL CORPS

Allen, Jeffery Paul
Baker, Darrel A.
Biedermann, Kurt George
Brinkley, Eugene D., Jr.
Brown, Gordon M., Jr.
Cummings, Gary G.
Dizinno, William Joseph
Galich, John William, Jr.
Hartsook, Timothy M.
Hutter, Jeffery W.
Jaworski, Charles P.
Loar, Robertson D.
Lutcabage, Gregory J.
Marsaw, Frederick A., Jr.
Marshall, Edward C.
Mayhall, Clyde Wesley
McDonald, William H.
Sergent, Robert S.
Stgermain, Henry A., Jr.
Turner, Carol Irene B.
Walker, Cleodius
Weaver, William S.
Wetzel, Jeffrey Peter
Wilkinson, Richard J.

MEDICAL SERVICE CORPS

Butler, David Eugene
Clarkson, Wallace Martin
Crabbe, Joel Reed
Cronin, Patrick Dwight
Daniel, David G.
Dean, Larry Marcellis
Delong, Douglas Stanley
Densley, Merlynn Duane
Dial, William Stephen
Escamilla, Joel
Felton, Robert Eugene
Foster, Jerry Allen
Greenan, Jon, Everett, I.
Helm, Wade Raymond
Hickey, Rodney Dale
Hickey, Thomas Michael
Higgins, Janet Lorelei
Hughes, Francis Joseph
Humphrey, Charles Robert
Joseph, William Arthur
Kelly, Stephen John
Kunkel, Clyde Ellsworth
Kurtich, Richard Bruce
Lawrence, Jonathan Dale
Lewis, Morris Newman
Macys, David Allen
Mahin, Patrick Lee
Malinoski, James Walter
Martin, Donna Rae
McKenzie, Darrel Dean
Muklevicz, Robert Edward
Palmer, James Felix
Peterson, Jack Leroy
Randle, Kenneth Robert
Roman, Michael John
Ruffin, Tommy Lee
Schick, Gary Edward
Seible, Lawrence George
Smith, Steven Linck
Thompson, Robert Stanley
Trosper, James Hamilton
Turocy, Regis Harry
Wallace, William Emory
Whiten, Ronnie Edward

NURSE CORPS

Ahrens, William David
Ames, Ervin Lyle
Bailey, Donna Lancaster
Barlow, Judy Lynn
Benway, Michael William
Bickford, Carol Jean
Bonnetlangston, Kathlee
Breeding, Patricia Ann
Brown, Paul Peyton
Brown, Terry Lou
Caffrey, Gloria Jean
Carney, Carol Anne
Craft, Donna Leigh
Cranston, Christine Sul

David, Lucy Mendoza
Deangelis, Lorelei S.P.
Doyle, Marcia Smith
Drexler, Jeannine Lynn
Dunn, Richard Allen
Field, Marion Griffith
Foley, Barbara Ann
Garrison, Richard Allen
Honeywell, Joseph Leroy
Johnson, Charlene Eliza
Jung, James Wyland
Kopanski, Ruth Grimes
Kout, Kathryn Kelly
Lewis, Rosalie Day
Lombardi, Judith Ellen
Loose, David Stewart
Loveridge, Lois Elaine
Macey, Linda Lee
McClain, Terry Worth
Mellema, James Henry
Monahan, Michael Edward
Norrick, Albert Joseph
Perry, Cynthia E.
Phillips, Donald W., Jr.
Protsman, Nancy Lee
Reitz, Anne Elizabeth
Roberts, James Wylie
Roy, Terry Dale
Sharpe, Jacqueline Elai
Speirs, Carol Lucille
Spidel, Margaret Loftus
Swanson, Rita Viola
Taschner, Ardis L.
Trent, James Edward
Ward, Deborah Ann
Warren, Carolyn Sue

LIMITED DUTY OFFICER (SUPPLY) (651X)

Curry, Dennis Samuel

IN THE NAVY

The following-named lieutenant commanders of the staff corps of the Navy for promotion to the permanent grade of commander, pursuant to title 10, United States Code, section 628, subject to qualifications therefor as provided by law:

MEDICAL CORPS

Landacre, Jo Ann
Kennedy, Kevin Stewart

CONFIRMATIONS

Executive nominations confirmed by the Senate May 15, 1985:

DEPARTMENT OF AGRICULTURE

John R. Norton III, of Arizona, to be Deputy Secretary of Agriculture.

DEPARTMENT OF ENERGY

J. Michael Farrell, of the District of Columbia, to be General Counsel of the Department of Energy.

Joseph F. Salgado, of California, to be Under Secretary of Energy.

DEPARTMENT OF COMMERCE

Douglas A. Riggs, of Alaska, to be General Counsel of the Department of Commerce.

DEPARTMENT OF AGRICULTURE

Peter C. Myers, of Missouri, to be Assistant Secretary of Agriculture.

Robert L. Thompson, of Indiana, to be an Assistant Secretary of Agriculture.

DEPARTMENT OF THE TREASURY

John F. W. Rogers, of New York, to be an Assistant Secretary of the Treasury.

Margaret DeBardeleban Tutwiler, of Alabama, to be an Assistant Secretary of the Treasury.

THE JUDICIARY

Samuel G. Sterrett, of Maryland, to be a judge of the U.S. Tax Court for a term expiring 15 years after he takes office.

DEPARTMENT OF JUSTICE

William H. Opel, of Alaska, to be U.S. Marshal for the district of Alaska for the term of 4 years.

The above nominations were approved subject to the nominees' commitment to respond to requests to appear and testify before any duly constituted committee of the Senate.

DEPARTMENT OF JUSTICE

Herbert M. Rutherford III, of Virginia, to be U.S. Marshal for the District of Columbia for the term of 4 years.

IN THE ARMY

The following-named officer to be placed on the retired list in grade indicated under the provisions of title 10, United States Code, section 1370:

To be lieutenant general

Lt. Gen. John B. Blount, xxx-xx-xxxx.

The following-named officer under the provisions of title 10, United States Code, section 601, to be assigned to a position of importance and responsibility designated by the President under title 10, United States Code, section 601:

To be lieutenant general

Maj. Gen. Thomas F. Healy, xxx-xx-xxxx, U.S. Army.

The following-named officer to be placed on the retired list in grade indicated under the provisions of title 10, United States Code, section 1370:

To be lieutenant general

Lt. Gen. Howard F. Stone, xxx-xx-xxxx.

The following-named officer under the provisions of title 10, United States Code, section 601, to be assigned to a position of importance and responsibility designated by the President under title 10, United States Code, section 601:

To be lieutenant general

Maj. Gen. Howard G. Crowell, Jr., xxx-xx-xxxx, U.S. Army.

The following-named officer for appointment as a Reserve commissioned officer in the Adjutant General's Corps, Army National Guard of the United States, Reserve of the Army, under the provisions of title 10, United States Code, section 593(a) and 3392:

To be brigadier general

Col. Frank C. Torres, Jr., xxx-xx-xxxx.

IN THE MARINE CORPS

The following-named officer to be placed on the retired list in the grade indicated under the provisions of title 10, United States Code, section 1370:

To be lieutenant general

Lt. Gen. Charles G. Cooper, xxx-xx-xxxx, U.S. Marine Corps.

The following-named officer to be placed on the retired list in the grade indicated under the provisions of title 10, United States Code, section 1370:

To be lieutenant general

Lt. Gen. William R. Maloney, xxx-xx-xxxx, U.S. Marine Corps.

The following-named officer to be placed on the retired list in the grade indicated under the provisions of title 10, United States Code, section 1370:

To be lieutenant general

Lt. Gen. Bernard E. Trainor, xxx-xx-xxxx, U.S. Marine Corps.

The following-named officer under the provisions of title 10, United States Code, section 601, to be assigned to a position of importance and responsibility designated by the President under title 10, United States Code, section 610:

To be lieutenant general

Lt. Gen. George B. Crist, xxx-xx-xxxx, U.S. Marine Corps.

The following-named officer, under the provisions of title 10, United States Code, section 601, to be assigned to a position of importance and responsibility designated by the President under title 10, United States Code, section 601:

To be lieutenant general

Maj. Gen. Ernest C. Cheatham, Jr., xxx-xx-xxxx, U.S. Marine Corps.

The following-named officer, under the provisions of title 10, United States Code, section 601, to be assigned to a position of importance and responsibility designated by the President under title 10, United States Code, section 601:

To be lieutenant general

Maj. Gen. Thomas R. Morgan, xxx-xx-xxxx, U.S. Marine Corps.

The following-named officer, under the provisions of title 10, United States Code, section 601, to be assigned to a position of importance and responsibility designated by the President under title 10, United States Code, section 601:

To be lieutenant general

Maj. Gen. Joseph J. Went, xxx-xx-xxxx, U.S. Marine Corps.

The following-named brigadier general of the Marine Corps Reserve for promotion to the permanent grade of major general, under provisions of title 10, United States Code, sections 5902 and 5912:

Constantine Sangalis.

The following-named colonel of the Marine Corps Reserve for promotion to the permanent grade of brigadier general, under provisions of title 10, United States Code, sections 5902 and 5912:

George R. Omrod.

IN THE NAVY

The following-named officer, under the provisions of title 10, United States Code, section 601, to be assigned to a position of importance and responsibility designated by the President under title 10, United States Code, section 601:

To be vice admiral

Vice Adm. John M. Poindexter, xxx-xx-xxxx/1110, U.S. Navy.

IN THE AIR FORCE

Air Force nominations beginning Maj. James H. Applegate, Jr., and ending Maj. Michael R. Conners, which nominations were received by the Senate and appeared in the CONGRESSIONAL RECORD of April 29, 1985.

Air Force nominations beginning John H. Barnhart, and ending Jerry W. Brackett, which nominations were received by the Senate and appeared in the CONGRESSIONAL RECORD of April 29, 1985.

EXTENSIONS OF REMARKS

STUDENT LEADERS CONDUCT NATIONAL SUMMIT IN NEW YORK CITY

HON. MARIO BIAGGI

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 15, 1985

● Mr. BIAGGI. Mr. Speaker, yesterday marked a important day in the history of higher education. Student leaders—representing 25 States and 3 million students across the Nation—convened in New York City for 2 days to strategize about the future of student financial aid and the Federal role in education. They released a joint statement—entitled "A Call to Commitment" which is a thoughtful and comprehensive statement which bears our close attention during these days of budget deliberations.

Mr. Speaker, the Postsecondary Education Subcommittee, chaired by my colleague and friend, BILL FORD, came to my home city of New York yesterday to conduct a hearing on issues related to the reauthorization of the Higher Education Act. We received the statement from the student leaders as part of the hearing as well as testimony on these same issues. I was impressed not only with the quality of the presentation—but also with the level of interest and enthusiasm that they brought to this meeting.

For the benefit of my colleagues, I wish to insert this joint statement into the CONGRESSIONAL RECORD so that the collective efforts of the students can be read in its entirety.

A CALL TO COMMITMENT

STATEMENT OF PURPOSE

The student leaders gathered here today represent 3 million college students from both public and independent institutions. This "Summit" meeting is concerned that the federal role in postsecondary education is being adversely affected. The consensus of the student leaders gathered is that postsecondary education should be one of the top national priorities for funding. Programs which have been the gateway to a better life for many Americans have been eroded because of inflation and changing national priorities.

Students have benefited from such federal programs as the G.I. Bill, the National Defense Student Loan (National Direct Student Loan), Supplemental Education Opportunity Grant, the Guaranteed Student Loan (GSL), Pell Grants, College Workstudy, and TRIO. These programs have stood as a landmark of the federal commitment to postsecondary education.

As students we are not blind to our roles as citizens and we are aware of the enormous dangers posed by federal deficit spending. We also would remind our national leadership that a strong and vital system of higher education is fundamental to our development as a people.

RECOMMENDATIONS

General philosophy of postsecondary education—Mission statement

An educated citizenry is the basis of a free and democratic society. Postsecondary education, especially in an era of increased technological complexity, economic and social change, is of great benefit, not only to individuals attempting to enhance their job opportunities but also to the society as a whole.

Given the social and geographic mobility of our society, the federal government is an appropriate vehicle for revenue raising and funding of postsecondary education.

Student aid budget—1985

Since 1980, students have seen a decline of the purchase power of the dollars they receive through student aid for their college educator. Student aid has not kept pace with inflation and increasing college costs. This has adversely affected all students, especially minority and non-traditional students, who continue to face extreme barriers to postsecondary education.

The administration's proposed budget continues the decline in money available for financial aid; if passed, they would devastate postsecondary education. Students and parents in virtually all income levels would be hurt by the budget proposals. We now find not only minority and non-traditional students affected, but also those middle-income families who have relied on Guaranteed Student Loans and institutions which depend on planned giving through state and local deductions.

We therefore submit a summary of specific recommendations as follows:

1. We oppose the arbitrary mega caps such as the proposals for $4,000 and $8,000 caps. Because they fly in the face of the uniform methodology of needs analysis, ignoring differences in costs, tuition, fee levels, and student family size. Furthermore, the mega cap hits low income, non-traditional, and minority students the hardest.

2. We oppose all proposals which use an artificial and arbitrary income cap to limit eligibility. They are insensitive to individual family differences and to families' ability to pay for postsecondary education.

3. We oppose requiring a high school diploma as a prerequisite for federal financial aid. This proposal would adversely affect students in proprietary schools and other technical training programs.

4. We oppose the $800 minimum self help contribution previous to receiving any Pell Grant aid. The rationale that has been used for the inclusion of the $800 in Pell Grant calculation is to make sure that the students don't get a "free ride". The fact is that this student self-help amount would be in addition to the expected family contribution.

5. We oppose tightening the independent student definition. The proposed age cutoffs are arbitrary and make no provisions for exceptional circumstances.

6. We oppose the elimination of funding for NDSL, SEOG, and SSIG programs, since 923,000 students nation-wide would be eliminated from these programs.

Reauthorization of the Higher Education Act of 1965

The single most important piece of legislation affecting postsecondary education in the United States is the Higher Education Act of 1965. This act encompasses the aspirations and dreams of many Americans. It contains programs which demonstrate a commitment on the part of the federal government to access and choice for students seeking higher education.

We therefore propose the following recommendations be considered in continuing current and expanding other federal postsecondary programs.

Non-Traditional Students

With the increase utilization of postsecondary education by non-traditional students, returning students, working students, students with families, women and minorities, attention should be paid to meeting their special needs, especially in the areas of flexible financial aid packages, courses of instruction, and day care.

College Work-Study

Federal funding for work-study and wages paid to work-study students and other student employees who depend upon the income for their share of the cost of education should be tied to tuition increases and inflation. Too often, statutory or regulatory ceilings on hours of their expected contribution without seeking a second job or increasing their loan debt.

All provisions regarding waivers to allow payment of subminimum wages to students by postsecondary institutions should be eliminated.

Debt Burden

We are concerned, yet realistic about the debt load considered bearable by the student borrowers. We call on the federal government, the states that have loan programs, and Sallie Mae to act rationally and decisively after carefully scrutinizing the following student concerns:

More flexible repayment plans.

Write off of loans for authorized public service work commitments.

Loan limits tied to cost of instructions.

Collection of defaulted loans through the Federal tax structure, by earmarking and collecting repayment funds from the overpayment section of the tax form.

Certain loan consolidation plans which provide for realistic and equitable repayment plans.

Pell Grants

Establish the Pell grants as a true entitlement, and do not merge other campus based programs, although some re-allocation of funds among the programs is considered appropriate within overall financial aid scheme adopted by Congress.

Campus Based Program Funding

We stand opposed to the elimination of any of the current campus based programs in their entirety through legislation or zero-funding.

Needs Analysis

Some adjustment is appropriate in the needs test. In far too many cases, the overvaluation of assets without an equally criti-

cal evaluation of liabilities amount to effective discrimination against farm families, unemployed families, non-traditional students, graduate students, and small business owners. We therefore support revisions in the needs analysis that would afford these students a more realistic appraisal of their financial aid eligibility.

Financial Aid Delivery, Inter-State Cooperation and Proposed Study

Congress should also consider the following:

Incentives for banks to assist in the financial aid delivery system, especially in the area of information about options in courses of instruction and financial aid. Once again, computer-based information systems would be an appropriate part of such a delivery system.

Incentives for increased inter-state cooperation and coordination in forms, deadlines, and financial aid delivery.

Setting aside a fixed statutory percentage of financial aid appropriations, or funding a special one-time study, to be controlled by the Congressional Budget Office, to determine the actual effect on student consumers of changes in federal financial aid programs.

Loan Information

Sallie Mae, the state guaranteed loan agencies, and the American Banker's Association should set aside funds to create educational materials (with advice from students) explaining in detail the rights and responsibilities of persons who borrow funds for postsecondary education, as well as provide a variety of views regarding the philosophy of borrowing and its relative usefulness and values as an investment in a career and future earnings.

Independent Students

The following should be included in both state and federal statutes:

Students shall be eligible for independent student status if they meet the following criteria:

Parents did (will) not claim the student as an income tax exemption. Parents did (will) not provide more than $750 in support. Student did (will) not live with the parents more than 42 days a year.

A student must further provide the following information to be eligible for consideration as an independent student:

Declaration of all income sources which the student receives.

Documentation such as income tax returns, rent payments, proof of residence, voter registration or similar documentation that reasonably may be requested by the campus financial aid officer or state financial aid commission to establish that the applicant's parents have severed relations with the applicant and that the applicant has established a pattern of self-supporting behavior.

A signed affidavit from the applicant's parent(s) that they are not providing any financial support, either in kind or monetary, above $750; are not providing lodging for the applicant more than 42 days; and have not claimed the applicant as a tax exemption. Should the parent(s) not provide an affidavit, the applicant may present other information to prove he/she is independent.

Students who are married, wards or orphans of a state, veterans, divorced, separated, and singles with dependents shall automatically be considered independent for financial aid purposes.

Any person who knowingly and willfully makes any false statement, furnishes any false information, or conceals any material information in connection for receiving federal (or state) financial aid awards shall be fined not more than $5,000 or imprisoned for not more than 3 years.

Pell Grant Funding

Attempts should be made by Congress to reverse the trend in Pell Grant awards that has seen a reduction in the number of poor and minority students participating in the program because of a loss of purchasing power.

The federal government should increase funding designed to enhance educational opportunities for black students and other minority groups. The fact that the number of black college students has dropped 5 percent since 1978, while the number of blacks receiving high school diplomas has increased, is demonstrative of severe inequities that must be corrected. Increased support for Title's III and IX are demanded by students.

Unmet Need

The federal government, in cooperation with the states, must develop programs which will fund the "unmet need" of financial aid recipients.

Multiple Disbursements

Multiple disbursements of GSLs should be considered in an attempt to reduce the program's default rate.

Computer Information for Consumers of Postsecondary Education

The states, the federal government, and private institutions should increase their utilization of computerized databases to inform potential and current students about their options regarding careers, postsecondary institutions, and financial aid. An especially appropriate location for terminals with interactive menu-driven programs would be in secondary schools where potential students could "browse" through the information at their own pace, examining the information with different combinations of career goals, institutions, and financial aid packages.

Loan Consolidation

Congress should allow students to consolidate their loans to provide for easier repayments.

GSL Fee

Financial aid offices should not charge students for the processing of the Guaranteed Student Loans. This is contrary to Congressional intent.

Origination Fee

Congress should repeal the 5 percent origination fee for the Guaranteed Student Loan program.

Definition of Default and Delinquency

Default and delinquency definitions in the Guaranteed Student Loan program should be examined. Allowances should be made for students who default on their loans yet wish to enter into repayment. They should be allowed to move from a default category to one of delinquency.

Aid to Part-Time Students

Part-time students are the fastest growing component of postsecondary education. Between 1972 and 1982, part-time student enrollment increased 61 percent until it accounted for 5 million students, 41 percent of postsecondary enrollments.

Facing significant financial and personal obligations, part-time students made great sacrifices in order to attend school. As a matter of simple equity, students who can demonstrate financial need should not be excluded from federal aid because they are in school part-time. Areas to be considered include:

1. Revise child care so it reflects actual costs.

2. Single parents with dependents contribute equally as a dependent in the same income level.

3. Update student living cost allowances for room, board, books, supplies, and transportation.

4. Open Pell Grants, Guaranteed Loans, and National Direct Loans to students attending college less than half-time.

5. Require that institutions with needy part-time students devote a reasonable proportion of their campus based aid to these students.

Graduate Student Aid

Congress should provide for direct assistance other than loans for graduate students.

Insurance Premium

Congress should adopt the recommendations of the National Commission on Student Financial Aid concerning the GSL Insurance Premium.

Lender Responsibility

While lenders have assisted millions of students in garnering an education via the GSL Program, it is time they become full partners in this $3 billion dollar taxpayer-and-student-subsidized loan program. Incentives must be devised to make lending institutions much more responsible and accountable for default prevention and adherence to effective due diligence standards.

Tuition Policy

The recent decline in federal student aid and the budgetary restraints at the state level have placed a bigger burden on students to meet their cost of attending college. Tuition and fee policies have been regressive for students. The best way to ensure access and equity for students is low tuition.

In order to allow for the intelligent planning of financial resources for attendance at a postsecondary institution, any changes in tuition, fees, and financial aid should be: 1. Predictable. 2. Rational. 3. Moderate. 4. Gradual.

Each state should set its tuition and fees based on the philosophy of education and current budget realities in that state rather than rely on a fixed cost ratio. Mechanisms must exist to insure that those students being affected by tuition and fee policies are not disenfranchised from the decisionmaking process.

Department of Education

For postsecondary education, 1980 was a landmark year. That year produced not only a Higher Education Act, but also marked the beginning of a voice for education in the President's cabinet. The passage of legislation in 1979 to create a Department of Education once again showed the federal government's commitment to education.

That one voice for education has often lacked the resonance needed to project the education community's concerns. The student voice has all but been lost within the walls of the department.

We therefore present the following recommendations designed to open the lines of communication between the federal government and the people it serves.

Public Awareness

Increase public education concerning the actual social and financial benefits of post-secondary education.

Student-Secretary Conference

The Student-Secretary Conference where student leaders and U.S. Department of Education officials discuss national administration of financial aid programs should be reinstated by the Department of Education.

Student Liaison Officer

Student leaders resent the increasing politicalization and the ineffectiveness of the Student Liaison Officer position. We recommend a reformation of the selection process as well as a budget adequate to cover travel expenses and be given a greater degree of autonomy in decision-making.

Student Advisory Committee

The U.S. Department of Education (and state education agencies) should establish a student advisory committee composed of student leaders and/or the state student association staff members to provide valuable assistance to the Department in meeting the needs of the people who receive financial aid. Members would be selected for their knowledge of financial aid and policy issues in postsecondary education which the Department is involved.●

REA PROGRAM

HON. HANK BROWN

OF COLORADO

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 15, 1985

● Mr. BROWN of Colorado. Mr. Speaker, I rise today to commemorate the 50th anniversary of the Rural Electrification Program.

The Rural Electrification Program has been successful in making a better life for millions of Americans. Not only has it brought electric convenience to our rural areas, it has encouraged people to be more productive, which has strengthened the productivity of America.

On the 50th anniversary of the Rural Electrification Program, we honor those who saw the need for electric systems for rural areas. When Congress established the Rural Electrification Administration [REA] in 1936, only 12 percent of U.S. farms had electricity. By 1982, 99 percent of U.S. farms had electricity. In addition, in 1949, when the telephone program started, only 36 percent of U.S. farms had telephones. By 1982, 95 percent of U.S. farms had telephones. In its half century of existence, REA has provided technical assistance and long-term financing to rural electric and telephone systems throughout the Nation. More importantly, since the program was established, more than $20 billion in loans and guarantees have been made and losses have been less than $50,000.

In Colorado, REA has helped finance distribution and power supply facilities to serve an estimated 276,065 rural consumers. Of the 25,300 farms in the State, approximately 98 percent are receiving electric service. Only 11.2 percent of Colorado farms had electric service when the REA was created in 1935.

As of January 1, 1984, REA had advanced $721,344,795 to borrowers in Colorado. By that same date, REA borrowers had made a total of $348,150,118 in payments on their government loans. Not only has the REA worked with our cooperatives, it has created prosperity and jobs in our rural areas—which brings revenues to the Federal Treasury.

REA has been an important part of Colorado's past, and hopefuly, the program will continue to be an investment in our future. All of those involved can be proud of their contributions to this fine program and its role in making our Nation a better place to live.

It is said that it is better to light a candle than to curse the darkness. The lights kindled by REA have served as a beacon of progress for Colorado and our Nation.●

LET'S SET THE RECORD STRAIGHT: STRONG BIPARTISAN SUPPORT FOR FAMILY PLANNING

HON. STEPHEN J. SOLARZ

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 15, 1985

● Mr. SOLARZ. Mr. Speaker, soon we will start debating the foreign assistance reauthorization bill for fiscal years 1986 and 1987. One of the priority issues to be discussed will be international population assistance which has enjoyed solid bipartisian support for the last 20 years and the backing of five administrations. Unfortunately, this most constructive and effective aid program has become controversial and confusing due to a number of misstatements by opponents of the measure.

In helping my colleagues better understand the current confusion regarding international family planning, I would like to draw attention to an editorial which ran in the New York Times, April 6, 1985. I hope my colleagues will read the editorial, recognize the vital importance of these programs, and vote in support of population assistance so that these important worldwide family planning programs can be continued. Voluntary family planning programs are an important part of our International Foreign Aid Program, they are in the best interests not only of our allies, but of our own Nation.

The editorial follows:

[From the New York Times, May 8, 1985]

FAMILY PLANNING: STRICT ENOUGH ALREADY

Forty years from now, at current growth rates, the world will hold twice as many people—close to 10 billion. Most will be living in desperately poor countries, countries that have slowly come to accept America's advice that slowing population growth speeds up economic progress.

But at last summer's World Population Conference in Mexico, America's representatives announced that we'd gotten it all wrong: It was economic progress that slowed population growth. So, to make up for that previous bad advice, the Reagan Administration was going to do the world a favor. It would make it harder for family-planning programs abroad to get Federal money.

Congress didn't agree that the advice was bad. It voted the largest one-time increase ever for overseas population assistance programs. But the Administration stayed on the course it had set in Mexico City. Private family-planning groups, which had been required only to sequester American aid from their abortion-related services, were now told that if they continued those services, they would lose Federal funds. Only organizations run by foreign governments would remain exempt from the proposal may be because the Administration doesn't want to be seen manipulating other countries' population policies.

Now the House Foreign Affairs Committee has challenged the Administration's restriction. It has earmarked $320 million in aid to groups like International Planned Parenthood, the United Nations Fund for Population Assistance and the Population Office of the U.S. Agency for International Development. No money could go for programs in countries with coercive abortion policies. That means no Federal funds will go, directly or indirectly, to China, which is reported to have such a program.

Should the House accept the committee's recommendations—a vote on the foreign aid bill is expected this week—it would restore common sense and clarity to a debate that has been thoroughly muddled by anti-abortionists. The 1973 prohition against using Federal funds for abortion services would be retained, but America's long, honorable commitment to family-planning programs all over the world will be affirmed.●

POINT PLEASANT BEACH, NJ, INSTITUTIONS CELEBRATE 100TH ANNIVERSARY

HON. JAMES J. HOWARD

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 15, 1985

● Mr. HOWARD. Mr. Speaker, I am proud to represent a district in New Jersey that has a rich colonial history and was in many respects the cockpit of the Revolutionary War. Through the 1800's, my district retained its economic vitality as a home to many successful businesses and institutions, while developing into a flourishing summer resort area.

On Sunday, May 19, three institutions located in Point Pleasant Beach, NJ, will be celebrating their 100th anniversary. Johnson's Point Pleasant Hardware, Van Note Lumber Co., and Ocean Fire Co. No. 1 were in business in 1885 and will be honored Sunday with a series of events, including a

parade that is expected to be the best in the borough's history.

All three institutions began when Point Pleasant Beach was a tiny settlement with fewer than 700 inhabitants, not at all like the bustling year-round community it is today. In 1885 most of the town was woods and farmlands. But in the true American spirit, nothing daunted these early businesses of Point Pleasant Beach.

A Philadelphia newspaper advertisement in that year offering a hardware business for sale attracted the attention of two Philadelphians, Joseph W. Johnson and Frank M. Dampman. They took a train to Point Pleasant, were impressed with the possibilities of the business, and bought the stock for $5,200. Thus, Johnson's Hardware had its start in a building at Arnold and Cincinnati Avenues owned by a wealthy Presbyterian minister, the Reverend Knox.

At about the same time, Capt. James Monroe Van Note, who for years had sailed the seven seas, decided it was time to try his land legs—and so, in a small building, he established the Van Note Lumber Co. It is still at the same location on Arnold Avenue, and in the words of its current president, Dennis Rittenhouse, "has grown by leaps and bounds ever since."

Ocean Fire Co., No. 1, which is just across the street from Van Note's, began in the days of the horse-drawn pumper. When the horses didn't arrive on time, the firemen had to pull the pumper. And fire buckets were used until the fire hydrants came into use around 1900.

All three of these institutions have contributed much to Point Pleasant Beach and the surrounding area in Ocean County. They have always been in the forefront of community and charitable activities. The borough, in the words of Mayor Dan Hennessey, is "really proud of them."

Mr. Speaker, I congratulate these three shore institutions on their anniversary and wish them many more years of success.●

CONGRESSIONAL SALUTE TO THE CLERGY AND PARISHIONERS OF ST. JOHN KANTY CHURCH OF CLIFTON, NJ, UPON THE CELEBRATION OF ITS 50TH GOLDEN ANNIVERSARY

HON. ROBERT A. ROE

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 15, 1985

● Mr. ROE. Mr. Speaker, on Sunday, May 19, the people of the city of Clifton, my congressional district, and State of New Jersey will join with Rev. Joseph Grzybowski, pastor, and the congregation of St. John Kanty Church of Clifton, NJ, in commemorative services upon the celebration of the 50th anniversary of the founding of this highly esteemed parish. I know that you and our colleagues here in the Congress will want to join with me in extending our heartiest congratulations to the clergy and parishioners of St. John Kanty Church in national recognition of a half-century of total dedication and devotion to the service of God and the cause of brotherhood, goodwill, and understanding among all mankind.

Mr. Speaker, the faith and devotion of our people in a full communion of understanding, ever caring and respecting the individual religious beliefs of his or her fellowman has been the lifeline of our democracy—ever inspiring our people with hope and urging the individual on to great achievements and purpose in pursuing the fulfillment of his or her dreams and ambitions. The exemplary leadership and outstanding efforts of our citizens so important to our quality of life are in the vanguard of the America dream. Today we express our appreciation to the pastor of St. John Kanty Church, Rev. Joseph Grzybowski, and his predecessors whose personal commitment and unselfish devotion in promulgating spiritual guidance, goodwill, fellowship, and brotherhood in service to God have provided a lasting contribution to the quality of life of the people of our community, State, and Nation.

The quality of the leadership of members of the most reverend clergy who settled in the city of Clifton, NJ, and founded St. John Kanty Church is most eloquently intertwined in the history of the church which was provided me by the Golden Anniversary Committee. With your permission, Mr. Speaker, I would like to place this statement on the history of St. John Kanty Parish at this point in our historic journal of Congress, as follows:

ST. JOHN KANTY PARISH

Its faith . . . its peoples . . . its church.

The high golden covered church tower of Saint John Kanty Church in Clifton, New Jersey is a landmark in the Athenia section of Clifton today, visible to people from many different vantage points. Looking back fifty years ago to 1935, it was sort of a beacon for the newly arrived immigrant people who came to America from Europe, helping them to become part of a new land while preserving their original faith. First they met our Lady on Ellis Island who welcomed them to our shores and next they had seen their future church with its majestic steeple as hands folded in prayer heavenward.

St. John Kanty Parish also served the Polish people of Passaic who began to leave the city and spread out into the nearby rolling hills of Athenia, the move from the cities into the suburban areas. These were trying times for this tired and somewhat apprehensive group of immigrants. They came in search of freedom and peace of soul. They needed their own church not only as a place of worship, but also as a home where their culture and customs would be melded with their faith—a place where the social aspect of their human nature would be satisfied. Thus a small group of devout and energetic people petitioned the Bishop of Newark, Most Rev. Thomas J. Walsh, to establish a parish of their own. On October 6, 1935, the parish of St. John Kanty was established and entrusted to the care of the Franciscan Friars who are still tending to the needs of the parishioners.

Father Theodore Kaczmarck, OFM Conv. was appointed the first pastor. Within a year ground was broken for the new church which was blessed on April 25, 1937. The first census in 1936 revealed a membership of 243 families. Now the parish begins to grow . . .! The rectory was built in 1940. In the fifties, the parishioners, now eight hundred families strong, influenced by the exceptional administrative talents and winning personality of Father Adolph Banach, their new pastor, witnessed the opening of their own school for their children who no longer would have to use makeshift classrooms. From its inception the school has been staffed and administrered by the Felician Sisters of Lodi, New Jersey. Father Aloysius Balcerak provided these dedicated teachers with a new residence in 1968.

Throughout the history of the parish, the various church societies which today number seventeen (as compared to the original three) have showed their zeal and interest in fostering a social and family spirit in the parish. Due to the Second Vatican Council, the Church, in general, experienced significant changes. Father Balcerak as well as his successor, Father Martin Dombrowski, patiently guided their flock, who understandably were affected by the many changes and helped them to accept the recommendations of the Council.

At present, Father Joseph Grzybowski's main concern, like that of the pastors before him, was and remains the spiritual life of the parishioners. His material contributions to the parish include remodeling the parish auditorium, the complete renovation of the church interior as well as the refurbishing of the church steeple with gold leaf—the crowning feature in preparation for the Golden Jubilee festivities in 1985.

On May 19, 1985 the bells will gloriously ring out in the golden church steeple calling all the parishioners to this joyous day of Thanksgiving. They will raise their voices in prayer and song to God and to the Blessed Virgin Mary in gratitude for their beautiful House of God, their school and all of the priests and sisters who have served them so piously, devotedly and efficiently throughout the years.

Saint John Kanty parish is young . . . only fifty years old. God will continue to reveal Himself in His Word and the sacraments. He will call us forth into new challenges. He will speak to us in the days to come of things we must yet do, and of mysteries we still cannot fathom. Its future is being developed in the potential of the present movement. Its story will be complete only then when the hearts of all who shared in its history are opened before the Lord in the kingdom that is yet to be revealed in its fullness. Our task as a parish is to unite ourselves in charity and to go forth together as God's people . . . as we read in Ezekhiel (36:28) ". . . you shall be my people and I will be your God."

Mr. Speaker, during the course of the year, the clergy and laity of St. John Kanty Church will be celebrat-

ing this most important golden history of their parish, devoting themselves in an outstanding program dedicated to the remembrance of the blessings of St. John Kanty parish during the past 50 years and strengthening the resolve of all to continue their most noteworthy efforts in service to God and mankind.

I am pleased to have this opportunity to seek national recognition of the distinguished pastors, associate priests, sisters, and congregation of St. John Kanty Church. In their dedication and devotion to our people, they have truly enriched the cultural, educational, and religious endeavors of our community, State, and Nation. In national tribute to the elegance of their faith and good deeds, we do indeed salute the clergy and parishioners of St. John Kanty Church of Clifton, NJ, upon the commemoration and celebration of their 50th golden anniversary.●

BLACK HERITAGE DAY PARADE

HON. PETER W. RODINO, JR.

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 15, 1985

● Mr. RODINO. Mr. Speaker, on Sunday, May 26, I will have the honor of once again participating in the Annual Black Heritage Day Parade in Newark, NJ. As in the past 7 years, thousands of people will line the streets to rejoice in the rich contributions Afro-Americans have made to the culture and heritage of our Nation.

The sponsor of this event is the Black Heritage Day Parade Committee, a nonprofit organization that was established in 1978 to educate black people in Newark about the richness of their heritage and to foster cooperation and unity among the diverse groups of people who are all committed to equal rights in our society.

In addition, the committee also helps provide seminars in black history for Newark residents, particularly young people, and in other ways build a sense of community pride and awareness in the achievements of black Americans—on both a local and national level.

I would like to express my appreciation and commendation to the many, many people who have worked so hard to make sure that this celebration will be a success. Specifically, I want to recognize the parade officers—Mr. Kurt A. Culbreath, chairperson; Mr. Michael Cook, first vice chairperson; Mr. Harold Edwards, Sr., second vice chairperson; Ms. Deborah L. Bryant, secretary; and Mr. Shawii Johnson, sergeant at arms.

The marshals of this year's parade represent some of the leading organizations in our community. The grand marshal will be Mr. Keith Jones, executive director of the Newark Chapter of the NAACP; and the deputy grand marshals will be James Blair, executive director of the Urban League of Essex County; James Wallace, executive director of the International Youth Organization; and Mrs. Mary Hill, president of the Newark Chapter of the National Council of Negro Women. All of these individuals—and all of these organizations—have played crucial roles in the fight for equal justice and civil rights. They have given a great deal of themselves for the betterment of our entire society, and I salute them for their outstanding work in our community.

The theme of this year's Black Heritage Day Parade—"Twenty Years Not In Vain"—is most appropriate. Two decades after the passage of landmark civil rights legislation, we must assess where we have come from, what we have achieved, and where we must go from here in the fight for racial equality.

As we reflect on the parade theme, we can certainly conclude that the past 20 years have not been in vain, and we should also rededicate ourselves to ensuring that none of the efforts we have expended in the name of civil rights will ever be in vain. The significant advances we have made are too numerous to be mentioned here, and we all know the names of the laws we worked to pass and the social programs that were implemented as a result. The important thing now is to guard against those who would turn back the clock on civil rights. We cannot afford to let that happen.

While all of these laws and programs may not work perfectly, there can be no doubt that they have made a great improvement in the quality of life of millions of Americans and, more importantly, that they have brought the prospect of opportunities to those to whom the doors were previously closed. But instead of the fine tuning that may be necessary to perfect these programs and laws, we have seen the imperfections being used as an excuse to undercut or abolish them.

And so, while we joyously celebrate 20 years of progress we must be ever vigilant to those who would reverse our successes. We often feel that, instead of moving toward Dr. King's "sunlit path of racial justice," we are merely struggling to mark time.

In the quest for freedom, there will continue to be struggles ahead. Yet I am confident that we shall be on the march again under the banner of equal rights and justice for all of our citizens, and that we shall again prevail.

Mr. Speaker, once again Mayor Kenneth Gibson has proclaimed next Sunday "Black Heritage Day," and I look forward to joining in this important and exciting event. It promises to be a time for celebration and reflection, a time of pride in our accomplishments and of rededication and commitment to the goal of one nation, under God, with liberty, justice and equality for all.●

NICARAGUA UPRISING NOT TO SUPPORT MARXISM

HON. FLOYD SPENCE

OF SOUTH CAROLINA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 15, 1985

● Mr. SPENCE. Mr. Speaker, in a letter to the editor which appeared in the April 26, 1985, edition of the Columbia, SC, State newspaper, Mr. Kenneth J. Dieter points out the error some make in attempting to relate our experiences in Vietnam with the current problem in Nicaragua. He makes a number of significant observations regarding this troubled land and the need to assess our Nicaraguan policy on the basis of the situation there rather than on some fancied comparison with Vietnam. I commend Mr. Dieter's letter to my colleagues and include it as a part of my remarks. The text of the letter follows:

[From the State (Columbia, SC), Apr. 26, 1985]

NICARAGUA UPRISING NOT TO SUPPORT MARXISM

It seems odd to me that so many people attempt to relate Vietnam with the current problem in Nicaragua.

In Nicaragua, there was an overthrow of a dictatorship which the general public apparently supported. The uprising was not to support communism, but to rid itself of an oppressive government. The fact that a Marxist military gained control does not give proof that the people really want this type of government. It is also clear that there are some who oppose it to the death. The general public may, or may not, support the current government in Nicaragua.

The lesson that we should have learned in Vietnam is that the communist government will rapidly devour any militarily weak neighbor. This policy has been used with great success by communist governments since World War II. The current administration in Washington claims that already there are groups of Maxists terrorists operating through Central America. The Russian diplomacy of force and threat of force throughout the world appears to be active in Central America.

The U.S. decision of policy in Central America better be made on the facts on the situation and not on some emotional knee-jerk reaction about Vietnam.

"Peace in our time" claimed the British Prime Minister Chamberlain. This claim was shortly followed by a blood bath that extended over most of the Northern hemisphere. If England and France would have put a foot on Hitler in 1937, World War II would not have occurred. If Central America can supply the cannon fodder, Russia will provide the materials of war.—Kenneth H. Dieter, 3211 Bush River Road, Columbia.●

TRIBUTE TO HISAO INOUYE

HON. SALA BURTON

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 15, 1985

● Mrs. BURTON of California. Mr. Speaker, on June 7, Kimochi, Inc., in San Francisco will honor Mr. Hisao Inouye, the immediate past chairman of this outstanding community organization.

I am pleased to be able to bring to the attention of the U.S. Congress the accomplishments of this exemplary gentleman. In a letter to me, Sandy Ouye Mori, director of Kimochi Home, said this about Mr. Inouye:

Mr. Hisao Inouye is being honored for his years of commitment to his community, exemplified by his leadership as a founding member of the Japanese Chamber of Commerce of Northern California, an original organizer of the Cherry Blossom Festival, a leading force in the development of Kimochi Home for seniors, and a leader in the Nikkei Lions Club. His skills in the areas of corporate business, United States-Japan relations, ethnic awareness, human services, and community organizing are admired by all segments of our Japanese American community.

I would also like to include in the RECORD the following personal history of Mr. Inouye:

1942 (May–September): Appointed as Interpreter by Officer-In-Charge, Detention Camp, Bismarck, ND, in hearing proceedings for the Wartime Issei Japanese Detainees.

1945 (fall): Appointed as interpreter by Officer-In-Charge, Internment Camp, Crystal City, TX, in hearing proceedings for the Japanese Internees sent to United States, by the Peruvian Government during the War.

1945–46: Elected as Spokesman for the Japanese Internees, Crystal City Internment Camp, Crystal City, TX.

1950 (June): As member of Ad-Hoc Committee, participated in preliminary meetings to organize and establish Japanese Chamber of Commerce in San Francisco.

1950 (September): Elected President of Japanese Chamber of Commerce of North California,[1] and served to December 1951.

1955 (October): Received Certificate of Appreciation from Parents Association, Troop 12, Boy Scouts of America, San Francisco, in recognition of service to youths.

1957–58: As a partner in import wholesale firm of Modern Food Products Co., San Francisco, participated in merger negotiations with Pacific Trading Co., Inc. Merger completed in October 1958 and became Japan Food Corporation. Present name JFC International, Inc. Served as Secretary/Treasurer and Member of the Board until retirement in 1974.

1961: Helped to organize Japanese-American Lions Club in San Francisco. Club was named the Nikkei Lions Club of San Francisco. Elected as Secretary, 1961–62.

1962–63: Elected President of the Nikkei Lions Club.

1965–66: Appointed District Chairman, Lions' Youth and Community Activities Fund, District 4-C-4, Lions International.

1967: Organized Ad-Hoc Festival Committee composed of representatives of business, cultural, religious organizations and Kenjikais in San Francisco for the purpose of having Annual Festival in Japantown as well as to celebrate coming completion of Japan Center complex. Elected General Chairman of the Festival.●

[1] Northern California instead of San Francisco because members composed of businesses in cities as Sacramento, Stockton, Fresno, East Bay, and South Bay.

IN SUPPORT OF THE ECONOMIC EQUITY ACT OF 1985

HON. CATHY (MRS. GILLIS) LONG

OF LOUISIANA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 15, 1985

● Mrs. LONG. Mr. Speaker, I rise in support as a cosponsor of the Economic Equity Act of 1985, which was introduced yesterday in the House of Representatives.

At a time when women comprise approximately 45 percent of the labor force and support 9.5 million families, legislation which unravels economic discrimination against older women and mothers, working women, and homemakers should be enacted quickly.

The Economic Equity Act is landmark legislation. Once passed, reforms it includes, such as the retirement security and tax reform, will make the difference in the lives of the majority of our citizens.

Roughly 20 years ago, Congress passed the Equal Pay Act to end discrimination against women in the workplace. But today, despite our long-standing concern for equality, women still earn only 69 cents to every dollar a man earns. As a result, our entire economy suffers. When women are denied full participation and equal opportunity, we are squandering a valuable resource.

Passage of the Economic Equity Act is intended to move women farther along the path to social and economic fairness. However, this legislation is not for women alone. It will create a better society for us all—as husbands, sons, and daughters.

Mr. Speaker, I urge the House to pass this instrumental piece of legislation as we continue to face and deal with the problems of discrimination against women. And in closing, I would like to recognize that if we are to totally eliminate discrimination toward women, we must realize that the problems of women are not just women's problems, but America's problems.●

KEEP AMTRAK ROLLING

HON. JAMES H. SCHEUER

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 15, 1985

● Mr. SCHEUER. Mr. Speaker, one of the most important transportation issues before this Congress is President Reagan's ill-advised request to eliminate Federal funding for Amtrak. Without a doubt, adoption of this proposal would result in the demise of our Nation's rail passenger network. I believe this would be a serious mistake with grave consequences for all regions of the country, urban, and rural alike.

Last week, our Senate colleagues derailed President Reagan's proposal by voting 53 to 41 to provide $614 million for Amtrak in fiscal year 1986. While I would have preferred to see funding frozen at the current fiscal year 1985 level of $684 million, I believe that the House can keep Amtrak rolling on the right track by insisting upon a freeze at the fiscal year 1985 level for the next 2 years.

Earlier this year, the New York State Senate adopted a resolution urging Congress to maintain the necessary Federal funding to keep Amtrak operating at current levels. This measure, Senate Resolution 307, recognizes the importance of Amtrak to New York's economy and the serious consequences that would result from elimination of rail passenger service. I would like to bring this resolution to the attention of my colleagues and urge them to heed the sound advice of the New York State Senate.

Whereas, The National Railroad Passenger Corporation, known as Amtrak, serves the citizens of New York State; and

Whereas, Our citizens' use of Amtrak has increased continuously since 1971 until at the present time 7,236,258 persons in 1984 use Amtrak to arrive in and depart from points in our State; and

Whereas, Amtrak directly employs 2,355 citizens of New York State and indirectly supports the employment of 12,000 citizens of this State through the purchase of supplies and equipment from their employers; and

Whereas, Amtrak has invested $90,000,000 in this State in the form of passenger facilities, track rehabilitation and purchase of equipment; and

Whereas, Amtrak has continually improved the quality of its service, its financial position and the number of passengers carried to the point where it transported 22 million people in 1984 and expects to increase that amount by 2% to 3% in 1985; and

Whereas, The Budget presented to the Congress of the United States by the President would, if enacted, deprive Amtrak of the federal funding required for its continued existence; and

Whereas, The effective elimination of Amtrak would result in serious adverse economic consequences to this State and its

citizens in terms of loss of investment, loss of income to equipment and supplies contractors with Amtrak, loss of rail passenger service, loss of jobs and a concomitant strain on the Railroad Retirement System by the loss of many contributors to that System: Now, therefore, be it

Resolved, That this Legislative Body pause in its deliberations to memorialize the United States Congress to see to it that sufficient funds are appropriated to help Amtrak in at least as sound a position operationally in fiscal year 1986 as it has been in fiscal year 1985; and be it further

Resolved, That copies of this Resolution, suitably engrossed, be transmitted to The Honorable Elizabeth H. Dole, Secretary of Transportation, United States Department of Transportation, 400 Seventh Street, S.W., Washington, D.C. 20590 and to each member of the Congressional delegation from the State of New York.●

THE GOVERNMENT SECURITIES MARKET PROTECTION ACT

HON. WALTER E. FAUNTROY

OF THE DISTRICT OF COLUMBIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 15, 1985

● Mr. FAUNTROY. Mr. Speaker, I am today introducing the Government Securities Market Protection Act. It is designed to enhance the confidence and stability in the Government securities market following the recent failures of several securities firms.

This bill has been developed following a careful examination of the problems which confront the Government securities market, including the growth of the debt, new and innovative forms of financing, and the recent failures of firms in the Government securities market. The failure of these firms has been assessed in terms of the losses to customers and the subsequent loss of confidence in the financial system.

The U.S. Treasury securities market is one of the largest markets in the world. Through this market, the U.S. Treasury raises more than $200 billion in new funds each year to finance the deficit, while refinancing hundreds of billions more of maturing old debt. It is a matter with more than $1.576 trillion of debt currently outstanding. Maintaining the public confidence in Treasury debt securities ensures both a minimal interest cost and the orderly and efficient sale of such instruments.

Two characteristics distinguish the Government securities market from other securities markets. First, there is no risk of default by the U.S. Government on its debt. Second, the primary investors in U.S. Government securities are institutions—financial institutions, businesses, local government bodies, pension funds, securities firms, etc.—rather than individuals.

Given the riskless nature of these securities, losses to customers have resulted when unscrupulous and completely unregulated dealers have taken advantage of the enormous growth of the debt and its attractiveness to new investors. In a number of these instances firms have: First, been over leveraged; second, pledged the securities to more than one party; or third, failed to provide adequate segregation of a customer's securities. While steps were taken as early as last year to assure that holders of a repurchase agreement—repo—could sell the security in the event of a bankruptcy, there still is no effective way to ascertain who is doing business in the Government securities market. Neither is there a consistent method for evaluating the financial position of securities dealers. Nor has there been a method for assuring the proper segregation of securities. Finally, financial institution regulators have been unable to obtain and share information concerning the practices of unregulated securities dealers.

The Government Securities Market Protection Act fills the void. It accomplishes this objective in eight specific ways:

1. The Act requires the Federal Reserve to establish a capital adequacy standard for government securities dealers. Enforcement of these standards will be combined with a system of internal controls to assure continued compliance.

These capital adequacy standards are intended to assure that dealers in government securities will keep the size of their risks consistent with the amount of liquid capital available to absorb losses. It will also enable potential customers to assess whether a dealer is acting in accordance with generally accepted prudential standards.

2. The Act requires both dealers and clearing agents to maintain segregated accounts on securities transactions with customers. In the case of a repurchase agreement, the dealer is required to deliver the securities to the customer, to an independent custodian, or another third party designated by the customer. This delivery may be exempted by the Federal Reserve for appropriately brief periods.

Customers have suffered losses in government securities transactions due to their failure to take effective possession of collateral pledged for the cash borrowed from them by the dealers. By requiring that segregated accounts be maintained and securities delivered to either the customer, an independent custodian, or other approved third party, a dealer is effectively barred from double-pledging a security. Should the dealer fail, a customer who has a perfected security interest in the collateral would then be able to sell the security as contemplated by the amendments to the Bankruptcy Code in 1984.

3. The Act requires the Federal Reserve to maintain and publish on a regular basis a list of all dealers complying with the capital adequacy guidelines, including the system of internal controls. Furthermore, each such dealer must have established a system of segregated accounts. Unless specifically excluded because they are otherwise regulated, no dealer is permitted to engage in government security transactions unless they are so listed by the Federal Reserve.

There is presently no bar to entry into the government securities business. In addition, government regulators have little idea of the number of dealers engaged in the government securities market. This provision authorizes the Federal Reserve to establish a listing of those dealers and to regulate their entry. The failure of any securities firm to comply with the standards established by the Federal Reserve will prohibit them from conducting any government securities business.

4. The Act prohibits primary dealers or depository institutions from conducting government securities transactions with any firm which has not complied with the capital adequacy and clearing requirements established by the Federal Reserve.

Depository institutions and primary dealers are the mechanisms through which all government securities firms must operate to obtain access to the book entry system and larger quantities of securities. By prohibiting business contact with an unlisted dealer, the statute effectively assures that one who fails to meet Federal Reserve standards cannot ply their trade to the detriment of unwitting customers.

5. The Act directs the Federal Financial Institutions Examination Council to develop standardized examination practices with respect to the handling of government securities transactions by any depository institution. The Federal Reserve is required to advise the members of the Examination Council of any dealer whose actions may adversely affect the safety and soundness of a depository institution.

Insofar as depository institutions were among the worst victims of the most recent failures, largely because they had failed to exercise prudent business judgements regarding transactions in government securities, it is felt that consistent standards set by examiners should eliminate practices which expose financial institutions to loss. Additionally, the imposition of such standards should have a salutary impact upon customers of depository institutions since depository institutions are often the agents for smaller transactions undertaken by individuals or small organizations.

6. The Act establishes a Government Securities Advisory Council to the Board of Governors of the Federal Reserve System with responsibility to determine methods to maintain and improve the integrity of the markets and to protect against fraud and other abusive practices.

Hopefully, the Council will assure that the Federal Reserve is kept abreast of changes in the market place. An important aspect of this informational process is the requirement that customers be included as members.

7. The Act also directs the Federal Reserve to report to Congress within six months on ways to expand the business relationships between the Federal Reserve and the government securities market, including:

The establishment of additional business relationships with nonreporting dealers designed to enhance Federal Reserve dealer oversight and surveillance;

Providing primary dealers access to the clearing system for government securities transactions;

Enabling smaller dealers to borrow odd-lot securities on a fully collateralized basis from the Federal Reserve; and

Expanding access to the brokers market including access to the broker screens through which the bulk of government securities transactions are conducted.

These four proposals seek to assure that the market functions efficiently in selling the Federal debt by looking for new ways to add liquidity and opportunities in the government securities market. Some of the suggestions have arisen from the hearings, others emerge from the work which the General Accounting Office has undertaken for the Subcommittee, while a few have come from the dealers themselves.

8. Finally, the Act contains various forms of injunctive relief, and civil and criminal penalties which are substantial enough to assure that violations cannot be considered as the mere cost of doing business. Civil penalties are $100,000 per day for each violation; criminal penalties are $500,000 with possible jail terms for up to five years.

This bill reflects the considered approach of the Subcommittee on Domestic Monetary Policy following extensive oversight hearings beginning in March 1981 on the question of the regulation of Government securities. It is responsive to the heavy borrowing requirements of the Federal Government and of the fact that interest rates on all other debt are based on rates which the Treasury must pay. Most importantly, however, the bill is responsive to the needs of market participants who require that their business practices not suffer unanticipated losses.

There is no safer market for investors than the Government securities market. This bill acknowledges that fact and builds upon it by assuring that unscrupulous dealers will not have the opportunity to take advantage of the riskless nature of securities offered by the United States of America.

I encourage Members to support this approach and hope that they will call the subcommittee if they have questions.●

NEW MODES FOR ST. LOUIS EDUCATOR

HON. WILLIAM (BILL) CLAY

OF MISSOURI

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 15, 1985

● Mr. CLAY. Mr. Speaker, I would like to take this opportunity to join with my fellow St. Louisans in the celebration honoring an outstanding educator on the occasion of her retirement from the St. Louis public school system. As Mrs. Marjorie Eloise Fay retires from the St. Louis public schools, she can reflect on a career that has been challenging as well as multidimensional. Through two decades she has provided leadership in a variety of assignments. Mrs. Fay has served as area assistant superintendent for alternative schools, secondary curriculum supervisor, evaluator and writer for Federal Relations Division, coordinator of Secondary Title I Reading and Rooms of Twenty, and coordinator of the Secondary English Summer Workshop.

Undergirding Mrs. Fay's success in all of her administrative roles are her expertise and dedication as a teacher. As an English teacher at Beaumont High School, her flexibility and creativity were utilized and exemplified by her ability to involve and motivate students—all kinds of students—including those regarded as slow learners as well as college bound high achievers. As she guided her students through classes in English, journalism and advanced composition and literature her propensity for eloquent clarity in both oral and written language served as a model for students to aspire to emulate. Her proficiency in this area has been ably illustrated by the publication of her work in Bulletin, Missouri Botanical Garden, spring, 1949; The Standard, American Ethical Union; Bulletin, Missouri Association of Teachers of English, spring, 1975; Caduccus, Beaumont High School, May 1976.

Many professional organizations have benefited from Mrs. Fay's commitment to professional development. With an educational background that includes bachelor of arts and master of arts degrees from Washington University as well as advanced course work at that university, she has actively participated in and provided leadership for:

National Council of Teachers of English; Missouri Association of Teachers of English (first vice president, 1976-79); Greater St. Louis Council of Teachers of English (president, 1976-78); Greater St. Louis English Teachers Association (cochair executive committee, 1978); Association for Supervision and Curriculum Development; Missouri Association for Supervision and Curriculum Development; Greater St. Louis Association for Supervision and Curriculum Development; St. Louis Council for the Social Studies; Delta Kappa Gamma; Missouri State Teachers Association; St. Louis Administrators' Association; and St. Louis Association of Women Administrators (vice president, 1975-77).

Mrs. Fay's impact in the field of education has not been limited to St. Louis public schools. She has served as a consultant to other school districts, participated in the North Central Association evaluation of public and parochial secondary schools in the metropolitan area, addressed professional groups, and taught piano lessons to private pupils. At the ethical society of St. Louis Mrs. Fay has served as: director, junior Sunday assembly; member, board of trustees; and teacher, junior Sunday assembly.

The intellectual accomplishments of Mrs. Fay have been recognized by many organizations which have honored her with awards:

First-Ranking Student, Beaumont High School, June 1945; Four-Year Honor Scholarship to Washington University; Phi Betta Kappa, Washington University; Sigma Xi, Washington University; Alpha Lambda Delta, Washington University; Kappa Delta Pi, Washington University; and Distinguished Alumni Award, Beaumont High School.

The competence which Mrs. Fay applies to all of her commitments is enhanced by her versatility in a wide range of interests outside of the field of education. After graduating from Washington University with a major in botany, she was employed at Missouri Botanical Garden as a librarian and herbarium worker. She also served as assistant editor of the popular scientific publications distributed by the garden. Her interest in and knowledge of flora are reflected in the many hours she has spent with her husband, James, maintaining the beauty of the plants in and surrounding their home.

Having mastered the skill of parenting with the guidance and assistance of her son, Bruce, and daughter, Patricia, Mrs. Fay has now moved with ease and grace to the more eminent rank of doting grandmother. In addition to the pleasure she receives from being with her family, she has a broad range of interests which include reading, music, travel, swimming, and cooking. Her skill with crafts—from crocheting baby sweaters to making stained glass windows—is awe-inspiring, and her products are works of art.

With so many outlets available for her vast storehouse of intellect and creativity, Mrs. Fay is moving away from her previous responsibilities with the St. Louis public schools into new modes of living which promise to be exciting, fruitful, and satisfying. I congratulate Mrs. Fay on her exceptional record of achievement. Marjorie Eloise Fay has maintained a standard of excellence and commitment to education which will leave its mark on the St. Louis public schools for many years to come.●

OLDEST EPISCOPAL CHURCH IN DIOCESE OF CHICAGO MARKS 150TH ANNIVERSARY

HON. GEORGE M. O'BRIEN

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 15, 1985

● Mr. O'BRIEN. Mr. Speaker, this week marks the 150th anniversary of Christ Episcopal Church in Joliet, IL, the oldest Episcopal Church in the Diocese of Chicago.

One hundred and fifty years ago tomorrow, the Rt. Rev. Henry Philander Chase administered communion to eight Joliet citizens at the home of Mr. A.W. Borden at the corner of Chicago and Webster Streets in Joliet. The Borden home is still standing today and is listed in the National Register of Historic Places. In 1835, there were only five other Episcopal parishes in Illinois.

Joliet's Christ Episcopal Church has seen three of its rectors over the years

rise to become bishops of the Episcopal Church. Christ Episcopal's 25th and current rector is Rev. Alexander Seabrook.

Thursday evening, May 16, the bishop of Chicago, the Rt. Rev. James W. Montgomery, will lead services celebrating the 150th anniversary of the first services in Joliet. My longtime dear friend, Mr. George P. Lloyd of Joliet, will be honored as the honorary senior warden for the anniversary services in recognition of his long and valued service to the parish.

It is a pleasure for me, Mr. Speaker, to join the many people of the Joliet and Chicago area to honor the 150th anniversary of Christ Episcopal Church in Joliet.●

IN MEMORY OF CAPT. RONALD B. SCHATZ

HON. PETER H. KOSTMAYER

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 15, 1985

● Mr. KOSTMAYER. Mr. Speaker, I rise today to pay tribute to a constituent, Capt. Ronald B. Schatz of Solebury, PA, who lost his life last month while on a mission with the Pennsylvania Air National Guard.

Captain Schatz, and another pilot, Capt. Donald R. Benton of Aberdeen, NJ, were killed when their OA-37 aircraft crashed in the Caribbean while on a training mission off the coast of Honduras.

Captain Schatz had flown with the Pennsylvania Air National Guard for 5 years as a member of the 111th Tactical Air Support Group at Willow Grove Naval Air Station. He was in Honduras as part of a 50-man, 6-aircraft contingent from the 111th group.

The death of Captain Schatz, Mr. Speaker, is a grim reminder of the great sacrifices made by those who serve their country in the National Guard and Reserve units. Ronald Schatz volunteered for this mission, and like so many others at Willow Grove, the time he contributed to his unit and its mission was above and beyond what is required. We owe a tremendous debt to all those brave individuals like Ronald Schatz who give so much and perform so capably.

And Captain Schatz' death is a grim reminder, too, of the contribution of the families of our servicemen. Ronald Schatz leaves a wife, Marlene, an 11-year-old daughter, Christina, a 10-year-old son, Michael, and his father, Chester Schatz of Souderton, PA. In this tragedy we recognize their sacrifice and their loss.

The neighbors and friends of Ronald Schatz in Solebury, PA, will miss him, and on behalf of the House of Representatives, Mr. Speaker, I want to extend our prayers and sympathy to his wife and family.●

ECONOMIC EQUITY FOR WOMEN

HON. DON BONKER

OF WASHINGTON

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 15, 1985

● Mr. BONKER. Mr. Speaker, we all know that while progress sometimes comes slowly in this body, good legislation is able to weather the tests of time and procedure and eventually find its way into law. This has been the case with legislation critical to the rights of women.

The introduction today of the Economic Equity Act of 1985 marks the third session that this comprehensive package of legislation aimed at improving the economic well-being of women and families has come before Congress. Over the past 5 years, parts of the package have been enacted into law while others have been improved and refined.

Last year marked passage of key legislation in the House reducing the costs of day care and making it more widely available. With more than 23 million children in the United States requiring day or after-school care, in 1982, and only 500,000 federally supported day-care slots, the problem of meeting the demand for affordable, convenient day care remains one of the most serious problems confronting families today. Unfortunately, this legislation died in the Senate.

Last year, Congress was also able to enact pension reform legislation which enhanced the retirement security of many women by recognizing common work patterns among our Nation's female workers. Still, however, there remains the problem of older women living on median incomes far less than those of older men. In 1983, there were more than 2.6 million older women with incomes below the poverty line.

Both of these measures were part of a larger package of bills, the Economic Equity Act of 1983. While these bills experienced some success, other key measures remain to be enacted.

That's why I'm pleased today to join with my colleagues as an original cosponsor of the Economic Equity Act of 1985, which I believe is an important step toward providing full equity and opportunity to our Nation's women. I hope my colleagues will look closely at this legislative package which includes important reforms in retirement security, dependent care, insurance, employment, and taxation. These measures, which range from pay equity and insurance nondiscrimination to child care in public housing and spousal IRA's affect the quality of life for families from all income groups.

The many authors of these bills deserve high praise for their vision and persistence. So, too, do the co-chairs of the Congressional Caucus on Women's Issues, Representatives SCHROEDER and SNOWE. Slowly, through their efforts, progress has been made toward economic equality. But we still have a long way to go before we can be assured that equal pay and opportunity are available to all, regardless of sex or economic status. I am hopeful that we in Congress can take new steps in that direction and move swiftly on this vital legislation.●

COMMUNITY AND FAMILY LIVING AMENDMENTS OF 1985

HON. JOSEPH M. McDADE

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 15, 1985

● Mr. McDADE. Mr. Speaker, today I am introducing legislation that would restructure Medicaid services for the mentally retarded and severely disabled individuals. This legislation would, over a period of 14 years, shift the priority of the Federal share of Medicaid funds from long-term institutional arrangements to services provided in community based, integrated, family environments. Medicaid coverage for services for severely disabled persons living at home or in community settings would be expanded under this bill.

It is important for my colleagues to recall that the process of "deinstitutionalization" is already occurring throughout the country. Clearly, however, this process has been hampered by the lack of long-term, systematic planning by the States for the transition from institutional based care to a system of family, home, and community service-based care. In addition, there is a lack of resources for the development of these types of services.

This bill is a direct response to these types of problems and mandates that a long-time systematic planning approach by the States be developed, while at the same time maintaining adequate resources for those service levels in the community.

The Association for Retarded Citizens considers this legislation the most important item on its legislative agenda for this entire decade which affects people who are disabled. It has been seen as an opportunity to make adjustments to the Medicaid Program which are in keeping with the current philosophy of care and training for people who have developmental disabilities. In addition to correcting the "institutional bias within the Medicaid Program as it relates to the severely disabled individuals", which legislation will assist the States in establishing those home and community based services which can prevent persons from being institutionalized.

The knowledge and technology to provide community services to even

those with the most complex needs are in place throughout this country. This validates the need of this bill to commit Federal funds to individualized mainstream services in the community.

This legislation, introduced by Senator JOHN CHAFEE, as S. 873, has been strongly supported by the Association for Retarded Citizens and its prompt passage has been urged.

This bill contains many provisions to ensure quality service for persons who are institutionalized and for those living at home in community settings. Client, parental and/or family involvement in the decisions affecting a disabled person are required. The other major provisions contained in this bill are:

(1) Requiring that States include some "community and family support services" in the Medicaid plans beginning 2 years after the effective date of this act. A comprehensive list of services that States may choose from is included with a mandate for provisions of case management services, protective intervention services, and individual family support services (which would include personal assistance and respite care).

(2) Permitting States to include such services with reimbursement beginning at the effective date.

(3) Requiring service provisions to be based on individualized plans developed by an interdisciplinary team including client participation and family participation as appropriate.

(4) Making Federal Medicaid reimbursement to the State conditional upon the completion of an implementation agreement between the State and the Secretary of Health and Human Services. Such agreements must cover a range of issues (quality control, protection of individual rights, employe rights, audits and monitoring arrangements, a plan for increasing community resources and decreasing reliance on large institutions, among others.) Each agreement will be composed by the State in light of circumstances prevailing in that State.

(5) Making gradual reductions in the percentage of Federal Medicaid matches as it applies to the care of certain "severely disabled individuals" in Medicaid certified long-term care facilities accommodating more than 15 residents. The rate will be reduced by 1 percent per quarter over 10 years, (that is, a 50-percent rate would drop to 30 percent; a 75-percent rate to 45 percent) thereby fostering, but not imposing a reduction in its use of institutional beds. The Federal matching percentage for community-based programs would remain at the level of other Medicaid services offered by the State.

(6) Place a limit on State's expenditures of Medicaid funds in institutional settings. In the year 2000, a limit will be placed on Federal Medicaid funds for facilities over 15 beds—the limit would be 15 percent of expenditures in a chosen "base year," adjusted for inflation. It is expected that the "15-percent limit" after 2000 A.D. and the reduced percentage for institutional services will work together to allow a State to maintain up to 20 percent of its current institutional based population in midsized and/or large facilities while fostering the growth of community and family based service situations for the severely disabled individual.

It is my strong belief that the ability to assist the severely disabled individual to either obtain or maintain the maximum potential for independence and their capacity to participate in community and family life is a vital, if not key, provision of any type of disability assistance. While I believe it is our responsibility as citizens to take care of those who cannot care for themselves, we must also strive to provide every means for an individual to develop their own sense of personal dignity and self-reliance.

I commend this legislation to my colleagues and urge your support.

Thank you.●

LEGISLATION DENYING A DEDUCTION FOR AMOUNTS PAID AS RESTITUTION FOR ACTS OF FRAUD

HON. FORTNEY H. (PETE) STARK

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 15, 1985

● Mr. STARK. Mr. Speaker, I am today introducing legislation that would deny a business expense deduction for amounts paid as restitution or other damages for violation of the law involving fraud. Mr. Speaker, we have recently seen unconscionable cases of corporate crimes and abuses, the most recent example was the fraudulent scheme by the E.F. Hutton Co. against many banks around this country. All too often the fines are not commensurate with the nature of the violation. Fines are not deductible business expenses; however, restitution payments generally are. The legislation I am introducing today would assure that the Federal Government does not, through the Tax Code, subsidize the restitution payments which companies, such as E.F. Hutton, make as part of a plea to fraud charges.

Mr. Speaker, I share the concerns of those 15 Senators who recently wrote to Ed Meese protesting the absence of any charges against individuals in the E.F. Hutton case. These decisions, however, are matters of prosecutorial discretion. However, we in the Congress can take this small step to assure that these types of acts are discouraged. I urge speedy enactment of my legislation.

The text of the bill follows:

H.R. 2529

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a) subsection (f) of section 162 of the Internal Revenue Code of 1954 (relating to fines and penalties) is amended to read as follows:

"(f) FINES AND PENALTIES, ETC.—

"(1) FINES AND PENALTIES.—No deduction shall be allowed under this chapter for any fine or similar penalty paid to a government for the violation of any law.

"(2) RESTITUTION FOR FRAUD.—If a taxpayer is convicted of a violation of law involving fraud, or the taxpayer's plea of guilty or nolo contendere with respect to such a violation is entered or accepted in any proceeding, no deduction shall be allowed under this chapter for any payment of restitution or other damages to a party injured by such fraud."

(b) The amendment made by subsection (a) shall apply to amounts paid after ——— in taxable years ending after such date.●

NATIONAL POLICE WEEK

HON. JAMES A. TRAFICANT, JR.

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 15, 1985

● Mr. TRAFICANT. Mr. Speaker, this week is National Police Week, and as a former sheriff, I would like to take this opportunity to pay tribute to the 1,600 law enforcement officers who were killed in the line of duty during the last 10 years. I would also like to pay tribute to all the law enforcement officers across the country who put their lives on the line every single day.

As a former sheriff, I know only too well the fact that law enforcement officers are a special breed—every time they put on the uniform they become a target. Every day at work they put their lives on the line. All too often the public only sees fit to honor the job that they do when a police officer is killed in the line of duty. Mr. Speaker, not only are the 1,600 law enforcement officers killed over the past 10 years heroes, they are a grim reminder that police work requires a special individual. Those officers who have given their lives for the public safety are indeed heroes. But during National Police Week I would like to remind my colleagues and the American people that all law enforcement officers deserve our respect, support, and praise. Routine police work—while many times not glamorous—is a vital part of protecting law-abiding citizens.

Law enforcement officers are an important part of our society and all aspects of their work should be recognized and applauded. All police officers know that at any time they could be called upon to put their lives on the

line. They are a dedicated, hard working, courageous, and honorable group of men and women. I feel that it is proper and fitting that all Americans pause this week and honor the fine work that this Nation's law enforcement officers have done and that this Nation takes pause to honor the sacrifices that they have made over the years.

We here in Congress must continue to support police officers and do all we can to protect then and to assist them in their everyday fight against crime. Mr. Speaker, I am honored to pay tribute to the law enforcement community and I urge all my colleagues to continue to support and assist our police officers.●

ORGAN DONOR PROGRAM

HON. JIM COURTER

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 15, 1985

● Mr. COURTER. Mr. Speaker, today I am pleased to bring to your attention the recent outstanding efforts of the American Liver Foundation to increase the national number of organ donors throughout the country.

The American Liver Foundation has just completed a 3-year campaign to invite over 1 million Americans to "Give Love, Give Life—Be a Donor" of body organs for transplant surgery.

Mr. Speaker, my friend, Thelma King Thiel, president of the American Liver Foundation urges all Americans to sign up as organ donors. It is easy, and can be done any time of the year. At this point, I would like to commend to my colleagues' attention, the following news article released by the American Liver Foundation.

SAVING LIVES WITH TRANSPLANT SURGERY IS A MATTER OF MORE ORGAN DONORS, ACCORDING TO AMERICAN LIVER FOUNDATION

CEDAR GROVE, NJ, May 2, 1985—More than one million Americans have been invited by the American Liver Foundation to "Give Love, Give Life—Be a Donor" of body organs for transplant surgery.

Announcing the results of the foundation's three-year drive to increase the number of organ donors at the close of National Organ Donor Awareness Week in April, Thelma King Thiel said that "if only four percent of those who got donor cards from our organization alone would sign up, we would have 10,000 more potential donors than were needed to take care of all the cornea, heart, lung, kidney, liver and pancreas transplantations performed in all of 1984."

Mrs. Thiel is president and chief operating officer of the foundation. Of the 30,000 transplant operations done last year, she says, only 308 were liver transplantations. "As far as transplant surgery is concerned, liver transplantations are 'the new kid on the block,'" Mrs. Thiel says. "Only in the last three years have the technology and techniques been developed that make this procedure the miracle it is. Liver transplantations save lives everyone had given up on before," she observed.

Liver transplants are the only effective therapy that currently exists for end-stage liver disease, Mrs. Thiel added. "People with kidney disease have hemodialysis as a viable alternative. But victims of serious liver disease have no therapy to turn to other than transplantation." The problem is that many die waiting for suitable organs to become available.

Mrs. Thiel, whose son died of liver disease 14 years ago when liver transplants were still a medical dream, urges all Americans who did not sign up as organ donors during the national drive to consider doing so. It can be done any time during the year.

"We won't be here to see the life we've passed on to someone else. But our families have the consolidation of knowing that out of their sorrow joy has been brought to others."

The American Liver Foundation is the first national nonprofit health agency to concern itself with research and treatment for cirrhosis, hepatitis, and the more than 100 genetic, infectious and environmentally-caused liver diseases. Its nationwide network of volunteers and 27 chapters provide support to adults and children afflicted with liver diseases.●

LEGISLATION TO PROTECT SENIOR NUTRITION PROGRAM

HON. MARIO BIAGGI

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 15, 1985

● Mr. BIAGGI. Mr. Speaker, today I am introducing legislation that will address the current funding shortfall in section 311 of the Older Americans Act. I am pleased to note that I am joined in this effort by my colleague, DALE KILDEE, who now is chairman of the Human Resources Subcommittee which oversees Older Americans Act programs.

This bill is designed to assure adequate funding for meals served by States under section 311 of the act and also prohibits the Secretary of Agriculture from reducing funding for this program in any year that appropriations are insufficient to meet the anticipated number of meals served by States.

This legislation is needed because under section 311, the current $116 million appropriated in fiscal year 1986 will not provide enough money for States to continue to serve meals at current service levels. Under section 311, the Secretary is authorized to reduce reimbursements per meal, which are established in the statute. For this fiscal year, the rate was originally established at 58.76 cents per meal for those States which choose to receive cash in lieu of commodities. On February 21, 1985, the Department published notice in the Federal Register that it intended to reduce the per meal rate from the original 58.75 cents to 56.76 cents per meal. This reduction was based upon an estimated 212.8 million meals to be served in this year at the $116 million funded level.

Upon receiving notice of reimbursement at the rate of 58.76 cents, States planned their annual projects accordingly. If we do not provide an additional $5 million in this year, these same States will be forced to reduce or eliminate meal programs because they will be receiving reimbursement at the lower rate.

This bill would increase the authorization levels in section 311 to accommodate the increased demand for meals at the following levels: $125.8 million for fiscal year 1985, $135.9 million for fiscal year 1986, and $147 million for fiscal year 1987. It will also delete the authority of the Secretary to reduce reimbursements for this program when projected meals being served will exceed the existing appropriation.

In my opinion, if States are serving meals respective of need for such meals, then the Department should seek a supplemental appropriation to assure the higher level of services. To reduce or eliminate meals is unnecessary and counterproductive.

Mr. Speaker, I would not pursue a legislative remedy to this problem at this time if the meal programs were not directly threatened for reduction. I have received a letter from the Department affirming the fact that they did indeed advise States last year that they would receive 58.75 cents per meal, only to reduce it to 56.76 cents at this time. Adjustments in reimbursements must be made in a manner that will allow States to budget appropriately. To reduce funding in the middle of a budget cycle only guarantees cuts in meal programs.

In addition, passage of this bill will allow the Appropriations Committee to provide the estimated $5 million extra that it needed to assure that States will not lose meal dollars in this fiscal year. This is because the current appropriated level of $116 million is also the fully authorized level. Passage of this bill to increase authorizations and eliminating the Secretary's discretion to reduce reimbursements will be the first step in addressing this problem on a permanent basis.

Mr. Speaker, this bill is a small but important initiative and I hope that my colleagues will join me in supporting its passage.●

THE 100TH BIRTHDAY OF GROTON SCHOOL

HON. JIM COOPER

OF TENNESSEE

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 15, 1985

● Mr. COOPER. Mr. Speaker, it is an honor for me to mark the occasion of the 100th birthday of Groton School

in Groton, MA. I believe it is also an honor for the House of Representatives as a whole to recognize this school, so many of whose graduates have contributed so much over the last century to the security and welfare of the United States.

In 1884 Rev. Endicott Peabody established Groton School to prepare students for college and to prepare them for the active work of life. So well did the rector succeed at this preparation that it is almost no surprise to read history books filled with achievements of Grotonians on behalf of U.S. Government.

In the 20th century no President has contributed as much to the security and welfare of the people of the Fourth District of Tennessee as did a Grotonian named Franklin D. Roosevelt. Dean Acheson, Averell Harriman, Douglas Dillon, Sumner Welles, Stanley Resor, Francis Keppel, and McGeorge Bundy are but a few of many graduates of Groton who have also contributed in a noteworthy way to the security and welfare of the people of my district.

The record which these men have compiled in public life is by no means unblemished, but it is a record of which all may be justly proud. Indeed, as is possible for any person or institution possessing a glorious past, both Groton School and the Grotonians who have distinguished themselves in public life could be so proud of this record that they might live in the past and try to repeat the same accomplishments over and over.

But there is a difference between knowing the past and living in it. Always has Groton School been blessed with trustees and teachers who have appreciated this difference and put the past into its proper place. Thus I attended festivities at Groton School last weekend which rejoiced at the past but, even more so, celebrated an anticipation of the next hundred years of education at a special community. It truly is. And the reasons for the special character of Groton School are each of the 55 members of its faculty. To them I take this opportunity to pay a tribute.

In particular, I take this opportunity to pay a special tribute to the 46 years of full-time leadership and service of Paul W. Wright, and to a wise teacher of many public servants, Richard K. Irons. To them I owe a debt for my own career in public life which it is not possible to repay.

But I believe it is in this spirit I speak for graduates of Groton School who serve the public today and say: I look forward to the future confidently, will thrive on better or different solutions to problems in the welfare and security of the American people, and can believe that the U.S. Government will surmount any crisis if it is led by leaders possessing the vision and character which Groton School continues to provide.●

FUTURE OIL SHOCK

HON. JOHN P. MURTHA

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 15, 1985

● Mr. MURTHA. Mr. Speaker, in recent weeks through a maze of numbers of energy supplies we have seen some dangerous trends that deserve to be highlighted.

Recently, oil imports have risen for the first time in 5 years. Gasoline supplies recently reached a 12-year low. There has been an increasing demand for natural gas at a time when there is a continued reduction of drilling for supplies.

While we certainly are not in an immediate energy crisis, we see the outlines in these developments of energy problems down the road. In addition, we see the partial return of a familiar problem from the seventies—inflation being pushed upward by rising energy prices.

Two recent reports resounded what should be a clear call to us for paying more attention to the energy future: the U.S. Department of Interior announced that there is some 55 percent less oil and 44 percent less gas reserves in our offshore areas than was previously thought; the Congressional Office of Technology Assessment also said our reserves are dwindling, our imports are rising, and our vulnerability to foreign manipulation of the energy markets is increasing.

Clearly, America cannot allow itself to once again fall into the energy trap. Clearly, we cannot allow our economy to again be racked by uncontrolled energy prices. Clearly, the options and alternatives we face are largely the same as we faced during the seventies.

What we need is renewed action, renewed commitment, and a renewed sense of America's energy situation.

As we in the House of Representatives begin our budget debate in detail, I believe it is essential that we remember to balance in these future energy needs. Finding and developing new energy supplies takes a tremendous amount of capital and substantial leadtime.

Right now, we have the time. What we need to make sure is that we continue the commitment, that we continue to look forward and continue to plan for the future.

Many well-meaning Members of the House believe a place to attack in the budget is the money for synthetic fuels development. I disagree strongly. This remains an alternative we desperately need to develop in order to promote our own energy resources for the decades ahead. One of the great strengths of the Synthetic Fuels Program has always been that it will use American energy supplies and produce jobs and sales in America, rather than seeing our energy dollar continue to go to foreign countries. The Synthetic Fuels Programs deserves to go ahead within its present financial framework to help us plan for the future.

Also in this budget debate we will again take up the leasing of promising areas for oil exploration in the Outer Continental Shelf. We worked on the Interior Appropriations Subcommittee last year for the proper balance of exploration with environmental protection and we will be seeking to further these goals again this year.

We will also be looking in this budget debate at funding for research in coal development and other research funds for domestic energy supplies. The Energy Department has proposed severe cuts but I believe we can restore funds in this area to continue vital research and do so within reasonable budget guidelines.

These are among the modest, workable energy goals that we can secure in this budget and that will help to protect our economy and our Nation against a disastrous energy future.

Several years ago, Sheik Yamani, Saudi Arabia's oil minister, told a group of Texas oil executives that it was his plan to work with his brethren in OPEC to hold down the world market price long enough so that this country would be deterred from its development of alternate fuels. He knew back then that if America planned carefully, developed its available oil and natural gas resources, planned for its development of alternate fuels to use coal and oil shale, and combined that with conservation that OPEC would have lost its market position forever.

We cannot fall into that trap. Let us strive to meet these and other energy goals during the budget debate so that the Nation is ready when—and I mean "when" and not "if"—the next real or orchestrated energy shortage comes, we are ready.●

HOUSE JOINT RESOLUTION 192

HON. WILLIAM D. FORD

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 15, 1985

● Mr. FORD of Michigan. Mr. Speaker, last week the Committee on Post Office and Civil Service reported out House Joint Resolution 192, which designates April 24, 1985 as a "National Day of Rememberance of Man's Inhumanity to Man." It sets aside a day of rememberance for all victims of genocide, and especially the 1.5 million Armenians who were the victims of

systematic destruction in Turkey between 1915 and 1923.

The action of the committee gave me great pleasure since I have long felt that this horrendous chapter in world history has gone little noticed except by the Armenians themselves.

At the full committee meeting I questioned the wisdom of the Department of State in objecting to this resolution because it might damage our sensitive relations with Turkey.

I feel that this is a specious argument. And if you look at the number of Holocaust-type resolutions that we have taken to the floor by unanimous consent, there was a clear danger here of opening ourselves up to accusations of discrimination in deciding what is a problem and what is not.

Just 2 weeks ago, unanimous consent was granted for a resolution condemning the Russians for actions with regard to Jewish immigration from that country.

And here we have a much different case. The genocide resolution does not condemn the Government of Turkey. It talks about people in the past. As a matter of fact, a letter I received from the State Department said:

> These resolutions seek designations of April 24 as a date of rememberance for all victims of genocide, especially Armenians who died in Turkey 70 year ago. Specifically, the events occurred in Eastern Turkey when the Ottoman Empire was in the final days of its decline and before the modern-day Republic of Turkey was established.

So I fail to see the point of the State Department's objection.

Just a few days ago the President addressed several groups in Europe and pointed out repeatedly that it is not our policy to hold the present Republic of West Germany responsible for the activities of their predecessors when Germany was a totalitarian state under the rule of the Nazis.

After receiving the State Department letter I carefully reread the resolution to see if it said anything about the Government of Turkey. It does not. It talks about incidents and circumstances.

I find it very difficult to explain to the people who are survivors of this bloody era and the survivors of families that were wiped out that we in this country recognize the mass murders of some people as genocide, but not the mass murders of others. Do we just want to shrug our shoulders and say it is something that happened a long time ago and we should simply forget it?

While there were fewer Armenians killed in that genocide than Jews in the Holocaust, in terms of total populations the figure is proportionately higher. Virtually the whole Christian population of an entire country was annihilated. Their only crime was that they were Christians in a Moslem country.

We have a chance to speak now and say the things that should have been said long ago: that it is against all that America stands for when people turn against their own in a national orgy of bloodletting just because they don't like the religion they practice or the church they go to.

For my part, I cannot agree with the argument that, because we are dealing with a different government today which is part of NATO, we should do nothing now lest it offend that new government.

I find that thinking especially difficult to accept in light of the President's recent remarks in Europe regarding the Holocaust. There are simply too many parallels. Are we saying that we can openly and strongly condemn the Germans' inhumanity toward the Jews during World War II and still expect our friendship with the West Germans to survive, but we cannot condemn what a previous government in Turkey did to a million and a half Armenians out of fear it will damage our relationship?

What kind of tortured reasoning is this?

What must be kept in mind is that in this resolution we are not attacking the present Turkish Government. We are not condemning the brave Turkish soldiers who fought on our side in Korea. We are only calling attention to a horror of many decades ago in some small hope that this simple remembrance will serve as a reminder for the future.●

NEW LEGISLATION TO CLARIFY VOTING RIGHTS OF PERSONS ACCUSED OF CRIMES

HON. JOHN CONYERS, JR.

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 15, 1985

● Mr. CONYERS. Mr. Speaker, the right of qualified persons to register to vote is of fundamental importance to our American system of government. However, for certain categories of offenders, that right is very often ignored because of the erroneous belief that everyone who goes to jail is disenfranchised. The U.S. Supreme Court, in 1974, ruled in O'Brien versus Skinner that:

> Persons who are incarcerated as convicted misdemeanants or pretrial detainees unable to make bail who are under no voting disability under state law are entitled to vote by absentee ballot.

Rarely do these persons exercise their voting rights because, oftentimes, they and corrections officials are unaware of what the law provides. A Washington-based prisoners' rights group recently registered 7,000 pretrail detainees, misdemeanants, and persons appealing their conviction. Still, an estimated 300,000 men and women in custody remain unaware of their right to vote. This is an intolerable situation, the resolution of which is essential to the full enjoyment of voting rights.

Today, I have introduced a House concurrent resolution expressing the sense of the Congress that: First, all State constitutions and county and city charters be clearly amended to reflect the right of all pretrial detainees, convicted misdemeanants, and persons appealing a felony conviction to register and vote; second, the opportunity to register and vote be made available to all qualified offenders in our jails and prisons; and, third, probation and parole officials consider voting participation to be a positive rehabilitative factor when evaluating the offenders under supervision.

I invite my colleagues to join me as cosponsors of this legislation, the complete text of which is as follows:

H. CON. RES. 148

Whereas, the population of pretrial detainees, convicted misdemeanants, and persons appealing their felony convictions should have the right to register and vote; and

Whereas, such population does not exercise this right because they are generally unaware of their rights and because registration and voting is not usually made available to them; and

Whereas, the denial of the right to vote violates the due process and equal protection rights of those who have not been found guilty of felonies and those whose felony convictions are being appealed: Now, therefore, be it

Resolved by the House of Representatives (the Senate concurring), That it is the sense of the Congress that—

(1) all State constitutions and county and city charters should reflect the right of the population of pretrial detainees, convicted misdemeanants, and persons appealing their felony convictions, to register and to vote;

(2) all Federal, State, county, and city registrars of voters should provide adequate voter registration accessibility to such population during intake processing (booking), while in the general jail or prison population, and during release, discharge, or transfer;

(3) election officials should provide adequate voting accessibility to the such population in the form of voting booths and absentee ballots at each election;

(4) Federal, State, county and city corrections, parole, and probation officials should accept and encourage the positive rehabilitative value of voter registration and voting, and give fair consideration to acceptance of these civic responsibilities in probation and parole determinations; and

(5) prisoners rights, community, voter education, and political organizations should be encouraged to provide voter education to pretrial detainees, convicted misdemeanants, and persons appealing their felony convictions.●

RAILROAD RETIREMENT ACT AMENDMENTS

HON. JAMES L. OBERSTAR

OF MINNESOTA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 15, 1985

● Mr. OBERSTAR. Mr. Speaker, the Railroad Retirement Act was once model legislation for this Nation. Many of the retirement income protections of ERISA, enacted in 1974, have been a part of the Railroad Retirement Act since 1937.

Spouses and widows of workers retiring directly from railroad employment have been assured of pensions since the mid-1940's. In this regard, the Railroad Retirement Act is still ahead of other law since the Retirement Equity Act of last year only assured widows they wouldn't be surprised to learn that their pension rights had been signed away.

To finance these provisions, railroad workers contribute an amount identical to FICA taxes paid by everyone who works in employment covered by Social Security. In addition, railroad workers contribute to the railroad retirement trust fund from which the private pension portion of their annuities are paid. Through the financial interchange, FICA taxes paid by railroad workers are credited to Social Security trust funds and then credited back to the railroad's social security equivalent trust fund for payment of tier I railroad retirement benefits.

In spite of the fact that Social Security equivalent benefits for railroad retirees, their dependents and survivors must now be deposited into the equivalent account, limitations in the Railroad Retirement Act, in many instances, prohibit the payment of these benefits. Railroad workers pay for these benefits, they should receive them.

Measures I have introduced in past years have eliminated some of the most serious disparities in the law. As a result, benefits are being paid to separated spouses, dependent parents, divorced spouses and remarried widows of railroad workers. But many more changes need to be made to bring the Railroad Retirement Act into closer conformity with laws protecting other workers in our economy.

I am today introducing the following bills which are being cosponsored in the Senate by Senator JOHN HEINZ and I urge my colleagues to join me in working for their enactment.

SURVIVORS' BENEFIT FOR RETIREES WITHOUT A CURRENT CONNECTION

Under the Railroad Retirement Act, an employee who works in railroad employment for 120 months or more is vested for life. Upon retirement, he is eligible for a tier I benefit computed on the basis of lifetime wages whether in railroad employment or employment covered by the Social Security Act. He is also eligible for a tier II benefit based on years of railroad employment. The worker's retirement-age spouse is eligible for 50 percent of tier I and 45 percent of tier II. Upon the death of the worker who retires directly from railroad employment, the surviving spouse is entitled to 100 percent of a tier I benefit and 50 percent of a tier II benefit. The survivor's tier I benefit is paid from the Social Security equivalent account; the tier II benefit is paid from the railroad retirement account.

If the worker leaves railroad employment after becoming vested but before reaching retirement age and works in nonrailroad employment, he is said to have lost his "current connection" with the railroad. Upon his death, his lifetime wage history is transferred to the Social Security Administration for payment of a Social Security survivor benefit. No tier II survivor's benefit is ever payable.

H.R. 2508 brings the Railroad Retirement Act into line with ERISA and the 1984 Retirement Equity Act by providing:

First, widows of noncurrent connected workers who die before retirement age will be paid both a tier I and a tier II benefit by the Railroad Retirement Board.

Second, all noncurrent connected survivors will be eligible for survivors benefits. This entitlement will be financed by reducing noncurrent connected retiree and spouse benefits in an amount sufficient to finance benefits to survivors.

Third, consent of both the retiree and spouse will be required to waive survivor benefits.

Fourth, the Railroad Retirement Board will retain jurisdiction for payment of all surviving spouse benefits on the wage records of deceased, noncurrent connected workers.

Fifth, amendments will apply to workers and retirees whose deaths occur on or after date of enactment.

LAST PERSON SERVICE

The Railroad Retirement Act provides that neither tier I nor tier II retirement benefits can be paid until a work relationship with a last employer is severed. Individuals who wish to remain in the work force may change employment and receive both tier I and tier II benefits, though tier I entitlement would be reduced by excess earnings in the same manner and same amount as would occur under the Social Security Act. No benefits can be paid, however, if a worker chooses to stay with a current employer even on a part-time basis. This requirement to sever current employment applies not only to workers retiring directly from the railroad, but also to spouses, divorced spouses, and workers who may have left railroad service years earlier. It has its most serious impact on divorced spouses who might not be able to afford to completely leave the labor market.

H.R. 2509 provides that a tier I benefit, subject to the earnings limitations of the Social Security Act, will be payable to any eligible individual without regard to the last person service rule. Since this benefit will be paid from the Social Security equivalent account, it will have no impact on the railroad retirement account.

DIVORCED SPOUSE

The Social Security Act of 1983 provided divorced spouses the option of retiring at age 62 if their former spouses were eligible to retire. Under prior law, benefits could not be paid until the former spouses had actually left the work force. The 1981 Railroad Retirement Act Amendments authorized payment of a benefit to divorced railroad spouses equal to that which would be paid under the Social Security Act. The Railroad Retirement Act, however, still specifies that the railroad worker spouse must have filed an application for retirement benefits before the divorced spouse is eligible.

H.R. 2510 removes the requirement that the railroad worker file for benefits before his former spouse is eligible to file for and receive a tier I benefit.

CURRENT CONNECTION

Legislation I sponsored, enacted in modified form in 1981, provided that a worker who left railroad employment after more than 25 years of service would not lose his "current connection" with the railroad unless he was released for cause, failed to accept a valid offer of reemployment, or left voluntarily. For purposes of this section of the law, acceptance of severance pay was to be interpreted as voluntary separation.

Since 1981, the railroads have suffered a severe recession. Employment dropped precipitously between 1981 and 1983. Many workers with 30 or more years of service accepted severance pay and left railroad service with the understanding that they were entitled to file for unreduced railroad retirement benefits at age 60. The Railroad Retirement Solvency Act of 1983 altered the benefit computation formula by imposing a 20-percent reduction on tier I benefits for workers retiring before age 62. Workers who would otherwise choose to reenter the work force and defer retirement until age 62 are precluded from doing so as accepting nonrailroad employment will cause forfeiture of tier II survivors' benefits to their widows.

H.R. 2511 removes the limitations of present law. Workers with 25 or more years of railroad service would not longer lose a current connection by working for a nonrailroad employer after leaving railroad employment.

DISABLED WORKERS, MONTHLY AND ANNUAL WORK TEST

Railroad workers who are retired on disability, who wish to attempt to return to the work force, are subjected to a monthly earnings limitation of $200. One penny in earnings over that amount causes a forfeiture of all disability retirement benefits in the month of excess earnings. Similarly, annual earnings in excess of $2,400 cause a loss of 1 month's benefits for each $200 over the annual amount. The final increment of excess earnings over $2,400, if greater than $100, will cause a loss of 1 month's benefits.

H.R. 2512 increases the monthly disability earnings limit to $400 after deduction of disability related work expenses and the annual earnings test to $4,800 after deduction of disability related work expenses. One month's benefits will be withheld for each $400 over the earnings limitation. A final increment of $200 or more will cause a loss of 1 month's benefits.

DISABLED WORKERS, TRIAL WORK PERIOD

Under the Social Security Act, disabled workers who have not recovered from their disabilities, but nevertheless attempt to return to some type of gainful employment, are entitled to a trial work period of up to 9 months. Full disability benefits are paid throughout the trial period and for an additional 3 months.

Disabled railroad workers are subject to a loss of benefits from the first month of a return to the work force.

H.R. 2513 provides that a railroad retirement tier I benefit will be payable without regard to the disability earnings limitation during a trial work period if, in identical circumstances, a Social Security benefits would be payable. This benefit would be paid from the Social Security equivalent account.

DISABLED SPOUSES OF ANNUITANTS

Spouses of annuitants are entitled to benefits upon reaching retirement age. Younger spouses, who are not caring for young children, are expected to be able to enter the work force. This expectation is unrealistic if the spouse is so severely disabled as to be unable to engage in any substantial gainful activity.

H.R. 2514 provides an unreduced benefit, regardless of age or child in care, to a disabled spouse of a railroad worker in receipt of retirement or disability benefits. The bill also provides a benefit to the spouse of an annuitant who is so disabled as to require constant aid and attendance. H.R. 560 and H.R. 562, introduced January 22, 1985, would similarly amend the Social Security Act.

YEARS OF CREDIT FOR MILITARY SERVICE

Railroad Retirement credit for military service is limited to workers who are involuntarily inducted or who enlist after war is declared. As a result, railroad workers who enlisted in the Armed Forces between World War II and the Korean conflict and subsequently returned to railroad employment are denied retirement credit, whether or not they actually served in combat. Had they worked for the Federal Government or any other private employer in the Nation, Federal law would have required the crediting of military service. The same disparity in treatment under Federal law applies to all workers who left railroad employment, entered military service after December 31, 1976, and returned to railroad service after discharge. At the same time, there is no limit on the number of years of military service which can be credited toward railroad retirement as long as the worker entered military service and reenlisted during a period recognized as "wartime service."

H.R. 2515 removes the requirement that workers must have been involuntarily inducted or enlisted during wartime in order to receive railroad retirement credit for a period of military service. The bill also limits the period of military service for which retirement credit must be given to the period of time—generally 4 years—which must be credited by any other employer under provisions of veterans' reemployment rights laws. This limitation of creditable service applies only to persons who return from military service to railroad employment after the date of enactment of the bill.

UNEMPLOYMENT INSURANCE AND SICKNESS BENEFITS

The Railroad Unemployment Insurance Act requires that unemployment or sickness benefits be reduced dollar for dollar by any "other social insurance" the railroad worker is receiving. "Social insurance" as defined by the courts includes disability or retirement programs from any level of government. It also includes workers' compensation or veterans' compensation paid on the basis of injuries or disabilities resulting in a loss of wage earning ability. As a result, railroad workers in receipt of "social insurance" payments from nonrailroad employment have little or no unemployment or sickness insurance protection against loss of their railroad wages.

The Railroad Unemployment Insurance Committee, in its 1984 report, supported enactment of legislation to remove this offset and bring the Railroad Unemployment and Sickness Benefits Program into line with the State and Federal unemployment insurance programs protecting other workers in the Nation.

H.R. 2516 amends the Railroad Unemployment Insurance Act to provide that unemployment benefits and sickness benefits of railroad employees will not be reduced by reason of the receipt of unrelated social insurance benefits.●

AMTRAK MYTHS, AMTRAK FACTS

HON. PETER H. KOSTMAYER

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 15, 1985

● Mr. KOSTMAYER. Mr. Speaker, one of the major budget battles looming ahead will be over Amtrak. The administration has targeted Amtrak for extinction; many of us in the Congress believe we need rail passenger service in this country.

The administration has been guilty in the case of Amtrak, Mr. Speaker, of hyperbole and exaggeration. The facts are Amtrak is indeed on the right track, and the subsidies it receives are quite modest considering the number of riders, and the number of communities dependent on Amtrak service.

Neil Peirce, the widely respected journalist, recently wrote a column about the Amtrak controversy. Mr. Peirce notes the adverse economic effects which would result from the loss of Amtrak service.

I commend this article to my colleagues, Mr. Speaker, and insert it at this point in the RECORD:

FIGHT TO SAVE AMTRAK PUTS SMALL, BIG CITIES ON SAME TRACK

(By Neal R. Peirce)

If ever there was an issue on which the needs of small and big city people were on the same track, it's this spring's Capitol Hill battle to save Amtrak from the zero funding, and almost sure death, advocated by Ronald Reagan and David Stockman.

All taxpayers should question the fishy math behind the administration argument that $684 million a year could be saved by killing off the nation's railpassenger network. Lengthy layoff wages for railway workers, mandated by Congress years ago, would cost at least $600 million next year and over $2 billion in six years—without a single passenger transported anywhere.

The shutdown costs might be worth it if Amtrak were throwing good money after bad. But the system has won substantial labor concessions. Its shucked off many lightly used routes. Its invested $2 billion in the Northeast corridor highspeed track and over $1 billion in equipment. Fares paid only 43 percent of costs six years ago, but should reach 60 percent next year. The fact that Amtrak requires subsidies is hardly shameful; so do national rail systems across the globe.

Ultimately, the issue is people and communities. Small cities and towns constitute the vast majority of Amtrak's 513 station stops. As many as 160, most in the South and West, would be left devoid of passenger service—rail, bus or air—by Amtrak's demise.

Stockman says Amtrak subsidizes "well-heeled" Americans. Some are. But Amtrak riders outside of big commuter markets have average family incomes of less than $20,000. Many are youths or retirees. Observes travel writer George Bradford: "Nobody who ever walked, at night, through the passenger coaches of the Crescent to New Orleans, the Silver Star to Florida, or Broadway Limited to Chicago could con-

vince me that those were the rich and middle class sprawled across seats, trying to keep the kids quite, and shifting around while attempting to sleep until their luxurious arrivals at 2:20 a.m. in Charlotte, N.C., or 2:51 a.m. in Canton, Ohio."

For subsidy elimination, Stockman is on much sounder ground in urging speedup of the scheduled 1988 ending of the government's "Essential Air Service" program. Some $44 million will be spent this year to underwrite service to 146 towns—such as Great Bend, Kan., Oil City-Franklin, Pa., and Stillwater, Okla. But most air travelers are more affluent (many are on business trips) and could easily drive to bigger air transit hubs in their states.

Where Amtrak does have proportionately more affluent passengers is in its heavily used Boston-to-Washington corridor. It carries 10 million passengers, mostly commuters, into New York, Philadelphia, Boston and Washington, each year. Other heavy commuter markets are Chicago-Milwaukee and Los Angeles-San Diego.

Eliminating Amtrak would have dire effects on highways and airports in the densely used corridors. The 83,000 daily rail commuters from New Jersey into New York would be forced into private cars or buses. With more people training than flying between Washington and New York, already clogged airports would face horrendous traffic increases: 50 flights a day more would be required into Philadelphia alone.

One suggestion has been to preserve Northeast corridor service, and perhaps one or two other heavily used markets, and let the rest of Amtrak die. The solution doesn't wash, says Amtrak President W. Graham Claytor. It would immediately trigger labor-protection liabilities of $1 billion or more: "We don't have money to pay that. We'd be insolvent even then."

Could states and cities shoulder the bill? Only, one guesses, by an interstate compact that it would likely take a decade to negotiate. State legislatures would be caught in endless wrangles between areas benefited and those not. Cities, already facing revenue sharing and mass-transit subsidy loss, wouldn't have the means.

Could Amtrak ever be profitable, or be sold to private owners? Given world experience, probably not. But Congress could help by fashioning labor law to encourage more efficient operations. And if Amtrak's subsidy is to be ended, would Congress also end the billions of federal funds going into air-traffic control and maintenance and revenue bonds for airports? The gravy train doesn't stop at the rail station. For the really big subsidy bucks, go to the airport and ask Delta, Eastern or United how much they'd like to pay the full bill for the facilities they use.

Another point for Amtrak: The national economy would hardly benefit by death of a corporation with 25,000 workers and a $2 billion budget. But the ultimate argument isn't economic. It's that a system its enemies call a nostalgic anachronism is part of the soul of America. Once killed, it would be exceedingly difficult—perhaps impossible—to revive.

The rails carry us over routes by which many of our ancestors first discovered and traveled this land. They are a national treasure, like national parks. Like parks, they require subsidy. To run them inefficiently is intolerable. To extinguish them would be unthinkable.●

H.R. 2528

HON. FORTNEY H. (PETE) STARK

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 15, 1985

● Mr. STARK. Mr. Speaker, today, I am introducing H.R. 2528, a bill designed to eliminate the unintended application of the minimum tax to startup high technology companies on their R&D expenditures. Recently, it has come to light that startup high technology companies may face unexpected tax liabilities under the minimum tax due to a tax law change made in 1982.

In TEFRA, research and development expenditures became a tax preference item for individuals, including shareholders of Sub S corporations and members of partnerships. Although corporations were exempted generally, these expenditures were made a tax preference for personal holding companies.

While no one considers active companies to be personal holding companies [PHC's], many high technology companies in the startup and developmental stages of their business technically fit the definition of a PHC during the period before product sales begin. This result can occur when a company is closely held and has largely passive sources of income, such as interest earned on the venture capital that has been raised. In this situation, operating expenses and other deductions, including research and development expenses, produce a net operating loss [NOL] carryforward to future years.

For affected companies, in future years when the NOL is used against operating profits, such companies will also have to pay a minimum tax liability on 90 percent of the R&D expensed under IRC section 174(a) in the year(s) the NOL arose. Ironically, the company would not be subject to the PHC tax in the earlier year since it had no taxable income, and it would not be a PHC in the later year when it had substantial operating income.

It does not appear that the tax writing committees or the Congress understood or anticipated this effect of the 1982 act provision. The personal holding company rules have not been reviewed in many years and their application to high technology companies has only recently come to our attention.

This bill, as a first step, would provide that R&D expenses are not to be considered a tax preference item for personal holding companies. This change would be effective for tax years beginning after December 31, 1982, to ensure that the affected startup companies will not have any unwarranted tax liabilities under the minimum tax to pay out of their first profits.

I am hopeful for a quick resolution of this problem. I expect the bill to be noncontroversial and to have a wide base of congressional support.

The text of the bill follows:

H.R. 2528

A bill to amend the Internal Revenue Code of 1954 to provide that research and experimental expenditures of corporations, including personal holding companies, shall not be treated as items of tax preference for purposes of the mimimum tax

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a) the last sentence of section 57(a) of the Internal Revenue Code of 1954 (defining items of tax preference) is amended by inserting before the period at the end thereof the following: "and paragraph (6) to the extent it relates to the deduction under section 174(a) also shall not apply to a personal holding company (as so defined)".

(b) The amendment made by subsection (a) shall apply to taxable years beginning after December 31, 1982.●

THE 150TH ANNIVERSARY OF THE CITY OF SONOMA, CA

HON. BARBARA BOXER

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 15, 1985

● Mrs. BOXER. Mr. Speaker, I am happy to rise today to honor an important occasion in California history. One-hundred-and-fifty years ago this June the Mexican Governor of Alta California directed the establishment of a Presidio and Pueblo in the Valley of Sonoma. This settlement came to be known as the city of Sonoma. This city of rich heritage is celebrating its sesquicentennial in June 21 through June 24, 1985. In honor of this occasion, I ask that the following proclamation, issued by the mayor of Sonoma, be published in full in the CONGRESSIONAL RECORD.

Whereas, Sonoma, in the Valley of the Moon, was originally a mission settlement, the last in the chain of 21 missions beginning in San Diego and going north along the coast of California; and

Whereas, the founding of the Sonoma Mission on July 4, 1823 was the only one established under the Republic of Mexico; and

Whereas, this Mission was flourishing during its first decade of existence; and

Whereas, during this time the Russian settlements at Fort Ross and Bodega were also flourishing; and

Whereas, the Mexican Governor of Alta California had growing concerns of further Russian expansion in this Northern Frontier territory of the Republic of Mexico; and

Whereas, the Mexican Government desired to curb this expansion and demonstrate this by settling the area; and

Whereas, Governor Figueora having confidence and trust in the Commandant of the Presidio of San Francisco, Mariano Guadalupe Vallejo; and

Whereas, on June 24, 1835 the Governor sent a letter to the Commandant directing him to establish a Presidio and Pueblo in the Valley of Sonoma adjacent to the Mission San Francisco Solano.

Now, therefore, be it resolved, that it was 150 years ago that this formal direction was given by the Government of Mexico to Mariano Guadalupe Vallejo; and

Be it further resolved, that the present City of Sonoma as successor to the original Pueblo of Sonoma, desires to appropriately celebrate this 150th Anniversary; and

Be it further resolved, that it is not only fitting and proper but necessary to cherish and perpetuate the history, tradition and heritage that is ours as residents of the City of Sonoma; and

Be is finally resolved, that the Mayor and City Council of the City of Sonoma invites and urges its citizens and friends to participate and celebrate in the festivities honoring our Sesquicentennial.

JEANNE M. MARKSON, *Mayor.*●

THE 4-YEAR TERM: TIME FOR RECONSIDERATION

HON. GEORGE M. O'BRIEN

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 15, 1985

● Mr. O'BRIEN. Mr. Speaker, it has been 19 years since this body considered a constitutional question which has been around since the founding of our Republic; namely, "should the length of terms of office for Members of the House of Representatives be extended?"

The House Judiciary Committee held hearings on this subject in 1966 and 1967. The other body held hearings on this and related subjects in 1979.

The role of the House of Representatives has changed drastically in the 200 years since the first Congress. In 1787 the relatively primitive stages of communication and travel made a 2-year term necessary in order to keep a Member from becoming too independent from the citizens of his district. However, modern technological advancements have caused this argument to lose its efficacy. A Member can easily and effectively keep in touch with the viewpoints and opinions of his constituents through modern communication, public opinion polls and the media. Additionally, Mr. Speaker, in response to the changing character of the House and the society, our institution has provided means, and effective means, for each Member to stay in touch with his or her constituency.

The modern House of Representatives a continuous and professional work organization and institution which deals with highly complex issues. A 4-year term would allow a reasonably sufficient period of time I which to gain and apply the expertise necessary to deal with problems which can only become more complex.

Most observers agree that the power of the House of Representatives has been eroded over the years and that real power resides in the executive branch and with the courts. We have no one to blame but ourselves for this state of affairs. In an era of million dollar political campaigns, there is a practical reason why members do not relish the assumption of new powers and duties, and that is, simply, that Members must spend an inordinate amount of time on the process of reelection.

In my view, the Nation would be better served if some of the time and attention that goes into campaigning were focused instead on oversight and control of the bureaucracies we have created. I am convinced that if just some of the campaign pressure were lifted from Members, the quality of legislation would improve.

There is an assumption on the part of most Members that they know the arguments, for and against, the proposition to extend the terms of office. However, in order to bring the debate up to date, and to reconsider all the ramifications of making such a change in the Constitution, it is vital that the House Judiciary Committee conduct a thorough hearing and investigation.

It appears that many Members agree with the concept of extending the length of terms, but falter when suggesting a methodology that is comprehensive, fair, and would stand a reasonable chance of approval by two-thirds of the membership of each House of the Congress and three-fourths of the 50 State legislatures.

Thus far in my examination of the various proposals to lengthen the terms of House Members, I have discovered enough complications and variations to keep a platoon of political scientists busy for decades. The process of reforming the system whereby we elect Members of the House must, of necessity, be as uncomplicated as the present system. It it is not, then I fear there is little possibility that this House, or the other body, or the State legislatures, or the people, would ever subscribe to the concept.

The first complication is the decennial census. Somehow or other, we must make provision for the reapportionment of the House based on the census. If one can devise a new and simple system that takes the census into account, then one runs into the variations. Shall we have classes of Members like the Senate? Shall we have two classes or Members, or three, or four classes of Members? How do we provide for an equal distribution of the first apportionment? How do we make sure that all State delegations are provided for equally? These are but some of the questions that face the reformer.

The art of politics is compromise as we learn here every day. Accordingly, I am compromising with the principle of term extension to the extent that my legislation provides for a term of 2 years and two terms of 4 years each in the 10-year cycle.

Assuming this legislation were passed by the Congress and approved by the States within the next 5 years, the term-extension begins with the election of 1990.

The elections of 1990 would be for terms of 2 years each. The calendar years served would be 1991 and 1992. The actual service period would be from January 3, 1991 through January 2, 1993.

The elections of 1992 would be for terms of 4 years each. The calendar years served would be 1993, 1994, 1995, and 1996. The actual service period would be from January 3, 1993 through January 2, 1997.

The elections of 1996 would be for terms of 4 years each. The calendar years served would be 1997, 1998, 1999, and 2000. The actual service period would be from January 3, 1997 through January 2, 2001.

The cycle would begin again with elections of the year 2000. The elections of 2000 would be for terms of 2 years each; the elections of 2002 would be for terms of 4 years each; and the elections of 2006 would be for terms of 4 years each. And, the cycle would began again: The elections of 2010 would be for terms of 2 years each; the elections of 2012 would be for terms of 4 years each; and the elections of 2016 would be for terms of 4 years each.

Mr. Speaker, at this point, I have provided a 60-year chart of the elections under my proposal:

ELECTION YEARS, CALENDAR YEARS, TERMS OF SERVICE

Election year	Calendar years served	Term of service
1990	1991, 1992	1/3/1991–1/2/1993
1992	1993, 1994, 1995, 1996	1/3/1993–1/2/1997
1996	1997, 1998, 1999, 2000	1/3/1997–1/2/2001
2000	2001, 2002	1/3/2001–1/2/2003
2002	2003, 2004, 2005, 2006	1/3/2003–1/2/2007
2006	2007, 2008, 2009, 2010	1/3/2007–1/2/2011
2010	2011, 2012	1/3/2011–1/2/2013
2012	2013, 2014, 2015, 2016	1/3/2013–1/2/2017
2016	2017, 2018, 2019, 2020	1/3/2017–1/2/2021
2020	2021, 2022	1/3/2021–1/2/2023
2022	2023, 2024, 2025, 2026	1/3/2023–1/2/2027
2026	2027, 2028, 2029, 2030	1/3/2027–1/2/2031
2030	2031, 2032	1/3/2031–1/2/2033
2032	2033, 2034, 2035, 2036	1/3/2033–1/2/2037
2036	2037, 2038, 2039, 2040	1/3/2041–1/2/2041
2040	2041, 2042	1/3/2041–1/2/2043
2042	2043, 2044, 2045, 2046	1/3/2043–1/2/2047
2046	2047, 2048, 2049, 2050	1/3/2047–1/2/2051

Mr. Speaker, I believe the proposal meets the critical needs of this institution. I believe that my proposal also meets the test of simplicity and understandability which is absolutely vital if we are to sell this reform to the American people.

I commend this proposal to my colleagues and the members of the House Judiciary Committee and, naturally,

extend an invitation to other Members to join me in cosponsorhip.

A copy of the proposed legislation is appended to these remarks.

"JOINT RESOLUTION

"To propose an amendment to the Constitution of the United States to provide for terms of two and four years for Members of the House of Representatives.

"Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That the following article is proposed as an amendment to the Constitution of the United States, which shall be valid to all intents and purposes as part of the Constitution if ratified by the legislature of three-fourths of the several States with the five-year period following the date of its submission to the States for ratification:

"ARTICLE

"SECTION 1. The terms of Members of the House of Representatives who are elected in any year ending with a zero shall be two years. The terms of Members of the House who are elected in any year ending in a two or a six shall be four years. Terms of Members shall commence at noon on the third day of January of the year following the year in which they were elected to office.

"SEC. 2. No Member of the House of Representatives shall be eligible for election to the Senate for a term which is to begin before the expiration of the House term of such Member unless at least thirty days prior to such election such Member submits a resignation from the House that is effective not later than the beginning of such Senate term.

"SEC. 3. Any person who is a candidate for election to one House of the Congress under the laws of the State where such person resides shall not be eligible for election to the other House of the Congress.

"SEC. 4. This article shall apply to any election held during or after the year 1992."●

OFFICIOUS INTERMEDDLERS

HON. DON EDWARDS

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 15, 1985

● Mr. EDWARDS of California. Mr. Speaker, the Reagan administration is attempting to reopen over 50 settled public employment discrimination cases to eliminate agreed upon affirmative action plans. This attempt flies in the face of local community sentiment. Officials in Boston, Chicago, Philadelphia, Miami, Los Angeles, San Francisco, Indianapolis, and Birmingham, among others, have told the Justice Department to stop meddling in their local affairs.

Mr. Speaker, I find it a bitter irony that the Reagan administration's usual litany against "interference from Washington" is seldom heard in civil rights matters. Instead, the Justice Department has its own affirmative action plan to roll back our society to a time when racism was accepted and segregation was the law.

The following Washington Post editorial, I believe, will be of interest to our colleagues:

[The Washington Post, May 8, 1985]

THE MEDDLERS

The administration abhors heavyhanded federal intervention in local affairs—except on some issues. In Indianapolis the Justice Department is now intervening in the most delicate of local matters, the racial composition of the police and fire departments. Over the objections of the city's Republican mayor, it is asking a federal court to order the rewriting of a 1978 consent decree in which the city pledged to raise "the black composition" of the two public safety departments until their makeup "more nearly reflects the racial composition of the work force of the city." To accomplish that, the city agreed to reserve for "qualified black applicants" for as long as necessary at least 25 percent of the places in "all future police and fire training classes." A similar consent decree was entered in 1979 affecting women; the Justice Department is also attacking that.

The department is acting on the basis of a Supreme Court decision last year in a Memphis firefighters case. The assistant attorney general for civil rights, William Bradford Reynolds, contends that the court in this case outlawed all affirmative action plans containing explicit numerical goals. His view of the case is sharply disputed. The issue in Memphis was layoffs—whether race could be given more weight than seniority in deciding whom to keep and whom to let go at a time of retrenchment. The court said seniority should govern. But seniority rights have a special place in the law, and civil rights groups say the court did not mean its decision to extend to such other areas of affirmative action as hiring and promotion. Some federal courts have also taken this view since the Supreme Court spoke.

Mr. Reynolds sees a principle at stake. He believes the law should be colorblind. There are good arguments to make on this account in certain cases, and not everything ever undertaken in the name of affirmative action is right. But the Supreme Court itself has said that race can be taken into account in overcoming the effects of past discrimination, and Indianapolis is no great symbol or path breaker in the affirmative-action debate. Its mayor, William H. Hudnut III, says its police and firefighters hiring plan was working peacefully and well, and "if we want a higher standard of hiring than what the Justice Department requires, I don't understand why they can't let us do that." Blacks make up about 18 percent of Indianapolis' work force. When Mayor Hudnut took office in 1976, they made up about 10 and 8 percent of the police and fire departments, respectively. Those figures are now 14 and 13 percent.

Officials in this administration sometimes voice astonishment that their record is viewed as anti-black and anti-civil rights. If they genuinely wonder at this, they should look to Indianapolis. It's not just that the department is on the wrong side—which we think it is. The department under Mr. Reynolds is trying to make law on affirmative action—to force its view of the law on the country in advance of the courts. It is welcome to do that in future cases, to argue for whatever result it pleases. But to reopen settled cases on such a weak basis is to threaten social peace for the sake of ideology. The Justice Department should go home.●

"NEW" SS WREATHS, OLD ANTI-SEMITISM

HON. BILL GREEN

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 15, 1985

● Mr. GREEN. Mr. Speaker, I would like to share with my colleagues the following article by Marvin Kalb which appeared in the New York Times on May 14, 1985.

The article's message speaks for itself; the lessons of the Holocaust have not been learned.

The article follows:

[From the New York Times, May 14, 1985]

"NEW" SS WREATHS, OLD ANTI-SEMITISM

(By Marvin Kalb)

WASHINGTON.—The controversy over the Reagan visit to Bitburg is receding, no longer a front-page embarrassment. But do you hear an echo from the past?

I visited the cemetery the morning after President Reagan and Chancellor Helmut Kohl placed wreaths of reconciliation in front of its chapel. For years, the cemetery had been largely ignored; now, it was an instant shrine, a focus of political debate. Small flower pots marked many flat graves, 40 of them honoring Waffen SS troops. By the end of my visit, many hundreds of Germans and occasional Americans from the nearby Air Force base paused before the wreaths. Some took pictures. Mothers hushed children. A religious air seemed to saturate the scene.

But look and listen: all around there were the sights and sounds of the new Germany—and old. Six feet to the left of the President's wreath stood an equally impressive one. Across its banner: "To the Waffen SS who fell at Leningrad." No more than a foot to the right of the Chancellor's was another wreath: "For the fallen comrades of the Waffen SS."

These two wreaths had been placed in the chapel, out of sight, hours before the President arrived. They were restored to their original places of honor only hours after he left. In the ensuing tranquility, the Waffen SS could again be honored in the springtime sun.

A middle-aged visitor from Nuremberg said the Waffen SS were simply soldiers—young conscripts doing their duty. "Let them rest in peace. For us, a dead soldier is a dead soldier, not a hero."

A native of Bitburg, who looked to be in his 20's, expressed a view I was to hear with disturbing regularity. "We Germans and Americans had been cooperating very well"—he lowered his voice—"until the Jews began to make trouble."

Another Bitburger zeroed in on Elie Wiesel. "Imagine the nerve of a Jew lecturing President Reagan. I saw him on television, making trouble the way they all do."

An old woman complained that Mr. Reagan had spent only eight minutes at the cemetery. "You know why the visit had to be cut back? Because of the Jews." She stalked away to join a group of friends nodding in agreement.

A man with a cane stopped and said: "If they don't like it here, the Jews, let them go away. We were better off without them in Germany." There are only 28,000 left, he was reminded. "Too many," he replied.

The people of Bitburg are pleased that Mr. Reagan came to visit, that he didn't yield to pressure. But it's clear they resent their new notoriety—and equally clear whom they consider responsible for the unwelcome change: the Jews and the media. The Jews are seen as a group separate from Germans and Americans—an indigestible lump, a foreign body. The media are seen as intrusive and irresponsible and, somehow, controlled by the Jews.

So it went. A few days later, a Munich newspaper editor explained that anti-Semitism is an "anthropological phenomenon" in Germany. The controversy seems only to have uncorked the venom once again. There is a sad irony. Bitburgers consider themselves remarkably enlightened. In 1933, when Hitler won a critical election, this conservative Catholic town voted overwhelmingly against him.

Is Bitburg an aberration? It is impossible to judge and dangerous to generalize. But a number of leading West German politicians and professors—several close to Mr. Kohl—think anti-Semitism was on the rise even before Bitburg. "The Jews were getting too impertinent," one politician said, citing, among other things, their opposition to West German tank sales to Saudi Arabia. "We've listened to them much too long. It's enough."

The pursuit of reconciliation by way of Bitburg has been a failure. What should have been obvious from the beginning is that reconciliation is a long process—not a single photo opportunity, an event, a moment frozen in time. Bitburg, exposing clumsiness and poor political judgment in Bonn and Washington, in the process lifted the scab on dark corners of recent German history. There is a time to know when to leave well enough alone.

As I entered the cemetery, I noticed a sign: "Please do not disturb the peace and rest of the dead." Too late.●

VETERANS HEALTH CARE BUDGET CANNOT BE REDUCED FURTHER

HON. G.V. (SONNY) MONTGOMERY

OF MISSISSIPPI

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 15, 1985

● Mr. MONTGOMERY. Mr. Speaker, next week the House may be making major decisions on the budget for fiscal year 1986. Many Federal programs will be affected. The decisions we must make will not be easy. We all have different priorities.

A very high priority of mine is veterans health care. I want my colleagues to fully understand the impact of any budget reductions in funds to operate the VA's health care system. Who is better able to relate the problems in the field than the people in the field?

According to the chiefs of staff at VA hospitals nationwide who responded to a recent survey, inadequate budgets are already taking their toll. More cuts in the budget will mean longer waiting lists, the turning away of certain nonservice-connected veterans, and delays in many surgical procedures.

There follows a report from the Chief of Staff at the Harry S. Truman Memorial Veterans Hospital in Columbia, MO:

HARRY S. TRUMAN
MEMORIAL VETERANS HOSPITAL,
Columbia, MO, January 31, 1985.

HOWARD H. GREEN, M.D.,
Chief of Staff (11),
VA Medical Center,
White River Junction, VT.

Subject: National Survey Questionnaire from NAVACOS.

1. We are pleased to answer the questionnaire in your letter of January 2, 1985 as we too are one of the hospitals that have been experiencing ever increasing budget deficits during the past few years. We would appreciate your sharing the comments and solutions you obtain as a result of this survey with us so that we may benefit from them at this hospital.

A. Size of hospital.—Our hospital is a 452 bed facility (54 NHCU beds).

B. Affiliated.—We are affiliated with the University of Missouri Medical Center.

C. Projected dollar deficit as of 1/1/85: (1) Personnel, $115,267; (2) All Other, $1,078,565.

D. Impact of dollar deficit:

(1) Personnel.—The deficit of $115,267 represents 5.5 FTEE based on an average annual salary of $28,1451. Our current lag time in filling selected vacancies is 8 weeks. By increasing lag time in filling selected vacancies, we can control the personnel services shortages.

(2) Supplies—the most significant shortages are in drugs, medical supplies and beneficiary travel. We are anticipating cutting outpatient visits to reduce workload and thus save in drug, medical supplies and beneficiary travel costs. We have a projected $95,000 deficit in beneficiary travel which can be eliminated by cutting 5,000 outpatient visits. However, we are planning to cut from 10,000 to 15,000 visits to bring the drug and medical supplies deficits down to a manageable level. This will be done by strictly enforcing existing law regarding stable patients, and limiting visits for non-service connected veterans.

(3) Equipment.—There are no budget deficits for 1985. FY 1984 end-of-year funding was utilized to buy required equipment. However, we are seriously considering using equipment funds to offset some of our deficit.

(4) Backlog of patient surgery.—At the present time we do not plan a backlog in this area. As stated above, we plan to cut back on outpatient visits. In the past, deficits have caused backlogging of joint prosthesis patients, and I anticipate that this will happen again in the future.

E. Solutions devised: We are in the process of implementing serveral plans aimed at decreasing existing personnel and supply deficits.

(1) Changing the refill policy in Pharmacy from 30-day to 90-day refills. While this will not save in drug and supply costs, it will offset staffing needs in Pharmacy and reduce their overtime requirements.

(2) We are also opening our own Coronary Care Unit. These services have also been provided in the past by the University of Missouri Medical Center through the Sharing Agreement.

(3) The additional funds we received at the end of FY 1984 were used exclusively to replenish inventory for high usage items and to buy required equipment. Use of funds in this manner has also reduced this year's deficit considerably.

F. Other comments:

(1) I am deeply concerned about the present level of our funding, and share Dr. Wolcott's concern about the detrimental impact on our programs. Our medical staff has given me a clear message that they intend to maintain quality of care, and do not consider lowering level of care in order to accommodate increasing numbers an alternative. This means that unless funding is increased, we will not be able to respond to the projected rise in demand.

(2) This concerns me greatly, since it will mean that we will not be able to provide for large numbers of patients who are truly indigent. The private sector does not want these non-paying people, and I am sure that it would be more expensive for society to create a new alternate system. Any physician working in the system can verify that the VA gets a bargain on its dollars.

(3) It will also deprive our training programs of needed teaching material.

(4) I cannot believe that a country with the humanitarian concerns of ours will settle for providing health care only on the basis of ability to pay.

2. The Resource Allocation Model, which bases fund allocation on weighted work units for Diagnostic Related Groups, substantiated our opinion that our budget deficits are directly related to the complexity of our patient care. Full utilizaiton of this model should alleviate some of our monetary problems.

TERRY S. HOYT, M.D.,
Chief of Staff.●

POLIO ERADICATION IN THE AMERICAS BY 1990

HON. MICHAEL D. BARNES

OF MARYLAND

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 15, 1985

● Mr. BARNES. Mr. Speaker, a war has been declared on polio in the Western Hemisphere. Yesterday, the Pan American Health Organization launched a plan to raise the immunization level of children in the hemisphere to a minimum of 80 to 85 percent by 1990, effectively wiping out polio in the Americas. Only a few years ago, such an achievement was thought to be impossible. Today, with the demonstrated effectiveness of mass immunization campaigns in Colombia and El Salvador, this hope for the children of the world can become a reality.

I want to share with my colleagues the following Washington Post account of the PAHO announcement:

HEMISPHERIC WAR ON POLIO DECLARED

With the developers of the polio vaccines looking on, the Pan American Health Organization launched a major effort yesterday to eradicate polio from all nations of the Americas by 1990.

Dr. Carlyle Guerra de Macedo, the organization's director, outlined a five-year, $100 million program to raise the immunization level of children in all countries of the hemisphere to at least 80-85 percent. This,

officials said, should wipe out the disease in the New World.

Guerra de Macedo said one-third of the amount needed to eliminate polio in the hemisphere will come from donations from wealthier nations and institutions, and the remainder from the tropical and subtropical countries at which the effort is mainly aimed.

There were 489 cases of polio reported in 10 countries in the Western Hemisphere last year, but Dr. Albert Sabin, who developed the live-virus polio vaccine, said the actual number of cases may be 10 times as great.

Guerra de Macedo said 4 million children born every year in the Americas still are not vaccinated against polio and other serious childhood diseases.

Polio reached a peak in the United States in 1952 when it left 57,628 people paralyzed. Seven cases were reported in the nation last year.●

UNITED STATES-JAPAN TRADE IMBALANCE

HON. LEE H. HAMILTON

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 15, 1985

● Mr. HAMILTON. Mr. Speaker, I would like to insert my Washington report for Wednesday, May 15, 1985, into the CONGRESSIONAL RECORD:

THE UNITED STATES-JAPAN TRADE IMBALANCE

The sudden outpouring of anti-Japanese sentiment in Congress is the result of surging public resentment over the U.S. trade imbalance. Last year our trade deficit rose to $123.3 billion, $50 billion more than the previous record deficit in 1983. $37.6 billion of the deficit was with Japan. By 1990 it could be $87 billion.

For many Americans, the deficit with Japan has become a focal point of U.S. trade problems. Japanese economic success is seen as undermining our economic recovery. Anti-Japanese rhetoric in some circles is more extreme now than at any time since World War II. For 20 years Washington tried everything: mandatory textile quotas, voluntary restraints on automobiles, pressure on Japan to buy American beef and citrus fruits, and pressure to bolster the yen. In Congress, the free-trade consensus is eroding, and restrictions and retaliation are openly discussed. The House and the Senate recently approved by wide margins resolutions calling on the President to retaliate against Japanese imports if Japan does not take major steps to open its markets. Congress has often threatened to act, but has rarely delivered. Now the Japanese wonder if Congress means it.

Although imports from Japan are sensitive issues, access to Japanese markets has become the most important issue for the U.S. Japan is the single largest buyer of our agricultural exports, and, after Canada, is the second largest market for all U.S. exports, buying some $22 billion worth last year. Our economy derives real benefit from trade with Japan. To improve our access, we have negotiated five packages with Japan in the last four years. Yet no real change in trade patterns has taken place, and the trade deficit has only grown larger. Japanese trade barriers are a problem, but even in an open Japanese market the best estimates are that the U.S. would sell no more than $15 billion worth of additional goods, less than half the present deficit.

Perhaps the chief source of our trade deficit is not in Japan: It is here. The high exchange rate of the dollar raises the price of American exports and lowers that of foreign imports. The most important step we can take to correct our trade imbalance is to get control of the federal deficit. That will help reduce interest rates and thereby bring the exchange rate back into line with the dollar's true value.

The Japanese save and invest more than we do. Consumer credit is not easily obtained, and savings in Japan are directed toward investment rather than the purchase of foreign consumer goods. Japanese investors purchased some $20 billion of securities in the United States in 1984 in order to take advantage of high interest rates. Japanese argue that their large U.S. investments counterbalance the trade deficit, since they contribute to American growth and employment.

Trade barriers in Japan are still a problem, but they are of less concern now than "non-tariff barriers", such as Japan's distribution system, protection of strategic industries, buy-Japanese attitudes, and regulatory barriers. Unlike the U.S. and Western Europe, Japan does not permit foreign companies to participate in the drafting of product regulatory standards. Americans often complain that these standards are unfairly drawn along terms of design rather than performance.

Japan also benefits from its close government-private sector relationship. The world is divided into more than free-market economies and centrally-planned economies. Japan is somewhere in between. Japan's Ministry of International Trade and Industry coordinates trade policy and orchestrates which sectors and industries will expand or contract. We historically have spurned such an industrial policy as excessive government intervention.

Finding a solution to our trade problems with Japan will require careful judgments. Japan is a crucial ally of the United States in the Pacific, and its friendship is important to the security of that region. Much more is at stake than correcting the present trade deficit.

Several steps are needed. First, we must get Japan to open more of its markets. Reciprocity must be implemented with flexibility and finesse. We are seeking better access for electronics, timber, pharmaceuticals, and telecommunications, the last area providing a most important test issue. Japan has never fully accepted the rule of an open trading system, even though it is one of the greatest beneficiaries of that system.

Second, we might explore negotiating specific shares of the Japanese market in sectors where we are genuinely competitive. This has the advantage of relative simplicity, and avoids both countries getting bogged down in minute regulations. This could be a temporary way to gain market access.

Third, Americans need to improve our export capabilities. We often fail to match the Japanese skill and determination to work the U.S. market. Hiring Japanese staff and learning Japanese is important, as is finding the right partner in Japanese industry. Private sector efforts to export need to be bolstered by Washington. The ability of U.S. companies to sell in Japan will be determined less by the concessions we extract than by the skill we show in the products we develop and the mastery we show in marketing.

Fourth, the U.S. must encourage its allies to turn up the pressure on Japan. The major Western economic powers, including Japan, recently discussed steps to solve present trade problems, but did not agree on a timetable for a new round of negotiations. Such a round will be important for resolving trade differences. Pressure should also be brought on Japan to encourage consumers, through tax and financial incentives, to buy more goods, including imports, and save a little less.

Finally, and perhaps most importantly, Japan and our other trading partners must see that the United States is putting its own economic house in order. U.S. rhetoric against the Japanese trade barriers will not have much force as long as the U.S. budget deficit grows.●

EARL C. BEHRENS

HON. SALA BURTON

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 15, 1985

● Mrs. BURTON of California. Mr. Speaker, this past Monday Earl C. Behrens, the political editor of the San Francisco Chronicle for many years, died at the age of 93.

Known in the national political scene as "Squire" Behrens, he covered California politics, national conventions, and the State capital beat in Sacramento for some 50 years.

Squire Behrens could be courtly and gracious, but he had a legendary impatience for those in government or politics who danced around in response to one of his typically incisive and insightful questions.

Squire Behrens' passing marks the end of a great and colorful chapter in San Francisco political journalism, but those of us who knew him and avidly read his reporting will always have a lingering respect for his memory.●

A TRIBUTE TO FRANCES MARSH SHASKAN

HON. SALA BURTON

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 15, 1985

● Mrs. BURTON of California. Mr. Speaker, I would like to bring to my colleagues' attention to a remarkable constituent of mine who, on May 28, will receive the prestigious Eleanor Roosevelt Democratic Woman of the Year Award in San Francisco.

Frances Marsh Shaskan is, in the truest meaning of the term, a "Renaissance Woman." Her career has been rich and diverse and her commitment to her community is consummate.

After her graduation from Radcliffe College in 1927 she taught French in the Scarsdale, NY, school system and, shortly thereafter began study and experiment in brain metabolism, publish-

ing a paper in 1936 entitled "Lactic Acid Content of Blood and Cerebral Spinal Fluid" in the Archives of Neurology and Psychiatry. In 1937 she published "Vitamin C Studies in Alcoholics" in the American Journal of Psychiatry.

In 1930 Frances Shaskan became a member of what was to become the illustrious Democratic Women's Forum, joining Eleanor Roosevelt, Mrs. Louis Brandeis, and Frances Perkins.

In 1947, to the good fortune of our city, Frances and her husband Donald, moved to San Francisco. Since then, her contributions to our city have been many, and legendary. She has been and continues to be a devoted advocate for those in need of a vigorous champion. Among her many achievements she helped organize a consumer group to fight high food prices and established a milk program for school age children.

This led to the founding of the Farmer's Market which has been providing quality, low-cost produce to our area for over 35 years. Her knowledge of foreign affairs and defense issues is formidable as is her zeal for peace and for world unity.

To avoid committing a sin of omission, I will employ the worn cliche that Frances' accomplishments are too numerous to mention. I had the great pleasure of serving with her in the Democratic Women's Forum for many years and I know of her special passion for equality and justice. She holds our Government to the highest possible moral standards, and she therefore provides us with a standard to which we should all aspire.

I am sure my colleagues would join with me in extending congratulations to Frances Shaskan—a truly exceptional individual.●

A TRIBUTE TO FATHER ANTHONY DUDEK

HON. WILLIAM O. LIPINSKI

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 15, 1985

● Mr. LIPINSKI. Mr. Speaker, it is with great pride that I rise before my colleagues today to call attention to Father Anthony Dudek, who recently celebrated the 50th anniversary of his ordination into the priesthood.

Father Dudek has had a long and distinguished career in the priesthood. Following his ordination on April 27, 1935, at St. Mary of the Lake Seminary in Mundelin, IL, Father Dudek was assigned to the St. Salomea Parish in his native city of Chicago. After 5 years at St. Salomea, Father Dudek was asked to join the armed services as a chaplain. He was stationed in both Europe and the Pacific during World War II and, following the war, was made command chaplain of the entire Carribean Zone. He also served at Fort Leavenworth and Brooks General Hospital in San Antonio, TX, while in the military. In 1970, after 28 years, Father Dudek left the service, receiving the Legion of Merit commendation medal at his retirement ceremonies.

Once again a civilian, Father Dudek returned to his home parish in Chicago, St. Barbara, where he offered his services as a full-time resident and assistant for nearly 15 years. He currently resides at St. John of God Parish and will celebrate his 75th birthday this July.

Mr. Speaker, I join with the residents of the Fifth Congressional District in paying tribute to Father Anthony Dudek on the occasion of his 50th anniversary and thank him for his outstanding community work in our behalf.●

FAIRNESS IN ALCOHOL ADVERTISING ACT OF 1985

HON. JOHN F. SEIBERLING

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 15, 1985

● Mr. SEIBERLING. Mr. Speaker, one of the most serious problems afflicting our society today and threatening the health, safety, productivity, and quality of life of many Americans is the misuse of alcohol. Alcohol is a dangerous and addictive drug, but unfortunately, many people do not understand that. As a result, this Nation suffers hundreds of thousands of alcohol-related deaths and serious injuries every year. In addition to drunk-driving accidents, alcohol misuse often plays a role in incidents of child and spouse abuse, suicide, and crime. Alcohol can also have serious adverse health consequences and has been linked to birth defects, liver disease, heart disease, and several forms of cancer, to name only a few. All of this causes immense suffering for millions of people and costs our Nation billions of dollars every year.

One of the saddest aspects of the alcohol problem is that it is reaching epidemic proportions among many young people. Alcohol is the drug of choice for many teenagers. According to the National PTA, of the estimated 13 to 15 million alcoholics and problem drinkers in the United States, more than 3 million are under the age of 18.

There are certainly many factors that are responsible for the alcohol problem in this country—stress, parental behavior and influence, peer pressure, and lack of health information are just some. But whatever the other factors, it is clear that the nature of alcohol itself plays a big role. Unfortunately, you would never know the extent of the problem from viewing the large number of slick advertisements promoting the sale and consumption of alcohol which are saturating the air waves. These give the impression that alcohol is the solution to finding a better, more enjoyable life, not the doorway to trouble and tragedy that it really is.

As a parent concerned about the youth of this country, a someone who observed at first hand the birth of Alcoholics Anonymous 50 years ago, as a preventive health advocate who believes in the importance of fitness, good nutrition and health education, and as a member of Congress who feels we have a responsibility to help create and maintain a healthier and safer society for everyone, I think it is time we took effective action to see that the public is given all sides of the picture about alcohol and the perils of alcohol use and misuse. So today I have introduced the Fairness in Alcohol Advertising Act to require that when any alcoholic beverage is advertised on television, radio, or cable, equivalent time shall be provided for the presentation of messages regarding the various adverse effects that may be attributable to consumption and misuse of alcohol.

Essentially, this bill adopts the Fairness Doctrine approach. Currently, the Fairness Doctrine requires that when a broadcast or cable station presents one side of a controversial issue of public importance, the station must afford a reasonable opportunity for the presentation of contrasting points of view. However, in 1974, the Federal Communications Commission found that standard product commercials do not trigger the Fairness Doctrine right to presentation of a contrasting view. The Fairness in Alcohol Advertising Act does not overturn that decision but simply recognizes that alcoholic beverage advertisements promote a special kind of product which present unique problems thus requiring separate and unique treatment.

The bill amends the Communications Act to specifically provide that in order to air commercial messages promoting alcoholic beverages, a radio or television licensee or a cable operator must ensure that equivalent advertising time for the broadcast of counterbalancing messages is given to responsible spokespersons. Under the bill, those spokespersons would receive only the free air time; they would have to bear their own production and other costs.

I think that broadcasters are currently doing a good job of complying with the Fairness Doctrine in terms of the many controversial issues facing American society today. I know that it is not always an easy task and I commend them for their efforts. This bill is not intended to force broadcasters

now to give their air waves over to outside parties for whatever messages those parties may wish to convey. The bill's language attempts to give broadcasters and cable operators reasonable discretion in meeting their new responsibilities required by the bill. The bill also requires the FCC, in consultation with both the Bureau of Alcohol, Tobacco and Firearms and the Public Health Service, to issue guidelines to help broadcasters carry out their obligations under this bill.

This bill is not intended to allow the disparagement of any particular brands of beer and wine, but to allow the fullest possible discussion of the problems associated with alcohol in general. Nor is it the intent of this bill to detract from the many existing public service announcements dealing with community needs and problems other than those associated with alcohol. Broadcasters are doing a great service to their communities by providing important messages on behalf of many different causes including Red Cross, United Way, hunger and disaster relief, voter education, job training and many others. My bill specifically states that the alternative alcohol messages required by the bill may not be used to discharge the broadcasters' public interest obligations in other areas.

The bill defines alcoholic beverage advertisement as programming which is intended to promote the purchase or consumption of alcoholic beverages and for which air time is purchased from the broadcaster. Excluded from this definition are announcements which are limited simply to sponsor identification of a program, such as the recognition given corporate sponsors of PBS programs. Alcholic beverage is defined in this bill as it was in last year's amendment to the Highway Safety Act establishing a national minimum drinking age.

With regard to the equivalent time requirement, this bill looks to the approach now followed regarding the use of broadcast time by candidates for public office. The Fairness in Alcohol Advertising Act provides that the counterbalancing messages be afforded air time which is of equal duration to that used for the presentation of alcoholic beverage advertisements, and which has an audience size and composition approximately equivalent to that received by the alcoholic beverage advertisements. These requirements ensure that the counterbalancing ads can't be lumped together into one big spot and aired at 2 a.m.

I realize that this equivalent time standard goes beyond the reasonable opportunity standard which is applied to other issues under the Fairness Doctrine. However, I don't think that any other issue receives the same significant amount of time for its promotion as the commercials for alcoholic beverages now do. Thus, I believe that this imbalance justifies the requirement of equal time.

Let me emphasize that I do not believe that beer and wine commercials promote the misuse of alcohol, nor do I think that these ads directly cause such misuse. However, it is undeniable that by portraying happy, successful, healthy people drinking wine and beer, these ads do project the image of a total lifestyle which appears enviable. They are thus influential, especially on impressionable young people. The influence of such commercials may be subtle, but it is real and powerful, nevertheless. As Rose K. Goldsen, Ph.D., a professor of sociology at Cornell University has written:

> Conventional wisdom insists on establishing a measurable connection between exposure to the ads and drinking as 'proof' that they do anything at all. But we miss the culture-shaping power of commercials if we think that's how they do their main work. Not many children are likely to respond to a beer commercial by dashing to the nearest bar for a beer on draft, nor is it our custom to admit kids bars. But since it is our custom to beam the bars into our homes every day, it's hard to grow up in this country without learning the advertisers' glamorized versions of the culture of bars of how delightful are those grownup lifestyles that drinking so enhances.
>
> All children aspire to adulthood and prepare for it by trying out the various behavioral repertoires their environment makes familiar and paints as admirable. That environment is now saturated with repertoires picked up from TV, including the substantial input made by commercials glamorizing drinking.

The Fairness in Alcohol Advertising Act addresses the need to offset these images of glamorous lifestyles and to show that, unfortunately, there is a dark side to alcohol.

I know that the wine and beer industries and the broadcasting industry share the concern about the misuse of alcohol and have responded positively by mounting campaigns in schools and on the air against alcohol abuse. However, most of their efforts have focused on drunk driving and while these efforts have been commendable, I don't think they are reaching a sufficiently wide audience or are covering a sufficiently broad range of the problems associated with alcohol consumption. Let me emphasize here that I am talking about consumption even in relatively modest amounts and not just the grossly excessive consumption usually comprised under the terms "abuse" or "misuse." The public needs to be better educated regarding the many risks associated with alcohol consumption. Alcohol can affect the brain and body in many disruptive ways. There is hardly any organ, tissue or function of the body that is immune to alcohol's damaging effects.

I want to make clear that I am opposed to prohibition. I am not seeking a ban on either the product or on the alcohol ads themselves. And in introducing this bill, I am not saying that people should become teetotalers. But I do think people should know about the risks associated with drinking, even in moderate amounts.

The challenge facing us is to come to grips with the national tragedy of alcohol misuse and the dangers it poses to health, safety, family life, mental acuity and social development. I don't pretend that this one piece of legislation offers the full answer. But it is a step forward. This bill would provide an opportunity for a wider dissemination of responsible information regarding the dangers of alcohol misuse. It seeks to increase the public's knowledge and understanding of the many risks and consequences associated with alcohol misuse and to educate high risk populations, such as pregnant women, alcoholics and adolescents about the special concerns and risks associated with the consumption of alcoholic beverages. Finally, I think that enactment of this bill would not only help deter individuals from becoming problem drinkers, but also help discourage minors from using alcohol and teenagers and young adults from developing lifestyles which include excessive alcohol consumption.

I have, as you might suppose, already received numerous letters and visits from people in the broadcasting industry, as well as the beer and wine industry, opposing any such legislation and raising many questions and objections. All of them are entitled to careful consideration and should be evaluated after a thorough and balanced legislative hearing in which all sides have an opportunity to make their case. I am sure that just such a hearing will be held and that Congress will not act hastily or without all relevant information.

My bill is intended to aid that process, and I believe it will provide a focal point. Surely all points of view can only benefit by a full and frank public discussion of this very real and important issue.

Recently, a broadcasting executive speaking in Cleveland said that the answer to alcohol abuse lies in increased public education about the associated dangers and risks. I agree with him. I believe that the Fairness in Alcohol Advertising Act will, in the end, be seen as providing a reasonable means of achieving this crucial national goal.●

DEPENDENT CARE TAX CREDIT

HON. OLYMPIA J. SNOWE

OF MAINE

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 15, 1985

● Ms. SNOWE. Mr. Speaker, today I am introducing legislation along with

my good friend and colleague, Hon. SILVIO CONTE, to expand the dependent care tax credit and make it refundable for those whose tax liability does not exceed the credit to which they are otherwise entitled. In addition, this legislation would provide for a limited credit for respite care expenses which allow caregivers a brief period of relief from the daily responsibilities of caring for a seriously ill or disabled dependent. These provisions have also been included in the Economic Equity Act of 1985, introduced on May 13 by Congresswoman PAT SCHROEDER.

Dependent care is a vital support service for all working persons, and it is particularly important for women working outside of the home because they are the individuals most likely to be faced with the responsibility of caring for dependent family members. Access to affordable dependent care is a crucial factor in ensuring that women have an equal opportunity to enter and continue in the job market. Many studies suggest that approximately one in every five or six women is unemployed because she is unable to make satisfactory child care arrangements.

There is an equally pressing need for adequate care for elderly dependents. Women's caregiving responsibilities frequently do not cease when her children are grown, but rather change to accommodate an aged parent or sick spouse. One in ten middle-aged women between 45 and 65 has responsibility for older relatives. While many of these women continue to participate in the labor force, countless others retire to assume full-time responsibility for the care of a dependent family member. It is important to encourage the use of respite care by these caregivers as a means of avoiding expensive institutionalizations down the road.

The dependent care tax credit is currently available to taxpayers who incur work-related expenses for the care of a child under age 15, a disabled spouse, or any other dependent who is physically or mentally incapable of caring for him or herself. In 1981, Congress replaced the previous flat rate credit for dependent care with a sliding scale that focused the maximum benefit of the credit on lower income households. The scale currently allows a 30-percent credit for work-related dependent care expenditures up to $2,400 for taxpayers with incomes of $10,000 or less; the credit is reduced by one percentage point for each $2,000 of income between $10,000 and $28,000 to a minimum of 20 percent. Currently, a family earning $10,000 a year would have to pay $2,400 per year, nearly one-fourth of its income, to receive the maximum credit of $720.

In order to provide a more realistic level of support to working families to help them meet dependent care expenses, my legislation would raise the sliding scale to 50 percent of work-related dependent care expenditures for families earning $11,000 or less. The scale would be reduced by one percentage point for each full $1,000 of income, with persons earning $41,000 or more receiving a credit of 20 percent. In addition, the dependent care tax credit would be indexed to the cost of living and made refundable so that those families with incomes too low to have tax liability or whose credit exceeds their tax liability have access to the credit. Currently, 93 percent of all claims are made by families with incomes greater than $10,000 a year. A refundable tax credit that is indexed to the cost of living will ensure that lower income families have the same access to the credit as the middle and higher income families who currently derive considerable benefit from this tax credit.

Finally, my legislation would, for the first time, include respite care expenses under the dependent care tax credit. Respite is a relatively newly defined service area designed to provide care for the dependent person while the caregiver takes a break from their daily responsibilities. In a very real sense, respite means relief, and as such, is vital to the continued well-being and effectiveness of the caregiver.

The legislation I am introducing today provides for a credit on up to $1,200 of expenses for one dependent and $2,400 for two dependent individuals to provide for respite care. A caregiver would be able to either hire someone to come to the home to care for the dependent for a few hours a day or a week, or could bring the dependent to an adult day care center. My legislation would also permit up to a 2-week stay in an institution in order for the caregiver to tend to other personal or family affairs. A credit on expenses incurred for respite care would be available without regard to the caregiver's employment status.

Because the concept of respite care is a relative new one, I would like to take this opportunity to highlight the importance of this section of the bill. Legislation in the area of dependent care. has generally been tied to the needs of the dependent, with less attention paid to the caregiver. The caregiver is a vitally important link in the home care of an individual who is unable to maintain him or herself. This role most often falls to a female family member, such as the mother, daughter, daughter-in-law or wife of the dependent family member.

Caring for a person who is bedridden, wheelchair bound or who cannot be left alone can be an exhausting, discouraging and often depressing job. One woman recently told of caring for her husband from the time he was striken with multiple sclerosis in his 30's until his death 20 years later. This woman stayed at home to provide for her sick husband and only left the house twice a week, once to do the grocery shopping and once to go to church on Sunday mornings. She told of the desperation, of the loneliness, and of the guilt she felt over her sometimes angry and resentful feelings.

Dependents, such as Alzheimer victims, have been known to have personality changes during the course of their illness, which can render them difficult to manage. Alzheimer patients often have fits of anger and frustration; they sometimes wander in the daytime as well as during the night, allowing the caregiver little rest. Worst of all perhaps is the time when the victim no longer recognizes his or her loved ones. When there is no longer a thank-you, a loving smile, a touch or tender look, then caregiving truly becomes a thankless job. To be left with caregiving responsibilities of this magnitude is something no person should have to do without assistance. My legislation will encourage respite care in an effort to support the caregivers who are, at times, themselves in need of help.

In the long run, dollars prudently spent on respite care for the caregiver, will save even greater amounts for both families and State and Federal governments through the postponement or avoidance of expensive institutionalizations.

Mr. Speaker, I believe the dependent care tax credit provisions of the Economic Equity Act, which I am introducing separately here today, represent a cost-effective way of assisting our most vulnerable Americans. An estimated 6 to 7 million children 13 years old and under, including many preschoolers, may go without care for significant parts of each day while parents work. With the over-80 age group the fastest growing segment of our population, the number of adult dependents in need of care will continue to climb rapidly. Expansion of the dependent care tax credit will help all families provide better care for their loved ones, without extracting a heavy toll on the members of our society least able to afford it.●

VETERANS HEALTH CARE BUDGET CANNOT BE REDUCED FURTHER

HON. TIMOTHY J. PENNY

OF MINNESOTA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 15, 1985

● Mr. PENNY. Mr. Speaker, within the next few weeks, the House and Senate will be making major decisions on the budget for fiscal year 1986. Many Federal programs will be affect-

ed. The decisions we must make will not be easy. We all have different priorities.

A very high priority of mine is veterans health care. I want my colleagues to fully understand the impact of any budget reductions in funds to operate the VA's health care system. Who is better able to relate the problems in the field than the people in the field?

According to the chiefs of staff at VA hospitals nationwide who responded to a recent survey, inadequate budgets are already taking their toll. More cuts in the budget will mean longer waiting lists, the turning away of certain non-service-connected veterans, and delays in many surgical procedures.

There follows a report from the chief of staff at the VA Medical Center in St. Cloud, MN:

VETERANS' ADMINISTRATION,
MEDICAL CENTER,
St. Cloud, MN, February 22, 1985.

HOWARD H. GREEN, M.D.,
Chief of Staff (11), VA Medical Center, White River Junction, VT.

DEAR DR. GREEN: Listed below is our response to the questions you pose in your letter of January 2.

a/b. The VA Medical Center, St. Cloud, MN is a 820 bed nonaffiliated facility, comprised of 10 patient care buildings. With the impact of DRG's, an aggressive community placement program, and a remodernization program to comply with JCAH privacy standards, our average daily census, fiscal year to date is 518. Two buildings with a total capacity of 151 beds have recently been closed.

c. Our projected dollar deficit as of January 1, 1985 for personnel services was $200,000.

d. The impact of dollar deficit:

(1) Personnel—The personnel ceiling will be reduced by 43.8 FTEE (by attrition) due to the closure of Buildings 9 and 49.

(2) Supplies—Some monies earmarked for supplies will have to be used for salaries.

(3) Equipment—A deficit of $51,249 for additional equipment. A deficit of $94,056 for equipment replacement. (FY'85)

(4) Continuing Education Funds—Our budget has not increased over the past 5 years, yet the cost of education has doubled.

e. Solutions:

(1) Closing of two buildings and abolishing staff positions.

(2) Establish a six week lag time before filling positions.

(3) Divert funds from purchase of ward and office furnishings.

(4) Request funding adjustment from District for ventilator dependent patients.

f. Other Comments:

(1) We have a number, perhaps a couple dozen, long-term patients whose assaultive and inappropriate behavior precludes community placement.

(2) The ventilator-dependent patient program may be increased from a census of 4 to 10. We will need approximately $280,000 annually to fund this program. Of the nine ventilator-dependent patients treated at this medical center, one was on the program approximately three years. The average length of stay for the other eight was 53 days.

(3) Although we have actively recruited for additional physical therapists for the past two years, we have been unable to hire any.

(4) Another critical problem that faces us is our increasing outpatient workload. We have physical facilities which are difficult to adapt to ambulatory care due to limited size and inappropriate configuration of this space.

G.F. KELLER, Jr., M.D.,
Chief of Staff.●

WINNERS OF THE 1985 SILVER KNIGHT COMPETITION

HON. WILLIAM LEHMAN

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 15, 1985

● Mr. LEHMAN of Florida. Mr. Speaker, as a former chairman of the Dade County School Board, I have seen first-hand the high caliber of many students in our public schools. As a Congressman from North Dade, however, I am especially pleased to learn that there are some especially outstanding students who live in our 17th Congressional District. I am referring to the five North Dade students who were winners of the 1985 Silver Knight competition.

In 1959, John S. Knight, the late editor emeritus of Knight-Ridder newspapers and the Miami Herald, established a program to recognize outstanding high school students in Dade County. He called the program the Silver Knights, which each year honors and brings to public attention the best of our students.

Each school submits a list of Silver Knight nominees for honors in categories ranging from social science and mathematics to art and athletics. This year there were 354 nominees, from which were chosen the honorable mention winners and the 14 Silver Knights.

Of the 14 winners 5 were from North Dade high schools. They were Juan Carlos Acosta and Kaylois Henry from American High School; Todd Green from Miami Central High School; Clyde Montgomery from Miami Norland High School; and Ronald Gillyard from Miami Northwestern High School. A brief description of the accomplishments of each of these students is reprinted below.

Mr. Speaker, these remarkable young people are evidence that the future of this country will be in capable hands.

The articles follow:

KAYLOIS HENRY

ENGLISH—AMERICAN HIGH

She writes features, pep rally scripts, essays and speeches.

When there's writing to be done at American High, Kaylois Henry is pushing the pencil.

Henry edits and designs the feature pages of American High's Third Century newspaper. She interns at The Miami Herald Neighbors in Hialeah, and tutors fellow students in English, science and math.

Last year, Henry organized the Journalism Club at Lake Stevens Elementary. Club members put together a school newspaper to improve their English-language skills.

For her accomplishments in English and her ability to interpret other writers' works, Henry has been named the outstanding English student by her honors English teachers every year since the ninth grade.

She also won the Florida Schools Pride Award for writing excellence.

Henry has volunteered to work in the Special Olympics and the North Dade Children's Home, and has also organized local blood drives.

JUAN CARLOS ACOSTA

ART—AMERICAN HIGH

Graphic arts enthusiast Juan Carlos Acosta is a teacher at heart.

Acosta volunteers as an aide to an art class of 30 students at Miami Lakes Elementary School, where he has organized the school's first Art Club. He recruited 13 talented sixth graders for the club and plans to extend the program to other grades.

"The good feeling I get in teaching children actually makes me do better in my classes," Acosta says.

At American Senior High School, Acosta's colorful strokes and lines are displayed on wall murals, banners, posters and invitations he has designed.

The senior also sponsored the Juvenile Diabetes Week campaign at the school, and participated in American's Christmas project, turning a school room into a miniature store where small children learned to shop.

RONALD GILLYARD

SOCIAL SCIENCE—MIAMI NORTHWESTERN HIGH

When Ronald Gullyard read about the increasing number of students who drop out of school, the young civic activist went immediately to work to find a solution.

The result: SWITCHED, which stands for Students Working Intelligently to Combat Higher Educational Deficiencies, a dropout prevention program instituted at seven senior high schools.

Gillyard even wrote the program's constitution and bylaws.

The chairman of the Inner-City Youth Council, Gillyard organized a rally in support of fired Miami City Manager Howard Gary, working with the Metro-Dade Community Relations Board to ensure it provided an opportunity for students to air their opinions about government.

The Miami Northwestern Senior High student participates in a young men's service club at Bible Baptist Church. He visits the elderly at nursing homes, helps with the yard work and runs errands for widows in the church.

TODD GREENE

SPEECH—MIAMI CENTRAL HIGH

Last November, while the nation stirred with election excitement, Miami's inner-city high schools had their own presidential debate, thanks to Todd Greene.

Outraged because fellow students knew little about the Rev. Jesse Jackson, the eloquent speaker and newspaper editor from Miami Central High organized a mock debate. Students from across Dade—representing the Democratic and Republican parties—debated each other on various issues.

"In preparation for the debate, the students became interested in the campaign," Greene said.

A top student in his senior class, Greene is co-editor of the newspaper SkyRocket. His journalism skills help him in debate, he says.

But it was his knack for making learning fun that inspired him to organize an American history contest, also among the inner-city high schools, to prepare students for college entrance exams. Greene has also served on the Peer Review Panel, which listens to first-time juvenile offenders and their parents, then recommends punishment. He is a hospital volunteer at Jackson Memorial Medical Center and at Southeastern Medical Center.

CLYDE MONTGOMERY

ATHLETICS—MIAMI NORLAND HIGH

He is a star football player, a wrestling champion, a crime fighter.

Clyde Montgomery, a linebacker for the Norland Vikings, plays defensively off the field too, patrolling the halls of Miami Norland Senior High School. He keeps strangers away from campus and sends wayward students to class.

"It requires a great deal of time on my part, but I don't mind at all," he says. "I know it keeps the flow of teachers working with students running smoothly."

Montgomery also helps other schools stay safe.

He has introduced Youth Crime Watch programs at several elementary and junior highs in Dade and Broward counties. As a member of the Key Club service organization, he works at nursing homes and raises money for charity.

Montgomery started his football stint as a linebacker on the junior varsity football team. For the last two years he has been selected for the first-team defense of The Miami Herald's All-City Team and as a member of the first-team defense by The Miami News.

In wrestling, he has won local and state competitions.

After he graduates from college, where he plans to play football, Montgomery hopes to be a policeman.●

UPON THE RETIREMENT OF WARREN KNOWLES

HON. JIM MOODY

OF WISCONSIN

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 15, 1985

● Mr. MOODY. Mr. Speaker, I would like to pay tribute to a constituent whose life and work has been one of exemplary service to his State and community. That person is Warren Knowles, former Governor of Wisconsin, who now is retiring from a distinguished career in banking.

Warren Knowles served the people of Wisconsin as a public official for 3 years, beginning with his election to the State senate in 1940. His distinguished political career included 15 years in the State senate, 10 of which were as Republican majority leader. In 1964, he was elected Lieutenant Governor of Wisconsin, a post to which he was again elected in 1960. In 1964, he was elected Governor, a position he served in distinction until his retirement from political office at the end of this third term in 1970. He then joined the Heritage Bank of Wisconsin, serving as a chairman of the board.

Warren Knowles' career of service to the public at large extends far beyond the elected offices he held. He served on the boards of many civil and professional organizations, including the Leukemia Society of Wisconsin, the Milwaukee Athletes for Childhood Cancer, and the Medical College of Wisconsin. He has been awarded honorary degrees from eight colleges and universities, and has received many special awards and honors. A State park and a forest have been named after him.

Although Mr. Knowles and I belong to different political parties, I have always admired him as a symbol of the kind of selfless public service that serves as a model to all of us who hold the public trust.

This month Warren Knowles is retiring from his current position as chairman of the board of Heritage Wisconsin Corp. However, I am certain that his generous contributions to the good of the State of Wisconsin and its people will continue for many years to come. I join many other admirers in extending best wishes and congratulations.●

THE "JUSTICE" DEPARTMENT

HON. CARROLL HUBBARD, JR.

OF KENTUCKY

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 15, 1985

● Mr. HUBBARD. Mr. Speaker, Americans continue to be shocked at the activities of certain U.S. Justice Department employees.

"CBS Evening News" and the Lexington, KY, daily newspaper, The Herald-Leader, have reported this week that the head of the FBI's Lexington office has been implicated in the unsolved theft of 50,000 dollars' worth of truck parts in Kentucky.

When asked about the news accounts, Bill Cheek, public affairs agent for the FBI in Kentucky, said: "An inquiry is presently being conducted in regard to the allegations. Because of the ongoing investigation, the FBI cannot discuss the matter."

When the politically motivated U.S. Justice Department began to destroy some of former President Jimmy Carter's political enemies in Congress years ago, FBI Director William H. Webster, a Carter appointee, and other FBI spokesmen gladly discussed the allegations with the news media.

There have been other occasions when FBI agents have eagerly discussed allegations against elected officials in an effort to damage their careers.

The following is a portion of a lenghty front page story in the May 14, 1985, Lexington Herald-Leader, as written by staff writers Mary Ann Roser, Valarie Honeycutt and Jeffrey Marx..

Larry Long, head of the FBI's Lexington office, has been implicated in the unsolved theft of $50,000 worth of truck parts in Kentucky, and the FBI said last night that it was investigating the charge.

The allegation was made public last night on the "CBS Evening News," based on accounts from ex-convict Delane "Red" Colvin.

Colvin told CBS that Long was involved in a break-in at Cummins Diesel Co., a truck repair firm in Jeffersontown outside Louisville.

Long, 40, who has headed the FBI office in Lexington since 1980, told the Herald-Leader last night that he was "aware of the story" but could not comment further.

According to the CBS report, the FBI allegedly commissioned the August 1979 break-in and protected the criminals as part of a failed sting operation. The stolen truck parts allegedly were transported to a "hot parts buyer operating out of a truck stop in Indio, Calif.," CBS said.

The parts were never recovered, and as insurance company lost nearly $50,000 in claims on them, the report said.

Steve Young, who reported the story for CBS, told the Herald-Leader that the second half of the report tonight would include "substantially more corroboration of the story from a co-confederate" in the alleged crimes and from a "prominent criminal lawyer" in Kentucky.

The report, titled "Kentucky Crimes," also will include what Young referred to as a "clandestine but legal" confrontational meeting with Long at the Glass Garden Restaurant of the Hyatt Regency Hotel. The meeting, involving a hidden camera, occurred during the NCAA Final Four basketball tournament earlier this spring, Young said.

Long was asked about "accusations he helped to plan much bigger, multimillion-dollar burglaries all in the name of the FBI, all in the name of law and order," CBS said last night.

Colvin told CBS that he and another man committed the break-in and that he was acting on instructions from Long. The Cummins break-in was "one of five thefts the FBI approved in Kentucky," Colvin said.

Asked by Young if he had any evidence of FBI participation in the Cummins case, Colvin said he taped conversations with Long. A portion of one of the alleged tapes was played during last night's broadcast.

When asked about the story, Bill Cheek, public affairs agent for the FBI in Kentucky, said: "An inquiry is presently being conducted in regard to the allegations. Because of the ongoing investigation, the FBI cannot discuss the matter."●

ONE TOO MANY

HON. DAN COATS

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 15, 1985

● Mr. COATS. Mr. Speaker, it is increasingly apparent that many of the social ills that trouble America today are related to alcohol abuse. From the two hearings that the Select Committee on Children, Youth and Families has held on alcohol abuse and the family it is apparent that:

Alcohol abuse costs America nearly $120 billion per year in lost productivity;

Approximately 80 percent of first offender DUI's coming before the courts are alcoholics or problem drinkers; 40 percent of all family court problems involve alcohol abuse; 50 percent of all cases of spouse abuse are alcohol related; and 40 percent of high school seniors binge drink on a regular bases.

The problems of alcohol abuse involves the young and extend to more people than is commonly realized. While excessive drinking adversely effects the health and social well being of the individual consumer it also effects those who live in his company—the family. Sis Wenger, recently testifying before the Select Committee on Children, Youth and Families stated that:

> No genuine prevention of juvenile delinquency, child abuse, neglect, sexual abuse and family violence will be found until their connection to alcohol abuse is acknowledged. . . . prevention of alcohol abuse will remain an illusion until we deal with it in the context of the family system. . . .

Today's youth do not need to be robbed of their future by developing habits which limit their options and abilities. For this reason, Mr. Speaker, I have taken the lead in promoting the distribution of the film "One Too Many" among the Members of Congress. This 45-minute film on teenage drinking will be shown by ABC on May 21. The film was recently shown in Topeka, IN, and a teacher there responded by saying, "In my 20 years as a teacher I have never shown such a moving and significant film." It is my hope that this film will save lives during this year's prom and graduation season and I encourage my colleagues to see it on May 21 and make use of it in their districts.●

WHY WE SHOULD CONTINUE TO SUPPORT FEDERAL STUDENT AID PROGRAMS

HON. WILLIAM D. FORD

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 15, 1985

● Mr. FORD of Michigan. Mr. Speaker, this past Sunday I was extremely pleased to receive an honorary degree from the C.W. Post campus of Long Island University. I was particularly delighted to share the platform with the valedictorian of the class of 1985, Laurie Manzione, and to have the opportunity to meet this extraordinary young woman. Laurie Manzione is a remarkable story in herself, coming from modest middle-income circumstances she graduated with a perfect 4.0 grade point average and is accepted to medical school this fall. Perhaps even more noteworthy are the achievements of the entire Manzione family. Laurie is the youngest of eight children, all of whom have graduated from college including seven from C.W. Post. Among her siblings are three physicians, an oral surgeon, a chemical engineer, and two law students. Laurie is also the third member of her family to graduate with a 4.0 average and become valedictorian at C.W. Post.

In her remarks at the commencement ceremony Laurie Manzione noted the importance of the Federal student financial assistance programs in making it possible for she and her brothers and sisters as well as many of her classmates to have access to educational opportunities. The children of the Manzione family epitomize the achievement of the goals of student financial aid—opening the doors of educational opportunity so that individuals with talent and motivation can improve themselves and increase their contribution to the strength of our Nation. I can think of no more powerful argument for sustaining for Federal commitment to student aid, which has been callously attacked by the current administration, than the success of the Manzione family in realizing the American dream.

An excellent article detailing the educational record of the Manzione family appeared in Newsday on Sunday, May 12, 1985. It is titled "A 'Quietly Extraordinary' Family," and I am including it in the RECORD at the conclusion of my remarks:

A "QUIETLY EXTRAORDINARY" FAMILY

(By Richard C. Firstman)

Laurie Manzione has a round, open face draped by long, straight brown hair—the kind of freshness that fits nicely into a cap and gown. Today she will deliver the valedictory address at the C.W. Post campus of Long Island University. In the fall she will be a medical student at Downstate Medical Center. But she seems unimpressed. "I don't care if I'm tenth in the class or twelfth or twentieth," she says. "As long as I do well."

"They're all like that," says Nancy Manzione, the mother of eight children, none of whom finished college with a grade-point average of less than 3.88. "If you meet them, you think, 'Just another person.'"

But at Post, the Manziones have been quietly extraordinary. Seven of the eight Manzione children have attended Post, where Laurie, the youngest, is the third to graduate with a perfect 4.0 average and become valedictorian. All eight children, ranging in age from 21 to 33, have or are pursuing advanced degrees. The family includes three physicians (Nancy, Madeline and James Jr.; who also holds a dental degree); an oral surgeon (Thomas); a chemical engineer (Jeffrey), and two law students (Claire and Stuart). Laurie hopes to be the fourth doctor in the family.

So the question asked by people at Post is: How do they do it? It is something like asking a 120-year-old man how he accounts for his longevity. A good diet, and luck. "We wonder about that," said Sherman Tatz, chairman of Post's psychology department. "We wish we had their secret."

"It's just in us all," Laurie said. "I guess genes have a lot to do with it."

And parents. This is a story for Graduation Day, but it is as much one for Mother's Day. "Their mother stood over them, guided them," said James Manzione, the father. "She was interested in everything they did. She spent every minute of her life with the children."

The Manzione children grew up in the house their father built—by himself—in 1951. It sits at the end of a cul-de-sac in a particularly pretty section of Glen Head. He worked as a construction supervisor, sometimes two jobs. His wife stayed home until eight years ago, when the youngest child was in junior high school in the North Shore School District. Now Nancy Manzione works as the secretary to Post's deputy president.

"There was always a baby in the house," Manzione says, and individual attention was a rare commodity. But Nancy Manzione had her ways. "I would go grocery shopping and take one at a time so they would have time with me," she said.

James and Nancy Manzione were the children of immigrants. Because of circumstances, neither went past high school, and they decided early that it would be different for their children. "When I finished high school, you had to work; it was the Depression," said James Manzione. Later, he said, "my friends who had gone to college started going into a world I couldn't go into."

From the early grades, his children showed a drive whose source was something of a mystery. "We stressed the importance of education, but we never pushed," Nancy Manzione said. "We never had to push." She recalls: "When Nancy was in second grade, she got a 92 on a test and she cried. I said, 'That's great,' and she said, 'I should have done better.' Her teacher said, 'This child will have an ulcer by the time she's 16.'"

The Manziones grew up with a simple idea: you always try your best. Jeff Manzione said it was demonstrated in something as small as "my father making that table." He pointed to a dark wood coffee table in the family's living room.

"Our parents let us do what our interests were," said Dr. James Manzione Jr., now a 33-year-old radiologist in San Diego. "They were good examples to us. Whatever they seemed to do, they always stressed doing the best they could do."

The children also got small morality lessons at home. When James Manzione suffered a heart attack 17 years ago, his wife decided to demonstrate how everyone could contribute in the event their father wasn't with them. She divided up James Jr.'s newspaper route and all eight children delivered the papers—including 4-year-old Laurie.

Such techniques may explain why the children grew up as noncompetitive friends. "Large families often generate a certain

competition," said Maithili Schmidt-Raghavan, Post's dean of the College of Arts and Sciences and a teacher of several of the Manziones. "They never seem to be under that pressure."

Because the elder Manziones have worked at Post—James in the maintenance department after his heart attack and later Nancy as an administrative secretary—the children have been able to attend the college almost tuition-free. But the children never complained that they couldn't go to more prestigious schools. "In high school, I hung out with the smarter kids," Stuart Mangione said. "All of them were applying to Ivy League schools. I was curious about how I'd do, but I looked at how my brothers and sisters did at Post."

Stuart didn't do badly himself. A law student at St. John's University, he was last year's salutatorian at Post. A B-plus in freshman political science scarred his otherwise perfect record. No matter. "It didn't bother me," he says. "I deserved the B-plus."

By the time the younger children reached college, they had plenty of role models. Laurie decided she would pursue a career in medicine a couple of years ago. One night, while washing the dishes together, her doctor siblings insisted she justify her decision. They wanted to be sure the baby of the family was really willing to make the necessary sacrifices.

Today, this generation's last Manzione will deliver one more valedictory address. "We see the family at graduations," Tatz said. "The Manziones are always there with another star. The starmakers."●

A CONGRESSIONAL TRIBUTE TO PAUL HARTSTEIN, M.D.

HON. GLENN M. ANDERSON

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 15, 1985

● Mr. ANDERSON. Mr. Speaker, I rise to pay tribute to Dr. Paul Hartstein, the outgoing president of the Long Beach Medical Association who will relinquish his post next month.

Born and raised in Aliquippa, PA, Dr. Hartstein joined the 11th Armored Division in 1942. Following his service as a medical technician during World War II, Dr. Hartstein received a B.S. in medicine from the University of Missouri at Columbia. He received his M.D. from Jefferson Medical College in Philadelphia in 1949 and then moved out west to serve his internship at the Los Angeles County Hospital.

Following service during the Korean war as a captain, Dr. Hartstein established a family practice in Long Beach, CA. He moved his offices in 1952 to Lakewood, CA. He still has his offices in Lakewood after 32 years of service to the community.

In addition to his service as a family doctor, Dr. Hartstein was the first chief of staff at the Doctors Hospital of Lakewood, and has subsequently served as a member and as chairman of the hospital's board of trustees. He has also served as a member of the scholarship committee of the Lakewood Medical Center Foundation, helping others to enter the field of medicine.

Dr. Hartstein, an excellent family practitioner and leader in the medical community in my district, has been an active member of the Long Beach Medical Association for over 34 years. In that time, he has served as secretary-treasurer (1982), vice president (1983) and as the current president of the Long Beach Medical Association.

Dr. Hartstein has improved the quality of life and health of the residents of my district and has shown great leadership in the medical community during his many years of service to the Long Beach and Lakewood communities. Although he is relinquishing his presidency, I am sure that he will continue to serve the community as vigorously as he always has. My wife, Lee, joins me in wishing continued success and all the best in the years ahead to Dr. Paul Hartstein, his wife, Dorothy, and their four children, Nancy, Gordon, Mark, and Scott.●

SELF-HELP ENTERPRISES

HON. TONY COELHO

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 15, 1985

● Mr. COELHO. Mr. Speaker, on May 24, 1985, I will have the pleasure of addressing the 20th anniversary dinner of the San Joaquin Valley's Self-Help Enterprises. Formed in 1965 from a project of the American Friends Service Committee, Self-Help Enterprises is the oldest and largest self-help housing organization in the United States. The nonprofit housing and community development organization serves seven counties in central California: Kern, Tulare, Kings, Fresno, Madera, Merced, and Stanislaus.

Self-Help Enterprises has for the past 20 years been a vital force in three areas of the San Joaquin Valley's rural development. Its programs in new housing, housing rehabilitation and community development have undoubtedly improved the quality of life and standard of living for thousands of families in the valley. The new housing program, utilizing Farmers Home Administration funding, has resulted in the completion of homes for almost 3,000 families. Under the supervision of Self-Help Enterprises' construction staff, families directly participate by building their own homes at a substantially reduced cost. The average cost of a self-help house, including the land is $39,000—a price significantly below commercially built homes. This savings allows families which may not have been able to afford to, realize the American dream of homeownership.

In addition to the many families who are now able to experience the pride and self-confidence which comes with maintaining a home, thousands more families have benefited from the maintenance programs run by Self-Help. Repair services are aimed at making current available housing decent, safe, and sanitary, and involve the replacement of faulty wiring, plumbing, and roofs, adaption of housing units to meet the special needs of the handicapped and elderly and weatherizing homes against the cold and heat of the valley.

Finally, Self-Help Enterprises' community development program provides technical assistance to very small communities to obtain adequate drinking and wastewater facilities. Some 90 sewer and water systems in approximately 60 communities in the San Joaquin Valley are now in operation because of the dedicated efforts of the Self-Help Enterprises staff.

In these times of fiscal restraint, we increasingly hear that people need to help each other and themselves. That is exactly what Self-Help Enterprises has been doing for 20 years. On the occasion of their 20th anniversary, I would like to congratulate Self-Help Enterprises for all of their accomplishments. And on behalf of the citizens of the San Joaquin Valley, I would like to thank them as well, for all of the encouragement, hope, and resources they have provided.●

DIRTY AIR THREATENS OUR NATIONAL PARKS

HON. BRUCE F. VENTO

OF MINNESOTA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 15, 1985

● Mr. VENTO. Mr. Speaker, our national parks, monuments, and historic sites are among our country's greatest treasures. There is no way to calculate the value of the view from the rim of the Grand Canyon, the peacefulness of an alpine lake in Yellowstone, the inspiration of the Statue of Liberty, or the historic importance of the Gettysburg Battlefield.

The National Park Service is charged with protecting these great treasures, but it appears powerless to stop the destruction which is blowing in with the wind. The recently retired director of the National Park Service, Russell Dickenson, has called air pollution the No. 1 threat to the national parks. As chairman of the Subcommittee on National Parks and Recreation, I agree, and despite the Clean Air Act, the park pollution problem is not improving.

Air pollution is destructive in different ways. Acid rain destroys trees, and accumulates in streams and lakes, upsetting delicate chemical balances which, in turn, can effect fish and wildlife. Dirty air robs visitors of spec-

tacular views. Airborne pollutants fall to the ground, and attack fragile monuments and historic buildings.

Scientists only recently have been taking measure of the damage, but already some scientific data is available, and it is not encouraging. At Acadia National Park in Maine, scientists last year studied 300 eastern white pine trees, and found nearly every one showed damage from excessive levels of ozone. Researchers in Mount Rainer National Park in Washington found high concentrations of arsenic in subalpine fir trees. In Shenandoah National Park in Virginia, scientists are measuring high levels of lead, and noticing widespread damage to trees. Lichens, the fungal alga pioneer plants, are especially sensitive and good indicators of airborne pollutants, and studies are beginning to note the abrupt decline of lichens in national parks from Big Bend in Texas, to Theodore Roosevelt in North Dakota, to the Florida Everglades. In some places, like the Santa Monica National Recreation Area, lichens have disappeared entirely.

Damage to vegetation is just one result of air pollution in the parks. Acid rain is no longer a problem confined to the industrialized Northeast. Recent studies compiled by the World Resources Institute show that western lakes and streams are especially susceptible to acid deposition, because the thinner, lime deficient soils, and steep soles are less capable of neutralizing the airborne acid deposition or rainfall. Scientists have identified many western national parks, including Yosemite, Yellowstone, and Glacier, as being especially sensitive to the effects of acid rain. Temporary pulses of highly acidic water have been measured following rainfall and snowmelt at such parks as Isle Royale in Lake Superior, and at mountain parks such as the Great Smoky Mountains, Shenandoah, and the Rocky Mountains. Such sudden increases in water acidity could seriously hurt or kill aquatic life in park waters.

Air pollution attacks more than plants and animals. The park system protects some 11,000 historic buildings and monuments nationwide, from the Anasazi pueblos of the Southwest to the great monuments of Washington, DC. At Mesa Verde, CO, rangers note the dissolving of sandstone walls built by a long extinct civilization. They have begun studies to determine if air pollution is speeding the process. We have all seen the pictures of the Statue of Liberty surrounded by scaffolding. Workers are repairing a century not just of natural weathering, but of air pollution, which has literally eaten away much of the copper skin. The gravestones on our national battlefields are crumbling, and the statues honoring the soldiers are corroding away. Acid rain can turn marble into soft, powdery talc. That is happening to the marble sculptures of Saint-Gaudens Historical Site in New Hampshire, and its happening to our own Capitol Building. The great scenic parks of America ideally should be places where the hand of man is rarely seen. In the Southwest, a person standing on a high plateau used to be able to see up to 200 miles. Now, air pollution is robbing us of those grand views. Regional haze, and plumes of smoke from everything from wood stoves to coal-fired powerplants are reducing those once grand vistas. At Glen Canyon National Recreation Area near the Four Corners of the Southwest, visibility has declined 25 to 50 percent in the past decade alone. At Arches National Park in Utah, a visitor asked, in the park log book, "is this air safe to breath?" Visibility has declined at other parks where the scenic vistas are among the attractions, such as Great Smokey Mountain and Shenandoah National Parks, as well as the parks of the Southwest Canyon Country, like Bryce Canyon, and the Grand Canyon.

All park visitors can see the results of air pollution on the great scenic park vistas, but most of the effects of air pollution are noticed only by scientists. Researchers have only been studying the problems a short time, and few can point to absolute, provable conclusions which fully satisfy the rigid skepticism of science. But we should note with more than passing interest the early warnings such as the lichens disappearance in parks from California to Florida, and from Texas to North Dakota. Like the canary in the mine, the lichens indicate great danger ahead. We set aside these national parks and historic sites to be preserved for all time. From the evaluation of the available data, debate, and research, the national park mandate for all time may not last until the final air pollution research dissertation is complete.●

TROUBLED IRS/TROUBLED TAXPAYERS

HON. JOHN P. MURTHA

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 15, 1985

● Mr. MURTHA. Mr. Speaker, we are nearing the end of one of the most exasperating tax seasons in memory.

For many constituents in Pennsylvania's 12th Congressional District and other parts of the country it has been a nightmare of delays, lost forms, a lack of information, and foulups.

Stories that circulated and originally seemed bizarre were later confirmed. A recent story in the Wall Street Journal noted these examples.

"An almost comic succession of errors in the handling of the computer tape at the problem-plagued Philadelphia center," the Journal reported, "resulted in incorrect dunning notices being sent to some 26,000 businesses in the Northeast."

The GAO reported that IRS officials found between 50 and 100 returns hidden in a women's restroom in the Philadelphia IRS office.

And, the Journal noted, "Overloaded IRS employees are able to answer only about one-third of their calls. And the large backlog of mail to the IRS means that nearly half of all letter inquiries can't be answered within 45 days."

Even the normal 45-day target is one we have come to accept but it is not really efficient enough for taxpayers with questions, concerns, and refunds do. Clearly, it is a situation where Congress has to be involved to make sure this pattern is not repeated.

I want to insert into the RECORD a letter I wrote to Appropriations Committee Chairman JAMIE WHITTEN about investigating this situation.

HOUSE OF REPRESENTATIVES,
Washington, DC, May 2, 1985.

Hon. JAMIE WHITTEN,
Chairman, House Appropriations Committee, Washington, DC.

DEAR MR. CHAIRMAN: I want to urge the Appropriations Committee to request an audit of purchase and operational procedures of the Internal Revenue Service.

I have received a steady stream of phone calls, letters, and face-to-face complaints about delays, lost forms, and inability to receive information about income tax forms filed this year. The problem has been particularly bad in my area because we file with the Philadelphia Center, which has encountered the most problems.

We must get to the bottom of this problem, and make certain the tax program works efficiently and effectively. What happened this spring with delays and lost returns can never be allowed to happen again.

When individual citizens come in contact with a government agency operating this inefficiently, they certainly have a right to expect Congress to review the spending and operational practices of this agency from top-to-bottom. I believe the Appropriations Committee should undertake that study either through our investigations staff or through the General Accounting Office.

I appreciate your attention to this problem, and thank you for your consideration of this request.

Sincerely,

JOHN P. MURTHA,
Member of Congress.●

COMMEMORATION OF THE DETROIT ENGINEERING INSTITUTE'S 75TH ANNIVERSARY

HON. WILLIAM D. FORD

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 15, 1985

● Mr. FORD of Michigan. Mr. Speaker, it is with great pleasure that we extend our congratulations to the Detroit Engineering Institute in commemoration of its 75th anniversary.

The oldest private technical institute in Michigan, the Detroit Engineering Institute has been meeting the needs of industry, commerce, and labor for three-quarters of a century.

The Detroit Engineering Institute was founded in 1910 as a private practical engineering school. Since that time, this educational facility has developed into one of the finest skilled trade schools in the country. The Detroit Engineering Institute currently trains draftsmen, design engineers, and heating and air-conditioning technicians, and offers career programs of study such as electronics engineering technology, robotics design and maintenance, and repair.

This educational facility has graduated over 18,000 students who have contributed to the economic development of Michigan and the Nation. With a current enrollment in excess of 650 students, and with the recent expansion of its facilities, it is assured that the Detroit Engineering Institute will continue its commitment to America.

The education of our people is an integral part of our Nation's promise to provide a life of hope and fulfillment to all our citizens. Without educational institutions such as the Detroit Engineering Institute, our Nation would leave that hope and fulfillment unmet for a great number of Americans.

We look forward to many more years of the Detroit Engineering Institute's commitment and dedication to our Nation and our people.●

STOP DEPORTING NICARAGUAN REFUGEES

HON. LARRY SMITH

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 15, 1985

● Mr. SMITH of Florida. Mr. Speaker, this administration continues to deport Nicaraguans to a country in which they will face considerable danger from the ruling Sandinistas.

Administration officials argue that Congress is to blame. The Refugee Act of 1980, they say, establishes criteria for political asylum, and the Nicaraguans cannot meet this criteria.

I submit, Mr. Speaker, that the statute simply provides the framework. It is the administration's interpretation of the law that is faulty.

On the one hand, the administration calls on the American people to oppose the Marxist Sandinista government. On the other, it sends back to that very government people who have fled Marxism. Such a policy is woefully contradictory.

I call on the administration to reexamine its policy toward the deportation of Nicaraguans and to allow extended voluntary departure.

When that review has been completed, the administration then can reexamine its policy toward the poles.●

VETERANS HEALTH CARE BUDGET CANNOT BE REDUCED FURTHER

HON. G.V. (SONNY) MONTGOMERY

OF MISSISSIPPI

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 15, 1985

● Mr. MONTGOMERY. Mr. Speaker, next week the House may be making major decisions on the budget for fiscal year 1986. Many Federal programs will be affected. The decisions we must make will not be easy. We all have different priorities.

A very high priority of mine is veterans health care. I want my colleagues to fully understand the impact of any budget reductions in funds to operate the VA's health care system. Who is better able to relate the problems in the field than the people in the field?

According to the Chiefs of Staff at VA hospitals nationwide who responded to a recent survey, inadequate budgets are already taking their toll. More cuts in the budget will mean longer waiting lists, the turning away of certain non-service-connected veterans, and delays in many surgical procedures.

There follows a report from the Chief of Staff at the VA Medical Center in Salem, VA:

VA MEDICAL CENTER,
Salem, VA, February 8, 19(5.

HOWARD G. GREEN, M.D.,
Chief of Staff (11), VA Medical Center, White River Junction, VT.

DEAR DR. GREEN: In response to your letter of January 2, 1985, I am providing a description of some of the funding problems faced by the VA Medical Center at Salem, Virginia. As you know, we are not allowed to operate with a true deficit (i.e., spending more than we have); however, some significant problems result from the "resource reductions" which have been thrust upon us.

1. By way of introduction, our Medical Center has 827 operating beds: 124 medicine, 198 intermediate medicine, 76 surgery, 329 psychiatry and 100 NHCU. We have an active affiliation with the University of Virgina School of Medicine. We serve as the primary referral center for psychiatric patients in Medical District 7 and provide medical and surgical care for the veterans of Southwestern Virginia.

2. We are currently faced with a $750,000 "deficit" (i.e., resource reduction) in FY 1985. This shortfall is the result of both direct reductions in funding (e.g., DRG target allowance reduction and GS-11-15 grade reduction) and unfunded increases in personal services costs (e.g., health benefits increase, RN qualification standards, one-half percent pay raise, etc.).

3. We have had to take some rather drastic action in order to accommodate such reductions!

(a) Personal Services—Since the majority of a medical center's budget is for personnel, that's where the majority of the loss was allocated. In order to accommodate about $600,000 of the "deficit," we reduced our FTEE by 24 positions. We had to implement this reduction in FTEE very carefully. Our Position Management Committee reviews every vacancy which occurs, eliminating positions where possible, deferring others and refilling those deemed critical to the continued operation of the Medical Center. We have eliminated seven positions, significantly increased our "lag" in refilling (i.e., more jobs are deferred for a longer period of time), reduced some full-time positions to part time and refilled many at a lower grade.

The negative effects of these actions are beginning to evidence themselves. There are about ten physician vacancies at present, as well as a significant number of vacancies (due to "lagging") in nursing and other direct patient care programs. This results in delays in surgery (e.g., orthopedics is three months behind, urology is two months behind), backlogs in clinic scheduling, restrictions of clinics (i.e., some are now seeing only service-connected veterans), lower staff morale and decreased communication of vital information between clinicians and patients. Most of the job cuts were in support services. This has caused problems in maintaining the facility and in providing supplies and administrative support to direct patient care functions.

(b) All other—The remainder of the shortfall, about $150,000, was taken from our all other funding. This comes at a time when we are experiencing skyrocketing drug costs as a result of increasing variety and volume of prescriptions associated with our workload, as well as increasing unit costs. Our estimate is that we need approximately $400,000 to $500,000 additional annually for pharmacy, prosthetics, and supplies.

4. In addition to the above problems in FY 1985, the 3.5 percent pay raise which was effective January 6, 1985, has not been funded. If it remains unfunded, the result will be a further shortfall of $841,000 in FY 1985 at this Medical Center.

5. Finally, there looms the "threat" of the implementation of the as-yet-unveiled FY 86 DRG Casemix Resource Allocation model. We are now almost midway through FY 85, the base year for the FY 87 Target Allowance analysis, and we do not yet know how the FY 84 workload will be analyzed to arrive at the FY 86 Target Allowance. This approach to resource allocation and adjustment makes it impossible to plan and manage rationally.

6. Thank you for this opportunity to offer comments. I hope our collective remarks will have some influence.

Sincerely yours,

P.S. FOGG, M.D.,
Chief of Staff.●

HOSPICE CARE

HON. WILLIAM LEHMAN

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 15, 1985

● Mr. LEHMAN of Florida. Mr. Speaker, several weeks ago, we sent a newsletter to our constituents in North Dade on the subject of hospice care—an innovative and humane ap-

proach to caring for terminally ill patients.

At first, we have some misgivings about basing a general newsletter on what many people might consider to be a depressing subject. However, the response we received from our constituents has been overwhelmingly favorable. We have received dozens of letters and comments from people who have relied on hospice care, as well as from grateful constituents who have family members or friends who need hospice care but were unaware that it is available.

I would like to share with my colleagues one of the letters we received. Helen Freedenberg's husband, Ben, died earlier this year. In many respects, her letter is typical of the kinds of comments we have gotten from our constituents.

The letter follows:

NORTH MIAMI BEACH, FL,
April 30, 1985.

Congressman WILLIAM LEHMAN,
North Miami Beach, FL.

DEAR BILL: I always make sure to read your "Reports from Washington". Of particular interest to me is your April 15th report on "Hospice" and treating the terminally ill. I have first hand experience with Hospice and words cannot sufficiently express my thanks to them and my admiration of the remarkable service they make available to the "medicare-eligible terminally ill" patients.

I shall always be grateful to Hospice. Ben was very ill for about a year until he passed away in January 1985. I don't know how I would have managed for so many months without Hospice which fortunately I had heard about. On the same day I called Hospice (in fact within a few hours) a registered nurse came to my home to assess the situation. Two hours later a hospital bed, a commode, and many personal items for bed comfort, were delivered to my home. Thereafter a registered nurse came in to check on Ben's condition several times a week and would also speak to our doctor.

The service of Hospice for the terminally ill should be known by more people and I am so glad you have given them some wonderful publicity. I was so grateful to Hospice I wrote an article for our Moorings monthly publication praising this remarkable service. I am enclosing a copy for you.

Ben was so glad to be at home. The Hospice nurses were so kind he responded cheerfully to their efforts to make him comfortable in his own bed.

With the excellent equipment provided by Hospice, a registered nurse coming in several times a week to check on Ben, and a part time practical nurse, I was able to keep Ben as comfortable as possible until his demise which we knew was inevitable.

I am so glad you have chosen Hospice as the subject of your April 15th publication. I shall always be grateful for this remarkable service.

With my best wishes and fond regards,

HELEN K. FREEDENBERG.

NORTH MIAMI BEACH, FL,
January 8, 1985.

HOSPICE INC.,
Miami, FL.

Following is an article (copy thereof) I wrote for the monthly bulletin published by our MOORINGS complex. I feel the wonderful service for the terminally ill that is available to the over 65 generation deserves publicity. I personally am most grateful for the caring service given to my husband by Hospice. . . .

HOSPICE

How come I never heard of a remarkable free health service for the elderly terminally ill in this area? The service is called "Hospice" and is a service under Medicare. I telephoned Hospice and the very same day a registered nurse visited Ben. On her orders, in just a few hours a hospital bed and a commode plus some disposable items, were delivered to us. A registered nurse comes in a few times a week to check temperature, medications, supplies, etc. I can't help wondering why there has been so little or no publicity about this exceptional service. Our doctor certainly never told us about it: I bring this service to the attention of our residents while hoping with all my heart that none of you ever need to use it. Hospice certainly deserves publicity. This is the only means I have to express my thanks to Hospice.

Sincerely yours,

HELEN K. FREEDENBERG.

Mr. Speaker, I have visited hospice patients at their homes and in hospice houses. I have talked with their friends and families. I have spoken with doctors, nurses, volunteers, and others directly involved in the treatment of the terminally ill. My experience confirms in my own mind the value of this kind of care and the importance of making it available to every person who needs it. I urge my colleagues to learn more about hospice care and to help in the effort to make its availability more widely known.●

POLICE MEMORIAL WEEK

HON. SOLOMON P. ORTIZ

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 15, 1985

● Mr. ORTIZ. Mr. Speaker, this past weekend marked the beginning of Police Memorial Week, honoring the men and women who serve in a variety of law enforcement capacities around the country. As a former law enforcement official, I know there is no group more deserving and worthy of our praise than these public servants. I urge my colleagues to recognize and honor the people in their districts who perform the sometimes tedious, sometimes dangerous and always critical tasks associated with crime prevention.

We live in a country that demands professionalism and judgment from the officers who protect and preserve the rights of our citizens. Unlike many nations where the police simply arrest any individual whom the government considers dangerous or subversive, law enforcement personnel in the United States have many legal and moral considerations to take into account. Upholding the rights of a suspect and determining the threat posed by criminals to the public make law enforcement much more complicated, and therefore much more just and fair.

I feel our law enforcement people receive an inordinate amount of blame for the problems of urban and rural America. It is easier to remember the crimes that go unpunished than to recognize the successes in apprehending suspects or preventing crimes from occurring.

I am not going to stand here and pretend that problems do not exist among law enforcement officials. But given our goal of more effective law enforcement, I ask you to support and encourage your constituents to participate in crime prevention programs in their towns, neighborhoods and schools. Officers cannot be everywhere at once, and that is why our citizens must assist law enforcement agencies through the practice of crime prevention.

Today at 12 noon, a service was held at the Senate park on the lawn of the Capitol to honor law enforcement officials killed in the line of service during 1984. With my deepest sympathy, I offer my condolences to the families and friends of officers who made this supreme sacrifice. These men and women, despite the dangers and uncertainties of law enforcement, lived to serve the public and the Nation. Please let us not forget those who have fallen, nor those who continue to risk their lives to protect the people of this country. "Police Memorial Week" gives us an opportunity to honor this special group of public servants, but it is an honor they deserve every day of the year.●

THE 10TH ANNIVERSARY OF CONCERNED BLACK MEN, INC.

HON. THOMAS M. FOGLIETTA

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 15, 1985

● Mr. FOGLIETTA. Mr. Speaker, I would like to take this opportunity to bring to the attention of my colleagues an outstanding organization of the Philadelphia area, Concerned Black Men, Inc., and to recognize the contributions they have made to black youth as they celebrate their 10th anniversary.

Concerned Black Men is a fine organization which has dedicated much time and many resources to the enrichment of thousands of lives in the Philadelphia area. An excellent example of the invaluable contributions volunteers can and do make, this distinguished group of men have exerted a very positive force in developing and enriching the lives of black youths. During the past 10 years, Concerned Black Men has been active in practically every facet of young adult life,

including academics, athletics, religion, culture, and recreation.

Concerned Black Men has taken the time to expose youth to culture, to sponsor essay contests to challenge outstanding young scholars, and to showcase church youth choirs and high school bands. This organization has also awarded numerous scholarships to inner-city students and through financial contributions have enhanced the quality of instruction in local high school music departments.

This organization has clearly made a difference in many lives in the Greater Philadelphia community and is deserving of our praise, our admiration, and gratitude. Through programs which promote self-achievement and self-esteem, Concerned Black Men has been very successful in the motivation and recognition of inner-city black youth. Mr. Speaker, I ask you to join me in congratulating Concerned Black Men for their achievements and on receiving the 1985 President's Volunteer Action Award.●

CONGRESSIONAL FREEZE ON 1986 BUDGET WOULDN'T HALT RISE IN DEFENSE OUTLAYS

HON. MARGE ROUKEMA

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 15, 1985

● Mrs. ROUKEMA. Mr. Speaker, I draw the attention of my colleagues to "Blueprint for Balance", the comprehensive budget package proposed by the 92 Group. Central to this equitable $51 billion deficit reduction effort is a freeze on defense spending. In my opinion this is the only rational way to make structural reductions in the deficit in fiscal year 1986 and beyond.

As this House debates the Department of Defense Authorization bill, I call the attention of my colleagues to two interesting analyses of DOD spend-out. One is from the Washington Post of May 12, 1985. The other is a series in the New York Times beginning on May 14, 1985.

The excerpts from the articles follow:

[The Washington Post, May 12, 1985]

REAGAN AMASSED HUGE MONEY RESERVOIR IN FIRST TERM

(By George C. Wilson)

President Reagan built up such a huge reserve of defense money in his first four years that Pentagon spending will continue to rise significantly for the rest of his second term even if the one-year budget freeze just passed by the Senate becomes law.

The Democratic minority on the Senate Budget Committee estimates that the defense budget has risen so sharply in the last few years that the United States could retain the present spending level until 1993, partly because of the "bow wave" of money appropriated in earlier years and not yet spent.

The fine print in the compromise worked out between Reagan and Senate Majority Leader Robert J. Dole (R-Kan.) shows that new congressional appropriations for defense would rise $54 billion, or 18 percent, between fiscal 1985 and 1988 while actual spending—counting funds already in the pipeline—would jump $61 billion, or 24 percent, in that period.

Citing the numbers, Edwin L. Dale Jr., spokesman for the White House Office of Management and Budget, said "this is a slowdown, not a halt. . . ."

Defense Secretary Caspar W. Weinberger, who has been more successful than any previous peacetime defense secretary in building a big base of funding for the Pentagon, now is in position to decide whether to describe the glass as half empty or half full. The Senate compromise preserves the huge spending base in fiscal 1986, adding only enough to offset inflation, and then continues to raise it in fiscal 1987 and 1988 by adding 3 percent annually to cover inflation.

When Weinberger meets with fellow North Atlantic Treaty Organization defense ministers in Brussels later this month, he can state, according to the Budget Committee minority, that the United States has spent $117 billion more than it was obligated to spend for defense since agreeing in 1978 to raise defense spending by 3 percent a year after allowing for inflation.

Unless Congress cuts deeper than it has done under the Reagan-Dole compromise, happy days still are here for the Defense Department and its contractors. Record high peacetime spending will continue because of the peculiar dynamics of the Pentagon budget.

When the Navy, for example, goes to Congress seeking money for an aircraft carrier costing $4 billion, the whole amount is put in the bank that same year and then drawn out year after year until the carrier is launched. All the services have salted billions of dollars away under this system.

The money will be spent from now until after Reagan leaves office.

From fiscal 1982 through 1985, Congress allowed the Army, Navy, Air Force and Marine Corps to put a total of $369 billion in their procurement accounts, $154 billion more than the previous four years, figured in fiscal 1986 dollars. Spending from the procurement account in fiscal 1982 through 1985 totaled $259 billion in fiscal 1986 dollars, meaning $110 billion more was deposited by Congress than was withdrawn by the Pentagon in that four-year period. It is such unspent money that builds up the bow wave.

Also, the Pentagon has been receiving more money to cover inflation than it needed over the last four years. The House Armed Services Committee is preparing a report criticizing the department for holding onto this inflation dividend estimated at $30 billion to $50 billion for fiscal 1982 through 1985. The committee is expected to come close to the higher estimate in the report, to be issued this week.

To bring future defense spending down significantly, Congress would have to do more than add fewer dollars to the already high pile.

The quick fixes, however, have such dangerous political side effects that lawmakers are reluctant to try them. One remedy is to cancel giant weapons programs outright, throwing people out of work and incurring cancellation charges from the contractor. Another fix is to reduce the Pentagon payroll of 2.1 million men and women in uniform and another 1 million civilians.

Rather than save money those ways, Congress and the Pentagon in the past have opted for killing new programs in the bud, slowing production of weapons coming out of the factory and cutting operational costs by such steps as fewer flying hours and sailing days.

Stretching out purchases, thus losing savings from mass production while slashing operations reduces the readiness of the armed forces.

Because the armed services were figuring on a budget increase of at least 5 percent a year for the rest of the Reagan administration, military leaders will be forced to revamp their five-year plans if the House goes along with the Senate.

The Army is in a manpower crunch, so neither its leaders nor Congress is inclined to reduce the size of the force to save money. This puts such controversial programs as the Divad antiaircraft gun and new helicopter programs on the budget-cutters' chopping block, along with stretchouts in current programs.

The Navy has salted away most of the money needed to build its 600-ship fleet, but will come under increasing pressure from congressional and administration budget-cutters to consider building a mix of nuclear-powered and cheaper conventional submarines, reconsider planned purchases of improved A6 medium bombers and F16 "aggressor" aircraft and slow the tempo of its operations.

The Air Force, also running short of manpower to operate such new weaponry as cruise missiles going to Europe, is trying to build two bombers at once, the Rockwell B1 and Northrop Stealth "Flying Wing." The Stealth is running far above cost estimates, according to Air Force sources, making it a candidate for stretchout.

The Marine Corps is in the midst of its biggest weapons-buying program and will have to slow or kill some programs to fit under the lowered budget ceilings.

[Excerpted from the New York Times, May 14, 1985]

OUT OF POST-VIETNAM TROUGH

By the time Jimmy Carter left office in January 1981, military spending had begun to pull gently out of its post-Vietnam trough.

After the Soviet intervention in Afghanistan and the taking of American hostages in Iran, polls taken in 1980 and early 1981 showed that 60 percent of the American electorate believed military spending should be increased.

Mr. Carter left behind a budget that proposed an increase of 10 percent after allowing for inflation.

But the military advisers to the President-elect had bigger plans.

William Schneider Jr., a key member of Mr. Reagan's national security transition team who became the associate director for national security at the Office of Management and Budget, recalled that the group identified these five priorities:

A major renovation of the nuclear arsenal.

A restoration of combat forces that had been widely deplored as unfit.

An expansion of the Navy and of air transport to project power into remote areas in line with what the new Administration described as a "global commitment."

A sweeping program to modernize nonnuclear weapons.

A heavy investment in communications systems.

From the beginning, Mr. Weinberger was less the architect than the salesman. On March 4, 1981, the new Secretary of Defense appeared before the Senate Armed Services Committee to outline the proposal for rearming America.

"If we continue at anything like the levels of expenditure of the recent past," he said, "by the middle 1980's we will clearly be second in military power to the Soviet Union."

Congress, for the most part, cooperated.

True, after the heady first year Congress cut an average of $18 billion a year from Mr. Weinberger's requests. But 90 percent of the cuts came from postponing purchases a year or two and from "financing adjustments" such as re-estimates of inflation and fuel costs.

According to the Office of Management and Budget, Mr. Reagan has got 97 percent of the military purchasing power he requested, when inflation is accounted for.

SCANT ATTENTION TO STRATEGY

Congress, some members say, gave its blessing to budgets with little discussion of the underlying strategy.

"The Pentagon announced it wanted a 600-ship Navy and sent up a succession of budget consistent with that," said Representative Les Aspin of Wisconsin, chairman of the House Armed Services Committee. "But as far as I know, we never gave 15 minutes' debate to the subject of a 600-ship Navy."

Adjusted for inflation, the military budget had grown an average of nearly 9 pecent a year. The Central Intelligence agency estimates that Soviet military spending, adjusted for inflation has grown about 2 percent a year since 1976.

The spending by the United States was heavily skewed to equipment. From 1980 to 1985, "investment," which includes weapons procurement, research and military construction, grew 92 percent, even after adjusting for inflation. It now consumes 47 percent of the military budget.

By comparison, military pay increased 12 percent.

THE REAGAN SPENDING SPURT

When the first Reagan military budgets were added to Mr. Carter's last proposal, there was a powerful spurt of spending. In the first two years military spending leaped 25 percent faster than inflation.

"It has nothing to do with a strategy, nothing to do with a program of what we needed for defense," said Richard A. Stubbing, who was deputy chief of the national security division at the Office of Management and Budget. "It was the services' shopping lists."

Mr. Schneider, the transition team member and now Under Secretary of State, strongly disagreed.

The idea, he said, was to take advantage of the favorable mood by "forward-funding" as many programs as possible. Money would be committed to multiyear weapons contracts. This would assure the industry of a steady flow of business for years to come, thus encouraging it to gear up for more efficient production.

However, several studies by Congress and the Pentagon have found that companies have not increased their investment in plant and equipment during the buildup, despite higher profits and a variety of incentive programs.

TRYING TO MEASURE WASTE

There is no official barometer of waste, but one statistic suggests the trouble the industry had spending the money pumped at it. The Defense Department has a record $280 billion "backlog," money appropriated by Congress but not yet spent.

Many critics, led by a cadre of conservative Republicans in Congress, argue that in its haste to spend, the Pentagon had little time to police. They say it allowed excessive overhead charges and unregulated profits.

"As long as Defense has more money than it knows what to do with, then it doesn't have much incentive to spend it well," said Mr. Stubbing.

Others, like Senator Quayle and Representative Aspin, who is chairman of the House Armed Services Committee, said the buildup did not so much create waste as draw attention to it.

"You couldn't pay the press to write a waste story back in 1979," said Mr. Aspin. "But there was just as much waste then as now."

Recently the Pentagon has taken a more aggressive public stance against major contractors. The General Dynamics Corporation saw $244 million in payments withheld as restitution for alleged overbilling, and the Pentagon's Inspector General, Joseph Sherick, urged that the company's top officials be suspended from Government business. The General Electric Company, after its fraud indictment, was temporarily barred from contracts, and in the wake of its guilty plea could be forbidden from bidding on new defense contracts for three years.

So far these efforts seem to have done little to restore diminished confidence in the Pentagon's ability to spend wisely.

Mr. Weinberger complained that the Pentagon's early "management initiatives," especially a push for more competition, received little press attention while articles about overpriced pliers proliferated.

"They damaged us very badly," he said. "It's the one thing that many people remember, and it's particularly galling because it isn't so."

GAUGING IMPROVEMENTS

Analysts agree that it is tricky to assess how much improvement Mr. Reagan bought with his first $1 trillion.

Much of the money went into areas such as communication, intelligence and research, which are inherently hard to measure. Much went into classified programs.

The Congressional Budget Office report, "Defense Spending: What Has Been Accomplished," by R. William Thomas, is one of the most complete recent efforts to measure the indicators that do exist, and it was unable to draw a clear conclusion.

Pentagon figures show that the military is not much larger now in terms of personnel, but a bigger "force structure" was never a top priority of the Administration.

The number of uniformed personnel, including reserves, is up 317,000, to 3.2 million, with the biggest increase in the National Guard and reserves.

QUALITY OF TROOPS CITED

The Army rearranged its 16 active divisions to create a new "light" division for rapid deployment without adding troops to do it. Tactical fighter squadrons have increased from 85 to 88 in the Navy, but declined to 78 from 79 in the Air Force in favor of expanding reserve units. The Navy, which now has 530 ships, is growing toward a much-discussed 600-ship fleet, about 50 more ships than President Carter planned.

The universally acknowledged success story is the quality of the people in uniform. Studies show they are better-educated and, because of higher reenlistment rates, more experienced than their counterparts at the time Mr. Reagan took office. Drug use and AWOL rates have declined dramatically, and even the Administration's critics say morale is high.

Some say it is noteworthy that personnel showed the most dramatic improvement of any area in the military budget with one of the smallest increases in spending.

Other measures of combat-readiness are more ambiguous, as demonstrated by the following items from Mr. Thomas' report:

Training, measured in flying hours, steaming days and battalion training days, has increased only modestly, although the use of stimulators and more realistic field exercises may have raised its quality.

The percentage of aircraft, tanks and missiles that are "mission capable" has improved slightly over all, with the best progress in Air Force and Navy tactical fighters.

Stockpiles of munitions have increased significantly for all services, but other war reserves, especially spare parts, have fallen behind. That is attributed to the advent of new weapons that require costlier spare parts.

Administration critics say the biggest disappointment has been in the area of highest spending: weapons procurement.

Spending for nuclear weapons has grown fastest, nearly tripling since 1980. The Administration revived the B-1 bomber, spent heavily on the little-noticed area of command and control systems and inaugurated a research program aimed at inventing defenses against nuclear missiles.

Critics, like William K. Kaufmann of the Brookings Institution, say these programs amount to wasteful excess. For example, Mr. Kaufmann argues that cruise missiles can penetrate Soviet air defenses better and more cheaply than the B-1 and that submarine-launched missiles make the land-based MX a white elephant.

The Administration counters that it has passed the best test of success: the Soviet Union returned to Geneva to discuss limiting nuclear arms.

In so-called conventional forces, the pace of modernization has been erratic, with much of the buildup still in back orders.

At the 1981 hearing before the Armed Services Committee, Mr. Weinberger held up charts showing Soviet factories out-producing American plants 3 to 1 in tanks, almost 4 to 1 in submarines, 2 to 1 in fighter planes and more than 2 to 1 in armored vehicles. The ratios today are about the same, but the Administration contends the quality of American weapons has improved.

In Mr. Reagan's first term, production increased for some weapons, such as helicopters and air-launched missiles, and decreased for others, such as airplanes and surface-launched missiles. A major shipbuilding program was undertaken, although some analysts now doubt that the Government can afford to finish it.

For example, in 1982, Congress granted the Navy's request for $7 billion to build two new aircraft carriers. But the plans for those carriers also called for modern escort and supply ships, aircraft weaponry, fuel and more sailors and pilots to operate them. Much of that has not been provided for in the President's budget.

A new study by a Congressional Budget Office naval analyst, Peter Tarpgaard, estimates that completing the 600-ship Navy according to current specifications will require

that Navy budgets grow 5 percent faster than inflation for nine more years.

One striking feature of the buildup, the Congressional Budget Office found, was a trend toward costlier weapons.

For example, the budgets for aircraft went up 75 percent, but the number of airplanes bought went up less than 9 percent. The budget for missiles went up 91 percent but purchased only 6 percent more missiles. The Pentagon bought 30 percent more tanks, but spent 147 percent more to do it.

The budget office study and Administration officials stress that these new weapons are more capable than the ones they replaced.

But another reason more weapons were not bought is that in the first two years of the Administration, the "unit cost" of many weapons soared above Pentagon estimates.

In part, analysts say, that may be because Reagan aides, in making their first budget, accepted unrealistic Carter Administration estimates of what the weapons should cost. In part it was because the services demanded engineering changes along the way, which entitled the contractors to raise prices.

In the last two years, costs for these weapons have remained steady. But Senator Sam Nunn of Georgia, the senior Democrat on the Armed Services Committee, predicted in an interview that a variety of weapons programs nearing production would crowd the budget and lead to higher prices across the board.

DISCUSSIONS IN CONGRESS

"The unit cost of weapons will go up more in the future that it has in the past four years," he said, "because we now have so many weapons systems started that we're not going to be able to maintain efficient production rates."

In Congress, the feeling is widespread that an unacceptable share of the buildup was diverted either by wasteful buying practices or inadequate strategy.

"We may have gotten a little more defense, but for a heck of a lot more money," said Senator Charles E. Grassley, an Iowa Republican, who blames a failure to discipline military contractors.

Senator Nunn agreed. "I don't think we've gotton output commensurate with input in the last four years," he said. He blames what he considers a lack of internal discipline, reflected in the failure to weed out low-priority weapons programs favored by the services, and a lack of strategy, notably an unwillingness to share more of the burden with the allies.

One Government official who has spent his career trying to evaluate Defense Department programs said that after all the calculations were done, the votes would be cast on the basis of feelings.

"There's no question that after $1 trillion, people now feel a lot better about the military, not least of all the military themselves," said this official. Toting up the President's next, five-year spending plan, he added sardonically, "How much better can you feel for another $2 trillion?"●

VOLUNTEER ACTIVISM: IT WORKS!

HON. WM. S. BROOMFIELD

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 15, 1985

● Mr. BROOMFIELD. Mr. Speaker, we are so involved in authorizing and appropriating funds for Federal departments and agencies that we sometimes don't have a chance to see the results of some of the smaller programs that can be of such great value.

I was reminded of this recently when one of my constituents, Wayne M. Bornemeier of Brighton, MI, reported to me on his work in Lesotho as a volunteer, with his travel, lodgings, meals, and clothing care paid for largely out of Agency for International Development [AID] funds.

Mr. Bornemeier is a trained agricultural economist, and in the 1940's he was employed by the Farm Credit Administration, first as a research assistant, then as assistant to the Director of Research, during which time he conducted a series of statistical studies on problems concerning the provision of credit to farmers. He entered the management side of our credit union movement in 1948 as he became managing director of the Nebraska Credit Union League, a position he held until the end of 1967. From 1968 to 1973, he served as coordinator of cooperative development of the Michigan Credit Union League, and from 1973 to the present he held the position of coordinator of governmental relations for the Michigan League. While now officially retired, he remains active in the credit union field.

Last year a private organization in Lesotho, the Lesotho Cooperative Credit Union League, [LCCUL] turned to an organization created 15 years ago by U.S. cooperatives, Volunteers in Overseas Cooperative Assistance, to provide help in the development of a comprehensive 5-year plan. VOCA asked Mr. Bornemeier if he would volunteer his services to help the Lesotho Credit Union, and he said he would.

Lesotho is an impoverished country in southern Africa. The vast majority of the local population live in the rural areas. Many farmers have not developed methods used in more advanced agricultural countries. Mr. Bornemeier developed a realistic plan for a 5-year period to support and strengthen the league as a credit union institutional system and to improve Lesotho's agricultural production credit system to small farmers. He thoroughly analyzed 19 different functions of the league in such areas as accounting, credit, investment, management, training, by-laws, inspection, and audit. He developed yearly goals for each area and outlines sound action plans to achieve them. This plan provided a basic blueprint for helping people help themselves.

The progress to date and the dedication Mr. Bornemeier witnessed are convincing testimony to the strength of democratic self-help private institutions such as the credit unions in Lesotho. They have served as an effective vehicle for mobilizing savings among the rural poor and have acted in many cases as the only available source of credit for its members. With sound advice and continuing dedication from the people of Lesotho to the credit union ideal, the league should continue to play an important role toward increasing Lesotho's agricultural productivity and the incomes of their members.

VOCA is poised to receive further requests for technical help and is ready to provide it. In addition to AID, it receives funding from eight sponsoring organizations in the private sector. However, as VOCA emphasizes, its most vital, most important resource is not money. It is the volunteered services of persons like Mr. Bornemeier. I am told that these services, if valued at $250 a day, represent a substantial proportion of VOCA's resources.

It seems to me my constituent, Mr. Bornemeier, epitomizes the kind of help the American people wholeheartedly support overseas. It offers technical help—not money, but know-how. It offers this help to groups of people who want it, who ask for it, who are willing to commit some of their own resources to a joint effort with the United States, and who want to help themselves. Such a program is private, organization to organization. With relatively small amounts of AID funds, such a program is able to marshall modest contributions from U.S. cooperatives and the volunteer services of highly skilled, well-qualified men and women. I commend to my colleagues this fine piece of volunteer work by my constituent.●

SEIZURE OF ILLICIT DRUGS

HON. LAWRENCE J. SMITH

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 15, 1985

● Mr. SMITH of Florida. Mr. Speaker, on May 8, the largest seizure of cocaine ever occurred in southern Florida. In two separate cases, the Coast Guard and police in Florida City, Dade County, seized more than 4,000 pounds of nearly pure cocaine worth many millions of dollars.

These seizures are both heartening and distressing. I applaud the efforts of the personnel who made the seizures. At the same time, I wonder how much more cocaine will enter this country unnoticed.

The people of south Florida are tired of being the entry point for cocaine and other illegal drugs. They are giving Federal, State, and local law enforcement personnel the type of support and encouragement that makes a tought job a little easier.

But we in Congress must remember that these seizures will not continue if we fail to provide sufficient funding for the Coast Guard, DEA, FBI, and Customs Service. I hope that the House understands this fact when it considers the budget.

To get rid of this cancer, this cancer of illicit drugs, we must maintain our dedication. The key to that dedication is our law enforcement personnel and the funding for them. We can win. We can interdict most drugs. It is a costly battle, but the cost is worth it—for our kids and for the future of our country.●

SENATE COMMITTEE MEETINGS

Title IV of Senate Resolution 4, agreed to by the Senate on February 4, 1977, calls for establishment of a system for a computerized schedule of all meetings and hearings of Senate committees, subcommittees, joint committees, and committees of conference. This title requires all such committees to notify the Office of the Senate Daily Digest—designated by the Rules Committee—of the time, place, and purpose of the meetings, when scheduled, and any cancellations or changes in the meetings as they occur.

As an additional procedure along with the computerization of this information, the Office of the Senate Daily Digest will prepare this information for printing in the Extensions of Remarks section of the CONGRESSIONAL RECORD on Monday and Wednesday of each week.

Any changes in committee scheduling will be indicated by placement of an asterisk to the left of the name of the unit conducting such meetings.

Meetings scheduled for Thursday, May 16, 1985, may be found in the Daily Digest of today's RECORD.

MEETINGS SCHEDULED

MAY 17

9:30 a.m.
Commerce, Science, and Transportation
Surface Transportation Subcommittee
To hold hearings on the deregulation of surface freight forwarders.
SR-253

10:00 a.m.
Select on Intelligence
Closed briefing on intelligence matters.
SH-219

MAY 20

9:30 a.m.
Finance
Taxation and Debt Management Subcommittee
To hold hearings on S. 56, S. 71, S. 217, S. 251, and S. 729, bills to clarify the application of imputed interest and interest accrual rules of the Internal Revenue Code.
SD-215

10:00 a.m.
*Judiciary
To hold hearings to examine civil suits under the Racketeer Influenced Corrupt Organizations Act (RICO).
SD-226

2:00 p.m.
Foreign Relations
To hold hearings on proposed legislation relating to Iranian claims.
SD-419

MAY 21

9:30 a.m.
Banking, Housing, and Urban Affairs
Business meeting, to consider the nomination of Martha R. Seger, of Michigan, to be a member of the Board of Governors of the Federal Reserve System.
SD-538

Environment and Public Works
Environmental Pollution Subcommittee
To hold oversight hearings on the implementation of section 404 of the Clean Water Act, relating to the wetlands dredge and fill permit program.
SD-406

Judiciary
Constitution Subcommittee
To hold hearings on fetal pain.
SD-G50

10:00 a.m.
Appropriations
Treasury, Postal Service, and General Government Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1986 for the Department of the Treasury.
SD-126

Foreign Relations
Business meeting, to resume consideration of the Convention on the Prevention and Punishment of the Crime of Genocide (Exec. O, 81st Cong., 1st sess.).
SD-419

Judiciary
To hold hearings on S. 397, to modify the application of U.S. antitrust laws to international trade and commerce.
SD-226

Joint Economic
Economic Goals and Intergovernmental Policy Subcommittee
To hold hearings on the Federal Reserve Budget.
2212 Rayburn Building

2:00 p.m.
Appropriations
Interior and Related Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1986 for the Holocaust Memorial Council, Minerals Management Service, Department of the Interior.
SD-138

Appropriations
Legislative Branch Subcommittee
To resume hearings on proposed budget estimates for fiscal year 1986 for the Legislative Branch of the Federal Government, focusing on the Congressional Budget Office, Office of Technology Assessment, General Accounting Office, and the Government Printing Office.
S-128, Capitol

Select on Intelligence
Closed business meeting, to resume markup of proposed legislation authorizing funds for fiscal year 1986 for the intelligence community.
SH-219

MAY 22

9:30 a.m.
Banking, Housing, and Urban Affairs
To resume hearings on recent changes in the financial services industry.
SD-538

Energy and Natural Resources
Business meeting, to resume consideration of S. 979, to extend the expiration date of titles I and II of the Energy Policy and Conservation Act, and other pending calendar business.
SD-366

Judiciary
Criminal Law Subcommittee
To hold hearings on S. 605. to clarify certain provisions of the National Stolen Property Act as applied to imported archeological and ethnological materials.
SD-226

Labor and Human Resources
To hold hearings on S. 797, the Youth Employment Opportunity Wage Act of 1985.
SD-430

Select on Intelligence
Closed briefing on intelligence matters.
SH-219

10:00 a.m.
Environment and Public Works
To hold hearings on the nomination of Francis S. Blake, of Maryland, to be Assistant Administrator (General Counsel) of the Environmental Protection Agency.
SD-406

Foreign Relations
To resume hearings on American policy toward South Africa.
SD-419

Governmental Affairs
Civil Service, Post Office, and General Services Subcommittee
To hold oversight hearings on a General Accounting Office report on Federal pay equity and classification system.
SD-342

Judiciary
Juvenile Justice Subcommittee
To hold oversight hearings to examine the scope of missing children.
SD-219

Joint Economic
Agriculture and Transportation Subcommittee
To resume hearings to review economic problems in rural areas, focusing on rural community services, education, and health care.
SD-562

2:00 p.m.
Appropriations
Interior and Related Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1986 for Naval Petroleum Reserves, and fossil energy.
SD-138

Governmental Affairs
Intergovernmental Relations Subcommittee
To hold hearings on S. 765, to provide for coordinated management and rehabilitation of the Great Lakes.
SD-342

Judiciary
To hold hearings on pending nominations.
SD-226

Small Business
Small Business: Family Farm Subcommittee
To hold hearings on small issue industrial development bonds as a source of capital for small business expansion.
SR-428A

MAY 23

9:30 a.m.
Commerce, Science, and Transportation
Aviation Subcommittee
To hold hearings on S. 586, to provide for the review of certain authority in awarding international airline route certificates issued under the Federal Aviation Act.
SR-253

Governmental Affairs
Oversight of Government Management Subcommittee
To hold hearings on S. 1134, the Program Fraud Civil Penalty Act of 1985.
SD-342

10:00 a.m.
Governmental Affairs
Civil Service, Post Office, and General Services Subcommittee
To continue oversight hearings on a General Accounting Office report on Federal pay equity and classification system.
SD-138

Labor and Human Resources
Children, Family, Drugs, and Alcoholism Subcommittee
To hold hearings on efforts to locate missing children.
SD-430

MAY 24

9:30 a.m.
*Banking, Housing, and Urban Affairs
International Finance and Monetary Policy Subcommittee
To hold hearings on S. 635, to express opposition of the United States to the system of apartheid in South Africa by prohibiting new U.S. bank loans to the Government of South Africa, prohibiting investment by U.S. firms in South Africa, prohibiting the importation of South African gold coins into the United States, and forbidding the sale of computers to the Government of South Africa.
SD-538

10:00 a.m.
Select on Intelligence
Closed briefing on intelligence matters.
SH-219

JUNE 3

9:30 a.m.
* Finance
Health Subcommittee
To hold hearings on proposed legislation to modify the Medicare direct medical education pass-through.
SD-215

JUNE 4

9:30 a.m.
Energy and Natural Resources
Energy Regulation and Conservation Subcommittee
To hold oversight hearings on the impact of imported petroleum products on the domestic petroleum industry.
SD-366

10:00 a.m.
Foreign Relations
Business meeting, to consider pending calendar business.
SD-419

JUNE 5

9:30 a.m.
Finance
To hold hearings on S. 814, to make technical corrections to certain provisions of the Tax Reform Act of 1984, and proposed technical corrections to the Retirement Equity Act (P.L. 98-397).
SD-215

Labor and Human Resources
To hold hearings on drug export reform.
SD-430

JUNE 6

9:30 a.m.
Energy and Natural Resources
Natural Resources Development and Production Subcommittee
To hold oversight hearings on the impact of coal imports on the domestic coal industry.
SD-366

JUNE 10

2:00 p.m.
Energy and Natural Resources
Energy Research and Development Subcommittee
To resume oversight hearings on proposed budget requests for fiscal year 1986 for programs of the Department of Energy, focusing on fossil energy programs.
SD-366

JUNE 11

9:30 a.m.
Labor and Human Resources
To hold oversight hearings on the implementation of the Orphan Drug Act (P.L. 97-414) focusing on section 7(b) relating to radiation-cancer liability.
SD-430

Labor and Human Resources
Handicapped Subcommittee
To hold oversight hearings on administrative activities of Gallaudet College and the National Technical Institute for the Deaf.
SR-428A

10:00 a.m.
Energy and Natural Resources
Water and Power Subcommittee
To hold hearings on S. 403, to revise requirements with respect to the issuance of licenses for existing hydroelectric facilities, and S. 426, to provide for more protection to electric consumers.
SD-366

JUNE 12

9:30 a.m.
Labor and Human Resources
To continue oversight hearings on the implementation of the Orphan Drug Act (P.L. 97-414), focusing on section 7(b) relating to radiation-cancer liability.
SD-430

JUNE 13

9:30 a.m.
Labor and Human Resources
Labor Subcommittee
To hold hearings on S. 1105, to reform the Walsh-Healey Act to allow Federal contractors in the private sector to work flextime hours.
SD-628

JUNE 14

9:30 a.m.
*Finance
Health Subcommittee
To hold hearings on health promotion and disease prevention strategies for Medicare beneficiaries.
SD-215

JUNE 17

9:30 a.m.
Labor and Human Resources
To hold hearings on home health care reform.
SD-430

JUNE 18

9:30 a.m.
Energy and Natural Resources
Energy Regulation and Conservation Subcommittee
To hold oversight hearings on the current status of and factors affecting the natural gas market.
SD-366

Labor and Human Resources
To continue hearings on home health care reform.
SD-430

JUNE 20

10:00 a.m.
Labor and Human Resources
Children, Family, Drugs, and Alcoholism Subcommittee
To hold hearings to examine the problem of drugs in the military.
SD-430

JUNE 25

9:30 a.m.
Labor and Human Resources
To hold oversight hearings to examine certain barriers to adoption.
SD-430

JULY 10

9:30 a.m.
Labor and Human Resources
To resume oversight hearings to examine certain barriers to adoption.
SD-430

JULY 15

2:00 p.m.
Environment and Public Works
Regional and Community Development Subcommittee
To hold hearings to review the programs and policies of the Tennessee Valley Authority.
SD-406

JULY 16

9:30 a.m.
Labor and Human Resources
To hold oversight hearings to examine U.S. relations with the International Labor Organization (I.L.O.)
SD-430

10:00 a.m.
Environment and Public Works
Regional and Community Development Subcommittee

To continue hearings to review the programs and policies of the Tennessee Valley Authority.

SD-406

JULY 17

9:00 a.m.

Labor and Human Resources

Business meeting, to consider pending calendar business.

SD-430

JULY 22

2:00 p.m.

Environment and Public Works

Regional and Community Development Subcommittee

To resume hearings to review the programs and policies of the Tennessee Valley Authority.

SD-406

JULY 31

9:30 a.m.

Labor and Human Resources

To hold hearings to examine certain barriers to health care.

SD-430

OCTOBER 1

11:00 a.m.

Veterans Affairs

To hold hearings to review the legislative priorities of the American Legion.

SD-106

HOUSE OF REPRESENTATIVES—*Thursday, May 16, 1985*

The House met at 10 a.m.

The Chaplain, Rev. James David Ford, D.D., offered the following prayer:

We thank You, O God, for the gift of hope. When we experience weakness, You give us strength; when we know disappointment, You offer grace: when we feel alive and without purpose, You grant direction. For all Your gifts, O God, in strength and grace and direction and for Your loving gift of hope, we offer this our prayer. Amen.

THE JOURNAL

The SPEAKER. The Chair has examined the Journal of the last day's proceedings and announces to the House his approval thereof.

Pursuant to clause 1, rule I, the Journal stands approved.

SUNDRY MESSAGES FROM THE PRESIDENT

Sundry messages in writing from the President of the United States were communicated to the House by Mr. Chidon, one of his secretaries.

MESSAGE FROM THE SENATE

A message from the Senate by Mr. Sparrow, one of its clerks, announced that the Senate had passed without amendment a concurrent resolution of the House of the following title:

H. Con. Res. 95. Concurrent resolution commemorating the 20th anniversary of Head Start.

WHAT HAPPENED TO TRUE TAX REFORM?

(Mr. KLECZKA asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. KLECZKA. Mr. Speaker, what is happening to the concept of true tax reform? The new tax package dubbed "Treasury II" which is to be presented to the country in late May is mysteriously being slanted in favor of the vested and special interests of this country. It seems that big business is winning. Slipping by us is the equity and the fairness that the American people have demanded. The President, it would appear, has backed away from reform in such key areas as oil and gas, real estate, business depreciation and capital gains. And the President dares to call all of this progressive.

The true special interest group of this country should be the people and it seems they are being ignored in Treasury II. The people demand a simple and universal tax system. Individuals in this country must be the true beneficiaries of tax reform, not some corporate entity.

Instead, it would appear that once again the winners will be the corporations, the tax shelter beneficiaries, the privileged, the same group that benefited from the President's tax cuts of 1981.

The Congress must not tolerate this. We must enact a true and fair tax reform package. Our approach must be equitable.

Mr. President, the people of America are watching you.

A TRIBUTE TO THE HONORABLE WALLACE F. BENNETT, FORMER SENATOR FROM UTAH

(Mr. MONSON asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. MONSON. Mr. Speaker, it is a distinct honor for me to stand in these Chambers today to pay tribute to a man whose life stands as an example of unquestionable moral character, achievement, and service. Wallace F. Bennett served 24 years as a U.S. Senator from my great State of Utah, and in that time, he earned a reputation as a skilled legislator and an effective representative for Utah. It is my privilege to introduce a bill designating the Federal building at 125 South State Street in Salt Lake City, UT, as the "Wallace F. Bennett Federal Building." I believe it is only fitting that the Federal building be named after someone who serves as a paragon of excellence for so many in the State of Utah. His life history is one of achievement and success, not just as a U.S. Senator, but as an esteemed businessman.

While serving in the Senate, Mr. Bennett was the ranking member of the Senate Finance Committee, and senior Republican on the Senate Banking, Housing, and Urban Affairs Committee. He served as secretary of the Senate Republican Conference, vice chairman of the Senate Ethics Committee, and a member of the Joint Committees on Atomic Energy, Defense Production, and Internal Revenue Taxation. He was also a member of the Senate Select Committee on Standards and Conduct.

Mr. Bennett's term of service is the second longest in the history of Utah and is distinguished not only by its duration, but also by its quality. He is the only popularly elected Utah Senator to retire from office voluntarily.

One of Mr. Bennett's colleagues, former Senator Paul J. Fannin of Arizona, appropriately sums up my comments:

No man better represents these people [from Utah] and this heritage than the senior Senator from Utah, Wallace Bennett.

SUSAN PETERS KOGUT—PHYSICAL EDUCATOR OF THE YEAR

(Mrs. BENTLEY asked and was given permission to address the House for 1 minute and to revise and extend her remarks.)

Mrs. BENTLEY. Mr. Speaker, this morning I would like to honor and congratulate a constituent of mine, Mrs. Susan Peters Kogut of Joppa, MD.

Susan has been named national "Physical Educator of the Year" by the National Association of Sports and Physical Education.

A teacher at Chesapeake High School, Mrs. Kogut's philosophy—"learning and physical education are for everyone; physical education is the culmination of these two things"—is exemplified by her programs in the Essex, MD, school.

Working with the handicapped, overweight, and troubled adolescent, Susan has gained well deserved national recognition for her concern and belief that physical fitness is for everyone.

As a spokesperson for the benefits of physical education, Susan believes that physical fitness is a healthy alternative to smoking, drinking, and drugs—that the teacher and the coach can have a positive influence on students in getting the message across.

It is always a pleasure to hear of someone's good fortune and achievement, but when the accolade is for working with our young people in the most constructive way, it is a positive joy.

Congratulations, Susan.

□ 1010

THE "JUSTICE" DEPARTMENT

(Mr. HUBBARD asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. HUBBARD. Mr. Speaker, if Lady Justice should come alive and witness the deal agreed upon by the

U.S. Justice Department and E.F. Hutton & Co., Inc., she would untie her blindfold, drop her scales and flee in disgust.

The Justice Department is now mounting a determined defense of its decision not to prosecute individual officials in E.F. Hutton's $4.35 billion bank fraud which adversely affected 400 American banks through a massive check-kiting scheme.

One prominent elected official said yesterday here in Washington and I quote from today's edition of the New York Times:

That the agreement not to try to send individuals to jail was a "travesty" and an "incredibly negligent, political judgment."

Associate Attorney General D. Lowell Jensen, whose nomination to be Deputy Attorney General is before the Senate Judiciary Committee, said yesterday that the Justice Department's strategy regarding E.F. Hutton produced a "tremendous favorable" result for the Government.

Mr. Jensen's statement gives added credibility to those of us who know that the U.S. Justice Department is the most politically conscious, politically active agency in the Federal Government.

ANNOUNCEMENT BY THE SPEAKER

The SPEAKER. The Chair will inform the gentleman from Kentucky the rules of the House do not permit him to refer to Senate proceedings, and so the Chair would ask him to revise his remarks.

CHILDREN'S PROTECTION ACT OF 1985

(Mr. McCAIN asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. McCAIN. Mr. Speaker, today I am introducing legislation that will combat one of the most terrible crimes in our society. I am referring to child pornography.

The U.S. Customs Office has estimated that in just the last 3 years they seized more than 247,000 pieces of pornography—70 percent of it depicted children. At least 1 million children have been sexually molested and then filmed for the abuser's pleasure or profit. Approximately 260 child pornography magazines are sold in this country.

The child pornography business makes profits in the millions of dollars. Until now, producers or distributors did not lose their assets when convicted. They might receive a sentence for their crimes, but still retained the profits made at the expense of exploited children. My legislation would include child exploitation crimes under the racketeer influenced and corrupt organizations [RICO] provisions, thus providing for the seizure of all assets and profits made from this business. This bill, the Children's Protection Act of 1985, would also prohibit advertising of child pornography and make it punishable to transport minors across a State line for the purpose of sexual exploitation.

The child pornography business is one of the most horrible enterprises in society today. It exploits innocent children, often leaving them with emotional and physical scars that will last forever. We must enact appropriate measures that will put an end to this crime and severely punish those who would exploit and harm our children.

IMPLEMENT THE PROVISIONS OF THE BOATING SAFETY AND SPORT FISHING ENHANCEMENT ACT

(Mr. TALLON asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. TALLON. Mr. Speaker, I urge my colleagues to support House Resolution 165 which calls on the administration to honor its commitment and implement the provisions of the Boating Safety and Sport Fishing Enhancement Act, included in the Deficit Reduction Act of 1984, as written and intended by Congress.

This act, commonly known as the Wallop-Breaux fund, is based on user fees paid by recreation fishermen and boaters. New taxes were imposed on fishing gear, with the support of the boating and fishing communities. In addition, the legislation recognizes that recreational boaters pay another user fee for which they were previously receiving only limited benefits—the 9 cents per gallon tax of fuel purchased for recreational boats.

When the Federal fuels tax was raised from 4 cents to 9 cents per gallon in 1982, the increase was clearly intended not as a new tax, but as a user fee that would provide direct benefits in the form of roads and other benefits to the people paying the tax.

Prior to the passage of the Wallop-Breaux legislation, the money attributable to the gas tax on motorboats was authorized to be spent on boating safety programs; however, very little was ever appropriated.

The new law mandated that the motorboat fuels tax and the new user fees, along with import duties on fishing tackle and pleasure craft, were to be placed in a special aquatic resources trust fund.

Yet, while earlier praising the legislation, the administration proposed in its fiscal year 1986 budget to repeal the automatic appropriation for the Federal aid in the Sport Fishing Restoration Act and to withhold new funds from the program.

The administration's attack on this program threatens to undermine the user fee concept which has served this and other programs so well.

Sportsmen have willingly supported user fees in the past because they believe in protecting our resources and because Congress has never broken faith with them.

Revenues from the Federal Government through the user fees are to be distributed by the Fish and Wildlife Service on a 75-25 matching basis to States to be used for boating safety, education and law enforcement purposes, construction of boating public access sites, as well as for fishing conservation programs.

While the administration proposes only a funding level of $44 million in fiscal year 1986, the expanded program is estimated to bring in $97 to $102 million, with the remaining $53 to $58 million going into the General Treasury for deficit reduction rather than to the use for which Congress intended.

My State of South Carolina alone stand to lose as much as $1 million a year if the present accounting procedure is allowed to continue to be used.

If user fees are collected but not returned, we will have turned this concept into special taxes for raising general revenues—a complete perversion of congressional intent.

I urge my colleagues to cosponsor this resolution and send a strong message to the administration to operate this program in the manner in which Congress mandated.

THE INDIANA ELECTION DISPUTE

(Mr. STRANG asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. STRANG. Mr. Speaker, we came to this body with an abiding faith in this country, in its people, in its ideals, and its institutions. We are a people of ideas and idealism, with faith in God and faith in ourselves. This faith, Mr. Speaker, is not misplaced.

Our conduct in wresting a legal election from the chagrined grasp of an incredulous Indiana electorate reflects neither a respect for law, nor idealism.

Mr. Speaker, this shame will not just quietly disappear as we have read recently. Respect for decency and for Mr. McIntyre dictates that we never forget.

FEDERAL BUREAU OF ALCOHOL, TOBACCO, AND FIREARMS NEEDS TO GET TOUGH ON MAC-10'S

(Mr. TORRICELLI asked and was given permission to address the House

for 1 minute and to revise and extend his remarks.)

Mr. TORRICELLI. Mr. Speaker, when it comes to the subject of fighting crime, members of this institution, indeed, the leadership of our country, is eager to get in line. Now there is a line worth joining. Not for symbolism, not for talk, but for some real action.

Sometime ago, the Department of the Treasury made a terrible error. In judging a new gun, the MAC-10, they decided it was no more than a simple pistol, free from any Federal regulation. Time has proven otherwise.

With small changes, the insertion of a single coin, this gun becomes a lethal machinegun, in fact with more deadly power, greater firepower than the M-16 assault rifles used by the U.S. Army.

Mr. Speaker, legislation that I have introduced, H.R. 2024, would require that retroactively, these guns be subject to Federal regulation. They have become the favorite of organized crime, neo-Nazi groups, motorcycle gangs, extremist organizations, drug dealers, and other criminal elements fighting our law enforcement personnel across America.

I urge my colleagues to support this legislation.

The Department of the Treasury has recognized its error and prospectively has subjected these weapons to Federal regulation. The Congress must force them to do so retroactively as well.

This is a chance to get in a line that can move policy. Please join this effort.

FOREIGN AFFAIRS COMMITTEE PASSES NUCLEAR TEST BAN

(Mr. FASCELL asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. FASCELL. Mr. Speaker, yesterday, by voice vote, the House Foreign Affairs Committee passed House Joint Resolution 3, dealing with limiting nuclear weapons testing.

House Joint Resolution 3 is an arms control measure that urges the President to request ratification of the Threshold Test Ban Treaty and the Peaceful Nuclear Explosions Treaty and to resume negotiations on a comprehensive test ban treaty. The same language of House Joint Resolution 3 was passed in the other body last year by a vote of 77-22—a vote in excess of the two-thirds necessary for treaty ratification.

House Joint Resolution 3 is a proarms control measure which builds off the past arms control efforts of President Nixon and Ford and reaffirms the position of every President from Eisenhower to and including President Reagan to work toward a comprehensive test ban treaty.

As a manifestation of our commitment to nuclear nonproliferation, House Joint Resolution 3 demonstrates U.S. seriousness about bringing an end to the nuclear arms race.

Ratification of the Threshold Test Ban Treaty [TTBT] and the Peaceful Nuclear Explosions Treaty [PNET] would result in enhanced verification of these treaties. Verification is enhanced because of the unprecedented exchange of data required by the TTBT and the PNET and provisions for onsite inspection required by the PNET. Such provisions make an assessment of Soviet compliance with these treaties easier and more reliable. These data exchanges, however, are not possible until the treaties are ratified, which is all the more reason why we in the Congress should work diligently and quickly to urge their ratification.

In short, House Joint Resolution 3 is a modest but concrete proarms control and proverification enhancement measure that complements the administration's stated objective of bringing an end to the nuclear arms race.

THE TAX FAIRNESS FOR FAMILIES ACT

(Mr. COATS asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. COATS. Mr. Speaker, as House sponsor for H.R. 1551, the Tax Fairness for Families Act, I was obviously pleased to learn yesterday that the administration's tax plan included an apparent doubling of the personal exemption from $1,000 to $2,000 for each family member.

This is good news for families that have suffered inequity and discrimination in the Tax Code for many, many years.

□ 1020

However, I was a little bit concerned when I read that under discussion was the possibility that this might be phased in over a 3-year period.

You cannot phase in fairness, Mr. Speaker. It is either fair or it is not fair. And what is important to realize is that the $2,000 level for personal exemption for members of the family is not a benefit. It is ending a discrimination that has existed and an inequity that has existed for a number of years. Were it to become a benefit, it would have to exceed what is rightfully the entitlement of families had that been indexed for inflation since 1948. That has not been the case. So let's go right to the $2,000. It does not even bring us fully even to where we should be in terms of providing equity for family members, but it is a great step in the right direction. I am pleased that the White House has moved this issue to the top of the priority list. We hope through negotiations in the next few weeks to make sure that that $2,000 level is maintained.

NATIONAL HISTORIC PRESERVATION WEEK

(Mr. STAGGERS asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. STAGGERS. Mr. Speaker, this week marks the celebration of the 13th annual National Historic Preservation Week. "The Action's Back on Main Street" is the theme this year and reflects the successful efforts of preservation and neighborhood groups to make their downtown areas once again a place to work, to play and do business. In my district, communities have learned that historic preservation is an extremely important economic development tool.

In Monongalia County, Main Street, Morgantown, Inc., has renovated several buildings on the National Register of Historic Places, which has made a significant contribution to economic revitalization.

In Berkeley County, an old mill building with flooding problems has been transformed into a $5 million project. Martinsburg's Blue Ridge Outlet Mall, housed in a former textile mill, is responsible for 160 new jobs, will contribute $1 million in sales tax revenue annually to the State and will benefit other downtown businesses.

Historic preservation can indeed prove to be a catalyst for economic growth. Our heritage does not have to be sacrificed, but can be incorporated into the future growth of our communities.

I salute the efforts of preservation and neighborhood groups in West Virginia, who are responsible for the action returning to main street.

SUNDRY RESCISSION PROPOSALS, DEFERRALS AND REVISED DEFERRAL PROPOSALS—MESSAGE FROM THE PRESIDENT OF THE UNITED STATES (H. DOC. NO. 99-68)

The SPEAKER pro tempore (Mr. ALEXANDER) laid before the House the following message from the President of the United States, which was read and, together with the accompanying papers, without objection, referred to the Committee on Appropriations and ordered to be printed:

(For message, see proceedings of the Senate of today, Thursday, May 16, 1985.)

SIXTH ANNUAL REPORT DESCRIBING FEDERAL ACTIONS WITH RESPECT TO CONSERVATION AND USE OF PETROLEUM AND NATURAL GAS IN FEDERAL FACILITIES—MESSAGE FROM THE PRESIDENT OF THE UNITED STATES

The SPEAKER pro tempore laid before the House the following message from the President of the United States; which was read and, together with the accompanying papers, without objection, referred to the Committee on Energy and Commerce:

(For message, see proceedings of the Senate of today, Thursday, May 16, 1985.)

CALL OF THE HOUSE

Mr. WALKER. Mr. Speaker, I move a call of the House.

A call of the House was ordered.

The call was taken by electronic device, and the following Members responded to their names:

[Roll No. 118]

Ackerman	de la Garza	Hawkins
Alexander	Dellums	Hayes
Anderson	Derrick	Hefner
Andrews	DeWine	Hendon
Anthony	Dickinson	Henry
Atkins	Dicks	Hertel
AuCoin	DioGuardi	Hiler
Barnard	Donnelly	Howard
Bartlett	Dorgan (ND)	Hoyer
Bateman	Dornan (CA)	Hubbard
Bates	Downey	Hughes
Bedell	Dreier	Hunter
Bennett	Duncan	Hutto
Bentley	Durbin	Jeffords
Bereuter	Dymally	Jenkins
Bevill	Dyson	Johnson
Biaggi	Eckart (OH)	Jones (OK)
Bilirakis	Eckert (NY)	Kanjorski
Bliley	Edgar	Kaptur
Boggs	Edwards (CA)	Kasich
Boner (TN)	Edwards (OK)	Kastenmeier
Bonior (MI)	Emerson	Kennelly
Bonker	English	Kildee
Bosco	Erdreich	Kindness
Boucher	Evans (IA)	Kleczka
Boulter	Fascell	Kolbe
Boxer	Fawell	Kostmayer
Breaux	Fazio	Kramer
Broomfield	Feighan	Lantos
Brown (CA)	Fiedler	Latta
Brown (CO)	Flippo	Leach (IA)
Broyhill	Florio	Leath (TX)
Bruce	Foglietta	Lehman (CA)
Bryant	Foley	Lehman (FL)
Byron	Franklin	Leland
Callahan	Frenzel	Lent
Campbell	Frost	Levin (MI)
Carper	Gallo	Levine (CA)
Carr	Gejdenson	Lewis (FL)
Chandler	Gekas	Lightfoot
Chappell	Gephardt	Lloyd
Clinger	Gibbons	Loeffler
Coats	Glickman	Long
Cobey	Gonzalez	Lowry (WA)
Coble	Goodling	Lundine
Coelho	Gordon	Lungren
Coleman (TX)	Gradison	Mack
Combest	Gray (IL)	MacKay
Conte	Gray (PA)	Madigan
Conyers	Green	Manton
Cooper	Grotberg	Markey
Coughlin	Guarini	Marlenee
Coyne	Gunderson	Martin (IL)
Craig	Hall (OH)	Martinez
Crockett	Hall, Ralph	Matsui
Dannemeyer	Hamilton	Mavroules
Darden	Hammerschmidt	Mazzoli
Daschle	Hansen	McCain
Daub	Hatcher	McCandless
McCloskey	Rangel	Staggers
McCollum	Ray	Stallings
McCurdy	Regula	Stangeland
McGrath	Reid	Stenholm
McHugh	Richardson	Strang
McKernan	Rinaldo	Studds
McMillan	Roberts	Sundquist
Mica	Robinson	Sweeney
Miller (CA)	Rodino	Swindall
Miller (OH)	Roe	Tallon
Miller (WA)	Roemer	Tauke
Mineta	Rogers	Tauzin
Mitchell	Rostenkowski	Taylor
Mollohan	Rowland (CT)	Thomas (CA)
Monson	Rowland (GA)	Thomas (GA)
Montgomery	Russo	Torricelli
Moody	Saxton	Towns
Moore	Schaefer	Valentine
Moorhead	Schneider	Vander Jagt
Morrison (WA)	Schroeder	Vento
Mrazek	Schuette	Visclosky
Murphy	Schulze	Volkmer
Murtha	Schumer	Walgren
Myers	Sensenbrenner	Walker
Natcher	Sharp	Watkins
Neal	Shaw	Waxman
Nielson	Shelby	Weaver
Oberstar	Shumway	Weber
Obey	Sikorski	Weiss
Olin	Sisisky	Wheat
Ortiz	Skeen	Whittaker
Owens	Slattery	Whitten
Oxley	Slaughter	Wirth
Packard	Smith (IA)	Wolf
Panetta	Smith (NE)	Wolpe
Pashayan	Smith (NH)	Wortley
Pease	Smith (NJ)	Wyden
Penny	Smith, Denny	Wylie
Perkins	Smith, Robert	Yates
Pickle	Snowe	Yatron
Price	Solomon	Young (AK)
Pursell	Spence	Young (MO)
Rahall	Spratt	Zschau

□ 1040

The SPEAKER pro tempore (Mr. KLECZKA). On this rollcall, 306 Members have recorded their presence by electronic device, a quorum.

Under the rule, further proceedings under the call were dispensed with.

INTERNATIONAL SECURITY AND DEVELOPMENT COOPERATION ACT OF 1985

The SPEAKER pro tempore. Pursuant to House Resolution 140 and rule XXIII, the Chair declares the House in the Committee of the Whole House on the State of the Union for the consideration of the bill, H.R. 1555.

□ 1045

IN THE COMMITTEE OF THE WHOLE

Accordingly the House resolved itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H.R. 1555) to amend the Foreign Assistance Act of 1961, the Arms Export Control Act, and the Agricultural Trade Development and Assistance Act of 1954, to authorize development and security assistance programs for fiscal year 1986, and for other purposes, with Mr. AUCOIN in the chair.

The Clerk read the title of the bill.

The CHAIRMAN. Pursuant to the rule, the first reading of the bill is dispensed with.

Under the rule, the gentleman from Florida [Mr. FASCELL] will be recognized for 30 minutes and the gentleman from Michigan [Mr. BROOMFIELD] will be recognized for 30 minutes.

The Chair recognizes the gentleman from Florida [Mr. FASCELL].

Mr. FASCELL. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, H.R. 1555, the International Security and Development Assistance Act of 1985, is a comprehensive, 2-year foreign assistance authorization bill which deserves the strong approval of the House.

I choose my words carefully and I mean precisely what I say: This measure deserves—indeed, demands—support for three simple but important reasons: it is responsible, it is necessary, it is practical.

Above all, it is fiscally responsible. It responds to the collective determination of this country and this House to spend less.

It is also necessary in terms of programs it contains which protect vital American interests abroad. These programs include:

Military aid to our friends and allies, which strengthens free world security and enhances our own defenses, including the use of military bases to U.S. forces around the world.

Special economic assistance to areas of strong strategic interest to the United States, particularly the Middle East.

Development and humanitarian help to poor countries, which will enable them to improve their economies through self-help.

Finally, H.R. 1555 is practical in the sense that what it means for Americans is jobs, further economic expansion, and important opportunities to restore some balance to our growing and serious trade deficit.

How does it do that? It does that by responding to the fact that the economies of developing countries over the past few years have become the fastest growing markets for American products at the same time that they are the source for materials needed by American industry. It is also practical since the great bulk of the so-called foreign aid in this bill is spent right here in the United States for services and goods produced by your constituents—American farmers and workers.

Two points I want to emphasize at the start are:

First, that is essentially a freeze bill. It authorizes appropriations of $13,050,200 in fiscal 1986 and the same amount in fiscal 1987. Excluding the $525 million increase which the President asked for Israel and Egypt for fiscal 1986, the fiscal 1986 total is below the $12,774 million which Congress enacted in appropriations in fiscal 1985 for the programs under this bill.

The total also is $191 million below the President's request for fiscal 1986.

Additionally, the bill freezes all line items for fiscal 1987 at exactly the same levels authorized for fiscal 1986, with no upward adjustments for inflation or any other increased costs.

For fiscal 1985, I should also point out, there is a $1.5 billion supplemental item for emergency assistance to Israel to help Israel in its current economic crisis.

Second, it needs to be emphasized that this is the major vehicle for the Congress to exercise its influence and provide guidance in its foreign policy area. These are functions which are not and will not be carried out through a continuing resolution. And if the bill does not pass that is what we are going to get—another continuing resolution and a further weakening of the committee system in the Congress. This is not in anybody's interest.

The Congress needs an authorizing bill. Therefore, a vote for this bill will be a vote for Congress' role in foreign policy and a vote to uphold the legislative process.

Title I authorizes $6,281,271,000 in fiscal 1986 and the same in fiscal 1987 for military assistance, a reduction of $425,729,000 below the President's fiscal 1986 request. It contains cost-saving improvements in the Security Assistance Program which further reduce program costs by over $600 million.

Title II authorizes $3,900,400,000 in fiscal 1986 and fiscal 1987 for economic support fund assistance to areas where the United States has special political and strategic interests, a $123.6 million reduction below the President's request. Also, $1.5 billion is authorized for fiscal 1985 for special emergency economic assistance to Israel, and $250 million for use in event of substantial progress toward a peaceful settlement of the Cyprus dispute; $50 million a year in fiscal 1986 and 1987 would be for easier term credit for U.S. businesses in cases where they face subsidized competition from foreign companies. Also, $5 million is authorized each year to Thailand for assistance to non-Communist forces in Cambodia, including military assistance.

Title III authorizes $1,895,894,000 for development assistance to poor countries each year in fiscal 1986 and fiscal 1987, $219 million above the President's request. Increases are for population and health programs abroad and $50 million for the child survival fund.

Title IV authorizes $819,966,200 for other foreign assistance programs each year in fiscal 1986 and fiscal 1987, $124 million above the President's request. Increases are for American Schools and Hospitals Abroad [ASHA] and for U.S. voluntary contributions to the U.N. Development Program and the U.N. Children's Fund [UNICEF].

Title V authorizes and strengthens the International Narcotics Control Assistance Program including tying conditions on aid to certain Latin American countries to their antinarcotics efforts, earmarking funds for U.S. weapons to be installed on friendly country antinarcotics aircraft, and allowing U.S. agents to be present at narcotics arrest actions overseas.

Title VI sets up a scholarship program under the auspices of the U.S. Information Agency [USIA] and the Agency for International Development [AID] under which students from developing countries can come to study at American schools.

Title VII provides a policy framework for U.S. assistance to Central America designed to promote peace and democratic process.

Title VIII provides for improved programs for economic development in Africa; earmarks funds for regional programs in southern Africa; authorizes continued funding for the African Development Foundation and the Sahel Development Program.

Title IX authorizes the U.S. contribution to the second replenishment of the International Fund for Agricultural Development [IFAD]; strengthens food for peace programs extended through private voluntary agencies; provides for child immunization and farm-to-farmer aid programs.

Title X authorizes $136,100,000 each year for the Peace Corps in fiscal years 1986 and 1987, an increase of $11.7 million above the President's request.

Titles XI and XII contain miscellaneous other provisions including congressional policy statements on various foreign affairs issues. One provision creates a commission to oversee preservation of cemeteries and other facilities of historic interest to the United States because of the foreign heritage of Americans.

In sum, Mr. Chairman, this is a bill which carries out programs requested by the President as necessary for American interests abroad.

It helps our own defenses by helping those of our friends and allies abroad. It enhances our export sales and the potential growth of our markets in developing countries. It provides for humanitarian and developmental assistance to poor countries on an enlightened, self-help basis. It serves the cause of peace in areas of interest to the United States, particularly in the Middle East.

It is the best legislative vehicle we have, the principal vehicle for providing for congressional initiatives in foreign policy and otherwise carrying out the congressional role in the foreign affairs field.

And, it is a freeze bill.

I urge passage of the bill.

● Mr. HAMILTON. Mr. Chairman, I rise in support of H.R. 1555, the International Security and Development Cooperation Act of 1985.

This important legislation was passed by the Committee on Foreign Affairs in early April 1985 and authorizes appropriations for fiscal years 1986 and 1987 of over $13.05 billion annually which is nearly $200 million less than the amount requested by the administration for foreign assistance for fiscal year 1986. Excluding a $525 million increase request by the President for military assistance to Israel and Egypt in fiscal year 1986, the total in this bill is below the freeze level based on the continuing resolution appropriations which Congress voted for fiscal year 1985. This bill also authorizes some $1.75 billion in fiscal year 1985 supplemental aid, of which $1.5 billion is for Israel and $250 million is for Cyprus.

This funding, which includes military assistance, economic support and development and humanitarian assistance is an essential component of American foreign policy. These funds help protect and promote U.S. political and military interests around the world as well as help others help themselves. They also help our national economy. Some 70 percent of these funds will be spent in the United States and represent hundreds of thousands of jobs here.

The interrelationship between our ability to protect key American national interests and the economic and security programs contained in this legislation can be dramatically illustrated by a quick perusal of how H.R. 1555 affects the Middle East and Europe. These two areas are to receive over 58 percent of the funds for fiscal year 1986 and fiscal year 1987 contained in this bill.

EUROPE

In Europe, Mr. Chairman, this bill supports the continued vitality of NATO's southern flank and the strengthening of Western security interests in the Mediterranean region.

Four key NATO allies—Portugal, Spain, Greece, and Turkey—are to receive some $242 million in economic support fund money, some $285 million in grant military assistance and $1.48 billion in foreign military sales financing in addition to military training funds.

Together these four nations, along with Italy and France, have responsibilites in NATO's southern region. Today, this region is increasingly vital to Western security. The political instability of the Middle East and Africa offers a possible arena for the Soviet Union's expanded interference there and in the Mediterranean, where its navy is already strong. We must help these nations, for they are a bridge linking the United States and the At-

lantic to the Middle East and Persian Gulf.

In each of these four countries the United States has important military facilities access agreements. Each access agreement is critical for the United States and the four agreements, taken together, provide the United States a critical link across the northern edge of the Mediterranean Sea. These allies look to the United States for assistance to augment their own contributions to Western security. All of these countries are upgrading their military forces and need American assistance and equipment. Thus, the assistance provided to these countries is among the most efficient forms of national defense expenditures and can make a substantial addition to U.S. national security interests and world peace.

Given Greece's important geopolitical location and our mutual security interests, Greece's continued close relationship with the United States is of vital importance. Therefore, there is $498.25 million in security assistance for Greece in this bill. Greece has a socialist government and we have had differences with that government over the last 3 years, but we also have a mutual stake in maintaining a close and trustful dialog with that government and in preserving our security relations. Our long-term mutual interests will outlast our differences with any single government. Greece moves to parliamentary elections June 2 and we must hope that our dialog with Greece can improve in the aftermath of the elections.

Greece and the United States remain deeply intertwined nations. Many or America's leading citizens are of Greek lineage. The essence of our political cultures are the same. America's system of government is descended from Greece—the cradle of democracy.

Turkey is also an important country for the United States and its contribution to NATO is critical. Turkey is NATO's major link with the Middle East. It is the only Islamic member of NATO. We need to help Turkey with its economic and military needs in part because we should support Turkey's own impressive efforts to rebuild its country and economy. We should also encourage the ongoing political changes in Turkey, especially the return of a democratically elected government. The United States does have differences with Turkey on the Cyprus issue and on some human rights matters and these issues affect policy, but it is also true that Turkey, an Islamic nation, is a key pro-West country in a turbulent region with common borders with such states as Bulgaria, the Soviet Union, Iran, and Syria. We neglect Turkey at our own peril. This bill contains $740 million in military assistance, $150 million in economic aid and $4 million in military training for Turkey.

The $15 million fiscal year 1986 economic aid program supported by this bill for Cyprus is another key sign of strong U.S. support for this island nation. Continued U.S. assistance supplements efforts to help facilitate a negotiated settlement of the Cyprus dispute. The frustrations of many Americans over the lack of progress toward a settlement of the Cyprus dispute is understandable, but I hope my colleagues realize that some progress has occurred in Cyprus intercommunal talks under U.N. auspices and we can perhaps look forward to renewed negotiations in the near future. I am sure my colleagues are aware of the continued importance of U.S. economic assistance for Cyprus to help deal with humanitarian, economic development and educational needs of the Cypriot people and to help implement any Cyprus agreement which the parties may reach. In recognition of this possibility, a $250 million Cyprus reconstruction fund has been authorized in H.R. 1555 as a fiscal year 1985 supplemental. This action was taken pursuant to a Presidential request last May.

Spain is another country in Europe which is key to Western defenses. Even now it seeks to integrate its military more effectively into the Western security system. Democratic Spain will receive both economic and military assistance in this legislation. This assistance, which contains $400 million in FMS credits, $12 million in economic aid and $3 million in military training, is pivotal if Spain's membership in NATO is to be solidified and we are to build a constituency for NATO in Spain. It will also help Spain's democratic government define a new and clear role for its military forces.

Portugal is also to receive substantial economic and security assistance in this bill—$138 million in security assistance and $80 million in economic aid. The United States renewed its bilateral base agreement with Portugal in December 1983, which gives the United States continued use of Lajes Air Base in the Azores Islands. U.S. assistance will promote Portugal's security, strengthen its democracy, and enhance its contributions to NATO and the defense of Western security as well as help alleviate the financial burdens of Portugal's troubled economy. It is in our interest to help Portugal economically because Portugal is already taking difficult steps to help itself through austerity programs.

Mr. Chairman, our assistance programs for these four NATO allies buttress vital Western security interests. Without this assistance, American access to key military facilities is compromised and the ability of our allies to strengthen their own defenses is weakened. NATO's southern flank is vital to our interests and we must not let its security be undermined.

MIDDLE EAST

Mr. Chairman, the Middle East will receive over 40 percent of the funds authorized in fiscal year 1986 in this bill. These funds are closely related to American efforts to promote and expand the Middle East peace process and to strengthen the moderate forces in the region. While efforts to find a basis to restart the Middle East peace process proceed in the coming weeks and months, it is critically important to maintain the security and economic well-being of our friends in the region in the expectation that new opportunities for further progress toward a comprehensive peace will be created and that no party will foreclose those possibilities.

H.R. 1555 provides for:

An authorization for Israel in fiscal year 1986 and fiscal year 1987 of $3 billion annually in economic and military assistance to be provided on a grant basis. The United States has a historic commitment to Israel's security and economic well-being and U.S. assistance provides a tangible demonstration of the strength and durability of that commitment. The United States seeks to give Israel the confidence to take the risks necessary to pursue the peace process. It is a continuing principle of U.S. security assistance to enable Israel to maintain a qualitative edge in military technology in the Middle East. This is especially important because of the Soviet shipment of sophisticated arms to other countries in the region, and especially to Syria.

A fiscal year 1985 supplemental authorization for Israel of $1.5 billion to be provided over 2 years to supplement Israel's own efforts to correct its economic problems. The extraordinary assistance is intended to give Israel some breathing space while its own new programs begin to take effect. Israel has undertaken some important steps but I think a vast majority of Israelis understand that further action is essential if this supplemental assistance is to be successful in helping Israel help itself at this time of economic hardship in that country. The United States and Israel are in the process of working out together important understandings about this assistance and its implementation. That process must go forward. We must all realize that in the final analysis, this one-time extraordinary U.S. economic aid can only be a supplement, not a substitute, for Israel's own efforts to reform its economy.

An authorization for Egypt for fiscal years 1986 and 1987 of some $2.3 billion annually, including $1.3 billion in military assistance, $815 million in economic assistance and $213 million in food aid. Egypt remains critical to

the success of U.S. regional political and strategic policies and these requests support U.S. policy. The United States and Egypt have a shared strategic interest in the stability of the Middle East and the surrounding region, especially Africa, and a shared strategic commitment to a peaceful solution of the Arab-Israeli conflict. Egypt has been an active partner in the Middle East peace process, and continued Egyptian support is crucial to its ultimate success. The Mubarak government publicly supports the President's September 1, 1982, peace initiative and is currently encouraging Jordan to enter the peace process and engage in bilateral efforts with Israel to improve their ties.

Smaller authorizations for economic and military assistance for other countries in the region: Jordan is to receive $122 million; Oman $60 million; and the Yemen Arab Republic $41.5 million. We have important ties to these countries and a stake in what happens to each. Our programs with these countries promote broad U.S. policy objectives in the Middle East. In the case of Oman, our program is directly related to a military facilities access agreement for U.S. forces; Oman is located near the entrance to the Persian Gulf and abuts the Straits of Hormuz.

And an authorization of $26 million for special Middle East programs to promote regional cooperative programs involving both Israelis and Arabs, economic development projects in the critical West Bank and Gaza area where significant proportions of the Palestinian people live, and regional program support and development. These programs are small in amounts but touch the lives of many people and promote the cause of peace.

Mr. Chairman, the United States continues to have a stake in what happens in the Middle East. We cannot walk away from the region because of frustrations with the peace process. We have important and interrelated interests there in the stability and well-being of friends, in access to oil, in reducing the tensions of regional conflict and in preventing the Soviets from obtaining an enhanced position in the area. These funds help us in promoting those interests. Without these programs, efforts to energize the peace process will be hampered.

SUMMARY

In conclusion, Mr. Chairman, I wish to reiterate my support for H.R. 1555. Many Members may feel it is not a good time for any foreign aid bill and that the mood of the American people is against the legislation in general and for an absolute freeze of funding levels in particular. Given our significant domestic needs and priorities, the amount of resources being provided for assistance overseas is declining. But we must remember that we cannot confront the foreign policy challenges we face and counter aggressive policies of our adversaries without the prudent use of economic and military assistance programs such as those contained in H.R. 1555. This bill supports key national interests overseas, promotes trade, and represents well over 400,000 jobs for Americans.

Mr. Chairman, let me add one final plea. This bill strikes a careful balance between security and economic programs and contains important policy guidelines. If there are any freeze amendments which might cut the amendments in the bill, I would hope that the amendments retain this important balance. A meat ax cut would not represent the interests of the Nation or the balanced interests of the Members of the House. We are only still in the early stages of the congressional process on this legislation and I am sure that over the coming months many of the provisions of this legislation with which some of my colleagues disagree can be modified.

Mr. Chairman, I urge the adoption of H.R. 1555 to let the authorization process proceed.●

Mr. BROOMFIELD. Mr. Chairman, I yield myself such time as I may consume.

Mr. McKERNAN. Mr. Chairman, will the gentleman yield?

Mr. BROOMFIELD. I yield to the gentleman from Maine.

Mr. McKERNAN. Mr. Chairman, I thank the gentleman from Michigan for yielding to me.

Since it is my understanding that this weekend the Interparliamentary Conference between the United States and Canada will be held, I want to put the House on notice that next week, during the amendment process, I intend to offer an amendment to this bill to encourage the bilateral resolution of problems facing Canada and the United States. I commend the President for his efforts in this area.

Mr. Chairman, as we debate the foreign assistance authorization bill, we are shaping the course of our foreign policy. Something that should not be forgotten in this debate is how our foreign policy interacts with our economic relationships with other nations.

The tool of economic cooperation is powerful. It can be applied most directly and postively toward our trade relationship with underdeveloped countries. President Reagan's Caribbean Basin Initiative is a prime example of the importance of pursuing progressive and productive trade relationships in this hemisphere.

We also must not overlook the importance of continuing to improve our trade relations with the developed nations. Healthy and cooperative partnerships in trade not only ensure strong economies in the industrialized nations, but such partnerships also have a ripple effect that benefits all nations.

For this reason, I have a strong interest in working to improve the trade relationship between the United States and its biggest trading partner—Canada. Overall, we have positive trade relations with our friend to the north. There continue to be, however, specific, unresolved issues that mar this relationship. I believe that it is important that attention continue to be drawn to these issues.

For my State of Maine, these trade problems are particularly serious. The major concerns involve Canadian exports of potatoes, lumber, and fish. Exports, in large part subsidized by Canadian Federal and Provincial governments, have placed our Maine industries in jeopardy, inhibiting their growth potential.

Maine is not alone in its trade problems with Canada. States in the northwest with significant lumber industries, confront problems similar to those affecting Maine and there is also a host of other issues adversely affecting the United States which need to be resolved, including subsidized Canadian freight rates, Canadian Federal sales tax on tourist literature entering their nation, and hog and pork exports.

Mr. Chairman, House and Senate Members are going to Ontario this weekend to participate in the annual meeting of the Canada-United States Interparliamentary Group. This meeting gives Members of both the U.S. Congress and the Canadian Parliament the opportunity to discuss at length bilateral trade concerns.

Our trade relationship with Canada deserves attention from legislators on both sides of the border. Because of the need for Congress to continue to look closely at this trade relationship, I plan to offer an amendment to the foreign aid authorization bill that calls for increased efforts to resolve Canadian-United States trade problems and requires the President to report to Congress on efforts to settle these problems.

The passage of this amendment will help us focus on the need to put equity in our trade relationship with Canada. I urge my colleagues to support this amendment when it comes before the House.

Mr. BROOMFIELD. Mr. Chairman, let me begin by saying that the administration opposes the committee bill, and, as well, it has not endorsed the substitute which I will be offering. As a matter of fact, the executive branch, including the OMB, opposes both the committee bill and the substitute that I plan to offer.

It seems that the administration, as far as my bill is concerned, wants more money for the military portion than I believe Congress and the American people will support.

At the outset, I want to compliment my friend, the gentleman from Florida [Mr. FASCELL], the distinguished chairman of the Committee on Foreign Affairs, for doing an admirable job in shepherding the committee through the markup of this very complex bill. Regrettably, he was unable to persuade the members of the committee to keep a sense of proportion on what I believe is the total price tag of this bill.

The bill before us, as reported by the Committee on Foreign Affairs, represents a staggering authorization for foreign assistance of more than $13 billion for each of the next 2 fiscal years, fiscal year 1986 and fiscal year 1987, for a total 2-year authorization of over $26 billion.

A breakdown of this amount will show that our ally and friend in the Middle East, Israel, alone would receive grants of $6 billion, nearly one-fourth of the 1986 and 1987 total, plus a 1985 supplemental of $1.5 billion under the previous provisions of the bill.

Also I point out that in this bill Egypt would receive $4.3 billion, that is, 16 percent of the total, all in grants. That is for both countries.

To address the shortcomings of the committee bill, I will be offering a nonamendable amendment in the nature of a substitute. Again I point out, Mr. Chairman, despite the administration's opposition, my approach is a workable compromise. It reduces the total foreign aid authorization for fiscal year 1986 by $50 million below the 1985 appropriation bill. This is truly below the freeze, and it freezes the level for fiscal year 1987, too. My proposal also remedies the numerous ambiguities in the committee's version of the bill.

The substitute I will be offering reduces the total authorization for each of the years, 1986 and 1987, by more than $325 million below the committee level and more than $516 million below the administration's request. On a 2-year, straight-line basis, my substitute would represent more than a $650 million reduction from the committee's 2-year bill. It is more than a $1 billion reduction from the 2-year level of the administration's request if we make the optimistic assumption of straight lining the request for fiscal year 1987. The Broomfield substitute maintains the same levels and earmarks, as the committee bill, for AID programs to Israel and Egypt, including, as I mentioned earlier, the $1.5 billion for the economic support supplemental for Israel.

In a shortsighted move, I believe, the committee decided that about the only area in which it would reduce funds is in the military area. The committee made a total cut of more than $425 million below the President's request in order to partly offset its hefty increases in favored economic aid accounts.

□ 1100

There is no doubt that the so-called longer term economic development aid is an important and necessary part of a foreign aid program; however, there are equally important international problems requiring military assistance as well. My amendment would restore a modest amount to the FMS and MAP accounts. It would bring the total for all military aid accounts to within about $1 million of the fiscal year 1985 levels, not including again the $525 million increase in forgiven FMS for Israel and Egypt. While my approach has held security assistance somewhat below last year's appropriations levels, this lower amount is still adequate, in my judgment, to meet the minimum security requirements of our friends around the world.

There is no doubt that appropriate foreign aid programs do attempt to address important U.S. interests in security and equitable economic growth; but I strongly believe, Mr. Chairman, that foreign aid cannot be overlooked when significant cuts must be made in our Nation's budget. There are many domestic programs which serve vital national interests, too. They must be maintained. We must be fair in seeing that our foreign aid programs bear a reasonable share of the burden of helping to reduce the budget deficit.

While my substitute does not have administration support, at least at the present time, it is a fair compromise. It is also mindful of the need to trim our large budget deficits in an evenhanded way. It improves some of the policy language in the committee bill.

For these reasons, I hope the committee will support the substitute bill.

Mr. PURSELL. Mr. Chairman, will the gentleman yield?

Mr. BROOMFIELD. I am happy to yield to my friend, the gentleman from Michigan.

Mr. PURSELL. Mr. Chairman, as I understand, the gentleman's substitute would be below the 1985 appropriation in the current law; is that correct?

Mr. BROOMFIELD. That is correct.

Mr. PURSELL. Does the gentleman have an idea of the number of dollars, how far below?

Mr. BROOMFIELD. At least $50 million.

Mr. PURSELL. At least $50 million?

Mr. BROOMFIELD. Yes.

Mr. PURSELL. And then I understand the committee bill that is in front of us is also below the 1985 appropriation, or did I misunderstand that?

Mr. BROOMFIELD. I think according to our figures, the gentleman misunderstood that.

Mr. PURSELL. The present committee bill is above the 1985 current law?

Mr. BROOMFIELD. It is $275 million, I am told.

Mr. PURSELL. It is $275 million over 1985, based on the additions that the full committee made?

Mr. FASCELL. Mr. Chairman, will the gentleman yield?

Mr. PURSELL. I would be happy to yield.

Mr. FASCELL. We did not make any additions. This was the President's request for additional money for Israel and Egypt that was not in the 1985 appropriations. All we did was grant the President's request, which totaled an additional $525 million; but because of the cuts we made elsewhere in the bill, we reduced that aggregate increase overall down to $275 million.

In other words, we were able to absorb that much by making cuts below the 1985 appropriation level in other accounts.

Mr. PURSELL. But irrespective of the President's mark, which I understand is above the current law, the committee bill is also above current law and the gentleman indicated that it is because of the President's mark; is that appropriate?

Mr. FASCELL. That is absolutely right; but if you eliminate that, to look at it in a different way, eliminate the additional amount requested by the President for Israel and Egypt, the bill by that measurement is below the 1985 mark.

Mr. PURSELL. Mr. Chairman, if the ranking member will yield further, in principle we have had four major authorization bills here; NASA, the Bureau of Standards, the National Science Foundation, and the State Department bills, principally they have been kept to the current legislation of the freeze of 1985. How could we now move above that freeze level with this committee bill, irrespective of the President's position?

Mr. FASCELL. Well, an amendment can just be offered to knock out the money for Israel and Egypt. That is one way to do it, if we want to do that.

Mr. PURSELL. Or we could reprogram that total amount, including Israel and Egypt, and reprogram it percentagewise within the aggregate amount within the current 1985 level.

Mr. FASCELL. The gentleman is absolutely right.

That is certainly a possibility. But let me point out further what can happen when you try that.

The gentleman from Michigan, who has expressed concern about insufficient military assistance, if I understood the gentleman correctly, has $805 million for that purpose in his substitute.

The committee has $761 million. To do what the gentleman is talking about, we would have to reduce that amount and then we would have to

take money out of the economic support fund also.

Yes; it can be done, but somebody would have to offer that amendment and the House would have to work its will. If that were to happen, then we would have to absorb the $275 million.

Mr. PURSELL. I see.

Mr. FASCELL. Mr. Chairman, if the gentleman will yield further, one of the things we did, recognizing the point the gentleman makes, which is very valid, is that we took other legislative action in this bill to produce an additional $500 million that goes to the Treasury that was not produced before.

Now, that does not help the bottomline in this bill in terms of the freeze application, but it is a $500 million help to the taxpayers.

Mr. PURSELL. Especially, as I understood the gentleman's comment earlier, we have a $1 billion supplemental for 1985.

Mr. FASCELL. Well, a billion and a half for Israel.

Mr. PURSELL. A billion and a half.

Mr. FASCELL. And that is not all.

Mr. PURSELL. That is worse.

Mr. FASCELL. That is not all. I do not know what else is coming in the supplemental appropriation, I really do not.

Mr. PURSELL. So in this case, we could have the administration opposing the bill because it is too low.

Mr. FASCELL. Well, that is quite possible.

Mr. BROOMFIELD. I can answer that. They are already doing that.

Mr. FASCELL. The gentleman from Michigan has worked very hard and we have worked together in trying to bring a sensible bill to the floor; but the problem the gentleman has is that he ran into objections from the administration, who said, "You know, you are cutting our heart out."

They do not like our bill because we cut below the President's request and put in some statements that they do not like. We have the unusual situation, I might add, that in the other body they did worse than that. They did not support the President at all.

Mr. BROOMFIELD. That is exactly right.

Mr. PURSELL. But at this point, we are trying to find a common ground here so that we can stay consistent with all the authorizations.

Mr. FASCELL. Absolutely.

Mr. PURSELL. And eventually in the appropriation bills, so that we maintain the budget mark that the gentleman is going to be presenting in the budget resolution next week.

Mr. FASCELL. The gentleman raises a very good point in referring to the budget mark.

Let me just say that between the gentleman from Michigan, and myself, and the rest of the members of the committee, we think we have done well by making the cuts that we have.

Mr. PURSELL. Can I ask a further question with respect to the budget mark that has arisen over in the Budget Committee?

Mr. FASCELL. I was afraid that the gentleman was going to ask that. I do not know how to handle that budget mark.

Mr. PURSELL. Well, we are premature here in looking at this legislation without the budget ahead of us, and I realize the Armed Services Committee has the same problem, so we are going to lift this bill, as I understand it, and move it to a subsequent date to consider amendments and maybe by then we might know what the mark is in the House. We know certainly what the mark is in the Senate in respect to trying to maintain a basic freeze, because a basic freeze only gives us $32 billion in the aggregate overall, so we have to look at other programs; and so to treat foreign aid consistently with the State Department, NASA, and all the other programs, I think it is incumbent that we try to work our will here with an appropriate compromise.

Mr. FASCELL. I cannot argue with the gentleman, if he will yield further, but from the rumors I hear about what the budget mark is going to be, I do not know how you are going to handle that. The international affairs 150 account is taking a whipping; but nevertheless, the point that the gentleman raises is valid.

Mr. PURSELL. I thank the chairman.

Mr. FASCELL. Mr. Chairman, I yield 6 minutes to the gentleman from Pennsylvania [Mr. KOSTMAYER].

Mr. KOSTMAYER. Mr. Chairman, I want to begin by commending the distinguished chairman of the full committee, the gentleman from Florida [Mr. FASCELL] for the magnificent job he has done in handling this legislation and bringing it to the floor.

I also want to commend the ranking member of the committee, the gentleman from Michigan [Mr. BROOMFIELD] for his hard work.

Mr. Chairman, 20 years ago the Congress authorized in the very best bipartisan sense one of the most important aspects of American foreign policy, which is under severe attack in the current Congress. That was legislation authorizing, for the first time, funds for voluntary family planning assistance in the developing world.

Last evening, in the other body when similar legislation was adopted, unfortunately an important provision which the House committee inserted, authorizing $320 million for population, was very badly damaged.

It is my understanding that when this legislation comes to the floor of the House, our distinguished colleague, the gentleman from New Jersey [Mr. SMITH], will offer similar amendments, with due respect to my colleague, the gentleman from New Jersey, will undermine very severely these most important provisions of the Foreign Assistance Act.

Mr. Chairman, there are essentially two targets for these amendments. The first is the U.N. Fund for Population Activities, and the second is the International Planned Parenthood Federation.

□ 1110

The objections which we will hear to the $46 million which we authorized to the UNFPA is that the UNFPA currently has a modest program in China. The Chinese Government's population program is one which we have heard a great deal about lately and one which all of us feel very strong objection to for a number of the things which are happening in the People's Republic of China.

But I think there are a number of things which are very important to recognize. First of all, the U.N. Fund for Population Assistance Program in China is distinct from and in no way involved in the coercive aspects of the Chinese program. This has been affirmed by the Reagan administration. AID has certified and given to the UNFPA a clean bill of health for the manner in which it operates in the People's Republic of China.

Second, no U.S. funds which go to the UNFPA are used in the People's Republic of China. Those funds are held in entirely separate accounts and not a single cent of American money is used in any way directly or indirectly in the UNFPA Program in China.

The UNFPA I think, and I think AID officials would agree, acts as a moderating and a restraining influence on the program in China.

But what will happen if the amendment to be offered by the gentleman from New Jersey [Mr. SMITH] is agreed to, an amendment which would reduce by one-third the budget of the UNFPA, a cut of $46 million.

That amendment, if it is adopted by the House, will not affect the program in China at all but it will cripple the programs in 115 other countries in which the UNFPA operates. It will do severe damage to the voluntary family planning programs in other countries while not affecting the program in China at all because no U.S. money is spent there.

The second amendment which I believe our friend from New Jersey [Mr. SMITH] will offer, has to do with the International Planned Parenthood Federation. In December of last year, the administration cut the $17 million which the United States provides to the International Planned Parenthood Federation. The Foreign Affairs Committee in its deliberations restored that $17 million.

That $17 million is one-third of the IPPF budget. But the gentleman from

New Jersey [Mr. SMITH] believes that the United States should not provide any funds at all to IPPF because of the following reason: Of the entire $50 million IPPF budget, $17 million of which comes from the United States, of that, $300,000 is spent for materials, training, and services in activities related to voluntary abortions. None of that $300,000 is American money.

IPPF is an organization which is doing vital work in the Third World.

Yet, because of that small expenditure for entirely legal activities in certain countries, we would undermine the entire program.

Finally, Mr. Chairman, I was in Ethiopia last November and saw the terrible suffering there. In Ethiopia, the food production is declining on a yearly basis, yet the population is increasing at an annual rate of 3.7 percent. In India, there are 1 million people born every 30 days. In Nigeria, in just 76 years, there will be as many people as there are currently in the People's Republic of China.

Mr. Chairman, this is a modest, yet desperately important program. I would ask the House when the foreign aid bill comes before us to resist those amendments to be offered and to support the committee and, indeed, to support the administration on allowing these funds to be expended.

Mr. FASCELL. Mr. Chairman, will the gentleman yield?

Mr. KOSTMAYER. I am happy to yield to the gentleman from Florida.

Mr. FASCELL. I want to commend the gentleman in the well for his leadership on this issue in the committee. He was very, very persuasive because the committee position in the bill is a position of the majority of the committee that supports this viewpoint. I would hope that we could keep this small amount of money in the bill.

Mr. KOSTMAYER. I thank the chairman.

Mr. BROOMFIELD. Mr. Chairman, I yield 7 minutes to the gentleman from New York [Mr. SOLOMON], a member of the committee.

Mr. SOLOMON. I thank the gentleman from Michigan [Mr. BROOMFIELD] for yielding me this time.

First of all, in rising to oppose the committee bill, let me make two points.

One, even though the bill does carry the dollar figures that the administration has asked for, I would like to point out that President Ronald Reagan is only right 99 percent of the time, and 1 percent of the time he is wrong. And that is when he is offering this bill as far as the dollar figures are concerned.

In rising to oppose the bill also I would like to in no way diminish from the work and the efforts that our outstanding committee chairman, the gentleman from Florida, DANTE FASCELL, and his staff, as well as the ranking member, the gentleman from Michigan, BILL BROOMFIELD, and his staff, and the tremendous job they have done. Any time you try to develop a foreign aid bill and you try to satisfy people like President Reagan, and you try to satisfy people like GERRY SOLOMON, and DANTE FASCELL, and all of the others from the liberals to the conservatives, you have an almost impossible job. So I say to the gentleman from Florida [Mr. FASCELL], you have done an outstanding job and so has the gentleman from Michigan, BILL BROOMFIELD.

Mr. Chairman, a number of my colleagues from this side of the aisle have outlined the serious problems with this foreign aid bill, problems that will have to be addressed by a large number of amendments if this bill can command any support at all from conscientious Members of Congress, let alone the support of the American people and I certainly concur with the statements that have been made.

I would like to take a few moments right now to discuss a particular aspect of the bill that I find very troubling because I am greatly concerned about what the committee has done concerning the aid package for the Philippines. It would seem that we engage in this little shell game every spring. The administration comes down here and proposes a well-conceived and well-balanced package of security and economic assistance for the Philippines, which the committee then tinkers with to front load the package with ESF and to shortchange the security assistance. Under this bill, the administration's FMS proposal for the Philippines is eliminated altogether, and the proposed military grants for the Philippines are cut in half.

It may be that the committee wants to insulate itself from any eventuality that may occur in the Philippines—to be on the right side of history as some might put it—but this bill is simply not the way to help an ally in need. Once again the foreign aid bill is raising the bogeyman that security concerns and economic needs in the Philippines are mutually exclusive. This one-dimensional approach to foreign policy has become almost obsessive because the problems in the Philippines today are political, economic, and military. We must address all three simultaneously if we are to address them at all. It is neither honest nor courageous for us to choose one problem, neglecting the others and wishing that the areas we are neglecting will somehow take care of themselves.

What the committee chose to ignore in its juggling act on this bill is that the Philippines Government has worked with the IMF to introduce austerity measures and across-the-board spending reductions in all areas of the public budget. Military spending, even during a time of insurgency threats, has been reduced by more than one-third—to a level now amounting to little more than 1 percent of GNP.

The committee chose to ignore that even if the administration's security package for the Philippines would be approved in its entirety, the funds made available would be enough to maintain only the status quo, to make up for last year's reductions and to allow the Philippines Armed Forces to repair existing equipment and deal with other maintenance problems. Moreover, a sizable portion of the administration's security package is devoted to civic action projects like roadbuilding and public health services in areas of the Philippines that are affected by the insurgency of the Communist New People's Army.

I plan to offer an amendment that will restore the original mix of security and economic assistance in the administration's proposal for the Philippines. After having visited the Philippines in April and talking with President Marcos, I am more convinced than ever, that now is the time to be standing shoulder to shoulder with our friends in the Philippines. They are the indispensable link in our chain of defense in the Western Pacific and Southeast Asia and we owe it to them as allies to help them with their needs.

Let me just conclude, Mr. Chairman, by making one other observation about this bill. One of the things I find most offensive about this particular bill is the manner in which it shortchanges friends—such as the Philippines—and loads up with all kinds of extraneous programs and spending schemes for countries and organizations of dubious worth. This problem comes into special focus when one realizes that this bill is more than $400 million above last year's continuing resolution.

I plan to offer an amendment that will make sure that the aggregate total of spending authority in the bill will not exceed by one penny what is contained in last year's continuing resolution. At a time when we are asking the American people to make sacrifices, it makes no sense at all to continue pouring billions of dollars into countries and programs that are neither grateful nor responsible for the support we give them. In its present form, this bill does not provide an appropriate or plausible venue for the conduct of American foreign policy.

□ 1120

I made a statement on the floor yesterday that we have had "Dear Colleague" letters and we have had resolutions being circulated asking for us to cosponsor them which would reinstate the tax exemptions on local taxes for government, put that back in the budget, put back in revenue sharing, put back all these things, and I

mentioned that I had accumulated all these "Dear Colleague" letters and resolutions which totaled the entire $50 billion deficit reduction program that President Reagan has offered to us.

If we enacted all of them we would have no deficit reduction and we would go back to the 14-percent Jimmy Carter inflation, we would go back to the 22-percent interest rates of Jimmy Carter. We cannot do that.

So here is your chance, ladies and gentlemen, when I offer my amendment tomorrow or whenever this bill comes back on the floor to cut this bill back by $400 million, just to last year's level, I want you to support it because then I might support one of your recommendations to reinstate revenue sharing or some of these other programs.

Just think about these things until next week when we come back, and we will have a good bill when we are finished.

Mr. FASCELL. Mr. Chairman, I yield such time as he may consume to the gentleman from Massachusetts [Mr. FRANK].

Mr. FRANK. I thank the chairman for yielding.

I was interested in the previous speaker's criticism of the administration's excessive request for foreign aid. But that is not the subject that I wanted to address.

The nation of Portugal has been a very strong ally of the United States and it has been one which in recent years has made that transition from a repressive regime to a thriving democratic regime. So that we now have both from the human rights standpoint and from the geopolitical standpoint a strong ally.

The committee, under the very able leadership of the gentleman from Florida [Mr. FASCELL] has been very generous in recognizing that relationship. I know the gentleman from California [Mr. COELHO] and I both have a particular interest in that relationship.

I wonder if the chairman [Mr. FASCELL] could confirm for us the particular figures which, while not written into the bill, are the intention of the committee to be conveyed to Portugal if the bill is passed as written.

Mr. COELHO. Mr. Chairman, will the gentleman yield?

Mr. FRANK. I yield to the gentleman from California who has the figures.

Mr. COELHO. I thank the gentleman for yielding.

Mr. Chairman, in the subcommittee report they basically said that it was the intent of the subcommittee that the $80 million for economic support fund and $70 million for military assistance and $65 million for the foreign military sales, that was the intent of the subcommittee and it was not in the full committee report.

The gentleman from Massachusetts [Mr. FRANK] and I were wondering as to whether or not it is the full committee's intent that this money be given to Portugal.

They have been a great, willing partner of the United States. The President, as you know, was just there.

The relationship between our two countries is probably at the best that it has been in years. We were just wondering what the intent of the full committee was.

Mr. FASCELL. If the gentleman will yield, let me assure the gentleman from California [Mr. COELHO] and the gentleman from Massachusetts [Mr. FRANK] that the full committee is very well aware of Portugal's importance as a close and friendly ally. We have supported fully in the committee and in the subcommittee, as the gentleman pointed out, the President's requests for Portugal in all fields, foreign military sales, grant military assistance, and economic support funds.

This bill that is before us now accommodates all of those requests for Portugal.

Mr. FRANK. Mr. Chairman, I thank the gentleman and the gentleman from California [Mr. COELHO].

The gentleman from California and I, as well as my colleague from Massachusetts who serves on the committee [Mr. STUDDS] and the gentleman from Rhode Island and the gentlewoman from Rhode Island have a particular interest in the Azores.

Mr. Chairman, we note with some satisfaction what the chairman says because the economic support funds in particular are generally passed along to the regional government of the Azores in recognition of their very strong cooperation with the United States through the Lajes Base.

So that makes us particularly satisfied.

Mr. FASCELL. The gentleman from Massachusetts [Mr. FRANK] raises a very good point. That is one of the things which even the gentleman from New York who preceded us [Mr. SOLOMON] was trying to make with respect to our base-rights agreements with these important allies. That is a reason why this bill is so important in the security interests of the United States.

Portugal is a country with whom we have a good and friendly relationship. Our security interests are directly involved.

Mr. COELHO. And in the case of Portugal they have agreed to the extension of the lease with regard to the Air Force base there.

Mr. FASCELL. They have been totally cooperative, the Government and the people of Portugal have been totally cooperative and we recognize that in this bill.

Mr. FRANK. I thank the gentleman from Florida.

Mr. COELHO. I thank the gentleman from Florida.

Mr. BROOMFIELD. Mr. Chairman, I yield 4 minutes to the gentleman from New York [Mr. GILMAN], a member of our committee.

Mr. GILMAN. I thank the gentleman for yielding time to me.

Mr. Chairman, I rise in support of H.R. 1555, the International Security and Development Cooperation Act of 1985. As a member of the Committee on Foreign Affairs, I believe the previous remarks of our distinguished chairman, the gentleman from Florida [Mr. FASCELL] and the ranking minority member, the gentleman from Michigan [Mr. BROOMFIELD] have described effectively the need this year for passage of a foreign assistance bill. I want also to associate myself with the remarks of the chairman of the Subcommittee on Europe and the Middle East, the gentleman from Indiana [Mr. HAMILTON]. I have had the privilege to serve as the ranking minority member on that subcommittee, and I want to commend the gentleman from Indiana for the diligence and well-reasoned approach he brought to the consideration of the issues before our subcommittee which have a high priority on our Nation's foreign policy-making agenda.

The measure before us authorizes for the fiscal year 1986 approximately $13 billion for those programs necessary for the conduct of U.S. foreign policy. As the committee report notes:

> Excluding the $525 million increase requested by the President for military assistance to Israel and Egypt in fiscal year 1986, the total is below the freeze level based on the continuing resolution appropriations which Congress voted for fiscal year 1986.

The legislation provides needed economic and military support to Israel as that long-time ally of the United States struggles to get its economic affairs back on track and to assure that its defenses are strong to combat forces hostile to United States and Israeli security interests. The measure also contains aid for Egypt in the hope that nation can participate effectively in the process that seeks a lasting peace in the Middle East.

The measure contains carefully prepared provisions enabling the United States to respond more effectively to the problems of global hunger and malnutrition and to the spreading menace of international narcotics trafficking.

In other areas, H.R. 1555 provides funding to meet our Nation's commitment in many regions of the world including, for example, with those nations which we have base rights agreements.

Mr. Chairman, my colleagues and I on the committee devoted a substan-

tial amount of time and attention to the consideration of the measure under discussion. There will be some areas of the bill which I am sure will receive considerable scrutiny as alternative proposals are debated by the House. It is my hope, however, as our deliberations unfold, that discussion can proceed in a manner that seeks to produce legislation that can respond effectively to the foreign policy challenges our Nation faces. It is important, Mr. Chairman, that we adopt a measure which can be guided through the legislative process this year and which can serve as the principal vehicle for articulating congressional concerns and proposals for the conduct of foreign policy.

□ 1130

Mr. BROOMFIELD. Mr. Chairman, I yield 3 minutes to the gentleman from Pennsylvania [Mr. WALKER].

Mr. WALKER. I thank the gentleman for yielding to me. Mr. Speaker, it seems to me that one of the things that the American people have been screaming for in terms of foreign aid is to at least assure that if we are going to put money out overseas that we assure that we get it to our friends, that we use our foreign aid money to support those people who have a policy which is friendly toward the United States.

When we get to the appropriate time, and I understand that may be a matter of weeks instead of days, I intend to offer an amendment aimed at that kind of a foreign policy option.

It essentially takes the Kasten amendment that was placed in the supplemental appropriations bill last year and expands upon that by saying that if a country does not vote with us at least 15 percent of the time in the United Nations, that they would be regarded as an unfriendly nation, and that the President would have to certify to Congress that, for national security or humanitarian reasons, that they be waived in order to get foreign assistance rather than having them automatically into the foreign assistance stream.

In other words, you would have to be with us at least 15 percent of the time up in the United Nations to be regarded as a friend. Now that does not seem to me to be a very tough obligation. In fact, the reason for that figure is that is about the amount of time that the Soviet Union votes with us. We get the Soviet Union to vote with us up in the United Nations about 15 percent of the time.

So all we are going to do is require that nations vote with us at least as much as the Soviet Union does before we start pouring foreign aid out across the world into these countries.

So this amendment would be aimed at attempting to achieve that particular goal. It should not be surprising to many that there are a number of nations in the world which in fact vote with us at the United Nations less times than the Soviet Union does.

I would propose in my amendment to first of all have a constant report as to who those nations are; and then assure that we are not giving foreign aid. The fact is that most of those countries do not receive foreign aid now.

I think what we need to do is say to the American people that, you have our assurance that we are not going to begin to pour your tax dollars into countries that are not in compliance with some kind of a voting pattern, that it assures friendship with the United States.

The American people are disgusted, in all honesty, with a program that continues to pour out money, often to no avail. This is an attempt to begin to tighten down. I think that some aspects of American foreign policy need to get tough.

In fact, we had a vote on the House floor the other day which showed that the American people are willing to get tough and their representatives are willing to get tough when we voted on the question of how to deal with the Major Nicholson matter.

The gentleman from Michigan, I think, courageously brought to the floor an amendment that finally got tough with that particular aspect of our foreign policy.

I think this body ought to get tough in some other aspects; particularly how we spend our money in foreign policy, and here is a chance with an amendment to get tough again, by saying that we are going to give money across this world, when we do it, only to people who can be certified as friends of the United States.

Mr. FASCELL. Mr. Chairman, I yield 4 minutes to the gentleman from Texas [Mr. STENHOLM].

Mr. STENHOLM. Mr. Chairman, I rise to commend you on your efforts and leadership in the sometimes difficult job of chairing a most important committee and on your hard work on this bill.

As you know, Mr. Chairman, in recent weeks I have seriously considered offering an amendment to H.R. 1555 that would have stripped out a significant amount of United States assistance to Haiti.

The Government of Haiti continues to commit egregious violations of human rights. These were once again highlighted, recently by several groups appearing before the Human Rights Subcommittee. Besides grinding poverty, the people of Haiti are forced to live without the simplest of liberties and political dignity that so many Americans take for granted. For reasons such as this, I am a cosponsor of a resolution introduced by Congressman OWENS, calling for the withdrawal of the determination that the Government of Haiti is making progress toward human rights and political reform. I urge all my colleagues to join in cosponsoring House Concurrent Resolution 120.

Also, as you know, Mr. Chairman, the case of an American citizen who suffered a loss of millions of dollars at the hands of the Haitian Government remains unresolved. Don Pierson, of Eastland, TX, has pursued his case for several years and I will help him continue to pursue it until the wrong done to him has been righted. Mr. Pierson was under contract to develop a freeport authority that would have brought much employment and commerce to an improverished nation, until the Government of Haiti unjustifiably canceled his contract and seized his property without anything approaching due process as we know it. I have appreciated the interest shown in Mr. Pierson's case by several members of the committee and have appreciated the interest and guidance offered by our colleague, Chairman BARNES, of the Western Hemisphere Subcommittee.

In view of the facts I have mentioned, I was prepared to bring an amendment to the floor to reduce aid to Haiti. I am not offering that amendment today for two reasons:

First, I want to acknowledge the efforts made by members of the Foreign Affairs Committee to limit and condition aid to Haiti in a way meant to maximize assistance actually reaching the people and to promote human rights. A number of our colleagues want to avoid the possibility of "throwing the baby out with the bath water" and I am willing to wait and to continue examining the efficacy of such an approach of offering only specially limited aid.

Second, I am hopeful that an administrative remedy can be pursued on behalf of Mr. Pierson one more time, this time with fruitful results. A new review of his case has been initiated, a review that I have been assured will be a thorough and objective one. In the past, I have very much doubted that the State Department asserted Mr. Pierson's rights and advocated his claim as strongly as it should for an American citizen. I am watchful and hopeful that this new review will produce a more just result.

Mr. FASCELL. Mr. Chairman, let me say for the gentleman in the well, that I certainly appreciate his persistence, and I know that his constituent does.

Having been in the same position myself with respect to a constituent that had that kind of problem, I know the difficulty.

I must say that the gentleman is acting in a very appropriate manner. I appreciate his statement very much

and the fact that he is not offering an amendment. I say that wholeheartedly, having been in the same position. I believe that you are doing everything that can possibly be done for the constituent that you represent, and I can assure that the Committee on Foreign Affairs is behind your effort. We will monitor the study of the State Department very carefully, and hope that some way can be found to resolve the problem.

Mr. STENHOLM. I thank the chairman for those comments; that is exactly what I hope to do.

Mr. BROOMFIELD. Mr. Chairman, I yield the balance of the time to the gentleman from Illinois [Mr. HYDE], a member of our committee.

The CHAIRMAN. The gentleman is recognized for 3 minutes.

Mr. HYDE. Mr. Chairman, as I often stated in recent months, Congress' irresistible penchant for micromanaging foreign policy is imperiling the security of this Nation. The legislation before us epitomizes what I mean.

For example, the authors of this legislation caricature arbitrarily cut the President's fiscal year 1986 request for security assistance by more than $549 million. But before anyone gets the idea that this was done in the name of austerity, I must point out to my colleagues that most of these reductions were offset by transferring these ersatz savings into the pet economic assistance accounts of the committee's grand designers of foreign policy.

I have nothing against economic assistance, but when you have a finite number of dollars, security assistance becomes of transcendent importance. Pouring primarily economic assistance into insecure societies may have some very short-term benefits, but as a useful solution to the long-term and nearly intractable problems of these nations, it is about as beneficial as providing a blind man a pair of glasses. Of what good, for instance, would economic aid be to El Salvador if we did not also provide an adequate security assistance umbrella?

The incongruities in this bill are mind boggling. It correctly authorizes generous amounts of money for Israel and Egypt in clear recognition of what these two nations represent to our national security. Yet, with respect to El Salvador, a struggling and besieged ally in desperate need of large doses of U.S. aid to sustain President Duarte's embryonic democratic revolution, this measure cuts the President's request by $54.5 million.

What kind of a signal is that to send a friend in need?

Equally perplexing and counterproductive is the decision of the committee's majority to recommend a net cut of $25 million for Pakistan, another friend in difficult circumstances, with nearly 4 million Afghan refugees who have fled the Soviet rape of their homeland.

The committee never forgets to pillory its favorite whipping boys. Consequently, Zaire, one of Israel's best friends in Africa, took its annual beating to the tune of $6.4 million.

Of course, legislation from this committee would not be complete without a plethora of idiosyncratic foreign policy promulgations. Some of them are even gratuitous as in the case of the Contras in Nicaragua. Even though the administration did not request any funds in this bill for these freedom fighters, you will find a provision prohibiting such aid.

Paradoxically, you will also discover assistance for the freedom fighters in Cambodia and Afghanistan. With convoluted sophistry, rationales were articulated during the committee's consideration of H.R. 1555, that justified supporting patriotic resistance forces on the other side of the world while rejecting the pleas of their counterparts in our own strategic backyard. I am sure that you will hear some of these clever Contra distinctions repeated here today, but as far as I am concerned, they are nothing more than a nuance without a nuance.

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The CHAIRMAN. The time of the gentleman from Illinois [Mr. HYDE] has expired.

All time of the gentleman from Michigan [Mr. BROOMFIELD] has expired.

Mr. FASCELL. Mr. Chairman, I yield 2 minutes to the gentleman from Illinois [Mr. HYDE].

Mr. HYDE. Mr. Chairman, I thank the gentleman for yielding additional time to me.

For example, you will be told that the non-Communist resistance in Cambodia is fighting against a foreign invader—Vietnam. Well, suppose only Pol Pot and his Khmer Rouge were in control and practicing their genocide on the population. Would you then deny funds to the resistance? In Afghanistan, yes, they are suffering a Soviet invasion, but there is as yet no export of revolution across their borders, so the legal case for defending El Salvador is even stronger.

We are always prepared to fight World War II again—but in the modern world, conquest occurs by subversion and wars of liberation supported and controlled from without but occurring from within. We seem paralyzed in our efforts to deal with this—placing our trust in negotiations unsupported by force—as if the Communists will yield any power because we ask them to—or the Contadora countries ask them to.

This committee has placed its bet on the good will of Mr. Ortega—and where I come from, that's called a sucker bet. We should support freedom fighters wherever they are—or forfeit the claim to be leaders of the free world. If any slogan can be applied to the majority of this committee, it would be "don't seize the moment!"

In keeping with the committee's principle that the closer to home the more we micromanage, proponents of this bill also decided to infringe upon the President's constitutionally mandated foreign policy and war powers responsibilities. Specifically, they approved highly restrictive language regarding the deployment of U.S. Forces into or over El Salvador or Nicaragua. Now I don't envision the need for U.S. Forces in these areas, but why needlessly add a provision which would be construed as an invitation to the Sandinistas to engage in either military or paramilitary activities against their neighbors? This committee makes us enforcers of the Brezhnev doctrine but must we tell the world about it? It just does not make good sense to stipulate prohibitions which appear to preclude some uses of defensive military force, short of declared war. Even the constitutionally questionable War Powers Resolution does not go this far. The isolationism reflected in this legislation betrays an ignorance of modern history that can only extract a fearful price in the years to come.

Mr. Chairman, I could go on endlessly about my objections to this bill. In the interest of time, however, I will sum up by saying that unless it is significantly improved during the amending process I will be unable to support this legislation, since on balance it does more harm than good.

● Mr. BARNES. Mr. Chairman, I rise in strong support of H.R. 1555, the International Security and Development Act of 1985.

I would like to commend the gentleman from Florida, the chairman of the Foreign Affairs Committee, Mr. FASCELL, for having once again guided the committee through the consideration of the foreign aid bill. The fact that this bill is before us today is a tribute to the chairman's statesmanship. I would also like to commend the ranking minority member of the committee, Mr. BROOMFIELD, and the ranking minority member of the Subcommittee on Western Hemisphere Affairs, Mr. LAGOMARSINO, for their leadership and cooperation during the consideration of the bill.

The levels of assistance contained in the bill before us are extremely modest compared to the objectives that we seek to achieve. The bill authorizes the appropriation of slightly more than $13 billion for fiscal year 1986 and the same amount for fiscal year 1987, and a supplemental authorization of $1.75 million for fiscal year 1985. We achieved a cut of more than $191 million below the amount re-

quested by the President. The committee has acted very responsibly in responding to the severe budget constraints that we all recognize.

The savings were achieved by making necessary cuts mostly in military assistance programs, while protecting and sometimes increasing the levels of economic assistance. The members of the committee feel that while military aid programs are obviously important, economic aid programs contribute the most to U.S. interests by promoting development and stability. The economic aid increases went to programs that over the years have provided a significant return on our investment on human capital, such as the Peace Corps, the Inter-American Foundation, the African Development Foundation, and international organizations.

This bill also incorporates the provisions contained in H.R. 1340, the U.S. Scholarship Program for Developing Countries, which was introduced by the majority leader. It was an honor for me to support the leader's proposal, which provides for scholarships to disadvantaged students from developing countries.

The bill also provides for a higher level of assistance for population programs, and clarifies the intent of the Congress with respect to U.S. funding for population activities. As demonstrated to some extent by the tragedy in Ethiopia, we now know that population programs are crucial to the survival of millions of people and to the development and stability of countries in the Third World. Our programs seek to guarantee that couples will have access to education and population programs that will help them achieve a desired family size.

Mr. Chairman, as chairman of the Subcommittee on Western Hemisphere Affairs I would like to explain some of the provisions in the bill that pertain to that region. Recognizing that Central America has been one of the most controversial issues discussed in the Congress, the subcommittee and the committee worked very hard to formulate recommendations that we felt would be acceptable to the majority of the Members of the House. We now bring this bill to the floor confident that the end product of our efforts merits the support of this Chamber.

During the last year the committee has followed with much interest the efforts of Salvadoran President Jose Napoleon Duarte to negotiate with the guerrillas and to seek an end to human rights violations by military and security forces. In cooperation with the ranking minority member of the subcommittee, Mr. LAGOMARSINO, the committee adopted a semiannual reporting requirement in order to support the democratic government of President Duarte. The report, which would be required as a condition of disbursing military aid, would deal with: First, the Salvadoran Government's willingness to pursue a dialog with the opposition; second, the Government's control of the military and security forces; third, progress in ending the activities of the death squads; fourth, progress in establishing an effective judicial system; and fifth, progress in implementing the Land Reform Program. These are all areas that the administration and the Salvadoran Government have also identified as crucial to peace and development in El Salvador. Although the language requires that military assistance be disbursed in tranches, we accommodated the concerns of the ranking minority member by allowing for a waiver in case of an emergency. The bill also provides for the termination of all military assistance if the elected President is deposed by military coup or decree. In response to concerns about the indiscriminate bombing of civilians, the bill also provides for a report to Congress whenever new helicopters and aircraft are provided to El Salvador.

Although many of us were encouraged by the elections in Guatemala last year, we are still concerned that in recent months there has been an escalation in the number of disappearances and murders of civilians. In order to express congressional support for the transition to democracy, the bill contains a prohibition on military assistance to Guatemala until there is an elected civilian government in power which has requested such aid. The aid will be of a nonlethal nature.

The legislation continues the provisions currently in the law with respect to Haiti. It also prohibits the use of the Foreign Assistance Act funds for military or paramilitary operations in Nicaragua. The bill provides for limitations on the introduction of armed forces into El Salvador and Nicaragua for combat, which is similar to the Foley amendment adopted by the House last year, and requires a Presidential notification to the Congress on U.S. military exercises in Central America, which is similar to a provision contained in last year's Broomfield amendment.

This legislation also calls for the establishment of a Central American Development Organization, which was recommended by the Kissinger Commission, and an International Advisory Commission for the Caribbean region.

I know how difficult it is for some of my colleagues to support foreign assistance, but I would encourage them to look very closely at this modest proposal we have before us and to think what a small price, what a small investment this program is for promoting a stable and democratic world where U.S. interests are protected. I encourage my colleagues to support H.R. 1555, the International Security and Development Cooperation Act of 1985.●

● Mr. RUDD. Mr. Chairman, this week and next, we will be considering H.R. 1555, the Foreign Assistance Act authorization for fiscal year 1986.

With this legislation, we not only have a chance to correct mistakes in our past foreign policy, but also an opportunity to shake up the State Department, which administers foreign aid programs, and force it away from the line of appeasement it has been following.

In time after time, I have witnessed State Department bureaucrats and careerists practice a policy of appeasement to our enemies rather than firmness in following a policy consistent with what is right and in America's best interests.

International incidents in countries like Hungary, Poland, Czechoslovakia, and Afghanistan have shown the State Department, as well as the Congress, unwilling to take a tough line toward the enemies of freedom abroad. A State Department policy of appeasement in Cuba helped Castro to power. Inaction in Chile helped a Marxist government to rule that nation.

In the course of following these policies of appeasement and inaction, and adopting a conciliatory approach toward actions and foreign aggressors which damage U.S. interests, the State Department has spent millions and billions of taxpayers' dollars.

Internally, the State Department is a bureaucratic snarl in which U.S. foreign policy is batted about by competing factions, watered down through compromise, indecisiveness or inaction, and emasculated by bureaucrats unable or unwilling to make decisions, exhibit leadership, or take responsibility for our foreign policy.

These are my observations of the sort of operation we are currently funding at that agency. But they are similar to opinions shared by many Americans.

Mr. Chairman, current State Department counselor Edward Derwinski, a former colleague of ours who served 24 years in Congress, recently said, and I quote, "What we need is somebody to shake up the whole damned structure."

We made some progress in this direction when we considered the State Department authorization bill last week. We have some more opportunity to shake up the Department and help correct its policymaking structure in the foreign aid bill before us today.

The bill, as reported by the committee, however, is fatally flawed. In Central America, it adopts the State Department's conciliatory approach, doing more to appease the Soviets and their surrogates in Cuba and Nicaragua than to help our friends in the

region who are struggling to establish strong democracies.

The bill includes numerous conditions on military aid to El Salvador despite the fact that the Salvadoran Government was freely elected, has demonstrated time and again its commitment to improving human rights and is a firm ally of the United States. The requirements go so far as to call on the freely elected Duarte government to enter into dialog with armed opposition forces. With this language, we send the signal that the Marxist/Leninist guerrillas in El Salvador can shoot their way into power.

While we set rigid conditions on aid to our friends, we give virtually free reign for the Sandinistas to spread communism throughout Latin America by prohibiting use of any funds for the Contras. After the House voted 3 weeks ago against aiding the Contras, Commandante Ortega the next day embarked on a victory pilgramage to Moscow with a request for some $200 million in aid.

The people throughout Latin America look to the United States for help in fighting Communist aggression. They know that if they do not get the assistance they need, the terror that exists in Nicaragua will spread to their homelands.

This House made a tragic mistake when it voted last month against aiding the Contras. If that vote is sustained and we do not provide immediate help to the freedom fighters, we cannot be serious about supporting those fighting in defense of liberty and freedom anywhere.

We have before us a $13 billion foreign aid bill. We provide aid to dozens of countries throughout the world, but we seem unwilling or unable to recognize the most serious threat to our security in Central America and provide even modest help to those fighting for democracy there.

We must end the mistaken policy of criticizing our friends at each opportunity and accommodating our enemies—before it's too late.●

● Mrs. LLOYD. Mr. Chairman, I must oppose the foreign assistance authorization. Many issues have been and will be raised during the debate on this bill which our Nation must eventually address. The most important of these is whether this Nation has the ability to provide massive amounts of financial assistance to foreign nations during these very difficult economic times. Since first coming to the Congress I have opposed the continuation of these foreign aid programs, because I could not support the giveaway of billions of dollars to other nations while we faced severe economic problems at home.

So long as there is a desperate need in this Nation—elderly who must choose between food and shelter, workers unable to support their families, young people without work—I cannot support this massive expenditure of our tax dollars on foreign aid. Can we take dollars from programs that are essential to millions of Americans in order to send them to governments who are hostile to our philosophies and consistently oppose our Government. With this critical shortage of funds, we must put America first.

I deeply regret that in opposing this bill I must vote against aid to Israel, a nation which has suffered greatly in its own defense. Israel is in the throes of its most serious economic crisis since its establishment as a nation. The United States must play an important role during Israel's troubled economic times. I commend the committee for its level of funding to Israel and to Egypt, its leading partner in the peace effort. And I support the restriction on FMS financing for weapons to Jordan.

Israel simply cannot resolve its economic problems by itself without making such draconian cuts as to jeopardize the very security of the state. A clear statement by the U.S. Government of its willingness to increase its assistance would greatly facilitate the difficult decisions that lie before the Israeli Government. The provision of additional aid is very much in our mutual interests. A strong Israel, both economically and militarily, is vital and the United States should generously support Israel as it undergoes this difficult period.●

● Mr. SHUMWAY. Mr. Chairman, I rise today in opposition to H.R. 1555, the foreign aid authorization for fiscal years 1986 and 1987. In considering this legislation today, I believe that we must ask, can the U.S. Congress really justify the expediture of over $13 billion for foreign aid programs in a year in which projected Federal deficits exceed $200 billion, a year in which we must ask Americans to make significant sacrifices in order to cut the Federal budget and bring the growing deficits under control? Although I recognize the useful role that foreign aid can play in supporting our friends and allies around the world, I believe that it is only right that we apply even greater scrutiny to our foreign aid spending than we apply to our domestic spending needs. Instead, however, while we consider such proposals as reductions in student aid, modifications to Social Security, and the elimination of funding for Amtrak, we are faced with a foreign aid authorization which represents a 5.6-percent nominal increase over the appropriation for fiscal year 1985 and a 64-percent increase over spending in fiscal year 1981.

Mr. Chairman, I find this relentless growth of our foreign aid spending in recent years very troubling. Rather than focusing U.S. aid on the specific needs or problems of friendly nations, we have come to treat our foreign assistance allocations as an entitlement program: Once an assistance program is begun, its continuation, and in fact, its expansion, seems to be presumed regardless of whether the original objectives of the program are being met. We must recognize the aimless impetus that our foreign assistance programs have assumed and reevaluate the multiplicity of goals that they serve.

Mr. Chairman, in my view, by reducing our spending and working to reduce our national deficit, we can better serve many of those countries which are the beneficiaries of U.S. foreign aid. As long as our deficit remains high, so will interest rates, thus placing a significant burden on nations trying to repay foreign assistance loans from the past. Clearly, deficit reduction must be our foremost priority and foreign aid must be subject to our national economic constraints.

In opposing the trend of foreign assistance generally and H.R. 1555 in particular, I am not advocating U.S. isolationism or the elimination of assistance programs altogether as a tool of U.S. foreign policy. I firmly believe that we have obligations throughout the world that can be served through foreign assistance, whether the need is feeding the starving people of Ethiopia or promoting the struggle of democracy against totalitarianism in Central America, both causes which I strongly support. I believe, however, that U.S. aid allocations should realistically reflect our available resources and should, in general, reward those nations which support our foreign policy objectives, not those who actively oppose them. Mr. Chairman, why should we continue to channel the dollars of American taxpayers to those who use them to counter American interests in the international arena? Why should we provide, as the legislation before us proposes, $30 million in aid in fiscal year 1986, including military assistance, to the avowed Marxist regime of Mozambique? In my view, proposals such as this clearly demonstrate the unnecessary and even detrimental spending that Congress would accept by passage of H.R. 1555.

I believe as well that elements of this legislation represent an inappropriate intrusion by the House into the foreign policymaking responsibilities of the executive branch. It is the executive branch which possesses the constitutional authority and the resources—represented by the Department of State and its Foreign Service, the intelligence agencies, and the Department of Defense—to develop a fully informed foreign policy. I am opposed, Mr. Chairman, to attempts by this body to impose limitations on the President's foreign policymaking role, attempts reflected in a variety of the

provisions contained in H.R. 1555 such as those creating conditions on assistance to Central America and to Jordan. While Congress must be responsible for determining the levels of spending we can sustain for foreign aid, I believe that the President must retain flexibility in determining the priorities for the use of that aid and in pursuing diplomatic initiatives, flexibility which is impaired by the policy requirements inserted in the foreign aid authorization before us.

In conclusion, Mr. Chairman, while I recognize that H.R. 1555 does contain some requests for U.S. assistance which are legitimate and in the national interest, I must oppose this legislation based on the objections outlined above. I believe a reconsideration of our approach to foreign assistance is long overdue; until the level of foreign aid spending is drastically reduced to a level consistent with the economic stringency of our time and until a formula is established that effectively rewards our friends and allies, not our enemies, I will continue to oppose funding authorizations for foreign assistance and urge my colleagues to do the same.●

● Mr. FAUNTROY. Mr. Chairman, I rise in support of H.R. 1555, the International Security and Development Cooperation Act of 1985. As in the debate last year over H.R. 5119, the International Security and Development Act of 1984, I do so with reservations. While supporting H.R. 1555, I have a great deal of difficulty with the continued overemphasis on military assistance as opposed to humanitarian and development assistance. The balance in H.R. 1555 between military/security assistance and development and humanitarian assistance, while an improvement in comparison to the administration's request, still contains too much military assistance. Military assistance cannot address the political, economic, and social variables which underlie the drought, malnutrition, lack of health care, and educational opportunity, and plain injustice which torment most of the world and threaten the peace.

I recognize that our military assistance to Israel and Egypt contained in this bill, which would otherwise be but a small item in our overall bloated defense expenditure, is necessarily inserted here in order that this foreign assistance bill gain passage. The real tragedy is that our Nation is yet unwilling to devote more than a token amount to actual development assistance.

This legislation, however, does contain a number of positive features, particularly as it seeks to address human rights and economic development in many areas of the world. It is because of these features and my belief that it is in our national interest to pass a foreign assistance bill that I have decided to support H.R. 1555. This bill provides at least some policy framework for our assistance programs. I want to congratulate the distinguished chairman of the Committee on Foreign Affairs for his leadership and skill in structuring H.R. 1555 which represents "the art of the possible."

As chairman of the Congressional Black Caucus Task Force on Haitian Refugees, I am especially appreciative of the human rights conditionality contained in title VII, section 706, promoting the development of the Haitian people and providing for orderly emigration from Haiti. In this section the Committee on Foreign Affairs expresses its continuing concern over the unsatisfactory human rights situation in Haiti. Specifically, section 706(b)(3) stipulates that assistance may be obligated for Haiti only if the President determines that the Government of Haiti "is making progress toward implementing political reforms which are essential to the development of democracy in Haiti, such as progress toward the establishment of political parties, free elections, free labor unions, and freedom of the press." Section 706 also "provides that to the maximum extent practicable development assistance and economic support fund assistance for Haiti should be provided through private and voluntary organizations."

Having visited Haiti just last month, I can report that section 706 is necessary and helpful to United States foreign policy goals in Haiti. I spent most of my time in the rural areas and was greatly impressed by the resilience, strength, and determination of the small farmers in rural Haiti to help themselves. I saw numerous projects underway on the part of private voluntary agencies, many of them church groups funded by our foreign assistance. I was particularly impressed by the work being done by Catholic organizations, such as IDEA, a grantee of the Inter-American Foundation, which was recently singled out by the Haitian Government for intimidation. Especially encouraging was the improvement in the programs of the Agency for International Development in reaching the poor through indigenous groups. There has been progress made in the past few years, and I can report that with respect to the various reforestation programs, soil conservation programs, and the pig repopulation effort the U.S. taxpayers' money is being well spent. I had earlier requested a General Accounting Office study on our assistance programs to Haiti. I can report, after reviewing the draft copy, that agency's agreement with my assessment after its own extensive and comprehensive onsite investigation.

The AID mission in Haiti is gearing up to assist the Haitian people in addressing the nightmare of an 80-percent illiteracy rate. In a supportive provision section 706 earmarks $1 million of economic support funds for each fiscal year 1986 and 1987 for literacy programs in Haiti. It is my hope that these funds can be provided to the private educational sector in Haiti in support of educational reform in that sector which presently educates two-thirds of all of those in school in Haiti. The goal of this program should be to support basic education in Haiti with the objective of achieving literacy by the end of the fourth grade. I have been informed by the committee that the language in section 706 would permit the allocation of the earmarked economic support funds to a program such as that mentioned above.

The Haitian people are prodevelopment; they want to improve their lives and those of their children. If given the resources and the freedom to participate in the decisionmaking process of their country, they will develop it. I urge my colleagues to support development assistance to the Haitian people as provided for in section 706 channeling assistance to the maximum extent possible through private and voluntary organizations. The best chance for assuring that assistance reaches the Haitian poor is, in most instances, through private voluntary organizations.

It must also be reported that the whole area of human rights and political freedom suffers from a lack of sustained progress. During my visit, I went to the national penitentiary to meet with political prisoners arrested during a security sweep last November. I was deeply concerned that some of the prisoners with whom I visited at the prison in December 1982 and who had been there since 1979 had still not been charged. I was equally disturbed that those arrested in November 1984 had not been given a trial date, allowed access to legal counsel, or been permitted visits from family members. Most disturbing of all were the continued reports and physical evidence of prisoner abuse at the Cassernes Dessalines prior to transfer to the national penitentiary. Now, I am able to report the encouraging news that these political prisoners, numbering 37 in all, were released on April 29, 1985.

While I was in Haiti, there was a good deal of expectancy among people concerning an announcement by President Jean Claude Duvalier. This announcement made on April 22, 1985, dealt with the establishment of political parties and the creation of an office of Prime Minister. The announcement was vague; the Haitian people have still not been provided with rules for functioning of political parties, and the presidency-for-life is to be maintained. The Prime Minister is to be selected at some future date by

the President from the most popular party as determined in elections for the National Assembly. Whether or not this announcement offers any real possibility for the public policy dialog, accountability, and progress toward democracy and pluralism, which the people of Haiti need and want, will ultimately be determined by the people of Haiti in the coming days.

We in the Congress and our colleagues in the executive branch have an obligation to monitor this process closely as it will impact greatly on our objectives of assisting Haiti toward progress in democratization, promotion of human rights, and development with justice. If it leads to greater participation and accountability, then development prospects will be enhanced and we can revitalize our efforts to assist the great Haitian nation. If it does not succeed, and proves to be an attempt to cosmetically address our concerns while continuing or even increasing repression and the misallocation of resources, then decertification under section 706 should be considered by the executive branch. In the unhappy circumstances where that might be necessary, food assistance under Public Law 480 and all assistance channeled through private and voluntary organizations could be continued. I would hope, however, that in 6 months we could receive a report from the Department of State that can credibly speak of progress toward human rights, democracy, and pluralism. We are at a crucial crossroad in our policy toward Haiti—one that requires increased attention from both the Executive and the Congress.

There are other sections in title VII, "Latin America and the Caribbean," that warrant strong support. Section 718 requests the President of the United States to establish an International Advisory Commission for the Caribbean to end our all too neglectful and patronizing treatment of this vital region. The establishment of such a Commission championed by the Chairman of the Congressional Black Caucus Task Force on the Caribbean, Congressman MERVYN DYMALLY, is long overdue and will help our Nation better address the social, agricultural, educational, and economic problems of the Caribbean.

Section 709 authorizes funding for the Inter-American Foundation and seeks to protect this most valuable institution from politicization, protecting the professionalism of its staff. Having visited with IAF grantees in Haiti, I do not exaggerate in saying that its programs in that country are a model of excellence in working with the poor for self-reliant development and the reduction of dependency.

Section 704 prohibits the use of any funds authorized under H.R. 1555 to military or paramilitary operations in Nicaragua.

Section 707 prohibits the use of military assistance for Paraguay unless the President certifies to the Congress that the Government of Paraguay has taken various steps to locate Dr. Joseph Mengele and to correct human rights abuses, specifically torture.

With reference to Africa, the continent with the greatest need for development assistance, title VIII, section 808 authorizes $94.5 million for fiscal year 1986 and the same for fiscal year 1987 for the Sahel Development Program.

Section 809 authorizes $4 million in each of the fiscal year 1986 and 1987 for the fledgling African Development Foundation.

As stated earlier, our total of about $1 billion in development for Africa, particularly sub-Sahara Africa, is woefully inadequate in light of the need. While the American people have been extremely responsive to the need for emergency food assistance, there is an acute need for long-term development assistance. This assistance must be focused on agriculture at levels capable of supporting policy reform and sustained increases in production. There are additional needs in sanitation and health care. As inadequate as are the funding levels under this act for sub-Sahara Africa, I think it imperative that we support the efforts of the Multilateral Development Banks to address the development needs of Africa. With that in mind, I would urge my colleagues to support H.R. 1949, the Multilateral Development Act of 1985, which contains within it a provision to authorize United States. participation in the Special Facility of the World Bank for sub-Sahara Africa. This is most important, as United States participation can leverage increased funding for Africa by encouraging the participation of other donor countries. Additionally, H.R. 1949 contains a provision that would authorize United States participation in the fourth replenishment of the Africa Development Fund, the soft loan window of the African Development Bank designed to assist the poorest of African countries. This legislation was affirmatively considered in the Committee on Banking, Finance and Urban Affairs.

As a member of the Select Committee on Narcotics Abuse and Control, I am encouraged by title V of H.R. 1555. It authorizes policies and funds designed to enhance our control of the international trade in narcotics, and signals a new toughness in our battle with the No. 1 security problem in our neighborhoods. For example, section 504 provides exemption from the ban on involvement by U.S. personnel in arrest actions in narcotics control efforts abroad.

Sections 509-511 set conditionality on assistance to countries known to produce crops used in the preparation of narcotics. Conditionality in providing foreign assistance is linked to cooperation of specific countries cited in reducing their cultivation of crops used in the preparation and processing of narcotics.

Other worthy provisions of H.R. 1555 which deserve support are to be found in title VI and title X. Title VI would establish an Undergraduate Scholarship Program for students of limited financial means from developing countries for the purpose of pursuing a course of study at U.S. institutions of higher learning. Congressman MERVYN M. DYMALLY will be introducing an amendment to title VI specifying the inclusion of students from the Caribbean in this program. I urge my colleagues to support this amendment. Title X would provide increased appropriations for the Peace Corps in fiscal years 1986 and 1987. The level of authorization would be set at $136.1 million for each of these fiscal years—an increase of $7.5 million per year over the 1985 appropriation. In providing this increase, the Committee on Foreign Affairs has expressed the position that this increase should be used to support the Peace Corps' African Food Systems Initiative. The committee has also urged the Peace Corps to review its Caribbean programs for the purpose of considering the expansion of its operations in that critical region.

In conclusion and on balance, this legislation imposes a necessary, if imperfect framework for the carrying out of our Foreign Assistance Program and clarifies congressional priorities and areas of concern. Our foreign policy requires such a framework, and I urge my colleagues to support H.R. 1555.●

● Mr. RANGEL. Mr. Chairman, I rise in support of title V, the international narcotics control section of the International Security and Development Cooperation Act of 1985 recently reported out by the Committee on Foreign Affairs of the House of Representatives. Title V of the bill addresses the shortcomings of our international narcotics control programs overseas. It contains the foreign-assistance-related provisions, as amended, of H.R. 1768, the "International Narcotics Control Act of 1985," introduced by Chairman FASCELL in March of this year.

The major provisions in title V include conditions on United States foreign assistance to Peru, Bolivia, and Jamaica tied to their antinarcotics efforts, an earmark of military assistance funds for U.S. weapons to be installed on antinarcotics aircraft of friendly countries, permission for U.S. agents to be present at overseas narcotics arrest actions and encouraging our military to increase its involvement in antinarcotic measures overseas. These initiatives represent an effort by the Foreign Affairs Commit-

tee and this Congress to demonstrate our frustrations and our resolve regarding the lack of progress in reducing the amounts of illicit drugs being cultivated or processed by narcotics-producing countries which receive foreign aid from the United States.

Indeed, Mr. Chairman, since the first of this year four major reports have been issued by various groups whose mandate it is to monitor international drug trafficking. The U.N. International Narcotics Control Board, the State Department, the Select Committee on Narcotics Abuse and Control which I chair, as well as the Committee on Foreign Affairs have all reported expandedinternational production and trafficking of illicit drugs.

Mr. Chairman, the situation regarding illicit narcotics abuse appears to be worsening. We must, this year, brace ourselves against the tide of what was 1984's bumper crop worldwide of opium, coca, and marijuana. We must live with the all too vivid memory of our slain DEA agent and guard against the real threat that those who seek to profit from drugs pose as they get more brazen and more contemptuous of the law.

International drug traffickers have declared war on the United States. Our administration's response to their aggression, a policy mired in equivocation, stuck in diplomatic muck. Yet who suffers while the country waits for the kind of firm action to be taken that brought a halt to the illicit production of opium in Turkey and Mexico in the 1970's? All of us do, and especially our young people.

These drugs are produced by friends overseas. Friends whose governments we support and to whom we provide assistance. To be exact $57,529,000 for fiscal year 1986 will go to these countries to be applied to their antinarcotics efforts. Yet more illicit narcotics than ever before reach our shores.

Mr. Chairman, I support title V of the foreign aid bill and I commend its authors. Yet I do not believe that in its present form it goes far enough in addressing the concerns I have here outlined and that I am sure we all share. We are past the point of merely criticizing the countries of the world who receive U.S. assistance and then fail to uproot a single coca bush or who put their eradication programs on hold indefinitely. The death and destruction that these drugs bring to this country and around the world take no such hiatus.

I will thus, in the weeks to come offer amendments to title V in order to shore up the weaknesses which I perceive in this legislation. A stronger, firmer, foreign aid package ensures that those receiving our assistance know that a cavalier approach to narcotics control does not sit well with the American Congress and the American people. We have a chance here to send this message. It is a message that has not been forthcoming from the administration. Let us in Congress then seize the initiative and tell our friends around the world in the surest possible way that the unhindered, out of control production of narcotics within their borders is not sufficient consideration for the receipt of our aid.●

Mr. FASCELL. Mr. Chairman, I have no further requests for time, and I yield back the balance of my time.

The CHAIRMAN. All time has expired.

Mr. FASCELL. Mr. Chairman, I move that the Committee do now rise.

The motion was agreed to.

Accordingly, the Committee rose; and the Speaker pro tempore [Mr. KANJORSKI] having assumed the chair, Mr. AUCOIN, Chairman of the Whole House on the State of the Union, reported that that Committee, having had under consideration the bill (H.R. 1555) to amend the Foreign Assistance Act of 1961, the Arms Export Control Act, and the Agricultural Trade Development and Assistance Act of 1954, to authorize development and security assistance programs for fiscal year 1986, and for other purposes, had come to no resolution thereon.

GENERAL LEAVE

Mr. FASCELL. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on the bill just considered.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Florida?

There was no objection.

LEGISLATIVE PROGRAM

(Mr. MICHEL asked and was given permission to address the House for 1 minute.)

Mr. MICHEL. Mr. Speaker, I have asked to proceed for the purpose of inquiring of the acting majority leader the program for next week.

Mr. COELHO. Mr. Speaker, if the gentleman will yield, the program for next week is as follows:

The House will meet at noon on Monday and will consider 11 bills on the Suspension Calendar. Recorded votes on suspensions will be postponed until Tuesday.

The 11 bills are as follows:

H.R. 1534, permanent authority for flexible and compressed work schedules;

H.R. 2343, to make certain improvements in veterans compensation programs;

H.R. 2344, to make certain improvements in the VA program that provides assistance to certain disabled veterans;

H.R. 1408, to amend the Emergency Veterans Job Training Act of 1983;

H.R. 505, to improve the delivery of Health Care Services by the VA;

House Joint Resolution 192, National Day of Remembrance to Mans Inhumanity to Man;

H.R. 2456, to amend the Arms Control and Disarmament Act in order to increase the authorization of appropriations for the fiscal year 1985, to extend the authorization of appropriations for the fiscal years 1986 and 87, and for other purposes;

House Resolution 166, expressing the sense of the House re ratification of the Convention of Crime and Genocide, as amended;

House Concurrent Resolution 142, welcoming the Prime Minister of India, Rajiv Gandhi, on the occasion of his official visit to the United States;

H.R. 1997, amending Libraries Services and Construction Act; and

H.R. 2745, amend Internal Revenue Code to simplify imputed interest rules.

On Tuesday, the House will meet at noon and will consider the Private Calendar. Following any postponed recorded votes on suspensions debated on Monday, the House will consider H.R. 1460, the Anti-Apartheid Act of 1985, subject to a rule being granted.

On Wednesday and the balance of the week the House will meet at 10 a.m. and will consider the budget resolution for fiscal year 1986.

Mr. MICHEL. If I might inquire, those votes on suspensions on Tuesday would be up first, before consideration of the Anti-Apartheid Act; is that correct?

Mr. COELHO. That is correct.

Mr. MICHEL. Does the gentleman have any idea, on the Anti-Apartheid Act, how many amendments were made under the rule? Did they conclude, informally, the act?

Mr. COELHO. If the gentleman will yield, we do not know exactly how many amendments, but we understand it will take about 6 hours.

Mr. MICHEL. And would that suggest that we would attempt, then, to finish that legislation, no matter how late on Tuesday?

Mr. COELHO. Our intentions at this point are to complete the bill on Tuesday.

Mr. MICHEL. And then we would have the rule on the budget resolution the first thing on Wednesday, I assume.

Mr. COELHO. If the gentleman will yield, that is correct. And as the gentleman knows, under the rules, the budget gets 10 hours of general debate, so we would complete the general debate on Wednesday for the budget resolution.

Mr. MICHEL. And then depending upon the number of amendments

made in order, we would be under the amending process on Thursday on the budget resolution?

Mr. COELHO. If the gentleman will yield, our intent is to vote on Thursday on the budget amendments and to hopefully conclude on Thursday, if we can get through at a reasonable hour. But our intentions are to complete it on Thursday.

□ 1150

Mr. MICHEL. Of course, that is prior to our Memorial Day normal recess period where Members are obliged to make Memorial Day speeches and appearances, usually back home. So, I would imagine the getaway time is, hopefully, to be as early as possible on Thursday to facilitate Members departing town.

Is that correct?

Mr. COELHO. If the gentleman will yield, that is our intent. Of course, depending, as the gentleman knows, on the number of amendments and discussion; but that is our intent.

Mr. MICHEL. Just one more clarification. It would not be the intention on the majority side to go beyond general debate on the budget resolution on Wednesday; we would not get to the amending stage under any circumstances Wednesday; would we or would we not?

Mr. COELHO. If the gentleman will yield, our intent at this point is to only do general debate because it is 10 hours, and then on Thursday, start with the amendments that have been made in order.

Mr. MICHEL. Mr. Speaker, I thank the gentleman and I yield back the balance of my time.

ADJOURNMENT TO MONDAY, MAY 20, 1985

Mr. COELHO. Mr. Speaker, I ask unanimous consent that when the House adjourns today it adjourn to meet at noon on Monday next.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from California?

There was no objection.

DISPENSING WITH CALENDAR WEDNESDAY BUSINESS ON WEDNESDAY NEXT

Mr. COELHO. Mr. Speaker, I ask unanimous consent that business in order under the calendar Wednesday rule be dispensed with on Wednesday next.

The SPEAKER pro tempore. Is there objection to the request made by the gentleman from California?

There was no objection.

CENTRAL AMERICA: A DOSE OF REALITY

(Mr. GONZALEZ asked and was given permission to address the House for 1 minute.)

Mr. GONZALEZ. Mr. Speaker, whenever a government sets on a vague course of action, it takes no great skill to see that lack of direction leads to misdirection, and misdirection leads to disaster.

In Nicaragua, the Central Intelligence Agency was given a vague mission. Congress thought that the Intelligence Agency was supposed to build up a force to interdict arms supplies that supposedly were going from Nicaragua to El Salvador. The CIA, however, apparently thought that its mission was to try and overthrow the Nicaraguan Government. President Reagan thinks that the job is to make the Sandinistas cry uncle.

Sure enough, it was not long before uncontrolled actions grew up in the midst of the policy vacuum. The CIA built a much larger force than Congress had envisioned, and that force began acting far beyond the scope of anything that Congress had authorized, and indeed far beyond the specific limits set out in the Boland amendments. The lack of direction clearly permitted the CIA to drift out of control, with results that strengthened the Sandinistas, weakened legitimate opposition to the regime, and further tarnished whatever good name our country had remaining in Nicaragua.

In this week's news, we see further confirmation of how a vague policy, carried out by proxies, can do more harm than good.

President Reagan on April 3, last year, signed papers to authorize the CIA to carry out counterterrorist actions, both of a preemptive and retaliatory nature. Sure enough, the action soon came down to seeking revenge in that revenge-ridden holocaust that is called Lebanon. And what happened?

We supported operations that we did not control, but for which our Government would be—and has been—held responsible. The CIA worked with Lebanese intelligence, which in turn worked through proxies of their own, who in turn had their own private agenda. These proxies in the third or fourth degree succeeded in killing 80 people in a car bombing, but missed their target. It was a senseless, indefensible slaughter. It killed dozens of innocent people, and probably ended up doing more to promote than to suppress terrorism.

When are we going to learn? When are we going to learn that wishful thinking is no substitute for clear policy direction? When are going to learn that violent, clandestine activity has to be controlled in the closest possible way; that you cannot substitute blood for brains, and that it is not possible to do through thugs that which must be done through thought?

It was not James Bond manning the speed boats that mined the harbors in Managua, and in the process undermined the Sandinista opposition. It was not the heroes of "Mission Impossible" who set out to terrorize the Nicaraguan countryside. It wasn't even the Keystone Cops, No, this is the real world, and in that real world, we have seen repeatedly that working through proxies, through violence, and through undefined policy, we have not harmed our enemies and opponents so much as strengthened them and harmed ourselves.

TO PROVIDE MEDICARE COVERAGE FOR THERAPEUTIC FOOTWEAR NECESSITATED BY CONDITIONS RESULTING FROM DIABETES

(Mr. SMITH of New Jersey asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. SMITH of New Jersey. Mr. Speaker, I rise today, Mr. Speaker, to introduce a bill which would provide Medicare coverage of costs for therapeutic shoes for diabetic individuals who suffer from severe diabetes-related foot disease.

There are approximately 5½ million diabetics in the United States. It is estimated that about 2.1 million are 65 and over and Medicare eligible.

Mr. Speaker, many people are unaware that diabetics often suffer from peripheral neuropathy or loss of feeling or sensation. This leads to repeated injury or trauma to the extremities resulting in ulceration and infections.

Diabetics also suffer from peripheral vascular disease. This disease causes the blood supply to the lower extremeties to be severely diminished. With the diminished blood supply, healing of ulcers and infections is impaired, even prevented. The result is that gangrene will occur and amputation is necessitated.

Mr. Speaker, amputations are much more common among diabetics than the general population. It is estimated that each year 40,000 diabetics are required to have a lower extremity amputation. Of these, anywhere from 10,000 to 16,000 are age 65 or over.

Amputation could be prevented, however, in as many as 50 to 75 percent of affected individuals if proper foot care were available. Proper foot care involves patient education and, where foot disease is only mild, the use of extra-depth shoes and plastizote inserts. For patients with severe diabetic foot disease, specifically designed therapeutic shoes are necessary. It is these specially designed shoes that I, along with the American Diabetes As-

sociation, am proposing be made part of the Medicare Program.

It is estimated that at least 5 percent of diabetics suffer some form of severe diabetic foot disease, including foot deformity and ulceration. These individuals are at a great risk for amputations.

An amputation, Mr. Speaker, can cost Medicare anywhere from $10,000 to $16,000 per patient. If these high risk individuals had properly fitting therapeutic shoes, at least 40 percent of these amputations could be prevented.

The average cost of a pair of specially fitted therapeutic shoes is approximately $350. That seemingly high cost is a significant barrier to their acquisition by Medicare beneficiaries who generally must live on fixed incomes. If Medicare were to pay 80 percent of the cost of these shoes for diabetes-related beneficiaries needing them, that would be about $280 per pair per year. If, then, the 105,000 Medicare beneficiaries—5 percent of 2.1 million—qualified for shoes, the potential cost to the Medicare system would be approximately $30 million.

Mr. Speaker, the cost of providing these shoes would be offset against the savings created by amputations prevented. Even if the availability of shoes lowered the amputation rate by only 40 percent, savings are predicted to be at least $30 million or more. This figure does not even reflect the other costs associated with diabetic foot disease—hospitalization for surgery on lesions, debridgement of ulcers, et cetera—which could also be prevented. Nor does it reflect the added costs incurred by the Social Security system associated with permanent disability due to amputation.

In order to ensure that this benefit is properly utilized, the bill also provides that anyone who receives therapeutic shoes be certified by a physician as being involved in a comprehensive plan of care for all aspects of their disease. Thus, the bill protects against possible abuse or misuse.

Mr. Speaker, the bill I introduce today was developed in consultation with the American Diabetes Association and provides Congress with the opportunity to improve the quality of life for diabetics while reducing costs incurred by the Medicare system.

ABUSES OF SPECIAL ORDERS

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Pennsylvania [Mr. WALKER] is recognized for 60 minutes.

Mr. WALKER. Mr. Speaker, there has been some debate around the House for a period of time as to whether or not Members ought to come to the floor and actually participate in debate, and actually talk about subjects out here on the floor during special order time.

In fact, we have had the majority, on several occasions, question whether or not the minority should in fact utilize this time. The reason why the minority often utilizes the time is because these special orders are one of the few periods during the legislative day when the minority can get time to discuss the issues that it wants to discuss here on the House floor.

Other than that, the legislative schedule is controlled by the majority and only those issues that the majority designs for the House to discuss are the issues before us. We think it is important from time to time to define for the American people issues as seen from the perspective of the minority party, which got nearly half the votes in the last election for Congress. So, it is important I think that we have the debate on the House floor which is in fact oriented sometimes from the minority side as well.

Mr. WHEAT. Mr. Speaker, will the gentleman yield?

Mr. WALKER. I yield to the gentleman from Missouri [Mr. WHEAT].

REPORT ON RESOLUTION PROVIDING FOR CONSIDERATION OF H.R. 1460, ANTI-APARTHEID ACT OF 1985

Mr. WHEAT, from the Committee on Rules, submitted a privileged report (Rept. No. 99-131) on the resolution (H. Res. 174) providing for the consideration of the bill (H.R. 1460) to express the opposition of the United States to the system of apartheid in South Africa, and for other purposes, which was referred to the House Calendar and ordered to be printed.

Mr. WALKER. I thank the gentleman. The gentleman was most kind in the Rules Committee at helping us achieve a rule that the minority will be able to offer a substitute under, and I thank the gentleman for that.

Mr. Speaker, to go back to the issue on the special order, what we have seen happening, however, is the majority, from time to time, has decided that special orders, because they are coming from the minority viewpoint, are therefore not conducive to their legislative process and have raised objections to them.

Among the objections they have raised from time to time is that when minority Members are on the floor taking special order time, that we are costing the taxpayers money. Now, that never seems to be an issue when majority Members are taking the time. In fact, a review of special order time during this Congress will reveal that there are majority Members who have taken far more time in special orders than any Member of the minority has.

The majority party, and particularly through the Democratic Congressional Committee, has in fact issued press releases into Members' districts accusing them of wasting taxpayers' money by coming to the floor to debate.

Let me make the point that, indeed, there are some costs that are associated with being on the floor debating issues. I think the healthiest part of the legislative process is Members who are willing to come here to the floor and allow their viewpoints to be challenged. As I stand here today talking, if there is somebody that wants to take exception to what I am saying, they are perfectly able to come to the floor, I will be glad to yield to them and we will debate the issue.

That is somewhat different, I would say, than the issues that arise by people taking material that they have preprinted and stick it in the CONGRESSIONAL RECORD. That also costs the taxpayers. As a matter of fact, in discussions with the Clerk, I have found out that that is where most of the expense comes from, whether it is talking on the House floor or whether or not it is inserting material in the RECORD.

The real question of cost to the taxpayers is how much it costs to print the RECORD, and that insertions are in fact the expensive part of what we do here in the House.

I would say that those people who do not allow their viewpoints to be challenged by simply sticking stuff into the RECORD are in fact the ones who are abusing the legislative process. What they end up with is something which is printed, which appears to be what was said on the House floor, which is often represented to the public as something which was said on the House floor, but in fact was never spoken, and so therefore, could never be challenged. So they are not asked to defend those things which they are saying. Whereas, someone discussing the issue on the floor is in a position of having to defend what it is they are saying.

I happen to think that the legislative process is furthered by people who are willing to have their viewpoints challenged. I am disappointed from time to time that people who, on the outside, will raise criticisms, refuse to come to the House floor and make those criticisms here where someone might be able to challenge them.

□ 1200

But the issue of cost, then, does, I think, raise questions in the public mind and so, therefore, need to be defined because if, in fact, the Democratic Congressional Committee is right in the press releases that they are sending out to people's districts, that in fact this business of the CONGRESSIONAL RECORD is very costly, then it seems to me that the Democratic Congressional Committee has an obligation, through the majority party, to bring

to the floor a rule which stops the abuse of the CONGRESSIONAL RECORD.

There are a number of abuses of the CONGRESSIONAL RECORD. We had one on the floor the other day, talking about the fact that the Members have a right to lie in the CONGRESSIONAL RECORD by the ability to revise and extend. I think that is a real problem.

But in this case, the issue is this: Should Members be allowed to put large volumes of material into the RECORD that was never spoken on the House floor and thereby pass the cost along to the taxpayers? The Democratic Congressional Committee, the campaign arm of the majority party in this House, has said in the press release that they issued in order to criticize Members of the minority side, that it costs $6,500 per hour for the cost of printing additional pages into the CONGRESSIONAL RECORD.

If you take the CONGRESSIONAL RECORD, you will find that each hour of time is about 6½ pages of the CONGRESSIONAL RECORD so, therefore, what the Democratic Congressional Committee is saying is that it costs somewhere between $900 and $1,000 per page to print the CONGRESSIONAL RECORD.

I have asked the Clerk, and the Clerk says that that is just a total phony figure; that that is not, in fact, the cost of printing the CONGRESSIONAL RECORD. It is actually about half that amount to print the CONGRESSIONAL RECORD. But that is what the Democratic Congressional Committee has to say. I assume that they did not mean to lie, but the fact is that their release says $6,500 per hour, and it takes about 6½ pages of the RECORD to consume an hour.

So if they are right, then we went and did a little more research. I had a young lady over at the Republican Study Committee by the name of Krista West go back through and find out how many pages of the CONGRESSIONAL RECORD there were since the beginning of this Congress, between January 3 and May 7 the Democrats have inserted into the CONGRESSIONAL RECORD, how much material had the Democrats simply put into the CONGRESSIONAL RECORD. Now, not back in the Extensions of Remarks in the back that is provided for that, that is costly, too, but how much in the body of the RECORD while the House is going on in special orders, during debate, where they have inserted material into the RECORD. How much have Democrats put into the CONGRESSIONAL RECORD over that period of time at a cost that the Democratic Congressional Committee says is nearly $1,000 per page, at least $900?

What I find is that there are over 250 pages of such material that have been put into the RECORD. In other words, the Democrats who complain about the cost of the minority in printing the CONGRESSIONAL RECORD have, in fact, themselves cost the taxpayers nearly a quarter of a million dollars for printing material that they refuse to say on the House floor; that they refuse to have challenged as a part of the debate process on the House floor; that they simply stuck into the RECORD without having it debated on the House floor.

That is their figure. They say that it cost $900 to $1,000 a page, and I counted up the pages through the Republican study group's work, and we found the 250 pages.

My question is: Why is that a responsible action if, in fact, what they are going to do is put out these kinds of press releases, make these kinds of claims about cost, why is it a responsible action for them, then, to be sticking this material into the RECORD and costing the taxpayers. Should not a reform take place that stops this abuse if, in fact, it does as the Democratic Congressional Committee claims, costs $900 to $1,000 a page for the CONGRESSIONAL RECORD.

I would far prefer, as a Member who is committed to the debate process in the House, that those Members come out on the floor, speak their minds, have their viewpoints challenged, and make certain that what is said is, in fact, the reality of debate rather than the phoniness of debate that takes place when we are simply inserting material into the RECORD, evidently at great cost to the taxpayers, according to the Democratic Congressional Committee.

Mr. WEISS. Mr. Speaker, will the gentleman yield?

Mr. WALKER. I will be glad to yield to my good friend from New York, the chairman of the subcommittee on which I serve.

Mr. WEISS. I wonder if he would yield to me so that I could ask unanimous consent to proceed for 5 minutes for a discussion of revenue sharing that the gentleman himself may want to participate in.

Mr. WALKER. I would be very happy to yield some time to the gentleman to do that.

Mr. WEISS. Mr. Speaker, I ask unanimous consent that I be allowed to have 5 minutes to address the House and to revise and extend my remarks and include extraneous matters therein.

The SPEAKER pro tempore [Mr. STALLINGS]. After the present special order, that request would be in order.

PARLIAMENTARY INQUIRY

Mr. WALKER. Mr. Speaker, I have a parliamentary inquiry.

The SPEAKER pro tempore. The gentleman will state it.

Mr. WALKER. Mr. Speaker, I can simply yield to the gentleman, and he can talk about whatever he wants, can he not?

The SPEAKER pro tempore. The gentleman is correct.

Mr. WEISS. I would appreciate that.

Mr. WALKER. I would be very happy to yield to the gentleman to make any comments that he might wish to make relative to revenue sharing.

GENERAL REVENUE SHARING

Mr. WEISS. I very much appreciate my distinguished colleague yielding to me.

Mr. Speaker, I am rising to speak on behalf of the general revenue sharing very briefly because I know that the budget resolution will be coming before this body as of next week, and that there is a recommendation probably forthcoming which will adversely affect the general-revenue sharing program, and before that becomes finalized I thought that perhaps a few minutes of discussion might be in order.

General revenue sharing is a program which has operated successfully since 1972, because of strong bipartisan support in both Houses of the Congress. It is the most efficient, fair, and cost-effective grant program that the Federal Government operates.

Each year, less than one-tenth of 1 percent of program funds goes to administration. With the remainder going directly for vital public services such as police, fire, ambulance, education, and health care. The distinguished gentleman from Pennsylvania, who is the ranking member on the subcommittee, together with other members of the Subcommittee on Intergovernmental Relations and Human Resources of the Government Operations Committee, had occasion, earlier this year, to hold field hearings across the country. We held hearings in Cedar Rapids, IA. We had representatives, that is mayors, supervisors of various counties from five different States.

We held hearings in Austin, TX; we held hearings in Charleston, WV; we held hearings in Boston, MA, in addition to holding hearings in Washington, DC. The story was the same, in location after location from mayors of big cities and small towns and everything in between.

County supervisors, representing some 39,000 units of government receiving revenue-sharing assistance based on a formula which makes the automatic determination as to what communities are entitled to, without the necessity of paperwork having to be engaged in. In many instances, these communities get not another nickel or dime of Federal funds except what they get from the revenue-sharing program.

We were told, without exception, that if the revenue sharing programs are cut that they will have only two choices at the localities. They can

either cut services or they can increase taxes, and the increase in taxes will go on, in most instances, real estate, on real property, on people's homes and farms and business properties that they own. The fact is that in most communities they are already paying real estate taxes up to the very top level permissible, and in many States the communities cannot levy greater taxes because there are provisions of the law which in essence put a limitation on how much of an increase in real estate taxes there can be.

Thirty percent of the moneys that go for the revenue-sharing program go for the basic services of police and fire, so that this is not a matter of using these moneys for frills. We had testimony from small town mayors. I remember one community of maybe 1,200 people where the mayor testified that they took the couple of thousand dollars that they received from the revenue-sharing program, bought materials, and then volunteers from that small community themselves used the materials to repair the roof of the town hall. We had testimony from communities that do not have water yet brought to them, where they have used revenue sharing to install water systems.

The revenue-sharing program has been a very useful, effective, essential portion of the Federal fiscal relationship with the localities for these past 13 years or so. It has eroded, as a matter of fact, some 50 percent in value because there has been no increase in the revenue-sharing program since its inception.

□ 1210

The program was never intended as a surplus-sharing program. People tell us, "Well, we have deficits now, so we can't share what we don't have, deficits." The fact is that the revenue-sharing program was begun under the Nixon administration at a time of Federal deficits, and Federal deficits have existed in each of the years in which the program has been reauthorized.

There is often a sort of an attitude that says, "Why should we, the Federal Government, in our largesse give them, the localities, our money?" Mr. Speaker, that has it all upside down. It is not our moneys. Every single dollar that the Federal Government collects comes from people who live in our hometowns, in our constituencies. The Federal Government takes a great deal of money from those localities. At the same time the Federal Government mandates programs, and I think rightly, but nonetheless the Federal Government mandates programs, whether they be air quality or water quality or access for disabled and handicapped people to public places or updating correctional facilities. We mandate those programs on the communities, and what the revenue-sharing program is intended to do is in a very small part to compensate or to reimburse those localities for the money they have expended on the basis of Federal mandates.

Mr. Speaker, I would hope that the House would follow the suit of the Senate with regard to the Federal revenue-sharing program and in essence freeze the revenue-sharing program. What the Senate budget resolution does is provide for funding at the same level. I think that the people of this country should have the right to expect no less from the House of Representatives, and I hope that in the course of the debates next week we will in fact be able to persuade our colleagues that revenue sharing is not a frill, that it is not a frivolous expenditure of moneys. It is moneys that go for the most basic and essential needs of the people back home.

Mr. Speaker, I want to thank the gentleman for yielding at this time to me.

Mr. WALKER. Mr. Speaker, as the gentleman knows, I participated in some of those hearings with him, and I would say the gentleman well represents the case that was made to the subcommittee by constituents across this country.

I think one point that the gentleman made needs to be reemphasized. That is that indeed there are Federal resources being spent on the revenue-sharing program. We are not in debate over that issue. The question is whether or not those resources are wisely spent in this kind of a discretionary program.

I think that the one case that is very clear on this is that we as the Federal Government, as we have come more and more into budget-crunch situations, have tended to pass on more and more mandates to local governments. We have tended to say to local governments, "We regard this as being something that is the law of the land, something that needs to be done. We don't have the money to do it. You do it." And we pass on those mandates that then become extremely costly to local governments.

The only discretionary money, the only discretionary resources that come from the Federal Government in order to meet those mandates come in the revenue-sharing program, and the way most of these communities have reacted to the mandates passed on by the Federal Government is to use revenue-sharing money in order to meet those mandatory obligations.

In my mind, if we are going to eliminate the revenue-sharing money—and there are people around here who will make a strong case in that regard—if we are going to do that, it seems to me we ought to have an accompanying bill with that, and that is a bill that eliminates all the mandates we passed along to those same governments. I do not think that we can say that we are going to have it both ways, that we can impose mandates across this country and then not provide the resources with which to meet the mandates. I think that becomes a ludicrous policy for this Congress to pursue.

If we are going to withdraw the resources, then let us withdraw the mandates, too, and let local governments meet their own locally determined priorities with their own resources and not impose our priorities on those resources. If we are going to impose priorities on them, then we ought to provide at least a modicum of resources with which to meet the priorities that we have passed on as obligations.

We heard that in a number of instances from local communities, that that is a major problem for them, that the kind of mandates the Federal Government imposes is indeed a problem for local governments. I think that that makes one of the clearest cases that is available for a continuation of the revenue-sharing program, even in a budget-crunch kind of situation.

I am one who is pretty sensitive to the whole business of the deficit, but I think that the way in which we manage programs around here is also a deficit question, and we have some horribly managed programs where we have attempted to micromanage things out of Washington that cost us great gobs of money. But here we have a program that costs us next to nothing to administer and in fact is helping to pick up mandates that we as the Federal Government would have to pick up otherwise, and does so at a cost which we have been able to freeze for a number of years. It does not make sense to wipe out the most efficient programs in order to keep the most ineffective programs. That to me is a kind of a crazy way to proceed.

Mr. WEISS. Mr. Speaker, I appreciate the gentleman's comments, and he is quite right in saying that the Federal Government gets a tremendous bargain. We nowhere near compensate the local governments at the local level for the mandates that they fulfill. So it seems to me that at a time when we keep on talking about shifting burdens to the local governments and shifting resources to them to meet those burdens, for us to take away one of the very few programs that in fact gives them resources from the Federal Government does not make sense at all.

Mr. Speaker, I thank the gentleman for yielding.

Mr. WALKER. Mr. Speaker, I thank the gentleman for his comments.

I certainly hope that if we end up with a budgetary program—and we all are going to have to face tough decisions on this, me as well as the gentleman—at least if we face the budgetary crunch of having to cut off those

funds, we will include with that language that withdraws all the mandates that we have put on local government, because at that point we will have at least partially compensated them for the loss of the resource, but also will have assured that in losing the resource they are not tied to Federal mandates that they cannot meet with local moneys.

This has become something of a potpourri of a special order, with a whole series of questions we have addressed here during the time.

Mr. DORGAN of North Dakota. Mr. Speaker, will the gentleman yield?

Mr. WALKER. I am glad to yield to the gentleman from North Dakota.

Mr. DORGAN of North Dakota. Mr. Speaker, I was sitting here listening to some of the discussion. I want to try to take a little different tack on this issue of revenue sharing.

I think it is fine if we freeze revenue sharing, but the fact is that we have to evaluate what we spend money on in this country at the Federal level, what is important and what we cut. We have an expenditure request from the President, from the Senate, and probably from the House that will far exceed the revenues we have available to meet it, and so we have to decide where the cuts come from.

I think that philosophically the Reagan administration, since the day it took office, has really decided it wants to move back to the notion that that Government which governs least governs best, and local government is better able to make decisions about these local issues than we are.

I have found in the last dozen or 15 years that the growth of programs by which one level of government raises money and then sends it to another level of government and says, "You spend it" breeds, in some instances, at least the most irresponsible of public spending. Generally speaking, when you have public officials who are requred to raise the revenues and then required to oversee their expenditure, you breed, it seems to me, the most efficient kind of allocation of resources.

By that I am not suggesting that all EDA, all UDAG, all community development grants, and all revenue sharing is bad. But I am saying this: I think there was an explosion of programs that were developed in Congress in the last decade, especially or the last dozen years that said: "Raise the money here because it is easy to raise the money, send it back there, and you go ahead and spend it back there."

For that reason, for example, in my home State, 1,500 miles from any major body of water, or any ocean, we have a swimming pool with a wave machine. Why? Why do we have a wave machine that has a bellows at one end and a beachhead at the other and gives 2-foot to 3-foot waves in the middle of summer? Well, not because the folks back home said: "We really want to spend our money on that." It was because there was some Federal money in a Federal program, and they said: "You build this swimming pool in this neighborhood, and you have this extra money, so you go ahead and buy a wave machine for it."

That is just one example of what exists all around this country.

I am just saying that when you take a look at our responsibilities, the revenues we have and the spending needs we have, including the highest priority needs, that is, feeding the hungry, helping the disadvantaged, educating the American people, and so on, when you make those choices, I think you need to make them in a philosophical framework of deciding how we most effectively spend money that meets the most critical needs. When we talk about revenue sharing, or UDAG, or EDA, or any the other programs, we have to continually keep that in mind.

All the mayors and others have contacted me, and I understand they have contacted all of us about revenue sharing. Again I am not saying that we have to zero revenue sharing out tomorrow. But I recall when revenue sharing was enacted in Congress—I was not here at the time—the whole underlying theory of revenue sharing was always, at its genesis in the 1960's and leading up to its enactment in the 1970's, that because of a progressive tax system interacting on an economy such as ours, we would have fiscal drag if we did not yield back those surpluses of revenue that we collect in the long term at the Federal level.

□ 1220

Well, of course, the surpluses have never materialized and therefore we need never have worried about fiscal drag resulting from surpluses.

But I wanted to raise those points simply in the context of the discussion that the gentleman was having about revenue sharing, because it is even broader than that. It deals with a lot of programs that send money elsewhere, where one government collects it and the other government spends it.

Mr. WALKER. The gentleman makes a legitimate point, and it is in fact many of the points that the opposition will make, but I think the gentleman maybe missed my point and that is the fact that we do not have a system in this country at the present time which is allowing local officials to use local resources for locally determined priorities. What we have in this country in too many instances is a system which allows local officials to raise local resources; in other words, raise local taxes to meet mandates imposed on them by State and Federal governments.

I think in that kind of climate that the Federal and State governments have some obligation to fund the priorities that they are mandating on local officials.

I can be fairly comfortable with eliminating a revenue-sharing program in a climate where the Federal Government was not imposing mandates upon local governments, telling them: "You assume the costs, but we don't give you any of the money." I could be reasonably comfortable with that, but the problem is that that is not the situation. In fact, during the growth period that the gentleman has talked about of a lot of these locally derived programs, we have not only begun spending some money for them, we have sent back a minimal amount of money for the amount of mandate that we have tied to that money.

My point is this, that if in fact we want to get rid of revenue sharing, we want to get rid of UDAG's, and community block grants, and a lot of these programs, and I personally could endorse getting rid of a number of them, but then at that point let us not tell local officials that they have got to commit local resources to doing what we tell them to do. Let us make certain that they can do with that money what they determine should be done, rather than meeting mandates as prescribed from Washington. Until we get that kind of balance, it seems to me then we are really doing something which is destructive of local government when we say to them: "There are no Federal resources, but you will have to meet our mandates." That to me causes all kinds of dislocations and all kinds of problems.

I will be glad to yield to the gentleman from North Dakota.

Mr. DORGAN of North Dakota. Let me say that I accept the premise of some of what the gentleman says. I understand that. We do at times say: "Here is your requirement, local government, but it is not our business to deal with the resource question."

I understand the unfairness of that. I understand the predicament that puts some of the local officials in and in some cases that is unwarranted.

The gentleman's suggestion that we have to map some of these things is one that I understand and accept.

On the other hand, the gentleman knows and I know, I grew up in a town of several hundred people. I recall when that town decided whether or not it wanted to pave its streets. There was a big question, because you know, we had gravel streets in our town. It was a question for the townspeople, whether or not they wanted to commit that kind of resource. In course, in later years it has not been that difficult a question because there has always been a program that comes from someplace else that will send money to that town. You do not have to go through this decisionmaking.

What do you want to spend your money on? Some of those communities were dumping raw sewage upstream where the kids were swimming downriver. Well, you know, ultimately the Government said: "You can't do that. You have got to treat that sewage," and there are restrictions. So in those cases the Government said: "Here is some money to do it."

But we also said: "It's also part of your responsibility, local government, to handle those affairs because you do collect a property tax and have a local revenue base."

I accept part of the gentleman's premise and I think this is a constructive dialog. I am just saying that it is not an easy question to answer precisely where these resources ought to be cut or how much we are to offer, where it ought to stop; but I am saying that it is important.

Let me just say also that I am not very complimentary of President Reagan's leadership on this floor, for a lot of good reasons, I think, but I do compliment him for his leadership since 1980 in stopping the explosion of some of these kinds of programs, to say: "Wait a second, let's take a look at what we are doing. Are we just sending checks all over and saying we raised it, you go ahead and spend it?"

I compliment the President for saying: "Let's start putting the brakes on some of those kinds of things."

Mr. WALKER. Well, I personally think that it would be very valuable to start a turnback of responsibility, as well as resources, and that we would do a great deal for the empowerment of local government and for the empowerment of local people by beginning a process that gets the Federal Government out of a lot of these things and allows resources to be developed at the local level; but it really does strike me as puzzling that we have a Congress that is willing to eliminate those programs that are discretionary in nature, while we continue to fund programs which are far more arbitrary in nature. I think that exactly the reverse should be true.

Mr. WEISS. Mr. Speaker, will the gentleman yield?

Mr. WALKER. I am glad to yield to the gentleman from New York.

Mr. WEISS. Mr. Speaker, I thank the gentleman for yielding to me.

You can always find a wave machine, a wavemaking machine, to wave in an effort to try to discredit a program which benefits 329,000 communities.

The fact that some community leaders do irresponsible things should not be a justification for eliminating a program where the overwhelming vast percentage, in fact, it is used for the most basic of community services, in many instances to meet Federal mandates, as the gentleman has said.

Mr. WALKER. Well, if the gentleman would allow me to reclaim my time for just a moment, as the gentleman pointed out in his remarks, and it is absolutely true, and the testimony shows it, and the facts and figures show it, there can be no doubt about it, where the money from revenue sharing goes is for fire protection and law enforcement. The vast bulk of the money goes into those particular elements, so it really is a question of public safety that is largely involved in the revenue-sharing program.

The gentleman is right. You can find abuses. I am very good at coming up with abuses in programs around here and you can find them all the time; but we should understand that in the case of revenue sharing, I have no doubt there are abuses. I have no doubt that you can come up with a laundry list of them.

We also hear about rich communities that are getting revenue-sharing money, and that is in fact the case, just as there are millionaires who get Social Security checks and we do not talk about eliminating the Social Security Program because some millionaires get checks out of it.

There is really a need to look at what the bulk of the money goes for and if in fact you are against doing some additional crime fighting and you are against local fire companies having some additional resources available to them, you may in fact take the position that revenue sharing has not worked; but if you look at the realities, the fact is realities say it is public safety that is most enhanced by what we do with revenue sharing.

Mr. WEISS. Mr. Speaker, will the gentleman yield again?

Mr. WALKER. I am glad to yield.

Mr. WEISS. The fact is that the communities are required by law and do so as a matter of practice of holding public hearings in which they ask the community to come forward and tell us how we ought to spend this money, whether we get $2,000, or $15,000, or $35,000, or in the millions in some of the larger communities. The decisionmaking really is made by the leaders of those communities on the basis of what their constituencies tell them.

We have small county representatives who came and told us that under State law they are held responsible for providing ultimate support and shelter for elderly people without any other means in their communities. Well, where do they get the money from? The only way they are able to supply the necessary programs now is to take revenue-sharing funds.

What happens if in fact that money is taken away from them? In many instances they cannot raise taxes any more because the State law prohibits them from increasing real estate taxes. The State still insists that they provide the services, so what they will have to do is they will have to cut someplace else. Maybe they will reduce the number of policemen or firemen they have in their communities.

Again what we are talking about are basic needs in society. It is ironic, it seems to me, for us to take a situation where we have said categorical programs really do not make as much sense as we thought they did because the Federal Government in those instances tries to tell localities how to spend their money.

So, OK, revenue sharing is discretionary. It says: "You make your determination as to where you use the money," and then we go ahead and say: "Oh, but we are raising the taxes and letting you spend the money."

It is an argument that you can play both sides against the middle for a long time, but ultimately something has to give.

Mr. Speaker, I thank the gentleman for yielding.

Mr. WALKER. Well, I thank the gentleman and we go back to the statement of the gentleman from North Dakota when he raised the question of one of the major priorities on his list. I might have put defense on the list, too; but one of the major priorities on his list was education.

The fact is that education takes place in this country mainly at the local level and what we have had happening as a result of several categories of programs is that we have been mandating more and more on those local units, local school districts, with relatively little in the way of resources.

Revenue sharing, although it has to be in some cases through the backdoor method, another major area of revenue sharing has been to get money into the education communities. In some cases it has gone and helped library systems. There have been various ways of doing it; but if you add the educational element into the public safety element, you have really begun to speak to some of the needs that the gentleman from North Dakota himself specified as being major national goals, that in fact are being implemented at the local level.

Mr. WEISS. Mr. Speaker, if the gentleman will yield for one final comment, it has been said before and it is worth saying again, there is no free lunch. If people think here in this body that by eliminating a program like revenue sharing you are ultimately going to get off without consequences, we are kidding ourselves.

□ 1230

What is going to have to happen is either vital services are cut at home or your citizens, your constituents back home are going to be asked to pay increased real estate property taxes, and

ultimately they will know who is responsible for those cuts in services and for those increases in property taxes.

I thank the gentleman.

Mr. WALKER. The gentleman is right. And I think it is also that there is a need to recognize that through discretionary programs it is in fact possible to begin the process of reducing Federal commitments while getting positive results out in the country. In the case of revenue sharing we know very well that the Revenue-Sharing Program has not been increased at all for a number of years. It has been held frozen, not just for the last couple of years when freeze has been a big item in Washington, but it has been frozen for most of the life of the program. So we are talking about a program that shows that with reducing resources you can still meet a broad base of legitimate needs.

If you put that together with what we did in education, and the gentleman and I are not wholly in agreement on this, I know, but with the educational block grants that went into, for example, to fund the great bulk of the country, the school districts across the country where we were able to deliver more money with the block grant to those school districts than we had delivered in the past.

Mr. WEISS. The gentleman is right, we do not necessarily agree on that.

Mr. WALKER. The gentleman has some concern about the urban school districts. But the fact is, what I am saying is for the majority of school districts in the country under chapter 2 they got more money under chapter 2 than they had gotten before because we did eliminate some of the bureaucracy at the Federal level and we forced a State passthrough mechanism that assured the delivery of funds.

I think that a case can be made in that case, too; we showed that despite the fact that the funding levels were either held even or cut back in a couple of instances that the delivery of money to the school districts was enhanced, and I think we are beginning to see some examples of that.

It is a shame to step in and cut out some of the more efficient ways of delivering money.

Mr. WEISS. If I may make just one more point on the education point, the program I think perhaps that is most relevant is the Congress passed legislation mandating that each child receive equivalent educational programs and resources regardless of the special education needs of children within our communities. And the Congress said at the time that they reinforced that mandate to the localities by they were going to make sure that we provided them with the resources to meet the needs of those kids.

Well, not only did we never provide what we promised that we would, but in those instances where revenue sharing has been used, in New York City, for example, 7,000 teachers had their salaries paid for out of revenue-sharing funds. Now we are saying that is going out.

You know we are not going to cut 7,000 teachers. But what it will mean is that we will be cutting some police people, some fire people, some health service people, sanitation people, to make up for the revenue-sharing funds that are lost.

Mr. WALKER. That is one of the best points that we could possibly make about the system of mandates, because that has been a very, very expensive program, not that it is not a worthwhile program. But when you start talking about equivalent education, and you realize the broad range of people that affects and how that affects school districts where they may have one or two children with special handicaps, where they have to make multimillion-dollar decisions with regard to building access and a number of things in order to accommodate those couple of kids, when you have that mandate from the Federal Government you are imposing tremendous costs often upon school systems. And the gentleman is absolutely right. We have got to be willing then to follow our mandate with resources.

Mr. WEISS. I thank the gentleman.

Mr. WALKER. I thank the gentleman very much.

As I said a couple of minutes ago, this special order is somewhat of a potpourri. But I had made the point earlier with regard to the CONGRESSIONAL RECORD abuse that I think needs to be aired, and I have fairly substantially made that point.

But I think maybe what we want to do is perhaps move into another issue that will be coming on the floor next week where I have had some involvement, and a couple of the gentlemen on the floor with me have had some involvement over the last several months, and one where we feel very strongly that an approach has to be taken that will in fact enhance U.S. policy rather than detract from U.S. policy. And that is the whole issue of what do we do about apartheid in South Africa.

The gentlemen who are on the floor with me here have in a variety of ways demonstrated that there is in fact a conservative and a Republican viewpoint on this issue which is vehemently antiapartheid but also has some belief that we are about to take some actions in this body that might in fact undercut our ability to deal with that abhorrent system rather than enhance our ability to deal with that system.

Mr. GINGRICH. Mr. Speaker, will the gentleman yield?

Mr. WALKER. Let me yield to the gentleman from Georgia.

Mr. GINGRICH. I want to say to the gentleman from Pennsylvania that I will be doing a special order this afternoon on specifically the issue of how a free society can have an effective foreign policy in a dangerous world. And I am going to talk about three different levels of difficulty, the difficulties of Leninism and the Soviet Union, the difficulties of terrorism, including the recent disaster in Philadelphia, and finally the difficulties of dealing with States which are not a direct threat to the United States but whose policies are abhorrent.

I would say to the gentleman that in a sense the text I want to talk about, because I think the debate next week will not be about South Africa, and I think the debate next week will be about how America is effective, my text is from Abba Eban and his new book "The New Diplomacy of International Affairs in the Modern Age, 1983."

As the gentleman knows, Abba Eban was the remarkably articulate and persuasive Israeli Foreign Minister for many years, and in his new book he said, and I quote from page 68:

> The speed and vigor with which Carter supported the tide of change obscured an essential question. Was any regime in the world so oppressive that it was incapable of becoming more so? The dilemma was well illustrated in Iran and Nicaragua. When the United States weakened a pro-Western dictatorship the end result was not a pro-Western democracy but an anti-Western despotism. The Ayatolla Khomeni was no improvement on the Shah. This tends to support the view that the United States should determine its relations with other nations in accordance with their contribution to stability rather than by reference to their domestic conduct.

The point I want to make is that the former Foreign Minister of Israel is saying to our liberal friends, people I have characterized sadly in foreign policy as being ostriches, that if they will look at the track record of their sincere and well-motivated human rights initiatives in the 1970's they will see that they left across this planet a series of disasters of unparalleled threat in each area, that their interventions, while well meaning, were as fundamentally flawed as a 13-year-old deciding that he could be an appendectomy surgeon and cutting open his sister's tummy to see whether or not he could take out her appendix.

The thing that bothered me, and I say this as somebody who 2 years ago voted for the liberal bill on sanctions on South Africa because I wanted at that time to express my condemnation and my disagreement with South Africa on apartheid, that having studied much more carefully, having over the last 2 years had a lot more time to think about this question of how a democracy functions in a dangerous world, I think there are certain fundamental flaws in the liberal approach

to sanctions and there are certain fundamental flaws in the liberal approach to how you help a nation make the transition to democracy. And if our liberal friends will look at Ethiopia, Zimbabwe, if they will look at Iran, if they will look at the problems in Nicaragua today, and on the other hand, if they will look at some success stories: Why is it that Argentina is today a democracy? Why is it that El Salvador is, and I am going to quote in my special order from the New York Times which says today, "As Duarte begins a visit to the United States, optimism returns to El Salvador."

What are the lessons of success in creating a positive environment? I think we will see a very different story in looking at that special order.

I thank the gentleman for yielding.

Mr. WALKER. I thank the gentleman. I think that one of the key points that needs to be raised in all of this is what do the reformers in some of these countries wish to have done.

Over the last several months I have had an opportunity because of my involvement with the South African issue to talk to people from South Africa, not the people who are trying to defend the status quo there, not the people who are trying to move slowly in ending apartheid, but the people who are taking the risks within their own country to try to end that absolutely horrible system, and they have seen, in some cases, opposition Members of Parliament, in some cases tribal leaders. But they are people who are very much involved in their own country in trying to stop the apartheid system, in trying to empower black South Africans in a way that they will have opportunities to be a part of the economic and political processes of their nation in the future.

□ 1240

What we hear from them almost uniformly is that they do not agree with an approach that will decimate the economy in their country, that they think that that would be counterproductive to everything that they are attempting to achieve; that they believe that what we need to do is have the kind of activity in South Africa that assures that American businesses and the American presence there is such that it empowers blacks economically, that it gives them the opportunities necessary to become a part of the political process, that it shows by example that in fact a nonsegregated society is the strong route for South Africa to pursue in the future.

If we can develop those kinds of policies in this country then we will have the opportunity to see South Africa not be lost as a pro-Western country but, rather, become a country that recognizes the need to have its black majority involved in all aspects of its society, but does so in a way that does not force it to go the route of a dictatorship of a Zimbabwe or other kinds of nations in Africa that have proven to be economic and political disasters.

I have been struck with what I have heard from a lot of these leaders that we would face a very grave decision if we move in the direction that some are suggesting where we pull out and simply say that South Africa is so bad that we should have no involvement there.

There is no doubt that it is bad, there is no doubt there is a major problem there, there is no doubt something needs to be done. Some of us in this country have taken a stand against people in our own political ranks who basically were willing to support the status quo.

Our own administration is not happy with some of us who have seemed to say we want to go further than the administration's constructive-engagement policies because we think something more needs to be done.

But to go the route of attempting to undermine and destroy the economy of South Africa in the hopes of reforming it is probably not only counterproductive but actually destructive of the future relationships of this country with theirs.

Mr. Speaker, I will be very glad to yield to the gentleman from Wisconsin, who has been very, very active in this field and will probably offer on the floor next week one of the major alternatives to be debated as part of our discussion of the entire apartheid act.

Mr. GUNDERSON. Mr. Speaker, I appreciate very much the gentleman yielding.

I think really, Mr. Speaker, that the gentleman and our colleague from Georgia, Mr. GINGRICH, have absolutely focused on the real question we ask next weekend, perhaps a question that will have significance on down the road in terms of other foreign policy actions.

That question is do we simply want to make a moral statement that makes us feel good, a legitimate moral statement that may be correct, et cetera, or do we want to be constructive and positive in influencing change elsewhere around the world?

I think South Africa hits that example better than anything else.

There is to my knowledge no one who is a Member of this body who does not absolutely deplore what is going on in South Africa at the present time; say it is wrong, say that it needs to be changed, and it needs to be changed as soon as possible.

The question is how do you bring about that change? Or don't we want to be a part of the process of bringing about change, do we simply want to make moral statements?

As you look at some of the options we will consider next week there are really two very separate and distinct alternatives. One alternative is going to come up and immediately impose sanctions on the Government of South Africa, upon American companies doing business in South Africa, et cetera, saying "Today is decision day, period. There is no future, there is no opportunity for change, come what may in South Africa we are going to make that decision." That sounds good. It makes good press releases. It makes you feel good.

I would suggest to anyone who studies what is going on with South Africa and realizes that until you make those changes you need to deal with the Government that is there whether you like it or not and how do you bring about political change in that system under the present process?

Now we can come down with all kinds of heavy-handed statements as some administrations in this Government have done during history with South Africa and elsewhere around the world and we could have that government rejected. We can have them put their backs up against the wall and affirm their position and say: "I am not going to allow the United States, the big brother from the West, to tell us what to do."

I think there are some indications in the past that that has happened even in South Africa.

The question is, "How do we come down with a moral statement then which allows them to make positive decisions and really bring about some change?"

Really I think there are going to be two substitutes offered next week which merit some type of consideration in this regard. I shall be offering one. Our colleague from Michigan, Mr. SILJANDER, intends to be offering another. They are not all that different. Really we are talking about much the same thing from two different perspectives. Perspective No. 1 would be that we provide additional funding, funding in particular aimed at the blacks in South Africa. They need education. It is a crime when you compare the amount of public funds invested in education for the black population in South Africa with that invested by the Government in the education of their whites, and we need to provide some additional funds, some additional scholarships, some additional training programs to allow them to move forward and to become a part of the future, viable South African economy.

The other side is what we call conditional investment. That is, do you allow no investment with immediate sanctions, which the major proposal in front of us next week will do? Or do we do nothing? Or is there a middle ground? I suggest there is a middle ground in which we allow the concept of some type of conditional invest-

ment, we allow investment to occur for a couple of years, we lay down the conditions to pass laws with respect to the homelands, those types of things which absolutely must be changed, and we then come back and we say, 1 to 2 years down the road, what has happened, what progress has been made, has progress been made, is South Africa changing their ways and moving into the modern world of recognizing each person for their true equality and legitimacy of purpose on this Earth?

Now many people would say well, you ought not to even have conditional investment, you ought to just allow investment because investment is a step in the right direction.

I think it is wrong for America to totally ignore the issue. We are the leader of the free world. That leadership gives us some responsibility. And by virtue of that we do have an obligation to make sure that some type of positive action does occur in South Africa at some point in time. But we do not come in as heavy-handed big brother and say, "Do it now or you are done." Rather what we do is we come forth and say, "Here are our conditions. You decide."

Mr. WALKER. If the gentleman would allow me to reclaim my time, I think the points the gentleman makes are good ones. He also mentioned a third alternative which I think we need to recognize. There are a number of policy-oriented people in this country, a lot of people in the public who believe we should do nothing with regard to South Africa, the status quo is just fine and ultimately they will work things out for themselves. My own impression of that is that that is not really a responsible policy option if in fact you are truly anti-apartheid at this point.

I am afraid, and my reaction is that we have some people in this country, I am sad to say, who are actually pro-apartheid, who are perfectly satisfied to see this system continue.

I think that is sad but the fact is you also have people who claim to be anti-apartheid but do not want to do anything.

The problem with that is if you talk to the people within the country who want to see reforms made, they say that is not an option. If the United States, in order to assure that there is movement to end the apartheid system, which they think there is a historic opportunity to do right now, needs to confront the Government of South Africa with some kind of a program.

Now they would argue that it should not be a disinvestment program of the type some of our liberal friends are talking about offering, that that is the wrong route; but that we need to do something, we need to have some kind of a program.

Many of them endorse, for instance, mandatory Sullivan principles, mandatory labor practices for American businesses. They endorse ideas like helping in educating black leaders and the black populace. They are for positive kinds of alternatives of that type, but they think that would put the appropriate kind of pressure on their Government and would do so in a way that is positive, a positive thrust for the future. But they are adamantly opposed to doing something, as the gentleman mentioned a few minutes ago, to make ourselves feel good.

The problem is part of this debate is not a debate about South Africa but it is a debate how we are going to be perceived in this country.

□ 1250

Now, the question that the gentleman raises is a true one: Is that really the important question here, how this plays out in this country, or do we want to do some positive good? Is this posturing or is it real?

I think that if we can develop an approach like the gentleman has suggested, which also is the approach which seems to be gaining the most credibility in the Senate, we actually have a chance of enacting something here, something that would send all the right messages to the South African Government that they have got to begin to change, and it has got to be a change of a very rapid nature.

If we end up doing nothing but posturing for political purposes or whatever purposes; moral purposes, social purposes, economic purposes—I do not know why we are posturing, but if that is all we end up doing with what we do on this floor, and we end up with a bill that the President will not sign that gets vetoed, that has very little chance of getting a two-thirds override vote in either House, we end up then, having had the major discussion in the country where nothing is done.

What kind of signal does that send to South Africa? It says that the political process here is not able to respond, that they are more interested in posturing for political purposes back home than they are in really responding, and it seems to me that you end up then with the South African Government getting precisely the wrong signal, and perhaps we aggravate the very situation that we claim to want to solve.

Mr. GUNDERSON. Exactly. Will the gentleman yield?

Mr. WALKER. I will be glad to yield to the gentleman.

Mr. GUNDERSON. I think it perhaps even more serious than that. The gentleman indicated earlier that we are facing this question of perception. The issue is now going to be before us, and all of a sudden, now the question is what are we going to do? To fail to pass something by the House and by the Senate at this point would probably be interpreted around the world, at least by many in South Africa, as an indication of American support for the present policies of South Africa.

So I think that we are beyond the hill, so to speak, and going down the other side, and the question now is how do we handle that, and so we do have a very important responsibility to find a policy. We can pass here, it can pass the other body, that the administration can support, and live with, and can bring about some positive reform in South Africa.

Mr. WALKER. The fact is, Mr. Speaker, the gentleman knows as I do, that the administration is going to be reluctant to sign onto nearly anything, and we are going to have to fight and persuade in order to get the administration to sign onto anything which appears to be a modification of their constructive engagement policy.

So that we ought to come up with something that at least some of us who have some credibility with the administration can go to the White House and suggest to them that this is something that should be signed. If we come up with something that we do not think has credibility, we are going to have a very difficult time convincing the administration that it is a good idea; as a matter of fact, I do not intend to be a part of a process of asking the administration to sign onto something that I think would be destructive.

So that the point here is whether or not we are able to get by our own political divisions in this country and our own political rhetoric in this country and really accomplish something that will do some good in South Africa.

I think that that is the key question before us. It has been the key question, it seems to me, since the start of this debate. That is the reason why some of us wrote a letter to the South African Ambassador back in December, to try to join into the debate, because we thought it was important that South Africa begin to realize that there was no place in this country, there was no body of political opinion large enough to be called real opinion that supported what they were doing in the apartheid system.

Now there was a need to look toward policy options that would make that extremely clear to South Africa. Now we have come down to this point where we are going to have to define those policy options in a meaningful way, and the gentleman, I know his work with some of the people in the other body who are developing an approach here, and I have worked on some legislative approaches, but they are all headed in the same direction; and that is to do the right thing that will allow the kind of investment activities in South Africa that produces

real change and not just ends up producing rhetoric that has the appearance of wanting to change.

Mr. GUNDERSON. Will the gentleman yield?

Mr. WALKER. I yield to the gentleman.

Mr. GUNDERSON. Mr. Speaker, I think the gentleman brings up another very, very important point. I want to commend you for your leadership; you really were one of the first people on our side of the aisle who took this issue and said that this is not a Democrat or a Republican issue; it is a moral, it is an American, it was a freedom issue, and the gentleman needs to be commended for that.

THE 92 GROUP'S FEDERAL BUDGET

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Michigan [Mr. PURSELL] is recognized for 60 minutes.

Mr. PURSELL. I would be happy to yield to the gentleman from Pennsylvania for an additional 5 minutes, and we will go from there.

Mr. WALKER. I thank the gentleman, and I was simply going to make the point that there really is a need, I think, to focus on the debate next week, and to assure the American people that we are not engaged in a process which is aimed at producing another foreign policy disaster, but that we have recognized mistakes that have been made in the past with a number of allies around the world, and that we are now going to attempt to make the right kind of changes in policy; that kinds of changes that produce modifications in systems that we find abhorrent; that produces an opportunity for the majority blacks in South Africa to be a vital part of all that goes on in their country, but that we do so in a way that does not turn the country into some kind of a pro-Soviet despotism which has been too often the example of what has happened.

Mr. PURSELL. Mr. Speaker, I would like to take some time this afternoon to officially introduce, to the House of Representatives of the United States a Federal budget presented on behalf of Group 92; about 40 Republicans who have worked on this document since January, so that we could meet the deadline of the Budget Act which was yesterday, May 15.

This budget document that I have introduced on behalf of our group, is a reflection of Representatives from many different States of this country, to outline what we think is the number one goal of this Nation; to some day achieve a balanced budget.

It is not easy to write a Federal budget. Many Members have commitments in their congressional districts; responsibilities in their standing committees, here in Washington, so we have gone above the call of duty, you might say, and tried to spend some extra hours, to outline this budget for this Nation.

So today, in introducing this concurrent resolution, I want to take a few minutes to indicate to our people in this Nation that many Members of Congress who volunteered, on our side of the aisle, to participate in this task force have given of their time personally over and above the call of duty to contribute intelligent, substantive suggestions and policy decisions on what makes up a Federal budget.

We know that a budget is not an attractive issue that appeals to general audiences; but a budget is what I consider the most sacred document of this Nation aside from the Constitution. It outlines where this Nation is going philosophically.

Is it fiscally responsible? Is it compassionate? Are we conscientious about how we spend other people's money? I think Group 92 has outlined this.

□ 1300

We are proud and we think we have a magnificent document.

Mr. GUNDERSON. Mr. Speaker, will the gentleman yield?

Mr. PURSELL. I yield to the gentleman from Wisconsin.

Mr. GUNDERSON. I apologize for disrupting the gentleman's remarks, but I do want to take a moment to commend him for his leadership on this thing. The gentleman from Michigan, more than anyone, is responsible for the group of us who were able to sit down and set aside all our parochial, regional, and philosophical differences and come together with a budget that achieves over a $50 billion deficit reduction in a fair and equitable manner. I am absolutely convinced that the budget the gentleman is presenting is the fairest, it is the most balanced budget being considered by this Congress in either body. It is the most accurate, all its numbers have been checked by the Congressional Budget Office. There is no smoke, there are no mirrors, it is all hard, difficult decisions. I just hope that everyone in this body recognizes the gentleman's leadership and compliments him for the major contribution he has made not only to our process here but to the economic future of this country.

Mr. PURSELL. I thank the gentleman from Wisconsin for his remarks. The gentleman from Wisconsin has been a member of the task-force and has made significant contributions to this task-force effort.

I want to take a few minutes to list the Members who contributed their time and effort, to this task-force project. I will read them so that we will include all of the Members who were active:

The Honorable HAMILTON FISH, JR., from New York, one of the senior members of the Committee on Science and Technology; the Honorable STEWART MCKINNEY, from Connecticut, who has contributed many long hours; the Honorable MATTHEW RINALDO from New Jersey, one of the more senior Members of Congress; myself, from Michigan; the Honorable DOUG BEREUTER from Nebraska, who has made major contributions; the Honorable STEVE GUNDERSON from Wisconsin, from whom we just heard; the Honorable CLAUDINE SCHNEIDER from Rhode Island, who has been a budget analyst and has been involved in environmental issues and other issues since her tenure here in the House; the Honorable ROD CHANDLER from the State of Washington, has made a major contribution in the area of defense and the need for reform.

We also have the Honorable NANCY JOHNSON from Connecticut, who has made some enormous contributions in respect to the more compassionate programs, the sensitive social programs that impact not only on her State but the country; the Honorable JOHN MCKERNAN from Maine, who made some significant suggestions; the Honorable THOMAS RIDGE from Pennsylvania, who has made a good contribution to the effort of our task-force report and our final budget document; the Honorable ED ZSCHAU from California, who has expertise and has worked in small business and entrepreneurial activities and has made a contribution toward our effort; the Honorable PAUL HENRY from Grand Rapids, MI, from former President Gerald Ford's district, who is a former member of the State Board of Education in Michigan and a former member of the State senate, with whom I served over the years, and he is an outstanding bright young man who has a great future in this House.

Also, the Honorable JOHN ROWLAND from Connecticut, who has made some major proposals and has been an active participant in our deliberations.

Saying all that and completing our task force names, I have to say that Congressman TOM TAUKE and Congresswoman OLYMPIA SNOWE have provided some outstanding leadership in offering some policy judgments, strategic judgments, and political judgments each day to the Members.

It is difficult for one person to grasp the complexity of the budget process.

What does this budget really do? Why is it important? Why do we spend time on writing a Federal budget? Why are we not working on other issues?

Well, public policy says that you have so many hours in a day, so many hours in a week, and so you make judgments as an elected official to concentrate on the important issues of

the day that face this Nation. And, obviously, I believe that developing a constructive budget is of the highest order in public policy.

In the last 37 years we have only had six balanced budgets, and very close balanced budgets, I might add, very few dollars were left over, out of those 6 years our deficit is at an all-time high. We could take time to analyze why that occurs. We will not do that today because we all recognize that the deficit is jeopardizing the future stability of real economic growth for this Nation.

I see that interest rates dropped slightly yesterday. Inflation is down, thanks to the administration and Congresses efforts. The real facts of life as of today are that we have approximately $210 billion to $220 billion deficit. This is a major deficit facing a young country only 200 years old.

So it is incumbent upon us to say: How do we address that? How do we eliminate the deficit?

A family cannot afford to have a deficit over a long period of time. Neither can a small business or a large corporation. And when you look at a budget, you say: Where can I make reductions? Where can I tighten the belt and close down those exorbitant expenditures and reevaluate national priorities in such a way that we can protect the important responsibilities, the constitutional responsibilities under our Constitution, and at the same time achieve a balanced budget so that we can feel comfortable with that policy decision.

Frankly, I am one of the more traditional Members of the Republican Party. I believe very strongly in supply-side economics in respect that we need to lower our tax rates. We have done that recently. I have been an advocate and supporter of that. Some said we need to do it in a 3-year proposal, reducing our tax structure over 3 years. I though maybe it might be more appropriate to reduce our tax rates over 5 years, a little longer spread but a little less impact on that staggering deficit. So we had the revenues to continue a balanced budget. But in spite of that, the Kemp-Roth proposal was sound, and I think the majority of the Members of Congress feel that it has made a major contribution to the economic recovery of this Nation.

□ 1310

That is the revenue side. A budget has revenue on one side and expenditures on the other. Congress, over the years, has said simply that the easy way out is to tax and then spend. Next year comes along and we look at new revenues and we tax again. And the State legislatures look at tax increases. My State, under the present Governor, James Blanchard, a Democrat, included a new 2-percent income tax for the State of Michigan when he was elected.

I believe that when you look at Federal taxation and State taxation and local governments who have taxing powers, and revenue-producing ordinances and powers, and then you look at the local cities and townships who have taxing powers, you see the accumulation of taxes on top of taxes, and you drive a nation into what I call an early bankruptcy as you look at the history of nations throughout the world.

So it is time to pause and time to reevaluate where this Nation has been in respect to the taxing side and the revenue side, and it is very obvious, very obvious to me, that we needed to concentrate this year on the expenditure side; looking at the rate of expenses.

Let's look at a good, classic example, Medicare; an important program. It is part of our health program, but Medicare and Medicaid now cost over $100 billion, and is growing at such a rapid rate that it could jeopardize the program itself. Medicare is growing at the rate of 15 percent per year, and that rate of spending could jeopardize the Medicare Program itself.

So it is nice to have great programs, but it is more important to have fiscally sound programs, and so this Congress will have to look at those entitlement programs like Medicare. I illustrate just those two examples of programs that need attention on behalf of the Members of Congress and the Nation.

We have authorization bills that are now going through the House. We have had four. The NASA bill; the Bureau of Standards bill; the State Department bill, I believe; and one other in which this authorization bills were coming at the 1986 target, higher than 1985. So the trend was continuing in Congress until we came to grips with these four authorization bills on the floor and said, look, let us stop; let us reflect. If we are going to address the deficit, if we are going to have a good budget this year, we must start looking at a freeze. The current legislation should demand that we not spend one dime more on these authorization and appropriation bills than we spent last year. In other words, put a freeze on and hold those lines of appropriations and authorization to the 1985 levels.

Well, what will a freeze get you in a budget document, in a budget? A freeze in the Federal Government basically will add up to about $32 billion. You must look for additional money to achieve the $50 billion which the President, the Senate, and I think most Members of the House would agreed is somewhat realistic. It is a target, looking at $50 billion to take out of a trillion-dollar budget. Maybe it is not much, but it is changing the trend. It is changing the direction. It is changing fundamental policy that you have seen in this House, which has been tax and then spend; tax and then spend.

So these freeze efforts have been applied, and we have offered amendments in the House to turn that around. Our group and others, Congressman MORRISON and others, in a bipartisan effort this year, are trying to get a budget, hold-the-line policy so that we reduce the rate of growth and reduce the rate of spending at least to the 1985 level.

Our budget proposal, similar to the Senate, will accomplish the first goal this year, in 1986, starting in October, of achieving a $51 billion target to reduce deficit. There are hard numbers within our budget proposal.

Followed by that the next year, 1987, we will achieve a $91.2 billion deficit reduction target, and then the third year, a $132 billion target to reduce the deficit. So if you look at charts and you look at graphs, what I am saying here is that we are changing the trend from the rate of spending upwards and turning that graph down so that we are moving toward a lower deficit and eventually, toward a balanced budget.

Obviously, there are many ways to do it. Republicans in the Senate have accomplished a comprehensive budget proposal. The Democrats are marking up now, today and through the weekend, and will have a proposal ready for us I think next week. The Group 92 plan is one we call a Blueprint For Balance. Basically, the major points are as follows:

A $51 billion deficit reduction for 1986 without a tax increase. I repeat, without a tax increase. No. 2, a comprehensive freeze, including defense, in 1986 budget authority of $32 billion. I indicated it will get you about $32 billion in a freeze movement.

No. 3, additional deficit reductions beyond the freeze of over 75 programs that we have looked at in the Federal budget in the Federal Government. We have picked up an additional $19 billion over the $32 billion. You add those two together and you get your $51 billion budget numbers.

The 1986 budget that we are proposing, which achieves a $51 billion deficit reduction package includes the following: $24.6 billion in defense programs, which is about 48 percent of our savings. $24 billion in nondefense programs, which is about 47 percent of our budget savings. Then because those two are generally even and fair-handed, in looking at our budget, we achieve a little extra benefit because we have accomplished that $51 billion mark by saving the interest on the national debt out of the general fund of about $2.4 billion.

Do I think that is important? I think it is incredibly important when all of

us in the Nation should understand that the national debt is now $1,800 billion. It sort of shakes me up a little bit to even say what those numbers are when you look at the zeros and try to outline what a national debt is. A national debt means we are spending more than our income; we are borrowing almost 20 percent of our revenue in this general budget this year. Borrowing money to pay our bills.

What are we doing to our young generation? What are we doing to the Nation when we borrow more and we have more expenditures than we have income? Certainly we are on a self-destructive path in my opinion. I think when you look at a national debt of $1,800 billion, if you can visualize those numbers for a moment, we will be taking out of the General Fund this year an amount to pay the interest on that national debt.

What does that mean? Translated, it means to every taxpayer that every dollar that comes to Washington from the American taxpayer, 15 cents off the top goes right to pay the interest on the national debt. Fifteen cents of every dollar. That is something that all young Americans should be concerned with as well as every taxpayer, because this is accumulating and it is now, the interest on the national debt in the General Fund, is the second most expensive program in the Federal Government, next to the Social Security Program.

□ 1320

I indicated we are making a recommendation with respect to Social Security, and individuals in our group have different opinions on whether we should preserve the COLA's for Federal employees and military and Social Security recipients, and we feel probably, in light of what the Senate has done and what the House may do in keeping the COLA's in for Social Security recipients in the House that there probably ought to be, in my opinion, some bipartisan agreement in respect to the Social Security issue.

I was just looking at a poll here over the weekend published in the New York Times in which the question was asked in reference to the military dollar, and I would like to talk about the military for a minute. The public was asked: Do you think Federal spending on military and defense programs should be increased, decreased, or kept about the same?

In 1981, 61 percent said it should be increased. In 1983, 32 percent said it should be increased. In 1984, 22 percent said it should be increased, and in 1985, 19 percent said it should be increased, and in February of this year, only 16 percent said it should be increased.

Polls mean different things to different people, and polls are phrased in different language to get different results, but I think the trend is all I am interested in today. The defense budget has increased now to 28 percent of the general fund. Dollarwise translated, it is about $1 trillion 2 billion new dollars since President Carter left office.

As a former military officer in the Army, it was obvious to me that many of our military programs were inadequate and our national security was at question. If you have traveled the world as I have, it is obvious that the efforts in national security were certainly questionable because we were not in what I call a high standard of national security in terms of readiness, irrespective of the weapons systems.

This Nation was not prepared to preserve the freedom of this Nation, which is our fundamental constitutional responsibility. The States do not have this responsibility. In education we have decentralized education to local school boards and State governments, so the billions spent for education is now the responsibility of local school boards and elected State legislatures. Fundamentally it is their responsibility, and our responsibility primarily is national defense.

The defense budget needs to be reviewed in depth to establish some credibility in financing and management. The Secretary, I think, is very cognizant of that in recent months, and I think that Congress is asking for that hard, in-depth look at change that is necessary to look at our national security and look at our mission. Can we be all things to all people? We have troops in almost every country in the free world. Is that good national security? In a lot of cases it is. It is good foreign policy, obviously. The strategic deployment of troops is important and critical to this Nation. How is their readiness? Is their morale factor high?

So there have been some very positive initiatives brought forth by this administration and by Congress to rebuild and to restructure and to look at procurement policies and to strengthen this Nation on behalf of not only the United States, but fundamentally a much greater effort at being the leader of the free world.

This is the first budget document introduced in the House of Representatives this year to comply with the Budget Act. As a matter of fact, as of this hour it is the only one. The Democrats are working on theirs and probably will have theirs introduced next week. We wanted to comply with the Budget Act because it should be timely.

□ 1330

One of the basic process problems of this Nation is that we have not been presenting budgets on time. Our authorization and appropriation bills have been late, and so near the end of June and July and August we do not have our work completed on time, which I think is inappropriate, and we finish up by putting together one document called a C.R., a continuing resolution, in which we package everything that is left undone and pass it and get it over to the President.

Well, if I were the Chief Executive of this Nation, I would send it back and say, "This is inappropriately completed under the Budget Act," and I would personally veto it simply because it is bad budget process and it is bad management.

Our obligation is to have a budget completed and our authorizations and appropriations signed into law by October 1, so that by the fiscal year's ending, the President has before him 13 appropriation bills.

Now, that is just good business practice, and it is time that this Nation pressure and encourage and write to the Members of Congress, all of us, to say, "Please, Mr. Congressman," or "Mr. Senator, get your budget completed on time and get those bills to the President by October 1."

Then we could say that we have a fiscally sound document that we can stand tall and be proud of, and we could say that this Nation has a balanced budget that is completed on time.

That is good business policy.

Mr. MACK. Mr. Speaker, will the gentleman yield?

Mr. PURSELL. I am happy to yield to the gentleman from Florida, who is serving on the Budget Committee. And let me say that I appreciate his leadership.

Mr. MACK. Mr. Speaker, I thank the gentleman for yielding.

We just had a break from the Budget Committee, as the gentleman probably knows. We are involved in the markup session now on the budget, and I just wanted to take a moment here to not only compliment you for the work you have done but the entire 92 Group.

Having worked with the budget and the numbers and knowing that it is not simply a question of mathematically adding up or subtracting out numbers or dollars, I know those are very difficult decisions one has to make in going through that process, all the way from international affairs to national defense to the COLA's and everything else.

I just want to compliment the 92 Group not only for the effort they put into it but also for the product. I believe the gentleman mentioned earlier that it is the only budget proposal that is out at this time that complies with the Budget Act.

Mr. PURSELL. And on time.

Mr. MACK. That is interesting. If I may build on that for just a moment, we are now involved in the markup of

a budget document in the Budget Committee that has not been priced out by the Congressional Budget Office.

The point I am making is that while you have done your work, we are now finding ourselves, in the Budget Committee, the day after our resolution should have been completed, not in the Budget Committee itself but on the floor of the House should have been passed. We are not even working with the document that has been gone through by the Congressional Budget Office.

I would imagine that in your experience, after having done what you have, that is, after having your work reviewed by the Congressional Budget Office, you found that there were may modifications that came up as a result of it. Therefore, I know you have found it is a very worthwhile process to go through, and it has elevated your work to the point of a great deal of credibility. For that I commend you, and I appreciate the work you have done and the impact you have had on the system.

Mr. PURSELL. Mr. Speaker, I thank the gentleman from Florida, who is an active leader in the budget process and who understands fiscal management and general good government policy.

We are proud of our document. We know there are differences of opinion on some of the numbers. We are not as far away from the Senate on defense and some others as one might think, and overall we are proud to have this document introduced here on time to meet the Budget Act and be what I call responsible Members of the House.

Mr. GINGRICH. Mr. Speaker, will the gentleman yield?

Mr. PURSELL. I yield to the gentleman from Georgia.

Mr. GINGRICH. Mr. Speaker, I appreciate the gentleman's yielding to me.

I want to commend the gentleman personally and in fact all the Republican Members who gathered together under his leadership on this topic, and I am looking forward to other similar initiatives on other very important topics because I think the 92 Group is a continuing evolution of a very important development of new ideas and new approaches in a creative effort to sincerely develop the best possible good-government approach to solving some problems that can get mired down in ideology and partisanship.

So at least for this particular Member, I want to say to you and other Members who I know worked many hours with you—because I talked to some of them who went through some very long sessions with you—that I appreciate and I think every Republican and, I hope, every Member of this Congress will appreciate the kind of integrity and intellectual commitment you and the task force put into developing this budget. And I hope they will treat it with the kind of seriousness that it deserves as a major step toward trying to think through the kind of fiscal dilemmas we are in.

Mr. PURSELL. Mr. Speaker, I thank the gentleman from Georgia.

I might indicate in summary, looking at some of the details of the budget, that there had been some discussion where our defense numbers might be a little different than the Senate's and the President's numbers.

Our group came in a little tougher than the Senate. We said, "Let's have more fiscal control, and let's go with a freeze in defense until we see where we are in the defense budget." But we are only $9 billion lower on defense in budget authority than the Senate, but in budget outlay we are only $3.2 billion away from the Senate figure. So we are not far from the Senate numbers. And as I understand it, as I have seen the Democratic proposal, they indicated they are coming in pretty close to our numbers, since with our numbers, not only in defense but in the other budget functional categories, about 22 functions, the proposals that they may be offering will be close to the Senate's and ours in terms of the overall goal.

Frankly, I do not know how the Democrats get $56 billion in their budget. Their soft numbers in the budget have to be looked at, as the gentleman from Florida indicated. Their numbers have not been put through the Congressional Budget Office, so I think there will be some soft numbers there that need to be cleared up, and I think the truth in the debate on the budget will be forthcoming next week, as we probably have about 10 hours of full debate on this high agenda item, namely, addressing and putting together a Federal budget.

Sometimes it is not very exciting to discuss these issues, but I think it is appropriate that the 92 Group has, I hope, made a contribution to the White House, to the Senate, and to our colleagues on the Democratic side, as well as our Republican colleagues. Our 182 Republicans here, and looking for alternatives and looking for timely budget decisions. And it does feel appropriate that our budget has been introduced on time.

So I close my remarks by complimenting again my task force, the members of the steering committee, and other Members, about 40, who have joined the debate and who have learned a great deal. There are new Members who have had the exciting experience of putting together a Federal budget, who have learned what numbers are about and what fiscal responsibility is about, and who have learned how to say no to spending programs. That is tough, but that is political courage.

I think I can speak for the group that we were concerned about the direction of the Nation. It is bad public policy, it is bad economic policy, it is even bad politics to spend more than you earn from your income.

I think this Nation will be appreciative of the efforts of Members of Congress, both in the House and the Senate. Hopefully in a bipartisan effort we will have a budget completed through the congressional process so that the President of the United States will get appropriation bills on time to address the problems of this Nation in a fiscally appropriate manner.

Mr. Speaker, I want to thank my colleagues for their efforts, and I yield back the balance of my time.

□ 1340

FOUR GREAT CHALLENGES

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Georgia [Mr. GINGRICH] is recognized for 60 minutes.

Mr. GINGRICH. Mr. Speaker, I am going to talk today about the need for new thinking, new strategies, and new institutions in America's foreign policy.

I will discuss briefly the cocaine trade, terrorism, the Leninist-Soviet threat, particularly in Nicaragua, and the problem of dealing with governments that we are not very happy with, such as the Government of South Africa with whose position of apartheid I totally disagree and which virtually every American wants to see changed.

The real theme of this talk is the question of effectiveness and at the heart of it I want to respond first to an article recently published in the New Republic, called "Realigners Cop Out" by Anthony J. Blinken, and second, I want to deal with the challenges raised by Abba Eban, the former Prime Minister of Israel in his new book, "The New Diplomacy, International Fears in the Modern Age," because I think that the question of our proposed policies in South Africa can be understood only in a larger context of what is America's role in the world and how do we deal with the complex realities of a planet on which there is sadly a great deal of violence and which, unfortunately, we have currently no effective American doctrine for survival.

Let me take as one example of the realities we must deal with, the Washington Times for today. Its headline stories include a story that carries us back to the Korean airliner being shot down by the Soviet Union, an article on international terrorists selecting new American targets in which the Is-

lamic Jihad issues ultimatum, threatens to kill six Westerners; an article on hearings yesterday in the other body in which the administration was talking about its concern over U.S. countermeasures to terrorism and how we deal with the news media and to what degree the news media in effect makes it difficult to respond to terrorism.

At the bottom of the page it says, "Firestorm of criticism engulfs Philadelphia," in which a wide range of people are unhappy with the way the Philadelphia city government dealt with a terrorist group that was equipped with two shotguns, a rifle, substantial quantities of ammunition, and had in effect turned their house into a bunker which included a steel-sided strong point on the roof of the house.

Now, the thing that I want to draw together from all this is that you and I live in a very different world than anything our parents or grandparents were ready for. When you live in a world in this building we have had a terrorist bombing in the last couple years, where you live in a world where in order to get into this building you have to go through security devices that Thomas Jefferson would have thought inconceivable; when to fly on an airplane you automatically and routinely today walk through a metal detector and do not even think about it, it has become part of the nature of our world, then we are indeed faced with some challenges.

I think that dealing with South Africa has to be seen in the context of the totality of those challenges and our friends on the left who sincerely hate apartheid, who sincerely want to change South Africa, are I think continuing the ostrich tradition of refusing to learn from their own experience, because the very same well-meaning people who asserted first that we should undermine the Shah and turn Iran into a democracy, and second that we should undermine Samoza and turn Nicaragua into a democracy, and third, that we should not help the forces of democracy in El Salvador because they clearly were incapable of winning, those people were intellectually wrong in every case.

In a number of cases, for those who have served long enough, they also had the same tradition in the seventies of being opposed to our involvement in propping up a free government in South Vietnam and in Cambodia propping up a pro-American Government and being opposed to our being involved in Africa to try to help create a free government in Angola.

Now, the first point I want to make is that the track record of the ostrich faction of American life in being able to successfully produce a democratic society is pretty dismal. They failed to find a policy which would lead to South Vietnam to survive as a free society. They failed to find a policy that would lead Cambodia to survive as a free society. They failed to find a policy that would make Iran a better country. They failed to find a policy that would make Nicaragua a free society. They have failed in Angola to produce a free society and in that tradition of failure I would say to my friends who are ostriches, what leads you to believe you are going to be more successful in South Africa?

Is not in fact the track record of what you did in Iran precisely that you are likely to destable the current government and produce a dictatorship, a dictatorship which is even more ruthless, even more bloody, even more worse and by any reasonable standard, Khomeini's Iran is worse than the Shah's Iran.

What leads you to believe you are going to be successful in South Africa in destabilizing gradually only by pulling out American influence? In fact, are you not just kidding yourselves?

Are we not in effect seeing here on the left a moral temper tantrum which will in fact probably lead to exactly the opposite policy, exactly the opposite results?

I would say to my friends who are ostriches, why would you think that forcing American companies to leave South Africa helps integration? We are the largest, most complex integrated society in the world. American companies have had more experience integrating than any other companies in the world.

What makes you think that French companies in a country which is basically all white, German companies in a country which is all white, are going to have a higher level of experience?

Why would you think that Japanese companies are going to be more systematically prointegration than American companies?

Why would you think that the Afrikaners, that is the Dutch-speaking South African whites who are going to buy those American factories are going to be in any sense upset if we leave? Are they not more likely in fact to be very happy at the sudden windfall profits of buying factories at a fire sale and are they not going to be glad to have Japanese and German and French and Australian companies move in, who have no interest in appeasing any domestic pressures for an integrated South Africa?

So the first point I want to drive at is that we have four great challenges to America in the last 20th century: the challenge of dealing with the cocaine trade, where we are failing; the challenge of dealing with terrorism, where we are failing; the challenge of dealing with the problem of Leninism in the Soviet Union and particularly in Nicaragua and Cuba where we are failing, and the problem of how do we effectively help countries move and move decisively from dictatorship to democracy, when the dictatorship is not anti-American and is not committed to our destruction?

I want to draw a distinction between Cuba and Nicaragua which are dictatorships actively allied with the Soviet Union trying to destroy America and the kind of countries that our left wing ostrich friends love to focus on. Where do you find ostriches really focusing their moral energy? They are upset about South Korea, not North Korea. They are upset about the Philippines, not particularly about North Vietnam. They are upset about problems in El Salvador, not problems in Nicaragua.

They are upset about South Africa, not about Afghanistan.

So where is the moral pressure of the ostrich left in American life? It is systematically on those countries which happen to not be against the United States. If you want to see a left wing cause picketing against dictatorship, the odds are overwhelming that the country they will be mad about happens to be passively favorable to the survival of the United States. The odds are overwhelming that they will not be upset about a country which is already part of the Soviet empire.

□ 1350

Let us carry this a stage further. How successful have ostrich policies of capriciously getting America involved in destabilizing countries worked? How successful have the sanctions of the past been?

Let me quote from Abba Eban because I think it is important to recognize that in fact the ostriches have failed. This is Eban in his new book entitled "The New Diplomacy," where he talks about the Carter policies and suggests, and I quote from page 68 again: "The speed and vigor with which Carter supported the tide of change obscured an essential question. Was any regime in the world so oppressive that it was incapable of becoming more so? The dilemma was well illustrated in Iran and Nicaragua. When the United States weakened a pro-Western dictatorship, the end result was not a pro-Western democracy but an anti-Western despotism. The Ayatollah Khomeini was no improvement on the Shah. This tends to support the view that the United States should determine its relations with other nations in accordance with their contribution to stability rather than by reference to their domestic conduct."

Notice this is the Foreign Minister, former Foreign Minister of Israel saying flatly that when the United States gets involved in a country like Iran without having thought it through, the most likely result is a government which is more anti-Ameri-

can, more vicious in terms of oppressing its own people, and less willing to move toward freedom.

Let me in that sense carry you back for a moment to today's Washington Times in which they talk a little bit about terrorism. What was the net result of terrorism as it relates to Iran and the so-called reform of Iran? There was a 39 percent increase during 1984 in state-sponsored acts of terrorism, a rise from 70 to 94.

Under Secretary of Defense Fred C. Ikle cited Iran and Libya as responsible for all but five of the acts of terrorism. In other words, 89 of the 94 acts of terrorism in 1984, 89 of the 94 were caused by either Iran or by Libya.

They are in effect not acts of terrorism. They are a form of warfare which Iran and Libya have invented which allows them to kill us while we do nothing.

In that setting let me suggest to you that the end result of the ostrich-like policies of urging the Shah to be decent without providing the support, the mechanisms, the time to do it, led to a situation in which Iran is now governed by a country which is systematically supporting the killing of people.

As the article said in today's Washington Times:

BEIRUT, LEBANON.—The terrorist group Islamic Jihad sent a Beirut newspaper pictures of six abducted Westerners, including four Americans, and issued "for the last time" conditions for their release.

Hours earlier and apparently unrelated, eight gunmen kidnapped a senior Irish U.N. official as he was being driven to work in Beirut's Moslem sector.

Now, in that sense I think the American people need to stop and say to themselves we really live in a world in which two governments, Iran and Libya, are systematically killing Westerners and we are doing nothing about it because we have no sophisticated doctrine, no way of effectively dealing with state terrorism and in fact our allies do not even understand the problem.

France, for example, a country which is broadly allied with us, a country which is democratic, a country which is against terrorism, has rejected 120 extradition requests from Italy. And the Italians claim that France currently gives sanctuary to 117 Italian terrorists. In other words, the French Government is saying to Italian terrorists, "I don't object to you living in France as long as all your terrorism is in Italy."

Now what does that end up doing? It ends up with countries that are basically Western, that are basically democratic, because we have no official definition of terrorism as an act of war, randomly allowing people to cross the border as a tourist, set off a bomb, kill policemen, and then run back into this case France and have the French, who are our allies, say to the Italians, who are our allies, "No, we won't help you," even though they are both in the Common Market.

The problem of state terrorism leads directly into the problem of the Soviet Union and Cuba. Mr. Ikle is quoted as saying,

The governments of the Soviet Union, Cuba, and Nicaragua have also supported terrorism, but have been conscious of the benefit of concealing their involvement so as to mislead Western opinion and to forestall a response by the democracies.

In other words, if you are dealing with ostriches, ostriches will cheerfully ignore the reality of what is happening, and the reality of what is at stake. And the ostriches will get involved in saying, "Gosh, that is not really, that is only a random terrorist," even when we can prove systematically that the terrorists are trained by Nicaraguans or Cubans or by the Soviets or when we can prove that there is a systematic process of providing arms and equipment.

We see this happening today in a success story. In El Salvador this radio report was picked up from the secret Communist radio station in Morazon Department and I want to read. This is a radio report which says as follows:

After the elections, the San Jorge mayor, who is a Christian Democratic Party member, was captured by our forces. We wanted to inform him that we would not allow the installation of municipal authorities, and, therefore, he should abstain from taking office. After warning him, we released him. A few days later, this person took office. For this reason, our forces then captured him again. As he was being led off to zones under our control, this mayor attempted to flee; that prompted an incident in which the mayor was killed.

He goes on to say, and I quote:

On May 11 our forces captured the (mayor of Checapan) in Usulutan Department, and we destroyed the municipal building of (San Jose La Fuente) in La Union Department, thus raising to over 35 the number of municipal buildings we have destroyed in the country's eastern sector.

In other words, what the radio report of the Communist guerrilla radio station in El Salvador said was that they have now adopted a policy of systematically destroying city halls and kidnaping and killing local mayors.

Why have they done that? They have done that because El Salvador is the one place in the modern world in the last 10 years where we can prove systematically that the American involvement in that country has worked by providing foreign aid directly to the Government of El Salvador, by providing military aid to the Government of El Salvador, by helping train the El Salvadoran police, and we are in fact beginning to improve El Salvador as a democratic country; we are providing it with both bread and guns so that the country is now able to move into a democratic system. And the result is that in El Salvador the Communist guerrillas who 8 months or a year ago were able to move as a military force are being reduced back to terrorism. They are now only able to kill local government officials. They are no longer able to seize a town and hold it.

El Salvador in fact is a great success story, such a great success story that the New York Times, not an institution which normally focuses on American successes, has today a page one story entitled "As Duarte Begins a Visit to the U.S., Optimism Returns to El Salvador."

The article goes on by James LeMoyne, and I quote:

For the first time in five years of conflict, many Salvadorans and foreigners here are beginning to voice a cautious assessment that El Salvador may have halted its slide into a worsening civil war and that a degree of recovery is now possible. Whether the speaker is a Government official, a Western diplomat, a businessman, an academic or a refugee worker, the judgment that things may be getting better rather than worse is always framed with strong caveats and a recognition that recovery will be long and difficult. But given El Salvador's recent history, the appearance of even guarded optimism is a new development.

That is from the New York Times. What is it saying? It is saying that when the United States, and this happened to be a Reagan administration policy, bitterly opposed by leftwing ostriches, all of whom said it failed, we can find quote after quote after quote where leftwing ostriches in this body got up and said, "you can't save El Salvador, you can't establish democracy, you can't reform the army, you will never get the job done."

And the Reagan administration and the realists said, "If we are slow and steady and calm, if we provide military aid to defeat communist guerrillas, if we provide police training and aid to defeat the terrorists, if we provide economic aid to rebuild a war-torn country, we can save El Salvador for freedom, and, by the way, in addition, if we put pressure on Nicaragua, which is the source of the weapons, and the source of the command and the control for the guerrillas."

□ 1400

The thing is, the Reagan administration turned out to be right. The Reagan administration is winning a great victory for freedom in El Salvador.

It is in many ways like Truman's commitment to Greece and Turkey in 1947. We are saving a country from the Soviet empire. But let us carry it a stage further; let us look in more detail for a moment at El Salvador, because the motto relates directly to South Africa.

Georgie Anne Geyer, in today's Washington Times, in a column entitled "Duarte's Political Miracle." And I quote:

El Salvador is working. Christian Democrat President Jose Napoleon Duarte has taken hold of the situation. The military is seriously reforming itself and the Marxist guerrilla left in desperation has returned to a prolonged war strategy. As impossible as that might have seemed even 6 months ago, that is the situation today. Everyone now, including the army, agrees that the key is the canny president who won a majority in the latest elections this March. Mr. Duarte's peculiar brand of gradual but persistent change has turned things around. He has effectively separated the military from the death squads of the right, regained a great deal of international respect for his Christian Democrat reformist government and replaced the Marxism of the guerrillas with his party's reformist Christian ideology. In short, he has effectively satisfied the political needs and yearnings for dignity of the long suffering Salvadoran people.

Now the next paragraph is really important. It relates directly to what we have to do in South Africa and relates to what I would say is the realistic approach to reforming the world as opposed to the ostrich approach and having temper tantrums which make America feel good but leaves the rest of the world worse off.

Moving step by step but with the dogged determination that characterizes him, he at times has quietly pushed through what seemed to be but turned out not to be cautious reforms. For instance, Mr. Duarte changed the arrest procedures so that all armed men must be in uniform, must identify their arrest to the Red Cross and to the families involved. Amazingly, this has had rapid effect, particularly in cutting back the sadistic death squads of the wealthy old right. In 1980, for instance, political violence from all sources, right and left, amounted to 550 deaths a month. In the last 6 months of 1984 deaths averaged 44 a month, while in the first 2½ months of 1985 there were 85 deaths in all. Of those, 61 were attributable to the left, 16 were mysteries, and the rest of the right. These figures from the American Embassy were corroborated closely by the Catholic Church's figures.

Now, notice what we are suggesting here. According to Georgie Anne Geyer's figures, so far in 1985, 61 people were killed by the left in El Salvador, only 8 were killed by the right. So the left is now responsible for approximately 8 times as many deaths as the right. Where are the ostriches of the left in America who 2 years ago, 3 years ago were screaming loudly about right wing death squads? Where is the praise for President Reagan and President Duarte who have successfully begun to win the fight for democracy? Where is the anger directed at the left in El Salvador which is now killing people viciously because it can no longer stay in the field as a military movement?

The ostriches now turn away and say, let's not talk about El Salvador, let's talk about South Africa, because the left which can no longer explain El Salvador where after all democracy is working, the left in America which can no longer look at death by the left in El Salvador, now has found a new ground for its experiment, a new place for its temper tantrums, it now wants to focus on South Africa, and the very people who were wrong 3 years ago about their prescription for El Salvador and therefore do not want to come and talk about it, are wrong now about their prescription for South Africa. Not that apartheid is good, apartheid is horrible. Not that we should be passive, we should be active. We should look at the kinds of activities that are working in El Salvador. Georgie Anne Geyer goes on to focus on the left:

These changes have led directly to the new tactics of the Marxist guerrilla left. The guerrillas of the Faribundo Marti liberation front now have turned from direct unit confrontations to sabotage, urban assassination and destructive of elected mayors and city halls. They have been responsible in the last month for burning 32 city halls and kidnaping 10 mayors, one of whom is known to have been killed. This is of course a way to try to sabotage the restructuring of the country by the Christian Democrats, but it appears to be a desperate move. The sabotage of the guerrillas are multiplying, Father Roberto Amilcar Torruella, Director of Communications for the Roman Catholic Archdiocese here told me "it would seem to be because they are losing power. Before, they were on the offensive with spectacular hits. Now, they are not doing that, and the army is on the offensive. The extreme right has also lost prestige."

Now what is happening here? Because the United States was willing to be involved, we did not withdraw from El Salvador, we did not embargo El Salvador, we did not try to punish El Salvador into reform, we systematically offered money and training and support and counsel and guidance, and we now have in El Salvador a country which is dramatically freer, dramatically safer, in which the Communist guerrillas of the left are reduced to vicious terrorist sabotage and killings because they can no longer stay in the field.

One example, which is peculiarly ironic, and I quote this because I think it is something that every American should focus on as an example of how leftwing ostriches cripple the United States, Geyer says, speaking of Duarte:

The next dramatic thing that Mr. Duarte will do when he is in the United States this spring to give the commencement address at the University of Notre Dame, is to announce a highest level task force of investigators trained in the most sophisticated manner by the FBI in Puerto Rico. They are going to take the death squads head on.

Now, the reason that that is fascinating is that in the 1970's, in reaction to the leftwing interpretation of Vietnam, which was that it was all America's fault and that America was a vicious country, the left in this Congress made it illegal for the United States to train other police forces. The theory was that we would train them in the Gestapo tactics that would make them behave in fact the way the Soviets do behave.

Now, as all of you know, there is an enormous pressure in America to try to develop a positive approach to police work. We are adamant in trying to find ways to end police brutality, we try to have all sorts of legal protections for the person who is accused; we go to elaborate lengths to tell people of their rights, to make sure they have lawyers. What struck this gentleman, and I think it tells you a lot about the underlying pathology of ostrichism: If you seriously wanted to improve the quality of police work in the Third World you would want more people from the Third World trained by American policemen.

If you really wanted to have a fair and decent police force, an investigative force in Chile or South Africa or in El Salvador, you would want to have policemen who have ties with the United States, who have been to the FBI Academy, who have been trained and have friends among the FBI; you would want them to be more like us, to learn to be more like us, because if they do not learn to be more like us, how are they going to learn to be effective policemen? Are we going to learn from the Soviets? Are they going to invent it on their own? Now what is interesting, their fear in El Salvador, while we are beginning to get control of the death squads, we are beginning to establish justice, Georgie Anne Geyer specifically refers to the fact that the investigators were trained in the most sophisticated methods by the FBI in Puerto Rico; that, in fact, as I think Georgie Anne Geyer well understands, she has been one of the people who is helping us develop the concept of ostrichism because she reflects reality, she is trying to cope with the world as it really is. And she recognizes that having America involved intimately, having America actually try to move toward reform is the way in fact in which we can lead to a more democratic and a safer and a more prosperous world.

It is interesting in that sense, when you look at the closing paragraph here, and I quote: "Yet the long way that El Salvador has come in only the last year is truly extraordinary." Would it not be nice if we could look back at the ostrich left's efforts at reform in Iran and find an Iran there was more pro-American, more open, more modern, more democratic, more decent? But we cannot. Would it not be nice if we could look at the ostrich left attempt to change Nicaragua and to find a Nicaragua that was truly democratic, truly open, truly pro-American? But we cannot.

□ 1410

The reason is that the underlying model of how America behaves and how the world really is, is very differ-

ent from the way ostriches think and how ostriches look at the world.

There are four places where I think ostriches have a problem. First of all, in dealing with the drug trade, the cocaine dealers, with the understanding that that is now such a big industry and such an elaborate and complicated industry that it is going to take a major American effort at every level to break its back and to end the cocaine trade that is threatening to undermine Colombia, Peru, Bolivia, and the United States.

Second, in recognizing that terrorism is a systematic effort to wage war on Western democracies. The terrorism is a subtle form of warfare. It is not something different; you do not have war over here and terrorism over there. It is part of the same continuum. We in the Western democracies are going to have to invent the new language, the new executive branch systems, the new news media understanding, and the new legislative approaches that will allow us to deal directly and effectively with terrorists.

Third, the ostriches must come to grips with the reality of Leninism, the reality of the Soviet Union, and in particular the reality of Cuba and Nicaragua as Leninist states allied to the Soviet Union.

It is fascinating, when you look at El Salvador, at the effort to improve El Salvador, to then go back and ask, "Now where do the Communists in El Salvador get their help?" What you find is, in effect, Nicaragua is waging war against El Salvador. In effect Nicaragua is engaged right now in an act of warfare against El Salvador.

Let me quote from an official document, written by the House of Representatives, May 13, 1983, a report by the Intelligence Committee of the House, a committee dominated by Democrats, a committee in which the Democratic leadership has absolute control of the report, and this is what the report itself says on page 2:

> The success of the insurgents in El Salvador has not been matched by political victories. It is not popular support that sustains the insurgents. As will be discussed later, this insurgency depends for its lifeblood; arms, ammunition, financing, logistics and command and control facilities, upon outside assistance from Nicaragua and Cuba.
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> This Nicaraguan-Cuban contribution to the Salvadoran insurgency is longstanding. It began shortly after the overthrow of Somoza in July 1979. It has provided by land, sea and air the great bulk of the military equipment and support received by the insurgents.

In other words, according to the official House Intelligence Committee report of May 13, 1983, adopted by the Democrats on the committee as well as the Republicans, the reason there was a bloody civil war going on with Communist guerrillas in El Salvador was because immediately after the ostrich left had destabilized the dictatorship in Nicaragua, the new Nicaraguan Communist government had formed an alliance with the Cubans and the Soviets, so that they could then send equipment and aid and training to the guerrillas in El Salvador.

In effect, Nicaragua and Cuba were waging war on El Salvador. But by calling that war "guerrilla," we in the United States in our news media, in our Government, in the Congress, we do not think that is a war.

Let me ask you: If there was a group that came across from Canada or Mexico, and it came into let us say Texas from Mexico, and it kidnaped 10 mayors and it blew up 35 city halls, would we say "Gosh, let's take care of them only when they're in Texas," or would we say to the Mexican Government, "If you don't get rid of those guerrillas, we are going to send the Army in."

If you have any doubt what we would do, let me suggest you go back and look at 1915 and 1916 when in fact Pancho Villa invaded Texas and New Mexico and the U.S. Army under John J. Pershing went into Mexico.

Now, how far fetched is that? Well, when you realize that Nicaragua is closer to Miami than Miami is to Washington, DC. When you realize that Nicaragua says flatly and explicitly it is engaged in guerrillas war in Honduras, in Guatemala, in El Salvador; when you realize that those countries lead inevitably to Mexico, at what point do we start recognizing that warfare fought by guerrillas is still warfare?

Nicaragua is at war with all of Central America. If you doubt that, I will put more evidence in the RECORD in a moment, but the problem for the ostrich left is that they cannot confront it.

Notice again in this 1983 report adopted by the House, including the Democrats, "More ominous is that the Sandinistas have stepped up their support for insurgents in Honduras."

Again, notice the fancy language we have adopted in the West. "Sandinistas have stepped up their support for insurgents in Honduras." What does that mean in plain English? It means Communists in Nicaragua are waging war in alliance with people in Honduras against the country of Honduras. That is all it means.

If this report were to say that the Communists in Nicaragua sent 20 tanks into Honduras, we would say, "Oh, that's a war." But as long as they send 20 foot soldiers, carrying satchel charges to blow up city hall, that does not count as a war. Who is kidding who?

The Communists have invented a form of warfare we are losing, and we cannot even describe it.

Now, in that setting then, let me come to South Africa. We are in the same problem in South Africa we are in in El Salvador; the same problem we were in in Nicaragua originally, the same problem we are in in Iran.

The Shah of Iran was a dictator, and he had secret police, and we should have tried to reform Iran, but as we tried to reform Iran we failed. We failed in a way which helped the Soviet Union, we failed in a way which led to thousands of people being killed, we failed in a way which led to Iran becoming a bitterly anti-American government which today sponsors terrorists who right this minute have four Americans held captive and who are threatening to kill them.

We failed. What lesson can we learn from that failure and apply to South Africa? We can learn first the lesson that if we are going to try to reform a country, we had better be slow and we had better be positive.

My goal is not simply to eliminate apartheid. I do not want to replace a white dictatorship with a black dictatorship, for example. I do not want to replace a pro-Western dictatorship with a pro-Communist dictatorship. I am not willing to accept the idea that any change in South Africa is automatically good.

Remember, if you will, back on page 68, what Abba Eban said. He said:

> The speed and vigor with which Carter supported the tide of change obscured an essential question: Was any regime in the world so oppressive that it was incapable of becoming more so?

Now let us apply—and I think that the Carter administration was the only administration we have had in modern times which was committed, as a matter of policy, to a leftwing ostrich foreign policy, a foreign policy which failed so totally that there are no serious Democrats who would defend it today.

Let us look at that policy and apply it to our friends on the left and their version of how to deal with South Africa. What do they want to do to South Africa? They want to first of all, on the extreme form, cut off all American involvement in South Africa. The extreme leftwing ostrich position on South Africa is: Let's sell everything.

What would the result be? The result would be we would liquidate our holdings; companies, ownership in land. Who would get those holdings? Would people get those holdings who are prointegration? No. Not necessarily. Many of those holdings would be bought by white South Africans who are perfectly happy to buy up at 10 or 15 percent of value American holdings. Would they be more likely to free up their country? No.

So what else would happen? With America gone, with the daily process of talking to Americans gone, with the manager for Ford Motor Co. gone; with the manager for Mobil Oil Co.

gone, what everyday person is going to interact with South African businessmen and tell them the virtues of democracy and the virtues of immigration and the virtues of freedom? What businessmen are there going to be there who have systematically worked with black Americans and had the experience of an integrated workplace? None.

The Germans do not have that background; the British do not have that background. The Australians do not have that background; the Japanese do not have that background. So where are they going to get this experience? Where is the white South African going to be reassured that it is possible to live in an integrated society and really have things work?

Those who are for absolute extreme disinvestment are in effect for cutting off South Africa from exactly the lessons of integration which we have learned at such great cost and which we could teach.

Let us go to a second level. There are people, sincere people, who I voted for several years ago before I really got involved in studying this problem who say, "Well, let's show that we are morally superior. Let's just punish the South African Government with a variety of specific sanctions."

□ 1420

Well, let us look at it for a second. How seriously would the South African Government take sanctions? And I really want to draw the case clearly here. If the South African Government is determined to resist Western pressure, then we have a real problem, and our problem is going to be deciding whether or not we are willing to take on the moral burden of deliberately and systematically breaking the back of the South African Government. That is not going to be easy, it is not going to be cheap, and that is a pretty heavy moral responsibility for us to take on. But if we decide to do it, we ought to do it for real. We ought to insist, we ought to say to the South African Government, "You are not going to survive as a segregationist, antiblack, white supremacist government," and we will take the steps that are necessary. And we should coordinate those steps with Japan and Australia and Europe, and we should apply those steps ruthlessly and systematically and remorselessly and should have real change. Is that what the left is proposing? Not on your life, because they know, first of all, they could never get a majority in this country for that kind of change, not at the present time. And, second, that would involve real pressure, that might well involve military action. Oh, they do not want to get involved in that, so what are they suggesting? They are suggesting that we irritate the South African Government just enough that it does what? Moves faster than it is moving because of American pressure? In fact, it is likely to move slower because of American pressure. So what are the positive things we could be doing? And this will sound, I think, shocking to some of my friends, and it is really where I have come to in thinking about South Africa for the last 3 years and in looking at the lessons of Iran and the lessons of El Salvador.

What we should be doing is a much more active engagement than the Reagan administration. What we should be doing is saying that we are going to have a lot more scholarships so people can go to college and learn how to be leaders, we are gong to have a lot more encouragement of American investment so we get more American companies in South Africa, to have more local black labor unions, to have more people working in an integrated workplace, to have more Americans sitting down there, going to the chamber of commerce meetings, going to breakfast, saying to the South Africans, "You really can integrate and be free. It is possible to have a multiracial society that is democratic." We should be increasing our engagement in our involvement with the South Africans, not decreasing it. And we should also be saying to them, "You have to understand that apartheid is going to end, that the civilized world will not tolerate it and that you are simply establishing a laboratory for Communist terrorism and for the rise of extremist black movements inside South Africa who will end up imposing a black dictatorship along the lines of Ethiopia, a Marxist-Leninist pro-Soviet dictatorship."

Now, the problem is that means we are saying as Americans that we are going to be involved in somebody else's country. But the fact is, we now live in a world where we are all involved in each other's countries, we now live in a world where it is routine for American Congressmen to show up everywhere and it is routine for other countries' leaders to show up here. We live in a world in which those people who have walked into this building today have walked past concrete blocks put up in the middle of the road because we fear terrorists in our own country. Now, if that is reality, then we need to start to come to grips with it.

What is the American position going to be over the next 10 years if we see a steady increase in left wing black activist movements in South Africa that are clearly Leninist, that are tied to the Soviet Union, that use violence and that want to impose a pro-Soviet dictatorship on South Africa? I think our position should be that we are opposed, that we will actively help the forces that want democracy.

What then should our position be across the planet? What should it be in a complicated situation like South Korea, which is a dictatorship but pro-American? I think our position should be that we systematically and methodically encourage the development of a democracy, that we systematically encourage freedom of the press, freedom of travel, that we encourage Americans to go to pro-American dictatorships and to visit them, that we encourage church groups, that we encourage others to go, but not to go just to break the back of the dictatorship.

To replace South Korea, which is a pro-American dictatorship, with the North Korean Communist dictatorship would be a setback for human freedom in Korea, would be a threat to Japan and would be a major defeat for the survival of America in a world in which the Soviets are a real threat. To replace the current South African Government, which is a bad government, with a pro-Soviet, Leninist dictatorship would be worse, it would be worse for the people of South Africa, it would be worse for the West, it would be worse for the survival of the United States.

So the real challenge to the ostrich left of America is not how to prove you are morally courageous. Fine, do you want to pass a resolution that condemns South Africa for being a racist society? We can condemn them. But then what? Do you want to get arrested in front of their Embassy, under a procedure, by the way, in which you never really go to jail, so it is, in effect, a moving press conference? Fine. But then what? How do we then move to the next stage? And I think that is where El Salvador is so encouraging. In El Salvador we had a vicious right-wing death squad problem, and we had Communist guerrillas. And the United States went in systematically and methodically and slowly and we helped create a profreedom, pro-American, proeconomic growth, prodemocracy centrist government, which is today establishing conditions that will have a pro-American El Salvador in which human beings can live in decency and in dignity and have a better future.

The challenge to all of us is how to do two things simultaneously, how to defeat the problems of cocaine trade and terrorism and Leninist intervention, including the liberal efforts to fight the liberal wars in your neighbors, and, second, how to get governments to change when they are determined not to. And let us look at the other case, which our friends on the left will come back and say, "Well, if GINGRICH is opposed to trade sanctions in South Africa, why would he favor trade sanctions for Cuba or for Nicaragua?" And let me explain that for just a moment.

The current Communist dictatorship of Nicaragua is an unacceptable government to the United States. We

should make that clear and we should outline why in our national interest we will not accept that government, why in the interest of our survival we will not tolerate it. And we should inform that government, first, that we will not tolerate a government which is currently waging war on three countries, second, that we will not tolerate a government that is systematically allied with the Soviet Union, and, third, and in our hemisphere, in the Western Hemisphere, in a position to endanger the Panama Canal and in a position to endanger some 70 percent of our key shipping to NATO and to the Middle East coming out of Texas through the Caribbean, and, fourth, that we will not tolerate a government which only achieved power by going to the Organization of American States and promising it would hold free elections and has then established a dictatorship.

Now, people will say: Are you saying the United States has the right to interfere in other countries?

Well, in the absolute sense, yes, under international law, if we think a country is threatening our survival we do have that right. Under international law, if we think a country is waging war on one of our allies, we have the right to help our allies.

Mr. CONYERS. Mr. Speaker, will the gentleman yield?

Mr. GINGRICH. Certainly.

Mr. CONYERS. To what provision of international law is the gentleman referring?

Mr. GINGRICH. The U.N. charter, the right of self-defense.

Mr. CONYERS. You say that Nicaragua so now threatens our defense that we now have the right to intervene in their government?

Mr. GINGRICH. I state to the gentleman unequivocably that the president of El Salvador has said flatly Nicaragua is a threat to the survival of his government, El Salvador is an ally of the United States and, therefore, in the interest of our national security, under the U.N. Charter provision for mutual response to aggression, unless you are willing to say——

Mr. CONYERS. Does the gentleman have some other citations other than the President's allegations which are in wide dispute, not only in the Congress but in America and in the world and in the United Nations?

Mr. GINGRICH. Yes; let me cite to the very distinguished gentleman the May 13, 1983, report of the House Intelligence Committee, authored by Mr. BOLAND, who is a distinguished Member of your party, who says——

Mr. CONYERS. Is the gentleman telling me that he said that we have the right to intervene internationally and militarily into Nicaragua? I am sure he did not say that.

Mr. GINGRICH. This report said unequivocably that the Nicaraguan-Cuban contribution to the guerrilla war in El Salvador is clear, it is real, and it is a deliberate systematic effort to destroy the Government of El Salvador. This report is very clear on that.

Mr. CONYERS. In other words, the gentleman is extrapolating now that we have a right under international——

Mr. GINGRICH. No.

Mr. CONYERS. I wish the gentleman would be just a little more careful in his grandiose statements.

Mr. GINGRICH. Let me be very precise.

Mr. CONYERS. I am willing to concede that there is a problem, but to stand in the well of the House, in a sober fashion, on an afternoon, and tell us that we now have the right to invade Nicaragua under international law is a little bit strong for this Member at this time of day. Now, about 8 o'clock tonight, I will buy it. But at 2:30 in the afternoon I ask my colleague from Georgia to just please be a little tempered in his statements.

Mr. GINGRICH. If I may say to my good friend—I do not want to cite authority, but as a professor of European history who has studied this stuff for a long time, let me assure the gentleman that if you are willing to define—and this may be a point which we want to discuss for a second—if you are willing to define the active training, supplying, coordination and support of guerrilla warfare as an attack on a neighbor, that is, if Nicaragua's support, active support for guerrilla warfare in El Salvador is the legal equivalent of an act of war, then there is absolutely no question that both under the Organization of American States treaty and under the U.N. Charter, there is no question, I say to the gentleman—and I will be glad to get the citations for him from people who are not in the Reagan administration—that, once you make that determination——

Mr. CONYERS. Will it be the Heritage Foundation?

Mr. GINGRICH. No; I would be glad to say to the gentleman that, as defined—I will bring people who are at Harvard and Yale, if you like—any international law scholar will tell you that legally, under those two charters, the Organization of American States charter for the Western Hemisphere and the United Nations Charter—frankly, I share the gentleman's frustration.

□ 1430

I think this administration would have been far better off to have come to this country and said flatly: "We are defining guerrilla warfare as war; we are serving notice to Nicaragua that if you destroy your neighbors' economies; if you support forces that are kidnaping mayors; if you support forces that are destroying local city halls, that we are going to consider that an act of war, and that we are going to, under our own treaty obligations, intervene against you decisively, and we will not tolerate your destroying our allies while we do nothing.

Mr. CONYERS. May I suggest one reason why the President did not do that?

Mr. GINGRICH. Sure.

Mr. CONYERS. It will not wash.

Mr. GINGRICH. Why not?

Mr. CONYERS. It is not legal.

Mr. GINGRICH. Of course it is legal.

Mr. CONYERS. I know you have got credentials now, and they are not involved. As a professor of history, as a writer, and a theoretical analyzer of foreign policy, and you have been excellent on this subject, in terms of your energy from the day you hit the Congress, I am not in a position; I have only been a Member here for a couple of decades and gone through several wars, some of them illegal; some of them covert.

The whole point is that there are very few people who do not qualify on some point of expertise. So our credentials will have to be set aside, more or less.

Mr. GINGRICH. I am perfectly happy to do that.

Mr. CONYERS. I will set my meager ones aside if you will set your very larger ones aside.

Mr. GINGRICH. You clearly have been a participant in this Congress through a great deal of the history that I studied, so it is a great pleasure to have you bring personal witness.

Would you explain to me under what provision is it illegal, once you have, notice the way I have set this up now, once you agree that Nicaragua is actively supporting guerrilla warfare in El Salvador. I mean, if the case is a question of fact, I would agree with you; if Nicaragua just wants to be a Communist dictatorship, we have no legal grounds to intervene. That would be an act of aggression.

But once Nicaragua starts to mug its neighbor, I would say to my friend, then tell me under what rule of law we do not have the right to intervene decisively to stop that?

Mr. CONYERS. I would be glad to make that announcement. I thought no one would ever ask me today.

There is no such law. That is why nobody cites one, not even yourself. There is no law that exists. We cannot intervene under those circumstances. But the fact circumstances are not accurate to begin with.

Mr. GINGRICH. Why not? Do you not agree that Nicaragua is systematically——

Mr. CONYERS. Mugging its neighbor? No; I have not. If I did, I would come here with even greater sympathy

in my heart for the gentleman's position on this matter.

Mr. GINGRICH. So you disagree with the Intelligence Committee's report?

Mr. CONYERS. You have already distorted Mr. BOLAND's comments in one respect; I certainly do not want to assume that you and I agree on what the Intelligence Committee said. I have a lot of good friends on that committee, as does my colleague.

Mr. GINGRICH. Let me read to you then, because I do not want to distort anything. Let me read you just a couple of sentences and I want you to respond.

Mr. CONYERS. Let me read it and then at our earliest convenience we will continue the discussion.

Mr. GINGRICH. That is very fair and I thank the gentleman.

Mr. CONYERS. I thank the gentleman for allowing me to interject.

Mr. GINGRICH. I wish you would, if you get a chance, look at the Organization of American States, I am not sure which article, and then look at the U.S. Charter, both of which contain specific provisions for nations and their allies to respond to aggression. The case I am making here this afternoon that makes, I think, Nicaragua and Cuba different, is I am making the specific assertion which I think is long overdue in this country, that they are systematically engaged in aggression and the correct term for that is an act of war. That they are waging war on El Salvador, Guatemala, and Honduras, and that American policy should occur in the context of a deliberate Communist war in Central America, and as long as we muck it up and have it confusing and murky, I agree with the gentleman. I think you have helped clarify today, and I would like to arrange, at your convenience, maybe next week, for a special order that we might share to continue this dialog.

Mr. CONYERS. I appreciate this immensely. Does the gentleman recommend that ultimately that we declare war on Nicaragua?

Mr. GINGRICH. I would say to my distinguished friend that if, if at the end of helping the freedom fighters; if at the end of doing everything we can to weaken the Government of Nicaragua; if that Government is sitting there, and it is determined to wage war on its neighbors, and we have absolute proof of that point, that it has troops fighting in Guatemala, Honduras, and El Salvador, I would then say to the gentleman: What would you suggest?

Mr. CONYERS. Well, if the matter is as urgent as you suggest, I must say that you are far more restrained than I originally thought as I rushed to this microphone.

Mr. GINGRICH. I think we are a great Nation.

Mr. CONYERS. I see that you are holding yourself back from the ultimate natural, logical consequence of your argument.

Mr. GINGRICH. If the gentleman had heard the earlier part of my talk, as I was quoting from Abba Eban, the former Israeli Foreign Minister, he would know that one of my points is that a great power, if we are going to move toward an integrated, free South Africa, which I share the gentleman's passion for; if we are going to move toward a free Nicaragua; if we are going to move over time on the Philippines and South Vietnam, my central point was, we have to learn to be patient and methodical and to use our force in a systematic manner that people across the planet come to respect.

So I would say to the gentleman, yes, I think this Government should say to the Nicaraguan Communists, you have a problem. You are not going to make it, given your current behavior, and we are going to continue to raise the ante fairly rapidly over the next 2 or 3 years until you are gone, unless you change your behavior.

Mr. CONYERS. Would the gentleman reserve any recommendation of a declaration of war until we have had our discussion?

Mr. GINGRICH. Oh, I do not think we need to declare war for a long time.

Mr. CONYERS. On that note, I very happily and optimistically withdraw from the discussion.

Mr. GINGRICH. Let me ask you a question for a second because I have forgotten and I should know this: What year did you come here?

Mr. CONYERS. The age of man, I think the records may have become lost and destroyed; there is some question about it.

Mr. GINGRICH. The gentleman has so much less gray hair than I do that it is very discouraging for him to point out to this audience whatever length he has been here and to make comments like that.

Mr. CONYERS. The gentleman is very kind. I thank the gentleman.

Mr. GINGRICH. I am a mere junior. But my impression was that, were you here during the last phase of the Vietnam war?

Mr. CONYERS. I believe that I was.

Mr. GINGRICH. The reason I am asking, seriously, is because there is an argument which Harry Summers makes in his book on Vietnam. That if we were going to have done that, we would have been far wiser to have done what the gentleman says. That had we declared war in Vietnam; had we been explicit about it.

Mr. CONYERS. To have done what you would have recommended under those circumstances.

Mr. GINGRICH. Well, if you are going to be involved. I mean, the other option which I think is equally discussable would have been to have pulled out totally. To just say that we are not going to be there.

But to have been halfway there, that is, to have been there and not to lose 58,000 Americans and to devastate the countryside, and then not have won was the worst of all worlds. I guess I am saying to my distinguished colleague, and I would say also to the administration is: There is no future in this county in developing in Central America a slow-motion Bay of Pigs. We should either say we are going to accommodate the Nicaraguans no matter what they do, and allow them to get away with everything they are doing, or we should act much more decisively and much more explicitly.

I yield to the gentleman from North Dakota.

Mr. DORGAN of North Dakota. I thank the gentleman for yielding.

I was listening with interest to your description of the Nicaraguan behavior in the region, and I was interested specifically in the question Mr. CONYERS asked about the authority that you cite that would describe the current conditions under which we, as a country, would have the right to invade the country of Nicaragua for the purpose of replacing their government.

The facts, of course, are in dispute about what is happening in the region; you believe perhaps one set of facts and others see a different set of facts. But what is the authority that would suggest to us that we now, given a relatively common set of facts, have the right to invade the country of Nicaragua?

Mr. GINGRICH. Now, I did not say anything, the gentleman from Michigan, I think, was talking about invasion; I have not at any point today, talked about using American troops and frankly do not think they are necessary.

□ 1440

What I have said is that if Nicaragua wages war on its neighbors, and we could discuss some day what is the evidence and whether or not that is true, but if they are waging war on Honduras, in Guatemala, in El Salvador, which I believe they are, that we in the West have to define an effective response which prevents them from successfully doing that, and that we currently have no successful system for doing that.

My whole point earlier in my speech was to say that we need a whole new set of ideas and language and approach, but we first have to decide, and this is why I would like to get the gentleman's reaction, frankly, if I could convince you that Nicaragua was systematically waging war using guerrillas, would you then agree that the United States clearly, under the U.N

Charter, and the charter of the Organization of American States, has the right to work with its allies so that they can actively protect themselves against aggression, including going to the source of the aggression?

MY ADVICE TO THE PRIVILEGED ORDERS

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Texas [Mr. GONZALEZ] is recognized for 60 minutes.

Mr. GONZALEZ. Mr. Speaker, did the distinguished gentleman from North Dakota wish me to yield to him for some further comments?

Mr. DORGAN of North Dakota. Yes; I would appreciate the gentleman yielding.

The discussion that was just going on in the well that the gentleman from Texas was listening to and that I was listening to was interesting. It was discussing our role in Central America and the conditions under which we might or might not get involved. I say that in some respect there is a distinction without great difference in deciding to commit American troops to go fight in Nicaragua or deciding to hire some other troops with American money to overthrow the Government of Nicaragua.

But let me say this: I have been to that region, as have many other Members of the House, and there is a claim that Nicaragua exports revolution. There is some small evidence of that.

There are other claims that the United States imports revolution into Nicaragua, and there is some evidence of that.

There are claims and counterclaims going on. I do not know to what extent there is gun running between Nicaragua and El Salvador. I have tried to find that out. There are a lot of allegations about it but not a lot of hard evidence. If I believe there is some gunrunning going back and forth, obviously I want to do what I can to stop it. But I was down in the Gulf of Fonseca in the little horseshoe between Honduras and El Salvador and Nicaragua and a navy colonel from the Honduran Navy was describing the fast boats that they have to patrol the Gulf of Fonseca because the allegation is that there are these tons of weapons moving through the Gulf of Fonseca from Nicaragua to El Salvador.

So we took a look at these boats. We saw the machineguns. We saw how fast they were and how impressive it all was, and I asked the colonel, "How long have you been patrolling these waters in the Gulf of Fonseca in order to interdict?" It is an interdiction program for arms.

He said, "Oh, about 18 months."

I said, "What kind of arms have you interdicted so far? Could you give me a description of the cache of arms in this pipeline of arms transaction between Nicaragua and El Salvador that you have interdicted?"

He said, "Well, we have not really interdicted any arms at this point."

I said, "Now, wait a second. You tell me that the Gulf of Fonseca is a major artery by which arms are transported from Nicaragua to El Salvador. You have the fast boats in here, and you are telling me you have the best program available, but you have not found any arms yet? Does that say something to you?"

"Well," he said, "it says to me maybe we have cut off the arms shipments."

Well, maybe so; I would give them that. Maybe there were substantial arms moving and maybe the presence of these boats, and so on, have cut off the arms shipments. But I find it a little bit unusual for us to go to the region, you, myself, to go to the region and hear, for example, an Ambassador talk about what is going on, and you ask the Ambassador a question, and you say, "Well, now, we have groups that are headquartered in Honduras or Costa Rica and moving up into Nicaragua to destabilize that Government. That is moving terror in one direction. We scream when it moves in other directions, but we wink when it moves in our direction."

All I am saying that I think all of us probably start from the same premise: We do not want communism to get a foothold in Central America. We move from that premise and that goal toward a series of actions that we think would best serve our interests, the interests of the United States, and best serve the interests of the people in that region in our foreign policy.

The reason that I have been interested in this is that I fervently believe that the action by the Reagan administration in Central America is action that is completely and totally counterproductive to our interests in the region and will, in fact, move the Nicaraguans ever closer to the Soviets. I do believe that we need to be involved in Central America in a constructive role, but I have been there, and people are hungry, they need something to eat, they are sick, they need medicine, they are illiterate, they need education.

The last thing we need to do is send more guns and more bullets to 13- and 15-year-olds up on a mountain someplace so they can shoot somebody. I just believe there are better approaches to the Central American problem than this administration is pursuing, which will result in our best interest, result in oppressing the Communist movement in that region, and result in serving the best interests of the people of Central America as well.

Mr. GINGRICH. Mr. Speaker, will the gentleman yield for just a moment?

Mr. GONZALEZ. I would be glad to yield to the gentleman from Georgia.

Mr. GINGRICH. I appreciate very much the gentleman yielding.

Mr. Speaker, let me just add that the problem we have is that communism already has a foothold in Central America. The Nicaraguan Government is clearly a Leninist government. It could hardly get much closer to the Soviets, for all practical purposes. They are building a Soviet airfield. They have Soviet advisers. They are using Soviet equipment. I am not sure they could do much more than they are already doing.

Second, interdiction is working. Earlier in my special order I cited today's New York Times, page 1. I cited a column in the Washington Times by an eminent national columnist which talked about the fact that there is less there.

But notice the problem here for a second. On the floor of this House, right there, 2 weeks ago I showed two American rifles from Vietnam that had been shipped from North Vietnam to Cuba to Nicaragua and El Salvador. They were captured in El Salvador. I showed a Bulgarian rifle round manufactured at factory No. 10. I showed a Soviet hand grenade which was part of a box of hand grenades, half of which went to Grenada from Cuba, half of which went from Cuba to Nicaragua to El Salvador and were picked up in El Salvador. I showed a North Vietnamese mortar sight, my point being this to the gentleman, and I will be glad to take the gentleman not very far from here and show him a cache of weapons which the Salvadoran army has captured. Nobody disputes them.

They got there somehow, and they did not get there by Pan American taking them as CARE packages. They came through Nicaragua. The El Salvadorans affirm it. Our own intelligence affirms it, and the only question, I would say to the gentleman, is this: We are dealing with a Nicaraguan Communist dictatorship which has said unequivocally it is allied with the Soviet Union, which has said unequivocally that it is committed to a regional war, and which is currently, at this very minute while you and I talk, waging war in Guatemala, in Honduras, and in El Salvador.

I think I can provide overwhelming proof for that. If that is true, what then are we going to do about it? My point, and I will concede it is a very tough point, my point is that as the greatest power in the Western Hemisphere, we have an obligation to our allies to protect them not just by trying to stop the Nicaraguans from destroying their country, which by the way in El Salvador so far this year has led to 10 mayors being kidnaped and 35 city halls being burned, but also to say to the Nicaraguans, "If you are

going to beat up on our friends, then we are going to come after you. You are not going to be safe in Nicaragua and have the right to go ahead and kill allies of America in three countries while we are passive."

Mr. DORGAN OF North Dakota. Mr. Speaker, if the gentleman from Texas would yield for 1 more minute, the gentleman from Texas has been someone who has spoken on this issue many times, and speaks on the floor of the House a great deal, and I appreciate his yielding to me to respond one more time and say that if the gentleman from Georgia believes that the Nicaraguan Government poses such a threat to this country and to this hemisphere, the kind of threat that has been described by, I think, some Members on his side of the aisle particularly, and some in the administration, then you ought to gas up the tanks and gas up the trucks and get moving and get down there and clear things out, if it is that kind of a threat.

□ 1450

The fact is that it is not that kind of a threat. Communism is a problem in Central America. When you say it has a foothold in Nicaragua, well, we could quibble about what the word "foothold" means. Cuba has 900 physicians in Nicaragua, and they have a couple of thousand teachers, and so on, there.

But let me say this: When we as Americans decide we have a problem in Central America and decide we need to take some action to try to respond to that problem, what we desperately need to do is move bilaterally, move in concert with other countries in that region, with the consent and acceptance of other leaders in this world. What we too often do is develop unilateral behavior.

The trade embargo is an interesting example. Just recently we decided what we are going to do. We have been hiring these armies up in the mountains. And I have seen 11-year-old kids with new American rifles up there that our CIA has paid for, wearing nice new, clean, pressed uniforms. That was, incidentally, just an American CIA initiative to fund an army. Now we are saying that what we are going to do is have a trade embargo. We did not consult anybody; we do not have other countries in the region supporting it.

In fact, about 17 of the last world leaders that our President has met with in recent months, about 17 out of 17, have not supported this country's initiatives in Central America. Why? Because I think those initiatives are initiatives that those world leaders—not Communist leaders, just other government world leaders—see as initiatives that will not really work.

What we need to do when we get involved is to do something that will work. Why a trade embargo that will not work? Why a trade embargo that is unilateral? Why one that is not supported by our allies?

Why? Because somebody downtown said: "Let's do this for a while." That is not a coordinated, thoughtful response to our responsibilities in the hemisphere and to the problems that exist in the region.

Let me say, finally, that I do not like the Sandinistas very much. I have talked to them. I find their censorship of the press to be something that is detestable to me. I am not crazy about the Sandinistas at all, but neither am I crazy about this Government's policies, as articulated by this administration, in which they believe that by following these courses of using hired armies and trade embargoes, and so on, we will eventually straighten out that problem. In my opinion, there are better ways.

I do not think that we ought to have no policy. We need a policy, but I think the current policy is wrong. We need to carve out a better policy because there is a better way.

Mr. GONZALEZ. Mr. Speaker, I thank the gentleman, and I mean that sincerely. I thank both gentlemen, because this is an issue that, as I have been trying to say for some time now—to be precise, April 1, 1980, at which time President Carter was the President—should be on the priority list for consideration. I am delighted at the participation of Members who showed up at this late hour, despite the fact that the overwhelming majority of the Members have gone out of the city on various missions, and for that reason we had no legislative business today.

Yet I feel that I have been impelled to speak loud and long, perhaps to the dislike of some, on this matter because of its prime urgency and also because of the fact that I have been addressing the House here for some time under the general title of "My advice to the Privileged Orders" of our country, in a rather weak imitation of a great and noble American, Joel Barlow, a great revolutionary figure, and a great thinker of the day, and a writer, and poet who lived under somewhat similar conditions at the time, if we can make comparisons, and spoke out with his advice to the privileged orders and of the need for change, revolutionary change.

As I see it, these issues that are here today discussed very emphatically reflect the line of thought that has been agitating the minds of our national leaders in and out of the Congress and in and out of the Presidency and evince to me a rather serious misconception, and perception, or misperception of the reality of the world, particularly that world that we share with these countries to the south of us. In light of the discussion and in pursuance of my advice to the privileged orders, I would like to point out some facts.

I have been attempting, on a 1-minute basis, to pursue in a sustained way what I call a dose of reality with respect to the situation in Nicaragua. I have pointed out where tragically we have been in gross violation of solemn treaties that we are party signatory to, and that has brought down world opinion against us. And I think the RECORD ought to show, in light of this discussion today, that the 25 nations that share the New World with us today, as reported in our newspapers today, though buried on page 23, announced a solidly passed and signed resolution of protest to the United States with reference to the recently proposed embargo by President Ronald Reagan.

The President announced that embargo on the eve of his departure to the Bonn economic summit meeting in Germany recently, and some critics interpreted that as a means of defusing the loud clamor and dissension which his trip and his announced visit to the cemetery in Germany had aroused.

But I do not like to question motives. I have always assumed that every colleague and every President that I have had the honor and privilege to work with—and that is a total of six—had honorable motives. And I want to say also by way of explanation that when the two gentleman, the gentleman from Michigan and the gentleman from Georgia, were involved in the dialog preceding my special order, they were referring to membership in this body and the length of it, and let me say that mine has now reached the point of the 24th year. I have been very privileged to serve in this very, very honorable body, the most important body of its kind in the world, one in which we cannot find any comparison. Cognizant of that high honor and privilege and grateful as I am for these processes, I am very sensitive about the things that have happened over the course of the years that have represented intrusions into this great participatory democracy in a way that I believe is contrary to all of the thinking and the basis of our Government, as reflected in the deliberations of the constitutional conventions in the late 1780's, in which by these great processes we had this magnificent result known as the U.S. Constitution.

So I have watched six Presidents. I have not hesitated to speak out when I feared that some recommendation of a President—and I am speaking now of every one of the six, from John Kennedy to Ronald Reagan—has caused me to think that it is wrong, that it is contrary to the best interests of or the greatest interests of the greatest number in America. As close, and personal, and intimate friendship as I did

have the honor of developing with John Kennedy, I did not hesitate for 1 minute to record my vote and speak in explanation of that vote in a manner that was inconsistent with his recommendations or those of his then administration, what his administration called his congressional-White House liaison assistants. It was the same with an equally dear friend and neighbor of mine, President Lyndon Johnson.

What I heard today is reminiscent of that period. And I have not hesitated, beginning with April 1, 1980, at which time certainly Ronald Reagan was not the President, to speak out because of my forebodings. And it has given me no satisfaction whatsoever to say, "Well, I told you so," because if anybody is interested in examining what I said on April 1—and I said it right here on this floor for the RECORD—they will see that I was predicting to the President that if he persisted in a unilateral course, without first seeking the recourse of our treaty obligations under the Rio Pact, as well as the Montevideo agreement, as well as the Punta del Este understanding, and as well as, more importantly, the OAS Treaty, we would soon squander the last little vestige of leverage we had for collective leadership, moral as well as real leadership in this New World.

□ 1500

Regretfully, I also said that I would give that time no more than 90 days because of the development then in El Salvador following the revolution in 1979 in Nicaragua.

Now, it pains me very much to see that the same essential parameters of judgment-making evaluations are still ruling supreme in our country; though let me say that I am afraid that the real power of decision is no longer being reached within the Halls of the Congress, and much to my regret, even outside of the Oval Office of the Presidency, we now have in place a tremendous oligarchical power that is in reality exercising the power of decision in the all-important matters of fiscal monetary policies, which incidentally are the basis for the developments about which this great conflict and dissension and discussion concerning Central America and other points in the world is really about.

We can really say that these are the basic things that have given rise to these concerns about what truly is the national interest and to what extent it is involved and to what extent it is in jeopardy.

Some of us have been pointing out in both respects for some time that the question of jeopardy and danger had long ago reared its urgly head, but it has been to no avail to speak out and bring some consequent reaction reflected either in the deliberations here or the considerations in the White House.

As I have said, I have had the privilege of working with six different Presidents. I do not use the word or the preposition "and" or "under" six Presidents, because this is a word that is being used more and more by Members of the Congress and by the general American public, giving rise to a very, very noxious concept that the Presidency for some reason or other is supreme, forgetting that the true nature of our government under the Constitution is based on a tri-partite division of powers of government, that ours, the Representative, the Congress, is article I of the Constitution. Obviously that was placed as article I for a good purpose, that the Office of the Presidency, for example, was not even contemplated during the first actual 10 years of actual existence. Nobody even wanted to conceive of that Office until the deliberations in the Constitutional Convention in Philadelphia and then when it was finally debated and the term first used was not "President" or "Presidency." It was "Chief Magistrate."

Finally the decision was made that it was necessary after the experience with the First and Second Continental Congresses and the Articles of Confederation that such an Office obviously would be necessary; but for good reason very definite powers were placed exclusively in that first branch in the Congress.

The basic premise is that each branch is coequal, independent, and separate; so this notion when we say that we worked under President so and so is noxious to our basic conscience. We work with and I think it is indispensable that insofar as possible that these branches work in conformity, that neither one nor the other arrogate to itself supra or ultra vires or transconstitutional powers.

This is what the issue is today and has been very much definitely since the so-called World War II, which incidentally we forget has not really ended. We tend to forget that there is no formal treaty of peace or agreement that would resolve definitely World War II.

What did happen was that the active shooting phase did stop with the overwhelming and total victory of the Allies and the conquest of Germany, and Italy, and its allies, but the war has not ended. We have 300,000 troops in Germany alone. We have not even begun to have a glimmer of a policy as to what we would do in negotiations with the Allies with whom we were able to defeat the totalitarian forces; so that given that, we should be very mindful that we are living in a totally different world from what our basic defense policies—and I do not call them policies because they really are not—diplomatic approaches which have failed.

We never, no nation does, resort to the military or to force, if you please, unless and until the failure of diplomacy.

I think it is tragic that two Presidents, although I cannot say that President Carter did so totally, as totally as President Reagan, who in effect has been conducting war in Central America, beginning with the massive military buildup, the greatest in the history of this region of the world, with 30,000 of our military in land, and the sea, and the air surrounding the Central American area, particularly Nicaragua.

Certainly we ought to realize that since the era of Vietnam we have had certain laws approved by the Congress that would try to define, and defuse, and prevent what has been called Presidential wars.

Obviously, I would not be motivated to the introduction of a resolution alleging that the President is in violation of the War Powers Limitation Act as I have in the case of Central America and as I did in the case of Lebanon and Beirut for 1 year and almost 14 months before the murder of the marines.

How did that come about? It was simply incredible to think that under the prior system to the 1947 Reorganization Act in defense and under the old system of the old Department of War, the Secretary of War, that such things as that would have happened; but under this system, which I believe has been a mistake and I have been saying so since I came to the Congress, to have had considered as final, that is, the Reorganization Act of 1947 which gave rise to the Defense Department, a Secretary of Defense, and the Joint Chiefs of Staff.

How could we have achieved professional militarists, all the main lead elements of our components in the military, forming and constituting the Joint Chiefs of Staff, advising the President that they were unanimous in their advice against his use of the Marines in Beirut?

How can we say that a Commander in Chief, for the Constitution vests that title in our President, would have willfully, knowingly, ignored that advice for 14 months, ending in the slaughter of 241 of our noble, best warriors.

To what avail was it for us to take this floor? I wish then my colleagues could have come here and joined in some little discussion, because it is fine to get up here and talk about something that has transpired, but it is another thing to get here and say: "I anticipate this for this reason and this is what I think we can do now"—not later.

This is where I would like to come today in my advice to the privileged orders. In the first place, if a President

seeks to define a policy that will bring about an understanding among our people as to the nature of the cause that he is asking us to rise to and support, especially if the military had been called in, a clear indication that our diplomacy has failed.

□ 1510

If, as the Scriptures say, the trumpets sound an uncertain sound, who then, who then can come forth and summon and unite behind an unclear trumpet call to battle? The whole problem continues to be this vagueness of mission.

When I got here evening after evening for 14 months and directed my inquiry to the President, mindful of the fact that I had written several letters to the President from the very beginning in 1981, but this is one of the six Presidents that does not reply to a Member of Congress' letter. It is the first President I have worked with that has this as a practice. So after I had received absolute verifiable information from members of the service who happened to be my constituents, who have been in service for years on the isthmus in Central America, and came to me in early September 1979 on a confidential, private basis, frustrated, concerned, worried because they could not get any kind of a message through the bureaucracy, and they thought well, our Congressman, maybe he ought to be able to have some access, maybe to the President himself.

I found I could not. But everything these men told me was absolutely true, and what they predicted happened exactly as they said, which, again, was reminiscent to me of 1960, in December. I was still a State Senator and I had information from a distinguished member of the Texas business community on the border who had been intimately involved in Cuba during the 1920's and the 1930's and had married a distinguished member of Cuban society, and told me that he wanted me to meet with a former distinguished Cuban jurist who had been a member of the World Court and was in exile in Miami, and he wanted me to intercede with President Kennedy, with whom he knew I had an intimate friendship. I had just completed campaigning in 11 States in behalf of the Kennedy-Johnson ticket.

In effect what he was telling me was that this distinguished jurist had this troubling information that the CIA had invested over $2.5 million in the Miami area alone preparing for an invasion of Cuba, that there were similar preparations in Nicaragua and other points in Central America, that the invasion would not work, that he even knew the date of the sailing of the ships for the purposes of invading. Also that Castro knew, himself, because he had managed to infiltrate these groups, that even if these groups managed to succeed in that invasion and overwhelm the Castro forces in Cuba, they would not be able to govern Cuba because they could not even get together themselves in Miami. That unless the United States was prepared to go in itself and occupy and govern Cuba, no other way could be found for the United States to do it by delegation of authority, and especially to any component or aggregation of those that were seeking the invasion.

It so happened that I did, I contacted President Kennedy's personal secretary and made arrangements to go with these people and meet the President at Bergstrom Air Force Base. He was at that time, it was December 11, 1960, the President was at West Palm Beach, FL and he was going to fly into Austin, TX at Bergstrom Air Force Base and then from there go visit Vice President Lyndon Johnson elect at his so-called ranch.

I arranged for this group on the following day to go to Bergstrom Air Force Base and would be permitted to visit with the President from 15 minutes to half an hour. But first the secretary wanted to make sure that I knew what I was doing, that I could respond for these individuals and that the President would in no way be embarrassed. I assured him of that.

However, to my great disappointment and surprise, the next day when I was supposed to have met this Cuban former jurist and this Texas businessman, the Cuban did not show up and as it later turned out he had been diverted by some of the conspirators who had found out that he was coming to San Antonio, TX for some unknown purpose, but which perhaps they did not trust.

As a result, I had to call and cancel the visit.

Subsequent to that the same request was made on the basis that this distinguished businessman in Texas assured me that President-elect Kennedy knew nothing about what had already been undertaken for about 1 year since about January 1959, and that it was on its course, that it was irreversible, that the President really did not know that this was something that the CIA had totally prepared on its own since the last year of President Eisenhower's regime.

I then suggested that I did not want to have anything more to do with that, that they resort to one of our Texas State Senators to seek that appointment with the President. I felt that I had gone far enough.

But nobody can imagine the travail I felt in mind and soul when the following February, on the exact date and the exact hour that this gentleman had told me in December the invasion would take place, it happened, with the results we all know.

I say that under the old system before reorganization in 1947, and this is something I had said even before then when I was in the State Senate, that we had created in our hierarchal scheme of things in our Government a situation where if the military expertise were called upon that that military expertise judgment would not have that input of evaluation that it should.

We read the memoirs of General Ridgeway who, if you read those memoirs, will tell you that he singlehanded, when he was a member of the Joint Chiefs of Staff representing the Army, and the Eisenhower administration was posing the question about direct intervention in what was then called Indochina, Southeast Asia, the memoirs tell us that General Ridgeway said, "Look, this is something, allow me, before you make a decision," because he confesses in his memoirs that the majority were about to go along with that decision, he said, "First hold up and allow me to bring the logistics of the situation." In other words, the reality. And he brought in his logisticians and they pointed out 8,000 miles of line of communication and supply line, the difficult area of troop activity from a hill standpoint where there were jungle diseases that even the greatest scientific epidemiologists had not even yet quite ascertained. He pointed out that it would be a quicksand in which our troops would disappear unless we were willing to go in what would be tantamount to an out and out declaration of war.

This is the talk I heard today, and the logistics are the same.

What is it we seek in Nicaragua? Ideological purity?

The President no less than 1 month ago, when thwarted by his request for money for the so-called Contras, was publicly soliciting and encouraging private groups to raise personal mercenaries and moneys to be used. In what?

□ 1520

In what? In not exacting ideological purity but in the overthrow of the Nicaraguan Government which, after the November elections last year, is to all intents and purposes throughout the world established as a legitimate regime. We cannot properly call it a Sandinista regime any longer. The Sandinista regime was the junta that operated until the election last November.

But let us forget about ideological purity because if this is what it is, and this was what it was when we got involved in it not only in Vietnam but prior to that in Korea, with the significant difference of when President Truman did introduce American troops he did so under the aegis, under

the name of the United Nations. We had some world opinion behind us.

In the case of Indochina we never did. We went into a situation in which we were having and witnessing a civil war within a religious war within that ideological war, but mostly a civil war.

In Nicaragua we have the identical situation. And nobody, even President Reagan does not deny that the revolution in Nicaragua was made, was indigenous, was not imposed by external forces, whether Castro or Cubans or Russians or anybody else. But let us think for a moment; let us say, and I believe the President is on an irreversible course of war, that he has been involved in acts of war; if the Nicaraguan Government were to come and mine Chesapeake Bay, would we consider that an act of war? Well, we have done that. We had mined the harbors of Nicaragua.

We talk about defending friendly allies. We are occupying Honduras without the express invitation of the representatives of the Honduran people. In fact we are very heavily criticized. There is great dissention even within the governing bodies in Honduras. In the case of the so-called Contras that the President so mischievously has called freedom fighters, you have great dissension. The greatest number of that motley crew consists of ex-Somocista national guardsmen.

Now let us assume that they would have the capability, and let us not forget at this point that General Paul Gorman, the outgoing Commander of the Southern Command, said right at the point that he was retiring as commander that there was no way that the Contras could knock over the Nicaraguan Government. But let us assume that is the decision. Let us assume that we finally come to our senses and we decide to get military expertise, I know for a fact, as I knew at the time though it was never published that the Joint Chiefs of Staff were solidly against the deployment of the marines by President Reagan in Beirut. I know now that no professional American military will tell you that it will take less than 100,000 of our troops in a direct involvement of the U.S. Forces. Now what does that mean? Let us be realistic. It means we would have to pull forces from somewhere, from the 45,000 we have in South Korea, or the 300,000 in Germany or those in the Middle East area. Nobody talks about the 2,000 American troops we have in the Sinai Desert. Everybody has forgotten about them. The significant difference of that mission being that for the first time in its history the Congress mandated that deployment of that military.

Who was here to debate that? Twelve Members. I was chastised by the then and much lamented chairman of the Committee on Foreign Affairs who had admonished me not to say anything, he did not want anybody to start trouble, he said; but I had to rise for the record and raise my voice and ask the question which I am still asking. Now, we pull those troops and we go into what obviously will be a corner-by-corner, street-by-street guerrilla type warfare with a people that the Nicaraguan Government has given arms to every family. They have built sandbag barricades on the street corners and the barrios of Managua. They are fully expecting an invasion on the part of American troops.

We will, of necessity, have to kill civilians, men, women, children.

Now let us say we succeed and we knock out the Government of Nicaragua, who is going to govern Nicaragua? The Contras? They would not last a day, unless we were there like we did with Somoza for 40 years, to shore them up. First impose him and then shore him up.

Well now is that democracy? Is that government by the just consent of the governed?

So we have to be realistic. This is what I have been trying to bring out, futilely during the Vietnam era. I did not wait until it was popular to be against the war, and it was difficult because it involved a very dear friend in the person of President Lyndon Johnson. But I was the one raising the issue, salutarily, in the Congress about the use of unwilling conscripts or draftees in undeclared wars outside of the continental United States. This was a proviso that was an integral part of the first peacetime draft act that was approved by the Congress by one vote, and only after that proviso was inserted in the law.

Well, who cared? Who cared as long as in the middle of 1965 I rose and pointed out that at that point in August 1965 over 45 percent, approximately 47 percent of those involved that would likey see combat were draftees, and of that the overwhelming preponderant majority were poor, poor members that had been drafted, that had no way of going to college and get exempted or had the sophisticated ways of taking courses like the Harvard students did on how to dodge the draft. And they died. The casualties started to come in.

It was not until we were forced to dip into those sources of manpower that came from the middle class and the upper class of our classes that then we began to have some serious questioning about the war.

Now I think that that is wrong. I did not think we should have waited. I think we should have examined then and we should have asked the paramount question: What is the mission of our military?

□ 1530

What was going to be our role in the midst of a civil war, forgeting about resisting Communist aggression. But what was the perception of the world, then, as it is now on the part of the wielders of power at this moment, with respect to Latin America?

The President very clearly expressed it when he said: I'm going to make those Sandinistas yell uncle. As if he were President Coolidge in 1929, when we last sent the Marines and then stayed there 9 years in order to install the Somoza regime and form the national guard, and then keep them in power for 40 years.

Now those days are gone forever, because that world is gone. They are gone forever. We also forget that logistically, even in Vietnam, with our massive presence of half a million of our military and with all of the modern weaponry we could muster, including one feature, complete control of the airspace. We could not and we did not win.

But what were we talking about, what were we trying to win? Certainly the American people did not understand it. How can a great national leader such as the President invoke war without first making sure that the people were susceptible to developing the will to fight, and fight in a united way?

This is why some historians are beginning to call World War II the last good war, which I think is a horrible, horrible misuse of words. There are no good wars, ever.

If that was meant to mean that there was a firm resolve, that the bulge sounded clearly and forthrightly and that that call was responded to, I recall there was not any one of us at that time that wasn't lining up—not to get drafted; to volunteer.

I hear parents telling me today, "Henry, my boy is not going to go to the draft anyplace, I'll tell you that now." And I said "Well, don't tell me." I have been saying that; it is not the point. The point is that you do not know. You do not know what you will be asking your boy to do, because we cannot foretell what will develop. All we can tell you, at least I, is that if we continue along a certain course of action, that inevitably this is going to happen.

This is why I said before the election last year that sometime before the election, depending on whether or not there was political trouble for the candidates, we would see headlines. But certainly right after the election we would see headlines saying, Mig's in Nicaragua, and everybody would be saying we had better do something.

We have had U.S. Senators saying, Well, this is amply cause for us to go in. I say now, it will not be long before we will have a similar headline, except

far more alarming, and the reason is that we have put in play forces.

For example, the week before last, a Honduran airplane that we supplied through the CIA, the Department of Defense last September 18 publicly stated that it had turned over what it called "excess warplanes" and military material to the CIA.

Now that posed two questions: The CIA, under the National Security Act of 1947, is not empowered as a paramilitary group. Yet no one has questioned it. Mine has been the only voice to even report that. This troubles me. There is no satisfaction in saying my voice was the only one; that is a very questionable type of boast, if I were to consider it such.

Let us pursue the point. This Honduran airplane sank a Nicaraguan patrol boat in Nicaraguan waters, not Honduran waters. Now there will be a limit beyond which any country, including the Nicaraguan regime, is going to do something, that we then will use as a pretext to say that we must defend the sovereignty of that nation; our ally Honduras, very much along the line that was spoken today, this afternoon.

I fully expect that headline. What happened last November? One day after the election, you had the beginning of what 2 days later was a headline: Mig's in Nicaragua. Then what happened 1 week later? The President was compelled to come out and say, "I don't know where that got started; that was a bad leak somewhere, but I'm not saying those are Mig's. There was something else in the bottom of those ships."

Why would I have predicted that? Was I a prophet, was I a seer? No; but I had received information that the CIA was, on a sustained basis, conducting attempts to assassinate the leaders of the Nicaraguan Government.

I was invited—I have not traveled down there. In fact, the reason is that all of this reminds me of Vietnam. I used to see some of my colleagues from Texas put on khaki, like the Governor of Texas did last month or the beginning days of this month, and went down and took chili con carne from his meat business and tamales and enchiladas and what not down to Honduras.

He put on khaki and a Westmoreland cap, and that is what I remember some of my colleagues from Texas saying, "Henry, you've got to come with us and go to Vietnam." I would say "No; I don't have to go to Vietnam. I have an overwhelming, disproportionate number of constituents that are over there. I wish I could pull them out."

I wanted to tell my two colleagues this afternoon who were talking about this great threat, that when the President announced the embargo, the newspapers very carefully left out what he had to establish as a finding of fact before he could impose the embargo. Under the law, the President has to say that Nicaragua is an emergency matter, a national emergency and a direct threat to our national interest and safety.

Now as I said earlier, it was obviously from the beginning a failure policy. Twenty-five countries of the new world today released this resolution condemning the President's action in invoking an embargo. All of the European allies, even at the conference in Germany, told the President that they were not going to go along; in fact, they were going to continue their trade and economic relations and some commitments of aid that they had already made to the Nicaraguan regime.

I say this is identically the same thing that we saw during the terrible conflict in South Vietnam in which we lost untold billions in Treasury and a lot of blood; 50,000 plus of our youth.

I believe that, had we had the correct perception of the world we would not have. Had we felt at the time that this was not a monolithic Communist world, that there was a history of war and animosity and conflict between Russia and China and between China and Vietnam, would we have proceeded under that assumption?

Would it have been wise? Why was it that even since Korea—the Soviets—Russia never had to put a live and kicking Russian soldier, much less a platoon into war involving Americans fighting Asians. Why? I asked that question before I came to the Congress. Actually, because diplomacy was a total failure.

What do we accomplish if we invoke military? What is it, then, that we seek as a mission? If our solider does not understand clearly what his mission is to be, how can we expect him to fight with the support and that type of backing that is so necessary to the fighting man?

If his support back home is confused and divided, if the leadership is unclear in its motives and goals and aims, how then can we expect success or that precious thing we call victory?

If we do not know what we are fighting for, if it is ideological, then we ought to have known since we invaded with France and England, Russia in 1918, to try to put down their revolution, that that will not succeed, that we cannot impose in the case of an indigenous, a native civil war, our people who will be governing.

We cannot, and we cannot ever bomb communism out of existence. The only answer to communism is social justice, nothing else.

I think it should be noted for the record that in both the Salvadoran elections and the Nicaraguan elections, you had candidates representing the Marxist-Leninist or Communist party. In either case, they did not even get 6 percent.

If we are worried about, in the last junta the two or three Marxist-Leninists in the Junta, forget the three priests that were in that same junta; and say Well, they ought to be ideologically pure; we cannot tolerate having a Marxist-Leninist, then what do we do about France?

□ 1540

France has two Communists in its Cabinet. Why do we not invade France? Why do we not try to purify France?

Well, because the absurdity of it hits us. So then what is and what should be our mission? Why is it that we have dozens of my colleagues traveling down to Nicaragua and El Salvador and almost everyone coming back with an entirely different impression? This is reminiscent of Vietnam. I remember some of my Texas colleagues who did go, and one would come back and say, "Well, you know, that South Vietnamese regime is corrupted, we will not be able to do any good, we ought to Americanize it, we ought to give the money to the South Vietnamese, let them fight it out." And, then right next to a companion visiting with him, was someone who said, "Absolutely not. Our presence is necessary to stem the Communist invasion."

The SPEAKER pro tempore. The time of the gentleman from Texas [Mr. GONZALEZ] has expired.

PERSONAL EXPLANATION

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Florida [Mr. NELSON] is recognized for 5 minutes.

● Mr. NELSON of Florida. Mr. Speaker, due to official business in my home State of Florida, I was unable to be present to vote on rollcall votes 116 and 117, May 15, 1985. Had I been present, I would have voted "nay" on No. 116, a motion to adjourn, and "aye" on No. 117, approving the rule to consider the Department of Defense authorization bill.●

FINANCIAL DISCLOSURE STATEMENT

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Wisconsin [Mr. KASTENMEIER] is recognized for 5 minutes.

● Mr. KASTENMEIER. Mr. Speaker, even though Public Law 95-521, the Ethics in Government Act of 1978, requires public financial disclosure, nonetheless, I am continuing my practice, begun in 1963, of reporting in the CONGRESSIONAL RECORD on my personal financial condition. This disclosure, through its more precise statements, differs in important respects from the

report which we are required to file by public law and by House rules.

My report covers the calendar year 1984 and also includes the amount of Federal, State of Wisconsin, and local real estate taxes paid in 1984.

Mr. Speaker, the report follows:

Financial disclosure statement—statement of financial condition, Dec. 31, 1984

Checking account, with the Sergeant at Arms, House of Representatives	$3,818.50
Cash	75.91
Securities (stocks, bonds, etc.) WPCF Credit Union (1 share)	5.53
Residential real estate:	
Arlington house and lot (1984 assessment)	209,400.00
Less mortgage	5,105.00
Equity	204,295.00
Sun Prairie house and lot	29,000.00
Improvements (dep'd)	1,296.00
Back lot	1,200.00
Sewer and water improvements	4,789.00
Total	36,285.00
Less mortgage	11,772.15
Less unpaid sewer and water assessments	246.00
Total	12,018.15
Equity	24,266.85
Household goods and miscellaneous personalty	8,500.00
Miscellaneous assets, deposits, with the U.S. Civil Service retirement fund through Dec. 31, 1984, available only in accordance with applicable laws and regulations	80,879.17
Additional retirement fund deposit	1,130.00
Cash value	None
Cash surrender value of life insurance:	
On the life of Robert W. Kastenmeier	None
On the life of Dorothy C. Kastenmeier	544.00
Deposit, Donaldson Run	400.00
Automobiles:	
1976 Oldsmobile	400.00
1978 Mercury	1,600.00
Net worth	243,905.79
Taxes paid in 1984:	
Federal income tax	15,717.86
Wisconsin income tax	6,668.97
Federal employers tax	140.79
Arlington County real estate tax	2,031.18
Sun Prairie real estate taxes, including assessments	1,743.98
State sales tax	345.00
Total	26,656.78
1984 income congressional salary	72,366.68
Gross rent, Sun Prairie house	3,720.00
Honoraria (4)	6,000.00
Total	82,086.68
1984 separate income of my wife, Dorothy C. Kastenmeier:	
Net rent	1,500.00
Hunting lease	160.00
Total	1,660.00

NOTE.—Separate property of spouse not listed.●

SPECIAL ORDERS GRANTED

By unanimous consent, permission to address the House, following the legislative program and any special orders heretofore entered, was granted to:

(The following Member (at the request of Mr. SLAUGHTER) to revise and extend his remarks and include extraneous material:)

Mr. PURSELL, for 60 minutes, today.

(The following Members (at the request of Mr. COELHO) to revise and extend their remarks and include extraneous material:)

Mr. ANNUNZIO, for 5 minutes, today.

Mr. DE LA GARZA, for 60 minutes, May 21.

Mr. YATRON, for 60 minutes, May 21.

(The following Members (at the request of Mr. GONZALEZ) to revise and extend their remarks and include extraneous material:)

Mr. NELSON of Florida, for 5 minutes, today.

Mr. KASTENMEIER, for 5 minutes, today.

EXTENSION OF REMARKS

By unanimous consent, permission to revise and extend remarks was granted to:

Mr. BEDELL, and to include extraneous matter notwithstanding the fact that it exceeds 2 pages of the CONGRESSIONAL RECORD and is estimated by the Public Printer to cost $3,733.75.

(The following Members (at the request of Mr. SLAUGHTER) and to include extraneous matter:)

Mr. MCCAIN.

Mr. GOODLING.

Mr. CLINGER.

Mr. MILLER of Ohio in four instances.

Mr. GILMAN in two instances.

Mr. YOUNG of Alaska.

Mr. CONTE.

(The following Members (at the request of Mr. COELHO) and to include extraneous matter:)

Mr. KANJORSKI in two instances.

Mr. GORDON.

Ms. KAPTUR.

Mr. RAHALL.

Mr. LEVINE of California in two instances.

Mr. ADDABBO.

Mr. FASCELL.

Mr. BARNES.

Mr. HUBBARD.

Mr. MONTGOMERY in two instances.

Mr. MARKEY in two instances.

Mr. GUARINI.

SENATE ENROLLED BILLS AND JOINT RESOLUTION SIGNED

The SPEAKER announced his signature to enrolled bills and a joint resolution of the Senate of the following titles:

S. 484. An act to amend the Saccharin Study and Labeling Act;

S. 661. An act entitled the "George Milligan Control Tower"; and

S.J. Res. 61. Joint resolution to designate the week of May 20, 1985, through May 26, 1985, as "National Osteoporosis Awareness Week."

ADJOURNMENT

Mr. GONZALEZ. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 3 o'clock and 43 minutes p.m.), under its previous order, the House adjourned until Monday, May 20, 1985, at 12 o'clock noon.

EXPENDITURE REPORTS CONCERNING OFFICIAL FOREIGN TRAVEL

Reports of various House committees and a delegation traveling under an authorization from the Speaker concerning the foreign currencies and U.S. dollars utilized by them during the first quarter of calendar year 1985 in connection with foreign travel pursuant to Public Law 95-384 are as follows:

REPORT OF EXPENDITURES FOR OFFICIAL FOREIGN TRAVEL, COMMITTEE ON AGRICULTURE, U.S. HOUSE OF REPRESENTATIVES, EXPENDED BETWEEN JAN. 1 AND MAR. 31, 1985

Name of Member or employee	Date		Country	Per diem [1]		Transportation		Other purposes		Total	
	Arrival	Departure		Foreign currency	U.S. dollar equivalent or U.S. currency [2]	Foreign currency	U.S. dollar equivalent or U.S. currency [2]	Foreign currency	U.S. dollar equivalent or U.S. currency [2]	Foreign currency	U.S. dollar equivalent or U.S. currency [2]
Hon. E. Thomas Coleman	1/4	1/7	Portugal	55,080	324.00						324.00
	1/7	1/9	Belgium	13,714	216.00						216.00
	1/9	1/12	Israel		399.00						399.00
	1/12	1/13	Denmark	1,225	111.00						111.00
	1/13	1/17	Soviet Union		635.00						635.00
	1/17	1/19	Austria	5,140.50	230.00						230.00

REPORT OF EXPENDITURES FOR OFFICIAL FOREIGN TRAVEL, COMMITTEE ON AGRICULTURE, U.S. HOUSE OF REPRESENTATIVES, EXPENDED BETWEEN JAN. 1 AND MAR. 31, 1985—Continued

Name of Member or employee	Date		Country	Per diem [1]		Transportation		Other purposes		Total	
	Arrival	Departure		Foreign currency	U.S. dollar equivalent or U.S. currency [2]	Foreign currency	U.S. dollar equivalent or U.S. currency [2]	Foreign currency	U.S. dollar equivalent or U.S. currency [2]	Foreign currency	U.S. dollar equivalent or U.S. currency [2]
Military transportation							5,556.94				5,556.94
Hon. E. Thomas Coleman	3/13	3/15	Switzerland		225.00						225.00
Commercial transportation							921.00				921.00
Hon. James M. Jeffords	1/12	1/14	Argentina		324.00						324.00
	1/15	1/18	Chile		384.00						384.00
Commercial transportation							3,789.00				3,789.00
Hon. Webb Frankin	1/5	1/8	Brazil	1,375,704	434.25						434.25
	1/8	1/12	Peru	2,596,320	432.00						432.00
	1/12	1/16	Argentina	98,064	432.00						432.00
	1/16	1/18	Barbados	796.50	382.00						382.00
Military transportation							5,408.12				5,408.12
Hon. Jerry Huckaby	1/5	1/8	Brazil	1,375,704	434.25						434.25
	1/8	1/12	Peru	2,596,320	432.00						432.00
	1/12	1/16	Argentina	98,064	432.00						432.00
	1/16	1/18	Barbados	796.50	382.00						382.00
Military transportation							5,408.12				5,408.12
Hon. E de la Garza	2/9	2/13	Brazil	1,800,810	495.00						495.00
Codel	2/13	2/17	Argentina	130,464	432.00						432.00
Military transportation							4,068.16				4,068.16
Hon. Berkley Bedell	2/9	2/13	Brazil	1,800,810	495.00						495.00
	2/13	2/17	Argentina	130,464	432.00						432.00
Military transportation							4,068.16				4,068.16
Hon. Charles Hatcher	2/9	2/13	Brazil	1,800,810	495.00						495.00
	2/13	2/17	Argentina	130,464	432.00						432.00
Military transportation							4,068.16				4,068.16
A. Mario Castillo	2/9	2/13	Brazil	1,800,810	495.00						495.00
	2/13	2/17	Argentina	130,464	432.00						432.00
Military transportation							4,068.16				4,068.16
Timothy Galvin	2/9	2/13	Brazil	1,800,810	495.00						495.00
	2/13	2/17	Argentina	130,464	432.00						432.00
Military transportation							4,068.16				4,068.16
Heidi Pender	2/9	2/13	Brazil	1,800,810	495.00						495.00
	2/13	2/17	Argentina	130,464	432.00						432.00
Local air transportation							633.80				633.80
Military transportation							4,068.16				4,068.16
OTHER EXPENDITURES											
Hon. E de La Garza:											
Manaus and Barsilia, Brazil (2/9 to 2/13):											
FSN Embassy support personnel									239.86		239.86
Local transportation									1,564.11		1,564.11
Control rooms									286.54		286.54
Miscellaneous									260.41		260.41
Telephone									53.73		53.73
Buenos Aires, Argentina (2/13 to 2/17):											
FSN Embassy support personnel									1,443.82		1,443.82
Local transportation									210.41		210.41
Interpreting services									455.85		455.85
Representation									100.00		100.00
Miscellaneous									185.71		185.71
Committee total					11,770.50		46,125.94		4,800.44		62,696.88

[1] Per diem constitutes lodging and meals.
[2] If foreign currency is used, enter U.S. dollar equivalent; if U.S. currency is used, enter amount expended.

E de la GARZA, Chairman, Apr. 30, 1985.

REPORT OF EXPENDITURES FOR OFFICIAL FOREIGN TRAVEL, COMMITTEE ON GOVERNMENT OPERATIONS, U.S. HOUSE OF REPRESENTATIVES, EXPENDED BETWEEN JAN. 1 AND MAR. 31, 1985

Name of Member or employee	Date		Country	Per diem [1]		Transportation		Other purposes		Total	
	Arrival	Departure		Foreign currency	U.S. dollar equivalent or U.S. currency [2]	Foreign currency	U.S. dollar equivalent or U.S. currency [2]	Foreign currency	U.S. dollar equivalent or U.S. currency [2]	Foreign currency	U.S. dollar equivalent or U.S. currency [2]
Hon. Alfred A. (Al) McCandless	1/4	1/7	Portugal	55,080	324.00						324.00
	1/7	1/9	Belgium	13,714	216.00						216.00
	1/9	1/12	Israel		399.00						399.00
	1/12	1/13	Denmark	1,225	111.00						111.00
	1/13	1/17	Soviet Union		635.00						635.00
	1/17	1/19	Austria	5,140.50	230.00						230.00
U.S. military							5,556.94				5,556.94
Hon. William F. Clinger, Jr	1/4	1/7	Portugal	55,080	324.00		72.92		263.88		660.80
	1/7	1/9	Belgium	13,714	216.00				106.47		322.47
	1/9	1/12	Israel		399.00		207.72		38.16		644.88
	1/12	1/13	Demark	1,225	111.00		15.48		22.00		148.48
	1/13	1/17	Soviet Union		635.00						635.00
	1/17	1/19	Austria	5,140.50	230.00						230.00
U.S. military							5,556.94				5,556.94
Hon. John Conyers, Jr	1/5	1/7	France	2,308.60	238.00					2,308.60	238.00
	1/7	1/10	Gabon	166,980	345.00					166,980	345.00
	1/10	1/11	Cameroon	57,500	119.00				13.91		132.91
	1/11	1/13	Mozambique		216.00						216.00
U.S. military							5,849.25				5,849.25
Commercial							3,827.00				3,827.00
Hon. Cardiss Collins	1/5	1/8	Israel		399.00				566.28		965.28
	1/8	1/11	Egypt		246.00				304.81		550.81
	1/11	1/15	Greece		540.00				80.66		620.66
	1/15	1/18	Spain		327.00				197.51		524.51
U.S. military							8,817.30				8,817.30

REPORT OF EXPENDITURES FOR OFFICIAL FOREIGN TRAVEL, COMMITTEE ON GOVERNMENT OPERATIONS, U.S. HOUSE OF REPRESENTATIVES, EXPENDED BETWEEN JAN. 1 AND MAR. 31, 1985—Continued

Name of Member or employee	Date		Country	Per diem [1]		Transportation		Other purposes		Total	
	Arrival	Departure		Foreign currency	U.S. dollar equivalent or U.S. currency [2]	Foreign currency	U.S. dollar equivalent or U.S. currency [2]	Foreign currency	U.S. dollar equivalent or U.S. currency [2]	Foreign currency	U.S. dollar equivalent or U.S. currency [2]
Hon. Glenn English	1/14	1/15	Freeport		156.00						156.00
	1/15	1/17	Panama		160.00						160.00
Hon. Gerald D. Kleczka	1/14	1/15	Freeport		156.00						156.00
	1/15	1/17	Panama		160.00						160.00
William G. Lawrence	1/14	1/15	Freeport		156.00						156.00
	1/15	1/17	Panama		160.00						160.00
Theodore N. Mehl	1/14	1/15	Freeport		156.00						156.00
	1/15	1/17	Panama		160.00						160.00
William T. Cherry	1/14	1/15	Freeport		156.00						156.00
	1/15	1/17	Panama		160.00						160.00
Robert M. Gellman	1/14	1/15	Freeport		156.00						156.00
	1/15	1/17	Panama		160.00						160.00
Transportation for entire delegation							25,338.38				25,338.36
Hon. Mike Synar	2/7	2/8	Mexico	37,916	162.56						162.56
	2/8	2/10	Nicaragua		271.00		[3] 64.92				395.74
							[4] 59.82				
	2/10	2/12	Costa Rica		150.00						150.00
	2/12	2/13	El Savador	607.50	150.00						150.00
Commercial							911.00				911.00
Committee total					8,889.56		56,277.65		1,593.68		66,760.89

[1] Per diem constitutes lodging and meals.
[2] If foreign currency is used, enter U.S. dollar equivalent; if U.S. currency is used, enter amount expended.
[3] Travel allowance.
[4] Charter change.

JACK BROOKS, Chairman, Apr. 30, 1985.

REPORT OF EXPENDITURES FOR OFFICIAL FOREIGN TRAVEL, COMMITTEE ON THE JUDICIARY, U.S. HOUSE OF REPRESENTATIVES, EXPENDED BETWEEN JAN. 1 AND MAR. 31, 1985

Name of Member or employee	Date		Country	Per diem [1]		Transportation		Other purposes		Total	
	Arrival	Departure		Foreign currency	U.S. dollar equivalent or U.S. currency [2]	Foreign currency	U.S. dollar equivalent or U.S. currency [2]	Foreign currency	U.S. dollar equivalent or U.S. currency [2]	Foreign currency	U.S. dollar equivalent or U.S. currency [2]
Garner J. Cline, staff	1/6	1/12	Italy		696.00				1,450.41		2,146.41
	1/12	1/18	Israel		266.00						266.00
	1/18	1/20	England		122.00		109.58				231.58
Commercial transportation							4,723.00				4,723.00
Romano L. Mazzoli, MC	1/7	1/8	England		122.00						122.00
	1/8	1/10	Switzerland		216.00		198.84				414.84
	1/10	1/15	Italy		696.00		508.72				1,204.72
Commercial transportation							4,379.00				4,379.00
Peter Regis, staff	1/7	1/8	England		122.00						122.00
	1/8	1/10	Switzerland		216.00		198.84				414.84
	1/10	1/15	Italy		696.00		508.72				1,204.72
Commercial transportation							4,379.00				4,379.00
Bill McCollum, MC	1/13	1/15	El Salvador		150.00				30.00		180.00
	1/15	1/18	Honduras		288.00						288.00
Commercial transportation							676.00				676.00
Thomas Boyd, staff	1/13	1/15	El Salvador		150.00				30.00		180.00
	1/15	1/18	Honduras		288.00						288.00
Commercial transportation							751.00				751.00
Committee total					4,028.00		16,432.00		1,510.41		21,971.11

[1] Per diem constitutes lodging and meals.
[2] If foreign currency is used, enter U.S. dollar equivalent; if U.S. currency is used, enter amount expended.

PETER W. RODINO, JR., Chairman.

REPORT OF EXPENDITURES FOR OFFICIAL FOREIGN TRAVEL, DELEGATION TO CUBA, U.S. HOUSE OF REPRESENTATIVES, EXPENDED BETWEEN JAN. 10 AND 18, 1985

Name of Member or employee	Date		Country	Per diem [1]		Transportation		Other purposes		Total	
	Arrival	Departure		Foreign currency	U.S. dollar equivalent or U.S. currency [2]	Foreign currency	U.S. dollar equivalent or U.S. currency [2]	Foreign currency	U.S. dollar equivalent or U.S. currency [2]	Foreign currency	U.S. dollar equivalent or U.S. currency [2]
Bill Alexander	1/11	1/18	Cuba		690.00		3,120.25				3,810.25
James A.S. Leach	1/11	1/18	Cuba		690.00		3,120.25				3,810.25
Dorothy Thomas	1/11	1/18	Cuba		690.00		3,120.25				3,810.25
Steve Skardon	1/11	1/18	Cuba		690.00		3,120.25				3,810.25

[1] Per diem constitutes lodging and meals.
[2] If foreign currency is used, enter U.S. dollar equivalent; if U.S. currency is used, enter amount expended.

BILL ALEXANDER, May 1, 1985.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

1298. A letter from the Director, ACTION, transmitting the Agency's 1984 annual report, pursuant to 42 U.S.C. 5407; to the Committee on Education and Labor.

1299. A letter from the Assistant Secretary of State for Legislative and Intergovernmental Affairs, transmitting a report of political contributions by J. William Middendorf II, Ambassador Extraordinary and Plenipotentiary-elect, and members of his family, pursuant to 22 U.S.C. 3944(b)(2); to the Committee on Foreign Affairs.

1300. A letter from the Assistant Secretary of State for Legislative and Intergovernmental Affairs, transmitting a report of political contributions by Edward J. Perkins, Ambassador Extraordinary and Plenipotentiary-elect, and members of his family, pursuant to 22 U.S.C. 3944(b)(2); to the Committee on Foreign Affairs.

1301. A letter from the Director, National Legislative Commission, The American Legion, transmitting the financial audit of the Legion as of December 31, 1983, pursuant to Public Law 88-504, section 3 (36

U.S.C. 1103); to the Committee on the Judiciary.

1302. A letter from the Secretary of Transportation, transmitting a draft of proposed legislation to require tonnage measurement of vessels engaged on international voyages and within the jurisdiction of the United States, and for other purposes; to the Committee on Merchant Marine and Fisheries.

1303. A letter from the General Counsel, Department of Defense, transmitting a draft of proposed legislation to amend title XVIII of the Social Security Act to require that Medicare providers of hospital services also participate in the Civilian Health and Medical Program of the Uniformed Services [CHAMPUS] and in the Civilian Health and Medical Program of the Veterans' Administration [CHAMPVA]; jointly, to the Committees on Ways and Means, Energy and Commerce, Armed Services, and Veterans' Affairs.

REPORTS OF COMMITTES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. DERRICK: Committee on Rules. H.R. 1460. A bill to express the opposition of the United States to the system of apartheid in South Africa, and for other pruposes (Rept. No. 99-76, Pt. II). Ordered to be printed.

[Omitted from the Record of May 15, 1985]

Mr. DELLUMS: Committee on Armed Services. H.R. 1409. A bill to authorize certain construction at military installations for fiscal year 1986, and for other purposes; with an amendment (Rept. No. 99-128). Referred to the Committee of the Whole House on the State of the Union.

[Submitted May 16, 1985]

Mr. DERRICK: Committee on Rules. House Resolution 174. Resolution providing for the consideration of H.R. 1460, a bill to express the opposition of the United States to the system of apartheid in South Africa, and for the purposes (Rept. No. 99-131). Referred to the House Calendar.

REPORTED BILLS SEQUENTIALLY REFERRED

Under clause 5 of rule X, bills and reports were delivered to the Clerk for printing, and bills referred as follows:

[Omitted from the Record of May 15, 1985]

Mr. JONES of North Carolina: Committee on Merchant Marine and Fisheries. H.R. 1202. A bill to authorize appropriations to carry out conservation programs on military reservations and public lands during the fiscal years 1986, 1987, and 1988; with amendments; referred to the Committee on Armed Services for a period ending not later than July 1, 1985, for consideration of such provisions of the bill and amendment as fall within the jurisdiction of that committee pursuant to clause 1(c), rule XI (Rept. No. 99-129, Pt. I). Ordered to be printed.

Mr. HOWARD: Committee on Public Works and Transportation. H.R. 2402. A bill to establish the Public Buildings Service in the General Services Administration, and for other purposes; referred to the Committee on Government Operations for a period ending not later than June 21, 1985 for consideration of such portions of the bill as fall within that committee's jurisdiction pursuant to clause 1(j) of rule XI (Rept. No. 99-130, Pt. I). Ordered to be printed.

Mr. MAZZOLI: Committee on the Judiciary. H.R. 1452. A bill to amend the Immigration and Nationality Act to extend for two years the authorization of appropriations for refugee assistance, and for other purposes; with an amendment; referred to the Committee on Foreign Affairs for a period ending not later than June 11, 1985 for consideration of such portions of the bill and amendment as fall within that committee's jurisdiction pursuant to clause 1(i), rule XI (Rept. No. 99-132, Pt. I). Ordered to be printed.

PUBLIC BILLS AND RESOLUTIONS

Under clause 5 of rule X and clause 4 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. DONNELLY (for himself, Mr. CONTE, and Mr. FRANK):

H.R. 2530. A bill to amend the Internal Revenue Code of 1954 to provide a one-time amnesty from tax penalties for taxpayers who pay previous underpayments with interest, and to improve compliance with the internal revenue laws by increasing authorizations to the Internal Revenue Service for enforcement and by prohibiting the awarding of Federal contracts and certain Federal licenses to taxpayers who have tax delinquent accounts, and for other purposes; to the Committee on Ways and Means.

By Mr. BIAGGI:

H.R. 2531. A bill to encourage the States to prescribe the death penalty for willfully killing a law enforcement officer; to the Committee on the Judiciary.

H.R. 2532. A bill to amend the Internal Revenue Code of 1954 to provide a credit against tax for employers who provide onsite dependent care assistance for dependents of their employees; to the Committee on Ways and Means.

By Mr. BIAGGI (for himself, Mr. STUDDS, Mr. MCKERNAN, Mr. BOSCO, Mr. ORTIZ, and Mr. MANTON):

H.R. 2533. A bill to amend the Maritime Education and Training Act of 1980; to the Committee on Merchant Marine and Fisheries.

By Mr. DICKINSON:

H.R. 2534. A bill to amend the Federal Election Campaign Act with respect to contributions and expenditures by national banks, corporations, and labor unions; to the Committee on House Administration.

By Mr. GOODLING:

H.R. 2535. A bill to establish a pilot program to develop methods for parents who are in adult literacy programs, and who have preschool-age children who may be educationally at risk, to acquire the skills necessary to work in the home with those children; to the Committee on Education and Labor.

By Mr. HUCKABY (for himself and Mr. STANGELAND):

H.R. 2536. A bill to provide price and income protection for farmers of cotton, rice, and sugar, and to assure consumers an abundance of such commodities at reasonable prices; to the Committee on Agriculture.

By Mr. JEFFORDS (for himself and Mr. LIVINGSTON):

H.R. 2537. A bill to amend title 23, United States Code, to direct the Secretary of Transportation to apportion Federal highway funds withheld from any State for failure to have in effect a minimum drinking age of 21 if certain alcohol-related traffic fatalities are significantly reduced; to the Committee on Public Works and Transportation.

By Mr. LEACH of Iowa (for himself and Mr. MADIGAN):

H.R. 2538. A bill exempting the export of certain agricultural commodities from the cargo preference provision of the Merchant Marine Act, 1936; jointly, to the Committees on Foreign Affairs, Agriculture, and Merchant Marine and Fisheries.

By Mr. MITCHELL:

H.R. 2540. A bill to authorize the appropriation of funds to the Small Bussines Administration, and for other purposes; to the Committee on Small Business.

By Mr. MOLLOHAN (for himself, Mr. WISE, and Mr. RAHALL):

H.R. 2541. A bill to amend the Federal-State Extended Unemployment Compensation Act of 1970 to provide that extended benefits will be payable in any State in which the rate of regular unemployment equals or exceeds 9 per centum, and for other purposes; to the Committee on Ways and Means.

By Mr. MONSON (for himself, Mr. NIELSON of Utah, and Mr. HANSEN):

H.R. 2542. A bill designating the building located at 125 South State Stret, Salt Lake City, UT, as the "Wallace F. Bennett Federal Building"; to the Committee on Public Works and Transportation.

By Mr. SMITH of New Jersey (for himself, Mr. COYNE, Mr. DAUB, Mr. GUARINI, Mr. WOLF, Mr. SKEEN, Mr. SOLOMON, Mr. COBEY, Mr. DORNAN of California, Mr. SAXTON, Mr. COURTER, Mr. RINALDO, Mr. GALLO, Mr. SILJANDER, Mrs. BENTLEY, Mr. MAVROULES, and Mr. SMITH of New Hampshire):

H.R. 2543. A bill to amend title XVIII of the Social Security Act to provide for Medicare payment for therapeutic shoes for individuals with severe diabetic foot disease; jointly, to the Committees on Ways and Means and Energy and Commerce.

By Mr. WYDEN:

H.R. 2544. A bill to direct the Attorney General to establish a clearinghouse for information relating to criminal practices in connection with certain employment of youth, to require active Federal investigation and prosecution of such practices in violation of Federal law, and for other purposes; to the Committee on the Judiciary.

By Mr. CONYERS:

H. Con. Res. 149. Concurrent resolution expressing the sense of Congress that the President should extend full diplomatic recognition to the African National Congress in South Africa and should provide it with economic support in its struggle against apartheid; to the Committee on Foreign Affairs.

By Mr. DICKINSON (for himself, Mr. STRATTON, Mr. LOTT, Mr. O'BRIEN, Mr. DREIER of California, Mr. LAGOMARSINO, Mr. FLIPPO, Mr. NELSON of Florida, Mr. ARMEY, Mr. HUNTER, Mr. ROBERTS, Mr. HUTTO, Mr. LENT, Mr. CARNEY, Mr. MARLENEE, Mr. VANDER JAGT, Mr. SHELBY, Mr. SILJANDER, Mr. HARTNETT, Mr. GILMAN, Mr. BLILEY, Mr. FRANKLIN, Mr. DORNAN of California, Mr. SOLOMON, Mr. CALLAHAN, Mr. MURTHA, Mr. HYDE, Mr. DAVIS, Mr. MICHEL, Mr. LEWIS of Florida, Mr. OXLEY, Mr. HATCHER, Mr. STUMP, Mr. DE LA

GARZA, Mr. KINDNESS, Mr. BILIRAKIS, Mr. DYSON, Mr. HENDON, Mr. IRELAND, Mr. MCCAIN, Mr. SHAW, Mr. BARNARD, Mr. LIVINGSTON, Mr. MADIGAN, Mr. BROYHILL, Mr. YOUNG of Florida, Mrs. HOLT, Mr. WALKER, Mr. CRAIG, Mr. FIELDS, Mr. LUNGREN, Mr. GEKAS, Mr. HILER, Mr. SISISKY, Mr. CHAPPELL, Mr. CHENEY, Mr. LOEFFLER, Mr. GRADISON, Mr. KRAMER, Mr. HUCKABY, Mr. ARCHER, Mr. RUDD, Mr. BENNETT, Mr. ENGLISH, Mr. QUILLEN, Mr. MCGRATH, Mr. DARDEN, Mr. ROWLAND of Georgia, Mr. JONES of North Carolina, Mr. TAYLOR, Mr. THOMAS of Georgia, Mr. LATTA, Mr. HOPKINS, Mr. DENNY SMITH, Mr. DAUB, Mr. RINALDO, Mr. MICA, Mr. DELAY, Mr. RITTER, and Mr. EMERSON):

H. Con. Res. 150. Concurrent resolution to express the sense of the Congress that the national security policy of the United States should reflect a national strategy of peace through strength; jointly, to the Committees on Armed Services and Foreign Affairs.

By Mr. PURSELL (for himself, Mr. TAUKE, and Ms. SNOWE):

H. Con. Res. 151. Concurrent resolution to revise the congressional budget for the U.S. Government for the fiscal year 1985 and setting forth the congressional budget for the U.S. Government for the fiscal years 1986, 1987, and 1988; to the Committee on the Budget.

By Mr. FEIGHAN:

H. Res. 175. Resolution to provide that it shall not be in order to consider any legislation relating to the sale of the interest of the United States in the common stock of the Consolidated Rail Corporation to the Norfolk Southern Corp., until the Department of Justice has taken certain actions and reported to the Congress; to the Committee on Rules.

By Mr. ROYBAL:

H. Res. 176. Resolution establishing a pilot program of fellowships under the House of Representatives for persons who are blind or deaf; to the Committee on House Administration.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. DORNAN of California:

H.R. 2545. A bill for the relief of Maria Marinoiu; to the Committee on the Judiciary.

By Mr. DUNCAN:

H.R. 2546. A bill for the relief of Willie G. Simpson; to the Committee on the Judiciary.

ADDITIONAL SPONSORS

Under clause 4 of rule XXII, sponsors were added to public bills and resolutions as follows:

H.R. 44: Mr. FAUNTROY.

H.R. 151: Mr. CLINGER, Mr. EDGAR, and Ms. OAKAR.

H.R. 281: Mr. TRAXLER.

H.R. 343: Mr. STANGELAND.

H.R. 641: Mr. SHELBY.

H.R. 776: Mr. SHAW and Mr. BLAZ.

H.R. 877: Mr. FRANKLIN.

H.R. 893: Mr. FEIGHAN.

H.R. 915: Mr. SKELTON.

H.R. 1059: Mr. PACKARD.

H.R. 1123: Mr. VANDER JAGT, Mr. SUNDQUIST, and Mr. MARLENEE.

H.R. 1132: Mr. BOUCHER.

H.R. 1161: Mr. ANDREWS.

H.R. 1217: Mr. WATKINS.

H.R. 1318: Mr. COELHO.

H.R. 1427: Mr. MORRISON of Connecticut, Mr. SEIBERLING, Ms. OAKAR, Mr. SIKORSKI, Mr. LEVIN of Michigan, Mr. FAZIO, and Mr. DURBIN.

H.R. 1550: Mr. LIPINSKI, Mr. WORTLEY, Mr. SHUSTER, Mr. FISH, and Mr. FAZIO.

H.R. 1611: Mr. CROCKETT, Mr. NOWAK, and Mr. ROWLAND of Connecticut.

H.R. 1616: Mr. PERKINS.

H.R. 1675: Mr. CONYERS.

H.R. 1715: Mr. BATES. Mr. MATSUI, Mr. RANGEL, Mr. VENTO, Mr. WEISS, and Mr. SHAW.

H.R. 1719: Mr. GINGRICH, Mr. IRELAND, Mr. MONTGOMERY, Mr. GROTBERG, and Mr. LEATH of Texas.

H.R. 1724: Mr. ROEMER.

H.R. 1853: Mr. SISISKY and Mr. SEIBERLING.

H.R. 1888: Mr. JACOBS, Mr. ARMEY, Mr. HILER, Mr. KOSTMAYER, Mr. FAWELL, Mr. CONYERS, Mr. MORRISON of Connecticut, Mr. MARTINEZ, Mr. ROWLAND of Connecticut, Mr. FORD of Tennessee, Mr. BURTON of Indiana, Mr. MARKEY, Mr. BROWN of Colorado, Mr. WOLPE, Mr. GREGG, Mr. MACKAY, Mr. CRAIG, Mr. BEILENSON, Mr. BONIOR of Michigan, and Mr. SHARP.

H.R. 1916: Mr. GROTBERG, Mr. KASTENMEIER, Mr. CRAIG, Mr. CAMPBELL, Mr. GARCIA, Mr. BURTON of Indiana, and Mr. SILJANDER.

H.R. 1965: Mrs. BYRON, Mr. LATTA, Mr. MICHEL, Mr. MILLER of Ohio, Mr. NIELSON of Utah, Mr. RICHARDSON and Mr. PANETTA.

H.R. 2003: Mr. KOLTER and Mr. ROSE.

H.R. 2010: Mr. MCCAIN, Mr. FAUNTROY, Mr. YOUNG of Florida, and Mr. KOLTER.

H.R. 2020: Mr. MORRISON of Connecticut, Mr. SMITH of Florida, Mr. WEISS, Mr. FAZIO, Mr. MARTINEZ, Mr. YATES, Mr. CLAY, and Mr. KILDEE.

H.R. 2034: Mr. BERMAN, Mr. MOODY, Mrs. BURTON of California, and Mr. VENTO.

H.R. 2042: Mr. FAZIO, Mr. KILDEE, Mr. LEHMAN of California, Mr. MARTINEZ, Mr. MORRISON of Connecticut, and Mr. WAXMAN.

H.R. 2119: Mr. ANDREWS, Mr. SKELTON, Mr. MONSON, Mr. CARPER, Mr. BADHAM, Mr. WOLPE, Mr. DAUB, and Mr. LEVINE of California.

H.R. 2184: Mr. FRANK.

H.R. 2262: Mr. WOLPE, Mr. FAUNTROY, Mr. MITCHELL, and Mr. KOLTER.

H.R. 2263: Mr. EVANS of Illinois, Mr. DIOGUARDI, and Mr. VENTO.

H.R. 2293: Mr. WILSON, Mr. LUKEN, Mr. WHITEHURST, Mr. FAZIO, Mr. SIKORSKI, Mr. LEHMAN of Florida, Mr. DONNELLY, Mr. SKELTON, Ms. KAPTUR, Mr. ROE, Mr. CLINGER, Mr. WALGREN, and Ms. MIKULSKI.

H.R. 2337: Mr. SLAUGHTER.

H.R. 2364: Mr. MATSUI and Mr. KILDEE.

H.R. 2397: Mr. MADIGAN, Mr. DOWNEY of New York, Mr. OLIN, Mr. CARNEY, and Mr. ROE.

H.R. 2401: Mr. JEFFORDS, Mr. BOUCHER, Mr. MITCHELL, Mr. WILLIAMS, Mr. BERMAN, Mr. RAHALL, and Mr. FROST.

H.R. 2489: Mr. LUKEN and Mr. SWIFT.

H.J. Res. 3: Mrs. JOHNSON.

H.J. Res. 24: Mr. BARTLETT.

H.J. Res. 131: Mr. STANGELAND, Mr. JEFFORDS, Mr. LEWIS of Florida, Mr. MOODY, Mr. RAY, Mrs. BENTLEY, and Mr. DE LA GARZA.

H.J. Res. 156: Mr. MANTON.

H.J. Res. 178: Mr. FRENZEL, Mr. BOLAND, Mr. DE LA GARZA, Mr. LOTT, Mr. WIRTH, Mr. MONTGOMERY, Mr. ROBERT F. SMITH, Mr. SCHAEFER, Mr. GONZALEZ, and Mr. HOYER.

H.J. Res. 230: Mr. TALLON, Mr. HANSEN, Mrs. BOGGS, Mr. GEKAS, and Mr. YOUNG of Missouri.

H.J. Res. 234: Mr. NOWAK, Mr. TAYLOR, Mr. FORD of Tennessee, Mr. OBERSTAR, Mr. ROEMER, Mr. FLORIO, Mr. STANGELAND, Mr. HAWKINS, Mr. KLECZKA, Mr. HAYES, Mr. VOLKMER, Mr. BUSTAMANTE, Mr. PACKARD, Mr. TAUKE, Mr. FOLEY, Mr. ROE, Mr. BENNETT, Mr. ROSE, Mr. WORTLEY, Mr. AUCOIN, Mr. KILDEE, Mr. FAUNTROY, Mr. SOLARZ, and Ms. MIKULSKI.

H.J. Res. 263: Mr. RAHALL, Mr. ADDABBO, Mr. MURPHY, Mr. BATEMAN, Mr. KINDNESS, Mr. EARLY, Mr. HENRY, Mr. FEIGHAN, Mr. DASCHLE, Ms. OAKAR, Mr. HEFNER, Mr. PANETTA, Mr. LANTOS, Mr. HUTTO, Mr. ECKERT of New York, Mr. HALL of Ohio, Mrs. COLLINS, Mr. CRANE, Mr. ROE, Mr. LOWERY of California, Mr. KANJORSKI, Mr. YOUNG of Florida, Mr. SOLOMON, Ms. KAPTUR, Mr. GALLO, Ms. FIEDLER, Ms. MIKULSKI, Mr. MOORHEAD, Mr. BROOMFIELD, Mr. PEPPER, Mr. VANDER JAGT, Mr. WORTLEY, Mr. SKELTON, Mr. FLORIO, Mr. GREEN, Mr. MCGRATH, Mr. COURTER, Mr. HOYER, Mr. HOWARD, and Mr. VENTO.

H.J. Res. 267: Mr. HUCKABY and Mr. SMITH of New Jersey.

H. Con. Res. 69: Mr. KILDEE, Mr. MILLER of Ohio, Mr. KOLTER, Mr. SHUMWAY, and Mr. BROYHILL.

H. Con. Res. 117: Mrs. LLOYD and Mr. RICHARDSON.

H. Res. 37: Mr. MURPHY.

H. Res. 55: Mr. KILDEE and Mr. GUARINI.

H. Res. 165: Mr. PRICE, Mr. MARLENEE, Mr. LUNDINE, Mr. SCHUETTE, Ms. OAKAR, Mr. NICHOLS, Mr. FOWLER, Ms. KAPTUR, Mr. GINGRICH, Mr. GREGG, Mr. HOWARD, Mr. DERRICK, Mr. EVANS of Iowa, Mr. SEIBERLING, Mr. BIAGGI, Mrs. BURTON of California, Mr. OBERSTAR, Mr. BADHAM, Mr. DARDEN, Mr. VOLKMER, Mr. KOSTMAYER, Mr. KLECZKA, Mr. SWIFT, Mr. MICA, and Mr. ANDERSON.

AMENDMENTS

Under clause 6 of rule XXIII, proposed amendments were submitted as follows:

H.R. 1460

By Mr. DELLUMS:

(Amendment in the nature of a substitute.)

SECTION 1. PROHIBITION ON INVESTMENTS IN SOUTH AFRICA.

No United States person may, directly or through another person, make or hold any investment in South Africa.

SEC. 2. PROHIBITION ON EXPORTS TO SOUTH AFRICA.

(1) GENERAL RULE.—No goods, technology, or other information subject to the jurisdiction of the United States may be exported to South Africa, and no goods, technology, or other information may be exported to South Africa by any person subject to the jurisdiction of the United States. The prohibition contained in this paragraph shall apply to goods, technology, or other information of any kind, which is subject to controls under the Export Administration Act of 1979, the Arms Export Control Act, the Atomic Energy Act of 1954, or any other provision of law.

(2) EXCEPTION.—The prohibition contained in paragraph (1) shall not apply to exports described in section 6(f) of the Export Administration Act of 1979.

SEC. 3. PROHIBITION ON LANDING RIGHTS OF SOUTH AFRICAN AIRCRAFT.

(a) PROHIBITION.—The Secretary of Transportation shall prohibit the takeoff and landing of any aircraft by an air carrier owned by the Government of South Africa or any citizen or national of South Africa.

(b) EXCEPTIONS FOR EMERGENCIES.—The Secretary of Transportation may provide for such exceptions from the prohibition set forth in subsection (a) as the Secretary considers necessary to provide for emergencies in which the safety of an aircraft or its crew or passengers are threatened.

(c) DEFINITIONS.—For purposes of this section, the terms "aircraft" and "air carrier" have the meanings given those terms in section 101 of the Federal Aviation Act of 1958.

SEC. 4. PROHIBITION ON IMPORTATION OF KRUGERRANDS.

No person may import into the United States any South African krugerrand or any other gold coin minted in South Africa or offered for sale by the Government of South Africa.

SEC. 5. ENFORCEMENT; PENALTIES.

(a) AUTHORITIES OF THE PRESIDENT.—The President shall take necessary steps to insure compliance with the provisions of this Act and any regulations, licenses, and orders issued to carry out this Act, including establishing mechanisms to monitor compliance with such provisions, regulations, licenses, and orders. In insuring such compliance, the President may conduct investigations, hold hearings, administer oaths, examine witnesses, receive evidence, take depositions, and require by subpoena the attendance and testimony of witnesses and production of all books, papers, and documents relating to any matter under investigation.

(b) VIOLATIONS.—Any person that violates the provisions of this Act or any regulation, license, or order issued to carry out this Act shall—

(1) if other than an individual, be fined not more than $1,000,000; and

(2) if an individual, be fined not more than $50,000, or imprisoned not more than 5 years, or both.

(c) ADDITIONAL PENALTIES FOR CERTAIN INDIVIDUALS.—

(1) IN GENERAL.—Whenever a person violates the provisions of this Act or any regulation, license, or order issued under this Act—

(A) any officer, director, or employee of such person, or any natural person in control of such person who knowingly and willfully ordered, authorized, acquiesced in, or carried out the act or practice constituting the violation, and

(B) any agent of such person who knowingly and willfully carried out such act or practice, shall, upon conviction, be fined not more than $10,000, or imprisoned not more than five years, or both.

(2) RESTRICTION OF PAYMENT OF FINES.—A fine imposed under paragraph (1) on an individual for an act or practice constituting a violation may not be paid, directly or indirectly, by the person committing the violation itself.

(d) SEIZURE AND FORFEITURE OF AIRCRAFT.—Any aircraft used in connection with a violation of section 3 of this Act or any regulation, license, or order issued to carry out that section shall be subject to seizure by and forfeiture to the United States. All provisions of law relating to the seizure, forfeiture, and condemnation of articles for violations of the customs laws, the disposition of articles or the proceeds from the sale thereof, and the remission or mitigation of such forfeitures shall apply to the seizures and forfeitures incurred, or alleged to have been incurred, under the provisions of this subsection, insofar as such provisions of law are applicable and not consistent with the provisions of this Act; except that all powers, rights, and duties conferred or imposed by the customs laws upon any officer or employee of the Department of the Treasury shall, for purposes of this subsection, be exercised or performed by the Secretary of Transportation or by such persons as the Secretary may designate.

SEC. 6 REGULATIONS.

The President may issue such regulations, licenses, and orders as are necessary to carry out this Act.

SEC. 7. DEFINITIONS.

For purposes of this Act—

(1) UNITED STATES.—The term "United States" includes the States of the United States, the District of Columbia, the Commonwealth of Puerto Rico, and any territory or possession of the United States.

(2) UNITED STATES PERSON.—The term "United States person" means any United States resident or national and any domestic concern (including any permanent domestic establishment of any foreign concern).

(3) SOUTH AFRICA.—The term "South Africa" includes the Republic of South Africa; any territory under the administration, legal or illegal, of South Africa; and the "bantustans" or "homelands", to which South African blacks are assigned on the basis of ethnic origin, including the Tanskei, Bophuthastswana, Venda, and Ciske.

(4) INVESTMENT IN SOUTH AFRICA.—A person makes or holds an investment in South Africa if that person—

(A) establishes or contributes funds or other resources (including making a loan or other extension of credit) for the establishment of a business enterprise in South Africa;

(B) otherwise invests funds in a business enterprise in South Africa, including—

(i) beneficially owning or controlling a share or interest in such a business enterprise;

(ii) beneficially owning or controlling a bond or other debt instrument issued by such a business enterprise;

(iii) making capital contributions in money or kind to such a business enterprise; and

(iv) making a loan or other extension of credit to such a business enterprise, or giving security for the debts of such a business enterprise; or

(C) controls a business enterprise in South Africa, in cases to which subparagraphs (A) and (B) do not apply.

(5) FUNDS.—The term "funds" means money or other resources.

(6) BUSINESS ENTERPRISE.—The term "business enterprise" means any organization, association, branch, or venture which exists for profitmaking purposes or to otherwise secure economic advantage; and such term includes the ownership of real estate.

(7) BRANCH.—The term "branch" means the operations or activities conducted by a person in a different location in its own name rather than through an incorporated entity.

(8) CONTROL.—A United States person shall be presumed to control a business enterprise in South Africa if—

(A) the business enterprise is operated by the United States person pursuant to the provisions of an exclusive management contract;

(B) a majority of the members of the board of directors of the business enterprise are also members of the comparable governing body of the United States person;

(C) the United States person has authority to appoint a majority of the members of the board of directors of the business enterprise; or

(D) the United States person has authority to appoint the chief operating officer of the business enterprise.

SEC. 8. APPLICABILITY TO EVASIONS OF ACT.

This Act shall apply to any United States person who undertakes or causes to be undertaken any transaction or activity with the intent to evade the provisions of this Act or any regulation, license, or order issued to carry out this Act.

SEC. 9. EFFECTIVE DATE.

The provisions of this Act shall take effect 180 days after the date of the enactment of this Act.

By Mr. GUNDERSON:

(Amendment in the nature of a substitute.)

—Strike all after the enacting clause and insert in lieu thereof the following:

TITLE I—GENERAL PROVISIONS

FINDINGS AND DECLARATIONS

SECTION 1. The Congress finds and declares that—

(a) the policy and practice of apartheid—

(1) deliberately separates millions of South African "migrant" workers from their families;

(2) denies meaningful, democratic participation in the political process to the majority of the South African population;

(3) consigns the mass of South African citizenry to lives of economic and educational deprivation;

(4) denies black citizens of South Africa the right to travel freely within their own country;

(5) leads to the arbitrary government confiscation of the private property legally owned by black South African nationals;

(6) tries to deprive many South African citizens of South African citizenship;

(b) the policy and practice of apartheid is repugnant to the moral and political values of democratic and free societies, and runs counter to United States policies to promote democratic governments throughout the world and respect for human rights; and

(c) it is the policy of the United States to promote peaceful change in South Africa through diplomatic means, but also, where necessary and appropriate, through the adoption of other measures, in conjunction with our allies, in order to reinforce United States opposition to apartheid.

DEFINITIONS

SEC. 2. As used in this Act—

(1) the term "national of the United States" means—

(A) a natural person who is a citizen of the United States or who owes permanent allegiance to the United States; or

(B) a corporation, partnership, or other enterprise if—

(i) natural persons who are nationals of the United States own or control, directly or indirectly, more than 50 per centum of the outstanding voting securities;

(ii) natural persons who are nationals of the United States own or control, directly or indirectly 25 per centum or more of the voting securities, and natural persons of another nationality do not own or control as equal or larger percentage;

(iii) any natural person who is a national of the United States operates the corporation, partnership, or enterprise pursuant to the provisions of an exclusive management contract;

(iv) a majority of the members of the board of directors are also members of the comparable governing body of corporation or legal entity organized under the laws of the United States, any State or territory thereof, or the District of Columbia;

(v) natural persons who are nationals of the United States have authority to appoint the chief operating officer; and

(2) the term "South Africa" refers to the territory that constituted the Republic of South Africa on May 31, 1961.

SCHOLARSHIP FOR BLACK SOUTH AFRICANS

SEC. 3. Section 105(b) of the Foreign Assistance Act of 1961 is amended—

(1) by inserting "(1) after "(b)"; and

(2) by adding at the end thereof the following new paragraph:

"(2)(A) Beginning with the fiscal year 1986, and for each fiscal year thereafter, $15,000,000 of assistance provided under this section by the Administrator of the agency primarily responsible for administering this part of this Act shall be used to finance scholarships for black South Africans who are attending universities, colleges, and secondary schools in South Africa and who are selected in accordance with subparagraph (B). Of the funds available under the preceding sentence to carry out this subparagraph, not less than $5,000,000 shall be available only for assistance to full-time teachers or other educational professionals pursuing studies toward the improvement of their professional credentials.

"(B) Individuals for whom scholarships are financed under subparagraph (A) shall be selected by a national panel or by regional panels composed solely of members of the teaching profession appointed by the United States chief of diplomatic mission to South Africa. No such individual may be selected through any contract entered into with the agency primarily responsible for administering this part of this Act.".

HUMAN RIGHTS FUND

SEC. 4. Section 116(e)(2)(A) of the Foreign Assistance Act of 1961 is amended—

(1) by striking out "1984 and" and inserting in lieu thereof "1984,";

(2) by inserting after "1985" a comma and the following: "and $1,500,000 for the fiscal year 1986, and for each fiscal year thereafter"; and

(3) by adding at the end thereof the following: "Grants under this paragraph shall be made by the Assistant Secretary for Human Rights and Humanitarian Affairs.".

EXPANDING PARTICIPATION IN THE SOUTH AFRICAN ECONOMY

SEC. 5. (a) The Congress declares—

(1) that the denial under the apartheid laws of South Africa of the rights of South African blacks and other nonwhites to have the opportunity to participate equitably in the South African economy as managers or owners of, or professionals in, business enterprises, and

(2) the policy of confining South African blacks and other nonwhites to the status of employees in minority-dominated businesses is an affront to the values of a free society.

(b) The Congress hereby—

(1) applauds the commitment of nationals of the United States adhering to the principles set forth in section 10 to assure that South African blacks and other nonwhites are given assistance in gaining their rightful place in the South African economy; and

(2) urges the United States Government to assist in all appropriate ways the realization by South African blacks and other nonwhites of their rightful place in the South African economy.

(c) The Secretary of State and any other head of a department or agency of the United States carrying out activities in South Africa shall, to the maximum extent practicable, in procuring goods or services, make affirmative efforts to assist business enterprises having more than 50 per centum beneficial ownership by South African blacks or other nonwhite South Africans.

OVERSEAS PRIVATE INVESTMENT CORPORATION

SEC. 6. Section 237(a) of the Foreign Assistance Act of 1961 is amended—

(1) by striking out "(a) Insurance" and inserting in lieu thereof "(a)(1) Except as provided in paragraph (2), insurance"; and

(2) by adding at the end thereof the following:

"(2) Insurance, reinsurance, and guaranties of loans may be issued to cover an investment made in connection with a project in South Africa, notwithstanding the absence of an agreement with the Government of South Africa, if such investment is otherwise eligible under this title, except that—

"(A) the issuance of any such insurance, reinsurance, or guaranty shall only be made to promote joint ventures between business enterprises controlled or owned by South African blacks or other nonwhite South Africans and business enterprises controlled or owned by United States nationals; and

"(B) the national of the United States holds a minority interest or agrees to relinquish its majority interest during the course of the joint venture.".

EXPORT-IMPORT BANK OF THE UNITED STATES

SEC. 7. Section 2(b)(9) of the Export-Import Bank Act of 1945 is amended—

(1) by striking out "(9) In" and inserting in lieu thereof "(9)(A) Except as provided in subparagraph (B), in"; and

(2) by adding at the end thereof the following:

"(B) The Bank shall take active steps to encourage the use of its facilities to guarantee, insure, extend credit, or participate in the extension of credit to business enterprises in South Africa that are majority owned by South African blacks or other nonwhite South Africans. The certification requirement contained in clause (C) of subparagraphs (A) shall not apply to exports to or purchases from business enterprises which are majority owned by South African blacks or other nonwhite South Africans.".

LABOR PRACTICES OF THE UNITED STATES GOVERNMENT IN SOUTH AFRICA

SEC. 8. (a) It is the sense of the Congress that the labor practices used by the United States Government—

(1) for the direct hire of South Africans,

(2) for the reimbursement out of official residence funds of South Africans and employees of South African organizations for their employment services on behalf of the United States Government, and

(3) for the employment services of South Africans arranged by contract,

should represent the best of American labor practices and should serve as a model for the labor practices of nationals of the United States in South Africa.

(b) Notwithstanding any other law, the Secretary of State and any other head of a department or agency of the United States carrying out activities in South Africa shall promptly take the necessary steps to ensure that the labor practices applied to the employment services described in paragraphs (1) through (3) of subsection (a) are governed by the principles set forth in section 10.

EMPLOYMENT PRACTICES OF UNITED STATES NATIONALS IN SOUTH AFRICA

SEC. 9. (a) STATEMENT OF POLICY.—It is the sense of the Congress that any national of the United States who—

(1) has a branch or office in South Africa, or

(2) controls a business enterprise in South Africa, should implement, in the operation of such branch, office, or business enterprise, those principles relating to employment practices set forth in section 10.

(b) SANCTIONS.—

(1) APPLICABILITY.—The sanctions set forth in paragraph (2) shall apply to any national of the United States who—

(A) has a branch or office in South Africa, or

(B) controls a business enterprise in South Africa,

in which more than 20 people are employed, and who does not implement the principles set forth in section 202 in the operation of that business enterprise.

(2) SANCTIONS.—With respect to any national of the United States described in paragraph (1)—

(A) no department or agency of the United States may—

(i) enter into any contract with,

(ii) make any loan, issue any guaranty of a loan, or issue any insurance to,

(iii) provide any counseling on economic or political risks to, or

(iv) intercede with any foreign government or any national regarding the foreign investment or export marketing activities in any country of,

that national; and

(B) that national may not receive any credit or deduction under the Internal Revenue Code of 1954 for any income, war profits, or excess profits paid or accrued to South Africa.

(c) No department or agency of the United States may intercede with any foreign government or any national regarding the export marketing activities in any country of any national of the United States employing more than twenty persons in South Africa that is not implementing the principles relating to employment practices in South Africa set forth in section 10. No such national may make any new investment in the Republic of South Africa. The Secretary of State shall promulgate such regulations as are necessary to implement this section.

STATEMENT OF PRINCIPLES

SEC. 10. (a) The principles referred to in sections 8 and 9 of this Act are as follows:

(1) Desegregating the races in each employment facility, including—

(A) removing all race designation signs;

(B) desegregating all eating, rest, and work facilities; and

(C) terminating all regulations which are based on racial discrimination.

(2) Providing equal employment for all employees, including—

(A) assuring that any health, accident, or death benefit plans that are established are nondiscriminatory and open to all employees, on an equitable basis; and

(B) implementing equal and nondiscriminatory terms and conditions of employment for all employees, and abolishing job reservations, job fragmentation, apprenticeship

restrictions for blacks and other nonwhites, and differential employment criteria, which discriminate on the basis of race or ethnic origin.

(3) Establishing equally pay for all employees doing equal work, including—

(A) establishing and implementing, as soon as possible, a wage and salary structure which is applied equal to all employees, regardless of race, who are engaged in equal work;

(B) reviewing the distinction between hourly and salaried job classifications, and establishing and implementing an equitable and unified system of job classifications which takes into account such review; and

(C) eliminating inequities in seniority and ingrade benefits so that all employees, regardless of race, who perform similar jobs are eligible for the same seniority and ingrade benefits.

(4) Establishing a minimum wage and salary structure based on a cost-of-living index which takes into account the needs of employees and their families.

(5) Increasing, by appropriate means, the number of blacks and other nonwhites in managerial, supervisory, administrative, clerical, and technical jobs for the purpose of significantly increasing the representation of blacks and other nonwhites in such jobs, including—

(A) developing training programs that will prepare substantial numbers of blacks and other nonwhites for such jobs as soon as possible, including—

(i) creating on-the-job training programs and facilities to assist employees to advance to higher paying jobs requiring greater skills;

(B) establishing procedures to assess, identify, and actively recruit employees with potential for further advancement;

(C) identifying blacks and other nonwhites with high management potential and enrolling them in accelerated management programs;

(D) establishing and expanding programs to enable employees to further their education and skills at recognized education facilities; and

(E) establishing timetables to carry out this paragraph.

(6) Taking reasonable steps to improve the quality of employees' lives outside the work environment with respect to housing, transportation, schooling, recreation, and health, including—

(A) providing assistance to black and other nonwhite employees for housing, health care, transportation, and recreation either through the provision of facilities or services or providing financial assistance to employees for such purposes, including the expansion or creation of in-house medical facilities or other medical programs to improve medical care for black and other nonwhite employees and their dependents; and

(B) participating in the development of programs that address the education needs of employees, their dependents, and the local community.

(7) Recognizing labor unions and implementing fair labor practices, including—

(A) recognizing the right of all employees, regardless of racial or other distinctions, to self-organization and to form, join, or assist labor organizations, freely and without penalty or reprisal, and recognizing the right to refrain from any such activity;

(B) refraining from—

(i) interfering with, restraining, or coercing employees in the exercise of their rights of self-organization under this paragraph,

(ii) dominating or interfering with the formation or administration of any labor organization or sponsoring, controlling, or contributing financial or other assistance to it,

(iii) encouraging or discouraging membership in any labor organization by discrimination in regard to hiring, tenure, promotion, or other condition of employment,

(iv) discharging or otherwise disciplining or discriminating against any employee who has exercised any rights of self-organization under this paragraph, and

(C) allowing employees to exercise rights of self-organization, including solicitation of fellow employees during nonworking hours, allowing distribution and posting of union literature by employees during nonworking hours in nonworking areas, and allowing reasonable access to labor organization representatives to communicate with employees on employer premises at reasonable times;

(D) allowing employee representatives to meet with employer representatives during working hours without loss of pay for purposes of collective bargaining, negotiation of agreements, and representation of employee grievances;

(E) regularly informing employees that it is company policy to consult and bargain collectively with organizations which are freely elected by the employees to represent them; and

(F) utilizing impartial persons mutually agreed upon by employer and employee representatives to resolve disputes concerning election of representatives, negotiation of agreements or grievances arising thereunder, or any other matters arising under this paragraph.

(b) The Secretary of State may issue guidelines and criteria to assist persons who are or may be subject to this section in complying with the principles set forth in subsection (a) of this section. The Secretary may, upon request, give an advisory opinion to any person who is or may be subject to this section as to whether that person is subject to this section or would be considered to be in compliance with the principles set forth in subsection (a).

(c) The Secretary of State may promulgate such regulations as the Secretary may deem necessary to implement the provisions of this Act. The Secretary may conduct investigations, hold hearings, administer oaths, examine witnesses, receive evidence, take dispositions, and require by subpoena the attendance and testimony of witnesses and the production of all books, papers, and documents relating to any matter under investigation. The Secretary may require all persons referred to in subsection (a) to register with the Department of State.

(d) Any person who willfully violates any rule or regulation issued under this section or who willfully, in a registration statement or report required by the Secretary, makes any untrue statement of a material fact or omits to state a material fact required to be stated therein or necessary to make the statements therein not misleading, shall upon conviction be fined not more than $1,000,000 or imprisoned not more than two years, or both.

(e) In carrying out functions under this section, the President is authorized to exercise the same powers concerning violations and enforcement which are conferred upon departments, agencies and officials by subsections (c), (d), (e), and (f) of section 11 of the Export Administration Act of 1979, and by subsections (a) and (c) of section 12 of such Act, subject to the same terms and conditions as are applicable to such powers under such Act. Nothing in this subsection shall be construed as authorizing the withholding of information from the Congress.

(f) Notwithstanding any other provision of law, the Secretary may enter into contacts with one or more private organizations or individuals to assist the Secretary on implementing this section.

POLICY ON ECONOMIC SANCTIONS

SEC. 11. (a) It shall be the policy of the United States to impose economic sanctions against the Government of South Africa if, within two years of the date of enactment of this section, significant progress has not been made toward ending the policy of apartheid.

(b) The President may waive sanctions contained in subsection (a) of this section for a period of not more than 12 months if—

(1) the President determines that one or more of the conditions as set forth in subsection (d) of this section are met,

(2) the President submits that determination to the Congress, and

(3) a joint resolution is enacted approving the President's determination.

(c) The President may waive the sanctions contained in subsection (a) of this section for an additional 6-month period if, before each such waiver—

(1) the President determines that an additional condition set forth in subsection (d) has been met since the preceding waiver under this subsection became effective,

(2) the President submits that determination to the Congress, and

(3) a joint resolution is enacted approving the President's determination.

(d) STATEMENT OF CONDITIONS.—The conditions referred to in subsections (b) and (c) are the following:

(1) FAMILY HOUSING NEAR PLACE OF EMPLOYMENT.—The Government of South Africa has eliminated the system which makes it impossible for black employees and their families to be housed in family accommodations near the place of employment.

(2) RIGHT TO SEEK EMPLOYMENT.—The Government of South Africa has eliminated all policies that restrict the rights of black people to seek employment in South Africa and to live wherever they find employment in South Africa.

(3) ELIMINATING DENATIONALIZATION.—The Government of South Africa has eliminated all policies that make distinctions between the South African nationality of blacks and whites.

(4) ELIMINATING REMOVALS.—The Government of South Africa has eliminated removals of black populations from certain geographic areas on account of race or ethnic origin.

(5) ELIMINATING RESIDENCE RESTRICTIONS.—The Government of South Africa has eliminated all residence restrictions based on race or ethnic origin.

(6) NEGOTIATIONS FOR NEW POLITICAL SYSTEM.—The Government of South Africa has entered into meaningful negotiations with truly representative leaders of the black population for a new political system providing for the full national participation of all the people of South Africa in the social, political, and economic life in that country and an end to discrimination based on race or ethnic origin.

(7) SETTLEMENT OF NAMIBIA.—An internationally recognized settlement for Namibia has been achieved.

(8) FREEING POLITICAL PRISONERS.—The Government of South Africa has freed all political prisoners.

REPORT OF THE PRESIDENT

SEC. 12. (a) The President shall prepare and transmit to the Speaker of the House of Representatives and the chairman of the Committee on Foreign Relations of the Senate March 1, 1987 and every six months thereafter, a report on the extent to which significant progress has been made toward ending the system of apartheid, including—

(1) a detailed assessment of the extent to which the Government of South Africa has made progress in—

(A) housing black workers with their families;

(B) abolishing the pass laws which prevent blacks from moving freely into the cities;

(C) terminating the migrant labor system;

(D) allowing unrestricted labor union rights for all; and

(E) increasing local investment in black education and training;

(2) a statement of any conclusions drawn by the Inter-Allied Working Group on South Africa;

(3) a determination by the President as to whether significant progress has been made in achieving the purposes described in clauses (A) through (E) of paragraph (1); and

(4) if the President determines under paragraph (3) that significant progress has not been made, a recommendation as to which of the following sanctions should be imposed;

(A) A ban on new commercial investment in South Africa.

(B) A ban on new bank loans to the Government of South Africa.

(C) A ban on the importatin of South African Krugerrands.

(D) A ban on the sale of computers to the central Government of South Africa.

TITLE II—UNITED STATES COMMISSION ON SOUTH AFRICA

SEC. 201. ESTABLISHMENT OF COMMISSION.

There is established a commission to be known as the "United States Commission on South Africa" (hereinafter in this title referred to as the "Commission").

SEC. 202. DUTIES OF COMMISSION.

(a) STUDY AND REPORT ON PROGRESS AGAINST APARTHEID.—The Commission shall conduct an ongoing study of, and shall report to the Congress on, the progress that the Government of South Africa has made—

(1) in eliminating the system of apartheid; and

(2) toward the full participation of blacks and other nonwhites in the social, political, and economic life in South Africa.

The Commission shall also study the economic and political relations between the United States and South Africa.

(b) FOCUS OF STUDY.—In carrying out subsection (a), the Commission shall—

(1) with respect to the progress toward eliminating apartheid, pay particular attention to the termination of—

(A) the Group Areas Act;

(B) the Pass Laws;

(C) the Influx Control Act;

(D) the Mixed Marriages Act;

(E) the Immorality Act;

(F) the homelands policy; and

(G) the detention of persons without due process of law; and

(2) with respect to the goals referred to in subsection (a)(2), pay particular attention to the involvement of recognized representatives of the black and nonwhite population in South Africa in achieving these goals, including the convening, as soon as possible, by the Government of South Africa of a national congress, composed of all pro-democratic groups in South Africa, to establish a timetable for granting full citizenship to blacks and other nonwhites in South Africa.

(c) SCHEDULE OF STUDY AND REPORTS.—

(1) STUDY.—The Commission shall conduct the study under subsection (a) during the 2-year period beginning on the date of the enactment of this Act.

(2) REPORTS.—The Commission shall submit in terim reports to the Congress at the end of each 6-month period beginning on the date of the enactment of this Act. Not later than the end of the 2-year period beginning on the date of the enactment of this Act, the Commission shall submit a final report to the Congress. The final report shall contain—

(A) a determination by the Commission of whether the Government of South Africa has made substantial progress toward the goals set forth in paragraphs (1) and (2) of subsection (a), and

(B) if the Commission determines under subparagraph (A) that substantial progress has not been made, a recommendation as to which of the following should be imposed:

(i) A ban on new commercial investment in South Africa.

(ii) A ban on new bank loans to the Government of South Africa.

(iii) A ban of the sale of computers to the Government of South Africa.

(iv) Changes in diplomatic relations with South Africa.

SEC. 203. MEMBERSHIP.

(a) NUMBER AND APPOINTMENT.—

(1) IN GENERAL.—The Commission shall be composed of 15 members, as follows:

(A) The chairman and ranking minority member of the Committee on Foreign Affairs of the House of Representatives.

(B) The chairman and ranking minority member of the Committee on Foreign Relations of the Senate.

(C) The chairman and ranking minority member of the Subcommittee on Africa of the Committee on Foreign Affairs of the House of Representatives.

(D) The chairman and ranking minority member of the Subcommittee on Africa of the Committee on Foreign Relations of the Senate.

(E) Seven members appointed by the President from among persons knowledgeable in South African affairs, as follows:

(i) One member shall be an officer of the Department of State.

(ii) One member shall be an officer of the Department of Commerce.

(iii) One member shall be an officer of the Department of the Treasury.

(iv) Four members shall be appointed from among persons who are not officers or employees of any government who are specially qualified to serve on the Commission by virtue of their education, training, or experience.

(2) DESIGNATION OF SUBSTITUTES.—If any member referred to in paragraph (1)(A) or (1)(B) is the same individual as a member referred to in paragraph (1)(C) or (1)(D), then the individual shall designate another member of the Committee on Foreign Affairs or Foreign Relations, as the case may be, to serve as a member of the Commission.

(3) FILING OF VACANCIES.—A vacancy in the Commission shall be filled in the manner in which the original appointment was made.

(b) CONTINUATION OF MEMBERSHIP.—If any member of the Commission who was appointed to the Commission as a Member of the Congress leaves that office, or if any member of the Commission who was appointed from persons who are not officers or employees of any government becomes an officer or employee of a government, he or she may continue as a member of the Commission for not longer than the 60-day period beginning on the date he or she leaves that office or becomes such an officer or employee, as the case may be.

(c) TERMS.—Members shall be appointed for the life of the Commission.

(d) BASIC PAY.—

(1) FOR NON-GOVERNMENT EMPLOYEES.—Except as provided in paragraph (2), members of the Commission shall serve without pay, but shall be allowed travel or transportation expenses, including per diem in lieu of subsistence, to the same extent as employees serving intermittently in the Government Service are allowed such expenses under section 5703 of title 5, United States Code.

(2) FOR GOVERNMENT EMPLOYEES.—Members of the Commission who are full-time officers or employees of the United States or Members of the Congress shall receive no additional pay, allowances, or benefits by reason of their service on the Commission.

(e) QUORUM.—Eight members of the Commission shall constitute a quorum, but a lesser number may hold hearings.

(f) CHAIRMAN.—The Chairman and Vice Chairman of the Commission shall be elected by the members of the Commission.

(g) MEETINGS.—The Commission shall meet at the call of the Chairman or a majority of its members.

SEC. 204. STAFF OF COMMISSION; EXPERTS AND CONSULTANTS.

(a) STAFF.—The Commission may appoint and fix the pay of such additional personnel as it considers appropriate.

(b) APPLICABILITY OF CERTAIN CIVIL SERVICE LAWS.—The staff of the Commission may be appointed without regard to the provisions of title 5, United States Code, governing appointments in the competitive service, and may be paid without regard to the provisions of chapter 51 and subchapters III of chapter 53 of such title relating to classification and General Schedule pay rates, except that no individual so appointed may receive pay in excess of the annual rate of basic pay payable for GS-18 of the General Schedule.

(c) EXPERTS AND CONSULTANTS.—The Commission may procure temporary and intermittent services under section 3209(b) of title 5, United States Code, but at rates for individuals not to exceed the daily equivalent of the minimum annual rate of basic pay payable for GS-18 of the General Schedule.

(d) STAFF OF FEDERAL AGENCIES.—Upon the request of the Commission, the head of any Federal agency is authorized to detail, on a reimbursable basis, any of the personnel of such agency to the Commission to assist the Commission in carrying out its duties under this Act.

SEC. 205. POWERS OF COMMISSION.

(a) HEARINGS AND SESSIONS.—The Commission may, for the purpose of carrying out this title, hold such hearings, sit and act at such times and places, take such testimony, and receive such evidence, as the Commission considers appropriate. The Commission may administer oaths or affirmations to witnesses appearing before it.

(b) POWERS OF MEMBERS AND AGENTS.—Any member or agent of the Commission may, if so authorized by the Commission, take any action which the Commission is authorized to take by this section.

(c) OBTAINING OFFICIAL DATA.—The Commission may secure directly from any department or agency of the United States information necessary to enable it to carry out this Act. Upon the request of the Chairman or Vice Chairman of the Commission, the head of such department or agency shall furnish such information to the Commission.

(d) GIFTS.—The Commission may accept, use, and dispose of gifts or donations of services or property.

(e) MAILS.—The Commission may use the United States mails in the same manner and under the same conditions as other departments and agencies of the United States.

(f) ADMINISTRATIVE SUPPORT SERVICES.—The Administrator of General Services shall provide to the Commission on a reimbursable basis such administrative support services as the Commission may request.

(g) SUBPOENA POWER.—

(1) IN GENERAL.—The Commission may issue subpoenas requiring the attendance and testimony of witnesses and the production of any evidence that relates to any matter under investigation by the Commission. Such attendance of witnesses and the production of such evidence may be required from any place within the United States at any designated place of hearing within the United States.

(2) REFUSAL TO OBEY A SUBPOENA.—If a person issued a subpoena under paragraph (1) refuses to obey such subpoena or is guilty of contumacy, any court of the United States within the judicial district within which the hearing is conducted or within the judicial district within which such person is found or resides or transacts business may (upon application by the Commission) order such person to appear before the Commission to produce evidence or to give testimony relating to the matter under investigation. Any failure to obey such order of the court may be punished by such court as a contempt thereof.

(3) SERVING OF SUBPOENAS.—The subpoenas of the Commission shall be served in the manner provided for subpoenas issued by a United States district court under the Federal Rules of Civil Procedure for the United States district courts.

(4) VENUE OF PROCESS.—All process of any court to which application may be made under this section may be served in the judicial district in which the person required to be served resides or may be found.

(h) IMMUNITY.—No person shall be excused from attending and testifying or from producing books, records, correspondence, documents, or other evidence in obedience to a subpoena, on the ground that the testimony or evidence required of him may tend to incriminate him or subject him to a penalty or forfeiture; but no individual shall be prosecuted or subjected to any penalty or forfeiture by reason of any transaction, matter, or thing concerning which such individual is compelled, after having claimed his privilege against self-incrimination, to testify or produce evidence, except that such individual so testifying shall not be exempt from prosecution and punishment for perjury committee in so testifying.

SEC. 206. Termination.

The Commission shall cease to exist 90 days after submitting its final report pursuant to section 412(c).

By Mr. RICHARDSON:

—Page , after line , insert the following new section:

SEC. 15. BAN ON IMPORTING URANIUM AND COAL FROM SOUTH AFRICA AND NAMIBIA.

Notwithstanding any other provision of law and except as otherwise provided in this Act, the following products of South Africa and Namibia may not be imported into the United States: coal and uranium ore.

Page 5, line 2, strike out "sections 4 and 5" and insert in lieu thereof "section 4, 5, and 15"; and line 12, strike out "sections 4 and 5" and insert in lieu thereof "sections 4, 5, 15".

Page 12, line 25, strike out "and".

Page 13, line 1, insert ", and on importing coal and uranium ore from South Africa" immediately before the period.

By Mr. SILJANDER:

(Amendment in the nature of a substitute.)

—Strike out all after the enacting clause and insert in lieu thereof the following:

SECTION 1. SHORT TITLE.

This Act may be cited as the "South Africa Act of 1985".

SEC. 2. DECLARATION OF POLICY AND STATEMENT OF FINDING.

(a) IN GENERAL.—The Congress declares that it is the policy of the United States to be a positive influence in bringing an end to the apartheid system of racial discrimination in South Africa.

(b) FINDINGS.—The Congress finds that the policy and practice of apartheid—

(1) separates millions of workers from their families;

(2) is based on a form of rule in South Africa by a minority only, which denies political rights to the majority;

(3) consigns the masses of people living under it to lives of poverty;

(4) denies nonwhite nationals of South Africa the right to travel freely within their own country;

(5) provides economic privileges for some by denying basic freedoms for others;

(6) results in forceable removals of peoples from their homes against their wills;

(7) denies the majority of the people of South Africa their basic human rights;

(8) has damaged the status and reputation of the Republic of South Africa as a civilized nation; and

(9) has contributed significantly to a general climate of instability throughout southern Africa.

(c) DECLARATIONS OF POLICY.—The Congress makes the following declarations:

(1) The policy and practice of apartheid runs counter to the principles of civilized nations and debases human dignity, and is repugnant to the values of the United States of America. The Congress consequently reaffirms that it is the continuing policy of the United States Government to oppose the practice of apartheid by the Govenment of South Africa, especially through diplomatic means, and, when necessary and appropriate, through the enactment and implementation of laws intended to reinforce United States policy with respect to apartheid.

(2) It is the policy of the United States to promote change in South Africa through peaceful means. The Congress directs the Secretary of State to consider urgently the best possible means to use United States influence to bring an end to this morally repugnant practice in a nonviolent manner, recognizing that this objective will best be achieved through cooperative action on the part of all nations and through the exercise of political rights by all of the people of South Africa.

(3) The Congress recognizes that the objectives of peaceful change in South Africa and the exercise of political rights by all people in that country can be served if United States influence is directed toward building institutions that will enable the South African people to challenge the inequities of the apartheid system. To this end, the Congress declares it is the policy of the United States to support an independent and impartial judicial system in South Africa. The Congress declares further that it is the policy of the United States to support free trade unions for South African workers and to encourage the full participation of all the people of South Africa in the social, political, and economic life in that country.

(4) The Congress recognizes that the objectives of peaceful change in South Africa cannot be achieved unless representatives of all segments of the population in South Africa are convened for the purpose of making the necessary changes to establish a fully representative democratic system.

TITLE I—UNITED STATES COMMISSION ON SOUTH AFRICA

SEC. 101. ESTABLISHMENT OF COMMISSION.

There is established a commission to be known as the "United States Commission on South Africa" (hereinafter in this title referred to as the "Commission").

SEC. 102. DUTIES OF COMMISSION.

(a) STUDY AND REPORT ON PROGRESS AGAINST APARTHEID.—The Commission shall conduct an ongoing study of, and shall report to the Congress on, the progress that the Government of South Africa has made—

(1) in eliminating the system of apartheid; and

(2) toward the full participation of blacks and other nonwhites in the social, political, and economic life in South Africa.

The Commission shall also study the economic and political relations between the United States and South Africa.

(b) FOCUS OF STUDY.—In carrying out subsection (a), the Commission shall—

(1) with respect to the progress toward eliminating apartheid, pay particular attention to the termination of—

(A) the Group Areas Act;

(B) the Pass Laws;

(C) the Influx Control Act;

(D) the Mixed Marriages Act;

(E) the Immorality Act;

(F) the homelands policy; and

(G) the detention of persons without due process of law; and

(2) with respect to the goals referred to in subsection (a)(2), pay particular attention to the involvement of recognized representatives of the black and nonwhite population in South Africa in achieving these goals, including the convening, as soon as possible, by the Government of South Africa of a national congress, composed of all pro-democratic groups in South Africa, to establish a timetable for granting full citizenship to blacks and other nonwhites in South Africa.

(c) SCHEDULE OF STUDY AND REPORTS.—

(1) STUDY.—The Commission shall conduct the study under subsection (a) during the 3-year period beginning on the date of the enactment of this Act.

(2) REPORTS.—The Commission shall submit interim reports to the Congress at the end of each 6-month period beginning on the date of the enactment of this Act.

Not later than the end of the 3-year period beginning on the date of the enactment of this Act, the Commission shall submit a final report to the Congress. The final report shall contain—

(A) a determination by the Commission of whether the Government of South Africa has made substantial progress toward the goals set forth in paragraphs (1) and (2) of subsection (a), and

(B) if the Commission determines under subparagraph (A) that substantial progress has not been made, a recommendation as to which of the following should be imposed:

(i) A ban on new commercial investment in South Africa.

(ii) A ban on new bank loans to the Government of South Africa.

(iii) A ban of the sale of computers to the Government of South Africa.

(iv) Changes in diplomatic relations with South Africa.

SEC. 103. MEMBERSHIP.

(a) NUMBER AND APPOINTMENT.—

(1) IN GENERAL.—The Commission shall be composed of 15 members, as follows:

(A) The chairman and ranking minority member of the Committee on Foreign Affairs of the House of Representatives.

(B) The chairman and ranking minority member of the Committee on Foreign Relations of the Senate.

(C) The chairman and ranking minority member of the Subcommittee on Africa of the Committee on Foreign Affairs of the House of Representatives.

(D) The chairman and ranking minority member of the Subcommittee on Africa of the Committee on Foreign Relations of the Senate.

(E) Seven members appointed by the President from among persons knowledgeable in South African affairs, as follows:

(i) One member shall be an officer of the Department of State.

(ii) One member shall be an officer of the Department of Commerce.

(iii) One member shall be an officer of the Department of the Treasury.

(vi) Four members shall be appointed from among persons who are not officers or employees of any government who are specially qualified to serve on the Commission by virtue of their education, training, or experience.

(2) DESIGNATION OF SUBSTITUTES.—If any member referred to in paragraph (1)(A) or (1)(B) is the same individual as a member referred to in paragraph (1)(C) or (1)(D), then the individual shall designate another member of the Committee on Foreign Affairs or Foreign Relations, as the case may be, to serve as a member of the Commission.

(3) FILLING OF VACANCIES.—A vacancy in the Commission shall be filled in the manner in which the original appointment was made.

(b) CONTINUATION OF MEMBERSHIP.—If any member of the Commission who was appointed to the Commission as a Member of the Congress leaves that office, or if any member of the Commission who was appointed from persons who are not officers or employees of any government becomes an officer or employee of a government, he or she may continue as a member of the Commission for not longer than the 60-day period beginning on the date he or she leaves that office or becomes such an officer or employee, as the case may be.

(c) TERMS.—Members shall be appointed for the life of the Commission.

(d) BASIC PAY.—

(1) FOR NON-GOVERNMENT EMPLOYEES.—Except as provided in paragraph (2), members of the Commission shall serve without pay, but shall be allowed travel or transportation expenses, including per diem in lieu of subsistence, to the same extent as employees serving intermittently in the Government Service are allowed such expenses under section 5703 of title 5, United States Code.

(2) FOR GOVERNMENT EMPLOYEES.—Members of the Commission who are full-time officers or employees of the United States or Members of the Congress shall receive no additional pay, allowances, or benefits by reason of their service on the Commission.

(e) QUORUM.—Eight members of the Commission shall constitute a quorum, but a lesser number may hold hearings.

(f) CHAIRMAN.—The Chairman and Vice Chairman of the Commission shall be elected by the members of the Commission.

(g) MEETINGS.—The Commission shall meet at the call of the Chairman or a majority of its members.

SEC. 104. STAFF OF COMMISSION; EXPERTS AND CONSULTANTS.

(a) STAFF.—The Commission may appoint and fix the pay of such additional personnel as it considers appropriate.

(b) APPLICABILITY OF CERTAIN CIVIL SERVICE LAWS.—The staff of the Commission may be appointed without regard to the provisions of title 5, United States Code, governing appointments in the competitive service, and may be paid without regard to the provisions of chapter 51 and subchapter III of chapter 53 of such title relating to classification and General Schedule pay rates, except that no individual so appointed may receive pay in excess of the annual rate of basic pay payable for GS-18 of the General Schedule.

(c) EXPERTS AND CONSULTANTS.—The Commission may procure temporary and intermittent services under section 3109(b) of title 5, United States Code, but at rates for individuals not to exceed the daily equivalent of the minimum annual rate of basic pay payable for GS-18 of the General Schedule.

(d) STAFF OF FEDERAL AGENCIES.—Upon the request of the Commission, the head of any Federal agency is authorized to detail, on a reimbursable basis, any of the personnel of such agency to the Commission to assist the Commission in carrying out its duties under this Act.

SEC. 105. POWERS OF COMMISSION.

(a) HEARINGS AND SESSIONS.—The Commission may, for the purpose of carrying out this title, hold such hearings, sit and act at such times and places, take such testimony, and receive such evidence, as the Commission considers appropriate. The Commission may administer oaths or affirmations to witnesses appearing before it.

(b) POWERS OF MEMBERS AND AGENTS.—Any member or agent of the Commission may, if so authorized by the Commission, take any action which the Commission is authorized to take by this section.

(c) OBTAINING OFFICIAL DATA.—The Commission may secure directly from any department or agency of the United States information necessary to enable it to carry out this Act. Upon the request of the Chairman or Vice Chairman of the Commission, the head of such department or agency shall furnish such information to the Commission.

(d) GIFTS.—The Commission may accept, use, and dispose of gifts or donations of services or property.

(e) MAILS.—The Commission may use the United States mails in the same manner and under the same conditions as other departments and agencies of the United States.

(f) ADMINISTRATIVE SUPPORT SERVICES.—The Administrator of General Services shall provide to the Commission on a reimbursable basis such administrative support services as the Commission may request.

(g) SUBPOENA POWER.—

(1) IN GENERAL.—The Commission may issue subpoenas requiring the attendance and testimony of witnesses and the production of any evidence that relates to any matter under investigation by the Commission. Such attendance of witnesses and the production of such evidence may be required from any place within the United States at any designated place of hearing within the United States.

(2) REFUSAL TO OBEY A SUBPOENA.—If a person issued a subpoena under paragraph (1) refuses to obey such subpoena or is guilty of contumacy, any court of the United States within the judicial district within which the hearing is conducted or within the judicial district within which such person is found or resides or transacts business may (upon application by the Commission) order such person to appear before the Commission to produce evidence or to give testimony relating to the matter under investigation. Any failure to obey such order of the court may be punished by such court as a contempt thereof.

(3) SERVING OF SUBPOENAS.—The subpoenas of the Commission shall be served in the manner provided for subpoenas issued by a United States district court under the Federal Rules of Civil Procedure for the United States district courts.

(4) VENUE OF PROCESS.—All process of any court to which application may be made under this section may be served in the judicial district in which the person required to be served resides or may be found.

(h) IMMUNITY.—No person shall be excused from attending and testifying or from producing books, records, correspondence, documents, or other evidence in obedience to a subpoena, on the ground that the testimony or evidence required of him may tend to incriminate him or subject him to a penalty or forfeiture; but no individual shall be prosecuted or subjected to any penalty or forfeiture by reason of any transaction, matter, or thing concerning which such individual is compelled, after having claimed his privilege against self-incrimination, to testify or produce evidence, except that such individual so testifying shall not be exempt from prosecution and punishment for perjury committed in so testifying.

SEC. 106. TERMINATION.

The Commission shall cease to exist 90 days after submitting its final report pursuant to section 412(c).

TITLE II—FAIR EMPLOYMENT PRINCIPLES

SEC. 201. IMPLEMENTATION OF FAIR EMPLOYMENT PRINCIPLES.

(a) STATEMENT OF POLICY.—It is the sense of the Congress that any person who—

(1) has a branch or office in South Africa, or

(2) controls a business enterprise in South Africa, should implement, in the operation of such branch, office, or business enterprise, those principles relating to employment practices set forth in section 20[illegible].

(b) SANCTIONS.—

(1) APPLICABILITY.—The sanctions set forth in paragraph (2) shall apply to any person who—

(A) has a branch or office in South Africa, or

(B) controls a business enterprise in South Africa,

in which more than 20 people are employed, and who does not implement the principles set forth in section 202 in the operation of that business enterprise.

(2) SANCTIONS.—With respect to any person described in paragraph (1)—

(A) no department or agency of the United States may—

(i) enter into any contract with,

(ii) make any loan, issue any guaranty of a loan, or issue any insurance to,

(iii) provide any counseling on economic or political risks to, or

(iv) intercede with any foreign government or any national regarding the foreign investment or export marketing activities in any country of,

that person; and

(B) that person may not receive any credit or deduction under the Internal Revenue Code of 1954 for any income, war profits, or excess profits paid or accrued to South Africa.

SEC. 202. STATEMENT OF PRINCIPLES.

The principles referred to in section 201 are as follows:

(1) DESEGREGATING THE RACES.—Desegregating the races in each employment facility, including—

(A) removing all race designation signs;

(B) desegregating all eating, rest, and work facilities; and

(C) terminating all regulations which are based on racial discrimination.

(2) EQUAL EMPLOYMENT.—Providing equal employment for all employees without regard to race or ethnic origin, including—

(A) assuring that any health, accident, or death benefit plans that are established are nondiscriminatory and open to all employees without regard to race or ethnic origin; and

(B)(i) implementing equal and nondiscriminatory terms and conditions of employment for all employees, and (ii) abolishing job reservations, job fragmentation, apprenticeship restrictions for blacks and other nonwhites, and differential employment criteria, which discriminate on the basis of race or ethnic origin.

(3) EQUITABLE PAY SYSTEM.—Assuring that the pay system is equitably applied to all employees without regard to race or ethnic origin, including—

(A) assuring that any wage and salary structure that is implemented is applied equally to all employees without regard to race or ethnic origin;

(B) eliminating any distinctions between hourly and salaried job classifications on the basis of race or ethnic origin; and

(C) eliminating any inequities in seniority and ingrade benefits which are based upon race or ethnic origin.

(4) MINIMUM WAGE AND SALARY STRUCTURE.—Establishing a minimum wage and salary structure based on the appropriate local minimum economic level which takes into account the needs of employees and their families.

(5) INCREASING BLACKS AND OTHER NONWHITES IN CERTAIN JOBS.—Increasing, by appropriate means, the number of blacks and other nonwhites in managerial, supervisory, administrative, clerical, and technical jobs for the purpose of significantly increasing the representation of blacks and other nonwhites in such jobs, including—

(A) developing training programs that will prepare substantial numbers of blacks and other nonwhites for such jobs as soon as possible, including—

(i) expanding existing programs and forming new programs to train, upgrade, and improve the skills of all categories of employees, and

(ii) creating on-the-job training programs and facilities to assist employees to advance to higher paying jobs requiring greater skills;

(B) establishing procedures to assess, identify, and actively recruit employees with potential for further advancement;

(C) identifying blacks and other nonwhites with high management potential and enrolling them in accelerated management programs;

(D) establishing and expanding programs to enable employees to further their education and skills at recognized education facilities; and

(E) establishing timetables to carry out this paragraph.

(6) IMPROVING LIFE OUTSIDE THE WORKPLACE.—Taking reasonable steps to improve the quality of employees' lives outside the work environment with respect to housing, transportation, schooling, recreation, and health, including—

(A) providing assistance to black and other nonwhite employees for housing, health care, transportation, and recreation either through providing facilities or services or providing financial assistance to employees for such purposes, including the expansion or creation of in-house medical facilities or other medical programs to improve medical care for black and other nonwhite employees and their dependents; and

(B) participating in the development of programs that address the education needs of employees, their dependents, and the local community.

(7) FAIR LABOR PRACTICES.—Recognizing labor unions and implementing fair labor practices, including—

(A) recognizing the right of all employees, regardless of racial or other distinctions, to self-organization and to form, join, or assist labor organizations, freely and without penalty or reprisal, and recognizing the right to refrain from any such activity;

(B) refraining from—

(i) interfering with, restraining, or coercing employees in the exercise of their rights of self-organization under this paragraph,

(ii) dominating or interfering with the formation or administration of any labor organization, or sponsoring, controlling, or contributing financial or other assistance to it,

(iii) encouraging or discouraging membership in any labor organization by discrimination in regard to hiring, tenure, promotion, or other condition of employment,

(iv) discharging or otherwise disciplining or discriminating against any employee who has exercised any rights of self-organization under this paragraph, and

(v) refusing to bargain collectively with any organization freely chosen by employees to represent them;

(C)(i) allowing employees to exercise rights of self-organization, including solicitation of fellow employees during nonworking hours, (ii) allowing distribution and posting of union literature by employees during nonworking hours in nonworking areas, and (iii) allowing reasonable access to labor organization representatives to communicate with employees on employer premises at reasonable times;

(D) allowing employee representatives to meet with employer representatives during working hours without loss of pay for purposes of collective bargaining, negotiation of agreements, and representation of employee grievances;

(E) regularly informing employees that it is company policy to consult and bargain collectively with organizations which are freely elected by the employees to represent them; and

(F) utilizing impartial persons mutually agreed upon by employer and employee representatives to resolve disputes concerning election of representatives, negotiation of agreements or grievances arising thereunder, or any other matters arising under this paragraph.

(8) INCREASED ACTIVITIES OUTSIDE THE WORKPLACE.—Increasing the dimension of activities outside the workplace, including—

(A) supporting the unrestricted rights of businesses owned by blacks or other nonwhites to locate in the urban areas of South Africa;

(B) attempting to influence other companies in South Africa to implement equal rights principles;

(C) supporting the freedom of mobility of black and other nonwhite employees to seek employment opportunities wherever they exist, and making possible provisions for adequate housing for families of employees near the place of employment; and

(D) supporting the termination of all apartheid laws.

SEC. 203. GUIDELINES.

The Secretary may issue guidelines and criteria to assist persons who are or may be subject to this title in complying with the principles set forth in section 202. The Secretary may, upon request, give an advisory opinion to any person who is or may be subject to this title as to whether that person is subject to this title or would be considered to be in compliance with the principles set forth in section 202.

SEC. 204. ENFORCEMENT PROVISIONS.

(a) AUTHORITY OF THE SECRETARY.—The Secretary shall take the necessary steps to ensure compliance with the provisions of this title and any regulations, licenses, and orders issued to carry out this title. In ensuring such compliance, the Secretary shall establish mechanisms to monitor compliance with this title and such regulations, licenses, and orders, including onsite monitoring, at least once in every 2-year period, of each person subject to section 201(b) who files a report under subsection (b) of this section. In ensuring such compliance, the Secretary may conduct investigations, hold hearings, administer oaths, examine witnesses, receive evidence, take depositions, and require by subpoena the attendance and testimony of witnesses and the production of all books, papers, and documents relating to any matter under investigation.

(b) REPORTS BY PERSONS SUBJECT TO SECTION 201.—Each person subject to section 201(b) shall submit to the Secretary—

(1) a detailed and fully documented annual report on the compliance of that person with the principles set forth in section 202, and

(2) such other information as the Secretary considers necessary.

(c) DETERMINATIONS OF COMPLIANCE.—The Secretary shall, within 90 days after giving notice and an opportunity for a hearing to each person subject to section 201(b) who files a report under subsection (b) of this section, make a determination with respect to the compliance of that person with the employment principles set forth in section

202 and any regulations issued to carry out that section.

(d) APPLICABILITY OF SECTION 201(b).—The sanctions set forth in section 201(b)(2) shall apply to any person—

(1) who fails to file the reports required by subsection (b) of this section, or

(2) with respect to whom the Secretary makes a determination under subsection (c) or (f) of this section either that the person is not in compliance with the employment principles set forth in section 202 (or any regulation issued to carry out that section), or that such compliance cannot be established on account of a failure to provide information to the Secretary or on account of the provision of false information to the Secretary.

(e) LIST OF PERSONS IN COMPLIANCE AND NONCOMPLIANCE.—The Secretary shall issue a list of all persons with respect to whom determinations are made under subsection (c) and redeterminations are made under subsection (f), and what the determinations and redeterminations are. The Secretary shall distribute the list to all departments and agencies of the Federal Government.

(f) REDETERMINATIONS.—

(1) IN GENERAL.—With respect to each person concerning whom a determination is made under subsection (c), the Secretary shall, at least once in every 2-year period, review and, in accordance with subsection (c), make a redetermination with respect to the compliance of that person with the employment principles set forth in section 202 and any regulations issued to carry out that section.

(2) UPON REQUEST.—In the case of any person with respect to whom the Secretary makes a determination under subsection (c) or paragraph (1) either that—

(A) the person is not in compliance with the employment principles set forth in section 202 (or any regulations issued to carry out that section), or

(B) such compliance cannot be established on account of a failure to provide information to the Secretary or on account of the provision of false information to the Secretary,

the Secretary shall, upon the request of that person and after giving that person an opportunity for a hearing, review and redetermine that person's compliance within 60 days after that person files the first annual report under subsection (b) after the negative determination is made.

(g) JUDICIAL REVIEW OF DETERMINATIONS.—Any person aggrieved by a determination or redetermination of the Secretary under subsection (c) or (f) may seek judicial review of that determination or redetermination in accordance with the provisions of chapter 7 of title 5, United States Code.

(h) REPORT TO CONGRESS.—The Secretary shall submit an annual report to the Congress on the compliance of those persons subject to section 201(b) with the employment principles set forth in section 202.

SEC. 205. REGULATIONS.

The Secretary shall, not later than 60 days after the date of the enactment of this Act, issue such regulations as are necessary to carry out this title. The regulations shall include dates by which persons subject to section 201(b) must comply with the provisions of this title, except that the date for compliance with all the provisions of this title shall be not later than 1 year after the date of the enactment of this Act.

SEC. 206. WAIVERS.

The President may waive the requirements of this title with respect to any person if the waiver is necessary to protect the national security of the United States. The President shall publish each waiver in the Federal Register and shall submit each waiver and the justification for the waiver to the Congress.

SEC. 207. DEFINITIONS.

For purposes of this title—

(1) PERSON.—The term "person" means any individual, branch, partnership, associated group, association, estate, trust, corporation, or other organization, and any government (including a foreign government, the United States Government, a State or local government, and any agency, corporation, financial institution, or other entity or instrumentality of any such government, including a government-sponsored agency).

(2) CONTROL.—A person shall be presumed to control a business enterprise if—

(A) the person beneficially owns or controls (whether directly or indirectly) more than 50 percent of the outstanding voting securities of the business enterprise;

(B) the person beneficially owns or controls (whether directly or indirectly) 25 percent or more of the voting securities of the business enterprise, if no other person owns or controls (whether directly or indirectly) an equal or larger percentage;

(C) the business enterprise is operated by the person pursuant to the provisions of an exclusive management contract;

(D) a majority of the members of the board of directors of the business enterprise are also members of the comparable governing body of the person;

(E) the person has authority to appoint a majority of the members of the board of directors of the business enterprise; or

(F) the person has authority to appoint the chief operating officer of the business enterprise.

(3) BUSINESS ENTERPRISE.—The term "business enterprise" means any organization, association, branch, or venture which exists for profitmaking purposes or to otherwise secure economic advantage.

(4) BRANCH.—The term "branch" means the operations or activities conducted by a person in a different location in its own name rather than through a separate incorporated entity.

SEC. 208. APPLICABILITY TO EVASIONS OF TITLE.

This title and the regulations issued to carry out this title shall apply to any person who undertakes or causes to be undertaken any transaction or activity with the intent to evade this title or such regulations.

TITLE III—ADDITIONAL MEASURES REGARDING SOUTH AFRICA

SEC. 301. HUMAN RIGHTS FUND.

Section 116(e)(2) of the Foreign Assistance Act of 1961 (22 U.S.C. 215ln) is amended—

(1) in subparagraph (A)—

(A) by striking out "1984 and" and inserting in lieu thereof "1984,";

(B) by inserting after "1985" the following: ", and $2,000,000 for the fiscal year 1986 and for each fiscal year thereafter"; and

(C) by adding at the end thereof the following: "Grants under this paragraph shall be made by the Assistant Secretary for Human Rights and Humanitarian Affairs."; and

(2) by striking out subparagraph (C) and redesignating subparagraph (D) as subparagraph (C).

SEC. 302. NATIONAL ENDOWMENT FOR DEMOCRACY.

In addition to any other amounts made available to the National Endowment for Democracy for the fiscal years 1986 and 1987, there is authorized to be appropriated for each of those fiscal years $1,500,000 for private enterprise and free labor union development in the nonwhite communities in South Africa. Of the amounts authorized by the preceding sentence—

(1) $500,000 for each such fiscal year shall be for the Free Trade Union Institute; and

(2) $500,000 for each such fiscal year shall be for the Center for International Private Enterprise.

SEC. 303. SCHOLARSHIPS FOR BLACK SOUTH AFRICANS.

Section 105(b) of the Foreign Assistance Act of 1961 is amended—

(1) by inserting "(1)" after "(b)"; and

(2) by adding at the end thereof the following new paragraph:

"(2) Beginning with the fiscal year 1986, and for each fiscal year thereafter, $15,000,000 of assistance provided under this section shall be used to finance scholarships for black South Africans who are attending universities, colleges, and secondary schools in South Africa. Of the funds available under the preceding sentence to carry out this paragraph, not less than $5,000,000 shall be available only for assistance to full-time teachers or other educational professionals pursuing studies towards the improvement of their professional credentials.".

SEC. 304. OVERSEAS PRIVATE INVESTMENT CORPORATION.

(a) ELIGIBILITY OF CERTAIN PROJECTS IN SOUTH AFRICA.—Section 237(a) of the Foreign Assistance Act of 1961 (22 U.S.C. 2197(a)) is amended—

(1) by striking out "(a) Insurance" and inserting in lieu thereof "(a)(1) Except as provided in paragraph (2), insurance"; and

(2) by adding at the end thereof the following:

"(2) Insurance, reinsurance, and guaranties of loans may be issued to cover an investment made in connection with a project in South Africa, notwithstanding the absence of an agreement with the Government of South Africa, except that—

"(A) the issuance of any such insurance, reinsurance, or guaranty shall only be made to promote joint ventures between business enterprises controlled or owned by South African blacks or other nonwhite South Africans and business enterprises controlled or owned by United States nationals; and

"(B) with respect to such a joint venture, the national or nationals of the United States hold a minority interest or agree to relinquish its majority interest during the course of the joint venture.".

(b) NATIONAL OF THE UNITED STATES DEFINED.—Section 238 of the Foreign Assistance Act of 1961 (22 U.S.C. 2198) is amended—

(1) in subsection (c) by striking out "and" at the end thereof;

(2) in subsection (d) by striking out the period at the end thereof and inserting in lieu thereof "; and"; and

(3) by adding at the end thereof the following:

"(e) the term "national of the United States" means—

"(1) a natural person who is a citizen of the United States or who owes permanent allegiance to the United States; or

"(2) a corporation, partnership, or other enterprise if—

"(A) natural persons who are nationals of the United States own or control, directly or

indirectly, more than 50 percent of the outstanding voting securities;

"(B) natural persons who are nationals of the United States own or control, directly or indirectly, 25 percent or more of the voting securities, and natural persons of another nationality do not own or control an equal or larger percentage;

"(C) any natural person who is a national of the United States operates the corporation, partnership, or enterprise pursuant to the provisions of an exclusive management contract;

"(D) a majority of the members of the board of directors are also members of the comparable governing body of a corporation or legal entity organized under the laws of the United States, any State or territory thereof, or the District of Columbia; or

"(E) natural persons who are nationals of the United States have authority to appoint the chief operating officer.".

SEC. 305. POLICY ON COOPERATION WITH ALLIED GOVERNMENTS.

It is the sense of the Congress that the President should consult with the heads of governments of countries allied to the United States regarding the important issues raised by the existence of apartheid in South Africa, particularly the prospect for joint, effective action among the allied countries in the field of economic relations to bring about an end to apartheid.

SEC. 306. STUDY; REPORTS.

(a) STUDY ON STARVATION AND MALNUTRITION IN HOMELANDS.—The Secretary of State shall conduct a study to ascertain the amount of starvation and malnutrition taking place in the "homelands" areas of South Africa.

(b) REPORT ON STUDY.—The Secretary of State shall, not later than 3 months after the date of the enactment of this Act, prepare and transmit to the Speaker of the House of Representatives and the chairman of the Committee on Foreign Relations of the Senate a report setting forth the results of the study conducted under subsection (a).

TITLE IV—GENERAL PROVISIONS

SEC. 401. SOUTH AFRICA DEFINED.

For purposes of this Act, the term "South Africa" includes—

(1) the Republic of South Africa,

(2) any territory under the administration, legal or illegal, of South Africa, and

(3) the "bantustans" or "homelands", to which South African blacks are assigned on the basis of ethnic origin, including the Transkei, Bophuthatswana, Ciskei, and Venda.

SEC. 402. CONSTRUCTION OF ACT.

Nothing in this Act shall be construed as constituting any recognition by the United States of the homelands referred to in section 401(3).

SEC. 403. TERMINATION OF PROVISIONS OF ACT.

(a) DETERMINATION OF ABOLITION OF APARTHEID.—If the President determines that the system of apartheid in South Africa has been abolished, the President may submit that determination, and the basis for the determination, to the Congress.

(b) JOINT RESOLUTION APPROVING DETERMINATION.—Upon the enactment of a joint resolution approving a determination of the President submitted to the Congress under subsection (a), the provisions of this Act, and all regulations, licenses, and orders issued to carry out this Act, shall terminate.

(c) DEFINITION.—For purposes of subsection (a), the "abolition of apartheid" shall include—

(1) the repeal of all laws and regulations that discriminate on the basis of race; and

(2) the establishment of a body of laws that assures the full national participation of all the people of South Africa in the social, political, and economic life in that country.

SEC. 404. COMPLIANCE WITH BUDGET ACT.

Any new spending authority (within the meaning of section 401 of the Congressional Budget Act of 1974) which is provided under this Act shall be effective for any fiscal year only to such extent or in such amounts as are provided in appropriation acts. Any provision of this Act which authorizes the enactment of new budget authority shall be effective only for fiscal years beginning after September 30, 1985.

Amend the title so as to read: "A Bill to express the opposition of the United States to the apartheid policies of the Government of South Africa and to implement certain measures to encourage South Africa to change such policies.".

By Mr. DELLUMS:

—At the end of title II (RDT&E) add the following new section:

SEC. . STRATEGIC DEFENSE INITIATIVE FUNDING LIMITATIONS.

(a) SDI ACTIVITIES TO BE CONSISTENT WITH 1972 ABM TREATY.—None of the funds appropriated or otherwise made available for research, development, test, and evaluation for fiscal year 1986 shall be available for activities of the Strategic Defense Initiative Organization of the Department of Defense (hereinafter in this section referred to as the "SDIO") for any activity that is not fully consistent with the 1972 Treaty on the Limitation of Anti-Ballistic Missile Systems between the Soviet Union and United States (the "ABM Treaty").

(b) LIMITATION ON DEMONSTRATION PROJECTS.—None of the funds appropriated or otherwise made available for fiscal year 1986 for the SDIO may not be used for—

(1) any technology demonstration project;

(2) any "major experiment"; or

(3) any activity that involves engineering development aimed at the construction of experimental hardware for operational testing.

(c) LIMITATION OF FY 86 FUNDS FOR THE SDIO.—Of the funds appropriated or otherwise made available for the Department of Defense for fiscal year 1986 for research, development, test, and evaluation, not more than $954,900,000 shall be available for the SDIO. Such funds shall be available only as follows:

(1) $348,000,000 for surveillance, acquisition, track, and kill assessment.

(2) $249,000,000 for directed energy weapons.

(3) $149,900,000 for kinetic energy weapons.

(4) $99,000,000 for systems concepts and battle management.

(5) $109,000,000 for survivability, lethality, and key support technology.

(6) $8,000,000 for SDIO management headquarters.

(Amendment in the nature of a substitute.)

—Strike out all after the enacting clause and insert the following:

SECTION 1. SHORT TITLE.

AThis Act may be cited as the "Department of Defense Authorization Act, 1986".

SEC. 2. PURPOSES.

The purposes of this Act are—

(1) to authorize appropriations for the Department of Defense for fiscal year 1986 at levels consistent with a strong national defense and a sound national economy;

(2) to minimize the risk of nuclear confrontation;

(3) to eliminate areas of waste and abuse in the budget of the Department of Defense for fiscal year 1985;

(4) to provide for improved military personnel policies designed to enhance readiness and morale; and

(5) to make other improvements in the management of the Department of Defense.

TITLE I—PROCUREMENT

SEC. 101. AUTHORIZATION OF APPROPRIATIONS, ARMY.

Funds are hereby authorized to be appropriated for fiscal year 1986 for procurement of aircraft, missiles, weapons and tracked combat vehicles, ammunition, and for other procurement for the Army as follows:

For aircraft, $2,516,200,000.

For missiles, $1,141,200,000.

For weapons and tracked combat vehicles, $2,469,700,000.

For ammunition, $2,338,900,000.

For other procurement, $4,743,200,000.

SEC. 102. AUTHORIZATION OF APPROPRIATIONS, NAVY AND MARINE CORPS.

Funds are hereby authorized to be appropriated for fiscal year 1986 for procurement of aircraft, weapons (including missiles and torpedoes), naval vessels, and for other procurement for the Navy and Marine Corps as follows:

For aircraft, $7,889,600,000.

For weapons (including missiles and torpedoes), $3,542,100,000.

For naval vessels, $4,817,300,000.

For other procurement, $5,266,300,000.

For procurement for the Marine Corps (including missiles, tracked combat vehicles, and other weapons), $1,674,700,000.

SEC. 103. AUTHORIZATION OF APPROPRIATIONS, AIR FORCE.

Funds are hereby authorized to be appropriated for fiscal year 1986 for procurement of aircraft and missiles and for other procurment for the Air Force as follows:

For aircraft, $13,570,800,000.

For missiles, $5,763,600,000.

For other procurement, $8,165,000,000.

SEC. 104. AUTHORIZATION OF APPROPRIATIONS, DEFENSE AGENCIES.

Funds are hereby authorized to be appropriated for fiscal year 1986 for procurement by defense agencies in the amount of $500,000,000.

SEC. 105. LIMITATION ON ARMY PROCUREMENT.

None of the funds appropriated pursuant to authorizations of appropriations in this title may be obligated or expended for the Pershing II missile program.

SEC. 106. LIMITATIONS ON NAVY PROCUREMENT.

None of the funds appropriated pursuant to authorizations of appropriations in this title may be obligated or expended for the sea-launched cruise missile program.

SEC. 107. LIMITATIONS ON AIR FORCE PROCUREMENT.

None of the funds appropriated pursuant to authorizations of appropriations in this title may be obligated or expended for—

(1) the MX missile program;

(2) the ground-launched cruise missile program;

(3) the B-1B bomber program; or

(4) antisatellite weapons.

SEC. 108. PROHIBITION OF ACQUISITION OF BINARY CHEMICAL WEAPONS.

None of the funds appropriated pursuant to an authorization of appropriations in sec-

tion 101 may be obligated or expended to purchase binary chemical weapons.

TITLE II—RESEARCH, DEVELOPMENT, TEST, AND EVALUATION

SEC. 201. AUTHORIZATION OF APPROPRIATIONS.

(a) Funds are hereby authorized to be appropriated for fiscal year 1986 for the use of the Armed Forces for research, development, test, and evaluation in amounts as follows:

For the Army, $4,546,700,000.

For the Navy (including the Marine Corps), $7,252,400,000.

For the Air Force, $11,748,200,000.

For the Defense Agencies, $4,135,300,000.

(b) In addition to the funds authorized to be appropriated in subsection (a), there are authorized to be appropriated for fiscal year 1986 such additional sums as may be necessary for increases in salary, pay, retirement, and other employee benefits authorized by law for civilian employees of the Department of Defense whose compensation is provided for by funds authorized to be appropriated in subsection (a).

SEC. 202. LIMITATION ON FUNDS FOR THE ARMY.

None of the funds appropriated pursuant to an authorization of appropriations in section 201 may be obligated or expended for—

(1) the Pershing II missile program; or

(2) the ballistic missile defense program.

SEC. 203. LIMITATIONS ON FUNDS FOR THE NAVY.

None of the amount appropriated pursuant to the authorization in section 201 for the Navy may be used for—

(1) the Trident II missile program; or

(2) the sea-launched cruise missile program.

SEC. 204. LIMITATIONS ON FUNDS FOR THE AIR FORCE.

None of the amount appropriated pursuant to the authorization in section 201 for the Air Force may be used for—

(1) the MX missile program;

(2) the ground-launched cruise missile program;

(3) the B-1B bomber program; or

(4) antisatellite weapons.

SEC. 205. LIMITATIONS ON FUNDS FOR THE DEFENSE AGENCIES.

None of the amount appropriated pursuant to the authorization in section 201 for the Defense Agencies may be used for antisatellite weapons.

SEC. 206. PROHIBITION OF DEVELOPMENT OF BINARY CHEMICAL WEAPONS.

None of the funds appropriated pursuant to an authorization of appropriations in section 201 may be obligated or expended for research, development, test, or evaluation of binary chemical weapons.

TITLE III—OPERATION AND MAINTENANCE

SEC. 301. AUTHORIZATION OF APPROPRIATIONS.

(a) Funds are hereby authorized to be appropriated for fiscal year 1986 for the military functions of the Department of Defense for operation and maintenance in the amount of $78,272,000,000.

(b) In addition to the funds authorized to be appropriated in subsection (a), there are authorized to be appropriated for fiscal year 1986 such additional sums as may be necessary—

(1) for increases in salary, pay, retirement, and other employee benefits authorized by law for civilian employees of the Department of Defense whose compensation is provided for by funds authorized to be appropriated in such subsection;

(2) for unbudgeted increases in fuel costs; and

(3) for increases as the result of inflation in the cost of activities authorized by subsection (a).

SEC. 302. ELIMINATION OF NATIONAL BOARD FOR THE PROMOTION OF RIFLE PRACTICE.

None of the funds appropriated pursuant to an authorization of appropriations in section 301 may be obligated or expended for the National Board for the Promotion of Rifle Practice.

TITLE IV—WORKING CAPITAL FUNDS

SEC. 401. WORKING CAPITAL FUNDS.

Funds are hereby authorized to be appropriated for fiscal year 1986 for the use of the Armed Forces of the United States and other activities and agencies of the Department of Defense for providing capital for working capital funds, in the amount of $1,860,000,000.

TITLE V—ACTIVE FORCES

SEC. 501. ACTIVE FORCES.

The Armed Forces are authorized strengths for active duty personnel as of September 30, 1986, as follows:

(1) The Army, 751,300.

(2) The Navy, 541,050.

(3) The Marine Corps, 192,500.

(4) The Air Force, 565,800.

TITLE VI—RESERVE FORCES

SEC. 601. AUTHORIZATION OF AVERAGE STRENGTHS FOR SELECTED RESERVE.

(a) For fiscal year 1986 the Selected Reserved of the reserve components of the Armed Forces shall be programmed to attain average strengths of not less than the following:

(1) The Army National Guard of the United States, 398,010.

(2) The Army Reserve, 291,900.

(3) The Naval Reserve, 94,000.

(4) The Marine Corps Reserve, 41,900.

(5) The Air National Guard of the United States, 108,700.

(6) The Air Force Reserve, 63,736.

(7) The Coast Guard Reserve, 10,700.

(b) The average strengths prescribed by subsection (a) for the Selected Reserve of any reserve component shall be proportionately reduced by (1) the total authorized strength of units organized to serve as units of the Selected Reserve of such component which are on active day (other than for training) at any time during the fiscal year, and (2) the total number of individual members not in units organized to serve as units of the Selected Reserve of such component who are on active duty (other than for training or for unsatisfactory participation in training) without their consent at any time during the fiscal year. Whenever such units or such individual members are released from active duty during any fiscal year, the average strength prescribed for such fiscal year for the Selected Reserve of such reserve component shall be proportionately increased by the total authorized strength of such units and by the total number of such individual members.

SEC. 602. AUTHORIZATION OF END STRENGTHS FOR RESERVES ON ACTIVE DUTY IN SUPPORT OF THE RESERVES.

(a) Within the average strengths prescribed in section 601, the reserve components of the Armed Forces are authorized, as of September 30, 1986, the following number of Reserves to be serving on full-time active duty or full-time duty, in the case of members of the National Guard, for the purpose of organizing, administering, recruiting, instructing, or training the reserve components:

(1) The Army National Guard of the United States, 19,750.

(2) The Army Reserve, 10,700.

(3) The Naval Reserve, 11,680.

(4) The Marine Corps Reserve, 1,475.

(5) The Air National Guard of the United States, 6,815.

(6) The Air Force Reserve, 545.

(b) Upon a determination by the Secretary of Defense that such action is in the national interest, the end strengths prescribed by subsection (a) may be increased by a total of not more than the number equal to 2 percent of the total end strengths prescribed.

SEC. 603. INCREASE IN NUMBER OF CERTAIN PERSONNEL AUTHORIZED TO BE ON ACTIVE DUTY IN SUPPORT OF THE RESERVE COMPONENTS.

(a) The table in section 517(b) of title 10, United States Code, is amended to appear as follows:

"Grade	Army	Navy	Air Force	Marine Corps
E–9	517	175	80	9
E–8	2,296	381	358	74".

(b) The table in section 524(a) of such title is amended to appear as follows:

"Grade	Army	Navy	Air Force	Marine Corps
Major or lieutenant commander	2,476	875	476	100
Lieutenant colonel or commander	1,240	520	318	60
Colonel or Navy captain	360	177	189	25".

(c) The amendments made by subsections (a) and (b) shall take effect on October 1, 1985.

TITLE VII—CIVILIAN PERSONNEL

SEC. 701. AUTHORIZATION OF END STRENGTH.

The provisions of section 138(c)(2) of title 10, United States Code, shall not apply with respect to fiscal year 1986 or with respect to the appropriation of funds for that year.

TITLE VIII—MILITARY TRAINING STUDENT LOADS

SEC. 801. AUTHORIZATION OF TRAINING STUDENT LOADS.

(a) For fiscal year 1986, the components of the Armed Forces are authorized average military training student loads as follows:

(1) The Army, 57,990.

(2) The Navy, 65,130.

(3) The Marine Corps, 18,300.

(4) The Air Force, 46,300.

(5) The Army National Guard of the United States, 7,500.

(6) The Army Reserve, 8,500.

(7) The Naval Reserve, 1,050.

(8) The Marine Corps Reserve, 2,840.

(9) The Air National Guard of the United States, 2,380.

(10) The Air Force Reserve, 1,405.

(b) The average military student loads for the Army, the Navy, the Marine Corps, and the Air Force and the reserve components authorized in subsection (a) for fiscal year 1986 shall be adjusted consistent with the manpower strengths authorized in titles V and VI of this Act. Such adjustment shall be apportioned among the Army, the Navy, the Marine Corps, and the Air Force and the reserve components in such manner as the Secretary of Defense shall prescribe.

SENATE—*Thursday, May 16, 1985*

(Legislative day of Monday, April 15, 1985)

The Senate met at 10 a.m., on the expiration of the recess, and was called to order by the President pro tempore [Mr. THURMOND].

The PRESIDENT pro tempore. Our prayer this morning will be offered by His Eminence Archbishop Torkom Manoogian, primate, diocese of the Armenian Church of America, New York, NY. His Eminence is being sponsored by Senator CARL LEVIN. We are pleased to have you with us.

PRAYER

His Eminence Archbishop Torkom Manoogian, primate, diocese of the Armenian Church of America, New York, NY, offered the following prayer:

Glory to God our Father in Heaven.

Lord, we are gathered as Your humble stewards, laboring for the good of our Nation and the world.

We are grateful for the privileges of our generation: We live in a country where Your name is worshiped freely and with honor, and where the principles of human freedom and dignity are protected.

Imbue the work of this august body with peace and understanding. Open our hearts to the suffering of others; grant us Your precious spirit so that we might always uplift and exalt Your miraculous creation. You have made us stewards of the Earth; help us be good and tireless stewards.

You who have filled the world with signs of Your almighty power and boundless love, inspire the leaders of our Nation and the representatives of our people to use their talents and potentials wisely and to deliberate all matters with care and compassion. May they be guided continuously by the tenets of truth and justice, so that these virtues may never be undermined; virtues which my Armenian people have suffered to defend throughout their turbulent history.

And especially on this 70th year of remembrance of the genocide of the Armenian people, bless us with a mighty voice to praise You, a sharp eye to discern You, and the ability to direct our energies to the good of all peoples.

Thus Your blessed name, Lord of Creation, shall be praised by all nations, and from generation to generation. Amen.

RECOGNITION OF THE MAJORITY LEADER

The PRESIDENT pro tempore. The distinguished majority leader is recognized.

Mr. DOLE. Mr. President, let me yield first to the distinguished Senator from Michigan, Senator LEVIN.

Mr. LEVIN. I thank my friend.

ARCHBISHOP MANOOGIAN

Mr. LEVIN. Mr. President, I am delighted, as all of us are, to have Archbishop Manoogian with us this morning to deliver the prayer. After listening to his thoughtful and poignant prayer, I know that his message is shared by all of us. I had the pleasure of meeting the archbishop last year in Detroit, where I have visited many friends along the years at St. John's Armenian Apostolic Church. Indeed, Archbishop Manoogian provides spiritual leadership for many of North America's 600,000 American-Armenians who can be proud of their rich culture and proud heritage as reflected in their church—from the time of St. Gregory the Illuminator, who led Armenia to become the first Christian nation of the world in A.D. 301, to the present, where Armenians make important contributions to every aspect of our society.

Archbishop Manoogian was born on February 16, 1919, in the deserts near Baghdad, Iraq, where his parents had fled from the massacres of more than 1.5 million Armenians in Ottoman, Turkey from 1915-23—the first genocide of the 20th century. He was 12 years old when he was sent to attend the Armenian School of the Monastery of St. James in Jerusalem. Upon graduation, he decided to continue his studies there in preparation for the priesthood. After ordination in 1939, he remained for several years at the monastery, serving in various capacities.

Archbishop Manoogian came to the United States in 1946 and was assigned to serve as pastor of the Holy Trinity Armenian Church of Philadelphia. In November 1951 he was named vicar of the diocese and held that post until 1955. Back in Jerusalem, he served from 1957 to 1960 as dean of the theological school, as a member of the Holy Synod and chairman of the general assembly of the St. James Brotherhood, and chancellor of the patriarchate.

Archbishop Manoogian worked on the publication of the sacred music of the Armenian Church together with Wardan Sarxian, one of the pupils of the musician-priest Gomidas Vartabed. These arrangements were subsequently published in the United States in two volumes. Archbishop Manoogian also published the "Sunrise Service of the Armenian Church" and prepared for the first time ever the complete music of the deacon's part on the Divine Liturgy.

In 1960 he returned to the United States and enrolled at the Episcopal Theological School in Cambridge, MA, as a postgraduate student where he remained for the next 2 years. In 1962 he was elected primate of the western diocese of the Armenian Church of America and in the same year he visited Etchmiadzin, where he was ordained bishop. In 1966 he was elected primate of the eastern diocese of the Armenian Church of America and in 1968 was elevated to the rank of archbishop.

Archbishop Manoogian has published many articles in periodicals as well as a number of pamphlets and books. He serves on the governing board and the executive committee of the National Council of Churches in Christ. This year he was elected chairman of the board of Religion in American Life and is also a member of the Appeal of Conscience Foundation.

In May 1982 Archbishop Manoogian was elected to an unprecedented fifth 4-year term as primate of the diocese of the Armenian Church by an overwhelming majority of the delegates representing the 50 parishes in the United States and Canada of the diocese.

SCHEDULE

Mr. DOLE. Mr. President, under the standing order, the leaders each have 10 minutes, followed by special orders for Senators PROXMIRE, DIXON, BUMPERS, and PRYOR. They will be in routine morning business not to extend beyond the hour of 11:30 a.m., with statements therein limited to 5 minutes each.

Following morning business, the Senate will resume consideration of the conference report to accompany H.R. 1869, repeal of auto recordkeeping. That will be under a 40-minute time agreement—10 minutes under the control of Senator PACKWOOD, or his designee, and 30 minutes to the distinguished Senator from Ohio, Senator METZENBAUM. I am advised there will

not be a rollcall, but it is never a certainty.

Following the disposition of the conference report, there are a number of calendar items: The small business authorization (S. 408), the coin bill (H.R. 47), and safe drinking water (S. 124). We also have an Executive Calendar nomination of Vernon Walters, and an Executive Calendar nomination of Richard Hughes, and any other Legislative or Executive Calendar items cleared for action.

I assume there will be rollcall votes today. There will be a session on Friday. We hope to be on the defense authorization bill. It would be my hope that we could reach some agreement during the day to complete action on that bill by no later than 6 p.m. Thursday next so that we might complete action on this very important matter.

Mr. President, I reserve the balance of my time. I suggest the absence of a quorum.

The PRESIDING OFFICER (Mr. HUMPHREY). The clerk will call the roll.

The bill clerk proceeded to call the roll.

Mr. PROXMIRE. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

RECOGNITION OF SENATOR PROXMIRE

The PRESIDING OFFICER. Under the previous order, the Senator from Wisconsin is recognized for not to exceed 15 minutes.

Mr. PROXMIRE. Mr. President, I ask unanimous consent that I may reserve the time of the minority leader, Senator BYRD, for his use later in the day.

The PRESIDING OFFICER. Without objection, it is so ordered.

GIVE STAR WARS A CHANCE BUT CUT FUNDING INCREASE

Mr. PROXMIRE. Mr. President, as we know, the President has proposed a massive increase in funding for the star wars program. The President would push the present $1.4 billion appropriated for 1985 to a colossal $3.7 billion in 1986. The Armed Services Committee has reduced that to some extent, but it is still a huge increase of more than 100 percent. The Armed Services Committee has recommended a $3 billion increase.

That would still hand star wars a colossal 114-percent increase in funding in 1 year. Dr. Richard Garwin, a brilliantly qualified expert, has recommended that the level of research be kept at $1.4 billion for 1986 for star wars. In this year of austerity, faced with the necessity for holding down all Federal spending and with military spending under special pressure, how generously should the Congress fund the star wars program?

Mr. President, Senators CHAFEE, BUMPERS, MATHIAS, and I have prepared an amendment that would permit a major increase in star wars research. It would increase star wars research funding for 1986 to $1.86 billion. That would mean an increase of more than 30 percent in funding for this highly controversial program in a stringent austerity year.

What would my amendment permit star wars research to do? It would permit high quality antiballistic missile defense. It would provide for a hedge against the Soviet ABM effort. And it would provide the basis for greater congressional oversight by developing the information necessary for the Congress to make a decision on the basis of the fullest possible information whether to go ahead to produce and deploy the immensely expensive hardware necessary to make star wars effective.

What would the Proxmire amendment eliminate in reducing the President's proposal to $1.86 billion? Mr. President, all of us agree with the President's observation that this program is not based on any single or preconceived notion of what an effective defense system would look like. Obviously, this is a long-term research project in its very early stages. Last month, a workshop at Stanford University issued a report on the Strategic Defense Initiative by an expert group that included both supporters and critics of the program. They agreed that it is now far too early for any program in strategic defense to consider technology demonstrations of types that could raise serious issues of compliance with the ABM treaty.

And they added this observation:

> In addition to the political costs of such early demonstrations (whether or not they violate the ABM treaty), premature promotion to the demonstration-and-test phase can be very harmful to attainment of any particular goal in strategic defense. A considerable body of evidence has shown that early demonstrations of new technologies have two deleterious effects. First, they tend to freeze the technology being demonstrated before it is fully mature, thus guaranteeing less than full capability. Second, they tend to absorb money from associated R&D programs, thus eliminating the possibility of better solutions . . . Therefore, at this time, sensible R&D should proceed; but demonstrations of types that could justify charges of ABM treaty violation should not even be considered before the new technologies reach sufficiently advanced performance goals to merit tests of their ability to meet systems criteria.

So our amendment permits funding increases for demonstration projects to increase only 4 percent. On the other hand, funding for the system survivability, lethality, and hardening projects would be allowed to increase at the rate the administration requested. And, as I have stated previously in speeches on the floor, a new program, threat analysis—that is a project designed to research Soviet countermeasures—would be created to assure the Congress that it would have the information available to meet the standard proposed by Paul Nitze. Nitze proposed that the star wars defense should only proceed if it meets a cost-effectiveness test. Nitze defined cost-effectiveness for star wars as a determination that the ABM defense costs less than the Soviets could spend to overcome it.

My amendment would also meet the President's stated objective that the star wars research be able to respond to the ongoing Soviet ABM effort. Any SDI research program funded by Congress should enable the United States to meet a Soviet breakout from the ABM treaty. Does the President's $3.7 billion request do this? The answer is a clear and emphatic "No." Does our proposed amendment meet the test? Yes. It would provide for research into conventional ABM systems. These systems provide the most practical and immediate hedge against a Soviet breakout of the ABM treaty. The amendment would also establish a new Hard Point Defense Technology Program.

What would be the purpose of a Soviet breakout from the ABM treaty? Obviously, it would be to reduce the effectiveness of the U.S. deterrent. How can we overcome such a Soviet move? Answer: Increase the ability of our offensive nuclear forces to penetrate Soviet defenses. What does our proposed amendment do about this? It doubles the Air Force penaids program in fiscal year 1986.

Mr. President, if the Congress proceeds with the SDI program, it will absorb a massive proportion of this country's military research dollars and an increasing proportion of the scientists and engineers engaged in developing weapons to provide our national security. For that reason, our amendment establishes a Strategic Defense Evaluation panel to monitor this technology and its implications for arms control, for our overall national security, and to report to the Congress.

Mr. President, I ask unanimous consent that a table comparing the star wars research funding for fiscal year 1984, fiscal year 1985, the President's proposed changes for 1986, and the alternative budget that we are proposing for 1986, be included in the RECORD. This table shows the increase in the research budget for star wars broken down in detail. It also shows the percentage increase over this year's funding in the amendment we propose—the "alternative budget."

There being no objection, the table was ordered to be printed in the RECORD, as follows:

SDI ALTERNATE BUDGET

[Dollar amounts in millions]

	Fiscal year—				
	1984 appropriation	1985 appropriation	1986 request	1986 alternate budget	Percent over 1985
Current year	991.8	1,397.2	3,722.3	1,860.2	33
63220C Surveillance	366.5	546.0	1,386.3	683.5	25
0001 Radar Discrimination Tech	24.1	29.9	74.1	38.9	30
0002 Optical Discrimination Tech	50.5	133.7	198.7	173.8	30
0003 Imaging Radar Tech SRB	6.3	15.3	45.8	19.9	30
0004 Imaging Laser Tech LIDAR	5.6	28.3	127.0	36.8	30
0005 IR Sensors and Data Tech	86.8	57.8	151.4	75.1	30
0006 Booster Surv and Track BSTS	28.3	38.0	131.1	49.4	30
0007 Space Surveil and Track SSTS	35.6	37.0	136.0	48.1	30
0008 Airborne Optical Sys AOS	28.8	117.0	191.6	121.7	4
0009 Terminal Imaging Radar TIR	100.5	6.0	74.6	6.2	4
0010 Space-Based Imaging Demo	0	0	5.8	5.8	
0011 Common Tech and Architecture	0	83.0	250.2	107.8	30
63221C Directed Energy Weapons	322.5	376.3	965.4	446.8	19
0001 Space-Based Laser System	167.0	162.7	371.9	169.2	4
0002 Ground-Based Laser Systems	133.1	178.1	431.5	231.5	30
0003 Space-Based Particle Beam	13.9	32.1	133.4	41.7	30
0004 Nuclear Directed Energy	8.5	3.4	28.6	4.4	30
63222C Kinetic Energy Weapons	195.8	256.0	860.0	305.0	19
0001 Endo Non-Nuclear Kill Tech	111.1	68.7	100.6	89.3	30
0002 Exo NNK Technology	.1	49.1	109.7	63.8	30
0003 System Eng and Analysis	2.4	4.0	11.8	5.2	30
0004 Hyper-Velocity Launcher	6.6	19.1	68.7	24.7	30
0005 Novel Concepts	2.3	9.0	29.5	11.7	30
0006 High-Endo Defense Sys HEDS	36.8	27.6	101.9	28.7	4
0007 Exo RV Intercept Sys ERIS	24.2	12.7	120.7	13.2	4
0008 SLBM Boostphase Engagement	.1	0	0	0	
0009 Space-Based Hyper-V Launch	6.6	3.5	39.3	3.6	4
0010 Space-Based NNK Rocket	5.5	30.0	147.4	31.2	4
0011 Terminal System Demo	.1	32.3	130.1	33.6	4
63225C Hard Point Defense Tech Dev				75.0	
63223C Systems Concepts and BMC3	83.0	99.0	243.3	127.8	30
3001 Battle Management and C3	50.0	46.0	145.0	58.9	30
3002 SDI Systems Architecture	33.0	53.0	98.2	68.9	30
63226C Threat Analysis				20.0	
63224C Support Projects	24	112.0	258.1	192.9	72
0010 System Survivability	9	36.2	72.1	72.1	99
0011 Lethality and Hardening	11.3	63.3	103.5	103.5	63
0012 Space Power and Conversion	2.0	11.0	63.8	14.3	30
0013 Space Logistics	1.0	1.5	18.7	3.0	100
65898C SDIO Management HQ	.5	8.0	9.2	9.2	15

SDI ALTERNATE BUDGET—Continued

[Dollar amounts in millions]

	Fiscal year—				
	1984 appropriation	1985 appropriation	1986 request	1986 alternate budget	Percent over 1985
63311F Advanced Stat Miss Syst		98.0	173.9	196.0	100

UNITED STATES NEEDS TO BE "RIGHT AND STRONG"

Mr. PROXMIRE. Mr. President, on Wednesday, May 8, Israel bestowed posthumous citizenship on the 6 million Jews who died in the Holocaust. In addition, Israel granted honorary citizenship to gentiles who risked their own safety to hide Jews from the Nazis. Prime Minister Shimon Peres declared to those who had gathered to celebrate:

Today we have our own land, our own sovereignty, our own freedom. We shall never repeat the crime of being right and weak. We want to be right and strong.

Ghetto fighters and partisans of all nations, gathered in Israel for an international symposium on resistance to the Third Reich, cheered Peres' words.

Mr. Peres' statement is especially meaningful to Americans concerned with international human rights. How can or great Nation allow itself to be "right and weak"? The failure to ratify the Genocide Convention Treaty is indeed a crime; it is a crime of omission which negates our claims of moral righteousness. As I have said before, "We cannot do moral battle against genocide with one hand tied behind our back." In order to be both "right and strong" we must utilize every diplomatic tool at our disposal.

What better time to act then this years, on the 40th anniversary of the liberation of Europe from Nazi terror? Just as Reagan remembered the suffering at Bergen-Belsen, so the United States must keep its promise to the victims of death camps to never again allow organized murder. One important way to show our commitment to this promise is to add America's name to the 96 nations that have already signed the treaty our Nation helped draft.

The treaty is far more than a statement owed to past generations. It is a promise to future generations of Jews, Cambodians, Armenians, and Miskito Indians of Nicaragua that the United States of America will do everything in its power to prevent and punish the heinous crime of genocide.

Let us not miss the critical moment of remembrance and seize the opportunity to be strong as well as right, by ratifying the Genocide Convention Treaty.

S. 1148—ELECTRONIC BANKING COMPETITIVE EQUALITY ACT OF 1985

Mr. PROXMIRE. Mr. President, today I am introducing the Electronic Banking Competitive Equality Act. The purpose of the act is to clarify the scope of the McFadden Act vis-a-vis developments in the field of electronic funds transfer so as to facilitate the convenient utilization of ATM's and similar devices by bank customers, while preserving competitive equality between State and national banks and respecting the dual banking system.

The case of IBANYS versus Marine Midland has demonstrated the need for such clarification. At the district court level, a functional test of branching was applied to determine whether an ATM not owned or rented by a national bank was a branch of that bank. The court determined that an ATM performing any of the functions enumerated in the McFadden Act—receipt of deposits, payment of checks, or lending of money—was a branch under Federal law. As a result, the ruling implied that a national bank would be able to utilize ATM's and similar devices to a lesser extent than State banks, in a State which had restrictive branching laws but which exempted ATM's from its branch definition; and that a national bank could not participate in any shared interstate EFT system, since McFadden constitutes an absolute prohibition to interstate branching.

The appeals court reversed, focusing on whether the ATM had been established by the national bank, rather than on the functions performed through the machine. The court held that an ATM or similar device not owned or rented by a national bank was not its branch; and, further, that transaction fees levied for the use of such devices would not be considered rent. As a result of this ruling, State banks could be placed in a position of competitive inequality vis-a-vis national banks as to the intrastate utilization of ATM's owned by third parties. Further, the States would be left powerless to regulate or control interstate deposit taking by national banks through such third-party machines.

Plaintiffs have now sought certiorari from the Supreme Court. Regardless of whether that request is granted, it is clear that congressional intervention is required because, when the McFadden Act is applied to electronic banking equipment, an emphasis on a functional test appears to place national banks at a competitive disadvantage; while an emphasis on proprietary control places State banks at a disadvantage, and undermines the ability of the States to exercise the control over interstate deposit taking which both McFadden and the Douglas amendment seek to delegate.

In the absence of Federal legislation, it would be entirely possible for a group of national banks to establish a shared network of automated teller machines on a nationwide basis totally outside the framework of State law. Thus even though a State may restrict or limit deposit taking by out-of-State institutions, a group of large national banks headquartered in New York or other financial centers could claim immunity on the grounds that national banks are not subject to State ATM laws. According to a recent survey by the Conference of State Bank Supervisors, 23 States have explicit restrictions in their ATM laws on deposit taking by out-of-State banks. Many of the other States rely on other provisions of State law or the McFadden Act to restrict deposit taking by out-of-State banks.

It is true that up to now, national banks have more or less decided to voluntarily comply with State ATM laws, perhaps with the idea of not rocking the boat while these ATM networks are being established and the law was somewhat unclear. However, if the second circuit decision stands on the Midland case, national banks will be in a strong legal position to begin challenging the right of the States to regulate ATM terminals, at least as they apply to national banks. Thus the fundamental principles of the dual banking system are in jeopardy unless Congress updates the McFadden Act in the light of today's financial technology.

My bill seeks to redress the situation in the following manner:

A national bank is permitted to utilize third-party electronic equipment to the same extent as is permitted to State banks in the State in which the equipment is located. Put simply, if a State bank can connect to a particular ATM or similar device, a national bank can too.

This automatic parity between national and State banks does not, however, apply to the deposit-taking function. For that function alone, a national bank may connect to a shared ATM located outside the State in which it is situated only if the law of that State specifically authorizes interstate deposit taking through electronic means.

Transaction fees are exempted from being considered as rent provided that they are levied against all banks utilizing the electronic equipment pursuant to a uniform fee schedule. Also, constructive ownership may not be found provided that the national bank and its parent, and subsidiaries and affiliates thereof, do not control either the equipment, or the shared electronic system connecting banks to the equipment, so as to gain a competitive advantage over other banks. These requirements will assure that shared systems operate in a nondiscriminatory manner, without favoring a particular bank; and that a de facto proprietary EFT/ATM system is not established by a national bank through the legal subterfuge.

Finally, the bill defines shared electronic banking equipment to encompass ATM's, CBCT's, cash dispensers, POS terminals, and any similar devices which facilitate customer access to bank products and services, are accessible by the general public, and which can be utilized by any bank on a nondiscriminatory basis.

This bill is a fair and balanced approach which enhances the establishment and utilization of electronic devices by bank customers by lifting a legal cloud; but which also preserves the values of competitive equality, a dual banking system, and State control over interstate deposit taking, which are all fundamental foundations of our banking statutes.

Mr. President, I ask unanimous consent that a copy of a survey of ATM placement and restrictions on deposit taking conducted by the Conference of State Bank Supervisors be placed in the RECORD, as well as the full text of my bill, following my remarks.

There being no objection, the survey and bill were ordered to be printed in the RECORD, as follows:

SURVEY BY CONFERENCE OF STATE BANK SUPERVISORS

Placement of Automatic Teller Machines (ATMs) by Out-of-State Institutions and ATM Law Restrictions on Acceptance of Deposits in ATMs for Accounts of Out-of State Institutions:

By a March 1985 review of state statutes and by telephone survey of State banking department personnel, 41 responses to the below questions were received:

A. Does state ATM law permit direct placement of ATMs by out-of-state entities?

B. Does the state ATM law limit or restrict deposit-taking by out-of-state institutions?

The results in summary form are as follows:

A. Permit placement of ATMs: Yes, 7;[1] No, 34.

B. Limit or restrict out-of-state deposit-taking: Yes, 23; No, 18.[1]

[1] Includes 5 states that require reciprocity or other specific restrictions on functions.

[2] A "No" response includes states relying on other provision of state law or the McFadden Act, rather than inclusion of such a prohibition in state ATM statute.

	A. Permit placement of ATMs	B. Limit or restrict out-of-State deposit-taking by ATM statute [1]
State:		
Alabama	Yes [2]	No.
Arkansas	No	Yes.
California	No	Yes.
Colorado	No	Yes.
Connecticut	No	Yes.
Delaware	No	No.
Florida	No	Yes.
Georgia	No	Yes.
Hawaii	No	No.
Idaho	No	Yes.
Illinois	No	Yes.
Indiana	No	Yes.
Iowa	No	Yes.
Kansas	No	No.
Kentucky	No	Yes.
Maine	No	Yes.
Maryland	Yes [2]	No.
Massachusetts	Yes [2]	Yes.
Michigan	No	Yes.
Minnesota	No	Yes.
Mississippi	No	No.
Montana	No	Yes.
Nebraska	No	No.
New Hampshire	No	Yes.
New Jersey	No	No.
New York	No	Yes.
North Carolina	No	No.
North Dakota	No	Yes.
Ohio	No	Yes.
Oklahoma	Yes	No.
Oregon	Yes [2]	No.
Rhode Island	No	No.
South Carolina	No	No.
South Dakota	No	No.
Tennessee	No	No.
Texas	No	Yes.
Utah	No	No.
Virginia	No	Yes.
Washington	Yes [2]	Yes.
West Virginia	Yes	No.
Wisconsin	No	No.

[1] A "No" response may merely indicate reliance on other provision of state law or the McFadden Act, rather than inclusion of such a prohibition in state ATM statute.

[2] Require reciprocity or contain other specific restrictions on functions.

Note.—A permit placement of ATMs: yes, 7; no, 34. B. Limit or restrict out-of-State deposit-taking by ATM statute: yes, 23; no, 18.

S. 1148

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Electronic Banking Competitive Equality Act of 1985".

SEC. 2. Section 5155 of the Revised Statutes (12 U.S.C. 36) is amended by adding at the end thereof the following:

"(i)(1) Except as provided in paragraph (2), a national bank may connect to, and permit its customers to use, shared electronic banking equipment which such bank does not own or rent to the same extent as, and subject to the same restrictions, conditions, regulations, rulings, and interpretations, as are imposed upon foreign or domestic State banks by the law of the State in which such electronic banking equipment is located, as enforced by such State's banking regulatory authority.

"(2) A national bank may not receive, accept, or otherwise credit the account of its customers for, any deposit made at or through the medium of shared electronic banking equipment located in a State other than the State in which such bank is situated, unless the statute law of the State in which such equipment is located authorizes such interstate transmission of deposits via shared electronic banking equipment by language specifically and affirmatively to this effect and not merely by implication or recognition.

"(3) For the purposes of this subsection, the term—

"(A) 'own' includes the exercise of constructive control over shared electronic banking equipment, or the transmission network connecting such equipment to banks, by a national bank, its parent holding company, and subsidiaries and affiliates thereof, where such control results in a competitive advantage over other banks;

"(B) 'rent' does not include transactional fees or similar charges assessed for the use of electronic banking equipment, provided that such fees are assessed in accordance with a uniform fee schedule upon all banks which share, or permit their customers to use, such equipment and

"(C) 'shared electronic banking equipment' shall include automated teller ma-

chines, customer bank communication terminals, point-of-sale terminals, cash dispensing equipment, and similar publicly accessible transmission devices facilitating the utilization of bank products and services by customers, provided that such equipment, and the transmission network or networks connecting such equipment to banks, may be utilized by any bank wishing to do so on a nondiscriminatory basis.

"(4) The connection of a national bank to any publicly accessible electronic banking equipment other than shared electronic banking equipment shall constitute the establishment and operation of a branch.".

Mr. PROXMIRE. Mr. President, I yield the floor.

Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The bill clerk proceeded to call the roll.

Mr. BUMPERS. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

RECOGNITION OF SENATOR BUMPERS

The PRESIDING OFFICER. Under the previous order, the Senator from Arkansas is recognized for not to exceed 15 minutes.

S. 1149—RATEPAYER PROTECTION ACT OF 1985

Mr. BUMPERS. Mr. President, I am today introducing, along with Senator PRYOR, the "Ratepayer Protection Act of 1985," legislation that has one simple premise: Consumers of electricity should not be forced by the Federal bureaucracy, over the objection of a State public service commission, to suffer a 50-percent rate increase in order to pay for electricity they don't want, don't need and can't use.

Yet, Mr. President, that is what is about to happen as a result of two cases currently before the Federal Energy Regulatory Commission [FERC] involving the construction of the $3.5 billion Grand Gulf Nuclear Powerplant in Mississippi. Although the decision to build the plant was never subject to approval by the Arkansas Public Service Commission, the Louisiana Public Service Commission or New Orleans Public Service Commission, and although none of them want or need the power that will be generated, they may be forced by FERC to pay for up to 75 percent of the power from Grand Gulf.

Mr. President, if this strikes you as tremendously unfair and completely unjust to Arkansas ratepayers, that is because it is. I cannot overemphasize the depth of the feeling of opposition to this in Arkansas. All across the State, thousands of farmers, small businesses, and working men and women struggling just to get by, have been appalled and grossly offended by the news that their rates may go up by as much as 50 percent to pay for electricity they don't need and never agreed to purchase.

Our bill would amend the Federal Power Act to give State regulatory bodies more authority in this and similar situations; and since the Grand Gulf cases could very well become precedent for similar cases in many other States, other Senators will be interested in this legislation. Of course, I still have hope that the full Federal Energy Regulatory Commission will reverse the decisions of the two administrative law judges that have ruled adversely to Arkansas, but if they do not, the consequences will be so harmful to Arkansas that I have no choice but to attempt to reverse FERC legislatively.

The Ratepayer Protection Act of 1985 would restore to the State regulatory commissions the authority to determine whether a State-regulated utility may flow through to its retail customers the rates approved by FERC. Under our bill, the State commission would be granted this authority in cases involving rates arising from electricity purchases between utility companies within a public utility holding company system and only where the State commission had not approved the construction upon which those rates are based.

Arkansas Power and Light Co. [AP&L] is a subsidiary of the Middle South Utilities, Inc., a public utility holding company with three other utility operating companies, Mississippi Power and Light Co. [MP&L], Louisiana Power and Light Co. [LP&L], and New Orleans Public Service, Inc. [NOPSI].

Since the early 1950's, each of these four companies has operated and planned its plant construction in coordination with the others, so that each would enjoy the economic benefits of a larger overall grid. A company with temporary excess capacity sold it at market rates to a fellow subsidiary which temporarily needed power. Each utility built new capacity when its load projections dictated the need. These projections naturally took into consideration the availability of whatever temporary capacity would be available from the other utilities in the system. This situation was dictated only by economics, not by the parent holding company. Each company retained its independence.

In the 1970's, AP&L undertook an ambitious construction program, building two nuclear powerplants and a large coal-burning plant. It has recently completed a second coal-burning plant. These plants produce electricity at rates that are now regarded as low, but which were very expensive at the time. In fact, AP&L's rates rose 200 percent in 10 years. AP&L's customers assumed that heavy burden, conserving wherever they could.

Although AP&L rates are still high by historic standards, they now compare favorably with others throughout the Nation, because the increased rates have already amortized a substantial portion of the recent construction. According to the staff of the Arkansas Public Service Commission, AP&L has capacity sufficient to meet demand for the next decade and a half. Arkansans have paid the price, and they should be facing a bright future.

Instead, the Grand Gulf proceeding threatens to rob Arkansans of this bright energy future and impose instead an era of unacceptably high energy costs.

These cases are the outgrowth of two other, less successful construction programs. The first is Mississippi Power & Light's disastrous attempt to build a 1,250 nuclear powerplant, the largest in the country, at Grand Gulf, MS. This plant was begun in the early 1970's and was initially projected to cost $600 to $700 million. It has only recently received its full power operating license, and the final cost is a staggering $3.5 billion. This would have easily bankrupted MP&L, so its fellow operating subsidiaries rescued it by agreeing to help finance its cost overruns.

AP&L originally agreed to guarantee 17.1 percent of the indebtedness in exchange for receiving power from the plant. However, when AP&L began planning its second coal plant, it was obvious AP&L would not need power from Grand Gulf, so in 1981 it was released from that agreement voluntarily by the other Middle South utility subsidiaries.

The circumstances surrounding this release demonstrate why our legislation is necessary. The release was signed when AP&L was seeking permission from the Arkansas Public Service Commission to build its second large coal-burning plant. The precise connection is subject to dispute, but it is clear that the Arkansas commission began to question the need for the coal plant if AP&L also intended to purchase electricity from the Grand Gulf plant.

AP&L responded that its agreements with its fellow subsidiaries would not require it to take Grand Gulf power if it had sufficient power on its own system. Because the coal plant would assure AP&L of sufficient capacity, it would not be using Grand Gulf power. As further emphasis, the other Middle South subsidiaries released AP&L from its financial obligations for Grand Gulf. The agreement was clear—AP&L would take no power from Grand Gulf and would pay for none. With this very important assurance, the Arkansas Public Service

Commission approved the second large coal plant.

This careful planning is now threatened, because an administrative law judge of the Federal Energy Regulatory Commission has now decided that AP&L should be required to pay for 36 percent of the Grand Gulf plant, and share the benefit of AP&L's own construction program with the other subsidiaries. It is as if the ant were forced not only to share the benefits of his labor with the grasshopper, but also to pay the grasshopper's debts. This travesty would increase AP&L's rates by 25 percent, and, under current law, the Arkansas PSC would be forced to flow-through this increase to thousands of individuals, many very poor, and thousands more small businesses and farmers who are already struggling just to avoid bankruptcy.

In the second FERC case, intervenors are seeking to apply the same principle to the entire Middle South system. It principally involves reallocation of the costs of AP&L's Waterford Nuclear Powerplant which is the second of the two construction programs that I mentioned. This case would increase AP&L's rates by 50 percent.

Obviously, such increases would be devastating to Arkansas, but the real impact can only be seen by examining its effect upon individuals. I held an invaluable hearing in Little Rock on this subject and the testimony was astonishing. Every sector of the State would be prostrated by a 50-percent rate increase rippling through the economy.

For example, John Amos, the general manager for energy resources of Reynolds Metals, emphasized how essential electricity is in producing aluminum at its Arkansas plants, representing 30 percent of the production cost. A 50-percent rate increase would thus increase total production costs for Reynolds in Arkansas by 15-percent. Few manufacturers are flexible enough to absorb a 15-percent increase, and Reynolds certainly cannot. A 50-percent rate increase would force Reynolds to take its jobs, payroll and tax base elsewhere.

Equally important, Reynolds is AP&L's largest customer, purchasing over $100 million of power annually, which is 25 percent of AP&L's total sales. If Reynolds left, the fixed costs now supported by its purchases would be imposed on existing customers, raising their rates even more. This threat to Reynolds is enormous, but it is small when compared to other Arkansas businesses, large and small, because at least Reynolds has the option of leaving the State. Other Arkansas businesses cannot. They would have to stay and try to absorb these increases. Most of them are not in a position to do that, nor can they increase their prices to pass the cost to their customers.

Certainly, electric-intensive businesses cannot do so. Consider rice producers. Depending on the depth of their irrigation wells, rice farmers allocate 10 to 20 percent of their production costs to irrigation alone. That proportion is far above the 7-percent benchmark that the FERC uses to define an electricity-intensive energy user. A deep well already costs $80 per acre to operate each year, so a 50-percent increase would raise that to $120. Because 400 acres is considered a sound economic unit, that would mean a $16,000 annual increase in operating costs.

There is no way to pass these costs to consumers. Rice farmers operate in a world market. The strong dollar has already eroded the Arkansas farmers' competitive position there. They cannot take another blow like this one.

Moreover, they cannot reduce their purchases of electricity. They must pump water, and the cost of converting to diesel pumps is prohibitive, not to mention the fact that all competing fuels would probably rise in price to match electric rate increases.

In addition, these figures do not consider the secondary costs of processing. Both Riceland Foods, the State's largest cooperative, and Producers' Rice Mill, another large rice mill, testified that 5 to 7 percent of their costs are attributable to electricity. Both of them are already trying to reduce that amount through conservation. For example, Riceland is pioneering a machine to burn its rice hulls to produce power. Both have already shifted their electricity use as much as possible to take advantage of lower, off-peak rates. They continue to look for other methods of conservation, but it is still obvious that they would be devastated by a 50-percent rate increase. The same is true of the smaller rice mills.

Arkansas produces more rice than any other State. If rice farmers and millers are badly damaged, then the State is badly damaged.

The hearing showed that all farmers, large and small, would be badly damaged by a large rate increase. Hays Sullivan, a wise and careful farmer and seed processor, pointed out that, in addition to rice growers, growers of soybeans, wheat and milo would be hurt. Handling costs for these commodities now include 1.27 cents per bushel, so a 50-percent increase would add more than one-half cent per bushel at minimum, and a wet year would require more drying, increasing those costs by 4 to 5 cents per bushel and making them virtually unmarketable on the world market.

Mr. Sullivan went on to discuss the impact upon cotton growers. The cost of electricity for ginning a bale of cotton has increased over 300 percent since 1974, from $2.56 per bale to $10.13 per bale. A 50-percent increase, $5.06 per bale, would alone be 100 percent more than the total ginning cost in 1973, while the price of cotton is virtually the same as it was then.

Nicky Hargrove, the president of the Arkansas Farm Bureau, pointed out how the poultry growers would be hurt. Any operation with 50,000 laying hens would pay nearly $8,000 per year more. These businessmen are in a very competitive market, which permits very narrow margins. A dozen eggs, for example, brings one-half cent in profit. A 50-percent increase in electric rates would virtually eliminate that narrow margin.

Arkansas is by far the biggest broiler producing State in the Nation, and a normal unit is 30,000 chicks.

A broiler grower with 30,000 birds would face a $1,300 per year increase in electricity. It was clear from the hearing testimony that the growers would have to absorb that increase because wholesale purchasers would not. In fact, Gene Newmen, appearing for a large broiler processor, testified that it would have to consider leaving the State, because, of the six electric companies serving his company, AP&L already has the highest rates.

Arkansas produces more broilers than any other State. It is fourth in the production of turkeys and fifth in the production of eggs. Poultry growing and processing provide 65,000 jobs, making that the second largest source of employment in the State.

Arkansas clearly cannot afford to lose that industry, but that is what could happen. Just as with rice growers, poultry growers compete in a world market, sometimes against subsidized competition. With margins of less than 1 cent per pound for each chicken or turkey, they cannot absorb a 50-percent rate increase. Yet, they cannot reduce their use of electricity. They have already insulated their buildings, and they are undertaking whatever other conservation measures that they can. In fact, a new conservation service industry has developed to serve those demands, but it is a case of running as hard as you can just to keep up.

The same is true of the remainder of the agricultural sector, as testimony from cattlemen and milk producers showed at the hearing.

The nonagricultural sectors of Arkansas are already being squeezed. Small manufacturers would be badly hurt, and some would divert work from the State. For example, Orbit Valve, which makes valves for oil equipment, has operations in both Arkansas and England. Since 1980, its cost of electricity has risen from 3.9 percent of total costs to 7 percent. Given the strength of the dollar, the weakness of the pound sterling, and

ever-present Japanese competition, a 50-percent rate increase would certainly compel the company to rely more on its foreign facilities, thus reducing jobs in Little Rock.

The Monark Boat Co. competes for Government contracts—and does so very well—but it would be severely, if not fatally, harmed by a 50-percent rate increase. Last year it faced tough competition, for example losing one sizable contract by 0.4 percent and winning another by 3.9 percent. Since 1980, its electric rates have risen 50 percent. It is electric-intensive, with 7 percent of its costs devoted to electricity, and if there had been a 50-percent increase in rates last year, it would have lost $10 million in sales, half of its annual sales. Also, such an increase would make unprofitable many of its existing, multiyear contracts.

Both Monark and Orbit have invested in labor-saving equipment to boost their productivity, just as Congress intended when it passed the Economic Recovery Tax Act of 1981. A rate increase would completely upset the economies of those careful investments, robbing the companies of the intended benefits.

Another small Arkansas manufacturer, the American Transportation Co., makes buses. It already pays power bills equivalent to its competitors. An increase as low as 17 percent would force it to direct its future growth outside Arkansas.

The list goes on. Consider the Koehler Bakery Co., a family owned business begun in 1919. It has done everything it can do to conserve energy, even planting large flotinas to shade its freezers, but Federal regulations limit its ability to conserve more, because they require certain minimum temperatures. Therefore, it is not likely to reduce its energy costs much below the current high level of 30 to 35 percent of all costs.

The timber industry would be similarly squeezed. In 1982, lumber mills received $198 per thousand board-feet of lumber, but in 1984 they faced more competition from Canada and a recession, so they received only $184. Yet, from 1978 to 1984, electric rates rose 163 percent. A 50-percent rate increase would add another $4 per board-foot to the cost of producing lumber. A moderate size operation, such as Deltic Farms, would have to absorb an annual increase of nearly $500,000. A small operation, such as Charles Shields' one-man proprietorship, might not be able to absorb it at all. With daily sales averaging $4,200, he has an average daily margin of $228. A 50 percent rate increase would reduce that by $40. He is typical of many small mill owners who have already reduced electric costs to the bone, for example, by operating from 2 a.m. until 11 a.m. to take advantage of off-peak rates. They would soon begin to question whether their effort and investment were worth the reduced return.

Other small businesses would face the same question. Stant, Inc., of Pine Bluff, started 4 years ago to make gasoline, radiator, and oil caps. It then had 17 employees and it has grown to 250, but electricity now accounts for 7.1 percent of its overhead. A further rate increase of 50 percent would certainly reduce its operations and its work force.

Consider Donald Munro's Shoe Co. which spent $350,000 in energy-saving equipment between 1980 and 1984, only to see his electric bill go from $432,000 per year to $570,000 per year. He cannot continue to receive such increases and still battle fierce competition. And I don't need to remind Members of this body about the plight of our domestic shoe industry, which has already lost 73 percent of the U.S. market to imports.

Finally, consider Jane Adcox, who started the American Restaurant in Batesville in 1979. She immediately saw the necessity to conserve, so she installed insulation and purchased new, energy-efficient equipment. Yet in 1979 her utility bills were 3.1 percent of her gross, but they are now 6.1 percent, and her volume has not changed that much. If there is a 50-percent rate increase, there will be no room for more Jane Adcoxes in this world of fast-food franchises. In Jane's words, "We'd just have to close."

Mr. President, no one can doubt the magnitude of these electricity rate increases and their immediate effect, but it is even more important to assess the indirect effect as these increases ripple through Arkansas' economy and become magnified. The direct purchasers of the electricity will either pass the new costs on to their customers, absorb them, or cease operating, but none of the alternatives is desirable, as the testimony showed.

For example, Bill Scrimshire is the able mayor of Malvern, a city near a Reynolds' plant. As the owner of a restaurant he knows how dependent Malvern is on Reynolds' success. If Reynolds lays off people, he lays off people. If Reynolds closes, he closes. As a home owner, he knows how expensive a 50-percent rate increase would be to him and to other citizens. As mayor, he is aware of the increased demands made upon the city's budget by Federal water quality standards, and he must recognize the impossibility of meeting them if a 50-percent rate increase hits Reynolds and ripples through the city's economy.

It is clear by this example alone that Arkansas' quality of life would be dramatically harmed.

If AP&L's customers are able to pass along part of the increase to their customers, the results are no better. As James Caplinger, an auto dealer in the small town of England, pointed out, that would merely raise prices throughout town, absorbing disposable income and reducing sales by other retailers.

This effect would be most telling in areas which are heavily dependent upon electricity-intensive industries. State Senator Jim Scott, who represents a district in southern Arkansas, testified that, in five counties, 80 percent is forested. The district has 36 forest industry plants which employ 17 percent of its work force. Most of the rest of the population is indirectly dependent upon the forest industry.

If the plant's workers have to take pay cuts, the effect would be felt throughout five counties.

Another example is Lee County, a rural county that is the 10th poorest in the Nation. Its unemployment ranged from 13.2 to 25 percent in 1984, and 40 percent of the population is on food stamps. If farmers absorb the rate increase, there will be even less money circulating in the county. If they pass it on, food prices will rise, accentuating the rate increases experienced by grocery stores, which operate on narrow margins and use large amounts of electricity.

Increases in food prices would be especially devastating. Cheryl Maxwell, a nutritionist, testified that when faced with new expenses, most families reduce their food purchases. She also pointed out that this change would especially harm low-income families, producing low birthweight babies and various nutritional problems.

Mr. President, the full day of hearings we had on the potential impact of Grand Gulf demonstrated repeatedly that the effects would be devastating and pervasive. We are talking about a commodity, electricity, which has become a necessity, not just to live our lives but to improve them. Each witness brought the value of his or her expertise and experience to the hearing, but perhaps most valuable of all was the simple eloquence of James Duncan who spoke for the Arkansas Cattlemen's Association. He recalled life without electricity and the revolution it produced on farms throughout the county. He remembered how it first meant only a bare light in the kitchen and how they cherished it. He explained how they soon learned to use it as a tool, expanding their efforts, enhancing their strength and multiplying their productivity. All that and more is threatened.

The legislation which we are introducing would simply allow the Arkansas Public Service Commission, as well as other State commissions that are similarly situated, to decide whether rates approved by the FERC should be flowed through to consumers. It would only be allowed to make that decision

for rates based upon construction of generating facilities that it had not approved.

Mr. President, all the illustrations I have used are from the Small Business Committee's hearing in Little Rock, but I promise you there are numerous illustrations, equally dramatic, in Louisiana and other States similarly situated.

This proposal is completely consistent with the original intent of the Federal Power Act. That act was created with the very limited purpose of filling the so-called Attleboro gap, the interstate sales of electricity which were placed beyond State regulatory jurisdiction by the Supreme Court in its 1927 decision in PUC of Rhode Island against Attleboro. The Attleboro decision created a gap in utility regulation which some utilities were able to exploit. Holding companies in particular were able to load their nonoperating costs onto their intrastate utilities, thus increasing those rates. At the same time, they were able to charge whatever the traffic would bear for interstate rates, reaping greater profits because fewer of their costs were associated with those rates.

To close the Attleboro gap Congress passed the Federal Power Act which conferred jurisdiction over interstate sales upon the Federal Power Commission, which is now the FERC. It specifically reserved all other matters to the States, but that reservation has been weakened by subsequent judicial decisions until it is virtually meaningless.

Despite this erosion, the courts have consistently preserved the authority of States to approve or disapprove construction of new facilties. That authority has guaranteed the States a certain minimum authority over a utility's operations, even when it operates in interstate commerce, but even that minimum authority is endangered by the Grand Gulf situation, which could easily be repeated throughout the country.

As I have mentioned, the record shows that before approving AP&L's second large coal plant, the Arkansas Public Service Commission first asked about AP&L's participation in the Grand Gulf plant, over which it had no jurisdiction. It's decision to approve the coal plant was clearly premised upon AP&L's nonparticipation in the Grand Gulf Nuclear Plant. If the FERC forces AP&L to participate in Grand Gulf, it will be undermining the Arkansas commission's decision. More importantly, such a collateral attack by a Federal agency upon a State agency's decision undermines our Federal system, a very troubling result.

My proposal would redress this problem by empowering the State agency to determine the end result of the FERC's order in those circumstances when it has not had the opportunity to consider the initial decision to build electric generating facilities. It would not be a review or potential reversal of a decision issued by the FERC, because FERC's decisions are limited to determining wholesale rates, not the retail rates to be paid by consumers.

This legislation would not interfere with whatever final decision is made by the FERC. It would merely allow the Arkansas Public Service Commission—or the Louisiana Public Service Commission in the Grand Gulf case for that matter—to consider what portion of those rates, if any, should be flowed through to consumers and under what circumstances. The State commission's decision would still be subject to constitutional prohibitions against confiscatory rates, but our bill would allow the State commission the opportunity to make an independent determination whether the utility's costs should be passed on to ratepayers and, if so, to what extent.

It would not produce sudden or unexpected results if the affected utility voluntarily submits the question of plant construction to the affected State commission before irrevocable commitments are made. Consequently, it is a very sensible solution to what could otherwise be a very serious nationwide problem.

In brief, the bill applies whenever there is a transmission or sale of power between associate companies of a public utility holding company system such as Middle South Utilities. In such cases, if FERC sets a rate or charge based in whole or in part on an allocation of electric energy from a generating unit, and a State commission having jurisdiction over the associate company purchasing the power had not approved the construction of the generating unit, then that State commission—or those State commissions—will have the jurisdiction to make a determination, in the words of the bill, "not to take into account all or part of any such federally approved rate or charge in establishing a just and reasonable rate or charge for sales by the associate company."

I want to make clear that within the limits I have described, this bill would give a State commission the authority to determine whether to pass through to retail customers a rate or charge set by the FERC. For example, in the two Grand Gulf cases before the Commission right now, if the Commission were to adopt a rate or charge based in part on a system average cost concept, or other system-wide equalization of cost concept, then a State commission which had not approved the construction of any of the plants on which the application of the system average cost concept was based would have jurisdiction under this bill not to take into account all or part of the federally approved rate or charge. I say this to make clear that, in the context of the two Grand Gulf cases I have mentioned, this bill is not limited just to the Grand Gulf plant that has been completed. The words of the bill make clear that is has much broader application than that.

Mr. President, I commend this bill to my colleagues. My primary motivation for pressing this legislation is to protect 2.3 million Arkansans from a patently unfair ruling that may be handed down by the Federal bureaucracy. But aside from the Grand Gulf cases, this bill makes eminent good sense. States should have more say so in cases like this. This should not simply be a Federal issue, and my bill will restore a more reasonable balance between State and Federal jurisdiction in setting rates involving interstate sales of electricity. I urge my colleagues to give this bill their immediate attention and most serious consideration.

I ask unanimous consent that this bill be printed in the RECORD immediately following my statement.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 1149

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Ratepayer Protection Act of 1985".

SEC. 2. Subsection (a) of section 206 of the Federal Power Act (16 U.S.C. 824e(a)) is amended by—

(1) inserting "(1)" after "(a)"; and

(2) inserting after paragraph (1) as so designated by this section the following:

"(2)(A) Notwithstanding any other provision of this Act, if—

"(i) a rate or charge fixed or permitted to take effect by the Commission is—

"(I) applicable to the transmission or sale of electric energy subject to the jurisdiction of the Commission by an associate company of a public utility holding company system to any other associate company of such system; and

"(II) based in whole or in part upon an allocation of electric energy or costs of production of electric energy from a generating unit; and

"(ii) the associate company receiving or purchasing the electric energy or being allocated such production costs is subject to the jurisdiction of a State commission which had not approved the construction of such generating unit.

then each such State commission which had not approved the construction shall have jurisdiction to make a determination not to take into account all or part of any such federally approved rate or charge in establishing a just and reasonable rate or charge for sales by the associate company.

"(B) The terms 'holding company system' and 'associate company' as used in this paragraph shall have the meanings provided by section 2 of the Public Utility Holding Company Act of 1935.".

SEC. 3. The amendments made by this Act shall apply to any rate or charge fixed or permitted to take effect pursuant to a final order issued by the Federal Energy Regulatory Commission on or after May 1, 1985.

The PRESIDING OFFICER. Under the previous order, the Senator from Arkansas [Mr. PRYOR] is recognized for not to exceed 15 minutes.

Mr. PRYOR. Mr. President, today I join my colleague from Arkansas, Senator BUMPERS, in introducing a bill that would, in certain limited situations, give the public service commission [PSC] or public utility commission in each State jurisdiction to review electric rates based on the costs of construction of new generating facilities. Under the bill, the jurisdiction of the State regulatory agency would only attach when an associate company of a public utility holding company is involved, and the associate company is subject to regulation by a State commission which had not approved the construction of the new generating facility.

This bill will address a situation currently facing Arkansas ratepayers. They are being asked to pay for a portion of the costs of the construction of a nuclear facility in another State, and Arkansans neither need nor want any of the power produced by the plant. While this bill is designed to deal with this problem, Mr. President, other States could find themselves in similar situations. As I will explain in a moment, the State regulatory process—which protects the ratepayers in that particular State—can be sidestepped, and that is exactly what happened in the State of Arkansas.

Let me briefly explain to my colleagues the situation now facing the ratepayers of the State of Arkansas.

In the early 1970's Middle South Energy, Inc.—a subsidiary of Middle South Utility established solely for the construction of nuclear plants—began construction of two nuclear plants—Grand Gulf I and Grand Gulf II. Middle South Utility is the parent and has four operating companies—Arkansas Power & Light [AP&L], Mississippi Power & Light [MP&L], Louisiana Power & Light [LP&L], and New Orleans Public Service, Inc. [NOPSI].

The two nuclear powerplants were to be constructed in Port Gibson, MS. At the time construction was begun, both plants were estimated to cost $1.2 billion. Today, $3.6 billion has been spent. Grand Gulf I is now completed, although not in full operation, and Grand Gulf II is about one-third complete. Under the original plan, Middle South Energy would sell the energy produced to each of the operating companies. Since the power would be sold across State lines, Mr. President, rates would be determined by the Federal Energy Regulatory Commission [FERC], and not by the State utility regulatory commission.

When the decision was made to construct these two nuclear plants, Mr. President, agreements were made by the Middle South operating companies on how to share in the costs in the event the plants never became operational. AP&L was assigned a relatively small percentage.

If, however, the plants became operational it was assumed that each of the operating companies would pay a floating percentage depending upon the amount of power used. In fact, in 1977 officials of Middle South testified before the Arkansas Public Service Commission and stated that Arkansas ratepayers wouldn't have to share in the costs of the plant if we didn't use any of the power generated. It was then assumed by AP&L, and State authorities, that unless Arkansas energy needs required it, no power or cost allocation would accrue to the citizens of Arkansas. In keeping with this arrangement and later estimates, Middle South Utility in 1981 assigned a fixed percentage of the power from the Grand Gulf units to its four operating companies. Under this agreement, however, AP&L wasn't given any portion since Arkansas didn't need any of the power, but the percentage allocations were made to the other three companies. It's important to keep in mind, Mr. President, that during this time when the parent company, MSU, and its construction subsidiary, MSE, were entering into agreements with the four operating companies on how to allocate costs and power, the utility regulatory commissions had no jurisdiction to review the rates based on these costs.

The fixed allocations—under which AP&L was given a zero share in Grand Gulf—were held invalid by an administrative law judge of the FERC in 1984. His ruling was that AP&L, and ultimately the ratepayers of the State of Arkansas, were responsible for about one-third of the cost of the Grand Gulf unit. This decision, if it finally goes into effect, Mr. President, will have a devastating effect on the entire economy of the State of Arkansas, and it will have gone into effect without the public service commission of the State of Arkansas from ever having passed on the rates to be imposed on the citizens of the State.

Mr. President, late last year my colleague from Arkansas, Mr. BUMPERS, held a hearing in Little Rock, AR, on how this decision would affect businesses and farmers in our State. The overwhelming sentiment of those who testified or submitted statements for the record was that such a precipitous increase in utility costs would have an utterly devastating impact on the total Arkansas economy. The timber industry, cattlemen, milk producers, independent grocers, rice, soybean and cotton farmers, and manufacturers of all sizes testified that their operations would be severely hurt if AP&L is forced to take an allocation of Grand Gulf.

During the last Congress, Senator BUMPERS and I introduced legislation that would have amended the Federal Power Act by prohibiting the FERC's authority to order public utilities to purchase power or share in the construction costs for an generating facfility the title of which is held by some other entity.

The bill we are introducing today, Mr. President, is different in this respect—it does not prohibit the FERC from ordering an associate company of a public utility holding company to purchase power from another associate company. But, it does require that if such a purchase occurs, and if the rates are based in any way on the allocation of costs for a new generating unit, these rates will be subject to the jurisdiction of any State's utility regulatory agency, which has not approved construction of the new generating unit. It seems only fair, Mr. President, that State utility regulatory agencies, who had no say over the decision to construct the facility, should have some authority to review rates that will be imposed on the ratepayers of that State as a result of the costs of construction of the new unit.

This is not an overly complex bill, Mr. President, but it is one that should prevent the circumvention of a regulatory commission established to ensure fair and reasonable utility rates. The Grand Gulf case shows very clearly why this bill is needed. Arkansas ratepayers could be saddled with much higher electric rates based on the costs of the construction of a nuclear facility in another State, without the Arkansas regulators ever having had any authority to review the rates. The bill we are introducing today would give the States some authority in this area, and would restore some balance between State and Federal regulation to this very critical and important area.

I commend my colleague, Mr. BUMPERS, for his efforts, and I urge my colleagues to carefully review this very important measure.

RECOGNITION OF SENATOR DIXON

The PRESIDING OFFICER. Under the previous order, the Senator from Illinois is recognized for not to exceed 15 minutes.

Mr. DIXON. I thank the Chair.

S. 1151—FARM CREDIT RELIEF ACT OF 1985

Mr. DIXON. Mr. President, the first thing I wish to do is to introduce a very novel and I think ingenious response to the credit problem in American agriculture. It is a bill cosponsored by Senator BENNETT JOHNSTON of Louisiana, Senator DAVID PRYOR of Arkansas, Senator JIM SASSER of Tennessee,

Senator DON RIEGLE of Michigan, and myself.

Mr. President, as the Senate knows only too well, American agriculture is in trouble. I will not take time this morning to outline the reasons behind the agricultural crisis; I've spoken on that subject numerous times before.

One of the most troubling aspects of the farm crisis is the explosion of farm debt. Farmers now owe more than $215 billion, and the simple truth is that too-low prices for agricultural products means that it is more and more difficult for farmers to service that debt.

Farm prices are down, and the value of farm land has dropped by as much as a third or even more. Bankruptcies, however, are way up, and unless we are able to provide some desperately needed assistance, the current appalling bankruptcy rate is likely to go much, much higher.

Unless we act, many of our Nation's full-time farmers will be wiped out. The shakiest of these mid-sized farmers owes nearly a third of total farm debt—over $73 billion—an amount that dwarfs the troubled Latin American debt held by the Nation's largest banks.

Farm debt, however, unlike foreign debt, is not held largely by money center banks. It is held by the Nation's more than 4,200 agricultural banks. These banks are small in size, but they are of vital importance to their communities.

While they do not hold the bulk of long-term debt, agricultural banks are a major source of operating loans and other short-term loans. According to the Comptroller of the Currency, banks hold about only $9 billion of the $112 billion in long-term debt, or about 8 percent, but they hold almost 40 percent of the $103 billion in short-term debt, or almost $40 billion. This is a serious problem because while most farmers do have the resources to service their long-term debt, many can no longer also meet their short-term debt obligations.

The farm crisis is therefore having a major effect on agricultural banks. The number of banks on the problem list is at an all-time high, and the number of bank failures is increasing, even though we are in the third year of economic recovery. More than 1,700 banks have more than 50 percent of their portfolios in agricultural loans. They are literally being crushed by the depression in the agricultural economy.

In order to address the terrible problems affecting both farmers and agricultural banks, I am joining my distinguished colleagues, Senators JOHNSTON, PRYOR, RIEGLE, and SASSER in introducing the Farm Credit Relief Act of 1985. This legislation does not pretend to be a complete answer to the farm crisis, but it will provide needed breathing room for both farmers and bankers. It can help farmers to move back toward profitability, and it can help take the pressure off the capital of agricultural banks, allowing the banks to continue to provide needed agricultural financing.

The heart of the legislation is a provision that permits agricultural banks to write down loans from their book value to their fair market value. Banks can do this now, but under current law they must deduct the amount written off from their capital all at once. Even though agricultural banks are well-capitalized, they cannot withstand losses of this magnitude, so banks are forced to foreclose rather than write down loans. This benefits neither the banks nor the farmers.

Under the Farm Credit Relief Act, on the other hand, the amount written down could be amortized over a period of up to 30 years. Banks could renegotiate with the borrowers for repayment of the remaining portion of the loans eligible for this assistance. However, if a farmer defaulted on the remaining portion of the loan or sold his land, the farmer would be responsible for repaying not only the unpaid portion of the remaining loan, but also the portion of the written-down amount that had not yet been amortized. Any loan made to finance agricultural production, including the unguaranteed portion of FmHA or SBA guaranteed loans, made by an eligible bank, is qualified for this favorable amortization treatment.

I know this sounds complicated, but I think an example illustrates the benefits this provides for both farmers and banks. Assume a farmer owes his bank $1.5 million, but that the collateral securing that debt is only worth $600,000. Under this proposal, rather than the farmer defaulting on the loan and losing his farm, the farmer and the bank could renegotiate a new payment schedule and a smaller, written down loan.

The farmer and the bank could agree to write down the loan to $600,000, and create a repayment schedule that the farmer's cash flow could support. The bank would write off the remaining $900,000, over 30 years—$30,000 per year—which is much better for the bank than taking the writeoff all the first year, which is what happens if it has to foreclose on the loan. Further, the bank doesn't have to acquire the property, or manage it, and continues its relationship with the farmer.

If the farmer were to default or sell the land, say 10 years later, then the farmer would owe any unpaid amount on the $600,000 loan plus the amount of the $900,000 that had not yet been amortized. In this case, at the end of 10 years, $300,000 would have been amortized—$30,000 per year times 10 years—leaving $600,000 of the $900,000 that the farmer would have to repay, along with, as I stated before, any unpaid portion of the written-down original loan.

All banks with assets of less than $200 million, and which have at least 25 percent of their assets in agricultural loans would be eligible for this renegotiation and amortization treatment with the approval of the Federal Deposit Insurance Corporation. In addition, the FDIC could permit banks with somewhat less than 25 percent of their portfolios in agricultural loans to take advantage of the benefits of this bill. All eligible banks, in order to remain eligible, would have to agree to maintain a presence in agricultural lending, so that their aggegate level of agricultural loans would not fall below the level of such loans in its portfolio on January 1, 1985.

Additional provisions in the bill would permit eligible banks to:

Make use of regulatory accounting methods, in a manner similar to that used in the thrift industry, and which was specifically approved by Congress in the 1982 Garn-St Germain Act;

Reappraise the bank building and show any increase between fair market value and the book value of the building in the capital accounts of the bank;

Mark to market the value of real estate or other property owned by the bank on January 1, 1985, or acquired within the succeeding 10 years, and charge off any loss over a 30-year period;

Amortize the expenses incurred in operating and managing real property on its books—such as a foreclosed farm—over a 20 year period; and

Mark to market and sell eligible securities in its portfolio and charge off any loss recognized over a 30 year period.

Mr. President, I believe this bill can provide real help to both farmers and banks that need and deserve that help. It is, as I stated earlier, in no sense a complete answer to the problems facing the agricultural economy. It does, however, represent a real step forward. We have provided assistance for the savings and loan industry, and for troubled foreign loans in the past. I think American farmers are at least as deserving of help as Mexico, Argentina, and Brazil.

We are currently facing a real budget crisis. That means the Federal Government does not have the financial resources to directly provide all the financial resources that are needed, and that means that we should pay particular attention to suggestions, such as this one, which provide assistance without direct cost to the Federal Treasury.

The Farm Credit Relief Act can work. It will work. I urge the Senate, therefore, to give this bill its most

careful consideration, and to enact it as quickly as is possible.

Mr. President, I ask unanimous consent that a copy of the bill be printed at this point in the RECORD.

Mr. President, I ask unanimous consent that a copy of the bill be printed at this point in the RECORD. The bill is in the possession of the Parliamentarian.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 1151

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Farm Credit Relief Act of 1985".

SEC. 2. (a) Section 13 of the Federal Deposit Insurance Act (12 U.S.C. 1823) is amended by adding at the end thereof the following:

"(j)(1) With the consent of the Corporation, which shall not be unreasonably withheld, and upon the recommendation of the appropriate Federal banking agency or a State bank commissioner or on its own motion, the Corporation may by order, regulation, or otherwise authorize one or more of the actions referred to in paragraph (2) to be taken by an agricultural bank. The Corporation may not authorize any such action unless—

"(A) such action will enable the agricultural bank to survive, remain viable, and show a net profit; and

"(B) there is no evidence of fraud or gross mismanagement by the management of the agricultural bank.

"(2) The actions which may be authorized under this subsection are as follows:

"(A) The agricultural bank may file financial reports in accordance with regulatory accounting practices, and use push down or purchase method accounting principles.

"(B) The agricultural bank may reappraise its buildings and other tangible property, real or personal, and any increase between fair market value and the book value of such property may be credited to the capital accounts of the agricultural bank.

"(C) The agricultural bank may renegotiate and reamortize on an amortization schedule not to exceed 30 years qualifed problem loans owned by the agricultural bank as of January 1, 1985, and additional qualified problem loans renewed or made by the agricultural bank after January 1, 1985, but prior to January 1, 1995. In the event a renegotiated loan is prepaid or at the maturity of the renegotiated loan, or in the event of default by the borrower in the repayment of the renegotiated loan, or in the event any collateral securing the renegotiated loan is sold without the prior written consent of the agricultural bank, the borrower, at the option of the bank, shall be obligated to repay the principal balance due on the renegotiated loan, plus accrued interest, plus that portion of the difference between the principal of and accrued interest on the qualified problem loan and the beginning principal balance of the renegotiated loan which has not been charged off by the agricultural bank. The terms of the renegotiation and reamortization of the renegotiated loan, including, by way of illustration only, the rate of interest to be charged, shall be at the sole discretion of the agricultural bank. The agricultural bank may charge off the difference between the principal of and accrued interest on the qualifed problem loan or loans and the beginning principal balance of the renegotiated loan or loans over a 30-year period.

"(D) The agricultural bank may mark to market the value of any real estate or other property, real or personal, owned by the agricultural bank on January 1, 1985, and any additional property subsequently acquired by the agricultural bank prior to January 1, 1985, and charge off any loss recognized over a 30-year period. Market value may be determined by income approach to value, cost approach, comparable sales approach, or such other acceptable method of valuation.

"(E) With respect to the expenses incurred by the agricultural bank related to the ownership of the real estate or other property referred to in subparagraph (D) above, including, by way of illustration only, the payment of real estate taxes, personal property taxes, insurance premiums, and payments to senior lien holders, the agricultural bank may write off such expenses over a 20-year period.

"(F) The agricultural bank may mark to market and sell any securities held in its investment portfolio as of January 1, 1985, and any additional securities subsequently acquired by the agricultural bank prior to January 1, 1995, and charge off any loss recognized over a 30-year period.

"(3) As a condition of eligibility under this subsection, the agricultural bank must agree to maintain in its loan portfolio a percentage of agricultural loans which is not lower than the percentage of such loans in its loan portfolio on January 1, 1985.

"(4) As used in this subsection—

"(A) the term 'agricultural bank' means—

"(i) a bank which is located in an agricultural area whose economy is dependent on agriculture;

"(ii) a bank which has assets of $200,000,000, or less; and

"(iii)(I) a bank which has at least 25 percent or more of its total loans in agricultural loans which were made to finance the acquisition of farm real estate or farm equipment and the production of agricultural products or livestock in the United States; or

"(II) a bank which has fewer than 25 percent of its total loans in agricultural loans but which the appropriate Federal banking agency or State bank commissioner may recommend to the Corporation as eligible, or the Corporation, on its own motion, may deem eligible;

"(B) the term 'qualified problem loan' means a loan made to finance the production of agricultural products or livestock in the United States, a loan secured by farm land or farm machinery, or the uninsured or unguaranteed portion of any Farmers' Home Administration or Small Business Administration loan serviced by the agricultural bank, or such other category of loans as the appropriate Federal banking agency or State bank commissioner may recommend to the Corporation as eligible, or the Corporation, on its own motion, may deem eligible in order to allow the agricultural bank to remain viable.".

(b) Paragraph (1) of section 172(b) of the Internal Revenue Code of 1954 (relating to net operating loss carrybacks and carryovers) is amended—

(1) by adding at the end thereof the following new subparagraph:

"(L) In the case of a financial institution, a net operating loss for any taxable year beginning after December 31, 1984, with respect to any loan or security which is subject to the provisions of section 13(j) of the Federal Deposit Insurance Act, shall be a net operating loss carryover to each of the 30 taxable years following the taxable year of such loss.",

(2) by striking out "and (k)" in subparagraph (A) and inserting in lieu thereof "(K), and (L)"; and

(3) by striking out "and (J)" in subparagraph (B) and inserting in lieu thereof "(J), and (L)".

Mr. DIXON. Mr. President, may I ask unanimous consent that the RECORD on this question be left open throughout this day so that additional cosponsors may join us in respect to this legislation.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. DIXON. Mr. President, I thank the Chair.

THE SECOND MIRACLE

Mr. DIXON. Mr. President, now I shall address a problem concerning what took place yesterday in the Armed Services Committee, a matter that the President himself is familiar with as well, particularly in view of the fact that we served together on the Preparedness Subcommittee which he chairs and upon which I am the ranking member.

I congratulate the Department of Defense for making known to us unexpended moneys held by the Department of Defense which can be viewed as "savings" to help us in connection with the serious problems we face as we try to reduce the budgetary deficit, and address questions involving expenditures for the military that some of us think have gotten out of line in the last several years, so I would not want anything I say here to be interpreted as a criticism of the Department of Defense for saving this money. To the extent that they are making available to us unexpended funds I thank them for doing that and encourage them to do it in the future.

But I know that I express the shock generally felt by members of the Armed Services Committee on both sides of the aisle when the Department of Defense appeared before us yesterday and said that they had found over $4 billion. I am advised that at first it was indicated to some on the committee that they had found almost $5 billion in savings.

I thank the Department of Defense for finding the money and I am delighted to have participated, Mr. President, in a real true observation of the second miracle.

The first miracle was 2,000 years ago. None of us had the pleasure of being there at that time. But yesterday in the Armed Services Committee, after the work of the Senate, after the earlier work of the Armed Services Committee which took weeks, after

the labor of the Senate which took weeks, and exhausted the membership, a miracle took place, Mr. President, a miracle.

All along the Department of Defense had the money. Is that not wonderful? Why did we work all those weeks in committee? Why did we mark to zero, 3 and 4 percent growth? Why did we work all those interminable hours here on the floor well into the morning and exhaust our membership when all the time the money was there? All the time the Department of Defense had that money? A miracle, Mr. President.

As the President knows in the Preparedness Subcommittee upon which I serve with him and which he serves this Nation so diligently, as the ranking minority member I asked questions of everyone who came before us, asking them about the savings that might be derived contractually, that could be derived by virtue of the inflationary amounts we permit for fuel for our ships, aircraft, and the military generally.

No one knew, Mr. President. It was confusing. Everyone was evasive.

Then on March 15 I sent a letter to the Honorable Robert W. Helm who was before us yesterday, the Assistant Secretary of Defense, the Comptroller, at the Pentagon. On March 22 he advised me by return letter and answered my questions and I ask unanimous consent, Mr. President, that this exchange of communications be printed in the RECORD at this point.

There being no objection, the letters were ordered to be printed in the RECORD, as follows:

COMMITTEE ON ARMED SERVICES,
Washington, DC, March 15, 1985.

Hon. ROBERT W. HELM,
Assistant Secretary of Defense (Comptroller), The Pentagon, Washington, DC.

DEAR MR. SECRETARY: At a recent hearing of the Preparedness Subcommittee of the Committee on Armed Services, I questioned military witnesses on the extent to which price savings were being achieved in the execution of their FY1985 Stock Fund and Operation and Maintenance programs above the level anticipated in final Congressional Authorization and Appropriation and Appropriation action on the FY1985 Defense budget. The answers of these witnesses suggested that such price savings were in fact occurring in FY1985.

As Congress continues to review the FY1986 Defense budget, it is important that we take advantage of every opportunity to achieve savings based on lower than anticipated inflation or contract prices. Rather than pursue this issue individually with each of the military services, I have posed a series of questions on this matter which are enclosed.

Since our Committee plans to begin marking up the FY1986 Defense Authorization bill shortly, I would appreciate your written response to these questions no later than March 22, 1985.

Thank you for your attention to this matter.

Sincerely,

ALAN J. DIXON,
Ranking Minority Member, Subcommittee on Preparedness.

QUESTIONS FROM SENATOR ALAN J. DIXON

1. Last year during the Conference on the FY1985 Defense Authorization Bill your office informed the Committee that over $1 billion in unanticipated savings due to lower inflation and better contract prices were available in the accounts under the Preparedness Subcommittee's jurisdiction that could be used to meet the Congressional reduction target.

Did Congress remove all of these price savings in the Operation and Maintenance and Stock Fund accounts in the final FY1985 authorization and appropriation bills?

How much in price savings was left in these accounts in FY1985 after final Congressional action last year?

2. Are additional price savings, either through lower inflation, better contract prices, or any other reason, being experienced in the execution of the FY1985 program that were not anticipated either in final Congressional action on the FY1985 Operation and Maintenance or Stock Fund requests, or in the FY1986 budget request submitted to the Congress?

How much is involved in these price savings, and what accounts are affected?

3. What would be the impact of reducing the FY1986 Operation and Maintenance or Stock Fund requests to reflect these more favorable prices in the execution of the FY1985 program?

ASSISTANT SECRETARY OF DEFENSE,
Washington, DC, March 22, 1985.

Hon. ALAN J. DIXON,
Subcommittee on Preparedness, Committee on Armed Services, Washington, DC.

DEAR SENATOR: This responds to your letter dated March 15, 1985 which requested answers to several questions you posed regarding FY 1985 and FY 1986 savings in the O&M and Stock Fund accounts from revised inflation estimates. The answers to your questions are enclosed. I hope this information will be helpful during your deliberations on authorization. If I can be of further assistance, please let me know.

Sincerely,

ROBERT W. HELM,
Assistant Secretary of Defense.

Enclosure.

Question: Last year during the Conference on the FY 1985 Defense Authorization Bill your office informed the Committee that over $1 billion in unanticipated savings due to lower inflation and better contract prices were available in the accounts under the Preparedness Subcommittee's jurisdiction that could be used to meet the congressional reduction target.

Did Congress remove all of these price savings in the Operation and Maintenance and Stock Fund accounts in the final FY 1985 authorization and appropriation bills? How much in price savings was left in these accounts in FY 1985 after final congressional action last year?

Answer: Congress removed a total of $2.6 billion from the Service O&M appropriations for working capital fund inflation and price adjustments and foreign currency rate improvements in the FY 1985 appropriation act. A breakdown of these adjustments is attached hereto.

These reductions covered all of the FY 1985 changes known at the time authorization/appropriations actions were being completed. Subsequent to the close of FY 1984, in part as a result of an OMB change in the inflation indices for FY 1985, additional savings became identified. For the Stock Funds, approximately $150 million in unanticipated FY 1984 savings and $850 million in projected FY 1985 savings, due to lower than anticipated costs and the inflation rate change, were not reflected in the congressional reductions for FY 1985. However, these savings have included in determining the FY 1986 Stock Fund prices for the O&M customers, which reflect an average reduction of 12 percent. This practice of adjusting Stock Fund prices in the budget year for current year cost variances is in keeping with the stabilized rate policy of the department which guarantees customers a set budgeted price that remains unchanged during the year of execution.

Similarly, $260 million for O&M purchases related to the other purchases rate change from 4.8 to 3.9 percent made by OMB in December 1984 was not reflected. This price change has been fully reflected in the FY 1985 column of the FY 1986 President's budget and the FY 1986 budget baseline has also been reduced to reflect these savings.

Question: Are additional price savings either through lower inflation, better contract prices, or any other reason being experienced in the execution of the FY 1985 program that were not anticipated either in final congressional action on the FY 1985 Operation and Maintenance or Stock Fund requests, or in the FY 1986 budget request submitted to the Congress? How much is involved in these price savings, and what accounts are affected?

Answer: For Stock Fund nonfuel and general O&M purchases, experience to date indicates that costs have been essentially as projected. We do not have sufficient cost data at this time to cause us to project a change in the inflation rate affecting such purchases. However, cumulative Stock Fund fuel costs through February are $35.79 per barrel vice the $36.12 price projected. Should this experience hold, a savings of $63 million in the O&M accounts would result. We believe it would be premature to identify this as excess to requirements at the present time since available March data indicates the current rise in spot market prices may eliminate the savings achieved to date.

The O&M accounts have experienced FY 1985 savings so far in overseas purchases resulting from the strength of the dollar in relation to foreign currencies. If the average conversion rates for the year turn out to equal the March 8, 1985 rates, a savings of $120 million in the O&M accounts would accrue.

Question: What would be the impact of reducing the FY 1986 Operation and Maintenance or Stock Fund requests to reflect these more favorable prices in the execution of the FY 1985 program?

Answer: If reductions are made and more favorable prices do not materialize, adverse impacts would occur in the O&M program and/or in the operation of the Stock Funds as a result of inadequate cash balances. As indicated in the previous answers, known savings of $1 billion from FY 1984 and FY 1985 cost changes not considered in the FY 1985 appropriated amounts have already been reflected in reduced FY 1986 Stock Fund prices.

Mr. DIXON. I leave it to the country to read what transpired and to see whether the Department of Defense told this Senator, who was involved in his responsibilities as a member of the Armed Services Committee and as the ranking minority member of the Preparedness Subcommittee, much of anything. In my view, they did not.

Now, Mr. President, all of this again addresses the integrity of the military establishment and the Pentagon and the people in this country who come to us saying how desperately we need these additional funds. The $700 toilet seats, the $7,500 coffee urns and all those things damage that integrity. And then when those people come to us and cry for more money and evade our questions and make defense budgeting an adversary proceeding.

Congress is trying to work with them in the interest of our national defense, and when they do that they again damage their integrity in the eyes of the Nation and I think it should be questioned. Their integrity should be questioned in the eyes of the Nation.

I say why is this an adversary proceeding? Why do we not have the right to know? We are Congress and it is our responsibility to know because we serve the people we represent and yet they do not treat us in that fashion, Mr. President. They treat us as the adversary. They treat us as the enemy. The enemy is overseas, Mr. President, not here in the Senate.

Now, they have had their day and they have won, but let me say that what they have done is contrary to the best interests of this country and I want to say this so the Nation knows.

They come to us and they say that we have damaged them by the cuts that have been made. Let me put the facts on the record.

The Pentagon requested in missiles and torpedoes, let the record show, 120,130 missiles and torpedoes requested. And with zero growth, what have they received? Why they have received—maybe this is the third miracle—120,280. They ended up getting 150 missiles more than they even asked for.

Mr. President, in every single line item concerning the military obligations of this great Nation of ours, I am here to state on the record so there can never be any doubt about it, and I ask that those who would take issue with me to come here and argue against what I say, they have done perfectly. Combat aircraft, Mr. President—the Department of Defense requested 807 combat aircraft and after we met and we labored in the committees and after we worked to reduce spending to zero real growth, and after we fought on the floor for 2 weeks late into the nights to get zero real growth, instead of 807 they are going to get 804. I do not know how they will live with it but they must. Instead of 807 they will unfortunately receive only 804.

And so I am here to say what a member of the Department of Defense said—and one of my friends witnessed it being said, and I assert on this floor that it is true—that at zero growth they have gotten what they sought at 3 percent growth. They have gotten the 3 percent requests because they found that $4 billion.

And so I want to say this in conclusion, Mr. President, because I realize that time is short and that we are going on to other business, I intend to introduce legislation, Mr. President, that requires in the future the Department of Defense must come to the Armed Services Committees of the Senate and the House and be forthright and honest and revealing and above board and show us every month exactly what the account is in their savings under inflationary experience, under contractual relationships, under lapsed contracts, and other things so that we can truly know what the situation is when we try to mark up a defense authorization bill in the future.

In all my time in government, which spans over three decades, Mr. President, I have never in my lifetime seen a more contrived, artful, deliberate, planned attempt to use the Congress—to use it—to let us seem to work our will and when our laborious work was done, to win in one fell swoop, with one move of the pencil, every battle fought. It is a dark day for truth in government, a sad one for the country, and one that ought not be permitted to again take place in future sessions of the Congress.

Mr. President, I ask unanimous consent to have printed in the RECORD four pages of figures indicating the requests of the Department of Defense and the amounts allowed on missiles, torpedoes, aircraft, shims, and other things at the zero growth rate.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

COMPARISON OF RECOMMENDATIONS AT 3 PERCENT AND 0 PERCENT BUDGET LEVELS VERSUS THE BUDGET REQUEST

	Fiscal year 1986			
	Request	3 percent	0 percent	3 to 0 percent
Aircraft:				
EH-60	18	18	18	0
AH-64	144	144	144	0
UH-60	78	78	78	0
A-6E	6	6	6	0
EA-6B	12	12	12	0
AV-8B	46	43	43	0
F-14	18	15	15	0
F/A-18	84	84	84	0
CH-53	14	14	14	0
AH-1T	22	22	22	0
SH-60	18	24	24	0
P-3C	9	9	9	0
E-2	6	6	6	0
SH-2F	6	6	0	−6
C-2	8	8	8	0
E-6	2	2	2	0
B-1B	48	48	48	0
F-15	48	48	48	0

COMPARISON OF RECOMMENDATIONS AT 3 PERCENT AND 0 PERCENT BUDGET LEVELS VERSUS THE BUDGET REQUEST—Continued

	Fiscal year 1986			
	Request	3 percent	0 percent	3 to 0 percent
F-16	180	180	180	0
KC-10	12	12	12	0
MC-130	1	1	1	0
C-5B	16	16	16	0
C-130	0	8	8	0
HH-60	3	3	0	−3
TR-1	8	8	6	−2
Trainers/administrative:				
UC-12B	12	0	0	0
VH-60	9	9	9	0
T-34	38	0	0	0
F-16 (adversary)	12	12	12	0
C-20	8	8	8	0
T-46	33	33	33	0
Total aircraft	919	877	866	−11
Total combat aircraft (net trainers/admin.)	807	815	804	−11
Missiles/torpedoes:				
Chaparral	300	300	300	0
Patriot	585	585	585	0
Stinger	3,439	3,439	3,439	0
Hellfire:				
Army	6,576	6,576	6,576	0
Navy	1,304	1,304	1,304	0
TOW II	20,100	20,100	20,100	0
MLRS	72,000	72,000	72,000	0
Tomahawk	249	249	249	0
Sparrow:				
Navy	1,872	1,872	1,872	0
Air Force	425	425	425	0
Sidewinder:				
Navy	1,220	1,220	1,220	0
Air Force	800	800	800	0
Phoenix	265	265	265	0
Harpoon:				
Navy	395	395	395	0
Air Force				
HARM:				
Navy	904	904	904	0
Air Force	1,715	1,715	1,715	0
SM 1 MR				
SM 2 MR	846	846	846	0
SM 2 ER	470	470	470	0
RAM	117	117	117	0
Sidearm	168	168	168	0
Laser Maverick	1,500	1,500	1,500	0
IIR Maverick:				
Navy	195	195	195	0
Air Force	3,500	3,500	3,500	0
AGM-130	97	97	97	0
AMRAAM	90	90	90	0
GLCM	95	95	95	0
MK 48 Torpedo	123	123	123	0
MK 46 Torpedo	500	500	500	0
Captor Mine	0	150	150	0
MK 67 Mobile Mine	280	280	280	0
Total missiles/torpedoes	120,130	120,280	120,280	0
Shipbuilding/conversions:				
Trident	1	1	1	0
SSN-688	4	4	4	0
CV SLEP				
CG-47	3	3	3	0
DDG-51				
LSD-41	2	2	2	0
LHD-1	1	1	1	0
MCM	4	2	2	0
MSH	4	4	4	0
TAO	2	2	2	0
TAGOS	2	2	2	0
AG Sound Barge	1	1	1	0
TAGS surveying ships:				
LCAC	12	12	12	0
Conversions				
TACS	3	3	3	0
TAVB	1	1	1	0
Total shipbuilding and conversions	40	38	38	0
Weapons, tracked combat vehicles:				
M577 CP Carrier	115	115	115	0
M113 APC	325	325	325	0
Bradley FVS	716	716	716	0
M109 Howitzer	0	0	0	0
Field Arty Supt Veh	197	197	0	−197
M88 Recov Veh	240	240	240	0
M1 Tank	840	840	840	0
DIVAD	117	37	37	0

ROUTINE MORNING BUSINESS

The PRESIDING OFFICER (Mr. EVANS). Under the previous order, there will now be a period for the transaction of routine morning business not to extend beyond the hour of 11:30 a.m. with statements therein limited to 5 minutes each.

1140—AMENDMENTS TO THE PETROLEUM MARKETING PRACTICES ACT

Mr. DECONCINI. I am pleased to join as a cosponsor and strong supporter of this bill making amendments to the Petroleum Marketing Practices Act. The original act, enacted 6 years ago, was designed to enhance fair and open competition in the oil marketing industry by preventing unreasonable termination of marketers' franchise agreements with their suppliers. Experience has shown that more legislative action is needed if the original goals are to be met.

Independent distributors and retailers of motor fuel occupy a key position in the competitive structure of the petroleum industry. There are approximately 135,000 retail service station dealers in the United States; they supply the Nation with 75 percent of its motor fuel needs. However, over the past several years, their numbers have declined drastically. It is the opinion of many observers of this industry that predatory marketing practices by large refiners has been the prime cause for this decline.

The bill introduced today will hopefully stop this trend by adding a number of safeguards to the rights of independent retail dealers. Among these rights guaranteed by the bill are: Prohibition against franchisors from engaging in anticompetitive pricing practices in instances where they are in competition with their own franchisees; changes in renewal of the franchise agreement must be fair and reasonable; arbitrary conversions of full-service stations to pumper stations is prohibited; gives franchisees a right of first refusal to purchase their stations; and prohibits franchisors from discriminating in price and allocation policies between its classes of franchisees.

Experience in several States such as Maryland, Delaware, and Washington, DC show that competition at the retail level is intensified by preserving independent competition. It is no coincidence that recent studies have shown these three entities also have lowest prices on self-service unleaded regular on the east coast and are among the lowest in the country.

This bill is not protectionist; it is proconsumer. It does not set up a new regulatory bureaucracy for enforcement. Its purpose is to guarantee healthy and vigorous competition among retailers, distributors, and refiners in the petroleum industry. This bill has been the subject of several days of hearings before the Judiciary Committee in previous Congresses and I hope that its processing can be expedited this year. We have as complete a record as we'll ever get; the time to act is now.

AAB ADMINISTRATOR HONORED

Mr. EAGLETON. Mr. President, later this month the American Association of Bioanalysts, headquartered in St. Louis, will present its highest award to long-time AAB Administrator David Birenbaum. Mr. Birenbaum, AAB Administrator since 1965, will receive the fourth Lucien Dean Hertert Memorial Award on May 24 during the 1985 Educational Conference and Annual Meeting of AAB.

The Lucien Dean Hertert Memorial Award was established in 1980 at the Silver Anniversary of the founding of the American Association of Bioanalysts [AAB]. The award is given, at the discretion of the AAB Board of Directors, to an individual who exemplifies the dedication, loyalty, and service that Lucien Hertert, a founding member of AAB and its first Executive Secretary from 1951 to 1962, gave to the profession of Bioanalysis.

Certainly Mr. Birenbaum is a most worthy recipient of this honor. Mr. Birenbaum directed AAB through the initial phase of Medicare reimbursement and was instrumental in establishing the community laboratory as an integral part of the health care network. He led the AAB in developing both proficiency testing for laboratories and proficiency exams as an alternate route of advancement for laboratory professionals.

In addition to his work with the AAB, Mr. Birenbaum has also served as chairman of the National Council for Health Laboratory Services; chairman of the Task Force on Role Delineation for the American Society for Allied Health Professions; Founding Board Member of PRIDE, a St. Louis Labor/Management Construction Industry organization; and as trustee of several union health and welfare, and pension funds.

I am pleased to join Mr. Birenbaum's many friends and colleagues in congratulating him on receiving this honor.

DOMESTIC SUGAR INDUSTRY

Mr. INOUYE. Mr. President, it is my privilege today to make the third in an ongoing series of statements on behalf of our domestic sugar industry. In past remarks, I have emphasized the disastrous economic consequences that would result from doing away with the current sugar program; I have also analyzed why the world sugar market and certain trade practices by our allies compel us to protect American farmers from unfair foreign competition, and how the sugar program benefits countries who export to the United States under the current quota system.

Today, I would like to highlight one of the direct benefits of the sugar program: the revenue it has generated for the Treasury over the last 3 years.

I have often made the point that the sugar price support program operates at no cost to the American taxpayer. The Hawaiian Sugar Planters Association, in its Sugar News of May 8, 1985, points out that in fact, the Federal Government has earned $355.2 million from the sugar provisions of the Agriculture and Food Act of 1981 since its enactment; $350.3 million of these revenues came from duties and fees imposed on imported sugar, while $4.9 million represents income from interest earned that exceeded the cost of the Government's loans to sugar producers. No sugar has been forfeited to the Commodity Credit Corporation, and all of the bills currently before the Senate Agriculture Committee contain sugar titles that assume no net cost to the Government over the life of the next farm bill.

Mr. President, the Senate Agriculture Committee is currently marking up legislation that will carry this Nation's agricultural sector and food programs into the 1990's. At this very moment, the people of Hawaii are celebrating the 150th anniversary of our State's sugar industry. As part of this celebration, the First Hawaiian Bank has published an article entitled "150 Years of Sugar in Hawaii." This article points out that while Federal deficits are a critical national problem, they should not be used as an excuse for cutting all agricultural programs—certainly not those such as sugar that have benefited our economy, reduced our trade deficit, and operated at no cost to the American taxpayer. The First Hawaiian Bank suggests that it is crucial for our Nation to retain a domestic sugar industry, and I concur. To this end, I have introduced legislation, S. 884, to increase the sugar loan rate by 2 cents a pound over the next 4 years—a rate that does not even match inflation.

As our colleagues on the Agriculture Committee deliberate over the next farm bill, I would hope that every Senator has the opportunity to read the First Hawaiian Bank's analysis of the sugar program and the need to include an adequate loan rate in the next farm bill. Mr. President, I ask unanimous consent that the full text of the First Hawaiian Bank's Economic Indicators article for March/April 1985, entitled "150 Years of Sugar in Hawaii," be printed in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

150 YEARS OF SUGAR IN HAWAII

As we recognize the 150th sesquicentennial anniversary of the sugar industry in Hawaii, the industry is facing the greatest threat to its existence in its history. If the proposed modifications to the U.S. Agriculture and Food Act of 1981 (the Farm Act) are enacted by the U.S. Congress, the Hawaiian sugar industry could be devastated.

According to the Department of Planning and Economic Development, total sugar-related employment comes to around 19,200 jobs or 4 percent of all jobs in the state. However, on the Neighbor Island, sugar-related employment accounts for 29 percent of jobs on Kauai, 17 percent on Hawaii, and 13 percent on Maui, compared to 1 percent on Oahu. Likewise, income from sugar in 1982 came to 21 percent of total income on Kauai, 13 percent on Hawaii, 12 percent on Maui, compared to 1 percent on Oahu. Sugar occupies 188,395 acres or 71 percent of all the agricultural land in Hawaii, accounting for 97 percent of all cultivated lands on Kauai, 75 percent on Hawaii, 65 percent on Oahu, and 57 percent on Maui. Sugar also contributes around 10 percent of total state tax revenues. Loss of the industry to Hawaii would be an economic disaster of unprecedented magnitude.

The Hawaii sugar industry is not protected by Title IX of the Farm Act. The provisions include a sugar loan fund where a producer unable to sell his crop is eligible for a loan using his crop as collateral. The loan rate is based on an estimated average cost of production, and was set at 17.75 cents per pound in 1984. Congress also specified that the government should avoid accumulating stocks of sugar by establishing a Market Stabilization Price (MSP). The MSP estimates the actual price that producers must receive to sell their crop, and is composed of the loan rate plus transportation costs, interest, and a producers incentive margin. The MSP is currently at 21.57 cents a pound, 3.82 cents a pound over the loan rate of 17.75 cents a pound. To assure that the actual market price of sugar reflects the MSP, and producers sell their crops, a system of country-by-country import quotas controls the supply and, ultimately, the price of sugar in the U.S. That is possible because about a third of the sugar consumed in the United States is imported.

The need for such a system reflects the realities of the world sugar market. At present, over 40 countries around the world produce around 100 million tons of sugar. Surplus sugar not domestically consumed or traded, roughly 20 million tons a year, is dumped on the so-called "world market." Prices in this market bear no relation to production costs, and fluctuate according to available supply. In 1980, the price was 40 cents a pound. In 1984 it fell to less than 4 cents a pound. Thus, the current price-support system protects our sugar industry from the volatile world surplus market, while maintaining stable prices to insure a steady supply of domestically produced sugar.

The proposed changes in the Farm Bill would cut the loan rate for sugar to 12 cents a pound. Sugar import quotas would be terminated, thereby allowing the domestic market price to fall to world levels. In expectation of industry losses as a result of falling prices, a contingency program of direct payments would subsidize producers based on the difference between the market price and a predetermined target price set to decline to 12 cents in 1990. The payments, however, would be meaningless to Hawaii's large corporate growers because of a limitation of $10,000 per operator set for 1988.

Proponents of the changes argue that easing import restrictions would reduce the domestic price of sugar, and cut back federal dollars needed to support the industry. However, under the proposed changes neither market prices, target prices, or loan rates will bear any relation to the costs of production. Producers may not be able to either sell or borrow, and will ultimately be forced to accept government payments. Opening the American market, which is roughly 9 million tons annually, to foreign sugar would eliminate any surplus and erase any price advantage the world price seemed to offer. Erratic price fluctuations would eventually drive American producers out of business, creating a total dependency on an unreliable supply of imported foreign sugar. The result would be lost jobs, increasing welfare costs, and an increase in the balance-of-trade deficit by an estimated $2 billion a year.

The Farm Act has cost nothing because whatever support the program extends is in loans. Domestic producers borrowed $650 million on 1,312,500 tons of sugar in the 1983/84 sugar season. But, all loans were repaid at market interest rates, and the government did not accumulate any forfeited sugar.

True, federal deficits demand a serious examination of government expenditures. But, eliminating programs that have been costless for economic benefits which are illusory, while at the same time destroying a major portion of Hawaii's economy, is no solution to the problem.

Our responsibilities as a community are clear in supporting the work of our leadership to defeat the changes to the Farm Bill. Hawaii needs the existing support system. Recent developments in Congress appear encouraging. But, let it not be said in retrospect that 1985, the 150th anniversary of sugar's birth in Hawaii, was the year of sugar's demise as an industry.

A TRIBUTE TO BOB ATWOOD

Mr. MURKOWSKI. Mr. President, a very special individual is being honored in Alaska this week for his invaluable contributions to the great State of Alaska.

For five decades, Robert A. Atwood has served Alaska as its premier journalist, editor and newspaper publisher. Over these 50 years, he and his newspaper, The Anchorage Times, have led the way toward development and maturity in the last frontier.

There are few people who remain dedicated to one profession for such a long time. As a young reporter way back in 1935, Bob Atwood began writing about Alaska and about its untapped potential.

Little by little, he encouraged Alaskans to strive to make themselves and the State the best both could possibly become.

Perhaps his most enduring accomplishment came in 1959 when Alaska became the 49th star added to our flag. Bob Atwood took the lead in rallying Alaskans to statehood, and he was a key fighter in that long uphill struggle, giving national support for the Alaska effort. Hundreds of editorials were written by Bob, outlining the advantage of statehood for territorial residents and for our Nation.

Bob took many long trips back then to Washington, DC, to help the cause of statehood through the administration and Congress, garnering interest and support of newspapers along the way. The paper touted Alaska's cause in its quest for full membership in the Union. Bob finally saw his dream become a reality just 25 years ago last year, when Alaskans filled their streets in celebration of their statehood.

Today, at the age of 78, Bob Atwood continues his work as president and publisher of The Anchorage Times and shows no sign of slowing down. Frankly, those of us who have enjoyed the privilege of his friendship would be surprised indeed if he did.

It is for the quality of his work over the past half century, and not merely his longevity, that the Allied Daily Newspapers are honoring Robert Atwood this week. I, too, would like to take this opportunity to recognize the accomplishments of Robert Atwood—accomplishments of which all Alaskans are the grateful chief beneficiaries.

I'm sure Evangeline Atwood, Bob's lovely wife and Alaskan historian, feels extremely proud of her husband and honored for the recognition that he is receiving this week. I know that Evangeline, along with their daughters Elaine and Marilyn, who are also in the newspaper business, are all the more wiser for their close relationship with Bob Atwood. And I know that many Alaskans across the State feel the same way.

I would like to congratulate Bob Atwood and offer my best wishes for many more years of public service.

Mr. STEVENS. Mr. President, Alaskans and journalists across the Nation this week are honoring Robert B. Atwood, publisher of The Anchorage Times, for 50 continuous years on a major U.S. newspaper.

As a young reporter, a product of the great Midwest, educated in New England, Bob Atwood came to Alaska more than 50 years ago. His bride, Evangeline, was the daughter of Alaska pioneers, so it's possible Bob's first reason to come to the great land was to see for himself the beauty and the vast grandeur of the territory, then only an exotic land to most U.S. residents.

But it didn't take long for the young newspaperman to see that Alaska was on the move, and a newspaper in its largest city could be a significant factor in chronicling history as it was being made.

What he also found out, and what Alaskans have learned, is that a newspaper can also be a significant force in shaping the destiny of a land and its people.

Today there is no question that Bob Atwood, an Alaska pioneer in his own right, has made contributions beyond measure toward the settlement, development, and growth of my home, Alaska.

Without his untiring efforts, Alaska might not have added the 49th star to our flag. He was a leader of the long battle for statehood. In literally hundreds of editorials he outlined the advantages of statehood for territorial residents and for our Nation.

Early on, Bob Atwood saw that development of Alaska's vast natural resources was the key to economic growth and development. With a far-seeing group he was responsible for the exploration for oil on the Kenai Peninsula, not far from Anchorage. That successful effort led to interest from major corporations, and ultimately, to the exploration and discovery of oil at Prudhoe Bay. Today, the Alaska pipeline carries 1.7 million barrels of crude oil daily, providing for almost 20 percent of the Nation's crude oil production.

Bob Atwood has long been a strong supporter of the presence of military forces in Alaska. His understanding of Alaska's strategic military position in the Nation's safety has been one factor in assuring the protection of all our citizens through the placement of Army, Navy, and Air Force installations not far from the shores of the U.S.S.R.

Appreciating Alaska's natural beauty, from its 3 million lakes to the highest mountain in North America, Bob Atwood has been one of those who helped make the State a mecca for travelers, for tourists to see that it indeed could be an air crossroads of the world. Planes from every continent fly Alaska's skies, and carriers from every corner of the Earth stop over in Alaska today. Only a few years ago the brave Alaska bush pilots were the only fast link to Alaska's remote areas, and long steamship voyages were the only link to the world outside the region.

Bob Atwood, in a half-century of 10-hour days, 6 days a week on The Anchorage Times, has never forgotten that he is first and always a newspaperman. Through the Atwood chair he has endowed at the University of Alaska, great journalists have come to the Great Land. They shared their talents and their viewpoints with the citizens of the State as well as the students at the university.

Through 50 years, literally hundreds of young newspapermen and newspaperwomen have received their first professional boost on The Anchorage Times. They have gone on to become fine and respected journalists on newspapers and publications across the Nation.

Bob Atwood's untiring efforts on behalf of Alaska have made a mark that historians will note as long as histories are written. His love and concern for Alaska, my home and his, have taken him into some long battles and some uncharted seas. He has fought for his convictions, mapped his way through often turbulent waters and watched Alaska grow from an almost forgotten stepchild to a State important to the well-being of all our Nation.

Today we salute Bob Atwood for his efforts and his concern through 50 short and productive years behind the publisher's desk at The Anchorage Times. As journalists from across the United States gather in Anchorage to applaud his half-century of reporting and editing the news for Alaskans, we add our thanks for a reporter, a publisher, an editor, and a great Alaskan.

For his wife, Evangeline, a historian and Alaskan of great note, and his daughters Elaine and Marilyn, newspaperwomen like their dad, we send our congratulations for having the good fortune to have worked at the side of Bob Atwood, a consummate journalist and a consummate Alaskan.

ORPHAN DRUG AMENDMENTS OF 1985

Mr. HATCH. Mr. President, I ask for immediate consideration of my bill, S. 1147, the Orphan Drug Amendments of 1985, and urge my colleagues to immediately adopt this legislation. I am delighted that 26 Senators—over one-quarter of the Senate—are now sponsors of this important legislation to amend the Orphan Drug Act. The significance of this bill, and the strong support of the Senate for research in orphan diseases and research and development of orphan drugs, are illustrated well by the fact that 15 members of the Labor and Human Resources Committee are cosponsoring this legislation.

I want to recognize in particular the cosponsorship of Senator KENNEDY, the ranking minority member of the Labor and Resources Committee, and the cosponsorship of Senator KASSEBAUM, a long-time champion of this cause. It was Senator KASSEBAUM who introduced the early orphan drug legislation in the 97th Congress, and I am proud that she has joined me in sponsoring this bill as well.

Mr. President, reauthorization of the program to provide grants and contracts for the development of orphan drugs sends a clear signal that Congress encourages such activity and recognizes a winner.

The Orphan Drug Act provides several incentives for sponsors of orphan drugs. These incentives have worked. The act has worked. Since 1983, 55 drugs have been designated "orphan drugs" by the Food and Drug Administration. This is truly remarkable progress for the many Americans who are affected by any of a large number of rare diseases. Increasingly, pharmaceutical companies are agreeing to sponsor orphan drugs—to do the testing required to get these drugs to market so that they will be available to the patients whose lives will be markedly improved by them.

You may be as surprised as I was to learn that there are several thousand orphan diseases, which together afflict several million Americans. Some of these diseases are familiar to us because we have read about a well-known individual who suffers from a rare disease or we have seen a television show or a play about one of these diseases. This is the case, for example, for Amyotrophic Lateral Sclerosis, Lou Gehrig's Disease, against which our distinguished former colleague, Senator Jacob Javits, continues his valiant struggle; for Tourette Syndrome, which was featured a few years ago on the TV show "Quincy," for neurofibromatosis, the affliction recently discussed on the TV show "St. Elsewhere;" and for Huntington's Disease, which afflicted the folksinger Woody Guthrie. For each of these diseases there are hundreds more that virtually no one has heard of. We cannot imagine what it would be like to have something wrong that no one knows about and, worse yet, that no one seems to care about.

The Orphans Drug Act was an enormous positive signal to victims of orphan diseases and their families. Its enactment was a great victory and the only hopeful event in many of their lives. The fact that the Government would be able to support research and development of orphan drugs, and the fact that the pharmaceutical industry would be willing to participate in developing orphan drugs, seeking FDA approval, and marketing those drugs, even though there was no opportunity for profit, were landmark signs of commitment and caring.

The authority for the grant and contract program established in the Orphan Drug Act expires at the end of fiscal year 1985. This bill reauthorizes that program for 3 more years, at $4 million per year. This is the same as the authority in current law. In addition, the bill extends the grant and contract authority by authorizing the award of funds for both preclinical and human clinical testing of orphan drugs. This provision will mean that some of the very costly drug testing, that must be completed before human tests are begun, could be supported under a grant or contract awarded with this authority. I believe this will serve as an additional incentive and

encouragement for the development of orphan drugs.

Another small change in current law made by this bill is the removal of the stipulation that in order to receive the designation as an orphan drug, a drug must be one for which a Letter of Patent may not be issued. This stipulation has caused some administrative difficulty because it is not clear as to the type of patent referred to.

There has been some discussion over the last 6 months about inclusion of "medical devices" in the Orphan Drug Act. I know I speak for my colleagues when I say that the Senate is receptive to consideration of this issue. However, my discussions with FDA and with the orphan disease groups make clear that the concepts involved are complex and that all involved parties agree that we should not delay this legislation while the issue is discussed further.

This bill establishes a National Commission on Orphan Diseases to assess both Government and private sector activities related to research in rare diseases, including research into the cause and prevention as well as the treatment of those diseases. The Commission is required to submit a report to the Congress in 2 years and will terminate 90 days after the submission of the report. I believe there is a need for the kind of evaluation envisioned by this Commission, and that the results of this evaluation can provide useful guidance in planning future research in this important area.

Finally, the bill contains a provision that will correct a drafting error in the fiscal year 1985 appropriations language for the Department of Education. This provision will require no additional funds. It will simply allow already appropriated funds to be expended on June 1, instead of on July 1, 1985. If this seemingly minor error is not corrected, there will be over 700 training programs for teachers of handicapped children that will be delayed and disrupted.

The House Energy and Commerce Committee has ordered reported a bill almost identical to the one we are considering now. This is due in large measure, as was passage of the act in the 97th Congress, to the dedicated efforts in the House of the distinguished chairman and ranking minority member of the House Subcommittee on Health and the Environment, Representative WAXMAN and Representative MADIGAN. My hat is off to them. I am confident that speedy passage of this bill in the Senate will result in its speedy enactment, as I am sure that our House colleagues will be able to quickly agree with us on the final language. There are no substantive differences in our provisions or in our priorities related to orphan drugs.

In closing, Mr. President, let me again express my appreciation to Senators who joined me in sponsoring this important bill. I look forward to its expeditious passage.

AFGHANISTAN REPORT

Mr. BYRD. Mr. President, the West Virginia Intelligencer of April 24, 1985, includes an editorial entitled "Afghanistan." It comments upon my efforts to keep this issue before the American public, and it reports on the atrocities committed by Soviet troops in that brave, sad country.

I continue to share my concern for the freedom-loving people of Afghanistan with my colleagues in the Senate and with the American people because we have a responsibility to the people of Afghanistan to keep their brave struggle on the stage of world opinion. The Soviet occupation army has done its best to stifle news about its brutality. The Soviets pursue an "out of sight, out of mind" philosophy in Afghanistan. But free people everywhere have a duty to hold the situation in Afghanistan up to the light of world opinion. When we examine events in that country, we are much better equipped to understand the hateful nature of Soviet occupation, and what Soviet subjugation means.

For this reason, I will continue to offer reports and worthwhile articles that describe the struggle of the Afghan people in the face of the cruel repression of their Soviet captors. And I will continue to support appropriate assistance for the Afghan people in their struggle against this lawless occupation.

I ask unanimous consent that the article from the Intelligencer be inserted in the RECORD at the close of my remarks.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

AFGHANISTAN

Sen. Robert Byrd of West Virginia recently warned his colleagues against letting Afghanistan degenerate into, "just another occassional continuing feature on the evening news." The Democrat leader is doing his best not to let Afghanistan become a victim of world apathy and historical amnesia through attempting to bring to national attention the terrible consequences of Soviet occupation of that land.

One of these, Byrd noted, happened in March of this year when death in a Red Army uniform came to the little village of Chinar in southern Afghanistan. At 8 a.m. on March 17, according to an escaped refugee, Soviet troops attacked the villiage "killing every living thing" unable to escape. Muhammad Gul said that in one incident 52 women and children tried to hide on a rooftop. Soviet troops spotted them and set fire to the building, burning those 52 innocent people to death when the flames reached the roof.

In a recent study prepared for the United Nations Human Rights Commission, Byrd noted, Austrian law professor Felix Ermacora accused the Soviet Union of massacring Afghan civilians, executing guerrilla fighters, and in some instances using poison gas against them. When the Soviets attacked Ermacora's report as a fake, the Austrian professor retorted, "Every word in it is true. And to anyone who says I am falsifying the record, I reply: 'If 4 million people leave their country, Afghanistan, then there must be a good reason.'"

What has been going on in Afghanistan since the brutal invasion of that little country by the Soviet Union doesn't seem to qualify very often as "news" in this country, now that the Soviet occupation has dragged on into its fifth year. As Byrd points out, we live in a century long on inhumanity and short on memory. Many millions of combatants have died in the hideous wars of our time. But even more millions of innocent civilians, men, women and children have been slain in acts of official barbarism.

Far too often the world's reaction to such bloody deeds is a shoulder-shrugging, "So what?" One of the duties of civilized people is to keep alive the memory of such atrocities as Buchenwald, Dachau, Auschwitz—not from notice of hatred or vengeance, but that democracy's creed may reverberate: "Never again."

In the same vein, Americans must remember today that real men and women are suffering and dying in the rugged mountains of Central Asia. Soviet bombs and bullets are mutilating Afghan children. Flesh and blood human beings are struggling there to save their country, their culture, their way of life, their freedom.

Byrd is performing a valuable service in the defense of suffering humanity by keeping the agony of Afghanistan before the American people. Our attention span is short. But we never should become so blase as to relegate the strangling of a nation's freedom to the status of a filler on the 6 o'clock news.

One reason why there is legitimate concern that this may occur in this situation is the secrecy which veils Afghanistan. A French doctor who directs Medecins sans Frontieres, Dr. Claude Malheuret, writes as one who has first-hand knowledge of the tragedy-knowledge which is extremely hard to come by.

The organization which Malheuret directs is apolitical, hence its reports possess a special quality of reliability and authenticity. When M.S.F. speaks of a Soviet war against Afghan children, it is because the physicians have had to treat ghastly wounds inflicted by booby-trapped toys.

"International public opinion would never accept such enormities if it were informed daily on the developments in Afghanistan. The need for secrecy explains why borders are systematically closed and why journalists are not allowed to enter the country," declares Malheuret.

The French physician believes that the Afghans can't be defeated in the short or medium term, but Soviet strategy involves two aspects that may make the outcome in Afghanistan differ from Western experience. One is the use of mass terror. The second is that the Soviets can afford a protracted war in the short term for the sake of a long-term victory.

"The Russians do not need smashing victories to announce to their citizenry, as Soviet public influence does not influence Soviet policy. Catastrophies such as that in the Salang tunnel where several hundred Soviet and communist-regime troops (and civilians) were killed do not incite an outcry in Moscow for Soviet 'boys' to come home. The Soviet army can wait it out . . .

"The Afghan resistance will hold out for a long time, but in the end, it probably will be beaten," is the gloomy first-hand assessment given by Malheuret.

This need not occur, should in coming years a profound change in the reactions of Westerners to Soviet totalitarianism occur. However, concludes the M.S.F. director, in a statement with which no one can argue:

"Only a very wise person would dare predict the future of Afghanistan.

MESSAGES FROM THE PRESIDENT

Messages from the President of the United States were communicated to the Senate by Mr. Chirdon, one of his secretaries.

BUDGET RESCISSIONS AND DEFERRALS—MESSAGE FROM THE PRESIDENT—PM 46

The PRESIDING OFFICER laid before the Senate the following message from the President of the United States, together with accompanying papers; which, pursuant to the order of January 30, 1975, was referred jointly to the Committee on Appropriations, the Committee on the Budget, the Committee on Commerce, Science, and Transportation, the Committee on Energy and Natural Resources, and the Committee on Environment and Public Works:

To the Congress of the United States:

In accordance with the Impoundment Control Act of 1974, I herewith report two new rescission proposals totaling $37,401,818, two new deferrals totaling $24,000,000, and a revised deferral now totaling $32,300,000. The rescissions affect programs in the Department of Energy and the Corporation for Public Broadcasting. The deferrals affect programs in the Department of Energy and the Tennessee Valley Authority.

The details of these rescissions and deferrals are contained in the attached report.

RONALD REAGAN.

THE WHITE HOUSE, *May 16, 1985.*

CONSERVATION OF PETROLEUM AND NATURAL GAS AT FEDERAL FACILITIES—MESSAGE FROM THE PRESIDENT—PM 47

The PRESIDING OFFICER laid before the Senate the following message from the President of the United States, together with an accompanying report; which was referred to the Committee on Energy and Natural Resources:

To the Congress of the United States:

As required by Section 403(c) of the Powerplant and Industrial Fuel Use Act of 1978, I hereby transmit the sixth annual report describing Federal actions with respect to the conservation and use of petroleum and natural gas in Federal facilities.

RONALD REAGAN.

THE WHITE HOUSE, *May 16, 1985.*

MESSAGES FROM THE HOUSE

ENROLLED BILLS AND JOINT RESOLUTION SIGNED

At 12:05 p.m., a message from the House of Representatives, delivered by Mr. Berry, one of its reading clerks, announced that the Speaker has signed the following enrolled bills and joint resolution:

S. 484. An act to amend the Saccharin Study and Labeling Act;

S. 661. An act entitled the "George Milligan Control Tower; and

S.J. Res. 61. Joint resolution to designate the week of May 20, 1985, through May 26, 1985, as "National Osteoporosis Awareness Week".

The enrolled bills and joint resolution were subsequently signed by the President pro tempore (Mr. THURMOND).

ENROLLED BILLS AND JOINT RESOLUTIONS PRESENTED

The Secretary of the Senate reported that on today, May 16, 1985, she had presented to the President of the United States the following enrolled bills and joint resolution:

S. 484. An Act to amend the Saccharin Study and Labeling Act:

S. 661. An Act entitled the "George Milligan Control Tower"; and

S.J. Res. 61. Joint resolution to designate the week of May 20, 1985, through May 26, 1985, as "National Osteoporosis Awareness Week".

PETITIONS AND MEMORIALS

The following petitions and memorials were laid before the Senate and were referred or ordered to lie on the table as indicated:

POM-212. A joint resolution adopted by the Legislature of the State of California; to the Committee on Energy and Natural Resources.

"ASSEMBLY JOINT RESOLUTION NO. 42

"Whereas, The United States Department of the Interior has announced a five-year program to open all California's offshore waters for oil and gas leasing; and

"Whereas, Under this program, lease sales for areas previously closed to oil and gas development would occur for southern California in April 1987 and 1990, for central California in May 1989, and for northern California in December 1987 and 1990; and

"Whereas, No national energy development plan exists to provide for the orderly development of energy resources to match national needs; and

"Whereas, No national need has been demonstrated for additional offshore oil and gas leasing in California; and

"Whereas, The abundant sea life and beauty of California's coast and ocean waters provide unique recreational and fishing opportunities for the citizens of the state and nation; and

"Whereas, In 1983 tourism contributed approximately 28.5 billion dollars to the economy of the state while the value of oil and gas extracted from California and areas offshore totaled only approximately 10.5 billion dollars; and

"Whereas, Oil platforms, oil spills, interference with fishing activities, and other actual and potential adverse effects from oil development are likely to cause irreparable harm to the resources of the coast; and

"Whereas, The federal government has not yet satisfactorily addressed impacts to California from present offshore oil and gas production through revenue sharing as required by Section 8(g) of the federal Outer Continental Shelf Lands Act, as amended by Section 205 of the Outer Continental Shelf Lands Act Amendments of 1978 (43 U.S.C. Sec. 133(g)); and

"Whereas, The United States Congress, in adopting the federal Outer Continental Shelf Lands Act Amendments of 1978, directed the Department of the Interior to prepare and maintain the leasing program in a manner consistent with the principle that "(m)anagement of the Outer Continental Shelf shall be conducted in a manner which considers economic, social, and environmental values of the renewable and nonrenewable resources contained in the Outer Continental Shelf, and the potential impact of oil and gas exploration on other resource values of the Outer Continental Shelf and the marine, coastal, and human environments" (43 U.S.C. Sec. 1344(a)(1)); and

"Whereas, For the past four years the United States Congress has expressed its concern over oil and gas development off California by adopting lease moratoria for the areas now included in the proposed lease program of the Department of the Interior; and

"Whereas, California's citizens and local government have repeatedly stated that leasing of many of the areas proposed by the Department of the Interior presents unacceptable risks to economic, social, human, and natural environments far in excess of the value of projected oil resources; and

"Whereas, The Legislature of the State of California has consistently expressed its opposition to leasing of the areas proposed in the Department of the Interior's program through passage of resolutions such as Assembly Joint Resolution 19 in 1981 and Assembly Joint Resolutions 86 and 95 in 1984; and

"Whereas, The Federal Outer Continental Shelf Lands Act permits the Governor to respond within 60 days with comments and suggestions on proposed lease programs; and

"Whereas, California has prohibited offshore oil leases in most state waters adjacent to the areas proposed for leasing by the Secretary of the Interior; and

"Whereas, California is likely to lose potential revenues from state-owned oil through drainage to federal leasees under the Secretary of the Interior's proposal; now, therefore, be it

"Resolved by the Assembly and the Senate of the State of California, jointly, That the Legislature of the State of California memorializes the President of the United States and the Secretary of the Interior to delete from the proposed oil and gas leasing program all offshore areas adjacent to state-owned tide and submerged lands where oil leases are currently prohibited and all areas offshore California north of the seaward extension of the Mendocino-Sonoma County line; and be it further

"Resolved, That the Legislature of the State of California hereby respectfully re-

quests that the Governor recommend to the Secretary of the Interior that the federal offshore areas adjacent to state-owned tide and submerged lands where oil leases are currently prohibited and all areas offshore California north of the seaward extension of the Mendocino-Sonoma County line be deleted from the proposed oil and gas leasing program; and be it further

"Resolved, That the Chief Clerk of the Assembly transmit copies of this resolution to the President and Vice President of the United States, to the Secretary of the Interior, to each Senator and Representative from California in the Congress of the United States, and to the Governor."

POM-213. A resolution adopted by the House of Representatives of the State of Indiana; to the Committee on Energy and Natural Resources.

"HOUSE RESOLUTION No. 23

"Whereas, There never has been an energy crisis except as it has been perpetrated by the Federal Government for the purpose of controlling the American people; and

"Whereas, A large pool of crude oil and natural gas was discovered on Gull Island, located approximately 5 miles north of the Alaska shoreline in the Arctic Ocean, which is as large as the Prudhoe Bay pool of crude oil and gas, and also, large pools of crude oil and gas at the Duck Island and Kuparuk locations; and

"Whereas, The Gull Island crude oil find was ordered to be kept secret and closed down by the United States Government in order to force high oil prices on United States citizens; and

"Whereas, Seismographic testing has indicated that there is as much crude oil on the north slope of Alaska as in Saudi Arabia; and

"Whereas, Government ecologists forced the oil companies to spend $2,000,000 to bypass a falcon's nest, $375 for the replacement of a toilet paper holder and $10,000 for each toilet; small examples of waste, which resulted in approximately $10,000,000,000 in cost overruns, and in turn caused higher gas prices for United States citizens; and

"Whereas, The Alaskan Pipeline Corridor was originally built to accommodate two crude oil pipelines and one natural gas line; and

"Whereas, As seventy-four percent (74%) of the cost of a barrel of Alaska crude oil is federal and state taxes; and

"Whereas, There is enough natural gas in Alaska to last the United States citizens for 200 years: Therefore,

"Be it resolved by the House of Representatives of the General Assembly of the State of Indiana:

"SECTION 1. That the United States government allow the oil companies to build an additional crude oil pipeline and a natural gas line so as to allow the United States citizens an abundance of fuel at a reasonable cost.

"SEC. 2. That the Clerk of the House of Representatives is hereby directed to deliver copies of this Resolution to each member of the United States Congress, The President of the United States and the Vice President of the United States."

POM-214. A resolution adopted by the Legislature of the Territory of Guam; to the Committee on Finance.

"RESOLUTION No. 57 (LS)

"Be it resolved by the Legislature of the Territory of Guam:

"Whereas, Sections 301 and 303 of U.S. Public Law 92-603 amended Title XIV of the Social Security Act in its entirety under the Title "Supplemental Security Income (SSI) Program for the Aged, Blind, and Disabled", and repealed Title XIV of the Social Security Act, effective January 1, 1974; and

"Whereas, Section 303(b) of U.S. Public Law 92-603 did not repeal Title XIV of the Social Security Act, and therefore, did not extend the benefits to the territories of Guam, Puerto Rico, and the Virgin Islands; and

"Whereas, all the eligible residents of the fifty states of the United States who have applied successfully for this assistance under the Supplemental Security Income Program for the Aged, Blind, and Disabled are now enjoying its full benefits; and

"Whereas, the residents of Guam's neighboring islands of the Commonwealth of the Northern Marianas are now enjoying the full benefits of the Supplemental Security Income (SSI) Program as a result of their present political status; and

"Whereas, the people of Guam firmly believe in the right to equal treatment of any resident or citizen of the United States to the benefits available to them from the United States Federal Government without regard to race, color, creed, or geographical remoteness or boundaries; and

"Whereas, there are presently 930 residents of Guam receiving public assistance under the Aged, Blind and Disabled Programs, and there are other potentially eligible residents of this territory who would definitely prefer to receive the more expanded benefits of the Supplemental Security Income Program; now, therefore, be it

"Resolved, That the Eighteenth Guam Legislature respectfully request the Honorable Ben Blaz to introduce legislation to amend the appropriate sections of the Social Security Act to extend the benefits of the Supplemental Security Income Program to the Territory of Guam; and be it further

"Resolved, That the Eighteenth Guam Legislature request the Governor and Lieutenant Governor of Guam, through their Washington, D.C. Office, and the Director of Public Health and Social Services, to seek the support of the Federal Government, specifically the Department of Health and Human Services, to aid in the passage of this legislation; and be it further

"Resolved, That the Speaker certify to and the Legislative Secretary attest the adoption hereof and that copies of the same be thereafter transmitted to the Speaker of the U.S. House of Representatives; to the President of the U.S. Senate; to the Secretary of Health and Human Services, to Guam's Delegate to Congress; to the Director of Public Health and Social Services; to the Governor's Special Assistant in Washington, D.C.; to the Lieutenant Governor of Guam, and to the Governor of Guam."

POM-215. A resolution adopted by the House of Representatives of the State of Hawaii; to the Committee on Foreign Relations.

"HOUSE RESOLUTION No. 236

"Whereas, in August 1984, South Africa instituted constitutional "reforms", extending minority representation to the so-called "Colored" people (i.e., of mixed racial origins) and the Indian peoples in the segregated South African parliament, but omitting any representation for the Black majority of South Africa; and

"Whereas, these so-called "reforms" have, in fact, retained the traditional White domination in the South African parliament, leading the Black opposition to organize a boycott of the Colored and Indian elections; and

"Whereas, resulting uprisings have occurred in which at least 160 people have been killed and more than 4,000 arrested since August 1984; and

"Whereas, although 17 of South Africa's political prisoners were released, as of December 12, 1984, still, in that same week, 22 more people were charged with "high treason" and face death; another 5 face long prison terms for "subversion"; and well over 200 remain in detention, without charge, as a result of the recent uprisings; and

"Whereas, in addition, Black students, protesting the segregated, inequitable education system, have refused to take high-school matriculation examinations; and

"Whereas, in South Africa's "Black only" townships, rents have been increased and new taxation measures have brought more millions of protestors into the streets; and

"Whereas, Bishop Desmond Tutu, 1984 Nobel Peace Laureate, has said "It is up to the international community to exert pressure on the South African government . . . If that does not happen . . . the bloodbath will be inevitable; now, therefore,

"Be it resolved by the House of Representatives of the Thirteenth Legislature of the State of Hawaii, Regular Session of 1985, That the South African government is respectfully urged to put an end to apartheid, as well as the current wave of repression, and the detention, without charge, of its Black citizens; and

"Be it further resolved, That certified copies of this Resolution be transmitted to the South African government, through its Embassy in Washington, D.C.; as well as to the President of the United States, the U.S. Secretary of State, the President of the United States Senate, the Speaker of the United States House of Representatives, and members of Hawaii's congressional delegation."

POM-216. A resolution adopted by the House of Representatives of the State of Hawaii; to the Committee on Foreign Relations.

"HOUSE RESOLUTION No. 109

"Whereas, the United States government, in October 1984, adopted a Congressional Resolution to support peaceful uses of space, and

"Whereas, there are many current and potential uses of space, including planetary exploration, as well as Earth resources surveys, search and rescue surveillance, weather surveillance, military surveillance, communications, energy production for use on Earth and other types of systems that would be endangered by the development and operation of systems for space warfare, and

"Whereas, space defense systems that would use laser beams, nuclear explosions, or other means, could also be used for offensive warfare purposes that might also endanger the civilian population on Earth, and would violate the 1972 Antiballistic Missile (ABM) Treaty, and

"Whereas, many military experts are of the opinion that complex space defense systems, designed to be used against enemy ballistic missile attacks, would be extremely

costly, could never be tested under realistic conditions, and would be unlikely to ever lead to reductions in offensive nuclear weapon arsenals, and

"Whereas, in addition, space defense systems would not be effective against cruise missiles and other low-trajectory missiles nor against manned-bombers or most tactical nuclear weapons that might be used in conventional warfare, and

"Whereas, in 1981 and 1983, the Soviet Union submitted to the United Nations a draft treaty that would 'prohibit the stationing of weapons of any kind in outer space'; however, the Reagan Administration has not responded to this initiative but, instead, has proceeded with research and development on space defense systems, as well as the development and testing of a U.S. anti-satellite weapon system which is clearly a first step in the development of a space-based, ballistic-missile-boost phase defense system.

"Whereas, in July 1983, the U.S. Senate Foreign Relations Committee approved a bipartisan resolution calling for negotiations on anti-satellite systems and adoption of an anti-satellite test moratorium, now, therefore,

"Be it resolved, That this body urges the United States and the Soviet Union to reaffirm their commitments to the 1972 ABM Treaty and to undertake serious negotiations to immediately ban the further development of anti-satellite systems, restrict research and development on space defense and space offense systems, and, instead, promote cooperative ventures in peaceful uses of space.

"Be it further resolved, That certified copies of this Resolution be transmitted to the President of the United States, the President of the Soviet Union, the U.S. Secretary of State, the President of the U.S. Senate, the Speaker of the U.S. House of Representatives, and members of Hawaii's congressional delegation."

POM-217. A resolution adopted by the House of Representatives of the State of Hawaii; to the Committee on Foreign Relations.

HOUSE RESOLUTION No. 135

"Whereas, media polls continue to indicate that over 80 per cent of the American public favors a mutual and verifiable nuclear freeze; and

"Whereas, in June 1983, the Soviet Union proposed to accept such a freeze on nuclear weapons, if the United States did likewise; and

"Whereas, the Reagan administration refuses to accept such a freeze on the basis that it would prevent the development and testing of new nuclear weapon systems and, therefor, undermine U.S. security; and

"Whereas, our two countries already possess a combined nuclear firepower of about 6000 times all of the firepower of World War II, in which 50 million people were killed; and

"Whereas, even the use of a small amount of this firepower could not only kill hundreds of millions of people by direct effects, but could also create disastrous side effects, such as a "nuclear winter", ozone depletion, radioactive poisoning of our food chain, and epidemics of fatal diseases; and

"Whereas, the present arms race is increasing the numbers of multi-warhead, vulnerable land-based weapons, such as the U.S. MX missiles and the USSR SS-series of missiles, which are highly subject to preemptive enemy attacks, as well as forward land-based, vulnerable Pershing 3, SS-20, and cruise missiles that would leave very little time for warning of an attack, and therefore force the adoption of dangerous launch-on-warning techniques that depend on unreliable Soviet and American computers; and

"Whereas, the Reagan administration is planning, under Presidential Directive 59, to provide forces for fighting and winning a "limited nuclear war"; and

"Whereas, it appears to be impossible to fight any type of "limited nuclear war" since any use of tactical or other types of nuclear weapons would be expected to create a situation that would escalate rapidly into an all-out nuclear holocaust; and

"Whereas, there is, therefore, an urgent need to immediately suspend the production, testing, and deployment of all tactical nuclear weapons, as well as all medium- and long-range missiles, bombers, and submarines; and

"Whereas, there is also an immediate need to pull-back all battlefield, tactical nuclear weapons in Europe, to create a nuclear-free buffer-zone between NATO and Warsaw Pact forces; and

"Whereas, to make such actions viable, there is an urgent need to complete, sign, and ratify a Comprehensive Test-Ban Treaty, and to develop a schedule for rapid, mutual, and verifiable reductions in both U.S. and USSR stockpiles of nuclear warheads and delivery systems; now, therefore,

"Be it resolved by the House of Representatives of the Thirteenth Legislature of the State of Hawaii, Regular Session of 1985, That the House of Representatives urges the United States and the Soviet Union to establish an immediate, mutual, and verifiable moratorium on the production, testing, and deployment of nuclear weapons, complete a Comprehensive Test-Ban Treaty, and agree on a schedule for rapid, mutual, and verifiable reductions in nuclear warheads and delivery systems; and

"Be it further resolved, That certified copies of this Resolution be transmitted to the President of the United States, the Chairman of the Presidium of the U.S.S.R. Supreme Soviet, the U.S. Secretary of State, the President of the U.S. Senate, the Speaker of the U.S. House of Representatives, and members of the Hawaii congressional delegation."

POM-218. A resolution adopted by House of Representatives of the State of Arizona; to the Committee on Governmental Affairs.

"HOUSE MEMORIAL 2001

"Whereas, federally funded programs that may be eliminated under the federal deficit reduction plan include various subsidies for United States postal service; and

"Whereas, organizations for the blind and other handicapped persons are currently granted free mailing privileges for braille books, cassette recordings, talking books and similar materials; and

"Whereas, in the system of compromise over the federal budget, postal subsidies may be reduced even further; and

"Whereas, without postal subsidies, organizations for the blind and handicapped will have to pay for costly mailings and thereby reduce their services to those in need; and

"Whereas, it is estimated that eliminating the subsidies would cost the Arizona Library for the Blind and the Foundation for Blind Children over seven hundred thousand dollars.

Wherefore your memorialist, the House of Representatives of the State of Arizona, prays:

"1. That the President and the Congress give their most earnest consideration to retaining all existing postal service subsidies for the blind and handicapped.

"2. That the Secretary of State of the State of Arizona transmit copies of this Memorial to the President of the United States, the President of the United States Senate, the Speaker of the House of Representatives of the United States and to each Member of the Arizona Congressional Delegation."

POM-219. A resolution adopted by the Senate of the Commonwealth of Pennsylvania; to the Committee on Governmental Affairs.

RESOLUTION—IN THE SENATE, APRIL 24, 1985

"Whereas, The Polish Falcons of America will be celebrating its 100th Anniversary in the United States in 1987; and

"Whereas, This organization has contributed immensely to American life since its founding in Chicago in 1887 through the promotion of gymnastic training, Polish culture, and fraternal life; and

"Whereas, The United States Postal Service has honored numerous Americans for their contribution to our country; therefore be it

"Resolved, That the Senate of Pennsylvania urge the Citizen Stamp Advisory Committee of the United States Postal Service to issue a stamp commemorating the centennial of the Polish Falcons of America; and be if further

"Resolved, That copies of this resolution be transmitted to Mr. Belmont Faries, Chairman, Citizen Stamp Advisory Committee of the United States Postal Service, to the presiding officers of each house of Congress and to each member of Congress from Pennsylvania."

POM-220. A concurrent resolution adopted by the Legislature of the State of New Hampshire; to the Committee on Labor, and Human Resources.

"RESOLUTION SUPPORTING LIMITED HEROIN PRESCRIPTIONS FOR TERMINAL CANCER PATIENTS

"Whereas, scientific and medical studies show parenteral diacetylmorphine, named heroin, to be of medical value because of its analgesic qualities for relieving the general pain suffered by terminal cancer patients; and

"Whereas, heroin acts more quickly than morphine and gives relief of pain and a sense of well-being sooner; and

"Whereas, it is particularly effective in the terminal phase of cancer, when patients frequently cannot take medication by mouth and have little body tissue into which to give large injections; and

"Whereas, patients who are given limited heroin prescriptions are able to remain alert and are able to communicate with their families; and

"Whereas, without this highly effective pain killer, as many as 8,000 Americans may die in unnecessary agony this year; and

"Whereas, S. 70, introduced in the United States Congress by Senator Daniel K. Inouye of Hawaii, provides for limited prescriptions of heroin by physicians for terminal cancer patients in hospitals for a 5 year trial period; now, therefore, be it

Resolved by the Senate, the House of Representatives concurring: That the general court of New Hampshire supports S. 70 and

urges the members of the New Hampshire congressional delegation to do so also; and

"That copies of this resolution be transmitted to the President of the United States, the President of the United States Senate, and Speaker of the United States House of Representatives and the members of the New Hampshire congressional delegation."

POM-221. A petition from a citizen of El Cajon, CA, supporting the President's appeal to the American people for taxpayer's protection plan and his efforts to reduce the deficit spending and to balance the budget; ordered to lie on the table.

POM-222. A petition from the Vietnamese Association of Central Florida regarding Communist regime take over of the Republic of Vietnam; to the Committee on Foreign Relations.

POM-223. A concurrent resolution adopted by the Legislature of the State of New Hampshire; to the Committee on Governmental Affairs.

"RESOLUTION REQUESTING THE UNITED STATES POSTAL SERVICE TO ISSUE A COMMEMORATIVE BICENTENNIAL STAMP

"Whereas, the United States will celebrate the bicentennial of the preparations and adoption of its Constitution in 1987 and 1988; and

"Whereas, New Hampshire endorsed the Constitution on June 21, 1788, thus becoming the ninth and key state to approve it, and by this action the Constitution became the basic law of these United States; and

"Whereas, a suitable memorial to the success of the Constitution and New Hampshire's involvement in its adoption would be a commemorative stamp issued by the United States; now, therefore, be it

"Resolved by the House of Representatives, the Senate concurring: That the United States Postal Service be petitioned to issue a commemorative stamp, using the logo of the New Hampshire Commission on the Bicentennial of the United States Constitution, to be issued in the spring of 1988; and

"That a copy of this resolution be transmitted to the United States Postal Service, the President of the United States Senate, the Speaker of the United States House of Representatives, and the members of the New Hampshire congressional delegation."

POM-224. A concurrent resolution adopted by the Legislature of the State of Arizona; to the Committee on Labor and Human Resources.

"HOUSE CONCURRENT MEMORIAL 2001

"Whereas, section 11(d) of the fair labor standards act, 29 United States Code section 211(d), empowers the Secretary of Labor or the administrator of the wage and hour division of the department of labor to issue orders for the regulation of commercial homework; and

"Whereas, these officials, acting pursuant to this authority, have issued orders categorically prohibiting homeworkers from engaging in broad categories of commercial activity; and

"Whereas, the effect of this prohibition has been to deprive untold numbers of individuals who prefer to work at home, such as mothers with young children, of the opportunity to be gainfully employed; and

"Whereas, those who support the prohibition of homework seek to justify that infringement of the individual's right to work by arguing that homework presents the opportunity for abuse; and

"Whereas, that argument is without merit since there is no instrumentality known to man that cannot be misused, a fact that does not warrant the indiscriminate circumscribing of individual liberty; and

"Whereas, no rational legislative objective is served by, in effect, forcing employees out of the home and into the factory or office; and

"Whereas, the American economy has entered a new phase characterized by the widespread use of computers and the electronic processing of information; and

"Whereas, this burgeoning electronic age promises to dramatically alter the traditional workplace by enabling many to earn a livelihood in the home through the use of computer terminals; and

"Whereas, this change in the commerical landscape has introduced a new category of employee, the telecommuter, who, armed with a personal computer terminal, is gainfully employed in the comfort and convenience of the home; and

"Whereas, those who seek to prohibit homework are already endeavoring, through federal regulation, to stifle this new field of opportunity.

"Wherefore, your memorialist, the House of Representatives of the State of Arizona, the Senate concurring, prays:

"1. That the President, the Congress and the Secretary of Labor of the United States take any action necessary to rescind existing orders and regulations prohibiting commercial homework and refrain from extending these prohibitions to additional categories of activities to guarantee to those individuals who choose to pursue gainful employment in the home the freedom to do so.

"2. That the Secretary of State of the State of Arizona transmit copies of this Memorial to the President of the United States, the President of the United States Senate, the Speaker of the House of Representatives of the United States, the Secretary of Labor of the United States and to each Member of the Arizona Congressional Delegation."

REPORTS OF COMMITTEES

The following reports of committees were submitted:

By Mr. DANFORTH, from the Committee on Commerce, Science and Transportation, with an amendment:

S. 1077: A bill to amend the Consumer Product Safety Act (15 U.S.C. 2051 et seq.) to provide authorization of appropriations, and for other purposes (Rept. No. 99-60).

By Mr. DANFORTH, from the Committee on Commerce, Science, and Transportation, without amendment:

S. 1084: A bill to authorize appropriations of funds for activities of the Corporation for Public Broadcasting, and for other purposes (Rept. No. 99-61).

By Mr. ANDREWS, from the Select Committee on Indian Affairs, with an amendment in the nature of a substitute:

S. 277: A bill to reauthorize the Indian Health Care Improvement Act, and for other purposes (Rept. No. 99-62).

By Mr. DANFORTH, from the Committee on Commerce, Science, and Transportation, with an amendment in the nature of a substitute:

S. 999: A bill to amend the Communications Act of 1934 to provide authorization of appropriations for the Federal Communications Commission, and for other purposes (Rept. No. 99-63).

By Mr. THURMOND, from the Committee on the Judiciary, without amendment and with a preamble:

S. Res. 144: A resolution to give special recognition to the achievements of John James Audubon.

By Mr. GOLDWATER, from the Committee on Armed Services, without amendment:

S. Res. 168: An original resolution waiving section 303(a) of the Congressional Budget Act of 1974 with respect to consideration of S. 1160. Referred to the Committee on the budget.

S. 1160: An original bill to authorize appropriations for the military functions of the Department of Defense and to prescribe personnel levels for the Department of Defense for fiscal year 1986, to authorize certain construction at military installations for such fiscal year, to authorize appropriations for the Department of Energy for national security programs for such fiscal year, and for other purposes.

By Mr. THURMOND, from the Committee on the Judiciary, without amendment and with a preamble:

S.J. Res. 131: A joint resolution to designate the week of June 2, 1985, through June 8, 1985, as "Future Problem Solving Program Week."

EXECUTIVE REPORTS OF COMMITTEES

The following executive reports of committees were submitted:

By Mr. THURMOND, from the Committee on the Judiciary: D. Lowell Jensen, of Virginia, to be Deputy Attorney General.

(The above nomination was reported from the Committee on the Judiciary with the recommendation that it be confirmed, subject to the nominee's commitment to respond to requests to appear and testify before any duly constituted committee of the Senate.)

INTRODUCTION OF BILLS AND JOINT RESOLUTIONS

The following bills and joint resolutions were introduced, read the first and second time by unanimous consent, and referred as indicated:

By Mr. PROXMIRE:

S. 1148. A bill to amend section 5155 of the Revised Statutes with respect to shared electronic banking equipment; to the Committee on Banking, Housing, and Urban Affairs.

By Mr. BUMPERS (for himself and Mr. PRYOR):

S. 1149. A bill to amend the Federal Power Act to allow State commissions to determine whether to exclude all or part of a rate set by the Federal Energy Regulatory Commission based on construction cost; to the Committee on Energy and Natural Resources.

By Mr. SIMON (for himself and Mr. EAGLETON):

S. 1150. A bill to revise the minimum service requirements for retired and retainer pay under titles 10 and 14 for members of the uniformed services who first become members of the uniformed services on or after the date of the enactment of this Act, to revise the manner for computing retired and retainer pay under such titles for such members, and for other purposes; to the Committee on Armed Services.

By Mr. DIXON (for himself, Mr. JOHNSTON, Mr. PRYOR, Mr. RIEGLE, and Mr. SASSER):

S. 1151. A bill to amend the Federal Deposit Insurance Act; to the Committee on Banking, Housing, and Urban Affairs.

By Mr. KERRY:

S. 1152. A bill to amend the Internal Revenue Code of 1954 to increase all civil and criminal tax penalties for taxpayers who avoid their fair share of Federal taxes, to increase voluntary compliance of the Federal tax laws, and for other purposes; to the Committee on Finance.

By Mr. D'AMATO:

S. 1153. A bill to provide for the distribution within the United States of the United States Information Agency film entitled "Hal David: Expressing a Feeling"; to the Committee on Foreign Relations.

By Mr. MATSUNAGA (for himself, Mr. PRESSLER, Mr. INOUYE, Mr. SARBANES, Mr. MELCHER, Mr. BURDICK, Mr. PELL, Mr. LEAHY, and Mr. HUMPHREY):

S. 1154. A bill to amend title XVIII of the Social Security Act to provide direct Medicare reimbursement for services performed by registered nurse anesthetists; to the Committee on Finance.

By Mr. CHAFEE:

S. 1155. A bill to authorize the disposal of silver from the national stockpile; to the Committee on Armed Services.

By Mr. DENTON:

S. 1156. A bill to amend chapter XIV of the Comprehensive Crime Control Act of 1984, relating to victims of crime, to provide funds to encourage States to implement protective reforms regarding the investigation and adjudication of child abuse cases which minimize the additional trauma to the child victim and improve the chances of successful criminal prosecution or legal action; to the Committee on the Judiciary.

By Mr. McCLURE (by request):

S. 1157. A bill to authorize the Secretary of the Interior to perform studies relating to disposal of drain water and to construct interim corrective measures deemed necessary for the San Luis intercepter drain; to the Committee on Energy and Natural Resources.

By Mr. DOLE (for himself, Mr. DURENBERGER, and Mr. BENTSEN):

S. 1158. A bill to amend title XVIII of the Social Security Act with respect to Medicare payments for direct costs of approved educational activities; to the Committee on Finance.

By Mr. ANDREWS (for himself, Mr. GOLDWATER, Mr. MELCHER, Mr. BURDICK, Mr. ABDNOR, Mr. DECONCINI, Mr. BINGAMAN, Mr. BAUCUS, Mr. STEVENS, Mr. HATFIELD, Mr. WEICKER, Mr. NICKLES, Mr. BOREN, and Mr. COCHRAN):

S. 1159. A bill to amend section 8(a) of the Small Business Act to clarify the eligibility of small business concerns owned by Indian tribes; to the Committee on Small Business.

By Mr. GOLDWATER, from the Committee on Armed Services:

S. 1160. An original bill to authorize appropriations for the military functions of the Department of Defense and to prescribe personnel levels for the Department of Defense for fiscal year 1986, to authorize certain construction at military installations for such fiscal year, to authorize appropriations for the Department of Energy for national security programs for such fiscal year, and for other purposes; placed on the calendar.

By Mr. DODD:

S. 1161. A bill to provide for the protection of United States security interests in the Central American region; to the Committee on Foreign Relations.

By Mr. HART:

S. 1162. A bill to amend the Nuclear Waste Policy Act of 1982 to require the Secretary of Energy to incorporate transportation impacts into the selection process for repositories of high-level radioactive wastes; to the Committee on Environment and Public Works.

By Mr. KENNEDY:

S. 1163. A bill entitled "The Military Family Act of 1985"; to the Committee on Armed Services.

By Mr. HUMPHREY (for himself, Mr. THURMOND, Mr. LAXALT, Mr. SARBANES, Mr. GORTON, Mr. BURDICK, Mr. DECONCINI, Mr. COHEN, Mr. DOMENICI, Mr. MATTINGLY, Mrs. HAWKINS, Mr. ANDREWS, Mr. HATCH, Mr. RUDMAN, Mr. CHAFEE, Mr. DOLE, Mr. PELL, Mr. PROXMIRE, Mr. EXON, Mr. EAST, Mr. MATSUNAGA, Mr. HOLLINGS, Mr. LUGAR, Mr. METZENBAUM, Mr. NUNN, Mr. QUAYLE, Mr. GARN, Mr. BRADLEY, Mr. DENTON, Mr. NICKLES, Mr. HATFIELD, Mr. BOSCHWITZ, Mr. MATHIAS, and Mr. PRESSLER):

S.J. Res. 137. Joint resolution to designate the week of December 15, 1985, through December 21, 1985, as "National Drunk and Drugged Driving Awareness Week"; to the Committee on the Judiciary.

SUBMISSION OF CONCURRENT AND SENATE RESOLUTIONS

The following concurrent resolutions and Senate resolutions were read, and referred (or acted upon), as indicated:

By Mr. SPECTER:

S. Res. 166. Resolution regarding a superpower summit; to the Committee on Foreign Relations.

By Mr. DOLE:

S. Res. 167. Resolution electing Ernest E. Garcia as the Sergeant at Arms and Doorkeeper of the Senate; considered and agreed to.

By Mr. GOLDWATER, from the Committee on Armed Services:

S. Res. 168. Original resolution waiving section 303(a) of the Congressional Budget Act of 1974 with respect to consideration of S. 1160; to the Committee on the Budget.

STATEMENTS ON INTRODUCED BILLS AND JOINT RESOLUTIONS

By Mr. PROXMIRE:

S. 1148. A bill to amend section 5155 of the Revised Statutes with respect to shared electronic banking equipment; to the Committee on Banking, Housing, and Urban Affairs.

(The remarks of Mr. PROXMIRE and the text of the legislation appear earlier in today's RECORD.)

By Mr. BUMPERS (for himself and Mr. PRYOR):

S. 1149. A bill to amend the Federal Power Act to allow State commissions to determine whether to exclude all or part of a rate set by the Federal Energy Regulatory Commission based on construction costs; to the Committee on Energy and Natural Resources.

(The remarks of Mr. BUMPERS and Mr. PRYOR, and the text of the legislation appear earlier in today's RECORD.)

By Mr. SIMON (for himself and Mr. EAGLETON):

S. 1150. A bill to revise the minimum service requirements for retired and retainer pay under titles 10 and 14 for members of the uniformed services who first become members of the uniformed services on or after the date of enactment of this act, to revise the manner for computing retired and retainer pay under such titles for such members, and for other purposes; to the Committee on Armed Services.

UNIFORMED SERVICES RETIREMENT ACT

Mr. SIMON. Mr. President, I am today introducing legislation to amend the nondisability military retirement system. We have been talking for some days now in this body about how we are going to save money. I have a proposal in—and Senator EAGLETON of Missouri is a cosponsor, and I assume we will have other cosponsors as it moves ahead—to change the military retirement system. What I propose is to change the military retirement system so that no one who is presently in the military retirement system is disadvantaged, but to say starting on January 1, 1986, anyone who goes into the service at that point would have to serve 25 years rather than 20 years. That is the first point of my proposal. We now have a situation where you can go in for 20 years, serve, and then retire, and average retirement is around 41—about 39 for people who are not officers, about 45 for those who are officers—and then you have this very, very lengthy period of retirement pay. It is the second costliest entitlement program of the Federal Government that we have coming out of general revenue funds, second only to the Medicaid Program.

I am also suggesting at that point that the amount of retirement pay be reduced from 75 to 50 percent for those serving 25 years and to 60 percent for those serving 30 years.

The second point that we make—and I think it is extremely important—and that deals with this indexation matter; that is, that those who retire would receive their full cost of living but that it not be compounded. The compounding of the cost-of-living increase is frankly an inflationary thing no matter what the retirement system is. It is particularly devastating on the military side of it because retirees on the average are retirees for more than 30 years. So that there is no misunderstanding on this, what I am talking about is that if someone retires, let us say gets $10,000 a year in retirement, there is a 4-percent cost-of-living increase, then you get that next year, $10,400. If the following year there is another 4-percent cost-of-living in-

crease, you would get the full 4 percent but it would be calculated on the base rather than $10,400. So you would grant the full cost-of-living increase, as 95 percent of the private retirement systems do not. You would continue to provide that benefit, but you would not compound it. Compounding that in the case of military retirement results ultimately in some extremely high costs.

Now, you are not going to save any money tomorrow, you are not going to save any money next year; but the Congressional Budget Office estimates that come 30 years from now, we will be saving approximately $10.7 billion a year doing this. And I suggest if we can do that, we ought to be doing it.

I ask unanimous consent, Mr. President, to insert in the RECORD some details of this.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

Estimated outlays under current law for retired pay: 1985 to 2020

[In millions of 1985 dollars] [1]

1985	17,515
1986	17,922
1987	18,125
1988	18,327
1989	18,531
1990	18,720
1995	19,575
2000	20,373
2010	21,170
2020	21,510

[1] Numbers from CBO.

THE SIMON AMENDMENT

What will it do?

A. LENGTH OF ACTIVE DUTY

Current system	Simon proposal
Minimum:	
20 years	25 years.
50 percent of last 3 years' average salary.	50 percent of last 3 years' average salary.
Retirement pay equal 2½ percent per year of active duty.	Retirement pay equal 2 percent per year of active duty.
Maximum:	
30 years	30 years
2½ percent year up to	2 percent per year.
30 years or 75 percent	up to 30 years or 60 percent.

B. COLA RECALCULATION

For future recruits, COLA's will be calculated on the basis of the retirees last salary and will be cumulative, not compounded.

Current system				Simon proposal			
Base pay	Amount of		Total pay	Base pay	Amount of		Total pay
	Percent COLA	COLA			Percent COLA	COLA	
$10,000.00	5	$500.00	$10,500.00	$10,000	5	$500	$10,500
$10,500.00	5	500.00	11,025.00	10,000	5	500	11,000
$11,025.00	5	551.25	11,576.25	10,000	5	500	11,500
$11,576.25	5	578.81	12,155.06	10,000	5	500	12,000
$12,155.06	5	607.75	12,763.81	10,000	5	500	12,500
$12,763.81	5	638.14	13,402.00	10,000	5	500	13,000
$13,402.00	5	670.10	14,072.10	10,000	5	500	13,500
$14,072.10	5	703.60	14,775.70	10,000	5	500	14,000
$14,775.70	5	738.78	15,514.48	10,000	5	500	14,500
$15,514.48	5	775.72	16,290.20	10,000	5	500	15,000
$16,290.20	5	814.51	17,104.71	10,000	5	500	15,500
$17,104.71	5	855.23	17,959.95	10,000	5	500	16,000
$17,959.95	5	897.99	18,857.95	10,000	5	500	16,500
$18,857.95	5	942.89	19,800.85	10,000	5	500	17,000
$19,800.85	5	990.04	20,790.89	10,000	5	500	17,500
$20,790.89	5	1,039.54	21,830.43	10,000	5	500	18,000
$21,830.43	5	1,091.52	22,921.95	10,000	5	500	18,500
$22,921.95	5	1,146.09	24,068.05	10,000	5	500	19,000
$24,068.05	5	1,203.40	25,271.45	10,000	5	500	19,500
$25,271.45	5	1,263.57	26,535.02	10,000	5	500	20,000
$26,535.02	5	1,326.75	27,861.77	10,000	5	500	20,500
$27,861.77	5	1,393.08	29,254.86	10,000	5	500	21,000
$29,254.86	5	1,462.74	30,717.60	10,000	5	500	21,500
$30,717.60	5	1,535.88	32,253.48	10,000	5	500	22,000
$32,253.48	5	1,612.67	33,866.15	10,000	5	500	22,500
$33,866.15	5	1,693.30	35,559.46	10,000	5	500	23,000
$35,559.46	5	1,777.97	37,337.43	10,000	5	500	23,500
$37,337.43	5	1,866.87	39,204.30	10,000	5	500	24,000
$39,204.30	5	1,960.21	41,164.51	10,000	5	500	24,500
$41,164.51	5	2,058.22	43,222.73	10,000	5	500	25,000

TOTAL SAVINGS

Below is CBO's estimate of how much the Simon plan would save over a period of years.

EFFECTS OF SIMON MILITARY RETIREMENT PLAN [1]

[In fiscal year 1986 dollars]

	Fiscal year—					Steady state
	1986	1987	1988	1989	1990	
FULL SIMON PLAN [2]						
Savings in mil pers cost:						
Retirement as outlays (change in deficit)		−10	−25	−55	−70	
Retirement as accrual	455	1,305	2,135	2,880	3,475	10,700

[1] Vesting at 25 YOS; 2.0 percent multipliers to 30 YOS; COLAs paid only on amount of initial annuity.

[2] COLA provisions simulated by 75 percent COLA.

[Section Analysis]

THE UNIFORMED SERVICES RETIREMENT ACT OF 1985

TITLE I—GENERAL

Section 101. Authority to order members of the retired reserve to active duty:

This section amends current law affecting members eligible to be called back to active duty after retirement. Recruits after the date of enactment will be eligible under this statute after 25 years of active duty instead of 20.

Section 102. Retention of officers after completion of prescribed years of service:

Most services have stringent "up or out" promotion policies which are designed to eliminate members who fail to be promoted after two attempts. Since a member is not eligible for retirement benefits until late in his career, the "up or out" policy is relaxed during the last 2 years of his career. Current law contains a "kindness clause" which prohibits the services from discharging a member who has at least 18 years of active duty. Since members would now be required to serve 25 rather than 20 years, the "kindness clause" would apply to recruits after the date of enactment with 23 years of active duty.

Section 103. Separation pay upon involuntary discharge or release from active duty:

Currently, a member of the services who is discharged after more than 5, but less than 20 years of active duty is entitled to separation pay. This section would require the services to provide separation pay for new recruits with more than 5, but less than 25, years of active duty.

Section 106. Computation of retired pay:

This section changes current law to provide 50% of base pay after 25 years of service and 60% after 30 years of service for those entering after the date of enactment.

Section 107. Adjustment of retired pay and retainer pay to reflect changes in CPI:

This provison will grant cost of living allowances (COLAs) to recruits after the date of enactment. Any calculations will use a static base to increase the retiree's annuity which will make the calculations cumulative, not compounded. The following table illustrates the difference between the method currently being used and the proposed method over a 30 year period for an annuity of $10,000.

TABLE I

Current system				Simon proposal			
Base pay	Amount of		Total pay	Base pay	Amount of		Total pay
	Percent COLA	COLA			Percent COLA	COLA	
$10,000.00	5	$500.00	$10,500.00	$10,000	5	$500	$10,500
$10,500.00	5	525.00	11,025.00	10,000	5	500	11,000
$11,025.00	5	551.25	11,576.25	10,000	5	500	11,500
$11,576.25	5	578.81	12,155.06	10,000	5	500	12,000
$12,155.06	5	607.75	12,763.81	10,000	5	500	12,500
$12,763.81	5	638.14	13,402.00	10,000	5	500	13,000
$13,402.00	5	670.10	14,072.10	10,000	5	500	13,500
$14,072.10	5	703.60	14,775.70	10,000	5	500	14,000
$14,775.70	5	738.78	15,514.48	10,000	5	500	14,500
$15,514.48	5	775.72	16,290.20	10,000	5	500	15,000
$16,290.20	5	814.51	17,104.71	10,000	5	500	15,500
$17,104.71	5	855.23	17,959.95	10,000	5	500	16,000
$17,959.95	5	897.99	18,857.95	10,000	5	500	16,500
$18,857.95	5	942.89	19,800.00	10,000	5	500	17,000
$19,800.85	5	990.04	20,790.89	10,000	5	500	17,500
$20,790.89	5	1,039.54	21,830.43	10,000	5	500	18,000
$21,830.43	5	1,091.52	22,921.95	10,000	5	500	18,500
$22,921.95	5	1,146.09	24,068.05	10,000	5	500	19,000
$24,068.05	5	1,203.40	25,271.45	10,000	5	500	19,500
$25,271.45	5	1,263.57	26,535.02	10,000	5	500	20,000
$26,535.02	5	1,326.75	27,861.77	10,000	5	500	20,500
$27,861.77	5	1,393.08	29,254.86	10,000	5	500	21,000
$29,254.86	5	1,462.74	30,717.60	10,000	5	500	21,500
$30,717.60	5	1,535.88	32,253.48	10,000	5	500	22,000
$32,253.48	5	1,612.67	33,866.15	10,000	5	500	22,500
$33,866.15	5	1,693.30	34,559.46	10,000	5	500	23,000
$35,559.46	5	1,777.97	37,337.43	10,000	5	500	23,500
$37,337.43	5	1,866.87	39,204.30	10,000	5	500	24,000
$39,204.30	5	1,960.21	41,164.51	10,000	5	500	24,500
$41,164.51	5	2,058.22	43,222.73	10,000	5	500	25,000

TITLE II—ARMY

Section 201. Separation or transfer to retired reserve:

The Secretary of the Army has the authority to transfer officers from active to retired reserve status if there is an overabundance of commissioned officers. Currently, only officers with more than 20 years can be considered for this type of transfer. This section would make officers with more than 25 years eligible for this type of transfer. Others sections in this title make existing statutes pertaining to the Army consistent with the general guidelines set out in the first title of this act.

TITLE III—NAVY AND MARINE CORPS

Sections in this title make existing statutes pertaining to the Navy and Marine Corps consistent with the general guidelines set out in the first title of this act.

TITLE IV—AIR FORCE

Sections in this title make existing statutes pertaining to the Air Force consistent with the general guidelines set out in the first title of this act.

TITLE V—COAST GUARD

Sections in this title make existing statutes pertaining to the Coast Guard consistent with the general guidelines set out in the first title of this act.

Mr. SIMON. When the Department of Defense authorization bill reaches the Senate floor, I will offer this legislation as an amendment to that bill.

Mr. President, the military retirement system has been the subject of nine studies in the past decade, none of which has resulted in long-term, structural improvements. We should realize that some change in the current system is inevitable. But I want to make sure that the change is fair to members of our armed services. I would like to propose two simple changes which would result in long-term, continuous improvements to the current system.

Today, a member of the armed services is eligible to receive 50 percent of his or her base pay after 20 years of service and 75 percent of base pay after 30 years. The first of my proposals would require members enlisting after January 1, 1986, to serve a minimum of 25 years of active duty to receive 50 percent of base pay and 30 years to receive 60 percent. Mr. President, what we have today is a system which allows a member with 20 years of service to retire and draw 50 percent of his base pay for the rest of his or her life. Assuming that the average retiree is 43 years old at retirement and that the average life expectancy in the United States is 73, most retirees are able to draw 50 percent of base pay for the next 30 years. My first proposal is a modest attempt to correct what is, to me, an illogical and overly expensive system, but at the same time be fair to those who have already enlisted, to whom a commitment has been made.

The second of my proposals would grant recruits after the date of enactment a full cost-of-living allowance [COLA] based on their most recent annuity, but not compound it when they retire. Currently, retirees are granted COLA's on a base figure that is compounded annually. Under the present system, a person who starts with an annuity of $10,000 the first year and is given a 5-percent cost-of-living allowance the next year, acquires a new base of $10,500. If that same person is given a COLA the following year, he or she will then receive 5 percent of $10,500, or $525, because the compounded base figure is used to calculate the new COLA amount.

According to analysts at Cornell University, almost 95 percent of pension plans in the private sector have no provisions for cost-of-living allowances. While widely discussed in Washington and in the public sector, COLA's are not part of most pension plans in the private sector. I am not willing to say that our retirement systems should not grant cost-of-living allowances. For those relying on pensions as a sole source of income, COLA's are important. Compounding COLA's, however, increases costs too dramatically. What I propose is fair to those in the service, but less costly to the Federal Government.

Mr. President, the two elements of my plan would save the Federal Government several billion dollars over the next three decades and would be $10.7 billion less expensive per year when everyone is under the system.

The material I have included for the RECORD presents some startling facts. For example, military retirement is the second most expensive of all Federal entitlement programs funded exclusively from general tax revenues. Only Medicaid is more expensive. Yet Medicaid covers more than 20 million beneficiaries, while military retirement covers about 1.4 million.

People who serve our country are dedicated Americans and are not interested exclusively in their own financial gain. They also understand that some changes will be made. The proposals I've submitted will not cause hardship and are not unreasonable alterations to the system. Most military personnel and others who have studied the retirement system agree it needs reform.

This is not meant to be a quick-fix solution to the problem. It will not bring substantial reductions in expenditures or present an immediate

cure to our current deficit problems. It will, however, provide long-term structural changes which will save billions of dollars and make the system more equitable.

Critics of this plan will charge that this proposal will present the services with manpower and recruiting problems. I have asked the Congressional Budget Office to study both the savings this plan would realize and its effect on manpower. They reported that there would be a 7.8-percent reduction at the officer level and a 4-percent reduction in the enlisted force.

Mr. President, I have always been a strong proponent of conventional defense and believe this is an area to which we should pay a great deal more attention. If there are manpower effects as a result of this legislation, it would be wise for us to use a portion of the money saved from this legislation for improving retention and recruitment in the form of cash incentives, higher salaries, improved educational benefits or other methods which would address the manpower needs of our forces. And we would still save billions of dollars.

As a veteran, I understand the difficulties of military life. The men and women who defend this country are dedicated and decent people. We should revise the military pension system in a way that protects them and my proposal does that.

Through my 10 years in the House, I have seen this issue debated and studied. Now, more than 10 years later, no substantial changes have been made. If we do not accept my proposal for moderate change, the danger is that we will swing to the opposite extreme and those serving in the military will be hurt. We now have a program which will cost the Federal Government nearly $18 billion in fiscal year 1986. This number will grow. Instead of resisting change when we most need it, Mr. President, I hope that my colleagues will join me in providing a reasonable solution. This action will take some courage. But this issue should be faced squarely, candidly, and soon.

This is not a cure-all for our problems. It is a way of simply saying we want to see a little more common sense used in this budget. Here is a practical way of saving a great deal of money. And I have to believe this is the direction that we ought to go.

Let me add that I served in the Armed Forces myself, and I served overseas. I want to see a good, sound, healthy armed services for this country, but the studies that have been made indicate that, for example, the COLA has virtually no impact on whether people enlist or not and whether you compound the COLA or have the full COLA is not a major factor in anyone's decision on whether or not they go into the service.

In my 10 years in the House and now a few months in the Senate, I have heard a great deal of talk and periodically there are a few dance steps made toward doing something about this. But we do not get anything done. I think here is a chance to really do something.

I repeat that this does not have any impact on those who are now serving. My own position candidly is that we ought to knock the COLA off for those who are now serving and for those who are now retired. But I recognize that is not going to pass this body. So I am suggesting we do everything prospectively; that starting January 1, 1986, those who enlist must serve 25 years. I would point out that the Grace Commission that we have been hearing a lot about lately recommended that we make a 30-year minimum retirement. I am not suggesting that. I am suggesting a 25-year minimum, and that we provide the full cost of living then to those retiring after January 1, 1986, but that we not compound the cost-of-living increases.

I repeat under Congressional Budget Office estimates we will save roughly—this is their minimum estimate—$10.7 billion. They did it with a sliding scale on the cost of living. If the cost of living should average 5 percent or a little better, the savings will be roughly $14 billion. But at a minimum, we will be saving $10.7 billion a year. That, it seems to me, Mr. President, is an effort that is well worthwhile. I hope my colleagues will join in this effort.

I am introducing a bill today. I will be introducing this as an amendment to the Department of Defense bill, the authorization that we will be discussing today and presumably all next week.

Mr. President, I ask unanimous consent that the bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 1150

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Uniformed Services Retirement Act of 1985".

TITLE I—GENERAL

AUTHORITY TO ORDER MEMBERS OF THE RETIRED RESERVE TO ACTIVE DUTY

SEC. 101. The first sentence of section 688(a) of title 10, United States Code, is amended by striking out "has completed at least 20 years active service" and inserting in lieu thereof "first became a member of a uniformed service (as defined in section 1407(a)(2) of this title) before the date of the enactment of the Uniformed Services Retirement Act of 1985 and has completed at least 20 years of active service or who first became a member of a uniformed service after the date of the enactment of such Act and has completed at least 25 years of active service".

RETENTION OF OFFICERS AFTER COMPLETION OF PRESCRIBED YEARS OF SERVICE

SEC. 102. (a) Subsection (a) of section 1006 of title 10, United States Code, is amended—

(1) by striking out "If on the date prescribed for the discharge or transfer from an active status of a reserve commissioned officer he" and inserting in lieu thereof "(1) If on the date prescribed or his discharge or transfer from an active status as a reserve commissioned officer, such officer is an officer who first became a member of a uniformed service (as defined in section 1407(a)(2) of this title) before the date of the enactment of the Uniformed Services Retirement Act of 1985 and such officer"; and

(2) by inserting at the end thereof the following new paragraph:

"(2) If on the date prescribed for his discharge or transfer from an active status as a reserve commissioned officer, such officer is an officer who first became a member of a uniformed service on or after the date of the enactment of the Uniformed Services Retirement Act of 1985 and such officer is entitled to be credited with at least 24, but less than 25, years of service computed under section 1332 of this title, he may not be discharged or transferred from an active status under chapter 337, 361, 363, 573, 837, 861, or 863 of this title or chapter 21 of title 14, without his consent before the earlier of the following dates—

"(A) the date on which he is entitled to be credited with 25 years of service computed under section 1332 of this title; or

"(B) the third anniversary of the date on which he would otherwise be discharged or transferred from an active status.".

(b) Subsection (b) of such section is amended—

(1) by striking out "If on the date prescribed for the discharge or transfer from an active status of a reserve commissioned officer he" and inserting in lieu thereof "(1) If on the date prescribed for his discharge or transfer from an active status as a reserve commissioned officer, such officer is an officer who first became a member of a uniformed service before the date of the enactment of the Uniformed Services Retirement Act of 1985 and such officer"; and

(2) by adding at the end thereof the following new paragraph:

"(2) If on the date prescribed for his discharge or transfer from an active status as a reserve commissioned officer, such officer is an officer who first became a member of a uniformed service on or after the date of the enactment of the Uniformed Services Retirement Act of 1985 and such officer is entitled to be credited with at least 23, but less than 24, years of service computed under section 1332 of this title, he may not be discharged or transferred from an active status under chapter 337, 361, 363, 573, 837, 861, or 863 of this title or chapter 21 of title 14, without his consent before the earlier of the following dates—

"(A) the date on which he is entitled to be credited with 25 years of service computed under section 1332 of this title; or

"(B) the second anniversary of the date on which he would otherwise be discharged or transferred from an active status.".

SEPARATION PAY UPON INVOLUNTARY DISCHARGE OR RELEASE FROM ACTIVE DUTY

SEC. 103. Section 1174 of title 10, United States Code, is amended—

(1) in subsection (a), by striking out "who has completed five or more, but less than twenty, years of active service immediately

before that discharge or release" and inserting in lieu thereof "who (1) first became a member of a uniformed service (as defined in section 1407(a)(2) of this title) before the date of the enactment of the Uniformed Services Retirement Act of 1985 and has completed 5 or more, but less than 20, years of active service immediately before that discharge or release, or (2) first became a member of a uniformed service on or after the date of the enactment of the Uniformed Services Retirement Act of 1985 and has completed 5 or more, but less than 25, years of active service immediately before that discharge or release";

(2) in subsection (b), by striking out "who has completed five or more, but less than twenty, years of active service immediately before that discharge or separation" and inserting in lieu thereof "who (1) first became a member of a uniformed service before the date of the enactment of the Uniformed Services Retirement Act of 1985 and has completed 5 or more, but less than 20, years of active service immediately before that discharge or separation, or (2) first became a member of a uniformed service on or after the date of the enactment of the Uniformed Services Retirement Act of 1985 and has completed 5 or more, but less than 25, years of active service immediately before that discharge or separation"; and

(3) in subsection (c), by striking out "who has completed five or more, but fewer than 20, years of active service immediately before that discharge or release" and inserting in lieu thereof "who (1) first became a member of a uniformed service before the date of the enactment of the Uniformed Services Retirement Act of 1985 and has completed 5 or more, but less than 20, years of active service immediately before that discharge or release, or (2) first became a member of a uniformed service on or after the date of the enactment of the Uniformed Services Retirement Act of 1985 and has completed 5 or more, but less than 25, years of active service immediately before that discharge or release".

RETIREMENT OR SEPARATION FOR PHYSICAL DISABILITY

SEC. 104. (a) Clause (3) of section 1201 of title 10, United States Code, is amended—

(1) by striking out subclause (A) and inserting in lieu thereof the following:

"(A) the member first became a member of a uniformed service (as defined in section 1207(a)(2) of this title) before the date of the enactment of the Uniformed Services Retirement Act of 1985 and has at least 20 years of service computed under section 1208 of this title;";

(2) by redesignating subclause (B) as subclause (C); and

(3) by inserting after subclause (A) the following new subclause (B):

"(B) the member first became a member of a uniformed service on or after the date of the enactment of the Uniformed Services Retirement Act of 1985 and has at least 25 years of service computed under section 1208 of this title; or".

(b) Clause (1) of section 1203 of such title is amended to read as follows:

"(1) the member first became a member of a uniformed service (as defined in section 1207(a)(2) of this title) before the date of the enactment of the Uniformed Services Retirement Act of 1985 and has less than 20 years of service computed under section 1208 of this title or first became a member of a uniformed service on or after the date of the enactment of such Act and has less than 25 years of service computed under section 1208 of this title;".

(c) Clause (4) of section 1204 of such title is amended—

(1) by striking out subclause (A) and inserting in lieu thereof the following:

"(A) the member first became a member of a uniformed service (as defined in section 1207(a)(2) of this title) before the date of the enactment of the Uniformed Services Retirement Act of 1985 and has at least 20 years of service computed under section 1208 of this title;";

(2) by redesignating subclause (B) as subclause (C); and

(3) by inserting after subclause (A) the following new subclause (B):

"(B) the member first became a member of a uniformed service on or after the date of the enactment of the Uniformed Services Retirement Act of 1985 and has at least 25 years of service computed under section 1208 of this title; or".

(d) Clause (1) of section 1206 of such title is amended to read as follows:

"(1) the member first became a member of a uniformed service (as defined in section 1207(a)(2) of this title) before the date of the enactment of the Uniformed Services Retirement Act of 1985 and has less than 20 years of service computed under section 1208 of this title or first became a member of a uniformed service on or after the date of the enactment of such Act and has less than 25 years of service computed under section 1208 of this title;".

(e) Section 1209 of such title is amended by striking out "has at least 20 years of service computed under section 1332 of this title" and inserting in lieu thereof "first became a member of a uniformed service (as defined in section 1207(a)(2) of this title) and has at least 20 years of service computed under section 1332 of this title or first became a member of a uniformed service on or after such date and has at least 25 years of service computed under section 1332 of this title".

(f)(1) Subsection (d) of section 1210 of such title is amended by striking out "if he has at least 20 years of service computed under section 1208 of this title" and inserting in lieu thereof "if he first became a member of a uniformed service (as defined in section 1207(a)(2) of this title) before the date of the enactment of the Uniformed Services Retirement Act of 1985 and has at least 20 years of service computed under section 1208 of this title or if he first became a member of a uniformed service on or after the date of the enactment of such Act and has at least 25 years of service computed under section 1208 of this title".

(2) Subsection (e) of such section is amended by striking out "if he has less than 20 years of service computed under section 1208 of this title" and inserting in lieu thereof "if he first became a member of a uniformed service before the date of the enactment of the Uniformed Services Retirement Act of 1985 and has less than 20 years of service computed under section 1208 of this title or if he first became a member of a uniformed service on or after the date of the enactment of such Act and has less than 25 years of service computed under section 1208 of this title".

MINIMUM SERVICE REQUIREMENTS FOR NONREGULAR SERVICE RETIREMENT PAY

SEC. 105. Clause (2) of section 1331(a) of title 10, United States Code, is amended to read as follows:

"(2) he first became a member of a uniformed service (as defined in section 1407(a)(2) of this title) before the date of the enactment of the Uniformed Services Retirement Act of 1985 and has performed at least 20 years of service computed under section 1332 of this title or he first became a member of a uniformed service on or after such date and has performed at least 25 years of service computed under section 1332 of this title;".

COMPUTATION OF RETIRED PAY

SEC. 106. Section 1401 of title 10, United States Code, is amended—

(1) by striking out the first sentence and inserting in lieu thereof the following: "(a) The monthly retired pay of a person entitled thereto under this subtitle who first became a member of a uniformed service (as defined in section 1407(a)(2) of this title) before the date of the enactment of the Uniformed Services Retirement Act of 1985 is computed according to the following table.";

(2) by inserting "but before the date of the enactment of the Uniformed Services Retirement Act of 1985," after "1980," in column 1 of the table contained in such section; and

(3) by adding at the end the following new subsection:

"(b)(1) Except as provided in paragraph (2), the monthly retired pay of a person entitled thereto under this subtitle who first became a member of a uniformed service (as defined in section 1407(a)(2) of this title) on or after the date of the enactment of the Uniformed Services Retirement Act of 1985 is an amount determined by multiplying the monthly retired pay base of the person (as computed under section 1407(b) of this title) by 2 percent for each year of service, but not more than 30, credited to him under section 1333 of this title (if retired under section 1331 of this title) or under section 1405 of this title (if retired under a section referred to in the table in subsection (a) under the heading 'For sections' opposite formulas numbered 4 and 5).

"(2) The monthly retired pay of a person described in paragraph (1) who is retired under section 1201, 1202, 1204, or 1205 of this title is computed, as the member elects, as follows: Multiply the monthly retired pay base (as computed under section 1407(b) of this title) by—

"(A) 2 percent for each year of service, but not more than 30, credited to the member under section 1208 of this title; or

"(B) the percentage of disability of the member on the date on which he retired, but not more than 60 percent.

"(3) Before applying the percentage factor under paragraph (1) or (2), credit each full month of service that is in addition to the number of full years of service creditable to the member as one-twelfth of a year and disregard any remaining fractional part of a month.".

ADJUSTMENT OF RETIRED PAY AND RETAINER PAY TO REFLECT CHANGES IN CONSUMER PRICE INDEX

SEC. 107. Subsection (b) of section 1401a of title 10, United States Code, is amended to read as follows:

"(b) Each time that an increase is made under section 8340(b) of title 5 in annuities paid under subchapter III of chapter 83 of such title, the Secretary of Defense shall at the same time—

"(1) in the case of a person who first became a member of a uniformed service (as defined in section 1407(a)(2) of this title) before the date of the enactment of the Uniformed Services Retirement Act of 1985,

increase the retired or retainer pay of such member or former member of the armed forces by the same percent as the percentage by which annuities are increased under such section; and

"(2) in the case of a person who first became a member of a uniformed service on or after the date of the enactment of such Act, increase the retired or retainer pay of such member or former member by applying the same percentage referred to in clause (1) to the retired pay base (as provided for in section 1407(b) of this title) of such member or former member.

Increases in the retired or retainer pay of a person referred to in clause (2) of the preceding sentence shall be cumulative and may not be compounded.".

RECOMPUTATION OF RETIRED OR RETAINER PAY TO REFLECT LATER ACTIVE DUTY

SEC. 108. (a)(1) Section 1402a of title 10, United States Code, is amended by inserting "but before the date of the enactment of the Uniformed Services Retirement Act of 1985," after "September 7, 1980," each place it appears.

(2)(A) The section heading for such section is amended by adding at the end thereof the following: ", but before the date of the enactment of the Uniformed Services Retirement Act of 1985".

(B) The table of sections at the beginning of chapter 71 of such title is amended by striking out the period at the end of the item relating to section 1402a and inserting in lieu thereof the following: ", but before the date of the enactment of the Uniformed Services Retirement Act of 1985.".

(b)(1) Chapter 71 of title 10, United States Code, is further amended by inserting after section 1402a the following new section:

"§ 1402b. Recomputation of retired or retainer pay to reflect later active duty of members who first became members on or after the date of the enactment of the Uniformed Services Retirement Act of 1985

"(a) A member of an armed force who first became a member of a uniformed service (as defined in section 1407(a)(2) of this title) on or after the date of the enactment of the Uniformed Services Retirement Act of 1985, who has become entitled to retired pay or retainer pay, and who thereafter serves on active duty (other than for training), is entitled to recompute his retired pay or retainer pay upon his release from that duty on the basis of the monthly retired or retainer pay base under section 1407 of this title which he would be entitled to use if (1) he were retiring upon release from that active duty, or (2) he were transferring to the Fleet Reserve or the Fleet Marine Corps Reserve upon that release from active duty multiplied by 2 percent for each year of service, but not more than 30, that may be credited to him in computing his retired or retainer pay.

"(b) A member of an armed force who first became a member of a uniformed service on or after the date of the enactment of the Uniformed Services Retirement Act of 1985, who has been retired other than for physical disability, and who while on active duty incurs a physical disability of at least 30 percent for which he would otherwise be eligible for retired pay under chapter 61 of this title, is entitled, upon his release from active duty, to retired pay computed under subsection (d).

"(c) A member of an armed force who first became a member of a uniformed service on or after the date of the enactment of the Uniformed Services Retirement Act of 1985 and who—

"(1) was retired for physical disability under section 1201 or 1204 of this title or any other law or whose name is on the temporary disability retired list;

"(2) incurs, while on active duty after retirement or after his name was placed on the temporary disability retired list, a physical disability that is in addition to or that aggravates the physical disability for which he was retired or for which his name was placed on that list; and

"(3) is qualified under section 1201, 1202, 1204, or 1205 of this title;

is entitled upon his release from active duty, to retired pay under subsection (d).

"(d) A member of an armed force covered by subsection (b) or (c) may elect to receive either (1) the retired pay to which he became entitled when he retired, increased by any applicable adjustments in that pay under section 1401a of this title after he initially became entitled to that pay, or (2) retired pay computed, as the member elects, as follows: Multiply the monthly retired base pay of the member under section 1407(b) of this title by—

"(A) 2 percent for each year of service, but not more than 30, credited to the member under section 1208 of this title; or

"(B) the highest percentage of disability attained while on active duty after retirement or after the date when his name was placed on the temporary disability retired list, as the case may be, but not more than 60 percent.

"(e) Before applying the percentage factor in subsection (a) or (d), credit each full month of service that is in addition to the number of full years of service creditable to the member as one-twelfth of a year and disregard any remaining fractional part of a month. The amount computed under such subsection, if not a multiple of $1, shall be rounded to the next lower multiple of $1.".

(2) The table of sections at the beginning of such chapter is amended by inserting after the item relating to section 1402a the following new item:

"1402b. Recomputation of retired or retainer pay to reflect later active duty of members who first became members on or after the date of the enactment of the Uniformed Services Retirement Act of 1985.".

ANNUITIES BASED ON RETIRED OR RETAINER PAY

SEC. 109. Section 1431 of title 10, United States Code, is amended—

(1) in subsection (b)—

(A) by striking out "nineteen years of service" and inserting in lieu thereof "19 years of service, in the case of a person who first became a member of a uniformed service (as defined in section 1407(a)(2) of this title) before the date of the enactment of the Uniformed Services Retirement Act of 1985, or 24 years of service, in the case of a person who first became a member of a uniformed service on or after the date of the enactment of such Act,"; and

(B) by striking out "nineteen years of that service" and inserting in lieu thereof "19 years of that service, in the case of a person who first became a member of a uniformed service before the date of the enactment of the Uniformed Services Retirement Act of 1985, or 24 years of that service, in the case of a person who first became a member of a uniformed service on or after the date of the enactment of such Act"; and

(2) in subsection (c), by striking out "nineteen years of service" and inserting in lieu thereof "19 years of service, in the case of a person who first became a member of a uniformed service before the date of the enactment of the Uniformed Services Retirement Act of 1985, or 24 years of service, in the case of a person who first became a member of a uniformed service on or after the date of the enactment of such Act".

MISCELLANEOUS CONFORMING AMENDMENTS

SEC. 110. (a) Section 1403 of title 10, United States Code, is amended by striking out "1401" and inserting in lieu thereof "1401(a)".

(b) The matter before clause (1) in section 1405 of such title is amended to read as follows: "For the purposes of section 1401(a) (formulas 4 and 5), 1401(b)(1), 3991(a) (formula A), 3991(b), 3992 (formula (B)), 6151(b), 6323(e), 6325 (a)(2), (b)(2), and (d), 6330(c)(1)(B), 6383 (c)(1)(B) and (c)(2), 8991(a) (formula A), 8991(b), or 8992 (formula B) of this title, the years of service of a member of the armed forces are computed by adding—".

TITLE II—ARMY

SEPARATION OR TRANSFER TO RETIRED RESERVE

SEC. 201. Section 3850 of title 10, United States Code, is amended by inserting ", in the case of an officer who first became a member of a uniformed service (as defined in section 1407(a)(2) of this title) before the date of the enactment of the Uniformed Services Retirement Act of 1985, or 25 years of service, in the case of an officer who first became a member of a uniformed service on or after the date of the enactment of such Act," after "20 years of service".

MINIMUM YEARS OF SERVICE FOR RETIREMENT

SEC. 202. (a)(1) Section 3911 of title 10, United States Code, is amended to read as follows:

"§ 3911. Minimum years of service for retirement

"The Secretary of the Army may, upon the officer's request, retire a regular or reserve commissioned officer of the Army who—

"(1) first became a member of a uniformed service (as defined in section 1407(a)(2) of this title) before the date of the enactment of the Uniformed Services Retirement Act of 1985 and has at least 20 years of service computed under section 3926 of this title, at least 10 years of which have been active service as a commissioned officer; or

"(2) first became a member of a uniformed service on or after the date of the enactment of the Uniformed Services Retirement Act of 1985 and has at least 25 years of service computed under section 3926 of this title, at least 10 years of which have been active service as a commissioned officer.".

(2) The table of sections at the beginning of chapter 367 of such title is amended by striking out the item relating to section 3911 and inserting in lieu thereof the following:

"3911. Minimum years of service for retirement.".

(b) The first sentence of section 3914 of such title is amended to read as follows: "Under regulations to be prescribed by the Secretary of the Army, an enlisted member of the Army who first became a member of a uniformed service (as defined in section 1407(a)(2) of this title) before the date of the enactment of the Uniformed Services Retirement Act of 1985 and who has at least 20, but less than 30, years of service computed under section 3925 of this title, or an enlisted member of the Army who first

became a member of the armed forces on or after the date of the enactment of the Uniformed Services Retirement Act of 1985 and who has at least 25, but less than 30, years of service computed under section 3925 of this title, may, upon his request, be retired.".

(c)(1) The first sentence of section 3991 of such title is amended to read as follows:

"(a) The monthly retired pay of a person entitled thereto under this subtitle who first became a member of a uniformed service (as defined in section 1407(a)(2) of this title) before the date of the enactment of the Uniformed Services Retirement Act of 1985 is computed according to the following table.".

(2) The table contained in such section is amended by inserting "but after the date of the enactment of the Uniformed Services Retirement Act of 1985," after "1980," in column 1.

(3) Such section is further amended by adding at the end thereof the following new subsections:

"(b)(1) The monthly retired pay of a person entitled thereto under this subtitle who first became a member of a uniformed service on or after the date of the enactment of the Uniformed Services Retirement Act of 1985 is an amount determined by multiplying the monthly retired pay base of the person (as computed under section 1407(b) of this title) by 2 percent for each year of service, but not more than 30, credited to him under section 1405 of this title (if retired under a section referred to in the table in subsection (a) under the heading 'For sections' opposite formula A) or section 3917 of this title (if retired under section 3914 or 3917 of this title).

"(2) The Secretary of the Army may increase the monthly retired pay of a person described in paragraph (1) who is retired under section 3914 of this title by 10 percent for extraordinary heroism in line of duty. The Secretary's determination as to extraordinary heroism is conclusive for all purposes.

"(c) The amount computed under this section, if not a multiple of $1, shall be rounded to the next lower multiple of $1.".

(d)(1) The first sentence of section 3992 of such title is amended to read as follows: "An enlisted member of the Army who first became a member of a uniformed service (as defined in section 1407(a)(2) of this title) before the date of the enactment of the Uniformed Services Retirement Act of 1985 and who is advanced on the retired list under section 3964 of this title is entitled to recompute his retired pay under formula A of the following table, and a warrant officer of the Army so advanced who first became a member of a uniformed service before such date is entitled to recompute his retired pay under formula B of that table.".

(2) The table contained in such section is amended by inserting "but before the date of the enactment of the Uniformed Services Retirement Act of 1985," after "1980," in column 1.

TITLE III—NAVY AND MARINE CORPS

MINIMUM YEARS OF SERVICE FOR RETIREMENT

SEC. 301. (a) Subsection (c) of section 6322 of title 10, United States Code, is amended by inserting "first became a member of a uniformed service (as defined in section 1407(a)(2) of this title) before the date of the enactment of the Uniformed Services Retirement Act of 1985 and" after "who" in the material preceding clause (1).

(b) Section 6322 of such title is further amended by adding at the end thereof the following new subsection:

"(d) The monthly retired pay of an officer referred to in subsection (a) who first became a member of a uniformed service on or after the date of the enactment of the Uniformed Services Retirement Act of 1985 is an amount equal to 60 percent of the monthly retired pay base of the officer (as computed under section 1407(b) of this title).".

MINIMUM YEARS REQUIRED FOR RETIREMENT

SEC. 302. (a) Subsection (a) of section 6323 of title 10, United States Code, is amended to read as follows:

"(a)(1) In the case of an officer of the Navy or Marine Corps who first became a member of a uniformed service (as defined in section 1407(a)(2) of this title) before the date of the enactment of the Uniformed Services Retirement Act of 1985 and who applies for retirement after completing more than 20 years of active service, of which at least 10 years was service as a commissioned officer, may, in the discretion of the President, be retired on the first day of any month designated by the President.

"(2) In the case of an officer of the Navy or Marine Corps who first became a member of a uniformed service on or after the date of the enactment of the Uniformed Services Retirement Act of 1985 and who applies for retirement after completing more than 25 years of active service, of which at least 10 years was service as a commissioned officer, may, in the discretion of the President, be retired on the first day of any month designated by the President.".

(b) Subsection (e) of such section is amended—

(1) by inserting "(1)" after "(e)";

(2) by inserting "who first became a member of a uniformed service before the date of the enactment of the Uniformed Services Retirement Act of 1985" after "this section" in the material preceding clause (1);

(3) by redesignating clauses (1) and (2) as clauses (A) and (B), respectively; and

(4) by adding at the end the following new paragraph:

"(2) Unless otherwise entitled to higher pay, an officer retired under this section who first became a member of a uniformed service on or after the date of the enactment of the Uniformed Services Retirement Act of 1985 is entitled to monthly retired pay in an amount determined by multiplying the monthly retired pay base of the officer (as computed under section 1407(b) of this title) by 2 percent for each year of service, but not more than 30, that may be credited to him under section 1405 of this title.".

RETIRED GRADE AND PAY OF OFFICERS

SEC. 303. (a) Subsection (a) of section 6325 of title 10, United States Code, is amended by striking out "subsection (b) or" in the text preceding clause (1) and inserting in lieu thereof "subsections (b) and (d) and".

(b) Subsection (b) of such section is amended by striking out "Each" at the beginning of such subsection and inserting in lieu thereof "Except as provided in subsection (d), an".

(c) Such section is further amended by adding at the end thereof the following new subsection:

"(d) An officer referred to in subsection (a) or (b) who first became a member of a uniformed service (as defined in section 1407(a)(2) of this title) on or after the date of the enactment of the Uniformed Services Retirement Act of 1985 is entitled to monthly retired pay at the rate of 2 percent of the monthly retired pay base of the officer (as computed under section 1407(b) of this title) multiplied by the number of years of service that may be credited to him under section 1405 of this title, but the monthly retired pay so computed may not be more than 60 percent of the monthly retired pay base.".

COMPUTATION OF RETIRED PAY FOR ENLISTED MEMBER WITH 30 OR MORE YEARS OF SERVICE

SEC. 304. Section 6326 of title 10, United States Code, is amended—

(1) in subsection (c), by striking out "Each" and inserting in lieu thereof "Except as provided in subsection (d), a"; and

(2) by adding at the end thereof the following new subsection:

"(d) The monthly retired pay of an enlisted member referred to in subsection (a) who first became a member of a uniformed service (as defined in section 1407(a)(2) of this title) on or after the date of the enactment of the Uniformed Services Retirement Act of 1985 is an amount equal to 60 percent of the monthly retired pay base of the member (as computed under section 1407(b) of this title).".

MINIMUM SERVICE TO QUALIFY FOR TRANSFER TO THE FLEET RESERVE OR THE FLEET MARINE CORPS RESERVE

SEC. 305. (a) Subsection (b) of section 6330 of title 10, United States Code, is amended to read as follows:

"(b)(1) An enlisted member of the Regular Navy or the Naval Reserve who first became a member of a uniformed service (as defined in section 1407(a)(2) of this title) before the date of the enactment of the Uniformed Services Retirement Act of 1985 and who has completed 20 or more years of active service in the armed forces may, at his request, be transferred to the Fleet Reserve. An enlisted member of the Regular Marine Corps or the Marine Corps Reserve who first became a member of a uniformed service before the date of the enactment of the Uniformed Services Retirement Act of 1985 and who has completed 20 or more years of active service in the armed forces may, at his request, be transferred to the Fleet Marine Corps Reserve.

"(2) An enlisted member of the Regular Navy or the Naval Reserve who first became a member of a uniformed service on or after the date of the enactment of the Uniformed Services Retirement Act of 1985 and who has completed 25 or more years of active service in the armed forces may, at his request, be transferred to the Fleet Reserve. An enlisted member of the Regular Marine Corps or the Marine Corps Reserve who first became a member of a uniformed service on or after the date of the enactment of the Uniformed Services Retirement Act of 1985 and who has completed 25 or more years of active service in the armed forces may, at his request, be transferred to the Fleet Marine Corps Reserve.".

(b) Subsection (c)(1) of such section is amended—

(1) by striking out "Each" at the beginning of such subsection and inserting in lieu thereof "(A) Except as provided in subparagraph (B), a";

(2) by redesignating clauses (A) and (B) of paragraph (1) as clauses (i) and (ii), respectively; and

(3) by adding at the end thereof the following new subparagraph:

"(B) A member who first became a member of a uniformed service on or after

the date of the enactment of the Uniformed Services Retirement Act of 1985 and who is transferred to the Fleet Reserve or the Fleet Marine Corps Reserve under this section is entitled, when not on active duty, to monthly retainer pay in an amount determined by multiplying the monthly retired pay base of the member (as computed under section 1407(b) of this title) by 2 percent for each year of active service in the armed forces, but not more than 30.".

COMPUTATION OF PAY OF CERTAIN MEMBERS INVOLUNTARILY RETIRED

SEC. 306. (a) Subsection (c) of section 6383 of title 10, United States Code, is amended—

(1) by inserting "(1)" after "(c)";

(2) by redesignating subclauses (A) and (B) of clause (2) as subclauses (i) and (ii), respectively;

(3) by redesignating clauses (1) and (2) as clauses (A) and (B), respectively;

(4) by inserting "but before the date of the enactment of the Uniformed Services Retirement Act of 1985," after "1980," in subclause (ii) of clause (B), as redesignated by clause (2) of this section; and

(5) by adding at the end thereof the following new paragraph:

"(2) An officer retired under subsection (a) or (b) who first became a member of a uniformed service (as defined in section 1407(a)(2) of this title) on or after the date of the enactment of the Uniformed Services Retirement Act of 1985 is entitled to monthly retired pay in an amount determined by multiplying the monthly retired pay base of the member (as computed under section 1407(b) of this title) by 2 percent for each year of service, but not more than 30, that may be credited to him under section 1405 of this title.".

(b) Subsection (i) of such section is amended by inserting "in the case of an officer who first became a member of a uniformed service before the date of the enactment of the Uniformed Services Retirement Act of 1985, or beyond 28 years, in the case of an officer who first became a member of a uniformed service on or after the date of the enactment of such Act," after "24 years of commissioned active service," in the second sentence.

ELIMINATION FROM ACTIVE SERVICE OF CERTAIN OFFICERS WHO HAVE TWICE FAILED OF SELECTION FOR PROMOTION.

SEC. 307. Subsection (c) of section 6389 (c) of title 10, United States Code, is amended—

(1) by striking out "20 years" in the table under the heading "Total commissioned service" and inserting in lieu thereof "20 years (in the case of an officer who first became a member of a uniformed service (as defined in section 1407(a)(2) of this title) before the date of the enactment of the Uniformed Services Retirement Act of 1985) or 25 years (in the case of an officer who first became a member of a uniformed service on or after such date)"; and

(2) by striking out the period at the end of the fourth sentence and inserting in lieu thereof ", in the case of an officer who first became a member of a uniformed service before the date of the enactment of the Uniformed Services Retirement Act of 1985, or if the officer can complete at least 25 years of service as computed under section 1332 of this title during the period of such deferment, in the case of an officer who first became a member of a uniformed service on or after the date of the enactment of such Act."

TITLE IV—AIR FORCE

SEPARATION OR TRANSFER TO RETIRED RESERVE

SEC. 401. Section 8850 of title 10, United States Code, is amended by inserting ", in the case of an officer who first became a member of a uniformed service (as defined in section 1407(a)(2) of this title) before the date of the enactment of the Uniformed Services Retirement Act of 1985, or 25 years of service, in the case of an officer who first became a member of a uniformed service on or after the date of the enactment of such Act," after "20 years of service".

MINIMUM YEARS OF SERVICE FOR RETIREMENT

SEC. 402. (a)(1) Section 8911 of title 10, United States Code, is amended to read as follows:

"§ 8911. Minimum years of service for retirement

"The Secretary of the Air Force may, upon the officer's request, retire a regular or reserve commissioned officer of the Air Force who—

"(1) first became a member of a uniformed service (as defined in section 1407(a)(2) of this title) before the date of the enactment of the Uniformed Services Retirement Act of 1985 and has at least 20 years of service computed under section 8926 of this title, at least 10 years of which have been active service as a commissioned officer; or

"(2) first became a member of a uniformed service on or after the date of the enactment of the Uniformed Services Retirement Act of 1985 and has at least 25 years of service computed under section 8926 of this title, at least 10 years of which have been active service as a commissioned officer.".

(2) The table of sections at the beginning of chapter 867 of such title is amended by striking out the item relating to section 8911 and inserting in lieu thereof the following:

"8911. Minimum years of service for retirement.".

(b) The first sentence of section 8914 of such title is amended to read as follows: "Under regulations to be prescribed by the Secretary of the Air Force, an enlisted member of the Air Force who first became a member of a uniformed service (as defined in section 1407(a)(2) of this title) before the date of the enactment of the Uniformed Services Retirement Act of 1985 and who has at least 20, but less than 30, years of service computed under section 8925 of this title, or an enlisted member of the Air Force who first became a member of a uniformed service on or after the date of the enactment of the Uniformed Services Retirement Act of 1985 and who has at least 25, but less than 30, years of service computed under section 8925 of this title, may, upon his request, be retired.".

(c)(1) The first sentence of the text preceding the table in section 8991 of such title is amended to read as follows:

"(a) The monthly retired pay of a person entitled thereto under this subtitle who first became a member of a uniformed service (as defined in section 1407(a)(2) of this title) before the date of the enactment of the Uniformed Services Retirement Act of 1985 is computed according to the following table.".

(2) The table contained in such section is amended by inserting "but after the date of the enactment of the Uniformed Services Retirement Act of 1985," after "1980," in column 1.

(3) Such section is further amended by adding at the end thereof the following new subsections:

"(b)(1) The monthly retired pay of a person entitled thereto under this subtitle who first became a member of a uniformed service on or after the date of the enactment of the Uniformed Services Retirement Act of 1985 is an amount determined by multiplying the monthly retired pay base of the person (as computed under section 1407(b) of this title) by 2 percent for each year of service, but not more than 30, credited to him under section 1405 of this title (if retired under a section referred to in the table in subsection (a) under the heading 'For sections' opposite formula A) or section 8925 of this title (if retired under section 8914 or 8917 of this title).

"(2) The Secretary of the Air Force may increase the monthly retired pay of a person described in the preceding sentence who is retired under section 8914 of this title by 10 percent for extraordinary heroism in line of duty. The Secretary's determination as to extraordinary heroism is conclusive for all purposes.

"(c) The amount computed under this section, if not a multiple of $1, shall be rounded to the next lower multiple of $1.".

(d)(1) The first sentence of section 8992 of such title is amended to read as follows: "An enlisted member of the Air Force who first became a member of a uniformed service (as defined in section 1407(a)(2) of this title) before the date of the enactment of the Uniformed Services Retirement Act of 1985 and who is advanced on the retired list under section 8964 of this title is entitled to recompute his retired pay under formula A of the following table, and a warrant officer of the Air Force so advanced who first became a member of a uniformed service before such date is entitled to recompute his retired pay under formula B of that table.".

(2) The table contained in such section is amended by inserting "but before the date of the enactment of the Uniformed Services Retirement Act of 1985," after "1980," in column 1.

TITLE V—COAST GUARD

RETIREMENT UPON FAILURE FOR SELECTION FOR PROMOTION

SEC. 501. (a) Clauses (3) and (4) of section 283(a) of title 14, United States Code, are amended to read as follows:

"(3) if, on the date specified for his discharge in this section, the officer has completed at least 20 years of active service (in the case of a member who first became a member of a uniformed service (as defined in section 1407(a)(2) of title 10) before the date of the enactment of the Uniformed Services Retirement Act of 1985) or at least 25 years of active service (in the case of a member who first became a member of a uniformed service on or after the date of the enactment of such Act) or is eligible for retirement under any law, be retired on that date; or

"(4) if, on the date specified for his discharge in clause (1), the officer has completed at least 18 years of active service (in the case of an officer who first became a member of a uniformed service before the date of the enactment of the Uniformed Services Retirement Act of 1985) or at least 23 years (in the case of an officer who first became a member of a uniformed service on or before the date of the enactment of such Act), be retained on active duty and retired on the last day of the month in which he completes 20 years of active service (in the

case of a member who first became a member of a uniformed service before the date of the enactment of the Uniformed Services Retirement Act of 1985) or 25 years of active service (in the case of a member who first became a member of a uniformed service on or after the date of the enactment of such Act), unless earlier removed under another provision of law.".

(b) Clauses (1) and (2) of section 285 of such title are amended to read as follows:

"(1) if the officer—

"(A) has completed at least 20 years of active service, in the case of an officer who first became a member of a uniformed service (as defined in section 1407(a)(2) of title 10) before the date of the enactment of the Uniformed Services Retirement Act of 1985, or at least 25 years of active service, in the case of an officer who first became a member of a uniformed service on or after the date of the enactment of such Act, or

"(B) is eligible for retirement under any law on June 30 of the promotion year in which his second failure of selection occurs;

be retired on that date; or

"(2) if ineligible for retirement on the date specified in clause (1), be retained on active duty and retired on the last day of the month in which he completes 20 years of active service, in the case of an officer who first became a member of a uniformed service before the date of the enactment of the Uniformed Services Retirement Act of 1985, or 25 years of active service, in the case of an officer who first became a member of a uniformed service on or after the date of the enactment of such Act, unless earlier removed under another provision of law.".

(c) Section 289(g) of such title is amended by striking out "twenty years of active service" and inserting in lieu thereof "20 years of active service, in the case of an officer who first became a member of a uniformed service (as defined in section 1407(a)(2) of title 10) before the date of the enactment of the Uniformed Services Retirement Act of 1985, or 25 years of active service, in the case of an officer who first became a member of a uniformed service on or after the date of the enactment of such Act".

MINIMUM YEARS OF SERVICE FOR VOLUNTARY RETIREMENT

SEC. 502. (a) Section 291 of title 14, United States Code, is amended by striking out "twenty years' active service" and inserting in lieu thereof "20 years of active service (in the case of an officer who first became a member of a uniformed service (as defined in section 1407(a)(2) of title 10) before the date of the enactment of the Uniformed Services Retirement Act of 1985) or 25 years of active service (in the case of an officer who first became a member of a uniformed service on or after the date of the enactment of such Act)".

(b)(1) The section heading of such section is amended to read as follows:

"§ 291. Minimum years of service for voluntary retirement".

(2) The table of sections at the beginning of chapter 11 of such title is amended by striking out the item relating to section 291 and inserting in lieu thereof the following:

"291. Minimum years of service for voluntary retirement.".

VOLUNTARY RETIREMENT

SEC. 503. Section 355 of title 14, United States Code, is amended by striking out "has completed twenty years' service" and inserting in lieu thereof "first became a member of a uniformed service (as defined in section 1407(a)(2) of title 10) before the date of the enactment of the Uniformed Services Retirement Act of 1985 and has completed 20 years of service or who first became a member of a uniformed service on or after the date of the enactment of such Act and has completed 25 years of service".

RETIREMENT OF ENLISTED PERSONNEL

SEC. 504. Section 357 of title 14, United States Code, is amended—

(1) in subsection (a), by striking out "have twenty years service," in the first sentence and inserting in lieu thereof "first became members of a uniformed service (as defined in section 1407(a)(2) of title 10) before the date of the enactment of the Uniformed Services Retirement Act of 1985 and have 20 years of service or who first became members of a uniformed service on or after the date of the enactment of such Act and have completed 25 years of service,";

(2) in subsection (b), by striking out "has completed twenty years' service" and inserting in lieu thereof "first became a member of a uniformed service before the date of the enactment of the Uniformed Services Retirement Act of 1985 and has completed 20 years of service or who first became a member of a uniformed service on or after the date of the enactment of such Act and has completed 25 years of service,"; and

(3) in subsection (c), by striking out "retired by reason of twenty years' service," and inserting in lieu thereof "who first became a member of a uniformed service before the date of the enactment of the Uniformed Services Retirement Act of 1985 and has 20 years of service, or who first became a member of a uniformed service on or after such date and has completed 25 years of service,".

COMPUTATION OF RETIRED PAY

SEC. 505. Subsection (b) of section 423 of title 14, United States Code, is amended —

(1) by striking out "subsection (b)" and inserting in lieu thereof "subsections (b) and (c)"; and

(2) by adding at the end thereof the following new subsection:

"(c) The monthly retired pay of a person entitled to retired pay under this title who first became a member of a uniformed service (as defined in section 1407(a)(2) of title 10) on or after the date of the enactment of the Uniformed Services Retirement Act of 1985 is 2 percent of the monthly retired pay base of the person (as computed under section 1407(f) of title 10) multiplied by the number of years of service that may be credited to him under section 1405 of title 10, but the retired pay so computed may not be more than 60 percent of such monthly retired base.".

By Mr. DIXON (for himself, Mr. JOHNSTON, Mr. PRYOR, Mr. RIEGLE, and Mr. SASSER):

S. 1151. A bill to amend the Federal Deposit Insurance Act; to the Committee on Banking, Housing, and Urban Affairs.

(The remarks of Mr. DIXON and the text of the legislation appear earlier in today's RECORD.)

By Mr. KERRY:

S. 1152. A bill to amend the Internal Revenue Code of 1954 to increase all civil and criminal tax penalties for taxpayers who avoid their fair share of Federal taxes, to increase the voluntary compliance of the Federal tax laws, and for other purposes; to the Committee on Finance.

TAXPAYER AWARENESS AND ENFORCEMENT ACT

● Mr. KERRY. Mr. President, during the debate last week on the budget, I proposed a tax enforcement amendment which endorses measures which would accomplish substantial deficit reduction and address the growing problem of income tax evasion. Due to the overwhelmingly positive support we received on the amendment, I am today introducing a bill entitled the "Federal Taxpayer Awareness and Enforcement Act of 1985." The bill represents a fundamental improvement in fiscal fairness because it will help eliminate the pressure for painful budget cuts, while at the same time insuring that all Americans meet their obligation to comply with existing tax laws.

All of us are aware of the magnitude of the Federal budget deficit, and the serious economic challenge we face as the result. Unfortunately, we have another problem that is nearly as large, and has received much less attention: approximately $100 billion in revenues is lost each year to tax cheaters. This is a grave problem, and it's rapidly growing worse. According to the General Accounting Office, the "tax gap" of uncollected revenues has grown by 300 percent over the last decade.

Recent studies show an astonishing number of Americans see tax cheating—nonfiling, under-reporting, or overstating deductions—as a common and accepted practice. A 1984 Yankelovich survey for the IRS found that a majority of Americans believe that over 25 percent of the public cheat on their taxes, and that such cheating is becoming more prevalent. Even more alarming is the perception by 41 percent of the taxpayers, that cheaters are unlikely or certain not to be caught. Our fundamental aim is to reverse this perception and the underlying trend on which it is based. This bill is not designed to increase or substantially alter withholding requirements or recordkeeping on the 80 percent of the individuals in this country who are honest taxpayers. The basic intent of this act is to ensure that IRS has the resources and the means to effectively use the information which is already in the system to obtain compliance from the 20 percent of the taxpayers who are evading their taxes.

The strategy proposed in this bill is twofold. First, a period of taxpayer awareness would be offered so that all Americans will be fully aware of the effects that tax cheaters have on honest individuals, the deficit of this country, and the new programs that will go into effect to identify and collect taxes from those taxpayers who don't pay their fair share. The second phase of the initiative is a significant

enforcement program designed to crack down on tax shelter promoters, and individuals and corporations in flagrant violation of tax laws. The explicit aim of this enforcement effort is to make an example of those who violate the law, and thereby demonstrate that tax evaders will be swiftly brought to justice and pay the penalty for violating the law.

The initiative in this act will increase taxpayer compliance and raise billions of dollars. Both approaches have already been put to a test on the State level. Over the last couple of years, several States have increased their revenues through some of the same measures in this act. Hundreds of millions of dollars in previously uncollectable revenues were raised, and the success of these efforts exceeded even the most optimistic assumptions. By raising Federal taxpayer compliance by 5 percent over 5 years as stated in the bill, estimated revenue collections will increase by about $30 billion a year.

Mr. President, I ask unanimous consent that a factsheet on this legislation be printed in the RECORD.

There being no objection, the fact sheet was ordered to be printed in the RECORD, as follows:

THE FEDERAL TAXPAYER AWARENESS AND ENFORCEMENT ACT OF 1985—FACTS ON TAX COMPLIANCE

IRS estimates that the "tax gap" is now approaching $100 billion a year, and growing every day. GAO says this estimate is conservative.

Legal sector tax gap has tripled in the last decade.

The compliance gap can be accounted for chiefly as follows: Individual underreporting of legal income, 69%; overstated deductions or credits, 13%; unreported illegal income, 8%; corporate underreporting or overstating, 4%; and other, 6%.

Delinquent payments of approximately $30 billion are owed.

IRS has shown conclusively that using existing examination or audit techniques, every $1 spent results in a return of $5 or $6. For every $1 spent on accounts receivable, $18 to $20 is returned.

IRS staff has only increased by approximately 3% in the last 10 years while tax returns have increased by about 46%.

IRS will only be able to examine about 1.2% of the returns in 1986 compared to 2.6% in 1976.

1984 Yankelovich study found that: One in 5 persons admitted to tax cheating; a majority believed that over 25% of the public is cheating on their taxes and 1 in 4 felt that more than half of the public is cheating to some extent; a majority perceived that it was certain or unlikley that tax cheaters would be caught (a taxpayer has a 1 in 43,000 chance of being subject to a criminal investigation); and a majority of the public believe that tax cheating is becoming more prevalent.

"The National Governors' Association has urged the Administration and Congress to strengthen federal tax enforcement tools, powers, or other resources for the Internal Revenue Service as integral to any tax reform proposal and integral to initiatives designed to tackle the deficit crisis. They estimate that as much as $20 billion annually could be saved by the Treasury through an intensive effort to tighten federal enforcement."

ELEMENTS OF THE FEDERAL TAXPAYER AWARENESS AND ENFORCEMENT ACT OF 1985

A taxpayer awareness program that through the extensive use of media will inform taxpayers of: the effect tax cheaters have on the honest taxpayers; the effect tax cheaters have on the national deficit; and the efforts IRS will undertake to find these cheaters.

Tax Compliance certification required from federal contractors, borrowers, employees and licensees.

Aggressive public disclosure of flagrant tax violators along with an aggressive public relations campaign to build support and confidence in the tax administration system.

Greater sharing of data among different levels of government.

Contracting collection of uncollectables to private collection agencies.

Require local government units to report real property capital gains.

Resources to raise voluntary compliance by 5% within 5 years.

5% increase in voluntary compliance would raise approximately $30 billion a year.

Increased Penalties of 50% or more.●

By Mr. D'AMATO:

S. 1153. A bill to provide for the distribution within the United States of the U.S. Information Agency film entitled "Hal David: Expressing a Feeling"; to the Committee on Foreign relations.

PROVIDING FOR DISTRIBUTION AND SHOWING OF "HAL DAVID: EXPRESSING A FEELING"

● Mr. D'AMATO. Mr. President, I rise today to introduce legislation to allow the U.S. Information Agency [USIA] to release for distribution and use in the United States the film, "Hal David: Expressing a Feeling." This film is the first in a series of USIA documentaries on American songwriters.

By some quirk of law, materials produced by USIA using taxpayers' moneys cannot be shown domestically. It becomes necessary, therefore, to pass special legislation to allow the viewing of such films in the United States.

"Hal David: Expressing a Feeling" is a profile of one of the most talented and prolific songwriters in our Nation. It is ironic that Americans need an act of Congress to enjoy a film about one of the treasures of our own culture. I hope this body will act quickly on this bill so this film can be made available to the American people as soon as possible.

Mr. President, I ask unanimous consent that the text of the bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 1153

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a)(1) notwithstanding the second sentence of section 501 of the United States Information and Educational Exchange Act of 1948 (22 U.S.C. 1461)—

(A) the Director of the United States Information Agency shall make available to the Administrator of General Services a master copy of the film entitled "Hal David: Expressing a Feeling"; and

(B) subject to paragraph (2), the Administrator shall reimburse the Director for any expenses of the agency in making that master copy available, shall deposit that film in the National Archieves of the United States, and shall make copies of that film available for purchase and public viewing within the United States.

(2) The Administrator shall carry out his duties under clause (B) of paragraph (1) only after the United States Government has acquired, after the date of enactment of this Act, any remaining license or other rights which are not Government-held before such date and which are required for distribution within the United States of the film entitled "Hal David: Expressing a Feeling" without use of funds appropriated or otherwise made available to any department, agency, instrumentality, or office of the United States.

(b) Any reimbursement to the Director pursuant to this section shall be credited to the applicable appropriation of the United States Information Agency.●

By Mr. MATSUNAGA (for himself, Mr. PRESSLER, Mr. INOUYE, Mr. SARBANES, Mr. MELCHER, Mr. BURDICK, Mr. PELL, Mr. LEAHY and Mr. HUMPHREY):

S. 1154. A bill to amend title XVIII of the Social Security Act to provide for direct Medicare reimbursement for services performed by registered nurse anesthetists; to the Committee on Finance.

DIRECT MEDICARE REIMBURSEMENT FOR SERVICES OF REGISTERED NURSE ANESTHETISTS

Mr. MATSUNAGA. Mr. President, in the unceasing battle against ever-escalating health care costs, I am today introducing with Mr. PRESSLER, Mr. INOUYE, Mr. SARBANES, Mr. MELCHER, Mr. HUMPHREY, Mr. BURDICK, Mr. PELL, and Mr. LEAHY, as cosponsors, legislation to modify the Medicare reimbursement system with regard to anesthesia services in order to provide for more affordable care, cost efficiencies for the Medicare system, and improved access to care in many parts of the country.

Our bill S. 1154 would provide for direct Medicare part B reimbursement to certified registered nurse anesthetists [CRNA's]. Unlike determinations of physician reimbursements, this legislation would permit the Secretary of Health and Human Services to set the rates at which CRNA's would be paid under part B. These rates could be prospectively determined based on groupings of costs similar to the hospital diagnosis related grouping [DRG] payment. The costs of such a system of direct reimbursement would be limited so as not to exceed comparable

costs of utilizing CRNA's under the current Medicare reimbursement structure. Our bill will not create a new benefit. Rather, it would effect a simple shifting of the payment mechanism from part A and B of Medicare under current law to part B.

S. 1154 would do nothing to change the current Medicare requirements of physician supervision under the Medicare conditions of participation for CRNA's. It would, however, provide an alternative method of Medicare reimbursement for nurse anesthetist services that would not discourage the use of nurse anesthetists. It would provide an incentive to hospitals to employ or contract with CRNA's, which would help to dampen spiraling health costs while maintaining the quality of health care.

Mr. President, the Deficit Reduction Act of 1984 (Public Law 98-369) contained a "passthrough" amendment for CRNA's. This amendment provided for the costs of CRNA's to be paid or "passedthrough" outside the current prospectively fixed payment made to hospitals. Under this system, hospitals are being reimbursed under part A for reasonable costs they incurred for anesthesia services provided by a CRNA. This provision applies to cost reporting periods that began on or after October 1, 1984, and will last for only 3 years for hospitals utilizing it. This provision is a temporary solution adopted by Congress to rectify an unintended effect of the DRG law. Under the original medicare prospective payment statute, disincentives for the use of CRNA's were created. S-1154 proposes a long-term solution to the problem.

Mr. President, CRNA's are highly educated, qualified and licensed health professionals who have been providing much of the anesthesia services in this country for about 100 years. There are approximately 18,000 active practicing CRNA's who provide 70 percent of the anesthesia care in rural areas and 50 percent of such services nationwide. Their practice is legally sanctioned through State laws and regulations in all 50 States and U.S. territories. Thirty-four States have recognized CRNA's in an expanded role for professional nurses practicing in collaboration with physicians, dentists, and other health professionals who are themselves legally authorized to render anesthesia services.

By any norms, this is a profession with rigorous standards. A CRNA is a professional nurse who has subsequently graduated from a nurse anesthesia educational program accredited by the Council on Accreditation of Nurse Anesthesia Educational Programs and Schools, and who has passed a national examination for certification in the specialty, administered by the Council on Certification of Nurse Anesthetists. The recertification process requires that every 2 years, each CRNA demonstrate evidence of current licensure as a registered nurse, active practice as a nurse anesthetist, and appropriate continuing education within the specialty.

CRNA's can practice in one of three ways: (1) as a hospital employee, (2) as a physician employee, or (3) as a self-employed professional. The self-employed CRNA bills directly under such private insurance and medicaid programs which permit it and contracts with hospitals when direct billing is not permissible. Currently, 50 percent of CRNA's are hospital employees, 35 percent are employed by physicians, 11 percent are self-employed and four are in an "other" category of employment. Their median annual earnings amount to about $35,000.

By recognizing CRNA's as directly reimbursable health professionals, we would be taking advantage of a tested, cost-effective option in providing high quality anesthesia services at reduced costs. In fact, such recognition would inject the crucial element of economic competition into the delivery of anesthesia services, with resulting lower costs.

Presently, over 30 percent of Blue Cross-Blue Shield plans directly reimburse CRNA's for their services. There are eight States which directly reimburse CRNA's under the medicaid programs. Of the private insurance plans surveyed, 57 percent indicate they can provide direct reimbursement to CRNA's for anesthesia services. Such reimbursement also is available under the CHAMPUS Program covering active and retired military personnel and their dependents.

Medicare reimbursement was originally designed to conform with existing private, nongovernmental insurance plans. Since the enactment of Medicare, those plans have changed dramatically in that many private insurers make direct payments to a number of licensed health professionals on a charge basis for services they deliver. Medicare has been amended with respect to hospital cost reimbursement to reflect current needs. It also should be changed to provide medicare reimbursement to health professionals to reflect subsequent changes in non-Medicare programs such as in Blue Shield and CHAMPUS.

Supporting this concept is a 1981 research report entitled "Competition Among Health Practitioners" which was submitted to the Federal Trade Commission by Lewin and Associates. This report shows that current reimbursement practices regarding health professionals tend to limit innovation and promote inefficiency. Reimbursement policies that place CRNA's or other nonphysician health professionals at a competitive disadvantage interfere with innovation in health care delivery and severely limit consumer choice. Where CRNA's are used only as physician complements rather than, in appropriate cases, substitutes, costs are likely to go up and productivity decline.

Medicare part B reimbursement policy clearly creates these problems of inefficiency and costliness and is probably the greatest offender of all health care payors in this particular area. Trends in other insurance programs such as Blue Shield reflect the recognition by other insurors that it is efficient and sensible to provide for direct reimbursement to CRNA's.

The major arguments made against nonphysician direct reimbursement, such as the contention that direct reimbursement is hard to administer and that it results in poor quality care and is costly, cannot be made against CRNA's for the following reasons:

First CRNA's provide a discrete, easily identifiable item of service which is presently listed separately as an item of charge under private plans and appears separately as a part of a physician's service under part B of medicare. Therefore, to administer a direct reimubursement plan for CRNA's is simple.

Second, CRNA's must practice always in a setting where a physician is present and supervising. In addition, hospitals exercise quality control by virtue of their ability to grant or withhold hospital privileges to CRNA's.

Third, the services of CRNA's are not subject to limitless demand which the CRNA can stimulate since physicians control whether there will be a medical intervention requiring anesthesia services.

I would like to emphasize that the bill, S. 1154, specifically ensures that State laws relating to the practice of medicine or nursing or State law requirements, with regard to the administration of anesthesia and its medical direction or supervision, will not be affected by its passage in any way.

Furthermore, it has been estimated that the cost of the direct reimbursement provisions would be the same as if the current reimbursement system is retained. Some savings are expected in fiscal year 1987 and thereafter relative to the costs for CRNA services that would be incurred when the passthrough provision is scheduled to terminate.

Given the current atmosphere of hospital reimbursement constraints, anesthesia services may become less accessible in sparsely populated areas of the country. Already there are serious problems in some regions where anesthesologists do not practice and where hospitals are too small to employ CRNA's full time and remain cost-efficient.

Prior to the "passthrough" provision, contracting with CRNA's for this

service often placed a prohibitive cost on a hospital's budget under the hospital payment limits. Contracting entails administrative costs which some hospitals indicate are much less acceptable. Direct reimbursement is, in these situations, the only method by which anesthesia services could be furnished by a CRNA and paid for by medicare.

Direct reimbursement to CRNA's would enable medicare to generate complete, accurate and current data related to anesthesia care providers, the consumers they serve, and the costs associated with that care.

As previously noted, the vast majority of CRNA services are provided in hospital in-patient settings. Therefore, the case for allowing direct reimbursement to CRNA's is a special one. Such a professional service presents an opportunity to link professional service reimbursement to the DRG-related prospective payment systems. Such reimbursement could be a model for relating part B professional service reimbursement to part A prospective payment. Reimbursement rates to CRNA's could be developed by utilizing related factors such as patient risk, complexity of medical intervention, and essential anesthesia resource requirements, in a manner allowing easier verification of the appropriateness of charge or cost-based billings.

Mr. President, I urge my colleagues to join me in supporting the innovative move in health care proposed by S. 1154.

Mr. President, I ask unanimous consent that a cost estimate for this bill, prepared recently by the American Association of Nurse Anesthetists, be printed in the RECORD at this point, and that the text of the bill, S. 1154, be printed immediately following it.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

DESCRIPTION OF BILL AND COSTING METHODS

This bill provides for direct reimbursement for anesthesia services to CRNA's under Medicare Part B. The bill does not specify the payment method. It specifically provides HHS with authority to fix the payment rate at amounts consistent with considerations of quality and efficiency, taking into account prevailing rates paid for CRNA services. The bill specifically is not a fee for service approach based only on actual, customary or prevailing charges. The prevailing CRNA system, which shall be considered as part of establishing a rate, is generally not a fee for service, charge system. Only 8% of CRNA's or about 1,500 practice in a CRNA group which bills payors directly for services on a charge basis. The remainder are hospital employees (50-55%) and physician employees (35-40%) whose services are paid as part of the hospital payment or physician fee. (Some CRNA's are in the military or VA and are not counted.)

In establishing a fixed payment for a CRNA service, we assume HCFA may follow one of two approaches that are related. It will either seek to relate CRNA costs to surgical DRG's and fix a price that way or it will establish a price per unit of service based more generally on the average annual compensation plus overhead allowance attributable to CRNA's divided by an annual average number of procedures. Under either approach an economic updating factor should be used, but would function as a rate of increase ceiling. In no case, under either approach, should a CRNA receive less than presently received from Medicare as compensation per unit of service, whether the CRNA is hospital employed, physician employed or self employed with a hospital contract.

In no case will the total payments by Medicare necessarily exceed the prior years total payments for CRNA services except for the inflation adjustment. If a CRNA were hosptial-employed or a hosptial contractor, HCFA will have data on costs per case or total costs under the "pass through" provisions of the Deficit Reduction Act § 2312. Under this approach either a cost based rate per surgical DRG case can be established or a standard rate per case for each CRNA by hospital.

The CRNA employed by the physician is in a different situation. Physician fees include the CRNA charge and have not been separated out by HCFA. There has been no reporting as to that part of the physician fee which is attributable to the CRNA. We urge that HCFA be based on a sample basis to do this data collection. The physician fee including the CRNA will be DRG related, however. We can estimate the amount of salary plus fringe benefits and overhead of average physician employed CRNA. It is also possible to develop, from CRNA's and by estimation, the current compensation per unit of service. From this a CRNA profile of cost related rates per unit of service can be constructed.

Our current fiscal year 1985 estimate of costs related to CRNA services on Medicare cases is about $280 million. This estimate is based on HCFA's estimated cost of the pass through provision of $160 million plus an estimated cost of $120 million for CRNA services billed under Part B.

This is also our estimate of the cost of the direct reimbursement provisions since the costs under current law will be used to construct the payment rate. The provision is not a new benefit, but simply a shifting of the payment mechanism from Parts A and B of Medicare under current law to Part B under the bill. There is no net cost since $280 million is being spent under Parts A and B now. The net cost would increase above $280 million only if the number of cases is increased. The unit cost per case would remain the same except for an inflator. It is not expected that the number of CRNA's in practice will increase, however, given present trends. While the number of cases may increase, the increase is not expected to be significant and would have occurred in any event.

Some savings are expected from this provision relative to costs Medicare would incur in fiscal year 1987 and thereafter when the current Part A and B exceptions for CRNA services end. With CRNA's paid from the hospital DRG payment, as will be the case in fiscal year 1987 and thereafter, hospitals will have an incentive to over-utilize physician services at the expense of CRNA services since they can be billed and paid directly under Part B. The cost of a service is conservatively 3 to 4 times as great when a physician performs the service as a CRNA based upon earning differentials as reflected in recent HCFA data. If substitution occurs in only 20% of the cases, the excess cost to Medicare would be about $150 million. This bill can therefore be estimated to save about $150 million in fiscal year 1987 and thereafter assuming a 20% substitution factor. This seems a reasonable assumption based on hospital actions prior to fiscal year 1984 and fiscal year 1985 when the pass through and unbundling exceptions for CRNA's were created.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a)(1) section 1861(s) of the Social Security Act is amended—

(A) by redesignating paragraphs (11) through (14) as paragraphs (12) through (15), respectively;

(B) by striking out "and" at the end of paragraph (9);

(C) by striking out the period at the end of paragraph (10) and inserting in lieu thereof "; and"; and

(D) by inserting after paragraph (10) the following new paragraph:

"(11) anesthesia services and related care provided by a registered nurse anesthetist.".

(2) Section 1864(a) of such Act is amended by striking out "paragraphs (11) and (12)" and inserting in lieu thereof "paragraphs (12) and (13)".

(b) Section 1861 of such Act is amended by adding after subsection (aa) the following new subsection:

"ANESTHESIA SERVICES PROVIDED BY A REGISTERED NURSE ANESTHETIST

"(bb)(1) The term 'anesthesia services and related care provided by a registered nurse anesthetist' means those services provided by a registered nurse anesthetist (as defined in paragraph (2)) which such nurse anesthetist is legally authorized to perform as such by the State in which such services are performed.

"(2) The term 'registered nurse anesthetist' means a registered nurse licensed by the State who meets such education, training, and other requirements relating to anesthesia services and related care as the Secretary may prescribe. In prescribing such requirements the Secretary may use the same requirements as those established by a national organization for the certification of nurse anesthetists.".

(c) Section 1832(a)(2)(B) of such Act is amended by striking out "and" at the end of clause (i), by striking out "; and" at the end of clause (ii) and inserting ", and", and by adding at the end thereof the following new clause:

"(iii) anesthesia services and related care provided by a registered nurse anesthetist; and".

(d)(1) Section 1833(a)(1) of such Act is amended by striking out "and" at the end of subparagraph (E), and by adding at the end thereof the following: "(G) in the case of anesthesia services and related care provided pursuant to section 1861(s)(11), the amounts paid shall be 80 percent of the reasonable charge for such services established by the Secretary in accordance with subsection (l);".

(2) Section 1833 of such Act is amended by adding at the end thereof the following new subsection:

"(l)(1) With respect to anesthesia services and related care provided pursuant to section 1861(s)(11), the reasonable charge shall be an amount determined by the Secretary to be consistent with efficient and high quality anesthesia services, taking into ac-

count the prevailing rate for such services, but modified to the extent necessary to comply with the requirements of paragraph (2).

"(2) In establishing the reasonable charge for anesthesia services and related care provided pursuant to section 1861(s)(11), the Secretary shall adjust such reasonable charge to the extent necessary to ensure that the total amount which will be paid under this title for such services in any fiscal year (as estimated by the Secretary) will not exceed the total amount which would be paid under this title for such services in such fiscal year if such services were included as inpatient hospital services and payment for such services was made under part A in the same manner as payment was made in the fiscal year ending on September 30, 1986, adjusted to take into account changes in prices and technology relating to the administration of anesthesia.".

(e) Section 1861(b)(4) of such Act is amended by inserting before the semicolon the following: ", and anesthesia and related care provided by a registered nurse anesthetist".

(f)(1) Section 1886(a)(4) of such Act is amended by striking out ", costs of anesthesia services provided by a certified registered nurse anesthetist".

(2) Section 1886(d)(5) of such Act is amended by striking out subparagraph (E).

(g)(1) Section 1862(a)(14) of such Act is amended by inserting before the period at the end thereof the following: ", or are anesthesia services and related care provided by a registered nurse anesthetist".

(2) Section 1866(a)(1)(H) of such Act is amended by inserting ", and other than anesthesia services and related care provided by a registered nurse anesthetist" after "1862(a)(14)".

Sec. 2. The amendments made by this Act shall apply to items and services furnished on or after Janury 1, 1987.

SEC. 3. Nothing in this Act or the amendments made by this Act shall contravene provisions of State laws relating to the practice of medicine or nursing or State law requirements regarding the administration of anesthesia and its medical direction or supervision.

By Mr. CHAFEE:

S. 1155. A bill to authorize the disposal of silver from the national stockpile; to the Committee on Armed Services.

SILVER STOCKPILE REFORM ACT

● Mr. CHAFEE. Mr. President, I am today introducing a bill which would authorize the General Services Administration to dispose of 10 million troy ounces of the silver now held in the national defense stockpile.

The U.S. Government is the largest single holder of silver in the world. In addition to substantial amounts of silver held by the mint and the Defense Department, there are 136.5 million ounces stored in the strategic stockpile. The National Security Council has determined that there is no strategic need to stockpile silver, and every administration since 1974 has declared surplus all or a portion of the silver in the stockpile. One Presidential commission—The National Commission on Supplies and Shortages—found no need to stockpile any silver.

The silver currently held in the strategic stockpile is costly to maintain and, as the last four administrations have determined, serves no useful purpose. The Federal Emergency Management Agency's latest report to Congress, issued last month, declares the entire supply of stockpile silver as excess. Valued at the average price for last year, this silver is worth $1.1 billion. If sold by GSA at current market prices, the sale of the stockpile silver would result in a $687,500 profit for the Government.

Some have argued that a sale of the entire 136.5 million ounces would effectively "dump" an unnecessarily large amount of silver on the market and depress the silver-producing industry. This may be true, which is why this bill proposes disposal of only 10 million ounces, a relatively small sale that would serve as a test method for disposing of the remainder of the surplus silver.

Mr. President, the impetus for this measure comes from the Defense Authorization Act of 1985, which officially declared 10 million ounces of silver as excess to the requirements of the stockpile. The sale of this excess silver would solve a problem currently facing the Department of Defense: According to the FEMA report, there is a shortage of many other materials considered important to the stockpile. Disposal of 10 million ounces of silver would provide funds for the purchase of these materials, which include aluminum, cobalt, copper and zinc. Thus, this bill would not only bring revenues to the Government, but would also enhance the strategic preparedness by providing to the defense stockpile materials that FEMA has determined are in short supply.

It is worth noting that the creation of the strategic silver stockpile was simply a by-product of the decision in 1967 to cease minting silver coins. It was not the result of a considered determination that such stocks were essential to the national defense.

Before 1967, the United States consumed vast amounts of silver for coinage purposes. In 1965, for example, this country used 320 million ounces for coinage. From 1961 to 1965 more than 700 million ounces were used in the same way. Clearly, there was at one time a need for large amounts of silver to be stockpiled for national purposes, but this is no longer the case. The great bulk of the current stockpile was transferred from the Treasury to the stockpile as a result of the 1967 act. There is no strategic purpose served by this huge hoard of silver, and should a strategic need for silver ever arise, vast amounts of silver are held by the Government in stores other than the stockpile and by private citizens. In any case, 10 million ounces is only a fraction of the stockpile amount, and its disposal can only serve the national interest; that is, it would test one orderly way of ridding the Government of this costly, unnecessary burden.

The United States has depended on substantial amounts of imported silver to meet its industrial needs. In 1982, net imports were 92 million ounces or $736 million. Imports account for a large percentage of U.S. consumption. Obviously, it would serve the national interest to begin disposing of the stockpile silver in an orderly fashion and thereby reduce our dependence on imports.

Rather than let this supply of silver simply lie fallow and soak up the taxpayers' dollars, let us allow the market to put it to good use. Industry sources predict a rise in the future demand for silver, which probably will have to be met through imports unless we move to dispose of excess Government supplies. The stockpile silver costs $20 million yearly to maintain, and lost opportunity costs amount to more than $225,000 per day, or more than $80 million per year. My legislation would allow us to begin replacing the silver in the stockpile with the materials FEMA has determined to be in short supply. It would also free up for commercial use surplus silver that has needlessly remained in storage for too long.

I hope my colleagues will join in supporting this legislation. I ask unanimous consent that the text of the bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 1155

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Silver Stockpile Reform Act of 1985".

SEC. 2. The President is hereby authorized to dispose of 10 million troy ounces of silver currently held in the National Defense Stockpile established by section 9 of the Strategic and Critical Materials Stock Piling Act (50 U.S.C. 98h). Any disposal under the authority of this Act shall be carried out in accordance with the Strategic and Critical Materials Stock Piling Act (50 U.S.C. 98 et seq.).●

By Mr. DENTON:

S. 1156. A bill to amend chapter XIV of the Comprehensive Crime Control Act of 1984, relating to victims of crime, to provide funds to encourage States to implement protective reforms regarding the investigation and adjudication of child abuse cases which minimize the additional trauma to the child victim and improve the chances of successful criminal prosecution or legal action; to the Committee on the Judiciary.

CHILD VICTIM WITNESS PROTECTION ACT

Mr. DENTON. Mr. President, I rise today to introduce the "Child Victim Witness Protection Act of 1985." The

bill would amend chapter XIV of the Comprehensive Crime Control Act of 1984 as it relates to victims of crime, by providing funds to encourage the States to implement protective reforms for the investigation and adjudication of child abuse cases. Those reforms should minimize the additional trauma to the child victim and improve the chances of successful criminal prosecution or legal action.

Mr. President, the issue of child abuse has exploded into public view during the past several years. One need only to read the newspapers or to watch television news to realize that child abuse is a problem of immense proportions. The National Center for Missing and Exploited Children projects that, on a national basis, one out of three minor girls and one out of every seven minor boys will be sexually abused. Reports from the Children's Trust Fund of Montgomery, AL, indicate that 28,407 young Alabamians were abused in 1984.

Children who have been abused or sexually molested have suffered an extreme trauma. Often, however, the abused children suffer additional trauma from the justice system and other community agencies because of insensitive investigative and adjudicative procedures.

A most disturbing example of an insensitive procedure is the practice in some jurisdictions of repeated interrogation on the child victim. In many cases, the abused child is subjected to countless grueling and detailed investigative interviews. Not only do duplicative and insensitive interview procedures lead to greater trauma to the child victims and his or her family, but they frequently result in less effective intervention and prosecution. Rather than providing the child victim with necessary respect, understanding and compassion, the procedures reduce the child victim to an automaton, caught in the adult drama of the courtroom.

Mr. President, as the U.S. Supreme Court noted in the famous case of New York against Ferber, "the prevention of sexual exploitation and abuse of children constitutes a Government objective of surpassing importance." It is with that objective in mind that I introduce the "Child Victim Witness Protection Act of 1985." By encouraging the States to implement protective reforms for the investigation and adjudication of child abuse cases to minimize the additional trauma to the child victim and improve the chances of successful criminal prosecution or legal action, we will meet the objective of preventing sexual exploitation and abuse of children, or at least preclude additional trauma for the child victim.

The bill is based on recommendations from the September 1984 Final Report of the Attorney General's Task Force on Family Violence, and on the October 1982 report from the National Legal Resource Center for Child Advocacy and Protection of the American Bar Association entitled "Recommendations for Improving Legal Intervention in Intrafamily Child Sexual Abuse Cases." Under the proposed legislation, the level of the Crime Victim's Fund would be increased by $10 million to allow the Attorney General to provide modest Federal financial assistance to the States to implement programs and procedures established by previously enacted statutes which minimize additional trauma to the child victim and improve the chances of successful criminal prosecution or lgeal action.

The "Child Victim Witness Protection Act" will not impose any additional burden on the taxpayer. As a part of the Crime Victim's fund, the "Child Victim Witness Protection Act" would be financed from first, fines collected by the Federal Government, second, penalty assessments levied upon convicted Federal dependants, third, forfeited bail bonds and collateral in Federal criminal cases, and fourth, certain profits made by criminals from publishing their misdeeds in literary, visual, and audio productions. In other words, the bill would impose a type of "users' fee" on criminals in order to protect child abuse victims.

Under the bill the Attorney General would allot to each eligible State $200,000 plus an amount that bears the same ratio to the remainder as the population in the State bears to the population in all eligible States. To assist the States in meeting the eligibility requirements, the bill sets, forth suggested guidelines for statutes to minimize additional trauma to the child victim and improve to the chances of successful criminal prosecution or legal action.

Mr. President, I believe that the "Child Victim Witness Protection Act" would allow the special needs of physically and sexually abused children to be addressed effectively. I would encourage my colleagues to support it.

I ask unanimous consent that the bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 1156

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SHORT TITLE

SECTION. 1. This Act may be cited as the "Child Victim Witness Protection Act of 1985".

FINDINGS AND PURPOSE

SEC. 2. (a) The Congress finds and declares that—

(1) child abuse may result in serious and severe physical and psychological trauma to the child victim;

(2) in the investigation and adjudication of child abuse cases, the child victim may be subjected to such demanding procedures as repeated interrogation and direct intense confrontation with the offender which may be tantamount to a second victimization;

(3) some evidentiary procedures, such as the hearsay rule, in effect require the child victim to testify in court, thereby forcing the child to relive in a public setting and in the presence of the offender the episode of exploitation or abuse;

(4) various legal reforms such as coordinated legal proceedings, videotaped depositions, and closed-circuit television have been introduced in a number of States and offer protection to the child victim from additional trauma resulting from the investigation and adjudication of the child abuse case;

(5) in enacting the Victims of Crime Act of 1984, chapter XIV of title II of Public Law 98-473, the Congress mandated that priority be given to eligible crime victim assistance programs which provide assistance to victims of child abuse;

(6) in defining the term "services to victims of crime" the Congress expressly included "assistance in participating in criminal justice proceedings"; and

(7) while this language was designed to provide assistance to individual victims of crime, there is a great need for broad-based intervention at the State and local levels through legal reforms and procedures specifically to address the needs of victims of child abuse.

(b) The Congress declares that the purpose of this Act is to provide funds to encourage States to implement protective reforms regarding the investigation and adjudication of child abuse cases which minimize the additional trauma to the child and improve the chances of successful criminal prosecution or legal action.

ESTABLISHMENT OF FUND

SEC. 3. Chapter XIV of the Comprehensive Crime Control Act of 1984 (title II, Public Law 98-473), relating to victims of crime, is amended by adding between section 1404 and section 1405 the following new section:

"CHILD VICTIM WITNESS PROTECTION GRANT

"SEC. 1404A. (a) The Attorney General is authorized to make additional annual grants and other payments from the Crime Victims Fund under section 1402 to the States for the protection of victims of child abuse in accordance with the eligibility requirements of this section.

"(b)(1) A State is eligible for assistance under this section if the Attorney General determines that the State has enacted statutes with respect to the investigation and adjudication of child abuse cases which—

"(A) minimize the additional trauma to the child victims; and

"(B) improve the chances of successful criminal prosecution or legal action.

Any assistance received by the State under this section shall be used to implement the programs and procedures established by the statutes enacted pursuant to this section.

"(2) From the amounts in the fund, the Attorney General shall allot to each State meeting the eligibility requirements of paragraph (1)—

"(A) $200,000, plus,

"(B) an amount which bears the same ratio to such remainder as the population in the State bears to the population in all States meeting the eligibility requirements of paragraph (1).

"(c)(1) For purposes of subsection (b)(1)(A), procedures to minimize additional trauma to the child victim may include—

"(A) establishing interdisciplinary teams of child abuse professionals such as law enforcement officers, child protective service workers, prosecutors, child advocates, mental health professionals, family counselors, and medical personnel for handling child abuse cases;

"(B) coordination of civil and criminal court proceedings involving intrafamilial child abuse;

"(C) providing for special units and training relating to child development, legal issues, and the dynamics of child abuse for law enforcement, legal, judicial, child welfare, family counseling, and mental health personnel to deal with the child victim;

"(D) providing for a support person to the child victim prior to and during the course of any legal or administrative proceeding to protect the interests of that child; or

"(E) granting courts the authority to enter protective orders to protect the child victim from additional abuse.

"(2) For purposes of subsection (b)(1)(B), reforms designed to improve the chances of successful criminal prosecution or legal action in child abuse cases may include—

"(A) establishing a specific definition of child sexual abuse;

"(B) extending the statute of limitations in criminal cases of child abuse;

"(C) modifying certain rules of evidence to allow for the admission of the child victim's hearsay statement of abuse, to permit leading questions to be asked of the child victim, to permit the use of anatomically correct dolls and drawings to describe the abuse, and to establish a presumption that children are competent to testify; or

"(D) establishing procedures for the videotaping of the child victim's statement and testimony or the use of closed-circuit television to protect the child victim from additional trauma.

"(3) Each State is encouraged to develop innovative approaches not described in paragraphs (1) and (2) to achieve the objectives of minimizing the additional trauma to the child victim and improving the chances of successful criminal prosecution or legal action in child abuse cases.

"(d) As soon as practicable after the date of enactment of this section, the Attorney General shall issue such regulations as may be necessary to implement this section. In establishing regulations, the Attorney General shall consider the purposes of this section.

"(e) The Attorney General is hereby authorized to use up to $10,000,000 from the Crime Victim's Fund each fiscal year for the purposes of this title.".

INCREASE IN CRIME VICTIM'S FUND LEVEL

SEC. 4. (a) Subsection (c)(1) of section 1402 of the Victims of Crime Act of 1984 is amended by striking out "the sum of $100 million" and inserting in lieu thereof "the sum of $110,000,000".

(b) Paragraph (2) of subsection (2) of section 1402 is amended to read as follows:

"(2) Of the total deposited in the Fund during a particular fiscal year—

"(A) out of the first $100,000,000 deposited in the Fund, fifty percent shall be available for grants under section 1403 and fifty percent shall be available for grants under section 1404; and

"(B) any amounts deposited in the Fund in excess of $100,000,000 but not exceeding $110,000,000 shall be available for grants under section 1404A.".

By Mr. McCLURE (by request):

S. 1157. A bill to authorize the Secretary of the Interior to perform studies relating to disposal of drain water and to construct interim corrective measures deemed necessary for the San Luis interceptor drain; to the Committee on Energy and Natural Resources.

SAN LUIS INTERCEPTOR DRAIN

● Mr. McCLURE. Mr. President, at the request of the administration, I send to the desk for appropriate reference a bill to authorize the Secretary of the Interior to perform studies relating to disposal of drain water and to construct interim corrective measures deemed necessary for the San Luis interceptor drain.

Mr. President, this draft legislation was submitted and recommended by the Department of the Interior, and I ask unanimous consent that the bill, and the executive communication which accompanied the proposal from the Assistant Secretary be printed in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

S. 1157

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SEC. 1. That there is authorized to be appropriated to the Secretary of the Interior for studies and interim corrective measures relating to distribution and drainage and to the disposal of drainage water in the west side of San Joaquin Valley of the Central Valley Project up to $12,600,000 for fiscal year 1986.

SEC. 2. The Secretary shall use his best efforts to obtain repayment contracts pursuant to section 9(d) of the Reclamation Project Act of August 4, 1939 (53 Stat. 1195) with respect to the expenditure of any funds authorized to be appropriated by this Act, said contracts to be with those water districts which benefit from such expenditure and to provide for the repayment of such funds within a period, not to exceed 50 years, determined by the Secretary. Any funds expended which are not made the subject of a repayment contract within 2 years of expenditure shall be added to the costs of the construction of works of the San Luis Unit, Central Valley Project, California or the Central Valley Project as a whole allocated to irrigation and shall be repaid pursuant to section 9(e) of 1939 Act.

SEC. 3. The Secretary is authorized to receive additional funds from non-Federal entities to assist in the studies and/or construction authorized pursuant to this Act.

U.S. DEPARTMENT OF THE INTERIOR,
OFFICE OF THE SECRETARY,
Washington, DC, April 24, 1985.

Hon. GEORGE BUSH,
President of the Senate,
Washington, DC.

DEAR MR. PRESIDENT: There is enclosed a draft bill "To authorize the Secretary of the Interior to perform studies relating to disposal of drain water and to construct interim corrective measures deemed necessary for interceptor drains for the San Luis Unit, Central Valley Project."

We recommend that the draft bill be introduced, referred to the appropriate committee for consideration, and enacted.

The Central Valley Project, California is a large multibillion dollar, multipurpose project that has been under construction since the early 1940's. The San Luis Unit, authorized in 1960, is about 25 percent of the overall project, and it has an estimated total Federal obligation of $1.2 billion. Based on dollars it is slightly less than one half complete although many features are in operation. It is now common knowledge that the west side of the San Joaquin Valley has serious drainage and salt management problems which are having negative impacts on the area's waterfowl and farm production. In addition, the irrigation drainage disposal issue has created both a public health and environmental concern which requires both immediate and long term actions.

An intradepartmental effort is continuing to develop and evaluate economically viable and environmentally sound alternative solutions. Resources from the Bureau of Reclamation, U.S. Geological Survey and the U.S. Fish and Wildlife Service have been mobilized to analyze both the source and origin of trace elements and the loading of mineral contaminants in the drainage effluent, and to define safe levels and treatment technologies necessary to protect human health and fish and wildlife resources. In addition, studies are needed to develop alternative long-term methods for environmentally sound disposal of contaminants and to address the long term problems of their disposal.

It was originally believed that sufficient funds could be appropriated pursuant to Public Law 95-46, as amended, to finance all studies to analyze the contaminant problem in the subsurface drainage effluent, develop alternative solutions, and to implement any required interim corrective action. Further study has revealed that the magnitude of the requisite studies and the possible alternative interim corrective measures will require funds in excess of those available under the authorization. The magnitude of the problem and its resolution are estimated to be significantly in excess of the funds that can be appropriated under the authorization of Public Law 95-46.

The Department recognizes the need for additional funding in FY 1986 and beyond to continue the studies as well as implementation of appropriate corrective measures. The FY 1986 budget request includes $12.6 million for continuing the studies and for related activities. The first section of the draft bill would provide this authority to continue these studies.

We would like to make it clear that the draft bill may be only the first part of a larger package. Through these authorized studies we will be able to identify the most economical and environmentally effective method to address the entire issue. Additional authority will be needed for a permanent solution at Kesterson. We will submit legislation at a future date for such authorization.

The Office of Management and Budget has advised that there is no objection to the submission of this proposed legislation from the standpoint of the Administration's program.

Sincerely,

ROBERT N. BROADBENT,
Assistant Secretary.●

By Mr. DOLE (for himself, Mr. DURENBERGER, and Mr. BENTSEN):

S. 1158. A bill to amend title XVIII of the Social Security Act with respect to Medicare payments for direct costs

of approved educational activities; to the Committee on Finance.

MEDICARE PAYMENTS FOR DIRECT COSTS OF APPROVED EDUCATIONAL ACTIVITIES

Mr. DOLE. Mr. President, today I am joined by my distinguished colleagues, Senators DURENBERGER and BENTSEN, in introducing a bill that reaffirms the Medicare Program's commitment to the education of this Nation's health care professionals but imposes important fiscal restraints that are in line with our effort to reduce the Federal deficit and enhance the stability of the Hospital Insurance Trust Fund. We welcome comments and suggestions on the bill we have introduced.

MEDICARE'S ROLE IN GRADUATE MEDICAL EDUCATION

Let me note at the outset that our commitment to graduate medical education support has proven to be a valuable investment. More than 1,300 hospitals presently offer teaching programs that train physicians, nurses, and other allied health care personnel. Of these, by far the largest investment on behalf of the Medicare Program has been made in the area of the residency training of physicians, which includes support for 3 to 7 years of postgraduate study after the completion of medical school. In 1984, approximately 75,000 residents were trained in 4,800 approved residency training programs. As a result, Medicare's financial contribution to graduate medical education is considerable. In fiscal year 1985, subsidies for direct medical education costs for resident training alone will likely total approximately $925 million. The total amount spent for all the professions covered, including physicians, nurses, and allied health care personnel, will be in the area of $1.3 billion.

OPEN-ENDED SUBSIDIES

It has long been recognized that the presence of teaching programs in our hospitals has a direct and positive impact on quality of care. Medicare's support of graduate medical education has played a significant role in sustaining high levels of quality of care for Medicare beneficiaries. I firmly believe that our Nation's teaching hospitals are in large part the guardians of the high standards we demand from our health care system. It is for this reason, I am willing to continue our support.

However, open-ended funding of graduate medical education cannot continue. Medicare currently provides a cost-based "passthrough" to teaching hospitals to support their so-called direct teaching costs. Medicare also provides a substantial adjustment to each DRG payment to cover factors including indirect teaching costs that are not directly identifiable, but presumably result from the presence of a teaching program in the institution. Historically, Medicare has not made any requirements on this training in return for the funding it has provided. There have been no restraints on the length of the programs, numbers, or types of residents to be trained. However, the current Federal budget deficit and pressures to reduce expenditures by the Medicare Hospital Insurance Trust Fund necessitate some reductions or constraint. It is our hope that this can be done in an orderly and thoughtful manner.

My colleagues from Minnesota and Texas join me in putting before you a plan that we believe to be both fair and timely. We have endeavoured to impose fiscal restraint without causing undue and potentially harmful disruption in graduate medical education. In addition, we have identified some important areas of inquiry that must be pursued so that we can intelligently evaluate what our appropriate role should be with respect to expenditures for these purposes over the long term.

SUMMARY OF BILL

Our bill consists of four major provisions:

First, we provide for a freeze on Medicare payments for direct medical education for 1 year. The 1-year freeze, in addition to providing short term savings, will also provide sufficient time for hospitals to plan for the changes we propose for subsequent years. We have tried to accommodate the fact that institutions have different accounting periods and that the freeze should really be based on the most current information available.

Second, beginning with fiscal year 1987, a limit will be placed on the number of years of a residency program we will help finance. The limit will be the lesser of the formal training required—as detailed in the 1985–86 directory of residency training programs published by the Accreditation Council on Graduate Medical Education—for initial board eligibility, or 5 years.

This 5-year limitation covers the board eligibility requirements for the primary care specialties and general surgery in full. This particular 5-year or board eligibility requirement restriction remains in effect for a period of 3 years. After that time, we provide for a reevaluation of the training period to be financed, recognizing that the academic medical community and specialty organizations may well find reason to alter the requirements.

Third, beginning with fiscal year 1987, we will no longer share in the costs of training for those non-U.S. citizens who are graduates of foreign medical schools. Graduates of foreign medical schools currently participate in U.S. graduate medical education programs and, as a result, have a portion of their residency funded by Medicare. This group consists of both U.S. citizens who attended foreign medical schools [USFMG's] and those that are non-U.S. citizens or alien foreign medical graduates [AFMG's]. It does not appear to continue to make sense to use Medicare Trust Fund dollars to underwrite AFMG training. If, in fact, this Nation believes we should continue to assist in the training of foreign physicians, whose homelands count on their return to care for their countrymen, such funding might more appropriately come from nonpatient care revenue sources.

Fourth, we have directed the Department of Health and Human Services to conduct studies to improve our understanding of educational activities relating to nursing and other health professions to determine the types and numbers of such programs and to describe the fiscal and administrative relationships between hospitals and the schools with which the programs and students are affiliated.

We have also directed the General Accounting Office to conduct a second study that would examine the difference between costs in teaching and nonteaching hospitals. This study would take into account differences in severity of illness levels, area wage levels, and differences in physician reasonable charges, as well as other factors that might affect patient comparability.

BROAD RANGE OF ISSUES

As was recently outlined in a document prepared by the Congressional Research Service, there are a broad range of important issues that must be addressed about the effects which Medicare payment policies for health professions have on patient care, on the supply and distribution of physicians and other health professionals, on the institutions providing such education, and on the costs of the program. Similar questions need to be addressed in considering any changes in current Medicare and Medicaid policies. One of the most critical will certainly be issues related to physician reimbursement.

The physician reimbursement methods adopted by various third-party payers and the costs for physician services are intertwined with issues related to health professions education in hospitals. The patient care services that residents provide in the course of their graduate medical education to some degree substitute for the services of physicians and the hospital staff. How much does a hospital save by having relatively low-cost residents providing these services? Do the residents thus help pay for their graduate medical education? Would it be more costly to the hospital—and ultimately to the third-party payer—if someone other than a resident were performing the services? For example, if hospitals were to reduce the size of their teaching programs in response to reductions in payment under Medicare's prospec-

tive payment system, would costs increase under part B of the Medicare Program as physicians began billing for the services formerly provided by residents?

Another issue concerning payment for graduate medical education in hospitals is whether the whole variety of payments for physician services to hospital inpatients needs to be examined, including payments for physicians employed by the hospital, for attending physicians who bill separately for their services, for the teaching services provided by the physicians, and for the services of residents in training.

The other major area of interest will, of course, be the present Medicare indirect teaching adjustment. While this bill only addresses direct medical education expenses, it is also our intention to pursue changes with respect to the indirect teaching adjustment.

CONCLUSION

I believe this bill represents a major step forward in our ongoing commitment to both medical education and the Medicare Program. It is certain to encourage a continuing debate that must utlimately benefit those who depend on the present and future availability of high quality health care services. I thank Senator DURENBERGER and Senator BENTSEN and their able staffs, Chip Kahn, Kerry Kilpatrick, and Marina Weiss, for their assistance in the preparation of this bill. In particular, I would like to compliment Senator DURENBERGER, the distinguished chairman of the Finance Committee's Health Subcommittee. Senator DURENBERGER introduced one of the first major pieces of legislation to address this subject and has forced us all to consider carefully what ought to be done in the future. I look forward to our continued collaboration as we explore other aspects of the Medicare Program and graduate medical education.

Mr. President, I ask unanimous consent that the bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 1158

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a) section 1861(v)(1) of the Social Security Act is amended by adding at the end thereof the following new subparagraph:

"(P) Payments relating to the direct costs of approved educational activities at hospitals shall be made in accordance with the regulations in effect on January 1, 1985, except as follows:

"(i) For a hospital's first cost accounting period which begins on or after July 1, 1985 (the freeze accounting period), the amount of such costs recognized as reasonable by the Secretary shall not exceed the amount so recognized with respect to such hospital for such hospital's most recent cost accounting period ending prior to July 1, 1985 (the base accounting period), disregarding any salary or wage increases, and any cost center shifting or reallocation, implemented after May 1, 1985. If a hospital's cost accounting periods do not begin on July 1, the Secretary shall increase the limit established under the preceding sentence by an appropriate factor to reflect general increases in the costs of approved educational activities which took place between the end of the hospital's base accounting period and the beginning of its freeze accounting period, disregarding any increases in salaries or wages after May 1, 1985.

"(ii) Effective on and after July 1, 1986, the Secretary shall not recognize as reasonable any such costs incurred with respect to any intern or resident-in-training for years in training which exceed the lesser of—

"(I) five years, or

"(II) the minimum number of years of formal training necessary to satisfy the requirements (as specified in the 1985-1986 Directory of Residency Training Programs published by the Accreditation Council on Graduate Medical Education) for initial board eligibility in the particular specialty for which such intern or resident-in-training is preparing, or, after July 1, 1989, in the event that the required number of years in training increases, the number of years which the Secretary may specify, after consultation with the Accreditation Council on Graduate Medical Education.

"(iii) Effective on and after July 1, 1986, the Secretary shall not recognize as reasonable any such costs incurred with respect to any intern or resident-in-training who is neither a graduate of an accredited school of medicine (or accredited school of osteopathy, dentistry, or podiatry) located in the United States or Canada nor a citizen of the United States or Canada.".

(b)(1) The Secretary of Health and Human Services shall conduct a study with respect to approved educational activities relating to nursing and other health professions for which reimbursement is made to hospitals under title XVIII of the Social Security Act. The study shall address—

(A) the types and numbers of such programs, and number of students supported or trained under each program;

(B) the fiscal and administrative relationships between the hospitals involved and the schools with which the programs and students are affiliated; and

(C) the types and amounts of expenses of such programs for which reimbursement is made, and the financial and other contributions which accrue to the hospital as a consequence of having such programs.

(2) The Secretary shall report the results of the study to the Congress prior to December 31, 1986.

(c)(1) The Comptroller General shall conduct a study of the difference between the amounts of payments made under title XVIII of the Social Security Act with respect to inpatients in teaching hospital settings and the amounts of such payments which are made with respect to comparable patients who are treated in a nonteaching hospital settings. Such study shall identify the components of such payments (including payments with respect to inpatient hospital services, physicians' services, and capital costs, and, in the case of teaching hospital patients, payments with respect to direct and indirect teaching costs) and shall account, to the extent feasible, for any differences between the amounts of the payment components in teaching and nonteaching settings.

(2) In carrying out such study, the Comptroller General may utilize a sample of teaching hospital patients and any other data sources which he deems appropriate, and shall, to the extent feasible, control for differences in severity of illiness levels, area wage levels, levels of physician reasonable charges for like services and procedures, and for other factors which could affect the comparability of patients and of payments between teaching and nonteaching settings. The information obtained in the study shall be coordinated with the information obtained in conducting the study of teaching physicians' services under section 2307(c) of the Deficit Reduction Act of 1984.

(3) The Comptroller General shall report the results of the study to the Congress prior to December 31, 1986.

Mr. DURENBERGER. Mr. President, I am pleased to join my colleagues the distinguished majority leader, Mr. DOLE, and the distinguished Senator from Texas, Mr. BENTSEN, in introducing S. 1158, a bill to reform Medicare payment for clinical training.

Since, its inception in 1965, Medicare has reimbursed hospitals for its share of the direct educational costs. The direct education costs recognized as reimbursable are defined as the salaries and fringe benefits for residents, and interns and nurses and other health professions in hospital training programs. The allocated costs of conference and classroom space within the hospital, as well as additional supervision, administrative and equipment costs are also paid.

Medicare support for this activity has been deemed appropriate in the past because:

First, the physicians, nurses, and health professionals in these programs provide service to Medicare patients.

Second, virtually all other payers had traditionally been willing to pay their share of these education costs.

Third, it was felt that these educational activities enhanced the quality of care in hospitals, and

Fourth, in the 1960's and early 1970's, the view was widely held that there existed a shortage of quality trained physicians, nurses, and other health professionals.

But times have changed since 1965. The Nation now faces a growing surplus of physicians, estimated to reach 35,000 by 1990 by conservative projections. At the same time there are 73,000 residents in the training pipeline. Many of these are training in specialties already in oversupply.

The medical schools in this country have acted responsibly to reduce their class sizes to bring their outputs more in line with the requirements for physicians. In 1984 the medical schools in the U.S. reduced their class sizes to 16,997, down 323 students from the enrollment in 1981. The University of Minnesota Medical School has reduced

its class size from 239 in 1981 to 223 in 1984 and plans to continue to reduce class size until it reaches 200 in 1987. On the other hand, the number of foreign medical school graduates seeking residency training in this country has increased three fold since 1981. In 1984, over 10,000 foreign medical graduates participated in the match for placement in U.S. hospital resident positions.

The system needs better control and management. This is why my colleagues and I have joined together to not only reaffirm but to reform Medicare's role in subsidizing the direct costs of clinical training in hospitals. The bill we introduce today continues the Medicare commitment to funding clinical training in hospitals from the Medicare trust fund. It begins a process of defining more explicitly the direct expense Medicare will reimburse. S. 1158 would freeze all payments for the direct costs of approved educational activities for fiscal year 1986 at the level of the costs obtaining in the hospitals for their accounting period ending prior to July 1, 1985. However, if the hospitals accounting period does not begin on July 1, the limit may be increased by a factor to reflect the general cost increases that occurred during the freeze period.

After July 1, 1986, the number of years that will be recognized as reasonable for Medicare payments for graduate medical education would be constrained to the lesser of first, 5 years or two, the number of years of formal residency training required for initial board eligibility in the particular specialty for which a resident is preparing.

The bill, for example, would continue Medicare funding for its share of 3 years of training for family practice, general internal medicine, general pediatrics, and emergency medicine. Four years of funding would be provided for such specialties as radiology, psychiatry, and pathology. Five years of support would be provided for general surgery.

The number of years under which payment is allowable for each specialty will remain fixed until 1988. At that point if speciality boards determine that changes in practice and technology require more years of speciality training, the Secretary of Health and Human Services may extend the years of Medicare payment—but not beyond 5 years for any specialty.

These restrictions are especially appropriate in the case of surgical subspecialties and medicine and pediatric fellowship programs which include a specified time for organized research rather than patient services. These research activities are important to the development of clinical investigators and academic physicians, but it was not the purpose of Medicare to fund nonservice-related research activities.

The reform my colleagues and I propose would not dictate specific requirements for the distribution of training programs to hospitals and affiliated medical schools. It would provide financial constraint, instead, which would require them to be much more sensitive to the economics of the training decisions they made for their institutions. The combination of these financial signals and market forces should lead to more constraint in institutional training policies, particularly as regards the number of subspecialty slots made available.

The contraction of subspecialty slots likely to result should shift emphasis more to primary care training. In this way, more physicians in training will choose to end their graduate medical training at the still needed first-contact specialties. This should contribute both to cost containment and increased access generally. It is good Medicare policy and good physician manpower policy to produce more first-contact physicians.

Further, under the bill, Medicare would only contribute to the residency training of persons who are graduates of accredited schools in the United States or Canada or who are citizens of the United States or Canada. We need to do a better job of specifying who we will support for clinical training with Medicare funds. With the phyisician surplus and the fact that the number of residency positions for U.S. citizens are becoming in short supply, it is inappropriate to spend Medicare patient service dollars on the training of 6,000 alien foreign medical graduates. As many as 90 percent of these residents do not return to their home countries so residency training for most FMG's is not a matter of foreign policy. The Aliens who train here frequently plan to stay and ultimately also contribute to this Nation's over supply of physicians.

Finally, the bill requires that two studies be conducted to provide information for further reforms. The Secretary of Health and Human Services is instructed to conduct a study of the approved programs for nursing and other health professions currently receiving funding for direct Medicare costs incurred in hospitals. Information on the types of health professionals trained in these programs, the number of such trainees, the costs incurred and reimbursed, and the contributions of the trainees to patient care is so sparce it is not now possible to make informed Medicare policy with respect to nonphysician hospital training. The study should fill this void.

The bill also instructs the Comptroller General to conduct a study to determine the difference between Medicare costs paid for services for patients in teaching hospitals and for patients with comparable conditions treated in nonteaching hospitals. The study will examine elements as inpatient hospital services, physicians' services, capital costs and, for teaching hospitals, payments made for direct and indirect costs of clinical training.

The study would be based on a sample of hospital patient data and other sources which controls statistically for differences in case severity, area wage levels, differences in physician reasonable charges and other factors that might affect patient comparability. The study is to be coordinated with ongoing studies being conducted through the Department of Health and Human Services to avoid duplication of effort.

The reforms in the bill are partially driven by budget pressures. The freeze on direct medical education payments projected for fiscal year 1986 reflects this notion. However, even more importantly, the bill will help focus attention on the basic problems facing the hospital training of physicians, nurses, and other health professionals in this country.

A year ago, in a speech at the annual meeting of the Council of Teaching Hospitals, I highlighted the effect that the evolution toward consumer choice in health care is having on teaching hospitals. As the health care marketplace becomes increasingly price competitive, the hospitals which have clinical training programs are finding that they are less able to pass on in patient service dollars the costs of such "societal contributions" as graduate medical education, unsponsored research and technology development, standby tertiary care resources, and even care for the uninsured poor.

These competitive pressures are having a positive effect on the management of health care services. The system is becoming more efficient. But, the cross-subsidies are also becoming exposed and vulnerable.

I can see this happening in the Twin Cities in my home State of Minnesota. The pressures of health plan competition are having a profound effect on the University of Minnesota Hospital. I have been told, for example, the hospital is having to negotiate for business with physician groups and HMO's at prices frequently below amounts the institution received for the same services in a cost-based reimbursement environment. The volume these agreements provide will be helpful but clearly a teaching institution will have to change its commitments and structure in this kind of environment without outside subsidy. The HMO's and other purchasers are just not willing any more to pay for the costs incurred in a teaching hospital which do not directly benefit their sick subscribers, and price competition will mean that teaching hospitals will not be able to incorporate these costs in their prices.

Some will argue, I am sure, that the Twin Cities' health care market is an anomaly. This may have been true 5 years ago, but it is not today. I have been traveling all over this country, and I have seen competition between providers and health plans sprouting up in every major city. The medical school deans, hospital administrators, and physicians I talk to give me the sense that teaching hospitals, even the foremost in the Nation, are beginning to feel the stress of price competition.

In this context last October, I introduced S. 3073, "Medicare Clinical Training Amendments of 1984." This proposal was designed to make a number of points. It used Medicare as a vehicle to begin a payment reform for clinical training in hospitals. The bill would have placed a lid on Medicare's contribution to training. Thus, it made the statement that with a pending physicians surplus and Federal budget crisis, Medicare should fund the service provided by residents and nurses, and other health professionals in training, but that the open-ended funding of such programs would not continue.

The proposal used a block grant to the States as a means to allocate the capped Medicare funding. This approach argued for a better rationalization of training financing, better to meet true manpower needs. And, it provides explicit recognition of the role the States will have to assume in financing clinical training in teaching hospitals in the new health care market environment.

Clearly, teaching hospitals are public resources which are national, regional, State, and local in nature. Most of the residents trained in Chicago or New York go elsewhere to practice. Nevertheless, it is the communities of Chicago, New York, Boston, and the other major teaching enclaves which gain the most from having the teaching institutions.

The health services industry is the third largest employer—after retail and wholesale trades—in Chicago, New York, and Boston. In these three cities alone a total of over 500,000 people are employed in health care. The dominant health care institutions in these cities are the large teaching hospitals.

These same institutions also provide the lion's share of the health services to the poor in the cities. These teaching hospitals enhance the cities' quality of life and stature by providing a broad range of tertiary care services and by engaging in biomedical research. When considered in these terms, State and local governments need to realize it is in their best interest and the interest of their communities to see the academic medical centers sustained.

Currently, Medicare pays about 30 percent of the direct costs of clinical training through its patient services dollars. S. 3073, as well as the bill I am introducing today with my colleagues, affirms Medicare's commitment to pay for its share of these direct costs. Most of the other 70 percent comes from the payment of hospitals billing non-Medicare patients. As the non-Medicare purchasers begin to negotiate with hospitals based on prices which do not include the subsidies such as clinical training, State and local governments will find it necessary to set explicit policies and probably subsidize at least part of these activities.

I believe S. 3073 served its purposes well. It touched off a nationwide debate on the future financing of clinical training.

The discussion by institutions and professional organizations led to task forces, committees, special studies, and forums and colloquies to study this broad and complex issue. The need to move deliberately in formulating approaches to the problem has been widely recognized, but the varied interest of the institution and medical disciplines has made consensus difficult to reach. The contributions to this process of such bodies as the Commonwealth Task Force on Academic Health Centers, the Committee on Financing Graduate Medical Education of the Association of American Medical Colleges, the Association of Academic Health Centers, the American Medical Association and a host of other organizations has been exceedingly valuable.

As I have explored the complex problems surrounding clinical training in hospitals personally and in my capacity as chairman of the Finance Committee's Health Subcommittee, I have learned a great deal. I discuss what I have learned and the principles which underlie my approach to these issues in an article published in Business and Health in April 1985. Mr. President, I ask that the article be printed in the RECORD following my remarks.

The proposal we are introducing today builds upon the principles present in this article. It keeps the momentum for reform moving ahead. At the same time, it preserves the basic structure of the Medicare financing mechanisms that have supported a share of the graduate education process in the past. I view this present proposal as a step in the right direction. It forms a solid foundation for the future reforms and it achieves budgetary savings in a manner which is fair and moderate. Though, I should point out, it only begins a process of developing more comprehensive policy for financing clinical training in an emerging competitive environment.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

WHO, HOW AND WHEN TO PAY FOR PHYSICIANS' TRAINING

(By David F. Durenberger)

During the last decade, all aspects of the medical profession have been the subject of intensive inquiry. Because physicians directly or indirectly affect 70 percent of all health care expenditures, the focus of public interest and professional introspection has been on the forces influencing physicians' decisions in the consumption of health care resources. With health care costs continuing to grow at a rate of $70,000 every minute, the structure of medical practice, the financing of health care and the consequences of the physician training system all are being closely examined.

LESS WISDOM, CHARACTER

Studies by the Josiah Macy Jr. Foundation, the Institute of Medicine, and the Association of American Medical Colleges have called for sweeping changes in medical education programs in terms of the knowledge base, skills and attitudes physicians of the future will need to possess. Harvard University President Derek Bok notes that, in the beginning years of medical education, students spend a large percentage of their time passively sitting through basic scientists' lectures that bear "little relation to the patient care that attracted most * * * students to medical school in the first place." Bok observes that even the clinical exposure that occurs in the last two years of medical school often is loosely organized and taught by residents with only slightly more experience than the medical students. This forces students to act as passive observers, and provides insufficient opportunity to hone information gathering and diagnostic skills.

Likewise, in an address to the advisory board of Duke University Hospital, internist and cardiologist Don Warren observed that the physicians emerging from the medical education system in this country are "coming out with more facts and less understanding, more knowledge and less maturity with which to handle the knowledge, more education as measured by hours of courses and less wisdom." Warren is concerned that the selection and training of medical students and residents places too much emphasis on intellect and too little on character and compassion.

Whether it comes from educators, physicians or patients, the message is the same. Whatever changes are made in the structure and process of medical education, their potential effects must be evaluated not only in terms of costs and access to care but also in their ultimate impact on the character of the physician-patient relationship.

THE MEDICAL EDUCATION CONTINUUM

Medical education can be viewed as a continuum that begins when a college student chooses a premedical curriculum, with its heavy emphasis on required math and science courses, continues through graduation from college and another four years of medical school, and ends after the completion of a residency.

The four years of medical school ending with graduation and a Doctor of Medicine (M.D.) degree are referred to as undergraduate medical education. During these years, students pay tuition and fees as with any other graduate program.

Graduate medical education is the formal training of a physician that occurs after receiving an M.D. degree. This training takes place under the auspices of a residency program (so called because the student typical-

ly is a resident of the hospital in which the training occurs). The term intern in reference to general postgraduate training has fallen into disuse. Interns and residents now are referred to by year of post-M.D., such as "PMD-1," "PMD-5" and so forth.

Postgraduate training differs markedly from undergraduate medical education. Very little graduate medical education time is spent in classroom, laboratory instruction or research. The resident physician spends the majority of his or her time delivering services under the supervision of an experienced attending physician, much like apprenticeship training in other professions.

The salary of the resident physician is a routine business expense and is absorbed in the pricing structure of the hospital, like in any other firm. For their services residents receive annual stipends, which increase with their seniority, and nearly 70 percent of which are paid for out of the patient care revenues of their hospital employers.

Residency programs range from three to seven years in duration. The primary care specialties (family practice, general internal medicine, pediatrics and emergency medicine) require three years. The surgical specialties generally require four or five years. Neurosurgery takes six years and thoracic surgery, seven.

In 1983 these stipends ranged from $20,800 for the first-year post-M.D. to $27,867 for the sixth year. There were 72,397 residents in training in the U.S. that year, so their total compensation (including fringes) was nearly $2 billion (see chart). When these other allocated cost and indirect costs are added, it has been estimated that the total cost of graduate medical education exceeds $4 billion annually.

PAYING FOR GRADUATE TRAINING

Historically, the inclusion of the costs of graduate medical education in patient charges has been an accepted practice. Today, however, in an era which the health care market is becoming increasingly price sensitive, subsidizing the cost of this training by raising the bills of sick people is becoming less acceptable to insurers, and the businesses and individuals who ultimately pay.

One side effect of a competitive, consumer choice model of health care delivery is to force providers to recognize and deal with the cost-subsidies in their prices. Thus, unless the extra costs for clinical education, technological innovation and uncompensated care incurred by teaching hospitals are explicitly accounted and paid for, these tertiary care institutions simply cannot hope to compete on price.

Further, at a time of mounting federal deficits and budget cuts and freezes, Medicare support of graduate medical education needs to be reassessed.

Under cost based reimbursement, Medicare used to pay a proportionate share of the net educational costs including allocated hospital expenses and supervision costs as determined by retrospective cost reporting.

Established in 1983, Medicare's diagnosis related group (DRG) based prospective payment system maintains special treatment of clinical education costs by paying for direct costs on a reasonable costs basis. Further, an indirect adjustment was preserved as a multiplier added to the DRG rate and increased to 11.59 percent to recognize the higher case severity, expensive medical technology and costlier practice patterns of residents in many teaching hospitals.

There are only three ways to reduce total Medicare costs to the U.S. Treasury: cut back benefits; increase beneficiary cost sharing; or decrease payments to providers. Graduate medical education support is publicly perceived as an upper- and middle-class subsidy. Before going to the elderly and disabled and asking them to accept reduced benefits, fairness requires that medical education take its share of the budget reductions.

Assuming current services, by 1986 the direct and indirect costs of clinical education supported by Medicare will approach $3 billion. President Reagan's budget proposal for 1986 freezes the direct payments at the 1985 level for an anticipated savings of $150 million and cuts the indirect add-on percentage in half—to 5.79 percent—for an expected savings of $695 million. This approach is problematic for a couple of reasons.

First, capping the direct payments does not resolve the potential for undesirable consequences of the present method of support such as the geographic and specialty maldistribution of training positions.

Second, the President's budget rationale fails to address congressional intent in increasing the indirect payment adjustment. The President only recognizes the increased costs in teaching hospital due to the practice styles of interns and residents. Congress intended that the indirect adjustment also compensate for the greater case severity and intensity in teaching hospitals. Until a better means of adjusting the DRG rate for case severity is found, the use of a multiplier to the resident-to-bed ratio as a proxy for severity must be maintained at a reasonable level. To be effective, legislation changing the way Medicare pays for clinical training will have to be more imaginative than a cut in or freeze of the current system.

The evidence also is inescapable that the present system of financing graduate medical education primarily by open-ended support through patient care revenues has encouraged the production of too many specialists. They are trained to deliver a brand of high-technology medical care that can perform medical miracles but is ill-equipped to handle the routine illnesses faced by a majority of patients.

If Americans are going to rely on payroll taxes to support the training of physicians who will, on average, earn four to five times the income of the wage earners paying the taxes, then a graduate medical education financing mechanism will have to be developed that encourages the training of the numbers and types of physicians needed at the lowest possible cost to the taxpayers.

There is a direct relationship between a physician's time spent in training and his or her subsequent income. For example, a family practitioner who spent three years in residency training had a medium income of $76,200 in 1983, whereas a thoracic surgeon, with seven years residency training, earned a median income of $163,580. For graduate medical education, the real rates of return on the investment including foregone income range from 9 percent for pediatrics to 22 percent for anesthesiology, according to health economist Frank Sloan of Vanderbilt University.

For these reasons, I introduced the Medicare Clinical Training Amendments of 1984 last October. This legislation, which has stimulated much thoughtful discussion of the graduate medical education issue, contained two important principles. First, it placed a cap on direct Medicare expenditures for this training. Second, it encouraged states through a federal sharing formula to increase their support of clinical training. While it is true that, to an extent, the production of health professionals is a national resource, states also reap enormous benefits from both the existence of the teaching hospitals and the professionals trained in them. In places like Boston and Chicago, medical education is a major industry. The Ohio legislature decided to have seven state supported medical schools not because of a shortage of physicians, but because the schools provide opportunities for the state's students to pursue medical education and act as magnets for federal funds and the medical technology industry.

CONSEQUENCES OF A PHYSICIAN SURPLUS

In its May 1984 Report to the President and Congress, the U.S. Health and Human Services Department's (HHS) Bureau of Health Professions, employing a model based on utilization of health services, predicted an aggregate surplus of 35,300 physicians in 1990 and a surplus of 51,800 in 2000. These estimates are considerably below the 1980 projections of the Graduate Medical Education National Advisory Committee (GMENAC) for a 70,000 physician surplus in 1990 and a 145,000 surplus in 2000. While estimates of the precise magnitude differ, there is no longer much debate over the likelihood of a growing physician surplus. Moreover, there is general agreement on the specialties in which the surpluses are occurring—all surgical specialties, most subspecialties in internal medicine and obstetrics and gynecology.

There also are still too many physicians in large urban areas and too few in rural and inner-city regions. California, Texas and New York comprise about one-fourth of the U.S. population but have nearly one-third of the physicians. Approximately 90 percent of all physicians are located in metropolitan statistical areas. The physicians who locate in the rural areas are much more likely to be general and family practitioners. Rand Corporation studies have shown there is some diffusion of specialty physicians to rural areas occurring as the number of specialists in cities increases. But the dominant pattern will continue to be one of a high physician-to-population ratio in the urban areas.

For most products, a surplus of supply leads to falling prices and producer incomes. But for physician services this has not proven to be the case. Fueled by a health insurance system that has made purchasers largely insensitive to cost, the demand for medical care has continued to outstrip the availability of services. In some markets, physicians also have been able to enhance their effective utilization by increasing service intensity as an offset to decreased patient volume due to keener competition. San Francisco provides one example of a market area in which medical incomes have been maintained in spite of a growing concentration of physicians in the bay area.

This phenomenon is reflected in national data as well. Between 1975 and 1983, the supply of physicians increased by nearly one-third, while the total costs of physician services increased almost three-fold to almost $70 billion. Part of that dollar increase was due to an increase in fees by two-thirds over 1975 levels, but the remainder was the result of increases in volume and intensity of services. Physicians did more during each patient visit. This partly relates to a perceived need to practice defensive medicine in today's malpractice climate. In response to increased pressure on visit volume, physicians also are doing more

office based testing, including laboratory screens, pulmonary function testing and even computer tomographic scans, to increase profitability.

The concentration of medical specialists in a given geographic area also encourages more resource intense practice styles. Janet Mitchell, president of the Center for Health Economics Research in Chestnut Hill, Mass., found in a recent study that attending physicians in New Jersey ordered consultations from specialists two to three times more often than their counterparts in North Carolina. New Jersey physicians also used assistant surgeons more frequently and had a greater number of paid visits per hospitalization. It seems unlikely that these physicians were treating sicker patients or providing higher quality care. The explanation for such large differences in practice style probably has more to do with the fact that New Jersey has 30 percent more physicians per person than North Carolina.

PATIENTS BENEFIT, BUT AT A COST

Some of the consequences of the increased supply of physicians have been positive from the patient's perspective. With an increased diffusion of board certified specialists to rural areas, many small towns now are enjoying their services for the first time.

Patients are reaping other benefits of the physician surplus. Surveys have shown visits to physicians' offices have fallen by 20 percent in the last eight years. Research conducted by John Drabek of the HHS Bureau of Health Professions shows that patients spend less time waiting for appointments and more time with physicians during visits. Physicians are keeping evening and weekend office hours and some are making house calls again. Thus, except for lowering prices, the growing supply of physicians under the fee-for-service system is bringing a number of benefits to the consumer.

The increased supply of physicians also may be a factor in the rapidly changing style of medical practice with more and more physicians choosing to practice in health maintenance organizations (HMOs), single and multispecialty groups. Group practice is becoming the dominant choice of young physicians completing residencies. While physicians who join groups gain in such advantages as regular working hours and a ready-made patient pool, they have had to give up income.

In the Twin Cities, some HMOs are offering starting salaries as low as $36,000 to physicians just completing their residencies. By way of comparison, *Medical Economics* reports that the median income for all physicians in their first five years of practice was $82,690 in 1983. One large HMO in the Washington, D.C. area reports it has 10 to 15 qualified applicants for every opening and it has never advertised for physicians.

Prepaid group practice arrangements will further exacerbate the problems associated with a physician surplus because HMOs use far fewer physicians, especially specialists, per capita than fee-for-service arrangements. The growth of HMOs and other prepaid plans has been phenomenal and is expected to continue. From June 1983 to June 1984, enrollment grew at an annual rate of 21 percent. While there may be some beneficial selection occurring, if the ratio of about 100 physicians per 100,000 population achieved by the nation's largest HMOs were applied to the entire country, by 1990 there would be a surplus of 240,000 physicians or 80 percent more than are required.

The nonprice benefits to patients notwithstanding, the fact remains that as the number of physicians grows, the pressures on fee-for-service physicians to enhance income by increasing the volume of unnecessary return office visits, tests and procedures, and surgery will intensify. Thus, the structure of the medical education process must account for the new requirements of the prepaid medical care system.

TEACHING HOSPITALS STRUGGLE

Meanwhile, HMOs and other alternative health care delivery systems, along with employers and consumers, are placing the squeeze on teaching hospitals. Faced with mounting costs of health care benefit packages, employers are increasing coinsurance and deductibles. This trend is likely to accelerate if Congress caps employer paid health benefits. As more of the costs of care are borne by individuals, physicians and their patients will avoid the expensive teaching hospitals, creating additional problems with financing graduate medical education through patient revenues.

There also is a growing concern about equity and fairness of the health care system across the country. This is particularly relevant in the high cost states that have locked in the support for graduate medical education and uncompensated care in their all-payer rate systems under Medicare waivers. It is unfair for these subsidies to be maintained in the states having Medicare waivers when competitive pressures are prohibiting such cross-subsidization in other states. Instead, explicit, uniform policies should be adopted to fund separately the costs of physician training and uncompensated care.

However, from a cost accounting perspective, graduate medical education payment methods are troublesome. The multiple outputs and societal benefits produced in connection with these teaching programs make explicit accounting for the use of the funds from the direct payments to teaching hospitals very difficult. Nonetheless, some members of Congress have grown weary with the longstanding argument that residents produce joint products (patient care, education and research) that are inseparable. Therefore, to pay for one product is to pay for them all. If the health care industry cannot find a way to account accurately for the specific costs of these joint products, Congress may be forced to do it arbitrarily, to separate out the patient care component Medicare originally was designed to pay for.

There are further problems in determining what the indirect payments to teaching hospitals really buy. These hospitals provide more than their proportionate share of uncompensated care, treat more severely ill patients and develop many new clinical technologies. A better job must be done of differentiating between these sources of higher-than-average costs in teaching hospitals and the costs of the graduate medical education function, and developing a means of paying for the former that do not depend on a count of interns and residents as a proxy for other societal contributions.

TOWARD A NEW FUNDING STRATEGY

Reform of the current method of paying for graduate medical education through Medicare should stop the open-ended support of as many residents as the traffic will bear for whatever program duration medical specialty groups desire. It should address the distributional questions of the number, types and locations of residency positions. It should pay principally for primary care since the first three years of residency training equip the physician for independent practice; advanced specialization would not be covered in hospital payments. As this approach does not address the problems of uncompensated care, the development of new medical technologies and the case mix severity issue, additional legislation will be required to deal adequately with these problems. This is a tall order and will not be accomplished all at once.

Likewise, whatever approach is taken to graduate medical education financing under Medicare makes sense for the other payers too. In today's climate, no one will pay for a service for which the benefits are not clear and direct. Changes made in graduate medical education funding have to be both fair and efficient. The following approach, as outlined, will bring that goal closer.

A determination first must be made as to what should be funded under the rubric of graduate medical education. Medicare expenditures should benefit Medicare patients. And, if this fund is to be only for direct and allocated costs of graduate medical education, then mechanisms must be found to account for and fund each of these societal contributions, separately, on its own merits.

Second, it must be determined prospectively just how much should be spent on physician training. There are two parts to this problem. One deals with the requirement for an explicit identification of the volume of graduate medical education output it is reasonable to support with Medicare dollars. In addition, the impact of changes in graduate medical education funding levels on the institutions in which the programs are housed must be considered.

There is no question that teaching hospitals represent an essential community resource that should be preserved. No community will want to forego the special care provided by neonatal intensive care, burn and trauma units. Teaching hospitals also provide a greater proportional share of uncompensated care. Any change in funding mechanisms must be sensitive to these conditions. But we cannot afford to continue to provide a blank check to the teaching hospitals for these functions in this time of fiscal restraint.

Third, it needs to be determined where the support for graduate medical education should be directed. If the current system provides incentives for the proliferation of too many subspecialists in already crowded fields, consideration should be given to changing the reimbursement system to produce more primary care physicians. Paying only for the first three years of graduate medical education would be one approach to achieving this goal. Training in community hospitals and ambulatory care environments should be encouraged. The Mayo Clinic in Rochester, Minn., operates a graduate medical education program acknowledged to be one of the finest in the world, and it produces a practice style that is much less expensive than those in universisty based teaching hospitals. Savings are achieved not by paying lower stipends but through emphasis on the efficient use of diagnostic tests and ancillary services.

Fourth, the appropriate source of funding for graduate medical education needs to be specified. The 1982 Advisory Council on Social Security recommended searching for another source of funding for the training of prospective health Professionals than Medicare. These sentiments are shared by a

number of members of Congress. Other sources that have been mentioned include: taxes on employer and employee contributions to health insurance premiums or health plan premiums; a tax on physician fees; or general revenue taxes.

As alternative sources of funding are considered, the effects on funding stability and distribution of the burden must be evaluated carefully. While there are some problems with financing graduate medical education from the Medicare trust fund, they are not as great as those that would arise from the vagaries of annual appropriations from some other source.

Fifth, it should be made explicit about whose medical training is being funded. Medicare dollars, in part, support the graduate medical training of more than 6,000 alien graduates of foreign medical schools. Given the physician surplus, it does not make much sense to use Medicare funds to subsidize the education of foreign physicians.

Finally, consideration must be given to how best to distribute funds to education programs. One alternative would be to fund programs through special project grants competitively awarded and administered from a central agency. Alternatively, funds could be made available directly to a resident through a voucher mechanism. Available funding might be limited in duration and targeted at specialties determined to be in short supply. Another choice would be to maintain the current system of funding the training institution, which would be the least disruptive approach. With this latter approach, the indirect funding would be allocated to the institutions as it is now but with a smaller permissible count of residents.

The system of graduate medical education in this country is producing the finest physicians in the world. A way must be found to do the job less extravagantly without harming it. The issue of funding graduate medical education cannot be avoided simply because it is inherently complicated. This current Congress intends to pursue this issue vigorously through hearings and new legislative initiatives.

Mr. BENTSEN. Mr. President, I am pleased to join my distinguished colleagues from Kansas and Minnesota in introducing S. 1158, a bill to amend the direct medical education [GME] provisions of the Medicare Program.

Several features of this bill deserve special mention as do the circumstances surrounding its genesis. I am especially gratified that we were able to come to agreement that no policy changes in GME be implemented until a full year after introduction of the bill. It is our intent to ensure that no institution or affiliated hospital suffer damage to its teaching program because of an unreasonable requirement that changes be immediately incorporated into a budget or class year. In short, we are committed to reasonable and timely notice to ensure a smooth transition.

Second, I should like to stress the fairness of this approach with respect to the so-called freeze of domestic programs. As most of our colleagues are aware, the administration proposed a freeze in direct medical education founding for the full 3-year budget horizon, with no indication that such a policy would be revoked after 1988. Further, that freeze included a rollback to 1983–84 funding levels—a net reduction in support of medical training. The bill we are introducing today includes a 1-year freeze based on 1984–85 expenditures, a policy far more fair and budgetarily sound in that it acknowledges the desirability of continued Federal support of medical education. For teaching institutions in growth areas of the United States, this reaffirmation of support should be especially welcome, for without Federal assistance, a number of programs would be curtailed just as they are beginning to reach their full potential. Failure to continue such support would be devastating to States such as Texas where the ratio of physicians to population is significantly below the national average, where 52 counties have been designated medically underserved, and 11 counties have no physicians at all.

Third, for almost all residents, this bill ensures that Medicare will bear its fair share of responsibility for providing financial assistance during training for practice in their chosen field of medicine. Unlike many proposals, S. 1158 does not attempt to control manpower decisions by limiting support to the years needed to qualify for only a handful of specialties. We are mindful that the residents themselves are perhaps the most competent judges of how best their talents may be applied. Therefore, we have consciously chosen to set the outside limit on Medicare financing at 5 years, the period now needed to qualify for board certification in one of the most lengthy specialties—surgery.

Perhaps the most controversial component of this bill involves termination of financial support to those residents who are of foreign nationality and who trained outside the United States or Canada. It would be a grave error to conclude that the exclusion of FFMG's from direct medical education funding was an easy decision. Extensive analysis of demographic data and many hours of arduous discussion brought us to the recommendation embodied in the bill. While sound arguments can be made on both sides of this difficult issue, I am forced to conclude that in a time of budgetary restraint and significant pressure on the trust funds, it makes little policy sense to expend Medicare dollars to train physicians who come to this country to learn a profession they expect to practice, not on Medicare participants or other U.S. patients, but in their countries. I recognize current law has served as a form of foreign policy, and I am well aware that some institutions have come to rely on this pool of residents for staffing. Accordingly, I would encourage those who testify before the Congress on the various provisions of this bill to offer suggestions about alternative funding approaches—perhaps a requirement that the foreign student's government share in the cost of his or her education; coupled with a special funding adjustment for public and other not-for-profit hospitals that provide a disporportionate share of charity care.

I want to take this opportunity to commend my colleagues, Senators DOLE and DURENBERGER, and their exceptional staffs on the care they have taken in developing this legislation. Evidence of that tempered approach can be seen in the two studies commissioned by the bill.

In the Health and Human Services directed study, training programs for nurses and allied health personnel will be evaluated. The results of that review will, in turn, serve as a guide to clarify the Federal role in continuing support of training programs.

Further, because there remain many unanswered questions about the so-called "indirect" teaching adjustment and its appropriate funding level, the General Accounting Office is directed to conduct a study of expenditures at teaching and nonteaching facilities. When the Congress is ready to proceed with what could be a major policy change regarding Federal support keyed to the special missions of teaching institutions, this information will be invaluable.

Though I am pleased to be an original cosponsor of the pending bill, I am not yet satisfied that the question of funding graduate fellowships has been properly addressed, particularly as it relates to internal medicine residencies. The failure to clarify supervising physician/attending physician responsibilities for purposes of billing also leaves a major financial question unresolved. Furthermore, I continue to believe that modifications in direct medical education assistance should be coordinated with proposed changes in the indirect adjustment because of the interactive relationship of these two sources of funding.

Notwithstanding these reservations, my hope is that this legislation will serve as a working document and that it will generate responsible policy and budgetary discussions in the area of medical education. I look forward to working with individuals and organizations with an interest in these issues to ensure continuation of a strong Federal presence in the training of health personnel.

By Mr. ANDREWS (for himself, Mr. GOLDWATER, Mr. MELCHER, Mr. BURDICK, Mr. ABDNOR, Mr. DECONCINI, Mr. BINGAMAN, Mr. BAUCUS, Mr. STEVENS, Mr. HATFIELD, Mr. WEICKER, Mr. NICKLES, Mr. BOREN, and Mr. COCHRAN):

S. 1159. A bill to amend section 8(a) of the Small Business Act to clarify the eligibility of small business concerns owned by Indian tribes; to the Committee on Small Business.

CONCERNING SMALL BUSINESS CONCERNS OWNED BY INDIAN TRIBES

● Mr. ANDREWS. Mr. President, I rise today to introduce a bill that will amend and clarify section 8(a) of the Small Business Act. This amendment will benefit a group in our country, the Native Americans, who have experienced dramatic economic and social improvement because of the 8(a) Program, and who, above all others, are economically and socially disadvantaged due to the Federal Government's failure to provide real economic development opportunities out in Indian country.

Some of you may recall that I introduced similar bills in past Congresses. Due to a number of factors, none of which concerned the intent or language of the bills, they did not make it to the Senate floor for our consideration. I am hopeful that this bill, which is identical to that reported out of the Senate Small Business Committee last Congress, will soon be before us for our favorable consideration.

Although the Small Business Administration has permitted tribally owned business to participate in the 8(a) Program, by administrative practice, this has been done on a very small scale. However, tribal eligibility for the 8(a) Program has never been clear because there is no clear expression of Congress in the Small Business Act or in the legislative history of the 8(a) Program that tribes, as an entity, are eligible. As a result, some Indian tribes have been informed by local SBA offices that they are ineligible for the program, while other local offices state that tribes are eligible. While some of this inconsistency was corrected in October 1982, by an SBA general counsel's opinion affirming the administrative practice allowing tribal participation in 8(a), there are still instances of tribes being denied access to the program, by misinformed local offices.

Therefore, I feel, that once and for all, there should be a clear expression to lay the issue to rest and ensure tribes access to this program.

The tribes participating in the 8(a) program are doing an excellent job. These businesses know the meaning of minority economic development. They employ a good number of people, the majority of whom are tribal members, and are forming the base for the beginning of a stable economy in otherwise economically isolated and disadvantaged areas.

While the concept of tribal ownership of a business is foreign to many of us in Washington, I, personally, know the success that such businesses can achieve. In my home State of North Dakota there are two tribes in the 8(a) Program—both providing a good, solid product to the U.S. Government and incentives and opportunities for their members.

The Devils Lake Sioux Tribe owns the Devils Lake Sioux Manufacturing Corp. in Fort Totten, ND. DLSMC has consistently been honored by the Defense Department for its outstanding work product. But its success is not only in the production line. DLSMC has given its members an opportunity for good, steady employment and the incentive to go off to college to learn business and marketing skills. Many of their college graduates return, now, to the reservation, and work for the company in the management area. Ten years ago, there were no jobs on the reservation for these young, college graduates. As the economy has grown, other small businesses, owned by Indians have sprung up, where before, if there were any businesses they were solely owned and run by non-Indians. DLSMC is a success story and one the tribe is very, and justifiably, proud of.

The Turtle Mountain Band of Chippewa also participate in the 8(a) Program through their Turtle Mountain Manufacturing Co., located in Belcourt, ND. The company currently employs over 130 people, producing cargo trailers for the Department of Defense. Due to its success in the program, the company is anticipating an expansion of the plant and contracts with the private sector. Young tribal members are gearing up their business skills to move into positions with the company, while other members, due to the company's contribution to the local economy, are starting small businesses, such as cafes, in the area. Again, 8(a) has helped an Indian tribe build an enterprise worthy of pride.

I can best sum up the effect of the 8(a) Program on Indian tribes and reservation economy by paraphrasing a tribal elder from one of the 8(a) tribes when he said that the difference between the 8(a) Program and prior Federal economic development programs was that the latter was a "make-work for awhile" program while 8(a) was a "work to make something forever program."

I urge my colleagues to support this bill and support building economies in Indian country.●

By Mr. HART:

S. 1162. A bill to amend the Nuclear Waste Policy Act of 1982 to require the Secretary of Energy to incorporate transportation impacts into the selection process for repositories of high-level radioactive wastes; to the Committee on Environment and Public Works.

NUCLEAR WASTE POLICY IMPROVEMENTS ACT

● Mr. HART. Mr. President, today I am introducing legislation to amend the Nuclear Waste Policy Act of 1982. This legislation will direct the Secretary of the Department of Energy to incorporate in the ongoing waste repository site selection process the impacts associated with the transportation of high-level radioactive nuclear wastes.

With passage of the Nuclear Waste Policy Act in December 1982, Congress for the first time established in law a comprehensive Federal policy for the management of the Nation's commercial high-level radioactive wastes. This was watershed legislation in the development of a national waste management policy and our efforts to address one of the most difficult and troubling aspects of the nuclear age. It addressed many of the issues debated for several Congresses and committed the Nation to a schedule for the development of permanent geologic repositories, granted private utilities primary responsibility for interim storage of wastes, and more clearly defined the roles and authority of both States and Indian tribes in the site selection process.

The act contains mandatory schedules for the selection, siting, and licensing of two separate, permanent repositories for nuclear waste and spent nuclear fuels. Nine locations are now under active consideration by the DOE, including several in the Western States of Utah and Nevada.

In passing the act, Congress left a great many technical questions unresolved. This did not include, however, concern about the costs and risks associated with the transportation of nuclear wastes and spent nuclear fuels. Transportation impacts were clearly not left to DOE discretion. Though the act makes explicit reference to transportation in section 112, indicating Congress' interest in having these impacts evaluated in the site selection process, the DOE has largely ignored this concern. In both its overall guidelines for the selection process and its draft environmental assessments for the nine potential sites, the DOE has given transportation only cursory and passing reference.

For example, the DOE analysis of transportation impacts at the two sites under consideration in Utah has been limited to a 125-mile radius. Regrettably, this study area barely includes the junction at Interstate 70, the major east-west corridor to be used by trucks traveling to and from the site. Further, this limited scope largely excludes all but highway access to the site, and completely excludes both Denver and Salt Lake City, two major urban population centers which will surely be affected by shipments to a potential Western site. Finally, where the DOE has focused on the transportation impacts, it appears to have been more concerned with the costs and impacts associated with heavy traffic

during the construction phase than the shipment of dangerous cargo during the operational phase.

Needless to say, this raises some very serious and troubling issues for every State which will potentially become a corridor for waste shipments. And, given the geographic distribution of the nine sites under construction by the DOE, this issue will hardly be limited to Western States.

Mr. President, it is conservatively estimated that by the turn of the century nearly 120 shipments of radioactive cargo will be transported daily on the Nation's highways and railroads. Undoubtedly, this aspect of the waste management process affects the greatest number of States and localities nationwide. Although only two sites will ultimately be selected, many more States and communities will have to prepare and plan for transportation of wastes through their jurisdictions. It is also this step of the process which poses the greatest risk of accidential spill or release of radioactive materials. Yet this is precisely the area which the DOE has devoted least attention to thus far in the site selection process.

Should the DOE select one of the sites in Utah or Nevada, several States including Colorado, Nebraska, Texas, and Kansas will, by necessity, play host to daily shipments of nuclear waste. In fact, it is estimated that if spent fuel were transported by truck to the Davis Canyon site in Utah, 5,917 shipments annually, or 16 shipments per day, will pass through Colorado alone. Given the special nature of the most likely routes through Colorado, this will have profound implications for the State. Unfortunately, none of these hazards has been adequately considered by the DOE.

A primary east-west route to the potential sites in Utah or Nevada will be Interstate 70, a highway which bisects Colorado and serves hundreds of thousands of commuters daily as it passes through the State's largest metropolitan area. Through much of east Denver this highway is elevated and passes literally over both residential neighborhoods and businesses. During foul weather this portion of I-70 often becomes dangerously icy; and during the daily morning and afternoon rush hours it is routinely clogged with commuter traffic.

West of the city I-70 winds through some of the most dramatic and difficult-to-navigate mountains in the Nation as it rises in elevation and eventually crosses the Continental Divide. In the Rocky Mountains, this highway is known for its steep grades, sharp turns, and unpredictable mountain weather which often reduces visibility to zero. Weather conditions alone closed the highway for more than 300 hours or 12 days in 1984.

This stretch of the Interstate System presents at least two other very special problems. First, all hazardous cargo is prohibited from the Eisenhower Tunnel, forcing trucks to use Loveland Pass—a very narrow, twisting, two-lane State highway which rises in elevation to nearly 12,000 feet. Second, in far western Colorado I-70 parallels the Colorado River along yet another narrow winding stretch. As we all know, this river is the lifeblood for seven Western States and Mexico.

A very good illustration of the problems presented by this stretch of I-70 was recently given by a Colorado State trooper in a Denver newspaper noting that Loveland Pass is hardly an ideal road for dangerous cargoes, and was closed 16 times last winter, once for 9 days. He said,

My question is, are the drivers prepared to spend nine days in the truck with the radioactive waste, and where are they going to park while they wait out the storms? The prospect of permitting trucks to use the Eisenhower Tunnel is no more comforting. Runaway truck ramps were used 34 times last year. Each time, it took one to two hours to get them off the ramps. Once last year two trucks went off one ramp at the same time. The second entered the ramp at 80 to 90 m.p.h. and collided with the first one. Summit County, where Loveland Pass and the Eisenhower Tunnel are located, has no full-time fire department. Obviously the level of training of volunteer fire departments is not up to the standards necessary to respond to nuclear waste incidents.

Although the chances of a serious accident involving nuclear cargo are somewhat remote, the consequences of such an accident in any of the locations would surely be catastrophic.

Officials throughout Colorado have expressed deep concern about the potential shipment of radioactive cargo on routes near their homes and communities. They are concerned about continued inadequate assessment and planning for shipments associated with the national permanent waste management program. In recent months, more than 10 communities have adopted resolutions restricting or prohibiting these shipments within their city limits. And, in March of this year, the State of Colorado intervened in a suit brought by the State of Washington to require judicial review of the DOE site selection process in order to require consideration of the impacts on corridor States like Colorado.

The residents of these communities and of communities throughout the Nation raise very legitimate concerns. Their resolutions emphasize the need for an expanded assessment program by the DOE, incorporating and evaluating the transportation routes and modes to potential sites. This will assist in determining the risks shipments of nuclear waste to these sites pose to public health, the environment, communities and highways in so-called corridor and adjacent States. This alone can help the DOE, the President, and ultimately the Congress make a much more informed decision on the selection of high-level waste repositories.

The Nuclear Waste Policy Improvements Act I am introducing today will address this issue in several ways: First, it will require the DOE to assess the public health and environmental impacts associated with radioactive waste shipments through the region surrounding all potential sites. Second, it will require the DOE to identify the most likely routes and modes of transport, evaluate the conditions and terrain on such routes, analyze and characterize the mileage traveled and by what types of vehicles, describe significant human activities and population density occurring within 10 miles of such routes, and estimate the cost of upgrading and maintaining such routes in a manner minimizing the risk to public health and the environment. Most important, this legislation will make available to States the additional Federal assistance necessary to upgrade and maintain such routes to ensure protection of public health and the environment in the event of an accident or spill involving high-level nuclear wastes.

Mr. President, the Congress has taken a necessary and important step with passage of the Nuclear Waste Policy Act. I urge my colleagues to join us in modifying this important act to ensure that communities and States affected by the shipments of nuclear waste are incorporated in the site selection process, and the DOE provides assistance necessary to plan for and prevent unexpected and possibly deadly accidents involving radioactive waste transportation.

Mr. President, I ask unanimous consent that the text of this bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 1162

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Nuclear Waste Policy Improvements Act of 1985".

TITLE I

SEC. 101. (a) Section 112 of the Nuclear Waste Policy Act of 1982 (Public Law 97-425) is amended by striking out the period at the end of paragraph (1)(E)(vi) of subsection (b) and inserting in lieu thereof ", including the environmental impact of transporting high-level radioactive waste and spent nuclear fuel through the region surrounding such site.".

SEC. 102. (a) Section 114(a)(1) of the Nuclear Waste Policy Act of 1982 is amended by striking out "and" after "regional distribution of repositories" and inserting ";".

(b) Section 114(a)(1) is further amended by inserting the following after "solidified high-level radioactive waste": ", and the

effect of transportation of high-level waste on States containing possible transportation routes, particularly States that are adjacent to the State in which a high-level waste site is being recommended pursuant to this section".

SEC. 103. Section 114(a)(1) is further amended by inserting the following after subparagraph (D) and relettering subsequent paragraphs accordingly:

"(E) the effect of transportation of high-level nuclear waste on States containing possible transportation routes, including, but not limited to—

"(i) identification of likely routes within each State,

"(ii) the condition of such routes,

"(iii) the terrain on which such transportation routes are located,

"(iv) an estimate of the cost of upgrading and maintaining such routes in a manner that minimizes risk to public health and the environment from transportation accidents or spills,

"(v) an analysis of the vehicle miles traveled (annually and seasonally) on such routes,

"(vi) a characterization of the types of vehicles that utilize such routes, and

"(vii) a description of significant human activities and population density that occur within 10 miles adjacent to such routes."

SEC. 104. Section 114(f) of the Nuclear Waste Policy Act is amended by inserting the following after the fifth sentence of such section: "The Secretary shall take into consideration the routes for the transportation of high-level nuclear waste, and the impact of such transportation on routes that are in States adjacent to the State in which a repository has been selected."

TITLE II

SEC. 201. Section 116(c) (2) (A) of the Nuclear Waste Policy Act of 1982 (Public Law. 97-425) is amended by adding the following at the end of the subparagraph:

"The Secretary shall also provide assistance to any State that contains likely routes for the transportation of high-level nuclear waste to the repository if such State, in its application for assistance pursuant to this paragraph, demonstrates such assistance is needed to upgrade or maintain such routes in a manner that provides adequate protection to the public health and safety from accidents or spills involving high-level nuclear waste."●

By Mr. KENNEDY:

S. 1163. A bill entitled the "Military Family Act of 1985"; to the Committee on Armed Services.

MILITARY FAMILY ACT

● Mr. KENNEDY. Mr. President, I am pleased to introduce the Military Family Act of 1985, a bill to address a number of issues that affect our military personnel and the families. We all know that our service men and women form the backbone of our national security. But the contribution comes not simply from the individual in uniform—but equally from all the members of the family who share the sacrifice that comes with military service. There are 3.7 million Americans who are members of military families and they deserve our recognition and support. The readiness and morale of our troops is critically dependent on the well-being of their family members, an issue which deserves as much attention as any of the more traditional components of military preparedness.

As a member of the Armed Services Committee, I have had the opportunity to visit with our military personnel and their families, both in the United States and abroad. Everywhere I go I find family issues on the top of the agenda—housing, permanent change of station, day care, spouse employment, education for the children—the list goes on and on. For too long these concerns have not received the attention they deserve—and yet they are among the most important factors in recruiting and retaining the skilled, dedicated individuals that our modern military requires.

The legislative package I am introducing today is based on legislation introduced by Representative PATRICIA SCHROEDER who has been a vocal and articulate force in working to meet the needs of the military family. The specific provisions I am offering today are drawn from the bill, H.R. 1681, and have been adopted by the full House Armed Services Committee as part of the Defense authorization bill for fiscal year 1986. I am hopeful that with the support of my Senate colleagues, we will see these provisions enacted into law as a part of the final Defense authorization for this upcoming year.

Mr. President, I ask unanimous consent that a brief summary of the bill appear in the RECORD at this point.

There being no objection, the summary was ordered to be printed in the RECORD, as follows:

SUMMARY

To summarize briefly, the bill contains 11 provisions.

Sec. 101 establishes an Office of Family Policy within the Office of Secretary of Defense, reporting to the Assistant Secretary for Manpower, Installations and Logistics to oversee existing military family programs and make program and policy recommendations.

Sec. 102 would transfer the Military Family Resource Center from the Office of Assistant Secretary for Health Affairs to the Assistant Secretary for Manpower Installations and Legislation.

Sec. 201 would reimburse members of the military for costs associated with travel in privately owned vehicles at the same rate that civilians are reimbursed.

Sec. 202 provides that military personnel and their families will be reimbursed for up to four days of temporary lodging expenses at $110/day.

Sec. 203 permits dependent students who are enrolled in a school within the continental U.S. to a round trip ticket once a year from a point of entry in the U.S. to their parents duty stations if their parents are stationed in Alaska and Hawaii.

Sec. 301 gives spouses preference in hiring for DOD civilian position at grades of GS 8 or above, if they are on the list of best qualified candidates, after veterans preference is satisfied.

Sec. 401 provides that DOD child care facilities on military installation be operated on a 24-hour a day basis when necessary to meet mission requirements.

Sec. 402 provides for a report from DOD on ways to improve employment opportunities for military spouses at child care facilities.

Sec. 501 establishes a youth sponsorship program at all military installations.

Sec. 502 requires DOD to make recommendations to assist children in secondary schools who must transfer with their parents to an area with different graduation requirements.

Sec. 601 establishes a voluntary dental insurance plan for spouses and dependents, with families paying not less that 40%, nor more than 60% of the premium.●

By Mr. HUMPHREY (for himself, Mr. THURMOND, Mr. LAXALT, Mr. SARBANES, Mr. GORTON, Mr. BURDICK, Mr. DECONCINI, Mr. COHEN, Mr. DOMENICI, Mr. MATTINGLY, Mrs. HAWKINS, Mr. ANDREWS, Mr. HATCH, Mr. RUDMAN, Mr. CHAFEE, Mr. DOLE, Mr. PELL, Mr. PROXMIRE, Mr. EXON, Mr. EAST, Mr. MATSUNAGA, Mr. HOLLINGS, Mr. LUGAR, Mr. METZENBAUM, Mr. NUNN, Mr. QUAYLE, Mr. GARN, Mr. BRADLEY, Mr. DENTON, Mr. NICKLES, Mr. HATFIELD, Mr. BOSCHWITZ, Mr. MATHIAS, and Mr. PRESSLER):

S.J. Res. 137. Joint resolution to designate the week of December 15, 1985, through December 21, 1985, as "National Drunk and Drugged Driving Awareness Week"; to the Committee on the Judiciary.

NATIONAL DRUNK AND DRUGGED DRIVING AWARENESS WEEK

● Mr. HUMPHREY. Mr. President, I am pleased to once again introduce a joint resolution designating "National Drunk and Drugged Driving Awareness Week." For the past 3 years, many of my colleagues have joined me in introducing similar joint resolutions. The weeks, which have taken place right before the Christmas and New Year holiday season, have proven enormously successful in increasing public awareness of the dangers of driving while impaired from drugs or alcohol.

Over the past 3 years, hundreds of volunteers throughout the Nation have participated in the programs and activities of National Drunk and Drugged Driving Awareness Week. Activities during the week have included the issuance of parallel proclamations by many Governors, mayors, and local officials; introduction of new drunk driving legislation in various States; the appointment of task forces, and issuance of task force reports; roadblocks and other increased enforcement efforts; candlelight vigils; a "Speak Out for Safety" campaign; and voluntary efforts to provide rides from holiday parties. All of the groups involved in this effort have asked that

once again we designate such a week right before the holidays this year.

Traffic accidents result in more violent deaths each year than any other cause, over 44,000 in 1984. According to the National Highway Traffic Safety Administration, 45 percent of all drivers killed in 1984 were legally drunk and this figure rises to over 60 percent for single vehicle crashes. The cost to society of drunk driving has been estimated to be over $24 billion a year, which does not include the needless pain and suffering caused by drinking and driving.

In addition, we are continuing to hear reports of driving after drug use and accidents involving drivers who have used marijuana or other illegal drugs. Scientists are just beginning to collect data on the concentrations of various drugs in the blood of fatally injured drivers and to conduct studies of the effects of drugs on driving ability.

Of increasing concern is the combination of drugs and alcohol and its impact on the incidence of traffic accidents. Surveys of our young people show that drinking and driving often accompany marijuana use. We have also been made aware that driving after the use of therapeutic drugs, either alone or in combination with alcohol, counter to the advice of physician, pharmacist, or manufacturer, may create safety hazards on the roads. Clearly we need more research to determine the effect of drugs, both alone and in combination with alcohol, on the incidence of traffic accidents and we must alert the public to the risks of combining alcohol and drugs with driving.

In large part due to the volunteer efforts of citizens such as Mothers Against Drunk Drivers [MADD] and Remove Intoxicated Drivers [RID], the public has been demanding changes in the Nation's approach to drunk driving. It is important that we press forward with current efforts to develop new and creative approaches, by combining the expertise of Government, community groups, and voluntary organizations, and bringing the unique talents of each to bear on this devastating national problem.

I believe we should designate 1 week annually as National Drunk and Drugged Driving Awareness Week, to ensure that the momentum does not slip away as society turns its attention to other pressing problems. It is my hope that each year, this week will be marked by radio and TV programs, articles in the print media, and local initiatives such as dial-a-ride, candlelight vigils, and roadblocks, all aimed at increasing the public awareness of the risks of drunk and drugged driving. This will provide an annual opportunity to focus attention on the problem, assess our progress, and address the question of further measures needed. It will guarantee we do not forget the enormous costs in human suffering and dollars caused by the deadly combination of alcohol, drugs and driving.

I urge all my colleagues to join me in sponsoring this Senate joint resolution to designate the week beginning December 15, 1985, as "National Drunk and Drugged Driving Awareness Week."

Mr. President, I ask unanimous consent that the text of the legislation I have introduced today be printed in the RECORD.

There being no objection, the joint resolution was ordered to be printed in the RECORD, as follows:

S.J. RES. 137

Whereas traffic accidents cause more violent deaths in the United States than any other cause, approximately forty-four thousand in 1984;

Whereas traffic accidents cause thousands of serious injuries in the United States each year;

Whereas more than 60 per centum of drivers killed in single vehicle collisions and 45 per centum of all drivers fatally injured in 1984 had blood alcohol concentrations above the legal limit;

Whereas the United States Surgeon General has reported that life expectancy has risen for every age group over the past seventy-five years except for Americans fifteen to twenty-four years old, whose death rate, the leading cause of which is drunk driving, its higher now than it was twenty years ago;

Whereas the total societal cost of drunk driving has been estimated at over $24,000,000,000 per year, which does not include the human suffering that can never be measured;

Whereas there are increasing reports of driving after drug use and accidents involving drivers who have used marijuana or other illegal drugs;

Whereas driving after the use of therapeutic drugs, either alone or in combination with alcohol, contrary to the advice of physician, pharmacist, or manufacturer, may create a safety hazard on the roads;

Whereas more research is needed on the effect of drugs either alone or in combination with alcohol, on driving ability and the incidence of traffic accidents;

Whereas an increased public awareness of the gravity of the problem of drugged driving may warn drug users to refrain from driving and may stimulate interest in increasing necessary research on the effect of drugs on driving ability and the incidence of traffic accidents;

Whereas the public, particularly through the work of citizens groups, is demanding a solution to the problem of drunk and drugged driving;

Whereas the Presidential Commission on Drunk Driving, appointed to heighten public awareness and stimulate the pursuit of solutions, provided vital recommendations for remedies for the problem of drunk driving;

Whereas most States have appointed task forces to examine existing drunk driving programs and make recommendations for a renewed, comprehensive approach, and in many cases their recommendations are leading to enactment of new laws, along with stricter enforcement;

Whereas the best defense against the drunk or drugged driver is the use of safety belts and greater safety belt usage would increase the number of survivors of traffic accidents;

Whereas an increase in the public awareness of the problem of drunk and drugged driving may contribute to a change in society's attitude toward the drunk or drugged driver and help to sustain current efforts to develop comprehensive solutions at the State and local levels;

Whereas the Christmas and New Year holiday period, with more drivers on the roads and an increased number of social functions, is a particularly appropriate time to focus national attention on this critical problem;

Whereas designation of National Drunk and Drugged Driving Awareness Week in each of the last three years stimulated many activities and programs by groups in both the private and public sectors aimed at curbing drunk and drugged driving in the high-risk Christmas and New Year holiday period and thereafter;

Whereas the activities and programs during National Drunk and Drugged Driving Awareness Week have heightened the awareness of the American public to the danger of drunk and drugged driving: Now, therefore, be it

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That the week of December 15, 1985, through December 21, 1985, is designated as "National Drunk and Drugged Driving Awareness Week" and the President is authorized and requested to issue a proclamation calling upon the people of the United States to observe that week with appropriate activities.●

● Mr. CHAFEE. Mr. President, I am pleased to join my distinguished colleague, Senator HUMPHREY, in sponsoring the Senate joint resolution to designate the week before the Christmas and New Year's holidays as National Drunk and Drugged Driving Awareness Week.

This joint resolution raises public awareness about the serious problem of drunk and drugged driving which exists in America today. The National Transportation Safety Board's statistics display with horrifying clarity the role of alcohol in auto accident fatalities and injuries. In 1982, there were 38,899 accidents, which killed 43,945 people. Alcohol was involved in 25,000 deaths, nearly 57 percent of the fatalities. This figure is even more disturbing when one considers that many of these alcohol-related fatalities could be prevented.

Drunk or drugged driving is a broad social problem. Federal and State transportation and law enforcement officials have worked diligently in recent years to keep alcohol or drug-impaired people off the road. Continued public education is an essential ingredient in the fight against drunk or drugged driving.

National Drunk and Drugged Driving Awareness Week will establish an intensive campaign aimed at its prevention. Local initiatives, such as dial-a-ride, combined with media attention will increase public awareness of the

problem. Awareness will lead to prevention.

Alcohol and drug abuse are a leading cause of tragedy on our highways today. Congress has the opportunity to take an initiative in preventing such tragedies from occurring. I urge my colleagues to join in supporting this important joint resolution●

ADDITIONAL COSPONSORS

S. 84

At the request of Mr. INOUYE, the names of the Senator from North Carolina [Mr. HELMS], the Senator from Illinois [Mr. SIMON], and the Senator from Kentucky [Mr. FORD] were added as cosponsors of S. 84, a bill to incorporate the Pearl Harbor Survivors Association.

S. 664

At the request of Mr. NICKLES, the name of the Senator from Delaware [Mr. ROTH] was added as a cosponsor of S. 664, a bill to facilitate the competitiveness of exports of U.S. agricultural commodities.

S. 670

At the request of Mr. PELL, the names of the Senator from West Virginia [Mr. BYRD], the Senator from California [Mr. CRANSTON], and the Senator from Connecticut [Mr. DODD] were added as cosponsors of S. 670, a bill to amend the National Labor Relations Act to give employers and performers in the performing arts rights given by section 8(e) of such act to employers and employees in similarly situated industries, and to give to employers and performers in the performing arts the same rights given by section 8(f) of such act to employers and employees in the construction industry, and for other purposes.

S. 725

At the request of Mr. CHAFEE, the name of the Senator from Missouri [Mr. EAGLETON] was added as a cosponsor of S. 725, a bill to authorize appropriations to carry out the Endangered Species Act of 1973 during fiscal years 1986, 1987, 1988, 1989, and 1990.

S. 729

At the request of Mr. DURENBERGER, the name of the Senator from Arizona [Mr. DECONCINI] was added as a cosponsor of S. 729, a bill to amend the Internal Revenue Code of 1954 to make permanent the rules relating to imputed interest and assumption of loans, and for other purposes.

S. 787

At the request of Mr. NUNN, the names of the Senator from Florida [Mr. CHILES], and the Senator from South Carolina [Mr. HOLLINGS] were added as cosponsors of S. 787, a bill to authorize the Secretary of the Army to accept and to operate a National Science Center for Communications and Electronics in order to enhance military training and to share technology development in the communications, electronics, and computer industries, and for other purposes.

S. 873

At the request of Mr. CHAFEE, the name of the Senator from Rhode Island [Mr. PELL] was added as a cosponsor of S. 873, a bill to amend title XIX of the Social Security Act to assist severely disabled individuals to attain or maintain their maximum potential for independence and capacity to participate in community and family life.

S. 896

At the request of Mr. SASSER, his name was added as a cosponsor of S. 896, a bill to amend the Internal Revenue Code of 1954 to apply rural electric cooperative plans to the provisions relating to cash or deferred arrangements.

S. 930

At the request of Mr. NICKLES, the name of the Senator from Delaware [Mr. ROTH] was added as a cosponsor of S. 930, a bill to amend the Commodity Credit Corporation charter to exempt all agricultural exports from cargo preference requirements.

S. 1025

At the request of Mr. PRESSLER, the name of the Senator from Georgia [Mr. MATTINGLY] was added as a cosponsor of S. 1025, a bill to require the United States International Trade Commission to investigate and report on the effects of honey imports and to require the President under certain conditions to take action based on such report.

S. 1147

At the request of Mr. HATCH, the name of the Senator from Georgia [Mr. DURENBERGER], the Senator from Iowa [Mr. GRASSLEY], and the Senator from Maine [Mr. MITCHELL] were added as cosponsors of S. 1147, a bill to amend the orphan drug provisions of the Federal Food, Drug, and Cosmetic Act and related laws.

SENATE JOINT RESOLUTION 88

At the request of Mr. LEVIN, the name of the Senator from Utah [Mr. HATCH] was added as a cosponsor of Senate Joint Resolution 88, a joint resolution to designate the week beginning September 8, 1985, as "National Osteopathic Medicine Week."

SENATE JOINT RESOLUTION 92

At the request of Mr. DENTON, the name of the Senator from Vermont [Mr. LEAHY] and the Senator from Illinois [Mr. SIMON] were added as cosponsors of Senate Joint Resolution 92, a joint resolution to designate October 1985 as "National Foster Grandparents Month."

SENATE JOINT RESOLUTION 108

At the request of Mr. WARNER, the names of the Senator from Ohio (Mr. GLENN) and the Senator from Nebraska (Mr. ZORINSKY) were added as cosponsors of Senate Joint Resolution 108, a joint resolution authorizing the Secretary of Defense to provide to the Soviet Union on a reimbursable basis, equipment and services necessary for an improved United States/Soviet direct communication link for crisis control.

SENATE JOINT RESOLUTION 122

At the request of Mr. BRADLEY, the name of the Senator from New Hampshire [Mr. HUMPHREY] was added as a cosponsor of Senate Joint Resolution 122, a joint resolution to authorize the President to proclaim the last Friday of April each year as "National Arbor Day."

SENATE JOINT RESOLUTION 126

At the request of Mr. PRESSLER, the name of the Senator from Wisconsin [Mr. PROXMIRE] was added as a cosponsor of Senate Joint Resolution 126, a joint resolution to condemn Bulgarian brutality toward their Turkish minority.

SENATE JOINT RESOLUTION 133

At the request of Mr. DOLE, the name of the Senator from Idaho [Mr. MCCLURE] was added as a cosponsor of Senate Joint Resolution 133, a joint resolution to designate May 25, 1985, as "National Holstein Day."

SENATE RESOLUTION 148

At the request of Mr. SASSER, his name was added as a cosponsor of Senate Resolution 148, a resolution commemorating the 50th anniversary of the Rural Electrification Administration.

SENATE RESOLUTION 165

At the request of Mr. HEINZ, the name of the Senator from Iowa [Mr. GRASSLEY] was added as a cosponsor of Senate Resolution 165, a resolution to urge the President of the United States and the Secretary of the Treasury to reject any tax reform proposal which would impose a tax on the annual increase in the value of permanent life insurance.

SENATE RESOLUTION 166—REGARDING A SUPERPOWER SUMMIT

Mr. SPECTER submitted the following resolution; which was referred to the Committee on Foreign Relations:

S. RES. 166

Whereas relations between the United States and the Union of Soviet Socialist Republics are currently characterized by considerable tension;

Whereas on-going nuclear arms negotiations being conducted by the duly appointed representatives to the respective parleys have not achieved satisfactory results to date;

Whereas a carefully prepared summit could facilitate the accomplishment of the objectives of these negotiations and lead to a reduction in the risk of nuclear war;

Whereas a carefully prepared summit could also lead to progress in resolving

other major issues troubling relations between the two superpowers;

Whereas both President Reagan and Soviet General Secretary Gorbachev have indicated their willingness in principle to participate in such a carefully prepared summit;

Resolved, That it is the sense of the Senate that the President of the United States and the President of the Union of Soviet Socialist Republics should meet at the earliest practical time following thorough preparation to discuss major issues in United States-Soviet relations and to work for the realization of mutual equities and verifiable reductions in nuclear arms.

Mr. SPECTER. Mr. President, I am today submitting a resolution expressing the sense of the Senate that President Reagan and Soviet leader Mikhail Gorbachev should hold a summit meeting as soon as possible.

I have submitted virtually this same resolution three times prior to this, as an amendment to the defense authorization bills in 1982, 1983, and 1984. It has been passed by my colleagues overwhelmingly each time. In 1982 my sense-of-the-Senate resolution calling for a summit passed by a vote of 92 to 6 and in 1983 by a vote of 82 to 7. In 1984, I again offered the resolution as an amendment to the Defense authorization bill. As it happened, my amendment came up very late at night after a long day of debate, and at the request of the majority leader I withdrew my request for a rollcall vote. The amendment passed without objection by a voice vote.

I would like to think our voices have been heard on Pennsylvania Avenue and that we have played some role in the President's invitation to Soviet leader Gorbachev for a summit.

Yet, I feel compelled to offer this resolution once more. Despite each leader's expression of a willingness to meet, conflicting pressures and longstanding distrust have resulted in virtually no progress being made toward such a meeting.

With growing signs that the talks in Geneva may already be approaching a stalemate, it is imperative that these two world leaders meet face to face; not for "marking progress," but to encourage and stimulate progress.

This summit cannot wait for the talks to produce agreement. It must propel the process toward peace.

This is consistent with the two-track approach which President Reagan has long advocated: That we should be strong, knowing the proclivities of the Soviets, but at the same time we should be willing to talk arms reduction.

Mr. President, I think that it is especially appropriate in the constitutional setting for this sense of the Senate resolution to be offered, given the constitutional responsibility and authority in the Senate for advice and consent on treaties.

The SALT II Treaty was never ratified by the U.S. Senate. It seems to this Senator most appropriate for this body to express itself on such an important matter and to lend encouragement to our President and to his Soviet counterpart that the Senate considers such negotiations in arms reduction to be a matter of paramount importance, that this body is interested in having such arms reduction agreements and, obviously depending upon the specifics of any such treaty, would be inclined to consider it favorably if, as, and when the matter came before the Senate for ratification.

An expression of congressional support for a summit is even more timely now than before because the United States has proceeded with the President's strategic modernization programs, including deployment of Pershing and cruise missiles in Europe, production of the B-1 bomber, and further production of the MX missile.

Consequently, the United States can now bargain from a position at least of parity. Indeed, the President has affirmed that he is satisfied with a position of parity and that efforts to achieve superiority are neither necessary nor helpful to arms control.

I believe, Mr. President, that in this day and age, there is no such thing as superiority. In a very real sense, the United States is inferior to the Soviet Union because the Soviet Union has the power to destroy the United States. And similarly, in a very real sense, the Soviet Union is inferior to the United States because the United States could destroy the Soviet Union. And both major powers may be inferior if the likes of Qadhafi or Khomeini ever obtains nuclear arms.

Mr. President, in my judgment there is worldwide fear of nuclear destruction, and there is the corollary of a worldwide wish for nuclear disarmament. In November-December 1983, I personally observed the location of the Pershing II's in West Germany, the location of the cruise missiles in England, and had occasion to talk to West Germans and British where the cruise missiles were deployed. Those missile systems were received by those two nations but in the context of great concern by the citizenry of those nations.

During the course of the past 4 years I have had occasion to have several hundred open house/town meetings throughout my State of Pennsylvania; and have found great concern and fear about the possibility of nuclear destruction, and great wish for nuclear disarmament. Wherever I have traveled in Pennsylvania at these open house/town meetings, there have been concerns about the MX, and a general sense in favor of a mutually verifiable nuclear freeze. There is a real sense in this country today about wanting to have arms reduction talks at the highest level.

It is my view, Mr. President, that the Congress and the Senate have a leadership role to push for such summit. As President Reagan himself has articulated his view of the relationship between the executive and legislative branch, there is a partnership. In seeking this sense-of-the-Senate resolution, I do little more than press for a formal statement by this body on what the President has already said that he finds to be acceptable.

I believe it is important that this body lend its collective voice to encourage our President, and encourage the leader of the Soviet Union, to meet, to have talks on these matters of the utmost urgency, and of the utmost importance.

The sense-of-the-Senate resolution which I am submitting does not lay out any detailed blueprint as to how President Reagan may wish to proceed, or how his Soviet counterpart may wish to proceed in terms of the adequacy of preparation or the nature of an agenda, but simply that there not be preconditions or assurances of success which means that the summit meeting ought not to be delayed until all of the items have been agreed upon by the subordinates and it is merely an event where documents are signed.

Mr. President, there have been relatively few summits during the course of the last 25 years—in 1959, 1961, 1967, 1972, 1973, 1974, in June 1974, November 1977, and June 1979. There has not been a summit meeting since June 1979.

In President Reagan, the United States has a superb negotiator and leader. His signal accomplishments at economic summits in Ottawa, Versailles, Williamsburg, and London and his bold proposals in the areas of nuclear, chemical, and conventional arms demonstrate his potential to achieve a breakthrough on arms control and other vital subjects in a summit with Chairman Gorbachev.

Of course, President Reagan, as an advocate on military strength and anticommunism, has unique credibility with important sectors of American political opinion on reaching an arms control agreement just as President Nixon did on recognizing Red China. With the accumulated knowledge from nearly 5 years of studying and deciding a range of arms control issues, the President also now has the requisite expertise.

Soviet leaders know, however, that, unlike their system of Government, in our country the system of checks and balance involves Congress in critical foreign policy decisions such as funding new weapons and ratifying new treaties. Therefore, there is a great need to demostrate national unity to them on critical issues like holding a summit and negotiating arms control.

In submitting this resolution, my intention is to give the President encouragement from the Senate's renewal of

support for his suggestion for a summit, and I fully expect it will be backed by my colleagues as before.

I am submitting this resolution now so that people can consider it, and I expect to reintroduce it, as in the past, as an amendment to the Department of Defense authorization bill when it comes to the floor.

There is no more important issue facing the world today than the possibility of nuclear destruction, and there is no more vital effort that can be made by the leaders of the United States and the Soviet Union than for the two superpowers to meet and talk about these issues in an effort to achieve arms reduction, and to relieve international tension.

SENATE RESOLUTION 167—ELECTING ERNEST E. GARCIA AS SERGEANT AT ARMS AND DOORKEEPER OF THE SENATE

Mr. DOLE submitted the following resolution; which was considered and agreed to:

Resolved, That Ernest E. Garcia, of Kansas, be, and he is hereby, elected Sergeant at Arms and Doorkeeper of the Senate, beginning June 3, 1985.

SENATE RESOLUTION 168—AN ORIGINAL RESOLUTION WAIVING SECTION 303(a) OF THE BUDGET ACT WITH RESPECT TO THE CONSIDERATION OF S. 1160

Mr. GOLDWATER, from the Committee on Armed Services, reported the following original resolution; which was referred to the Committee on the Budget:

S. RES. 168

Resolved, That pursuant to section 303(c) of the Congressional Budget Act of 1974, the provisions of section 303(a) of such Act are waived with respect to the consideration of S. 1160, a bill to authorize appropriations for the military functions of the Department of Defense and to prescribe personnel levels for the Department of Defense for fiscal year 1986, and for other purposes.

Such a waiver is necessary because section 303(a) of the Congressional Budget Act of 1974 provides that it shall not be in order in either House of Representatives or the Senate to consider any bill or resolution (or amendment thereto) which provides new spending authority described in section 401(c)(2)(C) of such Act to become effective during a fiscal year until the first concurrent resolution on the budget for such year has been agreed to pursuant to section 301 of such Act.

For the foregoing reasons, pursuant to section 303(c) of the Congressional Budget Act of 1974, the provisions of section 303(a) of such Act are waived with respect to the consideration of S. 1160.

AMENDMENTS SUBMITTED

ETHNIC AMERICAN DAY

PRESSLER AMENDMENT NO. 146

Mr. DOLE (for Mr. PRESSLER) proposed an amendment to the joint resolution (S.J. Res. 32) to authorize and request the President to designate September 15, 1985, as "Ethnic American Day"; as follows:

On page 2, line 4, strike out "15, 1985" and insert in lieu thereof "21, 1986".

NOTICES OF HEARINGS

SUBCOMMITTEE ON INTERGOVERNMENTAL RELATIONS

Mr. DURENBERGER. Mr. President, I wish to announce that the Senate Subcommittee on Intergovernmental Relations will hold a hearing on S. 765, the Great Lakes Management Act, on Wednesday, May 22, at 2 p.m. in room 342 of the Dirksen Senate Office Building.

AUTHORITY FOR COMMITTEES TO MEET

COMMITTEE ON COMMERCE, SCIENCE, AND TRANSPORTATION

Mr. DOLE. Mr. President, I ask unanimous consent that the Committee on Commerce, Science, and Transportation be authorized to meet during the session of the Senate on Thursday, May 16, to conduct an executive session to consider pending legislative business.

The PRESIDING OFFICER. Without objection, it is so ordered.

COMMITTEE ON AGRICULTURE, NUTRITION, AND FORESTRY

Mr. DOLE. Mr. President, I ask unanimous consent that the Committee on Agriculture, Nutrition, and Forestry be authorized to meet until 12:30 p.m., during the session of the Senate on Thursday, May 16, to mark up the 1985 farm bill.

The PRESIDING OFFICER. Without objection, it is so ordered.

SELECT COMMITTEE ON INTELLIGENCE

Mr. DOLE. Mr. President, I ask unanimous consent that the Select Committee on Intelligence be authorized to meet during the session of the Senate on Thursday, May 16, 1985, in closed executive session, to hold a briefing on intelligence matters.

The PRESIDING OFFICER. Without objection, it is so ordered.

SUBCOMMITTEE ON ENERGY RESEARCH AND DEVELOPMENT

Mr. DOLE. Mr. President, I ask unanimous consent that the Subcommittee on Energy Research and Development of the Committee on Energy and Natural Resources be authorized to meet during the session of the Senate on Thursday, May 16, to hold an oversight hearing on the Department of Energy's report to Congress on emerging clean-coal technologies.

The PRESIDING OFFICER. Without objection, it is so ordered.

ADDITIONAL STATEMENTS

DOD AUTHORIZATION

● Mr. GOLDWATER. Mr. President, late yesterday afternoon the committee completed action on its second markup of the fiscal year 1986 defense authorization bill. In the first markup, which occurred in early April, the committee reduced the administration's defense budget request by approximately $10 billion in budget authority. The amount reported in April represented 3 percent real growth over the defense funding level approved in fiscal year 1985. Yesterday's committee action resulted in a further reduction of $10 billion in budget authority in order to conform the fiscal year 1986 defense funding authorization to amounts approved by the Senate late last week.

In my view, the committee did an excellent job in establishing specific national security priorities and program funding reduction guidelines, and then making program funding reductions consistent with those priorities and guidelines. To the committee's credit, it did not try to artificially dramatize the serious long-term consequences of these budget reductions on our national defense posture by terminating several high-visibility major weapon systems. Cost and performance discipline for these and all other programs continues to be one of my highest priorities as chairman of the Armed Services Committee. I believe it was the committee's view that even those systems which have been controversial do, in fact, meet essential military requirements and contribute importantly to national defense.

It ought to be clear to the American public that our potential adversaries in the world are not standing still and thus our national security cannot be preserved if we are merely willing to stand still. These additional required reductions make this a stand-still budget. If we continue on such a path for the next few years, we will never reach the force level goals that are necessary to ensure our ability to deter and counter aggression and to support our foreign policy objectives.

For those of my colleagues in the Senate and the House of Representatives who have been clamoring for a reduction in defense spending and decrying the procurement practices of the Pentagon which they believe to be wasteful, this bill will test their sincerity. The bill provides $1 billion to be used in conjunction with statutory language authorizing the Secretary of

Defense to close some of the least essential military installations which have remained open largely, in many cases, for political reasons. The upfront costs associcated with closing these military installations will, in a very short time, be exceeded substantially by the savings which will result. In addition, this bill proposes to eliminate certain congressionally imposed waste by modifying the Davis-Bacon Act, the Walsh-Healey Act, the Contract Work Hours and Safety Standards Act, and in addition, proposes to remove the congressionally imposed restrictions on the authority of the Secretary of Defense to compete in the private sector certain services required by the Department when the Secretary determines such action would be cost effective and consistent with the interests of national security.

I hope that as the committee takes its bill to the Senate floor, Members will restrain their desire to have their individual authorship on an arms control amendment and recognize that such amendments more often than not impair the ability of our negotiators in Geneva, who are experiencing enough problems getting the Soviet negotiators to bargain in good faith. It has always been a curious phenomena to me, that faced with clear and convincing evidence of existing Soviet treaty violations, certain of my colleagues feel the desire to hold the United States to a stricter standard of compliance than they do the Soviet Union.

Following are the highlights resulting from yesterday's committee markup:

MANPOWER AND PERSONNEL

In manpower and personnel, the committee recommended a reduction of 10,730 active duty personnel from the request. This decision was a result of the substantial congressionally mandated defense budget reductions, coupled with a desire to permit increased manning in combat units as opposed to support forces. The committee agreed to increase the average strengths of the Selected Reserve by 30,272 which amounts to approximately 70 percent of the administration's request. A Defense Department civilian end strength of approximately 1.1 million personnel was approved, also as a result of congressionally mandated budget reductions. This figure represents a freeze on civilian manning levels in those program areas where growth was requested in fiscal year 1986 and a reduction in those functional areas where such a reduction was estimated in the budget.

In addition, the committee agreed to provisions which could lead to a substantial restructuring of the military compensation system. These provisions include a 10-percent reduction in the funding level for the military retirement system along with approval of several hundred million dollars for special and incentive pays and improved permanent change of station allowances. As part of this package, which involves reducing the share of military compensation dollars to be utilized for military retirement so as to provide more compensation to personnel during their careers, the committee approved on across-the-board pay raise of 3 percent for all military personnel to become effective on October 1, 1985. The committee further directed that the Secretary of Defense submit proposed legislation to the Congress, not later than September 1, 1985, which if enacted would alter the military retirement structure in such a manner that the costs of the system could be met under the reduced funding authorized by the committee. The committee specifically directed that the proposed legislation to be submitted by the Secretary of Defense would not apply to any person on active duty or already retired at the time such legislation is enacted.

STRATEGIC AND THEATER NUCLEAR FORCES

In view of the need to satisfy the constraints of a no real growth defense budget, the committee was compelled to reduce funding for strategic programs by an additional $1.3 billion. This amounts to a total reduction of $3.4 billion from the administration's request of $47 billion for strategic programs.

There was no change in the committee's recommendation on the Peacekeeper [MX] Program, with 21 missiles authorized for procurement. The committee also fully funded the small missile program.

Due to budgetary constraints, the committee recommended an authorization of $2.97 billion for the President's strategic defense initiative. This was a reduction of $450 million beyond that recommended at 3 percent real growth, for a total reduction of $750 million from the administration's request.

The committee recommended full funding for the 48 B-1B bombers requested by the administration, and it fully funded the advanced technology bomber and advanced cruise missile programs.

The committee fully funded the Trident II (D-5) missile program, and it recommended the authorization of $1.43 billion for one Trident submarine. This amounts to a reduction of $100 million from the administration's request.

SEA POWER AND FORCE PROJECTION

The committee approved $23.9 billion for sea power and force projection programs, a reduction of $3.3 billion from the administration's request. The committee approved $9.9 billion to procure 21 new ships in the 1986 Navy shipbuilding account. The committee's reductions in the shipbuilding program totaled $1.5 billion and included two MCM-1 class mine countermeasures ships. In the Navy aircraft procurement account, as an economy measure, the committee denied funding for six LAMPS Mark—1 helicopters, an action which would close this production line 1 year earlier than planned. For Air Force airlift, the committee approved the procurement of 12 KC-10A tanker/airlift aircraft and 16 C-5B airlift aircraft. The committee also approved $383.7 million for continued development of the C-17 airlifter, a reduction of $70 million.

MILITARY CONSTRUCTION

The committee authorized $8.8 billion for military construction out of a budget request of $10.3 billion. As in the committee's previous action, $36 million was authorized for the Navy to initiate land acquisition and construction to homeport a battleship group at Staten Island, NY and a carrier battle group at Everett, WA. However, the funds cannot be used until the Navy justifies to the Congress the military necessity and cost effectiveness of homeporting ships at these locations. The committee, due to budget constraints, deferred funds requested by the Army to begin stationing of the 10th Mountain Division at Fort Drum, NY. No funds were denied for troop or family housing as a result of the defense freeze. The committee also authorized $1 billion to be appropriated specifically for base closures along with a statutory provision which would supercede certain existing statutes which have impaired the ability of the Secretary of Defense from closing such bases.

TACTICAL ISSUES

The committee's program funding recommendations will continue the essential modernization of our conventional forces. The committee rejected the past practice of reducing production lines of the more essential weapons programs to inefficient production rates and instead recommended approval of the administration's request for the AH-64 Apache attack helicopter, UH-60 Blackhawk helicopter, Bradley Fighting Vehicle, M-1 Abrams main battle tank, the Navy's A-6E attack aircraft, F/A-18 Strike Fighter, and the Air Force's F-15 and F-16 fighters with only minor funding reductions. The committee recommended approval of the R&D for the JVX tilt-rotor aircraft, now designated the V-22 Osprey, but recommended reductions for the LHX, the Army's proposed family of light helicopters, and the Air Force's Advanced Tactical Fighter [ATF]. The committee also recommended that the Army's Aquila Remotely Piloted Vehicle [RPV] program be restructured at a funding level one half of that requested by the administration.

The committee recommended approval of the administration's request for air-to-air, surface-to-air, and air-to-

surface missiles with the exception of the Air Force's AMRAAM [advanced medium range air-to-air missile] for which the committee recommended approval of only $200 million of the $366.5 million requested by the administration for missile production.

The committee recommended no funds be provided for the Army's field artillery ammunition support vehicle [FAASV], the Army's robotic obstacle breaching assault tank [ROBAT], Navy UC-12B aircraft, Navy T-34C trainer aircraft, Marine M-198 Howitzers, Air Force HH-60 Nighthawk helicopters, and Air Force low level laser guided bomb [LLLGB] kits.

PREPAREDNESS

With regard to preparedness issues, the committee recommended $83.5 billion, approximately $3.5 billion less than requested by the administration in this area.

In going from the original 3 percent markup contained in the committee report to the zero percent growth level, an additional $800 million was reduced from the request. The additional reductions were made in financing adjustments of $200 million; O&M program reductions of nearly $250 million; a reduction of $200 million in the stock fund requests from all services; and almost $100 million in additional procurement reductions.

DEFENSE ACQUISITION POLICY

TITLE VI

Because Members of the Senate have expressed an interest in addressing the issue of defense procurement reform when the authorization bill comes to the Senate floor, the committee has removed the Defense Procurement Improvement Act of 1985 from the legislation. It will be offered as a committee amendment during Senate consideration of the authorization bill.

TITLE VII

The committee agreed to language clarifying the application of civil and criminal penalties levied against contractors submitting consistent unallowable claims. The section relating to the applicability of the Davis-Bacon Act contains codification of Department of Labor regulations on wage computation. The Walsh-Healey provision was modified by the committee to require overtime for hours worked over 40 hours per week, with no reference to daily overtime requirements. Finally, the committee has added language to set specific evaluation for the Secretary of Defense to use in closing or realigning bases, as well as to set restrictions on the authority to use appropriated funds for this purpose.●

NATIONAL TOURISM WEEK 1985

● Mr. SASSER. Mr. President, as cochairman of the Senate tourism caucus, I want to direct attention to National Tourism Week 1985, which begins on Sunday, May 19. National Tourism Week will kick off the great American summer vacation season, a season in which 105 million Americans are expected to make vacation trips this summer.

Instituted last year as a result of a joint resolution unanimously supported by both the House and Senate, National Tourism Week proved to be an enormous success in promoting the importance of travel and tourism—the second largest business in the United States.

So successful was National Tourism Week in 1984, in fact, that the resolution designating a 1985 National Tourism Week became a public law only 3 months after it was introduced simultaneously in both the House and Senate.

"Tourism Works for America" is the theme of this year's National Tourism Week. And certainly, tourism does work for America.

The travel and tourism industry is our Nation's second largest employer, providing 6.8 million jobs. And in 1983, the most recent year for complete data are available, the industry was responsible for 43 percent of all new jobs.

It represented 6.4 percent of the U.S. gross national product in 1983, with expenditures totaling $210 billion. One-eighth of every dollar spent on travel and tourism is tax revenue. In 1983, the industry generated $13.8 billion in taxes for the Federal Government, $8.7 billion for our States and $2.8 billion in taxes for local governments.

As the second largest industry in Tennessee, travel and tourism are key to the economy of the State. Data provided by the U.S. Travel Data Center and the U.S. Travel and Tourism Government Affairs Council amply illustrate this, and I ask that this data be printed in the RECORD at this point.

The data follows:

TENNESSEE FACT SHEET: ECONOMIC IMPACT OF TRAVEL AND TOURISM IN 1982

Travel and tourism was the second largest employer in the state in 1982.

In 1982, travel and tourism generated: 82,900 jobs; 4.9 percent of all jobs in Tennessee; $645 million in payroll. Over $3.1 billion expenditures in the state.[1] Tourists spent nearly $8.7 million per day in Tennessee in 1982; $3,168 million total domestic traveler expenditures; $292 million total tax revenues;[1] $139 million federal tax revenues; $114 million state tax revenues. Tourism contributed more than $312,000 per day to Tennessee in state taxes in 1982. Tennessee received $27.14 in tourism generated state taxes for each dollar the state budgeted for tourism in 1982; $39 million local tax revenues.

Tennessee ranked 8th in the U.S. in terms of state tourism budgets in 1982-83.

[1] Totals do not include foreign visitor contributions.

Source: U.S. Travel Data Center and Travel and Tourism Government Affairs Council.

Note: 1982 is the latest data available. 1983 data will be released in late summer 1985.

Mr. SASSER. Mr. President, as favorable as the data on travel and tourism are, all of us who are concerned with the vitality of the industry can do even more to strengthen its role in our national economy, and National Tourism Week is an ideal time in which to undertake this effort.

Specifically, more Americans should be aware of the importance of tourism to our international balance of trade. The foreign visitor to the United States is part of a major export industry. Yet, the administration seems intent on deauthorizing and dismantling the U.S. Travel and Tourism Administration [USTTA], the agency charged with coordinating our Nation's policies regarding tourism, especially international tourism.

With the strong American dollar making travel from abroad less attractive, it is more important than ever that we have a strong, aggressive national policies in this regard. I am confident that the Congress will see to it that the life and funding of the USTTA are extended so that this agency can do the job that needs to be done in promoting international tourism in the United States.

There are many other themes about tourism that one could emphasize during National Tourism Week 1985, but I believe that the industry has adopted a most fitting one for the week that begins shortly: "Tourism Works for America." Let us take the occasion of this special week both to appreciate and to promote this important economic fact.●

ANNUAL FINANCIAL DISCLOSURE OF SENATOR STAFFORD

● Mr. STAFFORD. Mr. President, in each of the last 11 years, I have made public disclosures of my financial holdings, along with summaries of my Federal income tax return.

I have pledged that I would issue a similar report to the citizens of Vermont each year for the remainder of my time in public office.

In keeping with that promise, I am once again issuing a public statement of financial disclosure.

The financial statement shows that my wife, Helen, and I had net assets of $760,000 as of May 8, 1985, when the evaluation was made.

The statement I am making public details our holdings, including bank accounts, cash value of life insurance and Federal retirement fund, real and personal property we own, and stocks and bonds.

The majority of the stocks and bonds listed were owned by us before I entered public office in Vermont 30 years ago.

The summary of our joint Federal income tax return shows that Mrs. Stafford and I had an adjusted gross

income of $123,000 last year. Of that total, $72,300 came from my salary as a U.S. Senator.

Our total tax bill for the year was more than $46,000, of which $36,000 was in Federal income taxes and $10,000 in Vermont State income taxes.

I shall ask that details of our financial statement be printed in the CONGRESSIONAL RECORD, as in the past. And, as I have done in each of the last 11 years, I am making copies of the statement available to newspapers, radio and television stations and other news services in Vermont.

This information is being made public because I remain convinced that those who serve in government, as well as government itself, must be as open and candid as possible with the public.

The net assets of the Staffords increased by $110,000 last year, a gain of nearly 17 percent. A major portion of our assets continues to consist of homes in Virginia and Vermont whose estimated total fair market value is $310,000.

One of the best ways Americans have to judge whether their government and their officials are acting properly is to provide full disclosure of all interests of government and of those who make decisions in government.

Thus, I invite all Vermonters—and all other Americans—to examine my financial interests and to match those interests with my record as a public official.

We have made some progress in providing the public with more information about the interests and activities of public officials, but we have a long way to go in providing full public disclosure.

I shall continue to support legislation that provides greater ventilation of the way we do business in our Government. In the meantime, I shall continue to make my own full disclosure to my fellow Vermonters.

The material follows:

Summary of 1984 joint Federal income tax return Robert T. and Helen K. Stafford

Income:	
Salary	$72,342.96
Interest	8,577.79
Dividends	5,414.01
Honoraria	20,500.00
Other	20,399.79
Total income	127,234.55
Adjustments to income allowable congressional expenses not reimbused	3,849.26
Total adjustments to income	3,849.26
Adjusted gross income	123,385.29
Deductions	11,270.89
Exemptions	4,000.00
Taxable income	108,114.40
Federal income tax due and paid	36,006.48

Statement of financial condition Senator and Mrs. Robert T. Stafford, May 15, 1984

Certificates of deposit:	
Chittenden Trust Company	$10,000
First Vermont Bank	10,000
Howard Bank	10,000
Howard Bank	10,000
Marble Savings Bank	10,000
Proctor Bank	10,000
Proctor Bank	10,000
Vermont National Bank	10,000
Vermont National Bank	10,000
Vermont Federal Bank	10,000
Total	100,000
Checking accounts:	
First Virginia Bank	600
Howard Bank	300
Riggs National Bank	18,000
Total	18,900
Life insurance:	
Connecticut General	
MONY	
NYLIC	
NSLI	
Travelers	
Total	20,000
Real estate (estimated market value):	
3541 Devon Drive, Falls Church, VA	150,000
27 Howard Avenue, Rutland, VT	60,000
64 Litchfield Avenue, Rutland, VT	100,000
Total	310,000
Additional assets:	
Contributions to Federal retirement (Dec. 31, 1984)	$82,055.83
Law library and office furniture	2,000.00
Boat and cars (two)	110,000.00
Personal property	35,000.00
Total	229,055.83
Stocks:	
Names and Shares	*Value*
NYNEX Corp.—77 at 82⅞	$6,381.36
AT&T—100 at 21½	2,150.00
Bellows Falls Trust Co—120 at 60	7,200.00
Cluett Peabody—20 at 30½	610.00
Con Edison of N.Y.—common 200 at 32⅜	6,475.00
Gillette Co.—20 at 60¼	1,205.00
Greyhound Corp.—20 at 28¼	565.00
Howard Bank—1425 at 22¾	32,418.75
International Harvester—20 at 9	180.00
Monsanto—80 at 46⅞	3,750.00
N. L. Industries—common 40 at 11⅞	475.00
National Distillers—40 at 29⅝	1,185.00
Outboard Marine—40 at 22⅞	915.00
Security Pacific Corp.—19 at 27¾	527.25
Time, Inc—75 at 54¼	4,068.75
Vendo—10 at 7⅜	73.75
Total	68,179.86
Keough account (Howard Bank)	13,983.28
Recapitulation: Total assets	760,118.97

PAN AMERICAN HEALTH ORGANIZATION'S CAMPAIGN AGAINST POLIO

● Mr. KENNEDY. Mr. President, earlier this week I had the privilege to attend the Pan American Health Organization's meeting to launch its 5-year campaign to eradicate polio from the Americas by 1990.

It was a remarkable meeting, not the least because of the attendance of all the scientists whose work has led to the possibility of eradicating this dreaded disease from our planet. All Nobel laureates for their pioneering work—Dr. Jonas Salk, Dr. Albert Sabin, Dr. Fredericak Robbins, and Dr. Thomas Weller—were given a standing ovation as the Pan American Health Organization announced that their life-saving vaccines would be mobilized to eliminate the scourage of polio in the Western hemisphere.

In announcing the program, the director of PAHO, Dr. Carlyle Guerra de Macedo, said it best: Despite dramatic advances that have been made with polio immunization, the disease has not been conquered here in our own hemisphere. He said:

> By 1990, if nothing new is done and if the number of new victims reported in 1984 is repeated year by year, there will be at least 2,500 more children paralyzed, crippled or dead because of this acute viral disease. We must put an end, once and for all, to that spectre of crippling disease which still looms before the children of the Americas.

As the regional office of the U.N. World Health Organization, this campaign by PAHO reflects the larger goals of WHO to immunize the children of this world against the preventable diseases that yearly kill 5 million children under the age of 5.

Mr. President, this is the work of the United Nations that we should commend and support—not denigrate, as some did just yesterday on the Senate floor during the debate on the foreign assistance bill. The work of WHO, and through it the Pan American Health Organization, deserves our praise and our active support.

Their work is also being recognized by the private sector, and I am delighted to learn that Rotary International has pledge to promote and assist in polio immunization of all children, worldwide, by the year 2005—Rotary's 100th anniversary.

Just in support of PAHO's campaign in the Western Hemisphere, Rotary has already contributed $6 million—with a commitment to do much more.

Other U.N. agencies, particularly, UNICEF, with its "Child Survival" initiative, are also supporting the campaign.

Mr. President, I commend to the attention of the Senate the outstanding work of PAHO as it launches a major program to eradicate polio from the Americas. I ask that the announce-●

ment by Dr. Macedo, director of PAHO, as well as Rotary International's program statement, be printed in the RECORD.

The material follows:

ANNOUNCEMENT BY DR. CARLYLE GUERRA DE MACEDO, DIRECTOR, PAN AMERICAN HEALTH ORGANIZATION

I am pleased to welcome so many distinguished scientific, political, and diplomatic leaders this morning to the Pan American Health Organization. Your presence here at PAHO demonstrates once more the combined commitment of the countries of the hemisphere to the struggle against disease in the Americas.

As the Regional Office of the World Health Organization in this hemisphere, PAHO has a permanent task of working with its member countries in pursuit of Health For All by the Year 2000. That responsibility is even greater when it touches our children.

Throughout the world, some 5 million children under five years of age die each year from diseases which we can prevent with medicines and relatively common technology available to us today. They die mainly of poor perinatal care, of hunger or of some infection. In the countries of the Americas, 800,000 children die each year from preventable diseases, as many children as the number of people who live in this city. It is as if an entire city the size of Washington, its inhabitants only children, were to be destroyed every year.

The tragedy is that those lives are lost not because we do not know how to prevent or control those diseases, but because we have failed to assure all children access to the benefits of the knowledge we possess.

Perhaps the most effective and efficient of all the health technologies know to man is immunization. The geniuses of science, and many are here today, have developed effective vaccines which protect against most of the childhood infectious diseases. Yet, 80 per cent of the world's children do not receive that protection. Even here in the Americas, 4 million children born every year do not yet have access to vaccination against those childhood killer diseases.

Around the world, every six seconds, one child dies and another is disabled because of the failure to immunize against those diseases. . . . In that space of time, a child has died because of the lack of immunization.

A decade ago, the World Health Organization sought to counter this threat to the children of the world by establishing the Expanded Program on Immunization. In 1977, it was begun here at PAHO with the aim of preventing six diseases—measles, diphtheria, tetanus, whooping cough, tuberculosis and poliomyelitis.

We created a revolving fund, financed by special contributions of several donor countries. Last year, PAHO received a special grant from the U.S. to complete that fund. PAHO now can purchase vaccines for the participating countries at the lowest possible cost. Reducing the cost means reaching more children.

Much has been achieved since 1977. A vast number of health workers have been trained. Cold chain systems that keep the vaccines viable have been organized and are being maintained in country after country. Immunization is one of the top priorities in the national health plans of every country of this region.

In 1977, immunization reached between 25-30% of the children. By 1984, we say the countries double that coverage, extending that fundamental life-saving technology to 60 percent of the children at risk. The gap is still enormous: too many children still suffer needless illnesses and too many still die.

The most dramatic advances have been made with polio immunization where we have boosted coverage nearly three-fold to 75% of those under one year of age since 1977. But the disease has not been conquered: by 1990, if nothing new is done and if the number of new victims reported in 1984 is repeated year by year, there will be at least 2,500 more children paralyzed, crippled or dead because of this acute viral disease.

We must put an end, once and for all, to that spectre of crippling disease which still looms before the children of the Americas. Without the eradication of the polio virus, the chances of a sudden outbreak of polio still exists. Eradicating the virus from the hemisphere is the only sure way to protect our children from the threat of that disease.

We have the means available to accomplish that goal, thanks to many of the men who are with us today. These remarkable scientists have given us the tools to put an end to the sight of children in wheel chairs or hospital beds because of polio. Drs. Frederick Robbins, and Thomas Weller, along with Dr. John Enders, received the Nobel Prize for their pioneering work with tissue culture which made a vaccine possible.

The final developers of the vaccines also are with us today, and their great contribution to the well-being of children has made their names household words—Dr. Jonas Salk and Dr. Albert Sabin.

They have made it possible. But there are others who have helped to make it feasible. The many multilateral, bilateral and non-governmental agencies—most of which are represented here today—helped create the necessary network of external support for the countries of the world.

UNICEF, through its strong advocacy of child survival, has raised international awareness, motivated governments and provided important resources for immunization. UNICEF and PAHO have developed an unprecedented and extraordinary cooperative relationship. Throughout the Americas, we are working side by side sharing goals, projects and resources.

UNDP and UNFPA have promoted vaccine quality programs and strengthened maternal and child health services.

The Inter-American Development and the World Bank have emphasized immunization in financing development and health projects in the Americas.

USAID and other bilateral cooperation agencies, have given substantial priority to programs in child health, especially immunization and oral rehydration.

Rotary International is a stellar example of the spirit of voluntary action by citizens around the world. It has dedicated itself to make the elimination of polio its highest priority.

Some of these organizations are part of the Group which met under international auspices at Bellagio to commit themselves to protect the world's children through immunization.

The work of the individuals whom I have cited, the collaborative actions of the various agencies I have mentioned and above all, the progress of the countries themselves, have convinced us that it is feasible today to interrupt the transmission of wild polio virus in the hemisphere by 1990. We are convinced that it is possible to reduce the number of cases from 500 annually to zero.

We are proposing that the member countries of PAHO be supported by all of us to achieve the eradication of polio from the Americas in a massive final five year effort. The time has come for us to say that it is unacceptable for any child in the Americas to suffer from polio.

We saw nearly 200 years elapse between Jenner's vaccination experiments and the elimination of smallpox from the Americas and the world. The genius of man has made it possible for us to consider a time much shorter between the first vaccinations for polio and its elimination from our hemisphere. The Americas was the first Region to eliminate smallpox; we can be the first to eliminate polio.

It will not be an easy task, but we are convinced that our plan of action can work. It will focus on the accelaration of the Expanded Program of Immunization with special vaccination strategies in each country, supported by effective disease surveillance and control and training of health workers. It will strengthen the countries' maternal and child health services which are so vital for the health of our children.

We will be tapping the voluntary organizations in every country, inviting the participation of the mass media and mobilizing individual families and communities. We will promote a nationwide effort in every country, dedicated to a common strategy, committed to a common goal.

The drive to eliminate polio will be the vehicle that will carry the nations of the hemisphere toward the EPI goals of universal immunization against the childhood diseases by 1990.

We estimate that the cost of halting the transmission of wild poliovirus from the Americas will be approximately $100 million over the next five years. We believe that we will obtain one-third of that amount from donor countries and institutions and part of that amount already is included in their current and future budget plans. The remainder will come from the countries themselves, in spite of the financial crisis which currently pervades this Region. For most of them, it will mean the reprogramming and more efficient utilization of resources which are already being spent in health.

I am convinced that this commitment by the nations of the Americas to eradicate polio will not fail because of the lack of financial resources. The long-term economic return will far outweigh the actual costs of the effort, although my personal conviction is that it is time to stop using economic indicators alone to measure the development and well being of children.

Although individual countries have shown that it can be done, skeptics will say this is too ambitious an undertaking. I say it is the least that we can do. For I dream of a time when we have not only rid this hemisphere of the curse of polio, but of a time when, for every child, the future is, as the poet wrote, "a world to be born under your footsteps." We can build a better world for our children. We can make a revolution in health. We need only to decide to work together to do it.

Let us now take this first step toward that future by eradicating polio from the Americas by 1990: I trust that we or others like us will meet here at that time to rejoice in our having achieved the goal we have set today.

Once more, in this special struggle to eradicate polio, health must and will be a

bridge for solidarity and understanding between the peoples and countries of the Americas, a bridge for peace and well-being.

ROTARY ESCALATES WORLD WAR AGAINST POLIO WITH MASSIVE 20-YEAR PROGRAM

POLIO 2005 PLAN

Rotary International has pledged to promote and assist polio immunization of all children worldwide by 2005, Rotary's 100th anniversary. It has already launched or approved immunization projects in 19 countries to protect more than 46 million children.

By adding its efforts to those of WHO's Expanded Immunization Program (EPI), UNICEF, and other organizations, Rotary—through The Rotary Foundation of Rotary International—contributes to making a polio-free world a reality through its work in developing nations.

Rotary will provide all the polio vaccines necessary for up to five consecutive years for any approved city, state, country, or regional immunization program—either as part of annual national days of immunization against polio or through other delivery tactics, in overall support of the EPI.

Rotary will make available to any less-developed country, upon invitation, a team of experts to help assess, plan, implement, and evaluate a plan for annual national days of immunization against polio. In each country targeted for such campaigns, a committee of Rotarians, in conjunction with Rotary's expert team and national and local health officials, will seek to motivate and utilize resources of the private business and professional sectors. Recently, the World Health Organization (WHO/PAHO) established official relations with Rotary International as a non-governmental agency.

ROTARY ACTION TO CONTROL POLIO IN THE AMERICAS

In the Americas, The Rotary Foundation currently is conducting or planning five-year immunization projects in nine countries. In addition, as part of Rotary's new Polio 2005 Program, Rotary Foundation immunization expert Mejico Alfredo Angeles, vice minister of health for the Dominican Republic, is now in Paraguay working with a Pan American Health Organization team to determine if a mass immunization program is feasible in that country.

ROTARY IMMUNIZATION PROJECTS IN THE AMERICAS

Belize: A U.S. $51,200 grant is approved for a national program due to begin in May or June, 1985. The grant will be used to purchase equipment and provide training for both health workers and maintenance personnel as part of a national effort to protect 35,000 children.

Bolivia: Now in its third year, the U.S. $104,000 Rotary Foundation project provides both polio vaccine and cold chain equipment for a national effort to protect 425,000 children. A national immunization day was held October, 1984.

Costa Rica: Polio vaccine for 500,000 children is being provided through a U.S. $50,000 Rotary Foundation grant. The second shipment, comprising 600,000 doses, was purchased November, 1984.

El Salvador: Local Rotarians donated 3,000 vaccine thermoses for El Salvador's first three national immunization days this year and actively participated in implementing the program. Polio vaccine for the next five years of the project, designed to protect 1,454,000 children, will be purchased through a U.S. $274,000 Rotary Foundation grant.

Haiti: To launch Rotary's immunization project to protect 540,000 children, local Rotarians enlisted 1,000 volunteers in an inaugural event held in Port au Prince in April, 1982. Now in its third year, the project is funded by a U.S. $196,000 Rotary Foundation grant.

Guatemala: The first one million doses of polio vaccine to be purchased through The Rotary Foundation's U.S. $378,600 grant was ordered in February, 1985. Local Rotarians are actively promoting that nation's efforts to protect 1,920,000 children.

Panama: In support of Panama's efforts to protect 400,000 children from childhood diseases, The Rotary Foundation has awarded U.S. $537,000 for a massive public information campaign to be supported by local Rotarians' work to enlist the participation of the entire population.

St. Lucia: A U.S. $66,000 Rotary Foundation grant will supply a variety of needed vaccine for this island nation, including polio vaccine to protect 20,000 children.

OTHER ROTARY FOUNDATION IMMUNIZATION PROJECTS

Country	Children to be immunized	Foundation grant
Gambia	200,000	50,500
Ghana	1,875,000	374,000
Liberia	268,865	56,800
Morocco	5,000,000	734,600
Nigeria	21,150,000	2,810,000
Philippines	6,000,000	760,000
Senegal	1,250,000	219,000
Sierra Leone	1,000,000	165,000
Sudan	1,200,000	236,000
Zambia	2,200,000	367,000

SUPPORT OF NOMINATION OF WILLIAM H. OPEL FOR U.S. MARSHAL FOR ALASKA

● Mr. MURKOWSKI. Mr. President, I am honored to support the nomination of an outstanding Alaskan, Mr. William H. Opel of Anchorage, to be the U.S. marshal for the State of Alaska. Mr. Opel's nomination for this important position was confirmed late last evening by the Senate.

Bill Opel is extremely well-qualified and deserving of this appointment. He has been with the U.S. Marshal Service in Alaska for over 15 years and has been the court-appointed marshal since 1977.

In addition to his dedication as a member of the U.S. Marshal Service, Bill has also demonstrated his service and dedication to our country through a distinguished military career.

After graduating from high school in 1943, Bill joined the U.S. Army, first serving in Europe during World War II. During the war he was awarded nine decorations and five battle stars before receiving an honorable discharge on December 9, 1945.

At the outbreak of the Korean war, Bill, reenlisted in the Army and volunteered for combat duty. During his assignment in Korea, Bill received six additional decorations.

After his tour of duty in Korea, Bill continued to serve in the Army for the following 12 years in Germany and Taiwan. In 1964, he became the first American to be awarded the Chinese Police Medal by the Taiwanese Government.

In 1967, at the height of the Vietnam war, Bill again volunteered for combat duty. During the 13 months he served in Vietnam, he was awarded the Purple Heart, two Bronze Stars, one of which was for heroism, the Vietnamese Medal of Honor and the Vietnamese Cross for Gallantry. Bill Opel has the distinction of being recognized as the most highly decorated enlisted man in Alaska.

Upon his retirement from the Army in 1970 at Fort Richardson, AK, Bill joined the U.S. Marshal Service.

Bill's career with the U.S. Marshal Service has been as illustrious as his military one. After entering the U.S. Marshal Service as a deputy marshal, he was promoted through the ranks to the position of chief deputy U.S. marshal, before being appointed as U.S. marshal for the State of Alaska. During his career in the Marshal Service he has accumulated almost as many awards and honors as he did in the Army. In fact, Bill has received 22 letters of commendation and is the first member of the Alaska Marshal Service to be awarded the Outstanding Performance Award by the U.S. Marshal Service.

There is one more honor that has been bestowed upon Bill, although it may be a dubious one. Because of bureaucratic problems, he has served as the longest court-appointed U.S. marshal in the history of the U.S. Marshal Service.

Mr. President, I know of no other person more worthy of becoming the U.S. marshal for Alaska.

It is a distinct honor for me to support the nomination of Mr. William H. Opel of Anchorage, AK, to be U.S. marshal for the State of Alaska, and I commend my colleagues for having confirmed his nomination.

Mr. President, I ask that a letter in support of Mr. Opel's nomination, written by Judge James Fitzgerald, chief judge of the U.S. District Court for the State of Alaska, be printed in the RECORD.

The letter follows:

U.S. DISTRICT COURT,
DISTRICT OF ALASKA,
Anchorage, AK, March 28, 1985.

Mr. STANLEY E. MORRIS,
Director,
U.S. Marshals Service,
McLean, VA.

DEAR MR. MORRIS: A few months ago a story broke in the local press concerning misfeasance involving millions of dollars in the affairs of the North Slope Borough, an Alaskan municipality. This initial report has been followed by many wide-ranging news articles, T.V., and radio broadcasts throughout Alaska. It was recently reported in the media that federal officials, including the Federal Bureau of Investigation and the Internal Revenue Service agents are involved

in ongoing investigations into the affairs of the North Slope Borough.

Within the past two weeks a second Grand Jury was empanelled at the request of the United States Attorney, Mr. Michael Spaan. I was informed by Mr. Spann and by certain agents of the Federal Bureau of Investigation of the necessity of protecting the identity of several confidential informants who would be appearing before the Grand Jury. I was satisfied, on the basis of information made available to me, that not only was it essential and necessary to protect the identity of the confidential informants but the identity of members of the Grand Jury as well.

Acting United States Marshal William Opel was assigned full responsibility by this court to ensure the secrecy of all Grand Jury proceedings, as well as the protection of the identity of Grand Jurors and confidential informants.

I have now received a letter from the United States Attorney commending Marshal Opel for achieving full security of the Grand Jury and the witnesses who appeared during recent sessions of that body. Mr. Spaan reports that the Grand Jury was able to conduct its business without interference by interested defense lawyers and the media. According to Mr. Spaan, Marshal Opel performed an outstanding job.

This is only the latest instance in which Marshal Opel has performed his duties in a most commendable manner. From time to time, he has had to provide courtroom security for the trial of criminal cases in which a substantial threat of disruptive behavior existed. In every instance, Marshal Opel has carried out his duties and has appropriately instructed and supervised his deputies. At no time have I ever heard a single complaint that either he or his deputies acted in any manner offensive or officious to the public in performing these sensitive responsibilities. I believe his nomination as United States Marshal in this district is now pending before the Senate Judiciary Committee. For that reason, I am also sending copies of my letter to our United States Senators, Senator Ted Stevens and Senator Frank Murkowski. I, and the other judges of this court, believe we are fortunate to have the services of a dedicated and worthy officer of the United States Marshals Service.

Very truly yours,

JAMES M. FITZGERALD,
Chief Judge.●

REPRESENTATIVE ROBERT TORRICELLI

● Mr. HART. Mr. President, I am privileged to be working with one of the young Democratic leaders in the House of Representatives on a proposal about which I care deeply.

Congressman ROBERT TORRICELLI a Democrat from New Jersey, is the House sponsor of legislation I introduced in the Senate on the subject on national service. Our bill, the Select Commission on National Service Opportunities Act of 1985, calls for the establishment of a panel to investigate the issues associated with national service.

The activities of the Commission—which is empowered under our bill to hold hearings on national service—will focus the attention of the country and the Congress on how we can establish incentives and opportunities for our young people to provide service to the Nation.

On May 12, the Bergen Record, a distinguished daily newspaper in northern New Jersey, ran an editorial titled "At Your Service." In it, the Record recognizes that some form of national service would help this Nation meet a catalog of needs which need to be filled—problems in our cities, the elderly who need companionship, restoration of housing, and others.

The Record also paid tribute to the House sponsor of the legislation, saying: "At a time when the currency of patriotism is debased by sloganeering, it is bracing to hear Representative ROBERT TORRICELLI talk about asking Americans to repay some of the benefits of citizenship."

I think this editorial makes an important contribution to the debate on national service by correctly identifying the core value of this proposal, and by saluting Congressman TORRICELLI for his leadership on this issue.

I ask that the full text of the editorial appear in the RECORD.

The editorial follows:

AT YOUR SERVICE

At a time when the currency of patriotism is debased by sloganeering, it is bracing to hear Rep. Robert Torricelli talk about asking Americans to repay some of the benefits of citizenship. Mr. Torricelli, of Hackensack, and Sen. Gary Hart of Colorado are cosponsoring legislation that will open the debate on a system of universal national service.

Their bill would establish a Select Commission on National Service Opportunities to come up with practical proposals for a mandatory period of military, volunteer, or government service by every man and woman aged 18 to 25.

It's not a new idea, Franklin Roosevelt recruited 3 million youths to build dams and rehabilitate parks in the Depression. John Kennedy's Peace Corps, created as an embodiment of his ideals of public service, has sent 35,000 volunteers overseas. Robert Kennedy talked about some kind of obligatory national service for everyone.

It is a question of opportunities. We seem to be at a juncture in our history, said Mr. Torricelli, where young people yearn to make a contribution to their society. National service would give them an opportunity to do so. At the same time, it would give a more fundamental kind of opportunity to the large number of youths who've never had decent housing, decent diets, decent schooling—and who thus enter adulthood with no hope of finding a productive job. Here the opportunty is society's to help these youngsters overcome educational and economic deficits and enter the mainstream.

There is a long catalog of national needs to be filled—an enormous amount of work to do. Our cities are marred with blasted neighborhoods. Salvageable housing is ceded to junkies and their dealers. Parks are trashed. Many children should have tutoring to help them catch up in school—or someone to play ball with after school. Lonesome old people need errands run, windows washed, someone to talk to. A million social needs go unanswered because most of us are so busy pursuing livelihoods.

Universal national service is a promising answer. There are a host of practical problems. How much would it cost to place millions of young people in military, public, and social services? How would we choose the work for them to do? Would they be paid according to present military pay scales, for instance, or on a sliding scale controlled by the difficulty of their assignments? How would a tour of duty mesh with ongoing educational or career or family goals? How would the government match its needs with the preferences of individual recruits for, say, the military, the Job Corps, the Peace Corps, or local government service?

The questions are legion but not imponderable. Fiscal and administrative obstacles must be overcome. But it's hard to think of an endeavor that would better suit the physical and psychic needs of this nation and its people.●

FRATERNAL ORDER OF POLICE

● Mrs. HAWKINS. Mr. President, I rise today to recognize the Fraternal Order of Police for their active participation in protecting our Nation's children. We find in this organization, activities vital to success in combating child abuse and kidnapping.

Robert Spiegel, chairman of public relations, has taken a strong interest in this issue. He was instrumental in getting the national lodge to adopt the Ident-A-Child Program and has consistently supported child safety programs throughout the years.

The Fraternal Order of Police was involved with action in putting together a number of publications on children, such as the Child Safety Program Handbook. It also undertook the task of fingerprinting children across America. They concentrated one program on Dade County, FL, in which they took fingerprints and photographs of children. They gave parents identification cards with vital information, excluding names and addresses to prevent possible misuse by child abusers.

The organization has also been active in legislation concerning child safety. They were instrumental in getting the first joint resolution for National Missing Children Day passed, and they actively supported juvenile justice legislation and the President's criminal justice legislation. Most recently, the Fraternal Order of Police was asked to aid in the President's national partnership on child safety, and, with their active involvement, they hope to comprise a portion of the task force.

We must pull in all of America in this protection of our Nation's most valuable resource. The Fraternal Order of Police serves as a model to all public organizations to involve themselves in protecting our children.●

SOVIET STRATEGY IN GENEVA

● Mr. NUNN. Mr. President, when the Soviet Union agreed to return to Geneva for new negotiations on nuclear and space arms, there was hope that the Soviets would come to the negotiating table with serious proposals and a new spirit of flexibility and compromise.

Instead, they devoted the first 6 weeks of the talks to propaganda, posturing, and public diplomacy. Round one of the negotiations demonstrated that the Soviets are prepared, at least for now, to defend totally unacceptable proposals that have actually regressed from earlier Soviet offers in START and INF. If, in Soviet eyes, the raison d'etre of these talks is to achieve a negotiated agreement that prohibits the deployment of new strategic defenses, then round one certainly moved them no closer to this goal.

On May 1, Ambassador Paul Nitze gave a speech at the National Press Club in which he offered a possible explanation for Soviet behavior in round one. According to Ambassador Nitze, the Soviet Union is "pleased with the current strategic situation" and is therefore trying to freeze its perceived advantage in several key elements of strategic power, including prompt counterforce capability, longer-range INF missiles, ABM's and ASAT's. In short, Ambassador Nitze argues that, rather than negotiate an accord that would provide for strategic parity, the Soviets are "devoting their efforts to countering any change."

Mr. President, I ask that the entire text of Ambassador Nitze's speech be inserted in the RECORD.

The text follows:

THE FIRST ROUND IN GENEVA

(Paul H. Nitze)

INTRODUCTION

On April 23, U.S. and Soviet negotiators completed their first round of talks on nuclear and space arms in Geneva. On that same day, in his speech at the Central Committee Plenum, Soviet General Secretary Gorbachev criticized the United States for blocking progress in the negotiations. He alleged that we had refused to discuss the question of preventing an arms race in space. He charged us with violating the agreement reached in January by Secretary Shultz and Foreign Minister Gromyko to address the complex of issues in their interrelationship. Finally, he extolled the moratorium proposal introduced by the Soviets in the first round as providing a basis for progress.

Mr. Gorbachev's claims are without merit. The U.S. approach to the negotiations is specifically designed to pursue all of the agreed objectives of the talks, including preventing an arms race in space. It is the Soviets who, by focusing their energies on an attempt to derail SDI research, are contradicting the January agreement to deal with all the issues in their interrelationship. The Soviet moratorium proposal does not provide a useful basis for progress. And it is the Soviet approach as a whole that is blocking U.S. efforts to facilitate movement in the negotiations.

Let me review the results of the first round and explain the basis for these conclusions.

BACKGROUND

As you remember, the Shultz-Gromyko agreement in January established the parameters of the negotiations. They agreed that the subject is the complex of questions concerning space and nuclear arms—both strategic and intermediate-range—to be considered and resolved in their interrelationship. The agreed objective is to seek effective agreements aimed at reducing strategic and intermediate-range nuclear arsenals, at strengthening strategic stability, and at preventing an arms race in space. The detailed work of the talks is being conducted in three negotiating groups, addressing strategic nuclear arms, intermediate-range nuclear forces, and defense and space arms.

U.S. APPROACH

The United States approached the first round of the negotiations with four primary objectives in mind. The first of these is to seek equitable and verifiable agreements leading to deep reductions in offensive nuclear arsenals. These are the weapons that exist today and which thus pose the most immediate threat to our mutual security.

Our second goal is to resolve our concerns about the erosion of the ABM Treaty regime that has resulted from Soviet actions over the past decade, and about Soviet noncompliance with that and other existing agreements. We are determined to seek corrective action where violations have occurred.

Our third objective is to lay out the US strategic concept and engage the Soviets in a general discussion of the offense-defense relationship. Specifically, we want to explain how, over the long term—should new defensive technologies prove feasible—we hope to make a transition from the current situation, in which deterrence rests on the ultimate threat of devastating nuclear retaliation, to one in which nuclear arms are greatly reduced and increasing reliance is placed on defenses which threaten no one. We intend, when the Soviets are ready to join us in doing so, to begin discussions with them on our ideas as to how our two sides might jointly manage such a transition.

Our final objective is to impress on the Soviets that our ultimate goal, as the President has repeatedly stated, is the elimination of all nuclear weapons. The Soviet Union has long stated this to be its goal as well. We have no illusions that our two sides can quickly or easily agree on the practical steps necessary to reach this goal, but its importance makes it imperative that we persist. Were nuclear weapons to be eliminated, we would have to devote particular attention to how, together with our allies, we might counter and diminish the threat posed by conventional arms imbalances, through both arms improvements and arms control efforts.

At the beginning of the round, in meetings of the full delegations, the US negotiators presented our assessment of the current strategic situation and our ideas on how we could pursue the agreed objectives of the talks. After two weeks, the delegations broke into the separate negotiating groups and the detailed work began.

In the negotiating group on strategic offensive arms, the US laid out its conceptual approach to achieving significant, equitable, and verifiable reductions, in a manner that would improve stability. This approach includes substantial reductions in the number of warheads on, and the destructive capacity of, ballistic missiles, as well as limits on heavy bombers and the number of ALCMs they carry below the levels set by SALT II. US negotiators emphasized the broad authority they had been given by the President for working out means to reach that goal. They made it clear that it is the substantive outcome more than the method of achieving it that is of primary importance.

The US side also stressed that the US is not trying to dictate the character of the Soviet force structure. We recognize that there are substantial differences between our respective nuclear arsenals, and have therefore urged the Soviets to explore with us possible trade-offs between areas of US and Soviet advantage and interest. An example of such a trade-off would be a provision allowing a Soviet advantage in ballistic missile capability in return for a US advantage in bomber capability.

In the negotiating group on intermediate-range nuclear forces, the US reaffirmed its preference for the complete elimination of all US and Soviet longer-range INF missile systems. We reiterated our willingness to agree, as an interm measure, to reduce LRINF missiles to the lowest possible equal global limits on warheads. Finally, in order to take account of previously expressed Soviet concerns, we renewed our willingness to consider a commitment not to deploy in Europe all of the LRINF missiles to which we would be entitled under equal global ceilings, to apportion reductions to be made in LRINF missiles between Pershing IIs and GLCMs in an appropriate manner, and to discuss LRINF aircraft limitations. As in the strategic arms group, the US negotiators emphasized their flexibility.

In the defense and space negotiating forum, we pointed out the instability that exists in the current strategic situation and the need for our two sides to address the problem. We stressed the importance we attach to reversing the erosion of the ABM Treaty regime. In that regard, we underlined the premium we place on treaty compliance in the arms control process and our concern about Soviet actions that violate the ABM Treaty and other existing agreements. Notable in this regard is their construction of a large phased-array ballistic missile tracking radar at Krasnoyarsk that, because of its interior location, orientation, and early warning capability, violates ABM Treaty constraints. We also explained to the Soviets our view on the relationship between offensive and defensive forces, the potential contribution of defensive forces to our mutual security, and how—if new defensive technologies prove feasible—we might manage a stable transition over time toward increased reliance on defenses.

In sum, the United States carried out its planned agenda in the first round. We explained our concerns created by the existing array of nuclear arsenals and put forth sound proposals to redress those problems. We outlined our vision of a safer and more stable future and explained our ideas on how such a future could be realized.

SOVIET APPROACH

The Soviet approach to the first round contrasted sharply with ours. Where we sought deep reductions in existing nuclear arsenals, they proposed to freeze the current situation—with its existing imbalances—and address largely unspecified reductions later. Where we sought to explain our ideas on how increased reliance on defenses, should they prove feasible, might en-

hance strategic stability, they insisted on banning any new effort—even research—in the defense area.

The strategy underlying the Soviet approach seems clear. The Soviet Union is pleased with the current strategic situation. They possess substantial advantages in several key measures of strategic offensive nuclear power, especially in prompt counterforce capability. They hold a large advantage in the area of intermediate-range nuclear forces, particularly in longer-range INF missile systems. Moreover, they have the only operational ABM system and have until recently enjoyed a virtual monopoly in research into advanced ballistic missile defense technologies. Finally, they have the only operational anti-satellite system. They want to maintain this situation, and thus are devoting their efforts to countering any change. Their most important objective in this regard is to stop the US SDI research program, which threatens to find counters which would negate many of their advantages, both offensive and defensive. Similarly, they wish to abort our strategic modernization program and roll back NATO's INF deployments. To this end, they attack and thereby seek to undermine support for these programs by characterizing them as exacerbating the "arms race," all the while remaining silent on the strategic buildup of the Soviet Union.

The centerpiece thus far of the Soviet strategy is their moratorium proposal, tabled early in the round in Geneva and publicized three weeks later by General Secretary Gorbachev.

With regard to offensive weapons, the Soviets propose a quantitative freeze on strategic arms and a moratorium on further deployments of "medium-range" missiles. These are the same old discredited proposals the Soviets surfaced in the past. They first raised a moratorium over three years ago in the INF negotiations, though, after supposedly invoking it on a unilateral basis in 1982, they continued construction of SS-20 bases already begun in the European USSR and deployed new missiles at those bases. Interestingly enough, we see construction of SS-20 bases continuing again today, after Mr. Gorbachev's declaration of a new unilateral moratorium.

The Soviets subsequently proposed a moratorium in START. As we noted on those occasions, a moratorium would lock in the advantages the Soviets have gained in both strategic and intermediate-range nuclear arms as a result of their deployment of many modern systems during a period in which the US has exercised restraint. Negotiating it would divert considerable time and attention from the more important goal of achieving deep reductions, and would also directly undercut the prospects for achieving reductions, instead giving the Soviets incentives to preserve their advantages by perpetuating the freeze.

With respect to strategic defense, the Soviets propose a comprehensive ban on research and development, as well as on testing and deployment, of what they call "space-strike arms."

It is difficult to see how one could effectively or verifiably ban research. The Soviets have in the past agreed with this view, not only at the time of the negotiation of the ABM Treaty but also in January in Geneva.

How could one decide what research would lead to "space-strike arms," and thus cross over the line into the restricted category, and what research would not? It would be impossible to monitor the actions and thoughts of all the scientists and technicians in the research institutes and laboratories in every country of both alliances.

Moreover, SDI research holds open the one possibility of providing the means for a move to a more defense-reliant relationship, one that would be more stable and reliable for both sides. It makes no sense to foreclose such a possibility. Furthermore, such research is a powerful deterrent to a Soviet breakout from the ABM Treaty.

The Soviets themselves have clearly seen the value of researching new defensive technologies. They have devoted considerable time and resources to such an effort. This includes high-energy lasers—for example, at the Sary Shagan test center—and particle beam weapons.

Why, then, do the Soviets propose to ban such research? The answer is simple. The Soviets are ahead in research on, and deployment potential for, nuclear-armed ground-based ABM interceptors, and they seek to preserve and enhance these advantages. At the same time, the Soviets fear that the West's superior technological base could give us an advantage in the more exotic defensive technologies, and they want to prevent this. At worst, a mutually observed ban would leave them where they are today. Moreover, given the unverifiability of a research ban and the closed nature of their scientific community compared to ours, they very well might be able unilaterally to continue research on advanced defense systems on a clandestine basis. From Moscow's point of view, such a monopoly in the area of strategic defense research would certainly be the most desirable outcome.

As for development, testing and deployment of so-called "space-strike" arms, most of this is already covered by provisions of existing treaties. The Outer Space Treaty prohibits the placing of weapons of mass destruction, including nuclear weapons, in space. The Limited Test Ban Treaty forbids the testing of nuclear arms in space.

Additionally, all systems—whether nuclear or otherwise—which have a capability to counter strategic ballistic missiles or their warheads at any point in their trajectory are subject to the ABM Treaty. That agreement prohibits the deployment of ABM systems in space or on the earth, except for precisely limited, fixed, land-based systems. Its provisions also cover testing and engineering development of such systems or their major components.

It thus appears that the sole space activity that is not covered by existing agreements is that of a narrow class of anti-satellite or ASAT systems. This class is restricted to non-nuclear systems capable of attacking satellites, but not capable of countering strategic ballistic missiles or strategic ballistic missile warheads. Were they capable of the latter, they would be subject to terms of the ABM Treaty.

In essence, we are talking about the Soviet co-orbital interceptor—the world's only operational ASAT system—and the aircraft-launched miniature vehicle system now under development by the United States.

Banning ASAT-capable systems presents difficulties. Once an ASAT weapon, such as the Soviet co-orbital ASAT, has reached operational status, it is questionable that one could assure that all such systems had been destroyed. Even were we to find a way to ban the declared US and Soviet ASAT systems, most satellites would still be vulnerable to attack, especially by nuclear weapons. The existing Soviet Galosh ABM interceptors deployed around Moscow are capable of attacking low-orbiting satellites, which pose much easier targets than do ballistic missile warheads. In fact, any ballistic missile capable of lofting a nuclear weapon to orbital altitudes has some inherent ASAT capability.

Thus, we concluded, after carefully studying the Soviet moratorium proposal in the aftermath of its presentation in Geneva, that it does not provide a useful basis for progress in the Geneva talks.

SOVIET ALLEGATIONS

In an attempt to buttress their position, the Soviets during the first round, and Mr. Gorbachev in his Central Committee Plenum speech, accused us of violating the Shultz-Gromyko agreement in two respects. First, they charged us with failing to honor the commitment to address the complex of space and nuclear issues in their interrelationship, based on their novel definition of that term. The Soviets asserted that progress on the issues in the two groups dealing with offensive arms would be impossible unless the US agreed to the Soviet proposal to ban "space-strike arms," and that, by failing to accept that ban, the US was denying the interrelationship.

This charge is, of course, without merit. The US is addressing all issues in their interrelationship. In fact, as I explained earlier, the offense-defense relationship is one of the principal elements on which our position focuses. Rather, it is the Soviet approach which violates the interrelationship agreement by insisting that the space issue be considered in isolation and by setting resolution of that issue—on the basis of their demands—as a precondition to serious negotiation on the other issues.

The second Soviet charge is that, by failing to agree to their proposal for a "space-strike arms" ban, the US is reneging on its commitment to prevent an arms race in space. This charge is also groundless; preventing an arms race in space is exactly what our strategic concept envisages. The term "arms race" connotes a runaway competition between two sides, with each piling weapon upon weapon in an unbridled manner. What we propose is just the opposite—a stable transition to greater reliance on defensive systems, should new technologies prove feasible, managed jointly by the United States and the Soviet Union. Defenses would be introduced at a measured pace, in conjunction with progressively stricter limitations and reductions in offensive nuclear arms. The result would be that the two sides would have far fewer weapons which would use space as a medium for delivering nuclear destruction. The approach we foresee would be designed to maintain at all times control over the mix of offensive and defensive systems on both sides, and thereby increase the confidence of the sides in the effectiveness and stability of the deterrent balance.

STEPS BACKWARD

Beyond pressing these baseless charges, pushing their moratorium proposal, and showing little interest in exploring US proposals, the Soviets provided little of substance and few specifics during the round. Of the specifics that were offered, many represent steps backward from previous Soviet positions.

For example, in the START negotiations in 1983, the Soviets expressed willingness to consider permitting some deployment of air-launched cruise missiles. Their current position calls for a ban on all cruise missiles

with range exceeding 600 km, regardless of basing mode.

In the INF talks in 1983, the Soviets offered a freeze on SS-20 deployments in Asia; now they insist on having no constraints on these systems, which, due to their range and mobility, are capable of striking Europe in addition to threatening US friends and allies in Asia. Similarly, in 1983, the Soviets showed considerable flexibility regarding the US aircraft on which they would require limits; now they have returned to their earlier and far more strident demands.

In the January meeting in Geneva, Gromyko acknowledged that limits on strategic defense research would not be verifiable; the Soviets nonetheless now propose banning such research.

Also in the January meeting, Gromyko included the Moscow ABM system in the Soviet definition of "space-strike arms;" at the negotiating table, the Soviets specifically excluded that system from their definition and thus from their proposed ban.

Finally, in the anti-satellite talks of 1978-79, the Soviets acknowledged that neither limits on ASAT research nor a comprehensive ASAT ban would be verifiable; in Geneva, they called for a ban on such research and for a total ASAT ban, again despite the lack of verifiability.

In sum, the Soviets took a predictably hard line in the first round. Their principal objectives were clearly to discredit the US SDI research program and to put maximum pressure on it by holding progress in all other aspects of the negotiations hostage to US acceptance of the Soviet proposal on "space-strike arms."

GORBACHEV'S WARSAW SPEECH

In his speech last Friday in Warsaw, Mr. Gorbachev stated that the Soviet Union has "already suggested that both sides reduce strategic offensive arms by one-quarter by way of an opening move." He also held out the possibility of deeper mutual cuts.

Mr. Gorbachev was apparently referring to the Soviet proposal in the START negotiations of 1982-83. That proposal would have reduced strategic nuclear delivery vehicles by one-quarter from the initial level permitted under SALT II, from 2400 to 1800. However, the Soviets did not accompany it with a proposal for reductions in those measures of strategic capability which would, in fact, enhance strategic stability, the number of ballistic missile warheads and ballistic missile destructive capacity.

Contrary to the public impression created by Mr. Gorbachev, the Soviet Union has made no proposal for reductions in strategic forces in the new negotiations, nor has it even gone so far as to resubmit its old START proposal. In fact, during the first round, the Soviets refused to respond to efforts by US negotiators to ascertain details of their position on this subject.

We would, of course, welcome and examine seriously any concrete Soviet proposals for substantial, balanced, and stabilizing reductions in strategic forces. As I said earlier, US negotiators have broad authority to negotiate approaches that meet the interests and concerns of both sides. We encourage the Soviet Union to substantiate Mr. Gorbachev's claim by introducing a proposal in the next round at Geneva.

FUTURE PROSPECTS

The Soviet behavior in the first round was consistent with their historical approach to arms control negotiations. That strategy is to combine tough bargaining at the negotiating table with a hard-nose public propaganda campaign designed to undercut support for US and NATO positions and force unilateral concessions. Until they realize that their propaganda campaign is not working—that is, that US concessions will not be made unilaterally—the Soviets will not be prepared to negotiate seriously.

Accordingly, in the near term, we can expect the Soviets to continue to protest publicly about the SDI program and alleged US designs to accelerate the arms race, especially by spreading it into space. We can also expect them to sustain their efforts to drive a wedge between the US and its allies, particularly by exploiting any perceived signs of weakening in allied unity on defense or arms control issues.

What we in the West must do to bring the Soviets to a more serious tack is, in parallel with our efforts at the negotiating table in Geneva, demonstrate the political will and ability to maintain the necessary capabilities effectively to deter them. When the Soviets recognize that they will attain no exploitable military or political advantages from their military buildup, and that unilateral concessions will not be forthcoming, they may then welcome a serious discussion of how we could take practical steps toward our agreed objectives of preventing an arms race in space and terminating it on earth, limiting and reducing nuclear arms, and strengthening strategic stability.

When the Soviets are ready for such discussions, we believe those talks can be productive. Although the issues in Geneva are many and complex, we are convinced that we have formulated good proposals that provide a sound basis for mutually beneficial agreements. Moreover, the President has provided our negotiators unprecedented flexibility to explore various avenues toward the equitable outcomes we seek. Accordingly, despite our realization of the difficulties ahead, we are hopeful that, with patience and persistence, we can achieve a result that will benefit all mankind.●

RECREATION USER FEES

● Mr. McCLURE. Mr. President, the various administration proposals for the budget resolution made some rather elaborate assumptions as to the amount of additional revenues which can be obtained from an increase in recreation user fees. I do agree that some increase in such fees is possible and, in fact, should be obtained. The resolution, however, assumed an overly simplistic formula that the Federal Government should recover 25 percent of administrative costs. That assumption fails to consider the varieties of public lands, the purposes for which such lands are managed, or the real impact of an increase across the board. The assumption also is defective in that it asserts that visitor use would remain constant regardless of the size of the fee when in fact revenues are a product of the fee times the number of people paying the fee.

Anyone familiar with the Metro system here in Washington should realize that ridership is a function of the price and the convenience and that, at a certain point, as the cost increases, the ridership declines—the net revenue results seem always to be less than the projections. The resolution assumption also fails to consider the increase in costs associated with collections. It conveniently ignores how we are going to police one-third of this Nation so that citizens pay their fair share for watching the Sun go down across the public domain.

There are certain areas where the Federal Government has invested funds to provide recreational facilities, and it would be rational to expect those who take advantage of those facilities to pay a reasonable fee for their use. I do object to any suggestion that we are going to start charging fees to cross Federal land, hunt or fish, walk or hike, or watch the clouds. We are not going to institute a sliding scale in the Tetons where people pay 10 cents for every elk they happen to see nor are we about to deputize the Florida panther population to begin a pay-or-be eaten campaign. The Federal Government does a variety of things for the American people as a whole, for this and future generations, and those obligations should be borne by the people as a whole.

I am certain that by now everyone has seen the April 15 gray covered document entitled Senate/Administration Deficit Reduction Plan. It compares the National Park System with Disneyland and the San Diego Zoo. That would certainly come as a surprise to Teddy Roosevelt, John Muir, and Stephen Mather. OMB will probably next propose that we put golden arches in Canyonlands. The truth is that we do not encourage the Federal Government to provide significant services in the national parks, but rather use concessionaires.

The Federal Government through the National Park Service has one mission only for the National Park System and that is:

> To conserve the scenery and the natural and historic objects and the wild life therein and to provide for the enjoyment of the same in such manner and by such means as will leave them unimpaired for the enjoyment of future generations.

Indiana Dunes, Zion, the Grand Canyon, Gates of the Arctic, Yellowstone, Yosemite, Redwoods, Vicksburg, Gettysburg, Shiloh, Shenandoah and Great Smokies, Haleakala, Canyonlands, Crater Lake, North Cascades, and the list goes on. These are not Disneyland nor are they the San Diego Zoo.

It is true that some increase in the entrance fees can and probably should be obtained over a period of time and based on careful studies. Those fees, however, should be based on park management, not on some gnome's magical formula based on administrative costs. We are not about to recover 25 percent of the salary of the Secretary of the Interior from visitors to the national parks, nor are we about

to take pennies from schoolchildren visiting Independence Hall to cover 25 percent of the costs of OMB analysts.

Aside from the national parks, the Federal Government does provide some recreational facilities at places such as Corps of Engineers and Bureau of Reclamation sites, and I agree that, where the Federal Government has invested in more than minimal facilities or health and safety, the user should be expected to pay a fair share of the cost of such facilities. There is no administrative cost, however, to the Federal Government to have the Sun daily set in the West, nor should we charge people to watch it. We are not going to start metering homes in Jackson Hole and charge them for a sunset.

Mr. President, given the problems with the budget, I do not have a problem with the Committee on Energy and Natural Resources being asked to consider and report legislation addressing recreation user fees. I wish that a full and comprehensive study could be initiated first rather than developing revenue estimates first, but this is not the only area of the budget where numbers dictate over sound policy.

It would be nice to have the results of the newly created Outdoor Recreation Resources Review Commission, but it may be possible to achieve some increase in revenues over a period of time without turning our natural heritage into Disneyland and without dramatically increasing personnel and costs to enforce and collect those fees. I want to make it clear that we are not going to initiate hunting or fishing fees, but intend to focus clearly and specifically on those sites and areas where the Federal Government has actually made an investment for the direct benefit of visitors.

Although the Committee on Energy and Natural Resources and its predecessor, the Committee on Interior and Insular Affairs, has carefully considered the questions surrounding fees over the years before OMB lifted the veil from our eyes, we will need considerable help in achieving anything which is remotely rational. We will need far more if we must actually achieve the OMB assumptions underlying the resolution. We will need considerable help in determining how the citizens of Massachusetts can best contribute to the administration of Cape Cod National Seashore, short of borrowing a shark from the San Diego Zoo to collect entrance fees. It will be difficult to patrol the entire beach, but perhaps we will be able to make suntans circumstantial evidence of failure to pay the fee. I look forward to the wise suggestions from the senior Senator from Alaska on the proper level for fees to use the transportation system at Denali, and of course Gateway, Golden Gate, Cuyahoga, and Jean Laffite, not to mention Chattahoochee, should all make their contribution. I am certain that the delegations from those States which have Corps of Engineer reservoirs will be lining up to cosponsor the legislation to impose user fees on those sites, so I am optimistic that the committee will have no problem in implementing the assumption underlying the resolution.

It probably is only fair to mention some of the present limitations of existing law which will have to be reexamined. Out of the many years of legislation dealing with fees, we have agreed that fees should not be charged to the blind or permanently disabled.

We have also agreed that there should not be a charge for drinking water, wayside exhibits, roads, overlook sights, visitors' centers, scenic drives, toilet facilities, picnic tables, or boat ramps where specialized services such as lifts are not provided. Turning the George Washington Memorial Parkway and Beach Drive into toll roads should help us considerably, and we can probably expect to see that proposal emerging in the near future since it would be in the finest traditions of the Office of Management and Budget.

Present law also requires the Corps of Engineers to provide at least one primitive campground without fee at sites where camping is permitted. Fees are also prohibited at campgrounds if there are no toilet facilities and drinking water as well as reasonable visitor protection. I have not heard anyone offering an amendment to fund improvements in these campgrounds so that fees could be collected under existing law.

I think it is also fair to mention that user fees are annually adjusted to reflect the fair value of such services based on similar services in the area offered by either private or public entities. That does not portend a very elastic demand for Federal facilities to radically increase fees.

Had it been possible, I would have offered an amendment which would have decreased the amount of revenues which would have been achieved. My intent would not have been to eliminate the subject from serious consideration, but rather to set a mark which would have had some chance of enactment. We do a considerable disservice not only to the American people but also to ourselves and this institution when we make promises which we are unable to keep or when we set goals which are unreachable.

I would be willing to attempt to achieve approximately half of the assumption over 3 years. I do not know if that would be possible until we have had hearings. I do not know whether a simple increase in fees would result in any additional revenues at all. Perhaps if we eliminated concession operations and directly collected fees we would, at least on paper, show some increase, but I wonder what the cost would be for the Federal Government to provide the kind and level of services which concessions now provide.

In offering my amendment I would be simply attempting to inject some sense of reason into this process. I do not hold out any great hope that we would be able to accomplish what my amendment would have proposed. I can assure you that the assumptions in the resolution are impossible. I am willing to try to accomplish some revenue enhancement, I am not prepared to tilt at windmills.

In addition to the setting of fees, there is the problem of collections. I assume that no one is proposing to hire thousands of new Federal employees to collect the fees, so we will need to consider alternatives. One alternative, of course, is that, since almost everyone in the United States at some time or another uses Federal areas, we could annually collect a fee of about $1 which would entitle everyone to use the facilities as provided by current law, paying an additional amount at those areas where significant services are provided.

To make it easy, and to avoid needless paperwork, we could take advantage of existing Federal agency support and collect the $1 from families on or about April 15 of each year. That approach would allow American people to not only contribute to the direct-use benefits but also to the indirect benefits which accrue to all generations from the preservation of our natural heritage. I realize that would be a radical suggestion, completely at variance with current practice, but it does have some appeal to those of us who have dealt with this issue over the years.

I do have one question which I almost fear to ask and, that is, If we plan to recover 100 percent of the salary of the Secretary of the Interior as administrative costs on the mineral leasing receipts returned to the States, and also recover 100 percent from timber receipts, and 25 percent from recreation fees, will we need to increase the salary of the Secretary to cover our savings? Or maybe if he takes a pay cut we will not be able to balance the budget—this is all very confusing.

I do look forward to the overwhelming support which the implementing legislation for the amendment is certain to elicit. I would like to encourage my colleagues to carefully consider the various sites within their States which have no national significance, or which at best are only junior varsity versions of Disneyland, and let me know their names so that we can expeditiously report our legislation.●

NOMINATION OF JOHN NORTON

● Mr. DECONCINI. Mr. President, last night, the Senate finally confirmed the nomination of John Norton to be Deputy Secretary of Agriculture. Frankly, it was about time. It is a discredit to this body when a very few isolated Senators hold up a nomination, rather than debate its merits on the floor and proceed through regular channels. John Norton will be an outstanding Deputy Secretary of Agriculture.

John is more than familiar with the problems farmers face today. He is a graduate of the University of Arizona's School of Agriculture and has practical experience in the field as president and chief executive officer of J.R. Norton Co., which farms over 25,000 acres in Arizona and California. He is also past chairman of the United Fresh Fruit and Vegetable Association which is illustrative of the confidence his colleagues in the industry have in him. In addition, John and his wife, Doris, have devoted their time and efforts to numerous civic and charitable causes in Arizona, the West, and nationwide.

The Senate has a responsibility to advise and consent on Presidential nominees, and it is a responsibility we should not take lightly. When one Senator seeks to hold up a nomination for petty reasons, completely unrelated to the nominee, then that Senator is abusing Senate procedures. Recently, the Washington Post carried an article in which they detailed the problems surrounding the Norton nomination. The opening paragraph of that article states: "The failure of John R. Norton III, a wealthy conservative farmer from Arizona, to win Senate confirmation as Deputy Secretary of Agriculture is becoming one of the political mysteries of the year." But the article goes on to say it is not really a mystery and it has nothing to do with Mr. Norton.

Mr. President, I wish to commend this body for finally confirming John R. Norton III to be Deputy Secretary of Agriculture. I hope that in the future, qualified nominees such as Mr. Norton will not be subject to this sort of petty politics. I would also like to commend John Norton on his staying power and his commitment. It is not often you find someone as qualified as John Norton who is willing to leave his prosperous business to work for the Government. John is making a great sacrifice and I believe he will make an enormous contribution in resolving the difficult problems confronting the agricultural sector today.●

MEMORIAL SERVICES FOR THE 16,500 ABORTED BABIES TO BE HELD ON MAY 19, 1985 IN MONROVIA, CA

● Mr. HUMPHREY. Mr. President, there will finally be a memorial service for the 16,500 aborted babies, whose bodies were discovered more than 3 years ago in a repossessed shipping container in Woodland Hills, CA.

It is fitting that we set-aside time to mourn these unborn children and so on May 19 at 1:30 p.m., the American Holocaust Memorial Committee will hold a nondenominational memorial service and will dedicate a plaque on a site at Live Oak Memorial Park in Monrovia, CA as a permanent reminder not only of the 16,500 but of all the more than 17 million innocent unborn human beings killed since the 1973 Roe versus Wade decision.

This memorial will carry no names; these children died nameless, but each will be remembered by our spiritual adoption.

The memorial simply reads:

In memory of all who were deprived of human love and robbed of life through abortion.

It might be noted that 16,500 is approximately 4 days worth of abortions performed in the United States, and about 28 percent of the 58,022 Vietnam war dead and missing who are memorialized here in Washington. In the time that it took to read this short speech three more of the unborn have lost their lives to abortion.

I ask that we remember these innocent unborn children on May 19 and offer a silent prayer on their behalf. It's the least we can do for so many who have lost so much. It is in this spirit that I ask that my message to the mourners of these 16,500 unborn children be entered into the RECORD.

WASHINGTON, DC, *May 16, 1985.*

My Fellow Friends Of The Unborn,

It is through prayer that I join you in this memorial service held in honor of these 16,500 unborn children who were victims of our nation's abortion nightmare. I share your concern and love for each and all of the little ones who died so tragically.

We can only hope that somehow this event will contribute to an awakening of our nation's moral consciousness so that we may reflect on the inhumanity of abortion. When we rid this nation of this horror, which I am certain will occur, we will truly breathe life into the meaning of all human beings' right to life, whether they be born or unborn. My thoughts and prayers are with you and those we mourn, today and always.

Sincerely,

GORDON J. HUMPHREY.●

FINANCIAL STATEMENT OF SENATOR DOMENICI

● Mr. DOMENICI. Mr. President, I would like to submit for the RECORD my personal financial statement for 1984. While such is not required by law, and the financial disclosure statements that all Senators must file are not as detailed as the one I submit, this release of my financial statement is something I started with my election to the Senate in 1972 and is a tradition I intend to continue as long as I serve in this Chamber. Therefore, I submit for the RECORD the following statement:

SENATOR PETE V. DOMENICI'S 1984 PERSONAL FINANCIAL STATEMENT

FEDERAL INCOME TAX INFORMATION FOR 1984

Income: $109,923—$72,675 Senate salary; $75 wife's salary; $14,319 Income from family partnership of D&V Investments (one-half inherited on death of my mother); $360 Capital gains on sale of stock; $21,780 Honoraria.

Itemized deductions and taxes: Total taxes of $34,000 (including $25,273 federal taxes, $8,727 in New Mexico state, local and property taxes.) Deductions include $7,630 in interest expenses, $1,475 in contributions, and $8,727 in state, local and property taxes.

PERSONAL NET WORTH STATEMENT

Gross assets: $4,000 cash on hand; $8,000 household goods (no change from last year); $7,000 automobiles (1984 Ford Tiempo, 1981 Oldsmobile, 1973 Plymouth Duster); $455,000 real estate and family holdings ($225,000 [1] home in Rockville, Maryland; $35,000 interest in Kent Investment Company's real estate in Rio Puerco, NM; $195,000 [2] family partnership of D&V Investments; $1,490 mausoleum crypt, $4,508 IRA account with Senate Employees Credit Union).

Liabilities: $80,000 real estate mortgage on Rockville, Maryland home; $5,000 unsecured loan at Sunwest Bank of New Mexico; $12,100 liability on real estate contract for vacant lot adjoining family partnership property at 4th and Lomas NW in Albuquerque. $479,908, assets; $97,100, liabilities; $382,808, total net worth.●

SECURITIES SAFETY AND SOUNDNESS ACT OF 1985

● Mr. DOMENICI. Mr. President, I would like to place in the RECORD part III of "The Roaring Eighties." The past two episodes of our true-to-life saga by Steven Brill in the American Lawyer left us wondering what would happen to Icahn's magic offer to take over Phillips Petroleum.

The answer to this and other questions will be revealed in the conclusion to our sequel. How much money is really made by investors in dummy corporations? How much money is made by investment bankers cutting the deals? Why is the SEC taking no action. Will the dreaded Drexel agree not to bother Phillips in return for a hefty payment? And how effective is the pill in fending off a takeover?

[1] I have increased the estimated value of the Rockville home without a formal appraisal based upon sales in the neighborhood of similar homes.

[2] I have increased the estimated value of the family partnership without a formal appraisal based upon value of additional lot purchased and my estimated evaluation of enhanced value of partnership.

Unlike other soap operas, the ending to this dream is not altogether a happy one. And it is becoming more and more familiar as other firms become targets. The morale is: What gets leveraged up today with lightning speed could crash just as fast tomorrow. I hope we will learn our lesson from "The Roaring Eighties."

I ask that the final pages of "The Roaring Eighties" be printed in the RECORD.

The material follows:

[From the American Lawyer, May 1985]

THE JUNKMEN SELLETH

How can a man who's prepared to spend only $350 million in cash (the cost of his original stock purchases] bid more than $8 billion for a company? Enter Drexel Burnham, the investment banking house where in *The Roaring Eighties* people seem to be having the best time of all. Drexel has led the way in promoting the current darling of *The Roaring Eighties*, the high-risk, high-yield, "junk" bond. The firm's clients include what one top lawyer calls "a murderers' row of takeover raiders"—Saul Steinberg, Carl Lindner, Victor Posner, the Bass brothers, the Canadian Belzberg family, Irwin Jacobs, Sir James Goldsmith, Pickens Icahn. When a raider is stalking prey, he forms a dummy corporation or partnership, for which Drexel sells these high-yield bonds, which will ultimately be secured by the assets of the company to be taken over. In other words, it's a mechanism for a hostile leveraged buyout: The raiders buy the company with the company's anticipated cash flow.

If the takeover doesn't go foward, the subscribers to the bond still get a commitment fee (paid by the raider) for having pledged their money. In the Icahn-Phillips deal these fees were three-eighths of one percent, or $37,500 for each $10 million pledged.

Drexel's take in these deals is high, even by investment bankers' porcine standards. In the Icahn-Phillips deal, Drexel's retainer letter calls for the firm to be paid $1 million the moment Icahn uses its feared name in any public statement, then 2 percent of all the financing it arranges—or more than $80 million—if the deal goes through. Moreover, if the deal does not go through, Drexel is to get as much as 20 percent of the incremental profit Icahn makes from selling his stock to anyone else, plus one-eighth of one percent in its own commitment fees for the money it has lined up, which would be as much as $5 million.

The question of whether Drexel can in fact peddle $4.05 billion in junk bonds for Icahn's deal, let alone whether Icahn really wants to raise the money and take over the company or is just bluffing to force a higher bid from the company or from someone else, is high drama—and the subject of Phillip's newspaper ads attacking the Icahn offer under the headline "Is Icahn For Real?"

The issue is sharpened on February 15. With just a week to go before the vote on management's recapitalization plan, which Icahn has declared the shareholders must reject in order to take his plan. Icahn announces that in just 48 hours Drexel has lined up $1.5 billion. Where have these communications come from? The very people who have done other Drexel junk-bond raids (such as Steinberg and Lindner), a host of arbitrageurs (though not Boesky) with an obvious interest in seeing Icahn's deal or some new deal go through, plus the kind of high-flying insurance companies or savings and loan institutions that have been Drexel's base in selling these junk bonds.

To explain why these people signed on for junk bonds in a company that was going to be neck-high, or higher, in debt, our camera takes us to Drexel's Beverly Hills sales floor (its West Coast office is the center of junk-bond financings), where eager young bankers under the tutelage of junk-bond impresario Michael Milken, 38, are pushing $1.5 billion worth of bonds in units as small as $3 million.

We then cut to their various customers across the country. Several tell us they're in it because they believe in Icahn's stated plan to liquidate $3.7 billion in assets to slash some debt and to pay down the remaining debt through better management of the remaining assets. They like the yield on their junk bonds—it ranges as high as 16 percent a year, depending on the seniority of the debt—and they're confident Icahn can run the company in a way that will see the debt paid. Can they really believe that Carl Icahn—whose management experience consists of running a staff of 30 and supervising two partially liquidated midsized companies he's taken over in recent years—is going to run a corporation larger than Xerox, Boeing, Westinghouse, or ABC? Can they really believe he's going to get into Bartlesville (where he has promised to keep the company headquarters but where prayer vigils and other demonstrations have been organized against him by fearful, resentful townspeople), let alone know what to do when he gets there?

Others aren't as sure as that about how Icahn will fare, but they feel good about Drexel's assurances, all oral, that there will be a good secondary market in the bonds, or perhaps a fast payoff because Icahn just might liquidate the whole company if he gets control. Still others want to support Icahn's bid because they like the commitment fee and have shares in Phillips that will rise if the recapitalization plan is defeated, and, they're being told by Drexel, a show of support for Icahn will help defeat the plan. At least one whom I interviewed seems to be in it just for the easy commitment fee; he claims he's received tacit assurances from Drexel that the deal is not likely to go through, and therefore he's not likely to have to put the money up. (A Drexel spokesman declines all comment "on our solicitation activities, although you can assume we conduct ourselves in a responsible manner.") Finally, there are Icahn's compatriots—such as Steinberg, who according to a deposition had bought Phillips stock; they apparently have signed on for some variety of the above reasons, along with a desire to help someone who will help them with their next deal.

How can Drexel's people be on the phone offering these securities with no written material? We cut to the SEC, where everyone is sleeping. "These are sophisticated investors" a source in the enforcement division at the SEC says, when roused by our question. "They know what they're doing."

We cut to lines of customers waiting for Ohio savings and loans to open in the wake of the chain reaction that savaged their confidence in the banks after Home State Savings Bank—controlled by Icahn's sometime partner Marvin Warner—was so unsophisticated that it went under investing in the E.S.M. treasury securities Ponzi scheme that erupted in March. Then we cut to crowds outside the Financial Corporation of America's savings and loan branches in California; until it almost went under, Financial Corporation was controlled by Charles Knapp, who is now committing $100 million through a second entity he controls, to Drexel's Phillips-Icahn junk bonds. The point is perhaps a bit indirect, but it is real. There are more than a dozen savings and loans, insurance companies, and other financial institutions on whose health millions of Americans depend signed up for Drexel's Phillip-Icahn junk bonds. How sophisticated are the people who run them about gauging risk? Are they so high on the everything-works euphoria of *The Roaring Eighties* that risk evaluation has for them become a sissy's game?

Watching it all, a cynic in the audience might even conclude that, as one lawyer puts it, "it's all just a ring that lines up bluff money with Drexel at the center. Today they go in for a bluff for Phillips, with Icahn as the front guy. Last year it was Disney with Steinberg"—indeed, many of the same investors drew the same type of commitment fees in Steinberg's Disney greenmail deal—"and next month it'll be Lindner. And then it'll be Charlie Knapp," he adds.

But why hasn't Icahn gotten the full $4.05 billion? Because, he says, he doesn't want to pay the additional commitment fees until he knows that management's recapitalization plan has been defeated. As it is, he has already paid $7.5 million in commitment fees—three-eights of one percent to the junk subscribers, plus one-eighth of one percent to Drexel. His proxy solicitors are now urging him to up the ante and show more strength; so is Boesky, who is "calling every day," Icahn later testified. But Icahn sticks at $1.5 billion. Is he bluffing? Is Drexel bluffing?

While we're on the subject of bluffing, the camera shifts to the SEC, where once again we find everyone asleep. How else can one explain why this fiasco is being allowed to continue, with Icahn calling this whatever-it-is of his a tender offer? That in itself seems like fraud worthy of an immediate SEC move to enjoin Icahn from proceeding. This isn't a tender offer; it's a request for a gratuitous option. For Icahn has conditioned his offer on obtaining financing, yet he has not obtained the financing, nor is he out there trying to get it, or even promising to try to get if. He's basically saying, "Let me hold your stock for a while and use it to get credibility, while I decide whether to gather financing and go ahead with this."

Wachtell, Lipton has sent letters to the SEC arguing this point, but to no avail. "We figured the people involved in this deal are sophisticated people and can make that decision," our SEC source later explains, ignoring the clear case law that says that a tender offer, to be called such, must be a contractual offer that is binding on the party making the tender offer to buy the shares if the shareholder tenders them, subject only to conditions that are not within the offerer's control.

DEFENDING THE ADVERSARY SYSTEM

In these and other legal battles, Icahn is defended not only by his lawyers at New York's 41-lawyer Gordon, Hurwitz, Butowsky, Weitzen, Shalov & Wein (plus Oklahoma and Delaware counsel), but also by 280-lawyer Paul, Weiss, Ritkind, Wharton & Garrison. "You go after a company and Marty Lipton starts throwing all kinds of chairs at you, which offends me," says Gordon, Hurwitz partner Marc Weitzen, re-

ferring to Wachtell, Lipton's host of efforts at injunctions, as well as the poison pill gambit. "It also makes the litigation heavier than a firm our size can sustain." Weitzen adds.

"Once it was clear that the thing started to get messy and we'd need a lot of litigators. I knew we needed a large firm," explains Icahn. "Paul, Weiss had already been retained by Drexel Burnham, so since they were up to speed I figured I'd use them instead of Weil, Gotshal [& Manges], whom I usually use when I need a big firm. And they were very eager to do it for me so it worked out fine."

In motions seeking temporary restraining orders against Icahn. Wachtell, Lipton and local counsel Crowe & Dunlevy of Oklahoma City and Boone, Smith, Davis & Hurst of Tulsa attack him as a "fast-buck" takeover entrepreneur and greenmailer. Paul, Weiss answers that Icahn's plan represents the best interests of all shareholders, that all the things Phillips is doing to stop him are tricks intended to "rig the forthcoming vote [on the recapitalization plan] with false, misleading, and deliberately confusing proxy material," and that Phillips's "ad hominem attacks [on Icahn] are still another effort to disrupt the proxy process." The camera pans in on the Paul, Weiss letterhead affixed to these arguments.

Then the camera flashes back three years, to another Paul, Weiss brief in another Icahn takeover fight, this one involving Dan River, Inc. But the picture is confusing. For in this brief the firm is accusing Carl Icahn of racketeering and market manipulation, and comparing his announcing his intention to purchase Dan River stock to his buying an "ad in a Danville newspaper . . . stating that he is about to enter Dan River's mill and break the windows . . . unless he is paid $1,000." The brief goes on to argue that Icahn's "entire pattern of buying into companies and threatening a liquidation or a fight for control unless the company pays defendants a premium for their stock (or obtains a white knight to do so), is extortionate or manipulative, and thus constitutes a pattern of predicate RICO acts, from which profits were derived that now are being invested in Dan River. In short, defendants are using tainted money to 'infiltrate' Dan River and should be enjoined from further so doing."

Another flashback shows Paul Weiss partner Max Gitter tearing into Icahn at a Dan River deposition and, as four different sources remember it, being nearly obsessed with what in his view was the dire threat to lawful business affairs that Icahn represented. As one of the four puts it, "Max was emotionally involved in this case and in what a bad guy Icahn was. I swear to you he was foaming at the mouth at one point, ranting and raving about Carl."

Gitter declines comment on his work against Icahn, except to say that he acted as an advocate for client Dan River "ethically and in ways consistent with the Code of Professional Responsibility's requirements" that a lawyer not make frivolous claims, and that he was not "emotionally involved."

Gitter is not involved in his firm's current efforts on Icahn's behalf, but two other Paul Weiss partners active in the Dan River defense against Icahn are now working for Icahn on the Phillips deal. The camera now comes back to them. The first, Moses Silverman, tells us that "other than to acknowledge that I went both ways, I don't want to comment." The second, Arthur Liman, says that these kinds of shifts are "routine aspects of the adversary system." Asked how the firm can argue for the bona fides of Icahn's investment today when in the past it took the position that the money he had amassed was gathered by extortion and, therefore, tainted and forfeitable under the racketeering statute, Liman replies. "Our willingness to argue on behalf of any client is what strengthens the adversary system. We do it because it contributes to the system."

Asked if he minds having lawyers on his payroll who have called him an extortion artist and racketeer, Icahn shrugs and says, "Frankly, I wasn't aware of any of those charges. Who cares? Lawyers H— say whatever they're paid to say. You can't let it bother you. It's all part of this game."

THE MONEY MEN

It is February 21, a day before the vote is scheduled on the recapitalization plan. The rules are that Phillips must get a majority to vote *for* its plan; a non-vote, therefore, will effectively count for Icahn's side.

Remember, Icahn is not only soliciting proxy votes from shareholders against the plan, he also has a tender offer pending, which he has now changed to $60 in cash, financed by those junk-bound buyers, for about 45 percent of the shares, and what he says amounts to $50 in notes (which will be lower than even the junk bonds in payment priority) for the rest of the shares. But his tender offer is conditioned on the recapitalization plan being defeated. As for Lipton's poison pill, Icahn has come up with a relatively simple antidote. When soliciting for the tender offer, he's also soliciting for the shareholders' consent to remove the board of directors and replace it with his own board without holding a shareholders' meeting. In other words, if he gathers a majority of the consents, he can have a meeting with himself and install his own board. And, he promises, his new board will immediately abolish the poison pill, enabling his tender offer to go forward.

With Phillips saying its recapitalization offer is worth $53 and Icahn saying it's worth $42, and Icahn saying his offer is worth $55 and Phillips saying it isn't worth anything close to that, and with outside people saying both sides are stretching the truth, where's the SEC?

While we're at it, why hasn't the SEC come down in Phillips for claiming that Icahn intends to "bust up" Phillips and move the corporate headquarters, when for the record he has promised not to move out of Bartlesville, and said he'll sell $3.6 billion in assets as compared to the Phillips plan to sell $2 billion? And why hasn't the SEC made Drexel Burnham file as part of Icahn's group? Drexel, after all will share heavily in Icahn's profits if he resells the stock. Drexel is responsible for formulating the plan in the first place, and is wholly responsible for financing it. Drexel is wholly responsible for gathering the group who will buy not only all the junk bonds, but also most of the small amount of stock there will be in the company, and who already own enough of the stock to constitute a group for SEC filing purposes. Besides, Drexel, like Icahn, has two representatives on the slate of directors Icahn proposed in his proxy fight.

We cut back to SEC headquarters. The lights are out.

Now we cut to the electorate who unaided by any apparent SEC policing will decide the Icahn-Phillips fight. We learn that by now, with all the arb activity, some 60 percent of Phillips shares are controlled by institutions. (The latest studies indicate that institutions now have about 50 percent of all the voting power of shares traded on the New York Stock Exchange.)

Who are these "institutions"? Some are the arbs, who have probably accumulated or been stuck with about 5 percent that they are ready to vote unquestionably for Icahn. The rest, says one exasperated Phillips lawyer, are "a bunch of brainless thirty-year-old kids who will do anything for the quick buck because their goddamn jobs depend on beating the Standard and Poors every month or every week or every hour."

Actually, some are in their forties and fifties. Other than that, the assessment isn't far off. In random interviews of a dozen institutional money managers who own Phillips stock, I find by and large a surprisingly uninformed and just plain dumb group of voters. Most don't understand the basics of Icahn's offer or Phillips's recapitalization plan, let alone the poison pill or the consent process that would overturn it. But the real point is that they don't care. They just want the company "kept in play," as the phrase goes, meaning they want all options kept open. So they're voting againt the recapitalization plan.

In fact, they're voting against the plan on the proxy cards that Phillips is sending out asking for a vote for the management plan, rather than waiting for Icahn's cards to arrive. (An injunction had briefly delayed his solicitation.)

The Phillips lawyers and bankers had figured they had the vote locked up, for with the poison pill in place the shareholders had only one alternative—the recapitalization plan. If they voted it down, the pill would seemingly protect Phillips from other offers, and the stock would sink back into the $30s.

Yet as the Phillips people are counting their own proxy cards and seeing all the surprising negative votes—it's unprecedented for one side to have so many of its own cards cast against it—they begin to see that they have misread the electorate. Sure, some public pension funds had announced that they had banded together as a kind of new shareholder rights group and vowed to fight poison pills, implying they'd vote against the recap plan. But would private institutions do it, too? Would the establishment help Carl Icahn at the expense of the Phillips management?

"I didn't care about that poison pill. I didn't even understand it," one 33-year-old private pension fund manager will recall after the vote. "And I didn't believe Icahn's bid. What I cared about was that I have a meeting twice a month with my boss and he goes over my portfolio. I needed to keep that company in play to get money out of it."

Others do vote on principle—against Phillips. "We just have a policy here, plain and simple," one California money manager will later explain, in remarks echoed by several others. "We now vote against any types of poison pills or other such devices. We believe shareholders ought to have the right to vote on all offers. And we also saw the part of the recap plan that would put the company in control of the employees' trust as a total management entrenchment device. You know, we're not going to take that stuff anymore, and those investment bankers and lawyers who get millions of dollars to come up with this garbage ought to be thrown out on their asses."

Even pension funds whose own managements have come under attack by raiders

now find themselves voting against the recap plan on this basis. "It's just not in keeping with any concept of fiduciary duty to allow a poison pill or anything else that stops an offer," one such manager will later say. (This man thought Phillips was seeking consents with the recap plan to enact the poison pill, and that Icahn had already raised all $4.05 billion.) What if an offer isn't in the long-term interests of the shareholders? "I'll define the long term," he will reply. "That's my job. And I define it as jumping to the best opportunities I find every day."

THE SETTLEMENT

It is now Sunday evening, March 3, 1985. Phillips, having adjourned the shareholders meeting several times since the February 22 zero hour—ostensibly to count the vote but really to come up with a new strategy—has just announced a) that it lost the recap vote by about 9 million shares and b) that, contrary to its prior vows that its first offer was its final offer, and that its second, sweetened offer was its really final offer, the company is now offering another sweetener to the recap plan. The market will later decide that this plan—which excludes the scheme to put the controlling interest in the company in the hands of an employees' trust—may really be worth $53.

Now Icahn, accompanied by Liman of Paul, Weiss and just a few others, is locked in negotiations at Morgan Stanley with Lipton, lots of other lawyers, and the Morgan Stanley and First Boston bankers. Phillips has vowed not to pay Icahn greenmail, but paying his expenses is another matter. Icahn claims his expenses are $30 million. Phillips will only pay $25 million, because that's the most its people estimate Icahn really will have to spend for lawyers, for Drexel (about $15 million), for investment bankers at Donaldson, Lufkin ($1.3 million), and for commitment fees ($7.5 million). Icahn won't budget. True to form, he's happy to sit there for eight hours, until 3:00 a.m. Yet he leaves with only $25 million.

"It was one of those moments of truth that make this a tough game." Icahn will later recall. "I thought hard about pressing ahead with my offer. But I was looking at a thirty-seven-million-dollar risk"—$12.5 million in the commitment fees necessary to draw down the remaining $2.55 billion in junk-bond commitments, plus the $25 million on the table for expenses—"and I just didn't see it. So I walked away with the twenty-five million."

Assuming Icahn had bought $7.5 million shares at an average price of $46, and could now cash in on a Phillips offer that really was worth $53, he also walks away with a ten-week trading profit of $52.5 million.

There is one other item on the bargaining table besides Icahn's expenses: standstill agreements. In the days before *The Roaring Eighties,* these agreements involved people like Icahn promising not to bother the company again for five or ten years. Now there's a new twist: The target wants the same promise from the dreaded Drexel. But Drexel doesn't want to give it. That separate negotiation also goes on into the morning. In the end, Icahn agrees to an eight-year standstill. Drexel agrees to three years.

"Drexel is in one sense the most powerful financial institution in the country today," says Lipton a few weeks later, acknowledging that he now believes Drexel could indeed have raised all $4.05 billion for Icahn's offer. "So these standstills are very important."

EPILOGUE

"Lipton lost the vote by putting in the poison pill." Icahn asserts, sitting in his office a week after the settlement. "That turned everybody off. He doesn't understand that the country is now controlled by money managers who aren't going to put up with that."

"Lipton seems to agree. "Carl's right," he says. "We just completely misread this. We didn't appreciate how these institutional voters just cared about keeping the company in play. They don't understand that the pill can be a legitimate protection device.

"What we saw in Phillips was the Woodstock of shareholder rights," says head Drexel M&A man David Kay. "It's the first time the shareholders stood up and really said, 'Don't tell us what you're gonna do and what it's worth. The marketplace is telling us what it's worth and we're not gonna do it. Ten years ago," Kay continues, "if the institutions didn't like the company, it sold the stock. They didn't say, 'I challenge you.' This is an evolution no different than all sorts of other evolutions." Kay concludes, "with an activist role being taken by people who used to be pussycats."

As for the preventive effect of the poison pill, "I never even thought about that," says Icahn "It was always clear I could do a proxy fight or a consent to get a new board to remove it, and I think everyone understood that. The pill didn't mean a damn thing to me."

Is Icahn right about the pill being ineffective in a fight like this? "Oh sure," says Lipton. "I've been saying and writing that all along—that the pill doesn't stop takeovers and does nothing to stop a guy who wants to hang in more than thirty days with a consent or proxy fight. That's why I could never understand what all the fuss was about the pill. It can only be used to stop shareholders from being stampeded quickly by a front-end loaded offer."

In fact, Lipton points out, the emergence of Drexel Burnham in the Phillips deal and the firm's apparent ability to raise billions within days make the pill virtually irrelevant, because with Drexel a raider can bid for all the shares rather than do a front-end deal that offers cash to some shareholders and debt to others. The raider can finance an all-cash offer with Drexel's junk-bond debt.

Is Drexel virtually unlimited in what it can raise in junk bonds? "The size of the transaction isn't the issue," agrees Kay. "The key variable is the disparity between the real value of a company and its market price. That's what drives these transactions."

What we have, then, in *The Roaring Eighties* is a world in which companies' fates are controlled by Drexel Burnham and the institutional money managers. "That's right," says Lipton. "And that's what I'm worried about."

Nonsense, says Icahn. "A company that keeps its stock up and is managed well doesn't have any problem. . . . If it's really making long-term investments that are worthwhile, then it should be out there explaining that to stock analysts, and the stock will stay up. . . . When you offer a company a premium for control," he explains, "it's an insult to management. You're saying the stock is worth more in your hands than in theirs."

In one sense that seems to ignore the obvious: that the value of one share of a company is always worth less than the value per share of gaining control of a company. Still, Icahn has a point. What does indeed drive transactions like his—which typically involve stock price premiums far higher than the normal premium paid for control—is the perception that someone else can manage the assets of a Phillips better than Douce and company can, be it by improving asset deployment, improving productivity, or selling off all or some of its parts. That's also what drives more traditional mergers and acquisitions, such as the recent Capital Cities Communications—ABC deal: Capital Cities management (and Wall Street, too, given the stock market reaction to the deal) believes it can make more of a ABC than current management has.

It's also true, though, that a large share of such acquisitions haven't worked out that way—such a large share that the word "synergy" ought to be banned from the business vocabulary by the SEC as prima facie deception. Many of these deals are simply monuments to the egos of the acquirers. But here, too, Icahn and his friends, who claim to personify the marketplace at work, are ready to step in and help: They'll bust up the merged company.

In doing so, they find support from free market academics and economists, including those on the President's Council of Economic Advisers. The council's latest report to the President contained a section on takeover fights, which said in part:

The best assurance an incumbent management has against a successful takeover attempt is a stock price that is high relative to outsiders' estimates of . . . potential value. . . . Managements that allocate capital to higher valued uses, operate efficiently, and adopt capitalization structures responsive to prevailing financial market conditions are less likely to be subject to takeovers. . . . Contests for corporate control are part of a larger merger and acquisition process that plays an important role in the economy's adjustment to changing market circumstances. . . . [T]here is no economic basis for regulations that would further restrict the . . . process. Indeed, the economic evidence suggests that existing regulations impose restraints that may deter potentially beneficial transactions. . . . The evidence also suggests that abusive practices in the market for corporate control are limited largely to tactics employed by target managements who, in opposing takeover bids, defeat or deter tender offers at the expense of their shareholders and the economy. . . .

Lipton now so passionately takes the opposite view that his firm, he says, has recently decided not to accept business from takeover raiders (including previous client Jimmy Goldsmith) who specialize in what Lipton calls "the two-tiered, bust-up, junk-bond takeover." Sure, Lipton's position could simply be a cagey marketing strategy (like Goldman Sach's decision two decades ago never to work for a hostile acquirer) that gives his firm a new leg up on the loyalty and business of Fortune 500 CEOs. But that's beside the point. Whatever the reason, Lipton has become a prime advocate on one side of what should become a fascinating, important public policy debate, and he has articulated perhaps the most cogent arguments against the laissez faire attitude toward Icahn-like forays that seems to be prevailing in The Roaring Eighties.

In a recent letter to Senator William Proxmire, Lipton spelled it out this way:

These takeovers move assets into hands that profit by cutting off the allocation of part of the revenues produced by the assets to research and development and capital im-

provements and instead divert those revenues to paying the debt incurred to acquire the assets. One can analogize the situation to a farmer who does not rotate his crops, does not periodically let his land lie fallow, does not fertilize his land and does not protect his land by planting cover and creating wind breaks. In the early years he will maximize his return from the land. It is a very profitable short-term use. But inevitably it leads to a dust bowl and economic disaster. . . . Day after day the takeover entrepreneurs are maximizing their returns at the expense of future generations that will not benefit from the research and development and capital investments that takeover entrepreneurs are forcing businesses to forego. . . .

Today institutional investment managers . . . will accept any premium over the current stock market price rather than hold a portfolio investment for appreciation in the future. . . . Since most of the large publicly held companies are effectively controlled by institutional investors, the coordinated activity of takeover entrepreneurs and institutional investors now presents an immediate threat of takeover and liquidation to every large public company that sells in the stock market for less than its liquidation breakup value. . . .

Lipton was arguing in his letter against legislative proposals mandating that shareholders get a right to vote on any takeover offer, free from management's interference. But, again, if a company is worth more broken up, why shouldn't the shareholders be able to break it up by voting for a proposal from an Icahn? And why shouldn't they be able to decide if their long-term interest is better served by sticking with the company because its R&D program is so promising? And how is it that some companies, such as IBM, are selling at high multiples of earnings because, presumably, the stock market sees its long-term value?

"Research and development," huffs Icahn. "These companies that are so desperate for protection aren't doing that. Their idea of research and development is buying businesses they don't know how to run that will add to their power and their egos. Why should their shareholders have management be a depository of funds for something like that?"

"I'm telling you, these raids are the best thing that's happened to corporate America that I can remember," echoes Pickens. "It's bringing an awareness and accountability into the system," he adds, noting that managements of other oil companies who, like Douce, own only small portions of their company's stock are now starting to "worry about the shareholders more than they ever did."

But it should be remembered that both well run and poorly run companies are susceptible to raids, for when the supporters of the laissez faire approach argue that the neutral marketplace ought to decide who gets taken over and how, they seem to forget that the country's tax and accounting rules are such that the market isn't exactly neutral. To take two obvious examples:

First, corporations that invest in research and development have to account for that expense in the year they spend it, thereby depressing earnings. The same corporation that pays a premium to take over another company can amortize the premium over 40 years, thereby depressing earnings only minimally.

Second, the fact that corporate income is taxed to corporations and dividends are taxed to shareholders creates a double tax. This makes payment of interest (on junk bonds, for example), which is tax deductible to the corporation, roughly twice as easy (assume a 50 percent tax rate) for a corporation as paying dividends. Thus, a company that can pay shareholders a rate of return of 7 percent on dividends can just as easily pay 14 percent interest; and an investor, who will have to pay taxes on either the interest or the dividend, will prefer a debenture at that higher rate to a dividend at the lower rate. In that sense even an Exxon (which has been buying its stock vigorously on the open market, reportedly at least in part to lessen takeover dangers) or an IBM could be vulnerable. "Take the vigorish out by stopping double taxation," says Joe Flom, "and you end one of the major encouragements for these leveraged deals."

Others, like Flom, don't buy Lipton's client-pleasing answer that the solution is to let all managements, good and bad, use any and all tactics in Lipton's medicine bag to keep shareholders from deciding on tender offers. But they don't think that tinkering with tax and accounting regulations is enough, either. Martin Davis, the chairman of Gulf & Western Industries, a company Icahn attacked in 1983 just days after founder Charles Bluhdorn died of a heart attack, points out that with so many other markets—from antiques, to money funds, to new forms of corporate debt instruments, to options, to options on options—now competing for funds that might otherwise be invested in the stock market, "most stocks sell below their market value and certainly below their control value and bust-up book value." In Davis's view this makes almost any company susceptible to a raid and forces every management to worry about its current stock price, often at the sacrifice of long-term investments. "Carl's right about a lot of managements, but the fact is he can go after almost any company and make a profit by putting it into play," Davis maintains. "Something fundamental has to be done, but I'm not sure what, because I believe in the free market. I just also believe the country can't survive if the stock market is just a casino full of short-term players."

Icahn, who was bought out of his Gulf & Western position in an open-market transaction arranged by Davis at the market price, credits Davis (whom he recalls as "one guy willing to negotiate with me one on one") with boosting his company's stock. He says Davis has in fact, made the company far less susceptible to a raid, though not immune, by doing "exactly the kinds of things managers should be doing. . . ."

Flom, who is one of Davis's lawyers, doesn't agree that more basic reforms are necessary. He "generally believes," he says, in the conservative Chicago School view that after "some turmoil with some of these raids by people like Carl," the market will adjust, and stock prices will go up, because assets will have been redeployed more efficiently, and companies that haven't been raided will have a prospective-takeover premium added to their price that will deter more raids.

"It seems to me that turmoil is what you want to avoid in an economic system." counters investment banker Felix Rohatyn of Lazard Freres. "And what these Chicago School people don't understand is that turmoil is very destructive for everyone. When you have an environment like we seem to have now where those rolls of the dice can be so wild because there is so much leverage with so little proper evaluation of the risk behind that leverage, because everyone seems to think that any type of leverage works, you're creating a very dangerous situation."

Leverage, indeed, seems to be the culprit. It's leverage, after all, that seemingly allows anyone to tally up the control value or the bust-up value versus the stock market value of a company the size of Phillips and then offer a stupendous premium. Some people, especially greedy people, will almost compulsively take just about any risk that opportunity—in the form of the credit markets—allows, and they'll find others to follow along. In the Roaring Eighties everyone seems to be having a terrific time offering and accepting any and all such opportunities. And they're not terribly interested in listening to anyone who wants to spoil the party with homilies about proper risk evaluation or the fact that risk really does increase with reward.

Yet what seems eminently do-able, even magically wonderful today, looks quite the opposite when the economy turns down and the corporations that are supposed to throw off the cash to service these junk bonds dry up. What today gets leveraged up with lightning speed could unravel just as fast. We can see it in the E.S.M. government bond failure which revealed a classic Roaring Eighties get-rich-quick leverage scheme; and we ought to be able now to see how it could happen tomorrow on a much larger scale if one of these Icahn-type deals goes through and the target company fails.

"What bothers me most about what's happening today." adds Rohatyn, "is that there's this mutually reenforcing cycle of everyone telling everyone else that anything will work. That this is a foolproof way to get rich. There just shouldn't be so many rolls of the dice. . . .

"It's contagious now," Rohatyn continues. People like Pickens are on the covers of national magazines. And when I go to colleges to lecture on municipal finance or public policy, the kids all want to hear about how investment bankers are creating all this wealth. . . . We have to put the brakes on this go-go mania. We have to take a look at controlling all of this from the credit and tax side."

Who won the Phillips fight?

Douce and the target management seem to have won; they became the first oil company management under attack to preserve their independence. But who's to say the company can't be raided again." Icahn, for one, thinks this is entirely likely.

The shareholders seem to have won, in that in exchange for their old stock they got a package that seems to be worth $53, or close to it, whereas last fall their old stock was trading in the $30s. But a few years ago that stock was over $60; and studies show that many companies that successfully resist tender offers at extremely high premiums later see their prices rise higher than the premiums that were offered. Moreover, as Rohatyn puts it, "It's not so clear that the (new) Phillips stock will be worth what they said it would be worth," meaning that the package may not be worth $53 after all.

Icahn clearly won; he made $52.5 million in ten weeks. *And for his victory there are no qualifiers.*

True, there may have been a few "moments of truth," as he likes to describe his poker game. Yet like the man who made those mysterious late-night phone calls—who, if not for the fact that Icahn testified under oath that he really exists, could be a

metaphor for the ethic of *The Roaring Eighties*—Icahn didn't have to do much or show much of his hand.

"I'm fervently against poison pills and believe that shareholders have a right to control their destinies, but what especially bothers me about Icahn is that he did this with mirrors," says Rohatyn. "No one really could believe he intended to run Philips Petroleum. . . . And when you have too many people getting rich on mirrors, you have to stop and take a look at where we're going. Because it could all unravel."●

FARMERS' DAY PRAYER

● Mr. BOREN. Mr. President, the letters and phone calls continue to pour into my office expressing my constituents' concerns over the persistent farm crisis. A day never goes by that I am not reminded of the many struggles of keeping the family farms going day after day, obtaining credit in time to plant seasonal crops, and for the first time for some farmers, juggling a full-time job in town with farming in the wee morning hours and late in the evening.

As the Agriculture Committee this week begins marking up the farm bill, I think it is particularly fitting to share with all of you a beautiful prayer that I received in the mail several weeks ago. The prayer was written by Dr. Jene Miller for a farmer's day banquet in Altus, OK, several years ago and is entitled, "A Seed-Time and Harvest-Time Prayer." This composition is so revealing of the necessity of the farmers' own survival to ensure that the rest of the world never has to go without. It is the farmers' unfailing faithfulness and commitment to tilling the land that assures us that we, as Americans, will never have to go hungry. Now, we remain hopeful of finding more workable means of distributing this wealth. I ask that the prayer be inserted in the RECORD at this point.

The prayer follows:

God of galaxies and atoms, we come to this hour to confess our need. However fair the skies or rich the soil, without farmers to mediate between the dirt of our fields and the protein of our bread, we will starve. Without their faithfulness in storm and drought, in labor and indebtedness, we will not eat. For all their silent sacrifices and vigilent labors we give thanks to Thee and for them. In the name of all the hungry world, we implore Thy blessings on them that they may continue to enable us to obey our Lord's own command to feed the hungry, clothe the naked, and heal the sick. In Jesus' name, Amen.●

GROUND-BREAKING FOR A NEW MUSEUM OF AFRICAN AMERICAN HISTORY

● Mr. LEVIN. Mr. President, on Tuesday, May 21, there will be a groundbreaking for the new Museum of African American History in Detroit, MI. This is an important event for Detroit and for the Nation because since its founding, the Museum of African American History has provided national leadership in the field of African American museum affairs as well as having given more than 3 million people the opportunity to visit its exhibits and participate in its activities.

The Museum of African American History has had as its goal the preserving, restoring, and publishing of materials related to the black experience. Through these efforts, the museum has provided young and old alike with the opportunity to learn more about their community, their heritage, and themselves. By doing so, we are all better aware of the contributions of African Americans to our national life and share in the sense of pride that we all feel at the achievements of our fellow citizens.

The success of the museum has given rise to the need for additional space. That is the reason for the ground-breaking ceremony next Tuesday. The new museum will have five times as much space as the current facility. This expansion will allow the museum to increase its potential for preserving and promoting a greater awareness of African American history.

Current plans also call for a mobile studio, including audio, photo, and video facilities, which will travel throughout the country gathering artifacts and personal life stories for the museum. In turn, the museum will be the national repository for this memorabilia.

I would also like to commend the efforts of so many in the Detroit community who have made the construction of a new site for the museum a real possibility. In particular, the students, teachers, and administration of Detroit's public schools should be congratulated on their successful buy-a-brick campaign. The Museum's Million-Dollar Club has also already raised more than $100,000, and the city administration has contributed $2.3 million. These represent the kinds of community based efforts of which we as a nation can be proud.

There is nothing quite like this project happening anywhere else in our Nation. This project represents a total commitment from the entire community and I commend the effort put forth by so many to enrich and enhance Detroit's cultural resources.●

PROPOSED ARMS SALES

● Mr. LUGAR. Mr. President, section 36(b) of the Arms Export Control Act requires that Congress receive advance notification of proposed arms sales under that act in excess of $50 million or, in the case of major defense equipment as defined in the act, those in excess of $14 million. Upon such notification, the Congress has 30 calendar days during which the sale may be reviewed. The provision stipulates that, in the Senate, the notification of proposed sales shall be sent to the chairman of the Foreign Relations Committee.

In keeping with the committee's intention to see that such information is available to the full Senate, I ask to have printed in the RECORD at this point the notifications which have been received. The classified annexes referred to in two of the covering letters are available to Senators in the office of the Foreign Relations Committee, SD-423.

The notifications follow:

DEFENSE SECURITY ASSISTANCE AGENCY,
Washington, DC, May 10, 1985.

Hon. RICHARD C. LUGAR,
Chairman, Committee on Foreign Relations, U.S. Senate, Washington, DC.

DEAR MR. CHAIRMAN: Pursuant to the reporting requirements of Section 36(b) of the Arms Export Control Act, we are forwarding herewith Transmittal No. 85-10 and under separate cover the classified annex thereto. This Transmittal concerns the Department of the Navy's proposed Letter of Offer to Spain for defense articles and services estimated to cost $20 million. Shortly after this letter is delivered to your office, we plan to notify the news media of the unclassified portion of this Transmittal.

Sincerely,

PHILIP C. GAST,
Lieutenant General, USAF,
Director.

Attachments.

TRANSMITTAL NO. 85-10

Notice of Proposed Issuance of Letter of Offer Pursuant to Section 36(b) of the Arms Export Control Act

(i) Prospective purchaser: Spain.

(ii) Total estimated value:

	Millions
Major defense equipment [1]	$16
Other	4
Total	20

[1] As defined in section 47(6) of the Arms Export Control Act.

(iii) Description of articles or services offered: A quantity of 60 MK 46 MOD 5 torpedoes, 12 exercise heads and associated spare parts.

(iv) Military department: Navy (AHN).

(v) Sales commission, fee, etc., paid, offered, or agreed to be paid: None.

(vi) Sensitivity of technology contained in the defense articles or defense services proposed to be sold: See annex under separate cover.

(vii) Section 28 report: Case not included in section 28 report.

(viii) Date report delivered to Congress: 10 May 1985.

POLICY JUSTIFICATION

SPAIN—MK 46 MOD 5 TORPEDOES

The Government of Spain has requested the purchase of a quantity of 60 MK 46 MOD 5 Torpedoes, 12 Exercise Heads and associated spare parts at an estimated cost of $20 million

This sale will contribute to the foreign policy and national security objectives of the United States by improving the military capabilities of Spain and enhancing the defense of the Western Alliance.

The sale of these torpedoes and continuing support to the Government of Spain is

part of the close cooperation in defense and other matters under the 1976 Treaty of Friendship and Cooperation between Spain and the United States. The Spanish Navy intends to utilize these torpedoes on frigates and shipboard helicopters as an anti-submarine deterrent.

The sale of this equipment and support will not affect the basic military balance in the region.

The prime contractor will be Honeywell, Incorporated of Hopkins, Minnesota.

Implementation of this sale will not require the assignment of any additional U.S. Government personnel or contractor representatives to Spain.

There will be no adverse impact on U.S. defense readiness as a result of this sale.

TRANSMITAL No. 85-10

Notice of Proposed Issuance of Letter of Offer Pursuant to Section 36(b) of the Arms Export Control Act

3. (U) Release of this technology is within the classification guidelines for disclosure to Spain as stipulated in National Disclosure Policy (NDP-1).

DEFENSE SECURITY ASSISTANCE AGENCY,
Washington, DC, May 13, 1985.

Hon. RICHARD C. LUGAR,
Chairman, Committee on Foreign Relations, U.S. Senate, Washington, DC.

DEAR MR. CHAIRMAN. Pursuant to the reporting requirements of Section 36(b) of the Arms Export Control Act, we are forwarding herewith Transmittal No. 85-31 and under separate cover the classified annex thereto. This Transmittal concerns the Department of the Army's proposed Letter of Offer to Switzerland for defense articles and services estimated to cost $209 million. Shortly after this letter is delivered to your office, we plan to notify the news media of the unclassified portion of this Transmittal.

Sincerely,

PHILIP C. GAST,
Lieutenant General, USAF,
Director.

Attachments.

TRANSMITTAL No. 85-31

Notice of Proposed Issuance of Letter of Offer Pursuant to Section 36(b) of the Arms Export Control Act

(i) Prospective purchaser: Switzerland.

(ii) Total estimated value:

	Millions
Major defense equipment [1]	$168
Other	$41
Total	$209

[1] As defined in section 47(6) of the Arms Export Control Act.

(iii) Description of articles or services offered: A quantity of 12,000 BGM-71D TOW II missiles, 3,000 (inert) practice missile rounds, 400 AN/TAS-4A night vision sights, 400 components to assemble TOW II launchers, and ancillary equipment. The sale may involve co-production of selected releasable components of the TOW II weapon system by the Swiss.

(iv) Military department: Army (VEY).

(v) Sales commission, fee, etc., paid, offered, or agreed to be paid: None.

(vi) Sensitivity of technology contained in the defense articles or defense services proposed to be sold: See annex under separate cover.

(vii) Section 28 report: Case not included in section 28 report.

(viii) Date report delivered to Congress: 13 May 1985.

POLICY JUSTIFICATION

SWITZERLAND—TOW II MISSILES

The Government of Switzerland has requested the purchase of a quantity of 12,000 BGM-71D TOW II missiles, 3,000 (inert) practice missile rounds, 400 AN/TAS-4A night vision sights, 400 components to assemble TOW II launchers, and ancillary equipment at an estimated cost of $209 million.

This sale will further the foreign policy goals of the United States by helping to assure the defense of a friendly country whose avowed neutrality has long contributed to the security of Western Europe. It is consistent with the U.S. policy of assisting other nations to provide for their own defense and security. Switzerland has traditionally based its independence on a strong and ready military establishment.

This weapons system is required by the Government of Switzerland to replace its 30 year plus weaponry and to improve its Army and Militia Military. Switzerland will have no difficulty absorbing this system and this sale will increase the military defense capability of Switzerland. The sale of this equipment and support will not affect the basic military balance in the region since comparable or identical weapons already exist there.

The sale may involve partial co-production of selected releasable components of the TOW II weapon system by the Swiss. The exact components and the degree of co-production will not be known until some time in 1985 since the Swiss are currently conducting production feasibility studies for this effort. During co-production, the Swiss may release technical data and drawings to the Eichweber Company of the Federal Republic of Germany for the sole purpose of integration of the Talissi system to the modified day sight and launch tube. Some launch tube shells and modified day sight shells may also be transferred to the Eichweber Company on a temporary basis. The total value of the transfers is estimated to be not more than $50,000.

The sale of this equipment and support will not affect the basic military balance in the region.

The prime contractors will be the Hughes Aircraft Company of Tucson, Arizona and the Emerson Company of St. Louis, Missouri.

Implementation of this sale will not require the assignment of any additional U.S. Government personnel or contractor representatives to Switzerland.

There will be no adverse impact on U.S. defense readiness as a result of this sale.●

HEAD START'S 20TH ANNIVERSARY

● Mr. GLENN. Mr. President, this year marks the 20th anniversary of Project Head Start—a program that provides America's children the change to overcome the obstacles of poverty. In 1965, President Lyndon Johnson launched Head Start with the hope and dream to alleviate the tragedies of disadvantaged children who face a lack of medical, emotional, nutritional, and educational services that many take for granted.

Today there is a Head Start center in nearly every county in the United States. Although performance standards are set at the Federal level, it is the local community that actually molds the program to enhance its own particular cultural and ethnic characteristics.

Few would dare dispute Head Start's success. Since its inception, some 9 million children and their families have benefited from this project. We all know that the early years of childhood are critical to a child's development and it is essential that we reach out and give these youngsters a helping hand at a time when they need it most. The very existence of Head Start illustrates our commitment to the well-being of our greatest investment—our greatest hope—our children.

It is imperative that we reach out and encourage them to explore, to create, and to dream. Most importantly, though, the Head Start children are surrounded by parents and teachers who believe in them and love them.

Twenty years of Head Start success stories could fill volumes of books and these successes cannot be measured merely in dollars alone. Rather, they must be judged by the mental, physical, and educational development of those children who might otherwise have fallen short of their potential through no fault of their own.

On behalf of the 9 million children who have received assistance from Head Start and those children who have yet to benefit, I want to congratulate those who have contributed to the creation and development of this outstanding program. When many today are quick to remind us of the shortcomings of Federal programs, let us recall that this program sought to serve and did. It is my hope that Congress will continue to support one of our Nation's most valuable programs so that disadvantaged children can truly get a "head start" in life.●

A TRIBUTE TO DONALD P. EDSON

● Mr. BOREN. Mr. President, it is with a great deal of sadness that I note the tragic death of Donald P. Edson, vice president for legislative services for the Farm Credit Banks of Wichita, KS, in a three-wheel recreational vehicle accident near Mulvane, KS, on April 28, 1985.

In writing about his death, Hurst Laviana, staff writer for the Wichita Eagle-Beacon, commented that "Whether his audience was a group of Congressmen in Washington, DC, office building or a farmer in the middle of a Kansas wheatfield, Donald P. Edson was at his best when he was talking agriculture."

As one who discussed agriculture with him many times, I can attest to that. Edson spent many hours in my office discussing the problems of agri-

culture and attempting to find answers to the problems facing farmers. He was concerned not only about farmers' financial problems but also their other problems. He was always open to any idea and carefully considered differing points of view.

In the Eagle-Beacon article mentioned above, Mrs. Edson, his widow, pointed out that "He could talk to anyone. He could listen to anyone and understand. He could go through a whole room full of people and just light up." One of his former employers was quoted as saying, "He was the type of person you felt you knew all of your life—whether it was a high-ranking Federal official or a farmer out on his land. He had the ability to communicate with all types of people. He never met a stranger." Monte Reese, a vice president of public affairs for Farm Credit Banks, is quoted as saying that what made Mr. Edson unique was his ability to combine extensive knowledge of agriculture with a strong ability to communicate. "He could really talk their language and they could understand him," Reese said. "Don had a very solid understanding of agriculture. He was a very energetic and dynamic leader in Kansas agriculture. He was a very popular speaker at agricultural meetings—in Kansas and around the country."

Edson was raised on a livestock and grain farm south of Topeka and received a degree in agricultural education from Kansas State University. He was a farm director at WIBW Radio and TV in Topeka for 10 years, joining the Federal intermediate Credit Bank in January 1970. He took the position of vice-president for legislative services at a time when most would have shunned the responsibility. With tremendous pressure facing the Farm Credit System as a result of record farm foreclosures, he rose to the challenge of finding a solution which would keep the system solvent.

Surviving Edson are his wife, Lynne; two sons, David and Doug, and a daughter Darla; his parents, Burton and Elma Rene; a brother, Dean; and two sisters, Jan Haun and Karen Edson. To them and his other relatives we extend our deepest sympathy. All of us have lost a good friend and a fighter for our farmers.●

CONCLUSION OF MORNING BUSINESS

The PRESIDING OFFICER. Is there further morning business? If not, morning business is closed.

REPEAL OF CONTEMPORANEOUS RECORDKEEPING REQUIREMENTS—CONFERENCE REPORT

The PRESIDING OFFICER. The hour of 11:30 a.m. having arrived, the Senate will now return to the consideration of the conference report on H.R. 1869, which the clerk will report.

The legislative clerk read as follows:

The conference report on H.R. 1869, an act to repeal the contemporaneous recordkeeping requirements and the Tax Reform Act of 1984, and for other purposes.

The PRESIDING OFFICER. The time on this conference report is limited to 40 minutes, with 30 minutes under the control of the Senator from Ohio [Mr. METZENBAUM] and 10 minutes under the control of the Senator from Oregon [Mr. PACKWOOD] or his designee.

Mr. METZENBAUM addressed the Chair.

The PRESIDING OFFICER. The Senator from Ohio.

Mr. METZENBAUM. Mr. President, I rise to address myself not only to the conference report but to an issue that is not in the conference report but that was in the report language of the Senate Finance Committee.

Before doing so, however, I think we ought to make the record clear as to what this conference report does and does not do. According to the conference report, the measure before the Senate will reduce revenues by $107 million between fiscal year 1985 and fiscal year 1987. It is, therefore, subject to a point of order under section 311 and another point of order under section 303 of the Budget Act.

Mr. President, I do not intend to make the parliamentary point of order because I feel confident that it would be overruled by a vote of the Senate, but in order to make it clear to one and all that, indeed, the point that the Senator from Ohio is making is correct and that we are taking away $107 million in revenues, I will pose a parliamentary inquiry: First, would the Chair sustain a point of order raised under section 311 and, second, would the Chair sustain a point of order raised under section 303 of the Budget Act?

The PRESIDING OFFICER. This conference report does result in a loss of revenues for fiscal year 1985, and because the Congress is below the revenue floor for this fiscal year, the conference report would give rise to a point of order under section 311 of the Budget Act. Because the conference report raises revenues for the fiscal year 1986, a year for which there is no first concurrent resolution on the budget, the report would violate section 303(a) of the Budget Act.

Mr. METZENBAUM. And, therefore, be subject to a point of order under section 303 as well?

The PRESIDING OFFICER. That is correct.

Mr. METZENBAUM. Mr. President, I do not intend to raise those points of order, but I want to emphasize that while everybody is out making speeches about balancing the budget, the U.S. Senate is going to pass this conference report by unanimous consent this morning, probably without a rollcall, and we are going to increase the Federal budget deficit by $107 million over 3 years.

Now, that $107 million I want to point out is over and above the amount that we do not even know the facts about, and that is the reduction in revenues that will be produced by those corporate executives who will not have to pay much in taxes on their corporate aircraft travel.

It is a fact—and I will get into that soon—that they will still pay something, but the amount they will pay, according to my calculations, is probably closer to one-fifth to one-eighth of what they would otherwise be paying.

Now, the matter of aircraft used by corporate executives is not technically part of the conference report before the Senate. It has to do with the report language the Finance Committee wrote. It was not possible for us to deal with the issue on the floor because it is not in the bill. But it was one of those arrangements that you make around here where in the committee report the Finance Committee tells the Treasury Department to do what they want, and the Treasury Department, always ready to accommodate, particularly when it has to do with the loss of revenue from corporate executives who do not have to pay their fair share of the taxes, went even further than the Finance Committee had asked.

Now, to explain the issue, in the Deficit Reduction Act of 1984, there was an effort to increase revenues by closing some tax loopholes. Now, that was significant. The Congress indicated its willingness to close some tax loopholes, an area some of us had been addressing ourselves to for some time but our arguments pretty much fell on deaf ears. Even though David Stockman and the President and others said they should be closed, every time we attempted to close them, some lobbyist came along and was pretty much able to talk them out of it.

One area of the 1984 bill had to do with the taxation of fringe benefits that are not statutorily tax exempt.

The 1984 Tax Act amended the Tax Code to provide that fringe benefits are among the items specifically included in gross income. According to the "General Explanation of the Revenue Provisions of the Deficit Reduction Act of 1984" put out by the Joint Committee on Taxation, the Tax Code was amended "as a clarification that the fair market value of any fringe benefit not covered by an express statutory exclusion is included in the recipient's gross income."

Now, existing regulations provide that corporate executives who use corporate aircraft for personal purposes

must include in their taxable income the fair market value of such use.

Now, is that not a reasonable thing to do? If you are using it for your personal benefit, should not that corporate executive be required to report that as a part of his or her income?

Fair market value is determined under all the facts and circumstances, or, alternatively, by using a safe harbor test, which is the cost of chartering a similar aircraft. That certainly is fair.

How does it work under the present law? If, for example, an executive were to travel on vacation from Washington to Miami and back on a corporate Lear-35 jet, current regulations would require that $8,150, the cost of a charter for that same flight, be added to his or her taxable income.

That seems simple as such. But the National Business Aircraft Association believes that the new regulations were too complex for the average chief executive officer to comprehend. That according to a bulletin "Is This Tax Simplification?" by Mr. Joseph Burnside, manager of Government relations. Mr. Burnside wrote:

> But the granddaddy of them all, when it comes to considering the various uses of business aircraft and value to the employee, is when the boss uses the plane for personal transportation. Now, admittedly, this is the sort of fringe benefit which should result in the imputation of addition income but, at the same time, is not something which occurs every day. Indeed, most aircraft are used strictly for business reasons. However, the IRS has seen fit to address this subject also.

The article went on to say:

> Further, the time spent by the IRS auditor in ascertaining whether the regulation is complied with will certainly divert the agent from more productive pursuits, such as looking for abusive shelters or, indeed, dreaming up new ways to "simplify" the tax code. Is this tax simplication?

To him, I answer, yes, indeed, that is tax simplification. As a matter of fact, it is more than tax simplification. It is a matter of what is right and what is wrong. But the lobby is pretty good. The lobbyists did their work on the committee, and the big business executives made their point.

Lo and behold, who came to the rescue? That sturdy defender of Government income, our Senate Finance Committee, came to the rescue.

The committee adopted report language in reporting S. 245 that directed the IRS to revise its regulations for valuing trips on corporate aircraft. You have to understand that there was nothing in the bill having to do with corporate aircraft. It was totally blank on that subject. It was as though they included something in the bill having to do with the WIC Program or something having to do with some totally unrelated program. But they wanted to take care of their friends, the corporate executives who fly planes for personal use.

After all, is it not important to the Nation's interests that we permit corporate executives to use the planes to go to the World Series or to some important football game, or to take their families on a vacation to some warm climate?

So the language of the report reads:

> The committee also intends that the Treasury is to substitute the following safe-harbor valuation rules with respect to employee flights on employer-provided, noncommercial aircraft that constitute taxable fringe benefits, for the valuation rules with respect to such benefits that are currently set forth in temporary regulations.

It then went on to say that if the plane weighs more than 10,000 pounds, the value for a control employee—those are the executives—would be the first-class fare that would have to be reported; and the value for other employees would be the value imputed to the parents of an airline employee, which would be half the coach value. If the plane weighed more than 6,000 pounds but not more than 10,000 pounds, the value that would have to be included so far as the executive is concerned would be the coach fare, and the value for other employees would be three-fourths the value imputed to the parents of airline employees.

If some within the hearing range of my voice want to know why the language is "parents of airline employees," or if some who read the RECORD want to know why that language is used, they will have to go back to the Finance Committee and ask them; because, frankly, I do not understand the meaning of that language.

If the plane weighed 6,000 pounds or less, the control employees—the executives—would have to pay taxes on one-half the coach fare; and for those who are not executive employees, the amount that would have to be included would be half the value imputed to the parents of the present employee.

I must say that it probably is unimportant what "parents of employees" means, because, in the last analysis, you can count on the Treasury Department. They got the message. The message was clear and simple: "See to it that the corporate executives and others who use private aircraft do not have to pay anything in taxes, or see to it that they have to pay very little in taxes, when they use the corporate planes."

I am aware that it is unusual for me to be standing here to debate an issue that is not before the Senate. As a matter of fact, I am not even debating it, because it is obvious that the chairman of the Finance Committee and the majority leader are not on the floor—and I have no fault to find with that. But I believe it is so shocking, so indecent, so inappropriate, and so wrong for the Finance Committee and the U.S. Senate to be telling the Treasury Department to reduce taxes of corporate executives who use private planes, that unless I raise the issue in this manner—and I cannot get it to a vote, because there is not a parliamentary procedure to do so—unless the issue is made, unless the matter is at least brought out into the open, it will slide through, as many other issues slide through in Congress.

However, although it is unusual to debate an issue that is not before the Senate, it is just as unusual for the proponents of a tax cut to avoid placing it before the Senate. What wonderful speeches my colleagues make about trying to balance the budget! There is nothing more important, they say on the television programs and the radio programs and to the newspaper editors and before the crowds to whom they speak. But the fact is that everybody is going along with what the Finance Committee did; and the Treasury Department, which is so anxious to find a new tax bill for the President, is going along, losing revenue, for no reason whatsoever.

Instead of making it possible for this issue to come before the Senate, the proponents inserted in the committee report language that was never before the Senate and insisted that the Treasury provide favorable treatment.

When I raised this issue on April 3 on the floor of the Senate, the chairman of the Finance Committee said:

> This issue is not before us in any way, shape, or form—it is not before us in any report language in the House bill, it is not in the House bill, it is not in the amendment before us—it is not in any report language that is before us. There is nothing that we have done or are going to do that has any effect, at the moment, on the Treasury regulations that impute the value of flying on airplanes. The committee report that contains that language is not part of the pending committee amendment.

I offered an amendment to H.R. 1869—that is this particular legislation—that would have expressed the sense of Congress that existing regulations regarding the valuation of personal travel on private aircraft by corporate executives should not be changed. That measure failed on a 46 to 47 vote, with eight members of the Finance Committee supporting the amendment.

However, the Treasury Department got the message. They understood what some Members of Congress wanted. They did not worry about the 46 who said, "We don't want it." They were going to take care of the 47 who did. Besides, the business lobbyists were doing their job, and doing it well, at the Treasury Department.

So the Treasury Department did not heed the concerns that 46 Members of the Senate expressed. Treasury caved. They caved so fast that they fell over themselves to be sure that they took care of the corporate executives.

51-059 O-86-36 (Pt. 9)

So, when the measure reached the conference committee, the Treasury had in hand a letter addressed to Majority Leader DOLE:

To confirm our discussions regarding the establishment, by Treasury regulation, of a revised safe harbor method of valuing personal flights * * *.

I ask unanimous consent that a copy of that letter be printed at this point in the RECORD.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

HON. ROBERT DOLE,
Senate Majority Leader,
Washington, DC.

DEAR MR. LEADER: This letter is to confirm our discussions regarding establishment, by Treasury regulation, of a revised safe harbor method of valuing personal flights by employees, their families and their guests on company aircraft.

The safe habor values would be as follows.

Maximum certified takeoff weight of the aircraft	Includible value for a control employee	Includible value for a non-control employee
25,000 lb or more	200 percent of first class.	Safe harbor value for airline parents.
10,001 to 25,000 lb.	150 pecent of first class.	Safe harbor value for airline parents.
6,001 to 10,000 lb	Coach	75 percent of safe harbor value for airline parents.
6,000 lb or less	50 percent of coach.	50 percent of safe harbor value for airline parents.

In approximating first class fare or coach fare, we would use the Standard Industry Fare Level (SIFL) rates or another appropriate method.

The term "control employee" in the content of private employment shall be defined to mean the following:

1. Board-elected or shareholder-elected officers. However, the number of employees who are control employees under this test shall be limited to the lesser of (a) 1 percent of all employees or (b) 10 employees.

2. The top 1% in terms of compensation, based on the prior year. The number of employees who are control employees under this test shall not exceed 25 employees. In addition, no employee earning under $50,000 shall be a control employee under this test.

3. All employees owning an equity interest of 10% or more of the employer, with appropriate attribution rules.

4. Guest and family members of the employees listed above.

In addition, we will, by regulation, create a special rule which applies where 50% or more of the regular passenger seating capacity of that plane as used by the company is occupied by individuals whose flights are primarily for the employer's business and whose flights are thus excludable from income. In such circumstances, a personal flight by an employee, his spouse, or dependent children (generally, as such terms are defined under section 132 of the Code) in any of any of the remaining seats is deemed to have no value. This special rule is not based on general valuation principles but rather on legislative intent. Thus, if other guests of an employee (such as an employee's parent) fly in the remaining seats for personal purposes, the employee would have income. In these situations, if the safe harbor is used, the employee would be taxed at the non-control employee rate. For purposes of determining passenger seating capacity, any seat occupied by the flight crew shall not be counted except when an employee is flying the plane in which case his seat shall be deemed a passenger seat.

We believe this fairly represents our discussions and provides a workable regulatory framework for taxing personal use of company planes.

Sincerely,

RONALD A. PEARLMAN,
Assistant Secretary (Tax Policy).

Mr. METZENBAUM. Now, Mr. President, you have to understand what I am saying. What I am saying is that the chairman of the Finance Committee told this body that there is nothing before us in any report language in the House bill, not in the Senate bill, not in the amendment and it is not in any report language, there is nothing we have done or going to do that has any effect at the moment on the Treasury regulations, and yet the Treasury did not read that part of the remarks of the distinguished chairman of the Finance Committee on the floor. What they did is they acted promptly, so promptly that they had a letter in hand. They were busy with the President's tax revision program, but they had time to get out this letter and that letter indicated:

DEAR MR. LEADER: This letter is to confirm our discussions regarding the establishment, by Treasury regulation, of a revised safe harbor method of valuing personal flights by employees, their families and their guests on company aircraft. The safe harbor values would be as follows:

And then it proceeds to indicate that.

Then the letter goes on to say:

In addition, we will, by regulation, create a special rule which applies where 50 percent or more of the regular passenger seating capacity of that plane as used by the company is occupied by individuals whose flights are primarily for the employer's business and whose flights are thus excludable from income.

I will not read the balance of that paragraph which is included in the letter that I put into the RECORD.

But I will point out that the Treasury Department was so anxious to be accommodating that they actually went even further than the Finance Committee requested.

Under the proposed new regulations, excutives flying on planes weighing more than 25,000 pounds will pay taxes on twice the value of a first-class ticket and on planes weighing between 10,000 and 25,000 pounds 150 percent of a first-class ticket.

In computing the first-class and second-class fares, the IRS will use the standard industry fare-level rates published by the Department of Transportation.

How do these coach rates compare to actual fare-market costs of domestic coach air travel? The Treasury Department was very anxious to be accommodating, and if you look at the facts, you will see that the SIFL rates, the standard industry fare-level rates, would provide that on a New York to Chicago trip that figure would be $129 instead of the actual coach rate of $258. The New York to Miami rate would be $168 instead of the actual fare of $280. And the Chicago-San Francisco rate would be $251 as compared to $398.

Mr. President, I know that my time is getting close to running out, and I know there seems to be no one fighting for the floor. I ask unanimous consent that the Senator from Ohio may be accorded an extra 5 minutes.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. METZENBAUM. What does this mean for the corporate executive traveling round trip on vacation trips between Washington and Miami? Instead of paying taxes on $8,150, he or she would pay taxes on $1,128, about one-eighth of the $8,150 figure. In addition the corporation is allowed to deduct its cost for providing this special perk for the executive, a total that in this case would come to $2,679.

So while we are standing here making our speeches about balancing the budget and doing all the press work that we do about balancing the budget, we are making it possible for an executive who may be making $300,000 or $400,000 or $3 million or $4 million, not to pay taxes on $8,150 which is what is provided for under the present law, but only pay taxes on $1,128.

What a great effort on our part to balance the budget.

When we made an effort to find out what this would actually cost, we were not able to determine whether the loss to the Treasury would be $10 million, $25 million, or $100 million.

Let me point out this is just the week after the Senate indicated it was prepared to eliminate 17 programs, cut back on food for people who need food, and cannot put it on their table, cut back on educational benefits, cut back on social security increases, cut back on so many other programs that means so much to so many. The Secretary of Health and Human Resources is even cutting back on research centers for Alzheimer's disease. There are five research facilities and they are cutting it back to three, with total savings of $2 million.

Mr. President, is it really more important to take care of our corporate executives and see that they do not pay fair taxes than it is to have two more research facilities in the area of Alzheimer's disease?

We spend $1 million a year total to research the whole area of child suicide, $1 million total. And yet once every minute a child in this country attempts to commit suicide and once every 90 minutes a child in this country is successful. So $1 million does not sound like much money. But that is all we spend on that area of research.

Maybe if we did not take care of the corporate executives and paid a little more attention to our kids, paid a little more attention to the older people of this country, maybe the people of this country would have a little more respect for Congress. They think that we are a giveaway operation. They think we take care of only those who have lobbyists around Washington. They think that the defense contractors can constantly and consistently rip us off. They think anyone who has some political moxie or political power is able to get away with anything and everything, and unfortunately what they think is 100 percent correct.

This is a raw, raw deal that we are involved in in that committee report.

Mr. President, when I raised this issue on the floor last month, the majority leader was very frank about his position. He stated:

There are a number of aircraft companies in rather deep recession at this time, including several in Wichita, Kansas, that this Senator has some interest in. They are very concerned about this. They think that without some clarification, the overvaluations required by the regulations can have a potential impact on the entire industry.

I only wish that the Treasury had been as frank and open about its decision to revise the regulations.

On May 3, I delivered a letter to Assistant Secretary Ron Pearlman, asking several questions about the proposed regulations.

I asked for:

First, a detailed explanation of the method by which the IRS determines fair market value for valuing fringe benefits; second, a description of actual out-of-pocket costs of a typical roundtrip flight between Washington and Miami; third, an explanation of why existing regulations do not reflect fair market value; fourth, an explanation of the tax treatment accorded businesses providing aircraft for personal travel to its employees.

I ask unanimous consent that the copy of the letter and the Treasury response be printed at this point in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

COMMITTEE ON ENERGY
AND NATURAL RESOURCES,
Washington, DC, May 3, 1985.

Hon. RONALD PEARLMAN,
Assistant Secretary, U.S. Department of the Treasury, Washington, DC.

DEAR RON: As part of the Senate-House conference agreement on legislation to repeal the contemporaneous record keeping requirement, you agreed to amend existing regulations to ease the fringe benefit valuation rules for corporate aircraft. I believe that your decision to provide a tax cut for corporate executives who use corporate aircraft for personal use is outrageous. In addition, I believe that your decision is not supported by existing statute or Congressional intent.

Last year as part of the Deficit Reduction Act, Congress terminated the moratorium on fringe benefit regulations and amended Section 61(a) of the Internal Revenue Code to provide that fringe benefits are among the items specifically listed in that section as gross income. According to the "General Explanation of the Revenue Provisions of the Deficit Reduction Act of 1984," by the Joint Committee on Taxation, Section 61 was amended "as a clarification that the *fair market value* of any fringe benefit not covered by an express statutory exclusion is included in the recipient's gross income * * *." (emphasis added).

Existing regulations provide that key employees (executives) who use corporate aircraft for personal purposes must impute into income the cost of chartering a similar aircraft. I believe that the charter cost represents a reasonable measure of fair market value for vacation and other personal uses. However, you have announced that the IRS will issue amended regulations that limit the amount imputed to executives to twice the first class fare for the trip. This new regulation means that an executive who takes a round-trip flight from Washington, D.C. to Miami on a Lear Jet will only have to include $1,128 of income, instead of $6,470,00 as provided under existing regulations. If the trip is on a C-90 King Air, the amount imputed is $218 instead of $6,070. And if it is on a smaller aircraft, such as a Beechcraft Baron, the amount imputed will be $109 instead of $3,110. These examples clearly indicate that the new regulations will provide a substantial tax cut for corporate executives who use their company's private aircraft.

Please provide me with:

(1) a detailed explanation of the method by which the IRS has determined the fair market value of personal trips taken by executives on their company's planes, and a detailed description of the methodology used by the Treasury in valuating other fringe benefits.

(2) a description of the actual out-of-pocket costs (fuel, landing charges, pilot wages, etc.) that are incurred in a typical round-trip flight from Washington to Miami;

(3) a description of what has transpired in terms of statutory changes or information brought to the Department's attention that leads you to believe that existing regulations do not properly measure the value of flights taken by executives, and why your proposed regulations will reflect the accurate fair market value;

(4) an explanation of the tax treatment accorded a company that provides an aircraft for the personal use of an executive—specifically I want to know whether a company will ever be entitled to deductions that exceed the amount the executive must include in income; and

(5) a detailed description of the legislative history of the 1984 tax bill that leads you to the conclusion that the proposed regulations conform to congressional intent.

Because the conference report on H.R. 1869 will reach the Senate floor next week, I would appreciate receiving a response to my questions by the close of business on Monday, May 6.

Sincerely,

HOWARD M. METZENBAUM,
U.S. Senator.

DEPARTMENT OF THE TREASURY,
Washington, DC, May 9, 1985.

Hon. HOWARD M. METZENBAUM,
U.S. Senate,
Washington, DC.

DEAR SENATOR METZENBAUM: I received your letter of May 3, 1985, regarding the valuation of personal flights on company aircraft. I welcome this opportunity to respond to your concerns about our decision to revise the safe harbor values for such flights.

Your letter questions the appropriateness of the planned revision to the safe harbor values as applied to executives who use the company airplane for personal purposes. Under the planned revisions (which are not addressed in the pending legislation), all employees, including executives, would be able to use a safe harbor method of valuing a personal flight on a company aircraft. Under the safe harbor, aircraft are divided into 4 classes with different safe harbor values. For example, the value of a flight by a control employee (a term which includes certain executives) on an aircraft weighing more than 25,000 pounds would generally be double the first class fare for a trip of that distance on a commercial airline.

The legislative history of the Tax Reform Act of 1984 provides Treasury with the power to "issue regulations setting forth appropriate and helpful rules for the valuation of taxable fringe benefits." House Report 98-432, at 1609. Pursuant to this legislative history, on January 2, 1985, the Treasury Department issued regulations which, in addition to articulating certain general rules for valuing fringe benefits, established safe harbor valuations for the availability of an employer-provided automobile, for the use of an employer-provided automobile for commuting, for a flight on an employer-provided airplane, and for a free or discounted flight on a commercial airline. The purpose of these safe harbors was to make the taxation of fringe benefits more certain and administrable. Instead of determining fair market value based on all the facts and circumstances, taxpayers could simply use these safe harbor values. Such use would relieve both taxpayers and the Internal Revenue Service of a significant administrative burden and reduce tax controversies. We believe that administrative simplicity is very important in the taxation of fringe benefits; much of the past failure by taxpayers to report fringe benefits can be attributed to uncertainties regarding valuation.

For the safe harbors to be effective, the values should not exceed a value perceived as fair by taxpayers. If the safe harbor values are set too high, the safe harbors will not be used and thus will not accomplish the purpose for which they were established, namely, reduction of the administrative burden. Determination of a value perceived as fair cannot, of course, be accomplished with any degree of certainty. Nevertheless, in establishing our safe harbors, that is what we have attempted to do based in part on extensive review of public comments.

The company aircraft safe harbors are based on the price of commercial airline seats. Since the overwhelming majority of air travel is by commercial airline, this is an appropriate reference for establishing safe harbor values for similar air travel on company aircraft. The use of a double first class safe harbor value for control employees flying on the largest aircraft reflects a substantial premium for the convenience of a

company aircraft. At the same time, we believe that this value will be perceived as fair by taxpayers.

We do not suggest that outside the safe harbors a value based on charter costs would be inappropriate. Where the value of a personal flight on a company aircraft is determined outside of the safe harbors, all the facts and circumstances must be considered and, in certain instances, a value based on charter could be appropriate.

I appreciate this opportunity to share my views with you.

Sincerely,

RONALD A. PEARLMAN,
ASSISTANT SECRETARY
(Tax Policy).

Mr. METZENBAUM. Mr. President, Treasury has refused to answer any of these questions.

In his response, Secretary Pearlman wrote:

For the safe harbors to be effective, the value should not exceed a value perceived as fair by taxpayers.

We do not suggest that outside the safe harbors a value based on charter costs would be inappropriate.

Imagine, if all taxpayers were given the opportunity to decide what is fair and what is not and then to pay only what he or she thinks is fair—would that not be wonderful? And would it not have an unbelievable negative impact upon the budget?

I venture to guess that our budget deficits would be even higher than they are today.

It is outrageous that the Treasury Department has turned over the regulation writing process to those who are supposed to pay the tax.

Here we have a tax cut, a tax cut going not to middle-income people, not to poor people, but going to some of this country's most privileged corporate executives.

As a matter of fact, I am told that some corporate executives have been heard from and even they have said, "It is a stupid act on the part of the Treasury and we cannot understand why the Finance Committee of the Senate took the action that they did."

What kind of brains gives away Treasury dollars to the people who have the highest salaries in the country? There is no statutory language before us. There is not conference report language. There has been no legislative action whatsoever. And when a Member of the U.S. Senate attempts to ask the administration to explain its actions and to provide factual data, what happens? The Treasury Department refuses to answer the question and says, "We are too busy to give you those answers. We are working on the President's tax programs."

Mr. President, we hear a lot about budget deficits. We hear a lot about tax reform. We hear a lot about tax fairness and tax simplification. It is easy to talk about these objectives in glowing terms. It is as American as baseball and apple pie.

But when it comes time to act to achieve these objectives, it is a different story. We ought to be ashamed of ourselves and the Treasury Department ought to be doubly ashamed. The Treasury Department, on one hand, is preparing to release a tax reform package that is supposed to make our tax laws fair and simple. On the other hand, it is promulgating new regulations to provide tax cuts for the wealthy.

Mr. President, I do not blame any particular Member of this Congress. I blame all of us. I do not blame my friend from Kansas, the majority leader, for wanting to help Kansas companies. I do not blame the chairman of the Finance Committee. I do not criticize those who opposed my earlier amendment to prevent corporate executives from gaining this tax concession. I blame all of us.

We ought to face up to the realities of what we are doing and quit kidding the American people. We ought to go public and say, "Yes, today we took care of corporate executives in this country in this whole conference committee report which is going to cost the Federal Treasury $107 million over a 3-year period." Why? Because nobody wanted to keep written records.

But as soon as the recordkeeping issue came before Congress there were Members of this body that wanted to go further. Everybody wants to make speeches about balancing the budget, but everybody also wants to take care of the privileged few in this country.

I do not believe it does much for the public perception of how we legislate when back-room deals are struck for the benefit of the privileged few. And I think there is no excuse whatsoever for refusal by the Treasury Department to take responsibility for its own actions and to answer inquiries from a Member of Congress.

Mr. President, what I am saying I know will not change reality. It is not going to change the facts. It is not going to cause Treasury to do that which they should do. And it is not going to cause the Finance Committee of the U.S. Senate to repent and to look at themselves in the mirror and to say, "Why did we really do this? What earthly reason could we have had for doing it?"

None of that is going to occur, but the Senator from Ohio is going to feel a little bit better, at least, that he raised the issue on the floor of the Senate.

The PRESIDING OFFICER. Who yields time?

Mr. METZENBUAM. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The bill clerk proceeded to call the roll.

Mr. DOLE. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER (Mr. MATTINGLY). Without objection, it is so ordered.

Mr. HEINZ. Mr. President, I would like to clarify a question I have in regard to the contemporaneous recordkeeping, H.R. 1869, and conference report. The bill listed types of vehicles that were exempted from the substantiation rules and from treatment as a taxable fringe benefit.

First, I want to clarify that this list was not meant to be all inclusive, and that Treasury has the authority to expand this list.

In addition, I want to inquire if Treasury has the authority to include certain pickup trucks and vans in the list of vehicles not susceptible to personal use and excluded from income tax if it is shown that the design, such as permanent shelving or heavy equipment that cannot easily be removed, makes the particular vehicle not susceptible to personal use.

Mr. PACKWOOD. The answer to both of the Senator's questions is yes. The list included in the conference report was not intended to be all inclusive—Treasury definitely has the authority to expand the list.

This is a facts and circumstances test and you have listed some of the relevant facts that Treasury should consider.

Mr. HEINZ. I thank the Senator from Oregon for his forthright and helpful answers to my questions.

Mr. D'AMATO. Mr. President, I rise today in support of the conference report on H.R. 1869, which repeals the ridiculous contemporaneous recordkeeping under which we are currently operating. These IRS regulations are imposing a tremendous burden on America's businesses.

These rules required that the use of cars, trucks, airplanes, personal computers, and even photographic equipment be recorded contemporaneously in a log. These onerous regulations were mandated by the Deficit Reduction Act of 1984, which I opposed.

Such contemporaneous recordkeeping imposes a massive burden on businesses and is a gross intrusion by the IRS into even the smallest economic transaction. As a result, there has been a great outcry against the IRS regulations. Legislation was introduced, which I was proud to cosponsor, to repeal the logging requirements. This bill, S. 245, required that the recordkeeping regulations be completely repealed. I am pleased that the Senate Finance Committee took quick action on this vital legislation.

The bill before us today would repeal contemporaneous recordkeeping for cars, trucks, airplanes, photographic equipment, personal comput-

ers, emergency vehicles, and unmarked police cars. The conferees were careful to require that adequate records on the use of business vehicles still be kept for tax purposes. However, these records need not be kept contemporaneously. By crafting the legislation in this manner, honest taxpayers can get on with the business of doing business. By requiring adequate records a loophole is not created allowing dishonest individuals to abuse the Tax Code.

Mr. President, I am proud to support H.R. 1869 and I urge my colleagues to join me in voting for this vital legislation.

Mr. ANDREWS. Mr. President, I rise in support of the conference report to repeal these onerous recordkeeping requirements.

It is rare that a Federal regulation should cause such an overwhelmingly negative public response as the regulations we are repealing today. Naturally, no one wants to spend their time detailing minutiae or business transportation when the Federal tax law could be fairly appealed in a broader manner. But in this case, the issue is far more serious than merely keeping business records. I believe that this law represented a breach of faith by the Government.

If there is a line to be crossed where the Government no longer serves the best interests of the people, we have just seen it crossed. This is why we have repealed these rules by such a lopsided vote. But it was not simply these specific rules. It was these rules on top of hundreds of other intrusions into the daily lives of average Americans. It is small business men and women filling out form after form so that they must devote 18 hours a day to their business just to stay above water. It is middle income Americans who must hire someone else at tax time to understand how to avoid paying more than their fair share of taxes. It is the American farmer who gets told when to plant, what to plant, where to sell, and to whom to sell in order for that farmer to make a decent livelihood. In short, in the spirit of this repeal bill, we must also use the moment to consider other ways to get the Government off the backs of the American people.

Mr. ABDNOR. Mr. President, today the Senate is taking final legislative action on legislation to repeal the ridiculous IRS rules which require detailed mileage logs for business vehicles. Since the opening day of Congress, I've been fighting to abolish these rules and solve what has been a 6-month-long paperwork nightmare for millions of ordinary Americans. I'm pleased that we are finally sending this bill to the President and that the nightmare will soon be over.

Although it was my bill which passed the Senate by a 92-to-1 vote, I was not a member of the conference committee since I'm not a member of the Finance Committee. However, I would like to commend the Senate conferees for their wisdom in refusing to accept a catch-22 provision included in the House version of this legislation. By including a reference to written evidence, the House bill would have permitted the IRS to again impose burdensome recordkeeping requirements.

It's ironic that in a bill which was supposed to get rid of this bureaucratic boondoggle, the House wanted to include a provision permitting the IRS to impose the same ridiculous requirements all over again. A move like that doesn't make much sense unless you're more interested in playing politics than solving this massive paperwork burden. The Senate conferees are to be commended for holding the line against the House provision.

The Government seems to forget that farmers, ranchers and businessmen have more important things to do than needless paperwork. For months now, they've been tied down to their odometers. It's time we unleash them so they can get on with more important and productive work. I've received literally hundreds of letters from South Dakotans who have been attempting to keep detailed logs. If they were honest in their recordkeeping, they just weren't getting their work done. It is not unusual for a day's log on a single vehicle to cover an entire legal size page with upwards of 20 detailed entries.

I am disappointed, however, that the final version of this bill went even further than the House in reducing limits for investment tax credits and depreciation on business vehicles. While I'm all for going after those who take abusive tax deductions on luxury-type cars, I'm afraid this provision is going to amount to a tax hike on many small business men and farmers. I had made it a point to keep hidden tax increases out of my bill.

While I may not be entirely satisfied with this legislation, the important thing is that we've gotten the Federal bureaucracy off the backs of millions of honest, hard-working Americans. At a time when the Federal bureaucratic monster seems out of control, it is encouraging to see that it is possible to rein it in. I am proud to have been able to play an instrumental role, and I hope this action will serve as an impetus for other needed regulatory reforms.

Mrs. HAWKINS. Mr. President, I am pleased to rise in support of this conference report to repeal the contemporaneous recordkeeping requirements imposed on American businesses when the deficit reduction package was passed last year.

Everyone in this Chamber is very much aware of the severe problems this requirement created for businesses who work in a fast-paced environment and were losing thousands of dollars and valuable time each week because of this draconian requirement. One Florida businessman reported that his company estimated that each employee was losing at least 1 hour per day to complete the required information for their records.

As a Member of this body, I want to work to encourage efficiency and productivity in the marketplace, not stifle it. Efforts should be made to clamp down on those who cheat this country by evading their tax liability. However, stringent rules that broadly sweep across every sector of the population and impose severe burdens on honest taxpayers is not the answer. The result of the contemporaneous requirements was simply to frustrate taxpayers and, therefore, almost encouraged additional noncompliance out of that frustration.

The outcry for relief in my State came from the farming community, the real estate industry, every type of small business, bankers, and others. Essentially, it came from honest, hard-working Floridians who were outraged that the Government would deprive them of valuable work time to excessively substantiate legitimate and lawful business deductions.

Mr. President, the businesses of our communities are waiting for final passage of this legislation. I am grateful to the Finance Committee members for their expedient action and I urge each of my colleagues today to support this conference report so that we can finally put this onerous requirement to rest.

● Mr. NICKLES. Mr. President. The passing of the conference report for H.R. 1869, which repeals the so-called automobile log rule, ends one of the most punitive tax laws ever imposed. As an original cosponsor of the legislation to repeal this, I am glad to see this long road come to an end. I have already spoken several times on this subject before the Senate; therefore, my remarks will be brief.

There are thousands upon thousands of Oklahomans who will be relieved that this rule no longer exists. It was clear that this requirement was too broad and imposed excessive recordkeeping on the taxpayer. Comments from businesses and individuals while the rule was in effect showed that the cost of taxpayer compliance in both time and money far outweighed any added revenue benefit to the Federal Treasury.

Mr. President, I urge my colleagues, and I know they will, to support the conference report which repeals the auto log rule.●

Mr. DOLE. Mr. President, this Senator strongly recommends that the Senate agree to the conference report

on H.R. 1869. It represents a responsible compromise between compliance and complexity and does so in a revenue-neutral fashion.

The conference report repeals the requirement that taxpayers keep contemporaneous records and also follows the Senate position that written records will not be necessary to corroborate a taxpayer's position that a deduction is justified, although some evidence in addition to the taxpayer's own statement will still be required.

The conference report also exempts from the otherwise applicable substantiation rules certain vehicles which have been of particular concern to a number of Members. Among these are schoolbuses, certain police, fire vehicles, and specialized utility repair trucks other than pickups and vans.

On a related issue, this Senator is particularly pleased that the Treasury Department decided that it would revise its regulations concerning the value of personal travel on corporate aircraft. This has made unnecessary any further legislative action.

In his letter to me explaining the regulatory changes Treasury would adopt, Assistant Secretary Pearlman outlined guidelines which follow the conceptual framework of the Finance Committee report language and provide a fair valuation for personal travel on company aircraft.

Perhaps the most important change is that the amount included in an employee's income will depend upon the type of plane as well as on whether the plane is carrying a substantial number of persons flying for business reasons. The original version of the Treasury regulations did not distinguish between a flight on the most luxurious corporate jet and a four seat, single-engine plane with a maximum speed of barely a hundred miles per hour. That certainly made no sense in the real world.

A second important change is that the revised regulations will treat corporate hitchhikers in a manner similar to airline employees. If half the passenger seats on a company plane are occupied by employees traveling primarily for business, then no amount will be includable in the income of an employee who hitchhikes for personal reasons. This rule, like the rule applicable to airline employees, applies to active and retired employees, as well as their spouses and dependent children.

I should clarify one point. The seats that should be counted in determining whether half the seats are occupied are passenger seats and pilot seats if a nonprofessional pilot employee, such as the company president, flies the plane. However, if the company employs a professional pilot to fly the plane, his seat is not counted for these purposes.

The changes outlined by Assistant Secretary Pearlman differ from the Finance Committee report language in certain areas. First, the regulations set a higher value for personal flights on aircraft weighing over 10,000 pounds if the employee is of a class likely to be able to control the aircraft's destination and time of departure. For planes between 10,000 and 25,000 pounds, the amount imputed to an employee who takes a personal trip is one and a half times first class commercial fare. For personal travel on aircraft over 25,000 pounds, the amount to be included in income is twice first class fare.

The over 10,000 pound classes include all corporate jets and the largest turbo-props. The over 25,000 pound class includes the largest corporate jets, those that are most like commercial airliners.

The valuations have been criticized as too high by some members of the corporate community and have been criticized as too low by some individuals. I guess that means that we have a good compromise.

However, I would like to point out that the economic impact of a rule requiring inclusion in income at twice first class is the same for a corporate executive in the 50-percent bracket as if he had used his after-tax income to purchase a first-class ticket. It seems to me that placing corporate executives in the same position, whether they use a large corporate jet or fly first class on a large commercial jet, makes a lot of sense.

I understand that some might argue that the correct valuation should be charter or some other higher value, but I would venture that most people would think that first class is a sufficient amount to exact for a flight on a large corporate jet. The last point is important from a compliance standpoint. Undoubtedly, there is use of company aircraft for personal trips. If we were to force these trips to be valued at the highest conceivable value, we would simply cause individuals to go to greater lengths to find some arguable business purpose for the trip or, simply to play the audit lottery and not report the income without even making an effort to document a business purpose. On the other hand, if we impose a fair and reasonable value for these trips, employees will be more likely to report their income accurately to avoid any question if they are subsequently audited.

From comments I have received, these rules may have the impact of reducing the number of trips where a corporate executive's spouse accompanies him/her on a business trip. The reason for this is that the spouse would cause a control employee to have an income inclusion of up to twice first class unless at least half the passenger seats are occupied by business travelers. I can understand that some would prefer that the IRS look only to seats actually occupied, rather than seating capacity, but I can also see Treasury's position that they wanted a strict, objective test as to whether the flight was primarily for business purposes, and that it is more difficult to be sure that the primary purpose of the trip is business when only one of two passengers is arguably flying for business and most of the passenger seats are empty.

The other major difference between the proposed regulatory changes and the Finance Committee report language is the definition of control employee. The Finance Committee language suggested a facts and circumstances test—did the employee, in fact control the destination or departure times of the aircraft? The Treasury approach, once again, is to provide an objective test.

A select few elected officers, highly compensated employees, and shareholder employees will be deemed to have control over the use of the corporate aircraft. They will thus be subject to income inclusion of up to twice first class, depending on the weight of the aircraft. Of course, if half the pasenger seats are occupied by employees traveling primarily for business, even those control employees will be treated the same as airline employees and have no income inclusion.

Mr. President, the new aircraft fringe benefit rules are a reasonable compromise. They are fair both to the Treasury and to employees. They address the empty seat problem and provide adequate, but not punitive, valuations for employee travel that ought to improve compliance.

Mr. President, I yield back the remainder of the time on this side.

The PRESIDING OFFICER. The question is on agreeing to the conference report.

The conference report was agreed to.

Mr. DOLE. Mr. President, I move to reconsider the vote by which the conference report was agreed to.

Mr. METZENBAUM. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

ORDER OF PROCEDURE

Mr. DOLE. Mr. President, it is my hope now that those who have an interest in the following bills would indicate a willingness to take up those bills: Calendar No. 47, S. 408, Small Business authorization; Calendar No. 111, H.R. 47, the coin bill; Calendar No. 131, S. 124, safe drinking water; Executive Calendar nomination of Vernon Walters; Executive Calendar nomination of Richard Hughes; and we are looking for other Legislative or

Executive Calendar items that we can clear for action.

It may be that the prime candidate of the ones referred to would be Calendar No. 111, H.R. 47, the coin bill. There is considerable interest on both sides in bringing that to the floor. I would just indicate that we are prepared to do that. I hope those who have an interest in that legislation would indicate to me or the distinguished minority leader if they have problems or if they are prepared to move on that legislation.

Mr. METZENBAUM. Mr. President, will the distinguished majority leader be good enough to give us some advice as to whether he intends to work on Friday?

Mr. DOLE. Mr. President, it is my understanding that the defense bill will be laid down. There will be opening statements. I am not certain whether or not there will be amendments, but I should have that information no later than 3:30 today.

Mr. METZENBAUM. I thank the Senator.

Mr. DOLE. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The bill clerk proceeded to call the roll.

Mr. DOLE. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

RECESS UNTIL 1:15 P.M.

Mr. DOLE. Mr. President, we are trying to see what we can schedule in about an hour from now. Until I am certain, it seems to me the best course to follow would be to stand in recess until the hour of 1:15 p.m. Therefore, I ask unanimous consent that the Senate stand in recess until 1:15 p.m.

The PRESIDING OFFICER. Without objection, it is so ordered.

Thereupon, at 12:17 p.m., the Senate recessed until 1:15 p.m.; whereupon the Senate reassembled when called to order by the Presiding Officer [Mr. MATTINGLY].

The PRESIDING OFFICER. The Chair in his capacity as a Senator from Georgia suggests the absence of a quorum.

The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. MATTINGLY. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER (Mr. DENTON). Without objection, it is so ordered.

ROUTINE MORNING BUSINESS

Mr. MATTINGLY. Mr. President, I ask unanimous consent that there now be a period for the transaction of routine morning business under the same terms and conditions as previously ordered.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. MATTINGLY. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. BYRD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER (Mr. KASTEN). Without objection, it is so ordered.

Mr. BYRD. Mr. President, I have cleared this request with the distinguished majority leader. I ask unanimous consent that I may speak for as long as I require during morning business.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. BYRD. May I say that if any Senator wishes to have the floor, I will be very glad to yield to him or her.

THE UNITED STATES SENATEI63

THE SENATE AND THE SECOND WORLD WAR, 1941-1945

Mr. BYRD. Mr. President, those interested in the history of the United States Senate can always find rewarding information in the *Congressional Directory,* that great catch-all of congressional facts and figures. I call your attention to the "Statistical" section, which among other things lists the number of days that every session of Congress lasted, going back to the First Congress in 1789. That first session lasted for 210 days, and second session for 221 days, both surprisingly high. Their length reflected the problems of inaugurating a new government, and perhaps also the practice of paying members of Congress for the number of days they served, rather than by the year. After the First Congress the length of each session declined. Generally, during each two-year Congess, there were two sessions. The "long session" lasted between 150 and 200 days, and the "short session" between 50 and 90 days. thus, nineteenth century senators and representatives often spent less than half their time in Washington—a practice which many of our members today may look back upon wistfully.

Not until the first session of the 31st Congress, from 1849 to 1850, did a session of Congess extend longer than 300 days. This was the time when Congress debated the great issues leading to the Compromise of 1850, about which I have spoken earlier. Only four times between 1850 and 1940 did a session of Congress last longer than 300 days. But all of that changed with the third session of the 76th Congress, which ran from January 3, 1940 to January 3, 1941, or 366 days—it being a leap year. Since then, year-round sessions have become commonplace in the congressional routine.[1]

The 76th and 77th Congresses were great pivotal points in our history, as both this institution and the Nation as a whole plunged into the maelstrom of world war and took on the responsibilities of world leadership. In my last address in this continuing series on the history of the United States Senate I discussed the "great debate" over foreign policy between the so-called isolationists and internationalists. Although the isolationists had predominated during the two decades following the Senate's rejection of the treaty of Versailles, world events began to erode their position, and public opinion began to shift away from them. During 1940 and 1941 Congress enacted such critical legislation as the extension of the Selective Service Act and Lend Lease. But the debate raged on until Sunday morning, December 7, 1941, when the Japanese attack on Pearl Harbor brought the Congress, the presidency, and the Nation together as one.

Ten minutes after noon on Monday, December 8, the Senate marched in procession to the House chamber to hear President Franklin Roosevelt deliver a stirring and eloquent war message. "No matter how long it may take us to overcome this premeditated invasion," said the president, "the American people in their righteous might will win through to absolute victory. . . . Hostilities exist. There is no blinking at the fact that our people, our territory, and our interests are in grave danger . . . I ask that the Congress declare that, since the unprovoked and dastardly attack by Japan on Sunday, December 7, a state of war has existed between the United States and the Japanese Empire." Immediately following the president's address, the Senate returned to its chamber, where Tom Connally of Texas, chairman of the Foreign Relations Committee, introduced a joint resolution declaring war. Connally called for the yeas and nays, but Senator Arthur Vandenberg (R-MI) rose to speak. Connally tried to hold him off. "Mr. President, those of us on this side of the chamber are withholding remarks," said Connally. "I was hoping that there would be no comment." But Vandenberg persisted, and Connally gruffly observed that "of course, the senator has a right to speak if he insists." [2]

One can imagine the scene as the Michigan senator began to speak. All eyes in the crowded chamber were focused upon this leading spokesman for

[1] Footnotes at end of article.

isolationism. Everyone quieted to hear his words. Since four o'clock on the previous afternoon, when he received a telephone call at his Washington apartment telling him of the Japanese attack, Vandenberg had been preparing this speech. The news profoundly affected the senator and changed his perceptions of international cooperation and collective security. "That day ended isolationism," he later commented.[3] Now on the Senate floor, after denouncing the Japanese attack and declaring the American people united in defense of their Nation, he said:

Mr. President, I am constrained to make this brief statement on my own account, lest there be any lingering misapprehension in any furtive mind that previous internal disagreements regarding the wisdom of our policies may encourage the despicable hope that we may weaken from within. I have fought every trend which I thought would lead to needless war; but when war comes to us—and particularly when it comes like a thug in the night—I stand with my Commander in Chief for the swiftest and most invincible reply of which our total strength may be capable.[4]

The Senate then voted unanimously for the war resolution. (In the House, one lone vote was cast against the resolution, and that by Representative Jeanette Rankin of Montana, who had also voted against American entry into World War I, and who end her long career as a pacifist in opposition to the Vietnam war.) With that vote, and with Vandenberg's pronouncement, the isolationists' influence in the Senate evaporated. Their trust in an invulnerable "fortress America," protected by two oceans, as Senator William E. Borah and others had reiterated, had been proven misplaced.

Some isolationists had not yet gotten the message. On December 11, Senator Charles Tobey (R-NH) complained in the Senate that exact American losses at Pearl Harbor were still unknown, and demanded a congressional investigation. Senator Scott Lucas (D-IL) furiously lashed into the isolationist. "I say to the senator from New Hampshire, in so far as negligence is concerned, look at your own record from the standpoint of national defense." [5]

Attention, of course, was no longer focused on the issue of isolationism versus internationalism. What mattered now was winning the war, and the Senate quickly began to address the problem, passing War Powers acts in December 1941 and March 1942 that granted vast discretionary powers to President Roosevelt. The president could create and abolish war agencies, control foreign commerce, ration goods, and enforce priorities. The president could also order government seizure of private property if needed for the war effort. Instrumental in passing these bills, and other critical wartime legislation was the Democratic majority leader, Alben Barkley of Kentucky.

Mr. President, an imposing marble bust of Alben Barkley stands immediately outside of the center entrance to this chamber, and it most appropriately occupies that prominent place. Many politicians claimed to have been born in a log cabin, but Barkley really was, on his father's tobacco farm in Kentucky in 1877. As a young man he worked as a janitor to earn his way through Marvin College and then he attended Emory University and the University of Virginia Law School. Returning to Kentucky, Barkley practiced law in Paducah, and campaigned on horseback in the hills of McCracken County for the office of prosecuting attorney. He then served as a county circuit court judge, before his election to the United States House of Representatives in 1912. In Congress, he won a reputation as "a regular among regulars, a party workhorse of the old school." He supported the administration of Woodrow Wilson and took a leading part in the passage of Wilson's "New Freedom" legislation. In 1926, he sponsored the Howell-Barkley Act, which set up the Federal Board of Mediation and Conciliation for labor disputes. That same year he was elected to the United States Senate.

"A good story," Barkley liked to say, "is like fine Kentucky bourbon. It improves with age and, if you don't use it too much, it will never hurt anyone." Senator Barkley, with his booming baritone and endless repertoire of anecdotes, quickly became a popular member of the Senate. In 1932, Barkley was called upon to deliver the keynote speech at the Democratic convention, an honor which was repeated again and again during his long career, attesting to his rousing speech-making ability. At that convention, Barkley was also the first of the favorite son candidates to withdraw his name in favor of Franklin D. Roosevelt. This marked the start of a long and close relationship between the two men.

In 1937, following the death of Senate majority leader Joseph Robinson, President Roosevelt sent a letter addressed to "Dear Alben" encouraging Barkley to take up Robinson's fight for the controversial Supreme Court "packing" plan, and, by implication, to take over as majority leader. Roosevelt's endorsement helped Barkley win the Democratic leadership post by a narrow one-vote victory over Mississippi Senator Pat Harrison. It was a costly victory for Barkley, however, and for some years he was looked upon more as Roosevelt's messenger to the Senate than as a true leader in his own right. Nevertheless, during his early years as majority leader, Barkley effectively marshalled support for Roosevelt's program. He helped lead the fights to repeal the Neutrality Act and the Arms Embargo Act, and to extend the reciprocal trade agreements acts. In January 1941, he was Senate sponsor of the Lend Lease Act and maneuvered it skillfully around numerous crippling amendments. With the war came even greater assignments.[6]

Senator Barkley and Senator Prentiss Brown of Michigan took the lead in sponsoring price control and anti-inflation legislation, both of which demonstrated Congress' need to focus on domestic issues, not in spite of, but because of the war effort. Although Congress had delegated vast powers to the president in the two War Powers acts, it did not concede to the administration the sole power to run the war and the wartime economy. Roland Young, in his study of *Congressional Politics in the Second World War,* points out how Congress repeatedly attempted to influence wartime policies. "Congress was perhaps less concerned with broad principles of administrative organization," Professor Young wrote, "than with the manner in which the economic position of certain groups and commodities was being affected by the war." With the federal goverment attempting to regulate, and even dictate American production, many groups turned to Congress for help. For example, there were the farmers who needed more agricultural equipment, and the small businesses that feared they would not get a fair allocation of raw materials and supplies. In 1942, after a Senate committee reported that small businesses faced "bankruptcy and chaos along a wide front," Congress set up a Smaller War Plants Corporation to oversee their needs. Congress also passed legislation to provide loans to automobile dealers, who faced ruin as the automobile industry converted from producing passenger cars to making tanks and war planes.[7]

Another domestic issue which the Senate faced, but did not resolve, was the poll tax. It may seem strange that as the Nation faced war across both the Atlantic and Pacific, the Senate should be debating the poll taxes that were charged in seven Southern states. But the Roosevelt administration and many liberal Democrats and Republicans believed it was contradictory to fight a war for democracy abroad while denying it to some people at home. The poll taxes, which amounted to about $1.50, discriminated against poor white and black voters in these states. In October 1942, the House passed an anti-poll tax bill, and on November 13, 1942, Majority Leader Barkley brought the bill before the Senate with an undebatable motion for its immediate consideration. In response to his outraged Southern colleagues, Barkley explained that he followed the precepts of Thomas Jefferson and believed in equality for all

people. Despite Barkley's attempts to stave off a Southern filibuster, one began over the parliamentary question as to whether the Judiciary Committee had a quorum present when it reported the bill. One senator had been absent and voted by proxy [8] —which, of course, would be a violation of the rules today which require that a quorum of the Senators on a committee be present at the moment that it reports a bill or other matter from the committee.

Those engaged in the filibuster, led by Mississippi's Senator Theodore Bilbo, encouraged senators to go home so that an adjournment could be forced in the absence of a quorum. Senator Barkley, however, instructed the sergeant-at-arms to "arrest" those senators who were still in the city, but had absented themselves from the floor.

Incidentally, Mr. President, I am the last majority leader to have offered a motion to have Senators arrested and brought into the Chamber for the purpose of establishing a quorum. In that instance, Mr. Mansfield, who was then majority leader, was in the Far East. I, as the assistant majority leader, was acting leader at that time. Almost immediately after passage of that motion, Senators began coming in the doors and answering to their names. As a matter of fact, no Senator had to be arrested but those who were outside resting on the couches on that particular night found it convenient to come into the Senate quickly and answer to their names.

At that time, J. Mark Trice (who later became secretary of the Senate) was the deputy sergeant-at-arms, and to Mr. Trice fell the unpleasant duty of "arresting" the Senate's president pro tempore, the doughty Senator Kenneth McKellar of Tennessee. What follows was delightfully recorded by Richard Riedel, who worked in the Senate press gallery and who published this account in his memoir, *Halls of the Mighty, My 47 Years at the Senate*:

> Senate Majority Leader Alben Barkley was determined to get a quorum come what may. "Do you mean Senator McKellar, too?" asked Mark /Trice/. "I mean *everyone*!" answered Barkley. With more than a few misgivings, Mark
>
> —whom we all, in my early days in the Senate, knew very well and respected very much—
>
> set out for the Mayflower Hotel to seek the volatile bachelor from Tennessee. When Senator McKellar did not answer the house telephone, Mark enlisted the aid of a hotel official who suggested they get a maid to knock on the door. Obviously the hotel man knew McKellar well! The senator opened the door at the maid's request to discover Mark Trice outside. McKellar welcomed him and seemed surprised to learn that he was needed at the Senate. Though Mark carried a subpoena in his pocket, it never became necessary to mention it.
>
> The old senator came along in a friendly spirit, chatting with Mark as though they were on a normal trip together. Then suddenly, as the car climbed Capitol Hill, the light in the dome made McKellar put two and two together. He realized that he was about to help the leadership to get a quorum that would foil his fellow Southerners. He stopped talking to Mark. His face grew redder and redder. By the time the car reached the Senate entrance, McKellar shot out and barrelled through the corridors to find the source of his summons to the Capitol in the middle of the night. He was so mad at Barkley that he would not speak to him for months, though as senior Democrat, Senator McKellar sat beside the majority leader in the front row.[9]

As the little story illustrates, Mr. President, majority leaders often stand in the kitchen and feel the heat! Senator Barkley—and Mr. Trice, I might add—both made their amends with Senator McKellar, after he had cooled down a bit, some fifteen months later—and how that occurred I will mention later in this address. Ultimately, Barkley proved unsuccessful in the poll-tax fight, as he could not persuade the Senate to vote cloture against the filibuster. It was not until 1964 that the 24th amendment to the Constitution was ratified, prohibiting the charging of a poll tax in presidential or congressional elections.

Senator Barkley's strength as majority leader, as his biographer, Polly Ann Davis, has noted, was his ability to compromise. "All legislation is a matter of compromise," Barkley once wrote. "I never liked that word 'compromise' because it has a connotation that is not really fair. But I mean by it that all legislation must be by the process of adjustment." A majority leader is never guaranteed a majority of votes, but must build a majority, issue by issue, vote by vote. Senator Barkley succeeded in building majorities because "he had an uncanny sense of the possible, knowing when to be adamant on a point and when to yield." He excelled in cloakroom maneuvering and in face-to-face dealings with other senators. He had a reputation for keeping his word.[10]

And by the way, having served in this body now for going on 27 years, I have found that to be an absolute cardinal principle here. If one breaks his word once, he may never be fully believed again. It is like the old poem about the bird with the broken pinion: It never flies as high again.

The Democrats held their majorities in both houses after the elections of 1942, although by reduced margins. When Senator Barkley returned to Washington for the start of the new Congress in January 1943, he found his leadership challenged in the Democratic Conference by a still angry Senator Kenneth McKellar. The first question concerned the election of a secretary. Senator Josh Lee had been defeated in the recent election, and to replace him as conference secretary, Barkley nominated Senator Monrad Wallgren of Washington. Senator McKellar nominated Senator Francis Maloney of Connecticut. By a secret ballot, McKellar's candidate won by a vote of 31 to 22. Senator Joseph O'Mahoney of Wyoming then moved that the chairman of the conference—that is, Majority Leader Barkley—assign members to fill the vacancies on the Democratic Steering Committee. Senator McKellar moved that the members of the conference as a whole should vote to fill the vacancies. Here Barkley drew the line. He reminded his Democratic colleagues that filling vacancies on the Steering Committee had always been the prerogative of the majority leader—and by the way, it still is—and announced that he would resign immediately as leader if he were stripped of this power. This brought the McKellar revolt to a halt. Again by a secret ballot, the Democrats defeated McKellar's motion by a vote of 33 to 20 (Senator Maloney, the new secretary, had left the room before the vote was taken).[11]

Back in the saddle, Alben Barkley continued pressing the president's program. He fought against the Smith-Connally Anti-Strike bill, which made it illegal to strike against a plant that had been seized by the government. The bill passed and was vetoed by President Roosevelt, but was eventually enacted over the president's veto. No matter what the issue, Barkley was there—at the desk from which I speak now—fighting the good fight for the president's program. Reporter Allen Drury, who came to cover the Senate in November 1943, and who has left us a fascinating diary of those years (*A Senate Journal, 1943-1945*, a worthy companion to his popular novel *Advise and Consent)*, looked down at Barkley from the galleries and described him as acting "like a man who is working awfully hard and awfully earnestly at a job he doesn't particularly like. Sweat almost visibly stands out at times on the man the president once addressed as 'Dear Alben.'" [12]

Few would have suspected that a fissure was about to open between President Roosevelt and his loyal lieutenant, but a mighty one was in the making. In his State of the Union message in January 1944, the president requested a ten billion dollar tax bill to pay for the war. The Senate Finance Committee produced instead a two billion dollar tax bill. Senator Barkley had been a member of the Finance Committee, and while not entirely satisfied with the bill, concluded that it was the best that could be gotten at that time. In two meetings with President Roosevelt, Barkley strongly urged him not to veto the tax bill. After meeting with the seemingly unmovable president, a glum Barkley

rode back to the Capitol with Vice President Henry Wallace. "What's the use?" Barkley complained. "I can't get the votes in the Senate under the methods that are being followed." Wallace noted that this was the first time he had ever seen Barkley "look on the dark side of the picture." It was clear that the chief executive had no intention of signing the tax bill, but Barkley still hoped Roosevelt would let the bill become law without his signature. But on February 22, 1944, Roosevelt returned the bill with his veto message.[13]

Immediately following the traditional reading of George Washington's farewell address, the Senate received the president's message and was shocked by its tone. Essentially the president rejected the legislation for providing insufficient revenue, but he did so in language which Alben Barkley and other senators found offensive. This bill provided "relief not for the needy but for the greedy," Roosevelt wrote.

It has been suggested by some that I should give my approval to this bill on the ground that having asked the Congress for a loaf of bread to take care of this war for the sake of this and succeeding generations, I should be content with a small piece of crust. I might have done so if I had not noted that the small piece of crust contained so many extraneous and inedible materials.

The president went on to accuse Congress of:

using language in drafting the law which not even a dictionary or thesaurus can make clear. . . . I trust, therefore, that the Congress, after all these delays will act as quickly as possible for simplification of the tax laws which will make possible the simplification of the forms and computations now demanded of the individual taxpayer. These taxpayers, now engaged in an effort to win the greatest war this Nation has ever faced, are not in a mood to study higher mathematics.

After the Senate adjourned that day, Senator Barkley met with the press and recounted for them, "in a cold fury," as one reporter described it, how he had argued with the president against the veto. He told them that he intended to make a speech in the Senate the next day "without regard for the political consequences." That night he went home to discuss his decision with his invalid wife, and then sat before a battered typewriter in his bedroom drafting his speech. The next morning he dictated another draft to his secretary and then marched to the Senate floor at noon.

As Allen Drury has recorded, every reporter who could possibly attend was in the gallery. "All the bureau chiefs rushed up from downtown; most of the special correspondents were there. As Barkley sat at his desk waiting for the quorum call to be completed, he glanced up from time to time with an almost questioning look at the Press Gallery. He saw it more crowded than he had seen it in many months." Word began to spread among the senators that Alben Barkley intended to resign as majority leader. Almost the full membership of the Senate was in the chamber. Kenneth McKellar, Barkley's old adversary, headed for Barkley's desk and shook his hand, urging him to reconsider. At the end of the quorum call, Barkley rose and was recognized by Vice President Wallace.[14]

For the next forty-five minutes, Barkley denounced both the president and his veto message. Barkley denied Roosevelt's charge that Congress was responsible for the tax complexities. "No man could have made that extraordinary statement who had sat in tax committees in the Capitol of the United States," he said.

If it was made by anybody who ever sat in a tax committee, it was a deliberate and unjustified misstatement in order to place upon Congress the blame for universal dissatisfaction with tax complexities, and in order to produce the illusion that the executive departments have in vain protested against this complexity.

But what truly raised Senator Barkley's dander was the president's characterization of the bill as tax relief for the greedy. This, the senator said, was a "calculated and deliberate assault upon the legislative integrity of every member of Congress." He did not intend to take such an insult lying down. He had carried the flag for the Roosevelt administration for seven years as majority leader, but there was something more precious to him than that position and honor, said the senator. "And that is the approval of my own conscience and my own self-respect." He announced that he had called a meeting of the Democratic Conference for the next morning, at which time he would submit his resignation as majority leader. He then concluded that "if the Congress of the United States has any self-respect yet left it will override the veto of the president and enact this tax bill into law."[15]

When Barkley took his seat the rest of the Senate and the galleries jumped from theirs and gave him a standing ovation, lasting "a good three minutes." Senators rushed to his desk and stood in line to shake his hand. Senators were on their feet, as Allen Drury observed, "to honor a man who had finally, after many years and many humiliations, reasserted his own dignity and his own self-respect and gained thereby an increased stature among the men with whom he works."

The next morning more than a hundred reporters and cameramen packed the hall outside of room 201 in the Senate Office Building, surging around senators for a quick statement and photo before they entered the conference. At 10:30, Barkley walked the short distance from his office to the conference room. A half hour later he stepped out, and with tears in his eyes announced that he had resigned as majority leader and turned the chair over to Senator McKellar. Surrounded by the press, Barkley walked back to his office. Then minutes later, Tom Connally burst out of the conference room, booming in a loud voice: "Make way for liberty! Make way for liberty!" as he led a delegation of Democratic senators to Barkley's office to tell him they had unanimously reelected him majority leader.

I can remember reading that story in the newspapers away back when.

Soon they emerged again, this time with Barkley with them. He returned to the conference room to the cheers and applause of the other senators. "By his one-vote margin in the 1937 contest when he was first elected leader," Senator Elbert Thomas later commented, "the impression was given, and it has been the impression ever since, that he spoke to us for the president. Now that he has been unanimously elected, he speaks for us to the president."[16]

Needless to say, President Roosevelt was taken aback by his turn of events. When first informed of Barkley's speech in the Senate denouncing the tax veto, the president had commented, "Alben must be suffering from shell shock." The president was genuinely puzzled over Barkley's emotional response, but he immediately sent a conciliatory message to the senator, denying that he had meant to attack the integrity of the Senate. "You and I may differ," Roosevelt wrote, "but that does not mean we question one another's good faith." The president concluded by urging Barkley not to resign, and stating that if he did, he hoped the conference would unanimously reelect him. Senator Barkley responded in kind, telling the press that he had "the deepest personal affection and regard for the president."[17]

There were several results of this remarkable incident. First, the Senate and House decisively overrode the president's veto of the tax bill. Second, President Roosevelt was never more estranged from Congress, a consequence due in part to his long years in the White House and his preoccupation with the war effort. Third, Senator Barkley gained new stature as majority leader. And finally, Senator Barkley lost his chance to be nominated for vice president in 1944, and of becoming president of the United States after Roosevelt's death in April 1945. In the movement at the Democratic convention in 1944 to replace Vice President Wallace, Democrats turned not to their majority leader but to another border state senator, Missouri's Harry S. Truman. And in one of those special twists of fate in history, four years later President Harry Truman

would choose Alben Barkley for his vice president.

Alben Barkley, let me say, served as an extremely popular vice president, or "Veep" as he was affectionately called, and then returned to service in the United States Senate in 1954, defeating a popular incumbent, John Sherman Cooper.

Mr. LONG. Mr. President, will the Senator yield?

Mr. BYRD. I yield.

Mr. LONG. I would just add one footnote to what the Senator said.

At the time Senator Barkley returned to the Senate, the Senator from Louisiana was on the Finance Committee, and he did not know what other committee he wanted. But he saw Alben Barkley ask for those two committees, and the Senator from Louisiana asked to go on the Foreign Relations Committee, of which I subsequently became a member of couple of years later. Having been on both committees, I do not think it is a very good assortment of committees.

I thought that inasmuch as Alben Barkley had been majority leader longer than any other Senator, he would make a wise decision as to the committees he asked for. I must say, looking back on it, that I did not regard the decision as being all that wise.

Mr. BYRD. Mr. President, I thank the distinguished Senator from Louisiana.

The Senator from Louisiana, as I have said before in this series of speeches, is one who has served in the Senate longer than I have served. When I came in here in January 1959, there were 96 Senators and 48 States. Today, there are only four Senators who were here when I came here. One of those four is my delightful and able friend from Louisiana, Mr. LONG. Senator STENNIS, Senator LONG, Senator THURMOND, and Senator PROXMIRE were here when I came to the Senate. So I am glad that Senator LONG has made the observation regarding Senator Alben Barkley.

Mr. LONG. Mr. President, if the Senator will yield at that point, Senator Barkley was known for his sense of humor—a great impromptu speaker. When someone would tell him a joke, he would make it a point to repeat it as promptly as possible, in order to keep it in his mind and add it to his repertoire.

He told one story that might be appropriate and might be good for the minority leader. He might want to use it on a future occasion.

Senator Barkley's first wife died, and it created a lot of conversation around the city when he then married a younger woman. She had a family of her own. She was a charming and lovely person, much younger than the Vice President. People asked him how the marriage was coming along. He said it was coming along just great. Have they had an argument?

He said: "No difference whatever. My wife and I had an agreement when we married that she would make all the small decisions and I would make all the big ones. So far, we haven't had any big decisions to make."

Mr. BYRD. I again thank the distinguished Senator from Louisiana. That is about the way my marriage is. I call my wife the general superintendent around the house. I am just a lowly private in the ranks.

Mr. LONG. Yes.

Mr. BYRD. While his Senate colleagues gave him back his assignments on the Foreign Relations and Finance Committees, Alben Barkley would not accept their offer of a front-row seat in the chamber, preferring to join the other freshmen in the back. "Now I am back again as a junior senator and I am willing to be a junior," he said in his last keynote speech, before a mock "convention" at Washington and Lee University in 1956. "I'm glad to sit in the back row. For I would rather be a servant in the House of the Lord than to sit in the seats of the mighty." With those words, Alben Barkley collapsed and died—as dramatic a conclusion as any orator could offer. As one of his friends commented, "It is the way he would have wanted to go. He never could turn down a crowd."[18]

By the way, two years ago I was pleased to support the bill when established, as a National Historic Site, Senator Barkley's beautiful home, known as "Angles," located near Paducah, Kentucky. The house has been left the way it was when he lived there and contains the many mementos of his long career.

Mr. President, having concentrated so much attention on Alben Barkley today, let me turn to another notable senator with whom Barkley's name will forever be linked and who also played a significant role in the Senate during World War II. That is the name of Harry Truman. Nineteen eighty-four was the centennial of Harry Truman's birth—he was born on May 8, 1884—and there was a joint meeting of Congress to commemorate that event. The freshman Senator Truman who first arrived in this chamber on January 3, 1935 certainly had not the slightest idea that he would be so honored by Congress and by history. The former haberdasher and Jackson County, Missouri judge was nearly fifty-one when he came to this chamber, but he described himself "as timid as a country boy arriving on the campus of a great university for his first year." With his customary thoroughness, he had read the biographies of every member of the Senate before he arrived and had studied everything he could get about Congress. He was quite awed by his new position. Old J. Hamilton Lewis, the Democratic whip, welcomed the newcomer to the Senate. "Don't start out with an inferiority complex," Lewis advised him. "For the first six months you'll wonder how you got here, and after that you'll wonder how the rest of us got here."[19]

Truman's colleagues found him an amiable fellow but did not take him all that seriously at first. He was often referred to, snidely, as the "Senator from Pendergast," meaning that he was a product of the Kansas City Democratic machine run by Tom Pendergast, who later went to prison for corruption. Truman remained loyal to Pendergast, who had given him his start in politics, and supported the Pendergast organization on patronage matters but insisted that he did not follow Pendergast's advice on legislation. "I vote the way I believe Missourians as a whole would want me to vote." Truman's voting in the Senate was generally in line with the New Deal, and roll call analyses have shown that the longer he served in the Senate the closer he came to President Roosevelt's position on all of the issues.[20]

Senator Harry Truman was a student of the legislative process. "I found out very soon after I had settled down to a study of my duties that the business of a good legislator is not to get things done quickly and efficiently, as a good administrator has to do," he said, "but to prevent, if possible, the enactment into the law of the land many crazy and crackpot measures." From his associations with Arizona's Senator Carl Hayden, Truman learned to be a "work horse" rather than a "show horse" in the Senate. He soon found that, as he expressed it, "the real business of the Senate was carried on by unassuming and conscientious men, not by those who managed to get the most publicity." Truman also associated himself closely with Montana's Senator Burton K. Wheeler, chairman of the Interstate Commerce Committee, on which Truman served. There he devoted his attention and study to matters of railroads, aviation, communication, and federal trade. It was out of Truman's subcommittee, for instance, that the Civil Aeronautics Act emerged, which set up our current Civil Aeronautics Board and Federal Aviation Administration.[21]

Harry Truman might have remained a quiet, hardworking, and essentially obscure member of the Senate had it not been for World War II. Even before the United States entered the war, Truman was concerned about the problems of defense mobilization and production. He had received many letters from his constituents criticizing defense spending in Missouri, and on an inspection trip to Fort Leonard Wood and other camps he had uncovered examples of waste, extravagance,

and theft. Individuals and corporations, he suspected, were bleeding the national defense program for their own profit. On February 10, 1941, Truman rose in the Senate to submit a resolution calling for an investigation of the national defense program and the handling of federal contracts. He expressed concern that defense spending was being concentrated in large corporations in the East. "The little manufacturer, the little contractor, and the little machine shop have been left entirely out in the cold. The policy seems to be to make the big man bigger and to put the little man completely out of business."[22]

On March 1, Truman's resolution was reported out of committee and unanimously adopted. Eight members were appointed, with Truman as chairman. But the Senate cut the proposed budget for the committee from $25,000 to $15,000, indicating it didn't expect much from this special investigation. The Roosevelt administration lent its support, largely because it believed Senator Truman was not a headline hunter and would not use the committee to embarrass or harrass its conduct of defense policy. So the Special Committee to Investigate the National Defense Program—better known as the Truman Committee—was born. Its members were noticeable primarily for their "unspectacular competence," according to one account, and several of them proved to be excellent interrogators of witnesses, from defense contractors to high government officials. One of the best of these interrogators, by the way, was Senator Harley Kilgore from West Virginia, who chaired eight of its investigations and earned a reputation as a critic of military waste and inefficiency.[23]

The Truman Committee first directed its attention to nearby Fort George Meade in Maryland. There they found spiraling camp construction costs, which led them to recommend that future construction be transferred from the Quartermaster Corps to the Corps of Engineers, and that was done at a multimillion dollar savings to the government. The Committee also began to oversee the activities of the new agencies the president was appointing to handle defense mobilization. When the Japanese attack on Pearl Harbor plunged the Nation into war, some government officials hoped that the Truman committee might be disbanded, but soon came to change their opinions. Under Secretary of War Robert Patterson commended the committee's work. "Some of the very best features of our war program have their origin from the investigations made by this committee."

Mr. President, congressional investigations have a considerably mixed history. Some of them have been castigated as partisan fishing expeditions and glory hunts. After the McCarthy investigations of the 1950's, such congressional hearings developed a decidedly bad name. But there have been many more constructive investigations than destructive witchhunts in the Senate's history. We recall the Teapot Dome hearings in the 1920's and the Pecora stock market investigations in the 1930's, about which I have spoken earlier, or in our own times the Watergate investigation chaired by Senator Sam Ervin. The Truman committee ranked high among these constructive and meaningful investigations. In its seven years of existence, the committee held 432 public hearings and 300 executive sessions (the transcripts of which, by the way, have been carefully preserved at the National Archives and are completely open for research). They heard testimony from 1,798 witnesses, made hundreds of field trips, and issued thousands of press releases.[24] Here, for example, is a brief account of the committee written by two journalists in 1945:

> Through the door of Room 449 in the Senate Office Building, the committee headquarters, flowed a strange assortment of mail and people. A typical day might bring an eccentric inventor with a gadget; he said the Army and Navy had given him the brush-off. He would be followed by a manufacturer who thought his product had been discriminated against by the Quartermaster General. A maker of mouthwash for the Army couldn't get priorities for alcohol; a dry kiln owner couldn't get a government contract for his lumber; or an industrialist accused a competitor, now holding a dollar-a-year job in WPB [the War Production Board], of using his official position for private ends. And every day there was an assortment of government officials, labor representatives, lobbyists, and occasionally a plain citizen with an idea he hoped might help the war effort. Some came in search of a new shoulder to cry on; others looked to Truman as a court of last resort. None was turned away coldly.[25]

The Truman committee investigated and prodded industry, labor, and the executive branch to work more harmoniously and efficiently for the war effort. It investigated the aluminum monopoly that seemed unresponsive to military needs. It looked into a bitter dispute between the United Mine Workers and the coal operators. It encouraged President Roosevelt to reorganize the poorly-run Office of Production Management. The committee pointedly did not meddle in military strategy, but it carefully examined the relations between the military and the civil government. The committee demanded full cooperation from the military in supplying the information it sought, and in only one instance did Senator Truman back down on a request. Committee staff investigators discovered some unexplained expenditures for something called the "Manhattan Project." Truman telephoned Secretary of War Henry Stimson to demand an explanation, but the Secretary responded: "I am only one of a group of two or three men in the whole world who know about that. . . . It's part of a very important secret development." Senator Truman replied: "I herewith see the situation, Mr. Secretary, and you won't have to say another word to me." It was not until after he became president that Harry Truman learned the purpose of the Manhattan Project: to develop the first atomic bomb.[26]

Mr. President, it is no exaggeration to say that Harry Truman's work on the Special Committee to Investigate the National Defense Program not only made him president, but prepared him for the presidency. By the time he had completed his four years as chairman of the committee he had dealt with nearly every one of the groups, in business, labor, agriculture, and the bureaucracy that he would deal with as president during the next eight years. He had learned how to deal with the press—although that relationship was never a smooth one, or can it ever be for a political figure?—and the press in turn had made Truman a household name. Service on the Truman Committee changed his image from the "Senator From Pendergast" to a fair, tough, hard-working, diligent, persistent, patriotic senator. When the Democrats sought a replacement for their controversial vice president, Henry Wallace, in 1944, Senator Harry Truman filled the bill. He was a compromise candidate, because unlike Wallace, or Alben Barkley, or James F. Byrnes, he had no major groups opposed to his candidacy. So it was Harry Truman who ran with Franklin Roosevelt in the president's bid for a fourth term in 1944. Roosevelt and Truman easily beat the Republican ticket of Thomas E. Dewey and John Bricker, and Harry Truman settled in for what he expected would be four years of presiding over the Senate.[27]

The United States Senate was presented with a myriad of problems during the Second World War, so complex and extensive that I can but list them here. They included supervising the conversion of a peacetime domestic economy to a war economy, establishing controls over military and industrial production, regulating the draft, and deciding who were the essential workers needed for the domestic economy (farmers and defense workers, for example), who should be exempt from the draft, appropriating money both for the war effort and the homefront, tackling the issue of labor strikes during the war, deciding how soldiers on the field should be able to vote, controlling wages and prices to prevent spiraling inflation, distributing scarce resources to the civilian population through rationing and other formulas, and raising taxes to pay for the great needs of the war.[28]

In the case of taxes, it was during the Second World War that much of our current structure of revenue raising developed. After ratification of the income tax amendment in 1913, taxes were levied only on the highest incomes, and the average citizen paid little or no federal taxes. Due to the great demands of the war, this situation changed in 1942 and taxes were levied on nearly all levels of income. The problem was that the average citizen had not put aside sufficient funds and was simply unable to pay his or her taxes. The rate of default was so high that the government eventually had to "forgive" the 1942 taxes, but the next year income tax withholdings from salaries were established and have become a way of life ever since.[29]

Mr. President, I have focused this address largely on the domestic side of World War II. Of course, the Senate as a whole and through its appropriate committees followed, assisted, oversaw, and criticized both the military and diplomatic sides of the war. Beginning in January 1942, Senator Tom Connally, chairman of the Foreign Relations Committee, initiated the practice of having a State Department official brief members of the committee on a weekly basis. Senators also expressed their concerns over the principles for which this Nation fought in this global conflict, and on the type of world order that would emerge from the war. In March 1943, Senators Joseph Ball, Theodore Burton, Carl Hatch, and Lister Hill—two Republicans and two Democrats—introduced a Senate resolution commiting the United States to five peace objectives: to assist in coordinating the military and economic resources of all member nations in prosecuting the war against the Axis; to establish temporary administrations over Axis-controlled territories once they were captured; to administer relief and economic rehabilitation to both Allied and captured enemy territories; to establish procedures and machinery for peaceful settlement of disputes and disagreements between nations; and to provide for a United Nations military force to suppress future acts of military aggression. This resolution, foretelling the postwar United Nations, was referred to a subcommittee of the Foreign Relations Committee chaired by Walter George of Georgia.

Time and events had changed many minds in the United States Senate about the proper role of this Nation in the world. Arthur Vandenberg, a leading isolationist before the war, became a member of the George subcommittee, and noted in his diary in March 1943 that he took the position "that the United States obviously must be a far greater international co-operator after this war than ever before." The Roosevelt administration, through Secretary of State Cordell Hull, urged the subcommittee to "go slow," however, to avoid an acrimonious debate on the Senate floor. There were still a number of articulate isolationists left in the Senate who worried them, and the administration did not want to disrupt the war unity of the Nation. Of course, there were also many uncertainties involved in the postwar future that this resolution did not address. The Soviet Union had become one of our allies when the United States entered the war, and while we provided that nation with military and economic aid, and counted heavily upon its military forces to withstand the German onslaught, many senators were suspicious of Joseph Stalin's territorial expectations after the war. But the sponsors of the resolution argued that the first priority was to assure America's allies that this Nation would not withdraw into isolation after the Second World War as it had done after the First World War.

In May 1943, British Prime Minister Winston Churchill addressed a joint meeting of Congress and delivered yet another magnificent address, pleading with Congress to avoid any needless arguments between the Allies until the war was won. Later, Churchill met with the members of the Foreign Relations Committee to answer their questions. When asked by Senator Vandenberg if it would disrupt Allied unity by "trying prematurely to settle peace objectives," Churchill replied emphatically: "Yes!" Similarly, when asked if any Senate debate over possible Soviet territorial aggrandizement might be a hazard to the war partnership, Churchill responded: "Yes!" Later, however, Churchill took Vandenberg aside to assure that he did not oppose the general resolution then before the George subcommittee.

In July 1943, Senator Vandenberg, and Senator Wallace White of Maine, introduced a "Republican foreign policy" resolution in the Senate, as an alternative to the Ball-Burton-Hatch-Hill resolution. It called for postwar cooperation between sovereign nations, in opposition to the designs of "One Worlders" and "World Staters" who dreamed of a common international government, and it called for "faithful recognition of American interests" in all postwar planning. Senators Ball, Burton, and Hill responded in Senate speeches demanding that the George subcommittee act on their resolution, and act quickly. In a private letter that August, Vandenberg explained that he was "hunting for the middle ground" between those "who would cheerfully give America away," and those "who would attempt a total isolation." When it came to determining Republican foreign policy issues, no senator was more influential than Arthur Vandenberg, and it was clear that how he made up his mind, and where he found that "middle ground" would influence many other members of his party. Fortunately for those interested in how historical decisions are made, Senator Vandenberg faithfully kept a diary which was published after his death, and from which I have drawn this account.[30]

At last in October 1943, the George subcommittee completed its work. Into the original Ball-Burton-Hatch-Hill resolution it incorporated some of the concerns of the Vandenberg-White resolution, pledging the use of the "constitutional process" and concern for "American sovereignty." The debate was as acrimonious as the State Department had feared, but the opponents remained a decided minority, and the resolution was adopted by an 85 to 5 vote. When the dust had settled, Senator Connally stood to thank Senator Vandenberg for his valuable contributions to the drafting and passage of the resolution. "Being of the minority party," said Connally, "it was probably more difficult for him than for some of the rest of us to go along with the main purpose we had in view, but at all times he manifested a very earnest desire to cooperate, and he gave to the committee wholeheartedly of his talents and leadership in achieving agreement and unity on the resolution."

Senator Vandenberg's public conversion from isolationism to internationalism was a slow, deliberate, and exceedingly important one. From his call for national unity immediately following the Japanese attack on Pearl Harbor, through his support for the Senate resolution which pledged American support for a future United Nations, Vandenberg was moving toward a position of bipartisan internationalism. In foreign policy even more than domestic policy some degree of bipartisanship is always essential, not only to unify the Nation but to secure the necessary two-thirds of the Senate needed to ratify a treaty. Rarely can a majority party do that without help from the minority. Vandenberg stood as the bellwether for a substantial number of the Republican minority.

Senator Vandenberg, as his son later commented, was about to make "the biggest decision of his life." In January 1945, the magazine *United States News* (forerunner of *U.S. News and World Report*) reported that Republican leadership in the Senate was "virtually powerless on postwar foreign policy." The Republicans were still too divided between isolationism and internationalism and, therefore, had "little effect on the foreign policy." Arthur Vandenberg sat down at his typewriter to draft a response. He wrote several versions of the speech, and accepted revisions from such prominent journalists as James Reston and Walter Lippmann, inciden-

tally insuring the speech prominent attention in the press.

On January 10, 1945, Senator Vandenberg rose in this chamber to deliver a "speech heard round the world." "Mr. President," he began, "there are critical moments in the life of every nation which call for the straightest, the plainest, and the most courageous thinking of which we are capable. We confront such a moment now." After describing the way American war policy and post war policy ought to be directed, Vandenberg delivered a personal "confession." He admitted that he had once stood for the Nation's complete self-reliance. "But I do not believe that any nation hereafter can immunize itself by its own exclusive action. Since Pearl Harbor, World War II has put the gory science of mass murder into new and sinister perspective. Our oceans have ceased to be moats which automatically protect our ramparts. . . . If World War III ever unhappily arrives, it will open new laboratories of death too horrible to contemplate. I propose to do everything within my power to keep those laboratories closed for keeps." Vandenberg went on to pledge his support for "maximum American cooperation" with other nations in building the postwar world.

The specific proposals of Senator Vandenberg's address proved less important than its general impact and reception. It attracted newspaper headlines everywhere in this country and around the world. His speech symbolized a new national unity on foreign policy, a bipartisan approach, a belief that politics would henceforth stop at the water's edge. What he said was not particularly new, but coming from a leader of the prewar isolationist bloc it represented a major turning point in American political and diplomatic history.[31] I will discuss the full implications of this turning point for bipartisanship in a later address on the Senate and the Cold War, but for now let me quote the words of Allen Drury, who from the press gallery that day heard Vandenberg's address: "This placed the Republicans' most powerful spokesman on foreign affairs far out in front of both his own party and the leaders of the opposition. It augured well for the future of the peace treaty." [32]

Mr. President, when Arthur Vandenberg delivered that significant address, Harry S Truman sat in the chamber as a United States senator. Ten days later he was sworn in as vice president, in a wartime inauguration held not at the Capitol but on the South Portico of the White House. Truman enjoyed his new position as vice president, although he admitted that it took him a while to get used to the fact that he had no voting or speaking privileges in the Senate. In his eighty-two days as vice president he had the opportunity to vote only once, on an amendment to limit the Lend-Lease extension bill. The vote was tied, and Truman voted no, which in a sense was unnecessary, since the bill would have died even without his vote. Truman was not given many tasks by the Roosevelt administration and saw little of the president, who in February attended the Yalta Conference, and in April traveled to his retreat in Warm Springs, Georgia. On April 12, 1945, Truman sat at the presiding officer's desk, listening to "a windy senator" delivering a long address, and writing a letter to his mother and sister back in Missouri. "I have to sit up here and make parliamentary rulings," he wrote, "—some of which are common sense and some of which are not.[33]

Near 5:00 p.m., Truman adjourned the Senate and strolled through the Capitol Building to the "Board of Education" room on the first floor beneath the House chamber. There he planned to enjoy a glass of bourbon and chat with his old friend, House Speaker Sam Rayburn, and other congressmen. Before Truman arrived, Speaker Rayburn received a call from the president's press secretary, Steve Early, asking the vice president to call back as soon as he got there. Moments later, Truman walked in the door. Matter-of-factly, Rayburn told him of the call, which he made. As Truman spoke on the phone, the House parliamentarian saw the vice president's face turn pale. "Steve Early wants me at the White House immediately," Truman said. "Something must have happened." Not yet realizing his fate, Truman rushed out, eluding his Secret Service guard, and ran the length of the Capitol back to his office. As instructed by the press secretary he told his chauffeur to drive him not to the east entrance of the White House as usual, but through the main entrance on Pennsylvania Avenue.

Ushered into the family quarters at the White House, Truman met Mrs. Roosevelt. "Harry," she said quietly, "the president is dead." Stunned into speechlessness, Truman finally found his voice and asked, "Is there anything I can do for you?" "Is there anything *we* can do for *you*?" she responded. "For you are the one in trouble now." [34]

So Harry Truman, who arrived in the United States Senate ten year earlier feeling like a country boy attending a famous university, was president of the United States. The next day, Truman returned to the Senate to lunch with congressional leaders in the office of the secretary of the Senate, just off this floor. When he left the luncheon, Truman walked into the Democratic cloakroom. "I looked into the empty Senate chamber," he later wrote. "These were the surroundings in which I had spent ten active, happy years. In a way it had been my political home, and here I had experienced the most exciting adventure I had ever expected to have. Less than twenty-four hours before, I had been presiding over the Senate. But now I was president of the United States and had to return to the White House." [35]

For Senators Harry Truman, Alben Barkley, and Arthur Vandenberg, their colleagues, and their Nation, the years of the Second World War were dramatic turning points. But I think it is safe to say that none of them anticipated how harrowing would be the years to come. Before dealing with the Senate and the Cold War, however, I intend to address, in my next speech in this series, a structural reform. It was perhaps the most important reform in the history of this institution, and for that I believe it deserves special attention. This was the Legislative Reorganization Act of 1946, which created the modern United States Senate.

NOTES TO "THE SENATE AND THE SECOND WORLD WAR"

[1] U.S., Congress, Joint Committee on Printing, *1983-1984 Official Congressional Directory, 98th Congress* (Washington, 1983), 418-425.

[2] *Congressional Record*, 77th Congress, 1st sess. (1941), 9504-9505.

[3] Arthur H. Vandenberg, Jr., ed., *The Private Papers of Senator Vandenberg* (Boston, 1952), 1.

[4] *Congressional Record*, 77th Congress, 1st sess. (1941), 9505.

[5] Richard E. Darilek, *A Loyal Opposition in Time of War: The Republican Party and the Politics of Foreign Policy From Pearl Harbor to Yalta* (Westport, Connecticut, 1976), 18-37; *Congressional Record*, 77th Congress, 1st sess., (1941), 9659.

[6] For Barkley's career, see Polly Ann Davis, *Alben W. Barkley: Senate Majority Leader and Vice President* (New York, 1979); *Current Biography 1949* (New York, 1949), 27-29; and the *Dictionary of American Biography* (New York,), Vol. , 34-36.

[7] Roland Young, *Congressional Politics in the Second World War* (New York, 1956), 34-36.

[8] Davis, *Alben W. Barkley*, 114-117.

[9] Richard Riedel, *Halls of the Mighty, My 47 Years at the Senate* (Washington, 1969), 89-90.

[10] Davis, *Alben W. Barkley*, 124-129.

[11] Democratic Party Conference Minutes, January 7, 1943.

[12] Allen Drury, *A Senate Journal, 1943-1946* (New York, 1972 /1963/), 11.

[13] Davis, *Alben W. Barkley*, 137-141.

[14] Drury, *A Senate Journal*, 85-88; Davis, *Alben W. Barkley*, 141.

[15] *Congressional Record*, 78th Congress, 2nd sess. (1944), 1964-1966.

[16] Drury, *A Senate Journal*, 88-93.

[17] Davis, *Alben W. Barkley*, 147-153.

[18] U.S., Congress, *Memorial Services Held in the Senate and House of Representatives of the United States, Together With Remarks Presented in Eulogy of Alben William Barkley*, 84th Congress, 2nd sess. (Washington, 1956), 101-106.

[19] Harry S Truman, *Memoirs by Harry S Truman: Year of Decisions* (New York, 1955), vol. I, 142-144.

[20] Gary Fink and James Hilty, "Prologue: The Senate Voting Record of Harry S Truman," *Journal of Interdisciplinary History* 4 (Autumn 1973), 207-235.

[21] Harold F. Gosnell, *Truman's Crises: A Political Biography of Harry S Truman* (Westport, Connecticut, 1980), 112-137.

[22] Ibid., 154-155; *Congressional Record*, 77th Congress, 1st sess., 830-838.

[23] Wesley McCune and John R. Beal, "The Job That Made Truman President," *Harper's Magazine* (June 1945), included in Arthur Schlesinger and Roger Bruns, eds., *Congress Investigates, A Documented History, 1794-1974* (New York 1975), 3254-3261. See also Robert Franklin Maddox, *The Senatorial Career of Harley Martin Kilgore* (New York 1981), 111-135.

[24] Theodore Wilson, "The Truman Committee, 1941" in Schlesinger and Bruns, *Congress Investigates*, 3115-3124.

[25] McCune and Beal, "The Job That Made Truman President," 3257-3258.

[26] Wilson, "The Truman Committee," 3128-3135.

[27] Gosnell, *Truman's Crises*, 154-168, 178-195.

[28] See in general Roland Young, *Congressional Politics in the Second World War.*

[29] Richard Polenberg, *War and Society: The United States, 1941-1945* (Philadelphia, 1972).

[30] Vandenberg, *The Private Papers of Senator Vandenberg*, 25-60.

[31] Ibid., 61-145.

[32] Drury, *A Senate Journal, 334-335.*

[33] Truman, *Year of Decisions*, 6, 194-198.

[34] Ibid., 4-5; Robert Donovan, *Conflict and Crisis: The Presidency of Harry S Truman, 1945-1948* (New York, 1977), 3-7.

[35] Truman, *Year of Decisions*, 18-19.

Mr. BYRD. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. DOLE. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

RECESS UNTIL 4 P.M.

Mr. DOLE. Mr. President, we are in the process of a conference on the defense authorization bill, where we have 30 to 45 Senators involved. I think rather than to just keep the quorum call going, we would be better served if we had a recess while we complete that conference.

So I ask unanimous consent that the Senate stand in recess until 4 p.m.

There being no objection, the Senate, at 3:08 p.m., recessed until 4 p.m.; whereupon, the Senate reassembled when called to order by the Presiding Officer (Mr. QUAYLE).

SCHEDULE

Mr. DOLE. Mr. President, it is my hope that we can dispose of the safe drinking water bill yet this afternoon, perhaps H.R. 47, a coin bill, and then I understand the disaster relief bill has been cleared or is in the process of clearance. So we hope to dispose of those three measures.

We have just completed a Republican conference on the DOD authorization bill. It is our intention to call up that bill tomorrow, lay the bill down, have opening statements, which I assume will consume most of the day, and then there will be a committee amendment offered on procurement which will be the pending business when we recess tomorrow and will be pending on Monday.

Next week it would be my hope that we could get consent to have final passage of the defense bill no later than 6 p.m. on Thursday next. I will discuss that with the distinguished minority leader.

If the bill comes up, and it will come up, I will advise Members now that there will be votes on Monday, no votes until 5 o'clock Monday, but there will be votes starting at 5 o'clock, probably a number of votes at 5 o'clock, and we will have extensive sessions all next week. So it is our intention to try to finish the bill before Memorial Day.

Mr. President, I understand the distinguished Senator from Connecticut wishes to speak, so I yield the floor.

U.S. POLICY TOWARD CENTRAL AMERICA

Mr. DODD. Mr. President, I would like to take a few minutes here this afternoon. I appreciate the willingness of the majority leader to give me a couple of minutes to share some random thoughts with my colleagues.

Mr. President, over the last 4 years we have spent countless hours in this Chamber and elsewhere debating the policies of Central America. And over the last several weeks and up to now, and including what will more than likely occur in the coming weeks, we find ourselves again and again in this Chamber and this Congress knotted in the debate on Central American policy.

Mr. President, I have given this issue a great deal of thought over the last several weeks as to what our policy ought to be, and how we ought to deal with the present situation, particularly in Nicaragua. I have come to the conclusion, Mr. President, that the time has come for us to recast and rethink our policy entirely and to try to fashion a policy that not only makes sense for the region of Central America but, far more importantly, a policy that will first and foremost take into consideration the interests of the United States.

Over the past several years we have spent a great deal of time in this Chamber and elsewhere debating and discussing what ought to occur in the Central American region as a whole and more specifically what ought to occur within those countries, including El Salvador and Nicaragua; debating whether or not we thought the Contras deserved support in Nicaragua; whether or not the Sandinistas were a legitimate government deserving of support. We have talked at length about the situation in El Salvador and, to a lesser extent the situations in Costa Rica and Guatemala. And certainly all of those issues deserve a great deal of attention and we have, I think, properly brought to the attention of the American public the various views of Members of this body and the other body.

But too often Mr. President, I think the attention on Central America and the specific countries and the various groups that are part of that region have caused us to neglect what are our interests, the national security interests of the United States, and how important those security interests are to ourselves and to our allies throughout the region.

As a result of that neglect, Mr. President, and especially the international reaction to the President's decision to place a trade embargo on Nicaragua, I have come to the conclusion that we have to come up with something vastly different than what we have been proposing over the last several years. Whether one agrees or disagrees with the President's trade embargo policy on Nicaragua is not the point I want to make here. What was totally alarming to me was the fact that not only single country—not one single nation, including some of our closest allies—anywhere in the world would even rhetorically give any support to the embargo.

What I think has occurred, Mr. President, is that not only do we have a conflict with Nicaragua, but that we find ourselves, in the middle of May of 1985, 4 year after the initiation of the contra operation, in a situation where we are confronted with two-front conflict, a conflict not only with the Nicaraguans but also now we find ourselves in conflict with our European and Latin American allies.

After 4 years and $100 million-plus in aid to the contra operation, which the President has noted and others have noted over and over again as the centerprice of our effort to effect changes within Nicaragua domestically and to change their foreign policy, we find that Nicaragua's military strength has increased, domestic reforms have deteriorated, and the ruling government of Nicaragua is enjoying a popularity in excess of what they possessed in the winter of 1981.

While it has never been concisely stated over the last 4 years where our objectives were with the contras operation, I think no one will argue with the fact that we have basically been trying to encourage the Nicaraguans not to build a massive military machine in their country. We have been trying with the contra operation to

convince them that they ought to change their present domestic policies and live up to the promises they made in 1979 prior to overthrowing the Somoza government. And, third, we have been trying to convince our allies in this hemisphere and elsewhere that the Sandinista government does not deserve the support of democracies.

The result, after 4 years and $100 million plus, of that centerpiece of this administration's policy is that the stated goals have not only not been achieved, but that in fact, in each and every one of those categories, there has been a deterioration for U.S. interests. The military buildup, the deterioration of reforms, and the fact that Daniel Ortega, the President of Nicaragua, and members of his government are today enjoying a popularity throughout western Europe and this hemisphere that exceeds in many places the popularity of our own administration proves my point.

Our policy, Mr. President, is just not working. It is not working at all militarily, it is not working politically, and it is not working economically. It is painful to say, it is difficult to admit, but I think the sooner we do admit it and the sooner we seek a different course, the better off we are all going to be.

As I see It, Mr. President, there are presently three options before us. Option 1 is to pursue the present policy. This Chamber and this body will be asked in the not-too-distant future to support a figure of roughly $14 million in so-called humanitarian aid to the Contras. We will argue over what constitutes humanitarian aid. Does it mean nonlethal aid? Does it mean jeeps and tractors, or only syringes, band-aids, and stretchers? Who will deliver that aid? Will it be the Agency for International Development, the CIA, the Red Cross, or the United Nations? Where will it be delivered—inside Nicaragua, in Honduras, at some neutral delivery point? Who will supervise it? Who will see to it that we get an adequate accounting of whether or not this aid is actually reaching the people we intend it to reach, and so forth and so on?

We will in fact, Mr. President, be arguing about a nonpolicy. Following the present policy of providing what I would call almost meaningless humanitarian so-called assistance to the Contras is tantamount to rearranging the deck chairs on the Titanic, and waiting for this policy to work is tantamount to leaving the airport landing lights on for Amelia Earhart. The policy is just not getting us anywhere.

The second option would be to say that the only way we are going to effectuate change in Nicaragua is to overthrow the Government. We either decide to do it with direct U.S. military intervention or by giving the Contras the kind of military assistance that would make it possible for them to achieve that goal for us. Obviously, $14 million in humanitarian aid is not likely to contribute in a meaningful way to the overthrow of the Government. We are told by the President and others that we are not interested in overthrowing the Sandinista government, that what we are trying to do is convince the Sandinistas that they ought to change their policies both at home and abroad.

Mr. President, waiting for that to occur is also a pipe dream. One would be terribly naive to assume that the Sandinista government is going to fundamentally change its policy. It may make some cosmetic changes in order to satisfy international concerns, but on the fundamental issues the Sandinista Nicaraguan Government is not going to change unless they are ousted from power. And the only way they are going to be ousted from power is if we give the Contras meaningful assistance militarily or decide to take on that job ourselves. Obviously, we need to ask ourselves, if we decide to pursue option 2, is what the repercussions will be of all-out war in Nicaragua, how will we line up in terms of international public opinion, what the American people want us to do, and how long are they going to be willing to sustain a conflict if we become, as I think we would have to be, directly involved in such an effort? All are very important questions that one should address before you decide to take dramatic step of deciding that you are going to directly try to overthrow a government. But I want to emphasize, Mr. President, for those who believe that contra assistance is going to moderate Nicaraguan behavior, that they are waiting for something that is never going to occur.

The third option, Mr. President, is to refocus our attention in this country on the legitimate U.S. interests and concerns, to identify those interests and concerns, to make it absolutely as clear as possible to the Nicaraguans and others what our legitimate national security interests are in that region, and what we as a nation are prepared to do in order to defend those interests.

I hope there would not be any significant disagreement within this Chamber or elsewhere if we were to discover that the Nicaraguans were bringing in offensive missiles, sophisticated military hardware, or establishing Soviet or Cuban military bases in Nicaragua, that those actions would jeopardize our interests, the sea-lanes, the sovereignty of our allies, the Panama Canal, and a variety of other issues. If those events should occur, while I hope we would be able to convince the Nicaraguans, or anyone else who decided to do that, that those acts would cause serious difficulties here and abroad, we ought to make it clear—abundantly clear—to them that an option we would not exclude as a way of dealing with those problems would be the use of direct military force to eliminate those threats to our security. Those are our interests. Those are the interests that really do raise very serious questions about the security of the United States.

It seems to me that while we continue to focus our attention on the Contra operation, we are neglecting to pay far better attention to the interests of our national security, which I think are in far greater jeopardy today than they were 4 years ago.

What I happen to believe, Mr. President, is that the only two viable options that are available to us are the second and third options. Either we make a decision in this body to really give the Contras meaningful military assistance to assist them in the overthrow of the Sandinista government, or we admit to ourselves that is not likely to occur, and that there are other far more important interests which need to be addressed, or we shall continue making a serious mistake in terms of this country's interests in the months and years to come.

Mr. President, we can make that choice now or we can wait 6 months, or a year. We can spend another $100 million or $200 million or $300 million to provide humanitarian assistance or nonlethal assistance—call it what you will—to the Contras. But as each day, week, and month goes by the situation grows worse. The Nicaraguans grow stronger militarily, conditions deteriorate inside their own nation, and the United States continues to find itself in a more isloated position politically in this hemisphere and elsewhere.

We do not like to make hard choices. Human nature would prefer that we come up with so-called compromises—something that does a little bit of both; that provides the Contras with humanitarian assistance, but does not give them military assistance, that lets us play this one out as long as we can in hopes somehow that the situation might change, so that we can avoid having to make the difficult choices which I think we must.

The option of just providing an additional $14 million or $18 million or $20 million in jeeps, band-aids, and such nonlethal equipment is what I would call, Mr. President, a two-speech policy. That will allow Members to go back to their constituencies and speak to those groups who are opposed to military assistance to the Contras and say, "I only provided humanitarian aid."

You can then go to the next audience that is for the Contras and you can say, "But I provided assistance to the Contras."

So you can get away, and satisfy a domestic constituency. It is a compro-

mise in that regard. But it is certainly not a bona fide compromise when it comes to trying to deal with the serious problems that plague us in this hemisphere.

Mr. President, I am introducing legislation this afternoon which tries to lay out in a clear form and manner the third option that I have identified here this afternoon.

The legislation I am introducing states as clearly and as unequivocally as I can what some of our very legitimate security interests are in this hemisphere, and what we are prepared in this country to do to defend those interests should they be jeopardized by the Nicaraguans or others. I also, in this legislation, provide $10 million in financial support to the Contadora process, which I happen to believe is the most legitimate option and the most viable option of dealing with the broader Central American political and economic difficulties.

Third, Mr. President, I terminate all funding for the Contra operation except for relocation assistance for those individuals who are fighting with the Contras who decide to seek refuge in Central America. I believe we have an obligation to do that, because frankly, the Contra operation is our creation—or at least substantially our creation.

Mr. President, what I am offering here is not in any way to be interpreted as a choice between supporting the Contras or the Sandinistas. I hold no brief for the Sandinistas and I abhor what they are doing in their own country. What I am trying to do is to move onto center stage what I think is the more important debate and the far more important question; that is, the interests of the United States in this region. The longer we continue to focus our attention on the Contra policy, which was identified earlier as a policy that is not in fact improving or advancing the very goals we had stated at the outset, then it seems to me we jeopardize further the very legitimate U.S. interests within that region. We have been so totally consumed over the last 4 years by the Contra effort that I think we have hurt ourselves substantially in terms of ultimately dealing with the real issues.

Mr. President, I say once again in these random thoughts this afternoon that I do not think we have anything but the two choices I have identified. They are difficult choices, hard choices. But I think if we are honest with ourselves and honest with the American people, we shall finally have to come to terms and admit that there really are only those two choices. Just providing humanitarian assistance is not going to advance our cause at all. It may delay for a while the decision that I think we shall have to make sooner or later—and frankly, the longer we wait, the harder the decision will be.

In fact, over the last several days, I have heard a number of my colleagues suggest that, while they agree the policy of continued military support for the Contras does not make any sense, we have already spent $100 million, we have already been involved in this effort for the last 4 years, a number of good people have died, and that we cannot go back at this point; we are too committed to following this policy no matter how misguided it may be.

If that argument has any credibility in May 1985, think how much more credibility it will have 6 months, or a year, or 2 years from now, after we have expended more money for a longer period of time where more lives have been lost. Mr. President, we can make the choice now or we can make it later, but there is no question in this Senator's mind that we are going to have to make that choice.

The better choice, I believe, is one that admits that the present policy is not working, that we are not contributing to peace and stability in the region, we are not advancing the interests of the United States; that in fact, they are in far greater jeopardy. And the sooner we admit that to ourselves, to the American people, and to our allies, the better chance we will have of contributing to the peaceful resolution of the problems of the area and to some stability in this hemisphere.

Mr. President, I ask unanimous consent that the bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. —

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a) the Congress finds and declares that a direct threat to the security interests of the United States in the Central American region would arise from several developments including, but not limited to, the following:

(1) The stationing, installation, or other deployment of nuclear weapons or the delivery systems for such weapons in the Central American region.

(2) The establishment of a foreign military base in the Central American region by the government of a Communist country.

(3) The introduction into the Central American region of any advanced offensive weapons system by the government of a Communist country if such system is more sophisticated that such systems currently in the region.

(b) If any development described in paragraphs (1) through (3) of subsection (a) arises, the Congress intends to act promptly, in accordance with the constitutional processes and treaty commitments of the United States, to protect and defend United States security interests in the Central American region and to approve the use of military force, if necessary, for that purpose.

(c) Notwithstanding any other provision of law, the prohibition contained in section 8066(a) of the Department of Defense Appropriation Act, 1985, as enacted by the Act of October 12, 1984 (Public Law 98-473), which applies to funds available during the fiscal year 1985 to the Central Intelligence Agency, the Department of Defense, or any other agency or entity of the United States involved in intelligence activities shall apply to the same extent and in the same manner with respect to any such funds available during any fiscal year beginning on or after October 1, 1985. For purposes of the application of this subsection, the reference in such section 8066(a) to the fiscal year 1985 shall be deemed to be a reference to the fiscal year in which such funds are available.

(d) There are authorized to be appropriated to the President $14,000,000 for the fiscal year 1985 to be available only to achieve—

(1) the safe and orderly withdrawal from Nicaragua of all military and paramilitary forces which were supported by the United States before October 12, 1984; and

(2) the relocation of such forces, including members of the immediate families of individuals serving in such forces.

(e)(1) There are authorized to be appropriated to the Secretary of State $10,000,000 which shall be used only as may be necessary to assist the negotiations sponsored by the Contadora group and to support through peacekeeping and verification activities the implementation of any agreement reached pursuant to such negotiations.

(2) For purposes of paragraph (1), the term "Contadora group" refers to the governments of Colombia, Mexico, Panama, and Venezuela.

(f) Nothing in this Act shall be construed as granting any authority to the President with respect to the introduction of United States Armed Forces into hostilities or into situations wherein involvement in hostilities is clearly indicated by the circumstances which authority he would not have had in the absence of this Act.

(g) For purposes of this Act—

(1) the term "Central American region" refers to the geographic region containing Costa Rica, El Salvador, Guatemala, Honduras, and Nicaragua; and

(2) the term "Communist country" has the same meaning as is given to it by section 620(f) of the Foreign Assistance Act of 1961.

Mr. President, I send the bill to the desk and ask for its appropriate referral.

The PRESIDING OFFICER. The bill will be received and appropriately referred.

Mr. DODD. Mr. President, I yield the floor. I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The bill clerk proceeded to call the roll.

Mr. BYRD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

CHEMICAL WARFARE

Mr. PRYOR. Mr. President, I sincerely thank the distinguished minority leader for yielding to me for just a few moments.

I think it is very, very appropriate that the minority leader this afternoon has talked about the late Harry Truman, because the late Harry Truman—Senator Truman and then President Truman—was one Senator and one President who did not mind questioning expenditures by the Department of Defense. He, himself, knew very well that his patriotism was not measured by the amount of the profits of defense contractors.

This next week, Mr. President, we shall be considering the Defense Department authorization bill. We all know the importance of a strong national security, and during next week's debate period, we shall once again, for example, be faced with the issue of whether or not the United States will reverse a policy it has had since 1969 that we would go out of the business of producing chemical weapons, or nerve gas. This debate has been heated, it has been emotional. The votes in this Chamber have been close.

As I recall, on two occasions in the past 2 years, the Vice President of the United States, occupying the chair, has had to break the tie in favor of resuming nerve gas production. I find it very, very strange indeed that the Pentagon publicity machine is once again swarming the halls, writing letters, and even going out to the State Adjutants General in our National Guards and having those fine individuals help the lobbying efforts of the Department of Defense to promote the resumption of nerve gas production. I think this activity is a bit ironic in view of the recent General Accounting Office report that shows that the Department of Defense has fallen far short in the area of defending our troops defensively—with better masks, better clothing, training in how to survive a chemical warfare attack or exposure. DOD has consistently played down the defensive aspects of our nerve gas deterrent and consistently played up the need to go back into full-scale production to add to our stockpile.

(Mr. DOLE assumed the chair.)

Mr. PRYOR. Down in Pine Bluff, AR, I say to the distinguished President and to my friend the Democratic leader, there is now sitting a new $27 million building awaiting our decision next week as to whether or not, in that facility, we will resume the production of nerve gas.

We have all heard about the $6,000 coffeepots and the Allen wrenches for $9,600, and the stool caps and the hammers and all of that. There is one additional item on the list that I would like to mention this afternoon. That is that under a sole-source contract, our Defense Department is now purchasing gas masks at $6,500 each. It is my understanding, Mr. President, that in France, you can buy a good gas mask for less than $100. Ours are $6,500.

That brings me to another matter. That is the issue of a major procurement decision due next week when several in this Chamber will gather whatever forces we might have to attempt not only to put teeth, but add some fangs, to the procurement laws that prevent such overpriced items.

Next week will be a critical week for the Senate, Mr. President. It will be a critical week for the country. I am very hopeful that we will no longer continue this idea that we can create the illusion of strength by throwing dollars at problems.

Next week, during the nerve gas debate, I think we must keep in mind that should we go forward once again with the production of nerve gas we will have no place to store the weapons in Europe. We have not seen one ally anywhere in the world, to the best of this Senator's knowledge, which says that it is now willing to store that supply of nerve gas on its soil.

So, what are we going to do? We appropriate another $63 million—billions of dollars down the line—to go back into the production of chemical warfare, when overwhelming testimony today is against the need for production to be resumed.

So, I would say in the area of defense procurement and the decision of nerve gas production, we will be making major decisions—major decisions that will affect our national security. I hope that those decisions will be made with wisdom and in the spirit of common sense and cooperation. Certainly, we will make our appeals to both sides of the aisle to listen to the arguments on the need for tighter procurement laws and the lack of the need to resume the production of chemical weapons.

Mr. President, I yield back the remainder of my time.

(Mr. SIMPSON assumed the chair.)

DOD AUTHORIZATION

Mr. PRYOR. Mr. President, I see both leaders on the floor. I would like, if I may, to ask the majority leader a question about the schedule. Is that permissible at this point? There is a lot of uncertainty, I say to my friend the majority leader, about the schedule for Monday. Tomorrow—Friday—as I understand it, we will have only general debate. Is that correct, on the Defense Department authorization bill?

Mr. DOLE. That is correct. If the distinguished Senator will yield, it is my understanding that the DOD authorization bill will be laid down sometime around noon, maybe a bit later. There will be rather extensive opening statements on both sides. There will be no votes.

It is my hope that we can agree that any votes that were ordered for Monday will be postponed until the hour of 5 p.m. on Monday, but I am quite certain there will be votes.

I guess the first amendment is a committee amendment. It deals with procurement. We do not want to spend all day Monday on one amendment if we can move onto other amendments. But there will be no votes tomorrow, and if we can make out some arrangement, no votes until 5 p.m. on Monday.

I assume then there will be a number of votes. Maybe not. We will be in early Tuesday, Wednesday, Thursday, and Friday. We have every intention to finish the bill next week.

Mr. PRYOR. I know the majority leader is trying to accommodate the respective schedules of Members of the Senate. Is it mandatory to finish the bill next week before the Memorial Day recess?

Mr. DOLE. I was reminded today that there are only about 50-some legislative days remaining, if we adjourn when we indicate we will this year. Everybody wants to delay and delay. I hope that we will finish it next week. Unless Members feel constrained to talk and talk, we might be able to finish. We finished foreign aid authorization in a day and a half. Normally that has taken several days.

Mr. PRYOR. I noticed in the press where the Department of Defense in a matter of a couple of hours found another $4 billion. My suggestion is we could drag this out a little longer if they did that every few hours. If we could simply think about maybe early votes on Tuesday and eliminate votes on Monday, that is my suggestion.

Mr. DOLE. There will be votes on Monday.

Mr. PRYOR. There will be votes on Monday?

Mr. DOLE. There will be votes on Monday. I have had Members on my side say, "No votes until Wednesday. Why vote Monday or Tuesday? Why not vote Wednesday?"

Well, why vote at all? As far as this Senator is concerned, there will be votes Monday. There would be votes tomorrow if we could arrange votes tomorrow, but we cannot arrange votes tomorrow.

I think this is a very important bill. We can characterize how the money comes from the Defense Department, gas masks and all those things, but the bottom line is it is rather important to our country that we act on this legislation rather than try to accommodate Senators.

Mr. PRYOR. I appreciate the concern of the majority leader. If we wait until 5 o'clock before votes occur, my

presumption is that we will be involved with the procurement amendment then most of Monday afternoon. I can only assume.

Mr. DOLE. We hope to start early Monday morning, and we can set that aside, obviously, if other amendments would be taken up.

Mr. PRYOR. I thank the majority leader.

ORDER TO REPORT DOD AUTHORIZATION

Mr. DOLE. Mr. President, I ask unanimous consent that the Committee on Armed Services have until 8 p.m. this evening to report a bill on DOD authorization.

The PRESIDING OFFICER. Without objection, it is so ordered.

ELECTION OF ERNEST E. GARCIA AS THE SERGEANT AT ARMS AND DOORKEEPER OF THE SENATE

Mr. DOLE. Mr. President, I send a resolution to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The resolution will be stated by title.

The bill clerk read as follows:

A resolution (S. Res. 167) electing Ernest E. Garcia as the Sergeant at Arms and Doorkeeper of the Senate.

The PRESIDING OFFICER. Is there objection to the present consideration of the resolution?

There being no objection, the Senate proceeded to consider the resolution.

Mr. DOLE. Mr. President, it is a pleasure for me to offer this resolution with respect to the election of our new Sergeant at Arms, Ernest Garcia of Garden City, KS.

Ernie Garcia has been, and I know will continue to be, a fine public servant.

Since February, he has ably served as the Deputy Sergeant at Arms and has demonstrated a excellent understanding of the responsibilities of that important office.

Before becoming Deputy Sergeant at Arms, Ernie was a Deputy Assistant Secretary of Defense, where he was a valued and trusted aide to Secretary Caspar Weinberger. In fact, he was awarded the DOD Medal for Distinguished Public Service. At the presentation, Secretary Weinberger said:

Mr. Garcia's overall performance of duty has consistently been of the highest caliber. His dedication, patriotism, loyalty, and integrity, are in keeping with the highest standards of the Department of Defense and reflect great credit on himself, the Department, and the United States.

The Senator from Kansas wholeheartedly agrees with my good friend Cap. I have worked closely with Ernie for many years, both in Washington and Kansas—on the campaign trail, on the road in Kansas, and here on Capitol Hill. He has been a valuable asset to my staff, and has never forgotten his Garden City, KS, roots.

I know that the Hispanic community has taken great pride in Ernie's accomplishments, and I am proud to nominate him as the Senate Sergeant at Arms.

In his new role, I am sure Ernie will continue to build upon his enviable record of public service and dedication. He has proven worthy of the responsibility this body will entrust in him. I know Ernie will live up to that trust.

The PRESIDING OFFICER. The question is on agreeing to the resolution.

The resolution was agreed to, as follows:

Resolved, That Ernest E. Garcia, of Kansas, be, and he is hereby, elected Sergeant at Arms and Doorkeeper of the Senate, beginning June 3, 1985.

Mr. DOLE. Mr. President, I move to reconsider the vote by which the resolution was agreed to.

Mr. BYRD. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

DOD AUTHORIZATION BILL

Mr. DOLE. Mr. President, I have indicated that the DOD authorization bill would be laid down and there would be votes Monday evening. I have now been requested to see if the votes could be delayed until Tuesday morning. I will make that inquiry of the chairman of the Armed Services Committee and try to report back before we recess this evening.

I ask unanimous consent that no amendments to the DOD authorization bill be in order during Friday's session and prior to 5 p.m. on Monday which have not been authorized by the majority leader and the minority leader.

The PRESIDING OFFICER. Without objection, it is so ordered.

ORDER FOR AMENDMENT NO. 100 TO BE PRINTED

Mr. DOLE. Mr. President, I ask unanimous consent that amendment No. 100 be printed.

The PRESIDING OFFICER. Without objection, it is so ordered.

CRISIS LINK BETWEEN THE UNITED STATES AND THE SOVIET UNION

Mr. DOLE. Mr. President, I ask unanimous consent that the Senate proceed to the consideration of Calendar No. 123 (S.J. Res. 108), upgrading the United States-Soviet hotline.

The PRESIDING OFFICER. The joint resolution will be stated by title.

The bill clerk read as follows:

A joint resolution (S.J. Res. 108) authorizing the Secretary of Defense to provide to the Soviet Union on a reimbursable basis, equipment, and services necessary for an improved United States/Soviet Direct Communication Link for crisis control.

The PRESIDING OFFICER. Is there objection to the present consideration of the joint resolution?

There being no objection, the Senate proceeded to consider the joint resolution.

Mr. WARNER. Mr. President, I am delighted to have joined Senator NUNN in sponsoring this important legislation, which was unanimously approved by the Armed Services Committee on May 2 and now has 39 cosponsors. The purpose of this joint resolution is to authorize the Secretary of Defense to provide to the Soviet Union, on a reimbursable basis, equipment and services needed to implement the July 17, 1984, agreement between the United States and the Soviet Union to expand and improve the operation of the United States/Soviet direct communications link, commonly known as the hotline.

Mr. President, let me briefly review the history of the hotline. In June 1963, the United States and the Soviet Union agreed in a memorandum of understanding to establish a direct communications link [DCL] for use in time of emergency. Each agreed to ensure prompt delivery to its head of government any communications received over the DCL from the other head of government. The memorandum of understanding was negotiated and signed by the heads of the United States and Soviet delegations to the 18 Nation Disarmament Conference in Geneva and the DCL was activated in August 1963.

Eight years later, the DCL was updated by a September 30, 1971, agreement negotiated by a special working group of the two SALT delegations and signed by the United States Secretary of State and the Soviet Foreign Minister. This agreement provided for the addition of two satellite circuits to the DCL, one using the Soviet Molniya II satellite system and the other the United States Intelsat system. Those two circuits became operational in January 1978.

A second special working group of the two SALT delegations simultaneously negotiated a related agreement on measures to reduce the risk of outbreak of Nuclear war between the United States and U.S.S.R., which was signed on the same day, to notify the other in advance of any planned missile launch extending beyond its national territory in the direction of the other, and for each to notify the other immediately in the event of certain situations which could create a risk of nuclear war. The parties agreed that they would use the DCL to transmit urgent information in situations requiring prompt clarification.

In May 1983, President Reagan proposed to the Soviet Union three measures to improve the bilateral communications network between the two countries: the addition of a high-speed facsimile capability to the hotline; the establishment of a joint military communications link [JCML]; and the establishment of high-speed data links between each government and its embassy in the other's capital.

The Secretary of Defense had recommended those proposals to the President following a full and complete study of possible initiatives for enhancing international stability and reducing the risk of nuclear war. That examination, which involved all concerned U.S. Government agencies, was mandated by an amendment to the fiscal year 1983 DOD Authorization Act introduced by Senators Jackson, Nunn, and I, directing the Secretary to study a number of crisis control measures, including an improved Hotline. The Secretary of Defense transmitted its results and recommendations in his April 1983 Report to the Congress on Direct Communications Links and Other Measures to Enhance Stability.

United States/Soviet negotiations on improving bilateral communications links opened in Moscow in August 1983, and subsequent rounds were held in Washington in January 1984, in Moscow in April 1984, and in Washington in July 1984. On July 17, 1984 President Reagan announced that an agreement had been reached.

Mr. President, I ask unanimous consent that a copy of the President's remarks on this occasion be printed in the RECORD at the conclusion of my remarks.

The PRESIDING OFFICER. Without objection, it is so ordered.

(See Exhibit 1.)

Mr. WARNER. Mr. President, under this agreement, a facsimile capability will be added to the hotline, enabling each country for the first time to transmit and receive graphic materials. In addition, the planned improvements will allow the United States and Soviet heads of government to exchange messages more rapidly than they can with the existing teletype. The increase in the speed of communication and the ability to send pictures and maps could be especially critical in future crises.

The direct communications link will now consist of: Three circuits (two satellite circuits plus one wire telegraph circuit); one Earth station in each country for each satellite circuit; terminals in each country linked to the three circuits and equipped with teletype and facsimile equipment.

The agreement specifies that the U.S. Government will sell the Soviet Union at cost the equipment necessary to install and maintain the improved hotline. This transaction, which is expected to cost less than $1 million, will include facsimile equipment, personal computer [PC] equipment, modem equipment, and microprocessor systems to ensure the privacy of these very sensitive communications. Most of this transaction will be completed in the initial sale of the specified equipment to the Soviet Union. However, sales of services and additional equipment, including consumable items, will recur periodically throughout the life of the improved hotline.

Mr. President, under the timetable envisioned by the two governments, the initial items of equipment are to be delivered to the Soviet Union no later than June 30. Accordingly, it is imperative that the Congress act quickly on this legislation to ensure that there is no unnecessary delay in the implementation of this agreement.

Mr. President, I ask unanimous consent that Senators GLENN and ZORINSKY be added as cosponsors of Senate Joint Resolution 108.

The PRESIDING OFFICER. Without objection, it is so ordered.

EXHIBIT 1

STATEMENT BY THE PRESIDENT

I am happy to be able to announce today that we and the Soviet Union have reached agreement to expand and improve the operation of the direct communications link, or the "Hotline."

This agreement is a modest but positive step toward enhancing international stability and reducing the risk that accident, miscalculation, or misinterpretation could lead to confrontation or conflict between the United States and the Soviet Union.

With the addition of a facsimile capability, we will not only be able to exchange messages faster, but for the first time we will be able to send graphic material such as maps or pictures which would play a crucial role in helping to resolve certain types of crises or misunderstandings.

The negotiations which led to this agreement began about 1 year ago, August 1983, based upon a series of proposals that we first made in May 1983.

In developing this and other initiatives designed to reduce the risk of war due to accident, misunderstanding or miscalculation, we had the benefit of excellent advice from a number of key congressional leaders, including Senators WARNER and NUNN and the late Senator Jackson.

I see this agreement as both an appropriate technical improvement to the "Hotline," which has served both our governments well for over 20 years, and as a good example of how we can, working together, find approaches which can move us toward a reduction in the risks of war.

Mr. WARNER. Mr. President, I now yield to my distinguished colleague from Georgia, Senator NUNN.

Mr. NUNN. Mr. President, I join Senator WARNER in expressing my strong support for this legislation.

One year ago, when Senator WARNER and I testified before the Foreign Relations Committee on our nuclear risk reduction resolution (S. Res. 329), I noted that although the United States and the Soviet Union had in large measure been able to avoid confrontations entailing the risk of nuclear war over the past three decades, there were compelling reasons to be concerned about their ability to continue this into the future. Indeed, there are an increasing number of circumstances that could precipitate the outbreak of nuclear war that neither side anticipated or intended, possibly involving terrorist groups or the growing number of nuclear-armed states that will likely exist by the end of the century.

If anything, I am more convinced today than I was then that the establishment of new risk reduction measures is a crucial, indeed imperative, step. Over the past year, we have witnessed three different Soviet military accidents that could easily have been misinterpreted by one side or the other: the errant Soviet cruise missile incident in January and two major explosions in the Soviet Union last year, one at the naval munitions depot at Severomorsk, the other at a munitions factory in western Siberia.

Even more compelling, though, is the shift that both sides are now undertaking in their strategic posture toward a much prompter launch of land-based systems. I will not get into a discussion here as to whether we are talking about launch on confirmed warning of attack or launch under attack. But suffice it to say that as increasingly accurate, MIRV'ed ICBM's like the MX, the SS-18, and the SS-19 make each side more and more vulnerable to a first strike, we are moving inexorably toward a hair trigger retaliatory posture. In these conditions, there is an extraordinary premium placed on avoiding any misinterpretation of nuclear incidents or military activities, and this is precisely the role the upgraded "Hotline" or nuclear risk reduction centers could perform.

In this regard, I also pay tribute to President Reagan for the four part proposal for reducing military tensions which he announced in his May 8 speech to the European Parliament in Strasbourg, France. I hope the Soviet Union will give serious consideration to these proposals.

Mr. President, in its report on Senate Joint Resolution 108, the Armed Services Committee stated that it agrees with President Reagan that the July 17, 1984 agreement will make a "modest but positive" contribution toward improving crisis stability and decreasing the risk that a confronta-

tion or conflict between the United States and the Soviet Union could ever occur as a result of accident, miscalculation or misinterpretation. In accordance with the principle of confidentiality concerning communications between heads of state, the precise number of times that the United States and the Soviet Union have used the system has not been disclosed. However, it is evident that the Hotline has provided invaluable in major crises, including the 1967 and 1973 Arab-Israeli wars. The addition of a fascimile capability and the increase in the speed of communication will further enhance the value of this communications link.

The committee also reviewed this need for new legislative authority. At the request of Senator WARNER and me, the General Counsel of the Department of Defense prepared a memo outlining the legal reasons why new legislation was needed to implement the July 1984 agreement. The General Counsel determined that use of the Arms Export Control Act as authority for providing the specified equipment to the Soviet Union would not appear to be either viable or appropriate. The memo also notes that use of the Secretary of Defense's contingency fund is intended to meet only "emergency or extraordinary expenses which cannot be anticipated or classified," whereas procurement by DOD of equipment needed to maintain the improved Hotline is expected to recur over the lifetime of the system. I ask unanimous consent that this memo be printed in the RECORD at the conclusion of my remarks.

The PRESIDING OFFICER. Without objection, it is so ordered.

(See exhibit 2.)

Mr. NUNN. Mr. President, a final issue considered by the committee concerned the transfer of technology. On March 22, Senator WARNER and I wrote Assistant Secretary of Defense Richard Perle to request his assessment of the technology transfer aspects of the proposed sale. In a March 25 reply, Assistant Secretary Perle advised the Senators that prior to deciding the final configuration of the proposed upgrade:

> The Department of Defense examined each component proposed for that system in the context of applicable transfer of technology regulations.

Assistant Secretary Perle stated that based on this review, DOD determined that:

> The sale of those components for this purpose is entirely consistent with current U.S. law and policy regarding trade with the Soviet Union.

I ask unanimous consent that this letter be printed in the RECORD at the end of my remarks.

The PRESIDING OFFICER. Without objection, it is so ordered.

(See exhibit 3.)

Mr. NUNN. Mr. President, in closing let me say that I am especially gratified that over the past several years, Congress has been in the forefront of efforts to devise practical measures to reduce the risk that these weapons might ever be useful as a result of accident or miscalculation. I believe that this legislation moves us closer toward realizing these goals, and I hope that it might provide an impetus for more comprehensive measures, such as the nuclear risk reduction center concept which the Senate endorsed 82 to 0 last summer.

EXHIBIT 2

GENERAL COUNSEL OF THE DEPARTMENT OF DEFENSE,
Washington, DC, April 3, 1985.

LEGAL MEMORANDUM

Subject: Sale of DCL Equipment to the USSR.

The U.S. Government proposes to sell DCL equipment to the Soviet Union. Attached is a memorandum outlining three alternatives approached to achieving the requisite legal authority for the proposed transaction.

The first approach (a security assistance sale) does not now appear to be viable because it is conditioned upon our obtaining from the Soviets certain non-retransfer and security assurances, and because use of the Arms Export Control Act as authority for providing equipment to the USSR would not appear to be appropriate.

The second approach (use of the Secretary's contingency fund authorized by 10 USC § 140) is feasible. The commitment of an amount from this fund sufficient to cover the cost of the equipment and services to be provided to the Soviets has been made. A disadvantage of this approach is that a limited amount is appropriated for the contingency fund. Therefore, to the extent the fund is used for DCL purposes, it will not be available for other critical needs. This disadvantage cannot be avoided by reprogramming other funds into the contingency fund. 10 USC § 140 limits the total amount that can be expended from the contingency fund in any year to the amount appropriated for this purpose in the DoD Appropriation Act.

Accordingly, the third approach (a Joint Resolution authorizing the use of any DoD funds) is strongly preferred. This approach would involve virtually no cost to the Treasury since the Soviet Union will reimburse the U.S. Moreover, the Joint Resolution would have the great advantage of permitting DoD to avoid depletion of the contingency fund. In addition, this approach is more appropriate for funding foreseeable expenditures that may well be necessary in the future to maintain the system, since the contingency fund is designed to meet only "emergency or extraordinarly expenses which cannot be anticipated or classified."

CHAPMAN B. COX.

DEPARTMENT OF DEFENSE,
OFFICE OF GENERAL COUNSEL,
Washington, DC, September 21, 1984.

MEMORANDUM

Subject: Legal Authority for the Sale of DCL Equipment to the USSR (U).

You have requested the opinion of this office regarding the legal implications of various possible funding approaches for a US-Government sale of equipment and spare parts to the USSR in exchange for Soviet payment. The following approaches appear available to carry out such a transaction.

1. A security assistance sale. Although Section 620(f) of the Foreign Assistance Act (FAA) prohibits furnishing any assistance under the FAA to the USSR, that prohibition does not extend to transactions undertaken under other statutory authority such as the Arms Export Control Act (AECA). Section 3 of the AECA provides four conditions of eligibility for a country to purchase defense articles or defense services under the AECA:

(1) The President must find that the furnishing of defense articles (and defense services) to such country will strengthen the security of the United States and promote world peace;

(2) The country must have agreed not to transfer title to, or possession of, any defense article or related training or other defense service so furnished to it to anyone not an officer, employee or agent of that country and not to use or permit the use of such defense article or related training or other defense service unless the consent of the President has first been obtained;

(3) The country shall have agreed that it will maintain the security of such article and will provide substantially the same degree of security protection afforded to such article by the United States Government;

(4) The country is otherwise eligible to purchase or lease defense articles or defense services.

Accordingly, in order for the United States Government to sell DCL equipment to the USSR as a security assistance sale, the President must sign a finding that the furnishing of DCL equipment to the USSR will strengthen the security of the United States and promote world peace. It is possible for such a finding to be limited to declaring a country eligible for just one sale. The U.S.S.R. must commit to the non-retransfer and security assurances detailed in paragraphs (2) and (3) above.

The U.S.S.R. must also be "otherwise eligible" to purchase this equipment. This requirement means that there must be no other statutory prohibition on such a sale (e.g., such a provision as the Congressional cutoff of sales to Chile) and that the proposed sale must fall within the scope of the Arms Export Control Act. The objectives of the AECA include encouraging regional arms control and disarmament agreements and discouraging arms races. The purposes for which sales under the AECA are authorized are limited to: internal security; legitimate self defense; permitting the recipient country to participate in regional or collective arrangements of measures consistent with the Charter of the United Nations, or otherwise to permit the recipient country to participate in collective measures requested by the United Nations for the purpose of maintaining or restoring international peace and security; and enabling foreign military forces in less developed friendly countries to construct public works and to engage in other activities helpful to the social and economic development of such friendly countries. It would appear that participation in the DCL is a measure consistent with the Charter of the United Nations.

In order to obtain the required Presidential Determination making a country eligible under the AECA, the Secretary of State prepares a Memorandum for the President justifying the proposed Determination. Copies of a Presidential Determination and

the State Department's justification Memorandum for that determination are attached to this memorandum for your information.

2. Use of the Secretary of Defense's discretionary funds. 10 U.S.C. § 140 authorizes the Secretary of Defense to provide, within the limitation of appropriations made for the purpose, for any emergency or extraordinary expense which cannot be anticipated or classified. When it is so provided in such an appropriation, the funds may be spent on approval or authority of the Secretary for any purpose he deems proper. Expenditures made under this authority must be reported on a quarterly basis to the Committees on Armed Services and Appropriations of the Senate and the House of Representatives. There is no provision for reimbursement in 10 U.S.C. § 140, since this authority was not originally designed for a purpose such as that under consideration. However, it would be possible, if sufficient funds remain in the appropriation, for the Secretary to direct that DCL equipment be purchased using those funds and provided to the U.S.S.R., although any reimbursement from the U.S.S.R. for such equipment would have to be returned to Miscellaneous Receipts in the U.S. Treasury.

3. A specific Congressional authorization. Instead of using either of the procedures described above, it would be possible to seek new law authorizing the United States to sell the requisite equipment to the USSR. This approach would allow the US to tailor the statutory authorization to the terms of the proposed sale, instead of having to tailor the sale to the statute, as in (1) above. It could also allow the US Government agency purchasing the equipment to be sold to the USSR to put the receipts from the sale back into its own appropriations, which would not be possible under (2) above. The drawback to this approach is the time required to obtain new law. Congress is due to adjourn on October 5, 1984 and probably will not reconvene until the new Congress is sworn in in January 1985. Your decision concerning adoption of this approach will therefore turn, in part, on the necessary schedule for the sale of this equipment to the USSR.

JOHN H. MCNEILL,
Assistant General Counsel (International).

EXHIBIT 3

ASSISTANT SECRETARY OF DEFENSE,
Washington, DC, March 25, 1985.

In reply refer to: I-85/07907.

Hon. SAM NUNN,
U.S. Senate,
Washington, DC.

DEAR SENATOR NUNN: Thank you for your letter of March 22, 1985, requesting my comments on the legislation which you propose to introduce to facilitate the upgrade of the Direct Communications Link, which the United States and the Soviet Union agreed to undertake in an Exchange of Notes, dated July 17, 1984.

As President Reagan indicated at the time of signature of this agreement, the upgrade of the Hotline by the addition of a facsimile capability is a modest, but positive step toward enhancing international stability and reducing the risk that accident, miscalculation or misinterpretation could lead to confrontation or conflict between the United States and the Soviet Union. The success of this initiative is due in no small measure to your continued support and advice. Your efforts now, to ensure the smooth and efficient implementation of the agreement, are welcomed by all who believe that it is critical that our leaders be able to communicate rapidly and comprehensively in the event of crisis. I heartily endorse your proposed legislation for this purpose.

I want as well to assure you that the sale of the facsimile system to the Soviet Union is consistent with US technology transfer policies. Prior to the United States' proposing the configuration for the addition of a facsimile capability to the Direct Communications Link, the Department of Defense examined each component proposed for that system in the context of applicable transfer of technology regulations. We determined that the sale of those components for this purpose is entirely consistent with current U.S. law and policy regarding trade with the USSR. Sale of the quantity of equipment necessary to maintain the reliability of the Soviet part of the Hotline requires COCOM approval, which the U.S. will seek.

I want to underscore for the Congress that there is a great deal of difference between selling the USSR equipment for the specific purpose of improving the Direct Communications Link and allowing the Soviet Union unfettered access to U.S. and Allied high technology products. We will continue to ensure that sales to the Soviet Union are closely scrutinized and seek to ensure that only those which are consistent with our COCOM obligations and strategic trade controls are permitted to go forward.

RICHARD PERLE.

Mr. BOSCHWITZ. Mr. President, I rise as a cosponsor and strong supporter of this very important resolution to upgrade the direct communications link between Washington and Moscow. I believe that communications—good, clear communications—is a key to crisis control and an important confidence-building measure between the superpowers.

The so-called hotline, born out of the Cuban missile crisis, was the result of an effort to improve crisis management. It was an essential first step toward reducing the risk of nuclear war. Since 1963, the hotline has been used to prevent any number of crisis from becoming runaway confrontations. It has served us well; however, now the hotline is a crude device compared to today's sophisticated communications. The need to increase the speed of communications and rapidly exchange graphic data over state-of-the-art equipment is very important, and an upgrade that is long overdue. William Ury tells us in his recent book, "Beyond the Hotline," that the time available for United States-Soviet leaders to respond to a crisis is shrinking as the flight times of missiles grow shorter. If this means selling the required equipment in order to get the Russians up to speed, let's waste no more time doing it.

With today's hi-tech computers setting on the desks of many of our grade school students, I am sure the American public would fail to understand why a vital communications link such as the hotline, consists essentially of 1960 teletype technology. Technological improvements to this important tool for bilateral crisis prevention need to be undertaken now.

I am very pleased to join in this effort and I wish to commend my colleagues, Senators WARNER and NUNN for their distinguished leadership in proposing practical measures to reduce the risk of nuclear war. Moreover, this legislation will clearly lend practical support to President Reagan's new four-part proposal, recently announced in Strasbourg, for reducing military tensions between the United States and the Soviet Union. I strongly support these confidence-building measures. Furthermore, I hope that this legislation and the President's proposal receive broad, bipartisan support. Surely, enhanced communications between adversaries is the first step toward improved understanding and reducing conflict.

The PRESIDING OFFICER. The joint resolution is open to amendment. If there be no amendment to be proposed, the question is on the engrossment and third reading of the joint resolution.

The joint resolution was ordered to be engrossed for a third reading, was read the third time, and passed.

The preamble was agreed to.

The joint resolution (S.J. Res. 108) with its preamble, reads as follows:

S.J. RES. 108

Whereas section 1123(a) of the Department of Defense Authorization Act, 1983 (Public Law 97-252), directed the Secretary of Defense "to conduct a full and complete study and evaluation of possible initiatives for improving the containment and control of the use of nuclear weapons, particularly during crises";

Whereas the Congress directed that the same study should address several specific measures for building confidence between the United States and the Soviet Union, including an improved Direct Communications Link for crisis control;

Whereas the Secretary of Defense responded to that congressional mandate with a report entitled "Report to the Congress on Direct Communications Links and Other Measures to Enhance Stability" in which the Secretary proposed several improvements to existing United States-Soviet mechanisms for the prevention and resolution of crises, including the addition of a facsimile capability to the United States/Soviet Union Direct Communications Link;

Whereas the President of the United States presented the recommendations of the Secretary of Defense to the Government of the Soviet Union in May 1983;

Whereas the United States and the Soviet Union commenced negotiations on bilateral communications improvements in August 1983, and on July 17, 1984, concluded the Exchange of Notes Between the United States of America and the Union of Soviet Socialist Republics Concerning the Direct Communications Link Upgrade in which the two governments agreed to add a facsimile capability to the Direct Communications Link;

Whereas the Congress endorses that agreement and remains committed to all possible measures to facilitate the resolu-

tion of international crises and to limit the danger of conflict;

Whereas the Secretary of Defense is responsible for the installation, maintenance, and operation of the Direct Communications Link equipment for the United States; and

Whereas the Exchange of Notes Between the United States of America and the Union of Soviet Socialist Republics Concerning the Direct Communications Link Upgrade provides that the United States Government will provide to the Union of Soviet Socialist Republics, at cost, the equipment and services necessary for the Soviet Union part of the improved Direct Communications Link: Now, therefore, be it

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That the Secretary of Defense may provide to the Soviet Union, as provided in the Exchange of Notes Between the United States of America and the Union of Soviet Socialist Republics Concerning the Direct Communications Link Upgrade, concluded on July 17, 1984, such equipment and services as may be necessary to upgrade or maintain the Soviet Union part of the Direct Communications Link agreed to in the Memorandum of Understanding between the United States and the Soviet Union signed June 20, 1963. The Secretary shall provide such equipment and services to the Soviet Union at the cost thereof to the United States.

SEC. 2. (a) The Secretary of Defense may use any funds available to the Department of Defense for the procurement of the equipment and providing the services referred to in the first section.

(b) Funds received from the Soviet Union as payment for such equipment and services shall be credited to the appropriate account of Department of Defense.

Mr. DOLE. Mr. President, I move to reconsider the vote by which the joint resolution was agreed to.

Mr. BYRD. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

DISASTER RELIEF ACT AUTHORIZATION

Mr. DOLE. Mr. President, I ask unanimous consent that the Senate proceed to the consideration of Calendar No. 120, S. 1023, Disaster Relief Act Authorization.

The PRESIDING OFFICER. The bill will be stated by title.

The bill clerk read as follows:

A bill (S. 1023) to extend authorizations for appropriations for the Disaster Relief Act of 1974, and for other purposes.

The PRESIDING OFFICER. Is there objection to the present consideration of the bill?

There being no objection, the bill was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

S. 1023

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 606 of the Disaster Relief Act of 1974, as amended (42 U.S.C. 5202), is amended by striking out all after "501," and inserting in lieu thereof "$194,000,000 is authorized to be appropriated to the President to carry out this Act for fiscal year 1986 and $6,400,000 is authorized to be appropriated to the Federal Emergency Management Agency for administrative expenses in fiscal year 1986.".

Mr. DOLE. Mr. President, I move to reconsider the vote by which the bill was passed.

Mr. BYRD. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

ETHNIC AMERICAN DAY

Mr. DOLE. Mr. President, I ask unanimous consent that the Senate proceed to the consideration of Calendar No. 112, Senate Joint Resolution 32.

The PRESIDING OFFICER. The joint resolution will be stated by title.

The bill clerk read as follows:

A joint resolution (S.J. Res. 32) to authorize and request the President to designate September 15, 1985, as "Ethnic American Day".

The PRESIDING OFFICER. Is there objection to the present consideration of the joint resolution?

There being no objection, the Senate proceeded to consider the joint resolution.

AMENDMENT NO. 146

(Purpose: To change the date of Ethnic American Day from September 15, 1985, to September 21, 1986)

Mr. DOLE. Mr. President, I send to the desk an amendment on behalf of Senator PRESSLER.

The PRESIDING OFFICER. The amendment will be stated.

The bill clerk read as follows:

The Senator from Kansas [Mr. DOLE], for Mr. Pressler, proposes an amendment numbered 146:

On page 2, line 4, strike out "15, 1985" and insert in lieu thereof "21, 1986".

Mr. PRESSLER. Mr. President, this amendment merely changes the date of Ethnic American Day to September 21, 1986. The reason for this change is to give national ethnic organizations more time to organize events for this occasion.

The PRESIDING OFFICER. The question is on agreeing to the amendment.

The amendment (No. 146) was agreed to.

The PRESIDING OFFICER. The joint resolution is open to further amendment. If there be no further amendment to be proposed, the question is on the engrossment and third reading of the joint resolution.

The joint resolution was ordered to be engrossed for a third reading and was read the third time.

The preamble was agreed to.

The joint resolution (S.J. Res. 32), with its preamble, reads as follows:

S.J. RES. 32

Whereas the United States of America is a haven for victims of religious and political persecution and for those who seek freedom and opportunity;

Whereas the United States of America has welcomed oppressed and deprived persons and granted them refuge and citizenship;

Whereas ethnic Americans love the United States of America and have shed their blood in defense of America and its freedoms;

Whereas ethnic Americans have made outstanding contributions in the fields of agriculture, labor, arts, science, medicine, business, and government, and to the quality of life in these United States; and

Whereas designation of an "Ethnic American Day" would contribute to a greater appreciation of the rich ethnic heritage of this Nation and to the unity of all its people: Now, therefore, be it

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That the President is authorized and requested to designate September 21, 1986, as "Ethnic American Day" and to call upon the people of the United States to acknowledge and advance mutual understanding and friendship among all Americans regardless of their ethnicity.

AMENDMENT

(Purpose: Amendment to the title)

Mr. DOLE. Mr. President, I send an amendment to the title to the desk.

The PRESIDING OFFICER. The amendment will be stated.

The bill clerk read as follows:

Amend the title so as to read joint resolution to authorize and request the President to designate September 21, 1986, as Ethnic American Day.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Kansas.

Without objection, the amendment to the title is agreed to and the title, as amended, is agreed to.

Mr. DOLE. Mr. President, I move to reconsider the vote by which the resolution was passed and the title, as amended, was agreed to.

Mr. BYRD. Mr. President, I move to lay that motion on the table.

The motion to lay on the table was agreed to.

EXECUTIVE SESSION

Mr. DOLE. Mr. President, I ask unanimous consent that the Senate go into executive session to consider numerous calendar items.

There being no objection, the Senate proceeded to the consideration of executive business.

Mr. DOLE. The calendar items are Nos. 118, 119, 144, 164, 177, 178, 179, 180, 181, 182, 183, and 184.

Mr. BYRD. Mr. President, reserving the right to object, may I say to the distinguished majority leader on this side among those calendar orders which he has stated are the following which have been cleared and concerning which we are ready to proceed:

Calendar Order Nos. 144, 164, 177, 178, 179, 180, 181, 182, 183, and 184.

Mr. DOLE. But not 118 or 119?

Mr. BYRD. Yes; I think, if I may say to the distinguished majority leader, I would hope to have those cleared by tomorrow.

Mr. DOLE. Fine.

Mr. BYRD. I, myself, had a hold on each of them and there may be other holds, but I am ready to clear the one now and probably will be ready on the second one tomorrow.

Mr. DOLE. All right.

The PRESIDING OFFICER. The nominations will be stated.

EXPORT-IMPORT BANK OF THE UNITED STATES

The legislative clerk read the nomination of Richard H. Hughes, of Oklahoma, to be a member of the Board of Directors of the Export-Import Bank of the United States.

The PRESIDING OFFICER. Without objection, the nomination is considered and confirmed.

DEPARTMENT OF STATE

The legislative clerk read the nomination of Vernon A. Walters, of Florida, to be the Representative of the United States of America to the United Nations with the rank and status of Ambassador Extraordinary and Plenipotentiary, and the Representative of the United States of America in the Security Council of the United Nations.

The PRESIDING OFFICER. Without objection, the nomination is considered and confirmed.

NATIONAL FOUNDATION ON THE ARTS AND THE HUMANITIES

The legislative clerk read the nominations of Pauline Crowe Naftzger, of California, and George S. Rosborough, Jr., of Missouri, to be Members of the National Museum Services Board.

The PRESIDING OFFICER. Without objection, the nominations are considered and confirmed.

NATIONAL SCIENCE FOUNDATION

The legislative clerk read the nomination of John H. Moore, of California, to be Deputy Director of the National Science Foundation.

The PRESIDING OFFICER. Without objection, the nomination is considered and confirmed.

NATIONAL COUNCIL ON THE HANDICAPPED

The legislative clerk read the nominations of Jeremiah Milbank, of Connecticut; Justin W. Dart, Jr., of Texas; and Roxanne S. Vierra, of Colorado, to be members of the National Council on the Handicapped.

The PRESIDING OFFICER. Without objection, the nominations are considered and confirmed.

ARMY

The legislative clerk read the nominations of Lt. Gen. Alexander M. Weyand to be lieutenant general (retired), and Maj. Gen. Charles W. Dyke to be lieutenant general.

The PRESIDING OFFICER. Without objection, the nominations are considered and confirmed.

NAVY

The legislative clerk read the nominations of Vice Adm. James A. Sagerholm to be vice admiral (retired), and Rear Adm. Kendall E. Moranville to be vice admiral.

The PRESIDING OFFICER. Without objection, the nominations are considered and confirmed.

Mr. DOLE. Mr. President, I move to reconsider the votes by which the nominations were confirmed.

Mr. BYRD. Mr. President, I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. DOLE. Mr. President, I ask unanimous consent that the President be immediately notified of the confirmation of these nominations.

The PRESIDING OFFICER. Without objection, it is so ordered.

LEGISLATIVE SESSION

Mr. DOLE. Mr. President, I ask unanimous consent that the Senate return to the consideration of legislative business.

The PRESIDING OFFICER. Without objection, it is so ordered.

SAFE DRINKING WATER AMENDMENTS OF 1985

Mr. DURENBERGER. Mr. President, I ask unanimous consent that the Senate now turn to the consideration of Calendar Order No. 131, S. 124, the safe drinking water amendments of 1985.

The PRESIDING OFFICER. The clerk will report.

The bill clerk read as follows:

A bill (S. 124) entitled the "Safe Drinking Water Amendments of 1985".

The PRESIDING OFFICER. Is there objection to the request of the Senator from Minnesota?

Mr. BYRD. Mr. President, there is no objection on this side.

There being no objection, the Senate proceeded to consider the bill (S. 124) entitled the "Safe Drinking Water Amendments of 1985," which had been reported from the Committee on Environment and Public Works, with amendments, as follows:

(The parts of the bill intended to be stricken are shown in boldface brackets, and the parts of the bill intended to be inserted are shown in italics.)

S. 124

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SHORT TITLE

SECTION 1. This Act may be cited as the "Safe Drinking Water Act Amendments of 1985".

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PUBLIC WATER SYSTEMS

NATIONAL PRIMARY DRINKING WATER REGULATIONS

SEC. 2. (a) Section 1412(a) of the Safe Drinking Water Act is amended to read as follows:

"(a) Effective on the date of enactment of the Safe Drinking Water Act Amendments of 1985, each national interim primary drinking water regulation promulgated under this section before such date of enactment shall be deemed to be a national primary drinking water regulation under subsection (b). No such regulation shall be required to comply with the standards set forth in subsection (b)(2) unless such regulation is amended to establish a different maximum contaminant level after the date of enactment of such amendments.".

(b) Section 1412(b) of the Safe Drinking Water Act is amended by striking paragraphs (1), (2), and (3), and inserting in lieu thereof the following:

["(b)(1)(A) In the case of the 14 contaminants listed in the Advance Notice of Proposed Rulemaking published in volume 47, Federal Register, page 9352, not later than 15 months after the date of enactment of the Safe Drinking Water Act Amendments of 1985, the Administrator shall—

["(i) simultaneously propose maximum contaminant level goals and national primary drinking water regulations and, after opportunity for public comment, simultaneously publish maximum contaminant level goals and promulgate national primary drinking water regulations for those contaminants which may have any adverse effect on the health of persons; or

["(ii) make and publish in the Federal Register a determination that promulgation of a national primary drinking water regulation is not justified under the criterion in

clause (i). Such determination by the Administrator shall be considered a final agency action for purposes of judicial review under chapter VII of title V of the United States Code.

[“(B) In the case of each of the contaminants listed in the Advance Notice of Proposed Rulemaking published in volume 48, Federal Register, page 45502, not later than 36 months after the date of enactment of the Safe Drinking Water Act Amendments of 1985, the Administrator shall—

[“(i) simultaneously propose maximum contaminant level goals and national primary drinking water regulations and, after opportunity for public comment, simultaneously publish maximum contaminant level goals and promulgate national primary drinking water regulations for those contaminants which may have any adverse effect on the health of persons; or

[“(ii) make and publish in the Federal Register a determination that promulgation of a national primary drinking water regulation is not justified under the criterion in clause (i). Such determination by the Administrator shall be considered a final agency action for purposes of judicial review under chapter VII of title V of the United States Code.

[“(C)(i) The Administrator shall publish maximum contaminant level goals and simultaneously promulgate national primary drinking water regulations for each substance (other than a substance referred to in subparagraph (A) or (B) for which a national primary drinking water regulation was promulgated) which, in the judgment of the Administrator, may have any adverse effect on the health of persons. On January 1, 1988, and at annual intervals thereafter, the Administrator shall publish a list establishing priorities for the review of substances (other than substances referred to in subparagraph (A) or (B)) which may require regulation under this Act in order to prevent known or anticipated adverse effects on the health of persons. Such priorities shall be based upon the extent to which such contaminant occurs in public water systems throughout the United States or on the known or anticipated adverse effects of such substance on the health of persons. In establishing such priorities the Administrator's consideration shall include, but not be limited to, substances regulated as toxic water pollutants under section 307 of the Clean Water Act and substances registered as pesticides under the Federal Insecticide, Fungicide, and Rodenticide Act.

[“(ii) For each contaminant listed on the priority list, the Administrator shall, within 3 years of listing—

[“(I) simultaneously propose a maximum contaminant level goal and a national primary drinking water regulation and, after opportunity for public comment, simultaneously publish a maximum contaminant level goal and promulgate a national primary drinking water regulation for those contaminants which may have any adverse effect on the health of persons; or

[“(II) make and publish in the Federal Register a determination that promulgation of a national primary drinking water regulation is not justified under the criterion in subclause (I). Such determination by the Administrator shall be considered a final agency action for purposes of judicial review under chapter VII of title V of the United States Code.]

“(b)(1) In the case of those contaminants listed in the Advance Notice of Proposed Rulemaking published in volume 47, Federal Register, page 9352, and in volume 48, Federal Register, page 45502, the Administrator shall simultaneously publish maximum contaminant level goals and promulgate national primary drinking water regulations—

“(A) not later than 12 months after the date of enactment of the Safe Drinking Water Act Amendments of 1985 for not less than 9 of those listed contaminants;

“(B) not later than 24 months after the date of enactment for not less than 40 of those listed contaminants; and

“(C) not later than 36 months after the date of enactment for the remainder of such listed contaminants.

“(2)(A) Not later than January 1, 1988, and at three year intervals thereafter, the Administrator shall publish a list of contaminants which, in the judgment of the Administrator, may have an adverse effect on the health of persons and are known or anticipated to occur in public water systems.

“(B) For the purpose of establishing such list, the Administrator shall form an advisory working group including members from the National Toxicology Program and the Environmental Protection Agency's Offices of Drinking Water, Pesticides, Toxic Substances, Ground Water, Solid Waste and Emergency Response and any others the Administrator deems appropriate. The Administrator's consideration of priorities shall include, but not be limited to, substances referred to in section 101(14) of the Comprehensive Environmental Response, Compensation, and Liability Act, and substances registered as pesticides under the Federal Insecticide, Fungicide, and Rodenticide Act.

“(C) Not later than 24 months after listing, the Administrator shall simultaneously propose a maximum contaminant level goal and a national primary drinking water regulation for not less than 25 contaminants from the priority list established under paragraph (2).

“(D) Not later than 36 months after listing, the Administrator shall simultaneously publish a maximum contaminant goal and promulgate a national primary drinking water regulation for those contaminants identified under subparagraph (C).

[“(2)] *“(3)* Each maximum contaminant level goal established under this subsection shall be set at the level at which no known or anticipated adverse effects on the health of persons occur and which allows an adequate margin of safety. Each national primary drinking water regulation for a contaminant for which a maximum contaminant level goal is established under this subsection shall specify a maximum level for such contaminant which is as close to the maximum contaminant level goal as is feasible.

[“(3) The Administrator may, after opportunity for public comment, change maximum contaminant level goals, or the list established under paragraph (C), and shall simultaneously with such change, amend the national primary drinking water regulations concerned accordingly.]

“(4) For the purposes of this subsection, the term ‘feasible’ means feasible with the use of the best technology, treatment techniques and other means which the Administrator finds, after examination for efficacy under field conditions and not solely under laboratory conditions, are available (taking cost into consideration). For the purpose of paragraph (2), the use of granular activated carbon is available (taking costs into consideration) for the control of synthetic organic chemicals, and any technology, treatment technique, or other means found to be the best available for the control of synthetic organic chemicals must be at least as effective in controlling synthetic organic chemicals as the use of granular activated carbon.

“(5) Each national primary drinking water regulation which establishes a maximum contaminant level shall list the technology, treatment techniques, and other means which the Administrator finds to be feasible for purposes of meeting such maximum contaminant level, but a primary drinking water regulation under this paragraph shall not require that a specified technology, treatment technique, or other means be used for purposes of meeting such *maximum* contaminant level.

“(6)(A) The Administrator is authorized to promulgate a national primary drinking water regulation that requires the use of a treatment technique in lieu of establishing a maximum contaminant level, if the Administrator makes a finding that it is not economically or technologically feasible to ascertain the level of the contaminant. In such case, the Administrator shall identify those treatment techniques which, in the Administrator's judgment, would prevent known or anticipated adverse effects on the health of persons to the extent feasible. Such regulations shall specify each treatment technique known to the Administrator which meets the requirements of this paragraph, but the Administrator may grant a variance from any such specified treatment technique in accordance with section 1415(a)(3).

“(B) If any contaminant referred to in paragraphs (b)(1) (A) or (B) is listed under this paragraph (and a national primary drinking water regulation requiring the use of treatment techniques is simultaneously promulgated under this paragraph for such contaminant), the listing and promulgation under this paragraph shall be made on the date referred to in paragraphs (b)(1) (A) or (B) for the establishment of primary drinking water regulations.

“(C)(i) Not later than [12] *18* months after the enactment of the Safe Drinking Water Act Amendments of 1985, the Administrator shall propose and promulgate national primary drinking water regulations specifying criteria under which filtration (including coagulation and sedimentation, as appropriate) is required as a treatment technique for public water systems supplied by surface water sources. In promulgating such rules, the Administrator shall consider the quality of source waters, protection afforded by watershed management, treatment practices (such as disinfection and length of water storage) and other factors relevant to protection of health.

“(ii) In lieu of the provisions of section 1415 the Administrator shall specify procedures by which the State determines which public water systems within its jurisdiction shall adopt filtration under the criteria of clause (i). The State may require the public water system to provide studies or other information, to assist in this determination. The procedures shall provide notice and opportunity for public hearing on this determination. If the State determines that filtration is required, the State shall prescribe a schedule for compliance by the public water system with the filtration requirement. A schedule shall require compliance [as expeditiously as practicable (as the State may reasonably determine.)] *within 18 months of a determination made under clause (iii).*

“(iii) Within 18 months from the time that the Administrator establishes the crite-

ria and procedures in this subparagraph, a State with primary enforcement responsibility shall adopt any necessary regulations to implement this subparagraph. Within [2 years] *12 months* of adoption of such regulations the State shall make determinations regarding filtration for all the public water systems within its jurisdiction supplied by surface waters.

"(iv) If a State does not have primary enforcement responsibility for public water systems, the Administrator shall have the same authority to make the determination in clause (ii) in such State as the State would have under that clause.

"(v) Any filtration requirement or schedule under this subparagraph shall be treated as if it were a requirement of a national primary drinking water regulation.

"(D) *Not later than 36 months after the enactment of the Safe Drinking Water Act Amendments of 1985,* [The] *the* Administrator shall propose and promulgate regulations requiring disinfection as a treatment technique for all public water systems[. The] *and the* Administrator shall *simultaneously* promulgate a rule specifying criteria that will be used by the Administrator or delegated State authorities to grant variances from this requirement according to the provisions of sections 1415(a)(1)(B) and 1415(a)(3)[, prior to implementation of this paragraph]. The Administrator or the delegated State authority shall, to the extent feasible, provide technical assistance to small public water systems in complying with this [subsection] *subparagraph.".*

(c) Paragraphs (4) and (5) of section 1412(b) of the Safe Drinking Water Act are amended by striking "Revised national" both times the words occur and inserting both times in lieu thereof "National". Paragraphs (4), (5), and (6) of section 1412(b) of the Safe Drinking Water Act are redesignated as paragraph (7), (8), and (9) respectively.

(d) Paragraph (7) of the Safe Drinking Water Act as redesignated by subsection (c), is amended by adding at the end thereof the following: "Such review shall include an analysis of innovations or changes in technology, treatment techniques or other activities that have occurred over the previous three-year period and that may provide for greater protection of the health of persons and the findings of such review shall be published in the Federal Register. If, after opportunity for public comment, the Administrator concludes that changes in technology, treatment techniques or other means are not available to permit greater protection of the health of persons than that afforded by the existing regulations, an explanation of such conclusion, shall be published in the Federal Register.".

[(d)] *(e)* Section 1412(e) of the Safe Drinking Water Act is amended to read as follows:

"(e) The Administrator shall provide the Science Advisory Board, established under the Environmental Research, Development and Demonstration Act of 1978, an opportunity to comment prior to proposal *or during the public comment period* [of] *on* a maximum contaminant level goal and national primary drinking water regulation.".

ENFORCEMENT

SEC. 3. (a) Section 1414(a)(1)(A) of the Safe Drinking Water Act is amended by inserting "and such public water system" after the words "notify the State".

(b) Section 1414(a)(1)(B) of the Safe Drinking Water Act is amended to read as follows:

"(B) If beyond the thirtieth day after the Administrator's notification the State has not commenced appropriate enforcement action, the Administrator shall issue an order under subsection (g) requiring the public water system to comply with such regulation or requirement or shall commence a civil action under subsection (b).".

(c) Section 1414(a)(2) of the Safe Drinking Water Act is amended by striking the words "he may commence a civil action under subsection (b)" and inserting the following: [*"he"*] *"the Administrator* shall issue an order under subsection (g) requiring the public water system to comply with such regulation or requirement or shall commence a civil action under subsection (b)".

(d) Section 1414(b) of the Safe Drinking Water Act is amended by—

(1) adding "or with an order issued under subsection (g)" after "drinking water regulation" in the first sentence;

(2) deleting "willful" immediately after "there has been a" in the second sentence; and

(3) striking "$5,000" and substituting "$25,000".

[(d)] *(e)* Section 1414 of the Safe Drinking Water Act is amended by adding at the end thereof the following new subsection:

"(g)(1) In any case in which the Administrator is authorized to bring a civil action under this section with respect to any regulation, schedule, or other requirement, the Administrator also may issue an order to require compliance with such regulation, schedule, or other requirement.

"(2) An order issued under this subsection shall not take effect until after notice and opportunity for public hearing and, in the case of a State having primary enforcement responsibility, until after the Administrator has provided the State with an opportunity to confer with the Administrator regarding the proposed order. A copy of any order proposed to be issued under this subsection shall be sent to the appropriate State agency of the State involved if the State has primary enforcement responsibility for public water systems in that State. Any order issued under this subsection shall state with reasonable specificity the nature of the violation. In any case in which an order under this subsection is issued to a corporation, a copy of such order shall be issued to appropriate corporate officers.

"(3)(A) Any person who violates, fails, or refuses to comply with an order under paragraph (2) shall be liable to the United States for a civil penalty of not more than $25,000 per day of violation.

"(B) Whenever any civil penalty sought by the Administrator under this paragraph does not exceed a total of $5,000, the penalty shall be assessed by the Administrator after notice and opportunity for a hearing on the record in accordance with section 554 of title 5 of the United States Code. [The Administrator shall have the discretion to compromise, modify, or remit, with or without conditions, any civil penalty assessed under this subsection against any person.]

"(C) Whenever a civil penalty sought by the Administrator exceeds $5,000, the penalty shall be assessed by a civil action brought by the Administrator in the appropriate United States district court (as determined under the provisions of title 28 of the United States Code).

"(D) If any person fails to pay an assessment of a civil penalty after it has become a final and unappealable order, or after the appropriate court of appeals has entered final judgment in favor of the Administrator, the Attorney General shall recover the amount for which such person is liable in any appropriate district court of the United States. In any such action, the validity and appropriateness of the final order imposing the civil penalty shall not be subject to review.".

(e) Section 1414 of the Safe Drinking Water Act is amended by striking the words "Failure by State to Assure" from the title.

PUBLIC NOTIFICATION

SEC. 4. (a) Section 1414(c) of the Safe Drinking Water Act is amended by striking everything after the sentence "The Administrator shall by regulation prescribe the form, manner, and frequency for giving notice under this subsection." to the sentence beginning "The Administrator may also require" and inserting the following: "Within [12] *18* months after the date of enactment of the Safe Drinking Water Act Amendments of 1985, the Administrator shall amend such regulations to provide for different types and frequencies of notice based on the differences between violations which are intermittent or infrequent and violations which are continuous or frequent. Such regulations shall also take into account the seriousness of any potential adverse health effects which may be involved. [Notice of any violation of a maximum contaminant level and any other notice of a violation designated by the Administrator as continuous or posing a serious potential adverse health effect shall be given no less frequently than every three months and in no case shall notice be given less frequently than annually. Such notice shall include notification in a newspaper of general circulation serving the area served by the public water system. Notice under this subsection shall provide a clear and readily understandable explanation of the violation, the steps that the system is taking to] *Notice of any violation of a maximum contaminant level or any other violation designated by the Administrator as posing a serious potential adverse health effect shall be given as soon as possible, but in no case later than 14 days after the violation. Notice of a continuous violation of a regulation other than a maximum contaminant level shall be given no less frequently than every three months. Notice of violations judged to be less serious shall be given no less frequently than annually. Notification of such violations to affected persons shall be as prompt as possible and shall include notification by newspaper and shall include, unless inappropriate, a press release to electronic media and individual mailings. Notice under this subsection shall provide a clear and readily understandable explanation of the violation, any potential adverse health effects, the steps that the system is taking to* correct such violation, and the necessity for seeking alternative water supplies, if any, until the violation is corrected. Until such amended regulations are promulgated, the regulations in effect on the date of the enactment of the Safe Drinking Water Act Amendments of 1985 shall remain in effect.".

VARIANCES

SEC. 5. (a) Section 1415(a)(1)(A) of the Safe Drinking Water Act is amended by striking the word "despite" and inserting in lieu thereof the following: ". A variance may only be issued to a system after the system's".

(b) Section 1415(a)(1)(A) of the Safe Drinking Water Act is amended by striking the word "best" before technology; by striking the word "generally" before the word

"available" and inserting in lieu thereof the [word "best";] *words "the best"*; and by adding after "(taking costs into consideration)." the following: "The Administrator shall propose and promulgate his finding of the best available technology, treatment techniques or other means available for each contaminant for purposes of this subsection at the time he proposes and promulgates a maximum contaminant level for each such contaminant. The Administrator's finding of best available technology, treatment techniques or other means for purposes of this subsection may vary depending on the number of persons served by the system or for other physical conditions related to engineering feasibility and costs of compliance with maximum contaminant levels as considered appropriate by the Administrator.".

(c) Section 1415(a)(1)(A) of the Safe Drinking Water Act is amended by striking the words "within one year of the date" and inserting in lieu thereof "at the time".

(d) Section 1415(a)(1)(A)(ii) of the Safe Drinking Water Act is amended by adding after the words "water system of such" the word "additional".

EXEMPTIONS

SEC. 6. (a) Section 1416(b)(1) of the Safe Drinking Water Act is amended by striking the words "within one year of the date" and inserting in lieu thereof "at the time".

(b) Section 1416(b)(2)(A)(i) of the Safe Drinking Water Act is amended by striking the word "interim" and striking the words "not later than January 1, 1984" and inserting in lieu thereof "not later than 12 months after the date of enactment of the Safe Drinking Water Act Amendments of 1985".

(c) Section 1416(b)(2)(A)(ii) of the Safe Drinking Water Act is amended by striking the word "revised"; and by striking the words "not later than seven years after the date such requirement takes effect" and inserting in lieu thereof "other than a regulation referred to in section 1412(a), 12 months after the date of the issuance of the exemption".

(d) Section 1416(b)(2)(B) of the Safe Drinking Water Act is amended to read as follows:

"(B) The final date for compliance provided in any schedule in the case of any exemption may be extended by the State (in the case of a State which has primary enforcement responsibility) or by the Administrator (in any other case) for a period not to exceed 3 years after the date of the issuance of the exemption if the public water system establishes that—

"(i) the system cannot meet the standard without capital improvements which cannot be completed within the period of such exemption;

"(ii) in the case of a system which needs financial assistance for the necessary improvements, the system has entered into an agreement to obtain such financial assistance; or

"(iii) the system has entered into an enforceable agreement to become a part of a regional public water system; and

the system is taking all practicable steps to meet the standard.

"(C) In the case of a system which does not serve more than 500 service connections and which needs financial assistance for the necessary improvements, an exemption granted under subsection (b)(2)(A) (i) or (ii) may be renewed for one or more additional 2-year periods if the system establishes that it continues to meet the requirements of subsection (B).".

MONITORING FOR UNREGULATED CONTAMINANTS

SEC. 7. (a) Section 1445(a) of the Safe Drinking Water Act is amended by adding at the end thereof the following: "In requiring a public water system to monitor under this subsection, the Administrator may take into consideration the system size and the contaminants likely to be found in the system's drinking water.".

(b) Section 1445(a) of the Safe Drinking Water Act is amended by adding "(1)" after "(a)" and adding the following at the end thereof:

"(2) Not later than 18 months after date of enactment of the Safe Drinking Water Act Amendments of 1985, the Administrator shall promulgate regulations for every public water system to conduct a monitoring program for unregulated contaminants. Such regulations shall require monitoring of drinking water supplied by the system, and shall vary the frequency and schedule of monitoring requirements for systems based on the number of persons served by the system, the source of supply, and the contaminants likely to be found. Each system shall be required to monitor at least once within 5 years of the effective date of such regulations unless the Administrator requires more frequent monitoring.".

"(3) Regulations under paragraph (2) shall list unregulated contaminants for which systems may be required to monitor, and shall include criteria by which the primary enforcement authority in each State could show cause for deletion of a contaminant from the designated list. The primary State enforcement authority may delete contaminants for an individual system, in accordance with these criteria, with an approved assessment of the contaminants potentially to be found in the system. [Any such State must submit an assessment to the Administrator which shall be regarded as approved 60 days after its submission unless the Administrator disapproves the assessment.] *The Administrator shall approve or disapprove such an assessment submitted by a State within 90 days.*

"(4) Public water systems conducting monitoring of unregulated contaminants pursuant to this section shall provide the results of such monitoring to the primary enforcement authority.

["(4)] *"(5)* Notification of the availability of the results of such monitoring program required under paragraph (2), and notification of the availability of the results of the monitoring program referred to in paragraph (5), shall be given to the persons served by the system and the Administrator.

["(5)] *"(6)* The Administrator may waive the monitoring requirement of this subsection for a system which has conducted a monitoring program after January 1, 1983, if the Administrator determines the program to have been consistent with the regulations promulgated under this section.

["(6)] *"(7)* Any system supplying less than 150 service connections shall be regarded as complying with this subsection if such system provides water samples *or the opportunity for sampling* according to the rules established by the Administrator. There are authorized to be appropriated $30,000,000 in the fiscal year ending September 30, 1986 to remain available until expended to carry out the provisions of this subsection.".

TECHNICAL ASSISTANCE

SEC. 8. (a) Section 1442 of the Safe Drinking Water Act is amended by adding the following new subsection:

"(g) The Administrator is authorized to provide technical assistance to small public water systems *or water systems of Indian tribal organizations* to enable such systems to achieve and maintain compliance with national drinking water regulations. Such assistance may include 'circuit-rider' programs, training, and preliminary engineering studies. There are authorized to be appropriated to carry out this subsection $10,000,000 for each of the fiscal years 1986 through [1989.] *1990. Of this sum, at least 5 per centum shall be utilized for technical assistance to Indian tribal organizations.*".

TAMPERING WITH PUBLIC WATER SYSTEMS

SEC. 9. Part D of the Safe Drinking Water Act is amended by adding the following new section at the end thereof:

"TAMPERING WITH PUBLIC WATER SYSTEMS

"SEC. 1432. (a) Any person who tampers with a public water system shall be fined not more than $50,000, or imprisoned for not more than 5 years, or both.

"(b) Any person who attempts to tamper, or makes a threat to tamper, with a public drinking water system shall be fined not more than $20,000, or imprisoned for not more than 3 years, or both.

"(c) The Administrator may bring a civil action in the appropriate United States district court (as determined under the provisions of title 28 of the United States Code) against any person who tampers, attempts to tamper, or makes a threat to tamper with a public water system. The court may impose on such person a civil penalty of not more than $50,000 for such tampering or not more than $20,000 for such attempt or threat.

"(d) For the purposes of this section, the term 'tamper' means—

"(1) to introduce a contaminant into a public water system with the intention of harming persons; or

"(2) to otherwise interfere with the operation of a public water system with the intention of harming persons.".

PROTECTION OF UNDERGROUND SOURCES OF DRINKING WATER

RESTRICTIONS ON UNDERGROUND INJECTION OF HAZARD-

OUS WASTE AND REGULATION OF STATE PROGRAMS

SEC. 10. (a) Section 1421(b)(2)(A), section 1422(c)(1), and section 1425(a)(1) of the Safe Drinking Water Act are each amended by inserting "or natural gas storage operations" after "production".

(b) Part C of the Safe Drinking Water Act is amended by adding at the end thereof the following new [sections] *section*:

["PROHIBITION ON HAZARDOUS WASTE INJECTION

["SEC. 1426. (a) No hazardous waste may be disposed of by underground injection—

["(1) into a formation which contains (within one-quarter mile of the well used for such underground injection) an underground source of drinking water; or

["(2) above such a formation.

The prohibitions established under this section shall take effect 6 months after the enactment of the Hazardous and Solid Waste Amendments of 1984 except in the case of any State in which identical or more stringent prohibitions are in effect before such date. The prohibition established under this subsection shall be treated for purposes of this Act as a prohibition established pursuant to an applicable underground injection program.

[''(b) Subsection (a) shall not apply to the injection of contaminated ground water into the aquifer from which it was withdrawn, if—

[''(1) such injection is—

[''(A) a response action taken under section 104 or 106 of the Comprehensive Environmental Response, Compensation and Liability Act of 1980, or

[''(B) part of corrective action required under the Solid Waste Disposal Act intended to clean up such contamination;

[''(2) such contaminated ground water is treated to substantially reduce hazardous constituents prior to such injection; and

[''(3) such response action or corrective action will, upon completion, be sufficient to protect human health and the environment.

[''(c)(1) Each State which assumes primary enforcement responsibility under this Act shall adopt a program to carry out the prohibition established under paragraphs (1) and (2) of subsection (a) (unless such State has adopted and is carrying out a more stringent prohibition).

[''(2) The Administrator shall promulgate regulations to carry out the prohibitions established under paragraphs (1) and (2) of subsection (a) for each State which is not exercising primary enforcement responsibility under this Act for enforcement of such prohibitions.

[''(d) The term 'hazardous waste' as used in this section means any hazardous waste, as defined in the Solid Waste Disposal Act, which is listed or identified under section 3001 of that Act.''.]

''REGULATION OF STATE PROGRAMS

''SEC. [1427] *1426.* (a) No later than 18 months after enactment of the Safe Drinking Water Act Amendments of 1985, the Administrator shall revise regulations issued under this Act to require ground water monitoring at locations and in such a way that would provide the earliest possible detection of fluid migration into, or in the direction of, underground drinking water sources from a class I injection well unless the Administrator or delegated State authority concludes, on the basis of the applicant's demonstration, that such monitoring is not necessary because no potential exists for migration from the injection zone that may be harmful to human health or the environment.

''(b) The Administrator shall submit a report to Congress no later than September 1987, summarizing the results of State surveys, currently required by the Administrator, 3 years after the delegation of the program, under this section to a primary State enforcement authority. The report shall include the following information:

''(1) the numbers and categories of class V wells which discharge nonhazardous waste into or above an underground source of drinking water,

''(2) the primary contamination problems associated with different categories of these disposal wells, and

''(3) recommendations for minimum design, construction, installation, and siting requirements that should be applied to protect [ground water] *underground sources of drinking water* from such contamination wherever necessary.''.

(c)(1) Section 7010(c) of the Solid Waste Disposal Act is amended by striking ''sections 7002 and 7003 of this Act'' and inserting in lieu thereof ''the provisions of this Act''.

(2) Section 7010 of the Solid Waste Disposal Act is renumbered as section 3020 and inserted after section 3019 of such Act.

ENFORCEMENT

SEC. 11. (a)(1) Section 1423(a)(1) of the Safe Drinking Water Act is amended by striking out all after the first sentence and substituting the following: ''If beyond the thirtieth day after the Administrator's notification the State has not commenced appropriate enforcement action, the Administrator shall issue an order under subsection (d) requiring the person to comply with such requirement or shall commence a civil action under subsection [(b)(1).''] *(b).''.*

(2) Section 1423(a)(2) of the Safe Drinking Water Act is amended by striking the words ''he may commence a civil action under subsection (b)(1)'' and substituting the following: [''he] *the Administrator* shall issue an order under subsection (d) requiring the person to comply with such requirement or shall commence a civil action under subsection [(b)(1).''] *(b).''.*

[(3) Section 1423(b)(1) of the Safe Drinking Water Act is amended by striking out the first sentence thereof and substituting the following: ''Civil actions referred to in paragraphs (1) and (2), subsection (a) shall be brought in the appropriate United States district court and such court shall have jurisdiction to require compliance with any requirement of an applicable underground injection program.''.

[(b) Section 1423(b)(1) of the Safe Drinking Water Act is amended by striking in the last sentence ''$5,000'' and substituting ''$25,000'' and striking ''60'' and substituting ''30''.

[(c) Section 1423 of the Safe Drinking Water Act is amended by adding the following new subsection at the end thereof:

[''(d)(1) In any case in which the Administrator is authorized to bring a civil action under this section with respect to any requirement of an applicable underground injection control program, the Administrator may also issue an order to require compliance with such requirement.

[''(2) An order issued under this subsection shall not take effect until after notice and opportunity for public hearing and, in the case of a State having primary enforcement responsibility for underground water sources (within the meaning of section 1422(b)(3) or 1425(c)) until after the Administrator has provided the State with an opportunity to confer with the Administrator regarding the proposed order. A copy of any order proposed to be issued under this subsection shall be sent to the appropriate State agency involved if the State has primary enforcement responsibility. Any order issued under this subsection shall state with reasonable specificity the nature of the violation. In any case in which an order under this subsection is issued to a corporation, a copy of such order shall be issued to appropriate corporate officers.

[''(3)(A) Any person who violates, or fails or refuses to comply with an order under paragraph (2) shall be liable to the United States for a civil penalty of not more than $25,000 per day of violation.

[''(B) Whenever the civil penalty sought by the Administrator under this paragraph does not exceed $5,000, the penalty shall be assessed by the Administrator after notice and opportunity for a hearing on the record in accordance with section 554 of title 5 of the United States Code. The Administrator shall have the discretion to compromise, modify, or remit, with or without conditions, any civil penalty assessed under this subsection against any person.

[''(C) Whenever the civil penalty sought by the Administrator under this paragraph exceeds $5,000, the penalty shall be assessed by a civil action brought by the Administrator in the appropriate United States district court (as determined under the provisions of title 28 of the United States Code).

[''(D) If any person fails to pay an assessment of a civil penalty after it has become a final and unappealable order, or after the appropriate court of appeals has entered final judgment in favor of the Administrator, the Attorney General shall recover the amount for which such person is liable in any appropriate district court of the United States. In any such action, the validity and appropriateness of the final order imposing the civil penalty shall not be subject to review.''.]

(b) Section 1423(b) of the Safe Drinking Water Act is amended to read as follows:

''(b) Civil actions referred to in paragraphs (1) and (2) of subsection (a) shall be brought in the appropriate United States district court and such court shall have jurisdiction to require compliance with any requirement of an applicable underground injection program or an order issued under subsection (c). The court may enter such judgment as protection of public health may require. Any person who violates any requirement of an applicable underground injection control program (A) shall be subject to a civil penalty of not more than $25,000 for each day of such violation, and (B) if such violation is willful, such person may, in addition to or in lieu of the civil penalty authorized by clause (A), be fined not more than $25,000 for each day of such violation, or imprisoned for not more than three years, or both.''.

(c) Section 1423 of the Safe Drinking Water Act is amended by inserting the following new subsection immediately after subsection (b) and redesignating the succeeding subsection accordingly:

''(c)(1) ADMINISTRATIVE ORDERS FOR OTHER THAN OIL OR NATURAL GAS INJECTION WELL OPERATORS.—In any case in which the Administrator is authorized to bring a civil action under this section with respect to any regulation or other requirement of this part other than those relating to (A) the underground injection of brine or other fluids which are brought to the surface in connection with oil or natural gas production, or (B) any underground injection for the secondary or tertiary recovery of oil or natural gas, the Administrator may also issue an order under this subsection either assessing a civil penalty of not more than $25,000 per day for each violation for any past or current violation, up to a maximum administrative penalty of $125,000, or requiring compliance with such regulation or other requirement, or both.

''(2) ADMINISTRATIVE ORDERS FOR OIL OR NATURAL GAS INJECTION WELL OPERATORS.—In any case in which the Administrator is authorized to bring a civil action under this section with respect to any regulation, or other requirement of this part relating to (A) the underground injection of brine or other fluids which are brought to the surface in connection with oil or natural gas production, or (B) any underground injection for the secondary or tertiary recovery of oil or natural gas, the Administrator may also issue an order under this subsection either assessing a civil penalty of not more than $5,000 per day for each violation for any past or current violation, up to a maximum administrative penalty of $125,000, or requiring compliance with such regulation or other requirement, or both.

"(3) PROCEDURE.—(A) An order under this subsection shall be issued by the Administrator after opportunity (provided in accordance with this subparagraph) for a hearing. Before issuing the order, the Administrator shall give to the person to whom it is directed written notice of the Administrator's proposal to issue such order and the opportunity to request, within 30 days of the date the notice is received by such person, a hearing on the order. Such hearing shall not be subject to sections 554 or 556 of title 5, United States Code, but shall provide a reasonable opportunity to be heard and to present evidence.

"(B) The Administrator shall provide public notice of, and reasonable opportunity to comment on, any proposed order.

"(C) Any citizen who comments on any proposed order under subparagraph (B) shall be given notice of any hearing held under this subsection and of any order. In any hearing held under subparagraph (A), such citizen shall have a reasonable opportunity to be heard and to present evidence. If no hearing is held prior to issuance of the order, then upon presentation by such citizen, within 30 days of issuance of the order, of evidence that such order was inadequate or improper, the Administrator shall set aside such order immediately and provide a hearing in accordance with subparagraph (A) on the proposed order.

"(D) Any order issued under this subsection shall become effective 30 days following its issuance unless an appeal is taken pursuant to paragraph (6) or the order is set aside pursuant to subparagraph (C). If a hearing request made pursuant to subparagraph (C) is denied, an order issued under this subsection shall become effective thirty days following such denial.

"(4) CONTENT OF ORDER.—(A) Any order issued under this subsection shall state with reasonable specificity the nature of the violation and may specify a reasonable time for compliance.

"(B) In assessing any civil penalty under this subsection, the Administrator shall take into account appropriate factors, including (i) the seriousness of the violation; (ii) the economic benefit (if any) resulting from the violation; (iii) any history of such violations; (iv) any good-faith efforts to comply with the applicable requirements; (v) the economic impact of the penalty on the violator; and (vi) such other matters as justice may require.

"(5) EFFECT OF ORDER.—Any violation with respect to which the Administrator has commenced and is diligently prosecuting an action, or has issued an order, under this subsection shall not be subject to an action under subsection (b) of this section or section 1424(c) or 1449 of this Act: PROVIDED, That the foregoing limitation on civil actions under section 1449 of this Act shall not apply with respect to any violation for which (i) a civil action under section 1449(a)(1) of this Act has been filed prior to commencement of an action under this subsection or, (ii) a notice of violation under section 1449(b)(1) of this Act has been given prior to commencement of an action under this subsection and an action under section 1449(a)(1) of this Act is filed prior to 120 days after such notice is given.

"(6) JUDICIAL REVIEW.—Any person against whom an order is issued or who commented on a proposed order pursuant to paragraph (3) may file an appeal of such order with the United States District Court for the District of Columbia or the district in which the violation is alleged to have occurred. Such an appeal may only be filed within the 30 day period beginning on the date the order is issued. Appellant shall simultaneously send a copy of the appeal by certified mail to the Administrator and to the Attorney General. The Administrator shall promptly file in such court a certified copy of the record on which such order was imposed. The district court shall not set aside or remand such order unless there is not substantial evidence on the record, taken as a whole, to support the finding of a violation or, unless the Administrator's assessment of penalty or requirement for compliance constitutes an abuse of discretion. The district court shall not impose additional civil penalties for the same violation unless the Administrator's assessment of a penalty constitutes an abuse of discretion.

"(7) COLLECTION.—If any person fails to pay an assessment of a civil penalty—

"(A) after the order becomes effective under paragraph (3), or

"(B) after a court, in an action brought under paragraph (6), has entered a final judgment in favor of the Administrator, the Administrator may request the Attorney General to bring a civil action in an appropriate district court to recover the amount assessed (plus costs, attorneys' fees, and interest at currently prevailing rates from the date the order is effective or the date of such final judgment, as the case may be). In such an action, the validity, amount, and appropriateness of such penalty shall not be subject to review.

"(8) SUBPOENA.—The Administrator may, in connection with administrative proceedings under this subsection, issue subpoenas compelling the attendance and testimony of witnesses and subpoenas duces tecum, and may request the Attorney General to bring an action to enforce any subpoena under this section. The district courts shall have jurisdiction to enforce such subpoenas and impose sanction.".

(d) Section 1423 of the Safe Drinking Water Act is amended by striking the words "FAILURE OF STATE TO ASSURE" from the title.

[CRITICAL AQUIFER PROTECTION AREA DEMONSTRATION PROGRAM]

SOLE SOURCE AQUIFER DEMONSTRATION PROGRAM

SEC. 12. Part C of the Safe Drinking Water Act is amended by adding the following new section:

["CRITICAL AQUIFER PROTECTION AREA] ***SOLE SOURCE AQUIFER*** **DEMONSTRATION PROGRAM**

"SEC. **[1428]** *1427.* (a) The purpose of this section is to establish procedures for development, implementation, and assessment of demonstration programs designed to protect critical aquifer protection areas located within areas designated as sole or principal source aquifers under section 1424(e) of the Safe Drinking Water Act.

"(b) For purposes of this section, critical aquifer protection area means *all or part of* an area located within an area for which an application for designation as a sole or principal source aquifer pursuant to section 1424(e) has been submitted to or approved by the Administrator as of the date of enactment of this section and which satisfies the criteria established by the Administrator under subsection (d).

"(c)*(1)* Any State, municipal, or local government or political subdivision thereof or any planning entity (including any interstate regional planning entity) that identifies a critical aquifer protection area over which it has authority or jurisdiction may apply to the Administrator for the selection of such area for a demonstration program under subsection (e). Any applicant shall consult with other **[**appropriate**]** government or planning entities with authority or jurisdiction in such area prior to application. The application shall include a certification by the Governor that the plan is consistent with State laws, regulations, and policies.

"(2) Applicants, other than the Governor, in any State in which any Federal funds under section 208 of the Clean Water Act have been expended prior to the date of enactment of this section for planning to protect a sole source aquifer designated under section 1424(e) of this Act shall: (A) submit the application for a demonstration program jointly with the Governor and (B) shall obtain the approval of any plan developed or implemented under subsection (g) of this section from the Governor prior to submission to the Administrator.

"(d) Within **[**12**]** *16* months of the date of enactment of this section, the Administrator shall, by rule, establish criteria for identifying critical aquifer protection areas under this section. In establishing such criteria, the Administrator shall consider the following:

["(1) the existence of one or more recharge zones through which significant volumes of ground water flow to an underground source of drinking water;**]**

"(1) the vulnerability of the aquifer to contamination due to hydrogeologic characteristics;

"(2) the number of persons or the proportion of population using the ground water as a drinking water source;

["(3) the availability of alternative supplies of drinking water;

["(4) the vulnerability of the aquifer to contamination due to hydrogeologic characteristics;**]**

"**[**(5)**]** *(3)* the economic, social and **[**ecological**]** *environmental* benefits that would result to the area from maintenance of **[**high quality**]** *ground* water **[**recharging the aquifer**]** *of high quality*; and

"**[**(6)**]** *(4)* the economic, social, and **[**ecological**]** *environmental* costs that would result from degradation of the quality of **[**recharging water**]** *the ground water.*

"(e) An application submitted to the Administrator by any applicant shall propose boundaries for the critical aquifer protection area within their jurisdiction and **[**may**]** *shall* include a *plan proposal or a* comprehensive management plan for the proposed protection area. **[**Such plan shall be designed to maintain the quality of the ground water in the critical protection area through maintenance, to the maximum extent possible, of the natural vegetative and hydrogeological conditions.**]** *A plan approved prior to the date of enactment under section 208 of the Clean Water Act to protect a sole source aquifer designated under section 1424(e) of this Act shall be considered a comprehensive management plan for the purposes of this section. The objectives of such plan shall be to maintain the quality of the ground water in the critical aquifer protection area in a manner reasonably expected to protect human health, the environment, and the ground water resources.* The following elements **[**may**]** *shall* be included in such a protection plan:

"(A) a map showing the detailed boundary of the critical protection area;

["(B) a determination of the quality and quantity of the ground water recharged within the critical protection area;**]**

"(B) a hydrogeologic assessment of surface and ground water resources within the critical protection area;

"(C) an identification of existing and potential point and nonpoint sources of ground water degradation; [, ground water flow patterns, and the relationship between surface water management and ground water quality and recharge;

["(D) a resource assessment of the amount, location, and type of human development and activity which the ecosystem can sustain while still maintaining existing ground and surface water quality and protecting unique ecological features related to maintenance of water quality;]

"(D) an assessment of the relationship between activities on the land surface and ground water quality;

"(E) specific actions and management practices to be implemented in the critical protection area to prevent adverse impacts on *ground* water quality [and recharge capabilities];

["(F) a program for State and/or local implementation of the plan in a manner that will insure the continued, uniform, consistent protection of the critical protection area in accord with the purposes of this section;]

"(F) identification of authority adequate to implement the plan, estimates of program costs, and sources of State matching funds.

["(G) adequate personnel, funding, and authority to carry out the plan;

["(H) proposed limits on activities and projects financially assisted by Federal, State, or local government which may contribute to degradation of such ground water or any loss of natural surface and subsurface infiltration or purification capability of the critical protection area watershed;

["(I) consideration of specific techniques, which may include clustering, transfer of development rights, and other innovative measures sufficient to achieve the objectives of this section;

["(J) consideration of the establishment of a State institution to facilitate and assist in funding a development transfer credit system.]

"(f) Within 120 days after receipt of an application under this section, the Administrator must approve or disapprove the application based on a determination that the critical protection area satisfies the criteria established under subsection (d) and that a demonstration program for the area would provide [a useful model for other ground water protection programs] *protection for ground water quality consistent with the objectives stated in subsection (e).* Any petitioner may modify and resubmit any application which is not approved. Upon approval of an application, the Administrator may enter into a cooperative agreement with the applicant to establish a demonstration program. Such program shall include the development and implementation of a plan for the protection of the ground water recharged through the critical aquifer protection area.

"(g) Upon entering a cooperative agreement under subsection (e), the Administrator may provide to the applicant, on a matching basis, a grant of 50 per centum of the costs of developing and implementing the plan established under this section. The total amount of grants under this section for any one aquifer, designated under section 1424(e), shall not exceed [$2,000,000] *$4,000,000* in any fiscal year.

"(h) No funds authorized under this subsection may be used to fund activities funded under other sections of this Act or the Clean Water Act, the Solid Waste Disposal Act, the Comprehensive Environmental Response, Compensation and Liability Act of 1980, or other Federal statutes.

"(i) No funds authorized to be appropriated under this section may be used to clean up [individual] *any source of contamination or to bring any* [sources] *source* of contamination [or to bring such sources] into compliance with Federal, State, or local statutes.

"(j) No later than December 31, 1989, each State shall submit to the Administrator a report assessing the impact of the program on ground water quality and identifying those measures found to be effective in protecting groundwater resources. No later than September 30, 1990, the Administrator shall submit to Congress a report summarizing the State reports, and assessing the accomplishments of the sole source aquifer demonstration program including an identification of protection methods found to be most effective and recommendations for their application to protect ground water resources from contamination wherever necessary.

["(j)] *"(k)* Nothing under this section shall be construed to amend, supersede or abrogate rights to quantities of water which have been established by interstate water compacts, Supreme Court decrees, or State water laws; or any requirement imposed or right provided under any Federal or State environmental or public health statute.

["(k)] *"(l)* There are authorized to be appropriated for the purposes of this section [$25,000,000] *$20,000,000* for each of the fiscal years [1986] *1987* through [1989."] *1990.".*

GENERAL PROVISIONS

AUTHORIZATION OF APPROPRIATIONS

SEC. 13. (a) Section 1442(f) of the Safe Drinking Water Act is amended by inserting the following at the end thereof: "There are authorized to be appropriated to carry out subsection (a)(2)(B), [$9,600,000 for the fiscal year 1985,] $11,300,000 for the fiscal year 1986, $11,300,000 for the fiscal year 1987, $11,300,000 for the fiscal year 1988, and $11,300,000 for the fiscal year 1989 *and $11,300,000 for the fiscal year 1990.* There are authorized to be appropriated to carry out the provisions of this section (other than subsection (g), subsection (a)(2)(B), and provisions relating to research), [$42,000,000 for the fiscal year 1985,] $47,000,000 for the fiscal year 1986, $47,000,000 for the fiscal year 1987, $47,000,000 for the fiscal year 1988, [and] $47,000,000 for the fiscal year 1989 *and $47,000,000 for the fiscal year 1990.".*

(b) Section 1443(a)(7) of the Safe Drinking Water Act is amended by adding the following at the end thereof: "For the purposes of making grants under paragraph (1) there are authorized to be appropriated [$40,000,000 for the fiscal year 1985,] $45,000,000 for the fiscal year 1986, $45,000,000 for the fiscal year 1987, $45,000,000 for the fiscal year 1988, [and] $45,000,000 for the fiscal year 1989 *and $45,000,000 for the fiscal year 1990.".*

(c) Section 1443(b)(5) of the Safe Drinking Water Act is amended by adding the following at the end thereof: "For the purpose of making grants under paragraph (1) there are authorized to be appropriated [$25,000,000 for the fiscal year 1985,] $28,000,000 for the fiscal year 1986, $28,000,000 for the fiscal year 1987, $28,000,000 for the fiscal year 1988, [and] $28,000,000 for the fiscal year 1989 *and $28,000,000 for the fiscal year 1990.".*

(d) Section 1441(f) of the Safe Drinking Water Act is amended by striking out "in effect" and all that follows and substituting "in effect for more than one year.".

INDIAN TRIBAL ORGANIZATION

SEC. 14. (a) Section 1401 of the Safe Drinking Water Act is amended by inserting the following after subsection 13:

"(14) The term 'Indian tribal organization' means any Indian tribe, band, nation, or other organized group or community (including any Alaska Native village, but not including any Alaska Native regional or village corporation) which is recognized as eligible for the special programs and services provided by the United States to Indians because of their status as Indians.".

(b) The Administrator, in cooperation with the Director of the Indian Health Service, shall, within 12 months of enactment, conduct a survey of drinking water on Indian reservations, identifying drinking water problems and the need, if any, for alternative drinking water supplies.

(c) The Administrator is authorized to make special provision for the treatment of Indian tribes under this Act, including the treatment of Indian tribes as States to the degree necessary to carry out the purposes of this Act. Such special provision may include the direct provision of funds to the governing bodies of Indian tribes, and the determination of priorities by Indian tribes, where not determined by the Administrator in cooperation with the Director of the Indian Health Service. The Administrator is authorized to reduce the non-Federal share otherwise required under section 1443 with respect to Indian tribes, as determined by the Administrator in cooperation with the Director of the Indian Health Service.

JUDICIAL REVIEW

SEC. 15. (a) Section 1448(a) of the Safe Drinking Water Act is amended to read as follows:

"JUDICIAL REVIEW

"SEC. 1448. (a)(1) A petition for review of—

"(A) action of the Administrator in promulgating any national primary drinking water regulation under section 1412, any regulation under section 1413(b), any regulation under section 1414(c), any regulation for State underground injection control programs under section 1421, or any general regulation for the administration of this title may be filed in the United States Court of Appeals for the District of Columbia, or in any United States court of appeals for a circuit in which the petitioner resides or transacts business which is directly affected by such action; and

"(B) action of the Administrator in promulgating any other regulation under this title, issuing any order under this title, or making any determination under this title may be filed only in the United States court of appeals for a circuit in which the petitioners resides or transacts business which is directly affected by such action.

Any such petition shall be filed within the 120-day period beginning on the date of the promulgation of the regulation or issuance of the order with respect to which review is sought or on the date of the determination with respect to which review is sought, or after such date only if the petition is based solely on grounds which arose after such one hundred and twentieth day. Action of the Administrator with respect to which review could have been obtained under this subsection shall not be subject to judicial review in any civil or criminal proceeding for enforce-

ment or in any civil action to enjoin enforcement.

"(2)(A) If petitions for review of the same agency action have been filed in two or more United States courts of appeals and the Administrator has received written notice of the filing of the first such petition more than 30 days before receiving written notice of the filing of the second petition, then the record shall be filed in that court in which the first petition was filed. If petitions for review of the same agency action have been filed in two or more United States courts of appeals and the Administrator has received written notice of the filing of one or more petitions within 30 days or less after receiving written notice of the filing of the first petition, then the Administrator shall promptly advise in writing the Administrative Office of the United States Courts that petitions have been filed in two or more United States courts of appeals, and shall identify each court for which he has written notice that such petitions have been filed within 30 days or less of receiving written notice of the filing of the first such petition. Pursuant to a system of random selection devised for this purpose, and within three business days after receiving such notice from the Administrator the Administrative Office thereupon shall select the court in which the record shall be filed from among those identified by the Administrator. Upon notification of such selection, the Administrator shall promptly file the record in such court. For the purpose of review of agency action which has previously been remanded to the Administrator, the record shall be filed in the court of appeals which remanded such action.

"(B) Where petitions have been filed in two or more United States courts of appeals with respect to the same agency action and the record has been filed in one of such courts pursuant to paragraph (1), the other courts in which such petitions have been filed shall promptly transfer such petitions to the United States court of appeals in which the record has been filed. Pending selection of a court pursuant to subsection (1), any court in which a petition has been filed may postpone the effective date of the agency action until 15 days after the Administrative Office has selected the court in which the record shall be filed.

"(C) Any court in which a petition with respect to any agency action has been filed, including any court selected pursuant to subparagraph (A), may transfer such petition to any other United States court of appeals for the convenience of the parties or otherwise in the interest of justice.".

(b) Section 1448(b) of the Safe Drinking Water Act is amended by deleting "45-day" in both places where it appears and inserting "120-days" in lieu thereof.

Mr. DURENBERGER. Mr. President, I move the adoption of the committee amendments.

The PRESIDING OFFICER. The question is on agreeing to the committee amendments.

The committee amendments were agreed to en bloc.

Mr. DURENBERGER. Mr. President, today we are considering S. 124, the Safe Drinking Water Act Amendments of 1985.

This bill, which was developed with the able effort and support of our full committee chairman, BOB STAFFORD, the full committee ranking member, LLOYD BENTSEN, the subcommittee ranking member, MAX BAUCUS, and other members of the Environment and Public Works Committee, will help to assure that citizens in this country are provided high quality drinking water supplies.

The Safe Drinking Water Act was enacted in 1974 to provide public health protection from contaminants in drinking water. The detection of synthetic organic chemicals in the water supplies of a number of cities in the early 1970's served as the impetus behind the act's reforms. The act established a program to require compliance with national drinking water standards for contaminants that may have an adverse effect on the health of persons. As an addition to the Public Health Act, the Safe Drinking Water Act focused on the removal of contaminants found in water supplies as a preventive health measure.

The act also established programs intended to protect underground sources of drinking water from contamination. Provisions in the act established restrictions on the underground injection of hazardous and nonhazardous waste and provide authority for the protection of designated sole or principal source aquifers.

An evaluation of the accomplishments of the Safe Drinking Water Act yields both good news and bad news. The good news is that over the past decade there have been a number of improvements. The act has improved compliance with basic drinking water standards. It has increased monitoring of drinking water systems and heightened public awareness of the need to protect drinking water supplies.

However, there have been major deficiencies in the implementation of programs established under the act so that public health objectives have not been fulfilled. Only 22 drinking water standards have been established—a small fraction of the contaminants that are found in public water systems and that may have an adverse effect on human health. Monitoring is only required for those contaminants for which there are standards so that we do not know if our water supplies are contaminated with other potentially harmful substances.

The need for change in current practice and an effective program based on Federal drinking water standards is illustrated by figures from recent reports issued by the Environmental Protection Agency and others: As many as 700 different synthetic organic chemicals, heavy metals, pesticides, and other pollutants have been found in our Nation's drinking water supplies; 28 percent of the water supplies in a random survey of metropolitan systems were found to be contaminated by one or more toxic organic chemicals; 63 percent of the rural water supplies in a random survey were found to be contaminated; and all 50 States have reported cases of underground drinking water contamination. Taken collectively, these statistics speak clearly to the need for an effective program that will assure fundamental public health protection.

The amendments in S. 124 were developed to rectify deficiencies in the statutory requirements and implementation of the act. The bill establishes schedules and deadlines for drinking water standard setting, requires simultaneous promulgation of drinking water goals and standards, and requires that standards be set as close to health level goals as feasible with the use of best available technology. The bill also establishes a monitoring program for unregulated contaminants to provide a systematic check on the quality of each public water system's supply.

The problem of viral and bacterial contamination of drinking water supplies is addressed in the bill by the requirements that EPA issue criteria for filtration of surface water supplies and promulgate regulations requiring disinfection for all public water systems.

Other provisions in the bill require EPA to amend existing public notification requirements to make them more timely and informative and authorize $10 million per year to provide technical assistance to small systems which have had chronic noncompliance problems.

Amendments pertaining to the protection of underground sources of drinking water are intended to enhance existing protection. EPA is required to promulgate ground water monitoring regulations for hazardous waste injection operations and to issue a report on problems with existing class V wells. In addition, a sole source aquifer demonstration program is established for the purpose of providing protection for particularly critical ground water supplies and assessing the effectiveness of specific protection measures.

The bill also provides EPA new enforcement authority for public water systems and ground water protection programs established under the act to assure timely and effective enforcement of existing and new regulatory requirements.

The bill authorizes appropriations of $131,300,000 to be expended to fulfill existing responsibilities and new activities authorized in this bill for fiscal years 1986 through 1990. In addition, a total of $30 million is authorized for monitoring of unregulated contaminants and $20 million per year for fiscal years 1987–90 is authorized for the sole source aquifer demonstration program.

Mr. President, I urge my colleagues to vote for this bill which will help to assure that citizens throughout this

country will have safe drinking water supplies now and in the future.

Mr. BENTSEN. Mr. President, I would like to state my support of S. 124, the Safe Drinking Water Act Amendments of 1985. I would also like to express my appreciation to Senators STAFFORD, DURENBERGER, and BAUCUS for their efforts.

These amendments to the Safe Drinking Water Act are significant modifications that should enhance EPA's ability to improve the quality of our drinking water. While the quality of water has improved over the last decade due to this act and the Clear Water Act, there are many tasks yet undone. Enactment of this legislation will provide EPA with the mandate it apparently needs to accomplish these tasks.

Key among the provisions in S. 124 are the new enforcement provisions for underground injection wells. Previously, the Administrator of the EPA had recourse only through the courts to penalize violators—an inefficient and the time-consuming method for minor violations. S. 124 makes administrative order authority available to the Administrator so the Agency can more effectively enforce its regulations and the law.

Section 11 of the bill, which authorizes this administrative authority, also imposes fines of up to $5,000 per day for oil and gas injection well violators and up to $25,000 per day for hazardous waste well violators. The different penalties that may be assessed under this section are important and realistic: They promote compliance while recognizing that the threat to the environment from these two types of wells is not the same.

I hope my colleagues will join me in support of this legislation.

Mr. STAFFORD. Mr. President, I want to commend the distinguished Senator from Minnesota, the chairman of the Subcommittee on Toxic Substances and Environmental Oversight, for guiding S. 124 through the Environment and Public Works Committee and bringing it to the floor of the Senate.

The Safe Drinking Water Amendments of 1985 contain major improvements to the law that is intended to protect the Nation's drinking water supplies. The bill provides needed impetus to the Environmental Protection Agency to issue regulations for contaminants of drinking water, a needed prod as the Agency has been far too slow in its regulatory efforts.

The bill also takes a major step toward identifying the nature and scope of contamination of drinking water. It does this by greatly expanding the monitoring that is required of public water systems.

Finally, the bill will provide better regulation of underground injection operations that could affect drinking water supplies.

In short the bill is a major improvement of existing law and should be passed by the Senate.

Mr. SIMPSON. Mr. President, I would take this opportunity to heartily congratulate Senator DURENBERGER and his fine staff members, Heather Wicke and Jimmy Powell, for the fine work they have done on the Safe Drinking Water Act reauthorization. This public health measure is of critical importance to the American public. There is a continually and growing awareness in this country that contamination of drinking water supplies has occurred as a result of the inappropriate or erroneous siting of toxic waste dumps, various nonpoint pollution seepage and other contamination.

Many of the municipal water systems currently in service are using technology that is over 100 years old. Progress is needed in increasing the effectiveness of the methods that are used to remove pollutants from our drinking water supplies and the Safe Drinking Water Act reauthorization is a fine forward step in providing cleaner drinking water to all Americans.

Senator DURENBERGER is a fine friend and a pragmatic and considerate Senator. He is sensitively aware of the ground water contamination problems that we find in various regions of this country. I think all of us on the Environment and Public Works Committee recognize that ground water contamination is a growing problem that Congress must deal with. However, I believe it is prudent and reasonable to leave a full and comprehensive approach to ground water regulation for another day. The new requirements that will result from passage of this bill are very significant and will contribute significantly to protection of the environment and public health. I firmly believe that this bill is generally sound and that there is genuine flexibility for the proper administration of this act by the EPA Administrator.

This legislation also contains a judicial review provision which I authored and which I believe will facilitate the equitable and reasonable determination of venue. I remain concerned that the standard setting language may not have the desirable amount of flexibility for the EPA and I would anticipate that the Members of the House will consider the implications of any overly restrictive regulatory language in this regard.

I do look forward to seeing this bill signed into law during this session of Congress and I trust that most of my colleagues will lend their support to this important piece of public health legislation.

Mr. BENTSEN. I would like to raise a concern that has come to my attention only recently. It appears that the Environmental Protection Agency is not consistent in applying permit requirements for fluids brought to the surface in connection with oil or natural gas production. Several EPA regions with a majority of oil and gas production facilities treat these fluids as part of the class II injection well program. However, some exceptions to this policy have recently occurred, which has created some confusion with respect to certain fluids.

For example, in Colorado, the EPA region will not permit the injection of water produced along with carbon dioxide at the McElmo Dome Field into a class II disposal well. EPA has assigned a class I nonhazardous permit to such wells.

In California, region IX requires a class V permit for wells which inject produced water commingled with field scrubber waste waters. Texas, Louisiana, Kansas, Oklahoma, and other States, however, approve class II injection for multiple waste waters associated with oil and gas operations.

Mr. SIMPSON. I commend the Senator from Texas for raising this issue for I had intended to do so. In my judgment, it is appropriate that all the material described by my friend from Texas be handled with his State's class II program. However, at a minimum, the EPA should review its regulations in order to assure consistent application of permit requirements.

Mr. DURENBERGER. As I am not familiar with the specific technical issues involved in this case, I am not able to judge what action, if any, the Agency should take. However, I agree that EPA should strive to achieve consistency in the application of its regulations to injection well activities.

Mr. EVANS. Mr. President, I rise in support of this important piece of legislation. I commend my colleague, Mr. DURENBURGER, for a job well done. He has pursued legislation to protect our water resources for a number of years. Last year he produced a set of Safe Drinking Water Act amendments in the waning days of the 98th Congress. Unfortunately, the crush of pending legislation and time stole our opportunity to consider that bill. Through his continued efforts, we are able to consider that bill. Through his continued efforts, we are able to consider Safe Drinking Water Act amendments early in this Congress. I applaud his perseverance.

This is an important and timely bill. Its provisions strengthen the existing drinking water statute; additional protection cannot wait any longer. I am particularly pleased that this bill contains a new program to encourage the protection of sole source aquifers, the Sole Source Aquifer Demonstration Program. This program reflects our recognition of the delicate, often precarious, balance between the health of

an aquifer and the use of the lands surrounding it. Some communities have already acknowledged this relationship and have taken measures to protect their aquifers. I believe such communities deserve special consideration. At my urging, last year's bill contained language requiring that a community's previous efforts to protect its sole source aquifer be recognized. Similar recognition is provided for in this bill, and I thank my colleague for his response to my requests.

Water is our most precious resource. Life cannot exist without clean, safe drinking water. Ground water, and aquifers in particular, are marvels of the natural world. We must protect these treasures from pollution. By acting now to prevent further contamination of our ground water, we can avoid tragic problems in the future.

This bill is another step toward that goal. Yet there is much left to be done before our ground water resources are fully protected. I urge my colleagues to support this bill to protect our most vital resource—water.

Mr. MOYNIHAN. Mr. President, I would like to express my support for S. 124, the Safe Drinking Water Act Amendments of 1985. I commend Senator DURENBERGER for working so diligently to develop the legislation and steer it through committee consideration so early in this Congress. S. 124 would protect the Nation's drinking water supplies by establishing a more aggressive, systematic process for setting new maximum contaminant levels.

This bill would hasten the neglected effort to establish standards for harmful chemicals that contaminate drinking water supplies. The Environmental Protection Agency would be required to promulgate standards for a specific set of chemicals, and the bill provides strict deadlines. Equally important, the Agency would periodically review the need for regulating additional substances that could threaten the health of drinking water consumers. Maximum contaminant levels would be set as close as feasible to a goal at which no adverse health effects occur.

S. 124 has one major omission: it lacks a comprehensive program to address the serious problem of ground water contamination. I am, however, very pleased that the bill includes a sole source aquifer demonstration program. I first introduced the Sole Source Aquifer Protection Act in 1982 and reintroduced it on January 3, 1985. Although not as generous or far-reaching as my bill, the demonstration program in S. 124 would be the first significant federally assisted effort to prevent the degradation of our most critical underground water supplies.

The Environmental Protection Agency has to date designated 20 sole source aquifers, underground reserves that are the only source of drinking water for a region. One of these lies under Long Island. On Long Island, nearly 3 million people drink from one well. And this well is rapidly becoming polluted by toxic chemicals. In Nassau County alone 119 of the 389 public wells have detectable levels of synthetic organic chemicals. Throughout both Long Island counties, Nassau and Suffolk, chemicals from diverse sources have ended up in the water supply: Solvents from industries and residents' homes, pesticides from potato farms, nitrate from lawn fertilizers, and numerous chemicals from landfills.

The only way to prevent the problem from getting worse, on Long Island and elsewhere, is to plan. We now realize how much our activities on the land above an aquifer affect the quality of the ground water and its viability as a supply for future generations. As precipitation infiltrates the land surface and recharges the ground water, it carries with it substances that have leaked into the soil or been placed on the land. In many cases, water passing through a relatively small, well-defined land area recharges a large ground water reservoir. On Long Island, the prime recharge zone happens to be an area known as the Suffolk Pine Barrens, an area of 110,000 acres or 13 percent of the island. Careful protection of these recharge zones is one of the cheapest and most effective means of maintaining good ground water quality.

Under the voluntary demonstration program, local and State governments could cooperate with the EPA in the development and implementation of plans to protect sole source aquifers. The EPA would provide half the necessary funds, and $80 million is authorized for the purpose. The plans could include a variety of measures to control human activity in special protection areas and thereby prevent contamination of the sole source aquifer. Critical parcels of land could be acquired, while in other areas suitable zoning ordinances and regulations on siting and design of landfills, underground storage tanks, and other potential sources of pollution could be established. S. 124 requires the Governor's approval of the plan in States where federally funded "208 plans"—referring to section 208 of the Clean Water Act—have previously been prepared. This ensures consistency with earlier planning efforts, although I believe the Governor's approval should be required in all States.

The sole source aquifer designation provided by the Safe Drinking Water Act of 1974 was intended to control development activities of the Federal Government in regions entirely dependent on ground water for drinking supplies. However, experience has shown that the designation—lacking a broader planning and management context—is ineffective in controlling many activities which may adversely affect the quality of ground water. I am confident that section 12 of S. 124 will accomplish its purpose—to demonstrate the effectiveness of a preventive approach to protecting sole source aquifers. All my colleagues should support S. 124.

Mr. BAUCUS. Mr. President, I would like to express my support for S. 124, the Safe Drinking Water Act Amendments of 1985.

I would also like to thank my colleague, Senator DURENBERGER, the chairman of the Subcommittee on Toxic Substances and Environmental Oversight, for his efforts on this measure.

The bill effectively addresses some of the most serious problems plaguing EPA's drinking water office. EPA has failed to develop a vigorous program, so that a wide variety of contaminants are still regularly found in our drinking water and even regulated contaminants are permitted to remain in our water at levels that present a significant risk to public health.

This bill addresses these serious shortcomings in several ways. First, it requires EPA to set standards within 3 years for the 85 contaminants previously listed by EPA as contaminants of concern. Many of us are uncomfortable with denying an agency discretion in this manner, but the failure of the EPA to meet its responsibilities under the Safe Drinking Water Act leaves us no alternative. The provisions in section 2 of this bill are the only means we have of assuring that EPA will set standards for these contaminants found in our drinking water that present a risk to the public health.

The second major problem S. 124 addresses is the lack of information about what substances are found in our drinking water. The Safe Drinking Water Act, as enacted, required EPA to conduct a series of studies to find out more about the quality of our drinking water and our ability to remove contaminants. Unfortunately, practically none of these studies have been completed so we find we have very little reliable, national information about our drinking water. S. 124 requires EPA to publish a list of unregulated contaminants for which public water systems will be required to monitor. This will be the first nationwide effort to determine what contaminants are found in which systems and in what quantity.

A third significant aspect of this bill are amendments to the enforcement provisions in the act. S. 124 provides EPA with authority to issue administrative orders and increases penalties. These provisions provide EPA with the means to take action against violators of drinking water standards more swiftly and more effectively. To date,

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EPA's enforcement of these standards can be most generously categorized as lax. S. 124 should prevent EPA from continuing its poor enforcement practices.

There is one last provision of particular interest to States like Montana that contain many small public water systems. Section 8 of S. 124 provides $10 million per fiscal year in technical assistance to these systems so their ability to comply with national drinking water standards is not impaired simply because of their size.

Mr. President, I support the Safe Drinking Water Act Amendments of 1985 because I believe enactment of this bill will improve the quality of our drinking water. I encourage my colleagues to lend their support to this measure as well.

Mr. MITCHELL. Mr. President, I strongly support the reauthorization of the Safe Drinking Water Act. The amendments before us today make two particularly important improvements to the act.

The most significant amendment to the act is the addition of specific deadlines for development of drinking water standards for 85 identified contaminants. The Agency will publish these much-needed standards over the next 36 months. The amendments to this portion of the act also provide for streamlining of the standard-setting process.

While these improvements to the standard-setting process are badly needed, I am pleased that members of the Environment and Public Works Committee have agreed to focus future attention on the degree of health protection provided by the current standards and those under development. It has been suggested that we consider adding to the existing standard-setting process a safety net to assure a minimum level of public health protection. I believe this proposal has merit and look forward to considering it more fully.

The second major amendment to the act is the provision for a sole source or critical aquifer protection demonstration program. This program is designed to identify workable approaches to the protection of ground water resources where these resources are a critical or sole source of drinking water supply. This demonstration program will provide valuable insights into effective methods of protecting ground water resources.

It is important to note, however, that the Safe Drinking Water Act is not designed to provide for the comprehensive protection of the ground water resource. We see increasing evidence that ground water quality is threatened from a wide range of pollution sources. Congress has provided for controls over some of the most obvious threats to ground water, such as leaking underground storage tanks, which have been identified as a serious problem in the State of Maine. But we have not yet begun the job of working with State and local governments to design a more comprehensive approach to protecting ground water resources. I am hopeful that hearings scheduled soon in the Subcommittee on Toxic Substances will be a step in that direction.

(At the request of Mr. DURENBERGER the following colloquy was ordered to be printed in the RECORD.)

● Mr. WILSON. I would ask my distinguished friend from Minnesota, the chairman of the Environment and Public Works Subcommittee on Toxic Substances and Environmental Oversight, to respond to several questions concerning the intent of the standard-setting amendments to the act. I realize that there has been a good deal of discussion on the issue of granular activited carbon as the basis for determining the best technology available for purposes of establishing the maximum contaminant level, and I don't want to repeat the full debate that has been covered so well in the Committee on Environment and Public Works. In fact I have read the report language and some if not all, of my particular concerns seem to be taken care of in that carefully constructed language. However, I would like to ask the chairman to restate for the record how cost will, in practice, be considered in the process of determining the maximum contaminant level.

It is my understanding from reading the statute and the report language that the Environmental Protection Agency Administrator would regard granular activated carbon as available technology, but in setting the maximum contaminant level, he would take into consideration cost and feasibility at different levels of treatment by granular activited carbon technology in arriving at the final maximum contaminant level. Once that level has been set a water agency could use another technology which is at least as effective at meeting the maximum contaminant level.

Can the chairman assure me that cost will be taken into account in establishing drinking water standards?

● Mr. DURENBERGER. That is correct.

● Mr. WILSON. The Senator's response is most welcome, and I feel that this process will not lead to unreasonable costs to local water agencies that will have to comply with this new legislation. My particular concern is with trihalomethane removal where a comparable or higher level may be achieved more cost effectively by using an alternative technology. Can the chairman tell me if these alternative technologies can be used by the Administrator as the basis for setting the drinking water standards?

● Mr. DURENBERGER. That is correct.

● Mr. WILSON. I thank the chairman for his cooperation.●

Mr. LAUTENBERG. Mr. President, I rise in strong support of the drinking water bill before us. The American public is demanding safe drinking water. They also want precious underground sources of drinking water protected. The bill before us will go far in meeting these goals, and I applaud the chairman of the Environment and Public Works Committee for the speed with which the committee took up this bill.

It will result in important improvements in EPA's current drinking water program. It puts EPA on a strict schedule for regulating 85 contaminants. It puts EPA on a schedule for developing an additional list of substances and regulating those. And of critical importance is the requirement that every major water supply system conduct a baseline inventory of unregulated contaminants in drinking water and then remonitor at least every 5 years.

Mr. President, I am particularly interested in the public notification provisions of the bill. It is widely recognized that the current notification requirements have failed. The bill revises these requirements by distinguishing between violations that pose a serious threat to public health—such as exceedences of maximum contaminant levels—and less serious violations. I thank the chairman of the subcommittee, Senator DURENBERGER, again for his willingness to accept my amendment requiring notification of serious violations within no longer than 14 days.

Mr. President, another issue of great interest to me is the provision establishing—for the first time—a program for protecting underground sources of drinking water. This provision sets up a demonstration program for land use planning in the area affecting aquifers. It provides for $20 million per year in matching grants for implementing management plans.

Aquifer protection is critically important in New Jersey. Over 60 percent of the drinking water in the State comes from groundwater supplies. The state of emergency due to drought conditions and reliance on our groundwater to pull us through the drought brings the point home. Unfortunately, the spreading contamination of this resource is sobering. Hundreds of wells in New Jersey have been restricted or closed because of chemical contamination.

The aquifer protection program we are approving today is an important step in recognizing the importance of preventing contamination. It is much harder, if not impossible, to clean up an aquifer after it becomes contami-

nated. I am hopeful that applications for the protection of our three federally designated sole source aquifers, the Buried Valley Aquifer, the Brunswick Shale and Sandstone Acquifer, and the Unconsolidated Quartenary acquifer of the Rockway River, will be submitted for the demonstration funds to make full use of this program.

The Committee on Environment and Public Works plans to hold hearings in the next month on a national groundwater protection strategy, and I look forward to working with members of the committee in fashioning legislation that is larger in scope than the proposal that we are approving today.

Mr. President, Senator BRADLEY and I planned to offer an amendment today to ban the use of lead and lead solder in drinking water pipes. This amendment would have been prospective. It was aimed at reducing the exposure of the public to lead in drinking water. Studies in New Jersey have indicated that this form of exposure ranks even higher than exposure to lead from automobile exhaust. The committee will hold a hearing on lead in drinking water before superfund is taken up on the floor. It is my understanding that the amendment will be considered when the Senate takes up superfund on the floor.

Mr. President, it is my hope that the House will soon pass their counterpart and that we will have the opportunity to send a strong safe drinking water act to the President's desk well before the summer recess.

Mr. President, I'd like to commend the chairman of the committee, Senator STAFFORD, and chairman of the subcommittee, Senator DURENBERGER. In addition, I'd like to commend the leadership for bringing this bill promptly to the floor. It is my hope that we can get the Clean Water Act and the superfund to the floor as rapidly.

Mr. President, 10 prominent environmental and health organizations and the water and wastewater equipment manufacturers associations sent a letter to the Senate today urging passage of this bill. Their support has been critical in passing a strong bill, and I ask unanimous consent that the complete text of their letter be printed in the RECORD.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

SAFE DRINKING WATER AMENDMENTS—FLOOR VOTE TODAY

MAY 16, 1985.

DEAR SENATOR: The Safe Drinking Water Act is one of our most critical environmental and public health laws. Unfortunately, this Act has not functioned as intended in protecting the American public from toxic chemicals in drinking water.

Many sorely needed reforms to this law have been included in S. 124, the Safe Drinking Water Amendments of 1985. This legislation, sponsored by Senator David Durenberger and unanimously reported out of the Senate Environment and Public Works Committee, is scheduled for floor action this week. On behalf of a broad coalition of environmental, industry, public interest and public health organizations, we urge you to support this bill.

When over 700 contaminants were found in the drinking water supplies of New Orleans and these supplies were linked with high rates of cancer, Congress passed the original Safe Drinking Water Act. The 1974 law was intended to protect the public health by giving EPA the authority to set and enforce limits on toxic chemicals in drinking water.

Over the past decade, however, EPA has used this authority most reluctantly, setting standards for only 22 drinking water contaminants. This lack of standards means not only that treatment technologies are not applied but also that monitoring to determine the presence of chemicals such as dioxin, benzene, EDB, PCBs and trichloroethylene is sporadic or nonexistent in most states. In addition, the enforcement of these few standards has been lacking; for example, the General Accounting Office reported in 1982 that enforcement action "ranged from none to minimal, followed no particular pattern, and was not as timely as it could or should have been."

S. 124 addresses many of the failings of the existing drinking water program. The bill requires EPA to set standards for over 60 chemicals which threaten drinking water supplies across the country. It requires the Office of Drinking Water to consult with other appropriate offices within EPA and with the National Toxicological Program in order to set priorities for future standard-setting. It mandates the establishment of a much-needed program to monitor for unregulated but potentially harmful contaminants, and it enhances enforcement capabilities with new authorities for the use of administrative orders by EPA. Senator Durenberger's legislation assures that notification of violations of standards will be timely and widespread; at the same time, it allows for revisions of what some had considered a burdensome public notification system. S. 124 also provides a mechanism for federal, state and local cooperation to protect critically needed and highly vulnerable underground sources of drinking water.

The American public has waited too long for the basic protections embodied in S. 124. We urge you to support this important legislation.

Sincerely,

Velma, Smith, Environmental Policy Institute; Julia A. Holmes, League of Women Voters; Rich Miller, American Nurses Association; Dan Becker, Environmental Action; Reid Wilson, U.S. Public Interest Research Group; Dr. William H. McBeath, American Public Health Association; Fern Summer, Water and Wastewater Equipment Manufacturers Association; L. Geoffrey Webb, Friends of the Earth; Jacqueline M. Warren, National Resources Defense Council; Larry Williams, Sierra Club; Nancy Drabble, Public Citizen's Congress Watch.

Mr. DURENBERGER. Mr. President, I move the passage of the bill, as amended.

The PRESIDING OFFICER. The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed for a third reading and was read the third time.

The PRESIDING OFFICER. The question is, Shall the bill pass?

The bill (S. 124), as amended, was passed.

Mr. DURENBERGER. Mr. President, I move to reconsider the vote by which the bill was passed.

Mr. BYRD. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. DURENBERGER. Mr. President, I thank my colleague, the majority leader, and I thank the Democratic leader a great deal for the special courtesy and convenience that has been provided for all of us today in the waiver of the 3-day rule and many other considerations.

Mr. BYRD. Mr. President, I appreciate the kind remarks of the distinguished Senator.

HOUSE BUDGET PLAN

Mr. DOLE. Mr. President, I am not surprised but disappointed with the action by the House Budget Committee. I think the Democratic majority, which is rather large in that committee, has simply walked away from fiscal responsibility today. The partisan House budget package is a feeble attempt at best, and the smoke and mirrors demonstrate that the House Democrats still reflect the big government, antidefense views of its liberal Members. Under the House budget plan, not one Federal program is terminated. The spending path continues to go up—not down. The spending plan is about $40 billion short, and probably closer to $80 billion or $100 billion short if you take out some of the smoke and mirrors, and assumptions, than the plan passed by the Senate. Almost $9 billion in "savings" comes from technical adjustments and other sleights of hand.

The liberal Democrats have again made defense the "whipping boy." I think you will recall that the Senate action cut substantially the amount from the administration's defense requests over the next 3 years, but the House Democratic plan would lop off an additional $22 billion. If spending reductions of that magnitude were put into effect, it would certainly mean slashing programs that affect our national security here and abroad.

The House Democratic budget blueprint does not spread the burden fairly across the board. It exempts all retirement benefit programs from even a freeze in inflation adjustments. This is politics—pure and simple—designed for special interests, not deficit reduction.

Perhaps worst of all, a significant portion of the House proposed budget

savings comes from the assumption that growth in nondefense discretionary programs can be limited to one-half of the rate of inflation. but those savings are unrealistic since there is no way of knowing what the Congress will do in 1987 and 1988.

Mr. President, as we have learned in the Senate, there are no easy ways to cut the deficit and at the same time guarantee that the Federal Government fulfills its most fundamental responsibility—the responsibility to maintain a strong national defense. Sooner or later the Democratic-controlled House is going to have to face up to those hard realities.

Mr. President, I am still hopeful that maybe in the conference, and hopefully on the House floor, that there can be a coalition put together of reasonable Members of the House in both parties who will really make an effort to reduce Federal spending. Again, I repeat—not a single Federal program terminated, all their savings comes from defense and other smoke and mirrors adjustments, assumptions, and I guess when someone finally determines how much the savings is over a 3-year period it is going to fall far short of the budget passed by the Senate here on last Friday morning.

So I am disappointed—not surprised—that with the stacked committee of the margin of several Members, I assume, every Republican amendment was defeated. It is unfortunate because we have heard so much rhetoric from those who have the responsibility on the House side to deal with this issue. I just say as I have said before, this in the final analysis must be bipartisan. But even beyond that, it must be realistic. There is not much realism in the budget approved by the Democratic majority on the House Budget Committee.

That is unfortunate and it must be disappointing to the American people and others who really felt that this time the Congress would actually do something. But in one short week the House has demonstrated that they are not prepared to do anything but make speeches—talk about the deficit, tell you how bad it is, how we ought to do something, and then proceed to do as little as possible.

So as bad as it is, there is still some hope, hope that the American people and others will be able to encourage a bipartisan effort on the House floor next week to put something together that will mean real spending restraint, real spending reduction and not because we all enjoy that so much but because the situation demands it, and whether we are Democrats or Republicans is not really important.

ORDERS FOR FRIDAY, MAY 17, 1985

ORDER FOR RECESS UNTIL 11:30 A.M.

Mr. DOLE. Mr. President, I ask unanimous consent that when the Senate completes its business today it stand in recess until the hour of 11:30 a.m. on Friday, May 17.

The PRESIDING OFFICER. Without objection, it is so ordered.

ORDER FOR RECOGNITION OF SENATOR PROXMIRE

Mr. DOLE. Mr. President, following the recognition of the two leaders under the standing order, I ask unanimous consent that there be a special order in favor of the Senator from Wisconsin [Mr. PROXMIRE], for not to exceed 15 minutes.

The PRESIDING OFFICER. Without objection, it is so ordered.

ORDER FOR ROUTINE MORNING BUSINESS

Mr. DOLE. Mr. President, following the Proxmire special order, I ask unanimous consent that there be a period for the transaction of routine morning business not to extend beyond the hour of 12 noon, with statements therein limited to 5 minutes each.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. DOLE. Mr. President, following routine morning business, the Senate will turn to the consideration of the DOD authorization bill.

PROGRAM

Mr. DOLE. I am advised by the distinguished chairman of the Armed Services Committee that he cannot agree or does not want me to agree that there be no votes until Tuesday morning. There may be a way to prevent votes from happening after 5 p.m. on Monday, but I am advised by the chairman that he has already instructed two Members on this side to cancel events on Monday evening, one in Detroit and one in New York. On that basis, I am not able to assure the distinguished Senator from California, Senator CRANSTON, that anybody can be protected beyond 5 p.m. on Monday. It is my understanding those visiting NATO will return no later than 4 p.m. on Monday, and those attending the Canadian conference will return by 10 or 11 a.m. on Monday. So I only say to my colleagues that I know it may be an inconvenience, but this is a very important piece of legislation. There is a real hope that we can finish it next week. Some say it is impossible. Maybe it will be impossible. But I do not know of any other way except to try.

So I regret that I cannot be the bearer of good news to the distinguished Senator from California, Senator CRANSTON.

RECESS UNTIL 11:30 A.M. TOMORROW

Mr. DOLE. Mr. President, there being no further business to come before the Senate, I move, in accordance with the order previously entered, that the Senate stand in recess until 11:30 a.m., Friday, May 17, 1985.

The motion was agreed to; and, at 6:06 p.m., the Senate recessed until tomorrow, Friday, May 17, 1985, at 11:30 a.m.

CONFIRMATIONS

Executive nominations confirmed by the Senate May 16, 1985:

EXPORT-IMPORT BANK OF THE UNITED STATES

Richard H. Hughes, of Oklahoma, to be a member of the Board of Directors of the Export-Import Bank of the United States for a term expiring January 20, 1987.

DEPARTMENT OF STATE

Vernon A. Walters, of Florida, to be the representative of the United States of America to the United Nations with the rank and status of Ambassador Extraordinary and Plenipotentiary, and the representative of the United States of America in the Security Council of the United Nations.

NATIONAL FOUNDATION ON THE ARTS AND THE HUMANITIES

Pauline Crowe Naftzger, of California, to be a member of the National Museum Services Board for a term expiring December 6, 1988.

George S. Rosborough, Jr., of Missouri, to be a member of the National Museum Services Board for a term expiring December 6, 1988.

NATIONAL SCIENCE FOUNDATION

John H. Moore, of California, to be Deputy Director of the National Science Foundation.

NATIONAL COUNCIL ON THE HANDICAPPED

The following-named persons to be members of the National Council on the Handicapped for the terms indicated:

For a term expiring September 17, 1986:

Jeremiah Milbank, of Connecticut, vice Carmine R. Lavieri, deceased.

For a term expiring September 17, 1987:

Justin W. Dart, Jr., of Texas, reappointment.

Roxanne S. Vierra, of Colorado, to be a member of the National Council on the Handicapped for a term expiring September 17, 1987.

The above nominations were approved subject to the nominees' commitment to respond to requests to appear and testify before any duly constituted committee of the Senate.

IN THE ARMY

The following-named officer to be placed on the retired list in grade indicated under the provisions of title 10, United States Code, section 1370:

To be lieutenant general

Lt. Gen. Alexander M. Weyand, xxx-xx-[redacted], age 56, U.S. Army.

The following-named officer under the provisions of title 10, United States Code, section 601, to be assigned to a position of importance and responsibility designated by the President under title 10, United States Code, section 601:

To be lieutenant general

Maj. Gen. Charles W. Dyke, [redacted] U.S. Army.

IN THE NAVY

The following-named officer to be placed on the retired list in the grade indicated under the provisions of title 10, United States Code, section 1370.

To be vice admiral

Vice Adm. James A. Sagerholm, [redacted]/1120, U.S. Navy.

The following-named officer, under the provisions of title 10, United States Code, section 601, to be assigned to a position of importance and responsibility designated by the President under title 10, United States Code, section 601:

To be vice admiral

Rear Adm. Kendall E. Moranville, [redacted]/1310, U.S. Navy.

EXTENSIONS OF REMARKS

FIFRA AMENDMENTS OF 1985

HON. BERKLEY BEDELL
OF IOWA
IN THE HOUSE OF REPRESENTATIVES

Thursday, May 16, 1985

● Mr. BEDELL. Mr. Speaker, on Tuesday I was joined by my colleague, Mr. ROBERTS, in introducing the Federal Insecticide, Fungicide, and Rodenticide Act [FIFRA] Amendments of 1985. As the name implies, this legislation proposes to make certain changes with respect to the basic law which governs the manufacture and use of pesticides in this country.

The proposed amendments, we believe, reflect many of the comments made by Dr. John A. Moore, Assistant Administrator for Pesticides and Toxic Substances, Environmental Protecton Agency, during hearings held by the Subcommittee on Department Operations, Research, and Foreign Agriculture, on April 18 of this year.

The subcommittee scheduled its hearings on that day in anticipation that Environmental Protection Agency [EPA] officials at that time would make good on their previous assurances to the Congress that the Agency would submit specific legislative proposals to improve the implementation of FIFRA. However, we were greatly disappointed to learn that, despite the apparent best efforts of EPA officials to draft a FIFRA reform measure, others within the administration refused to allow the Agency to submit that proposal to the Congress.

Although he appeared before the subcommittee without a specific legislative proposal in hand, EPA's Dr. Moore provided a helpful review of the Agency's progress to date in carrying out its authority under FIFRA. In addition, while he attested to the fundamental soundness of FIFRA, he was able to point to a number of areas where certain changes in the act could improve EPA's authority to assure the safe use of pesticides.

Mr. Speaker, the measure we introduced is intended to serve two purposes. First, it is offered as a reflection of the improvements in FIFRA recommended by Dr. Moore. In that respect, we hold out hope that administration officials eventually will be able to lend their support to efforts seeking progress on FIFRA this year.

Second, we view the amendments as a useful basis for beginning debate on the necessary process of reforming FIFRA. Next week, the subcommittee on Department Operations, Research, and Foreign Agriculture will hold 2 days of public hearings on legislation to amend FIFRA. As we proceed with these hearings, the measure we are introducing today is intended to provide a focus for suggested changes. However, we fully expect—and we are open to—additional proposals for changes in pending legislation or current law.

At this point, Mr. Speaker, only one thing is clear. We must act on comprehensive FIFRA reform legislation this year. As we know, this issue has been plagued by controversy and the lack of real progress for several years now, despite sincere efforts and considerable hard work by many on both sides. However, we are hopeful that the early indications we detect of a willingness by all sides to cooperate and compromise will result in progress this year. We pledge our intention to see that every opportunity is provided for action and resolution of this issue in the coming weeks.

The text of the bill, and a summary analysis, follows:

H.R. 2482

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Federal Insecticide, Fungicide, and Rodenticide Act Amendments of 1985".

REFERENCES TO THE FEDERAL INSECTICIDE, FUNGICIDE, AND RODENTICIDE ACT

SEC. 2. Except as otherwise specifically provided, whenever in this Act an amendment or repeal is expressed in terms of an amendment to, or repeal of, a section or other provision, the reference shall be considered to be made to a section or other provision of the Federal Insecticide, Fungicide, and Rodenticide Act (7 U.S.C. 136 et seq.).

DEFINITIONS

SEC. 3. (a) Section 2(e) (7 U.S.C. 136(e)) is amended—

(1) in paragraph (1) by deleting the second sentence thereof.

(2) by deleting paragraph (4).

(b) Section 2(l) (7 U.S.C. 136(l)) is amended by deleting the words "cancellation proceeding" and substituting therefore the words "a cancellation proceeding under section 6 (b) and (d) or a rulemaking proceeding under section 6(a).".

(c) Section 2(n) (7 U.S.C. 136(n)) is amended to read as follows:

"(n) INGREDIENT STATEMENT.—The term 'ingredient statement' means a statement which contains—

"(1) the name and percentage of each active ingredient in the pesticide product;

"(2) the name (and, to the extent found necessary, the percentage) of each inert ingredient which the Administrator determines must appear in the ingredient statement because of the hazard which the Administrator has determined may be posed by the presence of that ingredient;

"(3) the total percentage of all inert ingredients in the pesticide product;

"(4) if the product contains arsenic in any form, a statement of the percentages of total and water soluble arsenic, calculated as elementary arsenic; and

"(5) any other information concerning the chemical composition or identity of any active ingredient of the product (for example, information on chemical equivalency) which the Administrator requires to appear on the ingredient statement in order that the nature of the active ingredient is accurately represented.".

(d) Section 2(u) (7 U.S.C. 136(u)) is amended by inserting after the words "or desiccant;" the words "or (3) any substance or mixture of substances which contains an active ingredient and which any person distributes or sells in any State for use in manufacturing or formulating a pesticide or for repackaging as a pesticide;".

(e) Section 2(ee) (7 U.S.C. 136(ee)) is amended—

(1) by inserting at the end of clause (1) thereof the words "unless the labeling specifically prohibits deviation from the specified dosage, concentration, or frequency;"; and

(2) by deleting the word "or" in clause (3) thereof and substituting therefor the words "unless the labeling specifically states that the product may be applied only by the methods specified on the labeling; or".

(f) Section 2 is further amended by adding at the end thereof the following new subsections:

"(ff) TO DISTRIBUTE OR SELL.—The term 'to distribute or sell' (and grammatical variations thereof) means to distribute, sell, offer for sale, hold for distribution, hold for sale, hold for shipment, ship, deliver for shipment, release for shipment, or receive and (having so received) deliver or offer to deliver: *Provided,* That the term does not include the holding or application of registered pesticide products or use dilutions thereof by any applicator who provides a service of controlling pests without delivering any unapplied pesticide to any person so served.

"(gg) PESTICIDE PRODUCT.—The term 'pesticide product' means a pesticide in the particular form (including composition, labeling, and packaging) in which it is (or is proposed to be) distributed or sold. The term 'pesticide' as used in this Act shall mean 'pesticide product' when the context so indicates.

"(hh) PESTICIDE TESTING FACILITY.—The term 'pesticide testing facility' means any person that conducts any test, study, survey, or investigation of the properties, effects, or behavior of any pesticide (or any ingredient, metabolite, or degradation product thereof) for or on behalf of any registrant, applicant for registration, or other person who sells or distributes the pesticide (or contemplates selling or distributing it): *Provided,* That the term does not include any person solely on account of such person's participation as a cooperator in field testing of a pesticide in compliance with an experimental use permit under section 5 of this Act.

"(ii) TERMS OF REGISTRATION.—The term 'terms of registration' means the requirements imposed on a pesticide product under

● This "bullet" symbol identifies statements or insertions which are not spoken by the Member on the floor.

this Act concerning the product's composition labeling, and packaging, and the restrictions on its distribution, sale, and use.".

REGISTRATION OF PESTICIDES

SEC. 4. (a) Section 3(a) (7 U.S.C. 136a(a)) is amended to read as follows:

"(a) REQUIREMENT OF REGISTRATION.—Except as provided by this Act, no person in any State may distribute or sell to any person any pesticide which is not registered under this Act.".

(b) Section 3(c) (7 U.S.C. 136a(c)) is amended—

(1) in section 3(c)(1)(D)(ii) by striking out all of the fourth sentence after "findings and determination of the arbitrator" and all of the fifth sentence, and in section 3(c)(2)(B)(iii) by striking out all of the second sentence after "findings and determinations of the arbitrator" and all of the third sentence, and by substituting in each case therefor the words "shall be reviewable only in the United States court of appeals for the circuit in which the petitioner resides or has its principal place of business, or in the United States Court of Appeals for the District of Columbia, upon a petition for review filed with the court by a party to the arbitration within 60 days after the entry of the arbitrator's determination or within 60 days after enactment of the Federal Insecticide, Fungicide, and Rodenticide Act Amendments of 1985 whichever date is later. For purposes of section 2112 of title 28, United States Code, the arbitrator's determination shall be treated as if it were an order of an administrative agency. The parties to the arbitration shall share equally in the fee and expenses of the arbitrator, including any expenses of the arbitrator associated with judicial review."; and

(2) in section 3(c)(3) and 3(c)(6) by adding the words "or (7)" after the words "paragraph (5)".

(c) Section 3(d) is amended—

(1) in section 3(d)(1)(A) by deleting the words "on the initial classification";

(2) in section 3(d)(1)(C)(i) by deleting the words "by or under the direct supervision of a certified applicator." and substituting therefor the words "by a certified applicator or under such degree of supervision of a certified applicator as the Administrator may specify.";

(3) in section 3(d)(1)(C)(ii)—

(A) by deleting the words "by or under the direct supervision of a certified applicator" and substituting therefor the words "by a certified applicator or under such degree of supervision by a certified applicator as the Administrator may specify";

(B) by deleting the last sentence thereof and substituting therefor the words "Any such regulation shall be issued under section 6(a) of this Act.";

(4) in section 3(d)(2) by deleting the words "he shall notify the registrant" and all that follows and substituting therefor the words "or that additional restrictions are required to prevent such effects, the Administrator may act to provide such restrictions under section 6(a) or 6(b)(1)(B) of this Act."; and

(5) in section 3(d)(3) by deleting the last sentence thereof and substituting therefor the words "A petition under this paragraph shall be treated as an application to amend the registration and to modify or rescind any regulation involved.".

ADMINISTRATIVE REVIEW; SUSPENSION

SEC. 5. (a) Section 6(a) (7 U.S.C. 136d(a)) is amended to read as follows:

"(a) RULEMAKING PROCEEDINGS TO DETERMINE WHETHER PRODUCTS CAUSE UNREASONABLE ADVERSE EFFECTS ON THE ENVIRONMENT.—

"(1) The Administrator may by regulation determine—

"(A) that a use (or proposed use) of a pesticide product (or category of products) causes or will cause unreasonable adverse effects on the environment; and

"(B) the terms of registration, if any, under which the pesticide product (or category of products) may be distributed, sold, or used.

"(2) As part of a rulemaking proceeding under this subsection, the Administrator may by order require that one or more issues shall be determined solely on the basis of substantial evidence of record presented in a hearing conducted in the manner prescribed by subsection (d) of this section.

"(3) Any regulation issued under this subsection (and any refusal of a petition to modify or rescind such a regulation) shall be reviewable only as provided by section 16(e) of this Act.

"(4) The Administrator may not issue a notice of intent to cancel the registration of a product (or to cancel it unless the terms of registration are modified) for one or more uses under subsection (b)(1) of this section unless—

"(A) the Administrator has published a final rule under this subsection which concludes that one or more uses of the product poses unreasonable adverse effects on the environment; or

"(B) the Administrator determines that the question of whether one or more uses of the product poses unreasonable adverse effects on the environment can be answered more quickly and efficiently in an adjudicatory hearing under subsection (d) of this section than in a rulemaking proceeding, taking into account the cost to the Government and to other parties and the time required for resolution of issues; or

"(C) the notice is issued on or before October 2, 1988, and concerns a product (or category of products) which was the subject of an administrative investigation or proceeding or investigation commenced on or before October 2, 1986.

"(5) If a hearing results from a notice under subsection (b)(1) or (b)(2) of this section or section 3(c)(6) based on a pesticide's failure to comply with a regulation issued after October 2, 1985, under this Act, the scope of the hearing shall be limited to—

"(A) whether the product complies with the regulation;

"(B) whether the regulation by its terms is applicable to such a product; or

"(C) whether, because of significant information that was not (and could not reasonably have been) presented in the proceeding wherein the regulation was established, it would be unreasonable to require such a product to comply with the regulation.".

(b) Section 6(b) (7 U.S.C. 136d(b)) is revised to read as follows:

"(b) CANCELLATION.—

"(1) NONCOMPLYING PRODUCTS.—If the Administrator determines that any of the terms of registration of a registered pesticide product (or category of such products) does not comply with the provisions of this Act or any regulation issued under this Act, or determines that use of a registered pesticide product (or category of such products) in accordance with widespread and commonly recognized practice generally causes unreasonable adverse effects on the environment, the Administrator may issue a notice of intent—

"(A) to cancel the registration; or

"(B) to cancel the registration unless specified modifications to the terms of registration of the product(s) are requested by the registrant(s).

"(2) IMPROPER APPLICATION, ETC.—The Administrator may issue a notice of intent to cancel the registration of a pesticide product, or to cancel the registration unless specified modifications to the terms of registration of the product are requested by the registrant, if the Administrator determines that the product was registered (or that its registration was amended)—

"(A) in response to an application that contained or cited any information or representation which the applicant knew or reasonably should have known, at the time of filing the application, was false, inaccurate, or misleading; or

"(B) in response to an application that contained or cited any information which was required to be submitted and which was false, inaccurate, or misleading, if the Administrator determines that cancellation of the registration would be in the public interest, taking into account the need to use the data to determine whether the product may cause unreasonable adverse effects on the environment if used during the period required for replacement of the information and the degree of care which the applicant exercised in obtaining and submitting the information; or

"(C) in response to an application that did not comply with the requirements of the Act or regulations issued under the Act and that was mistakenly approved by the Agency because of clerical error or other improper ministerial Agency action; or

"(D) in response to an application that was approved on the basis of the prior approval of another application that the Administrator determines is described by subparagraph (A), (B), or (C) of this paragraph, if a notice of intent to cancel the registration resulting from that other application has been issued.

"(3) NOTICE; REQUIRED CONTENTS.—Each notice issued under paragraph (1) or (2) of this subsection shall state the reasons for and factual basis of the notice. Each notice issued under paragraph (1)(B) or (2) of this subsection shall specify each required modification in the terms of registration.

"(4) PUBLICATION OF NOTICE.—A notice of denial, notice of intent to cancel, notice of suspension, or notice of intent to suspend issued under this Act shall be published in the Federal Register and shall be sent by certified mail, return receipt requested, to the registrant's or applicant's address of record on file with the Agency. If the mailed notice is returned to the Agency as undeliverable at that address, if delivery is refused, or if the Agency otherwise is unable to accomplish delivery of the notice to the registrant or applicant after making reasonable efforts to do so, the notice shall be deemed to have been received by the registrant or applicant on the date the notice was published in the Federal Register.

"(5) REVIEW BY SECRETARY OF AGRICULTURE.—At least 60 days prior to issuing a notice under paragraph (1) or (2) of this subsection, the Administrator shall provide the Secretary of Agriculture with a document containing the substance of the actions proposed and the reasons therefor and an analysis of the impact on the agricultural economy of the actions that could result from issuance of the notice and any resultant hearing or order: *Provided*, That such document need not be furnished if the

notice implements a regulation issued under subsection (a) of this section upon which opportunity to comment has been furnished to the Secretary under section 25(a)(2) of this Act. If the Secretary comments in writing to the Administrator regarding the document within 60 days after receiving them, the Administrator shall publish such comments and any Agency response in the Federal Register with the notice. The comment period established by this paragraph may be waived or modified by agreement of the Administrator and the Secretary. Notwithstanding any other provisions of this subsection (b) or of section 25(d) or (e), if the Administrator determines that an immediate suspension under subsection (c) is necessary, the Administrator may waive the requirement of advance notice to the Secretary under this paragraph and to the Scientific Advisory Panel under sections 25(d) and 25(e), and may proceed in accordance with subsection (c).

"(6) REQUEST FOR HEARING; EFFECT OF FAILURE TO REQUEST HEARING.—The action proposed by a notice of intent to cancel issued under paragraph (1)(A), (1)(B), or (2) of this subsection shall become final and effective at the end of 30 days from the date of receipt of the notice by the registrant or from the date of publication of the notice in the Federal Register, whichever occurs later, unless within that time the Administrator receives—

"(A) a request from the registrant (or from any person adversely affected by the notice) for a hearing concerning the product, if the notice did not specify modifications in the terms of registration that could be made in lieu of cancellation; or

"(B) with respect to each term of registration found to require specified modifications in a notice issued under paragraph (1)(B) or (2) of this subsection, either a request from the registrant (or from any person adversely affected by the notice) for a hearing concerning the product, or an application from the registrant to amend the terms of registration in the manner specified in the notice.".

(c) Section 6(c) (7 U.S.C. 136d(c)) is amended—

(1) in section 6(c)(1) by deleting the second sentence thereof and substituting therefor the words "A suspension order may prohibit the distribution or sale of the pesticide product, may prohibit use of the product, or both. No suspension order may be issued under this subsection unless the Administrator has issued or at the same time issues either (A) a notice of intent to cancel the registration of the pesticide product under subsection (b)(1) of this section, or (B) a notice commencing a rulemaking proceeding with respect to the product under subsection (a) of this section."; and

(2) in section 6(c)(4) by deleting the word "classification" and substituting therefor the words "the terms of registration".

(d) Section 6(d) (7 U.S.C. 136d(d)) is revised to read as follows:

"(d) PUBLIC HEARINGS AND SCIENTIFIC REVIEW.—

"(1) If a hearing is requested pursuant to subsection (b) or (e) of this section or section 3(c)(2)(B)(iv) or 3(c)(6) of this Act, or if the Administrator convenes a hearing under subsection (a)(2) of this section, a hearing shall be held after due notice for the purpose (subject to subsection (a)(5) of this section) of receiving evidence relevant and material to the issues raised by the request for hearing, or to the issues stated by the Administrator if the hearing is convened under subsection (a)(2) of this section. Any interested person may intervene in such a hearing. The hearing shall be held in accordance with the provisions of subchapter II of title 5 of the United States Code, except that the burden of persuasion in a hearing held in response to a notice issued under subsection (b)(1) of this section or under section 3(c)(6) of this Act or convened under subsection (a)(2) of this section shall rest with the party or parties contending that use of the pesticide product does not cause unreasonable adverse effects on the environment. The Administrator may by regulation prescribe rules of procedure for hearings under this subsection.

"(2) Upon a showing of relevance and reasonable scope of evidence sought by any party to a public hearing, the Administrative Law Judge shall issue a subpoena to compel testimony or production of documents from any person. The Administrative Law Judge shall be guided by the principles of the Federal Rules of Civil Procedure in allowing and controlling discovery and in making any order for the protection of the witness or the content of documents produced and shall order the payment of reasonable fees and expenses as a condition of requiring testimony of the witness. On contest, the subpoena may be enforced by an appropriate United States district court in accordance with the principles stated herein.

"(3) Upon the request of any party to a public hearing and when in the judgment of the Administrative Law Judge it is necessary or desirable, the Administrative Law Judge shall at any time before the hearing record is closed refer to a committee of the National Academy of Sciences relevant questions of scientific fact involved in the public hearing. No member of any committee of the National Academy of Sciences established to carry out the functions of this section shall have a financial or other conflict of interest with respect to any matter considered by such committee. The committee shall report in writing to the Administrative Law Judge as soon as practicable after such referral on these questions of scientific fact. The report shall be made public and shall be considered as part of the hearing record. The Administrator shall enter into appropriate arrangements with the National Academy of Sciences to assure an objective and competent scientific review of the questions presented to committees of the Academy and to provide such other scientific advisory services as may be required by the Administrator for carrying out the purposes of this Act.

"(4) As soon as practicable after completion of the hearing (including the report of the Academy), the Administrator shall evaluate the record of the hearing and any findings and conclusions of the Administrative Law Judge and—

"(A) if the hearing was requested in response to a notice under subsection (b) of this section or section 3(c)(2)(B)(iv) or 3(c)(6) of this Act, the Administrator shall issue an order either revoking the notice, canceling or denying the registration, or requiring modification of the terms of registration of the product. Such order shall be based only on substantial evidence of record and shall set forth detailed findings of fact upon which the order is based; or

"(B) if the hearing was convened under subsection (a)(2) of this section, the Administrator shall make and set forth detailed findings of fact based only on substantial evidence of record and shall include such findings, and the record of the hearing, in the record of the rulemaking being conducted under subsection (a) of this section.".

(e) Section 6 is further amended by adding at the end thereof the following new subsections:

"(g) FINALITY; REOPENING OF PROCEEDINGS.—The Administrator may issue regulations governing the right to a hearing under this section with regard to the denial of any application for the registration of a product containing an ingredient which was the subject of a prior notice of intent to cancel. Under such regulations, due weight shall be given to the desirability of finality of prior proceedings and determinations and to the extent to which the applicant had a prior opportunity to participate in earlier proceedings.

"(h) GENERAL.—

"(1) VOLUNTARY CANCELLATION.—A registrant may at any time request that any of its product registrations be cancelled or be amended to delete one or more uses. The Administrator shall approve such a request unless the product is the subject of a cancellation proceeding under section 6 and the Administrator determines that the public interest would be served by disapproving the request and continuing such cancellation proceeding.

"(2) CANCELLATION AFTER FIVE YEARS.—The Administrator shall cancel the registration of any pesticide at the end of the five-year period which begins on the date of its registration (or at the end of any five-year period thereafter) unless the registrant, or other interested person with the concurrence of the registrant, before the end of such period, requests in accordance with regulations prescribed by the Administrator that the registration be continued in effect.

"(3) EXISTING STOCKS.—The Administrator may permit the continued use, the continued distribution or sale, or both, of existing stocks of a pesticide product whose registration is suspended or cancelled under any provision of this Act to such extent, under such conditions, during such periods, and for such uses as he may specify if he determines that such distribution, sale, or use is not inconsistent with the purposes of this Act and will not cause unreasonable adverse effects on the environment.

"(4) PETITION.—Any person may petition the Administrator to cancel or suspend the registration of a pesticide product, or to issue, modify, or rescind a regulation under this Act.

"(5) ADDITIONAL INFORMATION.—If at any time after the registration of a pesticide the registrant has additional information regarding unreasonable adverse effects on the environment of the pesticide, he shall submit such information to the Administrator. For purposes of this paragraph, 'information' shall include factual information and expert opinion regarding risks or benefits.".

RECORDS

SEC. 6. Section 8 (7 U.S.C. 136f) is amended to read as follows:

"SEC. 8. RECORDS.

"(a) AUTHORITY TO REQUIRE RECORDS.—The Administrator may by regulation require any producer, registrant, applicant for registration, applicant for or holder of an experimental use permit, pesticide testing facility, or commercial applicator, or any person who distributes or sells any pesticide—

"(1) to prepare, and to maintain for reasonable periods of time, such records as the

Administrator finds to be necessary for the effective implementation or enforcement of this Act;

"(2) to furnish to the Administrator reports stating the location where the records are maintained; and

"(3) to furnish a copy of any such record to the Administrator upon written request.

"(b) LIMITATIONS.—The Administrator may not, under the authority of this section, require any person to maintain records of—

"(1) financial data or pricing data;

"(2) personnel data, except for data concerning exposure of employees to pesticides or ingredients of pesticides, or concerning health effects on employees that could reasonably be attributable to such exposure; or

"(3) research or test data (other than data relating to registered pesticide products, data relating to any products for which an application for registration or for an experimental use permit has been filed, or data relating to the conduct of testing at a pesticide testing facility).".

INSPECTIONS

SEC. 7. (a) Section 9(a) (7 U.S.C. 136g(a)) is amended to read as follows:

"(a) AUTHORITY TO ENTER, INSPECT, AND COPY.—Officers or employees of the United States or of any State, duly designated by the Administrator, are authorized at reasonable times, as provided by this section—

"(1) to enter any place where any pesticide, active ingredient, or device is distributed or sold, in order to inspect and obtain samples of any pesticide, active ingredient, or device being distributed or sold at such place, or of any packaging or labeling of any such pesticide, active ingredient, or device;

"(2) to enter any place where there are located any records required by or under this Act, or any place reported pursuant to section 8(a) as a location where such records are maintained, in order to inspect and obtain copies of such records;

"(3) to enter any pesticide testing facility, in order to inspect the facility and the testing being conducted at the facility, and to inspect and obtain copies of any records required by or under the authority of this Act to be maintained by the pesticide testing facility; and

"(4) to enter any place where such officer or employee has probable cause to believe that the Act has been or is being violated by any person other than a person acting in the capacity of a private applicator, in order to inspect such place to obtain evidence of such violation.".

(b) Section 9(b) (7 U.S.C. 136g(b)) is amended to read as follows:

"(b) WARRANTS.—Officers or employees of the United States or of any State or political subdivision thereof, duly designated by the Administrator, are empowered to obtain and to execute warrants authorizing—

"(1) entry for the purposes of this section;

"(2) inspection and copying of all records required under this Act; and

"(3) seizure of any pesticide or device which is in violation of this Act.".

(c) Section 9 is further amended by adding at the end thereof a new subsection, to read as follows:

"(d) PROCEDURE.—Before any entry or inspection of any premises not open to the general public is made under this section, the person conducting the inspection shall present to the person in charge of the premises appropriate credentials, and a written statement of the reason for the inspection and whether a violation of the law is suspected. Each inspection shall be commenced and completed with reasonable promptness. If the person conducting the inspection obtains any samples of pesticides or devices, prior to leaving the premises he shall give to the person in charge of the premises a receipt describing the samples and, if requested and practicable, a portion of each such sample equal in volume or weight to the portion retained. If an analysis of any such sample is made, a copy of the results of such analysis shall be furnished on request to the person in charge of the premises.".

PROTECTION OF TRADE SECRETS AND OTHER INFORMATION

SEC. 8. (a) Section 10(d) (7 U.S.C. 136h(d)) is amended in paragraph (3) by deleting the word "If" in the first sentence thereof and substituting therefor the words "Except with respect to determinations requiring disclosure of information in inert ingredient statements in accordance with section 2(n) of this Act, if".

(b) Section 10 (7 U.S.C. 136h) is further amended by adding at the end thereof the following:

"(h) DISCLOSURE TO STATES.—The Administrator may disclose to any State any data or information acquired under the authority of this Act if the Administrator has first determined that the laws and regulations of the State prohibit disclosure of the data to any person who would not be entitled to obtain the data from the Administrator under this Act.".

(c) Section 10 (7 U.S.C. 136h) is further amended by adding at the end thereof the following:

"(i) DISCLOSURE TO FOREIGN GOVERNMENTS.—Notwithstanding any other provision of this Act, the Administrator may disclose data or information obtained under the authority of this Act to the government of another country if—

"(1) a bilateral treaty or agreement exists between the United States and that country authorizing the mutual exchange and protection of data and information pertaining to pesticides; and

"(2) the Adminstrator, after consultation with the Secretary of State and after notice and opportunity for public comment, has determined that the laws of that country provide protection equivalent to that provided by this Act against disclosure of the data or information and against use of the data or information to support any application for, or decision to grant, any license, permit, or other action to allow the production, distribution, or sale of a pesticide under the laws of any country; and

"(3) the Administrator determines that the particular disclosure is in the national interest; and

"(4) the Administrator notifies any applicant or registrant who submitted the information or data of the disclosure.

"(j) INFORMATION RECEIVED FROM FOREIGN GOVERNMENTS.—Notwithstanding any other provision of this Act, section 552 of title 5 of the United States Code, or any other provision of law, the Administrator shall not be required to disclose any data or information concerning pesticides if—

"(1) the Administrator obtained the data or information from the government of another country;

"(2) that government required the Administrator to agree not to disclose the data or information to the public as a condition of furnishing it to the Administrator;

"(3) the Administrator could not otherwise obtain the data or information; and

"(4) that government has not informed the Administrator that the data or information may be disclosed to the public.".

UNLAWFUL ACTS

SEC. 9. (a) Section 12(a) (7 U.S.C. 136j(a)) is amended—

(1) in subsection (a)(1) by deleting the words "distribute, sell, offer for sale, hold for sale, ship, deliver for shipment, or receive and (having so received) deliver or offer to deliver, to any person—" and substituting therefor the words "to distribute or sell to any person—";

(2) by revising subsection (a)(1)(A) to read as follows:

"(A) any pesticide product which is not registered under section 3 or whose registration has been cancelled or suspended, except to the extent that distribution or sale otherwise has been authorized by the Administrator under this Act;";

(3) by revising subsection (a)(2)(B) to read as follows:

"(B) to refuse to (i) prepare, maintain, or submit any records required under this Act or by regulations issued pursuant to this Act, (ii) submit any reports required by this Act or by regulations issued pursuant to this Act, or (iii) allow any entry, inspection, copying of records, or sampling authorized by this Act.";

(4) in subsection (a)(2)(F) by deleting the words "to make" and substituting therefor the words "to distribute or sell, or to make";

(5) in subsection (a)(2)(J) by deleting the words "section 6" and substituting therefor the words "this Act";

(6) by amending subsection (a)(2)(K) to read as follows:

"(K) to violate any cancellation order issued under this Act;";

(7) in section (a)(2)(M) by deleting the words "section 8" and substituting therefor the words "this Act";

(8) in subsection (a)(2)(O) by deleting the word "or" at the end thereof;

(9) by striking the period at the end of subsection (a)(2)(P); and

(10) by adding at the end thereof the following:

"(Q) to violate any regulation prescribed by the Administrator to carry out good laboratory practice standards;

"(R) to distribute or sell, to make available for use, or to use any pesticide product which is the subject of an exemption under section 18 in violation of the terms of the exemption;

"(S) who is a registrant, an applicant for registration, or a pesticide testing facility, to falsely or misleadingly represent any information relating to the testing of any pesticide (or any ingredient, metabolite, or degradation product thereof), including the nature of any protocol, procedure, substance, organism, or equipment used, observation made, or conclusion or opinion formed if such representation is made to the Agency, or is made in any document or record which the person making it knows or reasonably should know will be furnished to the Agency or will become a part of any records required to be maintained by this Act or by regulations issued under this Act; or

"(T) who is a registrant, an applicant for registration, or a pesticide testing facility, or who distributes or sells any pesticide, or who is a commercial applicator, or who applies any pesticide for hire, to violate any regulation issued under the authority of this Act.".

(b) Section 12 (7 U.S.C. 136j) is amended by adding at the end thereof a new subsection (c) to read as follows:

"(c) ACTS OF OFFICERS, AGENTS, ETC.—When construing and enforcing the provisions of this Act, the act, omission, or failure of any officer, employee, agent, or other person acting for or employed by any person shall in every case be also deemed to be the act, omission, or failure of such person as well as that of the person employed.".

PENALTIES

SEC. 10. (a) Section 14(a) (7 U.S.C. 1361(a)) is amended—

(1) in subsection (a)(1)—

(A) by inserting after the words, "commercial applicator," the words "applicant for registration, or any pesticide testing facility, or any";

(B) by deleting the word "distributor" and substituting therefor the words "person who distributes or sells any pesticide or device,";

(C) be deleting the words "$5,000" and substituting therefor the words "$25,000";

(D) by adding after the words "offense." the words "Each day such a violation continues shall, for the purposes of this subsection, constitute a separate offense.";

(2) in subsection (a)(2)—

(A) by deleting the words "$1,000" each time they appear and substituting therefor the words "$5,000";

(B) by deleting the words "$500" and substituting therefor the words "$2,500";

(C) by adding at the end thereof the words "Each day such a violation continues shall, for the purposes of this subsection, constitute a separate offense."; and

(3) in subsection (a)(3) by deleting the period at the end thereof and substituting therefor the words ": *Provided*, That if the person neither resides nor has his principal place of business in the United States, the Administrator may designate a site for the hearing in the United States which is reasonably convenient for the parties."; and

(4) in subsection (a)(4) by adding the words "the economic benefit (if any) resulting from the violation," immediately after the words "to continue in business," in the first sentence thereof.

(b) Section 14(b) (7 U.S.C. 1361(b)) is amended—

(1) in subsection (b)(1)—

(A) by inserting after the words "commercial applicator the words "applicant for registration, or any pesticide testing facility, or any";

(B) by deleting the word "distributor" and substituting therefor the words "person who distributes or sells any pesticide or device,";

(C) by deleting the word "misdemeanor" and substituting therefor the word "felony";

(D) by deleting the words "one year" and substituting therefor the words "two years"; and

(2) in subsection (b)(2)—

(A) by deleting the words "30 days" and substituting therefor the words "one year";

(B) by deleting the words "$1,000" and substituting therefor the words "$5,000"; and

(3) by deleting subsection (b)(4).

(c) Section 14 is further amended by adding at the end thereof the following new subsection:

"(c) SUBPOENAS.—The Administrator may, in connection with administrative proceedings under subsection (a) of this section, issue subpoenas compelling the attendance and testimony of witnesses and subpoenas duces tecum, and may request the Attorney General to bring an action to enforce any subpoena under this section. The district courts shall have jurisdiction to enforce such subpoenas and impose sanctions.".

INDEMNITIES

SEC. 11. Section 15 (7 U.S.C. 136m) is amended by adding a new subsection at the end thereof to read as follows:

"(c) LIMITATION.—Notwithstanding any other provision of this Act, no indemnity payment under this section shall be made on account of any suspension of registration of a pesticide product which occurs after the effective date of this subsection.".

ADMINISTRATIVE PROCEDURE; JUDICIAL REVIEW

SEC. 12. Section 16 (7 U.S.C. 136n) is amended by adding at the end thereof a new subsection, to read as follows:

"(e) REVIEW OF REGULATIONS.—(1) Any regulation issued under this Act and first published in the Federal Register in final form after the effective date of this subsection or any refusal of a petition to modify or rescind such a regulation shall be reviewable only as provided by this subsection. Any person may obtain judicial review of such a regulation or refusal by filing a petition for review in the United States court of appeals for the circuit wherein the person resides or has its principal place of business, or in the United States Court of Appeals for the District of Columbia. Any petition under this subsection for review of a regulation shall be filed within sixty days from the date of promulgation of the regulation as determined by the Administrator in the Federal Register. Any petition under this subsection for review of a refusal to modify or rescind a regulation shall be filed within sixty days after such refusal. The scope of review shall be as specified in section 706 of title 5, United States Code. The commencement of proceedings under this paragraph shall not, unless specifically ordered by the court to the contrary, operate as a stay of the regulation.

"(2) Action of the Administrator with respect to which review could have been obtained under paragraph (1) of this subsection shall not be subject to judicial review in any suspension, cancellation, or denial proceeding under this Act or any appeal therefrom, nor in any proceeding under section 13, 14, or 16(c) of this Act or any appeal therefrom.".

DISPOSAL AND TRANSPORTATION

SEC. 13. Section 19(a) (7 U.S.C. 136q(a)) is amended by inserting after the words "canceled under section 6(c)" the words "on or before October 1, 1985".

DELEGATION AND COOPERATION

SEC. 14. Section 22 is amended by adding at the end thereof a new subsection, to read as follows:

"(c) EFFECT ON CERTAIN OTHER LAWS.—In exercising any authority under this Act, the Administrator shall not, for purposes of section 653(b)(1) of Title 29, United States Code, be deemed to be exercising statutory authority to prescribe or enforce standards or regulations affecting occupational safety or health.".

AUTHORITY OF STATES

SEC. 15. Section 24(c) (7 U.S.C. 136v(c)), is amended in subsection (c)(1) by deleting the period at the end thereof and substituting therefor the words "*Provided*, That such a registration shall expire and be of no further effect, without further action by the Administrator—

"(A) at the end of the period, if any, provided as the duration of the registration by the State which approved it; or

"(B) 10 days after the date the Administrator publishes in the Federal Register a notice stating that the State which issued the registration has informed the Administrator that the State no longer desires the registration to continue in effect.".

AUTHORITY OF ADMINISTRATOR

SEC. 16. (a) Section 25(a) (7 U.S.C. 136w(a)) is amended by revising subsection (a)(4) to read as follows—

"(4) CONGRESSIONAL REVIEW OF REGULATIONS.—Notwithstanding any other provision of this Act, simultaneously with the promulgation of any rule or regulation under this Act, the Administrator shall transmit a copy thereof to the Secretary of the Senate and the Clerk of the House of Representatives. The rule or regulation shall not become effective until the passage of 60 calendar days after the rule or regulation is so transmitted.".

(b) Section 25(c) (7 U.S.C. 136w(c)) is amended—

(1) by inserting after the words "notice and opportunity for hearing," the words "or by issuance of regulations,"; and

(2) by deleting the words "prescribe regulations requiring" in paragraph (5) thereof and substituting therefor the word "require".

SECTION-BY-SECTION DESCRIPTION OF DRAFT PESTICIDE AMENDMENTS

[SECTION 1]

[SECTION 2]

[SECTION 3]

Section 3 of the amendments would amend FIFRA § 2, which defines terms used elsewhere in the Act.

Section 3(a)(1) would make a technical change in the definition of the term "certified applicator." The second sentence of § 2(e)(1), which provides that certain applicators shall not be deemed to be sellers or distributors of pesticides, would be made a part of the new definition of the term "distribute or sell" (see section 3(f) of these amendments).

Section 3(a)(2) would delete the definition in FIFRA § 2(e)(4) of the term "under the direct supervision of a certified applicator." In section 4(c) of these amendments, companion changes would allow the Administrator to specify the extent of supervision which must be exercised by certified applicators over the application of restricted-use pesticides by uncertified applicators.

Secton 3(b) of the amendments would revise the definition of the term "imminent hazard," which contains the grounds for suspension under FIFRA § 6(c). Under current law, an imminent hazard justifying a suspension exists if continued use of a pesticide during the time required for a cancellation proceeding would be likely to result in unreasonable adverse effects on the environment or would involve unreasonable hazard to an endangered species. Under the amendment, an imminent hazard justifying a suspension would also exist if such effects or hazard would result from continued use of a pesticide during the time required for a rulemaking proceeding under the revision to FIFRA § 6(a) proposed in Section 5(a) of these amendments.

Section 3(c) of these amendments would revise and expand the definition of the term "ingredient statement." (The label of a registered pesticide must contain an ingredient statement.) The amendment would clarify that the Administrator may require, in addition to the name and percentage of each active ingredient and the total percentage of inert ingredients, the name (and, to the

extent necessary, the percentage) of any inert ingredient which the Administrator determines must appear in the ingredient statement because of the hazard which the Administrator has determined may be posed by the presence of that ingredient. The amendment would also codify the long-standing Agency practice of requiring that, when necessary to represent accurately the nature of the active ingredient, the ingredient statement contain other information concerning the chemical composition or identity of any active ingredient in the product (e.g., information on chemical equivalency); this would generalize the specific requirement already contained in the existing statute with regard to various forms of arsenic.

Section 3(d) is a technical amendment which would modify the definition of the term "pesticide" contained in FIFRA § 2(u) by stating clearly that the term includes any substance or mixture which contains an active ingredient and which any person distributes or sells in any State for use in manufacturing or formulating a pesticide or for repackaging as a pesticide. Such substances and mixtures have in fact been treated been regarded as pesticides for many years, as current FIFRA § 3(c)(2)(D) indicates.

Section 3(e) of the amendments would revise FIFRA § 2(ee), which defines the unlawful act (see FIFRA 12(a)(2)(G)) "to use any registered pesticide in a manner inconsistent with its labeling." The amendment would include within the definition the application of a pesticide at any dosage, concentration, or frequency less than that specified on the labeling, or application by any method not specified by the labeling, *if* the label specifically prohibited deviation from the label instructions on dosage, concentration, frequency, or method of application.

Section 3(f) would add new definitions at the end of FIFRA § 2. A new FIFRA § 2(ff) would define the term "distribute or sell" to allow simplification of language in several other amendments (see proposed new or revised FIFRA §§ 2(gg), 3(a), 6(c), 8(a), 6(h)(3), 9(a)(1), 12(a)(1), 12(a)(2) (R) and (T), 14(a)(1), and 14(b)(1)). The term incorporates all the terms used in various places in the current statute (FIFRA § 3(a), 6(a)(1), 7(b)(1)(C), 9(a), and 12(a)(1)) to connote introduction into, or movement in, commerce.

A new FIFRA § 2(gg) would define the term "pesticide product" to mean a pesticide in the particular form (including composition, labeling, and packaging) in which it is (or is proposed to be) distributed or sold. The term is used in other proposed amendments. The current statute uses the term "pesticide" in different senses: sometimes the context indicates a reference to a category of pesticides having some common ingredient or property, while at other times the term refers to a particular product whose registration is being sought, denied, cancelled, or suspended. This new definition would make it clear that the term "pesticide" refers to "pesticide product" in those latter cases where the context so indicates.

A new FIFRA § 2(hh) would define the term "pesticide testing facility," another term used in several other of these amendments, to mean any person that conducts any test, study, survey, or investigation of the properties, effects, or behavior of any pesticide (or any ingredient, metabolite, or degradation product thereof) for or on behalf of any registrant, applicant for registration, or other person who sells or distributes the pesticide (or contemplates selling or distributing it). A proviso would make clear that the term does not include any person solely on account of such person's role as a cooperator (a person who allows his premises to be used for tests of a pesticide) in compliance with an experimental use permit under section 5 of this Act.

Finally, a new FIFRA § 2(ii) would define "terms of registration" to mean the requirements imposed on a pesticide product under FIFRA concerning the product's composition, labeling, and packaging, and any restrictions on its distribution, sale, or use. This term is used in several other of the amendments, and is defined here to allow clearer and more efficient language elsewhere.

SECTION 4

Section 4(a) of the amendments would simplify FIFRA § 3(a), the statute's basic statement of the requirement that pesticides be registered, by substituting the newly-defined term "distribute or sell" for the long list of commercial acts in the current provision. It would make no substantive change.

Section 4(b)(1) of the amendments would make identical amendments to FIFRA §§ 3(c)(1)(D)(ii) and 3(c)(2)(B)(iv), as they concern the extent of judicial review of decisions of arbitrators in disputes concerning compensation for use of data or allocation data generation expenses. These amendments would moot a current court challenge to the constitutionality of the current statute's limitation on judicial review which, if decided adversely to the position of the government, could adversely affect the working of the statute's data cost-sharing mechanisms and the Agency's registration and data-gathering efforts. Under the amendment, arbitrator's decisions would be reviewable only in the United States Court of Appeals for the circuit in which the petitioner resides or has its principal place of business, or in the United States Court of Appeals for the District of Columbia, upon a petition for review filed by a party to the arbitration within 60 days after the entry of the arbitrator's decision (or, in order to cover decisions issued prior to the enactment of this amendment, within 60 days of such enactment). The arbitrator's decision would be treated as if it were the decision of an administrative agency for purposes of 28 U.S.C. 2112 (which concerns such matters as assembling and filing with the court the record for review). The amendment would also provide that any expenses incurred by the arbitrator on account of court review would be shared equally by the parties to the arbitration, just as the arbitrator's fee and other expenses are shared under the current statute.

Section 4(a)(2) would make a technical-change to FIFRA §§ 3(c)(3) and 3(c)(6). Section 3(c)(3) requires the Administrator to review applications and either register the product under § 3(c)(5) or deny the application under § 3(c)(6), while § 3(c)(6) now requires the Administrator to deny the application if it does not meet the requirements of § 3(c)(5). When § 3(c)(7) (conditional registration) was added to the statute in 1978 as an alternative to registration under § 3(c)(5), cross-references to it in §§ 3(c)(3) and 3(c)(6) were inadvertently omitted; this amendment would remedy that omission.

Section 4(c) of the amendments would make several changes to FIFRA § 3(d), which concerns classification of pesticides for restricted use. FIFRA § 3(d)(1)(A) would be amended by deleting the words "on the initial classification," thus clarifying the Administrator's authority to classify products for restricted use by rulemaking at any time. FIFRA §§ 3(d)(1)(C)(i) and 3(d)(1)(C)(ii) would be amended to allow the Administrator to require that a restricted use pesticide be applied only by a certified applicator or only under such degree of supervision of a certified applicator as the Administrator may specify. Also, § 3(d)(1)(C)(ii) would be amended by deleting the special court of appeals review provision for regulations issued under that section, which would be unnecessary upon enactment of proposed amendments 5(a) and 13. Substituted for the current provision would be language stating that any regulations establishing other regulatory restrictions would be issued pursuant to proposed FIFRA § 6(a).

The amendment also would revise FIFRA § 3(d)(2) by deleting the special procedure now required for changing a product's classification from general use to restricted use and by providing that if the Administrator concludes that a change from general use to restricted use is warranted, or that additional restrictions are necessary, the Administrator may impose such restrictions using the procedures set forth in proposed §§ 6(a) or 6(b)(1)(B).

FIFRA § 3(d)(3) would be amended to delete the special procedure provided by the current statute which allows a registrant to appeal the denial of a petition for the removal of restriction on a product's use to a United States District Court. In lieu thereof would be added a statement that such a petition would be treated as an application to amend the registration or to modify or rescind any controlling regulation, thus providing the registrant with the same remedies afforded registrants seeking other types of amendments to their registrations.

SECTION 5

Section 5 of the amendments would modify FIFRA § 6 concerning cancellation of pesticide registrations. The changes would make the process more efficient by establishing rulemaking as the primary method for determinig whether products cause unreasonable adverse effects on the environment and what regulatory steps should be taken to address such effects. The Administrator's authority to issue suspension orders or emergency suspension orders would not be subject to this change. In addition, the amendments to FIFRA § 6 would allow registrations to be cancelled if they were found to have been approved on the basis of data later found to be false, inaccurate, or misleading, or to have been wrongly approved due to clerical error. Finally, this amendment would address various problems that have arisen in the administration of the Act and give recognition in the statute to administrative practices that have become routine.

Section 5(a) would amend FIFRA § 6(a) to provide that rulemaking, rather than formal adjudication, shall be the primary mechanism for deciding whether uses of pesticides cause unreasonable adverse effects on the environment, (Current § 6(a), whiich contains a number of miscellaneous provisions, would be redesignated § 6(h).) Proposed FIFRA § 6(a)(1) would specifically authorize the Agency to determine by regulation that use of a pesticide product (or category of products) causes unreasonable adverse effects on the environment, and the terms of registration, if any, under which the product may be distributed, sold, or used. Proposed § 6(a)(2) would allow the Ad-

ministrator to elect to use formal hearing procedures, as part of a rulemaking proceeding, in order to resolve one or more particular issues. Proposed § 6(a)(3) would specify that regulations under § 6(a) would be reviewable in courts of appeals, as provided by proposed FIFRA § 16(e) (see section 12 of these amendments). Proposed § 6(a)(4) would provide that issuance of notices of intent to cancel based on unreasonable adverse effects would have to be preceded by a rulemaking under § 6(a)(1). A notice of intent to cancel would be issued without first conducting a rulemaking only when the Administrator concluded in a particular case that it would be more efficient to use formal adjudication, rather than rulemaking, to resolve the substantive issues involved. Provision is also made to allow issuance of cancellation notices without prior rulemaking during a transition period following enactment of these amendments. Finally, proposed § 6(a)(5) would permit an opportunity for a cancellation hearing resulting from a notice of intent to cancel that was based on regulation under § 6(a)(1). The hearing's scope would be limited to whether the product in question was covered by the regulation, whether the product was in compliance with the requirements imposed by the regulation, and whether significant information that could not have been presented in the rulemaking would make it unreasonable to require the product to comply with the regulation.

Section 5(b) of the amendments would rewrite FIFRA § 6(b) to add additional grounds for cancellation, delete the fact-finding hearing provided for in current FIFRA § 6(b)(2) (the proposed rulemaking amendment would eliminate the need for this kind of hearing), and make a number of technical and clarifying changes. As amended, FIFRA § 6(b)(1) would clarify the Administrator's authority to cancel the registration of a pesticide product (or to cancel unless specified modifications to the terms of registration are requested by the registrant). In order to take this action, the Administrator would have to determine that one or more of the terms of registration of the product did not comply with the provisions of FIFRA or any regulation issued under FIFRA, or that use of the product in accordance with widespread and commonly recognized practice generally caused unreasonable adverse effects on the environment.

Proposed FIFRA § 6(b)(2) would authorize issuance of a notice of intent to cancel a registration which was approved on the basis of false, inaccurate, or misleading information in the registration application. Cancellation proceedings would be authorized if the applicant knew or reasonably should have known that the application was false, inaccurate, or misleading. Where the applicant did not know the application contained false, inaccurate, or misleading information, cancellation would be allowed if the Administrator determined that cancellation would be in the public interest, taking into account the importance of the data in determining whether the product may cause unreasonable adverse effects on the environment if used during the period required to replace the data and the degree of care exercised by the applicant in obtaining and submitting the information. Cancellation also would be authorized where the application was approved in violation of the statute or governing regulations as a result of Agency clerical or ministerial error, or where the registration was issued under FIFRA § 3(c)(7) in reliance on the existence of another registration which itself had been improperly issued.

The other changes to FIFRA § 6(b) are less significant. Proposed §§ 6(b)(3) and 6(b)(6) are conforming amendments. Proposed § 6(b)(4) would provide that Federal Register publication would constitute delivery of the notice for purposes of commencement of the 30-day period allowed for requesting a hearing in cases where the mailed copy of the notice is undeliverable. Proposed § 6(b)(5) would eliminate duplicative review requirements by the Secretary of Agriculture on notices of intent to cancel which merely implement final regulations issued under proposed § 6(a). (Under FIFRA § 25, such regulations could only be issued where the Secretary has been provided opportunity to comment on proposed and final versions of the regulation.) Existing review requirements for notices of intent to cancel not following a rulemaking would not be affected. Finally, the subsection has been subdivided for purposes of clarity.

Section 5(c) of the amendments would conform FIFRA § 6(c) (dealing with suspension of registrations) to the new rulemaking provisions of proposed § 6(a). The amendment also would clarify that a suspension order may prohibit distribution, sale, or use of a pesticide product; the current statute indicates this indirectly (see FIFRA §§ 2(l) and 15(b)(2)). The Administrator's suspension authority would not be otherwise affected by these amendments.

Section 5(d) of the amendments makes conforming changes to current FIFRA § 6(d) (which concerns cancellation hearing procedures). The amendments would codify the long-standing administrative practice of allowing any interested person to intervene in a hearing. The amendment would specify that the burden of persuasion in hearings concerning unreasonable effects on the environment shall rest with the parties who contend that a product does not cause such effects; this provision would continue existing law as to cancellation hearings and extend the same principle to hearings held as part of rulemakings under proposed FIFRA § 6(a). The amendments would also specify that the principles of the Federal Rules of Civil Procedure shall govern any discovery in hearings. The term "Administrative Law Judge" is substituted for the term "hearing examiner." Finally, the subsection has been subdivided for clarity.

Section 5(e) of the amendments would add two new subsections at the end of FIFRA § 6. Proposed § 6(g) would specifically authorize the Administrator to promulgate regulations governing the right to a hearing on the denial of an application for registration of a product containing an ingredient which was the subject of a prior notice of intent to cancel. Under such regulations, the Administrator would be directed to give due weight to the desirability of finality of prior proceedings and determinations and to the extent to which the applicant had had an opportunity to participate in the prior proceedings.

Proposed § 6(h) contains the provisions which now appear in FIFRA § 6(a) concerning five-year renewals and existing stocks orders, as well as certain new provisions. The amendment would add a provision recognizing the right of a registrant to voluntarily cancel its product. It also would add a provision that would confirm the Agency's interpretation of current FIFRA § 6(a)(2), i.e., that the section requires submission by registrants of post-registration information which consists of expert opinion (e.g., a pathologist's report from a toxicity study on the pesticide) or which concerns the benefits (or the lack thereof) of the pesticide. This interpretation was criticized in dictum in a 1980 federal court decision, *Chemical Specialties Manufacturers Ass'n* v. *EPA*, 484 F. Supp. 513 (D. D.C. 1980). Proposed § 6(h) also would expressly provide that any person may petition for the cancellation or suspension of a pesticide product or for the issuance, modification, or recission of a regulation under FIFRA.

SECTION 6

FIFRA § 8 currently allows EPA to promulgate regulations requiring "producers" of pesticides and devices to keep and submit records, and allows EPA access to the delivery and movement records of any "producer, dealer, carrier, and distributor." This amendment to § 8 would clarify that EPA's authority to require recordkeeping by regulation extends to registrants, applicants for registration, and persons who hold or are seeking experimental use permits. Further, the amendment would extend that authority to pesticide testing facilities and commercial applicators because of the growing need to monitor the quality of testing data under FIFRA and the application of restricted use pesticides. Under this amendment, persons who distribute or sell pesticides could be required to maintain records as necessary for the effective implementation and enforcement of the Act. All persons subject to § 8 could be required to furnish the Agency copies of the records on request. Authority to inspect records is treated separately in Section 7 of these amendments, which would amend FIFRA § 9.

SECTION 7

This amendment to FIFRA § 9 would clarify and consolidate current inspection provisions in FIFRA §§ 8 and 9, and extend EPA's inspection authority to places where there is probable cause to believe the Act has been or is being violated. It also would amend the authority of the Agency to obtain warrants; these amendments would bring the statute into conformance with U.S. Supreme Court decisions authorizing warrantless inspections of business premises and authorizing issuance of warrants in furtherance of neutral administrative inspection schemes as well as where probable cause of a violation exists. The amendment also would allow State officers or employees duly designated by the Administrator, as well as Federal officers or employees, to conduct inspections under FIFRA.

SECTION 8

Section 8 of the amendments would revise FIFRA § 10 (dealing with confidentiality of information) in two respects. First, it would amend § 10(d)(3) (which, inter alia, establishes criteria and procedures to be used when the Administrator proposes to disclose information on product formulas) to exempt, from its provisions, determinations made by the Administrator to require disclosure on the ingredient statements of product labels of hazardous inert ingredients of the product. Applicants or registrants who wish to contest such determinations may do so in a denial or cancellation hearing under FIFRA § 6(d) or a rulemaking under proposed § 6(a).

Second, it would add a new subsection which would clarify the extent of the Administrator's authority to disclose information obtained under FIFRA to state officials. Specifically, proposed § 10(h) would authorize the Administrator to disclose to

any state any data or information obtained under FIFRA if the Administrator first determined that the state's laws and regulations prohibit disclosure of such data or information to any person who would not be entitled to obtain it from the Administrator.

SECTION 9

This section of the amendments would make a series of changes to FIFRA § 12, which specifies acts that are unlawful.

Section 9(a) would amend FIFRA § 12(a). Section 9(a)(1) is a conforming change; see section 3(f) of the amendments. Section 9(a)(2) would include expressly in FIFRA what is already implicit: that it is unlawful to distribute or sell a cancelled or suspended pesticide except as authorized by the Administrator.

Section 9(a)(3), a companion amendment to sections 6 and 7 of these amendments, would make it unlawful to refuse to prepare, maintain, or submit any records or reports required by the Act or by regulations issued under the Act, or to refuse to allow any entry, inspection, copying, or sampling authorized by the Act.

Sections 9(a)(4)-(8) are technical or conforming amendments. Section 9(a)(9) would add three new "unlawful acts" provisions.

The first new provisions, proposed FIFRA § 12(a)(2)(Q), would make it unlawful for any person to distribute or sell, and make available for use, or use any pesticide which is the subject of an exemption under FIFRA § 18 in violation of the terms of the exemption.

The second provision, proposed FIFRA § 12(a)(2)(R), would make it unlawful for registrants, applicants, or pesticide testing facilities to falsely or misleading represent information relating to the testing of any pesticide in any representation made to the Agency or in any document or record which the person making it knows or reasonably should know will be furnished to the Agency or will become a part of any record required to be maintained by FIFRA or regulations issued under FIFRA. This provision would be a corrollary to the proposed new FIFRA § 6 authority to cancel registrations which were approved based on false or misleading data.

The third new provision, proposed FIFRA § 12(a)(2)(S), would make it unlawful for registrants, applicants, pesticide testing facilities, distributors or sellers of pesticides, and persons who apply pesticides for hire to violate regulations issued under FIFRA, thus allowing the Agency to enforce against those categories of persons the regulations it has authority to issue. This authority could, among other things, allow the Agency to seek civil or criminal penalties for pesticide testing facilities that violate good laboratory practice regulations prescribed by the Agency. This would provide clearer authority to assure the integrity of data being used for regulatory decisions. Current law does not allow the Agency to regulate a pesticide testing facility directly, unless the facility happens to be owned by the person who seeks to register a pesticide product. This amendment would close this potential gap in coverage.

Section 9(b) of the amendments is a technical change which redesignates current FIFRA § 14(b)(4) (dealing with vicarious responsibility) as § 12(c).

SECTION 10

This section would make a series of changes to FIFRA § 14, which deals with civil and criminal penalties for violations and related matters.

Section 9(a) of the amendments concerns civil penalties. It would add to the category of persons liable for the higher civil penalties under §§ 14(a)(1) and two new categories of persons: "applicants for registration" and "pesticide testing facilities." In addition, the amendment would raise the most serious FIFRA civil penalty levels five-fold, to the $25,000 per day of violation level of other environmental statutes, and thereby provide stronger incentive for compliance. The current lesser penalties in FIFRA, applicable to private applicators and some other persons, also would be increased. (Penalties still could be assessed against a private applicator only after he ignores a written warning.) The "per day" provision would ensure that continuing violations were treated differently than non-continuing violations. There is sufficient protection in the Act against imposition of a penalty so great as to affect ability to continue in business.

This amendment would also clarify the Agency's authority to consider the economic benefits of noncompliance (where applicable) as a factor in imposing civil penalties. This ensures both that penalties assessed could be high enough to create an economic as well as legal incentive to comply and that a violator does not obtain a competitive advantage over those who comply with the Act.

Section 9(b) of the amendments would amend the criminal penalty provisions of FIFRA § 14(b). It again would add "applicants for registration" and "pesticide testing facilities" to the § 14(b)(1) category of persons subject to higher penalties. It further would provide that violations by persons in that category would be chargeable as felonies, rather than as misdemeanors as the current statute provides, and that the maximum term of imprisonment would be two years, rather than the current one-year maximum. Felony-level charges would operate as a significant deterrent to would-be violators and would reflect the large health and environmental risks posed by criminal conduct under FIFRA. For private applicators and other persons in the misdemeanor category under § 14(b)(2), the maximum penalty would be increased from $1,000 to $5,000.

Section 9(c) of the amendments would confer authority upon the Administrator to issue subpoenas in civil penalty proceedings requiring appearance, testimony, and production of documents. These subpoenas could be enforced by order of U.S. District Courts in actions commenced by the Attorney General.

SECTION 11

This amendment would revise FIFRA § 15, concerning indemnity payments to owners of pesticide products whose registratons are suspended and cancelled, by providing that no indemnity entitlement would arise with regard to any pesticide suspended after the effective date of these amendments.

SECTION 12

This amendment would add a new subsection at the end of FIFRA § 16 to govern judicial review of regulations issued under FIFRA after the effective date of the amendments. Review would be proper only in the federal courts of appeals upon a petition filed within 60 days of the date of promulgation of the regulation in question. Court review of Agency denials of petitions to modify or rescind any such regulation would be governed by the same provision.

SECTION 13

This amendment, a companion to section 11 above, would modify FIFRA § 19(a), concerning disposal by the government of pesticide products whose registrations are suspended and cancelled, by providing that the government would not bear the responsibility of disposing of any such pesticide suspended after the effective date of these amendments.

SECTION 14

The amendment would add a subsection to FIFRA § 22 (concerning delegation and cooperation) to provide that in implementing FIFRA, the Administrator shall not be deemed to be exercising authority to prescribe or enforce workplace standards affecting occupational safety or health. This provision, which is modeled after a provision in the Toxic Substances Control Act, would allow EPA to regulate certain aspects of pesticide use in workplace situations without thereby preempting the Occupational Safety and Health Administration (OSHA) from also regulating other aspects of pesticide use in the workplace. In exercising their respective authorities to regulate pesticide use in the workplace, EPA and OSHA will continue to coordinate their activities between themselves and with the U.S. Department of Agriculture in keeping with the intent of existing FIFRA § 22(b).

SECTION 15

This amendment to FIFRA § 24(c) would provide that "special local needs" registrations issued by States would terminate without the need for cancellation hearings at the end of the period authorized by the State or at the time the State informed the Administrator that the registration is no longer deemed desirable. It thus would facilitate more accurate record-keeping by the Agency of the number and kinds of registrations that are active.

SECTION 16

This section of the amendments would make two changes in section 25, which concerns the general implementing authority of the Administrator. First, it would delete the "legislative veto" provision currently in the law, and replace it with a simpler provision requiring a 60-day delay in the effective date of regulations issued under FIFRA and a requirement that copies of the regulations be furnished to Congress upon promulgation. Second, it would make clear that the Administrator may take the actions listed under FIFRA § 25(c) by notice-and-comment rulemaking.●

CONSERVATION GROUP SUPPORTS NORTH PACIFIC FUR SEAL TREATY

HON. DON YOUNG

OF ALASKA

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 16, 1985

● Mr. YOUNG of Alaska. Mr. Speaker, the other body will shortly be considering a protocol extending for 4 years the Interim Convention for the Conservation of North Pacific Fur Seals. Many Members of both bodies have been contacted by representatives of animal preservation groups urging that the Convention be terminated. I want to bring to the attention

of the House a resolution recently adopted by the National Audubon Society which recommends ratification of the Interim Convention.

The first fur seal convention was adopted in 1911. At that time, the world population of North Pacific fur seals totaled only 300,000 animals. Under the comprehensive management regime established by the convention and succeeding agreements, the fur seal population has increased to 1.2 million seals. I think this certainly demonstrates how wise management and international cooperation can save a species from extinction.

If the Interim Convention is not extended, we will lose all protection for fur seals outside our 200-mile exclusive economic zone. Some have suggested that protection can be extended by imposing restrictions on foreign vessels fishing in our zone. This would not work for a number of reasons.

First, foreign fishing will not continue indefinitely. Once it ends, there is no leverage. Second, not all nations that might harvest seals on the high seas fish in our zone. Third, we have already seen that such protective covenants do not necessarily work. The Soviet Union recently had its fish allocation reduced due to a dispute over whaling. This has not convinced the Soviet Union to change its whaling practices. In fact, the Soviet Union may refuse to continue fishing operations in our zone. Fourth, prohibitions such as have been suggested are difficult, if not impossible, to enforce. Finally, such restrictions might result in further problems for our fishermen without providing any additional protection.

In the words of the National Audubon Society, the Interim Convention "has a solid record of achievement in international wildlife conservation since its adoption in 1911." I think this record should remain unbroken. I urge Members to join with me in supporting extension of the Interim Convention.

Mr. Speaker, I ask that the text of the National Audubon Society's resolution be printed in the RECORD.

RESOLUTION ON CONSERVATION OF NORTH PACIFIC FUR SEALS

Whereas the "Interim Convention for the Conservation of North Pacific Fur Seals" has a solid record of achievement in international wildlife conservation since its adoption in 1911;

Whereas failure to ratify the Interim Convention would subject fur seals to the danger of indiscriminate and unregulated killing;

Whereas past and current research on the fur seals pursuant to the treaty is recognized by the scientific and conservation communities as some of the most outstanding ever designed and carried out on wildlife populations;

Whereas improved international cooperation in research, education, management and law enforcement will be vital to dealing with threats to the fur seals from entanglement in fish nets, increased natural mortality due to disease, predation, fluctuating food supplies and other biological factors;

Whereas continued opportunity for nonwasteful uses of fur seals by residents of the Pribilof Islands is essential to their physical, economic, traditional and cultural existence;

Whereas current declines in the Pribilof Island fur seal populations are serious and merit adoption of scientific management principles to the Interim Convention; and

Whereas opposition to the Interim Convention poses a serious threat to treaties as effective mechanisms in promoting international cooperation in wildlife conservation; Therefore be it Resolved, That the National Audubon Society supports ratification of the "Interim Convention for the Conservation of North Pacific Fur Seals" by the United States Senate; Be it further

Resolved, That the National Audubon Society recommends that ratification of the "Interim Convention" be contingent on adoption of scientific management principles that insure the problems confronting the fur seal population will be resolved in a timely manner.●

NATIONAL TRANSPORTATION WEEK

HON. MARIO BIAGGI

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 16, 1985

● Mr. BIAGGI. Mr. Speaker, the President has proclaimed the week of May 12, 1985, as National Transportation Week. In his proclamation he states that our Nation's history can be traced through the development and growth of transportation in America. He notes that transportation today is critical to our economy and necessary to our defense.

On these points we can all agree. The difficulty has been actually developing a transportation policy that is in our national interest. In the maritime area, we have seen the U.S.-flag merchant marine decline to precipitous proportions with an alarming dependence on foreign-flag shipping for the transportation of our goods. I believe this is a threat to our economic well-being as well as our national security.

The United States is the greatest trading nation in the world. We have a fairly sophisticated network of commerical seaports. We have a national network of inland river ports. We have a capable and competitive domestic merchant marine. But what has happened to our capable and competitive offshore foreign trade fleet? Our combined share of bulk and general cargo carried in our foreign trade on U.S.-flag vessels has declined to less than 4 percent. The amount of bulk cargo that moves in U.S. bottoms is nearly nonexistent.

No one seems to dispute the need for a U.S.-flag merchant marine. The real issue is the type of maritime policy we must have in place to maintain a fleet that is in our economic and national defense interests. This policy must be coordinated and provide for a certain degree of stability to facilitate private entrepreneurial economic decisions.

Clearly, what is needed is a coordinated approach. The country must be made to recognize that we need a revitalized, competitive, and efficient U.S.-flag merchant marine, capable of carrying a substantial portion of our foreign waterborne commerce. It must be made aware that international shipping is not conducted in a free trade atmosphere. Foreign shipping has been and continues to be supported by the respective governments in their economic self-interest. We, on the other hand, seem to have a maritime policy that works against our self-interest and, in fact, adds to the economic interest and well-being of our trading partners. We must wake up and see the need to share in the movement of goods that are exported and imported by the greatest trading nation on earth. Hopefully, this will happen prior to the extinction of our merchant marine.

The last Congress—with the strong support of the administration—was able to amend the regulatory aspects of our shipping laws to provide for procedures that are consistent with those generally accepted in international trade. This will permit our liner fleet to compete on the same footing as the fleets of our foreign-flag trading partners.

We are now beginning to see the results of prior legislation that provided a 1-year window for building or acquiring vessels overseas. Many vintage vessels have been replaced by modern, efficient vessels. Another concerted and coordinated effort can and should provide us with a similar opportunity to replace the remainder of our vintage and fuel-inefficient fleet.

There are many more important issues facing the Nation and the U.S.-flag merchant marine. However, during this week of activity celebrating National Transportation Week, I would like the American public to be aware of the condition of, and the vital importance of, our merchant marine to the national economy and our defense. Revitalization of our merchant marine is a difficult one, but it is in our national interest. Let us all support our President and give full recognition to the importance of transportation to this country, particularly a healthy U.S.-flag merchant marine.●

END OF WAR CELEBRATION

HON. MEL LEVINE

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 16, 1985

● Mr. LEVINE of California. Mr. Speaker, on Sunday, May 5, 1985, I had the honor of speaking to a group of veterans in Los Angeles about the 40th anniversary of the end of World War II. This was the same day that our President laid a wreath at the cemetery in Bitburg where 49 members of the Nazi SS are buried.

In responding to the veterans organizations which asked me to speak on May 5, I attempted to place the meaning of that day and its events in an appropriate perspective.

I would like to submit for the RECORD the text of my speech. The text follows:

STATEMENT OF MEL LEVINE

Three days from now—the 8th of May—will be the 40th anniversary of the end of World War II. We are gathered here today to honor those who gave their lives in that war in the defense of our country and of our democratic ideals.

World War II was one of the clearest conflicts between good and evil in the history of man. The root cause of World War II lay in the deliberate attempt by Nazi Germany to impose its authority over the entire European continent.

The war that began that fateful day in September 1939 was to last six long, grueling, agonizing years. Before it ended, it claimed over one million American victims. Over 407,000 Americans lost their lives, and over 670,000 were wounded. Almost every American family was touched by its breadth and drama. Brave, courageous, generous men and women served our cause by joining the Army, the Navy, the Marine Corps or the Coast Guard. Others worked in industries important to the war effort, and every citizen made sacrifices in a common bond toward a common goal: the defeat of totalitarianism and fascism. What were we fighting for? Why were we compelled to join our European allies in defeating Hitler and his mad machine?

The answers are clear, because the lines were clearly drawn. We were fighting for democracy over dictatorship; freedom over oppression; good over evil.

But the victory cost us dearly, for we were fighting against a force driven by wickedness more powerful than the world had ever seen: the cruel and pitiless Nazis. It was the elite of this group—the notorious SS—who were even more brutal than the others. It was they who carried out the worst atrocity against American Armed Forces in the European theatre in what became known as the Malmedy Massacre. Nearly 100 American soldiers were murdered in cold blood by the Nazi SS at Malmedy.

Forty-nine members of the Nazi SS are buried in the German military cemetery in Bitburg where President Reagan today is laying a wreath. That the President would choose to so honor them is almost incomprehensible because, according to former West German Chancellor Willie Brandt, it is well known in Bitburg that the cemetery graves of Nazi SS men include those who massacred United States prisoners of war.

One author has described the Nazi SS this way:

"With their black uniforms, death's heads (a symbol of their willingness to die for Adolf Hitler) on their caps, and the runic double S flashes on their collars, the SS men were the terror of the entire European continent. Whatever the actual roles of the young men buried at Bitburg, the 'SS' is one of the most potent symbols of evil and cruelty in history."

And so it is.

President Reagan was urged by Republican and Democratic Senators and Congressmen alike to find another way, to find another site, to honor German war resisters or symbols of freedom, but not to go to Bitburg.

That the President would lay a wreath at Bitburg has understandably outraged not just veterans and Holocaust survivors but Americans, Europeans, and others who even in an age of moral relativism refuse to forgive and forget the embodiment of absolute evil in the form of the Nazis. The President's decision has divided us from our allies, not made us closer. It has brought painful recriminations, not healing. It has reopened old wounds, not closed them.

It is neither pleasant nor easy to criticize our President on a day such as this, but, as an American who loves our land and cherishes our freedom, I believe it is necessary.

I do not believe he intended any harm, but his visit to Bitburg brought too much rancor to our land. It is true that the President decided to go to Bitburg in the spirit of reconciliation. Who among us would oppose reconciliation with a country which has proven to be a strong, democratic ally? Surely we are proud of the relationship between the United States and Germany today. It is an important relationship, and one that has been carefully and appropriately nurtured on both sides of the Atlantic. But that does not allow us to alter or rewrite history. The Nazi SS were part of a world of absolute evil, and that fact cannot be buried and forgotten with the bodies of those 49 Nazi SS members.

President Reagan has said that the German soldiers of World War II "were victims just as surely as the victims in the concentration camps." But that is not true. Those men were active participants in the attempt to destroy the very foundations of Western civilization, and no amount of rhetoric can change that.

And so it is highly appropriate that we meet here today as a way of coming together to pay homage to those who rightly deserve our respect and gratitude: those who have fought for freedom and those who have paid the highest price for freedom: those who paid with their lives.

And it is you veterans—each of you—who deserve to be honored today. Our state, California, has the largest veteran population in the United States. I say that with great pride. We all owe the highest debt to our veterans, a debt which should never be forgotten.

Perhaps there are veterans here who served in World War I, World War II, the Korean War and the Vietnam War. Perhaps there are those who fought the battles at Argonne, Normandy, the Battle of the Bulge, Iwo Jima, Okinawa, the Pusan Perimeter, the Ia Drang Valley, or the Siege of Khe Sanh. The mere mention of these names conjures up the magnitude of the valor needed to fight for what we believe in, not only at the scene of these battles, but in every way our veterans serve our nation.

In preparing this speech, I spoke with a friend of mine who fought in the Battle of the Bulge. He was then a young man of 20. I asked him if he felt that he was part of a great and glorious effort. He said no—there wasn't time. He did say there was a feeling of patriotism among his fellow soldiers, and of being involved in what General Eisenhower called a "crusade." And they never lost sight of the principles in which they believed and for which they were fighting.

But mostly he felt there was a job to be done, and he, along with others, did that job to the best of their ability. There was no glory, only hard work and guts.

And that, I think, is your most valuable contribution: your willingness to work hard—with courage and purpose—for the survival of the principles in which you—in which we—believe. Without your courage and purpose, ennobling concepts such as democracy, liberty, and freedom—all that we stand for as a society—could now be a footnote in history. So, it is not only the Pershings and Pattons and Taylors who deserve recognition for a job well done. It is you as well—every one of you.

To all of you I want to tell you it is an honor to be among you here. Today our country is at peace. We are fortunate, indeed. But the enemies of democracy and freedom never sleep. Let us remember Hungary, Czechoslavakia, Poland, and Afghanistan—and all others who long to be free. The pursuit of freedom is difficult, and protecting it takes constant vigilence.

Let us remember and rejoice in ideals upon which our country is built, in which we believe, and for which you have fought.

Freedom and liberty are great gifts, and they are cherished by us all. It is those of you who have helped secure these priceless gifts who deserve to be honored. You have our profound respect, and our deepest thanks.

Let me close on a more personal note. I was just short of two years old on V.E. Day. Those of you who fought that terrible war allowed me and my entire generation to grow up in freedom—perhaps to grow up at all.

We owe you the highest debt of all, the debt of preserving our society and our liberty.

Now I have the honor of serving my nation and my district as Member of the United States Congress. No one could ask for a more challenging or rewarding form of public service. In discharging my oath of office, I do so with deep gratitude and respect for each of you, who have helped insure that all we believe in can survive.

More Americans alive today were born after the heroic and noble deeds of our soldiers in World War II were completed. For too many Americans, World War II is an historical event, inadequately understood or appreciated.

Forty years is a long time in each of our lives, but only a flicker in the history of civilization. Yet, it is well to remember that our civilization, certainly our nation and all we hold dear, was preserved by those of you who insured our victory in 1945.

It is a story which can never be forgotten and its participants can never be given too much gratitude.

And so, it is with great respect and gratitude that I join you today and say to all our veterans: thank you; and to recall a job brilliantly done.●

INTRODUCTION OF THE EVEN START ACT

HON. WILLIAM F. GOODLING

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 16, 1985

● Mr. GOODLING. Mr. Speaker, I would like to take this opportunity to describe the Even Start Act which I am introducing today. This bill would establish a pilot program to develop methods for parents in adult literacy programs to acquire the skills necessary to work in the home with their children. This legislation is designed to use existing funds and would thus require no additional spending.

Without a doubt, we are currently in a period of educational soul searching and reform. The transformed educational system that we are seeing created will be stronger and more effective than what existed prior to this examination.

The fact is that we simply must improve the way we educate students of all ages. To not do so puts our Nation at risk in terms of economic development, national security, and personal freedom.

The high rates of early school failure, school dropouts, adult illiteracy, and joblessness among certain subgroups of the population are symptoms of serious trouble in this country.

The bill I have introduced, the Even Start Act, is designed to address these problems through a combination of proven approaches offered in a new format.

A consensus has developed among educational researchers, professional educators, and policymakers that early childhood education programs are a powerful intervention in the lives of students likely to suffer from school failure. Evaluations have demonstrated their effectiveness in preventing school failure and dropping out and improving later life chances.

In addition, research has demonstrated that constructive parental involvement can have beneficial effects on the learning outcomes of children.

The Even Start Act would bring these two principles together by helping parents to acquire specific skills to become partners in the education of their children. More specifically, adult basic education would cooperate with chapter 1 remedial education programs to develop innovative approaches to working with adults and children. The first goal of the program would be the training of adults in basic literacy skills. Once this goal was attained, instruction involving the parent working directly with the child would take place. To participate in this program adults would have to be eligible for participation in an ABE Program and have a child aged 4 or 5.

This bill does not propose a specific structure for how these services would be delivered. Instead applicants are encouraged to design innovative and educationally sound proposals to attain the goals specified in the act. Proposals would be chosen on a competitive basis by a review panel appointed by the Secretary. Three programs would be selected for funding, two from urban settings and one from a rural area.

The value of a small program such as this is its ability to demonstrate new ways of achieving successful results. The evaluation and dissemination requirements in the bill ensure that we will know what was done, with what effects, and then be able to share this knowledge through established dissemination mechanisms.

Chapter 1 and ABE have both been successful programs in their own right. The legislation described here attempts to build from their efforts to make even greater gains in the education of both adults and their children. Given the restraint on new spending recognized by a majority of Congress, it is incumbent upon us to look at already existing funds for new approaches to lingering problems. Even Start demonstration projects would be funded by setting aside a small amount of future chapter 1 and ABE appropriations for this purpose.

I feel it is appropriate that this bill is being introduced during the 20th anniversary of the declaration of the war on poverty. From the start of this war, education was to be the major weapon. Many of the problems that existed in the 1960's are still with us today. We cannot be satisfied with only maintaining what has been done in the past. The legislation I have introduced is a product of what has been learned from the important educational efforts of the last two decades and an attempt to carry them even further into the future.●

REPLACEMENT TRAINING VESSEL FUND

HON. MARIO BIAGGI

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 16, 1985

● Mr. BIAGGI. Mr. Speaker, I have been concerned over the need to provide for the building or acquisition of modern training vessels to replace existing training vessels at the State maritime academies. The Maritime Administration has been charged with the responsibility for the education and training of individuals capable of providing for the safe and efficient operation of our merchant marine. Yet, it has not developed any type of long-range plans to replace the existing, aging, and obsolete State training vessels.

Last year, Congress was able to make a start in this direction by appropriating $8.5 million as part of the supplemental appropriation bill of 1984 [Public Law 98-396] to replace the training vessel of the State University of New York Maritime College. The administration, on the other hand, requested deferral of this $8.5 million to defray other operations and training costs, claiming that is cannot find a suitable vessel that can be acquired and converted with these funds. I believe the funds should be used for the building or acquisition of modern training vessels within the next few years. There is a reasonable expectation that the administration's request to defer the $8.5 million of budget authority will be denied when the Appropriation Committee favorably endorses the action of the Subcommittee on Commerce, Justice, State, and the Judiciary.

This legislation amends the Maritime Education and Training Act of 1980. It requires the Secretary of Transportation to maintain a replacement training vessel fund for the building or acquisition of modern training vessels to replace, within 10 years, existing training vessels. It also provides for crediting to the fund the $8.5 million that has already been appropriated, and makes provisions for future authorizations and appropriations.

The authorization for Federal assistance in providing training vessels for the State maritime academies originated with enactment of the Merchant Marine Act of 1936 and was continued in the Maritime Education and Training Act. With the possible exception of the recent replacement vessel for the Massachusetts training vessel, the *Bay State,* which suffered a total constructive loss as the result of an engine room fire, the remaining four training vessels are totally inadequate and do not in any way represent the equipment that is currently in use in the merchant marine. These vessels are the *Golden Bear* [California], built in 1939; the *Texas Clipper* [Texas], built in 1944; the *Empire State* [New York], built in 1952; and the *State of Maine* [Maine], also built in 1952. The oldest is 46 years old, and the newest is 33 years old.

Their maintenance has become more expensive and difficult with each passing year. Some repair parts are becoming nonexistent. Soon, another $2.5 million in unplanned expenditures will be spent on repairing the boilers of the *Empire State.* These vessels are powered by old and fuel-inefficient steam plants that are rapidly going out of worldwide use in favor of diesel propulsion. They utilize vintage direct-current equipment [instead of alternating current]; equipment that fewer and fewer companies manufacture;

equipment that is nearly impossible to obtain.

These training vessels are marginal at best. Each year presents a new dilemma in their ability to meet minimal Coast Guard standards for safety. These vessels are poor representatives of this great Nation when they visit foreign ports or when visited by worldwide maritime figures. I cannot help but note that some Third World countries have modern training vessels and equipment while we have to struggle with vessels and equipment that have been declared obsolete.

Although these vessels can now be used for troop transport in time of national emergency and are maintained in a 20-day readiness state, they leave much to be desired. New training vessel configurations could be developed to provide for rapid troopship conversion. This has the potential for being both economical and beneficial to the defense planners as they fund the moderization of the Ready Reserve Fleet and, thereby, enhance our sealift capacity.

I believe this legislation to be cost-effective and in the national interest. I, therefore, urge your support in seeing to its enactment.●

CULTURAL PROPERTY REPOSE ACT OF 1985

HON. RICHARD A. GEPHARDT

OF MISSOURI

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 16, 1985

● Mr. GEPHARDT. Mr. Speaker, recently I and a number of our colleagues introduced H.R. 2389, the Cultural Property Repose Act of 1985. The purpose of this legislation is to free the owners of cultural property and art work from the threat of civil suit by foreign governments.

Museums and private collectors across the country who have acquired works of art legally, in good faith, and for legitimate educational and aesthetic purposes are now at risk of having their property expropriated through civil suits by foreign governments.

This treat exists because we have no Federal statute of limitation barring such suits. Under many of our State laws, the limitation period for civil claims by foreign governments starts on the date the property is demanded, rather than the date the property was brought into the country. This allows foreign governments to sue for property acquired in the distant past.

Such suits are actually taking place. The Romanian Government recently claimed a painting by El Greco from the Kimbell Art Museum in Fort Worth, TX. The Government of Peru is claiming title to all pre-Columbian artifacts from that region, no matter how long they have been in the United States.

Foreign nations clearly have a right to protect and preserve cultural and art items they consider part of their heritage. This bill neither questions the legitimacy of cultural self-definition by nations nor condones or legalizes thievery of cultural property.

However, museums clearly have a valid and important function to perform in bringing the culture of other nations to visitors to their exhibits. Collectors, museums or individuals, also clearly have a right to acquire items in other countries legally and in good faith, without fear of subsequent seizure by the government of the country of origin. Our bill is designed to protect that right.

The issue is one of fairness. Other countries have statutes of limitation barring suits by the U.S. Government. Yet our collectors remain subject to the seizure of property that they acquired legally and in good faith.

The Cultural Property Repose Act of 1985 sets a timetable for suits by foreign governments for cultural property. It bars suits if the property has been in the United States 5 years prior to enactment. It stipulates that property held in museums would be free from suit if it is displayed or discussed in museum literature for 2 years after enactment. Private collectors would be free from suit if their property is publicly exhibited or discussed for 3 out of 5 years after enactment.

Our bill is a substantially unchanged version of H.R. 5924, introduced last session by our late colleague Gillis Long. It complements Public Law 97-446, which implemented the UNESCO Convention on the Means of Prohibiting the Illicit Import, Export, and Transfer of Ownership of Cultural Property. Under Public Law 97-446, the U.S. Government and foreign governments may agree on the formal designation of significant items and categories of cultural property; this designation then imposes import restrictions to curtail illicit international trade in designated items. The law provides for seizure and return of objects imported in violation of those restrictions after its enactment, subject to a sliding scale of repose periods, ranging from 3 to 20 years, depending upon the likelihood that interested parties could determine the item's whereabouts through proper investigation.

These provisions are fair and necessary. The problem is that Public Law 97-446 does not apply to items exported before the date of designation by the governments, nor to undesignated items, nor to any form of action other than a suit by the United States to enforce the import restrictions.

The Cultural Property Repose Act of 1985 is designed to fill these gaps. It covers all forms of cultural property as defined in the UNESCO Convention, regardless of designation. It applies to all items presently located in the United States. It applies to all civil litigation.

The purpose of H.R. 2389, as is the purpose of Public Law 97-446, is to discourage illegal trade in cultural property while establishing proper protection of long-established rights to items held in the United States legitimately.

Mr. Speaker, I insert a section-by-section analysis in the RECORD:

SECTION-BY-SECTION ANALYSIS

The bill would add a new chapter 101 to Title 28 of the United States Code: "Repose for certain items of archeological and ethnological material and cultural property."

Section 1641 of Title 28 establishes a uniform statute of limitations applicable in all suits brought in courts in the United States by foreign sovereigns claiming ownership of an item of cultural property, preempting any contrary State Law.

Subsection (a)(1) applies to cultural property that was imported into the United States five years or more prior to the date of enactment and bars suits by foreign sovereigns, their assignees and successors in interest, to recover damages or possession of such property. Subsections (a)(2)-(a)(4) establish a sliding scale of repose periods that will apply after date of enactment to items imported into the United States before or after the date of enactment, depending upon the nature of the holding in the United States.

Subsection (a)(2) applies to museums or institutions and allows repose after two years for items or cultural property held by such institutions if, for that period, the museum or institution has exhibited the item or has made knowledge of it available through publications, cataloguing or otherwise.

Subsection (a)(3) applies to any holder of cultural property and establishes repose where for three out of five years the item is publicly exhibited or publication is otherwise made that the item of cultural property is being held here.

Subsection (a)(4) applies to any holder of cultural property and allows repose after ten years unless a foreign state can establish that the holder acquired the property with actual knowledge that it had been removed from the possession of the country of origin in violation of the law of that country.

Subsection (b) of the new section 1641 of Title 28 applies only to items to which the restrictions of Public Law 97-446 apply by virtue of designation or emergency Presidential action, and for them establishes an exception to the general rules of subsection (a). For those designated items, the bill allows repose from civil suits by foreign nations on precisely the same conditions and after the same periods as prescribed in Public Law 97-446 for violations of that law's import restrictions.

Subsection (c)(1) defines the items of cultural property covered by the bill to have the same meaning as under the UNESCO Convention on the Means of Prohibiting and Preventing the Illicit Import, Export, and Transfer of Ownership of Cultural Property.

Subsection (c)(2) defines "foreign state" consistently with the rest of Title 28 of the United States Code.

Section 3 of the bill establishes the effective date and makes the provisions of the

bill applicable to any proceeding that is pending or initiated after enactment.●

VETERANS HEALTH CARE BUDGET CANNOT BE REDUCED FURTHER

HON. G.V. (SONNY) MONTGOMERY

OF MISSISSIPPI

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 16, 1985

● Mr. MONTGOMERY. Mr. Speaker, next week the House may be making major decisions on the budget for fiscal year 1986. Many Federal programs will be affected. The decisions we must make will not be easy. We all have different priorities.

A very high priority of mine is veterans health care. I want my colleagues to fully understand the impact of any budget reductions in funds to operate the VA's health care system. Who is better able to relate the problems in the field than the people in the field?

According to the chiefs of staff at VA hospitals nationwide who responded to a recent survey, inadequate budgets are already taking their toll. More cuts in the budget will mean longer waiting lists, the turning away of certain non-service-connected veterans, and delays in many surgical procedures.

There follows a report from the chief of staff at the VA Medical Center in West Roxbury, MA:

VETERANS' ADMINISTRATION
MEDICAL CENTER,
Brockton and West Roxbury, MA,
January 24, 1985.

HOWARD H. GREEN, M.D.,
Chief of Staff (II), Veterans' Administration Medical Center, White River Junction, VT.

DEAR DR. HOWIE GREEN: This is in response to your January 2, 1985 letter about the universal problem of increasing shortages of funds to continue operating VA Medical Centers.

A. Size of Hospital: Operating Hospital Beds, 997; Nursing Home Care Unit Beds, 100; Total Operating Beds, 1097; Authorized Hospital Beds, 1080; Nursing Home Care Unit Beds, 100; Total Authorized Beds, 1180.

B. Affiliated with Harvard Medical School.

C. Projected Dollar Deficit as of January 1, 1985: We project no dollar deficit for this Medical Center. This is no reflection of affluence, but simply that we continually adjust our personal service and "All Other" dollars to reflect funding. There is no "base line year" which is felt to be illustrative of full funding that we would use to project a dollar deficit; rather, for many years we have been scaling down clinical and administrative activities as necessary to stay within budget.

D. Impact of Dollar Deficit:

1. Personnel: Inpatient staffing in professional services has remained approximately constant over the last several years. Though the rate of patients treated is also constant, a decreasing average length of stay, coupled with an increase in the complexity and severity of illness has resulted in an increasing workload on a sparse and unchanging staff. There have been dramatic difficulties with the Nursing Service staffing on several psychiatry wards and some SCI wards as well as the nursing support of the operating room and all intensive care areas. Some of the workload has been absorbed by increasing involvement of residents in both in and outpatient settings, as well as the hiring of more physician assistants and nurse practitioners. Professional support services such as Laboratory, Radiology and Respiratory Therapy are hard pressed to meet regular tour responsibilities, and at the Brockton Division we are unable to provide 24 hour service in any of those areas. Waits for General Medical Clinic average approximately two months for new patients and for certain subspecialties such as Orthopaedics and Dermatology, the wait can be almost six months.

2. Supplies: It is this area in which funding deficits are most dramatically experienced. For 1985 we budgeted all control points based on recurring funds for 1984, and predictably, almost every control point for both administrative and clinical services is over budget at the close of the first quarter. Since it is unwise to plan on the availability of drop money in the fourth quarter, we have initiated steps to curtail surgery, catheterizations and the prescriptions of drugs for outpatients. Such areas such as oncology, orthopaedic surgery, podiatry, optometry, prosthetics, and general medical clinic for non-service connected veterans are coming under increasing scrutiny.

3. Equipment: In this area we are the least severely hampered by budget shortfalls. However, much of our equipment is aging and requires frequent repairs.

4. Backlog of Patient Surgery: There are no specific statistics kept in this area. Cardiac surgery has a varying waiting list of one to three months. The other surgical sections often require waits for elective surgery of two to four months, including orthopaedics and urology.

E. Solutions We Have Devised: We have devised no obviously effective solution to this situation other than the fall back position of restricting access to care of the non-service-connected veteran, which we find difficult to accept. Rather, we have focused on ways to become more efficient without reducing services. To this end we have planned, or actually taken, the following steps:

(1) Pharmacy and Therapeutics Committee has made and continues to make marked reductions in the availability of many types of agents, including reductions in the numbers of antibiotics, antacids, cardiac drugs, sedatives and over-the-counter drugs.

(2) The Infectious Disease Section has been required to monitor and restrict the use of all expensive antibiotics including third generation cephalosporins. Constant physician education to prescribe less expensive or generic drugs.

(3) The Ambulatory Care Service is attempting to limit the number and types of prescriptions utilized in the care of outpatients.

(4) Severe curtailment of all fee for service tests or therapies.

(5) An extensive effort is being made to determine the cost of various tests and procedures and to hold bed section and ambulatory service chiefs responsible for these costs. Elimination of routine x-rays, skull x-rays without signs of symptoms, standing orders and routine lab tests.

In the long run, funding reductions will lead to service cuts. For the time being, cost accounting methods, formulary restrictions, physician education, and other such initiatives can help render the delivery of care more efficient, but can obviously not substitute for adequate funding. Whenever funding becomes inadequate to carry out our mission, we will cut services rather than compromise the quality of the patient care services we deliver.

Sincerely yours,
ERNEST M. BARSAMIAN, M.D.,
Chief of Staff.●

THE FRAUDULENT YOUTH EMPLOYMENT PRACTICES ACT

HON. RON WYDEN

OF OREGON

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 16, 1985

● Mr. WYDEN. Mr. Speaker, I rise today to introduce a bill that will help put a stop to a silent national scandal: the abuse of young people through employment in fraudulent sales schemes.

This legislation, the Fraudulent Youth Employment Practices Act, establishes an information clearinghouse on fraudulent youth employment practices within the Federal Bureau of Investigation's National Crime Information Center. It also directs the U.S. Department of Justice to vigorously investigate and prosecute violations of Federal criminal law discovered through this clearinghouse.

After consulting with a wide range of law enforcement officials, it became abundantly clear that there is a great need for a national information center so that these officials can monitor the activities of unscrupulous door-to-door selling groups.

Although we believe that the vast majority of door-to-door sellers are wholly honorable and reputable—we know them in every community as Scouts, Camp Fire, little leaguers and many others—there are groups in this country that are breaking the law and exploiting our young people.

Earlene Williams, the national director of Parent Watch, estimates there are more than 200 questionable door-to-door sales companies operating across the country. They prey on the desires of young people to get a job, to travel to new places, and to make money. They twist these normal desires to their advantage and in the process threaten the safety of the youths in their employ and defraud consumers.

Here's how these companies—which can be peddling anything from magazine subscriptions to chemical cleaners—usually work. They will advertise jobs that promise high pay and the adventure of travel. They will then conduct interviews and tell the prospective employee—usually between 16 and 24 years old—that they can have the job but they have to leave right away.

Some groups which specialize in selling candy, hire children between the ages of 8 and 15. While many candy-selling groups do not take children across State lines, or on overnight trips, they violate virtually every child labor law in the book. They say there's no time to talk to parents. The only contact made with parents is usually in the form of a letter from the operator of the company to tell them, that because of the travel itinerary, all mail to their child will have to go through a central location.

After that, the unfortunate young people who have decided to sign on to these crews are subject to a vast array of threats to their health and well-being. They are taken from familiar surroundings, work 14 to 16 hours a day, sleep in crowded conditions, are subject to humiliation and physical abuse at the hands of the sales crew leaders and are transported in unsafe vehicles. In one case, five young people perished in a plane crash in Alabama caused by overloading and poor maintenance, according to Federal Aviation Administration investigators.

And these crews are not limited to any one part of the country either. Many of my colleagues may have had these kids come to their doors. Or they may have been strolling down Pennsylvania Avenue after a late session and seen youngsters as young as 8 years old out on the street corner after 10 p.m. trying to sell candy.

One would think it would be rather simple to crack down on these groups both because of their obvious abuse of young people and because of the fraudulent sales practices—such as deceptive claims, faulty merchandise, and violations of weights and standards rules—they employ. But these groups are extremely mobile. It's not unusual for them to disappear from a State literally overnight when local law enforcement authorities catch wind of them. It's also not unheard of for these groups to be put out of business one day and resume business the next under a different name.

That's why the local officials contacted during our research have expressed the need for a central source of information to more effectively monitor sales crew activity in other States so they can be better prepared in the event their own State is subjected to these fraudulent groups. An information clearinghouse such as the one created by this bill would enable States to follow up on investigations that will lead to prosecution.

The National Crime Information Center is an effective law enforcement tool that is already in operation. The creation of a National Clearinghouse on Fraudulent Youth Employment Practices would not require any new bureau, agency, or department. We simply build on an existing resource. Furthermore, NCIC is mindful of the needs of local law enforcement and its policy advisory board regularly meets to evaluate these needs and the effectiveness of the data bank files.

Once the clearinghouse is established, the 50,000 law enforcement agencies that participate in the NCIC system would be able to contribute and to receive information on these fraudulent groups. The value of this approach is that this information can be retrieved almost immediately from the NCIC files. For example, if a law enforcement officer spotted a vehicle hauling a group of youngsters around selling products door to door, the officer could simply contact the police dispatcher with the license plate number of the vehicle and the dispatcher would punch that number into a computer terminal connected to the NCIC and instantly get a readout on any fraudulent activities that the owner of that vehicle has been involved in. In addition, any State or local official authorized to participate in the NCIC system could frequently monitor the clearinghouse to get information on these groups.

I firmly believe that with a little information available in a timely fashion to the right people, we can put these dangerous and unscrupulous operators out of business. And, most importantly, we can take a step toward protecting our youth from dangerous employment practices. I urge my colleagues to join me in this effort.

H.R. 2544

A BILL To direct the Attorney General to establish a clearinghouse for information relating to criminal practices in connection with certain employment of youth, to require active Federal investigation and prosecution of such practices in violation of Federal law, and for other purposes

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as "The Fraudulent Youth Employment Practices Act."

SECTION 2. CLEARINGHOUSE.

The Attorney General shall establish and maintain in the Department of Justice the National Clearinghouse on Fraudulent Youth Employment Practices (hereinafter in this Act referred to as the "Clearinghouse"). The Clearinghouse [utilizing the resources of the Department of Justice (including identification records and information acquired under section 534 of title 28, United States Code)] shall provide technical assistance to non-Federal governmental entities in the United States—

(1) to enable such entities to identify and collect data on fraudulent youth employment practices in the solicitation of magazine subscriptions and the sales of products;

(2) to assist in the reporting of such data to the Clearinghouse; and

(3) to assist such entities in the use of data disseminated by the Clearinghouse to obtain criminal prosecutions.

SEC. 3. FEDERAL PROSECUTIONS.

If the Department of Justice becomes aware of a violation of Federal criminal law through the data reported to the Clearinghouse, it shall be the duty of appropriate officials in the Department of Justice vigorously to investigate and prosecute such violation.●

REMARKS BY ADM. JAMES D. WATKINS, CHIEF OF NAVAL OPERATIONS, ON STRATEGIC SEALIFT

HON. JOSEPH P. ADDABBO

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 16, 1985

● Mr. ADDABBO. Mr. Speaker, I would like to bring to the attention of my colleagues a recent speech delivered by Adm. James D. Watkins to the National Security Industrial Association Conference on Amphibious Warfare/Strategic Sealift requirements. In it, he discusses how our paucity of strategic sealift could cause our national economy and our industrial base to become hostage to foreign flag shipping—what we're doing about this situation, and what needs to be accomplished.

The following is Admiral Watkins' speech:

THE TIME IS NOW, WE CAN WAIT NO LONGER

(Remarks by Adm. James D. Watkins, Chief of Naval Operations, National Security Industrial Association, Sixth Annual Conference on Amphibious Warfare/Strategic Sealift Requirements)

A well-known writer on military affairs once rhetorically asked—"What need has the United States of sea power? Her commerce is even now carried by others; why should her people desire that which, if possessed, must be defended at great costs?"

This writer answered his own question by saying—"so far as this question is economical, it is outside the scope of my work; but conditions which may entail suffering and loss on the country by war are directly pertinent to it."

While that may sound like debate surrounding the health and welfare of, and requirement for, a strong and ready navy and merchant marine today, that actually was written by Admiral Alfred Thayer Mahan almost one hundred years ago.

It is interesting to note—and somewhat apocalyptic—what Mahan believed to be one of the quintessential elements of sea power—and that is a strong national trade carried in a ready merchant marine. A nation's sea power, then, is not one dimensional, is not measured only by counting ships of war. It is rather a combination of various aspects, ranging from shipyard construction and repair capabilities to a capable navy and merchant marine.

This was a lesson we learned from Mahan and proved in action during World War II. In fact, as we entered the 1950s, America's Navy and Merchant fleets were the envy of the world. That was a golden era—when we had more tonnage underway than any other nation.

But, we forgot the warnings of Mahan, and, for a number of reasons—ranging from economic to political—we allowed our Nation's sea power to wither and almost die. By the end of the 1970's, we had that infa-

mous one-and-a-half-ocean Navy with a three-ocean commitment, and a merchant marine which had all but disappeared from the seas.

With the 1980s, and the Reagan administration, came dramatic new awareness in the need for American sea power. A commitment was made to the American people—they would have a 600-ship Navy on the seas by decade's end. But sea power, more than combatant ships alone, is having a strong merchant marine as well. And, herculean efforts are still needed to correct deficiencies in our U.S. flag fleet. I don't have to remind this audience that our merchant marine has fallen from first in the world in 1950 to tenth place today.

Can we allow this vital arm of sea power to atrophy by default any further? I say, no. If we do, our Nation could easily be crippled by a determined foe, and they know it. Our merchant fleet must not only provide efficient, economical and profitable commercial services in peacetime, but must also be ready to carry men, material and supplies as a naval auxiliary force in times of emergency. A well-sized U.S. flag fleet is an essential element of deterrence for a maritime nation.

In fact, it is estimated that more than one thousand merchant shiploads per month would be required to reinforce and resupply Europe during the first 180 days of a conflict. Since our national strategy of forward defense implies that armed conflict will usually occur far from our shores, strategic sealift capabilities are absolutely essential to our defense.

Winston Churchill wrote that "victory is the beautiful, bright colored flower; transport is the stem without which it could never have blossomed." This was demonstrated during the Falkland Islands campaign—when Great Britain had to organize every sealift resource available to support an 8,500-mile logistics pipeline . . . use every ship they could get underway including the QE2.

The British were successful. They kept logistics lifelines operating, but just barely. This single-theater operation was barely supported with a merchant fleet twice the size of our own, and without excessive losses from hostile action.

But, if we had to confront a threat in various oceans and regions, would we be assured of victory with our merchant marine of today?

Answering that question brings the need for a strong maritime fleet into sharp focus: Today, our sealift studies show that it would essentially take every single U.S. flag merchant ship—and most of those of our allies—just to support our forward deployed forces in a large-scale conflict. And, that doesn't even include any additional ships for attrition.

The result is that our national economy and industrial base would be hostage to foreign flag shipping for vital services and import of natural resources. This is not a comfortable position for an insular nation . . . particularly one with globe-spanning commitments and dedicated to the defense of the free world. As Mahan warned, "the distance which separates (us) from other great powers, in one way a protection, is also a snare."

So, what I am talking about is not just a Navy problem . . . isn't just a merchant marine industry, union or shipbuilder's problem . . . isn't just a problem for this administration. It is a national problem. Our shriveled merchant marine arm of American sea power is a problem not only of tremendous economic and commerical proportions, but of significant national security implication as well. And, the only people who have any reason to breathe easy are our potential enemies.

Look at the facts—while our merchant seagoing fleet has dwindled, the Soviet fleet has grown to more than 2,500 ships. The Soviet merchant marine that was the twenty-first in size in 1950, is number two in size today.

As the current edition of Soviet military power points out, "the growth of the Soviet merchant marine . . . has been carefully directed to create a fleet that can perform a commercially competitive peacetime mission and satisfy military logistics requirements in crisis or war."

It also is very clear: Russian naval and party leaders thoroughly understand the importance of a strong merchant fleet. The head of the Soviet navy, Admiral Gorshkov, has said, "the seapower of the Soviet Union depends on all its means of exploiting the world's oceans . . . transport ships and naval forces . . . and on serving its national interests by combining them properly." These merchant ships are commanded largely by naval reserve officers and routinely participate in major naval exercises. In fact, the operations of the merchant marine are closely coordinated with naval requirements from the Moscow level. Their merchant fleet is a chameleon which quickly changes color from benign merchant ships to combat-supporting ships.

Maybe that is one of the few advantages of a centralized state system, where policies are dictated, competition wiped away, and complete control administered. But, I must admit that I believe in our system of competition and innovation. And, if we believe in this Nation's ability to overcome obstacles when we put our hearts into the task, and our collective wits to the problem, that is what we need right now. But, you say, "What has the Navy done to help tackle this National tragedy of potentially fatal proportions?" I say, "Quite a bit!"

I am first to admit that we in the Navy underplayed the magnitude of our problem, and the risks it entailed, and for too many years. Frankly, strategic sealift was a "back seat priority" because we were living under the narcotic of detente and false expectations that Soviet behavior would somehow magically change. So, our inability to support the Army's transport and logistic requirements was the result. To a great extent, however, these days are fortunately passing in our wake astern. Now, with the narcotic worn off, we are urgently doing everything we can to rebuild this Nation's strategic sealift.

In March of 1984, we formally recognized strategic sealift as the third major function of the Navy along with sea control and power projection. This reemphasized the increasing importance of strategic sealift to our overall military and deterrent capabilities.

In the summer of 1984, we signed an agreement with the Army to enhance our joint-interservice responsibilities in the area of sealift with the objective to provide a smooth flow of materials to support our forces worldwide.

We backed up words with programs, including the construction and conversion of 75 sealift ships. In addition to these ships, our shipyards are upgrading more than 70 additional ships to go into our Ready Reserve force. In the last four budgets, we put more dollars into sealift than all the budgets since World War II combined. Here is a brief status report of our most noteworthy achievements:

The near-term prepositioning force was established in 1980 as a quick and efficient means of achieving dedicated sealift in the Indian Ocean, a region some 11,000 miles removed from our Nation. Today, these ships are in the Indian Ocean, Pacific and Mediterranean. They are capable of supporting a marine brigade, plus material and ammunition for Army and Air Force units.

We developed a follow-on program of maritime prepositioning ships. There will be 13 of these specially configured ships on line by this time next year. They will be loaded out with a full range of cargo, from ammunition and artillery to water and rations, ready to support three marine brigades for 30 days.

In order to quickly move large volumes of military equipment for the Army to distant areas, we also started converting eight large containerships into what we now call fast sealift ships . . . these former "SL-7s"—acquired by the Navy in 1981—will all be on line in their newly converted form by next year.

We didn't stop there—we started an ambitious expansion of our Ready Reserve force, our pool of Government-owned cargo ships that can be quickly activated. During 1984, the Ready Reserve force was expanded from 32 to 55 ships. We expect to increase to more than 100 ships in the next few years, forced to do so again because of a greater-than-expected decrease in projected U.S. Fleet numbers by decade's end.

Other programs to strengthen our sealift capabilities range from construction of new tankers and conversion of other ships into hospital ships to developing crane ships capable of unloading containerships in even the most primitive areas.

Maybe even more important than these initiatives is the spirit which we are applying to tackling this problem. For we don't look at the survival of the merchant marine as a "nice to have" or "somebody else's problem"—we look at it as a "must solve" by pooling national talents.

Typical is our decision to support American flag carriers whenever we can. We have even laid-up the Navy's own military sealift command ships to ensure, whenever possible, that our cargo travels in commercial bottoms. In 1980, we were running about 60 MSC ships on a regular basis in the Atlantic and Pacific in support of our Navy. Today, that number has been slashed about in half with a resultant increase in jobs for commercial carriers.

The Navy's military sealift command also is actively pursuing opportunities for contract operation of many of its civilian manned ships. Over one-half of its 126-ship force is already manned by contract crews, employing more than 1,700 mariners. This number will continue to grow as strategic sealift ships are delivered from U.S. shipyards. In addition, MSC is evaluating feasibility of contracting operation of up to 29 additional special mission ships now in the force.

Today, sealift is one of the fastest growth areas in the Navy budget. Our new awareness of sealift can be seen as we pump $20 billion directly into the maritime industry for new ship construction, ship conversions, charter programs, operations and maintenance. While I have repeatedly testified about the necessity of a strong merchant

marine on Capitol Hill, I think our actions are proof positive of our commitment.

But, the Navy cannot bear the total responsibility for revitalizing the maritime industry. Shipyards, labor unions and ship operators all must demonstrate their awareness and determination. There are no quick fixes or easy injections of subsidies which can correct these problems. The Navy's effort, while significant, is not enough. It is a modest injection where a transfusion is needed.

I realize many of you represent areas which have been hard hit by problems in our merchant marine. I realize you already have taken your cause up with our elected officials. Still, this is not enough. We must go further—together. We must use every means at our disposal, not as a way to push single interests, but as methods to push for the national interest. For this Nation needs its own flagships in both peace and war. Our seapower depends on it. I see the congressionally-mandated Maritime Commission as an unique opportunity to put our combined efforts together and start pulling on the same set of oars. Secretary Lehman has been designated Director of the Commission, and we in the Navy are very supportive of this process. I hope you are onboard too, so we can investigate means to correct current deficiencies.

My challenge to you today is to help us seek alternatives that are in keeping with our basic policy of reliance upon the U.S. merchant marine . . . alternatives that strengthen the merchant marine industry; return more shipping to U.S. flag; and provide these assets at roughly equal cost to what we are spending on strategic sealift today.

There is an abundance of cargo carried for use by this Nation and exported to other Nations. We must carry more of this cargo. We must learn to compete better on the real-world market place today to ensure survival of our merchant marine tomorrow. Since there will always be a differential between our wages and costs, and those of others with whom we are competing, we must get smarter, more efficient and use American ingenuity.

I believe this can be done by using our technological know-how and business acumen to increase efficiency. I am not here to advise on economic and business aspects of such undertakings, but I am here to say that if the merchant marine can compete better in time of peace, our sea power will develop the strength to compete better during time of conflict, against even a determined foe. I am here to say the U.S. Navy is in this with you—and is determined to do everything in its power to help restore our merchant marine to the role it used to play in this Nation's sea power.

This is our challenge. It comes from Mahan's work of 1890: "If time be, as is everywhere admitted, a supreme factor in war, it behooves countries whose genius is essentially not military, whose people, like all free people, object to paying for large military establishments, to see to it that they are at least strong enough to gain the time necessary to turn the spirit and capacity of their subjects into new activities which war calls for."

The time is now for developing a strong merchant marine. Time is now for countering a threat which is significant and growing. The time is now for enhancing effectiveness of our forward-deployed strategy which heavily depends upon a strong merchant marine.

We have taken the first steps back from the brink of only a few years ago. Now, if we work together, we can build the U.S. merchant fleet into a force strong enough to compete in a difficult business atmosphere; strong enough to ensure this Nation can support urgent national commitments and its mandate for "peace through strength."

Thank you very much.●

HARRIET P. HENRY: A PROMINENT MAINE JUDGE

HON. JOHN R. McKERNAN, JR.

OF MAINE

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 16, 1985

● Mr. McKERNAN. Mr. Speaker, it is with great honor that I take this opportunity to pay tribute to an accomplished public figure and pioneer, Judge Harriet P. Henry. When appointed district judge in 1973, she became the first female judge in Maine's long history. She has now set standards in the field and opened doors for the four other female judges who now serve with her in Maine.

An economics major at Smith College, her first job was in the Army's Office of the Quartermaster General in Washington, DC, as an economic analyst. She later transferred to the National Security Agency, working as an intelligence analyst. It was while working there that Mrs. Henry decided to take up law. She entered night school at George Washington University, and got her degree in 3½ years.

Four years after marrying Merton Henry, a fellow law student and now a prominent attorney, the couple moved to Portland, ME, in 1958, and she became involved in community activities. As a volunteer, she contributed to the community through her efforts on the Maine Status of Women Commission and as president of the Portland League of Women Voters.

While involved in these organizations, Henry also found time to author a four-volume report entitled "Maine Law Affecting Marine Resources", a landmark survey of 50 State agencies related to or affecting marine resources, sponsored by the University of Maine and the National Science Foundation. Later, she chaired the Joint Action Commission on University Goals and Directions for the University of Maine at Portland-Gorham.

In 1965, Mrs. Henry became a member of the Portland Housing Authority and, in 1973, became its chairperson. Later that year, Governor Curtis appointed her Maine's first female judge. She is currently active in several judicial organizations, including the Executive Committee of the National Conference of Special Court Judges, where she serves as editor of its newsletter.

There comes a time when old traditions must make way for progress. Harriett Henry not only proved that a female could be judge in Maine, but she showed that one's gender is not in the least a determining factor for success in law or any other profession. I ask my colleagues to join me in commending Judge Henry for this and her other noteworthy achievements.●

VETERANS' HEALTH CARE BUDGET CANNOT BE REDUCED FURTHER

HON. G.V. (SONNY) MONTGOMERY

OF MISSISSIPPI

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 16, 1985

● Mr. MONTGOMERY. Mr. Speaker, next week the House may be making major decisions on the budget for fiscal year 1986. Many Federal programs will be affected. The decisions we must make will not be easy. We all have different priorities.

A very high priority of mine is veterans health care. I want my colleagues to fully understand the impact of any budget reductions in funds to operate the VA's health care system. Who is better able to relate the problems in the field than the people in the field?

According to the Chiefs of Staff at VA hospitals nationwide who responded to a recent survey, inadequate budgets are already taking their toll. More cuts in the budget will mean longer waiting lists, the turning away of certain non-service-connected veterans, and delays in many surgical procedures.

There follows a report from the Chief of Staff at the VA Medical Center in Fort Wayne, IN:

VETERANS' ADMINISTRATION
MEDICAL CENTER,
Fort Wayne, IN, January 24, 1985.

HOWARD H. GREEN, M.D.,
Chief of Staff (11), President, NAVACOS, VA Medical Center, White River Junction, VT.

DEAR DR. GREEN: I received your letter of inquiry dated January 2, 1985 this past Monday, January 21, 1985.

I shall answer the questions categorically:

(a) 230 beds.

(b) No.

(c) As of January 1, 1985, unknown.

(d) 1. Personnel.—It is extremely difficult to recruit virtually any professional individual at this hospital, since we cannot pay, e.g., the pharmacist, physical therapist, recreation therapist, etc., a wage comparable to those receive by the private hospitals in our particular area. As far as physicians are concered, it is extremely difficult to recruit those who are qualified since their ability to make more money in the private sector or in other areas of the non-private sector far exceeds what we pay at the VA, including the so-called "fringe benefits" we are eligible for.

2. Supplies.—We have a chronic lack of material since we do not have the funds to purchase needed items, e.g., oxygen, various forms of medication and drugs which should

be used in the latest therapeutic armamentarium by any active competent physician and/or hospital.

3. Equipment.—We lack an ultrasound, a CT-Scanner; we have been asking for a Gamma Camera for the last three years and it looks as if nothing is going to happen that will replace the current one which is obsolete. Every single hospital in this area is equipped with all of this equipment and more and we have to pay for their services on a contractual basis in order to afford our patients the ultimate in diagnostic and/or therapeutic modalities.

Further, in conjunction with this, we have to contract out for oncology and radiation therapy services since we do not have the facilities nor the personnel, nor can we recruit the personnel. If we could recruit, we don't have the equipment to use by qualified individuals.

4. Backlog of patient surgery.—Our only backlog at this point in time is with orthopedic patients whom we are not able to serve here, since we have no orthopedist, nor can we recruit one, apparently. They have to go to our tertiary unit (Indianapolis) which is 130 miles distance one way and they have difficulty in recruiting an orthopedic surgeon and/or department. As a result, it is at least a four or five month delay, except for an extreme emergency, for a patient with an orthopedic problem to be attended to.

The same holds for a cardiologist; the compensation in this system is so poor that we cannot compete with the private sector, particularly in these two areas.

(e) Contract out, basically.

(f) It would seem to me, medically and fiscally prudent to increase the compensation afforded the professional personnel in the VA system. The threat of a 5% cut in wages has a pervasive depressing aura, not only on the people who are already working in the system, but on those people whom we have recently interviewed who thought they might like to enter the VA medical system. They feel that if they enter with an assumption of certain benefits and wages that these benefits are liable to be reduced arbitrarily and capriciously.

I would like to suggest that we use a medical placement service, as any other private hospital does in obtaining or helping us obtain physicians and other personnel, i.e., recreation therapist, physical therapist, etc. It appears to me that the main block to this is the fact that we in the Federal system are not allowed to pay for the services of the medical placement agencies. Quite frankly, I think this is preposterous and negates what we can do constructively to improve the care and treatment of veterans to have higher quality physicians and ancillary personnel utilized in treating veterans.

Candidly, I think the money is there. I would suggest that the distribution of it has been in the wrong areas, i.e., millions and millions of dollars going to foreign aid, very little going to the treatment of our own veterans, who, in many instances, fought overseas to liberate the countries we are now supporting and have supported for the last 40 years.

Lastly, I think the concept of Resource Allocation has little basis in reality, is faulty, and is quite possibly unrealistic in operation. I consider this, however, the least of our problems.

Cordially,

ROBERT F. GREEN, M.D.,
Chief of Staff.●

WALTER PIUREK, THE MAYOR OF JOSLYN SQUARE

HON. BRUCE A. MORRISON

OF CONNECTICUT

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 16, 1985

● Mr. MORRISON of Connecticut. Mr. Speaker, today I rise to pay tribute to Walter Piurek, "the mayor of Joslyn Square," in New Haven, CT, in my Third Congressional District. This Sunday, May 20, 1985, New Haven proudly honors Mr. Piurek on his 75th birthday.

Mr. Piurek has been a leading figure in New Haven for over 50 years. From 1938 until his retirement, his little restaurant at the corner of Humphrey and East Streets was a fixture on the New Haven scene, a popular gatherplace for politicians, businessmen, and sports fans. The restaurant has recently been renovated and will be rededicated during the Sunday birthday celebration.

Mr. Piurek served as a Polish interpreter at the old New Haven City Court and a State boxing inspector. He is a member of the St. Stanislaus Ushers Club, the St. Stanislaus Holy Name Society, the Tadeusz Kosciuszco Society Group No. 103, the Polish Roman Catholic Union of America, the Knights of Columbus San Salvador Council 4th degree, the John Barry Assembly, the Moose Club, and the St. Stanislaus Parish Council.

I am pleased to join with so many others in honoring Walter Piurek for his contributions to our community over five decades.●

PARTISAN POLITICS RESULT IN A PAT ON THE BACK FOR CHILE'S PINOCHET

HON. MICHAEL D. BARNES

OF MARYLAND

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 16, 1985

● Mr. BARNES. Mr. Speaker, 3 weeks ago the House voted down House Concurrent Resolution 52, a resolution calling for the restoration of democracy in Chile. It was quite obvious to everyone in this House why that resolution failed. It did not fail because Members on both sides of the aisle do not support a restoration of democracy in Chile, but rather as a result of partisan politics in this Chamber.

Immediately preceding the vote, Republican Members had made the declaration to vote "no" on all suspensions in retaliation for the decision to seat our colleague from Indiana. The resolution on Chile was their first opportunity to make their point.

Unfortunately, this particular "no" vote had more symbolic value than my colleagues may have bargained for. The political point was lost in Chile. Instead, the message was sent loudly and clearly that the U.S. Congress was not prepared to condemn the Government of Chile for its abhorrent human rights record, and its intransigence on moves toward a democracy opening. The reaction from government officials clearly shows how this vote was interpreted in Chile. Foreign Minister del Valle said:

> This is very good news. It shows the truth is gradually being learned in the United States.

Chilean Navy Commander Adm. Jose Toribio Merino reportedly expressed his satisfaction with the vote, saying that in his opinion this is proof that "Chile's image abroad is improving greatly."

This pat on the back that we have handed Chile's 12-year dictator has evidently proved to him that the United States really isn't paying attention; that while we focus on Nicaragua's human rights record, he is free to do as he likes. And he has. Last week, General Pinochet quietly extended the state of siege in Chile for another 3 months, giving him widespread powers ranging from the ability to send people into mass detention centers to closing Chile's borders. Since the initial imposition of the state of siege on November 4 of last year, 8,000 Chileans have been detained, more than 600 internally exiled, 6 publications have been closed down, and freedom of movement and assembly has been curtailed. These measures have been instituted, in Pinochet's words, "to safeguard democracy and liberty."

And this House has cheered him on.●

SPACE COMMERCIALIZATION

HON. BART GORDON

OF TENNESSEE

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 16, 1985

● Mr. GORDON. Mr. Speaker, in the last few months, members of the House Subcommittee on Space Science and Applications have been focusing on the possibilities for space commercialization. Although I am new to this field, I have found the hearings and discussions intriguing. Because of the effect which space commercialization will have on our economy and our foreign policy, I believe that it is a matter which demands the attention of our entire Nation. I would like to recommend an interesting article which recently appeared in the Atlantic Monthly. Entitled "Business in Space," it explores the possibilities offered by this new economic frontier.

The author, David Osborne, compares the development of space to that of the American frontier a century ago. "Anyone who was sitting around

in 1840 thinking about this railway thing couldn't imagine a fraction of the economic potential that would eventually be realized by opening up the West."

In a cogent and readable manner. Osborne reviews both current and potential opportunities in space. An infant business, the space industry now generates about $23 billion a year. The first venture in space commercialization is already mature: satellite communications. Remote sensing satellites are a few years behind, but have the potential for use in a number of areas. Alreay they are being used for weather tracking, mining surveys, and crop forecasting.

Osborne believes, however that the real economic potential lies in manufacturing. He explains the advantages of processing in the near weightless, ultra-clean environment of space and lists a broad range of materials which are currenty being tested for production. Cost-effective manufacturing, he notes, will demand a cohesive system of space stations and orbiting platforms, as well as launch and repair services.

Indulging briefly in a look toward the next generation of innovations, Osborne writes about some of the ideas which may become reality by the next century. These concepts include nuclear waste disposal in space, mining operations on asteroids, and huge solar sails, driven by photons from the sun, for long space voyages.

In what I considered the most interesting section of the essay, Osborne discusses the role of Government in space commercialization. He analyzes the very real threat of foreign competition and critizes the U.S. Government's early efforts toward encouraging and shaping this pioneer industry. He weighs the pros and cons of an aggressive Federal intervention. This is done partly through a review of governmental interventions in recently developed technologies such as aviation, computers, and supersonic transport. He also looks at the arguments made by free market enthusiasts. In the end, Osborne recommends that we design a more coherent strategy to preserve U.S. leadership on this new frontier.

I found this a thought-provoking essay and one which should be of interest to Members of the House.●

KINGSTON RESIDENT HEADS JEWISH WAR VETERANS OF THE USA

HON. PAUL E. KANJORSKI

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 16, 1985

● Mr. KANJORSKI. Mr. Speaker, as we once again remember the valiant men and women who have sacrificed so much for our Nation through the service in the Armed Forces, I would like to bring to your attention an individual who has been a leader in providing assistance and support to the veterans of our Nation. Mr. Samuel Greenberg of Kingston, PA, has spent nearly 40 years working on behalf of our veterans through his work in community and veterans' projects.

Mr. Greenberg, a veteran of World War II, was elected on September 2, 1984, as national commander of the Jewish War Veterans of the USA. Previously, he served for 5 years as a member of the national executive committee and as national editor of the Jewish Veteran, the organization's national publication. He has held the positions of national public affairs officer, central district commander, Department of Pennsylvania commander, and commander of Wilkes-Barre, PA, Post. No. 212. He has also been a member of the foreign affairs committee, the veterans' cemetery committee, three special task force committees, the board of directors, and the JWV-USA National Memorial, Inc.

Although a leading member of the JWV, Samuel Greenberg has also participated actively in other veterans' groups in the community, such as the American Legion, the Veterans of Foreign Wars, and AMVETS. His other community activities have included: Chairman of the United Jewish Appeal, school board director for Temple Israel, member of the board of directors of the Greater Wyoming Valley Jewish Federation, board member of the Greater Wyoming Valley Jewish Community Center, and chairman of the Boy Scout Troop No. 32 Committee. Along with other concerned citizens, he formed the Joe Palooka Monument Committee to restore a vandalized statue saluting the fictional hero. In 1976, Mr. Greenberg received the Tapper Award from the Greater Wyoming Valley Jewish Community Center honoring him as "Man of the Year."

The owner of Arrow Steel Supply in Swoyersville, PA, Samuel Greenberg is also well known for his steel sculptures. A picture of Greenberg with one of these sculptures, a memorial to the Israeli athletes murdered at the 1972 Munich Olympics, is displayed in the Diaspora Museum in Tel Aviv.

Mr. Speaker, it is my pleasure to recognize Samuel Greenberg and the tremendous contributions he has made on behalf of all veterans, as well as the members of our community. I am proud to commend his years of tireless work to your attention today.●

UNDERMINING OF RURAL ELECTRIFICATION ADMINISTRATION SHORT-SIGHTED

HON. BYRON L. DORGAN

OF NORTH DAKOTA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 7, 1985

● Mr. DORGAN of North Dakota. Mr. Speaker, it's a pleasure to salute the Rural Electrification Administration on its 50th birthday. REA has much to be proud of as we look back over the last half century. In 1935, only 10 percent of America's farms had electricity; now lines are strung to virtually every farm and ranch, no matter how rugged the terrain or how far to the nearest neighbor.

But as we note these successes, we cannot help but see the dark clouds on the horizon in front of us. The current administration has waged an all-out attack on the Rural Electrification Administration, most recently going so far as to call for its elimination by 1990. Even though Congress has fought each effort to undermine the REA, and restored most of the programs under attack, morale at the agency has been seriously eroded by the lack of support at the top.

A good example of how this has worked is the current debate over engineering standards. These standards, which set guidelines for the equipment used by rural electric systems, make good sense. Rural electric systems, with their wide spans and fewer poles, have special needs. Not every small co-op can afford its own engineer to select equipment for them. REA's engineering standards division helps with these decisions and insures that all systems are compatible.

Even though this work is done for the entire country with only six technical engineers, the current administration still wants to abolish the engineering standards division. When their intention to do so raised a number of questions, REA announced that it would conduct an objective study of the issue, using four REA employees. However, when this study recommended keeping the standards, REA ignored it and commissioned a new one. The second study also recommended keeping the standards, but REA is still trying to abolish them.

The administration's stubborn insistence to do away with the engineering standards division, even though it has been shown to save co-ops between 6 and 9 percent of their construction costs, clearly shows that their opposition to REA is philosophical, not financial.

This opposition is evidencing itself in other ways as well. Loan applications, even simple ones, take longer than necessary to process. There

seems to be a deliberate slow-down in effect.

The administration's attitude toward the Rural Electrification Administration is, in my judgment, extremely short-sighted. REA has been a major factor in fostering this country's tremendous agricultural productivity. Even though agriculture is currently struggling under a number of economic factors beyond its control, it is still our biggest earner of export dollars—dollars that are of critical importance to the economic health of this country.

So rural electricity is important to all of this country, not just to our farms and ranches. It is too bad the current administration just doesn't understand that.●

THE PLAINS CENTENNIAL

HON. RICHARD RAY

OF GEORGIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 16, 1985

● Mr. RAY. Mr. Speaker, this weekend, there will be a very special celebration in my district. Plains, GA, is hosting a centennial celebration commemorating their founding 100 years ago.

Although Plains is a small city, with a population of only 683, there are few Americans who aren't familiar with this town and with the people of the town.

Plains began as a small community, set up after the Federal authorities moved the Creek Indians when the Treaty of Washington was signed.

At first, Plains was known as The Plains of Dura. The Biblical plain of Dura near Babylon was where Nebuchadnezzar erected a golden idol. Around 1840, the town was relocated to its present site, which was at that time a wooded area owned by Mr. Carey Thomas Cox and Mr. Milton Hudson. When the town moved, the name was shortened to just Plains.

Throughout its history, Plains has been a thriving community. Although primarily a farming town, the city's business section has been the home of a number of different Georgia businesses through the years.

Of course, Mr. Speaker, Plains gained national prominence when one of her residents, Jimmy Carter, was elected our Nation's 39th President. Through him, we met the people of Plains and became familiar with the sights and lifestyle of the people of Plains and Sumter County.

President Carter personified for this country many of the beliefs and characteristics that are ingrained by life in a small town—the creed of an honest day's work for an honest dollar, neighborly concern and caring, belief in God, love and pride in America, and the importance of honesty and forthrightness.

Although the cities of America may be her "shining stars," it is the towns and communities that will always remain her heart. Throughout our history, many of our Nation's leaders have come from small towns, all across this country. In this environment, it seems the strength of character, the decency, and the Humanity so necessary in a good leader is strengthened and encouraged.

Just as President Carter's strength of character was developed in Plains, another famous Georgian, Charles Crisp, gained the same values of honesty and decency in a small town only 20 miles away.

Although born in England, Charles Crisp came to Georgia with his parents in 1845, while still an infant, and spent his youth in the small towns of Georgia. His family settled in Ellaville, which is very near Plains, and there he was taught the small town values that were to bring him to a leadership position in this country.

At only 16 years of age, Crisp was a soldier and a Union prisoner during the Civil War. Following the war, he became a lawyer and served our State as a judge, until his election to Congress in 1882. There he served until his death in 1896, just months before he would have achieved his life's ambition and taken a seat in the U.S. Senate.

The values and characteristics I have spoken of made him outstanding among his peers from the start, and in the 52d and 53d Congresses, his colleagues elected him Speaker of the House of Representatives.

There have been many great statesmen to come from Georgia and, like Jimmy Carter and Charles Crisp, many of them are the product of small Georgia towns—areas where the values of honesty, productivity, and belief in God are strongly held.

It is always an inspiration to me, as I look through the history of this great country, to see how many of our Nation's leaders were not members of the upper class, how many of them were largely self-educated, and how many of them attained their positions of public trust through the force of their own character, abilities, and efforts.

It is an old cliche that, "In America, anyone can grow up to be President," but it's still true. Look through our history and look at this Congress—with hard work and determination, almost any goal can be achieved in this country.

As our population continues to move away from smaller communities, and our cities build, many of us remember life in smalltown America warmly. Small towns are pictured as havens of friendly neighbors, personal businesses, and strong community morals. When President Carter came to national prominence, he brought that picture of smalltown America to life when he introduced the world to Plains, GA.

In many ways, Plains became the small town that all of us knew and loved. So, as Plains celebrates her centennial this weekend with fanfare, I wanted to let my colleagues know that our small town, the one we all remember so fondly, has reached a pinnacle.

But, more importantly, I wanted to remind you that smalltown America is still alive and well and is still teaching to it's youth those same qualities of honor, strength, and virtue that it always has. Although many of our future leaders may come from our Nation's cities, I feel secure in knowing that we still have a strong training ground busily at work producing tomorrow's leaders in today's smalltown America.●

FOUR DECADES OF SERVICE FOR MR. STANLEY WIDES

HON. ROBERT G. TORRICELLI

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 16, 1985

● Mr. TORRICELLI. Mr. Speaker, I am honored to call to the attention of the Congress the four decades of service Mr. Stanley Wides has provided to the United States and all the veterans of New Jersey.

Throughout his many years of civic involvement, Mr. Wides has been active and supportive to many organizations. He is a past commander of the Bergen County Jewish War Veterans and the New Jersey State Jewish War Veterans. He has also served on the National Executive Committee of the Jewish War Veterans.

Mr. Wides provided decisive leadership when he served as the director of the New Jersey Allied Council of Veterans Organizations. During his tenure Mr. Wides represented more than 1 million New Jersey veterans with both integrity and conviction. It has been his leadership ability that has prompted past and present Governors of the State of New Jersey to turn to him for advice and counsel.

Mr. Wides is respected by his friends and family as a compassionate and understanding individual. The veterans of New Jersey know him as a friend and leader who they can turn to for advice and assistance, and I know him as an intelligent and hardworking individual, and a community leader and a personal friend.●

FELLOWSHIP PROGRAM FOR THE BLIND AND DEAF

HON. EDWARD R. ROYBAL

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 16, 1985

● Mr. ROYBAL. Mr. Speaker, today I am reintroducing my bill to establish a pilot fellowship program for the blind and deaf.

This resolution, House Resolution 540 in the last Congress, attracted 56 cosponsors and a lot of attention from groups representing the blind and deaf. Everyone I heard from was very supportive of the fellowship, and the organizations thought such a program would be a tremendous boost to their members. I even heard from people who were eager to participate in the fellowship—it was just the impetus they needed to become involved in the legislative process. This heartening response convinced me of the worthiness of such a program, thus my reintroduction of this resolution.

Upon passage of this resolution, a 2-year pilot program would be set up for 100 fellows a year. At the end of that period, the House Administration Committee would evaluate it and issue recommendations as to the advisability of continuing. The experiences of the fellows will weigh heavily in the evaluation. If the program does not accomplish what I believe it can, I will be the first to admit it should be terminated. However, if the fellowships are properly chosen and administered, I don't see how the program can miss.

I am convinced that we need this or a similar program to encourage blind and deaf men and women to consider employment on Capitol Hill as a viable career option. Concurrently, offices up here would have a valuable opportunity to experience the abilities, talents, and unique perceptions of these individuals.

I know you all share my commitment to making sure the legislation process is open to all Americans. I believe this resolution embodies that commitment, and I hope you will join me in cosponsoring it.

For more detailed information on my resolution, a section-by-section analysis follows:

SECTION-BY-SECTION ANALYSIS

SECTION 1

Establishes a pilot program of Congressional fellowships for the blind and deaf, and sets out the purpose of the program.

There will be 100 positions available each year for two years. Each Member, Committee or Subcommittee may fill one position on a first come, first served basis, and are instructed to consider the qualifications of the fellow in assigning the position.

SECTION 2

Requires that participants be blind or deaf, can only serve for one session of Congress, will be paid $20,000 per year and, for administrative purposes, be treated in the same manner as an LBJ intern.

SECTION 3

Provides that any special equipment needed by the fellows will be made available through the House Administration Committee.

SECTION 4

Establishes that the program will be funded through the contingent fund of the House.

SECTION 5

Establishes that the positions and amounts provided for in this resolution are in addition to the positions and amounts otherwise available to Members, Committees and Subcommittees.

SECTION 6

Directs the Committee on House Administration to evaluate and report to the House on the effectiveness of the program and whether it should continue.

SECTION 7

Defines "blind" and "deaf."

SECTION 8

Gives the Committee on House Administration the authority to prescribe regulations to carry out the resolution.●

HUNTINGTON, WV

HON. NICK J. RAHALL, JR.

OF WEST VIRGINIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 16, 1985

● Mr. RAHALL. Mr. Speaker, I would like to bring to the attention of my colleagues a column by the publisher and editor of the Herald-Dispatch in Huntington, WV. I believe that the spirit of optimism espoused in Mr. Hatfield's article is indicative of the mood of West Virginians even as we weather the storm of unemployment as the much-heralded economic recovery has yet to find its way to southern West Virginia. I think that all of my colleagues should share in this spirit of optimism that I am proud to say is prevalent in my district in southern West Virginia:

HUNTINGTON: A CITY THAT IS JUST CHANGING, NOT DYING

If you read the letters in our "Voice of the People" regularly, as I do, then you know that a growing number of readers believe that "Huntington is a dying city."

Most of these point to vacant storefronts downtown, to the proposed "Superblock" which still is a nine-acre parking lot, to our frequently-dark Civic Center, our boarded-up hotel, to problems some downtown merchants are having, to the lack of jobs in the region.

Well, those are hardly encouraging examples, to be sure.

But Huntington a dying town? I don't believe that.

It's a changing town.

If you travel across this land, you'll find many cities Huntington's size having the same problems we do.

I remember several years ago when a sociologist predicted that America's cities were on the verge of great change. There would be no stores in them, he said. Instead, people would drive to huge covered shopping centers outside the cities, where they could park easily and shop in many varied stores.

Cities would survive, he said, but in a different way. They would be centers for offices, for services, for entertainment, but no longer for shopping as they then were.

In fact, he predicted, the day would come when cars would be banished from downtowns. Drivers would park at the edge of the cities and take shuttles to their office jobs. We'd have to do that, he said, because pollution from auto exhausts would be so bad.

I thought at the time the guy was being pretty far-out. Huge covered shopping centers? Downtowns with only offices and restaurants?

Well, look at what has happened.

Actually, all things considered, Huntington has fared pretty well. Visitors continue to regard it as a surprisingly attractive and successful downtown. They like our pedestrain plaza with its fountain and sculpture. They like our stores. They like our theaters. They say it's a clean downtown, not at all what they see in many other places.

And Huntington, make no mistake about it, is the size city that has been most affected by change. The really small towns have stayed pretty much the same, and so, of course, have the New Yorks, and Washingtons, the metropolises. But the Huntingtons, Lexingtons, Knoxvilles, Tulsas, Louisvilles have had problems in their downtown areas.

They've not dying as cities, however, they're changing.

After all, most cities have large shopping malls 10 to 25 miles outside the city limits. Land is more abundant—and cheaper. And shoppers' habits and styles have changed.

It seems to me we've got to redefine what we mean when we say "city" anyway.

Is a city no more than what is contained within the city limits?

Is a city no more than its downtown?

A city is many things. It's schools, neighborhoods, parks, rivers, even suburbs.

We look at the population of Huntington and find that it has dwindled by 20,000 in 20 years. Yet Cabell County's population has remained the same during that period and that of Wayne County and Lawrence County, Ohio, has increased.

Much of Lawrence has become a bedroom community of Huntington. And the towns of Milton, Barboursville, Kenova, Ceredo and Wayne are not only parts of Greater Huntington, but parts of growing importance.

It's time we realized that. It's time we permitted our minds to expand beyond the boundaries of any one town, village or city.

It's time we realize that we're all in this together, dependent upon each other for the future.

I'd like to see every storefront in downtown Huntington filled and busy. I wish 4th Avenue and 3rd Avenue looked today as they did in the 1950s, when I was entering college here.

But that isn't the way it is and that isn't the way it's going to be.

And we don't help matters any by declaring this "a dying city."

I'm grateful we have a shopping mall which provides not only shopping, but jobs and tax dollars.

And I'm grateful there still is so much to be proud of in this area.

Picking up a visitor at the airport Wednesday, I found myself pointing with pride to Pilgrim Glass as we drove past, and then

going on to talk about Blenko as well. As the day went on, I was showing off the Huntington Galleries, Ritter Park, the bridges into Ohio, the Harris river-front park, the 9th Street plaza, our theaters—especially the old Keith—and Marshall University.

That evening I was proud to take my guest to Permon's, the elegant restaurant atop the West Virginia Building from where I pointed, again with some pride, to two other states.

I talked about the employers here upon whom so many of our jobs depend: Armco, Ashland Oil, Huntington Alloys, Marshall University and others.

I talked about the city becoming a banking center and a regional medical center. There was growth in both new "industries," I said, and that well could be Huntington's future.

I talked about the success of Marshall's football and basketball programs, the new Henderson Center, the proposed new football stadium, and how such successful programs also help the local economy.

It didn't occur to me until later that not once did I talk about Huntington being a "dying town."

Actually, it's time we went even beyond the suburbs and realized that our "city" stretches not only beyond its own borders but state borders as well.

We are slowly becoming a true Tri-State region, no longer estranged from each other. We live in one state, work in another, shop in still another.

The success of the newly formed River Cities Cultural Council, in which all three states, all three cities, several counties, every school system and many businesses contributed money for arts, education and possibly jobs, is a good example of what can be done.

But first we've got to believe in it. And above all, we've got to stop saying that we're "dying" just because we have a few aches and pains.●

ADDITIONAL SMALL BUSINESS SAVINGS

HON. PARREN J. MITCHELL

OF MARYLAND

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 16, 1985

● Mr. MITCHELL. Mr. Speaker, today I have introduced legislation which reauthorizes the Small Business Administration for 3 additional years and which saves some $1.5 billion more than a freeze alone would save.

Last February I introduced an earlier version of this bill. The old bill, H.R. 1281, provided a similar 3-year authorization and would have yielded savings of some $320 million. Since then we have held field hearings in some 7 cities and an additional 3 days of hearings in Washington at which we heard from over 200 small businesses. Their message, along with the one we have received from a bipartisan group of some two dozen Governors and State legislatures is the same: Save the SBA and leave it viable.

I wholeheartedly agree with this message and my only problem with it is that it does not go far enough. I believe that SBA programs should be expanded substantially and that it is sheer lunacy to talk about elimination or severe cutbacks.

Nonetheless I believe that the mood in Congress requires an even greater reduction in outlays by the Small Business Administration. As a result I have revised my earlier legislation in order that it now will achieve savings of some $1.5 billion over the next 3 fiscal years as compared to a 1-year freeze.

The changes are as follows:

First, it limits physical disaster loans to $335 million in fiscal year 1986 and nonphysical disaster loans to $65 million. In the outyears, it limits physical disaster loans to a maximum of $500 million in each of fiscal years 1987 and 1988—it leaves unchanged the $100 million nonphysical program proposed for these years. This amount is identical to that applicable to fiscal year 1986 as provided in Public Law 98-270.

Second, it prohibits the Federal Financing Bank from acquiring debentures issued by small business investment companies with an SBA guarantee. Existing law authorizes the Federal Financing Bank to purchase these debentures which it does with money derived from the Treasury. My bill now would prohibit this and instead would have SBA sell the debentures to investors, thereby eliminating Federal outlays as the SBA guarantee is only a contingent liability. I want to note here that it is an extremely contingent liability and that in the approximately 25 years in which this program has operated. SBA has guaranteed $2 billion in debentures and has lost only $36 million.

Third, the bill further limits the amount of assistance which may be provided annually under the Surety Bond Guarantees Program to $900 million per year and under the Pollution Control Bond Guarantee Program to $50 million per year.

Finally, it equates the amount of direct loans with the amount of additional Federal taxes generated by those firms which receive direct loans from SBA. At our committee hearings, witness after witness stressed the amount of taxes which were generated by the SBA loan. I have long said this and now for the first time I propose to measure the amount of taxes and shut down the direct loan program any time the additional taxes do not exceed net losses on the loan program.

A detailed explanation of my new bill follows:

EXPLANATION OF H.R. 2540 BY MR. MITCHELL

The bill makes changes in eligibility for direct loans and provides a three-year authorization for SBA. The program levels for direct loans would be reduced 15 percent from the amounts contained in the regular appropriations bill for FY 1985; and guaranteed levels and salaries and expenses would be frozen or slightly reduced.

DIRECT LOAN PROGRAM

The bill changes the direct loan program as follows:

First, direct loans would be restricted to prospective businesses or new ones within eighteen months after they commence operations (i.e., to those without a "track record");

Second, direct loan applicants would be required to supply additional funds from nonfederal sources of at least 25 percent (now there is no set requirement);

Third, direct loans would be limited to $150,000 (now $350,000); and

Fourth, direct loans would be limited to a maximum term of ten years (now twenty-five years plus any construction time).

Finally, SBA would ascertain the amount of additional Federal taxes paid by direct loan borrowers as a result of the SBA loan as compared to net losses on the program. If losses ever exceed additional taxes, the program would shut down.

NEW DIRECT LOAN LEVELS

The program levels for direct loans under the regular business, handicapped, economic opportunity, and veterans loan programs would be reduced from the amount appropriated for 1985 ($206 million) to $175 million, a reduction of $31 million or 15 percent.

MESBICs would be frozen at $41 million.

GUARANTEED LOAN LEVELS

The program levels for guaranteed loans under the regular business, handicapped, economic opportunity, energy and development company loan programs would be frozen at the 1985 level of $3.18 billion.

SBICs would be frozen at $250 million. Also, SBIC debentures would be sold to investors rather than acquired by the Federal Financing Bank.

DISASTER LOAN LEVELS

The program level for physical disaster loans in 1986 would be reduced to $355 million and for nonphysical disaster loans would be reduced to $65 million. For 1987 and 1988 the physical disaster loan program would be frozen at $500 million per year and the nonphysical disaster loan program would be frozen at $100 million per year.

SURETY BOND GUARANTEES

The program level for the surety bond guarantees programs would be set at $900 million.

POLLUTION CONTROL BOARD GUARANTEES

The program level for the pollution control bond guarantees program would be set at $50 million.

SALARIES AND EXPENSES

The level of salaries and expenses would be frozen at $205.34 million.

BUDGET AUTHORITY

The bill authorizes the following appropriations (1985 level was $700.25 million):

1986—$686.34 million;

1987—$716.34 million; and

1988—$739.34 million.●

REPORT OF CHEMICAL WARFARE REVIEW COMMISSION

HON. JIM COURTER
OF NEW JERSEY
IN THE HOUSE OF REPRESENTATIVES

Thursday, May 16, 1985

● Mr. COURTER. Mr. Speaker, I submit for the RECORD the testimony given by Ambassador Walter J. Stoessel, Jr., Chairman of the Chemical Warfare Review Commission, at the Senate Armed Services Committee on May 1, 1985, and a summary of the Commission's findings. In view of the importance of this issue in the defense authorization debate, I urge my colleagues to read and study the Commission's findings carefully:

AMBASSADOR WALTER J. STOESSEL, JR., CHAIRMAN, CHEMICAL WARFARE REVIEW COMMISSION: TESTIMONY BEFORE THE SENATE ARMED SERVICES COMMITTEE—MAY 1, 1985

Mr. Chairman, it is my privilege to present to the Committee the preliminary findings of the bipartisan Chemical Warfare Review Commission, established by the President in Executive Order 12502 of January 28, 1985, in accordance with the provisions of Section 1511 of the Department of Defense Authorization Act of 1985.

Those appointed to serve on this Commission were, in addition to myself, Mr. Phillip John Bakes, President of Continental Airlines; Dr. Zbigniew Brzezinski, former Assistant to the President for National Security Affairs; General Richard E. Cavazos, whose last active-duty position was Commander, U.S. Army Forces Command; the Honorable Barber B. Conable, Jr., formerly a member of the House of Representatives from New York; the Honorable John N. Erlenborn, formerly a member of the House of Representatives from Illinois; General Alexander M. Haig, Jr., former U.S. Secretary of State and also former Supreme Allied Commander, Europe; and Mr. John G. Kester, a partner in the Washington law firm of Williams and Connolly and former Special Assistant to the Secretary of Defense.

The Congress directed this Commission to "review the overall adequacy of the chemical warfare posture of the United States with particular emphasis on the question of whether the United States should produce binary chemical munitions."

The Commission was further directed to consider the relationship of this matter to United States efforts for a multilateral, verifiable ban on chemical weapons; the adequacy of the current United States stockpile of chemical weapons in providing a credible deterrent to Soviet use of chemical weapons against United States and allied forces; whether the proposed binary program will provide a credible deterrent to chemical warfare; and, finally, whether defensive measures alone are adequate to meet the Soviet chemical warfare threat and whether current and projected funding of defensive measure programs is adequate.

The Commission has been meeting for two months, and has carefully studied all these matters. It began by considering United States policy with respect to chemical weapons. That policy has three elements:

Arms control. The United States will actively pursue the achievement of a multilateral, verifiable ban on the development, production, and stockpiling of chemical weapons.

Deterrence. Until such a ban is achieved and in effect, the United States will retain the capability to deter chemical attack by other powers.

No first use. The United States will never use chemical weapons except in retaliation for the use of chemical weapons against the United States or its allies.

The Commission has concluded that the policy as stated continues to be appropriate. The members of the Commission wish to stress their conviction that achieving a multilateral, verifiable ban on chemical weapons should remain a priority aim of the United States.

In carrying out its work, the Commission reviewed the history of chemical weapons use, the scientific characteristics of modern chemical warfare agents, the technology of chemical defenses and chemical munitions, and the technology for demilitarizing obsolete and deteriorating munitions. The Commission has heard briefings by intelligence specialists on the Soviet Union's capability in both offensive weaponry and defense, and also on the spread of chemical weapons possession and the authenticated use of these weapons in warfare in recent years.

Members of the Commission traveled to Europe, where we spoke with U.S. commanders and service men and women, and representatives of our NATO allies. We also viewed a portion of the current stockpile at several locations in the United States.

The Commission has reached a general consensus on the matters we were asked to consider, and I should now like to convey to you our findings to date, which I expect will appear in substantially this form in the final report.

On the matter of the relationship of stockpile modernization to the U.S. goal of achieving multilateral, verifiable ban on the development, production, and stockpiling of chemical weapons, the Commission believes that modernization would be likely to increase the chances of achieving such a ban. The Commission has noted that in the 16 years since the unilateral renunciation by the United States of production of chemical munitions the Soviet Union has not progressed substantively toward acceptance of such a ban; on the contrary, it has continued its intensive program of production and research and development for chemical munitions.

On the matter of the adequacy of the existing stockpile to deter, this is what the Commission found:

The existing U.S. store of chemical weapons dates from the 1940's through 1960's and is in deteriorating conditon. The bulk of it is militarily useless; a small fraction of the stockpile has deterrent value. All of it is potentially hazardous to handle.

Soviet chemical warfare capability is sizable and is increasing.

A more credible U.S. chemical retaliatory capability is needed in order to prevent either quick defeat or early escalation to a nuclear exchange in the event chemical weapons are used by the adversary.

Failure to acquire an effective chemical retaliatory capability could have the United States with only nuclear retaliation to deter chemical attack.

The current stockpile should be destroyed at an accelerated rate.

The Commission carefully considered the proposed binary program, and came to the following conclusions:

The binary program will provide an adequate deterrent capability to meet our present needs and is necessary because of the deteriorating condition of the current stockpile.

The great advantage of the proposed binary munitions is safety.

The projected binary munitions program will not produce a more lethal generation of weapons. It provides, rather, a safer, separate packaging of nonlethal chemicals that combine to form lethal agents only when launched. The agents which would be formed after launching are identical to the lethal agents already produced and stored in the U.S. stockpile.

Substitution of these safer binary weapons to replace existing U.S. munitions filled with lethal nerve agent will provide much greater safety for U.S. personnel, and will simplify transport and handling. In addition, effective elimination of potential environmental hazards will be far easier and less expensive.

On the question of whether defensive measures alone are adequate to meet the Soviet threat, the Commission found:

The expectation that protective measures alone can offset the advantages to the Soviets from a chemical attack is not realistic.

Even if defensive equipment works, it severely handicaps personnel who must wear it. Without a retaliatory capability, this leads to an overwhelming military advantage for the attacker armed with chemical weapons.

In addition to its conclusions on the four matters it was specifically asked to address, the Commission reached several additional conclusions on the basis of its extensive review of this country's chemical warfare posture. Here are those additional conclusions:

On the matter of deployment of binary munitions, the Commission concluded that peacetime deployment of binary munitions in foreign countries is not essential, because of the safety and speed with which these munitions can be transported.

The Commission concluded that research and development efforts on both defensive items and detection equipment, as well as on retaliatory chemical agents and munitions, should be accelerated, both in order to deter the Soviet Union from using new agents and in order to develop countermeasures.

Finally, the Commission concluded that U.S. intelligence gathering and analysis regarding chemical warfare activities of the Soviet Union and other countries should be greatly improved.

A full report on the Commission's review of U.S. chemical warfare posture, which will amplify our views and may contain additional conclusions and recommendations, is now being prepared and will be ready for delivery to the President for transmission to Congress within a few weeks.

If, in the meantime, members of this committee have questions about the thinking or data that underlie the conclusions I have presented, I shall be happy to discuss these with you.

SUMMARY OF FINDINGS AND CONCLUSIONS

This Commission was directed by the Congress to review the overall adequacy of the chemical warfare posture of the United States. The Commission began by considering United States policy with respect to chemical weapons. That policy has three elements:

Arms control. The United States will actively pursue the achievement of a multilateral, verifiable ban on the development, production, and stockpiling of chemical weapons.

Deterrence. Until such a ban is achieved and in effect, the United States will retain the capability to deter chemical attack by other powers.

No first use. The United States will never use chemical weapons except in retaliation for the use of chemical weapons against the United States or its allies.

The Commission found the policy as stated continues to be appropriate.

The Commission was directed by the Congress to consider four specific questions: [1]

1. The relationship of chemical stockpile modernization by the United States with the ultimate goal of the United States of achieving a multilateral, comprehensive, and verifiable ban on chemical weapons;

2. The adequacy of the existing United States stockpile of unitary chemical weapons in providing a credible deterrent to use by the Soviet Union of chemical weapons against the United States and allied forces;

3. Whether the binary chemical modernization program proposed by the Department of Defense is adequate to support United States national security policy by posing a credible deterrent to chemical warfare; and

4. The ability of defensive measures alone to meet the Soviet chemical warfare threat and the adequacy of funding for current and projected defensive measure programs.

The following are the Commission's findings on each of the four points it was directed to address:

The effect of modernization on achieving a chemical weapons ban

The Commission believes that modernization would likely increase the chances of achieving a multilateral, verifiable ban on chemical weapons. The Commission notes that in the 16 years since the unilateral renunciation by the U.S. of production of chemical munitions, the Soviet Union has not progressed toward acceptance of such a ban; on the contrary, it has continued its intensive program of production and research and development for chemical munitions.

Adequacy of the existing stockpile to deter

The Commission has found that:

The existing U.S. store of chemical weapons dates from the 1940's through 1960's and is in deteriorating condition. The bulk of it is militarily useless; a small fraction of the stockpile has deterrent value. All of it is potentially hazardous to handle.

Soviet chemical warfare capability is sizable and increasing.

A more credible U.S. chemical retaliatory capability is needed in order to prevent either quick defeat or early escalation to a nuclear exchange in the event chemical weapons are used by the adversary.

Failure to acquire an effective chemical retaliatory capability could leave the United States with only nuclear retaliation to deter chemcial attack.

The current stockpile should be destroyed at an accelerated rate.

The Binary Chemical Program

The Commission has found that:

The proposed binary program will provide an adequate deterrent capability to meet our present needs and is necessary because of the deteriorating condition of the current stockpile.

The great advantage of the proposed binary munitions is safety.

The projected binary munitions program will not produce a more lethal generation of weapons. It provides, rather, a safer, separate packaging of nonlethal chemicals that combine to form lethal agents only when launched. The agents which would be formed after launching are identical to the lethal agents already produced and stored in the U.S. stockpile.

Substitution of these safer binary weapons for existing U.S. munitions filled with lethal nerve agent will provide much greater safety for U.S. personnel and will simplify transport and handling. In addition, effective elimination of potential environmental hazards will be far easier and less expensive.

Defensive measures

The Commission has found that:

The expectation that protective measures alone can offset the advantages to the Soviets from a chemical attack is not realistic.

Even if defensive equipment works, it severely handicaps personnel who must wear it. Without a retaliatory capability, this leads to an overwhelming military advantage for the attacker armed with chemical weapons.

Additional conclusions

The Commission in the course of its deliberations has also arrived at these additional conclusions:

Deployment. The Commission does not consider peacetime deployment of binary munitions in foreign countries to be essential, because of the safety and speed with which these munitions can be transported.

Research and Development. The Commission believes that research and development efforts on both defensive items and detection equipment, as well as on retaliatory chemical agents and munitions, should be accelerated, both in order to deter the Soviet Union from using new agents and in order to develop countermeasures.

Intelligence. The Commission believes that U.S. intelligence gathering and analysis regarding chemical warfare activities of the Soviet Union and other countries should be greatly improved.●

[1] These four questions were incorporated into the three tasks of Executive Order 12502, dated January 28, 1985.

LEGISLATION TO PROTECT SENIOR NUTRITION PROGRAM

HON. MARIO BIAGGI

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 16, 1985

● Mr. BIAGGI. Mr. Speaker, last Thursday, I introduced H.R. 2453, legislation that will address the current funding shortfall in section 311 of the Older Americans Act. I am pleased to note that I am joined in this effort by my colleague, DALE KILDEE who now chairs the Human Resources Subcommittee which oversees Older Americans Act programs.

This bill is designed to assure adequate funding for meals served by States under section 311 of the act and also prohibits the Secretary of Agriculture from reducing funding for this program in any year that appropriations are insufficient to meet the anticipated number of meals served by States.

This bill is needed because under section 311, the current $116 million appropriated in fiscal year 1986 will not provide enough money for States to continue to serve meals at current service levels. Under section 311, the Secretary is authorized to reduce reimbursements per meal, which are established in the statute. For this fiscal year, the rate was originally established at 58.76 cents per meal for those States which choose to receive cash in lieu of commodities. On February 21, 1985, the Department published notice in the Federal Register that it intended to reduce the per meal rate from the original 58.75 cents to 56.76 cents per meal. This reduction was based upon an estimated 212.8 million meals to be served in this year at the $116 million funded level.

Upon receiving notice of reimbursement at the rate of 58.76 cents, States planned their annual projects accordingly. If we do not provide an additional $5 million in this year, these same States will be forced to reduce or eliminate meal programs because they will be receiving reimbursement at the lower rate.

This bill would increase the authorization levels in section 311 to accommodate the increased demand for meals at the following levels: $125.8 million for fiscal year 1985, $135.9 million for fiscal year 1986, and $147 million for fiscal year 1987. It will also delete the authority of the Secretary to reduce reimbursements for this program when projected meals being served will exceed the existing appropriation.

In my opinion, if States are serving meals respective of need for such meals, then the Department should seek a supplemental appropriation to assure the higher level of services. To reduce or eliminate meals is unnecessary and counterproductive.

Mr. Speaker, I would not pursue a legislative remedy to this problem at this time if the meal programs were not directly threatened for reduction. I have received a letter from the Department affirming the fact that they did indeed advise States last year that they would receive 58.75 cents per meal, only to reduce it to 56.76 cents at this time. Adjustments in reimbursements must be made in a manner that will allow States to budget appropriately. To reduce funding in the middle of a budget cycle only guarantees cuts in meal programs.

In addition, passage of this bill will allow the Appropriations Committee to provide the estimated $5 million extra that is needed to assure that States will not lose meal dollars in this fiscal year. This is because the current appropriated level of $116 million is also the fully authorized level. Passage of this bill to increase authorizations and eliminating the Secretary's discretion to reduce reimbursements will be

the first step in addressing this problem on a permanent basis.

Mr. Speaker, this bill is a small but important initiative and I hope that my colleagues will join me in supporting its passage.●

BASEBALL TEAM SOUGHT FOR WILKES-BARRE/SCRANTON AREA

HON. PAUL E. KANJORSKI

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 16, 1985

● Mr. KANJORSKI. Mr. Speaker, I would like to bring to your attention an article, which appeared in the April 15 issue of USA Today, detailing some of the exciting work being done in northeastern Pennsylvania to attract a professional baseball team. I call this exciting because this project is bringing together the energies and enthusiasm of so many people in our area, and proving how much pride we have in our region.

A stadium is being built even though no team has been selected to use it. And, perhaps even more remarkable is the fact that more than 2,000 season tickets have already been sold. And this is almost 2 years before the stadium is even completed.

Our region has been through some hard times in recent years, but we are on our way back. We're planning for a more prosperous future, and this new professional baseball stadium is indicative of the effort and enthusiasm that is present.

Mr. Speaker, I would like to include the text of the USA Today article which explains in greater detail just what is being done in that regard.

[From USA Today, Apr. 15, 1985]

MAJOR-LEAGUE PITCH FOR MINOR LEAGUE—NORTHEASTERN PENNSYLVANIA TOWNS PLOT TO ATTRACT BASEBALL FRANCHISE

(By D.I. Strunk)

SCRANTON, PA.—"When somebody mentions Scranton or Wilkes-Barre what do you think of?" asked John McGee, the man most responsible for trying to bring professional baseball back to northeastern Pennsylvania. "Coal mines. Right? Coal-crackers. Well, we haven't been in the coal-mining business for 40 years."

Well, people here like McGee are weary of that false public image. And they've decided not to take it anymore.

So they built a new ski resort that opened this year and lengthened their airport runways. They converted abandoned railroad stations to hotels and railway cars to restaurants. They turned old mines into tourist attractions and bolstered their economy by luring a variety of light-manufacturing companies.

Now leaders in Scranton and Wilkes-Barre are doing something strictly for their own quality of life. Something to add to their philharmonic orchestra, their Nay Aug zoo, the nearby Pocono Mountain resorts and the Pocono Downs race track.

They want to bring minor-league baseball to the area.

OK, so its not the big leagues. But class AAA minor-league ball—whose season opened last week across the USA—is as close as you can get.

OK, so they don't have a Class AAA team yet. But they're building a 12,000-seat stadium.

OK, so the stadium won't be finished for two years. But they've already sold 2,151 season tickets.

"Where else could you sell $238 season tickets for 70 home games for a team that doesn't exist and a stadium not built yet," said Greater Wilkes-Barre Chamber of Commerce president John Sheehan. "And baseball is just one of the stories of our naked city."

But it is the one that has everybody talking. Even more than the new Rand McNally's Places Rated Almanac that jacked the area of Scranton and Wilkes-Barre up 99 spots to make it the USA's 64th-most-attractive metropolis.

What makes this baseball story so enticing is that while just about every big city without a major-league team is vying for a franchise, this area is waiting to gather in the extras.

"The new teams have to put their minor-league clubs some place," explained McGee.

So do the old ones, which has been a problem even without major-league expansion. There aren't that many adequate stadiums and facilities for minor-league clubs, particularly in the East. Those that do exist, says Bobby Bragan, former president of the minor leagues and now with the Texas Rangers, often "leave a lot to be desired."

In fact, in 1979 Bragan told the Northeastern Baseball Corp.—formed to bring baseball to this area—that if it had had a stadium a year earlier they could have had the Yankees AAA club when they terminated with Syracuse, N.Y.

"They ended up in Tacoma, Wash.," Bragan said, "because there was no other Eastern facility."

The Philadelphia Phillies, two hours south, have expressed serious interest in moving its AAA club from Portland, Ore., if there was a minor-league stadium in the East. The International League, with eight AAA clubs from Maine to Virginia, has voted to expand when major-league baseball expands.

McGee was fully aware there was "a need" when he was a law student at the University of Louisville nine years ago listening to congressional hearings into the marketing, operating and antitrust laws governing professional sports.

That's when the idea started percolating in McGee's very organized, certified public accountant's mind. He knew the area of Scranton and Wilkes-Barre (pop. 650,000) couldn't support a major-league club. But a minor-league team would fit perfectly. There was even a track record. In the 1940-50s, the area had two successful minor-league teams: the Miners (also once called Red Sox) in Scranton and the Barons in Wilkes-Barre. But with the advent of TV baseball, the teams were sold and the old stadiums dismantled.

What McGee needed was support from the Lackawanna and Luzerne county commissioners to build a multipurpose stadium—modeled after the one in Columbus, Ohio—with the main tenants being a baseball team. As many of the larger cities seeking major-league teams have discovered the formula is as simple as "no stadium—no team."

But the governing bodies of the two counties—deeply dedicated to high school sports and rivalries—didn't embrace the idea. The only project the two cities had ever cooperated on was the Northeast Philharmonic.

So McGee, 34, who recently became county solicitor, went into quiet, backroom lobbying. "Planning is everything," said the former high school shortstop. "You have to proceed with the attitude that you're going to make the pivot for the double play."

McGee persuaded Bragan and other baseball executives to visit and help sell the idea. He got the area communities involved in raising $19,000 for a feasibility study. But what really helped was a year and a half ago when the Old Republican grip on Lackawanna was broken with two new Democratic commissioners.

Said one of the new commissioners, ex-Marine Ray Alberigi: "I felt a ballclub would project the area image in a better light." He also pointed out the stadium would create 20 full-time and 80 part-time jobs.

Added fellow new commissioner Joe Corcoran: "It'll be one more thing to attract industry while enhancing the quality of life."

Still, even the new commissioners weren't totally convinced the public wanted a baseball team. So they agreed to provide some funding for a new stadium only if Northeastern Baseball could sell 2,000 charter season tickets between Oct. 9 and Jan. 1.

"It was a most difficult period," said McGee. "I'd speak night after night. Sometimes to groups of only 10 people."

But the corporation exceeded its goal. Alex Brogna, vice president of the Wyoming National Bank of Wilkes-Barre and former Minnesota Twins minor-league third baseman said: "We're still getting a lot of inquiries from people who couldn't come up with the lump $238, but say they'll be coming to every game."

With the help of federal, state and county funds the stadium plans to open for the 1987 season. As a safety valve, Northeastern Baseball has purchased the Waterbury, Conn., AA club for $350,000 so there'll be someone to play in the new stadium in case a AAA team hasn't been acquired by opening day.

The only real problem that remained was picking a team name. A write-in poll determined that anxious fans favored "Red Barons," combining the names of the erstwhile area minor-league teams.

"One thing was certain," said McGee, "the name definitely wasnt going to reflect the false miners or coal image."

Added Austin Burke, president of the Greater Scranton Chamber of Commerce, "Way things are moving around here it may only be just another 10 years before that old coal image is completely out of people's minds."●

PRESIDENT VON WEIZSACKER ON END OF WW II

HON. NICHOLAS MAVROULES

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 16, 1985

● Mr. MAVROULES. Mr. Speaker, the storm of controversy that swirled about President Reagan's ill-advised Bitburg visit clouded the lessons of May 8, 1945—the day on which World War II ended in Europe.

With regard to this commemoration and its meaning, few in my estimation have been more thoughtful or lucid than Richard von Weizsacker, the President of West Germany.

In order to shed valuable light on this timely and important subject, I would like to share with my colleagues excerpts from Mr. von Weizsacker's speech before the Parliament in Bonn that appeared in the New York Times on Thursday, May 9, 1985.

His words are heartfelt and deserve to be read.

The excerpts follow:

Many nations are today commemorating the date on which World War II ended in Europe. Every nation is doing so with different feelings, depending on its fate. Be it victory or defeat, liberation from injustice and alien rule or transition to new dependence, division, new alliances, vast shifts of power—May 8, 1945, is a date of decisive historical importance for Europe.

We Germans are commemorating that date amongst ourselves, as is indeed necessary. We must ourselves find our own standards. We are not assisted in this task if we or others spare our feelings. We need and we have the strength to look truth straight in the eye, without embellishment and without distortion.

For us May 8 is above all a date to remember what people had to suffer. It is also a date to reflect on the course taken by our own history. The greater honesty we show in commemorating this day, the freer we are to face the consequences with due responsibility. For us Germans, May 8 is not a day of celebration. Those who actually witnessed that day in 1945 think back on highly personal and hence highly different experiences. Some returned home, others lost their homes. Some were liberated, whilst for others it was the start of captivity. Many were simply grateful that the fear had passed and that they had survived. Others felt, first and foremost, grief at the complete defeat suffered by their country. Some Germans felt bitterness about their shattered illusions, whilst others were grateful for the gift of a new start.

LIBERATED ALL OF US

Yet with every day something became clearer, and this must be stated on behalf of all of us today: May 8, was a day of liberation. It liberated all of us from the inhumanity and tyranny of the National Socialist regime.

Nobody will, because of that liberation, forget the grave suffering that only started for many people on May 8. But we must not regard the end of the war as the cause of flight, expulsion and deprivation of freedom. The cause goes back to the start of the tyranny that brought about the war. We must not separate May 8, 1945, from January 30, 1933.

There is truly no reason for us today to participate in victory celebrations. But there is every reason for us to perceive May 8, 1945, as the end of an aberration in German history, an end bearing seeds of hope for a better future.

May 8 is a day of remembrance. Remembering means recalling an occurrence honestly and undistortedly so that it becomes a part of our very beings.

REMEMBERING JEWISH DEAD

Today we mourn all the dead of the war and the tyranny. In particular we commemorate the six million Jews who were murdered in German concentration camps. We commemorate all nations that suffered in the war, especially the countless citizens of the Soviet Union and Poland who lost their lives. As Germans, we mourn our own compatriots who perished as soldiers, during air raids at home, in captivity or during expulsion. We commemorated the Sinti and Roman gypsies, the homosexuals and the mentally ill who were killed, as well as the people who had to die for their religious or political beliefs. We commemorate the hostages who were executed. We recall the victims of the resistance movements in all the countries occupied by us. As Germans, we pay homage to the victims in the German resistance, among the public, the military, the churches, the workers and trade unions and the Communists. We commemorate those who did not actively resist, but preferred to die instead of violating their consciences.

Alongside the endless army of the dead, mountains of human suffering arose grief for the dead, suffering from injury or crippling or barbarous compulsory sterilization, suffering during the air raids, during flight and expulsions, suffering because of rape and pillage, forced labor, injustice and torture, hunger and hardship, suffering because of fear of arrest and death, grief at the loss of everything which one had wrongly believed in and worked for. Today we sorrowfully recall all this human suffering.

BURDEN BORNE BY WOMEN

Perhaps the greatest burden was borne by the women of all nations. Their suffering, renunciation and silent strength are all too easily forgotten by history. Filled with fear, they worked, bore human life and protected it. They mourned their fallen fathers and sons, husbands, brothers and friends. In the years of darkness, they insured that the light of humanity was not extinguished. After the war, with no prospect of a secure future, women everywhere were the first to set about building homes again, the rubble women in Berlin and elsewhere. Because of the war, many women were left alone and spent their lives in solitude. Yet it is first and foremost thanks to the women that nations did not disintegrate spiritually on account of the destruction, devastation, atrocities and inhumanity and that they gradually regained their foothold after the war.

At the root of the tyranny was Hitler's immeasurable hatred against our Jewish compatriots. Hitler had never concealed this hatred from the public, but made the entire nation a tool of it. Only a day before his death, on April 30, 1945, he concluded his so-called will with the words: "Above all, I call upon the leaders of the nation and their followers to observe painstakingly the race laws and to oppose ruthlessly the poisoners of all nations: international Jewry." Hardly any country has in its history always remained free from blame for war or violence. The genocide of the Jews is, however, unparalleled in history.

WHO COULD BE UNSUSPECTING?

The perpetration of this crime was in the hands of a few people. It was concealed from the eyes of the public, but every German was able to experience what his Jewish compatriots had to suffer, ranging from plain apathy and hidden intolerance to outright hatred. Who could remain unsuspecting after the burning of the synagogues, the plundering, the stigmatization with the Star of David, the deprivation of rights, the ceaseless violation of human dignity? Whoever opened his eyes and ears and sought information could not fail to notice that Jews were being deported. The nature and scope of the destruction may have exceeded human imagination, but apart from the crime itself, there was, in reality, the attempt by too many people, including those of my generation, who were young and were not involved in planning the events and carrying them out, not to take notice of what was happening. There were many ways of not burdening one's conscience, of shunning responsibility, looking away, keeping mum. When the unspeakable truth of the Holocaust then became known at the end of the war, all too many of us claimed that they had not known anything about it or even suspected anything.

There is no such thing as the guilt or innocence of an entire nation. Guilt is, like innocence, not collective, but personal. There is discovered or concealed individual guilt. There is guilt which people acknowledge or deny. Everyone who directly experienced that era should today quietly ask himself about his involvement then.

The vast majority of today's population were either children then or had not been born. They cannot profess a guilt of their own for crimes that they did not commit. No discerning person can expect them to wear a pentiential role simply because they are Germans. But their forefathers have left them a grave legacy. All of us, whether guilty or not, whether old or young, must accept the past. We are all affected by its consequences and liable for it. The young and old generations must and can help each other to understand why it is vital to keep alive the memories. It is not a case of coming to terms with the past. That is not possible. It cannot be subsequently modified or made undone. However, anyone who closes his eyes to the past is blind to the present. Whoever refuses to remember the inhumanity is prone to new risks of infection.

REMEMBER AND RECONCILE

The Jewish nation remembers and will always remember. We seek reconciliation. Precisely for this reason we must understand that there can be no reconciliation without remembrance. The experience of millionfold death is part of the very being of every Jew in the world, not only because people cannot forget such atrocities, but also because remembrance is part of the Jewish faith.

Seeking to forget makes exile all the longer; the secret of redemption lies in remembrance. This oft-quoted Jewish adage surely expresses the idea that faith in God is faith in the work of God in history. Remembrance is experience of the work of God in history. It is the source of faith in redemption. This experience creates hope, creates faith in redemption, in reunification of the divided, in reconciliation. Whoever forgets this experience loses his faith. If we for our part sought to forget what has occurred, instead of remembering it, this would not only be inhuman. We would also impinge upon the faith of the Jews who survived and destroy the basis of reconciliation. We must erect a memorial to thoughts, and feelings in our own hearts.●

A TRIBUTE TO GEORGE FURGALA

HON. WILLIAM O. LIPINSKI

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 16, 1985

● Mr. LIPINSKI. Mr. Speaker, I rise before my colleagues today to call attention to an outstanding resident of the Fifth Congressional District, George Furgala, who recently celebrated his 100th birthday.

George Furgala was born on March 12, 1885, in Austria-Hungary. In 1910, he immigrated to America where he married and settled in Chicago. After numerous occupations, he was employed at R.R. Donnelly and Sons, from which he retired in 1951 after 26 years of service. George and his wife, Felicia, raised three children and were long active in community and religious affairs on the south side of Chicago.

Mr. Speaker, I join with the residents of the Fifth Congressional District in congratulating George Furgala on the occasion of his 100th birthday and extend my best wishes for many years of happiness and success.●

A BILL TO COMBAT CHILD PORNOGRAPHY

HON. JOHN McCAIN

OF ARIZONA

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 16, 1985

● Mr. McCAIN. Mr. Speaker, today I am introducing legislation that will amend the United States Code to further protect our children from exploitation. Specifically, my legislation will address the area of child pornography.

In the last Congress, we enacted the Child Protection Act of 1984. These reforms have been instrumental in combating the incidence of child pornography. My legislation will add strength to this law, providing additional tools to stem the growth of this heinous crime.

Currently, the pornography industry is capitalizing on a new market—that of video cassette recorders. Those that produce and distribute child pornography have moved their operations underground and have formed interstate links to effectively pervade this lewd market.

My legislation amends title 18 of the United States Code to include offenses relating to the sexual exploitation of children under the Racketeer Influenced and Corrupt Organizations [RICO] provisions.

If the production and distribution of child pornography were included, along with child prostitution, among the offenses defined as racketeering activity, the consequences would substantially affect both the criminal and civil liability of child pornography traffickers. Those who are engaged in a pattern of child pornography distribution as part of a business or other enterprise would be subject to criminal penalties of up to 20 years imprisonment forfeiture of any property acquired as part of that enterprise and a fine of up to $25,000.

By amending the RICO provisions, the victim is afforded further protections and compensation. Currently, child pornography victims have no effective recourse against their abusers either to obtain damages or to prevent circulation of the material in which they appear. Under the change provided by this legislation the victim of a pattern of child exploitation, would have the right to sue their abusers for treble damages plus a reasonable attorney's fee. Additionally, district courts would be allowed to issue injunctions against those who have engaged in a pattern of prohibited conduct. In other words, the courts could prevent nationwide distribution of a child's pornographic pictures.

The second section of the legislation amends the United States Code to prohibit advertising in connection with child pornography. This includes advertisements on where to purchase pornographic material, as well as those that solicit or offer participation in sexually explicit conduct with a minor. This provision would severely restrict market sales, and aid law enforcement officers in tracking those involved with the distribution of child pornography.

Finally, the last section of the bill makes it illegal to transport minors across State lines for the purpose of sexual exploitation. Currently, a commercial purpose is required for a conviction under this statute. This section eliminates the commercial purpose. The very act itself would be punishable. Those that are convicted of this crime may be imprisoned up to 15 years or fined up to $250,000.

At least, 1 million children between the age of 1 and 16 have been sexually molested and filmed for the abuser's pleasure and profit. Let's put an end to this horrendous crime and enact the appropriate legislative measures to crack down on child pornography operators.●

IN HONOR OF CHUCK SCHNEIDER

HON. MEL LEVINE

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 16, 1985

● Mr. LEVINE. Mr. Speaker, I rise today in honor of Mr. Chuck Schneider, the outgoing chairman of the board of the Western Los Angeles Regional Chamber of Commerce, who has devoted 1 year of service and commitment to both the chamber and the west Los Angeles community.

Under Chairman Schneider's able leadership, the chamber accomplished the following activities:

The name of the organization was changed from the Western Los Angeles Regional Chamber of Commerce to the Los Angeles West Chamber of Commerce.

The logo and corporate symbol were revised to better reflect the new identity.

The on-going business of the organization was carried out with dignity, efficiency, and aplomb.

Chairman Schneider supported the chamber position on political and ceremonial matters by his presence at campaign parties, dinners, rallies, forums, and debates.

He succeeded in fiscal responsibilities by spending a day at the races and returning to Westwood from Santa Anita with more capital than he carried with him originally.

He organized and delivered the culinary aspects of the energy production and conservation committee meetings.

He served as the chamber's official host at mixer parties held during his tenure at various member establishments on the westside of Los Angeles.

He welcomed visiting dignitaries and invited guests to the chamber's annual beautification awards program at the Hotel Bel-Air.

He attended the chamber's "Job-Ops" program at the Century Plaza Hotel and greeted educators, students, and business people to this valuable public program.

He served as master of ceremonies at the Westwood art show.

He organized the South Westwood Boulevard merchants to upgrade the area.

It is a pleasure to bring Chuck Schneider's accomplishments to the attention of my colleagues and I ask that they join me in commending him for a job well done.●

A TRIBUTE TO A LEADING BRONX CITIZEN

HON. ROBERT GARCIA

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 16, 1985

● Mr. GARCIA. Mr. Speaker, I would like to congratulate one of my constituents, Mr. Richard D. Gidron.

Mr. Gidron is being honored by the Bronx County Committee for his dedication to the Bronx and its citizens. He has been honored by a wide variety of groups since he settled in the Bronx in 1972. They range from the Boy Scouts of America, the National Conference of Christians and Jews, the Cooley's Anemia Foundation, Man of

the Year awards from the Interracial Council of Business Opportunity, the Bronx Chamber of Commerce, a Humanitarian Award from the Bronx County Society for Prevention of Cruelty to Children to a 1984 Presidential Citation. Another award is nothing new to Dick, but it symbolizes his tireless and continuing efforts to help New York and the Bronx.

He is a successful businessman, owning the second largest—and largest black-owned—Cadillac dealership on the east coast. This dynamic businessman, husband, and father also finds time somehow to involve himself in civic affairs. He is president of the Bronx Chamber of Commerce, and a member of a host of other associations dedicated to improving educational, health, and employment opportunities for minorities. In the past Dick has sponsored a voter registration drive, and he is on the board of such organizations as the NAACP's Finance Committee, Fordham University, and the Bronx Museum, to name a few.

Not one to stand still, Dick is embarking on a new venture: Dick Gidron Ford. This makes him the first black two-car dealer in America. With his past success, this new venture will certainly be a challenge.

Dick is a strong believer in hard work and devotion to family, two precepts that are part of the foundation of our society. I want to extend my warmest congratulations to Dick, and to thank him for all the work he has done to make the Bronx a better place to live and work.●

JUNK BONDS

HON. J.J. PICKLE

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 16, 1985

● Mr. PICKLE. Mr. Speaker, there is increasing concern throughout the country about the explosive growth in the issuance of junk bonds.

In the past, junk bonds were traditionally used as a relatively rare means of raising capital by emerging companies or distressed companies that had no other recourse.

However, in recent years we have seen healthy corporations become highly leveraged through the issuance of junk bonds as a defense against takeovers and there are shell corporations, with little or no assets, taking on huge debts to finance takeover attempts.

After closely examining this issue in hearings conducted by the Ways and Means Oversight Subcommittee, I have introduced House Resolution 2476, the Junk Bond and Greenmail Tax Act, to discourage the use of junk bonds to purchase stock.

In order to further inform my colleagues about the dangers of the current uses of junk bonds, I recommend to them an article by Senator PETE DOMENICI that appeared in the Wall Street Journal this week.

Congress should act on this issue to reduce the threat of disrupting our Nation's financial system.

The article from Wall Street Journal, May 14, 1985, follows:

FOOLS AND THEIR TAKEOVER BONDS

(By Pete V. Domenici)

I have been fascinated by the intensity of the debate on this page over the risks of non-investment grade, or "junk," bonds, particularly in hostile takeovers. Literary flourishes reached a high point with the designation of junk bonds as "swill." But so far the debate has overlooked the two issues that will most likely result in a federal regulatory response.

The first of these is the recent and growing role of federally insured lending institutions and government-backed pension funds in purchasing junk bonds. The 1982 deregulation of financial markets and the Depository Institutions Deregulation and Monetary Act of 1980 were designed to give federally insured thrifts more elbow room in the financial marketplace to meet their commitment to provide home mortgages. Their involvment in the high-stakes game of corporate takeovers has led Chairman Edwin Gray of the Federal Home Loan Bank Board to characterize the thrift's participation as "heads I win, tails the FSLIC loses." Since 1981, more than 1,000 federally insured thrifts have been merged or liquidated.

The second issue that will prompt eventual federal action is the use of junk bonds to circumvent the Federal Reserve's margin requirement (Regulation G). This rule provides that loans for stock purchases cannot exceed 50% of the value of the stock being bought. In the military there is a saying that safety regulations are written in blood. The margin requirement is written in the blood of 1929.

Several of the recent hostile takeovers have made a mockery of the margin requirement. Shell corporations have issued junk bonds to finance stock purchases entirely with borrowed funds. Because there is no functional difference between bonds and loans in this situation, the margin requirement is unjustly circumvented.

I believe that responses by Congress and the Federal Reserve are inevitable. But we need to take care to craft legislation that preserves the advantages of hostile mergers, while limiting the risks of using junk bonds in such takeovers. Accordingly, I have proposed a temporary moratorium on hostile mergers using junk bonds to give Congress and the regulatory agencies time to act.

Opponents of a moratorium, or for that matter, any federal action, have argued that hostile takeovers using junk bonds are a healthy development. This conclusion is based on a three-part argument that (1) history has shown junk bonds are not inordinately risky; (2) the present round of takeover activity will lead to better management and healthier companies, and (3) buying out stockholders with junk bonds is the way the market makes more efficient use of capital. The first two arguments reflect more fancy than fact. The third has some superficial appeal but, under close scrutiny, proves irrelevant to the particular policy issues facing us.

1. *The Risks of Junk Bonds.* The past offers us no guide to the risks of recently issued junk bonds. In 1977, $1 billion of junk bonds was issued. In 1984, the market for junk bonds was more than $15 billion. In the past, these bonds were issued by growth companies or troubled industrial giants such as Chrysler Corp. In contrast, the junk bonds of today are being issued by shell corporations to finance highly leveraged acquisitions. In addition to these dramatic differences in volume, and the quality of the issuer, 80% of these bonds have never faced the test of an economic downturn or a rise in interest rates. Comparing today's explosion of junk bonds with their use in the late 1970s is like comparing World War II with the Civil War simply because gunpowder was used in both.

The recent default of Sharon Steel Corp. on its two most recent payments on $426 million of these bonds and Metromedia Inc.'s decision to sell seven TV stations to service the debt on its junk bonds are timely reminders of the risks involved. Metromedia sold $1.3 billion of junk bonds in two hours only last year, even though the prospectus admitted: "Based on current levels of operations and anticipated growth, the company does not expect to be able in generate sufficient cash flow to make all of the principal payments due on the notes. . . ." It goes on to state, "Based on current levels of operations, the company's cash flow would be insufficient to make interest payments. . . ."

The importance of Metromedia lies in that it is not part of a declining industry, but rather part of the vibrant communications sector. Moreover, the Metromedia sale comes in good economic times, not bad. As for the future, we need only remember the observation of John Shad, chairman of the Securities and Exchange Commission: "The more leveraged takeovers and buyouts today, the more bankruptcies tomorrow."

2. *The Management Smoke Screen.* Talk of improving management is a smoke screen for the raiders' scorched-earth tactics in the energy industry. Phillips Petroleum Co. has more than 70% of its cash flow dedicated to debt service. Its exploration and development budget is down by 32% ($260 million). The last offer from Carl Icahn would have made the company's debt-to-equity ratio 14 to 1 (at 6 to 1 Chrysler came to the feds hat in hand).

By attacking Uniroyal Inc., whose stock has increased fivefold in the past three years, and Unocal Corp., whose cost of finding oil is the lowest of any major oil company ($6 a barrel vs. $14 for Mesa Petroleum Co. and $22 for Chevron Corp.), the raiders further belie any interest in improving management.

Documents unearthed during the Unocal takeover effort and reported in the press give a truer picture of raider intentions. They are looking for targets with two characteristics: strong cash flow and little debt. The quality of management is irrelevant. The court documents also undercut any contention that the raiders are concerned with the long-range health of the target company. In Unocal's case, the raider's plan for spending for exploration and development in the U.S. is scheduled to decline from $850 million a year in 1984 to $100 million a year in 1990. Foreign exploration would drop from $355 million a year in 1983 to zero in 1988. We are speaking not of restructuring, but of liquidation.

3. *Markets and Predators.* An argument with surface appeal contends that buying out stockholders at a premium with borrowed money (substituting debt for equity) frees up stockholders to take their money

elsewhere and put it in industries that will yield a higher return. Just as nature has a role for predators, the argument continues, so the financial jungle has a use for them. The process is not for the squeamish, but ultimately benefits us all. And just because we may not like the personalities involved, whoever said sharks were friendly?

Although flawed—stockholders can sell anytime, not just during a takeover, and much of the economic incentive comes from the tax advantages of using debt rather than putting capital to higher uses—this argument at least has the virtue of describing the motives of the participants.

But despite its descriptive value, this argument is devoid of policy consequences. Specifically:

It does not address whether the taxpayer should shoulder any of the risk of having federally insured institutions participate in corporate takeovers using junk bonds. Prior articles on this page have emphasized the savvy of participants such as the Belzberg family or Saul Steinberg, but not the liability of the taxpayer.

It has no impact on the need to enforce margin requirements. If it does, then proponents of junk-bond-financed takeovers are the ones asking for a major change.

It is also irrelevant to the issue of government intervention. The present takeover contests are being conducted within a long-established, elaborate framework of federal and state laws and regulations with many judges checking to see that every "i" is dotted.

A moratorium on hostile takeovers using junk bonds would give us the time needed to enact the minimal precautionary steps to preclude federally insured institutions from purchasing junk bonds and to scrutinize the present round of takeovers to ensure that the margin requirements are fully enforced. Timely action is needed to reduce the greatest risk of all, the risk to our nation's financial system. For more than five years the Federal Reserve has been navigating through a seemingly endless financial mine field. The debt volcano of the lesser-developed countries could erupt again. Savings and loan associations, as noted earlier, continue to succumb at alarming rates. And the Ohio banking crisis is not fully behind us. Into this fragile situation, junk-bond advocates are urging us to pump unprecedented amounts of high-risk corporate debt. Market theorists love to rhapsodize about the wisdom of markets. But part of this wisdom consists of dealing harshly with fools who believe that the good times are without end.●

ANTIAPARTHEID ACT OF 1985

HON. BILL RICHARDSON

OF NEW MEXICO

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 16, 1985

● Mr. RICHARDSON. Mr. Speaker, I urge my colleagues to support an amendment I will be offering to H.R. 1460, the Antiapartheid Act of 1985 to prohibit the further importation and use in this country of uranium and coal originating in either South Africa or Namibia, a country which is controlled by South Africa.

Mr. Speaker, we all deplore the terrible system of apartheid practiced by the Republic of South Africa. Under that system, black citizens not only are disenfranchised, not only are confined to slums to live, not only are afforded inferior educational opportunities. But also are compelled to work at lower paying jobs and are given little or no chance for meaningful advancement.

The South African policy of inequality is not simply harmful to the citizens of South Africa; it also takes a direct and unacceptable toll on Americans. The apartheid system permits South Africa to produce minerals such as uranium and coal, and to exploit deposits of these minerals, largely through the toil of South Africa's black population. Uranium is mined by virtual slave labor under brutal and unsafe conditions. Sold by a South African Government agency [NUFCOR], transported in secrecy to foreign countries, marked with false labels and shipping orders, owned by a tangle of multinational corporations whose activities are only partially disclosed, and sold to the United States at the expense of the American uranium miner. South Africa's prior history in the 1970's of participating in an international cartel to restrict production and to raise prices has exacerbated the grave condition of the U.S. domestic uranium market today.

As a direct result of South Africa's apartheid system, its subsidies and other policies, about one-third of U.S. imports of uranium now involve material of South African origin. From employment of 20,000 workers 5 years ago, the American uranium industry now employs only 2,000 workers and only a handful of mines remain open. South Africa is also the largest importer of coal into the United States—in 1984 we imported 612,447 tons of coal from South Africa. The United States is rich in coal—I find it unconscionable that we would allow the importation of coal mined in a country whose human rights abuses are known to all, at the expense of the American miner.

We in the U.S. Congress now have an opportunity to right two serious wrongs—to send a clear message to the South African Government that we will not condone their deplorable policies of apartheid and to say to the American miner, we are willing to restrict these imports to save their jobs.

Mr. Speaker, apartheid is a moral outrage and is having a direct and grossly detrimental impact on American workers. My amendment will contribute to correcting this situation and I urge its adoption.

AMENDMENT TO H.R. 1460, AS REPORTED OFFERED BY MR. RICHARDSON OF NEW MEXICO

SEC. 15. BAN ON IMPORTING URANIUM AND COAL FROM SOUTH AFRICA AND NAMIBIA.

Notwithstanding any other provision of law and except as otherwise provided in this Act, the following products of South Africa and Namibia may not be imported into the United States: coal and uranium ore.

Page 5, line 2, strike out "sections 4 and 5" and insert in lieu thereof "sections 4, 5, and 15"; and line 12, strike out "sections 4 and 5" and insert in lieu thereof "sections 4, 5, and 15".

Page 12, line 25, strike out "and".

Page 13, line 1, insert ", and on importing coal and uranium ore from South Africa" immediately before the period.●

RESTON, VA, CELEBRATES 20TH ANNIVERSARY OF ITS FOUNDING

HON. FRANK R. WOLF

OF VIRGINIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 16, 1985

● Mr. WOLF. Mr. Speaker, there is much to celebrate in Reston this coming weekend as we mark 20 years of growth and progress. Today, thanks to its active citizen participation, Reston enjoys a remarkable record of achievement. The cooperative and spirited efforts of its citizens reflect the true sense of community set forth the Reston's founders. It is not only a special time of remembrance of past accomplishments but also a time of renewal and rededication to complete the work and meet the challenges that lie ahead.

As the Representative for Virginia's 10th Congressional District, I take great pride in Reston's accomplishments and I congratulate the citizens of Reston who have made this the model town that it is.

I ask that a Fairfax County resolution be printed at this point in the RECORD.

RESOLUTION

Whereas, Reston, Virginia, a community with a distinguished history, this year celebrates the 20th Anniversary of its founding; and

Whereas, in the 1960's, Robert E. Simon planned and began one of the nation's first contemporary "new towns", pioneering an alternative to suburban sprawl, and attracting world-wide attention as a laboratory for community and urban development; and

Whereas, the innovative concept of Reston was made possible by the Residential Planned Community Zoning Ordinance, adopted by the Fairfax County Board of Supervisors in 1962; and

Whereas, Reston has made and continues to make an important contribution to Fairfax County, receiving numerous awards for excellent design, and serving as a model for a better quality of life through a planned environment offering housing diversity for all segments of its population, providing the County with economic growth through business and commercial interests, and ensuring that abundant cultural and recreational opportunities are available for its residents; and

Whereas, Reston's developers, designers, and residents together embraced and achieved the original humanistic goals set forth by Reston's founder; and

Whereas, Reston successfully embodies a true sense of community, because its actively involved citizens have contributed significantly to shaping their community, the County, and the region; now therefore

Be it resolved that the Fairfax County Board of Supervisors, on behalf of all of the citizens of Fairfax County, does hereby commend Reston, Virginia for its numerous achievements, and does extend their best wishes on the auspicious occasion of this outstanding community's 20th Anniversary.

JOHN F. HERRITY,
Chairman.
ETHEL WILCOX,
Register, Clerk.●

TRIBUTE TO THE 3D INFANTRY DIVISION

HON. RICHARD RAY

OF GEORGIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 16, 1985

● Mr. RAY. Mr. Speaker, last week I introduced legislation (H.R. 2440) that would allow the Society of the Third Infantry Division to erect a monument in memory of its members' fallen comrades.

Organized on November 21, 1917, the 3d Infantry Division arrived in France in early 1918. In July of that year, on the Marne River, the division won its nickname "Rock of the Marne," by holding a 12-kilometer line against heavy German attacks. The 3d Division went on to win six battle streamers during World War I.

Mr. Speaker, the division's record in World War II was just as impressive. Among its honors, the 3d Infantry Division was awarded the Presidential Unit Citation and the French Croix de Guerre with Palm for its action clearing the Colmar Pocket. The 3d Division is also credited with 10 campaigns for World War II service.

Responding again to its call to service, the "Rock of the Marne" engaged in eight campaigns in Korea and, as a result of its courageous efforts, was awarded two Republic of Korea Presidential Unit citations.

After a reorganization of the division into a mechanized infantry, the 3d Division is now stationed in Wuerzburg, West Germany, where it fulfills its mission as part of the frontline shield of NATO.

My distinguished colleague in the other Chamber, Senator SAM NUNN, has introduced identical legislation that will give the Society of the Third Infantry Division the necessary congressional approval to begin the procedure for erecting a memorial in the District of Columbia or its environs. The memorial will be erected at no cost to the Federal Government. Furthermore, the Secretary of the Interior will select a suitable site and approve the design and plans for such a memorial.

Mr. Speaker, memorials honoring the 1st and 2d Infantry Divisions have for some time existed in the District of Columbia. The Society of the Third Infantry Division is very anxious to begin construction of a monument of its own as soon as it gets our authority.

I take pride in offering this measure calling for a 3d Infantry Division memorial honoring the memory of this very deserving unit.●

HOUSE JOINT RESOLUTION 3: A MEASURE TO PREVENT NUCLEAR EXPLOSIVE TESTING

HON. BERKLEY BEDELL

OF IOWA

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 16, 1985

● Mr. BEDELL. Mr. Speaker, on January 3, my colleague and fellow Iowan, JIM LEACH and I reintroduced House Joint Resolution 3—a measure to prevent nuclear explosive testing. Since that time, we have been joined by 145 other Members of the House of Representatives in support of this important arms control initiative, including 24 members of the House Foreign Affairs Committee.

House Joint Resolution 3 represents a sound approach toward bringing the nuclear arms race under control through its requirements that urge the President to request Senate ratification of the Threshold Test Ban and Peaceful Nuclear Explosion Treaties, as well as to propose to the Soviet Union the immediate resumption of negotiations toward conclusion of a verifiable comprehensive test ban treaty.

Despite widespread and bipartisan support House Joint Resolution 3, resistance to its modest objectives were noted during the Foreign Affairs Committee's markup of this initiative. Nevertheless, I am pleased to inform you that yesterday, the committee reported this measure unamended for further consideration by the full House of Representatives.

I do not believe this would have been possible without the support and stewardship of committee Chairman DANTE FASCELL. In my view, Chairman FASCELL was open in his committee's investigation into the merits of House Joint Resolution 3 and quite fair in endeavoring to garner additional bipartisan support for this proposal by waiting for senior minority members to return to the committee from other commitments prior to voting on final passage of House Joint Resolution 3.

For these reasons, I would like to both commend and thank Chairman FASCELL, as well as those members of the Foreign Affairs Committee who cosponsored House Joint Resolution 3, and those Members who comprised the quorum necessary to report this measure to the House.

It remains my sincere hope that we can move on as expeditiously as possible in bringing this important initiative to the floor of the House as soon as possible. In this regard, I would also like to insert Chairman Fascell's opening remarks on House Joint Resolution 3 into the RECORD for the benefit of my colleagues.

OPENING STATEMENT OF CHAIRMAN FASCELL ON HOUSE JOINT RESOLUTION 3 MAY 14, 1985

House Joint Resolution 3, dealing with limiting nuclear weapons testing, urges the President to request ratification of the TTBT [Nixon] and PNET [Ford] and to resume negotiations on a comprehensive test ban.

The resolution also calls upon the President to include any reservations on verification that should be attached to the two treaties.

The same language of House Joint Resolution 3 was passed in the Senate last year by a vote in excess of the two-thirds necessary for treaty ratification [77-22].

This is a proarms control and proverification measure.

Proarms control:

Builds off past arms control efforts of Presidents Nixon and Ford.

Reaffirms the position of every President from Eisenhower to and including President Reagan to work toward a comprehensive nuclear test ban.

Enhances our commitment to nuclear nonproliferation.

Demonstrates U.S. seriousness about bringing an end to the nuclear arms race.

Pressures the Soviets to act on their propaganda "lip service" commitment to arms control.

Enables the Reagan administration to point to progress in arms control.

Proverification:

Ratification of both the TTB and the PNE results in new confidence-building measures and onsite inspections never done before by the two superpowers.

Assessing Soviet compliance with the TTB and the PNE is easier and more reliable because of unprecedented exchanges of information and technical data before and after nuclear explosions.

The PNE provides unprecedented onsite access to sites of explosions.

The exchanges of data and other technical information flowing from the ratification (otherwise not obtainable) will increase U.S. confidence in verification assessments especially on yield estimations and help to enhance U.S. confidence of Soviet compliance with an ultimate comprehensive test ban treaty.

In short, this is a modest but concrete proarms control and verification enhancement measure that complements the administration's stated objective to bring an end to the nuclear arms race.●

OLDER AMERICANS MONTH

HON. WILLIAM F. CLINGER, JR.

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 16, 1985

● Mr. CLINGER. Mr. Speaker, Older Americans Month is upon us again, giving Congress and the American people an opportunity to pause and re-

flect on the importance of senior citizens to society and the Federal programs which assist them in a number of ways.

The most publicized of these programs provide tangible, cash benefits to senior citizens, while perhaps the least known but most effective, afford seniors the opportunity to work in their communities on a volunteer basis or for a small salary. Such employment through the Retired Senior Volunteer Program [RSVP] and the Senior Community Service Employment Program [SCSEP], not only stimulate local economic development but instill a sense of respect and self-worth to older Americans. Moreover, local community agencies and organizations have only to gain by employing the older workers; their insight and experience are invaluable resources that should not be wasted.

I would also like to insert into the RECORD, a letter addressed to me from the McKean County RSVP, located in the 23d District, which, on its own, is an outstanding testament to the program and is a true tribute to Older Americans Month.

THE MCKEAN COUNTY RSVP,
April 23, 1985.

Hon. WILLIAM F. CLINGER,
House of Representatives, Washington, DC.

DEAR MR. CLINGER: Because the months of April and May have been designated as "National Volunteer Month" and "Older Americans Month" respectively, we would like to update you about the Retired Senior Volunteer Program (RSVP) in McKean County. This organization for senior service to America matches interest and abilities to demonstrated community needs so volunteer stations can extend the work that they perform.

RSVP is an outgrowth of decades of effort by gerontologists, private agencies, and government groups to address the continuing needs of retired persons in America for useful activity. In 1969 the Retired Senior Volunteer Program was created in an amendment to the Older Americans Act. Now under the national aegis of ACTION, RSVP promotes the volunteer contributions of time and energy of more than one-third of a million senior citizens. The program develops opportunities for older people to share their expertise, abilities, and skills to serve their communities at virtually no taxpayer cost because members do Volunteer their services.

Locally, the McKean County Retired Senior Volunteer Program is sponsored by the North Central Pennsylvania Office of Human Services. In 1984 nearly 600 residents of the county were active in RSVP projects. Thirteen to fifteen thousand hours are donated on the average each quarter to a total of 43 sites. These valuable "people hours" enrich our lives immeasurably and enhance the quality of life county-wide.

RSVP involvement provides a vital service to non-profit private and public agencies and organizations, which in turn, have an impact on most of us throughout our lives. This assistance is especially welcome today as funding levels are stable or decreasing in the public sector. Volunteer hours help these groups maintain their current levels of service to the community and to McKean County. Nursing homes; hospitals; public libraries; the American Red Cross; the American Heart Association; and the American Cancer Society currently benefit from the RSVP program. The Bradford State Health Center; the McKean County Historical Museum; community senior centers; the Salvation Army Food Bank; and the University of Pittsburgh at Bradford are also among the 43 RSVP stations throughout the county.

It is an American Axiom that we take care of our own and that everyone should pitch in to help. Because of the RSVP commitment here, volunteers provide service of which many larger communities and counties are envious.

The Advisory Council of the McKean County Retired Senior Volunteer Program is proud of the dedication of Director Michele Angevine and her staff, but especially of the volunteers themselves for their efforts in making RSVP an outstanding local success.

We trust that we can count on your continued support of this worthwhile program.

Thank you.

Sincerely,

RUDY A. ANDERSON,
Advisory Council.●

SPECIAL FORCES GROUP OF FLORIDA

HON. EDWARD J. MARKEY

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 16, 1985

● Mr. MARKEY. Mr. Speaker, I would like to bring to the attention of my colleagues an exercise undertaken by elements of the 11th Special Forces Group.

This exercise was undertaken in honor of Duff Matson, a World War II veteran distinguished both by his military service and by his service to the community.

I would like to commend the participants in this exercise, particularly Vincent Arnone, of Malden, MA. I would also like to have printed in the CONGRESSIONAL RECORD an article published by Malden This Week which describes the activities of the 11th Special Forces Group in Florida.

LOCAL RESIDENTS TRAIN WITH SPECIAL FORCES IN FLORIDA EVERGLADES

During a recent training exercise elements of the 11th Special Forces Group (Airborne) parachuted into the Everglades of Florida at 2 a.m. as part of "Operation Everglades '84". Their drop zone was located at Immokalee Airport in Collier County.

Training included automatic weapons firing with state-of-the art weaponry, a reptile demonstration by Joe Wasilewski, a nationally known reptile expert, a lecture on fighting knives by world renowned knife maker Bill Moran, a wilderness survival trail and training in the handling of poisonous snakes.

Present to observe the training was Ltg William P. Yarborough who designed the parachutist badge, more commonly called "jump wings" some four decades ago. Yarborough also designed the parachute jump boots and was one of the founding fathers of the Special Forces.

The training took place on property owned by Duff W. Matson who served as a World War II paratrooper and combat bodyguard to Mg Robert T. Frederick who commanded the 1st Special Service Force, (more commonly called the "Devil's Brigade"), during that war. Matson is one of the men on whom the movie the "Dirty Dozen" was based and is also the subject of an upcoming book entitled "The Devil's Bodyguard".

Several awards and presentations took place during the weekend to include the renaming of the parachute drop zone so that it will forever be recorded in the Assault Zone Availability report of the U.S. Air Force as Matson Drop Zone as a tribute to this legendary man. Malden native and former resident Ltc Richard A. Nazzaro was presented his silver oak leaf by Ltg Yarborough in front of the men. It was the same oak leaf formerly worn by Ltc Donald C. Van Roosen who was the officer that nominated Nazzaro for a direct commission from Sfc nearly two decades ago.

Other participants included Ltc Frank M. Wallen, Deputy Commanding Officer of the 11th Special Forces Group (Airborne), Ltc John Mills, Group Surgeon, Maj. Ed Hines, C.O. of B Company and his executive officer Cpt Fred Jones, Sgm Jim Santos, 1st Bn., Msg Frank Shaw, A Company, Sfc Vincent W. Arnone, and Ltc Donald C. Van Roosen.

Also in attendance were Don Lassen, Editor/Publisher of the Static Line, a worldwide publication catering to the airborne and Reverend Riley Short who served as a civilian minister to families of the 101st Airborne Division during the Vietnam War.●

FIRST AID EMERGENCY TEST

HON. NICK JOE RAHALL II

OF WEST VIRGINIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 16, 1985

● Mr. RAHALL. Mr. Speaker, I would like to take this opportunity to bring to the attention of my colleagues and the country the accomplishments of four outstanding young people from my district in West Virginia. These four students from Cabell County recently won the first place prize in the national competition in the first aid emergency test sponsored by the Red Cross. They will be honored at the Red Cross National Awards Banquet on May 21, 1985, in Pittsburgh.

On behalf of the U.S. Congress, I would like to offer my congratulations to Kelli Bradshaw, Kim Finley, Jason New, and Joe Pritt. They are all students at Ona Elementary School, in Ona, WV. We in West Virginia are filled with pride in the hard work and dedication shown by these four students. They exemplify the best that we have to offer in southern West Virginia.●

TRIBUTE TO THOMAS S. DUNMIRE

HON. ROBERT J. LAGOMARSINO

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 16, 1985

● Mr. LAGOMARSINO. Mr. Speaker, I would like to bring to the attention of my colleagues the announced retirement later this month of a friend to many of us in this Chamber, Mr. Thomas Dunmire. As many in this body know, Tom has served ably and with dedication as minority consultant for territorial issues on the Committee on Interior and Insular Affairs.

Since joining the House Interior Committee 12 years ago, April 3, 1973, Tom has provided intelligent and sound counsel enabling Congress to formulate effective and successful policies in governing America's trust territories. Tom has played a critical role in the promotion of political, social, and economic development in the Pacific and the Caribbean. Tom has served as a continuous link between this body and the Departments of State, Defense, and Interior. Additionally, his diplomatic skills have been utilized as liaison between Congress and the governments of Puerto Rico, U.S. Virgin Islands, American Samoa, Guam, Northern Marianas, Palau, the Marshalls, and the Federated States of Micronesia. In this capacity, Tom has excelled in providing detailed analyses of diversified Federal and territorial budgets, policies, and projects.

Tom Dunmire established a distinguished record of service to the Nation even before his tenure in the Congress. After graduation from the U.S. Military Academy at West Point in 1952, he rose to the rank of lieutenant colonel in the U.S. Army. During his military service, Tom attended the Army War College, the Naval Post Graduate School, the Armed Forces Staff College, and the U.S. Army Language School. His intelligence, hard work, and loyalty are reflected in the awards he received: the Legion of Merit, the Bronze Star, and a Commendation Ribbon with two oak leaf clusters.

While serving in the military, Tom performed many important roles with great success. He served as a foreign liaison in Germany, utilizing his German language skills. Tom also served as a legislative liaison, research and development project officer, and authored several official publications about military construction, management, and nuclear engineering.

In addition to his military education, Tom also obtained a masters degree in international affairs in 1966, and a masters degree in public administration in 1978, from George Washington University.

I know we will all greatly miss Tom, his hard work, sound advice, and friendly nature. Along with my colleagues on the House Interior and Insular Affairs Committee, I would like to take this opportunity to thank Tom for his assistance and hard work these many years. I wish him the best of luck in all future endeavors.●

THE "JUSTICE" DEPARTMENT

HON. CARROLL HUBBARD, JR.

OF KENTUCKY

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 16, 1985

● Mr. HUBBARD. Mr. Speaker, CBS News reported Tuesday night that FBI agents allegedly "masterminded" a scheme in which burglars were to steal millions of dollars of coal-moving equipment in eastern Kentucky, with the goods to be used to try to trap "corrupt coal operators."

CBS said the plan never was finalized, but according to Louisville attorney Bart Adams, who apparently represented one or more of the FBI operatives, the FBI promised one man immunity for the planned thefts.

"I couldn't believe it," attorney Adams said earlier this week. "I was astounded by the entire thing," he added.

Wednesday night, in the second part of a series titled "The Kentucky Crimes," CBS News reported that the FBI discussed with Delane "Red" Colvin the possibility of stealing coal-moving equipment in eastern Kentucky as part of a scheme to "trap corrupt coal operators."

The scheme involved 3 to 5 million dollars' worth of equipment.

CBS News reported Monday that Colvin and a man who appeared on camera, but who was not named, alleged that Larry Long, head of the FBI's Lexington, KY, office, instructed them to carry out a burglary at Cummins Diesel Co., a truck repair firm in Jeffersontown—near Louisville.

The two men said in the report that the FBI "commissioned" five thefts in Kentucky as part of the sting operation.

Long, 40, who has headed the Lexington office since 1980, has refused to comment on the allegations.

In a hidden camera interview, CBS-TV correspondent Steve Young confronted Long:

YOUNG. I can't believe that the FBI commissions crimes.

LONG. That's your interpretation.

YOUNG. How else can you interpret it?

LONG. I don't know.

The FBI has announced it is reviewing the CBS allegations, but Bureau spokesmen have declined to comment on the charges.

CBS and newspaper accounts in Kentucky describe Delane "Red" Colvin as "an ex-convict."

CBS quoted a coal operator, identified as "ex-convict Rodney Glynn," who said: "Red Colvin and I would be authorized to go out and steal equipment and operate this with legitimate funds."

CBS-TV didn't say why the coal equipment scheme was canceled, but CBS did say the Cummins Diesel Co. break-in and theft operation was carried through in its entirety.

The U.S. Justice Department's response to all this? Bill Cheek, public affairs agent for the FBI in Kentucky, says: "An inquiry is presently being conducted in regard to the allegations. Because of the ongoing investigation, the FBI cannot discuss the matter."

This, of course, is in sharp contrast to the news conferences FBI spokesmen have held in the past to eagerly discuss allegations against elected officials in an effort to damage and/or destroy their careers.●

THE REVENUE ENHANCEMENT AND PROTECTION PROGRAM TAX ACT OF 1985

HON. BRAIN J. DONNELLY

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 16, 1985

● Mr. DONNELLY. Mr. Speaker, I am today introducing, along with my Massachusetts colleagues Mr. CONTE and Mr. FRANK, the Revenue Enhancement and Protection Program Tax Act of 1985.

The Internal Revenue Service estimates that approximately $90 billion in Federal tax revenues owed is lost to the Treasury annually because of taxes never reported or paid. Another $30 billion in taxes the IRS has assessed, but never collected, must be added to this Federal "tax gap." This tax gap has grown 300 percent since 1973. Tax evasion is a widespread, pervasive problem.

Unfortunately, the Internal Revenue Service compliance and enforcement programs have decreased during this time period. Individual audits are down 29 percent, and corporate audits down 51 percent. Our voluntary compliance system, once a model to the world, is clearly not working, and that is unfair to the millions of taxpayers who do pay their taxes. Further, the $120 billion in revenues the IRS is unable to collect represent sums that could significantly reduce the almost $200 billion Federal deficit the Nation faces.

The Federal Revenue Enhancement and Protection Program, or REAP, that I propose is a comprehensive effort to attach the tax gap, and recover some of that lost revenue. It is

based on the highly successful Massachusetts REAP. In 1983 Massachusetts embarked on a program that increased State revenues by 4 percent over the previous year, exclusive of economic growth and personal income increases. The Massachusetts REAP combined increased staff and resources for enforcement, tougher penalties for tax evasion, extensive publicity, high visibility seizures, and a one-time only, 3-month amnesty. At the Federal level, if such a program were to result in even a 3 percent increase in Federal revenues, that would mean a revenue increase of approximately $20 billion. Twenty billion dollars of deficit reduction, without raising taxes or cutting existing programs.

The Federal REAP provides: A one-time, 3-month tax amnesty. Individuals would be liable for any back taxes they owe plus interest, and would be granted immunity from any civil penalties or criminal prosecution. Once these taxpayers have had the opportunity to "wipe the slate clean," the IRS will begin a program of improved, tough tax enforcement. Among the compliance provisions are: A requirement that 10 percent of the revenues generated by the amnesty will go to IRS compliance programs; a prohibition on the award of Federal contracts or licenses to taxpayers who have delinquent accounts; authorization for the IRS to turn seriously delinquent accounts over to private collection agencies; authorization of 2,500 additional IRS compliance personnel for each of the next 3 fiscal years; a directive to the IRS to extensively publicize its amnesty, compliance, and enforcement efforts; a revision of the Internal Revenue Code penalties for tax evasion, now widely scattered throughout the Code, to make them more uniform and rational.

The time is right for enactment of a Federal REAP Program. It will set the stage for tax reform. The amnesty portion wipes the slate clean for taxpayers who want to come forward and pay what they owe, but have not done so for fear of severe penalties. Effective, tough compliance requirements will restore the faith of honest taxpayers who have understandably felt cheated due to widespread reports of tax avoidance. Moreover, the REAP is proven effective: the Massachusetts experience demonstrates it can result in significant deficit reduction without raising taxes or cutting programs. I urge my colleagues to join me in working toward its speedy enactment.●

CHRYSLER SAVES $58 MILLION IN BATTLE AGAINST HEALTH-CARE WASTE

HON. MARCY KAPTUR

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 16, 1985

● Ms. KAPTUR. Mr. Speaker, the billions of dollars spent each year on health care and the ever-increasing cost of that care have become a major topic of national debate. However, we have begun to see some success in reducing and holding down costs when employers, employees and health care providers work together and take concerted and determined action to do something about health care expenditures.

The Washington Post recently highlighted the experience of the Chrysler Corp. in bringing down the projected 1984 health care outlays for its employees by $58 million. I want to share that article with my colleagues. I believe it illustrates very well what can be accomplished when employers and employees take on the joint responsibility to control health care costs and when competition is injected into the health care procurement process.

[From the Washington Post, Apr. 29, 1985]

CHRYSLER SAVES $58 MILLION IN BATTLE AGAINST HEALTH-CARE WASTE

(By Spencer Rich)

Chrysler Corp., faced with the need to sell 70,000 cars a year just to pay health insurance premiums for workers and retirees, chopped $58 million out of its health-care bills in 1984 by an aggressive campaign against waste, overcharges and outright fraud by doctors and medical institutions treating Chrysler workers, according to a report from former secretary of Health, Education and Welfare Joseph A. Califano Jr.

Califano, now a member of the Chrysler board and chairman of its committee on health care, said Chrysler's experience—which reduced projected health-care outlays from $460 million to $402 million in 1984, a $300 savings for each worker and retiree—shows how "an aroused private sector" is "the key to health-care cost containment."

The Chrysler experience, as detailed by Califano in a report prepared for delivery today in Kansas City, Mo., to the Health Insurance Association of America, is almost a textbook example of how American companies, in a revolutionary new development in health care, are beginning to take a hard look at what they are paying for in health services.

Nationwide, firms now pay about $90 billion a year in health-care premiums for their workers, a major factor in overall business costs, as Califano detailed for Chrysler.

Califano said health-care inflation has burgeoned to the point where Blue Cross/Blue Shield has become Chrysler's single largest supplier.

He said "more than $530 of the cost of every car we sold in 1984" went to health-care premiums to private insurers and Medicare.

It was in this general context that Chrysler chief Lee Iacocca in 1981 brought Califano in to do something about health costs, warning him that their growth alone might block revival of the ailing company.

Working with Iacocca and then-United Auto Workers president Douglas A. Fraser, Califano set out to find out what Chrysler was getting for its health-care money.

"The first thing we discovered was that we didn't know," Califano said. Chrysler, which had simply paid premiums for insurance and not looked behind the premium charges, "had no idea what it was buying or from whom.

"We didn't know who the efficient suppliers were. We had no quality controls. We didn't have the slightest idea what health care our employes needed."

Working with Blue Cross and the union, Chrysler took a "30-month snapshot of our health-care purchases," cataloguing each treatment for each employe, how much was charged, what tests were given, how long patients stayed in hospital and the like.

"What we found was appalling," he said. For example:

Chrysler, at a cost of $12 million a year, was paying for an average of five lab tests a year for every person it insured, although a large percentage never needed any tests at all—meaning that doctors were ordering excessive numbers of tests.

Chiropractors each year were routinely increasing diagnostic X-rays an average of 15 percent.

Blue Cross/Blue Shield was paying dermatologists twice as much annually as it paid the average practitioner.

For no apparent reason, average daily costs at six Detroit hospitals used by Chrysler workers varied from $452 to $608, and costs for the average length of stay ranged from $3,028 to $6,077.

Similar variations were found for doctor charges, X-ray charges and lab tests. A team of physicians examined hospitalization for nonmedical low-back-pain treatment and found that two-thirds of admissions and 85 percent of the total hospital days were medically inappropriate.

The average Detroit ophthalmologist was charging $2,000 for a 20-minute cataract operation, which means he would receive more than $1 million a year for performing three operations a day for four days a week, 42 weeks a year. This is grossly excessive, Califano said, when the average charge for serious abdominal surgery requiring four to five hours, and much riskier than cataract surgery, was only $1,500.

There were cases of outright fraud—a chiropractor selling "fake injury reports to auto workers, and billing our insured for phony treatments, X-rays and unnecessary lab tests. He charged $20 for phony work-excuse slips." One worker obtained 51 prescriptions for more than 6,000 Valium tablets.

With this information in hand, the Chrysler health-care committee took action:

In the company drug plan, where workers paid $3 for any prescription and Chrysler paid everything above that, druggists routinely filled the prescriptions with expensive brand-name drugs. No more. Now the company payment covers only the cost of using cheaper generic drugs in the prescription. If the employe insists on a brand-name drug, he or she must pay the extra charge. This plan saved $250,000 the first year.

Chrysler asks employes to check all their health bills to make sure there are no mistakes and overcharges: To encourage cooperation, it splits any savings with the workers.

Chrysler pushes outpatient surgery where medically appropriate. Savings in 1984 were $2 million.

Chrysler gives employes the option of joining a group health plan for dental services, where Chrysler negotiates a fixed premium in advance and there are no added charges or yearly maximums. This saved $3 million in 1984.

Hospitals were confronted with findings about inappropriate admissions for low-back pain and asked to study them; in the next 6 months, such admissions were cut 64 percent.

Hospitals in Detroit also were confronted with data showing Chrysler mothers were kept in hospitals an average of 3.8 days for childbirth, compared with an average of 2 days in California. As a result, hospitals cut stays above 3 days by 67 percent.

For salaried employes, but not union members so far, all nonemergency, non-maternity hospitalizations are now prescreened by a second, independent medical expert, to make sure the visits are necessary; and lengths of stay are similarly monitored. Second opinions are also required for surgery for all employes. Savings: $32 million.

Looking back over the experience, Califano said, "The most important lesson is that hard-negotiating buyers, who treat health care like the other products they purchase, can change the system—and we are only beginning to realize the benefits of competition."●

COLLAGEN IS NOT DERIVED FROM HUMAN SOURCES

HON. SILVIO O. CONTE

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 16, 1985

● Mr. CONTE. Mr. Speaker, for almost 2 years now, the cosmetic industry has been battling an astounding and unfounded rumor that aborted fetus materials are being used in some cosmetic products. Both the Food and Drug Administration and the industry trade group, The Cosmetic, Toiletry and Fragance Association, have pursued every accusation regarding the issue since this gruesome rumor began circulating. Not one shred of evidence has been uncovered to support these charges. Nor is there any evidence that any cosmetic company condones such a practice.

The confusion lies with the word "collagen," which is listed as an ingredient on some cosmetic products. While collagen exists in humans and animals, the collagen now used by cosmetic companies is connective animal tissue and is not derived from any human sources. In response to consumer concerns, CTFA is now taking steps to clarify the nomenclature for collagen materials, which it is hoped will help put an end to these rumors.

This controversy was the subject of a recent collumn of Ann Landers. With her typical punchy and direct style, she scotched the rumor and denounced its purveyors. I would like to share with my colleagues the relevant portion of her column, which appeared in the April 28, 1985, edition of the Washington Post.

[From the Washington Post, Sunday, Apr. 28, 1985]

(By Ann Landers)

Dear Ann Landers: I am desperate to know the truth and I am sure you will be able to track it down. Please check with everyone who might be knowledgeable on the subject. It has kept me up nights.

I have been told by three people that collagen is made from aborted babies. My sources are an evangelist, a beauty consultant, and my neighbor who works in a hospital.

I've spent hours in stores where cosmetics are sold, checking the ingredients printed on the jars and bottles. Collagen is used in many creams, shampoos and conditioners. It must be very expensive because the prices of the products that contain collagen are awfully high.

It breaks my heart to think that the little ears, hands and feet of murdered babies are being ground into powder to make women more youthful-looking. Is this true?—Sleepless in Florence, AL.

Dear Florence: There is not a shred of truth to that story. Collagen is used in some cosmetics. It is hydrolyzed animal protein that comes from leftovers at the slaughterhouses. The evangelist, the beauty consultant and your neighbor are spreading unadulterated garbage. Tell them so and get some sleep.●

THE RETIREMENT OF MR. LELAND C. AYERS

HON. CARLOS J. MOORHEAD

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 16, 1985

● Mr. MOORHEAD. Mr. Speaker, I would like to call to the attention of my colleagues in the House of Representatives the retirement of Mr. Leland C. Ayers after 12 productive years as an elected official in the city of Burbank.

In Burbank, the name of Leland Ayers is synonymous with dedication and hard work, with efficiency, success, and achievement. His political accomplishments are numerous. Elected in 1973, he is the only man in the history of Burbank to be elected to three 4-year terms. He has served two terms as mayor and he has done so with fairness and distinction. In addition to his city council duties, Mr. Ayers has served his city and its residents as a member of the Burbank Redevelopment Agency, the Housing Authority, and the Burbank-Glendale-Pasadena Airport Authority.

His involvement with Burbank goes beyond public office. He has devoted considerable time to the Burbank chapter of the Red Cross; he has served on the board of directors of the St. Joseph's Medical Center. He is a member of the Elk's Club, the Verdugo Hills Council of the Boy Scouts of America, and the Exchange Club of Magnolia Park.

Mr. Speaker, I am delighted to take this moment to pay tribute to a good friend, an able public servant, and a devoted community leader. I wish him the same success, the same rewards, and the same satisfactions in retirement from public life as he realized in it. On behalf of myself and my constituents in Burbank, I extend to him our thanks and gratitude for his gifts of time, effort, and dedication.●

THE WISDOM OF ROBERT MOSES' THOUGHTS ON WESTWAY

HON. FRANK J. GUARINI

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 16, 1985

● Mr. GUARINI. Mr. Speaker, in 1974, master builder Robert Moses prepared a proposal for the restoration of New York's west side highway entitled "West Side Fiasco." At that time, when alternatives for the west side highway were first considered, cost estimates ranged from $46 million to repair the existing structure to $1.2 billion for the "Outboard Alternative," or Westway as it is currently known.

Moses, in his proposal, evaluated all of the alternatives and dismissed both the "Outboard Alternative" and an "Inboard Alternative" plan (estimated to cost $950 million) because of their enormous costs. "What," he claims, "even if we were rolling in money would be the rationale for spending such vast sums? Competition among several States for limited Federal transportation funds is intense. Can you picture Western and Southern Congressmen standing mute while the U.S. Department of Transportation approves the spending of such monstrous sums to build a 4-mile expressway section on the Hudson representing all the Federal aid in a Rocky Mountain State for decades?"

While the figures in his proposal are no longer accurate, the logic still holds. Today we are looking at a potential cost of $4 billion—$10 billion for the 4.2 mile Westway highway and landfill. New York's share of Federal interstate funds for Westway alone is greater than the combined shares of interstate funds for 12 other States. If, Westway's cost was unthinkable in 1974, when we had a deficit of $6.1 billion, how can we now, with a deficit over $200 billion, sanction such extravagance?

Moses claims that the evaluation of the proposed west side alternatives was slanted and that it favored "the most costly (alternative) and hence the least likely to be built."

Considering that the Federal Highway Administration estimates a nonlandfill highway could easily be constructed for under $1 billion dollars,

Westway, with its tremendous landfill, is indeed a costly alternative. Moreover, because of its magnitude and the complexity involved in filling in more than 200 acres of the Hudson River, Westway will take more than 10 years to complete and could exhaust its sources of funding.

Moses recognized the need for a new highway on the west side of Manhattan but he questioned the wisdom of building a road tunneled through landfill in the Hudson River. "Why," he asked, "move out into the river or bury it underground?"

Like Robert Moses, my colleagues and I, who have introduced legislation to prohibit Federal expenditures for the Westway landfill, fully recognize the need to construct a new highway on the west side of Manhattan. We also agree that there is little wisdom in eliminating more than 200 acres of the Hudson River for a 12-lane superhighway which would cost more than $1 billion a mile. If New York decided not to construct Westway, as it is presently proposed, it could exercise its trade-in option and receive interstate trade-in funds to construct a non-landfill highway and provide aid to its crippled mass transit system.

Robert Moses concluded, "my mind is staggered by the demand of a 90-percent handout at Washington for a racetrack on the west side of Manhattan."

I, too, am stunned by the thought of commiting the Government to financing 90 percent of the $10 billion Westway landfill and real estate venture. This is an injurious use of Federal dollars which could jeopardize the public's faith in our ability to make sound fiscal, environmental, and transportation policies and would divert scarce Federal resources from programs with a national scope.

Robert Moses was a well-respected builder and architect. Though his proposal was prepared in 1974, his thoughts ring clear and true today. We should heed his words and act quickly to prevent the expenditure of Federal funds for the Westway landfill, a project which is totally beyond reason.●

A SALUTE TO OUR GED GRADUATES

HON. JOE BARTON

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 16, 1985

● Mr. BARTON of Texas. Mr. Speaker, last Friday night, I had the opportunity to address a group of 67 adults in Waco and share their feelings of pride in being awarded their general educational development certificates.

Several of these students at the Heart of Texas Community Education Cooperative in Waco were residents of the Sixth Congressional District. It was remarkable seeing a 73-year-old lady getting the equivalent of her high school diploma and then a 19-year-old sharing that same sense of accomplishment. One man in the program, and I applaud his perserverance, had been working on his certificate for 5 years.

These 67 are members of our largest graduating class of 1985—an estimated 450,000 adults across the Nation will get their GED certificates this year.

In the last 13 years, more than a half million Texans have earned their GED certificates and the passing rate in Texas is 84 percent, well above the national average of 73 percent.

At this time of the year when many of us are taking part in high school and college commencements, we should not forget this very important program and recognize those receiving their GED certificates for the hard work and accomplishment this represents.●

NATIONAL TOURISM WEEK

HON. BILL SCHUETTE

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 16, 1985

● Mr. SCHUETTE. Mr. Speaker, as a member of the House Travel and Tourism Caucus, I am proud to endorse National Tourism Week beginning on May 19, 1985. America's breathtaking beauty and abundant natural resources are for all to share and experience. It is only fitting that we celebrate the nationwide importance of the travel and tourism industries.

The travel and tourism industry contributes immensely to the economic well-being of the State of Michigan. Her residents benefit from the economic and employment opportunities generated by the thousands of visitors that frequent our great State. I am proud to say that tourism really does work for Michigan. Each year tourism employs thousands of Michiganites; it is the fifth largest employer in the State. Tourists spend millions of dollars each day on travel and tourism services, and that means millions for the local communities. And, tourism generates Federal, State, and local tax revenues. Tourism is a vital element in Michigan and one that we should support and encourage.

I commend the individuals who have worked so diligently to promote National Tourism Week, particularly those in my home State of Michigan.●

MOUNT ST. HELENS: FIVE YEARS LATER

HON. DON BONKER

OF WASHINGTON

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 16, 1985

● Mr. BONKER. Mr. Speaker, this Saturday marks the 5-year anniversary of the explosive eruption of Mount St. Helens, WA. The May 18, 1980 eruption has left area residents with more than memories of a dramatic natural event. It has left us with a mixed legacy of problems and progress.

The immediate effects of the eruption were dramatic and devastating. The less obvious long-term effects are equally severe: Heavy sediment erosion from a huge volcanic debris avalanche clogs rivers and creates a continuing flood threat and sediment disposal problems; and the threat of a breakout of Spirit Lake that could bury downstream communities under 40 feet of debris.

The news on efforts to remove these hazards is mixed. The good news is that the threat of the Spirit Lake debris dam bursting has been all but eliminated by the construction of a safe outlet for the lake.

The bad news is that after 5 years and several studies—all with similar conclusions—the sediment problem—the Nation's worst—remains unresolved. Tens of millions have been spent on stop-gap measures, providing neither the safety, nor the cost-effectiveness of a permanent solution. Authorization for a permanent solution has been included in the supplemental appropriations bill approved by the Energy and Water Subcommittee. I urge my colleagues to support this provision so that the continuing threats of the Mount St. Helens disaster can be eliminated in a sensible manner.

THE PROBLEMS: ONE DOWN, ONE TO GO

Spirit Lake: The good news.—When Mount St. Helens erupted with the power of a large H-bomb, it tore off the north side of the mountain. The debris literally buried Spirit Lake.

A new Spirit Lake took form behind the unstable debris dam. As it filled with water, experts realized the lake was a timebomb. Spirit Lake had no secure outlet. If the debris dam were ever overtopped or breached, one of the worst disasters on record could result.

The U.S. Geological Survey, projecting a worst case breakout of Spirit Lake, estimated that communities more than 30 miles downstream could be buried under 40 feet of mud. Even areas upstream on the Cowlitz River could be covered to a depth of 10 feet by a Spirit Lake mudflow. The Columbia River would be blocked for months

or years and commerce in the region would be severly restricted.

When the hazard became apparent, a state of emergency was declared, and the Army Corps of Engineers began pumping to keep the lake at a safe level. While pumping is an effective interim measure, it costs taxpayers over $3 million a year. But it bought the corps the time to design and build a permanent outlet for Spirit Lake.

As of April 27, Spirit Lake has a safe outlet. The corps has bored an 8,500-foot tunnel through the solid rock of Harry's ridge to South Coldwater Creek. This tunnel has finally defused the Spirit Lake timebomb.

Sediment: Time to stop the problem at the source.—The eruption of Mount St. Helens blasted 3 billion cubic yards of debris into the north fork of the Toutle River, creating one of the biggest debris avalanches in history. The debris avalanche is a giant sandbox over 15 miles long, up to 1¾ miles wide, and an average of 150 feet deep.

With each heavy rain and snowmelt, the debris avalanche erodes, sending millions of cubic yards of silt and sand into the Cowlitz and Columbia Rivers. An estimated 28 million cubic yards of sediment erodes from the debris avalanche every year, enough to fill 2 million double-axle dumptrucks.

To avoid flooding and to keep the Columbia River navigation channel open, this sediment must be dredged out of the rivers. This is a risky and expensive way to deal with the sediment problem.

Dredging alone does not provide downstream communities with adequate flood protection. Even if dredging of the river channel provides reasonable protection at the beginning of the water year, storms or mudflows can decrease channel capacity and increase the threat of flooding with the next event.

Since the eruption we have been lucky. The region has not had the size storm, or the massive runoff that could cause flooding. Twice in the 1970's we had such storm events.

Stopping the problem at its source is the safest and most cost-effective way to solve the sediment problem, according to three major studies in the last 2 years. Each one identifies a debris dam, or single retention structure [SRS], at the foot of the debris avalanche as the best solution, based on cost, safety, and impact on fish and land. Until the SRS is constructed, taxpayers are footing the cost of interim dredging, and communities downstream remain at risk.

Dredging alone is creating another problem: So much material has been removed from the rivers that we are running out of economical disposal sites. Once these sites are filled, the cost of dredging will skyrocket. On the Columbia, this could take place in just a few years at present rates of sedimentation. Upstream control is needed to keep the Cowlitz and Columbia banks from becoming giant dredge spoil dumps.

The final feasibility report for the sediment solution is currently under review by the Office of Management and Budget. The administration's recommendation is expected in the near future.

The price tag for a permanent sediment solution is substantial. The SRS will cost approximately $200 million with another $100 million for downstream dredging over the next 50 years. But the cost of doing nothing is much greater. The time to act is now.●

MILITARY RETIREMENT TINKERING

HON. CHARLES E. BENNETT

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 16, 1985

● Mr. BENNETT. Mr. Speaker, I call to the attention of the Members of the House the following article in the May 16 Washington Times written by Assistant Secretary of the Air Force Tidal W. McCoy. He is in charge of Manpower, Reserve Affairs and Installations there. I believe all Members of Congress would want to read this analysis of what the Department of Defense bill on procurement would do in the field of retirement benefits.

I expect to offer an amendment to strike this provision from the bill and I think the following statement by Secretary McCoy shows many of the reasons why this should be done:

MILITARY RETIREMENT TINKERING

(By Tidal McCoy)

Legislation has been introduced which would limit the sum each service/component may obligate for basic pay and military retirement accrual for FY 86, and which directs the secretary of defense to submit legislation changing the military retirement accrual cost by $4 billion. The Air Force "share" of this reduction would be $1.056 billion.

H.R. 1984, introduced April 4 by Rep. Les Aspin, also stipulates that in determining the cost (and savings) DOD must use the same actuarial assumptions and methods used in developing the retired-pay accrual cost for the FY 86 budget.

In the April 4 CONGRESSIONAL RECORD, Mr. Aspin says "this direction is intended to prevent the department from attempting to obtain the savings from some other source, from simply changing the actuarial assumptions or methodology, or from structuring a situation in which the Congress may have no alternative but to increase the appropriations categories late in the year."

The RECORD goes on to state "The changes could grandfather everyone, or no one, or some. It is a matter for the services to decide." Finally, Mr. Aspin indicates that if the department submits legislation to achieve the required savings, Congress would have "no incentive" to get involved in the specifics of the proposal.

On May 2, the House Armed Services Committee on Manpower and Personnel voted to accept Mr. Aspin's bill as an amendment to the FY 86 DOD Authorization Act, with the proviso that all current retirees and active-duty members would be grandfathered under the old system.

The purpose of H.R. 1984 is to force a structural change in the military's retirement system. Since it requires savings in the accrual costs, it is not designed to reduce near-term government outlays, which would reduce the budget deficit. Nor is it designed to provide substantial reductions in accrual costs beyond FY 86. This is because Mr. Aspin's bill demands that the accounting procedures for FY 86 are based on "entry age normal" costing.

This means that the accrual costs for FY 86 assume that all retirement liabilities for service by all members during that year are based on the retirement benefits provided to new entrants. Thus, any changes made to the military retirement system to achieve savings of $4 billion for costing purposes in FY 86 are required to assume that the changes apply to new entrants and all members on active duty.

Mr. Aspin suggests that all members can be grandfathered from any changes or not—but he has mandated that the FY 86 accounting procedures will provide that accrual savings will be calculated assuming no one is grandfathered. A neat trick indeed.

The accrual costs for FY 87 and subsequent years, however, are based on a weighted normal cost procedure. This means that the accrual costs will reflect the estimated liabilities based on the retirement benefits that actually apply to different classes of members on active duty. For example, members who entered active duty prior to Sept. 8, 1980, have their retired basic pay based on final basic pay rather than the highest 36 months of basic pay (Hi-3 averaging). Those who will retire under Hi-3 will receive about 13 percent less life-stream retired pay. This will be reflected starting in FY 87; it is not reflected for FY 85 or FY 86 (for these years everyone on active duty is assumed to be under Hi-3, since that is the system that new FY 85 and 86 entrants will receive).

Owing to the personnel subcommittee's actions to grandfather current retirees and members, the implication of this is that mandated rules for changes in FY 86 (which cut $4 billion from the FY 86 accrual costs) would only save about $300-350 million in FY 87. By FY 90 the accrual savings would still be only about $2 billion.

Thus when we combine this new cut with Hi-3, we see about a one-third reduction in the value of retirement since 1980. It is inconceivable that this would not have a substantial impact on readiness. Even if we grandfather all members on active duty to protect them from these changes, we'll eventually have to pay the price in increased active-duty pay, increased bonuses, increased accession and training costs, and, very likely, decreased military readiness.

If members of Congress expect that Mr. Aspin's proposal will save $4 billion each year right away, they will be severely disappointed. They may even view this as nothing but an accounting trick, and seek further cuts in the system to reduce accrual (budget) costs further.

Indeed, if Congress decides that the $4 billion FY 86 savings must appear in the immediate subsequent years, the problem is severe. The only way such cuts can realistically be made in FY 87 and beyond is to

deny grandfathering to all or a large portion of the current force. Even if we only grandfather those members beyond the first term of service, we estimate we would have to cut benefits by 45-50 percent (above and beyond the Hi-3 impacts) for first-terms and new entrants in order to reach the $4 billion target. It is unlikely that our No. 1 retention incentive, the military retirement system, would continue to work after such drastic cuts. Such cuts would mean a retiree could expect to receive about 15 percent of total pay after 20-years' service—not too fat.

If current retirement benefits were decreased an additional 22 percent beyond Hi-3, we would expect the resulting retention decline to be at leaast as severe as FY 79-80. As an example of the impact, if FY 79-80 rates were to recur, we would lose, in only one year, an additional 20,200 enlisted members and 3,345 officers. The accession and training costs to replace these would run $1.2 billion, and we'd be replacing them junior people with little or no experience, resulting in decreased military readiness and war-fighting capability. These added costs to the Air Force would entirely offset the Air Force portion of the directed retirement savings.

We believe this scenario is extremely conservative. Tampering with the retirement system to this degree is bound to produce emotional and psychological impacts that, when added to the economic impacts, would easily lead us to repeat our poorest retention years since the beginning of the all-volunteer force. The actual outcome might well be worse, particularly if cuts of 45-50 percent are made as outlined above in order to achieve large near-term accrual savings beyond FY 86.

It appears to some that $4 billion is going to be saved in defense costs by Mr. Aspin's proposal. This is not the case beyond the year of phony assumptions (FY 86) that have been written into H.R. 1984. If the Congress, upon realizing that $4 billion is not going to be saved in successive years, then demands that similar savings be achieved in the out-years (an obvious hope of some in the Congress), either a 22.5 percent cut in retirement benefits to all current active-duty members and new entrants would be necessary, or an approximately 50 percent reduction in the retirement benefits of all new entrants would be required.

Consequently, to save the kind of money Mr. Aspin talks about, we would have to degrade either the current force or the future force severely; a sad day for the American fighting man, particularly when the adverse impacts of changing the retirement system would only raise costs substantially in other budget areas.

It may look good to shift the costs of military retirement to other budget accounts, particularly since the shift is modestly well-disguised to the laymen, but the turmoil and confusion will hurt all those in uniform, and that, in turn, will hurt the nation's security.●

SENATE—*Friday, May 17, 1985*

(Legislative day of Monday, April 15, 1985)

The Senate met at 11:30 a.m., on the expiration of the recess, and was called to order by the President pro tempore [Mr. THURMOND].

PRAYER

The Chaplain, the Reverend Richard C. Halverson, D.D., offered the following prayer:

Let us pray:

My thoughts are not your thoughts, neither are your ways my ways, saith the Lord. For as the heavens are higher than the earth, so are my ways higher than your ways, and my thoughts than your thoughts.—Isaiah 55:8,9.

God of Abraham, Isaac, and Israel, the Prophet Isaiah reminds us how upside down we can be in terms of Your wisdom and ways. We transpose values, making absolutes relative, relatives absolute, we call evil good and good evil. We get terribly turned around and inverted in our thinking. Help the Senate as it sifts through a multitude of plans, often conflicting, as to defense, budget, deficit and national debt, to seek God's thought and God's ways to peace, unity and solvency. Make the Senators aware, Mighty God, of Your availability to illuminate, facilitate and direct the human struggle for the way of truth and justice. In the name of Him Who is the Light of the World. Amen.

RECOGNITION OF THE MAJORITY LEADER

The PRESIDENT pro tempore. The distinguished majority leader is recognized.

SCHEDULE

Mr. DOLE. Mr. President, under the standing order, the leaders will have 10 minutes each. Then there will be a special order for the distinguished Senator from Wisconsin [Mr. PROXMIRE] for not to exceed 15 minutes.

Following that, there will be a period for routine morning business not to extend beyond the hour of 12:30, with statements therein limited to 5 minutes each.

Following routine morning business, the Senate will begin consideration of the DOD authorization bill, S. 1160. I assume we would call that up somewhere around 12:30 p.m. I understand from the chairman of the Committee on Armed Services, Mr. GOLDWATER, there will be rather extensive opening statements and discussion of the bill if anybody wants to participate in that. There will be no votes today.

I think it is fair to indicate to my colleagues on both sides that we want to try to finish this bill next week. That would be next Thursday or next Friday, if at all possible; if not, we shall either reach some agreement about its completion when we return or to curtail the so-called recess period the following week and come back when the House comes back on Wednesday, rather than staying out the balance of that week. That is under active consideration.

I hope we might be able to work out some agreement between now and, say, Monday or Tuesday of next week on passage of the DOD authorization bill.

MAJ. GEN. DONALD S. DAWSON'S TRIBUTE TO PRESIDENT TRUMAN

Mr. DOLE. Mr. President, recently, one of our Nation's finest military officers, Maj. Gen. Donald S. Dawson, USAFR, delivered the keynote speech to the Chicago convention of the Reserve Officers Association of the United States, of which General Dawson is president. General Dawson's address was an eloquent tribute to another great American, President Harry Truman, who was a close and personal friend of General Dawson.

I want to share General Dawson's speech with my colleagues, both because we have recently marked President Truman's birthday, May 8, but also because so much of what General Dawson said—about the challenges which our country faced during Truman's Presidency and about that President's courageous response—can readily be applied to our own situation today.

Mr. President, I ask that the full text of General Dawson's address be placed in the RECORD.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

KEYNOTE ADDRESS (DONALD S. DAWSON, MAJOR GENERAL, USAF RET.)

Mr. President . . .
Distinguished Guests . . .
Honored Past Presidents . . .
Ladies of the ROAL . . .
My Fellow Officers . . .

I am highly honored to have this invitation to take another early morning walk with President Truman. Not down Pennsylvania Avenue and up to the Capitol this time, nor with the Secret Service, but a stroll down memory lane, with one of the great men of history—one who has meant so much to ROA.

The Reserve Officers Association is dedicating this convention to an outstanding Reserve Officer, Harry S. Truman, who rose from the National Guard private in 1905 to captain—on active duty in France in World War I and then by Presidential election became Commander-in-Chief of all our Armed Forces.

He was a preeminent example of the citizen soldier—the example set by our first President, George Washington.

Born in Lamar, Missouri, he grew to manhood on a Missouri farm near Independence. He was a farmer. His mother said he could plow the straightest furrow in Jackson County, Missouri, and that was behind a walking plow pulled by a mule—no high-powered tractor.

During the 1948 Presidential campaign when he had literally been living on the "whistle-stop" train, making a dozen speeches a day and shaking thousands of hands, I asked him how he seemed so full of energy and never tired of doing all the things we put upon him, when his staff—much younger—was worn out.

After a moment's reflection he said, "I think it is because I was behind a plow at the right time of life."

He also knew the life of a small town, where he went to school and fell in love on his first day at Sunday school, when he was six, with the prettiest girl he ever saw and later married after the war—a long courtship, one that was to last all of his life.

He worked as a railroad timekeeper. He worked in the post office, in a drug store, as a bank clerk in the big city—Kansas City, tried his hand at oil well development, which did not work out, and owned a small haberdashery after the war with his buddy, Eddie Jacobson, that went broke.

Many stores in the Midwest failed in that advance tremor of the Great Depression, so there was little mystery or shame. Indeed, what struck most people was not his failure but how he handled it. He refused to take bankruptcy, as was commonly done, and over the next 20 years he paid off some $20,000 in haberdashery debts, down to the dollar. He was still paying them off while he was in the Senate, when the salary was only $10,000 a year and when he could barely made ends meet in Washington.

If there was one turning point in his career, it was his success as an artillery officer in World War I. He need never have gone to war. He has applied to West Point and had been turned down because of poor eyesight. He was past 30, and he was needed on the family farm, where he had worked for 11 years.

As Captain Harry Truman of the 129th Field Artillery in France, he was a triumph, as is plain in the record. His 1918 service record says, "This officer is an excellent Battery Commander. He is unusually well-equipped and is an excellent instructor. He is resourceful and dependable."

He was put in command in France of an unruly Kansas City unit, Battery D, the regiment's most troubled unit, more than

200 men who were mostly Irish who did not go easy on any officer, let alone one in big horn-rimmed glasses who still looked a lot like a bank clerk. He was the fourth officer in less than a year.

Truman later wrote, "They called themselves the Irish Battery and it did sound as if the Hibernians were meeting when the roll was called, except that now and then, along with the McKims and Caseys and the Donnellys, there'd be Schmidt and a Meisberger."

The morning he took over, he was as frightened as he ever had been. "I didn't come here to get along with you," he told the non-coms. "You've got to get along with me. And if there are any of you who can't—speak up, and I'll bust you back now."

At St. Mihiel and the Argonne Forest, through some of the heaviest fighting seen by any American unit in the war, he proved himself tough, courageous and consistently popular. His men said: "He was the boss of the outfit." "He not only commanded it, he owned it." "We felt he knew what he was doing." "He was the best in the world." "On firing problems we began to hit the target." After two months in France, his unit went to the front—before they had finished their training.

In the first shelling by the Germans, Vic Householder saw Captain Truman's horse go down, its belly torn open by shrapnel. He rushed over and found Truman lying there with only his upper chest and head sticking out from under the horse. They dragged him out and he quickly recovered. Then, using language learned driving Missouri mules, he brought his men together. They now saw him as a cool captain under fire, and some even spoke of him as a good luck piece for the battery.

On another occasion, the enemy began shelling Battery D's position. Three rounds landed close and some nervous Nellie yelled, "Let's get out of here." Several men ran over Truman, knocking him into the mud as he was coming out of his command dugout. He jumped up, pulled his pistol and shouted, "Any SOB who isn't back in position in ten seconds will be shot." They made it back, and later called it the "Battle of Who Run."

"He was tough, but he was fair," said Gene Donnelly. Some have gone so far as to say, "He was one of the kindest and most thoughtful men I've ever known."

After the war, he maintained a personal relationship with each of the men in Battery D, which lasted through the years. Countless times I have seen him recollect from memory where they were, what they were doing, how their families were. He kept a little black book in the left bottom drawer of his Presidential desk in the Oval Office with the address of each, with personal notes about them, that were up-to-date.

He was never too busy to see any of them and enjoy old times whenever they happened to be in Washington or wherever he was, throughout the country. He attended every reunion, even as President and marched in their ever-thinning ranks on parade.

After the war Captain Harry became Major Truman in the Army Reserve, assigned to the 102nd Reserve Division. The educational program he and his fellow reservists initiated served the Army for years as a model reserve training program which was used throughout the country. General Harry Smith, Commanding Officer of the VII Corps, addressing the Kansas City reserve officers commended the Kansas City reservists as the "best coordinated effort in the nation."

Truman became active in the American Legion and helped with the 1921 Convention in Kansas City. A few days after the Convention, he met with several other World War I veterans and members of the Officers Reserve Corps at Morton's Restaurant and decided to start a club of all reserve officers in the Kansas City Area—the Reserve Officers Club of Kansas City, which became Kansas City Chapter No. 1 of ROA.

Harry Truman was Army; make no mistake about it. He loved the military from boyhood. While he was President, he said at a Medal of Honor presentation that he would rather have earned the medal himself than be President. As President, he was convinced of the vital necessity for universal military training for all our youth. He lost that fight to the Congress, but never his interest in a strong reserve program, which he knew was the force on which our country must ultimately depend in time of national emergency.

I said he rose from Private to Captain in World War I, but he was never a Second Lieutenant. In those days the men elected their officers in the National Guard and he was elected First Lieutenant. He later said, when his political popularity was at a low ebb, he did not know whether he could win that election again.

Those early days bred a desire and a dedication that would serve our country well today. For example, there was no facility for training and very little else. The men rented a hall in which to hold their meetings and took up a collection to pay the rent out of their own pockets.

Reserves have known lean days in equipment, money and facilities through the years, but we have come into our own because we have persisted in the determination and dedication of the men who came back from France vowing that this nation will never again be caught with its defenses down. Captain Truman learned the hardest and most important lesson which came out of World War I, that a nation unprepared for war was only inviting aggression and condemning to the casualty rolls many young men who would go into battle to save our coutnry and our freedom without the necessary military training and leadership.

Our great association grew out of recognition of this historic principle—over 125,000 members whose only purpose is—adequate military preparedness, to maintain the eternal viligance which is the price of freedom. We of ROA have been fostering the national defense in general and the reserves in particular for the past 60 years. The next 60 years will see ROA continuing the battle for a strong America.

A famous British general remarked a quarter of a century ago that "it is a law of life that has yet to be broken that a nation can only earn the right to live soft by being prepared to die hard." We of ROA have lived with this precept. We will continue to live with it for the years to come.

As Commander-in-Chief, Harry Truman gave every support within his power to the reserves. It is in a large measure due to the leadership he provided during those critical years that our reserve programs flourished to the extent they did.

Harry Truman's life found its true purpose when he went into politics. History records his first political job. He was appointed Postmaster of Grandview, Missouri, but he passed the job on to a widow who needed the money.

In time, he was elected County Judge, a position usually belittled by writers who knew nothing about it. A Judge in Jackson County is an administrator. In fact, as Chief Administrator of the county for eight years, Truman erected and administered courthouses, public buildings, ran welfare agencies and built what was acknowledged to be one of the best highway systems in the entire United States. He had overall responsibility for more than a thousand employees and expenditures of $15 to $20 million a year—and that was in the 1920s. All of this was done without a hint of scandal being associated with him. No one ever questioned his honesty.

Clean, upright, popular, able, Harry Truman—a man who always tried his level best at everything he ever did—gave Jackson County, Kansas City politics a good name, although the Kansas City and St. Louis big-city newspapers had scourged him for years, trying to dig up skeletons that just were not there.

In the U.S. Senate, to which he was elected for two terms, he headed the Truman Committee which he had proposed to expose waste, inefficiency and profiteering in the war effort. He quickly proved himself extraordinarily effective. A panel of journalists voted him one of the ten men who had contributed most to the war effort in all fields, and he was the only one who was a member of Congress. By 1944, the Truman Committee had saved an estimated $15 billion and many thousand American lives.

Truman was 60 when he became Vice President. He had not as yet held an office of great power, it is true. Nor had he made any money to speak of. But again and again, he had turned setbacks into positive accomplishments. The boy who couldn't go to college became a lifelong student of history—perhaps the most knowledgeable of all our Presidents. The boy who was turned down by West Point became a model battlefield officer. The failed businessman met his debts so honorably that it is still talked about in and around Kansas City. The man who was first dismissed in Washington as "the Senator from Pendergast" became one of the prominent figures in the wartime Senate and in the Democratic Party. Otherwise, Roosevelt never would have picked him as a running mate.

As President Reagan said May 8th: "'Little Harry,' some people called him when he first took Roosevelt's place. Funny that 'Little Harry' looms so large in our memories—he was in many ways the quintessential American—he was a patriot. He loved his country. He was an unpretentious man who esteemed common sense and common wisdom. And he was most American in this: Imbedded in his heart, like a piece of gold, was a faith that said that the ideals that shaped this country are enduring, that they are continually reborn as we live our lives every day.

"On the day he became President, he said, 'I felt like the moon, the stars and all the planets had fallen on me.' And in a way they had.

"History handed him the toughest of all tasks: To explain to his troubled countrymen that all their efforts in four years of war, had not assured the victory of freedom. That the struggle against totalitarianism would have to continue. And that the victories would not be as clear-cut as those of World War II and the battle lines would keep moving."

"President Truman has often been called the 'uncommon man.' And he was. He ele-

vated the Presidency to a new height by taking command in the free world at a time when most leaders were bewildered and stunned by the sudden onslaught of pressure from the Soviet Union which had so recently been the West's ally and wartime partner.

"President Truman rallied the free world. He provided the resources with which to defend it."

Winston Churchill wrote to him January 5, 1952, "You sir, more than any other man have saved Western Civilization from Communism."

He was often criticized for his decisions, and he was sometimes alone. Later, after listening to attacks on what was called "Trumanism," he took to his dairy and wrote, "Let us define Trumanism. We have built up our Armed Forces. We have prevented Tito from taking Trieste. We forced Stalin out of Iran. We saved Greece and Turkey. We stayed in Berlin. We knocked the socks off the Communists in Korea. We gave the Philippines free government. And we gave Puerto Rico home rule. If that's Trumanism, I confess I'm proud to have my name attached to it."

He could have added that he showed the world the depth of America's commitment to freedom when he started NATO. He could have added that when the war was over, he considered the starving people and the burned-out rubble of Europe and put together a plan to get our former allies and our former enemies back on their feet. And the Marshall Plan saved Europe.

It was in its way the most stunning act of American idealism since Lincoln declared his policy of "malice toward none and charity for all."

And, as President Reagan further said, "You have to go back to Grant telling Lee to keep his sword to find another such moment of American grace.

"None of his decisions were made without cost. By 1948, the joke of the day was 'to err is Truman.' Tom Dewey was picking his Cabinet. At the Democratic Convention, they carried signs that said: 'We're just mild about Harry.' Even the symbolism was against him. When he walked into the convention hall, they released 50 doves that had been hidden under a liberty bell as a symbol of peace. The doves were weak from the heat and the long confinement. They circled about the convention hall and one frantically looking for a landing place, a safe place—finally spotted a smooth and shining perch, and it was Sam Rayburn's head.

"Truman told the story for years and could never control his laughter.

"Harry Truman won the nomination and went to the people on his whistle-stop tour, going from town to town throughout the country and bringing his message, explaining what he was doing and why, and how the Congress was thwarting his efforts. Everyone knew he'd lose. The commentators said so, and the polls, and the politicians.

"But a funny thing happened. Everywhere his train went, the people went, thronging the platforms and spilling onto the grass and off the sidewalks. They cheered him on. "Give 'em hell, Harry,' they'd say. 'Pour it on.' And Truman said, 'I never give them hell. I just tell the truth and they think it's hell.'

"Election night, the returns came in and when it was over, Harry Truman had won by two million votes. He held aloft a Chicago newspaper with four-inch headlines that said Dewey had won—smiled his great smile and gave us a picture we'll never forget because there just aren't that many photographs of greatness triumphant.

That picture hangs on the wall of my office today, telling me in even bigger headlines—"Never give up—never give up if you believe you are right."

We are here today to honor Harry S. Truman. A long century has passed since he was born a hundred years ago; but he is still a vital presence. He lives on in the American consciousness. He is a shared memory.

Harry Truman in the pearl grey Stetson and the light grey suit and the round-rimmed glasses and the walking stick. Harry Truman on his morning stroll, the brisk cadence of his walk matched by the blunt rhythm of his speech. Plain spoken, plain talking, no-nonsense Harry.

In dedicating this convention on the 100th anniversary of Harry S. Truman's birth, we must, however, dedicate ourselves—not just this convention—to the great principles he believed in.

I share your hope, and pray today, that no future generations of Americans will have to serve our country in combat against the enemy, but I tell you that we must also hope and pray and work so that American will aways have the will and the wisdom to hear their country's call and answer it—in war and in peace.

If Washington's men could go barefoot in the snow at Valley Forge to give us this country and its freedom . . .

If those who have gone before us could lay their lives on the line at Chateau Thierry, Belleau Woods and the Argonne . . .

If we could storm the beaches of Normandy and General McAuliffe, with his back against the wall, could say "nuts" to the Nazi . . .

If the Marines could raise Old Glory on Mount Suribachi in the far-off Pacific to avenge Pearl Harbor . . .

If American G.I.'s could survive Pork Chop Hill in Korea . . .

And if six million Americans who have served in Vietnam—your loved ones and mine—could stand the acid test of battle—for our country . . .

Then, I say we can face up to our responsibility on the battlefront at home and go forward to a new day in America with a rebirth of the Spirit of 1776—with every man and woman, a minuteman fighting for our homes, our schools, our churches, the good, the clean, the decent things in life. And the strength to keep them secure against all challengers.

When we forget ourselves and put our God and out country first, this nation shall stand as the unchallenged leader of the world.

And in all we do remember, when the buck comes to us—we even, as Harry Truman, must have the courage—the determination and the will to reach out and grasp it and make the most of the responsibility—the decision is our!

Mr. DOLE. Mr. President, I suggest the absence of a quorum.

The PRESIDENT pro tempore. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. PROXMIRE. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

RECOGNITION OF THE ACTING MINORITY LEADER

The PRESIDING OFFICER (Mr. HATCH). The acting minority leader is recognized.

Mr. BURDICK. Mr. President, I ask unanimous consent that the minority leader's time be reserved.

The PRESIDING OFFICER. Without objection, it is so ordered.

RECOGNITION OF SENATOR PROXMIRE

The PRESIDING OFFICER. Under the previous order, the Senator from Wisconsin [Mr. PROXMIRE] is recognized for not to exceed 15 minutes.

WHAT CONGRESS SHOULD REQUIRE FOR A STAR WARS GO-AHEAD

Mr. PROXMIRE. Mr. President, if the Congress is to spend hundreds of billions for a star wars defense against intercontinental ballistic missile attack, we should go on that spending binge with our eyes wide open. We should recognize the immense cost of such a program. We should go into it with an understanding that this project will take many years—at least 15 or 20—to complete. We should understand that during this period tens of thousands of our best scientists and engineers will have to leave their work of improving the competitive capability of American industry to work for firms that are doing the vast research required in star wars. And American industry will suffer because of it. We will have to take scientific experts from their work in space research and from their work in developing and doing research on other important military weapons.

Make no mistake about it, Mr. President, we will also have to take those expert scientists and technicians who are so critical to our military strength and progress, from their work on the advancement we need in planes, tanks, ships, and offensive nuclear missiles so that they can go to work in star wars. And, Mr. President, with all the dollars we pour in, the prospect of success in the star wars program can never be assured no matter how much money or scientific genius we throw into it.

In the report of just last month, April 1985, from the Center for International Security and Arms Control at Stanford University comes the following very wise caution:

> With strategic defense weapons systems, integration, and reliability are particularly pressing concerns because the systems tend to be highly complex, the data-handling requirements enormous, the engineering tolerances very small, the time intervals extremely short, and the reliability required remarkably high.

Mr. President, that gives us some idea of the vast mountain star wars

has to climb. Let's break down that warning. These experts tell us the data-handling requirements are enormous. And they are. Think of it. The Soviet Union has thousands of independently targeted warheads. They could be fired within seconds of each other. Each warhead can begin its flight from missile to target on different paths, at immense velocities. The velocity of the warhead may be faster than the speed of a bullet. But the speed, the locus of separation from the missile, the precise direction of each of these thousands of warheads is the data that must be determined and calculated. Then we are told the engineering tolerances are very small. A very slight error in our defensive calculations—very slight—and we miss the warhead. Errors are not unusual. They are the name of the game in such a complex and large and rapid operation. The question is how large an error the system can tolerate and still provide defense. The answer is that star wars can work only if the error is not just a small error; it must be a very small error. And then the time intervals are extremely short. How short? The warheads will be covering between 4 and 5 miles every second. Every second, Mr. President. They travel 4 or 5 miles in 1 second. That allows very little time for readjustment, for correction of errors, for a second chance, following a miss. We are warned that the reliability required is not just high. It is "remarkably high."

Now, Mr. President, it is one thing to be reliable when you have plenty of time, when the job is simple, when the data is small and the tolerances are great so you can make an error and have the time to readjust to it. But in this case, from the beginning, our defense will have to be right on target when everything is working against it. And I mean everything: the complexity, the enormous data handling, the very small engineering tolerances, the flash of an eyelash time interval.

But there is something else even more exacting than all this.

The star wars defense must be able to meet countermeasures every bit as advanced and ingenious as the star wars defense itself. As the Stanford study points out, an adversary can employ even primitive countermeasures with little lead time and no major change in its own arsenal which will confront star wars with entirely different problems than it anticipates. The adversary can do this simply by changing tactics. The history of weapon systems is replete with examples of weapons that work perfectly in tests but in combat conditions something goes wrong even in simple, undemanding weapons. In this case we have far and away the most complex weapon system ever and it has to work perfectly the first time.

Mr. President, in a previous speech on the floor, I urged the Senate to insist on funding what is called a red team to work with our intelligence agencies to determine in detail precisely what offensive capabilities to Soviet Union may be able to employ against star wars, so we have an understanding of what capabilities and especially what countermeasures are available to the Soviets to overcome star wars. We should not only know the cost of such an offense and its full capabilities, we should also understand whether or not there is a realistic possibility of meeting and defeating it.

Certainly a star wars defense is an option. Like it or not, the President of the United States has made it an option. Our responsibility is to determine which option or combination of options—arms control, deterrence, or star wars defense—offers the greatest promise of genuine national security within the resources we must provide for them. Arms control requires no net resource commitment. In fact, it will save money. It will enable us to reduce our military spending and conserve our resources for peaceful purposes.

Deterrence is costly, but it is a cost that we have paid for many years. And deterrence has the blessed quality of working. For more than 35 years the two superpowers have faced each other—armed to the teeth with nuclear power, respecting each other's deterrent in the full knowledge that a nuclear strike means a double suicide. Star wars will increase military costs immensely. If it works even partially, it could increase deterrence but it could also diminish deterrence as one side or the other believes it can deny its adversary the effectiveness of its offensive deterrent. And the feasibility of star wars has yet to be established. Finally, star wars appears to represent a serious threat to arms control.

THE LONG, PAINFUL ROAD TO FISCAL RESPONSIBILITY

Mr. PROXMIRE. Mr. President, the most serious economic mistake Members of the Congress, the press, and the public are making today is to assume that if we bring the deficit under control we will enjoy a period of economic growth and prosperity in the process. Do I disagree with that? You bet I do. Does that mean that I do not believe Congress should reduce the deficit? No. I fervently believe we should reduce the deficit. We have no more important economic responsibility as Members of the Congress. But we should reduce the budget deficit with our eyes wide open. We must recognize how long and painful this process will be. We must understand that the reduction in the deficit will not provide more jobs. It will not stimulate the economy. It will slow down the economy. It will increase unemployment. Just think about it. Does the economy move ahead when the Federal Government runs a deficit, that is, when it puts more into the economy than it takes out? Of course, it does. Look at our national experience with economic booms and depressions. When did this country have far and away the biggest growth of the American economy? It was at the tail end of the Depression of the 1930's when this country moved into World War II. As the arsenal of democracy, this country increased spending for the military as it had never been increased before. Taxes were not increased. Deficits broke all records. In 1943, 1944, 1945 they exceeded 25 percent of the GNP. In relation to the size of the economy, those deficits were more than four times greater than they have been in any of the great deficit years of the 1980's.

So what happened to the economy? Did the deficits depress the economy? Did they throw people out of work? Did they bring on a drop in personal income and lower profits and business failures? No, indeed. This country went through the most spectacular economic boom in our country's 200-year economic history. Unemployment for 10 long depression years had hovered between 15 percent and 25 percent. Then came World War II and the superdeficits. The mammoth Federal deficits so accelerated business activity that unemployment fell to less than 20 percent. Personal income rose sensationally. Business profits zoomed. The country suffered heartbreaking losses of young Americans on the battlefields of Europe and Asia, on the oceans and in the air throughout the world. But thanks to those wartime, monstrous deficits the long depression of the 1930's ended with a spectacular breakthrough into prosperity. Never before or since has the United States experienced the kind of vast economic stimulation that it did with the colossal deficits in World War II. Last year—1984—the country enjoyed the biggest economic growth in real terms in 33 years. What proceeded that growth? It occurred after 3 years of back-to-back superdeficits, ranging from $109 billion to $195 billion. So what does a smashing increase indeficits do to our economy in the short run? Answer: king-size deficits stimulate the economy. Not only does our economic experience show this, the stimulus makes obvious common sense. Can anyone question the fact that if the Federal Government increases its spending by $100 or $200 billion and does not increase its revenues—thus pushing up its deficit—the effect will be to stimulate the economy? Of course, it will.

Now, Mr. President, how about the converse. As the Federal Government comes off this mammoth spending

binge, as the deficit diminishes, as taxes rise relative to spending, Won't the stimulus lessen? Won't the economy slow down? It will indeed. If, in the next 3 or 4 years, the Congress does what it should do, if it diminishes the deficit by $50 billion per year or more, what will be the consequence? The consequence will be that the slowdown the economy is experiencing right now with a first quarter annual rate of growth of only 1.3 percent will slow further and the economy will suffer a recession. Unemployment will increase. And then the real test will come. Will this Congress have the fortitude to continue to hold down spending and resist a tax cut when the recession strikes? Even if the Congress does resist that temptation, Federal spending will increase as welfare costs and unemployment compensation costs rise. Revenues will fall as millions of taxpayers lose their jobs and corporate profits diminish. So the deficit will rise in the recession that will come in the next 2 or 3 years precisely because the Congress is reducing the deficit. The pressures on the Congress to act to get the economy moving again by cutting taxes and increasing spending will be immense. This is why it is so essential that we fully recognize the seriousness of our economic plight now. We must resolve to stay the tough, hard course year after painful year. And we must find the courage to explain to our constituents that we intend to persist with full knowledge that the course will be long and painful.

CONTINUING HUMAN RIGHTS VIOLATIONS IN HAITI

Mr. PROXMIRE. Mr. President, Haiti, the Western Hemisphere's poorest country, has suffered problems which continue to plague its poverty-stricken people. As if the misery of their economic destitution were not enough, the Haitian people have been the victims of widespread human rights violations, primarily from Government forces. The authoritarian rule of President Jean-Claude Duvalier has been marked by political killings, torture, and detentions. Duvalier is the President for life, having assumed the Presidency from his father in 1971.

Pressure from outside influences—including the United States—have forced Duvalier to narrow the scope of the Government's human rights abuses. Since 1977 the indiscriminate use of coercive tactics to subdue alleged subversive political factions has been replaced by a more calculated, selective method. Opposition leaders, trade unionists, and journalists have been singled out for persecution by the President's militia and the secret police.

The targets of Government forces often disappear, while others are tortured and released. Many are held incommunicado, sometimes for several years, in the damp and dark cells of secret service barracks. Trials fail to meet international standards for fairness, as indicated by the few times outside observers have been able to witness these trials.

Those who speak out against human rights violations often become victims themselves, as do those who threaten Government policy through their actions. One such victim is Gerard Duclerville, a lay preacher arrested in 1982 for his work with the poor. Mr. Duclerville was beaten so severely that he asked his tormentors to kill him "and get it over with."

Mr. President, we see these human rights violations occurring near our borders—not just in places like Afghanistan or Kampuchea. I think this indicates our inability to address the problem. We need a renewed vigor in our approach to human rights, backed by a reaffirmation of our commitment to international justice. An invaluable tool in the pursuit of this is the Genocide Treaty. Let us ratify the treaty and resume our role as a leader for international human rights.

S. 1164 AND S. 1165—LIMITATION ON EMPLOYMENT OF FORMER DOD AND FEDERAL GOVERNMENT PROCUREMENT PERSONNEL

Mr. PROXMIRE. Mr. President, I am introducing today, on behalf of the distinguished Senator from Arkansas [Mr. PRYOR] and myself, two bills designed to slam shut the revolving door through which Government contracting personnel pass to take lucrative jobs with private firms over which they previously exercised contracting authority. Almost daily, disclosures confirm that this revolving door is spinning ever faster and taking its toll on taxpayers and the Nation's security.

Early in this session, the distinguished Senator from Arkansas and I introduced separate bills designed to shut the revolving door—S. 385 and S. 490. Because we believe that action is urgently needed, we have put aside our differences and produced a single approach that we are convinced will get the job done. We have produced two bills, one directed specifically at the Department of Defense and the other imposing the same restrictions throughout the Government.

The bills would impose a cooling off period on Government procurement officials at the GS-11 level and above by forcing them to wait 3 years after leaving Government before taking a job with any contractor over whom they exercised significant responsibilities during the last 3 years of their Government employment. Both the individual and the contractor would be subject to criminal penalities of up to 5 years imprisonment and a $10,000 fine for violating the act. The contractor would suffer an additional civil penalty of the greater of $250,000 or five times the annual rate of compensation of the employee.

Contractors would be required to file annual reports detailing the names and duties of former Government employees that they had hired in the preceding 3 years. The Office of Government Ethics would oversee the act and advise individuals and contractors in cases involving potential violations of the act.

Despite widespread underreporting, we know that in 1983 companies doing $10 million or more in Pentagon business employed more than 2,100 former Defense Department employees who had left Government service within the last 3 years. This is a 63-percent increase over the number employed just 6 years earlier and more than three times the number employed as recently as 1975. Similar figures are not available for other executive agencies because there is currently no requirement that former Government employees outside the Defense Department report such employment.

This unobstructed flow of Government contracting personnel to the private sector has at least three detrimental consequences. First, it impairs the quality of Government bargaining and contract oversight. A Government procurement official who knows that he is dealing with a potential employer will be less likely to negotiate as vigorously as one who is free to this conflict. Similarly, an official supervising a contract will be less likely to find fault with the performance of a potential employer than with a contractor who is forbidden from offering him a job.

As one Pentagon employee recently testified:

> The process begins at least two or three years prior to the separation from government service and the manager becomes increasingly soft on the contractor. To get the job, he must know someone in the contractor's hierarchy. He must do things which his future employers like and prove his worthiness for his new job. Consciously or unconsciously, the thought of future security begins to affect him. He begins to think more about his future employer than his current one. Loyalties become confused.

The second detrimental effect of the revolving door is on the morale of Government employees who watch their bosses switch overnight from supervising Government contractors to working for those very same contractors at higher pay. Government employees complain that they are outraged when a supervisor becomes a manager for the contractor. As one employee expressed it: "We don't

know if we have been working for the contractor or the Government." Inevitably, this anger develops into disrespect for and distrust of Government supervisors and hurts employee job performance.

Finally, the revolving door diminishes the public's view of the integrity of Government, generally, and of Government contracting, in particular. The appearance of corruption in Government contracting undermines the public's faith in its Government and erodes public support for necessary programs. Consider, for example, how the public must view the much-publicized problems with the Divad antiaircraft gun. Companies involved in designing and manufacturing that weapon hired three former Army lieutenant generals who, before retiring, had participated in the Divad research program.

One of these generals had actually helped formulate the Army's requirements for the system while he ran the Air Defense Command. These companies also hired five additional lower ranking Army officers who had been involved in Divad testing. One, a test manager, assumed exactly the same position with a contractor 3 months after the contract award. This is but one example among hundreds. How can the public believe that it is getting its money's worth in the face of these practices? The simple answer is that it cannot because it is not.

The bottom line is that these conflicts of interest cost the taxpayers enormous sums of money and hurt the quality of goods that the Government purchases. Estimates suggest that the Pentagon alone may lose some $30 billion a year through wasteful procurement practices. These bills will eliminate a significant amount of this waste and, at the same time, improve the quality of Government goods by insuring that those supervising their production owe loyalty only to the Government.

I am convinced that nothing short of the limited ban on post-Government employment proposed in these bills can restore the necessary integrity to the Government procurement process and assure the public that the Government is driving a hard bargain when contracting for the instruments of our national welfare.

Mr. President, I proposed, and the Senate passed, legislation very similar to this bill back in 1977. Unfortunately, that bill did not become law. I am confident that the time has finally come to nail shut the revolving door.

Finally, I would like to thank my distinguished colleague from Arkansas, Senator PRYOR, for his diligence and cooperation in producing these bills. I would also like to thank Senators SIMON, GORE, and MITCHELL for their cosponsorship of this legislation.

I ask unanimous consent that the bills be printed in the RECORD.

The PRESIDING OFFICER. Without objection, it is so ordered.

(See exhibit 1.)

Mr. PRYOR. Mr. President, I rise today to join my distinguished colleague from Wisconsin, Senator PROXMIRE, in introducing legislation to slam shut the revolving door through which Pentagon procurement personnel pass to take employment with the very same contractors they have monitored during their Government service. In hundreds of cases, these personnel transfers have fractured the integrity of the procurement process. It is our belief that Congress must now step in and take action to eliminate these very real conflicts of interest.

I want to thank Senator PROXMIRE for his commitment and leadership in this area. He has worked for years to bring reform to Government procurement. It is therefore a great honor for me to join with him in this most worthwhile effort.

Let me say at the outset, we, in no way, have singled out the Department of Defense [DOD] as the only Department of the Federal Government which should operate under strengthened conflict of interest laws. On the contrary, reform is needed in all Federal procurement and we have therefore today introduced comparable legislation which would apply Governmentwide. However, with over $100 billion in DOD procurement spent per year, we feel it entirely appropriate and necessary that we initiate this reform at DOD without delay. We will therefore offer this bill in amendment form to the DOD authorization bill in the coming days.

Our bill would impose a cooling-off period on Pentagon procurement officials at the GS-11 level and above by forcing them to wait 3 years before taking a job with any contractor over whom they exercised significant responsibilities during the last 3 years of their Government employment. Both the individual and the contractor would be subject to criminal penalties for violating the act and the contractor would suffer an additional civil penalty. The Office of Government Ethics would oversee the act and advise individuals and contractors in cases involving potential violations.

Mr. President, some have expressed concern about the implications of limiting the employment opportunities of Government personnel. I understand and appreciate these concerns. However, I believe the interests of taxpayers in assuring that procurement decisions are motivated only by national security—and never personal security—supersedes the interests of employees who are narrowly and specifically limited in terms of post-Government employment under our bill. Let me emphasize: Our bill only restricts employment with the very same contractor the employee dealt with in their capacity as an agent of the Government. The employee can go to work for anyone else. This should in no way jeopardize the employment opportunities for qualified procurement personnel.

There is precedent for the type of restriction we propose today. Under 12 U.S.C. 232, members of the Board of Governors of the Federal Reserve Board, who have not served their full term of office, may not, for 2 years after leaving the Board, hold any office, position, or employment in any member bank. Similarly, under 12 U.S.C. 1812, members of the Board of Directors of the Federal Deposit Insurance Corporation are subject to 2-year prohibition for employment with any insured bank.

Examples of the revolving door are many and they cast a dark and unfavorable light on the system we use to purchase weapons, munitions, and supplies for the security of our Nation. Let me cite just a few egregious examples which have been reported in the press and which have eroded the public confidence in the Pentagon.

Gen. Alton D. Slay, retired from the Air Force in 1981 after a career which included positions as Deputy Chief of Staff for Air Force research, development, and acquisition, and head of the Air Force Systems Command, which develops all Air Force aircraft. Upon retirement, he formed Slay Enterprises, Inc. He then went to work for several defense contractors, including Lockheed. During his Government service, he had declared tests on Lockeed's C-5A cargo plane successful, even though the planes' engines were clogged and had to be shut down while idling.

Slay also worked with Pratt and Whitney during his Government service and for Pratt and Whitney when he retired. During his Government service, he revived production of the U2 spyplane. The airframe is made by Lockheed, the engine by Pratt and Whitney. Later, he came up with a way—again, during his Government service—to save Pratt's troubled F-100 engine, by suggesting Pratt sign a warranty which was described by a former Pratt engineer as similar to a car company guaranteeing a car for 2,000 miles.

The Maverick Missile, made by Hughes, is another case where Federal employees with significant responsibilities for the Pentagon—test director and systems project officer—on a troubled weapons system, went to work for the contractor they had previously monitored.

Mr. President, the list unfortunately goes on. Contract negotiators, including Air Force plant representatives, who monitor work which actually

takes place at the the contractor's plant, are leaving the Government one day and going to work for those contractors the next day.

Officers of the Defense Contract Audit Agency [DCAA], charged with evaluating the acceptability of costs claimed or proposed by contractors and reviewing the efficiency and economy of contractor operations, have left the DCAA and gone to work for Boeing and Hughes in 1 and 2 days.

Recently, Ompal S. Chauhan, chief of the Manufacturing Operations Assessment Branch of the Air Force Plant Representative Office at the Boeing Plant in Wichita, KS, testified before the Seapower and Critical Materials Subcommittee of the House Armed Services Committee, on the need for reforms of the kind we are proposing today. Let me read a short quote which describes the "business as usual" attitude which we found with regard to personnel transfers:

One of the auditors, who was assisting me during the December 1982 Hughes Productivity Study, Paul Fisher, was hired by Hughes even while he was part of our productivity review team. Initially, he was providing us with excellent data. Then for 3 days, he provided us no data, saying the company was stalling him. On the fourth day, he told us that he was being hired by Hughes and provided us with no further data at all. Two weeks later, he began his new job at Hughes.

Mr. President, the bill we introduce today, which we will offer as an amendment to the DOD authorization bill, will do much to restore public confidence in the Pentagon. It will prevent many situations of conflict like those I have described from arising. It will give taxpayers a greater return on their money. Finally, and most importantly, it will enhance our national security. I urge my colleagues to give this bill their careful consideration and support.

EXHIBIT 1

S. 1164

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a)(1) Chapter 141 of title 10, United States Code, is amended by inserting after section 2397 the following new section:

"§ 2397a. Limitation on employment of certain Department of Defense personnel by defense contractors

"(a) As used in this section:

"(1) 'Compensation' includes any payment, gift, benefit, reward, favor, gratuity, or employment valued in excess of $100 at prevailing market price, provided directly, indirectly, or through a third party.

"(2) 'Contractor' means any person, partnership, corporation, or agency thereof (other than the Federal Government, the independent agencies of the Federal Government, or the District of Columbia) that offers, negotiates, agrees, or otherwise contracts to furnish to the Federal Government property, services, or supplies, and any parent organization, subsidiary organization, or affiliated organization of any such person, partnership, corporation, or agency thereof.

"(3) 'Covered defense official' means an officer or employee of the Department of Defense or a member of the armed forces on active duty who is paid for service as an officer or employee of the Department or member of the armed forces at a rate of basic pay equal to or greater than the minimum rate of basic pay payable for grade GS-11 under the General Schedule.

"(4) 'Procurement function' means any acquisition activity relating to a contract awarded by the Department of Defense, including—

"(A) negotiating, awarding, or administering the contract;

"(B) approving contract changes;

"(C) approving payment under the contract;

"(D) selecting a contractor;

"(E) performing cost analysis, quality assurance, operation and developmental testing, budgeting, or auding functions relating to the contract;

"(F) providing technical advice or recommendations relating to the contract; or

"(G) managing a procurement program which includes the contract.

"(b)(1) A former officer or employee of the Department of Defense and a member of former member of the armed forces may not accept compensation from any contractor for the 3-year period beginning on the date the former officer or employee separates from Government service in the Department or the member or former member is discharged or released from active duty if, within 3 years before such date, the former officer or employee or the member or former member was a covered defense official who had significant responsibilities in the performance of a procurement function with respect to that contractor.

"(2) Whoever violates paragraph (1) shall be fined not more than $10,000 or imprisoned for not more than 2 years, or both.

"(3) Whoever furnishes any compensation to a person who is prohibited by paragraph (1) from accepting the compensation shall be fined not more than $10,000 or imprisoned for not more than 2 years, or both.

"(c)(1) Each contract for the procurement of property or services awarded by the Department of Defense shall include a provision prohibiting the contractor from furnishing compensation to any person if the acceptance of such compensation by such person would be a violation of subsection (b)(1).

"(2) A contractor which violates a contract provision required by paragraph (1), as determined by the Secretary of Defense, shall be liable to the United States for the greater of $250,000 or the amount equal to five times the annual rate of compensation paid by the contractor in violation of such contract provision. The United States may collect the amount of such liability by withholding, as a forfeiture, any money payable by the United States to the contractor.

"(d)(1) Not later than March 1 of each year, each contractor which is subject to a contract provision required by subsection (c)(1) shall transmit to the Inspector General of the Department of Defense a report on persons to whom the contractor furnished compensation during the preceding year and who are covered by such contract provision. The report shall include—

"(A) the name of each person (together with other information adequte to identify the person) who, as a covered defense official, performed a Government procurement function within 3 years before the first day of the year covered by the report and who was compensated by that contractor during the year covered by the report;

"(B) the agency or agencies of the Federal Government which employed the person or the armed force in which the person served on active duty, as the case may be, during the 3 years referred to in clause (A);

"(C) the person's job titles during the 3 years referred to in clause (A);

"(D) a full and complete description of the duties of the person during 3 years referred to in clause (A);

"(E) a full and complete description of any official responsibilities such person exercised with respect to any contract in which the contractor has or had an interest; and

"(F) a description of any duties that the person has performed on behalf of the contractor during the year covered by the report.

"(2) Not later than April 1 of the year in which the Inspector General of the Department of Defense receives a report under paragraph (1), the Inspector General shall transmit a copy of the report to the Congress.

"(3) The Inspector General of the Department of Defense shall assess the accuracy and completeness of each report received under paragraph (1) and shall identify any conduct punishable under subsection (b), any violation of a contract provision required by subsection (c)(1), and any failure of the report to meet the requirements of paragraph (1). The Inspector General shall report any such conduct, violations, and failures to the Attorney General of the United States for prosecution or other appropriate action without regard to whether the Secretary of Defense has taken or has declined to take action under subsection (c)(2).

"(4) A contractor who fails to transmit to the Inspector General of the Department of Defense a report required by paragraph (1) shall be liable to the Federal Government for an administrative penalty in the amount of $10,000. The Secretary of Defense shall assess the penalty required by the first sentence.

"(5) The Director of the Office of Government Ethics shall have access to the annual reports filed under paragraph (1) and shall review the reports for conduct punishable under subsection (b), any violation of a contract provision required by subsection (c)(1), and any failure of the report to meet the requirements of paragraph (1). The Director shall submit an annual report to the Congress on his actions under this paragraph and shall include in the report his findings relating to his review of the reports filed under paragraph (1).

"(e) Subsections (b), (c), and (d) do not apply with respect to a contract for an amount less than $25,000.

"(f)(1) The Director of the Office of Government Ethics shall coordinate and review the implementation and administration of this section. In consultation with the Secretary of Defense, the Secretaries of the military departments, the Attorney General, and the Administrator of the Office of Federal Procurement Policy, the Director of the Office of Government Ethics may issue regulations to implement and administer this section and may review agency regulations issued to implement and administer this section.

"(2) For purposes of implementing and administering this section, the Secretary of

Defense, the Secretaries of the military departments, the Attorney General of the United States, and the Administrator of the Office of Federal Procurement Policy shall cooperate with the Director of the Office of Government Ethics and shall furnish the Director such information, appropriate personnel (with or without reimbursement by the Director), and financial and other assistance as may be agreed upon between the Director of the Office of Government Ethics and such official.

"(g)(1) Any person who is offered compensation that, if accepted, might place the person in violation of subsection (b)(1) may, before accepting such compensation, request from the Office of Government Ethics advice on the applicability of this section to such compensation. The request shall be made jointly by the person and the contractor who offered such compensation to the person.

"(2) A request made under paragraph (1) by any person who has been offered compensation referred to in such paragraph shall include—

"(A) a full and complete description of the person's duties during the last 3 years the person was employed by the Department of Defense or served on active duty in the armed forces, as the case may be;

"(B) any official responsibilities the person exercised during those 3 years with respect to any procurement contract in which the contractor has or had an interest; and

"(C) the contractor's description of any services that the person will perform on behalf of the contractor.

"(3) Promptly upon receipt of any request made under paragraph (1), the Director of the Office of Government Ethics shall publish a notice of the request in the Federal Register. The notice shall include—

"(A) the name of the person making the request;

"(B) the contractor offering compensation to the person; and

"(C) the information included in the request under clauses (A), (B), and (C) of paragraph (2).

"(h)(1) Upon receiving a request for advice under subsection (g), the Director of the Office of Government Ethics shall determine whether the acceptance and payment of compensation referred to in the request is conduct punishable under subsection (b) or would be a violation of a contract provision required by subsection (c)(1).

"(2) Not later than 30 days after the date the Office of Government Ethics receives a request for advice under subsection (g), the Director of the Office shall issue an interim advisory opinion stating his determination under paragraph (1) based on an initial review of the request.

"(3) Not later than 60 days after the date the Office of Government Ethics receives a request under subsection (g), the Director of the Office shall issue a final advisory opinion stating his final determination under paragraph (1).

"(4)(A) Except as provided in subparagraph (B), if the Director of the Office of Government Ethics states in an interim advisory opinion issued under paragraph (2) that, based on the initial review, the Director concludes that the acceptance and payment of such compensation is not conduct punishable under subsection (b) and does not violate a contract provision required by subsection (c)(1), acceptance and payment of such compensation shall not be punishable under subsection (b) and shall not be considered a violation of such contract provision.

"(B) Subparagraph (A) shall not apply to an acceptance or payment of compensation which occurs after the date the Director of the Office of Government Ethics issues a final advisory opinion under paragraph (3) if the Director states in the final advisory opinion that acceptance and payment of the compensation is conduct punishable under subsection (b) or violates a contract provision required by subsection (c)(1).".

(2) The table of sections at the beginning of such chapter is amended by inserting after the item relating to section 2397 the following new item:

"2397a. Limitation on employment of certain Department of Defense personnel by defense contractors.".

(b) Not later than 180 days after the effective date of the amendments made by subsection (a), the Secretary of Defense shall issue regulations specifying the procurement functions covered by the description of functions set out in section 2397a(a)(4) of title 10, United States Code (as added by subsection (a)).

SEC. 2. Section 2397 of title 10, United States Code, is amended—

(1) by striking out subsection (b);

(2) by redesignating subsections (c), (d), (e), and (f) as subsections (b), (c), (d), and (e), respectively;

(3) in subsection (b)(1) (as redesignated by clause (2))—

(A) by striking out "minimum rate for GS-13" and inserting in lieu thereof "minimum rate of basic pay payable for grade GS-11 under the General Schedule";

(B) by striking out "of at least $15,000" and inserting in lieu thereof "equal to or greater than the minimum rate of basic pay payable for grade GS-11 under the General Schedule"; and

(C) by striking out "contracts by the Department during the fiscal year that total at least $10,000,000" and inserting in lieu thereof "any contract during the fiscal year in an amount equal to or greater than $25,000"; and

(4) in subsection (d) (as redesignated by clause (2)), by striking out "$1,000, or imprisoned not more than 6 months, or both" and inserting in lieu thereof "$10,000".

SEC. 3. (a) The amendments made by the first section and section 2 shall take effect January 1, 1986.

(b) The amendments made by the first section—

(1) do not prohibit—

(A) the continuation of employment which commenced before the effective date of the amendments; or

(B) the receipt of compensation for such employment; and

(2) do not apply with respect to any procurement function performed before such effective date by a former officer or employee of the Department of Defense whose employment by the Federal Government terminated before such effective date or by a member or former member of the Armed Forces who was discharged or released from active duty in the Armed Forces before such effective date.

S. 1165

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That as used in this Act:

(1) "Compensation" includes any payment, gift, benefit, reward, favor, gratuity, or employment valued in excess of $100 at prevailing market price, provided directly, indirectly, or through a third party.

(2) "Contractor" means any person, partnership, corporation, or agency thereof (other than the Federal Government, the independent agencies of the Federal Government, or the District of Columbia) that offers, negotiates, agrees, or otherwise contracts to furnish to the Federal Government property, services, or supplies, and any parent organization, subsidiary organization, or affiliated organization of any such person, partnership, corporation, or agency thereof.

(3) "Covered Government official" means an officer or employee of an executive agency or a member of the uniformed services on active duty who is paid for service as an officer or employee of the executive agency or as a member of the uniformed services at a rate of basic pay equal to or greater than the minimum rate of basic pay payable for grade GS-11 under the General Schedule.

(4) "Executive agency" has the same meaning as provided in section 105 of title 5, United States Code, except that such term includes the military departments referred to in section 102 of such title and does not include the General Accounting Office.

(5) "Procurement function" means any acquisition activity relating to a contract awarded by an executive agency, including—

(A) negotiating, awarding, or administering the contract;

(B) approving contract changes;

(C) approving payment under the contract;

(D) selecting a contractor;

(E) performing cost analysis, quality assurance, operation and developmental testing, budgeting, or auditing functions relating to the contract;

(F) providing technical advice or recommendations relating to the contract; and

(G) managing a procurement program which includes the contract.

(6) "Reviewing official", when used with respect to an executive agency, means—

(A) the Inspector General of the executive agency; or

(B) in the case of an executive agency which does not have an Inspector General, the head of the executive agency.

(7) "Uniformed services" has the same meaning as provided in section 101(3) of title 37, United States Code.

SEC. 2. (a) A former officer or employee of an executive agency and a member or former member of the uniformed services may not accept compensation from any contractor for the 3-year period beginning on the date the former officer or employee separates from Government service or the member or former member is discharged or released from active duty if, within 3 years before such date, the former officer or employee or the member or former member was a covered Government official who had significant responsibilities in the performance of a procurement function with respect to that contractor.

(b) Whoever violates subsection (a) shall be fined not more than $10,000 or imprisoned for not more than 2 years, or both.

(C) Whoever furnishes any compensation to a person who is prohibited by subsection (a) from accepting the compensation shall be fined not more than $10,000 or imprisoned for not more than 2 years, or both.

SEC. 3. (a) Each contract for the procurement of property or services awarded by an executive agency shall include a provision

prohibiting the contractor from furnishing compensation to any person if the acceptance of such compensation by such person would be a violation of section 2(a).

(b) A contractor which violates a contract provision required by subsection (a), as determined by the head of the executive agency which awarded the contract, shall be liable to the United States for the greater of $250,000 or the amount equal to five times the annual rate of compensation paid by the contractor in violation of such contract provision. The Federal Government may collect the amount of such liability by withholding, as a forfeiture, any money payable by the Federal Government to the contractor.

SEC. 4. (a) Not later than March 1 of each year, each contractor which is subject to a contract provision required by section 3(a) shall transmit to the reviewing official of the executive agency which awarded the contract a report on persons to whom the contractor furnished compensation during the preceding year and who are covered by such contract provision. The report shall include—

(1) the name of each person (together with other information adequate to identify the person) who, as a covered Government official, performed a Government procurement function within 3 years before the first day of the year covered by the report and who was compensated by that contractor during the year covered by the report;

(2) the executive agency or executive agencies which employed the person or the uniformed service in which the person served on active duty, as the case may be, during the 3 years referred to in clause (1)

(3) the person's job titles during the 3 years referred to in clause (1)

(4) a full and complete description of the duties of the person during the 3 years referred to in clause (1)

(5) a full and complete description of any official responsibilities such person exercised with respect to any contract in which the contractor has or had an interest; and

(6) a description of any duties that the person has performed on behalf of the contractor during the year covered by the report.

(b) Not later than April 1 of the year in which the reviewing official of an executive agency receives a report under subsection (a), the reviewing official shall transmit a copy of the report to the Congress.

(c) The reviewing official of an executive agency who receives a report under subsection (a) shall assess the accuracy and completeness of the report and shall identify any conduct punishable under section 2, any violation of a contract provision required by section 3(a), and any failure of the report to meet the requirements of subsection (a). The reviewing official shall report any such conduct, violations, and failures to the Attorney General of the United States for prosecution or other appropriate action without regard to whether the head of the executive agency has taken or has declined to take action under section 3(b).

(d) A contractor who fails to transmit to the reviewing official of an executive agency a report required by subsection (a) shall be liable to the Federal Government for an administrative penalty in the amount of $10,000. The head of such executive agency shall assess the penalty required by the first sentence.

(e) The Director of the Office of Government Ethics shall have access to the annual reports filed under subsection (a) and shall review the reports for conduct punishable under section 2, any violation of a contract provision required by section 3(a), and any failure of the report to meet the requirements of subsection (a). The Director shall submit an annual report to the Congress on his actions under this subsection and shall include in the report his findings relating to his review of the reports filed under subsection (a).

SEC. 5. Sections 2, 3, and 4 do not apply with respect to a contract for an amount less than $25,000.

SEC. 6. (a) The Director of the Office of Government Ethics shall coordinate and review the implementation and administration of the provisions of this Act. In consultation with the heads of executive agencies and the Administrator of the Office of Federal Procurement Policy, the Director of the Office of Government Ethics may issue regulations to implement and administer the provisions of this Act and may review executive agency regulations issued to implement and administer such provisions.

(b) For purposes of implementing and administering the provisions of this Act, each head of an executive agency and the Administrator of the Office of Federal Procurement Policy shall cooperate with the Director of the Office of Government Ethics and shall furnish the Director such information, appropriate personnel (with or without reimbursement by the Director), and financial and other assistance as may be agreed upon between the Director of the Office of Government Ethics and such official.

SEC. 7. (a) Any person who is offered compensation that, if accepted, might place the person in violation of section 2(a) may, before accepting such compensation, request from the Office of Government Ethics advice on the applicability of the provisions of this Act to such compensation. The request shall be made jointly by the person and the contractor who offered such compensation to the person.

(b) A request made under subsection (a) by any person who has been offered compensation referred to in such subsection shall include—

(1) a full and complete description of the person's duties during the last 3 years the person was employed by the Federal Government or served on active duty in the uniformed services, as the case may be;

(2) the official responsibilities the person exercised during those 3 years with respect to any procurement contract in which the contractor has or had an interest; and

(3) the contractor's description of any services that the person will perform on behalf of the contractor.

(c) Promptly upon receipt of any request made under subsection (a), the Director of the Office of Government Ethics shall publish a notice of the request in the Federal Register. The notice shall include—

(1) the name of the person making the request;

(2) the contractor offering compensation to the person; and

(3) the information included in the request under clauses (1), (2), and (3) of subsection (b).

SEC. 8. (a) Upon receiving a request for advice under section 7, the Director of the Office of Government Ethics shall determine whether the acceptance and payment of compensation referred to in the request is conduct punishable under section 2 or would be a violation of a contract provision required by section 3(a).

(b) Not later than 30 days after the date the Office of Government Ethics receives a request for advice under section 7, the Director of the Office shall issue an interim advisory opinion stating his determination under subsection (a) based on an initial review of the request.

(c) Not later than 60 days after the date the Office of Government Ethics receives a request under section 7, the Director of the Office shall issue a final advisory opinion stating his final determination under subsection (a).

(d)(1) Except as provided in paragraph (2), if the Director of the Office of Government Ethics states in an interim advisory opinion issued under subsection (b) that, based on the initial review, the Director concludes that the acceptance and payment of such compensation is not conduct punishable under section 2 and does not violate a contract provision required by section 3(a), acceptance and payment of such compensation shall not be punishable under section 2 and shall not be considered a violation of such contract provision.

(2) Paragraph (1) shall not apply to an acceptance or payment of compensation which occurs after the date the Director of the Office of Government Ethics issues a final advisory opinion under subsection (c) if the Director states in the final advisory opinion that acceptance and payment of the compensation is conduct punishable under section 2 or violates a contract provision required by section 3(a).

SEC. 9. Not later than 180 days after the effective date of this Act, the Administrator of the Office of Federal Procurement Policy shall issue regulations specifying the procurement functions covered by the description of functions set out in paragraph (4) of the first section.

SEC. 10. (a) This Act shall take effect January 1, 1986.

(b) This Act—

(1) does not prohibit—

(A) the continuation of employment which commenced before the effective date of this Act; or

(B) the receipt of compensation for such employment; and

(2) does not apply with respect to any procurement function performed before such effective date by a former officer or employee of the Federal Government whose employment by the Federal Government terminated before such effective date or by a member or former member of the uniformed services who was discharged or released from active duty in the uniformed services before such effective date.

ROUTINE MORNING BUSINESS

The PRESIDING OFFICER. There will now be a period for the transaction of morning business.

WHITHER AMERICA?

Mr. GOLDWATER. Mr. President, today, we start debate on the 1986 defense budget. This authorization has been very carefully worked out by the Armed Services Committee and will serve the purposes of our military to defend our freedom. In reading the Strategic Review, which is an excellent publication put out quarterly, I came across an editorial written 10 years ago, and it is so applicable to the situation we find ourselves in this very

day, that I want to put it in the RECORD so that my colleagues can understand the concern many of us have for our defense situation.

I ask unanimous consent that this article, "Whither America?" be printed at this point in my remarks.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

[From the Strategic Review, Spring 1975]

WHITHER AMERICA?

The Supplemental Statement of the "Report of the Blue Ribbon Defense Panel" submitted to the President and to the Secretary of Defense, dated September 30, 1970, pointed out that "The convergence of a number of trends indicates a significant shifting of the strategic military balance against the Untied States and in favor of the Soviet Union," that "The situation which our country faces is without precedent," and finally that "It is not too much to say that in the 70's neither the vital interests of the U.S. nor the lives and freedoms of its citizens will be secure."

This solemn statement brought into question for the first time in the history of our country the survival of American life and liberty.

Four years have elapsed. The "converging trends" for all weapons categories—conventional and nuclear, tactical and strategic—have long since intersected and currently are diverging at a rate which portends so great a disparity of military power favoring the Soviet Union that, if it is not checked, it will spell the end of U.S. security as we have known it and usher in a new world order subject to the harsh realities of Soviet coercion.

Soviet force levels on land, at sea and in the air, including nuclear strategic strike forces are—or by reason of unmatched Soviet momentum soon will be—massively superior by every measure of military power to those of the United States and its allies. SALT has done nothing to check this momentum. Indeed, SALT I regularized the principal of Soviet strategic nuclear superiority as to launchers, size, throw weight and ultimately numbers of warheads.

With the erosion of U.S. military power since World War II we have had to face up to the fact of another superpower and now we must face up to the fact of a superior military power.

Just what will that mean? And what problems will it pose for the United States and its allies?

First, the U.S. nuclear deterrent will disappear—simply by the passage of time, the terms of SALT I and the momentum of current Soviet qualitative programs. This would sharply curtail U.S. diplomatic influence and end our ability to negotiate or to guarantee U.S. security.

Second, clear Soviet nuclear superiority with the authority attendant to that status can encourage a new and different world order in the Soviet mold. U.S. failure to exploit for political advantage its period of nuclear monopoly and superiority is not a model which the Soviet Union can be expected to follow when it has the nuclear advantage.

Third, allied ties with the U.S. would be strained and ultimately, perhaps, broken by the necessity for accommodation with the Soviets both economically and politically.

Fourth, crisis creation and crisis management as a standard Soviet procedure are greatly enhanced by the challenge presented by the new Soviet navy as a flexible political instrument whose coercive effectiveness can be measured by the degree to which we permit our relative naval power to decline. This would have serious economic as well as military implications.

Fifth, U.S. power to insure its freedom of action and to pursue its vital interests would be subject to continual challenge and coercion.

Sixth, whatever the costs of maintenance of national security and our priceless freedom, the cost in dollars and cents of being subject to outside control, loss of world markets, and the increasing bill for blackmail and tribute could well make the cost of an adequate military posture, once abandoned, seem negligibly small by comparison.

This is a dangerous world—and becoming more so as the steadily expanding military power of the Soviet Union overshadows Western Europe and the United States and makes its way around the globe with the awesome weight of its large and expanding surface and submarine navy, nuclear-propelled and thermonuclear-weaponed. And all without benefit of surprise—and, as must have been learned by now, there can be surprises, too!

Nothing less than the course of civilization and whether the American experience is to have a future hangs upon the decision of the President and the Congress to take prompt and bold action to provide beyond all reasonable doubt for the safety of the Nation by restoration of that measure of relative military strength which has brought us safely to where we now stand.

This is the first responsibility of government. This—and no other—is the gravest issue of our time.

DANIEL R. McLEOD

Mr. THURMOND. Mr. President, it is with heartfelt sadness that I rise today to note the passing of my dear friend, Daniel Rogers McLeod, former attorney general of South Carolina, who died May 15 at the age of 71.

To his wife, Mrs. Virginia Hart McLeod; his son, Daniel R. McLeod, Jr.; his daughter, Elizabeth McLeod Coble; his brothers, James, Guyton, David, and Thomas; his sisters, Mrs. Rutledge Thomas and Mrs. Ed Tyler; and his stepsons, John E. Hart and Comdr. Robert S. Hart; I extend my deepest sympathy.

If there was ever a challenging and difficult time to serve as a State attorney general, it was during the time Dan McLeod held the post. For the 24 years he was the State's chief legal officer, South Carolina, like America, experienced some of the most profound social changes in history.

In his own words, he called the attorney general's job "one crisis after another." If there ever was a person who could truly handle one legal crisis after another, it was Dan McLeod.

There were countless times in this man's tenure that he took an unpopular stance to defend the statutes or constitution of the State of South Carolina from attack. He let no individual or group compromise the laws which he had sworn to uphold.

This fine gentleman had a brilliant legal mind. Not only was this recognized by the people of South Carolina, who elected him to the office for as long as he desired, but after 10 years of public service he was selected by the National Association of Attorneys General as the Nation's outstanding attorney general.

Dan McLeod's work will long be remembered by all those who benefited from his long and productive service. His touch is evident in many areas of State legal activity today including civil and criminal prosecutions, criminal appeals, child-support cases, environmental suits, and consumer fraud.

This man was admired and respected by all who had the opportunity to share his acquaintance. Historians will verify that his service to the people of South Carolina had a profound and continuing impact on the legal services provided by the attorney general's office.

In order to share more about a truly outstanding attorney general, my friend Daniel R. McLeod, I ask unanimous consent that the following article from his hometown newspaper be printed in the RECORD..

There being no objection, the article was ordered to be printed in the RECORD, as follows:

[From the State (Columbia, SC), May 16, 1985]

FORMER ATTORNEY GENERAL McLEOD DIES

Daniel Rogers McLeod, South Carolina's attorney general for almost a quarter of a century, died Wednesday in Baptist Medical Center at Columbia. He was 71.

The soft-spoken but feisty man affectionately known as "General" had been hospitalized since mid-Arpil. His death, shortly after 8 p.m., followed a series of strokes

McLeod was the state's chief legal officer for 24 years, from his election in 1958 until his decision not to seek another term in 1982, encompassing a time of profound social change that reshaped McLeod's personal views and those of many other citizens.

"His death is an obvious loss to the state. History will write that he was a truly great attorney general."

Gov. Dick Riley said: "I have lost a true friend, a valuable colleague."

Ten years into his tenure, he was named the nation's outstanding attorney general—the only South Carolinian to achieve that recognition from the National Association of Attorneys General.

When he left office, McLeod was the senior state attorney general in the United States, as well as South Carolina's senior elected constitutional officer.

The Daniel R. McLeod Scholarship was established at USC Law School by his associates at the attorney general's office and by members of the South Carolina Bar.

McLeod was an active member of the Washington Street United Methodist Church. He served on several state boards and panels, including the old Board of Health, the Judicial Council and the advisory board of the Public Service Authority.

His second marriage was on July 29, 1962, to Mrs. Virginia Barrett Hart McLeod.

He is also survived by his sons, Daniel R. McLeod Jr. and John Ellson Hart of Columbia and Cmdr. Robert S. Hart of the U.S. Navy; a daughter, Elizabeth McLeod Coble of Columbia; brothers, James M. McLeod of Miami, Guyton McLeod of Charleston, David H. McLeod of Florence and Thomas McLeod of Columbia; and sisters, Mrs. Rutledge (Emma) Thomas of Cope and Mrs. Ed (Mary) Tyler of Estill.

Plans will be announced by Dunbar Funeral Home, Devine Street Chapel.

CONCLUSION OF MORNING BUSINESS

The PRESIDING OFFICER. Morning business is closed.

WAIVER OF SECTION 303(a) OF CONGRESSIONAL BUDGET ACT—CONSIDERATION OF S. 1160

Mr. DOLE. Mr. President, I ask unanimous consent that the Senate now turn to the budget waiver to accompany S. 1160, Senate Resolution 168.

The PRESIDING OFFICER. The resolution will be stated.

The assistant legislative clerk read as follows:

A resolution (S. Res. 168) waiving section 303(a) of the Congressional Budget Act of 1974 with respect to consideration of S. 1160.

The PRESIDING OFFICER. Is there objection to the present consideration of the resolution?

There being no objection, the resolution (S. Res. 168) was agreed to, as follows:

S. RES. 168

Resolved, That pursuant to section 303(c) of the Congressional Budget Act of 1974, the provisions of section 303(a) of such Act are waived with respect to the consideration of S. 1160, a bill to authorize appropriations for the military functions of the Department of Defense and to prescribe personnel levels for the Department of Defense for fiscal year 1986, and for other purposes.

Such a waiver is necessary because section 303(a) of the Congressional Budget Act of 1974 provides that it shall not be in order in either the House of Representatives or the Senate to consider any bill or resolution (or amendment thereto) which provides new spending authority described in section 401(c)(2)(C) of such Act to become effective during a fiscal year until the first concurrent resolution on the budget for such year has been agreed to pursuant to section 301 of such Act.

For the foregoing reasons, pursuant to section 303(c) of the Congressional Budget Act of 1974, the provisions of section 303(a) of such Act are waived with respect to the consideration of S. 1160.

Mr. DOLE. Mr. President, I move to reconsider the vote by which the resolution was agreed to.

Mr. GOLDWATER. Mr. President, I move to lay that motion on the table.

The motion to lay on the table was agreed to.

NATIONAL DEFENSE AUTHORIZATION ACT FOR FISCAL YEAR 1986

Mr. DOLE. Mr. President, I ask unanimous consent that the Senate now turn to the consideration of S. 1160, the DOD authorization bill.

The PRESIDING OFFICER. The bill will be stated by title.

The assistant legislative clerk read as follows:

A bill (S. 1160) to authorize appropriations for the military functions of the Department of Defense and to prescribe personnel levels for the Department of Defense for fiscal year 1986, to authorize certain construction at military installations for such fiscal year, to authorize appropriations for the Department of Energy for national security programs for such fiscal year, and for other purposes.

There being no objection, the Senate proceeded to consider the bill which had been reported from the Committee on Armed Services.

The PRESIDING OFFICER. The Senator from Arizona is recognized.

Mr. GOLDWATER. Mr. President, before I make my actual report on this bill, I wish to recognize the attitude of Congress and the attitude of many American people relative to the subject of defense spending that has been engineered by some, a very small percentage, of American corporations doing business with the Pentagon.

Mr. President, I happen to be a product of the American business system. I was in corporate work before I came to the Senate. But I cannot and will not defend those corporations that have violated honesty in connection with the defense of our country. Mr. President, we are here to help that defense of our country, not to punish or convict those who have abused the system.

Mr. President, I report to the Senate on the action taken by the Committee on Armed Services on S. 1160, the Omnibus Defense Authorization Act for fiacal year 1986.

Let me explain briefly the procedural background of this bill. The Armed Services Committee reported S. 1029 to the Senate on April 29 of this year. This bill was accompanied by Senate Report No. 99-41.

When the Armed Services Committee learned that the Senate would approve no real growth in the defense budget, it reconvened on Wednesday of this week to make further program reductions to conform to the ceiling in the budget resolution. The Committee has reported a clean bill, S. 1160, reflecting these new budget levels. Some explanatory backround information has been prepared to accompany the new bill, and I ask unanimous consent that this information be printed in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

S. 1160, FISCAL YEAR 1986 NATIONAL DEFENSE AUTHORIZATION ACT, MAY 16, 1985

The Committee on Armed Services, with a bipartisan vote of 13 to 6 on April 4, 1985, agreed to report a Fiscal Year 1986 National Defense Authorization bill which represents 3 percent real growth in the defense program over the amount approved for Fiscal Year 1985. Specific program funding recommendations are reflected in Senate Report 99-41 which accompanies the bill S. 1029.

Subsequent to the Committee's action, the Senate on May 10 voted to freeze the defense budget for Fiscal Year 1986 at a level permitting no real growth after allowing for projected inflation. This represents a reduction of $9.1 billion in budget authority below the level of funding approved in S. 1029 as reported.

The Committee strongly disagrees with the action of the Senate in adopting a First Concurrent Budget Resolution which provides no real growth in the national defense function. Nevertheless, the Committee feels compelled to reconsider its earlier actions and report a new bill which reflects a defense funding level consistent with the budget resolution.

In the bill ordered reported on May 15, the Committee recommends slightly less than $6 billion in additional program funding reductions beyond the cuts made in the previous mark. In addition to programmatic reductions, the Committee utilizes approximately $4 billion in savings identified by the Department of Defense which result from efficiencies in the management of the industrial and stock funds, savings anticipated to be realized from revised procurement procedures in the operation and maintenance accounts, favorable contract negotiations, and lower than anticipated inflation rates.

The charts and explanatory statements which follow reflect the detailed recommendations of the Committee under the constraints of the Senate-passed First Concurrent Budget Resolution.

SUMMARY OF FUNDS RECOMMENDED FOR AUTHORIZATION

[In thousands of dollars]

	Fiscal year 1985 budget authority	Fiscal year 1986 request	Change from request	Committee recommendation
DIVISION A				
Procurement				
Army:				
Aircraft	3,901,300	3,892,500	−155,000	3,737,500

SUMMARY OF FUNDS RECOMMENDED FOR AUTHORIZATION—Continued

[In thousands of dollars]

	Fiscal year 1985 budget authority	Fiscal year 1986 request	Change from request	Committee recommendation
Missiles	3,158,300	3,386,700	−39,000	3,347,700
Weapons and Tracked Combat Vehicles	4,548,100	5,739,100	−525,800	5,213,300
Ammunition	2,646,300	2,635,000	−226,700	2,408,300
Other Procurement	5,122,450	5,712,800	−663,300	5,049,500
Total, Army Procurement	19,376,450	21,366,100	−1,609,800	19,756,300
Navy:				
Aircraft	10,903,798	12,062,600	−718,000	11,344,600
Weapons	4,353,611	5,627,900	−157,700	5,470,200
Shipbuilding and Conversion	11,620,826	11,411,600	−1,485,400	9,926,200
Other Procurement	5,341,614	6,601,200	−1,321,800	5,279,400
Marine Corps	1,836,722	1,726,800	−112,000	1,614,800
Total, Navy Procurement	34,056,571	37,430,100	−3,794,900	33,635,200
Air Force:				
Aircraft	26,078,066	26,165,500	−1,900,400	24,265,100
Missiles	6,888,345	10,862,700	−1,277,800	9,584,900
Other Procurement	8,848,127	9,538,000	−831,600	8,796,400
Total, Air Force Procurement	41,814,538	46,566,200	−4,009,800	42,556,400
Defense Agencies Procurement	1,169,301	1,391,900	−73,800	1,318,100
National Guard and Reserve Procurement	380,000	0	332,000	332,000
Total Procurement	96,769,860	106,754,300	−9,156,300	97,598,000
Research, Development, Test, and Evaluation				
Army	4,376,115	5,279,900	−497,125	4,782,775
Navy (including Marine Corps)	9,274,106	11,264,300	−795,744	10,468,556
Air Force	13,506,347	15,578,500	−1,288,766	14,289,734
Defense Agencies	4,307,207	7,157,400	−1,031,134	6,126,266
Total, Research, Development, Test, and Evaluation	31,463,775	39,280,100	−3,612,769	35,667,331
Operation and Maintenance				
Army	18,603,698	20,190,630	−960,344	19,230,286
Navy	25,334,741	25,797,700	−1,064,828	24,732,872
Marine Corps	1,650,894	1,667,400	−39,378	1,628,022
Air Force	19,213,465	20,924,400	−823,726	20,100,674
Defense Agencies	7,182,599	7,568,900	−65,636	7,503,264
Army Reserve	732,700	779,600	−10,300	769,300
Naval Reserve	828,781	954,500	−50,710	903,790
Marine Corps Reserve	58,842	61,600	−4,730	56,870
Air Force Reserve	881,261	907,700	−16,856	890,844
Army National Guard	1,439,293	1,605,200	−13,580	1,591,620
Air National Guard	1,828,848	1,830,100	−23,738	1,920,162
Rifle Practice, Defense	928	920	0	920
Claims, Defense	146,500	158,300	−15,000	143,300
Court of Military Appeals, Defense	2,870	3,200	0	3,200
Environmental Restoration Fund	314,000	0	0	0
Total, Operation and Maintenance	78,219,420	82,450,150	−3,089,026	79,361,124
Working Capital Funds				
Army Stock Fund	366,448	442,000	−49,000	393,000
Navy Stock Fund	473,307	716,500	−78,000	638,500
Marine Corps Stock Fund	34,908	42,700	−5,000	37,700
Air Force Stock Fund	548,593	464,900	−49,000	415,900
Defense Stock Fund	130,700	193,500	−19,000	174,500
Total, Working Capital Funds	1,553,956	1,859,600	−200,000	1,659,000
Special Foreign Currency				
Army		0	0	0
Navy		1,600	0	1,600
Air Force		0	0	0
Defense Agencies		500	0	500
Total, Special Foreign Currency	8,650	2,100	0	2,100
Base Closure Fund	0	0	1,000,000	1,000,000
Total, Division A	208,042,661	230,346,250	−15,058,095	215,288,155
DIVISION B				
Military Construction				
Army	1,593,137	2,023,910	−441,571	1,582,339
Navy/Marine Corps	1,534,592	2,147,510	−563,946	1,583,564
Air Force	1,572,655	1,973,350	−291,207	1,682,143
Defense Agencies	302,198	309,600	−60,900	248,700
NATO Infrastructure	107,200	98,000	−60,000	38,000
Army National Guard	98,603	102,100	−1,900	100,200
Air National Guard	111,200	137,200	−9,645	127,555
Army Reserve	69,306	70,700	−1,300	69,400
Naval Reserve	60,800	51,800	−1,000	50,800
Air Force Reserve	67,800	66,800	−1,300	65,500
Total, Military Construction	5,517,491	6,980,970	−1,432,769	5,548,201
Family Housing				
Army	1,331,817	1,625,764	−66,590	1,559,174
Navy	659,282	738,739	−1,100	739,839
Air Force	885,565	943,698	−1,800	941,898
Defense Agencies	17,437	20,300	0	20,300
Total, Family Housing	2,894,101	3,328,501	−67,290	3,261,211
Total, Division B	8,411,592	10,309,471	−1,500,059	8,809,412

SUMMARY OF FUNDS RECOMMENDED FOR AUTHORIZATION—Continued

[In thousands of dollars]

	Fiscal year 1985 budget authority	Fiscal year 1986 request	Change from request	Committee recommendation
DIVISION C				
Department of Energy National Security Program				
Weapons Activities	4,230,180	4,542,090	−180,500	4,361,590
Verification and Control Technology	76,700	93,575	10,000	103,575
Materials Production	1,738,300	1,947,900	−98,500	1,849,400
Defense Waste and By-Products Management	773,571	712,820	−52,000	660,820
Nuclear Safeguards and Security	62,700	59,925	0	59,925
Security Investigations	34,000	33,400	0	33,400
Naval Reactors Development	496,900	569,000	0	569,000
Total, Division C	7,362,351	7,958,710	−321,000	7,637,710
DIVISION D				
Federal Emergency Management Agency				
Civil Defense Program	179,547	119,125	0	119,125
Grand Total of Bill	223,996,151	248,733,556	−16,879,154	231,854,402

AIRCRAFT PROCUREMENT, ARMY

[Dollars amounts in millions]

Line No. and title	Fiscal year 1986 request		Change from request		Committee recommendation	
	Quantity	Amount	Quantity	Amount	Quantity	Amount
ROTARY						
4 EH–60A Helicopter (quickfix) (MYP)	18	146.4		−64.0		82.4
Less: Advance procurement (PY)		−27.8				−27.8
Net		118.6		−64.0		54.6
5 Advance procurement (CY)		24.4				24.4
Prior year authorization transfer				64.0		64.0
6 AH–64 Attack helicopter (Apache)	144	1,269.2			144	1,269.2
Less: Advance procurement (PY)	−91.0					−91.0
Net		1,178.2				1,178.2
7 Advance procurement (CY)		55.3				55.3
8 UH-60A (Black Hawk) (MYP)	78	414.7			78	414.7
Less: Advance procurement		−147.7				−147.7
Net		267.0				267.0
9 Advance procurement (CY)		199.0				199.0
Subtotal, aircraft		1,842.5		0.0		1,842.5
MODIFICATION OF AIRCRAFT						
11 OV–1 Surveillance airplane (Mohawk)		27.7				27.7
12 RC–12D Recon airplane		0.5				0.5
13 RV–1 Recon Airplane		0.5				0.5
15 AH15 Attack helicopter (Cobra-TOW)		124.5		−20.0		104.5
Prior year authorization transfer				20.0		20.0
17 CH–47 Cargo helicopter (MYP)		413.2		−20.0		393.2
Less: Advance procurement (PY)		−159.9				−159.9
Net		253.3		−20.0		233.3
18 Advance procurement (CY)		124.8				124.8
Prior year authorization transfer				20.0		20.0
19 CH–54 Cargo helicopter (Tarhe)		0.5				0.5
23 UH–1 Utility helicopter (Iroquois)		12.2				12.2
24 UH-60A (Black Hawk) MODS		15.4				15.4
25 Army Helicopter Improvement Program (AHIP)		206.0				206.0
Less: Advance procurement (PY)	−47.2					−47.2
Net		158.8				158.8
26 Advance Procurement (CY)		51.8				51.8
29 Airborne avionics		1.0				1.0
30 Modifications under $900,000 (aircraft)		0.1				0.1
31 ACFT SWW		17.0				17.0
Subtotal, modification of aircraft		788.1		0.0		788.1
32 Spares and repair parts		949.7		−100.0		849.7
Support equipment and facilities						
33 Avionics support equipment		67.8				67.8
34 Common ground equipment		35.0				35.0
35 Air traffic control		9.4				9.4
36 Synthetic flight training systems	7	131.6			7	131.6
37 Industrial facilities		61.9				61.9
39 War consumables		6.5				6.5
Undistributed reduction				−10.0		−10.0
Subtotal, support equipment and facilities		312.2		−10.0		302.2
Inflation reestimate for FY 86				−5.0		−5.0
Prior year program savings				−40.0		−40.0
Total, Army aircraft		3,892.5		−155.0		3,737.5

MISSILE PROCUREMENT, ARMY

[Dollar amounts in millions]

Line No. and title	Fiscal year 1986 request		Change from request		Committee recommendation	
	Quantity	Amount	Quantity	Amount	Quantity	Amount
SURFACE-TO-AIR MISSILE SYSTEMS						
1 Chaparral	300	110.4			300	110.4
2 Other missile support		5.0				5.0
3 Patriot	585	983.4			585	983.4
4 Stinger	3,439	304.1			3,439	304.1
AIR-TO-SURFACE MISSILE SYSTEM						
5 Laser hellfire system	6,576	250.7			6,576	250.7
ANTI-TANK/ASSAULT MISSILE SYSTEM						
6 TOW 2	20,100	226.9			20,100	226.9
7 Advance procurement (CY)		22.0				22.0
8 Pershing		[ ]				[ ]
9 Multiple launch rocket system (MYP)	72,000	579.5			72,000	579.5
Less: Advance procurement (PY)		−71.7				−71.7
Net		507.8				507.8
10 Advance Procurement (CY)		41.0				41.0
Subtotal, other missiles		2,786.0		0.0		2,786.0
MODIFICATION OF MISSILES						
12 Patriot		17.2				17.2
13 Chaparral		112.9				112.9
14 Hawk		54.1				54.1
15 TOW		37.8				37.8
Subtotal, modification of missiles		222.0		0.0		222.0
21 Spares and repair parts		322.0		−10.0		312.0
SUPPORT EQUIPMENT AND FACILITIES						
22 Air defense targets		21.0				21.0
23 Items less than $900,000 (missiles)		3.8				3.8
24 Production Base SPT		29.9				29.9
25 Other production charges		2.0				2.0
Subtotal, support equipment and facilities		56.7		0.0		56.7
Inflation reestimated for FY 86				−4.0		−4.0
Prior year program savings				−25.0		−25.0
Total, missile procurement, Army		3,386.7		−39.0		3,347.7

PROCUREMENT OF WEAPONS AND TRACKED COMBAT VEHICLES, ARMY

[Dollar amounts in millions]

Line No. and title	Fiscal year 1986 request		Change from request		Committee recommendation	
	Quantity	Amount	Quantity	Amount	Quantity	Amount
TRACKED COMBAT VEHICLES						
1 Carrier, command post light, FT. Arm. M577A2	115	23.6			115	23.6
2 Carrier, personnel, FT. Arm. M113A2	325	82.9			325	82.9
3 Bradley fighting vehicles (MYP)	716	1,024.6			716	1,024.6
Less: Advance procurement (PY)		−17.6				−17.6
Net		1,007.0				1,007.0
4 Advance procurement (CY)		27.6				27.6
5 Bradley FVS training devices		79.4				79.4
6 Field artillery ammo support vehicle	197	101.5	−197	−101.5	0	0.0
8 Recovery vehicle, MED, FT. M88A1	240	215.8			240	215.8
9 Abrams tank series roll (MYP)	840	2,063.2			840	2,063.2
Less: Advance procurement (PY)		−313.6				−313.6
Net		1,749.6				1,749.6
10 Advance procurement (CY)	(840)	359.2			(840)	359.2
11 M60 series tank training devices		20.4				20.4
12 M1 series tank training devices		65.6				65.6
MODIFICATION OF TRACKED COMBAT VEHICLES						
13 Carrier, MOD		56.2				56.2
15 Fist vehicle (MOD)		80.8				80.8
16 BFVS series (MOD)		19.0				19.0
17 Howlizer, MED SP FT. 155MM M109 SER (MOD)		25.4				25.4
19 Armored veh launch bridge (AVLB) (MOD)		20.4				20.4
20 Tank, combat, FT. 105MM gun, M60SER (MOD) (MYP)		130.6		−20.0		110.6
22 105MM tank gun (MOD)		6.0				6.0
23 Tank, M1 series (MOD)		70.1				70.1
24 Robotic obst breaching assault tank (MOD)		17.8		−17.8		0.0
SUPPORT EQUIPMENT AND FACILITIES						
25 Spares and repair parts		649.0		−30.0		619.0
26 Value engineering		1.0				1.0
27 Items less than $900,000 (ICV–WTCV)		0.8				0.8
28 Production base support (TCV–WTCV)		95.8		−10.0		85.8
Subtotal, tracked combat vehicles		4,905.5		−179.3		4,726.2
WEAPONS AND OTHER COMBAT VEHICLES						
30 Sergeant York Divad gun	117	506.5	−80	−256.5	37	250.0
Less: Advance procurement (PY)		−100.0				−100.0
Net		406.5		−256.5		150.0
31 Advance procurement (CY)		11.0				11.0
33 Armor machine gun, 7.62MM M240	4,924	27.1			4,924	27.1
34 Squad automatic weapon (SAW) 5.56MM	6,000	14.5			6,000	14.5
35 Grenade launcher, auto. 40MM. MK19–3	821	9.0			821	9.0

PROCUREMENT OF WEAPONS AND TRACKED COMBAT VEHICLES, ARMY—Continued

[Dollar amounts in millions]

Line No. and title	Fiscal year 1986 request		Change from request		Committee recommendation	
	Quantity	Amount	Quantity	Amount	Quantity	Amount
36 Launcher, smoke grenade	3,177	2.1			3,177	2.1
37 Mortar, 81MM, XM252	187	6.1			187	6.1
38 Mortar, 120MM	63	5.0			63	5.0
39 M16 rifle	71,990	39.3			71,990	39.3
40 Personal defense weapon, 9MM	25,400	7.5	−25,400	−7.5	0	0.0
41 Veh rapid fire wpn sys-bushmaster (MYP)	715	45.6			715	45.6
42 Advance procurement (CY)		8.3				8.3
43 Tank muzzle boresight device	2,327	4.6			2,327	4.6
MODIFICATION OF WEAPONS AND OTHER COMBAT VEHICLES						
44 Divad (MODS)		0.5		−0.5		0.0
45 Howitzer, 155MM, M114A2 (MOD)		1.7				1.7
46 M16A1 rifle mods		3.3				3.3
48 Modifications under $900,000 (WOCV-WTCV)		0.8				0.8
SUPPORT EQUIPMENT AND FACILITIES						
49 Spares and repair parts		183.6				183.6
50 Items less than $900,000 (WOCV-WTCV)		2.9				2.9
51 Production base support (WOCV-WTCV)		51.4				51.4
53 5.56 carbine XM4	4,685	2.8			4,685	2.8
Subtotal, weapons & other combat vehicles		833.6		−264.5		569.1
Inflation reestimate for FY 86				−7.0		−7.0
Prior year program savings				−75.0		−75.0
Total, Army weapons & tracked combat vehicles		5,739.1		−525.8		5,213.3

PROCUREMENT OF AMMUNITION, ARMY

[Dollar amounts in millions]

Line No. and title	Fiscal year 1986 request		Change from request		Committee recommendation	
	Quantity	Amount	Quantity	Amount	Quantity	Amount
AMMUNITION						
Atomic Materiel						
1 Nuclear Weapons Support Materiel		5.2				5.2
Controlled Items						
4 CTG, 5.56MM, Ball M193	114,883	18.1			11,883	18.1
5 CTG, 5.56MM, Blank M200	84,807	12.0			84,807	12.0
6 CTG, 5.56MM, BLK M200, LKD F/SAW	8,637	2.2			8,637	2.2
7 CTG, 5.56MM, 4 Ball M855/1 TRCR M856 LKD	26,884	9.6			26,884	9.6
8 CTG, 5.56MM, BALL M16–A2	96,289	25.0			96,289	25.0
9 CTG, 5.56MM, Tracer M16–A2	21,456	6.5			21,456	6.5
10 CTG, 7.62MM, Tracer M62 LKD	1,439	0.5			1,439	0.5
12 CTG, 7.62MM, 4 Ball M80/1 TRCR M62 LKD	84,525	25.0			84,525	25.0
13 CTG, 7.62MM, Ball M80 LKD/M13	2,428	0.7			2,428	0.7
14 CTG, 7.62MM, LKD 4 Ball I Tracer OHF	4,007	1.4			4,007	1.4
16 CTG, 7.62MM, Spec Ball M118	6,433	1.9			6,433	1.9
17 CTG, Cal. .22, Ball LR	136,179	2.7			136,179	2.7
18 CTG, 9MM, Ball	8,312	1.4	−8,312	−1.4	0	0.0
19 CTG, Cal. .45, Ball M1911	18,759	2.2			18,759	2.2
20 CTG, Cal. .45, Match Grade	5,120	0.8			5,120	0.8
22 CTG, Cal. .50, LKD 4 Ball/1 TRCR W/M15A2L	6,560	9.6			6,560	9.6
23 CTG, Cal. .50, APIT, M20 LKD	834	1.4			834	1.4
24 CTG, Cal. .50, Ball LKD	2,160	2.4			2,160	2.4
25 CTG, Cal. .50, BLK, M1A1, LKD W/M9LK F/M2	19,582	15.0			19,582	15.0
27 CTG, Cal. .50, LKD Tracer M17	2,882	4.1			2,882	4.1
28 CTG, Cal. .50, LKD 4 Ball/1 Tracer W/M9 L	33,124	44.4			33,124	44.4
29 CTG, 20MM, LKD TP–T M220 Series MLB M14A	5,175	19.3			5,175	19.3
31 CTG, 25MM, HEI–T M792 W/F	648	18.9			648	18.9
32 CTG, 25MM, APDS–T M791 W/M28(MYP)	455	11.1			455	11.1
33 CTG, 25MM, TPT LKD M793 MLB M28	2,400	37.7			2,400	37.7
35 CTG, 30MM, LKD HEDP M789 W/Fuze(MYP)	881	26.0			881	26.0
36 CTG, 30MM, LKD TP M788(MYP)	369	3.8			369	3.8
38 CTG, 40MM, PT–T M813 F/SGT York(MYP)	144	11.3	−144	−11.3	0	0.0
40 CTG, 40MM, HE W/PROX M822	144	31.0	−144	−31.0	0	0.0
41 CTG, 40MM, HEDP M430	2,047	48.8			2,047	48.8
42 CTG, 40MM, TP F/MK19	485	4.8			485	4.8
43 CTG, 40MM, PRAC M781	2,478	6.0			2,478	6.0
44 CTG, 75MM, Blank, M337A1 F/Howitzer	174	2.8			174	2.8
46 CTG, 81MM, Illum IUK XM853	103	15.7			103	15.7
47 CTG, 81MM, HE IUK W/Fuze	170	31.7			170	31.7
48 CTG, 81MM, SMK RP IUK XM819	66	12.4			66	12.4
49 CTG, 81MM, IMP 1/10 Range ING XM880	36	2.4			36	2.4
51 CTG, Sub Cal. 22, PRACT CHG-2 M745	157	1.1			157	1.1
55 CTG, 4.2-Inch, Illum, W/Fuze	143	27.3			143	27.3
56 CTG, 4.2-Inch, Smoke, WP	51	6.7			51	6.7
57 CTG, 120MM, HE W/Multi-Option Fuze	83	30.3			83	30.3
58 CTG, 120MM, Illum	8	4.0			8	4.0
59 CTG, 120MM, Smoke	41	11.2			41	11.2
61 CTG, 105MM, Heat MP T M456A2	130	47.2			130	47.2
62 CTG, 105MM, TP–T, M490	347	51.2			347	51.2
63 CTG, 105MM, Tracer–P FOR M833		2.3				2.3
64 CTG, 105MM, DS–TP M724	433	89.4			433	89.4
65 CTG, 105MM, APFSDS–T M833	76	46.8			76	46.8
67 CTG, 120MM, APFSDS–T XM829	45	59.7			45	59.7
68 CTG, 120MM, HEAT-MP-T, M830(MYP)	13	27.3			13	27.3
69 CTG, 120MM, TP-T XM831(MYP)	31	29.6			31	29.6
70 CTG, 120MM, TPCSDS-T, M865(MYP)	49	29.7			49	29.7
71 Proj, 155MM, HE, ICM M483 (MYP)	689	299.8			689	299.8
73 Proj, 155MM, SMK, WP, M825	38	16.3			38	16.3
76 Proj, 155MM, HE, Adam M731 (MYP)	6	26.5			6	26.5
78 Proj, 155MM, HE, Raams M741 (MYP)	41	71.6			41	71.6
80 Proj, 155MM, HE, Copperhead (EA)	6,900	235.0			6,900	235.0
81 Proj, 155MM, CHEM GB–2		( )				( )
82 Charge, Propelling, 155MM, Green BAG M3	466	27.7			466	27.7
83 Charge, Propelling, 155MM, WHITE BAG M4	378	30.4			378	30.4

PROCUREMENT OF AMMUNITION, ARMY—Continued

[Dollar amounts in millions]

Line No. and title	Fiscal year 1986 request		Change from request		Committee recommendation	
	Quantity	Amount	Quantity	Amount	Quantity	Amount
84 Charge, Propelling, 155MM, RED BAG M203	60	20.4			60	20.4
85 Charge, Propelling, 155MM, WHITE BAG M11	140	17.8			140	17.8
89 Charge, Propelling, 8-INCH WB, M188	129	29.2			129	29.2
92 Fuze, MTSQ M577/M577A1	758	49.3			758	49.3
93 Fuze, MTSQ M582/M582A1	154	10.5			154	10.5
94 Primer, PERC, M82	1,491	2.9			1,491	2.9
95 Ground IMP Mine SCAT SYS AP M74 (MYP)	36	14.5			36	14.5
96 Ground IMP Mine SCAT SYS AT M75 (MYP)	134	26.5			134	26.5
97 Canister Mine Practice XM88 (Volcano)	5	1.5			5	1.5
98 Canister Mine (Volcano) XM87	10	2.6			10	2.6
99 Mine, AT:BLU–91/8 (Volcano) (MYP)	60	12.6			60	12.6
100 Mine, AP, BLU–92/8 (Volcano) (MYP)	12	5.0			12	5.0
101 MIR RKT 5 IN MK22 MOD 4 (EA)	1,412	5.4			1,412	5.4
102 Line Charge M58A3 (MICLIC) (EA)	1,018	12.3			1,018	12.3
103 Line Charge Inert M68A2 (MICLIC) (EA)	103	1.2			103	1.2
104 Modular Pack Mine System	3,358	36.0			3,358	36.0
106 Demolition munitions and other		16.5				16.5
107 Demo Kit Bangalore Torpedo	6	3.0			6	3.0
108 Lightweight multi-purpose system	156	107.6			156	107.6
109 Lightweight multi-purpose system TRNR	1,645	3.1			1,645	3.1
110 Hydra 70 RKT, MPSM HE M261 WHD(MYP)	36	28.9			36	28.9
111 Hydra 70 RKT, MPSM PRAC M267 WHD	8	5.4			8	5.4
112 Grenade, hand, all types		33.0				33.0
113 Signals, all types		33.5				33.5
114 Simulators, all types		28.7				28.7
Miscellaneous						
115 Ammo Components/Support, all types		21.3				21.3
116 Items less than $900,000 (Misc-Ammo)		3.7				3.7
117 Spares and repair parts		1.0				1.0
118 Ammunition peculiar equipment		5.2				5.2
119 Nitroguanidine (LB)		25.0				25.0
120 Comp A–5		9.1				9.1
121 Comp C–4		9.0				9.0
122 Comp B		4.4				4.4
123 PBX 0280		1.6				1.6
124 Cyclotol 70/30		2.8				2.8
126 Comp LX–14		5.8				5.8
130 Ammo 9WW/ELT		1.7				1.7
Subtotal, ammunition		2,266.6		−43.7		2,222.9
AMMUNITION PRODUCTION BASE SUPPORT						
131 Provision of industrial facilities		280.6		−40.0		240.6
132 Components for prove-out		14.0				14.0
133 Layaway of industrial facilities		22.5				22.5
134 Jefferson proving ground modernization		2.0				2.0
135 Chemical demilitarization program		49.3				49.3
Subtotal, Ammunition PROD base support		368.4		−40.0		328.4
Prior year inflation savings				−78.0		−78.0
Inflation reestimate for FY 86				−3.0		−3.0
Prior year program savings				−62.0		−62.0
Total, Army Ammunition		2,635.0		−226.7		2,408.3

OTHER PROCUREMENT, ARMY

[Dollar amounts in millions]

Line No. and title	Fiscal year 1986 request		Change from request		Committee recommendation	
	Quantity	Amount	Quantity	Amount	Quantity	Amount
TACTICAL VEHICLES						
1 Chassis trailer gen 2½ ton 2W M200A1	1,676	7.6			1,676	7.6
2 Dolly set, trans shelter, 7½T, M1022	141	5.5			141	5.5
3 Motorcycle, GED, 2W, rough terrain	1,413	5.6			1,413	5.6
5 Semitrailer, BB/Cont 34T M872 C/S	100	3.4			100	3.4
6 Semitrailer, LB, 12T M270A1–M2269A1	238	9.3			238	9.3
7 Semitrailer, low bed, 40T M870 (C/S)	311	12.2			311	12.2
8 Semitrailer, low bed HET, XM1000	144	11.2			144	11.2
9 Semitrailer, tank, 5000G	484	19.8			484	19.8
11 Trailer, cargo, ¾T, 2W, M101A2 W/E	1,241	5.3			1,241	5.3
12 Trailer, cargo, 1½T, 2W, M105A2	3,099	11.1			3,099	11.1
14 Trailer, tank water 400G 1½T, 2W M149A	650	4.0			650	4.0
15 H1 MOB multi-purp Whld veh (HMMWV) (MYP)	13,383	326.0			13,383	326.0
16 Fast attack vehicle	88	3.1	−88	−3.1	0	0.0
18 Small unit support vehicle (SUSV)	135	14.8			135	14.8
19 Truck, 5T, 6×6, ABT (MYP)	2,179	225.3			2,179	225.3
20 Truck, 10T, 8×8, ABT (MYP)	770	128.7			770	128.7
21 Truck, tractor, yard type, M878 (C/S)	42	3.1			42	3.1
22 Modification of in-service equipment		0.1				0.1
23 Shop equipment, auto maint & rep	104	0.9			104	0.9
24 Items less than $900,000 (Tac Veh)		1.7				1.7
NON-TACTICAL VEHICLES						
25 Passenger carrying vehicles	2,464	30.0			2,464	30.0
26 General purpose vehicles		39.9				39.9
27 Special purpose vehicles		13.0				13.0
Support Equipment and Facilities						
28 Spares and repair parts		135.2				135.2
Subtotal, tactical and support vehicles		1,016.8		−3.1		1,013.7

OTHER PROCUREMENT, ARMY—Continued

[Dollar amounts in millions]

Line No. and title	Fiscal year 1986 request		Change from request		Committee recommendation	
	Quantity	Amount	Quantity	Amount	Quantity	Amount
COMMUNICATIONS AND ELECTRONICS EQUIPMENT						
Telecomm Equip—Read Cmd Comm						
31 JCSE equipment (USREDCOM)		0.3				0.3
32 Classified project 9WW		14.2				14.2
Telecomm Equip—Joint Tactical Comm Prog						
34 Mod rcrd TFC term (MRTT)		39.9				39.9
35 Dig group multiplexer (DGM)		20.4				20.4
36 RPTR/term assemblgs		15.7				15.7
37 Radio terminals AN/TRC–170		29.2				29.2
39 Unit level switches		31.4				31.4
40 Com sys con el an/tyq–16		15.9				15.9
41 Dig nsec vter TA–954	4,500	4.0			4,500	4.0
42 Andvi-Tac term, CV–3591	159	4.0			159	4.0
43 Lightweight digital facsimile	275	7.4			275	7.4
44 Mob subscriber EOP		335.3				335.3
45 MOD of in–svc eq (TRI–TAC)		22.5				22.5
Telecomm Equip—Combat Support Comm						
46 Comm sys (HTLD)		8.5				8.5
47 Sincoars (ROLL)	16,400	231.3			16,400	231.3
48 Communications central, AN/TSC–99	3	11.7			3	11.7
51 IMP HF radio family		26.6				26.6
53 FWR supply PP–614B/U	110	0.9			110	0.9
55 Radio set AN/PRC–70	305	11.6			305	11.6
56 Antenna group OE–254	4,000	2.5			4,000	2.5
57 Small unit trans AN/PRC—68	510	1.0			510	1.0
61 Teletypewriter terminal AN/UGC–74	310	4.2			310	4.2
62 MOD of in-svc equip (CSC)		26.0				26.0
63 RDF comm (S.W. Asia)		19.5				19.5
64 Items less than $900,000 CSC–C–E)		10.1				10.1
66 Spec ops comm sup elmt		7.3				7.3
Telecomm Equip—Starcom Non-DCS						
69 AR Telecom auto PR (ATCAP)		9.2				9.2
70 C–E facilities/projects		20.5				20.5
71 Southcom C3 Upgrade		26.9				26.9
72 Electromag comp prog (EMCP)		0.6				0.6
Long-Haul Communications (OCS)						
73 Autddin (DCS)		4.8				4.8
75 Defense data network (DDN)		6.5				6.5
77 Transmission media (EUCOM)		16.2				16.2
78 Transmission media (PACOM)		30.9				30.9
79 WW tech con imp PR (WWICIP)		5.3				5.3
Telecom Equip—Satcomm-GRD Environment						
80 Digital equipment (DSCS)		40.0				40.0
81 Interconnect facility (DSCS)		7.9				7.9
82 Jam resistant secure Com (JRSC)		22.9				22.9
83 Med sat term AN/GSC		62.1				62.1
84 Sprd spec mul acc (DSCS)		23.0				23.0
85 DSCS operations control sys (DOCS)		40.4				40.4
86 Mod in-svc equip (DSCS)		8.5				8.5
87 MPK sat UHF term, AN/PSC–3	114	3.9			114	3.9
88 VEH sat UHF term, AN/VSC–7	22	1.4			22	1.4
89 Single channel object tact term (SCOTT)		83.4		−83.4		0.0
90 Mod in-svc equip (TAC SAT)		53.4				53.4
Telecomm Equip—Eucom C3 System						
91 Eucom C3 (NWS)		98.6				98.6
93 Eucom alternate SPT HQ (ASH)		11.5		11.5		
Telecomm Equip—Comsec Equipment						
96 Auto key dc kgx–93/tsec	147	4.3			147	4.3
97 Sec vo imprv prg (COMSEC)		8.4				8.4
98 Loop key gen tsec/kg–82	1,520	2.1			1,520	2.1
99 Ket var gen tsec/kg–83	59	0.4			59	0.4
100 Ded loop encryp dev kg–84	5,525	21.8			5,525	21.8
101 Tnk encrf dev tsec/kg–93	212	2.2			212	2.2
102 Tsec/kg–94	828	7.8			828	7.8
104 Int lev 1 set tsec/st–34	14	0.8			14	0.8
105 Dig sub voice tsec/ky–68	525	2.0			525	2.0
106 Tsec/y–90	141	5.4			141	5.4
108 Key generator, tsec/kg–87	7	2.0			7	2.0
110 Comsec module, tsec/kgv–13	320	5.1			320	5.1
111 Freq module, kgv–10/tsec	17,120	18.2			17,120	18.2
113 Elec tran dev krk–13/tsec	7,272	1.5			7,272	1.5
114 Net con dev kyx–15/tsec	2,236	1.8			2,236	1.8
115 Speech secur eq tsec/ky–57	7,442	31.5			7,442	31.5
118 Tsec/Ktv–5 (vactor) secure equip	205	0.9			205	0.9
119 Tempest (COMSEC)		1.1				1.1
122 Tsec/kgv–11/secure module		1.3				1.3
124 Umstead cc (c1–11–1)		3.0				3.0
125 Umstead rt (c1–11–2)		6.8				6.8
126 Batson 11, tsec/c1–14		8.4				8.4
127 Items less than $900,000 (COMSEC)		4.5				4.5
Telecomm Equip—Base Comm						
126 Base comm (CONUS)		34.6				34.6
129 Base comm (EUCOM)		6.8				6.8
130 Base comm (PACOM)		4.0				4.0
131 Da comd & con sys (DACCS)		10.3				10.3
132 Army opns ctr		5.0				5.0
133 Pentagon telecom ctr (ptc)		9.8				9.8
Tmde for Telecomm						
134 Tmde modernization		27.0				27.0
Other Elect Sys/Equip—Intelligence Support						
138 Trailblazer	2	38.4		2		38.4

OTHER PROCUREMENT, ARMY—Continued

[Dollar amounts in millions]

Line No. and title	Fiscal year 1986 request		Change from request		Committee recommendation	
	Quantity	Amount	Quantity	Amount	Quantity	Amount
139 Tac elec surv sys		15.8				15.8
141 Manpack radio df system (MRDFS)	19	7.0			19	7.0
142 Team pack	4	6.0			4	6.0
143 Mod in ser eq (int spt)		20.2				20.2
144 Reserve tactical intel enhancement		0.9				0.9
145 Items less than $900,000 (int spt–c–e)		4.7				4.7
146 Ft Devens training support		0.4				0.4
147 Trojan		5.3				5.3
Other Elect Sys/Equip—Gen Def Intel Prog						
148 Intelligence data handling sys (IDHS)		[ ]				[ ]
149 Tech recon and surv sys (tecras)		[ ]				[ ]
150 Items less than $900,000 (gdip–c–e)		[ ]				[ ]
Other Elect Sys/Equip—Auto Data Process Sys						
151 Vert instl auto baseline (VIABLE-BASOPS)		18.7				18.7
152 Vertical force develop MIS		6.3				6.3
154 Battery computer system	89	17.7			89	17.7
156 Army data distribution system-adds		21.6				21.6
158 USAREUR tactical automation		2.2				2.2
159 Life cycle software sup (LCSS)		3.5				3.5
160 ADFE for non tac mgt info sys		9.4		23.6		33.0
162 Digital message device	701	13.2			701	13.2
163 Fire support team digital message	427	17.2			427	17.2
164 Maneuver control sys		72.3				72.3
165 Mod IN-SVC CMD/control (C2)		2.9				2.9
166 Corps/theater ADP SVC CTR (CTASC)		8.9				8.9
167 TACT army CMBT COMPT SY(TACCS)	2,522	44.7			2,522	44.7
169 Computer ballistics: mortar Xn-23	882	6.0			882	6.0
170 CSS log APPLC auto mark/read SYMBS(LOG MA)		10.6				10.6
171 WW MIL COM & CONT SYS ADPE		7.1				7.1
172 Unit level computer (ULC)		5.5				5.5
Audio Visual						
173 Afrts (audio visual)		4.3				4.3
174 DIG STRG & RTRVL ENGRG data sys (DSREDS)		25.3				25.3
175 Items less than $900,000 (A/V–C–E)		14.3				14.3
Other Elect Sys/Equip—Electronic Warfare						
177 Countermeasures set AN/TLQ–17A	12	5.7			12	5.7
179 Tacoam, AN/MLQ–34	6	19.0			6	19.0
180 EW (HTLD)		5.2				5.2
182 MOD IN–SVC EQUIP (EW)		2.1				2.1
183 Items less than $900,000 (EW–C–E)		2.9				2.9
Other Elect Sys/Equip—Tactical Electronics						
184 Charger, radiac detector PP–4370/PD	2,840	3.8			2,840	3.8
185 Battery charger PP–7286/U	450	3.5			450	3.5
186 Power supply, PP–6224	631	1.9			631	1.9
187 Computer/indicator, CP–696/PD	1,160	4.0			1,160	4.0
188 Meterological data sys (FAMAS)	21	33.1			21	33.1
189 Ground laser locator designator (GLLD)	180	45.1			180	45.1
191 Intrusion detection devices		16.6				16.6
192 NAVSTAR global positioning system	264	9.7	−50	−2.0	214	7.7
193 Position/azimuth determining sys (PADS)	97	36.4			97	36.4
195 Tam-6 night sight maintenance facility	17	4.2			17	4.2
196 AN/TAM–3 test set. night vision sight	83	2.3			83	2.3
199 Night vision goggles		65.0				65.0
200 Night vision sight INDIV WPM AN/PVS–4	3,661	9.9			3,661	9.9
201 Position location reporting sys (PLRS)		45.1				45.1
204 Radiac set AN-VDR–2	827	2.0			827	2.0
205 REMBASS		22.0				22.0
206 RFV TA/Design aerial recon sys (TADARS)		134.6		−68.6		9.9
207 Tactical dosimeter, IM–185	5,543	2.4			5,543	2.4
209 Modification of in-service EQ (TAC EL)		3.5				3.5
210 Items less than $900,000 (TACT ELEC–C–E)		14.5				14.5
TMDE for Tactical Electronics						
211 Test sta, electronic equip, AN/USM-410	6	8.9			6	8.9
213 TMDE for STE/ICE	981	5.6			981	5.6
214 Core electronic auto test (STE-X)	103	8.5			103	8.5
Other Elect Sys-Equip—Sup Equip and Fac						
215 Spares and Repair parts (Telecom)		215.4		−15.1		200.3
216 Spares and repair parts (COMSEC)		14.6				14.6
217 Spares and repair parts (other)		218.0				218.0
218 War reserve spares		32.8				32.8
219 Special programs		95.0				95.0
220 Quick return on investment (DRIP) PGM		0.5				0.5
221 Productivity investment funding		40.7				40.7
222 Prod enhancing cap investment prog (PECIP)		1.0				1.0
223 Production base support (C-E)		5.5				5.5
Subtotal, comm and elec equipment		3,306.3		−145.5		3,160.8
OTHER SUPPORT EQUIPMENT						
Chemical Defensive Equipment						
226 Sim det chem agent auto alarm XM81	692	4.7			692	4.7
227 Decontaminate afp pwr DR LT WT XM17	379	6.4			379	6.4
230 Mask, protective, NBC	111,490	30.3			111,490	30.3
231 Chemical agent monitor	3,260	19.4			3,260	19.4
232 Simp coll prot equip XM20	310	3.9			310	3.9
233 Modular/coll prot equip for VV and S	100	3.1			100	3.1
236 Gen set, smoke, mech: pul jet, XM157	145	4.2			145	4.2
Bridging Equipment						
239 Boat, bridge erection, DE, 27 FT	185	25.4	−185	−25.4	0	0.0
240 Bridge, float-ribbon, interior bay	180	7.1			180	7.1
241 Bridge, float-ribbon, ramp	87	3.8			87	3.8
242 Bridge, float-ribbon, transporter	156	18.0			156	18.0
243 Items less than $900,000 (bridging)		0.9				0.9

OTHER PROCUREMENT, ARMY—Continued

[Dollar amounts in millions]

Line No. and title	Fiscal year 1986 request		Change from request		Committee recommendation	
	Quantity	Amount	Quantity	Amount	Quantity	Amount
Engineer (Non-Construction) Equipment						
245 Gemss aux mine dispnsr XM138 (flipper)	237	2.0			237	2.0
246 Dispenser mine XM139	18	2.5			18	2.5
247 Launcher, mine clearing line charge	115	1.4			115	1.4
248 Marking sys. clear lane	65	3.0			65	3.0
249 E DET SET, mine, MET/NON-MET, AN/PRS-8	5,927	8.1			5,927	8.1
252 Mine clearing roller	50	3.5			50	3.5
253 Remote control unit (MOPMS)	581	4.6			581	4.6
254 M–9 armored combat earthmover (ACE)	70	65.0	−70	−65.0	0	0.0
255 Items less than $900,000 (ENG NON COSTR)		1.9				1.9
Combat Service Support Equipment						
256 Air conditioners various size/capacities		19.1				19.1
257 Field kitchen, mobile, trl mtd	327	5.3			327	5.3
259 Diving equipment		0.4				0.4
260 Firetrucks		8.6				8.6
264 TAG printing and binding equipment		5.4				5.4
265 Halon recharge service kit	132	2.1			132	2.1
266 Items less than $900,000 (CSS–EQ)		10.0				10.0
267 Modifications of in service equip (CSE)		3.8				3.8
Petroleum Equipment						
268 Tank assembly fab coll pol 50000 G	335	5.1			335	5.1
270 Tank assembly fab collapsible pol 10000G	492	5.8			492	5.8
273 Tank unit trl mtd 600 gal	826	1.9			826	1.9
274 Pump assy liq gas whl 4 in out 350 GPM	361	5.8			361	5.8
277 SWA petroleum distribution system		38.9				38.9
278 Items less than $900,000 (pol)		1.6				1.6
Water Equipment						
280 Wtr pur unit REV OS 2000/3000 GPM TK MID	16	14.0			16	14.0
281 Water pur unit, REV OSMOSIS, 600GPH	95	24.0			95	24.0
286 Tactical water distr sys	2	8.3			2	8.3
289 Tank, fabric, coll, wtr, semi-trl mtd	140	1.6			140	1.6
290 Small mobile water chiller (SMWC)	118	2.2			118	2.2
292 Pump centrifugal, 656PM	2,183	3.4			2,183	3.4
293 Items less than $900,000 (water EQ)		1.9				1.9
Medical Equipment						
294 Deployable medical system (DMS)		84.4				84.4
295 Combat support equipment medical		77.5				77.5
296 Medical support equipment		83.9				83.9
Maintenance Equipment						
297 Shop eq contact maintenance trk mtd (MYP)	740	38.0			740	38.0
Less: advance procurement (PY)		−11.0				−11.0
Net		27.0				27.0
301 Welding shop, trailer mtd	232	9.8			232	9.8
302 Shop eq electrical RPR semi-trl mtd	82	13.5			82	13.5
307 Calibration set support		7.7				7.7
308 Items less than $900,000 (main equip)		9.5				9.5
Construction Equipment						
313 Tractor full tracked low speed DD med	129	26.4			129	26.4
314 Small emplacement excavator (see)	356	25.3			356	25.3
320 Items less than $900,000 (construction)		7.7				7.7
Rail Float Containerization Equipment						
321 Landing, craft, utility	5	22.9			5	22.9
324 RO/RO discharge platform	2	11.8			2	11.8
325 Causeway systems		13.4				13.4
329 Modifications of in-serv ed (FLOAT/RAIL)		1.0				1.0
330 Items less than $900.000 (FLOAT/RAIL)		4.2				4.2
Generators						
331 Gen and associated equip	5,311	99.4			5,311	99.4
Materiel Handling Equipment						
333 Truck, fork lift, GE, FT, 6000 LB	354	13.5			354	13.5
334 Truck, fork lift, GE, SRT, 2000 LB	123	2.9			123	2.9
336 Truck, fork lift, DE, PT, RT, 6000 LB	250	26.3			250	26.3
337 Truck, fork lift, ELEC, SRT. 6000 LB,	116	4.6			116	4.6
338 Truck, fork lift, ELEC, SRT FRT/SIDE LDR	23	2.0			23	2.0
339 Truck, fork lift, ELEC, SRT, 4000 LB	424	12.9			424	12.9
340 65 ton crane	11	6.2			11	6.2
341 Items less than $900,000 (MHE)		6.0				6.0
Other Support Equipment						
342 Spares and repair parts		37.7				37.7
344 Area oriented depot upgrade		73.8		−20.0		53.8
345 Value engineering (VE)		0.6				0.6
348 Project reshape (HD DARCOM)		14.6		−8.6		6.0
349 Production base support (OTH)		7.9				7.9
352 Special equipment for user testing		11.2				11.2
353 Host nation support—Europe		58.2				58.2
354 National training CTR SUP		13.3				13.3
356 SWA staging bases		6.4				6.4
357 Training devices, nonsystem		177.8		−20.0		157.8
Subtotal, other support equipment		1,389.7		−139.0		1,250.7
Undistributed reduction				−132.7		−132.7
Prior year inflation savings				−174.0		−174.0
Inflation reestimate for FY 86				−5.0		−5.0
Prior year program savings				−64.0		−64.0
Total, other procurement		5,712.8		−663.3		5,049.5

AIRCRAFT PROCUREMENT, NAVY

[Dollar amounts in millions]

Line No. and title	Fiscal year 1986 request		Change from request		Committee recommendation	
	Quantity	Amount	Quantity	Amount	Quantity	Amount
COMBAT AIRCRAFT						
1 A–6E (attack) intruder	6	213.9			6	213.9
Less: Advance procurement (PY)		−11.3				−11.3
Net		202.6				202.6
2 Advance procurement (CY)		11.6				11.6
3 EA–6B (electronic warfare) prowler	12	467.5			12	467.5
Less: Advance procurement (PY)		21.2				−21.2
Net		446.3				446.3
4 Advance procurement (CY)		33.0				33.0
5 AV–8B (V/STOL)	46	972.9	−3	−45.0	43	927.9
Less: Advance procurement (PY)		−80.4				−80.4
Net		892.5		−45.0		847.5
6 Advance procurement (CY)		86.6		−10.0		76.6
7. F–14A (fighter) Tomcat	18	838.6	−6	−100.0	15	738.6
Less: Advance procurement (PY)		−185.0				−185.0
Net		653.6		100.0		553.6
8 Advance procurement (CY)		148.2		−48.0		100.2
9 F/A–18 (fighter) Hornet	84	2,701.4			84	2,701.4
Less: Advance procurement (PY)		−207.7				207.7
Net		2,493.7				2,493.7
10 Advance procurement (CY)		268.1		−53.0		215.1
11 CH/MH–53E (Helo) Super Stallion (MYP)	14	279.1		−6.0	14	273.1
Less: Advance procurement (PY)		−19.0				−19.0
Net		260.1		−6.0		254.1
12 Advance procurement (CY)		33.3				33.3
13 AH–1T (helicopter) Sea Cobra	22	217.0			22	217.0
Less: Advance procurement (PY)		−15.0				−15.0
Net		202.0				202.0
15 SH–60B (ASW Helo) Seahawk	18	373.5	6	41.0	24	414.5
Less: Advance procurement (PY)		−57.9				−57.9
Net		315.6		41.0		356.6
16 Advance procurement (CY)		54.9				54.9
18 CV ASW Helo advance procurement (CY)		30.0				30.0
19 P–3C (patrol) Orion (MYP)	9	418.9		−7.0	9	411.9
Less: Advance procurement (PY)		−89.0				−89.0
Net		329.9		−7.0		322.9
20 Advance procurement (CY)		156.6		−50.0		106.6
22 E–2D (early warning) Hawkeye	6	358.0		−5.0	6	353.0
Less: Advance procurement (PY)		−29.6				−29.6
Net		328.4		−5.0		323.4
23 Advance procurement (PY)		31.3				31.3
24 SH–2F (ASW Helo) Seasprite	6	74.4	−6	−69.9	0	4.5
Less: Advance procurement (PY)		−4.5				−4.5
Net		69.9		−69.9		0.0
Rounding adjustment		−0.1				−0.1
Subtotal, combat aircraft		7,048.0		−352.9		6,695.1
AIRLIFT AIRCRAFT						
27 UC–12B/CX	12	26.9	−12	−26.9	0	0.0
C–20A		0.0	1	22.0	1	22.0
28 C–2 (MYP)	8	177.9			8	177.9
Less: Advance procurement (PY)		−43.0				−43.0
Net		134.9				134.9
29 Advance procurement (CY)		35.2				35.2
Subtotal, airlift aircraft		197.0		−4.9		192.1
TRAINER AIRCRAFT						
30 T–34C	38	49.4	−38	−49.4	0	0.0
32 Adversary (F–16)	12	115.7			12	115.7
Subtotal, trainer aircraft		165.1		−49.4		115.7
OTHER AIRCRAFT						
36 E–6A	2	395.0			2	395.0
Less: Advance procurement (PY)		−97.7				−97.7
Net		297.3				297.3
37 Advance procurement (CY)		58.3				58.3
40 VH–60	9	129.7			9	129.7
Less: Advance procurement (PY)		−26.9				−26.9
Net		102.8				102.8
Subtotal, other aircraft		458.4		0.0		458.4

AIRCRAFT PROCUREMENT, NAVY—Continued

[Dollar amounts in millions]

Line No. and title	Fiscal year 1986 request		Change from request		Committee recommendation	
	Quantity	Amount	Quantity	Amount	Quantity	Amount
MODIFICATION OF AIRCRAFT						
42 A–3 series		5.4				5.4
43 A–4 series		17.0				17.0
44 A–6 series		240.5				240.5
45 EA–6 series		45.5				45.5
46 A–7 series		30.0				30.0
47 AV–8 series		8.1				8.1
48 F–4 series		5.0				5.0
49 RF–4 series		2.5				2.5
50 F–14 series		158.8				158.8
51 F–8 series		0.1				0.1
52 F–5 series		1.7				1.7
53 OV–10 series		51.5				51.5
54 F–18 series		17.8				17.8
55 H–46 series		137.0				137.0
56 H–53 series		40.3				40.3
57 SH–60 series		1.6				1.6
58 H–1 series		75.4				75.4
59 H–2 series		33.9				33.9
60 H–3 series		98.0				98.0
61 EP–3 series		38.5				38.5
62 P–3 series		152.9				152.9
63 S–3 series		284.3				284.3
65 E–2 series		72.1				72.1
67 Trainer AC series		5.3				5.3
75 EC–130 series		6.5				6.5
76 C–130 series		12.5				12.5
77 FEWSG		22.7				22.7
78 Cargo transport A/C series		6.9				6.9
80 Various		15.6				15.6
81 Power plant changes		8.3				8.3
82 Misc FLT safety/OPER necessity changes		4.3				4.3
83 Common ECM equipment		242.0				242.0
84 Common avionics changes		23.9				23.9
Undistributed reduction				−30.0		−30.0
Subtotal, modification of aircraft		1,865.7				1,865.7
AIRCRAFT SPARES						
85 Spares and repair parts		1,463.7		−88.0		1,375.7
AIRCRAFT SUPPORT EQUIPMENT AND FACILITIES						
86 Common ground equipment		684.8				684.8
87 Aircraft industrial facilities		57.1				57.1
88 War consumables		65.0				65.0
89 Other production charges		57.7				57.7
Undistributed reduction				−64.8		−64.8
Subtotal, support equip and facilities		864.7		−64.8		799.9
Undistribution reduction				−4.0		−4.0
Inflation reestimate for FY 86				−15.0		−15.0
Prior year program savings				−109.0		−109.0
Rounding adjustment		0.1				0.1
Total, aircraft procurement, Navy		12,062.6		−718.0		11,344.7

WEAPONS PROCUREMENT, NAVY

[Dollar amounts in millions]

Line No. and title	Fiscal year 1986 request		Change from request		Committee recommendation	
	Quantity	Amount	Quantity	Amount	Quantity	Amount
BALLISTIC MISSILES						
1 UGM–73A (C–3) Poseidon		5.0				5.0
2 UGM-96A (C–4) Trident I		77.0		−30.0		47.0
Less: Advance procurement (PY)		−10.8				−10.8
Net		66.2		−30.0		36.2
3 Trident II		312.7				312.7
4 Advance Procurement (CY)		269.3				269.3
Modificiation of missiles						
5 UGM–73A (C–3) Poseidon MODS		15.0		−10.0		5.0
Support equipment and facilities						
7 Missile industrial facilities		4.5				4.5
8 Astronautics		12.6				12.6
Subtotal, ballistic missiles		685.3		−40.0		645.3
OTHER MISSILES						
Strategic Missiles						
9 8GM–109 Tomahawk	249	698.2			249	698.2
Less: Advance procurement (PY)		−28.0				−28.0
Net		670.2				670.2
10 Advance procurement (CY)		64.6		−10.0		54.6
Tactical Missiles						
11 AIM/RIM–7 F/M Sparrow	1,872	359.2			1,872	359.2
12 Advance procurement (CY)		9.5				9.5
13 AIM–9L/M Sidewinder	1,220	85.8			1,220	85.8
14 Advance procurement (CY)		8.0				8.0
15 AIM–54A/C (Phoenix)	265	368.0			265	368.0

WEAPONS PROCUREMENT, NAVY—Continued

[Dollar amounts in millions]

Line No. and title	Fiscal year 1986 request		Change from request		Committee recommendation	
	Quantity	Amount	Quantity	Amount	Quantity	Amount
Less: Advance procurement (PY)		−24.4				−24.4
Net		343.6				343.6
16 Advance procurement (CY)		38.3				38.3
17 AGM–84A Harpoon	395	314.9			395	314.9
18 AGM–88A Harm	904	258.0			904	258.0
19 SM–MR		26.4				26.4
20 Advance procurement (CY)		9.5				9.5
21 SM–2 MR	846	509.7			846	509.7
22 SM–2 ER	470	312.2			470	312.2
24 RAM	117	44.7			117	44.7
25 Sidearm	168	20.5			168	20.5
26 Hellfire	1,304	55.1			1,304	55.1
27 Laser Maverick	1,500	194.3			1,500	194.3
28 IIR Maverick	195	27.8			195	27.8
29 Aerial targets		105.6		−20.0		85.6
30 Drones and decoys		29.4				29.4
31 Other missile support		12.3				12.3
Modification of Missiles						
32 Tomahawk MODS		2.5				2.5
33 Alm/Rim–7E/F Sparrow MOD		2.3				2.3
34 AIM–9 Sidewinder MOD		30.3				30.3
35 AIM–54A/C Phoenix MOD		13.2				13.2
36 AGM–84A Harpoon MOD		9.5				9.5
37 Standard Missiles MOD		17.1				17.1
Support Equipment and facilities						
39 Weapons industrial facilities		18.9				18.9
40 Fleet satellite communications		56.3				56.3
41 Defense Meteorological Satellite Program		8.8		−8.8		0.0
42 Ordnance support equipment		71.9		−20.0		51.9
Subtotal, other missiles		3,730.5		−58.8		3,671.7
TORPEDOES AND RELATED EQUIPMENT						
44 Topedo MK–48 ADCAP	123	417.4			123	417.4
46 Topedo Mk–46 (MYP)	500	105.5			500	105.5
47 Advance procurement (CY)		23.6				23.6
49 MK–60 Captor		0.0	150	59.6	150	59.6
50 Mobile target MK–30 (MYP)	6	20.6			6	20.6
52 MK–38 Mini mobile target	1,200	3.5			1,200	3.5
53 ASROC		15.6				15.6
MODIFICATION OF TORPEDOES AND RELATED EQUIPMENT						
55 Mobile mine MK–67	280	23.7			280	23.7
56 Torpedo MK–46 MODS (MYP)	672	91.9			672	91.9
57 Advance procurement (CY)		8.4				8.4
59 Captor MODS		15.7		−4.0		11.7
60 Swimmer weapons system		1.5				1.5
Support equipment						
61 Torpedo support equipment		47.4				47.4
62 ASW Range support		23.2				23.2
Subtotal, torpedoes and related equipment		798.0		55.6		853.6
OTHER WEAPONS						
Guns and Gun Mounts						
64 MK–15 Close in weapons system	39	150.1			39	150.1
65 MK–75 76MM gun mount	6	20.0			6	20.0
66 MK–19 40MM machine gun	56	1.2			56	1.2
67 25MM gun mount	29	5.5		−2.5	29	3.0
68 Small arms and weapons		11.3		−3.0		8.3
Modification of Guns and Gun Mounts						
69 CIWS MODS		37.1		−5.0		32.1
70 5"/54 Gun mount MODS			14.1		−5.0	9.1
71 3"/50 Gun mount MODS		0.7				0.7
72 MK 75 76 EMM Gunmount MODS		4.2		−1.0		3.2
73 MODS under $900.000		2.0		−1.0		1.0
Support Equipment						
74 Gun support equipment		1.2				1.2
Subtotal, other weapons		247.5		−17.5		230.0
76 Spares and repair parts		166.6		−50.0		116.6
Undistributed reduction				−25.0		−25.0
Inflation reestimate for FY 86				−7.0		−7.0
Prior year program savings				−15.0		−15.0
Total, Navy weapons procurement		5,627.9		−157.7		5,470.2

SHIPBUILDING AND CONVERSION, NAVY

[Dollar amounts in millions]

Line No. and title	Fiscal year 1986 request		Change from request		Committee recommendation	
	Quantity	Amount	Quantity	Amount	Quantity	Amount
FLEET BALLISTIC MISSILE SHIPS						
1 Trident (nuclear)	1	1,547.7		−100.0	1	1,447.7
Less: Advance procurement (PY)		−264.1				−264.1
Net		1,283.6		−100.0		1,183.6
2 Advance procurement (CY)		248.2				248.2
Subtotal, fleet ballistic missile ships		1,531.8		−100.0		1,431.8

SHIPBUILDING AND CONVERSION, NAVY—Continued

[Dollar amounts in millions]

Line No. and title	Fiscal year 1986 request		Change from request		Committee recommendation	
	Quantity	Amount	Quantity	Amount	Quantity	Amount
OTHER WARSHIPS						
4 SSN–688 class submarine (nuclear)	4	2,685.0		−10.0	4	2,675.0
Less: Advance procurement (PY)		−561.8				−561.8
Net		2,123.2		−10.0		2,113.2
5 Advance procurement (CY)		585.2				585.2
8 Battleship react advance procurement (CY)		53.5				53.5
10 CV SLEP advance procurement (CY)		133.4				133.4
11 CG–47 Aegis cruiser (MYP)	3	2,787.3			3	2,787.3
Less: Advance procurement (PY)		−35.7				−35.7
Net		2,751.6				2,751.6
12 Advance procurement (CY)		14.6				14.6
14 DDG–51 advance procurement (CY)		164.3				164.3
Subtotal, other warships		5,825.8		−10.0		5,815.8
AMPHIBIOUS SHIPS						
15 LSD–41 landing ship dock	2	497.9			2	497.9
Less: Advance procurement (PY)		−83.5				−83.5
Net		414.4				414.4
17 LHD–1 amphibious assault ship	1	1,187.8			1	1,187.8
Less: Advance procurement (PY)		−39.2				−39.2
Net		1,148.6				1,148.6
18 Advance procurement (CY)		358.6		−193.0		165.6
Subtotal, amphibious ships		1,921.6		−193.0		1,728.6
MINE WARFARE AND PATROL SHIPS						
22 MCM mine countermeasures ship	4	334.1	−2	−167.0	2	167.1
23 MSH–1 coastal mine hunter	4	184.5			4	184.5
Subtotal, mine warfare and patrol ships		518.6		−167.0		351.6
AUXILIARIES, CRAFT AND PY PROG COSTS						
24 TAO fleet oiler	2	328.5			2	328.5
25 Tagos surtass ship	2	113.9			2	113.9
26 Advance procurement (CY)		1.2				1.2
28 AG sound barge	1	68.9			1	68.9
29 MTSD		26.5				26.5
35 Service craft		79.5		−41.8		37.7
36 Landing craft		34.4				34.4
37 Strategic sealift		203.4				203.4
38 LCAC landing craft	12	307.5			12	307.5
Less: Advance procurement (PY)		−31.3				−31.3
Net		276.2				276.2
39 Advance procurement (CY)		30.8				30.8
40 Outfitting		228.5				228.5
41 Post delivery		112.6				112.6
43 TACS crane ship (conv)	3	82.5			3	82.5
44 TAVB (conv)	1	32.1			1	32.1
Less: Advance procurement (PY)		−5.2				−5.2
Net		26.9				26.9
Subtotal, auxiliaries, craft and PY prog costs		1,613.8		−41.8		1,572.0
Undistributed reduction				−100.0		−100.0
Prior year authorization transfer				−437.6		−437.6
Prior year inflation savings				−337.0		−337.0
Inflation reestimate for FY 86				−14.0		−14.0
Prior year program savings				−85.0		−85.0
Total, Navy shipbuilding and conversion		11,411.6		−1,485.4		9,926.2

OTHER PROCUREMENT, RAVI

[Dollar amounts in millions]

Line No. and title	Fiscal year 1986 request		Change from request		Committee recommendation	
	Quantity	Amount	Quantity	Amount	Quantity	Amount
SHIP PROPULSION EQUIPMENT						
1 LM–2500 gas turbine		13.3				13.3
2 Allison 501K gas turbine	2	15.5			2	15.5
3 LM2500 special support equipment		0.9				0.9
4 Steam propulsion improvement program		6.8				6.8
5 Other propulsion equipment		19.9				19.9
GENERATORS						
7 Other generators		16.0				16.0
PUMPS						
8 Other pumps		11.6				11.6
AIR COMPRESSORS						
9 High pressure air compressor	12	3.3			12	3.3
PROPELLERS						
11 Submarine propellers	15	3.0			15	3.0

OTHER PROCUREMENT, RAVI—Continued

[Dollar amounts in millions]

Line No. and title	Fiscal year 1986 request		Change from request		Committee recommendation	
	Quantity	Amount	Quantity	Amount	Quantity	Amount
12 Other propellers and shafts		11.5				11.5
NAVIGATION EQUIPMENT						
13 Electrically suspended gyro navigator	8	36.8			8	36.8
14 Carrier navigation system		9.5				9.5
15 Other navigation equipment		16.1				16.1
UNDERWAY REPLENISHMENT EQUIPMENT						
16 Underway replenishment equipment		8.5				8.5
PERISCOPES						
17 Type 18 periscope		16.2				16.2
18 Type 8 periscopes		0.1				0.1
19 Persicopes and accessories		5.4				5.4
OTHER SHIPBOARD EQUIPMENT						
20 Firefighting equipment		5.1				5.1
21 Command and control switchboards	12	10.6			12	10.6
22 Pollution control equipment		9.3				9.3
23 Submarine silencing equipment		18.0				18.0
24 Surface ship silencing equipment		3.4				3.4
25 Submarine batteries	37	8.3			37	8.3
26 Strategic platform support equipment		56.5				56.5
27 DSSP equipment		11.3				11.3
28 Sealift support equipment		59.0		12.0		71.0
30 Minesweeping cable		5.7				5.7
31 HM&E items under 900K		10.8				10.8
32 Surface IMA		7.0				7.0
33 Radiological controls		2.3				2.3
34 Mini/micromini electronic repair		1.0				1.0
35 Chemical warfare detectors	302	15.4			302	15.4
36 Submarine life support system	4	13.4			4	13.4
37 HM&E engineered maintenance		8.4				8.4
REACTOR PLANT EQUIPMENT						
39 Reactor power units	6	163.4			6	163.4
40 Reactor components		227.8				227.8
OCEAN ENGINEERING						
41 Man in the sea		0.9				0.9
42 Diving and salvage equipment		8.3				8.3
43 Naval special warfare equipment		30.8				30.8
SMALL BOATS						
44 Small boats	251	14.8			251	14.8
TRAINING EQUIPMENT						
46 New ships training equip		19.6				19.6
47 Other ships training equipment		10.9				10.9
PRODUCTION FACILITIES EQUIPMENT						
48 Calibration equipment		1.1				1.1
49 Production support facilities		5.8				5.8
Subtotal, ship propulsion equipment		923.0		12.0		935.0
COMMUNICATIONS AND ELECTRONICS EQUIPMENT						
Ship Radars						
52 AN/SPS–67	23	9.2			23	9.2
53 AN/SPS–40		14.8				14.8
54 AN/SPS–48		67.5				67.5
55 AN/SPS–49		14.1				14.1
56 AN/SYS–()	7	13.1			7	13.1
57 MK 23 target acquisition system	3	19.9			3	19.9
58 Radar support		25.0				25.0
Ship Sonars						
59 AN/SQS–26/53/53A		7.9				7.9
60 AN/SQS–538	5	30.9			5	30.9
62 AN/BQQ–5		101.0				101.0
63 TB–16 towed array (MYP)		2.9			9	2.9
Less: Advance procurement (PY)		−1.4				−1.4
Net		1.5				1.5
65 Surf sonar windows and domes		8.5				8.5
66 Sonar support equipment		11.8				11.8
67 Sonar switches and transducers		40.3				40.3
68 F&M system sonars		13.4				13.4
ASW Electric Equipment						
70 Submarine acoustic warfare systems		10.4				10.4
71 An/SLQ–25 (Nixle)	44	11.5			44	11.5
72 Acoustic communications		0.4				0.4
73 Submarine advanced combat system		2.8				2.8
74 SOSUS		85.8				85.8
75 AN/SQR–17 acoustic processor	20	15.2			20	15.2
76 AN-SQR–18 towed array sonar		41.7				41.7
77 AN-SQR–15 towed array sonar		1.9				1.9
78 AN/SQR–19 towed array sonar	16	146.5			16	146.5
79 Surtass		19.4				19.4
80 ASW operations center		30.0				30.0
81 Carrier ASW module		31.5				31.5
Electronic Warfare Equipment						
83 AN/SLQ–32		102.4				102.4
83 AN/SLQ–17		14.2				14.2
84 AN/WLR–1		3.5				3.5
85 AN/WLR–8	1	3.0			1	3.0
86 ICAD systems		4.8				4.8

OTHER PROCUREMENT, RAVI—Continued

[Dollar amounts in millions]

Line No. and title	Fiscal year 1986 request		Change from request		Committee recommendation	
	Quantity	Amount	Quantity	Amount	Quantity	Amount
87 Offboard deception devices		22.2				22.2
88 EW support equipment		21.5				21.5
89 Fleet EW support group		1.7				1.7
90 C3 countermeasures		8.5				8.5
Reconnaissance Equipment						
91 combat cryptologic support console		4.0				4.0
92 Combat DF		25.1				25.1
93 Outboard		36.4				36.4
94 Naval intelligence processing system		15.6				15.6
Submarine Surveillance Equipment						
95 AN/WLD–4 depot		5.4				5.4
96 AN/WLD–4 improvements		2.5				2.5
97 AN/BRD–7/8/9	4	12.8			4	12.8
100 Submarine Support Equipment Program		4.5				4.5
Other Ship Electronic Equipment						
101 Navy tactical data system		130.9				130.9
102 Tactical flag command center	4	20.8			4	20.8
104 Minesweeping system replacement		3.5				3.5
105 Omega shipboard equipment	44	1.6			44	1.6
107 Navstar FGS receivers	62	24.8	−45	−15.0	17	9.8
108 HF Link–11 data terminals	14	3.9			14	3.9
109 Armed Forces Radio and TV		6.9				6.9
110 Strategic platform support equipment		193.8				193.8
Training Equipment						
111 Other NAVELEX training equipment		0.1				0.1
112 Other NAVSEA training equipment		4.6				4.6
Aviation Electronic Equipment						
113 MATCALS		16.3				16.3
115 Shipboard air traffic control		13.3				13.3
116 Automatic carrier landing systems		9.2				9.2
117 TACAN		4.8				4.8
118 Air station support equipment		12.2				12.2
119 Microwave landing system	14	7.4			14	7.4
120 FACSFAC		49.3		−29.3		20.0
121 Radar air traffic control	10	1.5			10	1.5
122 MK XII aims IFF		2.7				2.7
Other Shore Electronic Equipment						
125 Naval space surveillance system		3.1				3.1
126 Space system processing		2.1				2.1
127 Multots		0.6				0.6
128 NCCS ashore		35.0				35.0
129 RADIAC		8.6				8.6
131 Remote sensors		1.6				1.6
132 GPETE		28.6				28.6
133 Integ combat sys test facility		5.3				5.3
134 Calibration standards		7.0				7.0
135 EMI control instrumentation		10.0				10.0
136 Shore electronic items under 900K		5.1				5.1
Shipboard Communications						
137 Shipboard HF communications		13.6				13.6
138 Shipboard UHF communications		7.3				7.3
139 Flight deck communications		6.2				6.2
140 Portable radios	271	3.7			271	3.7
141 Shipboard communications automation		16.0				16.0
142 Ship Comm items under $900K		7.7				7.7
143 Sealift ship communications		4.8				4.8
Submarine Communications						
144 ELF communications	34	13.2			34	13.2
145 Shore LF/VLF communications		19.3				19.3
146 VERDIN		16.1				16.1
147 SSN integrated communications		1.7				1.7
149 Submarine communications antennas		15.5				15.5
150 Data collection and record system	25	1.0			25	1.0
151 Circuit Mayflower		0.3				0.3
Satellite Communications						
152 Satcom ship terminals		46.2				46.2
153 Satcom shore terminals		22.9				22.9
Shore Communications						
154 JCS communications equipment		1.4				1.4
155 Electrical power systems		0.1				0.1
156 Shore HF communications		30.0				30.0
158 Joint tactical communications (TRI–TAC)		26.7				26.7
160 Ashore mobile communications vans	4	6.0			4	6.0
161 Worldwide wideband communications		2.1				2.1
162 Defense data network		2.8				2.8
163 WWMCCS communications equipment		1.1				1.1
164 Shore communications automation		9.9				9.9
165 Shore comm items under 900K		3.1				3.1
Cryptographic Equipment						
166 Single audio system		18.2				18.2
167 TSEC/KY–71/72 (STU–II/STU–IIM)		15.8				15.8
168 TSEC/KG–84		27.1				27.1
169 TSEC/KY–57/58 (Vinson)		25.0				25.0
171 TSEC/KYV–5 (ANDVT)		4.6				4.6
172 TSEC/KW–46		14.3				14.3
173 TSEC/KG–72/KGV–14 (FDCS)		1.4				1.4
174 TSEC/KG–81 (Walburn)		5.3				5.3
175 TSEC/KG–44 (DMSP)		7.9				7.9
177 TSEC/KG–58/KGV–6 (PLRS)		9.5				9.5
178 Tri–Tac crypto (Tenley)		11.9				11.9
179 TSEC/KY–67 (Bancroft)		13.5				13.5

OTHER PROCUREMENT, RAVI—Continued

[Dollar amounts in millions]

Line No. and title	Fiscal year 1986 request		Change from request		Committee recommendation	
	Quantity	Amount	Quantity	Amount	Quantity	Amount
180 TSEC/KGV–11		4.5				4.5
181 Common fill devices		2.0				2.0
182 Signal security		1.9				1.9
183 Cryptographic items under 900K		5.5				5.5
Crypologic Equipment						
186 Cryptologic communications equipment		4.9				4.9
187 Ships signal exploitation space		4.8				4.8
188 Cryptologic items under 900K		6.0				6.0
189 Cryptologic reserve equipment		0.8				0.8
190 Cryptologic field training equipment		2.1				2.1
191 Shore cryptologic support system		2.3				2.3
Other Electronic Support						
192 Advance base functional components		0.1				0.1
193 Elec engineered maintenance (NAVSEA)		5.3				5.3
194 Elec engineered maintenance (NAVELEX)		2.1				2.1
—— 9th Battalion C&E equipment		0.0		2.0		2.0
Subtotal, comm & elec equipment		2,154.0		−42.3		2,111.7
AVIATION SUPPORT EQUIPMENT						
Sonobuoys						
196 AN/SSQ–36 (BT)	31,600	4.4			31,600	4.4
LESS: ADVANCE PROCUREMENT (PY)						
Net		2.4				2.4
198 AN/SSQ–53 (DIFAR)		143.0				143.0
199 AN/SSQ–57 (special purpose)		3.1				3.1
200 AN/SSQ–62 (DICASS)		27.0				27.0
202 AN/SSQ–77 (VLAD)		82.1				82.1
204 AN/SSQ–86 (DLC)		3.0				3.0
205 Signal underwater sound (SUS)		1.4				1.4
207 Low cost sonobuoy		11.1				11.1
Air Launched Ordnance						
208 Skipper	925	27.6			925	27.6
209 General purpose bombs		148.6				148.6
210 Laser guided bomb kits	652	22.1			652	22.1
211 Walleye		37.6				37.6
212 Rockeye	2,090	8.8			2,090	8.8
213 Zuni rocket		20.7				20.7
214 2.75 inch rocket		28.0				28.0
215 Parachute flares	307	2.1			307	2.1
216 Machine gun ammunition		27.0				27.0
217 Practice bombs		76.5		−20.0		56.5
218 Cartridges + cartridge actuated devices		29.9				29.9
219 Aircraft escape rockets		8.1				8.1
220 Airborne expendable countermeasures		91.7				91.7
221 Marine location markers		7.8				7.8
222 Defense nuclear agency material		2.2				2.2
223 Bigeye chemical weapon	425	21.5			425	21.5
224 Jatos		15.6				15.6
225 Gator	1,380	44.7			1,380	44.7
226 Misc air launched ordnance		0.2				0.2
Aircraft Support Equipment						
227 Weapons range support equipment		85.9		−10.0		75.9
229 Expeditionary airfields		2.9				2.9
230 Aircraft rearming equipment		79.0		−30.0		49.0
231 Catapults and arresting gear		27.5				27.5
233 Meteorological equipment		2.4				2.4
234 Other photographic equipment		1.7				1.7
235 Misc survival equipment		17.7				17.7
236 Airborne mine countermeasures		23.0				23.0
237 Lamps MK III shipboard equipment		42.7				42.7
238 Rewson photographic equipment		2.4				2.4
239 Stock surveillance equipment		2.3				2.3
240 Other aviation support equipment		3.1				3.1
Rounding adjustment		−0.1				−0.1
Subtotal, aviation support equipment		1,184.0		−60.0		1,124.0
ORDNANCE SUPPORT EQUIPMENT						
Ship Gun Ammunition						
243 5 /38 gun ammunition		4.5				4.5
244 5 /54 gun ammunition		67.0				67.0
245 5 inch guided projectile		104.3				104.3
246 16 inch gun ammunition		7.9				7.9
247 CIWS ammunition		35.2				35.2
248 76mm gun ammunition		17.3				17.3
249 Other ship gun ammunition		18.4				18.4
Ship Gun System Equipment						
250 Gun fire control equipment		34.8				34.8
252 Coast guard gun system	3	28.8			3	28.8
Ship Missile Systems Equipment						
253 MK 92 fire control system		2.9				2.9
254 Harpoon support equipment		13.0				13.0
255 Terrier support equipment		112.1				112.1
256 Tartar support equipment		106.8				106.8
257 Point defense support equipment (MYP)		43.8				43.8
258 Airborne ECM/ECCM		1.0				1.0
260 Aegis support equipment		61.8				61.8
261 Surface Tomahawk support equipment		86.6				86.6
262 Submarine Tomahawk support equipment		19.0				19.0
263 Vertical launch system	3	127.4			3	127.4

OTHER PROCUREMENT, RAVI—Continued

[Dollar amounts in millions]

Line No. and title	Fiscal year 1986 request		Change from request		Committee recommendation	
	Quantity	Amount	Quantity	Amount	Quantity	Amount
FBM Support Equipment						
264 Strategic platform support equipment		168.9				168.9
ASW Support Equipment						
266 MK 117 fire control system		60.0				60.0
267 Submarine ASW support equipment		25.7				25.7
268 Surface ASW support equipment		20.8				20.8
269 MK 116 fire control system	8	25.7			8	25.7
270 ASW range support equipment		7.0				7.0
Other Ordnance Support Equipment						
271 Explosive ordnance disposal equipment		11.0				11.0
272 Swimmer weapons systems		1.2				1.2
273 Unmanned seaborne target		7.8				7.8
274 Anti-ship missile decoy systems	5	4.6			5	4.6
275 Calibration equipment		3.3				3.3
276 Stock surveillance equipment		2.1				2.1
279 Other ordnance training equipment		1.5				1.5
Other Expendable Ordnance						
281 Small arms and landing party ammo		18.8				18.8
282 Pyrotechnic and demolition material		25.5				25.5
283 Quickstrike		50.5				50.5
284 Fleet mine support equipment		25.2				25.2
285 Mine neutralization devices		3.2				3.2
286 Defense Nuclear Agency material		7.9				7.9
287 Shipboard expenable countermeasures		33.2				33.2
Subtotal, ordance support equipment		1,396.5		0.0		1,396.5
CIVIL ENGINEERING SUPPORT EQUIPMENT						
289 Passenger carrying vehicles	804	10.1			804	10.1
290 Armored sedans	1	0.1			1	0.1
291 Trucks	2,775	38.1			2,775	38.1
292 Trailers	271	4.0			271	4.0
293 Crush, mix, batch, pave equipment		4.7				4.7
294 Drilling and blasting equipment		2.7				2.7
295 Earth moving equipment	228	11.4			228	11.4
296 Lighting and power generating equip		3.5				3.5
297 Misc counstruction and maintenance equip		3.5				3.5
298 Fire fighting equipment	71	7.1			71	7.1
299 Weight handling equipment	80	13.2			80	13.2
300 Amphibious equipment		73.0				73.0
301 Combat construction support equipment		9.5				9.5
303 Mobile utilities support equipment		2.9				2.9
306 Fleet moorings		7.3				7.3
307 Pollution control equipment		2.7				2.7
310 Fleet hospitals	1	27.7			1	27.7
— 9th Battalion equipment		0.0		11.0		11.0
Subtotal, civil engineering supp equipment		221.6		11.0		232.6
SUPPLY SUPPORT EQUIPMENT						
312 Folklift trucks	217	9.1			217	9.1
313 Other materials handling equipment		3.3				3.3
314 Automated materials handling systems		12.9				12.9
316 Pollution control equipment		2.3				2.3
322 Special purposes supply systems		34.9				34.9
Subtotal, supply support equipment		62.5		0.0		62.5
PERSONNEL AND COMM SUPPORT EQUIPMENT						
Training Devices						
325 Surface Sonar trainers		40.5				40.5
327 Submarine Sonar trainers		6.9				6.9
328 Surface combat system trainers		23.7				23.7
329 Submarine combat system trainers		11.9				11.9
331 Ship system trainers		15.3				15.3
342 Training support equip		2.4				2.4
343 Training device modifications		6.7				6.7
Command Support Equipment						
346 Medical support equipment		17.2				17.2
347 Intelligence support equipment		56.9		−3.9		53.0
348 Items under 900K		1.2				1.2
351 Oceanographic support equipment		0.0		14.0		14.0
352 Physical security equipment		17.2				17.2
Computer Acquisition Program						
353 Computer Acquisition Program		176.5				176.5
Productivity Programs						
356 Productivity investment fund (PIF)		3.4				3.4
Subtotal, personnel and comm suf. equipment		379.8		10.1		389.9
358 Spares and repair parts		279.8		0.0		279.8
Undistributed reduction				−1,025.6		−1,025.6
Prior year inflation savings				−168.0		−168.0
Inflation reestimate for FY 86				−6.0		−6.0
Prior year program savings				−53.0		−53.0
Rounding adjustment		0.1				0.1
Total, Navy other procurement		6,601.2		−1,321.8		5,279.3

PROCUREMENT, MARINE CORPS

[Dollar amounts in millions]

Line No. and title	Fiscal year 1986 request		Change from request		Committee recommendation	
	Quantity	Amount	Quantity	Amount	Quantity	Amount
AMMUNITION						
1 Linear Charges (all types)		3.2				3.2
2 Small Arms Ammunition		9.6				9.6
3 Machine Gun Ammo (all types)		34.9				34.9
4 Mortar Ammunition (all types)		33.3				33.3
5 Grenades (all types)		2.2				2.2
6 Rockets (all types)		57.2				57.2
7 Training Ammunition		29.0				29.0
8 155mm Ammunition		214.6				214.6
10 Copperhead 155mm Proj		52.1				52.1
11 8 Inch Ammunition		11.2				11.2
12 Fuzes (all types)		31.3				31.3
13 Ammo Modernization		5.7				5.7
Other Support						
14 Items Less Than $900,000		4.5				4.5
Subtotal, Ammunition		488.9		0.0		488.9
WEAPONS AND TRACKED COMBAT VEHICLES						
Tracked Combat Vehicles						
21 Modification Kits		1.1				1.1
22 M60 Mine Plow	80	4.4			80	4.4
23 Recovery Vehicle	5	4.5			5	4.5
24 Armored Vehicle Launched Bridge	16	8.6			16	8.6
25 Items Less Than $900,000		1.5				1.5
Artillery and Other Weapons						
26 Battery Computer System An/GYK-29	166	32.3			166	32.3
27 M198 Howitzer, Medium, Towed 155mm	35	21.0	−35	−21.0	0	0.0
30 Items Less Than $900,000		1.9				1.9
Weapons						
32 Personal Defense Weapon (9mm)	10,000	3.0	−10,000	−3.0	0	0.0
33 Machine Gun, Light, Squad, Auto, (SAW)	1,000	3.3			1,000	3.3
34 M16A2 Rifle 5.56MM	28,186	14.1			28,186	14.1
35 MK-19 Machine Gun, 40mm	150	1.0			150	1.0
36 EOD Equipment		0.7				0.7
38 83mm Launcher Assault Rocket (SMAW)	535	4.7			535	4.7
Subtotal, weapons and combat vehicles		102.1		−24.0		78.1
GUIDED MISSILES AND EQUIPMENT						
Guided Missiles						
39 Hawk	550	140.0			550	140.0
40 Hawk Mod		39.1				39.1
41 Stinger	800	59.4			800	59.4
43 Tol	4,782	44.5			4,782	44.5
Other Support						
44 Modification Kits		0.7				0.7
Subtotal, Guided Missiles and Equipment		283.7		0.0		283.7
COMMUNICATIONS AND ELECTRONICS						
45 Manpack Radios and Equipment		12.7				12.7
46 Vehicle Mtd Radios and Equip		10.6				10.6
Telephone and Teletype Equipment						
48 Unit Level Circuit Switch (ULCS)		18.6				18.6
49 ULCS Life Cycle Support		17.1				17.1
50 AN/TGC-() Tactical Comm Center		4.0				4.0
Repair and Test Equipment						
55 AN/USAM-323 Electronic Generator Signal	456	5.6			456	5.6
56 Shop Sets Electronic	80	5.3			80	5.3
57 Automatic Test Equipment System	45	5.2			45	5.2
60 Electronic Test Equipment		1.0				1.0
Other Comm/Elec Equipment						
61 PP-7333 Power Supply	1,012	3.8			1,012	3.8
63 AN/GXC-7A Facsimile Set	359	6.7			359	6.7
64 Andvt/Tactterm	34	1.5			34	1.5
Other Support (Tel)						
66 Test Calibration and Maint Support		1.0				1.0
68 Modification Kits		3.6				3.6
69 Items Less Than $900,000		0.9				0.9
Command and Control Systems (Non-Tel)						
70 Position Location Reporting Sys (Plrs)	2	59.1			2	59.1
72 Tactical Air OPS Module (TAOM)	4	86.3		−23.0	4	63.3
Radar and Equipment (Non-Tel)						
75 AN/TPS-59 Decoy	5	9.1			5	9.1
76 AN/PPN-19 Radar Transponder Beacon	272	13.2			272	13.2
Intell/Comm Equipment (Non-Tel)						
80 Remote Sensor Equipment		0.7				0.7
81 AN/TMQ-31 Meteorological Data System (MDS)	9	13.3			9	13.3
Repair and Test Equipment (Non-Tel)						
88 Electronic Test Equipment		1.0				1.0
Other Comm/Elec Equipment (Non-Tel)						
93 AN/TAS-4 Night Vision Sight (TOW)		10.5				10.5
94 Productivity Investment		0.5				0.5
95 Automated Data Processing Equipment		15.0				15.0

PROCUREMENT, MARINE CORPS—Continued

[Dollar amounts in millions]

Line No. and title	Fiscal year 1986 request		Change from request		Committee recommendation	
	Quantity	Amount	Quantity	Amount	Quantity	Amount
Other Support (Non-Tel)						
96 Test Calibration and Maint Support		1.6				1.6
98 Modification Kits		8.4				8.4
99 Items Less Than $900,000		0.4				0.4
Subtotal, communications and electronics		316.6		−23.0		293.6
SUPPORT VEHICLES						
Administrative Vehicles						
100 Commercial Passenger Vehicles	203	2.7			203	2.7
101 Commercial Cargo Vehicles		21.1				21.1
Tactical Vehicles						
102 High MO8 Multi-Wheeled Veh (HMMWV) (MYP)	4,832	121.7			4,832	121.7
103 Air/Crash Fire and Rescue Veh	6	1.0			6	1.0
105 Trucks 5-Ton (All Types)	396	39.7			396	39.7
106 5 Ton Retrofit	691	17.9			691	17.9
108 Logistical Vehicle System (LVS)	719	71.4			719	71.4
109 Trailers (All Types)	772	10.5			772	10.5
110 Lubricating and Servicing Unit Power	70	2.0			70	2.0
Other Support						
112 Modification Kits		4.3				4.3
113 Items Less than $900,000		1.4				1.4
Subtotal, support vehicles		293.8		0.0		293.8
ENGINEER AND OTHER EQUIPMENT						
116 Environmental Control Equip		2.7				2.7
121 Motorized Road Grader	100	8.4			100	8.4
122 Tractors (All Types)	202	20.6			202	20.6
123 Runway Sweeper, Vacuum	18	2.3			18	2.3
124 Shop Equip, Gen Pur, Repair, Semi-Trlr	8	1.7			8	1.7
125 Container Handler Rt 50,000Lb	27	7.7			27	7.7
126 CH-53E Helicopter Sling	310	1.0			310	1.0
127 Forklifts (All Types)	225	11.1			225	11.1
129 Bath Shower Unit Expeditionary Field	100	2.3			100	2.3
130 Refrigeration Unit, F/Rigid Box	264	1.2			264	1.2
131 Refrigerator, Rigid Box	218	1.4			218	1.4
133 Water Purification Unit—Rev Osmosis	125	20.6			125	20.6
137 Fuel, Water, Pump and Storage Module		4.2				4.2
138 Fuel Sys Amphb Assault 60,000 Gal	5	5.9			5	5.9
139 Helicopter Expedient Refueling System	6	0.7			6	0.7
142 Boat, Bridge Erection	21	5.2			21	5.2
143 Medium Girder Bridge	17	11.1			17	11.1
144 Power Equipment Assorted		8.5				8.5
145 Electrical Power Distribution System	17	9.0			17	9.0
Materials Handling Equipment						
146 Command Support Equipment		0.8				0.8
148 Garrison Mobile Engineer Equip		6.3				6.3
149 Telephone System		4.3				4.3
152 Materiel Handling Equipment		1.5				1.5
General Property						
153 TRN Devices (Audio Visual)		1.6				1.6
154 TRN Devices (Simulators)		10.4				10.4
156 Shelter Family	870	17.6			870	17.6
157 Container Family	4,900	7.0			4,900	7.0
158 Chemical Alarm System	634	1.9			634	1.9
159 Decontaminating Apparatus	85	1.2			85	1.2
160 Sanitation Set, Field Kitchen	75	1.2			75	1.2
Other Support						
162 Modification Kits		2.8				2.8
163 Items Less Than $900,000		3.5				3.5
Subtotal, Engineer and Other Equipment		185.5		0.0		185.5
164 Spares and Repair Parts		56.1		0.0		56.1
Undistributed Reduction				−35.0		−35.0
Inflation Reestimate for FY 86				−2.0		−2.0
Prior Year Program Savings				−28.0		−28.0
Total, Marine Corps Procurement		1,726.8		−112.0		1,614.8

AIRCRAFT PROCUREMENT, AIR FORCE

[Dollar amounts in millions]

Line No.	Fiscal year 1986 request		Change from request		Committee recommendation	
	Quantity	Amount	Quantity	Amount	Quantity	Amount
COMBAT AIRCRAFT						
Strategic Offensive						
1 ACM Integration		122.8		−122.8		0.0
2 B-1B (MYP)	48	7,632.7			48	7,632.7
Less: Advance Procurement (PY)		−2,170.9				−2,170.9
Net		5,461.8				5,461.8
Tactical Forces						
4 F-15 C/D/E	48	2,079.3		−30.0	48	2,049.3

AIRCRAFT PROCUREMENT, AIR FORCE—Continued

[Dollar amounts in millions]

Line No.	Fiscal year 1986 request		Change from request		Committee recommendation	
	Quantity	Amount	Quantity	Amount	Quantity	Amount
Less: Advance Procurement (PY)		−176.4				−176.4
Net		1,902.9		−30.0		1,872.9
5 Advance Procurement (CY)		236.0				236.0
6 F–16 C/D (MYP)	180	3,277.9		−52.0	180	3,225.9
Less: Advance Procurement (PY)		−441.2				−441.2
Net		2,836.7		−52.0		2,784.7
7 Advance Procurement (CY)		553.1				553.1
Other Combat Aircraft						
8 KC–10A (ATCA) (MYP)	12	763.0			12	763.0
Less: Advance Procurement (PY)		−524.2				−524.2
Net		238.8				238.8
9 Advance Procurement (CY)		208.2				208.2
10 MC–130H	1	83.9			1	83.9
Less: Advance Procurement (PY)		−10.3				−10.3
Net		73.6				73.6
11 Advance Procurement (CY)		5.9				5.9
Subtotal, Combat Aircraft		11,639.8		−204.8		11,435.0
AIRLIFT/TANKER AIRCRAFT						
Strategic Airlift						
14 C–5B	16	2,193.6		−102.0	16	2,091.6
Less: Advance Procurement (PY)		−251.5				−251.5
Net		−1,942.1		−102.0		1,840.1
15 Advance Procurement (CY)		326.0				326.0
Other Airlift						
20 C–20A	8	168.8			8	168.8
Subtotal, airlift/tanker aircraft		2,436.9		−102.0		2,334.9
TRAINER AIRCRAFT						
UPT Trainers						
21 T–46A (NGT)	33	165.1			33	165.1
Less: Advance Procurement (PY)		−22.3				−22.3
Net		142.8				142.8
22 Advance Procurement (CY)		63.3				63.3
Subtotal, trainer aircraft		206.1		0.0		206.1
OTHER AIRCRAFT						
Helicopters						
24 HH–60	3	100.0	−3	−94.0	0	6.0
Less: Advance Procurement (PY)		−6.0				−6.0
Net		94.0		−94.0		0.0
25 Advance Procurement (CY)		22.0		−10.0		12.0
Other Aircraft						
28 Aurora		80.1		−80.1		0.0
29 TR–1/U–2	8	352.4	−2	−64.1	6	288.3
Less: Advance Procurement (PY)		−8.5				−8.5
Net		343.9		−64.1		279.8
Subtotal, other aircraft		540.0		−248.2		291.8
MODIFICATION OF IN-SERVICE AIRCRAFT						
Strategic Aircraft						
31 B–52		463.6		−100.0		363.6
32 FB–111		13.2				13.2
33 B–1B		5.1				5.1
Tactical Aircraft						
34 A–7		3.4				3.4
35 A–10		87.0				87.0
36 F/RF–4		174.2				174.2
37 F–5		25.7				25.7
38 F–15		141.8				141.8
39 F–16		73.7				73.7
40 F–111		294.5				294.5
42 TR–1A		11.7				11.7
Airlift Aircraft						
44 C–5		9.8				9.8
45 C–141		2.1				2.1
Trainer Aircraft						
46 T–38		40.1				40.1
Other Aircraft						
47 KC–10A (ATCA)		4.3				4.3
48 C–12		5.0				5.0
50 C–130		201.0				201.0
52 C–135		868.1				868.1
53 E–3		33.4				33.4
54 E–4		20.4				20.4
55 HH–53 aircraft		26.4				26.4

AIRCRAFT PROCUREMENT, AIR FORCE—Continued

[Dollar amounts in millions]

Line No.	Fiscal year 1986 request		Change from request		Committee recommendation	
	Quantity	Amount	Quantity	Amount	Quantity	Amount
56 Other aircraft		133.2				133.2
Other Modifications						
57 Classified projects		114.4				114.4
Civil Reserve Airlift Fleet (CRAF)						
59 Civil reserve airlift fleet (CRAF)		164.9				164.9
Undistributed reduction				−240.0		−240.0
Subtotal, modification of in-service A/C		2,917.8		−340.0		2,577.8
AIRCRAFT SPARES AND REPAIR PARTS						
60 Spares and repair parts		4,934.6				4,934.6
Undistributed reduction				−310.0		−310.0
Subtotal, aircraft spares and repair parts		4,934.6		−310.0		4,624.6
AIRCRAFT SUPPORT EQUIPMENT AND FACILITIES						
61 Common ground equipment		631.0				631.0
62 Industrial responsiveness		89.2		−15.0		74.2
63 War consumables		86.4				86.4
64 Other production charges		2,683.7		−242.4		2,441.3
Subtotal, support equipment and facilities		3,490.3		−257.4		3,232.9
Inflation reestimate for FY 86				−32.0		−32.0
Prior year program savings				−406.0		−406.0
Total, aircraft procurement, Air Force		26,165.5		−1,900.4		24,265.1

MISSILE PROCUREMENT, AIR FORCE

[Dollar amounts in millions]

Line No. and title	Fiscal year 1986 request		Change from request		Committee recommendation	
	Quantity	Amount	Quantity	Amount	Quantity	Amount
BALLISITC MISSILES						
Strategic						
1 Peacekeeper (M–X)	48	3,037.3	−27	−981.0	21	2,056.3
FORCE MODERNIZATION						
3 Missile Replacement Equipment—Strategic		86.7		−30.0		56.7
Subtotal, Ballistic Missiles		3,124.0		−1,011.0		2,113.0
OTHER MISSILES						
Strategic						
4 Advanced Cruise Missile		[ ]				[ ]
Less: Advance Procurement (PY)						
Net		[ ]				[ ]
5 Advance Procurement (CY)		[ ]				[ ]
6 Air Launch Cruise Missile		34.4				34.4
Tactical						
7 AIM–7F/M Sparrow	425	82.3			425	82.3
8 AIM–9L/M Sidewinder	800	43.3			800	43.3
9 AGM–130 Powered GBU–15	97	48.5			97	48.5
10 AGM–65D Maverick	3,500	504.0			3,500	504.0
Less: Advance Procurement (PY)		−15.0				15.0
Net		489.0				489.0
13 AGM–88A Harm	1,715	478.1			1,715	478.1
14 Rapier		7.6				7.6
15 Amraam	90	395.9		−166.5	90	229.4
Less: Advance Procurement (PY)		−29.4				−29.4
Net		366.5		−166.5		200.0
16 Advance Procurement (CY)		65.9				65.9
17 GRD Launch Cruise Missile	95	556.0			95	556.0
Less: Advance Procurement (PY)		−11.9				−11.9
Net		544.1				544.1
18 Advance Procurement (CY)		9.8				9.8
Target Drones						
21 Target Drones		35.9				35.9
Tactical Drones						
23 Industrial Facilities		12.9				12.9
24 Missile Replacement Equipment—Tactical		14.5				14.5
Subtotal, Other Missiles		2,895.7		−166.5		2,729.2
MODIFICATION OF IN-SERVICE MISSILE						
35 Class IV		92.7				92.7
Class V						
26 LGM–30F/G Minuteman II/III		13.5				13.5
UPDATE						
30 AGM–88A Harm		3.0				3.0
31 Update ALCM		16.5				16.5
32 GRD Launch Cruise Missile Update		8.7				8.7
Subtotal, Modification of in-service missile		134.5		0.0		134.5

MISSILE PROCUREMENT, AIR FORCE—Continued

[Dollar amounts in millions]

Line No. and title	Fiscal year 1986 request		Change from request		Committee recommendation	
	Quantity	Amount	Quantity	Amount	Quantity	Amount
33 Spares and Repair Parts		539.3		−25.0		514.3
OTHER SUPPORT						
Space Programs						
34 Spaceborne Equip (COMSEC)		36.3				36.3
35 Global Positioning (MYP)	9	352.0			9	352.0
Less: Advance Procurement (PY)		−154.6				−154.6
Net		197.4				197.4
37 Space Launch Support		381.1		−35.0		346.1
Less: Advance Procurement (PY)		−85.1				−85.1
Net		296.0		−35.0		261.0
40 Def Meteorological Sat Prog (MYP)		54.0				54.0
42 Defense Support Program		131.3				131.3
44 Defense Satellite Comm System (MYP)	2	187.7			2	187.7
Less: Advance Procurement (PY)		−52.2				−52.2
Net		135.5				135.5
45 Advance Procurement (CY)		13.7				13.7
46 AF Satellite Comm System	1	34.4			1	34.4
47 Space Boosters	7	126.9			7	126.9
48 Space Defense System		[ ]				[ ]
Less: Advance Procurement (PY)						
Net		[ ]				[ ]
49 Advance Procurement (CY)		[ ]				[ ]
50 Space Shuttle		22.1				22.1
Special Programs						
51 Other Programs		170.0				170.0
52 Have Flag		[ ]				[ ]
53 Forest Green		4.7				4.7
54 Ionds (MYP)		45.8				45.8
55 Special Programs		1,915.8		−32.4		1,883.4
56 Special Update Programs		887.4		40.1		927.5
Subtotal, Other Support		4,169.2		−27.3		4,141.9
Inflation Reestimate for FY 86				−13.0		−13.0
Prior Year Program Savings				−35.0		−35.0
Rounding Adjustment		0.1				0.1
Total, Missile Procurement, Air Force		10,862.7		−1,277.8		9,584.9

OTHER PROCUREMENT, AIR FORCE

[Dollar amounts in millions]

Line No. and title	Fiscal year 1986 request		Change from request		Committee recommendation	
	Quantity	Amount	Quantity	Amount	Quantity	Amount
MUNITIONS AND ASSOCIATED EQUIPMENT						
Rockets and Launchers						
1 2.75-inch rocket motor	100,000	22.3			100,000	22.3
2 GTR-18 missile simulator	65,867	2.0			65,867	2.0
4 Rocket training 35mm	52,280	1.7			52,280	1.7
5 Items less than $900,000		4.6				4.6
Cartridges (thousands)						
6 9 mm parabellum	10,00	1.2	−10,000	−1.2	0	0.0
8 5.56 mm	29,513	4.5			29,513	4.5
10 20 mm training	450	1.5			450	1.5
11 30 mm training	9,000	100.4			9,000	100.4
13 30 mm API	2,165	30.6			2,165	30.6
15 40 mm TP grenades	750	3.5			750	3.5
16 40 mm HE grenades	1,009	16.6			1,009	16.6
18 Cart chaff, RR-170	5,707	17.8			5,707	17.8
19 Cart chaff, RR-136	67	0.5			67	0.5
20 Signal Mk-4 MOD 3	1,258	1.7			1,258	1.7
21 MXU-4A/A engine starter	50	5.0			50	5.0
22 Cart IMP 3,000 Ft/lbs	1,913	4.3			1,913	4.3
24 Items less than $900,000		8.6				8.6
Bombs						
25 MK-82 inert/BDU-50	49,638	13.4			49,638	13.4
26 Durandal	3,483	94.5			3,483	94.5
27 Timer actuator fin fuze	5,000	2.0			5,000	2.0
28 BSU-49 inflatable retarder	51,392	34.7			51,392	34.7
29 BSU-50 inflatable retarder	9,300	10.2			9,300	10.2
30 Bomb 2000 lb high explosive	13,006	34.1			13,006	34.1
31 Cluster bomb, MK-20 (Rockeye)	1,496	4.4			1,496	4.4
32 Laser bomb guidance kit	2,575	103.7	−2,575	−103.7	0	0.0
33 GBU-15	715	127.9			715	127.9
34 Bomb, practice 25 pound	100,000	20.9			100,000	20.9
35 Bomb, practice BDU-38	683	5.4			683	5.4
36 Bomb, practice MK-106	122,472	1.3			122,472	1.3
37 MK-84 bomb-empty	4,736	6.8			4,736	6.8
38 CBU-89 (Tmd/Gator)	4,406	202.0			4,406	202.0
39 CBU-87 (combined effects munition)	22,500	552.9			22,500	552.9
40 Bigeye	425	22.1			425	22.1
41 Items less than $900,000		1.5				1.5

OTHER PROCUREMENT, AIR FORCE—Continued

[Dollar amounts in millions]

Line No. and title	Fiscal year 1986 request		Change from request		Committee recommendation	
	Quantity	Amount	Quantity	Amount	Quantity	Amount
Targets						
42 Aerial tow target	365	8.4			365	8.4
43 Items less than $900,000		0.3				0.3
Other Items						
45 Flare, IR MJU–78	563,040	13.3			563,040	13.3
46 Flare, Para. LUU–48	3,600	1.4			3,600	1.4
47 Flare, IR MJU–2	100,022	3.1			100,022	3.1
49 M–306 Cartridge Flare	228,000	1.4			228,000	1.4
51 Signal, Smoke/Illum Mk–6	20,356	2.0			20,356	2.0
52 Signal Smoke and Illuminating	109,944	2.4			109,944	2.4
53 MC–3468, Retard Device	153	1.9			153	1.9
54 Rapid Munitions Assembly	46	3.9			46	3.9
58 Spares and Repair Parts		9.5				9.5
59 Modifications		0.7				0.7
60 Items Less Than $900,000		21.3		−2.3		19.0
Fuzes						
62 FMU–130	10,500	8.4			10,500	8.4
63 FMU–112/FMU–139	75,000	61.7			75,000	61.7
65 Items Less Than $900,000		0.2				0.2
Other Weapons						
66 M–203 Grenade launcher	1,314	0.8			1,314	0.8
67 Machine gun, 7.62MM, M–60	1,259	3.8			1,259	3.8
68 GAU–5 Machine Gun	2,917	1.4			2,917	1.4
69 40MM Machine Gun, MK–19	499	4.2			499	4.2
70 9MM Handgun	19,000	6.8	−19,000	−6.8	0	0.0
Subtotal, Munitions and Associated Equip		1,621.8		−114.0		1,507.8
VEHICULAR EQUIPMENT						
Passenger Carrying Vehicles						
71 Sedan, 4 Dr 4x2	293	1.9			293	1.9
72 Station Wagon. 4x2	283	2.2			283	2.2
73 Bus. 28 Passenger	155	4.8			155	4.8
74 Bus. Intercity	10	1.8			10	1.8
75 Bus. 44 Passenger	81	2.8			81	2.8
76 Ambulance, Bus	27	2.1			27	2.1
Cargo and Utility Vehicles						
78 Truck, Stake/Platform	540	6.8			540	6.8
79 Truck, Cargo-Utility, 3/4T, 4x4	406	4.5			406	4.5
80 Truck, Cargo-Utility, 1/2T, 4x2	486	4.4			486	4.4
81 Truck, Pickup, 1/2T, 4x2	850	6.5			850	6.5
82 Truck, Pickup, Compact	1,168	6.4			1,168	6.4
84 Truck, Multi-Stop 1 Ton 4x2	751	11.7			751	11.7
85 Truck Panel, 4x2	348	3.5			348	3.5
86 Shop Van 4x4	20	0.9			20	0.9
87 Truck Carryall	571	7.5			571	7.5
88 Commercial Utility Cargo Vehicle	258	3.6			258	3.6
89 Truck, Cargo, 2 ½T, 6x6, M–35	371	15.6			371	15.6
90 Truck, Cargo 5T M–923, M–925	223	17.1			223	17.1
91 Semi-Trailer, 20 T	34	0.4			34	0.4
93 High Mobility Vehicle (MYP)	594	15.3			594	15.3
95 Truck, Tractor 5T M–932 (MYP)	15	1.0			15	1.0
96 Truck, Tractor, Over 5T	102	4.4			102	4.4
97 Truck, Wrecker	7	0.4			7	0.4
98 Truck, Wrecker 5T M936 (MYP)	26	3.9			26	3.9
99 Truck, Dump 5 Ton	183	8.1			183	8.1
100 Truck, Utility	218	2.2			218	2.2
102 Items Less Than $900,000		8.4				8.4
Special Purpose Vehicles						
103 Truck, Maint 4x2	287	2.6			287	2.6
104 Truck, Maint 4x4	101	1.2			101	1.2
105 Truck, Maint, HI-REACH	26	2.1			26	2.1
106 Truck, Telephone Maintenance	26	3.8			26	3.8
107 Truck, Tank, 1200 Gal	56	2.0			56	2.0
108 Truck, Tank Fuel R–9	216	23.6			216	23.6
109 Truck, Tank, Fuel, M–49	31	1.8			31	1.8
111 Truck, Tank, L10 NIT, C–5	2	0.5			2	0.5
113 Tractor, A/C Tow, M8–4	110	2.9			110	2.9
114 Tractor, Tow, Flightline	260	3.9			260	3.9
115 Tractor, Wheeled, Industrial	150	1.9			150	1.9
116 Tractor, Dozer	37	2.4			37	2.4
118 Vehicle, Law Enforcement	271	2.3			271	2.3
119 Truck, Demineral Water, 2600 Gal	9	0.9			9	0.9
120 Truck, Hi Lift C5	2	0.1			2	0.1
121 Truck, Hi Lift 3T	3	0.2			3	0.2
122 Truck, Hi Lift, 9T	3	0.2			3	0.2
123 Truck, Refuse	23	1.8			23	1.8
124 Truck, Hydrant Fuel	39	3.9			39	3.9
125 Trailer Water M149	21	0.2			21	0.2
126 Trailer Fuel A18	15	0.2			15	0.2
128 Semi Trailer Compressed Gas	16	2.7			16	2.7
129 Semi Trailer Tank UDMH	1	0.1			1	0.1
131 Dolly M832	19	0.4			19	0.4
133 Tractor Wheeled W Dozer	3	0.4			3	0.4
134 Items Less Than $900,000		7.5				7.5
Fire Fighting Equipment						
135 Truck, crash P–4/P–19	140	23.8			140	23.8
136 Truck, crash P–15	5	3.5			5	3.5
137 Truck, crash P–2	18	8.2			18	8.2
138 Truck, water P–18	52	3.9			52	3.9
139 Truck, pumper P–8	16	1.9			16	1.9
140 Truck, pumper P–12	2	0.2			2	0.2
141 Truck, crash P–10	14	0.4			14	0.4
142 Truck, crash P–13/P–20	20	0.5			20	0.5
144 Items less than $900,000		0.8				0.8

OTHER PROCUREMENT, AIR FORCE—Continued

[Dollar amounts in millions]

Line No. and title	Fiscal year 1986 request		Change from request		Committee recommendation	
	Quantity	Amount	Quantity	Amount	Quantity	Amount
Materials Handling Equipment						
145 Truck, F/L 4,000 lb ged/ded 144	151	2.2			151	2.2
146 Truck, F/L 6000 lb	203	4.9			203	4.9
147 Truck, D-L 10,000 Lb	196	10.9			196	10.9
148 Truck, F/L large capacity at	10	0.6			10	0.6
149 Truck, F/L 15000 Lb	19	0.8			19	0.8
150 Large capacity loader	10	4.3			10	4.3
151 25K A/C loader	45	6.3			45	6.3
153 Tractor, Whse, 4,000 Lb	101	0.8			101	0.8
154 Container, lift, truck	20	4.5			20	4.5
155 Items less than $900,000		2.7				2.7
Base Maintenance Support						
156 Loader, scoop	54	3.6			54	3.6
157 Loader, scoop, w/backhoe	20	0.7			20	0.7
158 Distributor, water 1500 gallon	69	3.5			69	3.5
160 Cleaner, runway/street	139	6.0			139	6.0
161 Roller, vibrating	29	0.7			29	0.7
162 Truck, dump 22t	9	0.9			9	0.9
163 Grader, road, motorized	54	3.1			54	3.1
164 Crane, 7–50 ton	23	3.1			23	3.1
165 Excavator, DED, PT	38	4.3			38	4.3
166 Watercraft	3	4.3			3	4.3
167 Spares and repair parts		4.5				4.5
168 Modifications		0.2				0.2
169 Items less than $900,000		7.2				7.2
Undistributed reduction				−20.0		−20.0
Total		340.9		−20.0		320.9
ELECTRONICS AND TELECOMMUNICATIONS EQUIPMENT						
Comm Security Equipment (Comsec)						
170 Space systems (Comsec)		33.5				33.5
171 Tempest equipment		0.5				0.5
172 TAC secure voice		13.2				13.2
173 DCS secure voice (Comsec)		27.7				27.7
174 Secure data		41.0				41.0
175 TRI-TAC (Comsec)		28.6				28.6
176 Spares and repair parts		7.6				7.6
177 Modifications (Comsec)		0.3				0.3
Intelligence Programs						
178 Intelligence data handling sys		29.4		−5.6		23.8
179 Intelligence training equipment		9.1				9.1
180 Intelligence comm equip		4.6				4.6
182 Cobra shoe		3.0				3.0
183 Items less than $900,000		6.4				6.4
Electronics Programs						
184 Traffic control/landing		5.0				5.0
185 Tractical air control sys improvement		95.4		−23.0		72.4
186 Weather observ/forcast		31.6				31.6
187 Defense support program		117.8				117.8
188 OTH–B Radar		237.0				237.0
189 SACDIN		1.1				1.1
190 SAC command and control		11.1				11.1
191 Cheyenne mountain complex		61.0		−5.9		55.1
192 PAVE PAWS/SLBM warning systems		9.0				9.0
193 BHEWS modernization		70.8				70.8
194 Spacetrack		10.1				10.1
195 NAVSTAR gps		7.4		−4.0		3.4
196 USAFE command/control system		12.1				12.1
197 PACAF command/control		9.9				9.9
198 Defense meteorological sat prog		10.2		−2.0		8.0
200 Caribbean Basin radar network		4.4				4.4
201 Mars/USAF-FAA radar upgrade		16.6				16.6
202 TAC Sigint support		34.7				34.7
203 Dist early warning RDR/north warning		8.9				8.9
204 Transport ground intercept facil		17.5				17.5
205 TR–1 ground stations		74.6				74.6
206 Air base survivability		1.6				1.6
207 TEREC ground processor		4.1				4.1
208 Imagert trans		37.5				37.5
210 Tactical warning systems support		0.4				0.4
211 North Atlantic Defense C3		22.4				22.4
Special Comm-Electronics Projects						
212 Automatic data processing equip		170.5				170.5
213 WWMCCS Adpe		36.4				36.4
214 MAC command and control support		13.3				13.3
215 GLOM communications		14.5				14.5
216 Air base defense/AF phys security		52.5				52.5
217 Weapons storage/security		2.9				2.9
218 Range improvements		105.2		−15.0		90.2
219 HF radio consideration		9.8				9.8
220 Radar bomb scorer		9.1				9.1
221 FLSS		25.1				25.1
222 C3 countermeasures		21.4				21.4
223 Space shuttle		5.0				5.0
225 Base level data auto program		64.9				64.9
226 Satellite control facility		66.3		−15.0		51.3
228 Constant watch		15.9				15.9
229 Consolidated space ops center		17.6				17.6
230 CMD center processing/display sys		2.6				2.6
231 Hammer ace		0.8				0.8
232 Samto test ranges I&M		32.1		−10.0		22.1
233 Emp hardening		12.7		−4.0		8.7
Air Force Communications						
234 Program 698AJ		2.0				2.0
235 Information transmission systems		5.7				5.7

OTHER PROCUREMENT, AIR FORCE—Continued

[Dollar amounts in millions]

Line No. and title	Fiscal year 1986 request		Change from request		Committee recommendation	
	Quantity	Amount	Quantity	Amount	Quantity	Amount
236 Telephone exchange		52.9				52.9
237 Joint tactical comm program		161.9				161.9
238 USREDCOM		3.0				3.0
239 USCENTCOM		26.1		−10.0		16.1
241 Automated telecommunications prg		19.1				19.1
243 Teletypewriter equipment		11.7				11.7
244 Satellite terminals		65.1				65.1
DCA Programs						
245 Wideband systems upgrade		45.7				45.7
247 Minimum essential emer comm net		14.4				14.4
248 DCS secure voice equipment		18.4				18.4
Organization and Base						
249 Tactical C–E equipment		17.9				17.9
250 Productivity inv telecom		16.4				16.4
251 Radio equipment		38.6				38.6
253 Fiber optics		1.4				1.4
254 TV equipment (AFRTV)		4.5				4.5
255 CCTV/Audiovisual equipment		4.7				4.7
257 E & I requirements		10.8				10.8
258 Spares and repair parts		398.5				398.5
259 Items less than $900,000		15.5				15.5
Modifications						
260 Comm-electronics class IV		39.4				39.4
261 Traffic control/landing		3.4				3.4
264 Tactical equipment		25.4				25.4
265 Antijam voice		19.0				19.0
Subtotal, electronics and telecomm equip		2,816.8		−94.5		2,722.3
OTHER BASE MAINTENANCE AND SUPPORT EQUIPMENT						
Test Equipment						
266 Base/ALC calibration package		52.8		−7.8		45.0
267 Newark AFS calibration package		3.4				3.4
268 Test equipment-gen-purp		39.7		−5.2		34.5
269 Items less than $900,000		42.0		−7.0		35.0
Personal Safety and Rescue Equipment						
270 Life raft, 20 man	652	1.0			652	1.0
271 Automatic life preserver	3,000	3.7			3,000	3.7
272 Night vision goggles	683	8.4			683	8.4
273 Chemical/biological def prog		81.2				81.2
274 Items less than $900,000		7.0				7.0
Depot Plant and Materials Handling Equipment						
275 Base mechanization equipment		37.5		−7.0		30.5
276 Air terminal mechanization equip		1.2				1.2
278 Items less than $900,000		18.5		−5.0		13.5
Electrical Equipment						
279 Generators-mobile electric		30.1		−3.0		27.1
280 Flood lights	900	10.7			900	10.7
281 Items less than $900,000		0.5				0.5
Base Support Equipment						
283 Medical/dental equipment		132.3		−12.3		120.0
284 Air base survivability		36.7				36.7
285 COB essential facilities		11.6				11.6
287 Barrier, aircraft arresting system	2	0.2			2	0.2
288 Pallet, air cargo, 108'x88'	3,000	2.7			3,000	2.7
289 Net assembly, 108'x88'		3.3				3.3
290 Pumps and compressors		1.3				1.3
291 Mobility containers	341	2.1			341	2.1
292 Bladders fuel	183	2.7			183	2.7
293 Tactical shelter	72	17.8			72	17.8
294 Photographic equipment		6.5				6.5
296 Productivity investments		0.9				0.9
297 Mobility equipment		43.1				43.1
298 Wartime host nation support		5.1				5.1
299 Spares and repair parts		14.3				14.3
300 Items less than $900,000		17.8		−2.8		15.0
Special Support Projects						
301 Intelligence production activity		18.9				18.9
302 Scientific/technical intelligence		4.6				4.6
303 Tech surv countermeasures eq		4.9				4.9
304 Defense dissemination system		21.4		−6.7		14.7
305 AF technical application center		15.9				15.9
306 Photo proc/interpret sys		11.3		−1.3		10.0
307 Selected activities		3,933.1		−17.0		3,916.1
308 Special update program		86.5				86.5
309 Industrial preparedness		14.3				14.3
310 Misc equipment		6.5				6.5
311 Modifications		5.1				5.1
Subtotal, other base maint and support equip		4,758.6		−75.1		4,683.5
Undistributed reduction				−237.0		−237.0
Prior year inflation savings				−242.0		−242.0
Inflation reestimate for FY 86				−9.0		−9.0
Prior year program savings				−40.0		−40.0
Total, other procurement, Air Force		9,538.0		−831.6		8,706.5

PROCUREMENT, DEFENSE AGENCIES

[Dollars amounts in millions]

Line No. and title	Fiscal year 1986 request		Change from request		Committee recommendation	
	Quantity	Amount	Quantity	Amount	Quantity	Amount
MAJOR EQUIPMENT						
1 OSD/WHS		59.4				59.4
2 NSA: Classified equipment		( )		−3.0		−3.0
DNA:						
3 Vehicles		0.2				0.2
4 Other capital equipment		5.6				5.6
DCA:						
5 WWMCCS ADP systems		14.8				14.8
6 Defense switching network		10.8				10.8
7 Items less than $900,000 each		43.7				43.7
8 DIA: Intelligence and communications		( )		−0.8		−08
DLA:						
9 Materials handling equipment		13.6		−3.0		10.6
10 Vehicles		1.9				1.9
11 Mechanized materials handling systems		16.4				16.4
12 ADP equipment		74.6				74.6
13 Telecommunications equipment		11.0				11.0
14 Other major equipment		6.8				6.8
DMA:						
17 ADP epuipment		16.8				16.8
19 Vehicles		0.3				0.3
20 Other capital equipment		26.6				26.6
21 AF phase IV computer		4.2				4.2
24 Pass replacement		2.7				2.7
25 DIS: Vehicles		1.7				1.7
27 USDHS: Items less than $900,000 each		0.7				0.7
28 DCAA: Items less than $900,000 each		7.6				7.6
29 DAVA: Items less than $900,000 each		0.5				0.5
30 DRSP: Items less than $900,000 each		( )				( )
31 DIG: Items less than $900,000 each		( )				( )
Undistributed reduction				−30.0		−30.0
Prior year inflation savings				−36.0		−36.0
Inflation reestimate for FY 86				−1.0		−1.0
Total, defense agencies procurement		1,391.9		−73.8		1,318.1

NATIONAL GUARD AND RESERVE PROCUREMENT

[Dollar amounts in millions]

Line No. and title	Fiscal year 1986 request		Change from request		Committee recommendation	
	Quantity	Amount	Quantity	Amount	Quantity	Amount
RESERVE EQUIPMENT						
1 Reserve, Army		0.0				0.0
2 Reserve, Navy: Miscellaneous Equipment		0.0		20.0		20.0
3 Reserve, Marine Corps		0.0		20.0		20.0
4 Reserve, Air Force		0.0				0.0
NATIONAL GUARD EQUIPMENT						
5 Army National Guard: Miscellaneous Equipment		0.0		100.0		100.0
6 Air National Guard:						
Miscellaneous Equipment		0.0		30.0		30.0
C–130 Aircraft	0.0	8	150.0	8		150.0
C–131 Aircraft Modifications		0.0		12.0		12.0
Subtotal, Air National Guard		0.0		192.0		192.0
Total, National Guard and Reserve Equipment		0.0		332.0		332.0

RESEARCH, DEVELOPMENT, TEST AND EVALUATION ARMY

[In millions of dollars]

Line No., program element and title	Fiscal year 1986 request	Change from request	Committee recommendation
TECHNOLOGY BASE			
1 61101A In-house Lab Independent Research	25.280		25.280
2 61102A Defense Research Sciences	236.869		236.869
3 61103A University Research Initiatives	6.126		6.126
4 62105A Materials	12.380		12.380
5 62111A Atmospheric Investigations	6.896		6.896
6 62120A Nuclear Weapons Effects/Fluidics	8.461		8.461
7 62122A Survivability Enhancement	[ ]		[ ]
8 62201A Aircraft Weapons Technology	3.321		3.321
9 62202A Aircraft Avionics Technology	9.766		9.766
10 62209A Aeronautical Technology	31.171		31.171
11 62210A Airdrop Technology	2.061		2.061
12 62303A Missile Technology	31.504		31.504
13 62307A Laser Weapon Technology	21.392		21.392
14 62601A Tank and Automotive Technology	22.226		22.226
15 62603A Large Cal and Nuclear Technology	[ ]	−8.500	−8.500
16 62617A Small Cal and Fire Control Technology	12.794		12.794
17 62618A Ballistics Technology	48.424		48.424
18 62622A Chemical and Smoke Munitions	14.062		14.062
19 62623A Joint Service Small Arms Program (JSSAP)	6.542		6.542
20 62701A Communications Technology	21.403		21.403
21 62703A Combat Surveil Target Acquis and Ident	4.407		4.407
22 62704A Military Environmental Criteria Dev	3.096		3.096
23 62705A Electrical and Electronic Devices	22.871		22.871
24 62706A Chem/Bio Defense/Gen Invest	41.724		41.724
25 62707A Mapping—Geodesy	10.364		10.364

RESEARCH, DEVELOPMENT, TEST AND EVALUATION ARMY—Continued

[In millions of dollars]

Line No., program element and title	Fiscal year 1986 request	Change from request	Committee recommendation
26 62709A Night Vision Investigations	22.077		22.077
27 62715A Tactical Electronic Warfare Technology	[ ]		[ ]
28 62716A Human Factors Enginnering System Dev	15.269		15.269
29 62717A Human Performance Effect/Simulation	6.788		6.788
30 62719A Mobility and Weapons Effects Technology	13.363		13.363
31 62720A Environmental Quality Technology	8.912		8.912
32 62722A Manpower/Personnel/Training	8.016		8.016
33 62723A Clothing Equipment and Shelter Tech	10.537		10.537
34 62724A JT Service Food System Tech	6.432		6.432
35 62725A Computer and Information Science	2.216		2.216
36 62727A Nonsystems Training Devices Tech (NSTD)	5.103		5.103
37 62730A Colo Regions Engineering Technology	6.819		6.819
38 62731A Military Facilities Engineering Tech	5.253		5.253
39 62733A Mobility Equipment Technology	13.627		13.627
40 62734A Medical Defense Against Chemical Agents	32.309		32.309
41 62746A Tactical ADP Technology	9.066		9.066
42 62770A Military Disease Hazards Technology	28.990		28.990
43 62772A Combat Casualty Care Technology	8.892		8.892
44 62775A Combat Maxillofacial Injury	2.167		2.167
45 62777A Systems Health Hazard Prevention Tech	19.461		19.461
46 62781A Energy Tech Applications for Mil Facilities	2.230		2.230
Classified Programs	45.765		45.765
Subtotal, Technology Base	876,432	−8,500	867,932
ADVANCED TECHNOLOGY DEVELOPMENT			
47 63102A Materials and Structures Adv Dev	14.437		14.437
48 63104A Fuels and Lubricants Adv Dev	3.384		3.384
49 63201A A/C Power Plants and Propulsion	21.833		21.833
50 63206A Aircraft Weapons	6.946		6.946
51 63207A Aircraft Avionics Equipment	10.970		10.970
53 63211A Rotary Wing Controls/Rotors/Structures	31.104	−13.700	17.404
54 63216A Synthetic Flight Simulators Development	12.613		12.613
55 63218A Airdrop Advancement	3.854		3.854
57 63221A Noe Aviation and Navigation Equipment	3.089		3.089
58 63226A Classified Projects	[ ]	−31.800	−31.800
59 63306A Terminally Guided Projectiles	17.409		17.409
60 63313A Missile/Rocket Components	42.836		42.836
62 63322A Battlefield Environment Simulation	2.570		2.570
63 63324A Army Development and Employment Activity	9.705		9.705
64 63602A Advanced Land Mobility Systems Concepts	16.474		16.474
65 63606A Landmine Warfare/Barrier Development	11.267		11.267
66 63607A Joint Service Small Arms Program (JSSAP)	3.463		3.463
67 63621A Combat Vehicle Propulsion System	14.967		14.967
68 63631A Combat Vehicle Turret and Chassis Subsys	17.036		17.036
69 63636A Combat Vehicle Armor/Anti-Armor	11.363		11.363
70 63637A Adv Propulsion/Launch System for Munitions	8.233		8.233
72 63640A Ammunition Logistics	2.035		2.035
73 63710A Night Vision Advanced Development	33.622		33.622
74 63723A TAC Comm/Comm/computer (C4) Integration	31.774		31.774
76 63731A Manpower and Personnel	16.938		16.938
77 63734A Engineering Systems	3.450		3.450
78 63736A Human Factors Engineering Applications	1.961		1.961
79 63737A Anti-Radiation Missile Countermeasures	[ ]		[ ]
80 63739A Human Factors in Training-Oper Effect	11.511		11.511
81 63742A Advanced Electronic Devices Development	9.730		9.730
82 63743A Education and Training	11.846		11.846
83 63744A Training Simulation	5.494		5.494
84 63748A Test Measurement and Diag Equipment Dev	7.235		7.235
85 63749A Technical Vulnerability Reduction	4.305		4.305
86 63752A Demilitarization Concepts	9.575		9.575
87 63756A DOD Software Initiatives (Stars)	52.000	−20.000	32.000
88 63758A Tactical Robotic Systems	26.496	−10.000	16.496
89 63759A Chem/BIO Defense/ SMK Adv Tech Demos	3.045		3.045
90 63761A EW Vulner/Susceptability Tech Support	[ ]		[ ]
91 63762A EW Feasibility Developrentality Development	8.643		8.643
92 63763A Nonsystems Medical Material Development	16.221		16.221
93 63764A Medical/Chem Defense Life Support Material	22.612		22.612
94 63765A Nontactical ADP Technology	0.218		0.218
Classified Programs	51.084		51.084
Subtotal, Advanced Tech Development	593.348	−75.500	517.848
STRATEGIC PROGRAMS			
97 12814A Special Program	[ ]		[ ]
98 12821A Classified Program	[ ]	−6.000	−6.000
99 33152A WWMCCS Information System	30.914		30.914
Classified Programs	204.743		204.743
Subtotal, Strategic Programs	235.657	−6.000	229.657
TACTICAL PROGRAMS			
100 63209A Air Mobility Support	15.472		15.472
101 63215A Joint Survivability Investigations	0.900		0.900
103 63220A Advance Motorcraft Tech Integration (LHX)	75.528	−20.000	55.528
104 63225A Airdrop Equipment Systems	1.877		1.877
105 63302A Anti-tactical Missile (ATM)	62.760		62.760
106 63303A Surf-to-Surf Missile Rocket System	30.622		30.622
107 63604A Nuclear Munitions and Radiacs	[ ]		[ ]
108 63608A Weapons and Ammunition	0.798		0.798
109 63612A Advanced Anti-Tank Weapon	81.077	−20.000	61.077
110 63615A Lethal Chemical Munitions Concepts	20.387		20.387
111 63619A Landmine/Barrier System	28.424	−2.800	25.624
112 63627A Smoke Munitions and Material Concepts	12.672		12.672
113 63628A Artillery/Mortar Ammo Development	10.157		12.157
114 63633A Tank/Fighting Vehicle Ammo Development	5.734		5.734
115 63635A Mobile Protected Gun Program	9.802	−9.802	0.000
116 63639A Armament Enhancement Initiative (AEI)	[ ]		[ ]
117 63641A Program 292		−63.600	−63.600
118 63702A Electric Power Sources	11.258		11.258
119 63705A Physical Security	4.416		4.416
120 63706A IFF Equipment Development	20.693		20.693

RESEARCH, DEVELOPMENT, TEST AND EVALUATION ARMY—Continued

[In millions of dollars]

Line No., program element and title	Fiscal year 1986 request	Change from request	Committee recommendation
121 63709A Communications Devlopment	[ ]		[ ]
123 63711A Aircraft Survivability Equipment	8.611		8.611
124 63713A Army Data Distribution System (ADDS)	38.016		38.016
125 63718A EW Vulnerability/Susceptability	23.791		23.791
126 63720A Chem/Bio Detection Warm/Samp Mat Concept	15.192		15.192
127 63721A Chem/Bio Protective Material Concepts	9.341		9.341
129 63725A Remotely Piloted Vehicles/Drones	20.977		20.977
130 63726A Combat Support Equipment	28.363		28.363
131 63726A Combat Support Equipment	[ ]		[ ]
132 63732A Combat Medical Material	9.379		9.379
134 63745A TAC Electronic Support Measure Systems	[ ]		[ ]
135 63746A Single Channel Grd/Abn Radio Sub-System	2.265		2.265
136 63747A Soldier Support/Survivability	6.657		6.657
137 63750A Drug and Vaccine Development	16.932		16.932
138 63751A Medical Defense Against Chemical Warfare	31.019		31.019
139 63754A Classified Program (ADV)	[ ]		[ ]
140 63755A TAC Electronic Countermeasures Systems	[ ]		[ ]
142 64202A Aircraft Weapons	[ ]		[ ]
143 63767A Combat Service Support Control System	0.980		0.980
144 64202A Aircraft Weapons	12.672		12.672
145 64204A Air Mobility Support Equipment	2.600		2.600
147 64207A Advanced Attack Helicopter (AH–64)	17.506		17.506
148 64216A Aircraft Propulsion Systems	70.791		70.791
149 64217A Synthetic Flight Training Systems	7.863		7.863
150 64218A Airdrop Equipment Development	3.141		3.141
151 64220A Army Helicopter Improvement Program	6.802		6.802
153 64268A Aircraft Component Improvement Program	16.158		16.158
154 64306A Stinger	18.583		18.583
155 64307A Patriot (SAM–D)	53.070		53.070
156 64310A Heliborne Missile (Hellfire)	6.213		6.213
158 64313A Grassblade	10.878		10.878
160 64318A Division Air Defense Gun	43.176	−37.000	6.176
161 64321A JT Tactical Fusion Program	[ ]		[ ]
163 64324A JT Tactical Missile System—Army (JTACMS–A)	154.805	−40.000	114.805
164 64601A Infantry Support Weapons	24.003		24.003
165 64603A Nuclear Munitions	[ ]	−3.000	−3.000
166 64604A Mobility	15.486	−15.486	0.000
167 64609A Smoke Munitions and Materiel	6.024		6.024
168 64612A Countermine and Barriers	10.417	−4.800	5.617
169 64616A Fighting Vehicle System	2.228		2.228
170 646618A Landmine Warfare	7.954		7.954
171 64630A M1 E1 Development Program	3.898		3.898
172 64631A Field Artillery Ammunition	62.590	−7.800	54.790
173 64632A 105MM Tank Ammunition	1.543		1.543
174 64633A Cactus Plant	[ ]	−8.500	−8.500
175 64701A Comm Engineering Development	10.716		10.716
176 64702A JT TAC Information Distribution System	12.243		12.243
177 64704A Unattended Ground Sensors	2.940		2.940
178 64705A Modular Integrated Comm and Navig System	5.007		5.007
179 64706A Radiological Defense Equipment	0.664		0.664
181 64710A Night Vision Devices	14.567		14.567
182 6464111A Aircraft Survivability Equipment	24.777		24.777
183 64712A Army Comm/Control System Eng	9.896		9.896
184 64713A Combat Feeding, Clothing and Equipment	6.461		6.461
185 646714A Tactical Electric Power Sources	10.122		10.122
186 64717A General Combat Support	14.822		14.822
187 64718A Physical Security	6.496		6.496
188 64722A Education and Training	6.611		6.611
189 64623A Special Purpose Detectors	3.256		3.256
190 64724A Chem/Bio Detect Warn and Train Material	23.081		23.081
191 64725A Chem/Bio Protective Materiel	15.585		15.585
192 64727A Command and Control	5.799		5.799
193 64730A Remotely Piloted Vehicles	30.014	−6.900	23.114
194 64740A Tactical Surveillance System	[ ]		[ ]
195 64741A Division Air Defense Command and Control	33.040		33.040
196 64746A Automatic Test Equipment Development	21.310		21.310
197 64750A Tactical Electronic Countermeasures Systems	[ ]		[ ]
198 64751A Single Channel GRD/ABN Radio Sub Eng	12.874		12.874
199 64754A Classified Program (ENG)	[ ]		[ ]
200 64757A Medical Chemical Defense Life Support Mat	7.680		7.680
201 64758A Drug and Vaccine Development	10.497		10.497
202 64766A Tactical Electronic Surveillance System	[ ]		[ ]
203 64770A JT Surveil Target Attack Radar System	43.818		43.818
204 64779A JT Interop of Tac Cmd & Cont Sys (JINTACCS)	8.381		8.381
205 65710A JT CB Contact Point Test and Assessment	2.402		2.402
206 23724A HV Anti-Tank Assault Weapon System (TOW)	11.836		11.836
207 23726A Adv Field Artillery Tactical Data System	35.574		35.574
208 23727A MED Anti-Tank Assault Weapon (H)	3.842		3.842
209 23730A Chaparral	17.666		17.666
210 23731A Sam Hawk/Hawk Improvement Program	5.212		5.212
211 23735A Combat Vehicle Improvement Program	72.743		72.743
213 23740A Maneuver Control System (MCS)	8.636		8.636
215 23743A 155MM Self-Propelled Howitzer Improvements	26.105		26.105
217 23745A Equipment Upgrade	30.805		30.805
218 28010A JT Tactical Communication Program (TRI-TAC)	30.560		30.560
219 33145A Eucom C3 Systems	1.961		1.961
Prior Year Authorization Transfer			
Classified Programs	615.866		615.866
Subtotal, Tactical Programs	2366.366	−239.688	2126.678
INTELLIGENCE AND COMMUNICATIONS			
220 63712A Mapping and Geodesy	4.205		4.205
221 64201A Aircraft Avionics	2.238		2.238
222 64716A Mapping and Geodesy	3.430		3.430
223 64778A Navstar GPS (User Equipment)	11.271		11.271
224 31307A Foreign Science and Technology Center	[ ]		[ ]
225 31327A Tech Reconnaissance/Surveillance (TECRAS)	[ ]		[ ]
226 31334A Other Command GDIP Activities	[ ]		[ ]
227 31359A Special Army Programs	[ ]		[ ]
229 33126A Long-Haul Communications (DCS)	4.312		4.312
230 33142A Satcom Ground Environment	26.755	25.991	52.746
231 33401A Communications Security	[ ]		[ ]

RESEARCH, DEVELOPMENT, TEST AND EVALUATION ARMY—Continued

[In millions of dollars]

Line No., program element and title	Fiscal year 1986 request	Change from request	Committee recommendation
Classified Programs	16.280		16.280
Subtotal, intelligence and communications	68.491	25.991	94.482
DEFENSEWIDE MISSION SUPPORT			
232 63315A Target Missiles	6.051		6.051
233 63738A Nonsystems Training Devices (NSTD) Dev	5.863		5.863
234 64715A Nonsystems Training Devices (ENG)	43.636		43.636
235 64726A Meteorological Equipment Systems	6.447		6.447
236 65201A Aviation Engineering Flight Activity	11.720		11.720
237 65301A Kwajalein Missile Range	161.624	−7.600	154.024
239 65702A Support of Development Testing	58.671		58.671
240 65706A Materiel Systems analysis	15.930		15.930
241 65709A Exploitation of Foreign items	3.569		3.569
242 65712A Support of Operational Testing	54.855		54.855
243 65716A Threat Simulators for Testing	36.149		36.149
244 65801A Program-wide Activities	183.766	−15.000	168.766
245 65802A International Cooperative R&D	0.947		0.947
246 65803A Technical Info Activities	6.265		6.265
247 65804A Darcom Major Range-Test Facility	373.054	−10.000	363.054
248 65805A Munitions—NATO STDZN DOD Effec Safety STDS	11.626		11.626
249 65806A DOD High Energy Laser Systems Test Facility	20.184		20.184
251 65872A Productivity Investments	23.335		23.335
252 65898A Management Headquarters (R&D)	11.852	−4.000	7.852
253 78011A Industrial Preparedness	104.062	−12.000	92.062
Subtotal, Def-Wide Mission Support	1139.606	−48.600	1091.006
Restoration of Civilian Pay Reduction		33.600	33.600
Civilian End Strength Freeze		−85.428	−85.428
Prior Year Inflation Savings		−40.000	−40.000
Inflation Reestimate For FY 86		−4.000	−4.000
Priot Year Program Savings		−49.000	−49.000
Total, Army RDT&E	5279.900	−497.125	4782.775

RESEARCH, DEVELOPMENT, TEST & EVALUATION NAVY

[In millions of dollars]

Line No., program element and title	Fiscal year 1986 request	Change from request	Committee recommendation
TECHNOLOGY BASE			
1 61103N University research	6.250		6.250
2 61152N In-House independent lab research	26.277		26.277
3 61153N Defense research sciences	339.176	−10.968	328.208
4 62101N Tactical directed energy tech	10.834		10.834
5 62241N Aircraft technology	23.102		23.102
6 62331N Missile propulsn tech	10.503		10.503
7 62332N Surf/aerospace weaponry tech	27.218		27.218
8 62542N Nuclear propulsn tech	49.018		49.018
9 62543N Ship and submarine tech	25.272		25.272
10 62633N Undersea warfare weaponry tech	44.181		44.181
11 62711N Undersea target surv tech	44.495		44.495
12 62712N Surf/aerospace target surv tech	32.240		32.240
13 62721N Command and control tech	28.943	−4.500	24.443
14 62734N Countermeasures tech	27.005		27.005
15 62744N MC air-ground technology	18.499	−4.000	14.499
16 62747N Human factors and Sim tech	7.652		7.652
17 62758N Biomedical tech	8.906		8.906
18 62759N Ocean and atmos supt tech	27.095		27.095
19 62760N Logistics tech	13.311		13.311
20 62761N Materials tech	33.004		33.004
21 62762N Elex device tech	24.898		24.898
22 62763N Personnel and training tech	5.062		5.062
23 62764N Chemical/bio/radiological defense tech	4.765		4.765
25 62766N Lab independent exploratory dev	15.463		15.463
Subtotal, technology base	853.169	−19.469	833.701
ADVANCED TECHNOLOGY DEVELOPMENT			
27 63202N Avionics	4.909		4.909
28 63207N Air/ocean tactical applications	8.946		8.946
29 63210N ADV A/C propulsion system	8.841		8.841
30 63216N Aviation life support system	1.377		1.377
31 63217N ADV A/C subsystems	4.684		4.684
32 63303N Erase	10.149		10.149
33 63306N ASM tech	8.973	−8.973	0.000
35 63508N Ship propulsion sys (ADV)	30.664		30.664
36 63526N Advanced computer tech	14.555	−3.341	11.214
37 63573N Electric drive	9.762		9.762
38 63609N Conventional munitions	30.334	−2.000	28.334
39 63654N Joint service EDD develop (ADV)	10.898		10.898
40 63701N Human factors eng devel	2.116		2.116
41 63704N ASW oceanography	6.376		6.376
42 63706N Medical development (ADV)	14.653	−4.000	10.653
43 63707N Manpower control system dev	4.099	−1.000	3.099
44 63709N Advanced marine biological system	5.477		5.477
45 63712N Generic logistics R&D	8.886	−8.886	0.000
46 63713N Ocean eng tech development	13.083		13.083
47 63720N Education and training	4.667	−1.500	3.167
48 63721N Environmental protection	8.347		8.347
49 63722N Naval special warfare	11.862		11.862
52 63732N Advanced manpower training system	6.144		6.144
53 63733N Training device tech	8.679		8.679
54 63739N Naval logistics productivity	0.968		0.968
Subtotal, advanced tech development	239.449	−29.700	209.749

RESEARCH, DEVELOPMENT, TEST & EVALUATION NAVY—Continued

[In millions of dollars]

Line No., program element and title	Fical year 1986 request	Change from request	Committee recommendation
STRATEGIC PROGRAMS			
60 63451N Space technology	14.002	−9.002	5.000
61 64363N Trident II	2,165.615		2,165.615
62 65856N Strategic tech support	3.882		3.882
63 11221N FBM system	33.550		33.550
64 11224N 558N security program	38.591		38.591
65 11228N Tricent I	47.195	−5.000	42.195
66 11401N Elf communications	28.283		28.283
67 11402N Navy strategic communications	125.839		125.839
68 12427N Nav spasur	0.954		0.954
69 33131N MEECN	1.615		1.615
70 33152N Wis modernization	22.504	−10.00	12.504
Subtotal, strategic programs	2,482.030	−24.002	2,458.028
TACTICAL PROGRAMS			
71 63206N Airborne electronic warfare equipment	61.587		61.587
72 63208N T45–S	114.128		114.128
76 63228N CV ASW module	5.022	−0.763	4.259
77 63251N A/C systems (ADV)	5.894		5.894
78 63254N AIR ASW	6.778	−2.000	4.778
79 63256N JVX	603.743		603.743
80 63257N A–6E improvements	237.952	−50.000	187.952
82 63260N Airborne mine countermeasures	14.148		14.148
83 63261N Tactical air reconnaissance	6.906		6.906
84 63262N A/C survivability and vulnerability	14.825		14.825
87 63315N Retract yellow	25.728	−20.728	5.000
88 63318N Advanced surface-to-air missile (ASAM)	41.510		41.510
89 63320N Low-cost anti-radiation seeker	16.523		16.523
90 63367N Submarine ASW standoff weapon	75.328	−25.000	50.328
91 63382N BGAAWC	11.183		11.183
92 63502N Surface MCM	24.908		24.908
93 63504N Sub sonar development (ADV)	22.414	−9.908	12.506
94 63506N Surface ship torpedo defense	45.199		45.199
96 63512N Catapults	3.418		3.418
97 63513N Shipboard system comp development	21.427	−6.000	15.427
98 63514N Shipboard damage control	32.320		32.320
101 63519N Advanced command data system	2.595	−2.595	0.000
102 63522N Sub arctic warfare/support equipment pr	9.748		9.748
103 63525N Pilot fish	93.964		93.964
104 63528N Non-acoustic ASW	22.104		22.104
105 63529N Advanced ASW target	12.646		12.646
106 63532N Ship system engineering standards	4.673	−0.673	4.000
107 63536N Retract Juniper	25.368		25.368
109 63542N Radiological control	3.585	−1.389	2.196
110 63550N Link dogwood	26.247		26.247
111 63553N Surface ASW	17.649		17.649
112 63560N Sub hull array dev (ADV)	13.206	−4.995	8.211
113 63561N Advanced sub system development	180.586		180.586
114 63562N Sub tactical warfare system (ADV)	23.171		23.171
115 63564N Ship development (ADV)	14.639		14.639
116 63565N Surface ship navigation system	2.841		2.841
118 63569N Attack submarine development	33.139		33.139
119 63570N Advanced nuclear reactor comp system DEV	120.175		120.175
120 63571N Shipboard physical security	3.703		3.703
121 63576N Chalk Eagle	68.783		68.783
122 63578N A4W/A1G nuclear propulsion plant	3.327		3.327
123 63582N Combat system integration	22.383		22,383
124 63589N DDG–51	100.836		100.836
125 63591N Joint advanced systems	132.348		132.348
126 63601N Mine development	1.964		1.964
127 63610N ALWT (ADV)	10.113		10.113
128 63611M MC Assault vehicles	10.407		10.407
129 63634N Tactical nuclear development	9.721		9.721
130 63635M Ground combat/support arms system	17.129		17.129
131 63702N Ocean engineering system dev	1.380		1.380
133 63708N Anti submarine warfare signal PROC	15.535		15.535
134 63711N Fleet tactical D&E program	3.880		3.880
135 63717N Command & control sys (ADV)	42.973	−7.000	35.973
136 63719N Container offload and transfer system	1.515		1.515
137 63724N Navy energy program (ADV)	18.576		18.576
138 63725N Facilities improvement	7.279		7.279
139 63726N Mership navy auxiliary program	6.031		6.031
140 63729M Combat services support (ADV)	9.356		9.356
141 63730M MC INTEL/electronic warfare system	0.070		0.070
142 63734N Chalk coral	3.039		3.039
144 63737N Link hazel	23.564		23.564
145 63740N Link laurel	35.345		35.345
146 63743N Ariadne	2.185		2.185
147 63744N Link spruce	67.352	−17.352	50.000
148 63746N Retract maple	8.247		8.247
149 63763N NCCS SE&I	7.181		7.181
150 63784N ASW surveillance	19.458	−2.000	17.458
151 63785N LRAP	15.678		15.678
152 63787N Special processes	49.532		49.532
153 63788N RDSS	15.380	−15.380	0.000
154 64203N Avionics development	14.965		14.965
155 64211N IFF system development	17.477		17.477
156 64212N Lamps III	16.006	−1.906	14.100
157 64213N Helicopter development	7.902		7.902
158 64214N AVBB (ENG)	72.078		72.078
159 64215N Support equipment	16.428		16.428
160 64217N S–3 weapon system improvement	15.955		15.955
161 64218N Air ocean equipment ENG	2.468		2.468
162 64219N Airborne ASW development	6.136		6.136
163 64220N A/C IR sign suppression	3.945		3.945
164 64221N P–3 modernization program	48.725	−6.000	42.725
165 64224N Airborne electronic warfare eng	62.298		62.298
167 64226N ASPJ	24.985		24.985
169 64229N CV IZ ASW helo	12.722		12.722
170 64252N A/C propulsion (ENG)	44.866		44.866
171 64255N Electronic warfare simulator development	40.275		40.275
172 64260N C/MH–53E	2.300		2.300

RESEARCH, DEVELOPMENT, TEST & EVALUATION NAVY—Continued

[In millions of dollars]

Line No., program element and title	Fical year 1986 request	Change from request	Committee recommendation
173 64261N Acoustic search sensors (Eng)	42.630	−12.000	30.630
174 64264N Aviation life support system	32.809		32.809
176 64268N A/C engines component improvement program	65.843		62.843
177 64301N MK92 FCS upgrade	13.326		13.326
178 64303N Aegis area air defense	11.081		11.081
179 64307N CG-47 product improvement	48.506	−10.000	38.506
180 64308N Link ash	13.636		13.636
181 64314N AMRAAM	17.051	−8.051	9.000
183 64353N Vertical launching system	29.566		29.566
184 64354N AAM systems engineering	13.589		13.589
185 64355N VLS ASROC	37.444		37.444
186 64358N CIWS (Phalanx)	7.612		7.612
187 64361N NATO Sea Sparrow	8.047	−5.000	3.047
188 64365N SM−2 (n)	9.756	−5,000	4.756
189 64366N Standard missile improvements	47.185		47.185
190 64367N Tomahawk	68.798		68.798
191 64369N 5' rolling air frame missile	10.948	−7.000	3.948
192 64370N SSN−688VHS	25.699		25.699
194 64372N New threat upgrade	54.034	−54.034	0.000
195 64502N Submarine communications	4.426		4.426
196 64503N Sub sonar development (eng)	40.299		40.299
197 64504N Air control eng	20.335		20.335
198 64506N BR/CW countermeasures	6.079		6.079
199 64507N EMSP	99.277		99.277
200 64508N Radar surveillance equipment	6.330		6.330
201 64509N Advanced tactical RAD	2.909		2.909
203 64511N Intelligence systems	0.901		0.901
204 64515N Sub surveillance equipment program (eng)	19.429	−4.000	15.429
205 64516N Ship survivability	5.904		5.904
206 64518N CIC conversion	29.204		29.204
207 64520N Sub hull dev (eng)	25.974		25.974
208 64524N Subacs (eng)	205.205		205.205
211 64562N Sub tactical warfare systems (eng)	49.798	−12.000	37.798
212 64563N Shipboard physical security (eng)	4.617		4.617
213 64567N Ship subsystem developments/LBTS	89.418	−2.000	87.418
214 64569N NATO sea gnat	2.284		2.284
215 64573N Shipboard EW improvement	63.776		63.776
216 64574N Tactical embedded computer program	19.169	−10.000	9.169
217 64575N AN/SQS−53C	37.713		37.713
218 64578N Link birch	4.078		4.078
219 64601N Mine development (eng)	9.367		9.367
220 64602N Naval gunnery improvement	15.870	−8.000	7.870
221 64603N Unguided conventional air-launched weapons	4.678		4.678
223 64608N SAL GP/EO sens devel	48.717	−25.800	22.917
224 64609N Bomb-Fuze improvement	5.672		5.672
225 64610N MK−50 torpoedo (Alwt)	158.290		158.290
226 64654N Joint Service EOD development (eng)	4.405		4.405
227 64656M MC assault vehicles	45.653	−15.000	30.653
228 64657N Ground combat/support arms system	8.686		8.686
229 64675N MK−48 ADCAP (eng)	63.470		63.470
230 64704N ASW oceanographic equipment	0.506		0.506
231 64705N Chalk banyan	5.826		5.826
232 64710N Navy energy program (eng)	9.799		9.799
233 64711N Command & control system (eng)	66.173	−17,000	49.173
234 64713N Tactas (AN-SQR-19)	16,200		16,200
236 64715N Surface warfare training development	25,821		25,821
238 64717M Combat services support	3,638		3,638
239 64718M Intel/elect warfare system	14,159		14,159
240 64719M Command/control/communication system	18,906		18,906
242 64725N Regional tactical surveillance	56,225		56,225
243 64781N Intelligence (ENG)	12,421	−4,000	8,421
244 64771N Medical development (ENG)	1,380		1,380
245 64779N OINTACCS	5,622		5,622
246 64780M OINTACCS MC	2,945		2,945
248 65155N Fleet tactical D&E	17,197	−3,000	14,197
249 65803N Emi and spectrum control	3,870		3,870
250 65853N Management and tech support	11,063	−3,000	8,063
251 65887N C2 surveillance/reconnaissance support	3,979		3,979
252 65871M Mc tactical exploit nat cap	0,415		0,415
253 24134N A−6 squadrons	19,205		19,205
254 24136N F/A−18 squadrons	58,314	20,000	78,314
255 24152N Early warning aircraft squadrons	23,666		23,666
256 241651N Aviation support CVW	1,785		1,785
257 24163N Fleet Telecommunications (TAC)	72,697	−22,697	50,000
259 24281N Submarines	3,756		3,756
261 24311N Undersea surveillance system	25,217		25,217
262 24313N Surtass	2,186		2,186
263 24571N Special projects	20,513		20,513
264 24573N Navy cover & deception program	25,584		25,584
265 24575N Electronic warfare support	8,573		8,573
266 24576N Counter C3 development	22,563		22,563
267 25601N Harm improvement	2,636		2,636
268 25604N JTIDS	184,646		184,646
269 25620N Asw combat system integration	12,271		12,271
271 25633N Aircraft equip rely/maintain program	7,852		7,852
272 25634N Submarine silencing	31,638		31,638
273 25645N Modular guided weapon improvement	7,682	−7,682	0,000
274 25658N Lab fleet support	6,158		6,158
276 25667N F−14D	348,065		348,065
277 25870N Tactical intell proc support	1,456		1,456
278 25674N Ew counter-response	80,168		80,168
79 25675N Operational reactor development	12,719		12,719
280 26313M Marine corps telecommunications	3,587		3,587
281 26623M Ground combat/support arms system	43,600		43,600
282 26624M Combat services support	1,449		1,449
283 26625M Intel/elect warfare system	1,163		1,163
284 26626M Command/control/communication system	39,064		39,064
285 26627M M/C tech support C/C system	4,094		4,094
286 28010M TRI-TAC-MC	11,939		11,939
Naval oceanography	0,000	5,900	5,900
Subtotal, tactical programs	6160,962	−383,053	5777,909

RESEARCH, DEVELOPMENT, TEST & EVALUATION NAVY—Continued

[In millions of dollars]

Line No., program element and title	Fiscal year 1986 request	Change from request	Committee recommendation
INTELLIGENCE AND COMMUNICATIONS			
288 63518N Advanced navigation development	1.941		1.941
289 64514N Navigation systems	0.920		0.920
290 64577N EHF satcom	45.437		45.437
291 64777N Navstar GPS	70.079	−8.000	62.079
292–53866N–C2 systems plan/eng support	5.466		5.466
293–31303N–Field operations intelligence office	[]		[]
294–31326N–Prairie schooner	[]		[]
295–31327N–Tech reconnaissance and surveillance	[]		[]
296–33109N–Satellite communications	17.973		17.973
298–33401N–Comsec	[]		[]
299–33603N–Milstar joint project office	4.418		4.418
300–34111N–Special activities	[]	−50.000	−50.000
–Classified programs	557.773		557.773
Subtotal, intel and communications	704.007	−58.000	646.007
DEFENSEWIDE MISSION SUPPORT			
301–64208N–Range instrumentation and system development	8.382		8.382
302–64258N–Target systems development	109.012	−10.000	99.012
303–64703N–Training and personnel system development	3.086		3.086
304–65151M–Studies and analyses support/MC	1.785		1.785
305–65152N–Studies and analyses support/Navy	3.977		3.977
306–65153M–MCOAG	3.714		3.714
307–65154N–Center for naval analysis/Navy	21.813	−5.771	16.042
308–65156M–MC operational T&E	2.317		2.317
310–65804N–Tech information services	2.744	−0.500	2.244
311–65852N–Autec	51.914	−8.717	43.197
312–65854M–Development center support	3.958		3.958
313–65857N–International RDT&E	2.436	−0.600	1.836
314–65859N–Mobile sea range	5.268		5.268
315–65861N–RDT&E lab and fac management supports	66.278	−9.500	56.778
316–65862N–RDT&E instrumentation and material support	20.321	−1.500	18.821
317–65863N–RDT&E ship and aircraft support	84.293	−6.000	78.293
318–65864N–Test and evaluation support	294.480		294.480
319–65865N–OT&E capability	6.503		6.503
320–65872N–Productivity improvement	2.855	−2.855	0.000
321–35111N–Weather service	1.146		1.146
322–35160N–DEF meteorological satellite program	55.975	−25.000	30.975
323–78011N–Manufacturing technology	72.426	−17.426	55.000
Subtotal, def-wide mission support	824.683	−87.869	736.814
Restoration of civilian pay reduction		3.300	3.300
Civilian end stength freeze		−2.952	−2.952
Prior year inflation savings		−60.000	−60.000
Inflation reestimate for fy 86		−11.000	−11.000
Prior year program savings		−123.000	−123.000
Total, Navy RDT&E	11264.300	−795.744	10468.556

RESEARCH, DEVELOPMENT, TEST & EVALUATION AIR FORCE

[In millions of dollars]

Line No., program element and title	Fiscal year 1986 request	Change from request	Committee recommendation
TECHNOLOGY BASE			
1 61101F In-House Lab Independent Research	17.444		17.444
2 61102F Defense Research Sciences	206.334	−10.000	196.334
3 61103F University Research	6.250		6.250
4 62101F Geophysics	38.614		38.614
5 62102F Materials	54.769		54.769
6 62201F Aerospace Flight Dynamics	67.545		67.545
7 62202F Aerospace Biotechnology	50.840		50.840
8 62203F Aerospace Propulsion	62.609		62.609
9 62204F Aerospace Avionics/VHSI Circuits	74.806		74.806
10 62205F Training/Simulation Tech	25.236		25.236
11 62206F Civil Engineering and Environmental QA	7.125	−7.125	0.000
12 62302F Rocket Propulsion	41.661	−4.000	37.661
13 62601F Advanced Weapons	37.020		37.020
14 62602F Conventional Munitions	44.819		44.819
15 62702F Command/Control/Communication	80.720	−5.000	75.720
16 62703F Personnel Utilization Tech	9.421	−0.821	8.600
Subtotal, Technology Base	825.213	−26.946	798.267
ADVANCED TECHNOLOGY DEVELOPMENT			
17 63106F Logistics Research and Devel Requirements	12.736	−3.000	9.736
18 63107F Automation of Technical Information	5.382	−2.382	3.000
19 63202F A/C Propulsion Subsystem Integration	27.493		27.493
20 63203F Advanced Avionics for Aircraft	22.651		22.651
21 63205F FLT Vehicle Technology	22.884		22.884
22 63208F Recon Sensors/Processing Technology	9.182		9.182
23 63211F Aerospace Structures/Materials	23.596	−10.000	13.596
24 63215F Aviation Turbine Fuel Technology	4.671		4.671
25 63216F Advanced Turbine Engine Gas Generator	29.656	−4.656	25.000
26 63217F Weapon System Power	1.947		1.947
27 63226F DOD Common Prog Language (ADA) ADV DEV	7.460		7.460
28 63227F Advance Simulator Technology	4.410		4.410
29 63231F Crew Systems Technology	12.754		12.754
30 63244F A/C Non-Nuclear Survivability	3.278		3.278
31 63245F Advanced Fighter Tech Integration	22.276	−3.000	19.276
32 63250F Lincoln Laboratory	26.363		26.363
33 63253F Advanced System Integration Demonstration	36.327		36.327
34 63259F Cartographic Applications—Tac and Strategi	1.409		1.409
35 63302F Space and Missile Rocket Propulsion	8.381	−5.000	3.381
36 63313F Advanced Missile Subsystems Demonstration	1.209	−1.209	0.000
37 63319F Advanced Technology Cruise Missile	7.677		7.677

RESEARCH, DEVELOPMENT, TEST & EVALUATION AIR FORCE—Continued

[In millions of dollars]

Line No., program element and title	Fiscal year 1986 request	Change from request	Committee recommendation
38 63363F Hypervelocity Missile	10.763	−2.000	8.763
39 63401F Advanced Spacecraft Technology	9.700	−2.000	7.700
40 63406F Advanced Military Spaceflight Technology	0.916	−0.916	0.000
41 63410F Space System Environmental Interaction Tech	4.954	−1.000	3.954
42 63424F Missile Surveillance Technology	11.550		11.550
43 63452F Very High Speed Integrated Circuits	193.776	−40.000	153.776
45 63454F Non-Destructive Inspection Adv Dev	0.980		0.980
46 63601F Conventional Weapons	28.590	−2.000	26.590
47 63605F Advanced Radiation Technology	19.749		19.749
48 63704F Manpower and Personnel System Tech	2.199		2.199
49 63707F Weather Systems	3.963		3.963
50 63718F Electronic Warfare Technology	29.436		29.436
51 63723F Civil/Environmental Eng Technology	11.488		11.488
52 63726F Fiber Optics Development	3.861		3.861
53 63727F Advanced Communications Technology	4.895		4.895
54 63728F Advanced Computer Technology	8.643	−1.143	7.500
55 63743F Electro-Optical Warfare	15.818		15.818
56 63745F Chemical Warfare Defense	6.165		6.165
57 63750F Counter/Countermeasures Adv Dev	14.444		14.444
58 63751F Training Systems Technology	2.324		2.324
59 63752F DOD Software Engineering Institute	11.742	−5.000	6.742
60 63789F Command/Control/Communications Adv Dev	26.273	−10.000	16.273
Subtotal, advanced tech development	713.971	−93.306	620.665
STRATEGIC PROGRAMS			
62 63311F Advanced Strategic Missile Systems	173.934		173.934
63 63312F Advanced Concepts	[ ]		[ ]
66 63364F SRAM II	78.958	−25.000	53.958
70 63716F Atmospheric Surveillance Tech	4.978		4.978
71 63735F WWMCCS Architecture	8.036		8.036
72 64221F Special Improvement Projects	[ ]		[ ]
73 64226F B–1B	367.438		367.438
75 64234F Common Strategic Rotary Launcher	72.629		72.629
76 64312F ICBM Modernization	1580.824	−50.000	1530.824
77 64326F Strategic Conventional Standoff Capability	71.787	−71.787	0.000
78 64361F Air-Launched Cruise Missile	14.179		14.179
79 64406F Space Defense System	149.934		149.934
80 64711F Systems Survivability (NUC Affects)	7.927		7.927
81 11113F B–52 Squadrons	16.047		16.047
82 11120F Advanced Cruise Missile	[ ]		[ ]
83 11135F A/C Survivability Enhancements	[ ]		[ ]
84 11142F KC–135 Squadrons	0.968		0.968
85 11213F Minuteman Squadrons	31.203	−25.200	6.003
86 11312F PACCS/WWABNCP System EC–135 Class V Mods	5.163		5.163
87 11316F SAC Communications	10.625		10.625
88 12310F NCMC—TW/AA Systems	57.445		57.445
89 12311F NCMC—Space Defense Systems	72.996	−20.000	52.996
90 12313F Ballistic MSL TAC Warning/Attack Assessment	2.655		2.655
91 12323F TW/AA Interface Network	1.468		1.468
92 12325F Joint Surveillance System	3.069		3.069
93 12411F Surveillance Radar Stations/Sites	20.215		20.215
94 12412F Dew Radar Stations	40.914		40.914
95 12417F Conus Over-the-Horizon Radar	67.457		67.457
96 12423F Ballistic Missile Early Warning System	12.966		12.966
97 12424F Spacetrack	9.613		9.613
98 12431F Defense Support Program	79.592		79.592
99 12432F SLBM Radar Warning Systems	8.235		8.235
100 12433F Integrated Oper Nudets Detection System	20.538		20.538
101 12436F Command/Control Process/Display System	14.807		14.807
104 33131F MEECN	97.199		97.199
105 33152F WWMCCS Information System	8.100		8.100
106 33154F WWMCCS Information System—JFMO	88.721	−25.000	63.721
107 33601F Milstar Sat Comm System (AF Terminals)	132.095		132.095
108 33603F Classified Program	[ ]		[ ]
109 35155F Theater NUC Weapon Storage and Sec System	1.045		1.045
111 35172F Bernie	[ ]		[ ]
112 35892F Special Analysis Activities	[ ]		[ ]
Classified Programs	2,410.025		2,410.025
Subtotal, Strategic Programs	5,743.785	−216.987	5,526.798
TACTICAL PROGRAMS			
113 63230F Advanced Tactical Fighter	242.852	−50.000	192.852
114 63239F Adv Tactical Air Reconnaissance System	20.339		20.339
117 63256F Joint Service Adv Vertical Lift A/C (JVX)	4.901		4.901
118 63307F Air Base Survivability and Recovery	6.178		6.178
119 63320F Low Cost Seeker	17.613		17.613
120 63437F Have DJINN	[ ]		[ ]
121 63609F Advanced Attack Weapons	19.113		19.113
122 63714F DOD Physical Security Equipment—Exterior	1.010		1.010
126 63742F Combat Identification Technology	8.763		8.763
128 63749F C3 Countermeasures Advanced Systems	3.463		3.463
129 63770F JT Surveil Target Attack Radar Sys (JSTARS)	3.200		3.200
130 63801F Special Programs	[ ]	−15.000	−15.000
131 64201F A/C Avionics Equipment Development	29.397		29.397
132 64209F F–100 Durability	2.899		2.899
133 64212F Aircraft Equipment Development	8.779		8.779
134 64218F Engine Model Derivative Program	122.854	−80.000	42.854
135 64219F Integrated Digital Avionics	11.763		11.763
136 64220F EW Counter-Response	37.193		37.193
137 64222F Nuclear Weapons Support	2.035		2.035
138 64223F Alternate Fighter Engine	33.353		33.353
139 64231F C–17 Program	453.681	−70.000	383.681
140 64232F Pave Runner	[ ]		[ ]
141 64236F Infrared Search and Track System	23.657		23.657
142 64247F Modular Automatic Test Equipment	9.962		9.962
143 64249F Night Precision Attack	40.849		40.849
144 64268F A/C Engine Component Improvement Program	138.574		138.574
145 64313F T–46A	54.287		54.287
146 64314F Adv Medium Range Air-to-Air Missile	101.382		101.382
148 64321F Joint Tactical Fusion Program	26.920		26.920

RESEARCH, DEVELOPMENT, TEST & EVALUATION AIR FORCE—Continued

[In millions of dollars]

Line No., program element and title	Fiscal year 1986 request	Change from request	Committee recommendation
150 64362F Ground-Launched Cruise Missile	0.685		0.685
151 64601F Chem/810 Defense Equipment	22.488		22.488
152 64602F Armament Ordnance Development	17.563		17.563
153 64604F Submunitions	43.910	−10.000	33.910
154 64607F Wide-Area Anti-Armor Munition	15.811		15.811
156 64617F Air Base Survivability and Recovery	21.900		21.900
157 64703F Aeromedical Systems Development	8.049		8.049
158 64706F Life Support System	16.779		16.779
159 64708F Other Operational Equipment	17.087		17.087
160 64710F Reconnaissance Equipment	7.820		7.820
161 64715F DOD Physical Security Equipment—Exterior	15.733		15.733
162 64724F TAC C3 Counter-Measures	17.441		17.441
163 64725F Combat Identification Systems	13.164		13.164
164 64733F Surface Defense Suppression	54.980	−10.000	44.980
165 64737F Airborne Self-Protection Jammer	11.220		11.220
166 64738F Protective Systems	65.792		65.792
167 64739F Tactical Protective Systems	75.709	−20.000	55.709
168 64740F Computer Resources Management Tech	14.011		14.011
169 64742F Precision Location Strike System	63.081		63.081
170 64750F Intelligence Equipment	13.481		13.481
171 64753F Combat Helicopter Modernization	14.100		14.100
172 64754F JT Tactical Information Dist System (JT105)	91.675		91.675
173 64756F Side Looking Airborne Radar (SLAR)	20.667		20.667
174 64770F JSTARS	260.221	−20.000	240.221
175 64779F JT Interoperability TAC Command/Control	9.141		9.141
176 11133F SR–71 Squadrons	[ ]		[ ]
177 27129F F–111 Squadrons	54.535		54.535
178 27130F F–15 Squadrons	252.142	−20.000	232.142
179 27131F A–10 Squadrons	3.102		3.102
181 27133F F–16 Squadrons	94.859		94.859
182 27136F F–4G Wild Weasel Squadrons	36.707		36.707
183 27137F Constant Help	[ ]		[ ]
184 27162F Tactical AGM Missiles	3.926		3.926
187 27247F Air Force Tencap	0.250		0.250
188 27411F Overseas Air Weapon Cont System	3.068		3.068
189 27412F Tactical Air Control System	20.075		20.075
190 27417F Airborne Warning and Control System	137.302	−30.000	107.302
191 27419F TAC Airborne Command and Control System	8.151		8.151
192 27423F Advanced Communication System	123.785	−10.000	113.785
193 27431F Tactical Air Intel Sys Activities	2.191		2.191
194 27435F Tactical Recon Imagery Exploitation	7.691		7.691
195 27584F Seek Axle	[ ]		[ ]
196 27585F Seek Spinner	[ ]		[ ]
197 27591F Omega	[ ]		[ ]
198 27595F Base Comm—Tactical Air Forces	0.899		0.899
199 28010F JT Tactical Communication Program (TRI–TAC)	4.947		4.947
200 28041F Joint Advanced Systems	[ ]		[ ]
201 28042F Have Flag	[ ]	−30.000	−30.000
202 33605F Satellite Communications Terminals	7.569		7.569
203 35687F Electronic Combat Intel Support	1.593		1.593
207 41129F Theme Castle	[ ]	−5.000	−5.000
208 41840F MAC Command/Control System	11.441		11.441
209 44011F Special Operations Forces	13.993		13.993
Classified Programs	666.386		666.386
Subtotal, Tactical Programs	3,792.137	−370.000	3,422.137
INTELLIGENCE AND COMMUNICATIONS			
210 63431F Space Communications	45.012	−2.000	43.012
211 64238F Constant Pisces	[ ]		[ ]
213 25782F Have Trump	[ ]		[ ]
214 31305F Intelligence Production Activities	[ ]		[ ]
215 31310F Foreign Technology Division	[ ]		[ ]
216 31314F Infrared Processing and Exploitation	[ ]		[ ]
217 31315F Missile and Space Tech Collection	[ ]		[ ]
218 31317F Senior Year Operations	[ ]		[ ]
219 31324F Forest Green	[ ]		[ ]
222 33110F Defense Satellite Communication System	6.930		6.930
223 33112F Air Force Communications	0.978		0.978
224 33126F Long-Haul Communications (DCS)	11.543		11.543
225 33144F Electromagnetic Compatibility Analysis CTR	7.191		7.191
226 33401F Communications Security	[ ]		[ ]
227 34111F Special Activities	[ ]	−61.700	−61.700
228 35114F Traffic Control/Approach/Landing System	29.517	−10.000	19.517
229 35159F Defense Reconnaissance Support Activities	[ ]		[ ]
230 35164F NAVSTAR GPS (User Equipment)	28.691		28.691
231 35165F NAVSTAR GPS (SPACE/GRD Segments)	48.527	−10.000	38.527
232 84733F General Intelligence Skill Training	5.300		5.300
Classified Programs	2,199.143		2,199.143
Subtotal, Intel and Communications	2,382.832	−83.700	2,299.132
DEFENSEWIDE MISSION SUPPORT			
233 63248F Concept Development	3.028		3.028
236 63402F Space Test Program	70.434	−2.000	68.434
237 63438F Satellite System Survivability	4.273		4.273
239 64211F Advanced Aerial Targets Development	13.505		13.505
240 64227F Flight Simulator Development	155.315	−10.000	145.315
241 64237F Variable In-Flight Test A/C (Vista)	0.391		0.391
242 64411F Space Shuttle	132.007		132.007
243 64609F Logistics Tech for Weapons Systems	6.750		6.750
244 64707F Weather Systems	13.078	−5.000	8.078
245 64735F Range Improvement	62.166	−15.000	47.166
246 64747F Electromag Radiation Test Facility	3.376		3.376
247 64755F Improved Capability for RDT&E	46.417		46.417
248 65101F Project Air Force	17.445	3.555	21.000
249 65304F Acquisition/Command Support—Telecom	6.550		6.550
250 65306F Ranch Hand II Epidemiology Study	4.695		4.695
252 65708F NAV/RADAR/Sled Track Test Support	28.319	−8.000	20.319
253 65806F Acquisition and Command Support	366.620	−30.000	336.620
254 65807F Test and Evaluation Support	431.594	−20.000	411.594
255 65808F Adv System Engineering/Plan	3.895	−1.395	2.500

RESEARCH, DEVELOPMENT, TEST & EVALUATION AIR FORCE—Continued

[In millions of dollars]

Line No., program element and title	Fiscal year 1986 request	Change from request	Committee recommendation
256 65863F RDT&E Aircraft Support	59.820		59.820
257 65872F Productivity Investments	7.009	−4.000	3.009
258 65874F Product Performance AGMT Center (PPAC)	0.975		0.975
260 35110F Satellite Control Facility	83.122	−15.000	68.122
261 35119F Space Boosters	221.393		221.393
262 35130F Consolidated Space Operations Center	87.415	−20.000	67.415
263 35160F Defense Meteorological Satellite Program	71.309	−20.000	51.309
264 35171F Space Launch Support	79.232		79.232
265 71112F Inventory Control Point Operations	4.034		4.034
266 72207F Depot Maintenance (NON–IF)	0.489	−0.489	0.000
267 78011F Industrial Preparedness	104.540	−40.000	64.540
269 78026F Product/Reliable/Avail/Maintain Program	17.365	−3.000	14.365
270 78031F Logistics C31 System	9.933		9.933
271 91212F Service-Wide Support	0.196		0.196
272 91215F Productivity Investments	0.978		0.978
274 01004F International Activities	2.894		2.894
Subtotal, Def-Wide Mission Support	2,120.562	−190.329	1,930.233
Undistributed Reduction		−50.000	−50.000
Restoration of Civilian Pay Reduction		24.400	24.400
Civilian End Strength Freeze		−11.898	−11.898
Prior Year Inflation Savings		−100.000	−100.000
Inflation Reestimate for FY 86		−14.000	−14.000
Prior Year Program Savings		−156.000	−156.000
Total, Air Force RDT&E	15,578.500	−1,288.766	14,289.734

RESEARCH, DEVELOPMENT, TEST AND EVALUATION DEFENSE AGENCIES

[In millions of dollars]

Line No., program element and title	Fiscal year 1986 request	Change from request	Committee recommendation
TECHNOLOGY BASE			
1 61101E Defense Research Sciences	92.600	−12.000	80.600
2 61101W In-house Lab Independent Research	1.981		1.981
3 61103E University Research	6.250		6.250
4 62101E Technical Studies	1.800		1.800
6 62301E Strategic Technology	254.400	−42.000	212.400
7 62702E Tactical Technology	102.000		102.000
8 62707E Particle Beam Technology	21.500		21.500
9 62708E Integrated Command/Control Tech	53.000		53.000
10 62712E Materials Processing Tech	33.000		33.000
11 62714E Nuclear Monitoring	19.400	6.000	25.400
12 62715H Defense Nuclear Agency	384.361	−20.000	364.361
Polygraph	[ ]	0.590	0.590
Subtotal, Technology Base	970.292	−67.410	902.882
ADVANCED TECHNOLOGY DEVELOPMENT			
Strategic Defense Initiative	3,712.962	−750.000	2,962.962
13 63220C Surveil/ACQSN/Track/Kill Assessment	(1,386.344)		
14 63221C Directed Energy Weapons	(965.441)		
15 63222C Kinetic Energy Weapons	(859.724)		
16 63223C Systems Concepts and Battle Management	(243.300)		
17 63224C Survivability, Lethality and Key Support Tech	(258.153)		
18 63225D Joint DOD–DOE Munitions Tech Dev	8.413	1.587	10.000
19 63226E Experimental Eval of Major Innov Tech	175.249		175.249
20 63702D Special Technology Office/USDR&E	4.177		4.177
21 63703D Counter-Insurgency and Special Tech	11.421		11.421
22 35108K Command and Control Research	2.313		2.313
Subtotal, Advanced Tech Development	3,914.535	−748.413	3,166.122
STRATEGIC PROGRAMS			
23 63734K Island Sun	17.000		17.000
25 32016K NMCS-Wide Support	43.498	−10.000	33.498
27 32019K WWMCCS System Engineer	21.254		21.254
28 33131K MEECN	12.398		12.398
Subtotal, Strategic Programs	94.150	−10.000	84.150
TACTICAL PROGRAMS			
29 21135K CINC C2 Initiatives	2.083		2.083
30 28045D C3 Interoperability (JOINT TACT C3 AGCY)	72.152	−12.000	60.152
31 28298D Management Headquarters (JTC3A)	1.472		1.472
Subtotal, Tactical Programs	75.707	−12.000	63.707
INTELLIGENCE AND COMMUNICATIONS			
32 62716B MAP/Chart/Geodesy	0.975		0.975
33 63701B MAP/Chart/Geodesy INV/Prototype Dev	20.197	−4.000	16.197
34 64701B MAP/Chart/Geodesy Engr Dev/Test	3.092		3.092
35 31011G Cryptologic Activities	[ ]	−20.116	−20.116
36 31301L General Defense Intelligence Program	[ ]		[ ]
37 31398L Management Headquarters GDIP	[ ]		[ ]
38 33126K Long-Haul Communications (DCS)	18.935	−5.000	13.935
39 33127K Support of the NCS	5.686		5.686
40 3401G Communications Security	[ ]		[ ]
41 35139B DMA Exploitation Program	[ ]		[ ]
42 35159B Defense Reconnaissance Support Activities	[ ]		[ ]
43 35159G Defense Reconnaissance Activities	[ ]		[ ]
44 35159I Defense Reconnaissance Support Activities	[ ]		[ ]
45 35167G Computer Security	[ ]		[ ]
46 35884L Intel Plan and Review Activities	[ ]		[ ]
47 35885G Tactical Cryptologic Activities	[ ]		[ ]

RESEARCH, DEVELOPMENT, TEST AND EVALUATION DEFENSE AGENCIES—Continued

[In millions of dollars]

Line No., program element and title	Fiscal year 1986 request	Change from request	Committee recommendation
Classified Programs	1,826.848		1,826.848
Subtotal, Intel and Communications	1,875.733	−29.116	1,846.617
DEFENSEWIDE MISSION SUPPORT			
48 65104D Technical Support to USDR/E	23.593		23.593
49 65106D General Support for PA/E	3.489		3.489
50 65107D Support to Policy	6.445	1.005	7.450
51 65108D General Support for Net Assessment	4.032		4.032
52 65109D General Support for MRA/L	3.117		3.117
53 65110D Critical Technology	2.792		2.792
54 65112D Technical Analytical Support	16.001	−4.000	12.001
55 65112E Technical Analytical Support	[ ]		[ ]
56 65113D Tapistry	2.793		2.793
57 65114E Blacklite	4.000		4.000
59 65801S Defense Technical Info Center	21.656		21.656
60 65802S Information Analysis Centers	6.550		6.550
62 65898C Management Headquarters SDI	9.222		9.222
63 65898E Management Headquarters R & D	13.148		13.148
64 78011S Industrial Preparedness	5.000		5.000
65 01015D Technology Transfer Functions	1.645		1.645
Subtotal, Def-Wide Mission Support	123.483	−2.995	120.488
Subtotal, Defense Agencies RDT&E	7,053.900	−869.934	6,183.966
DIRECTOR OF TEST AND EVAULATION, DEFENSE			
1 65111D Foreign Weapons Evaluation	17.010		17.010
2 65804D Test and Evaluation	86.490	−10.000	76.490
Subtotal, Director of Test and Evaluation	103.500	−10.000	93.500
Restoration of Civilian Pay Reduction		1.200	1.200
Civilian End Strength Freeze		−1.400	−1.400
Prior Year Program Savings		−151.000	−151.000
Total, Defense Agencies RDT&E	7,157.400	−1,031.134	6,126.266

TITLE III—OPERATION AND MAINTENANCE

The administration requested $82,450.2 million for the operation and maintenance of the armed forces and the component agencies of the Department of Defense in fiscal year 1986.

The committee recommends authorization of $79,361.1 million for operation and maintenance in fiscal year 1986, a reduction of $3,089.1 million from the February request. The committee estimates that the recommended level of authorization will provide for approximately 1.5 percent dollar growth over the amounts appropriated in fiscal year 1985.

From the initial report and markup, a number of major changes were made to produce the following funding levels. Additional financing adjustments were in the refund areas of Industrial Funds, Foreign Currency Fund Rate, Stock Fund Cash, and the Transfer Investment Savings. A small adjustment was made in operation and maintenance expenses due to the limits placed on military end strengths requests. An inflation reestimate for fiscal year 1986 was made.

In the area of operation and maintenance programs, changes were made in the areas of Base Operating Support for Consolidation, Command and Control, Force Modernization, Inactive Ship Rework, and Space Operations in general. These changes were made in addition to previous reductions.

[Dollars in thousands]

Operation and maintenance	Fiscal year 1985 budget authority	Fiscal year 1986 request	Committee change from request	Committee recommendation
Army	$18,603,698	$20,190,630	−960,344	19,230,286
Navy	25,334,741	25,797,700	−1,064,828	24,732,872
Marine Corps	1,650,894	1,667,400	−39,378	1,628,022
Air Force	19,213,465	20,924,400	−823,726	20,100,674
Defense Agencies	7,182,599	7,568,900	−65,636	7,503,264
Army Reserve	732,700	779,600	−10,300	769,300
Navy Reserve	828,781	954,500	−50,710	903,790

[Dollars in thousands]

Operation and maintenance	Fiscal year 1985 budget authority	Fiscal year 1986 request	Committee change from request	Committee recommendation
Marine Corps Reserve	58,842	61,600	−4,730	56,870
Air Force Reserve	881,261	907,700	−16,856	890,844
Army National Guard	1,439,293	1,605,200	−13,580	1,591,620
Air National Guard	1,823,843	1,830,100	−23,938	1,806,162
Natl Board Promo of Rifle Practice	928	920	0	920
Claims, Defense	146,500	158,300	−15,000	143,300
Court of Military Appeals	2,870	3,200	0	3,200
Other O&M	314,000	0	0	0
Total	78,219,420	82,450,150	−3,089,026	79,361,124

Operation and Maintenance, Army

Million

Fiscal Year 1985 budget authority $18,603.7
Fiscal Year 1986 request 20,190.6
Committee change from request .. −960.3
Committee recommendation 19,230.3

[Dollars in millions]

Program adjustments	*Committee recommendation*
Financing adjustments/refunds:	
fuel refund	−27.0
Industrial fund refund	−60.0
Foreign currency fluctuation, Defense	−156.0
Foreign currency fund rate	−262.4
Stock funds, cash refund	−365.4
Transfer investment savings refund	−31.0
Personnel adjustments:	
Pay reduction restoration	+262.4
Absorption of pay restoral	−72.1
Civilian end strength	−160.3
Inflation reestimate	−11.0
O&M Program Reductions:	
Consolidation—BOS	−30.0
Command and Control	−15.0
Force modernization	−30.0
Other	−2.5

Operation and Maintenance, Navy

Millions

Fiscal year 1985 budget authority $25,334.7
Fiscal year 1986 request 25,797.7
Committee change from request .. −1,064.8
Committee recommendation 24,732.9

[Dollars in millions]

Program adjustments	*Committee recommendation*
Financing adjustments/refunds:	
Fuel refund	−119.7
Industrial fund refund	−70.0
Foreign currency fluctuation, defense	−156.0
Foreign currency fund rate	−42.8
Stock funds, cash refund	−680.4
Transfer investment savings refund	−42.1
Personnel adjustments:	
Pay reduction restoration	+345.7
Absorption of pay restoral	−94.9
Military	−19.1
Civilian end strength	−49.4
Inflation reestimate	−15.0
O&M Program reductions:	
Consolidation—BOS	−30.0
Command and control	−15.0
Inactive ship rework	−75.0
Other	−1.1

Operation and maintenance, Marine Corps

Millions

Fiscal year 1985 budget authority $1,650.9
Fiscal year 1986 request 1,667.4
Committee change from request ..... −39.4
Committee recommendation 1,628.0

[Dollars in millions]

Program adjustments	*Committee recommendation*
Financing adjustments/refunds:	
Fuel refund	−1.8
Foreign currency fund rate	−11.2
Stock funds, cash refund	−28.0
Transfer investment savings refund	−2.9
Personnel adjustments:	
Pay reduction restoration	+15.5

Program adjustments	Committee recommendation
Absorption of pay restoral	−4.3
Civilian end strength	−6.7

Operation and maintenance, Air Force

	Millions
Fiscal year 1985 budget authority	$19,213.5
Fiscal year 1986 request	20,924.4
Committee change from request	−823.7
Committee recommendation	20,100.7

[Dollars in millions]

Program adjustments	Committee recommendation
Financing adjustments/refunds:	
Fuel refund	−162.3
Industrial fund refund	−70.0
Foreign currency fluctuation, defense	−156.0
Foreign currency fund rate	−69.2
Stock funds, cash refund	−198.8
Transfer investment savings refund	−15.5
Personnel adjustments:	
Pay reduction restoration	+201.9
Absorption of pay restoral	−55.4
Military	−19.1
Civilian end strength	−154.9
Inflation reestimate	−13.0
O&M Program reductions:	
Consolidation—BOS	−30.0
Command and control	−20.0
Space operations and et cetera	−50.0
Interim contractor support	−10.0
Other	−0.9

Operation and maintenance, Defense agencies

	Millions
Fiscal year 1985 budget authority	$7,182.6
Fiscal year 1986 request	7,568.9
Committee change from request	−65.6
Committee recommendation	7,503.3

[Dollars in millions]

Program adjustments	Committee recommendation
Financing adjustments/refunds:	
Foreign currency fund rate	−14.4
Stock funds, cash refund	−14.0
Tranfer investment savings refund.	−3.0
Personnel adjustments:	
Pay reduction restoration	+151.4
Absorption of pay restoral	−41.5
Civilian end strength	−38.7
O&M Program reductions:	
Command and Control	−10.0
JCS special fund	−50.0
CHAMPUS	25.0
Other	−20.4

Operation and maintenance, Army Reserve

	Millions
Fiscal year 1985 budget authority	$732.7
Fiscal year 1986 request	779.6
Committee change from request	−10.3
Committee recommendation	769.3

[Dollars in millions]

Program adjustments	Committee recommendation
Financing adjustment/refunds:	
Fuel refund	−1.1
Stock funds, cash refund	−18.2
Personnel adjustments:	
Pay reduction restoration	+12.4
Absorption of pay restoral	−3.4

Operation and maintenance, Navy Reserve

	Millions
Fiscal year 1985 budget authority	$828.8
Fiscal year 1986 request	954.5
Committee change from request	−50.7
Committee recommendation	903.8

[Dollars in millions]

Program adjustments	Committee recommendation
Financing adjustments/refunds:	
Fuel refund	−7.0
Stock funds, cash refund	−40.6
Transfer investment savings refund	−3.4
Personnel adjustments:	
Pay reduction restoration	+2.7
Absorption of pay restoral	−.7
Civilian end strength	−1.7

Operation and maintenance, Marine Corps Reserve

	Millions
Fiscal year 1985 budget authority	$58.8
Fiscal year 1986 request	61.6
Committee change from request	−4.7
Committee recommendation	56.9

[Dollars in millions]

Program adjustments	Committee recommendation
Financing adjustments/refunds:	
Stock funds, cash refund	−4.2
Personnel adjustments:	
Pay reduction restoration	+.2
Absorption of pay restoral	−.1
Civilian end strength	−.6

Operation and maintenance, Air Force Reserve

	Millions
Fiscal year 1985 budget authority	$881.3
Fiscal year 1986 request	907.7
Committee change from request	−16.9
Committee recommendation	890.8

[Dollars in millions]

Program adjustments	Committee recommendation
Financing adjustments/refunds:	
Fuel refund	−7.4
Stock funds, cash refund	−7.0
Transfer investment savings refund	−.2
Personnel adjustments:	
Pay reduction restoration	+14.0
Absorption of pay restoral	−3.8
Civilian end strength	−12.5

Operation and maintenance, Army National Guard

	Millions
Fiscal year 1985 budget authority	$1,439.3
Fiscal year 1986 request	1,605.2
Committee change from request	−13.6
Committee recommendation	1,591.6

[Dollars in millions]

Program adjustments	Committee recommendation
Financing adjustments/refunds:	
Fuel refund	−3.2
Stock funds, cash refund	−28.0
Transfer investment savings refund	−1.0
Personnel adjustments:	
Pay reduction restoration	+25.9
Absorption of pay restoral	−7.1
Civilian end strength	−.2

Operation and maintenance, Air National Guard

	Millions
Fiscal year 1985 budget authority	$1,328.8
Fiscal year 1986 request	1,830.1
Committee change from request	−23.9
Committee recommendation	1,806.2

[Dollars in millions]

Program adjustments	Committee recommendation
Financing adjustments/refunds:	
Fuel refund	−20.0
Stock funds, cash refund	−15.4
Transfer investment savings refund	−.9
Personnel adjustments:	
Pay reduction restoration	+26.8
Absorption of pay restoral	−7.4
Civilian end strength	−7.0

Operation and maintenance, National Board for the Promotion of Rifle Practice

	Millions
Fiscal year 1985 budget authority	$0.928
Fiscal year 1986 request	.920
Committee change from request	0
Committee recommendation	920
Claims, Defense:	
Fiscal year 1985 budget authority	146.5
Fiscal year 1986 request	158.3
Committee change from request	−15.0
Committee recommendation	143.3
Court of Military Appeals, Defense:	
Fiscal year 1985 budget authority	2.9
Fiscal year 1986 request	3.2
Committee change from request	0
Committee recommendation	3.2

STOCK FUNDS

The request of $1,859.6 million for the stock funds in fiscal year 1986 was reduced by $200.0 million. The committee felt the fund levels were adequate, and were accumulating cash reserves. Therefore, the funds were reduced by the following amounts.

[Dollars in millions]

Stock fund	Fiscal year 1985 budget authority	Fiscal year 1986 requested	Committee change from request	Fiscal year 1986 recommended
Army	$366.4	$442.0	−49.0	$393.0
Navy	473.0	716.5	−78.0	638.5
Marine Corps	34.9	42.7	−5.0	37.7
Air Force	548.6	464.9	−49.0	415.9
Defense	130.7	193.5	−19.0	174.5

TITLES IV AND V.—PERSONNEL AUTHORIZATIONS AND COMPENSATION AND BENEFITS

The only personnel authorization which differs from S. 1029 is that for civilian personnel. Because of Congressionally directed budget reductions, the Committee now recommends a civilian end strength of 1,065,970, a reduction of 21,806 personnel from the level previously recommended in S. 1029. The end strength now recommended results from freezing civilian personnel levels in programs where growth was requested and from accepting the civilian personnel reductions budgeted for fiscal year 1986 in other programs.

The compensation and benefits provisions of the bill contain significant differences from those contained in S. 1029. In an effort to initiate a major restructuring of the military personnel management and compensation system, the Committee recommended that funding available for the payment of basic pay and the military retirement accrual charge for fiscal year 1986 be reduced by $1.82 billion, or 10% of the budgeted amount for that accrual charge. At the same time, the Committee directed that the Secretary of Defense submit a report, including proposed legislation, to the Congress not later than September 1, 1985, which, if enacted, would alter the military nondisability retirement system, other elements of the compensation system, or other personnel programs (including but not limited to promotion and retention policies) so

that the reduced funding would be sufficient to fund military basic pay and the military retirement accrual charge in fiscal year 1986. The Committee specifically directed that any proposed legislation which would alter the military retirement system would not include structural changes to the retirement system for personnel on active duty or retired on the date such legislation were enacted.

As a second facet of the restructuring of the military compensation system, the Committee recommended a 3% across-the-board pay raise for all military personnel to be effective on October 1, 1985, while the provision of S. 1029 would have made such a pay raise effective three months later on January 1, 1986. In addition, the Committee recommended increases or enhancements to a number of special and incentive pays and improvements in permanent change of station allowances, having a total cost of more than $300 million.

The special and incentive pays and allowances involved in these recommendations include:

a. Nuclear officer pays.
b. Submarine officer pay.
c. Danger pay.
d. Responsibility pay.
e. Career sea pay.
f. Certain places pay.
g. Hazardous duty pays.
h. Dislocation allowance.

Each of these benefit increases or enhancements are in addition to the modest improvements in benefits previously recommended in S. 1029.

Changes in Title VII

Section 702.—Reduces the penalty for submitting a general or administrative cost that is unallowable by clear and convincing evidence because it violates a cost principle in the Federal Acquisition Regulation from 3 times the amount of the cost to one times the amount of the cost.

Reduces the penalty for consistently submitting general or administrative costs that are unallowable by clear and convincing evidence because they violate cost principles in the Federal Acquisition Regulation from up to 25% of the general and administrative costs in the contract to an additional two times the amount of unallowable costs.

Clarifies that civil and criminal fraud penalties will be applied consistent with the terms of 18 USC 287 and 31 USC 3729, including the knowledge requirements in those provisions.

Clarifies that these provisions do not apply to firm-fixed-price contracts.

Section 711.—Complete substitute of Davis-Bacon provision.

Exempts all DOD contracts under $1,000,000 from coverage of law.

Changes the basis for calculation of the wages paid to workers on DOD construction projects to the wage paid to 50% or more of the corresponding classes of laborers, mechanics, and helpers employed on private industry projects of a character similar to the contract work in the urban or rural civil subdivision of the State in which the work is to be performed, or in the District of Columbia if the work is to be performed there; or if the same wage is not paid to 50% or more of the laborers, mechanics, and helpers in the corresponding classes, the weighted average of wages paid to the corresponding classes.

Changes references to laborers and mechanics to laborers, mechanics, and helpers.

Section 713.—Requires overtime for hours worked over forty hours a week, with no reference to daily overtime requirements.

Section 722.—incorporates specific criteria to consider in base closings or realignments.

Requires notification to Congress containing an evaluation of the criteria with regard to the specific base closing or realignment proposed.

Restricts reprogramming authority to funds authorized and appropriated for the facility to be closed or realigned.

Authorizes an additional $1,000,000,000 to use for base closings or realignments.

DIVISION B—MILITARY CONSTRUCTION

Purpose of the bill

The purpose of Division B is to provide military construction authorization and related authority in support of the military departments during fiscal year 1986. The Administration's request is reflected in S. 537 as introduced by request. This Division as approved by the Committee on Armed Services, totals $8,809,412,000 in authorization for appropriation. It provides construction in support of the Military Services, Guard and Reserve components, Defense Agencies, NATO Infrastructure, and includes military family housing requirements. Committee review resulted in a net reduction of $1,500,059,000 from the total $10,309,471,000 requested in new authorization for appropriation for fiscal year 1986.

A brief summary of the Authorizations for Appropriations provided in Division B follows:

Authorization for appropriations granted, fiscal year 1986

Sec. 601 (Army):	
Inside the United States	$1,106,950,000
Outside the United States	488,170,000
Unspecified minor construction	31,000,000
Planning and design	144,300,000
Family housing construction	288,080,000
Family housing support	1,271,094,000
Subtotal	3,141,513,000
Sec. 602 (Navy):	
Inside the United States	1,195,989,000
Outside the United States	221,195,000
Unspecified minor construction	21,560,000
Planning and design	141,860,000
Defense access roads	2,960,000
Family housing construction	154,000,000
Family housing support	585,839,000
Subtotal	2,323,403,000
Sec. 603 (Air Force):	
Inside the United States	1,036,707,000
Outside the United States	449,100,000
Unspecified minor construction	22,000,000
Planning and design	144,096,000
Defense access roads	30,240,000
Family housing construction	212,600,000
Family housing support	729,298,000
Subtotal	2,624,041,000
Sec. 604 (Defense Agencies):	
Inside the United States	103,102,000
Outside the United States	106,598,000
Unspecified minor construction	4,000,000
Contingency construction	5,000,000
Planning and design	30,000,000
Family housing construction	1,910,000
Family housing support	18,390,000
Subtotal	269,000,000
Sec. 605 (NATO Infrastructure)	38,000,000
Sec. 701 (Guard and Reserve Forces):	
Army National Guard	100,200,000
Army Reserve	69,400,000
Navy and Marine Corps Reserve	50,800,000
Air National Guard	127,555,000
Air Force Reserve	65,500,000
Subtotal	413,455,000
Total authorization for appropiation	8,809,412,000

BACKGROUND

Military construction requirements for fiscal year 1986 identified in this legislation were developed on the same basis as the Department of Defense request presented to Congress for military procurement. This concept involved the so-called package-program method of identifying our military forces with their primary missions and then assigning to these forces the weapons, equipment, and facilities necessary to discharge effectively these assigned mission responsibilities.

The Department of Defense requested authorization for appropriations in the amount of $10,309,471,000 for fiscal year 1986—slightly less than 2 percent below the $10,499,802,000 requested for fiscal year 1985 by the administration but more than 11 percent higher than the $9,133,908,000 authorized for appropriations in FY 1985. One quarter of the FY 1986 request is for operation and maintenance of military housing and the rest, $7.8 billion, was requested for new construction, including $500 million for planning and design. Construction in the United States accounts for 73 percent, with 18 percent for bases in Europe, and 9 percent in other areas overseas.

The committee carefully assessed each proposal and project to assure that only those items which are essential to our national defense interests would be approved.

SUMMARY OF COMMITTEE ACTION

The fiscal year 1986 military construction authorization bill was introduced as S. 537 and hearings on this bill were conducted by the Subcommittee on Military Construction of the Committee on Armed Services. The subcommittee met on numerous occasions to thoroughly review more than 1,700 individual projects involving approximately 700 military installations within the United States and overseas. After these extensive hearings the committee reduced the request by $1,500,059,000.

The following table indicates the changes made to the various titles of the bill.

CHANGES RECOMMENDED BY THE COMMITTEE—AUTHORIZATION FOR APPROPRIATION

[In thousands of dollars]

	DOD fiscal year 1986 request	Changes by committee	Total amount approved by committee
Sec. 601—Army	3,649,674	−508,161	3,141,513
Sec. 602—Navy	2,886,249	−562,846	2,323,403

CHANGES RECOMMENDED BY THE COMMITTEE—AUTHORIZATION FOR APPROPRIATION—Continued

[In thousands of dollars]

	DOD fiscal year 1986 request	Changes by committee	Total amount approved by committee
Sec. 603—Air Force	2,917,048	−293,007	2,624,041
Sec. 604—Defense agencies	329,900	−60,900	269,000
Sec. 605—NATO infrastucture	98,000	−60,000	38,000
Sec. 701—Guard and Reserve	428,600	−15,145	413,455
Total	10,309,471	−1,500,059	8,809,412

Matters of Special Emphasis:

TITLE IV—DEFENSE AGENCIES

	Defense agencies request	Total authorization	Less amounts not authorized for appropriation	Total authorized for appropriation
Military construction:				
Inside the United States	$180,847,000	$173,647,000	[1] $70,545,000	$103,102,000
Outside the United States	126,778,000	126,778,000	21,180,000	106,598,000
Planning and design	30,000,000	30,000,000		30,000,000
Unspecified minor construction	4,000,000	4,000,000		4,000,000
Secretary of defense contingency	5,000,000	5,000,000		5,000,000
Total MilCon authorized	346,625,000	339,425,000	90,725,000	248,700,000
Military family housing:				
Construction, improvements, and design	1,910,000	1,910,000		1,910,000
Support	18,390,000	18,390,000		18,390,000
Total family housing	20,300,000	20,300,000		20,300,000
Grand total, defense agencies	366,925,000	359,725,000	90,725,000	269,000,000

[1] $16,845,000 general reduction for savings inside the United States and −$53,700,000 for incremental funding of the National Security Agency Research and Engineering Facility at Fort Meade, MD.

SUMMARY OF PROGRAM

The Secretary of Defense's military construction request for the Defense Agencies totaled $366,925,000 for fiscal year 1986. Included in this total are: $305,625,000 for major construction of new facilities and rehabilitation of existing facilities at 26 locations within the United States and at 32 locations overseas; $5,000,000 for contingency construction authorization for the Secretary of Defense to provide for unforeseen construction requirements in emergency situations; $30,000,000 for planning and design; $4,000,000 for unspecified minor construction projects, $1,910,000 for family housing construction and improvements; and $18,390,000 for family housing support.

The committee gave careful consideration to all projects and related support. The following table summarizes the authorization requested and approved:

[In thousands of dollars]

	Fiscal year 1986 request	Committee approved	Authorization for appropriations
Defense Logistics Agency	56,150	56,150	19,125
Defense Mapping Agency	900	900	900
National Security Agency	89,292	89,292	35,592
Secretary of Defense Activities	161,283	157,083	157,083
Department of Defense:			
Dependents Schools	(116,941)	(116,941)	(116,941)
Overseas	(85,335)	(85,335)	(85,335)
Section 6	(31,606)	(31,606)	(31,606)
Classified Activities	(15,142)	(15,142)	(15,142)
National Defense University	(29,200)	(25,000)	(25,000)
OSD Contingency Construction	5,000	5,000	5,000
Unspecified Minor Construction	4,000	4,000	4,000
Planning and Design	30,000	30,000	30,000
Family Housing	20,300	20,300	20,300
New Construction & Improvements	(1,910)	(1,910)	(1,910)
Support	(18,390)	(18,390)	(18,390)
General Reduction for Davis-Bacon Savings		−3,000	−3,000
Total	366,925	359,725	269,000

[In thousands of dollars]

Location	Project	Cost
Defense Fuel Support Point, San Pedro, CA	Fire Protection	700
Defense Property Disposal Office, Groton, CT	Conforming Storage Facility.	625
Defense Fuel Support Point, Port Tampa, FL	Fire Protection	595
Defense Property Disposal Office, Fort Riley, KS.	Covered Storage	965
Defense Fuel Support Point, Newington, NH	Fire Protection	1,040
Defense Fuel Support Point, Verona, NY	Fuel Tank Roofs	1,395
Defense Depot, Mechanicsburg, PA	Fumigation Facility	470

DEFENSE MAPPING AGENCY

The mission of the Defense Mapping Agency is to acquire or develop and to supply maps, charts, and other geodetic information required by the Department of Defense.

The committee approved $900,000 for one project at the following location:

Location, Project and Cost:

Texas National Guard Station, Mineral Wells, TX, Repromat Secure Storage Facility, $900,000.

NATIONAL SECURITY AGENCY

The mission of the National Security Agency is to organize and manage activities and facilities for the production of foreign intelligence information.

The committee approved six projects at the following locations:

[In thousands of dollars]

Location	Project	Cost
Fort Meade, MD	Research and engineering facility	[1] 75,064
	Outdweller	6,000
	SAB 2 equipment platform	450
	Test pad building	628
Classified locations	Marcher	4,650
	Emergency generators	2,500

[1] $21,364,000 authorized for appropriation.

SECRETARY OF DEFENSE ACTIVITIES

The Secretary of Defense is provided $157,083,000 for various activities of the Office of the Secretary of Defense including two classified projects, projects for overseas dependents schools, projects for Section 6 (CONUS) schools, and a facility to support the National Defense University.

The committee continues to support the need for adequate schools for children living on military installations and has approved the projects requested for that purpose.

The committee approved the following projects:

[In thousands of dollars]

Location	Project	Cost
Office of Dependents Schools:		
Florennes, Belgium	Elementary and high school	7,420
Bermuda	Elementary School	2,290
Babenhausen, Germany	Elementary school addition	760
Bamberg, Germany	do	3,390
	Middle and high school addition	2,410
Butzbach, Germany	Elementary school addition	3,420
Hanau, Germany	Middle school	7,480
Heidelberg, Germany	Elementary school No. 2 Addition	1,910
Heilbronn, Germany	Elementary and junior high school addition.	2,520
Pirmasens, Germany	do	1,630
Schweinfurt, Germany	Junior high school	3,930
Sembach, Germany	Elementary school addition	2,170
Vilseck, Germany	Elementary school	6,680
Sigonella, Italy	Elementary and high school addition.	5,360
Misawa, Japan	Elementary school addition	4,780
Okinawa, Japan	High school addition (Kadena)	300
	Elementary school (Jennings)	445
Osan, Korea	Elementary school addition	2,780
Pusan, Korea	Elementary and high school addition.	1,540
Taegu, Korea	do	730
Soesterberg, Netherlands	Elementary school	4,460
Clark Air Base, Republic of the Philippines.	High School (Wagner)	7,190
Rota, Spain	Elementary and high school addition.	2,870
Bicester, United Kingdom	Elementary school addition	4,570
Upwood, United Kingdom	do	3,240
Woodbridge, United Kingdom.	do	1,060
Department of Defense section 6 schools:		
Fort Benning, GA	Elementary school addition	1,693
Camp Lejeune, NC	High school	8,400
Fort Bragg, NC	Elementary school	5,660
Myrtle Beach AFB, SC	Elementary and middle school	1,400
Marine Corps Base, Quantico, VA.	Elementary school	3,500
Fort Buchanan, PR	New high school	9,753
Roosevelt Roads Naval Station, PR.	High school addition	1,200
Classified Activities:		
Classified activity, classified location.	Facility conversion, expansion, and substation.	3,142
Classified activity, classified location.	Construct addition and support facility.	12,000
Other OSD Activities: Fort McNair, District of Columbia.	Academic instruction facility	25,000

CONTINGENCY CONSTRUCTION

The Secretary of Defense is provided $5,000,000 requested in new authorization for unforeseen contingency construction requirements which he considers vital to the security of the United States.

UNSPECIFIED MINOR CONSTRUCTION

The committee approved $4,000,000 for unspecified minor construction projects authorized under Title 10 USC 2805. This is considered adequate to enable the numerous Defense Agencies and Activities to react to requirements resulting from unforeseen situations which could affect mission performance or safety of life or property, and to take advantage of opportunities to attain greater efficiency of operations.

PLANNING AND DESIGN

The committee approved the $30,000,000 requested for planning and design to support the timely design of Defense Agency projects proposed for inclusion in outyear programs.

FAMILY HOUSING

The committee approved the $20,300,000 requested for Military Family housing to support the Defense Agencies. The details of this amount are as follows:

FAMILY HOUSING—DEFENSE AGENCIES

[In thousands of dollars]

	Defense Mapping Agency	Defense Intelligence Agency	National Security Agency	Defense Logistics Agency	Total
New construction			1,800		1,800
Improvements			70	40	110
Subtotal			1,800	40	1,910
Operation	23	2,143	543	185	2,894
Leasing	33	8,900	6,000		14,933
Maintenance	31		292	240	563
Subtotal	87	11,043	6,835	425	18,390
Total	87	11,043	8,705	465	20,300

Summary of Defense agencies program action

	Thousands
Total Defense agency authorization Request	$366,925
Military construction: Total Defense agency authorization Request	346,625
Committee reductions:	
National Defense University, Fort McNair, DC	−4,200
General reduction for Davis-Bacon savings	−3,000
Total reductions	−7,200
New military construction authorization	339,425
Family housing: Total Defense agency authorization request	20,300
Committee reductions:	
New family housing authorization	20,300
New Defense agency military construction and family housing authorization	359,725

TITLE V—NORTH ATLANTIC TREATY ORGANIZATION INFRASTRUCTURE NATO AUTHORIZATION

The Secretary of Defense requested $98,000,000 under this title for the U.S. contribution to the NATO common-funded Infrastructure Program in fiscal year 1986. The committee is very supportive of the NATO Infrastructure Program and believes that the majority of construction requirements for Europe should be funded by it. It is essential to the United States that NATO fund our high priority facility to meet our obligations to pay our share of this vital program. The Committee approved $38,000,000.

* * * * *

surplus occurred because of the strength of the dollar against foreign currencies. The committee believes that the present strength of the dollar will continue through 1985 and there will once again be surplus funds available in 1986. Therefore, the committee has reduced the Authorization of Appropriations to $38,000,000 for fiscal year 1986.

AUTHORIZATION OF APPROPRIATIONS AND ADMINISTRATIVE PROVISIONS

The authorization of appropriations and administrative provisions contained in title VI are designed to provide certain restrictions as well as relief in execution of the authorization contained in the act. With relatively few exceptions they are essentially the same as those recurring provisions contained in past military construction authorization acts.

AUTHORIZATION OF APPROPRIATIONS

Section 2601 through 2605 is language which appears in each annual military construction Act except the dollar amounts now include the amounts of authorizations contained in the titles of this Act. It authorizes the appropriation of funds to carry out the functions authorized by separate titles of the Act.

ACTIVITIES INCLUDED WITHIN AUTHORIZATIONS FOR MILITARY FAMILY HOUSING

Section 606 defines the activities included in Sections 601 through 604 for Military Family Housing. Construction and acquisition included amounts for minor construction, improvements to existing military family housing units and facilities, relocation of military family housing units under Section 2827 of 10, United States Code, and architectural and engineering services and construction design. Support includes amount for operating expenses, leasing expenses, maintenance of real property expenses, payments of principal and interest on mortgage debts incurred, and payments of mortgage insurance authorized under Section 222 of the National Housing Act (12 U.S.C. 1715m).

EXPIRATION OF AUTHORIZATIONS; EXTENSIONS OF CERTAIN PREVIOUS AUTHORIZATION

Section 2607 is similar to the repeal provision in last year's act and continues in affect their previously established policy of repealing military construction authorizations that have not been used within a specified period after enactment. This section also exempts the following projects from repeal:

Two Army fiscal year 1984 heating system projects at Stuttgart, Germany, for which contracts cannot be awarded before October 1985 because of additional time required to complete an economic analysis to determine if the heating systems are more cost effective than district heat connections. District heat connections would also require congressional notification of scope substitution.

An Army fiscal year 1984 range modernization project at Wildflecken, Germany, for which a contract cannot be awarded before October 1985 because of a redesign necessary to satisfy environmental concerns. The current estimate exceeds the programmed amount and will require a cost variation report and reprogramming request to Congress.

All of the following seven Army projects are being held in abeyance pending resolution of contracting procedures in Greece.

Three Army fiscal year 1984 projects at Argyroupolis, Greece, for which contracts cannot be awarded before October 1985.

Three Army fiscal year 1984 projects at Penivolaki, Greece, for which contracts cannot be awarded before October 1985.

An Army fiscal year 1984 physical fitness training center project at Elefsis, Greece, for which a contract cannot be awarded before October 1985.

A Navy fiscal year 1984 project at Naval Air Station, Brunswick, Maine, for which a contract cannot be awarded before October 1985.

A Navy fiscal year 1984 project at Naval Air Station, Cecil Field, Florida, for which a contract cannot be awarded before October 1985 because of a redesign requirement based on severe operational problems experienced with a similar design at Naval Air Station, Lemoore, California.

A Navy fiscal year 1984 land acquisition at Naval Weapons Station, Concord, California, which cannot be consummated before October 1985 due to unresolved environmental issues involving the closing of several country roads.

A Navy fiscal year 1984 generator plan project at Naval Communications Area Master Station Eastern Pacific, Honolulu, Hawaii, for which a contract cannot be awarded before October 1985 because of a pending court order not due to be issued before that time.

An Air Force fiscal year 1984 air freight terminal project at Elmendorf Air Force Base, Alaska, for which a contract cannot be awarded before October 1985, because a requirement to redesign and resite the structure could extend beyond that date.

ESTABLISHMENT OF CERTAIN AMOUNTS REQUIRED TO BE SPECIFIED BY LAW

Section 2608 continues the procedure of establishing certain thresholds for the forthcoming military construction program. The table below compares the amounts specified by law for fiscal year 1985 to those approved by the committee for fiscal year 1986:

	Fiscal year 1985	Fiscal year 1986
Maximum amount for unspecified minor construction	$1,000,000	$1,000,000
Amount for reporting A/E contracts	300,000	300,000
Maximum amount per unit for family housing improvement	30,000	30,000
Maximum annual rental for family housing in the United States, Puerto Rico, or Guam	6,000	10,000
A. Maximum annual rental for a family housing unit leased in a foreign country	16,800	16,800
B. Maximum number of family housing units that may be leased in foreign countries at any one time	30,000	32,000
Maximum rental per year for family housing facilities leased in a foreign country	250,000	250,000

EFFECTIVE DATE FOR PROJECT AUTHORIZATIONS

Section 2609 makes the provisions of titles I, II, III, IV, and V effective October 1, 1985.

GUARD AND RESERVE FORCES FACILITIES

[In thousands of dollars]

	Enacted fiscal year 1985	Requested fiscal year 1986	Committee approved
Army National Guard	$101,683	$102,100	$100,200
Major construction	(73,630)	(70,821)	(68,921)
Minor construction	(19,053)	(18,917)	(18,917)
Planning and design	(9,000)	(12,362)	(12,362)
Army Reserve	71,700	70,700	69,400
Major construction	(57,650)	(55,295)	(53,995)
Minor construction	(5,550)	(5,800)	(5,800)
Planning and design	(8,500)	(9,605)	(9,605)
Naval and Marine Corps Reserve	62,000	51,800	50,800
Major construction	(55,705)	(46,060)	(45,060)
Minor construction	(2,895)	(1,540)	(1,540)
Planning and design	(3,400)	(4,200)	(4,200)
Air National Guard	121,200	137,200	127,555
Major construction	(105,300)	(119,600)	(109,955)
Minor construction	(7,900)	(8,000)	(8,000)
Planning and design	(8,000)	(9,600)	(9,600)
Air Force Reserve	67,800	66,800	65,500
Major construction	(60,900)	(58,400)	(57,100)
Minor construction	(2,250)	(3,400)	(3,400)
Planning and design	(4,650)	(5,000)	(5,000)
Total	424,383	428,600	413,455
Major construction	(353,185)	(350,176)	(325,031)
Minor construction	(37,648)	(37,657)	(37,657)
Planning and design	(33,550)	(40,767)	(40,767)

The authorization of appropriations requests for fiscal year 1986 total $428,600,000, including major construction, minor construction, and planning and design is suport of facilities for the Guard and Reserve Forces. The committee recog-

nizes the increasingly vital role of the Guard and Reserve Force in improving the readiness capability of the total military force.

The following summary represents the status of lump sum authorization provided continuously since the Guard and Reserve Forces facilities program reverted to this method of authorization in 1963:

RESERVE FORCES FACILITIES—ESTIMATED STATUS OF LUMP SUM AUTHORIZATION [1] AS OF MARCH 1, 1985

[In thousands of dollars]

	Army		Naval and Marine Corps Reserve	Air Force		Total
	National Guard	Reserve		National Guard	Reserve	
Lump sum authorization (cumulative fiscal years (1963–85)	743,330	512,957	417,715	557,490	316,747	2,948,239
Estimate of authorization to be committed through fiscal year 1985	730,023	608,849	413,347	835,534	316,747	2,904,500
Uncommitted balance	13,307	4,108	4,368	21,956	0	43,739
Added by present bill	100,200	69,400	50,800	127,555	65,500	413,455
Total available, fiscal year 1986	113,507	73,508	55,168	149,511	65,500	457,194
Estimated commitments in fiscal year 1986	100,200	69,083	51,020	126,355	65,500	412,158
Estimated residual authorization, end fiscal year 1986	13,307	4,425	4,148	23,156	0	45,036

[1] Figures include Planning and Design and minor construction for fiscal year 1984–86 in accordance with Public Law 97–214.

Summary of Guard and Reserve Forces Program Action

	Thousands
Total Guard and Reserve Forces authorization request:	
Army National Guard	102,100
Army Reserve	70,700
Navy and Marine Corps Reserve	51,800
Air National Guard	137,200
Air Force Reserve	66,800
Committee Reductions:	
Army National Guard: General Reduction—Davis-Bacon Savings.	1,900
Army Reserve: General Reduction—Davis-Bacon Savings	1,300
Navy and Marine Corps Reserve: General Reduction—Davis-Bacon Savings	1,000
Air National Guard	
W.K. Kellogg Regional Airport, Battle Creek, MI Fuel System Maintenance Dock	1,700
McConnell AFB, Kansas:	
Fire Suppression System	775
Weapons Calibration Facility	1,500
Add/Alter Hangar Building 41	2,500
Aerospace Ground Equipment Shop	670
General Reduction—Davis-Bacon Savings	2,500
Air Force Reserve: General Reduction—Davis-Bacon Savings	1,300
Total Reductions	15,145
New Guard and Reserve Forces authorization:	
Army National Guard	100,200
Army Reserve	69,400
Navy and Marine Corps Reserve	50,800
Air National Guard	127,555
Air Force Reserve	65,500

surplus occurred because of the strength of the dollar against foreign currencies. The committee believes that the present strength of the dollar will continue through 1985 and there will once again be surplus funds available in 1986. Therefore, the committee has reduced the Authorization of Appropriations to $38,000,000 for fiscal year 1986.

AUTHORIZATION OF APPROPRIATIONS AND ADMINISTRATIVE PROVISIONS

The authorization of appropriations and administrative provisions contained in title VI are designed to provide certain restrictions as well as relief in execution of the authorization contained in the act. With relatively few exceptions they are essentially the same as those recurring provisions contained in past military construction authorization acts.

AUTHORIZATION OF APPROPRIATIONS

Sections 601 through 605 is language which appears in each annual military construction Act except the dollar amounts now include the amounts of authorizations contained in the titles of this Act. It authorizes the appropriation of funds to carry out the functions authorized by separate titles of the Act.

TITLE I—ARMY

The Army request under title I of S. 537 amounted to $3,650,755,000. The committee, after careful review and consideration of the Army request, approves the following programs.

	Army request	Total authorization
Military construction:		
Inside the United States	$1,362,590,000	$1,106,950,000
Outside the United States	494,220,000	488,170,000
Design	136,100,000	144,300,000
Minor construction	31,000,000	31,000,000
Total military construction	2,023,910,000	1,770,420,000
Military family housing:		
Construction, improvements, and design	356,051,000	288,080,000
Support	1,270,794,000	1,271,094,000
Total family housing	1,626,845,000	1,559,174,000
Grand total, Army authorization	3,650,755,000	3,329,594,000
Less:		
Military construction reduction for prior year savings		−106,000,000
Military construction general reduction for favorable currency rates in Europe and the Pacific:		
Korea		−7,000,000
Europe		−23,000,000
Military construction reduction for Davis-Bacon Act exemption		−51,000,000
Family housing, Fort Ord, CA, trailer site construction, authorization only		−1,081,000
Grand total, Army authorization for appropriation		3,141,513,000

MILITARY CONSTRUCTION

The Army presented an authorization request for appropriations for the military construction, Army, program as follows:

MAJOR COMMAND SURVEY

[In thousands of dollars]

Major Command	Army request	Committee approved
Inside the United States:		
U.S. Army Forces Command	$635,420	$546,440
U.S. Army Western Command	40,910	40,910
U.S. Army Training and Doctrine Command	325,130	311,280
Military District of Washington	8,300	8,300
U.S. Army Materiel Command	234,250	122,570
Army Ammunition Plants	46,950	15,950
U.S. Army Intelligence and Security Command	6,850	0
U.S. Army Information Systems Command	2,780	2,050
U.S. Military Academy	31,000	31,000
U.S. Army Health Services Command	12,270	9,720
U.S. Army Military Traffic Management Command	4,730	4,730
U.S. Army Corps of Engineers Command	11,000	11,000
Special Project	3,000	3,000
Total inside the United States	1,362,590	1,106,950
Outside the United States:		
U.S. Army, Japan	1,050	1,050
Eighth U.S. Army	152,130	146,080
Ballistic Missile Defense Systems Command	14,600	14,600
U.S. Army Forces Command	7,680	7,680
U.S. Army, Europe	318,760	318,760
Total outside the United States	494,220	488,170
Minor construction	31,000	31,000
Design	136,100	144,300
Total support	167,100	175,300
Total military construction authorization	2,023,910	1,770,420
Less:		
Military construction reduction for prior year savings		−106,000
Military construction general reduction for favorable currency rates in Europe and the Pacific:		
Korea		−7,000
Europe		−23,000
Military construction reduction for Davis-Bacon Act exemption		−51,000
Total military construction authorization for appropriation		1,583,420

FACILITY CATEGORY SUMMARY

[In thousands of dollars]

Facility category	Army request	Committee approved
Operations and training	$313,340	$304,550
Maintenance and production	453,920	419,420
Army ammunition plants	46,950	15,950
Research, development, test and evaluation	31,250	31,250
Supply	153,000	58,690
Medical	113,000	113,000
Administrative	70,060	70,060
Housing and community	511,470	440,130
Utilities and ground improvements	163,820	142,070
Minor construction	31,000	31,000
Planning and design	136,100	144,300
Total military construction	2,023,910	1,770,420

FACILITY CATEGORY SUMMARY—Continued

[In thousands of dollars]

Facility category	Army request	Committee approved
Less:		
Military construction reduction for prior year savings		−106,000
Military construction general reduction for favorable currency rates in Europe and the Pacific:		
Korea		−7,000
Europe		−23,000
Military construction reduction for Davis-Bacon Act exemption		−51,000
Total military construction authorization for appropriation		1,583,420

POLLUTION ABATEMENT

The committee approved $19,540,000 for two pollution abatement projects. The projects are listed with the appropriate command's projects.

ENERGY CONSERVATION INVESTMENT PROGRAM

The committee approved $28,090,000 for 21 energy conservation investment projects. The projects are listed with the appropriate command's projects.

Inside the United States

U.S. Army Forces Command

The U.S. Army Forces Command (FORSCOM) has command responsibility for the units, installations, and activities that are principally related to readiness and defense missions. It has command readiness responsibility for most of the deployable troop units in the Army and is responsibile for organizing, training, equipping, and insuring the combat readiness of assigned troop units.

The committee approved $546,440,000 for 97 projects at the following twenty locations:

Location and project	*Thousands*
Fort Bragg, NC:	
Anti-Armor Range	4,050
Sniper Training Range	1,200
Aviation Fuel Storage Facility	2,550
Division Headquarters	6,700
Energy Monitoring System Expansion	2,750
Battalion Headquarters	1,500
Ammunition Storage	490
Tactical Equipment Shop	11,000
Company Operations and Supply	1,650
Aircraft Maintenance Hanger	9,400
Unaccompanied Enlisted Personnel Housing	13,000
Test Equipment Calibration Facility	570
Flight Simulator Building	3,100
Runway Extension	770
Total	58,730
Fort Campbell, KY:	
Flight Simulator Building	2,550
Tactical Equipment Shop	7,200
Multi-purpose Range Complex-Light	16,000
Railroad Track Acquisition	450
Total	26,200
Fort Carson, CO:	
Military Operations on Urbanized Terrain	4,550
Multi-purpose Range Complex-Heavy	24,000
Battalion Headquarters	1,350
Tactical Equipment Shop	12,600
Company Operations and Supply Addition	1,100
Company Operations and Supply	2,100
Range Roads-Phase II	3,050
Total	48,750
Fort Hood, TX:	
Administration and Test Support Facility	8,300
Aircraft Maintenance Facility	15,000
Aircraft Maintenance Facilities	29,000
Tactical Equipment Shop	1,050
Tactical Equipment Shop	5,600
Total	58,950
Fort Hunter-Liggett, CO:	
Technical Documentation Facility	2,200
Milti-purpose Range Complex-Light	8,900
Total	11,100
Fort Indiantown Gap, PA: Centralized Wash Facility	5,300
Fort Irwin, CA:	
Hospital Upgrade and Addition	8,000
Dining Facility Modernization	1,250
Unaccompanied Enlisted Personnel Housing	14,600
Training Facility	1,100
Training Ranges	1,750
Total	26,700
Fort Lewis, Wash:	
Midigan Army Medical Center Phase II	26,000
Barracks with Dining Facility	[1] 12,600
Utilities	6,900
Military Operations on Urbanized Terrain	4,000
Tactical Equipment Shop	3,000
Tactical Equipment Shop	6,100
Tactical Equipment Shop	11,600
Aircraft Maintenance Hangar	10,800
Battalion Headquarters	1,250
Battalion Headquarters	630
Tactical Equipment Shop	4,650
Tactical Equipment Shop	5,100
Battalion Headquarters	2,500
Group Headquarters	2,100
Unaccompanied Enlisted Housing Complex	21,000
Tactical Equipment Shop	2,700
Aircraft Maintenance Hanger	3,350
Total	124,280

[1] Revised Army cost estimate.

Fort McCoy, WI: Ammunition Storage	940
Fort Bragg, NC:	
Unaccompanied Enlisted Personnel Housing	2,950
Physical Fitness Training Center	2,000
Fort Campbell, KY:	
Radiant Heaters	[1] 430
Physical Fitness Training Center	5,900
Fort Carson, CO:	
Child Care Center	[2] 2,600
Physical Fitness Training Center	4,100
Fort Devens, MA: NBC Defense Instruction Facility	610
Fort Drum, NY:	
Fire Station	990
Child Care Center	2,000
Fort Greely, AK: Child Care Center	[2] 2,500
Fort Hood, TX: Tactical Equipment Shop	[3] 7,700
Fort Irwin, CA:	
Community Center	1,900
Child Care Center	1,450
Fort Levis, WA:	
Barracks with Dining Facility	[4] 4,850
Child Care Center	[2] 7,800
Company Operations and Supply	4,800
Fort Polk, LA:	
Tactical Equipment Shop	[1] 11,200
Physical Fitness Training Center	7,000
Fort Riley, KS: Tactical Equipment Shop	[1] 9,500
Fort Stewart, GA: Tactical Equipment Shop	[4] 6,100

All projects deferred without prejudice due to budget constraints unless otherwise noted.

[1] Review scope and cost.
[2] Deferred pending 3rd party financing test.
[3] Later award in fiscal year.
[4] Review requirement.

U.S. ARMY WESTERN COMMAND

The Commander of the U.S. Army Western Command (WESTCOM) commands and supports assigned and attached Active and Army Reserve units, installations and activities in Hawaii and possessions and trust territories in the Pacific administered by the U.S.

The committee approved $40,910,000 for twelve projects at the following three locations:

Location and project	*Thousands*
Fort Shafter, HI: Unaccompanied Enlisted Personnel Housing	6,300
Phoakuloa Training Ara, HI: Ammunition Storage	2,150
Schofield Barracks, HI:	
Security Fence with Land Acquisition	510
Tactical Equipment Shop	11,200
Dining Facility Modernization	2,700
Operations Building	1,500
Company Combined Arms Assault Course	1,850
Military Operations on Urbanized Terrain	3,850
Install Electrical Outlets	400
Air Conditioning Upgrade	5,900
Tactical Equipment Shop	3,650
Automated Field Fire Range	850
Total	32,460

U.S. ARMY TRAINING AND DOCTRINE COMMAND

The U.S. Army Training and Doctrine Command (TRADOC) is responsible for the Army school system and the principal combat development activities of the Army. It is responsible for individual training for members of the active Army and for Army Reserve component personnel assigned to TRADOC schools and activities.

The committee approved $311,280,000 for 46 projects at the following seventeen locations:

Location and project	*Thousands*
Fort A. P. Hill, VA:	
Water Distribution System	600
Heating System	3,500
General Purpose and Cold Storage Warehouse	2,350
Total	6,450
Fort Belvoir, VA:	
Intelligence Command and Control Facility	30,000

Location and project	Thousands
Automated Data Processing Facility	4,300
Total	34,300
Fort Ben Harrison, IN: Unaccompanied Enlisted Personnel Housing	5,300
Fort Benning, GA:	
Highway Crossing—US 280	9,400
Ranger Camp Modifications	5,100
Trainee Barracks	17,000
Tactical Equipment Shop	4,550
Medical Supply Warehouse	1,600
Total	37,650
Fort Bliss, TX:	
Hardstand	11,000
Barracks Modernization	5,500
Barracks Modernization	10,000
Total	26,500
Fort Dix, NJ:	
Main Library	1,850
Dining Facilities Modernization	330
Vehicle Maintenance Instruction Facility	920
Automated Field Fire Range	3,000
Total	6,100
Fort Gordon, GA:	
Addition to Data Processing Building	760
Modified Record Fire Range	880
Applied Instruction Facility	5,800
Barracks with Dining Facility	23,000
Applied Instruction Facility	14,600
Operations Building	1,000
Total	46,040
Fort Jackson, SC: Dining Facilities Modernization	6,600
Fort Knox, KY:	
Vehicular Bridge	8,800
Dining Facilities Modernization	1,300
Tactical Equipment Shop	5,300
Company Operations and Supply	870
Total	16,270
Fort Leavenworth, KS:	
Health Clinic	2,550
Dining Facility Modernization	4,350
Total	6,900
Fort Lee, VA:	
General Instruction Building	9,100
Automated Record Fire Ranges	1,750
Applied Instruction Facility	1,200
Total	12,050
Fort Leonard Wood, MO:	
General Instruction Building	1,150
General Instruction Building	2,800
Total	3,950
Fort McClellan, AL:	
Unaccompanied Officer Housing	3,500
Unaccompanied Enlisted Personnel Housing	23,000
General Instruction Building	12,800
Total	39,350
Fort Pickett, VA: Chemical Decontamination Training Area	420
Fort Rucker, AL:	
Unaccompanied Officer Housing	5,900
Land Acquisition	1,200
General Instruction Building	2,350
Total	9,450
Fort Sill, OK:	
Hospital Upgrade and Addition	29,000
Trainee Barracks	23,000
Total	52,000
Fort Story, VA: Hardstand	1,950

The committee did not authorize the following projects:

Location and project	Thousands
Fort Belvoir, VA: Physical Fitness Training Center	12,800
Fort Benning, GA: Recreation Center	[1]2,000
Fort Bliss, TX:	
Child Care Center	[2]2,350
Physical Fitness Training Center	2,200
Fort Knox, KY: Child Care Center	[2]4,500

All projects deferred without prejudice unless otherwise noted.

[1] Review scope and cost.

[2] Deferred pending 3rd party financing test.

MILITARY DISTRICT OF WASHINGTON

The commander of the Military District of Washington (MDW) commands the troop units in the immediate Washington, D.C. area and is responsible for the operation of the installations under his jurisdiction.

The committee approved $8,300,000 for one project at the following location:

Location and project	Thousands
Fort Myer, VA: Administration Facility	8,300

U.S. ARMY MATERIEL COMMAND

The U.S. Army Materiel Command (AMC) is responsible for integrated, systemized management of the Army's wholesale materiel activities. The wholesale activities responsibilities range from research through acquisition and distribution to disposal.

The committee approved $122,570,000 for 37 projects at the following twenty locations:

Location and project	Thousands
Aberdeen Proving Ground, MD:	
Dining Facilities Modernization	4,400
Lighting Modifications	270
Total	4,670
Anniston Army Depot, AL:	
Ammunition Container Loading Yard	750
Machine Shop	3,150
Facility Energy Improvements	360
Vehicle Repair Facility	4,700
Total	8,960
Corpus Christi Army Depot, TX: Helicopter Blade Facility	4,400
Detroit Arsenal, MI: Window Replacement	320
Dugway Proving Ground, UT:	
Munitions Processing for Assembly Facility	2,150
Ammunition Storage	1,350
Photo Optics Maintenance Facility	1,550
Operations Building	3,600
Total	8,650
Navajo Army Depot, AZ: Ammunition Container Loading Yard	240
Picatinny Arsenal, NJ: Insulate Steam Lines	1,000
Pine Bluff Arsenal, AR: Close Hazardous Waste	19,000
Pueblo Army Depot Activity, CO: Ammunition Container Loading Yard	200
Redriver Army Depot, TX: Ammunition Container Loading Yard	820
Redstone Arsenal, AL:	
Unaccompanied Enlisted Personnel Housing	13,600
Hangar Missile Test Facility	5,300
Target and Seeker Measurement Facility	2,250
Propulsion Aging Laboratory	3,100
Total	24,250
Rock Island Arsenal, IL: Modernize Manufacturing Facility—REARM	29,000
Sacramento Army Depot, CA: Optical Facility	4,550
Savanna Army Depot, IL: Ammunition Container Loading Yard	510
Seneca Army Depot, NY:	
Vapor Barrier Addition	590
Energy Monitoring and Control System	360
Ammunition Container Loading Yard	460
Total	1,410
Sierra Army Depot, CA: Unaccompanied Enlisted Personnel Housing	2,600
Tooele Army Depot, UT:	
Health Clinic	2,000
CAMDS Laboratory	3,200
Storm Windows	240
Ammunition Container Loading Yard	550
Insulate Dock Doors	600
Building Insulation	700
R&D Science & Technology Facility	4,200
Total	11,490
Umatilla Depot Activity, OR: Ammunition Container Loading Yard	260
Yuma Proving Ground, AZ: Wall Insulation	240

The committee did not authorize the following projects:

Location and project	
Army Materials and Mechanics Research Center, MA: Water Pollution Abatement	770
Fort Wingate, NM: Ammunition Container Loading Yard	490
Letterkenny Army Depot, PA: Ammunition Truck Loading and Blocking	[1]1,550
Lake City Army Ammunition Plant, MD: Industrial Wastewater Treatment	[2]19,000

Location and project	
New Cumberland Army Depot, PA: Eastern Distribution Center	[2] 88,000
Redstone Arsenal, AL: Child Care Center	[3] 1,500
Sierra Army Depot, CA: Ammunition Container Loading Yard.	[4] 370

All projects deferred without prejudice unless otherwise noted.

[1] Review scope and cost.

[2] Deferred for review of possible 3rd party financing.

[3] Deferred pending 3rd party financing test.

[4] Review requirement.

ARMY AMMUNITION PLANTS

Army ammunition plants are used to produce conventional ammunition in support of war reserve, consumption, and training requirements including support to the other Services and selected allies.

The committee approved $15,950,000 for 13 projects at the following eight locations:

Location and project	*Thousands*
Holston Army Ammunition Plant, TN:	
Fire Protection Sprinkler Systems	320
Backup Electric Power	1,350
Total	1,670
Indiana Army Ammunition Plant, IN: Convert Shiphouses to Explosive Storage	210
Iowa Army Ammunition Plant, IA: Storm Drainage Improvements—Yard L	810
Kansas Army Ammunition Plant, KS: Rehabilitate Raw Water Intake	570
Lake City Army Ammunition Plant, MD: Enclose Warehouse Loading Docks	930
Louisiana Army Ammunition Plant, LA:	
Replace Explosion Protection Barricade	370
Herbicide & Pesticide Building	270
Total	640
Newport Army Ammunition Plant, IN: Binary Component Production Facility	[1] 8,000

[1] Revised Army cost estimate.

Redford Army Ammunition Plant, VA:	
Replace Explosion Protection Barricades	2,000
Replace Air Compressor—Building 4333	390
Alter Building for Nitrocellulose Weighing	520
Total	2,910
Sunflower Army Ammunition Plant, KS: Guanidine Nitrate Ship-Out Facility	210

U.S. ARMY INTELLIGENCE AND SECURITY COMMAND

The U.S. Army Intelligence and Security Command (INSCOM) is responsible for performing intelligence functions in support of Army field commanders and in fulfillment and support of those national intelligence responsibilities assigned to the Army.

The committee did not authorize the following projects:

Location and project	*Thousands*
Vint Hill Farm Station, VA:	
Warehouse Addition	[1] 950
Equipment Testing and Evaluation Facility	[2] 5,900

[1] Review scope and cost.

[2] Deferred without prejudice.

U.S. ARMY INFORMATION SYSTEMS COMMAND

The U.S. Army Information Systems Command (USAISC) has world-wide responsibilities for engineering, installing, operating, and maintaining Army's information systems, the Army portion of the defense communications system, and for providing, operating, and maintaining the Army's communications-electronics facilities.

The committee approved $2,050,000 for one for one projects at the following location:

Location and project	*Thousands*
Fort Huachuca, AZ: Operations Building	2,050

The committee did not authorize the following projects:

Location and project	*Thousands*
Fort Huachuca, AZ: Automated Record Fire Range	730

U.S. MILITARY ACADEMY

The U.S. Military Academy is responsible for instructing and training the corps of cadets in academic studies which are designed to lead the members to becoming commissioned officers of the Regular Army.

The committee approved $31,000,000 for six projects at the following location:

Location and project	*Thousands*
U.S. Military Academy, NY:	
Chemistry Laboratory Modernization	1,400
General Instruction Building	7,300
Expand Academic Facility	5,300
Energy Monitoring System Expansion	5,900
Modified Record Fire Range	2,500
Boiler Conversion	8,600
Total	31,000

U.S. ARMY HEALTH SERVICES COMMAND

The U.S. Army Health Services Command (HSC) is responsible for providing Army health services to authorized recipients in the United States and its territories. It is the principal proponent and developer of concepts, doctrine, material requirements, and organizations for the health care system for the Army in field environments.

The committee approved $9,720,000 for three projects at the following three locations:

Location and project	*Thousands*
Fort Detrick, MD: Operations Building	7,600
Tripler Army Medical Center, HI: Alternate Electric Power Source	970
Walter Reed Army Medical Center, D.C.: Energy Monitoring and Control System	1,150

The committee did not authorize the following projects:

Location and project	*Thousands*
Fitzsimons Army Medical Center, CO: Physical Fitness Training Center	2,550

U.S. ARMY MILITARY TRAFFFIC MANAGEMENT COMMAND

The U.S. Army Military Traffic Management Command (MTMC) is the Department of Defense single manager for traffic managment, land transportation, and common user ocean terminals.

The committee approved $4,730,000 for four projects at the following three locations:

Location and project	*Thousands*
Bayonne Military Ocean Terminal, NJ:	
Boiler and Refrigeration Plant Automation	1,000
Insulation and Weatherstripping	2,200
Total	3,200
Oakland Army Base, CA: Rail Head Loading Ramps	330
Sunnypoint Military Ocean Terminal, NC: Road and Staging Area Paving	1.200

U.S. ARMY CORPS OF ENGINEERS COMMAND

The mission of the U.S. Army Corps of Engineers Command (USACE) is to exercise command and operational control of and provide support to assigned engineer divisions, districts, research and development organizations and designated field activities engaged in world-wide military construction and civil works programs.

The committee approved $11,000,000 for one project at the following location:

Location and Project	*Thousands*
Humphrey Engineering Center, VA: Topographic Laboratory	11,000

SPECIAL PROJECT

Authorization for a special project was requested. The committee approved $3,000,000 for one project at an unspecified location.

OUTSIDE THE UNITED STATES

U.S. Army, Japan

The U.S. Army, Japan (USARJ) maintains bases in Japan to provide supplies, maintenance, storage, procurement, transportation, engineering, medical and other essential services required to support USARJ operational plans with a capability for expansion when needed.

The committee approved $1,050,000 for one project at the following location:

Location and project	*Thousands*
Japan: Medical Supply Warehouse	1,050

EIGHTH U.S. ARMY

The Eighth U.S. Army provides administrative, medical, and logistical support for U.S. Army units assigned to Korea.

The committee approved $146,080,000 for 64 projects in Korea at the following locations:

Location and project	*Thousands*
Camp Carroll:	
Controlled Humidity Warehouses	19,500
Field Maintenance Addition and Paint Shop	1,800
Satellite Communications Terminal Building	2,600
Battalion Headquarters	1,950
Hardstand	1,000
Medical Supply Operations Building	980
Medical Maintenance and Optical Shop	1,150
Calibration Laboratory	1,600
Unaccompanied Personnel Housing	9,800
Total, Camp Carroll	40,380
Camp Casey:	
Dining Facility	1,350
Company Operations and Supply	350
Tactical Equipment Shop	950
Dental Clinic	2,350
Company Operations and Supply	370
Company Operations and Supply	360
Canvas/Tent Repair Facility	440

Location and project	Thousands
Warehouse	700
Unaccompanied Personnel Housing	3,600
Tactical Equipment Shop	2,450
Total, Camp Casey	12,920
Camp Castle: Unaccompanied Enlisted Personnel Housing	1,100
Camp Colbern: Unaccompanied Officer Housing	550
Camp Edwards:	
Company Operations and Supply	360
Tactical Equipment Shop	730
Total, Camp Edwards	1,090
Camp Gary Owen: Unaccompanied Officer Housing	580
Camp Giant: Unaccompanied Personnel Housing	1,050
Camp Greaves: Moving Target Simulator Building	420
Camp Hovey: Unaccompanied Personnel Housing	8,300
Camp Howze:	
Tactical Equipment Shop	800
Moving Target Simulator Building	430
Tactical Equipment Shop	750
Total, Camp Howze	1,980
Camp Humphreys:	
Flight Simulator Building	1,850
25 Meter Firing Range	700
Unaccompanied Officer Housing	3,700
Unaccompanied Enlisted Personnel Housing	2,450
Unaccompanied Enlisted Personnel Housing	2,900
Total, Camp Humphreys	11,600
Camp Kittyhawk: Unaccompanied Enlisted Personnel Housing	1,600
Camp Kyle:	
Warehouses	2,650
Tactical Equipment Shop	930
Total, Camp Kyle	3,580
Camp Liberty Bell: Dining Facility	800
Camp Market: Tactical Equipment Shop	710
Camp Page:	
Electrical Distribution System Upgrade	2,350
Fuel Storage and Dispensing Facility	4,250
Dispensary/Dental Clinic	1,500
Airfield Operations Facilities	2,100
Tactical Equipment Shop	1,050
Central Heating and Cooling Plant	4,550
Water and Sewer Upgrade	3,200
Aircraft Maintenance Hangar	7,200
Unaccompanied Personnel Housing	6,400
Total, Camp Page	32,650
Camp Pelham: Unaccompanied Enlisted Personnel Housing	2,400
Camp Red Cloud:	
Company Operations and Supply	330
Tactical Equipment Shop	1,400
Total, Camp Red Cloud	1,730
Camp Stanley:	
Dispensary	1,150
Unaccompanied Personnel Housing	4,350
Total, Camp Stanley	5,500
K-16 Army Airfield:	
Flight Simulator Building	1,700
Tactical Equipment Shop	840
Paintshop	900
Unaccompanied Enlisted Personnel Housing	610
Total, K-16 Army Airfield	4.050
Location 177: Multi-purpose Activity Center	740
Yongin: Unaccompanied Personnel Housing Complex	2,550
Yongson:	
Warehouse Addition	2,050
Chapel and Religious Education Facility	2,150
Barracks and Movement Control Center	2,150
Provost Marshal Command/Control Facility	1,450
Unaccompanied Enlisted Personnel Housing	2,000
Total, Yongson	9,800

The committee did not authorize the following projects:

Location and project	Thousands
Camp Carroll: Medical Supply Warehouse	[1] 4,500
Location 177: Power Upgrade	[1] 1,550

[1] Review scope and cost.

BALLISTICS MISSILE DEFENSE SYSTEMS COMMAND

The mission of the Ballistic Missile Defense Systems Command (BMDSC) is to coordinate and control all work and associated resources in testing and logistical support involved in developing effective ballistic missile defense systems.

The committee approved $14,600,000 for three projects at the following location:

Location and project	Thousands
Kwajalein:	
Shore Erosion Control	2,400
Aircraft Maintenance Hangar	7,100
Upgrade Airfield	5,100
Total	14,600

U.S. ARMY FORCES COMMAND

The U.S. Army Forces Command has command responsibility for the units, installations, and activities that are principally related to readiness and defense missions. It has command readiness responsibility for the bulk of the deployable troop units in the Army and is responsible for organizing, training, equipping, and insuring the combat readiness of assigned troop units.

The committee approved $7,680,000 for three projects at the following location:

Panama:	
Barracks Modernization	4,550
HVAC Systems Modifications	930
Unaccompanied Enlisted Personnel Housing	2,200
Total	7,680

U.S. ARMY, EUROPE

The U.S. Army, Europe, provides administrative, medical, and logistical support for the U.S. Army, Europe, and the Seventh Army.

The committee approved $318,760,000 for 92 projects at the following locations:

Location and project	Thousands
Amberg, Germany: Ammunition Storage	850
Ansbach, Germany:	
Tactical Site Facilities	690
Dispensary/Dental Clinic	1,900
Tactical Equipment Shop	9,400
Dining Facilities Modernization	2,400
Total, Ansbach	14,390
Bad Kreuznach, Germany: Child Care Center	1,100
Bad Toelz, Germany: Dispensary/Dental Clinic	1,850
Bamberg, Germany:	
Boiler Plant Automation	6,000
Hardstand and Equipment Storage	490
Total, Bamberg	6,490
Baumholder, Germany: Child Care Center	900
Darmstadt, Germany:	
Ammunition Storage Phase I	600
Tactical Equipment Shop	4,400
Tactical Equipment Shop	3,650
Unaccompanied Enlisted Personnel Housing	4,750
Battalion Headquarters	1,700
Unaccompanied Enlisted Personnel Housing	4,500
Dining Facility	1,300
Tactical Equipment Shop	8,300
Total, Darmstadt	29,200
Frankfurt, Germany:	
Battalion Headquarters	990
Tactical Equipment Shop	3,500
Unaccompanied Enlisted Personnel Housing	3,850
Utilities Modernization	5,200
Physical Fitness Training Center	1,850
Battalion Headquarters	990
Tactical Equipment Shop	2,300
Total, Frankfurt	18,680
Friedberg, Germany:	
Unaccompanied Enlisted Personnel Housing	8,200
Battalion Headquarters	950
Total, Friedberg	9,150
Fulda, Germany:	
Unaccompanied Enlisted Personnel Housing	4,950
Community Center	2.250
Total, Fulda	7,200
Giessen, Germany: Physical Fitness Training Center	1,700
Goeppingen, Germany:	
Unaccompanied Enlisted Personnel Housing	2,850
Tactical Equipment Shop	3,800
Unaccompanied Officer Housing	2,500

Location and project	Thousands
Child Care Center	1,100
Total, Goeppingen	10,250
Grafenwoehr, Germany: Automated Record Fire Range	2,450
Haingruen, Germany: Troop Ready Building	680
Hanau, Germany:	
Unaccompanied Enlisted Personnel Housing	3,600
Tactical Equipment Shop	4,050
Tactical Equipment Shop	8,200
Unaccompanied Enlisted Personnel Housing	2,650
Tactical Equipment Shop	3,350
Dispensary/Dental Clinic	1,850
Child Care Center	780
Hardstand	1,850
Tactical Equipment Shop	21,000
Battalion Headquarters	810
Total, Hanau	48,140
Heidelberg, Germany:	
Child Care Center	3,550
Tactical Equipment Shop	3,450
Operations Building	1,800
Total, Heidelberg	8,800
Heilbronn, Germany:	
Hardstand	2,200
Hardstand	750
Total, Heilbronn	2,950
Hohenfels, Germany:	
Military Operations on Urbanized Terrain	3,250
Applied Instruction Facility	1,600
Automated Record Fire Range	1,450
Total, Hohenfels	6,300
Kaiserslautern, Germany: Tactical Equipment Shop	3,450
Karlsruhe, Germany:	
Battery Shop	2,000
Child Care Center	470
Tactical Equipment Shop	1,550
Total, Karlsruhe	4,020
Mainz, Germany: Ammunition Storage	820
Neu Ulm, Germany: Child Care Center	1,000
Nuernberg, Germany:	
Ammunition Storage	860
Tactical Equipment Shop	1,500
Battalion Headquarters	2,300
Modified Record Fire Range	2,850
Child Care Center	1,850
Total, Nuernberg	9,360
Pirmasens, Germany: Electronics Maintenance Facility	14,000
Schoeningen, Germany: Power Distribution Upgrade	700
Schweinfurt, Germany:	
Rotary Wing Aircraft Parking	690
Ammunition Storage	3,050
Barracks with Dining Facility	13,000
Battalion Headquarters	1,100
Total, Schweinfurt	17,840
Stuttgart, Germany:	
Communications Security Support Facility	1,050
Unaccompanied Enlisted Personnel Housing	3,450
Total, Stuttgart	4,500
Vilseck, Germany:	
Tactical Equipment Shop	3,850
Community Center	3,200
Child Care Center	2,350
Headquarters	890
Total, Vilseck	10,290
Wiesbaden, Germany: Flight Simulator Building	2,900
Wildflecken, Germany: Multi-purpose Training Ranges	20,000
Wuerzburg, Germany:	
Hospital Upgrade and Addition	31,000
Consolidate Heating Plants	5,600
Tactical Site Facilities	320
Ammunition Storage	650
Sewer System Upgrade	3,050
Hardstand	1,250
Child Care Center	2,050
Battalion Headquarters	1,500
Dining Facility	2,650
Total, Wuerzburg	48,070
Greece:	
Upgrade Operations and Supply Building	800
Upgrade Multi-purpose Building	640
Total, Greece	1,440
Italy:	
Child Care Center	1,350
Veterinary Facility	500

TITLE II—NAVY

The Navy requested authorization of $2,879,949,000. The Committee after careful review and consideration of the Navy request, approved the following programs:

	Navy request	Committee approved
Military construction:		
Inside the United States	1,752,130,000	1,437,635,000
Outside the United States	243,300,000	221,195,000
Architectural and engineering services and construction design	139,260,000	141,860,000
Unspecified minor	21,560,000	21,560,000
Access roads	2,960,000	2,960,000
General reduction for bid savings	0	−100,000,000
General reduction for civilian end strength		−5,346,000
Reduction for future appropriation for NSB, Kings Bay, GA, drydock		−85,600,000
General reduction for Davis-Bacon		−39,000,000
Reduction NS, New York, NY, dredging		−11,700,000
Total MILCON authorized for appropriation	2,159,210,000	1,583,564,000
Military family housing:		
Construction, improvements, and design	154,000,000	154,000,000
Support	584,739,000	585,839,000
Total family housing	738,739,000	739,839,000
Grand total, Navy	2,897,949,000	2,323,403,000

MAJOR COMMAND SUMMARY

[Dollars in thousands]

Major command	Navy request	Committee approved
Inside the United States:		
U.S. Marine Corps	391,490	234,230
Chief of Naval Research	28,900	28,900
Office of the Comptroller of the Navy	2,940	2,940
Chief of Naval Operations	73,890	30,090
Commander in Chief, Atlantic Fleet	149,515	125,565
Commander in Chief, Pacific Fleet	176,425	173,170
Chief of Naval Education and Training	162,215	135,555
Navy Military Personnel Command	1,900	1,900
Naval Medical Command	67,760	67,760
Chief of Naval Material	685,380	625,810
Naval Oceanography Command	4,890	4,890
Naval Telecommunications Command	785	785
Naval Security Group Command	6,040	6,040
Subtotal, inside the United States	1,752,130	1,437,635
Outside the United States:		
U.S. Marine Corps	7,015	7,015
Commander in Chief, Atlantic Fleet	69,100	69,100
Commander in Chief, Pacific Fleet	100,710	100,710
Commander in Chief, U.S. Naval Forces Europe	22,795	22,795
Chief of Naval Material	5,480	5,480
Naval Telecommunications Command	33,520	11,415
Naval Security Group Command	3,700	3,700
Host Nation Infrastructure Support	980	980
Subtotal, outside the United States	243,300	221,195
Total	1,995,430	1,658,830
Unspecified minor construction	21,560	21,560
Architectural and engineering services and construction design	139,260	141,860
Access roads	2,960	2,960
General reduction for bid savings	0	−100,000
General reduction for civilian end strength	0	−5,346
Reduction for future appropriation for NSB, Kings Bay, GA, drydock		−85,600
General reduction for Davis-Bacon		−39,000
Reduction NS, New York, NY, dredging		−11,200
Total military construction	2,159,210	1,583,564
Family housing	738,739	739,839
Grand total	2,987,949	2,323,403

FACILITY CATEGORY SUMMARY

[In thousands of dollars]

Description	Request			Committee approved		
	Navy	Marine Corps	Total	Navy	Marine Corps	Total
Operational	233,567	31,080	264,647	212,077	31,080	243,157
Training	211,535	15,165	226,700	163,845	15,165	179,010
Maintenance and production	444,740	80,625	525,365	402,900	80,625	483,525
RDT&E	74,565	0	74,565	70,345	0	70,345
Supply	66,683	15,920	82,603	66,683	15,920	82,603
Medical	84,360	0	84,360	84,360	0	84,360
Administrative	83,910	14,060	97,970	46,080	14,060	60,140
Troop housing	165,630	70,960	236,590	155,030	70,960	225,990
Community	31,750	11,890	43,640	16,860	2,630	19,490
Utilities	99,840	153,785	253,625	99,060	5,785	104,845

FACILITY CATEGORY SUMMARY—Continued

[In thousands of dollars]

Description	Request			Committee approved		
	Navy	Marine Corps	Total	Navy	Marine Corps	Total
Energy conservation	4,360	0	4,360	4,360	0	4,360
Water pollution abatement	16,610	5,020	21,630	16,610	5,020	21,630
Real estate	78,395	0	78,395	78,395	0	78,395
Subtotal	1,595,945	398,505	1,994,450	1,416,605	241,245	1,657,850
Access roads			2,960			2,960
Unspecified minor construction			21,560			21,560
Architectural and engineering services and construction design			139,260			141,860
NATO			890			980
Subtotal			2,159,210			1,825,210
General reduction						−100,000
General reduction for civilian end strength						−5,346
Reduction for future appropriation for NSB, King Bay, GA, drydock						−85,600
General reduction for Davis-Bacon						−39,000
Reduction for NS, New York, NY, dredging						−11,700
Total MCON			2,159,210			1,583,564

POLLUTION ABATEMENT

The committee approved $21,630,000 for 10 pollution abatement projects. The projects are listed with the appropriate command's projects.

ENERGY CONSERVATION INVESTMENT PROGRAM

The committee approved $3,580,000 for 5 energy conservation projects. The projects are listed with the appropriate command's projects.

MILITARY CONSTRUCTION, INSIDE THE UNITED STATES

U.S. MARINE CORPS

The Marine Corps is responsible for providing air and ground forces for the seizure and defense of advanced naval bases and the conduct of land operations incident to the prosecution of the naval campaign.

The committee approved $234,230,000 for 67 projects at the following 16 locations:

[In thousands of dollars]

Location and project	*Cost*
MCLB, Barstow, CA: Radiographic facility	530
MCAS, Beaufort, SC:	
Aircraft parking apron	570
Ordnance handling pad	4,150
Fuel pier extension	685
Air combat training facility	1,080
Hazardous waste facility	420
Total	6,905
MCMWTC, Bridgeport, CA: Automotive maintenance shop	1,470
MCCD, Camp Elmore, Norfolk, VA:	
Combat vehicle maintenance facility	715
Fleet marine force support warehouse	3,280
Total	3,995
MCB, Camp Lejeune, NC:	
Vehicle mechanics training building	2,550
Combat vehicle maintenance shop	2,740
Light armored vehicle maintenance shop	4,850
Electronics and communications maintenance shop	3,280
Bachelor enlisted quarters	9,500
Sewcrage system improvements	1,220
Total	24,140
MCB, Camp Pendleton, CA:	
Communications and electronics maintenance and storage facility	1,470
Communication improvements	6,000
Special intelligence support facility	1,520
Battalion headquarters	3,300
Bachelor enlisted quarters	7,950
Oil spill prevention	1,470
Armory addition	365
Tactical vehicle maintenance facility	3,100
Total	25,175
MCAF, Camp Pendleton, CA:	
Armory	570
Maintenance hangar	11,000
Automotive maintenance shop	1,270
Group headquarters building	1,470
Total	14,310
MCAS, Cherry Point, NC:	
Vertical take-off and landing pads	4,600
Maintenance hangar modifications	3,190
Parachute and survival equipment shop addition	490
Operations, training and maintenance facilities	3,970
Aviation supply warehouse	5,100
Bachelor enlisted quarters	19,100
Total	36,450
MCAS, El Toro, CA:	
Tactical support van pads	2,250
Aircraft direct fueling facilities	4,460
Communications conduit	980
Aircrew water survival training facility	1,960
Electronics and communications maintenance facilities	1,470
Bachelor enlisted quarters	17,640
Loading and unloading ramps	345
Hazardous waste facility and oil spill prevention	1,270
Total	30,375
MCAS, Kaneohe Bay, HI:	
Maintenance hangar improvements	940
Heavy gun shop	4,900
Ground support equipment facilities	1,290
Aviation supply facilities	1,760
Medical warehouse	4,310
Electrical distribution system improvements	4,220
Total	17,420
MCAS, New River, NC:	
Aviation ready fuel storage	2,000
Ground support equipment facility	1,130
Helicopter maintenance hangar	7,650
Total	10,780
MCRD, Parris Island, SC:	
Clothing issue building	2,630
Recruit training building	980
Total	3,610
MCAS, Tustin, CA:	
Aircraft parking apron	4,450
Helicopter maintenance training building	2,250
Maintenance hangar	8,330
Helicopter engine maintenance shop	2,940
Total	17,970
MCAGCC, Twentynine Palms, CA:	
Battalion and battery headquarters	2,840
Brigade headquarters	2,880
Bachelor enlisted quarters	11,570
Total	17,290
MCDEV&EDCOM, Quantico, VA:	
Bachelor enlisted quarters	5,200
Sewerage system	1,860
Total	7,060
MCAS, Yuma, AZ:	
Attack aircraft training building	3,150
Operational trainer facility	2,550
Maintenance hangar	4,300
Engine test cell	3,570
Power check pads	1,130
Battalion headquarters	2,050
Total	16,750

The committee did not authorize the following projects:

Location of project	*Cost*
MCAS, Beaufort, SC: Child care center	[1] 900
MCB, Camp Pendleton, CA: Santa Margarita water project	[2] 148,000

Location of project	Cost
MCAS, Cherry Point, NC: Child care center	[1] 1,490
MCAGCC, Twentynine Palms, CA:	
Physical fitness center	[3] 5,380
Child care center	[1] 1,490

[1] Pending third party test.
[2] Scope not resolved.
[3] Budget constraints.

CHIEF OF NAVAL RESEARCH

The Chief of Naval Research is responsible for naval research related to the maintenance of future naval power and the preservation of the national security.

The committee approved $28,900,000 for one project at the following location:

Location, project, and cost:

NRL, Washington, DC, electronic warfare laboratory, $28,900,000.

OFFICE OF THE COMPTROLLER OF THE NAVY

The mission of the Office of the Comptroller of the Navy is to formulate principles and policies, and prescribes procedures and systems which will exercise effective control over the financial operations of the Department of the Navy through the application of sound accounting principles and progressive modernization of the programming, budgeting and financial management system development, financial analysis and auditing practices of the Department of the Navy.

The committee approved $2,940,000 for one project at the following location:

Location, project, and cost:

NFC, Cleveland, OH: Data processing center addition, $2,940,000.

CHIEF OF NAVAL OPERATIONS

The Chief of Naval Operations is responsible for certain central executive organizations, assigned shore activities, and the operating forces of the Navy.

The committee approved $30,090,000 for 8 projects at the following 8 locations:

[In thousands of dollars]

Location and project	Cost
NA, Annapolis, MD: Public works shops and storage	1,880
NAVSPACECOM, Dahlgren, VA: Command and control center	4,700
NARDAC, Jacksonville, FL: Data processing center	10,300
NSPSUFLDSTA, Lewisville, AR: Antenna modernization and land acquisition	675
NTISA, Mayport, FL: Tactical data system facility	470
NTISA, North Island, CA: Headquarters building	585
NARDAC, Norfolk, VA: Data processing center	10,880
NAVSPSURFLDSTA, San Diego, CA: Antenna modernization	600

The committee did not authorize the following projects:

[In thousands of dollars]

Location and project	Cost
NA, Annapolis, MD: Brigade activities center	[1] 21,600
NPGS, Monterey, CA: Ocean sciences academic building	[2] 13,000
INTELCENPAC, Pacific, Pearl Harbor, HI: Intelligence center addition	[3] 2,900
COMNAVDIST, Washington, DC: Administrative office modernization	[4] 6,300

[1] Reduce scope.
[2] Consider lesser cost alternative.
[3] Budget constraints.
[4] Not justified.

COMMANDER IN CHIEF, ATLANTIC FLEET

The Commander in Chief, Atlantic Fleet, is responsible for air, surface, submarine and fleet marine forces and supporting shore installations within the Atlantic region.

The committee approved $125,565,000 for 25 projects at the following 11 locations:

[Dollars in thousands]

Location and project:	Cost
NAS, Brunswick, ME:	
Patrol aircraft maintenance training building	$3,040
NAS, Cecil Field, FL:	
Air combat training range	26,250
Aircraft parking apron	2,800
Training range debriefing facility	785
Total	29,835
NS, Charleston, SC:	
Bachelor enlisted quarters	9,600
Storm sewer	360
Total	9,960
NAS, Jacksonville, FL:	
Anti-submarine warfare aircraft training buildings	5,800
Brig	6,470
Total	12,270
NAVPHIBSE, Little Creek, VA:	
Explosive ordnance disposal group complex	4,560
Bachelor enlisted quarters	7,740
Total	12,300
NS, Mayport, FL:	
Fleet training support facility	810
Fire and rescue station addition	210
Helicopter maintenance hangar	9,800
Total	10,820
NSB, New London, CT:	
Submarine magnetic silencing facility	365
NS, New York, NY:	
Site improvements	3,920
Land acquisition	2,940
Dredging	11,700
Total	18,560
NAS, Norfolk, VA:	
Mine countermeasures helicopter training building	1,130
Warning aircraft training building addition	815
Helicopter Maintenance hangar	7,160
Oil spill prevention	1,570
Total	10,675
NS, Norfolk, VA:	
Dredging	800
NAS, Oceana, VA:	
Maintenance hangar	11,000
Steam and condensate systems	840
Land acquisition	5,100
Total	16,940

The committee did not authorize the following projects:

[Dollars in thousands]

Location and project	Cost
NAVPHIBSE, Little Creek, VA:	
Combat swimmer training facility	$4,070 [1]
NS, Mayport, FL:	
Child care center	2,240 [2]
NF, Radio Island, NC:	
Equipment washdown facility and land acquisition	17,640 [3]

[1] Budget constraints.
[2] Pending third party test.
[3] Consider lesser cost alternatives.

COMMANDER IN CHIEF, PACIFIC FLEET

The Commander in Chief, Pacific Fleet is responsible for air, surface, submarine and fleet marine forces and supporting shore installations within the Pacific region.

The committee approved $137,170,000 for 27 projects at the following 17 locations:

[Dollars in thousands]

Location and project	Cost
NF, Adak, AK:	
Electric power plant	$2,650
NAS, Alameda, CA:	
Dredging	8,650
NSB, Bangor, WA:	
Bachelor enlisted quarters	5,200
PHIBTASKFORCE, Camp Pendleton, CA:	
Landing craft air cushion complex	9,020
NAVPHIBSE, Coronado, CA:	
Waterfront operations building	3,050
Amphibious forces training building	3,500
Sealift support maintenance facility	4,400
Bachelor enlisted quarters	5,200
Total	16,150
NS, Everett, WA:	
Land acquisition	17,640
NAS, Fallon, NV:	
Strike warfare training building	7,350
Aircraft parking apron	8,230
Range improvements	12,000
Control tower	2,350
Utility systems improvements	6,570
Total	36,500
NAS, Lemoore, CA:	
Helicopter escape trainer	2,300
NS, Long Beach, CA:	
Bachelor enlisted quarters	16,000
NAS, Miramar, CA:	
Hazardous waste facility	385
NAS, North Island, CA:	
Helicopter maintenance hangar	13,130
Ordnance facilities	5,463
Total	18,593
NSB, Pearl Harbor, HI:	
Bachelor enlisted quarters modernization	2,900
NS, San Diego, CA:	
Deperming pier	9,110
Degaussing building	980
Dredging	6,107
Total	16,197
NSB, San Diego, CA:	
Electrical distribution system improvements	14,120
NS, Seattle, WA:	
Brig	3,480
NS, Mare Island, Vallego, CA:	
Telephone lines	735
NAS, Whidbey Island, WA:	
Maintenance hangar improvements	2,650

The committee did not authorize the following projects:

[Dollars in thousands]

Location and project	Cost
NS, Long Beach, CA: Construction battalion unit complex	1,230 [2]
COMOCSYSPAC, Pearl Harbor, HI: Naval ocean processing facility addition	1,180 [1]
NS, San Diego, CA: Child care center	845 [3]

[1] Budget constraints.
[2] Not justified.
[3] Pending third party test.

CHIEF OF NAVAL EDUCATION AND TRAINING

The Chief of Naval Education and Training is responsible for the education and training of all naval personnel.

The committee approved $135,555,000 for 33 projects at the following 22 locations:

[Dollars in thousands]

Location and project	Cost
FMWTC, Charleston, SC: Mine warfare training facility	$1,180
NAVPHISCH, Coronado, CA: Landing craft air cushion training building	5,900
SWOSCOLCOMDET, Coronado, CA: Surface warfare officer training building	5,200
NAS, Corpus Christi, TX: Land acquisition	1,960
Electrical switching station	2,400
Total	4,360
FCTCLANT, Dam Neck, VA: Radarman training building	7,150
NAVEODSCOL, Eglin, FL: Explosive ordnance disposal training facilities	13,700
NAVCONSTRACEN, Gulfport, MS: Seabee training buildings	2,460
NAVPHIBSCOL, Little Creek, VA: Amphibious force training building improvements	420
NAS, Memphis, TN: Radar operational facility	835
Aviation mechanics training buildings	6,750
Air traffic controller training building	2,740
Naval legal service building	1,370
Brig	3,180
Total	14,875
NAS Meridian, MS: Road improvements	450
NAVSUBSCH, New London, CT: Submarine training building	13,300
NETC, Newport, RI: Bachelor officer quarters	8,700
Construction battalion unit complex	1,180
Fire fighting training facility	8,800
Facility energy improvements	1,570
Senior enlisted academy	3,430
Municipal sewer connection	4,600
Total	28,280
NTC, Orlando, FL: Barracks	9,400
NAS, Pensacola, FL: Facility energy improvements	225
NTTC, Pensacola, FL: Crypto training building	1,370
Bachelor enlisted quarters improvements	4,300
Total	5,670
NAVCONSTRAC, Port Hueneme, CA: Seabee training buildings	4,800
FASWTCPAC, San Diego, CA: Anti-submarine warfare training building	7,850
FCTCPAC, San Diego, CA: LAMPS MK III training building	305
FTC, San Diego, CA: Damage control training facility	4,750
NTC, San Diego, CA: Patternmaker training building	2,900
NTTC, San Francisco, CA: Underway replenishment training building	1,570
NAS, Whiting Field, FL: Pay and personnel support office	810

The committee did not authorize the following projects:

[Dollars in thousands]

Location and project	Cost
NAVPHISCH, Coronado, CA: Combat swimmer trainer facility	$3,430 [1]
FCTCLANT, Dam Neck, VA: Chapel and religious education building	2,490 [1]
NTC, Great Lakes, IL: Diesel engineman training facility addition	4,360 [1]
Barracks	10,600 [1]
Physical fitness center	5,780 [1]

[1] Budget constraints.

NAVAL MILITARY PERSONNEL COMMAND

The Naval Military Personnel Command is responsible for the procurement, distribution, administration and motivation of the military personnel of the regular and reserve components of the Navy; and for the management and administration of the Navy's civilian personnel; and for development of service wide programs for improvement of human resources management.

The committee approved $1,900,000 for a project at the following location:

[In thousands]

Location and project	Cost
NAVBAND, Washington, DC: Navy band training building modernization	1,900

NAVAL MEDICAL COMMAND

The Naval Medical Command is responsible for the health of Navy and Marine Corps personnel, their dependents, and other personnel.

The committee approved $67,760,000 for 7 projects at the following 7 locations:

[In thousands of dollars]

Location and project	Cost
NAVMEDCLIN, Annapolis, MD: Naval hospital	12,540
NH, Groton, CT: Hospital expansion	8,720
NH, Jacksonville, FL: Hospital addition	18,600
NH, Long Beach, CA: Medical clinic	6,300
NH, Oak Harbor, WA: Hospital addition	13,900
NH, Pensacola, FL: Medical and dental clinic	7,250
NH, San Diego, CA: Fire station	450

CHIEF OF NAVAL MATERIAL

The Naval Material Command is the single integated material support agency for the Navy. It is responsible for the development, procurement and support of total weapons systems, depot maintenance, supply management and facilities support.

The committee approved $625,810,000 for 68 projects at the following 31 locations:

[In thousands of dollars]

Location and project	Cost
Puget Sound NSY, Bremerton WA: Inactive submarine mooring	620
Underwater equipment laboratory addition	960
Electrical distribution system improvements and land acquisition	20,650
Waterfront security lighting	765
Municipal sewer connection	7,950
Total	30,945
NSC, Bremerton WA: POL storage facilities	1,520
NWS, Charleston, SC: Ammunition overhaul shop	3,230
POMFLANT, Charleston, SC: Fire protection water tank	1,620
NARF, Cherry Point, NC: Hazardous and flammable storage facility	1,720
NWC, China Lake, CA: Pay and personnel support office	785
Fixed point test facility	1,670
Ordnance research laboratory	6,866
Total	9,315
NWS, Earl NJ: Mine assembly facility	780
Weapons handling facility	2,940
Total	3,720
NCBC, Gulfport, MS: Seabee equipment maintenance facility	2,550
NOS, Indian Head, MD: Bachelor officer quarters modernization	1,570
NSC, Jacksonville, FL: Waterfront transit shed	285
Fuel truck loading facility	1,270
Total	1,555
NUSWES, Keyport, WA: Torpedo assembly building	660
Hazardous and flammable storehouse	1,780
Total	2,440
NSB, Kings Bay, GA: Communications antenna facilities	1,670
Tender mooring and lay berths	23,500
Dredging	23,380
Explosives handling wharf	39,010
Strategic weapons facility (Phase II)	91,360
Drydock	[1]125,000
Command and control systems shop	7,160
Controlled industrial facility	7,550
Hull shops	12,740
Refit warehouse	7,920
Strategic weapons magazines	13,700
Consolidated personnel support facility	3,230
Bachelor enlisted quarters and administrative facility	5,400
Community impact assistance	6,140
Utilities and site improvements	35,700
Total	404,060
NAEC, Lakehurst, NJ: Energy monitoring and control system	600

Location and project	Cost
Long Beach NSY, Long Beach, CA: Sonar rubber dome facility	7,160
NOS, Louisville, KY:	
Gun shop and land acquisition	4,210
Plating shop modernization	12,740
Total	16,950
NARF, Norfolk, VA:	
Heavy processes shops	11,170
Hazardous and flammable storage facility	1,910
Total	13,080
NSC, Norfolk, VA: Warehouse modernization	2,350
NARF, North Island, CA:	
Engineering laboratory	9,120
Heating, ventilation, air conditioning	345
Total	9,465
NSC, Oakland, CA:	
Dredging	6,570
Oil spill prevention	1,320
Total	7,890
Pearl Harbor NSY, Pearl Harbor, HI: Hazardous and flammable storage facility	1,860
NPWC, Pearl Harbor, HI: Electrical distribution system improvements	13,700
NPWC, Pensacola, FL: Electrical distribution system improvements	8,430
PMTC, Point Mugu, CA: Bachelor enlisted quarters	10,200
NCBC, Port Hueneme, CA:	
Seabee materiel transit facility	6,960
Seabee operations headquarters	5,880
Bachelor enlisted quarters	5,100
Cogeneration utility plant addition	3,630
Total	21,570
NSWSES, Port Hueneme, CA: Weapon systems engineering buildings	10,780
NESEC, Portsmouth, VA:	
Communications systems laboratory addition	825
Shipboard electronics support laboratory	880
Utilities improvements	1,550
Total	3,255
Norfolk NSY, Portsmouth, VA:	
Dockside work center addition	530
Bachelor officer quarters	5,600
Mess hall	560
Total	6,690
NSC, San Diego, CA:	
Fire protection system	1,760
Cold storage warehouse	5,340
Total	7,100
NAVELECSYSENGACT, St. Inigoes, MD:	
Command, control and communications laboratory	7,850
Utilities improvements	3,140
Combatant communications assembly and test facility	4,560
Total	15,550
Mare Island NSY, Vallejo, CA: Security lighting (Total)	815
NMINEWARENGACT, Yorktown, VA: Mine warfare systems laboratory (Total)	4,120

[1] To be incrementally funded. Authorization for appropriations, $40,000,000.

The committee did not authorize the following projects:

[In thousands of dollars]

Location and project	Cost
NARF, Alameda, CA:	
Paint and finishing hangar	[1] 24,200
Energy monitoring and control system	[1] 780
NWS, Charleston, SC: Gymnasium	[1] 840
NCBC, Port Hueneme, CA: Chapel and religious education building	[1] 2,080
NESEC, San Diego, CA: Fleet support center	[2] 27,450
NADC, Warminster, PA: Navigation equipment laboratory	[1] 4,220

[1] Budget constraints.
[2] Reconsider alternatives.

NAVAL OCEANOGRAPHY COMMAND

The Naval Oceanography Command is responsible for providing research and operational data of the environment to support the Navy and other services. Data includes mapping, charting and geodesy publications.

The committee approved $4,890,000 for 2 projects at the following 2 locations:

[Dollars in thousands]

Location and project	Cost
NAVOCEACMDFAC, Jacksonville, FL: Meteorological building addition	390
NAVWESTOCEANCEN, Pearl Harbor, HI: Meteorological building	4,500

NAVAL TELECOMMUNICATIONS COMMAND

The Naval Telecommunications Command is responsible for providing communications by satellite and radio for administrative functions and command and control of Navy ships.

The committee approved $785,000 for a project at the following location:

[Dollars in thousands]

Location and project	Cost
NRS, Sugar Grove, WV: Sewerage system	785

NAVAL SECURITY GROUP COMMAND

The Naval Security Group Command is responsible for signal intelligence, protection of U.S. Navy signals and other exploitable emissions, special communications systems, technical research and development for the creation of new systems and equipment and Navy-wide support of the Armed Forces Courier Service.

The committee approved $6,040,000 for 6 projects at the following 4 locations:

[Dollars in thousands]

Location and project	Cost
NSGA, Adak, AK: Security improvements	980
NSGA, Northwest, Chesapeake, VA: Strategic facilities and public works shop	835
Bachelor enlisted quarters modernization	550
Total	1,385
NSGA, Skaggs Island, CA: Computer suport warehouse	395
NSGA, Winter Harbor, ME:	
Public works shop	880
Ocean surveillance building addition	2,400
Total	3,280

MILITARY CONSTRUCTION, OUTSIDE THE UNITED STATES, UNITED STATES MARINE CORPS

For the Marine Corps outside the United States, the committee approved $7,015,000 for 5 projects at the following 3 locations:

[Dollars in thousands]

Location and project	Cost
MCAS, Iwakuni, JP:	
Operational trainer facility	645
Aviation armament shop	1,130
Total	1,775
MCAS Futenma, Okinawa, JP:	
Refueling vehicle shop	1,320
Ground support equipment shop addition	1,670
Total	2,990
MCB Camp Smedley D. Butler, Okinawa, JP: Heavy gun shop	2,250

COMMANDER IN CHIEF, ATLANTIC FLEET

For the Commander in Chief, Atlantic Fleet, outside the United States, the committee approved $69,100,000 for 10 projects at the following 6 locations:

[Dollars in thousands]

Location and project	Cost
NF Argentina, NF, CAN: Fire protection system	700
NF, Antigua, W.I.: Naval facility upgrade	2,410
NS, Guantanamo Bay, CU:	
Bachelor enlisted quarters—new and modernization	10,060
Communications facilities	2,750
Bachelor officer quarters	9,600
Total	22,410
NS, Keflavik, IC:	
Airfield improvements	20,510
Aircraft acoustical enclosure support facilities	1,270
Total	21,780
LANTFLTWPNTRFAC, Roosevelt Roads, PR:	
Underwater range operations center	4,100
Range operations center	3,000
Total	7,100
NS, Roosevelt Roads, PR: Bachelor quarters	14,700

COMMANDER IN CHIEF, PACIFIC FLEET

For the Commander in Chief, Pacific Fleet, outside the United States, the committee approved $100,710,000 for 17 projects at the following 9 locations:

[Dollars in thousands]

Location and project	Cost
NAS, Cubi Point, RP: Maintenance hangar	19,200

Location and project	Cost
NSF, Diego Garcia, IO:	
Lighted navigational aids	510
Antenna support facilities	1,320
Fleet support warehouse	2,500
Laundry building addition	3,280
Bachelor officer quarters	8,920
Total	16,530
NAF, Diego Garcia, IO:	
Fire station addition	980
Maintenance hangar	15,200
Weapons complex	6,270
Total	22,450
NM, Guam:	
Wharf utilities	6,570
Bachelor enlisted quarters and mess hall	4,700
Total	11,270
NSD, Guam: Cold storage warehouse addition	6,550
NS, Guam: Fleet hospital support facilities	10,200
NSRF, Guam: Sand storage silo	990
NM, Subic Bay, RP: Fire protection	250
NSRF, Subic Bay, RP:	
Shipfitting shops	4,070
Wharf electrical distribution system improvements	9,200
Total	13,270

COMMANDER IN CHIEF, U.S. NAVAL FORCES EUROPE

The Commander in Chief, Naval Forces Europe, is responsible for the Naval component of the unified U.S. European Command. The committee approved $22,795,000 for 7 projects at the following 5 locations:

[Dollars in thousands]

Location and project	Cost
NAVACTS, London, UK:	
Support building acquisition	785
Fleet hospital support facilities	6,850
Total	7,635
NSA, Naples, IT: Supply facilities	7,750
NS, Rota, SP: Fire alarm system	1,030
NAS, Sigonella, IT:	
Operations vehicle garage	2,250
Administrative and security facilities	3,680
Total	5,930
PERSUPACT, London, UK: Pay and personnel support office	450

CHIEF OF NAVAL MATERIAL

The Chief of Naval Material is the single integrated material support agency for the Navy. It is responsible for the development, procurement and support of total weapons systems, depot maintenance, supply management and facilities support.

The committee approved $5,480,000 for 2 projects at the following 2 locations:

[Dollars in thousands]

Location and project	Cost
NPWC, Guam: Steam system improvements	1,080
NPWC, Yokosuka, JP: Electrical distribution system improvements	4,400

NAVAL TELECOMMUNICATIONS COMMAND

For the Naval Telecommunications Command, outside the United States, the committee approved $11,415,000 for 4 projects at the following 3 locations:

[Dollars in thousands]

Location and project	Cost
NAVCAMSWESTPAC, Guam: Bachelor enlisted quarters modernization	8,330
NCS, Harold E. Holt, Exmouth, Australia: Exmouth, Australia:	
Small craft boathouse	390
Cooling systems conversion	2,300
Total	2,690
NCS, Rota, SP: Operational storage	395

The committee did not authorize the following projects:

[Dollars in thousands]

Location and project	Cost
NAVCAMSWESTPAC, Guam: Child care center addition	[1] 615
NCS, Yokosuka, JP: Fleet operational control center	[2] 21,490

[1] Pending third party test.
[2] Seek JFIP funding.

NAVAL SECURITY GROUP COMMAND

For the Naval Security Group Command, outside the United States, the committee approved $3,700,000 for a project at the following location:

[Dollars in thousands]

Location and project	Cost
NSGD, Diego Garcia, 10: Ocean surveillance building addition	3,700

VARIOUS LOCATIONS

The following projects are at various locations. The committee approved $166,380,000 for 3 projects:

[Dollars in thousands]

Location and project	Cost
Various: Access roads	2,960
Various: Unspecified minor	21,560
Various: Architectural and engineering services and construction design	141,860

HOST NATION INFRASTRUCTURE SUPPORT

Host Nation Infrastructure Support outside the United States will support NATO projects which the United States is host nation.

The committee approved $980,000 at various locations.

[Dollars in thousands]

Location and project	Cost
Various locations host nation infrastructure support	980

SUMMARY OF NAVY PROGRAM ACTION

A summary of actions taken on the request of the Navy is tabulated by project as follows:

[In thousands of dollars]

Location and project	Cost
Navy request	2,159,210
United States Marine Corps:	
MCAS, Beaufort, SC: Child Care Center	[1] −900
MCB, Camp Pendleton, CA: Santa Margarita Water Project	[2] −148,000
MCAS: Cherry Point, NC: Child Care Center.	[1] −1,490
MCAGCC, Twentynine Palms, CA:	
Physical Fitness Center	[3] −5,380
Child Care Center	[1] −1,490
Chief of Naval Operations:	
NA, Annapolis, MD: Brigade Activities Center	[4] −21,600
NPGS, Monterey, CA: Ocean Sciences Academic Building	[5] −13,000
INTELCENPAC, Pearl Harbor, HI: Intelligence Center Addition	[3] −2,900
COMNAVDIST, Washington DC: Administrative Office Modernization	[6] −6,300
Commander in Chief, Atlantic Fleet:	
NAVPHIBSE, Little Creek, VA: Combat Swimmer Training Facility	[3] −4,070
NS, Mayport, FL: Child Care Center	[1] −2,240
NF, Radio Island, NC: Equipment Washdown Facility and Land Acquisition	[5] −17,640
Commander in Chief, Pacific Fleet:	
NS, Long Beach, CA: Construction Battalion Unit Complex	[6] −1,230
COMOCSYSPAC, Pearl Harbor, HI: Naval Ocean Processing Facility Addition	[3] −1,180
NS, San Diego, CA: Child Care Center	[1] −845
Chief of Naval Education and Training:	
NAVPHISCH, Coronado, CA: Combat Swimmer Trainer Facility	[3] −3,430
FCTCLANT, Dam Neck, VA: Chapel and Religious Education Building	[3] −2,490
NTC, Great Lakes, IL:	
Diesel Engineman Training Facility Addition	[3] −4,360
Barracks	[3] −10,600
Physical Fitness Center	[3] −5,780
Chief of Naval Material:	
NARF, Alameda, CA: Paint & Finishing Hangar Energy monitoring control system	[3] −780
NWS, Charleston, SC: Gymnasium	[3] −840
NCBC, Port Hueneme, CA: Chapel and Religious Education Building	[3] −2,080
NESEC, San Diego, CA: Fleet Support Center	[7] −27,450
NADC, Warminster, PA: Navigation Equipment Laboratory	[3] −4,220
Naval Telecommunications Command:	
NAVCAMWESTPAC, Guam: Child Care Center	[1] −615
NCS Yokosuka, JP: Fleet Operational Control Center	[8] −21,490
General Reduction for bid savings	−100,000
Reduction for future appropriations for NSB Kings Bay, GA Drydock	−85,600
General Reduction for civilian end strength	−5,346
Architectural and engineering services and construction design	+2,600

Location and project	Cost
General Reduction for Davis-Bacon	−39,000
Reduction for NS New York, NY, Dredging	−11,700
Total military construction authorized for appropriation	1,583,564

[1] Pending third party test.
[2] Scope not resolved.
[3] Budget constraints.
[4] Reduce scope.
[5] Consider lesser cost alternatives.
[6] Not justified.
[7] Reconsider alternatives.
[8] Seek JFIP funding.

FAMILY HOUSING

The Navy's request for the Family Housing program and the committee's recommendations are as follows:

NAVY FAMILY HOUSING

[In thousands of dollars]

Request	Request	Committee change	Revised total
Construction of new family housing (1,227 units)	113,050	0	113,050
Post acquisition construction	40,950	0	40,950
Construction improvements	(34,020)	0	(34,020)

NAVY FAMILY HOUSING—Continued

[In thousands of dollars]

Request	Request	Committee change	Revised total
Planning	(6,930)	0	(6,930)
Total authorization for appropriation request, construction	154,000	0	154,000
Operations and maintenance:			
Operating Expenses:			
Management account	(42,155)	+1,100	(43,255)
Services account	(29,946)	0	(29,946)
Utilities account	(181,343)	0	(181,343)
Furnishing account	(13,636)	0	(13,636)
Miscellaneous account	(420)	0	(420)
Total operating expenses	267,500	+1,100	268,600
Total maintenance account	277,458	0	277,458
Leasing	22,479	0	22,479
Domestic	(3,545)	0	(3,545)
Foreign	(18,934)	0	(18,934)
Debt payment	17,302	0	17,302
Principal	(16,239)	0	(16,239)
Interest payment family housing	(822)	0	(822)
Servicemen's mortgage insurance premiums for existing coverage	(241)	0	(241)
Total authorization request O&M and debt payment	584,739	+1,100	585,839
Total authorization for appropriation request, construction, O&M and debt payment	738,739	+1,100	739,839

The Navy Family Housing Program authorization for appropriations request totaled $738,739,000. In addition, $11,429,000 will be applied to the program from anticipated reimbursements.

NEW CONSTRUCTION

The committee approved the construction or acquisition of 1,227 units of family housing in support of housing at the following locations:

[In thousands of dollars]

Location and project		Cost
NAS, Adak AK: 100 units	15,500	15,500
MCAS El Toro, CA: 282 units	29,800	29,800
PWC, San Diego, CA: 200 units	15,200	15,200
MCAGCC, Twentynine Palms, CA: 100 units	8,400	8,400
FTGP, Warner Springs, CA: 44 units	4,400	4,400
NWS, Earle, NJ: 200 units	15,400	15,400
ASO, Philadelphia, PA: 1 unit	170	170
PWC, Subic Bay, RP: 300 units	24,180	24,180
Total: 1,227 units	113,050	113,050

TITLE III—AIR FORCE

The Air Force requested authorization of $2,917,048,000. The committee, after careful review and consideration of the Air Force request, approved $2,624,041,000 for the following programs:

	Air Force request	Total authorization	Less amounts not authorized for appropriation	Total authorized for appropriation
Military Construction:				
Inside the United States	1,265,517,000	1,143,707,000	[1] −107,000,000	1,036,707,000
Outside the United States	511,497,000	481,100,000	[2] −32,000,000	449,100,000
Architectural and engineering services	144,096,000	144,096,000		144,096,000
Unspecified minor construction	22,000,000	22,000,000		22,000,000
Defense access roads	30,240,000	30,240,000		30,240,000
Total Military Construction authorization	1,973,350,000	1,821,143,000	−139,000,000	1,682,143,000
Military family housing:				
Construction	214,400,000	212,600,000		212,600,000
Support	729,298,000	729,298,000		729,298,000
Total Family Mousing authorization	943,698,000	941,898,000		941,898,000
Total Air Force authorization	2,917,048,000	2,763,041,000	−139,000,000	2,624,041,000

[1] Includes $39 million reduction because of Davis-Bacon rates and $68 million reduction for anticipated bid savings.
[2] General reduction of $32 million for anticipated bid savings.

MILITARY CONSTRUCTION, OVERVIEW

The Air Force's authorization request for the military construction program and the committee's recommendations are as follows:

MAJOR COMMAND SUMMARY

[In thousands of dollars]

Major command	Air Force request	Committee approved
Military construction:		
Inside the United States:		
Air Force Logistics Command	186,148	172,298
Air Force Systems Command	68,760	49,410
Air Force Reserve	500	0
Air National Guard	12,370	12,370
Air Training command	100,300	97,850
Air University	14,000	11,200
Alaskan Air Command	105,360	79,860
Military Airlift Command	167,540	150,380
Pacific Air Forces	5,530	3,330
Space Command	11,250	11,250
Special Project	55,000	55,000
Strategic Air Command	337,014	327,614
Tactical Air Command	191,435	162,835
U.S. Air Force Academy	10,310	10,310
General reduction for bid savings	0	−68,000
General reduction for Davis-Bacon	0	−39,000
Total, inside the United States	1,265,517	1,036,007

MAJOR COMMAND SUMMARY—Continued

[In thousands of dollars]

Major command	Air Force request	Committee approved
Outside the United States:		
Military Airlift Command	38,885	28,785
Pacific Air Forces	133,280	129,930
Space Command	38,450	38,450
Tactical Air Command	23,172	23,172
U. S. Air Forces in Europe	277,710	260,763
General reduction for bid savings	0	−32,000
Total, outside the United States	511,497	449,100
Support:		
Architectural and Engineering Services	144,096	144,096
Unspecified Minor Construction	22,000	22,000
Defense Access Roads	30,240	30,240
Total Support	196,336	196,336
Total Military Construction	1,973,350	1,682,143
Military Family Housing: Total Military Family Housing	943,698	941,898
Total, Air Force	2,917,048	2,624,041

FACILITY CATEGORY SUMMARY

[In thousands of dollars]

Facility category	Air Force request	Committee approved
Military construction:		
Operational	459,964	460,544
Training	108,940	91,440
Maintenance/production	355,809	352,053
Research, development, test & evaluation	67,250	56,350
Supply	157,290	157,290
Medical	26,470	26,470
Administrative	107,380	48,180
Personnel housing/community support	281,170	250,570
Personnel housing	(217,210)	(207,660)
Community support	(53,960)	(42,910)
Utilities	182,150	151,313
Water pollution abatement	2,800	2,800
Energy	27,792	27,792
Minor construction	22,000	22,000
Architectural and engineering services	144,096	144,096
Defense access roads	30,240	30,240
General reduction for bid savings	0	−100,000
General reduction for Davis-Bacon	0	−39,000
Subtotal military construction	1,973,350	1,682,143
Military family housing	943,698	941,898
Total, Air Force	2,917,048	2,624,041

POLLUTION ABATEMENT

The committee approved $2,800,000 for pollution abatement projects. The projects are listed with the appropriate command's projects.

ENERGY CONSERVATION INVESTMENT PROGRAM

The committee approved $27,722,000 for energy conservation investment projects. The projects are listed with the appropriate command's projects.

MILITARY CONSTRUCTION, INSIDE THE UNITED STATES AIR FORCE LOGISTICS COMMAND

The Air Force Logistics Command (AFLC) is responsible for providing an adequate and efficient system of procurement, production, surveillance, maintenance and supply for the United States Air Force and training specialized units for accomplishment of logistics functions in overseas areas and theaters.

The committee approved $172,298,000 for 30 projects at the following locations:

Location and project	*Thousands*
Hill Air Force Base, UT:	
Add to and alter aircraft corrosion control facility	13,400
Peacekeeper-transporter repair facility	8,300
Depot explosive storage complex.	2,600
Facility energy improvements	3,980
Total	28,280
Kelly Air Force Base, TX:	
Hydrant fueling system	4,600
Approach lighting	1,450
Integration support facility	9,299
Depot machine shop	11,500
Add to and alter jet engine test cell complex	6,500
Dental clinic	2,800
Emergency back-up power	2,500
Alter electrical distribution system	1,100
Total	39,749
McClellan Air Force Base, CA:	
Aircraft accessory maintenance complex	16,929
Sound suppressor support	700
Depot electronic warfare/communications facility	13,100
Medical & occupational health clinic	12,800
Total	43,529
Robins Air Force Base, GA:	
Fire protection-avionics facilities.	1,950
Large item storage facility	5,400
Total	7,350
Tinker Air Force Base, OK:	
Transient munitions facility/land acquisition	6,900
E-3A maintenance hangar	6,800
Alter aircraft corrosion control facility	4,650
Alter petroleum operations facilities storage complex	3,650
Alter unaccompanied enlisted personnel housing	3,100
Add to and alter heat plant	6,400
Total	31,500
Wright-Patterson Air Force Base, OH:	
Add to and alter precision measurement equipment lab	920
Entomology shop	770
Add to and alter high power research lab	1,950
Alter electrical distribution system	1,500
Add to and alter storm drainage system	3,950
Add to and alter science engineering & support complex	12,800
Total	21,890

The committee did not authorize the following projects:

Location and project	Thousands
Kelly Air Force Base, TX: Add to and alter visiting officer quarters	[1] 1,950
Tinker Air Force Base, OK: Add to and alter recreation center	[1] 1,600
McClellan Air Force Base, CA: Logistics Systems Operations Center	[1] 10,300

[1] Budget constraints.

AIR FORCE SYSTEMS COMMAND

The Air Force Systems Command (AFSC) is responsible for advancing aerospace technology adapting it to operational aerospace systems, and acquiring quantitatively superior aerospace systems and material needed to accomplish the Air Force mission.

The committee approved $49,410,000 for 10 projects at the following locations:

Location and project	Thousands
Brooks Air Force Base, TX:	
Vehicle maintenance shop	2,500
Total	2,500
Edwards Air Force Base, CA:	
Alter physical science lab	2,450
Add to and alter flight test mission control center	4,800
Total	7,250

The committee did not authorize the following projects:

Locataion and project	Thousands
Arnold Engineering Development Center, TN: Engineering Analysis facility	[1] 16,900
Hanscom Air Force Base, Mass., Library and education center	[2] 2,450

[1] Review for lower cost alternative.
[2] Budget Constraints.

AIR RESERVE FORCES

The mission of the Air Force Reserves is to develop, maintain and provide the Active Air Force with those operationally ready units and trained individuals needed to augment the active force in time of war or national emergency.

The committee did not authorize the following project:

Location and project	Thousands
Billy Mitchell Field, WI: Administrative facility	[1] 500

[1] Budget constraints.

AIR NATIONAL GUARD

The Air National guard is responsible for providing units with trained personnel and sufficient and suitable equipment, capable and ready for mobilization in time of war or national emergency to support the Air Force.

The committee approved $12,370,000 for two projects at the following location:

Location and project	Thousands
Buckley Air National Guard Base, CO:	
Security police operations facility	670
Aerospace data facility/utility distribution system	11,700
Total	12,370

AIR TRAINING COMMAND

The Air Training Command (ATC) is responsible for providing flying training leading to an aeronautical rating, aircrew training, basic and advanced technical training leading to an Air Force specialty, basic military training, mobile training, and other training as may be directed by the United States Air Force Chief of Staff.

The committee approved $97,350,000 for 21 projects at the following locations:

Location and project	Thousands
Chanute Air Force Base, IL:	
Add to and alter aircraft engine training facility	1,400
Medical war reserve material facility	330
Total	1,730
Goodfellow Air Force Base, TX:	
Operations intelligence training facility	13,500
Unaccompanied enlisted personnel housing	11,000
Dining hall	3,000
Total	27,500
Keesler Air Force Base, TX:	
Electronic assembly & checkout facility	2,100
Alter unaccompanied enlisted personnel housing	8,400
Total	10,500
Lackland Air Force Base, TX:	
Satellite communications ground terminal	2,950
Unaccompanied enlisted personnel housing	14,800
Dining hall	5,000
Total	22,750
Laughlin Air Force Base, TX: Water supply main/land acquisition	1,900
Total	1,900
Lowry Air Force Base, CO:	
Cold storage facility	3,350
Add to and alter academic classrooms	3,500
Total	6,850
Mather Air Force Base, CA:	
Central life support equipment facility	1,200
Accounting & finance facility	1,500
Total	2,700
Randolph Air Force Base, TX: Vehicle maintenance complex	3,200
Total	3,200
Reese Air Force Base, TX: Vehicle maintenance complex	3,250
Total	3,250
Sheppard Air Force Base, TX:	
Medical Training Facility	14,000
Medical logistics facility	2,150
Total	16,150
Vance Air Force Base, OK: Central life support equipment facility	660
Total	660
Williams Air Force Base, AZ: Add to and alter avionics shop	660
Total	660

The committee did not authorize the following projects:

Location and project	Thousands
Goodfellow Air Force Base, TX: Recreation center	[1] 2,450

[1] Budget Constraints.

AIR UNIVERSITY

The Air University (AU) is responsible for Air Force professional military education. It also provides support for the Civil Air Patrol (CAP) and the Air Force Data Systems Design Center.

The committee approved $11,200,000 for three projects at the following locations:

Location and project	Thousands
Gunter Air Force Station, AL: Add to computer facility	6,000
Total	6,000
Maxwell Air Force Base, AL:	
Alter electrical distribution system	3,300
Squadron officers school-leadership development complex	1,900
Total	3,200

The committee did not authorize the following project:

Location and project	Thousands
Maxwell Air Force Base, AL: Add to and alter historical research center	[1] 2,800

[1] Budget constraints.

ALASKAN AIR COMMAND

The Alaskan Air Command (AAC) is responsible for providing combat ready forces, defense weapons systems, aircraft control and warning element, and air defense forces within Alaska. It also is responsible for providing logistical support for the Strategic Air Command, the Military Airlift Command, the Command of the Alaskan Sea Frontier and the United States Army.

The committee approved $79,860,000 for 13 projects at the following locations:

Location and project	Thousands
Attu Research Site, AK: Seismic operations & data transmission facilities	910
Total	910
Eialson Air Force Base, AK:	
Maintenance hangar	6,000
Sound suppressor support	1,550
Refuel vehicle/petrol operations facility	2,200
Alter unaccompanied enlisted personnel housing	5,500
Fire protection—hangar	4,200
Total	19,450
Elmendorf Air Force Base, AK:	
Fire station	1,400
Alter unaccompanied enlisted personnel housing	3,600
Total	5,000
King Salmon Airport, AK:	
Add to and alter composite operations facilities	3,000
Fire station	5,600
Total	8,600
Shemya Air Force Base, AK:	
Liquid fuel pipeline system	8,800
Composite personnel housing & alert facility	9,600
Add to and alter central power plant	27,500
Total	45,900

The committee did not authorize the following projects:

Location and project	Thousands
Eielson Air Force Base, AK: Add to and alter central heat & power plant	[1] 25,500

[1] Insufficient review for third party financing.

MILITARY AIRLIFT COMMAND

The Military Airlift Command (MAC) is responsible for maintaining the military airlift system in a constant state of readiness. MAC supervises and operates the Air Weather Service, the Air Rescue and Recovery Service, Aeromedical Evacuation System and Military Airlift.

The committee approved $150,380,000 for 44 projects at the following locations:

Location and project	Thousands
Altus Air Force Base, OK:	
Vehicle maintenance shop	3,200
Weapons systems maintenance management facility	2,550
Unaccompanied enlisted personnel housing	3,800
Total	9,550
Andrews Air Force Base, MD:	
Alter communications facility	3,350
Alter unaccompanied enlisted personnel housing	4,550
Facility energy improvements	420
Fire protection various facilities	1,900
Total	10,220
Base 24—Classified Location, ZI:	
C-130—Support facilities	(6,170)
C-130—Add to parking apron.	1,500
C-130—Squadron operations	1,350
C-130—Corrosion control facility	1,300
C-130—Add to and alter avionic maintenance facilities	1,200
C-130—Organizational maintenance shop	820
Total	6,170
Bolling Air Force Base, DC: Facility energy improvements	250
Total	250
Charleston Air Force Base, SC:	
Petroleum operations facility	480
Aerial refueling part task training facility	1,140
Total	1,620
Dover Air Force Base, DE:	
Extend runway/land acquisition	13,800
Add to and alter aerial refueling part task training	1,050
Add to and alter flight simulator training facility	1,250
Ancillary explosive complex	2,300
Base supply and equipment shed	360
Base hazardous storage facility	430
Total	19,190
Eglin Auxiliary Field 9, FL: Alter dining hall	1,700
Total	1,700
Kirtland Air Force Base, NM:	
Dangerous cargo pad	1,900
Communications duct system	1,300
Munitions Storage Complex	47,000
Computer/vault facility	4,300
Alter unaccompanied enlisted personnel housing	5,000
Facility energy improvements	830
Total	60,330
McChord Air Force Base, WA:	
Add to and alter serial port facility	1,300
Add to and alter aerial refueling part task training facility	940
Total	2,240
McGuire Air Force Base, NJ:	
Aerial refueling part task training facility	1,050
Aircraft maintenance hangars	7,300
Alter unaccompanied enlisted personnel housing	6,200
Total	14,550
Norton Air Force Base, CA:	
Security police operations facility	1,900
Control tower	2,200
Facility energy improvements	470
Total	4,570
Pope Air Force Base, NC: Combat arms training and maintenance facility	440
Total	440
Scott Air Force Base, IL:	
Satellite communications ground terminal	4,270
Alter unaccompanied enlisted personnel housing	4,000
Administrative facility	550
Land easement	530
Total	9,350
Travis Air Force Base, CA:	
Add to and alter flight simulator training facility	2,000
Base hazardous storage facility	2,100
Weapons systems maintenance management & support facility	6,200
Total	10,300

The committee did not authorize the following projects:

Location and project	Thousands
Altus Air Force Base, OK:	
Base supply administrative facility	[1] 1,900
Recreation center	[1] 1,710
Bolling Air Force Base, DC: Office of Special Investigations (OSI) building	[1] 12,000
McGuire Air Force Base, NJ: Add to and alter gymnasium	[1] 1,550

[1] Budget constraints.

PACIFIC AIR FORCES

The Pacific Air Forces are responsible for offensive and defensive air operations, and for providing administrative and logistical support for Air Force units in the Pacific geographical area.

The committee approved $3,330,000 for two projects at the following locations:

Location and project	Thousands
Hickam Air Force Base, HI: Facility energy improvements	480
Total	480
Wheeler Air Force Base, HI: Various aircraft maintenance & support facilities	2,850
Total	2,850

The committee did not authorize the following projects:

Location and project	Thousands
Wheeler Air Force Base, HI: Gymnasium	[1] 2,200

[1] Budget constraints.

SPACE COMMAND

The Space Command is responsible for operational space assets and the strategic defense mission.

The committee approved $11,250,000 for four projects at the following locations:

Location and project	Thousands
Cape Cod Air Force Station, MA: Pave Paws-Electronmagnetic pulse protection	600
Total	600
Cavalier Air Force Station, ND: Power reliability enhancements	950
Total	950
Clear Air Force Station, AK: Satellite communications ground terminal	4,500
Total	4,500
Peterson Air Force Base, CO: Test, development & training center—phase II	5,200
Total	5,200

SPECIAL PROJECT

Authorization for a special project was requested.

The committee approved $55,000,000 for a special project at an unspecified locations:

Location and project	Thousands
Unspecified Location: Support facilities	55,000
Total	55,000

STRATEGIC AIR COMMAND

The Strategic Air Command (SAC) is responsible for the bomber, tanker and missile force required for conducting intensive and conclusive worldwide offensive operations.

The committee approved $327,614,000 for 82 projects at the following locations:

Location and project	Thousands
Barksdale Air Force Base, LA:	
Alter fuel systems maintenance dock	1,400
Total	1,400
Base 34-Classified Location, ZI:	
Air Launched Cruise Missile (ALCM) Support facilities—Phase I	(8,920)
ALCM—Integrated maintenance facility	7,200
ALCM—Missile roll/transfer & storage	1,400
ALCM—Site activation task force facility	320
Total	8,920
Beale Air Force Base, CA:	
TR-1—Physiological support division facility	550
TR-1—Aircraft shelter	3,300
Pave Paws—Electromagnetic pulse upgrade	950
Pave Paws—Boundary security system	1,050
Total	5,850
Belle Fourche, Air Force Station, SD: Strategic training range complex (Site 4) & land acquisition	4,080
Total	4,080
Carswell Air Force Base, TX:	
Willis-Cartwright school acquisition/renovation	1,000
Total	1,000
Castle Air Force Base, CA:	
Approach lighting & land acquisition	2,000
Engine inspection & repair shop	1,300
Total	3,300
Dyess Air Force Base, TX:	
B-1B—Beddown support facilities—Phase III	(16,000)
B-1B—Flight simulator training facility	5,600
B-1B—Central aircraft support system equipment & installation	4,350
B-1B—Add to and alter maintenance facilities	1,500
B-1B—Add to and alter field training facilities	1,300
B-1B—Munitions igloos	2,300
B-1B—Blast deflectors	95
Heating, ventilation and air conditioning	950
Total	16,950
Ellsworth Air Force Base, SD:	
B-1B—Beddown support facilities—Phase II	(62,464)
B-1B—Alter maintenance hangers	12,400
B-1B—Aircraft parking apron & taxiways	10,600
B-1B—Add to and alter alert parking area pavement	7,600
B-1B—Field maintenance facility	6,300
B-1B—Area security improvements	3,450
B-1B—Flight simulator training facility	3,400
B-1B—Central aircraft support system equipment & installation	3,000
B-1B—Helicopter/aircrew enhancement facilities	2,850
B-1B—Blast deflectors	2,850
B-1B—Alter utilities systems	990
B-1B—Add to and alter operations & maintenance facilities	710
B-1B—Alter engine inspection and repair facility	450
B-1B—Add to and alter organizational aircraft maint shop	270
B-1B—Alter integrated maintenance facilities	210
B-1B—Weapons preload facilities & rapid deployment system	7,384
Unaccompanied enlisted personnel housing	8,100
Peacekeeper—Add to and alter air launch control center facility	730
KC-135 Cockpit procedures trainer simulator facility	770
Total	72,064
F.E. Warren Air Force Base, WY:	
Peacekeeper—Launch facilities site work	6,200
Data processing facility	1,550
Alter unaccompanied enlisted personnel housing	4,900
Facility energy improvements	560
Peacekeeper—Land easements	2,100
Total	15,310
Grand Forks Air Force Base, ND:	
B-1B—Beddown support facilities—Phase I	(61,030)
B-1B—Three bay maintenance hanger & apron	25,000
B-1B—Hydrant Fuel with Central aircraft support system provisions	14,300
B-1B—Add to and alter aircraft maintenance hangars	9,200
B-1B—Area security improvements	5,200
B-1B—Alter utilities systems	3,600
B-1B—Add to and alter field training & site activation task force facilities	960
B-1B—Alter field maintenance facilities	930
B-1B—Weapons bay fuel tank storage facility	700
B-1B—Power check pad	580
B-1B—Alter avionics maintenance facility	560
Facility energy improvements	1,700
Total	62,730
Griffiss Air Force Base, NY:	
Refuel vehicle heated storage facility	430
Alter tempest secure intelligence laboratory	1,210
Air launched cruise missile igloo	1,100
Total	2,740
Grissom Air Force Base, IN:	
Base civil engineering complex—Phase II	1,700
Total	1,700
K.I. Sawyer Air Force Base, MI:	
Air launched cruise missile (ALCM) facilities—Phase II	(19,180)
ALCM—Weapons storage igloos	5,600
ALCM—Munitions upload training facility	6,500
ALCM—Weapons convoy roads	2,650
ALCM—Support equipment maintenance shop	1,400
ALCM—Unarmed weapons storage facility	710
ALCM—Vehicle parking facility	310
ALCM—Alter operations facilities	360
ALCM—Support equipment corrosion control	650
Alter unaccompanied enlisted personnel housing	3,400
Total	22,580
Malmstrom Air Force Base, MT:	
Facility energy equipments	1,300
Total	1,300
March Air Force Base, CA:	
Air division headquarters	2,200
Alter unaccompanied enlisted personnel housing	6,800
Total	9,000
Minot Air Force Base, ND: Security police operations facility	5,000
Total	5,000
Offutt Air Force Base, NE:	
Headquarters command post	5,700
Peacekeeper—Add to and alter air launch control center	430
Add to and alter unaccomp enlisted personnel housing/dining hall	3,400
Unaccompanied enlisted personnel housing—Silver Creek	550
Energy recovery systems	360
Total	10,440
Pease Air Force Base, NH:	
Refueling vehicle heated storage facility	590
Heating, ventilation and air conditioning	610
Total	1,200
Plattsburgh Air Force Base, NY:	
Facility energy improvements	1,050
Total	1,050
Unspecified Location, Conus:	
B-1B—Beddown support facilities—Phase I	[1] (71,490)

Location and project	Thousands
B-1B—Hydrant fueling with central aircraft support system provisions	18,400
B-1B—Two bay aircraft maintenance hangar	17,000
B-1B—Area security improvement/alert pavements	7,300
B-1B—Integrated maintenance facilities	6,400
B-1B—Weapons storage area & igloos	6,300
B-1B—Weapons convoy roads	3,700
B-1B—Consolidated operation center	3,500
B-1B—Add to and alter avionics maintenance facility	2,100
B-1B—Support equipment & vehicle storage facilities	1,900
B-1B—Field training facility	1,830
B-1B—Add to and alter communications & support facilities	1,310
B-1B—Alter utility systems	1,000
B-1B—Warhead maintenance/inspection facility	750
Total	71,490
Vandenberg Air Force Base, CA:	
Optical test facility	710
Add to and alter telemetary receiving station	530
Electrical energy systems	720
Total	1,960
Whiteman Air Force Base, MO:	
Fire station	2,250
Total	2,250
Wurtsmith Air Force Base, MI:	
Add to and alter unaccompanied enlisted personnel housing	5,300
Total	5,300

[1] Added by the committee.

The committee did not authorize the following projects:

Location and project	Thousands
Beale Air Force Base, CA: Religious education facility	[1] 1,100
Blytheville Air Force Base, AR: Aircraft general purpose maintenance shop	[1] 3,750
Carswell Air Force Base, TX: Chapel center	[1] 2,150
McConnell Air Force Base, KS:	
B-1B—Beddown support facilities—Phase I	[1] (71,490)
B-1B—Hydrant fueling with central aircraft support system provisions	18,400
B-1B—Two bay aircraft maintenance hangar	17,000
B-1B—Area security improvement/alert pavements	7,300
B-1B—Integrated maintenance facilities	6,400
B-1B—Weapons storage area & igloos	6,300
B-1B—Weapons convoy roads	3,700
B-1B—Consolidated operations center	3,500
B-1B—Add to and alter avionics maintenance facility	2,100
B-1B—Support equipment & vehicle storage facilities	1,900
B-1B—Field training facility	1,830
B-1B—Add to and alter communications & support facilities	1,310
B-1B—Alter utility systems	1,000
B-1B—Warhead maintenance/inspection facility	750
Whiteman Air Force Base, MO:	
Add to and alter gymnasium	[1] 2,400

[1] Budget constraints.

TACTICAL AIR COMMAND

The Tactical Air Command (TAC) is responsible for tactical air operations and strategic defense of the United States.

The committee approved $162,835,000 for 65 projects at the following locations:

Location and project	Thousands
Bergstrom Air Force Base, TX:	
Commercial transportation facility	770
Total	770
Cannon Air Force Base, NM:	
Melrose Range—Land acquisition	12,500
Total	12,500
Davis-Monthan Air Force Base, AZ:	
Taxiway lighting	560
Ground launched cruise missile—field training facility	4,550
Medical war reserve material facility	620
Total	5,730
England Air Force Base, LA:	
Security police operations facility	1,200
Alter unaccompanied enlisted personnel housing	1,400
Total	2,600
George Air Force Base, CA:	
Fire station	3,400
Sound suppressor support	740
Add to and alter munitions facilities	1,100
Total	5,240
Holloman Air Force Base, NM:	
Vehicle maintenance shop	1,850
Base civil engineering maintenance shop	1,300
Add to and alter radar target scatter complex	13,700
Total	16,850
Homestead Air Force Base, FL:	
F-16 Beddown—Various support facilities	(3,495)
F-16—Alter fuel systems maintenance hangar	1,050
F-16—Add to and alter flight simulator facility	1,200
F-16—Add to and alter weapon/release system shop	510
F-16—Add to and alter aircraft generation squadron parts store	410
F-16—Add to and alter various maintenance facilities	325
Vehicle maintenance shop & operations facilities	900
Munitions facilities	970
Visiting officers quarters	1,650
Total	7,015
Langley Air Force Base, VA:	
Sound suppressor support	480
Unaccompanied enlisted personnel housing	8,200
Total	8,680
Luke Air Force Base, AZ:	
F-16—Beddown support facilities	(12,440)
F-16—Aircraft maintenance & training facility	3,650
F-16—Squardron operations facility	2,900
F-16—Fuel systems maintenance hangar	2,000
F-16—Wing headquarters facility	1,350
F-16—Add to and alter engine inspection & repair shop	1,750
F-16—Aircraft maintenance unit facility	790
Support equipment shop	2,050
Heating, ventilation and air conditioning	290
Total	14,780
MacDill Air Force Base, FL:	
Alter aircraft corrosion control facility	500
Alter unaccompanied enlisted personnel housing	4,000
Alter base roads	2,850
Total	7,350
Moody Air Force Base, GA:	
F-16 Beddown—Various support facilities	(10,600)
F-16—Avionics shop	3,200
F-16—Add to and alter operations/maintenance facilities	2,950
F-16—Flight simulator training facility	1,600
F-16—Add to and alter field training facility	1,600
F-16—Add to and alter engine inspection & repair shop	1,250
Aircraft maintenance unit facility	800
Sound suppressor support	980
Various munitions storage/operations facilities	6,900
Alter electric distribution system	4,750
Total	24,030
Mountain Home Air Force Base, ID:	
Over the Horizon-Backscatter radar operations/software support	12,400

Location and project	Thousands
Control tower	2,200
Total	14,600
Myrtle Beach Air Force Base, SC: Add to and alter support equipment shop	430
Total	430
Nellis Air Force Base, NV:	
Red Flag support facilities	2,800
Alter aircraft corrosion control facility	2,050
Sound suppressor support	610
Precision location strike system—software support facility	2,800
Unaccompanied enlisted personnel housing	9,600
Total	17,860
Seymour-Johnson Air Force Base, NC:	
KC-10 Blast deflectors & apron lighting	1,100
Heating, ventilation and air conditioning	1,220
Total	2,320
Shaw Air Force Base, SC:	
Add to and alter special operations facilities	2,000
Medical war reserve material facility	450
Add to and alter weapons system maintenance management facility	1,100
Consolidated support center	6,450
Wing headquarters	2,100
Heating, ventilation and air conditioning	360
Aircraft maintenance areas lighting	840
Total	13,300
Tyndall Air Forces Base, FL:	
Arm/disarm pad	980
Weapons evaluation/operations facility	2,650
Consolidated training facility	1,550
Aircraft combat maneuvering instrumentation facility	1,100
Unaccompanied enlisted personnel housing	2,500
Total	8,780

The committee did not authorize the following projects:

Location and project	Thousands
Davis-Monthan Air Force Base, AZ: Base civil engineer administrative facility	[1] 2,500
England Air Force Base, LA: Base civil engineer administrative facility	[1] 2,300
George Air Force Base, CA:	
Resource management facility	[1] 7,400
Visiting personnel quarters	[1] 7,600
MacDill Air Force Base, FL:	
Base contracting facility	[1] 1,300
Add to and alter headquarters, Readiness command	[1] 1,500
Nellis Air Force Base, NV: Consolidated support center	[1] 6,000

[1] Budget constraints.

UNITED STATES AIR FORCE ACADEMY

The United States Air Force Academy is responsible for educating and training young men and women to become officers in the U.S. Air Force.

The committee approved $10,310,000 for seven projects at the following location:

Location and project	Thousands
United States Air Force Academy, CO:	
Add to and alter aeronautics laboratory	3,400
Add to and alter prep school facilities	3,400
Add to and alter prep school fields	270
Add to and alter vehicle maintenance shop	900
Add to and alter computer center	440
Heating, ventilation and air conditioning	1,500
Recycle cooling water	400
Total	10,310

MILITARY CONSTRUCTION, OUTSIDE THE UNITED STATES

MILITARY AIRLIFT COMMAND

The Military Airlift Command (MAC) is responsible for maintaining the military airlift system in a constant state of readiness. MAC supervises and operates the Air Weather Service, the Air Resue and Recovery Service, Aeromedical Evacuation System, and Military Airlift.

The committee approved $28,785,000 for eight projects at the following locations:

Location and project	Thousands
Lajes Field, Portugal:	
Petroleum, oil, lubricants storage tanks	19,435
Refueling vehicle maintenance shop	1,250
Add to and alter cold storage	1,650
Add to and alter chapel	1,850
Child care center	1,100
Total	25,285
Rhein-Main AB, Germany:	
Flight simulator training facility	2,000
Cold storage facility	570
Religious education facility	930
Total	3,500

The committee did not authorize the following project:

Location and project	Thousands
Rhein-Main AB, Germany: Add to and alter air passenger terminal	[1] 10,100

[1] Budget constraints.

PACIFIC AIR FORCES

The Pacific Air Forces are responsible for offensive and defensive air operations, and for providing administrative and logistical support for Air Force units in the Pacific geographical area.

The committee approved $129,930,000 for 35 projects at the following locations:

Location and project	Thousands
Camp Zama, Japan: Add to and alter satellite communications ground terminal	1,500
Total	1,500
Clark Air Base, Republic of the Philippines:	
Consolidated support facilities—Phase II	4,400
Add to and alter maintenance management & operations facilities	1,750
Alter unaccompanied enlisted personnel housing	3,650
Emergency backup power	2,800
Add to and alter water distribution system	800
Security & safety improvements	1,650
Total	15,050
Diego Garcia Air Base, Indian Ocean: Munition storage facility—Phase II	5,300
Total	5,300
Kadena Air Base, Japan:	
Tactical control operations facility	2,950
Aircraft maintenance facilities—Phase I	12,600
Add to engine inspection and repair shop	5,400
Sound suppressor support	600
Jet fuel storage (JP-4)	6,100
Total	27,650
Kimhae Air Base, Korea: Medical continency complex	10,400
Total	10,400
Kunsan Air Base, Korea:	
Portomod facility support	300
Aircraft maintenance unit facility	1,950
Consolidated support facility	2,850
Add to and alter electrical distribution system—Phase I	3,900
Total	9,000
Kwang-Ju Air Base, Korea:	
Portomod facility support	260
Quick turn facility	9,000
Unaccompanied enlisted personnal housing	4,950
Unaccompanied officer personnel housing	650
Add to and alter water treatment storage/distribution system	1,450
Total	16,310
Misawa Air Base, Japan:	
Commando Port Support—Phase III. (CPIII)	(9,500)
CPIII—Concrete arch igloo magazine	2,850
CPIII—Jet fuel storage	4,500
CPIII—Aboveground storage magazine	2,150
Total	9,500
Osan Air Base, Korea:	
Portomod facility support	860
Aircraft shelters	6,800
Korean combat operations intelligence center allied support—Phase II	500
Squadron operations facilities	6,200
Munitions maintenance & storage facilities—Phase I	7,000
Alter unaccompanied officer personnel housing	3,150
Total	24,510
Sachon Air Base, Korea: Portomod facility support	310
Total	310
Yokota Air Base, Japan:	
Hydrant fueling system	8,500
Heating, ventilation and air conditioning	1,900

Location and project	Thousands
Total	10,400

The committee did not authorize the following projects:

Location and project	Thousands
Yokota Air Base; Japan: Base supply administrative facility[1]	3,350

[1] Seek JFIP Funding

SPACE COMMAND

The Space Command is responsible for operational space assets and the strategic defense mission.

The committee approved $38,450,000 for 10 projects at the following locations:

Location and project	Thousands
Fylingdales Ballistic Missile Early Warning System Site 3, United Kingdom: Satellite communications ground terminal	3,100
Total	3,100
Pirinclik Air Base, Turkey: Satellite communications ground terminal	2,600
Total	2,600
Site 5—Classified Location, Portugal:	
Spacetrack observation facility	12,400
Composite support facility	2,250
Total	14,650
Sandrestrom Air Base, Greenland:	
Consolidated port facility	2,550
Refueling vehicle heated storage facility	1,000
Laundry	2,200
Total	5,750
Thule Air Base, Greenland:	
Add to and alter ground terminal support facility	5,800
Cold storage facility	4,300
Alter unaccompanied enlisted personnel housing	2,250
Total	12,350

TACTICAL AIR COMMAND

The Tactical Air Command (TAC) is responsible for tactical air operations and strategic defense of the United States.

The committee approved $23,172,000 for two projects at the following location:

Location and project	Thousands
Howard Air Force Base, Panama Canal Zone:	
Add to aircraft apron	21,000
Facility energy improvements	2,172
Total	23,172

UNITED STATES AIR FORCES IN EUROPE

The U.S. Air Forces in Europe (USAFE) are responsible for offensive and defensive air operations in Europe and in other areas not included in either the NATO or U.S. Commander-in-Chief Europe area of responsibilities.

The committee approved $260,763,000 for 142 projects at the following locations:

Location and project	Thousands
Ahlhorn Air Base, Germany: Aircraft maintenance unit facility	350
Total	350
Alconbury Royal Air Force Base, United Kingdom:	
TR-1—Support Facilities	(10,700)
TR-1—Add to and alter squadron operations facility	1,050
TR-1—Chemical warfare protect-sensor maintenance facility	1,950
TR-1—Chemical warfare protect-avionic maintenance facility	2,200
TR-1—Unaccompanied enlisted personnel housing	5,600
Add to and alter fire station	1,600
Base operations	900
Flight simulator training facility	1,150
Sound suppressor support	400
Add to and alter warehouse	1,700
Facility energy improvements	2,650
Alter electrical distribution system	1,450
Add to water distribution system	360
Total	20,010
Ankara Air Station, Turkey: Transient lodging facility	950
Total	950
Aviano Air Base, Italy:	
Telecommunications facility	920
Visiting officer quarters	4,150
Total	5,070
Base 25—Classified Location, USAFE: Satellite communications ground terminal	4,500
Total	4,500
Base 29—Classified Location, Overseas:	
Precision location strike system (PLSS)—Support Facilities	(3,500)
PLSS—Unaccompanied enlisted personnel housing	2,400
PLSS—Operations and maintenance facility	1,100
Total	3,500
Base 30—Classified Location Overseas:	
TR-1—Support Facilities	(4,530)
TR-1—Ground station	4,500
TR-1—Add to and alter dining hall	330
Total	4,930
Base 33—Classified Location, Overseas:	
Compass Call—Beddown support facilities	(9,450)
C-130—Aircraft Maintenance Complex	7,250
C-130—Site support work	1,600
C-130—Security fence	600
Total	9,450
Bentwaters Royal Air Force Base, United Kingdom:	
Aircraft maintenance facility	900
Add to aircraft engine inspection & repair shop	2,100
Vehicle maintenance complex	4,050
Warehouse	2,200
Add to and alter unaccompanied enlisted personnel housing	2,800
Total	12,050
Bitburg Air Base, Germany:	
Weapons system maintenance control	2,200
Alter unaccompanied enlisted personnel housing	3,250
Unaccompanied enlisted personnel housing	3,600
Total	9,050
Camp New Amsterdam, Netherlands:	
Telecommunications facility	860
Add to and alter general purpose maintenance complex	1,850
Total	2,710
Chicksands Royal Air Force Base, United Kingdom:	
Add to and alter clinic	830
Child care center	800
Total	1,630
Comiso Air Station, Italy:	
Ground Launched Cruise Missile (GLCM)—Various support facilities	(6,280)
GLCM—Consolidated open mess	3,000
GLCM—Exchange complex	3,280
Total	6,280
Decimomannu Air Base, Italy:	
Visiting airmen quarters	1,900
Visiting officer quarters	900
Total	2,800
Einsiedlerhof Storage Annex, Gemany: Visiting officer quarters	2,900
Total	2,900
Europe, Various Locations, Overseas:	
Chemical warfare protection	(4,450)
Camp New Amsterdam, Netherlands—Avionics shop	1,450
Incirlik Air Base, Turkey—2 Squadron operations facilities	1,400
Lahr Air Base, Germany—2 Squadron operations facilities	1,600
Total	4,450
Fairford Royal Air Force Base, United Kingdom: Clinic/Dental clinic	7,400
Total	7,400
Florennes Air Base, Belgium:	
Ground Launched Cruise Missile (GLCM)—Various support facilities	(5,860)
GLCM—Consolidated open mess	1,950
GLCM—Chapel center	1,750
GLCM—Clothing sales store	240
GLCM—Child care center	810

Location and project	Thousands
GLCM—Base support warehouse/open storage	1,110
Total	5,860
Germany, Various Locations:	
Ground Launched Cruise Missile (GLCM)—Vehicle corrosion facility	580
Precision location strike system—Navigation beacon sites	360
Total	940
Greenham Common Royal Air Force Base, United Kingdom:	
Ground Launched Cruise Missile (GLCM)—Support Facilities	(2,200)
GLCM—High frequency communications facility	1,400
GLCM—Youth center	800
Total	2,200
Hann Air Base, Germany:	
Alter control tower	560
Unaccompanied enlisted personnel housing	2,700
Alter unaccompanied enlisted personnel housing	2,800
Chapel center	2,100
Total	8,160
Hessisch Oldendorf Air Station, Germany:	
Base engineer maintenance shop	490
Warehouse	740
Total	1,230
Incirlik Air Base, Turkey:	
Telecommunications facility	770
Satellite communications ground terminal	2,600
Medical contingency facility	1,150
Consolidated support center	4,500
Alter unaccompanied enlisted personnel housing	2,250
Lighting systems	300
Total	11,570
Kapaun Air Station, Germany:	
Telecommunications facility	900
Total	900
Karatas Communications Station, Turkey: Unaccompanied enlisted personnel housing	2,330
Total	2,330
Keizerveer Air Base, The Netherlands: Digital European Backbone communications facility	270
Total	270
Lakenheath Royal Air Force Base, United Kingdom:	
Add to and alter vehicle maintenance shop	2,870
Munitions storage igloos	2,250
Warehouse	2,700
Gymnasium	2,500
Total	10,320
Laipheim Air Base, Germany: Aircraft maintenance unit facility	350
Total	350
Marienfelde Communications Station, Germany: Add to and alter special operations facility	2,550
Total	2,550
Mildenhall Royal Air Force Base, United Kingdom:	
Dangerous cargo pad	900
Unaccompanied enlisted personnel housing	2,580
Weatherization	600
Total	4,080
Molesworth Royal Force Base, United Kingdom:	
Ground Launched Cruise Missile (GLCM)-Various support facilities	(21,063)
GLCM—Vehicle maintenance complex (Alconbury)	4,050
GLCM—Add to post office (Alconbury)	530
GLCM—Utilities/pavements and roads	7,213
GLCM—Dining hall	1,550
GLCM—High frequency communications facility	1,400
GLCM—Security police operations facility	1,150
GLCM—Fire station	860
GLCM—Vehicle corrosion control facility	700
GLCM—Telecommunications/ meteorological facility	640
GLCM—Medical aid station facility	490
GLCM—Helicopter pad facility	430
GLCM—Communications equipment facility	410
GLCM—Tower support	340
GLCM—Vehicle operations complex	200
GLCM—Small arms training complex	1,100
Total	21,063
Morocco, Various Locations:	
Airfield improvements	(3,100)
Apron lighting	2,050
Alter maintenance hangar	550
Water storage	500
Total	3,100
Norvenich Air Base, Germany: Aircraft maintenance unit facility	350
Total	350
Pruem Air Station, Germany:	
Warehouse	710
Operations facility	540
Total	1,250
Ramstein Air Base, Germany:	
Composite alert facilities	2,050
Alter control tower	360
Munitions storage	850
Rapid Runway Repair equipment storage facility	1,000
Warehouse	1,900
Unaccompanied enlisted personnel housing	3,200
Alter unaccompanied enlisted personnel housing	2,750
Dining hall	1,600
Facility energy improvements	960
Total	14,670
San Vito Air Station, Italy:	
Education center	490
Add to and alter water treatment system	1,100
Total	1,590
Sculthorpe Royal Air Force Base, United Kingdom: Munitions storage igloos	2,350
Total	2,350
Sembach Air Base, Germany:	
Alter control tower	360
Alter unaccompanied enlisted personnel housing	6,100
Total	6,460
Spangdahlem Air Base, Germany:	
Telecommunications facility	820
Field training facility	2,100
Rapid Runway Repair equipment storage facility	910
Passive defense equipment storage facility	530
Warehouse	1,400
Unaccompanied enlisted personnel housing	3,450
Alter unaccompanied enlisted personnel housing	2,900
Base road and utilities	2,750
Total	14,860
Torrejon Air Base, Spain:	
Aircraft maintenance unit complex	2,550
Aircraft corrosion control facility	1,850
Medical contingency complex	2,900
Child care center	1,000
Steam and condensate system	350
Facility energy improvements	900
Total	9,550
United Kingdom, Various Locations: Northern Europe tracking station	3,600
Total	3,600
Upper Heyford Royal Air Force Base, United Kingdom:	
Telecommunications facility	630
Religious education facility	1,200
Facility energy improvements	910

Location and project	Thousands
Alter water distribution system	1,900
Total	4,640
Vogelweh Air Station, Germany: Child care center	1,250
Total	1,250
Vught Communications Site, The Netherlands: Digital European backbone communications facility	310
Total	310
Wenigerath Storage Site, Germany: Road & railroad siding	1,700
Total	1,700
Woensdrecht Air Base, The Netherlands:	
Ground Launched Cruise Missile (GLCM)-various support facilities	(15,980)
GLCM—Site activation support facilities	10,000
GLCM—Utilities/pavements/roads	3,800
GLCM—Command, control & safety measures	1,900
GLCM—Boundary fence	230
Total	15,980
Zaragoza Air Base, Spain:	
Control tower	1,650
Support equipment shop	1,100
Total	2,750
Zweibrucken Air Base, Germany:	
European Distribution System (EDS)—Support facilities	(3,600)
EDS—Forward storage warehouse	1,150
EDS—Unaccompanied enlisted personnel housing	2,450
Add to and alter fire station	1,350
Telecommunications facility	750
Total	5,700

The committee did not authorize the following projects:

Location and project	Thousands
Greenham Common Royal Air Force Base, United Kingdom:	
GLCM—Auto Hobby shop	[1] 340
GLCM—Alter arts & crafts center	[1] 300
Mildenhall Royal Air Force Base, United Kingdom: Consolidated support center	[1] 4,150
Ramstein Air Base, Germany: Indoor swimming pool	[2] 2,800
Torrejon Air Base, Spain: Alter electrical substation	[4] 2,637
Woensdrecht Air Base, The Netherlands:	
Ground launched cruise missile (GLCM)-telecommunications center	[3] 400
Ground launched cruise missile (GLCM)-add to and alter communications equipment facility	[3] 720
Ground launched cruise missile (GLCM)-Fire station	[3] 1,100
Ground launched cruise missile (GLCM)-Tower support	[3] 300
Ground launched cruise missile (GLCM)-high frequency facility	[3] 1,500

[1] Budget constraints.
[2] Not justified.
[3] Contingent on favorable deployment by The Netherlands.
[4] Late award in fiscal year.

The committee reduced the following projects by the amount shown:

Location and project	Thousands
Woensdrecht Air Base, The Netherlands: Grown Launched Cruise Missile (GLCM)-Utilities/pavements/roads	[1] −2,700

[1] Contingent on favorable deployment by The Netherlands.

MILITARY CONSTRUCTION PROGRAM, SUPPORT ACTIVITIES

The support activities include resources for accomplishing design work on fiscal years 1986, 1987, 1988 and subsequent years' military construction projects, for unspecified minor construction and for accomplishing urgent requirements anticipated to arise during fiscal year 1986.

The committee approved $166,096,000 for the following elements of the support program:

Location and project	Thousands
Various locations, worldwide:	
Architectural and engineering services	144,096
Unspecified minor construction	22,000
Total	166,096

MILITARY CONSTRUCTION PROGRAM, DEFENSE ACCESS ROADS

The Air Force requested $30,240,000 for their portion of the Defense Access Roads account at the following installations:

Location and project	Thousands
Nellis Air Force Base, NE: Add to and alter base access roads	3,200
F.E. Warren Air Force Base, WY: Peacekeeper—Access road	27,040
Total	30,240

SUMMARY OF AIR FORCE CHANGES

A summary of the committee recommendations by project is as follows:

Location and project	Thousands
Military construction: Total Air Force authorization request	1,973,350
Committee reductions:	
Air Force Logistics Command:	
Kelly Air Force Base, TX: Add to and alter visiting officer quarters	−1,950
McClellan Air Force Base, CA: Logistics systems operations center	−10,300
Tinker Air Force Base, OK: Add to and Alter Recreation Center	−1,600
Air Force Systems Command:	
Arnold Engineering Development Center, TN: Engine Analysis Facility	−16,900
Manscom Air Force Base, MA: Library & Education Center	−2,450
Air Reserve Forces: Billy Mitchell Field, WI: Administration Facility	−500
Air Training Command: Goodfellow Air Force Base, TX: Recreation Center	−2,450
Air University: Maxwell Air Force Base, AL: Add to and Alter Historical Research Center	−2,800
Alaskan Air Command: Eielson Air Force Base, AK: Add to and Alter Central Heat & Power Plant	−25,500
Military Airlift Command:	
Altus Air Force Base, OK:	
Base supply administration facility	−1,900
Recreation Center	−1,710
Bolling Air Force Base, DC: Office of Special Investigations building	−12,000
McGuire Air Force Base, NJ: Add to and alter gymnasium	−1,550
Pacific Air Forces: Wheeler Air Force Base, HI: Gymnasium	−2,200
Strategic Air command:	
Beale Air Force Base, CA: Religious education facility	−1,100
Blytheville Air Force Base, AR: Aircraft general purpose maintenance facility	−3,750
Carswell Air Force Base, TX: chapel center	−2,150
McConnell Air Force Base, KS: B-1B support facilities	−71,490
Whiteman Air Force Base, MD: Add to and alter gymnasium	−2,400
Tactical Air Command:	
Davis Monthan Air Force Base, AZ: Base civil engineering administrative facility	−2,500
England Air Force Base, LA: Base civil engineering administrative facility	−2,300
George Air Force Base, CA:	
Resource management facility	−7,400
Visiting personnel quarters	−7,600
MacDill Air Force Base, FL:	
Add to and alter Readiness Command headquarters facility	−1,500
Base Contracting Facility	−1,300
Nellis Air Force Base, NV: Consolidated support center	−6,000
Military Airlift Command (Outside the U.S.)	
Rhain-Main Air Base, Germany: Add to and alter air passenger terminal	−10,100
Pacific Air Forces (Outside the U.S.): Yokota Air Base, Japan: Base supply administration facility	−3,350
United States Air Forces in Europe:	
Greenham Common Royal Air Force Base, United Kingdom:	
Ground launched cruise missile (GLCM)—alter arts/crafts shop	−340
Ground launched cruise missile (GLCM)—auto hobby shop	−340
Mildenhall Royal Air Force Base, United Kingdom: Consolidated Support Center	−4,150
Ramstein Air Base, Germany: Indoor swimming pool	−2,800
Torrejon Air Station, Germany: Alter electrical substation	−2,637

Location and project	Thousands
Woensdrecht Air Base, The Netherlands:	
Ground launched cruise missile (GLCM)—telecommunications center	−400
Ground launched cruise missile (GLCM)-133—add to and alter communications equipment facility	−720
Ground launched cruise missile (GLCM)—tire station	−1,100
Ground launched cruise missile (GLCM)—tower support	−300
Ground launched cruise missile (GLCM)—high frequency facility	−1,500
Ground launched cruise missile (GLCM)—utilities/pavements/roads	−2,700
Subtotal of project reductions	−223,697
General reduction for anticipated bid savings	−100,000
General reduction for Davis-Bacon	−39,000
Total reductions recommended	−362,697
Committee addition:	
Strategic Air Command: Unspecified Location, Conus: B-1B support facilities	−71,490
Total Military Construction... Authorization for Appropriations	1,682,143

NEW CONSTRUCTION

Family housing new construction is intended to reduce the housing deficit where the private community does not provide sufficient adequate housing to support the Air Force mission. The committee approved $146,300,000 for 7 projects (1,880 units) at the following locations:

Location	Project units	Cost (thousands)
Belle Fourche, Strategic Training Range, SD	50	$4,000
Florennes Air Base, Belgium	400	29,200
Hahn Air Base, Germany	440	33,000
Ramstein Air Base, Germany	400	30,000
Osan Air Base, Korea	Support [1]	1,200
Camp New Amsterdam, Netherlands	140	11,000
Clark Air Base, Philippines	450	37,900

[1] Family Housing Office and Warehouse

The committee did not authorize the following project:

Location	Project units	Cost (thousands)
Fort MacArthur, CA	Land	1,800 [1]

[1] Land exchange without cost.

POST ACQUISITION CONSTRUCTION

The committee approved $61,300,000 for 86 projects at various locations, including $19,939,000 for energy conservation investment improvements and nine projects where the per unit cost for improvement and repair exceeds the statutory limitation ($30,000 times the area cost factor).

ARCHITECT AND ENGINEER SERVICES

The committee approved $5,000,000 for planning and design work on fiscal year 1986 and future year military family housing construction projects, both new and post acquisition.

OPERATION AND MAINTENANCE

The committee approved $665,880,000 for family housing operation and maintenance. Reimbursements are anticipated to be $15,000,000.

LEASING

The committee approved $45,402,000 for foreign leases and $2,711,000 for domestic leases.

DEBT PAYMENT

The committee approved $15,305,000 for principal and interest payments on mortgaged Capehart and Wherry housing units and Servicemen's Mortgage Insurance premiums.

Summary of family housing actions

	Thousands
Authorization request	$943,698
Fort McArthur, CA: Land acquisition	−1,800
Total reductions	−1,800
Total Authorization for Appropriations	941,898

DIVISION C—DEPARTMENT OF ENERGY NATIONAL SECURITY AND MILITARY APPLICATIONS OF NUCLEAR ENERGY AUTHORIZATION

Purpose of This Title

Division C provides authority for appropriations to the Secretary of Energy for the operating expenses, capital equipment, and construction costs related to the National Defense Programs of the Department of Energy.

In the report to accompany S. 1029, the committee described the various program elements of the request for Defense Programs and the basis for committee action, which reduced the request of $7,958,710,000 by $203,100,000. With the exception of additional reductions that were made for budgetary purposes only, this report also applies to the new action, which was necessitated by the revised budget levels for the overall defense function.

The authorizations recommended at the revised budget level for fiscal year 1986 are shown in the table below:

SUMMARY OF CHANGES—FISCAL YEAR 1986 DEPARTMENT OF ENERGY PROGRAMS

[In millions of dollars]

Program	Fiscal year 1986 request	Authorization recommended	Change
Total, Operating Expenses	6,187.022	6,062.022	−125.0
Total, Plant Construction	1,291.301	1,115.301	−176.0
Total, Capital Equipment	480.387	460.387	−20.0
Total	7,958.710	7,637.710	−321.0
SEC. 101—OPERATING EXPENSES			
Naval Reactors Development:			
Plant Development	66.0	66.0	0
Reactor Development	261.3	261.3	0
Reactor Operation	150.0	150.0	0
Program Direction	11.7	11.7	0
Total	$489.0	489.0	0
Weapons Activities:			
Research & Development	920.3	995.3	+75.0
(Interial Confinement Fusion)	(70.0)	(145.0)	(+75.0)
(Conventional Munitions)	(0.0)	(10.0)	(+10.0)
(All other R&D)	(850.3)	(840.3)	(−10.0)
Testing	544.0	524.0	−20.0
Production & Surveillance	1,942.4	1,862.4	−80.0
Program Direction	98.7	63.7	−35.0
Total	3,505.4	3,445.4	−60.0

SUMMARY OF CHANGES—FISCAL YEAR 1986 DEPARTMENT OF ENERGY PROGRAMS—Continued

[In millions of dollars]

Program	Fiscal year 1986 request	Authorization recommended	Change
Verfication & Control Technology:			
Verification & Control Technology	79.675	89.675	+10.0
Program Direction	3.8	3.8	0
Total	83.475	93.475	+10.0
Materials Production:			
Uranium Enriching	258.9	208.9	−50.0
Reactor Operations	586.380	576.380	−10.0
Processing	493.145	488.145	−5.0
Supporting Services	256.575	256.575	0
Program Direction	21.3	21.3	0
Total	$1,616.3	1,551.3	−65.0
Defense Waste & Byproducts Mgmt:			
Interim Waste Management	281.085	271.085	−10.0
Long-term Waste Mgmt Tech	96.567	96.567	0
Terminal Storage	25.070	25.070	0
Program Direction	2.4	2.4	0
Total	405.122	395.122	−10.0
Nuclear Safeguards & Security:			
Nuclear Safeguards & Security	47.4	47.4	0
Program Direction	6.925	6.925	0
Total	54.325	54.325	0
Security Investigations: Security Investigations	33.4	33.4	0
Grand Total, Operating	6,187.022	6,062.022	−125.0
SEC. 102—PLANT AND CAPITAL EQUIPMENT:			
Naval Reactors Development:			
86-N-101, General Plant Projects, VL	7.5	7.5	0
86-N-104, Reactor Modifications Advance Test Reactor, INEL	4.5	4.5	0
82-N-111, Matls Fac., SR	11.0	11.0	0
81-T-112, Mods to Prototypes, VL	27.0	27.0	0
Total	50.0	50.0	0
Weapons Activities:			
86-D-101, GPP, VL	29.9	26.9	−3.0
86-D-121, GPP, VL	33.7	28.7	−5.0
86-D-103, Decontamination & Waste Treatment Fac., LLNL	1.0	3.7	+2.7
86-D-104, Strategic Defenses Fac., SNL	8.0	8.0	0.0
86-D-122, Structural Upgr., Pu Fac., Rocky Flats	3.0	3.0	0
86-D-123, Env. Hazards Elimination, VL	8.7	8.7	0
86-D-124, Safeguards & Site Security Upgr., Phase II, Mound	3.0	3.0	0
86-D-125, Safeguards & Site Security Upgr., Phase II, Pantex	1.5	1.5	0
86-D-130, Tritium Loading Fac. Replacement, SR	5.0	5.0	0
86-D-131, Environmental Remedial Action LL	0	8.8	+8.8
86-D-132, Instrumentation Systems Lab, SNL	0	6.2	+6.2
86-D-133, Data Communications Ctr., LA	0	3.0	+3.0
85-D-102, Nuc Wpns RD&T Fac. Revitalization Phase I, VL	81.6	71.6	−10.0
85-D-103, Safeguards & Security Enhancements, LLNL and SNL-Livermore	27.9	16.4	−11.5
85-D-105, Combined Device Assembly Fac. NTS	45.4	19.2	−26.2
85-D-106, Hardened Eng. Test Bldg, LLNL	1.9	1.9	0
85-D-112, Enr. U. Recovery Impr., Y-12	15.3	15.3	0
85-D-113, Power Plant & Steam Dist. System Pantex	18.5	18.5	0
85-D-115, Renovate Pu Bldg Utility Systems, Rocky Flats	17.7	17.7	0
85-D-121, Air & Water Pollution Control Fac., Y-12	14.0	14.0	0
85-D-123, Safeguards & Site Security Upgr., Phase I, Pantex	4.0	4.0	0
85-D-124, Safeguards & Site Security Ugr., Rocky Flats	2.4	2.4	0
85-D-125, Tactical Bomb Production Fac., VL	11.0	6.0	−5.0

SUMMARY OF CHANGES—FISCAL YEAR 1986 DEPARTMENT OF ENERGY PROGRAMS—Continued

[In millions of dollars]

Program	Fiscal year 1986 request	Authorization recommended	Change
84–D–102, Radiation-hardened Integrated Circuit Lab, SNL–A	15.5	15.5	0
84–D–104, Nuc Matls Storage Fac., LANL	12.1	12.1	0
84–D–107, Nuc. Testing Fac. Revitalization, VL	30.54	20.54	−10.0
84–D–112, TRIDENT II Production Fac., VL	60.7	60.7	0
84–D–113, Antisubmarine Warfare/Standoff Weapon Warhead Prod. Fac., VL	16.0	0	−16.0
84–D–115, Elec. System Expansion, Pantex	3.3	3.3	0
84–D–117, Inert Assembly & Test Fac., Pantex	.4	.4	0
84–D–118, High-Explosive Subassembly Fac., Pantex	40.0	33.0	−7.0
84–D–120, Explosive Component Test Fac., Mound	2.3	2.3	0
84–D–211, Safeguards & Site Security Upgr., Y–12	7.5	7.5	0
84–D–212, Safeguards & Site Security Upgr., Pinellas	3.8	3.8	0
83–D–199, Buffer Land Acquisition, LLNL & SNL–L	17.0	7.0	−10.0
82–D–107, Utilities & Equip. restoration, Replacement & Upgr., Phase III, VL	195.5	170.0	−25.5
82–D–111, Interactive Graphics Systems, VL	6.0	4.0	−2.0
82–D–144, Simulation Tech. Lab, SNL–A	10.3	10.3	0
79–7–0, Universal Pilot Plant, Pantex	4.5	4.5	0
Total	758.940	648.44	−110.5
Verification and Control Tech: 85–D–171, Space Science Lab, LANL	4.5	4.5	0
Nuclear Safeguards & Security: 86–D–186, Nuc. Safeguards Tech. Lab, LLNL	1.0	1.0	0
Materials Production:			
86–D–146, GPP, VL	34.8	29.8	−5.0
86–D–149, Productivity Retention Program, Phase I, VL	27.2	24.2	−3.0
86–D–150, In-Core Neutron Monitoring System, N Reactor, RL	5.46	4.46	−1.0
86–D–151, PUREX Elec. System, Upgr., RL	3.5	2.5	−1.0
86–D–152, Reactor Elec. Dist. System, SR	4.0	2.0	−2.0
86–D–153, Additional Line III Furnace, SR	2.0	1.5	−0.5
86–D–154, Effluent Treatment Fac., SR	2.5	2.5	0
86–D–156, Plantwide Safeguards Systems, SR	3.0	3.0	0
86–D–157, Hydrofluorination System, FB-line, SR	2.2	2.2	0
85–D–137, Vault Safety SNM Inventory System, RL	1.9	1.9	0
85–D–139, Fuel Processing Restoration IFP, Fac., INEL	15.0	12.0	−3.0
85–D–140, Productivity & Radiological Impr., FMPC, Fernald	12.0	12.0	0
85–D–145, Fuel Production Fac., SR	16.0	16.0	0
84–D–135, Process Fac. Mods, RL	15.0	12.0	−3.0
84–D–136, Enr. U Conversion Fac. Mods., Y–12	7.2	7.2	0
83–D–148, Nonradioactive Hazardous Waste Management, SR	3.1	3.1	0
82–D–124, Restoration of Production Capabilities, Phases, II, III, IV & V, VL	48.9	43.9	−5.0
82–D–201, Special Pu Recovery Fac., JB-Line, SR	4.4	4.4	0
Total	208.16	184.66	−23.5
Defense Waste & Byproducts Management:			
86–D–171, GPP, Interim Waste Operations and Long-term Waste Mgmt Tech., VL	26.451	24.451	−2.0
86–D–172, B Plant F Filter, RL	1.0	1.0	0
86–D–173, Central Waste Disposal Fac., Oak Ridge	1.0	1.0	0
86–D–174, Low-Level Waste Processing & Shipping System, Feed Matls Prod. Cntr, Fernald	2.5	2.5	0
86–D–175, INEL Security Upgr., INEL	2.0	2.0	0
85–D–157, Seventh Calcined Solids Storage Fac., ICPP, INEL	14.5	14.5	0
85–D–158, Central Warehouse Upgr., RL	5.0	5.0	0
85–D–159, New Waste Transfer Fac., H Area, SR	9.0	9.0	0
85–D–160, Test Reactor Area Security System Upgr., INEL	2.25	2.25	0
81–T–105, Defense Waste Processing Fac., SR	205.0	165.0	−40.0
Total	268.701	226.701	−42.0
Grand Total, Plant & Construction	1291.301	1115.301	−176.0
Capital Equipment:			
Weapons Activities	277.75	267.75	−10.0
Materials Production	123.44	113.44	−10.0
Defense Waste & Byproducts Mgmt	38.997	38.997	0
Verification & Control Tech	5.6	5.6	0
Nuclear Safeguards & Security	4.6	4.6	0
Naval Reactors Development	30.0	30.0	0
Total	480.387	460.387	−20.0

Mr. GOLDWATER. Most of Senate Report 99-41 continues to be applicable to this bill, and I would invite the attention of the Senators to that report.

Mr. President, I bring this bill to the Senate floor with mixed emotions. On one hand, it is a great privilege to be able to report this bill as the chairman of the Armed Services Committee. It has been a singular honor for me to serve with such distinguished members as those who make up our committee. Senator NUNN, our ranking member, has done an exceptional job sharing the committee's leadership responsibilities. I am indebted to him for his wise counsel, sincere friendship, and the bipartisan spirit in which he has helped guide the committee. I would also like to recognize the very important contributions made by each of our subcommittee chairmen and ranking members: Senator THURMOND and Senator BINGAMAN on Military Construction, Senator WARNER and Senator HART on Strategic and Theater Nuclear Forces, Senator HUMPHREY and Senator DIXON on Preparedness, Senator COHEN and Senator EXON on Sea Power and Force Projection, Senator WILSON and Senator GLENN on Manpower and Personnel, and Senator QUAYLE and Senator LEVIN on Defense Acquisition Policy. Mr. President, to these Senators and all the members and staff of the Armed Services Committee, I extend my sincere appreciation for their dedication and hard work in producing this bill. I am immensely proud of their achievements.

On the other hand, it is not a pleasant task to bring to the floor a defense bill that contains no real growth. I am concerned that the current state of world affairs makes such a spending level imprudent. Nevertheless, we have complied with the will of the Senate—as expressed by a narrow majority—and today I report a bill that provides only an inflationary increase over last year's defense spending level.

This bill is in conformance with the Senate passed budget resolution that provides approximately $302.5 billion in new budget authority for the fiscal year 1986 defense program. It represents a reduction of almost $20 billion from the President's request.

Mr. President, we have made every effort to minimize the impact of a zero growth budget on our defense programs. And to a very real extent we have succeeded—largely as a result of the administration's success in controlling the rate of inflation and in implementing management reforms. These efforts have yielded savings of $4 billion which have been applied in our bill to reduce fiscal year 1986 funding requirements.

But this success should not disguise the fact that there are still several very serious implications in the reductions mandated by this bill. For example, the bill reduces the administration's request for 48 MX missiles by more than one-half, and it reduces funding for the President's Strategic Defense Initiative [SDI] by $750 million. These actions were based strictly on budgetary constraints, however I fear they are likely to weaken the U.S. negotiating position in Geneva. This bill also deletes $4.3 billion from the request for tactical programs, $3.4 billion from strategic programs, $3.3 billion from Seapower and Force Projection programs, $3.5 billion from the preparedness account, $1.5 billion from the military construction account, and denies $2.5 billion in funds requested for manpower and personnel initiatives.

Perhaps of even greater significance, this bill represents a further retrenchment on the part of Congress in its support of the President's defense program. Each year, these congressional reductions lead to stretched out programs that in turn produce higher unit cost and a slower modernization pace. It is just one more example of congressionally mandated waste.

Despite these adverse consequences, the bill I report today will have one positive effect—it will help reduce the deficit. In fact, defense cuts account for a full one-third of the proposed 3-year deficit reduction package. But I remind my colleagues that is not what defense budgets are for. Defense budgets are intended to address external threats to our national security—not domestic economic concerns. Somehow it seems a little inconsistent to me: over the past 20 years the growth in

domestic spending has outpaced defense increases by a ratio of nearly 7 to 1, but when it comes time to reduce the deficit, we require defense to bear one-third of the reductions.

Perhaps those who favor zero real growth in defense believe the world is a safer place today than it was a few years ago. I do not.

Today, as we begin to debate the details of a "zero growth" defense budget, the massive Soviet military buildup continues, despite its economic consequences to that country. The savage war in Afghanistan goes on and on. Those who were eager to forget the Soviet ruthlessness in shooting down an unarmed airliner were shocked back to reality by the cold-blooded killing of Major Nicholson in Germany. And any hope that the new political leadership in Moscow would be less belligerent than their predecessors was dashed by the Politburo's swift reversal of the military agreement renouncing such use of force. Soviet arms shipments to Nicaragua continue, destabilizing the region with such advanced weapons as the heavily armed Hind helicopter. And the Soviets go on treating arms control agreements with indifference, violating them whenever it serves their objectives.

And how, you may ask, how has the Congress responded to these developments? Well, I will tell you: by cutting the defense budget and offering amendments requiring the President to certify that he is dealing in good faith with the Soviets.

I do not know how naive this Congress can be. I do not believe the American people believe for 1 minute in what we are doing relative to foreign relations in this country.

Mr. President, it is my hope that we will be able to complete floor action on this bill within a matter of just a few days. I recognize there are issues in this bill that will inspire vigorous debate—and rightfully so. The modernization of our chemical deterrent, for example, has been a politically unpopular issue—though it may be the single most important initiative in the entire bill. No other program is more likely to reduce the risk of a nuclear exchange in the event of war. In debating that issue, I hope we will be able to put aside partisan differences here on the floor just as we did in reaching our committee vote of 15 to 3 in favor of modernizing our chemical deterrent. I also expect debate over a number of arms control amendments. Some of these amendments will seek to impose unilateral restrictions on U.S. programs, while others will attempt to hold our Nation to a higher standard of compliance with arms control agreements than that observed by the Soviets. I am told, for example, that Senators BUMPERS and LEAHY intend to offer an amendment compelling our continued compliance with the provisions of SALT II in the face of clear Soviet violations of that and other agreements.

Our proposal on base closures will undoubtedly be controversial as will the so-called Gramm package which attempts to curtail much of the congressionally imposed waste in the defense budget. Those who wish to register the sincerity of their commitment to reduce waste in the defense budget will have that opportunity when the Gramm package comes to a vote. Finally, I hope we can limit the number of procurement reform proposals and reach agreement on the amendment developed by Senators QUAYLE and LEVIN which, in my opinion, does a very thorough job of addressing the legitimate concerns regarding the Pentagon's current procurement procedures.

STRATEGIC AND THEATER NUCLEAR FORCES

The committee reviewed the administration's request for strategic offensive forces, strategic defensive forces, strategic command, control, communications and warning, space systems, the chemical deterrent program, and theater nuclear forces. The request for these activities totaled almost $39 billion. In addition, the committee reviewed the Department of Energy's $7.96 billion request for national security programs, and the Federal Emergency Management Agency's $119 million request for civil defense purposes. Altogether, these programs accounted for $47 billion. Funding associated with the modernization of U.S. strategic forces peaked in fiscal year 1985, and is now expected to decline as a percentage of the total defense budget.

The committee reduced the administration's request for the procurement of Peacekeeper (MX) missiles by $981 million. This provides for the procurement of 21 missiles, a reduction of 27 missiles from the number requested by the administration, and is the same number authorized in each of the 2 previous years. The committee action provides funding for the hardware required to deploy 50 missiles, and full funding required for the deployment of 40 missiles. The remaining 13 missiles authorized are for testing purposes. These actions should not be viewed as a "cap" on deployment, an action the committee believes could undermine U.S. negotiating efforts.

The committee continues to support the President's Strategic Defense Initiative as a high priority research program. In view of budgetary constraints, the committee recommends an authorization of $2.97 billion, a reduction of $750 million from the administration's request. The committee leaves the allocation of this reduction to the discretion of the program manager.

The committee authorized $5.46 billion for the procurement of 48 B-1B bombers, and $367.4 million for associated research and development. This marks the final funding request for the B-1B. I might add for the record that despite skepticism expressed by some of my colleagues several years ago about the prospects of, first, remaining within the program cost; second, remaining on schedule and, third, whether there would be a 101st B-1, the B-1 is under cost, ahead of schedule, and there is no funding in the administration's request for the 101st bomber. Unfortunately, I doubt that my friends will be willing to admit they were wrong. Perhaps they will however, temper their skepticism.

Concern was also expressed over the current rationale for the two bomber program and the committee directed the Department of Defense to provide an update analysis to address future U.S. bomber force requirements.

The committee authorized full funding for the Advanced Technology Bomber [ATB] and the Advanced Cruise Missile [ACM] programs in fiscal year 1986. The actual figures are classified.

The committee approved $1.45 billion for the procurement of one Trident ballistic missile submarine, and $42.2 million for associated research and development. This marks a reduction of $100 million from the request for procurement in anticipation of contract savings. The administration's request of $2.16 billion for research and development, and $582 million for advanced procurement of the Trident II (D-5) missile system was fully authorized.

A total of $83 million was provided for the procurement of three miniature homing vehicle [MHV] antisatellite [ASAT] systems, and $202.9 million was approved for associated research and development. In view of the negotiations underway in Geneva, the committee believes it would be ill advised to impose any unilateral limitations of the development of a U.S. ASAT capability.

The committee authorized a total of $1.27 billion for the U.S. chemical deterrent program, which includes $163 million associated with initial production of modern binary munitions. The committee's action in support of this program is based on several key judgments. First, the current U.S. stockpile of chemical weapons is not adequate to deter chemical attacks on U.S. and allied troops. Second, defensive measures alone are not adequate to address the chemical warfare threat. And, finally, the Soviets will have little incentive, absent and modernization of our chemical deterrent capability, to respond more favorably to the U.S. proposal before the Committee on Dis-

armament in Geneva to ban chemical weapons.

In view of budgetary constraints, the committee authorized $7.64 billion for the Department of Energy national security programs, a reduction of $321.0 million from the administration's request.

The committee approved in full the administration's request for $119.1 million for civil defense purposes in fiscal year 1986. This is well below the level approved by the Congress last year, and the committee expects to be kept advised of the administration's reassessment of the Nation's civil defense needs.

TACTICAL WARFARE

The committee continues to place high priority on achieving efficient production rates for our tactical warfare systems. Despite reductions of $4.3 billion from the administration's request for these programs, the committee's recommendations will continue the essential modernization of our conventional forces. In recognition of the serious shortfalls in our munitions inventory, particularly of the so called "smart munitions," the committee made a special effort to preserve production rates in this area. Such programs as the Army's Patriot, Hellfire, TOW and Stinger missiles, and the Navy's Sidewinder, Sparrow, Phoenix, Harpoon, and HARM missiles, and the Air Force's Sparrow, Sidewinder, and Maverick missiles were all recommended for authorization at the levels requested by the administration. The Air Force's AMRAAM [Advanced Medium Range Air-to-Air Missile], which has encountered schedule delays and cost increases, was not recommended for full funding. A reduction of $166.5 million from the administration's request for $366.5 million was recommended.

The committee also attempted to maintain efficient production levels for aircraft and major land warfare systems. These recommendations include the procurement of 144 AH-64 helicopters, 78 UH-60 Blackhawk helicopters, 18 EH-60A helicopters for the Army, 840 M-1 tanks and 716 Bradley fighting vehicles. The committee also approved the requested procurement levels for the Navy's A-6E, EA-6B, and F/A-18 aircraft but reduced the administration's request by $45.0 million for the AV-8B aircraft, and recommended a reduction of $100.0 million from the administration's request for the F-14. The committee recommended approval of the administration's request for 180 F-16 aircraft and 48 F-15 aircraft while making minor funding reductions in these programs of $30.0 million and $52.0 million respectively.

The committee also recommended approval of funding for development of the JVX tilt-rotor aircraft, now designated the V-22 Osprey, but recommended reductions in the LHX (the Army's proposed family of light helicopters) program, and the Air Force's advanced tactical fighter [ATF]. The committee also directed that the Army's Aquila remotely piloted vehicle [RPV] program be restructured at a funding level one half of that requested by the administration.

The committee recommended no funds be provided for the Army's field artillery ammunition support vehicle [FAASV], the Army's robotic obstacle breaching assault tank [ROBAT], Navy UC-12B aircraft, Navy T-34C trainer aircraft, Marine M-198 Howitzers, Air Force HH-60 Nighthawk helicopters, and Air Force low level laser guided bomb (LLLGB) Kits.

SEAPOWER AND FORCE PROJECTION

In the seapower and force projection area, the committee approved $23.9 billion, a reduction of $3.3 billion from the administration's request. In shaping the seapower and force projection budget, the committee emphasized the need to continue to build high priority ships and aircraft, improve readiness and sustainability, support ongoing multiyear contracts, encourage competition and efficient production rates, and support key R&D programs.

The committee approved $9.9 billion to procure 21 new ships and convert five others in the 1986 Navy shipbuilding account. Among the new ships authorized were four attack submarines, three Aegis cruisers, six mine warfare ships, and one LHD-1 Wasp class amphibious assault ship.

In the airlift area, the committee authorized continued procurement of the C-5B Galaxy airlifter and the KC-10A advanced cargo/tanker for the Air Force. Both aircraft are under multiyear contracts. Additionally, the committee authorized $383.7 million, a reduction of $70.0 million from the request, for continued development of the new C-17 airlift aircraft.

The committee also approved funding for 24 LAMPS Mark-III antisubmarine helicopters, nine P-3C Orion ASW patrol aircraft, and 10 MH-53E minesweeping helicopters.

As an economy measure, the committee denied funding for six LAMPS Mark I helicopters, an action which will close this production line 1 year earlier than planned.

PREPAREDNESS

With regard to preparedness issues, the committee recommended $83.5 billion, approximately $3.5 billion less than requested by the administration. The committee's priorities in considering program funding were to preserve positive trends in readiness; support deliveries of modernization equipment, reduce maintenance backlogs; improve force sustainability; improve individual and unit readiness measures; and improve stocks of ammunition for units, training and war reserves. Requested increases in flying hours for all services were approved as were increases in Army battalion training days and Navy steaming days. Requests for ammunition were approved except for those of the 9mm handgun and DIVAD (Division Air Defense gun). The funds for procurement of the 9mm handgun itself were also deleted. Most of the funding reductions were offset by accumulated and predicted savings resulting from lower inflation, favorable foreign exchange rates, and lower costs of stock fund items.

MANPOWER AND PERSONNEL

In the area of manpower and personnel, the committee recommended a reduction of 10,730 active duty personnel from the administration's request. This decision was a result of the substantial, congressionally-mandated defense budget reductions, coupled with a desire to permit increased manning in combat units (rather than increases in support forces). The committee agreed to increase the average strengths of the Selected Reserve by 30,171 which amounts to approximately 70 percent of the administration's request. A Defense Department civilian end-strength of approximately 1.1 million personnel was approved. This figure represents a freeze on civilian manning levels.

In addition, the committee agreed to provisions which could lead to a substantial restructuring of the military compensation system. These provisions include a 10-percent reduction in the funding level for military retirement along with approval of several hundred million dollars for special incentive pays and increased permanent change of station allowances. As part of this package—which involves reducing the share of military compensation dollars to be utilized for military retirement to provide more compensation to personnel during their active careers—the committee approved an across-the-board pay raise of 3 percent for all military personnel, effective October 1, 1985. The total costs of the increased pay and allowances provided by the committee's actions approximate $2.4 billion above the levels presently authorized. The committee further directed that the Secretary of Defense submit proposed legislation to the Congress, not later than September 1, 1985, which, if enacted, would alter the military retirement structure in such a manner that the costs of the system could be met under the reduced funding authorized by the committee. The committee specifically directed that this legislation not apply to any person on active duty or already retired when and if such legislation is enacted.

MILITARY CONSTRUCTION

The committee authorized $8.8 billion for military construction, $1.5 billion less than requested by the administration. As in the committee's previ-

ous action, $36 million was approved for the Navy to initiate land acquisition and construction to homeport a battleship group at Staten Island, NY, and a carrier battle group at Everett, WA. However, these funds may not be used until the Navy justifies to the Congress the military necessity and cost effectiveness of homeporting at these locations. Due to budget constraints, the committee deferred funds requested by the Army to begin stationing the 10th Mountain Division at Fort Drum, NY.

As I have said before, we continue to throw away billions of dollars annually on bases that should be closed. When the Pentagon has tried to close any of these nonessential bases, the politicians have stopped them cold. It is time to stop this useless waste of tax dollars. The committee has recommended legislation that will allow the Secretary of Defense to close any nonessential bases. To permit these base closures, "up front" funding will be required. This bill would authorize $1 billion for this purpose.

In concluding my remarks, I would like to remind my colleagues that in these times of uncertain budgets, one price remains unchanged: The price of liberty is still eternal vigilance. And it remains our greatest responsibility under the Constitution to provide whatever is necessary to keep that vigil. May we all bear that in mind as we debate the issues of this defense budget.

Mr. STENNIS addressed the Chair.

The PRESIDING OFFICER. The Senator from Mississippi.

Mr. STENNIS. Mr. President, I ask for recognition. I shall not detain the Senate but a short time. I am filling in for the time being for the Senator from Georgia, Mr. NUNN, who is the ranking Democratic member of this important committee, who had to be away today on other official business.

First, Mr. President, without trying to emphasize the situation, I want to both thank and commend the Senator from Arizona, Mr. GOLDWATER, for the very fine job that he has done in getting this bill ready for presentation, and for the handling of it in the hearings, in the first write-up—and then the second time which was finished last night. He not only knows the subject but, he has the will to do. He stirs around at it all the time, and everybody that is tied in with him has to stir or get out of the way—but he stirs in a very proper and mannerly way. There is no way to estimate the value of the Senator, especially in a subject in this field.

It illustrates, too, Mr. President, the strength of the Senate is in its committees, more particularly the ones that concentrate on worthwhile subject matters representing problems of our Nation—master them to a degree, share their knowledge in and energy with their fellow members, and then present on the committee and do whatever is necessary there in making adjustments in a bill, the tone of the bill, the substance of the report, and then coming here to the floor in open session where everyone, the press, and everyone else can be heard, giving their views and countering the views that may disagree with them.

That is the Senate at its best. That is where the real work is done, particularly when supported by competent staff members. That is exactly what this committee has—a highly capably, competent, experienced and dedicated staff.

Mr. President, my remarks will be brief. I will be very brief every time that I have anything to say today and I look forward to hearing the debate, too.

Mr. President, we are just beginning debate on this major Department of Defense authorization bill. This bill contains the authorization for everything in our defense establishment. It includes authority for star wars research and for soup in the mess hall kitchens. It just covers the waterfront. That shows how the authorization process has grown since it began in 1958 with a simple authorization for Navy ships.

This is a strong bill and I would urge my colleagues to vote for it. There is plenty of money authorized in this bill to continue a strong and solid military program and continue to increase our military strength. The figures have grown so large—this bill authorizes directly $231.9 billion. That figure compares with the $51.9 billion authorized the last year that I was chairman of the Senate Armed Services Committee, when the bill did not cover as many items as now.

Mr. President, it is almost beyond realization when we think about that as late as 1957, I think it was, we did not have to meet authorization requirements. Authorization legislation did not necessarily have to come before the Senate Armed Services Committee. The Appropriations Committee decided how many ships we needed, and decided how many men we needed in the services, and made virtually all decisions, within the military field although there was some very important work done by this committee. I point this out as showing the magnitude, the growth, and the importance to the people, and to our Nation of the work of this committee and others that carry the load of these responsibilities.

There are always reductions made by Congress in the budget request and this year is not different. This bill makes a modest reduction in the request—about 6.8 percent. No major ships, aircraft, or tanks are just cut out of the program. There are some slowdowns, such as in MX and star wars research; and there are some increases, such as in military personnel. But on balance, we must provide enough money for a strong defense and this bill does that.

The funds authorized in this bill come on top of a vast amount of money provided for defense in the past few years. For the first time in history, the appropriations for the previous 4 years for national defense have exceeded $1 trillion. Those appropriations totaled $1,022.2 billion in just 4 years. That is enough money to provide the safety we need, but I doubt that our economy can stand just piling more and more billions on top of those large figures.

In fact, I have no doubt about that, and think that we have to manage better and make the funds that are reasonably available to the job, not only in the military department but others.

If we are not careful, at some point, we will undermine our economic and financial system. We already have a staggering trade deficit and the banks in two States already have been threatened with collapse. We must turn our attention to getting more out of the defense dollar because we cannot keep on piling the dollars up indefinitely.

Mr. President, I say that as one who has been through the Great Depression, the big depression of the 1930's, when, really, our system was endangered by the narrow margin of safety upon which we were then operating. Our responsibility now is tremendously greater. We are doing a better job, but there is a limit. The $600 hammers and the improper contractor bills have got to stop, but we must not just cover up the tip of the iceberg.

Those things can be corrected, Mr. President, but I urge everyone, do not judge the Department of Defense by incidents of that kind, because I do not think they are typical. Any place they exist, if they are not stirred up and picked up and put out and remedy given that is lasting, some individuals ought to have to pay that penalty. We have laws, we have the will that can make those individuals pay the penalty and not take it out on the service, particularly a service that goes to protect us every day and every night from bodily harm and the possible destruction of our very existence. We must get at producing more defense for the dollars so that the people will know that we have more ships, more tanks, and more aircraft for the money that we spend.

Mr. President, I hope we can get this bill moving today and on Monday of next week. It is an important step in providing for our national security. It is an important way for the Senate and the Congress to carry out its responsibilities and it is an important

product of the Senate committee system.

Mr. President, I conclude my remarks and, at the same time, I look forward to this debate, although I have heard these facts, many of them, myself.

The PRESIDING OFFICER (Mr. EVANS). The Senator from Arizona.

Mr. GOLDWATER. Mr. President, the Senator from Mississippi was very generous in his remarks concerning me. I thank him. I remind the Senator, my close friend, and my colleagues that if I have any ability in this field at all, I learned it all from him. I thank him.

I yield the floor, Mr. President.

The PRESIDING OFFICER. The Senator from South Carolina is recognized.

Mr. THURMOND. Mr. President, I wish to associate myself with the remarks of the distinguished chairman of the Senate Armed Services Committee [Mr. GOLDWATER]. I also commend him for the great job he has done on this bill. Senator GOLDWATER is a major general in the Air Force Reserve; he has had long experience in military matters. He is truly one of the experts in this country on matters of defense.

I also commend the able Senator from Mississippi [Mr. STENNIS], who was chairman of this committee for many years, for the great work he has done in military matters in helping keep our country prepared. I associate myself with his remarks.

Mr. President, the committee made every effort possible to limit the impact that zero real growth would have on necessary defense modernization programs. We were largely successful in doing this for fiscal year 1986. Our prospect for the future, however, are not very encouraging if Congress continues to severely limit or curtail growth in defense spending. Perhaps the most positive aspect of the reductions made by the Armed Services Committee is the contribution they make toward reducing the deficit.

Mr. President, the committee recommends a reduction of nearly $20 billion from the President's initial fiscal year 1986 budget request. These reductions are not without impact. We authorized only 21 Peacekeeper missiles and reduced the strategic defense initiative by $750 million. Both of these reductions undoubtedly will impair our negotiating capability with the Soviets in Geneva. The committee approved only 60 percent of the end strength increases requested by the Department of Defense. This will slow our needed force expansions and prevent us from capitalizing on the present favorable recruiting environment.

One of the most important provisions in this bill is the authorization for production of binary chemical munitions. There was very strong bipartisan support in the committee for this measure, and I strongly urge all of my colleagues to support the committee recommendation concerning binary weapons.

Another significant provision of this bill is the modification of the Davis-Bacon Act insofar as it applies to military construction projects. I have long been an advocate of repeal of this costly legislation. Each year, we spend hundreds of millions of taxpayer dollars needlessly because of the Davis-Bacon Act. The requirement to pay so-called prevailing labor wage rates for Government construction projects has proven too costly. I commend my distinguished colleague from Texas [Mr. GRAMM] for his fine efforts and eloquent advocacy of revision of this costly and unnecessary legislation.

Mr. President, each year, the Senate Armed Services Committee adds a small amount of money to the defense budget to procure additional equipment for our Guard and Reserve forces. This year, Senator STENNIS and I offered an amendment to add $300 million for this purpose. Of this sum, $150 million will buy eight C-130's for the Air National Guard and $150 million will buy unspecified support equipment for the Guard and Reserve. I thank Senator STENNIS for his work in recognizing the importance of the Guard and Reserve.

As chairman of the Military Construction Subcommittee of the Senate Armed Services Committee, I want to briefly discuss the committee's recommendation on division B of S. 1160, which pertains to military construction. This year the committee forced to make major reductions in the military construction budget. The request was for $10.3 billion for new authority. Reductions of $1.5 billion, about 15 percent, are recommended by the committee. This year the Congress is faced with the difficult task of reconciling the need for military construction and family housing with the need to reduce the Nation's unacceptable high budget deficit. Such a reduction was not without significant consequences. Funding for many important community facilities was deferred. For the most part, funds for operations and maintenance and training facilities, as well as troop and family housing, were fully supported. The request to the Congress contained nearly 1,700 different projects, at 700 military installations, within the United States and overseas. One-quarter of the initial fiscal year request is for operations and maintenance and the rest, $7.8 billion, was requested for new construction, including $500 million for planning and design. Construction in the United States accounts for 73 percent, with 18 percent for bases in Europe and 9 percent in other overseas areas.

The committee has recommended authorization of $36 million for the Navy, to initiate land acquisition and construction to homeport a battleship group at Staten Island, NY, and a carrier battle group at Everett, WA. I want to especially thank Senator D'AMATO from the State of New York, and Senators GORTON and EVANS from the State of Washington, for so forcefully bringing to the committee's attention key strategic factors bearing on this important deployment. Senator MOYNIHAN also expressed a deep interest in the New York project. While any such basing decision is costly, the Secretary of the Navy has assured us that the appropriated cost of facilities at Everett, WA, will not exceed $272 million, and those at Staten Island, NY, will not exceed $188 million.

Other details of the committee action are in the committee's report and explanatory statement, and I do not intend to discuss the committee's action in any detail. I invite my colleagues attention to the report and would be pleased to respond to any questions Members might have.

I want to take this opportunity to acknowledge the efforts of Senator BINGAMAN, who served with me as the ranking minority member on the subcommittee. It has been a real pleasure to work on this Bill with Senator BINGAMAN. He has worked hard with me to develop a sensible military construction program within the severe fiscal constraints with which we had to deal. His dedication to this formidable task is very much appreciated. Let me also acknowledge the efforts of staff members Russ Milnes, Ken Johnson, Alan Chvotkin, and Ed McGaffigan, who handled the staff work on this bill, as well as special recognition to Marie Dickinson who provided staff support.

I also wish to thank James McGovern, chief counsel of the committee, for the support that he gave to the Subcommittee, as well as Alan Yuspeh, the committee's general counsel, for his invaluable assistance.

Mr. President, I am disturbed that we were not able to bring out the recommendation of the President, which was a 5.9-percent increase plus inflation. I am disturbed we were not able to bring out a 3-percent increase plus inflation. I am disturbed that we had to bring out a zero-plus-inflation increase in this bill. I feel that it is not the bill the country needs, but it is the best bill under the circumstances that we were able to bring out considering the high deficit of the Nation and the intense necessity for reducing that deficit.

As consideration of this bill goes along, I shall bring out other facts and figures showing how the Soviet Union has made tremendous progress in their

defenses while we have not kept abreast with them. The people of this Nation must realize that the Soviet Union has not abandoned its goal of world aggression; they still desire to control not only the Communist world, but the free world. But the way that they can be stopped is with a strong defense program. The freedom and the liberty which the people of this country enjoy is the greatest privilege under our Constitution. No nation has enjoyed as much freedom, as much opportunity, as much hope, and as high a standard of living as the people in the United States. We cannot afford to jeopardize our freedom and our liberty and all of the provisions under our form of government that have made this Nation so great. We must keep strong not only economically and militarily but spiritually, too. And we must remember the goal of the Soviets and never forget that it is a necessity, whether we like it or not, to keep this country strong from a military standpoint.

Mr. WARNER. Mr. President, I join in expressing appreciation to the distinguished chairman [Mr. GOLDWATER] and to the ranking minority member [Mr. NUNN], absent today, although very ably represented by our former chairman, the distinguished Senator from Mississippi.

In the opening statement by our chairman, Mr. GOLDWATER, he pays his respect to the subcommittee chairmen, of which I am privileged to be one, and I express appreciation for that acknowledgement, not only on behalf of myself but the other subcommittee chairman because, beginning with Senator Tower, we were given a considerable measure of responsibility and that same tradition has been kept intact by our distinguished chairman today. As such, we work as a team, in a bipartisan spirit, that spirit being fostered by the distinguished former chairman and Mr. NUNN, in reaching decisions on these issues so critical to the present and the future survival of this Nation.

Mr. President, at a later point in the consideration of this bill I will address by way of opening statement, presumably with my distinguished colleague from Colorado [Mr. HART], the matters relating to the strategic area. It is quite likely that many of our colleagues will have a specific interest with respect to those subjects. The chairman, Mr. GOLDWATER, in his statement today has a very complete and comprehensive review of the major actions taken by the subcommittee and eventually accepted by the committee as a whole.

Mr. President, I close by again thanking my distinguished senior colleagues, including Mr. THURMOND—I have the privilege of serving on his subcommittee also—for their guidance and leadership. I think we have provided to the Senate a very fine proposal in this bill. It is my hope the Senate will accept it and that we will meet the deadline of the chairman and majority leader by having the matter concluded before the recess next week.

I thank the Chair.

Mr. GOLDWATER. I thank my friend from Virginia not only for his statement but for the fine work he has done through the years of his assignments on the committee.

AMENDMENT NO. 147

(Purpose: To provide improved procurement procedures for the Department of Defense).

Mr. GOLDWATER. Mr. President, I send to the desk a committee amendment and ask for its immediate consideration.

I also ask unanimous consent that there be a separate printing of the committee amendment.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment will be stated.

The assistant legislative clerk read as follows:

The Senator from Arizona [Mr. GOLDWATER] proposes an amendment numbered 147.

Mr. GOLDWATER. Mr. President, I ask unanimous consent that reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

AMENDMENT No. 147

After title V of division A of the bill, insert the following new title:

TITLE VI—PROCUREMENT POLICY REFORM AND OTHER PROCUREMENT MATTERS

SHORT TITLE

SEC. 601. This title may be cited as the "Defense Procurement Improvement Act of 1985".

CONGRESSIONAL FINDINGS AND POLICY

SEC. 602. The Congress finds that the process by which the Department of Defense acquires weapon systems and other defense equipment can be improved—

(1) by promoting continuous competition throughout the period of time in which a weapon system or other defense equipment is acquired, when such competition is cost effective, would not result in unacceptable delay, and is otherwise in the national security interest of the United States;

(2) by requiring the Secretary of Defense to make thorough estimates of what it should cost to manufacture a particular weapon system or other defense equipment;

(3) by ensuring that the military and civilian personnel of the Department of Defense who have substantial responsibility for the acquisition of weapon systems and other defense equipment are highly qualified for the duties they perform;

(4) by ensuring that the career path for military officers who have specialized in the acquisition of weapon systems or other defense equipment offers sufficient opportunity for advancement and promotion;

(5) by providing mandatory training for personnel responsible for enforcing quality assurance in contractor facilities;

(6) by promoting increased disclosure of the activities of employees of defense contractors who are former employees of the Department of Defense and who were involved with the procurement of defense services and equipment while employed by the Department of Defense;

(7) by preventing conflicts of interest by employees of the Department of Defense involved in the negotiation and administration of Government contracts;

(8) by continuing procurement technical assistance through outreach programs; and

(9) by shifting the burden of proof in certain matters in the resolution of Government contract disputes.

COMPETITION IN MAJOR WEAPON SYSTEM AND EQUIPMENT ACQUISITION PROGRAMS

SEC. 603. (a)(1) Chapter 137 of title 10, United States Code, is amended by adding at the end thereof the following new section:

"§ 2324. Planning for competition in major weapon system and equipment acquisition programs

"(a) In this section:

"(1) 'Full scale development', when used with respect to a weapon system or other defense equipment, means all detail design of the weapon system or other defense equipment necessary for the production of that system or equipment to begin.

"(2) 'Major defense acquisition program' has the same meaning as provided in section 139a(a)(1) of this title.

"(3) 'Acquisition plan' means the type of plan referred to in section 7.104 of the Federal Acquisition Regulation as in effect on April 1, 1985.

"(4) 'Acquisition', when used with respect to a weapon system or other defense equipment, means the complete process associated with the development and procurement of the weapon system and other defense equipment, including identification of military requirements, research, and testing.

"(5) 'System integration' means the development and administration, normally by a prime contractor, of the process of manufacturing a completed weapon system or other defense equipment for delivery to the United States, including the installation of all subsystems and components.

"(b)(1) Before completion of the full scale development of a weapon system or other defense equipment under a major defense acquisition program, the Secretary of Defense shall prepare an acquisition plan for such program.

"(2) The acquisition plan shall provide for the use of competitive procedures when required by section 2304 of this title.

"(c) The acquisition plan prepared pursuant to subsection (b)(1) shall require the establishment and maintenance of two or more production sources for system integration and for major subsystems to be purchased by the United States under the major defense acquisition program when the establishment and maintenance of two or more production sources—

"(1) would increase competition and would likely result in reduced overall costs for such program;

"(2) would not result in unacceptable delays in fulfilling the needs of the Department of Defense; and

"(3) is otherwise in the national security interest of the United States.

"(d) The Secretary shall submit to the Committees on Armed Services of the Senate and House of Representatives the acquisition plan prepared pursuant to subsection (b)(1) for a major defense acquisition program as soon as the plan is com-

plete, but in no event later than the time that an initial budget request for production of the program is made to the Congress.

"(e) If an acquisition plan prepared pursuant to subsection (b)(1) does not require the establishment and maintenance of two or more production sources, the Secretary shall include in the plan a statement of the reasons, including any cost estimates or other background material, which form the basis for the Secretary's conclusion that the establishment and maintenance of two or more production sources is not required.

"(f) Nothing in this section is intended to modify or abrogate the provisions of section 2304 of this title.".

(2) The table of sections at the beginning of such chapter is amended by inserting at the end thereof the following new item:

"2324. Planning for competition in major weapon system and equipment acquisition programs.".

(b) The amendments made by subsection (a) shall apply only to major defense acquisition programs for which funds for initial production are requested by the Secretary of Defense for fiscal year 1987 or any subsequent fiscal year.

COST ESTIMATES FOR MAJOR DEFENSE ACQUISITION PROGRAMS

SEC. 604. (a)(1) Chapter 141 of title 10, United States Code, is amended by adding at the end thereof the following new section:

"§ 2406. Cost estimates for major defense acquisition programs

"(a) In this section:

"(1) 'Competitive procedures' has the same meaning as provided in section 2302(2) of this title.

"(2) 'Major defense acquisition program' has the same meaning as provided in section 139a(a)(1) of this title.

"(3) 'Should-cost analysis' means the type of analysis referred to in section 15.810 of the Federal Acquisition Regulation as in effect on April 1, 1985.

"(4) 'System integration' has the same meaning as provided in section 2324(a)(5) of this title.

"(b)(1) During the first four years of production under a major defense acquisition program, the Secretary of Defense shall perform a should-cost analysis of the system integration and of each major subsystem to be purchased directly by the United States for each such program.

"(2) The should-cost analysis of a major defense acquisition program required by paragraph (1) shall be conducted with respect to a contractor only when the contractor has received a contract award under the program under other than competitive procedures during the first four years of production of the program.

"(c) The Secretary of Defense shall authorize the Secretaries of the military departments, on a nondelegable basis, to waive the requirement of subsection (b) and shall establish criteria for the exercise of the authority. The Secretary of Defense shall submit to the Committees on Armed Services of the Senate and House of Representatives the criteria established under the first sentence. A grant of authority and the criteria established in connection with that authority may not take effect for a period of 60 calendar days after the day on which the criteria is received by the committees.

"(d) The Secretary of a military department shall promptly report to the Committees on Armed Services of the Senate and House of Representatives any waiver made by the Secretary under subsection (d).

"(e) If practicable, the preparation of the should-cost analysis in connection with any major defense acquisition program should be performed by employees of the Department of Defense.

"(f) The Secretary of Defense shall report annually to the Committees on Armed Services of the Senate and House of Representatives the cost of performing should-cost analyses for major defense acquisition programs and the savings believed to have been achieved in such programs from the analyses.".

(2) The table of sections at the beginning of such chapter is amended by adding at the end thereof the following new item:

"2406. Cost estimates for major defense acquisition programs.".

(b) The amendments made by subsection (a) shall apply only to major defense acquisition programs for which funds for initial production are appropriated for fiscal year 1986 or for any subsequent fiscal year.

MANAGEMENT OF DEPARTMENT OF DEFENSE PROCUREMENT PERSONNEL

SEC. 605. (a) Part II of subtitle A of title 10, United States Code, is amended by adding at the end thereof the following new chapter:

"CHAPTER 85—PROCUREMENT MANAGEMENT PERSONNEL

"Sec.
"1621. Definitions.
"1622. Education, training, and experience requirements for program managers.
"1623. Education, training, and experience requirements for certain assignments.
"1624. Training program for quality assurance personnel.

"§ 1621. Definitions

"In this chapter:

"(1) 'Major defense acquisition program' shall have the same meaning as provided in section 139a(a)(1) of this title.

"(2) 'Program manager' means an individual assigned by a military department to have overall responsibility for acquisitions under a major defense acquisition program.

"§ 1622. Education, training, and experience requirements for program managers

"(a) The Secretary of each military department shall prescribe regulations, subject to the approval of the Secretary of Defense, establishing minimum requirements of education, training, and prior experience for program managers of major defense acquisition programs.

"(b) Regulations prescribed under subsection (a) shall require, at a minimum, that to be assigned to duty as a program manager a person must—

"(1) have attended the program management course at the Defense Systems Management College or a comparable program management course at another institution; and

"(2) have had eight years of total experience in the acquisition, support, and maintenance of weapon systems, at least four years of which was spent on assignments in the Army Materiel Command, Naval Materiel Command, Air Force Systems Command, or Air Force Logistics Command, or any successor organization of any such command.

"(c) Periods of time spent in postgraduate education in a technical or management field and attending the course referred to in subsection (b)(1) may be counted toward satisfying the eight-year requirement prescribed in subsection (b)(2).

"(d) In assigning any person to duty as a program manager, the Secretary concerned may waive the requirements prescribed in subsection (b) in individual cases. The authority to waive the requirements may not be delegated.

"§ 1623. Education, training, and experience requirements for certain assignments

"(a) The Secretary of each military department concerned shall prescribe regulations, subject to the approval of the Secretary of Defense, establishing minimum requirements of education, training, and prior experience for officers of that department assigned to duty in the Army Materiel Command, Naval Materiel Command, Air Force Systems Command, or Air Force Logistics Command, or any successor organization of any such command, who hold the grade of brigadier general or commodore, or any higher grade.

"(b) Regulations prescribed under subsection (a) shall require, at a minimum, that in order for an officer of a military department to serve in the grade of brigadier general or commodore, or a higher grade, while assigned to duty in the Army Materiel Command, Naval Materiel Command, Air Force Systems Command, or Air Force Logistics Command, or any successor organization of any such command, the officer must meet the requirements of section 1622(b) of this title.

"(c) The Secretary concerned may waive the requirements for assignment to duty described in subsection (a). The authority to waive such requirements may not be delegated.

"§ 1624. Training program for quality assurance personnel

"The Secretary of Defense shall develop a formal introductory training program of not less than four weeks in duration for all personnel of the Department of Defense who are responsible for assuring quality in contractor facilities. A person assigned to perform quality assurance duties in the Department of Defense shall attend such program during the first six months of the assignment.".

(b) The table of chapters at the beginning of subtitle A of title 10, United States Code, and at the beginning of part II of such subtitle are each amended by inserting after the item relating to chapter 83 the following new item:

"85. Procurement Management Personnel ..... 1621".

IMPROVED REPORTING AND DISCLOSURE FOR FORMER EMPLOYEES OF THE DEPARTMENT OF DEFENSE; PREVENTION OF CONFLICTS OF INTEREST

SEC. 606. (a) Section 2397(a)(1) of title 10, United States Code, is amended—

(1) by striking out "by negotiation"; and

(2) by striking out "$10,000" and inserting in lieu thereof "$25,000".

(b) Section 2397(b)(2) of such title is amended to read as follows:

"(2)(A) If a person to whom this subsection applies (i) was employed by, or served as a consultant or otherwise to, a defense contractor at any time during a year at an annual pay rate of at least $25,000 and the defense contractor was awarded contracts by the Department of Defense during the preceding year that totaled at least $10,000,000, and (ii) within the 2-year period ending on the day before the person began the employment or consulting relationship, the person served on active duty or performed civilian service for the Department,

the person shall file a report with the Secretary of Defense in such manner and form as the Secretary may prescribe. The person shall file the report not later than 90 days after the date on which the person began the employment or consulting relationship.

"(B) The person shall file an additional report each time, during the 2-year period beginning on the date the active duty or civilian service with the Department terminated, that the person's job with the defense contractor significantly changes or the person commences an employment or consulting relationship with another defense contractor under the conditions described in the first sentence. A person required to file an additional report under this subparagraph shall file the report within 30 days after the date of the change or the date the employment or consulting relationship commences, as the case may be.".

(c) Section 2397(b)(3) of title 10, United States Code, is amended—

(1) by striking out clause (D) and inserting in lieu thereof the following:

"(D) A description of the duties and work performed by the person for the defense contractor, and a description of any similar duties or work performed for which the person had at least partial responsibility as a civilian official or employee of the Department of Defense or a member of the armed forces during the 2-year period referred to in paragraph (2)(A)(ii).";

(2) in clause (F)—

(A) by striking out "brief"; and

(B) by striking out "3-year period before that duty or service ended" and inserting in lieu thereof "2-year period referred to in paragraph (2)(A)(ii) and a description of the type of work performed and the extent to which such work was performed by the person for the defense contractor that has employed the person or has retained the person as a consultant"; and

(3) by adding at the end thereof the following new clause:

"(I) A statement describing any disqualification action taken by the person during the 2-year period referred to in paragraph (2)(A)(ii) with respect to any personal and substantial involvement in a matter concerning the defense contractor.".

(d)(1) Section 2397(c)(1) of such title is amended—

(A) by striking out "fiscal" each place it appears; and

(B) in clause (B)—

(i) by striking out "3-year" and inserting in lieu thereof "2-year"; and

(ii) by striking out "$15,000" and inserting in lieu thereof "$25,000".

(2) Section 2397(c)(2) of such title is amended—

(A) by striking out clause (C) and inserting in lieu thereof the following:

"(C) A description of the duties and work performed by the person with the Department and a description of any similar duties or work for which the person had at least partial responsibility as an employee or consultant of the defense contractor during the 2-year period referred to in paragraph (1)(B).''; and

(B) by striking out clause (F) and inserting in lieu thereof the following:

"(F) A description of the duties and work performed by the person for the defense contractor and a description of the type of work and the extent to which such work was performed by the person in connection with contracts of the defense contractor with the Department during the 2-year period referred to in paragraph (1)(B).".

(e) Subsection (f) of section 2397 of such title is amended to read as follows:

"(f)(1) A person who fails to comply with the filing requirements of this section shall be liable to the United States for an administrative penalty in the amount of $10,000, or in such lesser amount as may be determined by the Secretary of Defense, considering all the relevant circumstances.

"(2) The Secretary shall determine whether a person has failed to file a report required by this section and shall determine the amount of the penalty under paragraph (1). The Secretary shall make the determinations on the record after opportunity for an agency hearing as provided in subchapter II of chapter 5 of title 5, United States Code. The determinations of the Secretary shall be subject to judicial review under chapter 7 of such title.".

REQUIREMENTS RELATING TO PRIVATE EMPLOYMENT CONTACTS BETWEEN CERTAIN DEPARTMENT OF DEFENSE PROCUREMENT OFFICIALS AND DEFENSE CONTRACTORS

SEC. 607. (a)(1) Chapter 141 of title 10, United States Code, is amended by inserting after section 2397 the following new section:

"§ 2397a. Requirements relating to private employment contacts between certain Department of Defense procurement officials and defense contractors

"(a) In this section:

"(1) 'Contract' has the same meaning as provided in section 2397(a)(1) of this title.

"(2) 'Covered defense official', means any individual who is serving—

"(A) as a civilian officer or employee of the Department of Defense in a position for which the rate of pay is equal to or greater than the minimum rate of pay payable for grade GS-11 under the General Schedule; or

"(B) on active duty in the armed forces in a pay grade of O-4 or higher.

"(3) 'Defense contractor' has the same meaning as provided in section 2397(a)(2) of this title.

"(4) 'Designated agency ethics official' has the same meaning as the term 'designated agency official' in section 209(10) of the Ethics in Government Act of 1978 (92 Stat. 1850; 5 U.S.C. App.).

"(5) 'Employment' means a relationship under which an individual furnishes services in return for any payment or other compensation paid directly or indirectly to the individual for the services.

"(6) 'Procurement function' includes, with respect to a contract, any function relating to—

"(A) the negotiation, award, administration, or approval of the contract;

"(B) the selection of a contractor;

"(C) the approval of changes in the contract;

"(D) quality assurance, operation and developmental testing, the approval of payment, or auditing under the contract; or

"(E) the management of the procurement program.

"(b)(1) If a covered defense official who has participated personally and substantially in the performance of a procurement function in connection with a contract awarded by the Department of Defense contacts, or is contacted by, the defense contractor to whom the contract was awarded regarding future employment opportunities for the official with the defense contractor, the official shall, except as provided in paragraph (2)—

"(A) promptly report the contact to the official's supervisor and to the designated agency ethics official (or his designee) of the agency in which the covered defense official is employed; and

"(B) for any period for which future employment opportunities for the covered defense official have not been rejected by either the covered defense official or the defense contractor, disqualify himself from all participation in the performance of procurement functions relating to contracts of the defense contractor.

"(2) A covered defense official is not required to report the first contact with a defense contractor under paragraph (1)(A) or to disqualify himself under paragraph (1)(B) if the defense official terminates the contact immediately. However, if an additional contact of the same or a similar nature is made by or with the defense contractor, the covered defense official shall, as provided in paragraph (1), report the contact and all contacts of the same or a similar nature made by or with the defense contractor during the 90-day period ending on the date the additional contact is made.

"(c) A report required by subsection (b)(1) shall include—

"(1) the date of each contact covered by the report; and

"(2) a brief description of the substance of the contact.

"(d)(1)(A) If the Secretary of Defense determines under paragraph (2) that a person has failed promptly to make a report required by subsection (b)(1)(A) or (b)(2) or has failed to disqualify himself in any case in which he is required to do so under subsection (b)(1)(B)—

"(i) the person may not accept or continue employment with the defense contractor during the 2-year period beginning on the date of the contact; and

"(ii) the Secretary may impose on the person an administrative penalty in the amount of $10,000, or in such lesser amount as may be prescribed by the Secretary, taking into consideration all the circumstances.

"(B) An individual who accepts or continues employment prohibited by subparagraph (A)(i) shall be liable to the United States for an administrative penalty as provided in subparagraph (A)(ii). Such penalty may be in addition to any penalty previously imposed on the individual under subparagraph (A)(ii) for failure promptly to make a report relating to the defense contractor by whom the individual is employed as required by subsection (b)(1)(A) or (b)(2).

"(C) The Secretary of Defense may take action against an individual under this paragraph before, on, or after the date on which the individual's employment with the Government is terminated.

"(2)(A) The Secretary of Defense shall—

"(i) determine whether an individual has failed promptly to make a report required by subsection (b)(1)(A) or (b)(2) or has failed to disqualify himself in any case in which he is required to do so under subsection (b)(1)(B) and shall determine whether to impose a penalty under paragraph (1)(A)(ii) and the amount thereof; and

"(ii) determine whether an individual is liable to the United States for an administrative penalty under paragraph (1)(B) and the amount thereof.

There shall be a rebuttable presumption in favor of a covered defense official that failure to report a contact with a defense contractor or failure to disqualify himself from participation in the performance of certain procurement functions is not a violation of subsection (b)(1)(A) or (b)(2) or subsection

(b)(1)(B), as the case may be, if the defense official has received an opinion in writing from the designated agency ethics official under subsection (e) stating that a report or disqualification by the official was not necessary.

"(B) Determinations of the Secretary under subparagraph (A) shall be made on the record after opportunity for an agency hearing as provided in subchapter II of chapter 5 of title 5. The determinations of the Secretary shall be subject to judicial review under chapter 7 of such title.

"(e) If a designated agency ethics official or his designee receives a report required by subsection (b) or a request for advice from a covered defense official relating to a contact described in such subsection, the designated agency ethics official or his designee may issue a written opinion regarding the necessity of a covered defense official to file a report or disqualify himself from participation in certain procurement functions, as the case may be.

"(f) A covered defense official should request the advice of his supervisor and the appropriate designated agency ethics official or his designee on matters to which this section applies.".

(2) The table of sections at the beginning of such chapter is amended by inserting after the item relating to section 2397 the following new item:

"2397a. Requirements relating to private employment contacts between certain Department of Defense procurement officials and defense contractors.".

(b) The amendments made by subsection (a) shall take effect with respect to contacts (referred to in section 2397a of title 10, United States Code, as added by subsection (a) of this section) made on or after the date of enactment of this Act.

AUTHORIZATION OF FUNDS TO CARRY OUT PROCUREMENT TECHNICAL ASSISTANCE COOPERATIVE AGREEMENT PROGRAM

SEC. 608. (a) There are authorized to be appropriated $3,000,000 for each of the fiscal years 1986 and 1987 to be available for the purpose of furnishing assistance to carry out procurement technical assistance programs pursuant to cooperative agreements under chapter 142 of title 10, United States Code.

(b) There are authorized to be appropriated for fiscal years 1986 and 1987 such additional sums as are necessary to defray the expenses of administering the provisions of such chapter during such fiscal years, including the expenses related to the employment of any additional personnel necessary to administer such positions.

BURDEN OF PROOF IN GOVERNMENT CONTRACT DISPUTE RESOLUTION

SEC. 609. In any proceeding before the Armed Services Board of Contract Appeals, the United States Claims Court, or any other Federal court in which the reasonableness of general or administrative costs for which a defense contractor seeks reimbursement from the Department of Defense are in issue, the burden of proof shall be upon such contractor to establish that such costs are reasonable.

TECHNICAL AMENDMENTS

SEC. 610. (a) Sections 2321 through 2331 of chapter 138 of title 10, United States Code, are redesignated as sections 2331 through 2341, respectively.

(b) Sections 2331 and 2332 of such chapter, as redesignated by subsection (a), are each amended by striking out "2323" and inserting in lieu thereof "2333".

(c) Section 2333 of such chapter, as redesignated by subsection (a), is amended by striking out "2321" and "2322" each place they appear and inserting in lieu thereof "2331" and "2332", respectively.

(d) The items relating to sections 2321 through 2331 in the table of sections at the beginning of such chapter are redesignated to reflect the redesignations made by subsection (a).

EFFECTIVE DATES

SEC. 611. (a) Section 1623 of title 10, United States Code (as added by section 605(a) this title), shall take effect on July 1, 1990.

(b) Section 1624 of title 10, United States Code (as added by section 605(a) of this title), shall take effect on January 1, 1987.

(c) The regulations prescribed under subsection (a) of section 1622 of title 10, United States Code (as added by section 605(a) of this title) shall provide that—

(1) the requirement described in subsection (b)(1) of such section 1622 shall take effect July 1, 1987; and

(2) the requirement described in subsection (b)(2) of such section shall take effect July 1, 1989.

Mr. GOLDWATER. Mr. President, I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

Mr. GOLDWATER. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. COHEN. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER (Mr. HECHT). Without objection, it is so ordered.

Mr. COHEN. Mr. President, I rise in support of the National Defense Authorization Act for fiscal year 1986. As the chairman of the Seapower and Force Projection Subcommittee, I want to explain briefly how we went about preparing our portion of this bill, based on the President's request.

Our subcommittee reviewed procurement and research and development programs totaling $27.2 billion. Seapower and force projection funds include Navy ships and antisubmarine aircraft, as well as Air Force airlift aircraft.

The subcommittee approved $23.9 billion for Seapower and Force Projection programs, a reduction of $3.3 billion from the administration's request. In making these reductions, we were guided by the following priorities.

First, we were anxious to continue to build urgently needed ships and aircraft. For reasons I will discuss in a moment, I am pleased to report we were largely able to achieve this goal.

Our second priority was to continue to improve near-term readiness and sustainability. That is a matter which has bipartisan support. Democratic Members, as well as Republican Members, have long supported increasing our readiness and sustainability. Within our account, missiles, torpedoes, gun ammunition, and spare parts all contribute to this goal.

Third, we wanted to support ongoing multiyear contracts, and approve new ones where they show convincing potential for real savings.

As a related goal, we also wanted to encourage competition and support efficient production rates wherever feasible. This priority led us, for example, to cancel one aircraft production line, rather than to continue to produce at a very low and inefficient rate.

If I might diverge for just a moment, there has been a lot of discussion about $4 billion in defense savings that were revealed to the Armed Services Committee in the last few days. I would like to make just a couple of points regarding those savings.

No. 1, no one is complaining about the fact that we are saving money. This is something we have mandated the Defense Department to do. We want them to become better and more efficient in producing savings for the American taxpayer. For that reason, we have mandated certain types of programs.

The Competition in Contracting Act, which passed last year, has produced more competition and is thereby increasing savings. Many may recall that we also engaged in multiyear funding. In the shipbuilding program for aircraft carriers, for example, we actually projected saving some $700 to $800 million by procuring two aircraft carriers rather than one at a time. Those savings have been realized.

So no one is complaining about the fact that we saved money. But, there is some complaint—and I believe legitimate complaint—about the procedure that was used to reveal those savings to the committee. In my judgment, the committee should be apprised on a monthly, at least a quarterly basis, of the kind of savings that are being realized as a result of the various programs implemented by this administration. We should not be caught, after our initial markup has run its course, with the Defense Department saying:

By the way, we have saved an additional $4 billion which you were not aware of when you went through your initial markup.

So my complaint is with the procedure, not with the savings.

I might point out that because we projected inflation at about 4.8 percent this year, while it turned out to be almost a full percentage point lower, we got a windfall of about $1.2 billion. That is a remarkable change from the situation we had just 4 or 5 years ago under a prior administration.

Under the Carter administration, many of us—Republicans and Demo-

crats alike—complained loudly and consistently:

You are underestimating the cost of this weapons program. You are projecting inflation at 7 percent when we know it is much higher. As a matter of fact, it is running at 13 percent. So why are you coming in here submitting this particular budget request projecting the cost of this weapons system at a 7 percent inflation rate?

And they would have to come back in at the end of the year and say:

Sorry, we underestimated it. Now we have to have a supplemental appropriation and we need more money.

So that is something that is behind us and for that we ought to be thankful.

We have a very different problem now that we have inflation under control. We overestimated inflation, and I think prudently so, last year, when we said that we expected it would be 4.8 percent. Fine. then it came in at 3.8, and so much the better.

My complaint again is with the notification procedure that was used. I applaud the savings, but deplore the way they were announced. It gives the appearance of setting aside a little kitty over here, a slush fund, which left the committee that authorizes the funds unaware until the Budget Committee brought its resolution to the floor and, reduced the 3-percent real growth increase to zero.

So I think there is a good cause for complaint about the procedures used. I believe, as Senator GOLDWATER has indicated, we want those procedures changed.

Mr. GOLDWATER. Will the Senator yield?

Mr. COHEN. I yield to the Senator from Arizona.

Mr. GOLDWATER. Mr. President, I am glad the Senator has discussed this. I think it is the proper place to do it.

The Senator will remember that during the markup, when this matter was discussed, I said we would form a committee. I am happy to tell my friend we have informed the members of the committee that it will be a committee of the whole. Under the new rules, we cannot form another subcommittee. So we will meet as a committee of the whole and bring the Pentagon over, the auditors, and everybody concerned.

I believe I can promise my friend that this will not happen again. I was just as exercised about it as he was at the late reporting. But I think it indicates the great amount of progress that has been made over there when we can effect those savings.

I thank my friend from Maine for making these statements.

Mr. COHEN. Mr. President, I thank the Senator.

Before I highlight some of the success that we have had, I want to call my colleagues attention to one shining exception to all the bad news we've been hearing lately about defense costs—and that is the Navy's shipbuilding program. While the overall Defense Department's budget request increased by $36 billion this year, the Navy shipbuilding request actually decreased $172 million or 5 percent in real terms. Moreover, more than $870 million in savings were available from prior year savings in shipbuilding. As I mentioned, the savings resulted from keen competition within the shipbuilding industry, improved shipyard productivity, the elimination of costly changes during construction, and reduced inflation. Believing that these savings should accrue to those who earned them, the committee applied them fully to this year's shipbuilding request. Consequently, we were able to authorize 21 of the 23 new ships requested.

As for specific programs, among the new ships authorized were four nuclear powered attack submarines, three *Aegis* class cruisers, six mine warfare ships, two fleet oilers, and another of the LHD-1 *Wasp* class amphibious assault ships.

Readiness and sustainability received special emphasis, and I am pleased to report that we made no reductions in ammunition requests. Once again, many people in this Chamber last year and the year before kept complaining:

We are cutting down readiness and sustainability. We need more ammunition. Don't send those ships out there unless you have sufficient ammunition to give them a sustained war-fighting capability.

Well, we have done that. We made no reductions in ammunition requests. In fact, we authorized funding for more than 1,400 surface-to-air missiles and over 600 antisubmarine torpedoes.

In the airlift area, the committee authorized continued procurement of the C-5B Galaxy airlifter and the KC-10 airlift.

For Navy aircraft, the committee approved funding for 24 LAMPS Mark-111 anitsubmarine helicopters, 9 P-3C ORION ASW patrol aircraft, and 14 C/MH-53 helicopters, including 10 of the minesweeping version.

The committee denied funding for six LAMPS Mark 1 helicopters, an aircraft which was being produced at an inefficient and costly rate. This action will also close this production line 1 year earlier than planned.

I believe the Seapower and Force Projection portion of this bill is a balanced, affordable package which is consistent with congressional priorities.

Mr. President, I urge my colleagues support during the deliberations on this matter.

Once again, I take this opportunity to pay tribute to our chairman, who was able to, I believe, produce a balanced and responsible defense package. There is a lot of criticism directed to this defense budget, some of it justified, perhaps, by contractors who have been, frankly, ripping off the public.

It has been going on for too long. I am happy to hear the chairman of the Armed Services Committee say he is not going to tolerate it any longer, that if he had his choice, he would suspend all contracts with those individuals who have in fact exploited the very needs of this country, and we cannot afford to have people taking advantage of our national security requirements. We have people who have overcharged, have submitted improper charges, and who have billed us for absurd personal and private expenses. Then they expect the American people to support a strong national defense.

There is no doubt we have to have a very strong, vigorous, dynamic military to defend this country. Consequently, when contractors engage in fraud, we ought to be as strict as we possibly can in prosecuting them. When they are guilty, we should put them in jail, if it takes that kind of example.

The chairman may be aware that I have once again introduced a measure dealing with a civil approach to contractors who submit improper charges so we do not have to go through the Justice Department on every case involving those claims under $100,000. This would allow us to focus on civil fraud penalties as well as criminal penalties for those who are cheating the American taxpayer and compromising our national security.

Mr. GOLDWATER. Will the Senator yield?

Mr. COHEN. I yield.

Mr. GOLDWATER. I am glad the Senator brought this up. I brought it up in my opening statement. I am just fed up with the very, very small percentage of our contractors who have stolen, cheated, and lied. I called my staff together the other day and suggested that we cancel the contracts of one of them. I will not mention the name here. I have done that before. It turns out that they make 50 percent of our jet engines. We are in dire need of those.

The Senator realizes that in addition to his fine amendment that we have other amendments that apply themselves to this problem. One in particular lists every conceivable type of thing that a corporation or company cannot engage in irregardless of what the Internal Revenue might allow. I think this is long, long overdue. I do not think we can get tough enough on these people. Any company that takes advantage of our defense frankly I do not think ought to be in business.

Mr. COHEN. I thank the chairman for his comments. I might point out that part of the reason that we are in

this predicament is that there has not been enough competition in the defense industry. We have had too many contractors who have a lock on defense contracts. They have a monopoly and when they get a monopoly, the same thing takes place that we have seen in other industries. The price goes up, we cannot turn elsewhere to get the product, and there is virtually no control over how much the monopolist can extract from the taxpayers in the name of national security.

During this administration, we have seen more competition than ever before in defense procurement. This has been especially true in the Navy. Secretary Lehman has been an outstanding, vigorous advocate of more competition. As a result, we have saved substantial money in the shipbuilding account. We need more of that across the defense spectrum.

As the chairman has pointed out, he would like to cancel the contracts of those who defraud the procurement system. The problem is that without alternative suppliers, you may cancel one-half of our productive capacity. You cannot cancel half of this country's capacity to produce jet engines at a time when threats to our interest continue to expand around the world. This is not an easy black or white issue.

I want to commend the chairman once again for, No. 1, insisting that the Pentagon keep us apprised of savings that have been achieved. With that information, the authorizing committee can then decide whether or not we want to apply those savings to existing programs, or cut the budget, reduce the deficit, or apply the savings in some other way.

But if we are ignorant of those savings and let that account grow until the Pentagon wants to reveal it to the Appropriations Committee, then it seems to me that does a great disservice to the authorizing committee, to this Congress, and all concerned.

So I am delighted to hear the chairman intends to implement this new program which will require the committee be informed on a regular and timely basis.

Mr. WARNER. Will the Senator yield?

Mr. COHEN. I yield.

Mr. WARNER. Mr. President, I fear that there could be a misimpression created here. I would like to ask the chairman and our distinguished colleague from Maine if they would join me in another minute on this subject. I was interviewed by the press, and just moments ago. There were certain adjectives used which led me to believe that we could, in this colloquy and other statements, give the impression that the Secretary of Defense and his deputies willfully, intentionally, maybe even maliciously, withheld this information. And I, for one, after an examination of the record, after working on the matter with the chairman and others in your office, and in the committee hearing came away with the impression there was no willful or intentional withholding of this information.

During the analysis by our committee on Wednesday, I brought forth the historical perspective of this problem; namely, that last year there was $3.6 billion in funds which the auditors in the Department of Defense determined were available and, indeed, as Mr. Cohen has pointed out, they were absorbed in the process of review by the Appropriations Committee. That is the way it has been done in years previous. However, the year prior, in the fiscal year 1983, the chairman of the Armed Services Committee, Mr. TOWER, on his initiative—and I presume with what he regarded as a timely fashion—determined the availability of in excess of $2 billion. We all remember that day when he announced to the full committee in session that it was his intention to apply those funds to the B–1 bomber program. I cannot recall the vote but the committee did accept his recommendation, and the funds were so applied. Therefore, those two historical precedents confirmed this Senators's opinion that there has been a practice knowledgeable by staffs of our committee, and the majority and the minority in their work almost on a daily basis with the individuals in the Department of Defense. I wholeheartedly endorse the chairman's recommendation that our committee review, together with Senator COHEN's recommendations, how we might improve this practice in the future.

I would not want this dialog today, and in the previous 2 days, to be concluded on a note that there is in this Senator's mind any belief that there was, should I say, a malice aforethought on the part of the Secretary of Defense or any of his deputies.

Mr. GOLDWATER. If the Senator will yield on that point, I do not believe that the chairman has at any time indicated that this was maliciously done.

Mr. WARNER. I am not suggesting that.

Mr. GOLDWATER. I was upset because this happened time and time and time again. I can go back in my memory to 1947 or 1948 when it happened. All I was criticizing the Secretary for was not giving us a progress report as we go along month by month, or quarter by quarter, as to what he is accumulating over there in the savings created by an overestimation of inflation that turned out that it produced $4 billion. I am very happy with it. The Senator knows that we applied that $4 billion to programs that we had to cut out. So it has been put to good use.

I join with my friend from Maine in wanting to see a repetition of this prevented. We can work out a way without any trouble in my opinion that will bring the attention of the committee to the existing situation in this fund.

Mr. WARNER. Mr. President, if the chairman will yield, I concur in his observations. I wholly support his recommendations. Presumably, the committee as a whole will perfect the procedure. I just wanted to make certain that I did not impute the remarks to the chairman nor to Senator COHEN nor anybody else, but they do exist and I felt that, in fairness to the Secretary and the members of the Department of Defense, we should make certain in this colloquy that none of us is making such an accusation.

I had the privilege of serving in the Department of Defense for over 5 years. I am fully familiar with the accounting procedures and how these matters are handled. Indeed, this system was followed in the period from 1969 to 1974, when I was there.

Senator COHEN. I think, very fairly brought out the historical perspective that in years past, there were deficits which required supplemental appropriations. That is the manner in which they were handled at that time.

I think we have reached a very satisfactory conclusion of this episode of the past few days. I just wanted to make a modest contribution to the record of my views.

The chairman has, I think, joined in my observation that there was no willfulness on the part of the Secretary.

I thank the Chair. I thank the distinguished Senator from Maine.

Mr. COHEN. Mr. President, just a few comments. I join in what Senator GOLDWATER has said, that neither he nor I have imputed any malice to the Secretary or his deputy. I would not have stood on this floor last year and the year before asking for two aircraft carriers unless they were going to produce the results they produced.

John Lehman said, "Give me two aircraft carriers and I will save you $800 million." He has done exactly that. I commend the Defense Department and the Navy for what they have done. We passed the Defense Department Contracting Act in 1984. It has accomplished some beneficial savings, in my view. We want to encourage them to do more. I could go on in this fashion.

The difficulty we have, is that the credibility of our defense needs is being unnecessarily compromised and undermined by a procedure which allows us to get on the floor and say, we need no less than x amount of money in order to fund programs critical to our defense. Then when those funds aren't all available, we're back a few days later, saying, we can achieve

what we wanted with less because we have all these surprise savings we just discovered.

All I want is for the Department to advise us of savings on a monthly, bimonthly, or weekly basis, whatever is feasible, so we can stay accurately informed.

We are not casting criticism on our friends, Cap Weinberger or his deputy, but we think a better procedure has to be implemented or we run the risk of coming to the floor and with very little credibility.

Frankly, I think that the need to maintain a strong national defense, not on a yearly basis but on a consistent basis, is among the most serious issues in this country. Last year one of our colleagues offered an amendment which chastised our European friends for not sustaining a long-term defense plan at 3-percent real growth. Here we are a year later, going to zero or less, based on what the House is about to do. What I am urging is a sustained, long-term defense program, but we need credibility to come to the Congress and the country and get support for that sort of commitment. I am delighted.

The chairman has indicated we are going to develop a better reporting procedure that will help us maintain that credibility and thereby strengthen our defenses.

Mr. WARNER. If the Senator will yield, I thank the Senator from Maine for his observations. I agree with him. Procedures should be improved.

I just remember back several years ago when Chairman TOWER, at the opportune time—he knew it was there—produced it. I think we all learn from experience and here is a clear example.

I share the view of the Senator from Maine that the credibility of the Department of Defense, indeed the credibility of this defense community working with the Department and all the defense budget, is brought under suspicion by virtue of the circumstantial case that can be made by the timing of the revelation of these funds.

I thank my friends and my colleagues from Arizona and Maine for indulging me in these comments.

Mr. COHEN. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The bill clerk proceeded to call the roll.

Mr. GOLDWATER. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

ROUTINE MORNING BUSINESS

Mr. GOLDWATER. Mr. President, I ask unanimous consent that there be a period of routine morning business not to extend beyond 2 p.m.

The PRESIDING OFFICER. Without objection, it is so ordered.

MESSAGES FROM THE HOUSE

At 11:38 a.m., a message from the House of Representatives, delivered by Mr. Berry, one of its reading clerks, announced that the House has passed the following joint resolution, in which it requests the concurrence of the Senate:

H.J. Res. 128. Joint resolution designating the month of October 1985 as "National High-Tech Month."

MEASURES REFERRED

The following joint resolution was read the first and second times by unanimous consent, and referred as indicated:

H.J. Res. 128. Joint resolution designating the month of October 1985 as "National High-Tech Month"; to the Committee on the Judiciary.

EXECUTIVE AND OTHER COMMUNICATIONS

The following communications were laid before the Senate, together with accompanying papers, reports, and documents, which were referred as indicated:

EC-1142. A communication from the Deputy Assistant Secretary of Defense (Military Personnel and Force Management), transmitting, pursuant to law, a report on retired or former military officers major/lieutenant commanders or above, former civilian employees whose salary was equal to or above the minimum GS-13 level, and former employee of or consultant to a defense contractor who during the last fiscal year was employed by DOD at a salary equal to or above the minimum GS-13 level; to the Committee on Armed Services.

EC-1143. A communication from the Secretary of the Senate, transmitting, pursuant to law, a full and complete statement of the receipts and expenditures of the Senate, showing in detail the items of expense under proper appropriations, the aggregate thereof, and exhibiting the exact condition of all public moneys received, paid out, and remaining in the possession of the Secretary from October 1, 1984, through March 31, 1985; ordered to lie on the table.

FOREIGN CURRENCY REPORTS

In accordance with the appropriate provisions of law, the Secretary of the Senate herewith submits the following report(s) of standing committees of the Senate, certain joint committees of the Congress, delegations and groups, and select and special committees of the Senate, relating to expenses incurred in the performance of authorized foreign travel:

CONSOLIDATED REPORT OF EXPENDITURE OF FOREIGN CURRENCIES AND APPROPRIATED FUNDS FOR FOREIGN TRAVEL BY MEMBERS AND EMPLOYEES OF THE U.S. SENATE UNDER AUTHORITY OF SEC. 22, P.L. 95-384—22 U.S.C. 1754(b), COMMITTEE ON APPROPRIATIONS, FOR TRAVEL FROM JAN. 1 TO MAR. 31, 1985

Name and country	Name of currency	Per diem		Transportation		Miscellaneous		Total	
		Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency
J. Michael Hall:									
Panama	Dollar		320.00						320.00
Senator Dennis DeConcini:									
Italy	Lira	165,502	83.00					165,502	83.00
United States	Dollar				4,030.50				4,030.50
Italy	Lira	164,672	83.00					164,672	83.00
Israel	Dollar		200.00						200.00
Ethiopia	Birr	765.30	375.00					765.30	375.00
Total			1,061.00		4,030.50				5,091.50

MARK O. HATFIELD,
Chairman, Committee on Appropriations, Apr. 15, 1985.

CONSOLIDATED REPORT OF EXPENDITURE OF FOREIGN CURRENCIES AND APPROPRIATED FUNDS FOR FOREIGN TRAVEL BY MEMBERS AND EMPLOYEES OF THE U.S. SENATE UNDER AUTHORITY OF SEC. 22, P.L. 95–384—22 U.S.C. 1754(b), COMMITTEE ON FOREIGN RELATIONS, FOR TRAVEL FROM JAN. 1 TO MAR. 31, 1985

Name and country	Name of currency	Per diem		Transportation		Miscellaneous		Total	
		Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency
Senator Larry Pressler:									
India	Rupee	9,658.55	769.51	7,842	621.57		346.01	17,500.55	1,737.09
Bangladesh	Taka	400	15.56					400	15.56
Nepal	Rupee	507	27.86					507	27.86
United States	Dollar				5,563.00				5,563.00
Senator Paul Sarbanes:									
France	Franc	1,668.40	172.00					1,668.40	172.00
Gabon	Franc	119,064	246.00					119,064	246.00
Cameroon	Franc	41,500	86.32		13.91			41,500	100.23
Mozambique	Dollar		150.00						150.00
Kenya	Shilling	5,927.60	375.00		48.42		98.01	5,927.60	521.43
United States	Dollar				4,072.00				4,072.00
Douglas L. Miller:									
India	Rupee	9,658.55	769.51	7,633	605.27			17,291.55	1,374.78
Bangladesh	Taka	400	15.56					400	15.56
Nepal	Rupee	506	27.80					506	27.80
United States	Dollar				5,563.00				5,563.00
Casimir A. Yost:									
United States	Dollar				2,601.00				2,601.00
U.S.S.R.	Dollar		470.00						470.00
United Kingdom	Sterling	148.54	166.00					148.54	166.00
Senator Paul S. Trible:									
Italy	Lira	330,000	176.00			372,000	186.00	702,000	362.00
Ethiopia	Birr	461	225.00			518	253.00	979	478.00
Kenya	Shilling	2,250	160.00			2,307	169.07	4,557	329.07
United States	Dollar				4,317.00				4,317.00
William C. Mims:									
Italy	Lira	330,174	171.00			200,000	100.00	530,174	271.00
Ethiopia	Birr	461	225.00			742	362.00	1,203	587.00
Kenya	Shilling	2,250	160.00			2,193	17.06	4,443	277.06
United States	Dollar				4,317.00				4,317.00
Amendment to 1st quarter 1984:									
Senator Paul E. Tsongas:									
United Kingdom	Pound	410.78	594.00					410.78	594.00
United States	Dollar				2,474.00				2,474.00
Amendments to 4th quarter 1984:									
Senator Charles McC. Mathias:									
Argentina	Peso	50,592	340.00					50,592	340.00
Alex Gliksman:									
Thailand	Baht	15,687	581.00		77.40			15,687	658.40
Malaysia	Ringgits	882.65	369.00					882.65	369.00
Singapore	Dollar	501.35	232.00					501.35	232.00
Indonesia	Rupiah	232,825	218.00					232,825	218.00
United States	Dollar				2,791.00				2,791.00
Total			6,742.12		33,064.57		1,631.15		41,437.84

RICHARD G. LUGAR,
Chairman, Committee on Foreign Relations, Apr. 30, 1985.

CONSOLIDATED REPORT OF EXPENDITURE OF FOREIGN CURRENCIES AND APPROPRIATED FUNDS FOR FOREIGN TRAVEL BY MEMBERS AND EMPLOYEES OF THE U.S. SENATE UNDER AUTHORITY OF SEC. 22, P.L. 95–384—22 U.S.C. 1754(b), COMMITTEE ON LABOR AND HUMAN RESOURCES FOR TRAVEL FROM JAN. 1 TO MAR. 31, 1985

Name and country	Name of currency	Per diem		Transportation		Miscellaneous		Total	
		Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency
Senator Orrin G. Hatch:									
Panama			40.00						40.00
Honduras			48.00						48.00
El Salvador			37.50				43.18		80.68
Nicaragua			49.00						49.00
Total			174.50				43.18		217.68

ORRIN G. HATCH,
Chairman, Committee on Labor and Human Resources, Apr. 2, 1985.

CONSOLIDATED REPORT OF EXPENDITURE OF FOREIGN CURRENCIES AND APPROPRIATED FUNDS FOR FOREIGN TRAVEL BY MEMBERS AND EMPLOYEES OF THE U.S. SENATE UNDER AUTHORITY OF SEC. 22, P.L. 95–384—22 U.S.C. 1754(b), FOR TRAVEL AUTHORIZED BY THE MINORITY LEADER FROM JAN. 1 TO MAR. 31, 1985

Name and country	Name of currency	Per diem		Transportation		Miscellaneous		Total	
		Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency
Senator Edward Kennedy:									
South Africa	Rand	1,827.84	768.00					1,827.84	768.00
United States	Dollar				4,752.19				4,752.19
Gregory Craig:									
South Africa	Rand	1,827.84	768.00					1,827.84	768.00
United States	Dollar				3,178.00				3,178.00
Andrea Young:									
South Africa	Rand	1,827.84	768.00					1,827.84	768.00
United States	Dollar				4,752.19				4,752.19

CONSOLIDATED REPORT OF EXPENDITURE OF FOREIGN CURRENCIES AND APPROPRIATED FUNDS FOR FOREIGN TRAVEL BY MEMBERS AND EMPLOYEES OF THE U.S. SENATE UNDER AUTHORITY OF SEC. 22, P.L. 95–384—22 U.S.C. 1754(b), FOR TRAVEL AUTHORIZED BY THE MINORITY LEADER FROM JAN. 1 TO MAR. 31, 1985—Continued

Name and country	Name of currency	Per diem		Transportation		Miscellaneous		Total	
		Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency
Chris Doherty:									
South Africa	Rand	1,827.84	768.00					1,827.84	768.00
United States	Dollar				3,178.00				3,178.00
Senator John Melcher:									
Japan	Yen	29,193	111.00					29,193	111.00
Philippines	Peso	5,154.80	280.00					5,154.80	280.00
United States	Dollar				3,260.00				3,260.00
Wayne E. Mehl:									
Japan	Yen	29,193	111.00					29,193	111.00
Philippines	Peso	5,154.80	280.00					5,154.80	280.00
United States	Dollar				3,260.00				3,260.00
David K. Voight:									
Japan	Yen	29,193	111.00					29,193	111.00
Philippines	Peso	5,154.80	280.00					5,154.80	280.00
United States	Dollar				3,260.00				3,260.00
Isabelita C. Sison:									
Japan	Yen	29,193	111.00					29,193	111.00
Philippines	Peso	5,154.80	280.00					5,154.80	280.00
United States	Dollar				3,260.00				3,260.00
Total			4,636.00		28,900.38				33,536.38

ROBERT C. BYRD,
Minority Leader.

CONSOLIDATED REPORT OF EXPENDITURE OF FOREIGN CURRENCIES AND APPROPRIATED FUNDS FOR FOREIGN TRAVEL BY MEMBERS AND EMPLOYEES OF THE U.S. SENATE UNDER AUTHORITY OF SEC. 22, P.L. 95–384—22 U.S.C. 1754(b), COMMITTEE ON ARMED SERVICES, FOR TRAVEL FROM OCT. 1 TO DEC. 31, 1984

Name and country	Name of currency	Per diem		Transportation		Miscellaneous		Total	
		Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency
John G. Campbell:									
Germany	Deutsche mark	2,511.13	825.00					2,511.13	825.00
Norway	Krone	1,832.40	204.00					1,832.40	204.00
England	Pound	115.20	192.00					115.20	192.00
George K. Johnson:									
Germany	Deutsche mark	2,511.13	825.00					2,511.13	825.00
Norway	Krone	1,832.40	204.00					1,832.40	204.00
England	Pound	239.40	288.00					239.40	288.00
Mark Albrecht:									
Italy	Lira	968,184	504.00		2,214.00			968,184	2,718.00
Rex G. Buffington:									
Italy	Lira	968,184	504.00		2,214.00			968,184	2,718.00
Francis Sullivan:									
Italy	Lira	968,184	504.00		2,001.00			968,184	2,505.00
James Locher III:									
Japan	Yen	43,350	176.94					43,350	176.94
South Korea	Won	81,200	99.51					81,200	99.51
Richard Finn, Jr.:									
Japan	Yen	44,350	181.02					44,350	181.02
South Korea	Won	81,200	99.51					81,200	99.51
Jeffrey Smith:									
Japan	Yen	46,350	189.18					46,350	189.18
South Korea	Won	123,200	150.98					123,200	150.98
James Steinberg:									
Belgium	Franc	8,533	142.99					8,533	142.99
Charles Smith:									
Germany	Deutsche mark	478.32	160.00					478.32	160.00
France	Franc	2,371.02	258.00					2,371.02	258.00
Spain	Peseta	12,682	75.00					12,682	75.00
Senator Sam Nunn:									
Ireland	Pound	21,016	204.00					21,016	204.00
Oman	Riyal	55,200	160.00					55,200	160.00
Pakistan	Rupee	4,481	304.00					4,481	304.00
India	Rupee	2,107	172.00					2,107	172.00
Nepal	Rupee	3,960	225.00					3,960	225.00
Hong Kong	Dollar	2,786.40	357.00					2,786.40	357.00
Arnold Punaro:									
Ireland	Pound	21,016	204.00					21,016	204.00
Oman	Riyal	55,200	160.00					55,200	160.00
Pakistan	Rupee	4,481	304.00					4,481	304.00
India	Rupee	2,107	172.00					2,107	172.00
Nepal	Rupee	3,960	225.00					3,960	225.00
Hong Kong	Dollar	2,786.40	357.00					2,786.40	357.00
James F. McGovern:									
Philippines	Peso	2,280	120.00					2,280	120.00
Taiwan	Dollar	6,279	161.00					6,279	161.00
Japan	Yen	67,792	258.75					67,792	258.75
South Korea	Won	357,000	425.00					357,000	425.00
Gordon Riggle:									
Philippines	Peso	2,280	120.00					2,280	120.00
Taiwan	Dollar	6,279	161.00					6,279	161.00
Japan	Yen	67,792	258.75					67,792	258.75
South Korea	Won	357,000	425.00					357,000	425.00
Senator Gordon Humphrey:									
Great Britain	Pound		8.00						8.00
Greece	Drachma	26,775.65	273.50					26,775.65	273.50
Israel	Shekel		702.95						702.95

CONSOLIDATED REPORT OF EXPENDITURE OF FOREIGN CURRENCIES AND APPROPRIATED FUNDS FOR FOREIGN TRAVEL BY MEMBERS AND EMPLOYEES OF THE U.S. SENATE UNDER AUTHORITY OF SEC. 22, P.L. 95–384—22 U.S.C. 1754(b), COMMITTEE ON ARMED SERVICES, FOR TRAVEL FROM OCT. 1 TO DEC. 31, 1984—Continued

Name and country	Name of currency	Per diem		Transportation		Miscellaneous		Total	
		Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency
Ronald P. Kelly:									
Great Britain	Pound		81.25						81.25
Greece	Drachma	30,985.35	316.50					30,985.35	316.50
Israel	Shekel		577.25						577.25
Total			12,316.08		6,429.00				18,745.08

JOHN TOWER,
Chairman, Committee on Armed Services, Feb. 28, 1985.

CONSOLIDATED REPORT OF EXPENDITURE OF FOREIGN CURRENCIES AND APPROPRIATED FUNDS FOR FOREIGN TRAVEL BY MEMBERS AND EMPLOYEES OF THE U.S. SENATE UNDER AUTHORITY OF SEC. 22, P.L. 95–384—22 U.S.C. 1754(b), COMMITTEE ON ENERGY AND NATURAL RESOURCES, FOR TRAVEL FROM OCT. 1 TO DEC. 31, 1984

Name and country	Name of currency	Per diem		Transportation		Miscellaneous		Total	
		Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency
James P. Beirne:									
Australia	Dollar	310.59	261.00					310.59	261.00
New Caledonia	Dollar		450.00						450.00
New Zealand	Dollar		375.00						375.00
Fiji	Dollar		275.00						275.00
United States	Dollar				5,659.96				5,659.96
Craig A. Gannett:									
Australia	Dollar	310.59	261.00					310.59	261.00
New Caledonia	Dollar		450.00						450.00
New Zealand	Dollar		375.00						375.00
Fiji	Dollar		275.00						275.00
United States	Dollar				5,635.59				5,635.59
Marilyn M. Meigs:									
Great Britain	Pound	271	342.00	115.33	145.54			386.33	487.54
France	Franc	2,582.39	281.00					2,582.39	281.00
Austria	Schilling	5,089.20	240.00					5,089.20	240.00
Germany	Deutsche mark	230.25	75.00					230.25	75.00
United States	Dollar				2,019.00				2,019.00
Rita W. Scott:									
Great Britain	Pound	271	342.00	115.33	145.54			386.33	487.54
France	Franc	2,582.39	281.00					2,582.39	281.00
Austria	Schilling	5,089.20	240.00					5,089.20	240.00
Germany	Deutsche mark	230.25	75.00					230.25	75.00
United States	Dollar				2,019.00				2,019.00
Total			4,598.00		15,624.63				20,222.63

JAMES A. McCLURE,
Chairman, Committee on Energy and Natural Resources.

CONSOLIDATED REPORT OF EXPENDITURE OF FOREIGN CURRENCIES AND APPROPRIATED FUNDS FOR FOREIGN TRAVEL BY MEMBERS AND EMPLOYEES OF THE U.S. SENATE UNDER AUTHORITY OF SEC. 22, P.L. 95–384—22 U.S.C. 1754(b), COMMITTEE ON GOVERNMENTAL AFFAIRS, FOR TRAVEL FROM OCT. 1 TO DEC. 31, 1984

Name and country	Name of currency	Per diem		Transportation		Miscellaneous		Total	
		Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency
Len Weiss:									
France	Franc	2,460.48	264.00	296	31.75			2,756.48	295.75
United States	Dollar				1,708.00				1,708.00
Switzerland	Franc	753.30	300.00	121	47.47	440	175.26	1,314.30	522.73
Italy	Lira	1,603,336	832.00	24,200	12.61	575,400	300.00	2,202,936	1,144.61
Austria	Schilling	8,475.95	392.00					8,475.95	392.00
Ireland	Pound	198.15	204.00					198.15	204.00
Oman	Riyal	55.200	160.00					55.200	160.00
Pakistan	Rupee	4,481	304.00					4,481	304.00
India	Rupee	2,107	172.00					2,107	172.00
Nepal	Rupee	3,960	222.00					3,960	222.00
Hong Kong	Dollar	2,786.40	357.00					2,786.40	357.00
Total			3,207.00		1,799.83		475.26		5,482.09

WILLIAM V. ROTH,
Chairman, Committee on Governmental Affairs, Apr. 26, 1985.

CONSOLIDATED REPORT OF EXPENDITURE OF FOREIGN CURRENCIES AND APPROPRIATED FUNDS FOR FOREIGN TRAVEL BY MEMBERS AND EMPLOYEES OF THE U.S. SENATE UNDER AUTHORITY OF SEC. 22, P.L. 95–384—22 U.S.C. 1754(b), COMMITTEE ON LABOR AND HUMAN RESOURCES, FOR TRAVEL FROM OCT. 1 TO DEC. 31, 1984

Name and country	Name of currency	Per diem		Transportation		Miscellaneous		Total	
		Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency
Senator Orrin G. Hatch:									
England	Pound	70.18	89.00	23.20	29.42			93.38	118.42
Sweden	Dollar		126.00						126.00
Austria	Schilling	1,648.65	80.00					1,648.65	80.00
France	Dollar		86.00						86.00
Germany	Mark	237.16	80.00						80.00
Total			461.00		29.42				490.42

ORRIN G. HATCH,
Chairman, Committee on Labor and Human Resources, Feb. 20, 1985.

REPORTS OF COMMITTEES

The following reports of committees were submitted:

By Mr. DOMENICI, from the Committee on the Budget, without amendment:

S. Res. 168. Resolution waiving section 303(a) of the Congressional Budget Act of 1974 with respect to the consideration of S. 1160.

INTRODUCTION OF BILLS AND JOINT RESOLUTIONS

The following bills and joint resolutions were introduced, read the first and second times by unanimous consent, and referred as indicated:

By Mr. PROXMIRE (for himself and Mr. PRYOR):

S. 1164. A bill to amend title 10, United States Code, to limit the employment of former Department of Defense procurement personnel by defense contractors, and for other purposes; to the Committee on Armed Services.

S. 1165. A bill to limit the employment of former Federal Government procurement personnel by certain contractors, and for other purposes; to the Committee on Governmental Affairs.

By Mr. EVANS (for himself and Mr. LUGAR):

S. 1166. A bill to facilitate the adjudication of certain claims of U.S. nationals against Iran, to authorize the recovery of costs incurred by the United States in connection with the arbitration of claims of U.S. nationals against Iran, and for other purposes; to the Committee on Foreign Relations.

By Mr. GARN (for himself and Mr. PROXMIRE) (by request):

S. 1167. A bill to protect the Federal Savings and Loan Insurance Corporation; to the Committee on Banking, Housing, and Urban Affairs.

SUBMISSION OF CONCURRENT AND SENATE RESOLUTIONS

The following concurrent resolutions and Senate resolutions were read, and referred (or acted upon), as indicated:

By Mr. SIMPSON (for Mr. DOLE (for himself, Mr. ANDREWS, Mr. BOSCHWITZ, Mr. BURDICK, Mr. COCHRAN, Mr. COHEN, Mr. D'AMATO, Mr. EAGLETON, Mr. HEFLIN, Mr. HELMS, Mr. HOLLINGS, Mr. HUMPHREY, Mr. JOHNSTON, Mrs. KASSEBAUM, Mr. KASTEN, Mr. KENNEDY, Mr. LEAHY, Mr. LUGAR, Mr. MCCLURE, Mr. MOYNIHAN, Mr. NUNN, Mr. PRYOR, Mr. STAFFORD, Mr. STENNIS, Mr. WILSON, and Mr. ZORINSKY)):

S. Res. 169. Resolution recognizing the centennial anniversary of the Holstein-Friesian Association of America; ordered held at the desk.

By Mr. SIMPSON (for Mr. DOLE):

S. Res. 170. Resolution appointing Kenneth U. Benjamin as Deputy Senate Legal Counsel; considered and agreed to.

STATEMENTS ON INTRODUCED BILLS AND JOINT RESOLUTIONS

By Mr. PROXMIRE (for himself and Mr. PRYOR):

S. 1164. A bill to amend title 10, United States Code, to limit the employment of former Department of Defense procurement personnel by defense contractors, and for other purposes; to the Committee on Armed Services.

S. 1165. A bill to limit the employment of former Federal Government procurement personnel by certain contractors, and for other purposes; to the Committee on Governmental Affairs.

(The remarks of Mr. PROXMIRE and Mr. PRYOR, and the text of the legislation, appear earlier in today's RECORD.)

By Mr. EVANS (for himself and Mr. LUGAR):

S. 1166. A bill to facilitate the adjudication of certain claims of U.S. nationals against Iran, to authorize the recovery of costs incurred by the United States in connection with the arbitration of claims of U.S. nationals against Iran, and for other purposes; to the Committee on Foreign Relations.

IRAN CLAIMS SETTLEMENT ACT

Mr. EVANS. Mr. President, together with the distinguished chairman of the Committee on Foreign Relations, Mr. LUGAR, I am introducing legislation to promote the prompt and efficient processing of claims made by U.S. citizens and corporations against the Government of Iran. These claims are now pending before the Iran-United States Claims Tribunal in The Hague. Our bill, the Iran Claims Settlement Act of 1985, would achieve these ends in three ways. One, it would give the Foreign Claims Settlement Commission the authority to adjudicate certain claims of U.S. nationals against Iran should those claims be resolved by an en bloc settlement between the two governments. Two, it would permit the State Department and U.S. claimants to share among themselves pleadings and other documents that relate to proceedings before the Tribunal. And three, it would provide specific statutory authority for the collection of a fee from claimants to offset the expenses incurred by the U.S. Government in providing a forum for the arbitration of their claims and maintaining a source of funds for payment of awards to successful claimants.

The need for this legislation stems from the settlement of the hostage crisis with Iran in 1981. In addition to providing for the release of American hostages held in Iran, the settlement, known as the Algiers accords, established a method for resolving several categories of claims, including hundreds of commercial and financial claims of U.S. nationals against the Government of Iran. These claims arose from losses suffered both by individuals and corporations. Corporations had their assets expropriated and their commerical contracts breached. There are also hundreds of claims by Americans who were forced to leave their jobs and abandon their personal property as a result of the turmoil in revolutionary Iran.

The Algiers accords of January 19, 1981, established an international arbitration tribunal to hear claims such as these. Awards are paid from a $1 billion fund which the Iranian Government is obligated to replenish under specified circumstances. The Algiers accords also provide that the U.S. Government is to facilitate the processing of claims. For claims of less than $250,000, the U.S. Government, acting

through the Legal Adviser's Office in the Department of State, actually presents the claims to the Tribunal. For larger claims, the Department acts as a clearinghouse for information, prepares briefs on common issues of fact and law, provides advice to claimants' counsel on the Tribunal's procedures, and distributes pleadings to claimants.

With respect to claims for less than $250,000, for which the U.S. Government acts as agent at the Tribunal, it is the State Department's hope that Iran will agree to negotiate a lump sum settlement of these claims, so that they can be withdrawn from the Tribunal. If the Department is successful in obtaining Iran's agreement, it will then face the difficult and time-consuming task of making awards to the almost 3,000 individuals and corporations who have filed small claims.

Our bill would reduce the costs and delays associated with this adjudicatory process. It would give the Foreign Claims Settlement Commission the authority to hear the claims and make awards to small claimants from the settlement fund. The Commission is an expert body with vast experience in processing foreign claims. It has developed expedited procedures for processing claims of U.S. nationals against foreign governments.

Our bill would also permit the Department of State to provide claimants a greater range of information about the overall status of claims without jeopardizing the confidentiality accorded to claimants' pleadings under the Tribunal's rules of procedure. At present, the Department is unable to share with claimants documents related to the proceedings. The reason is that were the Department to provide these documents to a claimant, they would have to be made available to any person who requested them under the provisions of the Freedom of Information Act. This general availability would, in turn, violate the confidentiality provisions in the Tribunal's rules. As a result, cooperation between claimants and the Department is hindered and requires complicated arrangements. In order to allow the sharing of materials with private claimants, our bill provides a limited exception to the Freedom of Information Act for "records pertaining to the arbitration of claims before the Iran-United States Claims Tribunal."

Finally, our bill provides unequivocal statutory authority for the collection of a fee from each successful claimant to offset some of the costs the U.S. Government has incurred in maintaining the Tribunal and Security Account, in processing claims, and in assisting claimants. At present, the Department of State contributes more than $2 million annually as the U.S. Government's portion of the Tribunal's expenses. In addition, the Department provides a variety of services to claimants. For small claimants, it prepares all pleadings and presents each case to the Tribunal. For large claimants, it advises on precedent and procedure and coordinates arbitration strategy. Other Departments incur expenses as well. The Treasury Department, for example, is required to pay $900,000 annually to the N.V. Settlement Bank, a Netherlands bank which is managing the Security Account.

The question of whether claimants should bear a portion of these costs has been controversial. There are those who believe that a fee is not justified. They point out that no fee is imposed on litigants in Federal courts. Furthermore, but for the Algiers accords, many of these claims would have been resolved in litigation in Federal court, quite possibly on terms more favorable than those that will result from the Tribunal's awards. Those who object to a fee also note there are a number of purely intergovernmental claims pending before the Tribunal and that much of the expense the U.S. Government is incurring will inure to its benefit.

On the other hand, the administration believes that the imposition of a fee is proper. The vast majority of the Tribunal's caseload is composed of private claims by U.S. nationals against Iran; the Security Account is maintained to assure the prompt and effective payment, in full, of awards in favor of successful claimants; and, the Department of State provides substantial and valuable representational and advisory services to private claimants. The costs associated with these services should be borne by the beneficiaries, administration officials contend, and not by the taxpayer.

We agree with the administration's logic. In our view, a portion of the costs the U.S. Government is incurring should be defrayed by the claimants. The remainder, which reflects costs the Government would bear in any event to prosecute its own claims, should be paid by the Government.

Where we disagree with the administration is over the amount of the fee and its structure. The administration has proposed that a flat 2 percent be deducted from each award made by the Tribunal in favor of a U.S. claimant and paid from the Security Account. Our bill would impose a fee of 1½ percent of the first $5 million awarded and 1 percent on any amount over $5 million. The lower percentage is fairer to smaller claimants and the reduction for larger awards reflects the fact that at a certain point the Government's costs do not increase with the size of the claim. This schedule of fees would be made effective as of June 7, 1982.

Enactment of our legislation would solve two collateral issues raised by the matter of the fee. Since 1982, the administration has been collecting a 2-percent fee under a directive license issued pursuant to the authority of the Independent Offices Appropriations Act. The validity of that action has been challenged in the U.S. Claims Court. The chief judge of that court recently indicated his intent to enter a decision adverse to the United States. As a result, without our legislation, the entire amount collected to date would be subject to refund by decisions of that court.

Our legislation would ensure that the bulk of the amounts recovered to date, over $6 million, would remain in the Treasury. Further, it would guarantee that an additional $12 to $20 million in revenues, which the Department of State estimates would be collected under our bill, would go into the Treasury to offset the deficit.

Our bill strikes a balance between the interest of the individual and those of the general taxpayer. It provides advantages to both. We believe it deserves the support of all Senators.

Mr. President, I ask unanimous consent that the text of the Iran Claims Settlement Act of 1985 be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 1166

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled. That this Act may be cited as the "Iran Claims Settlement Act".

RECEIPT AND DETERMINATION OF CERTAIN CLAIMS

SEC. 2. (a) The Foreign Claims Settlement Commission of the United States is authorized to receive and determine, in accordance with the provisions of title I of the International Claims Settlement Act of 1949, the validity and amounts of claims by nationals of the United States against Iran which are settled en bloc by the United States. In deciding such claims, the Commission shall apply, in the following order, the terms of any settlement agreement, the relevant provisions of the Declarations of the Government of the Democratic and Popular Republic of Algeria of January 19, 1981, giving consideration to interpretations thereof by the Iran-United States Claims Tribunal, and applicable principles of international law, justice, and equity.

(b) The Commission shall certify to the Secretary of the Treasury any awards determined pursuant to subsection (a) of this section in accordance with section 5 of title I of the International Claims Settlement Act of 1949. Such awards shall be paid in accordance with sections 7 and 8 of that title, except that–

(1) the Secretary of the Treasury is authorized to make payments pursuant to paragraphs (1) and (2) of section 8(c) in the amount of $10,000 or the principal amount of the award, whichever is less; and

(2) the Secretary of the Treasury is authorized to deduct pursuant to section 7(b) an amount calculated in accordance with section 3(a), instead of 5 per centum, of payments made pursuant to section 8(c).

DEDUCTIONS FROM ARBITRAL AWARDS

SEC. 3. (a) Except as provided in section 4, whenever the Federal Reserve Bank of New York shall receive an amount from the Security Account established pursuant to the Declarations of the Democratic and Popular Republic of Algeria of January 19, 1981, in satisfaction of an award rendered by the Iran-United States Claim Tribunal in favor of a United States claimant, the Federal Reserve Bank of New York shall deduct from the amount so received, for the aggregate amount awarded under each enumerated claim before the tribunal, an amount equal to one and one-half percent up to and including a total awarded of $5,000,000 and one percent thereafter, as reimbursement to the United States for expenses incurred in connection with the arbitration of claims of United States Tribunal and the maintenance of the Security Account.

(b) Amounts deducted by the Federal Reserve Bank of New York pursuant to subsection (a) shall be deposited into the Treasury of the United States to the credit of miscellaneous receipts.

(c) Nothing in this section shall be construed to affect the payment to United States claimants of amounts received by the Federal Reserve Bank of New York in respect of awards by the Iran-United States Claims Tribunal, after deduction of the amounts calculated in accordance with subsection (a).

(d) This section shall be effective as of June 7, 1982.

EN BLOC SETTLEMENT

SEC. 4. The deduction by the Federal Reserve Bank of New York provided for in section 3(a) of this Act shall not apply in the case of a sum received by the Bank pursuant to an en bloc settlement of any category of claims of United States nationals against Iran when such sum is to be used for payments in satisfaction of awards certified by the Foreign Claims Settlement Commission pursuant to section 2(b) of this Act.

REIMBURSEMENT TO THE FEDERAL RESERVE BANK OF NEW YORK

SEC. 5. The Secretary of the Treasury is authorized to reimburse the Federal Reserve Bank of New York for expenses incurred by the bank in the performance of fiscal agency agreements relating to the settlement or arbitration of claims pursuant to the Declarations of the Democratic and Popular Republic of Algeria of January 19, 1981.

CONFIDENTIALITY OF RECORDS

SEC. 6. Notwithstanding the provisions of the Freedom of Information Act, section 552 of title 5, United States Code, records pertaining to the arbitration of claims before the Iran-United States Claims Tribunal shall be prohibited from disclosure to the general public except that—

(1) rules, awards, and other decisions of the Tribunal and claims and responsive pleadings filed at the Tribunal by the United States on its behalf shall be made available to the public unless the Secretary of State or his designee determines that public disclosure would be prejudicial to the interests of the United States or United States claimants in proceedings before the Tribunal, or that public disclosure would be contrary to the rules of the Tribunal; and

(2) the Secretary of State or his designee may determine on a case-by-case basis to make such information available when in his judgment the interests of justice requires.

ADDITIONAL COSPONSORS

S. 15

At the request of Mr. MOYNIHAN, the name of the Senator from Louisiana [Mr. LONG] was added as a cosponsor of S. 15, a bill to authorize the Secretary of Health and Human Services to make grants to States for the purpose of increasing the ability of States to provide drug abuse prevention, education, treatment, and rehabilitation, and for other purposes, to authorize the Attorney General to make grants to States for the purpose of increasing the level of State and local enforcement of State laws relating to production, illegal possession, and transfer of controlled substances.

S. 505

At the request of Mr. DURENBERGER, the names of the Senator from Tennessee [Mr. GORE], the Senator from New Jersey [Mr. BRADLEY], and the Senator from Delaware [Mr. ROTH] were added as cosponsors of S. 505, a bill entitled the "Maternal and Child Health Preventive Care Amendments of 1985."

S. 1060

At the request of Mr. D'AMATO, the name of the Senator from Montana [Mr. MELCHER] was added as a cosponsor of S. 1060, a bill to amend title II of the Social Security Act to protect the benefit levels of individuals becoming eligible for benefits in or after 1979 by eliminating the disparity (resulting from changes made in 1977 in the benefit computation formula) between those levels and the benefit levels of persons who become eligible for benefits before 1979.

S. 1153

At the request of Mr. D'AMATO, the name of the Senator from Kansas [Mr. DOLE] was added as a cosponsor of S. 1153, a bill to provide for the distribution within the United States of the U.S. Information Agency film entitled "Hal David: Expressing a Feeling."

SENATE JOINT RESOLUTION 98

At the request of Mr. D'AMATO, the name of the Senator from Georgia [Mr. MATTINGLY] was added as a cosponsor of Senate Joint Resolution 98, a joint resolution condemning the passage of Resolution 3379, in the U.N. General Assembly on November 10, 1975, and urging the U.S. Ambassador and U.S. delegation to take all appropriate actions necessary to erase this shameful resolution from the record of the United Nations.

SENATE JOINT RESOLUTION 115

At the request of Mr. LEAHY, the names of the Senator from Connecticut [Mr. DODD] and the Senator from Rhode Island [Mr. CHAFEE] were added as cosponsors of Senate Resolution 115, a joint resolution to designate 1985 as the "Oil Heat Centennial Year."

SENATE RESOLUTION 148

At the request for Mr. HELMS, the name of the Senator from North Dakota [Mr. ANDREWS] was added as a cosponsor of Senate Resolution 148, a resolution commemorating the 50th anniversary of the Rural Electrification Administration.

At the request of Mr. ZORINSKY, the names of the Senator from Michigan [Mr. LEVIN], and the Senator from Montana [Mr. MELCHER] were added as cosponsors of Senate Resolution 148, supra.

SENATE RESOLUTION 169—RECOGNIZING THE CENTENNIAL ANNIVERSARY OF THE HOLSTEIN-FRIESIAN ASSOCIATION OF AMERICA

Mr. SIMPSON (for Mr. DOLE, for himself, Mr. ANDREWS, Mr. BOSCHWITZ, Mr. BURDICK, Mr. COCHRAN, Mr. COHEN, Mr. D'AMATO, Mr. EAGLETON, Mr. HEFLIN, Mr. HELMS, Mr. HOLLINGS, Mr. HUMPHREY, Mr. JOHNSTON, Mrs. KASSEBAUM, Mr. KASTEN, Mr. KENNEDY, Mr. LEAHY, Mr. LUGAR, Mr. MCCLURE, Mr. MOYNIHAN, Mr. NUNN, Mr. PRYOR, Mr. STAFFORD, Mr. STENNIS, Mr. WILSON, and Mr. ZORINSKY) submitted the following resolution; which, by unanimous consent, was ordered held at the desk until the close of business on Monday, May 20, 1985:

S. RES. 169

Whereas the Holstein-Friesian Association of America is a premier dairy cattle breed organization in the world;

Whereas the Holstein-Friesian Association of America, a nonprofit membership organization of more than forty-four thousand breeders of purebred, registered Holstein dairy cattle, was organized on May 25, 1885, and this year celebrates its one hundredth anniversary;

Whereas the Holstein breed of dairy cattle produces more than 90 percent of the Nation's milk supply;

Whereas such Association maintains the only official, complete genetic data bank and lineage record for all purebred, registered Holstein dairy cattle in the United States;

Whereas such Association through its many programs and services to the dairy industry has provided and continues to provide an environment, incentives and genetic data for the continued improvement of the Holstein breed;

Whereas United States Holsteins are recognized worldwide as the superior strain of Holstein breeding stock; and

Whereas the genetic pool of the Holstein breed in the United States has become the primary source of genetic material for the development and improvement of dairy cattle throughout the world: Now, therefore, be it

Resolved. That it is the sense of the Senate that on the occasion of the centennial anniversary of the Holstein-Friesian Association of America—

(1) recognition and commendation be extended the Holstein-Friesian Association of America for its most noteworthy contribu-

tion to the great American agricultural revolution;

(2) special commendation be extended for such Association's contribution to the genetic advancement and efficiency of the national dairy herd; and

(3) the Holstein-Friesian Association of America be complimented specifically on the advancement of the Holstein breed of dairy cattle in the United States and the contribution being made through its genetic pool of purebred, registered animals to the advancement of the Holstein breed worldwide.

Mr. DOLE. Mr. President, it is my pleasure today to introduce a sense of the Senate resolution recognizing the Centennial Anniversary of the Holstein-Friesian Association of America and to be joined as original cosponsors by my distinguished colleagues, Senators ANDREWS, BOSCHWITZ, BURDICK, COCHRAN, COHEN, D'AMATO, EAGLETON, HEFLIN, HELMS, HOLLINGS, HUMPHREY, JOHNSTON, KASSEBAUM, KASTEN, KENNEDY, LEAHY, LUGAR, MCCLURE, MOYNIHAN, NUNN, PRYOR, STAFFORD, STENNIS, WILSON, and ZORINSKY.

ASSOCIATION PURPOSE

Mr. President, the Holstein-Friesian Association of America has grown from a beginning membership of 284 at the time of its incorporation in 1885 to over 44,000 breeders of purebred, registered Holstein dairy cattle making it one of the premier dairy cattle breed organizations in the world.

As expressed in its original charter, the purpose of the association was to "improve the breed of Holstein-Friesian cattle; ascertaining, preserving and disseminating all useful information and facts as to their pedigrees and desirable qualities, and the distinguishing characteristics of the best specimens, and preparing, publishing, and supplying all necessary volumes of the Holstein-Friesian herd book; and, generally, for promoting and securing the best interests of the importers, breeders and owners of Holstein cattle, and thereby the public generally."

Mr. President, this has been a worthy and admirable aim of the Holstein Friesian Association of America. The association can be proud of its role in developing the quality of the Holstein dairy cattle breed throughout the United States and the world. U.S. Holsteins account for upwards of 90 percent of the Nation's milk supply as well as being a primary source of genetic material used for development and improvement of dairy cattle throughout the world.

Mr. President, it is indeed appropriate to recognize the 100th anniversary of the Holstein-Friesian Association of America and compliment them for their efforts in developing the Holstein dairy breed with its important role in providing a nutritious, wholesome and abundant supply of dairy products to our Nation's consumers.

SENATE RESOLUTION 170—APPOINTING KENNETH U. BENJAMIN AS DEPUTY SENATE LEGAL COUNSEL

Mr. SIMPSON (for Mr. DOLE) submitted the following resolution; which was considered and agreed to:

S. RES. 170

Resolved, That the appointment of Kenneth U. Benjamin to be Deputy Senate Legal Counsel made by the President pro tempore of the Senate on May 15, 1985, shall become effective on May 15, 1985, and the term of service of the appointee shall expire at the end of the 100th Congress.

AMENDMENTS SUBMITTED

NATIONAL DEFENSE AUTHORIZATION ACT, FISCAL YEAR 1986

GOLDWATER AMENDMENT NO. 147

Mr. GOLDWATER, on behalf of the Committee on Armed Services, proposed an amendment to the bill (S. 1160) to authorize appropriations for the military functions of the Department of Defense and prescribe personnel levels for the Department of Defense for fiscal year 1986, to authorize certain construction at military installations for such fiscal year, to authorize appropriations for the Department of Energy for national security programs for such fiscal year, and for other purposes; as follows:

AMENDMENT NO. 147

After title V of division A of the bill, insert the following new title:

TITLE VI—PROCUREMENT POLICY REFORM AND OTHER PROCUREMENT MATTERS

SHORT TITLE

SEC. 601. This title may be cited as the "Defense Procurement Improvement Act of 1985".

CONGRESSIONAL FINDINGS AND POLICY

SEC. 602. The Congress finds that the process by which the Department of Defense acquires weapon systems and other defense equipment can be improved—

(1) by promoting continuous competition throughout the period of time in which a weapon system or other defense equipment is acquired, when such competition is cost effective, would not result in unacceptable delay, and is otherwise in the national security interest of the United States;

(2) by requiring the Secretary of Defense to make thorough estimates of what it should cost to manufacture a particular weapon system or other defense equipment;

(3) by ensuring that the military and civilian personnel of the Department of Defense who have substantial responsibility for the acquisition of weapon systems and other defense equipment are highly qualified for the duties they perform;

(4) by ensuring that the career path for military officers who have specialized in the acquisition of weapon systems or other defense equipment offers sufficient opportunity for advancement and promotion;

(5) by providing mandatory training for personnel responsible for enforcing quality assurance in contractor facilities;

(6) by promoting increased disclosure of the activities of employees of defense contractors who are former employees of the Department of Defense and who were involved with the procurement of defense services and equipment while employed by the Department of Defense;

(7) by preventing conflicts of interest by employees of the Department of Defense involved in the negotiation and administration of Government contracts;

(8) by continuing procurement technical assistance through outreach programs; and

(9) by shifting the burden of proof in certain matters in the resolution of Government contract disputes.

COMPETITION IN MAJOR WEAPON SYSTEM AND EQUIPMENT ACQUISITION PROGRAMS

SEC. 603. (a)(1) Chapter 137 of title 10, United States Code, is amended by adding at the end thereof the following new section:

"§ 2324. Planning for competition in major weapon system and equipment acquisition programs

"(a) In this section:

"(1) 'Full scale development', when used with respect to a weapon system or other defense equipment, means all detail design of the weapon system or other defense equipment necessary for the production of that system or equipment to begin.

"(2) 'Major defense acquisition program' has the same meaning as provided in section 139a(a)(1) of this title.

"(3) 'Acquisition plan' means the type of plan referred to in section 7.104 of the Federal Acquisition Regulation as in effect on April 1, 1985.

"(4) 'Acquisition', when used with respect to a weapon system or other defense equipment, means the complete process associated with the development and procurement of the weapon system and other defense equipment, including identification of military requirements, research, and testing.

"(5) 'System integration' means the development and administration, normally by a prime contractor, of the process of manufacturing a completed weapon system or other defense equipment for delivery to the United States, including the installation of all subsystems and components.

"(b)(1) Before completion of the full scale development of a weapon system or other defense equipment under a major defense acquisition program, the Secretary of Defense shall prepare an acquisition plan for such program.

"(2) The acquisition plan shall provide for the use of competitive procedures when required by section 2304 of this title.

"(c) The acquisition plan prepared pursuant to subsection (b)(1) shall require the establishment and maintenance of two or more production sources for system integration and for major subsystems to be purchased by the United States under the major defense acquisition program when the establishment and maintenance of two or more production sources—

"(1) would increase competition and would likely result in reduced overall costs for such program;

"(2) would not result in unacceptable delays in fulfilling the needs of the Department of Defense; and

"(3) is otherwise in the national security interest of the United States.

"(d) The Secretary shall submit to the Committees on Armed Services of the Senate and House of Representatives the acquisition plan prepared pursuant to subsection (b)(1) for a major defense acquisition program as soon as the plan is complete, but in no event later than the time that an inital budget request for production of the program is made to the Congress.

"(e) If an acquisition plan prepared pursuant to subsection (b)(1) does not require the establishment and maintenance of two or more production sources, the Secretary shall include in the plan a statement of the reasons, including any cost estimates or other background material, which form the basis for the Secretary's conclusion that the establishment and maintenance of two or more production sources is not required.

"(f) Nothing in this section is intended to modify or abrogate the provisions of section 2304 of this title.".

(2) The table of sections at the beginning of such chapter is amended by inserting at the end thereof the following new item:

"2324. Planning for competition in major weapon system and equipment acquisition programs.".

(b) The amendments made by subsection (a) shall apply only to major defense acquisition programs for which funds for initial production are requested by the Secretary of Defense for fiscal year 1987 or any subsequent fiscal year.

COST ESTIMATES FOR MAJOR DEFENSE ACQUISITION PROGRAMS

SEC. 604. (a)(1) Chapter 141 of title 10, United States Code, is amended by adding at the end thereof the following new section:

"§ 2406. Cost estimates for major defense acquisition programs

"(a) In this section:

"(1) 'Competitive procedures' has the same meaning as provided in section 2302(2) of this title.

"(2) 'Major defense acquisition program' has the same meaning as provided in section 139a(a)(1) of this title.

"(3) 'Should-cost analysis' means the type of analysis referred to in section 15.810 of the Federal Acquisition Regulation as in effect on April 1, 1985.

"(4) 'System integration' has the same meaning as provided in section 2324(a)(5) of this title.

"(b)(1) During the first four years of production under a major defense acquisition program, the Secretary of Defense shall perform a should-cost analysis of the system integration and of each major subsystem to be purchased directly by the United States for each such program.

"(2) The should-cost analysis of a major defense acquisition program required by paragraph (1) shall be conducted with respect to a contractor only when the contractor has received a contract award under the program under other than competitive procedures during the first four years of production of the program.

"(c) The Secretary of Defense shall authorize the Secretaries of the military departments, on a nondelegable basis, to waive the requirement of subsection (b) and shall establish criteria for the exercise of the authority. The Secretary of Defense shall submit to the Committees on Armed Services of the Senate and House of Representatives the criteria established under the first sentence. A grant of authority and the criteria established in connection with that authority may not take effect for a period of 60 calendar days after the day on which the criteria is received by the committees.

"(d) The Secretary of a military department shall promptly report to the Committees on Armed Services of the Senate and House of Representatives any waiver made by the Secretary under subsection (d).

"(e) If practicable, the preparation of the should-cost analysis in connection with any major defense acquisition program should be performed by employees of the Department of Defense.

"(f) The Secretary of Defense shall report annually to the Committees on Armed Services of the Senate and House of Representatives the cost of performing should-cost analyses for major defense acquisition programs and the savings believed to have been achieved in such programs from the analyses.".

(2) The table of sections at the beginning of such chapter is amended by adding at the end thereof the following new item:

"2406. Cost estimates for major defense acquisition programs.".

(b) The amendments made by subsection (a) shall apply only to major defense acquisition programs for which funds for initial production are appropriated for fiscal year 1986 or for any subsequent fiscal year.

MANAGEMENT OF DEPARTMENT OF DEFENSE PROCUREMENT PERSONNEL

SEC. 605. (a) Part II of of subtitle A of title 10, United States Code, is amended by adding at the end thereof the following new chapter:

"CHAPTER 85—PROCUREMENT MANAGEMENT PERSONNEL

"Sec.
"1621. Definitions.
"1622. Education, training, and experience requirements for program managers.
"1623. Education, training, and experience requirements for certain assignments.
"1624. Training program for quality assurance personnel.

"§ 1621. Definitions

"In this chapter:

"(1) 'Major defense acquisition program' shall have the same meaning as provided in section 139a(a)(1) of this title.

"(2) 'Program manager' means an individual assigned by a military department to have overall responsibility for acquisitions under a major defense acquisition program.

"§ 1622. Education, training, and experience requirements for program managers

"(a) The Secretary of each military department shall prescribe regulations, subject to the approval of the Secretary of Defense, establishing minimum requirements of education, training, and prior experience for program managers of major defense acquisition programs.

"(b) Regulations prescribed under subsection (a) shall require, at a minimum, that to be assigned to duty as a program manager a person must—

"(1) have attended the program management course at the Defense Systems Management College or a comparable program management course at another institution; and

"(2) have had eight years of total experience in the acquisition, support, and maintenance of weapon systems, at least four years of which was spent on assignments in the Army Materiel Command, Naval Materiel Command, Air Force Systems Command, or Air Force Logistics Command, or any successor organization of any such command.

"(c) Periods of time spent in postgraduate education in a technical or management field and attending the course referred to in subsection (b)(1) may be counted toward satisfying the eight-year requirement prescribed in subsection (b)(2).

"(d) In assigning any person to duty as a program manager, the Secretary concerned may waive the requirements prescribed in subsection (b) in individual cases. The authority to waive the requirements may not be delegated.

"§ 1623. Education, training, and experience requirements for certain assignments

"(a) The Secretary of each military department concerned shall prescribe regulations, subject to the approval of the Secretary of Defense, establishing minimum requirements of education, training, and prior experience for officers of that department assigned to duty in the Army Materiel Command, Naval Materiel Command, Air Force Systems Command, or Air Force Logistics Command, or any successor organization of any such command, who hold the grade of brigadier general or commodore, or any higher grade.

"(b) Regulations prescribed under subsection (a) shall require, at a minimum, that in order for an officer of a military department to serve in the grade of brigadier general or commodore, or a higher grade, while assigned to duty in the Army Materiel Command, Naval Materiel Command, Air Force Systems Command, or Air Force Logistics Command, or any successor organization of any such command, the officer must meet the requirements of section 1622(b) of this title.

"(c) The Secretary concerned may waive the requirements for assignment to duty described in subsection (a). The authority to waive such requirements may not be delegated.

"§ 1624. Training program for quality assurance personnel

"The Secretary of Defense shall develop a formal introductory training program of not less than four weeks in duration for all personnel of the Department of Defense who are responsible for assuring quality in contractor facilities. A person assigned to perform quality assurance duties in the Department of Defense shall attend such program during the first six months of the assignment.".

(b) The table of chapters at the beginning of subtitle A of title 10, United States Code, and at the beginning of part II of such subtitle are each amended by inserting after the item relating to chapter 83 the following new item:

"85. Procurement Management Personnel ..... 1621".

IMPROVED REPORTING AND DISCLOSURE FOR FORMER EMPLOYEES OF THE DEPARTMENT OF DEFENSE; PREVENTION OF CONFLICTS OF INTEREST

SEC. 606. (a) Section 2397(a)(1) of title 10, United States Code, is amended—

(1) by striking out "by negotiation"; and

(2) by striking out "$10,000" and inserting in lieu thereof "$25,000".

(b) Section 2397(b)(2) of such title is amended to read as follows:

"(2)(A) If a person to whom this subsection applies (i) was employed by, or served as a consultant or otherwise to, a defense contractor at any time during a year at an annual pay rate of at least $25,000 and the defense contractor was awarded contracts by the Department of Defense during the preceding year that totaled at least $10,000,000, and (ii) within the 2-year period

ending on the day before the person began the employment or consulting relationship, the person served on active duty or performed civilian service for the Department, the person shall file a report with the Secretary of Defense in such manner and form as the Secretary may prescribe. The person shall file the report not later than 90 days after the date on which the person began the employment or consulting relationship.

"(B) The person shall file an additional report each time, during the 2-year period beginning on the date the active duty or civilian service with the Department terminated, that the person's job with the defense contractor significantly changes or the person commences an employment or consulting relationship with another defense contractor under the conditions described in the first sentence. A person required to file an additional report under this subparagraph shall file the report within 30 days after the date of the change or the date the employment or consulting relationship commences, as the case may be.".

(c) Section 2397(b)(3) of title 10, United States Code, is amended—

(1) by striking out clause (D) and inserting in lieu thereof the following:

"(D) A description of the duties and work performed by the person for the defense contractor, and a description of any similar duties or work performed for which the person had at least partial responsibility as a civilian official or employee of the Department of Defense or a member of the armed forces during the 2-year period referred to in paragraph (2)(A)(ii).";

(2) in clause (F)—

(A) by striking out "brief"; and

(B) by striking out "3-year period before that duty or service ended" and inserting in lieu thereof "2-year period referred to in paragraph (2)(A)(ii) and a description of the type of work performed and the extent to which such work was performed by the person for the defense contractor that has employed the person or has retained the person as a consultant"; and

(3) by adding at the end thereof the following new clause:

"(I) A statement describing any disqualification action taken by the person during the 2-year period referred to in paragraph (2)(A)(ii) with respect to any personal and substantial involvement in a matter concerning the defense contractor.".

(d)(1) Section 2397(c)(1) of such title is amended—

(A) by striking out "fiscal" each place it appears; and

(B) in clause (B)—

(i) by striking out "3-year" and inserting in lieu thereof "2-year"; and

(ii) by striking out "$15,000" and inserting in lieu thereof "$25,000".

(2) Section 2397(c)(2) of such title is amended—

(A) by striking out clause (C) and inserting in lieu thereof the following:

"(C) A description of the duties and work performed by the person with the Department and a description of any similar duties or work for which the person had at least partial responsibility as an employee or consultant of the defense contractor during the 2-year period referred to in paragraph (1)(B)."; and

(B) by striking out clause (F) and inserting in lieu thereof the following:

"(F) A description of the duties and work performed by the person for the defense contractor and a description of the type of work and the extent to which such work was performed by the person in connection with contracts of the defense contractor with the Department during the 2-year period referred to in paragraph (1)(B).".

(e) Subsection (f) of section 2397 of such title is amended to read as follows:

"(f)(1) A person who fails to comply with the filing requirements of this section shall be liable to the United States for an administrative penalty in the amount of $10,000, or in such lesser amount as may be determined by the Secretary of Defense, considering all the relevant circumstances.

"(2) The Secretary shall determine whether a person has failed to file a report required by this section and shall determine the amount of the penalty under paragraph (1). The Secretary shall make the determinations on the record after opportunity for an agency hearing as provided in subchapter II of chapter 5 of title 5, United States Code. The determinations of the Secretary shall be subject to judicial review under chapter 7 of such title.".

REQUIREMENTS RELATING TO PRIVATE EMPLOYMENT CONTACTS BETWEEN CERTAIN DEPARTMENT OF DEFENSE PROCUREMENT OFFICIALS AND DEFENSE CONTRACTORS

SEC. 607. (a)(1) Chapter 141 of title 10, United States Code, is amended by inserting after section 2397 the following new section:

"§ 2397a. Requirements relating to private employment contacts between certain Department of Defense procurement officials and defense contractors

"(a) In this section:

"(1) 'Contract' has the same meaning as provided in section 2397(a)(1) of this title.

"(2) 'Covered defense official', means any individual who is serving—

"(A) as a civilian officer or employee of the Department of Defense in a position for which the rate of pay is equal to or greater than the minimum rate of pay payable for grade GS-11 under the General Schedule; or

"(B) on active duty in the armed forces in a pay grade of O-4 or higher.

"(3) 'Defense contractor' has the same meaning as provided in section 2397(a)(2) of this title.

"(4) 'Designated agency ethics official' has the same meaning as the term 'designated agency official' in section 209(10) of the Ethics in Government Act of 1978 (92 Stat. 1850; 5 U.S.C. App.).

"(5) 'Employment' means a relationship under which an individual furnishes services in return for any payment or other compensation paid directly or indirectly to the individual for the services.

"(6) 'Procurement function' includes, with respect to a contract, any function relating to—

"(A) the negotiation, award, administration, or approval of the contract;

"(B) the selection of a contractor;

"(C) the approval of changes in the contract;

"(D) quality assurance, operation and developmental testing, the approval of payment, or auditing under the contract; or

"(E) the management of the procurement program.

"(b)(1) If a covered defense official who has participated personally and substantially in the performance of a procurement function in connection with a contract awarded by the Department of Defense contacts, or is contacted by, the defense contractor to whom the contract was awarded regarding future employment opportunities for the official with the defense contractor, the official shall, except as provided in paragraph (2)—

"(A) promptly report the contact to the official's supervisor and to the designated agency ethics official (or his designee) of the agency in which the covered defense official is employed; and

"(B) for any period for which future employment opportunities for the covered defense official have not been rejected by either the covered defense official or the defense contractor, disqualify himself from all participation in the performance of procurement functions relating to contracts of the defense contractor.

"(2) A covered defense official is not required to report the first contact with a defense contractor under paragraph (1)(A) or to disqualify himself under paragraph (1)(B) if the defense official terminates the contact immediately. However, if an additional contact of the same or a similar nature is made by or with the defense contractor, the covered defense official shall, as provided in paragraph (1), report the contact and all contacts of the same or a similar nature made by or with the defense contractor during the 90-day period ending on the date the additional contact is made.

"(c) A report required by subsection (b)(1) shall include—

"(1) the date of each contact covered by the report; and

"(2) a brief description of the substance of the contact.

"(d)(1)(A) If the Secretary of Defense determines under paragraph (2) that a person has failed promptly to make a report required by subsection (b)(1)(A) or (b)(2) or has failed to disqualify himself in any case in which he is required to do so under subsection (b)(1)(B)—

"(i) the person may not accept or continue employment with the defense contractor during the 2-year period beginning on the date of the contact; and

"(ii) the Secretary may impose on the person an administrative penalty in the amount of $10,000, or in such lesser amount as may be prescribed by the Secretary, taking into consideration all the circumstances.

"(B) An individual who accepts or continues employment prohibited by subparagraph (A)(i) shall be liable to the United States for an administrative penalty as provided in subparagraph (A)(ii). Such penalty may be in addition to any penalty previously imposed on the individual under subparagraph (A)(ii) for failure promptly to make a report relating to the defense contractor by whom the individual is employed as required by subsection (b)(1)(A) or (b)(2).

"(C) The Secretary of Defense may take action against an individual under this paragraph before, on, or after the date on which the individual's employment with the Government is terminated.

"(2)(A) The Secretary of Defense shall—

"(i) determine whether an individual has failed promptly to make a report required by subsection (b)(1)(A) or (b)(2) or has failed to disqualify himself in any case in which he is required to do so under subsection (b)(1)(B) and shall determine whether to impose a penalty under paragraph (1)(A)(ii) and the amount thereof; and

"(ii) determine whether an individual is liable to the United States for an administrative penalty under paragraph (1)(B) and the amount thereof.

There shall be a rebuttable presumption in favor of a covered defense official that failure to report a contact with a defense contractor or failure to disqualify himself from

participation in the performance of certain procurement functions is not a violation of subsection (b)(1)(A) or (b)(2) or subsection (b)(1)(B), as the case may be, if the defense official has received an opinion in writing from the designated agency ethics official under subsection (e) stating that a report or disqualification by the official was not necessary.

"(B) Determinations of the Secretary under subparagraph (A) shall be made on the record after opportunity for an agency hearing as provided in subchapter II of chapter 5 of title 5. The determinations of the Secretary shall be subject to judicial review under chapter 7 of such title.

"(e) If a designated agency ethics official or his designee receives a report required by subsection (b) or a request for advice from a covered defense official relating to a contact described in such subsection, the designated agency ethics official or his designee may issue a written opinion regarding the necessity of a covered defense official to file a report or disqualify himself from participation in certain procurement functions, as the case may be.

"(f) A covered defense official should request the advice of his supervisor and the appropriate designated agency ethics official or his designee on matters to which this section applies.".

(2) The table of sections at the beginning of such chapter is amended by inserting after the item relating to section 2397 the following new item:

"2397a. Requirements relating to private employment contacts between certain Department of Defense procurement officials and defense contractors.".

(b) The amendments made by subsection (a) shall take effect with respect to contacts (referred to in section 2397a of title 10, United States Code, as added by subsection (a) of this section) made on or after the date of enactment of this Act.

AUTHORIZATION OF FUNDS TO CARRY OUT PROCUREMENT TECHNICAL ASSISTANCE COOPERATIVE AGREEMENT PROGRAM

SEC. 608. (a) There are authorized to be appropriated $3,000,000 for each of the fiscal years 1986 and 1987 to be available for the purpose of furnishing assistance to carry out procurement technical assistance programs pursuant to cooperative agreements under chapter 142 of title 10, United States Code.

(b) There are authorized to be appropriated for fiscal years 1986 and 1987 such additional sums as are necessary to defray the expenses of administering the provisions of such chapter during such fiscal years, including the expenses related to the employment of any additional personnel necessary to administer such positions.

BURDEN OF PROOF IN GOVERNMENT CONTRACT DISPUTE RESOLUTION

SEC. 609. In any proceeding before the Armed Services Board of Contract Appeals, the United States Claims Court, or any other Federal court in which the reasonableness of general or administrative costs for which a defense contractor seeks reimbursement from the Department of Defense are in issue, the burden of proof shall be upon such contractor to establish that such costs are reasonable.

TECHNICAL AMENDMENTS

SEC. 610. (a) Sections 2321 through 2331 of chapter 138 of title 10, United States Code, are redesignated as sections 2331 through 2341, respectively.

(b) Sections 2331 and 2332 of such chapter, as redesignated by subsection (a), are each amended by striking out "2323" and inserting in lieu thereof "2333".

(c) Section 2333 of such chapter, as redesignated by subsection (a), is amended by striking out "2321" and "2322" each place they appear and inserting in lieu thereof "2331" and "2332", respectively.

(d) The items relating to sections 2321 through 2331 in the table of sections at the beginning of such chapter are redesignated to reflect the redesignations made by subsection (a).

EFFECTIVE DATES

SEC. 611. (a) Section 1623 of title 10, United States Code (as added by section 605(a) this title), shall take effect on July 1, 1990.

(b) Section 1624 of title 10, United States Code (as added by section 605(a) of this title), shall take effect on January 1, 1987.

(c) The regulations prescribed under subsection (a) of section 1622 of title 10, United States Code (as added by section 605(a) of this title) shall provide that—

(1) the requirement described in subsection (b)(1) of such section 1622 shall take effect July 1, 1987; and

(2) the requirement described in subsection (b)(2) of such section shall take effect July 1, 1989.

NOTICES OF HEARINGS

COMMITTEE ON RULES AND ADMINISTRATION

(Mr. DOLE submitted the following notice for Mr. MATHIAS:)

● Mr. MATHIAS. Mr. President, I wish to announce that the Committee on Rules and Administration will meet on Monday, May 20, 1985, in SR-301, to continue receiving testimony from a panel of scholars on issues involved in line-item veto legislation (S. 43) currently pending before the committee.

This panel consists of Dr. Louis Fisher of the Congressional Research Service, and Dr. Allen Schick and Dr. Norman Ornstein of the American Enterprise Institute.

For further information concerning this hearing, please contact Tony Harvey of the Rules Committee staff on 224-0291.●

ADDITIONAL STATEMENTS COST CONTAINMENT IN HEALTH CARE

● Mr. DURENBERGER. Mr. President, this Congress has heard me, over and over, claim that consumer choice and competitive health care plans are the key to cost containment in the health care industry.

Giving patients information about price and quality and allowing them to make their own choices leads to improved quality as well as reduced health care costs. I ask, Mr. President, that the following article be printed in the RECORD in support of my claims. The article, "Patients' Choice Can Save Health-Insurance Provider Millions" was written by Gordy Slovut and appeared in the Minneapolis Star and Tribune.

The article describes how patient choice in the type and location of service delivery is saving money and increasing quality. Patients will often choose home care services, if offered as an option to a more costly hospital stay. And the use of home care has the potential for saving competitive health plans and other payers of service, millions of dollars. As Gordy's article points out, in just 2½ years, the Park Nicollet Health Plan saved over $2 million through their home health initiatives.

The key to Park Nicollet's success lies in the incentives of prepaid competitive health care plans. Providers are placed at financial risk for the services provided. Plans are encouraged to appropriately substitute the lower cost service for an expensive hospital stay. And most people would choose to stay in their own home and receive the care they need if given the option.

Medicare, too, is realizing the benefits of choice and competition. With the passage of TEFRA and the final publication of regulations this year, Medicare beneficiaries now have the option to purchase their health care coverage from competitive medical plans. I expect that these providers will start saving Medicare dollars through their initiatives in home health and other cost saving service alternatives that increase consumer choice while enhancing the quality of health care in this country.

The article follows:

PATIENTS' CHOICES CAN SAVE HEALTH-INSURANCE PROVIDERS MILLIONS

(By Gordon Slovut)

Kevin Sullivan broke his neck while swimming off Fort Lauderdale beach in Florida last spring.

He spent six weeks in Jackson Memorial Hospital, Miami, connected most of the time to a ventilator, and doctors told him the injury had paralyzed most of his body.

"Then they said I could go home—by an ambulance, for $7,000," the 14-year-old from Wayzata said. "Or they said I could wait a week and go home on an airliner."

The cost didn't bother him. MedCenters Health Plan, his health maintenance organization (HMO), would pay the cost, but Sullivan figured he'd be "more comfortable" by commercial air.

That decision is one example of the kind of patient decisions that can mean substantial savings for MedCenters, a nonprofit corporation that presumably passes on part of the savings by holding down the cost of its monthly premiums and thereby remaining competitive, in its monthly rates, with other HMOs and health insurance companies.

Patients like Sullivan can save an HMO like MedCenters, their insurance companies—or themselves if they pay their own way—millions of dollars when they make the less-expensive choice, such as whether to fly by ambulance or commercial airliner or, more commonly, whether to be treated at home rather than in a hospital.

MedCenters, an affiliate of Park Nicollet Medical Center, encourages people to take the less-expensive option by providing extensive services away from hospitals and clinics. In Sullivan's case, they sent nurse

Susan Wallenfelt, a patient care coordinator, to Miami to accompany him home.

"The procedure was worked out by Kevin's doctors in Miami and our rehabilitation specialists at Park Nicollet," Wallenfelt said.

Sullivan, his mother and Wallenfelt rode back in the first-class section of an airliner.

MedCenters' main cost was for first-class tickets, round-trip for Wallenfelt and one-way for Sullivan and his mother.

"It was a nice trip back," Sullivan said. "The nurse sat behind me, taking my blood pressure and things. My mom sat beside me. I was a little dizzy because I had been flat on my back for nearly six weeks, but I was pleased."

The outcome also pleased officials of MedCenters, which competes for clients with other HMOs, preferred provider organizations (PPOs), Blue Cross-Blue Shield and private insurance companies.

"We are trying to position ourselves as the quality alternative," said Dr. Loren Vorlicky, MedCenters' medical director.

MedCenters and Park Nicollet established their elaborate home care system after researchers learned in 1981 that many patients thought they were spending too much time in hospitals.

That opened the way for MedCenters to save money. If the plan could treat people at home, it could mean happier patients and lower hospital bills.

Bonnie Roeder, director of home health care for Park Nicollet, said that during the first 2½ years, the home bilirubin program, in which lights are used to help clear jaundice in newborns, saved $68,000; the home psoriasis program saved $320,000; the newborn family care program saved $804,000, and the low-back-pain program saved $812,000.

"Most people are just more comfortable at home than they are in the hospital," Vorlicky said.

The savings accrue to whomever is paying the health care bills—to MedCenters for its patients, to Blue Cross-Blue Shield or private insurance companies whose patients use Park Nicollet, or to the relatively small number of individuals who pay their own bills.

In the case of new mothers, the home care system is used as an incentive to reduce hospital stays. It is offered to mothers who agree to be discharged from the hospital within 48 hours of delivery.

Roeder said the newborn program saves MedCenters, the insurer of the individual who pays his or her own bills $319 per mother and child—the $480 per day in hospital care for mother and infant, minus $161 for the program.

She said the bilirubin program makes it possible for parents to take slightly jaundiced newborns home instead of leaving them in the hospital until their bilirubin blood levels drop to normal. The saving is about $490; the 2½-day hospital cost of $690 minus the average home care cost of $200.

Jason Grimm was born about two weeks ago, healthy and normal but slightly jaundiced—not very unusual for newborns.

He and his mother, Laurie, were home in Minneapolis two days after his arrival because of the bilirubin program.

Bonny Skovbroten, a home care nurse, set up the portable bilirubin light system in the Grimm home, showed Laurie Grimm how to patch Jason's eyes during the periods he would be exposed to the light, and taught her how to make sure he was not overexposed.

On Skovbroten's third visit, Jason's jaundice had cleared and she took the light system with her.

"If it weren't for the home bili-light system, Jason probably would have had to stay in the hospital two to four days longer," she said.

The borne low-back-pain program is for patients who have to be in traction 24 hours a day. The saving averages $4,573 per patient; the $5,452 it would cost for 12 days in the hospital minus the average cost of $852 for home care.

The psoriasis program has an average patient saving of $8,650—$8,450 for three weeks of hospital care minus $800 for home care.

Roeder said the basic economic fact that makes home care so desirable is that "It costs $71 a day to have a nurse visit a patient, and more than $400 a day to have the patient in the hospital."

Group Health Plan, Inc., the metropolitan area's oldest and largest HMO, has a smaller home care services staff consisting of 15 home health care nurses, according to John Ostund, manager of the plan's continuing care department.

He said Group Health provides physical, occupational and speech therapy and home health aides on a contract basis and refers patients to other agencies for services such as hospice care and cancer in children.

Group Health, like MedCenters, has found that home health care is popular with patients, he said.

"People like to get out of the hospital as soon as possible, and they prefer getting rehabilitation and other therapy at home," Oslund said.●

CORRESPONDENCE BETWEEN THE AMERICAN HELLENIC EDUCATIONAL PROGRESSIVE ASSOCIATION AND TURKISH OFFICIALS

● Mr. DODD. Mr. President, Cleo Zambetis, the supreme president of the American Hellenic Educational Progressive Association, has brought to my attention an exchange of letters between AHEPA and the Turkish Ambassador to the United States, Mr. Sukru Elekdag.

During Turkish Prime Minister Ozal's recent visit to the United States, Representatives of AHEPA met with him to discuss matters of great concern to United States-Turkish relations, including Turkish policy toward Cyprus and Greece. At the conclusion of that meeting, the AHEPA representatives left with him a letter setting forth specific concerns.

Following that meeting, the AHEPA representatives sent a thank-you note to Prime Minister Ozal, expressing their appreciation for the meeting and for bilateral negotiations between Greece and Turkey, and urging the Turkish Government to encourage the Turkish separatists on Cyprus to resume bilateral talks.

In mid-April, Mr. Zambetis received a response from Ambassador Elekdag, returning the original letter from AHEPA to Prime Minister Ozal. The Ambassador's letter does not encourage optimism for future dialog about the tensions and problems in the eastern Mediterranean.

There can be no doubt, Mr. President, that the best way—the only way—to resolve tensions between Greece and Turkey and to restore the unity of Cyprus is through dialog and mutual respect among all sides. U.S. policy toward the region must be aimed at fostering such dialog and mutual respect. In that regard, I urge my colleagues to read this correspondence for the light it sheds on the Turkish attitude toward the situation.

I ask that this correspondence be printed in the RECORD.

The correspondence follows:

ORDER OF AHEPA,
SUPREME LODGE HEADQUARTERS,
Washington, DC, May 9, 1985.

Hon. CHRISTOPHER J. DODD,
324 Senate Hart Office Building,
Washington, DC.

DEAR SENATOR DODD: During the recent visit of Turkish Prime Minister Turgut Ozal to the United States, I had the opportunity to meet with him and personally convey some of our community's concerns about Turkish policy. At the conclusion of our meeting, we presented him with a letter detailing the concerns of the AHEPA.

Following our meeting, we issued a statement about the meeting, expressing our satisfaction with the friendly and responsive manner in which the meeting was held. In spite of the reservations expressed by many members of our community—whose sentiments regarding Turkish policy towards Cyprus and Greece you are well-acquainted with—we publicly supported the concept of dialogue to aid in the peaceful resolution of conflicts in the region.

On April 17, our letter to Prime Minister Ozal was returned to the AHEPA offices by courier with a curt letter from Ambassador Sukru Elekdag. I am deeply disappointed and extremely distressed that the Turkish government has seen fit to respond in this manner. Not only is this incompatible with the Turkish Prime Minister's expressed desire to conduct a dialogue on these issues, but it also demonstrates a lack of desire to even acknowledge the expression of concerns held by a significant number of Americans.

Please find enclosed copies of the above correspondence, which I feel will be of particular interest to you.

Sincerely,

CLEO N. ZAMBETIS,
Supreme President.

ORDER OF AHEPA,
SUPREME LODGE HEADQUARTERS,
Washington, DC, March 30, 1985.

Prime Minister TURGUT OZAL,
The Waldorf-Astoria Towers,
New York, NY.

DEAR MR. PRIME MINISTER: On behalf of the supreme Lodge and the members of the Order of AHEPA, I would like to express our deep gratitude and appreciation for the opportunity to meet with you. I hope this meeting will be of mutual benefit as it provides us with an opportunity to exchange views and hopefully gain a greater understanding of each other's concerns.

As Americans of Hellenic descent, we are naturally concerned with the tension in the Eastern Mediterranean. While I would like to underline the fact that we hold no

enmity or antipathy for the Turkish people, it would be disingenuous for me to pretend that we share your Government's perspective of these problems. I fervently hope that the historic conflict between Greeks and Turks, however, will soon become a closed chapter in their history.

All members of the Eastern Orthodox Church are extremely concerned with the problems relating to the Ecumenical Partriarchate in Istanbul. His Holiness Demetrios I, Archibishop of Constantinople and Ecumenical Patriarch, is the symbolic leader of our Church and his importance to our faith is analogous to that of the Pope to Roman Catholics.

We have been extremely concerned by the closure of the Theological School of Halki fourteen years ago, the leading theological school of our Church whose roots extend to the 11th century. We are also deeply worried about the difficulties regarding building repairs to the Ecumenical Partiarchate.

The solution to these problems rests in the hands of your Government, and I humbly request that they be considered. I am confident that active measures by your Government to alleviate these problems would be appreciated not only by the members of our community, but also by the people of Greece and all members of the Eastern Orthodox Church. We are prepared to work with your government on these problems in any capacity which you feel will be helpful.

I am certain that you are aware of our concern over the lack of progress towards a peaceful and lasting settlement on Cyprus. Our position and efforts in this area are an expression of our continued frustration at the lack of flexibility that we perceive in the attitude and policies of the Turkish Cypriots and your Government.

The Order of AHEPA has consistently urged our government to use its influence on all parties to ensure that they participate in good faith in the United Nations negotiations process. Despite the breakdown in the meeting between President Spyros Kyprianou and Turkish Cypriot leader Rauf Denktas last January, we were heartened by the U.N. Secretary General's comments that the two sides have never been closer.

I believe that it is very important to maintain the momentum generated by this meeting, and urge your government to use its influence with the Turkish Cypriots and join in the efforts for a prompt resumption of the negotiations process.

I believe that a public commitment by your government to begin a systematic withdrawal of its troops on Cyprus in excess of those permitted under the existing treaties, or for the replacement of these troops by an expanded U.N. force—parallel to progress in the negotiations—would immeasurably enhance the prospects for the resumption of direct negotiations and for their successful conclusion.

I am aware of your nation's concern for the safety of the Turkish Cypriot community, yet I believe that the days of intercommunal strife and violence—which were provoked by small groups of extremists—are in the Cypriot peoples' past.

The spirit of friendship, unity, and understanding that characterized the Union of Cypriot Journalists New Year's Ball, which was attended by a Turkish Cypriot delegation headed by Raif Denktas, is, I believe, an encouraging sign of the desire of all Cypriots to reunite into one country.

We feel that this trend must be encouraged, and thus proposed that the United States establish a special Cyprus fund of up to $250 million to be used for confidence-building measures that would foster intercommunal cooperation and understanding. Under our proposal, monies would be made available for projects approved by representatives of both communities and that would benefit all Cypriots.

We are also deeply concerned with the status of relations between Greece and Turkey. In my view, the continued deterioration in their bilateral relations do not auger well for the region.

These bilateral conflicts emerged in the early 1970s, despite the common misperception that they are age-old quarrels. The issues disputed today were for decades governed by understandings dating back to the days of friendship and cooperation established by Eleftherios Venizelos and Mustafa Kemal Ataturk.

I am confident that the Greek and Turkish peoples strongly support a return to an era of peace and goodwill between the two countries. I hope that statements and actions that would lead to a further deterioration of the situation will be restrained.

We feel that maintaining the balance of power in the Aegean is necessary to prevent conflicts from erupting into a confrontation. This view is also echoed in the United States Congress, which has identified a 7:10 ratio in military assistance to Greece and Turkey as the means of preserving this balance.

Furthermore, as Americans we are particularly concerned about the lack of cohesion on NATO's southeastern flank and the urgent need for a resolution of issues that would increase the Alliance's defensive capability in the region. Preventing Soviet naval access to the Mediterranean Sea during a crisis is an important Alliance objective in the area and NATO's deterrent capability would be enhanced by the inclusion of the Greek island of Limnos in its military command structure.

Finally, I would like to express our sincere sympathy to your Government and your people concerning the terrorist attacks perpetrated against Turkish diplomatic officials.

We fervently look forward to the day when Turks, Greeks, and Cypriots will live together in a sea of peace. We stand ready to assist in this process.

Sincerely,

CLEO N. ZAMBETIS,
Supreme President.

ORDER OF AHEPA,
SUPREME LODGE HEADQUARTERS,
Washington, DC, April 8, 1985.

His Excellency TURGUT OZAL,
Embassy of the Republic of Turkey,
Washington, DC.

DEAR MR. PRIME MINISTER: On behalf of the members of the Order of AHEPA, I would like to thank you for the opportunity to meet with you on March 30 and exchange views on issues of mutual concern.

I hope that the outstanding issues between Greece and Turkey can soon be resolved and that the next few months will also see some tangible progress toward a peaceful and lasting settlement on Cyprus. I sincerely believe that this is in the best interests, and will be to the benefit of, the people of Greece, Turkey, and Cyprus.

I would like to reiterate that we support the concept of bilateral negotiations between Greece and Turkey. I continue to believe, however, that your initiative for direct talks would be furthered by your Government's active encouragement of the Turkish Cypriot leadership to resume the intercommunal negotiations. Such a clear gesture by your Government would demonstrate its willingness to negotiate in good faith.

Please convey my regards to Mr. Halefoglou and our thanks to Ambassador Elekdag and his staff for their assistance in arranging this meeting.

Sincerely,

CLEO N. ZAMBETIS,
Supreme President.

TURKISH EMBASSY,
Washington, DC, April 16, 1985.

Mr. CLEO ZAMBETIS,
Supreme President, AHEPA
Washington, DC.

DEAR MR. ZAMBETIS, it is a pleasure for me to refer to your meeting with Prime Minister Turgut Ozal, which took place upon your request in New York at the Prime Minister's hotel suite on March 30th.

I am sure you will join me in recalling that the meeting atmosphere was very cordial and warm. When Prime Minister Ozal stressed the need for a dialogue between Turkey and Greece and the necessity of establishing friendly and cooperative relations between the two countries, both you and your colleagues stated that you were profoundly impressed by the conciliatory and constructive approach of the Prime Minister. It is also my recollection that you expressed your readiness to spare no efforts to contribute to reconciliation between the Greek and Turkish nations.

By the time the meeting ended, it was my distinct impression that both sides felt the meeting had been useful and heartwarming undertaking. At least this is what we thought of it.

However, right after you left, it was brought to our attention that you had left a previously composed letter addressed to Prime Minister Ozal. The content of this letter is of a nature which is not in consonance with the harmony that prevailed during the meeting. Therefore, I feel bound to return it to you.

In this context, I also would like to bring to your attention two points which I deem important.

First, progress toward a just and viable solution of the Cyprus problem requires that both communities in Cyprus be encouraged by their motherlands, Greece and Turkey, to reconcile their differences. As the recent peace efforts undertaken by the U.N. Secretary General Perez de Cuellar have demonstrated, Turkey did the utmost to that end. Unfortunately, the same cannot be said of the current Greek Government which hindered the efforts of the U.N. Secretary General, and undermined the negotiations by creating tensions in Greek-Turkish relations.

In the second place, it has to be conceded that, tension between Turkey and Greece, which are regarded as motherlands by the two peoples of Cyprus, will inevitably affect these peoples on the Island. If Turkey and Greece demonstrate their will and determination to solve the differences between them through peaceful negotiations, the two Cypriot communities will be better motivated to solve their problems and live in peace.

I would like to further inform you however, that, your second letter dated April 8, 1985, addressed to Prime Minister Ozal and

sent to our Embassy, has been forwarded to its high destination.

Sincerely,

DR. SÜKRÜ ELEKDAĞ,
Ambassador of the Turkish Republic.●

NATIONAL FREE PAPERS WEEK

● Mr. D'AMATO. Mr. President, I rise today to join my friend and colleague, Senator GRASSLEY, as a cosponsor of Senate Joint Resolution 73, which designates the week of September 15–21, 1985, as "National Independent Free Papers Week." Independent free circulation papers represent a superlative tradition in America's free enterprise system: they fill a need and provide choice in the media marketplace.

Free circulation papers fill the gap in cities and towns that do not receive full coverage by larger, paid papers. In all cases, whether free newspapers, shopping guides, or pennysavers, free circulation papers offer a choice to local businesses and serve a need that otherwise would not be met—providing the media support that keeps small towns, cities, and neighborhoods prospering.

Some of the earliest free papers appeared in the 1920's; even more appeared in the 1930's as a direct response to the special needs arising from the Great Depression. After World War II, these papers began to flourish. More and more businesses wanted to reach every home in the community and free circulation papers were the answer. As a result, it is estimated that there now are over 2,000 free circulation papers in the United States.

National Independent Free Papers Week will coincide with the 5th anniversary of the Independent Free Papers of America organization. IFPA has a membership of over 200 free papers representing 41 States. In my own State of New York, there are 20 member papers benefiting local businesses and their communities.

I urge my colleagues to join in this salute to free papers.●

NATIONAL GARDEN WEEK

● Mr. ABDNOR. Mr. President, I am pleased to join my colleague, Senator HATFIELD, in recognizing the gardeners of America.

Gardening is an important activity that affects many aspects of our environment and our people. Our environment is improved through the flowers, fruits, and vegetables, and our people are enriched through the nutrition and the skill that homegrown foods provide.

In addition to the asethetic value gardens provide, they add to the individual initiative, independence, and respect for the land. Gardening challenges us to learn from the land. Among the challenges are production and care for our natural resources.

Even more importantly, gardening supersedes all ages. Young and old alike can work together at a common goal. This sharing can be beneficial, not only to the land, but to a greater understanding between people.

Mr. President, I believe that all Americans can gain a greater understanding and respect for America's farmers through their own gardening experiences.

I urge my colleagues, Mr. President, to join in recognizing the great efforts of all gardeners through the passage of Senate Joint Resolution 136, authorizing the President to issue a proclamation designating the week of April 13, 1986, as National Garden Week.●

THE POOR, THE STARVING, AND EXPORTING U.S. FOOD

Mr. MELCHER. Mr. President, in contrast with U.S. grain export competitors who have concern that an export bonus or payment-in-kind U.S. grain sales to other countries would be unfair, all of our competitors must admit that world distribution of food for many of the impoverished has been inadequate and that humanitarian aid has been inadequate. There is a great disparity between those of us who have more than enough to eat and have more concern about over-indulgence in excessive calories that cause body fat as compared to those impoverished people who are poor, thin and malnourished.

The gauge to justify the food domestic programs that we operate and in the Public Law 480 and section 416 foreign food programs that we operate should be based on a reasonable standard. That is a simple one: Are there hungry and malnourished people who need the surplus foods which we have in abundance in the United States?

There are still plenty of hungry people here at home as demonstrated by the Physicians Task Force on Hunger report issued a few weeks ago. Abroad there are the starving in Africa and widespread impoverishment in the developing countries. People on limited diets and particularly growing children, pregnant and nursing mothers are permanently harmed if they are malnourished. People of all ages including the young and particularly the elderly are more prone to illness and infectious diseases if malnourished. The result of using our domestic food programs for our own poor and Public Law 480 and section 416 for the hungry abroad is to allow the proper nourishment for physical and mental development for the kids, alertness and effectiveness for their working people and protect against disease for all ages. The two commodities in constant surplus in the United States are wheat and dairy products and at present rice, soybeans, sorghum, corn, honey, and barley supplies are in excess of domestic market needs.

Private voluntary organizations and cooperatives have had successful innovative experience in promoting agriculture development through the sales of food aid commodities. The most efficient and the most accountable of these programs are through the nonprofit private voluntary organizations that at no cost to the taxpayer are dedicated to the honest and equitable distribution of American food aid and who have successful experience in agricultural development in the scores of countries in which they operate. CARE, Catholic Relief Services, Cooperative League of the USA, Church World Council Lutheran World Relief, Adventist Development and Relief Agency, and World Vision are some of those most successful.

For those countries who receive American food aid, it is essential that agricultural development go in tandem with the food aid. Because the needs are greater now than in the past, just as we expand and liberalize Public Law 480 and section 416 programs, we must also utilize food aid to promote the expansion of the agricultural development efforts.

These organizations go about their work with dedication year in and year out with no press staff or public relations consultants so that there is only limited public awareness of the magnitude of their work. They operate only with the meager donations but provide billions of dollars of food aid for the hungry and promote agricultural development programs. Just as more food is necessary for the hungry, so, too, are more agriculture development programs.

Export PIK or bonus commodity exports when used by the Department of Agriculture will be both selective and controversial and not targeted to food deficit countries. Secretary of Agriculture Block has stated that he will be selective in using it to attract customers away from U.S. grain competitors who are subsidizing their exports and that is where the controversy will arise. So it will be a program to be used only as a limited tool to equalize trade. Export PIK is not contrived to aid the hungry, which is an ongoing, continuous daily program in poor food deficit countries.

To meet the existing or near term emergency situation in those food poor countries, food aid is immediately needed both for consumption as well as long term agricultural development. The nonprofit private voluntary organizations are oriented both for the humanitarian and agricultural development tasks. They already distribute more American food aid per year—up to over $1 billion per year, twice as much as the export bonus program.

In the short term, reducing surplus commodities will help the U.S. economy by first of all stabilizing the sagging commodity prices and therefore start some price improvement for U.S. farmers, extremely hard pressed from very low net income. For the long term, U.S. food aid has demonstrated that it develops markets. This is particularly true for dairy and wheat products.

The administration has been stalling Public Law 480 and section 416 shipments of U.S. commodities. While various Departments of the executive branch continue to reject PVO and cooperative sales proposals and debate continues in Congress as to whether U.S. PVO's and cooperatives should be allowed—and under what conditions—to sell food aid commodities, many of those same PVO's and cooperatives are making innovative developmental and humanitarian uses of food aid from other donor countries. Despite the urgency of the situation for both the hungry and U.S. farmers, there has been more than the usual amount of bureaucratic bungling in processing the applications for U.S. food aid from impoverished countries. Congress is seeking to legislate expansion of Public Law 480 and section 416 with firm directions for redtape cutting to the State and Agriculture Department bureaucracies.

It cannot come too soon and it is essential to balance out the fears of abuses that may be generated by the export bonus or PIK Program just announced by Secretary Block.

ORDER OF PROCEDURE

Mr. SIMPSON. Mr. President, after conferring with the Democratic leader, and let me apologize to him—I was in the House of Representatives' area and Senator DOLE was called away, and I know that Senator BYRD waited here patiently for us and I certainly hope we did not discommode his schedule. I made the course over here in seven-league boots to arrive here. I do hope that did not discommode you, sir.

Mr. BYRD. Mr. President, if the distinguished assistant Republican leader will yield, he owes me no apology. From time to time I keep the leaders on the other side waiting because I may be meeting with constituents or whatever. We always try to accommodate one another. I am not disturbed about it.

Mr. SIMPSON. I thank the Democratic leader.

THE CALENDAR

Mr. SIMPSON. Mr. President, I inquire of the minority leader if he is in position to consider any or all of the following items: Calendar Nos. 118, 119, 136, and 137.

Mr. BYRD. Mr. President, those items have been cleared on this side, and we are ready to proceed.

Mr. SIMPSON. I thank the minority leader.

APPOINTMENT OF CITIZEN REGENT OF THE BOARD OF REGENTS OF THE SMITHSONIAN INSTITUTION

The joint resolution (S.J. Res. 81) to provide for the appointment of Barnabas McHenry as a citizen regent of the Board of Regents of the Smithsonian Institution was considered.

Mr. PELL. Mr. President, I wish to record my enthusiastic support for the appointment of Barnabas McHenry as a citizen regent of the Smithsonian Institution.

Mr. McHenry brings to the task an exceptionally rich background that includes a broad range of cultural activity. Of particular relevance is his active participation in the affairs of the Metropolitan Museum of Art in New York, where he serves on the visiting committees on Egyptian art and on 20th Century art; his service as vice chairman of the Presidential Task Force on Arts and Humanities and as a member of the Commission for Cultural Affairs of the city of New York, to name but a few.

A lawyer by training and a graduate of Princeton University, Mr. McHenry is to my mind an admirable choice for membership on the Smithsonian's Board of Regents. His breadth of vision and depth of experience will surely add new perspectives and insights to the deliberations of the Board. I support the approval of Senate Joint Resolution 81 which provides for his appointment, and urge its prompt adoption by the Senate.

Mr. President, I ask unanimous consent that Mr. McHenry's biographical résumé be printed in the RECORD at this point.

There being no objection, the résumé was ordered to be printed in the RECORD, as follows:

BARNABAS MCHENRY

McHenry, Barnabas, publishing company executive, lawyer; born at Harrisburg, Pa., on October 30, 1929; son of William Cecil and Louise (Perkins) McHenry. Married Marie Bannon Jones, December 13, 1952; children: Thomas J. P.; W. H. Davis; John W. H. A.B., Princeton University, 1952; LL.B., Columbia University, 1957. Bar: New York, 1957. Associate at the firm of Lord, Day, & Lord, New York City, 1957-62; general counsel for The Reader's Digest Association, Inc., New York City, 1962-, also director; director, Palaceside Building Corporation, Tokyo. Member, visiting committee on Egyptian art, visiting committee on 20th century art, Metropolitan Museum of Art; member, boards of directors for the Presbyterian Hospital; Boscobel Restoration, Inc., Garrison, New York; High Winds Fund, Inc.; L.A.W. Fund, Inc.; DeWitt Wallace Fund, Inc.; Lakeview Fund, Inc.; Vivian Beaumont Theater; Center for Hudson River Valley; National Corporation Fund for Dance, Inc.; Children's Art Carnival; Reader's Digest Fund for the Blind; Reader's Digest Association, Inc.; trustee, Supreme Court Historical Society; Metropolitan Opera Association; Metropolitan Museum of Art; member, I Tatti Council; Commission for Cultural Affairs of the City of New York; Temporary State Commission on Restoration of the Capitol; trustee, New York Zoological Society; Central Park Conservancy; vice-chairman, Presidential Task Force on the Arts and Humanities; member, boards of directors, Hudson River Foundation for Science and Environmental Research; School of American Ballet. Served with the Army of the United States, 1952-54. Member, American and New York State bar associations; Association of the Bar of the City of New York; American Conservation Association (director); Academie des Beaux-Arts'; Institute de France (correspondent). Clubs: Century, Sky, Racquet and Tennis (N.Y.C.) Home: 164 East 72nd Street, New York, New York 10021. Office: 34th Floor, 200 Park Avenue, New York, New York 10166.

The bill was considered, ordered to be engrossed for a third reading, read the third time and passed; as follows:

S.J. RES. 81

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That the vacancy in the Board of Regents of the Smithsonian Institution, of the class other than Members of Congress, caused by the death of William A.M. Burden of New York on October 10, 1984, be filled by the appointment of Barnabas McHenry of New York for the statutory term of six years.

Mr. SIMPSON. Mr. President, I move to reconsider the vote by which the bill was passed.

Mr. BYRD. Mr. President, I move to lay that motion on the table.

The motion to lay on the table was agreed to.

COMMITTEE TO STUDY AND MAKE RECOMMENDATIONS WITH RESPECT TO A TWO-YEAR BUDGET PROCESS

The resolution (S. Res. 159) to establish a select committee to study and make recommendations with respect to a 2-year budget process, was considered, and agreed to; as follows:

S. RES. 159

Resolved, That (a) there is established, for the duration of the first session of the 99th Congress, a select committee of the Senate to be known as the Select Committee on the Two-Year Budget (hereafter in this resolution referred to as the "select committee"). The select committee shall be composed of twelve members of the Senate, six from the majority party and six from the minority party, to be appointed by the President of the Senate upon the reommendation of the majority leader and the minority leader.

(b) Of the twelve members—

(1) two members shall be from the Committee on the Budget;

(2) two members shall be from the Committee on Rules and Administration;

(3) two members shall be from the Committee on Governmental Affairs;

(4) two members shall be from the Committee on Appropriations; and

(5) four members shall be from the Senate at large.

(c) The select committee shall select a chairman from among its majority members and a cochairman from among its minority members.

SEC. 2. (a) A majority of the members of the select committee shall constitute a quorum for the transaction of business, except tht the select committee may fix a lesser number as a quorum for the purpose of taking sworn testimony.

(b) Vacancies in the membership of the select committee shall not affect the authority of the remaining members to execute the functions of the committee, and shall be filled in the same manner as original appointments are made.

(c) The select committee shall adopt rules of procedure not inconsistent with the rules of the Senate governing standing committees of the Senate.

(d) Service of a Senator as a member or as chairman of the select committee shall not be taken into account for the purposes of paragraph 4 of rule XXV of the Standing Rules of the Senate.

SEC. 3. (a) It shall be the duty of the select committee to—

(1) study and review legislative proposals to improve the operation of the congressional budget process, including proposals for the two-year budget; and

(2) recommend specific legislation to improve the operation and enforcement of the congressional budget process, including such componens of two-year budgeting which the select committee finds to be desirable and feasible.

In carrying out clause (1) of this subsection, the select committee shall pay particular attention to the need to free the time of senators from unnecessary repetitive operations, to encourage oversight of enacted legislation by committees, to provide stable funding expectations to State and local governments, and to maintain accurate budgetary estimates and assessments of national needs and priorities.

(b) The select committee shall report and make recommendations to the Senate within 180 days after the adoption of this resolution.

SEC. 4. (a) For the purposes of this resolution, the select committee is authorized (1) to employ personnel, (2) to make expenditures from the contingent fund of the Senate, (3) to hold hearings, and (4) to sit and act at any time or place.

(b) With the consent of the chairman and ranking minority members of any other committee of the Senate, the select committee may utilize the facilities and the services of the staff of such other committee of the Senate, or any subcommittee thereof, whenever the chairman and the cochairman of the select committee determines that such action is necessary and appropriate.

SEC. 5. Expenses of the select committee under this resolution shall be paid from the contingent fund of the Senate upon vouchers approved by the chairman of the select committee, except that vouchers shall not be required (1) for the disbursement of salaries of employees of the select committee who are paid at an annual rate, or, (2) for the payment of long-distance telephone calls. Total expenditures for the select committee shall not exceed $300,000.

Mr. SIMPSON. Mr. President, I move to reconsider the vote by which the resolution was agreed to.

Mr. BYRD. Mr. President, I move to lay that motion on the table.

The motion to lay on the table was agreed to.

FUTURE PROBLEM SOLVING PROGRAM WEEK

The joint resolution (S.J. Res. 131) to designate the week of June 2, 1985, through June 8, 1985, as "Future Problem Solving Program Week," was considered, ordered to be engrossed for a third reading, read the third time and passed.

The preamble was agreed to.

The joint resolution, and the preamble, are as follows:

S.J. RES. 131

Whereas we are concerned about our Nation's youth and their interest in the future problems of our country and finding creative approaches to solve those problems; and

Whereas the Future Problem Solving Program, an educational program which combines problems of the future with a multiple tiple step creative problem solving process, has been created and organized in all fifty States of the Union; and

Whereas the program which began as a local program in a Georgia high school, now involves over one hundred thousand elementary and secondary school students nationwide, over eight thousand school districts, and several foreign countries; and

Whereas the Future Problem Solving Program, in addition to teaching problem solving skills, assists students in developing skills in the areas of creative thinking, critical and analytical thinking, communication, research, future studies, and group interrelations; and

Whereas students representing all regions of the United States of America, selected on the basis of the outstanding performance in earlier problem solving competitions, will be assembling to participate in the Future Problem Solving Bowl on June 2, 1985, through June 5, 1985: Now, therefore, be it

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That the week of June 2, 1985, through June 8, 1985, is designated as the "Future Problem Solving Program Week", and the President is authorized and requested to issue a proclamation calling upon all Government agencies and the people of the United States to observe the week with appropriate programs, ceremonies, and activities.

Mr. SIMPSON. Mr. President, I move to reconsider the vote by which the joint resolution was agreed to.

Mr. BYRD. Mr. President, I move to lay that motion on the table.

The motion to lay on the table was agreed to.

RECOGNITION TO THE ACHIEVEMENTS OF JOHN JAMES AUDUBON

The resolution (S. Res. 144) to give special recognition to the achievements of John James Audubon, was considered, and agreed to.

The preamble was agreed to.

The resolution and the preamble, are as follows:

S. RES. 144

Whereas April 26th marks the two-hundredth anniversary of the birth of John James Audubon;

Whereas John James Audubon remains one of the best known and beloved American wildlife artists;

Whereas John James Audubon, as the first artist to portray birds as living, breathing beings and dramatic and dynamic components of a larger environment, made millions of people aware not only of birds but of the wonder and beauty of nature; and

Whereas the work of John James Audubon has inspired and encouraged the conservation of the wildlife resources of the world: Now, therefore, be it

Resolved, That the Senate of the United States gives special recognition to the achievements of John James Audubon and the work he has inspired.

Mr. SIMPSON. Mr. President, I move to reconsider the vote by which the joint resolution was agreed to.

Mr. BYRD. Mr. President, I move to lay that motion on the table.

The motion to lay on the table was agreed to.

EXECUTIVE SESSION

Mr. SIMPSON. Mr. President, after discussion with the minority leader, I ask unanimous consent that the Senate go into executive session to consider the nominations on the Executive Calendar under the following items: Calendar No. 118 and Calendar No. 119.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Wyoming?

Mr. BYRD. Mr. President, reserving the right to object, and I shall not object, I wanted to discuss with these gentlemen some of the problems of the coal industry and other matters, and those conversations have taken place. I think all holds that were on them have been removed. Therefore, I withdraw any reservations.

There being no objection, the Senate proceeded to the consideration of executive business.

Mr. SIMPSON. I thank the minority leader.

DEPARTMENT OF ENERGY

The legislative clerk read the nomination of Helmut A. Merklein, of the District of Columbia, to be Administrator of the Energy Information Administration.

The PRESIDING OFFICER. Without objection, the nomination is considered and confirmed.

The legislative clerk read the nomination of Theodore J. Garrish, of Virginia, to be an Assistant Secretary of Energy.

The PRESIDING OFFICER. Without objection, the nomination is considered and confirmed.

Mr. SIMPSON. Mr. President, I move to reconsider the vote by which the nominations were confirmed.

Mr. BYRD. Mr. President, I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. SIMPSON. Mr. President, I ask unanimous consent that the President be immediately notified of the confirmation of these nominations.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. McCLURE. Mr. President, on April 26, 1985, the Committee on Energy and Natural Resources held a hearing on the nominations of Joseph F. Salgado to be under Secretary of the Department of Energy, J. Michael Farrell to be General Counsel for the Department of Energy, Theodore J. Garrish to be Assistant Secretary for Congressional, Intergovernmental and Public Affairs, and Helmut A. Merklien to be Administrator of the Energy Information Administration.

On May 1, 1985, the Committee on Energy and Natural Resources ordered favorably reported the 4 nominations by a vote of 17-0.

Joseph F. Salgado has been nominated to be Under Secretary of the Department of Energy. He is currently serving as transition coordinator at the Department of Energy for Secretary Herrington. Mr. Salgado previously served as an Associate Director in the White House Presidential Personnel Office, and as an Associate Commissioner for Enforcement at the Department of Justice. He also served as a senior trial attorney and deputy district attorney for Alameda County, CA.

The Under Secretary is one of the principal officers in the Department of Energy. He carries out duties delegated by the Secretary, and he has the primary responsibility for energy conservation, in accordance with an express requirement of the Department of Energy Organization Act. Mr. Salgado's views on his energy conservation responsibilities were described in his statement before the Committee. He stated:

I believe the Department of Energy has an important role to play in facilitating energy conservation. DOE's research and development programs are essential to providing energy efficient technology options to the market. The results of these programs must be effectively and promptly transferred to the marketplace. In addition, the Department must continue to work cooperatively and effectively with state and local interests in connection with the energy assistance programs mandated by the Congress.

J. Michael Farrell is the President's nominee for General Counsel of the Department of Energy. Mr. Farrell has a professional background that includes several positions in the Federal Government as well as 14 years in private law practice. He has served in the State Department as Legislative Coordinator for the Caribbean Basin Initiative, and in the White House as Deputy Director of the Presidential Personnel Office and as Assistant Counsel in the Office of Counsel to the President.

Theodore J. Garrish has been nominated to be Assistant Secretary for Congressional, Intergovernmental and Public Affairs. Currently, he is Acting Assistant Secretary for that office. Most recently, Mr. Garrish has served as General Counsel at the Department of Energy. Prior to that he was Special Assistant to the Secretary of Energy. He has served at the Department of the Interior in several positions, and he has also worked at the U.S. Consumer Product Safety Commission, the U.S. Office of Consumer Affairs, the White House, the Federal Trade Commission, and the Department of Justice.

As Assistant Secretary, Mr. Garrish would be responsible for developing, managing and coordinating relations between the Department of Energy and Congress, the news media, State and local governmental officials, other Federal agencies, and consumer citizen organizations.

In his testimony before the committee, Mr. Garrish stated that as Assistant Secretary he will work diligently to answer congressional requests in the most prompt and efficient manner possible. He also intends to place particular emphasis on helping committees and individual members to obtain the information needed to draft legislation, providing the necessary department witnesses, and assisting in the drafting of appropriate provisions during the committee process.

Helmut A. Merklein has been nominated as Administrator of the Energy Information Administration. He received a recess appointment on December 31, 1984. Prior to that appointment, he served as Assistant Secretary for International Affairs and Energy Emergencies at DOE.

Dr. Merklein is a former engineer, economist, and educator who holds an MBA degree and a Ph.D. in economics. He has served as dean of the graduate school of management at the University of Dallas, and as a full professor in the department of petroleum engineering at Texas A&M University. Dr. Merklein has also worked for an international energy consulting firm and for a large U.S. oil company as a petroleum engineer.

In his statement before the committee, Dr. Merklein emphasized his commitment to maintaining the independence of the EIA. He stated:

While EIA is an integral part of the Department of Energy, the Congress created it with a considerable measure of autonomy. The EIA is respected by most energy decisionmakers for its intellectual integrity in producing unbiased energy information. I am fully aware of the Congressional mandate for independence and objectivity, and I intend to uphold that mandate.

Mr. President, each of the four nominees has fully complied with the committee's rules requiring submittal of a financial disclosure report and a detailed information statement. On behalf of the Committee on Energy and Natural Resources, I am pleased that the Senate has confirmed these Presidential nominations.

LEGISLATIVE SESSION

Mr. SIMPSON. Mr. President, I ask unanimous consent that the Senate return to the consideration of legislative business.

The PRESIDING OFFICER. Without objection, it is so ordered.

APPOINTMENT OF KENNETH U. BENJAMIN AS DEPUTY SENATE LEGAL COUNSEL

Mr. SIMPSON. Mr. President, on behalf of Senator DOLE, I send a resolution to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows:

A resolution (S. Res. 170) appointing Kenneth U. Benjamin as Deputy Senate Legal Counsel.

The PRESIDING OFFICER. Is there objection to the present consideration of the resolution?

There being no objection, the Senate proceeded to consider the resolution.

Mr. SIMPSON. Mr. President, I move the adoption of the resolution.

The PRESIDING OFFICER. The question is on agreeing to the resolution.

The resolution (S. Res. 170) was agreed to, as follows:

Resolved, That the appointment of Kenneth U. Benjamin to be Deputy Senate Legal Counsel made by the President pro tempore of the Senate on May 15, 1985, shall become effective on May 15, 1985, and the term of service of the appointee shall expire at the end of the 100th Congress.

Mr. SIMPSON. Mr. President, I move to reconsider the vote by which the resolution was agreed to.

Mr. BYRD. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

ORDERS FOR MONDAY, MAY 20, 1985

ORDER FOR RECESS UNTIL 10 A.M.

Mr. SIMPSON. Mr. President, after conferring with the minority leader, I ask unanimous consent that when the Senate completes its business today, it stand in recess until 10 a.m. on Monday, May 20.

The PRESIDING OFFICER. Without objection, it is so ordered.

ORDER FOR RECOGNITION OF CERTAIN SENATORS

Mr. SIMPSON. Mr. President, I further ask unanimous consent that following the recognition of the two leaders under the standing order there be special orders in favor of the following Senators for not to exceed 15 minutes each: Senators PRESSLER and PROXMIRE.

The PRESIDING OFFICER (Mr. COCHRAN). Without objection, it is so ordered.

ORDER FOR ROUTINE MORNING BUSINESS

Mr. SIMPSON. Mr. President, I also ask unanimous consent that following the special orders just identified there be a period for the transaction of routine morning business not to extend beyond the hour of 11 a.m. with statements limited therein to 5 minutes each.

The PRESIDING OFFICER. Without objection, it is so ordered.

PROGRAM

Mr. SIMPSON. Mr. President, following morning business, the Senate will resume consideration of S. 1160, the Department of Defense authorization bill, and for the information of all Senators, it is the intention of the majority leader to convene the Senate for the remainder of next week at 9 a.m. or earlier, depending upon the number of special orders.

Therefore, rollcall votes can be expected prior to the hour of 12 noon each day next week starting on Tuesday, May 21.

Mr. President, I inquire of the minority leader if he has any further business to transact.

Mr. BYRD. Mr. President, I thank the distinguished Republican whip. I have nothing on this side.

RECESS UNTIL 10 A.M., MONDAY, MAY 20, 1985

Mr. SIMPSON. Mr. President, in accordance with the previous order, I move that the Senate stand in recess until 10 a.m. on Monday, May 20, 1985.

The motion was agreed to; and, at 3:06 p.m., the Senate recessed until Monday, May 20, 1985, at 10 a.m.

CONFIRMATIONS

Executive nominations confirmed by the Senate May 17, 1985:

DEPARTMENT OF ENERGY

Helmut A. Merklein, of the District of Columbia, to be Administrator of the Energy Information Administration.

Theodore J. Garrish, of Virginia, to be an Assistant Secretary of Energy (Congressional, Intergovernmental and Public Affairs).

The above nominations were approved subject to the nominees' commitment to respond to requests to appear and testify before any duly constituted committee of the Senate.

HOUSE OF REPRESENTATIVES—*Monday, May 20, 1985*

The House met at 12 o'clock noon.

The Chaplain, Rev. James David Ford, D.D., offered the following prayer:

Give unto us, O God, the spirit of understanding. We acknowledge that we know so many facts, yet such little wisdom, so much information, and so little discernment. May we be enlightened, O God, by a profound vision of Your world where we see all creation as Your gift to us and Your bountiful love as Your daily blessing. In Your name, we pray. Amen.

THE JOURNAL

The SPEAKER. The Chair has examined the Journal of the last day's proceedings and announces to the House his approval thereof.

Pursuant to clause 1, rule I, the Journal stands approved.

MESSAGE FROM THE SENATE

A message from the Senate by Mr. Sparrow, one of its clerks, announced that the Senate had passed a bill and joint resolutions of the following titles in which the concurrence of the House is requested:

S. 1023. An act to extend authorizations for appropriations for the Disaster Relief Act of 1974, and for other purposes;

S.J. Res. 32. Joint resolution to authorize and request the President to designate September 21, 1986, as "Ethnic American Day";

S.J. Res. 40. Joint resolution to designate the month of October 1985 as "National Down Syndrome Month";

S.J. Res. 57. Joint resolution to designate the week of October 20, 1985, through October 26, 1985, as "Lupus Awareness Week"; and

S.J. Res. 108. Joint resolution authorizing the Secretary of Defense to provide to the Soviet Union, on a reimbursable basis, equipment and services necessary for an improved United States/Soviet Direct Communication Link for crisis control.

The message also announced that pursuant to the provisions of sections 1928a–1928d of title 22, United States Code, as amended, the Vice President appoints Mr. GORE as a member of the Senate delegation to the North Atlantic Assembly Spring Meeting to be held in Stuttgart, Germany, May 17–20, 1985.

The message also announced that pursuant to the provisions of sections 276d–276g of title 22, United States Code, as amended, the Vice President appoints Mr. BAUCUS and Mr. HEFLIN as members of the Senate delegation to the Canada-United States Interparliamentary Group during the first session of the 99th Congress, to be held in Niagara-on-the-Lake, Ontario, Canada, on May 17–20, 1985.

COMMUNICATION FROM THE CLERK OF THE HOUSE

The SPEAKER laid before the House the following communication from the Clerk of the House of Representatives:

WASHINGTON, DC,
May 17, 1985.

Hon. THOMAS P. O'NEILL, Jr.,
The Speaker, House of Representatives, Washington, DC.

DEAR MR. SPEAKER: Pursuant to the permission granted in Clause 5, Rule III of the Rules of the U.S. House of Representatives, the Clerk received at 10:00 a.m., on Friday, May 17, 1985, the following message from the Secretary of the Senate: that the Senate agrees to the conference report to the Bill H.R. 1869.

With kind regards, I am,
Sincerely,

BENJAMIN J. GUTHRIE,
Clerk, House of Representatives.

ANNOUNCEMENT BY THE SPEAKER

The SPEAKER. Pursuant to the provisions of clause 5, rule I, the Chair announces that he will postpone further proceedings today on each motion to suspend the rules on which a recorded vote or the yeas and nays are ordered, or on which the vote is objected to under clause 4 of rule XV.

Such rollcall votes, if postponed, will be taken on Tuesday, May 21, 1985.

PERMANENT AUTHORITY FOR FLEXIBLE AND COMPRESSED WORK SCHEDULES

Mr. ACKERMAN. Mr. Speaker, I move to suspend the rules and pass the bill (H.R. 1534) to convert the temporary authority to allow Federal employees to work on a flexible or compressed schedule under title 5, United States Code, into permanent authority.

The Clerk read as follows:

H.R. 1534

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 5 of the Federal Employees Flexible and Compressed Work Schedules Act of 1982 (Public Law 97-221; 96 Stat. 234) is repealed.

The SPEAKER. Pursuant to the rule, a second is not required on this motion.

The gentleman from New York [Mr. ACKERMAN] will be recognized for 20 minutes and the gentleman from Georgia [Mr. SWINDALL] will be recognized for 20 minutes.

The Chair recognizes the gentleman from New York [Mr. ACKERMAN].

GENERAL LEAVE

Mr. ACKERMAN. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on the H.R. 1534, the bill presently under consideration.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. ACKERMAN. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, in 1978, Congress originally authorized the Alternative Work Schedules [AWS] Program for 3 years. And in 1982, Congress reauthorized the program for another 3 years. This program is now due to expire on July 23 of this year.

H.R. 1534—which would make permanent the AWS Program—comes to the floor today with the bipartisan sponsorhip of 69 Members, and the unanimous approval of the House Committee on Post Office and Civil Service. In addition, on March 28, the Office of Personnel Management—speaking for the administration—testified that "* * * alternative work schedules have earned a permanent place in the management of the Federal work force." Mr. Speaker, H.R. 1534 would achieve this purpose.

Alternative work schedules include flexitime, which permits employees to stagger their work hours, and compressed schedules which allow employees to work 4-day workweeks. These options provide civil servants with a two-pronged approach to manage their leisure and employment time. It is extremely important for working parents to be able to arrange daycare for their children, and it is important to all employees to integrate their workday with other commitments, such as medical appointments. The alternative schedules that are utilized by employees are negotiated with management.

Earlier this year, the House Post Office and Civil Service Subcommittee on Human Resources held 2 days of hearings on AWS. The witnesses who testified before the subcommittee unanimously proclaimed that AWS should become a permanent fixture of the Federal civil service. Witnesses included representatives of employee organizations, management groups, and Members of Congress. The subcommit-

tee also received the results of the Office of Personnel Management Study of Alternative Work Schedules, and the initial findings of the General Accounting Office's inquiry into AWS. Both of these studies were conducted during the later part of 1984, and both concluded that AWS was beneficial to the Federal civil service, and the Federal agencies, as well as to the public.

AWS has a proven track record. It has decreased absenteeism, increased worker productivity, improved employee morale, expanded agency contact with the public, and bettered the effectiveness of Federal agencies—all at absolutely no cost to the American taxpayer.

Mr. Speaker, the Office of Personnel Management study, and the General Accounting Office study, as well as the study conducted by the Subcommittee on Human Resources have confirmed the immense benefits attributed to AWS. And these investigations have conclusively indicated that AWS has had no adverse impact on the mission of Federal agencies.

Mr. Speaker, H.R. 1534 provides that the current temporary authority to implement alternatives to the traditional work schedule be made permanent. The 6-year experiment of AWS has been a stunning success. I do not believe that permanent authorization of the Federal Employees Flexible and Compressed Work Schedules Act should be delayed any longer.

Mr. Speaker, I strongly urge my colleagues to suspend the rules and pass H.R. 1534.

Mr. SWINDALL. Mr. Speaker, I ask unanimous consent that my time be vacated, and that the gentleman from Indiana [Mr. BURTON] be given the 20 minutes allotted to me.

The SPEAKER. Is there objection to the request of the gentleman from Georgia?

There was no objection.

Mr. BURTON of Indiana. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I see this alternative work schedule bill as one which helps the Government, and helps Federal workers. I serve on the Human Resources Subcommittee which studied H.R. 1534. For the last 6 years alternative work schedules have been in the testing or temporary phase. There are now some 300,000 Federal workers in almost every agency who have alternative work schedules. This should be a permanent program.

The advantages are better employee morale, more personal freedom, fewer persons traveling during rush hour, longer office hours for service to the public, fewer conflicts with personal or family matters, more flexibility in scheduling for managers, and use as a benefit to attract and retain employees.

There are some disadvantages which are outweighed by the advantages. One disadvantage which still concerns me is the cost from allowing some employees on compressed work schedules to take off more time on holidays than other workers. I estimate that the lost productivity amounts to a cost of about $26 million. Also, there is the question of whether it is fair to treat workers differently by giving some more time off on holidays.

I have not offered an amendment to correct this situation because I am in the minority party. I know that my views are not held by a majority of the Members of the committee. It is truly unfortunate that the majority party does not feel an urgent need to cut spending, and make Government more efficient when we get opportunities like this.

When can we start working together to address the deficit problem? We are swiftly heading down a rapids toward a waterfall. Some of the people in our boat still think that we can go on as we have in the past and never come to that time of crisis. Unless the decisions made in this Congress, both large and small, recognize the deficit problem then we are part of the problem, not part of the solution.

I pointed out a way to make Government more efficient, and still preserve the benefits of this bill. In the future all our legislation should ring out unnecessary costs, and give the taxpayers the most value for their tax dollars. This bill could have been improved. Until Members of Congress show an honest concern in all legislation to cut costs, we are heading for disaster.

□ 1210

Mr. Speaker, I yield such time as he may consume to the gentleman from Virginia [Mr. WOLF].

Mr. WOLF. Mr. Speaker, I rise today in support of the bill to permanently extend the Alternative Work Schedules [AWS] Program. As one of the original sponsors of the flexitime experiment extension in 1982 and as one of the original sponsors of this legislation, I would like to commend the Post Office and Civil Service Committee for its work and the distinguished gentleman, Mr. ACKERMAN, for moving this legislation through committee.

The AWS Program, also known as flexitime, allows Federal employees to utilize a variety of schedules that vary from the traditional 40-hour, 5-day workweek. For example, workers may use a compressed schedule of 4, 10-hour days or a schedule which allows them to begin work earlier in the morning and leave earlier. This is particularly beneficial for employees with school-aged children.

Because I represent one of the largest constitutencies of Federal employees in the country and because one of the largest AWS experimental programs is located in my congressional district, I am keenly aware of the very real benefits this program offers and of the strong support the program enjoys among Federal workers.

The AWS Program has been beneficial to both Federal employees and to the Federal Government. A March 1985 OPM report indicated that many agencies are experiencing increases in productivity as a result of the flexitime program. Service to the public has also been enhanced as some employees are working later hours allowing greater accommodation for an ever-changing American work force. Traffic has been eased by the staggered rush hours that AWS provides and there has been a significant reduction in the number of employees arriving late for work because of traffic jams. Flexitime has helped morale as well. The March 1985 OPM report stated:

> . . . AWS led to increased job satisfaction among employees because of easier commuting, a greater sense of control over their work situation, the ability to schedule appointments on off days rather than use leave, and greater ease in making child-care arrangements.

One of the more attractive features of the AWS Program is that it allows Federal employees to spend more time with their families. For example, under flexitime, it is possible for one parent to be home when a child leaves for school in the morning and another to be home when the child returns from school in the late afternoon.

This program enjoys a broad base of support and was cosponsored by nearly 70 Members of Congress. In addition, this measure is supported by the administration and was unanimously approved by the House Committee on Post Office and Civil Service.

Mr. Speaker, during recent months major changes in the pay and benefits of Federal employees have been proposed which have demoralized the Federal work force. I believe that permanent extension of the AWS Program will help to counter the negative effects these proposals are having.

This program deserves permanent extension. The benefits to the American public, to the Government, and to the Federal employees and their families have been documented. We have an opportunity to do the right thing today and I urge my colleagues to support this measure.

Mr. ACKERMAN. I appreciate the remarks of the gentleman.

Mr. Speaker, I yield 4 minutes to the gentlewoman from Colorado [Mrs. SCHROEDER].

Mrs. SCHROEDER. Mr. Speaker, the Alternative Work Schedules [AWS] Program has increased employee morale and productivity and has had a positive effect on management, according to the results of a General

Accounting Office [GAO] survey I requested. The key finding is that both supervisors and employees are delighted with AWS.

In April 1984, I requested that the General Accounting Office undertake a review of the use of alternative work schedules in the Federal Government. I did this in anticipation of the upcoming expiration of the AWS authorization in July 1985. Although AWS legislation has been in place since 1978, there had not been a rigorous evaluation of the value and effectiveness of the program.

In one of its largest, most comprehensive survey efforts ever, GAO sent out 2,688 questionnaires to a randomly selected sample of executive branch employees and supervisors throughout the continental United States. With a remarkable 75-percent response rate, GAO obtained a wealth of data with which to assess the benefits and problems of Alternative Work Schedules Program. Although GAO's final review and analysis will not be completed until the end of this month, I am able today to provide some very significant findings based on the replies to the questionnaire.

Where in place, the Alternative Work Schedules Program has proved a demonstrable boon for family life, employee morale, organizational effectiveness, productivity, and quality of work environment. Of Federal employees responding to the particular question, 91 percent support the continuation of the AWS Program; 83 percent say that AWS has a favorable effect on their morale; 71 percent say that AWS has a favorable effect on their job performance; 83 percent say that AWS gives them greater flexibility to meet family obligations; 37 percent say that AWS has increased their work unit's ability to provide direct services to the public, while only 4 percent note a decrease; 49 percent say that AWS increases their work unit's hours of operation, while only 2 percent note a decrease; and 57 percent say that AWS increases their productivity, while only 5 percent say that productivity declines.

Among supervisers responding, 79 percent say that AWS has a favorable effect on their subordinates' morale, with only 4 percent noting an unfavorable effect; 55 percent say that AWS has a favorable effect on their subordinates' sense of responsibility, with only 7 percent noting an unfavorable effect; 58 percent say that AWS has a favorable effect on their satisfaction with their job as superviser, with only 7 percent noting an unfavorable effect; 48 percent say their subordinates' productivity under AWS was increased over what it might have been under a fixed schedule, with only 10 percent stating a decrease; 59 percent say that, on balance, the advantages of AWS outweigh the disadvantages, with only 7 percent saying that the disadvantages outweigh the advantages.

The results of the GAO study confirm that alternative work schedules have achieved important benefits to both the Government and the employee. In addition, the findings refute the claims that AWS will lead to a management disaster. For the most part, supervisers are pleased with AWS and the impact it has had on their employees, their work unit's productivity, and their personal job satisfaction.

In her testimony before the House Human Resources Subcommittee, Ms. Rosslyn S. Kleeman, Associate Director of the General Accounting Office's General Government Division, stated that those problems with AWS cited—difficulty in scheduling meetings, problems in office coverage, and so on—could "be minimized through better management controls. Management can, through better planning or monitoring of the program, assure that the programs are working."

Through its survey, GAO was able to determine that there are approximately 489,000 Federal workers currently on alternative work schedules in the executive branch. This figure points up a most disturbing element of the AWS progams. The former Director of the Office of Personnel Management [OPM] recently testified that there are only 300,000 Government employees covered under AWS—a startling 39 percent discrepancy. Under current law, OPM is charged with overseeing the implementation, administration, and review of the Alternative Work Schedules Program. The fact that OPM is unable even to accurately monitor the size of this program should be an issue of concern and future attention.

I urge Congress to take note of the GAO findings and the strong sentiments of Federal employees and quickly provide permanent authorization for the Alternative Work Schedules Program. In addition, I hope private industry will take note of the proven value of AWS to the Nation's largest employer and implement programs of its own.

Mr. BURTON of Indiana. Mr. Speaker, I yield 2 minutes to the gentleman from New Jersey [Mr. SMITH].

Mr. SMITH of New Jersey. Mr. Speaker, I rise in support of H.R. 1534, the Federal Employees Flexible and Compressed Work Schedules Act of 1985.

As I'm sure you know, the civil service has been operating under an experimental program, the Alternative Work Schedule Program, for the past 6 years. During these 6 years, the program has received resounding approval from both agency management officials and employee representatives.

For the employees, flexible and compressed schedules allow greater control over their own lives. Civil servants are better able to schedule their time outside of traditional work period—leaving more time for recreation and an enhanced quality of life. Parents in two-income families are better able to work around their childrens' schedules, and can often arrange for one to be at home before children leave for school and the other when they return.

Flexible schedules, Mr. Speaker, are not to the employees' benefit alone. The Alternative Work Schedule Program has allowed the Federal Government to better serve the public by extending service hours. While extending service hours, surveys by the Office of Personnel [OPM] Management and the General Accounting Office [GAO] show that productivity has also been increased and morale heightened as a result of this program.

Mr. Speaker, flexible time has worked and enjoys overwhelming support from employees, managers, the GAO and OPM. I, therefore, strongly urge my colleagues on both sides of the aisle, as this is indeed a bipartisan issue, to support H.R. 1534 and make flexible and compressed work schedules a permanent part of civil service employment.

Mr. BURTON of Indiana. Mr. Speaker, I have no further requests for time, and I yield back the balance of my time.

Mr. ACKERMAN. Mr. Speaker, I yield 2 minutes to the gentleman from Maryland [Mr. HOYER].

Mr. HOYER. I thank the gentleman for yielding and congratulate him, the gentleman from Indiana [Mr. BURTON], and the members of the committee. Also, I am sorry she has left the floor, but I want to congratulate the gentlewoman from Colorado [Mrs. SCHROEDER] who for so long served as chairman of the subcommittee from which this bill comes.

I had the opportunity to serve on the Committee on Post Office and Civil Service when I first came to the Congress, and I am, of course, very interested in the rights and benefits of Federal employees.

The alternative work schedule which, as the gentlewoman from Colorado [Mrs. SCHROEDER] pointed out, was first adopted back in 1978 as a test program, has now become a program which is, obviously, affecting Federal employees positively, as well as the management of our Federal Government.

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That is the reason, Mr. Speaker, that I believe the Office of Personnel Management and all of us in the Congress, on a bipartisan basis, are in strong support of this legislation.

I want to say that I believe this legislation is not only beneficial in terms

of families, and in terms of individuals being able to construct their schedules positively as it relates to those families, but also because of that flexibility, gives to managers the ability—as the Congressman from New Jersey has so correctly pointed out—the ability to really extend service hours consistent with the alternative work schedules of the employees. I think this is a benefit, certainly, to the citizens that we all serve.

Mr. Speaker, I rise in strong support of this legislation and urge its unanimous approval.

Mr. ACKERMAN. Mr. Speaker, I yield 3 minutes to the gentleman from Iowa [Mr. BEDELL].

Mr. BEDELL. I thank the gentleman for yielding me this time.

Mr. Speaker, I rise at this time to point out a problem that exists in regard to the flexitime scheduling.

First of all, let me say that I am a strong supporter of flexitime. The business that I used to operate, operated with flexitime; I believe it is better for the employees, and better for everyone. The problem exists in that in the past there is a difficulty that I encountered as I made unannounced visits to the agencies.

One of my projects here, when I have free time, is to go down to Washington, and just walk into any old agency and just punch a button on the elevator and start going down the hall and go in to see what is happening at the different agencies. What I found was that under flexitime, as people sign in, they have sheets where people sign in, and they sign out. If the people that are supervising that, leave before the other people, there is no check at all as to whether they signed out at the time they left or whether they left at a different time.

There is an easy way to solve this; the way to solve it is simply that you have seriatim time sheets, wherein the person that arrives signs their name and the time; the next person signs their name and time; the next person signs their name and time, so it is impossible for somebody that arrives after somebody else to come in and say that they arrived at a prior time. The same way when you leave.

We have succeeded in getting the rules and regulations changed that now provide for seriatim time sheets for all agencies that operate under flexitime, which would solve the problem.

The difficulty that occurs is that some of the union contracts that they have with their unions prohibit seriatim time sheets. I would say only that as those contracts are renegotiated, if this is not corrected, I see no choice except for us to pass a law to say that we are requiring seriatim time accounting if we are going to have flexitime.

It requires no extra time; nothing extra to be done. Certainly it is the responsibility of us if we are going to see that people enjoy this great opportunity, that we have an accounting system which will see that the people are actually there for the time they claim are there.

I congratulate the committee for extending flexitime; I am a strong supporter, but I wanted to call this to the attention of the Members.

Mr. ACKERMAN. Mr. Speaker, the gentleman has some legitimate concerns as he has had in the past and raised with the committee and when this bill has come up previously.

The subcommittee will request that OPM look into this and see if we can address those concerns.

Mr. BEDELL. Mr. Speaker, will the gentleman yield?

Mr. ACKERMAN. I yield to the gentleman.

Mr. BEDELL. They have looked into it, and the regulations now require seriatim time recording. The problem is that some of the union negotiations previously prohibited so they could not overrule those negotiations.

It would be this gentleman's opinion that in the future, in any new negotiations under new contracts should not prohibit seriatim time recording inasmuch as the regulations now say that that is the type of recording we are to have when we have flexitime.

Mr. BURTON of Indiana. Mr. Speaker, will the gentleman yield?

Mr. ACKERMAN. I yield to the gentleman.

Mr. BURTON of Indiana. I thank the gentleman.

As the ranking minority Member on the subcommittee, I think the gentleman has made a great suggestion and we should followup on that. I would suggest to the subcommittee chairman that maybe we could send a letter to those union leaders urging them to incorporate his suggestion in his next union contract, and then if they do not, we can take further action.

Mr. ACKERMAN. The subcommittee will certainly consider that, and we will see if we can sit down with all of the parties concerned on this issue.

● Ms. OAKAR. Mr. Speaker, today I rise in strong support of H.R. 1534, a bill to make permanent the temporary authority to allow Federal employees to work on a flexible or compressed work schedule.

Mr. Speaker, my good friend and colleague, Congressman ACKERMAN, chairman of the Subcommittee on Human Resources of the House Post Office and Civil Service Committee, should be commended for his leadership in moving so expeditiously on this important legislation of which I am very proud to cosponsor.

Mr. Speaker, as you may know, in 1982, Congress authorized the Alternative Work Schedules Program [AWS] for a second 3-year experiment. The program will expire in 2 months—July 23—unless we act to make it permanent.

Studies of the 6-year program have shown that it has been extremely successful. In a survey conducted by the General Accounting Office of 11 executive agencies, the perceptions of the AWS Program were highly positive and the officials who were questioned, with only one exception, favored continuation of the program.

Mr. Speaker, most of the agency officials cited improved employee morale, productivity, decreases in overtime, and tardiness. In general, greater efficiency of operations was realized in those agencies participating in the program. Additionally, a majority of the agencies surveyed felt that the AWS Program has enhanced their ability to serve the public.

The AWS Program has also had positive effects on Government employees. The flexitime and compressed schedules have permitted employees to adjust their schedules to meet individual needs without intruding upon valuable office time.

In particular, parents have benefited from the AWS Program. Both women and men who have either sole or joint responsibility for child-care arrangements cited greater leeway in arranging their home lives and personal schedules as an asset to improved job performance. The compressed schedules allowed employees to conduct necessary family activities while still devoting the same number of hours per week to their jobs. Such flexible schedules make it easier for working parents to enter and stay in the work force, and aid in the recruitment of part-time and handicapped individuals.

Generally, all agency officials surveyed believe employee morale has greatly improved. Employees have more positive attitudes, are more satisfied with their jobs, and are able to devote more time to family and personal interest—all without taking time away from their office duties.

The U.S. Government, as an employer, must recognize the changing nature of American life and the necessity of balancing work and personal lives so both can thrive. Our work force has dramatically changed over the past decade, as has the lifestyle of the American worker. It is important that governmental institutions and employers reflect this change in working practices to maintain an experienced and productive work force.

Mr. Speaker, I firmly believe that the AWS program should be permanently reauthorized and ask all my colleagues to support this important legislation.●

● Mr. PARRIS. Mr. Speaker, I strongly support House passage of the Alter-

native Work Schedule Program [AWS] which allows Federal employees to utilize work schedules that depart from the traditional 5-day, 40 hour workweek. I am an original cosponsor of the legislation being discussed today which permits a variety of arrangements in which fixed times of arrival and departure are replaced by core working hours and expanded arrival and departure times.

This program, Mr. Speaker, has proven to be an outstanding success during its trial period in the Federal Government as well as private industry. There are currently 10 million full-time workers in the private sector who enjoy flexible work schedules. These variations have evolved as a means of coping with social change, particularly the dramatic increase of women in the work force.

Flexible schedules have proven to be of benefit to both employee and employer. There is very convincing evidence that this type of work schedule has increased productivity, reduced the use of sick leave and tardiness, has a very salutory effect on employee morale.

Besides the obvious benefits to Federal employees, the Federal Government and families of Federal workers also benefits from this legislation. During the AWS trial period, the Government experienced greater efficiency in operations and services. Department and agency supervisors, by carefully arranging work shifts, have been able to keep offices open longer, providing an increased service to the public. This legislation also allows workers to gain some control over their daily schedules, permitting them to spend more time with their families. By adjusting their work hours, they can meet their personal needs and preferences and still maintain their commitment to their jobs.

The flexitime program, which has increased Government efficiency through improved employee morale, enjoys wide support among workers and administrators and deserves to be made a permanent option for Federal employers.●

● Mr. DYMALLY. Mr. Speaker, as an original cosponsor, I would like to express my support for H.R. 1534, a bill to make the current alternative work schedule experiment in the Federal Government a permanent authority.

As a member of the Post Office and Civil Service Committee, I have been actively involved in the struggle to help Federal employees retain a level of pay and benefits commensurate with the vital services they perform every day for the American people. This year, with budget deficits at the forefront of the national consciousness, the administration has attempted again to slash the salaries and benefits of its own employees, salaries which already lag significantly behind those found in the private sector, according to the President's own pay agent. Morale among the Federal work force is at an all-time low.

That is why I believe it is so important to enact the piece of legislation we have before us today. In the 6 years alternative work schedules have been implemented in the Federal Government, they have been an unqualified success. On this point, Federal employees, managers and the administration are in agreement. Not only have the flexible schedules improved employee morale, but it is highly likely that they have increased productivity and efficiency in Federal offices.

Alternative work schedules were designed to accommodate both the changing structure of the work force and changing values about family and work time. In recent years, women have made up an increasingly large proportion of the work force. Working women often have significant child care responsibilities as well. A traditional 9-to-5 job becomes extremely difficult, if not impossible, to maintain without sacrificing either job performance or family time. Because the realities of today's economy often mandate that both parents work, family becomes the expendable variable. A work schedule that allows parents the flexibility to cope with family emergencies and child priorities is a needed improvement for the changing times.

Furthermore, child care responsibilities are no longer the sole province of women. Both fathers and mothers are involved in all aspects of child-raising. With a flexible work schedule, it becomes possible to coordinate larger blocks of time to spend together as a family. Also, parents can alternate their work times so that at least one parent can be on hand to care for young children at home.

Alternative work schedules have other benefits as well. Employees can control their own schedule and set their own priorities regarding work and leisure time. Appointments can be scheduled without using up sick or leave time. Commuting may be less stressful, as employees arrive at and leave the workplace at offpeak hours. Early or late working hours can provide employees with much needed "quiet time" to concentrate on specific projects.

And the American people benefit as well from a more efficient, more productive, more highly motivated Federal work force. At no cost to the taxpayer, this program is one which should definitely be continued. I urge my colleagues in the House to support H.R. 1534 and continue a highly beneficial program.●

● Mrs. BYRON. Mr. Speaker, I rise today in support of H.R. 1534, a bill to permanently extend the authority of Federal agencies to establish the alternative work schedule, or flexitime program, for Federal employees. I am a cosponsor of this legislation because I have been continually impressed with the success of the flexitime program for the past 7 years. It has allowed Federal workers to utilize work schedules which no longer fit into the traditional 5-day, 40-hour workweek structure. It has also increased the morale of those Federal employees who have the flexibility to work schedules more suitable to their needs. And finally: Flexitime has helped reduce the heavy amount of traffic I have to sit in on my commute home to Frederick every evening.

According to the latest census, over 17,000 Federal employees currently reside in my Sixth District of Maryland. I have been approached several times by these constituents who feel that the flexitime program has provided them with the opportunity to work at those times when they are most stimulated and energized by their jobs. This, I think, is what is most worthwhile about the program.

Mr. Speaker, I have always held that good government begins with happy, motivated employees. I feel certain that the flexitime program has made important contributions toward ensuring that our valuable Federal workers remain this way. Therefore, I urge my colleagues to support the passage of this worthwhile legislation. Thank you.●

Mr. ACKERMAN. Mr. Speaker, I have no further requests for time and yield back the balance of my time.

The SPEAKER. The question is on the motion offered by the gentleman from New York [Mr. ACKERMAN] that the House suspend the rules and pass the bill, H.R. 1534.

The question was taken; and (two-thirds having voted in favor thereof) the rules were suspended and the bill passed.

A motion to reconsider was laid on the table.

VETERANS' COMPENSATION BENEFITS AMENDMENTS OF 1985

Mr. MONTGOMERY. Mr. Speaker, I move to suspend the rules and pass the bill (H.R. 2343) to amend title 38, United States Code, to make certain improvements in veterans' compensation programs, and for other purposes, as amended.

The Clerk read as follows:

H.R. 2343

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the "Veterans' Compensation Benefits Amendments of 1985".

SEC. 2. VETERANS' ADMINISTRATION REGIONAL OFFICE IN EACH STATE.

(a) IN GENERAL.—Section 230(a) of title 38, United States Code, is amended to read as follows:

"(a)(1) The Central Office of the Veterans' Administration shall be in the District of Columbia.

"(2)(A) The Administrator shall maintain a regional office in each State. Subject to subparagraph (B) of this paragraph, such offices shall be responsible for processing—

"(i) claims for benefits under chapters 11, 13, and 15 of this title;

(ii) claims for educational benefits or vocational rehabilitation provided under laws administered by the Veterans' Administration;

"(iii) loans under chapter 37 of this title; and

"(iv) applications for assistance under chapter 39 of this title.

"(B) This paragraph does not require the Administrator to provide functions through a regional office in a State other than those functions that were being performed by that office on January 1, 1985.

"(3) The Administrator may establish such other regional offices and field offices within the United States, its Territories, Commonwealths, and possessions as he considers necessary.

"(4) For the purposes of this subsection, the term 'State' means one of the 50 States or the Commonwealth of Puerto Rico.".

(b) EFFECTIVE DATE.—The amendment made by subsection (a) shall take effect on October 1, 1985.

SEC. 3. SPECIAL CONSIDERATION FOR LOSS OF PAIRED EXTREMITIES.

(a) REVISION OF SECTION 360.—(1) Section 360 of title 38, United States Code, is amended to read as follows:

§ 360. Special consideration for certain cases of loss of paired organs or extremities

"Where a veteran has suffered—

"(1) blindness in one eye as a result of service connected disability and blindness in the other eye as a result of non-service-connected disability not the result of the veteran's own willful misconduct;

"(2) the loss or loss of use of one kidney as a result of service-connected disability and involvement of the other kidney as a result of non-service-connected disability not the result of the veteran's own willful misconduct;

"(3) total deafness in one ear as a result of service-connected disability and total deafness in the other ear as the result of non-service-connected disability not the result of the veteran's own willful misconduct;

"(4) the loss or loss of use of one hand or one foot as a result of service-connected disability and the loss or loss of use of the other hand or foot as a result of non-service-connected disability not the result of the veteran's own willful misconduct; or

"(5) permanent service-connected disability of one lung, rated 50 percent or more disabling, in combination with a non-service-connected disability of the other lung that is not the result of the veteran's own willful misconduct,

the Administrator shall assign and pay to the veteran the applicable rate of compensation under this chapter as if the combination of disabilities were the result of service-connected disability.".

(2) The item relating to such section in the table of sections at the beginning of chapter 11 of such title is amended to read as follows:

"360. Special consideration for certain cases of loss of paired organs or extremities.".

(b) CONFORMING AMENDMENT.—Subsection (t) of section 314 of such title is repealed.

(c) EFFECTIVE DATE.—The amendments made by this section shall take effect on October 1, 1985.

SEC. 4. SENSE OF CONGRESS CONCERNING TAXATION OF VETERANS' COMPENSATION.

It is the sense of Congress that payments by the Veterans' Administration to veterans as compensation for service-connected disabilities should remain exempt from Federal income taxation. The President is urged to reject any proposal to tax such payments in connection with any tax reform legislation that the President submits to Congress.

SEC. 5. VETERANS' LIFE INSURANCE PROGRAMS.

(a) SERVICEMEN'S GROUP LIFE INSURANCE.—(1) Subsection (a) of section 767 of title 38, United States Code, is amended—

(A) by striking out $35,000" and inserting in lieu thereof "$50,000"; and

(B) by striking out "the amount of $30,000, $25,000, $20,000, $15,000, $10,000 or $5,000" and inserting in lieu thereof "an amount less than $50,000 that is evenly divisible by $10,000".

(2) Subsection (c) of such section is amended by striking out "the amount of" the first place it appears and all that follows through "as the case may be," and inserting in lieu thereof "any amount less than $50,000, he may thereafter be insured under this subchapter in the amount of $50,000 or any lesser amount evenly divisible by $10,000".

(3) Subsection (d) of such section is amended—

(A) by striking out "the effective date of this subsection" each place it appears and inserting in lieu thereof "January 1, 1986"; and

(B) by striking out "up to a maximum of $35,000 (in any amount divisible by $5,000)" and inserting in lieu thereof "in the amount of $50,000 or any lesser amount evenly divisible by $10,000".

(b) VETERAN'S GROUP LIFE INSURANCE.—(1) Subsection (a) of section 777 of such title is amended—

(A) by striking out the first sentence and inserting in lieu thereof the following: "Veterans' Group Life Insurance shall be issued in the amounts specified in section 767(a) of this title. In the case of any individual the amount of Veterans' Group Life Insurance may not exceed the amount of Servicemen's Group Life Insurance coverage continued in force after the expiration of the period of duty or travel under section 767(b) or 768(a) of this title."; and

(B) by striking out "$35,000" in the second sentence and both places it appears in the last sentence and inserting in lieu thereof "$50,000".

(2) Such section is further amended by adding at the end the following new subsection:

"(h)(1) Notwithstanding any other provision of the law, members of the Individual Ready Reserve and the Inactive National Guard are eligible to be insured under Veterans' Group Life Insurance. Any such member shall be so insured upon submission of an application in the manner prescribed by the Administrator and the payment of premiums as required under this section.

"(2) Notwithstanding subsection (b)(2) of this section, Veterans' Group Life Insurance coverage under this subsection shall be issued on a renewable five-year term basis, but the person insured must remain a member of the Individual Ready Reserve or Inactive National Guard throughout the period of the insurance in order for the insurance of such person to be renewed.

"(3) For the purposes of this subsection, the terms 'Individual Ready Reserve' and 'Inactive National Guard' have the meaning prescribed by the Administrator in consultation with the Secretary of Defense.".

(c) EFFECTIVE DATE.—The amendments made by this section shall take effect on the first day of the fourth month beginning after the date of the enactment of this Act.

SEC. 6. ACTIVE DUTY STATUS BASED ON ACTIVE GUARD AND RESERVE OR ACTIVE-DUTY SUPPORT STATUS.

(a) IN GENERAL.—Section 101(22)(C) of title 38, United States Code, is amended by inserting "performed for training purposes under title 10 or" after "full-time duty".

(b) EFFECTIVE DATE.—(1) The amendment made by subsection (a) shall apply with respect to duty performed after September 30, 1985.

(2) A member or former member of the National Guard or Air National Guard in active guard and reserve or active duty support status on the date of the enactment of this Act shall be eligible for benefits under chapter 37 of title 38, United States Code, if the member (or former member) continuously served in such status for 181 days or more before application for such benefits and is otherwise eligible.

SEC. 7. EXTENSION OF AUTHORITY TO OPERATE A REGIONAL OFFICE IN THE REPUBLIC OF THE PHILIPPINES.

Section 230(b) of title 38, United States Code, is amended by striking out "September 30, 1985" and inserting in lieu thereof "September 30, 1988".

SEC. 8. DIC RATE FOR SURVIVING SPOUSE OF COMMANDANT OF COAST GUARD.

(a) EQUALIZATION WITH OTHER SERVICE CHIEFS.—Footnote 2 of the table I section 411(a) of title 38, United States Code, is amended by striking out "or Commandant of the Marine Corps," and inserting in lieu thereof "Commandant of the Marine Corps, or Commandant of the Coast Guard,".

(b) EFFECTIVE DATE.—The amendment made by subsection (a) shall take effect on October 1, 1985.

SEC. 9. TECHNICAL AMENDMENTS TO VETERANS' BENEFITS IMPROVEMENT ACT OF 1984.

(a) AMENDMENTS TO PUBLIC LAW 98-543.—(1) Section 105 of the Veterans' Benefits Improvement Act of 1984 is amended by striking out "413" and inserting in lieu thereof "413(a)".

(2) Section 111(c)(1)(B) of such Act is amended by striking out "subsection (b)" and inserting in lieu thereof "subsection (c)(1)(B)".

(b) AMENDMENTS TO TITLE 38.—(1) Section 524 of title 38, United States Code, is amended—

(A) by striking out "subsection (d)" in subsection (a)(2) and inserting in lieu thereof "subsection (b)";

(B) by striking out "subsection (a)(1)" in subsection (b)(4) and inserting in lieu thereof "subsection (a)"; and

(C) in subsection (c)—

(i) by striking out "Notwithstanding subsection (c) of section 525 of this title, a veteran" and inserting in lieu thereof "A veteran";

(ii) by striking out "subsection (b)" the second place it appears and inserting in lieu thereof "subsection (b)(1)"; and

(iii) by striking out the period and inserting in lieu thereof "without regard to whether the veteran's entitlement to pen-

sion is so terminated during the program period".

(2) Section 525(a) of such title is amended by striking out "under section 521 of this title".

(3) The item relating to section 524 in the table of sections at the beginning of chapter 15 is amended by inserting "program of" after "Temporary".

(c) EFFECTIVE DATE.—The amendments made by this section shall take effect as if included in the Veterans' Benefits Improvement Act of 1984 (Public Law 98-543).

The SPEAKER. Is a second demanded?

Mr. BURTON of Indiana. Mr. Speaker, I demand a second.

The SPEAKER. Without objection, a second will be considered as ordered.

There was no objection.

The SPEAKER. The gentleman from Mississippi [Mr. MONTGOMERY] will be recognized for 20 minutes and the gentleman from Indiana [Mr. BURTON] will be recognized for 20 minutes.

The Chair recognizes the gentleman from Mississippi [Mr. MONTGOMERY].

Mr. MONTGOMERY. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, H.R. 2343 would amend title 38, United States Code, to provide several benefits that would assist our Nation's veterans. Among other things, the bill would:

First, require the Veterans' Administration to continue to maintain at least one regional office in each State;

Second, increase the maximum insurance for service personnel from $35,000 to $50,000, and extend this coverage to members of the Individual Ready Reserve and the inactive National Guard;

Third, make members of the National Guard eligible for full benefits for active duty authorized for operational support purposes;

Fourth, extend authority for the VA to operate a regional office in the Philippines through September 30, 1988; and

Fifth, express the sense of the Congress that compensation payments made to veterans for service-connected disabilities should continue to be exempt from taxation.

Mr. Speaker, I commend the distinguished gentleman from Ohio [Mr. APPLEGATE], the very able chairman of the Subcommittee on Compensation, Pension and Insurance, for his leadership in bringing this bill to the floor and I now yield such time as he may consume for a more detailed explanation of the bill.

Mr. Speaker, in closing I want to thank the very able ranking minority member of the subcommittee, the gentleman from New York [Mr. SOLOMON] for his assistance in bringing this bill to the floor.

As usual, the distinguished ranking minority member of the full committee [Mr. HAMMERSCHMIDT] has provided outstanding leadership and I want to thank him for all the work he has done on this bill.

Mr. Speaker, according to the Congressional Budget Office this measure would result in expenditures of $2 million in fiscal year 1986, $3 million in fiscal year 1987 and $3 million in 1988. It is a good bill that deserves the support of the House and I urge its adoption.

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Mr. Speaker, I yield such time as he may consume to the chairman of the subcommittee, the gentleman from Ohio [Mr. APPLEGATE].

Mr. APPLEGATE. I thank the gentleman for yielding time to me.

Mr. Speaker, I, too, want to thank Chairman MONTGOMERY for his work and input into this bill and his leadership on the committee, and also the gentleman from Indiana [Mr. BURTON], who is filling in for the ranking member, the gentleman from New York [Mr. SOLOMON], and I certainly want to extend all the compliments to Mr. SOLOMON for the work that he has put into it and the assistance that he has given to our subcommittee. Without those kinds of cooperative efforts, we would not be here on the floor today with this bill.

Mr. Speaker, the President, in his budget submission for fiscal year 1986, requested funds for a 4.1-percent cost-of-living allowance [COLA] for the service-connected disability compensation and dependency and idemnity [DIC] programs. The increase proposed by the President would become effective December 1, 1985.

In our committee report to the Budget Committee, we agreed with the President's request for the 4.1-percent increase. The House has not, as of this time, agreed to the first concurrent budget resolution. Because we have always made an effort to stay within the fiscal target of the budget resolution, action on a COLA for the compensation and DIC programs will be deferred until the House has acted on the budget resolution.

Mr. Speaker, the bill we bring to you today is a modest bill, costing only $2 million for fiscal year 1986. It does affect a wide range of issues vitally affecting veterans' programs.

Since World War II, the Veterans' Administration has operated a network of regional offices to administer a broad range of veterans' benefits, including disability and death compensation, disability and death pension, educational benefits, vocational rehabilitation training, and the loan guaranty program. At the present time, 58 such regional offices are in operation, including at least one in each of the 50 States as well as in Puerto Rico and the Philippine Islands.

The President, in his budget request for fiscal year 1986, proposed that all adjudication, loan processing, and administrative functions in the 58 regional offices, be consolidated into three central locations over a 3-year period beginning in fiscal year 1986. On the day the President's budget was received, the committee was informed by the Administrator of Veterans' Affairs of the general proposal and that a task force had been established to develop an implementation plan by July 1985.

Current law provides that the Administrator may not in any fiscal year implement a major administrative reorganization such as the President proposed unless the Administrator first submits to the appropriate committees of the Congress a report containing a "detailed plan and justification" for the administrative reorganization. Any such report must be submitted not later than the day on which the President, pursuant to section 1105 of title 31, submits to the Congress the budget for the fiscal year in which the administrative reorganization is to be implemented. No action to carry out such reorganization may be taken after the submission of such report until the first day of such fiscal year.

On February 11, 1985, Chairman MONTGOMERY and Mr. HAMMERSCHMIDT, informed the Administrator that the notice in his letter of February 1, 1985, was inadequate since it did not contain, among other things, details as the statute requires. The Administrator responded that the notice was adequate and provided the chairman with an opinion from his Acting General Counsel to that effect.

The Acting General Counsel stated that Congress did not intend to block significant reorganizations so much as to gain time to learn of, and evaluate, such proposed agency actions. I would point out that the Administrator does not plan until late July to inform the committee of the details of his plan which would include the locations of the proposed centralized offices, the number of employees affected, the costs of relocating employees, the savings involved, and a myriad of other factors pertinent to relocation of thousands of employees across the Nation. These are precisely the details that should have been submitted to the committees when the budget for fiscal year 1986 was sent to the Congress. I believe it to be unrealistic to assume that the details of such a move, presented to the Congress just prior to the traditional August recess, would afford the committees and the Congress a reasonable opportunity to enact legislation, should that be the will of the Congress.

The committee received testimony from the veterans' service organizations that consolidation of major adjudication functions would disrupt effi-

cient delivery of benefits and services to veterans and their dependents, would destroy the due process rights of VA claimants, and bring total disarray to the VA benefits system.

The bill we bring to you today would simply require the Administrator to maintain the regional office structure as it existed on January 1, 1985. It would not require him to establish any new office nor would it require the relocation of any functions from one office to another. The committee, in bringing this bill to the floor today, is simply ensuring that the Administrator does not consolidate any regional office functions without affording the Congress an opportunity to exercise its oversight responsibility by evaluating the effect of such a move on the delivery of veterans' benefits in an acceptable manner.

Current law provides that a veteran who loses one eye in service and later loses the other eye from non-service-connected causes is eligible for compensation as if the blindness in both eyes is service-connected. This principle of "paired organ" impairment also covers disabilities involving kidneys and ears. The administration has asked that this principle be extended to veterans who have a severe service-connected disability involving one lung and later develop an unrelated disability of the other lung. This provision is included in the bill we bring you today.

In 1977, the House passed H.R. 6501 which would have added the loss of paired extremities to the "paired organ" provision of the law so that his principle would apply with equal force in the case of a veteran who has suffered both a service-connected and non-service-connected loss of either both upper of lower extremities. The other body would not accept the bill as passed by the House and it was necessary to compromise with a more limited benefit for these cases.

The committee has again reconsidered this proposal, as suggested by the Disabled American Veterans. The Veterans' Administration reports only 64 veterans would benefit from this amendment and the cost would be insignificant. Under this section, the 64 veterans would be entitled to total disability benefits as a result of having the "paired extremity" included along with "paired organs."

Mr. Speaker, compensation benefits have traditionally been exempted from taxation. This exemption has been reflected in the rates of compensation provided by law which take cognizance of their tax-exempt status. The committee is aware that a tax reform proposal under consideration by the administration would abridge this exemption and subject all or part of compensation payments to taxation.

In his State of the Union Message this year, the President said, "one thing that tax reform will not be is a tax increase in disguise." I just want to point out that if such a tax reform package becomes law and does include a provision to tax disability compensation, veterans who have to subsist solely on their compensation payments will begin paying taxes. I do not want to be the one to tell them that this would not be a tax increase.

Mr. Speaker, some people may ask, "What's so special about veterans' compensation?" Well, I want to say here and now that compensation is very special because it represents a paraplegic, a quadriplegic, the loss of limb and the loss of sight, suffered while fighting for our country.

The bill before us has a section which expresses the sense of Congress that veterans' disability compensation should remain exempt from Federal taxation.

The bill would increase the maximum coverage of Servicemen's Group Life Insurance from $35,000 to $50,000 and would, for the first time, extend this coverage to members of the Inactive National Guard and to the Individual Ready Reserve. This program is funded by premiums collected from the individual insureds in our all-volunteer Armed Forces, except the Government is responsible for costs relating to deaths caused by combat.

I would point that last year, the House passed a similar measure but it was not accepted by the other body. The House-passed bill was amended by the other body to limit the increased coverage to servicemembers with 5 or more years service. This limitation was unacceptable to the House. In rejecting their amendment, I informed the House at that time that of the 248 men who lost their lives in Lebanon and Grenada in the tragic events in 1983, there were 198 who had less than 5 years service. Most of them were survived by widows, children, and parents. I feel very strongly that the survivors of a servicemember with less than 5 years service need assistance and protection as much as those with more than 5 years. I hope the other body will reconsider its position on this matter this year because I do not want to try to explian to a widow that because her husband had only 4 years service, his life is not worthy as much as another serviceman with 6 years service.

Mr. Speaker, one provision of the bill would redefine full-time National Guard Service performed for operational purposes so that these individuals would be considered as having performed "active duty," rather than "active duty for training." Those guardsmen who serve limited tours for training purposes are protected for any disability incurred as a result of that training. It is the current practice of the Department of Defense to sometimes order guardsmen to active duty for lengthy periods for operational, support, or recruiting duty. The committee believes these individuals should be considered as serving on active duty rather than a more limited active duty for training category. The principal veterans' benefits that would accrue under this amendment would be loan guaranty and medical benefits in the future on a non-service-connected basis. This proposal is supported by the administration.

Under present law, the Administrator of Veterans' Affairs operates a regional office in the Republic of the Philippines. The authority to operate this office expires September 30, 1985. A section of this bill would extend the authority to maintain this office through September 30, 1988.

The Administrator has advised the committee that he believes the operation of a regional office in the Philippines is the most efficient means of administering the VA programs of compensation, pension, and educational benefits to the thousands of beneficiaries residing in the Philippines. VA reports more than 31,000 beneficiaries in the Republic of the Philippines are in receipt of monthly benefits from the VA.

Last, a provision of this bill would ensure that the surviving spouse of a former Commandant of the Coast Guard who died from service-connected causes would receive DIC at the same rate as now provided to surviving spouses of former chiefs of the other uniformed services. Prior to October 30, 1984, the Commandant of the Coast Guard received the same service pay as those of other flag officers of the Coast Guard. On that date, Public Law 98-557 was enacted and included a provision to increase the Coast Guard Commandant's service pay to the same level as the chiefs of the other uniformed services. Since the DIC rates for surviving spouses are related to the service pay of the veteran, this adjustment in the DIC rates is justified.

Mr. Speaker, while each of the provisions of the bill is meritorious, the Congressional Budget Office advises the first year cost of the bill would only be $2 million. I would point out that $1 million of this is for the continued operation of the regional office in the Philippines and is actually not a new expenditure or an extension of veterans' benefits per se. The remaining provisions, totaling less than $1 million, are significant and needed refinements in benefits provided for those who fought our wars and were disabled as a result of that service. I urge my colleagues to support the bill.

Mr. BURTON of Indiana. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I rise in strong support of H.R. 2343. The entire minority membership of the Committee on Veterans' Affairs endorses the Veterans' Compensation Benefits Amendments of 1985. As a member of the Subcommittee on Compensation, Pension and Insurance and as a cosponsor of the measure, I believe its passage would be a significant accomplishment on behalf of America's veterans.

H.R. 2343 would require the Veterans' Administration to maintain a regional office in each State, and would liberalize benefits for veterans who have a service-connected loss of one of certain paired organs and who subsequently lose the second organ.

It would express the sense of the Congress that veterans' service-connected disability compensation should not be taxed, and would increase servicemen's group life insurance and veterans' group life insurance coverage. The increases in coverage would be paid for through the policy premiums and would not entail any cost to the Government, except in the event of war.

H.R. 2343 would define full-time service on active duty by certain National Guard members as active duty for purposes of the Veterans' Administration, and would extend current authority to operate a regional office in the Philippines for 3 more years.

Finally, the bill would equalize the rate of dependency and indemnity compensation paid to the widow of the former Coast Guard Commandant with that paid to other widows of service chiefs.

None of the bill's provisions would entail significant new costs to the Government, and they are all in keeping with the need for fiscal restraint.

All of these provisions deserve favorable action, but I especially want to comment on keeping the VA's regional offices open and the resolution against taxing veterans' disability compensation.

The proposal to consolidate the VA's 58 regional offices into just three offices is one that is truly ill-advised. Consolidation should not be done for the following basic reasons: First, the consolidation would mean a serious reduction in the quality and availability of regional office services to veterans.

Second, the VA has no idea where it would put the three offices which would be left.

Third, the VA predicates the consolidation on non-existent improvements in automated data processing for which it has no specific plans.

Fourth, the VA has not adequately taken into account the enormous administrative and personnel costs of consolidation.

And, fifth, the VA's proposed consolidation could not in any event legally be accomplished in fiscal year 1986, because the United States Code requires that, prior to the submission to Congress of the budget for the fiscal year in which the reorganization is to be accomplished, the VA must submit to the Congress a detailed plan of reorganization. This proposed consolidation was a bad idea in 1981, and it is a bad idea now.

It is important to note that this bill would not require the VA to change or expand the services offered by the existing regional offices. We should act on this measure is order to prevent the VA from rushing headlong into a unwise action which will hurt our Nation's veterans.

Taxation of veterans' disability compensation is not a proposal before this body, and it never should be. Evidently, this tax has been studied at the Department of the Treasury. Hopefully, Secretary Baker will not propose it to the President. Such a tax is more than ill-advised; it is unthinkable. It would be nothing less than a slap in the face to veterans who have sacrificed their arms, legs, and sight because they loved and served their country. Our resolution would be an unmistakable message to the entire country that any proposal for taxation of veterans' disability compensation is unworthy of consideration by the Congress.

I want to pay a well-deserved tribute to Mr. MONTGOMERY, the chairman of the Veterans' Affairs Committee, for the outstanding job he has done in bringing this legislation through the committee and to the floor.

Also, I would be remiss if I did not commend Mr. APPLEGATE, chairman of the Subcommittee on Compensation, Pension and Insurance, Mr. HAMMERSCHMIDT, the committee's ranking member, and Mr. SOLOMON, the subcommittee's ranking member, for their invaluable work in the formulation of this bill.

At each stage, this bill has had unanimous support from every member of the committee. I don't know what better recommendation it could have.

□ 1240

Mr. MONTGOMERY. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I want to reiterate again what the chairman of the subcommittee, the gentleman from Ohio [Mr. APPLEGATE], has said and also what the gentleman from Indiana [Mr. BURTON] has said. This is an excellent bill. It is low-cost, and it would certainly help the veterans and their dependents.

I would like to point out, Mr. Speaker, that we have summaries of the three bills that the Committee on Veterans' Affairs will bring up today. They are at the Democratic desk, and if any Members would like summaries of these bills, they can come by the Democratic desk and pick them up. They are the blue sheets at the desk.

● Mr. LEATH of Texas. Mr. Speaker, I am most pleased to speak in support of H.R. 2343. I want to congratulate Chairman MONTGOMERY and his fine committee for moving so expeditiously on this legislation.

I strongly support all of the provisions of this bill, especially the sections expressing the sense of the Congress that veterans' disability compensation should not be subject to taxation by the Internal Revenue Service and which would require the VA to keep at least one regional office in each State to handle veterans claims and home loan applications.

In 1981, the present administration proposed to consolidate the regional office functions into three locations. We soundly rejected it at that time as a bad idea. I sponsored legislation, which was enacted in 1981 that requires the Administrator of Veterans' Affairs to submit to the Congress, along with the budget proposal, a detailed plan and timetable for any major reorganization. We did not receive any plan with the fiscal year 1986 budget but the VA did tell us they were making such plans and would share them with us in July.

Since they obviously have no intention of complying with the requirement of giving us detailed plans in sufficient time to hold oversight hearings and evaluate the results of such a consolidation before they actually begin, I introduced H.R. 1568 which would end once and for all their plans to consolidate. My bill is now included as section 2 of H.R. 2343 which is before us at this time. This proposed amendment would simply require the VA to maintain a network of regional offices so that each State would have the same adjudication and loan processing activity continued as they existed on January 1, 1985.

I feel very strongly on this issue and I am not going to stand by and watch the VA's mission be undermined by such a totally ridiculous reorganization. Veterans are entitled to have reasonable access to their claims records and to have personal hearings without having to travel hundreds or thousands of miles for that purpose. I would also point out that such a consolidation would involve relocation of several thousand employees; severancy pay or early retirement of employees terminated; facility closures; equipment transportation and/or procurement; and training of new personnel estimated to cost tens of millions of dollars which have not been included in the President's proposed budget.

I urge my colleagues to support H.R. 2343.●

● Mr. HAMMERSCHMIDT. Mr. Speaker, I rise in strong support of H.R. 2343, the Veterans' Compensa-

tion Benefits Amendments of 1985. This measure, of which I am a cosponsor as ranking member of the Veterans' Affairs Committee, has provisions important to all veterans.

The Veterans Administration is proposing to reduce in fiscal year 1986 the number of its regional offices from 58 to 3. The VA made a similar proposal in 1981, which I opposed. This proposal found no support then. The VA is attempting to revive the proposal as a way of saving money. However, I believe the regional office consolidation would be a monumental and costly mistake. The VA really has no plan for consolidation and could not have such a consolidation in fiscal year 1986 as a practical matter, assuming the idea had merit. Even if the consolidation could achieve the claimed savings, which is very doubtful, the cost to veterans in lost services would far exceed any savings. I fully support the requirements of H.R. 2343 that the VA maintain a regional office in every State. The misguided VA attempt to close nearly all of its regional offices should be stopped decisively.

Few issues come to mind which have given our country's veterans more concern than the spectre that compensation for service-connected disabilities might be taxed. A tax on disability compensation would strike at the very heart of our Nation's obligation to the men and women who have answered its call to defend freedom and democracy around the world. The tax idea was raised by individuals in the Department of the Treasury who have no real understanding of the nature of veterans' disability compensation.

The idea has absolutely no support in this body, and I am very hopeful that Secretary Baker will see to it that no formal proposal to tax veterans' disability compensation ever becomes part of the President's proposal on tax reform. The sense of the Congress resolution in H.R. 2343 will put every Member clearly on record as being unalterably opposed to any taxation of veterans' disability compensation.

This measure would give a welcome increase to update coverage for Servicemen's Group Life Insurance and Veterans Group Life Insurance. Both programs are financed by policy payments at no cost to the taxpayer, except in wartime.

Full-time service on active duty by certain National Guard members would be active duty for VA purposes, under this measure. Moreover, VA authority to operate a regional office in the Philippines would be extended throughout fiscal year 1988, and the rate of dependency and indemnity compensation which the former Coast Guard Commandant's widow receives would be raised to the same level as is paid to other service Chief's widows.

I congratulate my good friend and colleague, Mr. MONTGOMERY, chairman of the Committee on Veterans' Affairs, on H.R. 2343. I count it a privilege to be the ranking member on the committee which he chairs. Mr. APPLEGATE, chairman of the subcommittee, and Mr. SOLOMON, ranking member of the subcommittee, also deserve congratulations on this measure. Its passage is important to America's veterans. I urge each of my colleagues to vote favorably on it.

Thank you, Mr. Speaker.●

Mr. MONTGOMERY. Mr. Speaker, I have no further requests for time, and I yield back the balance of my time.

Mr. BURTON of Indiana. Mr. Speaker, I yield back the balance of my time.

The SPEAKER pro tempore (Mr. GRAY of Illinois). The question is on the motion offered by the gentleman from Mississippi [Mr. MONTGOMERY] that the House suspend the rules and pass the bill, H.R. 2343, as amended.

The question was taken; and (two-thirds having voted in favor thereof) the bill, as amended, was passed.

A motion to reconsider was laid on the table.

GENERAL LEAVE

Mr. MONTGOMERY. Mr. Speaker, I ask unanimous consent to revise and extend my remarks, and that all Members may have 5 legislative days in which to revise and extend their remarks, and include extraneous matter on the bill, H.R. 2343.

Also, Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks, and include extraneous matter, on H.R. 2344 and H.R. 1408.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Mississippi?

There was no objection.

VETERANS' HOUSING AND MEMORIAL AFFAIRS AMENDMENTS OF 1985

Mr. MONTGOMERY. Mr. Speaker, I move to suspend the rules and pass the bill (H.R. 2344) to amend title 38, United States Code, to make improvements in the National Cemetery System and in the Veterans' Administration program that provides assistance to certain disabled veterans in acquiring specially adapted residences, and to express the sense of Congress with respect to the Veterans' Administration home loan origination fee.

The Clerk read as follows:

H.R. 2344

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the "Veterans' Housing and Memorial Affairs Amendments of 1985".

SEC. 2. ORDERLY EXPANSION OF THE NATIONAL CEMETERY SYSTEM.

(a) ANNUAL REPORT.—Section 1000 of title 38, United States Code, is amended by adding at the end the following new subsection:

"(c) Not later than July 1 of each year, the Administrator shall submit to the Committees on Veterans' Affairs of the Senate and House of Representatives a report on the construction and expansion of national cemeteries. Each report shall include—

"(1) a five-year plan for the construction and expansion of the National Cemetery System;

"(2) a list, in order of priority, of the 10 geographic areas in the United States in which the need for additional burial space for veterans is greatest;

"(3) an assessment of the desirability and feasibility of acquiring existing State cemeteries in the geographic areas included on the list; and

"(4) general plans (including projected costs, site location, and, if appropriate, necessary land acquisition) for each cemetery or proposed cemetery included in the five-year plan and general plans for the expansion of the National Cemetery System in each geographic area included on the list.".

"(b) SUBMISSION OF FIRST REPORT.—The first report under section 1000(c) of title 38, United States Code, as added by subsection (a), shall be submitted not later than July 1, 1985, or the end of the 30-day period beginning on the date of the enactment of this Act, whichever is later.

SEC. 3. GRAVE MARKERS.

(a) IN GENERAL.—Section 1004(c) of title 38, United States Code, is amended—

(1) by inserting "(1)" after "(c)"; and

(2) by adding at the end the following:

"(2) Each such marker shall be upright, except that, if the person buried (or the survivor or legal representative of the person buried) has requested that the grave be marked with a flat marker, the person shall be buried in a cemetery section set aside for graves marked with flat markers and a flat marker shall be used.".

(b) EFFECTIVE DATE AND TRANSITION RULES.—(1) The amendments made by subsection (a) shall apply with respect to markers for the graves of persons who die after September 30, 1985.

(2) During the period beginning on October 1, 1985, and ending on December 31, 1985, the Administrator of Veterans' Affairs—

(A) may waive the applicability of section 1004(c)(2) of title 38, United States Code, as added by subsection (a), in the case of the grave of a person to be buried during such period in a cemetery in which there is no section set aside for graves with upright markers; and

(B) may deny a request under section 1004(c)(2) of title 38, United States Code, as added by subsection (a), that the grave of a person to be buried in a national cemetery be marked with a flat marker if the denial is for the reason that in the cemetery in which the burial is to take place there is no section set aside for graves with flat markers.

(3) Not later than January 1, 1986, the Administrator of Veterans' Affairs shall designate for each cemetery in the National Cemetery System a section in which graves shall be marked with upright markers and a section in which graves shall be marked with flat markers.

SEC. 4. ESTABLISHMENT OF A NATIONAL CEMETERY.

(a) IN GENERAL.—Subject to the conveyance to the United States of the land described in subsection (b), the Administrator of Veterans' Affairs shall establish a national cemetery in Merced County, California, on that land.

(b) ACCEPTANCE OF LAND.—The Administrator is authorized to accept from the Romero Ranch Company, a California corporation, a tract of land consisting of 350 acres, more or less, located in Merced County, California, if donated to the United States by the Romero Ranch Company for the purposes of the establishment of a national cemetery. The exact acreage and legal description of the land to be conveyed shall be determined by the Administrator and the company.

(c) ADMINISTRATION.—A national cemetery established under this section shall become part of the National Cemetery System and shall be administered under chapter 24 of title 38, United States Code.

SEC. 5. ASSISTANCE TO CERTAIN DISABLED VETERANS IN ACQUIRING HOUSING WITH SPECIAL FEATURES ALREADY IN PLACE.

(a) IN GENERAL.—Section 801(b)(1) of title 38, United States Code, is amended by inserting before the period at the end the following: "or in acquiring a residence already adapted with special features determined by the Administrator to be reasonably necessary for the veteran by reason of the veteran's disability".

(b) AMOUNT OF GRANT.—Section 802(b)(1) of such title is amended by striking out "cost" and inserting in lieu thereof "cost, or, in the case of a veteran acquiring a residence already adapted with special features, the fair market value,".

(c) EFFECTIVE DATE.—The amendments made by this section shall apply with respect to residences acquired after September 30, 1985.

SEC. 6. HOME LOAN ORIGINATION FEE.

(a) FINDINGS.—The Congress finds that—

(1) the Veterans' Administration home loan guaranty program, which assists veterans in becoming homeowners, was established in recognition of veterans' service to the Nation;

(2) in establishing that program, Congress had no intention that the program serve as a means to achieve any Federal economic objective;

(3) the program has achieved its purpose of enabling veterans to obtain homes and has done so at the lowest possible cost to Federal taxpayers;

(4) the program is widely used by veterans seeking to buy their first home;

(5) the existing one-percent origination fee for Veterans' Administration home loan guarantees is designed to offset the costs of the program;

(6) the fivefold increase in the Veterans' Administration home loan origination fee proposed in the President's budget for fiscal year 1986 would, if enacted, have a serious detrimental effect on the ability of veterans to obtain loans for housing and would discourage homeownership; and

(7) this proposed increase in the origination fee is actually a disguised tax on home buying veterans.

(b) SENSE OF CONGRESS.—It is, therefore, the sense of the Congress that—

(1) the Veterans' Administration loan origination fee should remain at its present level of one percent of the amount of the loan guaranteed; and

(2) the President should review the level of funding necessary to support the Veterans' Administration home loan guaranty program and, if additional funding for the program is required, should submit an amended budget request recommending additional appropriations for the program.

The SPEAKER pro tempore. Pursuant to the rule, a second is not required on this motion.

The gentleman from Mississippi [Mr. MONTGOMERY] will be recognized for 20 minutes and the gentleman from New Jersey [Mr. SMITH] will be recognized for 20 minutes.

The Chair recognizes the gentleman from Mississippi [Mr. MONTGOMERY].

Mr. MONTGOMERY. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, H.R. 2344 would, among other things:

First, provide for the orderly expansion of the National Cemetery System;

Second, require that upright gravemarkers be placed in national cemeteries unless the family requests a flat marker;

Third, establish a new national cemetery to be located in Merced County in northern California, the 350 acres will be donated to the Veterans' Administration; and

Fourth, express the sense of the Congress that the 1 percent loan fee paid by veterans for a VA home loan should not be increased to 5 percent as proposed by the administration.

Mr. Speaker, I want to thank the distinguished gentleman from Alabama, the very able chairman of our subcommittee on Housing and Memorial Affairs, Mr. SHELBY, for his outstanding leadership in bringing this measure to the floor today.

Mr. Speaker, I want to thank the distinguished gentleman from New Jersey, the ranking minority member of the subcommittee, Mr. SMITH, for the cooperation he has displayed and the work he has done on this bill.

I also want to compliment the very able ranking minority member of the full committee, the gentleman from Arkansas, Mr. HAMMERSCHMIDT, for his usual cooperation and hard work.

Mr. Speaker, this is a good bill. It is not costly. According to the Congressional Budget Office the cost of the bill, if fully implemented, would be $3 million in 1986, $4 million in 1987, and $4 million in 1988.

I urge the adoption of the bill.

Mr. Speaker, it is now a pleasure for me to yield as much time as he would like to use to the distinguished gentleman from Alabama [Mr. SHELBY].

Mr. SHELBY. Mr. Speaker, the committee bill, H.R. 2344, is a modestly priced measure which makes necessary and vital improvements to the national cemetery system and enhances the Veterans' Administration specially adapted housing program.

First, it would expand the national cemetery system on an orderly basis. It requires the Veterans' Administration to submit on July 1, 1985, and yearly thereafter, a 5-year plan for the construction and expansion of the national cemetery system; a list, in order of priority, of the 10 geographic areas in the United States in which the need for additional burial space for veterans is greatest; and general plans and projected costs for each cemetery or proposed cemetery.

Mr. Speaker Public Law 93-43, which established the national cemetery system within the Veterans' Administration, offered virtually no direction regarding the structure of the national cemetery system but rather allowed for determination of the system structure at a later time, based on the recommendations of a 1974 VA study; and subsequently, the regional cemetery concept comprised of 10 standard Federal regions was adopted as an interim method of system expansion.

Since 1973, under the regional cemetery concept, the VA has designated eight new national cemetery sites. Six of these, Calverton, Long Island, New York; Riverside, CA: Bourne, MA; Fort Custer, MI; Indiantown Gap, PA; and Quantico, VA are open for burials. The other two, Fort Mitchell, AL, and Withlacoochee, FL, are expected to open between 1986 and 1987. In fiscal year 1981, the two-acre Fort Meade, SD, cemetery was transferred to the system.

At the end of fiscal year 1984, the system consisted of 109 operating cemeteries on approximately 9,000 acres of land. The 32 miscellaneous burial plots and monuments constitute about 20 acres.

Of the 109 operative national cemeteries, 51 are in closed status. Although the remaining 58 have ample gravesite resources, they are not appropriately located or distributed to effectively meet veterans' present or future burial needs. This is largely due to the evolutionary development of the system over more than 100 years. As many cemeteries were established immediately after the Civil War and some time thereafter, their size, scope, and location have no relationship to the needs of today's veteran population.

Interments in national cemeteries have generally increased each year since establishment; and during the next 15 years, as the peak period of demand approached, veteran deaths in the Nation will continue to increase annually, while unoccupied gravesites in the national cemetery system will be greatly reduced and scattered in location. The projected peak period is estimated at between the years 2000 and 2015, at which time the age 65 and over veteran group will increase from its present level of about 4 million to about 9 million individuals.

Although regional cemeteries were considered at the time to be the best method of expansion to meet immediate needs, in retrospect they did not provide for meeting the known needs of the veteran population as a whole. Standard Federal regions are comprised of a number of States. Standard Federal region No. 10, for example, consists of 815,945 square miles.

Mr. Speaker, regional cemeteries do not provide adequate service to an entire standard Federal region. Statistics indicate that veterans and their dependents prefer to be buried within a 50-mile radius from their homes.

Presently, about 9.5 million veterans or about 34 percent of the estimated 28 million living veterans reside within 50 miles of an open national cemetery. This means that 66 percent or 18.5 million veterans remain unserved by an open national cemetery.

Proposals have been received by the committee to establish a national cemetery in every State. In light of the present budgetary atmosphere and in the interest of good management, the committee does not believe this to be the best route for expansion. Rather, future expansion should provide for maximum usage. The committee therefore believes that the most equitable method for expansion is at selected locations with concentrated veteran populations. As an example, 1.2 million veterans reside in northern California. A national cemetery in that area would obviously be well utilized.

Mr. Speaker, the bill also contains a provision to require the Administrator to assess the desirability and feasibility of acquiring existing State veterans' cemeteries in the geographic areas included in the VA's yearly report. One of the 10 areas in the country identified with a heavy veteran population is Phoenix, AZ, where a State veterans' cemetery has been in existence since 1978. It is the most utilized State veterans' cemetery in the country. The committee has been advised that Arizona has the highest percentage of senior citizens moving into a State. Under the bill, the VA could determine whether or not it would be in the best interests of the Federal Government to establish and operate a national cemetery in Phoenix.

The committee believes that this provision of the reported bill requiring a 10-area breakdown of heavy veteran migration centers provides for an extremely efficient method of cemetery expansion. It follows proven management practices used in private industry known as the "establishment by need" concept where outlets for goods and services are established for optimum access by users.

Second, the bill would require that new grave markers in national cemeteries be upright except in specific instances where flat markers are requested by either the veteran or the survivors of the veteran.

In 1976, based upon a recommendation from the Advisory Committee on Memorial Affairs, the Veterans' Administration adopted a policy to install flat markers in regional cemeteries. On March 1, 1982, DMA circular 40-82-01 expanded this policy to include existing national cemeteries. Currently, 70 percent of all markers being placed in national cemeteries are flat.

One of the reasons the committee believes that the Veterans' Administration should revert to upright grave markers is because of the difficulty encountered by family members in locating flat grave markers in the snowbelt areas. Flat markers are not visible for long periods of time in areas subject to heavy snowfalls.

Additionally, flat markers constitute a parklike atmosphere rather than the traditional symbolic soldiers' formation represented by upright markers. As national cemeteries commemorate the sacrifices of those who served, instituting an upright headstone policy will serve to enhance the dignity and beauty traditionally associated with our national cemeteries.

Mr. Speaker, it is not the committee's intention to restrict a veteran or his family to a particular type of grave marker. Provision, therefore, has been made to accord a choice by designating certain portions of national cemeteries for use of flat markers so that the families who prefer flat markers will have the right to select one. This provision passed the House last year, but was not acted upon by the Senate. Hopefully, we can move it all the way through this year.

In order to maintain conformity in our national cemeteries, the Administrator has been given 90 days after the effective date of this provision (October 1, 1985) in which to designate separate sections for flat and upright markers. During this period of time, the Administrator shall have discretionary authority to deny placement of either an upright or flat gravemarker if such denial is for the reason that in the cemetery in which the burial is to take place there is no section set aside for the specific type of gravemarker requested.

Third, the bill would establish a cemetery in Merced County, CA. The Veterans' Administration has identified northern California as the area in the country most in need of a national cemetery as 1.2 million of California's veterans reside in the northern part of the State. There has been too much delay in establishing a cemetery in this heavily populated area and this bill would authorize the Administrator to accept 350 acres of land which is available at no cost to the Government.

Nationally, California ranks first in veteran population with almost 3 million veterans. This represents 10.6 percent of total veteran population. In order of magnitude, northern California has been identified as the area of the country most in need of a national cemetery because 1.2 million of California's total veterans population live in the northern part of the State. The closest national cemetery open for full-casket burials is at Riverside, CA, which is more than 400 miles south of the major population centers of San Francisco and Sacramento.

Under longstanding policy, the Veterans' Administration will consider land only if it is available through donation or through transfer from excess Federal property, and if it meets the criteria for cemetery purposes. Another critical factor is proximity to centers of veteran population. This policy was reiterated at a March 14, 1985, hearing before the Subcommittee on Housing and Memorial Affairs.

Since 1983, the Veterans' Administration has conducted numerous site inspections in northern California, including Beale Air Force Base, Dixon U.S. Naval Transmitter Facility, Hamilton Reserve Air Force Base, Alameda U.S. Naval Air Station, Oak Knoll U.S. Naval Hospital, Camp Parks, Moffett Naval Air Station, Stockton U.S. Naval Communication Station, and the U.S. Naval Ammunition Storage Facility in Concord. The Veterans' Administration also contacted the county of Alameda to see if they could acquire 400 acres near the Camp Parks site which had previously been donated to the county by the Department of the Army. The county land was not available.

In 1984, the Agency advised us that it had narrowed its consideration to two sites—a 150-acre tract of land at the Camp Parks reserve forces training area in Dublin, and a 350- to 400-acre parcel privately owned in Merced County near the San Luis Reservoir which is available at no cost to the Government.

The Veterans' Administration stated that Camp Parks, which is located in the San Frnacisco Bay area, was their primary choice since 36.8 percent of the northern California veteran population resided within a 50- to 100-mile radius of the Camp Parks site.

The committee, however, is aware of several problems associated with this site.

First, many segments of the community are opposed to the establishment of a national cemetery on the Camp Parks location.

Second, the land has not yet been declared surplus. Even if excessed to the Department of Defense's needs, it is not certain the land would go to the Veterans' Administration since others are interested in acquiring the property.

Third, 150 acres is not adequate to establish a regional cemetery of the magnitude needed in northern California.

Fourth, current Federal property management regulations require Federal agencies to pay the General Services Administration the fair market value of excessed Government property. According to recent estimates, the 150-acre tract of land at Camp Parks is valued between $20–$35 million.

Mr. Speaker, there is a critical need to establish a cemetery in northern California. Although the Veterans' Administration states that the Los Banos site is not as convenient to the downtown San Francisco area as the Camp Parks site, the committee recommends that the Administrator move to establish a national cemetery in Merced County. There has been too much delay in establishing a cemetery in this most populous region in our country. The committee believes the Veterans' Administration must move with an alternate site. There are no assurances that the problems facing the Camp Parks site will be resolved in a timely manner, and this alternate site with substantially larger acreage is available immediately at no cost to the Government.

At a time when the administration and the Congress is considering reductions in veterans' health care, freezing cost-of-living increases in veterans' benefits and increasing loan origination fees to raise revenues, the committee adamantly opposes the Veterans' Administration paying for land which the Department of Defense declares excess to its needs.

The Merced County site was recommended by the Veterans' Administration as the second best location, and there are some who would suggest it is superior, although there is currently a smaller veteran population in the immediate Los Banos area. It is the committee's understanding, however, that the population centers are expanding southward. The center for continuing study of the California economy in Palo Alto, CA, has determined that, among large cities in California, San Jose, which is located approximately 89 miles away from Los Banos, ranks third in total population growth since 1980. Additionally, this site is convenient to Fresno and Modesto, which were ranked fourth and eighth in terms of population growth since 1980.

The legislature of the State of California adopted a resolution in behalf of the Los Banos site. In addition, the California Department of Veterans Council has endorsed this selection.

The fiscal year 1986 budget allocates $6 million for land acquisition costs for the establishment of a national cemetery in northern California. The committee recommended in its budget report to the Budget Committee on March 15, 1985, that these funds be used in conjunction with the development of land and other such planning costs as may be necessary for the establishment of such cemetery in Merced County.

Fourth, this bill would authorize service-connected disabled veterans entitled to the $6,000 specially adapted housing grant to acquire a suitable housing unit with specially adapted modifications already in place and to be reimbursed for the fair market value of such adaptions.

Mr. Speaker, the purpose of the specially adapted housing grants is to assist certain veterans whose service-connected disabilities are such as to require specially adapted housing facilities.

Under current law, there are two types of specially adapted housing grants payable by the Veterans' Administration—one up to $35,500 for veterans who are essentially so disabled by their service-connected disabilities that they are precluded from locomotion without resort to a wheelchair, and one up to $6,000 for veterans who are not as severely disabled but also require special modifications to their homes. Unlike service-connected veterans who are eligible for the larger grant, however, this other category of deserving service-connected disabled veterans cannot use it to acquire a suitable home which already has the necessary modifications. This bill corrects the discrepancy between the two programs and treats them equally.

Mr. Speaker, the last item in this bill is a provision expressing the sense of the resolution that the 1-percent VA home loan origination fee not be increased.

The fiscal year 1986 budget proposes to increase the VA home loan origination fee from 1 to 5 percent of the mortgage principal.

Mr. Speaker, the implementation of a 5-percent-user fee would result in veterans being charged an average amount of $3,000 for the privilege of using the program. This would negate the beneficial aspects of the no-down-payment feature of the program and could effectively destroy it. In essence, this could be considered as a downpayment requirement without giving the veteran the benefit of reducing the principal on his mortgage—in other words a selective tax burden on home buying veterans. If the increased origination fee was added to the mortgage principal and financed, the Congressional Budget Office estimates that there would be a subsequent increase in the VA home loan foreclosure rate. This would result not only because of increased monthly mortgage payments, but because of the longer length of time necessary to build up property equity. Initially, the Veterans' Administration would be guaranteeing a loan for a larger amount than the property value.

The committee is very concerned about this proposed change. The VA Administrator, himself, characterizes his endorsement as "reluctant" and urges caution. Other VA officials have stated that a 5-percent fee could reduce loan originations by as much as 50 percent. Additionally, the Congressional Budget Office projected that outlays in 1990 could actually be higher than under the existing program were this fee to be imposed.

At a March 5, 1985, hearing before the Subcommittee on Housing and Memorial Affairs, the National Association of Realtors calculated that the proposed reduction in loan originations as a result of the fee increase would create a larger dollar loss upon the gross national product than the projected revenue gains. Additionally, the president of the Mortgage Bankers Association stated that his bank would no longer offer VA guaranteed home loans were the administration proposal to be enacted.

Accordingly, the committee recommended to the House Budget Committee on March 15, 1985, that the VA Home Loan Guaranty Program remain at ongoing levels and that the 1-percent user fee be retained.

Mr. Speaker, the Congressional Budget Office states that the revenue is not needed to maintain the solvency of the loan guaranty revolving fund. Additionally, the committee is of the firm opinion that the imposition of a larger fee would only serve to raise general revenues at the expense of our homebuying veterans—in particular, Vietnam era veterans who account for 43.6 percent of all VA guaranteed home loans. It should also be emphasized that this discriminatory tax would eliminate a substantial number of potential veteran homebuyers from participating in the VA Home Loan Guaranty Program. According to the Congressional Budget Office, a phased-in rate of 3.8 percent by 1990 could result in 141,250 fewer veterans from using their VA entitlement to purchase a home over that period of time.

This sense of the Congress resolution reaffirms the committee's strong opposition to the administration's proposal.

Mr. Speaker, this is not an expensive bill, but it is important. The Congressional Budget Office has estimated its first year cost at $3 million. I urge that its provisions be adopted.

I would like to extend my thanks to the chairman of the full committee, the Honorable G.V. (SONNY) MONTGOMERY of Mississippi for his leadership in moving so quickly on this legislation. I also wish to express my appreciation to the ranking minority member of the subcommitte, the most

capable Member from New Jersey, Mr. CHRIS SMITH, and to convey my gratitude to the distinguished gentleman from Arkansas, the ranking minority member of the full committee, Mr. JOHN PAUL HAMMERSCHMIDT.

There follows a brief history of VA guaranteed home loan origination fees:

In 1966, Congress approved the Veterans' Readjustment Benefits Act of 1966, better known as the cold war GI bill. This act, among other things, made servicemen and post-Korean veterans, persons who had served in active duty in the Armed Forces after January 31, 1955, eligible for VA guaranteed home and farm loans and direct loans. Although the loan benefits for post-Korean veterans and servicemen were similar in type to those available for World War II, and Korean veterans, there was one noticeable difference. Unlike the loans available to World War II and Korean veterans, the post-Korean loan program was subject to a one-time funding fee in the sum of one-half of 1 percent of the loan. In other words, the funding fee requirement was imposed by Public Law 89-358, in the interests of distinguishing between the "hot war" veterans of World War II and the Korean conflict and the "cold war" veterans of service after January 31, 1955.

The elimination of charging a funding fee to post-Korean veterans through the enactment of Public Law 91-506 on October 23, 1970, was a change rendered inevitable by events in Southeast Asia since 1965.

The President's fiscal year 1983 budget contained a proposal to reinstate the one-half percent loan processing fee for all loans guaranteed, insured or made by the VA. However, instead of the revenues being deposited into the loan guaranty revolving fund as had been done previously, the fees would be deposited in the Treasury as miscellaneous receipts and credited as general offsets to the Veterans' Administration.

The committee did not oppose the proposed legislation. However, it felt that three amendments were necessary:

First, deposit the fees into the VA loan guaranty revolving fund to insure its solvency since guarantees are paid from it in the event of foreclosures; and

Second, exempt service-connected disabled veterans from payment.

Third, the fee not be made permanent.

The committee has always believed that service-connected disabled veterans must receive priority and preferential treatment in view of disabilities incurred in service to their nation. Additionally, the committee suggested adding the fee to the loan principal to alleviate the one-time cost to the veteran.

Public Law 97-253 which became effective October 1, 1982, did exempt service-connected disabled veterans from paying the fee and permitted veterans to add the fee to their mortgage principal if they so desired. The measure also contained a sunset provision. The revenues generated by this fee, however, were deposited to the Treasury. Although overall VA outlays were credited by these offsets, the loan guaranty revolving fund did not benefit and its funding problems were not alleviated.

The VA loan origination fee was increased to 1 percent by the enactment of the Deficit Reduction Act of 1984, Public Law 98-369. This law continued to exempt service-connected disabled veterans with a 10 percent or more disability; required that these funds be deposited in the loan guaranty revolving fund, and contained certain administrative reforms in the VA loan guaranty program. The Congressional Budget Office has projected that these implemented changes will help to assure the future solvency of the VA loan guaranty revolving fund.

□ 1250

Mr. SMITH of New Jersey. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, as both a sponsor of H.R. 2344 and as ranking member of the Veterans' Affairs Subcommittee on Housing and Memorial Affairs, I rise to ask my colleagues to pass this important legislation today.

I am very pleased to report to the House this afternoon that one of the major provisions of H.R. 2344 corrects an inequity in current law regarding specially adapted housing. Under current law, veterans eligible for specially adapted housing under section 801(b) of title 38 may not use their $6,000 grant to acquire housing which already has the necessary special features. It may only be used to make necessary adaptations to a home. Section 5 would provide for the payment of fair market value of adaptations to certain disabled veterans acquiring houses with special features already in place. I would like to especially thank the Blinded Veterans of America for their role in assisting the committee in our efforts to correct this problem.

H.R. 2344 also expresses the sense of Congress that the user's fee for the VA's Home Loan Guarantee Program should not be increased above the current 1 percent rate. Mr. Speaker, an increase of the user's fee above its current rate may portend the demise of a program which has benefited over 11 million veterans by enabling them to buy a home. Our Nation's real estate and residential construction industries have also benefited enormously from this program which has infused over $230 billion into our economy.

Over the course of this program, it has consistently been the intent of Congress to provide veterans assistance in acquiring and retaining homes, in part as payment for services rendered to a grateful nation. Consequently, Mr. Speaker, any proposed changes in the delivery of these promised benefits must be scrutinized most carefully.

The Subcommittee on Housing and Memorial Affairs held extensive hearings on this topic and on the Home Loan Program in general. After receiving testimony from veterans organizations, realtors and mortgage bankers, among others, we determined that a fivefold increase in the user's fee would effectively kill the program. A result that is totally unacceptable.

The Veterans' and Housing Memorial Affairs Amendments of 1985—H.R. 2344—also requires the Veterans' Administration to submit an annual 5-year plan for the construction and expansion of the national cemetery system. Mr. Speaker, this provision will greatly enhance the ability of Congress and other interested parties to understand and act appropriately to meet the memorial needs of veterans and their dependents.

The regional concept of national cemetery expansion enacted in 1973 has proven to be too restrictive and not realistically attuned to the long-range needs of the veterans population. The concept of building one national cemetery in each of 10 standard Federal regions had led to some cemeteries being greatly underutilized, while others cannot begin to meet the demand in the region.

The size, scope and location of many of our national cemeteries have no relationship to the needs of today's veterans population. H.R. 2344, by requiring that future expansion be based on maximum usage will eliminate this problem.

H.R. 2344 also requires the placement of upright markers in national cemeteries. Veterans will be allowed a choice between flat and upright markers by designating certain portions of national cemeteries for the use of flat markers. This measure reiterates action taken by the House last year, but which was not enacted by the Senate.

The bill also requires the VA to establish a national cemetery in Merced County, CA, an area of critical need located in northern California.

H.R. 2344 was reported unanimously be the committee under the very capable leadership of Mr. MONTGOMERY, the distinguished chairman of the Veterans' Affairs Committee, and of Mr. HAMMERSCHMIDT, the committee's distinguished ranking minority member. I would also like to take this time to

compliment my good friend, Mr. SHELBY, the chairman of the Subcommittee on Housing and Memorial Affairs for his excellent work on this measure as well.

I recommend this measure strongly to my colleagues as one which is clearly in the best interest of not only our veterans, but also the Nation as a whole.

Mr. Speaker, I yield back the balance of my time.

Mr. MONTGOMERY. Mr. Speaker, let me just comment again that the gentleman from New Jersey [Mr. SMITH] has pointed out just a few minutes ago, as well as the gentleman from Alabama [Mr. SHELBY], that this loan fee increase on home loans that has been recommended, the GI Home Loan Program, the full committee is strongly opposed to any increase in user fees on veterans' loans.

Mr. Speaker, this is a good bill. As pointed out by Chairman SHELBY, it is not a big cost item and we certainly hope this bill will be adopted by the full House.

● Mr. COELHO. Mr. Speaker, I want to begin by commending the distinguished chairman of the full committee, the gentleman from Mississippi, for the outstanding job he has done in handling this legislation and bringing it to the floor. I would also like to commend the distinguished chairman of the Subcommittee on Housing and Memorial Affairs, Mr. SHELBY, for all of his work on this legislation.

I rise in support of H.R. 2344, the Veterans' Housing and Memorial Affairs Amendments of 1985. The bill: First, provides for the orderly expansion of the national cemetery system; second, requires the placement of upright grave markers in national cemeteries; third, requires the Administrator to establish a national cemetery in Merced County, CA, which is in my district; fourth, authorizes certain service-disabled veterans to acquire a housing unit with specially adapted modifications already in place and to be reimbursed for the fair market value of such adaptions; and fifth, expresses the sense of Congress that the 1-percent VA home loan origination fee not be increased.

I have been particularly interested in the provision for the establishment of a national cemetery in Merced County, CA, as the land, some 350–400 acres, is being donated to the VA by a private land owner in my district, the Romero Ranch Co.

Today it is generally acknowledged that there is a critical need for a national cemetery in northern California which is home for about half of the State's large and growing veteran population. Today, California has 3 million veterans, the largest of any State in the Union. Only one national cemetery in California, located near Los Angeles at Riverside, is still open for full-casket burials. San Francisco, the major population center of northern California, is some 400 miles from Riverside, and 500 miles from Willamette, near Portland, OR, the next closest national cemetery.

In early 1982 the VA sought to identify county-owned tracts of land within a 50-mile radius of Livermore, CA, which would be suitable for a national cemetery and could be made available at no cost to the Government. No offers were forthcoming. Nor was the VA able to locate suitable Federal land excess to the Government's needs.

I am pleased that because of the generous offer of the Romero Ranch Co., 300–400 acres of land in Santa Nella, CA, will be made available to the VA and I am hopeful that work on the cemetery can begin without further delay. The site is about 85 miles southeast of San Francisco and 45 miles southeast of San Jose. It is situated in an area of low-density development, adjacent to land dedicated to wildlife preservation and agricultural use. Indeed, in the words of the VA's cemetery experts, who surveyed the site back in 1983, it is "an ideal setting of privacy, dignity and serenity for a national cemetery."

Those who have seen the site are deeply impressed with its incomparable beauty and I predict that once the cemetery is built it will rival the National Memorial Cemetery of the Pacific, the famous "punch bowl" in Hawaii as the place of beauty and quiet repose for our veterans.

I urge the adoption of this legislation.

In closing, I would like to thank the staff of the committee and subcommittee, and in particular Mack Fleming and Gloria Royce, for all of their hard work and the help and guidance they have given my staff.●

● Mr. HAMMERSCHMIDT. Mr. Speaker, I rise in support of H.R. 2344 and urge its passage by my colleagues in the House. The bill has the unanimous approval of the House Veterans' Affairs Committee.

Mr. Speaker, this bill has five major provisions. It calls for the Veterans' Administration to submit a 5-year plan to the Congress concerning possible modest expansion of the national cemetery system. It calls for placement of upright markers in national cemeteries if that be the wish of veterans or the next of kin. It provides for a critically needed new VA cemetery in northern California. It corrects an inequity in current law affecting some seriously disabled service-connected veterans who are acquiring specially adapted housing and, finally, Mr. Speaker, it contains a sense of the Congress resolution in opposition to a proposal to dramatically increase origination fees on GI home loans.

Mr. Speaker, this latter provision of H.R. 2344 deserves additional comment. In the view of our committee, the proposed large increase in fees is counterproductive. It will cause some veterans to not qualify for GI loans. It will not provide any equity to the home buyer, and it would undoubtedly cause a substantial reduction in the number of GI loans.

Mr. Speaker, this proposal has aroused the veteran community and properly so. I trust our action expressing the sense of the Congress against it will be helpful in putting it to rest.

Mr. Speaker, the chairman of the House Veterans' Affairs Committee, the gentleman from Mississippi, SONNY MONTGOMERY, is to be congratulated for moving this bill forward. The chairman of the Subcommittee on Housing and Memorial Affairs, Mr. SHELBY of Alabama, and the ranking member, the gentleman from New Jersey, Mr. SMITH, are also to be congratulated.

Mr. Speaker, this is a good bill, which, in my opinion, deserves wholehearted support in the House.

Thank you, Mr. Speaker.●

● Mr. SHUMWAY. Mr. Speaker, I firmly support the provision of H.R. 2344 which directs the Veterans' Administration to establish a national cemetery in Merced County, CA. California now has a veterans population of 3 million, the largest of any State in the Nation, and yet only one national cemetery in the State located near Los Angeles, has available grave space. Clearly, a new national cemetery is critically needed to serve the veterans of the northern part of the State. I know that the Veterans' Administration has recognized this need and I commend the agency on its attempts to locate a site near the largest population centers of northern California. Unfortunately, there have been numerous setbacks and delays in this process and I believe that the legislation before us will enable California to move ahead in the expeditious development of a national cemetery.

While the Merced County site established by H.R. 2344 is further south than the VA and many of us had desired ideally, it possesses many positive qualities and advantages. Its considerable size, 350 acres, will allow it to serve a great number of veterans over a long period of time. Furthermore, the fact that the land is being donated will allow the Veterans' Administration to apply its funds directly to development of the cemetery, rather than the purchase of land, thereby hastening its completion and availability to our veterans.

Mr. Speaker, I am pleased to support this effort to address the vital needs and interests of California's large and growing veteran's population. The establishment of a new national ceme-

tery will allow us to honor our veterans as they deserve.●

Mr. MONTGOMERY. Mr. Speaker, I have no further requests for time, and I yield back the balance of my time.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from Mississippi [Mr. MONTGOMERY] that the House suspend the rules and pass the bill, H.R. 2344.

The question was taken; and (two-thirds having voted in favor thereof) the rules were suspended and the bill was passed.

A motion to reconsider was laid on the table.

VETERANS' EMPLOYMENT AMENDMENTS OF 1985

Mr. MONTGOMERY. Mr. Speaker, I move to suspend the rules and pass the bill (H.R. 1408) to amend the Emergency Veterans' Job Training Act of 1983 and title 38, United States Code, with respect to certain veterans' employment programs, as amended.

The Clerk read as follows:

H.R. 1408

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the "Veterans' Employment Amendments of 1985".

SEC. 2. EXTENSION OF EMERGENCY VETERANS' JOB TRAINING ACT.

(a) EXTENSION.—Section 17 of the Emergency Veterans' Job Training Act of 1983 (Public Law 98-77; 29 U.S.C. 1721 note) is amended by striking out "February 28, 1985" and "September 1, 1985" and inserting in lieu thereof "December 31, 1985" and "July 1, 1986", respectively.

(b) ELIGIBILITY.—Section 5(a)(1)(B) of such Act is amended by striking out "fifteen of the twenty" and inserting in lieu thereof "5 of the 20".

(c) AUTHORIZATION OF APPROPRIATIONS.—Section 16 of such Act is amended by inserting "and $75,000,000 for fiscal year 1986" in the first sentence after "and 1985".

SEC. 3. VETERANS READJUSTMENT APPOINTMENTS.

(a) IN GENERAL.—Section 2014(b)(1) of title 38, United States Code, is amended—

(1) by striking out "GS-9" in clause (A) and inserting in lieu thereof "GS-11";

(2) by striking out "who is" in clause (C) and all that follows in that clause through "line of duty".

(3) by striking out "and" at the end of clause (C);

(4) by redesignating clause (D) as clause (E); and

(5) by inserting after clause (C) the following new clause:

"(D) a veteran of the Vietnam era who has more than 14 years of education and who is entitled to disability compensation under the laws administered by the Veterans' Administration or whose discharge or release from active duty was for a disability incurred or aggravated in line of duty shall be given a preference for such an appointment over other veterans of the Vietnam era who have more than 14 years of education; and".

(b) EFFECTIVE DATE.—The amendments made by this section shall apply with respect to appointments made after September 30, 1985.

The SPEAKER pro tempore. Is a second demanded?

Mr. MCEWEN. Mr. Speaker, I demand a second.

The SPEAKER pro tempore. Without objection, a second will be considered as ordered.

There was no objection.

The SPEAKER pro tempore. The gentleman from Mississippi [Mr. MONTGOMERY] will be recognized for 20 minutes and the gentleman from Ohio [Mr. MCEWEN] will be recognized for 20 minutes.

The Chair recognizes the gentleman from Mississippi [Mr. MONTGOMERY].

Mr. MONTGOMERY. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, the reported bill, H.R. 1408, as amended, would extend for 1 year the Emergency Veterans' Job Training Program we enacted in 1983. This program has placed about 30,000 Vietnam and disabled veterans in jobs during the past 18 to 20 months, and has been one of the better jobs programs enacted by the Congress.

The bill would also make certain amendments with respect to the Veterans Readjustment Appointment Program that has successfully placed thousands of Vietnam veterans in Federal employment.

These two programs are working, Mr. Speaker, and they are cost effective.

I want to commend the distinguished gentleman from South Dakota, the very able new chairman of our Subcommittee on Education, Training and Employment [Mr. DASCHLE] for the leadership he has provided, not only in bringing this bill to the floor, but for his leadership as a member of the committee for a number of years in doing everything he can to enhance the lives of our Vietnam and disabled veterans.

Mr. DASCHLE is a Vietnam era veteran and has served as chairman of the Vietnam veterans' caucus in the Congress.

I congratulate the gentleman for his work.

Mr. Speaker, in closing I want to thank the very able ranking minority member of the subcommittee, the distinguished gentleman from Ohio [Mr. MCEWEN] for the work he has done on this bill and for the cooperation he has given to the subcommittee chairman.

Finally, I want to thank the ranking minority member of the full committee, the very able and distinguished gentleman from Arkansas, for the leadership and cooperation he has provided in getting the measure to the floor.

I also want to acknowledge the work of the two chief sponsors of the Emergency Veterans' Job Training Act, the gentleman from Texas [Mr. LEATH] and the gentleman from New York [Mr. SOLOMON].

The gentleman from Texas has taken a leave of absence from the committee to serve on the Budget Committee and the gentleman from New York is now the ranking minority member of our Subcommittee on Compensation, Pension and Insurance. Both have been instrumental in helping employ veterans and I congratulate them for their good work.

Mr. Speaker, this is a good bill and I urge its adoption.

Mr. Speaker, I yield such time as he may consume to the gentleman from South Dakota [Mr. DASCHLE].

□ 1300

Mr. DASCHLE. Mr. Speaker, I thank the chairman for yielding and for his kind words.

Mr. Speaker, I strongly recommend that the House today approve the legislation we are considering today, H.R. 1408, the Veterans' Employment Amendments of 1985. This legislation amends the Emergency Veterans' Job Training Act of 1983 and title 38, United States Code, with respect to the Veterans Readjustment Appointment [VRA] authority.

Public Law 98-77, the Emergency Veterans' Job Training Act of 1983 [EVJTA], was signed into law on August 15, 1983, establishing a program of job training assistance for certain unemployed Korean conflict and Vietnam era veterans. This program was established in response to the employment difficulties being experienced by large numbers of Vietnam era and Korean conflict veterans. The severe recession and fundamental structural changes in the American economy exacerbated preexisting employment problems and contributed to the highest unemployment rate ever recorded for veterans.

This innovative program is the first truly meaningful employment assistance program for those veterans of Vietnam and Korea who have been out of work for an extended period of time. The initial months of EVJTA were disappointing with a start-up time that was longer than expected. This program has now, however, achieved wide employer acceptance and is viewed by veterans as an effective program that can help them find permanent, stable employment.

Statistics released by the Veterans Administration on April 30, 1985, indicate that nearly 30,000 veterans have been placed in meaningful jobs, thus assisting them in their efforts to get off the unemployment rolls and into productive employment. Over 320,000 veterans have been certified and recertified for participation in the program established by EVJTA, 46,500 employers have been certified to participate,

and over 110,000 job slots have been approved. Additionally, of the $140 million made available for the program in 1983, $114 million has been committed.

Although approximately $25 million remains available for use under EVJTA, thousands of job slots are approved and available, and over 415,000 Vietnam-era veterans are still unemployed, this program unfortunately expired for new participants on February 28, 1985. Additionally, under current law veteran participants must be enrolled in a job training program by September 1, 1985. H.R. 1408 would extend the date by which a veteran must apply to participate in EVJTA from February 28, 1985, to December 31, 1985. The bill would also extend the September 1, 1985, deadline to July 1, 1986.

The Bureau of Labor Statistics indicates that in April 1985, Vietnam era veterans were unemployed at rates higher than those for their nonveteran peers. For those veterans between the ages of 30 and 39, the unemployment rate was 7 percent. Those in the same age group who did not serve in the military were unemployed at the much lower rate of 5.6 percent. This disparity in the unemployment rate between veterans and nonveterans is particularly alarming. This high Vietnam veteran unemployment rate during a time of relative economic prosperity dramatically reaffirms the need to extend the effective, cost-efficient Emergency Veterans' Job Training Act.

For the 415,000 Vietnam-era veterans unemployed in April 1985, there are no other effective employment programs available. It is important to note that there has never been a coherent, consistent Federal policy to guide the development of programs which would train and employ Vietnam-era veterans in stable, career-oriented jobs. Since 1969, many training programs have come and gone. Too often veterans merely rode on the "coat tails" of other targeted groups, competing for the same jobs and training opportunities. Even title IV, part C, of the Job Training Partnership Act, which authorizes the Secretary of Labor, through the Assistant Secretary for Veterans' Employment and Training, to conduct programs to meet the employment and training needs of certain veterans, can have only a minimal impact on veteran unemployment. Based on a designated formula, the current level of funding for the veteran program is $9.7 million, clearly an inadequate amount given the extent of the unemployment problem among certain veterans.

The unemployment trends over the past 15 years indicate that many Vietnam veterans have not found their permanent place in the national labor market and that unemployment problems for Vietnam veterans are structural, not cyclical; that is, many Vietnam veterans do not have job skills that meet the needs of the labor market. A short-term program, therefore, is unlikely to have a lasting impact on their unemployment situation. EVJTA addresses the underlying structural problem responsible for the dramatic rises in unemployment among Vietnam veterans and should be extended in order to assist as many veterans as possible.

The need for EVJTA is clear, and the extension of the program provided in H.R. 1408 is justified based simply on that evident need and the effectiveness of the program as a means of meeting that need. In addition, however, EVJTA is cost-effective, a tremendously important factor during this time of budget consciousness. Veterans employed under EVJTA immediately become taxpayers, not tax users, thus benefiting the taxpayers of the United States. In testimony before the Subcommittee on Education, Training, and Employment, witnesses pointed out that a veteran entering a $16,000 per year job will pay at least $1,600 in Federal taxes during the first year. Since the cost of the program for that veteran will be approximately $4,000, about 40 percent of the cost of training is returned to the Federal Treasury during the first year of employment alone. This offset does not include other considerations such as unemployment insurance, AFDC, food stamps, and other costs in taxpayer dollars which are obviated by the veterans' employment.

I would also like to stress that when EVJTA was enacted in 1983, the authorization was for $300 million. Only $150 million of that amount has been appropriated, thus the $75 million authorization provided in H.R. 1408 is still far below the original authorization for EVJTA. The program established by the Emergency Veterans' Job Training Act is a badly needed and cost-effective program. It deserves to be extended and adequately funded.

The Veterans Readjustment Appointment [VRA] Program provides a means by which eligible Vietnam-era veterans may be appointed noncompetitively to a Federal civilian job which leads to competitive status and career or career-conditional tenure upon satisfactory completion of 2 years of service and education or training. The VRA program was established by Executive Order 11521 in March 1970 to help in the readjustment of thousands of veterans returning from Southeast Asia.

Since that time, as shown by Veterans' Administration statistics, 80 percent of Vietnam-era veterans have utilized at least a portion of their GI bill educational assistance benefits. Accordingly, H.R. 1408 would eliminate the current educational restriction which prohibits a nondisabled veteran of the Vietnam-era from qualifying as a VRA appointee if he or she has over 14 years of education. To deny these veterans employment because they elected to enhance their education defeats the main purpose of the VRA program which is to provide long-term employment opportunities to Vietnam-era veterans.

We on the Veterans' Affairs Committee firmly believe that this Nation's first commitment must be to those who were disabled while serving in our armed services. The committee recognizes that under current law service-connected disabled veterans have a certain advantage because they are not subject to the 14 year education restriction. Accordingly, H.R. 1408 would provide that a service-connected disabled veteran of the Vietnam era who has more than 14 years of education would be given preference for a VRA appointment over other Vietnam-era veterans who have more than 14 years of education. It is expected that the Office of Personnel Management will design guidelines to ensure that this preference is provided and monitored.

Under current law, a VRA appointment may not be made above the GS-9 level or the equivalent. The bill before us today would increase that maximum level to GS-11. By deleting the educational criteria while increasing the grade level, several things would be accomplished. The VRA program would be more attractive to veterans and would provide greater career opportunities. Agencies would have greatly increased flexibility to make employment decisions. A better educated veteran would be attracted to Federal service and agencies would be able to hire a better trained VRA candidate. This change in existing law would respond to the fact that many Vietnam-era veterans have obtained the necessary educational qualifications or have met the experience requirements to be employed at higher grade.

I want to take this opportunity to thank the ranking minority member of our subcommittee, BOB MCEWEN of Ohio, for his leadership and support in developing this legislation, and all members of the subcommittee for their cooperation and assistance. I also want to thank the chairman of the full committee, SONNY MONTGOMERY, for his leadership.

This Nation has a clear obligation to assist the hundreds of thousands of unemployed veterans who served their country in Vietnam and during the Korean conflict. This legislation is a modest but firm step in that direction. I firmly believe that the Emergency Veterans' Job Training Act and the VRA program are reasonable, effective programs. I urge the House to approve

H.R. 1408 and I am hopeful that the Senate will take prompt action on this legislation. Additionally, I would like to stress to the Appropriations Committee the need to fully fund the authorization for EVJTA provided in H.R. 1408. This is a meritorious bill and I urge my colleagues to support it.

Mr. McEWEN. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I rise in support of H.R. 1408, the Veterans' Employment Amendments of 1985. As ranking member of the Subcommittee on Education, Training, and Employment, and as a cosponsor of this measure, I very much urge its passage.

This bill would improve and extend the Emergency Veterans' Jobs Training Act [EVJTA], which, after a slow start, is currently proving to be a cost-effective way of placing Vietnam-era veterans into real and permanent jobs. Vietnam-era veterans in certain age groups have continued to have an unemployment rate above the national average. They deserve our continued help.

Emergency veterans' jobs training is the kind of program which benefits everyone, because it reduces the need for transfer payments, unemployment assistance, and it creates new taxpayers. Emergency veterans' job training relies on private sector training by employers who actually have the jobs they are trying to fill. This is not make-work, or training for jobs which don't exist.

Specifically, these amendments extend the application deadline, which expired January 28, 1985, to end of the year and the enrollment deadline to July 1, 1986.

Also, the amendments would liberalize what has proven to be an overly restrictive length of unemployment criteria. It would change the unemployment requirement from 15 of the 20 weeks to 5 of the 20 weeks immediately prior to the date of the veteran's application.

H.R. 1408 would authorize $75 million for the program for fiscal year 1986. In my view, this is a sound expenditure of scarce dollars, and it is not in excess of the amount originally authorized.

UNEXPENDED FUNDS FROM THE EXPIRED PROGRAM

H.R. 1408 would make needed improvements in the Veterans' Readjustment Appointment Program as well. It would allow appointment to Federal jobs at a maximum grade level of GS-11, rather than GS-9. It would eliminate the 14-year education limitation for Vietnam-era veterans. We must frankly acknowledge that some Vietnam-era veteran college graduates who have 16 years of education are having trouble finding work. Finally, Mr. Speaker, this measure would appropriately give a preference to service-connected disabled veterans with more than 14 years of education.

We owe much of our thanks for this legislation to our very capable Veterans' Affairs Committee chairmen, Mr. MONTGOMERY; a special expression of gratitude to our Education, Training and Employment Subcommittee chairman, Mr. DASCHLE, and to the committee's outstanding ranking member, Mr. HAMMERSCHMIDT.

H.R. 1408 was reported unanimously by the Veterans' Affairs Committee because it is a good bill, and it deserves the vote of every Member of this body.

Mr. Speaker, I reserve the balance of my time.

Mr. MONTGOMERY. Mr. Speaker, I yield 1 minute to the gentleman from New Mexico [Mr. RICHARDSON], a former member of our committee.

Mr. RICHARDSON. Mr. Speaker, I rise in strong support of H.R. 1408, which I consider to be an extremely important piece of legislation for veterans. When I was a member of this committee, I worked very actively on this bill.

I think it simply is—as the two gentlemen, the chairman and the ranking member, have stated, it is a restatement of the principles of this legislation and a reextension of the act, a program that has worked very well and that does have veterans' preference, especially to Vietnam veterans, Korean veterans, and disabled veterans.

It is an extremely important piece of legislation and I wish to commend the chairman, the gentleman from Mississippi [Mr. MONTGOMERY], and the ranking minority member, the gentleman from Ohio [Mr. McEWEN], as well as the gentleman from South Dakota [Mr. DASCHLE], for their fine work.

I urge the House promptly approve this piece of legislation and I yield back the balance of my time.

□ 1310

Mr. MONTGOMERY. I thank the gentleman for his kind remarks. He always has a place on my committee; we enjoyed having him on the committee during the time he served.

Mr. Speaker, in closing, I want to thank the very able ranking minority member of the subcommittee, the distinguished gentleman from Ohio, BOB McEWEN, for the work he has done on this bill, and for the cooperation he has given to the subcommittee. I am sorry that Mr. HAMMERSCHMIDT, the ranking minority member, is not here today, but he is totally supportive of this legislation.

● Mr. SMITH of New Jersey. Mr. Speaker, I rise in strong support of H.R. 1408, the Veterans' Employment Amendment of 1985.

I am proud to be a sponsor of this laudable measure that will help Vietnam-era veterans help themselves.

Specifically, H.R. 1408 will enhance and extend the Emergency Veterans Job Training Act which is helping veterans qualify and find meaningful and permanent jobs.

As you know, Mr. Speaker, Vietnam-era veterans continue to have an unemployment rate exceeding the national average. It therefore behooves us to continue to address this compelling problem in an appropriate way.

H.R. 1408, I am pleased to point out to my colleagues, is not a make-work jobs program. It doesn't put the veteran job applicant on a dead-end street. Rather, this highly successful program relies on the private sector and effectively matches employers with eager employees.

Mr. Speaker, H.R. 1408 extends the application deadline which expired January 28, 1985, and the enrollment deadline to July 1, 1986.

Also, the bill liberalizes what has proved to be an overly restrictive length of unemployment criteria. It changes the unemployment requirement from 15 of the 20 weeks to 5 of the 20 weeks immediately before the date of the veteran's application.

H.R. 1408 authorizes $75 million for the program for fiscal year 1986. In my view, this is a prudent expenditure of funds, and it is not in excess of the amount originally authorized.

H.R. 1408 also makes needed improvements in the Veterans' Readjustment Appointment Program as well. It allows appointment to Federal jobs at a maximum grade level of GS-11, rather than GS-9. It eliminates the 14-year education limitation for Vietnam-era veterans. Finally, Mr. Speaker, this measure gives a preference to service-connected disabled veterans with more than 14 years of education.

Mr. Speaker, I urge my colleagues to adopt this legislation so we can continue to provide meaningful assistance to a group of veterans who were, for too long, forgotten and underappreciated.●

● Mr. HAMMERSCHMIDT. Mr. Speaker, I rise in full support of H.R. 1408.

This bill extends for a very limited time the Emergency Veterans' Job Training Act and reauthorizes $75 million for it. It also makes needed improvements in the Veterans' Readjustment Appointment Program.

Mr. Speaker, when Congress passed the emergency jobs bill, it recognized a special need for certain Vietnam-era and Korean veterans to receive assistance in finding employment. After a slow start the program is not only now providing that assistance but, it is also paying dividends in other ways. It has created new taxpayers while reducing the necessity for unemployment insurance for these veterans. In my view, this is a worthy program that needs

the limited extension contained in H.R. 1408.

The changes in the Readjustment Appointments Program for appointment of Vietnam veterans to the Federal Civil Service are not extensive. However, in my opinion, they improve the program by raising the maximum hiring level to GS-11 from GS-9, and by eliminating an educational impediment. The bill also gives additional preference to service-connected disabled veterans.

Mr. Speaker, I congratulate the chairman of the House Veterans' Affairs Committee, SONNY MONTGOMERY, for his fine work on this bill. I also congratulate the chairman of the Subcommittee on Education, Training, and Employment, the gentleman from South Dakota, Mr. DASCHLE, and the ranking member of the subcommittee, Mr. SMITH of New Jersey.

Mr. Speaker, this is a good but modest bill, and I urge its approval by the House.

Thank you, Mr. Speaker.●

Mr. MONTGOMERY. Mr. Speaker, I have no further requests for time, and I yield back the balance of my time.

Mr. McEWEN. Mr. Speaker, I yield back the balance of my time.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from Mississippi [Mr. MONTGOMERY] that the House suspend the rules and pass the bill, H.R. 1408, as amended.

The question was taken; and (two-thirds having voted in favor thereof) the rules were suspended and the bill, as amended, was passed.

A motion to reconsider was laid on the table.

PERMISSION FOR COMMITTEE ON THE BUDGET TO FILE REPORT ON THE FIRST CONCURRENT RESOLUTION ON THE BUDGET FOR FISCAL YEAR 1986

Mr. GRAY of Pennsylvania. Mr. Speaker, I ask unanimous consent that the Committee on the Budget have until 5 p.m. today to file its report on the first concurrent resolution on the budget for fiscal year 1986, with additional and minority views.

The SPEAKER pro tempore. Is there objections to the request of the gentleman from Pennsylvania?

There was no objection.

MY ADVICE TO THE PRIVILEGED ORDERS

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Texas [Mr. GONZALEZ] is recognized for 60 minutes.

Mr. GONZALEZ. Mr. Speaker, I rise again on behalf of trying to reach the powers that be, the privileged orders, with my advice to the privileged orders in the vein of the patriot Joel Barlow.

For some time, I have been speaking on the fact that the privileged orders, the money managers, the dollar barrons, the panjandrums of finance, who now are in total control of the decision-making processes that determine whether or not the American standard of living as we like to interpret it is a viable, continued and sustained choice the American people will have.

Since 1965, and the beginning of what was obvious to some of us, what today is commonly referred to as "stagflation," it was obvious that the Congress had to do something in the sense of its responsibilities as the national policymaking body, but in those halcyon days in which rates of interest were no more that about 6 percent, I guess by the credit crunch of 1966, 1 year later, in the summer of 1966, the average rate of interest would have been about 6.2, 6.3.

It was very hard at that time to advise either the colleagues of that time or those in power in the executive branch of the Government that the handwriting was on the wall; that it was inevitable that one of two things would happen:

One, either we would get a type of inflationary pressure which was reminiscent of the war conditions in which governmental procurement, after reaching a certain level, pressures—what I call the soft underbelly of our economy.

It was obvious in 1965. It was patently clear in 1966, when history if you read it will show we had what was called then a credit crunch; the first credit crunch.

Now since the so-called end of the war, which as I have been in a frustrating manner attempting to show that we have not terminated World War II, there is no peace treaty signifying an end to that very, very awesome era, rather we continue on a sustained basis with incremental movement, on a war economy basis.

Our country in fact has really become a garrison state in which everything is sacrificed to what we call defense, what in other days and other eras would be called war preparation.

Nevertheless, be that as it might, as far as the domestic conditions were concerned in that day and time, and I am speaking of just a little better than some 20 years ago, the facts will show, and I think history and historians who are even today engaged in the job of recording chronologically those facts will show that when a nation or a society enters that point at which America had reached more or less about June 1966, because on June 19, the prime interest rate—now this is defined as the interest rate at which the big, big interests, the largest mega-corporations and banking institutions lend to their favored customers; GM, General Foods, AT&T, and the like.

It was also a time in which the so-called Eurodollar—now that sounds fancy, but what it means is that by the time 1966 rolled around, and that in itself was about a 20-year period after 1945, that the whole world structure of international finance had changed.

Imperceptible to the average? Yes, but a change nevertheless, and that unless the recognition of that fact was admitted to and confronted, we would be faced with forces that inevitably would result in one of two things, as I say.

One, an inflationary pressure that would undermine the basis of the American economy. The basis of an economy that during the war was called the "arsenal of democracy." The United States was a producing nation.

In less than 4 years, the United States has metamorphosed, it has changed from a producing nation to a consuming dumping ground for foreign-made products with the unemployment that is incidental to that process.

The interest rate jumping up overnight 1 percent, a whole point, had never happened, even at the height of the Civil War. So some of us became inquisitive and asked questions. The questions to this day have never really been answered, even the most outstanding economists, national and well as international, are very loath to be reminded of what they were saying at that time.

□ 1320

It was obvious by 1968 that a tremendous chasm had arisen in international finance. Now, that sounds like a lot of high-flown talk. But in the world as structured as it is today, what happens internationally outside of our borders over which we have little control has a direct and immediate impact on what we call the American standard of living, employment, wages, the ability to own a home that one can call his or her own, the ability to live not at a lower level of material well being, because the profusion of material goods, apparel, dress and some of the other things that we consider creatures of necessity today rather than creatures of just plain comfort, and some in fact have become necessities, such as automobiles. Why is it, then, that at the time that actions could have been taken—I addressed a letter to then President Lyndon Johnson. Now, those of my colleagues who have tried to distill my utterances in the light of partisanship had better take a look at the record, because President Johnson was not only a President representing and the standard bearer of the same party I belong to and I am quite proud to continue to belong to but he was also a neighbor and a fellow Texan and a personal friend.

But I have never been a respecter of persons and have seen the folly is not the privilege of just the ignorant, the poor or the powerless. The most powerful leaders of the world have acted very foolishly and in fact we have such books as Barbara Tuckman's recent book, "The March of Folly," the whole book intended to bring out this historical phenomenon of the foolishness of great leaders of countries since the Trojan war to Vietnam, who persisted headstrong and obdurately in a given course of action despite all of the established facts, all of the reasoned advice, all of the known forces in balance and in play at the time. But as Barbara Tuckman sadly confesses, there is no way that that can be predicted, it is just a matter of fact that history shows that human beings are frail and weak and none of us is exempt from that weakness and frailty and certainly none of us is infallible.

I think this is the basis of the American system of government, the first real experiment. It is very young. It is the youngest form of government in existence that we can truly call a participatory democracy. But all of that is based on certain predicates, equality of access to economic opportunity as well as to political participation.

What good does it do to have political equality if we are economic slaves and have no economic freedom? This I think is the feature question of this generation and the one that it will have to pose to each succeeding generation.

During the civil rights struggle in the 1950's some very beautiful phrases were struck by some of the participants. One of them which I think was profoundly an eternal truth is and was freedom isn't free, and every generation must win it for itself in its own way, under its own conditions.

The question at this point is whether or not the American people, as attempted to be represented by their own individual agents known as Members of Congress in the House or Senate or through their Chief Executive and the Vice President, all of whom are elected by the people, whether or not the greatest interest of the greatest number is truly going to be served, so that when we go back to these basic questions and ask why was it when some of us, or at least I did, wrote a letter to President Johnson in 1965, saying, "Mr. President, the Federal Reserve statistics show now that the rate of procurement as of this year will exceed $45 billion on the Federal level. This means that we are beginning to see some symptoms of pressure on the soft underbelly of our economy."

For example—and I pointed this out—back home, school districts had had bond elections for the purpose of construction of new facilities. No sooner had they voted favorably for the bond issues when they discovered the amount was insufficient in order to pay for the cost, the new cost, the incremental increase in the cost of prime materials, copper, steel, and labor. Coincidentally with that if one looked at the help wanted ads in the newspapers—and this was true not only in my hometown of Texas but all over the country—one would see ads offering prime pay for scaled workers. To do what? To construct the base at Camranh Bay, for example, in Southeast Asia, which I might point out to my colleagues, today is being used as sort of a naval station by the Russian fleet. And so all of those who like to distill these things as partisan, economic matters being Republican or Democratic, foreign policy and foreign errors and defeats being Democratic or Republican, are going to be disillusioned and are going to be disappointed because folly is not the exclusive privilege of any one party or any one group or even any type of leadership in this human existence.

So we pointed out these facts and showed that the reason for this was that the Federal procurement level, because of the conduct of what turned out to be, even though at that time I think the average American would have said, "What war?" very much like they are doing today in the case of Central America. I doubt, if I were to ask my colleagues if they would swear that there was a grave national emergency because of El Salvador or because of Nicaragua, a grave national emergency—this is a letter of the word and the word of the law—I doubt it, yet the President just 2 weeks ago signified to that fact and proclaimed an embargo on Nicaragua. Now, under the Constitution you would not have that right except by the delegation of power that the Congress years ago gave the Chief Executive under similar types of situations in which the reason for quick action had to be determined by a unitary source of power such as the President rather than the body of 535 Members. But this President just 2 weeks ago, in order to justify imposing a unilateral embargo, announced a national crisis, a national emergency.

Well, it was not apparent, as it is not now, because at this point we do not have Americans directly dying. I predict, and I hope I am dead wrong, that it will not be long before they will be if the President continues in his present course of action, just as my follow-up letter to President Johnson in 1966, the first letter I wrote when I received the annual Federal Reserve report, which I read. Since I received no answer from him and since he made no allusion to any letter I had written him on the numerous trips I had taken in the interim on his invitation on Air Force I, to travel back home to the district—President Johnson was the most generous man and any time he went back to his place 55 miles away he called some of us and asked if we wanted a ride, and I invariably would because I have made it a habit and a practice and a policy to go back to the district all these 24 years every weekend that I am able to do so. That means I put in better than 8.5 million air miles just between here and the district in 24 years, and a little percentage of that was on Air Force I at the time President Johnson was President.

□ 1330

So when I saw that there was no reply, I figured the letter had been bucked over to somebody. So I called one of his assistants. His assistant said, well, they would try to dig it up. It was finally located with some submerged lesser official in the Treasury Department, of all places, and I finally received an acknowledgement, but no revelation that the matter had been considered.

In the meanwhile, the thought of asking for any taxes, what I was suggesting in that letter was the same type of action that President Truman had taken in the case of the Korean war, and had requested of the Congress, and the Congress gave it to him. So they controlled.

For instance, at the height of World War II, we were using 46 percent of the gross national product on the Federal level. The idea was every single food, fiber, weapon produced in America; Americans enlisting to serve, was all united in the purpose of winning the war. The objectives were clear; the unity was absolute.

But even at that point, now, today, the economists supporting this administration, who, incidentally some have been repudiated by the President, so that his Committee of Economic Advisers is sort of a pliant, nonexistent body at this point. The last one, selected by the President himself, was discharged finally and was not certainly considered for reappointment, because the administration did not like what he was saying. He was trying to be honest, but sometimes men in power, people in power, do not like to get the truth told if it is uncomfortable, and if it does not bear up with their protestations and their boasting.

Here we were in the middle of a situation in which it was obvious to anybody who has ever studied the matter, that no society under the same situation would end up differently, other than one, inflation, or, two, runaway interest rates.

But all during the time that this President has been saying when he was trying to defeat his predecessor that there was a direct cause between the national, that is the domestic defi-

cit, and the rates of interest. Now that he has produced the most monstrous deficit in the history of any government, and says that it is going to be so for the next three budgets; the next three fiscal years. He finds no such connection.

Now, of course, interest rates, depending, are in our country footloose and fancy-free. So many of my citizens in the constituency and so many of my colleagues sometimes ask me, "Well, we thought there was a law against any interest over 10 percent?" I smile and I say, "Well, you know, some of us have been trying to point out that this has not happened on the national level since 1865, and the enactment by the Congress, right after the death of Abraham Lincoln, of the National Currency Act of 1865." That began the basis of what we call today, roughly, our National Banking System.

But President Lincoln was so concerned about what he saw was about to happen, that that is what he had uppermost in his mind at the time he was assassinated.

So when we read all of this history and we see the repetitious tendency of those forces that in any clime, in any country, including our own, are greedy by nature, by definition. The more they have, the more they want. Unless restrained, restrained by whom? Well, by the only power that can restrain: The law and the Government.

So when I say no there is no such thing as any legal limit, in fact, it has worked the other way around. The States that still continue to have such things as maximum 10 percent interest rates. Beyond that, it was usury and criminal, as it has been and it should be.

Those States have been under pressure because of the National Government and because of the national agencies such as FHA, VA, and the like, that make it impossible for any transaction, unlimited, in its interest rate, that is the procurement of money.

What we forget, and what very few economists will tell you, and define it so, but I have and I know I am right, interest is the mechanism by which wealth is transferred within a society. This was true 7,000 years before Jesus Christ as reflected in the Code of Hammurabi. It was true at the time of our Lord, Jesus Christ. For there were laws that imposed hard sentences, including death, against usury.

The ancient Hebrew kinds, for example, were absolutely sworn to prescribing not only usury, but any kind of interest charge for any transaction. Now, I think it would be very difficult to say that we could extrapolate and make rough comparisons with the type of civilization that we could even dimly imagine at that time and what faces us today. But I think the basic fact is that we have law and we have government because there are forces amongst us that, unrestrained, will cannibilize or victimize the rest of us. It is that simple. It is not complicated at all.

What is complicated is the zeal to do anything about it, as in the case of Christianity, where the English writer G.K. Chesterton said, "Christianity has not been tried and found a failure or found wanting. Christianity was tried and found difficult and left untried."

That is what is true today with the rest of us that have, we like it or not, we went out and sought these jobs. Nobody put a pistol to our head, and therefore, the rather distasteful job of trying to hem in some potential benefactor; some powerful businessman; some powerful banker; some powerful agencies controlled by these vast panjandrums of wealth and economy.

Franklin Roosevelt knew what he was talking about and exactly what he had in mind when he called them, "Malefactors of great wealth." But today, as a consequence of, as I said, and I am going to say it even though it may sound braggadocio, it is a fact. The reason I say it is a fact is because anybody who wants to challenge that can look at the RECORD published by the House of Representatives going back, not to 1965, but 1963.

In 1963, as a newly arrived Member of the Banking and Currency Committee, as it was known then, we had the august Secretary of the Treasury, Mr. Dillon, who was considered an expert, but in fact came from the same stable that every Secretary of the Treasury has come since the Henry Morganthau era during Franklin Roosevelt's term of office, and that is that bond houses and bond dealers in Wall Street. They do not know anything about international finance. What they know could not even fill a thimble.

□ 1340

As a result, we have lost all of the confrontations because wars follow diplomatic and financial failures. Let nobody make that mistake. And we have lost those wars at the financial tables of these international moneychangers, which today are so great they transcend the authority of any one nation to control.

In fact, they have annual meetings, semi-secret meetings, over in France near Versailles, and you have the big pandandrums, the Big 10 or the Big 20, depending upon who they see fit to invite at that time, and there, in private, they make the decisions that are going to be impacting the rest of the nations, and they transcend sovereignties. There is not one country in the world, whether it is the United States or England or France, that has the power to absolutely control those transnational entities that are gargantuan by any definition today.

So that whatever we do here now may end up in being a wasted effort if these forces ever care to impinge on us, as recently the Continental Illinois Bank, in which the sudden withdrawal of this fickle, foreign, quick, hot money is withdrawn. This is why I have spoken out on these occasions, in fact I did last week, to try to point out the real purpose of the economic summit meeting in Bonn. Every American, I think, who read the newspapers and not conversant with the reasons would think that the whole purpose was President Reagan to go over and visit a cemetery, as unwise as that decision was.

But that was incidental. The reason for going over was the Bonn round of summit economic discussions going back to before 1979. In 1979, the last occasion on which such a meeting was held in Bonn, President Carter went over, and the same thing happened there without any real interpretation ever being given to either the Congress or the American people. I pointed out how now, with the Big 6 having more gold as reserve than the United States, they finally decided they were going to flesh out what they call the European Currency Unit and the European Monetary System, the idea being that that will displace the American dollar as the international medium of exchange.

Now, what does that mean to us? What it means is jobs, and the continuing erosion of those jobs. The last statistics—and incidentally, they were published the same day the President went to Germany where he was going to try to tell his European consorts that America had prosperity, that it had created jobs—the statistics, even those now approved by the Department of Commerce, show that there were fewer jobs in this last accounting period than before.

The President has bragged of how there have been a million or so new jobs. It certainly is not true. The facts are that we have over 10 million unemployed Americans. I would say that not less than two-thirds of those longtime unemployed, at this point that I am speaking, for more than 6 months, so they drop out of the picture. You cannot have that. You cannot have unemployment, underproduction, and keep jobs. They have been exported out. We have lost them.

We still have over 225,000 ex-automobile workers out of work. Now, surely we cannot reach that point of oblivious indifference that I perceived in 1966, that I perceived not only with respect to not only financial matters, but to the war itself, because as long as that war did not affect some of us, the overwhelming majority at that time, where I pointed out at the same time I wrote the letter to President Johnson that in August of 1965, about

47 percent of the boys who were either engaged or likely to be engaged in any kind of hostile action in Vietnam were draftees—draftees. And the draft based on a system that no nation in the history of the world ever attempted.

England at the height of its empire never would draft a little old cockney and send him to India to fight. Rome in the height of its imperial greatness would never think of impressing a slave to fight as a soldier of the imperial legions of Rome. That was for free born Romans. But it took us to say no matter what, if you are poor, if you do not have a certain level of education, then you have no exemptions. You are going to be drafted to serve, whether you like it or not, and you are going to be drafted to serve in an undeclared war.

These are the things that the men who wrote the Constitution, like Thomas Jefferson, feared the most, just like they feared the eternal possibility that these massive forces of economic oligarchy would take over, and they resisted it, and they said so. It took our generations in the 20th century to sell that heritage for what—for a mess of potage.

Where do we stand now? We stand in the third phase of what I call the latest version of the money manias. Like I said, when you get these forces in play, you can predict easily, you do not have to be a prophet, you do not even have to be an expert. You can have either inflation, the consequences of that, which will bring the money manias, the development of such things as the money markets, which obviously led to what the Congress had to do, or felt it had to do, although I did not think so, kind of a lone voice in trying to prevail against it, the 1982 Banking Act. Some call it the Garn-St Germain Act, but it is really the most major revision of the basic 1985 Banking Act since 1935, yet it was not palmed off that way. There was no Member who would have said, who really had not gone into it, and most of this was done in conference, we never had hearings, committees never heard them, we never heard debate, naturally. In fact, the whole thing passed out on a voice vote to 10:30 at night on October 2, 1982.

I went before the Committee on Rules. It was not easy. I do not like to contradict leaders who I respect and want to follow, but I do not care who they are, whether they are Presidents, or colleagues, or chairmen or bankers, I do not consider that I am here for their convenience. I am here charged in my oath of office of representing a given district, and the people therein, and that is all; nothing more, nothing less. If I allow myself, out of fear, out of fear of losing the job, out of fear of something else, then I do not think the American system would be working, and I think this is the real area that we ought to be concentrating on.

Mr. GAYDOS. Mr. Speaker, will my colleague yield?

Mr. GONZALEZ. I would be delighted to yield to the distinguished gentleman from Pennsylvlania.

Mr. GAYDOS. I thank the gentleman for yielding.

Mr. Speaker, at that point I think it is only proper that I insert in the record just a couple observations, if my colleague would permit me.

Mr. GONZALEZ. Absolutely.

Mr. GAYDOS. The gentleman mentioned whom he represents. I think it imperative at this time that the record show that here is at least one Member from the Pittsburgh area in Pennsylvania that has a most profound respect for my colleague from Texas, and that the residents of San Antonio and the congressional district which my colleague represents should feel extremely proud because their Representative has persistently and consistently over the last 5 or 6 years of my memory taken time out of a very busy schedule to come down in the well under many adverse circumstances and spread his philosophy and reasoning on the record.

□ 1350

He has done it without the benefit of notes in most instances, and I would challenge many of my colleagues in the House today to be able to duplicate that feat. When my colleague speaks, he speaks from the heart, he speaks from a vast reservoir of information, and he has demonstrated courage time and time again. At certain times in particular, I remember, he takes a particular situation and he makes sure that he is persistent, and he continues on until he makes what he calls a point and hopefully engenders or encourages some reaction.

I remember the very unsavory situation that occurred down in Texas involving a judge. It was this Representative who took over a year, again out of his busy schedule, to persistently come down on this floor and raise questions of a technical nature and of a practical nature, almost becoming a self-made investigator, which ultimately resulted in justice being done and the perpetrators of that crime being brought to justice. I am sure my colleague knows of the instance to which I refer.

I think at this time it should be brought out in the RECORD that listeners and viewers at this point and at times in the future should be cognizant, and I would like to remind them, of the reason why special orders do exist in the House. I would just like to succinctly say at this time that the reason why we have special orders is that it is almost impossible during the daily business on the floor of this House to bring in your feelings and to demonstrate your vast knowledge, the studying that you have done, what your experience indicates you can do, and to make type of arguments that my colleague is making, all for the general benefit of his colleagues, yes, and also for the citizens of this country and, in particular, the residents of his congressional district. So it is this time that is set aside to allow a Member to expand in detail on particular interests that involve his congressional district or him personally or his expertise to which he has been exposed throughout his time in Congress.

So my good friend, the gentleman from Texas [Mr. GONZALEZ], has dealt with economics and banking. Yes, they are very highly technical, boring subjects, but they are so very, very important that they ultimately end up with a person having a job or not having a job and end up with seeing whether a business is going to progress and flourish or whether it is going to go down in utter defeat, and also have international consequences which affect the very strength and sinews of this Nation.

I do not know how many times my colleague receives comments, but I want him to know that I believe that he possesses an unheard of and unequaled profound knowledge of the subject matter that he approaches on a regular basis. I think he is doing this institution a favor, and I think he is doing his constituents and this Nation a favor by taking the time to come down here and speak. I want him to know that if I am not here on the floor, I usually listen to him in my office on the TV, and I go home, in my own mind, a better informed legislator, a much better informed legislator, one who will hopefully be able to confront the problems that we have that are like and sometimes unlike the subject matter into which my colleague puts so much time and so much effort.

Mr. Speaker, I want to congratulate the gentleman. I think that is proper right at this point because the gentleman did mention at this point the matter of time and about why he is speaking in the well. I just wanted to confirm that.

Mr. GONZALEZ. Mr. Speaker, I want to thank my distinguished colleague, the gentleman from Pennsylvania [Mr. GAYDOS], because he, too, has spent many lonely hours here. I do not know if today he is waiting on me in order for him to be recognized, and what I want to do is try to sum up as quickly as I can so he will not have to sit here unduly long. But I want to express my profound gratitude to the distinguished gentleman from Pennsylvania, who also has spoken faithfully and sometimes unpopularly. It is not easy to sound critical of powerful forces and individuals.

Certainly I am sure it is neither the gentleman's nor my intent to do that, but one must speak as one sees the facts as they fall into place, because as much as one does not want to displease anybody, we have got to act in conformity with the greatest interests of the greatest number that we are charged with representing.

In the gentleman's case, he has seen the travail of the closing of steel mill after steel mill. One of his predecessors from Pennsylvania was a great inspiration to me, and I refer to the Honorable John Dent. Back in the early 1960's he was anticipating the net effect of forces that were emerging from Europe itself, because nobody wanted to accept the fact that the world had indeed changed and continues to change.

What I want to sum up with today is to say that the reason I am impelled to speak out is always because there are specific things that are happening. I am not speaking in general terms. The gentleman referred to the time that I spoke, not for 1 year—it was 2½ years—on the assassination of the first Federal judge in our judiciary to be assassinated, John W. Wood. Even though he was actually murdered outside the bounds of my district, it was in the confines of the San Antonio area, and that was a part of the district that I represented during my first 8 years, because the district used to consist of the entire county. But it also bore a sad proof to what I had been predicting for 4 years in San Antonio.

Now, I never bothered anybody up here because in the beginning, in 1970, for example, and in 1972 and 1974 I went to the Bexar County grand jury, and there were some elements involved, In fact, the newspaper this last Sunday, just yesterday, had a frontpage story about the murder last December of a notorious figure that it took this long to find out had been involved in such things as the assassination of President Kennedy. Well, that accounts for a lot of things that happened, and nobody, including the FBI, seemed to know why they were happening. But since that involved my hide, I was interested. For instance, the FBI reported a $35,000 contract on my life, and then the FBI clammed up and would not give me facts and whatnot. It took 2 years, through the Freedom of Information Act, to finally find out what kind of a dossier the FBI had on me, and it was not very pleasant.

But these are things that I feel are quite necessary if we really are going to live up to a system that I consider myself a great beneficiary of and that I am profoundly grateful for. Given my background, I think I have a deepness of appreciation that might escape the average American who has been priviliged to have been here for several generations. I think also what happens is that we take things for granted.

What I wanted to talk of today is something that is happening that is going to startle and is going to hurt many people with respect to savings and loans. We have been reading about the special State savings and loan systems that are giving us quite a number of problems in the State of Ohio and now Maryland, and there is only one other State—and I am not going to mention that name—and that have the same kind of structure, State charters and funding and what not, and that are regulated to the extent these savings and loans are. And they are very vulnerable, have always been, but now they are the first of those to go.

Now, let me point out one other thing. I have written down what I have discovered in my own backyard, and always the source of, I would say, 65 percent of my activities goes to individual citizens. I will give one example: the half-dollar coin, the John Kennedy coin. I am the one who introduced the resolution. I am on the committee and on the Subcommittee on Coinage. But I got that idea 4 days after the assassination of President Kennedy from a citizen in San Antonio, TX, who new something that I, even as a member of the Banking Committee, did not know, and that was that the law had been amended in 1957 providing that no coin could be changed as to the design except once every 25 years.

□ 1400

He said the half dollar, the Benjamin Franklin half dollar, is due and it is quite eligible and nothing would be greater than to have it coined in memory of President John Kennedy; so I introduced a resolution that eventually got enacted into law.

I got that from a citizen. I pride myself that I stay in touch, not forgetting where I came from, just trying to stay in touch.

As I said, I have gone over 8½ years of this.

Mr. GAYDOS. Mr. Speaker, will the gentleman yield?

Mr. GONZALEZ. Yes, I yield to the gentleman from Pennsylvania.

Mr. GAYDOS. Mr. Speaker, it is interesting, and I would just take one second to commend the gentleman, my colleague, that that is true.

Mr. GONZALEZ. It is.

Mr. GAYDOS. Because I had a workshop at one time, and the gentleman may remember at one time when the IRS form, where you followed the 1040 form, when it first passed they had a $1 contribution to the Presidential election.

Mr. GONZALEZ. Yes, I remember.

Mr. GAYDOS. There was a box there and you either checked the box or you did not. One of my constituents got up and said, "If I didn't want to put or allow a dollar to be deducted from the U.S. Treasury and I did not put that check in there, what is to prohibit somebody along the line from putting the check in because they felt it should be in?"

I complained to the IRS, and they now have two boxes. You put a check in if you want the dollar to go in and you put a check in if you do not want it to go in, so you have it covered both ways.

Again that illustrates, as my colleague has just indicated, what a constituent and citizen participation can be, and I congratulate the gentleman.

Mr. GONZALEZ. I think that is the reason we have such an affinity of interest and concern that has led us out of 435 Members to have a little bit closer association than the average.

Well, I want to point out what is happening, because it is a consequence, another form of the money manias that have agitated and whiplashed this country, with great destructive impact. That has to do with the inflated values of some of these institutions. At this point it seems to be concentrated in the savings and loans. I think one reason is that Congress, wittingly or unwittingly, homogenized all financial institutions and we do not have real savings and loans anymore. They are banks. Credit unions are banks.

So here is step one. A developer or promoter buys a 3,000-acre tract of land for $5,000. Some of you say, "Where in the world can that be done?" Well, it is still possible over in our stretch of the woods.

He then sells part of it, say 200 of the 3,000 acres, to a supposedly nonrelated party for $20,000 per acre, because the demand is there.

This is probably with little or no down payment and a note for the balance.

Step 3. He then sells another tract of land to a supposedly unrelated party for $20,000 or more on very lenient terms.

Step 4. He has now established a fair market value on the land of $20,000 per acre. He then goes to a friendly savings and loan, and let us use that word advisedly, a friendly savings and loan, and creates a joint venture partnership to develop the remainder, or a part of the remainder, based on a value of $20,000 an acre, that same acreage that he bought for $5,000 an acre.

The savings and loans are allowed to loan 75 percent or 80 percent of fair market value. Then the savings and loan can lend from $15,000 plus per acre of land that he acquired for $5,000 per acre.

Step 5. If he has a close relationship with the savings and loan, and most of the promoters do, he might even sell

his land to the savings and loan for $20,000 per acre and then take his profits and buy stock in the savings and loan and end up controlling the savings and loan with their own money. It will give the savings and loan more capital, thus it can participate in more deals; however, the capital does not really exist until they sell the land at an inflated price.

Setp 6. The savings and loan then sells this land to another developer on very favorable terms and a few points of brokerage which they add on to the loan and which they show as profit.

Actually, little money, if any, has changed hands at all; however, the savings and loan shows this as an asset on their books, plus the paper profit on this transaction.

The project may go slow and the purchaser cannot pay the note or the interest earnings. If it was a $10 million sale, they are accruing probably 14 percent, or $1,400,000 that does not exist. These kinds of deals have worked, as I said and repeat, during these times that we have associated with a high inflationary spiral.

Instead of foreclosing a loan, they will increase the loan by the amount of interest due. In other words, as the saying is in Spanish, and I will not repeat it today, but what it means is that you are paying debts with debts.

They have reported a $1,400,000 income that only exists if the land were truly to inflate to the original inflated price, plus accrued interest.

The probability exists that this will eventually collapse. As their earnings are phony, they have no real reserve base for losses. Then the FSLIC has to step in and pay off all the depositors up to $100,000, except that recently in the case of the FDIC and the Continental Illinois Bank, every major holder of more than $100,000 was paid off because the taxpayers through the Federal Reserve Board had ante'd up $6 billion and we in effect nationalized that bank.

If this had been done in another country, we would have said they nationalized it. In the United States, we still do not use those words, but that is what we did.

Now, how much the FSLIC has in reserve is questionable. Well, it has not been questionable to me again since 1971.

You know, my colleague is a member of the same party as I am; yet you ask the average American who has swallowed this President and his party's propaganda whole, you would think that the Democrats were responsible for inflation, they were responsible for the deficit and that there is no other cause.

The truth is that the Democrats never devalued the dollar. The Republicans, did, not once but twice, with President Nixon. They did not call it that in the American newspapers, but that is what it was. It was a wholesale devaluation of the dollar. That is when the European press said that we had gone off the gold standard, that is, we stopped redeeming dollars in gold.

This is why the Europeans finally are going to tell us how the cow ate the cabbage and are going to use their superior gold reserves as their backing for the European currency unit.

This is why we are in a terrible jam, with no awareness on the part of our national leaders, such as the President, such as the Secretary of the Treasury or anybody in the Congress that I know of; so that the day of reckoning is not too far off.

Now, as I said, what is the reserve? Well, as of 15 years ago, maybe give a year or two, take a year or two, the FSLIC had no more than about $6 billion to cover about $650 billion of covered deposits or accounts, whatever you want to call them.

Now they could have a draw, like the FDIC, on the Treasury, but it would never match.

Now, the FDIC has never had at any time more than $13 billion plus the emergency right to draw $3 billion from the U.S. Treasury, to cover what—a trillion dollars of insured deposits.

So let us face the facts. That system has been done under over the course of about a decade and a half or two decades, a decade and a half.

So this sums up the current money mania that is destined to have some pretty catastrophic results.

To accompany this, I will insert into the RECORD at this point an article demonstrating the concern of the State authorities in Texas are manifesting, which appeared in the San Antonio Express News Monday, May 13, 1985:

GROWTH OF S&L'S IN STATE PROMPTS CRIMINAL PROBE

DALLAS.—Financial experts say the unprecedented growth of savings and loan associations in Texas is the focus of criminal investigations of about a dozen institutions.

Savings associations purchased by investors outside the financial industry and bolstered by deposits raised through high interest rates have provided the money for commercial and residential real estate construction or purchase of undeveloped land, regulators say.

"Clearly, some (Texas associations) have been shooting craps," Paul Horvitz, a University of Houston banking professor who serves on the board of the Federal Home Loan Bank in Dallas, said.

Officials said loans and investments of the state's associations grew 37 percent last year, compared with 8.8 percent for banks.

Horvitz, who completed a survey of associations' real estate lending practices in the state, said his results were "hair-raising."

Industry experts said at least 24 Texas associations with assets of $100 million or more doubled or tripled in size last year, while more than 20 others with more than $100 million in assets grew between 50 and 100 percent.

"We have seen a lot of excessive speculation through the thrift industry, and the losses we're likely to experience over the next few years are testimony to the concerns many of us have had," said W. W. "Bo" McAllister, chairman of San Antonio Savings Association.

McAllister said assets at his institution grew 32 percent last year to $2 billion.

U.S. Attorney James Rolfe of Dallas said activities of about a dozen associations in the northern district of Texas are under criminal investigation.

About half the cases are connected to the failure of Empire Savings & Loans of Mesquite last year, Rolfe said.

He declined to release names of the institutions under investigation.

A local real estate appraiser in the Empire case has pleaded guilty to preparing more than 400 inflated appraisals used to obtain loans for land and condominiums along Interstate 30, east of Dallas, authorities said.

At least four other Texas thrifts were hurt by construction problems along I-30, officials said.

Mr. Speaker, I have always believed that the American people, if informed, will bring about some form, sooner or later, of expression if our system is still viable, and I say if, because we have had some forces that have moved in, such as the huge multibillion-dollar PAC influences in our electoral processes.

□ 1410

But if we are still resilient—and I have been privileged to travel this country from one end to the other, and what I see is a democracy, healthy, among our people. If we have the wit and the will to just uphold our oath of office, which says we shall perform well and faithfully.

I yield back the balance of my time.

MAKE AMERICAN STEEL COMPETITIVE: REDUCE INTEREST RATES; INCREASE CASH FOR MODERNIZATION

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Pennsylvania [Mr. GAYDOS] is recognized for 30 minutes.

Mr. GAYDOS. Mr. Speaker, first of all, I would like to commend my colleague, Mr. GONZALEZ, for another excellent discourse. I want the gentleman to know that some day someone is going to put together all of the special orders and they are going to be called the Gonzalez discourses, and they are going to be in a library down there in San Antonio, one of these days, and anybody that is interested can go down there and can get the background of a very vibrant and scintillating history in this House of the last 20 years. So I would very firmly recommend that to any of the students down there in that area.

I think along that line of what was being said in previous special orders, that at this time, I would like to make

reference very hurriedly to an article that appeared in one of my local newspapers.

Mr. Speaker, since we have a trade deficit estimated at between $140 billion and $160 billion staring this country in the face this year, and there is a growing demand across the country hopefully to buy American, the trouble is there appears to be very few American-made products available to the patriotic consumer of today.

This situation is graphically illustrated in what would be a most humorous article submitted to me by one of my constituents, again were it not for the fact that the issue is so fundamentally serious. The article is entitled, and I quote, "The Trouble Is" and then it ends the quote. That is how the article appears. And the article was taken from the American Legion News and reprinted in the April 19 newsletter of the New Kensington Area Chamber of Commerce. It was forwarded to me by Grace Girardi, comptroller of Gerald L. Sanders Electrical Co. in New Kensington, PA.

I fervently urge my colleagues to read the following article. It carries a message for all of us, and I think I would just take 1 minute to read it.

This is under the heading of "The Trouble Is."

It starts out:

He drove his German car made of Swedish steel and interior of Argentine leather to a gasoline station, where he filled up with Arab oil shipped in a Liberian tanker and bought two French tires, composed of rubber from Sri Lanka.

At home, he dropped his Moroccan briefcase, hung up his Scottish tweed wool coat, removed his Italian shoes and Egyptian cotton shirt, then donned a Hong Kong robe and matching slippers from Taiwan.

More comfortable now, he poured a cup of hot Brazilian coffee into an English coffee mug, set a Mexican placemat on an Irish linen tablecloth atop a Danish table varnished with linseed oil from India. Then he filled his Austrian pipe with Turkish tobacco, lit it, and picked up a Japanese ballpoint pen with which he wrote a letter to his Congressman demanding to know why the United States has an unfavorable balance of trade.

Mr. Speaker, this article means a lot, and I think the trouble with the article, "The Trouble Is", is, it is all too very, very true in this country today.

On past occasions, I took that very subject and went into great length to talk about it and I hope to do it sometime in the very near future.

But today, Mr. Speaker, I want to talk about America's steel industry and how it is being battered left and right.

Mr. Speaker, a couple of weeks ago, Wheeling-Pittsburgh Steel filed for reorganization under chapter 11 of the Federal Bankruptcy Code. At the same time, Armco Steel was also reeling and facing a possible bankruptcy filing. Sharon Steel, in Pennsylvania, too, is in trouble.

And just last Friday, LTV Corp., the Nation's No. 2 steelmaker since its merger with Republic Steel less than 1 year ago, announced an internal restructuring of its steel division which will result in the closing of its Aliquippa, PA, factory.

This tragic move will result in the disruption of the lives of 1,300 workers at that mill and their families. Those men and women who have been working at that plant will now have to search for other kinds of employment—and it won't be easy.

A survey by the Department of Labor's Bureau of Labor Statistics in January 1984 indicated that even then there were about 120,000 displaced workers in steel and related metal industries.

What is more, these workers have characteristics that make it far more difficult for them to find alternative employment. Generally, the survey found that displaced steelworkers are disproportionately male, married, and have a family; have some high school education with little or no college; have some skills, mainly as factory operatives; and have 20 years work experience with about 10 years on their last job. That is the average unemployed steelworkers' characteristics and qualifications.

Further, they are concentrated, by and large, in specific steel regions in the North Central part of the country in which there is a shrinking number of available workplaces.

Just to give you some idea of where these displaced steelworkers are: Some 45 percent of the 120,000 in January 1984 had found alternative employment. That is the lowest for all industries in this country today. The average across the board in all industries was 60 percent.

So what will happen to these workers—those that cannot find substitute employment? What kinds of futures do they have? And what about the communities in which they live? A lot of other families—those who work in local banks, supermarkets, drug stores, and what all—will suffer as well.

In an advertisement in Monday's newspapers, LTV has tried to focus on the problem. They note that during the past 10 years, some $600 million were spent to modernize the Aliquippa mill so as to remain competitive with steel imports.

In its advertisement, LTV says:

We cannot say that every management move at LTV was correct. We cannot ignore the increase in steel-substitute products. And we cannot deny that costs—including employment costs—reached high levels.

Still, the truest answer to Aliquippa's trauma lies not in Pennsylvania, but overseas.

Unfair foreign competition, in the form of subsidized and "dumped" steel, intruded on product lines of steel bars, oilfield pipe and casing, continuous weld pipe, rod and wire, light structural steel, fence wire, and even nails—until we could no longer compete. What was finally left—pipe—now has an import penetration level of more than 60 percent.

That was quoted by LTV.

The LTV advertisement goes on to say that the corporation supported the administration's efforts to curb steel imports at a level of 18.5 percent through voluntary restraint agreements, even though it was giving away a big chunk of the American domestic market.

Well, if the administration's effort had worked, Aliquippa might be in business today and a year from now. But the truth of the matter is that imports are still well above the expected mark and I expect they will stay there for quite some time.

For example, just last week, the figures for steel imports for the month of March and the first quarter of 1985 became available and, quite frankly, while there is some good news to go along with the bad, the bad news is much worse.

The good news is that steel imports are reflecting a slight decrease as a share of apparent market in each of the first 3 months of 1985. In January, the imports captured nearly 31 percent of the American market; in February, the share was just over 27 percent; and in March, the import share fell to 24.5 percent.

□ 1420

At this time I am very happy to yield to my colleague from Pennsylvania in the adjacent congressional district, and who is presently serving as chairman of the steel caucus, which I serve as chairman of the executive committee, and who has had some of the miseries I am speaking of occur in his own area of Johnstown, PA, and who is probably one of the most informed Members on steel, steel imports, and the results of which has been spread on the record I think to anybody in Congress.

So at this time I would like to yield to my colleague from Pennsylvania, Mr. MURTHA.

Mr. MURTHA. I appreciate the gentleman yielding to me, and I just wanted to commend you for taking this special order, and also commend you for the work that you have done.

I know how difficult it is when a plant is cut back and reduced so substantially. What it means to the people who are going to be unemployed and the workers and the tremendous impact it has on them.

The figures you cited are so important, the fact that members of the steel caucus were able to convince the President that we needed to restrict these imports—not eliminate them, but restrict them substantially—these subsidized imports coming into this country. Nobody has had more to do

with that than you have, and your influence has been so substantial.

Hopefully some of these plants that have been shut down and cut back will be started back up again, and more people will be put to work. They predict that 7 or 8 million tons of steel that is used next year will come from, this coming year used in this country will come from this country because of this voluntary restraint agreement.

So I just wanted to compliment the gentleman for the work that he has done in this area. Hopefully it will have an impact by this year, and of course, as the gentleman knows, we are sending a letter to the President, urging him to enforce this legislation, because it does not do any good to have it on the books if it is not enforced.

I know that working with the administration, we will come up with some policy that will reduce subsidized imports and increase the amount of steel produced in this country.

Mr. GAYDOS. I want to thank my colleague, and I do want to commend him for the persistency. I think we have been working together along with some of our colleagues in the steel caucus, and with the steel caucus for the last 6, 7, years. In fact, I think that our birth date, 6 years, is about due this month; in fact very shortly.

I think during that time both of us have experienced, maybe to our chagrin and disappointment that we have had so many promises; we have gone through so many suggested solutions, and in the last analysis, we end up picking up an empty bag.

As I commented I think in one of our special orders, that empty bag that we are picking up in this country is marked "made in Japan," to illustrate that it is a serious, ongoing problem. I do not know that this is the answer. As my colleague has indicated, we hope it is. We are talking about the voluntary restraints, the negotiation of agreements.

I am going to voice some of my doubts as to the inadequacy of it. I would have liked to have seen some immediate action, but that is the only ball game in town; we are trying to negotiate these voluntary arrangements between these exporters that are importing into this country.

We do not know if it is going to work. We hope it works. We have gone through so many disappointments. I do not know, I would hope, sincerely hope, that the administration, if this should fail, would sit down at arm's length again with the steel caucus as they have in the past, with a sincerity to attack the problem and then work out maybe something in the line of mandatory quotas.

I think my colleague and I both agree that Mr. Nixon in years past—and I have mentioned this so many times—he has been criticized for many things that he should not have done, and that is not for me to judge, but I remember one thing that I have given him affirmative credit for: When we had a vast influx of automobiles which we are about to have today, and it looks like we are going to have, at that time, years back, President Nixon was not afraid; took a very solid stance, and he put a 10-percent surtax on all foreign automobiles coming into this country.

That was at the time when people were saying that he was going to start an international trade war, that it wasn't going to work; he was doing something that was improper, but he did it, and he did it from the courage of his convictions. I have to say that it worked. He saved the automobile industry.

Now, some 15 years later, we had the same type of an impasse; we did negotiate voluntary quotas, as recently as 2 years ago, where the Japanese did enter into an agreement and did limit their exports of automobiles into this country, it was working and did work.

Our automobile sales increased; Chrysler came back; people were making money; jobs were created; our people were working, but again it looks like an influx is coming in and that we are going to have to do something, and I do not know what the solution is going to be, I am not clairvoyant; but we are going to be faced again with the same type of a predicament and I am sure the steel caucus is going to be there on all fours, ready and willing to work with the administration or against them, depending on what position they take.

I yield again to my colleague.

Mr. MURTHA. I just want to also say to the gentleman how much all of us appreciate you taking leadership in this very important subject.

I remember John Dent, both of our predecessors, who represented part of Westmoreland County, had been saying this for 20 years. You and I have been saying it for 10 years, and now the Congress and the public are beginning to recognize how important the work is in reducing these subsidized imports coming into the country.

So I appreciate the hard work and foresight the gentleman from Westmoreland and Allegheny County has had, and the work that you are doing on the steel caucus. All of us appreciate it. Hopefully, it will have some impact the rest of this year.

If these voluntary restraint quotas go into effect we should have a substantial increase in production of steel in this country, if the administration will enforce it. I hope that will happen. I hope we will see a tremendous increase in the amount of steel that is produced in this country.

Mr. GAYDOS. I think my colleague makes a very important point: enforcement. Now we have always argued, over the last 10 years—and regardless of which administration; whether it is Republican or Democrat; does not make any difference—history shows, unadulteratedly, that each succeeding administration was always hesitant to assign adequate personnel, No. 1, to check on imports coming into the country; each administration was always hesitant to slap the wrists of those countries that were violating some of our international trade laws; it always took time; it always seems to occur that an industry in this country was going to be stripped, going to be defeated or going to be put out of business before something was done.

We have a very erratic history of enforcing our trade laws. So that, along with the very great tensions that exist today in the Nation, internationally, where trade is involved and where the people in Brazil and Argentina have to have a dollar to pay their great debts to the bankers in this country—and they always claim and defend that when they cannot pay that debt that it is because they cannot ship any products to this country to make money, so that they can pay that international debt off.

Eventually, each succeeding administration acquiesces, and they will change and they will say, "All right, you are allowed to ship into this country, we are not going to be so strict."

□ 1430

And eventually the unemployment is created here, and our competitors are working. In Korea, which ships so much to this country, something like 40 percent of what they make they ship to this country—it does not go to Japan, it goes to this country—the unemployment rate is roughly 3½ to 4 percent. In our country we are talking about 8 percent.

So these things just do not work. We cannot take care of the whole world, we cannot keep shipping our employment overseas and importing unemployment. Somewhere sometime somebody is going to have to answer. And that is what we are trying to do with the steel caucus in taking these special orders, trying to alert the American people, the listeners here on this floor today, my colleagues, and, internationally, yes, to alert the international community that the time is going to come when this country cannot absorb unfair subsidized foreign imports.

We have an obligation first at home, that is, to provide employment. The old saying goes, and it has not changed, that you cannot wash my shirt and I wash your shirt because we have nothing to pay each other with. We end up as a bartering nation. That may well happen. But our standard of living, of necessity, must fall if we do not solve this problem and have other economies and other countries with

full or better employment than we have. We can only take so much.

So the bad news, if I may get back to my prepared remarks, is that imports accounted for a larger share of the domestic market for the first quarter of this year than for the first quarter of 1984, and 1984 was one of the worst ever for the American steel industry.

For the first quarter of 1985, imports took more than 27½ percent of the apparent supply. For that same period last year, imports captured just over 25 percent. The difference is that imports today represent a penetration level of almost 2½ percent higher for the first quarter than they did last year.

The big question is, of course, are these voluntary restraint agreements the U.S. Trade representative has worked out with some of the major steel exporting nations working?

The answer, as far as I have been able to determine, as of this time is both yes and no. It appears to be working because the month-by-month level of imports appears to be dropping. At the same time it is not working because some nations have yet to finalize the agreements they have initialed and others have either not been asked to come to terms or have refused to do so and now are increasing their steel shipments to the United States.

As far as I am concerned, if we refuse to set specific quotas on steel and steel products, we must enforce the executed agreements and bring other steel exporting nations under agreements if we are to succeed. At the same time, we must look for ways to provide less expensive funds—lower interest rates—for the steel industry so it can develop and implement new technology that will bring production costs down and make American steel competitive with imports.

I raise this point because of a report I received late last week from the Congressional Research Service. The report, "Hypothetical Effects of Lower Interest Rates on the Costs of Production of the Integrated Steel Industry," was prepared by Dr. David Cantor, whose understanding of the steel industry in this country and the trends within that industry have been on or very close to the mark over the past years.

Dr. Cantor notes in this report that American integrated steel companies are paying bond interest rates of between 13.5 and 16.5 percent while new issues of high-grade corporate bonds fall into a narrow range of between 11.5 and 12.25 percent.

This report suggests that a drop in the interest rates for the integrated steel industry could have a profound impact on the industry's ability to cut the cost of producing steel and implement state-of-the-art technologies and processes that would make American steel more competitive here in our own markets.

Thus, Dr. Cantor notes in this report, if the interest rate paid by the integrated steel companies could be dropped to that of the rate paid on high quality bonds in this country—that is, from 15½ to 11½ percent, a 2-percent cut—costs of production of hot-rolled steel sheet could be reduced by between 1.9 and 2 percent or about $8 a ton.

Why is this important? Simply because the steel industry is being forced to undercut its own price lists to compete.

Data Resources Inc., in a May 1985, forecast, estimates the actual realized price for hot-rolled steel sheet to be about $378 per ton. At the same time, the National Academy of Engineering, in its recent report on the steel industry, estimates the actual cost of a ton of hot-rolled steel sheet to be in the range of $396 to $432 per ton, depending on the production process used.

Based on those estimates, the steel companies are losing between $18 and $54 per ton. A drop in the interest rates of 2 percent could reduce the loss per ton to between $10 and $46.

As Dr. Cantor says:

Reducing losses by these amounts would provide a significant increase in financial resources for investment to the industry. An $8 reduction in costs per ton resulting from a 2-percentage point drop in the interest rate would have meant nearly $730 million of additional net revenue from steel operations. This estimate is based on industry output of 91.2 million tons. Lowering the interest rate by 3.5 percentage points would have meant nearly $1.3 billion in additional revenues. While industry losses would clearly not be eliminated, the effect on steel industry cash flow resulting from the losses would be substantially reduced. Given that the industry is obligated by title VIII of the Trade and Tariff Act of 1984 to reinvest substantially all of its net cash flow from steel operations in those operations, the potential for additional investment in new technologies and the cost reductions resulting from them is considerable.

Dr. Cantor's points are important. And, because they are so crucial to our understanding of the problems facing the integrated steel industry, I am including the full report with these remarks in the RECORD.

There is another factor to this issue of interest rates. As we all noted last week, the prime rate in the United States is dropping to 10 percent. For those who may not be aware of it, the prime rate in Japan is 8 percent. And, given the savings and borrowing patterns, that means Japanese companies, including steel operations, can borrow money from Japanese lenders at considerably lower interest rates than in this country.

As Dr. Cantor pointed out with regard to the American steel industry, this means that the cost of producing a ton of steel in Japan is considerably less.

Not only can Japanese companies borrow money less expensively for operations in Japan, those same companies can borrow money for offshore functions with approval from Japan's Ministry of Finance. And, according to what I have learned, the Ministry of Finance is only concerned with the fact that the money is going out of the country.

This means that National Steel in this country, now substantially owned by Nippon Kokkan [NKK], through NKK, can borrow funds from Japanese lenders at substantially lower interest rates, thereby making improvements in its operations here in this country.

Thus, National's cost of steel making would be reduced, as Dr. Cantor says, through lower borrowing rates as well as implementing state-of-the-art technology.

Yes, it is true that American steel companies, if approved by a Japanese lender, could borrow from Japan's financial institutions and, possibly, could get approval from Japan's Ministry of Finance to use the money for modernization of a U.S. plant, but, given a substantial drop in the value of the dollar as compared to the yen, that American company could lose any savings if the loan was called, unless it had a yen source, such as National Steel's ties with NKK.

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There is one other point I would like to make with regard to this issue of less expensive money. Earlier, I alluded to Japan's savings patterns, something many economists have discussed for some time from the perspective of seeking ways to encourage Americans to copy.

I think it is important to consider why Japanese save, on average, about 20 percent of their earnings as compared to between 4 and 6 percent of earnings for American workers. It is important to understand because it provides Japanese companies access to a relatively larger amount of capital at lower interest rates, which they borrow, and they improve their industries.

An article in the May 14 issue of the Wall Street Journal sums it up quite clearly. First, while social security benefits in Japan are paid on roughly the same level as that of the United States and begin at age 60, the lifetime jobs Japanese workers have tend to end when workers are about age 55. That means the average Japanese worker employed by one of the larger companies has to have enough to support himself and his family for some 5 years until his social security benefits begin.

For workers in smaller companies, who don't have the guarantee of lifetime employment—and there are a

great many of them, despite all you read about worker protection from layoffs, an even larger nest egg is necessary.

Second, the Japanese are concerned about the solvency of their social security system, much as we are, and, with the period of retirement increasing as the lifespan for the average Japanese increases, they realize that taxes are going to rise to keep benefits intact. So they must have that nest egg handy.

A third reason for a heavier rate of savings in Japan is that the Japanese have less incentive to spend on luxury items. The average Japanese workweek is 42.5 hours, as compared to 37.5 hours here. That means the Japanese worker is working on Saturday, too, and can't get away for a weekend at the beach or in the mountains, so the demand for boats, campers, and many other recreational items doesn't exist.

A final reason is housing. Just like Americans dream of owning their own homes, so do the Japanese. But it isn't easy. Houses cost about 10 percent more in Japan, partly because of the scarcity of desirable land. For that the Japanese save also.

The downpayment is usually about 40 percent, as compared to between 10 and 20 percent here, so it takes considerably longer for the Japanese family to save that.

Thus, Mr. Speaker, the Japanese have a strong incentive to save.

It should also be noted that most Japanese savings are in postal bonds that pay an interest rate of about 3 percent. If you look at the ads for American savings institutions, you will find that Americans aren't going to put money into savings unless they are going to get a substantial return on their investment, especially when they know they will have to pay taxes on interest earnings over a specified amount.

Perhaps, Mr. Speaker, the steel industry should be looking for ways to borrow at cheaper rates. Perhaps we, the Congress, ought to consider looking for ways to help in this direction as well as with our concern about high levels of imported steel.

Mr. Speaker, I conclude my remarks with the final observation that we will be back again, that is the steel caucus, to continue to make this information available to our colleagues and to the American public on weekly occasions.

Mr. Speaker, at this point I include the report from the Congressional Research Service.

HYPOTHETICAL EFFECTS OF LOWER INTEREST RATES ON THE COSTS OF PRODUCTION OF THE INTEGRATED STEEL INDUSTRY

(By David J. Cantor, Congressional Research Service, May 14, 1985)

ABSTRACT

If the interest rate charged to high quality borrowers was paid by integrated steel companies, their cost of producing finished steel products could be lowered by from 8 to 14 dollars per ton, or from 1.9 to 3.5 percent. Cost reductions of these magnitudes could result in additional cash flow for reinvestment in the range of 0.7 and 1.3 billion dollars, with additional and more significant cost reductions resulting from more modern plant.

HYPOTHETICAL EFFECTS OF LOWER INTEREST RATES ON THE COSTS OF PRODUCTION OF THE INTEGRATED STEEL INDUSTRY

The high cost of financing capital expenditures is a major problem facing the integrated segment of the steel industry. With steel demand flat at best and imports accounting for more than one-fifth of the market, the large integrated steel companies are paying rates of interest ranging from about 13.5 percent to nearly 16.5 percent. This contrasts sharply with the yields on new issues of high-grade corporate bonds in the range of 11.5 percent to 12.25 percent.

These relatively high interest rates paid by the large integrated steel companies creates two related problems for them. First, they add to the cost of producing steel, making domestic steel even less competitive with foreign steel. Second, they make less attractive those investments in state-of-art technologies and processes that could lower costs of steel production and, therefore, permit American steel to compete in at least domestic markets.

While some may complain that interest rates paid by so-called "high quality" corporate borrowers are too high, the even higher rates paid by integrated steel companies—2 to 5 percentage points higher than "high quality" borrowers—only exacerbate the difficulties of the steel industry. This report, utilizing cost estimates for producing steel recently issued by the National Academy of Engineering (NAE),[1] assesses the potential effects of lower interest rates on the cost of producing steel.

Using the NAE cost estimates only as a base reference case, the cost of producing 1 ton of hot-rolled sheet could be lowered by from 3.3 percent to 3.5 percent, if the steel industry could borrow long-term at a rate of interest of 11.5 percent instead of the 15 percent rate assumed by the NAE. Cost savings in the range of about 14 dollars per ton could be achieved. Even a 2-percentage point reduction in the cost of long-term borrowing would reduce steel-making costs by from 1.9 to 2.0 percent, or by about 8 dollars per ton to finished product.

Although these magnitudes may seem small even trivial to some, they are in fact considerable in relation to the cost savings achieved by the processes financed by new investment. Again, based on the NAE assumed cost of a continuous caster of 142 million dollars, production of semifinished steel shapes using continuous casting technology achieves cost reductions of about 35 dollars per ton. The reduction of total costs of 14 dollars per ton resulting from a 3.5 percentage point drop in the interest rate is equivalent to 40 percent of the savings achieved by continuous casting. Lower costs of capital can contribute significantly to achieving lower costs of production of steel products.

I. Methodology and assumptions

This analysis develops estimates of the cost savings in producing steel products resulting from a drop in the interest rate by modifying the interest rate assumptions made by the NAE in its cost estimate. NAE developed its total cost estimates of steel production using the technical input coefficients at each stage of production of the MIT simulation model of the steel production process.[2] NAE multiplied these input coefficients by its estimates of 1983 input prices.[3]

This approach recognizes the complexity of the steel-making process. A large integrated steel company plant is in reality several establishments: it includes materials' processing facilities, the blast furnace for producing pig iron, the steel-making furnace, facilities for fabricating semifinished shapes (either a combination of ingot and semifinished steel shape casting operations or continuous casters), and the finishing mills. The MIT model identifies 11 different operations, illustrating the complexity of the total process.[4]

Capital investment in new techniques can obviously be made at each stage of production. For example, investment could be made in a continuous casting process, but not in either the blast furnace molten steel-making operations or in the finishing mills. Also, the amount of investment expenditures varies by stage of production. For example, NAE assumes that a new continuous caster involves an expenditure of 142 million dollars, but the initial investment in a Basic Oxygen furnace would amount to 11 million dollars.[5] By separating the total process of manufacturing one ton of finished steel mill product into its several operations, the capital charges (and those for every other input) attributable to the end product can be estimated.

With respect to allocation of investment charges to output, NAE makes two relevant assumptions. First, NAE assumes an interest rate of 15 percent. Second, the investments are assumed to be amortized over a 10 year period. The interest rate assumption appears to be reasonable in view of the fact that steel industry long-term debt yields are in the range of 13.4 to 16.5 percent. The period of amortization, 10 years, may be considered arbitrary.

NAE's assumptions of investment requirements at each stage of the steel production process are presented in table 1. These estimates were based on 1983 costs of equipment as projected by commercial macroeconomic models.[6] To the extent that they are under—or overstated, the capital charges developed by NAE are too low or high in relation to current actual experience. If NAE estimates are too low, then the actual capital charges would be higher at each stage of production; the effect of a lower interest rate would be greater. Nevertheless, the NAE assumptions are used herein to establish a base reference case.

The case examined apply to integrated steel companies. These companies produce steel by, first, fabricating pig iron from iron ore, iron ore pellets, and coke and second, refining steel from the pig iron, scrap, and other additives. Nonintegrated companies produce steel in electric furnaces, relying mainly on scrap as a raw material.

Two cases are considered herein. In the first, the raw molten steel produced in a

[1] National Academy of Engineering and the National Research Council. The Competitive Status of the U.S. Steel Industry. Washington, National Academy Press, 1985. 158 p.

[2] Ibid., p. 60, 146–158.
[3] Ibid., p. 146 f.
[4] Ibid., p. 61.
[5] Ibid., p. 152 f.
[6] Ibid., p. 64.

basic oxygen furnace is processed by pouring ingots and then casting the ingots into semifinished steel shapes for finishing. In the second, the raw, molten steel is processed directly into semifinished shapes in a continuous caster. The total investment in a new plant that cast ingots first and then semifinished shapes would be over 1.7 billion dollars; the plant using continous casters would cost just under 1.7 billion.

TABLE 1.—INVESTMENT REQUIREMENTS FOR STEEL-MAKING BY STAGE OF PRODUCTION: ASSUMPTIONS OF THE NATIONAL ACADEMY OF ENGINEERING

Stage of production	Output	Total investment (millions)	Capital charge per unit of output [1]
Pelletizing	Iron ore pellets	$18.75	$10.67/ton of pellets.
Sintering	Sinter	15.00	9.96/ton of sinter.
Coking	Coke	860.00	55.10/ton of coke.
Blast furnace	Pig iron	685.00	21.93/ton of pig iron.
Basic oxygen furnace	Raw steel	11.00	10.96/ton of raw steel.
Ingot casting	Ingots	1.00	0.66/ton of steel ingot.
Ingot milling	Semifinished steel	10.00	6.64/ton of semifinished steel.
Continuous casting	Semifinished steel	142.00	10.25/ton of semifinished steel.
Finishing mill	Finished steel, mill product.	100.00	28.46/ton of finished steel.

[1] Assumes 15 percent rate of interest, and amortization of investment over a 10 year period.

Source: National Academy of Engineering and the National Research Council. The Competitive Status of the U.S. Steel Industry. Washington, National Academy Press, 1985. p. 148 f.

NAE makes other cost assumptions, which may or may not conform to reality. For example, NAE assumes the cost of production labor to be 25 dollars per hour.[7] This amount exceeds the American Iron and Steel estimate for 1982 by about 1.20 dollars per hour, and fails to take into account wage concessions of $1.25 per hour in 1983.[8] Again, the NAE estimates are utilized to establish a base reference case.

II. Hypothetical effects of lower interest rates on the costs of production of finished steel

If the interest rate paid by integrated steel companies could be lowered to the rate paid on high quality bonds, costs of production of hot-rolled steel sheet could be lowered by between 3.3 percent and 3.5 percent, or by about 14 dollars per ton. A 2-percentage point reduction in the interest rate could result in the lowering of costs by between 1.9 percent and 2.0 percent, or by about 8 dollars per ton. These effects are summarized in table 2.

The effects vary slightly depending upon the steel-making process. Companies using conventional methods for producing semifinished shapes (namely, casting ingots from the raw molten steel and, then, casting semifinished shapes from ingots) could achieve marginally higher dollar savings per ton, but smaller percentage reductions in cost than companies employing continuous casters to fabricate semifinished shapes. The larger dollar cost reductions of companies using conventional methods is due to the higher capital inputs per ton.

The cost reductions identified assume that capital investments in the amounts indicated in table 1 are made for every operation involved in steelmaking—from the production of iron ore pellets through the rolling of the finished steel product. Thus, the lower cost of inputs from prior processes resulting from lower interest rates are asusmed to be passed through to each successive stage of production.

Suppose, however, that a company only made new investments in a continuous casting process and finishing mills, and that operations up to and including the basic oxygen furnace process were financed at the base reference case interest rate of 15 percent. This company would value the raw molten steel at a price of $244.22, based on NAE estimates. Changing technologies in successive operations would lower total costs per ton of finished product to $396.34 at the 15 percent rate of interest, to $393.36 at the 13 percent rate of interest, and to $391.19 per ton at the 11.5 percent rate of interest. total savings would be $35.77 per ton, if the interest rate were unchanged. If the interest rate fell by 2 percentage points to 13 percent, total savings would be $38.75; an interest rate of 11.5 percent would result in lower costs of $40.19. Clearly, most of these savings result from adoption of the continuous casting process; still, lower interest rates would reduce costs further by an additional 8.3 to 12.4 percent, depending on the interest rate chosen.

TABLE 2. HYPOTHETICAL EFFECTS OF LOWER INTEREST RATES ON COSTS OF PRODUCTION OF HOT-ROLLED STEEL SHEET

[Dollars per ton]

Interest rate scenario	Total cost	Change from base case
Base case (15 percent interest rate):		
Conventional ingot/semifinished process	$432.11	NA
Continuous casting	396.34	NA
2 percentage point reduction (13 percent interest rate):		
Conventional ingot/semifinished process	423.88	−8.23 (−1.9%)
Continuous casting	388.36	−7.98 (−20%)
3.5 percentage point reduction (11.5 percent interest rate):		
Conventional ingot/semifinished process	417.73	−14.38 (−3.3%)
Continuous casting	382.40	−13.94 (−3.5%)

NA: Not applicable.

Calculated by CRS, using as source: National Academy of Engineering and the National Research Council. The Competitive Status of the U.S. Steel Industry. Washington, National Academy Press, 1985. p. 146–158.

III. Conclusions

Lowering the interest rates paid by integrated steel companies can make a positive difference in their financial pictures and in the outlook for American steel. Reducing costs of production is important in the light of apparent severe discounting of list prices by the steel industry. Furthermore, it is important if the industry is to generate substantial increases in cash flow to make the investments necessary to be competitive with foreign steel in U.S. markets.

Apparently, the U.S. industry is discounting its list prices to achieve market share. Data Resources, Incorporated estimates that the actual realized price of domestic steel products in 1984 was about 548 dollars per ton.[9] Its 1984 estimate of domestic list prices was about 623 dollars per ton.[10] If these estimates are correct, then the industry has been selling steel at a 12 percent discount from list prices.

Furthermore, assuming the NAE cost estimates for hot-rolled sheet are correct, the domestic industry is losing considerable money on this product. Data Resources, Incorporated estimates the actual realized price for hot-rolled sheet to be about 378 dollars per ton.[11] NAE estimates its cost to be in the range of 396 dollars per ton to 432 dollars per ton, depending on the process used. Thus, steel companies producing this product are losing between 18 and 54 dollars per ton. If the interest rate could be lowered by 2 percentage points, the loss per ton could have been reduced to between 10 and 46 dollars. A 3.5 percentage point drop in the interest rate would have cut the loss per ton to between 4 and 39 dollars.

Reducing losses by these amounts would provide a significant increase in financial resources for investment to the industry. An 8 dollar reduction in costs per ton resulting from a 2 percentage point drop in the interest rate would have meant nearly 730 million dollars of additional net revenue from steel operations. This estimate is based on industry output of 91.2 million tons.[12] Lowering the interest rate by 3.5 percentage points would have meant nearly 1.3 billion dollars in additional revenues. While industry losses would clearly not be eliminated, the effect on steel industry cash flow resulting from the losses would be substantially reduced. Given that the industry is obligated by Title VIII of the Trade and Tariff Act of 1984 to reinvest substantially all of its net cash flow from steel operations in those operations, the potential for additional investment in new technologies and the cost reductions resulting from them is considerable.

The possible effects of lower interest rates charged to the integrated steel industry are, again, dependent on the cost assumptions made. Thus, the estimates presented in this report must be viewed as hypothetical only. Higher capital costs or different amortization schedules could significantly change the estimates; differences in other input cost assumptions would lead to similar changes. What is, perhaps, most important is that lower interest rates could have a noticeable effect on total costs of production.

Finally, this report is limited to assessing the possible effects of lower interest rates on the integrated segment of the steel industry. This segment of the industry accounts for about two-thirds of raw steel production. While no estimates are developed for the nonintegrated or "minimill" segment of the steel industry, it would obviously benefit as well from lower interest rates.

SPECIAL ORDERS GRANTED

By unanimous consent, permission to address the House, following the legislative program and any special orders heretofore entered, was granted to:

(The following Members (at the request of Mr. SWINDALL) to revise and extend their remarks and add extraneous material:)

[7] Ibid., p. 147.

[8] Ibid., p. 55 f.

[9] Data Resources, Incorporated Steel Service. Realized Prices: Estimation, Analysis, Forecast. Lexington, May, 1985. p. 6.

[10] Data Resources, Incorporated. Steel Industry Review. First Quarter 1985. Lexington, 1985. Table A-3. p. II.4.

[11] Data Resources, Incorporated Steel Service. Realized Prices: Estimation, Analysis, Forecast. Lexington, May, 1985. p. 6.

[12] Data Resources, Incorporated. Steel Industry Review. First Quarter 1985. Lexington, 1985. p. iii.

Mr. SWINDALL, for 45 minutes, May 21.

(The following Members (at the request of Mr. ROBINSON) to revise and extend their remarks and add extraneous material:)

Mr. ANNUNZIO, for 5 minutes, today.
Mr. PEPPER, for 5 minutes, today.
Mr. GAYDOS, for 30 minutes, today.
Mr. SKELTON, for 60 minutes, May 21.
Mr. GAYDOS, for 30 minutes, May 21.
Mr. GAYDOS, for 30 minutes, May 22.
Mr. BROOKS, for 60 minutes, May 23.

EXTENSION OF REMARKS

By unanimous consent, permission to revise and extend remarks was granted to:

(The following Members (at the request of Mr. SWINDALL) and to include extraneous matter:)

Mr. CHAPPIE.
Mr. VANDER JAGT.
Mr. KEMP.
Mr. MCEWEN.
Mr. LEWIS of Florida.
Mr. LAGOMARSINO.
Mr. SHUMWAY.
Mr. CONTE.

(The following Members (at the request of Mr. ROBINSON) and to include extraneous matter:)

Mr. ANDERSON in 10 instances.
Mr. GONZALEZ in 10 instances.
Mr. BROWN of California in 10 instances.
Mr. ANNUNZIO in six instances.
Mr. JONES of Tennessee in 10 instances.
Mr. BONER of Tennessee in five instances.
Mr. FROST.
Mr. MOODY.
Mr. WALGREN.
Mr. FASCELL in two instances.
Mr. LEHMAN of Florida.
Mr. HUBBARD.
Mr. LAFALCE.
Mr. MONTGOMERY in two instances.
Mr. MATSUI in three instances.
Mr. MURTHA.
Mr. LIPINSKI.
Mr. STARK in three instances.
Mr. STOKES in two instances.

SENATE JOINT RESOLUTIONS REFERRED

Joint resolutions of the Senate of the following titles were taken from the Speaker's table and, under the rule, referred as follows:

S.J. Res. 32. Joint resolution to authorize and request the President to designate September 21, 1986, as "Ethnic American Day"; to the Committee on Post Office and Civil Service.

S.J. Res. 40. Joint resolution to designate the month of October 1985 as "National Down Syndrome Month"; to the Committee on Post Office and Civil Service.

S.J. Res. 57. Joint resolution to designate the week of October 20, 1985, through October 26, 1985, as "Lupus Awareness Week"; to the Committee on Post Office and Civil Service.

S.J. Res. 108. Joint resolution authorizing the Secretary of Defense to provide to the Soviet Union, on a reimbursable basis, equipment and services necessary for an improved United States/Soviet Direct Communication Link for crisis control; to the Committee on Armed Services.

ENROLLED BILL SIGNED

Mr. ANNUNZIO, from the Committee on House Administration, reported that that committee had examined and found truly enrolled a bill of the House of the following title, which was thereupon signed by the Speaker:

H.R. 1869. An act to amend the Internal Revenue Code of 1954 to repeal the contemporaneous recordkeeping requirements added by the Tax Reform Act of 1984, and for other purposes.

SENATE ENROLLED JOINT RESOLUTION SIGNED

The SPEAKER announced his signature to an enrolled joint resolution of the Senate of the following title:

S.J. Res. 103. Joint resolution to designate the month of May 1985, as "Very Special Arts U.S.A. Month."

BILL PRESENTED TO THE PRESIDENT

Mr. ANNUNZIO, from the Committee on House Administration, reported that that committee did on this day present to the President, for his approval, a bill of the House of the following title:

H.R. 1869. An act to amend the Internal Revenue Code of 1954 to repeal the contemporaneous recordkeeping requirements added by the Tax Reform Act of 1984, and for other purposes.

ADJOURNMENT

Mr. GAYDOS. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly at (2 o'clock and 44 minutes p.m.) the House adjourned until tomorrow, Tuesday, May 21, 1985, at 12 o'clock noon.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

1304. A letter from the Secretary of Agriculture, transmitting a draft of proposed legislation to recover costs of carrying out the export inspection and certification programs for apples, pears, grapes, and plums; to the Committee on Agriculture.

1305. A letter from the Secretary of Agriculture, transmitting a draft of proposed legislation to recover costs of establishing standards and specifications for agricultural products; to the Committee on Agriculture.

1306. A communication from the President of the United States, transmitting requests for supplemental appropriations for fiscal year 1985 and amendments to the request for appropriations for fiscal year 1986, pursuant to 31 U.S.C. 1107 (H. Doc. No. 99-69); to the Committee on Appropriations and ordered to be printed.

1307. A letter from the Comptroller General, General Accounting Office, transmitting a report on the status of budget authority proposed for rescission in the President's sixth special message, but for which Congress failed to pass a rescission bill, pursuant to 2 U.S.C. 685; to the Committee on Appropriations.

1308. A letter from the Assistant Secretary of Defense (Comptroller), transmitting a listing of supplemental contract award dates for the period June 1, 1985 to June 30, 1985, pursuant to 10 U.S.C. 139(b); to the Committee on Armed Services.

1309. A letter from the Secretary of the Navy, transmitting the unit cost exception reports as additional information to the report of April 15, 1985 (Executive Communication No. 993) concerning the A-6E/A-6F aircraft and the Phoenix missile, pursuant to 10 U.S.C. 139b(d)(3)(A); to the Committee on Armed Services.

1310. A letter from the Treasurer of the United States, transmitting the 1985 first quarter report on the activities relating to the minting of the 1984 Los Angeles Olympic Games' coins, pursuant to Public Law 97-220, section 11; to the Committee on Banking, Finance and Urban Affairs.

1311. A letter from the Auditor, District of Columbia, transmitting a copy of his report entitled, "Annual Audit of the Washington Convention Center for Fiscal Year 1984," pursuant to Public Law 93-198, section 455(d); to the Committee on the District of Columbia.

1312. A letter from the Director, Federal Mediation and Conciliation Service, transmitting the annual report for fiscal year 1983, pursuant to the act of June 27, 1947, chapter 120, secton 202(c); to the Committee on Education and Labor.

1313. A letter from the Administrator, Environmental Protection Agency, transmitting a report on the inventory of all wells in the United States which inject hazardous waste, pursuant to Public Law 98-616, section 701(a) (98 Stat. 3288); to the Committee on Energy and Commerce.

1314. A letter from the Director, Defense Security Assistance Agency, transmitting notice of the Army's proposed letter of offer to Korea for defense articles and services (Transmittal No. 85-34), pursuant to 22 U.S.C. 2776(b); to the Committee on Foreign Affairs.

1315. A letter from the Assistant Secretary of State for Legislative and Intergovernmental. Affairs, transmtting a report of political contributions by Lewis A. Tambs, Ambassador Extraordinary and Plenipotentiary-elect, and members of his family, pursuant to 22 U.S.C. 3944(b)(2); to the Committee on Foreign Affairs.

1316. A letter from the Assistant Secretary of State for Legislative and Intergovernmental Affairs, transmitting a report of political contributions by Lannon Walker, Ambassador Extraordinary and Plenipotentiary-elect, and members of his family, pursuant to 22 U.S.C. 3944(b)(2); to the Committee on Foreign Affairs.

1317. A letter from the Acting Director, Office of Personnel Management, transmitting the annual report on the financial status of the U.S. civil service retirement system as of September 30, 1984, pursuant

to 31 U.S.C. 9503(a)(1)(B); to the Committee on Government Operations.

1318. A letter from the Secretary of the Board, Board of Governors of the Federal Reserve System, transmitting notice of a proposed new records system, pursuant to 5 U.S.C. 552a(o); to the committee on Government Operations.

1319. A letter from the Secretary of Transportation, transmitting the sixth annual report on the Highway Bridge Replacement and Rehabilitation Program, pursuant to 23 U.S.C. 144(i), to the Committee on Public Works and Transportation.

1320. A letter from the Acting Assistant Secretary of the Army (Civil Works), transmitting a report from the Chief of Engineers, Department of the Army, on Canal 18 Basin-Loxahatchee Slough, central and southern Florida, together with other pertinent reports; to the Committee on Public Works and Transportation.

1321. A letter from the Executive Secretary, Department of Defense, transmitting the report on Department of Defense procurement from small and other business firms for October through November 1984, pursuant to SBA, section 10(d); to the Committee on Small Business.

1322. A letter from the Assistant Secretary for Legislative and Intergovernmental Affairs, Department of State, transmitting a draft of proposed legislation to implement the Nairobi Protocol to the Florence Agreement on the Importation of Educational, Scientific, and Cultural Materials, and for other purposes; to the Committee on Ways and Means.

1323. A letter from the Secretary of Health and Human Services, transmitting a report on the Fiscal Year 1984 Low Income Home Energy Assistance Program, pursuant to 42 U.S.C. 8629(b); jointly, to the Committees on Education and Labor and Energy and Commerce.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. DE LA GARZA: Committee on Agriculture. House Resolution 172. Resolution to recognize the centennial anniversary of the Holstein-Friesian Association of America, a premier dairy cattle breed organization (Rept. No. 99-134 Pt. I). Ordered to be printed.

REPORTED BILLS SEQUENTIALLY REFERRED

Under clause 5 of rule X, bills and reports were delivered to the Clerk for printing, and bills referred as follows:

Mr. GRAY of Pennsylvania: Committee on the Budget. House Concurrent Resolution 152. Concurrent resolution revising the congressional budget for the U.S. Government for the fiscal year 1986 and setting forth the congressional budget for the U.S. Government for the fiscal years 1986, 1987, and 1988; referred to the Committee on Rules for a period ending not later than May 21, 1985, for consideration of such portions of the concurrent resolution as fall within that committee's jurisdiction pursuant to clause 1(q), rule X (Rept. No. 99-133, Pt. I). Ordered to be printed.

PUBLIC BILLS AND RESOLUTIONS

Under clause 5 of rule X and clause 4 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

[Omitted from the Record of May 16, 1985]

By Mr. McCAIN:

H.R. 2539. A bill to amend title 18, United States Code, with respect to offenses relating to the sexual exploitation of children, and for other purposes; to the Committee on the Judiciary.

[Submitted May 20, 1985]

By Mr. DASCHLE:

H.R. 2547. A bill to integrate the Hilltop and Gray Goose Irrigation Districts, SD, into the Pick-Sloan Missouri Basin Program; to the Committee on Interior and Insular Affairs.

By Mr. NEAL (for himself, Mr. JONES of North Carolina, Mr. HEFNER, Mr. DUNCAN, Mr. WHITLEY, Mr. VALENTINE, Mr. PERKINS, Mr. TALLON, Mr. BOUCHER, Mr. ROSE, Mr. MCMILLAN, Mr. HENDON, and Mr. COBEY):

H.R. 2548. A bill to amend the Internal Revenue Code of 1954 to provide that the amount of any contribution to any no net cost tobacco fund or any no net cost tobacco account shall be treated as a deductible expense; to the Committee on Ways and Means.

By Mr. SHUMWAY:

H.R. 2549. A bill to amend title IV of the Social Security Act to provide that States which provide aid to dependent children of unemployed parents must require the unemployed parent to participate in a community work experience program; to the Committee on Ways and Means.

MEMORIALS

Under clause 4 of rule XXII, memorials were presented and referred as follows:

133. By the SPEAKER: Memorial of the House of Representatives of the State of Hawaii, relative to the existence of American prisoners of war in Southeast Asia; to the Committee on Foreign Affairs.

134. Also, memorial of the Legislature of the Territory of Guam, relative to the Small Business Administration; to the Committee on Small Business.

ADDITIONAL SPONSORS

Under clause 4 of rule XXII, sponsors were added to public bills and resolutions as follows:

H.R. 6: Mr. ROSE.

H.R. 8: Mr. GALLO.

H.R. 44: Mr. SMITH of New Hampshire.

H.R. 84: Mr. MONSON and Mr. SHUMWAY.

H.R. 467: Mr. CLINGER.

H.R. 468: Mr. CLINGER, Mr. CRAIG, Mr. BORSKI, and Mr. GONZALEZ.

H.R. 527: Mr. STANGELAND, Mr. TRAFICANT, and Mr. HUTTO.

H.R. 528: Mr. GEJDENSON.

H.R. 602: Mr. MRAZEK, Mrs. ROUKEMA, Mr. KOLBE, and Mr. KOLTER.

H.R. 644: Mr. MARLENEE, Mr. GROTBERG, and Mr. CLINGER.

H.R. 782: Mr. EDGAR.

H.R. 882: Mr. SABO, Mr. ORTIZ, Mr. BROOKS, and Mr. BRYANT.

H.R. 930: Mr. DEWINE, Mr. BARTON of Texas, and Mr. FROST.

H.R. 1101: Mr. FRANK, Mr. DWYER of New Jersey, Mr. ORTIZ, Mr. BILIRAKIS, Mr. MATSUI, Mr. MURPHY, Mr. BORSKI, and Mr. GONZALEZ.

H.R. 1102: Mr. FRANK, Mr. ORTIZ, Mr. MATSUI, Mr. MURPHY, Mr. BORSKI, and Mr. GONZALEZ.

H.R. 1103: Mr. FRANK, Mr. DWYER of New Jersey, Mr. BILIRAKIS, Mr. MATSUI, Mr. MURPHY, Mr. BORSKI, and Mr. GONZALEZ.

H.R. 1104: Mr. FRANK, Mr. DWYER of New Jersey, Mr. ORTIZ, Mr. MATSUI, Mr. MURPHY, and Mr. BORSKI.

H.R. 1142: Mr. BARTLETT.

H.R. 1154: Mr. CROCKETT, Mr. HEFTEL of Hawaii, and Mr. WEISS.

H.R. 1398: Mr. DYMALLY.

H.R. 1442: Mr. SOLARZ, Mr. BARNES, Mr. FEIGHAN, Mr. GUARINI, Mr. ACKERMAN, and Mr. MANTON.

H.R. 1524: Mr. WOLPE, Mr. DWYER of New Jersey, Ms. KAPTUR, Mr. GONZALEZ, Mrs. COLLINS, Mr. PEASE, Mr. SMITH of Iowa, Mr. RODINO, Mr. OLIN, Mr. MOLLOHAN, Mr. AKAKA, and Mr. ROBINSON.

H.R. 1540: Mr. FRANK, Mr. VENTO, and Mr. FAUNTROY.

H.R. 1550: Mr. GLICKMAN and Mr. RINALDO.

H.R. 1739: Mr. MITCHELL and Mr. STAGGERS.

H.R. 1811: Mr. MONTGOMERY, Mr. RALPH M. HALL, Mr. BARTON of Texas, and Mr. SKEEN.

H.R. 1812: Mr. GRAY of Pennsylvania, Mr. MINETA, and Mr. VALENTINE.

H.R. 1877: Mr. KOSTMAYER, Mr. LANTOS, Mr. ROE, Mrs. BURTON of California, Mr. BOLAND, Mr. FAUNTROY, Mr. LEVINE of California, Mr. LEHMAN of Florida, Mr. FRANK, Mr. MRAZEK, Mr. TOWNS, Ms. KAPTUR, Mr. EDWARDS of California, Mr. JEFFORDS, Mr. HAYES, Mr. YOUNG of Missouri, Mr. AKAKA, Mr. KOLTER, Mr. BATES, Mr. MARTINEZ, Mr. HEFTEL of Hawaii, Mr. BERMAN, Mr. YATRON, Mr. GUARINI, Mr. STUDDS, and Mr. WEISS.

H.R. 1878: Mr. O'BRIEN.

H.R. 1879: Ms. KAPTUR.

H.R. 1927: Mr. EVANS of Illinois.

H.R. 1935: Mr. KASTENMEIER, Mr. PARRIS, Mr. WHITEHURST, Mr. MARTINEZ, Mr. FAUNTROY, Mr. BARNES, Mr. MURPHY, Mrs. BURTON of California, Mr. VENTO, Mrs. BENTLEY, Mr. MOAKLEY, Mr. FISH, Ms. KAPTUR, Ms. SNOWE, and Mr. PORTER.

H.R. 2032: Mr. FROST, Mr. MARTINEZ, and Mr. MORRISON of Connecticut.

H.R. 2124: Mr. MINETA, Mr. WYDEN, Mr. MORRISON of Connecticut, Mr. DWYER of New Jersey, and Mr. MATSUI.

H.R. 2247: Mr. GARCIA, Mr. MARTINEZ, Mr. DYMALLY, Mr. VENTO, and Mr. ROYBAL.

H.R. 2397: Mr. MCCLOSKEY, Mr. KILDEE, Mr. WOLPE, Mrs. BOGGS, Mr. SOLOMON, Mr. STOKES, Mr. GIBBONS, Mr. DICKINSON, Mr. MCHUGH, Mr. FRANK, and Mr. SEIBERLING.

H.R. 2401: Mr. WEAVER, Mr. KILDEE, Mr. STUDDS, and Mr. MINETA.

H.R. 2481: Mr. DORGAN of North Dakota.

H.J. Res. 94: Mr. BARTLETT.

H.J. Res. 135: Mr. COELHO, Mr. BLAZ, Mr. SISISKY, Mr. BENNETT, Mrs. BENTLEY, Mr. CAMPBELL, Mr. VANDER JAGT, Mr. DICKINSON, Mr. YOUNG of Florida, Mr. ERDREICH, Mr. FAUNTROY, Mr. FLIPPO, Mr. WHITLEY, and Mr. MCHUGH.

H.J. Res. 137: Mrs. MEYERS of Kansas.

H.J. Res. 169: Mr. STRANG, Mr. ROWLAND of Connecticut, Mr. YATRON, Mr. FRENZEL, Mr. KILDEE, Mr. NICHOLS, Mr. ORTIZ, Mr. PRICE, Mr. ERDREICH, Mr. GALLO, Mr. SAXTON, Mr. DICKS, Mr. ANTHONY, Mr. BATEMAN, Mr. BEDELL, Mrs. BENTLEY, Mr. BILIRAKIS, Mr. BROOKS, Mr. HUTTO, Mr. KASTEN-

MEIER, Mr. BURTON of Indiana, Mr. HALL of Ohio, Mr. RINALDO, Mr. NATCHER, Mr. PORTER, Mr. RODINO, Mr. SMITH of Iowa, Mr. CARNEY, Mr. KEMP, Mr. DANIEL, Mr. TRAXLER, Mr. SHELBY, Mr. MACKAY, Mr. ACKERMAN, Mr. BOLAND, Mr. CONYERS, Mr. DYSON, Mr. MARTIN of New York, and Mr. ROWLAND of Georgia.

H.J. Res. 171: Mr. BOLAND, Mr. MOAKLEY, Mr. LELAND, Mr. GUARINI, Mr. MOODY, Mr. STANGELAND, Mr. LEVIN of Michigan, and Mr. HATCHER.

H.J. Res. 266: Mr. MURPHY, Mr. FRENZEL, and Mr. DERRICK.

H.J. Res. 274: Mr. FAZIO, Ms. KAPTUR, Mr. PASHAYAN, Mr. WORTLEY, Mr. HORTON, and Mr. BADHAM.

H. Con. Res. 37: Mr. COURTER, Mr. SCHUMER, Mr. BLILEY, Mr. SISISKY, and Mr. SLAUGHTER.

H. Con. Res. 57: Mrs. COLLINS, Mr. LANTOS, Mr. MATSUI, Mr. WEBER, Mr. MCCAIN, Mr. FRENZEL, Mr. MADIGAN, Mr. LIGHTFOOT, Mr. BERMAN, Mr. ACKERMAN, Mr. LEVINE of California, Mr. FAZIO, Mr. FRANK, Mr. WOLPE, Mr. GARCIA, and Mr. MINETA.

H. Con. Res. 114: Mr. BATES, Mr. BUSTAMANTE, Mr. WILLIAMS, Mr. ECKART of Ohio, Mr. MILLER of Washington, Mr. HOWARD, Mr. BRUCE, Mr. FAZIO, Mr. VENTO, and Mr. PANETTA.

H. Res. 152: Mr. AKAKA, Mr. ANDERSON, Mr. BIAGGI, Mr. BOEHLERT, Mr. BONKER, Mr. BORSKI, Mr. BOUCHER, Mr. COLEMAN of Texas, Mr. COYNE, Mr. DOWDY of Mississippi, Mr. DAVIS, Mr. FIELDS, Mr. FORD of Michigan, Mr. GEJDENSON, Mr. GAYDOS, Mr. GRAY of Illinois, Mr. GUARINI, Mr. HERTEL of Michigan, Mr. HOWARD, Mrs. KENNELLY, Mr. MANTON, Ms. MIKULSKI, Mr. MITCHELL, Mr. MORRISON of Connecticut, Mr. OWENS, Mr. PRICE, Mr. RANGEL, Mr. RODINO, Mr. ROE, Mr. RAHALL, Mr. ROWLAND of Georgia, Mr. SAVAGE, Mr. SCHUMER, Mr. SAXTON, Mr. STOKES, Mr. STRATTON, Mr. TORRICELLI, Mr. WEISS, Mr. YOUNG of Missouri, Mr. YOUNG of Florida, Mrs. BURTON of California, Mr. LELAND, Mr. CROCKETT, and Mr. SCHEUER.

H. Res. 166: Mr. UDALL, Mr. DYMALLY, Mr. GEJDENSON, Mr. STUDDS, Mr. BONKER, Mr. LANTOS, Mr. FASCELL, Mr. CROCKETT, and Mr. YATRON.

SENATE—*Monday, May 20, 1985*

(Legislative day of Monday, April 15, 1985)

The Senate met at 10 a.m., on the expiration of the recess, and was called to order by the President pro tempore [Mr. THURMOND].

PRAYER

The Chaplain, the Reverend Richard C. Halverson, D.D., offered the following prayer:

Let us pray.

Our prayer today is the hymn entitled "National Hymn" by George William Warren, written in 1892:

"God of our fathers, whose almighty hand Leads forth in beauty all the starry band Of shining worlds in splendor through the skies, Our grateful songs before Thy throne arise.

"Thy love divine hath led us in the past; In this free land by Thee our lot is cast; Be Thou our Ruler, Guardian, Guide and Stay; Thy word our law, Thy paths our chosen way.

"From war's alarms, from deadly pestilence, Be Thy strong arm our ever sure defense; Thy true religion in our hearts increase, Thy bounteous goodness nourish us in peace.

"Refresh Thy people on their toilsome way, Lead us from night to never ending day; Fill all our lives with love and grace divine, And glory, laud, and praise be ever Thine." Amen.

RECOGNITION OF THE MAJORITY LEADER

The PRESIDENT pro tempore. The distinguished majority leader is recognized.

SCHEDULE

Mr. DOLE. Mr. President, under the standing order, the leaders have 10 minutes each, to be followed by special orders in favor of Senators PRESSLER and PROXMIRE.

Mr. President, I ask unanimous consent that the special order in favor of Mr. PRESSLER be vitiated.

The PRESIDENT pro tempore. Without objection, it is so ordered.

Mr. DOLE. Following that, there will be a period for routine morning business with statements limited therein to 5 minutes each. After the period for routine morning business has expired the Senate will resume consideration of S. 1160, the Department of Defense authorization bill. It has been announced that there will be no rollcall votes today prior to 5 p.m.

I hope we will also be able to consider the Israel free trade area agreement (S. 1114) which was unanimously reported by the Finance Committee.

It is my understanding that Senator GOLDWATER very much would like to finish action on the DOD bill this week. Based on his willingness to pursue that policy we can expect fairly early mornings and probably late evenings.

The last time I visited the chairman of the Committee on Armed Services it was his hope and intention to try to complete action by Friday of this week, before the Memorial Day recess period. So I would urge Members who have amendments to be in touch with the managers on each side and, if possible, if Senators could reach some time agreement, time agreements are encouraged.

It would be most helpful if we could work out time agreements on matters that have been fairly well debated, whether it be SDI, MX, or some other proposal. It would seem to me, if we could work out some time agreements, we could take action on the amendments surely in fairly rapid fashion.

Mr. President, I reserve the remainder of my time.

RECOGNITION OF THE MINORITY LEADER

The PRESIDENT pro tempore. The distinguished Democratic leader is recognized.

Mr. BYRD. Mr. President, I thank the Chair, the distinguished President pro tempore.

LEADERSHIP OF SENATOR DOLE

Mr. BYRD. Mr. President, there is an excellent article in today's Washington Post commenting on the leadership of Mr. DOLE, especially with reference to his work in connection with the recently adopted first concurrent budget resolution by the Senate. It is a very good article by Helen Dewar, and it pays deserved compliments to Mr. DOLE. I ask unanimous consent that I may insert that statement in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

[From the Washington Post, May 20, 1985]

DOLE RIDES HIGH AFTER BUDGET VICTORY

(By Helen Dewar)

It was the kind of political high-wire act the Washinton loves but rarely sees: a brazen wave to the crowd, then a series of nerve-jangling wobbles and finally a safe landing for the star performer.

For four months, Senate Majority Leader Robert J. Dole (R-Kan.) kept the town in suspense as he tried—often with more grit than grace—to patch together a huge package of spending reductions that would cut deficits by half within three years without raising taxes.

The White House had tried and failed at the task; the Democrats showed no interest in trying. In his first few months as leader of Senate Republicans, Dole was still in job-training and had a mixed record, ranging from a victory on the MX missile to a rebuff from his troops on emergency farm-credit legislation.

But, from the start, the deficit-reduction effort was clearly going to be an early make-or-break test of Dole's leadership skills, made all the more dramatic by the bravado with which he launched the effort from the steps of Blair House before President Reagan finished writing his budget proposal.

It was a gamble, Dole concedes, and he was not always as certain of vindication as he appeared in public.

He knew he got off to a bad start when the Republicans promised a deficit plan by Feb. 1 and soon missed the deadline. His efforts to reach an early consensus among committee chairmen fizzled in full public view. When he then turned to the Budget Committee to draft a plan, the White House stomped all over the results. There were backroom sessions in which Republican senators were all but throwing erasers at one another.

Dole began to have at least fleeting thoughts of what it would be like to try to repair the damage from defeat.

"I could see the epitaph: 'Here lies the leader who lasted only three months,'" he said in a recent interview. He laughed but added more seriously that it would have been a "lonely six months of rebuilding" if he had failed.

However, a week ago, after a grueling trial-and-error exercise that often seemed to teeter on the brink of failure, Dole's painstaking effort paid off—barely. Sen. Pete Wilson (R-Calif.), hospitalized for a ruptured appendix, was wheeled into the chamber, setting up a 49-to-49 tie vote that Vice President Bush broke in favor of the plan.

Shaky as it was, even Democrats credited passage as an extraordinary accomplishment in light of the difficulties that had been surmounted, ranging from White House reluctance to tamper with Social Security or its defense buildup to the parochial concerns of Dole's troops, especially the 22 Republicans whose seats are up for election next year.

"I give him high marks . . . there's nothing quite like success," said Sen. Lawton Chiles (Fla.), ranking Democrat on the Senate Budget Committee, who had been standing by with his own plan, ready to pick up the pieces if Dole crashed.

In the process of finding a Senate consensus on spending cuts, the Dole-led Republican majority in the Senate moved further—

and more aggressively—away from White House policies than it had done under Dole's popular but less daring predecessor as majority leader, Howard H. Baker Jr. (R-Tenn.), who has retired from the Senate.

Dole and other GOP leaders persuaded Reagan to accept not only Social Security benefit limits he had vowed never to embrace but also a major cutback in his high-priority defense buildup, concessions that rivaled any that the president made in his first term.

Dole avoided an open break with the White House largely by getting the president's lieutenants to sit down in his own office to hear about problems he faced. "We did everything we could . . . and the president knew no one up here was playing games," Dole said.

With the outcome apparently hinging on a variety of concessions, especially the defense cutback, "Dole was saying in effect, 'Mr. President, we're going to make you an offer you can't refuse,' " said Sen. Bob Packwood (R-Ore.), Dole's successor as chairman of the Senate Finance Committee.

Packwood, who is close to Dole and Baker, draws this distinction between the two: "Howard regarded himself as the president's liege, Bob regards himself as leader of Senate Republicans. And there's a big difference."

The victory, no matter how narrow, clearly enhanced Dole's clout within the Senate in a way that could help him in legislative battles ahead, according to senators of both parties.

The victory, however, was won not with the fast quips and virtuoso maneuvers that have marked Dole's public image.

Instead, it was won unglamorously, in the trenches—in more than 100 private negotiating sessions, in parliamentary maneuvers that proved a match for Minority Leader Robert C. Byrd (D-W.Va.) and his renowned procedural skills, and with constantly shifting tactics that, in the process of skirting deadlock, wore down the opposition and created a sense of inevitability about passage.

It was also done in concert with Budget Committee Chairman Pete V. Domenici (R-N.M.), a rival for the majority leader's post who tangled over turf with Dole, then finance chairman, during previous budget battles. With Domenici's facts and figures and Dole's relentless pressure, "it was a formidable combination," said a Republican who had received the full Dole-Domenici treatment.

During the bargaining sessions, sometimes six to eight a day, often overlapping, Dole coaxed, wheedled and massaged his colleagues, individually and collectively, and cut deals in which money was restored to favored programs in exchange for votes. Sen. Edward Zorinsky (Neb.), the lone Democrat to support Dole's plan, said his vote helped produce a couple of billion dollars more for farm programs. Republicans got money for everything from Amtrak to Urban Development Action Grants; for some, Dole agreed to introduce amendments that he adamantly opposed, in hopes of winning their support in the end.

Roll was taken at the meetings, and absentees were rounded up. There were meetings for senators who refused to attend other meetings. When one senator complained that he had not been consulted, he was quickly told that he had been invited to 15 meetings and attended four. Only half facetiously, another senator said he was convinced that some of his colleagues agreed to go along with Dole simply to avoid having to attend any more meetings.

Baker, too, was a patient man with a collegial approach to leadership. But Dole, as stubborn as he is patient, appears more inclined to stick it out until he gets his way, shifting strategy as he goes but never losing sight of his goal.

"If nothing else, he's shown everyone that he can outlast them," a Democrat said. "That goes a long way around here."

Although it may bring them grief on Social Security, the plan bought Senate Republicans—who face a tough 1988 election—an insurance policy against economic adversity by enabling them to claim that they had voted to curb one of the major causes of high interest rates, inflation, unemployment, trade imbalances and other economic ills.

Moreover, victory was achieved without pressing the shakiest of the troops to the wall. For instance, it is thought to be no coincidence that the hair-thin margin of victory was engineered without need of a favorable vote from Sen. Paula Hawkins (R-Fla.), whose reelection is in such doubt that a vote to limit Social Security benefits as part of the package could have doomed her chances.

But it is less clear whether the victory has accomplished similar wonders for Dole as a possible contender for the 1988 Republican presidential nomination.

Hampered by an earlier reputation as a hatchetman and by a more recent image as a moderate pragmatist swimming against a tide of ideological conservatism within his party (he's been called "tax collector for the welfare state" by one of the young House conservatives), Dole has nonetheless made no secret of his presidential ambitions. And, at age 61, he may be running out of time to fulfill them.

Several political strategists, none of them serving Dole at the moment, suggested that his national reputation was helped, but not decisively, by his budget victory.

Meanwhile, Dole faces problems in the Senate, ranging from fending off further concessions in negotiating final deficit reductions with the Democratic-controlled House to keeping the Senate in GOP hands next year.

But, for the time being, he is riding high, shuttling around town to share his joy with just about anyone who will listen. As he said at a low point in the deficit struggle, "On the whole, I prefer winning."

Mr. DOMENICI. Mr. President, I wonder if the distinguished majority leader will yield 1 minute to the Senator from New Mexico.

Mr. DOLE. I am pleased to yield 1 minute.

FIRST CONCURRENT BUDGET RESOLUTION

Mr. DOMENICI. Mr. President, 1 week ago last Thursday night this Chamber adopted what I consider to be a most historic resolution—the first resolution on the budget for fiscal year 1986. Since that time a number of journalists and editorial writers have commented very favorably on the courage exhibited in that 50 to 49 vote.

As all Members know, a budget resolution is a set of numbers aggregated by broad functional categories. Reconciliation savings in a resolution are similarly aggregated by the appropriate committees of jurisdiction. In developing those numbers, however, assumptions are made as to how the figures could be met. Assumptions are not binding in a resolution, but the final numbers are.

Since a number of my colleagues have requested the assumptions that were used in developing the resolution, I have asked the Budget Committee staff to prepare a set of tables that outline these assumptions, including the final figures that have been updated for some technical corrections which they were authorized to make.

Mr. President, I ask unanimous consent to insert in the RECORD three sets of tables. These are: First, aggregate functional totals, second, narrative description of major assumptions in the resolution, and third, summary of reconciliation savings with assumptions by Senate committee.

There being no objection, the tables were ordered to be printed in the RECORD, as follows:

FIRST BUDGET RESOLUTION FOR FISCAL YEAR 1986, SENATE CONCURRENT RESOLUTION 32, AS PASSED BY THE SENATE

[In billions of dollars]

	Fiscal year—			
	1985	1986	1987	1988
050: National defense:				
Budget authority	292.6	302.5	323.4	346.8
Outlays	252.0	273.1	292.1	313.0
150: International affairs:				
Budget authority	25.3	21.2	20.4	20.7
Outlays	18.0	17.8	17.1	16.7
250: General science, space, and technology:				
Budget authority	9.1	9.1	9.0	9.3
Outlays	8.7	9.0	8.8	9.0
270: Energy:				
Budget authority	1.6	5.2	5.2	4.9
Outlays	6.5	5.1	4.6	4.2
300: Natural resources and environment:				
Budget authority	12.7	12.2	12.6	12.8
Outlays	13.1	12.5	12.4	12.5
350: Agriculture:				
Budget authority	24.8	17.2	17.7	17.0
Outlays	21.0	14.5	15.8	12.9
370: Commerce and housing credit:				
Budget authority	12.6	6.8	5.6	6.1
Outlays	5.6	3.4	2.3	5.1
400: Transportation:				
Budget authority	29.6	27.2	27.9	27.3
Outlays	26.1	26.1	27.7	27.4
450: Community and regional development:				
Budget authority	8.4	6.6	6.7	7.1
Outlays	8.7	7.9	7.1	6.7
500: Education, training, employment, and social services:				
Budget authority	31.6	30.1	30.7	31.3
Outlays	30.3	30.3	29.9	30.4
550: Health:				
Budget authority	33.6	35.7	38.2	40.8
Outlays	33.5	35.3	37.8	40.3
570: Medical insurance:				
Budget authority	71.8	81.9	91.2	94.8
Outlays	65.2	68.3	74.8	82.7
600: Income security:				
Budget authority	162.8	155.4	164.9	173.9
Outlays	128.6	116.6	120.6	125.7
650: Social Security:				
Budget authority	195.5	207.4	225.5	266.1
Outlays	189.3	194.9	205.9	220.0
700: Veterans benefits and services:				
Budget authority	27.2	26.7	26.8	27.2
Outlays	26.3	26.1	26.2	26.7
750: Administration of justice:				
Budget authority	6.6	6.8	6.9	7.0
Outlays	6.4	6.7	6.9	7.0
800: General Government:				
Budget authority	5.8	5.3	5.4	5.5
Outlays	5.8	5.2	5.2	5.5
850: General purpose fiscal assistance:				
Budget authority	6.4	6.5	2.0	2.1

FIRST BUDGET RESOLUTION FOR FISCAL YEAR 1986, SENATE CONCURRENT RESOLUTION 32, AS PASSED BY THE SENATE—Continued

[In billions of dollars]

	Fiscal year—			
	1985	1986	1987	1988
Outlays	6.4	6.5	3.2	2.1
900: Net interest:				
Budget authority	129.7	142.3	152.1	153.9
Outlays	129.7	142.3	152.1	153.9
920: Allowances:				
Budget authority	0.3	−1.6	−1.6	−0.6
Outlays	0.3	−1.6	−1.6	−0.5
950: Undistributed offsetting receipts:				
Budget authority	−32.4	−35.0	−37.8	−41.1
Outlays	−32.4	−35.0	−37.8	−41.1
Total:				
Budget authority	1,055.6	1,069.5	1,132.8	1,212.9
Outlays	949.1	965.0	1,011.1	1,060.2
Revenues	736.2	793.6	866.3	955.9
Deficit	212.9	171.4	144.8	104.3
Public Debt	1,849.3	2,086.5	2,312.7	2,525.2

COMPONENTS OF SENATE CONCURRENT RESOLUTION 32, AS PASSED BY THE SENATE

[In billions of dollars]

	Fiscal year—			
	1985	1986	1987	1988
Baseline deficit	213.3	227.4	244.7	243.6
Revenue increases		−0.9	−2.0	−3.4
Outlay reductions:				
Policy changes	−0.4	−52.4	−87.9	−116.2
Debt service savings		−2.7	−10.0	−19.7
Total deficit reductions	−0.4	−56.0	−99.9	−139.3
Deficit in S. Con. Res. 32	−212.9	−171.4	−144.8	−104.3

[Summary of Major Provisions and Assumptions, Senate Concurrent Resolution 32]

FIRST CONCURRENT RESOLUTION ON THE BUDGET, FISCAL YEAR 1986

(Senate-passed May 10, 1985)

FUNCTION 050—NATIONAL DEFENSE

Provide for real growth in defense spending of 0, 3, and 3 percent for the years FY 1986–1988 respectively.

Growth is based on OMB economic assumptions, consistent with the overall resolution.

Assume full funding for President's strategic program request and support of major conventional programs.

Savings would be achieved from slowing growth of troubled weapon systems, various non-major weapon systems' procurement accounts, and other accounts.

FUNCTION 150—INTERNATIONAL AFFAIRS

Terminate Eximbank direct loan program.

Provide $175 million each FY 1986–88 for a larger and more flexible interest rate buy down than the I-Match program originally proposed by the President.

Allow an increase of $200 million in FY 1986 BA above the level reported by the Foreign Relations Committee on foreign aid.

FUNCTION 250—GENERAL SCIENCE, SPACE AND TECHNOLOGY

For FY 1986 all programs in function frozen at their FY 1985 program level.

After FY 1986 funding increases based on projected inflation. Major programs in function include: National Science Foundation, National Aeronautics and Space Administration, and Department of Energy general science program.

FUNCTION 270—ENERGY

Reduce REA electric loan levels by $550 million in FY 1985 and 1986; $600 million in FY 1987 and $650 million in FY 1988.

Reduce funding for fossil energy research and development by 11 percent in FY 1986, adjusted for inflation FY 1987–88.

Reduce funding for energy supply research and development by 6 percent in FY 1986, adjusted for inflation thereafter.

Reduce funding for energy conservation by 14 percent in FY 1986, adjusted for inflation FY 1987–88.

Reform the uranium enrichment program so as to limit appropriations to level of revenues received from uranium enrichment sales, and accelerate payment of DOE obligation to Treasury for the government's prior investment in the enrichment enterprise.

Impose a 3-year moratorium on strategic petroleum reserves; continue operation and maintenance funding.

FUNCTION 300—NATURAL RESOURCES AND ENVIRONMENT

Reduce funding for discretionary public land purchases by 42 percent in FY 1986, adjust for inflation thereafter.

Reduce funding for soil and water conservation by 15 percent over FY 1986–1988.

Reduce funding for water project construction; operation, and maintenance by 6 percent in FY 1986.

Reduce funding for BLM and Forest Service programs by 7 percent over FY 1986–1988.

Reduce funding for National Park Service operation and construction by 16 percent over FY 1986–1988.

Initiate recreation user fees.

FUNCTION 350—AGRICULTURE

Freeze agriculture research, extension, and funding for agriculture services in FY 1986 at FY 1985 levels, adjust for inflation thereafter.

Reform farm price support programs to achieve savings of $0.5 billion in FY 1986, $1.1 billion in FY 1987, and $3.9 billion in FY 1988.

Phase out direct farm loans over a five year period; increase guaranteed loan levels to maintain a $4.0 billion per year package of loans. Institute an interest rate buy down program with statuatory limit of $240 million over FY 1986–1988.

Eliminate emergency disaster loans in areas served by federally subsidized crop insurance.

FUNCTION 370—COMMERCE AND HOUSING CREDIT

Retain the SBA and certain loan programs but reduce direct loans 70 percent from the FY 1985 level and reform the loan guarantee program.

Retain the Farmers Home Administration rural housing program but reduce the program level by more than half. Fund about 35,000 single family homeownership and rental housing units; and provide additional rural housing assistance through HUD.

Reduce appropriations for postal subsidies but continue reduced rates for most mailers now eligible including small newspapers, nonprofit organizations and other mailers as well as free mail for the blind and handicapped.

Eliminate the U.S. Travel and Tourism Administration.

Eliminate trade adjustment assistance provided to firms by the International Trade Administration.

End promotion of fishery products by NOAA.

FUNCTION 400—TRANSPORTATION

Reduce urban mass transit operating subsidies by 20 percent in FY 1986, and frozen at this reduced level thereafter. Transit capital programs are reduced from the current available level of $2.7 billion to $1.7 billion by FY 1988.

Reduce Amtrak by 12.5 percent in FY 1986, 25 percent in FY 1987 and 40 percent in FY 1988: Savings of $0.6 billion over the next three years.

Reduce aviation research, development, facilities and equipment funding.

Allow for pay back of ship construction differential subsidies.

Sell Conrail.

Reduce federal-aid highway obligations from enactment of S. 391, the interstate cost estimate (ICE) bill, and hold highway obligations at the FY 1985 level in FY 1987 and FY 1988.

Eliminate the Local Rail Service Assistance Program, the United States Railway Association, and the Northeast Corridor Improvement Project.

Levy Coast Guard user fees, yielding $150 million in annual receipts.

Freeze air carrier subsidies.

FUNCTION 450—COMMUNITY AND REGIONAL DEVELOPMENT

Reduce community development block grants (CDBG) by 10 percent.

Reduce urban development action grants by 20 percent in FY 1986 and terminate them in FY 1987; terminate the CDBG loan guarantee program and section 312 rehabilitation loans.

Terminate rental development grants; impose a two-year moratorium on rental rehabilitation grants.

Terminate Economic Development Administration and Appalachian Regional Commission.

Freeze loan volume for the rural telephone bank at the FY 1985 level.

Reduce the funding for TVA development programs and the Bureau of Indian Affairs.

Terminate SBA disaster assistance to farmers and the non-physical disaster loan program.

FUNCTION 500—EDUCATION, TRAINING, EMPLOYMENT AND SOCIAL SERVICES

Reduce funding for impact aid, Part B.

Freeze elementary and secondary education programs.

Reduce guaranteed student loans resulting in savings of $200 million in FY 1986, about one-half the President's request. Savings could be achieved through reduction in subsidies to lender banks.

Terminate work incentive program.

Reform the employment service.

Freeze support for cultural activities.

Reduce funding for the community services block grant in 1986, terminate thereafter.

Reduce funding for Job Corps by 30 percent.

Increase funding for programs for the disabled.

FUNCTION 550—HEALTH

Assume $1.2 billion in medicaid savings during FY 1986–1988. The savings do not assume a cap on federal medicaid payments to states.

Reduce new and competing NIH awards to 6,000 per year.

Reform federal employees health benefits program and require DC government to pay the employers share for their retirees.

FUNCTION 570—MEDICAL INSURANCE

Freeze medicare payments to hospitals and some doctors and clinical labs at their current levels in FY 1986. Payments to other smaller providers would be frozen or reformed.

Reduce by half medicare adjustment paid to teaching hospitals.

Extend the "working elderly" provisions adopted in 1982, allowing employers to provide their health insurance as primary coverage (medicare secondary) for workers 65–69.

Assume additional unspecified savings of $2.8 billion over the next three years. These savings could be achieved by increases in beneficiary cost sharing, premiums or other reforms.

FUNCTION 600—INCOME SECURITY

One year COLA freeze in FY 1986 for railroad retirement, federal civilian and military retirement, and related programs.

Increase supplemental security income benefits by $10 per month for individuals and $15 per month for couples.

Increase PBGC insurance premiums to ensure trust fund solvency.

Reform railroad retirement by applying the rules for taxing social security benefits only to those railroad retirement benefits that are equivalent to social security benefits; extend the regular state-federal unemployment system to railroad workers.

Reform federal civilian retirement by increasing employee contributions from 7 percent to 9 percent in 1987 and beyond and by increasing the contribution made by the Postal Service and the District of Columbia.

Reform military retirement to allow and encourage some members of the armed forces to stay in the service longer.

Eliminate annual payments for certain public housing projects as a result of debt forgiveness.

Reduce public housing operating subsidies.

Reform the food stamp program by strengthening work requirements for recipients and by providing a block grant at the FY 1985 level of funding for state food stamp administrative expenses.

Achieve saving in child nutrition program of about $1.2 billion, FY 1986–1988.

FUNCTION 650—SOCIAL SECURITY

One year COLA freeze in FY 1986.

Improve administration of social security program by increasing automation and other management improvements.

FUNCTION 700—VETERANS' BENEFITS AND SERVICES

Freeze for one-year COLA adjustment for veterans compensation and pension programs.

Reform eligibility for free VA hospital and medical care through the imposition of a means test for non-service connected veterans regardless of age.

Allow third-party reimbursement to the VA for the cost of care provided to privately insured veterans.

Increased VA housing loan origination fee from one to 3.8 percent over a 5 year period.

Reduce funding for remaining discretionary VA programs to the level of the President's request.

FUNCTION 750—ADMINISTRATION OF JUSTICE

Freeze all discretionary appropriated accounts in the function.

FUNCTION 800—GENERAL GOVERNMENT

Levy user fees on operations of the U.S Customs Service.

Require government-sponsored credit agencies to pay a fee to the Treasury when borrowing or issuing pass-through securities.

Reduce operations of the legislative branch by 10 percent.

FUNCTION 850—GENERAL PURPOSE FISCAL ASSISTANCE

Fully fund general revenue sharing in FY 1986 and terminate it in FY 1987.

FUNCTION 900—NET INTEREST

Adjusted to reflect savings in all other functions.

FUNCTION 920—ALLOWANCES

Freeze federal civilian and military pay for one year in FY 1986.

Achieve savings through management and workforce reform to include: Reduce the workforce by 44,000 positions through attrition, 10 percent reduction in administrative expenses, one-year delay in in-grade pay increases, and make permanent existing annual work hour calculation.

FUNCTION 950—UNDISTRIBUTED OFFSETTING RECEIPTS

Adjusted to reflect policy changes in other functions: primarily loss of receipts from freeze on federal pay.

REVENUES

Adjusted to reflect policy changes in other functions but no tax increases.

SUMMARY OF RECONCILIATION SAVINGS BY SENATE COMMITTEE

[In millions of dollars]

Committee	Fiscal year 1986		Fiscal year 1987		Fiscal year 1988	
	Budget authority	Outlays	Budget authority	Outlays	Budget authority	Outlays
Agriculture, Nutrition, and Forestry	−3,577	−3,860	−3,280	−5,097	−3,571	−8,689
Armed Services		−639		−942		−1,073
Banking, Housing, and Urban Affairs	−8,895	−3,959	−9,938	−5,937	−10,905	−7,055
Commerce, Science, and Transportation	−2,006	−1,679	−781	−471	−987	−706
Energy and Natural Resources	−3,014	−2,265	−2,836	−2,666	−2,847	−2,925
Environment and Public Works	−723	−310	−1,221	−1,393	−1,738	−2,066
Finance		−10,847		−18,608		−22,429
Foreign Relations	−192	−47	−275	−109	−282	−140
Governmental Affairs		−3,654		−7,651		−8,889
Labor and Human Resources	−1,137	−604	−1,553	−1,496	−1,861	−1,996
Small Business	−460	−504	−629	−1,028	−1,117	−1,044
Veterans' Affairs	−1,076	−986	−1,344	−1,534	−1,457	−1,741
Select Indian Affairs	−148	−61	−153	−116	−159	−137
Total reconciliation savings	−21,176	−29,403	−21,897	−46,961	−24,797	−58,779
Total contributions		+375		−+1,325		+1,370

SENATE AGRICULTURE, NUTRITION, AND FORESTRY

[In millions of dollars]

Function and program	Fiscal year 1986		Fiscal year 1987		Fiscal year 1988	
	Budget authority	Outlay	Budget authority	Outlay	Budget authority	Outlay
270—Reduce rural electric loan levels	−174	−174	−309	−309	−408	−408
300—Reduce funding for soil and water conservation programs	−110	−58	−111	−97	−162	−131
300—Reduce Forest Service programs	−52	−12	−113	−87	−127	−111
300—Initiate recreation user fees	−21	−21	−22	−22	−23	−23
350—Reform Agricultural Stabilization and Conservation Service programs		−500		−1,100		−3,900
350—Reform farm credit programs	−2,838	−2,713	−2,161	−2,918	−2,110	−3,375
600—Reform Food and Nutrition Service programs	−378	−378	−555	−555	−724	−724
800—Require fees for government sponsored credit agencies	−4	−4	−9	−9	−17	−17
Total, Agriculture Committee	−3,577	−3,860	−3,280	−5,097	−3,571	−8,689

SENATE ARMED SERVICES

[In millions of dollars]

Function and program	Fiscal year 1986		Fiscal year 1987		Fiscal year 1988	
	Budget authority	Outlay	Budget authority	Outlay	Budget authority	Outlay
600—Freeze the cost-of-living increase for military retirement for one year and further reform the system		−639		−942		−1,073

SENATE BANKING, HOUSING, AND URBAN AFFAIRS

[In millions of dollars]

Function and program	Fiscal year 1986		Fiscal year 1987		Fiscal year 1988	
	Budget authority	Outlays	Budget authority	Outlays	Budget authority	Outlays
150—Eliminate Export-Import Bank direct loan program	−3,868	−379	−4,038	−1,355	−4,216	−1,923
370—Reduce and reform Farmers Home Administration rural housing programs	−2,737	−1,810	−2,634	−1,855	−3,024	−1,560
400—Reduce urban mass transit assistance	−963	−185	−1,448	−429	−1,780	−752
450—Reduce urban development action grants in fiscal year 1986 and terminate thereafter; terminate certain loan programs	−92	−23	−445	−159	−535	−287
450—Terminate rental development grants and impose a 2-year moratorium on rental rehabilitation grants	−277	−51	−290	−193	−152	−288
450—Reduce community development block grants	−343	−7	−324	−137	−327	−308
450—Reform national flood insurance program	−50	−22	−98	−86	−112	−111
600—Reform financing of public housing capital costs		−1,070		−1,100		−1,104
600—Reduce funding to operate existing public housing projects	−557	−404	−634	−596	−701	−664
800—Require fees for government sponsored credit agencies	−8	−8	−27	−27	−58	−58
Total, Banking, Housing and Urban Affairs Committee	−8,895	−3,959	−9,938	−5,937	−10,905	−7,055

SENATE COMMERCE, SCIENCE, AND TRANSPORTATION

[In millions of dollars]

Function and program	Fiscal year 1986		Fiscal year 1987		Fiscal year 1988	
	Budget authority	Outlays	Budget authority	Outlays	Budget authority	Outlays
300—Increase National Oceanic and Atmospheric Administration fees	−14	−14	−19	−19	−23	−23
400—Reduce Amtrak subsidies	−114	−99	−208	−188	−326	−305
400—Sell Conrail	−1,200	−1,200				
400—Reduce funding for airway research, development, facilities, and equipment	−295	−24	−352	−97	−433	−195
400—Eliminate certain railroad programs	−50	−7	−52	−17	−55	−33
400—Allow construction differential subsidy paybacks	−200	−200				
400—Levy Coast Guard user fees	−150	−150	−150	−150	−150	−150
400—Other	17	15				
Total, Commerce, Science and Transportation Committee	−2,006	−1,679	−781	−471	−987	−706

SENATE ENERGY AND NATURAL RESOURCES

[In millions of dollars]

Function and program	Fiscal year 1986		Fiscal year 1987		Fiscal year 1988	
	Budget authority	Outlays	Budget authority	Outlays	Budget authority	Outlays
270—Reduce funding for fossil energy research and development	−38	−12	−39	−31	−39	−39
270—Reform the uranium enrichment program	−80	−110	−98	−202	−136	−264
270—Impose moratorium on funding for strategic petroleum reserve oil acquisition and related facilities construction	−1,964	−1,729	−1,835	−1,768	−1,710	−1,779
270—Reduce funding for energy supply research and development	−126	−64	−130	−112	−136	−133
270—Reduce funding for energy conservation	−69	−10	−70	−46	−72	−67
270—Reduce funding for naval petroleum and oil shale activities	−191	−45	−32	−44	−36	−45
270—Increase Federal Energy Regulatory Commission fees	−14	−14	−28	−28	−31	−31
300—Reduce funding for discretionary public land acquisition	−142	−44	−140	−84	−142	−106
300—Initiate recreation user fees	−40	−40	−42	−42	−45	−45
300—Reduce funding for Bureau of Reclamation programs	−80	−59	−70	−70	−120	−103
300—Reduce funding for National Park Service operation and construction	−115	−31	−129	−73	−135	−100
300—Reduce funding for Bureau of Land Management programs	−43	−39	−50	−47	−57	−53
300—Reduce abandoned mine reclamation fund spending	−60	−56	−60	−32	−61	−49
300—Reduce Forest Service programs	−52	−12	−113	−87	−127	−111
Total, Energy and Natural Resources Committee	−3,014	−2,265	−2,836	−2,666	−2,847	−2,925

SENATE ENVIRONMENT AND PUBLIC WORKS

[In millions of dollars]

Function and program	Fiscal year 1986		Fiscal year 1987		Fiscal year 1988	
	Budget authority	Outlays	Budget authority	Outlays	Budget authority	Outlays
270—Reduce funding for Nuclear Regulatory Commission programs	−31	−17	−49	−42	−69	−62
300—Reduce funding for Fish and Wildlife Service programs	−55	−33	−56	−44	−62	−54
300—Reduce Corps of Engineers programs	−150	−105	−18	−58		−5
300—Initiate recreation user fees	−21	−21	−21	−21	−21	−21
400—Reduce federal-aid highway programs		−64	−589	−1,002	−1,080	−1,571
450—Terminate Economic Development Administration and Appalachian Regional Commission	−380	−45	−402	−155	−422	−274
450—Reduce the funding for Tennessee Valley Authority development programs	−86	−25	−86	−71	−84	−79
Total, Environment and Public Works Committee	−723	−310	−1,221	−1,393	−1,738	−2,066

SENATE FINANCE

[In millions of dollars]

Function and program	Fiscal year 1986		Fiscal year 1987		Fiscal year 1988	
	Budget authority	Outlays	Budget authority	Outlays	Budget authority	Outlays
370—Eliminate trade adjustment assistance to firms		−20		−28		−33
500—Eliminate the work incentive program		−217		−288		−302
550—Reduce medicaid outlays		−300		−400		−500
570—Reduce medicare outlays		−3,600		−5,300		−7,400
600—Increase Pension Benefit Guarantee Corporation insurance premiums		−184		−206		−231
600—Reform railroad retirement and unemployment programs				−10		−20
600—Freeze cost-of-living increases for social-security-related non-means-tested programs for one year		−131		−180		−186
650—Improve the administration of the social security program		−88		−150		−229
650—Freeze cost-of-living increases for social security for one year		−5,834		−8,003		−8,059
800—Levy Customs Service user fees		−473		−493		−513
850—Terminate general revenue sharing beginning in FY 1987				−3,350		−4,956
Total, Finance Committee		−10,847		−18,608		−22,429

SENATE FOREIGN RELATIONS

[In millions of dollars]

Function and program	Fiscal year 1986		Fiscal year 1987		Fiscal year 1988	
	Budget authority	Outlays	Budget authority	Outlays	Budget authority	Outlays
150—Consolidate less effective foreign aid	−152	−15	−218	−57	−266	−166
150—Restrain foreign information and exchange activities	−40	−32	−57	−52	−16	−24
Total, Foreign Relations Committee	−192	−47	−275	−109	−282	−140

SENATE GOVERNMENTAL AFFAIRS

[In millions of dollars]

Function and program	Fiscal year 1986		Fiscal year 1987		Fiscal year 1988	
	Budget authority	Outlays	Budget authority	Outlays	Budget authority	Outlays
370—Reform postal subsidies				1,259		−647
400—Reduce Washington Metro subsidies		−4		−19		−37
550—Reform the federal employees' health benefits program		−60		−130		−210
600—Reform the federal civilian retirement system (spending)		−13		−396		−918
600—Freeze cost-of-living increases for civil service retirement and related programs for one year		−725		−971		−992
600—Reduce other programs				−268		−645
920—Freeze federal civilian pay in FY 1986 and permanently shift effective date for pay raise to January		−1,232		−2,120		−2,557
920—Institute management and workforce reforms		−1,620		−2,488		2,883
Total, Governmental Affairs Committee (spending)		−3,654		−7,651		−8,889
600—Reform the federal civilian retirement system (contributions)		+375		+1,325		+1,370

SENATE LABOR AND HUMAN RESOURCES

[In million of dollars]

Function and program	Fiscal year 1986		Fiscal year 1987		Fiscal year 1988	
	Budget authority	Outlays	Budget authority	Outlays	Budget authority	Outlays
500—Reform impact aid, part B	−108	−89	−106	−94	−121	−122
500—Reform guaranteed student loans	−200	−200	−300	−300	−400	−400
500—Reform the Job Corps, decrease job training and reform the employment service	−678	−212	−738	−764	−913	−1052
500—Reform the community services block grant	−151	−103	−409	−338	−427	−422
Total, Labor and Human Resources Committee	−1137	−604	−1553	−1496	−1861	−1996

SENATE SMALL BUSINESS

[In millions of dollars]

Function and program	Fiscal year 1986		Fiscal year 1987		Fiscal year 1988	
	Budget authority	Outlays	Budget authority	Outlays	Budget authority	Outlays
370—Reform Small Business Administration business assistance	−460	−375	−629	−607	−658	−587
450—Reform Small Business Administration disaster assistance programs		−129		−421	−459	−457
Total, Small Business Committee	−460	−504	−629	−1,028	−1,117	−1,044

SENATE VETERANS' AFFAIRS

[In millions of dollars]

Function and program	Fiscal year 1986		Fiscal year 1987		Fiscal year 1988	
	Budget authority	Outlays	Budget authority	Outlays	Budget authority	Outlays
700—Reform Veterans Administration hospital and medical care	−609	−382	−737	−690	−795	−828
700—Increase Veterans Administration housing loan originating fee		−186		−240		−255
700—Reduce funding for remaining discretionary Veterans Administration programs	−18	−14	−54	−52	−87	−85
700—Freeze cost-of-living for veterans' compensation for one year	−345	−310	−420	−419	−428	−426
700—Freeze cost-of-living increase for veterans' pensions for one year	−104	−94	−133	−133	−147	−147
Total, Veterans' Affairs Committee	−1,076	−986	−1,344	−1,534	−1,457	−1,741

SENATE SELECT INDIAN AFFAIRS

[In millions of dollars]

Function and program	Fiscal year 1986		Fiscal year 1987		Fiscal year 1988	
	Budget authority	Outlays	Budget authority	Outlays	Budget authority	Outlays
450—Reduce funding for the Bureau of Indian Affairs	−60	−23	−68	−54	−74	−70
550—Reduce funding for the Indian Health Service	−88	−38	−85	−62	−85	−67
Total, Select Committee on Indian Affairs	−148	−61	−153	−116	−159	−137

Mr. DOMENICI. Mr. President, I yield the floor.

RECOGNITION OF SENATOR PROXMIRE

The PRESIDING OFFICER (Mr. HECHT). Under the previous order, the Senator from Wisconsin [Mr. PROXMIRE] is recognized for not to exceed 15 minutes.

A DIFFERENT LESSON FROM BITBURG

Mr. PROXMIRE. Mr. President, there was more than one message that emerged from President Reagan's recent trip to Europe and especially to Germany. There was the appalling failure by our President to recognize the overwhelming contrast between the deliberately calculated extermination of European Jewry by Adolf Hitler and his forces on the one hand, and on the other, the death in battle of the Nazi troops that had so fanatically supported their Fuhrer.

That was a failure the world noticed. There was another failure of memory that escaped notice. It was the failure to face the terrible tragedy of World War II itself, the tens of millions of people killed, and the utter destruction of the lives of so many others. Consider: This was the 40th anniversary of the end of World War II in Europe. Why is our memory today of that most terrible of wars so critical? There has never been another example of the absolute insanity of war. As that remarkable first woman Member of Congress, Jeannette Rankin, said, "No one wins a war, any more than anyone wins an earthquake."

But Pulitzer Prize winner Studs Terkel entitled his book, "The Good War." How about that? Was World War II really "The Good War"? If ever there was a war in which the forces of freedom opposed the forces of evil, it was World War II. Hitler, Mussolini and Tojo represented unmitigated, arrogant evil. From the standpoint of America, World War II was a noble struggle for a decent as well as a peaceful world.

So what was the big lesson we should have learned from World War II? The answer is not as easy to understand for this victorious country that survived with its native land untouched, and with its heartbreaking casualties confined largely to brave young soldiers on the field of battle. The lesson we should learn is the absolute, unmitigated, total failure which modern war represents. World War II was fought in Europe without nuclear weapons. But in England, France, Germany, Italy, and Russia, the devastation was overwhelming. It was sickening. It was very similar to the destruction left by nuclear weapons. And the human slaughter was enormous—in the tens of millions. Certainly we should take from that memory of World War II for all of our lives the memory of the hideousness of war.

Oh, how we need that memory of war's utter inhumanity. Somehow the experience of war in one generation after another does not seem to overcome the forces of chauvinism and price and selfishness that drives this country we love to the brink of war in the Middle East, in Central America, and elsewhere. The searing memories of World War II were refreshed for many Americans with our President's trip to Europe this spring. But they mostly seemed to be romantic and nostalgic.

Fortunately, many of us were reminded of the ferocious inhumanity of Hitler's Holocaust against the Jews. We should have been. That is a memory we should never allow to grow dim. More than that, this Senate should ratify the Genocide Convention with full World Court jurisdiction over the United States. That kind of ratification would show we really mean business about doing something truly effective and useful in honor of Anne Frank and the millions of other Holocaust martyrs who perished at the hands of Hitler's Nazis.

But in this 40th year since the end of history's most terrible war, we should keep the memory of the full agony of that war alive. In that memory, we should work for peace with all our heart. And what does that mean? It means that we stop the nuclear arms race. No, we cannot stop it unilaterally. We don't live in that kind of world. Our adversary is the Soviet Union. Its leader is Gorbachev, not Martin Luther King, but not Hitler, either. Mr. Gorbachev is likely to be the Russian leader for many years. He will have time to consolidate his power. He may or may not be willing to negotiate a mutual, verifiable, and comprehensive treaty which would stop the arms race. But we should put him to the test. We know his country has everything to gain from such a treaty, just as we know our Nation has everything to gain from stopping the arms race.

In this 40th year since the end of the most terrible war in the Earth's history, in this 40th year since the advent of nuclear weapons as the ultimate catastrophic instrument of a superpower war, we should look squarely at the horror and misery of World War II. We should resolve that such a catastrophe will never happen again. We should move with all our heart to make that possible by ending the nuclear arms race.

A PHYSICAL SYMBOL

Mr. PROXMIRE. Mr. President, the Washington Post of Saturday, May 11, carried an article on the progress of plans for the proposed United States

Holocaust Memorial Museum. On May 10, the preliminary architectural design plans were unveiled at a House appropriations subcommittee hearing. These plans indicate that the architects are having difficulty in meeting the highly sensitive and different objectives of the project. The building must serve simultaneously as both a symbol and a functional structure.

As the article reports, "The building is to be at once a memorial, a museum, and a learning center with significant archival holdings for scholars as well as innovative educational programs for lay persons of all ages."

The memorial will be located between 14th and 15th Streets south of Independence Avenue. Since it is located near the Mall, the Holocaust Memorial must not clash architectually with the Lincoln Memorial, Washington Monument, or any of the museums nearby.

But, more important, the memorial must first and foremost serve as a tool for educating people of the horrors of the Holocaust so that such outrageous events never happen again.

While building a physical structure is necessary, good and important, such an act by itself is not sufficient to show the world our commitment to ending genocide. Senate action on the Genocide Convention would be such a positive move in the right direction. We must give our mark of approval and place the U.S. name among those nations which have already signed the Genocide Convention. Mr. President, the time is now, more than ever, for the Senate to ratify the Genocide Convention.

ROUTINE MORNING BUSINESS

The PRESIDING OFFICER. Under the previous order, there will now be a period for the transaction of routine morning business, not to extend beyond 11 a.m., with statements therein limited to 5 minutes each.

NATIONAL TOURISM WEEK

Mr. INOUYE. Mr. President, for the second consecutive year Congress has designated the week beginning May 19, 1985, as National Tourism Week, and the President has issued a proclamation accordingly.

On this occasion last year I said that it was the men and women in the travel industry who should be recognized during National Tourism Week, and it is their effort which should be celebrated. One of the most significant reasons that Congress is beginning to appreciate the importance of tourism is because the industry has succeeded in making us aware of how much it means to our national welfare.

On several occasions the diverse segments of this industry have been willing to subordinate their individual concerns, and unite for the common good. I would like to cite two very significant instances where this has occurred, and the national interest has benefited as a consequence.

First, there was the international marketing plan developed by a highly prestigious industry committee under the aegis of the Travel Industry Association of America, and presented to the Secretary of Commerce, the United States Travel and Tourism Administration, and the Office of Management and Budget on August 14, 1984.

That plan was developed at no cost to the Government, and conservative estimates place the cost to the industry at $500,000. It was the industry's response to OMB's suggestion that a comprehensive marketing plan, identifying appropriate roles for Government and the private sector, would aid USTTA significantly when the agency made its budget recommendations.

In my judgment, the industry response was most unique and commendable. Usually, it is an agency of Government which expends Federal funds to assist an industry. Just the opposite occurred here, however.

Mr. President, because that effort typifies this new found industry unity, I believe it would be instructive and worthwhile to review briefly its history.

In 1983, the Travel Industry Association of America organized an international marketing plan development committee to develop the kind of marketing plan for USTTA that had been suggested by OMB.

That industry committee, made up of top international marketing executives from all segments of the U.S. travel and tourism industry, devoted a full year to examining the international tourism market. Particular emphasis was placed on: Increasing competition between governments for international visitors, the historic and likely future performance of the United States in international tourism trade, and strategies available to begin returning the United States to its previously held competitive position.

Task forces of the committee circled the globe to visit seven key markets to determine the best approach for the United States to take in improving its competitive position in international tourism trade and how the private sector could make a greater contribution to a unified national effort. The countries visited were: Canada, Mexico, Japan, West Germany, France, London, and the Netherlands.

Mr. President, I ask unanimous consent that the biographical sketches of the members of that blue ribbon panel be inserted in the RECORD at the conclusion of my remarks.

The administration's response to that monumental effort by some of the best marketing talent in the world was a rescission message to Congress proposing to reduce USTTA's budget for fiscal year 1985 by one third; and another proposal to terminate the agency by the end of fiscal year 1986.

Mr. President, I can understand those who feel that the administration's recommendations are not responsive to the industry's good faith effort to form a public-private partnership and to provide a comprehensive plan for renewed U.S. competitiveness in global tourism trade.

But Congress did not agree to the President's rescission message, and I am reasonably confident we will insist that USTTA remain in business. The industry's strong opposition to what the administration proposed has been most persuasive in Congress. And that is the second instance I had in mind where the travel industry has united for its common good and the national interest.

Mr. President, I do not want to give the impression that the industry is united on all issues, or that Congress fully appreciates the importance of the industry. Manifestly this is not the case. But the seeds have been sown; and from what I have seen over the past 10 years the travel industry will work diligently and unselfishly to ensure that those seeds bear fruit. And so once again may I suggest that during National Tourism Week we honor the millions of men, women, and teenagers who are the U.S. tourism industry.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

INTERNATIONAL MARKETING PLAN DEVELOPMENT COMMITTEE

J. KAY ALDOUS

Vice President-Public and Government Policy, American Automobile Association.

J. Kay Aldous has been Vice President of Public and Government Policy of the American Automobile Association since July 1978. He first served AAA as Director of Public Relations from April 1968 until December 1973, when he was appointed Managing Director, Public Affairs Division. In July 1977, Mr. Aldous was named Managing Director of Public and Government Policy.

Mr. Aldous is now responsible for the Departments of Public Affairs, Public Relations, Publications, Government Affairs, Legislative Affairs, Traffic Safety, Highway Transportation and Environment and Energy. He is also the publisher of AAA World magazine.

Before joining AAA, Mr. Aldous served from 1962 to 1968 as Director of Public Relations, Advertising and Sales Promotion for American Newspaper Representatives, Inc. (ANR) in New York City.

A veteran journalist, he served as Editor-General Manager of Suburban Newspapers in Salt Lake City, Utah, and as a columnist and sportswriter with the Deseret News-Salt Lake Telegram.

Kay Aldous earned a B.S. degree in Journalism from the University of Utah.

ROGER H. BALLOU

Senior Vice President-Vacation and Leisure Travel, American Express Company.

Roger H. Ballou came to American Express from Citibank in 1979, where he managed outside sales forces, developed and implemented business and marketing plans, and structured call programs, direct mail, and advertising support.

Mr. Ballou's first position at the Travel Division of American Express was as Regional Vice President, Destination Services. A year later, he assumed control of Travel Products Marketing with responsibility for vacations for U.S. citizens. Mr. Ballou's responsibilities changed again in January 1981 to include Destination Services Marketing—concentrating on inbound travel for foreign citizens. In October 1981 he became responsible for the Worldwide Representative Program, U.S. Supplier Management and Negotiations, Industry Relations and Retail Marketing.

Mr. Ballou was promoted to his present post in 1983. He is responsible for product development, marketing and profitable operation of the U.S. vacation stores, Travel Products Marketing and Representative Program.

He received his MBA from the Amos Tuck School of Business Administration at Dartmouth College in 1975. His undergraduate work was completed at the Wharton School, University of Pennsylvania.

WILLIAM L. BLAZIEK

Senior Vice President-Sales and Marketing, Resorts International Casino Hotel.

Mr. Blaziek joined Resorts International Casino Hotel in 1982 as Senior Vice President of Sales and Marketing.

A 14-year veteran of hotel and casino marketing, Blaziek was formerly vice president of sales and marketing for Del Webb Hotels in Las Vagas, Nevada. During his tenure with Webb, Blaziek served as director of sales and marketing for Webb Properties in Nevada, California, Hawaii and Arizona.

Mr. Blaziek takes an active role in helping to guide the growing resort and tourism industry in the Garden State. He serves on the Southern New Jersey Development Council, the New Jersey and Greater Atlantic City Tourism Council and the Atlantic City Convention and Tourism Marketing Committee.

He is also a member of the Hotel Sales Management Association, the International Society of Incentive Travel Executives, the National Association of Exposition Managers, the American Society of Association Executives and Meeting Planners International.

Mr. Blaziek was a commissioned officer during the Vietnam conflict. He was educated at Washington State University and California State University.

CHRISTOPHER C. BROWNE

Senior Vice President/Managing, Director-Systems Hotels, Holiday Inns, Inc.

Christopher C. Browne is Senior Vice President and Managing Director of System Hotels for Holiday Inns, Inc.

Mr. Browne joined Holiday Inns, Inc. in 1978 and has served as Senior Vice President of Marketing, as well as Director and Vice President of National Advertising and Promotions. From 1974 to 1978, he was Divisional Marketing Director for Burger King.

Mr. Browne gained valuable marketing experience prior to joining the restaurant chain, serving as Account Executive with two of the nation's top advertising agencies. At BBDO International, Inc., he worked on the Burger King account, and before that worked for Young & Rubicam, Inc., New York. He also served as Assistant Brand Manager with Johnson & Johnson.

Mr. Browne has also been active in the travel industry as part-owner of Voyager Travel, an incentive travel agency.

Born in Washington, DC, Mr. Browne holds an MBA from the University of Chicago and a BS in mathematics and economics from Florida State University.

JAMES C. COLLINS

Senior Vice President-Marketing, Hilton Hotels Corporation.

James C. Collins was elected to his present position as Senior Vice President-Marketing for Hilton Hotels Corporation in August, 1977. He is responsible for the corporation's sales, advertising, public relations, and marketing research efforts affecting both domestic properties and those of the company's international subsidiary, Conrad International Hotels. In addition, he is senior vice president of marketing for Hilton Inns, Inc., Hilton's franchise division.

A native of Chicago, Collins joined Hilton in 1945, following military service, as Assistant Manager of the exhibit hall at the Conrad Hilton in Chicago. After progressing through the hotel sales staff, he joined the corporate sales staff in 1957 as Assistant to the General Sales Manager.

In 1962 Collins was appointed National Sales and Convention Manager and the following year was elected Assistant Vice President; two years later he was elected Vice President-Sales.

Mr. Collins is a member of the Board of Directors of various Hilton subsidiaries including Hilton Inns, Inc.; Hilton Service Corporation, and Compass Computer Services. He is also active in numerous industry organizations, including the Travel Industry Association of America (Chairman—International Committee and International Marketing Plan Development Committee); the American Society of Association Executives (member-Board of Directors); Convention Liaison Council (Chairman); Institute of Certified Travel Agents (Fellow); American Society of Travel Agents (member-Allied Committee); Hotel Sales Management Association (member-Industry Advisory Council); and the American Hotel and Motel Association (Vice Chairman-Marketing Committee).

GORDON L. DOWNING

Vice President-General Sales, National Car Rental System, Inc.

Gordon L. Downing is responsible for National Car Rental System's commercial, agency, association and trade advertising.

Mr. Downing joined National Car Rental System, Inc. as a sales representative in 1969 and has steadily progressed to his current position as Vice President-General Sales, which he assumed in 1982. He also served as District Sales Manager; Regional Sales Manager; Manager of Agency and Interline; Director of Agency and Interline; and Divisional Vice President, Travel Industry and International Sales.

Mr. Downing attended El Camino College in California, where he received an Associate Arts Degree in Business Administration and a scholarship to Pasadena Playhouse in Dramatic Arts. He has participated in professional programs offered by the American Management Association, University of Minnesota, and Yale University for Strategic Planning for International Marketing, Sales and Advertising.

Mr. Downing serves on a number of industry committees including ASTA Allied Council, Convention Liaison Council, TIA International Committee, International Marketing Plan Development Committee, and the CREST (Creative Retailer Excellence in selling Travel) Award Committee. Most recently, Downing was appointed Area Director of the Travel Industry Association of America.

WILLIAM H. EDWARDS

President, Hilton Hotels Division, Hilton Hotels Corporation. Ex Officio Member of the International Marketing Plan Development Committee.

William H. Edwards' career at Hilton Hotels and in the travel industry is marked with achievement.

During the development of the International Marketing Plan, Mr. Edwards served as TIA's National Chairman.

His hotel career began as an Assistant Manager at the Grand Hotel on Mackinac Island, Michigan. He has since served with Hilton Hotels Corporation in many managerial and executive positions at properties in Detroit and Chicago, including Vice President and General Manager of Chicago's Palmer House.

He was elected Vice President of Hilton Hotels Corporation, supervising the Chicago Division, in 1968. He was elected Senior Vice President, Hilton Hotels Corporation in 1970, and Executive Vice President-Operations in 1971, when he was elected to the Board of Directors and Executive Committee. Mr. Edwards was elected President of Hilton Hotels Division in 1978.

He has held many key posts within the hotel and tourism industry and has received numerous awards and honors.

Mr. Edwards is Co-Chairman of the 1984 Olympics Hotel and Housing Advisory Committee.

NEIL M. EFFMAN

Senior Vice President-Marketing and Planning, Trans World Airlines.

Neil M. Effman was named senior Vice President-Marketing and Planning for Trans World Airlines in 1981 following more than two decades of experience with the airline industry.

Mr. Effman is responsible for strategic planning, product development and quality control through the functions of forecasting, scheduling, pricing, passenger services, marketing and advertising, and government affairs.

In 1958, Mr. Effman joined TWA as an analyst in the forecasting department. He later became Manager-Traffic and Revenue Analysis, Director-Route Structure Research, and Director-Passenger Strategy Planning.

Named Staff Vice President-Marketing Planning and Forecasting in 1970, he became Staff Vice President-Reservations Marketing in 1975. Then, in 1977, Mr. Effman was promoted to Vice President-Planning.

Mr. Effman holds a degree in economics from the City College of New York. He serves on the Advisory Committee of the Center for Transportation Studies at the Massachusetts Institute of Technology.

SIG S. FRONT

Senior Vice President-Director of Marketing, The Sheraton Corporation.

Sig S. Front is responsible for the Sheraton Corporation's world-wide advertising, sales and marketing activities.

He began his hotel career in 1956 with Schine Hotels in Miami—first as a management trainee and then as a sales representa-

tive. In 1957, Mr. Front left Schine Hotels to help form the sales department of the brand-new Beverly Wilshire Hotel in Los Angeles. In 1960, he was named Director of Sales for Fred Harvey Hotels and Restaurants and directed the company's marketing program.

Before joining Sheraton, Mr. Front served as Vice President of Sales and Marketing at Del Webb Hotels, International, in Nevada from 1962 until 1974. In 1974, he joined Sheraton as Managing Director of the 600-room Brussels-Sheraton Hotel.

Mr. Front attended West Virginia University and is a graduate of the Linsly Military Institute.

He is a past president of Hotel Sales Management International and a former committee chairman of the American Society of Association Executives.

C. DEAN GAISER

Director, Florida Division of Tourism.

C. Dean Gaiser has served as Director of the Florida Division of Tourism since 1983 and for more than a decade has been working to promote tourism there.

Mr. Gaiser served as Acting Director of Tourism during a change of administration, from May 1978 until June 1979 prior to becoming Director. From 1973, until assuming the directorship in 1983, Mr. Gaiser was Florida's Assistant Director of Tourism.

He served as Personnel Officer for the Department of Commerce, and Manager of Training and Development for the Florida Department of Administration. He was director of Executive Recruitment and Development for Maas Brothers Department Stores of Florida. He also served as Consultant for Distributive Education, Florida Department of Education, where he supervised high school and junior college programs of marketing and distribution.

A graduate of Florida Southern College, Lakeland, Mr. Gaiser holds a B.S. degree in economics. He is active in a number of professional organizations.

ROBERT GIERSDORF

President, Exploration Holidays and Cruises.

Robert Giersdorf, president and founder of Exploration Holidays and Cruises, was elected chairman of the Travel Industry Association of America (TIA), in May 1984.

Mr. Giersdorf built a reputation in commercial aviation with Alaska Airlines, where as Senior Vice President for Marketing and Sales, he became known for innovation in marketing and promotion.

Mr. Giersdorf directly negotiated the protocol agreements between Alaska Airlines and the Soviet Union that opened the door from Alaska to the Soviet Union.

In 1972, Giersdorf left Alaska Airlines to establish his Alaska Tour and Marketing Services, Inc. (ATMS), which operates and packages tours and provides marketing, sales, public relations and advertising services for other Alaska travel firms. The trade name of Exploration Holidays and Cruises was implemented to better suit the expanded cruise and tour services.

Giersdorf maintains his home and business headquarters in Seattle, though he remains active in Alaska with extensive tour operations throughout the state.

When Alaska achieved statehood in 1959, Giersdorf was elected to the first legislature.

CHARLES GILLETT

President, New York Convention & Visitors Bureau.

Charles Gillett is widely recongized as one of the travel industry's leading professionals, credited with playing a major role in stimulating worldwide interest in the attractions of New York City. He conceived of and directs "The Big Apple" campaign for New York City—one of the most successful promotions in the travel industry.

Under Gillett's direction, tourism is now New York City's leading growth industry, bringing more than $2 billion annually in visitor spending.

Mr. Gillett is Past President of the International Association of Convention and Visitor Bureaus and the National Association of Travel Organizations, which later became the Travel Industry Association of America (TIA). He is a lifetime Director of TIA and a member of its Executive Committee.

A member of the United States Congressional Travel and Tourism Caucus Advisory Board, Mr. Gillett serves on the Executive Committee of the Travel and Tourism Government Affairs Council, the U.S. Commerce Department's Travel and Tourism Advisory Board, and the New York State Board of Tourism Commissioners.

Mr. Gillett has received many honors, including the travel industry's highest, The Golden Horseshoe Award for outstanding achievements in promoting and developing travel.

ELLIOT E. HEIT

International Marketing Director, Tauck Tours.

Elliot E. Heit joined Tauck Tours in 1981 and quickly put his 25-years of international tourism experience to work, aggressively involving the firm in international markets, including Visit U.S.A. countries.

Mr. Heit's association with Visit U.S.A. coincides with its early days of development. In 1961 he represented the Gray Line Association and, together with Pan American World Airways and Greyhound, travelled through Europe and the U.K. on board a Greyhound Scenic Cruiser to complete one of the first projects to stimulate interest in travel to the U.S.

Shortly after Greyhound acquired Gray Line New York Tours, he was invited to join Greyhound where, as Vice President of International Sales, he developed the international division to a prominent position in Visit U.S.A.

Mr. Heit is a 1950 graduate of the United States Military Academy. When he resigned from the service, he was serving as a Crew Commander in the 47th Bombardment Squadron of the Tactical Air Command.

Mr. Heit is Vice President of the West Point Society of New York and a member of the Board of Trustees for the Alumni Association of West Point.

JAMES W. HURST

Executive Vice President, Greater Los Angeles Visitors & Convention Bureau.

James W. Hurst began his tourism career with the Chicago Convention & Tourism Bureau in 1957. He served as Executive Assistant Director for the bureau prior to taking on his present responsibilities in California.

In 1979, Mr. Hurst joined the Greater Los Angeles Visitors and Convention Bureau as Executive Vice President—an organization with 50+ employees and a budget exceeding $4 million per year. In 1982, visitor spending in Los Angeles exceeded $8 billion.

In 1965, Mr. Hurst became executive vice president of the Atlanta Convention and Visitors Bureau where he served prior to taking on his present responsibilities in California.

Mr. Hurst is a member of TIA, Hotel Sales Management Association, National Association of Exposition Managers, Professional Convention Management Association, International Association of Convention and Visitors Bureaus, Western Association of Convention and Visitors Bureaus, and the International Congress and Convention Association.

He was Co-Chairman of the 1981 Western Tourism Conference. In 1983, he was President of the Western Association of Convention and Visitors Bureaus, and in a member of the Past Presidents Council of the International Association of Convention and Visitors Bureaus.

Mr. Hurst is a 1951 graduate of the Western Reserve Academy, Husdon, Ohio. He holds a degress in economics from Northwestern University, and is a veteran of Korea having served in the U.S. Army from 1953–1955.

SAMUEL B. JAMIESON, JR.

Vice President, Short Line Tours.

Samuel B. Jamieson, Jr. has been an important part of the bus industry for over 35 years, with broad experience in Operations, Sales and Marketing.

In addition to this responsibilities as Vice President of Short Line Tours, Mr. Jamieson is Vice President of a number of Short Line affiliated operating companies.

These include:

American New York Tours/American Sightseeing International, New York, N.Y.

American Sightseeing of Philadelphia

Chenango Valley Bus Lines, Binghamton, N.Y.

Colonial Coach Corp., Mount Holly, N.J.

International Bus Service, Inc., Brooklyn, N.Y.

Mr. Jamieson serves his industry in many other capacities, as well.

He is Chairman of the Board of Directors of American Sightseeing International. He is a Director of the American Bus Association and Chairman of ABA's Northeast District-Legislative Committee.

A Past President of the Bus Association of New York, he is currently a member of the Transportation Advisory Boards of Orange County and Sullivan County, N.Y., American Society of Travel Agents, Inc., National Bus Traffic Association, National Tour Association, and Travel Industry Association of America.

MICHAEL L. JENKINS

Director—Business Marketing, AT&T Communications.

Michael L. Jenkins assumed his current position as Director of Business Marketing for AT&T Communications in 1982.

An 18-year company veteran, Mr. Jenkins began his career with AT&T in Louisville, KY and has held positions in Operations, Sales and Marketing. Prior to being named to his present position, Mr. Jenkins served as a member of AT&T's Reorganization Planning Committee.

Based at AT&T Headquarters in Basking Ridge, NJ, Mr. Jenkins and his staff are responsible for developing marketing and sales strategies for AT&T's information transfer services. These communication services are provided to the travel, leisure and transportation industries, as well as AT&T's six million small business customers.

Mr. Jenkins attended the University of Tennessee, where he majored in Industrial Management. He is also a certified business consultant.

Mr. Jenkins is a member of the Travel Industry Association of America Board of Directors and the Small Business Administra-

tion Advisory Committee. He is a guest speaker and author of numerous papers and articles on such subjects as tourism, transportation, small business, communications and marketing.

THOMAS J. KOORS

Executive Vice President—Marketing and Sales, Northwest Airlines, Inc.

Thomas J. Koors was elected to Northwest Airlines' newly established position of Executive Vice President, Marketing and Sales on February 1, 1983.

A 23-year Northwest Airlines veteran, he has held many key positions in sales management, both in the United States and abroad.

Initially, Mr. Koors served in headquarters economic research. Subsequently, he became the airlines's Country Manager in the Philippines. He served as sales manager for the Tokyo, Los Angeles, and Chicago sales districts before a term as General Sales Manager at the company headquarters. In December 1979, Mr. Koors was named to the position of Vice President, Transportation Services for Northwest Airlines.

In his present post, Mr. Koors is responsible for all facets of the airline's marketing, sales advertising and sales reservations functions.

A native of St. Paul, Minn., Mr. Koors earned a Bachelors Degree in economics from the University of Minnesota.

JACK B. LINDQUIST

Executive Vice President-Marketing, Walt Disney Productions.

Jack B. Lindquist was named Executive Vice President of Marketing for Walt Disney Productions in October 1982.

Mr. Lindquist joined the company in August, 1955 as Disneyland's first advertising manager, and in 1965 was promoted to Marketing Director of the park. His responsibilities were expanded in 1971 with the opening of Walt Disney World, when he was named Marketing Director for both Disneyland and Walt Disney World.

In 1974, Mr. Lindquist assumed the position of Vice President, Marketing for both parks and four years later was elevated to Vice President, Marketing, for all of the company's outdoor recreation activities. From 1980, until assuming his present job, he was Senior Vice President of Advertising, Publicity, Promotion and Public Relations for Walt Disney Productions.

In addition to his marketing duties, Lindquist is President of the Walt Disney Travel Company, Vista Advertising and the company's Magic Kingdom Club. He serves on the Advisory Board of the California Angels.

After spending two years in the U.S. Air Force, Mr. Lindquist completed his education at the University of Southern California, where he majored in advertising.

WILLIAM S. NORMAN

Executive Vice President, Marketing and Business Development, Amtrak.

William Norman joined Amtrak in 1979 after extensive experience at Cummins Engine, Co., Inc. and with the U.S. Navy Department in Washington, DC.

Mr. Norman began his Amtrak career as Vice President-Marketing and within two years was given added responsibility for sales. In December 1981, he was named Group Vice President-Marketing and Corporate Planning. He was named Executive Vice President for Marketing and Business Development in 1983.

At Cummins, Mr. Norman served in two executive marketing posts before being named Vice President for the Eastern Division in August of 1978.

Mr. Norman joined Cummins in 1973 as Director of Corporate Responsibility after twelve years as a Naval flight officer with the Navy Department, where he served in such positions as a History and Foreign Affairs Instructor at the U.S. Naval Academy, a White House Social Aide, Carrier Division Staff Officer, and Special Assistant to the Chief of Naval Operations for Special Projects.

A former public school teacher in Norfolk, Virginia, Mr. Norman is a member of the Council on Foreign Relations, the TIA Board of Directors, and numerous other industry and professional organizations.

MALCOLM D. PYNN

President, Holiday Americas.

Malcolm D. Pynn, who formed Holiday Americas in 1981, has spent the last 30 years working in the travel and transportation industry. For the last 12 years his work has focused on Visit U.S.A.

Born and educated in England, Mr. Pynn came to the United States in 1958 with British Rail International, transferring from British Railways in London to British and Irish Railways in New York, where he began as a reservation clerk. He subsequently worked as sales representative and reservations/sales manager for North America.

Mr. Pynn left British Rail International in 1968 and joined Universal Sky Tours as Assistant to the President. He became President in 1972. Six years later, he left to joint Tourpak International as Vice President, Sales & Marketing.

Mr. Pynn is a former two-term President of New York Bons Vivants, and the former Auxiliary President of the 41-74 Club of New York.

In addition, Mr. Pynn serves on the Board of Directors of the Travel Industry Association of America. In 1982 and 1983, he chaired the Discover America International Pow Wow Planning Committee. He is also a member of the Association of Group Travel Executives.

DONALD J. RYAN

Former President, Camping Group, Kampgrounds of America, Inc.

Donald J. Ryan has broad experience in both marketing and in the outdoor recreation-camping industry.

Before becoming President of KOA's Camping Group, Mr. Ryan served as Vice President, Marketing for the firm. Prior to joining KOA, he served as President of Recreational Marketing Services and in marketing for Mead-Johnson and United Airlines, and in sales for the Inland Steel Company.

Mr. Ryan is Past President of the Family Camping Federation and a Director of the American Camping Association.

In addition, Mr. Ryan has taught economics at the University of Evansville.

He completed both his undergraduate and graduate work at the University of Wisconsin, where he received a Masters of Business Administration degree in marketing.

MARTIN R. SHUGRUE, JR.

Vice Chairman, Pan American World Airways, Inc.

Martin R. Shugrue, Jr. was Senior Vice President-Marketing at Pan American World Airways until he was elected Vice Chairman in 1984.

In his present position, Mr. Shugrue directs the airline's marketing programs and passenger and cargo sales efforts. He also oversees Pan American's worldwide station operations and passenger service activities, including in-flight service, catering and reservation. He is also responsible for maintenance, engineering, flight operations and airline safety.

Mr. Shugrue joined Pan American in 1968 as a B-707 pilot/flight engineer after six years of service as a carrier-based pilot in the U.S. Navy. He still maintains his military affiliation as a Captain in the U.S. Naval Air Reserve.

In 1970, Mr. Shugrue was appointed to the staff of the Executive Vice President and General Manager. He joined the Personnel Department in 1972, and in 1974 was appointed Staff Vice President—Corporate Personnel.

Mr. Shugrue became Regional Managing Director—United Kingdom and Western Europe in 1978. He was elected Vice President—Industrial Relations in May 1980 and then Vice President—Personnel in February 1981. In November 1981, he was named Senior Vice President—Administration, and in December 1982, became Senior Vice President—Marketing.

WILLIAM D. SLATTERY

President, Braniff, Inc.

William D. Slattery became President of Braniff, Inc. on December 15, 1983, upon consummation of the Braniff/Hyatt Agreement.

Prior to joining Braniff, Mr. Slattery worked for 16 years for Trans World Airlines, where he began as an analyst in 1967.

Mr. Slattery spent his last three years with TWA based in Paris, France while serving as Vice President—International Division. He was responsibile for all sales and service activities for Europe, Asia and Africa.

Before heading TWA's International Division, Mr. Slattery worked for three years as Regional Vice President of the New York Region. He was in charge of metropolitan New York and Newark sales and services activities, including one of the airline's largest reservation offices in New York City. As Regional Vice President, Mr. Slattery was also responsible for the operations at John F. Kennedy, La Guardia and Newark airports.

He received a B.A. degree from the University of Notre Dame in 1965 and an M.B.A. from the University of Santa Clara in 1967.

ROBERT A. SMALLEY

President and Chief Executive Officer, American Land Cruises.

Robert A. Smalley began his career in 1946 with the Couture Rent A Car System—a car rental company operating in Florida, the Caribbean and Latin America.

He was Vice President and General Manager of the firm when it was acquired by the Hertz Corporation in 1957. Mr. Smalley joined Hertz and a year later was named Asssitant Vice-President.

After 14 years of extensive experience, Mr. Smalley, in July 1969 was elected President and Chief Executive Officer of Hertz, a post that he held until retirement in January, 1972.

Within seven months, Mr. Smalley had founded American Land Cruisers, Inc., in Miami, Fla., today one of the nation's largest recreational vehicle dealerships. The company's rental division operates one of the nation's largest motorhome rental fleets, with locations in Los Angeles, San Francisco, New York, Orlando, Tampa and Miami. Plans call for further expansion into other key cities throughout the United States and Canada.

Smalley is a native of Detroit, Michigan. He is a graduate of St. Leo Prep, and is a World War II Veteran, having served in the Naval Air Corps.

BRADLEY P. SMITH

Executive Director-Foremost West, Four Corners Regional Tourism Organization.

Bradley P. Smith has a wealth of experience in travel marketing and was formerly a tour operator.

Prior to joining the Foremost West, a regional organization formed by the governors of the five member states, Mr. Smith founded and was president for seven years of Challenge Incorporated, a travel company specializing in package tours and sports clinic/academies in the western U.S. He has also held sales and marketing positions with Michelin Tire and 3M Business Products.

Today, as Executive Director of the Foremost West, a position he has held for 10 years, he is directly involved in international travel marketing for the interior western states, a crucial position as the U.S. seeks to generate increased travel from abroad.

Mr. Smith has been actively involved in many travel-related activities, and with the Travel Industry Association of America. He serves as a member of TIA's International Committee and the International Marketing Plan Development Committee. In addition, he has served as a member of the Pow Wow Planning Committee.

Mr. Smith is immediate past chairman of the National Council of Area and Regional Travel Organizations and serves on the Board of Trustees of the U.S. Travel Data Center. He is a graduate of the University of Utah.

BRIAN D. SMITH

Vice President-Marketing, Busch Entertainment Corporation.

As Vice President of Marketing for Busch Entertainment Corporation, Brian D. Smith oversees the marketing activities for all five Busch Entertainment properties in Pennsylvania, Virginia, Florida and Texas.

The Busch Entertainment theme parks, the Dark Continent in Tampa, Fla., and the Old Country in Williamsburg, Va., host more than five million visitors annually. Busch Entertainment also owns and operates Adventure Island, a water theme park in Tampa, Fla. and Sesame Place play parks for children in the Dallas and Philadelphia markets.

Prior to joining Busch Entertainment Corporation, a subsidiary of Anheuser-Busch Companies, Inc., Mr. Smith was Vice President-Marketing for Hanes Corporation L'Erin cosmetics division.

After earning his Masters of Business Administration degree from the University of Wisconsin, Mr. Smith joined Foote, Cone & Belding as an account executive and was later promoted to Vice President, Account Supervisor in New York.

He also has held major marketing positions with Kimberly Clark Corp. and Norton Simon, Inc.

Mr. Smith resides in St. Louis where Busch Entertainment Corporation is headquartered.

JOHN STOCKTON

Vice President-Marketing, Roy Rogers Restaurants Division-Marriott Corp.

John Stockton joined Roy Rogers Restaurants in his present position in June 1980 and directs all marketing activities for the chain of more than 500 restaurants throughout the nation.

His overall responsibilities include management of advertising and promotion, market research, product development and public relations functions and staffs.

Prior to joining Marriott, Stockton was Vice President, Health Product Planning for Colonial Penn Insurance Group in Philadelphia for four years. He worked in Marketing Management at General Foods Corporation for ten years prior to joining Colonial Penn.

A native of Long Beach, California, he holds a Master of Business Administration degree from Western Michigan University.

Mr. Stockton is recognized in his industry for his outstanding ability and leadership in marketing and advertising.

WILLIAM D. TOOHEY

President, Travel Industry Association of America.

William D. Toohey was elected National Chairman of Discover America Travel Organizations, now TIA, in 1969 when the organization was founded. In 1971, he was named President and Chief Executive Officer.

Before assuming the association post, Mr. Toohey was Executive Vice President of the Chicago Convention and Tourism Bureau and a director of Greenfield Village and Henry Ford Museum, near Detroit.

He was a founder, first chairman and is an officer of the United States Travel Data Center, in Washington, D.C.

Mr. Toohey has chaired several industry coalitions to address specific federal issues, including national tourism policy, development of equitable national energy programs, and facilitation of international travel to the U.S.

Mr. Toohey has served as the North American Affiliate Vice Chairman of the World Tourism Organization and as Vice Chairman of the Travel and Tourism Industry Advisory Council of the U.S. Senate Committee on Commerce, Science, and Transportation. He is Vice Chairman of the U.S. Congressional Travel and Tourism Caucus Industry Advisory Board and the Travel and Tourism Government Affairs Council.

A fellow of the Institute of Certified Travel Agents, Mr. Toohey is a graduate of the University of Detroit. He served in the U.S. Navy Air Corps during W.W. II.

JOHN A. UEBERROTH

President, Carlson Travel Company, President, First Travel Company, and Chairman, Ask Mr. Foster Travel Service.

John A. Ueberroth began his career in providing travel services in 1968. After two years as lieutenant in the United States Navy, Mr. Ueberroth joined First Travel Corporation (then known as Transportation Counsultants International).

He served as Vice President and General Manager of the Eastern Region, and then, when First Travel acquired Ask Mr. Foster Travel Service, he was transferred to California and became a Director of the company. In January 1974, Mr. Ueberroth was elected President of Ask Mr. Foster.

Five years later, he was elected Chairman of Ask Mr. Foster and the President of First Travel Corporation, when it was acquired by Carlson Marketing Group in December 1979. In 1983 Ueberroth was appointed to head all Carlson Companies' retail, wholesale and incentive travel operations, Carlson Travel Company.

Ueberroth is also a Director of the United States Tour Operators Association, is currently the treasurer of the Travel Industry Association of America, and a member of the Young Presidents' Organization. He is on the Board of Directors of the Braille Institute.

Ueberroth received a BA from the University of California at Berkeley and an MBA from the University of Southern California.

TERRY L. UNDERWOOD

Vice President-Passenger Marketing Greyhound Lines, Inc.

Terry L. Underwood has a broad background in marketing planning and advertising, experience essential to the development of the International Marketing Plan for the travel industry.

Mr. Underwood was appointed Vice President-Passenger Marketing at Greyhound in May 1983.

He is responsible for market plan development, advertising, sales promotion, merchandising and pricing of Greyhound's regular scheduled passenger service. In addition, Mr. Underwood has direct responsibility for charter operations and all international sales.

Prior to joining Greyhound, Underwood was Vice President of Marketing for the U.S. Rent-A-Car Division of Avis, Inc.

During his 13 years with Avis, Underwood held a variety of sales and marketing positions. Earlier in his career, he was an Account Executive with N.W. Ayer & Son.

Mr. Underwood is a graduate of the University of Tampa.

A. RUSSELL UPSHAW, JR.

Vice President-Government Affairs, Eastern Airlines.

A. Russell Upshaw, Jr., Vice President-Government Affairs for Eastern Airlines, is responsible for coordinating Eastern Airlines' interest in federal, state and local governmental activities.

Prior to joining Eastern's governmental affairs unit in the Fall of 1981, Mr. Upshaw was Vice President-Sales and Services for Eastern's Central Region.

He joined Eastern Airlines in March 1947 as a reservations agent in Atlanta and advanced through various positions in operations and passenger services in Chicago, Newark, Washington, Miami, and New York.

From 1974 to 1978, Mr. Upshaw was based in Charlotte, N.C., where he was Director of Sales and Services for the South Central Region.

Before assuming his responsibilities in Charlotte, he was a System Director for Caribbean Operations for two years in San Juan, P.R. Mr. Upshaw coordinated integration of the operations of former Caribbean Atlantic Airlines at 14 islands into Eastern's route structure, following Eastern's acquisition of the local-service airline in May 1973.

Mr. Upshaw received a B.S. degree in aviation management from Auburn University. He served in the U.S. Air Force during World War II as a pilot in Europe.

MISSING CHILDREN

Mr. SPECTER. Mr. President, the disappearance of more than 1.5 million children each year is one of the greatest tragedies facing our country today. Of the 38,700 missing persons in the FBI's missing person file as of April 1, 1985, 28,244 are juveniles. The numbers of missing children in Pennsylvania are staggering. In Pittsburgh, alone, there are 2,600 reports of missing children each year. Since the beginning of this year, 1,959 children have been reported missing in Philadelphia. In Scranton there were 343

missing children reports in 1984, and 135 new cases since January 1985.

To address this national tragedy, I introduced the Missing Children's Assistance Act in the 98th Congress. This act, which President Reagan signed into law on October 12, 1984, establishes a national clearinghouse for information on missing and exploited children and a national toll-free hotline.

Later this week, the Senate Subcommittee on Juvenile Justice, which I chair, will hold another in a series of hearings on missing children. The hearing will focus on private sector initiatives to assist in efforts to find missing children, and the dangers of fraud and abuse in the missing children's industry. Many corporations such as Wawa Dairy Products and the Trailways Corp., have responded swiftly to address the plight of missing and abducted children. We encourage others in the business community to assist in this important national effort.

A few weeks ago, my colleague from Pennsylvania, Senator HEINZ, and I met with the parents and friends of 8-year-old Cherrie Mahan, who has been missing from her home in Cabot, PA, since February 1985. There are many other concerned groups actively seeking to locate missing children like Cherrie and to reunite them with their families. Efforts like these deserve our assistance, as nationwide attention is essential if missing children like Cherrie are to be located.

I believe that one extremely important step toward this goal would be an undertaking by the television networks to air pictures of missing children as part of their regular programming, and to help publicize the National Center's hotline and information services. Senator HEINZ and I have contacted our colleagues in the Senate, and asked them to join us in urging that the major television networks undertake these steps. Mr. President, I am pleased to report that over 80 Members of the Senate have joined Senator HEINZ and me as signatories to this letter, which today is being sent to the Nation's major broadcasting companies. I thank them for their support.

I for one pledge my tireless efforts to end the tragic disappearance of more than 1 million of our children each year.

Mr. HEINZ. Mr. President, there is no worse tragedy parents can face than to find their child missing. On February 22, 1985, 8-year-old Cherrie Mahan disappeared while walking the 75-yard distance between her school bus stop and her home in Cabot, PA. My colleague from Pennsylvania, Senator SPECTER, and I met with her family and neighbors a few weeks ago, and offered our assistance. Although we were pleased to assist in every request made of us, it is clear that we must and can do far more for Cherrie Mahan and so many other children like her.

Some 1.5 million children are reported missing each year, Mr. President. Finding those children who have been abducted requires the efforts of all Americans—not just the family and friends of the child and local law enforcement officials. Congress recognized the need for greater efforts and increased coordination when it passed the Missing Children's Assistance Act of 1984, which established the National Center for Missing and Exploited Children and the center's toll-free hotline and research grant.

At the same time, the private sector has responded in an impressive way. Pictures and descriptions of missing children can now be found in shop windows, on packages and paper shopping bags, milk cartons, and on television. The media, because of its ability to reach all Americans, is central to the effort to involve all Americans in the plight of missing children. For this reason, Senator SPECTER and I have written a letter to the networks and the major media companies, thanking them for their efforts thus far, and urging them to do still more on behalf of missing children. We are not dictating to the networks what they should or should not do, only expressing our deep concern. Nearly all the Senate agreed with our sentiments; 85 have signed the letters, which will be mailed at the conclusion of my remarks. I wish to thank my colleagues for joining with me in expressing our concern for missing children, and our hope that broadcasters throughout the Nation will continue to be a critical part of the effort to locate these children.

Mr. President, I ask that the text of the letters, sent to 11 networks and major broadcasting groups, appear at the conclusion of my remarks with the names of the cosigners.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

U.S. SENATE,
Washington, DC, May 20, 1985.

Mr. GRANT TINKER,
Chairman of the Board and Chief Executive Officer, National Broadcasting Company, Inc., New York, NY.

DEAR MR. TINKER: We the undersigned members of the United States Senate respectfully call upon you to join us in assisting in an increased nationwide effort to help locate missing children. On April 27th three missing children were located through the efforts of the media.

Approximately 1.5 milion children are reported missing each year. One response by Congress has been the Missing Children's Assistance Act of 1984, which established the National Center for Missing and Exploited Children, a national toll-free hotline, and a grant program for research on missing and sexually exploited children.

Currently there are many concerned groups actively seeking to locate missing children and to reunite them with their families, and their efforts deserve your support. The broadcast media is uniquely capable of reaching Americans with vital information, including pictures and descriptions. Many broadcasters already play a central role in the efforts to find missing children. We commend these broadcasters for this vital public service, but encourage even greater voluntary efforts by the industry.

One crucial step towards the goal of locating missing children is nationwide dissemination of their photographs and descriptions and of the National Center's toll-free hotline (1-800-843-5678) and informational services. We urge you to air on a regular basis the pictures and descriptions of missing children.

We congratulate you on your successful efforts thus far and look forward to your prompt consideration of this request.

Sincerely,

Arlen Specter, John Heinz, Jeremiah Denton, Mitch McConnell, Paula Hawkins, Alfonse D'Amato, John Melcher, Patrick Leahy, Lloyd Bentsen, Frank Lautenberg, Don Nickles, Jake Garn, Daniel Inouye, Warren Rudman, Mark Andrews, Gordon Humphrey, Christopher Dodd, Edward M. Kennedy, Bill Bradley, J. James Exon, John F. Kerry, James Abdnor, Richard G. Lugar, Slade Gorton, Chic Hecht, Quentin N. Burdick, Dennis DeConcini, David Pryor, Jim Sasser, Ernest F. Hollings, Edward Zorinsky, Bob Packwood, David L. Boren, Lawton Chiles, Carl Levin, Gary Hart.

John Warner, Larry Pressler, John C. Danforth, Daniel Patrick Moynihan, Paul Laxalt, Claiborne Pell, Nancy Kassebaum, John H. Chafee, Steven D. Symms, Dave Durenberger, Dan Quayle, Jesse Helms, Paul S. Trible, Jr., Paul S. Sarbanes, Sam Nunn, Mack Mattingly, Thomas Harkin, Max Baucus, William V. Roth, Jr., Charles E. Grassley, Alan Cranston, Donald W. Riegle, Jr., Robert T. Stafford, Robert Kasten, Frank H. Murkowski, John P. East, Albert Gore, Jr., George Mitchell, Howard M. Metzenbaum, Paul Simon, Malcolm Wallop, Dale Bumpers, Orrin Hatch, Robert Dole, Strom Thurmond, Spark M. Matsunaga Thad Cochran, John Stennis, Wendell Ford, John D. Rockefeller, Howell Heflin, Joseph Biden, Rudy Boschwitz, Alan Dixon, John Glenn, J. Bennett Johnston, Daniel J. Evans, Pete Wilson, James McClure.

HONORARY PARK RANGER

Mr. PRESSLER. Mr. President, on Monday, April 22, the National Park Service gave its highest award, the Honorary Park Ranger Award, to Kay Riodan Steuerwald. Mrs. Steuerwald is president of the Mountain Co., Inc., at Mount Rushmore National Memorial in South Dakota. She joins a distinguished group of honorees, including John F. Kennedy, Ladybird Johnson, early NPS Director Horace Albright, the late photographer Ansel Adams, and in 1984, composer Richard Adler.

Mrs. Steuerwald has headed the Mountain Co., for 34 years. The Mountain Co., is widely recognized within the National Park Service for its high

operating standards and is an example for concessions throughout the system. In being presented this most prestigious award, Mrs. Steuerwald was cited for insisting that only high-quality, theme-related publications be sold at Mount Rushmore; for her strong support of Native American arts and crafts; for developing a visitor services training program for Mountain Co., employees in cooperation with the NPS; and for her encouragement and support of special programs such as "Teddy on the Mountain, Sculptor-in-Resident."

Mrs. Steuerwald is responsible for the planning and building of concession facilities at Mount Rushmore at no cost to the Federal Government. This extremely generous gesture would surprise any outside observer. But for those of us who are fortunate enough to know Kay and understand her dedication and love for that mountain, and her desire to share its story with the rest of the world, it is no surprise at all.

I have known Mrs. Steuerwald for many years, and her contribution as a member of the U.S. Senate Travel and Tourism Industry Advisory Council has been of great benefit to me and my colleagues interested in increasing the role of the tourism industry in today's economy.

Her drive for excellence and her philosophy and commitment to national park ideals has been spread across the park system through her active participation in a variety of organizations. She helped start the National Park Foundation, has been on the board of the Christian Ministry in the National Parks for many years, and has served on the executive board of the Conference of National Park Concessioners. Mrs. Steuerwald is widely recognized and respected in South Dakota. She has an honorary doctorate of business from the South Dakota School of Mines and Technology, received the Ben Black Elk Award for tourism and was the South Dakota Small Business Person of the Year.

Through her leadership of the Mountain Co.—from a small, struggling operation into a very successful, profitable, and widely-respected business—Mrs. Steuerwald has been an outstanding ambassador for Mount Rushmore National Memorial and a leading spokesperson for our national parks across the country.

SUPPORT FOR ICC SUPPLEMENTAL APPROPRIATIONS REQUEST

Mr. PRESSLER. Mr. President, I want to take this opportunity to express my support for the supplemental appropriation requested by the Interstate Commerce Commission and to call attention to the very serious situation presently developing at the Commission. Because the situation is so critical, a number of Senators, including me, will be circulating a letter to all Senators urging immediate action to approve these supplemental funds, or at least to send a clear signal to the ICC so they can return to normal operations.

Recently, in order to avoid a budget deficiency, the Commission was forced to implement a furlough plan which requires Commission employees to be furloughed without pay 1 day per week.

The consequence of this action is that employees will suffer a 20-percent pay cut, and many highly-qualified, loyal Government workers will be forced to find work elsewhere so they can make ends meet. Those who remain will have to figure out how to support their families for 20-percent less. Some will be able to do this. Some will not.

Mr. President, as a member of the U.S. Congress, I think we owe it to the employees of the ICC to get this issue resolved as quickly as possible and get them back to work on a full-time basis. They have weathered some pretty rugged storms in the past couple of years. We have demanded much from them and they have always responded like true public servants, and I am proud of them for that. But I think there comes a point when we can go too far, and I believe we have reached that point. There are policy problems, to be sure. And there are good reasons on both sides of this issue for taking action. However, in our day-to-day policy struggles, we should not lose sight of the real-world implications of the actions we take.

A combination of circumstances has brought the Commission to this point. In fiscal year 1984, the actual ICC budget was $60 million. In fiscal year 1985, the OMB-approved ICC request was $53.97 million. The House appropriated $54.55 million. The Senate, however, approved only $48 million. Subsequently, the House and Senate subcommittees became deadlocked on transportation funding issues. Thus, no ICC money bill was passed and the agency was included in the continuing resolution appropriations. The continuing resolution filed October 10, 1984 and signed by the President authorized a funding level of $48 million for the ICC for fiscal year 1985.

Additionally, the CR detailed by office a staffing level of 914 as the average full-time employee [FTE] complement for the fiscal year.

On October 1, 1984 the ICC had 1023 full-time employees on board.

The scope of the problem thus presented, centers on the two benchmarks mentioned: First, a $48 million funding level; and second, a 914 FTE staffing level; $48 million funds a FTE average of 860 employees. By contrast, an average FTE of 914 employees requires funding at the level of $51.5 million. To achieve the average FTE of 860 employees funded by $48 million would have required RIFing some 400 employees. A bit less draconian, but equally drastic, would have been a RIF of some 200 employees to achieve the 914 average FTE set out in the CR. To put the staffing level issue in perspective, I should note the historical decline of Commission employment:

	Employees
1980	1,946
1981	1,852
1982	1,540
1983	1,319
1984	1,150
1985	984
1986 (est.)	923

This illustrates the significant reduction both in funding and in staffing levels that has already occurred in recent years.

Some argue that the $48 million figure should have been the bottom line planning figure as soon as it became apparent that the conferees could not reach an agreement. Others argue that reasonable allowances and consideration should have been made in anticipation of an ultimate compromise between the House and Senate figures, or that a supplemental request was justified and expected, given the staffing level language in the CR.

As I have said, there are reasonable arguments on both sides of the issue and I do not think it is necessary to get into a squabble here about what did or should have happened. My only point is that we on the policymaking level should be able to find a better way to deal with the problems than by placing the brunt of the burden on Government employees.

Early in this process, the ICC implemented a number of austerity measures which have resulted in approximately $1 million in discretionary expenses. Unfortunately, one result of this has been that many of its more effective programs and offices, such as the Office of Special Counsel, have been substantially curtailed.

In January, when advised that the supplemental request would take the ordinary schedule of budget proceedings in the House and Senate, it became clear that other contingency plans would have to be developed. The consequence was a furlough plan for all employees 1 day per week.

Following House and Senate hearings, which resulted in a House markup of $3.15 million, but no Senate action, the Commission, on April 15, implemented the furlough plan, resulting in a 4-day workweek for all Agency employees.

I understand that the current damage control assessment is that this is a disaster, devastating both to the employees and to the Commission. The reality is worse than the anticipa-

tion. Morale is extremely low, and employees are suffering from the stress.

The Agency workload is falling behind; deadlines are being missed. Significant pending cases are falling off pace. Hearings are being delayed or not being held. Field office outreach is diminished. The Agency's ability to fairly and adequately review various issues is on the verge of being seriously compromised.

I am especially concerned about field outreach and hearings. I understand that under the present funding plan without the supplemental, ICC field operations will cease to function. This would present special problems for States like mine.

For instance, 2 years ago South Dakota was threatened with a proposed abandonment of a 165-mile railroad line—the only major line in the entire western half of the State. We were able to have an ICC administrative law judge come out to the State to conduct field hearings, and were able to provide guidance to the local shippers through the ICC Office of Special Counsel. We ultimately prevailed in our effort to save the line, but I have no doubt that it would have been impossible without those kinds of field operations. They are essential in running any effective enforcement agency. This would be impossible under the current situation at the ICC.

I might just point out here that it is largely through the efforts of Senator ANDREWS that rural States like North Dakota and South Dakota still have available to them many of the services provided by the Office of Special Counsel.

In this past year, the ICC's outreach has involved communities and programs in 20 States. In addition, there are the activities of the six regional offices nationwide and the field offices in each of our States which are too voluminous for summary here.

My basic point today is simply that without this funding, there is little or no hope for a truly effective ICC. Without it, we may as well take back the rest of the money and close its doors. We do have to more closely scrutinize how this money is being spent. I share many of Senator ANDREWS' concerns and agree we have to take a close look to make certain this money is being used in a manner that truly reflects congressional intent—especially in the deregulation areas. Rural States like North Dakota and South Dakota are the hardest hit by the push for blind deregulation.

In my view, however, any alteration of the scope and mission of the Commission is best achieved by substantive legislation and debate, not by an appropriations measure. In any event, we owe it to the ICC employees to find a way to resolve our policy disputes without making them pay the price. I am afraid that if we do not approve this supplemental, the ongoing furlough will cause a continuing exodus of the high quality staff and, in general, aggravate already major morale problems.

I do think it is absolutely vital that we go ahead now and approve the supplemental appropriation requested by the Interstate Commerce Commission. The employees at the Commission deserve it, and the policy concerns in the various States cannot be addressed without it.

Whatever may be our respective views or assessments of the ICC, I want to emphasize that its employees deserve our consideration in providing supplemental relief for the Agency's financial needs. And if we really expect it to function effectively, we must go forward now.

So I urge all my colleagues to join us in signing the letter we will be circulating so we can send a clear signal of support to the ICC and it can once again begin effective operations and put its employees back to work full-time. They deserve our support.

THANKS TO KANSAS STAFF FOR WORK ON BUDGET

Mr. DOLE. Mr. President, I want to take a moment to say a special "thank you" to the members of my Kansas staff who made an important contribution in the Senate's adoption of the fiscal 1986 budget resolution.

Their work on specific areas, such as child nutrition, defense, and transportation, was very helpful in our deliberations both before and during floor action.

I would like to especially recognize the effort of Linda Murphy, Judy Brotman, John Peterson, Mark Scanlan, Chris Bolton, Ed Duckers, Al Lehn, and Dave Cordova and the rest of my staff who were kept busy answering questions and otherwise assisting my constituents.

Mr. PROXIMRE. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The bill clerk proceeded to call the roll.

Mr. GOLDWATER. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER (Mr. Denton). Without objection, it is so ordered.

CONCLUSION OF MORNING BUSINESS

The PRESIDING OFFICER. Morning business is closed.

NATIONAL DEFENSE AUTHORIZATION ACT FOR FISCAL YEAR 1986

The PRESIDING OFFICER. The clerk will report the pending business.

The legislative clerk read as follows:

A bill (S. 1160) to authorize appropriations for the military functions of the Department of Defense and to prescribe personnel levels for the Department of Defense for fiscal year 1986, to authorize certain construction at military installations for such fiscal year, to authorize approporiations for the Department of Energy for national security programs for such fiscal year, and for other purposes.

The Senate resumed consideration of the bill.

Pending:

Goldwater Amendment No. 147, to provide improved procurement procedures for the Department of Defense, on which the yeas and nays have been ordered.

Mr. GOLDWATER. Mr. President, last Friday, before we recessed, I laid down an amendment authored by Senator QUAYLE of Indiana. We are now prepared to discuss that amendment. Senator QUAYLE is on the floor. I will yield to him.

I would hope that the Democratic side, which also has, I believe, an amendment to this amendment, would get over on the floor sometime. We are not in a great hurry, but we only have until Thursday evening to finish this bill and we already have 39 amendments that we know of. So in order to expedite, I would urge all Senators to pay attention to this piece of legislation. It is one of the most important that we have before us this year. It contains some rather drastic reductions in our defense approach, and I think we should make ourselves clear on whether we want these reductions or not or in what form we want them.

I would also like to arrange for a time on each of these amendments, but I see nobody from the Democratic side. Would the Senator from Indiana have some idea of the time he might need?

Mr. QUAYLE. Mr. President, I will probably talk maybe 15 minutes or so on this amendment. I presume that a couple of others want to speak on it. But I think the important thing is to perhaps try, down the road, to get a certain time that we are going to vote, at least on this amendment and any of the substitutes that are going to be offered to this amendment. We know a few of them are floating around. We hope in fact they would be offered in the next hour or couple of hours.

Does the chairman perhaps have in mind sometime later this afternoon that he would like to vote on at least this amendment or any substitute amendment added to this amendment? I think that might help Senators through the day to begin to focus that we are going to vote at a certain time, because the chairman is absolutely

right. We have to get this bill moving. Thirty-nine amendments between now and Thursday or Friday is quite a row to hoe, but we can do it.

Mr. GOLDWATER. I might say that last Friday the leadership indicated that there would be no votes until 5 o'clock this afternoon. So the Senator may proceed with any time that he may need.

When Senator PRYOR or Senator GRASSLEY arrives in the Chamber we will discuss the total time to be spent on these particular amendments.

Mr. QUAYLE. Mr. President, I suggest to the chairman that perhaps we might want to work on our side and on the other side of the aisle to get an understanding that we might begin a vote at 5 o'clock.

Mr. GOLDWATER. I certainly hope that we can finish debate by 5 o'clock.

Mr. QUAYLE. I think we will be able to finish debating it by 5 o'clock. It depends on what amendments are going to be offered to it.

I think you are going to find, at least I hope the Senate will find, very satisfying the work that has gone into this. It came out of committee unanimously. It is an important issue. It is a big issue. There are a lot of things that can be done here. We will get into the discussion and I certainly do not intend to prolong the debate. But in the amendments and substitutes that may arise to this, it will take some time to point out the flaws that they have.

Mr. GOLDWATER. I think the amendment will be in the nature of a substitute, so the Senator may proceed.

AMENDMENT NO. 147

(Purpose: To provide improved procurement procedures for the Department of Defense).

Mr. QUAYLE. Mr. President, I rise to support not only the Defense Department Authorization Act, but in particular the committee amendment that is presently before the Senate, the amendment known as the Defense Procurement Improvement Act of 1985.

Before I proceed to the elements of the amendment and the pending business, I wish to make a few points of observation. First, I express my sincere appreciation and gratitude to the chairman of the Armed Services Committee for not only the work that he has done in the Armed Services Committee as a whole, but in particular in this area of acquisition and procurement.

He has told me, time and time again, of the personal importance that he attaches to procurement reform. He has been a very active participant in the Subcommittee on Defense Acquisition Policy as well as a steadfast proponent of trying to get more efficiencies, and a better understanding of how we do business, within the Department of Defense. Without his strong support, we would not be here today. I appreciate his encouragement and his leadership and what he has been able to do for me on that committee, particularly in the subcommittee which, I hope, is going to make a contribution here today—this is just the beginning—and a contribution down the road as well.

He is an expert in this area. He has a lot of background in the armed services, and he also has a background in business. He understands good old business sense and a business background.

Every once in a while, you get that flair of thinking from the chairman of the Armed Services Committee. He puts on his business hat and goes back to talking about when he was in business out in Arizona and says, "Why can't we do some of these things in the Pentagon as we used to do them out there in the private sector?"

I assure the Senate this morning that a lot of things we will be recommending and a lot of changes that will come before this committee are a lot of commonsense, good old business practices that we can employ. Because of that, Mr. President, we are in a position here today to move forward with this committee amendment.

I also thank the ranking member of the Committee on Armed Services [Mr. NUNN] for his efforts and leadership in the committee and his excellent suggestions.

I want particular attention paid to my ranking member Mr. LEVIN, who has joined with me and been very, very energetic in offering a lot of insight and recommendations on the Procurement Reform Act. He has a good background not only in the Armed Services Committee, but the Governmental Affairs Committee on which he serves.

We have a lot of other active members on our subcommittee. One of them is handling the bill right now for the minority, Senator BINGAMAN of New Mexico, who has been an exceedingly active member, coming forward with recommendations.

What we have here, Mr. President, is a procurement reform package that has strong bipartisan support within the Armed Services Committee. This package basically went through about a year and a half of deliberations before we got to the final enactment. Before the Defense Acquisition Subcommittee was established, we had a task force on procurement policies. Over the last 2 years, we have had something like 11 days of hearings, but we had 4 days of hearings specifically on this particular package.

I can tell the Members of the Senate that we are going to be going forward in this area again this summer. As a matter of fact, we have hearings scheduled in June, two hearings already scheduled, that will further examine procurement practices. And there is no shortage of ideas and issues and areas where we ought to get involved.

As a matter of fact, Mr. President, one of the biggest problems that I have had over the course of the last couple of years is trying to focus in on what we should be concentrating on. It is so big. Any time you have an agency that does 17 million procurement transactions a year, you are going to have problems. And there are going to be mistakes. What we are charged with is to try to come up with a system that is going to be as efficient as possible.

You know, Mr. President, we have been barraged by stories and publicity over the last couple of years pointing out some of the problems we have in the area of acquisition. We just had the latest series now running in the Washington Post. Today, the front page talks about a vehicle that is made in my home State, the Hummer vehicle. Just going through and trying to read that in the early morning over a cup of coffee—I profess to have a little bit of expertise in this area, but it is confusing. It is not only confusing to those of us who sit there and deal with it on a day-to-day basis, but I ask the Members of the Senate to try to read that. I thought it was a thoughtful article, trying to show all the bureaucratic steps and number of requirements you have to go through to get a vehicle out in production.

Then we have a situation there over the design of a whistle. We start talking about design specifications or a lot of pages put into a design specification for just getting a whistle. That will put us into another area of asking why we have to have a lot of these things before we get into procurement and production and acquisition.

Mr. President, contrary to some others, I welcome this scrutiny. I welcome the idea and the opportunity to see what we can do in the area of acquisition and the area of procurement reform. I believe that it is our challenge here today to put together a consensus that, in fact, will come to grips with what approaches we should be taking in this area of procurement. I believe that that consensus has to be among those of us in Congress, those who are across the river or downtown in the executive branch, and those who are out in the private sector, particularly in the defense contracting industry, who have the responsibility of manufacturing the weapons systems and other things that are necessary and important for national security.

Also, we have another constituency that is of tremendous interest. That is the taxpayer. The taxpayer pays the bills for national security. Taxpayers are not the least bit reluctant nor reticent to put up money to pay for national security. They understand that

that is the No. 1 requirement of any nation, particularly this Nation that has the responsibility of moving forward and being the bastion of hope and freedom throughout this world. But when they are willing to ante up a lot of money for national security, they expect and anticipate a wise and prudent expenditure of those funds.

I would dare say that, over the course of the last couple of years, there has been a problem of credibility that we have right now in convincing the American public that they are getting an efficient utilization of taxpayers' dollars. I think that, rather than turning the cheek the other way and saying "We don't want this publicity because 99.9 percent of the things are OK and there is only a small percentage out there that is not performing according to the rules, according to the laws," I look at this as an opportunity of getting down to a perhaps even more efficient system and trying to see how we can move forward in a more productive way. Because, Mr. President, let us face the facts: We are going to be confronted in this Nation of ours with a budgetary crunch over the next decade like we have never seen before. That budgetary crunch and that fiscal restraint is going to come across the board. It is going to apply to defense as well as in the area of nondefense.

Therefore, as we reestablish the credibility that so rightly deserves to be reestablished, we also have to realize that we are going to have to do some things better. We are going to have to do things more efficiently, because we are really going to have less money than we would like to have. Therefore, we are going to have to be able to produce more planes per dollar, more ships per dollar, more missiles per dollar. We are going to have to take some of these business practices that have been known in the private sector and employ them in defense as well. We are going to have to look at ways that can in fact beef up the whole procurement and acquisition situation that we now find ourselves in.

I look forward to it as a challenge. It is not something that I fear, it is something that I welcome. I know the chairman welcomes it and others welcome it. But I daresay we have to deal with this thing on a very serious and substantive basis.

I realize there are times when it is exceedingly popular to just come across as being able to kick the Department of Defense in the shins. That is a way to get a lot of good positive publicity.

I suppose there are times they deserve to be kicked in the shins, and they ought to be, but there is also a time that we have to settle down and look at the landscape and see where we are. I suspect as we look at this challenge of reform, we had better keep in mind that there are some counterproductive things that Congress can do and in fact has done in the past.

I do not need to spend a lot of time on the congressionally mandated waste and inefficiency that has been passed in the House and in the Senate, but it is there. I suggest that as we look at this situation we look at it in its totality, rather than try to do it on a micro-management basis.

I think what our subcommittee has done, or the Committee of the Armed Services has done, is take a vastly complicated issue, an issue that, in fact, has taken up a lot of publicity throughout the press. It has taken on a lot of attention here in the Congress. It is one that deserves our attention very much. But as it deserves our attention, we also have to exercise a degree of responsibility in doing the things that we know are right in accordance with trying to create better efficiencies.

I would say that the goal we all have is to try to preserve the competition we have in the Department of Defense and try to enhance the competition that we can get in the Department of Defense. That is the No. 1 goal of any kind of procurement system. The question is not how do we in fact go ahead and get more competition, but how do we follow what Congress and the administration have agreed on in the past to get competition?

We passed legislation last year, some in the area of procurement reform, some in the area of contract competition, and some in the area of spare parts and small business. We have, in fact, been consumed with the idea of trying to get more competition. I daresay we have made some headway; we have made some progress in these areas. I think that now that we have made some progress, certainly we are going to make some more progress.

Mr. President, I think that now I would like to spend some time on the particulars of this bill, in particular this amendment that is presently before the Senate. I believe and we believe them to be constructive and a responsible, bipartisan approach to promoting increased efficiency within defense procurement. We do have a strong bipartisan basis of support for this.

The first section of our committee amendment contains a series of congressional findings that clearly define the purpose of the legislation. In our amendment, we have sought:

To increase continuous competition during the production cycle of major weapon systems;

To expand the use of "should cost" analyses during contract negotiations for major weapon systems;

To ensure that acquisition personnel in the Department of Defense are sufficiently qualified and that an appropriate career path exists for acquisition officers in the military;

To promote increased disclosure of the activities of employees of defense contractors who were employees of the Department of Defense;

To prevent conflicts of interest by employees of the Department of Defense involved in the negotiation and administration of Government contracts;

To increase competition by continuing procurement technical assistance through Outreach Programs; and

To shift the burden of proof in the resolution of certain Government contract disputes from the Government to the contractors.

Mr. President, throughout the course of hearings, it has become clear that competition is the most effective means of forcing efficiencies in defense procurement. Procuring weapon systems from two or more sources is one proven means of insuring some form of competition throughout the life of a program. Section 603 of our amendment requires the Secretary of Defense to prepare an acquisition plan that includes the establishment and maintenance of two or more production sources for major acquisition programs that meet the following criteria:

Establishing two or more production sources would increase competition and would likely result in reduced overall costs;

It would not result in acceptable delays in fulfilling the needs of the Department of Defense; and

It would otherwise be in the national security interest of the United States.

Under our provision, the Secretary of Defense will be required to submit the acquisition plan for each major weapon program no later than the time of the initial budget request for production of the program. If the Secretary determines that the criteria for the establishment of two or more production sources are not met, he must include cost estimates or other background material supporting his determination.

There are some Senators who are suggesting that this provision does not require continuing competition between the two sources. The amendment does not specifically refer to continuing competition because another law, the Competition in Contracting Act of 1984, requires such competition when more than one source is available. Thus, this committee amendment in conjunction with existing law would require annual competition between the multiple sources.

Section 604 of the committee amendment directs the Secretary of Defense to conduct a should cost analysis for each major defense acquisition program for which contracts were award-

ed to a single source by other than competitive means.

Mr. President, in the March 20, hearing before our subcommittee, the representatives from the Department of Defense and the military services indicated that, with the exception of should cost analysis, virtually all the cost estimating procedures used by the services and the Department of Defense rely on historical data and industry trends rather than a careful assessment of the efficiency of the individual defense contractor. A should cost analysis uses different established industrial engineering measurement tools to determine the cost of a system produced in the most efficient manner. Although the witnesses testified that demonstrated savings had resulted when should cost analyses have been utilized by the contracting officer during the contract negotiation process, should cost studies are only conducted on a limited basis because of inadequate resources.

If we are ever going to be in a position to demand greater efficiency from defense manufacturers, we must utilize should cost analyses to a greater extent. Our provision would require the Secretary of Defense to conduct a should cost analysis at one point during the first 4 years of production for each major defense acquisition program for which contracts were awarded to a single source by other than competitive means. This requirement applies to all systems for which funds are provided for initial production in fiscal year 1986 and all subsequent fiscal years.

One of the primary issues that our subcommittee has examined has been the qualifications of the defense acquisition work force. We have held two separate hearings on this issue and we are especially concerned that the services have not stressed the importance of education and experience in the acquisition, support and maintenance of weapon systems in their selection of program managers for major acquisition programs or in their selection for flat and general officer assignments in the major buying commands.

If we are to store the public's confidence in the defense acquisition process, we need the best qualified officers in major command positions in defense acquisition. However, we must provide adequate incentives for military officers to choose a career in acquisition management. Section 605 of the committee amendment requires the Secretary of each military department to issue regulations establishing the minimum requirements in education, training, and experience for program managers of major defense acquisition programs. We have laid out some elements of the minimum requirements to be issued by the service Secretaries, including:

Attendance at the program management course at the Defense Systems Management College or other comparable insitution; and

A minimum of 8 years of total experience in the acquisition, support, and maintenance of weapon systems, at least 4 years of which must have been spent in assignments in the major buying commands of the services.

We have provided an incentive for young officers to select a a career in acquisition management by requiring the Secretary of each of the services to issue similar minimum requirements for assignment to the flag and general officer positions at the major military buying commands. We have thus tried to insure that officers in the acquisition management field are selected for these positions.

Finally, section 605 addresses a problem that came to light during the October 18 hearing on quality assurance at the Hughes Aircraft Co. plant in Tucson. There is currently no formal introductory training for quality assurance personnel in the Department of Defense. Our provision requires that the Secretary of Defense develop a formal Introductory Training Program of not less than 4 weeks in duration for all personnel who are responsible for assuring quality in contractor facilities.

Sections 606 and 607 deal with the issue of Department of Defense employees who leave the Government to accept employment with a defense contractor. Both of these carefully crafted sections are largely the work of my colleague and good friend Senator CARL LEVIN from Michigan, who is the ranking minority member on our subcommittee. He will, I understand, explain these provisions in some detail, so I will only briefly discuss them now.

On March 19, the subcommittee received testimony from several witnesses on the issue of permissible employment and activities and employment of former DOD employees, which is more popularly know as the revolving door issue. Sections 606 and 607 address deficiencies in the current laws and procedures that became evident through the hearing.

Section 606 tightens up the reporting requirements applicable to military and civilian employees who go to work for a defense contractor. The content of the required report has been significantly expanded. The section also changed the criminal sanctions for failing to file to an administrative penalty, because the criminal sanctions for failure to report have rarely been used.

Section 607 establishes new limitations on contacts concerning employment between Department of Defense procurement personnel and defense contractors. Under this section, any covered official must report contacts with a defense contractor regarding future employment and disqualify himself from any participation in the performance of contract functions relating to that defense contractor. A covered official would be barred from accepting employment for 2 years with a defense contractor if he fails to report or disqualify himself. He would also be subject to an administrative penalty of up to $10,000.

Section 608 provides an authorization of $3,000,000 in each of fiscal years 1986 and 1987 to continue the participation of the Department of Defense in the Procurement Assistance Cooperative Agreement Program with local governments and private nonprofit organizations. This program has demonstrated its effectiveness on a pilot basis to assist local businesses in securing contracts with the Department of Defense, whether it be for spare parts, support equipment or other goods and services.

Mr. President, this section goes to the heart of trying to get more small businesses within the Department of Defense industry. We have always been concerned with the industrial base in this country. Not only will this help expand the industrial base, but, obviously, if we have more businesses able to compete on these particular components, whether they be major weapons systems or just spare parts, we are going to have lower costs. There is no example I know of that when you have competition the price does not automatically fall. If we do have competition, with more companies involved, the price obviously is going to go down. Therefore, we have to figure out a way to get more people and more businesses into this system.

I know in my State of Indiana every 2 years we have a statewide defense procurement conference where over a thousand small businesses attend. We bring in defense industry people. We bring in people from the Department of Defense. We bring in other experts to explain to our folks how to do business with the Department of Defense. Believe me, there is a maze of bureaucracy over there. There is a lot of redtape. There are a lot of things we have to try to make more efficient and get a better handle on, but by and large we have been successful in getting more people involved in this system. These outreach programs have been exceedingly helpful, and this authorization expands their participation for fiscal years 1986 and 1987.

Section 609 is specifically intented to overturn the presumption established in the case of Bruce Construction Corp. versus United States, which is that the costs incurred by a government contractor are reasonable. Section 609 requires that in any proceeding before the Armed Services Board of Contract Appeals, the U.S. Claims

Court, or any Federal court in which the reasonableness of general or administrative costs in a defense contract is at issue, the burden of proof shall be upon the contactor to demonstrate the reasonableness of the costs.

Mr. President, this package, which was the outcome of 11 days of hearings, was approved unanimously by the Senate Armed Services Committee. I again commend my colleague, Senator LEVIN, for his hard work and creativity in this legislation, as well as other members of the Defense Acquisition Policy Subcommittee.

Mr. President, in conclusion I think we have put together a package which moves in the right direction. Other Senators on our committee—Senators GOLDWATER, WARNER, HUMPHREY, GRAMM, DIXON, BINGAMAN, and GLENN—have all had definite input into this committee amendment. We stand by to answer any questions. We feel, from our vantage point on that subcommittee and on the Armed Services Committee, that this is a positive step forward. We have announced more hearings, and we look forward to dealing with this issue not only today but continuing to monitor the situation and add our 2 cents worth in trying to get better efficiency and a better system of management within the Department of Defense because we really have to regain the confidence that has slipped by these past few years. I think there is a perception out there that the Department of Defense does not do anything but purchase hammers that are overpriced or toilet seats that are overpriced, which is simply not the case. But that is the perception that is out there.

This legislation, in fact, offers substantive reform, substantive recommendations on how we can get a better system at the Defense Department. I hope the Senate will join me in enacting this major piece of legislation, which now is in the form of a committee amendment. It is perhaps the most substantive piece of legislation in the area of procurement with which we will be dealing this year.

Obviously, this is not going to be the only time we will visit this issue, and I look forward to my colleagues on the Armed Services Committee and those who are not on the Armed Services Committee joining me in support of this amendment and joining me as we continue to have this discussion.

The only way we are going to improve the system is to have open communication, to have a competition of ideas—a competition of ideas that will come forward in the spirit of trying to make this a better system.

Mr. President, with that, I obviously urge adoption of this committee amendment. I understand that there possibly may be a substitute. If that is offered, we will certainly discuss it, and we will perhaps discuss some of the substance at a later time.

Mr. GOLDWATER. I thank the Senator from Indiana.

Mr. President, there will be a substitute offered by Senator PRYOR and Senator GRASSLEY. At present, those Senators are not on the floor.

Mr. President, I have this comment, before the Democratic side proceeds: This committee was first established by Senator JOHN TOWER when he was chairman of the committee. It was continued for a while as a task force, when we were not allowed to exceed the committee list of six. Since that time, it has been made an armed services subcommittee, and we replaced the task force to take care of that.

The matter of procurement is one that has hit the American public rather solidly because of the mistakes, either intentional or unintentional, by a very few of the manufacturers in this country who do business with the Pentagon. Keep in mind, when talking of a budget that runs around $320 billion, that is is a large sum of money; and when we talk about 17 million contracts being signed a year, that is 68,000 per day. I mention those figures just to give some idea of the immensity of this problem.

In my opinion, Senator QUAYLE, in chairing this committee, has done one of the best jobs of subcommittee work I have seen in my years in the Senate. There has been no appearance of an antagonistic attitude with respect to the manufacturers who have been represented or others. The approach has been "What can we do with you to help this whole thing work better?"

I am not going to excuse the handful who have abused the process under which we work, but I do think that legislation is needed in this field.

I am very happy that the Democrats have prepared a proposal. Ours has been prepared by Senator QUAYLE. I think this will be found to be a bipartisan issue. As President Eisenhower said, we want to get the biggest bang for our buck.

I feel certain that after the enactment of this amendment, or whatever we adopt in its place, we will have much better cooperation from the manufacturers of our country, and we will have provided the Pentagon with better guidelines as to how they do business with $320 billion a year. It should be kept in mind that we have no corporations that even approach that size. I know that corporations doing $2 billion or $3 billion business a year are confronted with massive problems of procurement, and that gives some idea of what we are up against here.

I might say to the Senator from Indiana that I read the startling article in this morning's Post. I read a rather more startling article in yesterday morning's Post. I notice that this is No. 2 of three articles, so I will await tomorrow's disclosures with a great deal of anticipation.

I do not know how they can make so many mistakes in reporting on military matters. They have expert people up here on the Hill; but when they reported on the Hummer, which I have driven and which I think is an excellent weapon, it is kind of hard to realize that perhaps they have never put their hands on it.

The other article had to do with a whistle and a flashlight, I believe. It was very revealing—but so are many of the things we read in the local press, I might say.

Mr. President, the Senator from Arkansas in not quite ready yet, so I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. PRYOR. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. PRYOR. Mr. President, today the American public has lost confidence in the Department of Defense's ability to procure weapons, materials, and services.

We read about procurement horror stories daily. We see unprecedented war profiteering in peacetime. We see weapons that do not work, and cost overruns that stagger the imagination and bleed the taxpayers, taking away precious tax dollars and defense dollars and throwing those dollars down a rat hole. We see a buddy system in sole-source contracting. We see virtually no competition in defense procurement.

We see more and more dollars buying less and less. And, strangely and sadly enough, Mr. President, it seems as if in the last 2 or 3 years, and especially in 1985, we see a mysterious set of circumstances when the Congress is spending more time dealing with our own Pentagon and our own contractors than we seem to be spending on what the Russians are up to.

The Department of Defense today operates in a noncompetitve economy. We not only need a law with teeth, we must now have a law with fangs. And today, with my colleagues that I will mention later in this discussion, we will offer a perfecting amendment to the amendment now pending before the Senate.

First, Mr. President, I would like at this time to acknowledge the long, hard, and dedicated work of Senator QUAYLE from Indiana and the Members who compose his procurement subcommittee of the Armed Services Committee.

Senator QUAYLE and his Subcommittee on Procurement have attempted to

identify the problems caused by the existing laws and have done a good job in that regard.

Our perfecting amendment that I will offer later in the day, sponsored by members of both parties, is a sincere and a conscientious effort, after many weeks of work across party lines and political philosophies, to forge an even stronger set of rules for the Pentagon and the contractors than proposed by the distinguished Senator from Indiana and other members of the Armed Services Committee in the Senate.

Our proposal would provide a capitalistic approach to defense contracting. It makes true competitive contracting easier and makes sole-source contracting without any competition more difficult. It does not take effect in 1990 or 1989 or 1988 or 1987, as would some provisions sponsored by the Senator from Indiana, but most of our amendment would take effect October 1 of this year, 1985.

It would force the Congress to authorize sole-source contracts. As the very distinguished Senator and chairman of the Armed Services Committee, Senator GOLDWATER, will note, Congress has basically allowed the Department of Defense and other agencies to oversee contracting in the Department of Defense.

We think, Mr. President, it is now time that the Congress deal itself back into this game; deal itself back into this arena where we will have the authority, the right, and the obligation to approve sole-source contracting of major weapons systems.

Out perfecting amendment would require contractors to submit to penalties of perjury if false claims were submitted. That, Mr. President, is no different than what any American taxpayer submits to on April 15 when we file our income tax returns—the penalty of perjury if false claims or false reports are submitted. We think that this is a must. And, once again, we think that this is a strengthening section of our proposal over that offered by the Senator from Indiana.

Our proposal shifts the burden of proving what costs are reasonable from the Pentagon to the contractor. I might say that this is generally the same language as proposed by Senator QUAYLE, and I compliment Senator QUAYLE and his subcommittee and those who have worked this language out.

Our perfecting amendment will require at least two bidders on major weapons systems procurement, what is called "dual-sourcing." And for once and for all it will prohibit and address the revolving door problem in a very strong way.

Our proposal differs from Senator QUAYLE's proposal and the committee amendment proposal in that our perfecting amendment will have language that requires the defense contractors to pay for the repair or the replacement of defective parts or equipment—not the taxpayers. It is the contractors who must bear this burden and who should bear this burden.

Our perfecting amendment to the Quayle language now before the Senate is tough, it is to the point, and it should lead, Mr. President, to defense dollars going a longer way.

I feel very certain that our proposal will probably—let me strike out "probably"—I feel very certain that our proposal will be opposed by the contracting community and by the Department of Defense itself. And if the situation were otherwise, I might worry that our proposal was not strong enough.

Mr. President, it is time Congress started to get serious about cleaning up the mess in our military procurement. In the last few years it has become painfully obvious that a deep and pervasive sickness is afflicting our national defenses. With very few exceptions, Congress has been prescribing aspirin for a patient that clearly needs to go into the intensive care ward.

Only the briefest scanning of any newspaper on any day tells us the problem is large and is not getting any better—in fact, it is getting worse. We now appear to be in a situation of unprecedented "war profiteering" in peacetime. The result is not just the waste of uncounted billions but also too few weapons—and too many of them that will not work much of the time. The defense buildup over the last 6 years has been in dollars and not much else; we are building toward failure, not strength.

The problem is not a new one; it has been building for decades. More money in the absence of reform has just accelerated it. President Reagan is not the only President to blame; there is plenty of that to spread around to both parties. It is unavoidable, however, that in the last 4 years we have proved the dictum that you cannot solve problems by "throwing money at them."

Many in Congress have identified competition as an effective way to reduce outrageous defense costs because it give the producer incentives to build his product right. But our deeds in Congress have not matched our rhetoric. We have not passed any legislation that actually requires competition, real competition, in defense procurement. Today, $40 billion in contracts is awarded every year without competition. That figure represents about one-third of the procurement total.

Members of Congress, the press and the public—our constituents—have complained bitterly about the dubious ethics of senior defense officials going onto the payroll of the very same companies they were supposed to monitor when they were public servants. But all we have done in Congress so far is to ask for reports on the so-called revolving door. Nothing in the law so far would put an end to what many agree is an unethical practice.

We have read horror stories in the press of weapons delivered to our armed services that would not pass the most rudimentary quality control tests in the private sector. Two years ago we passed warranty legislation to address this problem; only last year we revised that law to carve some loopholes into it. The quality control director of the Defense Logistics Agency has said that many systems cost 50 percent more than they should because of shoddy workmanship by the contractor.

There is no incentive today, Mr. President, for the contractor not to make shoddy weapons.

In addressing these problems some advise us to take our time. In hearing after hearing, and year after year, we hear the officials from the Department of Defense come before this Congress and say,

> We have solved this problem. We have straightened this mess out. No longer are we going to be hearing about those horrow stories. We have our act together. We have found the solutions to whatever problem at hand.

How many times have we heard that, Mr. President? How many more times will we have to hear it before the Congress of the United States decides to get tough with an unthinkable situation. When the solutions are clear and obvious, the only reason to delay is to allow this ripoff to continue. We are not in favor of this approach.

Once again, Mr. President, I would like to commend Senator QUAYLE and his new subcommittee for tackling this issue, and for identifying several areas that need immediate attention. In our amendment, we have addressed those same issues but in a considerably different way. We have tried to make the results equal, with tough policy decisions, and tough laws that deal not only with the Department of Defense, but also the contracting establishment.

With all due respect to Senator QUAYLE, I would like to point out some areas where his proposal falls short of the mark:

His amendment has identified the need to increase competition and to conduct more "dual sourcing," which is the production of a weapon system by two or more producers; however, his amendment allows the Secretary of Defense to waive the dual sourcing requirement whenever the Secretary of Defense finds that in the "national interest" a waiver is justified.

Mr. President, this national interest exception was identified as a significant loophole when the Competition

in Contracting Act was written into law last year, and it was removed. The committee amendment would reestablish that loophole. Even worse, the committee amendment, or the Quayle amendment, does not really require competition in its dual sourcing. There is nothing that I can find in the committee amendment that strictly requires the two dual sources to compete against each other. Nothing prevents them from having a 50-50 split of the pie, which would remove any incentive once and for all for one producer being cheaper or better than the other.

In the committee amendment under that issue of "revolving door" language, there are also significant loopholes, Mr. President. There is nothing in the committee amendment that would prevent a Government worker from going to work for a contractor he supervised, unless the employee misleads the Government and is caught. I think that we can do better on the issue of this revolving-door problem. I would like to think my friend and colleague, Senator PROXMIRE from Wisconsin, who has long been concerned, who has long brought this matter to the attention of the Congress and the taxpayers that we need to do something very strong to prevent the revolving-door situation from getting worse.

I might also add that Senator PROXMIRE is a cosponsor of this amendment that we will shortly send to the desk. The committee's language, or Senator QUAYLE's language, if I might call it that, bars a Government employee from working for a contractor he supervised only—only—when the contractor offers him a job, when the employee is still in the Government and when the employee fails to disqualify himself from further Government supervision of the contractor. But, Mr. President, if the contractor is smart enough not to offer that employee a job until after he leaves the Government, and if the contractor is crooked enough—and I hope that is not the case—to do everything but offer the Government worker a job, there is no bar to the revolving-door problem in Senator QUAYLE's amendment.

There are also loopholes in the committee's language regarding quality control. Under that language the Department of Defense quality control workers are required to get quality control training. But contractor quality control workers are not. Furthermore, Mr. President, absolutely nothing in Senator QUAYLE's amendment would cause the contractor to pick up the cost of his own deficient work. The committee amendment would leave standing loopholes in the existing warranties legislation: an exemption from quality control warranties for the first 10 percent of any production line and for any item costing less than $100,000 or program costing less than $10 million. There may be a reason to exempt such items from performance guarantees, but there is no justification for exempting such items from the quality control specifications that a contractor has agreed to in a contract.

There is still another weakness, Mr. President, in the committee amendment that is pending at this time. This is respecting the "should cost" problem that exists in today's defense procurement situation. The committee's language would allow the contractor to tell us what his products should cost. Mr. President, can we expect anything more than self-justification from this provision? Even if that loophole were covered, however, the Quayle amendment would be deficient in this Senator's opinion. In the past, the Department of Defense has told us with a perfectly straight face that stool caps "should cost" $1,000, that pliers "should cost" $600, and that hammers "should cost" $436. Mr. President, we should be asking for an end to this tragically comical self-justification. We should not be asking for more of them.

There is still another problem occurring with the committee language respecting education and training for program managers and generals in the services' various materiel commands. The committee amendment seeks more of the very same training that has been available up to this point. This is not calling for a change, nor does it call for an improvement. It is calling for more of the same. It is stating that we will be willing to accept busines as usual. We feel that the business-as-usual approach now existing, that relationship between the contractor and the Department of Defense, cannot be justified.

Quite properly, Mr. President, the committee amendment puts the burden of proof on the contractor when he is in dispute with the Department of Defense over the reasonableness of the cost. Unfortunately, however, there is still another loophole. Only general and administrative costs are covered and not all costs are covered. Also, it is not clear whether the committee's "burden of proof" language would allow, or not allow an existing definition of the term "reasonable" in the Armed Services Procurement Manual. This dubious definition allows any cost which DOD paid in the past, no matter how high, to be termed "reasonable."

Finally, the Quayle amendment fails to put itself into effect anytime soon.

We may spend another $1 trillion in our Department of Defense before the committee amendment or Senator QUAYLE's amendment actually takes effect. Some of the committee's provisions will not go into effect until the year 1990. My question, Mr. President, is this: Is there any Member of this body who would care to wait until 1990 to address the serious deficiencies that we all know exist today in the Department of Defense procurement system?

It is time Congress got serious about actually solving the problems we all know exist. Weak provisions, filled with loopholes, going into effect years from now will not accomplish our mission. We need real solutions, and we need them now.

First, we need a dual sourcing requirement that actually forces dual sourcers to compete against each other by rewarding the best bidder with a majority of production under the contract. Furthermore, we need to start the dual sourcing requirement at the development stage and not wait for a sole-source developer to get his foot in the door for a production contract after he has done all the development for a weapons system. Finally, we should not want to grandfather onward to the future all sole source contracts that exist today, and we should want to put into place a mechanism that discourages sole sourcing and encourages competition and dual sourcing. The committee amendment does none of these things.

The amendment that I shall submit in behalf of myself and Senators GRASSLEY, Senator PROXMIRE, and others later, during the course of this discussion, we sincerely feel does all of these things.

We need a revolving door requirement that actually closes the revolving door. We need to prevent for a minimum of 3 years a Government worker's going to work for the contractor he was supposed to supervise in Government. We need to apply fines and civil penalties against those who attempt to operate unethically.

If we really want to find out what a weapons system "should cost," we should see what it costs in the commercial world where true competition exists. If no commercial item compares to the defense system we are considering, we should see how much a similar system costs when it is produced abroad. That will give us some objective standard to measure against. If the item is not available commercially or abroad, we should be requiring an independent cost analysis, not the analysis furnished by the contractor.

When a contractor delivers equipment, no matter what it is, to DOD and that equipment is defective from a quality control standpoint. Who should pay the cost—the taxpayer or the contractor? We believe that the contractor should be picking up that cost, including labor and installation costs.

Should we be paying the contractor twice for equipment; once to build it wrong and a second time to build it right? The answer to that question is obvious.

When the "reasonableness" of a contractor's costs are at issue, all of his costs should be covered, not just some of them. We should also be defining the term "reasonable" in a commonsense manner.

We should be addressing these problems as if they existed today, as they do, not as if they might exist sometime in the distant future. Our loophole-less solutions should go into effect as soon as possible, not in 1987, 1988, 1989, or 1990.

Finally, Mr. President we have to demonstrate that we are deadly serious and not just playing around nor just giving lip service to a problem that is demoralizing our hope for a strong national security system. Contractors and Government employees who breach ethical standards, who attempt to defraud the Government and to steal the taxpayer's dollars should be going to jail; not contractor salary nirvana, not cozy retirement, and not ever higher paying jobs in Government and industry.

Sixteen million contracting decisions are made every year at the Department of Defense. If we can inject competition into some of those decisions, we will save the taxpayers billions of dollars.

Furthermore, we will not only be purchasing weapons that work, but we will be protecting the lives of our soldiers and our military and civilian personnel whom we have charged with protecting the national security of our country.

The main purpose of our amendment is to introduce something that has been foreign to the Pentagon. It is an idea called capitalism. Capitalism made this country great and it can help and should help us build a stronger defense and get more out of our defense dollars than we are getting today.

Procurement reform involves some very, very complicated issues. Honest men and women will disagree over the proper approach. Today, I wish to thank once again Senator QUAYLE, Senator LEVIN, the members of the Procurement Committee, and members of the Committee on Armed Services, especially Senator GOLDWATER and Senator NUNN and their staffs, for being so cooperative on this matter. I shall be glad to discuss any and all of these provisions of my amendment in greater detail as this debate continues this afternoon.

Mr. President, I yield the floor.

The PRESIDING OFFICER. The Senator from Indiana.

Mr. QUAYLE. Mr. President, I shall have more to say about this substitute amendment when it is acted on later on this afternoon, but I would like to make a couple of brief observations.

First, I appreciate the interest of the Senator from Arkansas in this area of procurement. I certainly welcome his input on these important issues and encourage him to continue to communicate with me, with Senator LEVIN, and with others who are on the subcommittee. Obviously, I do not encourage or like the substitute that is going to be offered to the Senate for a number of reasons.

First and foremost, Mr. President, I think it is important to point out that there seems to be an agreement that the subcommittee, through all of its hearings—11 hearings—all of the hours of work we put in there, has at least identified the appropriate issues we ought to be discussing. I think Senator PRYOR had indicated that that was in fact an agreed-upon condition, that we have identified the issues and started the debate and moved this thing forward where it should be.

I would say that this is not the so-called business as usual. The Armed Services Committee, in the past, has never really been in the business of looking at procurement. Under the leadership of this chairman and the creation and establishment of this subcommittee, the Armed Services Committee has now gotten into the business of looking at procurement and acquisition. So there is no disagreement, the way I understand the initial statement on this, on what the issues are.

There appears to be a disagreement on the technicalities of those amendments and those issues. I point out technicalities, Mr. President, because as of now, we have not seen the final substitute. We will see that substitute. I understand they have made a number of changes in the competition and contracting section from the previous substitute that was going to be offered and I think they have in fact moved in the right direction. I think that they are in fact moving in the right direction. I know the Senator from Michigan [Mr. LEVIN] and the Senator from Maine [Mr. COHEN], the primary movers of that amendment, will certainly appreciate that they have changed some of those positions. So in many respects, Mr. President, we are going to be discussing and arguing technicalities on this amendment, whether it is the committee amendment or the Pryor amendment.

As chairman of that subcommittee, we have put in one heck of a lot of work to try to iron out these technicalities. This is not anything that we talked about in the cloakroom or discussed casually over a cup of coffee. We had a lot of hearings. We put in a lot of work. As a matter of fact, one of the markup sessions lasted 5 or 6 hours, if my memory serves me correctly. There were a lot of issues to be discussed. The issue of dual sourcing is an important issue, particularly when we get into production. We want to encourage that because when we have two contractors out there and you can play it back and forth, you are going to get a lower price. Obviously, you have to have a couple exceptions, but we extended the Competition in Contracting Act where they merely authorized dual sourcing in production and now the committee is requiring it except for certain circumstances.

Now, this is a continuation of what we started with, the Competition in Contracting Act. This is a way of saying that we want to have more competition. This is what this committee amendment seeks. This is not business as usual. It is a very serious effort by a number of very serious Senators who spent a lot of time on this issue in the committee trying to figure out what we ought to be doing in the area of dual sourcing.

As to the revolving door issue, Senator LEVIN, who is the primary sponsor of the committee amendment, will be speaking a lot more about it. But the problem with this absolute prohibition, very quickly, Mr. President, is that it would be detrimental to getting people into Government, particularly at the Assistant Secretary level and higher. We already have enough problems getting good people to sign up and put in a tour of Government service. I think that this will complicate it, and for this reason and others that we will get into later, I would be opposed to that particular section.

Mr. President, the Senator from Arkansas talked about the warranties provision. We went through the warranty provisions last year. We started with the good Senator from North Dakota [Mr. ANDREWS], who put it on an appropriations bill. The Armed Services Committee then worked with Senator ANDREWS, myself, Senator LEVIN, and others, and we worked out a very comprehensive warranties policy, an issue that I think now is being not only enforced but complied with and a change of events that the Pentagon actually welcomes. A lot of them over there are saying, "I am glad we have that now." At first there was a lot of opposition to it, but now they are very much in favor of it.

The Senator from Arkansas talks about timeliness, when this amendment is going to be enacted. Part of the committee amendment, as he well knows, becomes effective on October 1, but there are provisions that become effective as late as 1990. But mainly those provisions apply to our education and training requirements are going to be for acquisition personnel.

Obviously, Mr. President, if we are going to require, as we should, of our program managers, particularly of major weapons programs, 8 years of service in the area of procurement, there are not that many people who have that background right now and so why would we want to put in a provision that simply cannot be complied with? The Department of Defense

knows what we want. I think this is a reasonable phase-in period, but there is no way that we could comply with that 8-year provision if in fact we had everything effective on October 1.

So, Mr. President, obviously we have a choice, but I think when we narrow this thing down, perhaps the spirit of the substitute and the committee amendment is not terribly different. It is not terribly different because we have identified all the issues. There have been changes. We will have to see what the exact substitute is when offered. And I will speak to it at that point. We have put in a lot of hard work. There is a strong bipartisan support for the committee amendment. It came out of the committee unanimously, with Republicans and Democrats joining hands on this very important issue. It is a step forward. It is a step that I think we ought to take, and I hope the Senate will adopt the committee amendment rather than the substitute when it is offered.

AMENDMENT NO. 148

(Purpose: To strengthen the provisions in the Committee amendment regarding post-employment)

Mr. LEVIN addressed the Chair.

The PRESIDING OFFICER. The Senator from Michigan is recognized.

Mr. LEVIN. Mr. President, I send an amendment for myself and Mr. RIEGLE to the desk and will ask for its immediate consideration. I do expect that this amendment will be accepted by the majority and the minority. It is an amendment to the committee amendment.

The PRESIDING OFFICER. The amendment will be stated.

The bill clerk read as follows:

The Senator from Michigan [Mr. LEVIN] proposes an amendment for himself and Mr. RIEGLE numbered 148 to amendment 147.

Mr. LEVIN. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

In Committee amendment number 147:

On page 14, line 21 strike the words: "personally and substantially"

On page 18, line 9 strike the words: "personally and substantially"

On page 18, line 12 after the word "awarded" insert: ", or an agent of such contractor,"

On page 19, line 23 strike "two-year period beginning on the date of the contract" and insert in place thereof "ten-year period beginning with the date of separation from government service"

Mr. LEVIN. Mr. President, as I indicated, I am hopeful and act on the belief in sending this amendment to the desk that it will be acceptable to the floor managers of the bill and of the committee amendment. I want to make some comments now on the committee amendment, and during those comments the purpose of this perfecting amendment I have just sent to the desk will become clear.

However, first, Mr. President, I commend the chairman of our subcommittee, Senator QUAYLE. He has been a most responsive and responsible chairman during the first year of this new acquisition subcommittee. He is its first chairman. He has handled this job with distinction, with courage, and with fairness. I commend him for that. It has been a pleasure to serve with him as ranking member of that subcommittee. He has established a pattern and a precedent of careful deliberation in this most complex of areas. If we follow this pattern, if we carefully deliberate on the reforms that we need in the procurement area, then I believe we can in fact stimulate competition and eliminate some of the excesses and some of the waste that exists in our procurement system.

Mr. President, just a word about my friend from Arkansas. I welcome Senator PRYOR's contribution and his effort. I do not know exactly what the details of his amendment will be. I look forward to seeing them later on this afternoon. But I do know we need all the help we can get to reform a system which desperately needs reform. This is not the first effort today, by the way. We had the Competition in Contracting Act last year. We had a number of other laws and amendments, as my friend from Arkansas knows. As a matter of fact, he cosponsored and worked very hard on many of them. But it is a continuing effort to attack a massive problem and we welcome his support and his involvment in that effort. I do not know where it will all end in terms of his substitute, what parts of it we will find acceptable, if any, and what parts we would oppose for reasons which will become more clear during the debate. But I do want him to know, before this debate proceeds further, that I particularly welcome his contribution. He is a dear friend of mine. He has shown great sensitivity this last week in terms of consideration of his perfecting amendment to the existing Competition in Contracting Act which we passed last year.

Mr. President, I first want to this afternoon address my comments to the revolving door issue. That is one portion of this title, but it is the portion in which I have the most involvement and to which I would like to address my comments.

One side of the revolving door question refers to Government employees who leave Government service to work for contractors who they may have had a responsibility for managing. This issue has been a matter of great personal concern to me, as I know it has been to many other members of the Armed Services Committee and many other Members of the Senate and House of Representatives. Indeed, I raised this issue in many of our subcommittee's 11 hearings regardless of the immediate subject at hand, because I find that it has application to many of our discussions. We wanted in our hearings the benefit of every possible opinion we could get on the revolving door issue. I think the concern of the public and Congress boils down to this: Have these employees been watching after the interests of the taxpayers or have they been watching after their own interests?

That is the bottom line ethical issue which has tremendous ramifications for our procurement process. Have these employees, the ones who are working for us on Friday and then the next Monday are working for a defense contractor whom they monitored, been watching after the interests of the taxpayers, or have they been watching after their own interests?

The public, Congress, and the Department of Defense must be assured that our employees have solely the interests of the taxpayers at heart when they are monitoring the contracts with defense contractors.

Department of Defense employees are involved in a myriad of activities that might be termed the monitoring of expenditures of taxpayers' dollars. We must have concrete assurance that our representives at the bargaining table are as zealous as possible and are totally committed in their efforts to produce the best possible results for the taxpayers.

The issue of the revolving door has been subjected to intense public scrutiny. Last January, we read in the press an in-depth story documenting the hemorrhage of army talent from the Divad Program to Ford Aerospace and its subcontractor, Westinghouse Co. Before the 1980 competition for production of Divad, Ford hired three lieutenant generals who had been involved in developing the proposal. Subsequently, five more Army officers involved in the competition were hired by Ford and Westinghouse. Because of my interest and my subcommittee assignments, I was determined to study this issue closely.

Public Law 91-21 requires the Secretary of Defense to send to Congress a list of all Department of Defense personnel above the grade of GS-13 who accept jobs with DOD contractors receiving more than $10 million in negotiated contracts with the Department. This report is simply a compilation of all the forms required to be filed by the employees for the 3-year period after leaving Government service.

In the 1984 report, there were 2,240 such forms. I directed my staff to review each of the 2,240 forms filed with the Armed Services Committee last year and to bring back an analysis of the information therein.

From this review, we learned several things: First, of the 2,240 reports filed, there is not enough information to determine whether the employee was involved with a contractor while he or she worked for the Government. Second, it was impossible to determine whether the person took steps, or might have taken steps, to disqualify himself from dealing with a contractor with whom that person was discussing employment.

In addition, the problem is not getting any smaller. Last Friday, the Senate Armed Services Committee received the 1985 shipment of forms. The number has grown from 2,240 to 3,308.

This weekend, we went through those 3,308 forms. Again, the vast majority of the forms do not yield the kind of information necessary to make a decision about whether a former employee has dealt with a contractor or whether the former employee has been discussing potential employment with the contractor while monitoring that contractor for the Government.

This amendment of the committee is going to correct that deficiency in those forms. After this amendment becomes law, if it does become law, we are going to know from those 3,300 forms whether or not those employees had any contact with the employer for whom they went to work, whether or not discussions took place when they were monitoring those contracts, and whether they disqualified themselves from any dealings with the contractor while they were working for the Government and discussing potential employment for themselves.

Our review did not begin or end with the forms. We also reviewed the current criminal statutes that might be applicable. One criminal statute, often cited as the postemployment conflict-of-interest law, does not address the question of whom one accepts employment from. It picks up the script after the former government employee departs Government employment. It bars that employee from representing a contractor before the Government on the same particular matter on which the employee was personally and substantially involved while a government employee.

The problem with this statute was that the implementing regulations had so narrowly defined the three operative terms—representing, particular matter, and personally and substantially—that the statute became almost totally ineffective.

A second criminal statute, 18 United States Code 208, makes it a crime to participate in contracting decisions on behalf of the Government with parties with whom the government employee has a financial interest. The statute designates an agreement for future employment as creating a financial interest on behalf of the employee. However, one court already has interpreted this statute to mean that the nature of any contact between the government employee and the contractor over a possible job must rise to the level of negotiations in order for the criminal statute to apply. Discussions are not prohibited. The requirement for negotiations may have been appropriate for the court to impose before applying criminal sanctions. My comments are not directed to the appropriateness of that criminal case.

However, this Senator does not believe that the contact between a contractor and a government employee should have to rise to the level of negotiations for employment, before an individual should have to disqualify himself from dealing with that contractor on behalf of the taxpayer.

The Acquisition Subcommittee held a hearing on the revolving-door issue. Among the witnesses was Deputy Secretary of Defense Taft. I asked Secretary Taft at that March 19 hearing what I consider to be the central question in this debate. I asked,

> Can you tell us, of the 2,240 reports filed last year, how many of those people were "personally and substantially" involved with the companies with whom they subsequently took jobs? And, of those who were "personally and substantially" involved with the contractors with whom they accepted employment, how many took steps to disqualify themselves from monitoring contracts for the Government while at the same time discussing future employment?

Deputy Secretary Taft could not answer those questions. No one else at the hearing could answer those questions. No one in the Department of Defense could answer those questions, and they have not subsequently been able to answer those questions. So I cannot answer those questions, and neither can the Senate Armed Services Committee nor anyone else in this body answer those questions.

However, what we all can do is to take steps today to ensure that those questions will not go unanswered again, in order that we might be protected, as taxpayers, from persons who might, even subconsciously, be affected by a contractor for whom a government employee is thinking about working, thus placing that government employee in a conflict-of-interest situation.

I offered an amendment in the Armed Services Committee that was accepted by my colleagues and in many ways is stronger than a blanket bar. At the same time, this amendment is targeted at the problems of the conflict of interest. It is stronger because it goes right to the heart of the matter, and that is, I do not want people working for the Government, monitoring expenditures of billions of dollars, discussing with those on the other side of the table their own prospects for future employment. That is what this issue is about: You cannot represent us and discuss employment with them.

The committee amendment has a ban on employment—if this perfecting amendment is adopted, a 10-year ban. This ban does not run from the time of the contact between the employee and the outside contractor, as previously drafted, but with this modification runs from the time the employee leaves Government service and it runs for 10 years, as it should, because this is the penalty that an employee should pay if he violates the requirements of this statute that he disqualify himself from any contacts with a contractor if that employee is monitoring the contract of Government with that contractor.

We believe that these provisions are the best way to slam that revolving door shut on those who violate the spirit of our conflict-of-interest laws.

We have laws on conflict of interest, and those laws are usually applied criminally and have had very little effect in this area.

We want an administrative enforcement with this 10-year ban, a monetary penalty of $10,000 to make sure that employees keep their eye on the taxpayers' dollars and not on their own future.

We want any employee who is discussing future employment for himself or herself to disqualify himself or be banned from employment with that company for 10 years.

So the committee amendment is stronger in many ways than a blanket bar. It is stronger in a critical way. For instance, it applies to covered employees who have any involvement with the contract. The involvement need not be personal and substantial—that is the other modification in this amendment which was sent to the desk—because we believe that if you have any contact at all with an outside company about their contract with the Government, whether that contact is substantial or minimal, you should not be discussing employment for yourself at the same time. That is a very important ethical principle which this amendment with this modification would embody.

We say no matter how minor the contact with the contractor, do not discuss a job for yourself while representing the Government. The contact may be minor but the ethical issue here is major.

The committee amendment not only avoids defining the degree of involvement in order to apply the 10-year ban but it also adopts an administrative penalty for enforcement.

We have done this in recognition of the fact there has not been a single criminal prosecution, according to our knowledge, under 18 U.S.C. 207. Thus, the committee gives the authority to the Secretary of Defense to administer

penalties under guidance of the Administrative Procedures Act.

This should result in greater policing of the committee's provision.

The committee's amendment is strong because it includes again a 10-year ban when the employee has failed to live by the procedure established and did not disqualify himself from making procurement decisions while discussing a job as required by law.

The committee language is also strengthened in this modifying amendment to pertain not only to contact by or discussions with a defense contractor but also any person acting on behalf of the defense contractor, and thus the committee amendment would even cover any employment agency or other third party acting as an agent for the contractor in attempting to reach an employee for job discussion.

Mr. President, the strongest and the fairest approach to the revolving door is to slam that door on those who abuse the system and place themselves in a conflict of interest situation, slam it hard, with a 10-year ban on employment and a fine, but slam it on the right people, those who have contacts no matter how slight while discussing jobs for themselves, who have not disqualified themselves from any monitoring of that defense contractor's work with the Government.

Mr. President, I do not know whether my friend, the floor manager, the distinguished chairman of our committee, has had a chance to review this amendment to our committee amendment.

I yield the floor.

Mr. THURMOND. Mr. President, section 603 requires the Secretary of Defense to formulate an acquisition plan that includes two or more production sources for major acquisition programs. Such dual sourcing must meet the following criteria:

Dual source would likely reduce costs.

Not result in unacceptable delays in fulfilling the needs of the Department of Defense.

It would be in the interest of our national security.

The Secretary of Defense would justify his decision in the first budget request containing funds for production of the specific program.

Section 604 requires a "should cost" analysis for each major acquisition program/awarded to a single source. Should cost analyses have proven to be more accurate in the past than normal cost analyses, but have been infrequently used.

Section 605 requires each service secretary to issue regulations establishing minimum requirements in education, training, and experience for program managers. The following are requirements:

Attendance at the Program Management Course at the Defense Systems Management College or other comparable institution.

Minimum of 8 years experience in acquisition, support, and maintenance of weapon systems/with at least 4 years in major buying commands.

A quality assurance training program is also mandated by section 605.

Section 606 and 607 deal with former defense employees who leave Government work to work for defense contractors. Section 606 strengthens reporting requirements of civilian and military personnel who go to work for a defense contractor. The content of the report is expanded and the criminal sanctions are altered. Section 607 limits contacts concerning employment between Defense personnel and contractors. Under the section, Government officials must disqualify themselves from working on contracts with contractors when consideration for employment is broached. Failure to disqualify one self could result in a $10,000 fine and a bar from employment with contractor for 2 years.

Section 608 provides continued authorization of $3 million in fiscal year 1986 and 1987 for DOD to participate with local governments and nonprofit organizations to assist local businesses in securing contracts with the Department of Defense.

Section 609 shifts the burden of proof from the Department of Defense to the contractor in proving the reasonableness of costs. This will apply to Federal court, the U.S. Claims Court or the Armed Services Board of Contract Appeals.

These provisions should improve our acquisition process and ultimately save tax dollars. I indorse the Quayle-Levin amendment which is now embodied as a committee amendment, and hope the Senate will adopt it. It is bipartisan and was adopted by the full committee.

Mr. GOLDWATER. Mr. President, I might say I do not believe the Senator from Indiana objects to this amendment. I do not believe there is any objection from the minority side.

So, Mr. President, we will accept the amendment of the Senator from Michigan.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment (No. 148) to amendment No. 147 was agreed to.

TECHNICAL AMENDMENT

Mr. GOLDWATER. Mr. President, we have a technical correction. On page 11, line 22, of the Armed Services Committee bill, the term "Director of Operational Test and Evaluation" appears. The correct term should be "Director of Defense Test and Evaluation."

The Director of Operational Test and Evaluation is funded in the "Operation and maintenance account."

We have a proposed amendment that the minority side agrees to.

On page 11, line 22, of S. 1160 strike the words "Director of Operational Test and Evaluation" and insert the following: "Director of Defense Test and Evaluation."

I ask unanimous consent that that be done.

Mr. PRYOR. Mr. President, reserving the right to object, what role are we transferring for the Director of Operational Testing here?

Mr. GOLDWATER. This is a technical correction that Senator NUNN has agreed with.

Mr. PRYOR. I understand.

Mr. HEFLIN. Mr. President, I understand the chairman says that Senator NUNN, the floor manager on our side, has accepted this technical amendment, so we have no objection.

Mr. GOLDWATER. He knows all about it.

Will the Senator send the amendment to the desk?

The amendment is as follows:

On page 11, line 22 of S. 1160 strike the words "Director of Operational Test and Evaluation" and insert the following, "Director of Defense Test and Evaluation."

Mr. GOLDWATER. Is there any further discussion of this amendment. I hate to pass it without anyone here.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. LEVIN. Mr. President, are we talking about the technical amendment or the committee amendment?

Mr. GOLDWATER. No; the Senator's amendment has been accepted. The technical amendment has been accepted.

I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. NUNN. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER (Mr. HUMPHREY). Without objection, it is so ordered.

Mr. NUNN. Mr. President, I ask unanimous consent that the pending amendment be temporarily laid aside and become the pending business after the disposition of an amendment which I hope will be accepted by the committee.

The PRESIDING OFFICER. Is there objection?

The Chair hears none, and it is so ordered.

AMENDMENT NO. 149

(Purpose: To authorize the Secretary of the Army to accept and to operate a National Science Center for Communications and Electronics)

Mr. NUNN. Mr. President, I send an amendment to the desk and ask for its immediate consideration. It is on

behalf of myself, Mr. MATTINGLY, Mr. THURMOND, and Mr. CHILES.

The PRESIDING OFFICER. The amendment will be stated.

The legislative clerk read as follows:

The Senator from Georgia [Mr. NUNN], for himself, Mr. MATTINGLY, Mr. THURMOND, and Mr. CHILES, proposes an amendment numbered 149.

Mr. NUNN. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

At the end of title IX of division A of the bill, insert the following new section:

ARMED SERVICES NATIONAL SCIENCE CENTER FOR COMMUNICATIONS AND ELECTRONICS

SEC. 916. (a) The Congress hereby finds—

(1) that scientific and technological developments in communications and electronics are of particular importance to the United States in meeting its national security, industrial, and other needs;

(2) that enhanced training in the technical communications, electronics, and computer disciplines is necessary for a more efficient and effective military force;

(3) that the Secretary of the Army, through the Training and Doctrine Command, is responsible for providing training to members of the Army;

(4) that the Ninety-seventh Congress, in Senate Concurrent Resolution 130 of that Congress, encouraged the establishment within the United States of a national center dedicated to communications and electronics;

(5) that the Secretary of the Army entered into a Memorandum of Understanding with the National Science Center for Communications and Electronics Foundation Incorporated, a nonprofit corporation of the State of Georgia, in which the Army and such foundation agreed to develop a science center for (A) the promotion of engineering principles and practices, (B) the advancement of scientific education for careers in communications and electronics, and (C) the portrayal of the communications, electronics, and computer arts.

(b) It is the purpose of this section to recognize the relationship between the Army and the National Science Center for Communications and Electronics Foundation Incorporated (hereinafter in this section referred to as the "Foundation") for the development, construction, and operation of a national science center and to authorize the Secretary of the Army (hereinafter in this section referred to as the "Secretary") to make available a suitable site for the construction of such a center, to accept title to the center facilities when constructed, and to provide for the management, operation, and maintenance of such a center after the transfer of title of the center to the Secretary.

(c)(1) Subject to paragraph (2), the Secretary may provide a suitable parcel of land at or near Fort Gordon, Georgia, for the construction of an armed services national science center by the Foundation to meet the objectives expressed in subsection (a). Upon completion of the construction of the center the Secretary may accept title to the center and may provide for the management, operation, and maintenance of such center out of funds appropriated to the Army for such purpose.

(2) As a condition to making a parcel of land available to the Foundation for the construction of a national science center, the Secretary shall have the right to approve the design of the center, including all plans, specifications, contracts, sites, and materials to be used in the construction of such center and all rights-of-way, easements, and rights of ingress and egress for the center. The Secretary's approval of the design and plans shall be based on good business practices and accepted engineering principles taking into consideration safety and other appropriate factors.

(d) The Secretary may accept conditional or unconditional gifts made for the benefit of, or in connection with the center.

(e) The Secretary may appoint an advisory board to advise the Secretary regarding the operation of the center in pursuit of the goals of the center described in subsection (a). The Secretary may appoint to the advisory board such members of the board of directors of the Foundation as he considers appropriate. The Federal Advisory Committee Act (5 U.S.C. App.) shall not apply to the advisory board appointed under this subsection.

(f) Consistent with the mission of the armed services and the efficient operation of the center, the Secretary may make facilities at the center available to the Foundation for its corporate activities and for such endeavors in the area of communications and electronics as the Secretary may consider appropriate.

(g)(1) The Secretary may make the center available to the public and to other departments and agencies of the Government for research and study and for public exhibitions. The Secretary may charge for such uses as he considers necessary and appropriate.

(2) Any money collected for the use of the facilities of the center shall be deposited to a special fund maintained by the Secretary for the maintenance and operation of the center. The Secretary shall require the Auditor General of the Army to audit the records of such fund at least once every two years and to report the results of the audits to the Secretary.

Mr. NUNN. Mr. President, I ask unanimous consent that the Senator from Arizona [Mr. GOLDWATER] be listed as a cosponsor on this proposal.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. NUNN. Mr. President, this amendment is to establish what we call the Armed Services National Science Center.

In December 1982 Congress adopted a Senate concurrent resolution which I coauthored with Senator Schmitt supporting the establishment of a National Center for the Advancement of Science and Technology in the specific areas of communications and electronics.

To carry out this congressional resolution, a private nonprofit foundation was established and organized under the laws of the State of Georgia. The foundation, under the chairmanship of Harry Gray and the vice chairmanship of Lt. Gen. William Hilsman, (retired), represents both educational interests and industries who have a critical need for technologically trained workers.

That is why communications and electronic industries and educational institutions have been actively supporting and participating in the foundation's work.

The major thrust of the Center is to serve as a catalyst to increase the quality of science and math education in high schools, junior colleges, and work settings so those workers entering government or private industry will come with increased technical literacy. The Army, as a major consumer of technical graduates, has a vested interest in seeing improved education in these vital skills.

This will be the only science center devoted exclusively to communications and electronics, and will be the only center capable of reaching a national audience through multimedia "telelinks."

The foundation has now undertaken a $44 million private—and I emphasize the word "private"—fundraising effort to build and equip this center.

The Department of Defense believes the Center will be an "important supplement to the Department's technical training and education programs." An April 30, 1985, letter from Deputy Secretary of Defense Taft to Senator STEVENS sets forth the endorsement of DOD.

I ask unanimous consent that that letter containing DOD's enthusiastic endorsement for this program be printed as part of the RECORD immediately after my remarks.

The PRESIDING OFFICER. Without objection, it is so ordered.

(See exhibit 1.)

Mr. NUNN. On July 19, 1984, the Secretary of the Army and the foundation entered into a memorandum of understanding to support and cooperate in the development of the plans and facilities of the National Science Center. Army Secretary Jack Marsh is personally committed to this effort.

The Army has set up an internal special task force on the Center, under the leadership of General Richardson, the TRADOC Commander.

As part of the effort to bring the Center to fruition, certain minor impediments have been identified by the Army. To address those concerns, and after consultation with the Army, I introduced S. 787. That bill was referred to the Army Services Committee. This amendment is identical to that bill except for the section references.

Under this legislative proposal, Army is: authorized to designate a suitable location for the facility; given responsibility to approve all design and construction plans; authorized to accept the Center as a gift, and to assume operational control and maintenance of the Center; and retain and use at the Center any fees which may be collected from the public. The Army will not pay a fee for any mili-

tary who use the Center on official business.

The Army estimates that approximately $1.25 million will be required in O&M in the first year, to be offset by whatever fees may be collected. The maximum O&M costs are presently estimated by the Army to be $1.58 million. These funds are already included in the President's fiscal year 1986 and outyear budget requests.

Mr. President, I have talked to the Senator from Arizona about this. He is a coauthor. There has been no more enthusiastic leader in this whole area of communications and electronics than the Senator from Arizona. I hope this amendment will be accepted by the managers.

EXHIBIT 1

THE DEPUTY SECRETARY OF DEFENSE,
Washington, DC.

Hon. TED STEVENS,
Chairman, Subcommittee on Defense, Committee on Appropriations, U.S. Senate, Washington, DC.

DEAR MR. CHAIRMAN: This letter is in response to the requirement contained in the Conference Report on the FY 1985 Department of Defense Appropriations Act for submission of a "prior approval reprogramming" before expenditure of the $689,000 that was appropriated to the Army for expenses related to the establishment of the National Science Center for Communications and Electronics at Fort Gordon, Georgia.

The Center will be an important supplement to the Department's technical training and education programs. It will serve as a focal point for the development of educational materials and national programs related to communications and electronics. It will also sponsor exhibits and presentations related to communications and electronics. As a result it will be an important asset to both the Department of Defense and the Nation in the communications and electronics field. Therefore, because of the direct and indirect benefits that will accrue to the Department of Defense, the Department strongly supports its establishment.

Attached is a background summary concerning the Center which provides responses to the questions contained in the Conference Report on the 1985 Appropriations Act. In accordance with the direction contained in that report, the funds provided to the Army for its FY 1985 program with respect to the Center will not be expended until approval is provided in response to this letter.

This letter has also been sent to the Honorable Joseph P. Addabbo, Chairman of the Subcommittee on Defense, House Appropriations Committee.

Sincerely,

WILLIAM H. TAFT IV,
Deputy Secretary of Defense.

Mr. GOLDWATER. Mr. President, the amendment will be accepted. I just want to comment on it.

I think the National Science Center for Communications and Electronics Foundation, Inc., is a group to which we owe a great debt.

It has always been a peculiar thing for me to understand that in this Nation, with its great technological ability and its leadership generally in the field of communications, we find a great lack of understanding of the communications problem among the Army, the Navy, and the Air Force—and the Marines sort of tag along with the Navy.

For example, it has been necessary for the United States to buy an Army communications system from England at $300 million. I am not belittling the English product, but it is hard for me to understand, after having spent a lifetime in communications, why we cannot do that in the United States.

We have not yet reached a complete agreement on a communications system between the Navy and the Air Force. It is hard to believe that these two services cannot communicate very readily with the equipment we have.

I think that this center, being for the entire armed services, will prove to be a great asset. We will no longer have to rely upon the private sector for the development of ideas—not necessarily equipment, but ideas—in communication. It will provide a center where we can train young people so that they will come up with an interest in communications, where we can train members of the armed services so that they will have a better grasp of the necessity for interservice dependability, so that when they want to talk to one another, they can do it.

I congratulate the Senator from Georgia for bringing this to the attention of the Senate. As the chairman of the committee, I accept it wholeheartedly.

Mr. NUNN. Mr. President, I thank the chairman.

I might add a footnote. One of the purposes of this center is to develop educational methods that may flow from the military application and have that disseminated as rapidly as possible to the American educational system.

So I think that one of the prime beneficiaries of this center will be the education of our Nation, particularly those involved in high technology and math and science and other forms of scientific endeavor.

One of the first projects undertaken, even though there is no facility yet, is the coordination of the educators in the State of Texas.

So I have high hopes for this center.

The PRESIDING OFFICER. Is there further debate? If not, the question is on agreeing to the amendment.

The amendment (No. 149) was agreed to.

Mr. NUNN. Mr. President, I move to reconsider the vote by which the amendment was agreed to.

Mr. GOLDWATER. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. GOLDWATER. Mr. President, I am expecting the Senator from Indiana at any moment. He has two more amendments.

I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislation clerk proceeded to call the roll.

Mr. GOLDWATER. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. GOLDWATER. Mr. President, I ask unanimous consent that the present amendment that we are discussing, the Quayle amendment, be temporarily laid aside so that the Senator from Indiana can introduce one or maybe three amendments at this time.

The PRESIDING OFFICER. Without objection, it is so ordered.

AMENDMENT NO. 150

(Purpose: To require a study by the Secretary of Defense to determine the impact that foreign export subsidies have had on the defense industrial base of the United States.)

Mr. QUAYLE. Mr. President, I send an amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The amendment will be stated.

The legislative clerk read as follows:

The Senator from Indiana [Mr. QUAYLE] proposes an amendment numbered 150.

Mr. QUAYLE. Mr. President, I ask unanimous consent that reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

At the end of title IX of division A of the bill, insert the following new section:

STUDY OF IMPACT OF FOREIGN EXPORT SUBSIDIES ON THE DEFENSE INDUSTRIAL BASE OF THE UNITED STATES

SEC. ——. The Secretary of Defense shall conduct a study regarding the effects that foreign export subsidies have had on the defense industrial base of the United States. The Secretary shall submit a report containing the results of the study to the Congress not later than April 1, 1986, and shall include in such report—

(1) a compilation of the number and type of contracts awarded by the Department of Defense in fiscal year 1984, fiscal year 1985, and the first six months of fiscal year 1986 on which United States firms bid but which were awarded by the Department of Defense to foreign firms;

(2) whether, in the case of each such contract, a subsidy (as defined in section 1677(5) of the Tariff Act of 1930) was provided in connection with the commodity purchased under the contract and, if so, a description of the subsidy, including the type and amount of the subsidy;

(3) identification of those segments of United States industry adversely affected by the loss of the contracts referred to in clause (1) and the consequences that the loss of such contracts has had on the defense industrial base of the United States; and

(4) such recommendations for legislative and administrative action as the Secretary considers necessary or appropriate to correct any detrimental impact that subsidized exports have on the defense industrial base of the United States, to include an evaluation of the impact of such recommendations on other U.S. foreign policy objectives such as to goal of improving cooperative weapons development and standardization in NATO.

Mr. QUAYLE. Mr. President, I rise to offer an amendment to the fiscal year 1986 Department of Defense authorization bill that speaks to the twin concerns of the need for fair trade and the need to ensure that the United States maintains an adequate defense industrial base in order to meet our essential defense and related strategic requirements in the event of a conflict.

In general terms, I find it very difficult to see how we can expect American industries to remain in business when they face many overseas competitors who are subsidized by their governments. While some may view this situation as simply a fact of life, I believe that we should at the very least be fully aware of the extent of the subsidized competition faced by our industries.

This is particularly true when we are dealing with items whose production affects our defense industrial base and national security. Because of our preference for free trade, and because of the agreements and Memorandums-of-Understanding [MOU's] we have with various countries, I am concerned that the United States may often find itself awarding contracts for defense procurements to foreign manufacturers whose competitive edge is due to subsidization. If sufficient numbers of these contracts are awarded to subsidized firms overseas, we could see a drastic impact on our industrial base and preparedness.

My amendment requires the Secretary of Defense to review the effect of subsidized foreign competition on our defense industrial base. It calls for a report to be issued next year that will compile the number of contracts in which domestic bidders lost to foreign contractors which were awarded by the Department of Defense during fiscal year 1984, fiscal year 1985, and the first half of fiscal year 1986; will determine whether the foreign manufacturer received subsidies from its government and what the extent of these subsidies were; will detail the segments of the U.S. industrial base affected by these lost contracts and their relation to our industrial defense preparedness; and will include recommendations on what steps, whether legislative or administrative, that can and should be taken to correct any detrimental impact that subsidized foreign competition has had on the U.S. industrial base.

Mr. President, this amendment is a very straightforward amendment that deals with the concern that I and others have on the whole idea of fair trade. I am a strong proponent of and support the two-way street in trade we presently have with NATO and our other allies around the world, with particular reference to military contracts.

But I also am acutely aware of the problem of subsidies by various governments, whether it be to defense contractors, to agriculture, or to whatever else the case may be.

This amendment simply asks the Secretary of Defense to report to Congress the nature of these subsidies so we can at least have them for a point of reference when we look and see what kind of trading practices are in fact going on.

At the request of the distinguished minority member of the committee, Senator NUNN, I added a section at the end of my amendment to make sure that this report also take into consideration our goals of improving cooperation in weapons development and standardization in NATO.

In no way do I want to detract from this, and I think it is a good addendum to this amendment. I think that we do have to have a good, strong two-way street relationship. But, I also think we have to have an understanding of what the trade issues are and what our relationships are going to be.

This whole issue of subsidies it one that is going to be with us for a long, long time. We are in a competitive world. We have international competition that is going on at a quickened pace, and I think that to make sure we compile all the information available to use in this report will certainly be worthwhile.

Mr. President, I believe this amendment is going to be accepted.

Mr. NUNN. Mr. President, I agree with this amendment. I have consulted with the Senator from Indiana. I have talked to the Senator from Arizona and I understand it is acceptable to the majority side.

The Senator added some words at the end of the amendment making it clear we also want the impact of any of these subsidies and any of these procedures outlined by the Senator from Indiana on the question of NATO's two-way street, which we have never completed but we continue to strive for because of the great importance of standardization in NATO. I think it is important that this be spelled out and we get the information on this subject, as well as on the subsidies. With that in the amendment, I support the amendment and congratulate the Senator from Indiana.

Mr. QUAYLE. Mr. President, I move the adoption of the amendment.

The PRESIDING OFFICER (Mr. HEINZ). Is there further debate on the amendment? If not, the question is on agreeing to the amendment.

The amendment (No. 150) was agreed to.

Mr. QUAYLE. Mr. President, I move to reconsider the vote by which the amendment was agreed to.

Mr. NUNN. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

AMENDMENT NO. 151

(Purpose: To amend section 406(k) of title 37, United States Code, to allow credit for labor furnished by the member in connection with payment of allowances for the transportation of the member's baggage and household effects)

Mr. QUAYLE. Mr. President, I send an amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report.

The assistant legislative clerk read as follows:

The Senator from Indiana [Mr. QUAYLE] proposes an amendent numbered 151.

Mr. QUAYLE. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

At the end of part A title V of division A of the bill, insert the following new section:

ALLOWANCES FOR TRANSPORTATION OF BAGGAGE AND HOUSEHOLD EFFECTS

SEC. 510g. (a) Section 406(k) of title 37, United States Code, is amended—

(1) by inserting "(1)" after "(k)";

(2) in the first sentence, by inserting "or in which a member provides all or a part of the labor in connection with the transportation of the baggage and household effects of the member (including packing, crating, and loading)" after "rental vehicle"; and

(3) by adding at the end thereof a new paragraph as follows:

"(2) The Secretary concerned may prescribe in any regulations authorizing the payment of a monetary allowance to a member who participates in a program in which the member provides all or a part of the labor in connection with the transportation of the baggage and household effects of the member—

"(A) the extent to which payment to the member will be made for such labor, and

"(B) the manner in which liability will be allocated among the members the United States, and the common carriers involved in the event of loss of or damage to any baggage or household effects packed, crated, or loaded by the member.".

(b) No allowance may be paid to any member of a uniformed service by virture of the amendment made by subsection (a) in connection with the transportation of the baggage and household effects provided the member before the date of the enactment of this Act.

(c) The Secretary of Defense shall submit a report to the Congress not later than three years after the date of the enactment of this Act regarding the operation of any program carried out by the military departments under which payment of a monetary allowance is made to a member who provides all or a part of the labor in connection with the transportation of the baggage and

household effects of the member and shall include in such report such recommendations for legislative action the Secretary considers appropriate.

Mr. QUAYLE. Mr. President, I offer an amendment which is designed to save the Department of Defense money during the movement of a service member's household goods as part of a domestic change of station.

Currently, two options exist for a service member facing such a change of station. First, the service member can arrange for a commercial moving company to pack and move these household goods and effects. The Department of Defense is then billed for these services.

Alternatively, the service member can pack and move these household goods in a privately owned or rental vehicle and then drive himself to the new duty station. Under this option, the service member receives an allowance for his or her labor and the cost of the vehicle and transportation.

My amendment would allow the services to consider a third option. Some commercial moving companies are now offering to the public a service whereby the company's operators drive the moving van, but the customer provides the labor to pack, load, and unload the household goods. Such an option is often less expensive than those moves in which a commercial moving company provides all the labor.

I feel we should allow such a cost-saving opportunity to be available to service members. It is my understanding, however, that existing legislation may not be sufficient to allow the services to consider this option if they so wish. This amendment, therefore, authorizes the armed services to offer such an opportunity and to pay a monetary allowance to service members for the labor the service members may provide in connection with the movement of their household goods.

My amendment is strictly voluntary as regards the participation of the various armed services. The amendment simply grants explicitly to the services the authority to use such an option if they deem it worthwhile and cost-effective. I recognize that some difficult questions of assigning liability may arise in this situation, and the amendment therefore gives the services the authority to issue regulations on such questions.

Finally, my amendment also directs the Office of the Secretary of Defense to report on the actions taken under the authority of this amendment, and on any recommendations they may have for legislative changes, 3 years after the enactment of this bill. This will enable the Congress to determine whether to abolish, continue, or modify this program.

Mr. President, I do not believe there is any controversy over this amendment. I think it is acceptable. I know it is acceptable to our side, and I believe it is acceptable to the other side, as well.

Mr. NUNN. Mr. President, this amendment is acceptable on our side of the aisle. I have conversed on this amendment with the Senator from Arizona and it is acceptable to him and to the committee.

The PRESIDING OFFICER. Is there further debate on the amendment? If not, the question is on agreeing to the amendment.

The amendment (No. 151) was agreed to.

Mr. QUAYLE. Mr. President, I have a third amendment, but it is going to take me about 2 minutes to put together the particulars of it. It is an initiative we have dealt with before on DOD dependents schools.

Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. QUAYLE. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. QUAYLE. Mr. President, is the committee amendment set aside?

The PRESIDING OFFICER. The pending committee amendment has been set aside for up to three amendments to be offered by the Senator from Indiana.

AMENDMENT NO. 152

(Purpose: To make additional changes in the section of the bill relating to the continued operation by the Secretary of Defense of the Defense Department's education system)

Mr. QUAYLE. Mr. President, I send my third amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report.

The assistant legislative clerk read as follows:

The Senator from Indiana [Mr. QUAYLE], for himself, Mr. STAFFORD, and Mr. NUNN, proposes an amendment numbered 152.

Mr. QUAYLE. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

Strike out section 910 of the bill and insert in lieu thereof the following:

CONTINUED OPERATION BY THE SECRETARY OF DEFENSE OF THE DEFENSE DEPENDENTS' EDUCATION SYSTEM

SEC. 912. (e)(1) Subsection (e) of section 202, sections 208 and 302, and subsection (f) of section 401 of the Department of Education Organization Act (20 U.S.C. 3412(e), 3418, 3442, and 3461(f)) are repealed.

(2) Section 419(e) of such Act (20 U.S.C. 3479(a)) is amended—

(A) by striking out "(1)" after the subsection designation "(a)"; and

(B) by striking out paragraph (2).

(3) Section 503(a) of such Act (20 U.S.C. 3503(a)) is amended—

(A) by striking out "(1)" after the subsection designation "(a)"; and

(B) by striking out paragraph (2).

(4) The table of contents at the beginning of such Act is amended by striking out the items relating to sections 208 and 302.

(5) Section 414(b) of such Act (20 U.S.C. 3474(b)) is amended by striking out "302,".

(b)(1) Section 1402(b) of such Defense Dependents' Education Act of 1978 (20 U.S.C. 921) is amended by adding at the end thereof the following new subsection:

"(c) The Secretary of Defense shall consult with the Secretary of Education on the educational programs and practices of the defense dependents' education system.".

(2)(A) Paragraph (1) of section 1410(a) of such Act (20 U.S.C. 928(a)(1)) is amended by adding at the end thereof the following new sentences: "The membership of each such advisory committee shall also include one person to represent the interests of the organization recognized as the exclusive bargaining representative of the employees of the school. Such person shall be designated by the appropriate organization and shall be a nonvoting member of the committee.".

(B) Subsection (b) of section 1410 of such Act is amended by striking out "members" and inserting in lieu thereof "Except in the case of a nonvoting member provided for under subsection (a)(1), members".

(3) The second sentence of section 1410(b) of the Defense Dependents' Education Act of 1978 (20 U.S.C. 928(b)) is amended by striking out "The Secretary of Education, in consultation with the Secretary of Defense," and inserting in lieu thereof "The Secretary of Defense".

(4)(A) Subsection (a) of section 1411 of such Act (20 U.S.C. 929) is amended to read as follows:

"(a)(1) There is established in the Department of Defense an Advisory Council on Dependents' Education (hereinafter in this section referred to as the 'Council'). The Council shall be composed of—

"(A) the Secretary of Defense and the Secretary of Education, or their respective designees;

"(B) twelve individuals appointed jointly by the Secretary of Defense and the Secretary of Education who shall be individuals who have demonstrated an interest in the field of primary or secondary education and who shall include representatives of professional employee organizations, school administrators, and parents of students enrolled in the defense dependents' education system, and one student enrolled in such system; and

"(C) a representative of the Secretary of Defense and of the Secretary of Education.

"(2) Individuals appointed to the Council from professional employee organizations shall be individuals designated by such organizations.

"(3) The Secretary of Defense, or his designee, and the Secretary of Education, or his designee, shall serve as cochairmen of the Council.

"(4) The Director shall be the Executive Secretary of the Council.".

(5) Subsection (b)(1) of such section is amended by inserting "the Secretary of Defense and" before "the Secretary of Education".

(6) Subsection (c) of such section is amended—

(A) by striking out "at least four times each year" and inserting in lieu thereof "at least two times each year";

(B) by striking out clause (2);

(C) by redesignating clauses (3), (4), and (5) as clauses (2), (3), and (4), respectively; and

(D) by striking out "Secretary of Education" in clause (4) (as redesignated in clause (3) of this subsection) and inserting in lieu thereof "Secretary of Defense".

(c) Section 5316 of title 5, United States Code, is amended by striking out "Administrator of Education for Overseas Dependents, Department of Education.".

Mr. QUAYLE. Mr. President, this amendment is cosponsored by Senator STAFFORD and Senator NUNN.

Mr. President, I am happy today to be offering an amendment regarding the administration of the Department of Defense Dependents Schools [DODDS] that I believe will be strongly supported by all in this body, and by our colleagues in the House of Representatives. This amendment is supported by the National Education Association, and its overseas affiliate, the Overseas Education Association, as well as the American and Overseas Federation of Teachers. Additionally, I would like to point out that my very good friend from Vermont, Senator STAFFORD, chairman of the Education Subcommittee, is a cosponsor of this amendment.

This amendment represents a compromise struck between the members of the Armed Services Committee who support keeping the overseas schools under the administration of the Department of Defense, and the National Education Association/Overseas Education Association, which had supported the transfer of the schools to the Department of Education.

At the outset, let me say that I have been very impressed with the negotating that has been done by the NEA. We have had very forthright discussions of the issues, and the NEA representatives have been willing, frank, and professional partners in these discussions. After the many hours spent on this issue in years past, I am very pleased to report our success at reaching a compromise, which I will describe.

First, the compromise will repeal the transfer of the DODD schools to the Department of Education. The DODD schools will remain under the jurisdiction of the Department of Defense, as most of the teachers who teach overseas, and the parents, prefer. As many of you are aware, the overseas teachers were surveyed to determine their position on the transfer of the schools to the Department of Education. Of a total of 6,794 teachers responding to the survey, 5,130 or 75 percent indicated that they wanted the DODD schools to remain in the Defense Department.

Second, we make a number of changes to the Advisory Council on Dependents' Education. The Advisory Council on Dependents' Education, which is the national advisory board for the schools, will be returned to the Department of Defense. This Council has been under the jurisdiction of the Department of Education, but the retention of the schools at DOD, we felt, and the NEA agreed, that the Council should be under the same agency as the schools.

While in our earlier version of the authorization bill we had changed some of the membership requirements for the National Advisory Council, we have agreed basically to maintain the current composition of the Council. Under our compromise, we have agreed that the Secretary of Defense and the Secretary of Education, or their designees, will serve as cochairs of the Council. I strongly believe that the input from the Secretary of Education is essential to continuing to provide an excellent education to our students abroad and to encourage cooperation between the two Departments to the greatest extent possible.

The Council will also consist of 12 individuals appointed by the Secretaries of Defense and Education. These individuals shall have demonstrated an interest in the field of primary or secondary education and shall include representatives of professional employee organizations, school administrators, and parents of students enrolled in the DODD schools, and one student. We have also agreed to include language to ensure that the individuals who are appointed to the Council to represent professional employee organizations shall be designated to do so by such professional employee organizations. The Council will also consist of one representative appointed by the Secretary of Defense and one appointed by the Secretary of Education.

We have also modified the meeting requirements of the Council from "at least four times a year" to "at least two times a year." Because of difficulty in getting all the Council members to the meetings—some do have to come from overseas—four meetings are difficult to schedule.

Third, we have included language to require the Secretary of Defense to consult with the Secretary of Education on the educational programs and practices of the DODD schools. Consultation and communication between the two Departments is critical. I urge the Department of Defense to utilize the expertise at the Department of Education as often and as much as possible.

Fourth, the amendment would add a nonvoting member to the local advisory councils that represent each school. The local advisory councils are currently composed of an equal number of parents and teachers. The amendment would require that local advisory committees include one person to represent the interests of the organization recognized as the bargaining unit for the employees fo the school. This representative to the local advisory council shall be selected by the appropriate bargaining unit for each school. This will ensure better communication and representation between the advisory council and the bargaining unit.

Finally, and very importantly, the members of the Armed Services Committee and I want to express our concern about the budget and/or public documents relating to DODD schools being made available to those who request them. I am personally extremely distressed that budget documents, that are fully in the public domain, are withheld from interested persons. The Department of Defense budget request is, indeed, a massive one, and oftentimes very difficult to get through. The DODDS budget is a portion of the operation and maintenance budget request, and is difficult to break out. However, the information is available, and it should be made available to those citizens that request it. I do not believe that citizens should be refused such information or that they should have to go through complex and time-consuming procedures to obtain it. I have pledged my help in obtaining such public information in the future, should it be necessary.

There are many people who are interested in the overseas schools. As one of the largest and best American school systems, serving 140,000 students, we should be interested in the quality of education, facilities, and services offered, such as to the handicapped and disadvantaged students. Leaving the schools at the Department of Defense will not slake the appetite for information on the schools nor lessen the desire to see them provide an excellent education. It also does not mean that Congress, and this Senator in particular, will lose interest in what goes on in these schools.

Mr. President, this has been an emotional issue. Yet, I believe our compromise amendment will satisfy all involved with the DODD schools. I again want to commend the National Education Association and their staff who have been very helpful and cooperative in working out this agreement. In addition, let me mention the continued strong support I have received from the American Federation of Teachers. We have worked well together over years past, and I am personally grateful for their support. Finally, I also want to thank again my friend from Vermont [Mr. STAFFORD] as well as the Senator from Rhode Island [Mr. PELL] for their help and support in resolving this issue.

Mr. President, this is an amendment that I am gratified to be able to offer after a number of years of confrontation over this issue. The issue is where

the DODD schools are going to be located within the Federal Government. When we created the Department of Education, the DODD schools were to have transferred to the Department of Education from the Department of Defense, I believe, in 1981.

In 1981, the amendment that I offered not to have that transfer go forward was passed in the Senate and we worked out an agreement with the House of Representatives that there would be an extension that the overseas schools would remain in the Department of Defense.

We have fought that battle almost every year. As a matter of fact, it has been a battle that has been somewhat contentious, from time to time.

I am delighted that my chief adversary on this floor, Senator STAFFORD, has joined with me on this. It is never fun to have to argue against Senator STAFFORD. As a matter of fact, he is one of my dear friends and always has been my mentor on education matters, with the exception of this matter. We happen to disagree on this matter and it is never terribly fun for me to have to debate this issue. And now we will not have to debate the issue, Mr. President. The issue has, in fact, been resolved. We had all the principals involved that have come to an agreement over the course of the years. I think this agreement is certainly one that I wholeheartedly support. Basically, it repeals the scheduled transfer of the Department of Defense dependents schools [DODDS] to the Department of Education. They will remain in the Department of Defense. But we have made some changes. We do return the advisory council on the dependents' education to the Department of Defense, but we change slightly the membership of that advisory council. In particular, it allows professional employee organizations to select their own representatives to the council. This is something that was brought to our attention, and we certainly concede that their own selection will improve communications between council members.

Mr. President, we encourage the Secretary of Defense to consult with the Secretary of Education on educational programs or practices of Department of Defense dependents schools.

Mr. President, the issue that we have been discussing for these last years going back to 1981 has been quality education. The issue is how best can we provide quality education for the 140,000 students that are presently with Department of Defense dependents schools. The issue of how we can best provide that education to those students—was of some dispute from an organizational point of view but it was never disputed that we ought to try to find the best quality education for those students. That was always my contention—that we ought to think about the kids instead of some organization schematic approach that may look good on paper, particularly national security sensitivities, and the fact of better organization within the Department of Defense. That is really where it ought to be, and that is where it will continue.

I think we have had a lively debate. Believe me, I am delighted to see it come to an end. It is one that has in fact produced tie votes even in this Chamber—evenly divided. My dearest friends voted against me on this issue from time to time, and now that we have this behind us, I think we can all move forward. Those that represent the professional employee organizations I congratulate, and the Department of Defense, the Department of Education, and also those Senators who took this battle year in and year out not lightly, but on a substantive basis. I think we have finally reached a conclusion. It is one that certainly is satisfactory to me. Obviously, it is satisfactory to other principals. It only took us 4 years to get here, but that is better than not doing anything at all. I really look forward to having oversight and making sure that the Department of Defense dependents schools continue to provide a solid education. They have on a historic basis had a higher SAT test score average than the stateside students. They have had a very good education and this system has worked very, very well.

Mr. STAFFORD. Mr. President, I am pleased to cosponsor the amendment offered by my friend from Indiana [Mr. QUAYLE] relating to the repeal of the transfer of Department of Defense dependents schools [DODDS] to the Department of Education.

As many of my colleagues know, I have for several years led the fight to bring about the transfer of the DODD schools to the Department of Education. However, I believe that it is time to settle this issue, and I believe this compromise meets the concerns of all those involved.

The teachers overseas have indicated their support for keeping the schools with the Department of Defense, and the teacher representatives here have been willing to let the schools remain at DOD, with several changes.

Those changes include greater representation by professional employee organizations on the national advisory council, greater representation by bargaining units on the local school advisory councils, and a requirement for the Secretary of Defense to consult with the Secretary of Education on the educational programs and practices at the DODD schools.

The DODD schools have performed well over the last several years, and the students attending them have scored higher on standardized tests than our mainland students. Our prime concern is the continued excellence of the schools. I am hopeful that by resolving the issue of the location of the DODD schools we can focus on the quality of education and see that the students overseas continue to perform so well.

I am pleased to support this amendment to retain the DODD overseas schools within the Department of Defense, and I urge my colleagues to support it.

Mr. NUNN addressed the Chair.

The PRESIDING OFFICER. The Senator from Georgia.

Mr. NUNN. Mr. President, I am pleased to join Senator QUAYLE and Senator STAFFORD in cosponsoring this compromise under the Department of Defense dependents schools. As the Senator from Indiana has said, this has been an ongoing dispute here for 4 or 5 years, and with the overall scope of the legislative affairs, I would say 4 or 5 years to solve a problem is a pretty good record. The Senator from Indiana has been very persistent. He has looked into it in the Department. He and I have not always been on the same side of this issue, but I am pleased that he has now brought about by his persistency an oral settlement of the issue. I think it is a good settlement.

Essentially, as I understand the amendment, the operational control of the Department of Defense schools will remain in the Department of Defense, but the amendment recognizes and retains the legitimate role of the Department of Education in advising the Defense Department on the overall educational policies of the DOD dependents schools.

So I am hopeful not only that this amendment will put this agreement to rest, but that the whole subject, the stimulating debates and votes we have had in the Senate on this for several years—and also the House perhaps has brought more attention to the Department of Defense dependents schools—but that out of all of that maybe we can take some claim for improvement at least over the years. But the schools are operated I think well now. I believe this is a compromise that will have the DOD operate the schools but have the educational policy at least be consulted on with the Department of Education. So I am prepared to accept the amendment on this side. My understanding is that the Senator from Arizona is also supportive of the amendment.

The PRESIDING OFFICER. Is there further debate on the amendment? If not, the question is on agreeing to the amendment of the Senator from Indiana [Mr. QUAYLE].

The amendment (No. 152) was agreed to.

Mr. QUAYLE. Mr. President, I move to reconsider the vote by which the amendment was agreed to.

Mr. NUNN. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. QUAYLE. Mr. President, the pending business now, as I understand it, is the committee amendment. But I may have one other amendment. I have not conversed with the minority.

Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The bill clerk proceeded to call the roll.

Mr. QUAYLE. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. QUAYLE. Mr. President, I am going to offer an amendment that has been cleared on both sides. In order to do that, Mr. President, I ask unanimous consent that the committee amendment be temporarily laid aside in order to consider my amendment.

The PRESIDING OFFICER. Without objection, it is so ordered.

AMENDMENT NO. 153

(Purpose: To clarify authority of the Secretary of Defense to enroll the dependents of certain persons in overseas schools of the defense dependents' education system)

Mr. QUAYLE. Mr. President, I send an amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report.

The bill clerk read as follows:

The Senator from Indiana [Mr. QUAYLE] proposes an amendment numbered 153.

Mr. QUAYLE. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

At the end of title IX of division A of the bill, insert the following new section:

AUTHORITY OF THE SECRETARY OF DEFENSE TO ENROLL CERTAIN PERSONS IN OVERSEAS SCHOOLS OF THE DEFENSE DEPENDENTS' EDUCATION SYSTEM

SEC. 917. (a) The Secretary of Defense may, under such regulations as he shall prescribe, permit to be enrolled in schools of the defense dependents' education system, in addition to children authorized to be enrolled in such system under the Defense Dependents' Education Act (20 U.S.C. 921 et seq.), children of employees of the Federal Government stationed outside the United States, children of employees of contractors employed in carrying out work for the Federal Government outside the United States, children of employees of nonappropriated fund activities of the Department of Defense, and, if the Secretary determines such action to be in the national interest, children of other citizens or nationals of the United States or of foreign nationals.

(b) Any child permitted to enroll in a school of the defense dependents' education system under this section shall be required to pay tuition at a rate determined by the Secretary of Defense, which shall not be less than the rate necessary to defray the average cost of the enrollment of children in the system under the Defense Dependents' Education Act of 1978 (20 U.S.C. 921 et seq.).

Mr. QUAYLE. Mr. President, I am offering a second amendment affecting the Department of Defense dependents schools [DODDS] that will clarify the authority of the Secretary of Defense to provide educational services to certain categories of tuition-paying students in the DODDS school system.

Currently, in addition to providing educational services to dependents of the Department of Defense, the DODDS school system provides education to tuition-paying students whose parents are connected with the U.S. Government, but not with the DOD. For example, DODDS schools enroll the dependents of employees of other U.S. Government agencies, dependents of U.S. Government contractors; dependents of employees of U.S. nonappropriated funds activities—for example, post exchanges, theaters—and dependents of other U.S. citizens and foreign nationals. The tuition that these students pay covers the actual cost of attendance, so that the Department of Defense is not subsidizing these students at all. As of November 30, 1984, there were 6000 tuition-paying students in the DODDS system.

Recently, the general counsel's office at the Department of Defense advised the DODDS schools that these tuition-paying students may not attend a school if that school would have to expand its capabilty in teachers, facilities, educational materials, and other resources to serve them. With such a limitation imposed on the DODDS schools, it is likely that a large number of the 6,000 tuition-paying students would be barred from attending American schools.

The amendment I am offering would clarify that the DODDS schools can continue to enroll these students, on a tuition-paying basis. In other words, we would simply continue current practice. The Department of Defense supports this amendment, as do my colleagues on both sides of the aisle. This amendment will ensure that 6,000 American students, who currently have access to American schools overseas, will continue to have that access, and will be able to attend American overseas schools with their fellow American students. This amendment will not add to the cost of administration of the DODDS schools.

I urge my colleagues to support this amendment.

Mr. President, this is really a clarifying and a technical amendment that I am offering. It is an amendment that deals with the Department of Defense dependents schools [DODDS] that will clarify the authority of the Secretary of Defense to provide educational services to certain categories of tuition-paying students in the DODDS school system.

Currently, there is a legal question whether the Secretary of Defense has this authority to provide services to those students. Presently, there are approximately 6,000 students who are tuition-paying, space-available students attending the DODD schools. This amendment simply says "Yes, you can do that." It clarifies any ambiguity in the statute that would prohibit that. We do not want to prohibit it.

However, Mr. President, we do not want to say by this amendment, and we will have report language in the conference that will deal with this subject, that the DODD schools ought to be expanded or their construction ought to take into account the tuition-paying, space-available students. This is not the intent of the amendment.

The intent of the amendment is simply to provide services already being provided. The intent of the amendment is to say yes to space-available tuition-paying students that we will be able to provide education for them, but any expansion, new construction, et cetera, should not take into consideration the number of space available students. This amendment will not allow for any consideration of space-available students in the calculation of what the actual space should be.

Therefore, Mr. President, I think this amendment is self-explanatory. It has been cleared with both Senator NUNN and Senator GOLDWATER.

I move the adoption of the amendment.

The PRESIDING OFFICER. Is there debate on the amendment?

Mr. LEVIN. Mr. President, just to ask one question of the sponsor of this amendment, I understand that space-available students may not be considered for the purpose of determining the size of any new DODD school which might need to be constructed. Is that correct?

Mr. QUAYLE. The Senator is correct.

Mr. LEVIN. So that, by doing this as the sponsor proposes, we are not going to be creating any need for additional schools?

Mr. QUAYLE. As a matter of fact, Mr. President, this amendment only authorizes us to do essentially what we are doing now. The issue the Senator from Michigan brings up will be clarified in report language at the conference committee. In no way should this amendment be interpreted as allowing a calculation of space-available, tui-

tion-paying students in any kind of construction estimate.

Mr. LEVIN. I thank my friend.

I have no objection, Mr. President.

The PRESIDING OFFICER. The question is on agreeing to the amendment.

The amendment (No. 153) was agreed to.

Mr. QUAYLE. I move to reconsider the vote by which the amendment was agreed to.

Mr. LEVIN. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

REVOLVING DOOR AMENDMENT

Mr. QUAYLE. Mr. President, with regard to the discussion on the pending Committee amendment, we have modifications to it by the Senator from Michigan which strengthens his revolving door provision. He made very good modifications to it, I might add. I have not been able to comment specifically on Senator LEVIN's amendment. I do at this time and congratulate him on the modifications that he made.

Basically, the revolving door provision is in the amendment, thanks to Senator LEVIN's involvement in the committee. I think his modifications today strengthen it, make it tougher. I think a lot of people want to make a tougher situation on this so-called revolving door. Now that the committee amendment has been strengthened, I shall have some other comments and have some further discussion on the Pryor amendment once it is offered and we debate it.

It is still my anticipation and hope that we shall be able to vote around 5 o'clock. That has not been cleared to my knowledge but it is still a target. We shall vote on the substitute to be followed by a vote on the committee amendment about that time.

I certainly encourage Senators to come over and talk about this at this particular time, come over and offer other amendments. If we do not have anything else to do—I know it is the chairman's desire to pass the defense bill sometime this week, maybe even Thursday, who knows?

Mr. PRYOR. Mr. President, I am not certain if the Senator anticipated having a quorum call. Before the Senator puts in that request, I have a statement I wish to make.

Mr. QUAYLE. If no Senator wants to speak on behalf of the chairman, I shall note the absence of a quorum but for now, I shall yield the floor and allow the Senator from Arkansas to gain the floor in his own right.

Mr. PRYOR. I thank the Senator from Indiana.

The PRESIDING OFFICER. The Senator from Arkansas.

Mr. PRYOR. Mr. President, the revolving-door issue is one that both the Pryor-Grassley and the Quayle amendments address. If I may, I would like to try to bring up a few distinctions between the two approaches to the revolving door issue in the Pryor-Grassley proposal versus that offered by the distinguished Senator from Indiana [Mr. QUAYLE] and members of the Armed Services Procurement Subcommittee.

I would like if I could, Mr. President, to read exactly what Senator PROXMIRE and I say about the revolving door issue in a summary of our provision that we have prepared.

"One, a defense procurement official must wait 3 years before taking a job with any defense contractor over whom he exercised significant contract responsibilities during the 3 years preceding his separation from Government employment.

"In addition, all defense contractors must agree in contracts for $25,000 or more not to hire such government employees."

What are the penalties under the Pryor-Proxmire amendment or the Committee approach? "One, both an individual and a contractor who violate this provision are subject to a $10,000 fine and 2 years imprisonment." "Contractors are also civilly liable for the greater of $250,000 or five times the annual salary of the employee so hired."

What are the reporting requirements? "In our provision, we say that the contractor must report annually to the Inspector General of the Department of Defense, to the Office of Government Ethics, and to Congress regarding employees who left Government service within the last 3 years. Failure to report subjects the contractor to a $10,000 fine."

"Implementation: The Office of Government Ethics will implement this act and will issue advisory opinion to any employee or contractor faced with potential violation of this act."

We feel, Mr. President, that Senator QUAYLE, in addressing the issue, ignores the commonsense reality of the procurement employee-contractor relationship because, under its language, an employee must disqualify himself from further dealing with a contractor once a "contact" regarding future employment with that contractor has taken place.

Unfortunately, in many cases, the harm to the Government has already taken place by the time a specific offer or contact is made and before the Congress is made aware of this relationship. That information comes to the Congress after the fact. We feel that we should cure this problem once and for all, find out about it before it happens, and most importantly, prohibit for 3 years after that individual retires whether he or she be military or civilian, goes to work for that contractor.

This is the basic distinction, Mr. President, that we have with the committee language. This is the basic argument that we have against it. This the basic reason that we feel that our proposal would be much stronger with regard to the revolving door dilemma.

Mr. President, the Boston Globe, dated January 15, 1984, page A-1, had a splendid article by Fred Kaplan, Globe correspondent, in that edition.

If I might, Mr. President, let me read just a paragraph or two from this article written by Mr. Kaplan. He stated in his story:

When Gen. Alton D. Slay retired from the Air Force on Feb. 1, 1981, his career in the defense business was far from finished. For the previous three years he had served as head of Air Force Systems Command, the agency that develops all Air Force aircraft, and in the three years before that he was deputy chief of staff for Air Force research, development and acquisition.

In short, he had been involved in top-level decisions on virtually every system that the major U.S. defense corporations had built for the Air Force.

Now, upon retirement, he established Slay Enterprises Inc., a one man consulting firm, and found as willing clients numerous defense contractors whose business he had once overseen on behalf of the government. They include three of the Pentagon's top 10 contractors—Lockheed, United Technologies Corp. and Raytheon—as well as several slightly lesser firms, including Westinghouse Electric, British Aerospace and Aerojet Ordnance.

Slay is hardly the only officer who has left the military and joined a defense corporation, stepping through what many have dubbed "the revolving door." During the fiscal years 1979–82, according to Pentagon files and those of the Senate Armed Services Committee, 1,437 officers with ranks of major (in the Navy, lieutenant commander) or above retired and went to work for defense corporations.

Of these officers, 510—or more than one-third—signed up with companies which during the period were consistently among the top 10 defense contractors.

Mr. President, I ask unanimous consent that the full article written by Mr. Kaplan appearing in the Boston Globe of January 15, 1984, be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

[From the Boston Globe, Jan. 15, 1984]

MILITARY'S 'REVOLVING DOOR' WITH BUSINESS

(By Fred Kaplan)

WASHINGTON.—When Gen. Alton D. Slay retired from the Air Force on Feb. 1, 1981, his career in the defense business was far from finished. For the previous three years he had served as head of Air Force Systems Command, the agency that develops all Air Force aircraft, and in the three years before that he was deputy chief of staff for Air Force research, development and acquisition.

In short, he had been involved in top-level decisions on virtually every weapon system that the major US defense corporations had built for the Air Force.

Now, upon retirement, he established Slay Enterprises Inc., a one-man consulting firm,

and found as willing clients numerous defense contractors whose business he had once overseen on behalf of the government. They include three of the Pentagon's top 10 contractors—Lockheed, United Technologies Corp. and Raytheon—as well as several slightly lesser firms, including Westinghouse Electric, British Aerospace and Aerojet Ordnance.

Slay is hardly the only officer who has left the military and joined a defense corporation, stepping through what many have dubbed "the revolving door." During the fiscal years 1979-82, according to Pentagon files and those of the Senate Armed Services Committee, 1437 officers with ranks of major (in the Navy, lieutenant commander) or above retired and went to work for defense corporations.

Of these officers, 510—more than one-third—signed up with companies which during this period were consistently among the top 10 defense contractors.

Slay's personal history is particularly interesting. In 1969, while commander of the Air Force Flight Test Center, Slay declared tests on Lockheed's C5A cargo-transport aircraft successful even though all the plane's engines were clogged up and had to be shut down when idling on a dusty airstrip near Edwards Air Force Base in California.

In 1978, as head of Systems Command, Slay revived production of the U2 spyplane (now called the TR1), another boon for Lockheed, which makes the airframe, and for Pratt & Whitney, a subsidiary of United Technologies, which makes the engine.

Two years later, Slay devised a plan to save Pratt & Whitney's F100 engine, whose turbine blades kept failing inside Air Force F15 and F16 fighter planes and which was coming under heavy congressional attack. Slay proposed that Pratt & Whitney sign a warranty guaranteeing that the company would repair or replace failed equipment at its own cost up to a certain point after delivering an engine.

Yet one former Pratt & Whitney engineer recalls that the warranty was in effect for such a short period that it was practically meaningless. "Anybody in the engine business knew that any engine could satisfy that warranty," he says. "It was like a car company guaranteeing your car for 2,000 miles."

Still, the warranty arrangement satisfied the critics in Congress. "Slay saved Pratt a good chunk of business," says the engineer.

Now Slay advises these companies on management "on long-range plans and new business opportunities," as a spokesman for Raytheon puts it. Slay's former Pentagon colleagues say he skillfully uses his experience in the Air Force bureaucracy to help his new clients find their way to success and continued good fortune in the politics of selling weapons to the military.

Slay failed to return several phone calls made to him over the past three years.

NOT ONLY NEW CONSULTING FIRM

Slay was not the only Air Force general who set up his own consulting firm. That path also was tread by Vice Adm. James H. Doyle Jr., former deputy chief of naval operations for surface warfare, who left the Navy in September 1980 and became a consultant on matters concerning surface ships for Martin Marietta, Vought and RCA.

All three companies are intimately involved with the Navy's highly sophisticated and costly Aegis missile and radar system aboard Ticonderoga-class cruisers. RCA builds the Aegis weapon system, the largest defense contract in RCA history. Martin Marietta is developing a vertical-launch system designed for the cruisers. And according to a spokesman at Vought, Doyle advises that company mainly on a Vought-developed system that is to be used as a target in tests of the Aegis missile system.

Lt. Gen. Benjamin N. Bellis, vice commander-in-chief of the U.S. Air Force, Europe, retired Aug. 1, 1981, and became a consultant for Martin Marietta, Hughes Aircraft, Northrop, TRW and Aerojet, all major Air Force contractors.

Consulting is one way that top-level officers make a lucrative transition to civilian life, but most are hired by a single corporation.

For example, Maj. Gen. Henry B. Stelling Jr. had been vice commander of the Electronics Systems Division at Hanscom Field in Bedford, Mass. He retired in May 1980 and became a vice president of the Defense Electronics Operations branch of Rockwell International.

Brig. Gen. Tommy I. Bell, director of development and production for the Air Force deputy chief of staff for research, development and acquisition, retired in September 1982. A month earlier, he had lined up a job as a contract manager for Northrop.

NEW JOB AFTER 10 WEEKS

Rear Adm. Curtis B. Shellman Jr. was deputy chief of naval material for logistics. He retired May 1, 1980, and 10 weeks later was working for the Electric Boat division of General Dynamics in Groton, Ct., as the assistant general manager of operations, working on the construction of nuclear submarines.

Not just generals and admirals have shifted from the military to the industrial side of weapons procurement. The practice extends to all levels of decision-making—to those who while in the military were reponsible for testing weapons systems or supervising contract negotiations or purchasing equipment or conducting analysis that might convince those at a higher level whether to kill or approve a particular weapon system.

In many cases, officers have gone to work for a contractor with which they had no contact while in the military. Several say they did so explicitly to avoid the appearance of conflict of interest. In many other cases, however, it appears they simply have moved from one side of the table to the other.

Some of these officers had been involved in testing and evaluating the effectiveness of weapons made by their future employers.

Lt. Col. George F. Goodall was test director of the Maverick missile. He resigned Aug. 30, 1982. On Sept. 9 he was working for Hughes Aircraft, manufacturer of the Maverick, worth $5.8 billion.

Lt. Col. Wayne O. Mattson was systems project officer on the Maverick. On Jan. 15, 1979, he took a terminal leave—his actual retirement date was not until March 1—and also went to work for Hughes.

Col. James C. Crosby was president of the Army Defense Board, involved in testing the highly controversial Divad antiaircraft system. In August 1981 he retired and went to work for Ford Aerospace, chief contractor on the $4.1 billion Divad program.

Col. William E. Crouch Jr. was commander of Army Aviation Development Test Activity at Ft. Rucker, Ala. He retired July 1, 1981, and five days later became the Ft. Rucker branch manager of Hughes Helicopter Inc., whose equipment the Army development unit frequently tests.

WENT TO WORK FOR LOCKHEED

Col. Sherwin Arculis tested remotely piloted vehicles, target and reconnaissance drones, for the Army's Training and Doctrine Command. He retired in February 1980 and went to work for Lockheed Missiles & Space as manager of an office that provides logistical support to Army remotely piloted vehicles.

Maj. George E. Elliott was chief tester of space transportation systems at the Air Force Test and Evaluation Command. He retired Sept. 1, 1981, and two days later was working at Martin Marietta, first as a design engineer but later responsible for integrating test programs on the company's space transportation system. While Elliott was in the Air Force, Martin Marietta was one of the contractors whose systems he tested.

More than just weapon testers move to the other side of the defense business. John W. Ulmer Jr. was manager of instrumentation systems on the MX missile for the Air Force's Ballistic Missile Office. He retired in June 1980 and went to work for TRW Inc., which oversees development of the MX project.

Col. Harvey M. Paskin was chief of the avionics division in the project office supervising the F16 jet fighter at Wright Patterson Air Force Base. He left in July 1982 and went to work as an engineer at Westinghouse Electric, which makes the radar—the avionics—on the F16.

Lt. Col. John W. O'Neal was the operations officer for the Joint Chiefs of Staff in charge of a system called the Ground Mobile Command Center. He took a terminal leave of absence in August 1982 to work for TRW Inc. as senior principal engineer in charge of planning and testing the Ground Mobile Command Center.

NEGOTIATORS ALSO SWITCH

The practice of stepping to the other side of the table, from facing corporations on behalf of the government to facing the government on behalf of corporations, also has been embraced by those assigned to negotiate contracts that ensure the government the best deal possible.

For example, Lt. Col. Edward Cartwright was deputy director of contracting for the Computer Acquisition Center at Hanscom. He retired June 30, 1980, and seven days later went to work as a computer configuration manager at Sperry Univac in McLean, Va., one of the companies whose contracts he had supervised in the Air Force.

Maj. Walter D. Crafton was in the Air Force Plant Representative Office overseeing contracts at a TRW plant in Red Beach, Cal. He retired May 1, 1981, and a month later was working as a department manager on product assurance at the same TRW plant.

High-ranking civil servants also play the "revolving-door" game. Ernest R. Giardano was an auditor in the Defense Contract Audit Agency assigned to keep things honest at a Boeing Co. plant. On Dec. 31, 1979, he retired from the government and the next day went to work for Boeing.

Marvin H. Boodnick was a price-cost analyst for the same agency, auditing Hughes Aircraft. He quit March 14, 1981, and two days later started working for Hughes.

The list of military and civilian officials who have pushed the revolving door could go on for columns. For better or for worse, what President Dwight Eisenhower once called "the military-industrial complex" is very much alive.

In telephone interviews, many of these former officials say they were hired by the corporations they had once supervised because they were good at their jobs. Says a

former Defense Contract Audit Agency auditor who supervised Hughes helicopter contracts and then went to work for the company. "There's always room for both sides to have technically competent people," adding that the practice of switching sides "is common in the entire world of auditing, not just defense auditing."

Industry spokesmen generally say they hire retired officers for the same reasons—for their talent and experience. However, one unidentified public relations officer for a major defense firm, speaking on background, said they also are hired for their connections. "We need everything we can get. This is a very competitive business."

On this point, George Spanton, a recently retired audit agency official who has been offered corporate jobs for years but has turned them down, reflects, "You always like to feel [the offers are] legitimate, but you have to sit back and ask yourself, 'Would I be offered this job if I didn't have the job I have now?' [The corporation] just knows I know all the techniques on how to protect the government's interest, so I must also know all the techniques on how to get around the government's interests."

Mr. PRYOR. There is a table, Mr. President, which Mr. Kaplan includes in one of the articles that he writes in the Boston Globe. The table is entitled "Weapons Contractors Who Hired the Most Retired Military Officers, Fiscal Years 1979–82." In other words, these are those contractors that led the ticket in hiring the greatest number of retired military officers. Who were those companies, and how many former military officers then went to work with these companies? Martin Marietta, in that 3-year period, hired 100 former military officers; Boeing, 840; Lockheed, 800; Hughes Aircraft, 770; Northrop, 650; TRW, Inc., 450; Rockwell International, 420; General Dynamics, 420; McDonnell Douglas, 420; and Computer Science Corp., 34.

On another table Mr. Kaplan inserts in his article, Mr. President, the number of defense officers who retired to defense contractors. Mr. President, the Air Force had 942 officers during this 3-year period that went to the defense contracting establishment; the Navy had 425 officers; the Army, 181 officers who left; the Marine Corps, 66 officers who left and went to defense contractors—a total of 1,437 individuals from military ranks.

Mr. President, I think these figures bear witness to the fact that we have a tremendous problem on our hands. In the past we have not addressed this problem, and with all due respect to my friend from Indiana, Senator QUAYLE, and his subcommittee, it is my fear that the language in the revolving door section of his amendment that we seek to amend by our perfecting amendment does not go far enough.

Mr. President, the stories go on and on. In fact, just as recently as this Saturday, on May 18, 1985, we find a story by Mr. Howard Kurtz involving another revolving door case. This matter, Mr. President, I will not read in detail, but I submit it is one other reason for the adoption of the strongest possible language in the area of revolving door contracts. Mr. President, I ask unanimous consent that the article by Mr. Kurtz in the Washington Post of May 18, 1985, be printed at this point in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

PENTAGON LOOKING INTO "REVOLVING DOOR" CASE

(By Howard Kurtz)

Last May, when a Defense Department branch was moving to take a large audio-visual contract away from Dynalectron Corp., the branch chief supervised negotiations that allowed the company to hold on to the contract.

Weeks later, Dynalectron offered the branch chief a job as manager of the $23 million contract. He accepted the offer and joined the company in July.

The contract is now under investigation by the Pentagon's inspector general, Air Force investigators and Defense Criminal Investigative Service, one of numerous inquiries involving some of the 2,200 retired Pentagon officials who now work for defense contractors.

Many officers are hired by contractors to work on weapons they helped develop; Congress is considering legislation to restrict such "revolving door" hiring.

The inquiry involves Hal Albert, a former senior official with the six-year-old Defense Audio Visual Agency (DAVA), which provides training films and other materials to the military. Albert was chief of the agency's branch at Norton Air Force Base in California when the unit decided in 1983 to contract out most of its work to Dynalectron.

Last June, Albert announced that he was leaving the government to manage the contract for a new division set up by Dynalectron. Some of his fellow employes have told investigators that Albert continued to be involved in the Dynalectron contract in the weeks before he resigned, according to military sources. Albert said he withdrew from taking actions on the contract.

After Albert moved to Dynalectron's offices in the same building, he signed some contract documents submitted to DAVA. The papers were withdrawn after officals said it was improper for Albert to sign them.

Federal employes are legally barred for life from representing a company before the government on any particular matter that they handled as federal officials.

Albert said in a brief telephone interview that he had done nothing wrong and that he consulted with DAVA's general counsel before accepting the Dynalectron job. He said he was not aware of the Pentagon probe.

A spokesman for McLean-based Dynalectron said Albert has been questioned by Pentagon investigators and that the company is cooperating. "I think Hal has complied with the spirit and intent of the regulations and has not done anything improper under criminal law," he said.

"I don't have any problem," Albert said. "I know I'm within what's legal, what's right and what's morally correct." The Pentagon declined comment.

The Dynalectron spokesman said Albert was hired because "he knew the thing inside out. We felt that he was the most qualified to do the job."

The spokesman said it was hoped that Albert could provide smoother relations with his former unit. He said Albert had no significant inside information that would be of use to the firm on a fixed-price contract.

The DAVA branch in California decided in 1983 that it would be cheaper to hire a contractor for most of its audio-visual work. Following a study supervised by Albert, Dynalectron was awarded the three-year contract as the low bidder.

But DAVA was not satisfied with Dynalectron's performance, and announced in April 1984 that it was putting the contract up for bid again. In May, however, after negotiations supervised by Albert, the competition was canceled and agreement was reached to revise Dynalectron's contract.

At DAVA's request, the revisions included $1.2 million in incentive fees for the company if its future performance was highly rated. The company spokesman said no such payments have been made and that the revised contract was more unfavorable to the firm, which he blamed on friction resulting from its takeover of government work.

In mid-May, the spokesman said, Dynalectron began job discussions with Albert. On June 1, Albert announced he was resigning to join Dynalectron the following month and issued a memo disqualifying himself from involvement with the contract.

Pentagon sources said Albert continued to discuss the contract with DAVA subordinates and at staff meetings in the weeks before he resigned. Albert said he took himself "out of the channel" of decision-making on the contract. He declined to elaborate, saying, "You're getting into matters that are none of your concern."

A company spokesman said that Albert had talked to various DAVA staff members about the contract before leaving the government, but that Albert made no decisions involving Dynalectron.

After Albert joined Dynalectron July 2, he signed contract documents submitted to DAVA. One was a $30,000 bid by the firm to buy DAVA's surplus reels and cases, a matter that had been under discussion when Albert was still the branch chief.

The documents were withdrawn after DAVA refused to accept them and its general counsel said it would be a violation of law for Albert to sign papers involving matters he previously handled. Dynalectron arranged for someone else to sign future contract documents.

The Pentagon, which is proposing again to rebid the Dynalectron contract, has also announced plans to shut down DAVA and return its functions to the individual services.

Mr. PRYOR. I yield the floor at this time.

Mr. LEVIN. Mr. President, first let me again commend my friend from Arkansas for the effort he is putting into defense procurement reform. As I said a little earlier today, we need all the help we can get in this area. It is complicated. People who are willing to devote as much work as the Senator from Arkansas are performing a public service. I happen to agree with him that we need a very strong remedy for the revolving door problem. According to the reports that we reviewed over the weekend, 3,300 former employees

of the Department of Defense filed a form last month saying that they had left the Department of Defense within the last 3 years and are now working for a defense contractor.

That figure is up from 2,240 the year before. So there is actually about a 33-percent increase by that one statistic in the number of people who are going to work for defense contractors. We do not know how many of those 3,300 people went to work for a contractor over whom they had any supervisory authority or whose contracts they monitored. We have no way of knowing. The forms do not tell us. So we have a revolving door where we have thousands of folks leaving our employ and going to work in the private sector, but we do not know how many of those 3,300 in fact monitored the contracts of the people for whom they are working. That is a terrible flaw in the form. That is one flaw which this committee amendment, the so-called Quayle amendment, is going to cure. The new form is going to require the employee to say whether or not the company for whom he is now working in fact was a company over whom he had monitor responsibility.

So we do not know how many of the 3,300 in fact might have been involved with the company for whom they are now working.

That is the heart of the problem, Mr. President. The heart of the problem is a conflict of interest, and that is what this committee amendment, the Quayle amendment, goes after. It goes after the conflict of interest directly.

What it says is that there is going to be a 10-year ban on employment and up to a $20,000 fine if an employee fails to disqualify himself from involvement with a contractor with whom the employee is discussing employment.

This is a critical difference between our amendment and the Pryor amendment, because in our case the impact falls on the employee, regardless of how minimal the involvement of the employee is with the contractor.

My friend from Arkansas described his amendment and said that it applies to employees who exercised significant contract responsibilities with a defense contractor. That is a great deal narrower than ours. Ours is a lot stronger than the Pryor amendment in that regard; because in our case there is a requirement for disqualification or else a 10-year ban and a fine for employees of the Department of Defense, whether they had significant contract responsibilities with the contractor or nominal contract responsibilities with the contractor.

What difference does it make, relative to the conflict of interest and the ethical question here, whether or not an employee working for the Department of Defense has a small contract responsibility or a major contract responsibility? The ethical question is just as big. The contract responsibility may be smaller, but the ethical question is exactly the same.

What we are saying in this committee amendment is very straightforward: If you have any contract responsibility with a defense contractor, do not discuss employment for yourself with that contractor. You either disqualify yourself, recuse yourself, or if you fail to do so, you are banned from employment with that contractor for 10 years and you are subject to a fine.

So that we cover many more employees in that sense than does the amendment of the Senator from Arkansas, because we cover employees who exercised any contract responsibility with the contractors at issue. It does not have to be a significant contract responsibility, as is set forth in the amendment of my friend from Arkansas.

Our amendment is stronger in another respect. Our ban lasts 10 years. The ban in the amendment of the Senator from Arkansas is a 3-year ban following employment. Ours is a 10-year ban following the termination of employment. But, more important, the committee amendment goes after the heart of the matter. We go after the conflict of interest. The evil we address is the conflict of interest: When you have somebody who is monitoring a contract for the taxpayers, supervising a contract for the taxpayers, in the Defense Department on Friday, and discussing employment opportunities for himself with that contractor for the next Monday.

That is the evil we go after. We do it in a very rifle-shot way, because we go after the conflict of interest. That is what has created so much concern in the hearts and the minds of the citizenry of this country.

This is true also, by the way, in the nonmilitary area. Everything we pass here should be Government-wide. We talk a lot about DOD, but what is going on here can go on outside DOD, with Government procurement specialists.

This is a Government-wide problem, and I hope that Governmental Affairs Committee takes up this problem Government-wide, so that we do not just cast an aspersion on DOD employees. As a matter of fact, we have a bill ready which will do exactly that.

This amendment slams the door shut on the right people. This is the issue. The Pryor approach misses people it should hit and hits people it should miss. The Pryor approach misses people it should hit. Who are those people? These are the people who exercise less than significant contract responsibilities, but who still exercise contract responsibilities. We think they should be included, and we do include them. If you have any contract responsibility over a contractor, you are covered by this committee amendment, no matter how minor, because, again, the ethical issue is not minor. The ethical issue is major.

The perfecting amendment of the Senator from Arkansas also hits people it should miss. Those are people who have never discussed employment with anybody until after they left Government service. His amendment hits people, presumably, I think by the thousands, who have never discussed employment, who, for the first time after working for the Federal Government, then seek employment in their area of specialization and are prohibited from doing so, even though they never had any discussion relative to employment with that particular contractor.

So, in summary, the pending committee amendment slams this revolving door shut. It slams it on the right people, the people who are engaged in a conflict of interest, who are talking about their own future when they should be defending our Treasury. It does not hit people it should not hit. It hits the people whom it should hit, and that is the right balance.

It is tough. There is a $20,000 fine and a 10-year ban. It changes the form so that we can enforce it. It is a creative way, a fair way and a tough way of getting to the revolving-door amendment.

I should like to give some examples to the Senator from Arkansas of some of the people who would be hit by his amendment and those who would not be hit by ours, nor should they.

I have already indicated that many people are hit by our amendment who are not hit by his amendment but who should be hit. Let me give some examples for the RECORD of the kinds of people whom his amendment would affect, which we do not think would be proper.

Last year, the Senate approved an amendment to the spare parts procurement reform package, which was offered by Senator BYRD, me, and others, that created in each of the services a statutory competition advocate general. These positions, much like the competition advocates that were created the year before in the Competition in Contracting Act, which was submitted by Senator COHEN and me, have, as one of their primary duties, signing off and thus creating personal accountability on hundreds, and in some cases thousands, of contracts. This involvement is almost certainly "personal and substantial" within the meaning of my friend's amendment.

In fact, the regulatory definition of the term "personal and substantial" reads as follows, because those are key things in his amendment or in an earlier version. I do not know if those are the exact words used in the amend-

ment he will send to the desk, but I think that is the flavor of the amendment. The regulatory definition reads:

A finding of substantiality should not be based only on the effort devoted to a matter, but on the importance of the effort. While a series of peripheral involvements may be insubstantial, the single act of approving or participation in a critical step may be substantial.

This means that for these people—these competition advocates general—who were created by the Senate last year, the ban on employment would bar them from literally thousands of opportunities, if you look back on all the contracts they have approved in the 3 years prior to their departure. Those are thousands of companies with whom they could not take employment because they had a substantial contract within 3 years, without the right to recuse themselves, even though discussion might be taking place. It just hits people you do not want to hit, while missing people you really do not want to miss.

Let me give a second example:

There are thousands of administrative contract officers spread all over the country who have the job of managing contracts that are already awarded. These officials sign progress payment checks and approve the quality assurance compliance systems of every contractor sometimes in a large an area as a State.

Such an involvement would, we think, be considered personal and substantial, even though there are thousands of them which take place during the course of a year.

Those administrative contract officers could be barred from accepting employment from any company receiving defense business in that entire State, for instance. Again, it could be hundreds or thousands of companies.

I happen to share the concern of my friend from Arkansas. I think that his strong revulsion to some of the situations that we have seen where we know people have monitored contracts with company A during this week and end up on their payroll next week. That revulsion is a revulsion I happen to share and I think the American people share.

What the best solution to it is, we can argue here, and we have debated it.

There are some advantages and disadvantages to each approach, may I say. We happen to think our approach is better and indeed stronger.

But whichever approach we adopt, and, of course, we favor ours, we must address this issue because it is corrosive; it is corroding the credibility of the Pentagon. The national defense of this country is too important and too serious for us to allow the revolving door of a few or a few hundred to undermine that common goal.

Mr. President, I yield the floor.

Mr. QUAYLE. Mr. President, first, I congratulate the Senator from Michigan on an excellent statement, outlining the substantive differences between the committee position and Senator PRYOR's position. I again congratulate him for his design and being the architect of the revolving door provisions within the committee amendment.

Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. QUAYLE. What is the pending business?

The PRESIDING OFFICER. The pending question is amendment No. 147 offered by the Senator from Arizona on behalf of the committee.

Mr. QUAYLE. So the committee amendment is the pending business?

The PRESIDING OFFICER. The Senator is correct.

Mr. QUAYLE. I wonder if I might inquire from the distinguished Senator from Arkansas if he is going to offer this substitute at this point or thereabout, because if we are going to try to vote on his substitute at 5 p.m. and the committee amendment, this only gives us a couple of hours to really get down and debate the merits on a point-by-point discussion.

Mr. PRYOR. I am ready at this time to submit the amendment. That is, I would be glad to submit the amendment at this time and lay it before the Senate with the understanding that it be classified as a perfecting amendment to the committee amendment, and I do not think there is any problem there.

Does the Senator from Indiana wish me at this point to officially send the amendment to the desk?

Mr. QUAYLE. I think it might be appropriate, unless I get contrary word from our chairman of the Armed Services Committee, that the Senator from Arkansas send his amendment to the desk so we can have that amendment pending and discuss it with the anticipation that we are going to vote, I think, hopefully still around 5 p.m.

I do not think that has been cleared, but that would certainly be my desire to get to it.

I yield for a comment to the chairman of the committee.

Mr. GOLDWATER. Mr. President, I certainly hope as chairman that the Senator from Arkansas will send the amendment forward. We have 2 hours and then we are going to vote, and it would be very helpful to us to know what we are going to vote on.

So I suggest that the amendment be sent to the desk and then we can have a chance to take a look at it.

Mr. LEVIN of Michigan. Mr. President, if my friend will yield, I also hope that we will have a vote then, but I understand it has not been cleared for a 5 p.m. vote. I also hope we could vote at 5 p.m., but we have not cleared that on our side yet, that 5 p.m. vote.

Mr. GOLDWATER. I think it was cleared Friday.

Mr. LEVIN of Michigan. My understanding is, it has not been cleared yet. Perhaps we should put in a quorum call and check with the minority leader.

Mr. GOLDWATER. That is not too impossible, but I thought it was cleared Friday that we would vote on Monday at 5 p.m.

But we can talk with the Senator's leader and talk with mine.

Mr. LEVIN of Michigan. I thank the Senator.

Mr. PRYOR. Mr. President, if I may respond, I would be glad in just a moment or at the right time to send an amendment to the desk, but I wish to ask one question of the manager of the bill.

Is it anticipated that if the amendment is proposed at this time, there is no danger in a tabling motion against the amendment before other speakers who may be coming in on airplanes? There is no danger to this being subjected to a tabling motion, is there, before the time has been allocated?

Mr. GOLDWATER. Mr. President, I, as chairman, will not move to table the amendment and I do not think my friend from Indiana will. We want to get a vote up or down.

Mr. PRYOR. Up or down vote?

Mr. GOLDWATER. Yes.

AMENDMENT NO. 154

Mr. PRYOR. Mr. President, with that understanding, I do send an amendment to the desk, in the form of a perfecting amendment to the pending committee amendment, and I submit this amendment at this time on behalf of myself and Senators GRASSLEY, PROXMIRE, KERRY, DECONCINI, LEAHY, MELCHER, HART, and METZENBAUM. I send the amendment to the desk at this time.

The PRESIDING OFFICER. The amendment will be stated.

The legislative clerk read as follows:

The Senator from Arkansas [Mr. PRYOR], for himself, Mr. GRASSLEY, Mr. PROXMIRE, Mr. KERRY, Mr. DECONCINI, Mr. LEAHY, Mr. MELCHER, Mr. HART, and Mr. METZENBAUM, proposes an amendment numbered 154.

Mr. PRYOR. Mr. President, I ask unanimous consent that the reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

In the Committee amendment after the words "Title VI—Procurement Policy Reform and Other Procurement Matters.

"SHORT TITLE

"SEC. 601. This title may be cited as the", strike all that follows in the amendment and insert in lieu thereof the following: "Competition and Ethics Enforcement Act of 1985."

DEFINITIONS

SEC. 602. In this title:

(1) "Full scale development", when used with respect to a weapons system or other defense equipment, means all detail design of a weapon system or other defense equipment necessary for the production of that system or equipment to begin.

(2) "Major defense acquisition program" has the same meaning as provided in section 139(a)(1) of title 10, United States Code.

(3) "Acquisition plan" means the type of plan referred to in section 7.104 of the Federal Acquisition Regulation as in effect on April 1, 1985.

(4) "Competitive procedures" means, in connection with the award of a contract, procedures which provide for full and open competition as provided in section 2304(a) of title 10, United States Code.

(5) "Acquisition", when used with respect to a weapon system or other defense equipment, means the complete process associated with the development and procurement of the weapons system and other defense equipment, including identification of military requirements, research and testing.

(6) "System integration" means the development and administration, normally by a prime contractor, of the process of manufacturing a completed weapon system or other defense equipment for delivery to the United States, including the installation of all subsystems and components.

(7) "Sole source contract" means any contract for the procurement of a weapon system or other defense equipment awarded through procedures other than competitive procedures.

DUAL SOURCE COMPETITION AND SOLE SOURCE CONTRACTING FOR MAJOR DEFENSE ACQUISITION PROGRAMS

SEC. 603. Chapter 137 of title 10, United States Code, is amended by adding at the end thereof the following new section:

DUAL SOURCE COMPETITION AND SOLE SOURCE REQUIREMENTS FOR WEAPONS PROGRAMS.

"(a)(1) Before initiation of the full scale development of a weapon system or other defense equipment under a major defense acquisition program, the Secretary of Defense shall prepare an acquisition plan for such program.

"(2) The acquisition plan shall provide for the use of competitive procedures when required by title 10, United States Code section 2304, except as provided for in subsection (c) of this section.

"(3) The acquisition plan shall also provide for the establishment and maintenance throughout the duration of the program of two or more development sources of such program and of two or more production sources for system integration and for the production of major subsystems to be purchased by the United States under major defense acquisition programs so that each production contract, and any contract renewal for production, will result in a majority or plurality of the production under the contract being awarded to the bidder with the proposal most advantageous to the United States, considering only price and other factors included in the solicitation, and a minority of the production being awarded to the next such most advantageous bidder or bidders under the contract. The percentage of the contract for production awarded to the next most advantageous bidder or bidders under the contract shall be a percentage determined by the Secretary of Defense to be sufficient to allow each such bidder to compete effectively for a majority of the production when the contract is renewed: provided that the contract proposal of the next most advantageous bidder or bidders is competitive with the contract proposal of the most advantageous bidder.

"(b)(1) The Secretary of Defense may waive the requirements of subsection (a)(3) in the case of any contract if he determines and certifies in writing to the Congress that such requirement will materially increase total cost of the program or delay completion of the total program. Any waiver of the dual sourcing development requirement of subsection (a)(3) shall not be considered a waiver of such subsection's dual sourcing production requirement.

"(2) Except as provided in subsection (c), a contract described in subsection (c) with respect to which the Secretary has waived the requirements of subsection (a)(3) may only be awarded through the use of competitive procedures. If a contract described in subsection (c) with respect to which the Secretary has waived the requirements of subsection (a)(3) is renewed, the new contract must be awarded under competitive procedures or as provided in subsection (c).

"(c)(1) If the Secretary of Defense finds in the case of a prime contract to be awarded for a major defense acquisition program that the requirements of subsections (a)(3) and (b)(2) cannot be complied with and that procurement procedures other than competitive procedures are permitted under section 2304(c) of title 10, United States Code, in the award of such prime contract, the Secretary shall submit a report to the Congress containing his findings together with a request for specific statutory authorization to enter into a sole source prime contract for such program. The Secretary shall include in such report for each contract—

"(A) the total program cost information, total program unit cost information, and delivery schedule information under a competitive procedures contract and under a sole source contract used by the Secretary in his decision to select a sole source contract for such program;

"(B) the existing unit cost of a commercially available product that performs a function similar to the function to be performed by the product to be obtained under the contract to be awarded, if such a product is commercially available, or the existing unit cost of a foreign produced product that performs a function similar to that of the product to be obtained under the contract to be awarded, if such a product is commercially available in a foreign country, or, if such a product is not available from either such source, an independent cost estimate of the total program unit cost of the product to be obtained under the contract to be awarded;

"(C) the identity of any senior official of the Department of Defense at the equivalent level of GS-14 or above who recommended or caused to be initiated a recommendation that the contract be a sole source contract; and

"(D) such other information as the Secretary considers appropriate.

"(2) The report required by paragraph (1) shall be submitted to the Congress not later than the date on which the initial budget request for full scale development or production, whichever the case may be, of the major defense acquisition program is made to the Congress.

"(3) A sole source prime contract may not be awarded or renewed for any major defense acquisition program unless the Congress has specifically authorized such specific contract to be awarded in an annual Department of Defense authorization Act or in other appropriate legislation enacted into law. Such specific statutory authorization shall include the identity of such contract and its cost.

"(4) Whenever the Secretary requests authorization, pursuant to subsection (c)(1), for the awarding of a sole source prime contract, he shall also cause to be published in the Federal Register a notice of the request and shall include in the notice the noncompetitive nature of the contract to be awarded, the estimated cost of the contract, the name of the contractor to whom the contract is to be awarded, and the identity of any Department of Defense officials at the equivalent level of GS-14 or above, who recommended or caused to be initiated a recommendation that the contract be awarded as a sole source contract.

"(5) Nothing in this subsection shall be deemed to require the public release of classified information.

"(d) Each sole source contract for a major defense acquisition program awarded by the Department of Defense shall—

"(1) contain a provision that prohibits the contractor from employing for a period of 6 years after the expiration of the contract the services of any employee or former employee of the Department of Defense at the equivalent level of GS-14 or above who recommended or caused to be initiated a recommendation that the contract be awarded as a sole source contract;

"(2) provide for a comprehensive audit by the Comptroller General of the United States, including access by the Comptroller General to all accounting records of the contractor and subcontractors, including any classified records;

"(3) deny payment of any overhead costs under the contract until the appropriate representative of the contractor has certified to the Secretary in writing that the payment of the overhead costs will reimburse the contractor only for costs that benefit, directly or indirectly, the Department of Defense and that such costs are demonstrably related to or necessary for the performance of the contract for which the payment is requested; and

"(4) require the appropriate representative of the contractor to certify to the Secretary in writing that any claim or request for payment under the contract does not include any claim or request for general and administrative costs that are unallowable under regulation prescribed by the Secretary of Defense.

"(e) A claim or request for payment by a contractor for any overhead cost prohibited under subsection (d)(3) or for any unallowable general and administrative cost shall be subject to section 287 of title 18, United States Code, and shall be punishable as provided by law for offenses under that section.

"(f) The Comptroller General of the United States shall conduct a comprehensive audit of each prime sole source contract awarded by the Department of Defense for a major defense acquisition program and shall report the results of such audit to the Congress together with his opinion whether a new contrct for the program provided for in the audited contract can reasonably be awarded under competitive or dual sourcing procedures upon the expiration of the existing sole source contract.

"(g) The provisions of this section shall not require the suspension or termination of funding or approval for any defense program or defense contract during the fiscal year 1986."

TRAINING AND REQUIREMENTS FOR QUALITY CONTROL ENFORCEMENT

SEC. 604 Part II of subtitle A of title 10, United States Code, is amended by adding the following section 1621:

"(a) The Secretary of Defense shall develop and carry out an introductory training program which shall be mandatory for all personnel responsible for assuring quality standards for all personnel responsible for assuring quality standards for weapon systems or other defense equipment. Such program shall be not less than four weeks in duration. A person assigned to duties involving quality assurance shall be required to attend such training program within the first six months of the person's assignment to such duties.

"(b)(1) In any case in which it is determined that a weapon system, other defense equipment, or service provided to the Department of Defense fails to meet the quality standards provided for in the contract for such weapon system, other equipment, or service, whether such determination is made before or after delivery of the equipment or service, the cost of repair or replacement, including all labor costs, shall be borne by the contractor.

"(c) In any case in which a contractor fails to disclose to the appropriate officials of the Department of Defense any instance in which the contractor knows defense equipment or service provided to the Department of Defense by the contractor does not meet the quality standards prescribed in the contract for such equipment or service and submit a claim for the payment of such equipment or service, such claim shall be subject to section 287 of title 18, United States Code, and shall be punishable as provided by law for offenses under that section.

"(d) The provisions of this section shall apply in any case only to the extent that the provisions of section 2403 of title 10, United States Code, do not apply.

BURDEN OF PROOF IN GOVERNMENT CONTRACT DISPUTES

SEC. 605 (a) In any proceeding before the Armed Services Board of Contract Appeals, the United States Claims Court, or any other Federal court in which the reasonableness of any contract costs for which a contractor seeks reimbursement from the Department of Defense are in issue, the burden of proof shall be upon such contractor to establish that such costs are reasonable.

(b) "Reasonable" means a cost that does not exceed that which would be incurred by a prudent person in the conduct of competitive business.

LIMITATION ON EMPLOYMENT OF CERTAIN DEPARTMENT OF DEFENSE PERSONNEL BY DEFENSE CONTRACTORS

SEC. 606. (a)(1)(A) Chapter 141 of title 10, United States Code, is amended by inserting after section 2397 the following new section:

"§ 2397a. Limitation on employment of certain Department of Defense personnel by defense contractors

"(a) As used in this section:

"(1) 'Compensation' includes any payment, gift, benefit, reward, favor, gratuity, or employment valued in excess of $100 at prevailing market price, provided directly, indirectly, or through a third party.

"(2) 'Contractor' means any person, partnership, corporation, or agency thereof (other than the Federal Government, the independent agencies of the Federal Government, or the District of Columbia) that offers, negotiates, agrees, or otherwise contracts to furnish to the Federal Government property, services, or supplies, and any parent organization, subsidiary organization, or affiliated organization of any such person, partnership, corporation, or agency thereof.

"(3) 'Covered defense official' means an officer or employee of the Department of Defense or a member of the armed forces on active duty who is paid for service as an officer or employee of the Department or member of the armed forces at a rate of basic pay equal to or greater than the minimum rate of basic pay payable for grade GS-11 under the General Schedule.

"(4) 'Procurement function' means any acquisition activity relating to a contract awarded by the Department of Defense, including—

"(A) negotiating, awarding, or administering the contract;

"(B) approving contract changes;

"(C) approving payment under the contract;

"(D) selecting a contractor;

"(E) performing cost analysis, quality, assurance, operation and developmental testing, budgeting, or auditing functions relating to the contract;

"(F) providing technical advice or recommendations relating to the contract; or

"(G) managing a procurement program which includes the contract.

"(b)(1) A former officer or employee of the Department of Defense and a member or former member of the armed forces may not accept compensation from any contractor for the 3-year period beginning on the date the former officer or employee separates from Government service in the Department or the member or former member is discharged or released from active duty if, within 3 years before such date, the former officer of employee or the member or former member was a covered defense official who had significant responsibilities in the performance of a procurement function with resepect to that contractor.

"(2) Whoever violates paragraph (1) shall be fined not more than $10,000 or imprisoned for not more than 2 years, or both.

"(3) Whoever furnishes any compensation to a person who is prohibted by paragraph (1) from accepting the compensation shall be fined not more than $10,000 or imprisoned for not more than 2 years, or both.

"(c)(1) Each contract for the procurement of property or services awarded by the Department of Defense shall include a provision prohibiting the contractor from furnishing compensation to any person if the acceptance of such compensation by such person would be a violation of subsection (b)(1).

"(2) A contractor which violates a contract provision required by paragraph (1), as determined by the Secretary of Defense, shall be liable to the United States for the greater of $250,000 or the amount equal to five times the annual rate of compensation paid by the contractor in violation of such contract provision. The United States may collect the amount of such liability by withholding, as a forfeiture, any money payable by the United States to the contractor.

"(d)(1) Not later than March 1 of each year, each contractor which is subject to a contract provision required by subsection (c)(1) shall transmit to the Inspector General of the Department of Defense a report on persons to whom the contractor furnished compensation during the preceding year and who are covered by such contract provision. The report shall include—

"(A) the name of each person (together with other information adequate to identify the person) who, as a covered defense official, performed a Government procurement function within 3 years before the first day of the year covered by the report and who was compensated by that contractor during the year covered by the report;

"(B) the agency or agencies of the Federal Government which employed the person or the armed force in which the person served on active duty, as the case may be, during the 3 years referred to in clause (A);

"(C) the person's job titles during the 3 years referred to in clause (A);

"(D) a full and complete description of the duties of the person during the 3 years referred to in clause (A);

"(E) a full and complete description of any official responsibilities such person exercised with respect to any contract in which the contractor has or had an interest; and

"(F) a description of any duties that the person has performed on behalf of the contractor during the year covered by the report.

"(2) Not later than April 1 of the year in which the Inspector General of the Department of Defense receives a report under paragraph (1), the Inspector General shall transmit a copy of the report to the Congress.

"(3) The Inspector General of the Department of Defense shall assess the accuracy and completeness of each report received under paragraph (1) and shall identify any conduct punishable under subsection (b), any violation of a contract provision required by subsection (c)(1), and any failure of the report to meet the requirements of paragraph (1). The Inspector General shall report any such conduct, violations, and failures to the Attorney General of the United States for prosecution or other appropriate action without regard to whether the Secretary of Defense has taken or has declined to take action under subsection (c)(2).

"(4) A contractor who fails to transmit to the Inspector General of the Department of Defense a report required by paragraph (1) shall be liable to the Federal Government for an administrative penalty in the amount of $10,000. The Secretary of Defense shall assess the penalty required by the first sentence.

"(5) The Director of the Office of Government Ethics shall have access to the annual reports filed under paragraph (1) and shall review the reports for conduct punishable under subsection (b), any violation of a contract provision required by subsection (c)(1), and any failure of the report to meet the requirements of paragraph (1). The Director shall submit an annual report to the Congress on his actions under this paragraph and shall include in the report his findings relating to his review of the reports filed under paragraph (1).

"(e) Subsections (b), (c), and (d) do not apply with respect to a contract for an amount less than $25,000.

"(F)(1) The Director of the Office of Government Ethics shall coordinate and review the implementation and administration of this section. In consultation with the Secretary of Defense, the Secretaries of the military departments, the Attorney General, and the Administrator of the Office of Federal Procurement Policy, the Director of the Office of Government Ethics may issue regulations to implement and administer this section and may review agency regulations

issued to implement and administer this section.

"(2) For purposes of implementing and administering this section, the Secretary of Defense, the Secretaries of the military departments, the Attorney General of the United States, and the Administrator of the Office of Federal Procurement Policy shall cooperate with the Director of the Office of Government Ethics and shall furnish the Director such information, appropriate personnel (with or without reimbursement by the Director), and financial and other assistance as may be agreed upon between the Director of the Office of Government Ethics and such official.

"(g)(1) Any person who is offered compensation that, if accepted, might place the person in violation of subsection (b)(1) may, before accepting such compensation, request from the Office of Government Ethics advice on the applicability of this section to such compensation. The request shall be made jointly by the person and the contractor who offered such compensation to the person.

"(2) A request made under paragraph (1) by any person who has been offered compensation referred to in such paragraph shall include—

"(A) a full and complete description of the person's duties during the last 3 years the person was employed by the Department of Defense or served on active duty in the armed forces, as the case may be;

"(B) any official responsibilities the person exercised during those 3 years with respect to any procurement contract in which the contractor has or had an interest; and

"(C) the contractor's description of any services that the person will perform on behalf of the contractor.

"(3) Promptly upon receipt of any request made under paragraph (1), the Director of the Office of Government Ethics shall publish a notice of the request in the Federal Register. The notice shall include—

"(A) the name of the person making the request;

"(B) the contractor offering compensation to the person; and

"(C) the information included in the request under clauses (A), (B), and (C) of paragraph (2).

"(h)(1) Upon receiving a request for advice under subsection (g), the Director of the Office of Government Ethics shall determine whether the acceptance and payment of compensation referred to in the request is conduct punishable under subsection (b) or would be a violation of a contract provision required by subsection (c)(1).

"(2) Not later than 30 days after the date the Office of Government Ethics receives a request for advice under subsection (g), the Director of the Office shall issue an interim advisory opinion stating his determination under paragraph (1) based on an initial review of the request.

"(3) Not later than 60 days after the date the Office of Government Ethics receives a request under subsection (g), the Director of the Office shall issue a final advisory opinion stating his final determination under paragraph (1).

"(4)(A) Except as provided in subparagraph (B), if the Director of the Office of Government Ethics states in an interim advisory opinion issued under paragraph (2) that, based on the initial review, the Director concludes that the acceptance and payment of such compensation is not conduct punishable under subsection (b) and does not violate a contract provision required by subsection (c)(1), acceptance and payment of such compensation shall not be punishable under subsection (b) and shall not be considered a violation of such contract provision.

"(B) Subparagraph (A) shall not apply to an acceptance or payment of compensation which occurs after the date the Director of the Office of Government Ethics issues a final advisory opinion under paragraph (3) if the Director states in the final advisory opinion that acceptance and payment of the compensation is conduct punishable under subsection (b) or violates a contract provision required by subsection (c)(1).".

(B) The table of sections at the beginning of such chapter is amended by inserting after the item relating to section 2397 the following new item:

"2397a. Limitation on employment of certain Department of Defense personnel by defense contractors.".

(2) Not later than 180 days after the effective date of the amendments made by paragraph (1), the Secretary of Defense shall issue regulations specifying the procurement functions covered by the description of functions set out in section 2397a(a)(4) of title 10, United States Code (as added by paragraph (1)).

(b)(1) The amendments made by subsection (a)(1) shall take effect January 1, 1986.

(2) The amendments made by subsection (a)(1)—

(A) do not prohibit—

(i) the continuation of employment which commenced before the effective date of the amendments; or

(ii) the receipt of compensation for such employment; and

(B) do not apply with respect to any procurement function performed before such effective date by a former officer or employee of the Department of Defense whose employment by the Federal Government terminated before such effective date or by a member or former member of the Armed Forces who was discharged or released from active duty in the Armed Forces before such effective date.

IMPROVED REQUIREMENTS AND PENALTIES RELATING TO DISCLOSURES OF EMPLOYMENT OF FORMER PERSONNEL OF DEFENSE CONTRACTORS BY THE DEPARTMENT OF DEFENSE

SEC. 607. (a) Section 2397 of title 10, United States Code, is amended—

(1) by striking out subsection (b);

(2) by redesignating subsections (c), (d), (e), and (f) as subsections (b), (c), (d), and (e), respectively;

(3) in subsection (b)(1) (as redesignated by clause (2))—

(A) by striking out "minimum rate for GS-13" and inserting in lieu thereof "minimum rate of basic pay payable for grade GS-11 under the General Schedule";

(B) by striking out "of at least $15,000" and inserting in lieu thereof "equal to or greater than the minimum rate of basic pay payable for grade GS-11 under the General Schedule"; and

(C) by striking out "contracts by the Department during the fiscal year that total at least $10,000,000" and inserting in lieu thereof "any contract during the fiscal year in an amount equal to or greater than $25,000"; and

(4) in subsection (d) (as redesignated by clause (2)), by striking out "$1,000, or imprisoned not more than 6 months, or both" and inserting in lieu thereof "$10,000".

(b) The amendments made by subsection (a) shall take effect January 1, 1986.

SEC. 608. There are authorized to be appropriated $3,000,000 for each of the fiscal years 1986 and 1987 to be available for the purpose of carrying out the provisions of title 15, United States Code, section 644(K).

EFFECTIVE DATE

SEC. 609. This title shall become effective on October 1, 1985, except as may be provided in sections 606 and 607.

(Mr. CHAFEE assumed the chair.)

Mr. PRYOR. Mr. President, I have just heard a very good discussion of the revolving door issue, and I wish to make certain that my colleagues in the Senate know that there is a great deal more to this entire package than just the revolving door issue.

It seems as though we have sort of glued in and narrowed on that particular issue because, one, it is an issue that is abused. I think my friend from Indiana, Senator QUAYLE, understands this so well as my friend from Michigan, Senator LEVIN, understands this so well.

We have spent hours and hours in attempting in quiet deliberation and discussion, in one case at least a 2-hour period or possibly even 3 hours with Senator LEVIN and his staff.

We have talked in detail about the issue of the revolving door and how we best might approach a solution to this tremendous dilemma that we find ourselves in.

I think, Mr. President, that all of the parties involved, Senator QUAYLE, Senator LEVIN, Senator GRASSLEY, and myself, all of the parties involved in this procurement issue this afternoon see a great problem.

Now the question is: How do we best, in the most practical way, find a solution to the problem?@

As I stated in my opening statement, men and women are going to disagree in good faith about how we pursue a solution to this entire procurement dilemma.

As I look at the revolving door issue, Mr. President, I first say that it is not all that complicated when you really get down to it. There is nothing complicated about the dubious, questionable ethics of arranging for employment with someone you are supposed to be supervising.

Second, it is fine and wonderful to revise forms and to create new forms and to clean up the paperwork. Revise the paperwork, if you want, increase the reporting requirements, if you must, but this is not going to solve the problem that we are attempting to solve with this particular amendment.

It is perfectly easy under the proposal offered by the distinguished Senators from Indiana and Michigan, under their revolving door proposal, to cover any employment discussions because this particular amendment which we are trying to change does not bar nor prohibit post-retirement

employment unless, and this is key, and this is the difference, this is the distinction, unless that employee fails to report a job offer to the Department of Defense or the proper authorities and gets caught.

Mr. President, the amendment that we attempt to replace, we think, does not go far enough because the committee amendment does not slam the door on anyone who takes a job with a contractor he was supposed to supervise as long as the job offer does not come until after retirement. If he retired at midnight after 20 or 30 years with the military, civilian, whatever, and at 1 minute after midnight McDonnell Douglas or Hughes or any other of the major contracting firms could get word to this individual:

Look, we know that you have supervised us. We know that you have been the contracting officer that granted us $1 billion or $2 billion for this or that weapons system. So you are now no longer employed, and we would like to offer you a job opportunity with our company.

Now, that may not be exactly how those things work. But we feel that a strict restriction of at least 3 years is an absolute necessity—in fact, in my original amendment that I started circulating about 6 or 8 weeks ago, in the original amendment that I was going to propose, I was going to have a 5-year period whereby that particular worker, military or civilian, could not go to work for the contractor. However, through the process of negotiation and in talking to Senator LEVIN and talking to dozens of different people about this matter, and also in working very closely with colleagues of ours in the House of Representatives, it was decided to amend the 5 years and go down to the 3-year period.

We think that this approach is fair. We think it has teeth in it, certainly, and I hope the legislative intent will be established this afternoon to demonstrate clearly that it is not our intention to penalize those who we should not penalize. We are not after those employees. I think the Senator from Michigan understands that.

I just want to state, Mr. President, that the Senator from Michigan, the Senator from Indiana, and just about all of us, I think, in this body see a tremendous problem. And we think, or at least Senator GRASSLEY and I and the cosponsors of our amendment feel that this approach is fair, that it is reasonable to prohibit work within 3 years after that individual has quit the Government, and we think that the necessary protections are embodied in our language and are very hopeful we will get favorable consideration for our proposal.

Finally, Mr. President, on the subject of the revolving door, Mr. President, Ompal S. Chauman, gave this statement in testimony this month to a House subcommittee of the Armed Services Committee:

I and many of my co-workers have observed that when a manager is ready to retire, he doesn't just retire and go the work for the contractor. There is planning involved. The process begins at least two or three years prior to the separation from government service and the manager becomes increasingly soft on the contractor. To get the job, he must know someone in the contractor's heirarchy. He must do things which his future employers like and prove his worthiness for his new job. Consciously or unconsciously the thought of future security begins to affect him. He begins to think more about his future employer than his current one. Loyalties become confused.

In order for us to remove this temptation, our laws must restrict certain post-government employment activities with sanctions and penalties.

Mr. President, we think this once again demonstrates the need for language like Senator GRASSLEY, Senator PROXMIRE, myself and others have worked out and have embodied in this particular amendment, the perfecting amendment to the amendment offered by the Senator from Indiana.

I thank the Chair.

Mr. GOLDWATER. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. GRASSLEY. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

The Senator from Iowa.

Mr. GRASSLEY. Mr. President, the purpose of my speaking at this point is in support of the Pryor amendment. Mr. President, I would like to tell you how much I commend at this time my friend from Arkansas for the fine work that he has done in constructing this substitute. Should this amendment pass—particularly if it becomes law—I think we in the Senate can sleep better at night knowing true reform is taking hold at the Department of Defense. It is apparent that the defense budget will be frozen in fiscal year 1986 because Congress in its responsibility has finally risen to the challenge of matching Defense Department performance with an appropriate budget level.

A defense budget freeze did not happen by chance. It took 2½ years of horror stories and environment shaping before Congress could assure itself that the Defense Department can, and should, live with a freeze. Despite a doubling of the procurement budget in the last 5 years—I stated in my debate on the budget resolution that—the Department of Defense has bought less than during the previous 4 years, and those previous 4 years marked a time when our defense became conspicuously weak. It has become obvious that more money has not solved our procurement problem. It is equally obvious, Mr. President, that fundamentally improved management will yield far greater returns than merely, and easily, increasing the defense budget. That, Mr. President, is why the Congress has frozen the defense budget as a necessary first step, and now must follow up with true management reforms such as are represented by the substitute presented by the Senator from Arkansas.

I would like to commend my colleague from Indiana, Mr. QUAYLE, for identifying and acknowledging the various areas needing reform in the defense budget, and yet, I would like to caution all of my colleagues on one thing. That is that there is a right way to perform surgery, and there is a wrong way.

Do we really want, in the case of the revolving door language, that to be merely a reporting requirement? Do we want to continue to pay unreasonable costs, like lavish parties, trips to Pago Pago, and trips to Danish massage parlors? Those are all instances where auditors have uncovered those expenses being paid.

Despite a perception to the contrary these costs would still be allowable under the committee language. Of course, the burden would be shifted—and it would be shifted rightly so from the taxpayers to the contractor—but the definition of what reasonable costs are would not be changed under the committee's language. In other words, Mr. President, all the contractor would have to do under the committee language is a little upfront paperwork, charge it to the taxpayers, and then get reimbursed for the same outrageous costs that we are hearing about now. I do not think this is enough of a reform. That will be awfully difficult to explain to the folks back home. It will be awfully difficult to say that we have solved the revolving-door policy by creating an honor system.

Mr. President, we do have a choice. That choice is between cosmetic reform and real reform. If we want cosmetic reform and something to put in a press release, then we should vote against the Pryor substitute. If we want our constituents banging down our doors in 2 years asking why we have not fixed the outrageous cost problems in the Defense Department, then also vote against the Pryor substitute. But contrarywise, Mr. President, if we want to have a clear conscience of having voted for true defense procurement reform for a package you can rest easy with knowing that reform is on the way, then I urge that we pass this Pryor substitute. If we truly want to lock shut or nail shut the revolving door, truly want to shift the burden of proof from the taxpayer to the contractor, and truly want to compete on military goods and serv-

ices, then we should support the substitute.

Mr. President, if this substitute passes, I really feel there will be less and less pressure in the future for defense budget increases. There are sufficient reforms in this package to increase our national defense for those fewer dollars we are going to appropriate this year.

On the other hand, if this substitute fails, and the committee language passes, and eventually becomes law, we can expect business as usual, with the usual demand for higher defense budgets, but procuring less for those higher budgets. It will be on our record, and obviously have to be on our conscience, that we had an opportunity for true reform, and we blew it.

Mr. President, I urge my colleagues to support this substitute, and once again I commend my colleague from Arkansas for his excellent work and leadership on this amendment.

Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. GOLDWATER. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

The Senator from Arizona.

Mr. GOLDWATER. Mr. President, I want to make a comment. I have been sitting here today listening to the discussion. I want to say first I am going to vote to do away with the so-called revolving door. I think the important part of this whole thing is the correction we hope to achieve in the procedure. I have been sitting here mentally trying to figure out if there are 3,300 people who have achieved their jobs through the revolving door, I think we are talking about something you can hardly measure percentagewise, maybe less than a tenth of 1 percent of the people working in the defense industry. I think we should and probably could properly close that. But I do not think that is the big issue.

The issue is to close the avenues that some manufacturers have used in order to achieve benefits to themselves that were not included or intended to be included in the contract when it was let. I know as many men working in the industry who formerly wore the uniform as anybody. I have been sitting here trying to think. I can think of two of them who regularly come to call on me relative to any business. The thing that bothers me is the fact that people can get their poodles cleaned up and deduct that, take out country club dues and dine out and all of that. That to me is the important thing to correct. I hope we will concentrate more on that than upon the seemingly very small problem of the revolving door.

I admit that it is a problem. I keep thinking, though, if I were a manufacturer of anything—let us say I was a manufacturer of an M-1 tank and I ran into a problem and I want to get somebody to help me with this problem. About the only place I can go is to the military or former military. They certainly do not teach that in colleges. There might be some academic solution to some of the problems but I do not see anything, frankly, unusual in the idea that you go to the source to get some help.

I am not going to argue the point. I am going to vote against the revolving door. I just want to remind my colleagues that the big issue, the important thing here, is to close the procedures that manufacturers have been allowed to get away with. For example, our bill has provisions to contract costs that I do not think the other bill has in it. They are very specific on this. In fact, when we get down to the Gramm amendment, it spells out ingreat detail what cannot be done. For example:

That portion of the cost of the use of company furnished automobiles which is of personal benefit to the user.

That portion of the cost of the use of company furnished aircraft which is of personal benefit to the user.

Contributions or donations, regardless of the recipient, including political contributions.

Entertainment costs.

Fines and penalties.

Lobbying costs.

First-class air travel unless lower priced air travel is not reasonably available.

Gifts.

Hotel expenses in excess of limits prescribed in regulations.

Meal expenses in excess of limits prescribed in regulations.

Transportation to and from work except as specifically provided for in regulations or in the contract.

Those are the type of things that I think we have to close.

Mind you, Mr. President, the Internal Revenue Service may say a deduction for all these is perfectly all right. What I want to see is a flatout statement that you cannot do it and charge it to the Federal Government. If you want to deduct it from Internal Revenue, that is fine and dandy, but do not try to saddle the military contract with expenses like that. I just wanted to make those comments, Mr. President, because I think they are pertinent.

Mr. DOLE. Mr. President, will the Senator yield?

Mr. GOLDWATER. Yes, I yield to the leader.

Mr. DOLE. Mr. President, it is my understanding that we may have a couple of votes at 5 or thereabouts—hopefully more during the evening. I visited with the distinguished chairman of the committee. He has informed me he would like to continue fairly late this evening and start again early in the morning. Apparently, he has made a lot of progress so far, disposing of a number of amendments. We are ready now for a couple of important votes on procurement. I have asked other Members to bring their amendments to the floor. I assume we are ready for another one now.

Mr. GOLDWATER. If the Senator will yield, we are a little bit confused about an agreement we reached last Friday. I thought the agreement was we would not vote before 5 p.m.

Mr. DOLE. That is correct.

Mr. GOLDWATER. The order No. 142 is:

Ordered, That during the consideration of S. 1160, the Department of Defense authorization bill, no amendments be in order during the session of the Senate on Friday, May 17, 1985, or until 5 p.m. during the session of the Senate on Monday, May 20, 1985, that have not been authorized by the majority and minority leaders.

So there is no unanimous consent that we will start voting at 5 o'clock.

Mr. DOLE. That portion of the agreement was to try to head off nongermane amendments which the distinguished chairman does not want on his bill. I do not fault him for that. The minority leader was not in a position to give me consent that we would start voting at 5 o'clock, but I think maybe shortly thereafter start voting. I hope we will have some votes today. Otherwise, we will continue to pile them up.

Mr. GOLDWATER. We shall be ready to vote at 5 p.m. I do not like to suggest anything to my leader; he is the boss. But if he would touch base with the minority leader and get some agreement, which we are trying to do, but the minority leader is busy.

Mr. DOLE. As I understand it, Mr. President, if amendments are in order, the Senator is open for business?

Mr. GOLDWATER. We are open for business anytime. We want to vote at 5 o'clock, though. Then we want to go on all night.

Mr. LEVIN. Mr. President, I am glad the majority leader is not withholding any unanimous-consent request. The minority leader is on his way to the floor, and he is not withholding any unanimous-consent request?

Mr. DOLE. No.

Mr. BYRD addressed the Chair.

The PRESIDING OFFICER. The minority leader.

Mr. BYRD. I was just listening over the squawk box, and I heard my good friend from Arizona, the chairman of the committee, say that, "We had been trying to get some agreement with the minority leader but the minority leader is busy."

Nobody has approached me, Mr. President, with any agreement or with any proposal for an agreement. And

may I say I have not been too busy to listen.

Mr. GOLDWATER. I guess I have to apologize to the minority leader because the question did come up, and I remember some discussion on Friday, about 5 o'clock. I read the order No. 142, and it did not provide for voting, and so the Senator from Michigan and I just figured we would wait until the two leaders got in the room and then let them agree, if they wanted, to vote at 5 o'clock.

Mr. BYRD. I just wanted to say for the record I have not impeded progress toward any agreement.

Mr. GOLDWATER. No. We did not infer that.

Mr. BYRD. That is what I inferred.

Mr. GOLDWATER. No. The Senator from Michigan asked me the question was I sure that we had a vote at 5 o'clock. And I said, "Yes, I was." Then I found out I was wrong, which is not unusual.

Mr. DOLE addressed the Chair.

The PRESIDING OFFICER. The majority leader.

Mr. DOLE. The Senator from Arizona made a suggestion to me that I visit with the distinguished minority leader, so it was not any indication that we had been in discussion. The last discussion we had about votes at 5 o'clock was on Friday. We could not reach that agreement because there was a lot of uncertainty about who would be here. As I understand, a group of Senators has now returned and another group is due to return about 4:38, so maybe we can reach some agreement. Apparently a couple amendments will be ready for disposition at 5 o'clock. They are ready now, but they will still be ready for disposition at 5 o'clock, and maybe one or two others. But certainly the minority leader has been most helpful in trying to expedite the passage of this legislation.

Mr. BYRD. Mr. President, I will check on my side and see what the prospects are for any vote or votes today. I will be happy to come back to the distinguished majority leader and the chairman and ranking member, if we are able to do that.

Mr. DOLE. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. PROXMIRE. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. PROXMIRE. Mr. President, I rise to support Senator PRYOR's amendment to close the revolving door through which defense procurement officials pass to take lucrative jobs with contractors they previously supervised. The revolving door is spinning ever faster at increasing cost to the taxpayers and to our Nation's security. In 1983, defense contractors employed over 2,100 Defense Department employees who had left Government within the last 3 years. This is three times the number employed in 1976. Last year, the number soared to over 3,000.

This amendment, which I offer on behalf of my colleague from Arkansas, Senator PRYOR, and numerous cosponsors, would impose a cooling-off period on Government procurement officials at the GS-11 level and above. It would force them to wait 3 years after leaving Government before taking a job with any contractor over whom they exercised significant responsibilities during the last 3 years of their government employment. Both the individual and the contractor would be subject to criminal penalties of up to 2 years imprisonment and a $10,000 fine for violating the act. The contractor would suffer an additional civil penalty of the greater of $250,000 or five times the annual rate of compensation of the employee. Contractors would be required to file annual reports and the Office of Government Ethics would oversee the act and advise individuals and contractors in cases involving potential violations of the act.

The committee is to be commended for recognizing that this problem must be addressed. Before discussing the inadequacies of the committee's approach, however, it is necessary to explore why the revolving door poses such severe problems for our Nation.

The first problem is the obvious temptation for an employee to go soft on a contractor he views as a potential employer. This laxness can take many forms. A negotiator may understand the problems of the contractor too well and not drive a hard bargain. A weapons tester may overlook flaws. An auditor may not press a contractor on inconsistencies in financial data. The list could go on.

Of course, not every employee succumbs to temptation, but whether consciously or unconsciously some do. If the temptation is removed, none will succumb.

The effects when employees give in to temptation are severe. The cost of procuring the instruments of our national defense increases, while their quality declines.

A second problem arises from the appearance of conflicts of interest spawned by the revolving door. It is essential that we eliminate this appearance. Public trust in government depends on it. Obviously many people who appear to have conflicts of interest do not actually engage in corrupt behavior. Unfortunately, some do. It is often impossible for trained investigators, much less for the general public to know which do and which do not.

The impact of this appearance of impropriety is devastating. It contributes to the public's view that defense procurement is riddled with waste and, as we are now seeing, leads to public unwillingness to support defense expenditures. How can the public not become cynical when it hears about generals and admirals taking lucrative positions with defense contractors? And, the problem is much more extensive than that. The press has recently been full of stories of even lower ranking officials using the revolving door. Let me offer a few examples that appeared recently in the Boston Globe.

Lt. Col. George F. Goodall was test director of the Maverick missile. He resigned August 30, 1982. On September 9 he was working for Hughes Aircraft, manufacturer of the Maverick, worth $4.8 billion.

Lt. Col. Wayne O. Mattson was systems project officer on the Maverick. On January 15, 1979, he took a terminal leave—his actual retirement date was not until March 1—and also went to work for Hughes.

Col. James C. Crosby was president of the Army Defense Board, involved in testing the highly controversial Divad antiaircraft system. In August 1981 he retired and went to work for Ford Aerospace, chief contractor on the $4.1 billion Divad Program.

Col. William E. Crouch, Jr. was commander of Army Aviation Development Test Activity at Fort Rucker, AL. He retired July 1, 1981, and 5 days later became the Fort Rucker branch manager of Hughes Helicopter, Inc., whose equipment the Army development unit frequently tests.

Col. Sherwin Arculis tested remotely piloted vehicles, target and reconnaissance drones, for the Army's Training and Doctrine Command. He retired in February 1980 and went to work for Lockheed Missile & Space as manager for an office that provides logistical support to Army remotely piloted vehicles.

Maj. George E. Elliott was chief tester of space transportation systems at the Air Force Test and Evaluation Command. He retired September 1, 1980, and 2 days later was working at Martin Marietta, first as a design engineer but later responsible for integrating test programs on the company's space transportation system. While Elliott was in the Air Force, Martin Marietta was one of the contractors whose systems he tested.

John W. Ulmer, Jr. was manager of instrumentation systems on the MX missile for the Air Force's Ballistic Missile Office. He retired in June 1980 and went to work for TRW Inc., which oversees development of the MX project.

Col. Harvey M. Paskin was chief of the avionics division in the project office supervising the F-16 jet fighter

at Wright Patterson Air Force Base. He left in July 1982 and went to work as an engineer at Westinghouse Electric, which makes the radar—the avionics—on the F-16.

Lt. Col. John W. O'Neal was the operations officer for the Joint Chiefs of Staff in charge of a system called the Ground Mobile Command Center. He took a terminal leave of absence in August 1982 to work for TRW Inc. as senior principal engineer in charge of planning and testing the Ground Mobile Command Center.

Lt. Col. Edward Cartwright was deputy director of contracting for the Computer Acquisition Center at Hanscom. He retired June 20, 1980, and 7 days later went to work as a computer configuration manager at Sperry Univac in McLean, VA,, one of the companies whose contracts he had supervised in the Air Force.

Maj. Walter D. Craften was in the Air Force Plant Representative Office overseeing contracts at a TRW plant in Red Beach, CA. He retired May 1, 1981, and a month later was working as a department manager on product assurance at the same TRW plant.

Ernest R. Giardano was an aduitor in the Defense Contract Audit Agency assigned to keep things honest at a Boeing Co. plant. On December 31, 1979, he retired from the Government and the next day went to work for Boeing.

Marvin H. Boodnick was a price-cost analyst for the same agency, auditing Hughes Aircraft. He quit March 14, 1981, and 2 days later started working for Hughes.

This list could go on and on. The appearance of conflict of interest is powerful. And, as we all know from reading our mail, the American people are angry. Unfortunately, because of inadequate reporting requirements, we do not know the extent of the actual conflicts of interest.

But, there is another group that is equally outraged. These are DOD employees who watch their bosses switch, sometimes overnight, from supervising contractors to working for those very same contractors, at higher pay. Employees are left wondering what their supervisors have done to curry favor with their new employers. As one such employee recently testified, they wonder whether they have been working for the Government or the contractor. These concerns inevitably lead to cynical disrespect for supervisors and less diligent performance.

In yet another way, the revolving door undermines the integrity of the procurement process. Former military officers and civilian officials are able to exploit their government contacts on behalf of their new employers within the first 2 to 3 years after they leave the Government. Such contacts undoubtedly give employers who lure away the right officials unwarranted advantage in what should be a competitive process. This advantage skews the results, producing business for contractors who make shrewd hiring decisions, rather than those who earn the Government's business by producing a superior product. Unfortunately, this exploitation of contacts cannot be prevented entirely, but its most direct effects can be curbed by preventing government employees from working for contractors with which they had significant involvement while in government.

A related problem is the official who uses his last days in office to gain knowledge or contacts that will help him after he leaves. A particularly glaring example is that of Lt. Gen. Oren DeHaven, who retired as director of the Joint Chiefs of Staff's logistics branch in June 1983. Toward the end of his tenure, he specifically requested that he be allowed to attend a briefing by junior officers who had analyzed the Air Force's need for cargo planes. Their study favored the McDonnell-Douglas C-17 and recommended that the Air Force should buy no more than the 50 Lockheed C-5B's already under contract.

According to the Boston Globe, DeHaven told the officers that he wanted to attend the briefing because he would soon be retiring and going to work for Lockheed. DeHaven did become a consultant for Lockheed, presumably using the fruits of his official briefing in Lockheed's effort to convince the Air Force to buy more C-5B's.

I commend the Armed Services Committee for recognizing that these abuses are out of control. Unfortunately, the committee's response is inadequate. The committee bill would only be activated when a contractor actually discusses a job with a government employee who has involvement with the contractor's contract. What happens then? The answer is nothing. If the employee "terminates the contact immediately," he is entitled to continue supervising the contractor as if nothing had happened.

If the contractor comes back again, the employee must report the contact within his agency and, for as long as he considers the offer, he may not supervise the contractor. If he fails to report such a contact, he will be prevented from working for the contractor for 10 years from the date of the contact.

The committee bill simply fails to address many of the problems caused by the revolving door. It does nothing to remove the temptation of a procurement official to overlook defects or otherwise go soft on a contractor in the hope of eliciting that first job offer. It does nothing to forestall the subtle stroking of an official that contractors may enagage in that sends the message that the employee should contact the contractor after he leaves government. As Col. Robert Bowman recently said, "Some of the overtures (made by contractors) were not so obvious. They just wanted to give you the impression that you had a home when you got out so you'd treat them favorably in the meantime."

The committee bill does little to prevent the appearance of conflicts of interest and reassure the public that defense procurement officials are not cozying up to defense contractors. Only a bar on post-government employment with contractors that employees have worked closely with can do that.

The committee bill will do little to boost employee morale. Employees will still watch their bosses switch overnight from supervising contractors to working for the very same contractors. This activity will barely be curtailed.

Finally, the committee bill will prove unenforceable. A principal defect of existing conflict of interest laws is that they are vague and unenforceable. Indeed, the Justice Department has a virtual hands-off attitude toward prosecutions under these laws. The committee bill would simply add another unenforceable provision. It depends entirely on either the employee or the contractor coming forward to admit that they have discussed employment. Obviously, neither has an interest in making this disclosure. And it will be virtually impossible to establish this type of contract through circumstantial evidence. Therefore, we will be left with an unenforceable law that addresses only a very small part of the problem.

The amendment that we offer today suffers from none of these deficiencies. It eliminates the temptation for a government procurement official to go soft on a contractor. It eliminates the appearance of conflicts of interest by preventing quick switches from supervising a contractor to working for the same contractor. And our bill would boost employee morale by ensuring that they know they have been working for the Government and not the contractor. By prohibiting conduct that is clearly observable—going to work for a contractor—it would be easily enforceable. It accomplishes all this by placing a reasonable limitation on the employment options of those who leave government. The Congressional Research Service has issued an opinion that such a limitation is clearly legal.

I, therefore, urge the Senate to support this amendment to close the revolving door. This is a measure that helps the taxpayers of this country, who stand to save billions of dollars by removing conflicts of interest from the procurement process. It also promises to restore a measure of public confi-

dence in government. The time has come to shut the revolving door.

Mr. President, I yield the floor.

Mr. PRYOR. Mr. President, I wish to compliment the Senator from Wisconsin, Senator PROXMIRE. I also wish to thank him for being a cosponsor of this legislation that is pending before the Senate at this time.

I know of no other Member of this body, Mr. President, who has more knowledge or expertise, wisdom, or courage in dealing with the issue of defense procurement than the Senator from Wisconsin, Senator PROXMIRE.

Looking back, just a little bit in the history of Senator PROXMIRE on this issue, he is not a Johnny-come-lately, I say to the President, to my colleagues. Senator PROXMIRE, for example, was probably the first Member of the Senate in modern times to bring to the attention of the Senate the issue of the revolving door and the pervasive problems that the revolving door issue presents, morally, ethically, militarily, and certainly financially.

Mr. President, also in 1977, Senator PROXMIRE proposed and passed in this body the first major defense procurement reform in a long time. Unfortunately, the House of Representatives did not exercise its wisdom in supporting Senator PROXMIRE's proposal that had cleared this body.

Had the House of Representatives supported that proposal, I think without question we would not see today defense procurement in the chaotic situation, the morass that we find today.

Senator PROXMIRE and his very able staffer Richard Kaufman have been investigating certain defense contractors for years; General Dynamics, for example. All of this scandal that comes out about General Dynamics and some of the major defense contractors that have been abusing the system is no news to Senator PROXMIRE.

In the past, had we listened to him more, I think our troubles would be far fewer at this time.

Senator PROXMIRE, as we might recall, Mr. President, and the occupant of the chair, certainly would recognize this as a very important issue in our defense system. He was the first Member of this body to hold extensive shipbuilding hearings to find out what the problems were in acquiring the Navy ships to secure the defense of this country.

Once again, the very first Member of our body of colleagues to bring this matter of the revolving door to our attention, to the best of my knowledge, was the Senator from Wisconsin, and I am very, very proud to have him as a cosponsor of this legislation that we are looking at today that is before the Senate.

Mr. PROXMIRE. Mr. President, will the Senator yield?

Mr. PRYOR. I yield.

Mr. PROXMIRE. I cannot thank my good friend from Arkansas enough. I tell the Senate I have never listened to a speech with more pleasure than the speech he just delivered. It is far more than I deserve, but I still enjoy it very much.

I thank my good friend.

Mr. PRYOR. Mr. President, this Senator has long been an admirer of the Senator from Wisconsin, long before I came to this body, and I have certainly enjoyed working with him and his capable staff during the development of this issue.

Mr. President, we are, it looks like, not too far away from a vote on this issue. I do not know whether we will vote at 5 p.m., 5:30 p.m., 6 p.m., 7 p.m., 8 p.m., or whatever.

Whatever the case may be, in the last hour or two, in the last several hours during the luncheon break, I have been approached by several of my colleagues who have come up and said, "Look, very simply explain to us the difference in the two amendments that are now before the Senate."

With all the issues that we deal with, the farm crisis, the trade issues, and what is happening in the United Nations, and what we are going to do about this and that, sometimes it is necessary to boil down simply the difference in the issues that face us as Members of this body. I'll try to do the same for procurement reform.

Let me say, and I hope I am not being too cute when I say it, that I might describe the difference very simply between what Senator QUAYLE and the Armed Services Committee are presenting to the Senate today and what Senators PRYOR, GRASSLEY, PROXMIRE, and others are presenting to the Senate today. They are two different approaches on how we deal with the procurement mess that faces this country. One approach is softball and one approach is hardball.

The approach of Senators PRYOR, GRASSLEY, PROXMIRE, and others is a hardball approach, attempting to deal with the issue of procurement that is zapping defense dollars, destroying the morale of our Defense Department, and is causing the public to very quickly lose faith and confidence in our Department of Defense and its capability of dealing with procuring for our armed services and our national security.

Mr. President, I daresay that there is not one Member of this body who has not been home in the last several weeks or months when people would not come up on the street or the sales barn or the cafes or restaurants or Rotary Clubs, or labor unions, or whatever, and say, "What in the world is the matter with you people in Washington? Why don't you do something about this procurement problem? How is it that every day, day after day, and week after week, and month after month, we are forced to read these horror stories where our tax dollars are being sent down a rathole because they are not going to the right purpose?"

Mr. President, I do not know if you have a good answer to that complaint from our citizenry out there, from our constituents.

I myself do not have a good short explanation as to why we have allowed this to occur.

Mr. President, in very brief terms, in a side-by-side comparison, and I hope my interpretation is accurate, I would like, if I might for the next few moments, rise and state what I find to be the differences between Senator QUAYLE's amendment and the Pryor-Grassley amendment.

One, Senator QUAYLE's amendment provides no requirement that is necessary for dual-sourcing of contracts to actually be competitive. On the other side of the ledger, we are offering a proposal under Pryor-Grassley-Proxmire saying that competition between dual-sourcers is required; it is mandated.

Senator QUAYLE and the committee say the Secretary of Defense can waive competition requirements for "national security reasons." Mr. President, this is a loophole large enough to drive a Mack truck through. Any time, under the Quayle proposal or present day law, the Secretary of Defense can say:

> Well, I don't know that I want to give this contract to this particular company. Let's give it to this one and we will just do it and say for "national security reasons, we will give it to contractor B rather than A, or X rather than Y."

Our proposal differs in another way, Mr. President. It says that the Secretary of Defense can go sole source—in other words no competition—only when competition is more costly or takes too much time. However, he cannot get by with that explanation alone because we require in the case of sole sourcing, in that contract where there is no competition, that the Congress approve those particular sole-source noncompetitive contracts. That approval would probably come as part of the defense authorization bill.

There is nothing in Senator QUAYLE's bill—and I am sorry he is not here. I have sent a message for him that I was going to make these few statements and I hope that he is on the way to the Senate floor. He may want to argue or rebut some of my conclusions—there is nothing in the committee amendment, Mr. President, that inhibits noncompetitive sole-source contracting. On the other hand, the whole thrust of our amendment establishes a mechanism to strongly discourage sole-source or noncompetitive contracting. Ninety-four

percent of all of the Department of Defense procurement dollars today are spent without competition. No wonder we are in the mess that we find ourselves in in this year of 1985.

There is another section, Mr. President, that we have discussed already at some length. That is the question of the revolving door. Very simply put, I think we could state that the committee amendment has no real bar to the revolving door. The Pryor-Grassley-Proxmire legislation requires that a Government employee is barred for 3 years from working for a contractor that individual supervised while on the giving end.

Also, Mr. President, we find another provision in Senator QUAYLE'S amendment, the committee amendment, based on very sincere motivation. Here, Senator QUAYLE and the committee say that we need more training for program managers.

Well, to be honest, Mr. President, we eliminate this provision because it only asks for more of the same type of instructions on what has enabled us to get into this precarious and, I must say, awful position that we find ourselves in at this time.

In the committee amendment, once again as a comparison, we find that the committee says that the Department of Defense or the contractors can prepare "should cost" reports on weapons. Let us take the example of the $436 hammer—actually, it would not be all that applicable here because our proposal does apply only to the major purchase of major defense acquisition programs. But let us say we have the $436 hammer. We declare that the Congress must have objective information on commercially or foreign available equivalent systems, or an independent estimate prepared by DOD when the above is not available. We think the contractor should not have the opportunity to establish an arbitrary base price for an item he would be supplying.

Mr. President, we have another major difference in this bill between the committee version and the version of Senators PRYOR, GRASSLEY, and PROXMIRE. This is a major difference in the area of quality controls. To the quality control training for DOD employees, we should add contractor employees, because we feel that the contractor himself must be involved in this training period.

As a major difference that we have with the Quayle proposal or the committee proposal, we find—and respectfully submit, that no longer should the taxpayers of this country be responsible for paying for defective work—defective parts and weapons that do not work. We find that the taxpayers have paid for that long enough. Defective equipment should be paid for and replaced solely by the contractor who performed that work.

Today there is not enough incentive for the contractor to do it right in the first place. Because if the contractor does not do it right in the first place, he gets paid on the front end and may get paid once again to fix it.

Furthermore, we put the burden upon the contractor to prove that costs are reasonable, and we also provide a strong definition of what is and what is not reasonable.

Mr. President, let me respectfully submit on behalf of the cosponsors of this amendment, with all due respect on the committee's amendment, we as a Government will spend hundreds of billions more defense dollars before the committee amendment is implemented. Up until the 1990, the Quayle amendment, the committee amendment, will be taking effect piecemeal, where our amendment would take effect immediately, the major portions of that amendment taking place on October 1, 1985, and in subsequent years running until 1987.

Mr. President, these are basically the differences between these two proposals. They are not minor differences. We see the problems as the same. But, Mr. President, what we have maintained, respectfully, is that we must have a stronger approach to curing these problems that face us at this particular time.

Mr. President, finally, we are going to utilize the criminal penalties under the False Claims Act to apply to any contractor who knowingly certifies defective equipment or services from a quality control point of view which are delivered to the Department of Defense.

The False Claims Act and the risk of perjury would also be applied if a contractor knowingly falsified any report to the Department of Defense or to the Congress of the United States. I think Senator GOLDWATER raised this question well a while ago. I only assure the distinguished chairman of the Armed Services Committee that under our proposal if a contractor did those things that Senator GOLDWATER mentioned only a few moments ago, that contractor would be running the risk of perjury just as a taxpayer is on April 15 if he files a fraudulent income tax return.

I yield back the remainder of my time.

Mr. GOLDWATER addressed the Chair.

The PRESIDING OFFICER. The Senator from Arizona.

Mr. GOLDWATER. I ask unanimous consent that the discussion of the present amendment be temporarily laid aside, and that recognition be given to the Senator from New Mexico who will offer an amendment.

The PRESIDING OFFICER. Without objection, it is so ordered.

AMENDMENT NO. 155

(Purpose: To require certain additional information in annual Selected Acquisition Reports)

Mr. BINGAMAN. Mr. President, I send an amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report.

The assistant legislative clerk read as follows:

The Senator from New Mexico [Mr. BINGAMAN] proposes an amendment numbered 155.

Mr. BINGAMAN. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

On page 100, between lines 2 and 3, insert the following new section:

ANNUAL SELECTED ACQUISITION REPORTS

SEC. . (a) Subsection (c) of section 139a of title 10, United States Code, is amended to read as follows:

"(c)(1) Each Selected Acquisition Report for the first quarter for a fiscal year shall include—

"(A) the same information, in detailed and summarized form, as is provided in reports submitted under section 139 of this title;

"(3) the current program acquisition unit cost for each major defense acquisition program included in the report and the history of that cost from the date the program was first included in a Selected Acquisition Report to the end of the quarter for which the current report is submitted; and

"(C) such other information as the Secretary of Defense considers appropriate.

"(2) Each Selected Acquisition Report for the first quarter of a fiscal year shall be prepared and submitted in the same format and with the same content as was used for the Selected Acquisition Report for the first quarter of fiscal year 1984.

"(3) In addition to the material required by paragraphs (1) and (2), each Selected Acquisition Report for the first quarter of a fiscal year shall include—

"(A) a full life-cycle cost analysis for each major defense acquisition program included in the report which is in or has completed full-scale engineering development and which was first included in a Selected Acquisition Report for a quarter after the first quarter of fiscal year 1985;

"(B) if the system that is included in a major defense acquisition program described in clause (A) has an antecedent system, a full life-cycle cost analysis for that antecedent system; and

"(C) production information, including but not limited to—

"(i) a baseline annual production rate planned for the system through the projected termination of the procurement;

"(ii) cost and schedule variances caused by departure from the annual baseline production if the annual budget submission varies from the baseline;

"(iii) the annual production capacity provided with the facilities and tooling programmed for procurement in the program or otherwise provided by Government funds;

"(iv) the annual production rates assumed in the cost-effectiveness analysis presented at the time the Secretary of Defense authorized the military service component to proceed with full-scale development of the program; and

"(v) the cost savings projected to be available if the program submitted in the annual budget submission was procured at the annual production rate identified at the time the Secretary of Defense authorized the military service component to proceed with full-scale development of the program.

"(4) Selected Acquisition Reports for the first quarter of a fiscal year shall be known as comprehensive annual Selected Acquisition Reports.".

(b)(1) The Secretary of Defense shall resubmit to Congress the Selected Acquisition Reports required by section 139a of title 10, United States Code, for the first quarter of fiscal year 1985. The reports as resubmitted shall be in the format and with the content required by paragraph (2) of section 139a(c) of such title, as added by subsection (a).

(2) Such reports shall be submitted not later than 30 days after the date of the enactment of this Act.

Mr. BINGAMAN. Mr. President, I have sent to the desk an amendment that is designed to improve the quality of information in one of the most important oversight documents provided to the Congress on Defense Department programs, the selected acquisition reports, or SAR's.

The SAR's are one of the most comprehensive sources of data on the costs and progress of major defense weapon systems. The SAR's provide for each system the current best estimate of the key performance, schedule and cost goals for the total program. That best estimate is compared to a baseline estimate for the program. That baseline estimate provides a yardstick to measure progress, and highlight problems.

The SAR's originated in the Laird Defense Department in the early 1970's. David Packard, then Deputy Secretary of Defense, and Robert Moot, then Defense Comptroller, were committed to having a tool which could highlight cost, schedule, and technical variances in major defense acquisition programs. With the help of McKinsey & Co. and the Harvard Business School, what we now call selected acquisition reports were developed. I might add that then Senator Richard Schweiker played a significant role in encouraging the development of these reports. As my House colleague, Representative JOHN SPRATT, who was then working for Mr. Moot, has told me, the SAR was an attempt to institutionalize honesty in the defense acquisition process and was and remains an essential management tool.

The selected acquisition reports have become one of the most important tools available to the Congress for defense oversight. The SAR's are the documents which provide the basis for annual review of cost growth in weapons programs. Three years ago the Congress adopted the Nunn-McCurdy amendment on cost growth. That amendment, now incorporated in section 139b of title 10 the United States Code, stipulates specific reporting criteria if SAR weapons systems exceed certain cost growth thresholds. The Nunn-McCurdy amendment has become a powerful tool for controlling costs in programs.

The primary purpose of the Nunn-McCurdy amendment is to force senior managers in the Defense Department to confront troubled programs. At least one program, the low-level-laser-guided bomb, this year was terminated by the Air Force because it breached the Nunn-McCurdy amendment cost threshold. Because the SAR's provide comprehensive and consistent data, they are crucial to the functioning of the Nunn-McCurdy amendment.

This year the Defense Department chose unilaterally to scale back the detail provided in the annual comprehensive SAR reports, which we received in April. Major portions of cost data were dropped. Much of the cost variance analysis was removed. Contractor costs were deleted. Footnotes explaining important changes were dropped. In short, Mr. President, DOD decided to cut back severely on the data provided in the SAR's.

The Defense Department has argued that this information is already provided in other ways to the Congress and that no one looks at the SAR's anyway. That is just not true. Our staffs review them in detail. More importantly, the congressional support agencies, notably the Congressional Budget Office and the General Accounting Office, rely on the SAR reports. The independent cost estimates from the Congressional Budget Office that we have all come to depend on, rely on the SAR reports, and particularly on the data that was dropped in the most recent SAR report.

But beyond this immediate impact, there is a more fundamental issue at stake. The Defense Department, by choosing to unilaterally limit the data provided in the SAR reports, is signaling to the Congress that it is prepared to abandon this most important management tool, a tool put in place, I would repeat, by recognized management experts such as David Packard and Robert Moot. I think we must in turn signal to DOD that we require that information and that it shall continue to be provided.

My amendment, which at Congressman JOHN SPRATT's initiative is incorporated in a parallel form in the fiscal year 1986 defense authorization bill which the House Armed Services Committee has reported, specifies that the information which had been provided routinely in the past shall be continued in future SAR reports. It also calls on DOD to resubmit the current SAR with that data restored within 30 days of the enactment of this act.

My amendment also adds two new elements of information to the SAR reports starting next year. First, the amendment requires DOD to provide operating and support costs for future SAR systems by providing a comprehensive life cycle cost estimate for the systems. Congressman SPRATT's amendment has a similar requirement.

Let me reassure my colleagues that my amendment is not asking DOD to do anything that it is not already doing. Every major acquisition program must have a life cycle cost analysis completed before the Secretary of Defense will authorize full scale engineering development of the system. My amendment merely requires that the SAR reports include that information in the future once the Secretary has authorized the SAR system to proceed with full-scale engineering development. The amendment also directs DOD to compare those life cycle costs with antecedent systems, if they exist. For example, the Air Force will have to compare the life cycle cost of the advanced technology fighter with the F-15 in future SAR reports on the ATF and the Navy will have to compare the life cycle cost of the new SSN-21 attack submarine with the SSN-688 attack submarine.

The primary reason this information should be included is to bring greater attention early in the acquisition process to the total costs of a new weapon system. At the early stages of program development too little attention is devoted to operating and support costs. The program manager is under all kinds of pressure, but he is primarily evaluated on meeting the performance and investment cost objectives identified for the system.

But there is too little attention to long-term ownership costs. It costs $18 million to buy an F-16 fighter. But that fighter costs $1.8 million per year to own and operate. Over a 20-year period, the ownership costs will be twice as great as the investment costs. We need to pay greater attention to those long-term ownership costs early in the acquisition process. My amendment will bring those costs to the attention of senior managers in DOD. If they know that those costs are going to be required in the SAR's for future systems once they pass the full-scale engineering development milestone, they will devote more attention to these critical questions during internal DOD review.

My amendment also requires DOD to provide production rate information in the SAR's. This part of my amendment goes beyond Congressman SPRATT's language in the House bill, but I have discussed it with him and he believes that it would be a useful addition. All of my colleagues have

heard that we have too many weapon systems in production at inefficient production rates. Senator NUNN has taken the lead in attempting to deal with this problem. Senator GOLDWATER, from my first days on the Armed Services Committee, has pointed out the inefficiencies in buying only three or four or six of a weapon system in a given year. Too much of our defense investment is going to pay for contractor overhead because we buy more systems than we can afford to buy at efficient production rates.

My amendment requires the Defense Department to identify for each SAR system the minimum economic production rate for the system and the desired production rate. DOD will have to indicate in the SAR how much more the system costs because we fail to procure it at the desired production rate. The cost impact of inefficient production will be included in the cost variance analysis, so we can see the cost of inefficiency more directly in procurement. The production rate data will be submitted starting with next year's SAR's.

I am convinced these changes will further improve the SAR reports. I ask my colleagues to support this amendment aimed at improving the management of the Department of Defense.

(Mr. DOMENICI assumed the chair.)

Mr. GOLDWATER. Mr. President, I believe the minority has cleared this.

Mr. LEVIN. Mr. President, not only have we cleared it, but we commend the Senator from New Mexico for a really creative and powerful improvement to the SAR statutes. We have been going over this and it is a very important addition to the current law. We commend him on it. We have cleared it.

Mr. GOLDWATER. Mr. President, I include myself in the remarks made by my friend from Michigan.

I have a great deal of admiration for the Senator from New Mexico for the way he attacks these problems and sticks with them.

Mr. President, we will accept this amendment.

The PRESIDING OFFICER. Is there further debate? If there be no further debate, the question is on agreeing to the amendment.

The amendment (No. 155) was agreed to.

Mr. GOLDWATER. I move to reconsider the vote by which the amendment was agreed to.

Mr. QUAYLE. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

AMENDMENT NO. 154

Mr. GOLDWATER. Mr. President, I ask unanimous consent that we now return to consideration of the amendment offered by the distinguished Senator from Arkansas, to the amendment of the distinguished Senator from Indiana [Mr. QUAYLE].

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. QUAYLE. Mr. President, I am going to yield the floor so the Senator from Michigan can make a statement. Then, after he speaks, I intend to speak concerning some statements that have been made today about the committee amendment.

The PRESIDING OFFICER. The Senator from Michigan.

Mr. LEVIN. Mr. President, I thank my friend from Indiana. I am going to respond very briefly to a few of the points the Senator from Arkansas made comparing the two amendments. I am only going to focus on the revolving door aspects of it. Most of this amendment is other than that but the revolving door is the part I have had the most connection with.

I do not know if my friend from Arkansas is here. I hope he is within earshot in any event.

Mr. President, at least as far as the revolving door aspect of the committee amendment is concerned, I think the fairest characterization is that the committee amendment plays hardball and the perfecting amendment plays hardball, but they play it in two different ways. In two significant aspects, the committee amendment is stronger than the perfecting amendment. The perfecting amendment only covers DOD employees who have significant responsibilities with a particular Government contract. If you have less than significant responsibilities, if your job with the DOD relative to a contract is not major but is minor, you are off the hook under the Pryor amendment. You can have discussions about a job for yourself. If your responsibilities relative to a contract are not significant as defined by law, you can go ahead with that defense contractor and discuss employment for yourself after you leave the DOD. That is wrong. It is unethical, and we are going to stop it. The committee amendment does stop it.

In other words, there is a multitude of employees who have contract responsibility which do not rise to the level of major significance, but the ethical question is major and significant. The ethical question is whether or not we want DOD employees, regardless of the significance of their supervisory responsibilities—if they have any supervisory responsibilities, do we want those employees discussing jobs for themselves? The committee amendment says no. That is an important difference between this amendment and the Pryor amendment. In this respect, our amendment is significantly stronger than the Pryor amendment.

We also have a 10-year ban—not a 3-year ban but a 10-year ban—for employees who have not disqualified themselves who are pursuing discussions about employment at the same time that they are monitoring contracts with the contractors with whom they are discussing employment. In that respect also, the committee amendment is a lot stronger than the perfecting amendment which is being offered. Again, I am only addressing myself to the revolving door aspects of the particular perfecting amendment which we are debating now.

My friend from Indiana, I know, has been kind enough to yield to me and I am going to yield the floor so he can address the other aspects of the perfecting amendment vis-a-vis the committee amendment which we are supporting here this afternoon.

The PRESIDING OFFICER. The Senator from Indiana.

Mr. QUAYLE. Mr. President, we have had an interesting debate this afternoon. I shall have to admit that I do not think it has been as intense as I had anticipated. I guess I had anticipated a number of people really coming over and hammering away at what the Armed Services Committee had done. That simply has not happened.

I think perhaps what the vote will show is that the Armed Services Committee has very diligently provided a thoughtful, detailed, substantive procurement reform and has done that on a bipartisan basis. I really believe that, in our heart of hearts, with the work that we put into this committee amendment and the work that we have done, our deliberation will in fact prove to be the contribution that the full Senate wants to accept.

Mr. President, what I am going to do now is outline some of the actual false statements that have been made this afternoon about the committee amendment. I am going to point out some of the real fallacies of the Pryor amendment. Then I shall conclude by again talking about the merits of the committee amendment that I hope the Senate will adopt. But I do believe we have to set the record straight, because there have been a number of erroneous statements that have been made.

It was said this afternoon, Mr. President, that this committee amendment does not require competition between two contractors. False. That is simply not the case, because the committee amendment in fact does recognize and pay attention to CICA, the Competition in Contracting Act. Perhaps the statement was in reference to dual sourcing. I do not know what the reference was, but a direct quote is, "doesn't require competition between two contractors." That is simply a false statement.

Another statement was made that the "should cost" analysis would be

done by defense contractors. That is absurd. Why would we hire a defense contractor to do a should cost analysis? As a matter of fact, we say that the Department of Defense ought to do the should cost analysis.

In the report language, we make very certain in fact if they want to contract out to the private sector that is doing something, they could do that, but not to a defense contractor. Again, that is a statement that is simply erroneous. It is wrong on its face.

The statement was made this afternoon, concerning the warranty provisions that was worked out last year, that on the first 10 percent to come off the production line, there is absolutely no control on the quality that comes off. In other words, nothing is under warranty. Again, erroneous. The first 10 percent applies to production warranty, but we have a warranty on workmanship and materials for all items, whether it is the first 10 percent or the last 10 percent. So again, Mr. President, that is an erroneous statement, a false statement concerning the committee amendment.

Another statement was made that $1 trillion will be spent before the effects of this committee amendment take place—$1 trillion. It sounds good. Maybe everybody up there in the gallery caught it, $1, trillion before the committee amendment takes effect. Again, Mr. President, an erroneous statement. The things that do not take effect immediately refer to the education and training of the program managers and the professional personnel. Dual-sourcing, revolving door, and other elements of the bill take effect immediately. But it sounds good to stand up and talk about $1 trillion is going to be spent before any of the committee reforms take place.

Well, Mr. President, it is just not true, absolutely not true.

Another statement was made that 96 percent of the funds are not competitive—96 percent of the funds are not competitive.

Now, that may have been true under the earlier definition of the amendment offered by the Senator from Arkansas on sealed bids but now that he has gone back to adopting the competition itinerary in CICA, that 96 percent does not apply. It is 40 percent. Four percent compared to 40 percent is a big difference. So to stand up and say 96 percent are not competitive just simply is not true, Mr. President—simply not true.

Then we have a letter that went out on May 17, 1985, signed by the Senator from Arkansas and the Senator from Iowa. It says, "There is an incentive for contractors to provide poor equipment since the replacement of that equipment can mean more business for the contractor."

Mr. President, that is really in the category of almost being outrageous, I mean the idea that somehow we are going to put in incentives for contractors to provide poor equipment it is wrong. Furthermore, I point out that we have a warranty provision which would be an incentive to the contractors to have good equipment, to provide the best quality, but yet this statement goes out.

I say there is also an incentive to provide good equipment and good quality; if we have a fixed-price incentive contract, that those would be incentives to the defense contractors to perform in a good way. To make reference that somehow we are going to provide incentives to have shoddy equipment, bad materials, bad contracting, Mr. President, hardly deserves an answer. I am a little bit surprised it is even put in the letter, but when these things are put in there and challenges what we are doing, the Senator from Indiana has to get up and speak to that point. I cannot idly sit back and let this type of nonsense continue.

So, Mr. President, those are some of the things that have been stated throughout the day, throughout the discussion of this amendment which are simply wrong. They are simply in error, and I want the RECORD to so show.

Now, then, what are some of the objections to the Pryor amendment as such?

Well, I would say that one of the objections—I think probably the most important objection, Mr. President—is that you have a 22-page amendment that is just thrust out here, saying this is better than what the Committee on Armed Services could do. And yet, when we narrow it down, you go back and correct the RECORD, at least we have defined the areas of concern, but there seems to be a disagreement on what ought to be the remedy. That is the main objection, running in here and doing it in this manner.

Another concern I have is that if you take any kind of a claim that is submitted but not granted, then there are criminal penalties. Well, this goes to the gray area, Mr. President, and I think to say that there could not be an arguable debate on what is public relations versus advertising or what would be employee morale versus entertainment avoids the question, because there can be a discussion of these issues. It has been going on for years. As the chairman of the Armed Services Committee has said so many times, this debate has been going on for years as to what is an allowable expense. It is going to continue. Now we take some provisions that itemize and say these things in another part of the bill should be presumed to be reimbursable, but what this says is that any claim that is not granted but submitted, automatically criminal sanctions apply.

Well, now, Mr. President, if we want this legislation to mean something and be enforceable, obviously we are not going to go overboard and overkill. I hardly think that is the right thing to do.

Then we have the requirement by the Pryor amendment that sole source contract has to be authorized by the Congress each and every year. Each and every year Congress is going to have to authorize it. Whether it is the F-15 or an aircraft carrier, you name it, any sole source is going to have to be authorized. This is simply going to be a costly and in my opinion a very unworkable situation.

We have already gone through the revolving door issue. I think the Senator from Michigan has pointed out, quite properly, that his provision in many respects is tougher on the so-called revolving-door employee than the substitute that is going to be offered. But I am concerned particularly on the revolving-door amendment as a substitute for the amendment that is offered that it would prohibit those who work on mini contracts from going to work for anybody in the defense industry.

Now, I can see maybe the idea that if you want to narrow it down and say this person should not go to work for that particular industry, you may have an arguable case. But when you put it in the context of a person who works on mini contracts being prohibited from all the defense industry, I can only say that we are really going to be in a world of hurt to try and recruit people into the Government and provide a service. You talk about incentives and disincentives. This would be one of the bigger disincentives to getting quality people.

Also, Mr. President, under the substitute amendment they drop a provision of our bill that I think is very important, and that provision deals with the training and education we would like to see of our program managers and the people who are in the major weapons development systems in the area of procurement. I read from the same letter dated May 17, and it says:

> Quayle addresses a very serious problem, but unfortunately sending managers to the sort of training now offered is no improvement. Some of the best people at DOD have no formal training, just good judgment. Therefore, Pryor-Grassley eliminates these two sections.

Well, now, Mr. President, somebody having an education in this background certainly will help their judgment. They might just be a better judge and be able to call the shots a little bit better if they have this kind of background.

But, no, the Pryor-Grassley amendment cuts that. It says, "Oh, we really don't care, I guess, about what their background is just as long as they have good judgment."

I wish I could really believe that. Maybe the Congress would get out of a lot of this micromanagement business. Just let them have good judgment. Let the President exercise his judgment. Let the Secretary of Defense exercise his judgment. Do not you try to get in there and specify what this ought to be. I mean to tell you, I am going to read that one back a lot of times—just let them use their own judgment. We are going to allow them to use their own judgment. We also want to give them some guidance in what we think education and training requirements should be.

When we look at the Hughes plant with respect to the problem they had in soldering, some of the people in quality control had no background in quality control.

Just leave it up to judgment? Some reform measure? You had better rename this substitute. I do not know what kind of reform that is, but it is not what the Senate wants to adopt. Just leave it up to their judgment, just good judgment. I am going to get a plaque on that.

Mr. GOLDWATER. Mr. President, will the Senator yield for a comment?

Mr. QUAYLE. I yield to the chairman, without losing my right to the floor.

Mr. GOLDWATER. This item in the other measure bothered me. As the Senator from Indiana knows, we had been advocating competition in the armed services for years.

The Navy, for example, had competition advocates who had become so successful that they rebuilt a battleship last year, and two other ships, without 1 cent of the taxpayers' money. Those men were schooled. They were taught how to go out and get competition.

The Army is now conducting a school where they are going to train young officers to go into this type of position. The Air Force is doing it. I think it is the most important thing that the Pentagon has ever engaged in.

As for common sense, I am a great believer in common, horse sense.

The Senator described the situation at the Hughes plant, where they did not even know how to solder, and they were making $1 million Phoenix rockets. Yet, the man who was supervising had common sense. If a guy cannot look at a solder joint and tell it is no good, he does not even have any sense, not only common sense.

I am glad that the Senator is stressing this very important point, one of the major differences between the amendments we are going to vote on, and I compliment him.

Mr. QUAYLE. I thank the chairman. He is absolutely right.

The very fact that there is no formal training, just let them go out—we will get them out of some tank or some plane or pick them out of somewhere and put them in there and they will exercise good judgment. What the Armed Services Committee worked so hard on was to try to get them into training and into having some education.

Furthermore, what we have tried to do, which the Pryor-Grassley amendment totally debunks, is to get a career path established, so that once these people get into the acquisition situation, they know that they can become a general or an admiral without being on the ship or in the plane or on the tanks.

In peacetime or wartime, we have to have a professional acquisition corps in the armed services. That is what the committee amendment does.

However, for some reason, we are just going to leave it up to judgment with the Pryor-Grassley amendment. I leave it up to the Senate to answer that question in a short time.

Finally, Mr. President, I should like to reiterate what the committee amendment does. It deals with competition, continuation of competition. We encourage dual sourcing where appropriate. Where you have dual sourcing, you have two contractors, whether it is engines, where you save billions of dollars, or something else. Dual sourcing can save money.

Another main component is cost. We are trying to figure out how much a particular weapons system should cost. We ought to have an understanding of that, and we can get that understanding and that appreciation within the Department of Defense and find out what the cost should be.

Third, we do encourage a more professional procurement personal staff. That is the section that the Pryor-Grassley amendment guts. That amendment takes it out and says it is no good; leave it up to judgment; do not worry about education; do not worry about training; do not worry about these people knowing anything about soldering or accounting.

As to quality assurance, it is a major component of this bill.

The Senator from Michigan has explained the revolving door eloquently and in detail. We also have the procurement technical assistance, the outreach programs. In this bill, we have the outreach programs, where we try to get more small businesses into the defense-industrial base. There is nothing wrong with that. The more you have in it, the more competition there is.

Finally, we changed the burden of proof in a court case, that the contractor has to show why the cost should be allowable, not the Government. The burden falls on him if the Government questions it. Many Members of the Senate are lawyers, and they know that, in a court of law, an important point is where the burden of proof rests.

Mr. President, I hope that the Pryor-Grassley amendment is rejected overwhelmingly. The committee, with strong bipartisan support, voted unanimously to report this procurement reform that is pending.

I dare say that it may be good politics to stand up and say all these things and to do all these things in the area of procurement, but some of us take this matter very seriously.

No matter what happens with this amendment, I look forward to working with the authors of this amendment. I hope they offer some testimony before our subcommittee, because this is not the first time we are going to be dealing with this issue, nor is it the last time. This issue will be around. We will have the dialog, the testimony, and the witnesses, and we will do this at a committee level and a subcommittee level, where we can get bipartisan support and understanding.

This is a 22-page amendment, highly technical. I have outlined some of the deficiencies I find in the amendment. I have corrected many of the misstatements that have been made.

I hope the Senate will support the Armed Services Committee, which has done a lot of work on a very important piece of legislation that will be before the Senate very soon for a vote.

Mr. PRYOR. Mr. President, the Senator from Indiana and the Senator from Arkansas started off this debate on this issue, I thought, on a very high level. I complimented the Senator from Indiana. I complimented the members of the procurement subcommittee of the Armed Services Committee. I complimented the chairman and the ranking minority member of the Armed Services Committee. I thanked them for recognizing the issues we are looking at today in this debate on the floor of the Senate.

Never once, by implication—and I hope not on the other side by inference—did the Senator from Arkansas ever suggest that there was one iota of misrepresentation or one reason to be wrongly motivated in bringing before the Senate these issues of defense procurement.

Truly, I think the Senator from Indiana, the Senator from Arkansas, and all other parties in the Senate are equally concerned and equally disturbed and equally frustrated about what is going on in this country and about the relationship of the Department of Defense to the defense contracting establishment.

Let me pass that by for the moment and say once again that I compliment the Senator from Indiana for his diligence, and I compliment the staff of the subcommittee and all those involved on that side in bringing this effort to the floor this afternoon.

Let me respond by saying, also, I do not know exactly what the Senator's

accusation was, or what the Senator from Indiana called the statements I made about what was in or not in his proposal.

Let us put all that beside us. Let us get to the point of what this issue is truly about.

This issue is about which one of these proposals is harder or softer. It is about which will bring us the best weapons system at the best price for the protection of our own national security and for the protection of our own taxpayers of this country.

I said earlier when I opened up the debate this morning—it seems like a long time ago—I stated then and I restate now that it seems that we spend too such time in this Chamber talking about how we are going to control our own Defense Department and the defense contractors of America and spend too little time, it seems, on trying to figure out what the Russians are going to be doing or what they are building or what they are saying. I am worried about that, Mr. President, because once again, this whole area has deflected our attention away from the concerns of the protection of our national security.

Mr. President, I am going to make three or four points here, and once again I am not questioning the motives of the Senator from Indiana, but I wish very much for the Senator from Indiana to rise on the floor of the Senate and show me one area of this particular bill, or his particular amendment, which is going to encourage and provide the incentive for more competition in defense contracting.

Mr. QUAYLE. Mr. President, will the Senator yield?

Mr. PRYOR. I am glad to yield.

Mr. QUAYLE. The very first provision where we say the dual sourcing ought to be part of a norm rather than exception will encourage competition.

Mr. PRYOR. How much effect have the words "ought to be"? What effect does that have on the Department of Defense and the defense contracting establishment—"ought to be"?

Mr. QUAYLE. I guess I will restate it.

I presume the Senator understands the dual sourcing. Once a contract is let you try to keep two contractors in the actual production of it. And if we encourage dual sourcing and we have two contractors out, the most classic example is the re-engine contract, where we have GE and Pratt & Whitney involved in that. We have competition and also savings, and we think this ought to be much more of the rule rather than exception.

Mr. PRYOR. I respectfully submit that the Senator's amendment says, "ought to be," and even let us just make the presumption, if I might say to the Senator from Indiana, even if the Senator said "shall be dual source," "shall" being a mandatory work, then he comes right back and says a few sentences later that if the Secretary of Defense does not want to do this, then all the Secretary of Defense has to do is to sign a waiver and say it is in the interest of national security. The very distinguished Senator from Indiana refers often and fondly to CICA. The Competition in Contracting Act, as the Senator knows, closed that loophole on "national security interest," and I respectfully submit that the committee language does nothing but open that loophole up once again.

Mr. QUAYLE. Mr. President, will the Senator yield?

Mr. PRYOR. I am glad to yield.

Mr. QUAYLE. Let me reiterate on page 4 of our bill the acquisition plan shall provide for the use of competitive procedures when required, and it does use the word "shall acquire," and furthermore on the waiver provision there are always going to be waivers. Perhaps the Senator thinks that our waiver situation ought to be tightened up. I can tell the Senator it does not take 22 pages of an amendment to tighten up that provision if that is what he is concerned about.

Mr. PRYOR. I thank the Senator for yielding.

I also wish to know if there is an incentive in his amendment to force competitive dual source contracting. What incentive do we find in the committee amendment to force competitive dual source contracting.

Mr. QUAYLE. The legislation requires dual sourcing. Let me read it again. "The acquisition plan shall provide for the use of competitive procedures," shall referring back to dual sourcing. This is not a kind of incentive. It is a requirement we are putting in there, much stronger than any kind of incentive that we could write.

Mr. PRYOR. The Senator also took great issue about the language that we have requiring Congress to approve sole-source contracting in major acquisition programs, and I guess there are somewhere around 80 of these programs each year.

I wish to ask the Senator from Indiana what is wrong, when a sole source contract has been granted with no competition that is going to spend billions and billions of dollars on a particular system when there is no competition whatsoever, what is wrong with bringing that issue to Congress? What is so wrong about that?

Mr. QUAYLE. Mr. President, will the Senator yield?

Mr. PRYOR. I am glad to yield.

Mr. QUAYLE. In some cases, some situations, there is only one contractor who can manufacture the system. For example, the F-15. They do not have two contractors making the F-15. We do not have two contractors making the F-16. We do not have two contractors making the Trident submarine. Once we sign off on that, I do not know why we have to do it year in and year out. It becomes very burdensome. It becomes a lot of paperwork, and we can allow their own good judgment on that particular point if in fact they are going to use sole source.

Mr. PRYOR. I wish to talk about good judgment in a moment, but if the Senator says it is going to take a lot of paperwork, I would just point out that we have over 100,000 people, I think who purchase for the Pentagon. If we talk about good judgment and if we talk about paperwork and if we talk about costs to come up here to the Hill, I say this sincerely to the Senator from Indiana, I think that would be time and money well spent. I think we then put Congress once and for all back in the oversight function that somehow or other we have delegated to the Defense Department, and I think it is a proper function of Congress to look at these huge expenditures, especially when there is no competition whatsoever. I think that is the proper approach.

Mr. QUAYLE. Mr. President, will the Senator yield?

Mr. PRYOR. I am glad to yield.

Mr. QUAYLE. I would think that we do in fact have oversight, and I think we do have authorization of these sole-source contracts when in fact we approve a defense budget. If the Senator wants to put in an amendment that says that we ought to dual source the F-15 or Trident submarine, I suggest that the Senator do that and then we can have a debate on that.

I do not think the Senator will do that. If he wants to we can. We are going to have oversight this whole week on the defense budget and every single item in that. Therefore, we can have a discussion on each item, whatever item the Senator wants to get into.

Mr. PRYOR. I say to my friend from Indiana, yes, we are going to have oversight. We are going to have oversight by telling the Department of Defense how much money can be authorized for a particular program and the Appropriations Committee is going to come back and appropriate those dollars and then, I say to my friend, Congress is out of it. We are out of it until it is too late, until after the Congress finally wakes up some morning and we find, oh my goodness, what has happened to this contract? Why did this tank cost so much more than we were told it was going to cost? Why did this airplane cost so much more? Why is it that today we are now buying gas masks at $6,500 apiece or whatever?

I say to my friend from Indiana, sole-source contracting, big overruns, these have got to be monitored much more closely. I say to my friend very respectfully that we are finding out

too late about what is going wrong. We have got to start finding out before the fact rather than after the fact and after it is too late.

The Senator from Indiana has had some great fun talking about his section on quality assurance and our section deleting the program managers school that these program managers should go to. I would be glad to concede this at this particular point. We could do it by division or any way you want to on that particular section of the Senator's legislation. I would be very happy to concede that amendment and say, "You know, maybe this is not going to be too bad."

But it is things like what happened to Col. Robert Dilger that make me wonder about whether a school is the right to way to go. Col. Robert Dilger was the program manager for the GAU-8 ammunition program. The Senator from Indiana probably knows that the Air Force was prepared to spend some $85 per round on those shells. Because of competitive dual sourcing, however, we are now purchasing that same round of ammunition for $13.

Well, this was all the suggestion of Col. Robert Dilger. He got this round of ammunition down from $85 to $13—and he had no training. Do you know what he had? He had good judgment. And do you know what happened to him? The Air Force rewarded Colonel Dilger. How did they reward him? By promotion? By an award? By a medal? No, they hounded Colonel Dilger out of the Air Force.

This is what is happening today to people like this who want to try to bring some sense into what we are doing.

Now, Mr. President, once again I would be glad to concede and I would be willing to try, I would certainly applaud the Senator if these so-called schools that he has in mind could teach these people how to contract.

(Mr. DANFORTH assumed the chair.)

Mr. QUAYLE. Will the Senator yield?

Mr. PRYOR. I am glad to yield.

Mr. QUAYLE. Actually, the schools are important, but the most important thing in there that we require is the experience, the 8 years experience. Because what has happened in the procurement area, to get people into the program management so they can see their way to the top, they are simply taking people out of operations that have very little procurement background and putting them into procurement.

We had a debate last year, I believe it was Senator NUNN, Senator BYRD, and Senator LEVIN and others, where we talked about putting in a 4-year requirement for a program manager because we wanted some sense of stability of these people to get into the program management and to get into the procurement.

So beyond the schools, which I personally think are an important requisite, the 8-year experience—and that is one of the things the Department of Defense, quite frankly, fought very hard and I think that is one of the things that I know I am interested in and I think you would be interested in, too, to try to establish that experience factor. Because if we can get people that have more of a background and more experience in this, then I think they are going to be able to go out there and have more parity, have a broader background and better understanding of how these things work.

So it is not just the schools, it is the very experience factor that is a very important factor that has been deleted.

Mr. PRYOR. Mr. President, I would like to say this, and I hope it does not sound facetious. I think one of the problems now in our whole defense procurement system is that there is too much experience already. They have learned how to find every loophole. They have learned how to abuse the system terribly. And I do not know who is going to be teaching all of our people how to write contracts. I hope it will not be General Dynamics or Hughes Aircraft. I am not implying that they would. I do not know who is teaching at these schools.

But whatever the situation is right now, I think we all concede that it is a mess. I am certainly willing to concede that if the Senator from Indiana and the Armed Services Committee thinks this is a good idea, I am willing to try it. But right now I am inclined to believe we have too much experience. What I think we need is some toughness in requiring competition. Because in requiring competition and requiring contractors to compete to a dual source nature, we would achieve the greatest reform ever.

Mr. President, I do not have a lot more to say about this whole proposal. It is extremely complex, as the Senator from Indiana knows. As reasonable men and women do, I think we disagree on how we can achieve the result that we want. I want the Senator to be assured, notwithstanding what he has said, that I in no way attempted to mislead one individual in this Chamber.

I would like to conclude by saying that it has been a pleasure working with the chairman of the Armed Services Committee and others in allocating this amount of time this afternoon. Frankly, I wish we could debate this section for a whole week because I think it needs that much time. I think it needs that much attention.

I just think that we have got to find a positive and constructive way to make the necessary reforms. We just think that our approach is stronger. It may be that yours is stronger, but we think that ours is stronger. I hope that you will allow us the opportunity, even though neither of the principal authors is on the Armed Services Committee, to come forward and make some sense of a chaotic and, in my opinion, a very, very dangerous situation.

So we think ours is the way to play hardball. We think yours is the way to play softball. We are going to give the folks an opportunity in this Chamber to cast their vote and see which is the best route. That is how the system works. I thank the distinguished Senator from Indiana.

Mr. HART. Will the Senator from Arkansas yield?

Mr. PRYOR. I am glad to yield to the Senator from Colorado.

Mr. HART. Let me just say for one moment that the Senator from Colorado is on the Armed Services Committee. The amendment offered by the Senator from Arkansas and his other cosponsors, in the judgment of this Senator, is in fact real procurement reform. Those of us who have been trying to bring reforms to the military institutions for a number of years, many of us very strongly support this amendment. We feel that, unlike its counterpart, it does not just offer a slim hope for promise of reform, but it is a fundamental reform in the procurement system. I hope those who genuinely feel that we have go to do business differently in the largest bureaucracy of the Federal Government, indeed perhaps one of the largest in the world, will support this amendment.

Mr. President, I strongly support the amendment offered by the Senator from Iowa and the Senator from Arkansas and supported by the congressional military reform caucus.

The issue before the Senate is a simple one: Do we want the reality of reform of defense contracting or merely the appearance of reform? The Procurement Subcommittee of the Senate Armed Services Committee has offered a committee amendment to this bill that, while it is well intentioned and does a good job of identifying procurement problems, has few teeth. The Pentagon has already said it can live with the committee amendment, which is to say, the amendment will not bring any real changes to business as usual.

In contrast, the amendment supported by the military reform caucus would bring real change.

It would replace the defense industry's business-as-usual procurement process with real free enterprise by demanding that most contracts be let on a competitive basis. And this competition would not be of the kind most common now, where a company can buy in to a program with an unrealisti-

cally low bid then raise the price once it has obtained the contract. Instead, two contractors would produce the product, with annual rebidding. The loser would get just enough of the contract to keep him in business until the next year's bidding. Time would bring added pressure to lower prices, not to raise them, as is the case today.

This is just the way the rest of our free enterprise economy works. It is the reason American consumers get a large variety of good products at reasonable prices. In contrast, the current Pentagon contracting system works like the economy of the Soviet Union. The Wall Street Journal recently referred to the current system as "The Pentagon's Gosplan." Thanks to our capitalistic economy, we do not have to buy weapons the way the Russians do. But that is exactly how we buy them today.

The Senator from Iowa has referred in the past to the need to get welfare out of the Pentagon procurement system. I would add, we need to put Adam Smith in the Pentagon. The amendment supported by the military reform caucus, unlike the proposed committee amendment, would do exactly that.

The caucus' amendment would also require that cumbersome, time-consuming procedures be followed to award a contract on a sole-source basis. I think this is a creative and useful approach. If we do not want sole-sourcing, which is to say monopoly, then we should make it difficult, obvious, and somewhat embarrassing. We should make the Defense Department shout from the housetops, "We are awarding this contract without the money-saving benefits of competition." We should make those who propose sole-sourcing parade before the Congress and the public wearing a sandwich sign reading, "We believe in monopoly. We like the way the Soviet economy works." That is, in effect, what this section of the amendment does.

The amendment also takes tough action on shoddy workmanship in defense contracts. Here we are not just dealing with money, but with lives. Weapons with manufacturing defects fail in combat, and when they fail, our soldiers die.

The committee amendment proposes nothing more than a 4 week training course for quality control personnel. In contrast, the caucus amendment requires the manufacturer to bear the full financial liability for quality control problems. He must pay all costs, including installation and labor costs, involved in fixing the defective weapon he supplied or replacing it. The defense contractors will just laugh off a 4 week training course. But if they know they have to pick up the full costs of any defects, they will have a strong incentive to get serious about quality control. We owe our soldiers that kind of seriousness.

Another major reason why we get so many poorly designed, ineffective and overpriced weapons is the revolving door. In the absence of both design and production competition, getting a contract can depend on making friends in the Pentagon. There is no better way for a contractor to make useful friends than by hiring those Pentagon officials, military or civilian, who oversaw his own program. As one Pentagon official said:

> Everyone here knows that if you play the game and keep the money flowing to the contractor, when you retire, a nice man will come around and offer you a well-paying job. If you make waves, if you raise objections to what the contractor is doing, when you retire there is no nice man.

The committee amendment merely requires a report when a DOD employee goes to work for the contractor he was supposed to be overseeing. The only penalties occur if the employee does not make a report. In contrast, the Grassley-Pryor amendment prohibits a DOD official from taking a job from any contractor he oversaw for 3 years after he leaves Government service.

Mr. President, on all three points—competition, quality control, and the revolving door—the committee amendment offers only an appearance of reform. The caucus' amendment offers real reform. I believe our constituents are tired of Government by appearance. They want reality, substance, not nice words that really change nothing.

This amendment offers a litmus test the public can use to see who is for real change and who wants to preserve business as usual in the Pentagon. That is what the committee amendment does—preserves business as usual. The Pentagon has said so itself, when it said it could live with the amendment. Anything the Pentagon can live with will not bring real reform. And without real reform, we will stay on the treadmill of declining numbers of weapons and increasing costs.

Substances or appearance—that is the issue before the Senate. I urge my colleagues to look at this amendment in that light.

Mr. PRYOR. I thank the Senator from Colorado very much.

Mr. GOLDWATER. Will the Senator from Indiana yield?

Mr. QUAYLE. I yield to the distinguished chairman of the committee.

Mr. GOLDWATER. I just wanted to respond very briefly to a comment that my friend from Arkansas made about having too much experience. You can never get enough experience.

Let me cite you the B-1 bomber program which started out at around $220 million and, because of proper supervision by one trained man, it is now down to about $175 million. The Apache helicopter started at $16.5 million and is down to under $10 million today only because of the proper supervision, watching by the Air Force.

Now there has been one source of overexpending in this that we have not talked about today, and that is the Congress. And I am going to give you one instance. I think for about 15 years I have been fighting for competition on a small carrier aircraft. In fact, Senator METZENBAUM and I took them to court 1 year and got beat. But over $400 million has been spent by the actions of the House committee without ever having one bit of competition.

Now, I would like to find something in this bill or somebody's bill that would tell the committees of Congress that they have to have competition, but we have never been able to do anything about it. And yet when it comes over here, we point out the mistakes that are being made in approving it. It has always been approved.

I am going to try it once again this year. I do not know what is going to happen but we are going to try.

I thank my friend from Indiana for yielding.

Mr. QUAYLE. Mr. President, just in brief conclusion, I also want to add my personal congratulations to the Senator from Arkansas for the way that he has conducted himself on this amendment, and the way that he conducts himself as a Senator. I do believe quite strongly that this is not a very good way to legislate. We are not trying to exclude anybody from offering amendments even though they are not on the Armed Services Committee, but we have had this discussion privately as well as publicly. We talked about this issue. This is not going to be the only time this issue is going to be discussed. I look forward to working with the Senator from Arkansas on this issue, and other issues in the future.

I in no way wanted to infer any kind of accusatory stigma to the Senator from Arkansas for any statements that he made that I in fact perceived as being misleading. I know the Senator personally has always dealt forthrightly and honestly, but I did want to take exception with some statements that were not made just by him but others that I made note of over the course of 4 or 5 hours of debate that I felt were simply erroneous and wanted to correct the RECORD on that—no implication whatsoever, and it should not be inferred as such. I am sure the Senator from Arkansas knows the Senator from Indiana would not infer that. But to clear up any kind of confusion I want to make sure the RECORD is loud and clear because I think this has been a little bit spirited in the last hour. It was not terribly spirited in the first 3 or 4 hours. But it is, as the Senator from Arkansas has pointed

out, an exceedingly complicated issue. It is one that takes a lot of time. I know of the Senator's personal involvement, and he has worked hard on this, but I can only tell you that each one of these issues the Senator has talked about we have gone over with hours and hours of testimony. Knowing of the Senator's interest, I look forward to working with him at this subcommittee level as we begin pursuing other measures in the procurement effort notwithstanding the outcome which I hope will be an overwhelming rejection of the Pryor amendment and acceptance of the committee amendment when the Senate finally gets down to voting on this which hopefully will be in a very short period of time.

Mr. GOLDWATER. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. BYRD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

STEALTH TECHNOLOGY PROGRAMS

Mr. BYRD. Mr. President, I shall shortly offer an amendment to protect two of our most sensitive and critical national security programs: The advanced technology bomber, the so-called Stealth bomber; and the advanced cruise missile, the Stealth cruise missile. These programs represent a technological edge over Soviet defenses and countermeasures; they not only keep the air-breathing leg of our strategic triad viable, but force the Soviets to expend considerable resources to attempt to counter them. I believe it is more important to keep the Soviets busy attempting to counter the forces we would have at our disposal in the event of a confrontation, than to passively permit them to pour their resources into new generations of offensive systems in order to intimidate the West.

As in the past, Mr. President, the extremely sensitive and highly classified nature of these programs prohibits a discussion of their details. Nevertheless, it is my understanding that the situation regarding vigorous support for their development this year is somewhat analogous to the situation which existed when we considered the fiscal year 1985 defense authorization measure last year. That is, as I understand it, the Senate Armed Services Committee has fully funded a program which is basically on track and on budget. Unfortunately, again, the other body may not be fully funding this program. The purpose of the amendment which I shall offer, therefore, is to establish a crystal clear Senate record on its position regarding the progress of and Senate support for these programs at the fullest appropriate funding level.

It is my intention to provide the Senate conferees, in their meeting with the House conferees, with a clear record so as to impress upon the other body the importance which the Senate attaches to these programs.

The first part of my amendment indicates that the Senate regards the Stealth bomber and cruise missile programs as a critical national security asset and that they be developed as rapidly as feasible in order to deploy them as soon as is possible in accord with sound management and planning. It states that it is the sense of the Senate that these technologies should be funded at the levels authorized in the pending measure, and that all funds appropriated for these programs be fully utilized.

The second part of the amendment is designed to protect the money which is appropriated, pursuant to this authorization bill, from being reprogrammed by the Department of Defense or the Air Force into any other program or for any other purpose.

The question of how the Pentagon manages the money which is appropriated by the Congress is very much an open one. There has been a great deal of waste, as has been obvious to all of us. Furthermore, there was a last-minute discovery of over $4 billion spread around the Pentagon budget which was offered up to the Armed Services Committee last week in an effort to forestall the elimination of any weapons procurement resulting from the decision to fund DOD at a zero real growth level for 1986. That is a lot of discovery. The overall question of Pentagon management practices is an open one. The manipulations apparently made in the budget accounts do not imbue me with a high level of confidence and trust in that management. This part of my amendment intends to head off any attempt to manipulate the Stealth budget for purposes not directly related to those programs.

The mix of technologies associated with the Stealth programs, integrated into very advanced weapons systems, will enhance America's posture of credible deterrence against Soviet adventurism.

I commend the committee for protecting these programs at a time when budget constraints require belt-tightening across the board.

There have been some questions in the past concerning the attitude of the Air Force regarding the Stealth bomber, and that there may have been some in the administration who intended to divert funding from Stealth in order to extend the production line of the B-1 bomber beyond the 100 aircraft which are planned for that program. I note, Mr. President, that the 48 B-1 aircraft which are procured in this committee bill constitute the last of that fleet of 100. I do not expect any request to extend the B-1 production line beyond the procurement authorized in this legislation, and I would oppose such a request.

The third part of my amendment, Mr. President, does go beyond the language which the Senate adopted last year, and does put us on record opposing any plan for an extension of the B-1 line beyond the 100 operation aircraft now planned. I do not know of any Senator who has proposed that we go beyond that number. I do not mean to imply that. The provision capping the B-1 at 100 aircraft is simply a message, in terms as clear as I can make them, to Pentagon and Air Force planners that we will not make funds available for any future bomber procurement except the Stealth bomber.

I have had my questions about the B-1. There have been indications that it will be unable to penetrate Soviet defense much beyond the early 1990's. The Stealth can perform that mission, and we need to insure the assured penetration of Soviet defenses as a factor in our strategic capability is maintained. Given this situation, it is not logical to me that we should allow room for doubt that any bombers procured beyond the 100 B-1's which will be authorized after this measure is signed into law will be Stealth bombers and not B-1 bombers.

Mr. President, I ask unanimous consent that I may submit the amendment; that the pending amendment be set aside for the consideration of this amendment.

The PRESIDING OFFICER. Is there objection? Without objection, it is so ordered.

AMENDMENT NO. 156

(Purpose: To prohibit use of funds appropriated for the advanced technology bomber and the advanced cruise missile programs from being used for any other purpose and to limit procurement of the B-13 bomber)

Mr. BYRD. Mr. President, I send the amendment to the desk and ask that it be stated by the clerk.

The PRESIDING OFFICER. The amendment will be stated.

The legislative clerk read as follows:

The Senator from West Virginia [Mr. BYRD] proposes an amendment numbered 156.

Mr. BYRD. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

At the end of title IX of division A of the bill, insert the following new section:

PROHIBITION AGAINST USING FUNDS APPROPRIATED FOR THE ADVANCED TECHNOLOGY BOMBER AND THE ADVANCED CRUISE MISSILE PROGRAMS FOR ANY OTHER PURPOSE

SEC. 917. (a) It is the sense of Congress that—

(1) the capabilities inherent in the technologies associated with the Advanced Technology Bomber program and the Advanced Cruise Missile program are a critical national security asset for maintaining an adequate and credible deterrent posture;

(2) Such technologies and programs should be developed as rapidly as feasible in order to produce and deploy advanced systems which will complicate the military planning of the Soviet Union and as a consequence enhance the deterrent posture of the United States;

(3) such technologies and programs should be funded at the levels authorized in this Act; and

(4) all the funds appropriated for such programs should be fully used for such programs.

(b) None of the funds appropriated pursuant to an authorization of appropriations in this Act to carry out the Advanced Technology Bomber program or the Advanced Cruise Missile program may be used for any other purpose.

(c) It is the sense of the Congress that, consistent with the stated policy of the Department of Defense, the B-1B bomber aircraft procurement program should be terminated after acquisition under such program of 100 aircraft.

Mr. BYRD. Mr. President, I have discussed this amendment with the very distinguished chairman of the Armed Services Committee, Mr. GOLDWATER, and the equally very distinguished ranking member, Mr. NUNN. I hope that they will consider it favorably.

Mr. NUNN. Mr. President, I might say to the Senator from West Virginia, I think this is a very important amendment. We are going to face a very tough conference. The Senator's leadership in this area over the last 3 years has, time after time, helped us immensely in conference in terms of preserving these very, very important programs. So I not only will be, from this side's point of view, glad to accept the amendment, but I will strongly recommend it to my colleagues.

Mr. GOLDWATER. Mr. President, the majority will be very happy to accept this amendment. I thank the distinguished minority leader for bringing this to our attention. It has come up every year that I can remember, and I can say that never in any consideration of the Senate Armed Services Committee have we even discussed manufacturing more than 100 B-1's, and we have never had any question about the ATB. If it ever comes up, I know that Senator NUNN will join me in being just as vociferous in our objection as is the minority leader. So we will accept the amendment.

Mr. BYRD. Mr. President, I thank the chairman and the ranking manager. Is it felt that there is any need for a rollcall vote in order to demonstrate to the House the strength of the Senate's position? I do not imply that we need one.

Mr. NUNN. I will defer to the judgment of the Senator from West Virginia. I think the chairman and I will stand together on this amendment in conference either way. I understand we are going to begin rollcall votes at 5:30.

Is my understanding correct that the debate is complete and we are ready to vote on two amendments?

Mr. GOLDWATER. Yes. We are ready to vote on the Pryor amendment——

Mr. CHAFEE. Mr. President, I have a couple questions on the Pryor amendment, if I might.

Mr. GOLDWATER. I say we are ready, but we will certainly allow the Senator to ask questions.

I do not think a rollcall vote will be needed because we have been very, very strong on this. I think the House understands our position without question.

Mr. BYRD. Mr. President, I am reminded of Fitzjames in the "Lady of the Lake" who said, when he stood alone before the forces that rose up before him:

Come one, come all! This rock shall fly
From its firm base as soon as I.

And so with the distinguished chairman and the distinguished ranking member assuring the Senate that they will stand together, I have no concern as to the House's being misled as to the strength of the Senate on this matter, so a voice vote is in line.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from West Virginia.

So the amendment (No. 156) was agreed to.

Mr. BYRD. Mr. President, I move to reconsider the vote by which the amendment was adopted.

Mr. GOLDWATER. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. BYRD. Mr. President, I again thank Mr. GOLDWATER and Mr. NUNN.

AMENDMENT NO. 154

Mr. CHAFEE addressed the Chair.

The PRESIDING OFFICER. The Senator from Rhode Island.

Mr. CHAFEE. Mr. President, I have a question for the sponsor of the Pryor amendment. I listened to the description of it, and I am not sure whether I understood it correctly.

Mr. President, in the description of his amendment, the distinguished Senator from Arkansas was talking about sole-source procurement. I heard him say something about coming to the Congress. I must confess I cannot find in this 24-page amendment exactly where that is. Will the Senator be good enough to tell me about the part that deals with going to Congress?

Mr. PRYOR. Mr. President, I will be very happy to answer my friend from Rhode Island. Basically, in a sole-source situation of major procurement systems—over $1 billion in production or $200 million in development funding—if there was no competition, if there was no competitive bid, then the Congress, in the defense authorization bill, would have to approve that particular sole-source contract. If there was no competition. In other words, the Congress would find itself back in the oversight area in those sole-source areas where there was no competition.

Mr. CHAFEE. Mr. President, I get very nervous about Congress getting into this business. It seems to me that, yes, we have had problems in the Defense Department, but I will never forget that when I was over there, the Chief of Naval Operations once said to me, "When things go wrong, you don't always change the rules and regulations. Sometimes you ought to change the people."

I think there is a great danger in having every sole-source contract, whether it is for aircraft or ship procurement or whatever, that is worked out in very complicated fashion and indeed quite frequently, as the Senator knows, there is only one provider—and that is true, for example, in the Trident submarine and certain aircraft—come up for review by the Congress. And, indeed, it is approval by the Congress? If that is so, I think we are opening our way to all kinds of shenanigans and we get all kinds of political pressures: "Oh, no, the decisions are going to be made not by those who have the authority and who we have to trust. And if they are not good, let's fire them."

But I think we are geting into heavy weather if we are sending it up here in this political maelstrom to consider who is going to get what contract. I urge my distinguished colleague to drop that particular vision or to modify it in some sense just to keep it out of this body.

Mr. PRYOR. Mr. President, first let me say to my distinguished colleague from Rhode Island—and as a former Secretary of the Navy, he is very knowledgeable—we are not trying to create any additional avenues for shenanigans. What we are trying to do, I say to my friend, is to close the door to the shenanigans that are happening—shenanigans that are being perpetrated on the taxpayers of this country, shenanigans that are being perpetrated on the Department of Defense, which result in our not getting what we are paying for.

Second, I would say to my friend from Rhode Island that under this proposal it will not be the Congress making a decision as to whether Hughes Aircraft or McDonnell Douglas or ABC contracting firm gets the

contract. That is not the issue. But if there is a contract with no competition, then the Congress must approve or disapprove that contract. It is that simple.

Third, I say to my friend from Rhode Island, in talking about the Trident submarine, the Trident submarine is on the eve of finally, at long last, having a competitive dual-source bid, as I understand it. I think we have to have a lot more.

Mr. CHAFEE. Mr. President, certain things are ascribed with virtue automatically—for instance, like motherhood, competitive procurement in weapons systems is looked on as good.

Well, that is not always necessarily so. You have two bidders two providers. Neither have enough work to carry the massive overhead that is involved.

As I read this provision:

3. A sole source prime contract may not be awarded or renewed for any major defense acquisition program—

I assume that is the billion-dollar program—

unless the Congress has specifically authorized such specific contracts to be awarded in an annual Department of Defense Authorization Act or other appropriate legislation enacted into law.

Let us say we appropriate x millon dollars for the procurement of an aircraft, and the Air Force goes through a fly-off and they decide that McDonnell Douglas is going to get it.

What happens when that comes up here? The California delegation decides that Northrup should get a piece of that action. Somebody says that General Dynamics ought to get a piece of that action.

By the way, where are the engines going to come from—from General Electric or United Techology?

I think this is opening the way to a lot of political interference that is not good for the country. I hope there can be some modification of that. I find it very disturbing.

Mr. BUMPERS. Mr. President, will the Senator from Rhode Island yield?

Mr. CHAFEE. Mr. President, may we have some order?

The PRESIDING OFFICER. The Senate will be in order.

The Senator from Rhode Island.

Mr. CHAFEE. The Senator from Arkansas had a question.

Mr. BUMPERS. I just wanted to make an observation.

The Senator from Rhode Island and I team up quite often on these issues and others, and I certainly am not in a position to disagree with his nervousness. The Senator started off by saying that getting Congress involved in this makes him nervous. It makes me nervous, too, when every day I read of some kind of new procurement scandal at the Pentagon.

There is probably no perfect way to procure weapons, to guarantee the taxpayers that we are going to have what we all want—namely, a lean, mean, efficient, nonwasteful Defense Department. But ever since I have been in the Senate, a little over 10 years, I do not believe we have ever considered a defense authorization bill in which this issue was not presented. Yet, after 10 years of endless, tedious, laborious debate on it—and it certainly is a complicated issue—we find that, so far as procurement is concerned, the waste is much more dramatic now than it has been since anybody in this body first came to the Senate.

I am not saying that Senator PRYOR's amendment is perfect. It is a little complicated, and perhaps if he were offering it to something besides a committee amendment, it would have more support. All I am saying is that it is like a fellow who used to work for me would say: "Let's do something, even if it's not perfect."

Nothing can be much worse than the erosion of confidence in the procurement of weapons in this country.

I told the story a while back that they accused the Democrats of never having a new idea. I had a great idea the other day. I decided to pay my income tax by just sending the Defense Department several hammers. It would not hurt the country, considering what they pay for hammers, and even with that, I would be entitled to a refund of three toilet seats. [Laughter.]

So all the Senator from Arkansas is doing is trying to point out that there is something egregiously wrong with the procurement policy of the Defense Department. I hate for us to have to deal with this, because it gives the people the impression that perhaps we are antipatriotic and do not appreciate our people in uniform. Nothing could be further from the truth.

Obviously, something will have to be done that, so far, the Defense Department has been unwilling to do if we are going to get our procurement policy back on track.

I am sure the Senator from Rhode Island has read a five-article series in the New York Times, one of which says that we procure our weapons in a way that absolutely guarantees that we pay the highest price for them, and that is the cost plus fixed fee procurement.

If you tell me that I can have a contract for my cost plus 10 percent, I promise you that I will buy every $500 hammer I can lay my hands on. I will buy every $7,400 coffee pot I can lay my hands on, because at 10 percent I am going to make $740 profit.

All I am saying is that something needs to be done.

I highly commend the New York Times article to the Senator from Rhode Island, who, as a former Secretary of the Navy, obviously has knowledge in this matter, and I appreciate his wisdom. But I am going to vote for this amendment, to show that I am tired of reading about the scandals, tired of having to go home and apologize, for the first time since I have been in the Senate, about scandalous waste in the Defense Department.

I intend to support this amendment, and I recommend it to everybody else. Take it to the House and see if you can work something out that will result in efficiency in the procurement of weapons for this country.

Mr. CHAFEE. I thought that was in the form of a question.

I appreciate the thoughts of my distinguished colleague. As he said, he and I have worked together, and we will work on other issues. We have battled here against battleships, and we are going to team up on some other items.

Mr. President, the part that really bothers me is that now we have Congress in the middle of contracting, and that is not good. I do not think it is sufficient to say that the situation is bad, so we have to do something, even though it is going to make it worse.

Clearly, as the distinguished senior Senator from Arkansas has said, there has been a series of articles in the newspaper, and one of those articles pointed out that these contractors come up and deal with Congress; how they went to Rockwell and saw a picture of the B-1; and how from there went a string to every State in the Union, because every State had some part in the B-1. Thus, the future of the B-1 was assured.

Now we have a situation where it is deemed by the Defense Department to go sole source, and there are all sorts of requirements they have to go through before going sole source, under Senator PRYOR's amendment.

They have to go through all these hurdles, and it goes on for a number of pages—publishing in the Federal Register, and a whole series of things. Then, when they decide the contract is to be awarded, let us say they decide it is going to be awarded in November or December, then what do they have to do? It may not be awarded unless Congress has specifically authorized such specific contract to be awarded. So back they come here to get the OK from Congress to go through this sole sourcing.

What is Congress going to do? Everyone who is from a State that does not get the sole source is going to demand that they get a piece of the action. That is the last you will see of our sole sourcing, even though it may be in the best interest of the Nation.

Again, Mr. President, it seems to me if we do not like who is running the place over there then let us get someone else, but let us not get Congress into the contracting business.

I was rather inclined toward the Senator's amendment, but with this provision in it I find it is distasteful.

Mr. PRYOR. Mr. President, if the Senator will yield, let me just as simply as I can state that Congress does not involve itself in the contracting unless it is for over $1 billion and unless there is no competition. At that point it is the view of the Senator from Arkansas that Congress should become involved.

Nor does Congress at any step, under the procedure that I proposed with Senator GRASSLEY, never does Congress take a position on which company or which State should be the beneficiary of the contract. All we do is disapprove or approve the contract.

What it does, I say to my friend from Rhode Island, it once again puts us, Congress, in our oversight function that frankly we have abdicated in the last 30 years. We are going to be involved in the oversight function at least, and this is the least we can do concerning those contracts over $1 billion where there is no competition.

We passed the Competition in Contracting Act last year. It took effect April 1, 1985, and this particular contracting act sponsored by Senator COHEN, Senator LEVIN, Senator QUAYLE, and many others in this Chamber, including myself, will take care of those items under the $1 billion mark. That is a fairly simplistic explanation, but I repeat that the Pryor-Grassley Act addresses itself to increasing competition, and that is what we think needs to be done.

Mr. CHAFEE. I said my piece. I understand that there are some 93 Defense Department contracts that are sole source and at some time there was competition. I do not know what competition is required under here, how far do you have to go to have it competitive? Each time you go out for bid for a new purchase, does that have to be competitive? I do not know.

I think that this is not a good provision, Mr. President.

Mr. NUNN. Mr. President, if I may ask the Senator from Arkansas one question, I understand what the Senator is trying to foster here, and I agree with the purpose of the amendment. I have reservations about the workings of it, but the purpose I think is in the right direction.

Would the Senator explain how his amendment would work, though, once a prime contract had been let with competition and then there are major change orders? The change order is negotiated with the contractor. Does the Senator's amendment cover that change order?

Mr. PRYOR. There is no change in the existing procedures from present statutes. I must be honest in answering my friend from Georgia. We thought about including such orders, but we had already taken on as much as we could handle, and maybe a little bit more, with this amendment. Maybe we can get to that issue another time, but we did not change the current provision of law.

Mr. NUNN. That is where actually an enormous lack of competition is to the taxpayer.

Mr. PRYOR. That is right.

Mr. NUNN. That is a source of great difficulty because that is in a posture where a contract has already been let, there is a contract, and the military comes in and usually makes about 100 to 1,000 to 10,000 change orders.

Mr. PRYOR. Every time I pick up any publication on an airplane or the New York Times or the Washington Post, or whatever, they have something in their word processor down there that says, "Senator SAM NUNN, Democrat of Georgia, foremost authority on defense in the United States of America." Now I am going to challenge that authority to come up with an answer to that particular point, and I will support him.

I thank the Senator.

Mr. NUNN. Mr. President, I am glad to have the Senator yield some more time if he wishes to continue along that line.

Mr. PRYOR. I think I have taken enough time.

I thank the Senator very much.

AMENDMENT NO. 157

Mr. BYRD. Mr. President, I send an amendment to the desk and ask that it be stated by the clerk, but let me read it first of all here.

Mr. President, this amendment would read as follows:

In section 915 of the bill, after the parens on line 18 of page 99 insert a period and then, beginning with the word "unless", strike out all down through the words "that purpose".

Mr. President, the Senate has just a little while ago adopted a clear policy statement that the B-1B bomber program shall be capped at 100 aircraft. The considerable testimony presented to the Armed Services Committee by the administration on the success of its two-bomber program, and the smooth progress of the Stealth bomber indicate that the B-1B procurement should end with the 100th aircraft.

I do not think there should be any question in anyone's mind about this policy. There is a prohibition in section 915 of the pending measure on the reprogramming of any funds appropriated pursuant to this authorization for additional B-1B's. The prohibition reads as follows:

None of the funds appropriated pursuant to an authorization contained in this act may be obligated or expended for the conduct of research, design, demonstration, development, or procurement of more than 100 B-1B bomber aircraft (including any derivative or modified version of such aircraft) . . .

And the rest of that paragraph would be stricken by my amendment.

That prohibition is clear on its face when the words that follow the parens on line 18 are stricken.

However, a question does arise about a clause that follows that statement, and that clause would be stricken by my amendment. The clause could imply the prohibition does not apply if the:

Secretary of Defense first notifies the Committees on Armed Servcies of the specific purpose for which the funds are proposed to be used and the amount proposed to be expended for that purpose.

Mr. President, this final clause could be interpreted to invite the possibility that the Secretary consider expending funds for additional B-1B or B-1C bombers. I do not believe we should invite the Secretary to do any thinking along those lines. Therefore, in order to conform to what must be the clear Senate sentiment on this program, I believe the latter clause—starting on line 18 of page 99—should be stricken. This would leave the clear prohibition on reprogramming any funds in this measure for a follow-on B-1 intact.

Regardless of the intent of the clause to keep Congress informed of the Department's proposals regarding the B-1 program, I do not think it is wise to leave any ambiguity about the 100 aircraft policy regarding the B-1.

Mr. JOHNSTON. Mr. President, will the Senator yield for a question?

Mr. BYRD. I yield.

Mr. JOHNSTON. Is the Senator aware that questions have been asked of both the Air Force and the Department of Defense in hearings this year on the question of their intention with respect to building more than 100 B-1's and both clearly stated that it is against their policy to go beyond the 100 B-1 bombers? So this would simply be consistent with existing policy, would it not?

Mr. BYRD. It would be, yes, and I thank the distinguished Senator from Louisiana for the question.

I yield to the chairman.

Mr. GOLDWATER. Mr. President, if the Senator will yield, I think this is a very wise amendment, and I will repeat for the benefit of the Senator from Louisiana that I have never heard in the Armed Services Committee of the Senate any suggestion about the deletion of funds for the ATB or the addition of more than 100 B-1 bombers. I would oppose both very violently.

So, Mr. President, I am sure that amendment is agreeable to Senator NUNN.

Mr. NUNN. Yes; I am very much in favor of this amendment.

Mr. BYRD. Mr. President, will the distinguished Senator say why? I want it on the record.

Mr. NUNN. The reason is that in spite of what the Senator from Arizona has said, and he is eminently correct—we have not talked about and I have heard no one urging that in committee—in spite of that, about every month or so there is a real move on out there in the complex to begin talking about going beyond the 100 and obviously the contractors involved have a real stake in that, obviously an awful lot of jobs are involved, obviously the Stealth bomber is going to have a higher per unit cost to begin with because the learning curve on production will take some time and the last B-1 is going to be an awful lot cheaper than the first Stealth, so that is an argument in favor from those who would like to continue the B-1 production line, and it is just something you feel more than you hear in explicit terms.

And the Senator's amendment I think is right on target because we are dedicated to going forward with the advanced technical bomber and there are numerous people who would like to move in a different direction with continuation of B-1. I felt for some time and I was even worried about the top leadership in the Air Force, but I no longer am.

I believe the Senator from Arizona and the Senator from Louisiana have described their position correctly as to their intentions now.

I give them full credit for being very forthright and candid with us on that point. But there are those in the Air Force at lower levels that I think have different intentions, and certainly a number in the contracting community that do.

It is going to be a tough decision for the Congress when that production line shuts down because there are an enormous number of jobs involved. But I think that is precisely the direction the Senator is warning us with the amendment.

Mr. GOLDWATER. Mr. President, we will accept the amendment.

Mr. BYRD. Mr. President, I thank both Senators who are managing the bill for their support of the amendment.

AMENDMENT NO. 157

(Purpose: To restrict the programming of funds for procurement of any B-1B bomber aircraft)

Mr. BYRD. Mr. President, I ask unanimous consent that the pending amendment be temporarily set aside so that the Senate may act on the amendment which I have just sent to the desk.

The PRESIDING OFFICER. Without objection, it is so ordered.

The clerk will report.

The legislative clerk read as follows:

The Senator from West Virginia [Mr. BYRD] proposes an amendment numbered 157.

Mr. BYRD. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

In section 915 of the bill, beginning with "unless" strike out all down through "that purpose.", and insert a period.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from West Virginia [Mr. BYRD].

The amendment (No. 157) was agreed to.

Mr. BYRD. Mr. President, I move to reconsider the vote by which the amendment was agreed to.

Mr. LEVIN. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. BYRD. Mr. President, I again thank the chairman and ranking member for their support.

Mr. GOLDWATER. Mr. President, on the Pryor amendment, I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

Mr. LEVIN. Mr. President, I wonder if my friend from Arkansas might answer a question for me. It relates to the question which Senator CHAFEE asked, and that is on the involvement of the Congress in the contracting and in the contracts with the numbers of contracts involved.

As I understand it, it is prime contracts that the Senator is referring to that relate to these major systems.

Mr. PRYOR. The Senator is correct.

Mr. LEVIN. Is it not correct that many major systems have more than one prime contract involved in the program, and that the Senator's amendment would apply to all prime contracts in those SAR programs?

Mr. PRYOR. The Senator is correct.

Mr. LEVIN. Can the Senator tell us how many prime contracts would be covered, approximately, by his amendment?

Mr. PRYOR. I say to my friend from Michigan that I do not know exactly, but I understand it is something around 70 to 90.

Mr. LEVIN. Those are SAR programs, but with each program there could be more than one prime contract?

Mr. PRYOR. That is conceivable; that could happen.

Mr. LEVIN. Could the Senator tell us approximately? Would it be 200, 300?

Mr. PRYOR. I would say about 80 contracts, if I might just guess.

Mr. LEVIN. Mr. President, if I could press the Senator for a moment. Assume with me for a moment that there are 93 SAR programs and if many of those programs have more than one prime contract, would it not then follow it would be more than 93 prime contracts covered by the Senator's amendment?

Mr. PRYOR. The Senator may well be correct. I do think that it would be worth the time that we would expend on reviewing those contracts and asking the simple questions of those prime contractors: "Sir, why has this contract not been competitively bid? Why is there only one bid for this contract?" I think those are questions to which the Congress needs to know answers and certainly the American people would appreciate us inquiring about it.

I think that is why I would say these contracts should be put before the oversight committee before the fact rather than after the fact and after we have heard about all of the things that have gone wrong when it it too late to correct them.

Mr. LEVIN. Would the Senator agree not only does he want the Congress to know that we now have the capability of knowing that but he wants Congress to affirmatively approach that?

Mr. PRYOR. That is correct. That is the purpose of the Pryor-Grassley proposal.

Mr. LEVIN. Let me say to my friend from Arkansas that we do have two choices, both of which address competition, both of which address dual-sourcing and revolving door. We have differences as to which is stronger, but we do have two options in front of us tonight and not just one.

I again wish to thank my friend from Arkansas, Senator PRYOR, for the leadership he has shown. While I do not agree with him that his approach is the better of the two that we have, it is a very valuable contribution.

Mr. PRYOR. Mr. President, that is why we have votes in this Chamber. I thank my friend from Michigan. I enjoyed working with him on this particular package.

Mr. MATHIAS. Mr. President, will the Senator from Arkansas yield for a question?

Mr. PRYOR. I am glad to yield to my friend from Maryland.

Mr. MATHIAS. Following the line of questioning of the Senator from Rhode Island, let me ask the Senator from Arkansas if he has any concern that this amendment raises a problem of separation of powers; whether bringing the Congress into the contracting role does not, in fact, breach the separation of powers between the executive and legislative branches. In other words, is the Senator convinced that this is a constitutional proposal?

Mr. PRYOR. It does not disturb this Senator. We are approving dollars in this bill, in the authorization bill, today. I would say to my friend from Maryland that when this measure comes before the Congress on sole-

source contracting and there is no competition on $1 billion or more, we are not saying which contractor gets the business, so to speak, we are simply saying that we approve or disapprove. And that is after we have asked the question: "Why is it there was no competition in this concern?"

Mr. MATHIAS. So what the Senator is looking to is a completed contract which will be executed and then the Congress simply gives it a ratification so that the executive branch fulfills its normal constitutional function?

Mr. PRYOR. I say that nothing would abrogate the responsibility of the executive branch of Government.

Mr. MATHIAS. And this is really, in effect, a congressional ratification of an executive act?

Mr. PRYOR. It would be effecting the ratification of an act by the executive branch of Government that dealth with contracts of $1 billion or more with no competition. If there was competition in that contract, if there were two or more sealed bids like we are trying to get, then it would never come before the Congress.

Mr. MATHIAS. But what comes before the Congress is a fully executed contract?

Mr. PRYOR. If there was no competition, that is correct.

Mr. MATHIAS. I thank the Senator.

VOTE ON AMENDMENT NO 154

The PRESIDING OFFICER (Mr. GRAMM). The question is on agreeing to the amendment of the Senator from Arkansas [Mr. PRYOR]. The yeas and nays have been ordered and the clerk will call the roll.

The legislative clerk called the roll.

VOTE ON AMENDMENT NO. 154

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Arkansas. On this question, the yeas and nays have been ordered, and the clerk will call the roll.

The legislative clerk called the roll.

Mr. SIMPSON. I announce that the Senator from Oregon [Mr. HATFIELD], the Senator from Alaska [Mr. MURKOWSKI], and the Senator from Connecticut [Mr. WEICKER] are necessarily absent.

I also announce that the Senator from North Carolina [Mr. EAST] is absent due to Illness.

I further announce that, if present and voting, the Senator from Oregon [Mr. HATFIELD] would vote "yea."

Mr. BYRD. I announce that the Senator from Delaware [Mr. BIDEN], the Senator from New Jersey [Mr. BRADLEY], the Senator from Florida [Mr. CHILES], the Senator from California [Mr. CRANSTON], the Senator from Illinois [Mr. DIXON], the Senator from Massachusetts [Mr. KENNEDY], and the Senator from New York [Mr. MOYNIHAN] are necessarily absent.

The PRESIDING OFFICER. Are there any other Senators in the Chamber desiring to vote?

The result was announced—yeas 22, nays 67, as follows:

[Rollcall Vote No. 83 Leg.]

YEAS—22

Baucus	Harkin	Proxmire
Bumpers	Hart	Pryor
Burdick	Kerry	Riegle
Byrd	Lautenberg	Rockefeller
DeConcini	Leahy	Sasser
Eagleton	Melcher	Simon
Ford	Metzenbaum	
Grassley	Mitchell	

NAYS—67

Abdnor	Gorton	Nickles
Andrews	Gramm	Nunn
Armstrong	Hatch	Packwood
Bentsen	Hawkins	Pell
Bingaman	Hecht	Pressler
Boren	Heflin	Quayle
Boschwitz	Heinz	Roth
Chafee	Helms	Rudman
Cochran	Hollings	Sarbanes
Cohen	Humphrey	Simpson
D'Amato	Inouye	Specter
Danforth	Johnston	Stafford
Denton	Kassebaum	Stennis
Dodd	Kasten	Stevens
Dole	Laxalt	Symms
Domenici	Levin	Thurmond
Durenberger	Long	Trible
Evans	Lugar	Wallop
Exon	Mathias	Warner
Garn	Matsunaga	Wilson
Glenn	Mattingly	Zorinsky
Goldwater	McClure	
Gore	McConnell	

NOT VOTING—11

Biden	Dixon	Moynihan
Bradley	East	Murkowski
Chiles	Hatfield	Weicker
Cranston	Kennedy	

So the amendment (No. 154) was rejected.

ORDER OF BUSINESS

Mr. DOLE. Mr. President, as I understand the wishes of the managers, there will be one additional vote on the so-called committee amendment. Then I understand that, as hard as they have been trying all day to get another amendment up that we can take care of tonight, so far, no one has come forth to volunteer to debate one and have another vote later tonight. But I understand the distinguished Senator from Colorado [Mr. HART] has agreed to lay down his MX amendment, which would be the pending amendment tomorrow.

I hope we can work out a time limitation agreement, an hour on each side tomorrow, and have a vote before we go into the policy luncheons. Is that agreeable with the manager and the Senator from Colorado?

Mr. GOLDWATER. I agree if the Senator from Colorado will agree, if that is what he wants.

Mr. HART. Mr. President, I yield to the minority leader.

Mr. BYRD. Mr. President, I have no problem with having the amendment laid down. I do not think we can agree at this point to vote at a given time tomorrow until we see how that comes up tomorrow.

Mr. DOLE. I shall check with the minority leader in the morning.

May I ask the manager if there is any other amendment? Is it the manager's wish, after this vote, that we lay down the MX amendment and move off this bill this evening?

Mr. GOLDWATER. That is not exactly my wish, but I am forced into it because nobody has an amendment to lay down except Senator HART. We shall take that up tomorrow morning. We have about 30-odd amendments left, not counting those that have come up.

So if we want to get out of here Thursday night, I hope the leader will go very, very late tomorrow night, Wednesday night, and Thursday night and, if need be, come back next Wednesday if we want to finish it.

Mr. DOLE. I hope Members who have amendments will be available tomorrow. Many of these issues we have been over. We go over them every year. It seems to me we could debate them sharply and have a vote. There is still a pretty good chance of completing action on this bill this Thursday night. The distinguished manager of the bill suggests if we do not finish this week, if we do not finish Wednesday, we come back next Wednesday and work Wednesday, Thursday, and Friday since the House will be in session those 3 days. But it is my hope we can continue. We have done very well today. I think we have disposed of eight or nine amendments.

Mr. DECONCINI. Will the majority leader yield?

Mr. DOLE. I will be happy to yield.

Mr. DECONCINI. Is the majority leader sure the House is going to be in all week? I was told earlier, just about an hour ago, they will be out next week.

Mr. DOLE. We may be in and they will be out.

Mr. BUMPERS. Will the majority leader yield further? I know the majority leader would like to have amendments rolling on, the minute one vote is taken another one offered. Senator CHAFEE, Senator HEINZ, Senator LEAHY, and I have the SALT II sense-of-the-Senate amendment. As far as I know, we would be happy to go immediately after the rollcall vote on the Hart amendment, if the majority leader wants to get a unanimous-consent agreement.

Mr. GOLDWATER. We would be very happy to have it.

Mr. NUNN. Mr. President, there will be another MX amendment, if the Hart MX amendment does not pass. I think it would be more logical to take that one up in sequence. I will have an MX amendment if the Hart amendment does not pass.

Mr. GOLDWATER. I agree with that.

Mr. DOLE. I think we can assure the distinguished Senator from Arkansas

that he will be on the list very early tomorrow.

Mr. BUMPERS. We will be ready to go at the conclusion of the Nunn amendment then, which will follow the Hart amendment.

Mr. GOLDWATER. That is fine.

Mr. DOLE. This will be the last vote of the evening.

VOTE ON AMENDMENT NO. 147

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Arizona. The yeas and nays have been ordered. The clerk will call the roll.

The assistant legislative clerk called the roll.

Mr. SIMPSON. I announce that the Senator from Oregon [Mr. HATFIELD], the Senator from Kansas [Mrs. KASSEBAUM], the Senator from Alaska [Mr. MURKOWSKI], and the Senator from Connecticut [Mr. WEICKER] are necessarily absent.

I also announce that the Senator from North Carolina [Mr. EAST] is absent due to illness.

I further announce that, if present and voting, the Senator from Oregon [Mr. HATIFIELD] would vote "yea."

Mr. BYRD. I announce that the Senator from Delaware [Mr. BIDEN], the Senator from New Jersey [Mr. BRADLEY], the Senator from California [Mr. CRANSTON], the Senator from Illinois [Mr. DIXON], the Senator from Massachusetts [Mr. KENNEDY], and the Senator from New York [Mr. MOYNIHAN] are necessarily absent.

The PRESIDING OFFICER (Mr. BOSCHWITZ). Are there any other Senators in the Chamber desiring to vote?

The result was announced—yeas 89, nays 0, as follows:

[Rollcall Vote No. 84 Leg.]

YEAS—89

Abdnor	Gore	Metzenbaum
Andrews	Gorton	Mitchell
Armstrong	Gramm	Nickles
Baucus	Grassley	Nunn
Bentsen	Harkin	Packwood
Bingaman	Hart	Pell
Boren	Hatch	Pressler
Boschwitz	Hawkins	Proxmire
Bumpers	Hecht	Pryor
Burdick	Heflin	Quayle
Byrd	Heinz	Riegle
Chafee	Helms	Rockefeller
Chiles	Hollings	Roth
Cochran	Humphrey	Rudman
Cohen	Inouye	Sarbanes
D'Amato	Johnston	Sasser
Danforth	Kasten	Simon
DeConcini	Kerry	Simpson
Denton	Lautenberg	Specter
Dodd	Laxalt	Stafford
Dole	Leahy	Stennis
Domenici	Levin	Stevens
Durenberger	Long	Symms
Eagleton	Lugar	Thurmond
Evans	Mathias	Trible
Exon	Matsunaga	Wallop
Ford	Mattingly	Warner
Garn	McClure	Wilson
Glenn	McConnell	Zorinsky
Goldwater	Melcher	

NAYS—0

NOT VOTING—11

Biden	East	Moynihan
Bradley	Hatfield	Murkowski
Cranston	Kassebaum	Weicker
Dixon	Kennedy	

So the amendment (No. 147), as amended, was agreed to.

Mr. GOLDWATER. Mr. President, I move to reconsider the vote by which the amendment was agreed to.

Mr. NUNN. Mr. President, I move to lay that motion on the table.

The motion to lay on the table was agreed to.

AMENDMENT NO. 158

(Purpose: To delete certain funds for the MX missile program)

Mr. HART. Mr. President, I have an amendment at the desk, and I ask for its immediate consideration.

The PRESIDING OFFICER. The amendment will be stated.

The assistant legislative clerk read as follows:

The Senator from Colorado [Mr. HART] proposes an amendment numbered 158.

Mr. HART. Mr. President, I ask unanimous consent that reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

On page 90, after line 24, insert the following new section:

PROHIBITION ON USE OF FUNDS FOR PROCUREMENT OF MX MISSILES OR FOR CONSTRUCTION OF MX MISSILE RELATED FACILITIES

SEC. 916. (a) Notwithstanding section 103, the total amount authorized to be appropriated for fiscal year 1986 for the procurement of missiles for the Air Force, as specified in such section, is reduced by $2,081,600,000.

(b) Funds appropriated pursuant to an authorization contained in this or any other Act for fiscal year 1986 may not be obligated or expended for the procurement or deployment of any MX missile or for the construction, conversion, or renovation of any facility for the deployment of the MX missile.

Mr. HART. Mr. President, it is my understanding with the managers of the bill that this amendment will be the pending business when we leave morning business and enter the bill in the morning roughly at 10 a.m. Is that correct?

Mr. GOLDWATER. That is correct. The Senator is right.

Mr. HART. Mr. President, the amendment quite simply is to strike all funds from further procurement of MX missiles, and I think we will be able in the morning, if the minority leader is agreeable, to reach a reasonable time agreement on this and maybe not even use all this time.

So it is not out of the question that we might end debate early. This is a well-known issue and I think many Senators have stated their views before. They may want to restate them. I do not think it is going to take lengthy debate and if possible we could vote on this in the morning, but I think it will take agreement on the part of the managers and the leader.

Mr. GOLDWATER. Mr. President, will the Senator be agreeable to 2 hours?

Mr. HART. The Senator from Colorado is perfectly agreeable.

I understand the minority leader had some hesitation about that.

Mr. GOLDWATER. We can talk with him.

Mr. NUNN. Mr. President, I believe that the best procedure is to talk to the minority leader in the morning.

Mr. HART. I yield the floor.

Mr. NUNN. Mr. President, just for the information of Senators, if the Hart amendment striking funds for the MX does not pass, I will have an amendment that will be introduced following that that will put a cap on the number of MX missiles that can be deployed in the existing Minuteman silos at 40 and the amendment will provide for 12 missiles to be authorized for fiscal year 1986 in lieu of 21 now in the bill.

ROUTINE MORNING BUSINESS

(During the day routine morning business was transacted and additional statements were submitted, as follows:)

MESSAGES FROM THE PRESIDENT

Messages from the President of the United States were communicated to the Senate by Mr. Chirdon, one of his secretaries.

EXECUTIVE MESSAGES REFERRED

As in executive session, the Acting President pro tempore laid before the Senate messages from the President of the United States submitting sundry nominations which were referred to the appropriate committees.

(The nominations received today are printed at the end of the Senate proceedings.)

MESSAGES FROM THE HOUSE

ENROLLED BILLS AND JOINT RESOLUTIONS SIGNED

At 12:35 p.m., a message from the House of Representatives delivered by Ms. Goetz, one of its reading clerks, announced that the Speaker has signed the following enrolled bill and joint resolution:

H.R. 1869. An act to amend the Internal Revenue Code of 1954 to repeal the contemporaneous recordkeeping requirements added by the Tax Reform Act of 1984, and for other purposes.

S.J. Res. 103. Joint resolution to designate the month of May 1985, as "Very Special Arts U.S.A. Month".

The enrolled bill and joint resolution were subsequently signed by the President pro tempore [Mr. THURMOND].

MEASURE PLACED ON THE CALENDAR

The previous action of the Senate agreeing to the following resolution was vitiated by unanimous consent, and the resolution placed on the calendar:

S. Res. 159. Resolution to establish a select committee to study and make recommendations with respect to a two-year budget process.

ENROLLED JOINT RESOLUTION PRESENTED

The Secretary of the Senate reported that on today, May 20, 1985, she had presented to the President of the United States the following enrolled joint resolution:

S.J. Res. 103. Joint resolution to designate the month of May 1985, as "Very Special Arts U.S.A. Month".

EXECUTIVE AND OTHER COMMUNICATIONS

The following communications were laid before the Senate, together with accompanying papers, reports, and documents, which were referred as indicated:

EC-1144. A communication from the Secretary of Agriculture transmitting a draft of proposed legislation to recover costs of export inspection and certification programs for apples, pears, grapes, and plums; to the Committee on Agriculture, Nutrition, and Forestry.

EC-1145. A communication from the Secretary of Agriculture transmitting a draft of proposed legislation to recover costs of federal marketing agreements and orders; to the Committee on Agriculture, Nutrition, and Forestry.

EC-1146. A communication from the Secretary of Agriculture, transmitting a draft of proposed legislation to recover costs of standards and specifications for agricultural products; to the Committee on Agriculture, Nutrition, and Forestry.

EC-1147. A communication from the General Counsel of the General Accounting Office transmitting, pursuant to law, a report on the status of budget authority proposed for rescission, but for which a rescission bill has not been passed; jointly, pursuant to the order of January 30, 1975, to the Committee on Appropriations and the Committee on the Budget.

EC-1148. A communication from the Executive Associate Director of the Office of Management and Budget transmitting, pursuant to law, a report on a reapportionment of an appropriation necessitating the need for a supplemental appropriation; to the Committee on Appropriations.

EC-1149. A communication from the Treasurer of the United States transmitting, pursuant to law, a report on activities under the Olympic Commemorative Coin Act of 1982; to the Committee on Banking, Housing, and Urban Affairs.

EC-1150. A communication from the Secretary of Transportation transmitting a draft of proposed legislation to require tonnage measurement of vessels engaged on international voyages and within the jurisdiction of the United States; to the Committee on Commerce, Science, and Transportation.

EC-1151. A communication from the Secretary of Energy transmitting, pursuant to law, the quarterly report on the Strategic Petroleum Reserve; to the Committee on Energy and Natural Resources.

EC-1152. A communication from the Acting General Counsel of the Department of Energy transmitting, pursuant to law, a notice of meetings related to the International Energy Program; to the Committee on Energy and Natural Resources..

EC-1153. A communication from the Secretary of Energy transmitting, pursuant to law, the annual report on the Industrial Energy Efficiency Improvement Program; to the Committee on Energy and Natural Resources.

EC-1154. A communication from the Secretary of Transportation transmitting, pursuant to law the sixth annual Report on the Highway Bridge Replacement and Rehabilitation Program; to the Committee on Environment and Public Works.

EC-1155. A communication from the Administrator of the Environmental Protection Agency transmitting, pursuant to law, the report on the Injection of Hazardous Waste; to the Committee on Environment and Public Works.

EC-1156. A communication from the Chairman of the National Advisory Committee on Oceans and Atmosphere transmitting, pursuant to law, a report on problems and opportunities in management and conservation of North Pacific Fur Seals; to the Committee on Environment and Public Works.

EC-1157. A communication from the Special Counsel of the Merit Systems Protection Board transmitting, pursuant to law, a report on findings and conclusions in an investigation into allegations of widespread travel fraud and violations of law and regulations in the Corps of Army Engineers; to the Committee on Environment and Public Works.

EC-1158. A communication from the Assistant Secretary of State transmitting a draft of proposed legislation entitled the Educational, Scientific, and Cultural Materials Importation Act of 1985; to the Committee on Finance.

EC-1159. A communication from the General Counsel of the Department of Defense transmitting a draft of proposed legislation to require that medicare providers of hospital services also participate in the Civilian Health and Medical Program of the Uniformed Services and of the Veterans Administration; to the Committee on Finance.

EC-1160. A communication from the Comptroller General of the United States transmitting, pursuant to law, a report for April 1985 on GAO Reports issued; to the Committee on Governmental Affairs.

EC-1161. A communication from the Director of the American Legion transmitting, pursuant to law, the report on the financial condition of the American Legion as of December 31, 1983; to the Committee on the Judiciary.

REPORTS OF COMMITTEES

The following reports of committees were submitted:

By Mr. DANFORTH, from the Committee on Commerce, Science, and Transportation, with an amendment in the nature of a substitute and an amendment to the title:

S. 679. A bill to authorize the appropriation of funds for certain maritime programs for fiscal year 1986 (Rept. No. 99-64).

By Mr. HELMS, from the Committee on Agriculture, Nutrition, and Forestry, with an amendment in the nature of a substitute and an amendment to the title:

S. 721. A bill to amend the Commodity Credit Corporation Charter Act regarding the export of agricultural commodities (Rept. No. 99-65).

By Mr. HELMS, from the Committee on Agriculture, Nutrition, and Forestry, with an amendment in the nature of a substitute:

S. 1040. A bill to provide emergency assistance to promote the marketing and sales of agricultural commodities, and for other purposes (Rept. No. 99-66).

By Mr. THURMOND, from the Committee on Judiciary, without amendment and with a preamble:

S.J. Res. 127. Joint resolution to grant the consent of Congress to certain additional powers conferred upon the Bi-State Development Agency by the State of Missouri and Illinois.

INTRODUCTION OF BILLS AND JOINT RESOLUTIONS

The following bills and joint resolutions were introduced, read the first and second time by unanimous consent, and referred as indicated:

By Mr. GARN (for himself and Mr. HECHT) (by request):

S. 1168. A bill to amend certain Federal laws relating to public housing to deregulate the program, returning it to local control, and to provide reliability for funding for capital improvements through use of formula funding, and for other purposes; to the Committee on Banking, Housing, and Urban Affairs.

By Mr. DURENBERGER (for himself, Mr. HATFIELD, Mr. HART, Mr. CRANSTON, Mr. KENNEDY, Mr. MOYNIHAN, Mr. RIEGLE, Mr. EVANS, Mr. HEINZ, Mr. BURDICK, Mr. MATSUNAGA, Mr. BOSCHWITZ, Mr. MELCHER, and Mr. KERRY):

S. 1169. A bill to ensure economic equity for American women by providing retirement security for women as workers and as divorced or surviving spouses, making quality dependent care available to all working families, ending discrimination in insurance on the basis of race, color, religion, national origin, or sex, providing equal employment opportunity and pay equity for women, treating women and low-income families more equitably under the tax laws and tax reform proposals, and improving the health care coverage of displaced homemakers and Medicare recipients; to the Committee on Finance.

By Mr. RIEGLE:

S. 1170. A bill to amend title II of the Social Security Act to provide that the combined earnings of a husband and wife during the period of their marriage shall be divided equally and shared between them for benefit purposes if they become divorced and either of them so elects; to the Committee on Finance.

By Mr. McCLURE (for himself, Mr. WILSON, Mr. CRANSTON, Mr. DECONCINI and Mr. ABDNOR):

S. 1171. A bill to amend the Small Reclamation Projects Act of 1956, as amended; to the Committee on Energy and Natural Resources.

By Mr. HELMS (for himself, Mr. EAST, Mr. DOLE, Mr. STENNIS, Mr. LONG, Mr. LAXALT, Mr. DOMENICI, Mr.

HATCH, Mr. MCCLURE, Mr. HUMPHREY and Mr. WARNER):

S. 1172. A bill to provide financial assistance for the Sam J. Ervin, Jr., Program in Public Affairs at the North Carolina State University; to the Committee on Labor and Human Resources.

By Mr. SPECTER (for himself and Mr. HEINZ):

S. 1173. A bill to forgive certain loan repayments by the Southeastern Pennsylvania Transportation Authority to the Secretary of Transportation, and for other purposes; to the Committee on Banking, Housing, and Urban Affairs.

By Mr. DURENBERGER (for himself and Mr. LEAHY):

S.J. Res. 138. Joint resolution to designate the week of June 2, 1985, through June 8, 1985, as "National Intelligence Community Week"; to the Committee on the Judiciary.

SUBMISSION OF CONCURRENT AND SENATE RESOLUTIONS

The following concurrent resolutions and Senate resolutions were read, and referred (or acted upon), as indicated:

By Mr. SIMPSON (for Mr. DOLE (for himself and Mr. BYRD)):

S. Res. 171. Resolution to authorize the representation by the Senate Legal Counsel of a former Senate employee in the case of Donald M. Zahn v. National Right to Work Committee; considered and agreed to.

STATEMENTS ON INTRODUCED BILLS AND JOINT RESOLUTIONS

By Mr. GARN (for himself and Mr. HECHT) (by request):

S. 1168. A bill to amend certain Federal laws relating to public housing to deregulate the program, returning it to local control, and to provide reliability for funding for capital improvements through use of formula funding and for other purposes; to the Committee on Banking, Housing, and Urban Affairs.

PUBLIC HOUSING COMPREHENSIVE GRANT ACT

● Mr. GARN. Mr. President, Senator HECHT and I are submitting by request a bill received from the Department of Housing and Urban Development [HUD] which seeks to reform the Public and Indian Housing Programs.

I ask unanimous consent that the bill, along with a letter from the Secretary of Housing and Urban Development and a section-by-section analysis, be printed in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

S. 1168

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Public Housing Comprehensive Grant Act".

SEC. 2. Section 9(a)(1) of the United States Housing Act of 1937 is amended by adding after the first sentence the following new sentence: "A public housing agency may also use any available amounts provided under this section in accordance with the purpose and requirements of section 14 of this Act.".

SEC. 3. Section 14 of such Act and its heading are amended to read as follows:

COMPREHENSIVE GRANT PROGRAM

"SEC. 14. (a) PURPOSE AND AUTHORITY.—(1) The purpose of this section is to provide assistance to improve the physical condition of existing public housing projects and to upgrade their management and operation, in order to contribute to their long-term physical and social viability and their continued availability to provide decent, safe, and sanitary living conditions for lower income families.

"(2) The Secretary may make available and contract to make available financial assistance to carry out the purpose of this section to public housing agencies with respect to public housing (as defined in section 3(b)(1) of this Act) owned or operated by such agencies. There are authorized to be appropriated, for the purpose of providing financial assistance under this section, not to exceed $760,900,000 for fiscal year 1987 and such sums as may be necessary for fiscal year 1988.

"(b) DEFINITIONS.—As used in this section—

"(1) the term 'larger public housing agency' shall mean a public housing agency with 500 or more units in projects eligible for assistance under this section; and

"(2) the term 'smaller public housing agency' shall mean a public housing agency with fewer than 500 units in projects eligible for assistance under this section and any Indian housing authority.

"(c) ALLOCATIONS.—(1) From the amount approved in an appropriation Act for any year for financial assistance under this section, the Secretary shall determine the amount necessary to fund the annual accrual of capital improvement needs of public housing agencies, based on available data concerning these needs. The Secretary shall allocate this amount to each public housing agency on the basis of a formula, which is based on objectively measurable criteria which reflect the annual accrual of capital improvement needs of each public housing agency.

"(2) The Secretary shall divide the amount that remains after the allocation referred to in paragraph (1) into two parts, one for larger public housing agencies and one for smaller public housing agencies, based on the relative needs of the agencies in each category for capital improvements, as determined by the Secretary. The Secretary shall allocate amounts from the portion available for larger public housing agencies to each agency on the basis of a formula, which is based on objectively measurable criteria which reflect the relative amount of needs of each larger public housing agency for capital improvements. The Secretary shall make amounts available from the portion available for smaller public housing agencies to provide financial assistance in connection with applications from smaller public housing agencies submitted and approved by HUD in accordance with subsection (f).

"(d) COMPREHENSIVE PLAN.—No financial assistance may be made available under this section unless the Secretary has approved a five-year comprehensive plan submitted by the public housing agency at a time determined by the Secretary. However, notwithstanding the limitation in the preceding sentence, the Secretary may provide such assistance where necessary to correct conditions which constitute an immediate threat to the health or safety of tenants. The plan shall contain—

"(1) a comprehensive assessment of (A) the current physical condition of each project owned or operated by the agency, (B) the physical improvements necessary for each such project, and (C) the replacement needs of equipment systems and structural elements which will be required to be met (assuming routine and timely maintenance is performed) during the five-year period covered by the plan;

"(2) a comprehensive assessment of the improvements needed to upgrade the management and operation of the public housing agency and of each such project so that decent, safe, and sanitary living conditions will be provided in the projects; such assessment shall include at least an identification of needs related to—

"(A) the management, financial, and accounting control systems of the public housing agency which are related to the projects;

"(B) the adequacy and qualifications of personnel employed by the public housing agency (in the management and operation of the projects) for each category of employment; and

"(C) the adequacy and efficacy of—

"(i) tenant programs and services in the projects;

"(ii) the security of each project and its tenants;

"(iii) policies and procedures of the public housing agency for the selection and eviction of tenants in the projects; and

"(iv) other policies and procedures of the agency relating to the projects, as specified under regulations issued by the Secretary pursuant to subsection (j);

"(3) an analysis, made on a project-by-project basis, in accordance with standards and criteria prescribed by the Secretary, demonstrating that completion of the improvements and replacements identified pursuant to paragraphs (1) and (2) will reasonably assure the long-term physical and social viability of the project at a reasonable cost;

"(4) an action plan for making the improvements and replacements identified pursuant to paragraph (1) and (2) which are determined pursuant to the analysis described in paragraph (3) to reasonably assure the long-term viability of projects at a reasonable cost; such plan shall include at least a schedule, in order of priority, of those actions which are to be completed, over a period of not greater than five years from the date of approval of the plan by the Secretary, and which are necessary—

"(A) to make the improvements and replacements identified pursuant to paragraph (1) for each project expected to receive capital improvements or replacements; and

"(B) to upgrade the management and operation of the agency and its projects as identified pursuant to paragraph (2);

"(5) a statement, to be signed by the appropriate local government official (or Indian tribe official, where appropriate), certifying that:

"(A) the plan was developed by the public housing agency in consultation with appropriate local government officials (or Indian tribal officials, where appropriate) and with tenants of the housing projects eligible for assistance under this section; and

"(B) the plan is consistent with the community's assessment of its lower income housing needs and that the unit of general local government (or Indian tribe, where appropriate) will cooperate in the provision of tenant programs and services (as defined in section 3(c)(2) of this Act);

"(6) a statement to be signed by the appropriate public housing agency official,

certifying that the plan will be implemented in conformance with Title VI of the Civil Rights Act of 1964, Title VIII of the Civil Rights Act of 1968, and section 504 of the Rehabilitation Act of 1973; and

"(7) such other information as the Secretary may require under regulations issued by the Secretary pursuant to subsection (j).

"(e) HUD REVIEW OF COMPREHENSIVE PLANS.—(1) The Secretary shall approve a comprehensive plan unless:

"(A) the plan is incomplete;

"(B) on the basis of available significant facts and data pertaining to the physical and operational condition of the public housing agency's projects or the management and operations of the agency, the Secretary determines that the agency's identification of needs pertaining thereto is plainly inconsistent with such facts and data;

"(C) on the basis of the plan, the Secretary determines that the action plan described pursuant to subsection (d)(4) is plainly inappropriate to meeting the needs identified in the plan, or that the agency has failed to demonstrate that completion of the improvements and replacements identified pursuant to subsections (d) (1) and (2) will reasonably assure the long-term viability of one or more projects to which they relate at a reasonable cost; or

"(D) there is evidence available to the Secretary which tends to challenge in a substantial manner any certification contained in the plan.

"(2) The comprehensive plan shall be considered to be approved, unless the Secretary notifies the public housing agency in writing within 75 calendar days of submission that the Secretary has disapproved the plan as submitted, indicating the reasons for disapproval and the modifications required to make the plan approvable.

"(f) APPLICATIONS FROM SMALLER PUBLIC HOUSING AGENCIES; HUD REVIEW.—(1) A smaller public housing agency may submit an application to the Secretary for a grant from amounts available to fund such applications under subsection (c)(2) to meet the agency's needs for one or more of its projects which cannot be addressed with other available resources. The application shall be submitted at such time and in such manner as the Secretary shall prescribe and shall—

"(A) except where necessary to correct conditions which constitute an immediate threat to the health or safety of tenants, be consistent with the agency's approved five-year comprehensive plan;

"(B) specify the needs to be addressed and the work proposed to meet the needs;

"(C) include an estimate of the cost of the proposed work; and

"(D) include such other information as the Secretary may require.

"(2) In making assistance available under this subsection, the Secretary shall give preference to public housing agencies—

"(A) which request assistance for projects (i) having conditions which constitute an immediate threat to the health or safety of tenants, or (ii) having the most severe need for completion of improvements and replacements; and

"(B) which have demonstrated the capability of carrying out the work proposed in the application submitted by the agency.

"(g) ELIGIBLE COSTS.—A public housing agency may use financial assistance received under subsection (c) only—

"(1) to undertake activities described in the agency's approved action plan pursuant to subsection (d)(4);

"(2) to correct conditions which constitute an immediate threat to the health or safety of tenants, whether or not the need therefor is indicated in its comprehensive plan;

"(3) to prepare a comprehensive plan under subsection (d), an application under subsection (f), an annual statement under subsection (h), or an annual performance report under subsection (i); and

"(4) except in the case of grants under subsection (f), for the operation of projects consistent with the requirements which apply to amounts provided under section 9 of this Act.

Financial assistance received under subsection (c) may be expended only for allowable costs as determined in accordance with cost determination policies of the Office of Management and Budget applicable to grants to local and federally recognized Indian tribal governments, as appropriately modified for application to public housing agencies.

"(h) ANNUAL STATEMENT.—(1) Each public housing agency receiving assistance under this section shall submit to the Secretary, at a time determined by the Secretary, an annual statement of the activities and expenditures projected to be funded, in whole or in part, by such assistance during the immediately following fiscal year of the public housing agency. The annual statement shall include a certification by the public housing agency that the proposed activities and expenditures are consistent with the agency's approved comprehensive plan.

"(2) A public housing agency may propose an amendment to its comprehensive plan under subsection (d) in any annual statement. Any such proposed amendment shall be reviewed in accordance with subsection (e).

"(3) The Secretary shall approve the annual statement unless the Secretary determines that it is inconsistent with the comprehensive plan. The annual statement shall be considered to be approved unless the Secretary notifies the public housing agency in writing within 75 calendar days of submission that the Secretary has disapproved the statement as submitted, indicating the reasons for disapproval and the modifications required to make the statement approvable. The statement shall be approved before the public housing agency receives any assistance pursuant to that section for the fiscal year to which the statement relates.

"(i) ANNUAL PERFORMANCE REPORT; REVIEW AND AUDIT—(1) Each public housing agency receiving assistance under this section shall submit to the Secretary, at a time determined by the Secretary, a performance and evaluation report concerning its activities under this section. The agency's report shall include an assessment by the agency of the relationship of the use of funds made available under this section, as well as the use of other funds, to the needs identified in the agency's comprehensive plan and to the purpose of this section.

"(2) The Secretary shall, at least on an annual basis, make such reviews as may be necessary or appropriate to determine whether the public housing agency (A) has carried out its activities under this section in a timely manner, and in accordance with its comprehensive plan; (B) has a continuing capacity to carry out its comprehensive plan in a timely manner; (C) has satisfied, or made reasonable progress towards satisfying, such performance standards as shall be prescribed by the Secretary, which shall include at least that the public housing agency shall—

"(i) maintain all occupied dwelling units in projects eligible for assistance under this section at levels at least equal to the housing quality standards established by the Secretary pursuant to section 8(o)(6) of this Act;

"(ii) maintain at least a 97 percent occupancy rate for all dwelling units in such projects; and

"(iii) maintain an operating reserve, as authorized under section 9(a) of this Act, equal to at least 20 percent of each year's operating budget; and

(D) has made reasonable progress in carrying out modernization projects approved under the provisions of this section as they existed immediately before October 1, 1986. The Secretary shall make the determination under clause (D) of the preceding sentence before providing financial assistance under subsection (c) with respect to fiscal year 1987.

"(3) The Secretary may withhold assistance under this section, require the public housing agency to take corrective action, or take other action as appropriate in accordance with the Secretary's reviews under this subsection.

"(4) Recipients shall have an audit made in accordance with the Single Audit Act of 1984 (Public Law 98-502). The Secretary, the Inspector General of the Department of Housing and Urban Development, and the Comptroller General of the United States shall have access to all books, documents, papers, or other records which are pertinent to the activities carried out under this section in order to make audit examinations, excerpts, and transcripts.

"(j) AUTHORITY TO ISSUE RULES AND REGULATIONS.—The Secretary shall prescribe by regulation (1) the formula for determining the annual accrual of capital improvement needs of each agency referred to in subsection (c)(1), (2) the formula for allocating assistance among larger public housing agencies pursuant to subsection (c)(2), (3) standards and criteria for determining whether proposed improvements will reasonably assure the long-term physical and social viability of a project at a reasonable cost pursuant to subsection (d)(3), and (4) performance standards to be applied in the Secretary's reviews and audits pursuant to subsection (i)(2). The Secretary also may issue such additional rules and regulations as may be necessary to carry out the provisions and purpose of this section.

"(k) TRANSITION PROVISIONS.—Amounts that the Secretary has obligated to smaller public housing agencies under the provisions of this section, as such provisions existed immediately before October 1, 1986, shall continue to be governed by such provisions. Amounts that the Secretary has obligated to larger public housing agencies under the provisions of this section, as such provisions existed immediately before October 1, 1986, shall be subject to this section. However, larger public housing agencies shall also have the right to use such amounts for the purposes approved by the Secretary under the provisions of this section, as they existed immediately before October 1, 1986.".

SEC. 4. This Act shall become effective on October 1, 1986 with respect to amounts appropriated for Federal fiscal years beginning on and after October 1, 1986.

THE SECRETARY OF HOUSING AND URBAN DEVELOPMENT,
Washington, DC, May 3, 1985.

Subject: Proposed "Public and Indian Housing Comprehensive Grant Act."

Hon. GEORGE BUSH,
President of the Senate,
Washington, DC.

DEAR MR. PRESIDENT: I am enclosing proposed legislation to reform the Public and Indian Housing program. This legislation has two basic objectives. First, it would significantly deregulate this program, returning it to local control by public housing agencies, including Indian housing authorities. Second, it provides greater reliability of funding for capital improvements through use of formula funding for accrual of capital improvement needs and for current needs. The new program would replace the current, unwieldy Comprehensive Improvement Assistance Program under section 14 of the United States Housing Act of 1937.

Although the program would become effective with respect to amounts appropriated beginning with Federal fiscal year 1987, we urge its adoption during this Session of Congress. A significant lead time will be necessary to make the necessary administrative and program design changes and to provide PHAs with adequate opportunity to undertake the comprehensive planning required by the proposal. Accordingly, we believe it should be adopted in 1985 in connection with HUD's fiscal year 1986 legislation.

An explanation and justification accompanies this letter and more fully describes the contents of the bill. Timely enactment of this proposal would provide the Department with the necessary tools to make the Public and Indian Housing Program more effective and efficient, with benefits for the Federal government, public housing agencies, and assisted tenants. I request that the bill be referred to the appropriate Committee and urge its early enactment.

The Office of Management and Budget has advised that enactment of this legislation would be in accord with the program of the President.

Very sincerely yours,

SAMUEL R. PIERCE, Jr.

(Enclosure: Identical letter sent to the Speaker of the House).

SECTION-BY-SECTION EXPLANATION AND JUSTIFICATION

PUBLIC AND INDIAN HOUSING COMPREHENSIVE GRANT PROGRAM

The Public and Indian Housing Comprehensive Grant Program has two basic objectives: (1) significant deregulation of the public housing program, returning it to local control and (2) reliability of funding for capital improvements through use of formula funding for accrual of capital improvement needs and for current needs.

Under the new program, PHAs will receive funds for capital improvements on a formula basis. Subsidy for operating costs will be provided as it is now under the Performance Funding System. Funds from the two sources will be fully fungible with the PHA.

Funds will be granted based on 5-year comprehensive plans and annual statements of work. HUD review will be extremely limited. Close monitoring will be limited to PHAs which fail to meet, or make reasonable progress toward meeting, three performance standards: maintaining decent, safe, and sanitary housing, maintaining 97 percent occupancy; and maintaining an operating reserve of at least 20 percent of the expenses contained in one-year's operating budget.

The current modernization program is an inefficient way to distribute resources for the capital improvement needs of the public housing inventory. It denies PHAs the flexibility and responsibility essential for setting priorities for capital improvement expenditures, weighing the needs of all projects against each other and the options of repair and major maintenance against capital replacement. Because HUD decides what to fund and when to fund it, PHAs cannot do rational multi-year planning for the capital improvement needs of real estate now estimated to be worth $60 billion.

The program now imposes rigorous application requirements and applies them to all PHAs, regardless of management capablity or the size of the PHA. The program requires HUD scrutiny of the application and intensive HUD monitoring of the modernization activities. This overregulation creates unnecessary paperwork and delays, which in turn can drive up the costs of the rehabilitation work.

Under the new program, the freedom from pervasive regulation, the full fungibility of operating and capital funds provided by formula allocation and the increased reliablity of funding will provide the opportunity and incentives for efficient management. PHAs will be able to set their own priorities, to choose among projects, to determine whether maintenance or capital improvements is most cost-effective in a particular instance and to plan realistically on a multi-year basis knowing that they will have substantial control in carrying out the plan. Section 3 of the bill contains the revised section 14 of the U.S. Housing Act of 1937 which authorize the new program.

As provided in proposed section 14(a), the purpose of the Comprehensive Grant Program for Public and Indian Housing is to impove the physical condition of existing public and Indian housing projects and to upgrade their management and operation. Upgrading the management and operation of these projects will contribute to their long-term physical and social viability and assure their continued availability to provide decent, safe and sanitary living conditions for lower income families.

There are two components to the Comprehensive Grant Program, operating subsidies and capital improvement funds. Each component will be allocated separately. The opearting subsidy will be calculated as it is now under the Performance Funding System. For capital improvements, proposed subsection (c) provides for three segments of the allocation—one based on the ongoing accrual of future needs of all PHAs for replacement and major repairs, one based on the current needs of larger PHAs (PHAs having 500 or more units), and one based on the current needs of all Indian Housing Authorities (IHAs) and smaller PHAs (PHAs having less than 500 units). First, from the sum appropriated by Congress each year, the amount needed to fund the ongoing accrual of future replacement and major repair needs will be allocated by formula to each PHA under proposed subsection (c)(1). Under proposed subsection (c)(2), the remaining funds will be divided, into two "pots", one for larger PHAs and one for smaller PHAs and IHAs. The amount available for larger PHAs will be allocated by formula. The amount available for smaller PHAs and IHAs will be available on an application basis.

The funds allocated by formula—operating subsidy, accrual, and current capital improvement needs of larger PHAs—will be fungible, that is the funds can be used interchangeably. This gives PHAs the flexibility to exercise management discretion, making the appropriate trade-offs between maintenance and capital improvements. The discretionary funds available by application for smaller PHAs and all IHAs will not be fungible. Section 2 of the bill amends section 9 to make the operating subsidy amounts fungible. Proposed section 14(g)(4) makes amounts provided under section 14 (other than those available by application) fungible. Factors for the capital improvements formulas will be based on analysis of data regarding modernizaiton needs, including data from the modernization needs study, which will be available in draft form in the summer of 1986.

This allocation approach is significant in a number of ways. For the first time, recognition is given and regular annual allocations provided to all PHAs for future needs. For current needs, larger PHAs are allocated funds on a formula basis. Under this proposal they are assured of regular annual allocations for that purpose, to the extent that funds are appropriated instead of having to compete for available funds with other PHAs.

Availability of a discretionary "pot" for smaller PHAs and all IHAs under proposed subsection (f) will make it possible to get the funds to those smaller PHAs which have relatively large current modernization needs. Under a formula allocation to the PHA level, those small PHAs which have substantial current modernization needs would not receive adequate funding to accomplish this work even if they attempted to accumulate funds over several years. Further, sufficient data will not be available to determine formula allocations for smaller PHAs.

A five year comprehensive plan will be submitted to HUD by the PHA, as required by proposed subsection (d). This plan will include a comprehensive assessment of the current physical condition of each project, the physical improvements necessary for each project, and the future replacement needs. The comprehensive plan will also include a comprehensive assessment of the improvements needed to upgrade the management and operation of the PHA and the PHA's projects. This management assessment will include identification of needs related to mangement systems, PHA personnel, tenant programs and services, security, and tenant selection and eviction policies. The comprehensive plan will also include an analysis of how the physical and management improvements will reasonably assure long-term physical and social viability of each project at a reasonable cost. The comprehensive plan will include an action plan for making identified improvements and a priority schedule for such actions.

Two statements will accompany the plans, as required by subsections (d) (5) and (6). The local government will certify that (1) the plan was developed by the PHA in consultation with appropriate local government officials (or Indian tribal officials, where appropriate) and with tenants of the public housing projects, and (2) the plan is consistent with the community's assessment of its lower income housing needs and that the unit of general local government (or Indian tribe, where appropriate) will cooperate in the provision of tenant programs and services. The PHA will certify that the plan will be implemented in conformance with the Civil Rights Acts of 1964 and 1968 and with

section 504 of the Rehabilitation Act of 1973, concerning accessibility to the physically handicapped.

The level of HUD oversight and review of the comprehensive plans under proposed subsection (e) will be limited to permit PHAs maximum autonomy in ranking and responding to their own needs. HUD must approve the comprehensive plans within 75 days, unless the PHA is notified of disapproval, the reasons for the disapproval, and the required modification to the plan to make it acceptable. The plans will be approved unless anyone of the following four conditions are present. First, the plan may be disapproved if it is incomplete. Second, the plan may be disapproved if HUD determines that the PHA's identification of needs is plainly inconsistent with available, significant facts and data pertaining to the physical and operational condition of the projects or management and operations of the PHA. Third, the plan may be disapproved if HUD determines that the action plan is plainly inappropriate to meeting the needs identified in the plan or the PHA has failed to demonstrated how completion of identified improvements will reasonably assure the long-term viability of one or more projects at a reasonable cost. Finally, the plan may be disapproved if HUD determines there is evidence which tends to challenge in a substantial manner any certification contained in the plan.

Under proposed subsection (f), smaller PHAs and IHAs will submit applications to HUD to fund current modernization needs which cannot be addressed with other available resources. The application will specify the needs to be addressed and the work proposed to meet the needs and include an estimate of the cost of the proposed work. The application must be consistent with the PHA's approved five year comprehensive plan, except where necessary to correct emergency conditions. HUD will give preferenc to PHAs which have projects with emergency conditions or having the most severe need for modernization and which have demonstrated the capability to carry out the proposed work.

Under proposed subsection (h), PHAs will be required to submit an annual statement of the activities and expenditures projected to be funded. In any annual statement, a PHA may propose an amendment to its comprehensive plan. HUD will approve the annual statement unless it is inconsistent with the comprehensive plan. The annual statement will be considered approved unless HUD notifies the PHA is writing within 75 calendar days of submission that the statement has been disapproved, the reasons for disapproval and the modifications required to make the statement approvable.

PHAs will be required to submit to HUD a performance and evaluation report concerning the use of funds, as required by proposed subsection (i)(1). The PHA's report will include an assessment by the PHA of the relationship of such use of funds made available under this section, as well as the use of other funds, to the identified needs in the comprehensive plan and to the purposes of this program.

Under proposed subsection (g) of the Comprehensive Grant Program PHAs will be able to use funds to: undertake activities decribed in the approved action plan; to correct emergency conditions, whether or not the need is indicated in the comprehensive plan; to prepare a comprehensive plan, a smaller PHA application, an annual statement or an annual performance report, and for day-to-day operations of the PHA consistent with the operating subsidy statutory provisions. These eligible activities are consistent with what is now permitted under modernization or operating subsidy funding. Assistance under the program could be used only for allowable costs as determined in accordance with cost determination policies of the Office of Management and Budget under Circular A-87 applicable to grants to local and federally-recognized Indian tribal governments, as appropriately modified for application to PHAs.

The five-year comprehensive plan, annual statements and performance reports will replace the current extensive submissions required for each modernization project. These submissions include preliminary applications, additional documentation required when HUD and the PHA jointly review the proposal, final applications, construction and bid documents (where HUD-established dollar thresholds are exceeded), change orders (where HUD-established thresholds are exceeded), quarterly progress reports, budget revisions, final reports, and actual modernization costs certificates. Each submission includes numerous items, each of which is subject to HUD review and approval, except for submissions during the implementation phase for which many PHAs currently can certify compliance. Currently, HUD also determines modernization standards, which set maximum levels to which projects may be improved. By virtue of the major reduction in submission requirements, the elimination of the modernization standards, as well as strict limitation on the level of HUD review, PHAs will gain control over the amount and kind of work to be done at each project.

Provision of capital improvement funds largely by formula will replace the current competitive, discretionary program in which HUD decides which projects are to be funded—setting priorities, establishing a ranking system, and reviewing and approving individual applications. Through the Performance Funding System, HUD also constrains the amounts that may be spent each year for PHA program operations. Under the new program, although the funding amounts are determined on the basis of operating subsidy need, accrual and current capital improvements needs, PHAs are not required to establish a replacement reserve nor to spend the funds for the purposes on which each allocation is based. The entire comprehensive grant is to be spent to make physical and management improvements and to operate the PHA, according to the needs and priorities locally set by the PHA. This local management flexibility will permit efficiency in the use of funds which cannot be achieved under a system dictated in detail from Washington.

Program monitoring will be designed to determine whether PHAs are meeting program objectives, rather than procedural details, and close monitoring will be limited to those PHAs which are not making reasonable progress.

HUD will make reviews, as necessary, under proposed subsection (i)(2), to determine whether the PHA: 1) has carried out its activities under this section in a timely manner, in accordance with its comprehensive plan; 2) has a continuing capacity to carry out its comprehensive plan in a timely manner; 3) has satisfied, or made reasonable progress towards satisfying, the performance standards; and 4) has made reasonable progress in carrying out modernization projects approved under the provisions of this section as they existed immediately before October 1, 1986. The determination under clause (4) would occur before any assistance is provided under the new program.

PHAs will be expected to meet or make reasonable progress toward performance standards which represent characteristics of well-managed PHAs. These standards are: maintaining all occupied dwelling units in projects eligible for assistance at levels equal to the housing quality standards established by HUD for the Voucher program; maintaining at least a 97 percent occupancy rate for all dwelling units; and maintaining an operating reserve equal to at least 20 percent of the expenses contained in each year's operating budget.

As provided in proposed subsection (i)(3), HUD may withhold assistance, require the PHA to take corrective action, or take other appropriate action, in response to HUD reviews. The intent of the Comprehensive Grant Program is to permit PHAs the maximum possible freedom to operate in any way they believe best to meet the statutory objectives of the public housing program. However, PHAs which do not use their resources effectively to provide decent, safe and sanitary housing for lower income families, or do not maintain financial stability, including PHAs now designated as financially or operationally troubled, will be funded subject to conditions specified by HUD designed to assure that there is continuing progress toward meeting the performance standards. HUD staff resources will be freed from detailed review of PHAs that are performing well and redirected to provide assistance to troubled PHAs.

The financial transactions of PHAs may be audited in accordance with the Single Audit Act of 1984 as provided in proposed subsection (i)(4). HUD, HUD's Inspector General, and the representatives of the General Accounting Office will have access to all books, documents, papers, or other records pertinent to the activities carried out under the new program to make audit examinations, excerpts, and transcripts.

Under proposed subsection (j), HUD will prescribe by regulation: the formula for determining the annual accrual of capital improvement needs of each PHA; the formula for allocating assistance among larger PHAs; standards and criteria for determining whether proposed improvements will reasonably assure the long-term physical and social viability of a project at a reasonable cost; and performance standards. HUD may issue additional rules and regulations as may be necessary to carry out the provisions and purpose of this section.

Under proposed subsection (k), for smaller PHAs, funds previously approved for modernization will continue to be governed by the provisions which existed immediately before October 1, 1986. For larger PHAs, funds previously approved for modernization will come under this section. However, larger PHAs also will be allowed to use previously approved funds for the activities for which also they were originally approved.

Section 4 of the bill provides that the amendments will become effective October 1, 1986 with respect to amounts appropriated for Federal fiscal year 1987 and thereafter.●

By Mr. DURENBERGER (for himself, Mr. HATFIELD, Mr. HART, Mr. CRANSTON, Mr. KENNEDY, Mr. MOYNIHAN, Mr.

RIEGLE, Mr. EVANS, Mr. HEINZ, Mr. BURDICK, Mr. MATSUNAGA, Mr. BOSCHWITZ, Mr. MELCHER, and Mr. KERRY):

S. 1169. A bill to ensure economic equity for American women by providing retirement security for women as workers and as divorced or surviving spouses, making quality dependent care available to all working families, ending discrimination in insurance on the basis of race, color, religion, national origin, or sex, providing equal employment opportunity and pay equity for women, treating women and low-income families more equitably under the tax laws and tax reform proposals, and improving the health care coverage of displaced homemakers and medicare recipients; to the Committee on Finance.

ECONOMIC EQUITY ACT

● Mr. DURENBERGER. Mr. President, I am pleased to introduce the Economic Equity Act of 1985 along with my colleagues, Mr. HATFIELD, Mr. HART, Mr. CRANSTON, Mr. KENNEDY, Mr. MOYNIHAN, Mr. EVANS, Mr. BURDICK, Mr. MATSUNAGA, Mr. RIEGLE, Mr. BOSCHWITZ, Mr. HEINZ, Mr. MELCHER, and Mr. KERRY.

The Economic Equity Act of 1985 is a major bipartisan effort designed to eradicate some of the economic roots of discrimination against women and to address those economic barriers to women's full participation in our society.

The Economic Equity Act was originally introduced in the 97th Congress along with my colleagues BOB PACKWOOD and MARK HATFIELD. The bill drew endorsement from 23 cosponsors and virtually all of the organizations advocating equal access for women. Agricultural credit, child and dependent care tax credit reform, repeal of the widows estate tax, and military/foreign service pension reform all became public law.

In the 98th Congress we strengthened the enforcement of child support payments and made our public and private pension systems more equitable. The Deficit Reduction Act of 1984 enacted two provisions of the Economic Equity Act. It clarified nonprofit dependent care facilities as eligible for tax exempt status and it allowed alimony to be treated as income for the purposes of individual retirement accounts. The head start reauthorization bill enacted dependent care information and referral.

Despite the progress which we have made in getting major provisions of the Economic Equity Act adopted over the past 5 years, women still face disproportionate treatment under the law. Additional work needs to be done in order to secure full equity for women. Each title of the Economic Equity Act, retirement security, dependent care, insurance, employment and tax reform address areas where reforms, either by law or by practice are needed. I would like to summarize the provisions under each of the five titles of the act.

Statistics show that women have been less likely to receive pensions than men, and when they receive them, their benefits have been considerably lower than those of men. This disparity has many implications for women particularly lower paid workers. This is of particular concern due to the increased mobility of the workforce. Title I under retirement equity addresses these needs.

TITLE 1 RETIREMENT SECURITY

The Retirement Equity Act of 1983 (P.L. 98-397) reformed the Employee Retirement Income Security Act [ERISA] and the Internal Revenue Code in the following ways:

It (1) lowers from 25 to 21 the minimum age for participation in private pension plans and the minimum age at which service must be counted toward vesting (entitlement to receive benefits); (2) allows employees to leave a job for up to 5 years without losing any time accrued for pension participation and vesting; (3) allows employees on maternity or paternity leave to earn limited pension credits so that they do not incur a break-in-service; (4) requires pension plans paying annuities to pay to married participants a joint (or two-person) annuity while both persons survive and a survivor annuity after one person dies, unless both spouses sign a wiver of the joint and survivor annuity; (5) allows a spouse to receive pension benefits if a wage earner dies before retirement age but after he reaches age 45 and has 10 years on the job; (6) provides that pension benefits may be assigned to an exspouse in case of divorce, (7) assumes that employees who have accrued retirement benefits will not lose those benefits when an employer terminates or changes a pension plan.

VESTING, INTEGRATION AND PORTABILITY

Vesting. This years bill reduces, from 10 to 5 years, the number of years of service a pension plan participant must complete in order to earn a 100 percent, nonforfeitable right to a retirement benefit. It would permit multiemployer pension plans to retain 10 years vesting, on condition that there is complete reciprocity for workers who move from one regional pension plan to another within the same industry.

Integration. Integration is the practice of offsetting a pension plan participant's earned benefit by the amount of Social Security benefits the workers will receive upon retirement. Some 45 percent of medium and large plans use integration in calculating retirement benefits. The impact on the lowest paid workers is important because integration can wipe out their entire pension, leaving them totally dependent on Social Security.

This legislation requires all integrated pension plans to provide a munimum benefit, above and beyond the Social Security benefit. For integrated defined benefit plans, this minimum would be 1.5 percent of the employee's compensation over a 10-year period. For integrated defined contribution plans, the minimum would be 2.5 percent of compensation for all years of service.

Portability. Under the portability modification, small vested pension benefits accumulated over short time periods could be rolled over into portable pension accounts. These accounts could not be drawn upon before retirement without penalty nor added to with new earnings. This ensures that retirement money is kept for retirement, but allows the employee some control over investment.

Earnings sharing. Under earnings sharing plans, a couple's annual earnings would be divided equally between them for the years they were married for purposes of computing benefits. The couple's aggregate earnings would be split on a year-by-year basis only for those years of the marriage in order to assure that each spouse will have Social Security protection in his or her own right.

Disabled widows. The disabled widow(ers) amends title II of the Social Security Act to provide full benefits for disabled widows and widowers without regard to age, and without regard to any previous reduction in their benefits.

Transition of benefits. Under the transition of benefits bill, title II of the Social Security Act would be amended to provide for the payment of a transition benefit to the spouse of an insured individual upon such individual's death if such spouse has attained age 50 and is not otherwise immediately eligible for benefits.

Disability definition. The disability definition provision amends title II of the Social Security Act to repeal the separate definition of disability presently applicable to widows and widowers, and to provide in turn that the months of a widow's or widower's entitlement to SSI benefits on the basis of disability may be used in establishing his or her entitlement to Medicare benefits on that basis

MILITARY SPOUSE PENSION REFORM

The fiscal year 1985 Department of Defense authorization bill extends health benefits to certain former spouses of military personnel. In 1982, legislation was passed to authorize State courts to order division of retirement pay as part of community property distribution upon divorce. This law also provided for medical benefits and commissary privileges to former spouses married at least 20 years during periods of active service.

Current law allows courts to consider the division of retired or retirees pay subject to certain restrictions. Because these restrictions allow the member to withhold taxes and other liabilities from the annuity before divi-

sion, the spouse often does not receive a fair share of the retirement benefits. In addition, there has been difficulty interpreting some of the formulas created by the courts to divide military retired pay.

Many military spouses find themselves without retirement benefits after a divorce. Although current law allows courts to consider the military retirement pay in divorce settlements, many courts fail to recognize the contributions and sacrifices of the spouse to a military career. Due to frequent moves, a military spouse is unable to establish a pension based on years worked with a singe employer. In addition, it is usually the spouse who resettles the family in a new neighborhood with each assignment.

The proposed EEA, would establish a pro rata presumption to the retirement pay for former spouses, the same as it establishes a pro rata presumption to the retirement pay for former spouses, the same as available to the CIA and Foreign Service spouses. The division would be subject to court review and would simplify annuity division.

DEPENDENT CARE SECTION, TITLE XX

This bill increases the title XX social services block grant authorization levels for title XX. The bill provides the following:

A set aside for child care and other services such as child abuse and neglect prevention, the promotion of cost-effective alternatives to institutionalization; funding for child care training and training for other human services staff; incentive grants to states to encourage implementation and enforcement of day care regulations and the establishment of a national resource center on child care.

The Senate bill provides for the establishment of a National Advisory Committee to develop new recommended model child care standards and the appointment of State Advisory Committees on Child Care Standards to examine the state's child care laws and procedures relating to the quality of child care standards.

CHILD CARE UNDER THE HIGHER EDUCATION ACT

This provision of the EEA amends the Higher Education Act to address the need for special child care services for economically disadvantaged college students and to improve child care training opportunities. This bill establishes a grant program to make child care available to low-income, first generation college students.

This is a positive attempt to assist young women with children to enter college. This provision could be interpreted as a duplication of services to this population. It could also be inerpreted as a luxury item in this economic environment.

CHILD CARE IN PUBLIC HOUSING

This section of the EEA establishes grants for child care services in public housing projects. Under the bill, public housing agencies would contract with nonprofit organizations within their communities to provide child care services to low-income families. The bill would also encourage direct involvement of public housing residents by employing these residents, especially elderly individuals, in the child care programs.

This provision passed last year as a part of the large housing authorization. However, it was not funded. KASSEBAUM has agreed to take the lead on the separate introduction of this measure.

HEALTH INSURANCE CONTINUATION FOR WIDOWED AND DIVORCED WOMEN AND DEPENDENT CHILDREN AND MEDICARE GAP WOMEN

This provision would cover widows and widowers and dependent children of employed spouses who have been covered under the group contract for at least the 30 days prior to the death, divorced persons of employed spouses who have been covered under the group contract for at least 30 days prior to the separation or divorce, the dependent minor children of the employed spouse and finally, spouses whose covered spouse has retired and is on Medicare but the other spouse is not old enough to qualify for Medicare.

This provision amends the Internal Revenue Code section 162(i)—to deny the business tax deduction from any employer who fails to include continuation rights to a widow and dependent children, divorced spouse and dependent children or women whose husband has retired and is on Medicare, reference to section 401—qualified pension plans, ERISA title I—new section, and Federal regulation title 42 part 110.108(e) for HMO's.

FAIR INSURANCE PRACTICES ACT

The proposed Fair Insurance Practices Act would prohibit distinctions based on race, color, religion, sex, or national origin in pension plans and insurance contracts.

Nondiscrimination in insurance is the original H.R. 100 November 1983 amendments. The bill avoids retroactivity. There is no requirement to increase benefits for current beneficiaries. Current beneficiaries would be ensured equal benefits when payment begins.

It allows insurers to equalize future benefits in whatever manner they choose. There is no requirement for them to top up all benefits. The effective date is one year after enactment.

PAY EQUITY COMPARABLE WORTH

The debate on pay equity/comparable worth is a timely and germane agenda which should be acknowledged and objectively examined. It is an issue in which we as a nation find ourselves challenged to identify the contributing factors for the large disparities between women's wages and men's wages. We should neither bury our heads in the sand, denying that these disparities exist, nor should we make it a foregone conclusion that these disparities are a product of wage based discrimination. We should squarely face this challenge, identifying these disparities using the best minds and resources at our command.

Mr. President, I offer an article recently published by "Minnesota Corporate Report," which I believe conveys a provocative view of pay equity/comparable worth from the State business perspective. I request that the article be placed in the RECORD following the remarks of my colleagues.

PAY EQUITY

The House proposal on pay equity/comparable worth would require the Equal Employment Opportunity Commission [EEOC] to develop an education program on eliminating sex-based wage discrimination from private sector pay systems. The bill would also mandate periodic reports by the Chair of the Equal Employment Opportunity Commission, the Secretary of Labor, and the Attorney General to the President and Congress describing the activity each agency has taken to enforce current laws which prohibit sex-based wage discrimination.

FEDERAL STUDY

The Federal Pay Equity and Management Improvement Act of 1985 allows for an independent consultant to conduct a study of the Federal civil service pay classification system. The report would conclude with recommendations for correcting any discriminatory wage practices identified.

LEGISLATIVE STUDY

This provision establishes a commission that would in turn select a private contractor to conduct a study of the pay practices of the Library of Congress. The commission would make recommendations to implement pay equity throughout the legislative branch.

Under the Senate pay equity provision, a commission would be established to hire a consultant to provide for a study of representative executive agencies' wage-setting practices and wage differentials. The study is to determine, by using both job content and economic analysis, whether female occupations are paid lower than male occupations. Within 18 months the commission is to transmit to the appropriated committees of Congress a report on its findings and recommendations for such administrative or legislative actions as it considers appropriate. The Director of the Office of Personnel Management shall comment on the report and specify the Director's plan and timetable to carry out any corrective measures if so indicated.

AFDC MOTHERS

The problems associated with teen pregnancy are well documented. In 1981, nearly half of all births to women under 20 were out of wedlock—

a 58-percent increase over 1970, when 31.5 percent of all births to teenagers were out of wedlock.

The United States is the only developed country where the teenage pregnancy has been increasing in recent years, with the U.S. rate for 15- to 19-year-olds standing at 96 per 1,000—83 per 1,000 for whites—compared to 14 per 1,000 in the Netherlands, 35 in Sweden, 43 in France, 44 in Canada, and 45 in England and Wales. It is notable that the teenage abortion rate alone in the United States is as high as or higher than the combined abortion and birthrates of any of these countries.

The Senate and House have different measures to address the issues of long term AFDC dependency.

The bill being introduced in the Senate would provide assistance and services to help young women remain in school or find employment. The bill would provide support services—child care, employment training, job placement, and academic and vocational education, in an effort to avoid the predictable cycle of poverty and long term welfare dependency. The bill provides Federal grants to support States' efforts to provide the services teenage parents need to complete their education and prepare themselves for employment. States applying for these funds would identify areas with a high incidence of teenage pregnancy, and funds would be targeted to low-income areas. States would be directed to better coordinate the administration of Federal funds currently directed to teenage mothers, funds from social services block grants, the Job Training and Partnership Act, the Work Incentive Program, and the maternal and child care block grant.

In its application for these funds, a State would produce a plan to target a specified core of services to teen mothers, to help them achieve greater self-sufficiency, for example, day care services, so teen mothers can attend school or work; and employment training and job placement services, so teen mothers can gain the skills to support their children.

The purpose of the Commission on Women's Small Business Ownership will be to study ways to improve the business climate for women business owners; the Commission would be appointed for 2 years, report its findings, and then expire. The Commission will help fill the void in statistics since 1980 by not only collecting available data but also reviewing data collecting procedures and identifying gaps and discrepancies. The Commission will also review all existing Federal initiatives relating to women-owned businesses and Federal roles in aiding and promoting women-owned small businesses.

This bill directs the Commission to focus on the special problems of socially and economically disadvantaged women in owning small businesses. The Commission would be required to make recommendations based upon its findings. The recommendations should include private sector and Federal initiatives to assist women in small business ownership. This Commission will help to identify barriers and assist both Government and the private sector in eliminating specific roadblocks to women's full participation in the free enterprise system.

WOMEN IN BUSINESS-EQUAL CREDIT

This bill amends the Equal Credit Opportunity Act of 1972; to require the Federal Reserve Board to extend all enforcement provisions of the Equal Credit Opportunity Act of 1974 to commercial lenders.

Although the Equal Credit Opportunity Act requires financial credit institutions to make credit available equally to all credit worthy customers without regard to sex or marital status, many of its provisions have been interpreted not to apply to business transactions. The Federal Reserve Board was given the authority to prescribe regulations to carry out the purposes of the act. Their main regulation, regulation B amplifies the basic requirements of the act. Regulation B prohibits a creditor from asking about an applicant's sex, race, color, and national origin. Despite the existence of potential safeguards, the Federal Reserve Board's rules generally exempt business credit transactions from the rules requiring notification, retention of records and inquiries about marital status.

Exempting business credit transactions from the requirements of the act hampers the ability of enforcement agencies and women entrepreneurs to detect illegal discrimination, eliminates incentives for financial institutions to monitor their own practices, and make it difficult for lawmakers to detect discriminatory practices or other types of barriers to full access to credit.

TAX REFORM: HEAD OF HOUSEHOLD ZBA

This proposal would raise the ZBA for single heads-of households to that of married couples filing jointly.

EARNED INCOME TAX CREDIT

The earned income tax credit is a refundable tax credit that was enacted in 1975 exclusively for low-income workers with children. The purpose of the EITC is to provide an incentive for low-income families to work rather than to recieve public assistance and to offset the Social Security taxes paid by low-income earners. The enactment of the EITC brought the income tax threshold above the proverty line ensuring that most poor working families would pay little or no Federal income tax. The EITC is a credit against the tax liability of families earning $11,000 per year or less, and it is refundable for a family whose credit exceeds its liability. In this way, the EITC resembles a negative income tax.

The EEA bill would index the EITC and increases it from 11 percent to 16 percent of the first $5,000 of earned income. It would phase out the maximum credit of $800 between $11,000 and $16,000 of earnings at a 16 percent rate.

Note: Bradley-Gephardt proposal maintains the current EITC; the Treasury proposal indexes it, the Kemp-Kasten plans indexes and reduces the tax credit. All three proposal raise the tax threshold through other mechanisms.

DEPENDENT CARE TAX CREDIT

The dependent care tax credit bill would expand and index the dependent care tax credit. It would expand the current sliding scale to 50 percent for those earning $10,000 or less, decreasing to 20 percent for those earning $40,000 or more.

It would index the income thresholds and make the credit refundable for low-income families who owe not income tax. The bill also provides a tax credit for respite care of disabled children and adult dependents who are physically or mentally unable to care for themselves. This credit would be available for the applicable percentage of up to $1,200 in respite care expenses.

SPOUSAL INDIVIDUAL RETIREMENT ACCOUNTS

This bill would gradually increase the allowable IRA contribution for a nonworking spouse based on the working spouse's income. The allowable contribution for a joint return with a nonworking spouse would be increased from the current $2,250 to $2,750 for fiscal year 1986 and 1987, $3,250 for fiscal year 1988 and 1989, $3,750 for fiscal year 1990 and 1991, and $4,000 thereafter.

NONDISCRIMINATION IN BUSINESS EXPENSE DEDUCTION

This bill would disallow the business deduction for entertainment and travel-related lodging when such activity takes place in a private club that discriminates on the basis of race, color, religion, national origin, or sex.

The alternative provision in no way prohibits anyone from joining the club of his or her choice. It simply puts an end to the practice of conducting tax deductible business in a discriminatory establishment. To the extent that these are business clubs, they would not be allowed to discriminate; to the extent that they are social clubs, expenses incurred therein should not be tax deductible.

The tax issues have been packaged separately in order to provide a platform to discuss the following items during the debate on tax reform.

The 1985 Economic Equity Act represents a comprehensive, forward-looking approach to improving the

economic well-being of American women and their families.

The Economic Equity Act achievements of the past 4 years were important reforms, reflecting the growing awareness of the rights and needs of American women.

We can no longer allow the law to routinely treat women as second-class citizens, dependent and devoid of the choice to contribute to their women economic future.

I would like to acknowledge my colleagues and those who have worked diligently over the past several months on specific provisions contained with the package. I would also like to acknowledge my colleagues in the House of Representatives where the Economic Equity Act was introduced earlier last week and where the bill currently enjoys the support of 82 cosponsors.

I want to offer special gratitude to the groups who have endorsed the bill prior to its introduction. These groups include: American Association of Retired Persons, American Association of University Women, American Nurses' Association American Women in Radio and Television, American Women's Clergy Association, Association of Junior Leagues, Inc., B'nai B'rith Women, Children's Defense Fund, Congressional Black Caucus, Displaced Homemakers Network, Inc., Federally Employed Women, Leadership Conference on Civil Rights, League of Women Voters of the United States, National Black Child Development Institute, National Commission on Working Women, National Council of Catholic Women, National Education Association, National Federation of Business and Professional Women's Clubs, National Organization for Women, National Women's Party, National Women's Political Caucus, Older Women's League, Organization of Chinese American Women, Pioneer Women, Pension Rights Center, Wider Opportunities for Women, Women's Equity Action League, Women, U.S.A.

Mr. President, I ask unanimous consent that the bill and an article from "Corporate Report" be printed in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

S. 1169

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE AND TABLE OF CONTENTS.

(a) SHORT TITLE.—This Act may be cited as the "Economic Equity Act of 1985".

(b) TABLE OF CONTENTS.—

Section 1. Short title and table of contents.

TITLE I—RETIREMENT

PART A—PRIVATE PENSIONS

Sec. 100. Short title.

Subpart 1—Amendments to the Employee Retirement Income Security Act of 1974

Sec. 101. Continued coverage for certain workers over the normal retirement age.

Sec. 102. Minimum vesting standard reduced from 10 years to 5 years.

Sec. 103. Coverage for part-time workers.

Sec. 104. Minimum benefit rules for integrated plans.

Sec. 105. Distributions of accrued benefits to portable pension accounts.

Subpart 2—Amendments to the Internal Revenue Code of 1954

Sec. 111. Continued coverage for certain workers over the normal retirement age.

Sec. 112. Minimum vesting standard reduced from 10 years to 5 years.

Sec. 113. Coverage for part-time workers.

Sec. 114. Minimum benefit rules for integrated plans.

Sec. 115. Distributions of accrued benefits to portable pension accounts.

Subpart 3—Additional Provisions

Sec. 121. Study on cost-of-living adjustments under private pension plans.

Sec. 122. Effective date.

PART B—SOCIAL SECURITY

Sec. 130. Short title.

Subpart 1—Earnings Sharing

Sec. 131. Combined earnings of husband and wife during their marriage to be divided equally and shared between them for benefit purposes.

Subpart 2—Other Reforms

Sec. 141. Full benefits for disabled widows and widowers without regard to age.

Sec. 142. Payment of transition benefits to certain surviving spouses.

Sec. 143. Repeal of separate definition of disability presently applicable to widows and widowers.

PART C—FORMER MILITARY SPOUSES

Sec. 151. Short title.

Sec. 152. Former spouse share of retired or retainer pay.

Sec. 153. Former spouse share of survivor annuity.

Sec. 154. Survivor annuities in cases of divorce before the effective date.

Sec. 155. Former spouse share of retired or retainer pay in compliance with court order.

Sec. 156. Effective dates.

TITLE II—DEPENDENT CARE

PART A—SOCIAL SERVICES PROGRAM (TITLE XX)

Sec. 200. Short title.

Sec. 201. Increase in total amount of title XX funds available for allotment.

Sec. 202. Allotment and use of funds for specific purposes.

Sec. 203. Improvement of child care standards.

PART B—HIGHER EDUCATION ACT

Sec. 211. Child care program for postsecondary students.

PART C—PUBLIC HOUSING CHILD CARE DEMONSTRATION PROGRAM

Sec. 221. Public housing child care grants.

TITLE III—INSURANCE

PART A—NONDISCRIMINATION IN INSURANCE

Sec. 300. Short title.

Sec. 301. Findings and policy.

Sec. 302. Definitions.

Sec. 303. Discriminatory actions.

Sec. 304. State enforcement prior to judicial enforcement under this part.

Sec. 305. Civil action by or on behalf of aggrieved person.

Sec. 306. Civil action by the Attorney General involving issues of general public importance.

Sec. 307. Jurisdiction.

Sec. 308. Judicial relief.

Sec. 309. Inapplicability.

Sec. 310. Effective date.

PART B—HEALTH INSURANCE CONTINUATION

Sec. 320. Short title.

Sec. 321. Continuation coverage requirement for allowance of deduction for employer contributions to group health plans.

Sec. 322. Requirements under ERISA relating to continuation coverage under group health plans.

Sec. 323. Effective date and special rules.

TITLE IV—EMPLOYMENT

PART A—PAY EQUITY IN THE FEDERAL CIVIL SERVICE

Sec. 401. Definitions.

Sec. 402. Establishment of commission on compensation equity.

Sec. 403. Study and reporting requirements.

Sec. 404. Appointment of commission.

Sec. 405. Administrative provisions.

Sec. 406. Termination.

Sec. 407. Consultant.

Sec. 408. Construction.

Sec. 409. Funding.

Sec. 410. Effective date.

PART B—SERVICE PROGRAMS FOR PREGNANT TEENAGERS AND TEENAGE MOTHERS

Sec. 411. Grants to States for programs to assist pregnant teenagers and teenage mothers who might otherwise become long-term recipients of AFDC.

PART C—WOMEN IN BUSINESS

Subpart 1—National Commission on Women's Business Ownership

Sec. 420. Short title.

Sec. 421. Establishment.

Sec. 422. Duties of the Commission.

Sec. 423. Membership.

Sec. 424. Director and staff of the Commission.

Sec. 425. Powers of the Commission.

Sec. 426. Reports.

Sec. 427. Termination.

Sec. 428. Authorization of appropriations.

Sec. 429. Effective date.

Subpart 2—Equal Credit
Sec. 431. Amendment to Equal Credit Opportunity Act.
TITLE V—TAX REFORM
Sec. 501. Zero bracket amount for heads of households.
Sec. 502. Increase in earned income credit; treatment of certain payments.
Sec. 503. Credit for dependent care services.
Sec. 504. Retirement savings of individuals.
Sec. 505. Deduction for certain expenses for food, beverages, lodging, and entertainment disallowed if incurred in connection with a facility to which access is limited on the basis of race, color, sex, religion, or national origin.

TITLE I—RETIREMENT

PART A—PRIVATE PENSIONS

SEC. 100. SHORT TITLE.

This title may be cited as the "Pension Vesting, Integration, and Portability Act of 1985".

Subpart 1—Amendments to the Employee Retirement Income Security Act of 1974

SEC. 101. CONTINUED COVERAGE FOR CERTAIN WORKERS OVER THE NORMAL RETIREMENT AGE.

(a) IN GENERAL.—Section 202(a)(2) of the Employee Retirement Income Security Act of 1974 (29 U.S.C. 1052(a)(2)) (relating to maximum age conditions) is amended to read as follows:

"(2)(A) Except as provided in subparagraph (B), no pension plan may exclude from participation (on the basis of age) employees who have attained a specified age.

"(B) A pension plan may exclude from participation (on the basis of age) an employee who has attained the normal retirement age under the plan if—

"(i) the plan is—

"(I) a defined benefit plan, or

"(II) a target benefit plan (as defined in regulations prescribed by the Secretary of the Treasury), and

"(ii) the employee's accrued benefit under the plan is greater than the normal retirement benefit to which the employee would be entitled at the normal retirement age if the employee commenced participation at the earliest possible entry age under the plan and served continuously until attaining the normal retirement age under the plan.".

(b) RULE OF APPLICATION.—The amendment made by subsection (a) shall apply with respect to service performed on or after the effective date under section 122.

SEC. 102. MINIMUM VESTING STANDARD REDUCED FROM 10 YEARS TO 5 YEARS.

(a) IN GENERAL.—Paragraph (2) of section 203(a) of the Employee Retirement Income Security Act of 1974 (29 U.S.C. 1053(a)(2)) (relating to minimum vesting standards) is amended to read as follows:

"(2) A plan satisfies the requirements of this paragraph if it satisfies the requirements of subparagraph (A) or (B).

"(A) A plan satisfies the requirements of this subparagraph if, under the plan, a participant who has completed at least 5 years of service has a nonforfeitable right to 100 percent of the participant's accrued benefit derived from employer contributions.

"(B)(i) A plan satisfies the requirements of this subparagraph if—

"(I) the plan is a multiemployer plan (as defined in section 3(37)),

"(II) the plan is maintained pursuant to a collective bargaining agreement to which a national or international employee organization is a party and provides for participation in the plan by all members of such organization, or the plan provides for reciprocity between itself and each other related multiemployer plan, and

"(III) under the plan a participant who has completed at least 10 years of service has a nonforfeitable right to 100 percent of the participant's accrued benefit derived from employer contributions.

"(ii) For purposes of this subparagraph—

"(I) a multiemployer plan is related to any other multiemployer plan if either plan is maintained pursuant to a collective bargaining agreement to which an employee organization subordinate to a national or international employee organization is a party, and any other employee organization which is subordinate to such national or international employee organization is a party to a collective bargaining agreement pursuant to which the other multiemployer plan is maintained, and

"(II) a multiemployer plan provides for reciprocity between itself and any other multiemployer plan if each such plan recognizes, for purposes of determining nonforfeitability of benefits of a participant under such plan, years of service of such participant which are recognized under the other multiemployer plan for purposes of determining nonforfeitability of benefits of such participant under such other plan.".

(b) REPEAL OF CLASS YEAR PLAN RULE.—Section 203(c) of such Act is amended by striking out paragraph (3).

(c) PROTECTION FOR PARTICIPANTS WITH 3 YEARS OF SERVICE FROM CHANGES IN VESTING SCHEDULE.—Subparagraph (B) of section 203(c)(1) of such Act (relating to changes in vesting schedules) is amended by striking out "5" and inserting in lieu thereof "3".

(d) RULE OF APPLICATION.—The amendments made by subsections (a) and (c), upon taking effect as provided in section 122, shall apply with respect to participants who have completed at least one hour of service on or after the date of the enactment of this Act.

SEC. 103. COVERAGE FOR PART-TIME WORKERS.

(a) AMENDMENT OF MINIMUM PARTICIPATION STANDARDS.—

(1) LATEST DATE UNTIL WHICH PARTICIPATION OF EMPLOYEE MAY BE DELAYED.—Section 202(a)(1)(A) of the Employee Retirement Income Security Act of 1974 (29 U.S.C. 1052(a)(1)(A)) (relating to minimum age and service conditions for participation) is amended—

(A) by striking out "or" at the end of clause (i);

(B) by striking out "service." in clause (ii) and inserting in lieu thereof "service; or"; and

(C) by adding at the end thereof the following new clause:

"(iii) in the case of an employee described in paragraph (3)(E), the date on which the employee completes one-half of 1 year of service as provided in such paragraph.".

(2) 500 HOURS OF SERVICE PER YEAR BY PART-TIME EMPLOYEE TREATED AS ONE-HALF OF 1 YEAR OF SERVICE.—Section 202(a)(3) of the Employee Retirement Income Security Act of 1974 (29 U.S.C. 1052) (relating to definition of year of service) is amended by adding at the end thereof the following new subparagraph:

"(E) For purposes of this section, in the case of an employee who customarily completes as part-time employment more than 500 hours of service and less than 1,000 hours of service within the 12-month period specified in subparagraph (A), such hours of service so completed shall be treated as one-half of a 'year of service'.".

(b) AMENDMENT OF MINIMUM VESTING STANDARDS TO TREAT 500 HOURS OF SERVICE PER YEAR BY PART-TIME EMPLOYEE AS ONE-HALF OF 1 YEAR OF SERVICE.—Section 203(b)(2) of such Act (29 U.S.C. 1053) (relating to definition of year of service) is amended by adding at the end thereof the following new subparagraph:

"(E) For purposes of this section, in the case of an employee who customarily completes as part-time employment more than 500 hours of service and less than 1,000 hours of service within the 12-consecutive-month period designated by the plan under subparagraph (A), such hours of service so completed shall be treated as one-half of a 'year of service'.".

(c) AMENDMENT OF BENEFIT ACCRUAL REQUIREMENTS TO INCLUDE SERVICE OF AT LEAST 500 HOURS PER YEAR IN DETERMINATIONS OF YEARS OF PARTICIPATION.—Section 204(b)(3)(C) of such Act (29 U.S.C. 1054(b)(3)(C)) (relating to treatment of less than 1,000 hours of service during year) is amended by striking out "1000 hours" and inserting in lieu thereof "500 hours".

(d) RULE OF APPLICATION.—The amendments made by this section, upon taking effect as provided in section 122, shall apply with respect to participants who have completed at least one hour of service on or after the date of the enactment of this Act.

SEC. 104. MINIMUM BENEFIT RULES FOR INTEGRATED PLANS.

Section 206 of the Employee Retirement Income Security Act of 1974 (29 U.S.C. 1056) (relating to other provisions relating to form and payment of benefits) is amended by adding at the end thereof the following new subsection:

"(e)(1) In the case of an integrated defined benefit plan, the accrued benefit derived from employer contributions on behalf of each participant, when expressed as an annual retirement benefit, shall not be less than the applicable percentage of the participant's average annual compensation.

"(2)(A) In the case of an integrated defined contribution plan or an integrated simplified employee pension (within the meaning of section 408(k) of the Internal Revenue Code of 1954), the employer contribution for the year for each participant shall not be less than 2.5 percent of such participant's compensation (within the meaning of section 415 of such Code).

"(B) The percentage referred to in subparagraph (A) for any year shall not exceed the percentage at which contributions are made (or required to be made) under the plan or simplified employee pension for the year for the participant for whom such percentage is the highest for the year.

"(C) For purposes of this paragraph, any employer contribution attributable to a salary reduction or similar arrangement shall not be taken into account.

"(3) A defined benefit plan, defined contribution plan, or simplified employee pension shall not be treated as meeting the requirements of this subsection unless it meets such requirements without taking into account contributions or benefits under chapter 2 of the Internal Revenue Code of 1954 (relating to tax on self-employment income), chapter 21 of such Code (relating to Federal Insurance Contribution Act), title II of the Social Security Act, or any other Federal or State law.

"(4) For purposes of this subsection—

"(A) a plan or simplified employee pension is integrated if the plan or pension meets the requirements of section 401(a) or 408(k) (as applicable) of the Internal Revenue Code of 1954 but would not meet such requirements if contributions or benefits under chapter 2 of such Code (relating to tax on self-employment income), chapter 21 of such Code (relating to Federal Insurance Contributions Act), title II of the Social Security Act, or any other Federal or State law were not taken into account,

"(B) the term 'applicable percentage' means the lesser of—

"(i) 1.5 percent, multiplied by the number of the participant's years of participation under the plan, or

"(ii) 15 percent,

"(C) the term 'year of participation' means, in connection with any participant, a year of service taken into account for purposes of determining whether the requirements of section 202 of this Act or section 401(a)(4) of the Internal Revenue Code of 1954 are met by the plan with respect to such participant,

"(D) the term 'annual retirement benefit' means the amount which would be payable annually under the plan as the participant's benefit if the benefit under the plan were expressed as an equivalent benefit payable in the form of a single life annuity (with no ancillary benefits) commencing at the normal retirement age under the plan, and

"(E) the term 'average annual compensation' means, in connection with a participant, the participant's annual compensation (within the meaning of section 415 of the Internal Revenue Code of 1954), averaged under a uniform rule which is applied to all participants, over—

"(i) the period of 5 consecutive years of service of the participant under the plan (disregarding any break in such service) for which the participant's compensation was the highest, or

"(ii) if the participant has less than 5 years of service under the plan, the participant's total period of service.

"(5) The Secretary of the Treasury shall prescribe such regulations as may be necessary or appropriate to carry out the purposes of this subsection in any case in which the employer has two or more plans, including (but not limited to) regulations to prevent inappropriate omissions or require duplication of minimum benefits or contributions.".

SEC. 105. DISTRIBUTIONS OF ACCRUED BENEFITS TO PORTABLE PENSION ACCOUNTS.

(a) ELECTION OF QUALIFIED ROLLOVER UPON SEPARATION FROM SERVICE IF ACCRUED BENEFIT LESS THAN $7,000.—Section 206 of the Employee Retirement Income Security Act of 1974 (as amended by section 104 of this Act) is further amended by adding at the end thereof the following new subsection:

"(f)(1) A pension plan shall distribute a participant's nonforfeitable benefit to a portable pension account if—

"(A) the plan is—

"(i) a defined benefit plan, or

"(ii) an individual account plan which is subject to the funding standards of section 302,

"(B) the present value, as of the date of separation from service, of such benefit is less than $7,000, and

"(C) the participant elects in writing, after receiving the notice required in paragraph (2), to have such benefit distributed to such portable pension account in a distribution which is excluded from gross income under section 402(a)(5)(A) of the Internal Revenue Code of 1954.

The Secretary shall prescribe by regulation the manner and form in which an election under subparagraph (C) is to be made.

"(2) Upon being informed by a participant that the participant wishes to make an election pursuant to paragraph (1)(C), the plan administrator shall provide notice to the participant of—

"(A) the present value, as of the date of separation from service, of the participant's nonforfeitable benefit,

"(B) the amount of the participant's benefit on the date of the participant's retirement payable under the pension plan at normal retirement age, expressed—

"(i) if the plan is a defined benefit plan, in the form of a single life annuity, or

"(ii) if the plan is an individual account plan described in paragraph (1)(A)(ii), in the normal form of payment under the plan, and

"(C) the additional tax under section 408(f) of the Internal Revenue Code of 1954 on distributions from, or disqualification of, the portable pension account before the date on which the participant attains age 59½.

"(3) For purposes of this subsection—

"(A) the term 'portable pension account' means an individual retirement account (within the meaning of section 408(a) of the Internal Revenue Code of 1954) or an individual retirement annuity (within the meaning of section 408(b) of such Code) under which contributions may consist only of distributions made to such account or annuity pursuant to this subsection, and

"(B) the present value, as of the date of separation from service, of a participant's nonforfeitable benefit under a plan shall be deemed to be equal to the actuarial equivalent, as of such date, of the normal form of benefit under the plan.".

(b) PROSPECTIVE APPLICATION.—The amendment made by subsection (a), upon taking effect as provided in section 122, shall apply only with respect to participants separated from service under the pension plan after the effective date set forth in such section.

Subpart 2—Amendments to the Internal Revenue Code of 1954

SEC. 111. CONTINUED COVERAGE FOR CERTAIN WORKERS OVER THE NORMAL RETIREMENT AGE.

(a) IN GENERAL.—Section 410(a)(2) of the Internal Revenue Code of 1954 (relating to maximum age conditions) is amended to read as follows:

"(2) MAXIMUM AGE CONDITIONS—

"(A) GENERAL RULE.—Except as provided in subparagraph (B), a trust shall not constitute a qualified trust under section 401(a) if the plan of which it is a part excludes from participation (on the basis of age) employees who have attained a specified age.

"(B) DEFINED BENEFIT PLANS AND TARGET BENEFIT PLANS.—Subparagraph (A) shall not apply if—

"(i) the plan is—

"(I) a defined benefit plan, or

"(II) a target benefit plan (as defined in regulations prescribed by the Secretary), and

"(ii) the employee's accrued benefit under the plan is greater than the normal retirement benefit to which the employee would be entitled at the normal retirement age if the employee commenced participation at the earliest possible entry age under the plan and served continuously until attaining the normal retirement age under the plan.".

(b) RULE OF APPLICATION.—The amendment made by subsection (a) shall apply with respect to service performed on or after the effective date under section 122.

SEC. 112. MINIMUM VESTING STANDARD REDUCED FROM 10 YEARS TO 5 YEARS.

(a) IN GENERAL.—Paragraph (2) of section 411(a) of the Internal Revenue Code of 1954 (relating to minimum vesting standards) is amended to read as follows:

"(2) EMPLOYER CONTRIBUTIONS.—A plan satisfies the requirements of this paragraph if it satisfies the requirements of subparagraph (A) or (B).

"(A) 5-YEAR VESTING.—A plan satisfies the requirements of this subparagraph if, under the plan, a participant who has completed at least 5 years of service has a nonforfeitable right to 100 percent of the participant's accrued benefit derived from employer contributions.

"(B) 10-YEAR VESTING FOR CERTAIN MULTIEMPLOYER PLANS.—

"(i) IN GENERAL.—A plan satisfies the requirements of this subparagraph if—

"(I) the plan is a multiemployer plan,

"(II) the plan is maintained pursuant to a collective bargaining agreement to which a national or international employee organization is a party and provides for participation in the plan by all members of such organization, or the plan provides for reciprocity between itself and each other related multiemployer plan, and

"(III) under the plan a participant who has completed at least 10 years of service has a nonforfeitable right to 100 percent of the participant's accrued benefit derived from employer contributions.

"(ii) DEFINITIONS.—For purposes of this subparagraph—

"(I) RELATED MULTIEMPLOYER PLAN.—A multiemployer plan is related to any other multiemployer plan if either plan is maintained pursuant to a collective bargaining agreement to which an employee organization subordinate to a national or international employee organization is a party, and any other employee organization which is subordinate to such national or international employee organization is a party to a collective bargaining agreement pursuant to which the other multiemployer plan is maintained.

"(II) RECIPROCITY.—A multiemployer plan provides for reciprocity between itself and any other multiemployer plan if each such plan recognizes, for purposes of determining nonforfeitability of benefits of a participant under such plan, years of service of such participant which are recognized under the other multiemployer plan for purposes of determining nonforfeitability of benefits of such participant under such other plan.".

(b) REPEAL OF CLASS YEAR PLAN RULE.—Subsection (d) of section 411 of such Code (relating to special rules) is amended by striking out paragraph (4).

(c) PROTECTION FOR PARTICIPANTS WITH 3 YEARS OF SERVICE FROM CHANGES IN VESTING SCHEDULE.—Subparagraph (B) of section 411(a)(10) of such Code (relating to changes in vesting schedule) is amended by striking out "5" and inserting in lieu thereof "3".

(d) RULE OF APPLICATION.—The amendments made by subsections (a) and (c), upon taking effect as provided in section 122, shall apply with respect to participants who have completed at least one hour of service on or after the date of the enactment of this Act.

SEC. 113. COVERAGE FOR PART-TIME WORKERS.

(a) AMENDMENT OF MINIMUM PARTICIPATION STANDARDS.—

(1) LATEST DATE UNTIL WHICH PARTICIPATION OF EMPLOYEE MAY BE DELAYED.—Section 410(a)(1)(A) of the Internal Revenue Code of 1954 (relating to minimum age and service conditions for participation) is amended—

(A) by striking out "or" at the end of clause (i);

(B) by striking out "service." in clause (ii) and inserting in lieu thereof "service; or"; and

(C) by adding at the end thereof the following new clause:

"(iii) in the case of an employee described in paragraph (3)(E), the date on which the employee completes one-half of 1 year of service as provided in such paragraph.".

(2) 500 HOURS OF SERVICE PER YEAR BY PART-TIME EMPLOYEE TREATED AS ONE-HALF OF 1 YEAR OF SERVICE.—Section 410(a)(3) of such Code (relating to definition of year of service) is amended by adding at the end thereof the following new subparagraph:

"(E) PART-TIME EMPLOYMENT.—For purposes of this subsection, in the case of an employee who customarily completes as part-time employment more than 500 hours of service and less than 1,000 hours of service within the 12-month period specified in subparagraph (A), such hours of service so completed shall be treated as one-half of a 'year of service'.".

(b) AMENDMENT OF MINIMUM VESTING STANDARDS TO TREAT 500 HOURS OF SERVICE PER YEAR BY PART-TIME EMPLOYEE AS ONE-HALF OF 1 YEAR OF SERVICE.—Section 411(a)(5) of such Code (relating to definition of year of service) is amended by adding at the end thereof the following new subparagraph:

"(E) PART-TIME EMPLOYMENT.—For purposes of this subsection, in the case of an employee who customarily completes as part-time employment more than 500 hours of service and less than 1,000 hours of service within the 12-consecutive-month period designated by the plan under subparagraph (A), such hours of service so completed shall be treated as one-half of a 'year of service'.".

(c) AMENDMENT OF BENEFIT ACCRUAL REQUIREMENTS TO INCLUDE SERVICE OF AT LEAST 500 HOURS PER YEAR IN DETERMINATIONS OF YEARS OF PARTICIPATION.—Section 411(b)(3)(C) of such Code (relating to treatment of less than 1,000 hours of service during year) is amended by striking out "1,000 hours" each place it appears and inserting in lieu thereof "500 hours".

(d) RULE OF APPLICATION.—The amendments made by this section, upon taking effect as provided in section 122, shall apply with respect to participants who have completed at least one hour of service on or after the date of the enactment of this Act.

SEC. 114. MINIMUM BENEFIT RULES FOR INTEGRATED PLANS.

(a) IN GENERAL.—Subpart B of part I of subchapter D of chapter 1 of the Internal Revenue Code of 1954 (relating to special rules for pension, profit-sharing, stock bonus plans, etc.) is amended by adding at the end thereof the following new section:

"SEC. 417A. MINIMUM BENEFIT RULES FOR INTEGRATED PLANS.

"(a) DEFINED BENEFIT PLANS.—In the case of an integrated defined benefit plan, the accrued benefit derived from employer contributions on behalf of each participant, when expressed as an annual retirement benefit, shall not be less than the applicable percentage of the participant's average annual compensation.

"(b) DEFINED CONTRIBUTION PLANS AND SIMPLIFIED EMPLOYEE PENSIONS.—

"(1) GENERAL RULE.—In the case of an integrated defined contribution plan or an integrated simplified employee pension, the employer contribution for the year for each participant shall not be less than 2.5 percent of such participant's compensation (within the meaning of section 415).

"(2) SPECIAL RULE WHERE MAXIMUM CONTRIBUTION LESS THAN 2.5 PERCENT.—The percentage referred to in paragraph (1) for any year shall not exceed the percentage at which contributions are made (or required to be made) under the plan or simplified employee pension for the year for the participant for whom such percentage is the highest for the year.

"(3) CERTAIN AMOUNTS NOT TAKEN INTO ACCOUNT.—For purposes of this subsection, any employer contribution attributable to a salary reduction or similar arrangement shall not be taken into account.

"(c) PLAN OR PENSION MUST MEET REQUIREMENTS WITHOUT TAKING INTO ACCOUNT SOCIAL SECURITY AND SIMILAR CONTRIBUTIONS AND BENEFITS.—A defined benefit plan, defined contribution plan, or simplified employee pension shall not be treated as meeting the requirements of this section unless it meets such requirements without taking into account contributions or benefits under chapter 2 (relating to tax on self-employment income), chapter 21 (relating to Federal Insurance Contribution Act), title II of the Social Security Act, or any other Federal or State law.

"(d) DEFINITIONS AND SPECIAL RULES.—For purposes of this section—

"(1) INTEGRATED PLAN OR PENSION.—A plan or simplified employee pension is integrated if the plan or pension meets the requirements of section 401(a) or 408(k) (as applicable) but would not meet such requirements if contributions or benefits under chapter 2 (relating to tax on self-employment income), chapter 21 (relating to Federal Insurance Contributions Act), title II of the Social Security Act, or any other Federal or State law were not taken into account.

"(2) APPLICABLE PERCENTAGE.—The term 'applicable percentage' means the lesser of—

"(A) 1.5 percent, multiplied by the number of the participant's years of participation under the plan, or

"(B) 15 percent.

"(3) YEAR OF PARTICIPATION.—The term 'year of participation' means, in connection with any participant, a year of service taken into account for purposes of determining whether the requirements of section 401(a)(4) or 410 are met by the plan with respect to such participant.

"(4) ANNUAL RETIREMENT BENEFIT.—The term 'annual retirement benefit' means the amount which would be payable annually under the plan as the participant's benefit if the benefit under the plan were expressed as an equivalent benefit payable in the form of a single life annuity (with no ancillary benefits) commencing at the normal retirement age under the plan.

"(5) AVERAGE ANNUAL COMPENSATION.—The term 'average annual compensation' means, in connection with a participant, the participant's annual compensation (within the meaning of section 415), averaged under a uniform rule which is applied to all participants, over—

"(A) the period of 5 consecutive years of service of the participant under the plan (disregarding any break in such service) for which the participant's compensation was the highest, or

"(B) if the participant has less than 5 years of service under the plan, the participant's total period of service.

"(f) EMPLOYER WITH 2 OR MORE PLANS.—The Secretary shall prescribe such regulations as may be necessary or appropriate to carry out the purposes of this section in any case in which the employer has two or more plans, including (but not limited to) regulations to prevent inappropriate omissions or require duplication of minimum benefits or contributions.".

(b) TECHNICAL AND CONFORMING AMENDMENTS.—

(1) REQUIREMENTS FOR QUALIFICATION.—Paragraph (10) of section 401(a) of such Code (relating to other requirements for qualification) is amended by inserting after subparagraph (B) the following new subparagraph:

"(C) INTEGRATED PLANS.—In the case of an integrated plan (within the meaning of section 417A(d)(1)), a trust forming a part of such plan shall constitute a qualified trust under this section only if such plan satisfies the requirements of section 417A.".

(2) NONDISCRIMINATION REQUIREMENT FOR SIMPLIFIED EMPLOYEE PENSIONS.—Paragraph (3) of section 408(k) of such Code (relating to nondiscrimination requirements for simplified employee pensions) is amended by adding at the end thereof the following new subparagraph:

"(F) APPLICATION OF MINIMUM BENEFITS RULES TO INTEGRATED PENSIONS.—In the case of an integrated simplified employee pension (within the meaning of section 417A(d)(1)), employer contributions to such pension do not meet the requirements of this paragraph unless such contributions meet the requirements of section 417A.".

(3) CLERICAL AMENDMENT.—The table of sections for subpart B of part 1 of subchapter D of chapter 1 of such Code is amended by adding at the end thereof the following new item:

"Sec. 417A. Minimum benefit rules for integrated plans.".

SEC. 115. DISTRIBUTIONS OF ACCRUED BENEFITS TO PORTABLE PENSION ACCOUNTS.

(a) ELECTION OF QUALIFIED ROLLOVER UPON SEPARATION FROM SERVICE IF ACCRUED BENEFIT LESS THAN $7,000.—Section 401(a) of the Internal Revenue Code of 1954 (relating to requirement for qualification) is amended by adding at the end thereof the following new paragraph:

"(26) ELECTION OF QUALIFIED ROLLOVER UPON SEPARATION FROM SERVICE IF ACCRUED BENEFIT LESS THAN $7,000.—

"(A) IN GENERAL.—A trust shall not constitute a qualified trust under this section unless the plan of which such trust is a part provides that a participant's nonforfeitable benefit shall be distributed to a portable pension account if—

"(i) the plan is—

"(I) a defined benefit plan, or

"(II) a defined contribution plan which is subject to the funding standards of section 412,

"(ii) the present value, as of the date of separation from service, of such benefit is less than $7,000, and

"(iii) the participant elects, in writing, after receiving the notice required in subparagraph (B), to have such benefit distributed to such portable pension account in a distribution which is excluded from gross income under section 402(a)(5)(A).

The Secretary shall prescribe by regulation the manner and form in which an election under clause (iii) is to be made.

"(B) NOTICE REQUIREMENT.—Upon being informed by a participant that the participant

wishes to make an election pursuant to subparagraph (A)(iii), the plan administrator shall provide notice to the participant of—

"(i) the present value, as of the date of separation from service, of the participant's nonforfeitable benefit,

"(ii) the amount of the participant's benefit on the date of the participant's retirement payable under the pension plan at normal retirement age, expressed—

"(I) if the plan is a defined benefit plan, in the form of a single life annuity, or

"(II) if the plan is a defined contribution plan described in subparagraph (A)(i)(II), in the normal form of payment under the plan, and

"(iii) the additional tax under section 408(f) on distributions from, or disqualifications of, the portable pension account before the date on which the participant attains age 59½.

"(C) DEFINITION AND SPECIAL RULE.—For purposes of this paragraph—

"(i) PORTABLE PENSION ACCOUNT.—The term 'portable pension account' means an individual retirement account (within the meaning of section 408(a)) or an individual retirement annuity (within the meaning of section 408(b)) under which contributions may consist only of distributions made to such account or annuity pursuant to this paragraph.

"(ii) PRESENT VALUE.—The present value, as of the date of separation from service, of a participant's nonforfeitable benefit under a plan shall be deemed to be equal to the actuarial equivalent, as of such date, of the normal form of benefit under the plan.".

(b) ADDITIONAL TAX ON EARLY DISTRIBUTIONS FROM PORTABLE PENSION ACCOUNTS BEFORE AGE 59½ AND IN DISQUALIFICATION CASES.—Subsection (f) of section 408 of such Code (relating to additional tax on certain amounts included in gross income before age 59½) is amended—

(1) by redesignating paragraph (3) as paragraph (4); and

(2) by inserting after paragraph (2) the following new paragraph:

"(3) PORTABLE PENSION ACCOUNTS.—In the case of a portable pension account (as defined in section 401(a)(26)(C)), paragraphs (1) and (2) shall be applied by substituting '100 percent' for '10 percent' each place it appears in such paragraphs.".

(b) PROSPECTIVE APPLICATION.—The amendment made by subsection (a), upon taking effect as provided in section 123, shall apply with respect to participants separated from service under the pension plan after the effective date set forth in such section.

Subpart 3—Additional Provisions

SEC. 121. STUDY ON COST-OF-LIVING ADJUSTMENTS UNDER PRIVATE PENSION PLANS.

The Secretary of Labor shall conduct a study of the feasibility and ramifications of requiring employee pension benefit plans to provide cost-of-living adjustments to benefits payable under such plans. The Secretary shall compile data and analyze the effect inflation is having and may be expected to have on retirement benefits provided under such plans. The Secretary shall submit the results of the study required by this section, together with any recommendations, not later than two years after the date of the enactment of this Act.

SEC. 122. EFFECTIVE DATE.

(a) IN GENERAL.—Subject to subsection (b), the amendments made by this title shall apply to plan years beginning after December 31, 1985.

(b) SPECIAL RULE FOR COLLECTIVE-BARGAINING AGREEMENTS.—In the case of a plan maintained pursuant to one or more collective bargaining agreements between employee representatives and one or more employers ratified before the date of the enactment of this Act, the amendments made by this title shall not apply to plan years beginning before the earlier of—

(1) the date on which the last of the collective bargaining agreements relating to the plan terminates (determined without regard to any extension thereof agreed to after the date of the enactment of this Act), or

(2) January 1, 1988.

For purposes of paragraph (1), any plan amendment made pursuant to a collective bargaining agreement relating to the plan which amends the plan solely to conform to any requirement added by this title shall not be treated as a termination of such collective bargaining agreement.

PART B—SOCIAL SECURITY

SEC. 130 SHORT TITLE.

This part may be cited as the "Social Security Modernization Act".

Subpart 1—Earnings Sharing

SEC. 131. COMBINED EARNINGS OF HUSBAND AND WIFE DURING THEIR MARRIAGE TO BE DIVIDED EQUALLY AND SHARED BETWEEN THEM FOR BENEFIT PURPOSES.

Title II of the Social Security Act is amended by adding at the end thereof the following new section:

"SHARING OF EARNINGS BY MARRIED COUPLES

"SEC. 234. (a)(1) For purposes of determining the eligibility of an individual and the spouse of such individual for old-age and disability benefits and the amount of such benefits to which each is or may become separately entitled, the combined earnings of such individual and such spouse shall, to the extent that such earnings are attributable to the marriage period of such individual and such spouse (as determined under paragraph (2)), be divided equally between them and shared in accordance with this section.

"(2)(A) Except as provided in subparagraph (B), for purposes of this section, the term 'marriage period' means the period—

"(i) beginning with the first day of the calendar year in which the marriage of an individual and the spouse of such individual occurs, and

"(ii) ending with the last day of the calendar year preceding the earliest calendar year in which such individual or such spouse dies, they are divorced, or one of them files application for old-age or disability insurance benefits.

"(B)(i) No marriage period shall begin for any individual and the spouse of such individual if their marriage occurs after such individual or such spouse has filed an application for old-age insurance benefits.

"(ii) No marriage period shall include a period for which such individual or such spouse is entitled to disability insurance benefits or the waiting period (as defined in section 223(c)(2)) with respect to such benefits.

"(iii) A marriage period shall include the 'earliest calendar year' referred to in clause (ii) of subparagraph (A) for purposes of recomputations for that year under section 215(f)(2), in any case where an individual or the spouse of such individual dies or they are divorced, unless the survivor (where one of them dies) or either of them (where they are divorced) is remarried later in the same year.

"(b)(1) Except to the extent otherwise provided in subsections (c), (d), and (e), an individual and the spouse of such individual shall each be credited for all of the purposes of this title with wages and self-employment income, for each calendar year for which either of them is credited with any wages and self-employment income without regard to this section during their marriage period, in an amount equal to—

"(A) 50 percent of the combined total of the wages and self-employment income otherwise credited to both of them for that year if (at the close of the month for which the benefit determinations involved are being made) they are both still living, or

"(B) 100 percent of such combined total, up to but not exceeding the maximum amount that may be counted for that year without exceeding the ceiling imposed for that year under section 215(e), if (at the close of such month) one of them has died.

"(2) Nothing in this section shall affect the crediting of wages and self-employment income to any individual for any calendar year not included in a marriage period of such individual; but to the extent that wages and self-employment income are credited pursuant to this section the other provisions of this title specifying the manner in which wages and self-employment income are to be credited shall (to the extent inconsistent with this section) not apply.

"(3) Except where the context requires otherwise, for purposes of this section, the term 'spouse' includes a divorced spouse, a surviving spouse, and a surviving divorced spouse.

"(c) Subsections (a) and (b) shall not apply with respect to the crediting of wages and self-employment income for any calendar year, in the case of any individual and the spouse of such individual, if—

"(1) as a result of the application of such subsections with respect to that year such individual or such spouse would cease to be a fully insured individual (as defined in section 214(a)); or

"(2) such individual or such spouse is applying for disability insurance benefits (or for the establishment of a period of disability) and as a result of the application of such subsections with respect to that year would cease to be insured for such benefits under section 223(c)(1) (or for such a period under section 216(i)(3)).

"(d) Subsections (a) and (b) shall not apply for purposes of determining the amount of the benefit payable to any individual for any month if—

"(1) the total amount of the wages and self-employment income credited to such individual for a marriage period, as determined without regard to this section, is higher than the total amount of the wages and self-employment income credited to such individual's spouse for that period, as so determined; and

"(2) such individual's spouse (taking subsections (a) and (b) into account) has not filed application for old-age or disability insurance benefits by the close of such month.

"(e) Notwithstanding any of the preceding provisions of this section—

"(1) benefits payable under subsection (d) or (h) of section 202 on the basis of the wages and self-employment income of any individual, and benefits payable under subsection (b), (c), (e), (f), or (g) of such section 202 (on the basis of such wages and self-employment income) to any person other than a spouse who has shared in or been credited with a part of such individual's earnings under subsections (a) and (b) of this section,

shall be determined as though this section had not been enacted if—

"(A) the application of this section has changed such individual's primary insurance amount from what it would otherwise have been; and

"(B) the crediting of wages and self-employment income to such individual and the spouse of such individual without regard to this section would increase the amount of such benefits; and

"(2) in the application of section 203(a) (relating to maximum family benefits) with respect to benefits payable on the basis of the wages and self-employment income of any individual, where all or any part of the wages and self-employment income of such individual and the spouse of such individual was credited to them in accordance with this section, the primary insurance amount of such individual (and the crediting of such wages and self-employment income) shall be determined in accordance with this section but the benefits payable to any other person on the basis of the wages and self-employment income of such individual shall be determined without regard to this section.

"(f) Notwithstanding any other provision of this title, no wife's, husband's, widow's, or widower's insurance benefit shall be paid to any individual for any month under subsection (b), (c), (e), or (f) of section 202, and no individual shall be entitled to any such benefit, unless—

"(1) the period of such individual's marriage (to the spouse or former spouse on the basis of whose wages and self-employment income such benefit is payable) ended before the effective date of this section;

"(2) such individual is under the age of 62 (and is otherwise entitled to such benefit);

"(3) such benefit is payable without regard to age and solely by reason of such individual's having a child in his or her care; or

"(4) the application of this section to such individual is prevented by subsection (c) or (d) (or by clause (i) or (ii) of subsection (a)(2)(B)).

"(g) For purposes of subsections (a)(2) and (d), an individual's application for old-age or disability insurance benefits shall be deemed to have been filed on the first day of the first month for which (by reason of the operation of section 202(j) or 223(b)) such individual is entitled to such benefits.".

SEC. 132. CONFORMING AMENDMENTS.

(a) WIFE'S, HUSBAND'S, WIDOW'S, AND WIDOWER'S BENEFITS.—(1) Section 202(b)(1) of the Social Security Act is amended by striking out "The wife" and inserting in lieu thereof "To the extent permitted by section 234(g), the wife".

(2) Section 202(c)(1) of such Act is amended by striking out "The husband" and inserting in lieu thereof "To the extent permitted by section 234(g), the husband".

(3) Section 202(e)(1) of such Act is amended by striking out "The widow" and inserting in lieu thereof "To the extent permitted by section 234(g), the widow".

(4) Section 202(f)(1) of such Act is amended by striking out "The widower" and inserting in lieu thereof "To the extent permitted by section 234(g), the widower".

(b) MISCELLANEOUS.—(1) Section 205(c)(5) of such Act is amended—

(A) by striking out "or" at the end of subparagraph (I);

(B) by striking out the period at the end of subparagraph (J) and inserting in lieu thereof "; or"; and

(C) by adding at the end thereof the following new subparagraph:

"(K) to reflect any changes in the crediting of wages and self-employment income which may be necessitated by section 234.".

(2) Section 215(b) of such Act is amended by adding at the end thereof the following new paragraph:

"(5) The determination of the wages and self-employment income to be credited to an individual under this subsection shall in all cases be made after the application of section 234.".

SEC. 133. EFFECTIVE DATES.

(a) IN GENERAL.—Except as provided in subsection (b), the amendments made by this part shall apply only to wages and self-employment income payable after December 31, 1986, to an individual who has not attained age 50 on or before such date, and only if—

(1) the spouse of such individual has not attained age 50 on or before such date; and

(2)(A) in the case of a benefit based upon the attainment by the wage earner of age 62, such individual and such spouse attain age 62;

(B) in the case of a benefit based upon the death of the wage earner, such death occurs after December 31, 1986, and the individual claiming such benefit attains age 62; and

(C) in the case of a benefit described in subparagraph (A) or (B) with respect to a divorced individual and spouse, the divorce occurs after December 31, 1999.

(b) DISABILITY.—In the case of a disability insurance benefit, and a widow's or widower's insurance benefit based upon disability—

(1) if an individual is entitled to such benefit before January 1, 1987, the provisions of this Act shall not apply—

(A) for the period for which such individual continues to be entitled to such benefit, and

(B) in the case of an individual who continues to be entitled to such benefit until age 62, for the period such individual is entitled to an old-age insurance benefit; and

(2) if—

(A) an individual becomes entitled to such benefit after December 31, 1986, and before January 1, 1999; and

(B) the total benefits payable to all individuals on the basis of the wages and self-employment income of the individual upon whose disability such entitlement is based (determined without regard to the provisions of this part) exceeds the total of benefits payable to all individuals on the basis of the wages and self-employment income of the individual upon whose disability such entitlement is based, and to the spouse of such individual, under the provisions of this part,

the provisions of this part shall not apply for the period during which the conditions of subparagraph (B) continue to be met and during which such individual (i) continues to be eligible for such benefit, or (ii) in the case of such an individual who continued to be eligible for such benefit until age 62, is entitled to an old-age insurance benefit.

Subpart 2—Other Reforms

SEC. 141. FULL BENEFITS FOR DISABLED WIDOWS AND WIDOWERS WITHOUT REGARD TO AGE.

(a) IN GENERAL.—(1) Section 202(e)(1)(B) of the Social Security Act is amended by striking out "has attained age 50 but has not attained age 60 and".

(2) Section 202(f)(1)(B) of such Act is amended by striking out "has attained age 50 but has not attained age 60 and".

(b) ACTUARIAL REDUCTION.—(1) Section 202(q)(3)(A) of such Act is amended by striking out "age 50" and inserting in lieu thereof "age 60".

(2) Section 202(q) of such Act is further amended by adding at the end thereof the following new paragraph:

"(12) Notwithstanding any other provision of this section, there shall be no reduction under this subsection in the widow's or widower's insurance benefit of an individual for any month in which such individual is under a disability (as defined in section 223(d)); and none of the provisions of this subsection shall apply with respect to such benefit even though such benefit may have been so reduced prior to the onset of such disability.".

(c) EFFECTIVE DATE.—The amendments made by this section shall apply with respect to monthly insurance benefits payable under title II of the Social Security Act for months after the month in which this Act is enacted. The Secretary of Health and Human Services (without the necessity of any application therefor) shall redetermine the amount of any widow's or widower's insurance benefit which is payable for the month in which this Act is enacted in order to reflect such amendments as provided in the preceding sentence.

SEC. 142. PAYMENT OF TRANSITION BENEFITS TO CERTAIN SURVIVING SPOUSES.

(a) IN GENERAL.—Section 202 of the Social Security Act is amended by adding at the end thereof the following new subsection:

"Transition Benefits for Surviving Spouses

"(y)(1) The widow or widower of a fully insured individual (within the meaning of section 216 (c) or (g)), if such widow or widower—

"(A) has attained age 50 at the time of such individual's death,

"(B) is not entitled (and would not upon application be entitled) to a monthly insurance benefit under any other provision of this section or under section 223 for the month in which such death occurs, and

"(C) has filed application for benefits under this subsection,

shall be entitled to a transition benefit for each month beginning with the month in which such death occurs and ending with the fourth month thereafter (or, if earlier, with the month preceding the first month thereafter in which such widow or widower remarries, dies, or becomes entitled to a monthly insurance benefit under any other provision of this section or under section 223).

"(2) The transition benefit of a widow or widower for any month under this subsection shall be equal to 71½ percent of the primary insurance amount of the insured individual, or (if it is larger and if such widow or widower is also a fully insured individual) to 71½ percent of the primary insurance amount of such widow or widower.

"(3) For purposes of this subsection, the determination of the primary insurance amount of a living individual under the age of 62, and the determination of whether or not such an individual is fully insured, with respect to any month, shall be made as though such individual had attained age 62 in that month.

"(4) The entitlement of an individual to transition benefits under this subsection shall not (after such entitlement has ended) affect the eligibility of such individual for any other monthly insurance benefits under this section or section 223, or be taken into account in determining the amount of any other benefits under this section or section

223 to which such individual may become entitled.

"(5) Transition benefits payable to an individual under this subsection shall not be considered monthly benefits to which such individual is entitled under this section for purposes of section 203(a), or for purposes of section 226(a).".

(b) CONFORMING AMENDMENTS.—(1) Section 202(j)(1) of such Act is amended by striking out "or (h)" and inserting in lieu thereof "(h), or (y)".

(2) Section 202(m)(1) of such Act (as in effect pursuant to section 2(j)(3)(D) of Public Law 97-123 (95 Stat. 1661)) is amended by inserting "(other than a transition benefit under subsection (y))" after "this section" where it first appears.

(c) EFFECTIVE DATE.—The amendments made by this section shall apply with respect to deaths occurring on or after January 1, 1986.

SEC. 143. REPEAL OF SEPARATE DEFINITION OF DISABILITY PRESENTLY APPLICABLE TO WIDOWS AND WIDOWERS.

(a) IN GENERAL.—(1) Section 223(d)(2) of the Social Security Act is amended—

(A) by striking out "(except a widow, surviving divorced wife, widower, or surviving divorced husband for purposes of section 202 (e) or (f))" in subparagraph (A);

(B) by striking out subparagraph (B); and

(C) by redesignating subparagraph (C) as subparagraph (B).

(2) The third sentence of section 216(i)(1) of such Act is amended by striking out "(2)(C)" and inserting in lieu thereof "(2)(B)".

(b) ENTITLEMENT TO HOSPITAL INSURANCE BENEFITS.—(1) Section 226(e) of the Social Security Act is amended by adding at the end thereof the following new paragraph:

"(5) For purposes of determining entitlement to hospital insurance benefits under subsection (b) in the case of an individual described in clause (iii) of subsection (b)(2)(A), any month which occurred before the repeal in 1985 of section 223(d)(2)(B) (providing a separate definition of disability for widows, surviving divorced wives, widowers, and surviving divorced husbands), and for which such individual—

"(A) was paid a supplemental security income benefit under title XVI on the basis of disability, and

"(B) met all of the requirements for entitlement to widow's insurance benefits under section 202(e) or widower's insurance benefits under section 202(f) on the basis of disability except the requirement of a disability determined under the separate definition contained in such section 223(d)(2)(B) (and the requirement of application),

may at such individual's election (made in such manner and form as the Secretary shall prescribe) be included as one of the 24 months for which such individual must have been entitled to widow's or widower's insurance benefits on the basis of disability in order to become entitled to hospital insurance benefits on that basis.".

(2) Section 223(f) of such Act is amended by inserting after "shall not include any month" in the matter following paragraph (2) the following: "(other than a month described in subsection (e)(5))".

(c) EFFECTIVE DATES.—(1) The amendments made by subsection (a) shall apply with respect to monthly insurance benefits under title II of the Social Security Act for months after the month in which this Act is enacted.

(2) The amendments made by subsection (b) shall apply with respect to entitlement to hospital insurance benefits under part A of title XVIII of the Social Security Act for months after the month in which this Act is enacted.

PART C—FORMER MILITARY SPOUSES

SEC. 151. SHORT TITLE.

This part may be cited as the "Uniformed Services Former Spouses' Equity Act".

SEC. 152. FORMER SPOUSE SHARE OF RETIRED OR RETAINER PAY.

(a) IN GENERAL.—Chapter 73 of title 10, United States Code, relating to annuities based on retired or retainer pay, is amended by adding at the end thereof the following new subchapter:

"SUBCHAPTER III—FORMER SPOUSE SHARE OF RETIRED OR RETAINER PAY

"Sec.
"1456. Definitions.
"1457. Former spouse share of retired or retainer pay.
"1458. Reduction in retired or retainer pay.

"§ 1456. Definitions

"In this subchapter:

"(1) 'Former spouse' means a former wife or husband of a member who was married to that member for not less than 10 years during which that member performed creditable service.

"(2) 'Court' has the meaning given such term in section 1408(a)(1) of this title.

"(3) 'Court order' means a court decree of divorce or annulment, or a court order or court approved property settlement agreement incident to a final court decree of divorce or annulment.

"(4) 'Pro rata share', in the case of a former spouse of a member eligible for retired or retainer pay, means the percentage which is equal to the percentage that (A) the number of years during which the former spouse was married to the member during the creditable service of that member is of (B) the total number of years of such creditable service.

"(5) 'Spousal agreement' means any written agreement between a member and that member's former spouse which is in writing and acknowledged before a notary public.

"(6) 'Creditable service' means service credited to a member for the purpose of determining the eligibility of that member for retired or retainer pay.

"(7) 'Member' includes a former member eligible for retired or retainer pay.

"§ 1457. Former spouse share of retired or retainer pay

"(a) Unless otherwise expressly provided by a spousal agreement or court order, a former spouse of a member who is entitled to retired or retainer pay is entitled to an annuity—

"(1) if married to the member throughout the creditable service of the member, equal to 50 percent of the retired or retainer pay of the member; or

"(2) if not married to the member throughout the creditable service of the member, equal to the former spouse's pro rata share of 50 percent of the retired or retainer pay of the member.

"(b)(1) Except as provided in paragraph (2), the amount of retired or retainer pay used for the computation of an annuity under this section shall be determined after any reduction in such retired or retainer pay required under section 1452 of this title.

"(2) The reduction required under paragraph (1) shall not apply to the computation of an annuity under this section for a former spouse who is not provided with a survivor annuity under subchapter II of this chapter.

"(c)(1) An annuity of a former spouse under this section commences on the later of—

"(A) the day on which the member upon whose service the annuity is based becomes entitled to retired or retainer pay; or

"(B) the first day of the month in which the divorce, annulment, or legal separation involved becomes final.

"(2) Such annuity and the right to such annuity terminate—

"(A) on the last day of the month before the month in which the former spouse dies; or

"(B) on the date the retired or retainer pay of the member upon whose service the annuity is based terminates.

"(3) If a member elects to combine creditable military service with creditable civilian service for the purpose of computing an annuity under subchapter III of chapter 83 of title 5, any annuity provided under this subchapter to a former spouse of that member shall not terminate or be reduced as a result of any such election.

"(4) If a member entitled to retired or retainer pay is recalled to active duty, any annuity provided under this subchapter to a former spouse shall not terminate or be reduced as a result of such recall.

"(b) A former spouse is not entitled to an annuity under this subchapter based upon the service of a member unless the former spouse elects to receive it instead of any other annuity to which the former spouse may be entitled under this chapter or any retirement system for Government employees on the basis of a marriage to someone other than the member.

"§ 1458. Reduction in retired or retainer pay

"The retired or retainer pay payable to a member shall be reduced by the amount of an annuity under this subchapter paid to any former spouse of that member based on the service of that member. Such reduction shall be disregarded in calculating any annuity under subchapter II of this chapter and in calculating any reduction in the retired or retainer pay of the member to provide survivor benefits under such subchapter.".

(b) CLERICAL AMENDMENT.—The table of subchapters at the beginning of chapter 73 of title 10, United States Code, is amended by adding at the end thereof the following new item:

"III. Former Spouse Share of Retired or Retainer Pay ..... 1456".

SEC. 153. FORMER SPOUSE SHARE OF SURVIVOR ANNUITY.

(a) APPLICATION OF SURVIVOR BENEFIT PLAN.—(1) Subsection (a) of section 1448 of title 10, United States Code, relating to the application of the Survivor Benefit Plan, is amended—

(A) in paragraph (2)—

(i) by inserting "except to the extent otherwise provided under paragraph (3)," in clause (A) before "to a person";

(ii) by striking out "is married" both places it appears and inserting in lieu thereof "is married, has a former spouse,"; and

(iii) by striking out ", unless he elects" in clause (A) and all that follows through "that pay"; and

(B) by striking out paragraphs (3) and (4) and inserting in lieu thereof the following:

"(3)(A) A married person eligible under paragraph (1)(A) to participate in the Plan and such person's spouse may jointly elect not to participate in the Plan, to participate in the Plan at reduced level, or to provide an annuity for a dependent child but not for

such spouse. Any such election shall be in writing and shall be acknowledged before a notary public.

"(B) A married person eligible under paragraph (1)(B) to participate in the Plan may not make an election under subclause (iii) of paragraph (2)(B) to participate in the Plan at a reduced level or to provide an annuity for a dependent child but not for the spouse without the agreement of the spouse. Any such agreement shall be in writing and shall be acknowledged before a notary public. An election under this subparagraph is irrevocable if not revoked before the end of the 90-day period referred to in paragraph (2)(B)(iii).

"(C) A person who has a former spouse when such person becomes eligible to participate in the Plan and that former spouse may jointly elect by a spousal agreement or as provided under a court order to provide a survivor annuity to the former spouse under clause (1) of section 1450(a) or, alternatively, under clause (4) of such section, or to waive any such annuity.".

(2) Subsection (b) of such section is amended—

(A) by striking out "(1)" after "(b)"; and

(B) by striking out paragraphs (2), (3), and (4).

(b) TREATMENT OF BENEFICIARIES UNDER SURVIVOR BENEFIT PLAN.—(1) Subsection (a) of section 1450 of title 10, United States Code, relating to beneficiaries under the Survivor Benefit Plan, is amended—

(A) in clause (1), by inserting "and any eligible former spouse, as provided under section 1448(a)(3)(C) of this title" after "or widower";

(B) in clause (2), by striking out "if the eligible widow or widower is dead, dies, or otherwise becomes ineligible" and inserting in lieu thereof "if the eligible widow, widower, and any former spouse are dead, die, or otherwise become ineligible";

(C) in clause (3)—

(i) by inserting "the spouse or any former spouse and" after "if"; and

(ii) by inserting "or any former spouse" after "spouse"; and

(D) in clause (4) by inserting ", as provided under section 1448(a)(3)(C) of this title," after "former spouse" the first place it appears.

(2) Subsection (b) of such section is amended—

(A) by striking out "widow or widower" each place it appears and inserting in lieu thereof "widow, widower, or former spouse"; and

(B) by striking out "age 60" each place it appears and inserting in lieu thereof "age 55".

(3) Subsection (f) of such section is amended—

(A) in paragraph (1)—

(i) by striking out "subject to paragraph (2)";

(ii) by striking out "former spouse or other"; and

(iii) by striking out "(1) after "(f)"; and

(B) by striking out paragraphs (2) and (3).

(4) Subsection (k) of such section is amended by striking out "60 years of age" and inserting in lieu thereof "55 years of age".

(c) COMPUTATION OF ANNUITIES PAYABLE UNDER SURVIVOR BENEFIT PLAN.—(1) Paragraph (1) of subsection (a) of section 1451 of title 10, United States Code, relating to the computation of the amount of any annuity payable under the Survivor Benefit Plan, is amended by inserting "former spouse," after "widower,".

(2) Paragraph (2) of such subsection is amended by inserting "or former spouse" after "widow" both places it appears.

(3) Paragraph (3) of such subsection is amended by striking out "widow or widower" each place it appears and inserting in lieu thereof "widow, widower, or former spouse".

(4) Subsection (c) of such section is amended by striking out "section, or section 1448(d) of this title," and inserting in lieu thereof "subchapter".

(5) Such section is further amended by adding at the end thereof the following new subsection:

"(f) The maximum annuity or combination of annuities under this subchapter with respect to any person to whom section 1448 applies may not exceed 55 percent of the full amount of such person's retired or retainer pay.".

(d) REDUCTIONS IN RETIRED OR RETAINER PAY.—Section 1452 of title 10, United States Code, relating to reductions in retired or retainer pay, is amended—

(1) in subsection (a)—

(A) by inserting "or former spouse" after "spouse" in the first sentence each place it appears except the place referred to in subclause (B);

(B) by inserting "and former spouse (if any)" in such sentence after "in favor of his spouse";

(C) by inserting "or an eligible former spouse and a dependent child" in the second sentence after "an eligible spouse and a dependent child"; and

(D) by inserting "or former spouse" in the third sentence after "eligible spouse"; and

(2) in subsection (b), by inserting "or former spouse" after "spouse" each place it appears.

(e) DEFINITIONS APPLICABLE TO SURVIVOR BENEFIT PLAN.—Section 1447 of title 10, United States Code, relating to definitions applicable to the Survivor Benefit Plan, is amended—

(1) by striking out "by the person providing the annuity" in paragraph (2)(C) and inserting in lieu thereof "in accordance with section 1448(a)(3) of this title"; and

(2) by striking out "he" in paragraph (2)(C) the first place it appears and inserting in lieu thereof "the person providing the annuity".

(f) REGULATIONS.—Section 1455 of title 10, United States Code, relating to regulations prescribed to carry out the Survivor Benefit Plan, is amended by striking out clause (1) and inserting in lieu thereof the following:

"(1) provide that the member and the spouse and former spouse (if any) of the member shall, before the date on which the member becomes entitled to retired or retainer pay, be informed of the elections available under section 1448(a) of this title and the effects of such elections; and".

SEC. 154. SURVIVOR ANNUITIES IN CASES OF DIVORCE BEFORE THE EFFECTIVE DATE.

(a) DIVORCES MADE FINAL BEFORE THE DATE OF ENACTMENT.—(1) Any member of the uniformed services who, before the date of the enactment of this Act, participated in the Survivor Benefit Plan under subchapter II of chapter 73 of title 10, United States Code, and had elected to provide a survivor annuity to a former spouse under section 1450(a)(4) of such subchapter shall, if provided for under a spousal agreement or court order, terminate such annuity and provide an annuity to such former spouse under section 1450(a)(1). Any such election shall be made before the end of the 24-month period beginning after the date of the enactment of this Act.

(2) Any member of the uniformed services who, before the date of the enactment of this Act, was eligible to participate in the Survivor Benefit Plan referred to in paragraph (1) and elected not to provide a survivor annuity to a former spouse shall, if provided for under a spousal agreement or court order, elect to provide any such annuity under clause (1) or clause (4) of section 1450(a) to such former spouse. Any such election shall be made before the end of the 24-month period beginning after the date of the enactment of this Act.

(b) MEMBER DECEASED BEFORE EFFECTIVE DATE.—In the case of a member who dies before the effective date of this Act after becoming entitled to retired or retainer pay and who—

(1) at the time the member became entitled to retired or retainer pay was married and did not elect to participate in the Survivor Benefit Plan;

(2) subsequently was divorced from the spouse who was the member's beneficiary under the Survivor Benefit Plan at such time; and

(3) died without a beneficiary under the Survivor Benefit Plan,

the individual to whom the member was married at the time the member became entitled to retired or retainer pay shall be entitled to an annuity under the Survivor Benefit Plan as if married to the member at the time of death if the individual qualifies as a former spouse.

(c) DEFINITIONS.—For purposes of this section:

(1) The terms "former spouse" and "court order" have the meanings given such terms in section 1447 of title 10, United States Code.

(2) The term "spousal agreement" has the meaning given such term in section 1456(5) of title 10, United States Code.

(3) The term "uniformed services" has the meaning given such term in section 101 of title 37, United States Code.

(4) The term "member" includes a former member entitled to retired or retainer pay.

SEC. 155. FORMER SPOUSE SHARE OF RETIRED OR RETAINER PAY IN COMPLIANCE WITH COURT ORDER.

(a) ELIMINATION OF CERTAIN REDUCTIONS FROM RETIRED OR RETAINER PAY.—Section 1408 of title 10, United States Code, is amended—

(1) in subsection (a)(4)—

(A) by striking out "Disposable retired" and inserting in lieu thereof "Retired"; and

(B) by striking out "less amounts which—" and all that follows and inserting in lieu thereof a period; and

(2) by striking out "disposable" each place it appears.

(b) ELIMINATION OF 10-YEAR REQUIREMENT; PROVISION OF PRO RATA SHARE.—Subsection (d)(2) of such section is amended to read as follows:

"(d)(2) Any court order described in paragraph (1) may provide a pro rata share (as defined in section 1456(4) of this title) of the retired or retainer pay of such member to such spouse or former spouse.".

SEC. 156. EFFECTIVE DATES.

(a) IN GENERAL.—This part shall become effective on the first day of the first month which begins no earlier than 60 days after the date of the enactment of this Act.

(b) FORMER SPOUSE SHARE OF RETIRED OR RETAINER PAY.—Subchapter III of chapter 73 of title 10, United States Code (relating

to former spouses' pro rata share of the retired or retainer pay of a member of the uniformed services), shall apply in the case of any individual who on or after the effective date of this Act becomes a former spouse (as defined in section 1456(1) of such title) of an individual entitled to retired or retainer pay on or after that date.

(c) SURVIVOR ANNUITIES.—Except as provided in section 154, the amendments made by section 153 (relating to the Survivor Benefit Plan) shall apply in the case of any individual who on or after the effective date of this Act becomes a former spouse (as defined in section 1456(1) of such title) of a member or former member of the uniformed services.

(d) COMPLIANCE WITH COURT ORDERS.—The amendments made by section 155 (relating to former spouses' share of or retired or retainer pay in compliance with court orders) shall apply with respect to payments of retired or retainer pay payable for any month which begins after the date of the enactment of this Act.

TITLE II—DEPENDENT CARE

PART A—SOCIAL SERVICES PROGRAM (TITLE XX)

SEC. 200. SHORT TITLE.

This part may be cited as the "Social Services and Child Care Assistance Act of 1985".

SEC. 201. INCREASE IN TOTAL AMOUNT OF TITLE XX FUNDS AVAILABLE FOR ALLOTMENT.

Section 2003(c) of the Social Security Act is amended—

(1) by striking out "and" after the semicolon at the end of paragraph (2); and

(2) by striking out paragraph (3) and inserting in lieu thereof the following:

"(3) $2,700,000,000 for the fiscal year 1984;

"(4) $2,725,000,000 for the fiscal year 1985; and

"(5) $3,370,250,000 for the fiscal year 1986 and for each succeeding fiscal year.".

SEC. 202. ALLOTMENT AND USE OF FUNDS FOR SPECIFIC PURPOSES.

(a) IN GENERAL.—Title XX of the Social Security Act is further amended by redesignating sections 2004 through 2007 as sections 2005 through 2008, respectively, and by inserting after section 2003 the following new section:

"ALLOCATION AND USE FOR SPECIFIC PURPOSES

"SEC. 2004. (a) The amount specified in section 2003(c)(5) and available for any fiscal year shall be allocated by the Secretary, and used, in accordance with this section.

"(b) $250,000 shall be reserved by the Secretary to fund a National Resource Center on Family Day Care which shall be operated on a regional basis, either directly or through grant or contract, to—

"(1) offer training to individuals involved in training family day care providers;

"(2) serve as a clearinghouse for resource materials on family day care; and

"(3) provide technical assistance to family day care sponsors, family day care providers, and individuals involved in training family day care providers on laws and regulations applicable to the provision of family day care services, including but not limited to zoning, tax, liability, and other issues of particular concern to family day care.

"(c) The remaining amount shall be allotted to the States in accordance with section 2003 and used by them for the provision of services (including, as appropriate, training and child care services both of the types described in paragraphs (1) and (2) and otherwise) in accordance with this title; except that of such amount—

"(1) $70,000,000 (allotted among the States in the same proportions as their regular allotments determined under section 2003(a) or (b)) shall be used only for training as follows:

"(A) 50 percent shall be used for the training and retraining of human services personnel generally authorized under this title (including, as appropriate, those training activities described in subparagraph (B)), and

"(B) 50 percent shall be used only for purposes of providing training and retraining (including training in the prevention of child abuse in child care settings) to providers of licensed or registered child care services, operators and staffs (including those receiving in-service training) of facilities where licensed or registered child care services are provided, State licensing and enforcement officials, and parents; and

"(2) $300,000,000 (allotted among the States in the same proportions as their regular allotments determined under section 2003(a) or (b)) shall be used only for the provision of child day care services—

"(A) to children who are abused or neglected, or are at risk of being abused or neglected, and who are in families receiving child protective services,

"(B) to children of eligible families who are recipients of aid to families with dependent children, and

"(C) to children of low-income (i) adolescent parents, (ii) working parents, (iii) parents enrolled in education or training programs, or (iv) parents seeking employment.

"(d) The funds made available under subsections (c)(1) and (c)(2)—

"(1) shall be expended only to supplement the level of any funds that would, in the absence of the additional funds appropriated for the training, child day care services, and licensing, regulations, and monitoring described in those subsections, be available from other sources (including any amounts available under this title without regard to such subsections) for those purposes;

"(2) shall be separately accounted for in the reports and audits provided for in section 2007; and

"(3) shall not be subject to the provisions of section 2002(d) (permitting a State to transfer up to 10 percent of its title XX funds for purposes authorized under other Federal block grant programs).".

(b) CONFORMING AMENDMENTS.—(1) Section 2003(b) of such Act is amended—

(A) by adding "and further reduced by" after the comma at the end of paragraph (2); and

(B) by inserting immediately after paragraph (2) the following new paragraph:

"(3) the amounts reserved by the Secretary for that fiscal year under section 2004(b),".

(2) Subsection (a) of section 2007 of such Act (as redesignated by subsection (a) of this section) is amended by striking out "section 2004" and inserting in lieu thereof "section 2005".

SEC. 203. IMPROVEMENT OF CHILD CARE STANDARDS.

Title XX of the Social Security Act is further amended by adding at the end thereof the following new sections:

"STATE REVIEW OF CHILD CARE LICENSING AND REGULATORY SYSTEMS

"SEC. 2009. (a) As a condition of the State's eligibility for receiving Federal payments under this title for any fiscal year after fiscal year 1985, the Governor of each State shall establish or designate a State Advisory Committee on Child Care Standards (hereinafter referred to as the 'State Advisory Committee') which shall be composed of not less than fifteen members, of which not less than one-third shall be parents of children who are currently enrolled in child care programs (including both center-based and family day care home programs) and not less than one-third shall be either representatives of different types of child care programs (including both center-based and family day care home programs) or individuals who are professionals in the field of child development.

"(b)(1) It shall be the function of each such State Advisory Committee to examine, investigate, and study the State's laws, regulations, and procedures for licensing, regulating, and monitoring child care services and programs within the State, to prepare the report described in paragraph (2), and, if requested by the Governor, to monitor such licensing, regulating, and monitoring activities on a regular basis.

"(2) Each State Advisory Committee shall prepare a report outlining the committee's findings and recommendations resulting from its examination, investigation, and study under this section, including a description of the current status of child care licensing, regulating, or monitoring within the State, the deficiencies, if any, in the existing licensing, regulating, or monitoring programs (including an assessment of the adequacy of staff to carry out effectively the State program), and recommendations to correct such deficiencies, if any, or to improve such licensing, regulating, or monitoring programs. The report shall set forth separately such information and recommendations with respect to center-based programs and family day care programs. The committee shall submit the report to the Governor not later than June 1, 1986, and the Governor of each State shall, not later than September 30, 1986, transmit it to the Secretary along with the Governor's comments and the State's plan, as provided for under section 2011, for correcting deficiencies in or improving its licensing, regulating, or monitoring programs.

"(c) In carrying out its activities under subsection (b), each State Advisory Committee shall review and take into consideration the final 1980 HEW Day Care Regulations, volume 45, page 17870 of the Federal Register (March 19, 1980), and the options for child care standards published by the Department of Health and Human Services in January 1985 pursuant to Public Law 98-473, including the standards set forth in the appendices to that document.

"NATIONAL ADVISORY COMMITTEE ON CHILD CARE STANDARDS

"SEC. 2010. (a)(1) In order to assist and provide guidance to the States in improving the quality of child care services, there is established a National Advisory Committee on Child Care Standards (hereinafter referred to as the 'National Advisory Committee').

"(2) The National Advisory Committee shall be composed of fifteen members who shall be individuals with expertise in the area of child care services selected from among persons who are representatives of child care providers, professionals in the field of child development, or parents who have been actively involved in community child care programs. The members shall be appointed as follows:

"(A) Seven by the President of the United States;

"(B) Two by the majority leader of the Senate;

"(C) Two by the minority leader of the Senate;

"(D) Two by the Speaker of the House of Representatives; and

"(E) Two by the minority leader of the House of Representatives.

Not more than four of the members described in clause (A) shall be members of the same political party.

"(3) All appointments under this subsection shall be made not later than sixty days after the date of the enactment of this section.

"(4) A vacancy in the membership of the National Advisory Committee shall be filled in the same manner in which the original appointment was made. Any such vacancy shall not affect the powers of the National Advisory Committee except with respect to satisfaction of the quorum requirements specified in paragraph (7).

"(5) The President shall designate a Chairman of the National Advisory Committee.

"(6) The National Advisory Committee shall adopt such rules and regulations as it considers necessary to establish its procedures and to govern the manner of its operations, its organization, and its personnel.

"(7) Eight members of the National Advisory Committee shall constitute a quorum.

"(b)(1) The National Advisory Committee shall review the options for child care standards published by the Department of Health and Human Services in January 1985 pursuant to Public Law 98-473, including the standards set forth in the appendices to that document, the standards set forth in the final 1980 HEW Day Care Regulations, volume 45, page 17870 of the Federal Register (March 19, 1980), and such other materials as the National Advisory Committee may deem appropriate and shall, not later than fourteen months after the date of the enactment of this section, submit to the Secretary proposed recommended standards for child care programs (setting forth separate recommended standards for center-based programs and for family day care programs). Such recommended standards shall cover factors having a demonstrated impact on the quality of child care including, but not limited to—

"(A) group size and composition in terms of the number of teachers and the number and age of children;

"(B) qualifications, training, and background of child care personnel, including provision for background checks;

"(C) health and safety requirements;

"(D) parental rights and opportunities for involvement; and

"(E) necessary support services (including, but not limited to, health, nutrition, and social services).

"(2) The National Advisory Committee may submit to the Secretary and to the Congress such additional comments on the final recommended standards published pursuant to subsection (c) as the National Advisory Committee considers appropriate and may provide to a State Advisory Committee (established or designated pursuant to section 2009), upon its request, such information and advice as the National Advisory Committee considers appropriate.

"(c) Not later than thirty days after the National Advisory Committee submits such proposed recommended standards, the Secretary shall publish them in the Federal Register, along with any comments or modifications proposed by the Secretary and, not later than one hundred and eighty days after such publication and, after completion of a process of not less than sixty days for notice and opportunity for public comment and after consulting further with the National Advisory Committee, shall issue final recommended standards and publish them in the Federal Register along with any additional comments that the National Advisory Committee considers appropriate.

"(d) The National Advisory Committee shall cease to exist ninety days after the date of publication by the Secretary of the final recommended standards.

"(e) Each member of the National Advisory Committee who is not an officer or employee of the United States Government shall be paid compensation at a rate equal to the daily equivalent of the rate of basic pay in effect for level IV of the Executive Schedule for each day the member is engaged in the performance of the duties of such Committee and, while so serving away from his or her home or regular place of business, be paid per diem, travel, and transportation expenses in the same manner as provided for under subchapter I of chapter 57 of title 5, United States Code.

"(f) The Secretary shall make available to the National Advisory Committee such personnel, technical assistance, and funds as are necessary for it to carry out effectively its functions under this section.

"GRANTS FOR IMPROVING STATE CHILD CARE LICENSING AND REGULATORY SYSTEMS

"SEC. 2011. (a)(1) In addition to any other amounts authorized to be appropriated for carrying out this title and in order to further the activities begun with funds appropriated for fiscal year 1985 by section 401(a)(2) of Public Law 98-473, making continuing appropriations for the fiscal year 1985, there are authorized to be appropriated an additional $50,000,000 for each of fiscal years 1986, 1987, and 1988 for the purpose of making grants to the States as provided for in subsection (b).

"(2) Funds appropriated under this subsection shall remain available for expenditure until the end of the fiscal year following the fiscal year in which such funds became available.

"(b)(1) From the funds made available under subsection (a), the Secretary shall make grants, upon application and submission by a State of a plan which meets the requirements of subsection (b)(2), for the purpose of assisting the State in carrying out such plan.

"(2)(A) Except as provided in subparagraph (B), any State desiring to receive a grant under this section shall submit to the Secretary a plan to carry out the recommendations, for correcting the deficiencies in or improving the State's licensing, regulating, or monitoring of child care programs, contained in the report submitted under section 2009.

"(B) A State's plan submitted under this paragraph may include carrying out less than all of such recommendations, but in the event that a plan omits carrying out any recommendation the plan shall include a detailed explanation of the reasons for the State not planning to carry out any such omitted recommendation.

"(3) No grant may be made under this section unless the State submits an application to the Secretary therefor at such time, in such manner, and containing or accompanied by such information as the Secretary considers necessary.

"(c) In making grants under this section, the Secretary shall initially allocate funds among the States in the same proportions as their regular allotments as determined under section 2003 (a) or (b); except that if any part of the amount made available under this section remains after all grants have been made in accordance with the preceding provisions of this sentence, the Secretary shall use the remaining part for making further grants to States which require additional assistance to carry out their plans submitted under subsection (b), but for years after fiscal year 1986 priority shall be given in distributing such additional funds to those States which have developed a plan which will lead to such States meeting or exceeding the recommended standards established by the National Advisory Committee pursuant to section 2010.

"(d) Each State which submits an application for a grant under this section must provide satisfactory assurances that the funds therefrom will be used solely for improving the State's licensing, regulating, or monitoring of child care programs or otherwise improving the quality of child care programs within the State.".

PART B—HIGHER EDUCATION ACT

SEC. 211. CHILD CARE PROGRAM FOR POSTSECONDARY STUDENTS.

Title IV of the Higher Education Act of 1965 is amended by inserting after part C the following new part:

"PART D—SCHOOL-BASED CHILD CARE PROGRAMS

"GENERAL PURPOSES

"SEC. 451. It is the purpose of this part to expand the availability of child care services for college students, particularly low-income college students, to expand their access to institutions of higher education.

"AUTHORIZATION OF APPROPRIATIONS

"SEC. 452. (a) There are authorized to be appropriated to carry out the purposes of section 453, $10,000,000 for fiscal year 1986 and such sums as may be necessary for the fiscal years 1987, 1988, 1989, and 1990.

"(b) There are authorized to be appropriated to carry out the purposes of section 454, $15,000,000 for the fiscal year 1986 and such sums as may be necessary for the fiscal years 1987, 1988, 1989, and 1990.

"CHILD CARE PERSONNEL WORK-EXPERIENCE PROGRAM

"SEC. 453. (a) Funds appropriated pursuant to section 452(a) shall be used by the Secretary to make grants to institutions of higher education to operate programs which provide practical experience to students studying child care by arranging part-time employment in child care programs.

"(b) Any institution wishing to receive a grant under this section shall submit an application to the Secretary. Such application shall include—

"(1) information on the number of students attending the institution who receive student aid;

"(2) a description of the child care programs which have agreed to employ the students;

"(3) assurances by the applicant to the Secretary that—

"(A) the program will not result in the displacement of employed workers but will expand the child care services available;

"(B) the institution will not discriminate on the basis of race, religion, sex or national origin in the selection of students to participate in the program;

"(C) the institution will use the funds from the grant to provide a stipend to students participating in the program; and

"(D) the program will not pay a stipend that is less than the current Federal minimum wage as mandated by section 6(a) of the Fair Labor Standards Act of 1938; and

"(4) such information (and meet such conditions) as may be required by the Secretary.

"(c) In making the grants under this section, the Secretary shall give a preference to any applicant which—

"(1) serves large numbers of students receiving student asisstance under this title; and

"(2) participates in the special child care services program pursuant to section 454.

"SPECIAL CHILD CARE SERVICES FOR DISADVANTAGED COLLEGE STUDENTS

"SEC. 454. (a) Funds appropriated pursuant to section 452(b) shall be used by the Secretary to make grants to institutions of higher education to provide special child care services to disadvantaged college students.

"(b) Any institution wishing to receive a grant under this section shall submit an application to the Secretary. Such application shall include—

"(1) a description of the program to be established;

"(2) assurances by the applicant to the Secretary that—

"(A) not less than two-thirds of the participants in the program are low-income individuals who are first generation college students;

"(B) the remaining participants in the program are either low-income individuals or first generation college students;

"(C) the participants require the services to pursue a successful program of education beyond high school;

"(D) the participants are enrolled at the institution which is the recipient of the grant;

"(E) all participants will receive sufficient financial assistance to meet that student's full financial need for child care services; and

"(F) the institution will meet such full financial need of participants by providing child care through vouchers, contracted services, or direct provision of services; and

"(3) such information (and meet such conditions) as may be required by the Secretary.

"DEFINITIONS

"SEC. 455. For the purposes of this part—

"(1) the term 'first generation college student' means a person neither of whose parents completed a baccalaureate degree; and

"(2) the term 'low-income individual' means an individual from a family whose taxable income for the preceding year did not exceed 150 percent of an amount equal to the poverty level determined by using criteria of poverty established by the Bureau of the Census.".

PART C—PUBLIC HOUSING CHILD CARE DEMONSTRATION PROGRAM

SEC. 221. PUBLIC HOUSING CHILD CARE GRANTS.

(a) GENERAL AUTHORITY.—The Secretary of Housing and Urban Development shall, to the extent approved in appropriation Acts, carry out a demonstration program of making grants to public housing agencies to assist such agencies in providing child care services for lower income families who reside in public housing and are headed by eligible persons. The Secretary shall design such program to determine the extent to which the availability of child care services in lower income housing projects facilitates the employability of eligible persons who head such families.

(b) ELIGIBILITY.—The Secretary may make a grant to any public housing agency under this section only if—

(1) such public housing agency does not have a child care services program in operation prior to receipt of assistance under this section;

(2) such public housing agency agrees to provide suitable facilities for the provision of child care services;

(3) the child care services program of such public housing agency will serve preschool children during the day, elementary school children after school, or both, in order to permit eligible persons who head the families of such children to obtain, retain, or train for employment;

(4) the child care services program of such public housing agency is designed, to the extent practicable, to involve the participation of the parents of children benefiting from such program, with such participation including, but not limited to, employment with the child care program;

(5) the child care services program of such public housing agency is designed, to the extent practicable, to employ in part-time positions elderly individuals who reside in the lower income housing project involved; and

(6) the child care services program of such public housing agency complies with all applicable State and local laws, regulations, and ordinances.

(c) ALLOCATION.—In providing grants under this section, the Secretary shall—

(1) give priority to lower income housing projects in which reside the largest number of preschool and elementary school children of lower income families headed by eligible persons;

(2) seek to ensure a reasonable distribution of such grants between urban and rural areas and among lower income housing projects of varying sizes; and

(3) seek to provide such grants to the largest number of lower income housing projects practicable, considering the amount of funds available under this section and the financial requirements of the particular child care services programs to be developed by the applicant public housing agencies.

(d) APPLICATIONS AND USE OF GRANT.—

(1) Applications for grants under this section shall be made by public housing agencies in such form, and according to such procedures as the Secretary may prescribe.

(2) Any public housing agency receiving a grant under this section may use such grant only for operating expenses and minor renovations of facilities necessary to the provision of child care services under this section.

(e) EVALUATIONS AND LIMITATION.—

(1) The Secretary shall conduct periodic evaluations of each child care services program assisted under this section for purposes of—

(A) determining the effectiveness of such program in providing child care services and permitting eligible persons who head lower income families residing in public housing to obtain, retain, or train for employment; and

(B) ensuring compliance with the provisions of this section.

(2) Nothing in this section may be construed as authorizing the Secretary to establish any health, safety, educational, or other standards with respect to child care services or facilities assisted with grants received under this section.

(f) DEFINITIONS.—For the purposes of this section:

(1) The term "eligible person" means an individual who is the head of a household and (A) is unmarried; (B) is legally separated from his or her spouse under a decree of divorce or separate maintenance; (C) maintains a separate place of residence from his or her spouse and such spouse is not a member of such household; or (D) whose spouse is a person described in section 3(b)(3)(A) of the United States Housing Act of 1937.

(2) The term "lower income families" has the meaning given such term in section 3(b)(2) of the United States Housing Act of 1937.

(3) The terms "lower income housing project" and "public housing" have the meanings given such terms in section 3(b)(1) of the United States Housing Act of 1937.

(4) The term "public housing agency" has the meaning given such term in section 3(b)(6) of the United States Housing Act of 1937.

(5) The term "Secretary" means the Secretary of Housing and Urban Development.

(g) REPORT.—Not later than the expiration of the two-year period following the date of the enactment of this Act, the Secretary shall prepare and submit to the Congress a detailed report setting forth the findings and conclusions of the Secretary as a result of carrying out the demonstration program established in this section. Such report shall include any recommendations of the Secretary with respect to the establishment of a permanent program of assisting child care services in lower income housing projects.

(h) AUTHORIZATION.—There is authorized to be appropriated to carry out the provisions of this section not to exceed $3,000,000 for fiscal year 1986. Any amount appropriated under this subsection shall remain available until expended.

TITLE III—INSURANCE

PART A—NONDISCRIMINATION IN INSURANCE

SEC. 300. SHORT TITLE.

This part may be cited as the "Nondiscrimination in Insurance Act".

SEC. 301. FINDINGS AND POLICY.

(a) FINDINGS.—The Congress finds that—

(1) discrimination based on race, color, religion, sex, or national origin is contrary to the established policy of the United States;

(2) the business of insurance is interstate commerce;

(3) the business of insurance includes the terms, conditions, rates, benefits, and requirements of insurance policies and contracts, including annuity or pension contracts;

(4) discrimination in insurance is prevalent;

(5) insurance coverage is an essential element of modern life;

(6) discrimination in insurance unduly burdens the commerce of the country;

(7) discrimination in insurance places an unfair burden on consumers; and

(8) discrimination in insurance can be eliminated without unduly burdening those engaged in the business of providing insurance.

(b) POLICY.—The Congress therefore declares that it is the policy of the United States—

(1) to eliminate discrimination in insurance on the basis of race, color, religion, sex, or national origin;

(2) that no insurer may refuse to make insurance available to any applicant or treat any applicant or insured differently than any other applicant or insured with respect to the terms, conditions, rates, benefits, or

requirements of any contract of insurance on the basis of race, color, religion, sex, or national origin;

(3) to eliminate the use of statistical tables (whether of mortality, life expectancy, morbidity, disability, disability termination, losses, or any other subject) or other statistical compilations as a basis for action which is contrary to this part;

(4) to provide adequate remedies against those who fail to comply with the policy of eliminating discrimination under this part; and

(5) not to affect the existing responsibility and authority of States to regulate the business of insurance, if such regulation is consistent with and does not prevent compliance with this part.

SEC. 302. DEFINITIONS.

For purposes of this part, the term—

(1) "aggrieved person" means an insured or a beneficiary under any contract of insurance with respect to which an alleged discriminatory action has occurred;

(2) "discriminatory action" means action by an insurer which is unlawful under this part;

(3) "insurance" and "contract of insurance" mean any arrangement (whether by contract, policy, binder, reinsurance, employee benefit plan, or otherwise), including annuity and pension arrangements, whereby a person agrees to provide benefits (whether by reimbursement, periodic or lump-sum payments, provision of services, or otherwise) in case specified events occur in connection with death, disability, medical conditions, attainment of specified age, retirement from employment, accident and casualty, economic loss, theft, liability, or other similar circumstances;

(4) "insured" means any person—

(A) with respect to whose circumstances the terms of a contract of insurance apply,

(B) who is the owner of a contract of insurance, or

(C) who is an applicant or has attempted to become an applicant for a contract of insurance issued or offered to be issued by an insurer;

(5) "insurer" means any person—

(A) who provides insurance to others or otherwise engages in the business of insurance, and

(B) whose activities—

(i) affect interstate commerce,

(ii) utilize facilities of the United States Postal Service,

(iii) utilize any facilities used in interstate commerce by any person, or

(iv) result in a discriminatory action which is carried on under color of any law, statute, ordinance, or regulation, or which is required, permitted, or sanctioned by, or supported with funds provided by, the United States, any State, any political subdivision of any State, or any agency or officer of the United States or of any State or of any political subdivision of any State;

and includes such person's agent;

(6) "person" includes one or more individuals, governments, agencies of the United States or of any State or of any political subdivision of any State, labor unions, partnerships, associations, corporations, legal representatives, mutual companies, joint ventures, joint stock companies, societies, trusts, unincorporated organizations, trustees, trustees in bankruptcy, receivers, or fiduciaries;

(7) "sex" means gender, and discrimination on the basis of sex includes discrimination on the basis of pregnancy, childbirth, or related medical conditions of a female; and

(8) "State" includes any State of the United States, the District of Columbia, the Commonwealth of Puerto Rico, and any territory or possession of the United States.

SEC. 303. DISCRIMINATORY ACTIONS.

(a) IN GENERAL.—No insurer may, because of or on the basis of the race, color, religion, sex, or national origin of any person, whether through the use of any statistical table or other statistical compilation or not—

(1) refuse to make, refuse to negotiate, otherwise make unavailable or deny, or delay receiving and processing an application for, a contract of insurance of the type ordinarily made or offered by such insurer;

(2) treat any insured or beneficiary differently than the insurer treats or would treat any other insured or beneficiary with respect to the terms, conditions, rates, benefits, or requirements of any contract of insurance;

(3) make, print, or publish, or cause to be made, printed, or published, any notice, statement, or advertisement relating to any insurance coverage that such insurer provides or offers to provide, indicating any preference, limitation, specification, or discrimination based on the race, color, religion, sex, or national origin of any person;

(4) address, or fail to address, any particular person or group of persons in any effort to market contracts of insurance;

(5) charge or collect any premium payment or contribution which becomes due with respect to any contract of insurance after the effective date of this part; or

(6) determine the amount of, or provide to any insured or other beneficiary under a contract of insurance, any benefit after the effective date of this part.

(b) INSURANCE BENEFITS.—Nothing in this part shall affect the amount or type of benefits due under a contract of insurance the terms of which provide for regularly recurring periodic benefits if such regularly recurring periodic benefits have begun to be paid before the effective date of this part.

(c) LIFE INSURANCE BENEFITS.—Nothing in this part shall affect the amount or type of premium payments or contributions or benefits due under an individual contract of life insurance which was entered into before the effective date of this part.

(d) ANNUITY BENEFITS.—Nothing in this part shall affect the amount or type of premium payments or contributions or benefits due under an individual annuity contract which was entered into before the effective date of this part to the extent that the amount of benefits under such contract is fixed before the effective date of this part by the terms of such contract.

(e) INSURANCE COVERAGE TO RELIGIOUS AFFILIATION.—Nothing in this title prohibits an insurer who, before the effective date of this part regularly provided insurance coverage solely to persons of a single religious affiliation from continuing to provide insurance solely to persons of that religious affiliation.

(f) NONDISCRIMINATORY AUTO INSURANCE.—No insurer may charge rates for auto insurance applicable after the effective date of this part which are higher or lower for women or any particular group of women than for men or any similarly situated particular group of men, except for nongender related risk-based reasons.

(g) METHOD OF ACHIEVING GOAL.—Except as provided in section 308, nothing in this part shall require an insurer to use any particular method of achieving the goal of providing equal and nondiscriminatory benefits under any contract of insurance.

SEC. 304. STATE ENFORCEMENT PRIOR TO JUDICIAL ENFORCEMENT UNDER THIS PART.

(a) STATE ENFORCEMENT MUST BE PRIOR TO JUDICIAL ENFORCEMENT.—If an alleged discriminatory action occurs which falls under the jurisdictional reach of a State law—

(1) which prohibits such discriminatory action; and

(2) which establishes or authorizes a State administrative authority to grant or seek relief from such discriminatory action upon the filing of written notice of such discriminatory action within a specified period of not less than one hundred and eighty days after the alleged discriminatory action occurs,

an aggrieved person must seek relief under such State law in order to preserve the right to seek relief under section 306 of this part.

(b) FILING OF NOTICE.—For the purposes of this part, depositing a written statement of notice of an alleged discriminatory action in the United States mails by certified or registered mail addressed to the relevant State authority shall constitute filing of such notice.

(c) DEADLINE FOR FILING.—Where the alleged discriminatory action is continuing in character, any deadline for the filing of written notice of the alleged discriminatory action shall be computed for the purposes of this part from the last day on which such continuing discriminatory action occurred.

SEC. 305. CIVIL ACTION BY OR ON BEHALF OF AGGRIEVED PERSON.

(a) IN GENERAL.—(1) If no State law described in section 305(a) confers jurisdiction over an alleged discriminatory action, a civil action against the insurer may be brought by or on behalf of an aggrieved person for violation of this part under this section.

(2) If a State law described in section 304(a) exists which confers jurisdiction over an alleged discriminatory action and the aggrieved person has sought relief under such State law, a civil action against the insurer may be brought by or on behalf of the aggrieved person for violation of this part under this section after the expiration of one hundred and eighty days after the filing of written notice referred to in section 305(a), or after all administrative proceedings under such State law with respect to such alleged discriminatory action have terminated, whichever occurs sooner.

(b) TIME OF FILING.—Any civil action brought under this section must be instituted within one hundred and eighty days after the date on which it may first be brought under subsection (a) of this section, and may be instituted in any State court having jurisdiction to entertain such action under State law or in a United States district court having jurisdiction under section 307.

(c) APPOINTMENT OF ATTORNEY; PAYMENT OF FEES, COSTS, OR SECURITY.—Upon the plaintiff's application and in such circumstances as the court may deem just, the court before which a civil action is brought under this section may appoint an attorney for such plaintiff and may authorize the commencement of the civil action without the payment of fees, costs, or security.

(d) COURT MAY STAY FURTHER PROCEEDINGS.—Upon request of the relevant State authority or any party to a civil action brought under this section, the court may stay further proceedings for not more than sixty days pending the termination of State proceedings described in section 304.

SEC. 306. CIVIL ACTION BY THE ATTORNEY GENERAL INVOLVING ISSUES OF GENERAL PUBLIC IMPORTANCE.

Whenever the Attorney General of the United States has reasonable cause to believe that any person is engaged in a pattern or practice of violation of this part, or that any person is an aggrieved person with respect to any discriminatory action under this part, and an issue of general public importance is raised, the Attorney General may bring a civil action in any United States district court having jurisdiction under section 307 by filing with such court a complaint setting forth the facts and requesting such relief as the Attorney General considers necessary to ensure that the provisions and policies of this part are not violated.

SEC. 307. JURISDICTION.

Any civil action under section 305 or 306 instituted in a United States district court may be brought, without regard to the amount in controversy, in the United States district court of any judicial district in a State in which (1) the alleged discriminatory action occurred, (2) the defendant's principal office is located, (3) the defendant maintains and administers records relevant to the alleged discriminatory action, (4) the defendant resides or is located, (5) the defendant is incorporated or has a designated agent for service of process, or (6) the defendant transacts business. The case shall be heard at the earliest practicable time and expedited in every way.

SEC. 308. JUDICIAL RELIEF.

(a) IN GENERAL.—If the court in any civil action brought under section 305 or 306 determines that a defendant has committed a discriminatory action under this part, the court, in addition to any other powers which it may otherwise exercise—

(1) shall order the defendant to amend any relevant contract of insurance to comply with the provisions of this part;

(2) shall award actual damages for the period of noncompliance with this part equal to the difference between the value of premium payments or contributions and benefits paid or received by the aggrieved person and the value of premium payments or contributions and benefits which would have been paid or received by the aggrieved person with respect to such period of noncompliance if the defendant had on the effective date of this part equalized all premium payments or contributions and benefits to comply with this title without increasing the premium payments or contributions of, or reducing the benefits of, any insured;

(3) may require the defendant to pay punitive damages, in addition to any actual damages, of not more than $25,000 for each individual plaintiff and not more than a total of $800,000 in the case of a class action; and

(4) shall award the aggrieved person reasonable attorney fees as part of any costs assessed against the defendant, as the court deems proper.

(b) DETERMINATION OF DAMAGES.—In determining the amount of punitive damages under subsection (a)(3) of this section, the court shall consider, among other relevant factors, the amount of actual damages awarded, the frequency and persistence of the defendant's failure to comply with provisions of this title, the defendant's resources, the number of persons affected by the discriminatory action, the extent to which the defendant was enriched through its discriminatory action, and the extent to which the defendant's failure to comply with this part was intentional.

SEC. 309. INAPPLICABILITY.

Nothing in this part shall be construed to—

(1) amend or modify the rights, liabilities, or duties of, the remedies available to, or the penalties or punishments imposed upon any employer, insurer, or any other person under any law or Executive order prohibiting discrimination in employment on the basis of an individual's race, color, religion, sex, or national origin, or under any rule, regulation, order, or agreement under such law or Executive order;

(2) exempt or relieve any person from any liability, duty, penalty, or punishment under any State or local law, other than any such law which purports to require or permit the doing of any act which would be a discriminatory action under this part; or

(3) modify the Act of March 9, 1945, entitled "An Act to express the intent of the Congress with reference to the regulation of the business of insurance." (commonly known as the McCarran-Ferguson Act; 15 U.S.C. 1011 et seq.), except to the extent required by this part.

SEC. 310. EFFECTIVE DATE.

This part shall take effect on the first day of the first month which begins after the expiration of twelve calendar months after the date of the enactment of this Act.

PART B—HEALTH INSURANCE CONTINUATION

SEC. 320. SHORT TITLE.

This part may be cited as the "Continued Access to Group Health Insurance Act of 1985".

SEC. 321. CONTINUATION COVERAGE REQUIREMENT FOR ALLOWANCE OF DEDUCTION FOR EMPLOYER CONTRIBUTIONS TO GROUP HEALTH PLANS.

(a) IN GENERAL.—Subsection (i) of section 162 of the Internal Revenue Code of 1954 (relating to deduction for trade or business expenses with respect to group health plans) is amended—

(1) by redesignating paragraph (2) as paragraph (3); and

(2) by inserting after paragraph (1) the following new paragraph:

"(2) CONTINUATION COVERAGE.—

"(A) GENERAL RULE.—The expenses paid or incurred by an employer for a group health plan shall not be allowed as a deduction under this section if, in the case of an applicable change in the coverage status of any qualified secondary beneficiary, the plan does not provide to such beneficiary a continuation option meeting the requirements of this paragraph. A plan provides to a qualified secondary beneficiary a continuation option meeting the requirements of this paragraph only if the plan meets the following requirements:

"(i) PLAN MUST ALLOW FOR ELECTION OF CONTINUATION COVERAGE.—During an election period meeting the requirements of subparagraph (D), the plan shall, as provided in this paragraph, permit each qualified secondary beneficiary with respect to whom an applicable change in coverage status under the plan has occurred to elect continuation coverage under the plan. Unless otherwise specified in the election, any such election by an individual who was a qualified secondary beneficiary as the spouse of the insured employee shall also constitute under the plan an election of continuation coverage on behalf of any other qualified secondary beneficiary whose coverage would, but for continuation coverage provided in accordance with this paragraph, be affected by such applicable change in coverage status.

"(ii) DELAY IN PLAN'S RECOGNITION OF APPLICABLE CHANGE IN COVERAGE STATUS.—An applicable change in coverage status under the plan with respect to a qualified secondary beneficiary shall not be deemed by the plan to have occurred until the end of the election period provided by the plan.

"(iii) TERMS OF CONTINUATION COVERAGE.—Any continuation coverage so elected by or on behalf of a qualified secondary beneficiary—

"(I) shall not be conditional upon any evidence of insurability, and

"(II) shall consist of coverage which is identical to the coverage provided under the plan to similarly situated beneficiaries under the plan with respect to whom an applicable change in coverage status has not occurred.

"(iv) PERIOD OF COVERAGE.—Any continuation coverage which is so elected by or on behalf of a qualified secondary beneficiary under the plan shall be for a period commencing upon expiration of the election period and ending not earlier than the earlier of—

"(I) 5 years after the expiration of the election period,

"(II) the date on which the employer ceases to provide any group health plan to employees,

"(III) the date on which there is a failure in making timely payment of any premium required under the plan with respect to the qualified secondary beneficiary,

"(IV) the date on which the qualified secondary beneficiary first becomes, after the date of the election, an insured employee under any other group health plan providing equivalent or greater coverage or becomes entitled to benefits under title XVIII of the Social Security Act,

"(V) in the case of any individual who is a qualified secondary beneficiary by reason of having been the spouse of the insured employee, the date on which the qualified secondary beneficiary remarries, or

"(VI) in the case of any individual who is a qualified secondary beneficiary by reason of having been a covered dependent child with respect to the insured employee, the date on which the individual ceases to be a covered dependent child with respect to the insured employee.

"(v) DETERMINATION OF CONTINUATION COVERAGE PREMIUMS.—The plan shall provide for computation and payment of premiums for continuation coverage in a manner meeting the requirements of subparagraph (E).

"(vi) CONVERSION OPTION.—The plan shall provide that, upon the qualified secondary beneficiary's election within 180 days before expiration of the qualified secondary beneficiary's continuation coverage, the insurer is required to offer to the qualified secondary beneficiary coverage under a conversion health plan otherwise generally available to beneficiaries under the plan.

"(B) QUALIFIED SECONDARY BENEFICIARY.—For purposes of this paragraph, the term 'qualified secondary beneficiary' means, with respect to an insured employee under a group health plan, an individual (other than the insured employee) who, as of immediately before the occurrence of an applicable change in coverage status with respect to the individual—

"(i) is a beneficiary under the plan as the spouse of the insured employee and has been married to the insured employee for at least the immediately preceding 30-day period, or

"(ii) is a beneficiary under the plan as a covered dependent child with respect to the insured employee.

"(C) APPLICABLE CHANGE IN COVERAGE STATUS.—

"(i) DEFINITION.—For purposes of this paragraph, an 'applicable change in coverage status' under a group health plan, with respect to an individual described in clause (i) or (ii) of subparagraph (B), consists of an event described in clause (ii) if the coverage of the individual under the plan would, but for continuation coverage provided in compliance with this paragraph, be affected by the occurrence of such event.

"(ii) DESCRIBED EVENTS.—An event described in this clause is any of the following:

"(I) the insured employee dies,

"(II) the insured employee and his or her spouse become separated or divorced, or

"(III) the insured employee becomes entitled to benefits under title XVIII of the Social Security Act.

"(D) ELECTION PERIOD.—An election period under a group health plan meets the requirements of this subparagraph if, under the plan, the period begins with the date on which the applicable change in coverage status with respect to the qualified secondary beneficiary occurs and ends not earlier than 90 days after the qualified secondary beneficiary is notified of such applicable change in coverage status in accordance with subparagraph (F)(iii).

"(E) COMPUTATION AND PAYMENT OF PREMIUMS FOR PLANS PROVIDING CONTINUATION COVERAGE.—The total premium charged by a group health plan with respect to any qualified secondary beneficiary for continuation coverage under the plan shall not exceed the sum of employer premiums and employee premiums generally charged with respect to coverage under the plan of similarly situated beneficiaries with respect to whom an applicable change in coverage status has not occurred. The plan may provide for payment of the total premium by the qualified secondary beneficiary receiving such coverage, or for payment of all or part of such premium by the employer and payment of the remainder of such premium by such beneficiary. The plan shall provide for payment of any premium by the qualified secondary beneficiary in monthly installments if so elected by such beneficiary. The total of all premiums charged by the plan in any plan year may be based upon reasonably anticipated community costs for such plan year of the entire pool of insured employees and other beneficiaries under the plan, including qualified secondary beneficiaries receiving continuation coverage under the plan pursuant to this paragraph.

"(F) NOTIFICATION REQUIREMENTS.—A group health plan shall be treated as not meeting the requirements of subparagraph (A) unless the plan meets the following requirements:

"(i) INITIAL NOTIFICATION TO BENEFICIARIES UPON COMMENCEMENT OF COVERAGE.—The plan shall provide that, upon the commencement of coverage of each insured employee under a group health plan, the insurer shall, by first class mail, notify each beneficiary under the plan of the continuation option provided under the plan pursuant to this paragraph. The plan shall provide that such notification shall include the following statement:

" 'Notification of Continued Access to Group Health Plan

" 'The spouse and dependent child or children of an insured employee may be entitled to five years of continuation coverage under this group health plan if (1) the insured employee dies, (2) the insured employee and his or her spouse become separated or divorced, or (3) the insured employee becomes entitled to Medicare.

" 'This coverage is available only if it is elected by or on behalf of the spouse or child to be covered. If any of these changes takes place, a beneficiary wishing to make such an election based on the change has ninety days after being notified by the plan of the change in which to make the election.

" 'This continuation coverage elected under the plan is not conditional upon any evidence of insurability and consists of coverage identical to coverage otherwise provided under the plan to similarly situated beneficiaries.

" 'Both the insured employee and the employee's spouse must sign the attached form, indicating that they have read and understand the provisions of this group health plan governing the continuation coverage option, and return the form to the insurer.'

The plan shall require submission to the insurer of the form referred to in the statement within a reasonable time after receipt of the notification.

"(ii) NOTIFICATION OF PLAN BY INSURED EMPLOYEE OF OCCURRENCE OF APPLICABLE CHANGE IN COVERAGE STATUS.—The plan shall provide—

"(I) that the employer of an insured employee must notify the plan of the occurrence of any applicable change in coverage status described in subclause (I) of subparagraph (C)(ii) with respect to any individual who is a qualified secondary beneficiary under the plan with respect to such insured employee, and

"(II) that the insured employee must notify the plan of the occurrence of any applicable change in coverage status described in subclause (II) or (III) of subparagraph (C)(ii) with respect to any individual who is a qualified secondary beneficiary under the plan with respect to such insured employee.

The plan shall provide that such notification must be made, by first class mail, within 30 days after the date of the occurrence of the applicable change in coverage status.

"(iii) NOTIFICATION OF CONTINUATION OPTION PROVIDED TO QUALIFIED SECONDARY BENEFICIARIES UPON DETERMINATION OF APPLICABLE CHANGE IN COVERAGE STATUS.—The plan shall provide that, within 14 days after determining the occurrence of an applicable change in coverage status with respect to a qualified secondary beneficiary under the plan, the insurer shall, by first class mail, notify such beneficiary of the occurrence of the change and of the continuation option provided under the plan pursuant to this paragraph, and that such notification shall include the following statement:

" 'Notification of Continued Access to Group Health Plan

" 'The spouse and dependent child or children of an insured employee may be entitled to five years of continuation coverage under this group health plan if (1) the insured employee dies, (2) the insured employee and his or her spouse become separated or divorced, or (3) the insured employee becomes entitled to Medicare.

" 'This coverage is available only if it is elected by or on behalf of the spouse or child to be covered. If any of these changes takes place, a beneficiary wishing to make such an election based on the change has ninety days after being notified by the plan of the change in which to and make the election.

" 'This continuation coverage elected under the plan is not conditional upon any evidence of insurability and consists of coverage identical to coverage otherwise provided under the plan to similarly situated beneficiaries.'

"(G) COVERED DEPENDENT CHILD.—For purposes of this paragraph, the term 'covered dependent child' means, with respect to an insured employee, an individual who meets the generally applicable requirements of the plan for treatment as a dependent child covered under the plan by reason of the coverage of the insured employee under the plan.

"(H) INSURER.—For purposes of this paragraph, the term 'insurer' means, in connection with a group health plan, any person who, under such plan, provides to others medical care (as defined in section 213(d)). For purposes of this subparagraph, the term 'person' includes one or more individuals, governments or agencies of the United States or any State or political subdivision thereof, labor unions, partnerships, associations, corporations, legal representatives, mutual companies, joint ventures, joint stock companies, societies, trusts, unincorporated organizations, trustees, trustees in bankruptcy, receivers, and fiduciaries."

(b) CONFORMING AMENDMENT.—Paragraph (1) of section 162(i) of such Code is amended by striking out "GENERAL RULE" and inserting in lieu thereof "COVERAGE RELATING TO END STAGE RENAL DISEASE".

SEC. 322. REQUIREMENTS UNDER ERISA RELATING TO CONTINUATION COVERAGE UNDER GROUP HEALTH PLANS.

(a) IN GENERAL.—Part 2 of subtitle B of title I of the Employee Retirement Income Security Act of 1974 is amended—

(1) by redesignating section 211 as section 212, and

(2) by inserting after section 210 the following new section:

"CONTINUATION COVERAGE UNDER GROUP HEALTH PLANS

"SEC. 211. (a) Each group health plan shall, in the case of an applicable change in the coverage status with respect to any qualified secondary beneficiary, provide to such beneficiary a continuation option meeting the requirements of this section. For purposes of this section, the term 'group health plan' has the meaning provided in section 162(i)(3) of the Internal Revenue Code of 1954.

"(b) A plan provides to a qualified secondary beneficiary a continuation option meeting the requirements of this section only if the plan meets the following requirements:

"(1) During an election period meeting the requirements of subsection (e), the plan shall, as provided in this section, permit each qualified secondary beneficiary with respect to whom an applicable change in coverage status under the plan has occurred to elect continuation coverage under the

plan. Unless otherwise specified in the election, any such election by an individual who is a qualified secondary beneficiary as the spouse of the insured employee shall also constitute under the plan an election of continuation coverage on behalf of any other qualified secondary beneficiary whose coverage would, but for continuation coverage provided in accordance with this section, be affected by such applicable change in coverage status.

"(2) An applicable change in coverage status under the plan with respect to a qualified secondary beneficary shall not be deemed by the plan to have occurred until the end of the election period provided by the plan.

"(3) Any continuation coverage so elected by or on behalf of a qualified secondary beneficiary—

"(A) shall not be conditional upon any evidence of insurability, and

"(B) shall consist of coverage which is identical to the coverage provided under the plan to similarly situated beneficiaries under the plan with respect to whom an applicable change in coverage status has not occurred.

"(4) Any continuation coverage which is so elected by or on behalf of a qualified secondary beneficiary under the plan shall be for a period commencing upon termination of the election period and ending not earlier than the earlier of—

"(A) 5 years after the expiration of the election period,

"(B) the date on which the employer ceases to provide any group health plan to employees,

"(C) the date on which there is a failure in making timely payment of any premium required under the plan with respect to the qualified secondary beneficiary,

"(D) the date on which the qualified secondary beneficiary first becomes, after the date of the election, an insured employee under any other group health plan providing equivalent or greater coverage or becomes entitled to benefits under title XVIII of the Social Security Act,

"(E) in the case of any individual who is a qualified secondary beneficiary by reason of having been the spouse of the insured employee, the date on which the qualified secondary beneficiary remarries, or

"(F) in the case of any individual who is a qualified secondary beneficiary by reason of having been a covered dependent child with respect to the insured employee, the date on which the individual ceases to be a covered dependent child with respect to the insured employee.

"(5) The plan shall provide for computation and payment of premiums for continuation coverage in a manner meeting the requirements of subsection (f).

"(6) The plan shall provide that, upon the qualified beneficiary's election within 180 days before expiration of the qualified secondary beneficiary's continuation coverage, the insurer is required to offer to the qualified secondary beneficiary coverage under a conversion health plan otherwise generally available to beneficiaries under the plan.

"(c) For purposes of this section, the term 'qualified secondary beneficiary' means, with respect to an insured employee under a group health plan, an individual (other than the insured employee) who, as of immediately before the occurrence of an applicable change in coverage status with respect to the individual—

"(1) is a beneficiary under the plan as the spouse of the insured employee and has been married to the insured employee for at least the immediately preceding 30-day period, or

"(2) is a beneficiary under the plan as a covered dependent child with respect to the insured employee.

"(d)(1) For purposes of this section, an 'applicable change in coverage status' under a group health plan, with respect to an individual described in paragraph (1) or (2) of subsection (c), consists of an event described in paragraph (2) if the coverage of the individual under the plan would, but for continuation coverage provided in compliance with this section, be affected by the occurrence of such event.

"(2) An event described in this paragraph is any of the following:

"(A) the insured employee dies,

"(B) the insured employee and his or her spouse become separated or divorced, or

"(C) the insured employee becomes entitled to benefits under title XVIII of the Social Security Act.

"(e) An election period under a group health plan meets the requirements of this subsection if, under the plan, the period begins with the date on which the applicable change in coverage status with respect to the qualified secondary beneficiary occurs and ends not earlier than 90 days after the qualified secondary beneficiary is notified of such applicable change in coverage status in accordance with subsection (g)(3).

"(f)(1) The total premium charged by a group health plan with respect to any qualified secondary beneficiary for continuation coverage under the plan shall not exceed the sum of employer premiums and employee premiums generally charged with respect to coverage under the plan of similarly situated beneficiaries with respect to whom an applicable change in coverage status has not occurred. The plan may provide for payment of the total premium by the qualified secondary beneficiary receiving such coverage, or for payment of all or part of such premium by the employer and payment of the remainder of such premium by such beneficiary. The plan shall provide for payment of any premium by the qualified secondary beneficiary in monthly installments if so elected by such beneficiary. The total of all premiums charged by the plan in any plan year may be based upon reasonably anticipated community costs for such plan year of the entire pool of insured employees and other beneficiaries under the plan, including qualified secondary beneficiaries receiving continuation coverage under the plan pursuant to this section.

"(g) A group health plan shall be treated as not meeting the requirements of subsection (b) unless the plan meets the following requirements:

"(1) The plan shall provide that, upon the commencement of coverage of each insured employee under a group health plan, the insurer shall, by first class mail, notify each beneficiary under the plan of the continuation option provided under the plan pursuant to this paragraph. The plan shall provide that such notification shall include the following statement:

" 'Notification of Continued Access to Group Health Plan

" 'The spouse and dependent child or children of an insured employee may be entitled to five years of continuation coverage under this group health plan if (1) the insured employee dies, (2) the insured employee and his or her spouse become separated or divorced, or (3) the insured employee becomes entitled to Medicare.

" 'This coverage is available only if it is elected by or on behalf of the spouse or child to be covered. If any of these changes takes place, a beneficiary wishing to make such an election based on the change has ninety days after being notified by the plan of the change in which to make the election.

" 'This continuation coverage elected under the plan is not conditional upon any evidence of insurability and consists of coverage identical to coverage otherwise provided under the plan to similarly situated beneficiaries.

" 'Both the insured employee and the employee's spouse must sign the attached form, indicating that they have read and understand the provisions of this group health plan governing the continuation coverage option, and return the form to the insurer.'

The plan shall require submission to the insurer of the form referred to in the statement within a reasonable time after receipt of the notification.

"(2) The plan shall provide—

"(A) that the employer of an insured employee must notify the plan of the occurrence of any applicable change in coverage status described in subparagraph (A) of subsection (d)(2) with respect to any individual who is a qualified secondary beneficiary under the plan with respect to such insured employee, and

"(B) that the insured employee must notify the plan of the occurrence of any applicable change in coverage status described in subparagraph (B) or (C) of subsection (d)(2) with respect to any individual who is a qualified secondary beneficiary under the plan with respect to such insured employee.

The plan shall provide that such notification must be made, by first class mail, within 30 days after the date of the occurrence of the applicable change in coverage status.

"(3) The plan shall provide that, within 14 days after determining the occurrence of an applicable change in coverage status with respect to a qualified secondary beneficiary under the plan, the insurer shall, by first class mail, notify such beneficiary of the occurrence of the change and of the continuation option provided under the plan pursuant to this section, and that such notification shall include the following statement:

" 'Notification of Continued Access to Group Health Plan

" 'The spouse and dependent child or children of an insured employee may be entitled

to five years of continuation coverage under this group health plan if (1) the insured employee dies, (2) the insured employee and his or her spouse become separated or divorced, or (3) the insured employee becomes entitled to Medicare.

" 'This coverage is available only if it is elected by or on behalf of the spouse or child to be covered. If any of these changes takes place, a beneficiary wishing to make such an election based on the change has ninety days after being notified by the plan of the change in which to make the election.

" 'This continuation coverage elected under the plan is not conditional upon any evidence of insurability and consists of coverage identical to coverage otherwise provided under the plan to similarly situated beneficiaries.'

"(h) For purposes of this section, the term 'covered dependent child' means, with respect to an insured employee, an individual who meets the generally applicable requirements of the plan for treatment as a dependent child covered under the plan by reason of the coverage of the insured employee under the plan.

"(i) For purposes of this section, the term 'insurer' means, in connection with a group health plan, any person who, under such plan, provides to others medical care (as defined in section 213(d) of the Internal Revenue Code of 1954). For purposes of this paragraph, the term 'person' includes one or more individuals, Governments or agencies of the United States or any State or political subdivision thereof, labor unions, partnerships, associations, corporations, legal representatives, mutual companies, joint ventures, joint stock companies, societies, trusts, unincorporated organizations, trustees, trustees in bankruptcy, receivers, and fiduciaries."

(b) TECHNICAL AND CONFORMING AMENDMENTS.—

(1) Paragraph (1) of section 201 of such Act is amended by inserting after "plan" the following: ", except to the extent that section 211 applies to a group health plan (as defined in section 211(a))".

(2) Section 212 of such Act (as redesignated by this section) is further amended by adding at the end thereof the following new subsection:

"(f) For the effective date and special rules relating to application of section 211, see section 323 of the Continued Access to Group Health Insurance Act of 1985.".

(3) The heading for part 2 of subtitle B of title I of such Act is amended to read as follows:

"PART 2—PARTICIPATION, VESTING, AND FORM AND PAYMENT OF BENEFITS".

(4) The table of contents in section 1 of such Act is amended—

(A) by striking out the item relating to part 2 of subtitle B of title I and inserting in lieu thereof the following new item:

"PART 2—PARTICIPATION, VESTING, AND FORM AND PAYMENT OF BENEFITS;

and

(B) by striking out the item relating to section 211 and inserting in lieu thereof the following new items:

"Sec. 211. Continuation coverage under group health plans.
"Sec. 212. Effective dates."

SEC. 323. EFFECTIVE DATE AND SPECIAL RULES.

(a) EFFECTIVE DATE.—

(1) GENERAL RULE.—The amendments made by this part shall apply to plan years beginning on or after January 1, 1986.

(2) SPECIAL RULE FOR COLLECTIVE BARGAINING AGREEMENTS.—In the case of a group health plan maintained pursuant to 1 or more collective bargaining agreements between employee representatives and 1 or more employers ratified before the date of the enactment of this Act, the amendments made by this part shall not apply to plan years beginning before the earlier of—

(A) the date on which the last of the collective bargaining agreements relating to the plan terminates (determined without regard to any extension thereof agreed to after the date of the enactment of this Act), or

(B) January 1, 1987.

For purposes of subparagraph (A), any plan amendment made pursuant to a collective bargaining agreement relating to the plan which amends the plan solely to conform to any requirement added by this part shall not be treated as a termination of such collective bargaining agreement.

(b) INITIAL NOTIFICATION.—Each group health plan shall notify by first class mail all beneficiaries under the plan, including all qualified secondary beneficiaries, of the terms of the continuation coverage provided by the plan pursuant to the amendments made by this part. Such notification shall be made not later than January 1, 1986, and shall include the statement set forth in section 211(g)(1) of the Employee Retirement Income Security Act of 1974 (as amended by this Act). Such notification may be made by mailing such notification to the last known address of each beneficiary. This subsection shall be treated as a provision of title I of the Employee Retirement Income Security Act of 1974 for purposes of enforcement under section 502 of such Act.

TITLE IV—EMPLOYMENT

PART A—PAY EQUITY IN THE FEDERAL CIVIL SERVICE

SEC. 401. DEFINITIONS.

For purposes of this part—

(1) the term "position" means employee positions that are subject to classification under chapter 51 of such title or the job-grading system under subchapter IV of chapter 53 of such title;

(2) the term "Commission" means the Commission on Compensation Equity established by section 402;

(3) the term "Director" means the Director of the Office of Personnel Management;

(4) the term "employee" means an individual to whom chapter 51 and subchapter IV of chapter 53 of such title applies; and

(5) the term "labor organization" shall have the meaning given such term by section 7103(a)(4) of such title.

SEC. 402. ESTABLISHMENT OF COMMISSION ON COMPENSATION EQUITY.

There is established a commission to be known as the "Commission on Compensation Equity".

SEC. 403. STUDY AND REPORTING REQUIREMENTS.

(a) STUDY.—(1) In order to determine whether Federal jobs are appropriately classified, graded, and paid and whether the wage-setting practices in executive agencies of the United States Government are in compliance with applicable laws and regulations prohibiting sex-based wage discrimination in Federal employment policies and practices, the Commission shall provide, by contract with the consultant selected pursuant to section 407, for—

(A) the conduct of a study of representative executive agencies' wage-setting practices and wage differentials within and between the position-classification system under chapter 51 of title 5, United States Code, and the job grading system under subchapter IV of chapter 53 of such title, including both standard objective job-evaluation techniques, and an economic analysis to determine whether there are occupations where the rates of pay payable for positions held predominantly by female employees are lower than the rates of pay payable for positions held predominantly by male employees although the work performed in each instance involves skills, effort, responsibilities, qualifications, and working conditions which, although not identical, are equivalent in totality; and

(B) the preparation and submission of a report containing the findings of such study, including a list of any such positions and the extent of the differences in the rates of pay in such cases.

(2) For the purposes of this subsection, the term "executive agency" shall have the meaning given such term by section 105 of title 5, United States Code.

(b) REPORT.—(1)(A) Not later than eighteen months after the effective date of this part, the Commission shall transmit to the appropriate committees of the Congress the report required by subsection (a) and shall provide a copy of this report to the Director.

(B) The report shall include—

(i) the Commission's findings resulting from the study; and

(ii) the Commission's recommendations (other than any recommendation which would result in a reduction in the rate of pay payable for any position) for such administrative or legislative actions, or both, as it considers appropriate (including any recommendations for amendment of section 406).

(2) Not later than ninety days after the Commission submits its report to the appropriate committees of the Congress pursuant to paragraph (1), the Director shall submit to such committees and the Commission a report commenting on the Commission's report and specifying the Director's plan (including a timetable) to carry out each of the Commission's recommendations or, in the event that the Director does not specify a plan to carry out one or more of such recommendations, the Director's reasons for not specifying such plan.

(3) Not later than sixty days after the Director submits the report to the appropriate committees of the Congress pursuant to paragraph (2), the Commission shall submit to such Committees any additional comments that the Commission considers appropriate in response to the Director's report.

SEC. 404. APPOINTMENT OF COMMISSION.

(a) IN GENERAL.—(1)(A) The Commission shall be composed of nine members as follows:

(i) Two appointed by the President.

(ii) One appointed by the majority leader of the Senate.

(iii) One appointed by the minority leader of the Senate.

(iv) One appointed by the Speaker of the House of Representatives.

(v) One appointed by the minority leader of the House of Representatives.

(vi) Three jointly appointed by a five-member panel composed of one officer of and designated by each of five labor organizations selected by the Director from among labor organizations representing substantial numbers of women who occupy positions

that are subject to chapter 51 or subchapter IV of chapter 53, of title 5, United States Code (including each of the three such labor organizations representing the greatest number of Federal Government employees).

(B) Members of the Commission shall not be members of Congress and shall, to the maximum extent practicable, be chosen from among persons who have extensive knowledge and technical expertise in the major areas of the Commission's consideration and study.

(2) All appointments under paragraph (1) shall be made not later than sixty days after the effective date of this Act.

(b) CHAIRMAN AND VICE CHAIRMAN OF THE COMMISSION.—The President shall designate a Chairman of the Commission from among the Commission members. The Commission shall elect a Vice Chairman from among its members. The Vice Chairman shall act as Chairman in the event of the absence or incapacity of the Chairman.

(c) VACANCIES.—Any vacancy in the Commission shall not affect its powers except with respect to satisfaction of the quorum requirements in section 405(b). Such vacancy shall be filled in the manner in which the original appointment was made.

SEC. 405. ADMINISTRATIVE PROVISIONS.

(a) PROCEDURES.—The Commission shall adopt such rules and regulations as it considers necessary to establish its procedures and to govern the manner of its operations, its organization, and its personnel.

(b) QUORUM.—Five members of the Commission shall constitute a quorum.

(c) MEMBER'S PAY.—Each member of the Commission who is not an officer or employee of the United States Government shall be paid compensation at a rate equal to the daily equivalent of the rate of basic pay in effect for level IV of the Executive Schedule for each day the member is engaged in the performance of the duties of the Commission.

(d) COMMISSION STAFF.—(1) The Commission may appoint, terminate, and, subject to paragraph (2), fix the compensation of such personnel as it considers advisable to employ to assist in the performance of its duties, without regard to the civil service laws, the provisions of title 5, United States Code, or any other law relating to the number, classification, or compensation of employees. The Commission may also procure temporary and intermittent services in carrying out its responsibilities. The Chairman shall appoint an executive director of the Commission with the approval of a majority of the Commission members.

(2) An employee of the Commission may not receive compensation at a rate exceeding the rate of pay payable for grade GS-18 under section 5332 of title 5, United States Code.

(3) Service of an individual as a member of the Commission or as an employee of the Commission shall not be considered service in an appointive or elective position in the United States Government for the purposes of section 8344 of title 5, United States Code.

(e) TRAVEL AND TRANSPORTATION EXPENSES.—All members and employees of the Commission and all individuals performing temporary or intermittent services for the Commission shall, while performing the duties of the Commission, be paid per diem, travel, and transportation expenses in the same manner as provided for under subchapter I of chapter 57 of title 5, United States Code.

(f) SPECIFIC POWERS.—(1) The Commission or any member authorized by the Commission may, for the purposes of carrying out this part, hold such hearings and sit and act at such times and places, take such testimony, have such printing and binding done, enter into such contracts and other arrangements, with or without consideration or bond, and take such other actions as the Commission considers advisable, to the extent that amounts provided pursuant to section 409 are available. Any member of the Commission may administer oaths or affirmations to witnesses appearing before the Commission or before such member.

(2) The Commission is authorized to obtain directly from any officer, department, agency, establishment, or instrumentality of the United States Government such information, suggestions, estimates, and statistics as the Commission considers necessary to carry out this section. Each such officer, department, agency, establishment, or instrumentality shall furnish, to the extent permitted by law, such information, suggestions, estimates, and statistics directly to the Commission, upon request made on behalf of the Commission.

(3) The Commission may use the United States mails and receive administrative support from the Administrator of General Services in the same manner and under the same conditions as departments and agencies of the United States Government.

(4) No officer or agency of the United States Government shall require the Commission to submit any report, recommendation, or other matter to any such officer or agency for approval, comment, or review before submitting such report, recommendation, or other matter to Congress or Committees of Congress or to the President.

(g) MEETING TIMES.—The Commission shall meet from time to time, as its members consider appropriate.

SEC. 406. TERMINATION.

The Commission shall terminate ninety days after the date the Commission submits its comments pursuant to section 403(b)(3).

SEC. 407. CONSULTANT.

(a) IN GENERAL.—The Commission shall select one consultant to conduct the study required by section 403(a) from among the list of consultants transmitted by the Comptroller General of the United States pursuant to subsection (b).

(b) LIST OF CONSULTANTS.—The Comptroller General of the United States shall prepare and submit to the Commission a list of at least five consultants which, on the basis of their objectivity, extensive knowledge, and technical expertise in the matters to be studied pursuant to this part, the Comptroller General considers appropriate to conduct the study.

SEC. 408. CONSTRUCTION.

Nothing in this part shall be construed to limit any of the rights or remedies provided under the Civil Rights Act of 1964, section 6(d) of the Fair Labor Standards Act of 1938, or any other provision of law relating to discrimination on the basis of race, color, religion, sex, national origin, handicap, or age.

SEC. 409. FUNDING.

Of the sums appropriated to the Office of Personnel Management for general operating expenses for fiscal year 1986 and 1987, such amount as is estimated by the Comptroller General of the United States as necessary to carry out this part shall be made available to pay the expenses of the Commission and shall remain available for such purpose until September 30, 1988.

SEC. 410. EFFECTIVE DATE.

This part shall take effect on October 1, 1985.

PART B—SERVICE PROGRAMS FOR PREGNANT TEENAGERS AND TEENAGE MOTHERS

SEC. 411. GRANTS TO STATES FOR PROGRAMS TO ASSIST PREGNANT TEENAGERS AND TEENAGE MOTHERS WHO MIGHT OTHERWISE BECOME LONG-TERM RECIPIENTS OF AFDC.

Part A of title IV of the Social Security Act is amended by adding at the end thereof the following new section:

"GRANTS FOR SERVICE PROGRAMS FOR PREGNANT TEENAGERS AND TEENAGE MOTHERS

"SEC. 416. (a) In addition to amounts payable to States under section 403, the Secretary shall make grants to States in accordance with this section, subject to the amounts appropriated pursuant to subsection (d). The purpose of such grants shall be to assist States in carrying out programs which—

"(1) prevent long-term dependency upon aid to families with dependent children;

"(2) permit pregnant teenagers and teenage mothers to remain in school;

"(3) provide job counseling, employment readiness, job placement, and academic and vocational education services to pregnant teenagers and teenage mothers; and

"(4) integrate and coordinate services otherwise available to pregnant teenagers and teenage mothers.

"(b)(1) In order to receive a grant under this section a State must provide assurances to the Secretary that such grant shall be used to carry out a program which—

"(A) provides child day care, job training, job placement, and academic and vocational education services for pregnant teenagers and teenage mothers, and requires that each pregnant teenager or mother participate in a program leading to a high school diploma (or the equivalent) or in a job training program;

"(B) establishes a coordinated service network consisting of the services described in subparagraph (A) and other services available for pregnant teenagers and teenage mothers under title XX, part B of this title, the State program under title V, and the Job Training Partnership Act;

"(C) provides such services in an area or areas within the State which have a large number of low-income teenage mothers;

"(D) provides for maximum utilization of existing services, including those offered by private, nonprofit service providers;

"(E)(i) provides without charge any child day care services and transportation which may be necessary to allow the pregnant teenager or teenage mother to participate in the program, and

"(ii) provides child day care services, at a charge which is related to income, for a period of six months after completion of the high school diploma (or equivalent) or job training program, as may be necessary to allow the pregnant teenager or teenage mother to be employed; and

"(F) is administered by the same agency which administers the State plan under section 402, the same agency which administers the State plan approved under part B of this title, or the same agency which administers the block grant under title XX.

"(2) For purposes of this section—

"(A) 'pregnant teenagers' and 'teenage mothers' means only pregnant women or mothers who are age 19 or under, or who are secondary school students; and

"(B) 'academic and vocational education services' includes instruction in family management, parenting, budgeting, health, nutrition, and other life skills.

"(c)(1) Any State receiving a grant under this section for a fiscal year shall provide a report to the Secretary at the close of such fiscal year which shall include the number and characteristics of individuals served by the State program, the services provided, and the results achieved. Such report shall also include data on the number of cases and the amounts of the aid to families with dependent children provided under this part for the fiscal year, broken down by the age of the parent or caretaker relative receiving such aid, by race, and by location within the State. The State shall also require each entity providing services under the State program to report to the State with respect to the number and characteristics of the individuals served by such entity, the services provided, and the results achieved.

"(2) The Secretary shall establish a systematic reporting system capable of yielding comprehensive data on which service figures and program evaluations shall be based. On or before each January 1 the Secretary shall submit to the Congress a report describing the activities supported under this section during the fiscal year ending on the preceding September 30, including, at a minimum, the number and characteristics of persons served, the services provided, the results achieved, and the Secretary's plans and recommendations for the future.

"(d) For purposes of making grants to States under this section there are authorized to be appropriated $75,000,000 for fiscal year 1986 and for each fiscal year thereafter.".

PART C—WOMEN IN BUSINESS

Subpart 1—National Commission on Women's Business Ownership

SEC. 420. SHORT TITLE.

This subpart may be cited as the "Women's Business Ownership Act of 1985".

SEC. 421. ESTABLISHMENT.

There is established a commission to be known as the "National Commission on Women's Business Ownership" (hereinafter in this subpart referred to as the "Commission").

SEC. 422. DUTIES OF THE COMMISSION.

(a) IN GENERAL.—The Commission shall review—

(1) the status of women-owned small business nationwide and the progress made since the 1980 White House Conference on Small Business for such businesses to be represented equitably in the mainstream of the American economy;

(2) the role of the Federal Government in aid to, and the promotion of, women-owned small business;

(3) data collection procedures and the availability of data relating to (A) women-owned business; (B) women-owned small business, and (C) small business owned and controlled by socially and economically disadvantaged women; and

(4) such other Federal initiatives as may exist relating to women-owned small business including, but not limited to, those relating to Federal procurements.

(b) EMPHASIS ON SPECIAL IMPEDIMENTS.—In the course of performing those duties described in subsection (a), the Commission shall pay particular regard to the special impediments suffered by small business concerns owned and controlled by socially and economically disadvantaged women.

(c) RECOMMENDATIONS.—Based upon its review, the Commission shall recommend, in the manner prescribed by section 426—

(1) new private-sector initiatives which would provide management and technical assistance to women-owned small business;

(2) ways to promote greater access to financing and procurement opportunities for such businesses; and

(3) such other measures as may have particular applicability for small business concerns owned and controlled by socially and economically disadvantaged women.

(d) DEFINITIONS.—For the purpose of this subpart—

(1) the term "women-owned small business" means a small business as defined pursuant to section 3 of the Small Business Act (15 U.S.C. 632) and relevant regulations promulgated pursuant thereto—

(A) which is at least 51 per centum owned by one or more women, or, in the case of any publicly owned business, at least 51 per centum of the stock of which is owned by one or more women, and

(B) whose management and daily business operations are controlled by one or more of such women; and

(2) the term "small business owned and controlled by socially and economically disadvantaged women" means a business concern which is described in paragraph (1) and, in addition, whose owners also qualify as socially and economically disadvantaged pursuant to section 8(d)(3) of the Small Business Act (15 U.S.C. 637(d)(3)).

SEC. 423. MEMBERSHIP.

(a) IN GENERAL.—The Commission shall be composed of nine members to be appointed as follows:

(1) Three members shall be appointed by the President.

(2) Three members shall be appointed by the majority leader of the Senate from a list of fifteen individuals nominated for such appointment by the chairman of the Committee on Small Business of the Senate.

(3) Three members shall be appointed by the Speaker of the House of Representatives from a list of fifteen individuals nominated for such appointment by the chairman of the Committee on Small Business of the House of Representatives.

(b) QUALIFICATIONS.—(1) Appointments under subsection (a) shall be made from individuals who are specially qualified to serve on the Commission by virtue of their education, training, or experience, and who are not officers or employees of the Federal Government nor of the Congress.

(2)(A) Of the individuals to be appointed under subsection (a)—

(i) no more than two members to be appointed under each paragraph of such subsection shall be of the same political party;

(ii) at least two members appointed shall be socially disadvantaged as defined pursuant to section 8(a)(5) of the Small Business Act (15 U.S.C. 637(a)(5)), and at least two members appointed under each paragraph of such subsection shall be women; and

(iii) at least one member to be appointed under each paragraph of such subsection shall be the owner of a small business concern as defined pursuant to section 3 of the Small Business Act (15 U.S.C. 632) and relevant regulations promulgated pursuant thereto.

(B) Appointments made pursuant to subsection (a) shall be made in the following sequence:

(i) appointments under subsection (a)(1) shall be made within ninety days of the effective date of this subpart;

(ii) appointments under subsection (a)(2) shall be made within one hundred and twenty days of the effective date of this subpart; and

(iii) appointments under subsection (a)(3) shall be made within one hundred and fifty days of the effective date of this subpart.

(3) In making appointments under subsection (a), the appointing authorities shall give due consideration to achieving balanced geographical representation.

(c) TERM.—Members shall be appointed for the life of the Commission, except if any member of the Commission becomes an officer or employee of the Federal Government or of the Congress, such individual may continue as a member of the Commission for not longer than the thirty-day period beginning on the date such individual becomes such an officer or employee.

(d) VACANCIES.—A vacancy in the Commission shall be filled in the manner in which the original appointment was made, except that a vacancy to be filled pursuant to paragraph (2) or (3) of subsection (a) shall be made from the submission of a revised list of nominees to be submitted to the appropriate appointing authority.

(e) COMPENSATION; EXPENSES.—Members of the Commission shall serve without pay, except members of the Commission shall be entitled to reimbursement for travel, subsistence, and other necessary expenses incurred by them in carrying out the functions of the Commission, in the same manner as persons employed intermittently in the Federal Government are allowed expenses under section 5703 of title 5, United States Code.

(f) QUORUM.—(1) Two members of the Commission shall constitute a quorum for the receipt of testimony and other evidence pursuant to section 425(a).

(2) A majority of the Commission shall constitute a quorum for the approval of any report to be transmitted pursuant to section 426.

(g) CHAIRPERSON AND VICE CHAIRPERSON.—The Chairperson and Vice Chairperson of the Commission shall be designated by the President. The term of office of the Chairperson and Vice Chairperson shall be the life of the Commission.

(h) MEETINGS.—The Commission shall meet not less than four times a year. Meetings shall be at the call of the Chairperson.

SEC. 424. DIRECTOR AND STAFF OF THE COMMISSION.

(a) DIRECTOR AND STAFF.—(1) The Commission shall have a Director who shall be appointed by the Chairperson. Upon recommendation by the Director, the Chairperson may appoint and fix the pay of four additional personnel.

(2) The Director and staff of the Commission may be appointed without regard to section 5311(b) of title 5, United States Code, and without regard to the provisions of such title governing appointments in the competitive service, and may be paid without regard to the provisions of chapter 51 and subchapter III of chapter 53 of such title relating to classification and General Schedule pay rates, except that no individual so appointed may receive pay in excess of the annual rate of basic pay payable for GS-18 of the General Schedule.

(b) TEMPORARY SERVICES.—The Commission may procure temporary and intermittent services under section 3109(b) of title 5 of the United States Code, but at rates for individuals not to exceed the daily equivalent of the maximum annual rate of basic

pay payable for GS-18 of the General Schedule.

(c) DETAIL OF OTHER FEDERAL PERSONNEL.—Upon request of the Commission, the head of any Federal department or agency may detail, on a reimbursable basis, any of the personnel of such agency to the Commission to assist the Commission in carrying out its duties under this subpart, without regard to section 3341 of title 5 of the United States Code.

SEC. 425. POWERS OF THE COMMISSION.

(a) IN GENERAL.—The Commission may, for the purpose of carrying out this subpart, sit and act at such times and places, hold such hearings, take such testimony, receive such evidence, and consider such information, as the Commission considers appropriate. The Commission may administer oaths or affirmations for the receipt of such testimony.

(b) DELEGATION.—Any member or person within the employ of the Commission may, if so authorized by the Commission, take any action which the Commission is authorized to take by this section.

(c) SECURING INFORMATION.—Except as otherwise prohibited by law, the Commission may secure directly from any department or agency of the United States information necessary to enable it to carry out this subpart. Upon the request of the Chairperson of the Commission, the head of such department or agency shall promptly furnish such information to the Commission.

(d) USE OF MAILS.—The Commission may use the United States mails in the same manner and under the same conditions as departments and agencies of the United States.

(e) SUPPORT SERVICES.—The Administrator of the General Services Administration shall provide to the Commission, on a reimbursable basis, such administrative support services as the Commission may request. In addition, the Administrator shall, as appropriate, provide to the Commission, upon its request, access to and use of such Federal facilities as may be necessary for the conduct of its business.

SEC. 426. REPORTS.

The Commission shall transmit to the President and to each House of the Congress an interim report no less than once in every six-month period and shall transmit a final report to the President and to each House of Congress not later than twenty-six months after the date of the Commission's first meeting. The final report shall contain a detailed statement of the findings and conclusions of the Commission, together with its recommendations for such legislation and administrative actions as it considers appropriate.

SEC. 427. TERMINATION.

The Commission shall cease to exist on the date that it transmits its final report to the President and to each House of the Congress.

SEC. 428. AUTHORIZATION OF APPROPRIATIONS.

There are authorized to be appropriated such sums as may be necessary to carry out this subpart, and they may remain available until expended. New spending authority or authority to enter contracts as provided in this subpart shall be effective only to such extent and in such amounts as are provided in advance in appropriation Acts.

SEC. 429. EFFECTIVE DATE.

This subpart shall take effect October 1, 1985.

Subpart 2—Equal Credit

SEC. 431. AMENDMENT TO EQUAL CREDIT OPPORTUNITY ACT.

Subsection (a) of section 703 of the Equal Credit Opportunity Act (15 U.S.C. 1691b) is amended to read as follows:

"(a)(1) Subject to the provisions of paragraph (2) the Board shall prescibe regulations to carry out the purposes of this title. These regulations may contain such classifications, differentiation, or other provision, and may provide for such adjustments and exceptions for any class of transactions, as in the judgment of the Board are necessary or proper to effectuate the purposes of this title, to prevent circumstances or evasion thereof, or to facilitate or substantiate compliance therewith.

"(2) A regulation promulgated pursuant to paragraph (1) of this subsection may not exempt from the provisions of this title any class of transactions that are primarily for—

"(A) personal, family, or household purposes; or

"(B) business or commercial purposes, except that a particular type or class of business or commercial transaction may be exempted if the Board determines, after a hearing conducted on the record pursuant to chapter 5 of title 5, United States Code, that the application of this title or of any provision of this title to such transaction would not contribute substantially to effecting the purposes of this title.

"(3) An exemption granted pursuant to paragraph (2)(B) shall be for no longer than five years and may be extended beyond five years only if the Board makes a subsequent determination, in the manner prescribed by such paragraph, that such exemption remains appropriate. An extension of an exemption granted pursuant to (2)(B) shall be for no longer than five years and may be renewed only if the Board reaches a subsequent determination, in the manner prescribed by paragraph (2)(B), that such exemption remains appropriate.".

TITLE V—TAX REFORM

SECTION 501. ZERO BRACKET AMOUNT FOR HEADS OF HOUSEHOLDS.

(a) IN GENERAL.—Section 1 of the Internal Revenue Code of 1954 (relating to tax imposed on individuals) is amended by adding at the end thereof the following new subsection:

"(g) INCREASE IN ZERO BRACKET AMOUNT FOR HEADS OF HOUSEHOLDS FOR TAXABLE YEARS BEGINNING AFTER 1985.—In carrying out subsection (f) with respect to taxable years beginning after 1985, the Secretary shall treat the following table as if it were the table contained in paragraph (3) of subsection (b):

"If taxable income is:	The tax is:
Over $3,400	No tax.
Over $3,400 but not over $5,500.	11% of the excess over $3,400.
Over $5,500 but not over $7,600.	$231, plus 12% of the excess over $5,500.
Over $7,600 but not over $9,800.	$483, plus 14% of the excess over $7,600.
Over $9,800 but not over $12,900.	$791, plus 17% of the excess over $9,800.
Over $12,900 but not over $16,100.	$1,318, plus 18% of the excess over $12,900.
Over $16,100 but not over $19,300.	$1,894, plus 20% of the excess over $16,100.
Over $19,300 but not over $24,600.	$2,534, plus 24% of the excess over $19,300.
Over $24,600 but not over $29,900.	$3,806, plus 28% of the excess over $24,600.
Over $29,900 but not over $35,200.	$5,290, plus 32% of the excess over $29,900.
Over $35,200 but not over $45,800.	$6,986, plus 35% of the excess over $35,200.
Over $45,800 but not over $61,700.	$10,696, plus 42% of the excess over $45,800.
Over $61,700 but not over $82,900.	$17,374, plus 45% of the excess over $61,700.
Over $82,900 but not over $109,400.	$26,914, plus 48% of the excess over $82,900.
Over $109,400	$39,634, plus 50% of the excess over $109,400."

(b) CONFORMING AMENDMENTS.—

(1) Clause (i) of section 6012(a)(1)(A) of such Code (relating to persons required to make returns of income) is amended by inserting "is not a head of a household (as defined in section 2(b))," after "section 2(a)),".

(2) Clause (ii) of such section is amended by inserting "or who is a head of a household (as so defined)" after "who is a surviving spouse (as so defined)".

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years beginning after December 31, 1985.

SEC. 502. INCREASE IN EARNED INCOME CREDIT; TREATMENT OF CERTAIN PAYMENTS.

(a) INCREASE IN CREDIT.—Subsection (a) of section 32 of the Internal Revenue Code of 1954 (relating to earned income credit) is amended by striking out "11 percent" and inserting in lieu thereof "16 percent".

(b) PHASEOUT BETWEEN $11,000 AND $16,000.—Subsection (b) of section 32 of such Code (relating to limitation) is amended to read as follows:

"(b) LIMITATION.—The amount allowable as a credit under subsection (a) to any taxpayer for any taxable year shall be reduced by an amount equal to 16 percent of so much of the adjusted gross income (or, if greater, the earned income) of the taxpayer for the taxable year as exceeds $11,000."

(c) GOVERNMENTAL PAYMENTS TO BE DISREGARDED FOR PURPOSES OF SUPPORT AND MAINTENANCE OF HOUSEHOLD TESTS.—Section 2 of such Code (relating to definitions and special rules) is amended by redesignating subsection (e) as subsection (f) and by inserting after subsection (d) the following new subsection:

"(e) GOVERNMENTAL PAYMENTS DISREGARDED IN DETERMINING SUPPORT AND MAINTENANCE OF HOUSEHOLD.—

"(1) IN GENERAL.—For purposes of this title, whenever it is necessary—

"(A) to determine the extent to which the support of an individual is provided by such individual, by a taxpayer who has the same principal place of abode as the individual (including determinations under sections 152 and 1303(c)), or by the parents of the individual for purposes of section 152(e), or

"(B) to determine whether a taxpayer furnishes over half of the cost of maintaining a household during any period (including determinations under subsections (a) and (b) of this section and under sections 21 and 143(b)),

any needs-based governmental benefit used for the support of the individual or for maintenance of the household shall not be taken into account.

"(2) NEEDS-BASED GOVERNMENTAL BENEFIT.—For purposes of paragraph (1), the term 'needs-based governmental benefit' means any benefit which—

"(A) is not includible in gross income,

"(B) is provided under any Federal, State, or local governmental assistance program, and

"(C) is based on need."

(d) DISREGARD OF CREDIT.—

(1) IN GENERAL.—Notwithstanding any other provision of law, any refund of Federal income taxes made to an individual by reason of section 32 of the Internal Revenue

Code of 1954, and any payment made by an employer under section 3507 of such Code, shall not be taken into account as income or receipts for purposes of determining the eligibility of such individual (or any other individual) for benefits or assistance, or the amount or extent of benefits or assistance, under any Federal program or under any State or local program financed in whole or in part with Federal funds.

(2) REPEAL OF SECTION 402(d) OF THE SOCIAL SECURITY ACT.—Subsection (d) of section 402 of the Social Security Act is hereby repealed.

(e) COST-OF-LIVING ADJUSTMENTS.—

(1) IN GENERAL.—Section 32 of such Code is amended by adding at the end thereof the following new subsection:

"(h) COST-OF-LIVING ADJUSTMENTS.—

"(1) IN GENERAL.—In the case of any taxable year beginning in a calendar year after 1986, this section shall be applied by increasing each dollar amount contained in subsections (a), (b), and (f) by the cost-of-living adjustment for such calendar year.

"(2) COST-OF-LIVING ADJUSTMENT.—For purposes of paragraph (1), the cost-of-living adjustment for any calendar year is the percentage (if any) by which—

"(A) the CPI for the preceding calendar year (as defined in section 1(f)(4)), exceeds

"(B) the CPI for calendar year 1985 (as so defined).

"(3) ROUNDING.—Any increase determined under paragraph (1) shall be rounded to the nearest multiple of $10 (or if such increase is a multiple of $5, such increase shall be increased to the next highest multiple of $10)."

(2) EARNED INCOME ADVANCE AMOUNT.—Subsection (c) of section 3507 of such Code is amended by adding at the end thereof the following new paragraph:

"(3) COST-OF-LIVING ADJUSTMENTS.—In the case of any calendar year after 1986, paragraph (2) shall be applied by increasing each dollar amount contained therein by the cost-of-living adjustment for such calendar year (as determined under section 32(h)(2)). Any such increase shall be rounded to the nearest multiple of $10 (or if such increase is a multiple of $5, such increase shall be increased to the next highest multiple of $10)."

(f) TECHNICAL AMENDMENTS.—

(1) Paragraph (2) of section 32(f) of such Code is amended—

(A) by striking out "$11,000" each place it appears and inserting in lieu thereof "$16,000", and

(B) by striking out "$6,500" and inserting in lieu thereof "$11,000".

(2) Paragraph (2) of section 3507(c) of such Code (relating to earned income advance payment amount) is amended—

(A) by striking out "11 percent" each place it appears and inserting in lieu thereof "16 percent",

(B) by striking out "$6,500 and $11,000" and inserting in lieu thereof "$11,000 and $16,000", and

(C) by striking out "$3,250 and $5,500" and inserting in lieu thereof "$5,500 and $8,000".

(g) EFFECTIVE DATES.—

(1) Except as provided in paragraph (2), the amendments made by this section shall apply to taxable years beginning after December 31, 1985.

(2) The amendments made by subsections (d) and (e)(2) shall take effect on January 1, 1986.

SEC. 503. CREDIT FOR DEPENDENT CARE SERVICES.

(a) IN GENERAL.—Subpart C of part IV of subchapter A of chapter 1 of the Internal Revenue Code of 1954 (relating to refundable credits) is amended by redesignating section 35 as section 36 and by inserting after section 34 the following new section:

"SEC. 35. DEPENDENT CARE SERVICES.

"(a) ALLOWANCE OF CREDIT.—

"(1) IN GENERAL.—In the case of an individual who maintains a household which includes as a member 1 or more qualifying individuals, there shall be allowed as a credit against the tax imposed by this subtitle for the taxable year an amount equal to the applicable percentage of the sum of—

"(A) the employment-related expenses paid by such individual during the taxable year, plus

"(B) the respite care expenses paid by such individual during the taxable year.

"(2) APPLICABLE PERCENTAGE DEFINED.—

"(A) IN GENERAL.—For purposes of paragraph (1), the term 'applicable percentage' means 50 percent reduced (but not below 20 percent) by 1 percentage point for each full $2,000 amount by which the taxpayer's adjusted gross income for the taxable year exceeds $11,000.

"(B) COST-OF-LIVING ADJUSTMENT.—

"(i) IN GENERAL.—In the case of a taxable year beginning in a calendar year after 1985, subparagraph (A) shall be applied by increasing the $11,000 amount contained therein by the cost-of-living adjustment (as defined in section 1(f)(3)) for such calendar year.

"(ii) ROUNDING.—If any increase determined under clause (i) is not a multiple of $10, such increase shall be rounded to the nearest multiple of $10 (or if such increase is a multiple of $15, such increase shall be increased to the next highest multiple of $10).

"(b) EMPLOYMENT-RELATED EXPENSES.—For purposes of this section—

"(1) DETERMINATION OF ELIGIBLE EXPENSES.—

"(A) IN GENERAL.—The term 'employment-related expenses' means amounts paid for the following expenses, but only if such expenses are incurred to enable the taxpayer to be gainfully employed for any period for which there are 1 or more qualifying individuals with respect to the taxpayer:

"(i) expenses for household services, and

"(ii) expenses for the care of a qualifying individual.

Such term shall not include any respite care expense taken into account under subsection (a).

"(B) EXCEPTION.—Employment-related expenses described in subparagraph (A) which are incurred for services outside the taxpayer's household shall be taken into account only if incurred for the care of—

"(i) a qualifying individual described in subsection (d)(1), or

"(ii) a qualifying individual (not described in subsection (d)(1)) who regularly spends at least 8 hours each day in the taxpayer's household.

"(C) DEPENDENT CARE CENTERS.—Employment-related expenses described in subparagraph (A) which are incurred for services provided outside the taxpayer's household by a dependent care center (as defined in subparagraph (D)) shall be taken into account only if—

"(i) such center complies with all applicable laws and regulations of a State or unit of local government, and

"(ii) the requirements of subparagraph (B) are met.

"(D) DEPENDENT CARE CENTER DEFINED.—For purposes of this paragraph, the term 'dependent care center' means any facility which—

"(i) provides care for more than 6 individuals (other than individuals who reside at the facility), and

"(ii) receives a fee, payment, or grant for providing services for any of the individuals (regardless of whether such facility is operated for profit).

"(2) DOLLAR LIMIT ON AMOUNT CREDITABLE.—

"(A) IN GENERAL.—The amount of the employment-related expenses incurred during any taxable year which may be taken into account under subsection (a) shall not exceed—

"(i) $2,400 if there is 1 qualifying individual with respect to the taxpayer for such taxable year, or

"(ii) $4,800 if there are 2 or more qualifying individuals with respect to the taxpayer for such taxable year.

"(B) REDUCTION IN LIMIT FOR AMOUNT OF RESPITE CARE EXPENSES.—The limitation of subparagraph (A) shall be reduced by the amount of the respite care expenses taken into account by the taxpayer under subsection (a) for the taxable year.

"(3) EARNED INCOME LIMITATION.—

"(A) IN GENERAL.—Except as otherwise provided in this paragraph, the amount of the employment-related expenses incurred during any taxable year which may be taken into account under subsection (a) shall not exceed—

"(i) in the case of an individual who is not married at the close of such year, such individual's earned income for such year, or

"(ii) in the case of an individual who is married at the close of such year, the lesser of such individual's earned income or the earned income of his spouse for such year.

"(B) SPECIAL RULE FOR SPOUSE WHO IS A STUDENT OR INCAPABLE OF CARING FOR HIMSELF.—In the case of a spouse who is a student or a qualified individual described in subsection (d)(3), for purposes of subparagraph (A), such spouse shall be deemed for each month during which such spouse is a full-time student at an educational institution, or is such a qualifying individual, to be gainfully employed and to have earned income of not less than—

"(i) $200 if paragraph (2)(A)(i) applies for the taxable year, or

"(ii) $400 if paragraph (2)(A)(ii) applies for the taxable year.

In the case of any husband and wife, this subparagraph shall apply with respect to only one spouse for any one month.

"(c) RESPITE CARE EXPENSES.—For purposes of this section—

"(1) IN GENERAL.—The term 'respite care expenses' means expenses paid (whether or not to enable the taxpayer to be gainfully employed) for—

"(A) the care of a qualifying individual—

"(i) who has attained the age of 15, or

"(ii) who is under the age of 15 but has a physical or mental impairment which results in the individual being incapable of caring for himself,

during any period when such individual regularly spends at least 8 hours each day in the taxpayer's household, or

"(B) care (for not more than 14 days during the calendar year) of a qualifying individual described in subparagraph (A) during any period during which the individual does not regularly spend at least 8 hours each day in the taxpayer's household.

"(2) DOLLAR LIMIT.—The amount of the respite care expenses incurred during any taxable year which may be taken into ac-

count under subsection (a) shall not exceed—

"(A) $1,200 if such expenses are incurred with respect to only 1 qualifying individual for the taxable year, or

"(B) $2,400 if such expenses are incurred for 2 or more qualifying individuals for such taxable year.

"(d) QUALIFYING INDIVIDUAL.—For purposes of this section, the term 'qualifying individual' means—

"(1) a dependent of the taxpayer who is under the age of 15 and with respect to whom the taxpayer is entitled to a deduction under section 151(e),

"(2) a dependent of the taxpayer who is physically or mentally incapable of caring for himself, or

"(3) the spouse of the taxpayer, if he is physically or mentally incapable of caring for himself.

"(e) SPECIAL RULES.—For purposes of this section—

"(1) MAINTAINING HOUSEHOLD.—An individual shall be treated as maintaining a household for any period only if over half the cost of maintaining the household for such period is furnished by such individual (or, if such individual is married during such period, is furnished by such individual and his spouse).

"(2) MARRIED COUPLES MUST FILE JOINT RETURN.—If the taxpayer is married at the close of the taxable year, the credit shall be allowed under subsection (a) only if the taxpayer and his spouse file a joint return for the taxable year.

"(3) MARITAL STATUS.—An individual legally separated from his spouse under a decree of divorce or of separate maintenance shall not be considered as married.

"(4) CERTAIN MARRIED INDIVIDUALS LIVING APART.—If—

"(A) an individual who is married and who files a separate return—

"(i) maintains as his home a household which constitutes for more than one-half of the taxable year the principal place of abode of a qualifying individual, and

"(ii) furnishes over half the cost of maintaining such household during the taxable year, and

"(B) during the last 6 months of such taxable year such individual's spouse is not a member of such household,

such individual shall not be considered as married.

"(5) SPECIAL DEPENDENCY TEST IN CASE OF DIVORCED PARENTS, ETC.—If—

"(A) paragraph (2) or (4) of section 152(e) applies to any child with respect to any calendar year, and

"(B) such child is under the age of 15 or is physically or mentally incapable of caring for himself,

in the case of any taxable year beginning in such calendar year, such child shall be treated as a qualifying individual with respect to the custodial parent (within the meaning of section 152(e)(1)), and shall not be treated as a qualifying individual with respect to the noncustodial parent.

"(6) PAYMENTS TO RELATED INDIVIDUALS.—No credit shall be allowed under subsection (a) for any amount paid by the taxpayer to an individual—

"(A) with respect to whom, for the taxable year, a deduction under section 151(e) (relating to deduction for personal exemptions for dependents) is allowable either to the taxpayer or his spouse, or

"(B) who is a child of the taxpayer (within the meaning of section 151(e)(3)) who has not attained the age of 19 at the close of the taxable year.

For purposes of this paragraph, the term 'taxable year' means the taxable year of the taxpayer in which the service is performed.

"(7) STUDENT.—The term 'student' means an individual who during each of 5 calendar months during the taxable year is a full-time student at an educational organization.

"(8) EDUCATIONAL ORGANIZATION.—The term 'educational organization' means an educational organization described in section 170(b)(1)(A)(ii).

"(f) REGULATIONS.—The Secretary shall prescribe such regulations as may be necessary to carry out the purposes of this section."

(b) TECHNICAL AMENDMENTS.—

(1) Section 21 of such Code is hereby repealed.

(2) Paragraph (2) of section 129(b) of such Code is amended by striking out "section 21(d)(2)" and inserting in lieu thereof "section 35(b)(3)(B)".

(3) Subsection (e) of section 213 of such Code is amended by striking out "section 21" and inserting in lieu thereof "section 35".

(c) CLERICAL AMENDMENTS.—

(1) The table of sections for subpart C of part IV of subchapter A of chapter 1 of such Code is amended by striking out the item relating to section 35 and inserting in lieu thereof the following:

"Sec. 35. Dependent care services.

"Sec. 36. Overpayments of tax."

(2) The table of sections for subpart A of such part IV is amended by striking out the item relating to section 21.

(d) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years beginning after December 31, 1985.

SEC. 504. RETIREMENT SAVINGS OF INDIVIDUALS.

(a) INCREASE IN AMOUNTS INDIVIDUALS MAY CONTRIBUTE ON BEHALF OF THEIR SPOUSE.—Subsection (c) of section 219 of the Internal Revenue Code of 1954 (relating to special rules for certain married individuals) is amended to read as follows:

"(c) SPECIAL RULES FOR CERTAIN MARRIED INDIVIDUALS.—

"(1) IN GENERAL.—In the case of any individual—

"(A) with respect to whom a deduction is otherwise allowable under subsection (a) for any taxable year, and

"(B) who files a joint return for such taxable year,

there shall be allowed as a deduction any amount paid in cash for the taxable year by or on behalf of the individual to an individual retirement plan established for the benefit of the individual's spouse.

"(2) LIMITATION ON AMOUNT OF DEDUCTION.—The amount allowable as a deduction under paragraph (1) shall not exceed the excess of—

"(A) the lesser of—

"(i) the applicable amount, or

"(ii) an amount equal to the sum of the compensation includible in the individual's and the spouse's gross income for the taxable year, over

"(B) the sum of the amounts allowed as a deduction for such individual and such spouse under subsection (a) for the taxable year.

In no event shall the amount allowable for a deduction under paragraph (1) exceed $2,000.

"(3) APPLICABLE AMOUNT.—For the purposes of this subsection, the applicable amount shall be determined in accordance with the following table:

"In the case of a taxable year beginning in:	The applicable amount is:
1986 and 1987	$2,750
1988 and 1989	$3,250
1990 and 1991	$3,750
1991 and thereafter	$4,000.".

(b) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years beginning after December 31, 1985.

SEC. 505. DEDUCTION FOR CERTAIN EXPENSES FOR FOOD, BEVERAGES, LODGING, AND ENTERTAINMENT DISALLOWED IF INCURRED IN CONNECTION WITH A FACILITY TO WHICH ACCESS IS LIMITED ON THE BASIS OF RACE, COLOR, SEX, RELIGION, OR NATIONAL ORIGIN.

(a) IN GENERAL.—Section 274 of the Internal Revenue Code of 1954 (relating to disallowance of certain entertainment, etc., expenses) is amended by redesignating subsection (i) as subsection (j) and by inserting after subsection (h) the following new subsection:

"(i) EXPENSES FOR FOOD, BEVERAGES, LODGING, AND ENTERTAINMENT, ETC., ACTIVITY INCURRED IN CONNECTION WITH CERTAIN FACILITIES WHICH DISCRIMINATE.—

"(1) IN GENERAL.—No deduction otherwise allowable under section 162 or section 212 shall be allowed for any expense paid or incurred by the taxpayer with respect to—

"(A) any food, beverages, or lodging furnished to the taxpayer or any other person in a discriminating facility, and

"(B) any entertainment, etc., activity carried on in a discriminating facility.

"(2) DEFINITIONS AND SPECIAL RULES.—For purposes of this subsection—

"(A) DISCRIMINATING FACILITY DEFINED.—The term 'discriminating facility' means any facility—

"(i) access to which, by any person, is limited in any manner, or

"(ii) in which any person is denied full and free enjoyment of any goods, services, privileges, advantages, or accommodations provided within such facility,

on the basis of race, color, religion, sex, or national origin.

"(B) ENTERTAINMENT, ETC., ACTIVITY DEFINED.—The term 'entertainment, etc., activity' means any activity which is of a type generally considered to constitute entertainment, amusement, or recreation.

"(C) OPERATOR DEFINED.—The term 'operator' means any person or organization which operates or manages any facility, sets policy with respect to the operation or management of such facility, or controls directly or indirectly access to or the use of such facility.

"(D) EXCEPTION FOR DISCRIMINATION ON THE BASIS OF RELIGION IN CERTAIN CASES.—Paragraph (1), to the extent it relates to discrimination on the basis of religion, shall not apply to any facility—

"(i) the operator of which is an organization exempt from taxation under section 501(a) (and is not subject to tax under section 511 with respect to such facility),

"(ii) in which entertainment, etc., activities are carried on, and

"(iii) access to which is limited in good faith by such organization to members of a particular religion for the sole purpose of excluding individuals of all other religions.

"(E) EXCEPTION FOR OPERATING EXPENSES.—In the case of a taxpayer who is the operator of a discriminating facility, paragraph (1) shall not apply to ordinary and necessary expenses paid or incurred by the taxpayer in connection with the operation of such facility.

"(F) SPECIAL RULE FOR DUES AND FEES.—To the extent the amount of any dues or fees paid to any person or organization is attributable to the privilege of gaining access to or using any discriminating facility (including the right to receive any food, beverages, or lodging in such facility or to participate in any entertainment, etc., activity carried on in such facility), such amount shall be treated as an expense for which a deduction is disallowed under paragraph (1).

"(G) SECRETARY TO PROVIDE FOR COORDINATION IN CASE OF MORE THAN 1 OPERATOR OF A FACILITY.—With respect to any facility which has 2 or more operators, the Secretary shall prescribe by regulations procedures whereby the operators of such facility may enter into an agreement to allow 1 such operator to act for the other operators for purposes of any action required or permitted of an operator under this subsection.

"(3) DETERMINATION BY SECRETARY AND NOTICE TO TAXPAYER REQUIRED BEFORE ANY DEDUCTION FOR EXPENSE INCURRED IN PRIVATE FACILITY MAY BE ALLOWED.—

"(A) PRESUMPTION ESTABLISHED THAT PRIVATE FACILITY IS DISCRIMINATING FACILITY.—Any facility—

"(i) in which any food, beverage, or lodging is furnished or within which any entertainment, etc., activity is carried on, and

"(ii) which is not open to the public or in which the public is not served,

shall be treated as a discriminating facility for purposes of paragraph (1) for any day on which the requirements of subparagraph (B) are not met.

"(B) APPROVAL OF STATEMENT BY SECRETARY AND POSTING OF PUBLIC NOTICE.—The requirements of this subparagraph with respect to any facility have been met for any day if—

"(i) a statement has been filed within the 1-year period ending on such day by the operator of such facility stating that such facility is not a discriminating facility together with information sufficient to demonstrate to the Secretary's satisfaction that no provision of any charter, bylaws, or other governing instrument or written policy statement of the operator of such facility provides for the practice of discrimination against any person with respect to access to and the use of such facility on the basis of race, color, religion, sex, or national origin,

"(ii) the Secretary has accepted the statement described in clause (i), and

"(iii) a public notice (of such size and design and such size print as the Secretary shall prescribe by regulation) is posted in a prominent place within the facility stating that the Secretary has accepted the statement of the operator of such facility that such operator does not practice discrimination with respect to access to or the use of such facility on the basis of race, color, religion, sex, or national origin.

"(4) REVOCATION OF ACCEPTANCE OF STATEMENT BY SECRETARY IN ANY CASE IN WHICH DISCRIMINATION IS PROVED.—

"(A) IN GENERAL.—If a determination is made that any facility which otherwise meets the requirements of paragraph (3)(B) is a discriminating facility, the Secretary shall revoke the acceptance described in paragraph (3)(B)(ii) with respect to such facility.

"(B) DETERMINATION THAT FACILITY IS A DISCRIMINATING FACILITY.—A determination that a facility is a discriminating facility has been made for purposes of subparagraph (A) if—

"(i) the Secretary or the head of any other department or agency of the United States determines on a record after opportunity for agency hearing that the operator of such facility currently maintains a practice,

"(ii) any court of the United States or any State renders a judgment that the operator of such facility currently maintains a practice, or

"(iii) the operator of such facility admits that it currently maintains a practice,

the effect of which is to make such facility a discriminating facility.

"(C) TERMINATION OF REVOCATION.—

"(i) IN GENERAL.—Any operator of a facility with respect to which a determination described in subparagraph (B) has been made may, under regulations prescribed by the Secretary, file a statement that—

"(I) the practice which gave rise to the determination has been corrected or abandoned, and

"(II) the facility is no longer a discriminating facility.

"(ii) ACCEPTANCE BY SECRETARY.—If the Secretary is satisfied that the practice referred to in clause (i) has been corrected or abandoned and the facility is not a discriminating facility, the Secretary may accept such statement of the operator for purposes of paragraph (3)(B).

"(5) COMPLIANCE PROVISION.—No deduction shall be allowed for any amount paid or incurred by the taxpayer in any taxable year for food, beverages, lodging, or entertainment, etc., activity unless such taxpayer reports to the Secretary (in a space provided by the Secretary on the return of income filed by such taxpayer for such taxable year) the sum of all amounts paid or incurred for food, beverages, lodging, or entertainment, etc., activity (including any dues or fees taken into account with respect to such amounts under paragraph (2)(F)) during such taxable year in any facility which is not open to the public or does not serve the public."

(b) TECHNICAL AMENDMENT.—Subsection (d) of such section 274 of such Code (relating to the requirement of substantiation of certain expenses) is amended by striking out "gift, (C)" and inserting in lieu thereof "gift (including information sufficient to substantiate that no such item or expense is an item or expense for which a deduction is disallowed under subsection (i)), (C)".

(c) EFFECTIVE DATE.—The amendments made by subsections (a) and (b) shall apply to any amount paid or incurred after the end of the 60-day period beginning on the date of the enactment of this Act in taxable years ending after the end of such 60-day period.

COMPARABLE WORTH: LOONEY TUNES OR LONG OVERDUE?

(By Ruth Hammond)

A high-placed Reagan appointee calls it "the looniest idea since Looney Tunes." Advocates call it a solution to inequities dating back to Biblical times. The state of Minnesota has embraced it as public policy.

"It" is comparable worth: payment of equal salaries for jobs somehow measured to have comparable skills, effort, responsibility, and working conditions. In Minnesota there are two comparable worth laws. One requires that all state employees be paid on the basis of comparable worth; the other that all political subdivisions of the state comparable worth studies by October 1 and begin to implement their findings by 1987.

Compared to other states, where comparable worth has fostered bitter public debate and costly court struggles, Minnesota has had an easy time of implementation—so far. Both unions and legislators backed the comparable worth law for state workers, which passed without much notice in 1982. But the landmark legislation passed last year, extending comparable worth to all the state's city and county governments and school districts, promises to be more controversial.

Figures from the U.S. Department of Labor Statistics show that the median wage of female, full-time workers was only 65 percent that of men in 1984. Comparable worth supporters argue that this disparity stems from an attitude that undervalues women's work—and puts college-educated women on the same pay scale as men who didn't finish high school. They further claim that comparable worth will take long strides toward resolving one of this country's major social problems: poverty among women and children.

Opponents argue that government should not tamper with wages set by the free market system. They question the objectivity of the various evaluation methods used to compare jobs, and claim that comparable worth may improve the economic situation of some women at the expense of limiting the total number of jobs available to everyone.

In 1978, Eleanor Homes Norton, then head of the Equal Employment Opportunity Commission (EEOC), predicted that comparable worth would become "the women's issue of the 1980s." It has. Along the way it has gained some of its strongest support from employees unions and feminist groups like the National Organization for Women. The latter advocates its adoption in the public and private sectors.

The U.S. House of Representatives passed a bill last year to study the implementation of comparable worth in the federal government, but the measure never got out of conference in the Senate. Predictably, the Reagan administration is dead set against the idea. Two of comparable worth's most outspoken critics—Linda Chavez, staff director of the U.S. Commission on Civil Rights, and commission chairman Clarence M. Pendleton Jr. (the man who likened comparable worth to "Looney Tunes")—are Reagan appointees.

Most action on comparable worth is taking place on state and local levels. While implementation here has, by most accounts, gone "smoothly," another comparable worth trendsetter, the state of Washington, is wrestling with a court decision requiring it to spend $400 million right away to make up wage discrepancies it had planned to iron out over a 10-year period. In Wisconsin, comparable worth has pitted Governor Anthony Earl against a multitude of business groups strongly opposed to its implementation for state employees. And in Illinois, where comparable worth was discussed but not implemented, the American Nurses Association is suing the state for discrimination—basing its complaint on the findings of a pilot study on comparable worth. In a twist that emphasizes the complexity of the issue, 20 female state employees who moved from traditionally female jobs to male-dominated jobs have joined the suit on the side of the state.

In Minnesota, the courts have scarcely been involved. Comparable worth legislation was introduced to remedy a situation described in a 1982 report of the Council on the Economic Status of Women's Task Force on Pay Equity. Among the findings published in the report:

Two-thirds of state-employed women were either clerical or service workers; less than 1 percent were managers.

The gap between the average earnings of state-employed men and women grew from $4,190 in 1976 to $4,929 in 1981, in spite of some improvement in the number of women in professional and managerial jobs during the same period. (Because of pay increases for both sexes, the average women's pay in this period actually improved from 69 cents on the man's dollar to 74 cents, figures not mentioned in the report.)

Where jobs were rated on a point evaluation system by Hay Associates management consultants, every female-dominated job (defined as at least 70 percent female) had considerably lower wages than the male-dominated job (at least 90 percent male) with an equal number of points.

Hay consultants did not find fault with these wage differences because they corresponded with marketplace rates, but the figures roused women's rights advocates. The state's first comparable worth law passed that same year with surprisingly little fuss. "We didn't have any testimony in opposition to the law," says Bonnie Watkins, Pay Equity Coordination in the State Department of Employee Relations. "People see it as a basic fairness issue. No hysterical stuff got started."

AN ACT OF IMPATIENCE

The comparable worth law might be interpreted as an act of impatience. Two federal laws passed 20 years ago—the Equal Pay Act of 1963 and Title VII of the Civil Rights Act of 1964—were supposed to improve the economic status of women, the first by requiring equal pay to men and women holding equal jobs, the second by prohibiting discrimination in employment. But at the state level in Minnesota, "job integration wasn't taking care of the problem" of wage differences, Watkins says. If the low economic status of women was going to change in this generation of workers, the pay scale in fields crowded by females would have to be raised. Or so argue backers of comparable worth.

The 1982 law requires that wages in female-dominated classes be adjusted gradually to equal wages for male-dominated classes with the same number of points, with full equity reached by 1987. The state's clerical workers and half of its health care workers won the greatest increases under the new law. The State Department of Employee Relations—and not Hay Associates—devised a way of adjusting pay to eliminate sex-based inequities.

By 1987, delivery van drivers (all male in 1981) must be paid about the same as clerk typist 2s (98.8 percent female) because both jobs measure 117 in Hay Point ranking. Licensed practical nurses (more than 90 percent female, 183 points) will be paid nearly the same as painters (all male, 185 points), closing a wage gap in 1981 of almost $400 a month.

The Legislature allocated $21.8 million in the 1983-84 biennium to boost the salaries of 9,000 employees deemed to be underpaid. It is expected to close the remaining $9 million gap over the next two years. The actual total wage difference for comparable worth will add up to $23.8 million because $7 million of the 1984 allocation was provided to maintain the 1983 increase. The $23.8 million will be a continuing annual cost in the state budget.

"It costs so much less than people think," Watkins says. "It only costs 4 percent of the state's payroll budget, or 1 percent a year for four years."

Others look at the same figures and find them considerable. Twenty-three million "is a lot of millions," Clarence Pendleton says. Francis Fitzgerald, of the Minnesota Association of Commerce and Industry says comparable worth is "very expensive for taxpayers," and the compounded figure is "twice as much as farmers got in relief from the state."

It should be noted that wage disparities were all credited to the underpayment of women and not the overpayment of men. No wages were decreased to reach equity, a move that would have been unpopular among employees. Another noteworthy point: Female dominated categories were awarded adjustments, even though the Hay evaluator showed some workers in male-dominated and sex-balanced classes to be making less than workers with lower rankings. So, if 1981, a Minnesota state forester, ranked at 245 points, made $1,538 a month; but a correctional counselor 3, ranked at only 195 points, made $1,961 a month.

Watkins says the comparable worth law didn't address these apparent inequities because they were not based on sex discrimination.

WHISTLING IN THE DARK

At the state level, comparable worth hasn't ruffled many feathers. The same is not likely to be the case in local units of government. There are several reasons for pessimism. For one thing, local jurisdictions resent the idea of conforming to the law when they've received no money to conduct evaluation studies or raise salaries if necessary. As a result, some county board members are dragging their feet, perhaps hoping the law will be repealed before they get in too deep. And under these circumstances, "too deep" means before a job evaluation study that might uncover job discrimination against women employees—and open the door to lawsuits. But such hopes are likely to be dashed.

"People who think the law is going to be repealed are whistling in the dark," says Rick Scott, political action director for the American Federation of State, County and Municipal Employees (AFSCME) in Minnesota. AFSCME, a powerful proponent of comparable worth, has filed with the EEOC most of the 260-plus standing charges alleging sex-based wage discrimination.

Disagreement over what type of job evaluation system to use poses another hurdle to local implementation of comparable worth—one that has already provoked a legal battle.

Earlier this year, two unions went to Hennepin County Court seeking an injunction against the Minnesota School Board Association (MSBA), the Stillwater and Minnetonka school districts, and Arthur Young and Company, the consulting firm hired by the MSBA. The unions wanted to halt the use of the particular method of job rating chosen for the schools.

MINNESOTA PAY EQUITY PLAN APPLIED TO FEMALE AND MALE JOBS

Job title	Rating	1983 pay hourly	1985 pay hourly [1]	Comparable worth raise [2]
Starting clerk (f)	97	$6.23	$7.57	$.80
Mail handler (m)	93	7.13	7.75	0
Office supervisor (f)	208	9.12	10.45	.63
Printing supervisor (m)	209	11.13	12.10	0
Health physicist (f)	608	17.32	20.20	1.38
Senior veterinarian (m)	609	18.59	20.20	0

[1] All workers received general raises; female jobs received general raises plus comparable worth raises.

[2] Two years of raises were required to make female wages equal to male wages. Most female jobs are due for two additional raises in 1986 and 1987.

Source: State of Minnesota.

The Minnesota School Employees Association (MSEA) represents teacher's aides in Stillwater and Minnetonka. The International Union of Operating Engineers Local 70 represents custodians in Stillwater. The first group is mostly female, the second primarily male, but both believe the "decision band" method will rate their jobs unfairly.

Michael Pirsch, MSEA executive director, claims that the decision band method used by Arthur Young fails on a number of critical points. Among other things, he claims the method does not meet state legal requirements that "skill, effort, responsibility, and working conditions" be considered in the evaluation. "If I were an opponent of eliminating sex-based wage discrimination, this is the system I would use," Pirsch says.

Pirsch thinks the MSBA made a mistake in recommending the system—a mistake that will be compounded more than 400 times if it is used in school districts around the state. He says he prefers a factor comparison method like the one used by the city of Minneapolis. He also believes that a union representative should have been involved in selecting an evaluation method.

But the decision band method has its defenders, too. Willard Baker, executive director of the MSBA, recalls that a 25-member advisory committee comprised of superintendents, school board members, and personnel directors reviewed proposals from various consultants and chose the decision band method offered by Arthur Young over others. "We think it's the best method for school districts. It's fair and equitable and not subject to manipulation," Baker says. "The basis concept is that higher-level decision-making in an organization requires greater skill, effort, and responsibility."

On March 6, Judge Charles Porter dismissed the unit. In his decision he cited a portion of the comparable worth law prohibiting the state Human Rights Department and state courts from using the results of any job evaluation system in discrimination proceedings prior to August 1, 1987. Pirsch counters that this wasn't a discrimination suit. He says the unions will appeal the decision to the State Supreme Court, where he hopes the case will be considered on its merit rather than its timing.

Meanwhile, Arthur Young has filed a counterclaim against the unions, alleging trade libel and slander. "We will continue to pursue the counterclaim," James C. Fox, Arthur Young's director of Human Resource Consulting, said two days after Porter's dismissal of union charges. Fox said he feels the unions, in discussing their case with the press, "have damaged the decision band method and the reputation of our firm."

The city of Saint Paul has run into more subdued opposition to the preliminary results of its classification and compensation study where employee teams rated 850 job titles according to the Quantitative Evaluation System. That system is also used by the federal government, but not for comparable worth.

Overseeing the mammoth study was a Joint Labor-Management Committee, which swelled from 20 to 40 members during the two-year evaluation process, Jeanette Sobania, a city personnel assistant who managed the St. Paul study, said that trades jobs "didn't come out all that well" in the ratings, and the trade unions are worried about how that will affect them in future

negotiations. This spring saw a re-working of the study.

Representatives of trades unions were quick to say that they're not opposed to comparable worth, but disagree with the classifications arrived at for trades jobs. "Women have been discriminated against historically because they're women, and that needs to be addressed," says John Galles, who represented electricians on the Labor-Management Committee. Electricians feel the study undervalues their jobs, but do not advocate that the study be redone.

Phillip Penn, another committee member and director of personnel for the St. Paul schools, predicted that the city of St. Paul and the St. Paul School System would not follow the lead of the state. Instead it would adjust pay scales to reflect the values of all jobs, whether female-dominated, male-dominated, or sex-balanced.

PERSONAL EVALUATIONS

Small towns face a special challenge. Everybody knows one another, and the debate over job evaluations can get personal.

At the urging of then Mayor Faith Zwemke, the city of Princeton, Minnesota, instituted comparable worth on January 1, 1984, before any law required it. The year before, Zwemke and another councilor reviewed the city's new point system for employees and found that female employees had been put in the wrong pay grade.

Princeton, with a population 3,146, has 33 city employees, five of them female. A whirl of controversy surrounded the bookkeeper, Bonnie Nelson-Gerth. According to the evaluation, she should have been in Pay Grade 6, the same as workers on the street maintenance crew. But, Zwemke said, "the council arbitrarily put her back in Grade 4, the comment being that no bookkeeper makes that much." That decision was later reversed.

Ultimately, Nelsen-Gerth's pay went up 38 percent, from $7.05 to $9.78 an hour—or 18 cents an hour more than maintenance workers earn. But she has paid a price for her higher remuneration, in the form, as she says, of "a lot of hatred from the men, the police department and the maintenance department." Some people, she says, "just don't feel a woman should make as much as a man."

Some of the resentment has even been generated by women, like the wife of a maintenance worker who announced to Nelsen-Gerth that "the next time it snows, we're going to bring plows down to city hall, and the bookkeeper can plow the streets." (Ironically enough, there is a female city employee, a secretary, who operates a plow on an as-needed basis.)

By now though, Nelsen-Gerth believes that her fellow male employees have had a slight change of heart. "They've accepted it in that it's done now or they understand it better," she says.

Local governments are free to act alone in job evaluations, but others are teaming together. Bill Joynes, city manager of Golden Valley, is also chairman of the Metropolitan Area Management Association's Labor Relations Committee. The association of 65 suburban city managers and administrators decided to choose one job evaluation system in order to get consistent results. Joining the association were 30 outstate cities, 20 municipal utilities, six regional libraries, the Metropolitan Airport Commission, and the Redwood Falls Hospital, all of which must comply with the law.

The association looked at 10 consultants and concluded that Control Data Business Advisors Inc., had "the best proposal by far," Joynes said. Originally the association thought it could only afford to evaluate 20 benchmark jobs and would have to slot the others in between, but Control Data Business Advisors, with its "state-of-the-art" computer capabilities, could evaluate thousands of jobs. Another compelling reason to choose Control Data provides a telling comment on the issue of comparable worth. Control Data, Joynes says, "offered support in case we ever get sued, which is likely."

Each governmental unit will pay a base of $3,000 plus $35 for each employee, with costs ranging from $3,350 for Waconia to $17,500 for Bloomington. Joynes expects the cost of correcting sex-based wage inequities to be higher than the 4 percent or less of the city budgets predicted by advocates of comparable worth. "Only about 20 percent of the state budget is for personnel, but 70 to 80 percent of our city budgets are for personnel. We're more nervous," he says.

Besides AFSCME, which has a large female membership, the cities must negotiate with five male-dominated unions which Joynes says feel "threatened" by the comparable worth law. The unions represent firefighters, operating engineers, teamsters, hotel and retail workers, liquor store operators, and law enforcement officers. "If we get litigation, it will not come from the women who get the raises, it will come from these male unions," Joynes predicts.

VALUE JUDGMENTS

Besides practical matters of dollars and cents, comparable worth raises a host of moral and ethical questions that may go beyond the power of courts and legislatures to address.

Whose value system, for example, should be used to establish job evaluation rates? Are traditionally male qualities to be valued more than traditionally female qualities—for example, why are there points available for heavy lifting but none for compassion? Or to the contrary, as some opponents of comparable worth charge, are the evaluation systems designed to rate the qualities of women's jobs higher and thus show evidence of sex-based wage discrimination where there might actually be none?

Does one evaluation system reflect hierarchical thinking patterns unfit for use in a democratic society, as two school unions are arguing in court? Who is to say that the stress of supervising should be compensated more greatly than the stress of being supervised? Who is to say that those who use a variety of skills in a job should be more highly paid than those who must cope with endless monotony?

Do various evaluation systems reflect a white-collar ignorance of blue-collar job stresses by giving working conditions relatively low weight in their point systems? The Willis system employed by the state of Washington, for instance, gives working conditions only a potential 20 points out of a total point system of 600. People working with hazardous chemicals, or in perilous mines, or exposed to the elements on a blustery January day, might argue that their working conditions should be of greater significance. Under the factor evaluation system used by the St. Louis County Civil Service Department, a worker rates 60 points in "unavoidable hazards" if the work requires *"frequent* exposure to physical and working conditions when *critical* illness and *loss of life* occasionally are encountered despite provision of safety measures and health precautions."

An equal number of points is awarded in the evaluation factor "worker characteristics" for the "ability to read simple sentences with common vocabularly" and "to add, subtract, multiply and divide whole numbers." Are risk to life and the strain of doing simple arithmetic of equal value?

Should upper body strength, a predominantly male quality, be ranked of greater value to an employer than fine motor coordination, a predominantly female quality? Should employees in physically demanding jobs be compensated more for their effort, or less because they are spared the need to jog after work? Does it matter that the scales of measurement were set up mostly by men and are applied mostly by men?

However those questions are answered—if they *can* be answered—there's no question that comparable worth would have a sweeping, even tumultuous effect on society if it were to spill beyond the confines of government and into the private sector. Some idea of what might happen can be seen in the experience of Washington state. There, attempts to implement a comprehensive comparable worth program—one embracing both men *and* women—has pried open a Pandora's Box of legal and financial woes.

Since 1960, Washington has pegged its workers' wages to the prevailing market rate. After complaints about sex discrimination from AFSCME union officials, the governor ordered a special study in 1974. It showed that predominantly female jobs were paid about 20 percent less than male-dominated jobs of comparable worth.

When funds to correct this disparity were not forthcoming, AFSCME sued. In December 1983, U.S. District Judge Jack E. Tanner found the state guilty of discrimination under Title VII of the Civil Rights Act of 1964. He ordered that salaries of everyone in job categories that were at least 70 percent female be brought up to their comparable worth immediately, and ordered back pay to September 1979, two years prior to the date that the union filed its complaint with the EEOC. Details of how the back pay is to be calculated are still before a special master of the district court. The cost of compliance on the back pay issue alone has been estimated at $400 million.

The state is now appealing two of Judge Tanner's decisions: the finding that it is liable for discrimination, and the order that it change its pay system for female-dominated classes. Meanwhile, the state Legislature has passed a law requiring that comparable worth be fully implemented by 1993. It took a small first step by allocating $1.5 million last July to increase 15,000 employees' salaries by $100 this year. A Joint Select Committee on Comparable Worth has recommended that the Legislature allocate half the money needed to make the comparable worth adjustment in the coming year. If comparable worth were instituted for the 10,500 workers in female-dominated classes in one year, the cost would be about $65 million—this in a state financially weakened by hardships in the forest industry.

But Washington, unlike Minnesota, is aiming for comparable worth for the entire work force; that is, for men as well as women, which would cost twice as much—about $130 million—and affect the pay of 21,000 workers if the correction were made in one year.

Some believe that if Tanner's orders are followed, chaos will result. Because Tanner's decision calls for pay adjustments only in female-dominated classes, an employee could end up making more than her supervi-

sor if the supervisor, male or female, was in either a balanced or male-dominated job class.

Workers who feel positive about comparable worth might change their minds if the Legislature eliminates the usual marketplace rate salary adjustments for a few in order to pay for comparable worth, says Leonard Nord, Washington's director of personnel. "The Legislature has been good in following the results of our salary survey," he says. "Any bias that was found is reflective of bias in the state of Washington's private sector. That's why I don't feel guilty in that suit. We pay what we have to pay to get and retain people."

No law requires private business to institute comparable worth—at least not yet—but business should feel its effect just the same. Some Minnesota companies are quietly taking steps toward comparable worth as they do job evaluation studies, either because they believe in it or because they are worried about becoming vulnerable to lawsuits. Higher pay for female-dominated jobs might "trickle down" to some businesses when they realize they can't compete with state, county, and city government wages for the best clerical and health care workers.

In Wisconsin, where comparable worth is under study, industry is outspoken in its opposition to the law. In Minnesota, where what's been done has been done, the mood is not vitriolic but cool, calm, collected, and alert.

"Comparable worth is a fairly new topic in the private sector," says John Cairns, attorney for the Minnesota Business Partnership. "We better watch it in case it spills over."

COMPARABLE WORTH: PRO AND CONS

For such a thorny and complex issue, comparable worth has generated little by way of productive public dialogue. Those posed on either side of the question tend to attack each other's motives rather than arguments. The reason for this, speculates a partner with Hay Associates, may be a form of intellectual intimidation. "It's very easy," says Robert Muschewske, "for anyone discussing the negative aspects of comparable worth to be branded as anti-women." Here are some conflicting opinions from observers around the country:

What is the difference between comparable worth and pay equity?

Some insist there is no difference and use the terms interchangeably. The term "pay equity" implies a concept that is unquestionably fair and is therefore becoming more popular among proponents; the National Organization for Women, for instance, recommends that members call comparable worth "pay equity."

Opponents do not think the two terms should be confused. "Comparable worth masquerades as pay equity," says Clarence M. Pendelton Jr., chairman of the U.S. Commission on Civil Rights. "Pay equity means equal pay for equal work, which is already required by law. Comparable worth is trying to take skills, effort, responsibility and working conditions and make some absolute zero."

Why is there still such a strong wage disparity between men and women?

Pamela Toutant, congressional liaison for the Equal Employment Opportunity Commission, wrote her master's thesis on comparable worth. She thinks employers have gotten accustomed to hiring women cheaply, and will continue to try to do so, exploiting many women's desperation for a job. "A lot of female occupations—like nursing, teaching, and social work—evolved out of volunteer work," another reason for their low pay now, Toutant says.

"A Closer Look at Comparable Worth," published by the National Foundation for the Study of Equal Payment Policy, cites other reasons besides discrimination for the earnings gap. Among them: the number of inexperienced women who have joined the work force; the tendency of women to cluster in just a few occupations and in low-paying industries; women's failure to seek more job training at the beginning of their careers; and more frequent interruption of careers by women so they can raise children.

Meanwhile, U.S. Department of Labor Statistics surveys show the earnings gap between young women and young men to be much narrower than the gap between older female and male worker.●

● Mr. HATFIELD. Mr. President, it is a pleasure to join once again in the introduction of the Economic Equity Act [EEA]. This package was first introduced by the distinguished sponsor, Senator DURENBERGER, and myself in the 97th Congress to provide a focus on economic issues relating to women.

Previous EEA's have made great strides in addressing the economic concerns of women in society. During the 97th Congress provisions relating to pensions for former spouses of military personnel, estate taxes and Tax Code changes concerning child care were enacted. The 98th Congress included passage of strengthening legislation for the collection of child support and improving womens' access to accumulating retirement benefits under private pension plans.

This year's EEA includes sections relating to retirement security, dependent care, insurance reform, employment, and tax reform. It is a big package, not without controversial provisions, but is a fair representation of the issues that are key to the economic concerns faced by women in today's society.

The focus on deficit reduction in this Congress has stirred concern over dependent care provisions included in this package which call for increased authorization levels. However, with one parent families now comprising over one quarter of all families with children under the age of 18—9 out of 10 of these families headed by women—the importance of these programs cannot be discounted. Of these female headed single parent families, 40 percent of those headed by white women live below the poverty line. The figure is 60 percent for single parent families headed by black women. These numbers are particularly disturbing in light of the fact that the national poverty rate is 15.2 percent. It is simply sound economic policy to attempt to aid these women in extricating themselves from dire economic circumstances. The Census Bureau estimates that 26 percent of mothers of children under 6 who are not now working would seek employment if affordable child care were available and affordable.

Additionally, as the graying of America continues, more and more older women will face the problems of economic survival during retirement years. Women on the average have a 50 percent greater chance of being poor than men; during old age that risk is 70 percent greater.

Although we have made great strides, the foregoing indicates there remain many challenges ahead of us. This package addresses the needs of older women and younger women, wage-earners and homemakers, single heads of households and business women. In the final analysis it may be too simplistic to identify these issues as exclusively women's issues, for in a broader sense there are issues involving basic human rights.

This package will be referred to the Senate Finance Committee and look forward to the thoughtful consideration of the issues presented under the skillful leadership of my colleague from the State of Oregon and chairman of the Senate Finance Committee, Senator PACKWOOD.●

● Mr. HART. Mr. President, I am proud to join my colleagues in introducing the Economic Equity Act. Economic equity is a vital issue not only for women, but for their families—men and children as well.

Without economic equity there can be no justice. Passage of the Economic Equity Act will move us further along the path to achieving equal treatment for women. The Economic Equity Act will rectify many outmoded and discriminatory policies. Yet, this bill is not important to women alone. For the progress of women is not theirs alone but creates a better society for their husbands, children, and parents. At a time when most women work and most single parent households are headed by women, passage of the bills included in the Economic Equity Act strengthens the family by encouraging equal treatment for women in ways that benefit the whole family. For example, fair wages for women are crucial to their whole families' financial well-being and good, safe, readily available day care provides support to hard working parents.

Mr. President, the principles of fairness and justice laid down by our Founding Fathers must apply to all our people. Men, women, and children in our society must live in an environment where fairness and justice for all exist.

We have taken many steps to resolve inequities toward women, but many still need to be taken. We must pass the ERA to assure that discrimination against women can in no way be justified ever again. At the same time we

must continue to pass the bills included in the Economic Equity Act to eliminate discrimination against women step by step. Without the ERA, it is impossible to counter all the inequities women face in one bill. But, this year's Economic Equity Act makes significant progress toward that goal.

The Economic Equity Act recognizes that many women need access to affordable child care so they can participate in the job market on an equal basis with men. The Economic Equity Act addresses this problem by providing funding to the child care block grant. Funding for child care is also provided to aid low-income women in college and in public housing in this portion of the bill.

The Economic Equity Act addresses the needs of older women by correcting inequities in the retirement benefits system. Several social security reforms are included in the act. For example, the act recognizes that marriage is an economic partnership and that earnings records for Social Security of both spouses should be added together and divided equally to determine Social Security benefits.

Other sections of the Economic Equity Act address insurance reform. One bill prohibits discrimination in insurance. Another provides incentives for insurers to continue coverage for widows and widowers, divorced persons, and their families.

Legislation pertaining to employment is also included in the Economic Equity Act. Job training for low-income mothers, equal credit for business women, and pay equity are dealt with in this portion.

A variety of tax reform provisions is also included in the Economic Equity Act.

Mr. President, Senator DURENBERGER and the other original sponsors of this bill have worked hard to produce a far ranging piece of legislation. I pledge to strive with them for its enactment.●

(Mr. BYRD submitted the following statement for Mr. CRANSTON:)

● Mr. CRANSTON. Mr. President, I am pleased to join as an original cosponsor of the 1985 Economic Equity Act [EEA] which is being introduced today.

In past Congresses, the proposed EEA legislation has provided a blueprint and an agenda for congressional action to eliminate many of the economic inequities facing millions and millions of American women.

Over the past several years, many of the important initiatives contained in the prior two EEA bills—ranging from reform of child support enforcement laws to civil service retirement equity legislation—have become law.

Before the end of this decade, many more of the provisions of the EEA will have also been enacted.

Before the turn of this century, I am convinced we will have put behind us the arbitrary and discriminatory practices that today deny women economic equity. The EEA has played, and will continue to play, a critical role in breaking down these artificial barriers of economic discrimination.

Mr. President, this year's bill addresses a broad range of issues and problems affecting the economic status and well-being of women. It encompasses five principal areas including retirement security, dependent care, insurance, employment, and taxes. It also takes into account the differing needs of older women and younger women, wage-earners and homemakers, and single heads-of-household as well as women who run their own businesses. It balances proposals for long-range, fundamental reforms with more immediate, incremental reforms. This diversity and universal applicability of the EEA to women in all walks of life is one of its greatest strengths.

SPECIAL NEW ISSUES

Mr. President, as the EEA has been introduced in each new Congress, new issues have been incorporated into this omnibus legislation. I am delighted that the 1985 version will include for the first time two legislative initiatives in which I have been deeply involved—pay equity and Social Security earnings-sharing. It also includes the substantive provisions of legislation I introduced relating to the quality and provision of child-care services for working parents, another area of special concern to me. Success in each of these areas is vitally important to making sure that economic equity does become a reality for women in this Nation.

As in the past, each of the separate items contained in the omnibus bill will be or has already been introduced as an individual bill. I am especially proud that the 1985 EEA includes the provisions of S. 3, which I introduced in the Senate relating to earnings sharing for Social Security, S. 810 which I introduced relating to improving the quality of child care standards, and S. 519, which I coauthored with the distinguished Senator from Washington [Mr. EVANS] relating to a pay-equity study of the Federal work force. My introductory statements for these three bills are found at S. 578 (January 24, 1985), S. 3678 (March 28, 1985), and S. 2259 (February 7, 1985) of the CONGRESSIONAL RECORD, respectively.

I look forward to working closely with the House sponsors of these provisions and the other cosponsors of the EEA in moving forward in each of these areas.

SUMMARY OF OTHER PROVISIONS

Mr. President, I want to describe briefly some of the other important provisions of the 1985 EEA. As I indicated earlier, the bill is divided into five principal parts.

RETIREMENT SECURITY

For the first time, the EEA addresses the inequities facing women under the current Social Security benefit structure. It includes both the earnings-sharing legislation which I and Representative MARY ROSE OAKAR have proposed as well as several more immediate reforms in Social Security, including a revision in the stringent disability definition now applied only to surviving spouses, a special limited transition benefit for certain dependent spouses over age 50, and reforms dealing with treatment of disabled spouses.

Older women are among the most economically depressed and vulnerable groups in our society and there is little doubt that the inadequacy of the benefits they receive under the Social Security System contribute substantially to the vast number of older women—more than 2.6 million in 1983—living below the poverty line.

In addition to Social Security reforms, the EEA includes provisions relating to private pension reforms. These provisions call for shortening of vesting periods, modification of provisions relating to integrating pension benefits with Social Security, portability of pensions as employees change jobs, and coverage of certain groups. There is little doubt that some changes along these lines are long overdue. The principal sponsors of these provisions in both the House and Senate are continuing to work on refining these proposals and developing a consensus on precisely how reforms will be made. I look forward to working with them to refine these legislative proposals to achieve these goals in a manner which is equitable to all concerned.

Finally, Mr. President, the retirement security title of the EEA contains further reforms in the military spouse pension program. In 1982, in the 97th Congress, several important aspects of the EEA dealing with this program were enacted. Obviously, there is a need to assess the impact of the 1982 amendments, as well as the potential impact of further changes on military recruitment and retention, as these provisions move through the legislative process. But the laudable goal of bringing about greater pension equity and adequacy to military pension programs, as well as other public and private pension programs, should continue to be pursued.

DEPENDENT CARE

As I mentioned at the outset, the 1985 EEA contains major initiatives in the area of child care, a paramount issue for millions of working parents throughout our country. The bill would authorize major new funding for title XX, which is the principal source of Federal financial assistance for child-care services for low-income

families, and two child-care grant programs focused upon special groups—higher education students and public housing residents—and contains the legislation I have introduced in the Senate, S. 810, aimed at helping to improve the quality of child-care standards and services throughout the country.

Mr. President, I don't believe it requires much elaboration to explain the importance of adequate and affordable child-care services to the attainment of economic equity for women. The facts are that a majority of mothers in this country are in the work force and they are there for one principal reason—economic necessity. Two-thirds of these working mothers are either sole providers or married to men who earn less than $15,000. Their income is esssential to the economic survival of their families.

Yet, the lack of available child care services is widespead in virtually every community in the land.

INSURANCE

As in the last Congress, the EEA contains the nondiscrimination in insurance provisions. This section would prohibit discrimination in insurance on the basis of race, color, religion, national origin, or sex.

Additionally, for the first time, the EEA will contain provisions which would provide protection to spouses who lose their health-care coverage under employee group plans because of death or divorce from the employee-spouse. The dependent spouse would be entitled to continuation of such group health coverage, subject to the individual's payment of the insurance premiums. This provision would help deal with one of the adverse side-effects of suddenly becoming a displaced homemaker.

EMPLOYMENT

The 1985 EEA will also address one of the most pervasive and devastating economic problems facing American women: sex-based wage discrimination. Wage inequities have massive consequences for millions of women in the work force and their families. The wage gap between male and female workers remains substantial, despite some progress toward reducing that gap in the past several years. A major factor contributing to this gap is the failure of many employers to pay women workers comparable pay for comparable work. The Senate version of the EEA contains the provisions of S 519, a bipartisan measure which Senator EVANS and I introduced on February 27. S. 519 would provide the mechanism for carrying out a pay-equity analysis of the Federal Government's own wage-setting practices—something that hasn't been done since the Federal wage classification system was created over 50 years ago. The provisions of S. 519 incorporated in the EEA contain one change based upon recommendations made by the General Accounting Office in its March 1, 1985, report to the Congress on the various options for conducting a pay equity analysis of the Federal work force. That recommendation was to include both an economic analysis and job content analysis in the study of the Federal work force. That change has been made.

The Senate version of the EEA also contains provisions of S. 19, legislation introduced by the Senator from New York [Mr. MOYNIHAN] relating to an education and training program for pregnant teenagers and teen mothers, as well as provisions to establish a bipartisan commission to review and evaluate the status of women-owned businesses and to amend the Equal Credit Opportunity Act to include business and commercial loans. This latter provision would prohibit lenders from discriminating on the basis of sex in making business or commercial loans, as they are now prohibited from doing with respect to personal loans.

TAX REFORM

The EEA this year, as in past Congresses, contains significant Tax Code reforms including raising the standard deduction for single heads-of-household, increasing the earned income tax credit for low-income families, expanding and making refundable the dependent child-care tax credit, and gradually increasing the allowable IRA contribution for a nonworking spouse. For the first time, the EEA includes provisions which would disallow deductions for business-related entertainment and lodging which occur in private clubs that discriminate.

Obviously, each of these provisions relating to the Tax Code will be reconsidered carefully if Congress moves toward a major Tax Code reform. The tax simplification proposals currently being discussed would modify or expand these existing Tax Code provisions in one way or another, often along the lines proposed in the EEA. It is clear that within the tax reform effort, major attention must and will be given to the impact of these changes upon women and their families. The separate tax section in the EEA underscores the importance of those tax decisions upon the economic well-being of women.

NEW SPENDING PROVISIONS

Mr. President, many of the provisions of the 1985 EEA have no, or minimal, Federal spending implications. There are several provisions—for example, the restoration of funds to title XX—that would, however, entail new Federal spending. Given our current deficit situation, in my view, it will be necessary to find offsetting reductions in other areas in order to move ahead with these proposals, however meritorious and justified they may be.

CONCLUSION

Mr. President, in 1985 EEA establishes, as it has in prior years, the legislative agenda in the 99th Congress on economic equity for women. As I called for 2 years ago, I am truly pleased that a broad bipartisan consensus has emerged to include in this year's legislation some of the most pivotal issues affecting economic equity, including pay equity, child care, and Social Security equity.

However, Mr. President, we must not forget that legislative initiatives are not an adequate substitute for ratification of the Equal Rights Amendment. I continue to believe that until we have achieved a constitutional guarantee of equality of rights, economic equity for women will rest upon a legislative quicksand. Whatever advancements we may achieve can be eroded or curtailed as the commitments of Members of Congress and the executive branch ebb and flow, or as the economy turns upward or downward.

Mr. President, we must not lose sight of the fact that ratification of the equal rights amendment is long-overdue.●

● Mr. KENNEDY. Mr. President, I am pleased to join this bipartisan effort to enact legislation which will provide economic independence for women in the 1980's.

For too long the majority of Americans who are women have been forced to accept second-class status and second-rate economic opportunities in our society. These inequities exist for women whether they are young or old, single, married, or divorced, and whether they are employed in the work force or work at home.

The Economic Equity Act is a comprehensive effort to ensure that women are treated fairly and justly by our legal system. It is a major advance in our efforts to eliminate discrimination against women in every aspect of economic life.

Women who work continue to be disproportionately represented in low-paying, dead-end jobs which offer little job security and little opportunity for mobility or advancement.

Women who choose to spend their working lives at home raising and caring for a family often find their labor unrewarded because the law does not provide the measure of protection they deserve.

The high cost of child care places an intolerable strain on many families and often prevents women from entering the work force. I am particularly concerned with the lack of affordable, quality child care in this country and I have already introduced several bills on this issue. In fact, the dependent care in higher education provision included in the Economic Equity Act is similar to the College-Based Child

Care for Students Act which I introduced in March.

The insurance system discriminates against women by denying them fair rates for basic protection from financial loss.

The private pension system makes it too difficult for working women to qualify for pension benefits, and in many instances unfairly denies nonworking spouses the benefits which their husbands have earned. I plan to introduce a separate bill which embodies those provisions next week. I have also been working with a bipartisan group of Senators to develop a broader bill that we hope to introduce in the near future.

The bill we are introducing today addresses each of these problems. It represents a truly comprehensive effort to provide millions of women with an equitable measure of economic security, regardless of age, marital, or employment status. And it affirms our belief that as we carry on the struggle to make the equal rights amendment a part of the Constitution, we must also make a comprehensive effort to amend the statute books to establish the full economic rights of women.●

● Mr. MOYNIHAN. Mr. President, I rise today to join my colleagues in introducing the Economic Equity Act in the 99th Congress.

This measure—a series of reforms to address and redress the economic discrimination faced by many women—is an important step to ensure all Americans full and equal economic opportunity. The Economic Equity Act is an agenda for action, to remove barriers impeding the progress and the full participation of women in economic life.

The measure addresses five specific matters: Retirement security; dependent care; insurance; employment; and tax reform. These titles contain legislative proposals for pension reform, greater Federal support of child care, expanded assistance for teenage parents, and provisions to reduce the tax burden on poor families.

I am grateful to see that the EEA contains the provision of S. 19, legislation I introduced on the first day of the 99th Congress to provide assistance to teenage parents, so they might avoid long-term welfare dependency. By providing resources for employment training, academic, and vocational counseling and child care services for young mothers, we can help them gain the skills they need for economic self-sufficiency. The need for such support is growing. In 1982, more than half of all births to women under age 20 were out of wedlock—a 60-percent increase since 1970, when 31.5 percent of all births to teenagers were out of wedlock. Adolescent parents are more likely not only to need welfare, but also to need such for a long term. This long-term welfare dependency is dimming the future of thousands of young Americans.

Several other provisions of the EEA also address some of the hardships facing poor families, especially poor families headed by women. Three proposals in title II would expand the child care services so essential for working mothers and their children. One of these would increase the authorization for the social services block grant, from $2.7 billion to $3.42 billion. This 27-percent increase would be designated for training programs for child care workers, implementation of day care standards by the States, and expansion of child care services. Title II also includes proposals to support the development of child care programs and universities and public housing projects.

The need for child care services is increasing, and will continue to do so throughout the next decade. Over the past 20 years, the number of women in the paid work force has increased from 23 million in 1960 to 43 million in 1980; that figure will rise to more than 60 million by 1990. By the end of the next decade—which is to say, by the close of the century—one-quarter of all American families will be headed by a single parent. Between 1980 and 2000 the the numbers of female-headed families will increase at more than five times the rate of husband-wife families. These trends indicate a growing need for adequate child care and social services.

Title V of the EEA contains several proposals that would substantially improve the tax treatment of poor families. One such would raise the zero bracket amount for a single head of a household from $2,400 to $3,540, the current level for married couples filing jointly. Title V also would increase the current earned income tax credit [EITC], a most worthy proposal. The EITC, a cash income supplement for working parents with low earnings, would be increased from 11 to 16 percent of the first $5,000 of earned income, and indexed from that point.

There is one provision of the EEA that I cannot support: the proposal to implement a system of earnings sharing for Social Security. Under this proposal, the combined earnings of a husband and wife would be divided equally during the period of their marriage, for the purposes of determining Social Security benefits. Such would require a complicated restructuring of the Social Security system, and could reduce benefits for some. I do support further examination of earnings sharing proposals, but, I do not believe we are ready to implement one at this time.

That matter apart, I enthusiastically support the EEA. It is an agenda for the 99th Congress legislation on a matter of great importance. I am pleased to cosponsor the EEA for the third consecutive Congress, and I hope my colleagues will join me in pressing for its prompt consideration.●

By Mr. McCLURE (for himself, Mr. WILSON, Mr. CRANSTON, Mr. DECONCINI, and Mr. ABDNOR):

S. 1171. A bill to amend the Small Reclamation Projects Act of 1956, as amended; to the Committee on Energy and Natural Resources.

SMALL RECLAMATION PROJECTS ACT AMENDMENTS

● Mr. McCLURE. Mr. President, last Congress I sponsored legislation to raise the ceiling for appropriations under the Small Reclamation Projects Act of 1956. The bill, S. 1981, was the subject of hearings before the Subcommittee on Water and Power of the Committee on Energy and Natural Resources on September 20, 1984, but unfortunately did not receive final consideration by the Senate prior to adjournment. The hearing record has been printed and is available to the Members as Senate Hearing 98-224, part 4.

A House companion measure, H.R. 4444, was reported by the House Committee on Interior and Insular Affairs but it was not considered prior to adjournment.

Today I am reintroducing my bill to raise the appropriations ceiling for the program and I am hopeful that the Senate may consider this legislation in the near future. As my colleagues will recall, we are fast approaching the appropriations ceiling contained in the original act and it is my understanding that an increase in the ceiling is absolutely necessary if the program is to be continued during fiscal year 1987 and beyond.

For the benefit of the new Members who may be unfamiliar with the Small Reclamation Projects Act, I would like to take just a moment to describe the history of the program and the need for this legislation.

The Small Reclamation Projects Act of 1956 established a program under which non-Federal organizations in the 17 reclamation States and Hawaii can obtain loans and grants for the construction of new, or the rehabilitation of existing single-purpose irrigation drainage, or multipurpose water resources projects similar to those which might be constructed by the Bureau of Reclamation.

Loans have constituted approximately 97 percent of the program, although the act provides for grants for those portions of projects which are nonreimbursements as a matter of national policy, such as flood control and fish and wildlife enhancement.

The costs allocated to municipal and industrial water, hydroelectric power, and the loan portion of the costs allocated to fish and wildlife and recrea-

tion, amounting to about 50 percent of such costs, are interest bearing. The interest rate is 10⅞ percent of fiscal year 1984. Costs allocated to irrigation, except as to lands which are in excess of the acreage limitations of the reclamation laws, are noninterest bearing.

Each loan application provides front-end financing. From 1957 to 1970 the non-Federal financing averaged about 11 percent. From 1974 to date, the average non-Federal contribution has been approximately 20 percent. However, presently, typical single purpose irrigation projects—the most common under the program—are requiring more local financing; 35 to 40 percent.

The maximum allowable loan and/or grant cannot exceed two-thirds of the total project cost. The total project cost ceiling is established at $15 million, January 1971 prices, and is indexed for inflation. The ceiling is $41 million for calendar year 1985 and the maximum loan and/or grant is $27 million.

Loans are to be repaid in the shortest practicable time, but in no event longer than 40 years from the date when the principal benefits of the project become available. The most recent loans have repayment periods of from 25 to 30 years.

A large number of the projects which have received loans, and those with pending applications, are requesting loan funds for the rehabilitation of old systems. Rehabilitation of such systems results in the conservation of both water and energy.

The Bureau of Reclamation is responsible for general review of the design and engineering plans developed by the loan recipient and inspects the quality control of construction in order to protect the Federal investment.

There have been no defaults on any loans made under the program.

The present authorization ceiling is $600 million. The value of approved loans and those expected to be approved in 1985 will reach this ceiling.

The additional authorization contained in the bill I am introducing today will provide about 5 years of additional program activity at the present rate of incoming applications.

Mr. President, I ask unanimous consent that a copy of the bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 1171

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That Public Law 84-984 is amended as follows:

In Section 10, in the first sentence after "600,000,000" insert "and, effective October 1, 1986, not to exceed an additional $600,000,000".●

By Mr. HELMS (for himself, Mr. EAST, Mr. DOLE, Mr. STENNIS, Mr. LONG, Mr. LAXALT, Mr. DOMENICI, Mr. HATCH, Mr. MCCLURE, Mr. HUMPHREY, and Mr. WARNER):

S. 1172. A bill to provide financial assistance for the Sam J. Ervin, Jr., Program in Public Affairs at the North Carolina State University; to the Committee on Labor and Human Resources.

FINANCIAL ASSISTANCE FOR THE SAM J. ERVIN, JR., PROGRAM IN PUBLIC AFFAIRS

Mr. HELMS. Mr. President, I am today introducing legislation to provide funding for the Sam J. Ervin, Jr., Program in Public Affairs at the North Carolina State University in Raleigh.

No more fitting tribute could be paid this great American than to help an educational program established in his name and dedicated to the high standards of constructive public service he set during his lifetime.

Almost a month has passed since Senator Ervin passed away, and I yet find it difficult to accept the fact that I will no longer be able to confide in him, to learn and profit from his counsel—and, yes, chuckle at his inimitable wit. Sam Ervin will be remembered in many ways, and perhaps, most of all, he will be remembered as the ideal public servant. He served the people of North Carolina in many capacities—as attorney, State supreme court justice, State representative, Member of Congress and, of course, as U.S. Senator.

North Carolina State University has established in Senator Ervin's name and in his honor an endowment for a fellowship program, public service research laboratory, and distinguished speaker series. The fellowship program will enable outstanding young Americans to study public affairs and prepare for careers in public service. Fellowships will be available to graduate students who will be designated Ervin Fellows. Scholarships will also be available to outstanding undergraduate students. Distinguished lectures in public service research will be conducted in a manner that will exemplify the interests, concerns, and integrity of Senator Ervin during his public career.

Mr. President, North Carolina State University is attempting to raise funds for the Sam J. Ervin, Jr., Program in Public Affairs through private contributions. These contributions, however, will not be sufficient to endow the program in the manner it deserves. My bill would provide $500,000 for this worthwhile purpose.

I should emphasize at this point, Mr. President, that this is by no means a new concept. In the past, the Senate has supported the Hubert Humphrey Institute of Public Affairs at the University of Minnesota, the Carl Albert Congressional Studies Center at the University of Oklahoma, and, most recently, the Maureen and Mike Mansfield Foundation at the University of Montana.

The Sam J. Ervin, Jr., Program in Public Affairs will be a living tribute to Senator Ervin. It will recognize a great American's contribution to Government and public service in a manner comparable to the recognition that other States have given their outstanding public leaders, and certainly in a manner befitting Senator Ervin's distinguished service to his Nation.

I ask unanimous consent that the text of the bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 1172

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a) in recognization of the distinguished public service of Senator Sam J. Ervin, Jr., of North Carolina, the Secretary of Education is authorized, in accordance with the provisions of this Act, to provide financial assistance to North Carolina State University located in Raleigh, North Carolina, for the endowment of the Sam J. Ervin, Jr., Program in Public Affairs.

(b) No financial assistance may be made under this Act unless an application is made at such time, in such manner and containing or accompanied by such information as the Secretary of Education may reasonably require.

(c) There is authorized to be appropriated $500,000 to carry out the provisions of this Act. Funds appropriated pursuant to this section shall remain available until expended.

By Mr. SPECTER (for himself and Mr. HEINZ):

S. 1173. A bill to forgive certain loan repayments by the Southern Pennsylvania Transportation Authority to the Secretary of Transportation, and for other purposes; to the Committee on Banking, Housing, and Urban Affairs.

CHESTER COUNTY TRANSIT LOAN

Mr. SPECTER. Mr. President, today I am reintroducing legislation to forgive certain loan repayments by the Southeastern Pennsylvania Transportation Authority [SEPTA] to the Secretary of Transportation, and for other purposes. The original amount of the loan to SEPTA was $370,804 and was entered into with the Secretary of Transportation under the Urban Mass Transportation Act of 1964 for the acquisition of right-of-way. If this loan is allowed to mature until April 1986, a total of $309,790 in interest will accrue, thereby making the total payback $680,594.

An amount equaling 80 percent of the balance of the principal and interest on the loan would be forgiven outright by this provision. The remaining 20 percent would have to be repaid,

unless the Secretary of Transportation chose to convert it into a grant.

The loan was originally taken out with the hope and intention of providing rail passenger service to Chester County. Under the provisions of the loan, it was to be forgiven and converted into a grant if passenger service were provided by April 1, 1986. This goal seems untenable at this point since economic conditions do not favor such a development.

However, in Chester County, the line has been restored and today provides freight service through a private operator to industries in the U.S. Route 1 corridor. During 1984, service was provided on demand to 21 customers, which amounted to 320 carloads. The continuation of this service is critical to the economic vitality of southern Chester County.

The rail line currently serves a variety of commercial traffic. Several different types of freight are being hauled, including compost materials for the mushroom industry, fertilizer for the agricultural industry, perishables, and related food grade products. Southern Chester County, the mushroom center of the country, produces 25 to 30 percent of all mushrooms consumed in the United States. Furthermore, NVF, Inc., an electronics component manufacturer, which has recently developed a new use for recycled materials, uses the rail line for bulk shipment of these materials. Usage of the rail line for commercial purposes will continue to serve as a development tool to bring industry into the area.

If assistance is not provided, there is every likelihood that the rail line would be abandoned. Neither the Southeastern Pennsylvania Transportation Authority nor the County of Chester can afford to pay back the loan in order to retain control of the rail line. Because of its light density, the railroad would not generate the interest of a large rail company if it were to be sold, and Octoraro Railroad, the current operator, cannot afford to buy it. Providing assistance to preserve the rail line for commercial traffic will assure that the line will continue to be available for possible conversion to passenger service should the community expand enough to accommodate passenger service.

The southern part of Chester County, through which the railroad passes, has been an expanding community. The population of the 18 municipalities in this area increased 19.4 percent between 1970 and 1980, while per capita income increased 149 percent. Identified employment in the area remained stable during this period while the civilian labor force, residents 16 years or older, more than doubled. The recent relocation of the national headquarters of Clarks' Shoes to Kennett Square, which is also on the rail line, is expected to attract additional residents to the area.

The above statistics point out that the potential for growth exists. Preservation of the rail line will enable Chester County to fully develop this potential for passenger service.

Precedent for this type of assistance has already been established. Section 312 of the Surface Transportation Assistance Act of 1982 excused the Massachusetts Bay Transportation Authority from repaying 80 percent of the principal and interest owed on two loans entered into with the Secretary of Transportation under the Urban Mass Transportation Act of 1964 for the acquisition of rights-of-way. Under the provisions of these loans, they would have been forgiven and converted into grants if 20 percent of the purchase price had been put into improvements. However, a weak economy prevented such improvements. The terms of the bill I am introducing today are identical to those of section 312, excusing the loans of the Massachusetts Bay Transportation Authority.

Mr. President, I ask unanimous consent that the full text of the bill be printed in the RECORD as if read.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 1173

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a) the Southeastern Pennsylvania Transportation Authority shall have no obligation to repay the United States 80 per centum of the principal and the interest owed on the following loans entered into with the Secretary of Transportation under the Urban Mass Transportation Act of 1964 for the acquisition of rights of way: the loan numbered PA03 9002 entered into on April 29, 1976, and the loan numbered PA03 9003 entered into on April 29, 1976.

(b)(1) The Secretary of Transportation may convert the remaining 20 per centum of the principal and interest owed on the loans described in subsection (a) to grants under the conditions set forth in paragraph (2).

(2) In lieu of the local matching share otherwise required, the grant agreement may provide that State or local funds shall be committed to public transportation projects in the urbanized area, on a schedule acceptable to the Secretary of Transportation, in an amount equal to the local share that would have been required had the amount of principal and interest forgiven under subsection (a) been the Federal share of a capital grant made when the original loan was made. The State or local funds contributed under the terms of the preceding sentence shall be made available for capital projects eligible for funding under section 3(a) of the Urban Mass Transportation Act of 1964 and may not be used to satisfy the local matching requirements for any other grant project.

ADDITIONAL COSPONSORS

S. 37

At the request of Mr. HATCH, the name of the Senator from Nevada [Mr. LAXALT] was added as a cosponsor of S. 37, a bill to provide for civil rights in public schools.

S. 194

At the request of Mr. MOYNIHAN, the name of the Senator from Rhode Island [Mr. PELL] was added as a cosponsor of S. 194, a bill to identify, commemorate, and preserve the legacy of historic landscapes of Frederick Law Olmsted, and for other purposes.

S. 235

At the request of Mr. THURMOND, the name of the Senator from Oklahoma [Mr. NICKLES] was added as a cosponsor of S. 235, a bill to amend title 5, United States Code, to prohibit employment in civil service positions in the executive branch of any individual required to register under the Military Selective Service Act who has not yet registered.

S. 585

At the request of Mr. TRIBLE, the name of the Senator from Virginia [Mr. WARNER] was added as a cosponsor of S. 585, a bill to establish the Eastern Shore of Virginia National Wildlife Refuge and National Fish and Wildlife Service Training Center at Cape Charles in Northampton County, VA.

S. 625

At the request of Mrs. HAWKINS, the name of the Senator from Iowa [Mr. GRASSLEY] was added as a cosponsor of S. 625, a bill to include the offenses relating to sexual exploitation of children under the provisions of RICO and authorize civil suits on behalf of victims of child pornography and prostitution.

S. 664

At the request of Mr. NICKLES, the name of the Senator from Wyoming [Mr. WALLOP] was added as a cosponsor of S. 664, a bill to facilitate the competitiveness of exports of United States agricultural commodities.

S. 670

At the request of Mr. PELL, the name of the Senator from Vermont [Mr. STAFFORD] was added as a cosponsor of S. 670, a bill to amend the National Labor Relations Act to give employers and performers in the performing arts rights given by section 8(e) of such act to employers and employees in similarly situated industries, and to give to employers and performers in the performing arts the same rights given by section 8(f) of such act to employers and employees in the construction industry, and for other purposes.

S. 930

At the request of Mr. NICKLES, the name of the Senator from Wyoming [Mr. WALLOP] was added as a cosponsor of S. 930, a bill to amend the Commodity Credit Corporation Charter to exempt all agricultural exports from cargo preference requirements.

S. 983

At the request of Mr. MCCLURE, the names of the Senator from Vermont [Mr. LEAHY], the Senator from Vermont [Mr. STAFFORD], and the Senator from West Virginia [Mr. ROCKEFELLER] were added as cosponsors of S. 983, a bill to provide for limited extension of alternative means of providing assistance under the School Lunch Program and to provide for national commodity processing programs.

S. 987

At the request of Mr. EXON, the name of the Senator from Illinois [Mr. SIMON] was added as a cosponsor of S. 987, a bill to recognize the organization known as the Daughters of Union Veterans of the Civil War 1861-65.

S. 1026

At the request of Mr. PRESSLER, the names of the Senator from Minnesota [Mr. DURENBERGER], and the Senator from Hawaii [Mr. MATSUNAGA] were added as cosponsors of of S. 1026, a bill to direct the cooperation of certain Federal entities in the implementation of the Continental Scientific Drilling Program.

S. 1133

At the request of Mr. RIEGLE, the names of the Senator from Tennessee [Mr. GORE], and the Senator from Ohio [Mr. METZENBAUM] were added as cosponsors of S. 1133, a bill to amend section 119(d) of the Housing and Community Development Act of 1974.

S. 1138

At the request of Mr. GRASSLEY, the name of the Senator from Alabama [Mr. DENTON] was added as cosponsor of S. 1138, a bill to reenact and amend former section 504 of title 5, United States Code, and former section 2412(d) of title 28, United States Code, with respect to awards of expenses of certain agency and court proceedings, and for other purposes.

S. 1154

At the request of Mr. MATSUNAGA, the name of the Senator from Illinois [Mr. SIMON] was added as a cosponsor of S. 1154, a bill to amend title XVIII of the Social Security Act to provide direct medicare reimbursement for services performed by registered nurse anesthetists.

SENATE JOINT RESOLUTION 73

At the request of Mr. GRASSLEY, the name of the Senator from New York [Mr. D'AMATO] was added as a cosponsor of Senate Joint Resolution 73, a joint resolution to designate the week of September 15, 1985, through September 21, 1985, as "National Independent Free Papers Week."

SENATE JOINT RESOLUTION 98

At the request of Mr. D'AMATO, the name of the Senator from Nebraska [Mr. ZORINSKY] was added as a cosponsor of Senate Joint Resolution 98, a joint resolution condemning the passage of Resolution 3379, in the U.N. General Assembly on November 10, 1975, and urging the U.S. Ambassador and U.S. delegation to take all appropriate actions necessary to erase this shameful resolution from the record of the United Nations.

SENATE JOINT RESOLUTION 124

At the request of Mr. KENNEDY, the name of the Senator from Kansas [Mrs. KASSEBAUM] was added as a cosponsor of Senate Joint Resolution 124, joint resolution to designate "National Day of Peace."

SENATE CONCURRENT RESOLUTION 25

At the request of Mr. BUMPERS, the names of the Senator from Maryland [Mr. MATHIAS], the Senator from Missouri [Mr. DANFORTH], the Senator from Hawaii [Mr. INOUYE], the Senator from Wisconsin [Mr. PROXMIRE], the Senator from Michigan [Mr. RIEGLE], the Senator from Maryland [Mr. SARBANES], the Senator from Kentucky [Mr. FORD], the Senator from Oklahoma [Mr. BOREN], the Senator from Massachusetts [Mr. KERRY], the Senator from Iowa [Mr. HARKIN], the Senator from Illinois [Mr. SIMON], and the Senator from Washington [Mr. GORTON], were added as cosponsors of Senate Concurrent Resolution 25, concurrent resolution expressing support for the President's nouncercut policy concerning existing strategic offensive arms agreements.

SENATE RESOLUTION 65

At the request of Mr. BUMPERS, the name of the Senator from South Carolina [Mr. THURMOND] was added as a cosponsor of Senate Resolution 65, resolution commending the Soil Conservation Service.

SENATE RESOLUTION 171—AUTHORIZING REPRESENTATION BY THE SENATE LEGAL COUNSEL

Mr. SIMPSON for Mr. DOLE (for himself and Mr. BYRD) submitted the following resolution; which was considered and agreed to.

S. RES. 171

Whereas, the case of *Donald M. Zahn* v. *National Right to Work Committee*, Civil Action No. 84-1223-A, is pending in the United States District Court for the Eastern District of Virginia;

Whereas, Paul C. Summitt, a former member of the staff of the Committee on the Judiciary, has been served with a subpoena to appear and testify as a witness in that case;

Whereas, by the privileges of the Senate of the United States and Rule XI of the Standing Rules of the Senate, no evidence under the control or in the possession of the Senate can, by the judicial process, be taken from such control or possession but by permission of the Senate;

Whereas, pursuant to sections 703(a) and 704(a)(2) of the Ethics in Government Act of 1978, 2 U.S.C. §§ 288b(a) and 288c(a)(2) (1982), the Senate may direct the Senate Legal Counsel to defend a former employee of the Senate in any proceeding with respect to any subpoena or order directed to him in his former official capacity; Now, therefore be it

Resolved, That the Senate Legal Counsel is directed to defend Paul C. Summitt with respect to the subpoena served on him in the case of *Donald M. Zahn* v. *National Right to Work Committee*, Civil Action No. 84-1223-A, in the Eastern District of Virginia.

AMENDMENTS SUBMITTED

DEPARTMENT OF DEFENSE AUTHORIZATION ACT, FISCAL YEAR 1986

LEVIN (AND RIEGLE) AMENDMENT NO. 148

Mr. LEVIN (for himself and Mr. RIEGLE) proposed an amendment to amendment No. 147 proposed by Mr. GOLDWATER, on behalf of the Committee on Armed Services to the bill (S. 1160) to authorize appropriations for the military functions of the Department of Defense and to prescribe personnel levels for the Department of Defense for fiscal year 1986, to authorize certain construction at military installations for such fiscal year, to authorize appropriations for the Department of Energy for national security programs for such fiscal year, and for other purposes; as follows:

In committee amendment number 147:

On page 14, line 21 strike the words "personally and substantially".

On page 18, line 9 strike the words "personally and substantially".

On page 18, line 12 after the word "awarded" insert ", or an agent of such contractor,".

On page 19, line 23 strike "two-year period beginning on the date of the contract" and insert in place thereof "ten year period beginning with the date of separation from government service.".

NUNN (AND OTHERS) AMENDMENT NO. 149

Mr. NUNN (for himself, Mr. MATTINGLY, Mr. THURMOND, Mr. CHILES, and Mr. GOLDWATER) proposed an amendment to the bill S. 1160, supra; as follows:

At the end of title IX of division A of the bill, insert the following new section:

ARMED SERVICES NATIONAL SCIENCE CENTER FOR COMMUNICATIONS AND ELECTRONICS

SEC. 916. (a) The Congress hereby finds—

(1) that scientific and technological developments in communications and electronics are of particular importance to the United States in meeting its national security, industrial, and other needs;

(2) that enhanced training in the technical communications, electronics, and computer disciplines is necessary for a more efficient and effective military force;

(3) that the Secretary of the Army, through the Training and Doctrine Command, is responsible for providing training to members of the Army;

(4) that the Ninety-Seventh Congress, in Senate Concurrent Resolution 130 of that

Congress, encouraged the establishment within the United States of a national center dedicated to communications and electronics;

(5) that the Secretary of the Army entered into a Memorandum of Understanding with the National Science Center for Communications and Electronics Foundation Incorporated, a nonprofit corporation of the State of Georgia, in which the Army and such foundation agreed to develop a science center for (A) the promotion of engineering principles and practices, (B) the advancement of scientific education for careers in communications and electronics, and (C) the portrayal of the communications, electronics, and computer arts.

(b) It is the purpose of this section to recognize the relationship between the Army and the National Science Center for Communications and Electronics Foundation Incorporated (hereinafter in this section referred to as the "Foundation") for the development, construction, and operation of a national science center and to authorize the Secretary of the Army (hereinafter in this section referred to as the "Secretary") to make available a suitable site for the construction of such a center, to accept title to the center facilities when constructed, and to provide for the management, operation, and maintenance of such a center after the transfer of title of the center to the Secretary.

(c)(1) Subject to paragraph (2), the Secretary may provide a suitable parcel of land at or near Fort Gordon, Georgia, for the construction of an Armed Services national science center by the Foundation to meet the objectives expressed in subsection (a). Upon completion of the construction of the center the Secretary may accept title to the center and may provide for the management, operation, and maintenance of such center out of funds appropriated to the Army for such purpose.

(2) As a condition to making a parcel of land available to the Foundation for the construction of a national science center, the Secretary shall have the right to approve the design of the center, including all plans, specifications, contracts, sites, and materials to be used in the construction of such center and all rights-of-way, easements, and rights of ingress and egress for the center. The Secretary's approval of the design and plans shall be based on good business practices and accepted engineering principles taking into consideration safety and other appropriate factors.

(d) The Secretary may accept conditional or unconditional gifts made for the benefit of, or in connection with the center.

(e) The Secretary may appoint an advisory board to advise the Secretary regarding the operation of the center in pursuit of the goals of the center described in subsection (a). The Secretary may appoint to the advisory board such members of the board of directors of the Foundation as he considers appropriate. The Federal Advisory Committee Act (5 U.S.C. App.) shall not apply to the advisory board appointed under this subsection.

(f) Consistent with the mission of the armed services and the efficient operation of the center, the Secretary may make facilities at the center available to the Foundation for its corporate activities and for such endeavors in the area of communications and electronics as the Secretary may consider appropriate.

(g)(1) The Secretary may make the center available to the public and to other departments and agencies of the Government for research and study and for public exhibitions. The Secretary may charge for such uses as he considers necessary and appropriate.

(2) Any money collected for the use of the facilities of the center shall be deposited to a special fund maintained by the Secretary for the maintenance and operation of the center. The Secretary shall require the Auditor General of the Army to audit the records of such fund at least once every two years and to report the results of the audits to the Secretary.

QUAYLE AMENDMENT NOS. 150 AND 151

Mr. QUAYLE proposed two amendments to the bill S. 1160, supra; as follows:

AMENDMENT No. 150

At the end of title IX of division A of the bill, insert the following new section:

STUDY OF IMPACT OF FOREIGN EXPORT SUBSIDIES ON THE DEFENSE INDUSTRIAL BASE OF THE UNITED STATES

SEC. . The Secretary of Defense shall conduct a study regarding the effects that foreign export subsidies have had on the defense industrial base of the United States. The Secretary shall submit a report containing the results of the study to the Congress not later than April 1, 1986, and shall include in such report—

(1) a compilation of the number and type of contracts awarded by the Department of Defense in fiscal year 1984, fiscal year 1985, and the first six months of fiscal year 1986 on which United States firms bid but which were awarded by the Department of Defense to foreign firms;

(2) whether, in the case of each such contract, a subsidy (as defined in section 1677(5) of the Tariff Act of 1930) was provided in connection with the commodity purchased under the contract and, if so, a description of the subsidy, including the type and amount of the subsidy;

(3) identification of those segments of United States industry adversely affected by the loss of the contracts referred to in clause (1) and the consequences that the loss of such contracts has had on the defense industrial base of the United States; and

(4) such recommendations for legislative and administrative action as the Secretary considers necessary or appropriate to correct any detrimental impact that subsidized exports have on the defense industrial base of the United States, to include an evaluation of the impact of such recommendations on other U.S. foreign policy objectives such as the goal of improving cooperative weapons development and standardization in NATO.

AMENDMENT No. 151

On page 51, line 2:

At the end of part A of title V of division A of the bill, insert the following new section:

ALLOWANCES FOR TRANSPORTATION OF BAGGAGE AND HOUSEHOLD EFFECTS

SEC. 510g. (a) Section 406(k) of title 37, United States Code, is amended—

(1) by inserting "(1)" after "(k)";

(2) in the first sentence, by inserting "or in which a member provides all or a part of the labor in connection with the transportation of the baggage and household effects of the member (including packing, crating, and loading)" after "rental vehicle"; and

(3) by adding at the end thereof a new paragraph as follows:

"(2) The Secretary concerned may prescribe in any regulations authorizing the payment of a monetary allowance to a member who participates in a program in which the member provides all or a part of the labor in connection with the transportation of the baggage and household effects of the member—

"(A) the extent to which payment to the member will be made for such labor, and

"(B) the manner in which liability will be allocated among the member, the United States, and the common carriers involved in the event of loss of or damage to any baggage or household effects packed, crated, or loaded by the member.".

(b) No allowance may be paid to any member of a uniformed service by virtue of the amendment made by subsection (a) in connection with the transportation of the baggage and household effects provided the member before the date of the enactment of this Act.

(c) The Secretary of Defense shall submit a report to the Congress not later than three years after the date of the enactment of this Act regarding the operation of any program carried out by the military departments under which payment of a monetary allowance is made to a member who provides all or a part of the labor in connection with the transportation of the baggage and household effects of the member and shall include in such report such recommendations for legislative action the Secretary considers appropriate.

QUAYLE (AND OTHERS) AMENDMENT NO. 152

Mr. QUAYLE (for himself, Mr. STAFFORD, and Mr. NUNN) proposed an amendment to the bill S. 1160, supra; as follows:

Strike out section 910 of the bill and insert in lieu thereof the following:

CONTINUED OPERATION BY THE SECRETARY OF DEFENSE OF THE DEFENSE DEPENDENTS' EDUCATION SYSTEM

SEC. 912. (a)(1) Subsection (e) of section 202, sections 208 and 302, and subsection (f) of section 401 of the Department of Education Organization Act (20 U.S.C. 3412(e), 3418, 3442, and 3461(f)) are repealed.

(2) Section 419(a) of such Act (20 U.S.C. 3479(a)) is amended—

(A) by striking out "(1)" after the subsection designation "(a)"; and

(B) by striking out paragraph (2).

(3) Section 503(a) of such Act (20 U.S.C. 3503(a)) is amended—

(A) by striking out "(1)" after the subsection designation "(a)"; and

(B) by striking out paragraph (2).

(4) the table of contents at the beginning of such Act is amended by striking out the items relating to sections 208 and 302.

(5) Section 414(b) of such Act (20 U.S.C. 3474(b)) is amended by striking out "322,".

(b)(1) Section 1402 of the Defense Dependents' Education Act of 1978 (20 U.S.C. 921) is amended by adding at the end thereof the following new subsection:

"(c) The Secretary of Defense shall consult with the Secretary of Education on the educational programs and practices of the defense dependents' education system,".

(2)(A) Paragraph (1) of section 1410(a) of such Act (20 U.S.C. 928(a)(1)) is amended by adding at the end thereof the following new sentences: "The membership of each such advisory committee shall also include one person to represent the interests of the organization recognized as the exclusive bargaining representative of the employees of the school. Such person shall be designated by the appropriate organization and shall be a nonvoting member of the committee.".

(B) Subsection (B) of section 1410 of such Act is amended by striking out "Members" and inserting in lieu thereof "Except in the case of a nonvoting member provided for under subsection (a)(1), members".

(3) The second sentence of section 1410(B) of the Defense Dependents' Education Act of 1978 (20 U.S.C. 928(b)) is amended by striking out "The Secretary of Education, in consultation with the Secretary of Defense," and inserting in lieu thereof "The Secretary of Defense".

(4)(A) Subsection (a) of section 1411 of such Act (20 U.S.C. 929) is amended to read as follows:

"(a)(1) There is established in the Department of Defense an Advisory Council on Dependents' Education (hereinafter in this section referred to as the 'Council'). The Council shall be composed of—

"(A) the Secretary of Defense and the Secretary of Education, or their respective designees;

"(B) twelve individuals appointed jointly by the Secretary of Defense and the Secretary of Education who shall be individuals who have demonstrated an interest in the field of primary or secondary education and who shall include representatives of professional employee organizations, school administrators, and parents of students enrolled in the defense dependents' education system, and one student enrolled in such system; and

"(C) a representative of the Secretary of Defense and of the Secretary of Education.

"(2) Individuals appointed to the Council from professional employee organizations shall be individuals designated by such organizations.

"(3) The Secretary of Defense, or his designee, and the Secretary of Education, or his designee, shall serve as cochairman of the Council.

"(4) The Director shall be the Executive Secretary of the Council.".

(5) Subsection (b)(1) of such section is amended by inserting "the Secretary of Defense and" before "the Secretary of Education".

(6) Subsection (c) of such section is amended—

(A) by striking out "at least four times each year" and inserting in lieu thereof "at least two times each year";

(B) by striking out clause (2);

(C) by redesignating clauses (3), (4), and (5) as clauses (2), (3), and (4), respectively; and

(D) by striking out "Secretary of Education" in clause (4) (as redesignated in clause (3) of this subsection) and inserting in lieu thereof "Secretary of Defense".

(d) Section 5316 of title 5, United States Code, is amended by striking out "Administrator of Education for Overseas Dependents, Department of Education.".

QUAYLE AMENDMENT NO. 153

Mr. QUAYLE proposed an amendment to the bill S. 1160, supra; as follows:

At the end of title IX of division A of the bill, insert the following new section:

AUTHORITY OF THE SECRETARY OF DEFENSE TO ENROLL CERTAIN PERSONS IN OVERSEAS SCHOOLS OF THE DEFENSE DEPENDENTS' EDUCATION SYSTEM

SEC. 917. (a) The Secretary of Defense may, under such regulations as he shall prescribe, permit to be enrolled in schools of the defense dependents' education system, in addition to children authorized to be enrolled in such system under the Defense Dependents' Education Act (20 U.S.C. 921 et seq.), children of employees of the Federal Government stationed outside the United States, children of employees of contractors employed in carrying out work for the Federal Government outside the United States, children of employees of nonappropriated fund activities of the Department of Defense, and, if the Secretary determines such action to be in the national interest, children of other citizens or nationals of the United States or of foreign nationals.

(b) Any child permitted to enroll in a school of the defense dependents' education system under this section shall be required to pay tuition at a rate determined by the Secretary of Defense, which shall not be less than the rate necessary to defray the average cost of the enrollment of children in the system under the Defense Dependents' Education Act of 1978 (20 U.S.C. 921 et seq.).

PRYOR (AND OTHERS) AMENDMENT NO. 154

Mr. PRYOR (for himself, Mr. GRASSLEY, Mr. PROXMIRE, Mr. DECONCINI, and Mr. BUMPERS) proposed an amendment to amendment No. 147 proposed by Mr. GOLDWATER, on behalf of the Committee on Armed Services, to the bill S. 1160, supra; as follows:

In the Committee amendment after the words "Title VI—Procurement Policy Reform and Other Procurement Matters,

SHORT TITLE

SEC. 601. This title may be cited as the "Competition and Ethics Enforcement Act of 1985." Strike all that follows in the amendment and insert in lieu thereof the following:

DEFINITIONS

SEC. 602. In this title:

(1) "Full scale development", when used with respect to a weapon system or other defense equipment, means all detail design of a weapon system or other defense equipment necessary for the production of that system or equipment to begin.

(2) "Major defense acquisition program" has the same meaning as provided in section 139(a)(1) of title 10, United States Code.

(3) "Acquisition plan" means the type of plan referred to in section 7.104 of the Federal Acquisition Regulation as in effect on April 1, 1985.

(4) "Competitive procedures" means, in connection with the award of a contract, procedures which provide for full and open competition as provided in section 2304(a) of title 10, United States Code.

(5) "Acquisition", when used with respect to a weapon system or other defense equipment, means the complete process associated with the development and procurement of the weapon system and other defense equipment, including identification of military requirements, research and testing.

(6) "System integration" means the development and administration, normally by a prime contractor, of the process of manufacturing a completed weapons system or other defense equipment for delivery to the United States, including the installation of all subsystems and components.

(7) "source contract" means any contract for the procurement of a weapon system or other defense equipment awarded through procedures other than competitive procedures.

DUAL SOURCE COMPETITION AND SOLE SOURCE CONTRACTING FOR MAJOR DEFENSE ACQUISITION PROGRAMS

SEC. 603. Chapter 137 of Title 10, United States Code, is amended by adding at the end thereof the following new Section: "Dual Source Competition and Sole Source Requirements for Weapons Programs."

"(a)(1) Before initiation of the full scale development of a weapons system or other defense equipment under a major defense acquisition plan for such program.

"(2) The acquisition plan shall provide for the use of competitive procedures when required by Title 10, United States Code Section 2304, except as provided for in subsection (c) of this section.

"(3) The acquisition plan shall also provide for the establishment and maintenance throughout the duration of the program of two or more development sources of such program and of two or more production sources for system integration and for the production of major subsystems to be purchased by the United States under major defense acquisition programs so that each production contract, and any contract renewal for production, will result in a majority or plurality of the production under the contract being awarded to the bidder with the proposal most advantageous to the United States, considering only price and other factors, included in the solicitation, and a minority of the production being awarded to the next such most advantageous bidder or bidders under the contract. The percentage of the contract for production awarded to the next most advantageous bidder or bidders under the contract shall be a percentage determined by the Secretary of Defense to be sufficient to allow each such bidder to compete effectively for a majority of the production when the contract is renewed: provided that the contract proposal of the next most advantageous bidder or bidders is competitive with the contract proposal of the most advantageous bidder.

"(b)(1) The Secretary of Defense may waive the requirements of subsection (a)(3) in the case of any contract if he determines and certifies in writing to the Congress that such requirement will materially increase total cost of the program or delay completion of the total program. Any waiver of the dual sourcing development requirement of subsection (a)(3) shall not be considered a wavier or such subsection's dual sourcing production requirement.

"(2) Except as provided in subsection (c), a contract described in subsection (c) with respect to which the Secretary has waived the requirements of subsection (a)(3) may only be awarded through the use of competitive procedures. If a contract described in subsection (c) with respect to which the Secretary has waived the requirements of subsection (a)(3) is renewed, the new contract must be awarded under competitive procedures or as provided in subsection (c).

"(c)(1) If the Secretary of Defense finds in the case of a prime contract to be awarded for a major defense acquisition program that the requirements of subsections (a)(3) and (b)(2) cannot be complied with and that procurement procedures other than competitive procedures are permitted under section 2304(c) of title 10, United States Code, in the award of such prime contract, the Secretary shall submit a report to the Congress containing his findings together with a request for specific statutory authorization to enter into a sole source prime contract for such program. The Secretary shall include in such report for each contract—

(A) The total program cost information, total program unit cost information, and delivery schedule information under a competitive procedures contract and under a sole source contract used by the Secretary in his decision to select a sole source contract for such program;

(B) the existing unit cost of a commercially available product that performs a function similar to the function to be performed by the product to be obtained under the contract to be awarded, if such a product is commercially available, or the existing unit cost of foreign produced product that performs a function similar to that of the product to be obtained under the contract to be awarded, if such a product is commercially available in a foreign country, or, if such a product is not available from either such source, an independent cost estimate of the total program unit cost of the product to be obtained under the contract to be awarded;

(C) The identity of any senior official of the Department of Defense at the equivalent level of GS-14 or above who recommended or caused to be initiated a recommendation that the contract be a sole source contract;

(D) such other information as the Secretary considers appropriate.

"(2) The report required by paragraph (1) shall be submitted to the Congress not later than the date on which the initial budget request for full scale development or production, whichever the case may be, of the major defense acquisition program is made to the Congress.

"(3) A sole source prime contract may not be awarded or renewed for any major defense acquisition program unless the Congress has specifically authorized such specific contract to be awarded in an annual Department of Defense authorization Act or in other appropriate legislation enacted into law. Such specific statutory authorization shall include the identity of such contract and its cost.

"(4) Whenever the Secretary requests authorization, pursuant to subsection (c)(1), for the awarding of a sole source prime contract, he shall also cause to be published in the Federal Register a notice of the request and shall include in the notice the noncompetitive nature of the contract to be awarded, the estimated cost of the contract, the name of the contractor to whom the contract is to be awarded, and the identity of any Department of Defense officials at the equivalent level of GS-14 or above, who recommended or caused to be initiated a recommendation that the contract be awarded as a sole source contract.

"(5) Nothing in this subsection shall be deemed to require the public release of classified information.

"(d) Each sole source contract for a major defense acquisition program awarded by the Department of Defense shall—

"(1) contain a provision that prohibits the contractor from employing for a period of 6 years after the expiration of the contract the services of any employee or former employee of the Department of Defense at the equivalent level of GS-14 or above who recommended or caused to be initiated a recommendation that the contract be awarded as a sole source contract;

"(2) provide for a comprehensive audit by the Comptroller General of the United States, including access by the Comptroller General to all accounting records of the contractor and subcontractors, including any classified records;

"(3) deny payment of any overhead costs under the contract until the appropriate representative of the contractor has certified to the Secretary in writing that the payment of the overhead costs will reimburse the contractor only for costs that benefit, directly or indirectly, the Department of Defense and that such costs are demonstrably related to or necessary for the performance of the contract for which the payment is requested; and

"(4) require the appropriate representative of the contractor to certify to the Secretary in writing that any claim or request for payment under the contract does not include any claim or request for general and administrative costs that are unallowable under regulation prescribed by the Secretary of Defense.

"(e) A claim or request for payment by a contractor for any overhead cost prohibited under subsection (d)(3) or for any unallowable general and administrative cost shall be subject to section 287 of title 18, United States Code, and shall be punishable as provided by law for offenses under that section.

"(f) The Comptroller General of the United States shall conduct a comprehensive audit of each prime sole source contract awarded by the Department of Defense for a major defense acquisition program and shall report the results of such audit to the Congress together with his opinion whether a new contract for the program provided for in the audited contract can reasonably be awarded under competitive or dual sourcing procedures upon the expiration of the existing sole source contract."

"(g) The provisions of this section shall not require the suspension or termination of funding or approval for any defense program or defense contract during the fiscal year 1986.

TRAINING AND REQUIREMENTS FOR QUALITY CONTROL ENFORCEMENT

SEC. 604. Part II of subtitle A of title 10, United States Code, is amended by adding the following section 1621:

"(a) The Secretary of Defense shall develop and carry out an introductory training program which shall be mandatory for all personnel responsible for assuring qua'ity standards for weapon systems or other defense equipment. Such program shall be not less than four weeks in duration. A person assigned to duties involving quality assurance shall be required to attend such training program within the first six months of the person's assignment to such duties.

"(b)(1) In any case in which it is determined that a weapon system, other defense equipment, or service provided to the Department of Defense fails to meet the quality standards provided for in the contract for such weapon system, other equipment, or service, whether such determination is made before or after delivery of the equipment or service, the cost of repair or replacement, including all labor costs, shall be borne by the contractor.

"(c) In any case in which a contractor fails to disclose to the appropriate officials of the Department of Defense any instance in which the contractor knows defense equipment or service provided to the Department of Defense by the contractor does not meet the quality standards prescribed in the contract for such equipment or service and submits a claim for the payment of such equipment or service, such claim shall be subject to section 287 of title 18, United States Code, and shall be punishable as provided by law for offenses under that section.

"(d) The provisions of this section shall apply in any case only to the extent that the provisions of section 2403 of title 10, United States Code, do not apply.

BURDEN OF PROOF IN GOVERNMENT CONTRACT DISPUTES

SEC. 605(a). In any proceeding before the Armed Services Board of Contract Appeals, the United States Claims Court, or any other Federal court in which the reasonableness of any contract costs for which a contactor seeks reimbursement from the Department of Defense are in issue, the burden of proof shall be upon such contractor to establish that such costs are reasonable.

(b) "Reasonable" means a cost that does not exceed that which would be incurred by a prudent person in the conduct of competitive business.

LIMITATION ON EMPLOYMENT OF CERTAIN DEPARTMENT OF DEFENSE PERSONNEL BY DEFENSE CONTRACTORS

SEC. 606. (a)(1)(A) Chapter 141 of title 10, United States Code, is amended by inserting after section 2397 the following new section:

"§ 2397a. Limitation on employment of certain Department of Defense personnel by defense contractors

"(a) As used in this section:

"(1) 'Compensation' includes any payment, gift, benefit, reward, favor, gratuity, or employment valued in excess of $102 at prevailing market price, provided directly, indirectly, or through a third party.

"(2) 'Contractor' means any person, partnership, corporation, or agency thereof (other than the Federal Government, the independent agencies of the Federal Government, or the District of Columbia) that offers, negotiates, agrees, or otherwise contracts to furnish to the Federal Government property, services, or supplies, and any parent organization, subsidiary organization, or affiliated organization of any such person, partnership, corporation, or agency thereof.

"(3) 'Covered defense official' means an officer or employee of the Department of Defense or a member of the armed forces on active duty who is paid for service as an officer or employee of the Department or member of the armed forces at a rate of basic pay equal to or greater than the minimum rate of basic pay payable for grade GS-11 under the General Schedule.

"(4) 'Procurement function' means any acquisition activity relating to a contract awarded by the Department of Defense, including—

"(A) negotiating, awarding, or administrating the contract;

"(B) approving contract changes;

"(C) approving payment under the contract;

"(D) selecting a contractor;

"(E) performing cost analysis, quality assurance, operation and developmental test-

ing, budgeting, or auditing functions relating to the contract;

"(F) providing technical advice or recommendations relating to the contract; or

"(G) managing a procurement program which includes the contract.

"(b)(1) A former officer or employee of the Department of Defense and a member or former member of the armed forces may not accept compensation from any contractor for the 3-year period beginning on the date the former officer or employee separates from Government service in the Department or the member or former member is discharged or released from active duty if, within 3 years before such date, the former officer or employee or the member or former member was a covered defense official who had significant responsibilities in the performance of a procurement function with respect to that contractor.

"(2) Whoever violates paragraph (1) shall be fined not more than $10,000 or imprisoned for not more than 2 years, or both.

"(3) Whoever furnishes any compensation to a person who is prohibited by paragraph (1) from accepting the compensation shall be fined not more than $10,000 or imprisoned for not more than 2 years, or both.

"(c)(1) Each contract for the procurement of property or services awarded by the Department of Defense shall include a provision prohibiting the contractor from furnishing compensation to any person if the acceptance of such compensation by such person would be a violation of subsection (b)(1).

"(2) A contractor which violates a contract provision required by paragraph (1), as determined by the Secretary of Defense, shall be liable to the United States for the greater of $250,000 or the amount equal to five times the annual rate of compensation paid by the contractor in violation of such contract provision. The United States may collect the amount of such liability by withholding, as a forfeiture, any money payable by the United States to the contractor.

"(d)(1) Not later than March 1 of each year, each contractor which is subject to a contract provision required by subsection (c)(1) shall transmit to the Inspector General of the Department of Defense a report on persons to whom the contractor furnished compensation during the preceding year and who are covered by such contract provision. The report shall include—

"(A) the name of each person (together with other information adequate to identify the person) who, as a covered defense official, performed a Government procurement function within 3 years before the first day of the year covered by the report and who was compensated by that contractor during the year covered by the report;

"(B) the agency or agencies of the Federal Government which employed the person or the armed force in which the person served on active duty, as the case may be, during the 3 years referred to in clause (A);

"(C) the person's job titles during the 3 years referred to in clause (A);

"(D) a full and complete description of the duties of the person during the 3 years referred to in clause (A);

"(E) a full and complete description of any official responsibilities such person exercised with respect to any contract in which the contractor has or had an interest; and

"(F) a description of any duties that the person has performed on behalf of the contractor during the year covered by the report.

"(2) Not later than April 1 of the year in which the Inspector General of the Department of Defense receives a report under paragraph (1), the Inspector General shall transmit a copy of the report to the Congress.

"(3) The Inspector General of the Department of Defense shall assess the accuracy and completeness of each report received under paragraph (1) and shall identify any conduct punishable under subsection (b), any violation of a contract provision required by subsection (c)(1), and any failure of the report to meet the requirements of paragraph (1). The Inspector General shall report any such conduct, violations, and failures to the Attorney General of the United States for prosecution or other appropriate action without regard to whether the Secretary of Defense has taken or has declined to take action under subsection (c)(2).

"(4) A contractor who fails to transmit to the Inspector General of the Department of Defense a report required by paragraph (1) shall be liable to the Federal Government for an administrative penalty in the amount of $10,000. The Secretary of Defense shall assess the penalty required by the first sentence.

"(5) The Director of the Office of Government Ethics shall have access to the annual reports filed under paragraph (1) and shall review the reports for conduct punishable under subsection (b), any violation of a contract provision required by subsection (c)(1), and any failure of the report to meet the requirements of paragraph (1). The Director shall submit an annual report to the Congress on his actions under this paragraph and shall include in the report his findings relating to his review of the reports filed under paragraph (1).

"(e) Subsections (b), (c), and (d) do not apply with respect to a contract for an amount less than $25,000.

"(f)(1) The Director of the Office of Government Ethics shall coordinate and review the implementation and administration of this section. In consultation with the Secretary of Defense, the Secretaries of the military departments, the Attorney General, and the Administrator of the Office of Federal Procurement Policy, the Director of the Office of Government Ethics may issue regulations to implement and administer this section and may review agency regulations issued to implement and administer this section.

"(2) For purposes of implementing and administering this section, the Secretary of Defense, the Secretaries of the military departments, the Attorney General of the United States, and the Administrator of the Office of Federal Procurement Policy shall cooperate with the Director of the Office of Government Ethics and shall furnish the Director such information, appropriate personnel (with or without reimbursement by the Director), and financial and other assistance as may be agreed upon between the Director of the Office of Government Ethics and such official.

"(g)(1) Any person who is offered compensation that, if accepted, might place the person in violation of subsection (b)(1) may, before accepting such compensation, request from the Office of Government Ethics advice on the applicability of this section to such compensation. The request shall be made jointly by the person and the contractor who offered such compensation to the person.

"(2) A request made under paragraph (1) by any person who has been offered compensation referred to in such paragraph shall include—

"(A) a full and complete description of the person's duties during the last 3 years the person was employed by the Department of Defense or served on active duty in the armed forces, as the case may be;

"(B) any official responsibilities the person exercised during those 3 years with respect to any procurement contract in which the contractor has or had an interest; and

"(C) the contractor's description of any services that the person will perform on behalf of the contractor.

"(3) Promptly upon receipt of any request made under paragraph (1), the Director of the Office of Government Ethics shall publish a notice of the request in the Federal Register. The notice shall include—

"(A) the name of the person making the request;

"(B) the contractor offering compensation to the person; and

"(C) the information included in the request under clauses (A), (B), and (C) of paragraph (2).

"(h)(1) Upon receiving a request for advice under subsection (g), the Director of the Office of Government Ethics shall determine whether the acceptance and payment of compensation referred to in the request is conduct punishable under subsection (b) or would be a violation of a contract provision required by subsection (c)(1).

"(2) Not later than 30 days after the date the Office of Government Ethics receives a request for advice under subsection (g), the Director of the Office shall issue an interim advisory opinion stating his determination under paragraph (1) based on an initial review of the request.

"(3) Not later than 60 days after the date the Office of Government Ethics receives a request under subsection (g), the Director of the Office shall issue a final advisory opinion stating his final determination under paragraph (1).

"(4)(A) Except as provided in subparagraph (B), if the Director of the Office of Government Ethics states in an interim advisory opinion issued under paragraph (2) that, based on the initial review, the Director concludes that the acceptance and payment of such compensation is not conduct punishable under subsection (b) and does not violate a contract provision required by subsection (c)(1), acceptance and payment of such compensation shall not be punishable under subsection (b) and shall not be considered a violation of such contract provision.

"(B) Subparagraph (A) shall not apply to an acceptance or payment of compensation which occurs after the date the Director of the Office of Government Ethics issues a final advisory opinion under paragraph (3) if the Director states in the final advisory opinion that acceptance and payment of the compensation is conduct punishable under subsection (b) or violates a contract provision required by subsection (c)(1).".

(B) The table of sections at the beginning of such chapter is amended by inserting after the item relating to section 2397 the following new item:

"2397a. Limitation on employment of certain Department of Defense personnel by defense contractors.".

(2) Not later than 180 days after the effective date of the amendments made by paragraph (1), the Secretary of Defense shall issue regulations specifying the procure-

ment functions covered by the description of functions set out in section 2397a(a)(4) of title 10, United States Code (as added by paragraph (1)).

(b)(1) The amendments made by subsection (a)(1) shall take effect January 1, 1986.

(2) The amendments made by subsection (a)(1)—

(A) do not prohibit—

(i) the continuation of employment which commenced before the effective date of the amendments; or

(ii) the receipt of compensation for such employment; and

(B) do not apply with respect to any procurement function performed before such effective date by a former officer or employee of the Department of Defense whose employment by the Federal Government terminated before such effective date or by a member or former member of the Armed Forces who was discharged or released from active duty in the Armed Forces before such effective date.

IMPROVED REQUIREMENTS AND PENALTIES RELATING TO DISCLOSURES OF EMPLOYMENT OF FORMER PERSONNEL OF DEFENSE CONTRACTORS BY THE DEPARTMENT OF DEFENSE

SEC. 607. (a) Section 2397 of title 10, United States Code, is amended—

(1) by striking out subsection (b);

(2) by redesignating subsections (c), (d), (e), and (f) as subsections (b), (c), (d), and (e), respectively;

(3) in subsection (b)(1) (as redesignated by clause (2))—

(A) by striking out "minimum rate for GS-13" and inserting in lieu thereof "minimum rate of basic pay payable for grade GS-11 under the General Schedule";

(B) by striking out "of at least $15,000" and inserting in lieu thereof "equal to or greater than the minimum rate of basic pay payable for grade GS-11 under the General Schedule"; and

(C) by striking out "contracts by the Department during the fiscal year that total at least $10,000,000" and inserting in lieu thereof "any contract during the fiscal year in an amount equal to or greater than $25,000"; and

(4) in subsection (d) (as redesignated by clause (2)), by striking out "$1,000, or imprisoned not more than 6 months, or both" and inserting in lieu thereof "$10,000".

(b) The amendments made by subsection (a) shall take effect January 1, 1986.

SEC. 608. There are authorized to be appropriated $3,000,000 for each of the fiscal years 1986 and 1987 to be available for the purpose of carrying out the provisions of Title 15 United States Code Section 644(K).

EFFECTIVE DATE

SEC. 609. This title shall become effective on October 1, 1985 except as may be provided in section 606 and 607.

BINGAMAN AMENDMENT NO. 155

Mr. BINGAMAN proposed an amendment to the bill S. 1160, supra; as follows:

On page 100, between lines 2 and 3, insert the following new section:

ANNUAL SELECTED ACQUISITION REPORTS

SEC. . (a) Subsection (c) of section 139a of title 10, United States Code, is amended to read as follows:

"(c)(1) Each Selected Acquisition Report for the first quarter for a fiscal year shall include—

"(A) the same information, in detailed and summarized form, as is provided in reports submitted under section 139 of this title;

"(3) the current program acquisition unit cost for each major defense acquisition program included in the report and the history of that cost from the date the program was first included in a Selected Acquisition Report to the end of the quarter for which the currrent report is submitted; and

"(C) such other information as the Secretary of Defense considers appropriate.

"(2) Each Selected Acquisition Report for the first quarter of a fiscal year shall be prepared and submitted in the same format and with the same content as was used for the Selected Acquisition Report for the first quarter of fiscal year 1984.

"(3) In addition to the material required by paragraphs (1) and (2), each Selected Acquisition Report for the first quarter of a fiscal year shall include—

"(A) a full life-cycle cost analysis for each major defense acquisition program included in the report which is in or has completed full-scale engineering development and which was first included in a Selected Acquisition Report for a quarter after the first quarter of fiscal year 1985;

"(B) if the system that is included in a major defense acquisition program described in clause (A) has an antecedent system, a full life-cycle cost analysis for that antecedent system; and

"(C) production information, including but not limited to—

"(i) a baseline annual production rate planned for the system through the projected termination of the procurement;

"(ii) cost and schedule variances caused by departure from the annual baseline production if the annual budget submission varies from the baseline;

"(iii) the annual production capacity provided with the facilities and tooling programmed for procurement in the program or otherwise provided by Government funds;

"(iv) the annual production rates assumed in the cost-effectiveness analysis presented at the time the Secretary of Defense authorized the military service component to proceed with full-scale development of the program; and

"(v) the cost savings projected to be available if the program submitted in the annual budget submission was procured at the annual production rate identified at the time the Secretary of Defense authorized the military service component to proceed with full-scale development of the program.

"(4) Selected Acquisition Reports for the first quarter of a fiscal year shall be known as comprehensive annual Selected Acquisition Reports.".

"(b)(1) The Secretary of Defense shall resubmit to Congress the Selected Acquisition Reports required by section 139a of title 10, United States Code, for the first quarter of fiscal year 1985. The reports as resubmitted shall be in the format and with the content required by paragraph (2) of section 139a(c) of such title, as added by subsection (a).

"(2) Such reports shall be submitted not later than 30 days after the date of the enactment of this Act.

BYRD AMENDMENTS NOS. 156 AND 157

Mr. BYRD proposed two amendments to the bill S. 1160, supra; as follows:

AMENDMENT NO. 156

At the end of title IX of division A of the bill, insert the following new section:

PROHIBITION AGAINST USING FUNDS APPROPRIATED FOR THE ADVANCED TECHNOLOGY BOMBER AND THE ADVANCED CRUISE MISSILE PROGRAMS FOR ANY OTHER PURPOSE

SEC. 917. (a) It is the sense of Congress that—

(1) the capabilities inherent in the technologies associated with the Advanced Technology Bomber program and the Advanced Cruise Missile program are a critical national security asset for maintaining an adequate and credible deterrent posture;

(2) such technologies and programs should be developed as rapidly as feasible in order to produce and deploy advanced systems which will complicate the military planning of the Soviet Union and as a consequence enhance the deterrence posture of the United States;

(3) such technologies and programs should be funded at the levels authorized in this Act; and

(4) all the funds appropriated for such programs should be fully used for such programs.

(b) None of the funds appropriated pursuant to an authorization of appropriations in this Act to carry out the Advanced Technology Bomber program or the Advanced Cruise Missile program may be used for any other purpose.

(c) It is the sense of the Congress that, consistent with the stated policy of the Department of Defense, the B-1B bomber aircraft procurement program should be terminated after acquisition under such program of 100 aircraft.

AMENDMENT NO. 157

In section 915 of the bill, beginning with "unless" strike out all down through "that purpose.", and insert a period.

HART AMENDMENT NO. 158

Mr. HART proposed an amendment to the bill S. 1160, supra; as follows:

On page 90, after line 24, insert the following new section:

PROHIBITION ON USE OF FUNDS FOR PROCUREMENT OF MX MISSILES OR FOR CONSTRUCTION OF MX MISSILE RELATED FACILITIES

SEC. 916. (a) Notwithstanding section 103, the total amount authorized to be appropriated for fiscal year 1986 for the procurement of missiles for the Air Force, as specified in such section, is reduced by $2,081,600,000.

(b) Funds appropriated pursuant to an authorization contained in this or any other Act for fiscal year 1986 may not be obligated or expended for the procurement or deployment of any MX missile or for the construction, conversion, or renovation of any facility for the deployment of the MX missile.

AUTHORITY FOR COMMITTEES TO MEET

COMMITTEE ON THE JUDICIARY

Mr. GOLDWATER. Mr. President, I ask unanimous consent that the Committee on the Judiciary be authorized to meet during the session of the Senate on Monday, May 20, in order to conduct oversight hearings on Civil RICO Suits Brought Under 18 U.S.C. 1964 (c)."

The PRESIDING OFFICER. Without objection, it is so ordered.

ADDITIONAL STATEMENTS

THE MILITARY RETIREMENT SYSTEM

● Mr. GOLDWATER. Mr. President, the Association of the U.S. Army has written a short, but right to the point, article on the dangers of legislatively attempting to correct inequities in the military retirement system without the legislative members knowing a lot more about it.

This article should be read by my colleagues. I ask that it be printed in the RECORD.

The article follows:

COMPARING RETIREMENT PROGRAMS—THE DUTY MAKES THE DIFFERENCE

A frequently voiced criticism of military retirement is that it is much more generous than civilian pension plans. Direct comparisons with private sector wage and benefit plans are sometimes useful mechanisms for gauging the general adequacy of military pay, but efforts to model service compensation after civilian systems have never been successful. In reality, the armed forces retirement system *is* unlike any other. That is as it should be, since duty in the uniformed services is totally incomparable with civilian employment.

Nowhere in the private sector are young men and women who first join an organization required to sign an unlimited liability contract such as that entered upon by service members. Without recourse, armed forces personnel can be legally required to fight anywhere in the world and may be severely punished if they disobey orders to do so. They may be used when and as long as the national authorities believe appropriate, with no regard for their personal preferences or their occupational specialties.

As a matter of course, service members forfeit a considerable degree of personal freedom and undergo frequent family disruptions and inconveniences while being subject to high risk. Long hours of grueling labor without overtime pay are regular features of military duty as are duties at undesirable or remote locations, living in housing which does not meet basic American standards and being on call all the time for an entire career.

National authorities retain complete and one-way control over the military force with the freedom to use it in any way necessary in the national interest. That includes the right to individually "fire" members, despite fully satisfactory performance, in mid-career, for any momentary convenience to the government. Service members may be forced to retire without regard to personal preferences or family circumstances, can be recalled whenever the need arises, and are subject to the Uniform Code of Military Justice in perpetuity.

Congress needs to carefully consider these rigid conditions of service before attempting to reform the retirement part of military compensation. It must compare duties before comparing pay.●

OIL HEAT CENTENNIAL YEAR

● Mr. CHAFEE. Mr. President, I am pleased to join Senator LEAHY as a cosponsor of Senate Joint Resolution 115, commemorating the Oil Heat Centennial Year.

On August 11, 1885, the U.S. Patent Office issued a patent to David H. Burrell for a furnace that could burn liquid and gaseous fuels. This furnace was the first practical oil burner in the United States.

The oil burner has had a profound effect on the technological development of our country. In World War I, the oil burner became the primary source of propulsion for large warships, helping to establish the United States as a world power. After the war, oil burner technology was extended to heat businesses and homes.

Oil burners continue to be a major heating source. In New England, more than 2 million commercial and residential buildings are heated by oil. In my own home State of Rhode Island, more than 170,000 buildings utilize oil heat, translating into 225 million gallons of heating oil per year. Over 800,000 Rhode Island residents depend on oil to heat their homes.

In order to commemorate the 100th anniversary of the oil burner, the Independent Oil Marketers in New England are planning a major celebration in June. I commend their efforts and ask that we, in Congress, also recognize the contribution of the oil burner to the technological revolution of the 20th century.

I urge my colleagues to support this effort.●

BUDGET STATUS REPORT

● Mr. DOMENICI. Mr. President, I hereby submit to the Senate a status report on the budget for fiscal year 1985 pursuant to section 311 of the Congressional Budget Act.

Since my last report, the Congress has cleared the automobile record-keeping repeal bill, H.R. 1869, for the President's signature.

The report follows:

[Report No. 85-6]

REPORT TO THE PRESIDENT OF THE U.S. SENATE FROM THE COMMITTEE ON THE BUDGET

STATUS OF THE FISCAL YEAR 1985 CONGRESSIONAL BUDGET ADOPTED IN H. CON. RES. 280 REFLECTING COMPLETED ACTION AS OF MAY 16, 1985

[In millions of dollars]

	Budget authority	Outlays	Revenues
Budget resolution level	1,021,350	932,050	750,900
Current level	1,015,973	933,364	750,589
Amount remaining	5,377	0	0

BUDGET AUTHORITY

Any measure providing budget or entitlement authority which is not included in the current level estimate and which exceeds $5,377 million for fiscal year 1985, if adopted and enacted, would cause the appropriate level of budget authority for that year as set forth in H. Con. Res. 280 to be exceeded.

OUTLAYS

Any measure providing budget or entitlement authority which is not included in the current level estimate and which would result in outlays exceeding $10 million for fiscal year 1985, if adopted and enacted, would cause the appropriate level of outlays for that year as set forth in H. Con. Res. 280 to be exceeded.

REVENUES

Any measure that would result in revenue loss exceeding $0 million for fiscal year 1985, if adopted and enacted, would cause revenues to be less than the appropriate level for that year as set forth in H. Con. Res. 280.●

THE ACEQUIA SYSTEMS OF NEW MEXICO

● Mr. DOMENICI. Mr. President, the New York Times recently carried a most interesting article on the acequias systems that we have in New Mexico.

These irrigation systems, many of which date to the 18th century, are vital to the survival of many smaller communities as well as the family farms we have in northern New Mexico.

To help my colleagues understand more fully this important facet of our New Mexico history, I ask that a copy of the article be printed at this point in the RECORD.

The article follows:

ANCIENT TASK REAFFIRMS RICH NEW MEXICAN PAST

(By Robert Reinhold)

LYDEN, N.M., April 13.—A warming spring sun crept over the snowcapped Sangre de Cristo mountains as old Alex Garcia prepared his men to perform an ancient ritual that has almost religious overtones in this remote part of northern New Mexico. It was the annual cleaning of the acequias, or irrigation ditches, along the Rio Grande.

The seemingly mundane task has been essential to survival here since the Spanish conquistadors pushed into this harsh but starkly beautiful land more than three centuries ago.

Mr. Garcia, the 66-year-old mayordomo, or manager, of the Lyden acequia district, takes the job very seriously. On his orders this morning, two dozen young and old men with shovels jumped into the ditch and began to shovel out the winter's collected debris of willow branches, rocks and beaver dams so that precious water could flow into the apple and plum orchards and corn fields that line the mile-and-a-half-long acequia.

First, the oldest man, Adonais Romero, walked down the littered ditch with a measuring rod, called a vara, marking off sections to be cleaned by each man. Then Mr. Garcia, in his straw hat, marched up and down, sternly ordering remedial work where the job was not done quite right.

RITUAL OF IDENTITY

It was a quintessentially New Mexican event, and one that has been performed faithfully every year for more than 300 years in this and about 1,000 other acequias. It is an event, moreover, that is closely bound up with the identity of this unusual region of the United States, where Spanish is spoken more than English, where the locals consider themselves descendants not of Mexicans but of the Spanish conquistadors, and where resentment over the en-

croachment of rich "Anglos" with their boutiques and art galleries into Santa Fe and Taos is deep.

There was a time when the ditches were the center of life in hundreds of tiny communities along the Rio Grande and other rivers, villages that did not even have electricity until after World War II. They not only carried water for the crops, but also served as wash basins for laundry and watering holes for livestock in an arid land where water has turned out to be more precious than the gold the Spanish conquerors sought in vain.

The annual cleaning, therefore, took on enormous significance and the ditches were the glue that held communities together. "I can remember as a kid the women would come and bring food for the men, posoles, frijoles, tortillas, biscochitos," said Wilfred Gutierrez, 50. "We were poor but we had plenty to eat."

Time has eroded the acequias and their importance. Young people, here as elsewhere, have been drifting away, into service jobs in the cities and in government. Also, the urbanization of Albuquerque, 75 miles south, is pressing relentlessly into the remote North. In many places ditches have decayed, along with the social cohesion they enforced.

Mr. Gutierrez has become a leader in a growing movement to rebuild the acequias as a means of preserving New Mexican heritage. He said the Lyden acequia, like others, serves mostly small farmers with only a few dozen acres who would be unable to compete with big agribusiness operations without this water.

"These things held the community together," Mr. Gutierrez said. "The acequias were something we all had in common. I fear that industry and the cities will take over the whole Southwest. We are getting more and more people from the East. And people demand water to live. Cities are growing. They want gold courses and parks, and it all becomes competitive for water. This is what bothers me. We have to keep our land profitable. This land has produced and fed families for generations."

But increasingly, families do not depend on the land anymore. Even Mr. Gutierrez is only a part-time farmer in nearly Belarde, earning his main income as a technician at Los Alamos National Laboratory.

FEDERAL HELP FOR DITCHES

Still, he has made his voice heard in Washington. He is president of Las Nueve Acequias Steering Committee, a group of nine acequia districts. The districts have quasi-governmental powers under New Mexico law, and are run by commissioners elected locally by the water users, or parciantes. The users are required to pay an annual fee to the associations, and the mayor-domos allocate water as it is needed.

The committee enlisted the aid of Senator Pete V. Domenici, and the New Mexico Republican persuaded his colleagues in Congress to appropriate $15 million to rehabilitate the nine acequias near here and the dams that feed them as a demonstration project.

Already, the fruits of the project are visible. The Bureau of Reclamation, an arm of the Interior Department, has replaced two decaying stone diversion dams on the Rio Grande with two sleek new concrete dams. Ultimately, seven new dams will be built along the valley from Espanola to Velarde, serving the ditches in such historic places as Alcalde, Lyden and El Guique.

It was only a few miles from here, at San Juan, where the Rio Grande joins the Rio Chama, that Don Jan de Oñate founded the first Spanish capital of New Mexico. There is archeological evidence that the Pueblo Indians, subdued by the Spanish, had long been diverting the powerful river into crops.

RETURNING TO THE LAND

Mr. Domenici's aide in Santa Fe, Ernesto Vigil, said it was difficult to persuade other legislators that the project was worthwhile. As Mr. Gutierrez put it, "They didn't even know what an acequia was in Washington."

But all the apple, peach, plum and chili planters here know. And they all dutifully send their men every April for the cleaning, for otherwise there is no crop. For the older people, particularly, the pull of the ditches is strong. After years of teaching linguistics at universities around the country, Dr. Robert Vilapando came home to New Mexico to retire in his native Alcalde. For the last decade, the 78-year-old scholar has been an elected commissioner of the Alcalde Acequia, several miles from the Lyden ditch.

Today, standing with a shovel under an ancient cottonwood, he spoke with pride of the ditch, which irrigates 132 small farms, his included, 800 acres in all.

"This is a very nice community ditch," he said. "It's community work. It's an old tradition. The Indians came in with the Spaniards and built this ditch. The people are proud of that. The cleaning has been done every year."

Few people are following in Dr. Vilapando's footsteps, but to Mr. Gutierrez, a commissioner of two ditch associations, the survival of the acequias means nothing less than preserving a unique form of American democracy.

"The beauty of this was that our way of electing commissioners and distributing water was one of the most equitable—it was democracy at work," he said. "When we depended on farming for subsistence, we had rules that gardens had first priority, then orchards and alfalfa. It was a very equitable way of getting along."●

CONGRESSIONAL CALL TO CONSCIENCE

● Mr. BOSCHWITZ. I once again rise to draw attention to the problem of Jews and others living in the shadow of oppression in the Soviet Union.

This congressional call to conscience is an important effort to assure those who live in oppression that theirs is not a battle they must fight alone. Their struggle is a worldwide battle that must continuously be fought. As chairman of this vigil, I am very involved in drawing the world's attention to those whose basic freedoms have been stripped away. There is a member of my family, living in Israel, Hassia Bosschwitz, who is also very active in behalf of Soviet Jewry. I ask to place in the RECORD an article she sent to me from the Jerusalem Post about Dan Shapira's struggle to settle in Israel. My cousin had the pleasure of meeting with Dan who so yearns to be with his people in their homeland.

Our worldwide effort must not cease or abate. Thousands of individuals like Dan Shapira, have been denied the right to practice their religion freely and the right to emigrate. The congressional call to conscience involving scores of Senators reaffirms our intent of changing these practices by the U.S.S.R. and convincing them that progress in all relations between our countries will be tied to matters of human rights.

The article follows:

MEETING WITH A YOUNG MAN OF SORROWS

(By Judy Siegel)

He is tall and thin, with a low-pitched voice and hunched shoulders, as if he carried the sorrows of the world on his back.

Dan Shapira marks his 24th birthday this week but he behaves in such a sober manner that he seems to be at least a decade older. Dan—a member of the new generation of Soviet Jewish aliya activists—faces a possible three years imprisonment, having been arrrested a few weeks ago for "anti-Soviet propaganda."

Two Israelis who met Shapira last summer returned from the USSR with the unforgettable memory of the young Jew etched in their minds, determined to help him in his struggle to settle in Israel.

Hassia Bosschwitz, a biochemist at the Hebrew University in Jerusalem, met Shapira, the only son of a Communist, during a trip to Moscow as one of 90 Israeli scientists attending a professional conference.

Etka Liebowitz, a librarian living at Kibbutz Ma'ale Gilboa, was in Russia on an American passport. She taped a five-minute message from Shapira, delivered in flawless Hebrew and an incredible, self-taught Israeli accent that falters only when he hesitates between words.

"We want to be reunited with our people, our land, our state." he says, "Because some of us don't have families in Israel." He adds, with a somewhat bitter note: "We are very worried, we sometimes get the feeling that Israel doesn't want us. We're not sure that Israel is so interested in aliya."

But Shapira is determined nevertheless to come to his homeland.

"The time has come to demand a mass return to the homeland, rather than piecemeal aliya by individuals being reunited with their families." Shapira says, ending simply with the word "Shalom."

The biochemist says that she had not been active in the Soviet Jewry movement before going to Russia, but she did have sympathy for it. While preparing her paper for delivery at the conference, former Russian immigrants who heard about her plans came to send regards to relatives still in the USSR. After meeting with many refuseniks in Moscow and elsewhere, Bosschwitz couldn't return home apathetic. "They're our brothers. It's hard to watch them suffer," she says.

Both Bosschwitz and Etkin, who is vice president of the Association for the Dissemination of the Hebrew Language in the USSR and a member of the executive board of the Soviet Jewry Education and Information Centre (both based in Jerusalem), were very impressed by Shapira.

Despite his age, he has a broad awareness of the world and speaks seven languages, including Arabic and Aramaic. His specialty is in German language, and he was accepted as a member of the Israel Association for Applied Linguistics.

Coming from a secular, atheistic family, he is now traditional, but not religious.

His interest in Judaism and Zionism seems to have been sparked by experience with

anti-Semitism. He noticed some graffiti on the wall of a lavatory in the German Language Academy where he studied: "As long as a single *zhid* remains in Russia, he must suffer from genocide." As soon as Shapira applied for an exit visa to Israel, he dropped out of his studies.

During their meeting in Moscow, Shapira asked Bosschwitz for a copy of James Joyce's *Ulysses* in Hebrew. "It's such a difficult book and Dan wanted to read it in Hebrew!" Bosschwitz recalls in admiration. "But it hasn't yet been published in Hebrew," she adds.

He also requested a copy of *Israel Without Zionism* by Uri Avneri, explaining that *Pravda* quotes from the left-wing author's book and he wanted to read the original. A third book Shapira wanted was a "dictionary in rhyme," something that his guest has never heard of and believes may have been written during the Middle Ages by Rabbi Sa'adia Gaon.

When Etka spoke to Dan by phone a few days before his arrest, his last request was to receive a certificate testifying to the fact that he is an Israeli citizen by the Law of Return.

Shapira is one of the young generation of Jews in Russia who grew up after the terror of the Stalin era and who is young enough to risk his future for the right to live in Israel.

During the biochemist's visit, former Israeli president Prof. Ephraim Katzir, an internationally eminent scientist, was called in for questioning by the Soviet authorities. He had told them earlier that he planned to visit with Jewish activists, and was arrested on his way to his first visit. Bosschwitz says the KGB knew exactly who Prof. Katzir was and arrested him to scare Russian Jews.

The Israeli delegates to the 6,000-participant conference traveled everywhere with badges in Russian and Latin letters declaring they were from Israel. Most people were afraid to talk to them. All attended synagogue services in Moscow on Shabbat.

Bosschwitz says she turned down an opportunity of a lifetime—the chance to attend a free performance organized for the delegates of the Bolshoi Ballet. She went to see *refuseniks* instead, and she says she doesn't regret it.

Shapira's 24th birthday is on March 1. Congratulations can be cabled to his father, Jan Shapira, Moscow 123481. Planernaya 12-3-64. USSR.●

JOHN HOPE FRANKLIN ON APARTHEID

● Mr. KENNEDY. Mr. President, the issue of U.S. policy toward South Africa has been the subject of several hearings in two major Senate committees. Consideration of this very important issue will be before the full Senate in the near future.

Dr. John Hope Franklin, speaking for the commencement exercises of Brandeis University, May 19, 1985, addressed the question of South Africa in his remarks. Dr. Franklin is a leading historian and the author of "From Slavery to Freedom," the landmark text on the history of black Americans and United States racial policy, law and practice.

He is the James B. Duke professor of history at Duke University.

Dr. Franklin is an expert on the history of public policy and race in the United States. As such his assessment of apartheid in South Africa should be given great weight by this body.

I ask that the following text of Dr. Franklin's speech as reported in the Boston Globe be printed in the RECORD.

The speech follows:

APARTHEID IS TARGETED IN BRANDEIS TALK

Not since the Nazi terror was ended in Europe with the close of World War II has a system of government been as inhumane as that in South Africa today, a leading black historian said at the Brandeis University commencement in Waltham yesterday.

He also said the United States will forfeit its claim to world leadership if it fails to adopt policies that force change.

"South Africa" is imperialistic and terroristic," said John Hope Franklin, the James B. Duke professor of history at Duke University in North Carolina.

"It is as close to being uncivilized as one can imagine a country to be," he said.

Franklin, who received an honorary degree from Brandeis, said that in South Africa, "the color bar is more extensive and more rigidly enforced than anything known in this country, even in its most racist phase.

"Since 1945, there has been nothing to approach the depth of inhumanity that has become commonplace in South Africa today."

Franklin said that nation has disfranchised most of its population. South Africa "is the clearest example we have of the utter and complete rejection of the elementary democratic principles that this country has espoused for more than two centuries." Franklin said.

"It is my view that if we as a nation and a people cannot stand up against South Africa in the United Nations, on Wall Street, in the banking community and in our personal convictions and policies, we have forfeited any claim to leadership in the community of civilized nations," he said.

Franklin said the South African government actually is encouraged by the politics and practices of the United States government.

"Think for a moment of the stark fact that this government, so activist and so interventionist in political situations around the world, has so little to say about the government that denies virtually all of the tenets in which our Administration theoretically places so much stock," he said.

"What about the powerlessness of the people. 28 of whom the police killed a few weeks ago at Ultenhage, which moved the President of the United States merely to comment that perhaps it was the fault of the victims themselves.

Franklin described South Africa as "the worst of all nations on the face of the earth today," prospering as "an outlaw nation" that terrorizes its neighbors and defies all international authorities.

Franklin and nine other guests received honorary degrees at the ceremony, in which about 850 graduate and undergraduate degrees were awarded.●

PROPOSED ARMS SALES

● Mr. LUGAR. Mr. President, section 36(b) of the Arms Export Control Act requires that Congress receive advance notification of proposed arms sales under the act in excess of $50 million or, in the case of major defense equipment as defined in the act, those in excess of $14 million. Upon such notification, the Congress has 30 calendar days during which the sale may be reviewed. The provision stipulates that, in the Senate, the notification of proposed sales shall be sent to the chairman of the Foreign Relations Committee.

In keeping with the committee's intention to see that such information is immediately available to the full Senate, I ask to have printed in the RECORD at this point the notification which has been received. The classified annex referred to in the covering letter is available to Senators in the office of the Foreign Relations Committee, room SD-423.

The notification follows:

DEFENSE SECURITY ASSISTANCE AGENCY,
Washington, DC, May 20, 1985.

[In reply refer to: I-02275/85ct]

Hon. RICHARD C. LUGAR,
Chairman, Committee on Foreign Relations, U.S. Senate, Washington, DC.

DEAR MR. CHAIRMAN: Pursuant to the reporting requirements of Section 36(b) of the Arms Export Control Act, we are forwarding herewith Transmittal No. 85-34 and under separate cover the classified annex thereto. This Transmittal concerns the Department of the Army's proposed Letter of Offer to Korea for defense articles and services estimated to cost $29 million. Shortly after this letter is delivered to your office, we plan to notify the news media of the unclassified portion of this Transmittal.

Sincerely,

PHILIP C. GAST,
Director.

[Transmittal No. 85-34]

NOTICE OF PROPOSED ISSUANCE OF LETTER OF OFFER PURSUANT TO SECTION 36(b) OF THE ARMS EXPORT CONTROL ACT

(i) Prospective Purchaser: Korea.

(ii) Total Estimated Value:

	Million
Major Defense Equipment [1]	$27
Other	2
Total	29

[1] As defined in Section 47(6) of the Arms Export Control Act.

(iii) Description of Articles or Services Offered: A quantity of 1,432 Area Denial Artillery Munition (ADAM) and a quantity of 7,008 Remote Anti-Armor Mine System (RAAMS) 155mm projectiles.

(iv) Military Department: Army (XTG).

(v) Sales Commission, Fee, etc., Paid, Offered, or Agreed to be Paid: None.

(vi) Sensitivity of Technology Contained in the Defense Articles or Defense Services Proposed to be Sold: See Annex under separate cover.

(vii) Section 28 Report: Case not included in Section 28 report.

(viii) Date Report Delivered to Congress: May 20, 1985.

POLICY JUSTIFICATION

Korea—155mm Projectiles: The Government of Korea has requested the purchase

of 1,432 Area Denial Artillery Munition (ADAM) and 7,008 Remote Anti-Armor Mine System (RAAMS) 155mm projectiles. The estimated cost is $29 million.

This sale will contribute to the foreign policy objectives of the United States by helping to improve the security of a friendly country which has been and continues to be an important force for political stability and economic progress in Eastern Asia.

The Republic of Korea needs these 155mm projectiles to enhance deterrence and contribute to the preservation of peace and stability on the Korean peninsula.

The sale of this equipment and support will not affect the basic military balance in the region.

The production sources will be the Louisiana Army Ammunition Plant of Shreveport, Louisiana and the Iowa Army Ammunition Plant of Middletown, Iowa.

Implementation of this sale will not require the assignment of any additional U.S. Government personnel or contractor representatives to Korea.

There will be no adverse impact on U.S. defense readiness as a result of this sale.●

SECURITIES SAFETY AND SOUNDNESS ACT OF 1985

● Mr. DOMENICI. Mr. President, I have received numerous letters about my proposed moratorium on junk bonds, S. 975. The overwhelming majority of these letters—from New Mexico and from around the country—support the bill. The letters are from concerned taxpayers, employees of takeover candidates, Wall Street professionals, and shareholders. I think that the direct words of these people exemplify public opinion in general on the junk bond issue. Here are some direct quotes from their letters:

Who are they (managers of target firms) to be replaced with? Financial manipulators who have no management experience or knowledge of the industry or firm? . . . for every firm whose management is improved by a raider, there are surely ten firms that are weakened and shrunk. The raiders and present stockholders are always the gainers. The losers are the subsequent stockholders as well as present employees, suppliers, customers and communities. The final loser is the nation as a whole. The Japanese are successful because they invest in their firms for the long haul, not because they de-industrialize their country for a fast buck.—Albert Sanders, New York.

The so-called "shareholder revolution" is mis-titled: It is just a plain ordinary "promoter's scam."

As more and more companies are restructured, and the number of employed persons decreases, the pension contributions will become less and less, eventually the institutions will run out of pension fund money. . . We want our pension fund managers to invest solely in companies with excellent fundamental values and expectations of growth.—C. R. Palmer, Texas.

The Unocal attempted take-over concerns me for Colorado as well as for this country. In Mesa and Garfield counties alone, Unocal employs over 550 people with a payroll in excess of $23 million. This company has been a good neighbor in our area many years.

The prospects of Unocal being taken over, perhaps even its assets liquidated, is frightening to me. It would be a real blow to this area, a blow to this United States if some 20,000 employees were out of work.—Joseph C. Prinster, Chairman, Mesa County Economic Development Council, Colorado.

Unfortunately most of their (takeover speculators) targets are well managed companies. The take-over artists are not fools; they know that junk bonds can't be based on junk operations.

The take-over speculator doesn't care about long term values. . . . The long term investor sells out because at least he gets cash-less-tax for acceptance of the takeover offer whereas if he waits until the take-over is completed all he will get for his equity is a junk bond in a debt ridden company.

. . . In Great Britain the financial policy was to pay out all earnings and to rely on borrowed money or new equity for new investments. The result: bankrupt businesses with worn out facilities and, consequently, no credit for the required new investments.—George Gibson, New Jersey.

A large portion of my company's funds were recently devoted to preventing a hostile attempt to force our stock to be sold publicly, and thereby remove one of our strengths—employee ownership. . . . It is essential for Congress to investigate their motivation, understand their implications, and determine if legislation is needed to ensure that proper business practices are followed.—John N. Brothers, New Mexico.

Hundreds, if not thousands, of peoples' lives have been affected, often traumatically by these unwanted speculations.

Liquidation of a large integrated oil company, especially to small oil producers, will mean the end to the advancement of technology in every aspect.

A suitable analogy of the situation is to say that a spouse, because of the insurance payments, is worth more dead than he or she is alive.

As the late Winston Churchill said, "The price of strength is to be responsible."—N. Phillman Ho, California.

All of my adult working life has been spent on Wall Street. In no case in my more than two decades of experience from the viewpoint of any of my previous positions can I summon a memory of more frequent abuse.

Unlike loans to less developed countries, this financial activity does not ever carry the least element of social good such as elevating the lives of the economically less fortunate. Quite the contrary, a small rapacious group of "financiers" clustered about the firm of Drexel Burnham Lambert is destroying some of the best managements of America's finest companies—William E. Morfeld, New York.

Why should these senseless "fast buck muggers" be allowed to devastate good companies and people who have saved a lifetime to enjoy their later years, without Federal help.

Based on present circumstances it was necessary to change my investment plans and accept much less, while Pickens and Icahn enjoy millions of dollars at taxpayers expense. I recommend prompt enactment of a moratorium.—Philip R. Sweeney, Texas.

These letters are just a sample of the mail I have received in support of the Securities Safety and Soundness Act. We should be listening to these voices from the public and not the smooth talking voices of a sophisticated few who have a vested interest in making quick money.●

RADIO MARTI

● Mrs. HAWKINS. Mr. President, today freedom-loving Cubans everywhere commemorate a day of frustrated hope, and of hope newborn; 83 years ago today the United States ended its 3 year administration of Cuba following the Spanish-American War, and the people of Cuba regained full control over their destinies. Since 1959, that sovereignty, that freedom has been casually sold to promote the ego and prestige of Fidel Castro. Castro has auctioned off the pride and destiny of the Cuban people in exchange for massive amounts of Soviet aid. With Soviet aid amounting to 25 percent of the Cuban economy, or $4 billion annually, there can be little doubt that the withdrawal of such aid would result in a drastic decline in the standard of living of the Cuban people and possibly even the collapse of the Cuban economy.

There is no such thing as a free lunch. The Soviets do not hand out aid like this for nothing—you can be sure that there is a price, and that price has been the freedom, dignity and sovereignty of the Cuban people—all so that Fidel Castro can strut around the United Nations or the capitals of the Soviet bloc countries acting like he is important—a truly pathetic sight. We can plainly see why today, Cuban Independence Day, would be a day of frustrated hope for freedom-loving Cubans everywhere. But today is also a day for hope, new born, because today marks the beginning of broadcast by Radio Marti.

We have waited almost 1½ years since the President signed the bill into law permitting the beginning of broadcasts to Cuba. Now, at long last, that day has arrived. How fitting it is for a station whose mission is to promote the cause of freedom in Cuba to begin on this day of all days. Perhaps now the people of Cuba will have a basis by which they can regain control over their own destinies.

For too long the people of Cuba have been denied access to accurate and objective broadcasts relevant to their daily lives. Until today, the Cubans have been dependent on the propaganda machine of the Castro government for their so-called news. While they did have access to the Voice of America with its broadcasts to all of Latin America about life in the United States, they had no alternative to Castro's lies and deception regarding news about Cuba. Radio Marti now gives them that alternative.

Radio Marti marks a new hope for the people of Cuba. This is a peaceful initiative that could mark the beginning of unshackling the minds of the Cuban people that for too long have been chained by Castro's lies, propaganda, misinformation and deception. I welcome this new beginning.●

NATIONAL CRIME PREVENTION COUNCIL

● Mrs. HAWKINS. Mr. President, thanks to the National Crime Prevention Council, I am happy to say that McGruff has just about become a household word. Through pamphlets, flyers, radio, and TV coverage, calendars, posters, stamps and many other means, "Take a bite out of crime" has become a popular statement.

The National Crime Prevention Council uses the character "McGruff" to teach children about safety at home, school, and in all other aspects of life. One focus of the Council is on child abuse which uses the dog, McGruff, to explain the wrong kinds of touching and the importance of telling someone if a child feels wrong about something. They use a variety of ways to reach these children. One such technique they use is the Crime Prevention Activity Book which is filled with games and puzzles. They also have an elementary school program which is the answer to law enforcement's dilemma concerning how to get the message of safety and crime prevention to the children of America. They are doing all that is possible to positively mold the character and influence the minds of our Nation's children, by putting McGruff in schools from kindergarten to sixth grade.

I commend the National Crime Prevention Council for its extremely successful efforts in all crime prevention, and especially in the area of child safety. They contribute to the decline of crime overall which dropped from 29 percent in 1982 to 27 percent in 1983, the sharpest drop in 9 years of national crime surveys.

I ask that safety tips published by the National Crime Prevention Council on the subjects of missing children, sexually abused children and latchkey children be printed in the RECORD.

The material follows:

SEXUALLY ABUSED CHILDREN

Each year in the U.S., an estimated 100,000 children suffer some form of sexual abuse. Most of them are girls, but boys can also be victims. Teaching "stranger rules" is smart, but not enough—in the majority of cases, the child sexual molester is known to the child and the child's family. That's why only a minority of cases is reported. The abuser is often a parent, "good old Uncle Bill," a babysitter, or a close family friend.

Children may given in to adults' sexual advances because they fear losing their love, or fear their punishment, so they're *especially* vulnerable to abuse by someone they know. Children are trusting and defenseless, and they'll often feel guilty, as if they caused an assault.

Children may not recognize sexual abuse when it happens or even know it's wrong, although they often instinctively know what "proper distance" should be kept between them and other persons. They must learn what appropriate "touching" is, and, if they're ever uncertain about someone's intentions, they should know it's O.K. to respond in a way that makes them feel safer and more comfortable. While it is always difficult to talk about sexual abuse, the *only* way to do something about the problem is to have the child *tell someone.*

Adults should remember that, while children often make up stories, they rarely lie about being the victims of sexual abuse. If a child tells you about being touched or assaulted, take it seriously. Your response is very important. It will greatly influence how the child reacts to and recovers from the abuse.

Sometimes, a child may be too frightened or confused to talk directly abut abuse. Be alert for any change in behavior that might indicate that the child has suffered a disturbing experience:

Is the child suddenly more withdrawn than usual, refusing to go to school or afraid to be alone?

Is the child having trouble sleeping, waking up with nightmares, or wetting the bed?

Is the child complaining of irritation of the genital area?

Are there signs of increased anxiety or immature behavior?

Has the child's attitude changed toward a relative, neighbor or babysitter? Make sure you check carefully the references of babysitters, recreation leaders, and day care centers.

Abusers will continue until they're stopped. Abused children can be abusive—to themselves or others—when they become adults., It's a vicious circle that *can* be broken.

LATCHKEY CHILDREN: YOUNG CHILDREN AT HOME ALONE

An estimated 5 to 12 million children between the ages of 5 and 13 are regularly left alone at home for some part of the day. Leaving children alone always causes some anxiety, but knowing they are prepared to cope with situations that may arise will lessen the worry.

As a parent:

Be sure your children know how to use the telephone (both pushbutton and dial models) to make local, long distance and emergency calls and to dial the operator.

Post emergency numbers near all the phones in your home.

Make sure your children lock the door after they arrive home and then check in with you or a trusted neighbor.

Teach them to work the door and window locks in your home.

Tell your children what to do in case of fire.

Tell your children that they are never to go anywhere with another adult, even one who says he or she was sent by you. Adopt a family "code word" to be used if a third party is ever to pick up your children.

Teach your children, if they ever feel they're being followed, not to run home but to a store, public place, back to school, or to the nearest "Safe House."

Teach your children never to get near or into a stranger's car, or to take a walk with a stranger who says he needs the children to "show" him something.

Impress on your children that you always want to be told if anything happens to them while they're away from you that makes them feel uneasy or uncomfortable. Children will sometimes phrase this as feeling "funny."

Tell your children not to go into anyone's house or apartment without your permission and make sure you know the people who live in any home your child wants to visit.

Get together with other parents and approach your school or a community group about starting an extended-day program. Look into starting a "McGruff "Safe House" program in which neighborhood parents, grandparents, or other adults are recruited to volunteer their homes to serve as temporary shelters for frightened or lost children. A special sign posted in the window of these homes tells children this is a place to go when they are confronted with a serious problem. Local law enforcement can help in setting up a sound and enforcement program.

PREVENTING MISSING CHILDREN

Between 1.3 and 1.8 million children are reported missing in the United States every year. Some run away, others are abducted by strangers or by parents. Each year between 20,000 and 50,000 cases of missing children remain unsolved by the police.

Parents can take positive actions to protect their children. They can teach them:

That no adult has authority over them simply by virtue of size—that the children can say no.

To know their home address, including the city and state, and phone number *with* area code.

To use both pushbutton and dial phones for local and long distance calls.

To memorize emergency phone numbers.

To run to the nearest public place, store or police station, if they feel unsafe.

To watch for enticements from strangers—like candy, gifts, money, or request to help find a lost dog or cat.

Not to get close to a car if a stranger calls out for directions or anything else. It is easy for a stranger to pull a child into a car.

Not to open the door to strangers.

Not to tell callers that mom or dad isn't home.

Say they can't come to the phone and will call back.

Not to walk alone if they can help it.

To walk near the curb, on lighted streets at night, and against the traffic, and to travel known routes.

To run away, scream and make lots of noise if they are followed or grabbed by a stranger. The last thing a dangerous stranger wants is a lot of attention.

To go to the checkout counter and wait to be called on the loudspeaker if they are separated from you in a store.

Never to go out to a parking lot alone.

To tell parents immediately if anyone or any incident has made them feel uncomfortable.

Finally, parents should keep recent, clear photographs of their children in at least two different poses.

BEER AND WINE ADVERTISING

● Mrs. HAWKINS. Mr. President, alcoholism and alcohol abuse are serious problems, costing the Nations some $44.3 billion per year in lost wages, damages, and medical fees. Highway deaths involving drunken drivers have averaged 25,000 each year for the past 10 years. Some 200,000 Americans are injured each year in car accidents attributed to drunken drivers. We all know many other personal tragedies due to abuse of alcoholic beverages.

On February 7, 1985, my Subcommittee on Alcoholism and Drug Abuse

held an information hearing to question the relationship, if any, between alcohol product advertising and alcoholism, alcohol abuse, drunk driving, and underage consumption. Testimony was received from the Federal Trade Commission, representatives of the beer, wine, broadcast, and advertising industries, the Freedom of Expression Foundation, the Center for Science in the Public Interest, Florida Informed Parents, National Council on Alcoholism, Telecommunications Research and Action Center, and the National PTA.

Chairman Miller of the FTC testified that the Agency's role in deciding whether advertising is lawful is restricted to deception or unfairness. The FTC sees no reason now to mount an assault on alcohol beverage advertising.

Members of the beer, wine, broadcast and advertising industries testified that their advertising must already meet industry guidelines, network codes and Federal, State, and local laws and regulations before being aired and that potential problem advertising is disposed of in this manner. Of significant importance was testimony that beer sales have been level to declining since 1981, while advertising expenditures have reached an all-time high. Industry witnesses testified they compete for market share. A 1-percent change in market share is worth approximately $380 million per year. In addition, U.S. per capita alcohol consumption today is about half what it was 10 years ago. Modern advertising cannot be blamed for increasing consumption.

The alcohol, broadcast, and advertising industries, in addition to Government agencies and many others, sponsor education and research programs to address alcohol-related problems. At issue is the abuse of alcohol, not responsible consumption. A ban on broadcast advertising would not affect alcohol abusers, but would treat moderate drinkers as irresponsible. Testimony was also presented that scientific research in this country, Canada, and abroad documents no consumption or abuse improvements when alcohol advertising is banned. The broadcast and advertising industries also testified that mandating counter advertising would set a dangerous precedent for any advertised products with the potential for misuse.

Eliminating beer and wine sponsorship of amateur and professional sports would drive much sports programming to pay TV or simply result in its not being covered by the electronic media, broadcasters said.

Testimony was received calling for a careful examination of case law since 1975 on the issue of commercial free speech. A 1980 Supreme Court decision said that commercial speech could only be limited if found to be misleading, false or related to illegal activity.

Proponents testified that an advertising ban would not be a panacea to drunk driving and other alcohol abuse problems, but would be one facet of a comprehensive program to redefine alcohol in American society. They also stated that beer and wine advertising in sports and prime time hours has to have an effect on those watching, including young people, or the advertisers would not purchase the time.

Mr. President, the purpose is to increase market share, build brand loyalty, and introduce new products. The subcommittee could not find evidence to conclude advertising influences nondrinkers to begin drinking or to increase consumption. Scientific evidence as reported in respected scientific journals shows broadcast advertising has a minimal effect on drinking behavior. According to these journals, drinking behavior is influenced by parental example and peer pressure. Our subcommittee record contains no facts which would justify legislation to ban. censor advertising of beer and wine products, or require counter advertising.

Mr. President, in the past I have used this forum to compliment the broadcasters, brewers, and vintners for the many programs they have instituted to help combat the serious problem of alcohol misuse. I continue to believe that these industries can be an important part of the solution to the problem of alcohol misuse.

My colleagues may be assured that the subcommittee will continue to monitor the problem of alcohol and drug abuse in our society and do whatever we can to discourage its misuse.●

ORDER VITIATING ACTION ON S. RES. 159

Mr. SIMPSON. Mr. President, after conferring with the minority leader, I ask unanimous consent that the Senate action taken Friday, May 17, 1985, on Senate Resolution 159 to establish a select committee to study the 2-year budget process be vitiated and that Senate Resolution 159 be placed back on the Calendar.

The PRESIDING OFFICER. Without objection, it is so ordered.

RECOGNIZING THE CENTENNIAL ANNIVERSARY OF THE HOLSTEIN-FRIESIAN ASSOCIATION OF AMERICA

Mr. SIMPSON. Mr. President, I ask unanimous consent that the Senate proceed to Senate Resolution 169, recognizing the centennial anniversary of the Holstein-Friesian Association of America, which is being held at the desk.

The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows:

A resolution (S. Res. 169) recognizing the centennial anniversary of the Holstein-Friesian Association of America.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Wyoming?

There being no objection, the Senate proceeded to consider the resolution.

Mr. DOLE. Mr. President, it is my pleasure today to introduce a sense of the Senate resolution recognizing the centennial anniversary of the Holstein-Friesian Association of America and to be joined as original cosponsors by my distinguished colleagues, Senators ANDREWS, BOSCHWITZ, BURDICK, COCHRAN, COHEN, D'AMATO, EAGLETON, HEFLIN, HELMS, HOLLINGS, HUMPHREY, JOHNSTON, KASSEBAUM, KASTEN, KENNEDY, LEAHY, LUGAR, MCCLURE, MOYNIHAN, NUNN, PRYOR, STAFFORD, STENNIS, WILSON, and ZORINSKY.

ASSOCIATION PURPOSE

Mr. President, the Holstein-Friesian Association of America has grown from a beginning membership of 284 at the time of its incorporation in 1885 to over 44,000 breeders of purebred, registered holstein dairy cattle making it one of the premier dairy cattle breed organizations in the world.

As expressed in its original charter, the purpose of the association was to "improve the breed of holstein-friesian cattle; ascertaining, preserving and disseminating all useful information and facts as to their pedigrees and desirable qualities, and the distinguishing characteristics of the best specimens, and preparing, publishing and supplying all necessary volumes of the Holstein-Friesian Herd Book; and, generally, for promoting and securing the best interests of the importers, breeders and owners of holstein cattle, and thereby the public generally."

Mr. President this has been a worthy and admirable aim of the Holstein-Friesian Association of America. The association can be proud of its role in developing the quality of the holstein dairy cattle breed throughout the United States and the world. U.S. holsteins account for upward of 90 percent of the Nation's milk supply as well as being a primary source of genetic material used for development and improvement of dairy cattle throughout the world.

Mr. President, it is indeed appropriate to recognize the 100th anniversary of the Holstein-Friesian Association of America and compliment them for their efforts in developing the holstein dairy breed with its important role in providing a nutritious, wholesome and abundant supply of dairy products to our Nation's consumers.

The PRESIDING OFFICER. Is there further debate? If not, the question is on agreeing to the resolution.

The resolution (S. Res. 169) was agreed to.

The preamble was agreed to.

The resolution, with its preamble, reads as follows:

S. RES. 169

Whereas the Holstein-Friesian Association of America is a premier dairy cattle breed organization in the world;

Whereas the Holstein-Friesian Association of America, a non-profit membership organization of more than forty-four thousand breeders of purebred, registered Holstein dairy cattle, was organized on May 25, 1885, and this year celebrates its one hundredth anniversary;

Whereas the Holstein breed of dairy cattle produces more than 90 percent of the Nation's milk supply;

Whereas such Association maintains the only official, complete genetic data bank and lineage record for all purebred, registered Holstein dairy cattle in the United States;

Whereas such Association through its many programs and services to the dairy industry has provided and continues to provide an environment, incentives, and genetic data for the continued improvement of the Holstein breed;

Whereas United States Holsteins are recognized worldwide as the superior strain of Holstein breeding stock; and

Whereas the genetic pool of the Holstein breed in the United States has become the primary source of genetic material for the development and improvement of dairy cattle throughout the world: Now, therefore, be it

Resolved, That it is the sense of the Senate that on the occasion of the centennial anniversary of the Holstein-Friesian Association of America—

(1) recognition and commendation be extended the Holstein-Friesian Association of America for its most noteworthy contribution to the great American agricultural revolution;

(2) special commendation be extended for such Association's contribution to the genetic advancement and efficiency of the national dairy herd; and

(3) the Holstein-Friesian Association of America be complimented specifically on the advancement of the Holstein breed of dairy cattle in the United States and the contribution being made through its genetic pool of purebred, registered animals to the advancement of the Holstein breed worldwide.

Mr. SIMPSON. Mr. President, I move to reconsider the vote by which the resolution was agreed to.

Mr. BYRD. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

REPRESENTATION BY SENATE LEGAL COUNSEL IN CIVIL ACTION

Mr. SIMPSON. Mr. President, I send a Senate Legal Counsel resolution to the desk on behalf of Senator DOLE and Senator BYRD and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows:

A resolution (S. Res. 171) to authorize the representation by Senate Legal Counsel of a former Senate employee in the case of *Donald M. Zahn* v. *National Right to Work Committee.*

The PRESIDING OFFICER. Is there objection to the request of the Senator from Wyoming?

There being no objection, the Senate proceeded to consider the resolution.

Mr. DOLE. Mr. President, this is a resolution relating to a subpoena to a former Senate staff member and representation by the Senate Legal Counsel.

Paul C. Summitt, a former staff member of the Committee on the Judiciary, has been subpoenaed by the plaintiff to testify in the case of *Donald M. Zahn* v. *National Right to Work Committee,* Civil Action No. 84-1223-A, an age discrimination action pending in the U.S. District Court for the Eastern District of Virginia. The plaintiff was a lobbyist for the defendant, and during 1981 and 1982 lobbied in support of a bill which was under consideration by the Judiciary Committee. The Senate Legal Counsel has been advised that plaintiff is seeking the testimony of Mr. Summitt, who had primary staff responsibility for such bill, in order to establish the plaintiff's competency as a lobbyist.

The speech or debate clause of the Constitution forecloses the judicial questioning of Members and staff about their consideration of legislation. The following resolution authorizes the Senate Legal Counsel to represent Mr. Summitt and to assert the privileges of the Senate.

The PRESIDING OFFICER. The question is on agreeing to the resolution.

The resolution (S. Res. 171) was agreed to.

The preamble was agreed to.

The resolution, with its preamble, reads as follows:

S. RES. 171

Whereas the case of *Donald M. Zahn* v. *National Right to Work Committee,* Civil Action No. 84-1223-A, is pending in the United States District Court for the Eastern District of Virginia;

Whereas Paul C. Sumimtt, a former member of the staff of the Committee on the Judiciary, has been served with a subpoena to appear and testify as a witness in that case;

Whereas by the privileges of the Senate of the United States and Rule XI of the Standing Rules of the Senate, no evidence under the control or in the possession of the Senate can, by the judicial process, be taken from such control or possession but by permission of the Senate;

Whereas pursuant to sections 703(a) and 704(a)(2) of th Ethics in Government Act of 1978, 2 U.S.C. §§ 288b(a) and 288c(a)(2) (1982), the Senate may direct the Senate Legal Counsel to defend a former employee of the Senate in any proceeding with respect to any subpoena or order directed to him in his former official capacity; Now, therefore be it

Resolved, That the Senate Legal Counsel is directed to defend Paul C. Summitt with respect to the subpoena served on him in the case of *Donald M. Zahn* v. *National Right to Work Committee,* Civil Action No. 84-1223-A, in the Eastern District of Virginia:

Mr. SIMPSON. Mr. President, I move to reconsider the vote by which the resolution was agreed to.

Mr. BYRD. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

EXECUTIVE SESSION

Mr. SIMPSON. Mr. President, I ask unanimous consent that the Senate go into executive session to consider Executive Calendar Order No. 185, D. Lowell Jensen, of Virginia, to be Deputy Attorney General.

The PRESIDING OFFICER. Without objection, it is so ordered.

DEPARTMENT OF JUSTICE

The legislative clerk read the nomination of D. Lowell Jensen, of Virginia, to be Deputy Attorney General.

Mr. DOLE. Mr. President, I am pleased to rise in strong support of D. Lowell Jensen to be Deputy Attorney General of the United States.

Attorney General Meese could not have made a better choice for his second in command than Lowell Jensen. After 4 years with the Justice Department, Lowell has established himself as a skilled administrator, tough, yet fair, law enforcement official, as well as a responsible, honest individual who enjoys an excellent working relationship with Congress. During Lowell's tenure at the Justice Department, the effectiveness of DOJ's criminal law enforcement activities has improved demonstrably. Further, thanks in no small part to Lowell's contributions, last year we were able to pass one of the most comprehensive pieces of criminal reform legislation in recent history.

Lowell Jensen's confirmation as Deputy Attorney General marks one more step in his highly successful career in law enforcement. After receiving a law degree from the University of California and serving 2 years in the Army, Lowell became an assistant district attorney in Alameda County in 1954. In 1970, he became Alameda's district attorney and served in that capacity until 1981, when he joined the Reagan administration. The President first appointed him to be the assistant attorney general for the criminal division and then, to be associate attorney general. His outstanding work during this 4-year period won him another promotion to be the second highest law enforcement official in the Nation.

Mr. President, as a former member of the Senate Judiciary Committee, I have had the opportunity to work with Lowell on a number of occasions. I have always found him to be helpful, cooperative, and informed. Let me

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extend my warmest congratulations to him on his new job. I look forward to working with him during the second Reagan term.

The PRESIDING OFFICER. Without objection, the nomination is considered and confirmed.

Mr. SIMPSON. Mr. President, I move to reconsider the vote by which the nomination was confirmed.

Mr. BYRD. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. SIMPSON. Mr. President, I ask unanimous consent that the President be immediately notified of the confirmation of the nomination.

The PRESIDING OFFICER. Without objection, it is so ordered.

LEGISLATIVE SESSION

Mr. SIMPSON. Mr. President, I ask unanimous consent that the Senate return to the consideration of legislative business.

The PRESIDING OFFICER. Without objection, it is so ordered.

ORDERS FOR TUESDAY

ORDER FOR RECESS UNTIL 9 A.M.

Mr. SIMPSON. Mr. President, I ask unanimous consent that when the Senate completes its business today it stand in recess until 9 a.m. on Tuesday, May 21.

The PRESIDING OFFICER. Without objection, it is so ordered.

ORDER FOR RECOGNITION OF CERTAIN SENATORS

Mr. SIMPSON. Mr. President, I ask unanimous consent that, following the recognition of the two leaders under the standing order on Tuesday, there be special orders in favor of the following Senators for not to exceed 15 minutes each: Senators PROXMIRE, McCONNELL, and PRESSLER.

The PRESIDING OFFICER. Without objection, it is so ordered.

ORDER FOR ROUTINE MORNING BUSINESS

Mr. SIMPSON. Mr. President, following the special orders just identified, I ask unanimous consent that there be a period for the transaction of routine morning business not to extend beyond the hour of 10 a.m. with statements limited therein to 5 minutes each if time permits.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. SIMPSON. Then, Mr. President, following the routine morning business, the Senate will resume consideration of S. 1160, the Department of Defense authorization bill. Pending before the body will be the Hart amendment relating to MX procurement. There will be a rollcall vote anticipated on that amendment, possible before noon.

ORDER FOR RECESS BETWEEN 12 NOON AND 2 P.M.

Mr. President, I further ask unanimous consent that the Senate stand in recess between the hours of 12 noon and 2 p.m. on Tuesday, May 21.

The PRESIDING OFFICER. Is there objection,

Mr. BYRD. Mr. President, reserving the right to object, and I will not object, as I understand the distinguished assistant Republican leader, the unanimous-consent request pertains only to the standing in recess of the Senate on tomorrow afternoon between the hours of 12 noon and 2 p.m.

Mr. SIMPSON. Mr. President, that is correct. That does not in any way reflect upon the possibility of procedures with the Hart amendment.

Mr. BYRD. I thank the distinguished majority whip.

Mr. SIMPSON. Our leader has indicated that we will have late-night votes expected during Tuesday's session.

I inquire of the Democratic leader if he has further business.

Mr. BYRD. Mr. President, I thank the distinguished assistant majority leader.

RECESS UNTIL 9 A.M. TOMORROW

Mr. SIMPSON. Mr. President, I move, in accordance with the order just entered, that the Senate stand in recess until 9 a.m. tomorrow.

Thereupon, at 7:04 p.m., the Senate recessed until tomorrow, Tuesday, May 21, 1985, at 9 a.m.

NOMINATIONS

Executive nominations received by the Senate May 20, 1985:

DEPARTMENT OF STATE

L. Craig Johnstone, of Washington, a career member of the Senior Foreign Service class of Minister-Counselor, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to the Democratic and Popular Republic of Algeria.

Edward Morgan Rowell, of California, a career member of the Senior Foreign Service class of Minister-Counselor, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to the Republic of Bolivia.

Nicholas Ruwe, of the District of Columbia, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to the Republic of Iceland.

EXECUTIVE OFFICE OF THE PRESIDENT

Antonio Navarro, of New York, to be a member of the Advisory Board for Radio Broadcasting to Cuba for a term of 3 years, new position.

DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT

Glenn R. Wilson, of Nebraska, to be president, Government National Mortgage Association, vice Robert W. Karpe, resigned.

IN THE AIR FORCE

The following-named officer for appointment to the grade of lieutenant general on the retired list pursuant to the provisions of title 10, United States Code, section 1370:

Lt. Gen. Robert F. Coverdale, 277-26-0316FR, U.S. Air Force.

The following-named officers for appointment in the Reserve of the Air Force to the grade indicated, under the provisions of sections 593, 8218, 8373, and 8374, title 10, United States Code:

To be major general

Brig. Gen. Wess P. Chambers, 527-34-7817FG, Air National Guard of the United States.

Brig. Gen. Charles S. Cooper III, xxx-xx-...FG, Air National Guard of the United States.

Brig. Gen. Glenn W. Osgood, Jr., xxx-xx-...FG, Air National Guard of the United States.

Brig. Gen. Robert W. Schaumann, xxx-xx-...FG, Air National Guard of the United States.

To be brigadier general

Col. Wayne B. Adams, Jr., xxx-xx-xxxx FG, Air National Guard of the United States.

Col. John A. Almquist, Jr., 211-26-7898FG, Air National Guard of the United States.

Col. Charles R. Barnes, xxx-xx-xxxx FG, Air National Guard of the United States.

Col. William D. Bates, xxx-xx-xxxx FG, Air National Guard of the United States.

Col. LeRoy R. Crane, xxx-xx-xxxx FG, Air National Guard of the United States.

Col. Charles J. Gebhart, xxx-xx-xxxx FG, Air National Guard of the United States.

Col. Robert E. Harris, xxx-xx-xxxx FG, Air National Guard of the United States.

Col. Karl K. Kramer, xxx-xx-xxxx FG, Air National Guard of the United States.

Col. Darrell V. Manning, xxx-xx-xxxx FG, Air National Guard of the United States.

Col. Paul N. Maxwell, xxx-xx-xxxx FG, Air National Guard of the United States.

Col. Pere W. Saltzgiver, 034-24-2060FG, Air National Guard of the United States.

Col. Richard A. Stich, xxx-xx-xxxx FG, Air National Guard of the United States.

Col. Stewart W. Timmerman, xxx-xx-...FG, Air National Guard of the United States.

Col. Milton H. Towne, xxx-xx-xxxx FG, Air National Guard of the United States.

IN THE NAVY

The following-named U.S. Naval Reserve officer, to be appointed permanent captain in the line of the U.S. Navy, pursuant to title 10, United States Code, section 531:

Anderson, Chase Dee

The following-named U.S. Naval Reserve officers, to be appointed permanent lieutenant commander in the line of the U.S. Navy, pursuant to title 10, United States Code, section 531:

Aikins, Lance Tipton
Allen, Alphonse Alvin
Aniuk, Leonard Anthony, Jr.
Baird, Donald Raymond, II
Balthrop, Clyde B.
Bartholomew, Rodger Veryl
Barton, Thomas Edward
Baxter, John Wayne
Bayne, Edward Michael
Bednash, Charles Franci
Belcher, Frank Lee
Bergamini, John Paul
Bishop, Cecil Dean, Jr.
Bledsoe, Robert M.
Bothwell, Vernon Eldon, Jr.
Bradbury, Leigh William
Brandenburg, Steven Lee
Brock, Donald Fred

Brooks, Robert Ellsworth, Jr.
Brown, Donald Lee
Browne, Robert Sloman, IV
Butler, Dean Esmond
Buttry, Jimmy E.
Carlson, Frederick Ralph
Carlson, Richard John
Carney, Edward Raymond, Jr.
Carr, James Charles
Clark, John Timothy
Clarke, Rudolph F.
Cochran, Daniel Walter, III
Collins, Robert Theodore
Collins, Steven Edward
Corser, Jack A.
Costello, Barry M.
Coyle, Duane
Crawford, John Michael
Crews, Jesse Edwin
Crowder, Donald Gene
Crowley, Timothy Edward
Dalrymple, Douglas Lee
Danner, Raymond Erwin
Day, Arlene Brennan
Delazerda, Alex Joseph
Delucia, Tor Denis John
Denham, Thomas Edwin
Deutschendorf, Randy John
Dewitt, Jerry Lyndon
Dolat, Stephen William
Donahoe, Michael Stephen
Donnelly, Donnie Lea
Dryden, John Aurel Gordon, Jr.
Duncan, John Ross
Ebeling, Edward Joseph
Eggimann, William Craig
Erickson, James Howard
Erickson, Richard Royce
Erwin, Harold Glenn
Fischer, Wayne Douglas
Fitzhenry, Jane M.
Fong, Chester Kwock Mun
Foster, William Larry
Garcia, Marcial Edward
Garrett, William Lee
Garrison, Powell Dunbar, III
Garrison, Robert Lee
Gentner, Robert Nicholas, Jr.
Gohd, Robin Scott
Graham, Gerold W.
Graning, George Tucker
Gummer, Steven Gene
Hallmark, Richard Gary
Hansell, David Alan
Hardie, Bradley Stephen
Harnish, John M., Jr.
Harrell, Ronald Reid, Jr.
Harris, Richard Grayson
Hasselbeck, Michael David
Hazel, Milton Ellsworth
Healey, John Francis
Heeren, Craig Jerome
Heffley, John Michael
Henning, Peter John
Hibbeler, Kenneth Stewart
Hines, Bradley Robert
Hockenhull, Herbert Gene
Hoffman, Louis Albert, Jr.
Holmes, Duane Edward
Horning, Joel Ralph, Jr.
Howard, Karroll Lynn
Hunt, Geoffrey Craig
Hunter, William Barnard
Imhof, Lynn Anthony
Ingram, Darryl Wilson
Jackson, Frederick Paul
Johnson, Barry David
Johnson, Richard Flernoy
Johnson, Ronald Keith
Jones, Albert M.
Jones, Granville Paul
Jones, Jon Michael
Jonkers, Cornelis Lee
Kandalec, Donald Joseph
Karawanny, Victor
Kircher, Hartmann Joseph, IV
Kling, Richard Jack
Knichel, Raymond James
Krueger, Pamela Ann
Kulczynski, Rick Edmund
Laird, Stephanie C.
Lawrence, Marilyn T.
LeBlanc, Michael
Lee, Charles Edward
Legidakes, Dean J.
Leighty, Melinda Jean
Lindsey, Thomas Watson
Lipsmeyer, William M.
Little, Keene Hillis
Littrell, James Ross
Litzenberger, Ronald Will
Lloyd, John William
Looney, John Thomas
Lynch, Johnny Ray
MacConkey, Donald F.
Marsh, Louis Francis
Martin, Frederick Herbert, Jr.
Massey, Robert Clyde
Mastenbrook, Ted E.
Matsuo, Ryan Kiyomi
Maxwell, Ray Quinn
Mazurkiewicz, John
McCollough, Norman David
McDonough, William James, Jr.
McLaughlin, Richard Keith
McNabb, Fredrick Morris
Mechling, Andrew D.
Merritt, Morgan Ashley
Messerschmidt, James A.
Miller, John Harper, Jr.
Molino, James Vincent
Montesano, Frank William
Moore, Thomas Vincent
Morgan, Darrell Gene
Morris, John Lloyd
Moss, Kenyon Lynn
Mott, Robert Delmar
Murphy, Leo Francis
Murray, Jimmie Austin
Murray, Rodrick Dean
Odell, Carlton Edwin, Jr.
Olson, Thomas Francis
Orr, Bonnie Anne
Osmon, Richard Steven
Owens, Philip Allan
Palkie, James Sahlman
Pech, David Joseph
Perl, Scott
Petersen, Paul D.
Phillips, Henry
Pinney, Thomas Edward
Plower, Thomas Joseph
Poodiack, James Anthony
Potopsingh, Flavius Constant
Pulaski, Nicholas Mark Mossm
Purnell, Helen Lucille
Rachko, Katherine
Raftery, James Joseph, II
Ringler, Thomas Jay
Rodman, Stanley R.
Rose, Frank John
Rose, Howard Thomas
Rosenthal, Mark Stuart
Roszel, Stephen S., VII
Rudio, Arthur Garcia
Scher, Phillip John, Jr.
Schmauder, Dale Jack
Schneider, Jeffrey Allan
Seywert, Scott Allan
Shaw, John Edward
Shribbs, Reginald Henry
Silvanic, Edward William
Sinnott, Michael Edward
Smith, William Harold
Southworth, Richard E.
Staggs, Gary M.
Stdenis, Thomas George
Stirling, Bruce R.
Stubbs, John Christopher
Sullivan, Christopher Paul
Surbridge, Thomas Bond
Swanton, Michael Timothy
Taliaferro, Stephen Gene
Taylor, Howard C.D.
Thompson, Thomas Petree
Toggenburger, Jack Francis
Tomazic, Rocco G.
Tritt, Gregory Eugene
Trotter, Wilton Brooks
Trudeau, Barry W.
Turner, Kent Dorell
Tuttle, Roy Edward
Twardziak, Anthony John, Jr.
Vanbelle, Bruce Thomas
Veitch, Kim William
Viggiano, Glenn R.
Walker, Lambert Roger, III
Waterhouse, Frederick Marion
Watson, John Anthony
Webber, Charles Ferguson
Weller, Clifford Francis
Wepplo, John Henry
Wesley, William Alan
Wessling, John Joseph
West, Daniel Crawford
Westbrook, John Wayne
Weyers, Russell Eugene
Williams, Kirk Gregory
Wilson, Robert Leslie
Wilson, Ronald Jessie
Woodside, James Gilbert
Wooten, James Singleterry
Wright, Frederick Paul
Yerigan, Rand Gordon
Zignego, Douglas James

The following-named U.S. Naval Reserve Officers, to be appointed permanent lieutenant in the line of the U.S. Navy, pursuant to title 10, United States Code, section 531:

Andrieu, Christian William
Badick, Joseph Robert
Barnhart, Richard Alan
Bartis, Richard Robert
Bolebruch, Lori Ann
Bouvet, Jean Leon Dominique
Brooks, William Lynn
Calomeni, Carolyn Ann
Campbell, Scott Eugene
Carnahan, William Grady
Carrow, Douglas Thomas
Cleveland, Ronald Mark
Cole, Jeffrey Brent
Coleman, Cranford Ronald, Jr.
Conley, Timothy Eugene
Coulombe, Peter Joseph
Craige, Kyle Martin
Culora, Thomas John
Davidson, Kenneth E., Jr.
Davis, Calvin G., Jr.
Davis, Mark William
Dealy, Daniel Scott
Demary, Scott Winfred
Dement, Janet Lynn
Demuch, Michael, Jr.
Dervay, Dana Scott
Diller, David Curtis
Doten, Glenn Emerson
Edkins, Alan C.
Ellison, Jerry Allister
Finch, Brian Goodwin
Flynn, William Francis
Ford, Alfred Daniel
Garland, Jayne Elizabeth
Gauthier, Jerry Steven
George, Mack Dale
Gordon, Bruce Allen
Graf, Virginia Barbara
Grah, Karen Elizabeth
Ham, Robert Joseph
Hansen, Michael John
Harper, Gary Thomas

Harrison, William Gerald, Jr.
Hartline, Gregory William
Harwood, William Crosby
Hasson, Michael
Heard, John Randolph
Hendrickson, Mary Ann
Higginbotham, Allen Bane, Jr.
Hile, Martin Russell
Hood, John Henry
Jarrell, Thomas Eugene
Jasitt, Lance Peter
Jenkins, Nancy Kathleen
Jimenezrojo, Jorge Ignacio
Kelley, Kenneth Patrick
Kenney, Frank McLeod, III
Kynett, Michael Smith
Laird, David Travis
Lange, Paul Thomas
Laughton, Mark Shane
Lewis, Charles Edward, Jr.
Livingston, David Marcus
Lumpkin, Rutledge Parker
Martin, Richard George
Martorelli, Joseph Walter
Mays, John B., III
McAleenan, Michael Peter
McClellan, Ronald Austin
McCombie, Bruce Howlet
McGrath, Kathleen Anne
McMillan, Lance William
McNamee, Edward Patrick, III
Miller, Craig Norman
Morgan, Gary Edward
Mullany, John Thomas
Owen, George Patrick
Raymor, Rod Daniel
Reed, James Gregson
Rosander, Jody Ann
Schmitz, Jeffrey Warren
Shelby, James Richard
Shultz, Linda K.
Smith, Alan Benjamin
Smith, Robert William
Snyder, Stanley Karl
Specht, Gary Alan
Stemmler, David Michael
Stewart, Christine Marie
Sychterz, Joseph Anthony, III
Sykes, Jonathon Robert
Tan, Roger Ariota
Toleno, Robert Paul
Topper, John Stephen
Truitt, Richard
Valerio, Bienvenido
Vanek, Mark Joseph
Vandekel, Hans Josephus
Vosloh, Thomas Blake
Wenceslao, Daniel Lathrop
Wooten, David Charles
Yarnoff, Michael Leroy
Zumbro, Brent Eldridge

The following-named U.S. Naval Reserve officers, to be appointed permanent lieutenant (junior grade) in the line of the U.S. Navy, pursuant to title 10, United States Code, section 531:

Addicott, Kirk Duane
Alexander, Townsend Griffiss
Ayers, Richard Laverne
Babuchiwski, Lynnetta Arens
Barker, David Lynn
Baus, Thomas Charles
Beem, Donald Lloyd
Beernink, Kathleen Ann
Beltz, Dwight Kevin
Bilodeau, Mindy Sue Babrove
Blakeley, Patricia Ann
Bloom, Claire Virginia
Boettger, Wayne Joseph
Bosiljevac, Timothy Lee
Bouton, David Martin
Bowles, Lee Eldon, Jr.
Bradford, Jeffery Carlton
Brandt, Steven Lewis
Bray, John Anthony
Brown, Karen Velois
Brown, Pamela Jean
Brown, Sally Ann
Browne, Jill
Buker, Martin Edward
Bunke, Frederick Michael
Burdon, John Monroe
Burger, Donald Joseph, Jr.
Bryne, Timothy Kevin
Cameron, Charles B.
Campbell, Lee Hallmark
Campbell, Marshall Fields, II
Capobianco, Antonia
Carey, Elizabeth Francis
Chalfant, Gregory Allen
Champion, Robert Anthony
Chandler, John Maddox
Chermack, George Louis, Jr.
Christianson, Julie Clare
Clark, Denise Marie
Clark, William J., Jr.
Cleveland, Terence Lee
Conrad, Alice Elaine
Contreras, Edward Adolph
Cox, Michal Ann
Crofton, Peggy Ann
Cuilik, William Patrick
Culp, Emele Perle
Cypranowski, Corinne
Dargan, Thomas J.
Davis, Stephanie Kathryn
Davis, William Douglas
Dearborn, Rebecca Dell
Delgros, Phyllis Jean
Desmarais, George Eugene
Detloff, Joseph Martin
Dionian, Michael Francis
Diverde, Charles Crowder
Donner, Linda Kay
Dornan, Randall Everett
Downing, Christine Sue
Draper, Darrel Wayne
Droy, Mark David
Dube, William Irving
Edwards, Clebern Russell
Elinson, Keith Gregg
Estill, Joe Glen
Faller, Gary Conrad
Fasciano, Robert Alan
Ferrari, Carlo Roberto
Fitzsimmons, Janette Sue
Fleet, William Don
Flowers, Kent V.
Foster, Lori Ann
Gale, Sydney Joyce
Gamble, David Graham
Garrigan, Robert Joseph
Garzone, Jill Catherine
Geny, Timothy Broughton
Germany, Karen Patricia
Gertner, Nancy Elizabeth
Gilmore, Paul Joseph
Glass, Irene Norma
Goff, Udo Ludwig
Goodnough, Bruce W.
Goodwyn, Richard Warren
Green, George Henry
Greenway, Ronald Marc
Haflich, William Bruce
Hahn, Gene Louis
Halsey, Janet Marie
Harbeson, Jeffrey
Harden, William James
Harpe, Preston Keith
Harris, Rendol Wayne
Harris, Russell Edward
Hawley, Matthew C.
Hayden, Timothy Martin
Heinselman, John David
Hilera, Leyda Josefina
Hines, Barry Lanning
Hodnett, Catherine Mary
Holmes, Barry Patrick
Holmes, Clinton Kay
Holmstrom, Erik Kenneth
Holt, David Preston
Horn, David Kenneth
Horne, Robin Marie
Hoyt, Jennith Elaine
Hume, Gordon James
Hutka, John Chappell
Hutzelman, James Harry
Huzar, Christine Elizabeth
Jackson, Walter Bryan
James, Burton William
James, Jack Barr
James, Kathleen M.
Jennings, James G.
Jones, John Kenda
Jones, Thomas McKittrick
Kadow, Mitchell Wayne
Kernan, William Alfred
Kerr, Margaret Anne
Kneipp, Nancy Virginia Colli
Kozak, Stephen Amil
Kozlowskicleverly, Keri Joyc
Kyker, Clayton Bard
Lanotte, Daniel Craig
Leach, David James
Lee, Thomas Nathan, Jr.
Leslie, Francis Robert
Littlefield, Charles Lee
Locke, Jeffrey Stuart
Lockhart, Jacqueline Jo
Loeh, Robert Lance
Lollar, Leonard Alex
Love, Terry Lee Larson
Lowe, Berkala Keith
Lowery, Charles Wayne
Lykens, Joe Dale
Lyons, Robert Allan
Margosian, Mary Ann
Martini, James Dyrell
Mays, Douglas Edward
McCallum, Kristen G.
McCarthy, Kathleen Christoph
McElroy, Thomas Christian
McGuinness, Thomas Francis J.
McKinney, John Theron, Jr.
Melnychenko, Desiree Ellen
Metz, Stephen Richard
Meyers, Robert Charles
Miavez, David James
Middleton, Richard Robert
Miller, Spencer Larry
Moench, Jon Jeffrey
Morgan, Harry Arlington, Jr.
Morris, Michael Thomas
Moss, David Scott
Moulds, Francis Norman
Mulkeen, Terrence Edward
Murdock, Gary Lee
Murphey, Kathryne Owen
Nedervold, Thomas Frederick
Nelson, James Calvin
ODonnell, Thomas S.
Olsen, Lysa Lynnaea
Pack, Geoffrey Thomas
Paulus, Pamela Ann
Pearson, William James
Peter, Lawrence Timothy
Petty, Dwight Edward
Pomozzi, James Edwin
Price, Byron Kevin
Price, Cathy Mae
Ray, William Randall
Rayburn, Karen Ann
Richter, William E.
Ricker, David
Riley, Doyle Patrick
Roach, John Phillip
Roark, Jonathan Gene
Robinson, Oliver Clinton, II
Roesner, John Jay
Ronay, Jeffrey Gerard
Ross, Paul S.
Sampson, Rita Lynn

Santoni, Carmen Olga
Saul, Linda Isabell
Sawicki, Mark Alan
Schulz, Cynthia Teresa
Scott, Rodger Forrest
Seybold, Robert Duane
Shepherd, Stephen Tracy
Sibley, Timothy John
Simmons, John Norman
Simpson, Virginia Renee
Singley, John Hazlehurst
Slay, John Alexander
Smith, Daniel Jay
Smith, John Allen
Solomon, Kenneth Neal
Southward, James David
Sparks, Dennis Allen
Stein, Roberta
Sterner, James Kenneth
Stevens, William Paul
Stickles, Duane Hamilton
Stuyvesant, Joseph
Tanner, Nancy Louise
Thomas, Daniel Patrick
Thornhill, Michael Lewis
Thorp, Howard Willian, Jr.
Tidrick, Patrick Alan
Tison, Brian Jameson
Torbik, Mary Margaret
Trimble, William Barnes
Tung, James Ming
Turner, Freda Gene
Vanness, John Douglas
Veliz, Ronald Joseph
Vellawilkinson, Camille Fran
Verville, Robert Howard
Walker, Steven Kent
Walsh, Cynthia
Ward, Michael William
Ward, Terry Allen
Weaver, John Edward, Jr.
Webber, Thomas H.
Weers, Gerald Vernon
Werkhaven, Lisa R.
Wessinger, Robert Lynn
Westra, Steven K.
Wheeler, Christy Jane
White, Cheryl Elizabeth
Wiener, Diane Lynn
Williams, Lance Richard
Williams, Roger Dean
Williamson, Edwin Ferebee
Wilson, Robert Daniel, Jr.
Winiski, Betty Jean
Winn, Thomas Michael
Wisdom, Hans Michael
Wright, David Kendall
Yates, Daniel Henry
Yates, Joanne Laura
Yeargin, Linda Tomsic

The following-named U.S. Naval Reserve officers, to be appointed permanent ensign in the line of the U.S. Navy, pursuant to title 10, United States Code, section 531:

Allardyce, Michael Gerald
Allegretto, Allen Eugene
Allshouse, John Norman
Bahrke, Fredric Gerard
Bartlett, Charles Spurgeon
Bartley, Jonathan Hayes
Bellio, Philip Richard
Beres, Joel Edward
Black, Thomas Marvin
Bohan, Timothy William
Bonacum, Douglas Martin
Bostic, Ronald Gene
Bowen, Barton Richard
Bragg, Roderic Charles
Brannan, David Lewis
Braudaway, Brian Wynne
Brown, Richard Logan
Burleson, Scott Forrest
Caccivio, John David, Jr.
Calcote, Roy Keith
Carper, Eric James
Carter, Robert James
Case, Scott Cameron
Chiffer, John Matthew
Chong, Philip Gee Lit
Cline, Robert Ben, III
Coady, Timothy Denis
Crane, Randall Morgan
Cunnings, John Benedict
Cupp, Keith Brian
Custer, Kent Frederic
Davito, Steven Peter
Decusatis, Gerard Casimir
Dembek, Stephen
Doty, Charles John
Douglas, Scott Kerry
Eacker, Joel Andrew
Ekker, David Anthony
Flanagan, Kevin Francis
Flattery, Paul Charles, Jr.
Gavin, Brian Andrew
Gill, Kerrie Gene, Jr.
Gillingham, David Ross
Hadden, Mark John
Hafner, Gregory George
Hammond, John Matthew
Hernon, Robert Vincent
Herr, Timothy Andrew
Hill, Timothy Thomas
Hilton, Nicholas Dale
Holdener, James Francis
Holmes, Douglas Ray
Hurban, Robert Arthur
Jimenez, David
Johnson, Walter Royle, III
Jones, Jay Todd
Kahl, John Beatty
Karlovich, David Nicholas
Kedersha, Albert George
Kendall, Thomas Conly
Ksiazek, Paul Edward
Lacy, Newton Thomas
Leonard, Michael James
Limm, Charles Christian
Loewen, Eric Paul
Long, Jeffrey Carlton
Luther, Frank Edwin
Madden, Joseph Edward
McConnel, Thomas James
McCutchen, Michael Debary
McNally, Patrick Owen
Mickelson, Joel Peder
Mohney, Michael Allan
Molchany, Jacob Edward
Morris, Richard Leon
Murray, William Scott
Nappi, Steven
Noble, Richard Earl
Norris, Brent Kirk
Oakes, William Earl
O'Connor, Christopher Lauwers
O'Rourke, Ronald Eugene
Park, Paul Yonghoon
Parris, Michael Charles
Peters, Gary Alan
Porter, Bradley Allen
Poulin, David Daniel
Prothero, Craig Timothy
Prymak, William John
Randorf, Jeffrey Allen
Recchione, Christopher Micha
Rubey, Sidney Ives
Sexton, Paul Michael
Sileo, Joseph Anthony
Smits, Theodore Vernon
Smyers, Carl Dennis, Jr.
Spellman, John Laurance
Steinbronn, Jeffrey Paul
Stevens, Jeffrey L.
Stevens, Paul Tracy
Strauss, Gary Steven
Stuart, Geoffrey Thomas
Taormina, Ernest J.
Thompson, Randall Gregg
Torrey, Kenneth James
Viveiros, George Francis, III
Wasmund, John Dennis
Whiteman, Philip Stephen, II
Willard, Randolph James
Yi, Dong Joo
Zylkuski, Gene Victor

The following-named U.S. Naval Reserve officers, to be appointed permanent captain in the Medical Corps of the U.S. Navy, pursuant to title 10, United States Code, section 531:

Connor, Thomas Martin
Luiken, George Anthony
Martin, Alfred J.
Reinhart, Charles Marsha

The following-named U.S. Naval Reserve officers, to be appointed permanent commander in the Medical Corps of the U.S. Navy, pursuant to title 10, United States Code, section 531:

Alfert, Harold Joseph
Allen, James W., Jr.
Anderson, Edwin M.
Ello, Florencio V.
Gambone, Joseph C.
Harley, Earl Herberto
Mack, Gregory Robert
Schwartz, Henry J.C.
Webster, John Seabury
Zumrick, John Lawrence

The following-named U.S. Naval Reserve officers, to be appointed permanent lieutenant commander in the Medical Corps of the U.S. Navy, pursuant to title 10, United States Code, section 521:

Ahrens, Robert M., Jr.
Alexander, Charlottee E.
Alexander, James Thomas
Allport, Edgar Lamb
Andersen, Arne Jerome
Anderson, Steven Ray
Anderson, Thomas Gordon
Andersonprotzel, Cris J.
Andrews, David Roger
Arndt, Carola A. S.
Ascarelli, Marian Hullm
Atencio, Yvonne R.
Baldwin, Vincent
Barber, Francis A., Jr.
Barrett, Terry L.
Baxter, Ric A.
Beaman, John Malcom
Bean, Terrell W.
Beebe, Lucius C.
Beier, Karl Martin
Bennett, Joshua H.
Bergfield, Thomas G.
Biller, Deborah J. M.
Boatman, Gwendolyn A.
Boice, Douglas Brittin
Boone, Lynn A. P.
Bosshardt, Richard T.
Bright, Mark Timothy
Brodine, Stephanie Kay
Brower, Richard A.
Brown, Carlton Q.
Brown, James A.
Brown, William Andrew
Bryant, Harold V., Jr.
Buchta, Kathryn Slomins
Buck, Janet Harriet
Bundens, David A.
Butler, Frank K., Jr.
Cagle, William D.
Cannon, Bruce Wayne
Carey, Benjamin Arthur
Carter, Thomas M.
Caruthers, John M.
Cason, Frederick D., Jr.
Catchings, Timothy
Catenacci, Alfred R.
Chin, Robert Jr.
Christensen, John Neal

Cianflone, Alexander
Collins, William T., Jr.
Colopy, Paul M.
Coots, Lawrence Ernest
Corcoran, Kathleen M.
Corrall, Carmen J., II
Coyle, Joseph P.
Crane, Jeffrey M.
Crane, Richard T.
Crider, Steven Reid
Crowder, Claxton Lee
Cueva, Mary Carolina
Daly, John W.
Daniels, Gary M.
Davenport, Nicholas A.
Davis, Bruce C.
Donaghy, John Joseph, Jr.
Donovan, John P.
Downey, Earl C., Jr.
Duckworth, Garrett W., Jr.
Duran, Michael J.
Eckenhoff, Roderic Geor
Edmondson, John S.
Edmundson, Marsha Ann O.
Eisold, John F.
Elliott, Allen Shipp
Ellis, Clarence Vincent
Ellis, Herman Martin
Ellis, Vivian Elizabeth
Ellsworth, Richard K.
Erikson, Nills S.
Evans, Kurt J.
Fairfax, Michael James
Farr, Robert W.
Feicht, Charles M., Jr.
Fernandezobregon, Adolf
Finton, Chris K.
Fisher, Winfield Stitt
French, Terry, Marshall
Furman, Jeffrey William
Furman, Richard L.
Garst, Paul Dimitre
Gerson, Leon L.
Goldsworthy, Vernon P.
Good, Nancy Ellen
Gormsen, David Lake
Gould, James Robert
Grams, Marilyn F.
Griffin, Richard
Guay, Paul F.
Guigelaar, James A.
Guzley, Gregory J.
Hall, Priscilla Deane
Halley, James Alfred
Halloran, Daniel R.
Hammer, Donald Frank
Hanes, Ernest C.
Hannay, Keith E.
Hardy, Michael Paul
Hayes, Francis Martin
Hayne, Charles Weston
Healey, Kathleen Mary
Heindel, Donald Joseph
Held, Arthur Christian
Helms, Lee T.
Helvey, William C.
Henderson, Rex Arthur
Hibbs, Richard G., Jr.
Hinkson, Montgomery
Hinson, James Ernest
Holbrook, David L.
Horn, Connie S.
Jackson, Leroy Thomas
Jeffers, Gregory Allen
Jeffries, Richard R.
Jenks, James E.
Johnson, Alan Richard
Johnson, Robert R.
Jones, Dan M.
Jones, David Douglas
Jones, Frederick D., Sr.
Jones, Janara J.
Jones, Warren Allen
Kaluza, Charles Leo
Keeley, Joseph J.
Kent, Harold L.
Kidd, Elizabeth M.
King, John W., Jr.
Kistler, Ernest L., III
Krafft, Rudolph Michael
Krahl, Pamela G.
Laguerre, Max Sylvestre
Landaker, Stephen D.
Larson, Charles Adrianu
Laskin, William Bradlyn
Lee, Kenneth M. H.
Lesko, Ronald Michael
Lester, Randolph C.
Lewis, Donald Wray
Lichter, Lisa Marie
Lillich, Randall K.
Little, Wayne Francis
Liverman, Steven B.
Lombardo, Christopher P.
Long, Ursula Schneider
Lord, Jonathan T.
Louie, Eric Kuowei
Luce, Rhonda F.
Luck, Thomas W.
Lundgrin, Daryl Brent
Lundy, Eugene
Madden, Michael Allan
Mahoney, Michael D.
Malixi, Edwin Camacho
Malone, John D.
Mann, Douglas Gordon
Marciano, Benedict J.
Marks, Charles Wesley
Marks, Gregory Allen
Martin, James Peter
Massimiano, Paul S.
Mathis, William F.
Matos, Emilia
Matthews, Joseph G., II
Mayer, Stephan A.
McAdams, Stephen A.
McClelland, Scott R.
McDonald, Wilbur E.
McGowan, David G.
McClellan, David Curtis
Megois, Lee S.
Meyers, Peter K.
Miller, Charles D.
Miller, David M.
Minckcounihan, Colleen
Mooney, Jerome E., Jr.
Moore, Gregory Lynn
Morrison, James P.
Morrison, Vicki Ann
Mortensen, Charles E.
Mosley, Elizabeth A. G.
Moudree, Marcia K.
Murphy, Kevin J.
Murray, Kevin M.
Musher, Jeremy Seth
Negron, Roberto
Nelson, Gerald E.
Nelson, Kenneth J.
Newcomer, John A.
Nishida, Dennis Douglas
Nowlan, Guy Jean
O'Brien, John G.
Olson, Patrick E.
Opsahl, Michael Scott
Orlando, Ralph P.
Paleologo, Fred Peter
Papadimos, Thomas J.
Pasciak, Robert Marion
Pemberton, Jackson O., Jr.
Peppler, Michael D.
Perlman, David Weil
Piper, Gordon J.
Pistone, Frank J., Jr.
Potter, Henry Gilbert
Prophete, Robert Yves
Raczek, Stanley W.
Redd, Joe W.
Reddy, Barbara Carmel
Reeves, William A.
Reid, Doris Annette
Reilly, Paul Jaye
Reynolds, David N.
Richards, Theodore D.
Ricketts, Jeffrey Mark
Rittelmeyer, James T.
Robertson, Susan E.
Robinson, Warren L., Jr.
Robison, Wendell Jesse
Romano, George C.
Rosa, Louis, III
Rosenstock, Joel
Ruckman, Arthur L.
Rutherford, Susan E.
Rysdam, Richard Lee
Sageman, Marc Samuel
Sameshima, Steven Saige
Sammons, James H., Jr.
Scherokman, Barbara J.
Schubert, Ronald L.
Schultz, Robert Gwynn
Schwindt, Mary Lina
Shannon, Francis L.
Shega, John F.
Sheldon, Mark E.
Sheppard, John D., Jr.
Sherman, Michael R.
Short, Harold K.
Shurley, William R., III
Silverberg, Michael S.
Simms, Patricia C.
Sirna, Charles T.
Skelton, Henry G., III
Sloderbeck, James D.
Smith, Carl V.
Smith, David Lawrence
Smith, Kenneth Dale
Smith, Leslie S.
Smith, Ruben L.
Sottile, Frank D.
Sowell, James Richard
Spiegel, David Anton
Stahr, Richard Fredrick
Standre, Kenneth Allen
Stark, Thomas Wheeler
Stegman, Joseph C.
Strauss, Mark Dana
Sturgis, James Lewis
Talley, James D.
Tate, Alfred F.
Taylor, Charles D.
Taylor, Larry D.
Tedesco, Joseph M.
Terbush, James W.
Tesar, Charles B.
Thomas, Douglas C., Jr.
Thomas, John R.
Thomasson, Joseph R., Jr.
Tipler, Bradley M.
Tontz, William L.
Tucci, James M.
Turk, Kyong Tae
Waack, Matthew W.
Waecker, Norman J., Jr.
Wallace, Arnold Doyle
Wallace, Richard B.
Walter, Authur Lee
Warlick, Steven Russell
Watts, David R.
Webb, Douglas H.
Whalen, Barbara Kathlee
Whalen, Timothy Earl
Whiddon, Scott M.
Whittington, Richard
Wibking, Ronald K.
Wiedmeier, Susan Elizab
Wilcox, Nora Barrett
Wilhite, Charles E.
Wilson, Terrence Scott
Winters, Charles, Jr.
Wolov, Robert Bruce
Wood, Walter H., II
Woodall, Gilbert E., Jr.

Woods, Edward Lawson
Zullo, Mark D.

The following-named U.S. Naval Reserve officers, to be appointed permanent lieutenant in the Medical Corps of the U.S. Navy, pursuant to title 10, United States Code, section 531:
Baehr, George Robert
Bazemore, Webster Carly
Campbell, Edward S.
Dainer, Roger Daniel
Devantier, Wayne Roger
Duprey, Patricia A.
Fornadley, John A.
Kerr, Anna Rebecca
Kozel, Margaret Keavey
Kozel, Randy Bruce
McQuaide, Joseph Michae
Millard, Frederick Edwa
Muramatsu, Marc S.
Murray, Nancy Bolger
Rickman, Leland Saul
Scott, Brett Andrew
Smith, David J.
Storey, James R.
Thomas, Ronald L.
Tiedt, Douglas Lawrence
Vanbuecken, Kent
Watson, Timothy Baldwin
Wilson, Marion E.

The following-named U.S. Naval Reserve officers, to be appointed permanent lieutenant commander in the Supply Corps of the U.S. Navy, pursuant to title 10, United States Code, section 531:
Boren, Kenneth Wayne
Pankratz, William Niel

The following-named regular officers to be reappointed permanent lieutenant in the Supply Corps of the U.S. Navy, pursuant to title 10, United States Code, section 5582(B):
Harms, Gerard Richard
Higgins, David Alan

The following-named U.S. Naval Reserve officers, to be appointed permanent lieutenant in the Supply Corps of the U.S. Navy, pursuant to title 10, United States Code, section 531:
Baxter, William Ferebee
Cuskey, Jeffrey Robert
Deasy, Edward John, II
Dove, Earl Eugene, Jr.
Harp, David Madison
Nelson, Randall Dwight
Small, Chris William
Zarou, Maher Mirshed

The following-named regular officers to be reappointed permanent Lieutenant (Junior Grade) in the Supply Corps of the U.S. Navy, pursuant to title 10, United States Code, section 5582(b):
Dunn, Bernard D.
Kurtz, Virginia Randolph
Limjoco, Roberto Alicante
Ruehlin, Walter David

The following-named U.S. Naval Reserve officers, to be appointed permanent Lieutenant (Junior Grade) in the Supply Corps of the U.S. Navy, pursuant to title 10, United States Code, section 531:
Abbott, Beverly A.
Allen, Michael Dewitt
Batt, Gary Thomas
Bialas, Brian Henry
Bretz, Robert James, Jr.
Broadwater, David Glenn
Bulak, Richard Henry
Burgelin, Robert Paul
Byrns, Herbert Frank, III
Callan, Thomas Joseph
Coloma, Benedicto Librado
Dabbs, Donna Fay
Dalrymple, Barbara Jo
Davis, Harry Wayne
Dunmire, Jeffrey Scott
Dunn, Robert Joseph, III
Eades, Douglas Roy
Erler, Joseph Anthony
Evans, Jack Leroy
Foote, Marcus Gene
Fouts, Jimmie Ray
Fox, Randy Lynn
Geary, John Joseph, Jr.
Gerhardt, Mark Kenneth
Gildersleeve, Cory Ward
Gutcher, Bradley Glen
Helsel, Leslie Robert
Hildreth, Kevin Scott
Hughes, Raymond Eugene
Jacobs, Robert Lawrence
Jones, Keith Anthony
Joseph, Robin Alan
Kessler, Edgar Franklin, III
Klenzman, Mark Gene
Lancaster, Richard Reed
Lanoue, Darryl Brent
Loftus, Brion William
Lubich, Matthew William
Magsombol, Anacleto Magsombo
Maher, Kevin J.
Mahoney, David Michael
Majka, Joseph Stanley, Jr.
McCosh, Alan Ray
Mills, William Jarvis
Munson, William Sanders
Navarro, George Castillo
Noe, Clifford Dixon, Jr.
O'Rourke, Maureen Ann
Pereira, Michael Joseph
Pottinger, Scott M.
Richardson, Dale Avery
Ruano, Benmer Dumlao
Sanfelice, John Donald
Scanlon, Michael John
Schowalter, Ann Bernadette
Schroer, Jeffrey Thomas
Seidel, Robert Jon
Stack, David Alan
Staggs, Carl Stephen
Standrowicz, Stephen Leo
Stupe, William Edwin
Sweeney, Edward J.
Tedin, Winston Carroll
Webb, Brian Alan
Westhoven, Stephen Douglas
Wheeler, Craig Sanders
Wheelock, Kevin Ray
Whiteman, Theodore Lynn, Jr.
Wiechelt, Thomas Frederick
Wilson, Eric Giles
Wilson, Richard Lincoln
Young, Milo Roy

The following-named regular officer to be reappointed permanent ensign in the Supply Corps of the U.S. Navy, pursuant to title 10, United States Code, section 5582(B):
Ishikawa, Tomoko

The following-named U.S. Naval Reserve officers, to be appointed permanent lieutenant commander in the Chaplain Corps of the U.S. Navy, pursuant to title 10, United States Code, section 531:
Gates, Richard Ralph
Gunderlach, David Paul
Kurbis, Daniel L.
Miller, Glenn Ithamar
Scott, Lloyd Elmer, Jr.

The following-named U.S. Naval Reserve officers, to be appointed permanent lieutenant commander in the Civil Engineer Corps of the U.S. Navy, pursuant to title 10, United States Code, section 531:
Fessler, John Anthony
Fosdick, Michael Rheu
Henderson, Gary Ray
Steimer, Robert Bruce

The following-named regular officers to be reappointed permanent lieutenant in the Civil Engineer Corps of the U.S. Navy, pursuant to title 10, United States Code, section 5582(B):
Killinger, Scott L. Miller
Charles, Clifton, III

The following-named U.S. Naval Reserve officers, to be appointed permanent lieutenant in the Civil Engineer Corps of the U.S. Navy, pursuant to title 10, United States Code, section 531:
Allan, Thomas Pierre
Baumgartner, Nancy Ann
Cole, Arthur Norman
Dreelin, Dennis Felthaus
Gemender, Mark Benedict
Hilferty, Thomas John
Hipp, Mark Richard
O'Neil, Francis B., Jr.
Pete, Robert Rogers
Ray, James Loyed
Schrader, Dennis R.
Serafini, Lawrence George
Zink, John Walter

The following-named regular officers to be reappointed permanent lieutenant (junior grade) in the Civil Engineer Corps of the U.S. Navy, pursuant to title 10, United States Code, section 5582(B):
Conley, Roger Kevin
Gerner, James Paul
Manley, Gerald R.
Schillinger, Harold NMN
Steele, James Jeffrey

The following-named U.S. Naval Reserve officers, to be appointed permanent lieutenant (junior grade) in the Civil Engineer Corps of the U.S. Navy, pursuant to title 10, United States Code, section 531:
Jones, James A.
Lueth, Kenneth Andrew

The following-named U.S. Naval Reserve officers, to be appointed permanent lieutenant in the Dental Corps of the U.S. Navy, pursuant to title 10, United States Code, section 531:
Antus, James Joseph
Archer, Richard Douglas
Arrow, Michael Arthur
Bailey, Stephen W.
Baker, Sharon Kay
Beim, Michael Allen
Black, Sherrie L.
Buck, John Stephen
Doll, Bruce Alfred
Eckenberg, Robert Norma
Enders, Allen Ray
Fields, Robert Powell
French, John Thomas
Fuentes, Francisco
Garrett, Gene Howard, Jr.
Grassmyer, Richard Mich
Halverson, Bradley Alan
Hamilton, Paul Miller
Hobbs, David Lynn
Kassab, Edward Cliffe
Kiernan, Loyd Julian, II
Kincer, Todd Candler
Leary, Terrance Christo
Martin, Steven Joseph
McAllister, James Berna
McKeever, Bradley Georg
Moran, Alice Poley
Morando, Gregory
Morrison, Robert Filmor
Paul, Brian Francis
Powell, Robert Steven
Rannin, Bruce Alan
Rusz, Joseph Edward, Jr.
Scholtz, Michael Lee
Shaw, Thomas Gabriel
Siemiaszko, William John
Smith, James Alan
Stanovich, James F.
Synnott, Scott Arthur

White Cecil, Jr.

The following-named U.S. Naval Reserve officer, to be appointed permanent lieutenant commander in the Medical Service Corps of the U.S. Navy, pursuant to title 10, United States Code, section 531:

Derrer, Douglas Scott

The following-named U.S. Naval Reserve officers, to be appointed permanent lieutenant in the Medical Service Corps of the U.S. Navy, pursuant to title 10, United States Code, section 531:

Bennett, Brad Lee
Booher, Lindsay Edward
Brooks, Marcel William
Colligan, Susan Carol
Compton, Joseph Reid
Connors, Jeannie Lee
Connors, Robert Edward
Deaton, John Earl
Devine, Ronald James
Dian, Duane Michael
Fairbanks, Michael Kenn
Gladding, Connie Ann
Gorsuch, Gregory Mark
Grosso, Alex James, Jr.
Hall, Gregory Eugene
Jewett, John Michael
Kellogg, Robert Michael
Kidder, Herman C.
Kuchar, Vaneesa Jo
Lane, Teresa Ann
Larcom, Barbara Jean
Lund, Paul White
Matthews, Robert Allan
Mittelman, Michael Howa
Need, James Terkeurst
Nelson, Robert Randall
Osborne, James Howard
Pattison, Michael Duane
Poblete, Richardo Quimzo
Rawls, Gregorie Matthew
Rezen, John Kimber
Robinson, Steven Ernest
Siegel, Brian S.
Slater, Randall Alvah
Styer, David Jacob, Sr
Thompson, Timothy Edward
Tinling, Walter William
Valentin, Eleanor Vivia
Wyatt, Harris Thomas
Zoeller, Lawrence Lelan

The following-named U.S. Naval Reserve officers, to be appointed permanent lieutenant (junior grade) in the Medical Service Corps of the U.S. Navy, pursuant to title 10, United States Code, section 531:

Boman, Mark Oliver
Boufford, John Roger
Edmondson, Robert Paul
Geiger, Daniel
George, Dennis Keith
Little, Franklin Arthur
Miller, David Brent
Mittscarcavallo, Diana
O'Malley, Donald Marc
Padula, Robert Michael
Pokorski, Thomas Lee
Schneid, Thomas Steven
Stokes, Steven Allen
Tempesco, John Walter

The following-named U.S. Naval Reserve officers, to be appointed permanent lieutenant commander in the Nurse Corps of the U.S. Navy pursuant to title 10, United States Code, section 531:

Galloway, Sherry Dee
Harayda, Eileen M.
Johnson, Janice Carolyn
Maxon, Mary Louise
Meuser, Shelagh Thomas
Puksta, Nancy Ann
Schulte, Linda Ann
Vaiana, Doris Ann

The following-named U.S. Naval Reserve officers, to be appointed permanent lieutenant in the Nurse Corps of the U.S. Navy, pursuant to title 10, United States Code, section 531:

Arellano, Sergio Eliseo
Backman, Mary Paul
Bohusz, Stephen Michael
Cherry, John William
Christensen, Soren
Conahey, Nora Ellen
Dominique, Karen Louise
Engesser, Robert Mayes
Godfrey, Rosalind Sloan
Hand, Walter R., Jr.
Hanks, Amy Lea
Hargraves, Andrea Marsha
Hartwell, Vathrice Hami
Herrold, Susan Blythe
Hoover, Laurie Jean R
Joyce, Kathleen Elizabeth
Kauffroath, Dwight David
Knutson, Susan Marie
Lauer, Denise Reilly
Lege, Fred C.
London, Linda Kay
Lytle, Elizabeth Ellen
McCloskey, Judith Ann
Morones, Carol Jeanne
Noggle, Vanessa Anne
Ott, Judith Anne
Page, Karen Lynne
Robison, Maryjane Myles
Rutkowski, Mark Edward
Ryan, Martha Jean
Silvia, Anne E.
Skupski, Frances Ruth
St. John, Denise Elaine
Ulaszek, Deborah Lynn
Ulbright, Stephen Michael
Vega, Eli Samuel
Whitaker, Lynn Nora

The following-named U.S. Naval Reserve officers, to be appointed permanent lieutenant (junior grade) in the Nurse Corps of the U.S. Navy, pursuant to title 10, United States Code, section 531:

Bagley, Charles Wilson
Bowman, Earmon Wayne
Chahl, Maria Elena
Davidson, Gerald Allen
Goggin, Chester William
Harms, Nancy Lynn
Kunkel, John Robert
Peterson, Bruce Michael
Rubalcava, Ricardo
Stennett, Charles Randa
Ulses, Teresa Anne
Wright, Mary Joyce

The following-named temporary limited duty officer, to be appointed permanent lieutenant in the line of the U.S. Navy, pursuant to title 10, United States Code, section 5589(A):

Wheat, Gary Ray

The following-named temporary chief warrant officers, to be appointed permanent chief warrant officers (CWO3) in the U.S. Navy, pursuant to title 10, United States Code, section 555:

Bearden, Alvin Eugene
Crosby, Renferd Adolph, Jr.
Fulgham, Donald Ray
Lewin, Antonie Roy
Seater, Thomas E.
West, Spencer T., Jr.

The following-named temporary chief warrant officers, to be appointed permanent chief warrant officers (CWO2) in the U.S. Navy, pursuant to title 10, United States Code, section 555:

Frampton, Charles Horton
Lake, Jack Frank

CONFIRMATION

Executive nomination confirmed by the Senate May 20, 1985:

DEPARTMENT OF JUSTICE

D. Lowell Jensen, of Virginia, to be Deputy Attorney General.

The above nomination was approved subject to the nominee's commitment to respond to requests to appear and testify before any duly constituted committee of the Senate.

EXTENSIONS OF REMARKS

CUOMO COMMENTS ON BISHOPS' LETTER ON ECONOMY

HON. JOHN J. LaFALCE

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Monday, May 20, 1985

● Mr. LaFALCE. Mr. Speaker, on April 16, 1985, the Honorable Mario M. Cuomo, Governor of New York, received an honorary degree from St. Peter's College, Jersey City, NJ. He addressed the students, faculty, and friends of the college on that occasion. His talk, "'In Praise of Folly' the Bishops' Draft Pastoral and Its Critics: Some Observations," has, in his words, "* * * jolted all of us out of some easy assumptions about our national economic life and forced us to look beyond our relative security and ease."

I call this to the attention of my colleagues, in the hope that the Governor's comments may be helpful, independent of political, or religious beliefs.

The text of his talk follows:

"IN PRAISE OF FOLLY" THE BISHOPS' DRAFT PASTORAL AND ITS CRITICS: SOME OBSERVATIONS

Thank you for the honor you've bestowed on me today.

It's always a privilege to be awarded an honorary degree but it's especially so when it comes from an institution like St. Peter's, an institution under that remarkable group of teachers and scholars, the Society of Jesus.

I was educated by another superb order, the Vincentians. But the Vincentians often spoke to us about the Jesuits.

I remember one old Vincentian in particular, Father Murphy, who told us about a cousin of his who'd been educated at St. John's and then went to study with the Jesuits and teach at Fordham.

Father Murphy used to shake his head mournfully when he talked about his cousin. "Yes," he'd say, "my cousin was educated at St. John's. But then he left the church * * * and joined the Jesuits."

Father Murphy notwithstanding, "I've always stood in awe of the learning and intelligence and dedication of Loyola's followers, especially their skills as orators and debaters.

As a matter of fact, when Father Glynn extended his invitation to me to be a part of this series here at St. Peter's, I mentioned it to a Jesuit friend of mine.

I asked this Jesuit for some tips on how to frame my remarks.

"Mario," he said, "just remember the secret of a typical Jesuit speech—make it tight, polished, eloquent, humorous, persuasive: Deliver it with pose and assurance and conviction * * * and be sure it's totally devoid of facts."

As well as being honored to be here at St. Peter's, I'm also delighted to be in Jersey City.

Ed Flynn, the onetime Democratic leader of the Bronx, once described Jersey City's fame this way: "Jersey City is to politics," Flynn said, "What Rome is to religion."

The fact is that the analogy Ed Flynn used in comparing Rome and Jersey City had its own germ of truth. The political machines of Jersey City and New York and Boston and Albany—of America's old industrial cities—had a lot in common with the church in those days.

They were both predominantly immigrant institutions.

Both the party ranks and what used to be called the church militant enlisted good soldiers—men and women of unquestioning loyalty to an organization—be it the party or the church—that was always there when they needed it. That protected them and made sure they always had a job and enough to eat, that baptized them and taught them and married them and ordained them and sent them to their eternal rest.

Their leaders possessed great power.

In the party, never wrong.

In the church, they were infallible.

A lot has changed. First in politics and then—especially in the time since Vatican II—in the church.

It's harder today, I think, to be a bishop or a politician. Both appear to have lost the old power to command blind obedience.

Nobody knows that better than archbishop Weakland and his fellow bishops after seeing the reaction of some of their flock to the first draft of their pastoral letter on the U.S. economy.

The public response to that draft reminds me of a story I heard some time ago from a priest in Queens. It concerns the namesake of this college, St. Peter, the leader of the Apostles and the first Pope.

It seems that on the morning of Easter, Mary Magdalene came running up to Peter, and flushed with excitement, she said, "Peter, I have tremendous news, only it comes in two parts—good news and bad news."

"Okay," Peter said, "First give me the good news."

"We've been to the Lord's tomb, Peter. He's not there. He's risen from the dead and appeared to us on the road."

"Hallelujah!" Peter said. "But what's the bad news?"

"The bad news is he wants to talk to you about Friday."

Well, there's good news and bad news about the bishops' pastoral on the American economy.

The good news is that the bishops' draft has not been ignored. It's being dissected and analyzed and discussed in journals and in forums like this one all over the country.

It has jolted all of us out of some easy assumptions about our national economic life and forced us to look beyond our own relative security and ease.

At a time when selfishness is being sanctified as a prerequisite for economic progress, when compassion is being derided as weakness and the doctrines of Malthus are far more popular than those of St. Francis, the bishops remind us of the special obligation to the poor that we take on when we describe ourselves as Catholics.

It's not good enough, they're telling us, to let the practice of our faith remain nothing more than ritual and romance. We have an obligation to bring what we believe to bear on the mundane activities of our day-to-day lives, a duty not just to put up with the world but to live in it, to love it, to re-create it.

The bishops have reminded us of the truth that the great Jesuit Teilhard de Chardin stressed so magnificently in his wonderful book "The Divine Milieu," which he dedicated to "Those who love the world."

They have called us to God's work in this bleeding, broken, imperfect world of ours, reminded us that our faith doesn't end at the communion rail, that it must extend into the mean streets of Jersey City and New York and Chicago—anywhere where our brothers and sisters go without work or enough to eat, some without even a roof over their heads.

If they did nothing else in their letter, this alone should earn our gratitude * * * that they reminded us of what it means to be a Christian.

That's the good news.

The bad news is that instead of the emerging consensus among Catholics the bishops had hoped for, there's been a chorus of castigation condemning some of what they have written.

Even before the bishop's draft was released, a group of Catholic lay men and women, who call themselves political conservatives, issued their own letter on the economy.

The lay letter was offered as a refutation of what the bishops wrote. And yet the two letters agreed on a number of major predicates.

They agreed on the moral dimension of our national economic life.

As I pointed out in an article I wrote for America, both documents agree that the state, the free market, trade—the ingredients of economic activity—exist to serve the people, not the other way around.

Both praise unions.

Both look on the profit motive as a central element in economic development.

Both insist on the Catholic principle of subsidiarity, on strengthening the family. On empowering the poor.

Both reject the "trickle-down" theory of economic development.

Despite this agreement, much of the criticism of the bishops' draft by individual members of the lay commission might lead a disinterested observer to believe that there is no agreement among Catholics about economics or about the economy's bearing on the social problems we all admit exist.

An article recently written by former Secretary of the Treasury William Simon, who was chairman of the group that issued the lay letter, is illustrative.

The article, entitled "The Bishops' Folly," appeared in National Review, a journal whose editor—William Buckley, Jr.—in a memorable act of dissent, once wrote that Pope John XXII's encyclical Mater et Magistra was—in his words—" "a venture in triviality."

William Simon continues the tradition.

Consider for a moment what he labels "The Bishops' Folly."

● This "bullet" symbol identifies statements or insertions which are not spoken by the Member on the floor.

Simon says the bishops make a "gigantic leap * * * from the time-honored social teaching of the church to the conclusion that our American economic system is in conflict with what the bishops believe to be morally acceptable."

I don't think there's any doubt that a broad condemnation of our entire traditional economic system as "morally unacceptable" would be widely rejected by Catholics, many of whom have benefited immensely from that economic system.

I'd be among them.

So would millions of other people like myself whose parents came to this country because it offered opportunity and hope, because it gave them the chance to work and by working to give their children opportunities they never had themselves—the chance to go to schools like St. Peter's or St. John's, to become doctors, and lawyers and professors, to take their place among the leaders of industry of Government or any field of endeavor they chose.

Millions of us think of our economic system as the key to our prosperity and are grateful * * * and supportive.

But the fact is Simon has created a straw-man—they're usually much easier opponents.

The bishops never anathematized our entire economic system as immoral.

Their language is strong. There's no question about that, but nowhere do they issue a wholesale condemnation of the free-enterprise economic system.

They point out forcefully, in a way unlikely to be ignored, that there are still many—millions in fact—who do not share the benefits our economy provides most of us. Nine million more poor people than there were just four years ago. More homeless than at any time since the Great Depression. More hungry. More children doomed from birth to a world of poverty and violence and social pathology.

The lay commission does not deny this.

Can any of us deny it?

Can we look around this city—or any city—and deny what we see? Can we ignore the reality that confronts us in newspapers and on T.V., in our hospitals and prisons and streets? Can we refuse to accept the fact that grinding poverty exists side-by-side with great affluence?

And if we don't deny it, can we excuse ourselves from trying to improve the system by dismissing such efforts as impractical * * * as folly?

Is it not a legitimate moral concern when, in the wealthiest country in the history of the universe, millions of people—mostly children and their mothers—subsist on the crumbs from our table?

Of course, it is. Of course, the bishops are right in pointing out the failures of the system. They are doing nothing more than applying and building upon the entire modern tradition of Catholic social teaching.

We should be accurate about that tradition. It makes clear what my philosophy teacher at St. John's used to call the desideratum—that is, the essential body of objectives that we as Catholics should be striving to reach. But it does not oblige us under the pain of sin to accept any particular recipe for economic reform as the only intelligent or moral solution.

On economics as on nuclear weapons and on other questions, Catholics are not bound to accept every detail of pastoral letters, or even encyclicals. Particularly when the bishops move beyond the dictates of moral law to the question or practical political policies, there is room for differences of opinion and honest debate.

In this draft, the bishops are careful to emphasize that point, repeatedly.

In one place they write this: "The effectiveness of our prudential judgments in this area will depend not only on the moral force of our principles but also on the empirical accuracy of our information and our assumptions."

For that reason, they also write: "We expect and welcome debate on these proposals and believe it will be beneficial if it is conducted with mutual respect."

Unfortunately, in much of the debate so far mutual respect has been a scarce commodity.

Again, look at the William Simon article.

In it, he questions not only the bishops' conclusions but their very capacity to speak at all, pointing out in a formidable display of snideness that the five bishops have graduate degrees, respectively, in canon law, modern languages, philosophy, divinity, and piano.

This is a little like saying that we shouldn't take the new testament too seriously because instead of being written by theologians, it was written by fishermen, a tax collector, a doctor and a tent maker.

By this logic, the bishops would presumably be prevented from speaking about abortion because they aren't women nor physicians; or about the nuclear arms race because they're neither physicists nor generals.

And they're not the only ones who'd be restricted. Earlier this month, myself and the legislative leaders in New York agreed on a 39 billion dollar budget. Not many of us have college degrees in economics.

The point, I think, is clear.

If we must leave the economy to the economists, then there aren't going to be many people in the debate.

There are other criticisms, many of them accusing the bishops of ignoring history and embracing the so-called "failed policies of the past," accusing them of believing that Government can help improve the condition of people's lives, that we don't have to leave the least among us to the mercies of a free market.

But if anyone is ignorant of the past, it's those critics who fail to acknowledge the reasons for the success of the American economy.

That success didn't just happen. It wasn't inevitable. It wasn't just the happy result of rugged individualism. It wasn't even produced solely by the concededly heroic efforts of the waves of immigrants who pushed back the wilderness, who bridged the rivers and raised the skyscrapers, who earned their success with their sweat—sometimes with their blood.

Government had a role. An important one. From the very beginning, Government acted to make life better for our people. It provided land for homesteaders, for railroads, for private colleges.

In my lifetime, and in Bill Simon's, Government helped bring our Nation out of a shattering depression. Eventually, it provided us with unemployment insurance, health care, Social Security, loans for colleges, for homes, for businesses. Government helped an entire generation—people like myself—lift themselves to comfort and even affluence.

And it did more. It broke down the walls of legal segregation that made us two nations, separate and unequal. It helped make our society freer, fairer, more just.

Nothing in Bill Simon's words—or in the Gospel of Orthodox supply siders—can obscure this simple historic truth.

And without suggesting that we must replicate exactly every program tried in the past, isn't it just commonsense to recognize the great contribution Government made—and can still make—to the future of this country?

The bishops do.

So far, I've mentioned only the criticism that says the bishops went too far, that they were too radical. But there's been criticism as well from the other side, criticism that they don't go far enough.

Father Andrew Greeley has taken the bishops to task on a half dozen of their concrete suggestions. He does not wish, he writes, to "be identified with the nervous neighings of such critics as neocapitalist Michael Novak," the vice chairman of the lay commission. But in calling the draft "little more than a rehash of the party-line liberal, conventional wisdom of five to fifteen years ago," Greeley seems to agree with Novak and with William Simon.

His most fundamental objection, however, is that the pastoral is not Catholic enough, not radical enough because it ignores what he calls "the centralization of monopoly power in American industry."

"A critic sensitized to the classic Catholic Social theory," Greeley says, "Would writhe in horror at the mergers, acquisitions and corporation buyouts that have become a commonplace of American business life and that are devoid of social utility. * * *"

In education and Government, too, Father Greeley sees gross violations of the principle of subsidiarity. The result is bureaucracies that are unable to respond to the root causes of unemployment and poverty.

Because the pastoral does not address this most fundamental problem of the American economy, it is, in Greeley's words, "an inept and inadequate document."

To be honest, I have my own reservations about parts of the draft pastoral.

While I agree with the bishops that national eligibility standards for welfare and a national minimum benefit level are desirable, I don't believe they are achievable—at least not while the Federal deficit is running at $200 billion a year.

Along with the bishops, I believe Government has a role in putting people to work. But the bishops focus almost exclusively on public-sector jobs. I think we have to concentrate on investments that train people to work in the private sector.

We simply can't build a growing economy on the public-sector payroll.

I also don't see what's wrong with requiring able-bodied people who are on welfare to work or to train for a job. Wherever possible, the object of our public assistance programs should be to equip people with the skills they need to stand on their own.

Despite these reservations, I cannot agree with William Simon when he says that the bishops' thrust is that "a free economic system cannot be compatible with Christian doctrine," nor with Father Greeley when he calls the draft "inept and inadequate."

This document might not contain the neo conservative economic orthodoxy that Simon would like, nor a sweeping, radical plan for the achievement of an "organic society," which Greeley sees as a proper goal of Catholic Social teaching. It might, in part, be impractical from the perspective of Governors like myself who have to build broad consensus before we get our budgets passed.

There are honest disagreements with particulars, and all the criticisms should be carefully examined and evaluated.

I believe they will be; the bishops never claimed to have received stone tablets from Mount Sinai.

But none of the considerable disagreement about what the bishops call their "policy applications" should draw attention away from the enormous contribution the document makes by advancing a single proposition that I believe is unarguably right and should remain the basis for any amendments.

The proposition is this: There is more poverty—more economic suffering—in this country than there has to be. We shouldn't resign ourselves, the bishops are telling us, to so-called "iron laws" of economics that would confirm a few in their riches and condemn millions of others to ghettos and unemployment offices and welfare lines.

Remove all the particulars and there's one central theme of the pastoral—the preferential option for the poor.

At bottom, that's the important contribution this document can make. It tells us that it's not possible to call yourself Catholic and ignore the poor, that a preferential option for the rich, no matter how respectable it might become in our society, is simply not reconcilable with Catholic tradition.

It's important to keep that idea in the forefront.

And if the bishops' practical "policy applications" distract people from that central thought, then perhaps it would be wise, as several commentators have suggested, to issue the final version as two separate documents, one containing biblical and theological foundations, the other offering policy applications.

In such a format, the document might eventually have greater pastoral impact.

It might convince more of us—students and politicians and economists and employers and the whole enormous and influential body of Catholic lay and clerical men and women—to recall the obligations our faith imposes on us.

We should be grateful to the bishops for reminding us of that obligation. We should understand how important it is for those of us fortunate enough to live in "a shining city on a hill" to remember that ours is really "a tale of two cities."

* * * * *

The bishops aren't asking that we seek perfection. They know the imperfection that is built into our human natures. They don't propose a collectivist society along Marxist lines or even along the lines described in the reading last Sunday from the Acts of the Apostles, where, we're told, "no one said that any of the things he possessed was his own, but they had everything in common."

The bishops aren't looking for the road to Utopia. They aren't asking us to write the beatitudes into our legislative agendas or our political platforms.

They know the poor we will have with us always. But they believe the poor don't have to be with us in quite the number they are now, with those numbers growing every year.

The bishops believe we can come closer—much closer—millions of lives closer—to the desideratum, as long as we continue to remember what the desideratum is.

They speak to all Americans but especially to those of us who call ourselves Catholics. They challenge us to help the country of which we are so proudly a part to find better ways to express the compassion that is at the heart of our heritage.

They ask us not to lower our aspirations. Not to accept as fate what we once believed it was in our power to change.

The pastoral calls us to God's work in this world. It testifies prophetically to the great good that we are capable of as a people, to our own part in the unfolding of the work of creation.

It is hopeful, uplifting, confident about our potential for doing good.

The vision it embodies is an ancient one.

The prophets saw it. And the apostles.

Generations of believers have struggled to bring it closer to our world, "to renew the face of the earth" through justice and mercy and love.

But perhaps no one has described that vision as magnificently as Teilhard. "The day will come," he wrote, "When after harnessing the ether, the winds, the tides, gravitation, we shall harness for God the energies of love. And on that day, for the second time in the history of the world, man will have discovered fire."

The bishops ask us to work toward that day.

Thank you.●

SIXTH ANNUAL SPRING PREMIERE AWARDS BANQUET HONORS OUTSTANDING JOHNSTOWN AREA CITIZENS

HON. JOHN P. MURTHA

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Monday, May 20, 1985

● Mr. MURTHA. Mr. Speaker, it has been my pleasure to enter into the CONGRESSIONAL RECORD the annual list of organizations and individuals honored by the Black United Service Clubs of Johnstown.

The Sixth Annual Spring Premiere Awards Banquet will take place this year on May 26. This banquet has become an annual hallmark in recognizing citizens and organizations who have contributed to improving economic and social living conditions in the Johnstown area, promoting the human spirit, and adding to our national effort toward racial harmony.

The strength of America rests not with its Government, but with the spirit and dedication of its people, and with the American traditions that make us the greatest Nation in the world.

These are individuals who in their own way, with their own commitment and their personal efforts contribute to the great American tradition, and it is a pleasure to insert the following names to recognize the individuals being honored at this year's awards banquet.

LIST OF BLACK CHURCHES AND PASTORS

Pleasant Hill Baptist Church, Rev. Andrew W. Tilly, D.D.

Mt. Sinai Baptist Church, Rev. Joseph Harkless.

St. James Missionary Baptist Church, Rev. Dr. A.K. Surrett.

Jefferson Memorial F.B. Church, Rev. Joseph McGauley, M.G.

Pilgrim Church of God and Christ, Elder Crawford Spence.

Shiloh Baptist Church, Rev. Wylie Seals.

Cambria A.M.E. Zion Church, Rev. Edward Hill, M. Div.

Trinity Asbury United Methodist Church, Rev. Ronald Spence.

Bethel A.M.E. Church, Rev. Wallace J. Dickey.

Undenominational House of God, The Right Reverend Charlie March.

LIST OF BLACK ORGANIZATIONS

Conemaugh Valley Lodge No. 10, F.&A.M., P.H.A., Rev. Charlie March, Worshipful Master.

The Johnstown Branch NAACP, Thomas Smith, Jr., President.

Coke Plant Auxiliary, Mary Thomas, President.

First Cambria A.M.E. Zion Church, Modern Wives Club, Norma Sitton, President.

Flood City Lodge No. 71, I.B.P.O.E. of W., David Simms, Exhalted Ruler.

VFW, James Triplin, Commander.

Cambria Lodge No. 64 A.F.&A.M., Robert Goodman, Worshipful Master.

Greater Johnstown Affirmative Action Council, Allen P. Andrews, Executive Director.

Conemaugh Chapter No. 55, O.E.S., P.H.A., Pam Nash, Worthy Matron.

Conemaugh-Franklin Coke Plant Club, Edgar Thomas, President.

NAACP Women's Auxiliary, Dorothy Thomas, President.

Golden Star Chapter No. 79, O.E.S. A.F.&A.M., Helen Moore, Worthy Matron.

Mecca Temple No. 294, I.B.P.O.E. of W., Charlene Carr, Daughter Ruler.

Golden Leaf Club, Charles Simon, President.

NAACP Youth Council, Sandra Cashaw, Youth Advisor.●

THE TRACKLESS TANGLE OF INFLATION AT THE PENTAGON

HON. LES ASPIN

OF WISCONSIN

IN THE HOUSE OF REPRESENTATIVES

Monday, May 20, 1985

● Mr. ASPIN. Mr. Speaker, last week, I pointed out that the defense budget is not just a collection of defense issues—weapons, end strengths, operating tempos; it is also packed with economic issues—economic assumptions, economic policies, economic consequences.

Last week, I discussed how the Pentagon's spending rates had slowed. This week, I would like to explore another economic issue lurking in the defense budget. I would like to discuss today how the Defense Department has accommodated inflation—or, more accurately, how over 4 years we have appropriated some $18 billion, and perhaps as much as $50 billion, to accommodate inflation that never materialized.

HOW INFLATION IS CALCULATED

I must first explain how the Pentagon estimates the funds it seeks each year to offset inflation in the budget it submits to the Congress.

Every Government agency has to fold the administration's forecast of future inflation into its budget numbers, but the way the Pentagon does that is unique; it uses four different rates for four discrete segments of its budget.

First, for its military and civilian payrolls, which account for about one-third of the defense budget, the inflation estimate is simple. It's just the pay increase in that year's budget. Every pay raise is simply assumed to be the result of inflation.

Second, for major weapon systems, the planes, ships, tanks, and missiles that account for about one-quarter of the defense budget, the Pentagon since 1983 has multiplied the inflation rate estimated in the President's budget for the entire economy by 1.3. Thus, the administration provides for 30 percent more inflation in its major weapons than it expects in the economy as a whole.

Third, for most of the rest of the budget, such as operations and maintenance, research and development, and "other" procurement, accounting for about 40 percent of the total defense budget, the Pentagon uses the projected economywide inflation rate—with no multiplier.

Fourth, for purchases of fuel, the Pentagon uses a special index devised some years ago solely for fuel.

PROBLEMS WITH THE CALCULATION

There are two problems with these calculations. One is the projection of the economywide inflation rate, and the other is the unique multiplier used by the Defense Department for one-quarter of its budget.

Obviously, a key factor is what the administration assumes the economywide inflation rate will be. The budget is printed 8 months before the fiscal year begins and 20 months before the fiscal year ends—before we know what the inflation rate actually is. The lengthy and involved budget process is actually well under way more than 3 years before the fiscal year ends. If the projections are off by only a tenth or two of a point, it doesn't matter too much. But, unfortunately, that has not been the history of our inflation projections.

Most projections contain errors that tend to offset one another over time. The estimates may be too low in some years and too high in others, but these errors should cancel one another out in large measure. That has not been the history of these projections either, however.

As it turns out, the Reagan administration's projected inflation rates have been consistently higher than the actual rates in every year—and by a lot more than a tenth of a point or two.

FIGURE 1.—ECONOMY-WIDE INFLATION

[In percent]

	Fiscal year 1982	Fiscal year 1983	Fiscal year 1984	Fiscal year 1985
Forecast [1]	8.7	6.5	5.3	4.9
Actual	7.2	3.9	3.8	[2] 3.6
Error	+1.5	+2.6	+1.5	+1.3

[1] As shown in the President's budget submission for the indicated fiscal year.
[2] Latest projection for fiscal year 1985, which is now half-finished.

As figure 1 shows, the administration has consistently overestimated inflation by a substantial amount—averaging about 1.7 percentage points. That's not small potatoes; 1.7 percent of the Defense budget is now about $5 billion annually, and the errors compound with time.

But this is by no means the only source of error. The decision to apply a multiplier for major weapon programs beginning in 1983 may have been well-intentioned, but the 1.3 figure could be right only by sheer luck. It's not that it was plucked out of thin air or chosen simply as a sneaky way to pad the budget. The decision to use the 1.3 multiplier was based on recent history at that time. The actual inflation rate for weapon systems—as calculated by the Department of Commerce, not the Department of Defense—had run about 40 percent above the actual economywide inflation from 1979 through 1981.

Furthermore, since 1981, inflation in weapon systems has risen even higher than 1.3 times the economywide inflation rate—apparently confirming the decision to use some multiplier, if not 1.3.

What is the problem then?

The problem is painfully obvious if you look at figure 2, which shows the history of actual inflation in major weapons compared to actual inflation in the economy as a whole. The ratio hasn't just plugged along at 1.3; it's been all over the lot—from a high of plus 4.5 to a low of minus 1.8. And it's hard to demonstrate that plus 1.3 is even a reasonable average because it all depends on when you start counting. If you happen to start in 1965—or any year between 1971 and 1975—and end with 1984—our last actual data—you do indeed get the 1.3 figure. But if you start in some other year, you can get any figure you want between 1.1 and 2.1, except 1.8.

But even if there were some valid long-term average, using it to estimate how much to allow for inflation would inevitably—except by sheer accident—give you the wrong answer for any particular year because the actual ratio jumps around so much. Thus, it's virtually certain that we've allowed the wrong amount for inflation most years.

Looking at the actual numbers, it looks as if the 1.3 multiplier has been too low for the past 4 years. But because the projections of inflation in the economy as whole—as shown in figure 1—have been too high, the two errors have combined to put us roughly on target—by dumb luck.

Even that may not be right, however, because the actual inflation numbers for weapons are off. The calculation suffers from double-counting, which stems from the difficulty in distinguishing between the effects of inflation and the effects of production rates and learning curves. Let me explain.

FIGURE 2.—*Ratio of Major Weapons, Inflation to Economy-wide Inflation*

1946	1.04
1947	.28
1948	2.24
1949	2.94
1950	3.29
1951	1.51
1952	.03
1953	−.35
1954	−1.23
1955	4.47
1956	.78
1957	2.32
1958	.04
1959	−.67
1960	−.95
1961	1.73
1962	−.07
1963	−1.81
1964	1.13
1965	.61
1966	2.78
1967	1.94
1968	1.39
1969	.62
1970	.73
1971	.94
1972	.93
1973	1.09
1974	1.17
1975	1.12
1976	1.00
1977	1.12
1978	1.04
1979	1.03
1980	1.33
1981	1.16
1982	1.99
1983	2.23
1984	1.87

Source: Department of Defense. (DOD provides more conservative inflation rates than did the Commerce Department's earlier study that is referred to in the text.)

Take production rates: If a company is to build half as many aircraft this year as the year before, the unit cost will rise as the same burden of overhead costs is piled on half as many aircraft. Of course, the opposite occurs when production accelerates.

As for the other factor, learning curves, when a company switches from building an old aircraft to building a new one, production workers who had gradually learned over the years how to build the old aircraft efficiently have to start the learning process all over again, and costs rise. On the other hand, of course, costs will fall in later years of production.

The analysts of defense inflation at the Department of Commerce ruled that costs resulting from production

cutbacks and from the starting end of the learning curve were inflation. The hooker is that when a production run is slowed down or a new production line opened, more money is routinely pumped into the budget to account for the higher per-unit costs. In other words, we are providing the money needed to cover higher unit costs twice—once through the 1.3 multiplier, and again through the Pentagon budget process. It's double-counting.

Of course, if there have been few new starts, there would be little double-counting. Conventional wisdom holds that the Reagan administration has introduced few new weapon systems and simply accelerated the production of weapons already in the Carter program. It is true that the Reagan program is essentially an acceleration of the Carter program. But the Carter program contained a horde of weapons in R&D that entered production in the early 1980's. In fact, in the Reagan years, more than one-third of all the money going into major weapons is going to produce the first 200 copies of those weapons. In other words, one-third of the money is going into programs on the low end of the learning curve—precisely where the double-counting problem is serious.

THE SCALE OF THE ERROR

The amount of money the 1.3 multiplier swings around can be staggering. For example, if the 30-percent add-on is all double-counting, then from fiscal year 1983 through fiscal year 1985, we have appropriated an unnecessary $30 billion for major weapons. Whether that immense figure is right or not, we cannot be sure. But we can be sure that with that much money at stake, we simply have to have a much better way of coping with inflation.

As for the nonpay and non-major-weapons account—the third item I referred to at the beginning—the amount of overfunding is much clearer. If we had projected inflation accurately for the period of fiscal year 1982 through fiscal year 1985, the appropriations for those accounts should have been $18.2 billion lower—5 percent of the total.

We're talking about needless appropriations totaling no less than $18 billion, and possibly on the order of $50 billion. That's astounding in two respects: It's astounding that we should be so uncertain about how we throw the taxpayers' money around, and its astounding how much money is involved.

These sums dwarf the $7.7 billion that the President says we could save by terminating 18 Federal programs, including Amtrak support, the Job Corps, the Small Business Administration, postal subsidies, rural electrification, Urban Development Action grants, among others.

They dwarf the $5.6 billion we could save by eliminating Social Security COLA's.

They dwarf the $8.2 billion we would save by eliminating all Federal COLA's.

To paraphrase the late Senator Everett Dirksen, this is real money we're talking about.

WHERE HAS THE DIVIDEND GONE?

All of this leaves one very large and very obvious question remaining to be answered: Where's all that money gone?

I can't give you all the answers. I can't give you a bank account number. I can't point to Caspar Weinberger's mattress. But in rummaging through the various Pentagon data banks, I have come up with some circumstantial evidence pointing to some possible rocks under which the inflation dividend may be hidden. Four rocks, to be precise.

The first rock is what the green-eyeshade types call "unexpended balances." That is the money Congress has appropriated for the Defense Department that the Defense Department has not actually spent. Since 1983, the Pentagon has consistently been unable to spend its appropriated funds as fast as it has said it would. The total backlog of "unobligated" balances—that is, appropriations the Pentagon has not only not spent, but not even put under contract—doubled from 1981 to 1984. The volume of expiring appropiations—that is, appropriations that die because the Pentagon has not put the funds under contract within the legally allowable period—quadrupled from 1981 to 1984.

The second rock is the defense industry. There are indications that defense contractors have benefited because more money than was needed to cover inflation was available for their programs. If a contractor is paid moneys for inflation that never occurs, those moneys should logically show up as higher profits. The profit records for major defense contractors listed in figure 3 indicated that the defense industry is now enjoying a bonanza of profits.

As the table shows, only 1 of the 10 has seen its profit margin fall since 1981, while 6 of the 10 recorded their highest profit margins in 15 years during 1984.

FIGURE 3.—RETURN ON SALES OF 10 LARGEST PUBLICLY OWNED DEFENSE CONTRACTORS (ACCOUNTING FOR 34 PERCENT OF 1984 CONTRACT AWARDS)

[In percent]

Contractors	1981	1984	Highest year 1970–83
McDonnell Douglas	2.4	3.4	3.9
Rockwell International	4.1	5.6	4.8
General Dynamics	2.5	4.9	4.1
Lockheed	3.0	4.2	4.0
Boeing	4.8	7.6	6.4

FIGURE 3.—RETURN ON SALES OF 10 LARGEST PUBLICLY OWNED DEFENSE CONTRACTORS (ACCOUNTING FOR 34 PERCENT OF 1984 CONTRACT AWARDS)—Continued

[In percent]

Contractors	1981	1984	Highest year 1970–83
General Electric	6.1	8.2	7.6
United Technologies	3.3	4.0	3.7
Raytheon	5.7	5.7	5.8
Litton Industries	6.3	6.0	6.9
Grumman	1.1	4.2	5.0
Average return	3.9	5.4	5.2

The third rock is reprogramming; that is, the transfers of money between Pentagon programs. If the services enjoy an excess of cash, it is reasonable that they would shift that money from the programs where it is excess to other programs—for example, to develop new concepts now in the research stage, or to fund more field operations. Over the last few years, about $2.3 billion has been transferred out of major weapon programs and into other programs, particularly research and development, and operations and maintenance.

The fourth rock is right here on Capitol Hill. Part of the money that the Pentagon included to cover inflation was later deleted in the authorization and appropriation processes. Each year we look for funds previously appropriated but no longer needed.

WHAT'S TO BE DONE ABOUT IT?

So far, I've talked about the problems of calculating inflation, estimated the general scale of the resulting errors in dollars terms, and looked over some of the evidence—admittedly circumstantial, not conclusive—as to where those vast and vanishing sums may have ended up. The remaining question is what we should do about this in the future.

One alternative is to abolish the use of any multipliers, and require the Defense Department to stick with the economywide inflation rate forecast in the President's budget. That makes some sense because, first, the multiplier counts some inflation already accounted for in the budget process, and second, in the long run, defense inflation averages out close to economywide inflation. I acknowledge, however, that from a Pentagon planner's standpoint, "the long run" does not help him cover the cost of buying 1,000 gizmos next year if the inflation rate on gizmos next year is substantially higher than the economywide rate.

From the standpoint of immediate policy, it looks as if the current defense buildup is leveling off and that, as history demonstrates in figure 2, the immediate future should see major weapons inflation running lower than the economywide rate. Therefore, it

would make sense, not only from the standpoint of congressional budget cutters, but also from the standpoint of defense budget planners, to eliminate the mutiliplier, and possibly even to use a negative multiplier—that is, to give the Defense Department only 60 percent or 70 percent or 80 percent of the projected economywide inflation.

The problem with these ideas is that they still rely on guesswork about future inflation. Instead of an endless, hopeless quest for the right multiplier, instead of the inevitable imperfections in predicting inflation in the economy as a whole, instead of the trackless tangle of searching for missing money, we could move to an entirely different system that doesn't rely on guesswork.

So another alternative could be abolition of all allowances for predicted inflation. Instead, each contract for a major weapon could incorporate an explicit formula for offseting whatever inflation actually occurred in the preceding year. That formula might be based on some market basket of raw materials, wage rates in relevant sectors of the economy, energy price indexes—the Consumer Price Index, or whatever. But it would be an explicit and unarguable calculation whose ground rules would be understood in advance. Indeed, some weapon contracts already incorporate such formulas.

Then we could set up a revolving fund from which those payments would be drawn to compensate contractors for actual, rather than predicted, inflation.

All this would result in two very important improvements:

First, the inevitable errors in predicting inflation would result only in bookkeeping adjustments, not multibillion-dollar errors in appropriations; and

Second, all the funds paid out to offset inflation could be accounted for down to the last penny; how much was paid, when, and to what contractors for what weapon. No more trackless tangle of vast and vanishing funds.

This is not a new idea. For example, several years ago, we set up a foreign currency revolving fund. In years when the German mark soared, the services had taken a beating because they lacked enough funds to buy their needs on the German market. Conversely, when the dollar soared, the services enjoyed an unplanned dividend and had cash to blow. We resolved that problem with the foreign currency fund.

Unfortunately, such a solution for the 40 percent of the budget comprising operations and maintenance, research and development, and "other" procurement seems more problematical. With major weapon system contracts, it's easy to build explicit formulas for calculating payments to offset inflation. But it doesn't look quite as easy with these other accounts.

If we could predict inflation correctly, the current system would be fine, but we can't, and it isn't—to the same tune of that $18 billion to $50 billion. The future remains unpredictable—fortunately, for the spice of life, if not for the efficiency of budgeting. Let me point out here that I do not think, and am not suggesting, that the Reagan administration has used politically tinged projections. An early goal of the Reagan administration was to achieve drastic reductions in inflation. If there was any pressure to finagle the inflation projections, in this administration the pressure was to err on the side of optimism and produce very low projections. It is a sign of the administration's unexpected success that it did a far better job of lowering inflation that it ever promised the public.

It seems to me that what we need here is some system for making ex post facto adjustments in the Pentagon's budget accounts. When our estimates of future inflation turn out to be wrong—and they will turn out to be wrong—we need some credible and verifiable way to correct those past errors. Finding such a system might be quite a challenge, but we'd better find one since the taxpayers of this country have had enough—and more than enough—of sloppy management.

CONCLUSION

I do not want to pretend that the information I have laid out here today is all there is to know about this subject. I don't have all the answers. But the point I want to make crystal-clear is that there is something wrong with the way we handle inflation in the defense budget today.

It is wrong when the Pentagon can enjoy a secret dividend, regardless of whether it is $5 billion or $50 billion. It is also wrong when projections of inflation are erroneously low and the services are forced to cut corners—grounding aircraft to save fuel, shuffling accounts desperately, wasting energy by devoting efforts not to programs but to making numbers look right on a page.

I am not suggesting there has been any wrongdoing on the part of the Pentagon. I am not launching any vendetta against Secretary Weinberger. In fact, I have written the Defense Secretary outlining the statistics and the concerns I have expressed here today, and asked him to help me and the Committee on Armed Services sort out the facts, to locate more precisely the rocks under which the dividend is hidden, and to work with me in developing a rational and, I hope, permanent system for coping with the reality of inflation that all of us—in the executive and the legislative branches—can live with.●

A PRAGMATIC WORKFARE REQUIREMENT

HON. NORMAN D. SHUMWAY

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Monday, May 20, 1985

● Mr. SHUMWAY. Mr. Speaker, I have always been a strong advocate of the "workfare" concept because of my belief that society is better off when able-bodied people are productive. In fact, the complaint espoused by some workfare detractors that exchanging services for welfare benefits punishes people for being poor is sheer nonsense. Nonetheless, I also recognize that mandatory work programs can be impractical to implement, expensive to operate, and morally wrong if they are not intelligently structured and enthusiastically administered. For this reason, I have introduced legislation that targets a mandatory AFDC workfare requirement to primary wage earners in two-parent families only.

This narrow remedy will reaffirm the work ethic in general, enhance individual client's self-esteem and/or improve job skills through training, bring about a corresponding reduction in long-term welfare dependency, provide useful services that State and local governments could not otherwise pay for, help to restore public confidence in the safety net, establish the parent as a working role model for children, and promote the original purpose of AFDC which was to strengthen families.

This proposal will not apply to families headed by single parents, usually young mothers, who should not be forced to choose between working and leaving children at home to care for themselves—or in expensive and sometimes inadequate child care facilities. After all, Congress should certainly not encourage policies that would probably create more "latch key" children, unsupervised kids who all too often become juvenile delinquents and truants. In addition, finding meaningful temporary jobs for single parents is no easy task.

Again, the measure I am introducing limits the workfare requirement to those States which provide AFDC-U coverage to families where both parents are present. The primary breadwinners in these families generally have prior work experience and are likely to detest reliance upon the public dole. This existing sense of dignity and attachment to the labor force, combined with the relative scarcity of two-parent AFDC-U families, will make this effort more manageable, and thus attractive, to those charged with workfare program supervision.

Failure of the head of household to participate in the program will not un-

fairly eliminate the family's AFDC grant, though compliance will be encouraged by excluding nonparticipants from the family's actual grant calculation. Furthermore, job placements must meet the protections presently contained in section 409(a) of the Social Security Act as well as applicable health and safety standards. Programs will not displace current workers. As provided by current law, States would retain their right to establish broader workfare requirements if they so desired.

I encourage my colleagues to support this narrowly crafted workfare initiative, a responsible approach that has proven its efficacy in various State demonstrations.

The text of the bill follows:

H.R. 2549

A bill to amend title IV of the Social Security Act to provide that States which provide aid to dependent children of unemployed parents must require the unemployed parent to participate in a community work experience program

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a) section 407(b)(2) of the Social Security Act is amended—

(1) by striking out "and" at the end of subparagraph (C);

(2) by striking out the period at the end of subparagraph (D) and inserting in lieu thereof "; and"; and

(3) by adding at the end thereof the following new subparagraph:

"(E) that the parent described in paragraph (1)(A) participate in a community work experience program in accordance with section 409.".

(b) Section 409(a)(1) of such Act is amended by inserting after the first sentence the following new sentence: "If a State provides aid to dependent children of unemployed parents in accordance with section 407, such State must establish a community work experience program in accordance with this section for, at a minimum, those unemployed parents described in section 407(b)(1)(A).".

SEC. 2. (a) Except as provided in subsection (b), the amendments made by the first section of this Act shall be effective with respect to payments under part A of title IV of the Social Security Act for calendar quarters beginning more than 180 days after the date of the enactment of this Act.

(b) In the case of a State plan approved under part A of title IV of the Social Security Act which the Secretary of Health and Human Services determines requires State legislation in order for the plan to meet the additional requirements imposed by the amendments made by the first section of this Act, the State plan shall not be regarded as failing to comply with the requirements of such part solely on the basis of its failure to meet these additional requirements before the first day of the first calendar quarter beginning after the close of the first regular session of the State legislature that begins after the date of the enactment of this Act.●

MAKE ALTERNATIVE WORK SCHEDULES PERMANENT

HON. ROBERT T. MATSUI

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Monday, May 20, 1985

● Mr. MATSUI. Mr. Speaker, today I rise to voice my strong support for H.R. 1534, which would permanently reauthorize the Federal Employees Flexible and Compressed Work Schedules Act.

The use of both flexible and compressed work schedules have been a boon to the Federal worker, the Federal Government and the taxpayer. Employees, being better able to control their time and plan their personal lives, spend their workday bothered by fewer distractions. This encourages a better employee attitude and a better working environment. Families are able to spend more time together at home. Flexible and compressed work schedules prevent the tragedies that can befall latchkey children. Parents can coordinate their schedules to allow one to be at home before children leave for school and the other to be home at the end of the school day.

Personal errands, which often seem to conflict with job requirements or reduce an employee's annual leave, are much less cause for concern. Car repairs, banking, doctor's appointments and the like can be taken care of on a day off by workers on a compressed schedule, or before the beginning or at the end of the day by workers on a flexible schedule.

Some flexible schedules are designed to allow workers a grace period at the beginning of the day. The employee who is detained at home or caught in traffic is allowed to make up that time at the end of the day. The grace period serves to preserve leave time for the employee, decreases tardiness and assures the Government a full day of work from each worker.

AWS was initiated as an experimental program in 1978. While potential benefits seemed clear, Members overriding concern was whether the primary mission of the Government, providing service to the American public, would be compromised. The Office of Personnel Management has monitored these effects of the program. Three years later, their results indicated that properly managed AWS programs threaten neither management prerogatives nor the taxpayers' right to superior service.

By 1982, when the program was scheduled to expire, extensive inquiry showed that the AWS was a success. Over 325,000 workers in 1,500 organizations were using some form of flexible schedule; 30 to 35 percent of the organizations involved felt the use of AWS had increased productivity within their organizations; 50 to 60 percent felt there had been no change in productivity. This compares with only 10 percent which felt there had been a decrease in efficiency. In light of this overwhelmingly favorable evidence in support of AWS, the Congress in 1982 extended authority through 1985.

AWS has on occasion met with problems, but almost all of these problems have been remedied. For instance, when management lacked the authority to terminate inefficient schedules Congress granted management the additional authority to ensure that AWS could not negatively affect Government's ability to do the people's business. Now, if an agency feels that a particular schedule will have negative consequences on agency operations or expenditures, but reaches an impasse in negotiations with the exclusive representative, the issue will be decided by the Federal Service Impasses Panel. The burden is on the agency to prove their case. Should a situation arise where a schedule already in place is found to cause problems, the agency is given the limited right to reopen the agreement to terminate that one schedule. Again, if an impasse is reached, the final decision is made by the Panel.

According to information released by the GAO this compromise has proven effective.

The AWS Program is clearly beneficial to the workers using it, to their agencies, who have more productive workers, and in turn to the American taxpayers, who are getting better service for their tax dollars. I urge the House to give its approval to the permanent reauthorization of this important program.●

SUPPORT FOR THE NICARAGUAN TRADE EMBARGO

HON. BOB McEWEN

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Monday, May 20, 1985

● Mr. McEWEN. Mr. Speaker, I would like to bring to your attention, Resolution No. 85-470, passed by the city of Miami Commission expressing their strong support for the trade embargo against the Government of Nicaragua. Their support and implementation of this embargo is to be commended and I would, therefore, like to share this resolution with my colleagues.

The resolution follows:

RESOLUTION No. 85-470

A resolution expressing full support of the trade embargo against the Government of Nicaragua imposed by President Reagan; requesting that the Dade County Commission adopt strict measures in enforcing the trade embargo at the Miami International Airport and the Port of Miami; declaring as persona non grata all representatives arriving in the

city from the Sandinista government of Nicaragua and all representatives of commercial enterprises who contribute to the strengthening of said Sandinista government; further directing the city clerk to send a copy of this resolution to President Reagan, Vice President Bush, all Members of the United States Congress and all members of the Dade County Commission.

Be it resolved by the Commission of the City of Miami, Florida:

Section 1. The City Commission hereby expresses its full support of the trade embargo against the Government of Nicaragua imposed by President Reagan.

Section 2. The Dade County Commission is hereby requested to adopt strict measures in enforcing the Trade Embargo at the Miami International Airport and the Port of Miami.

Section 3. Representatives arriving in the City of Miami from the Sandinista Government of Nicaragua and all representatives of commercial enterprises who contribute to the strengthening of said Sandinista government are hereby declared persona non grata.

Section 4. The City Clerk is hereby directed to send a copy of this resolution to President Reagan, Vice President Bush, all Members of the United States Congress and all members of the Dade County Commission.

Passed and adopted this 9th day of May, 1985.

MAURICE A. FERRE,
Mayor.

Attest:

RALPH G. ONGIE,
City Clerk.

Prepared and approved by:

ROBERT F. CLARK,
Chief Deputy City Attorney.

Approved as to form and correctness:

LUCIA A. DOUGHERTY,
City Attorney.●

HONORING BRYAN CORLE

HON. JOHN P. MURTHA

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Monday, May 20, 1985

● Mr. MURTHA. Mr. Speaker, on the evening of February 4, 1985, a young man in Johnstown, PA, Bryan Corle was returning home when he came across an elderly woman who had slipped on the icy ground and fallen between several parked cars.

Bryan's quick thinking, action, and willingness to assume responsibility led to quick medical attention for the woman and saving her from severe medical problems due to exposure.

Bryan's excellent leadership was honored recently when he was awarded the Medal of Merit by the National Court of Honor of the Boy Scouts of America. In addition, a group from Johnstown will join to honor Bryan on Tuesday, May 28, at the Geistown Fire Hall.

Bryan is a candidate for Eagle Scout from Troop 25. I knew that Bryan's individual effort would be of special interest to the hundreds of Members of Congress who participated in scouting themselves.

And I want to join in sending along my personal congratulations to Bryan for this outstanding effort.

UNIVERSITY OF PITTSBURGH AT JOHNSTOWN, CATHOLIC CAMPUS MINISTRY,
April 24, 1985.

Hon. JOHN P. MURTHA,
U.S. House of Representatives,
Washington, DC.

DEAR MR. MURTHA: I am writing to you to enlist your assistance and possible participation in the recognition of a young man from the Johnstown area. His name is Bryan Corle of 246 Beechwood Ave., Johnstown, PA 15904. Bryan is an Eagle Scout Candidate of Troop 25 sponsored by the Geistown Fire Hall. Recently, Bryan was awarded the Medal of Merit by the National Court of Honor of the Boy Scouts of America for rescuing an elderly lady and saving her from exposure and possible death. For your use, I have enclosed a photocopy of the citation from the National Court of Honor.

Mr. Murtha, we were hoping that in some way your office could recognize Bryan through some letter, momento, resolution or whatever you might deem appropriate. The award will be presented to Bryan on Tuesday May 28, 1985, at 7:30 p.m. at the Geistown Fire Hall. You are cordially invited to be present, either personally or through one of your staff.

It is the wish of the unit that this presentation be a surprise and Bryan knows nothing about at this time. We hope that you can participate and I sincerely thank you for your kind assistance.

With best wishes and regards, I remain

Sincerely yours,

Rev. DAVID J. DODSON,
Chairman, Penn's Woods Council Advancement Committee.

THE MEDAL OF MERIT

For outstanding service putting into practice scout skills and ideas is awarded by the Boy Scouts of America upon the recommendation of the national court of honor on March 13, 1985, to Bryan Corle on the evening of February 4, 1985, Eagle Scout applicant Bryan Corle was returning home after visiting a friend. While enroute, he discovered an elderly lady, Mrs. Catherine Fitzpatrick, who had slipped on the icy ground and had fallen between several automobiles. When discovered, she was dizzy and incoherent. Bryan alerted a neighbor who called the ambulance. Bryan carried Mrs. Fitzpatrick safely inside and stayed with her until after the ambulance crew had left and saw her safely home. His quick action saved her from exposure.●

RENEWAL OF THE BLACK/JEWISH ALLIANCE

HON. CHARLES B. RANGEL

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Monday, May 20, 1985

● Mr. RANGEL. Mr. Speaker, I am encouraged by the recent alliance formed by two prominent black and Jewish organizations in New York. The National Organization for the Advancement of Colored People and the Union of American Hebrew Congregations have launched a new partnership which will renew our common interests in the years ahead.

There is much to celebrate in the black-Jewish relationship. From the similar, historical experiences of survival through slavery and the Holocaust to sharing the frontlines of the civil rights movement have made blacks and Jews natural allies in the struggle for social justice. Recently, the African famine has, again, brought blacks and Jews together to confront moral injustices. The Israeli airlift was of special significance, not because it was the Jews of Israel helping the Jews of Ethiopia but because it was people helping people.

Demogagues will continue to emphasize the few differences among blacks and Jews, but the policies of the Reagan administration reduces these differences and makes this relationship stronger. The Bitburg visit is as callous as the retrenchment of civil rights enforcement. The common consitutent interests and goals further demonstrate the close relationship of blacks and Jews in this Congress of which I am proud to be a part.

The NAACP and the UAHC partnership is an exciting prospect—full of new hope and promise. I submit a Newsday op-ed by Mr. George Spitz, as a reflection of this important and significant relationship:

POLLS SHOW BLACK VOTERS SUPPORT JEWS

Mayor Koch's response ["The Mayor Responds to Criticism," Feb. 13] to Les Payne's critical column of Feb. 3 ["City's Deadly Atmosphere Is Edward Koch's Doing," Ideas] cites a 1978 Lou Harris poll that found "blacks tend to be more anti-Jewish than any other group" and "a higher degree of anti-Jewish prejudice among black leaders than among leaders of any other group." One wonders if Harris polled residents of the Bible Belt or Arab-Americans.

In fact, the mid-to-late 1970s provide many examples of Pro-Jewish action, or pro-Semitism, by blacks, most notably in politics, an arena familiar to Lou Harris and the mayor.

For example, Jewish candidates for the U.S. Senate, such as Ohio's Howard Metzenbaum in 1976 and Michigan's Carl Levin in 1978, are in large measure victorious over non-Jewish white candidates due to overwhelming support from black leaders and black voters. To no avail, pro-Arab advocates strongly urged black voters to reject Metzenbaum.

When a Jewish candidate, Alderman William Singer, challenged Chicago's powerful Mayor Richard Daley in the 1975 Democratic primary, he received strong backing from black leaders (reportedly even Jesse Jackson). Although a black state senator also ran, Singer's showings in black wards equaled or exceed that of Daley and the state senator and were substantially superior to his vote totals in non-Jewish white areas.

The New York State elections of 1978 furnished strong evidences of local black pro-Semitism. For example, questions were raised about then Bronx Borough President Robert Abrams' lack of courtroom experience during the Democratic attorney general primary by his non-Jewish white oppo-

nent, Judge Dolores Denman. But, early in that campaign year, the Harlem Lawyers Association offered Abrams a forum of respectability and black voters supported Abrams' run for state attorney general by a substantial majority, just as they had in 1974 (when he lost to Louis Lefkowitz in the general election) against another non-Jewish white Democratic attorney general primary opponent, Rockland County District Attorney Robert Connor.

Harrison J. Goldin had no primary opponent in his 1978 race for state comptroller, but in the November general election he faced a strong non-Jewish white candidate, Edward Regan. Although Goldin did not fare well among white non-Jewish voters, he carried black neighborhoods by substantial margins. He retained this strong black support in the 1981 Democratic primary for city comptroller when challenged by the non-Jewish white assemblyman, John Dearie.

Moreover, black pro-Semitism was an important factor in then Rep. Edward I. Koch's victories over Mario Cuomo in the 1977 run-off Democratic primary and general election. The Amsterdam News, New York City's leading black newspaper, twice endorsed Koch, who was backed by black leaders, such as Basil Paterson, Percy Sutton, Rep. Charles Rangel, David Dinkins, Carl McCall and even the mayor's current opponent, Assemb. Herman (Denny) Farrell.

This black pro-Semitism was vital, because Koch lost heavily to Cuomo in predominantly non-Jewish white, normally conservative neighborhoods in Queens, Bronx, Brooklyn and Staten Island. Astoundingly, although in the November general election Cuomo was considered more liberal than his three Jewish opponents (Koch, GOP State Sen. Roy Goodman and Conservative Barry Farber), non-Jewish white GOP-Conservatives, such as borough president candidates Thomas Galvin in Queens and Fran Biondolillo in Staten Island, openly deserted their Jewish heads of ticket to favor Cuomo, who also was the only candidate opposed to capital punishment.

The black pro-Semitism that prevails in elections around the country parallels the overwhelming support blacks in Congress, such as Rangel, have provided Israel. Indeed, blacks are the only ethnic group in Congress, including Jews themselves, to vote unanimously against shipping FS-15s and AWACS to Saudia Arabia.

According to the mayor, "anti-Semitism is a problem in the black community, just as racism is a problem in the white community." In my opinion a "problem in the black community" is its failure to obtain proper credit for a remarkable record of pro-Semitism. The mayor, once he realizes that the Harris poll does not have a sound base, might play a useful rule in dispelling once and for all the myth of black anti-Semitism by articulating the reality of black pro-Semitism.

GEORGE N. SPITZ.

Manhattan.●

VASHON HIGH SCHOOL BASKETBALL CHAMPIONS

HON. WILLIAM (BILL) CLAY

OF MISSOURI

IN THE HOUSE OF REPRESENTATIVES

Monday, May 20, 1985

● Mr. CLAY. Mr. Speaker, the Vashon High School basketball team has once again become the Missouri Class 4A basketball champions. This is the second State title for Vashon in the last 3 years; no other school in the State can claim such an accomplishment. On behalf of the citizens of St. Louis, I would like to take this opportunity to congratulate each member of the Vashon High School basketball team:

Hollivan Billups, Anthony Walters, Kenneth Williams, Anthony Jones, Albury Doss, Gerald Jones, Anthony Bonner, Earl Catching, Chris McDonald, Will James, Dwayne Brown, Steve Hall, Malcolm Nash, Sean Tunstall, Kenneth Simpson, Demetrius Pate, manager; Alphonso Campbell, manager; Ricardo Riley, manager, and Nicole Perkins, statistician.

And, I commend Vashon's school principal, Michael K. Thomas, athletic director James M. Ford, head coach Floyd Irons, and assistant coaches Ron Newell and Ronald Simpson, for their efforts to support and guide the players to victory. The following article, "Vashon Nips Soldan for 4A Title" (St. Louis Post-Dispatch, Mar. 10, 1985) details Vashon's winning performance.

[From St. Louis Post-Dispatch, Mar. 10, 1985]

VASHON NIPS SOLDAN FOR 4A TITLE

MISSOURI 4A BOYS: QUICKNESS, SPEED WIN PHL CIVIL WAR

(By John Sonderegger)

COLUMBIA, MO.—The made-in-St. Louis championship game of the Missouri Class 4A high school basketball tournament was almost like a civil war.

When the last cannon had been fired and the last wound had been inflicted, the brothers of the Public High League shook hands. Their cheerleaders embraced on the Hearnes Center floor and cried like long lost friends meeting again.

When the smoke cleared, Vashon High's Wolverines were left standing Saturday with a 52-49 overtime triumph. The defeated Soldan Tigers walked slowly off the floor, glancing over at the winners, who offered thumbs-up signs to the retreating warriors of the PHL.

In the 59 years Missouri has held a high school tournament, this was the first time two PHL teams had met in the final.

And they didn't disappoint anybody.

"If you didn't get your money's worth tonight, then you're in the wrong sport," said Vashon Coach Floyd Irons.

"You should go watch the Blues' game or something."

Vashon and Soldan had roared into the final with lopsided victories in the sectionals, the quarterfinals and the semifinals.

Some called their overwhelming conquests boring.

But when they met for the title, it was anything but dull. It was a classic match of Soldan's size and power against Vashon's quickness and speed.

"You have to get up and down the court and slow them down," said Vashon guard Anthony Walters. "We're smaller, but we're quicker."

Soldan's size and strength on the forward line looked as if it would be too much to handle in the second quarter.

The Tigers were getting second and third shots, with Lance Simmons, 6-foot-5, and Kelby Stuckey, 6-6, dominating. They opened a 22-11 lead.

Irons couldn't wait for halftime. He told his troops not to attempt to get it all back at once. He wanted to get the deficit within 10 points.

But once the Vashon fire starts, it spreads quickly.

With 1 minute 8 seconds left in the half, Vashon trailed by 11. With 24 seconds left, they trailed by one.

Stuckey was called for a technical foul for attempting to stuff a shot and hanging on the rim.

The floor shook from the thunder of Stuckey's attempt at a slam. "They had to call it," said Irons.

Walters made the free throw. Then Vashon did what it does best. It shook, rattled and rolled the Tigers.

Albry Doss stole an inbound pass and scored on a layup. Then Kenneth Williams made a steal and scored. Then Doss did it again, and again. Then Hollivan Billups got position on Patrick Price and forced a charge. Billups hit one of two shots, and the Wolverines had closed within one.

It was a 10-point burst in 54 seconds. And Soldan never got the ball past midcourt in the span.

"Defense is our best offense," said Walters.

Soldan Coach Marvin Neals said, "We fell apart. We had a 10-point lead and a chance to put them away and we just fell apart.

"Mental mistakes cost us the state championship."

Soldan carried a 25-21 lead to the locker room at halftime. The Tigers also carried the memory of the scratching and clawing Wolves who had inflicted as much mental damage as physical damage in the one-minute fire drill.

The game was close the rest of the way. Price canned a jumper to start the fourth quarter and gave Soldan a 37-33 lead. Stuckey later made a three-point play to give the Tigers a 40-36 lead. But Simmons, who had 12 points in the first half, fell silent.

"He's only human," said Irons. "I think he got tired out there. Our press might not steal the ball all the time, but it wears them down. We couldn't play half-court ball with Soldan. They were too big and too strong. We needed to make them run."

And Stuckey, who didn't get called for a foul in the first half, picked up three quick ones in the third quarter. He went to the bench.

Simmons scored his first basket of the second half with less than 4 minutes remaining, but then Doss hit a jumper and Vashon forced a 5-second violation. Walters gunned in a long jumper to tie the score at 42 with 1:35 left.

Simmons muscled in for two points, and Walters made two free throws to tie the game at 44, setting up the overtime.

Doss scored on a jumper to start the OT. Then Stuckey countered with an inside

move for Soldan. Kip Spears made two free throws and Soldan had a 48-46 lead with 1:03 left.

Vashon then lost the ball, and Spears roared in for a slam. He missed and was called for a technical for holding on the rim with 47 seconds left.

Doss hit the free throw, and Vashon trailed by one point. Then Anthony Jones hit two free throws, and the Wolverines had a 49-48 lead with 25 seconds remaining.

Spears forced an off-balance shot and the ball bounded out of bounds, with 12 seconds left. Price then fouled Walters, who made one of two free throws, giving the Wolverines a 50-48 lead.

Simmons came up court quickly, and lofted a low shot when he got past half-court. Walters fouled him, but Lance hit just one of two. Then, with 1 second left, Stuckey grabbed Doss. The slick 6-3 junior hit both shots, giving him a game-high 24 points and Vashon its second state championship in three years.

As Doss stood at the line, Irons was up off the bench, storming up and down giving his players the high five. He also was promising them dinner at Red Lobster.

Last year, Vashon lost to Springfield Hillcrest, 51-50, in the title game. Walters made a couple of costly turnovers in that one.

"If he was the goat then, he's the hero today," said Irons.

Said Walters, "Last year, I did mess up. I couldn't let that happen again. This (the first-place trophy) belonged to us last year. Now it's going where it rightfully belongs."

To be sure, Walters and the Wolverines could feel for the Tigers. "We play AAU ball with them in the summer at the Wohl (Center)," said Walters. "They're all our friends. Lance Simmons is one of my best friends on their team. We went to grade school together."

Nonetheless, the war had to be fought. "And there's nobody I'd rather beat than Soldan," said Walters.

Vashon lost in the final of the Normandy tournament on New Year's Eve to the Tigers, who finished with a 27-4 record. The Wolverines then beat Soldan in a PHL game.

"The best team won," said Irons about his 27-5 Wolves. "No doubt about it when it's two out of three."●

VETERANS HEALTH CARE BUDGET CANNOT BE REDUCED FURTHER

HON. G.V. (SONNY) MONTGOMERY

OF MISSISSIPPI

IN THE HOUSE OF REPRESENTATIVES

Monday, May 20, 1985

● Mr. MONTGOMERY. Mr. Speaker, this week the House will make major decisions on the budget for fiscal year 1986, Many Federal programs will be affected. The decisions we must make will not be easy. We all have different priorities.

A very high priority of mine is veterans health care. I want my colleagues to duly understand the impact of any budget reductions in funds to operate the VA's health care system. Who is better able to relate the problems in the field than the people in the field?

According to the Chiefs of Staff at VA hospitals nationwide who responded to a recent survey, inadequate budgets are already taking their toll. More cuts in the budget will mean longer waiting lists, the turning away of certain non-service-connected veterans, and delays in many surgical procedures.

There follows a report from the Chief of Staff at the VA Medical Center in Chicago, IL.

VETERANS' ADMINISTRATION,
Chicago, IL, February 5, 1985.

HOWARD GREEN, M.D.,
Chief of Staff (11), VA Medical Center, White River Junction, VT.

DEAR HOWIE: I guess that this year we are one of the luckier ones, as at this time our projected dollar deficit is zero: Chicago West Side

a. 514 beds (no NHCU or intermediate beds)

b. Excellent affiliation with University of Illinois College of Medicine

c. None at this time

d. Impact

1. Personnel—none, but we need more nurses, technicians and ward and clinic clerks.

2. Supplies—none.

3. Equipment—like everyone else we never have enough funds to replace "big ticket" items or buy new equipment for Radiology, Laboratory, Nuclear Medicine, Surgery, Neurology and Medicine.

4. Surgery: Our demand is so great that almost all specialties have patients waiting to be admitted for elective surgery. Our limitations are problems in scheduling, emergencies, occasional breakdowns of equipment—(both urology tables need replacement, one is on order), and inadequate support personnel. Overall number of procedures per year is increasing.

e. There are no good solutions to the VA's many money problems. We have made a major effort to curtail and restrict beneficiary travel. Our COMISS computerized Pharmacy plus the use of a clinical pharmacist helped us greatly by reducing the number and cost of outpatient prescriptions, especially those patients going to multiple clinics and the number going to any of the other three VA facilities, as we are all tied together on the same computer, and a printout of a patient's medications reveals all he is getting from the VA in Chicagoland.

Our Fiscal Officer informed me that if we are not funded for the January 1985 3.5 percent pay raise, we will be one million dollars in the red. We could not cope with such a loss late in the year, and thus we are dependent on the success of the 1985 supplemental bill.

A major problem in all VA facilities is the increasing backlog of unpurchased equipment, large and small items. Prior to 3-4 years ago, the "end of the year drop-money" was sufficient to keep us fairly current. Now that source of funds has become too minimal to help much. More and more of our equipment is being used beyond the replacement date. More equipment has to be purchased on an emergency basis to replace essential items that are broken and can no longer be repaired (parts not available as the manufacturer has gone bankrupt or retired). We frequently have had to wait 2-3 years to buy state-of-the-art additional or replacement equipment.

Requests for Replacement Equipment and Additional Equipment in our Medical Center are approximately $400,000 each for a total of $800,000 this year. Our Unfunded Needs List of Equipment (over $40,000) is now $766,487 more. These needs do not include beds, typewriters and pagers, some of which we purchase at the end of each fiscal year from residuals.

A survey of all VA facilities to determine only the amount of funds needed to purchase all requested and needed additional and replacement equipment should be staggering. Also we have bought very few new beds in the past 10 years. At our last Equipment meeting Supply was instructed to review that situation and tentatively set aside $35,000 this year for new beds, if possible.

One logical way to save money, of course, would be vertical cuts, to close some of the satellite clinics, which care primarily for NSC veterans. (We do not have one.) Such a move would be politically unpopular (like closing some of the hundreds of unnecessary military bases), but more palatable than closing some of our small hospitals (six VA hospitals with 150 beds or less).

Continuing horizontal cuts in funding to all facilities means that we are gradually moving towards a more marginal quality of medical care. How many complications and deaths are now the result of only two nurses in an Intensive Care Unit or only one nurse caring for 40 patients or being unable to obtain a timely CT scan or a portable X-ray, etc., etc.??

I must hasten to mail this before the new 1986 Budget details hit us, plus the amount of the pay raise we will be forced to fund. The only way will. be to use our limited equipment funds and a lowering of our ceiling again, or will it be a "freeze" by Washington, D.C. to show they mean business. Another horror story!

Best wishes for your gallant fight, Howie!

Sincerely,

ROY J. KORN, M.D.,
Chief of Staff.●

THE IMPORTANCE OF THE PRESIDENT'S RECOGNITION OF "NEUROFIBROMATOSIS AWARENESS MONTH" IN MASSACHUSETTS

HON. SILVIO O. CONTE

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Monday, May 20, 1985

● Mr. CONTE. Mr. Speaker, the Commonwealth of Massachusetts, by proclamation of the Governor, is recognizing May as "Neurofibromatosis Awareness Month." I am pleased to announce what a great success it has been.

I could base this solely on the extraordinary level to which community recognition and education of this disorder has climbed. In western Massachusetts alone, unanimous reiteration was given to the Governor's proclamation by the cities: Springfield, Pittsfield, Northampton, Holyoke, Chicopee, North Adams, and Westfield.

Perhaps, however, the most important recognization and reaffirmation of the need to heighten public awareness of NF came from President Reagan. "The public must be educat-

ed," the President wrote to the citizens of Massachusetts, "for with greater knowledge at both the level of medical practitioner and layman will come positive results for the cure and prevention of the disorder." I would like to submit for the Record, the President's letter in its entirety.

THE WHITE HOUSE,
Washington, April 25, 1985.

I am pleased to join the citizens of the Commonwealth of Massachusetts in recognizing "Neurofibromatosis Awareness Month in Massachusetts."

It is so essential that as much attention and recognition as possible be accorded to this devastating disease. The public must be educated, for with greater knowledge at both the level of medical practitioner and layman will come positive results for the cure and prevention of the disorder.

The National Neurofibromatosis Foundation and its affiliates in the Commonwealth have provided significant leadership, inspiration and support for the families of patients and for the public in general. Great work has been done thus far, but much remains to be done. Events like this give us the hope that more and more Americans will join the effort to combat and find the ultimate medical solution for neurofibromatosis. Because of you, I have every confidence that that hope will be fulfilled.

Nancy and I proudly join Congressman Silvio Conte, member of the Foundation and all those citizens of the Commonwealth of Massachusetts in proclaiming "Neurofibromatosis Awareness Month."

RONALD REAGAN.

Mr. Speaker, I am very proud of the fact that Massachusetts continues to be a leader in the efforts to eliminate this cruel and destructive disorder. I am also pleased to see that a growing number of my colleagues are becoming aware of such efforts and have signed on as cosponsors of Congressman WALGREN's bill to establish a national commission to help promote and coordinate all of the research that could someday defeat NF.

Thank you Mr. Speaker.●

A REASONED, FAIR ANALYSIS ON TELEVISION NETWORKS

HON. GUY VANDER JAGT

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Monday, May 20, 1985

● Mr. VANDER JAGT. Mr. Speaker, in recent weeks and months new attention has been focused on presentations by the television networks. I stress new attention only because this is not a new subject. I believe we have all questioned, from time to time, fairness and balance in television presentations whether they be special documentaries or just the regular national or local newscast.

I believe John Corry, the veteran and extremely capable writer for the New York Times, has written one of the finest analyses of this most controversial and emotional issue of any that I have read in years. Mr. Corry's featured article under TV View appeared in the May 16, 1985, edition of the Times. His article was entitled, "Is TV Unpatriotic Or Simply Unmindful?" I strongly recommend that you read this excellent story which will follow at the conclusion of my comments.

I would particularly emphasize Mr. Corry's opening comments as he talks of developments and censure and then stresses, "In fact, the argument is too serious to be left to partisans of either side."

Mr. Speaker, John Corry has written one of the finest reasoned and fairest analyses on television networks that I have ever read. I urge once again that all my colleagues take a few minutes to read it over.

The article follows:

[From the New York Times, May 16, 1985]

IS TV UNPATRIOTIC OR SIMPLY UNMINDFUL?

(By John Corry)

This is the charge: that the television networks are left, liberal, unpatriotic, or a sebaceous mixture of all three. CBS is the usual target, although ample censure is left over for NBC and ABC. Didn't Ted Turner say that "the greatest enemies America has ever had, posing a greater threat to our way of life than Nazi Germany or Tojo's Japan, are the three television networks"? Didn't Senator Jesse Helms speak about network people who, "if they do not hate America first, certainly have a smug contempt for American ideals and principles"? Censure grows; fervor rises, while the networks, for the most part, stand on their injured dignity. In fact, the argument is too serious to be left to partisans of either side.

For one thing, we are a long way from the time when Walter Cronkite, say, or Chet Huntley narrated documentaries produced by the Pentagon. Television's old assumptions have fled. We once heard about the "Communist menace" routinely. Now television is above that sort of thing. It is no longer national; it is supranational. Last week it commemorated the 40th anniversary of VE-Day; the week before that it commemorated the 10th anniversary of the fall of Saigon. The first was an American victory, the second an American defeat. The networks march on evenhandedly. Hanoi today, the Bitburg cemetery tomorrow, and if it's Tuesday we must be in Johannesburg.

There is nothing intrinsically left, liberal or unpatriotic about this. Usually, there is no perspective at all. This is part of the problem. Events are without meaning, the way most of the recent television coverage from Vietnam was without meaning. Totalitarianism hid itself. The networks, entranced by their own technology, only knew they were there. The anniversary parade in Ho Chi Minh City, formerly Saigon, began at 7:52 A.M., the same time, 10 years before, that the last Marine was lifted from the roof of the American Embassy by helicopter. It was obvious whom the Vietnamese Government was celebrating a victory over; it was a victory over us. In an interview on "Nightline," Henry A. Kissinger said it was "demeaning" to have all three networks cover the parade. He should have called it mindless. Hanoi scored a public relations, if not a propaganda, coup.

On television, a totalitarian state doesn't look totalitarian; it only looks exotic. During the two weeks, give or take a few days, that Vietnam was recently seen on the news programs, it didn't even look militaristic. Vietnam has been the scene of one war or another for generations; it supposedly has the fourth largest army in the world. Some print journalism tried to put this into perspective. Television showed us mostly mud-splattered oxen and peaceful peasants. Why did the boat people flee? Why are so many Vietnamese trying to leave their country now? We had the impression Vietnam was poor, people probably wanted a higher standard of living. We didn't see much on television that suggested anyone fled oppression.

The most strident of the network critics insist that omissions like that are calculated, a sure sign that correspondents and producers are captives to the left. They may indeed be captives, although not the way the critics think. Dan Rather, for example, is most often singled out as the symbol of all that is anti-American on television. This is the same Dan Rather who, while anchoring the CBS coverage of Ronald Reagan's inauguration, choked up and got teary as he watched the flags and marching bands go by. It is unlikely that Mr. Rather, or very many of his colleagues, want to tear down the Great Republic.

Nonetheless, they do reflect a powerful element of the journalistic-literary-political culture. The left wins battles there by default. It is a matter of how it gets us to look at things. In the television coverage of the Democratic and Republican National Conventions last summer, for instance, Senator Jesse Helms and his associates frequently, even routinely, were characterized as right wing; Senator Edward M. Kennedy, say, or the Rev. Jesse Jackson were never characterized as left wing. This is more than a matter of semantics.

Moral opprobrium is attached to the right wing; it is racist, imperialistic and cruel. Meanwhile, the left wing is presumed not to exist, even though its ideas make up the moral and intellectual framework for a large part of the culture. The center does not generate ideas; it only absorbs them. The left becomes the only game in town this way, while the right, isolated by the moral stigma assigned to it, becomes the enemy of all good things.

Television news fails when it accepts this and allows such values to dictate the news agenda. The values mean only that one must oppose the right wing: Support the nuclear freeze and press for affirmative action; oppose apartheid and rally against missiles. The culture knows what it favors because it knows what its enemies are against. Issues become indivisible. Journalism is supposed to make clear they may be separated. It is possible, for example, to oppose apartheid, even to campaign against it, and still call for missiles.

Give the critics their due on this; journalism may seem suspect. The right wing, for example, opposes the Sandinistas. Therefore, the culture insists, the Sandinistas should be supported, or, at the very least, accommodated. A recent story in The New York Times, however, noted that the Sandinistas had uprooted some 30,000 people, mostly poor farmers, in northern Nicaragua. The 30,000 people, thought to be sympathetic to the contras, were resettled. If the relocation had been carried out in El Salvador, say, more attention might have been paid. Commentators would have declared that El Salvador was not winning the hearts and minds of people.

Television becomes an accomplice of the left when it allows the culture to influence its news judgment. The critics' fantasies are fulfilled. As it is, much of the coverage is restricted anyway. The networks are not allowed into Afghanistan to report on Soviet bombing. They are not allowed to accompany Cuban, North Korean or East German military advisers wherever they may be. On television, our picture of the world is skewed to begin with.

It is unlikely, however, that it is as skewed as the most extreme critics claim. Ideology does stain news programs, but not because there is a conscious conspiracy. Mr. Helms and, to a lesser degree, Mr. Turner may say that television does unspeakable things, but they are never generous in offering specifics. Few critics are. Reed Irvine of Accuracy in Media is better than the rest because he cites individual stories and then says the facts are wrong, but he loses his advantage by going on and assailing the motives of correspondents. Indeed, one striking thing about the argument is how little of it involves journalism. Both sides spend their time competing in goodness.

A recent ABC "Viewpoint," for example, matched six debaters—three pro, three con—who discussed, among other things, whether "newsmen have a mind-set that is basically unpatriotic." Some of the participants became genuinely angry. William Rusher, the publisher of National Review, choked on his own indignation. Sam Donaldson, the ABC White House correspondent, was beside himself. Did it matter that a survey of prominent journalists—print and television, the "media elite"—found that the overwhelming majority voted for liberal candidates? Mr. Donaldson's side said it did not. Mr. Rusher's side countered with an accusation: The phrase Stars Wars was a conscious liberal smear; the correct term was Strategic Defense Initiative or High Frontier. Neither side gave an inch.

As television, this was entertaining. As a search for truth it wasn't much. Meanwhile, new voices, many of them pietistic, are now being heard. They say the networks are moving to the right in a headlong retreat from liberal thinking. This argument holds up less well than anything even Mr. Helms has said. There is still the culture that shapes television.●

A RECOGNITION DINNER FOR DR. ARMEN SARAFIAN

HON. CARLOS J. MOORHEAD

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Monday, May 20, 1985

● Mr. MOORHEAD. Mr. Speaker, on May 31, 1985, at the Huntington Sheraton Hotel in Pasadena, CA, Dr. Armen Sarafian will be honored by his many friends and colleagues for 43 years of excellence in education.

Educated at La Verne College, Claremont Graduate University and the University of Southern California, Dr. Sarafian began his educational career as an elementary teacher in Riverside and Kern Counties. He spent 2 years as head of the English department at Banning Union High School. During the next 4 years, he taught U.S. history and political science at Pasadena Junior College. From 1951 to 1959, he was the coordinator of secondary and junior college education for the Pasadena City Schools. For the next 6 years, Dr. Sarafian was the administrative dean for instruction at Pasadena City College. He then served as president of the city college until 1976 when he become president of the University of La Verne, a position he holds today.

Dr. Sarafian is a member of 19 professional groups; he is active in 23 civic organizations; he has been the recipient of 25 honors and awards and has been the author of many books and articles.

To suggest that Dr. Sarafian is active, productive, appreciated, esteemed, and loved is to suggest the obvious. The institutions and people he has touched are richer for his association. His educational legacy in our area will be impossible to match.

Mr. Speaker, I am pleased to take part in this special evening of recognition and affection for Dr. Armen Sarafian.●

SACRAMENTO CHAPTER OF JAPANESE-AMERICAN CITIZENS LEAGUE HONORS SCHOLASTIC ACHIEVEMENT

HON. ROBERT T. MATSUI

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Monday, May 20, 1985

● Mr. MATSUI. Mr. Speaker, I am honored to call to the attention of the Congress the outstanding contributions made to the Sacramento community by the Japanese-American Citizens League, Sacramento Chapter.

This is a fine and important organization which has dedicated much time and many resources to the enrichment of thousands of lives in the Sacramento area. An excellent example of the invaluable contributions made by the league is the upcoming presentation of scholarship awards to deserving young college-bound students.

The deserving students will receive their scholarship awards at a dinner which takes place on May 29.

The Japanese-American Citizens League deserves our praise, our admiration, and our gratitude for helping to prepare our young people for the challenges of the future. The youngsters being honored with scholarships are:

Fletcher Ibser of Encina High School; Steven Y. Kishi of Del Campo High School; Elizabeth N. Aoki and Jeffrey M. Nishimura of Rio Americano High School; Lee Nagao, Alan Sakakihara, Marian Dote, and Alison Kishaba of Sacramento High School; Eiri Hayashigatani, Eileen Nakahira and Sharon Oto of Hiram Johnson High School; Wendy Hashibe of Bella Vista High School; Sharon M. Takeda and Clark Watanabe of John F. Kennedy High School; Arthur Okamoto, Christine Matsumoto, and Robert Nakagawa of C.K. McClatchy High School; Stanley R. Baishiki of Rancho Cordova High School; Michelle Miyao of Luther Burbank High School; and Calvin Nakamoto and Angela Yee of Sacramento City College.●

TRIBUTE TO THOMAS S. DUNMIRE

HON. ROBERT J. LAGOMARSINO

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Monday, May 20, 1985

● Mr. LAGOMARSINO. Mr. Speaker, I would like to bring to the attention of my colleagues the announced retirement later this month of a friend to many of us in this Chamber, Mr. Thomas Dunmire. As many in this body know, Tom has served ably and with dedication as minority consultant for territorial issues on the Committee on Interior and Insular Affairs.

Since joining the House Interior Committee 12 years ago—April 3, 1973—Tom has provided intelligent and sound counsel enabling Congress to formulate effective and successful policies in governing America's trust territories. Tom has played a critical role in the promotion of political, social, and economic development in the Pacific and the Caribbean. Tom has served as a continuous link between this body and the Departments of State, Defense, and Interior. Additionally, his diplomatic skills have been utilized as liaison between Congress and the governments of Puerto Rico, U.S. Virgin Islands, American Samoa, Guam, Northern Marianas, Palau, the Marshalls, and the Federated States of Micronesia. In this capacity, Tom has excelled in providing detailed analyses of diversified Federal and Territorial budgets, policies, and projects.

Tom Dunmire established a distinguished record of service to the Nation even before his tenure in the Congress. After graduation from the U.S. Military Academy at West Point in 1952, he rose to the rank of lieutenant colonel in the U.S. Army. During his military service, Tom attended the Army War College, the Naval Post-Graduate School, the Armed Forces Staff College, and the U.S. Army Language School. His intelligence, hard work, and loyalty are reflected in the awards he received: the Legion of Merit, the Bronze Star, and a Commendation Medal with Two Oak Leaf Clusters.

While serving in the military, Tom performed many important roles with great success. He served as a foreign liaison in Germany, utilizing his German language skills. Tom also

served as a legislative liaison, research and development project officer, and authored several official publications about military construction, management, and nuclear engineering.

In addition to his military education, Tom also obtained a master's degree in international affairs in 1966, and a master's degree in public administration in 1978, from George Washington University.

I know we will all greatly miss Tom, his hard work, sound advice, and friendly nature. Along with my colleagues on the House Interior and Insular Affairs Committee, I would like to take this opportunity to thank Tom for his assistance and hard work these many years. I wish him the best of luck in all future endeavors.●

PROTECT FAMILY PLANNING PROGRAMS—DEFEAT SMITH AMENDMENTS

HON. JOHN EDWARD PORTER

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Monday, May 20, 1985

● Mr. PORTER. Mr. Speaker, our colleague, Jim Moody, has taken a very active role in the consideration of H.R. 1555, the fiscal year 1986 foreign assistance reauthorization. He recently sent out a "Dear Colleague" letter on the family planning provisions of H.R. 1555 which deserves careful review prior to the vote on the "Smith" amendments. I have asked that it be included in the RECORD for all to read.

The "Dear Colleague" follows:

CONGRESS OF THE UNITED STATES,
HOUSE OF REPRESENTATIVES,
Washington, DC, May 15, 1985.

Re Protect family planning programs—Defeat Smith amendments

DEAR COLLEAGUE:

The May 6th "Dear Colleague" letter from Representative Chris Smith and others about family planning issues in the FY 1986 Foreign Aid authorization, H.R. 1555, requires some rebuttal and correction.

UNFPA AND CHINA

The Smith letter devotes page after page to slamming China over abortion and infanticide. Most of the assertions on China are probably correct, although the State Department's annual Report on Human Rights indicates that coerced abortions and/or infanticide mostly result from local and regional practices that greatly exceed official policy. But the Smith letter goes on to suggest that the U.N. Fund for Population Activities (UNFPA) is helping to fund these abuses in China, and that U.S. AID dollars therefore indirectly contribute to abortion. To remedy this alleged connection the Smith amendment would withdraw all U.S. funding for all non-coercive, non-abortion-related UNFPA programs in all underdeveloped countries in order to leverage China into changing its policies.

Please consider these three key points:

(1) No U.S. AID money funds any abortion-related programs per the Helms prohibition, passed in 1973. This has been scrupulously monitored by AID, GAO and others, and fully complied with.

(2) No U.S. AID funds for UNFPA go, even indirectly, to any abortion-related programs in China. A full-scale AID study dated March 29 of this year concluded: (a) While regional abuses of China's official policy are numerous, none of UNFPA's assistance to China fund any abortions; and (b) UNFPA is careful to keep its programs separate from any abortion or coercion. Furthermore, U.S. AID funds to UNFPA are kept in separate accounts by country, and as of 1985 no U.S. AID funds are going to China through UNFPA.

(3) The amount contributed by UNFPA to China is much too small to be used as leverage. The Smith letter gives the impression that UNFPA support to China is significant. (The repeated use of 30 percent in Smith's letter refers to the U.S. share of UNFPA's budget, not UNFPA's share of China's population programs.) In actual fact, UNFPA provides about $13 million per year to China—only one tenth of one percent of China's overall program. This is far too little to leverage China into changing those population programs which UNFPA does not fund.

There are several other inaccuracies in the Smith letter, such as the claim that the U.S. representative on UNFPA's governing council won't be able to vote on UNFPA aid to China until 1989. That's not true. UNFPA's council may reconsider such policy decisions as soon as June.

PLANNED PARENTHOOD AND IPPF

There are 119 countries with Planned Parenthood organizations. Although they are affiliated through the International Planned Parenthood Federation (IPPF) in London, each organization is independent. Each sets its own policies, depending on the laws, cultures and customs of the country.

Of these 119 Planned Parenthood organizations, 112 provide no abortion-related services in their programs. (Planned Parenthood in the U.S. and several other industrialized countries do.)

The Smith letter claims that IPPF-London advocates abortion to those 112 countries, and cites a 1983 document as the "smoking gun" of this advocacy. In fact, the document cited was a working paper prepared by six individuals, only one of whom was associated with Planned Parenthood, and the paper was subsequently rejected by IPPF.

Again, note three crucial points:

(1) In accordance with the Helms rule, not one dollar of U.S. AID assistance for family planning is going, or has been going, to any abortion-related activity through IPPF. Even in those few countries where abortion is legal, no AID funds passing through IPPF go for any abortion-related activities.

(2) IPPF has kept carefully segregated accounts to ensure that no AID funds channeled through it are used anywhere for any abortion-related activities.

(3) To defund voluntary, non-abortion-related family planning programs in Kenya, Nigeria, etc. in order to punish or leverage IPPF-London for alleged advocacy positions would be totally counterproductive and would end up causing more—not less—abortions worldwide.

FUNGIBILITY

The argument made by Representative Smith that indeed bears real consideration is the generic claim that any financial support to another country—directly or through international agencies like UNFPA and IPPF—frees up other resources for purposes with which we may not agree.

But this applies to all foreign aid programs. How many of us agree with every single action taken by Turkey, Greece, Egypt, Israel, India or Pakistan? Even our grain sales to Russia can be said to free up resources they can use for purposes we oppose.

It is correct, and important, to insist that U.S. aid not be employed for purposes we reject. But we should not apply the fungibility argument selectively to international agencies helping to prevent over-populations, starvation and misery through voluntary, non-abortion-related family planning programs just because some countries or local program affiliates use their own money in ways we wouldn't choose.

The most effective way to really reduce abortions worldwide is to support—not defund—adequate family planning.

Don't let the Chris Smith amendment gut twelve years of bipartisan, carefully monitored support for responsible and voluntary family planning.

Sincerely,

JIM MOODY.●

VETERANS HEALTH CARE BUDGET CANNOT BE REDUCED FURTHER

HON. G.V. (SONNY) MONTGOMERY

OF MISSISSIPPI

IN THE HOUSE OF REPRESENTATIVES

Monday, May 20, 1935

● Mr. MONTGOMERY. Mr. Speaker, this week the House will make major decisions on the budget for fiscal year 1986. Many Federal programs will be affected. The decisions we must make will not be easy. We all have different priorities.

A very high priority of mine is veterans health care. I want my colleagues to fully understand the impact of any budget reductions in funds to operate the VA's health care system. Who is better able to relate the problems in the field than the people in the field?

According to the chiefs of staff at VA hospitals nationwide who responded to a recent survey, inadequate budgets are already taking their toll. More cuts in the budget will mean longer waiting lists, the turning away of certain non-service-connected veterans, and delays in many surgical procedures.

There follows a report from the chief of staff at the VA Medical Center in New York City:

VETERANS' ADMINISTRATION,
MEDICAL CENTER,
New York, NY, February 12, 1985.

Dr. HOWARD GREENE,
Chief of Staff, VA Medical Center, White River Junction, VT.

DEAR HOWARD: This letter is in response to your circular letter of January 2, 1985 prompted by Dr. Mark Wolcott's "universal problem."

a. Size of hospital: 851 beds, GMS.

b. Affiliated: New York University Medical School.

c. Projected dollar deficit as of January 1, 1985:

1. Personnel Services: $1,034,000.

2. All Other: $900,000.

d. Impact of dollar deficit:

1. Personnel.—We have been forced to reduce staff physicians by 13 FTEE. We have an employment lag of 40 positions in all other categories.

2. Supplies.—In essence we are "robbing Peter to pay Paul." We are meeting current needs by borrowing from other cost centers with little hope of replenishing the "borrowed" money. See comments.

3. Equipment.—Funds are grossly inadequate. $100,000 of assigned and budgeted money was removed by Region for use elsewhere.

4. Backlog of patient surgery.—None, see comments.

e. Solutions.—Reduction in 13.3 FTEE among staff physicians by elimination of temporary appointments and reduction of parttime appointments. This solution was imposed on us by Region: "Not one penny more." We have also severely curtailed overtime, approximately 75%. We have also created a lag in recruiting and consequently are approximately 53 positions under our ceiling.

f. Comments.—Although we have no backlog in surgery, the budget constraints are having a negative impact on patient care in many of the ways described by Dr. Wolcott. There are shortages in personnel in the administrative and clinical support areas. This results in delays in scheduling diagnostic radiological and nuclear medicine procedures which prolongs patients' workups and hospital stays. There are long lines at our pharmacy. Our hearing aid evaluations are being delayed as are our compensation and pension examinations. There are delays in ordering supplies and equipment and patient food is often cold because of slow deliveries of food trays.

We also feel we are not being properly compensated under the DRG System. This Medical Center has treated over 114 patients with AIDS, 15 or 20 of whom are in this Medical Center at any one time. The cost of their treatment is great, far beyond any DRG compensation.

Most of all the budget deficits have a marked and detrimental effect on staff morale. There is a general feeling that we are intentionally being put in a position where we cannot deliver optimal care. Unless we get some relief we see a continuing deterioration in the care we can give veterans.

JOHN H. AYVAZIAN, M.D.,
Chief of Staff.●

WILLIAM CASEY BEFORE THE WORLD BUSINESS COUNCIL: NICARAGUA

HON. JACK F. KEMP

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Monday, May 20, 1985

● Mr. KEMP. Mr. Speaker, while we in the House of Representatives remain divided over what is to be done, the Communist regime in Nicaragua daily is growing stronger and more aggressive toward its neighbors. This past week has seen Nicaraguan troops crossing the border into Honduras, firing on democratic resistance forces and killing at least one Honduran soldier on his home soil. Our friends and allies in Central America have no illusions about the aggressive intentions and growing threat posed by the Soviet-controlled Sandinista regime; the freedom fighters in Nicaragua have no illusions about the abusive totalitarian objectives and practices of that regime.

Apparently the only people who still retain illusions are certain Members of Congress who found themselves embarrassed or surprised by Daniel Ortega's most recent trip to Moscow. On the very day that the House of Representatives voted to deny our help to the democratic resistance, a Soviet ship unloaded $14 million in military equipment at the port of Corinto, and Ortega prepared his petition for another $200 million in Soviet military aid.

But these events are not aberrations in Nicaragua; they are an intrinsic part of a pattern of behavior all too obvious in its threatening implications for free people.

This was summed up by the Director of Central Intelligence, William Casey:

The American intelligence community over recent months unanimously concurred in four national estimates on the military buildup, the consolidation and the objectives of the Soviets and the Cubans and the Sandinistas in Nicaragua. If I were to boil the key judgments of those estimates down to a single sentence it would be this: The Soviet Union and Cuba have established and are consolidating a beachhead on the American continent, are putting hundreds of millions of dollars worth of military equipment into it, and have begun to use it as a launching pad to carry their style of aggressive subversion into the rest of Central America and elsewhere in Latin America.

As we in Congress debate what our policy toward Nicaragua should be, let us at least begin with this common basis of understanding of the nature of the threat we face. I urge my colleagues to read the Director's statement in full, which I am inserting in the RECORD.

The statement follows:

[From the Washington Times, May 17, 1985]

SANDINISTAS HAVE "BLUEPRINT FOR SUBVERSIVE AGGRESSION"

(By William Casey, CIA Director)

Today, I would like to tell you about the subversive war which the Soviet Union and its partners have been waging against the United States and its interests around the world for a quarter of a century or more. This campaign of aggressive subversion has nibbled away at friendly governments and our vital interests until today our national security is impaired in our immediate neighborhood as well as in Europe, Asia, Africa and Latin America.

This is not an undeclared war. In 1961, [Nikita] Khrushchev, then leader of the Soviet Union, told us that communism would win not through nuclear war which could destroy the world or conventional war which could quickly lead to nuclear war, but through "wars of national liberation" in Africa, Asia, and Latin America. We were reluctant to believe him then. Just as in the 1930s we were reluctant to take Hitler seriously when he spelled out in "Mein Kampf" how he would take over Europe.

Over the last 10 years, Soviet power has been established:

In Vietnam, along China's border and astride the sea lanes which bring Persian Gulf oil to Japan.

In Afghanistan, 500 miles closer to the warm-water ports of the Indian Ocean and to the Straits of Hormuz. Through which comes the oil essential to Western Europe.

In the Horn of Africa, dominating the southern approaches to the Red Sea and the southern tip of the Arabian Peninsula.

In Southern Africa. The source of minerals which we and other industrial nations must have.

And in the Caribbean and Central America, on the very doorstep of the United States.

This is not a bloodless war. Marxist-Leninist policies and tactics have unleashed the four horses of the apocalypse—Famine, Pestilence, War and Death. Throughout the Third World we see famine in Africa, pestilence through chemical and biological agents in Afghanistan and Indochina, war on three continents, and death everywhere. Even as I speak, some 300,000 Soviet, Vietnamese, and Cuban troops are carrying out savage military operations directed at wiping out national resistance in Afghanistan, Kampuchea, Ethiopia, and several other countries.

In the occupied countries—Afghanistan, Cambodia, Ethiopia, Angola, Nicaragua—in which Marxist regimes have been either imposed or maintained by external forces, there has occurred a holocaust comparable to that which Nazi Germany inflicted in Europe some 40 years ago. Some four million Afghans, more than one-quarter of the population, have had to flee their country. The Helsinki Watch tells us that they have fled because "the crimes of indiscriminate warfare are combined with the worst excesses of unbridled state-sanctioned violence against civilians." It cites evidence of "civilians burned alive, dynamited, beheaded; crushed by Soviet tanks; grenades thrown into rooms where women and children have been told to wait."

In Cambodia, two to three million people, something like one-quarter of the pre-war population, have been killed in the most violent and brutal manner by both internal and external Marixist forces.

In Ethiopia, a Marxist military government, supported with extensive military support from Moscow and thousands of Cuban troops, by collectivizing agriculture and keeping food prices low in order to maintain urban support, has exacerbated a famine which threatens the lives of millions of its citizens. It has exploited the famine by using food as a weapon to forcibly relocate people fighting an oppressive government in the north hundreds of miles to the south where there is no preparation to receive them. In urban areas, food rations are distributed through party cells.

In Nicaragua, the Communist government killed outright a minimum of 1,000 former Somoza national guardsmen during the summer of 1979. In 1982, it forcibly relocated some 15,000 Miskito Indians to detention camps, forced many more to flee to refugee camps in Honduras, and burned some 40 Indian villages. Last month, the Sandinistas forcibly moved 60,000 campesinos from

areas close to the Honduran regions, burning their houses and killing their cattle.

What is the purpose of all this carnage, this creeping imperialism? In my view, there are two primary targets—the oil fields of the Middle East which are the lifeline of the Western Alliance, and the Isthmus between North and South America. Afghanistan, South Yemen, Ethiopia, as well as Cam Ranh Bay in Vietnam, and Mozambique and Angola in southern Africa, bring Soviet power astride the sea lanes which carry those resources to America, Europe and Japan.

Capabilities to threaten the Panama Canal in the short term and Mexico in a somewhat longer term are being developed in Nicaragua where the Sandinista revolution is the first successful Castroite seizure of power on the American mainland. They have worked quietly and steadily toward their objectives of building the power of the state security apparatus, building the strongest armed forces in Central America, and becoming a center for exporting subversion to Nicaragua's neighbors.

The American intelligence community over recent months unanimously concurred in four national estimates on the military buildup, the consolidation and the objectives of the Soviets and the Cubans and the Sandinistas in Nicaragua. If I were to boil the key judgments of those estimates down to a single sentence it would be this: The Soviet Union and Cuba have established and are consolidating a beachhead on the American continent, are putting hundreds of millions of dollars worth of military equipment into it, and have begun to use it as a launching pad to carry their style of aggressive subversion into the rest of Central America and elsewhere in Latin America.

Let me review quickly what has already happened in Nicaragua. The Sandinistas have developed the best equipped military in the region. They have an active strength of some 65,000 and a fully mobilized strength including militia and reserves of nearly 120,000. These forces are equipped with Soviet tanks, armored vehicles, state of the art helicopters, patrol boats and an increasingly comprehensive air defense system. This gives the Sandinistas a military capability far beyond that of any other Central American nation and indeed all Central American nations put together.

In addition to the considerable military hardware, there are now an estimated 6,000 to 7,500 Cuban advisers and several hundred other communists and radical personnel in Nicaragua assisting the regime in its military buildup and its consolidation of power.

The Communist government under Cuban direction and guidance has been essential in helping the regime establish control over the media, create propaganda mechanisms and neutralize the effectiveness of those who oppose the Sandinista totalitarianism.

Today, we see Nicaragua becoming to Central and Latin America what Beirut was to the Middle East for almost 15 years since 1970 when Lebanon became the focal point for international and regional terrorists. Managua's support for training of Central American subversives is well documented—they support Salvadoran communists, Guatemalan communists, radical leftists in Costa Rica, and are attempting to increase the number of radical leftist terrorists in Honduras. More recent evidence indicates Nicaraguan support for some South American terrorist groups and growing contracts with other international terrorist groups.

Yet, just last week the American congress refused to approve $14 million for people resisting communist domination of Nicaragua, on the very day that a Soviet ship unloaded more than $14 million worth of helicopters, East German trucks, and other military cargo at Corinto, the principal port in Nicaragua.

On the very next day, [Daniel] Ortega, the Nicaraguan communist dictator, traveled to Moscow to ask the Soviet Union to make $200 million available to him to consolidate a Leninist communist dictatorship across a stretch of land which separates South America from North America.

This development in our immediate neighborhood should not be viewed in isolation but as a part of a worldwide process which has already worked in Europe, Africa, Asia and Latin America.

Let me now give you an insight on how all this happens. In early 1981, I had a talk with Bob Ames, our CIA Middle East expert, who died at the hand of a terrorist attack in Beirut in 1983. Stationed in Aden, South Yemen, in 1967, he met and befriended the young revolutionary Abd'al Fatah Ismail, who became president of South Yemen and is now back in Aden after being exiled briefly to the USSR. Abd'al Fatah told Bob of his experience in the higher Komsomol school which the Soviets maintain for training young revolutionaries from non-communist countries. He explained that he had been taught in Moscow that he needed 20 years, a generation, to consolidate his revolution.

He would have to control the education of the youth and to uproot and undermine and ultimately change the traditional elements of society. This meant undermining the influence of religion and taking the young away from their parents for education by the state. He was taught that to control the people he would have to establish block committees as a powerful secret police. Finally, Abd'al Fatah spoke in impassioned terms of a need to export revolution to carry out his mission as a dedicated Marxist-Leninist and to ensure that attention was focused on neighboring countries thus diverting attention from his own country and allowing it to consolidate its revolution.

Bob Ames said that as he looked back, Abd'al Fatah—with Soviet Bloc help—had done as he said he would. He captured and subverted a legitimate war of liberation. He killed or drove into exile those members of the movement who believed in democracy and then went about the work of consolidating the communist regime and began armed subversion against Oman and North Yemen.

In Ethiopia, Angola, Afghanistan, and Grenada, dedicated Marxist-Leninist revolutionaries followed this Soviet blueprint with only slight modifications.

Our analysts have studied this blueprint for taking over a government and consolidating a totalitarian regime as it has been exemplified in seven totalitarian regimes; six Marxist-Leninist in Cuba, South Yemen, Ethiopia, Angola, Grenada, Nicaragua, and the Islamic revolutionary government of Iran. They have identified 46 indicators of the consolidation of power by a Marxist-Leninist regime. These indicators measure the movement toward one-party government, control of the military, of the security services, of the media, of education, of the economy, the forming or take-over of the labor or other mass organizations, exerting social and population control, curbing religious influence and alignment with the Soviet bloc.

Of the 46 indicators, Nicaragua in five and one-half years has accomplished 33. They have established control of the media, taken over radio and TV, censored the broadcasts of Sunday sermons of the Archbishop of Managua and subjected the only free newspaper, La Prensa, to a brutal daily censorship. They have taken control of the education system. Nicaraguan textbooks now teach Marxism. They attack the tenets of Western democracy. They attack traditional religious teachings and encourage children to maintain revolutionary vigilance by watching for signs of ideological impurities in their neighbors, friends and relatives. The Sandinistas have taken control of the military. They have taken control of the internal secret police and have established a Directorate of State Security. That directorate, according to our reports, has 100 Cubans, 70 Soviets, 40-50 East German and 20-25 Bulgarian advisers. There are Soviet advisers at every level of the secret police. In fact, it is safe to say that it is controlled by the Soviet Union and its surrogates. Block committees have been established to watch and control the people. The church has been persecuted.

Witness the campaign mounted by the Directorate of State Security to harass and embarrass Pope John Paul II during his 1983 visit to Nicaragua. They have used political mobs (similar to the Red Guards of Soviet and Chinese revolutionary history) to attack democratic politicians, union members and religious leaders. And finally, just as Abd'al Fatah told Bob Ames what he must do, and following Hitler and Khrushchev, the Sandinistas have told the world that they would spread the example of Nicaragua beyond El Salvador to Honduras, Guatemala, and the entire region.

An integral part of this blueprint for subversive aggression is deception and disinformation to manipulate and influence public opinion and policies in western countries. This takes many shapes and forms.

A worldwide propaganda campaign has been mounted and carried out on behalf of the Sandinista regime and Salvadoran guerrillas which would not have been possible without the capabilities, the contacts, and the communication channels provided by the Soviet bloc and Cuba. The Sandinistas themselves have shown remarkable ingenuity and skill in projecting disinformation into the United States itself. Perhaps the best example of this is the systematic campaign to deceive well-intentioned members of the western media and of western religious institutions.

There are many examples of Nicaraguan deception. The Sandinista press, radio and government ministry have put out claims that the United States used chemical weapons in Grenada, that the United States was supplying Nicaraguan freedom fighters with drugs, and that the United States might give the opposition bacteriological weapons.

The debate in the Congress disclosed few who think that what is happening in Central America is a desirable state of affairs or that it is compatible with avoiding a possibly permanent impairment of our national security and a serious deterioration in the American geopolitical position in the world.

There are some who will be content with an agreement that the Nicaraguans will now forego further aggression. Our experience in Korea and Indochina provides some lessons on the value of agreements with communist governments. Korea started to violate the Korean Armistice within days of the truce signing.

Under the 1973 Paris Accords, North Vietnam agreed to cease firing in South Viet-

nam, withdraw its forces from Cambodia and Laos, and refrain from introducing additional troops and war materiel into South Vietnam except on a one-for-one replacement basis, North Vietnam never observed the cease-fire and troop withdrawal requirements, and within little more than two months after it had signed the peace agreements it had already infiltrated some 30,000 additional troops and over 30,000 tons of military equipment into South Vietnam.

We believe the Sandinistas' main objectives in regional negotiations are to buy time to further consolidate the regime. History and the record and purposes of Marxist-Leninist regimes in general and the Sandinistas in particular lead us to believe that unless Nicaragua has implemented a genuine democracy as required by the Organization of American States such assurances could not be adequately verified and would not be complied with. Cuban officials have urged the Salvadoran communist guerrillas to slow down their attacks against the Duarte government in order to fortify and consolidate the Nicaraguan revolution. We believe that Cuba has assured the Salvadoran communists that it might take as long as five to 10 years, but as long as the Sandinista regime in Nicaragua remains, that country will serve as a base for communist expansion in the area and the Salvadoran insurgency will be renewed once the Sandinistas have been able to eliminate the armed resistance.

What does this mean for America's future? Should Central America fall under communist control, it could mean a tidal wave of refugees into the U.S.

Every country that has fallen under communist control since World War II has sent refugees streaming over the borders—first Eastern Europe, then Cuba, and more recently Vietnam and Afghanistan—and the potential influx from Central America is even higher than from any of these. Since 1980, some 200,000 Salvadorans fleeing the communist-initiated violence in their own country have entered the U.S. illegally. Illegal movement from Mexico has increased, with some one million Mexicans illegally entering this country in 1983 alone. In 1984, the Bipartisan Commission on Central America warned that a communist Central America would likely be followed by the destabilization of Mexico and that this could result in many millions of additional Mexicans fleeing into the United States.

Today, the Cuban and Nicaraguan military forces are together four times the size of those of Mexico and are equipped with vastly superior weapons. Today, with armed forces larger and better equipped than the rest of Central America put together, Nicaragua could walk through Costa Rica, which has no army, to Panama, and Cuba can threaten our vital sea lanes in the Caribbean.

The insurgency is a major obstacle to Sandinista consolidation in that it encourages the erosion of active support for the Sandinistas by creating uncertainties about the future of the regime; by challenging its claims of political legitimacy; and by giving hope to the leaders of the political opposition.

The largest anti-Sandinista insurgent group, the FDN, is still providing strong military resistance despite cutoff of United States aid almost a year ago. Popular sympathy for the insurgents appears to be increasing in the countryside, and the FDN continues to receive significant numbers of new recruits.

That opposition can increase the pressure until the Sandinista support has eroded sufficiently to leave them no option other than modification of their rejection of internal reconciliation. The objective is to allow for the same process of democratization that is taking place in the rest of Central America to occur in Nicaragua.●

CAN A TREATY ELIMINATE GENOCIDE?

HON. HENRY J. HYDE

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Monday, May 20, 1985

● Mr. HYDE. Mr. Speaker, tomorrow we will pass a resolution urging the other body to ratify the Genocide Treaty.

As we gird our loins for this massive paper assault on tyranny, Peter Wehner of the Ethics and Public Policy Center has put it all in perspective. I commend his views to those of my colleagues who are at all interested in the real world.

The article follows:

[From the Washington Times, May 20, 1985]

CAN A TREATY ELIMINATE GENOCIDE?

(By Peter Wehner)

Whether or not the United States votes to ratify the genocide treaty, we can be certain of one thing: the debate will generate far more heat than light.

The heat is sure to come from self-righteous senators who want to go on record as courageously "opposing genocide."

The light, we can hope, will come from serious individuals who will not permit the discussion of a nonbinding document to distract us from the real tragedies in our midst which we so often and easily ignore.

Wholly apart from the merits of the treaty itself (which are intrinsically limited), one thing is clear: the signature of the United States on a genocide treaty will not stop genocide. At best, it will be a positive moral statement. It may even be good. But it is mostly irrelevant. And should its passage act as a substitute for present responsibilities, then we will have committed a far greater sin than in rejecting it.

Most people cannot see how ratifying a treaty against genocide carries any moral ambiguity. The issue takes on new meaning, however, in light of recent American history, particularly where the conflict between rhetoric and reality, rationalism and pragmatism, was most evident: the U.S. involvement in Southeast Asia.

Throughout the 1960s and early '70s, antiwar protesters had seemingly monopolized the moral ground, constantly pitting moral responsibility against national security interests almost as if they were, by definition, mutually exclusive terms. They argued that a U.S. presence in Vietnam subordinated the former to the latter. And hence, our hands were stained with the blood of an unwanted war.

Peace, their reasoning went, would result from a U.S. disengagement. Disengagement was morally correct; U.S. involvement promoted terror and cost lives; and if we only would withdraw and let events take their natural course, all would be right with the world once more.

But these illusions have been shattered by the deaths of millions. America did leave. We left Southeast Asia to the "indigenous agrarian reformers" and "nationalist leaders" who supposedly were the driving force of the Vietnamese revolution.

And now the objective realities have turned out to be a tragedy we can scarcely comprehend: the extermination of between one-third and one-half of the Cambodian population, mass deportation, slave labor, "re-education" camps, and a terrorized people risking their lives to escape another Marxist paradise. It is now a region free of U.S. involvement, and it is a region at war with its people.

Where are the cries for justice now? Where is the anguish? What has happened to the advocates? But Americans, by and large, are no longer concerned. We have left Southeast Asia to live in splendid isolation. Come Home, America.

This romantic assessment of Asian communism was a myth eventually swept away by the rivers of blood that habitually follow the establishment of Stalinist regimes. The actions of the Viet Cong, the North Vietnamese army, and the Khmer Rouge reinforce what men like Alexander Solzhenitsyn have long understood: that there are certain qualities that will forever remain intrinsic to communist systems. "Rulers change," he wrote "but the Gulag Archipelago remains."

This issue cannot simply be cast aside, or turned into an intellectual debate between "liberals" and "conservatives." It is a profound moral issue involving human life and human worth, an issue of absolute morality—that uses human lives as a means of supporting a preordained political ideology.

Now we hear it said again—this time in Central America—that the United States is responsible for an escalation of tensions. The United States is charged with pursuing military confrontation instead of political dialogue and of running against the tides of history.

Of course, the terror will not stop if the United States leaves Central America, anymore than it did when we left Southeast Asia, even if our sense of moral responsibility will. How many times, one wonders, must this tragic drama unfold before we see the true nature of the struggle?

Whatever the answer, it should now be self-evident that real peace is not the product of moral rhetoric, or even noble human aspirations. And surely, no one can now argue that abdication can serve as a substitute for responsible policy. History has shown it, and millions of lives have been lost proving it.

Henry Kissinger once said that the difference between freedom and totalitarianism is not transient or incidental; it is a moral conflict, of fundamental historical proportions, which gives the modern age its special meaning and peril. The United States, therefore, is compelled to act: to act first, and after much thought and reflection, to define its principles and to translate those principles into effective action. That can only be achieved by selective involvement, not by unilateral disengagement.

Perhaps the United States will sign the genocide treaty. But to give the question much importance is to miss the heart of the matter. A piece of paper signed by 90 countries during the 1970s, as Cambodians were being systematically and brutally exterminated, will not stop genocide. Only a nation willing to engage in the battle can stop the march of evil.

"All that is necessary for evil to succeed," Edmund Burke wrote, "is that good men do nothing." Today, in a dark world, we condemn human rights abuses. We argue about "outlawing" genocide. We free our conscience by disengaging ourselves, and then we build memorials to the dead. And throughout, we continue to watch the people die.

"Never again"—and seemingly forever.●

REVEREND WEIR AND FIGHTING TERRORISM

HON. FORTNEY H. (PETE) STARK

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Monday, May 20, 1985

● Mr. STARK. Mr. Speaker, the primary reason we continue to see an increase in international terrorism is that certain states have concluded they can conduct a war against much more powerful countries by means of such acts. The Western nations have found no effective means of countering state-supported terrorism, although the administration has talked loudly of preemptive strikes against the perpetrators.

I don't think attacks on the perpetrators alone, although satisfying, will reduce or end state-supported terrorism. Those states involved in this form of warfare are unlikely to run out of committed fanatics prepared to drive car bombs into buildings simply because the United States has made it dangerous to be a terrorist.

The way to fight state-supported terrorism, like the kidnaping of innocent American citizens such as Rev. Benjamin Weir and the sheltering of those who murdered our AID officials in Teheran, is to make it painful for the states involved to engage in this form of warfare.

I have introduced a bill, H.R. 725, which would give the President clear legal authority to embargo products from any nation that provides training, logistical support, or de facto sanctuary to those committing terrorist attacks on U.S. citizens. Without my bill, we will continue to take such contradictory actions as train counterterrorists for preemptive attacks while importing over $700 million from Iran, as we did in 1984.●

BALANCE SHEET: MARTIN AND VALERIE FROST

HON. MARTIN FROST

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Monday, May 20, 1985

● Mr. FROST. Mr. Speaker, I am inserting in the CONGRESSIONAL RECORD a balance sheet for my wife, Valerie, and me for the year 1984.

Because the required financial disclosure of the House does not go into much detail, I am voluntarily providing this additional information.

The financial statement follows:

BALANCE SHEET: MARTIN AND VALERIE FROST

As of 31 December 1984

	Amount
Assets:	
Checking account, First National Bank of De Soto	$1,173.11
Condominium, Dallas, TX	47,500.00
House and Lot, Arlington, VA	185,000.00
Home furnishings and other personal effects	35,000.00
Savings, Wright Patman Federal Credit Union	285.07
Checking account, Wright Patman Federal Credit Union	1,636.29
Retirement, U.S. Congress	30,131.04
IRA's, (Martin and Valerie)	4,900.00
Washington Fringe Benefit Investment Club (Valerie)	2,500.00
Subtotal	308,125.51
Automobiles:	
1979 Chevrolet Chevette	1,600.00
1971 AMC Gremlin	100.00
1984 Toyota Van	8,950.00
1984 Starcraft Pop-Up Trailer	5,000.00
Subtotal	15,650.00
Stocks and Bonds:	
200 Shares Anchor Hocking	$4,175.00
413 Shares Central and Southwest	9,240.88
362 Shares Exxon	16,018.50
100 Shares Federated Department Store	5,187.50
90 Shares General Motors	6,795.00
116 Shares Greyhound	2,885.00
179 Shares Houston Industries	3,960.38
66 Shares Eli Lilly	4,290.00
71 Shares Texaco	2,387.00
82 Shares Texas Eastern Corporation	2,378.00
52 Shares Texas Utilities	1,322.50
54 Shares Mobil	1,377.00
5 Shares Ohio Edison	66.25
16 Shares Southern Company	292.00
358 Shares Westinghouse	9,263.25
27 Shares Ensearch	546.75
34 Shares IBM	4,071.50
629 Shares Fundamental Investors	7,340.43
223 Shares Massachusetts Investors Trust	2,406.17
217 Shares Wellington Fund	2,630.04
139 Shares Eaton & Howard Balanced Fund	952.54
U.S. Savings Bonds	300.00
Subtotal	87,886.47
Total assets	411,661.98
Liabilities:	
Mortgage:	
Alpha Mortgage Corporation (Dallas Concominium)	37,500.00
Northern Virginia Savings & Loan (Arlington Residence)	135,00.00
Subtotal	172,500.00
Installments Loans:	
Open Charge Accounts (Balance)	1,000.00
Wright Patman Federal Credit Union (Automobile)	9,063.07
Subtotal	10,063.00
Total liabilities	182,563.07
Net Worth:	
Total assets	411,661.98
Total liabilities	182,563.07
Total net worth	229,098.91

A TRIBUTE TO EAGLE SCOUT JOSEPH LYZNIAK

HON. WILLIAM O. LIPINSKI

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Monday, May 20, 1985

● Mr. LIPINSKI. Mr. Speaker, I rise today to recognize an outstanding young man from the Fifth Congressional District of Illinois, Joseph Lyzniak. I am pleased to bring Joe to the attention of my colleagues since he has been chosen for promotion to the rank of Eagle Scout at a ceremony on June 1, 1985, at Our Lady of Good Counsel Church in Chicago.

After advancing through Cub Scouts and obtaining the Arrow of Light, Cub Scouting's highest achievement, Joseph joined troop 414 at its inception in October 1980. In earning the rank of Eagle Scout, Joe has obtained 9 skill awards, 26 merit badges, and numerous other scouting honors, including election into the Order of the Arrow. For his Eagle service project, Joe organized and conducted a toy drive for the handicapped children at the Misericordia Home for the Children, and with his fellow Scouts held a Christmas party for them. During his tenure with troop 414, Joe has attended three summer camps at the Owasippe Scout Reservation; two high adventure trips at the Philmont Scout Ranch in Cimmaron, NM, and at the Florida Sea Base in Islamorada, FL; has attended numerous hikes, campouts, and other Scouting activities and this summer will participate in a high adventure canoe trip out of Ely, MN.

Joe is presently serving as the troop's librarian and has also served in various leadership positions including senior patrol leader, patrol leader, assistant senior patrol leader, and as a member of the troop's leadership corps. A fine and active student at Quigley South High School, Joe is considering entering college at the University of Illinois in Champaign-Urbana.

Mr. Speaker, I deem it a great honor to join with the residents of the Fifth Congressional District in congratulating Joseph Lyzniak on the occasion of his obtaining the rank of Eagle Scout. Joe has demonstrated that he is an outstanding Scout, community member, student, and American citizen. I ask my colleagues to please join with me in wishing him every success in the future.●

THE RETIREMENT OF WARREN KNOWLES

HON. JIM MOODY

OF WISCONSIN

IN THE HOUSE OF REPRESENTATIVES

Monday, May 20, 1985

● Mr. MOODY. Mr. Speaker, I would like to pay tribute to a constituent whose life and work has been one of exemplary service to his State and community. That person is Warren Knowles, former Governor of Wisconsin who is now retiring from a distinguished career in banking.

Warren Knowles served the people of Wisconsin as a public official for 31 years, beginning with his election to the State senate in 1940. His distinguished political career included 15 years in the State senate, 10 of which were as Republican majority leader. In 1954 he was elected Lieutenant Governor of Wisconsin, a post to which he was again elected in 1960. In 1964 he

was elected Governor, a position he served in distinction until his retirement from political office at the end of this third term in 1970. He then joined the Heritage Bank of Wisconsin, serving as a chairman of the board.

Warren Knowles' career of service to the public at large extends far beyond the elected offices he held. He served on the boards of many civic and professional organizations, including the Leukemia Society of Wisconsin, the Milwaukee Athletes for Childhood Cancer, and the Medical College of Wisconsin. He has been awarded honorary degrees from eight colleges and universities, and has received many special awards and honors. A State park and a forest have been named after him.

Although Mr. Knowles and I belong to different political parties, I have always admired him as a symbol of the kind of selfless public service that serves as a model to all of us who hold the public trust.

This month Warren Knowles is now retiring from his current position as chairman of the board of Heritage Wisconsin Corp. However, I am certain that his generous contributions to the good of the State of Wisconsin and its people will continue for many years to come. I join many other admirers in extending best wishes and congratulations.●

ALONZO GARCELON ELECTED PRESIDENT OF THE NATIONAL RIFLE ASSOCIATION

HON. OLYMPIA J. SNOWE

OF MAINE

IN THE HOUSE OF REPRESENTATIVES

Monday, May 20, 1985

● Ms. SNOWE. Mr. Speaker, I would like to share with my colleagues two articles which appeared in recent editions of the Bangor Daily News and the Kennebec Journal concerning the achievements of Dr. Alonzo Garcelon of Augusta, ME.

A dentist by profession, Dr. Garcelon has dedicated limitless hours to promoting the rights of sportsmen in Maine and across the Nation. This summer the Augusta-Windsor Wildlife Area, a 3,000-acre area representing some of the finest upland and marsh habitat in that area of the State of Maine, will be dedicated in his name.

Dr. Garcelon received an honor of equal value recently when he was unanimously elected president of the National Rifle Association of America. Prior to this election, Dr. Garcelon had served on the association's board of directors for 21 years, and had most recently served as the NRA's first vice president.

I extend my sincere congratulations to Dr. Garcelon and I commend my colleagues the following newspaper articles about this fine Maine sportsman.

[From the Bangor Daily News, Apr. 30, 1985]

DR. GARCELON ELECTED NEW NRA PRESIDENT

SEATTLE.—An Augusta man was unanimously elected president of the National Rifle Association of America by its board of directors at the association's 114th annual meeting in Seattle.

A champion marksman and pro-gun activist, Dr. Alonzo H. Garcelon, DDS, accepted his position at the annual meeting which ended Sunday and said that he would work as a catalyst for promoting the goals of the association.

For the NRA, Garcelon said he would seek "fair coverage by the media, recruitment of millions of hunters as members, the raising of new generations of gun owners and hunters, and reaching the group which numbers more than 50 percent of all voters . . . the women of America."

A patron member of the NRA, Garcelon has served on its board of directors for 21 years. From 1981–83 he served as the NRA's second vice president and then as its first vice president until his election as president.

An active advocate of sportsmen's causes, in 1983 Garcelon led a successful fight against a proposed ban on moose hunting. The moose referendum was defeated by a margin of 60 to 39 percent.

Garcelon is also the co-founder and first president of the Sportsman's Alliance of Maine, and in 1978, three years after SAM was founded, he was named its honorary president for life. He is also an honorary president for life of the Maine Rifle and Pistol Association.

The state of Maine recently honored Garcelon for his accomplishments as a pro-hunter by deducating a state wild-life management area in his name.

Garcelon is an accomplished competitive marksman as he was the National Champion Bench Rest Shooter in 1965. Director of the Eastern Region for the National Bench Rest Shooter's Association from 1965–66, Garcelon was elected its president for a one-year term in 1967.

In 1970, Garcelon was elected first president of the International Bench Rest Shooter's Association and was named honorary president for life in 1972. The following year, he became a world record holder in bench rest shooting.

Other honors Garcelon has achieved and posts he has served include: executive committee member for the Secretary of the U.S. Army; director of Civilian Marksmanship; a member of the National Board for Promotion of Rifle Practice; chairman of the Advisory Council, Maine Department of Inland Fisheries and Game; co-founder and vice president of the National Resources Council of Maine, an affiliate of the National Wildlife Federation; and honorary president for life of the Pine Tree (Maine) Rifle and Pistol Association.

Garcelon is also a life member of numerous outdoor sporting clubs which include: the Hampden Rifle and Pistol Club; the New Hampshire State Rifle and Pistol Association; the Maine Bird Dog Club, and the Tri City Pistol Club, of which he is past president.

A public and private health dentist, Garcelon was a member of the Executive Committee, Maine Dental Association for 24 years and is past president of the Maine Dental Association and Board of Dental Examiners.

[From the Kennebec Journal, Augusta, ME, Apr. 17, 1985]

GARCELON HONORED FOR EFFORTS

(By Gene Letourneau)

Dr. Alonzo H. Garcelon of Augusta, whose efforts on the part of sportsmen for more than 30 years have been limitless, will be honored soon when the Augusta-Windsor Wildlife Management area is dedicated in his name.

The cause of sportsmen and the natural resources of Maine always have been foremost in any undertaking by Garcelon. As a vice president of the National Rifle Association, former chairman of the Advisory Council to the Fisheries-Wildlife Department Garcelon led the way to the preservation of sportsmen heritage rights. His efforts in both the right to bear arms afield and to preserve the sport of hunting are well known. He took an initiative role in the campaign which led to the defeat of the referendum aimed at preventing an open season on moose.

Commissioner Glenn H. Manuel personally informed Garcelon of the decision to name the area in his honor.

Manuel wrote: "Our association traces back a good number of years to when I was in the legislature and you were chairman of the department's advisory council. And, of course, we both have served the people of Maine, the state's sportsmen and the fisheries and wildlife resources in a number of other capacities, both before and since those times.

"As with any other two individuals with interests and responsibilities in fish and game matters, there have been times when we took opposite positions on specific issues but never have I doubted that we were always striving for the same basic goals, to make Maine a better place for sportsmen to live and to visit and to realize the optimum management of our wild resources within the means available to us.

"Very few, if any, individuals have maintained such a high level of commitment to these goals for as long as you have.

"At a ceremony this spring or summer we will dedicate the so-called Augusta-Windsor Wildlife Management area in your name. Situated partly in your home city, the two tracts that comprise this 3000-acre area represent some of the finest upland and marsh habitat in this part of the state.

"I feel this represents a fitting tribute bonus to make in recognition of your many contributions toward preserving Maine's rich sporting heritage—one that you will be able to enjoy personally within a drive of only a few miles from your home."

The last time we chatted with Garcelon was when we met him and longtime hunting friend, Dr. Dean Fisher, retired head of the Maine Human Services Department, on a remote, on-land road in the Blanchard area. They were hunting birds, had not seen very many, got none, but they were having a wonderful time, just being out in the open.

Garcelon bemoaned the death of a Blackfield Pointer he had kept for many years for Ed Muskie, former Maine governor, U.S. Senator, Secretary of State. While on different sides of the political fence, their views on Maine's outdoors always have been focused on one objective—to make it better.

Dedicating the Augusta wildlife management area to Garcelon is a tribute well deserved.●

PERSONAL EXPLANATION

HON. TOM LEWIS

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Monday, May 20, 1985

● Mr. LEWIS of Florida. Mr. Speaker, on Wednesday, May 15, due to official business, I was unavoidably absent during roll call No. 117. Had I been present, I would have voted "yea."●

BUDGET CUTS TO FURTHER DISABLE THE BLIND

HON. CHARLES B. RANGEL

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Monday, May 20, 1985

● Mr. RANGEL. Mr. Speaker, is there no end to the cruel and inhumane treatment that this administration wants to inflict on the poor, and handicapped poor of this country? The proposed budget by this administration would eliminate the free National Library Service for the Blind. A vital service that provides reading materials to 625,000 of the sightless. A vital service that provides reading materials which links the sightless to the rest of the world.

The budgets of all administrations, Democratic and Republican, liberal and conservatives have provided this service since 1899, through regional libraries. Braille literature is bulky, and postage is more expensive to mail than printed materials. Thirty-seven percent of these users have annual incomes under $5,000. For example, a copy of the National Geographic, at regular rates, would cost $1.82. Gone With The Wind would require $20 to mail; costs that their meager incomes would not permit.

For 72 years Mr. Reagan has had the gift of sight which has given him complete access to the universe. Has he and his budget cronies become so callous and insensitive to those who are less fortunate than they, that they would cut a program that cost $60.80 per year for each user?●

THE "JUSTICE" DEPARTMENT

HON. CARROLL HUBBARD, JR.

OF KENTUCKY

IN THE HOUSE OF REPRESENTATIVES

Monday, May 20, 1985

● Mr. HUBBARD. Mr. Speaker, the Los Angeles Times and the Washington Post last Friday reported that "top Justice Department officials" are "concerned that an indictment of Teamsters Union President Jackie Presser might damage the FBI's reliance on informants."

The Justice Department continues to delay any decision on the Cleveland, OH, Federal prosecutors 100-page recommendation that Mr. Presser be indicted in a union payroll-padding case, according to the newspapers' accounts.

"FBI concerns could derail the recommended indictment," according to the two newspapers.

Quoting two paragraphs from last Friday's Los Angeles and Washington newspapers:

> The sources, who spoke on condition they not be identified, said Cleveland strike force attorneys Steven R. Olah and Stephen H. Jigger have been told by their superiors at the Justice Department to learn how valuable Presser has been to the FBI as an informant and whether he is still cooperating with the bureau.
>
> The Presser investigation continues to present political problems for President Reagan's top appointees at the Department of Justice because Presser has been Reagan's chief supporter in organized labor.

Obviously, yes, the U.S. Justice Department is weighing carefully the political ramifications as to whether or not an indictment of Teamsters Union President Jackie Presser is soon pushed forward or delayed further or stopped.

Those Americans who are familiar with the U.S. Justice Department know it is the most politically conscious and politically active agency in the Federal Government.

The Justice Department's 3-year investigation of allegations that Mr. Presser fraudulently approved payment of more than $250,000 from the treasury of his hometown Cleveland local to associates who performed no work for the union is another reminder of just how our "Justice" Department operates.●

MINORITIES AND WOMEN GET HELP IN TELECOMMUNICATIONS

HON. MICKEY LELAND

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Monday, May 20, 1985

● Mr. LELAND. Mr. Speaker, as a member of the House Subcommittee on Telecommunications, Consumer Protection and Finance, I long have been an advocate of measures designed to increase the representation of minorities and women in the telecommunications industries. Recently, at the National Association of Broadcasters Convention, I had the opportunity to view voluntary efforts by the broadcasting industry aimed at increasing opportunities for minorities in that industry.

Last year, the NAB introduced the Minority Television Programming Exhibition as a continuing component of its annual convention. The MTPE provides minority programmers an opportunity and a forum to demonstrate their wares to broadcast station owners, general managers, and others who purchase programming. More than 20 minority firms had the unique opportunity to market their product to decisionmakers, and to discuss program production with experts. The MTPE also provided representatives of the broadcast industry an opportunity to review programming from nontraditional sources.

For the past several years, the NAB also has sponsored a minority employment clearinghouse. The clearinghouse attempts to place minorities and women in broadcast jobs. According to the NAB, over the past 10 years, more than 300 minorities have obtained jobs through this service.

Some years ago, the NAB, in conjunction with minorities in the communications industry, created the Broadcast Capital Fund, Inc., or Broadcap. Broadcap is an industry sponsored fund that provides financial assistance for minorities seeking ownership of broadcast stations. To date, approximately 17 minority owned broadcast stations have received funding from Broadcap.

I commend the NAB for these efforts. This Nation has a long way to go before minorities or women reach full parity in the communications industries, but efforts such as the MTPE, Broadcap, and the minority employment clearinghouse are positive steps in the right direction. I challenge the broadcasting industry to continue and enhance its efforts, and I challenge other industries to initiate similar programs. Working together, the private and public sectors can provide greater opportunity for minorities in communications.●

MR. ROBERT DAIS HONORED

HON. GENE CHAPPIE

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Monday, May 20, 1985

● Mr. CHAPPIE. Mr. Speaker, I would like to take this opportunity, on behalf of the people of Siskiyou County, CA, to pay our highest tributes to our good friend, Robert Dais.

For some 37 years, Robert Dais has dedicated himself to education in Siskiyou County. On June 1, 1985, he will retire after having served as county superintendent of schools since 1972.

Mr. Speaker, as an educator and administrator, Robert Dais has been the driving force behind an educational system of distinction in Siskiyou County. Under his leadership, the county has moved to the forefront of the California education system in terms of innovative programs, solid funding initiatives and quality teaching.

Born and raised in Siskiyou County, Robert Dais was educated in the local

school system and received his masters degree in school administration from California State University at Chico.

Robert began his career at the McCloud Union Elementary School in 1948. In 1954, he was brought into the Siskiyou County superintendent's office as an elementary consultant. Moving through the ranks, Robert was appointed county superintendent of schools in 1972 and has been successfully reelected for three terms.

During his tenure as superintendent, Robert served 7 years on the California State Council of Education and was State chairman of the Teachers Rights and Responsibilities Committee for 4 years.

Robert Dais has been largely responsible for preserving the continuance of timber receipts for school districts in California and also established the first vocational regional occupational program for junior and senior students in Siskiyou County high schools.

Mr. Speaker, we owe a great deal to this fine man. Robert Dais has dedicated his whole life to ensuring that our children receive only the finest education. Through his efforts, the education system in Siskiyou County has grown and flourished to a position of stature and excellence.

Mr. Speaker, we shall miss Robert Dais. We shall miss his wisdom and judgement, and his commitment to our children. However, on the occasion of his retirement we have only joy and gratitude for his caring efforts on our behalf. The people of Siskiyou County want to say thanks.●

GALA DEDICATION OF EL CAMINO CONVALESCENT HOSPITAL PHOTOGRAPH GALLERY

HON. ROBERT T. MATSUI

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Monday, May 20, 1985

● Mr. MATSUI. Mr. Speaker, I rise to call to the attention of my colleagues a marvelous and novel project undertaken by the El Camino Convalescent Hospital in Sacramento, CA. Guided by the leadership of the resident council, the hospital has recently unveiled a photograph collection known as the "Gallery of Fame." The gallery contains over 200 framed and autographed photographs of the resident's favorite personalities from the worlds of government, athletics, religion, motion pictures, and television.

This wonderful project would not have been made possible without the public-spirited support of the Sacramento community. Individuals and businesses assisted the residents of the convalescent hospital in acquiring and framing the photographs.

I commend the residents of the El Camino Convalescent Hospital for bringing a marvelous addition to our community; one which can be appreciated and enjoyed by all.●

THE 40TH ANNIVERSARY OF AIRLIFT INTERNATIONAL, INC.

HON. WILLIAM LEHMAN

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Monday, May 20, 1985

● Mr. LEHMAN of Florida. Mr. Speaker, on May 25, 1945, John Paul Riddle, a pilot and flight instructor, incorporated a small commercial airlines based in Coral, Gables, FL. On Saturday, May 25, 1985, the company Riddle founded, now called Airlift International, Inc., observes its 40th anniversary—and Mr. Riddle's 84th birthday—at a celebration to be held at its facilities at Miami International Airport.

This happy event has special significance for the dedicated employees of Airlift, the company's talented general manager, Al Oliver, and corporate rebuilder Bill Seidle, who have overcome seemingly impossible financial, economic, and regulatory problems to keep the company's fleet of passenger and cargo aircraft in the air. It also has special significance for me personally, because John Paul Riddle taught me everything I know about piloting and maintaining aircraft over 40 years ago.

The history of this company is colorful and varied. Over the years, Airlift has flown passengers all over the world; carried newspapers from New York to south Florida for same-day delivery; flew support for construction of the distant early warning [DEW] system in Canada and Alaska; participated in the freedom flights that brought Cuban refugees to the United States; and operated aircraft for the United Nations in the Belgian Congo during the civil war there in 1962. Airlift also carried zoo animals from the jungles of Africa and South America to American zoos; American seeds to anxious farmers in India, Pakistan, and Bangladesh; plasma to flood victims; and oil well drilling machinery to the Amazon. The company currently provides extensive charter and air cargo service.

I would like to include for the RECORD the final paragraphs of a company history that help explain the important contribution of small airlines like Airlift in this Nation's air transportation network:

With all of this naturally, we have a cadre of the best trained pilots in the world today. We have an average of over 100 years of pilot experience in every cockpit. In all of these years and who knows how many millions of passenger miles, in everything from a DC-3 to the Stretch-8, we have yet to scratch our first passenger. Our aircraft, pilots and employees are an integral part of the United States CRAF Program, the Civilian Reserve Air Fleet, and are ready to respond to the needs of our county in time of war or any national emergency.

In an era of uncertainty in the aviation industry when no one can look ahead with any certainty into what the future holds, we can draw pride and satisfaction from this look into our past. Most of our pilots have 20 or more years of service with our Company, and during these 20 to 30 odd years, we have responded each and every time when our customers or our government have called on us. This was our duty and our destiny, and so it was fulfilled. Little else can be asked of a Company or its men.●

NATIONAL SCIENCE WEEK

HON. DOUG WALGREN

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Monday, May 20, 1985

● Mr. WALGREN. Mr. Speaker, I am pleased that Congress passed a joint resolution to commemorate the week of May 12-18 as National Science Week and to emphasize the importance of science and technology to each of us every day of our lives. The primary audience of National Science Week is young people, and this is appropriate because today's youth must be prepared to live and work comfortably in the rapidly advancing technological society of tomorrow. The National Science Foundation, with the private sector support provided by GE, IBM, Du Pont, and Eastman Kodak, has provided the framework for National Science Week to harness the imagination and talent of hundreds of individuals, groups, and organizations across the Nation into a week-long series of local activities to increase the public's awareness and understanding of the enjoyment and importance of science and technology.

The response to this national initiative by students, teachers, scientists from universities and industry, and the public was enthusiastic. The National Science Foundation received notice of over 500 activities which are taking place across the Nation in celebration of National Science Week. Schools took field trips, museums showed special exhibits, professional organizations sponsored lectures, and businesses highlighted corporate science. There were teacher workshops, short story contests, visiting scientists at schools, open houses at research facilities, and special radio and television programs. In addition, the Governors of the States of Texas, Alabama, Georgia, Hawaii, New York, Michigan, New Jersey, Kentucky, and Wyoming issued proclamations declaring May 12-18 as National Science Week.

Science and technology are timely national concerns, and National Science Week provided us all with a

forum for recognizing their importance to this country.●

OIL IMPORTS ARE STEADILY INCREASING—IT WOULD BE FOOLISH TO LOWER AUTO EFFICIENCY STANDARDS

HON. FORTNEY H. (PETE) STARK

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Monday, May 20, 1985

● Mr. STARK. Mr. Speaker, last year 29 percent of our demand for liquid petroleum was met by foreign imports. This figure is projected to jump to 43 percent over the next 15 years. To put these numbers into more realistic terms—domestic production isn't keeping pace with demand. I might add, the numbers I cite are low. They are based on current oil production which is expected to decrease as demand strengthens through the 1980's.

At this rate, U.S. import dependence will return to the level just prior to the energy shock of the Iranian revolution. Rather than continuing progress in cutting energy dependence the U.S. is moving toward a dangerous new dependency on foreign oil imports. A few weeks ago the Wall Street Journal ran an article pointing out that the United States is once again losing ground on several fronts:

Imports of oil rose last year for the first time since 1979, augmented by a new flood of imported refined products.

U.S. oil companies are cutting back sharply on exploration needed to assure future domestic supplies.

The Strategic Petroleum Reserve, the huge U.S. Government stockpile of crude oil stored for an emergency, stands far short of its planned goal.

In light of all this I find it absolutely absurd that the administration would even consider requests by Ford and General Motors to lower the fuel mileage efficiency standards on new car fleets from 27.5 miles per gallon to 26 miles per gallon. Maintaining the standard will save millions of barrels per year. We cannot afford to do otherwise.

Further conservation remains a matter of urgency as well as sound economics. I encourage Members to cosponsor my bill H.R. 1425 which removes the administration's authority to lower the standard, holding it at 27.5 miles per gallon—a figure Chrysler and others have achieved.●

CUBAN INDEPENDENCE DAY: THE SPIRIT OF JOSE MARTI LIVES ON

HON. DANTE B. FASCELL

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Monday, May 20, 1985

● Mr. FASCELL. Mr. Speaker, today is Cuban Independence Day, a day of great pride and hope for the Cuban people. Today is a very special day, indeed, for it also marks the initiation of Radio Marti, radio broadcasting of the voice of freedom and liberty to the people of Cuba.

Cuba has known the spirit of liberty—the spirit of the great Cuban patriot, Jose Marti. Freedom to think, freedom to speak, safe from reprisals by governments, political parties, or any who would impose their will. That is what Jose Marti fought for and that is the goal and meaning of Radio Marti. On this, the first day of Radio Marti broadcasts, the free people of the United States renew their commitment to the goals shared by freedom loving people everywhere, the common goals held by Washington, Jefferson, Bolivar, and Marti.

We in the United States look forward to that day when every station in Cuba reflects the heritage of Marti, a commitment to seek truth from the clash of ideals, freely expressed and unfettered by party ideology or state dogma. On this day of independence, we salute the Cuban people. We trust that the day will come again when we can stand together in the light of liberty which is our common heritage.●

SENATE COMMITTEE MEETINGS

Title IV of Senate Resolution 4, agreed to by the Senate on February 4, 1977, calls for establishment of a system for a computerized schedule of all meetings and hearings of Senate committees, subcommittees, joint committees, and committees of conference. This title requires all such committees to notify the Office of the Senate Daily Digest—designated by the Rules Committee—of the time, place, and purpose of the meetings, when scheduled, and any cancellations or changes in the meetings as they occur.

As an additional procedure along with the computerization of this information, the Office of the Senate Daily Digest will prepare this information for printing in the Extensions of Remarks section of the CONGRESSIONAL RECORD on Monday and Wednesday of each week.

Any changes in committee scheduling will be indicated by placement of an asterisk to the left of the name of the unit conducting such meetings.

Meetings scheduled for Tuesday, May 21, 1985, may be found in the Daily Digest of today's RECORD.

MEETINGS SCHEDULED

MAY 22

9:30 a.m.

Energy and Natural Resources

Business meeting, to resume consideration of S. 979, to extend the expiration date of titles I and II of the Energy Policy and Conservation Act, and other pending calendar business.

SD-366

Judiciary

Criminal Law Subcommittee

To hold hearings on S. 605, to clarify certain provisions of the National Stolen Property Act as applied to imported archeological and ethnological materials.

SD-226

10:00 a.m.

Agriculture, Nutrition, and Forestry

Business meeting, to mark up S. 501 and S. 616, bills to expand export markets for United States agricultural commodities, provide price and income protection for farmers, assure consumers an abundance of food and fiber at reasonable prices, and continue low-income food assistance programs, and related measures.

SR-328A

Appropriations

District of Columbia Subcommittee

To hold hearings on proposed budget estimates for fiscal year 1986 for the District of Columbia government.

SD-138

Banking, Housing, and Urban Affairs

To resume hearings on recent changes in the financial services industry.

SD-538

Environment and Public Works

To hold hearings on the nomination of Francis S. Blake, of Maryland, to be Assistant Administrator (General Counsel) of the Environmental Protection Agency.

SD-406

Foreign Relations

To resume hearings on American policy toward South Africa.

SD-419

Governmental Affairs

Civil Service, Post Office, and General Services Subcommittee

To hold oversight hearings on a General Accounting Office report on Federal pay equity and classification system.

SD-342

Joint Economic

Agriculture and Transportation Subcommittee

To resume hearings to review economic problems in rural areas, focusing on rural community services, education, and health care.

SD-562

10:30 a.m.

Judiciary

Juvenile Justice Subcommittee

To hold oversight hearings to examine the scope of missing children.

SD-215

11:00 a.m.

Labor and Human Resources

To hold hearings on S. 797, the Youth Employment Opportunity Wage Act of 1985.

SD-430

2:00 p.m.
Appropriations
Interior and Related Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1986 for Naval Petroleum Reserves, and fossil energy.
SD-138

Governmental Affairs
Intergovernmental Relations Subcommittee
To hold hearings on S. 765, to provide for coordinated management and rehabilitation of the Great Lakes.
SD-342

Judiciary
To hold hearings on pending nominations.
SD-226

Small Business
Small Business: Family Farm Subcommittee
To hold hearings on small issue industrial development bonds as a source of capital for small business expansion.
SD-428A

MAY 23

9:30 a.m.
Commerce, Science, and Transportation
Aviation Subcommittee
To hold hearings on S. 586, to provide for the review of certain authority in awarding international airline route certificates issued under the Federal Aviation Act.
SR-253

Governmental Affairs
Oversight of Government Management Subcommittee
To hold hearings on S. 1134, to permit Federal agencies to impose monetary penalties on individuals or companies which submit false claims to the government.
SD-342

Labor and Human Resources
Handicapped Subcommittee
Business meeting, to mark up S. 415, to clarify the intent of Congress to protect the educational rights of handicapped children, and S. 974, to provide for protection and advocacy for mentally ill persons.
SR-428A

10:00 a.m.
Agriculture, Nutrition, and Forestry
Business meeting, to mark up S. 501 and S. 616, bills to expand export markets for United States agricultural commodities, provide price and income protection for farmers, assure consumers an abundance of food and fiber at reasonable prices, and continue low-income food assistance programs, and related measures.
SR-328A

Foreign Relations
To hold hearings on the nominations of Douglas W. McMinn, of Virginia, to be an Assistant Secretary of State, and Abraham D. Sofaer, of New York, to be Legal Advisor of the Department of State.
SD-419

Governmental Affairs

Civil Service, Post Office, and General Services Subcommittee
To continue oversight hearings on a General Accounting Office report on Federal pay equity and classification system.
SD-138

Judiciary
Business meeting, to consider pending calendar business.
SD-226

Labor and Human Resources
Children, Family, Drugs, and Alcoholism Subcommittee
To hold hearings on efforts to locate missing children.
SD-430

10:15 a.m.
Environment and Public Works
To hold hearings on proposed legislation to ban lead pipes and lead solder in drinking water systems.
SD-406

4:00 p.m.
Select on Intelligence
Closed briefing on intelligence matters.
S-407, Capitol

MAY 24

9:30 a.m.
Banking, Housing, and Urban Affairs
International Finance and Monetary Policy Subcommittee
To hold hearings on S. 635, to express opposition of the United States to the system of apartheid in South Africa by prohibiting new U.S. bank loans to the Government of South Africa, prohibiting investment by U.S. firms in South Africa, prohibiting the importation of South African gold coins into the United States, and forbidding the sale of computers to the Government of South Africa.
SD-538

JUNE 3

9:30 a.m.
Finance
Health Subcommittee
To hold hearings on proposed legislation to modify the Medicare direct medical education pass-through.
SD-215

JUNE 4

9:30 a.m.
Energy and Natural Resources
Energy Regulation and Conservation Subcommittee
To hold oversight hearings on the impact of imported petroleum products on the domestic petroleum industry.
SD-366

10:00 a.m.
Foreign Relations
Business meeting, to consider pending calendar business.
SD-419

2:00 p.m.
Labor and Human Resources
To hold hearings on the nomination of Gary L. Bauer, of Virginia, to be Under Secretary of Education.
SD-430

JUNE 5

9:30 a.m.
Finance
To hold hearings on S. 814, to make technical corrections to certain provisions of the Tax Reform Act of 1984, and proposed technical corrections to the Retirement Equity Act (P.L. 98-397).
SD-215

Labor and Human Resources
To hold hearings on drug export reform.
SD-430

JUNE 6

9:30 a.m.
Energy and Natural Resources
Natural Resources Development and Production Subcommittee
To hold oversight hearings on the impact of coal imports on the domestic coal industry.
SD-366

JUNE 10

2:00 p.m.
Energy and Natural Resources
Energy Research and Development Subcommittee
To resume oversight hearings on proposed budget requests for fiscal year 1986 for programs of the Department of Energy, focusing on fossil energy programs.
SD-366

JUNE 11

9:30 a.m.
Environment and Public Works
Nuclear Regulation Subcommittee
To hold joint hearings with the Committee on Labor and Human Resources on the implementation of the Orphan Drug Act (P.L. 97-414), focusing on section 7(b) relating to radiation-cancer liability.
SD-430

Labor and Human Resources
To hold joint hearings with the Committee on Environment and Public Works' Subcommittee on Nuclear Regulation on the implementation of the Orphan Drug Act (P.L. 97-414), focusing on section 7(b) relating to radiation-cancer liability.
SD-430

Labor and Human Resources
Handicapped Subcommittee
To hold oversight hearings on administrative activities of Gallaudet College and the National Technical Institute for the Deaf.
SR-428A

10:00 a.m.
Energy and Natural Resources
Water and Power Subcommittee
To hold hearings on S. 403, to revise requirements with respect to the issuance of licenses for existing hydroelectric facilities, and S. 426, to provide for more protection to electric consumers.
SD-366

JUNE 12

9:00 a.m.
Office of Technology Assessment
The Board, to hold a general business meeting.
EF-100, Capitol

9:30 a.m.
Environment and Public Works
Nuclear Regulation Subcommittee
To continue joint hearings with the Committee on Labor and Human Resources on the implementation of the Orphan Drug Act (P.L. 97-414), focusing on section 7(b) relating to radiation-cancer liability.
SD-430

Labor and Human Resources
To continue joint hearings with the Committee on Environment and Public Works' Subcommittee on Nuclear Regulation on the implementation of the Orphan Drug Act (P.L. 97-

414), focusing on section 7(b) relating to radiation-cancer liability.
SD-430

Rules and Administration
To hold hearings on the nomination of Ralph E. Kennickell, Jr., of Virginia, to be Public Printer.
SR-301

JUNE 13

9:30 a.m.
Commerce, Science, and Transportation
Business meeting, to consider pending calendar business.
SR-253

Labor and Human Resources
Labor Subcommittee
To hold hearings on S. 1105, to reform the Walsh-Healey Act to allow Federal contractors in the private sector to work flextime hours.
SD-628

JUNE 14

9:30 a.m.
Finance
Health Subcommittee
To hold hearings on health promotion and disease prevention strategies for Medicare beneficiaries.
SD-215

JUNE 17

9:30 a.m.
Labor and Human Resources
To hold hearings on home health care reform.
SD-430

JUNE 18

9:30 a.m.
Energy and Natural Resources
Energy Regulation and Conservation Subcommittee
To hold oversight hearings on the current status of and factors affecting the natural gas market.
SD-366

Labor and Human Resources
To continue hearings on home health care reform.
SD-430

10:00 a.m.
Environment and Public Works
Business meeting, to consider pending calendar business.
SD-406

JUNE 19

10:00 a.m.
Labor and Human Resources
Education, Arts, and Humanities Subcommittee
To hold hearings on proposed legislation authorizing funds for fiscal year 1986 for the National Endowment of the Arts and the National Endowment for the Humanities.
SD-430

JUNE 20

10:00 a.m.
Labor and Human Resources
Education, Arts, and Humanities Subcommittee
To continue hearings on proposed legislation authorizing funds for fiscal year 1986 for the National Endowment of the Arts and the National Endowment for the Humanities.
SD-485

Labor and Human Resources
Children, Family, Drugs, and Alcoholism Subcommittee
To hold hearings to examine the problem of drugs in the military.
SD-430

JUNE 25

9:30 a.m.
Labor and Human Resources
To hold oversight hearings to examine certain barriers to adoption.
SD-430

10:00 a.m.
Environment and Public Works
Business meeting, to consider pending calendar business.
SD-406

JULY 10

9:30 a.m.
Labor and Human Resources
To resume oversight hearings to examine certain barriers to adoption.
SD-430

JULY 15

2:00 p.m.
Environment and Public Works
Regional and Community Development Subcommittee
To hold hearings to review the programs and policies of the Tennessee Valley Authority.
SD-406

JULY 16

9:30 a.m.
Labor and Human Resources
To hold oversight hearings to examine U.S. relations with the International Labor Organization (I.L.O.).
SD-430

10:00 a.m.
Environment and Public Works
Regional and Community Development Subcommittee
To continue hearings to review the programs and policies of the Tennessee Valley Authority.
SD-406

JULY 17

9:00 a.m.
Labor and Human Resources
Business meeting, to consider pending calendar business.
SD-430

JULY 22

2:00 p.m.
Environment and Public Works
Regional and Community Development Subcommittee
To resume hearings to review the programs and policies of the Tennessee Valley Authority.
SD-406

JULY 31

9:30 a.m.
Labor and Human Resources
To hold hearings to examine certain barriers to health care.
SD-430

OCTOBER 1

11:00 a.m.
Veterans' Affairs
To hold hearings to review the legislative priorities of the American Legion.
SD-106

CANCELLATIONS

MAY 22

9:30 a.m.
Select on Intelligence
Closed briefing on intelligence matters.
SH-219